

Ventura County Community College District

Adoption Budget Fiscal Year 2017-2018



Dr. David El Fattal

Board of Trustees Meeting
September 12, 2017

New Funding – FY18

	State January Proposal	State May Revision	State Final Budget	VCCCD Proportional Share	VCCCD Included in Adoption
Apportionment Base Increase	23,600,000	183,600,000	183,600,000	4,039,200	4,039,200
FTES Growth (prior year)	79,300,000	57,800,000	57,800,000	-	-
COLA (1.56%)	94,100,000	97,000,000	97,000,000	2,134,000	2,035,879
Subtotal Unrestricted Funds	197,000,000	338,400,000	338,400,000	6,173,200	6,075,079
Guided Pathways Implementatio	150,000,000	150,000,000	150,000,000	3,300,000	*
Innovation Awards Program	20,000,000	20,000,000	20,000,000	440,000	*
Full Time Student Success Grant (FTSSG)	3,100,000	5,000,000	25,000,000	550,000	200,688
COLA for Apprenticeship, EOPS, DSPS, CalWorks & Child care Tax Bailout programs	5,400,000	5,600,000	5,600,000	123,200	*
Deferred Maintenance & Instructional Equip (one-time)	43,700,000	135,800,000	76,900,000	1,691,800	1,720,262
Proposition 39	52,300,000	46,500,000	46,500,000	1,023,000	872,049
Subtotal Restricted Funds	274,500,000	362,900,000	324,000,000	7,128,000	2,792,999
Total Funds	471,500,000	701,300,000	662,400,000	13,301,200	8,868,078

* Once actual allocations are known, budget augmentations will be brought forward to the Board

Multi-Year Projection (MYP) Assumptions and Budget Components

Unrestricted General Fund (Fund 111)

Component	2017-18 Adoption	2018-19 Estimate	2019-20 Estimate
Funded FTES	26,100	26,100	26,100
COLA	1.56%	2.15%	2.35%
Base Apportionment Increase	\$4,039,200	\$0	-
Step/Longevity - Faculty	1.5%	1.5%	1.5%
Step/Longevity - Classified/Mgmt	1.9%	1.9%	1.9%
STRS Rate	14.43%	16.28%	18.13%
PERS Rate	15.531%	18.1%	20.8%
Health Benefit Rate Increase (Faculty)	2.53%	7.5%	7.5%
Carryover	2%	0%	0%

Note: The impact of collective bargaining is not included in the MYP.

FTES

FTES	FY17	FY18 Target	Growth from prior year	FY18 Allocation model *	FY18, 0.68% State growth
Moorpark College	11,248	11,281	0.29%	11,248	
Oxnard College	5,097	5,220	2.41%	5,097	
Ventura College	9,756	9,883	1.30%	9,756	
Operational FTES	26,100	26,384	1.09%	26,100	26,648
Shift	(685)			-	-
FTES report to State	25,415	26,384		26,100	26,648
State funded FTES	26,468	26,384		26,100	26,648

* Allocation model funds colleges based on prior year operational FTES or state reported FTES subject to the maximum of state funded base. Ventura College is not projected to maintain middle college size in FY18. There is a three year stability period for middle college funding. If Ventura College does not grow back to middle college size in the 4th year (2019–2020), funding will decrease by \$600,000.

STRS

Fiscal Year	Estimated Cost	Year Over Year Increase	Cumulative Increase	Employer Rate	Employee (Pre-2013 hire date)	Employee (Post-2013 hire date)	State
2013-14	\$ 4,045,000			8.25%	8.00%	8.00%	3.04%
2014-15	\$ 4,608,000	\$ 563,000	\$ 563,000	8.88%	8.15%	8.15%	3.45%
2015-16	\$ 5,862,000	\$1,254,000	\$1,817,000	10.73%	9.20%	8.56%	3.89%
2016-17	\$ 6,303,000	\$ 441,000	\$2,258,000	12.58%	10.25%	9.21%	6.33%
2017-18	\$ 7,568,000	\$1,265,000	\$3,523,000	14.43%	10.25%	9.21%	6.33%
2018-19	\$ 8,626,000	\$1,058,000	\$4,581,000	16.28%	10.25%	9.21%	6.33%
2019-20	\$ 9,706,000	\$1,080,000	\$5,661,000	18.13%	10.25%	9.21%	6.33%
2020-21	\$ 10,331,000	\$ 625,000	\$6,286,000	19.10%	10.25%	9.21%	6.33%

Note: Plan allows CalSTRS to annually adjust the employer and state rates beginning July 1, 2021, and caps any such annual increase at 1% for employers and 0.5% for the state.

