



LONG BEACH
CITY COLLEGE

Tentative Budget 2024-25

Presented by:
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Director,
Fiscal Services

June 26, 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
- Revenue Summary
- 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

Tentative 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	√	√		√	

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

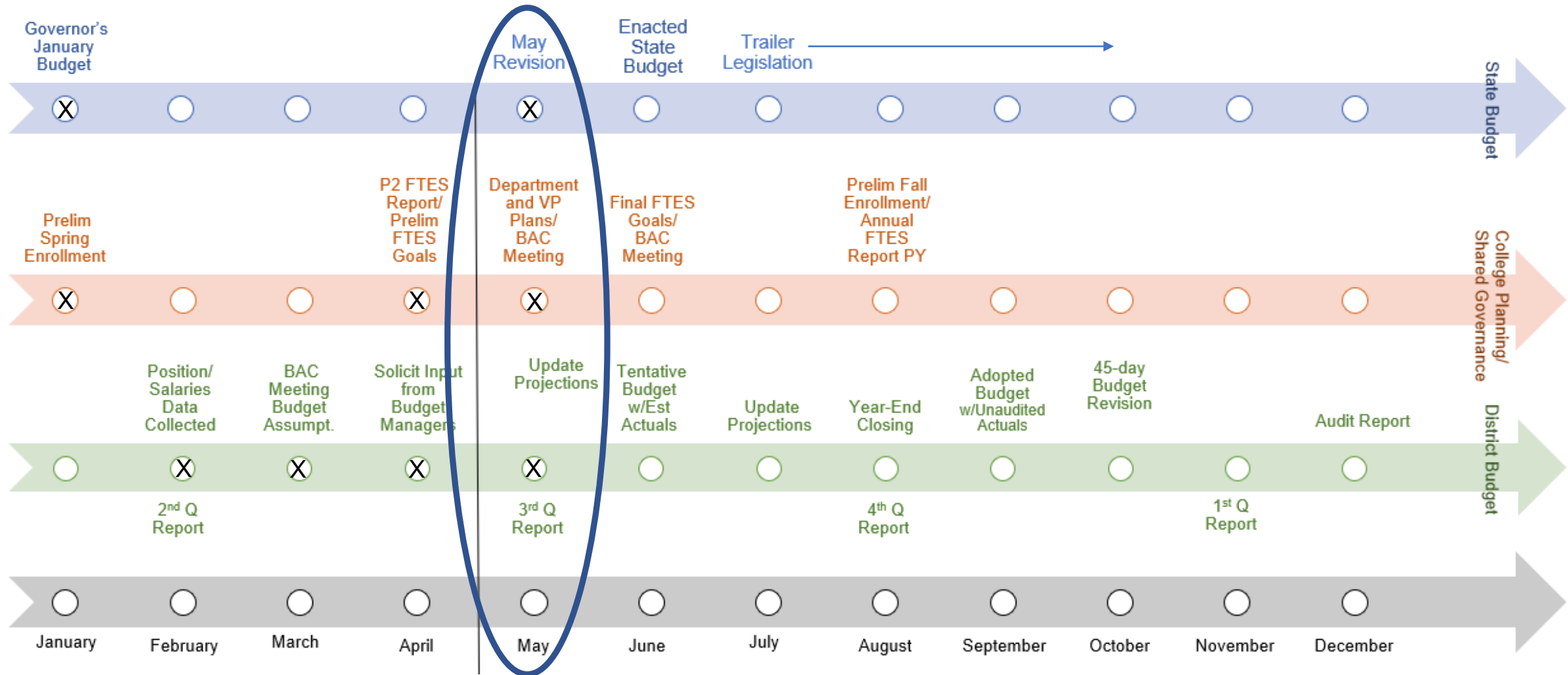
Faculty, Staff, and Infrastructure Supports	LBCC Institutional Priorities and Board Goals Related to Institutional Planning				
	I., II., IV. & A. Improve equitable course success rates, learning, and persistence; Increase transfer-level math and English completion	IV. & B. Improve the efficiency of 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		√		√	√
Equitable Recruitment Efforts	√			√	√
Center for Community & Industry Partnerships	√			√	√

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%	
2025-26**	2.73%	
2026-27**	3.11%	
2027-28**	3.17%	

*2-Year compounded rate.

