

Adopted Budget 2022-23

**Presented by:
Dr. Raymond “Chip” West
Co-Chair
Budget Advisory Committee**

September 14, 2022

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 2022-23
- Expenditure Summary
- Major Expenditure Changes in 2022-23
- 7-Year Trends
- Future Budget Challenges



Board Goals, Institutional Priorities & Strategic Plan Goals

Adopted Budget 2022-23

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, 2016-2022 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

adopted on August 24, 2022

- **Strategic Goal I: Innovate to Achieve Equitable Success**
 - Update and monitor the District's Strategic Plan to ensure equitable student success.
 - Monitor the implementation of the Enrollment Management Plan.
 - Oversee the recovery from the disruptions caused by the ongoing pandemic.
 - Monitor new federal and state legislation to ensure District compliance.
- **Strategic Goal II: Accelerate College Readiness and Close Equity Gaps**
 - Monitor strategies for improving college and career readiness and success of the District's diverse student population, including but not limited to, students of color, women, LGBTQ, veterans, disabled students, and disadvantaged and hard to reach communities.
 - Support measures that address barriers to educational success, including housing and food insecurity.
- **Strategic Goal III: Build Community**
 - Improve Board governance by maintaining a well-functioning Board and adhering to principles of effective Boardsmanship.
 - Cooperate and improve Board performance.
- **Strategic Goal IV: Invest in People and Support Structures for Transformation**
 - Support strategies that ensure the long-term fiscal health of the district, including strategies that improve access and affordability for all students.
 - Develop strong relationships that ensure the success of the Superintendent-President, the Board, and the District.

Institutional Priorities

adopted on March 24, 2022

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. Increasing student persistence, completion, transfer, and gainful employment while closing equity gaps by providing holistic student supports, including the implementation of cross-functional teams, within a guided pathways framework.
- B. Maintaining fiscal viability.
- C. Expanding outreach to increase enrollment and investing in infrastructure to promote students' persistence.

Institutional Priorities

adopted March 24, 2022

(continued)

- D. Creating spaces of belonging and inclusivity for our disproportionately impacted and marginalized students through culturally responsive, anti-racist, and inclusive pedagogy and services.
- E. Supporting students with the resources they need to succeed, including through increased awarding of financial aid and scholarships, as well as through offering basic needs services.
- F. Attracting and retaining diverse workforce committed to anti-racism and equity-mindedness.
- G. Establishing and strengthening relationships with local community organizations.

Institutional Priorities

adopted March 24, 2022

(continued)

- H. Utilizing lessons learned from the pandemic and embracing a new normal through:
 - i. Continuing to enhance emergency operations, improve the safety of campus facilities, and implement systems security.
 - ii. Cultivating a culture of care by supporting the wellness, safety, and health (mental and physical) of our employees and students, while also ensuring they feel welcomed, acknowledged, and understood.
 - iii. Continuing to invest in and support the expanded use of online and hybrid technology for instruction, service delivery, and workplace efficiencies.

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 April 28, 2021)

Highlighted Resource Allocations: Goals & Priorities

| Grants & Funding Allocations | LBCC Institutional Priorities and Board Goals Related to Institutional Planning | | | | | | | |
|--|---|---------------------------------------|--|---|---|--|--|---|
| | I., II., IV. & A. Implement Guided Pathways Using Cross-functional Teams to Close Equity Gaps in Student Success | IV. & B. Maintain Fiscal Viability | I., II., IV. & C. Expand Outreach/ Invest in Infrastructure to Increase Student Enrollment and Persistence | I., II. & D. Create Spaces of Belonging through Anti-racist/ Inclusive Pedagogy & Services | I., II., IV. & E. Support Students with Resources to Succeed | I., IV. & F. Attract/ Retain a Diverse, Anti-racist, Equity-Minded Workforce | I. & G. Establish/ Strengthen Relationships With Local Community Organizations | I., II., IV. & H. Utilize Lessons Learned from Pandemic to Improve Campus Safety and Security, Support Online/ Hybrid Technology, and Create a Culture of Care |
| 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 Grants | | √ | | | √ | | | √ |

Highlighted Resource Allocations: Goals & Priorities

| Grants & Funding Allocations (Continued) | LBCC Institutional Priorities and Board Goals Related to Institutional Planning | | | | | | | |
|---|---|---------------------------------------|--|---|---|--|--|--|
| | I., II., IV. & A. Implement Guided Pathways Using Cross-functional Teams to Close Equity Gaps in Student Success | IV. & B. Maintain Fiscal Viability | I., II., IV. & C. Expand Outreach/ Invest in Infrastructure to Increase Student Enrollment and Persistence | I., II. & D. Create Spaces of Belonging through Anti-racist/ Inclusive Pedagogy & Services | I., II., IV. & E. Support Students with Resources to Succeed | I., IV. & F. Attract/ Retain a Diverse, Anti-racist, Equity-Minded Workforce | I. & G. Establish/ Strengthen Relationships With Local Community Organizations | I., II., IV. & H. Utilize Lessons Learned from Pandemic to Improve Campus Safety and Security, Support Online/Hybrid Technology, and Create a Culture of Care |
| LGBTQ+ Program | √ | | | √ | √ | | | √ |
| Equal Employment Opportunity (EEO) Best Practices | | | | | | √ | | |
| Phoenix Scholars (Gang-Involved Student Supports) | | | √ | √ | √ | | √ | |

