

# **Tentative Budget 2025-26**

**Presented by:  
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Administrative & Business Services**

**June 25, 2025**

# 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 2025-26
- Expenditure Summary
- Major Expenditure Changes in 2025-26
- 7-Year Trends
- Future Budget Challenges

# **Board Goals, Institutional Priorities & Strategic Plan Goals**

Tentative Budget 2025-26

# 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, 2022-2026 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 2024-25**

- **Strategic Goal I: Innovate to Achieve Equitable Success**
- **Strategic Goal II: Accelerate College Readiness and Close Equity Gaps**
- **Strategic Goal III: Build Community**
- **Strategic Goal IV: Invest in People and Support Structures for Transformation**

# **Institutional Priorities**

**adopted on March 20, 2025**

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. Supporting the improvement of equitable course success rates, learning, and persistence.
  - i. Increase Transfer-level math and English course completion rates for first time, first-year degree seeking students
- B. Improving the efficiency of business processes and practices to support compliance, service delivery, and instruction.

# **Institutional Priorities**

**adopted March 20, 2025  
(continued)**

- C. Providing continued support for campus safety initiatives.
- D. Increasing students' and employees' sense of belonging and mattering by actively creating an inclusive, caring, and anti-racist environment in all spaces (virtual and physical) on campus.
- E. Establishing and strengthening relationships and partnerships with community organizations, industry partners, and educational institutions.



# Strategic Plan Goals

## adopted for 2022-2026

1. Inclusive
  - i. By creating an inclusive, anti-racist, and welcoming environment, all students and employees will feel that their voices matter and that their identities are valued and re-affirmed.
2. Supportive
  - i. Through fostering a culture of care and collegiality, students and employees will feel supported, valued, and respected.
3. Innovative
  - i. Through implementing innovative approaches, LBCC will achieve equitable student outcomes, address emerging industry needs, and promote sustainability.
4. Synergy
  - i. By creating synergy between community, education, and local and regional industry, partnerships will be strengthened to support the equitable achievement of students' educational & career goals.

# Highlighted Resource Allocations: Goals & Priorities

Grants & Funding Allocations	LBCC Institutional Priorities and Board Goals Related to Institutional Planning				
	I., II., IV. & A. Improve equitable course success rates, learning, and persistence; Increase transfer-level math and English completion	IV. & B. Improve the efficiency of business processes and practices to support compliance, service delivery, and instruction	I., II., IV. & C. Provide continued support for campus safety initiatives	I., II. & D. Increase sense of belonging by actively creating an inclusive, caring, and anti-racist environment	I., II. & E. Establish/ Strengthen Relationships With Local Community Organizations
Strong Workforce	√			√	√
Adult Ed Regional Consortium	√			√	√
NOAA Climate Ready Workforce					√
Student Equity Achievement Program	√	√		√	√
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. Improve equitable course success rates, learning, and persistence; Increase transfer-level math and English completion	IV. & B. Improve the efficiency of business processes and practices to support compliance, service delivery, and instruction	I., II., IV. & C. Provide continued support for campus safety initiatives	I., II. & D. Increase sense of belonging by actively creating an inclusive, caring, and anti-racist environment	I., II. & E. Establish/ Strengthen Relationships With Local Community Organizations
LGBTQ+ CCCCCO Allocation	√	√		√	
MESA	√	√		√	√
Title V Grant for CASA Program	√	√		√	
Title V Grant for PASO Program/ PSSP Grant for SCAN Program	√	√		√	
AANHPI Student Achievement Program CCCCCO Allocation	√	√		√	
Online Educational Resources CCCCCO Allocation	√	√			

# Highlighted Resource Allocations: Goals & Priorities

Student Success Initiatives	LBCC Institutional Priorities and Board Goals Related to Institutional Planning				
	I., II., IV. & A. Improve equitable course success rates, learning, and persistence; Increase transfer-level math and English completion	IV. & B. Improve the efficiency of business processes and practices to support compliance, service delivery, and instruction	I., II., IV. & C. Provide continued support for campus safety initiatives	I., II. & D. Increase sense of belonging by actively creating an inclusive, caring, and anti-racist environment	I., II. & E. Establish/ Strengthen Relationships With Local Community Organizations
First and Second Year Experience Programs	√	√		√	
Learning Communities	√	√		√	
Student-Centered Scheduling Improvements (including 8-week course scheduling)	√	√			
Student Success Teams	√	√		√	
Equitable Placement Implementation	√			√	

# Highlighted Resource Allocations: Goals & Priorities

Student Success Initiatives	LBCC Institutional Priorities and Board Goals Related to Institutional Planning				
	I., II., IV. & A. Improve equitable course success rates, learning, and persistence; Increase transfer-level math and English completion	IV. & B. Improve the efficiency of business processes and practices to support compliance, service delivery, and instruction	I., II., IV. & C. Provide continued support for campus safety initiatives	I., II. & D. Increase sense of belonging by actively creating an inclusive, caring, and anti-racist environment	I., II. & E. Establish/ Strengthen Relationships With Local Community Organizations
Associate Degree for Transfer Intersegmental Implementation	√	√			
DESTINO	√	√		√	
Bachelor Degree Program	√	√		√	
Dreamscape	√	√			
Equitable Teaching Community	√			√	

# Highlighted Resource Allocations: Goals & Priorities

Student Support Programs & Services	LBCC Institutional Priorities and Board Goals Related to Institutional Planning				
	I., II., IV. & A. Improve equitable course success rates, learning, and persistence; Increase transfer-level math and English completion	IV. & B. Improve the efficiency of business processes and practices to support compliance, service delivery, and instruction	I., II., IV. & C. Provide continued support for campus safety initiatives	I., II. & D. Increase sense of belonging by actively creating an inclusive, caring, and anti-racist environment	I., II. & E. Establish/ Strengthen Relationships With Local Community Organizations
Welcome Center	√	√		√	
Dreamer Support	√	√		√	
Veterans Support	√	√		√	
Early College Initiatives	√	√		√	
Mental Health Support for Students	√	√		√	
North Long Beach Higher Education Center	√	√		√	√
Embedded Tutoring	√	√		√	

# Highlighted Resource Allocations: Goals & Priorities

Student Support Programs & Services	LBCC Institutional Priorities and Board Goals Related to Institutional Planning				
	I., II., IV. & A. Improve equitable course success rates, learning, and persistence; Increase transfer-level math and English completion	IV. & B. Improve the efficiency of business processes and practices to support compliance, service delivery, and instruction	I., II., IV. & C. Provide continued support for campus safety initiatives	I., II. & D. Increase sense of belonging by actively creating an inclusive, caring, and anti-racist environment	I., II. & E. Establish/ Strengthen Relationships With Local Community Organizations
Social Justice & Intercultural Center	√	√		√	
Black Student Success Center	√	√		√	
Center for Teaching and Learning	√	√		√	
Boys and Girls Club	√			√	√
Starfish Early Alert	√	√		√	
Office of Basic Needs	√	√		√	

# Highlighted Resource Allocations: Goals & Priorities

Faculty, Staff, and Infrastructure Support	LBCC Institutional Priorities and Board Goals Related to Institutional Planning				
	I., II., IV. & A. Improve equitable course success rates, learning, and persistence; Increase transfer-level math and English completion	IV. & B. Improve the efficiency of business processes and practices to support compliance, service delivery, and instruction	I., II., IV. & C. Provide continued support for campus safety initiatives	I., II. & D. Increase sense of belonging by actively creating an inclusive, caring, and anti-racist environment	I., II. & E. Establish/ Strengthen Relationships With Local Community Organizations
Distance Learning Support	√	√		√	
Faculty Professional Development	√			√	
Noncredit Infrastructure	√	√		√	
Business Process Reviews	√	√		√	
Employee Professional Development	√		√	√	
Hiring Practices	√			√	

