



LONG BEACH CITY COLLEGE

Adopted Budget 2020-21

**Presented by:
Marlene Drinkwine
Co-Chair
Budget Advisory Committee**

September 9, 2020



Overview

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



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Overview (continued)

- **Unrestricted General Fund Details**
 - Overall Summary
 - Revenue Summary
 - Major Revenue Changes in 2020-21
 - Expenditure Summary
 - Major Expenditure Changes in 2020-21
 - 7-Year Trends
- **Future Budget Challenges**



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Board of Trustees Goals

adopted on November 13, 2018

1. Continue supporting and monitoring the implementation of the 2016-22 Strategic Plan.
2. Monitor implementation of the Enrollment Management Plan.
3. Monitor college strategies for improving college readiness and success of students for people of color, women, LGBTQ, veterans, disabled, and other historically disadvantaged communities.
4. Improve Board governance by creating a well-functioning Board unit and adhering to principles of effective Boardsmanship.
5. Support strategies that ensure the long-term fiscal health of the college and the district and devise strategies that improve access and affordability for all students.
6. Develop a strong relationship that ensures the success of the Superintendent-President, the Board, and the College.



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Institutional Priorities

adopted on May 22, 2020

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. Implementing guided pathways to increase student retention, completion, and transfer and to close equity gaps in student success
- B. Maintaining fiscal viability
- C. Expanding outreach to increase enrollment and retain students
- D. Attracting and retaining a diverse workforce

Institutional Priorities

adopted May 22, 2020
(continued)

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- E.** Establishing and strengthening relationships with local community organizations
- F.** Managing and learning from the COVID-19 pandemic to enhance emergency operations planning and training
- G.** Continuing to expand and improve the use of instructional technology in online and face-to-face courses.



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Strategic Plan Goals

adopted June 28, 2016

1. Innovate to achieve equitable student success
2. Accelerate college readiness and close equity gaps
3. Build community
4. Invest in people and support structures for transformation

(Included within Board Goals approved on November 13, 2018)

Highlighted Resource Allocation towards Goals & Priorities

Grants & Funding Allocations	LBCC Institutional Priorities and Board Goals Related to Institutional Planning							
	1., 2. Implement Strategic Plan and Enrollment Management Plan	3. & A. Implement Guided Pathways to close equity gaps in student success, completion, transfer	5. & B. Maintain Fiscal Health	C. Expand Outreach, Increase Enrollment & Retention	D. Attract/ Retain Diverse Workforce	E. Establish/ Strengthen Relationships With Community Organizations	F. Enhance Emergency Operations/ Planning	G. Expand/ Improve Instructional Technology Use
Strong Workforce	√	√				√		√
Adult Ed Regional Consortium	√	√		√				
Title V HSI Grant for DESTINO (STEM Initiative & Science Center)	√	√	√	√		√		√
Student Equity Achievement Program	√	√		√				√
Goldman Sachs 10K Small Businesses	√			√		√		
Small Business Development Center	√		√	√		√		
COVID-19 Response Block Grants	√		√				√	√

Highlighted Resource Allocation towards Goals & Priorities

Student Success Initiatives	LBCC Institutional Priorities and Board Goals Related to Institutional Planning							
	1., 2. Implement Strategic Plan and Enrollment Management Plan	3. & A. Implement Guided Pathways to close equity gaps in student success, completion, transfer	5. & B. Maintain Fiscal Health	C. Expand Outreach, Increase Enrollment & Retention	D. Attract/ Retain Diverse Workforce	E. Establish/ Strengthen Relationships With Community Organizations	F. Enhance Emergency Operations/ Planning	G. Expand/ Improve Instructional Technology Use
College Promise 2.0	√	√		√				
Viking Advantage	√	√		√		√		
Viking Summer Voyage	√	√		√		√		√
Student-Centered Scheduling Improvements	√	√						
Meta-Majors Development/ Implementation	√	√						
AB 705 Implementation	√	√						√
Cultural Curriculum Audit	√	√						

Highlighted Resource Allocation towards Goals & Priorities

Student Support Programs & Services	LBCC Institutional Priorities and Board Goals Related to Institutional Planning							
	1., 2. Implement Strategic Plan and Enrollment Management Plan	3. & A. Implement Guided Pathways to close equity gaps in student success, completion, transfer	5. & B. Maintain Fiscal Health	C. Expand Outreach, Increase Enrollment & Retention	D. Attract/ Retain Diverse Workforce	E. Establish/ Strengthen Relationships With Community Organizations	F. Enhance Emergency Operations/ Planning	G. Expand/ Improve Instructional Technology Use
Welcome Center	√	√		√				
Dreamer Supports	√	√						
Veterans Supports	√	√						√
Early College Credit Program (ECP)	√	√		√				√
Mental Health Support for Students	√	√						
Needs Assessments: North Long Beach; Student Housing Resources	√	√						
Embedded Tutoring	√	√						√
Starfish Early Alert	√	√		√				√
Formerly Incarcerated Student Supports	√	√						
Office of Basic Needs	√	√		√				