PERS

Fiscal Year	Estimated Cost	Year Over Year Increase	Cumulative increase	Employer Rate Current Projection
2013-14	\$ 3,155,000			11.442%
2014-15	\$ 3,359,000	\$ 204,000	\$ 204,000	11.771%
2015-16	\$ 3,573,000	\$ 214,000	\$ 418,000	11.847%
2016-17	\$ 4,654,000	\$ 1,081,000	\$ 1,499,000	13.888%
2017-18	\$ 5,589,000	\$ 935,000	\$ 2,434,000	15.531%
2018-19	\$ 6,514,000	\$ 925,000	\$ 3,359,000	18.1%
2019-20	\$ 7,486,000	\$ 972,000	\$ 4,331,000	20.8%
2020-21	\$ 8,566,000	\$ 1,080,000	\$ 5,411,000	23.8%
2021-22	\$ 9,069,000	\$ 503,000	\$ 5,914,000	25.2%
2022-23	\$ 9,393,000	\$ 324,000	\$ 6,238,000	26.1%

CalPERS projects the employer rates will reach 27.3% in 2024-25.

Additional District Cost on Each Payroll Dollar

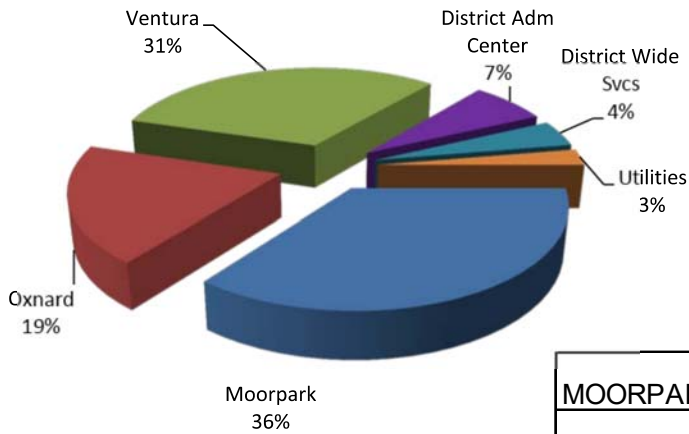
Statutory Benefits	Academic	Classified
State Teachers Retirement System (STRS)	14.43%	
Public Employee Retirement System (PERS)		15.531%
Social Security (OASDI)		6.20%
Medicare	1.45%	1.45%
State Unemployment Insurance (SUI)	0.05%	0.05%
Workers' Compensation	1.74%	1.74%
Active Employee Retiree Health Liability (HRL)	11.70%	5.20%
Retired Employee Retiree Health Liability (HR2)	17.00%	14.00%
Total	46.37%	44.17%

Retiree Health Benefits

Future projected retiree claims and expenses (Oct 2016 actuarial study)

- 2018 – \$13.7 million
- 2032 – \$18.0 million
- 2042 – \$13.9 million
- 2046 – \$10.6 million
- 2052 – \$ 6.4 million
- 2088 – \$ 0

