



# Adopted Budget 2007-2008

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Presented by:  
Budget Advisory Committee  
September 25, 2007



# Overview

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# Overview (continued)

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# Overview (continued)

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- Unrestricted General Fund Budgeted Expenditures 2007-08
- Unrestricted General Fund 7-Year Trends
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# Board Budget Guidelines

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- Balanced General Fund Budget
- 5.0% General Fund Reserve
- Sound reserve for Retiree Benefits
- Sound reserve for Facilities Maintenance
- Sound reserve for Technology Replacement and Support



# Institutional Goals

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- Measure and Improve Student Success
  - Seven Student Success Centers to improve basic skills
  - Implement Educational Master Plan
- Measure and Improve Fiscal and Infrastructure Stability
  - Enrollment Management Plan
  - Facilities Improvement & Construction Program



# Institutional Goals (continued)

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- 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

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- Deficit spending will be avoided
- Essential operational and maintenance functions of the college will be funded
- Maintain a 5% unrestricted reserve for contingencies
- Any increases/decreases in grant income will be accompanied by corresponding increases/decreases in expenditures



# BAC Planning Assumption Highlights (continued)



- Special purpose funds, such as Community Education, will be self-supporting
- Expenditures for federal and state categorically funded programs will not exceed the program income and mandated local contribution
- PERS rate will be 9.306% and STRS rate will be 8.25%

# BAC Planning Assumption Highlights (continued)

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- All budgeted appropriations will be expended
- The faculty part-time hourly budget will be sufficient to meet the FTES target in accord with the Enrollment Management Plan
- Enrollment Management strategies will continue to be used to determine FTES targets

