



Adopted Budget 2008-09

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Co-Chair Budget Advisory Committee

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Overview

- Board Budget Guidelines
- Institutional Goals
- BAC Planning Assumption Highlights
- Funding Sources
- FTES History and Projection
- List of Funds – Expenditures & Other Outgo



Overview (continued)

- Unrestricted General Fund Summary, Revenues and Expenditures
- Unrestricted General Fund 8-Year Trends
- State Budget Update
- Future Budget Challenges

Board Budget Guidelines



- **Balanced General Fund Budget**
 - \$5,366,790 deficit spending to maintain service levels to students
- **5.0% General Fund Reserve**
 - \$9,515,702 in total reserve (8.1%)
- **Sound reserve for Retiree Benefits**
 - \$8,360,330 budgeted reserve in Retiree Health Fund

Board Budget Guidelines

(continued)



- Sound reserve for Facilities Maintenance
 - \$ 510,679 is in the 2008-09 Adopted Budget.
- Sound reserve for Technology Replacement and Support
 - \$ 1,000,000 is in the 2008-09 Adopted Budget.



Institutional Goals

- Measure and Improve Student Success
 - Four Student Success Centers to improve basic skills will be opened
 - Hiring 4 full-time faculty and a Research Systems Analyst. Other classified positions will be hired as needed using the Basic Skills Funding.
 - Implement Educational Master Plan

Institutional Goals (continued)



- Measure and Improve Fiscal and Infrastructure Stability
 - Enrollment Management Plan – 1% Growth
 - Used 2008 Measure E to repay all indebtedness
 - Certificates of Participation
 - Central Plants Equipment
 - Honeywell Energy Saving Equipment
 - Facilities Improvement & Construction Program

Institutional Goals (continued)



- Review Organizational Development and create a greater sense of community
 - Diversity Plan
 - Accreditation Self-Study
 - Higher profile in the broader community

BAC Planning Assumption Highlights



- Maintain a 5% unrestricted reserve for contingencies
- Deficit spending will be avoided
- Essential operational and maintenance functions of the college will be funded
- Expenditure of one-time monies will be based on the College Priorities, as derived from the planning process

BAC Planning Assumption Highlights (continued)



- No COLA, no growth and a reasonable deficit factor is included
- Benefit costs have escalated:
 - PERS rate increased slightly to 9.428%
 - Health and welfare costs increased 12.5%
- Enrollment Management strategies will continue to be used to determine FTES targets and support growth

BAC Planning Assumption Highlights (continued)



- The faculty part-time hourly budget will be sufficient to meet the FTES target in accord with the Enrollment Management Plan
- Any increases/decreases in grant income will be accompanied by corresponding increases/decreases in expenditures
- Special purpose funds, such as Community Education, will be self-supporting

Funding Sources



■ Federal

- Title V – Hispanic Serving Institution
- Student Financial Aid
- Small Business Development Center (SBDC)