Highlighted Resource Allocations: Goals & Priorities

| Student Success Initiatives | LBCC Institutional Priorities and Board Goals Related to Institutional Planning | | | | | | | |
|--|---|---------------------------------------|--|---|---|---|---|---|
| | I., II., IV. & A. Implement Guided Pathways Using Cross-functional Teams to Close Equity Gaps in Student Success | IV. & B. Maintain Fiscal Viability | I., II., IV. & C. Expand Outreach/ Invest in Infrastructure to Increase Student Enrollment and Persistence | I., II. & D. Create Spaces of Belonging through Anti-racist/ Inclusive Pedagogy & Services | I., II., IV. & E. Support Students with Resources to Succeed | I., IV. & F. Attract/ Retain a Diverse, Anti-racist, Equity-Minded Workforce | I. & G. Establish/ Strengthen Relationships With Local Community Organizations | I., II., IV. & H. Utilize Lessons Learned from Pandemic to Improve Campus Safety and Security, Support Online/ Hybrid Technology, and Create a Culture of Care |
| 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 Allocations: Goals & Priorities

| Student Support Programs & Services | LBCC Institutional Priorities and Board Goals Related to Institutional Planning | | | | | | | |
|--|---|---------------------------------------|---|---|---|---|---|---|
| | I., II., IV. & A. Implement Guided Pathways Using Cross-functional Teams to Close Equity Gaps in Student Success | IV. & B. Maintain Fiscal Viability | I., II., IV. & C. Expand Outreach/ Invest in Infrastructure to Increase Student Enrollment and Persistence | I., II. & D. Create Spaces of Belonging through Anti-racist/ Inclusive Pedagogy & Services | I., II., IV. & E. Support Students with Resources to Succeed | I., IV. & F. Attract/ Retain a Diverse, Anti-racist, Equity-Minded Workforce | I. & G. Establish/ Strengthen Relationships With Local Community Organizations | I., II., IV. & H. Utilize Lessons Learned from Pandemic to Improve Campus Safety and Security, Support Online/ Hybrid Technology, and Create a Culture of Care |
| Welcome Center | √ | | √ | √ | √ | | | √ |
| Dreamer Supports | √ | | √ | √ | √ | | | √ |
| Veterans Supports | √ | | √ | √ | √ | | | √ |
| Early College Credit Program (ECCP) | √ | | √ | √ | | | | √ |
| 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 | √ | | √ | √ | √ | | | √ |
| Social Justice & Intercultural Center | √ | | √ | √ | √ | | | √ |

Highlighted Resource Allocations: Goals & Priorities

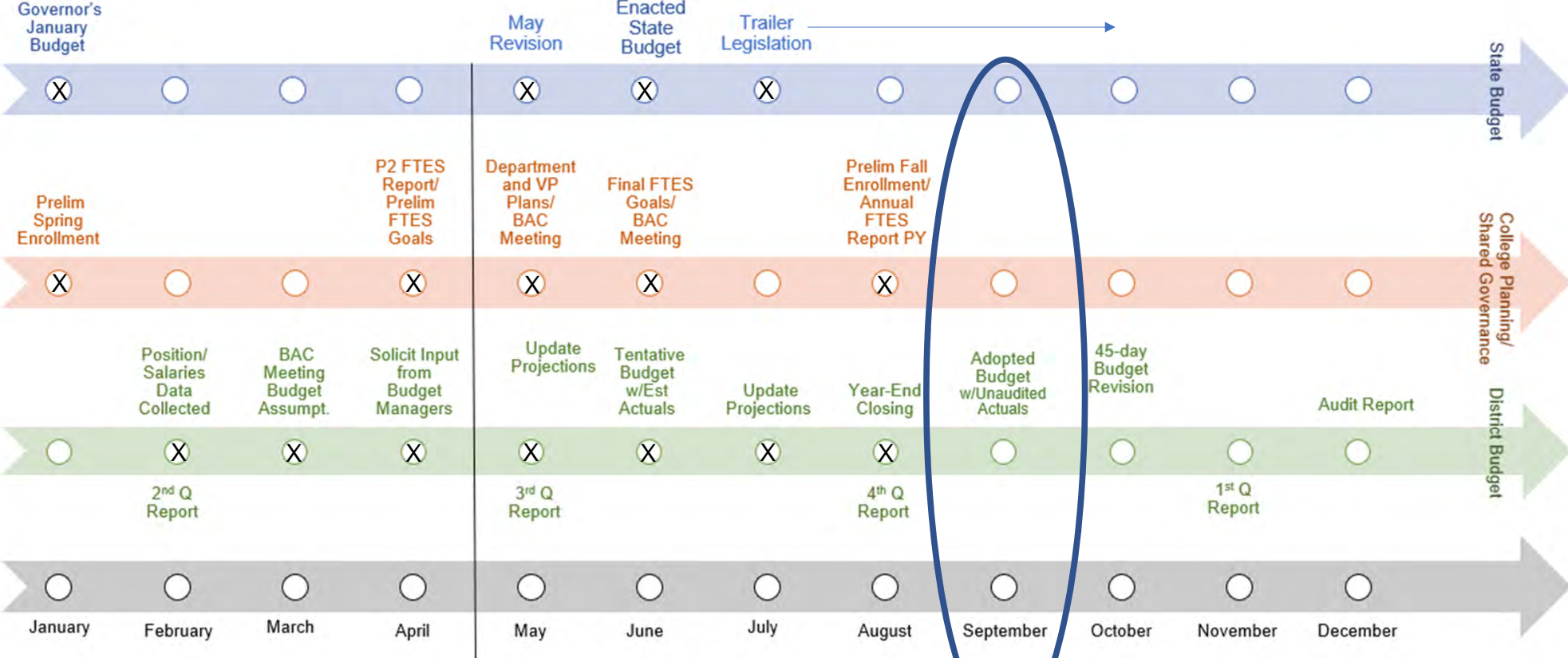
| Faculty, Staff, and Infrastructure Supports | LBCC Institutional Priorities and Board Goals Related to Institutional Planning | | | | | | | |
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| Distance Learning Support | √ | | | √ | √ | | | √ |
| Faculty Professional Development | √ | | | √ | | √ | | √ |
| Noncredit Infrastructure | √ | | √ | √ | √ | | | √ |
| Business Process Reviews | √ | √ | | √ | | | | √ |
| Employee Professional Development (Leadership Initiatives/ Classified Vision for Success) | √ | | | √ | | √ | | √ |
| Tableau Online Software | √ | | √ | √ | √ | | | |
| Hiring Practices | √ | | | √ | | √ | | |

Highlighted Resource Allocations: Goals & Priorities

| Marketing & Community Outreach | LBCC Institutional Priorities and Board Goals Related to Institutional Planning | | | | | | | |
|--|---|---------------------------------------|---|---|---|---|---|---|
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| Community and High School Outreach | √ | | √ | √ | | | √ | |
| Marketing | √ | | √ | √ | √ | | √ | |
| Equitable Recruitment Efforts/EEO Professional Development | √ | | | √ | | √ | √ | |
| 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% |

| 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* | 1.70% | 5.07% |
| 2022-23** | 6.56% | 6.56% |
| 2023-24** | 5.38% | |
| 2024-25** | 4.02% | |

*2-Year compounded rate.

