

# Board Tuition Discussion

# Topics



- Narrative
- Budget update
- Tuition and fees breakdown
- Discussion and motion

# Narrative



Last year, expenditures exceeded revenues by \$4 million. This year, we expect an operating loss of almost \$3 million. A combination of reserves and one-time federal funds will cover this loss. We do not have the reserves or one-time funding to keep offset this level of loss. We must reduce our expenditures to match our revenues.

Next year we are projecting an increase in operating revenues of 5.7% and an increase in expenses of 4.6%, without any reductions, which leaves us an estimated operating loss of \$2.5 million or 4.4%. To make the operations of LB sustainable we must cut \$2.5 million from our operating budget. Currently, 85% of our budget is personnel costs, and a large part of the remaining 15% is overhead types of expenses; insurance, utilities, and support services, that we have very little control over and cannot be reduced.

We will be using approximately \$2 million of our reserves to offset this year's loss, which will put our reserve level at the 10% of revenue guideline the Board has set for us and is needed to level out the ebbs in our cash flows, for emergencies, and to keep our current bond rating. We have applied for an ERC credit of approximately \$7 million, these are one-time funds and should not be used for ongoing expenditures. We will use approximately \$1 million to offset this year's operating loss, \$1 million for next year's losses, and \$1 million to replace an aging building roof. The remaining funds will be placed in a strategic reserve to help academic programs grow and meet other one-time needs of LB.

# Budget Update



- ERC funds application has been received by IRS but not yet disbursed. Approx. \$6.8 million.
- State funding being discussed at legislative level. Governor's budget proposes approx. 6.46% increase to CCSF. Currently budgeted at 7.0%.
- Enrollment
  - Summer – (5.4%)
  - Fall – 1.8%
  - Winter – 3.7%
  - Spring – Currently up over 10%

	2021-23 Biennium	2023-25 Biennium		2025-27 Biennium	
	2022-23	2023-24	2024-25	2025-26	2026-27
State Aid	24,295,868	25,996,579	25,996,579	27,296,408	27,296,408
Property Tax	9,950,500	10,358,471	10,783,168	11,225,278	11,685,514
Tuition	17,766,560	18,847,902	19,618,101	20,402,825	21,218,938
Other Revenue	915,123	738,739	744,334	779,328	800,913
ERC Federal	1,000,000	-	-	-	-
<b>Revenue</b>	<b>\$ 53,928,051</b>	<b>\$ 55,941,691</b>	<b>\$ 57,142,182</b>	<b>\$ 59,703,839</b>	<b>\$ 61,001,773</b>
Personnel Costs	47,582,189	49,043,943	48,182,059	49,572,952	51,132,521
Materials/Services	6,226,233	6,537,545	6,733,671	6,868,344	7,005,711
Transfers Out	2,180,011	2,263,718	2,259,418	2,261,218	2,262,568
Budget Enhancements		300,000	300,000	300,000	300,000
Strategic Investments		400,000	400,000	400,000	400,000
Operational Efficiencies	-	(2,500,000)	(1,500,000)	-	
<b>Expenses</b>	<b>\$ 55,988,433</b>	<b>\$ 56,045,206</b>	<b>\$ 56,375,148</b>	<b>\$ 59,402,514</b>	<b>\$ 61,100,800</b>
<b>Net</b>	<b>\$ (2,060,382)</b>	<b>\$ (103,516)</b>	<b>\$ 767,034</b>	<b>\$ 301,324</b>	<b>\$ (99,027)</b>

