



BUDGET Advisory Committee
Minutes
November 4, 2019
Meeting

ATTENDANCE (A = absent):

X	Chris Carter	A	Marlene Drinkwine	X	Kathie Atwood
X	Cindy Baker	A	Sara Blasetti	X	Ryan Carroll
X	Sem Chao	A	Lee Douglas	A	Gene Durand
A	James Henchey	A	Mike Muñoz	X	Seth Ramchandran
A	Karen Roberts	X	Kathy Scott	X	Steve Skille
X	John Thompson	A	Heather Van Volkinburg	X	Jeff Wood

NOTE TAKER: Shonda Jones

1. Welcome (Chris)

Chris welcomed everyone to the meeting and introductions were made.

2. Approval of Minutes (Chris)

The minutes of the September 4, 2019 meeting were reviewed and approved as presented.

3. State Budget Update (John)

(Referred to various slides from the *School Services Economic Forecast* presentation given by Robert Miyashiro at the Association of Chief Business Officers (ACBO) 2019 Fall Conference. This forecast is a summary of the latest economic news and how it affects the college.)

John updated the Budget Advisory Committee with the following highlights:

➤ **State General Fund Revenues Up (slide 7)**

- If revenues outpace the forecast through December the January Governor's Budget will have to recognize an upward revision to the revenue forecast. This would have significant implications for K-12 education under Proposition 98.
- As a reminder, Proposition 98 (Prop 98) is funding for K-12 and community colleges (also referred to as K-14.)

➤ **Implications for Proposition 98 Funding: 2018-2019 (slide 8)**

- Unfortunately, the boost in General Fund revenues from May and June (about \$1 billion) will not increase the 2018-19 Prop 98 guarantee due to funding for that year being based on Test 2 (ADA/Per Capita Income Change,) which did not benefit us.

➤ **Proposition 98 – The Formulas and the Promise (slide 11)**

- Unfortunately, time has shown that instead of Proposition 98 being a minimum received by K-14 education, it's been the maximum.

- There are different tests depending the years' financial activity. In 18/19 Test 2 (ADA/Per Capita Income Change,) was used, but moving forward Test 3 (ADA change and the change in General Fund revenues, plus 0.5%) will be used (which will benefit us.)

- **Proposition 98: Has School Funding Improved? (slide 15)**
 - According to a report by the Legislative Analyst's Office (LAO), over the period during which Proposition 98 has been in effect, "There is no evidence that school funding is higher as a result of the formulas"
 - John noted that while many legislators speak of supporting Education and allocating funds, Education is often overlooked when in competition with other areas that also require support (Social Services, Prisons, Healthcare, etc...)

- **Proposition 98 Funding (slide 16)**

(Referred to the LAO Chart, *A Historical Review of Proposition 98*, page 13, January 2017)

 - The Chart notes the share of funding in billions that K-14 has received. John pointed out certain periods where rough years are reflected (dot.com, recession, etc.) He also noted that when Prop 98 funding was revaluated, it was to the detriment of K-14.
 - He also referenced the deferrals in funding where revenue was not received until after the end of the Fiscal year.

- **Proposition 98 v. Enrollment Growth and Inflation (slide 17)**
 - The graph compared Prop 98 funding to growth and inflation and reflects that Prop 98 has not out-performed growth and inflation. The LAO conclusion was that what was to be a minimum for Prop 98, has indeed become the maximum.

- **The State Budget Process (slide 21)**
 - The state's economy will drive state tax revenues, with an increasing reliance on the high-income earners.
 - It was mentioned that 70% of the state's General Fund revenue comes from personal income tax and, of that, 1/3 comes from the Top 1% of earners. These funds are hard to predict as these types of incomes fluctuate with the economy; therefore, greater volatility in state revenues should be expected.

- **Two Reasons for Hope (slide 22)**
 - Proposition 98 will be funded based on Test 1—38% of General Fund revenues plus the local property tax—rather than Test 2 or Test 3, which adjusts for changes in enrollment and inflation.
 - Enrollment decline is predicted throughout the state for K-14 for the next several years at about .4% per year. However, despite this, if the economy and General Fund revenues continue to be good, K-14 will benefit.
 - Voters, who have historically supported public education funding, have a chance to amend Proposition 13 and deliver more revenues to K-12 schools and community colleges.
 - This Proposition is referred to as the "Split Roll Initiative."

➤ **Proposition 98 Under Test 1 (slide 23)**

- The shift from a growing to a declining K–12 student population will trigger funding based on Test 1 (38% of General Fund revenues plus the local property tax,) which could boost funding on a per pupil basis.

➤ **New Proposition 13 Split Roll Initiative (slide 26)**

- The “California Schools and Local Communities Funding Act,” otherwise known as the split roll, has qualified for signature gathering for the November 2020 ballot

➤ **How It Works – The Basics (slide 27)**

- The split roll proposal would reassess commercial and industrial (C&I) properties regularly based on fair market value, not just with ownership changes, which could generate an additional \$10 billion annually
- John referred back to a question from the ABCO conference regarding the Rainy Day Fund. Robert Miyashiro mentioned that the state Rainy Day fund is up to \$16 billion and suggested that while it will not eliminate the effects of a recession it will help regarding cuts.
- John also mentioned that while last year there was a \$400 Million contribution to the Prop 98 reserve in the State Budget. In the larger picture, this is a small amount, but we are hopeful that, should a recession arise, the state will not look to these funds only to cover K-14.