**Projected per School Services of California (May 2022).

Provided below Statutory COLA

Provided above Statutory COLA

State Budget Overview

2022-23 Compendium of Allocations & Resources

- New document provided this year by the Chancellor's Office
- Available at CCCCO.edu, under College Finance & Facilities Planning/Budget News
- The 300 + page document provides allocations by district
 - Including state, federal grants and categoricals and apportionment
- Also contains guidance on reporting and guidelines for grants and categoricals
- The Chancellor's Office will update the document throughout the fiscal year

State Budget Overview

Apportionment

- Student Centered Funding Formula (SCFF) 6.56% COLA - \$493.0 million
 - *\$9.0 million for LBCC*
- Base & Basic SCFF increase - \$600 million
 - *\$4.2 million based on LBCC metrics & emergency conditions allowance*
- 0.5% Growth funding - \$26.7 million
 - *Not expected for LBCC*
- Budgeted Deficit Factor
 - *\$0.8 million (0.5%) estimate based on prior deficits*
- Removed COLA for hold Harmless protection after 2024-25
- COVID Emergency protection extended to 2022-23
 - Uses the greater of 2019-20 or current year FTES
 - With new requirements for districts

State Budget Overview

Categorical Programs

- 6.56% COLA for categorical programs (DSPS, EOPS, CARE, CalWORKs, Child Care Tax Bailout, Mandated Cost Block Grant, and Adult Education - \$62.8 million
 - *\$1.2 million for LBCC*
- DSPS & EOPS increased support - \$50.0 million
 - *\$1.0 million for LBCC*
- Student Equity and Achievement (SEA) Program - \$25.0 million
 - *\$400,000 estimated for LBCC*

State Budget Overview

New and Expanded Programs

- COVID-19 Recovery Block Grant - \$650 million
 - *\$12.4 million estimated for LBCC*
 - Includes reporting requirements
 - No spending time limit
- Modernize CCC Technology - \$99 million
 - *\$1.6 million estimate for LBCC*
 - For data modernization and protection
- Retention & Enrollment - \$150 million
 - *\$1.7 million estimate for LBCC*

State Budget Overview

Other One-time Programs/Uses

- Deferred Maintenance and Instructional Equipment Block Grant - \$840 million
 - \$14.5 million for LBCC
 - Split evenly between the two programs
 - 3 years to encumber; 5 years to spend
- No STRS & PERS State contributions to reduce employer contribution rates as in recent years

State Budget Overview

Capital Facilities

- \$403 million in Proposition 51 capital outlay projects – one-time
 - Does not include LBCC projects
 - LBCC projects continue with funding from prior budgets

State Budget Overview

State Reserve Projected Balances

- Budget Stabilization Account (BSA, also known as the rainy-day fund) - \$23.2 billion
- Public School System Stabilization Account (PSSSA) - \$9.5 billion