**Projected per School Services of California (January 2024).

Provided below Statutory COLA

Provided above Statutory COLA

State Budget Overview

Apportionment

- Student Centered Funding Formula (SCFF) 1.07% COLA - \$100.2 million
 - *\$1.6 million for LBCC*
- 0.5% Growth funding - \$28.1 million
 - *Growth authority for LBCC limited to 0.11%*
 - *No growth for LBCC*
 - *In restoration mode, not growth mode*

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) - \$14.2 million
 - *\$240,000 for LBCC*
- Nursing program capacity expansion - \$60 million one-time
 - *Unknown impact on LBCC*
- Several small projects - \$35 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 \$27.6 billion 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) - \$914.0 million
 - That will substantially deplete the reserve on June 30, 2025

BAC Budget Assumption Highlights

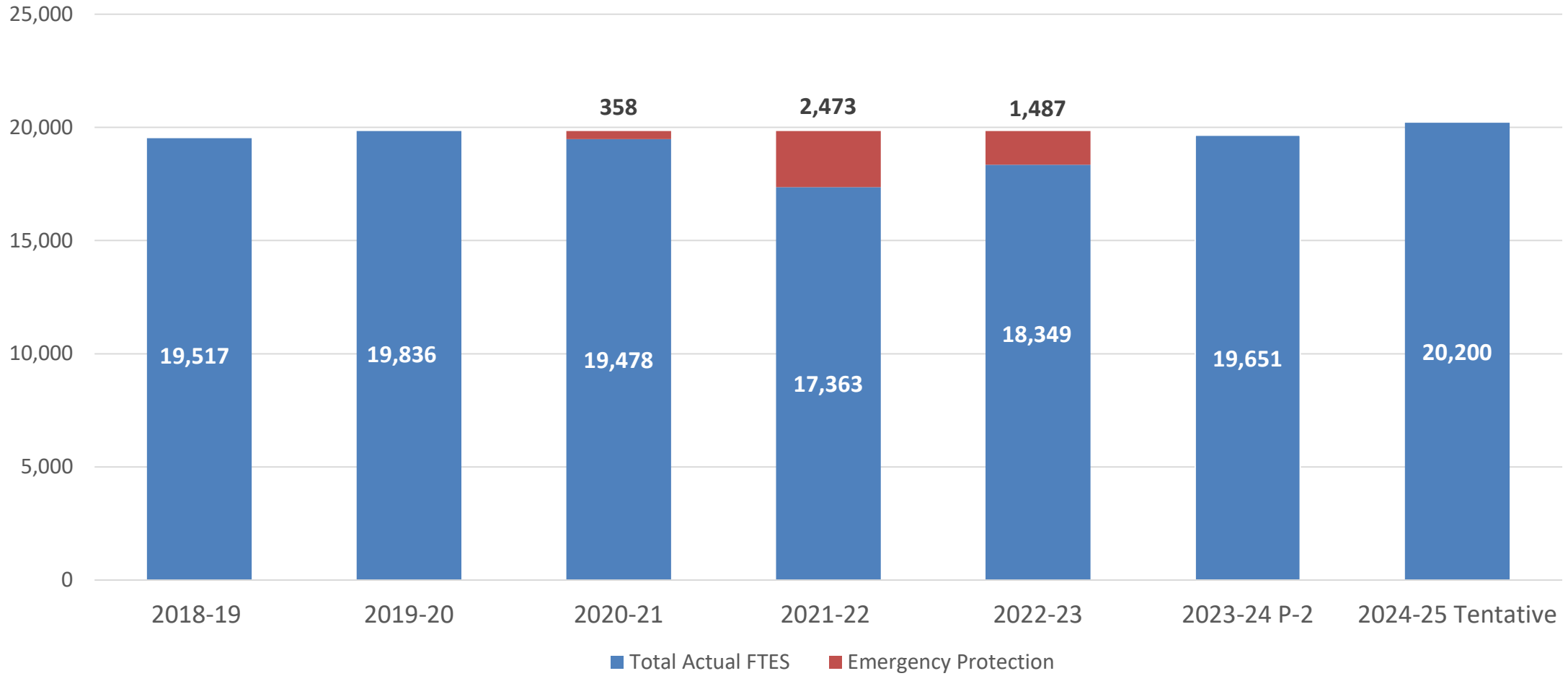
BAC Budget Assumption Highlights

- 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

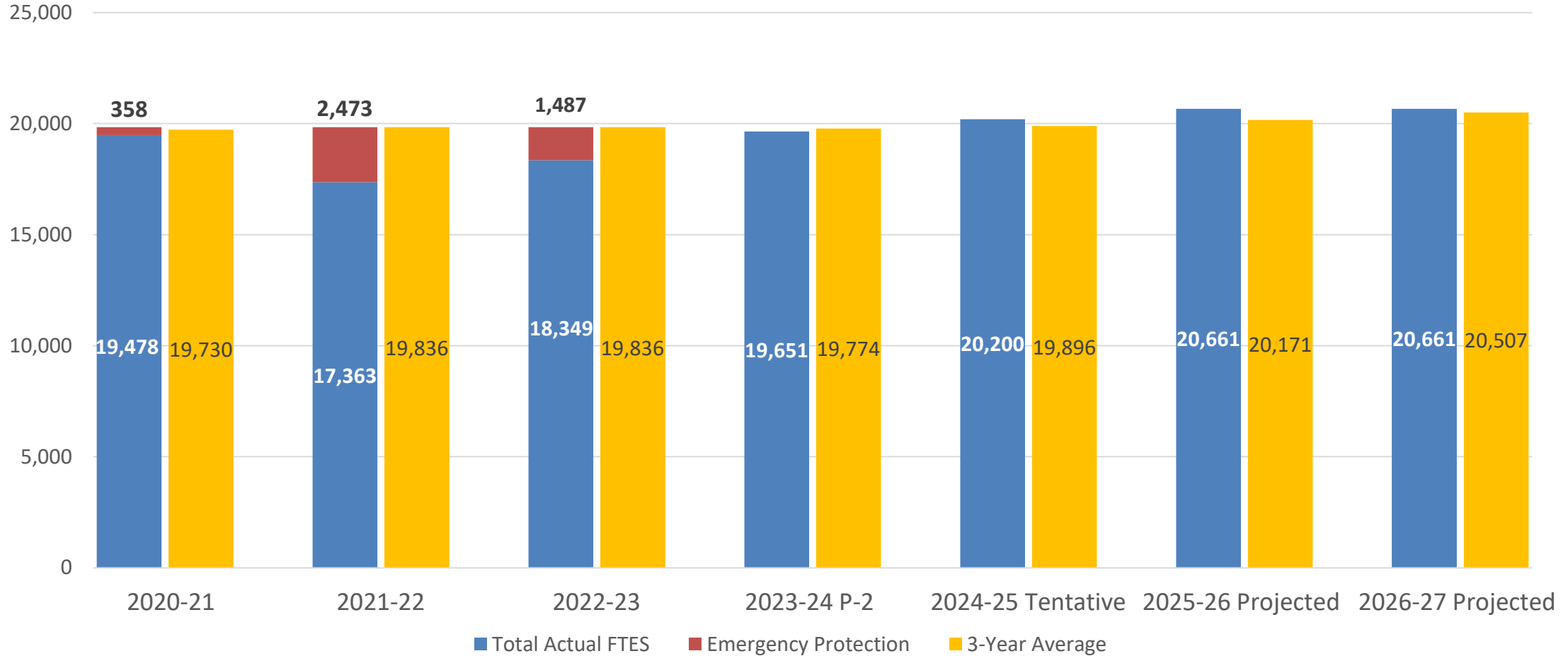
- Board Policy 6200 aligns with Chancellor's Office Recommended Goal of 16.67% reserves - \$33.1 million
 - Two months of Total General Fund operating expenses, equal to no less than 16.67% of Unrestricted General Fund expenditures
 - Aligned with Budgeting Best Practices published by the Government 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*



