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Louisiana
Community
& Technical
College System

265 South Foster Drive
Baton Rouge, LA 70806

Phone 225-922-2800
Fax 225-922-1185

www.lctcs.edu

LOUISIANA COMMUNITY & TECHNICAL COLLEGE SYSTEM

TO: Dr. Monty Sullivan
President

THROUGH: Joseph F. Marin, ~~JFM~~
Chief Operations Officer

FROM: Joel Watkins
Director of Budget and Planning

DATE: August 7, 2020

RE: FY 2020-21 Operating Budget for LCTCS Entities

APPROVED
Stk 8/12/20
LCTCS BOARD OF SUPERVISORS

FOR BOARD ACTION

Recommendation: Staff recommends that the Board approve the FY 2020-21 operating budget allocations of the LCTCS Colleges and the Board office.

Background: Annually, in the early fall, each higher education management board approves the operating budgets of its member colleges and universities, as required by state law. In some cases, boards approve the allocation of funds to colleges after the legislative session. After the LCTCS Board takes action on the budgets, the operating budgets will be submitted to the Board of Regents for action, and subsequently, to the Division of Administration, the Legislature and other various state agencies for informational purposes. This operating budget information will also be used in the development of the Governor's Executive Budget for the coming fiscal year, FY 2020-21. In this case, the budget allocations are being submitted for action today and the formal operating budgets of colleges will be submitted at the October meeting.

Fiscal Impact: The LCTCS was appropriated \$107,434,677 in total state funding for operational expenditures, excluding \$10 million in statutorily dedicated Workforce Training Rapid Response funds. This is the eight year that self-generated revenues for the colleges will comprise a larger portion of revenues than those provided by the state, with 60% of revenues provided by tuition/fees and 40% provided by the state. Note that in FY 09, the highpoint of state support, state funding accounted for 73% of total funding, while self-generated funds accounted for 27%.

Comparison of LCTCS Funding from FY 2019-20 to FY 2020-21						
Funding Source	FY 2019-20 Appropriated		FY 2020-21 Appropriated		FY19 to FY21 Difference	
	\$	% of Total	\$	% of Total	\$	%
State Funds	\$139,143,350	44.6%	\$117,434,677	40.2%	(\$21,708,673)	(15.6%)
Self-Generated	\$172,650,000	55.4%	\$174,930,000	59.8%	\$2,280,000	1.3%
Total	\$311,793,350	100%	\$292,364,677	100%	(\$19,428,673)	(6.2%)
State General Fund	\$119,871,045		\$102,201,391		(\$17,669,654)	-15%
Statutory Dedicated State Funds	\$19,272,305		\$15,233,286		(\$4,039,019)	(21%)

The table on the following page summarizes the operating budgets of LCTCS entities, comparing FY 2020-21 to FY 2019-20 appropriations.