➤ **Apportionment Update from Chancellor’s office (no handout)**

John referred to another presentation from the ACBO Conference.

- A reminder was given that back at P1 Apportionment calculation the state funding wasn’t enough to cover all school districts and a 5% deficit factor was proposed. By the end of the year, they adjusted for this by changing the way some of the accounts/metrics were done.
- Highlights of the changes in the Budget Act were:
 - The original calculation was that if a student earned multiple awards in a year, credit was given for each. However, the new rule is to give credit for the highest award only (Associate Degree for Transfer, Associate Degree, Baccalaureate Degree, Credit Certificate.)
 - Enrollment End Year Award counts only if student was enrolled in the district in the year the award was granted
 - Transfer definition was amended to a student who completed 12 or more units in a district in the year prior to the transfer then transferred to a 4-year university.
 - 3-year averaging for Student Success - the original funding formula was 3-year average for enrollment for FTES and now Student Success is also a 3-year average
 - Hold Harmless was extended through 2021/2022 which is a total of 4 years. We are currently in Hold Harmless and hope to work our way out of it by the time this ends. Stability was also extended as well.

- **John opened the floor for questions on the presentation:**
 - Dr. Seth asked if property taxes for residential properties would be revised the same as commercial properties. Both John and Ryan Carroll confirmed, no. Ryan, explained that small businesses won't be affected either unless their revenue is \$2 Million annually (however, this number is still being modified.) It's mainly for big business.
 - Ryan also noted that there is a School Bond ballot initiative that is also titled Proposition 13 which might cause a bit of confusion.

- John addressed a School funding formula question from the previous BAC meeting regarding whether or not Large College status was a 3-year average as other items. Per the Chancellor's Office, no. Large College status is based on the current year. We are currently trying to reach an FTES of 20K and once we do so we will be considered a Large College which will increase our base allocation.
- Ryan C. asked if declining K-12 enrollment will affect reaching the 20K FTES Goal. Dr. Kathy Scott stated that the college has had declining enrollment for a while out of LBUSD. However, our enrollment has increased for the first time since 2016. This is largely due to:
 - Dr. Munoz's area doing a great job of visiting not only LBUSD High Schools, but schools outside of the district.
 - Targeted emails from Institutional Effectiveness which gave students individualized information regarding specific classes needed and available times that fit their current class schedules.
- Dr. Scott also mentioned that at the November 20th, 2019 Board Meeting, VP Drinkwine will be presenting on the Funding Formula and projections leading up to the end of Hold Harmless. She mentioned that even though they were conservative with the numbers, we are very close to getting back to 20K FTES from our current FTES of 19,519. However, the focus then becomes retention of those students as our Persistence and Core Success rates are poor. Our overall Core Success rate (65%) is 6 points below the state average, 72%, (with a 9-point gap for Latino Students and a 19-point gap for African-American students.)
- Ryan suggested that for the Large school versus Medium School we can double count some summers. Dr. Scott countered that by doing this we would hurt ourselves for the next year. Ryan then asked if the "Hold Harmless" period is granted regardless of college size? Per John, yes. However, John added that VP Drinkwine agrees with Dr. Scott in that shifting FTES is not a strategy they want to use at this point because of the possible pitfalls.
- Dr. Scott mentioned that we are currently being funded at 21,073 FTES because of previous summer shifts. However, it will be very difficult for us to get over 21K with declining High School enrollment. So, at this point we are receiving more than we would normally based on our numbers (if we were currently not in Hold Harmless status, we would be funded \$3.3 Million less than we are right now.)

Dr. Scott added that even though we are currently in Hold Harmless status we need to increase our numbers now because once it ends, FTES will be based on a 3-year average as well.
- Per John, the 3-year averaging is intended to alleviate some of the fluctuations.
- Dr. Seth added that we will receive FTES for Noncredit as well. He stated that in the Library, for every class they have, they have a Noncredit component to it. Dr. Scott clarified that credit will be given for one or the other, but not both.

- Dr. Scott suggested that new/non-traditional students and classes that appeal to them should also be a focus.
- John also noted that in the Chancellor's Office Update at the ACBO Conference, they mentioned recalculating the rates for the funding formula and the metrics. Noncredit will stay at the same rate, but they will look at the money available, then at how much there is on each metric state-wide and then divide it up, basically, "backing into" the rates. This is for last year, and it will be the basis for future years funding.
- The 2 outlooks among the colleges on Hold Harmless seem to be:
 - College similar to us who are grateful that it has been extended.
 - Colleges who grew over the 8% cap and are frustrated because of the millions of dollars lost due to their not receiving their full funding.
 - This split was also seen when the discussion arose as to whether or not there should be a deficit factor when funding is short.

