



LONG BEACH  
CITY COLLEGE

# Adopted Budget 2024-25

Presented by:  
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Fiscal Services

September 11, 2024

# Overview

- Board Goals, Institutional Priorities & Strategic Plan Goals
- Resource Allocations: Goals & Priorities
- State Budget Overview
- BAC Planning Assumption Highlights
- FTES History and Projection
- List of All District Funds – Expenditures & Other Outgo

# Overview (continued)

- Unrestricted General Fund Details
- Overall Summary
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- Major Revenue Changes in 2024-25
- Expenditure Summary
- Major Expenditure Changes in 2024-25
- 7-Year Trends
- Future Budget Challenges

# **Board Goals, Institutional Priorities & Strategic Plan Goals**

Adopted Budget 2024-25

# Annual Planning Cycle

- Annual Planning begins each fall and culminates in the creation of institutional priorities each spring.
- All areas of the College engage in the annual planning process working toward measurable goals and activities aligned with the institutional priorities, 2022-2026 Strategic Plan, and the Vision for Success.
- New resource requests are identified through this process so that planning and budgeting are aligned.

# **Board of Trustees Goals 2023-24**

- **Strategic Goal I: Innovate to Achieve Equitable Success**
- **Strategic Goal II: Accelerate College Readiness and Close Equity Gaps**
- **Strategic Goal III: Build Community**
- **Strategic Goal IV: Invest in People and Support Structures for Transformation**

# Institutional Priorities

adopted on March 21, 2024

In alignment with the California Community Colleges Chancellor's Office Vision for Success and Long Beach City College's Strategic Plan goals, the College will primarily focus on:

- A. Supporting the improvement of equitable course success rates, learning, and persistence.
  - i. Increase Transfer-level math and English course completion rates for first time, first-year degree seeking students
- B. Improving the efficiency of business processes and practices to support compliance, service delivery, and instruction.

# **Institutional Priorities**

**adopted March 21, 2024**

**(continued)**

- C. Providing continued support for campus safety initiatives.
- D. Increasing students' and employees' sense of belonging and mattering by actively creating an inclusive, caring, and anti-racist environment in all spaces (virtual and physical) on campus.
- E. Establishing and strengthening relationships and partnerships with community organizations, industry partners, and educational institutions.



# Strategic Plan Goals

## adopted for 2022-2026

1. Inclusive
  - i. By creating an inclusive, anti-racist, and welcoming environment, all students and employees will feel that their voices matter and that their identities are valued and re-affirmed.
2. Supportive
  - i. Through fostering a culture of care and collegiality, students and employees will feel supported, valued, and respected.
3. Innovative
  - i. Through implementing innovative approaches, LBCC will achieve equitable student outcomes, address emerging industry needs, and promote sustainability.
4. Synergy
  - i. By creating synergy between community, education, and local and regional industry, partnerships will be strengthened to support the equitable achievement of students' educational & career goals.

# Highlighted Resource Allocations: Goals & Priorities

Grants & Funding Allocations	LBCC Institutional Priorities and Board Goals Related to Institutional Planning				
	I., II., IV. & A. Improve equitable course success rates, learning, and persistence; Increase transfer-level math and English completion	IV. & B. Improve the efficiency of business processes and practices to support compliance, service delivery, and instruction	I., II., IV. & C. Provide continued support for campus safety initiatives	I., II. & D. Increase sense of belonging by actively creating an inclusive, caring, and anti-racist environment	I., II. & E. Establish/ Strengthen Relationships With Local Community Organizations
Strong Workforce	√			√	√
Adult Ed Regional Consortium	√			√	√
Title V Grant for DESTINO (STEM Initiative & Science Center)	√	√		√	
Student Equity Achievement Program	√	√		√	√
Small Business Development Center		√			√
COVID-19 Response Grants		√	√	√	

# Highlighted Resource Allocations: Goals & Priorities

Grants & Funding Allocations (Continued)	LBCC Institutional Priorities and Board Goals Related to Institutional Planning				
	I., II., IV. & A. Improve equitable course success rates, learning, and persistence; Increase transfer-level math and English completion	IV. & B. Improve the efficiency of business processes and practices to support compliance, service delivery, and instruction	I., II., IV. & C. Provide continued support for campus safety initiatives	I., II. & D. Increase sense of belonging by actively creating an inclusive, caring, and anti-racist environment	I., II. & E. Establish/ Strengthen Relationships With Local Community Organizations
LGBTQ+ CCCCCO Allocation	√	√		√	
Equal Employment Opportunity (EEO) Best Practices				√	
Phoenix Scholars (Gang-Involved Student Supports)	√	√		√	√
Title V Grant for CASA Program	√	√		√	
Title V Grant for PASO Program/ PSSP Grant for SCAN Program	√	√		√	
AANHPI Student Achievement Program CCCCCO Allocation	√	√		√	
Online Educational Resources CCCCCO Allocation	√	√			

# Highlighted Resource Allocations: Goals & Priorities

Student Success Initiatives	LBCC Institutional Priorities and Board Goals Related to Institutional Planning				
	I., II., IV. & A. Improve equitable course success rates, learning, and persistence; Increase transfer-level math and English completion	IV. & B. Improve the efficiency of business processes and practices to support compliance, service delivery, and instruction	I., II., IV. & C. Provide continued support for campus safety initiatives	I., II. & D. Increase sense of belonging by actively creating an inclusive, caring, and anti-racist environment	I., II. & E. Establish/ Strengthen Relationships With Local Community Organizations
First Year Experience Program	√	√		√	
Learning Communities	√	√		√	
Student-Centered Scheduling Improvements (including 8-week course scheduling)	√	√			
Student Success Teams	√	√		√	
Equitable Placement Implementation	√			√	
Equitable Teaching Community	√			√	
Bachelor's Degree Program	√	√		√	
Dreamscape	√	√			

# Highlighted Resource Allocations: Goals & Priorities

Student Support Programs & Services	LBCC Institutional Priorities and Board Goals Related to Institutional Planning				
	I., II., IV. & A. Improve equitable course success rates, learning, and persistence; Increase transfer-level math and English completion	IV. & B. Improve the efficiency of business processes and practices to support compliance, service delivery, and instruction	I., II., IV. & C. Provide continued support for campus safety initiatives	I., II. & D. Increase sense of belonging by actively creating an inclusive, caring, and anti-racist environment	I., II. & E. Establish/ Strengthen Relationships With Local Community Organizations
Welcome Center	√	√		√	
Dreamer Supports	√	√		√	
Veterans Supports	√	√		√	
Early College Initiatives	√	√		√	
Mental Health Support for Students	√	√		√	
North Long Beach Higher Education Center	√	√		√	√
Embedded Tutoring	√	√		√	

# Highlighted Resource Allocations: Goals & Priorities

Student Support Programs & Services	LBCC Institutional Priorities and Board Goals Related to Institutional Planning				
	I., II., IV. & A. Improve equitable course success rates, learning, and persistence; Increase transfer-level math and English completion	IV. & B. Improve the efficiency of business processes and practices to support compliance, service delivery, and instruction	I., II., IV. & C. Provide continued support for campus safety initiatives	I., II. & D. Increase sense of belonging by actively creating an inclusive, caring, and anti-racist environment	I., II. & E. Establish/ Strengthen Relationships With Local Community Organizations
Social Justice & Intercultural Center	√	√		√	
Black Student Success Center	√	√		√	
Center for Teaching and Learning	√	√		√	
Boys and Girls Club	√			√	√
Starfish Early Alert	√	√		√	
Office of Basic Needs	√	√		√	

