



# **Adopted Budget 2017-18**

**Presented by:  
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Co-Chair  
Budget Advisory Committee**

**September 12, 2017**



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## Overview

- **State Budget Overview**
- **Strategic Plan Goals and Institutional Priorities**
- **FTES History and Projection**
- **List of All District Funds – Expenditures & Other Outgo**
- **Unrestricted General Fund Details & Projections**



## State Budget Overview (Governor's Budget)

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- \$57.8 million (1.02%) in growth funding.
  - \$0 budgeted for LBCC (in stability for 2017-18).
- \$97 million (1.56%) COLA.
  - \$1.8 million for LBCC.
- \$183.6 million (3.17%) base allocation increase.
  - Approximately \$3.0 million for LBCC.



## State Budget Overview (continued)

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- \$76.9 million for Deferred Maintenance/Instructional Equipment.
  - \$1.4 million for LBCC (split equally).
- \$150 million for Guided Pathways program.
  - New program to develop an integrated institution-wide approach to student success.
- 15 Proposition 51 facilities bond projects approved. \$16.9 million allocated for initial design activities in the 2017-18 Budget includes 2 LBCC projects:
  - \$954,000 Buildings M & N, LAC.
  - \$363,000 Construction Trades Phase I, Building MM, PCC.



## Strategic Plan Goals

1. Innovate to achieve equitable student success.
2. Accelerate college readiness.
3. Build community.
4. Invest in people and support structures for transformation.

(Included within Board Goals approved on August 22, 2017.)

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## Institutional Priorities

In alignment with the strategic plan goals: innovate to achieve equitable student success, accelerate college readiness, build community, and invest in people and support structures for transformation, the College will primarily focus on:

- A. Creating guided pathways and roadmaps,
- B. Maintaining fiscal viability,
- C. Expanding our profile within the community to enhance enrollment, and
- D. Supporting equitable student success through innovation.

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## Resource Allocation towards Goals & Priorities

	Board Goals				Institutional Priorities			
	1. Implement Strategic Plan	2. Board Governance	3. Enrollment Mgmt	4. Fiscal Health & Student Access	A. Guided Pathways	B. Fiscal Viability	C. Expand Community Profile to Enhance Enrollment	D. Equitable Student Success Through Innovations
Hiring 29 FT Faculty	√				√		√	
Restored/Re-organized 11 Classified Positions	√				√		√	
Winter Intersession	√		√	√		√	√	√
Instructional Equipment	√				√			√
Created 9 New Management Positions	√				√		√	
Business Process Reviews	√		√	√	√			√
The Portal @ LBCC	√						√	√

## Resource Allocation towards Goals & Priorities (continued)

	Board Goals				Institutional Priorities			
	1. Implement Strategic Plan	2. Board Governance	3. Enrollment Mgmt	4. Fiscal Health & Student Access	A. Guided Pathways	B. Fiscal Viability	C. Expand Community Profile to Enhance Enrollment	D. Equitable Student Success Through Innovations
LEAD & Leadership Alliance Academy	√							
SBDC	√					√	√	
TAACCCT Grant	√		√	√			√	√
Goldman Sachs 10K Small Businesses	√						√	
CCPT AMETLLC Consr.	√		√	√	√		√	√
Award for Innovation in Higher Education	√		√	√	√		√	√
Student Equity & SSSP	√		√	√	√	√		√
Strong Workforce	√		√	√	√	√	√	√