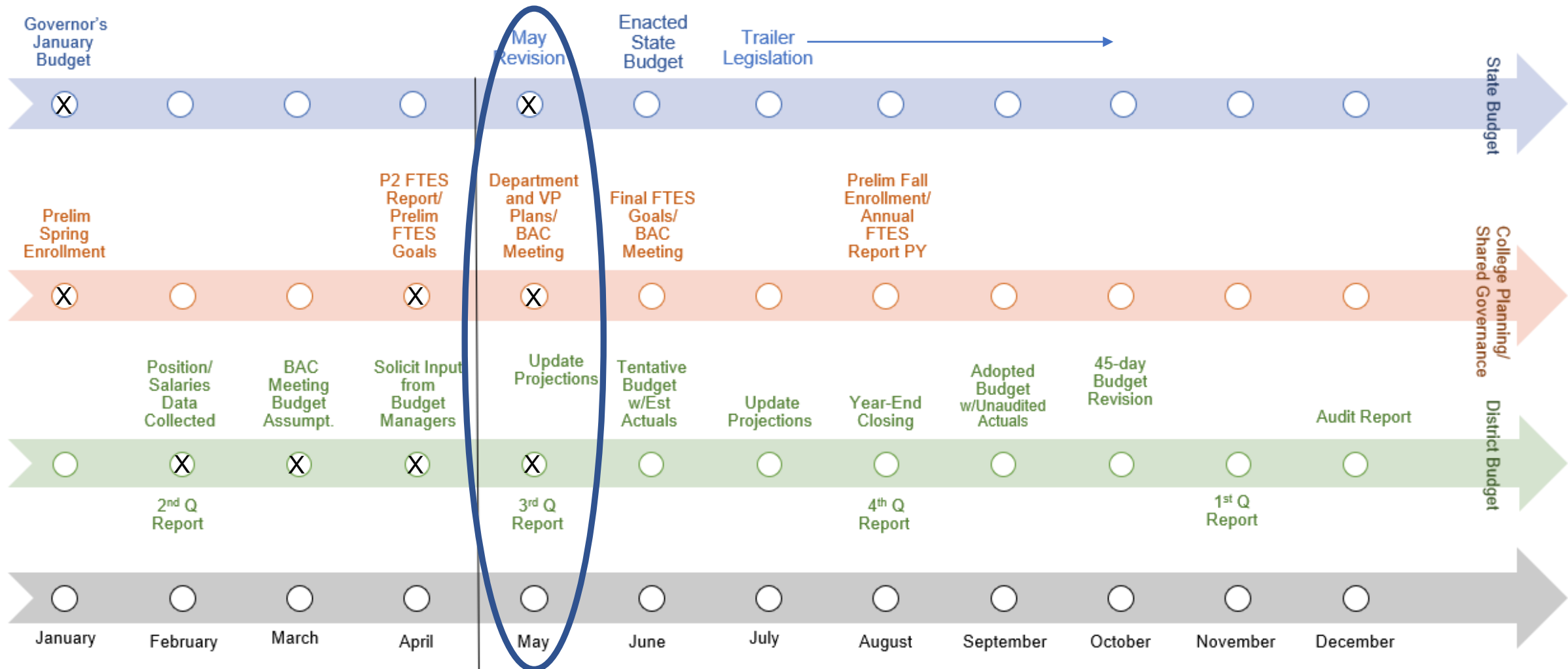


# Highlighted Resource Allocations: Goals & Priorities

Marketing & Community Outreach	LBCC Institutional Priorities and Board Goals Related to Institutional Planning				
	I., II., IV. & A. Improve equitable course success rates, learning, and persistence; Increase transfer-level math and English completion	IV. & B. Improve the efficiency of business processes and practices to support compliance, service delivery, and instruction	I., II., IV. & C. Provide continued support for campus safety initiatives	I., II. & D. Increase sense of belonging by actively creating an inclusive, caring, and anti-racist environment	I., II. & E. Establish/ Strengthen Relationships With Local Community Organizations
Community and High School Outreach				√	√
Marketing and Enrollment Campaign		√		√	√
Equitable Recruitment Efforts	√			√	√
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%
2012-13	3.24%	0.00%
2013-14	1.57%	1.57%

Year	Statutory COLA	State Provided COLA
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	8.22%	8.22%
2024-25	1.07%	1.07%
2025-26	2.30%	
2026-27**	3.52%	
2027-28**	3.63%	

\*2-Year compounded rate.

\*\*Projected per School Services of California (February 2025).

Provided below Statutory COLA

Provided above Statutory COLA

# State Budget Overview

## Apportionment

- Student Centered Funding Formula (SCFF) 2.30% COLA - \$217.5 million
  - **\$4.1 million** for LBCC
- 2.35% Growth funding - \$139.9 million
  - *Growth authority for LBCC estimated at 0.56%*
  - **\$439,000** funded growth for LBCC (\$1.2 million unfunded)
- Increase to fully fund SCFF - \$104.7 million ongoing
  - **\$0.9 million** estimated deficit reduction of 0.5% for LBCC

# State Budget Overview

## Categorical Programs

- 2.30% COLA for the usual selected categorical programs (DSPS, EOPS, CARE, CalWORKs, Child Care Tax Bailout, Mandated Cost Block Grant, and Adult Education) - \$26.6 million
  - **\$520,000** for LBCC
- Modified investments – due to the declining economic outlook, the Governor reduced or withdrew many funding proposals from his January Budget
- Most other categorical programs – no change

# State Budget Overview

## Capital Facilities

- \$68.5 million in Proposition 51 and 2 funding for one continuing project and preliminary plans for 29 new projects
  - Includes LBCC's Building B Replacement project
  - \$382,000 state funds for 2025-26
  - Total cost of project including state and local funds is \$51.6 million

# State Budget Overview

## State Reserve Withdrawals

- Public School System Stabilization Account (PSSSA) - \$8.4 billion fully withdrawn at June 2025
  - State will deposit \$540 million during 2025-26, but will fully withdraw that amount by June 2026



# State Budget Overview

## Other State State Budget Balancing Tactics

- Deferrals
  - Apportionment revenue deferred from 2025-26 to 2026-27 - \$531.6 million
  - **13.7 million** for LBCC
- Other
  - No Block grant funding in 2025-26 for Deferred Maintenance or Instructional Equipment