BAC Budget Assumption Highlights

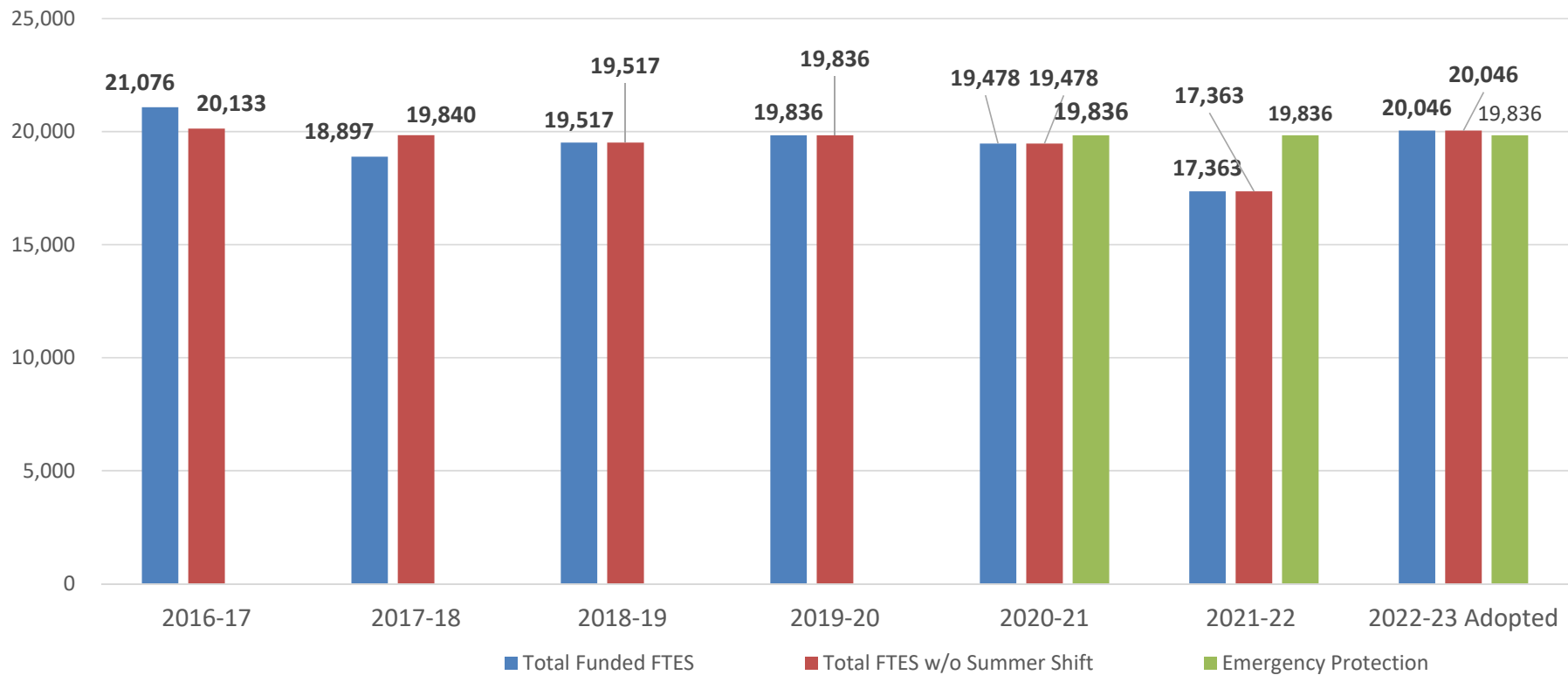
BAC Budget Assumption Highlights

- 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 20,046. However, because of a the recent multi-trend of declining enrollment, revenue projections are based on flat enrollment (the same level as 2021-22)
- 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
 - 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).
 - Required to be Board Policy by February 2023 to maintain eligibility for final year of Emergency Conditions Allowance for funding based on higher 2019-20 FTES
- Load Banking and Vacation Liability Reserves – \$3.3 million
- Retiree Benefits Annual Required Contribution (ARC) – \$5 million
- Health & Welfare Premiums:
 - Increased by 1.1% - \$189,155

FTES Comparison*



*Resident Full-Time Equivalent Students (FTES).

2022-23 List of Funds: Expenditures & Other Outgo (in millions)

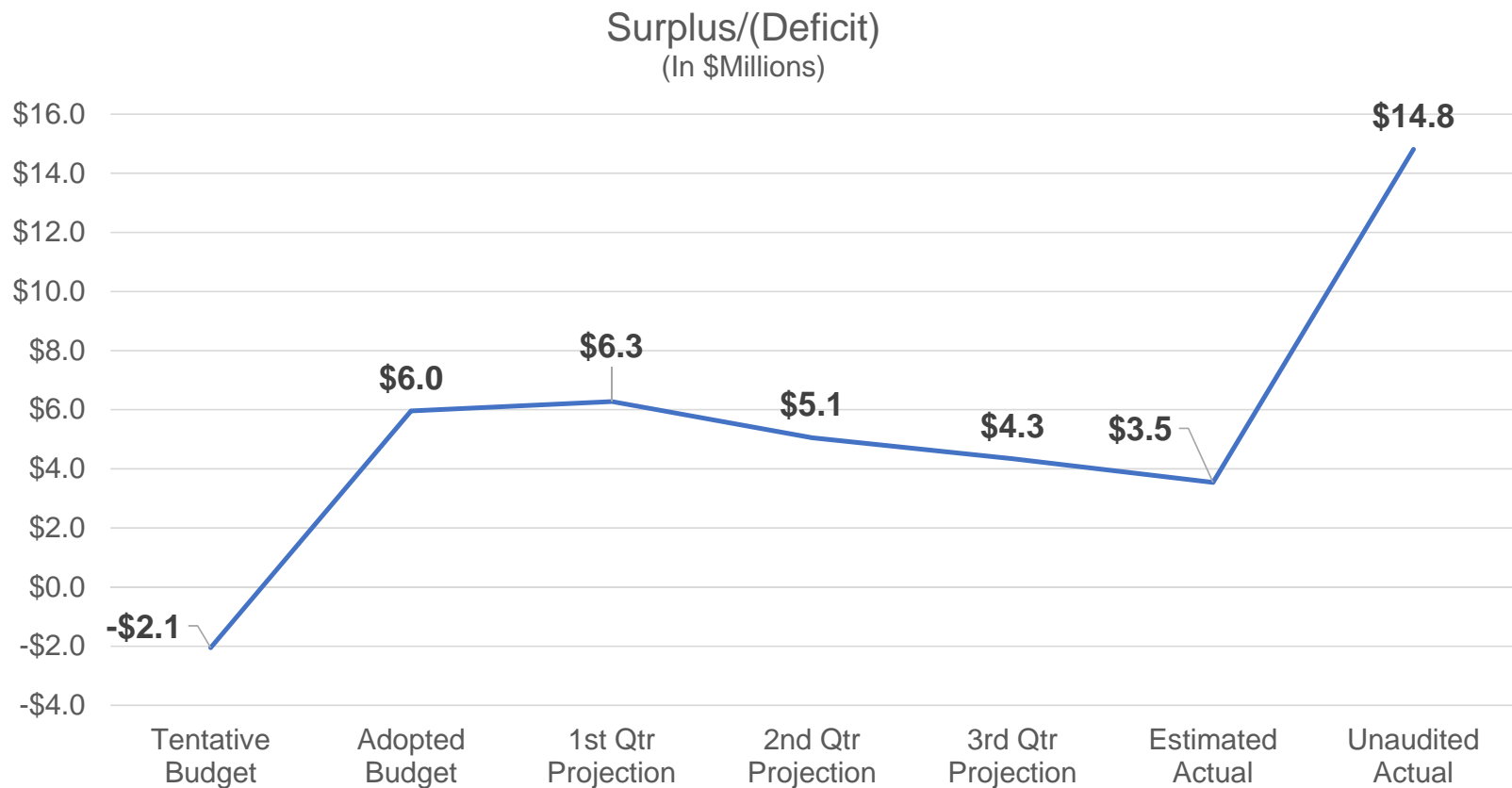
| | 2021-22 Adopted Budget | 2021-22 Unaudited Actual | 2022-23 Adopted Budget |
|--|------------------------------|--------------------------------|------------------------------|
| Unrestricted General Fund | \$ 143.4 | \$ 139.9 | \$ 168.6 |
| Restricted General Fund | 106.8 | 64.0 | 108.1 |
| Associated Students Body Fund | 1.2 | 0.7 | 1.3 |
| Capital Projects Fund | 65.1 | 12.3 | 62.6 |
| Child & Adult Development Fund | 2.2 | 2.2 | 2.6 |
| Contract/Community Education Fund | 1.2 | 0.1 | 1.5 |
| Equity Award Fund | 2.0 | 5.0 | 5.0 |
| General Obligation Bond Fund 2008 Measure E | 128.0 | 0.0 | 128.0 |
| General Obligation Bond Fund 2016 Measure LB | 654.0 | 45.5 | 609.4 |
| Retiree Health Fund | 3.9 | 2.7 | 3.9 |
| Self-Insurance Fund | 1.7 | 1.2 | 1.7 |
| Student Financial Aid | 88.3 | 73.6 | 63.0 |
| Student Representation Fund | 0.0 | 0.0 | 0.1 |
| Vet Stadium Operations | 1.3 | 1.1 | 2.0 |
| Total | \$ 1,199.1 | \$ 348.3 | \$ 1,157.8 |