LCTCS OPERATING BUDGET								
College	FY 2019-20 BUDGETED (as of 7/1/19)		FY 2020-21 BUDGETED (as of 7/1/20)		FY20 to FY21 Difference			
	TOTAL Funds	STATE Funds	TOTAL Funds	STATE Funds	TOTAL FUNDS \$	%	STATE FUNDS \$	%
Baton Rouge CC	\$38,201,614	\$15,301,614	\$36,091,699	\$13,191,699	(\$2,109,915)	(6%)	(\$2,109,915)	(14%)
Bossier Parish CC	\$33,003,866	\$11,503,866	\$30,446,865	\$8,946,865	(\$2,557,001)	(8%)	(\$2,557,001)	(22%)
Central LA TCC ¹	\$10,860,437	\$5,510,437	\$10,451,469	\$5,101,469	(\$408,968)	(4%)	(\$408,968)	(7%)
Delgado CC	\$77,227,169	\$27,227,169	\$72,146,903	\$22,146,903	(\$5,080,266)	(7%)	(\$5,080,266)	(19%)
Fletcher TCC ²	\$11,780,963	\$4,875,963	\$11,501,775	\$4,076,775	(\$279,188)	(2%)	(\$799,188)	(16%)
La. Delta CC ²	\$18,887,834	\$8,517,834	\$17,501,931	\$6,931,931	(\$1,385,903)	(7%)	(\$1,585,903)	(19%)
LCTCS E-Learning	\$1,286,145	\$1,286,145	\$1,245,091	\$1,245,091	(\$41,054)	(3%)	(\$41,054)	(3%)
Northshore TCC ¹	\$16,099,299	\$6,309,299	\$15,268,256	\$5,478,256	(\$831,043)	(5%)	(\$831,043)	(13%)
Northwest LA TCC ¹	\$6,988,076	\$4,258,076	\$6,362,971	\$3,512,971	(\$625,105)	(9%)	(\$745,105)	(17%)
Nunez CC	\$10,437,970	\$4,237,970	\$9,678,591	\$3,478,591	(\$759,379)	(7%)	(\$759,379)	(18%)
River Parishes CC	\$14,895,111	\$6,140,111	\$14,664,902	\$5,069,902	(\$230,209)	(2%)	(\$1,070,209)	(17%)
South La. CC	\$32,954,142	\$14,704,142	\$30,448,491	\$12,198,491	(\$2,505,651)	(8%)	(\$2,505,651)	(17%)
SOWELA TCC	\$20,020,975	\$10,120,975	\$19,384,204	\$8,884,204	(\$636,771)	(3%)	(\$1,236,771)	(12%)
LCTCS Board ³	\$6,329,749	\$6,329,749	\$4,301,529	\$4,301,529	(\$2,028,220)	(32%)	(\$2,028,220)	(32%)
WorkReady U	\$2,820,000	\$2,820,000	\$2,870,000	\$2,870,000	\$50,000	2%	\$50,000	2%
WorkForce Training	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$0	0%	\$0	0%
TOTAL	\$311,793,350	\$139,143,350	\$292,364,677	\$117,434,677	(\$19,428,673)	(6.2%)	(\$21,708,673)	(15.6%)

¹ In FY21, these three colleges each received \$300,000 in SGF for accreditation costs from a line item amendment to the appropriation bill.

² In FY20, these two colleges received one-time funds from the Higher Education Initiative Fund (\$273,523 for FTCC and \$820,569 for LDCC) for Act 360 projects.

³ In FY20, the Board Office appropriation included a one-time appropriation of \$2,000,000 from the Higher Education Initiative Fund for accreditation funding for CLTCC and NTCC. In FY21, the Board Office appropriation included a line item amendment of \$250,000 for a Postsecondary Education Agriculture Technology Study Commission at FTCC.

Budget Considerations:

The appropriated state funds for FY 2020-21 are \$21.7M less than the appropriated funds for FY 2019-20. Statutory Dedications decreased by \$4M, with \$3M of that decrease due to removal of one-time funds related to accreditation and Act 360 projects. The remaining \$1M reduction is from a reduction in forecasted revenues to the SELF fund.

The \$17.7M net reduction in State General Fund (SGF) is comprised of a \$16M reduction from a Means of Finance (MOF) swap, a \$2.9M reduction from a decrease in forecasted revenues to the state's revenues, and a \$1.2M increase for one-time line item amendments related to accreditation funding at CLTCC, NTCC, and NLTCC and an agricultural study at FTCC.

The MOF swap is due to LCTCS colleges receiving \$16M in federal CARES Act funds at the end of FY20 in order to pay for expenditures related to COVID-19 that had previously been paid for by the colleges using their own self-generated funds. These self-generated funds can now be used in FY21 to pay for the operational expenditures that would have been paid for by the \$16M in SGF that was reduced from the colleges FY21 appropriation.

Changes in Total Funds include changes in both state funds and self-generated budget authority. Several colleges have increased budget authority for self-generated revenues related to anticipated tuition and fee collections. It is expected that colleges will need to seek an increase in self-generated funds within the fiscal year in order to utilize the FY20 self-generated revenue from the MOF swap discussed previously.

Prior Board Action: The Board approved the LCTCS operating budgets for FY 2019-20 at the August 2019 meeting. This is a continuation of the budgetary process for FY 2020-21.

Benefits to the System: The operating budget for each college serves as a financial and operating plan.



**Approved for Distribution to the Board
Dr. Monty Sullivan, President**

8-12-20

Date

Signature: 

Email: jmarin@lctcs.edu