# **BAC Budget Assumption Highlights**

# BAC Budget Assumption Highlights

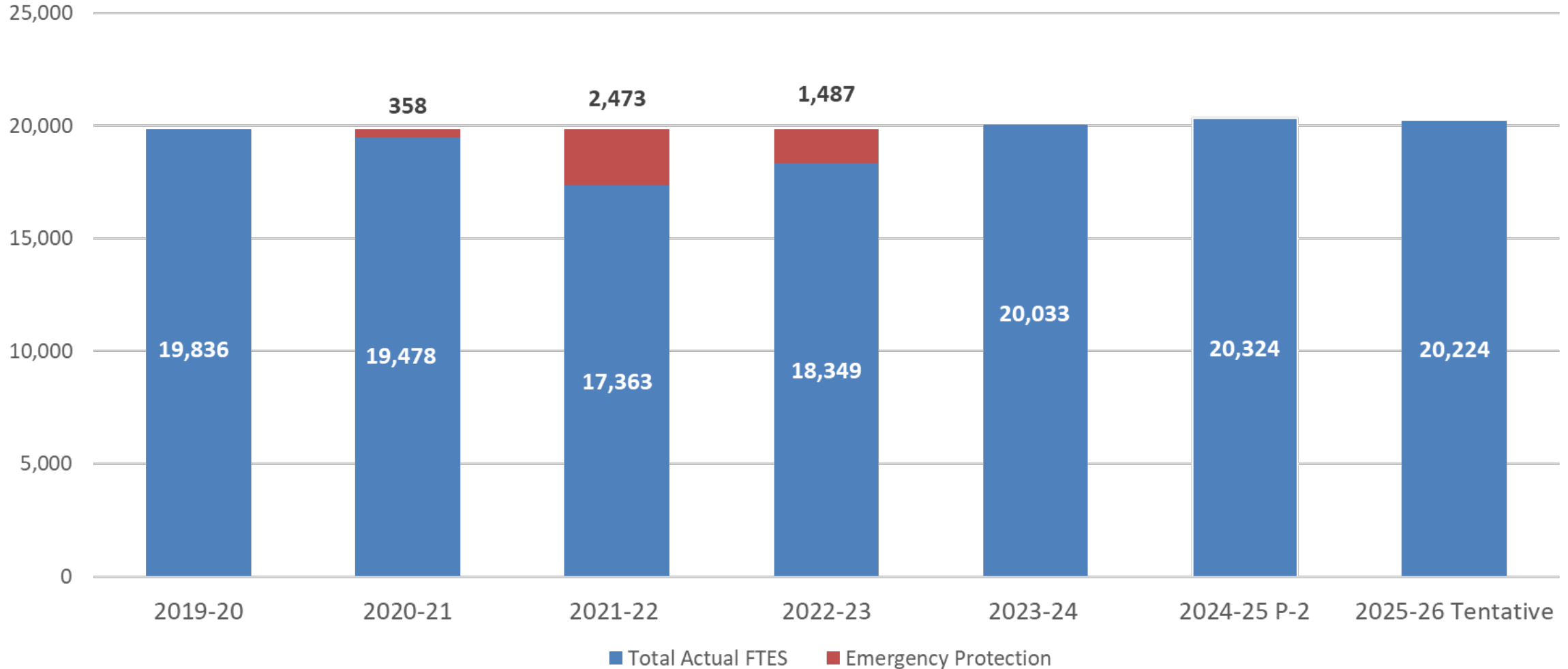
- There will be potential budget redirections in response to both the State's budget impact and the priorities as identified by the College Planning Committee (CPC).
- FTES total resident target is 20,224.
- A 0.5% deficit factor is budgeted based on past experience.
- Total Cost of Ownership – principles 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 - \$35.0 million
  - 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).
- Load Banking and Vacation Liability Reserves – \$3.0 million
- Retiree Benefits Annual Required Contribution (ARC) – \$4.3 million
- Health & Welfare Premiums:
  - Increased by 7.2% - \$1.6 million

# FTES Comparison\*

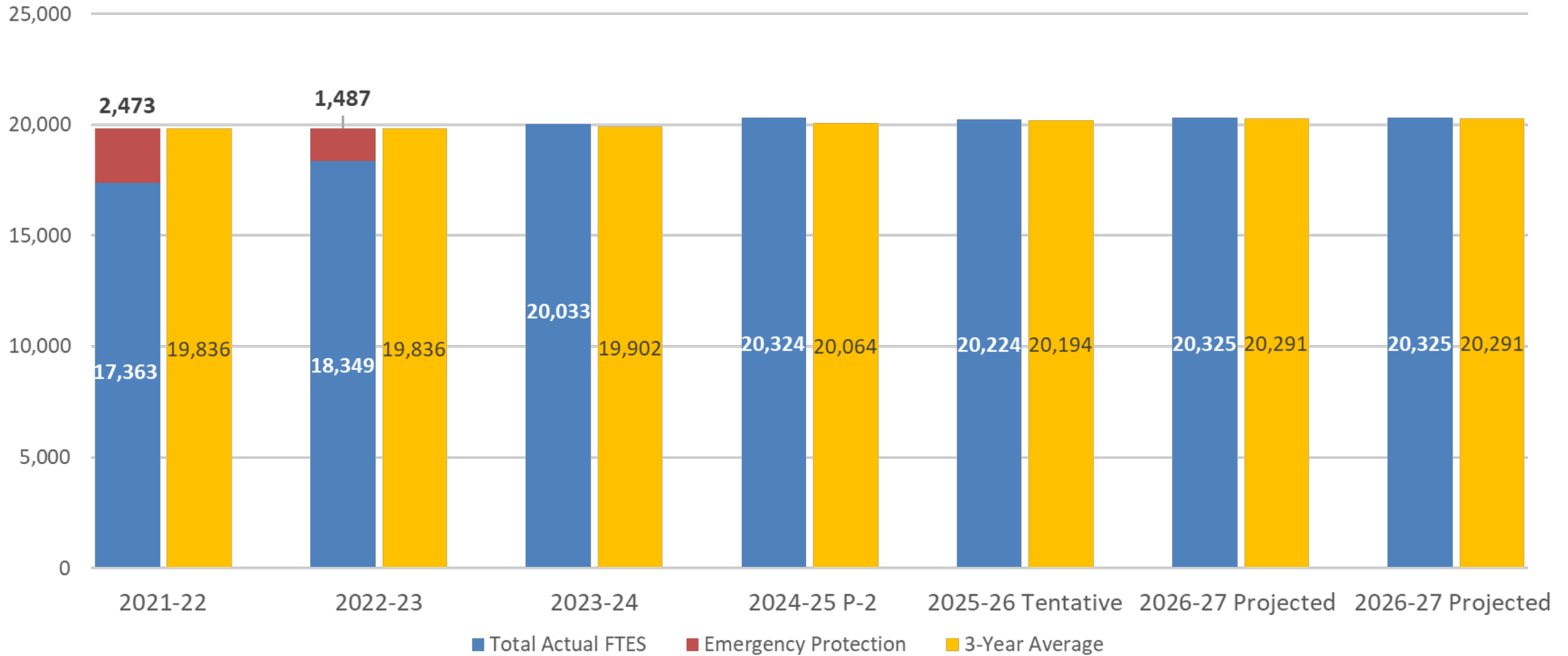
With Emergency Conditions Allowance



\*Resident Full-Time Equivalent Students (FTES).