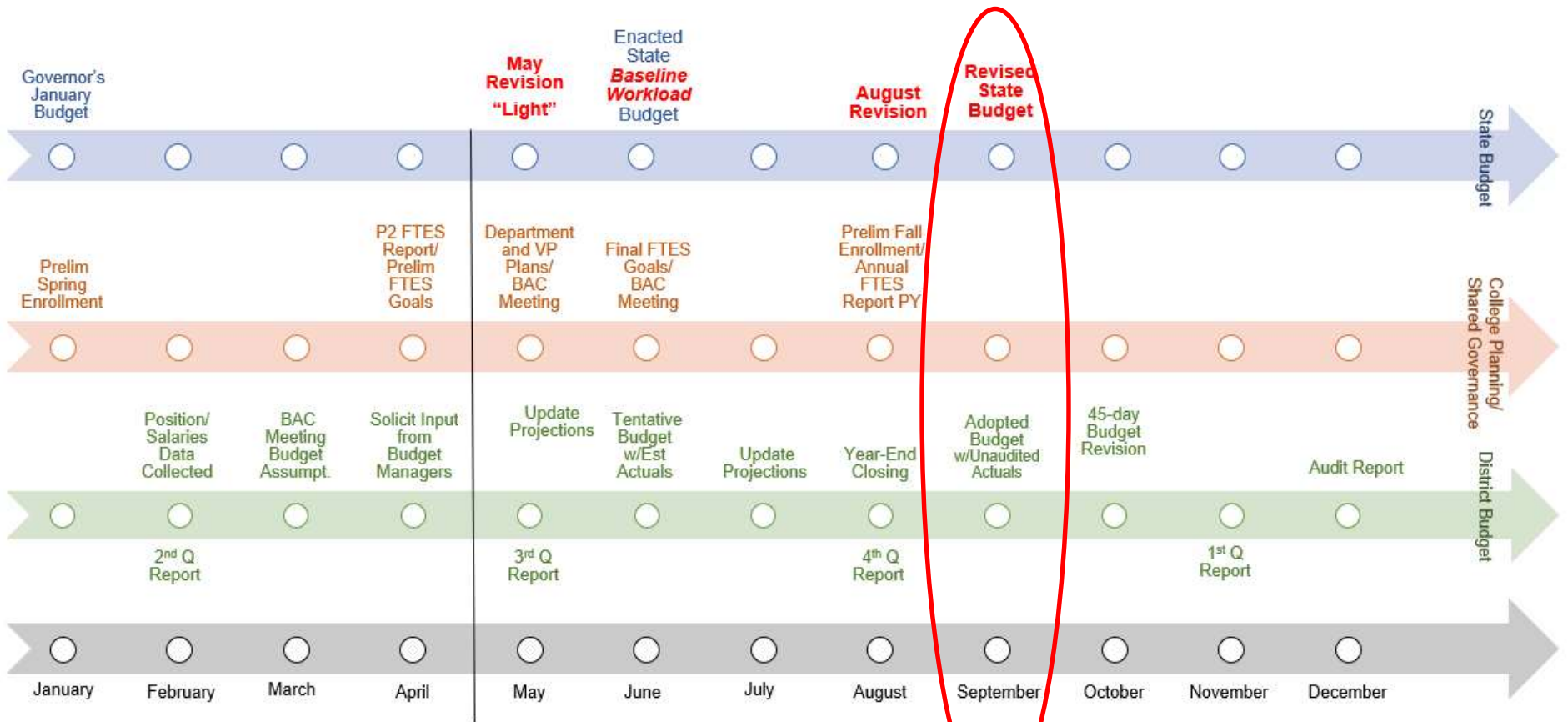
Highlighted Resource Allocation towards Goals & Priorities

Faculty, Staff, and Infrastructure Supports	LBCC Institutional Priorities and Board Goals Related to Institutional Planning							
	1., 2. Implement Strategic Plan and Enrollment Management Plan	3. & A. Implement Guided Pathways to close equity gaps in student success, completion, transfer	5. & B. Maintain Fiscal Health	C. Expand Outreach, Increase Enrollment & Retention	D. Attract/ Retain Diverse Workforce	E. Establish/ Strengthen Relationships With Community Organizations	F. Enhance Emergency Operations/ Planning	G. Expand/ Improve Instructional Technology Use
Distance Learning Support	√	√					√	√
Faculty Professional Development	√	√						√
Noncredit Infrastructure	√	√		√				√
Business Process Reviews	√	√	√				√	
Employee Professional Development (Leadership Initiatives/ Classified Vision for Success)	√	√			√			
Tableau Online Software	√	√						

Highlighted Resource Allocation towards Goals & Priorities

Marketing & Community Outreach	LBCC Institutional Priorities and Board Goals Related to Institutional Planning							
	1., 2. Implement Strategic Plan and Enrollment Management Plan	3. & A. Implement Guided Pathways to close equity gaps in student success, completion, transfer	5. & B. Maintain Fiscal Health	C. Expand Outreach, Increase Enrollment & Retention	D. Attract/ Retain Diverse Workforce	E. Establish/ Strengthen Relationships With Community Organizations	F. Enhance Emergency Operations/ Planning	G. Expand/ Improve Instructional Technology Use
Community and High School Outreach	√	√		√		√		
Marketing	√	√		√		√		
Equitable Recruitment Efforts/EEO Professional Development	√	√			√	√		
Center for Community & Industry Partnerships	√	√		√		√		