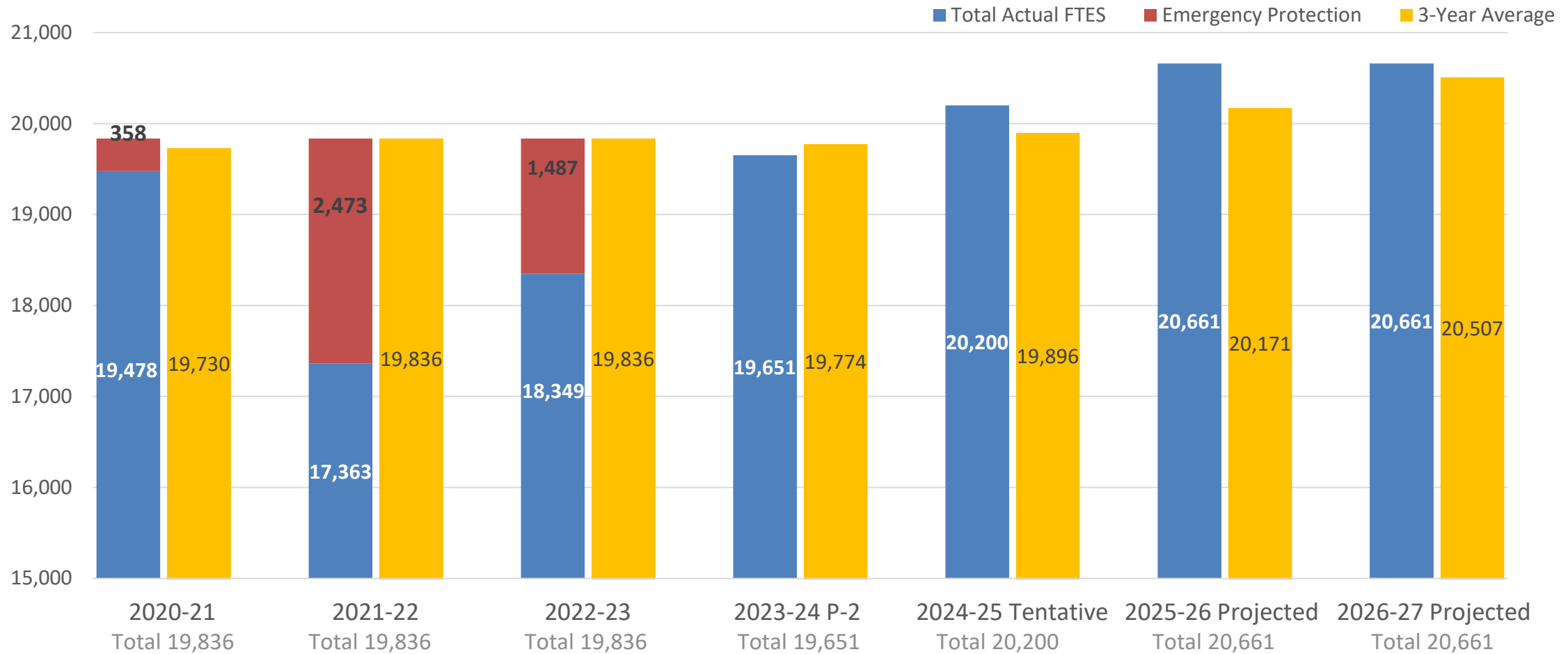
*Resident Full-Time Equivalent Students (FTES).

FTES Comparison*



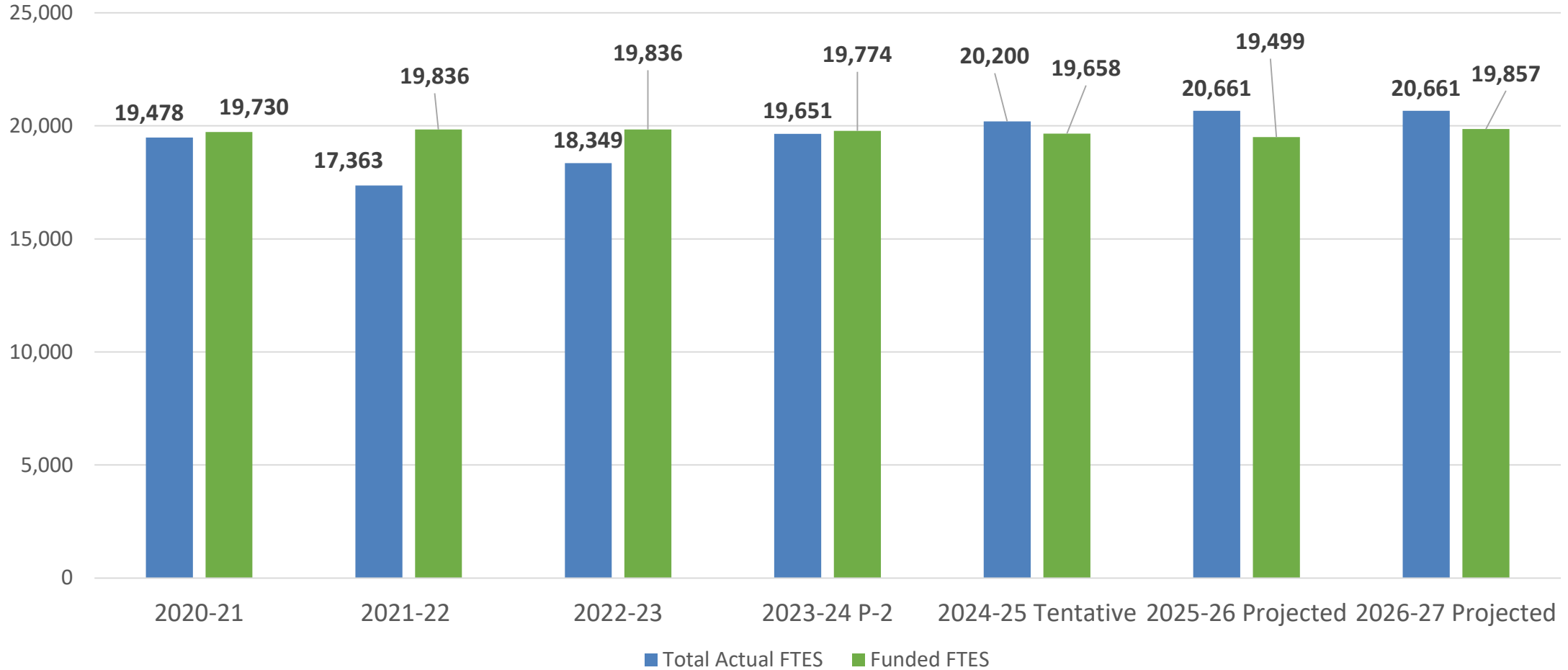
*Resident Full-Time Equivalent Students (FTES).