# FTES Comparison\*

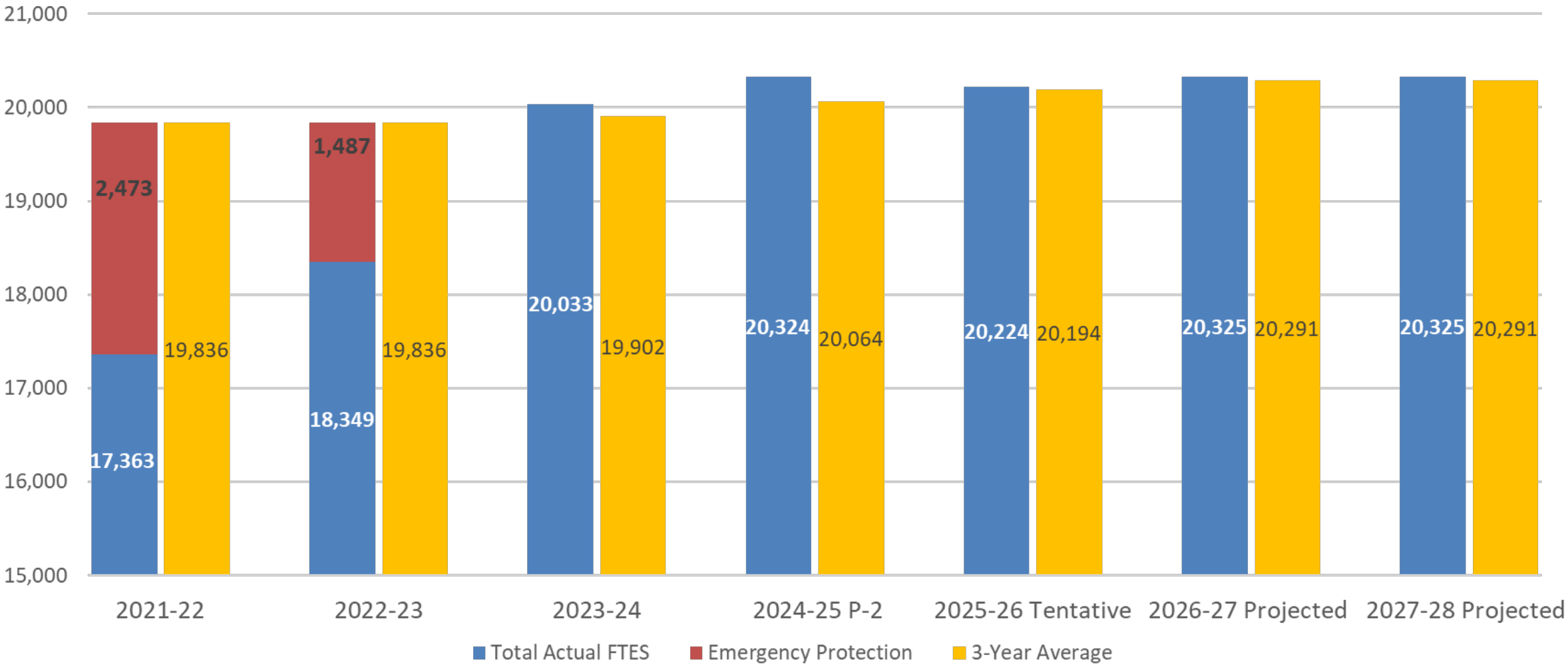
With comparison to 3-year average



\*Resident Full-Time Equivalent Students (FTES).

# FTEs Comparison\*

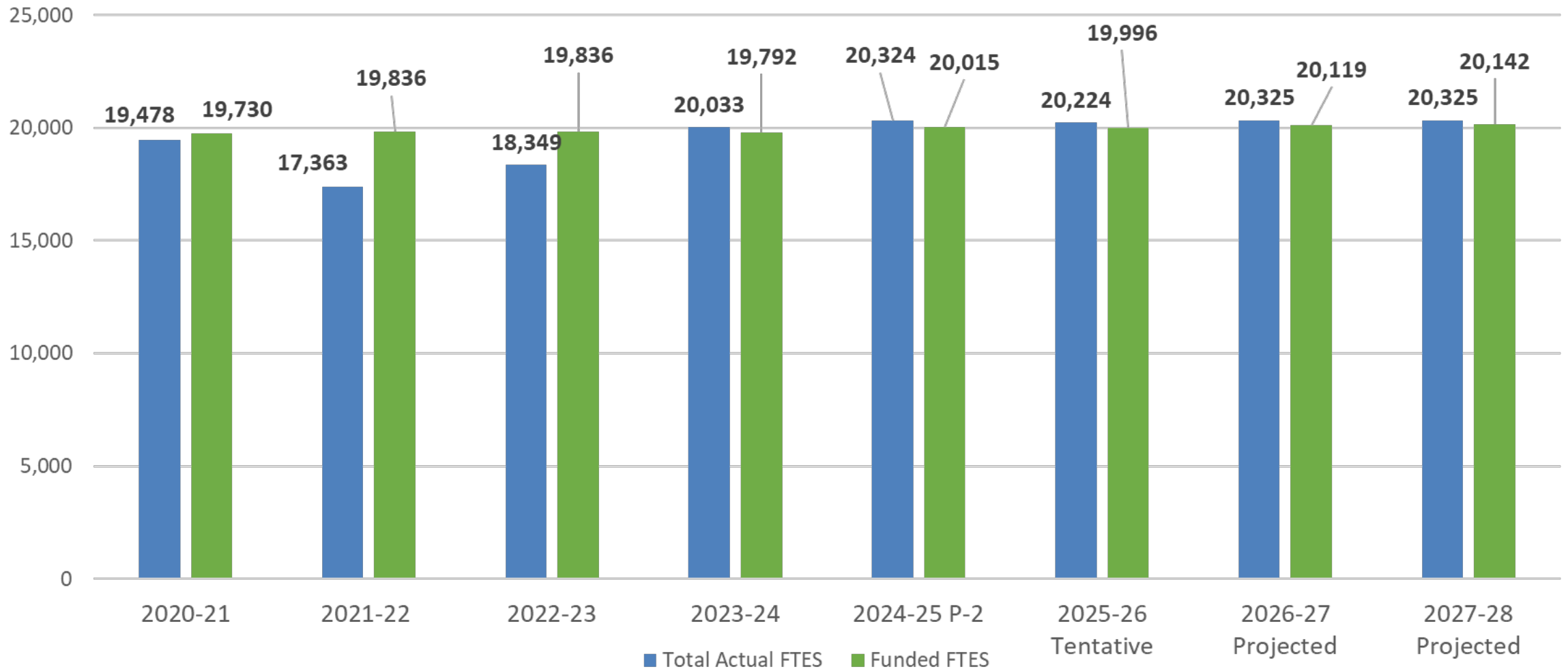
With comparison to 3-year average (Zoom view)



\*Resident Full-Time Equivalent Students (FTEs).