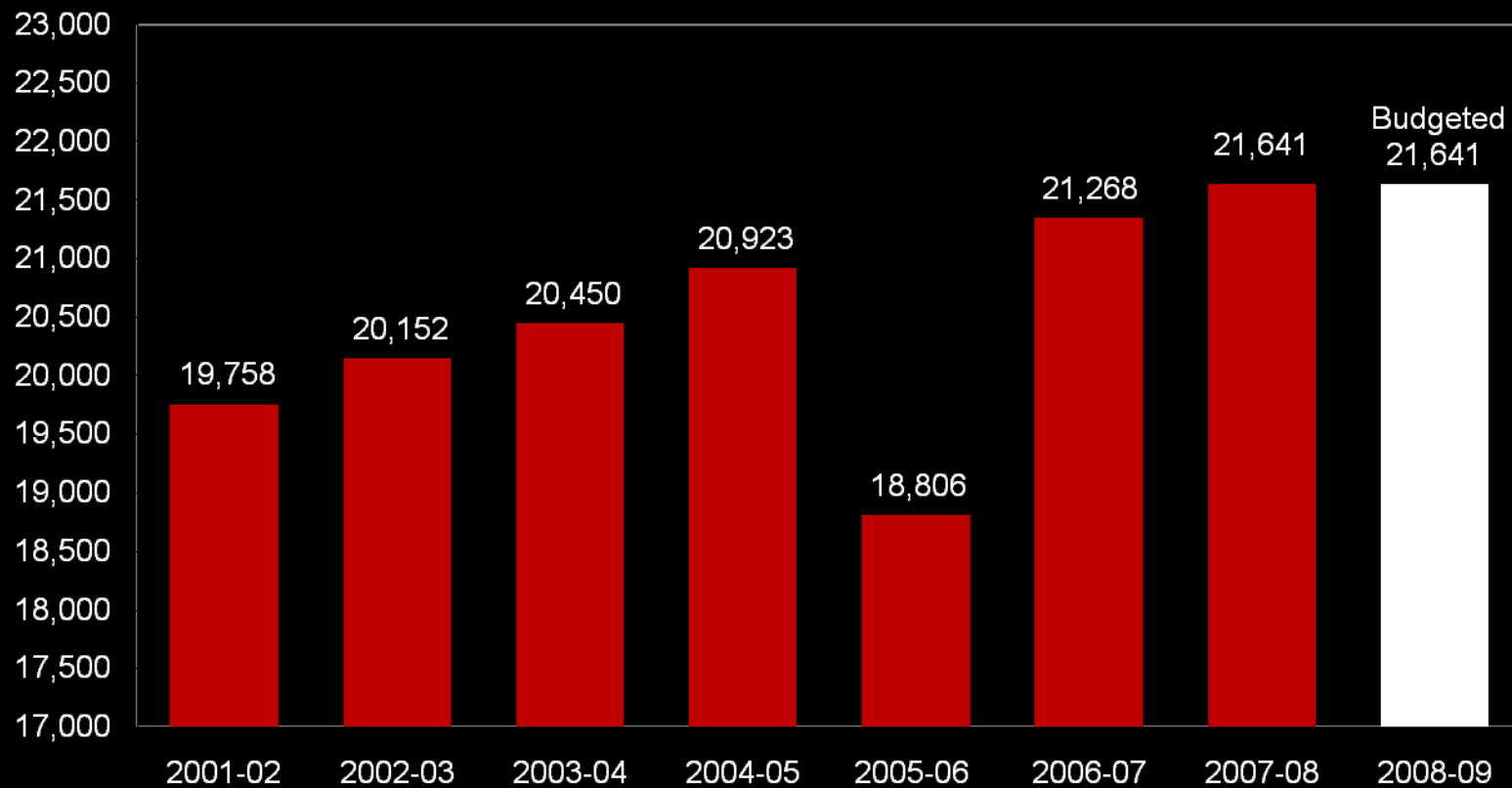
■ State

- General Apportionment
- Cal WORKS
- Lottery

■ Local

- Interest
- Property Taxes
- 2008 Measure E Bond Proceeds

FTES History and Projection



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



	Adopted Budget 2007-08	Unaudited Actual 2007-08	Adopted Budget 2008-09
Unrestricted General Fund	\$ 112.6	\$ 111.6	\$ 117.5
Restricted General Fund	19.7	22.5	22.3
Capital Projects Fund	25.6	30.6	41.0
Child Development Fund	1.2	1.1	1.4
Contract Ed./Com. Service	.6	.5	.6
COP Debt Service Fund	0.0	2.0	41.1
General Obligation Funds	74.1	36.1	422.9
Retiree Benefits Fund	2.3	2.1	2.4
Self-Insurance Fund	.8	.8	.9
Student Financial Aid	26.2	27.7	28.9
Vet Stadium Operations	1.0	.9	.9
Total	\$ 264.1	\$ 235.9	\$ 679.9

Unrestricted General Fund Summary



	Unaudited Actual 2007-08	Adopted Budget 2008-09	Change Increase/(Decrease)
Revenues and Other Financing Sources	\$ 112,850,981	\$112,135,452	\$ (715,529)
Expenditures and Other Outgo	111,580,188	117,502,242	5,922,054
Surplus/(Deficit)	1,270,793	(5,366,790)	(6,637,583)
Fund Balance	14,882,492	9,515,702	(5,366,790)