Unrestricted General Fund Overall Summary

| | Unaudited Actual 2021-22 | Tentative Budget 2022-23 | Adopted Budget 2022-23 | *Change Increase/ (Decrease) |
|--------------------------------------|--------------------------------|--------------------------------|------------------------------|------------------------------------|
| Revenues and Other Financing Sources | \$154,676,405 | \$160,640,362 | \$174,221,183 | \$19,554,778 |
| Expenditures and Other Outgo | 139,865,575 | 158,240,474 | 168,634,807 | 28,769,232 |
| Surplus/(Deficit) | 14,810,830 | 2,399,888 | 5,586,376 | (9,224,454) |
| Fund Balance | \$ 61,780,082 | \$ 52,911,449 | \$ 67,366,458 | \$5,586,376 |

*Change is comparison between 2021-22 Unaudited Actual and 2022-23 Adopted Budget.

Surplus/(Deficit) Changes Unrestricted General Fund 2021-22



Causes for Major Budget Improvements

- Budgets, financial estimates and projections are useful tools, but they are always fluid. They are always based on the best information that we have at the time.
- Budgets change throughout the year as state revenues, grant allocations, staffing and other expenditure demands change.
 - There is a natural improvement historically of approximately \$1 million at year-end from the recapture of budget from unspent budgets and POs/contracts.
- The changes over the past two and a half years since the pandemic hit have been even more significant than usual.

Causes for Major Budget Improvements UGF

2021-22 Changes from Estimated Actuals to Unaudited Actuals –
Unrestricted General Fund (UGF)

| Description | Amount (in millions) |
|--------------------------|----------------------|
| Estimated Actual Surplus | <u>\$ 3.6</u> |
| Increased Revenues | 5.8 |
| Decreased Expenses | <u>5.4</u> |
| Total Improvements | <u>11.2</u> |
| Unaudited Actual Surplus | \$14.8 |

Causes for \$11.2 million Major Budget Improvements: 2021-22 Revenue Improvements

- \$4.6 million increase in SCFF apportionment revenue.
 - Emergency Conditions Allowance: greater of 2019-20 or CY FTES
 - Deficit factor decreased from 3.35% to 0% at year-end
- \$0.4 million increase due to additional lottery revenue—2019-20 FTES
- \$0.8 million increase local revenue – mainly one-time reimbursement

Ongoing: \$10.2 million
One-time: \$1.0 million

Causes for \$11.2 million Major Budget Improvements: 2021-22 Expense Improvements

- (\$2.5) million decrease – salary benefit savings – vacancies, assignment changes
- (\$2.7) million decrease – operating and other expenses – purchases not completed in the fiscal year
- (\$0.2) decrease due to less BPR and one-time project expenses

Ongoing: \$10.2 million
One-time: \$1.0 million

Unrestricted General Fund: Revenue Summary

| | Unaudited Actual 2021-22 | Tentative Budget 2022-23 | Adopted Budget 2022-23 | *Change Increase/ (Decrease) |
|---------------------|--------------------------------|--------------------------------|------------------------------|------------------------------------|
| Federal | \$ 188,844 | \$ 140,000 | \$ 140,000 | \$ (48,844) |
| State Apportionment | 138,231,668 | 145,885,998 | 159,057,228 | 20,825,560 |
| Other State | 12,754,616 | 12,078,696 | 12,654,051 | (100,565) |
| Local | 3,494,309 | 2,532,234 | 2,369,904 | (1,124,405) |
| Other Sources | 6,968 | 3,434 | 0 | (6,968) |
| Total | \$154,676,405 | \$160,640,362 | \$174,221,183 | \$19,544,778 |

*Change is comparison between 2021-22 Unaudited Actual and 2022-23 Adopted Budget.

Major Revenue Changes in 2022-23

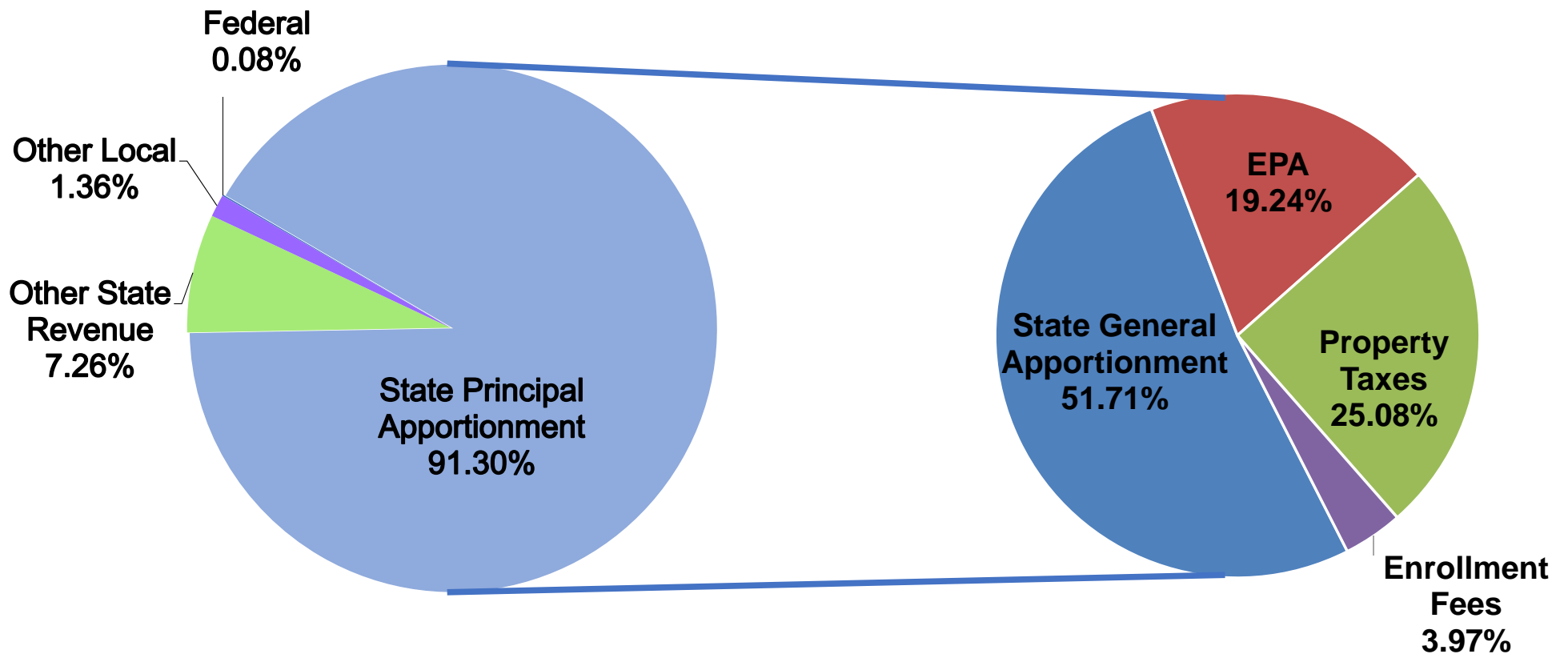
- Apportionment – \$20.8 million increase
 - \$17.2 million increase due to the 6.56% COLA & increase to SCFF
 - \$4.6 million increase due to the deficit factor decreasing from 3.35% in 2021-22 3rd quarter report to 0.50% for the Adopted Budget
 - (\$1.0) million decrease for prior year adjustments
- Other State Revenue - (\$0.1) million decrease
 - Decrease Lottery revenue due to prior year adjustment
- Local Revenue – (\$1.1) million decrease
 - Due mainly to one-time reimbursement received in 2021-22