# Highlighted Resource Allocations: Goals & Priorities

Faculty, Staff, and Infrastructure Supports	LBCC Institutional Priorities and Board Goals Related to Institutional Planning				
	I., II., IV. & A. Improve equitable course success rates, learning, and persistence; Increase transfer-level math and English completion	IV. & B. Improve the efficiency of business processes and practices to support compliance, service delivery, and instruction	I., II., IV. & C. Provide continued support for campus safety initiatives	I., II. & D. Increase sense of belonging by actively creating an inclusive, caring, and anti-racist environment	I., II. & E. Establish/ Strengthen Relationships With Local Community Organizations
Distance Learning Support	√	√		√	
Faculty Professional Development	√			√	
Noncredit Infrastructure	√	√		√	
Business Process Reviews	√	√		√	
Employee Professional Development	√		√	√	
Hiring Practices	√			√	

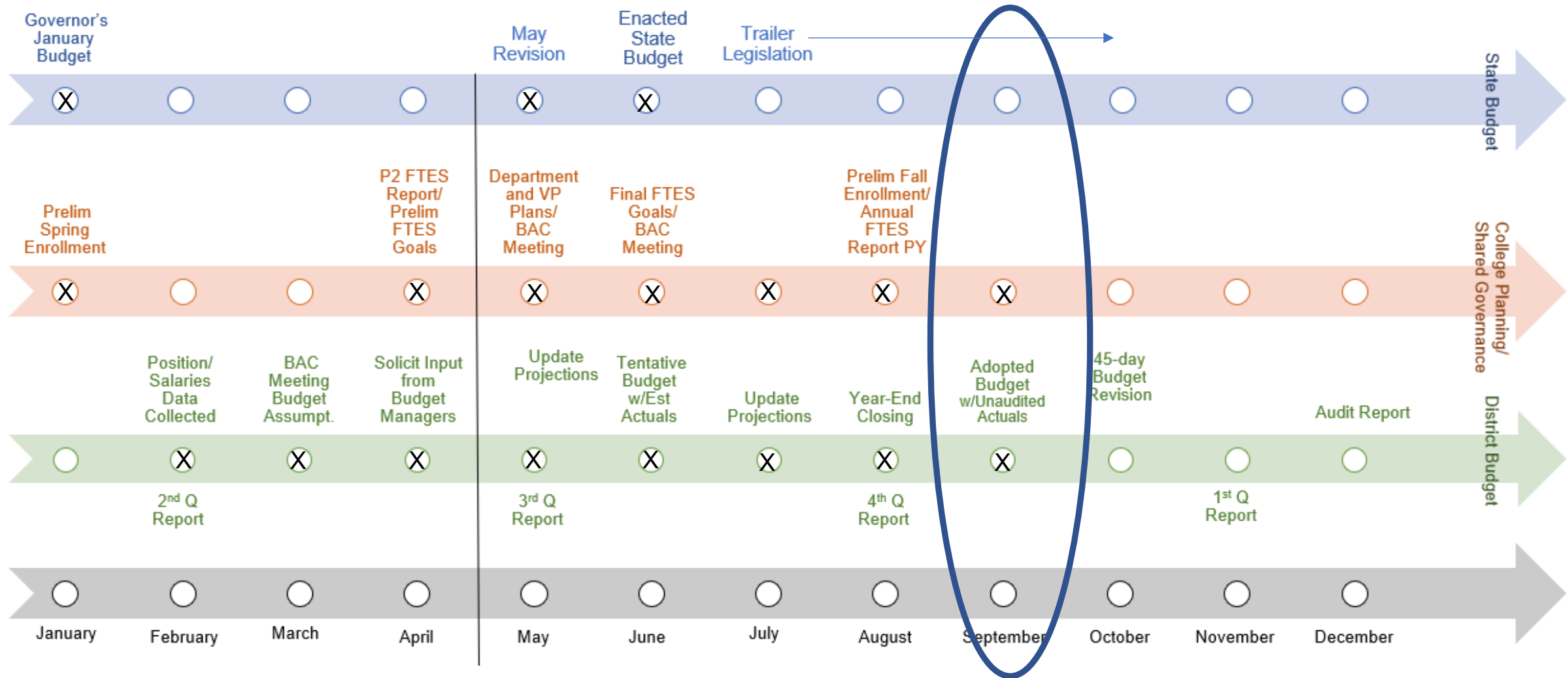
# Highlighted Resource Allocations: Goals & Priorities

Marketing & Community Outreach	LBCC Institutional Priorities and Board Goals Related to Institutional Planning				
	I., II., IV. & A. Improve equitable course success rates, learning, and persistence; Increase transfer-level math and English completion	IV. & B. Improve the efficiency of business processes and practices to support compliance, service delivery, and instruction	I., II., IV. & C. Provide continued support for campus safety initiatives	I., II. & D. Increase sense of belonging by actively creating an inclusive, caring, and anti-racist environment	I., II. & E. Establish/ Strengthen Relationships With Local Community Organizations
Community and High School Outreach				√	√
Marketing and Enrollment Campaign		√		√	√
Equitable Recruitment Efforts	√			√	√
Center for Community & Industry Partnerships	√			√	√
TTC 75 <sup>th</sup> Anniversary				√	√



# State Budget Overview

# Budget Development Cycle



# History of COLAs

Year	Statutory COLA	State Provided COLA
2000-01	3.17%	4.17%
2001-02	3.87%	3.87%
2002-03	1.66%	2.00%
2003-04	1.86%	0.00%
2004-05	2.41%	2.41%
2005-06	4.23%	4.23%
2006-07	5.92%	5.92%
2007-08	4.53%	4.53%
2008-09	5.66%	0.00%
2009-10	5.02%	0.00%
2010-11	-0.38%	0.00%
2011-12	2.24%	0.00%
2012-13	3.24%	0.00%

Year	Statutory COLA	State Provided COLA
2013-14	1.57%	1.57%
2014-15	0.85%	0.85%
2015-16	1.02%	1.02%
2016-17	0.00%	0.00%
2017-18	1.56%	1.56%
2018-19	2.71%	2.71%
2019-20	3.26%	3.26%
2020-21	2.31%	0%
2021-22*	1.70%	5.07%
2022-23	6.56%	6.56%
2023-24	8.22%	8.22%
2024-25	1.07%	1.07%
2025-26**	2.93%	
2026-27**	3.08%	
2027-28**	3.30%	

\*2-Year compounded rate.

\*\*Projected per School Services of California (July 2024).