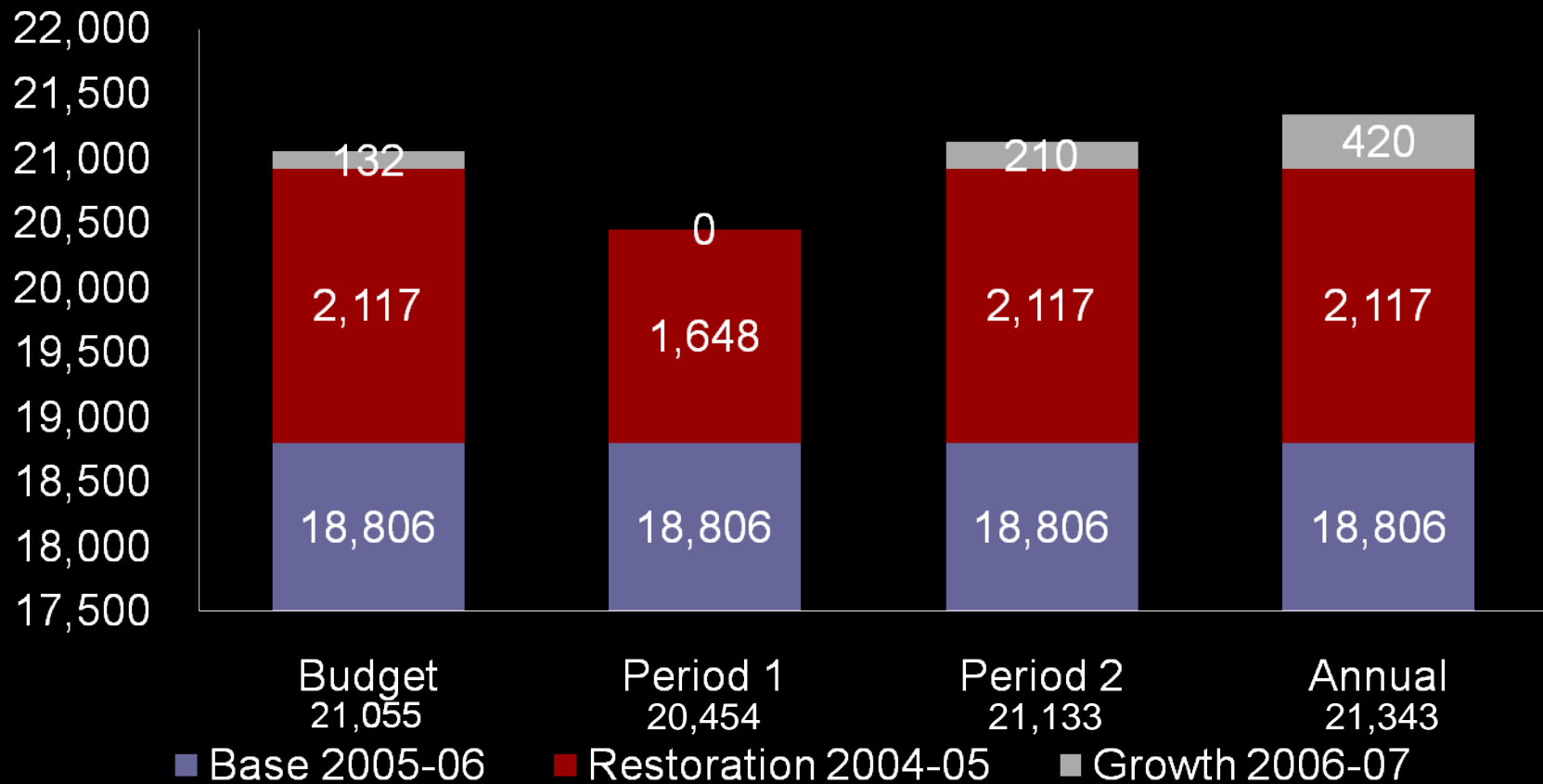
# Funding Sources

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- Federal
  - Title V – Hispanic Serving Institution
  - Student Financial Aid
  - Small Business Development Center (SBDC)
- State
  - General Apportionment
  - Cal WORKS
  - Lottery
- Local
  - Interest
  - Property Taxes
  - Measure E Bond Proceeds