# FTES Projection\*

Actual to funded trends

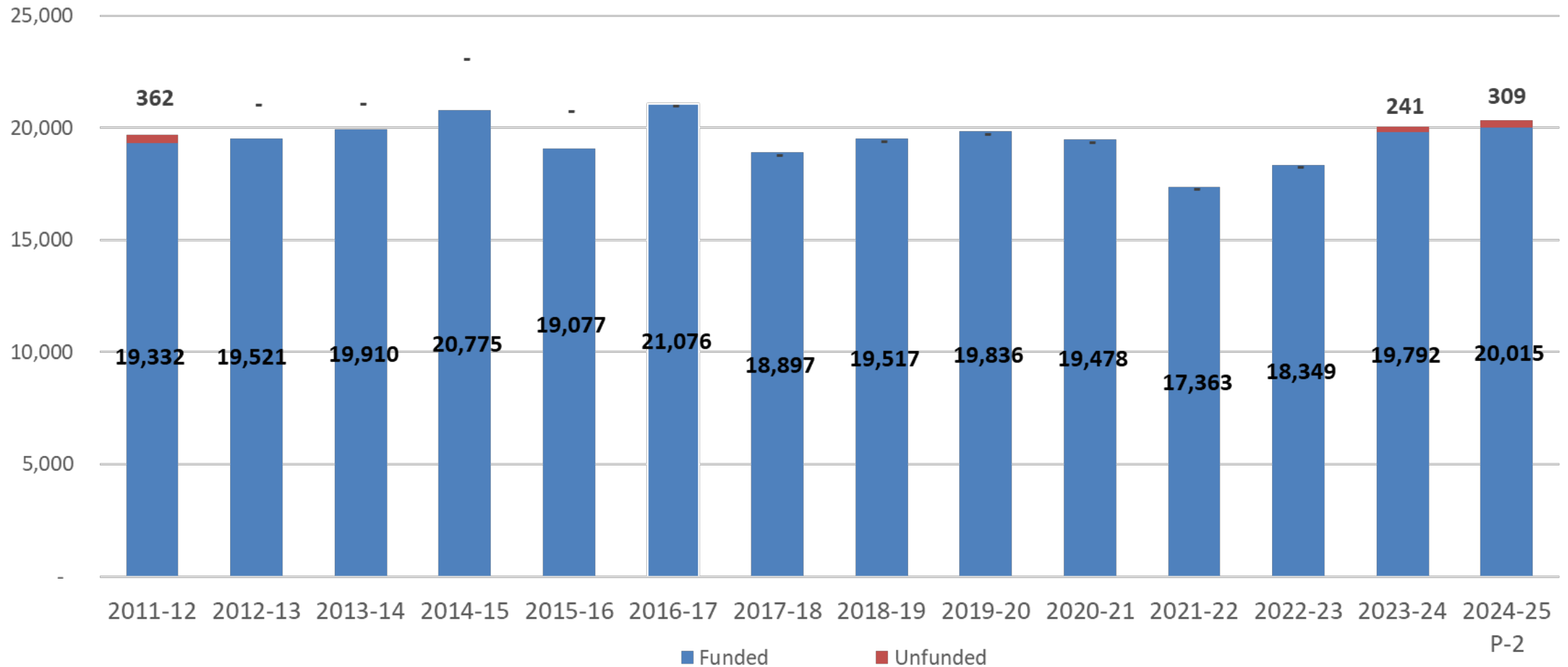


\*Resident Full-Time Equivalent Students (FTES).



# FTES Comparison\*

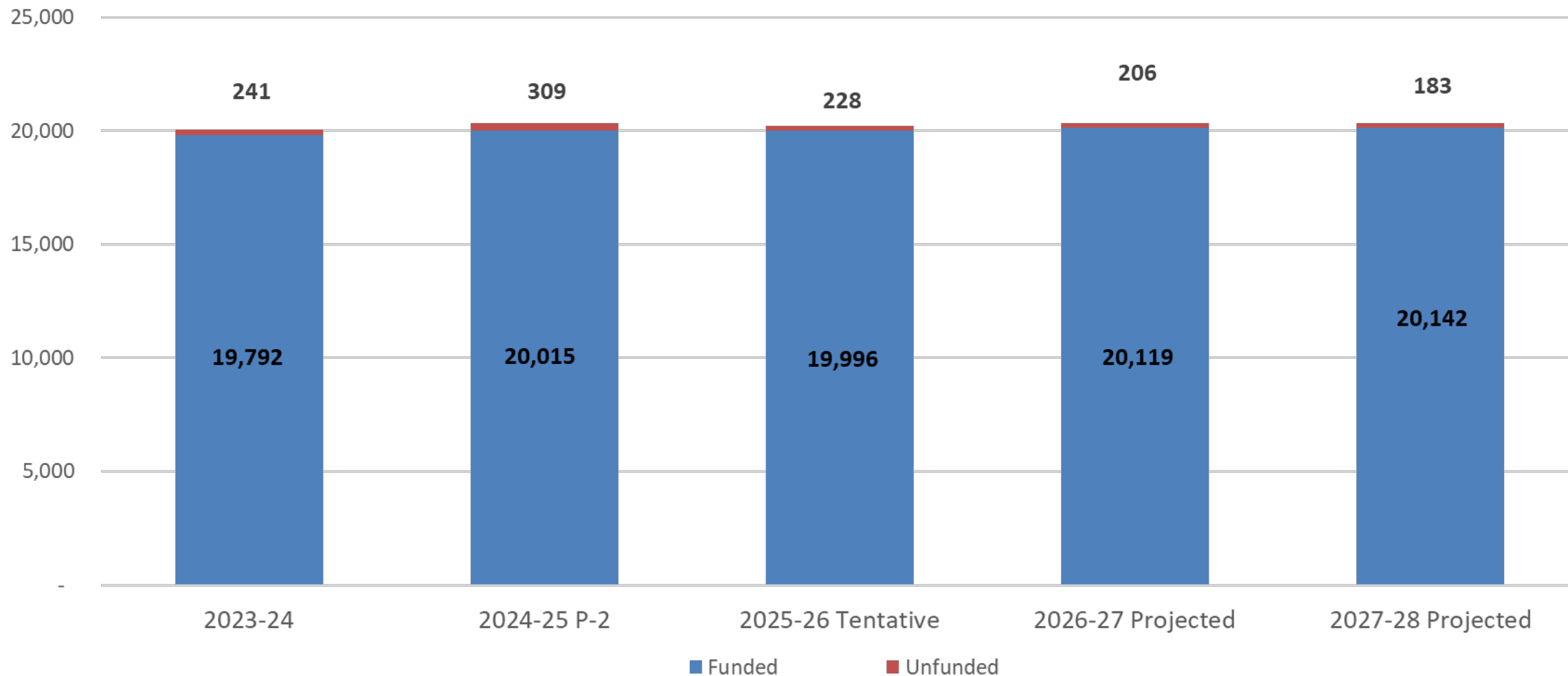
Unfunded due to limited growth funding history



\*Resident Full-Time Equivalent Students (FTES).

# FTES Comparison\*

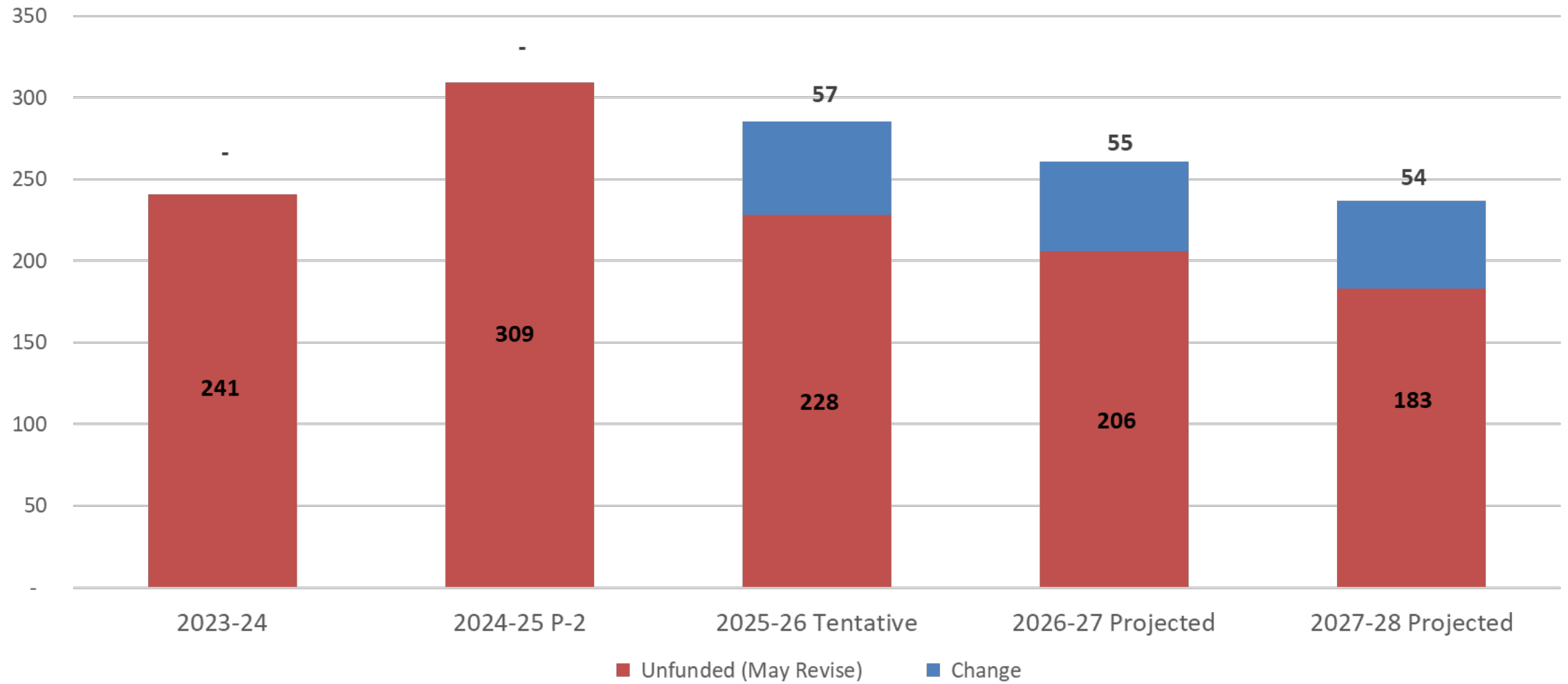
Unfunded due to limited growth funding projection