Provided below Statutory COLA

Provided above Statutory COLA

# State Budget Overview

## Apportionment

- Student Centered Funding Formula (SCFF) 1.07% COLA - \$100.2 million
  - **\$1.8 million for LBCC**
- 0.5% Growth funding - \$28.1 million
  - *Growth authority for LBCC limited to 0.11%*
  - **\$120,000 funded growth for LBCC (\$2.6 million unfunded)**

# State Budget Overview

## Categorical Programs

- 1.07% COLA for the usual selected categorical programs (DSPS, EOPS, CARE, CalWORKs, Child Care Tax Bailout, Mandated Cost Block Grant, and Adult Education) - \$13.1 million
  - **\$240,000** for LBCC
- Nursing program capacity expansion - \$60 million one-time
  - *Competitive grants*
  - *Unknown impact on LBCC*
- Several small projects - \$23 million related to Vision 2030
  - *Unknown impact on LBCC*
- Other categorical programs – no change

# State Budget Overview

## Capital Facilities

- \$29.3 million in Proposition 51 funding for just one project
  - one-time
    - Does not include LBCC projects
    - LBCC projects continue with funding from prior budgets

# State Budget Overview

## State Reserve Withdrawals

- State reserve withdrawals – needed to balance the State Budget deficit
- Budget Stabilization Account (BSA, also known as the rainy-day fund) - \$12.2 billion in withdrawals
- Public School System Stabilization Account (PSSSA) - \$8.4 billion
  - State will deposit \$1.1 billion after 2024-25 to begin rebuilding a cushion for future years

# State Budget Overview

## Other State State Budget Balancing Tactics

- Deferrals
  - Apportionment revenue deferred from 2024-25 to 2025-26 - \$243.7
  - **6.3 million** for LBCC
  - No short-term financing anticipated for this amount
- Adjustments to Prior Year Funding
  - Strong Workforce Program – reappropriate 2019-20 unspent allocation \$18.8 million
  - Student Success Completion Grant – reappropriate 2021-22 unspent allocation \$21.3 million
  - LBCC will be notified of the impact by the Chancellors Office



# **BAC Budget Assumption Highlights**

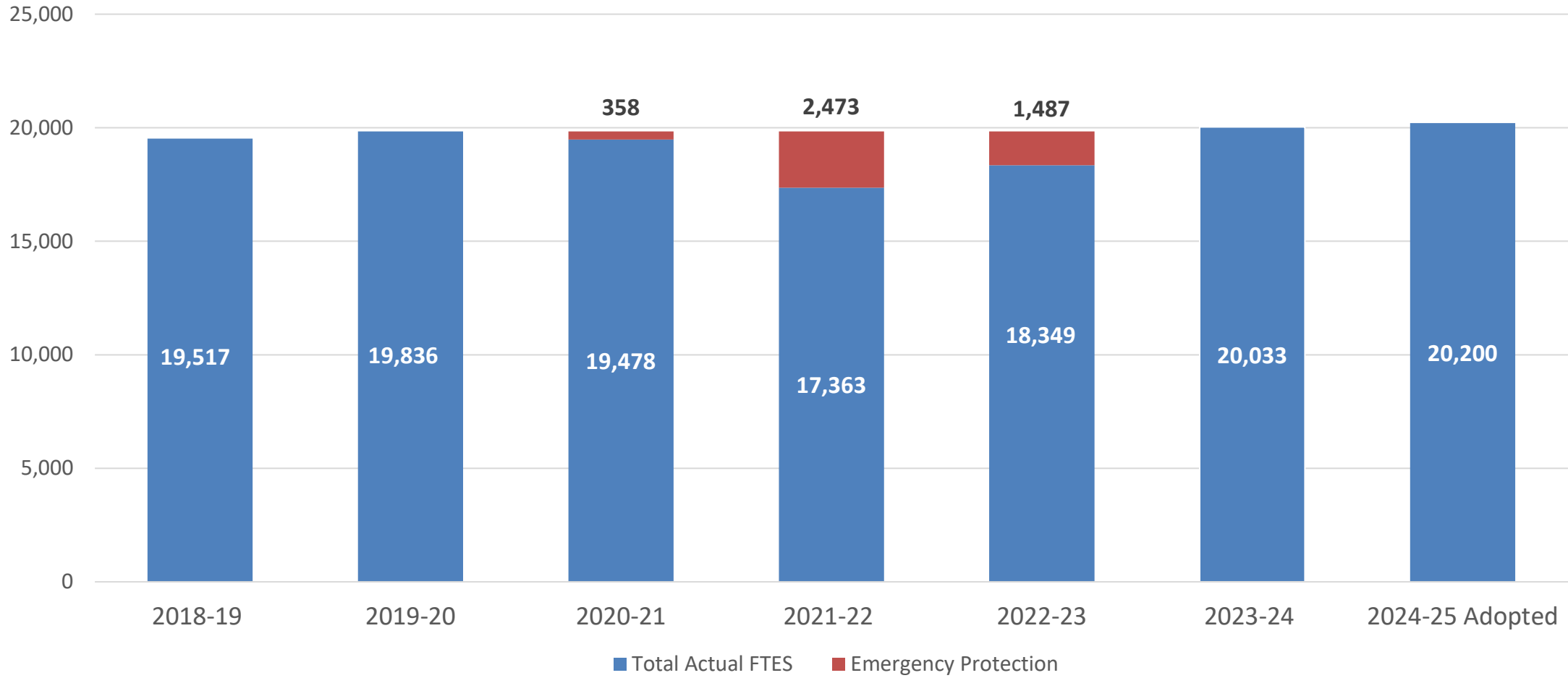
# BAC Budget Assumption Highlights

- There will be potential budget redirections in response to both the State's budget impact and the priorities as identified by the College Planning Committee (CPC).
- FTES total resident target is 20,200.
- A 0.5% deficit factor is budgeted based on past experience.
- Total Cost of Ownership – principles shall be employed in department planning and budgeting processes.