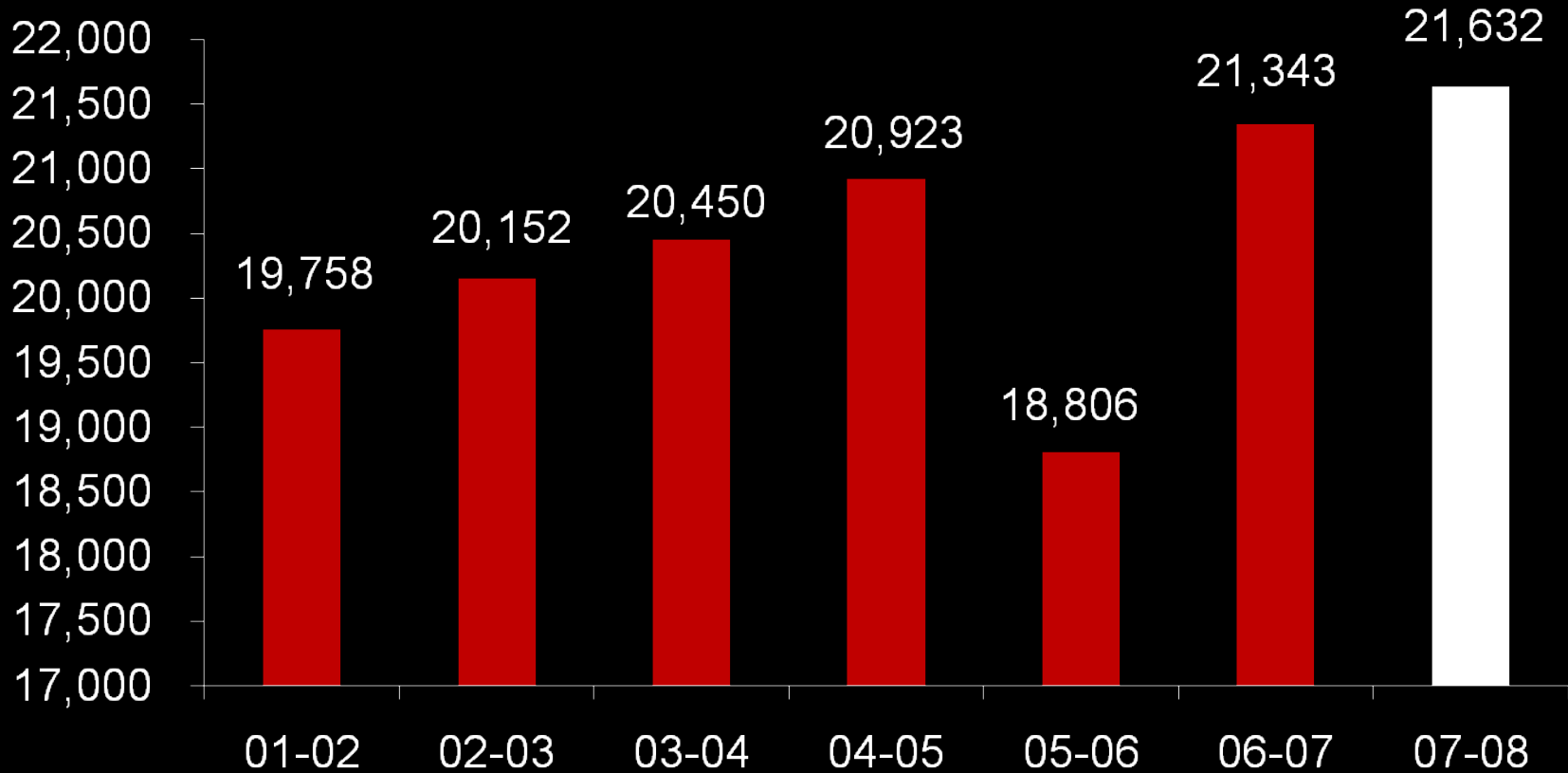


# 2006-07 FTES Recap





# FTES History and Projection



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



	<b>Adopted Budget 2006-07</b>	<b>Unaudited Actual 2006-07</b>	<b>Adopted Budget 2007-08</b>
Unrestricted General Fund	\$ 105.2	\$ 104.1	\$ 112.6
Restricted General Fund	20.5	21.2	22.5
Capital Projects Fund	14.0	7.3	25.6
Child Development Fund	1.1	1.1	1.2
Contract Ed./Com. Service	0.4	0.5	0.6
COP Debt Service Fund	0.0	0.0	0.0
General Obligation Funds	65.6	35.4	88.4
Retiree Benefits Fund	2.1	1.9	2.3
Self-Insurance Fund	0.7	0.9	0.8
Student Financial Aid	26.1	24.3	26.2
Vet Stadium Operations	1.1	0.8	1.0
<b>Total</b>	<b>\$ 236.8</b>	<b>\$ 196.5</b>	<b>\$ 281.2</b>

# Unrestricted General Fund Summary



	<b>Unaudited Actual 2006-07</b>	<b>Adopted Budget 2007-08</b>	<b>Change Increase/(Decrease)</b>
Revenues	\$ 113,764,580	\$ 112,616,666	\$ (1,147,914)
Expenditures	104,092,281	112,602,855	8,510,574
Surplus/(Deficit)	9,672,299	13,811	(9,658,488)
Fund Balance	15,759,912	15,773,723	13,811

# Unrestricted General Fund Revenue Summary



	<b>Unaudited Actual 2006-07</b>	<b>Adopted Budget 2007-08</b>	<b>Change Increase/(Decrease)</b>
Federal	\$ 133,139	\$ 133,000	\$ (139)
State	91,226,325	89,734,165	(1,492,160)
Local	21,874,908	20,953,886	(921,022)
Other Sources	530,208	1,795,615	1,265,407
Total	\$ 113,764,580	\$ 112,616,666	\$ (1,147,914)



# Major Revenue Changes in 2007-08



## ■ Revenues

- \$3.9 million increase in State Apportionment due to COLA (4.53%) and Growth (1.356%)
- \$1.7 million decrease in State Apportionment due to loss of one-time funding
- \$0.8 million decrease in Mandated Cost due to loss of mandated cost revenue funding
- \$325 thousand decrease in Rent income from East Campus due to budgeting it in the COP Debt Service Fund

