

# 2013/2014 Adoption Budget Summary

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## Assumptions/Factors

- **Total resident FTES target of 7,751**
  - **7,547 resident FTES is our base funding allocation.** We did not achieve base allocation in 2012/13 resulting in us being on stability.
  - **204 resident FTES of growth/restoration** allocated to LMC, with the assumption that we will exceed base.  
**Note: LMC is being funded at its 7,751 FTES target which includes the 204 growth/restoration.**
- **Productivity rate of 17.0** (lower productivity rate compared to previous years) led to an increase in projected expenditure in instructional salaries in order to meet FTES target.
- **Pay increases and parity payments-** faculty, management, classified and student workers' 2% pay increases; and 2013/14 parity payments (included in the budget whereas previously allocated by the District).
- **Approximately 7% increase in employer paid health and welfare benefits**
- **Higher than usual deficit funding reserves** to account for potential shortfall in state revenues for fiscal years 2012/13 and 2013/14.

## LMC Adoption Budget Components

### **Revenues:**

- State revenue is driven primarily by FTES.
  - The biggest revenue source for the District is our apportionment funding. This revenue amount is determined based on the total number of funded Full Time Equivalent Students (FTES).
  - Funded FTES is approximately \$4,637 per credit FTES and \$2,788 for non-credit FTES.
  - Other financing sources include:
    - Lottery funds
    - Mandated cost block grants
    - Part-time faculty health benefits
    - Part-time faculty office hours
    - Part-time faculty parity pay
- Local revenue is also generated by the college; this amount is estimated based on the prior year's actual income
  - Examples of local revenues include 2% enrollment fees, student fees and rental income

### **Expenses:**

- 92% of LMC's expenses are in salaries and benefits.
  - Remaining expenses are supplies, other operating and capital outlay costs.

### **Reserves:**

- Reserves are held for anticipated and unanticipated factors that may impact the college's operations.
  - Examples of these include:
    - 1% minimum site reserves dictated by District procedures
    - Load bank and vacation liabilities
    - ISA payback
    - Deficit funding
    - Potential FTES and productivity shortfalls

## 2013/2014 Adoption Budget Summary

Description	Pre- SB 361	SB 361 Allocation Model		
	2010/2011 Actual	2011/2012 Actual	2012/2013 Actual	2013/2014 Adoption
<b>Resident FTES</b>	<b>8,543</b>	<b>7,724</b>	<b>7,347</b>	<b>7,750</b>
Apportionment Revenue	\$ 40,273,981.00			
Federal Revenue	\$ 14,745.00	\$ 2,610.00	\$ 4,629.00	\$ -
State Revenue	\$ 1,204,465.00	\$ 150,829.00	\$ 141,769.00	\$ 103,884.00
Local Revenue	\$ 1,291,662.00	\$ 803,860.00	\$ 861,305.00	\$ 799,378.00
Other Financing Sources	\$ 1,706,363.00	\$ 31,651,971.00	\$ 32,047,719.00	\$ 33,860,839.00
<b>Total Revenue</b>	<b>\$ 44,491,216.00</b>	<b>\$ 32,609,270.00</b>	<b>\$ 33,055,422.00</b>	<b>\$ 34,764,101.00</b>
Academic Salaries	\$ 17,243,622.00	\$ 16,547,522.00	\$ 16,502,946.00	\$ 17,952,651.00
Classified Salaries	\$ 7,867,905.00	\$ 6,457,178.00	\$ 6,234,398.00	\$ 6,489,344.00
Benefits	\$ 7,091,909.00	\$ 7,129,045.00	\$ 7,010,681.00	\$ 7,483,583.00
Supplies	\$ 688,495.00	\$ 522,680.00	\$ 445,920.00	\$ 704,591.00
Other Operating Expenses	\$ 1,417,111.00	\$ 1,368,790.00	\$ 1,667,234.00	\$ 1,798,895.00
Capital Outlay	\$ 161,549.00	\$ 36,341.00	\$ 25,835.00	\$ 42,800.00
Transfers and other Outgoing	\$ 8,390,186.00	\$ 818,275.00	\$ 148,104.00	
<b>Total Expense</b>	<b>\$ 42,860,777.00</b>	<b>\$ 32,879,831.00</b>	<b>\$ 32,035,118.00</b>	<b>\$ 34,471,864.00</b>
<b>Net Revenue/(loss)</b>	<b>\$ 1,630,439.00</b>	<b>\$ (270,561.00)</b>	<b>\$ 1,020,304.00</b>	<b>\$ 292,237.00</b>
<b>Beginning Fund Balance</b>	<b>\$ 860,991.00</b>	<b>\$ 2,491,430.00</b>	<b>\$ 2,220,872.00</b>	<b>\$ 3,241,176.00</b>
<b>Ending Fund Balance</b>	<b>\$ 2,491,430.00</b>	<b>\$ 2,220,869.00</b>	<b>\$ 3,241,176.00</b>	<b>\$ 3,533,413.00</b>
<b>Reserves</b>				
Deficit Funding (RDA Deficit)				\$ 590,868.00
College (1% mandatory and enrollment reserves)				\$ 805,950.00
Load Bank and Vacation Liabilities (Known liabilities)				\$ 88,968.00
ISA Payback (To state)				\$ 976,229.00
ISA Payback (To District Office)				\$ 488,115.00
Designated (Departmental reserves)				\$ 84,919.00
<b>Total Restricted</b>				<b>\$ 3,035,049.00</b>
<b>Total Unrestricted</b>				<b>\$ 498,364.00</b>
<b>Total Reserves</b>				<b>\$ 3,533,413.00</b>

# LMC's Budgeting Cycle

**Blue boxes-** District Office/Board process/Board  
**Orange boxes-** LMC Community's Processes  
**Pink box-** President's Process  
**Green boxes-** Business Office Director's Processes