FTES Comparison*



*Resident Full-Time Equivalent Students (FTES).

FTES Projection*



*Resident Full-Time Equivalent Students (FTES).

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
- Unfunded FTES will limit our apportionment revenue going forward

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

	2023-24 Adopted Budget	2023-24 Estimated Actual	2024-25 Tentative Budget
Unrestricted General Fund	\$ 191.8	\$ 197.0	\$ 198.3
Restricted General Fund	93.8	62.6	81.8
Associated Students Body Fund	1.3	1.1	1.3
Capital Projects Fund	57.5	38.4	27.3
Child & Adult Development Fund	3.4	3.2	4.3
Contract/Community Education Fund	1.6	0.0	1.8
Equity Award Fund	4.9	0.8	4.2
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	29.2	569.5
Retiree Health Fund	2.6	2.2	2.4
Self-Insurance Fund	2.0	1.9	2.0
Student Financial Aid	70.9	66.7	71.3
Student Representation Fund	0.1	0.1	0.1
Total	\$ 1,168.0	\$ 405.3	\$ 1,103.6

Unrestricted General Fund Overall Summary

	Estimated Actual 2023-24	Tentative Budget 2024-25	*Change Increase/ (Decrease)
Revenues and Other Financing Sources	\$195,050,813	\$192,051,217	\$(2,999,596)
Expenditures and Other Outgo	196,986,047	198,346,108	1,360,061
Surplus/(Deficit)	(1,935,234)	(6,294,891)	(4,359,657)
Fund Balance	70,149,733	63,854,842	(6,294,891)

*Change is comparison between 2023-24 Estimated Actual and 2024-25 Tentative Budget.

Unrestricted General Fund: Revenue Summary

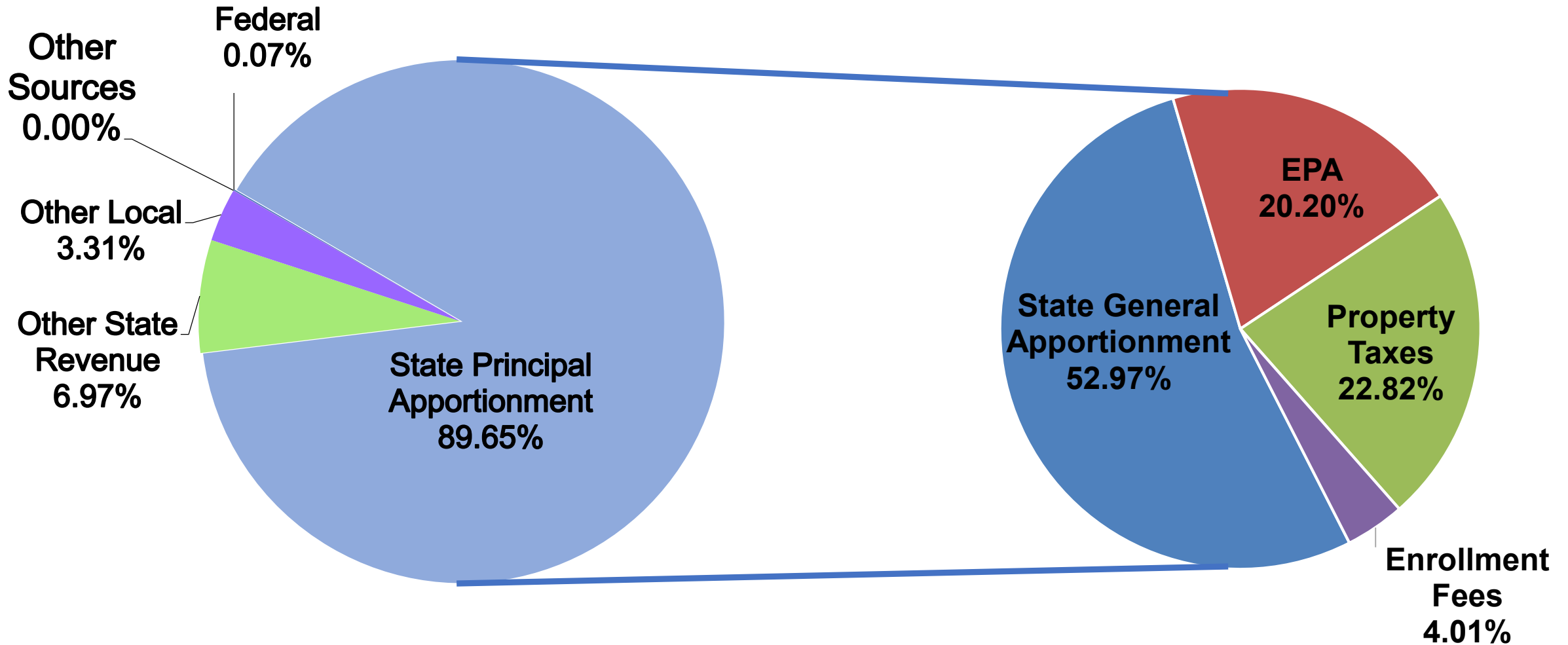
	Estimated Actual 2023-24	Tentative Budget 2024-25	*Change Increase/ (Decrease)
Federal	\$ 140,000	\$ 140,000	\$ 0
State Apportionment	173,782,147	172,166,668	(1,615,479)
Other State	13,428,149	13,381,288	(46,861)
Local	7,690,517	6,353,261	(1,337,256)
Other Sources	10,000	10,000	0
Total	\$195,050,813	\$192,051,217	\$ (2,999,596)