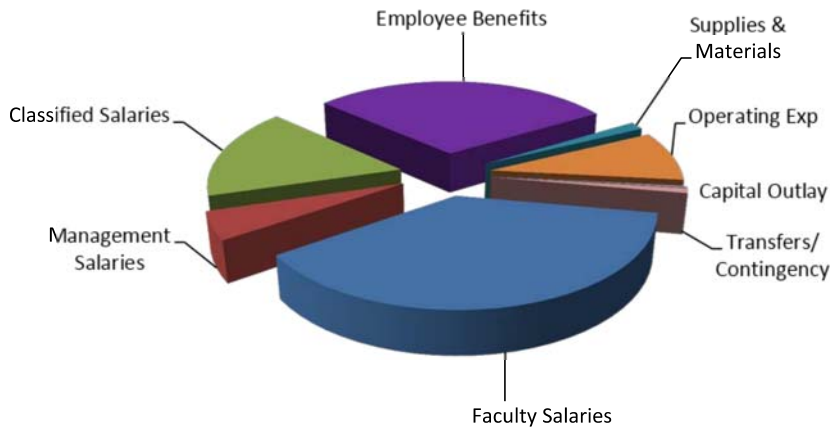
Unrestricted by Location



	2016-17 ACTUAL EXPENDITURES	2017-18 ADOPTION BUDGET*
MOORPARK	53,119,858	55,907,004
OXNARD	29,148,944	30,258,436
VENTURA	47,404,579	49,313,277
DISTRICT ADM CENTER	10,567,142	11,008,953
DISTRICTWIDE SVCS	6,138,888	6,812,644
UTILITIES	3,642,883	4,193,500
INFRASTRUCTURE	3,426,865	-
TOTAL EXPENDITURES	153,449,159	157,493,814

* Includes site carryover funds

Unrestricted by Object



FACULTY SALARIES	58,545,064	59,332,887	37.7%
MANAGEMENT SALARIES	7,282,657	7,704,080	4.9%
CLASSIFIED SALARIES	24,724,121	25,651,494	16.3%
EMPLOYEE BENEFITS	41,983,433	46,814,778	29.7%
SALARY & BENEFIT SUBTOTAL	<u>132,535,275</u>	<u>139,503,239</u>	<u>88.6%</u>
SUPPLIES & MATERIALS	1,736,749	2,266,472	1.4%
OPERATING EXP	12,287,210	14,007,270	8.9%
CAPITAL OUTLAY	440,103	335,374	0.2%
TRANSFERS/CONTINGENCY	6,449,823	1,381,459	0.9%
TOTAL EXPENDITURES	<u>153,449,160</u>	<u>157,493,814</u>	<u>100.0%</u>

	2016-17 ACTUAL EXPENDITURE	2017-18 ADOPTION BUDGET *	PERCENT OF TOTAL
FACULTY SALARIES	58,545,064	59,332,887	37.7%
MANAGEMENT SALARIES	7,282,657	7,704,080	4.9%
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TOTAL EXPENDITURES	<u>153,449,160</u>	<u>157,493,814</u>	<u>100.0%</u>

* Includes site carryover funds

Unrestricted by College

	MOORPARK COLLEGE		OXNARD COLLEGE		VENTURA COLLEGE	
	ADOPTION BUDGET *	PERCENT OF TOTAL	ADOPTION BUDGET *	PERCENT OF TOTAL	ADOPTION BUDGET *	PERCENT OF TOTAL
FACULTY SALARIES	25,491,357	45.6%	11,855,218	39.2%	21,986,311	44.6%
MANAGEMENT SALARIES	2,071,911	3.7%	1,633,214	5.4%	1,981,018	4.0%
CLASSIFIED SALARIES	7,958,361	14.2%	4,918,270	16.3%	8,114,419	16.5%
EMPLOYEE BENEFITS	17,769,449	31.8%	9,756,086	32.2%	15,424,082	31.3%
SALARY & BENEFIT SUBTOTAL	53,291,077	95.3%	28,162,788	93.1%	47,505,831	96.3%
SUPPLIES & MATERIALS	949,136	1.7%	602,737	2.0%	508,144	1.0%
OPERATING EXP	1,852,997	3.3%	1,083,709	3.6%	1,392,097	2.8%
CAPITAL OUTLAY	125,625	0.2%	91,358	0.3%	51,991	0.1%
TRANSFERS/CONTINGENCY	(311,831)	-0.6%	317,844	1.1%	(144,785)	-0.3%
TOTAL EXPENDITURES	55,907,004	100.0%	30,258,436	100.0%	49,313,277	100.0%