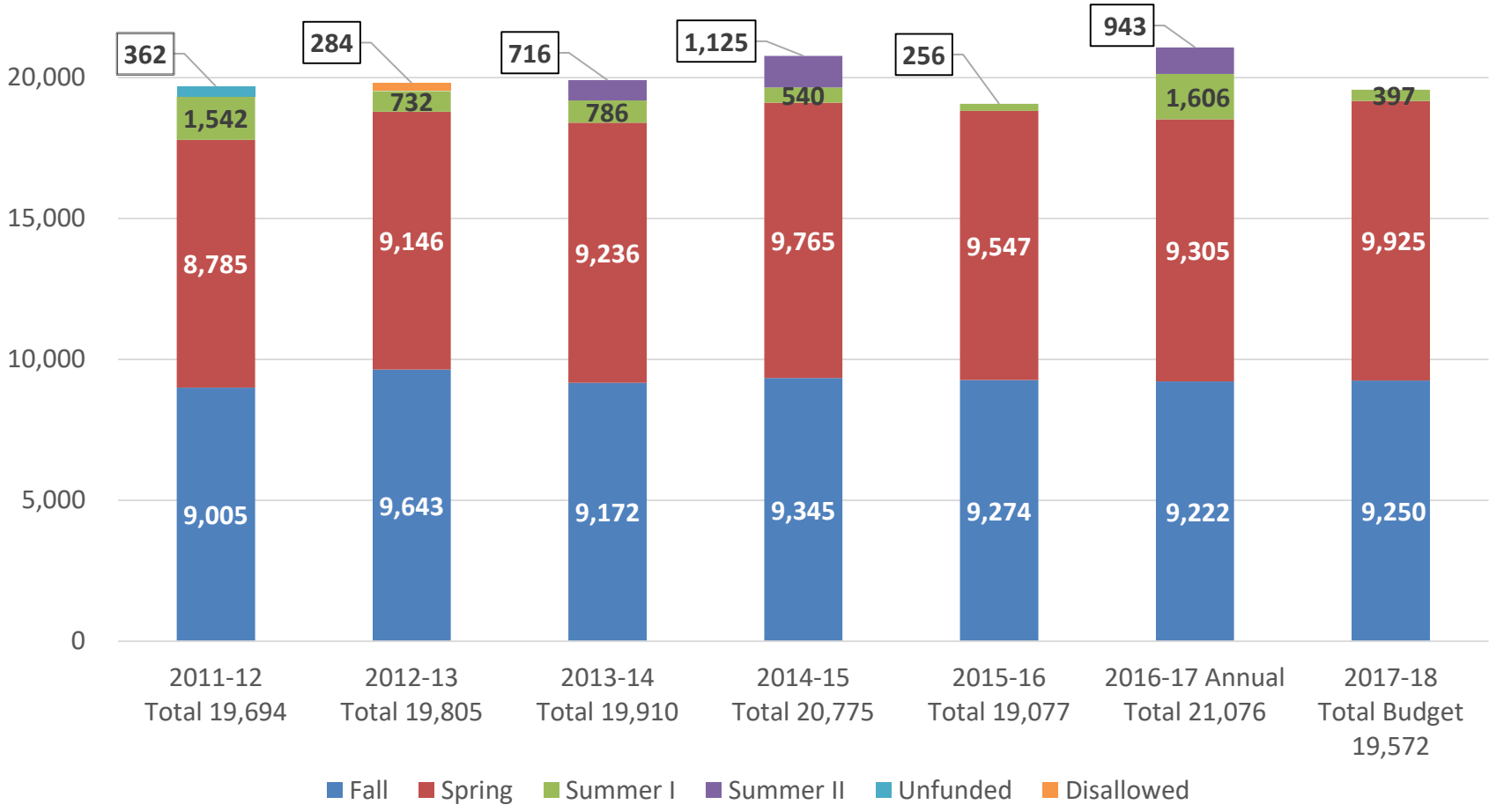


## Resource Allocation towards Goals & Priorities (continued)

	Board Goals				Institutional Priorities			
	1. Implement Strategic Plan	2. Board Governance	3. Enrollment Mgmt	4. Fiscal Health & Student Access	A. Guided Pathways	B. Fiscal Viability	C. Expand Community Profile to Enhance Enrollment	D. Equitable Student Success Through Innovations
Adult Ed Regional Consrt.	√		√	√	√	√	√	√
CA Promise Innov. Grant	√		√	√	√	√	√	√
Guided Pathways	√		√	√	√	√	√	√
Pre-Apprenticeship Grant	√		√	√			√	√
Global Trade & Logistics	√		√	√	√		√	√
Promise Pathways	√		√	√	√		√	√
Early College Credit	√		√	√	√		√	√
Viking Express	√		√	√	√		√	√
Cranium Cafe	√		√	√	√		√	√
Starfish Early Alert	√		√		√		√	√
HighPoint	√		√	√			√	√