*Change is comparison between 2023-24 Estimated Actual and 2024-25 Tentative Budget.

Major Revenue Changes in 2024-25

- Apportionment – (\$1.6) million decrease
 - \$1.6 million increase due to the 1.07% COLA & increase to SCFF based on target 20,200 FTES
 - (\$3.2) million decrease due to prior year apportionment adjustments
- Local Revenue – (\$1.3) 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

	Estimated Actual 2023-24	Tentative Budget 2024-25	*Change Increase/ (Decrease)
Academic Salaries	\$ 71,578,301	\$ 75,191,129	\$ 3,612,828
Classified Salaries	38,593,782	40,918,697	2,324,915
Benefits	55,521,902	58,013,456	2,491,554
Supplies	1,232,979	1,155,970	(77,009)
Services	17,204,625	17,601,680	397,055
Capital Outlay	2,867,518	1,841,771	(1,025,747)
One-Time	489,786	1,562,405	1,072,619
Other Outgo	9,497,154	2,061,000	(7,436,154)
Total	\$196,986,047	\$198,346,108	\$ 1,360,061

1.07% COLA increase budgeted for academic & classified positions. Will adjust after state budget is passed.

*Change is comparison between 2023-24 Estimated Actual and 2024-25 Tentative Budget.

Major Expenditure Changes in 2024-25

- Academic Salaries – \$3.6 million increase
 - Step and column increases
 - Hire 11 full-time instructors
 - 4 new full-time counselors (2 EOPS restricted fund)
 - 2 Long Term Substitute teachers
 - 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 – \$2.3 million increase
 - Step and column increases
 - 1.07% COLA for classified staff
 - Budgets for vacancies