* Includes site carryover funds

Unrestricted General Fund (111) Adoption Budget MYP

1		2017-18 Adoption	2018-19 Estimate	2019-20 Estimate
2	Revenue			
3	Total General Apportionment	\$148,584,452	\$151,434,082	\$154,615,761
4	PT Faculty Equity Comp	547,717	547,717	547,717
5	Lottery Proceeds	3,764,690	3,764,690	3,764,690
6	Nonresident Tuition - International	603,890	603,890	603,890
7	Nonresident Tuition - Domestic	1,131,013	1,131,013	1,131,013
8	TOTAL REVENUE	\$154,631,762	\$157,481,392	\$160,663,071
9	Expenditures			
10	Faculty Salaries	59,332,887	59,867,857	60,410,852
11	Management Salaries	7,704,080	7,851,784	8,002,294
12	Classified Salaries	25,651,494	26,093,750	26,544,408
13	Employee Benefits	46,814,778	49,669,061	52,644,078
14	Salary & Benefit Subtotal	139,503,238	143,482,451	147,601,631
15	Supplies & Materials	2,266,472	2,266,472	2,266,472
16	Operating Expenditures	14,102,853	14,007,270	14,007,270
17	Capital Outlay	335,374	335,374	335,374
18	Transfers	101,770	1,033,231	1,033,231
19	Contingency	1,279,689	(1,582,362)	(1,582,362)
20	Direct Expenditure Subtotal	18,086,159	16,059,985	16,059,985
21	TOTAL EXPENDITURES	\$157,589,397	\$159,542,437	\$163,661,617
22	OPERATING SURPLUS/DEFICIT	(2,957,635)	(2,061,045)	(2,998,546)
23	Fund Balance			
24	Beginning Fund Balance	\$23,090,435	\$20,132,800	\$18,071,756
25	Ending Fund Balance	\$20,132,800	\$18,071,756	\$15,073,209
26	Reserves			
27	Board Designated:			
28	State Minimum 5%	\$9,281,823	\$9,281,823	\$9,281,823
29	Revenue Shortfall Contingency	5,000,000	5,000,000	5,000,000
30	State Teachers' Retirement System	1,000,000	1,000,000	1,000,000
31	Energy Efficiency	1,400,000	1,400,000	1,400,000
32	Unallocated	3,450,977	1,389,933	(1,608,614)
33	TOTAL RESERVES	20,132,800	18,071,756	15,073,209

COLA

History of COLA (2016-17 and later)

Year	Statutory COLA	California Community Colleges COLA	Salary Settlements	Unit Cost	Equivalent Unit 1%	
					On Schedule	Off Schedule
2016-17	0.00%	0.00%	AFT - Unsettled	-		
			SEIU - Tentative Agreement: 1% on schedule, \$422,000 off schedule, increase in health cap, 1.0 FTE release time	-		
2017-18	1.56%	1.56%	AFT - Unsettled	-		
			SEIU - Tentative Agreement: 1% on schedule, \$422,000 off schedule, increase in health cap, 1.0 FTE release time	\$ 1,115,818	1.95%	1.18%

Multi-Year Projection (MYP) Assumptions and Budget Components

Unrestricted General Fund (Fund 111) with SEIU T.A.

Component	2017-18 Adoption	2018-19 Estimate	2019-20 Estimate
Funded FTES	26,100	26,100	26,100
COLA	1.56%	2.15%	2.35%
Base Apportionment Increase	\$4,039,200	\$0	-
Step/Longevity - Faculty	1.5%	1.5%	1.5%
Step/Longevity - Classified/Mgmt	1.9%	1.9%	1.9%
STRS Rate	14.43%	16.28%	18.13%
PERS Rate	15.531%	18.1%	20.8%
Health Benefit Rate Increase (Faculty)	2.53%	7.5%	7.5%
Carryover	2%	0%	0%
SEIU Tentative Agreement:			
1% Salary schedule increase	\$356,500	\$356,500	\$356,500
Increase in health cap to \$18,643.08	\$222,300	\$222,300	\$222,300
1.0FTE release time for SEIU stewards	\$115,000	\$115,000	\$115,000
One-time off schedule payment	\$422,000		