\*Resident Full-Time Equivalent Students (FTES).

# FTES Comparison\*

Reduced unfunded FTES proposed in the May Revise



\*Resident Full-Time Equivalent Students (FTES).

# SCFF Apportionment Funding

- We are funded at the greater of:
  - A. SCFF calculated revenue** – based on metrics and funding rates
  - B. Prior year Stability** - SCFF calculated revenue + COLA. (Stabilization)
  - C. Hold Harmless** – minimum revenue commitment. Equals 2017-18 revenue + COLA up to 2024-25. No change after 2024-25.
- **Deficit Factor** - may be applied if state revenue is not adequate to cover SCFF calculated revenue for all districts.
- **May Revise** - proposes additional funding to reduce the possibility of a deficit factor.

# Base funding

- Basic allocation – funding based on college size
- Based on prior year total resident FTES
- > 20,000 FTES – funded as large college (+\$2.2 million)
- 10,000 – 20,000 – funded as medium college
- 3-year stability period is applied

# Growth funding

- Growth funding has been very limited
- Recent years: 0.50% statewide and 0.12% for LBCCD
- Enrollment, FTES has grown significantly in the past three years
- May Revise proposes additional growth funding
- Proposed for 2025-26: 2.35% statewide and 0.56% estimated for LBCCD
- Unfunded growth decreases in 2025-26 from \$1.5 million to \$1.2 million

## 2025-26 List of Funds: Expenditures & Other Outgo (in millions)

	2024-25 Adopted Budget	2024-25 Estimated Actual	2025-26 Tentative Budget
Unrestricted General Fund	\$ 207.4	\$205.7	\$ 210.0
Restricted General Fund	89.4	61.6	84.1
Associated Student Body Fund	1.3	1.2	1.4
Capital Projects Fund	36.7	15.3	22.0
Child & Adult Development Fund	4.5	4.3	4.7
Economic Development Fund	1.8	0.3	1.4
Equity Award Fund	4.0	1.1	3.2
Event & Filming Services Fund	2.3	2.6	2.4
General Obligation Bond Fund 2008 Measure E	137.0	0.0	137.0
General Obligation Bond Fund 2016 Measure LB	563.9	70.4	493.4
General Obligation Bond Fund 2024 Measure AC	0.0	0.9	901.3
Retiree Health Fund	2.5	1.9	2.3
Self-Insurance Fund	2.0	2.9	2.0
Student Financial Aid	80.0	82.4	79.2
Student Representation Fund	0.1	0.1	0.1
Workforce Development Fund	0.0	0.0	0.2
Total	\$1,132.9	\$450.7	\$1,944.7

# Unrestricted General Fund Overall Summary

	Estimated Actual 2024-25	Tentative Budget 2025-26	*Change Increase/ (Decrease)
Beginning Fund Balance	\$ 74,570,583	\$ 69,720,519	\$ (4,850,064)
Revenues and Other Financing Sources	200,807,957	200,479,391	(328,566)
Expenditures and Other Outgo	205,658,021	210,063,963	4,405,942
Surplus/(Deficit)	(4,850,064)	^(9,584,572)	(4,734,508)
Ending Fund Balance	69,720,519	60,135,947	(9,584,572)

\*Change is comparison between 2024-25 Estimated Actual and 2025-26 Tentative Budget.

^\$9.6 million includes \$1.3 million business process reviews in planned one-time expenses.



# Unrestricted General Fund: Revenue Summary

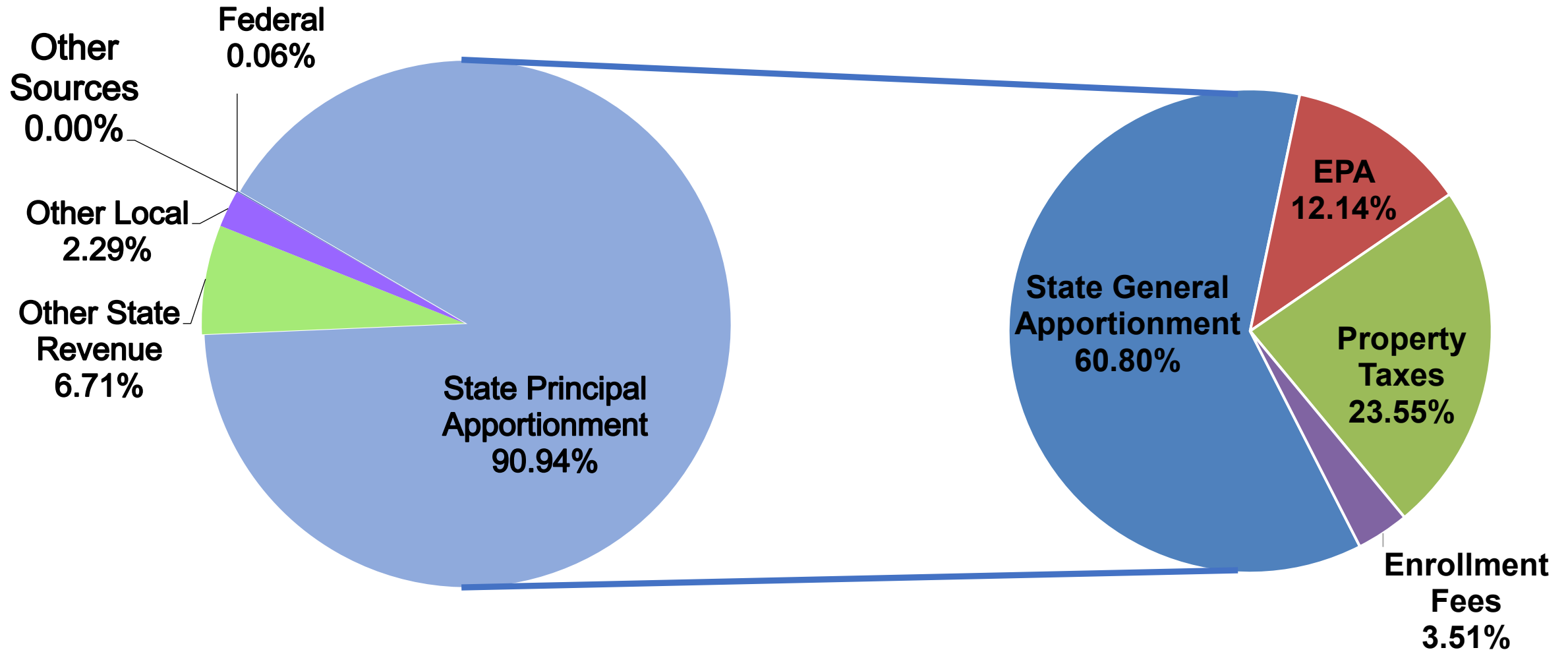
	Estimated Actual 2024-25	Tentative Budget 2025-26	*Change Increase/ (Decrease)
Federal	\$ 118,000	\$ 118,000	\$ 0
State Apportionment	181,658,885	182,311,358	652,473
Other State	13,548,574	13,449,390	(99,184)
Local	5,480,498	4,590,031	(890,467)
Other Sources	2,000	10,612	8,612
Total	\$200,807,957	\$200,479,391	\$ (328,566)

\*Change is comparison between 2024-25 Estimated Actual and 2025-26 Tentative Budget.