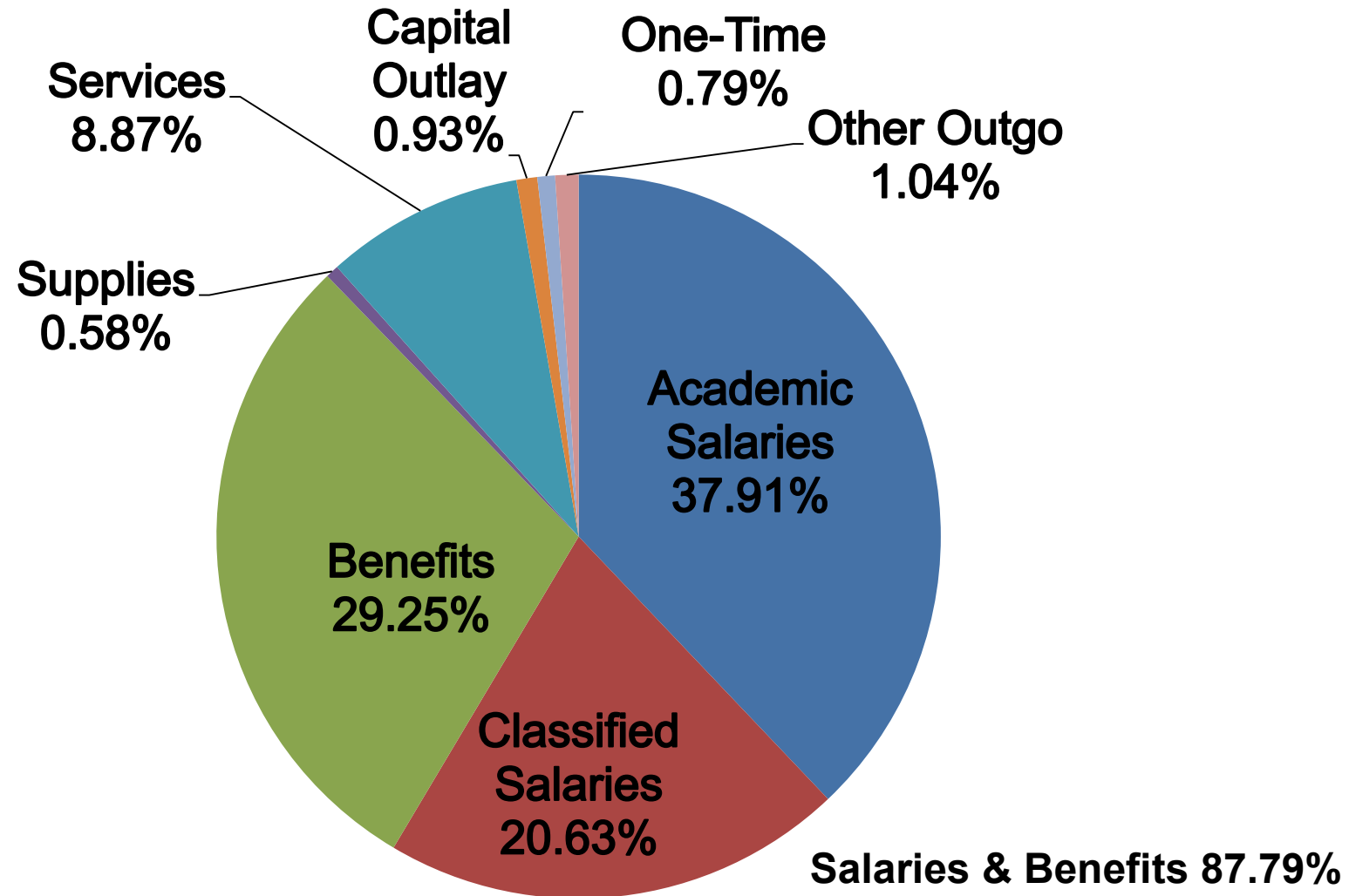
Major Expenditure Changes in 2024-25 (continued)

- Total Benefits – \$2.5 million increase
 - 0.37% increases for PERS
 - 5.8% increase to health & welfare benefits
 - Increase to statutory benefits due to increased payroll & salary increases
- Capital Outlay – (\$1.0) million savings
 - (\$1.0) million savings due to one-time equipment purchases in 2023-24
- One-Time Funds – \$1.1 million increase
 - Plans to complete projects that were delayed in 2023-24

Major Expenditure Changes in 2024-25 (continued)

- Other Outgo – (\$7.4) million decrease
 - Transfer \$600,000 to the Restricted General Fund for the Student Health Services program to help serve additional student health needs
 - Less (\$7.0) million one-time fund for infrastructure upgrades, Building T fire damage, and Facilities' small projects
 - (\$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