4 . 2019-20 First Quarter Budget Performance Report (John)

Referred to John highlighted the following:

- This report will go to November Board Meeting and a more summarized version of this report, 311 Quarterly Report (state report,) will go to the Chancellor's office.
- John reviewed the budget format with group (Tentative, Adopted, Current, Actual, Projected, Variance between Current v. Projected (over/under) and Variance between Current v. Projected %)
- Variances show '0' because the Revenue received is what we've been told by the Chancellors office or is the best information we have at the time.
- "Prior Year Adjustment" – a variance of \$191,798 is due to a general apportionment adjustment for Full-Time Faculty (FON). We were 2.4 Full-Time Faculty short (one from a failed search – attempted to hire 16, but was unable to do so. Also had a 1.4 shift from credit to Non-credit that does not count in the FON number.)
- "Local Revenue" - International Student Fees and Non-resident Tuition fees were the larger revenues. Also, the variance for the Summer Recreation program was due to the program earning a bit more than anticipated.
- "Other Financing Sources" - Surplus Equipment fluctuates from year to year.
- In order to project salaries, Sem takes the Actual expenses for the current month and then projects for the next 9 months. Taking the most recent payroll and projecting for the rest of the year.
- Some Variances occur due to vacancies or changes in assignment (i.e. release time for grants,) Projecting \$264,867 savings for Part-Time Faculty due to AB705 (contingency budget for Spring.)
- Dr. Scott cautioned that there are more English sections than there were before, and fewer for Math.
- The various savings in "Expenditures/Classified Salaries" are related to vacancies known at this time. This also results in savings in Benefits.
- Non-Salary items are harder to project because they are not steady expense streams.

- The additional \$3 Million for PERS and STRS results in revenue from the state recorded on the books. However, it is not actual cash that flows through but funds contributed on our employees' behalf.
- Approximately a \$2Million deficit is projected (instead of the approximately \$3.6 Million originally projected.) Per John, the projected reserve is increased from \$32.6 Million to \$34.2 Million.
- Clarification was needed for the line item, "credit-card" fees. Per John, these are the fees we are charged to process credit-cards payments, mostly for student fees.

5. Charge and Membership (Chris)

- Group reviewed the Charge and Membership for the BAC to note any revisions/edits that might be necessary.
- Shonda Jones to review spreadsheets to make sure membership is current and that everyone is up to date on their terms.
- Dr. Scott noted that under "Membership" the "Executive" title is to be added to the "VP, Academic Affairs" and removed from "Vice President, Finance, Facilities & Technology."
- John confirmed that the committee does in fact review P1 & P2 and suggested that the committee put P1 & P2 in parentheses after "Apportionment Reports". To avoid any confusion, he also clarified that both the FTES and the Apportionment Reports are called "P1 & P2."
- Kim clarified that we will add "Funding Metrics" to the Charge/Membership under "Annual Timeline of Outputs."

The meeting adjourned at 4:05p.m.

Next Meeting: Thursday, January 23, 2020, at LAC – T-1046 at 3pm.



State General Fund Revenues Up

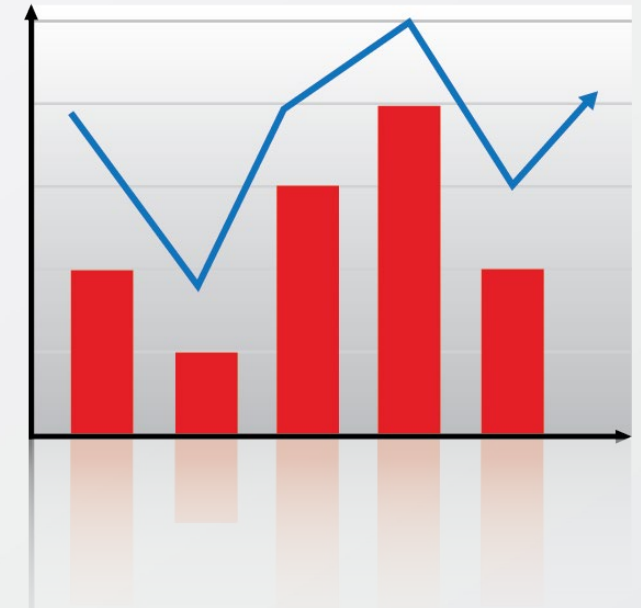
- **State General Fund revenues closed out 2018–19 more than \$1 billion above the May Revision forecast**
 - **May was up about \$600 million and June was up about \$400 million**
- **In addition, revenues for July and August have come in at a combined \$186 million, thus placing 2019–20 state revenues up \$1.2 billion higher than the May Revision forecast**
- **If revenues outpace the forecast through December, the January Governor’s Budget will have to recognize an upward revision to the revenue forecast**
- **This would have significant implications for K–12 education funding under Proposition 98**