# Major Revenue Changes in 2007-08 (continued)



## ■ Revenues (continued)

- \$0.76 million decrease in Other Local Revenue due to one-time receipt of utility rebates
- \$1.2 million increase in Interfund Transfers from the General Obligation Bond Fund for the repayment of the long-term lease for the central plants

# Unrestricted General Fund Expenditure Summary



	<b>Unaudited Actual 2006-07</b>	<b>Adopted Budget 2007-08</b>	<b>Change Increase/(Decrease)</b>
Academic Salaries	\$ 45,190,280	\$ 46,952,973	\$ 1,762,693
Classified Salaries	22,462,234	24,965,709	2,503,475
Benefits	21,301,923	23,362,287	2,060,364
Supplies	1,022,653	1,207,457	184,804
Services	8,513,262	11,385,904	2,872,642
Capital Outlay	553,176	1,451,156	897,980
Other Uses	5,048,753	3,277,369	(1,771,384)
<b>Total</b>	<b>\$ 104,092,281</b>	<b>\$ 112,602,855</b>	<b>\$ 8,510,574</b>

# Major Expenditure Changes in 2007-08



## ■ Expenditures

- \$1.1 million decrease in Academic Instructional Salaries due to the retirement of 21 faculty
- \$2.2 million increase in Academic Hourly Instructional Salaries due to 8% salary increase, FTES growth projections and backfilling for retired faculty
- \$2.5 million increase in Classified Salaries due to step and column increases, 2% salary increase and hiring 7 new positions

# Major Expenditure Changes in 2007-08 - (continued)



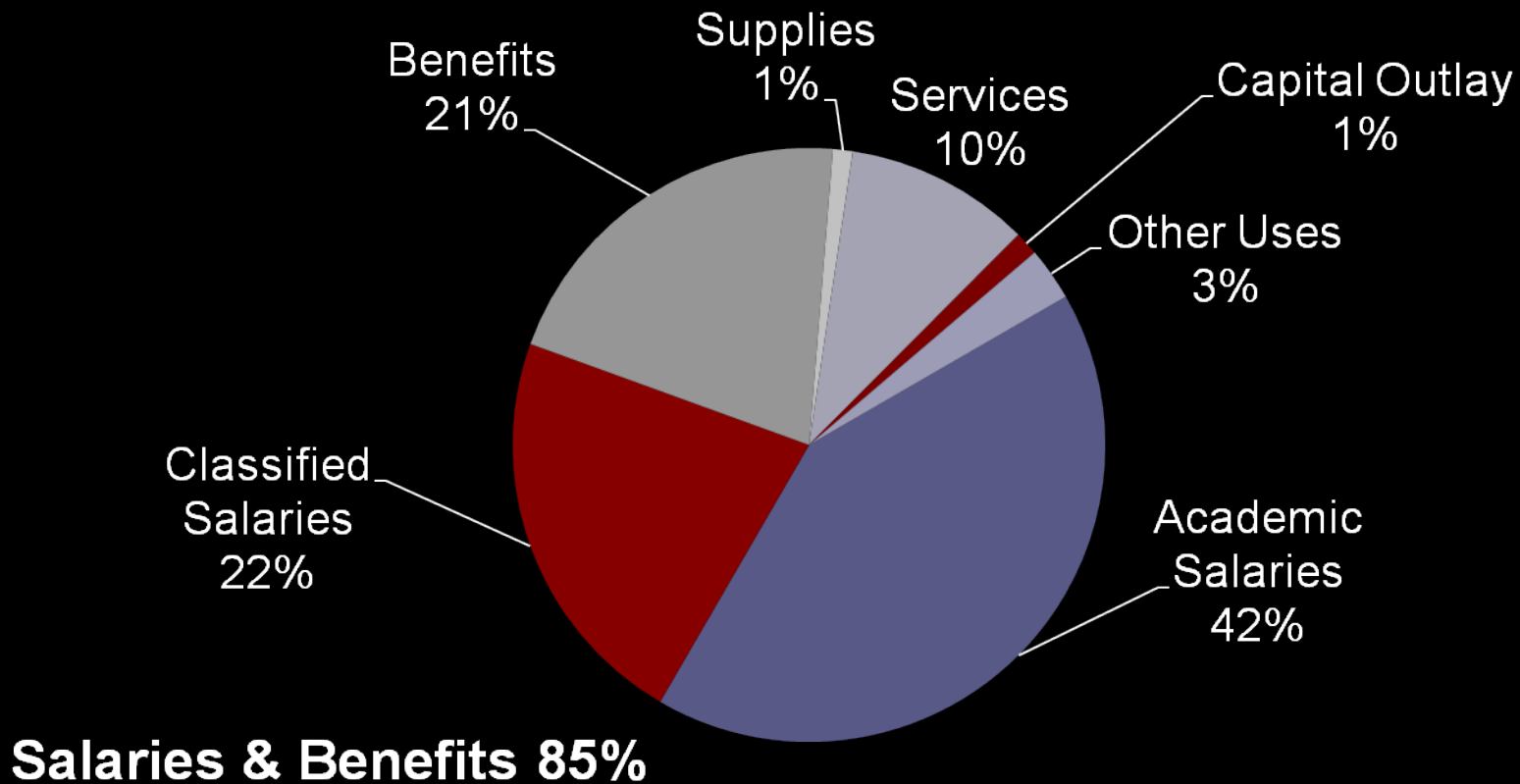
- Expenditures (continued)
  - \$2.1 million increase in Benefits due to health and welfare premium increases and slight increase to PERS rate
  - \$0.8 million increase in Professional Services due to the Long Beach Police Department contract
  - \$0.25 million increase in Election Costs due to trustee elections in April