# FTES By Term



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

	Adopted Budget 2016-17	Unaudited Actual 2016-17	Adopted Budget 2017-18
Unrestricted General Fund	\$ 134.4	\$ 124.7	\$ 138.9
Restricted General Fund	49.3	34.5	47.0
Associated Students Body Fund	1.1	1.0	1.1
Capital Projects Fund	13.7	5.1	13.2
Child & Adult Development Fund	1.8	1.8	1.9
Contract/Community Education Fund	1.5	0.7	1.2
General Obligation Bond Fund 2008 Measure E	167.8	24.0	141.9
General Obligation Bond Fund 2016 Measure LB	786.6	4.1	785.5
Retiree Health Fund	3.6	3.0	3.3
Self-Insurance Fund	1.2	0.7	1.2
Student Financial Aid	52.8	43.5	43.9
Student Representation Fund	0.0	0.0	0.0
Vet Stadium Operations	2.2	2.2	1.3
<b>Total</b>	<b>\$ 1,216.0</b>	<b>\$ 245.3</b>	<b>\$ 1,180.4</b>

## Unrestricted General Fund Overall Summary

	Unaudited Actual 2016-17	Adopted Budget 2017-18	Change Increase/ (Decrease)
Revenues and Other Financing Sources	\$126,907,541	\$130,174,126	\$ 3,266,585
Expenditures and Other Outgo	124,730,029	138,927,705	14,197,676
Surplus/(Deficit)	2,177,512	(8,753,579)	(10,931,091)
Fund Balance	\$ 30,472,700	\$ 21,719,121	\$ (8,753,579)

## Unrestricted General Fund Revenue Summary

	Unaudited Actual 2016-17	Adopted Budget 2017-18	Change Increase/ (Decrease)
Federal	\$ 188,374	\$ 150,000	\$ (38,374)
Apportionment	114,261,283	118,248,779	3,987,496
Other State	8,969,436	8,337,065	(632,371)
Local	3,142,871	3,096,691	(46,180)
Other Sources	345,577	341,591	(3,986)
Total	\$126,907,541	\$130,174,126	\$ 3,266,585