# Major Revenue Changes in 2025-26

- Apportionment – \$0.7 million increase
  - \$4.1 million increase due to the 2.3% COLA & increase to other SCFF metrics
  - (\$3.4) million decrease due to prior year apportionment adjustments
- Local Revenue – (\$0.9) million decrease
  - Due to projected lower interest earning for 2025-26 from 2024-25

# Unrestricted General Fund Budgeted Revenue & Other Sources 2025-26



# Unrestricted General Fund Expenditure Summary

	Estimated Actual 2024-25	Tentative Budget 2025-26	*Change Increase/ (Decrease)
Academic Salaries	\$ 75,795,575	\$ 79,451,462	\$ 3,655,887
Classified Salaries	40,736,117	43,459,571	2,723,454
Benefits	56,531,797	59,891,112	3,359,315
Supplies	1,363,420	1,197,612	(165,808)
Services	19,060,941	20,647,071	1,586,130
Capital Outlay	2,041,422	2,078,066	36,644
One-Time	494,195	1,278,069	783,874
Other Outgo	9,634,554	2,061,000	(7,573,554)
Total	\$205,658,021	\$210,063,963	\$ 4,405,942

2.30% COLA increase budgeted for academic, classified, and confidential/management positions.

\*Change is comparison between 2024-25 Estimated Actual and 2025-26 Tentative Budget.

# Major Expenditure Changes in 2025-26

- Academic Salaries – \$3.7 million increase
  - Step and column increases
  - Hire 5 full-time instructors (1 RGF)
  - 1 new DSPS full-time counselor
  - 1 Long Term Substitute teacher
  - 2.3% COLA increase for FT & PT faculty, additional PT salaries for step increase and PT faculty office hours
  - Hourly backfill for counselors and librarian
- Classified Salaries – \$2.7 million increase
  - Step and column increases
  - 2.3% COLA for classified staff and confidential/management
  - New position – Administrative Assistant moved from RGF to UGF
  - Budgets for vacancies

# Major Expenditure Changes in 2025-26 (continued)

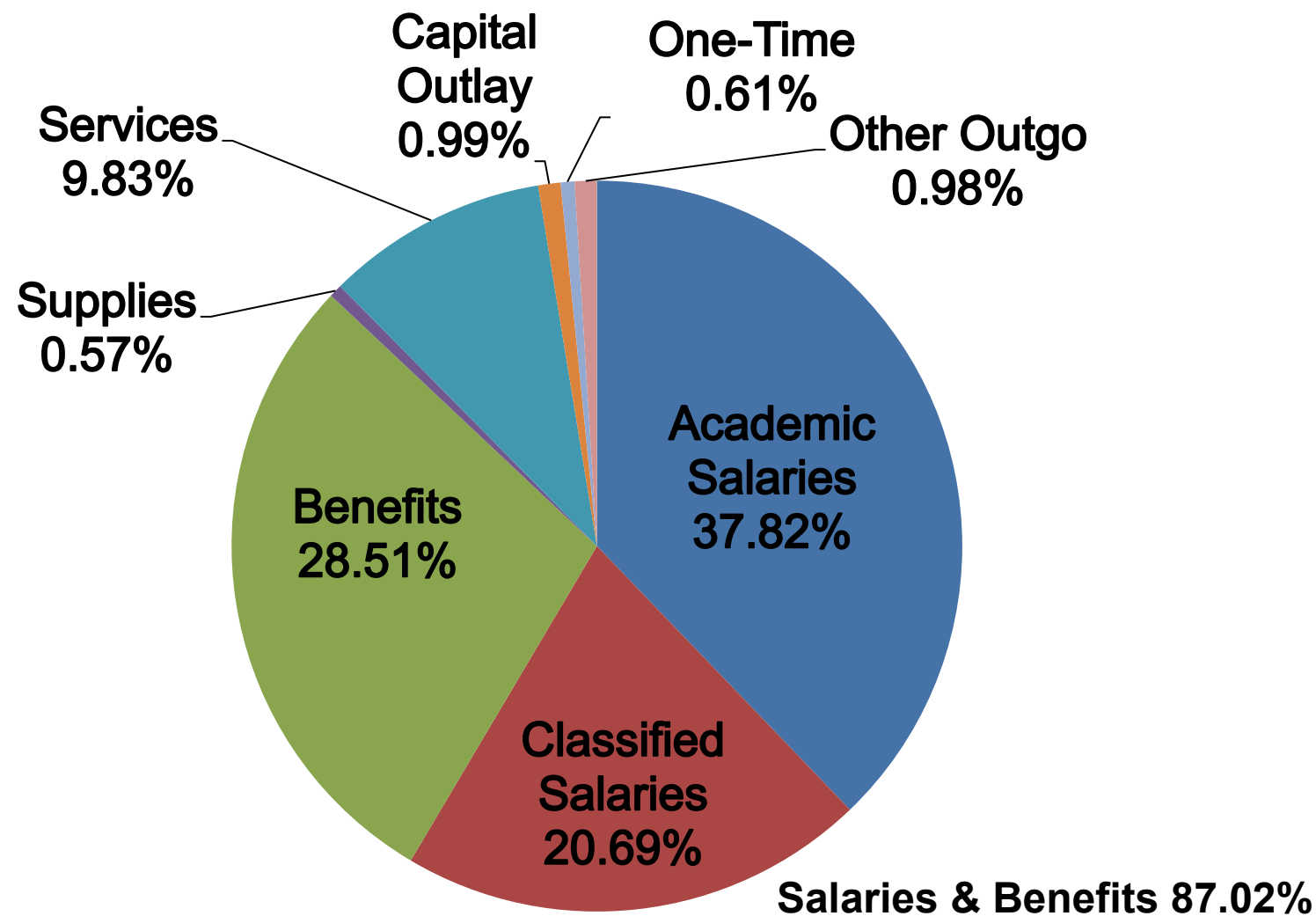
- Total Benefits – \$3.4 million increase
  - (0.24%) decrease for PERS
  - 7.2% increase to health & welfare benefits
  - Increase to statutory benefits due to increased payroll & salary increases
- Services – \$1.6 million increase
  - Increase Utility costs \$1.2 million
  - Increase legal services \$330,000
  - Support Auxiliary shortfall \$500,000
  - Minus \$450,000 Election Costs
- One-Time Funds – \$0.8 million increase
  - Plans to complete projects that were delayed in 2024-25