Unrestricted General Fund Revenue Summary



	Unaudited Actual 2007-08	Adopted Budget 2008-09	Change Increase/(Decrease)
Federal	\$ 128,173	\$ 130,000	\$ 1,827
Apportionment	101,785,008	102,115,998	330,990
Other State	3,968,551	3,503,299	(465,252)
Local	5,258,519	4,808,024	(450,495)
Other Sources	1,710,730	1,578,131	(132,599)
Total	\$ 112,850,981	\$ 112,135,452	\$ (715,529)

Major Revenue Changes in 2008-09



■ Revenues

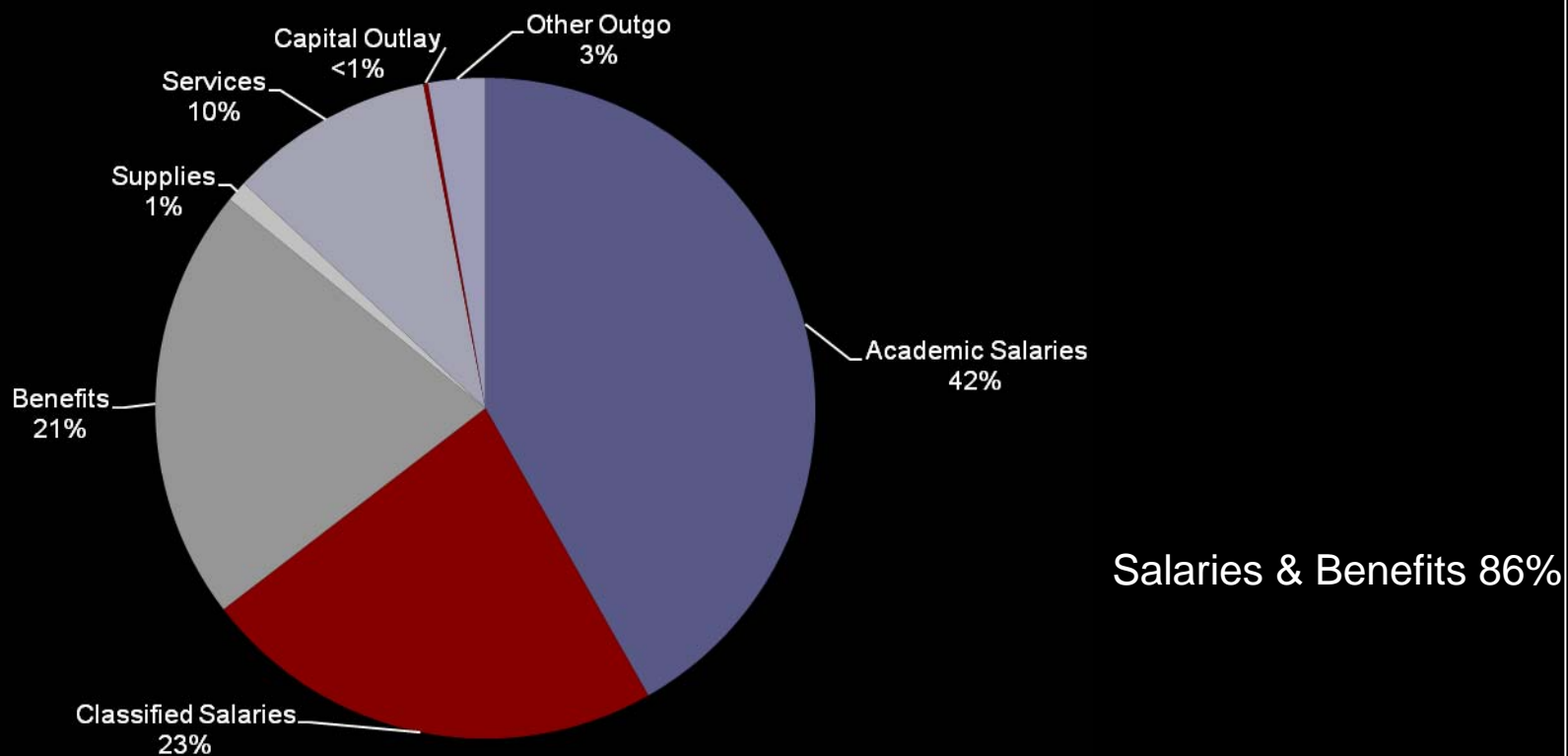
- \$0.3 million increase in State Apportionment due to zero growth, zero COLA, and a reasonable deficit factor
- \$0.5 million decrease in Other State Revenue due to an anticipated decline in lottery revenues
- \$.05 million decline in local revenues because 2007-08 included one-time energy rebates from installation of energy efficient central plants