Budget Development Cycle



Budget Development Cycle

- Tentative Budget (*Required to provide spending authority July 1*)
 - Governor's January Proposed Budget
 - Most Categorical Programs
 - Governor's May Revise Proposal
 - SCFF
 - Selected Categorical Programs
- Adopted Budget
 - Enacted State Budget
 - Legislature approved their 2020-21 State Budget on June 15, 2020
 - *Significantly different than the May Revise Proposal*
 - Governor to take action within 12 days. Signed June 30, 2020
- Budget Revisions
 - Anticipate Subsequent Budget Bill with Revisions per the "August Revise"

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%

Year	Statutory COLA	State Provided COLA
2012-13	3.24%	0.00%
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*	2.48%	0%
2022-23*	3.26%	3.26%

*Projected per School Services of California (May 2020)



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State Budget Overview

Ongoing Unrestricted

- Student Centered Funding Formula (SCFF)
0% COLA funded (2.31% statutory)
 - ***\$2.9 million cut for LBCC for absence of COLA***
 - ***\$10.1 million improvement compared to 10% cut in Tentative Budget/May Revise***
- No growth funding
 - ***No impact for LBCC***
- SCFF funded at the same level as prior year
 - ***\$0.6 million (0.5%) deficit factor budgeted for LBCC***
- Hold Harmless extended 2 years to 2023-24



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State Budget Overview

(continued)

Categorical Programs

- No COLA for categorical programs (DSPPS, EOPS, CARE, CalWORKs, Child Care Tax Bailout & Mandated Block Grant)
 - ***\$110,000 loss for LBCC***
- Most programs funded at same level as prior year including:
 - Adult Education – avoiding May Revise cut
 - Strong Workforce – avoiding huge (60%) May Revise cut
 - Student Equity & Achievement (SEA) – avoiding huge (18%) May Revise cut
 - Dreamer resource Liaisons & Support



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State Budget Overview (continued)

Categorical Programs (continued)

- Legal services to immigrant students, faculty and staff was made ongoing
- California College Promise Program – continues
- Student Success Completion Grant – continues
- Consolidation of programs to create a unified CCC System Support Program – postponed
- Proposed New/Expanded Programs eliminated:
 - Zero Textbook Cost Pathways expansion - \$10 million cut
 - CCC Diversity pilot fellowship - \$15 million cut
 - Food Pantry Programs - \$11.4 million cut



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State Budget Overview

(continued)

One-Time

- No block grant for Deferred Maintenance/ Instructional Equipment
 - ***\$299,000 cut from January Budget for LBCC***
- \$119.7 million COVID-19 Response Grant
 - State allocation \$1.2 million
 - Federal allocation \$0.9 million
- \$1.45 billion Deferrals
 - ***\$21.3 million apportionment for LBCC***
 - ***\$5.9 million Student Equity & Achievement (SEA) Program for LBCC***



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State Budget Overview (continued)

One-Time (continued)

- STRS & PERS State contributions to reduce employer contribution rates for next 2 years. 2020-21 changes:
 - **STRS 18.41% to 16.15%, (\$351,000) decrease for LBCC**
 - **PERS 22.67% to 20.70%, \$656,000 increase for LBCC**

Capital Facilities

- \$223.1 million in Proposition 51 facilities bond projects. Includes 1 new LBCC project:
 - **\$1.6 million: Construction Trades Phase 2, Building MM, PCC**



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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 19,983.
- A 0.5% deficit factor will be based on past experience.
- Total Cost of Ownership – principles shall be employed in department planning and budgeting processes.