## Major Revenue Changes in 2017-18

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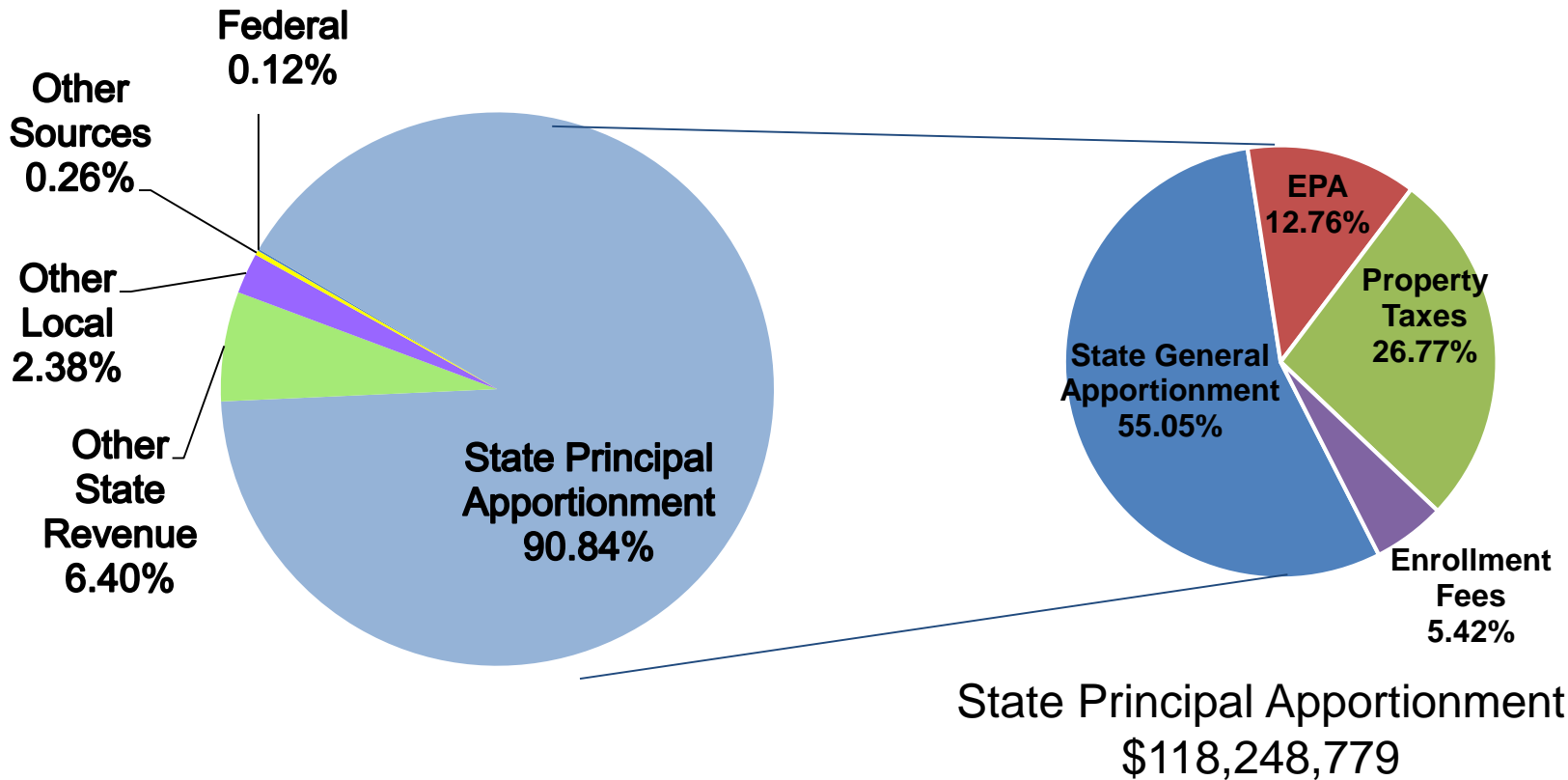
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- **Apportionment** – \$4.0 million increase is the net of:
  - \$3.0 million increase to base allocation
  - \$1.8 million COLA
  - (\$0.5) million deficit factor increase
  - (\$0.3) million decrease due to prior year apportionment revenue
- **Other State Revenue** – \$0.6 million decrease due to:
  - \$1.9 million decrease in one-time allocation of Mandated Cost Revenue
  - \$0.5 million increase in State Lottery
  - \$0.8 million increase in State STRS On-Behalf



## Unrestricted General Fund

**Budgeted Revenue & Other Sources 2017-18 = \$130,174,126**



## Unrestricted General Fund Expenditure Summary

	Unaudited Actual 2016-17	Adopted Budget 2017-18	Change Increase/ (Decrease)
Academic Salaries	\$ 50,631,113	\$ 53,684,974	\$ 3,053,861
Classified Salaries	26,166,351	27,316,960	1,150,609
Benefits	34,078,472	39,088,460	5,009,988
Supplies	811,202	956,834	145,632
Services	9,702,304	14,469,991	4,767,687
Capital Outlay	1,956,628	2,028,886	72,258
Other Outgo	1,383,959	1,381,600	(2,359)
Total	\$124,730,029	\$138,927,705	\$ 14,197,676





## Major Expenditure Changes in 2017-18

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- **Academic Salaries** – the \$3.0 million increase is due mainly to hiring 26 new full-time faculty, 1 long-term full-time faculty sub and 1 new academic manager.
- **Classified Salaries** – \$1.2 million increase is due mainly to the restoration of certain previously reduced positions, step & column increases, and the assumption that vacancies will be filled.
- **Total Benefits** – \$5.0 million increase is due to the increase in positions and increases to certain benefit rates, most notably the 1.850% for STRS, the 1.643% for PERS, STRS On-Behalf and the 3.2% increase to health and welfare benefits.