# BAC Budget Assumption Highlights

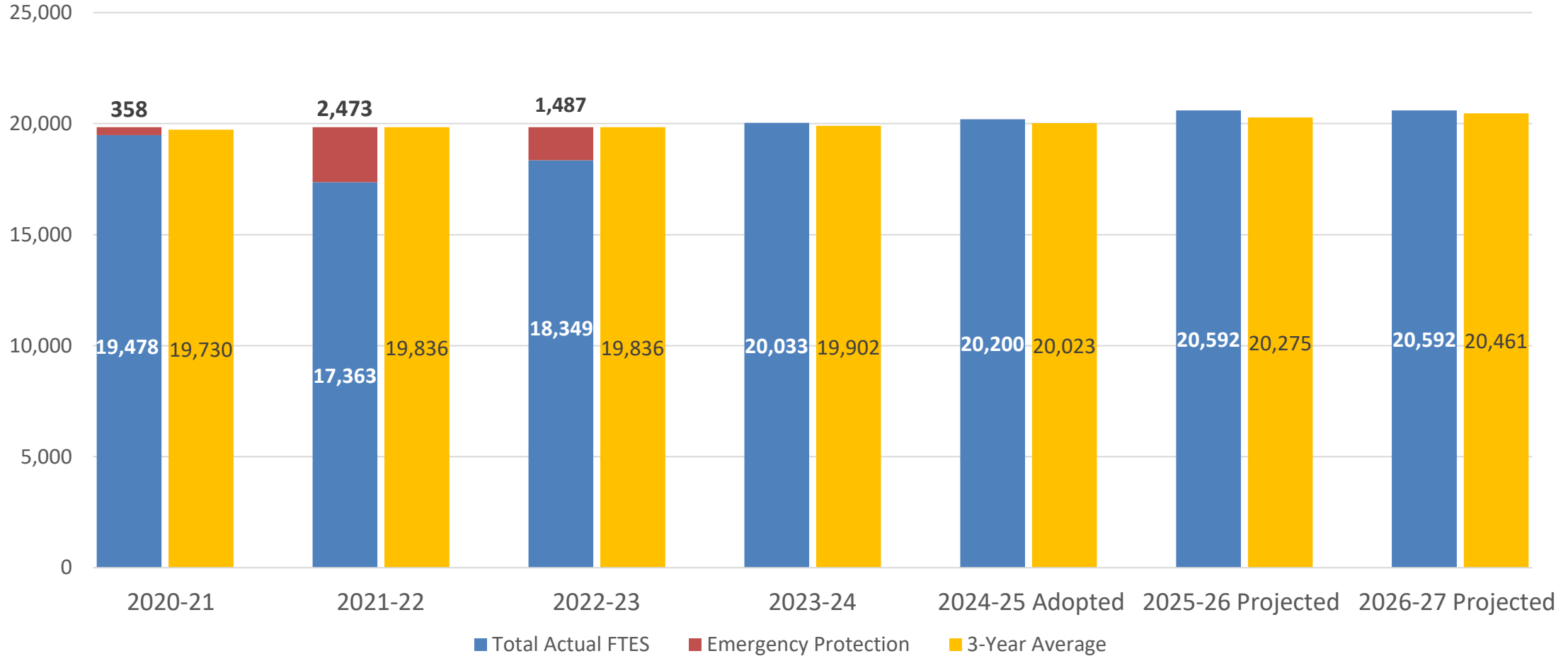
- Board Policy 6200 aligns with Chancellor's Office Recommended Goal of 16.67% reserves - \$34.6 million
  - Two months of Total General Fund operating expenses, equal to no less than 16.67% of Unrestricted General Fund expenditures
  - Aligned with Budgeting Best Practices published by the Government Finance Officers Association (GFOA).
- Load Banking and Vacation Liability Reserves – \$4.1 million
- Retiree Benefits Annual Required Contribution (ARC) – \$4.3 million
- Health & Welfare Premiums:
  - Increased by 5.8% - \$1.2 million

# FTES Comparison\*



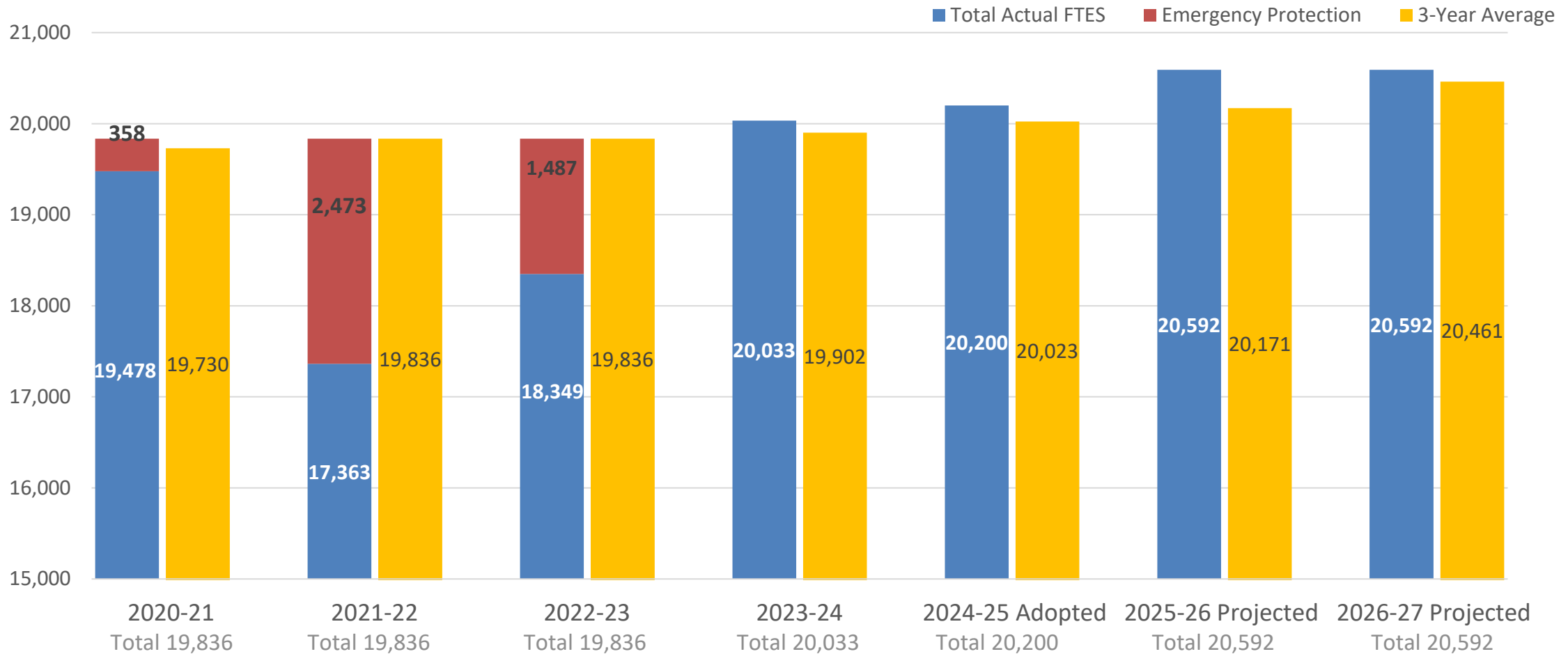
\*Resident Full-Time Equivalent Students (FTES).