Implications for Proposition 98 Funding: 2018–19

- Last year, the Proposition 98 minimum guarantee was based on Test 2, that is the change in K–12 average daily attendance (ADA) and per capita personal income
 - Unfortunately, the boost in General Fund revenues from May and June (about \$1 billion) will not increase the 2018–19 Proposition 98 guarantee
 - In other words, Proposition 98 is insensitive to changes in state revenues under Test 2
 - However, a stronger state economy will increase the minimum guarantee





Proposition 98—The Formulas and the Promise

- **Enacted by state voters in November 1988, Proposition 98 amended the state constitution to establish a minimum funding guarantee for K–12 education and the community colleges**
 - **The formulas take into consideration changes in workload as measured by ADA, inflation, and General Fund tax revenues**
 - **Test 1: Approximately 38% of General Fund revenues, plus the local property tax**
 - **Test 2: ADA change and the change in per capita personal income**
 - **Test 3: ADA change and the change in General Fund revenues, plus 0.5%**
- **Proponents argued that Proposition 98 would take politics out of school finance by setting a minimum funding guarantee through constitutional formulas**
- **Proponents believed that the Legislature would provide more than the minimum requirement from time to time, boosting California’s commitment to public education**



Proposition 98: Has School Funding Improved?

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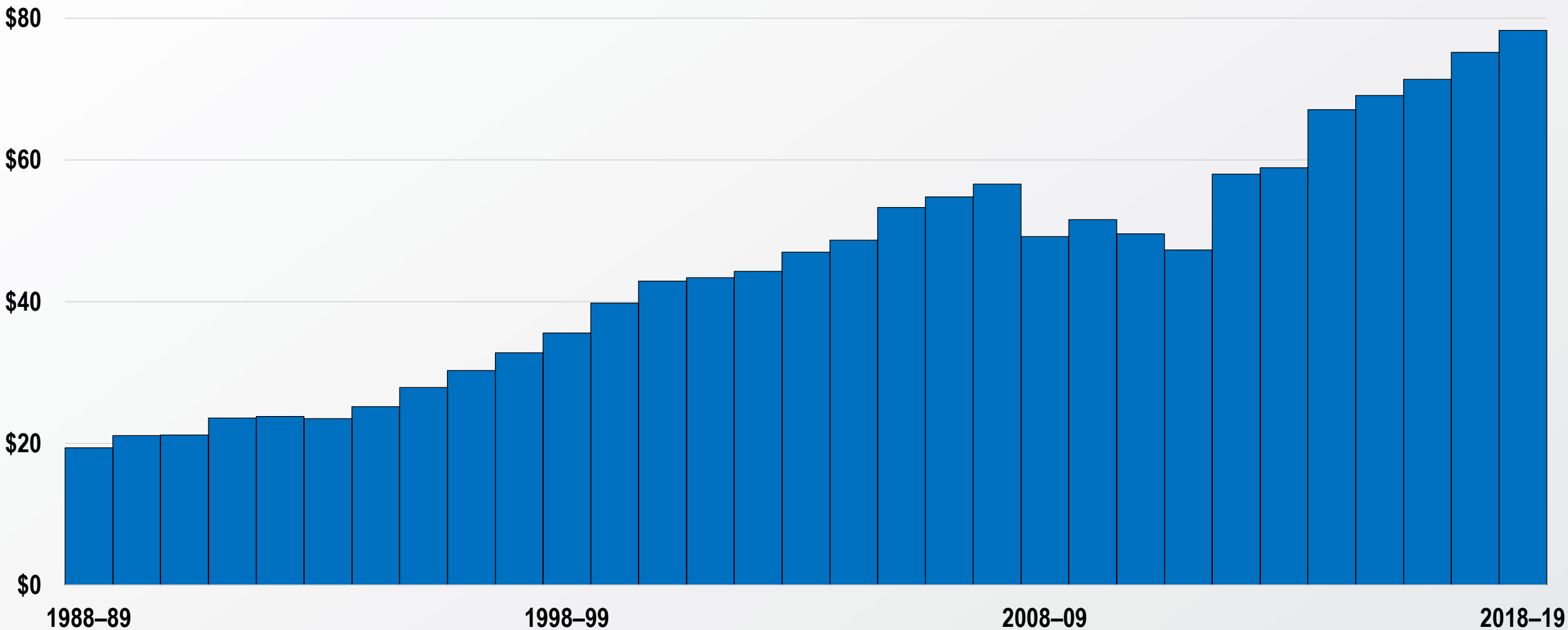
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- According to a report by the Legislative Analyst's Office (LAO), over the period during which Proposition 98 has been in effect, "There is no evidence that school funding is higher as a result of the formulas"
 - The formulas fail to address "real world" developments and there is no evidence that school funding decisions are any less political
- Proposition 98 funding shows a similar pattern to that of state General Fund spending, rising and falling along with the economy and tax revenues





