

With deficit looming and lower enrollment, Long Beach City College faces tough choices

By [Andrew Edwards](#), Press-Telegram

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Long Beach City College's leaders are facing difficult challenges this summer as they endeavor to balance a budget that's in the red.

On one hand, they can attempt to boost enrollment, although that's a tough challenge as Long Beach high schools produce fewer and fewer graduates each year.

Cutting expenses is also a tough prospect, considering the vast majority of the college's budget is spent on its employees.

[Long Beach Community College District](#) trustees who oversee the college's two campuses voted unanimously on June 27 to approve a [tentative budget](#) that, while calling for a boost in faculty hiring, also puts the district in the position of spending nearly \$11 million in savings to balance its books.

The final budget is not due for a vote until September. New district Superintendent/President Reagan Romali said she's asked for options to increase enrollment — which could lead to more funding from Sacramento — or to cut expenses to come forward over the coming months.

Romali described the community college district's fiscal situation as something that requires immediate attention, but she also said she has complete faith that a shared governance approach involving college faculty and others can produce reasonable solutions.

"It is an urgent call to action to make us come together for a common goal," she said in a telephone interview.

Enrollment issues

The LBCC district is not alone in facing budget difficulties. The [Cerritos Community College District's](#) leadership is also dealing with a deficit projection — \$5.4 million, according to [a June document](#). Enrollment numbers are a similar challenge there.

"During the worst recession, the college experienced budget cuts, but having strong reserves and cost savings methods we were able to keep our doors open without having to require employee furloughs or massive cuts to essential programs," Felipe Lopez, vice president of business services for the Cerritos Community College District said in an email. "Unfortunately, several community colleges across the state are also experiencing lower student enrollment. It's a bit

counter-intuitive, but colleges normally see a trend in serving less students when the job market has improved as it has in L.A. County.”

Cerritos Community College officials, like those in Long Beach, are also spending their summer looking for ways to save money, Lopez said.

The National Bureau of Economic Research dates the end of the past recession to June 2009. Enrollment levels for the Long Beach and Cerritos community college districts both declined in the years since.

The LBCC District was roughly 50 students short of its maximum enrollment of 20,775 full-time equivalent students as of its spring tally. In spring 2009, however, the district had more than 29,100 students.

Cerritos Community College District’s enrollment dropped from about 26,200 students in spring 2009 to a few more than 22,700 students this past spring, according to numbers available from the California Community Colleges Chancellor’s Office.

LBCC spokesman John Pope said, similarly to Lopez, that a healthy economy can constrain community college enrollments.

“When people have jobs they’re less likely to go to school,” Pope said.

Another challenge is declining enrollment and graduation totals for its feeder schools in the Long Beach Unified School District.

About 5,500 students graduated from LBUSD schools in 2016, the most recent year that figure is available from the California Department of Education’s online data tool. That’s a decrease from about 5,800 the prior year, but not much different from the K-12 district’s total number of graduates in 2010.

Long Beach Unified’s total enrollment, however, has fallen from more than 86,200 students in 2010 to about 76,400 pupils enrolled for the recently completed school year.

For LBCC, Romali said a possible method of increasing enrollment could be to highlight vocational programs where the school may have a competitive advantage in helping students find jobs around Long Beach where they can make a living, such as welding or culinary arts.

“If they come here and they study and they get those skills, they’re going to be able to get a job locally,” she said.

Number crunch

For now, however, LBCC’s tentative budget projects flat enrollment. That means Romali and others attempting to solve the district’s fiscal challenges can’t count on new students as a source of revenue. Budget documents show the community college district can still look forward to

some additional funding from the state, although not enough to match the costs of new faculty hires and rising pension obligations.

“We have to look hard at how we’re spending our money,” LBCC District Trustee Doug Otto said. “Unfortunately, 90 percent of it is people’s salaries and benefits.”

Long Beach Community College District’s projected revenue for 2017-18 adds up to nearly \$127 million, an amount almost 2.5 million greater than estimated revenue for the current year. Meanwhile, unrestricted general fund expenses are forecasted to rise more than \$10 million to nearly \$138 million.

Budget items leading to increased spending include about \$2.5 million for 26 new faculty members and two other hires on the instructional side. The instructors include people teaching high-demand courses like English that are necessary for students planning to transfer to four-year schools, Romali said.

Other new costs include \$1.2 million to hire and to pay raises to non-instructional employees; \$3.9 million for increased pension contribution rates and rising costs for employee health and welfare benefits, as well as \$3.1 million worth of new payments for operating costs and contracted services. LBCC has an estimated \$3.2 million deficit for the current fiscal year. The deficit is projected to increase to \$10.7 million over the course of the 2016 budget year.

That’s not enough to wipe out the district’s savings, as officials project a \$14.4 million balance at the end of the fiscal year’s end.

Absent changes, the trend for the district’s fund balance is moving in the wrong direction. The LBCC District had \$28.3 million in unrestricted general fund savings at the end of the district’s 2015-16 budget year, and that could fall to less than \$6.5 million at the end of the 2018-19 fiscal year.

Long Beach area voters [approved Measure LB](#), an \$850 million bond issue, for the college district in June 2016.

Although district leaders plan to use proceeds from that bond issue and the earlier Measure E on building projects and water conservation, the bond funds are separate from the general fund dollars that pay for daily business on campus.