# Major Expenditure Changes in 2007-08 - (continued)



- Expenditures (continued)
  - \$1.1 million increase in Other Services and Expenses due to instructional service agreements, increase in postage rates and anticipated costs not budgeted elsewhere
  - \$1.2 million increase in Lease/Purchase due to payment on long-term lease for central plants
  - \$1.6 million decrease in Interfund Transfers Out to Retiree Health Care Costs due to funding the total amount of our annual required contribution

# Unrestricted General Fund Budgeted Expenditures 2007-08



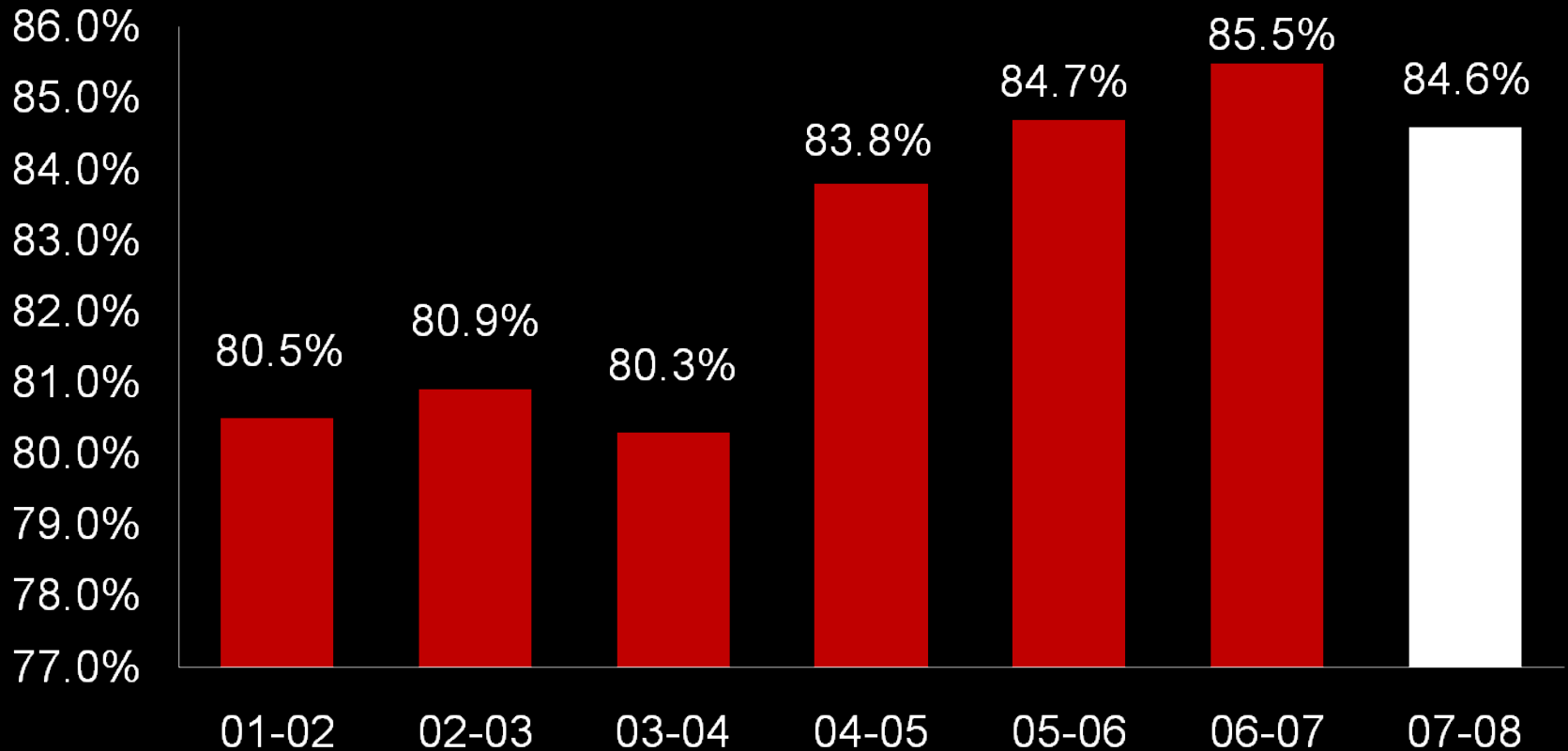
# Unrestricted General Fund – 7-Year Trend Summary