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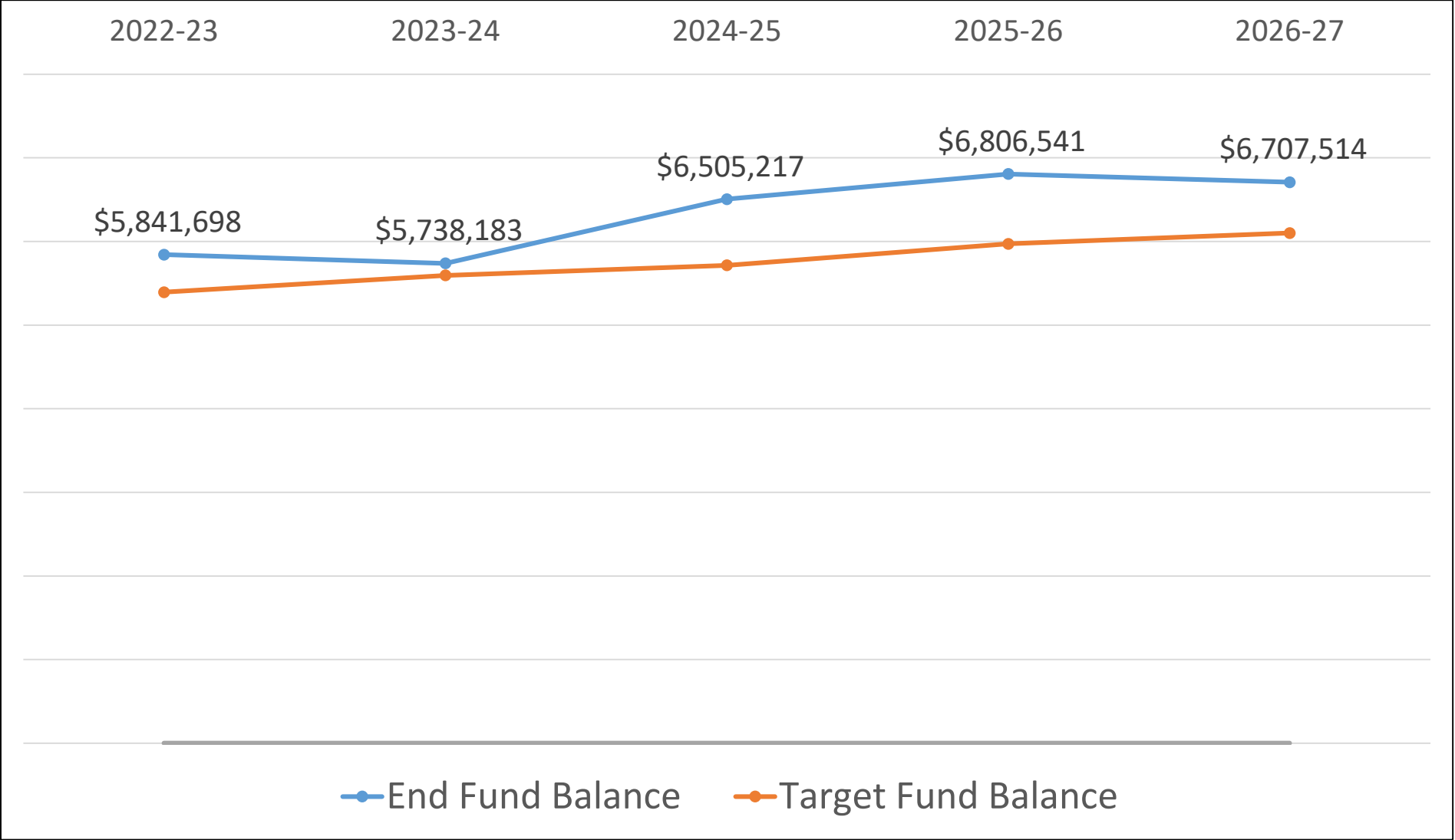


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# Budget Variables



	Growth Assumptions			
Variables	2023-24	2024-25	2025-26	2026-27
REVENUE				
IS Tuition	6.00%	4.00%	4.00%	4.00%
Int'l Tuition	6.00%	4.00%	4.00%	4.00%
IS Enrollment	0.00%	0.00%	0.00%	0.00%
Int'l Enrollment	2.00%	2.00%	0.00%	0.00%
State Aid	7.00%	0.00%	5.00%	0.00%
Property Tax	4.10%	4.10%	4.10%	4.10%
EXPENSES				
PT Faculty	4.00%	4.00%	2.50%	2.50%
Faculty	3.50%	2.50%	2.50%	2.50%
Management	3.50%	2.50%	2.50%	2.50%
Classified	3.00%	2.50%	2.50%	2.50%
PERS	-3.10%	0.00%	20.90%	0.00%
Health Insur	3.00%	3.00%	3.00%	3.00%
M&S	5.00%	3.00%	2.00%	2.00%



# Current Tuition

\$131.90 Tuition (per credit)

\$9.48 Fees (per credit)