Adopted Budget

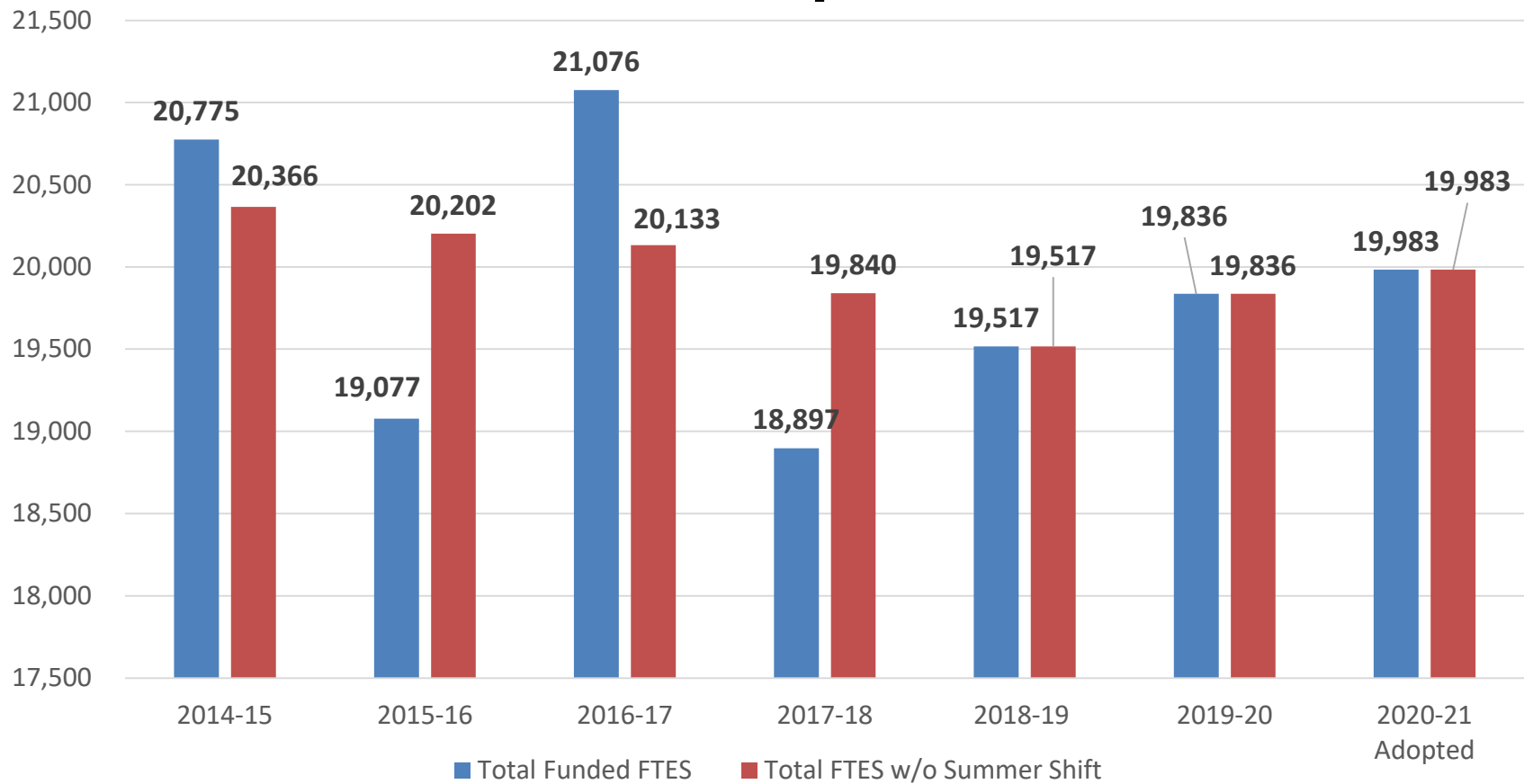
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BAC Budget Assumption Highlights (Continued)

- **Maintain a 5.5% minimum unrestricted reserve**
 - Total Institutional Effectiveness Fund Balance goal set at 15% (short-term goal is 12.5%)
- **Load Banking and Vacation Liability Reserves – \$3.3 million**
- **Retiree Benefits Annual Required Contribution (ARC) – \$4.1 million**
- **Health & Welfare Premiums:**
 - Increased by 4.2% - \$808,583

FTES Comparison*



*Resident Full-Time Equivalent Students (FTES).

List of Funds – Expenditures & Other Outgo (in millions)

	Adopted Budget 2019-20	Unaudited Actual 2019-20	Adopted Budget 2020-21
Unrestricted General Fund	\$ 142.8	\$ 138.3	\$ 146.9
Restricted General Fund	46.9	39.8	61.4
Associated Students Body Fund	1.2	0.8	1.2
Capital Projects Fund	36.4	6.0	33.0
Child & Adult Development Fund	2.1	2.0	2.1
Contract/Community Education Fund	1.0	0.0	1.2
General Obligation Bond Fund 2008 Measure E	95.9	0.0	128.1
General Obligation Bond Fund 2016 Measure LB	779.4	53.5	732.4
Retiree Health Fund	3.8	2.8	3.2
Self-Insurance Fund	1.4	1.2	1.5
Student Financial Aid	46.2	55.6	56.2
Student Representation Fund	0.0	0.0	0.0
Vet Stadium Operations	1.3	1.2	1.5
Total	\$ 1,158.4	\$ 301.2	\$ 1,168.7