## Major Expenditure Changes in 2017-18 (continued)

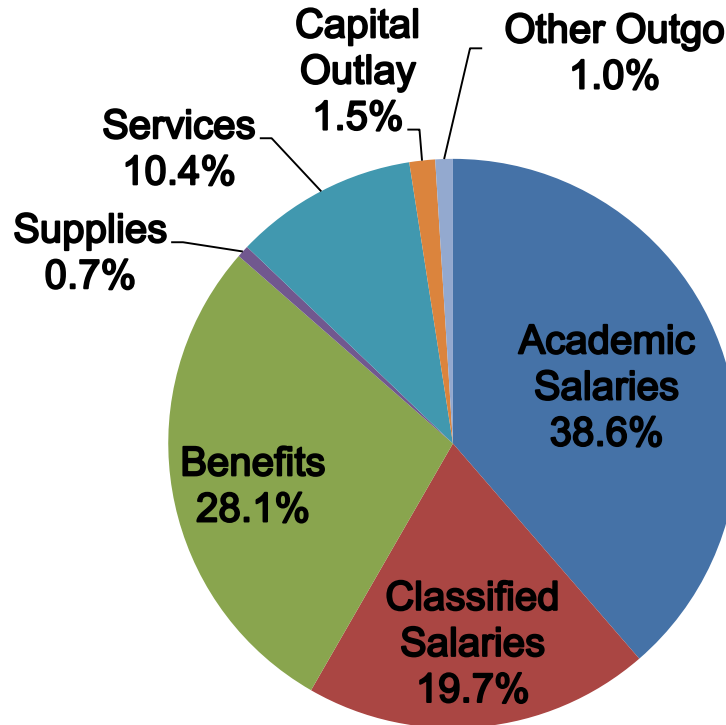
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- **Contract Services and Operating Expenses** – \$4.8 million increase is due mainly to the increase in professional services and other expenses for Business Process Reviews (which were budgeted last year but not spent so the funds are carrying over), increases in rents and utilities, and the increase for the cost of elections, which are held every other year.

**Unrestricted General Fund  
Budgeted Expenditures and Other Outgo 2017-18 = \$138,927,705**



**Salaries & Benefits 86.4%**

## Unrestricted General Fund Multi-Year Projection (in \$millions)

	Unaudited Actual 2016-17	Adopted Budget 2017-18	Projected 2018-19	Projected 2019-20
Projected Revenue				
Apportionment Revenue	\$114.0	\$118.2	\$121.0	\$123.8
Other Revenue	12.9	11.9	11.9	11.9
Total Available Funding	126.9	130.1	132.9	135.7
Projected Expenses				
Expenditure Base (Prior Year)	132.5	124.7	138.9	137.9
Adjustments to Operations	(8.9)	5.0	(5.1)	0.8
Adjustments to Compensation	1.1	9.2	4.1	3.1
Total Projected Expenses	124.7	138.9	137.9	141.8
Projected Surplus/ (Deficit)	2.2	(8.8)	(5.0)	(6.1)
Projected Ending Fund Balance	\$30.5	\$21.7	\$16.7	\$10.6
% of Expenses	24.4%	15.6%	12.1%	7.5%



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# Future Budget Challenges

## ● Enrollment:

- Allocated additional summer 2017 FTES into 2016-17 to earn growth apportionment.
- In stability funding for 2017-18.
- Important to grow enrollment to at least base FTES for 2018-19.

## ● State Pension Obligations:

- Employer Contributions scheduled to increase each year over the next five years.
- STRS – 20.25% by 2022-23 (\$4,058,000).
- PERS – 27.30% by 2024-25 (\$4,534,000).



# Future Budget Challenges

(continued)

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- **Deficit Spending:**
  - Structural deficit amounts to \$3.8 million.
  - Need to monitor expenditures going forward.
  - The Multi-Year Projection shows estimated deficits of over \$5 million for the next two years.
- **Limited Ongoing Base Funding:**
  - Most of the funding increases in recent years have been in the form of categoricals and one-time allocations.
  - There is limited ongoing unrestricted funding to administer the increased programs.



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# Questions?