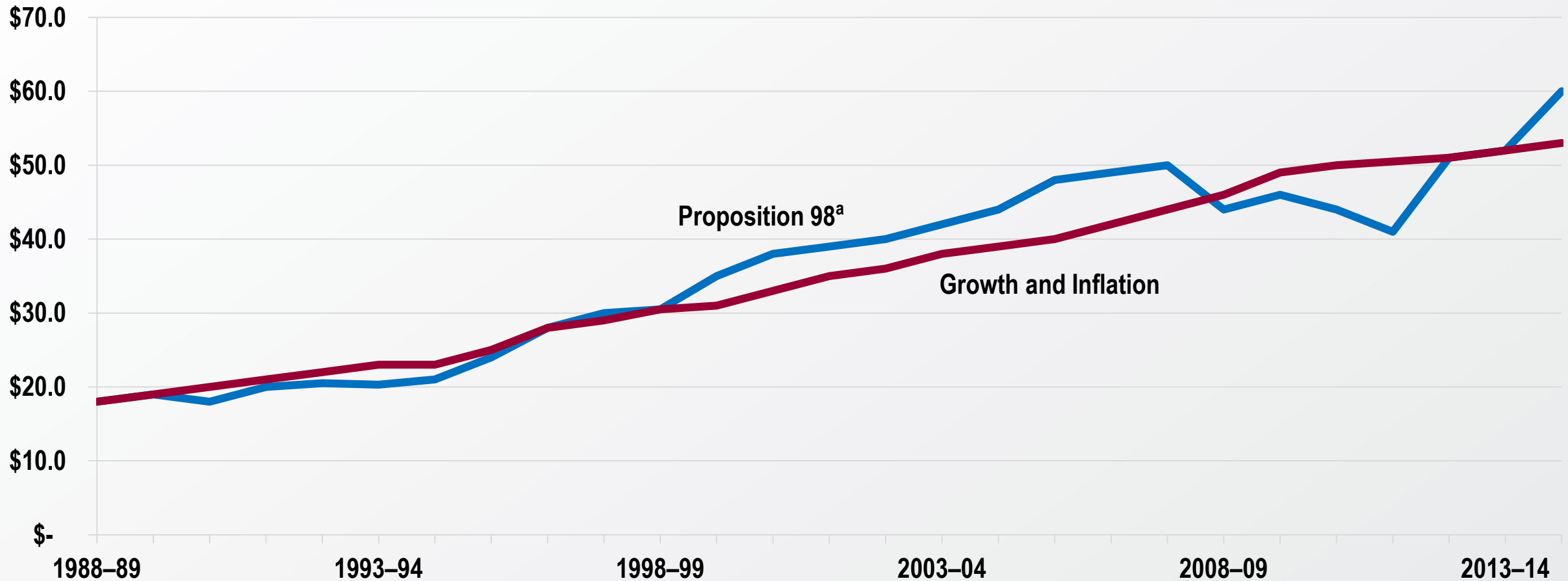
Proposition 98 Funding



Source: LAO, *A Historical Review of Proposition 98*, page 13, January 2017



Proposition 98 v. Enrollment Growth and Inflation



^aIncludes all Proposition 98 funding except the amount going to the California Community Colleges

Source: LAO, *A Historical Review of Proposition 98*, page 25, January 2017



The State Budget Process

- **The state's economy will drive state tax revenues, with an increasing reliance on the high income earners**
 - **Greater volatility in state revenues should be expected**
- **The legislature and governor set the state's spending**
 - **State General Fund support for K–14 education has been weak because of flat or declining enrollment and consistently strong property tax growth**
 - **Most other state programs have seen larger increases in General Fund support**
 - **The legislature rarely funds education above the Proposition 98 minimum guarantee**
 - **Policy discussion regarding the needs of K–14 education are rare; funding the Proposition 98 target substitutes for meaningful budget priority setting**



Two Reasons for Hope

- **Notwithstanding the near term risks of recession, there are two reasons to hope that funding for K–12 education and the community colleges will be better than the past 30 years**
 - **Proposition 98 will be funded based on Test 1—38% of General Fund revenues plus the local property tax—rather than Test 2 or Test 3, which adjusts for changes in enrollment and inflation**
 - **Voters, who have historically supported public education funding, have a chance to amend Proposition 13 and deliver more revenues to K–12 schools and community colleges**





Proposition 98 Under Test 1

- **Since the enactment of Proposition 98 in 1988, the minimum funding guarantee has been primarily based on changes in workload as measured by K–12 ADA and inflation as measured by per capita personal income (Test 2) or per capita General Fund revenues (Test 3)**
 - **As a result, per pupil funding is largely stagnant after adjusting for inflation as the LAO’s analysis shows**
- **Demographic projections by the Department of Finance indicate that statewide K–12 enrollment is expected to decline through 2027–28 at an average annual rate of 0.4%**
- **The shift from a growing to a declining K–12 student population will trigger funding based on Test 1, which could boost funding on a per pupil basis**



New Proposition 13 Split Roll Initiative

- **The “California Schools and Local Communities Funding Act,” otherwise known as the split roll, has qualified for signature gathering for the November 2020 ballot**
 - **The initiative was originally written for the 2018 General Election ballot, but did not qualify in time**
- **Proponents tout the new initiative as an improvement on the original version**
 - **Calibrates the implementation dates to adjust for November 2020 v. 2018 ballot**
 - **Strengthens small business tax relief and clarifies the definition of small business**
 - **Tightens the education finance language to ensure every school district receives funding in an equitable way**
 - **Strengthens the zoning language to ensure large corporations cannot avoid reassessment**