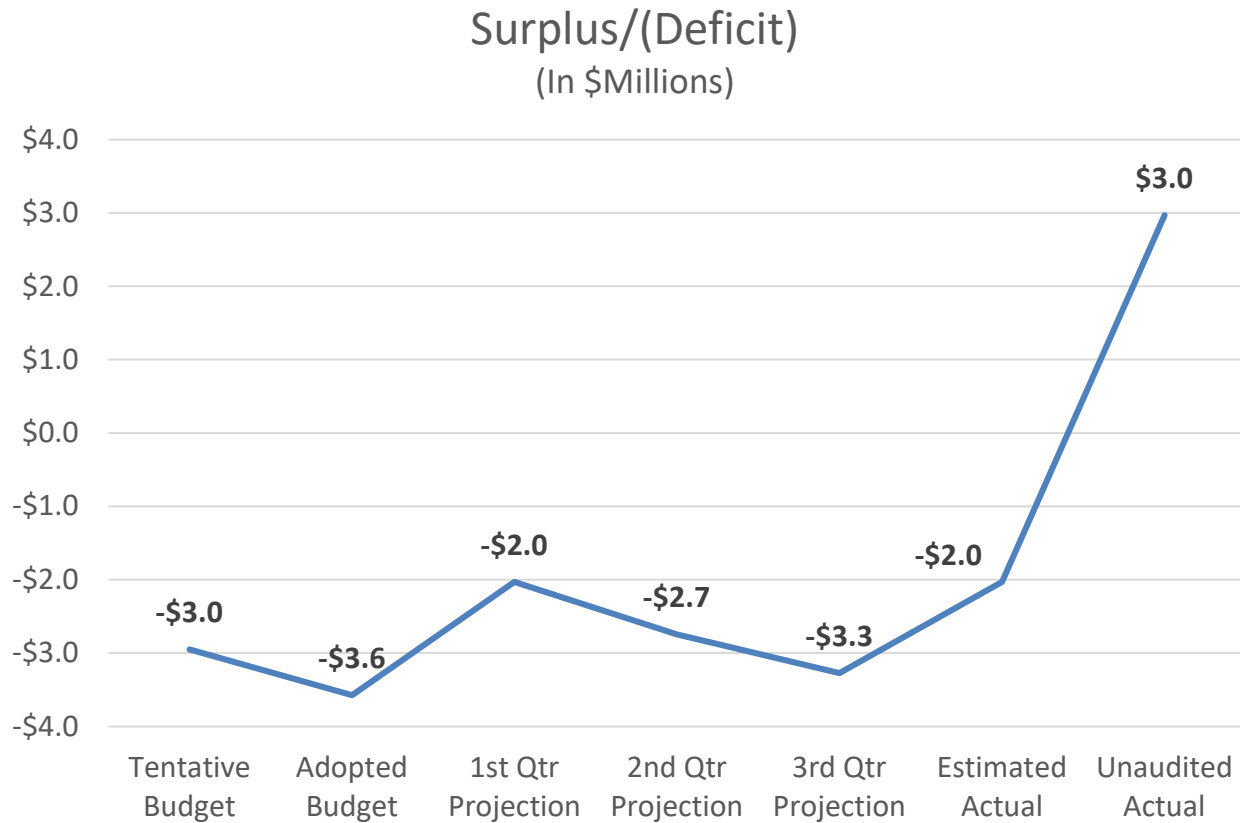
Unrestricted General Fund Overall Summary

	Unaudited Actual 2019-20	Tentative Budget 2020-21	Adopted Budget 2020-21	*Change Increase/ (Decrease)
Revenues and Other Financing Sources	\$141,281,542	\$129,866,622	\$140,262,700	\$(1,018,842)
Expenditures and Other Outgo	138,309,985	144,692,700	146,870,436	8,560,451
Surplus/(Deficit)	2,971,557	(14,826,078)	(6,607,736)	(9,579,293)
Fund Balance	\$ 39,184,203	\$ 19,355,818	\$ 32,576,467	\$(6,607,736)

*Change is comparison between 2019-20 Unaudited Actual and 2020-21 Adopted Budget.



Deficit Reduction Unrestricted General Fund 2019-20



Unrestricted General Fund Revenue Summary

	Unaudited Actual 2019-20	Tentative Budget 2020-21	Adopted Budget 2020-21	*Change Increase/ (Decrease)
Federal	\$ 147,428	\$ 140,000	\$ 140,000	\$ (7,428)
State Apportionment	124,463,650	116,328,537	126,444,011	1,980,361
Other State	12,094,359	10,011,369	10,793,667	(1,300,692)
Local	4,229,359	3,046,365	2,864,671	(1,364,688)
Other Sources	346,746	340,351	20,351	(326,395)
Total	\$141,281,542	\$129,866,622	\$140,262,700	\$(1,018,842)

*Change is comparison between 2019-20 Unaudited Actual and 2020-21 Adopted Budget.