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\$141.38 Total per credit



Student Government Fee



\$1.74 Athletics Fee

\$1.41 Student Activity Fee

\$4.84 Technology Fee

\$1.49 Transportation and Safety Fee

# Current Fees

\$1.74 Athletics Fee

\$1.41 Student Activity Fee

\$4.84 Technology Fee

\$1.49 Transportation and Safety Fee



# Proposed Fees

\$2.18 Athletics Fee

\$1.49 Student Activity Fee

\$5.67 Technology Fee

\$1.58 Transportation and Safety Fee

# Proposed Fees

\$2.18 Athletics Fee



25.3% increase to offset growing operational costs and recover lost revenue from Covid enrollment loss.

\$1.49 Student Activity Fee



6.0% increase in-line with tuition growth to keep pace with Talent Grants and inflation.

\$5.67 Technology Fee



17.2% increase to offset growing IT costs and recoup lost revenue from elimination of Distance Ed fee.

\$1.58 Transportation and Safety Fee



6.0% increase in-line with tuition to keep pace with rising cost of bus service paid through this fee.

# Current Tuition

\$131.90 Tuition (per credit)

\$9.48 Fees (per credit)

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\$141.38 Total per credit



Student Government Fee

\$5.98 (flat fee) for less than 6 credits

\$11.96 (flat fee) for 6 or more credits

# Proposed Tuition (6%)

\$139.81 Tuition (per credit)

\$10.93 Fees (per credit)

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\$150.74 Total per credit



Student Government Fee

\$6.34 (flat fee) for less than 6 credits

\$12.68 (flat fee) for 6 or more credits

## Current Tuition

\$131.90 Tuition (per credit)

\$9.48 Fees (per credit)

---

\$141.38 Total per credit

## Proposed Tuition (6%)

\$139.81 Tuition (per credit)

\$10.93 Fees (per credit)