Unrestricted General Fund Expenditure Summary



	Unaudited Actual 2007-08	Adopted Budget 2008-09	Change Increase/(Decrease)
Academic Salaries	\$ 46,965,795	\$ 49,709,460	\$ 2,743,665
Classified Salaries	24,891,736	26,691,310	1,799,574
Benefits	23,237,382	24,439,549	1,202,167
Supplies	1,069,717	1,245,851	176,134
Services	8,820,825	12,115,421	3,294,596
Capital Outlay	2,637,459	260,323	(2,377,136)
Other Outgo	3,957,274	3,040,328	(916,946)
Total	\$ 111,580,188	\$ 117,502,242	\$ 5,922,054

Unrestricted General Fund Budgeted Expenditures 2008-



Major Expenditure Changes in 2008-09



■ Expenditures

- \$2.7 million increase in Academic Salaries primarily due to step/column increases, 1% salary increase, and the addition of seven new faculty members
- \$1.8 million increase in Classified Salaries due to step increases, 1% salary increase, classification study placements and the addition of a new Research Systems Analyst

Major Expenditure Changes in 2008-09 (continued)



- Expenditures (continued)
 - \$1.2 million increase in Benefits due to health and welfare premium increases and slight increase to PERS rate
 - \$1.5 million increase for utilities needed for the six new buildings that will be coming on-line in 2008-09