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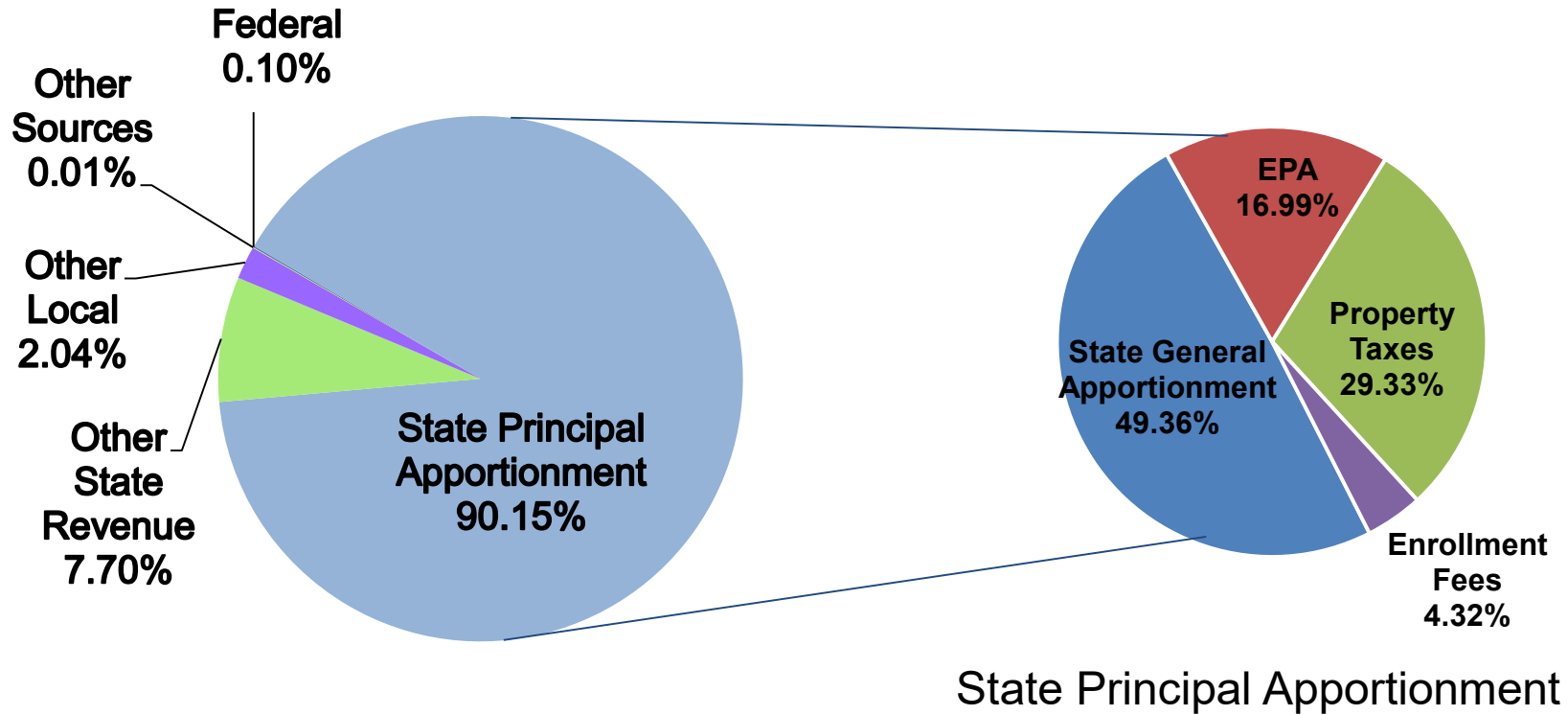
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Major Revenue Changes in 2020-21

- **Apportionment** – \$2.0 million increase
 - \$1.9 million increase due to the deficit factor decreasing from 2.0% to 0.5%
 - \$0.7 million increase in SCFF funding due to improved metrics
 - \$0.2 million increase due to fall 2019 FON penalty imposed in 2019-20
 - \$0.8 million decrease for prior year adjustments
- **Other State Revenue**
 - \$1.3 million decrease due to no PERS On-Behalf contribution
- **Local Revenue**
 - \$1.4 million decrease due to decrease in non-resident tuition, international student fees, material fees, summer program revenue & less student receivables write-off in 2019-20

Unrestricted General Fund Budgeted Revenue & Other Sources 2020-21





Unrestricted General Fund Expenditure Summary

	Unaudited Actual 2019-20	Tentative Budget 2020-21	Adopted Budget 2020-21	*Change Increase/ (Decrease)
Academic Salaries	\$ 55,563,914	\$ 55,923,166	\$ 56,636,111	\$ 1,072,197
Classified Salaries	27,625,955	29,733,329	30,348,376	2,722,421
Benefits	42,411,327	44,008,446	44,298,201	1,886,874
Supplies	611,891	774,649	805,414	193,523
Services	9,147,842	10,933,081	10,973,122	1,825,280
Capital Outlay	1,128,088	1,227,491	1,243,783	115,695
One-Time	480,733	756,538	1,229,429	748,696
Other Outgo	1,340,235	1,336,000	1,336,000	(4,235)
Total	\$138,309,985	\$144,692,700	\$146,870,436	\$ 8,560,451

*Change is comparison between 2019-20 Unaudited Actual and 2020-21 Adopted Budget.



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Major Expenditure Changes in 2020-21

- **Academic Salaries** – \$1.1 million increase due to 2.76% increase for LBCCFA plus 1% increase to top step and step and column increases
- **Classified Salaries** – \$2.7 million increase due to step and column increases, 2% increase for AFT bargaining unit and budget for vacancies.
- **Total Benefits** – \$1.9 million increase is due to increases to certain benefit rates, most notably 0.979% for PERS and 4.2% increase costs to health and welfare benefits.