# FTES Comparison\*



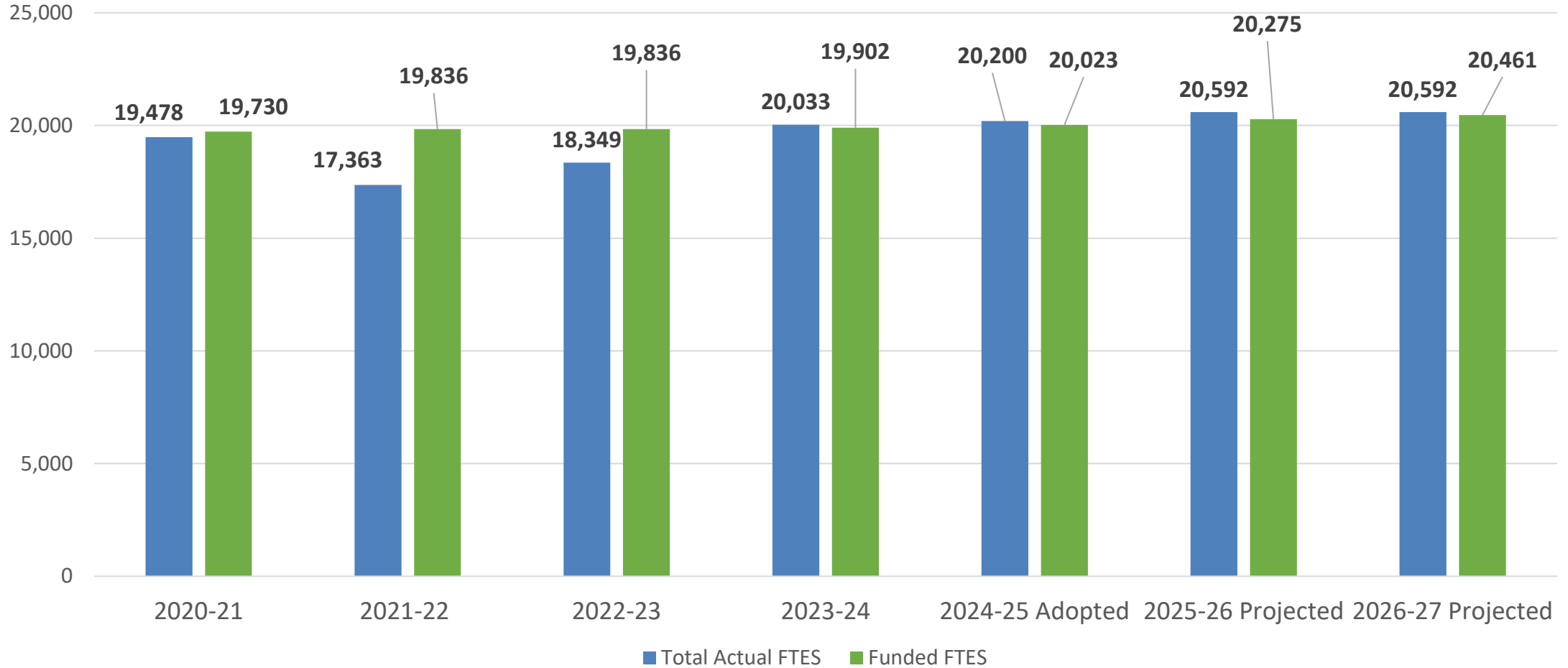
\*Resident Full-Time Equivalent Students (FTES).

# FTES Comparison\*



\*Resident Full-Time Equivalent Students (FTES).

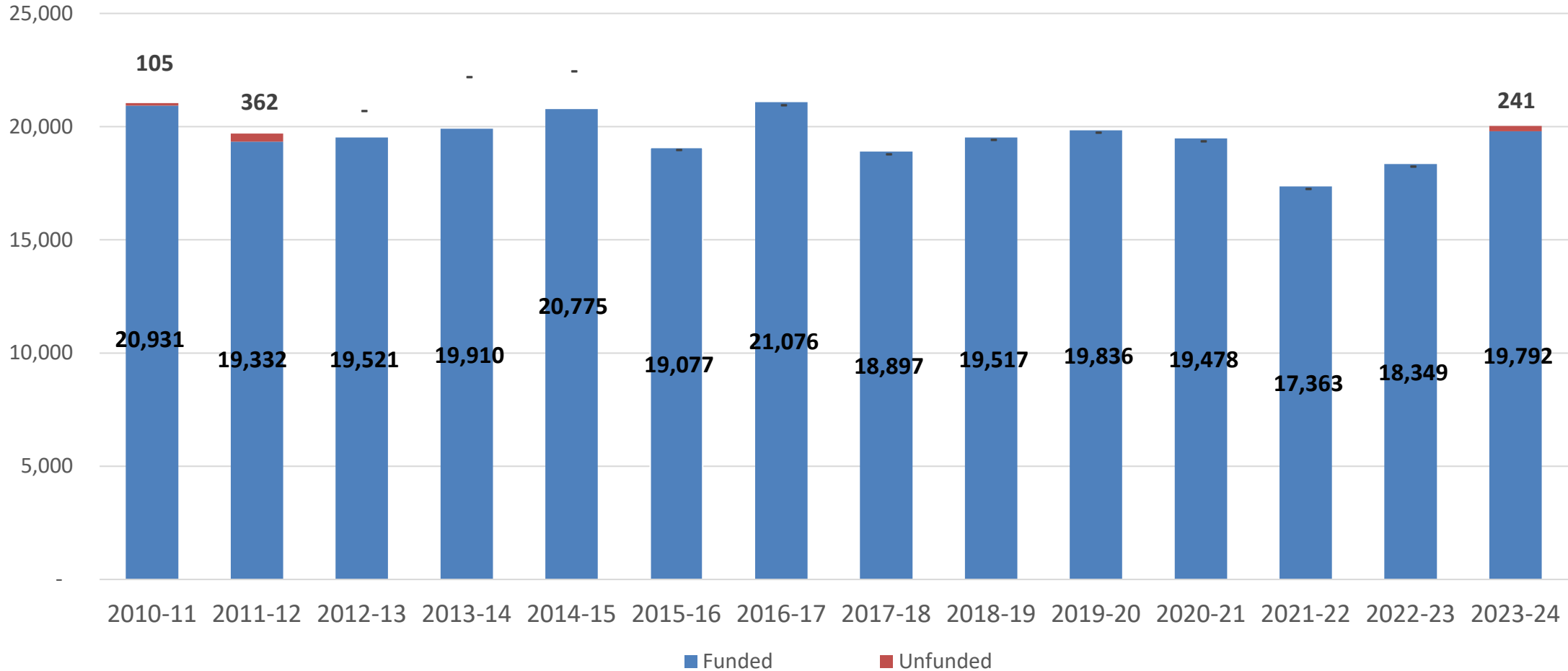
# FTES Projection\*



\*Resident Full-Time Equivalent Students (FTES).

# FTES Comparison\*

Unfunded due to limited growth funding



\*Resident Full-Time Equivalent Students (FTES).



# SCFF Apportionment Funding

- We are funded at the greater of:
  - A. SCFF calculated revenue** – based on metrics and funding rates
  - B. Prior year Stability** - SCFF calculated revenue + COLA. (Stabilization)
  - C. Hold Harmless** – minimum revenue commitment. Equals 2017-18 revenue + COLA up to 2024-25. No change after 2024-25.
- **Deficit Factor** - may be applied if state revenue is not adequate to cover SCFF calculated revenue for all districts.