Unrestricted General Fund Reserves



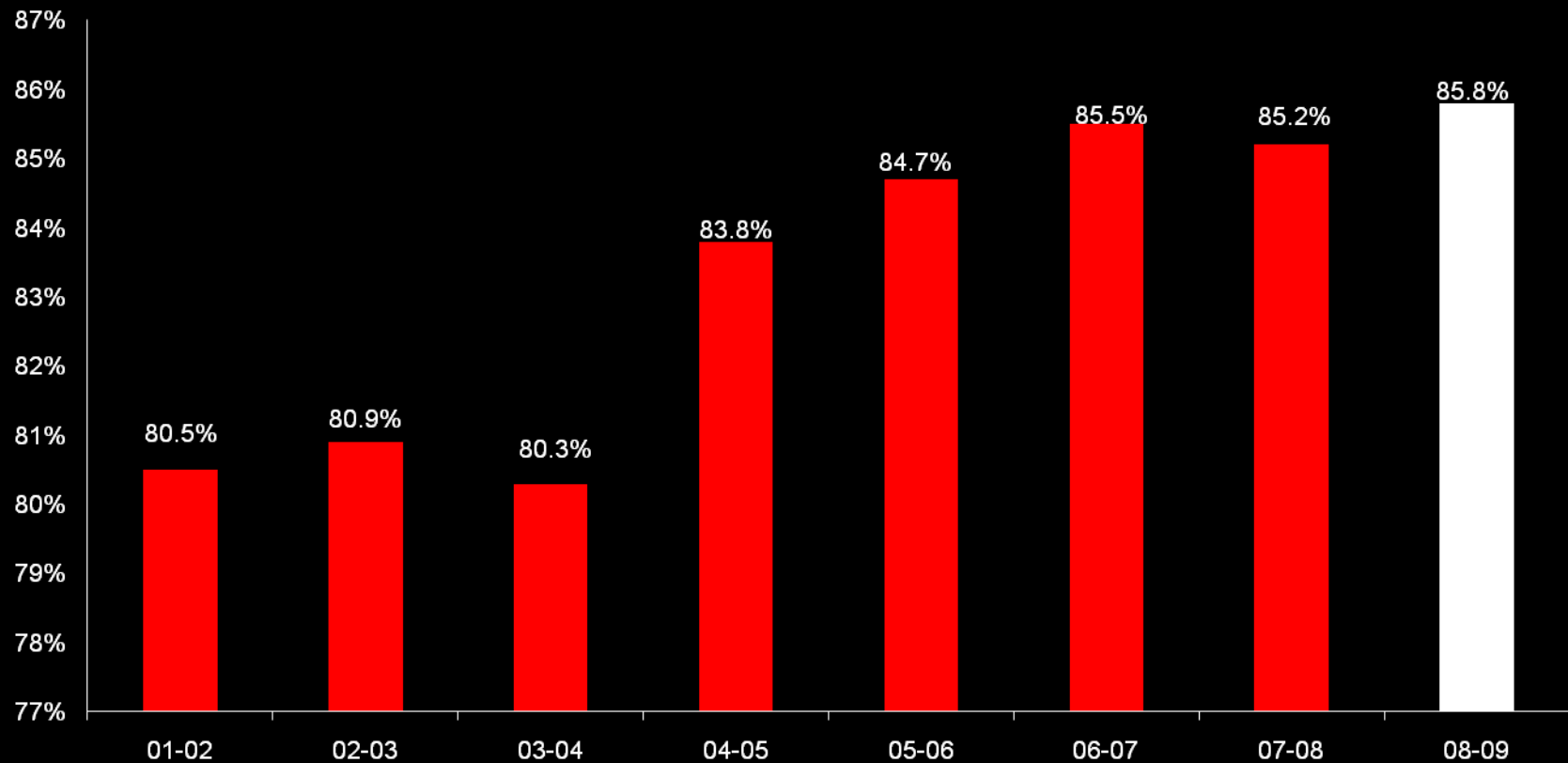
Board Mandated Reserve – 5%	5,875,112
Facilities Maintenance Reserve	510,679
Technology Replacement and Support Reserve	1,000,000
Vacation and Load Banking Reserve	718,913
Economic Uncertainties	1,402,998
Reserve for Contingencies – Personnel Commission	8,000
Total	\$ 9,515,702