Impact of Emergency Conditions Allowance on Revenue

- Emergency Conditions Allowance – has been provided for the past three fiscal years (2020-21, 2021-22 & 2022-23)
- Allows LBCC to use the greater of 2019-20 (pre-pandemic) FTES or actual current year FTES
- Total enrollment (FTES) has declined 2,472 FTES (12.5%) from 2019-20 to 2021-22
- So, the dollar impact of this allowance is significant as shown below:

| Fiscal Year | Apportionment Revenue (with allowance) | Apportionment Revenue (without allowance) | Increase |
|---------------------|---|--|--------------|
| 2021-22 | \$84,468,030 | \$74,769,246 | \$9,698,784 |
| 2022-23 (estimated) | \$97,065,850 | \$84,083,259 | \$12,982,591 |

Unrestricted General Fund Budgeted Revenue & Other Sources 2022-23



Unrestricted General Fund Expenditure Summary

| | Unaudited Actual 2021-22 | Tentative Budget 2022-23 | Adopted Budget 2022-23 | *Change Increase/ (Decrease) |
|---------------------|-----------------------------|-----------------------------|---------------------------|---------------------------------|
| Academic Salaries | \$ 56,265,408 | \$ 60,551,080 | \$ 64,087,039 | \$ 7,821,631 |
| Classified Salaries | 28,038,568 | 32,386,339 | 35,626,740 | 7,588,172 |
| Benefits | 44,530,264 | 49,393,295 | 51,379,575 | 6,849,311 |
| Supplies | 661,320 | 704,543 | 764,861 | 103,541 |
| Services | 7,345,039 | 9,832,086 | 10,582,129 | 3,237,090 |
| Capital Outlay | 1,279,712 | 1,755,480 | 2,171,599 | 891,887 |
| One-Time | 257,961 | 1,961,651 | 2,191,864 | 1,933,903 |
| Other Outgo | 1,487,303 | 1,656,000 | 1,831,000 | 343,697 |
| Total | \$139,865,575 | \$158,240,474 | \$168,634,807 | \$28,769,232 |

*Change is comparison between 2021-22 Unaudited Actual and 2022-23 Adopted Budget.

Major Expenditure Changes in 2022-23

- Academic Salaries – \$7.8 million increase
 - Step and column increases
 - Negotiated 6.56% salary increase
 - Includes 2 new Deans, 3 Directors/Head Coaches, Interim VP of Economic, Workforce Development & Government Affairs, PCC Assoc VP, and Director of Innovation
 - Hire 35 full-time teachers
 - 4 new full-time counselors and 1 new full-time librarian
- Classified Salaries – \$7.6 million increase
 - Step and column increases
 - Negotiated 6.56% salary increase
 - 4 new management positions, Executive Assistant, Compliance & Accessibility Analyst, and 2 new HR Analysts
 - 10+ new classified positions including Ceramics Lab Technician, Jewelry & Metalsmithing Lab Technician, and Science Lab Equipment Technician
 - Budgets for vacancies