# Base funding

- Basic allocation – funding based on college size
- Based on prior year total resident FTES
- > 20,000 FTES – funded as large college (+\$2.1 million)
- 10,000 – 20,000 – funded as medium college
- 3-year stability period is applied

# Growth funding

- Growth funding is very limited
- Currently 0.50% statewide and 0.11% for LBCCCD
- We have not been in growth mode for many years due to declining enrollment and emergency conditions allowance (ECA), which gave us funded FTES over our actual FTES
- We have been funded over our actual FTES in recent years
- Enrollment, FTES has grown significantly in the past two years
- \$2.6 million unfunded growth in 2024-25

## 2024-25 List of Funds: Expenditures & Other Outgo (in millions)

	2023-24 Adopted Budget	2023-24 Unaudited Actual	2024-25 Adopted Budget
Unrestricted General Fund	\$ 191.8	\$191.2	\$ 207.4
Restricted General Fund	93.8	59.8	89.4
Associated Students Body Fund	1.3	1.1	1.3
Capital Projects Fund	57.5	37.3	36.7
Child & Adult Development Fund	3.4	3.1	4.5
Contract/Community Education Fund	1.6	0.0	1.8
Equity Award Fund	4.9	1.0	4.0
Event & Filming Services Fund	2.5	2.1	2.3
General Obligation Bond Fund 2008 Measure E	137.0	0.0	137.0
General Obligation Bond Fund 2016 Measure LB	598.6	34.8	563.9
Retiree Health Fund	2.6	2.2	2.5
Self-Insurance Fund	2.0	1.4	2.0
Student Financial Aid	70.9	69.5	80.0
Student Representation Fund	0.1	0.1	0.1
Total	\$1,168.0	\$403.6	\$1,132.9

# Unrestricted General Fund Overall Summary

	Unaudited Actual 2023-24	Tentative Budget 2024-25	Adopted Budget 2024-25	*Change Increase/ (Decrease)
Beginning Fund Balance	\$ 72,084,967	\$ 70,149,733	\$ 74,570,583	\$ 2,485,616
Revenues and Other Financing Sources	193,637,421	192,051,217	193,958,079	320,658
Expenditures and Other Outgo	191,151,805	198,346,108	207,454,156	16,302,351
Surplus/(Deficit)	2,485,616	(6,294,891)	^(13,496,077)	(15,981,693)
Ending Fund Balance	74,570,583	63,854,842	61,074,506	(13,496,077)

\*Change is comparison between 2023-24 Unaudited Actual and 2024-25 Adopted Budget.

^\$13.5 million includes the \$8.5 million (\$1.8 million business process reviews and \$7.0 million Dreamscape project) in planned one-time expenses.

# Reserve Spend-Down Plan

- Included in \$ 207.4 million expenditures:
  - Is the planned reduction of reserves, including one-time expenditures:
  - \$7.0 million for Dreamscape virtual classroom project
  - \$1.8 million in business process reviews and one-time projects

# Unrestricted General Fund: Revenue Summary

	Unaudited Actual 2023-24	Tentative Budget 2024-25	Adopted Budget 2024-25	*Change Increase/ (Decrease)
Federal	\$ 117,861	\$ 140,000	\$ 118,000	\$ 139
State Apportionment	172,165,107	172,166,668	173,454,923	1,289,816
Other State	13,765,215	13,381,288	13,242,350	(522,865)
Local	7,574,470	6,353,261	7,127,194	(447,276)
Other Sources	14,768	10,000	15,612	844
Total	\$193,637,421	\$192,051,217	\$193,958,079	\$ 320,658

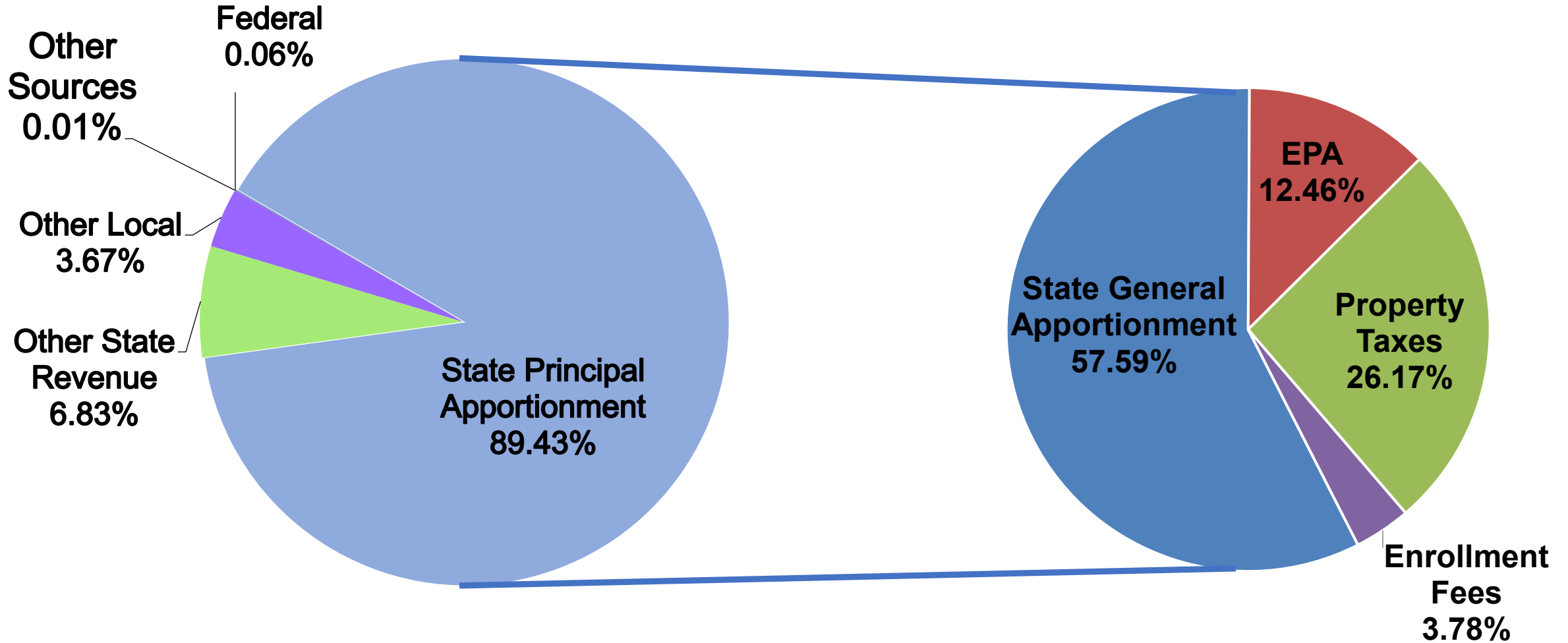
\*Change is comparison between 2023-24 Unaudited Actual and 2024-25 Adopted Budget.

# Major Revenue Changes in 2024-25

- Apportionment – \$1.3 million increase
  - \$2.5 million increase due to the 1.07% COLA & increase to SCFF based on target 20,200 FTES
  - \$2.0 million increase for large college
  - (\$3.2) million decrease due to prior year apportionment adjustments
- Local Revenue – (\$0.4) million decrease
  - Due to moving parking citation revenue to use for parking maintenance in the restricted fund & projected lower interest earning for 2024-25 from 2023-24



# Unrestricted General Fund Budgeted Revenue & Other Sources 2024-25



# Unrestricted General Fund Expenditure Summary

	Unaudited Actual 2023-24	Tentative Budget 2024-25	Adopted Budget 2024-25	*Change Increase/ (Decrease)
Academic Salaries	\$ 71,002,840	\$ 75,191,129	\$ 75,262,663	\$ 4,259,823
Classified Salaries	37,751,153	40,918,697	42,151,743	4,400,590
Benefits	54,374,208	58,013,456	57,616,549	3,242,341
Supplies	1,021,378	1,155,970	1,184,669	163,291
Services	14,929,982	17,601,680	18,466,574	3,536,592
Capital Outlay	2,347,712	1,841,771	1,938,944	(408,768)
One-Time	241,960	1,562,405	1,772,014	1,530,054
Other Outgo	9,482,572	2,061,000	9,061,000	(421,572)
<b>Total</b>	<b>\$191,151,805</b>	<b>\$198,346,108</b>	<b>\$207,454,156</b>	<b>\$ 16,302,351</b>

1.07% COLA increase budgeted for academic, classified, and confidential/management positions.  
 \*Change is comparison between 2023-24 Unaudited Actual and 2024-25 Adopted Budget.