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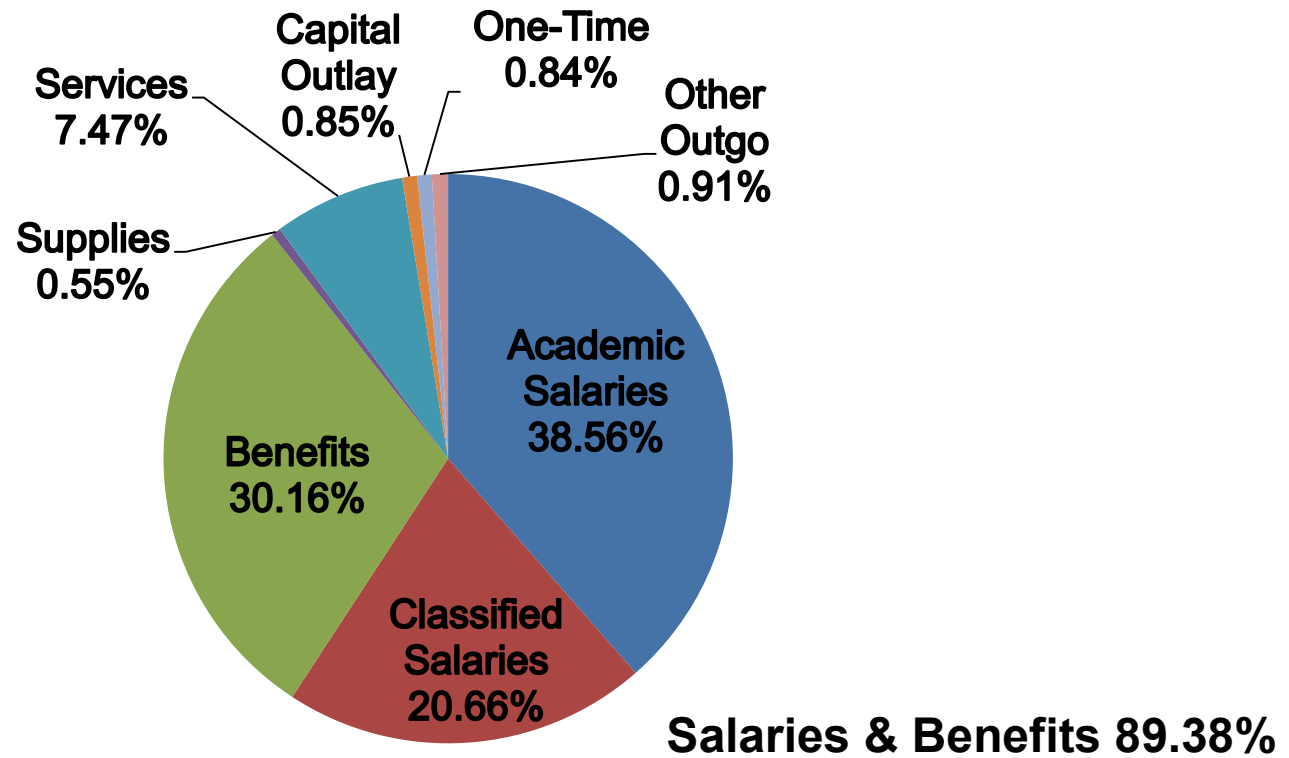
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Major Expenditure Changes in 2020-21 (continued)

- **Contract Services & Operating Expenses** – \$1.8 million increase is mainly due to the increase in professional services, election costs, online software licensing and other services.
- **One-Time Funds** – \$0.7 million increase based on 2020-21 budgeted projects. Major 2019-20 one-time project expenses included professional services for student financial aid, ECS Forms development for Admission and Records forms, Degree Planning software, catalog and curriculum management software, benefits administration software implementation and security training software.



Unrestricted General Fund Budgeted Expenditures and Other Outgo 2020-21



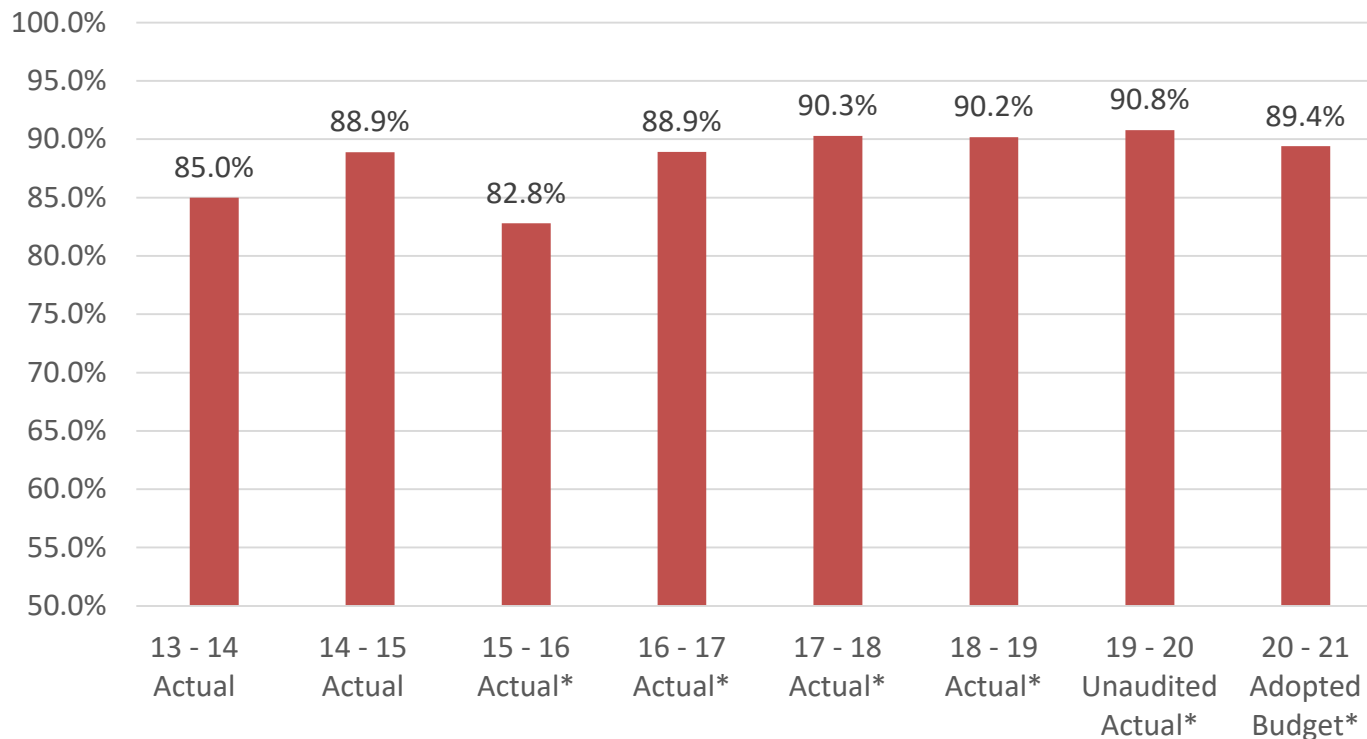
Unrestricted General Fund 7-Year Trend Summary (in \$ millions)