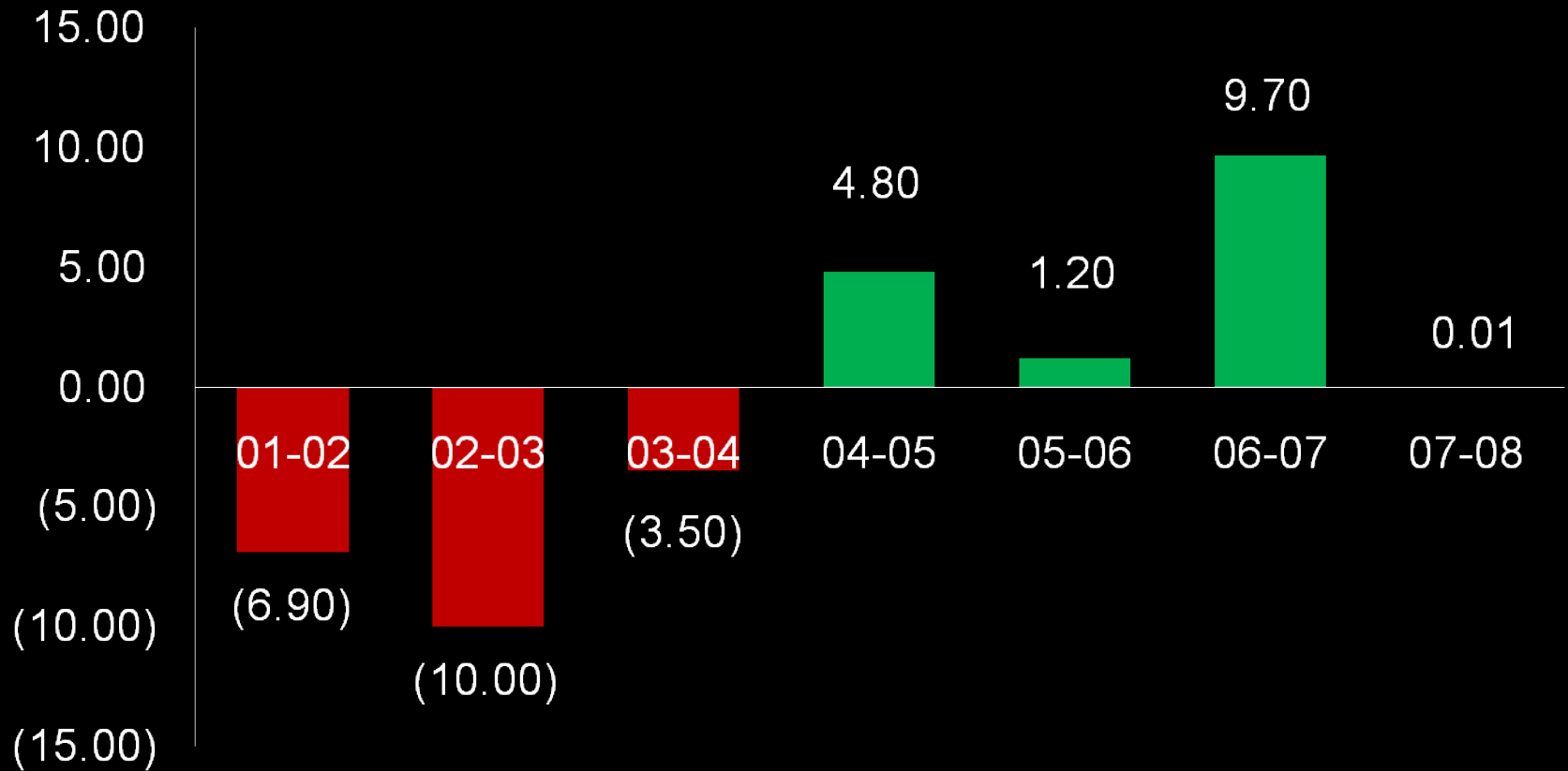
	<b>01-02 Actual</b>	<b>02-03 Actual</b>	<b>03-04 Actual</b>	<b>04-05 Actual</b>	<b>05-06 Actual</b>	<b>06-07 Unaudited Actual</b>	<b>07-08 Budget</b>
Salaries & Benefits as a % of Total Expenses	80.5%	80.9%	80.3%	83.8%	84.7%	85.5%	84.6%
Surplus / (Deficit)	\$ (6.9) million	\$ (10.0) million	\$ (3.5) million	\$ 4.8 million	\$ 1.2 million	\$ 9.7 million	\$ .01 million
Ending Balance	\$ 16.2 million	\$ 6.6 million	\$ 1.6 million	\$ 4.9 million	\$ 6.1 million	\$ 15.8 million	\$ 15.8 million