# Major Expenditure Changes in 2024-25

- Academic Salaries – \$4.3 million increase
  - Step and column increases
  - Hire 12 full-time instructors
  - 7 new full-time counselors (2 EOPS restricted fund)
  - 3 Long Term Substitute teachers (one to start spring 2025)
  - 1.07% COLA increase for FT & PT faculty, additional PT salaries for targeted FTES, and PT faculty office hours
  - Hourly backfill for counselors and librarian
- Classified Salaries – \$4.4 million increase
  - Step and column increases
  - 1.07% COLA for classified staff and confidential/management
  - New positions (Clinical Coordinator, Business Systems Analyst, & Functional Lead Analyst)
  - Positions for HR 1-year term (2 HR Managers, 4 Limited Term Employees for HR Assistant, HR Technician, & 2 HR Specialists)
  - Budgets for vacancies

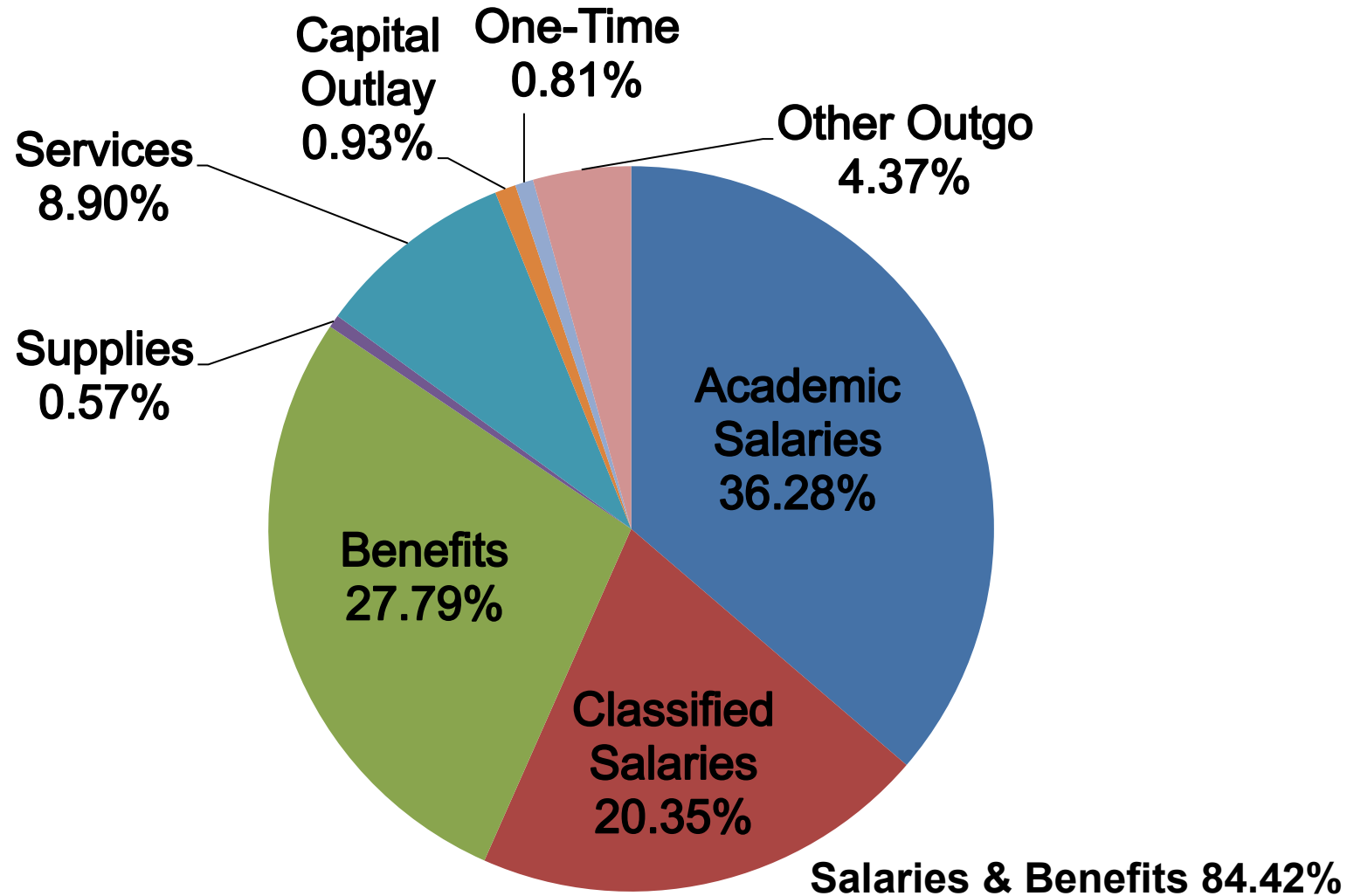
# Major Expenditure Changes in 2024-25 (continued)

- Total Benefits – \$3.2 million increase
  - 0.37% increases for PERS
  - 5.8% increase to health & welfare benefits
  - Increase to statutory benefits due to increased payroll & salary increases
- Services – \$3.5 million increase
  - PCC 75<sup>th</sup> Anniversary \$160,000
  - Enrollment Campaign \$371,000
  - Increase legal services \$300,000
  - Bond counsel costs \$300,000
  - LBPD contract increase \$400,000
  - \$2 million increase is due to 2023-24 POs not spent
- One-Time Funds – \$1.5 million increase
  - Plans to complete projects that were delayed in 2023-24

# Major Expenditure Changes in 2024-25 (continued)

- Other Outgo – (\$0.4) million decrease
  - Transfer \$600,000 to the Restricted General Fund for the Student Health Services program to help serve additional student health needs
  - (\$7.0) million prior year transfer to the Capital Projects Fund for infrastructure projects, offset by:
    - \$7.0 million transfer to Capital Projects Fund for Dreamscape project
    - (\$0.4) million one-time transfer to cover Alliance of Schools for Cooperative Insurance Programs (ASCIP) for retrospective premium adjustments going back to 1980s to cover child sexual abuse cases per AB218 statute limitation