Unrestricted General Fund – 8-Year Trend Summary (in millio

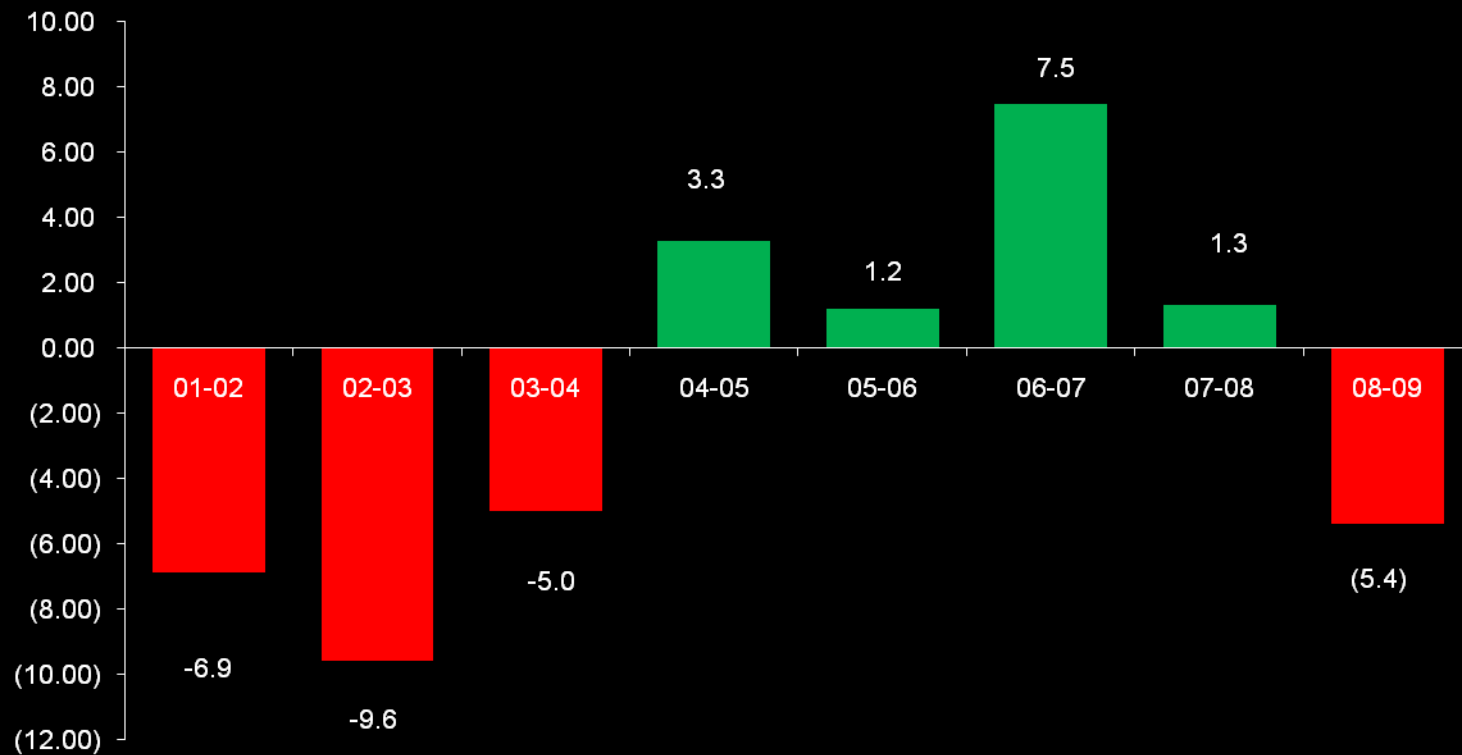


	01-02 Actual	02-03 Actual	03-04 Actual	04-05 Actual	05-06 Actual	06-07 Actual	07-08 Unaudit Actual	08-09 Adopt. Budget
Salaries & Benefits as a % of Total Expenses & Other Outgo	80.5%	80.9%	80.3%	83.8%	84.7%	85.5%	85.2%	85.8%
Surplus / (Deficit)	\$ (6.9)	\$(9.6)	\$ (5.0)	\$ 3.3	\$ 1.2	\$ 7.5	\$ 1.3	\$ (5.4)
Ending Balance	\$ 16.2	\$ 6.6	\$ 1.6	\$ 4.9	\$ 6.1	\$ 13.6	\$14.9	\$ 9.5