	13-14 Actual	14-15 Actual	15-16 Actual	16-17 Actual	17-18 Actual	18-19 Actual	19-20 Unaudited Actual	20-21 Adopted Budget
Salaries & Benefits as a % of Total Expenses & Other Outgo	85.0%	88.9%	82.8%*	88.9%*	90.3%*	90.2%*	90.8%*	89.4%*
Surplus / (Deficit)	\$4.0	\$4.4	\$2.7	\$2.2	(\$0.3)	\$6.0	\$3.0	(\$6.6)
Ending Balance	\$21.2	\$25.6	\$28.3	\$30.5	\$30.2	\$36.2	\$39.2	\$32.6
Ending Balance as a % of Total Expenses & Other Outgo	20.6%	24.0%	21.4%	24.4%	22.9%	27.5%	28.3%	22.2%

*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 2020-21	Projected 2021-22	Projected 2022-23
Projected Revenue			
Apportionment Revenue	\$126.5	\$126.4	\$130.5
Other Revenue	13.8	13.6	13.6
Total Available Funding	140.3	140.0	144.1
Projected Expenses			
Expenditure Base (Prior Year)	138.3	146.9	147.8
Adjustments to Operations	2.9	(1.0)	0.7
Adjustments to Compensation/Benefits	5.7	1.8	5.0
Total Projected Expenses	146.9	147.7	153.5
Projected Surplus/ (Deficit)	(6.6)	(7.7)	(9.4)
Projected Ending Fund Balance	\$32.6	\$24.9	\$15.5
% of Expenses	22.2%	16.8%	10.1%



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Future Budget Challenges

- **Enrollment Management:**
 - Declining enrollment was a challenge throughout the state prior to the pandemic.
 - Substantially remote education complicates enrollment management
 - Outreach and marketing efforts improved enrollment.
 - Recessions usually result in increased enrollment.
 - It is uncertain how many students may not make the transition to remote education.
- **State Pension Obligations:**
 - Governor's one-time contributions to reduce PERS and STRS expenses help;
 - However, STRS and PERS obligations will continue to increase in the upcoming years.



STRS & PERS Future Employer Rates

Fiscal Year	STRS		PERS		Total
2013-14	8.25%	\$ (131,947)	11.44%	\$ (6,310)	\$ (138,257)
2014-15	8.88%	227,313	11.77%	370,860	598,173
2015-16	10.73%	1,779,636	11.85%	128,984	1,908,620
2016-17	12.58%	1,270,151	13.89%	933,156	2,203,307
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%	(351,000)	20.70%	656,000	305,000
2021-22	16.00%	(84,000)	23.01%	881,000	797,000
2022-23	18.10%	1,180,000	26.24%	1,232,000	2,412,000
Total		\$ 6,957,142		\$ 6,857,652	\$ 13,814,794

Rates are as of August 2020 and are subject to change for future years. Employer contribution increase estimates are based on total covered salary estimates from the 2020-21 Tentative Budget.



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Future Budget Challenges

(continued)

- **Deficit Spending:**
 - Deficit spending was a concern prior to the pandemic
 - Sudden halt to the economy and impact to state budget make it an even bigger concern
 - Federal and State relief help, but cannot completely make up for the damage done
 - Deferrals may only delay state funding cuts
- **Student Centered Funding Formula (SCFF) Metrics:**
 - Improvements have been made to try to increase revenue under the Student Centered Funding Formula (SCFF)
 - SCFF funding just above hold harmless level for advanced apportionment for 2020-21
 - State Budget extends hold harmless provisions for two more years through 2023-24

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Future Budget Challenges

(continued)

● Cash Flow:

- \$27.1 million in cash deferrals for LBCC in 2019-20
- This tactic has been used in previous recessions
- However, deferrals have never been used to this level in the past
- Barring a quick and substantial recovery, deferrals will be relied on for multiple years
- We will monitor cash balances closely
- May need interfund borrowing & Tax and Revenue Anticipation Notes (TRAN short-term financing) to ensure that vendors and employees are paid on time



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Future Budget Challenges

(continued)

● COVID-19 Expenses

- CARES Act provides nearly \$7 million for District expenses
- COVID Response Block Grants provide \$2.1 million
- Length and total cost as yet still unknown

● Economic Projections

- Severity and length of economic downturn uncertain
- Multi-year projections are tentative, at best
- Long term actions in response to alternate scenarios are being developed



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Questions?