# Unrestricted General Fund Budgeted Expenditures & Other Outgo 2024-25



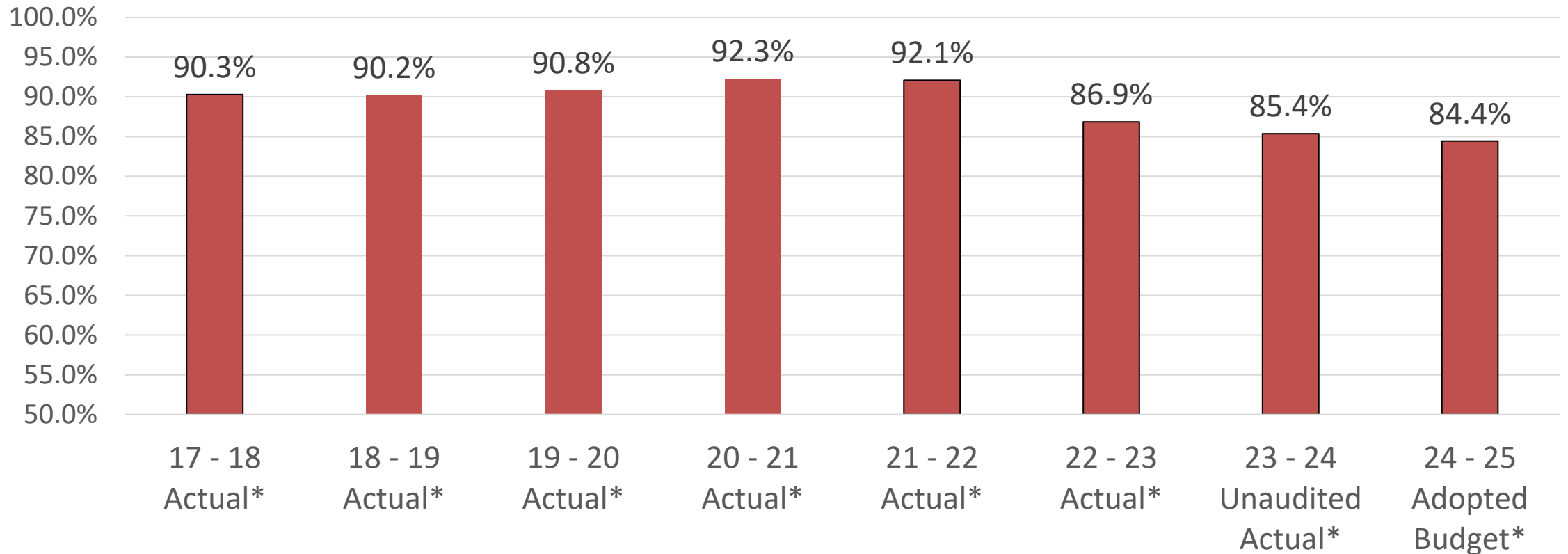
# Unrestricted General Fund

## 7-Year Trend Summary (in \$ millions)

	17-18 Actual	18-19 Actual	19-20 Actual	20-21 Actual	21-22 Actual	22-23 Actual	23-24 Unaudited Actual	24-25 Adopted Budget
Salaries & Benefits as a % of Total Expenses & Other Outgo	90.3%*	90.2%*	90.8%*	92.3%*	92.1%*	86.85%*	85.36%*	84.42%*
Surplus / (Deficit)	(\$0.3)	\$6.0	\$3.0	\$7.7	\$14.8	\$10.3	\$2.5	(\$13.5)
Ending Balance	\$30.2	\$36.2	\$39.2	\$46.9	\$61.7	\$72.0	\$74.5	\$61.0
Ending Balance as a % of Total Expenses & Other Outgo	22.9%	27.5%	28.3%	34.3%	44.2%	43.6%	39.01%	29.44%

\*Percentage of Total Expenses and Other Outgo including one-time expenses.

# Salaries & Benefits as a % of Total Expenses & Other Outgo



\*Percentage of Total Expenses and Other Outgo including one-time expenses.



# Unrestricted General Fund Multi-Year Projection (in \$millions)

	Adopted Budget 2024-25	Projected 2025-26	Projected 2026-27
Projected Revenue			
Apportionment Revenue	173.4	178.6	184.2
Other Revenue	20.5	20.0	20.0
Total Available Funding	193.9	198.6	204.2
Projected Expenses			
Expenditure Base (Prior Year)	191.1	207.4	204.6
Adjustments to Operations	4.4	(8.6)	0.9
Adjustments to Compensation/Benefits	11.9	5.8	2.6
Total Projected Expenses	207.4	204.6	208.1
Projected Surplus/ (Deficit)	(13.5)	(6.0)	(3.9)
Projected Ending Fund Balance	61.0	55.0	51.1
% of Expenses	29.4%	26.9%	24.6%

# Future Budget Challenges

- Enrollment Management:
  - LBCC enrollment (FTES) has increased significantly the past two years (9.18% increase in 2023-24)
  - Surpassing statewide average enrollment increases
  - Total FTES passed pre-pandemic levels and with minor summer shift returned to the 20,000 FTES large college status
  - Growth funding is limited – another complication of enrollment management going forward
- State Pension Obligations:
  - STRS unchanged and PERS rate increases 0.37% on top of already high rates

# STRS & PERS Future Employer Rates

Fiscal Year	STRS		PERS		Total
2017-18	14.43%	1,193,075	15.53%	839,116	2,032,191
2018-19	16.28%	834,704	18.06%	764,568	1,599,272
2019-20	17.10%	1,039,210	19.72%	1,058,278	2,097,488
2020-21	16.15%	(218,810)	20.70%	592,670	373,860
2021-22	16.92%	361,533	22.91%	1,167,807	1,529,340
2022-23	19.10%	1,711,436	25.37%	1,917,863	3,629,299
2023-24	19.10%	1,453,000	26.68%	2,799,000	4,252,000
<b>2024-25</b>	<b>19.10%</b>	<b>1,272,000</b>	<b>27.05%</b>	<b>469,000</b>	<b>1,741,000</b>
2025-26	19.10%	-	27.60%	288,000	288,000
2026-27	19.10%	-	28.00%	210,000	210,000
Total		\$ 7,646,148		\$ 10,106,302	\$ 17,752,450

Rates are as of May 2024 and are subject to change for future years. Employer contribution increase estimates are based on total covered salary estimates from the 2023-24 Adopted Budget.

# Future Budget Challenges (continued)

- Economic Conditions
  - Enacted State Budget does not plan for a recession
  - Economists project moderate growth going forward
  - Signs for concern:
    - State Budget deficits
    - Education Protection Act (EPA) revenue below expectations
    - Large apportionment deficit factors in recent years
    - Apportionment deferrals
    - Adjustments to prior years funding

# Future Budget Challenges (continued)

- Apportionment Funding
  - Student Centered Funding Formula (SCFF) is complicated due to many factors
  - Apportionment funding is based on the largest of three amounts (SCFF calculated, stability or hold harmless)
  - Enrollment growth and return to large college status are positives, but revenue is constrained by:
    - Limited growth funding
    - Deficit factors

# Future Budget Challenges (continued)

- Reserve Spend-Down Plan
  - Reserves have built up over many years – over \$70 million
  - \$34.6 million designated for Board mandated minimum, and \$4.8 million are assigned for future purposes
  - It is prudent to keep a portion of reserves for economic uncertainties
  - Reserves are one-time funds
  - A portion of reserves can be reduced over several years
  - \$8.7 million one-time budgeted expenses are part of that reduction
  - One-time, planned spending from reserves



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# QUESTIONS & ANSWERS