How it Works—The Basics

- **The split roll proposal would reassess commercial and industrial (C&I) properties regularly based on fair market value, not just with ownership changes, which could generate an additional \$10 billion annually**
 - **Resulting revenues are provided to cities, counties, and special districts based on the current local split of property taxes—accounting for about 60% of the total**
 - **Revenues for schools and community colleges are pooled into the Local School and Community College Property Tax Fund—accounting for about 40% of the total**
 - **Each K–12 and community college district would receive funding based on their proportionate share of the LCFF and SCFF, respectively**



LONG BEACH COMMUNITY COLLEGE DISTRICT
2019-2020 First Quarter Budget Performance Report
As of September 30, 2019
UNRESTRICTED GENERAL FUND

	TENTATIVE BUDGET 2019-2020	ADOPTED BUDGET 2019-2020	CURRENT BUDGET * 2019-2020	ACTUAL as of 9/30/2019 2019-2020	PROJECTED YEAR-END 2019-2020	VARIANCE CURRENT BUDGET VS PROJECTED OVER/(UNDER)	VARIANCE CURRENT BUDGET VS PROJECTED %
BEGINNING BALANCE	30,457,370	36,212,646	36,212,646	36,212,646	36,212,646	0	0%
REVENUE							
Federal Revenue	140,000	140,000	140,000	0	140,000	0	0%
Full Time Faculty Hiring							
State Apportionment							
State General Apportionment	72,379,553	65,288,878	65,288,878	18,596,817	65,288,878	0	0%
Education Protection Account	17,127,318	18,396,958	18,396,958	4,688,295	18,396,958	0	0%
Full Time Faculty Hiring	839,358	839,358	839,358	235,020	839,358	0	0%
Property Taxes	29,112,741	34,161,565	34,161,565	537,401	34,161,565	0	0%
Enrollment Fee Revenue @ 98%	7,084,288	7,017,141	7,017,141	3,760,561	7,017,141	0	0%
Sub Total	126,543,258	125,703,900	125,703,900	27,818,094	125,703,900	0	0%
Prior Year Adjustment							
General apportionment Adjustment for Full-Time Faculty	0	0	0	0	(191,798)	(191,798)	na
Total State Principal Apportionment	126,543,258	125,703,900	125,703,900	27,818,094	125,512,102	(191,798)	0%
Other State Revenue							
California College Promise Administration	343,534	310,110	310,110	86,831	310,110	0	0%
Mandated Cost Reimbursement	545,693	595,023	595,023	0	595,023	0	0%
Part-time Faculty Compensation	395,455	408,529	408,529	114,388	408,529	0	0%
State Lottery	2,899,804	3,032,613	3,032,613	37,556	3,032,613	0	0%
PERS On-Behalf Payments	0	0	1,737,510	0	1,737,510	0	0%
STRS On-Behalf Payments	3,798,552	5,006,484	5,006,484	0	5,006,484	0	0%
Total Other State Revenue	7,983,038	9,352,759	11,090,269	238,775	11,090,269	0	0%

Notes: * The Current Budget includes budget transfers processed after budget adoption.

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Local Revenue							
From LBCC Auxiliary	111,474	111,474	111,474	0	111,474	0	0%
Enrollment Fee Revenue @ 2%	144,577	143,207	143,207	76,746	143,207	0	0%
International Students Fees	990,793	975,000	975,000	461,850	975,000	0	0%
Nonresident Tuition Fees	1,486,189	1,237,000	1,237,000	1,009,712	1,237,000	0	0%
Materials Fees	147,664	147,435	147,435	77,482	147,435	0	0%
Summer Recreation Program	61,000	61,000	61,000	64,502	64,502	3,502	6%
Other Local Revenue	1,244,328	1,076,400	1,076,400	205,107	1,076,400	0	0%
Total Local Revenue	4,186,025	3,751,516	3,751,516	1,895,399	3,755,018	3,502	0%
TOTAL REVENUE	138,852,321	138,948,175	140,685,685	29,952,268	140,497,389	(188,296)	0%
OTHER FINANCING SOURCES							
Sale of Surplus Equipment	0	0	0	2,576	2,576	2,576	na
INTERFUND TRANSFERS IN							
From Contract Education/Community Education Fund							
Instructional Departments	3,546	3,043	3,043	0	3,043	0	0%
From Capital Projects Fund (Rent from East Campus)	150,000	320,000	320,000	80,000	320,000	0	0%
TOTAL OTHER FINANCING SOURCES	153,546	323,043	323,043	82,576	325,619	2,576	1%
TOTAL REVENUE AND OTHER FINANCING SOURCES	139,005,867	139,271,218	141,008,728	30,034,844	140,823,008	(185,720)	0%