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\$150.74 Total per credit

Total increase in per credit rate is **6.62%**



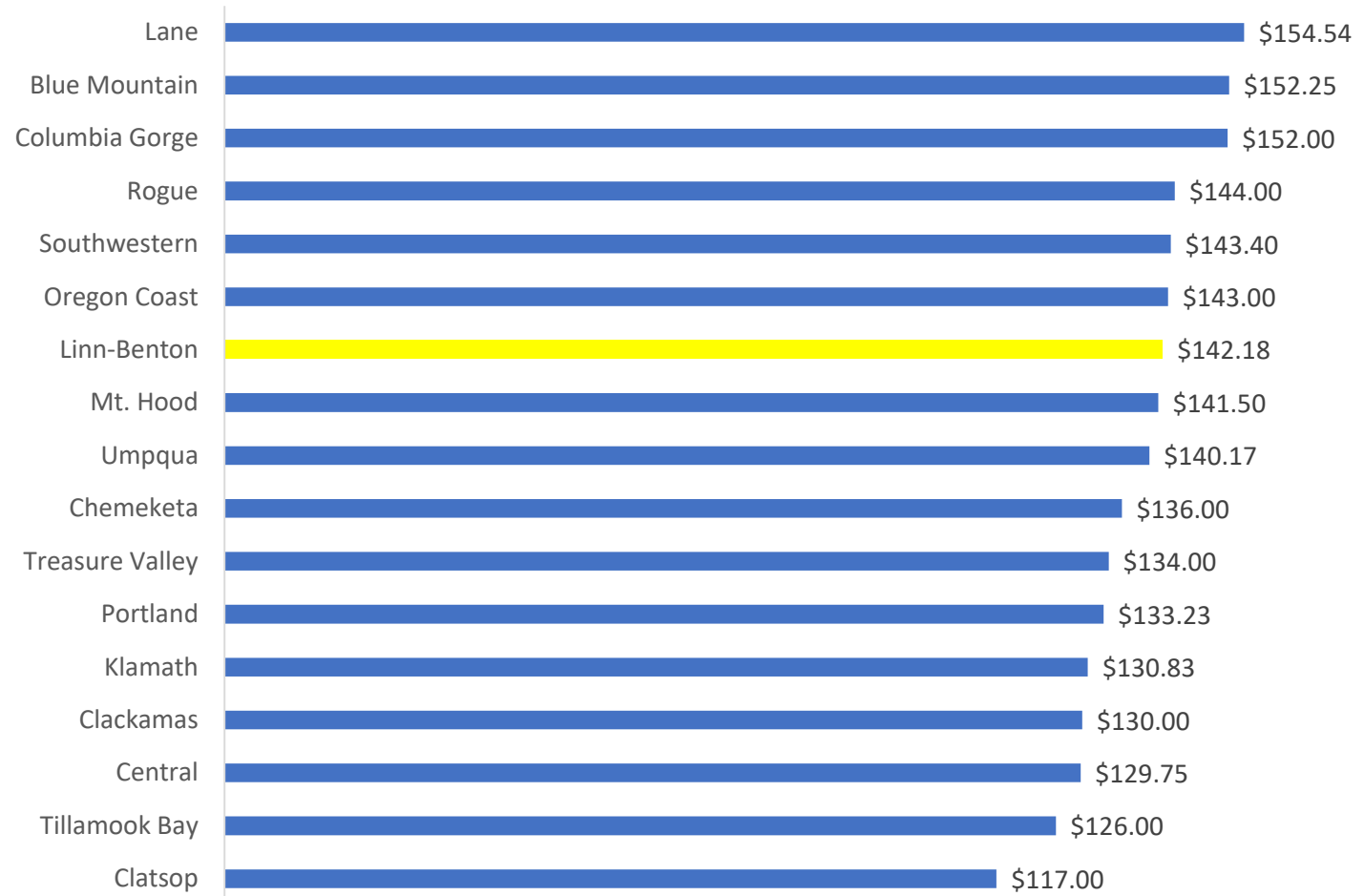
# Proposed Tuition and Fees for 2023-24

- Direct cost impact
  - Current cost for 15 credits - \$2,034
  - New cost for 15 credits - \$2,274
  - Difference - \$141 (6.62%) for the term

# Tuition Considerations



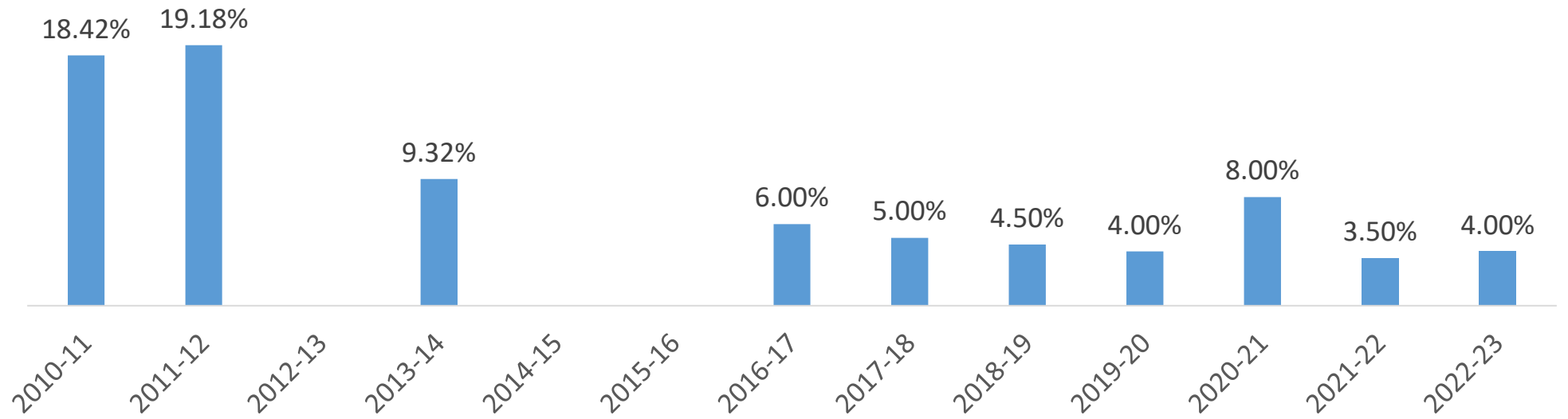
Tuition and Mandatory Fees (for 15 credit hour student)



# Tuition Considerations



Increase in Tuition Rate by %



# Summary



- Recommending a 6% increase in tuition to keep pace with inflation and bolster overall budget picture.
- Recommending a increase in fees to make related funds sustainable following enrollment decline and elimination of distance education fee.

# Questions?