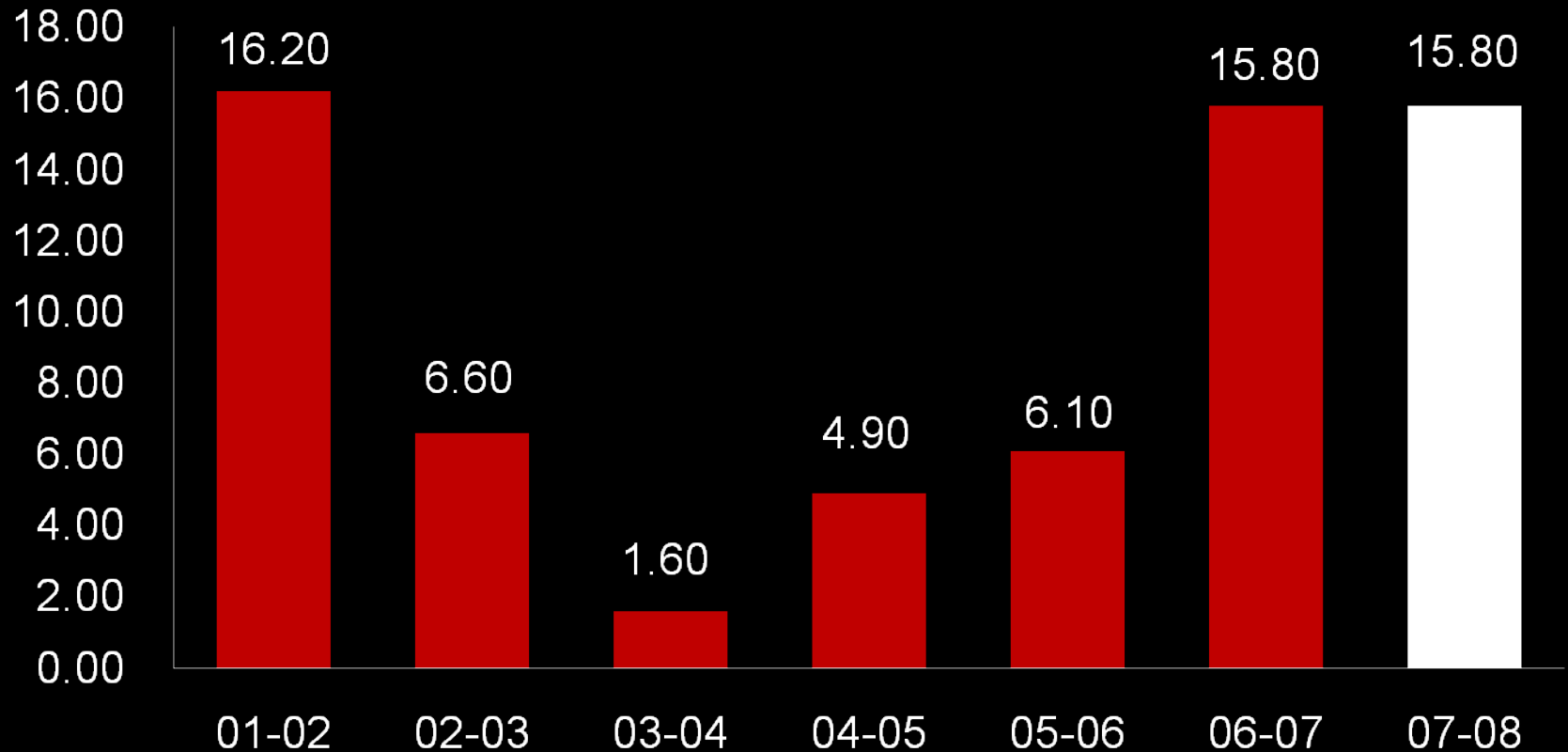
# Unrestricted General Fund – 7-Year Trend Salaries and Benefits as a % of Total Expenditures



# Unrestricted General Fund – 7-Year Trend Surplus/(Deficit)



# Unrestricted General Fund – 7-Year Trend Ending Fund Balance



# Unrestricted General Fund Reserves



Board Mandated Reserve – 5%	\$ 5,630,143
Facilities Maintenance Reserve	1,114,579
Technology Replacement and Support Reserve	1,000,000
Vacation and Load Banking Reserve	718,913
Economic Uncertainties	2,500,000
Reserve to hire 21 faculty in 2008-09	2,278,000
Phase II & III Reclassification Salary Costs	1,128,000
Potential Enrollment Shortfall	1,300,000
Total	\$ 15,669,635



# Future Budget Challenges

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- Structural deficit remains at the State level
- Maintaining new facilities with existing staff
- Continued focus on enrollment growth & retention is needed to assure “level” apportionment funding
- Continued facilities improvement without additional funding sources
- Retiree Health Fund balance is \$6.6 million. \$28.6 million of unfunded liability remains
- Long-term lease for central plants exist with \$1.2 million in annual lease payments due over the next 20 years

# Questions?

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