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EXPENDITURES							
ACADEMIC SALARIES							
Academic Instructional Salaries	26,623,246	26,372,506	26,375,991	6,519,524	26,120,976	(255,015)	-1%
Academic Administrator Salaries	3,747,652	3,818,443	3,833,659	964,756	3,833,659	0	0%
Department Head/Coordinator Salaries	3,184,652	3,193,544	3,174,843	759,180	3,080,104	(94,739)	-3%
Full Time Counselor Salaries	2,502,247	2,586,733	2,586,733	653,694	2,625,056	38,323	1%
Full Time Librarian Salaries	674,248	674,248	674,248	169,944	679,777	5,529	1%
Academic Hourly Instructional Salaries	17,405,250	17,399,019	17,423,282	4,403,104	17,158,415	(264,867)	-2%
Academic Hourly Non-Instructional Salaries	1,325,872	1,275,872	1,202,207	188,841	1,202,207	0	0%
Librarian Hourly Salaries	442,685	443,185	444,374	84,013	444,374	0	0%
TOTAL ACADEMIC SALARIES	55,905,852	55,763,550	55,715,337	13,743,056	55,144,568	(570,769)	-1%
CLASSIFIED SALARIES							
Classified Non-Instructional Salaries	17,344,959	17,316,772	17,236,217	3,949,006	16,500,066	(736,151)	-4%
Classified Manager/Supervisor Salaries	5,958,577	5,965,964	5,932,093	1,502,307	5,909,734	(22,359)	0%
Confidential Salaries	1,289,775	1,289,775	1,232,118	235,463	967,058	(265,060)	-22%
Classified Instructional Salaries	2,778,430	2,779,260	2,754,101	587,033	2,709,568	(44,533)	-2%
Classified Hourly Non-Instructional Salaries	603,315	830,858	1,256,891	367,154	1,256,891	0	0%
Classified Hourly Instructional Salaries	846,619	841,619	883,228	79,159	883,228	0	0%
TOTAL CLASSIFIED SALARIES	28,821,675	29,024,248	29,294,648	6,720,122	28,226,545	(1,068,103)	-4%
BENEFITS							
Benefits	40,904,215	41,810,954	43,496,481	8,380,998	42,756,005	(740,476)	-2%
Early Retirement Incentives	1,173,891	1,173,891	1,173,891	1,173,891	1,173,891	0	0%
TOTAL BENEFITS	42,078,106	42,984,845	44,670,372	9,554,889	43,929,896	(740,476)	-2%

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SUPPLIES AND MATERIALS							
Commencement Expenses	16,318	16,818	16,818	0	16,818	0	0%
Instructional Supplies (Contract/Community Education Profit Share Account)	0	5,605	2,926	0	2,926	0	0%
Instructional Material Fees	141,519	188,500	169,025	9,842	169,025	0	0%
Fuel	61,975	61,975	56,451	14,575	56,451	0	0%
Hospitality	79,502	82,859	80,055	4,881	80,055	0	0%
Other Supplies	496,731	497,870	516,363	9,898	516,363	0	0%
TOTAL SUPPLIES AND MATERIALS	796,045	853,627	841,638	39,196	841,638	0	0%
CONTRACT SERVICES AND OPERATING EXPENSES							
Professional Services	4,142,184	4,121,346	4,211,604	(106,750)	4,211,604	0	0%
Travel and Conferences	268,087	281,147	329,155	25,915	329,155	0	0%
Air Quality Management District Site Fees	35,000	35,000	35,000	0	35,000	0	0%
Staff Development	25,670	24,994	24,994	1,200	24,994	0	0%
Dues and Memberships	193,794	195,085	186,868	153,903	186,868	0	0%
Insurance	11,356	11,356	3,356	0	3,356	0	0%
Utilities	2,939,363	2,939,538	2,939,538	631,294	2,939,538	0	0%
Rents, Building Repair, Maintenance and Equipment Repair	1,137,803	1,129,644	1,106,065	151,685	1,106,065	0	0%
Environmental Health Fees	930	930	5,624	2,514	5,624	0	0%
Audit	127,800	127,800	127,800	0	127,800	0	0%
Legal Services	247,213	247,213	256,647	25,045	256,647	0	0%
Fingerprinting	3,000	6,500	13,339	472	13,339	0	0%
Postage	89,023	85,331	81,127	22,331	81,127	0	0%
Credit Card Fees	275,000	285,000	285,000	64,995	285,000	0	0%
Online Software Licensing	976,658	1,065,119	1,180,003	517,169	1,180,003	0	0%
Other Services and Expenses	874,101	869,263	718,776	16,132	718,776	0	0%
Indirect Costs	(1,057,327)	(1,100,173)	(1,100,173)	(2,922)	(1,087,217)	12,956	-1%
TOTAL CONTRACT SERVICES AND OPERATING EXPENSES	10,289,655	10,325,093	10,404,723	1,502,983	10,417,679	12,956	0%

Notes: * The Current Budget includes budget transfers processed after budget adoption.