# Major Expenditure Changes in 2025-26 (continued)

- Other Outgo – (\$7.6) million decrease
  - (\$7.0) million prior year transfer to the Capital Projects Fund for Virtual Learning (Dreamscape)
  - (\$0.6) million one-time transfer to cover SELF AB218 for retrospective premium adjustments going back to 1980s to cover child sexual abuse cases per AB218 statute limitation
- Ongoing Other Outgo
  - \$600,000 to the Restricted General Fund for the Student Health Services program to help serve additional student health needs
  - \$150,000 to Child and Adult Development Fund
  - \$1,186,000 to Self Insurance Fund

# Unrestricted General Fund

## Budgeted Expenditures & Other Outgo 2024-25





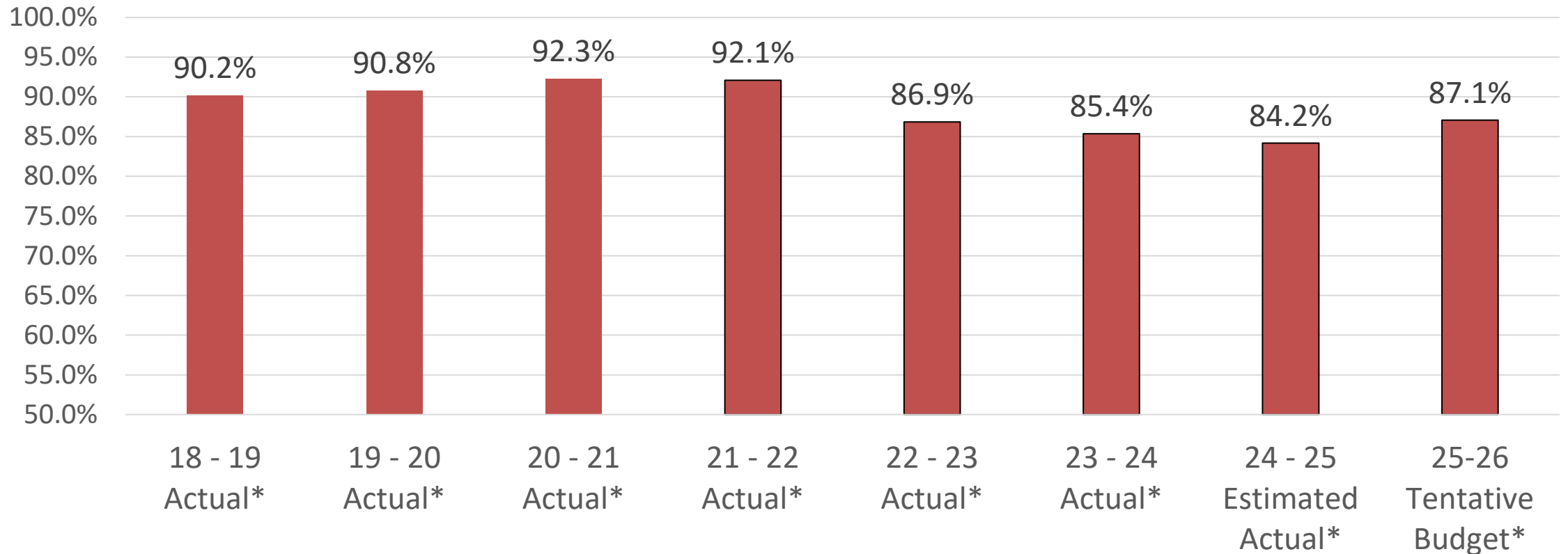
# Unrestricted General Fund

## 7-Year Trend Summary (in \$ millions)

	19-20 Actual	20-21 Actual	21-22 Actual	22-23 Actual	23-24 Actual	24-25 Estimated Actual	25-26 Tentative Budget
Salaries & Benefits as a % of Total Expenses & Other Outgo	90.8%*	92.3%*	92.1%*	86.85%*	85.36%*	84.17%*	87.07%*
Surplus / (Deficit)	\$3.0	\$7.7	\$14.8	\$10.3	\$2.5	(\$4.8)	(\$9.6)
Ending Balance	\$39.2	\$46.9	\$61.7	\$72.0	\$74.5	\$69.7	\$60.1
Ending Balance as a % of Total Expenses & Other Outgo	28.3%	34.3%	44.2%	43.6%	39.01%	33.9%	28.63%

\*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)

	Tentative Budget 2025-26	Projected 2026-27	Projected 2027-28
Projected Revenue			
Apportionment Revenue	\$182.3	\$189.0	\$196.0
Other Revenue	18.2	19.0	19.0
Total Available Funding	200.5	208.0	215.0
Projected Expenses			
Expenditure Base (Prior Year)	205.7	210.1	211.7
Adjustments to Operations	(5.3)	(0.3)	0.1
Adjustments to Compensation/Benefits	9.7	1.9	4.3
Total Projected Expenses	210.1	211.7	216.1
Projected Surplus/ (Deficit)	(9.6)	(3.7)	(1.1)
Projected Ending Fund Balance	\$ 60.1	\$ 56.4	\$55.3
% of Expenses	28.6%	26.7%	25.6%

# Future Budget Challenges

- Enrollment Management:
  - LBCC enrollment (FTES) continues to increase
  - 1.45% increase in 2024-25
  - Total FTES continues to surpass pre-pandemic levels and the 20,000 FTES, large college threshold
  - Growth funding is increased, but still limited
- State Pension Obligations:
  - STRS unchanged and PERS rate slight decreases of 0.24%
  - Rates are plateauing, but continue to be high

# STRS & PERS Future Employer Rates

Fiscal Year	STRS		PERS		Total
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
2021-22	16.92%	361,533	22.91%	1,167,807	1,529,340
2022-23	19.10%	2,193,760	25.37%	2,066,255	4,260,015
2023-24	19.10%	1,705,000	26.68%	2,770,000	4,475,000
2024-25	19.10%	397,000	27.05%	708,000	1,105,000
<b>2025-26</b>	<b>19.10%</b>	<b>1,024,000</b>	<b>26.81%</b>	<b>172,000</b>	<b>1,196,000</b>
2026-27	19.10%	-	26.90%	49,000	49,000
2027-28	19.10%	-	27.80%	494,000	494,000
Total		\$ 7,336,397		\$ 9,842,578	\$ 17,178,975

Rates are as of May 2025 and are subject to change for future years. Employer contribution increase estimates are based on total covered salary estimates from the 2024-25 Adopted Budget.

# Future Budget Challenges (continued)

- Economic Conditions
  - 2024-25 state revenues have exceeded projections
  - Inflation slowed to 2.4% in March 2025
  - Tariff impacts dampen economic outlook
  - The Governor plans for a growth recession in 2025, followed by slow growth
  - Signs for concern:
    - State healthcare cost increases \$12 billion State Budget deficit for 2025-26
    - Apportionment deferrals
    - Prop 98 funding reductions and shifts

# Future Budget Challenges (continued)

- Apportionment Funding
  - Enrollment (largest factor of the SCFF) - improved in recent years
  - Increased funding for growth and deficit reduction is encouraging
  - Less, but not eliminated unfunded growth and deficit factors are anticipated
  - Supplemental metrics improved significantly in 2024-25

# **Future Budget Challenges**

## **(continued)**

- Unforeseen Conditions
  - Tariffs and related economic impacts
  - Insurance payments for AB218 settlements
- Legal Obligations
  - Part-time faculty ruling
  - Legal fees and settlements increasing statewide
- Federal Funding Challenges
  - Proposed cuts to federal departments
  - Possible reduced funding to states
  - Federal grants may be reduced





LONG BEACH  
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# QUESTIONS & ANSWERS