

Fiscal Year: 2023

Quarter Ended: 2

As of June 30 for the fiscal year specified

Line	Description	Actual 2020-2021	Actual 2021-2022	Actual 2022-2023	Projected 2023-2024
Unrestricted General Fund Revenue, Expenditure and Fund Balance:					
A.	Revenues:				
A.1	Unrestricted General Fund Revenues (Objects 8100, 8600, 8800)	144,884,682	154,669,437	175,554,561	191,684,367
A.2	Other Financing Sources (Object 8900)	1,036	6,968	54,382	30,000
A.3	Total Unrestricted Revenue (A.1 + A.2)	144,885,718	154,676,405	175,608,943	191,714,367
B.	Expenditures:				
B.1	Unrestricted General Fund Expenditures (Objects 1000-6000)	135,761,480	138,378,272	159,473,058	186,266,736
B.2	Other Outgo (Objects 7100, 7200, 7300, 7400, 7500, 7600)	1,339,189	1,487,303	5,831,000	9,061,000
B.3	Total Unrestricted Expenditures (B.1 + B.2)	137,100,669	139,865,575	165,304,058	195,327,736
C.	Revenues Over(Under) Expenditures (A.3 - B.3)	7,785,049	14,810,830	10,304,885	(3,613,369)
D.	Fund Balance, Beginning	39,184,203	46,969,252	61,780,082	72,084,967
D.1	Prior Year Adjustments + (-)	0	0	0	0
D.2	Adjusted Fund Balance, Beginning (D + D.1)	39,184,203	46,969,252	61,780,082	72,084,967
E.	Fund Balance, Ending (C. + D.2)	46,969,252	61,780,082	72,084,967	68,471,598
F.1	Percentage of GF Fund Balance to GF Expenditures (E. / B.3)	34.3%	44.2%	43.6%	35.1%

As of the specified quarter ended for each fiscal year

Line	Description	2020-2021	2021-2022	2022-2023	2023-2024
Total General Fund Cash Balance (Unrestricted and Restricted)					
H.1	Cash, excluding borrowed funds	47,553,788	46,962,126	107,570,887	116,254,637
H.2	Cash, borrowed funds only	0	0	0	0
H.3	Total Cash (H.1+ H.2)	47,553,788	46,962,126	107,570,887	116,254,637

Line	Description	Adopted Budget (Col. 1)	Annual Current Budget (Col. 2)	Year-to-Date Actuals (Col. 3)	Percentage (Col. 3/Col. 2)
Unrestricted General Fund Revenue, Expenditure and Fund Balance:					
I.	Revenues:				
I.1	Unrestricted General Fund Revenues (Objects 8100, 8600, 8800)	189,914,956	189,914,956	83,493,630	44.0%
I.2	Other Financing Sources (Object 8900)	30,000	30,000	3,141	10.5%
I.3	Total Unrestricted Revenue (I.1 + I.2)	189,944,956	189,944,956	83,496,771	44.0%
J.	Expenditures:				
J.1	Unrestricted General Fund Expenditures (Objects 1000-6000)	189,695,995	189,672,987	82,742,537	43.6%
J.2	Other Outgo (Objects 7100, 7200, 7300, 7400, 7500, 7600)	2,061,000	9,061,000	6,823,500	75.3%
J.3	Total Unrestricted Expenditures (J.1 + J.2)	191,756,995	198,733,987	89,566,037	45.1%
K.	Revenues Over(Under) Expenditures (I.3 - J.3)	(1,812,039)	(8,789,031)	(6,069,266)	
L.	Fund Balance, Beginning	72,084,967	72,084,967	72,084,967	
L.1	Prior Year Adjustments + (-)	0	0	0	
L.2	Adjusted Fund Balance, Beginning (L + L.1)	72,084,967	72,084,967	72,084,967	
M.	Fund Balance, Ending (K. + L.2)	70,272,928	63,295,936	66,015,701	
N.	Percentage of GF Fund Balance to GF Expenditures (M. / J.3)	36.6%	31.8%		

Has the district settled any employee contracts during this quarter?

NO

Did the district have significant events for the quarter (include incurrence of long-term debt, settlement of audit findings or legal suits, significant differences in budgeted revenues or expenditures, borrowing of funds (TRANS), issuance of COPs, etc.)?

NO

If yes, list events and their financial ramifications.

Does the district have significant fiscal problems that must be addressed?

This Year?

NO

If yes, what are the problems and what actions will be taken?

Next Year?

YES

The Governor was able to fund the 8.22% statutory COLA in the 2023-24 Budget, but due to declining state revenue, he had to make cuts in other areas like prior year block grants to do it. The state was expecting significant revenue in October 2023 due to emergency late income tax filing. However, those late revenues were less than expected contributing to the projected state budget deficit. The Legislative Analyst Office (LAO) estimated the deficit at \$68 billion, but Governor Newsom estimated it at \$37.9 billion in his January Budget for 2024-25. Of course, that is much less, but still significant. The Governor funds the 2024-25 COLA of 0.76% in the January Budget, along with the same increase for selected categorical programs. There are not many other increases in the Budget.

The Emergency Conditions Allowance (ECA) helped our apportionment funding, but the allowance ended June 30, 2023. It is challenging to manage and project future apportionment funding. For example, there have been large fluctuations in the funded COLA's in recent years. We have seen COLA's over 6% and 8% in 2022-23 and 2023-24 respectively. Now, the 2024-25 COLA is expected to be less than 1% with projections for the subsequent two years in the 2% to 3% range. Also, state COLA's are applied to funding rates, but total apportionment revenue may be less than those percentages due to lower metrics due to the end of allowances or reduced FTES, completion and low-income students.

Enrollment has increased in the past two fiscal years for LBCC with a 5.7% FTES increase in 2022-23 and a 6.6% increase at period 1 (P-1) in 2023-24. However, the current level is still 1.0% below the pre-pandemic level that we were funded at due to the emergency conditions allowance (ECA). That results in the counterintuitive situation where our actual FTES is increasing, but our FTES for the funding formula is declining.

We are hopeful that future state revenues meet the Governor's expectations. Our large fund balance would help us weather mild downturns, but not a severe or long-term recession. Federal HEERF funding has helped districts through the pandemic, but that funding, and the related indirect cost benefit to the general fund, has ended. We have been able to use HEERF funding for forgiveness of student debt to help engage and retain students. Going forward, difficult decisions loom on how to return to typical operations and collections of student debt.