LONG BEACH COMMUNITY COLLEGE DISTRICT
2019-2020 First Quarter Budget Performance Report
As of September 30, 2019
UNRESTRICTED GENERAL FUND

	TENTATIVE BUDGET 2019-2020	ADOPTED BUDGET 2019-2020	CURRENT BUDGET * 2019-2020	ACTUAL as of 9/30/2019 2019-2020	PROJECTED YEAR-END 2019-2020	VARIANCE CURRENT BUDGET VS PROJECTED OVER/(UNDER)	VARIANCE CURRENT BUDGET VS PROJECTED %
CAPITAL OUTLAY							
Buildings and Additions	1,200	3,500	3,500	0	3,500	0	0%
Library Books	124,810	55,142	55,142	14,441	55,142	0	0%
Equipment	1,014,293	855,312	839,904	50,464	839,904	0	0%
Lease/Purchase	476,512	476,512	479,732	9,727	479,732	0	0%
TOTAL CAPITAL OUTLAY	1,616,815	1,390,466	1,378,278	74,632	1,378,278	0	0%
ONE-TIME EXPENDITURES FOR MANDATED COSTS AND BUSINESS PROCESS REVIEWS							
Academic Hourly Non-Instructional Salaries	13,786	14,136	14,136	0	14,136	0	0%
Classified Hourly Non-Instructional Salaries	5,151	5,353	5,353	0	5,353	0	0%
Benefits	3,790	3,894	3,894	0	3,894	0	0%
Hospitality	7,691	7,841	7,841	0	7,841	0	0%
Other Supplies	883	1,239	1,239	218	1,239	0	0%
Professional Services	895,918	916,349	770,923	2,100	770,923	0	0%
Travel and Conferences	0	9,281	14,281	11,059	14,281	0	0%
Insurance	0	395	395	394	395	0	0%
Online Software Licensing	65,041	84,153	637,509	89,022	637,509	0	0%
Other Services and Expenses	10,672	19,693	14,693	0	14,693	0	0%
Equipment	0	103,747	106,943	5,345	106,943	0	0%
Lease/Purchase	0	0	2,000	0	2,000	0	0%
TOTAL ONE-TIME EXPENDITURES	1,002,932	1,166,081	1,579,207	108,138	1,579,207	0	0%
TOTAL EXPENDITURES	140,511,080	141,507,910	143,884,203	31,743,016	141,517,811	(2,366,392)	-2%

Notes: * The Current Budget includes budget transfers processed after budget adoption.

LONG BEACH COMMUNITY COLLEGE DISTRICT
2019-2020 First Quarter Budget Performance Report
As of September 30, 2019
UNRESTRICTED GENERAL FUND

	TENTATIVE BUDGET 2019-2020	ADOPTED BUDGET 2019-2020	CURRENT BUDGET * 2019-2020	ACTUAL as of 9/30/2019 2019-2020	PROJECTED YEAR-END 2019-2020	VARIANCE CURRENT BUDGET VS PROJECTED OVER/(UNDER)	VARIANCE CURRENT BUDGET VS PROJECTED %
OTHER OUTGO							
INTERFUND TRANSFERS OUT							
To Child and Adult Development Fund	150,000	150,000	150,000	37,500	150,000	0	0%
To Self Insurance Fund	1,186,000	1,186,000	1,186,000	186,000	1,186,000	0	0%
To Student Financial Aid Fund							
Return to Title IV District Contribution	110,000	0	0	0	0	0	na
TOTAL OTHER OUTGO	1,446,000	1,336,000	1,336,000	223,500	1,336,000	0	0%
TOTAL EXPENDITURES & OTHER OUTGO	141,957,080	142,843,910	145,220,203	31,966,516	142,853,811	(2,366,392)	-2%
OPERATING SURPLUS/(DEFICIT)	(2,951,213)	(3,572,692)	(4,211,475)	(1,931,672)	(2,030,803)	2,180,672	-52%
Plus Beginning Balance	30,457,370	36,212,646	36,212,646	36,212,646	36,212,646	0	0%
ENDING BALANCE	27,506,157	32,639,954	32,001,171	34,280,974	34,181,843	2,180,672	7%
DESIGNATED RESERVES							
Unassigned Reserves							
Board Mandated Reserve	7,807,639	7,856,415	7,856,415	7,856,415	7,856,960	545	0%
Additional Reserve for Institutional Effectiveness Goal	13,485,923	13,570,171	13,570,171	13,570,171	13,571,112	941	0%
Economic Uncertainties	1,605,486	5,815,556	5,589,899	7,869,702	7,769,085	2,179,186	39%
Assigned Reserves							
Reserve for Business Process Reviews	1,752,955	2,445,912	2,032,786	2,032,786	2,032,786	0	0%
Vacation and Loadbanking Reserve	2,854,154	2,951,900	2,951,900	2,951,900	2,951,900	0	0%
TOTAL DESIGNATED RESERVES	27,506,157	32,639,954	32,001,171	34,280,974	34,181,843	2,180,672	7%
UNDESIGNATED ENDING BALANCE		0	0	0	0	0	na

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