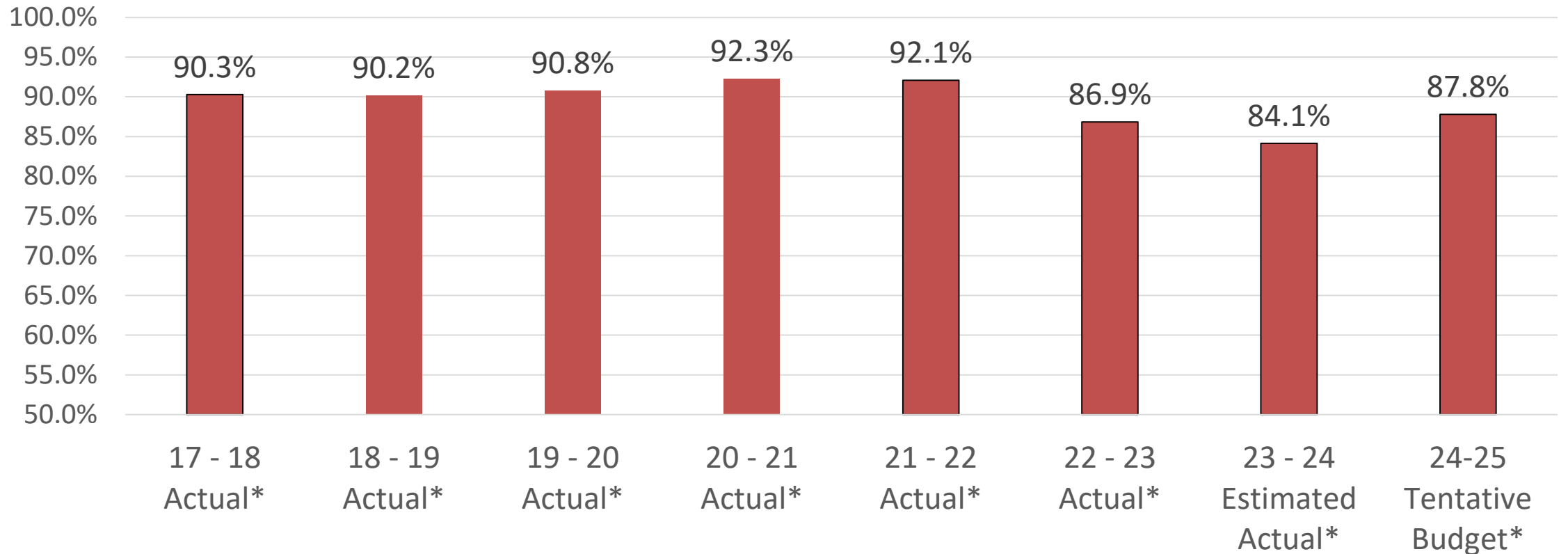


Unrestricted General Fund 7-Year Trend Summary (in \$ millions)

	17-18 Actual	18-19 Actual	19-20 Actual	20-21 Actual	21-22 Actual	22-23 Actual	23-24 Estimated Actual	24-25 Tentative Budget
Salaries & Benefits as a % of Total Expenses & Other Outgo	90.3%*	90.2%*	90.8%*	92.3%*	92.1%*	86.85%*	84.14%*	87.83%*
Surplus / (Deficit)	(\$0.3)	\$6.0	\$3.0	\$7.7	\$14.8	\$10.3	(\$1.9)	(\$6.3)
Ending Balance	\$30.2	\$36.2	\$39.2	\$46.9	\$61.7	\$72.0	\$70.1	\$63.8
Ending Balance as a % of Total Expenses & Other Outgo	22.9%	27.5%	28.3%	34.3%	44.2%	43.6%	35.61%	32.19%

*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)

	Tentative Budget 2024-25	Projected 2025-26	Projected 2026-27
Projected Revenue			
Apportionment Revenue	172.1	176.7	183.8
Other Revenue	19.9	17.9	17.3
Total Available Funding	192.0	194.6	201.1
Projected Expenses			
Expenditure Base (Prior Year)	197.0	198.3	202.0
Adjustments to Operations	(7.1)	(1.5)	0.9
Adjustments to Compensation/Benefits	8.4	5.1	3.4
Total Projected Expenses	198.3	201.9	206.3
Projected Surplus/ (Deficit)	(6.3)	(7.3)	(5.2)
Projected Ending Fund Balance	63.8	56.5	51.3
% of Expenses	32.2%	28.0%	24.9%

Future Budget Challenges

- Enrollment Management:
 - LBCC enrollment (FTES) has increased the past two years after two previous years of declines
 - Total FTES is near pre-pandemic levels and the 20,000 large college threshold
 - Older student re-engagement and dual enrollment have increased enrollment despite high school graduate rate declines throughout the state
 - Growth funding is limited – so, we will have to manage and try to limit unfunded FTES 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
2024-25	19.10%	1,272,000	27.05%	469,000	1,741,000
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
 - May Revise Budget does not plan for a recession.
 - Economists project slow growth going forward.
 - State Budget deficit currently at \$27.6 billion.
 - The State's progressive tax structure causes big fluctuations in revenue when the economy declines.

Future Budget Challenges (continued)

- Apportionment Funding
 - Student Centered Funding Formula (SCFF) is complicated due to:
 - Hold harmless, stability and three-year averaging provisions along with emergency conditions and other allowances
 - The emergency conditions allowance (ECA) ended June 30, 2023
 - Counterintuitive situation: actual FTES is increasing, but funded FTES is decreasing
 - Apportionment funding is based on the largest of three amounts (SCFF calculated, stability or hold harmless)

Future Budget Challenges (continued)

- Apportionment Funding (continued)
 - Hold harmless provision is now a non-factor
 - 3-year averaging for FTES and student success metrics smooth out fluctuation
 - Less impact when declining,
 - But, less benefit when increasing
 - Large college base funding – over 20,000 FTES
 - Growth funding limited to 0.11%
 - For planning purposes, we need to be aware that COLA is applied to funding rates and not the total apportionment revenue



LONG BEACH
CITY COLLEGE

QUESTIONS & ANSWERS