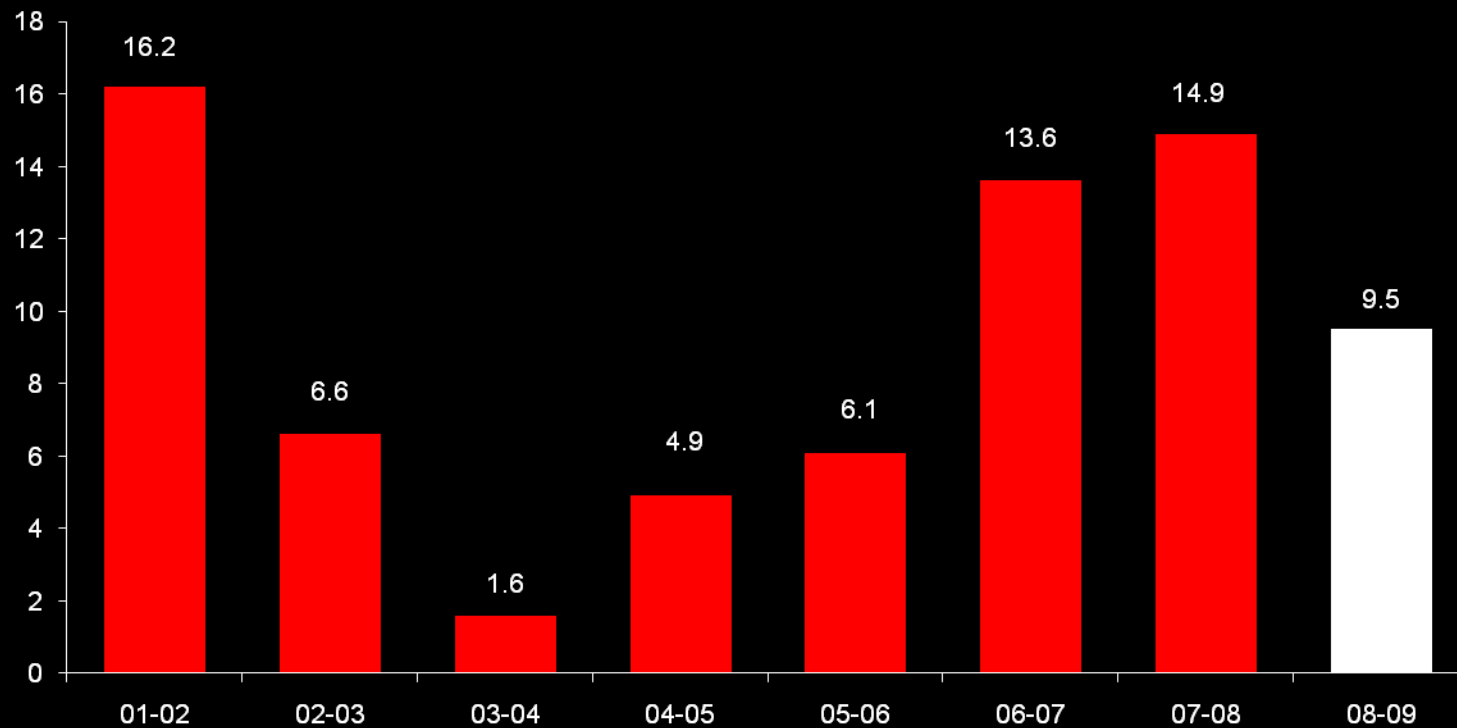
Unrestricted General Fund – 8-Year Trend Salaries and Benefits as a % of Total Expenditures and Other Outgo



Unrestricted General Fund – 8 -Year Trend Surplus/(Deficit)



Unrestricted General Fund – 8-Year Trend Ending Fund Balance





State Budget Update

- Provides a .68% COLA on apportionment revenues only.
 - This equates to approximately \$760,000.
- Provides \$75 million in property tax backfill for 2007-08.
 - This approximates 75% of the Statewide need and totals about \$1.3 million for us.
- Provides categorical funding at the 2007-08 levels.
- Provides 2% for Enrollment Growth
- Student fees remain at \$20 per unit
- Defers \$250 million of Jan., Feb. and Mar. apportionment payments to April, May and June

State Budget Update (continue



- Sustains the Competitive Cal Grant program
- Structural deficit remains at the State level
 - Limitations on when the “rainy day” fund can be accessed
 - Expands the Governor’s authority for mid-year cuts and COLA suspension
 - Reduces the State’s reserve from \$1.2 billion to \$800 million
 - Provides proposed legislation for securitization of future Lottery revenues
 - Accelerates estimated tax payment due dates for individuals and corporations
 - Suspends the Net Operating Loss Deduction for 2 years



Future Budget Challenges

- Cash flow concerns over current State proposals
 - We are projecting a shortage of Cash in September 2008, March 2009, and April 2009. (\$3 million, \$10 million and \$.2 million respectively)
- Identifying means to restore ending fund balance and prevent future deficit spending
- Maintaining new facilities with limited additional staff
- Continued focus on enrollment growth & retention is crucial to maintain sustainable apportionment funding
 - Stabilization likely during 2008-09 due to change in FTES calculations
- Retiree Health Fund balance is \$8.4 million. \$11.4 million of unfunded liability remains

Questions?



LONG BEACH
CITY COLLEGE