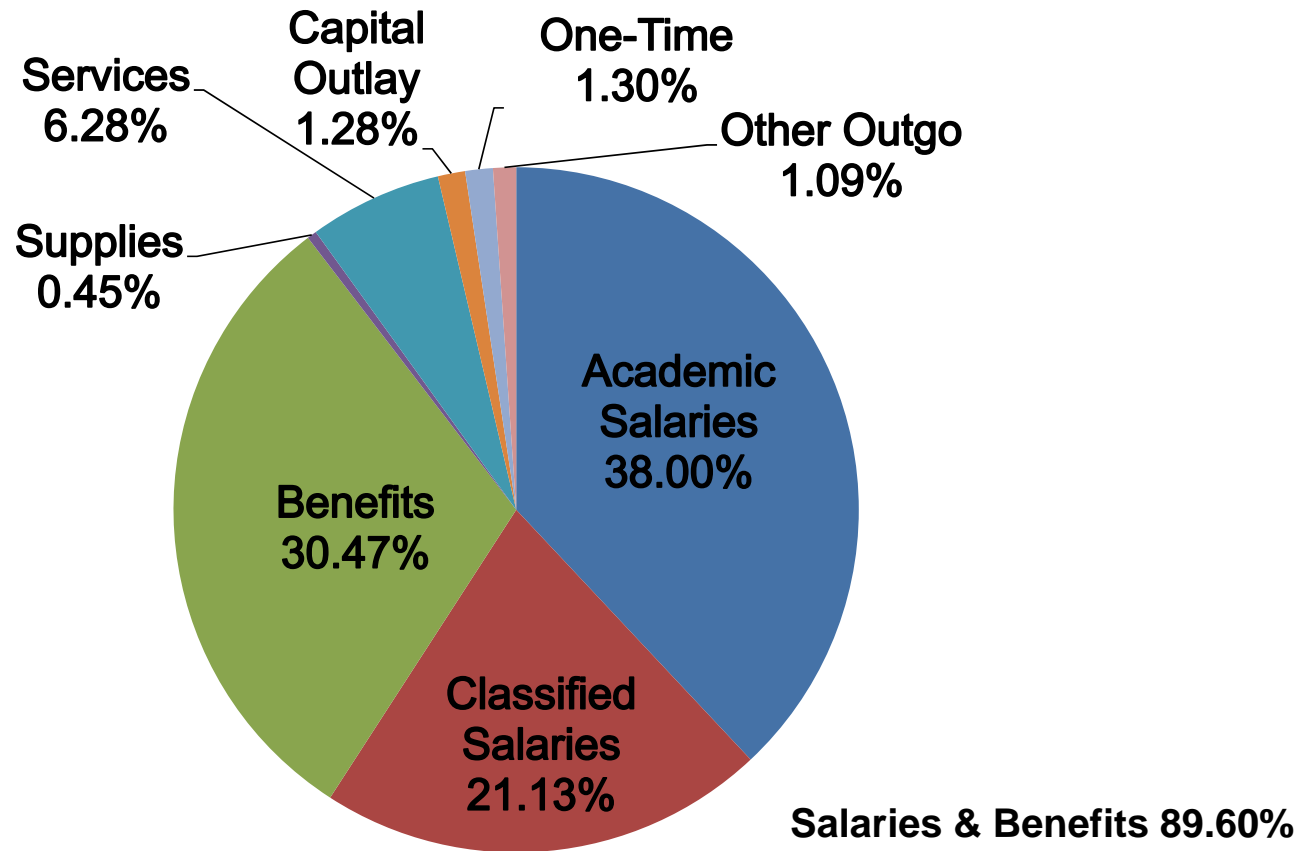
Major Expenditure Changes in 2022-23 (continued)

- **Total Benefits – \$6.8 million increase**
 - 2.46% increases for PERS & 2.18% increase for STRS
 - Increase to statutory benefits due to increased payroll
- **Contract Services & Operating Expenses – \$3.2 million increase**
 - Increase \$0.7 million for professional services, travel, and utilities
 - Budget \$0.5 for election costs (held every other year)
 - Increase \$0.6 million for district-wide online software licensing
 - Increase \$1.4 million for other services mostly for one-time reimbursement received in 2021-22

Major Expenditure Changes in 2022-23 (continued)

- Capital Outlay – \$0.9 million increase
 - Increases in budgeted equipment expenses
 - One-time fund for sanitary napkin dispensers & product refills
- One-Time Funds – \$1.9 million increase
 - Plans to complete projects delayed by the campus shutdown and resulting focus on transitioning to remote work and learning
- Other Outgo - \$0.3 million increase
 - Transfer additional \$345,000 for total \$495,000 to the Restricted General Fund for the Student Health Services program to help serve additional student health needs

Unrestricted General Fund Budgeted Expenditures & Other Outgo 2022-23

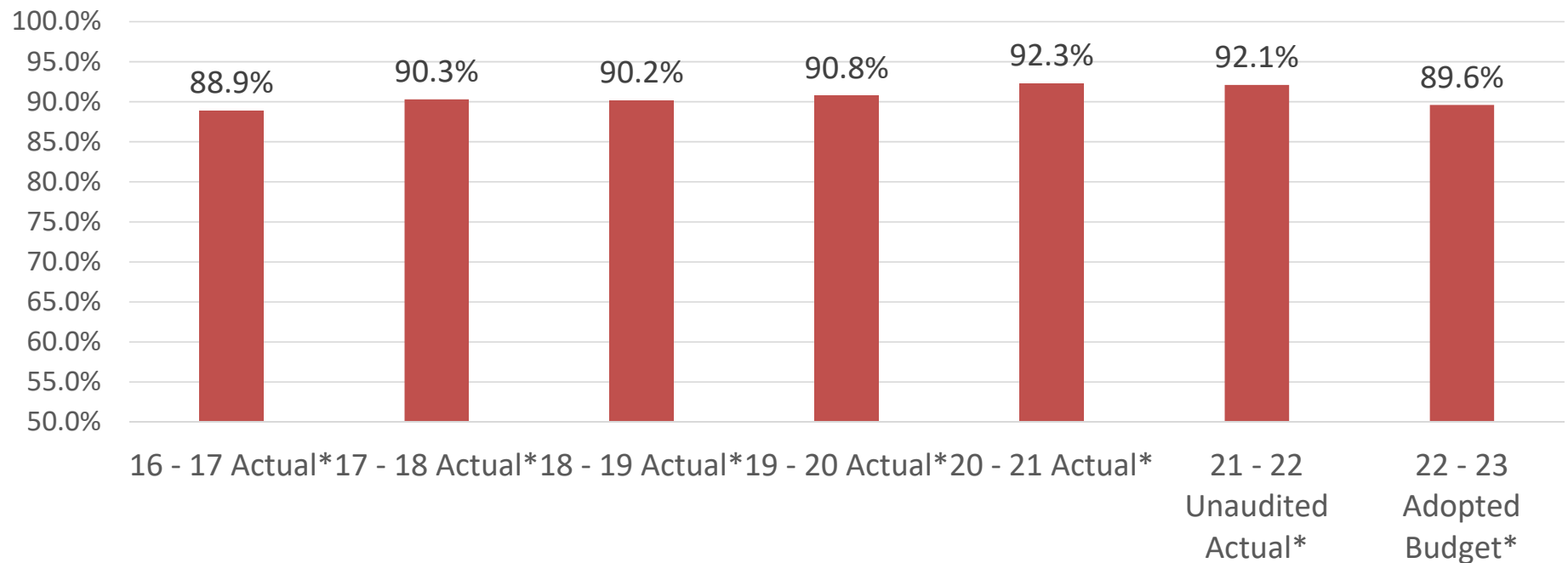


Unrestricted General Fund 7-Year Trend Summary (in \$ millions)

| | 16-17 Actual | 17-18 Actual | 18-19 Actual | 19-20 Actual | 20-21 Actual | 21-22 Unaudited Actual | 22-23 Adopted Budget |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|------------------------------|----------------------------|
| Salaries & Benefits as a % of Total Expenses & Other Outgo | 88.9%* | 90.3%* | 90.2%* | 90.8%* | 92.3%* | 92.1%* | 89.6%* |
| Surplus / (Deficit) | \$2.2 | (\$0.3) | \$6.0 | \$3.0 | \$7.7 | \$14.8 | \$5.6 |
| Ending Balance | \$30.5 | \$30.2 | \$36.2 | \$39.2 | \$46.9 | \$61.7 | \$67.3 |
| Ending Balance as a % of Total Expenses & Other Outgo | 24.4% | 22.9% | 27.5% | 28.3% | 34.3% | 44.2% | 39.9% |

*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 2022-23 | Projected 2023-24 | Projected 2024-25 |
|--------------------------------------|---------------------------|----------------------|----------------------|
| Projected Revenue | | | |
| Apportionment Revenue | 159.0 | 167.6 | 174.4 |
| Other Revenue | 15.2 | 15.3 | 15.3 |
| Total Available Funding | 174.2 | 182.9 | 189.7 |
| Projected Expenses | | | |
| Expenditure Base (Prior Year) | 139.9 | 168.6 | 168.6 |
| Adjustments to Operations | 6.5 | (2.1) | 0.7 |
| Adjustments to Compensation/Benefits | 22.2 | 2.1 | 2.7 |
| Total Projected Expenses | 168.6 | 168.6 | 172.0 |
| Projected Surplus/ (Deficit) | 5.6 | 14.3 | 17.7 |
| Projected Ending Fund Balance | 67.3 | 81.6 | 99.3 |
| % of Expenses | 39.9% | 48.4% | 57.8% |

COVID Grant Allocations*

| | |
|--------------------|---------------------|
| Institutional | \$ 63.7 million |
| Direct Student Aid | <u>41.2</u> million |
| Total | \$104.9 million |

Grants were awarded April 2020 through February 2021

*Includes HEERF grants and \$2.1 million in federal and state block grants

COVID Grants – Expenditures*

Institutional Initiatives

\$35.6 million

- Organized response for screeners & building monitors throughout the Pandemic
- Systematic Contact Tracing Process and Employees on Campus (EOC)
- Bolstered Re-engagement Efforts
- Reimbursed revenue losses for LBCC via parking program, Child Development Center, and Veteran’s Stadium

Direct Student Aid

\$44.0 million**

- Issued direct student aid and institutional funding through a careful funding request process

*Through June 30, 2022

**\$2.8 million of the institutional allocation was used for additional student aid

COVID Grants – Remaining Balances

HEERF Grants remaining, June 30, 2022

\$25.3 million

Major 2022-23 allocations:

- Faculty stipends
- Student debt forgiveness
- Omni lock/keyless entry project
- Limited term assignments
- Permanent staff assignments through June 2023
- Remaining for future needs/requests

Future Budget Challenges

- Enrollment Management:

- Declining enrollment trends continue throughout the state
- Causes include the favorable jobs market, COVID impacts, and transitioning in-person and on-line classes.
- 2021-22 P-3, annual FTES down 10.9%.
- Continue outreach, student engagement and marketing efforts
- Efforts to re-engage students continue, including direct aid, removing drops for non-payment and student debt forgiveness.

- State Pension Obligations:

- No one-time contributions in the State Budget to reduce PERS and STRS expenses as in prior years.
- STRS and PERS 2022-23 rate increases are significant.

STRS & PERS Future Employer Rates

| Fiscal Year | STRS | | PERS | | Total |
|----------------|---------------|------------------|---------------|------------------|------------------|
| 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% | (218,810) | 20.70% | 592,670 | 373,860 |
| 2012-22 | 16.92% | 361,533 | 22.91% | 1,167,807 | 1,529,340 |
| 2022-23 | 19.10% | 4,171,000 | 25.37% | 2,470,000 | 6,641,000 |
| 2023-24 | 19.10% | - | 25.20% | (77,000) | (77,000) |
| 2024-25 | 19.10% | - | 24.60% | (271,000) | (271,000) |
| Total | | \$ 10,430,499 | | \$ 7,606,579 | \$ 18,037,078 |

Rates are as of June 2022 and are subject to change for future years. Employer contribution increase estimates are based on total covered salary estimates from the 2022-23 Adopted Budget.

Future Budget Challenges

(continued)

- **SERP (Retirement Incentive)**
 - 64 retirements June 30, 2021
 - District continues to work through challenges of vacancies and loss of institutional knowledge
 - Significant recruitment efforts including hiring 40 new full-time faculty
- **COVID Funding**
 - Combined funding from HEERF I, II & III and state aid exceed \$100 million in a three-year period
 - Managing federal compliance requirements
 - Prioritizing remaining allocations as funds wind down

Future Budget Challenges

(continued)

- **Returning to Campus**
 - Great efforts were made to return to our campuses
 - New normal includes evaluating hybrid learning and work environments
 - Re-Opening Steering Committee - maintain the safety of students and employees as we work through the proper steps to provide the combination of online and in-person education that best serve our students
- **Economic Impacts**
 - Inflation – California consumer price index (CPI) 8.5% as of July 2022
 - Supply chain issues – especially for technology equipment, repair and construction materials

Budget Meetings Schedule

- Board Budget Workshop – tentatively scheduled for February 2023
 - To include summary of the Governor’s January 2023-24 State Budget
- 2023-24 Tentative Budget – June 21, 2023 BOT meeting
 - June 30, 2023 deadline
- Public Hearing 2023-24 Budget – September 13, 2023 BOT meeting
- 2023-24 Adopted Budget – September 13, 2023 BOT meeting
 - September 15, 2023 deadline

QUESTIONS & ANSWERS