Unrestricted General Fund (111) MYP with SEIU Tentative Agreement

	2017-18 Adoption w/SEIU T.A.	2018-19 Estimate	2019-20 Estimate
1			
2	Revenue		
3	Total General Apportionment	148,584,452	151,434,082
4	PT Faculty Equity Comp	547,717	547,717
5	Lottery Proceeds	3,764,690	3,764,690
6	Nonresident Tuition - International	603,890	603,890
7	Nonresident Tuition - Domestic	1,131,013	1,131,013
8	TOTAL REVENUE	154,631,762	157,481,392
9	Expenditures		
10	Faculty Salaries	59,332,887	59,867,857
11	Management Salaries	7,704,080	7,851,784
12	Classified Salaries	26,189,906	26,421,199
13	Employee Benefits	47,392,184	50,035,430
14	Salary & Benefit Subtotal	140,619,056	144,176,269
15	Supplies & Materials	2,266,472	2,266,472
16	Operating Expenditures	14,102,853	14,007,270
17	Capital Outlay	335,374	335,374
18	Transfers	101,770	1,033,231
19	Contingency	1,279,689	(1,582,362)
20	Direct Expenditure Subtotal	18,086,159	16,059,985
21	TOTAL EXPENDITURES	158,705,215	160,236,255
22	OPERATING SURPLUS/DEFICIT	(4,073,453)	(2,754,863)
23	Fund Balance		
24	Beginning Fund Balance	23,090,435	19,016,982
25	Ending Fund Balance	19,016,982	16,262,120
26	Reserves		
27	Board Designated:		
28	State Minimum 5%	9,281,823	9,281,823
29	Revenue Shortfall Contingency	5,000,000	5,000,000
30	State Teachers' Retirement System	1,000,000	1,000,000
31	Energy Efficiency	1,400,000	1,400,000
32	Unallocated	2,335,159	(419,703)
33	TOTAL RESERVES	19,016,982	16,262,120

COLA

History of COLA (2010-11 through 2015-16)


Year	Statutory COLA	California Community Colleges COLA	Salary Settlements	AFT Cost	SEIU Cost	Non-Represented Cost	Total Cost	Equivalent District 1%	
								On Schedule	Off Schedule
2010-11	-0.39%	0.00%	AFT - none; SEIU/Confidential/Administrator/Supervisors - increase in health cap	-	\$664,000	\$183,600	\$847,600	0.81%	0%
2011-12	2.24%	0.00%	AFT - none; SEIU - none	-	-	-	-	-	-
2012-13	3.24%	0.00%	AFT - none; SEIU - none	-	-	-	-	-	-
2013-14	1.57%	1.57%	AFT - 2.5% FT schedule, 3.5% PT schedule; SEIU/Confidential - 1% on schedule, \$1000 off schedule, increase in health cap (equal to 2.25%) Administrator/Supervisors - 1.5% on schedule, increase in health cap	\$2,052,000	\$1,112,000	\$259,000	\$3,423,000	2.81%	0.46%
2014-15	0.85%	0.85%	AFT - 1.22% FT schedule, 2.44% PT schedule; SEIU/Confidential - 1.7% on schedule, 2% off schedule, 1.5% on schedule (effective 7/1/15, district met growth target); Administrator/Supervisor - 1.7% on schedule, increase in health cap	\$1,102,000	\$1,204,000	\$247,600	\$2,553,600	1.97%	0.41%
2015-16	1.02%	1.02%	AFT - 3.02% FT & PT schedules; SEIU/Confidential/Administrator/Supervisors - 3.02% on schedule, increase in health cap	\$2,272,500	\$1,062,000	\$440,300	\$3,774,800	3.44%	0.0%

Options for Preserving Programs & Services to Students, Staff & Community

COMMON REVENUE ENHANCEMENT AND SAVINGS

 Enrollment Management

 Nonresident Students

 Utilization of Reserves


COMMON EXPENDITURE BUDGET REDUCTIONS


 Enrollment Management


 Managing Fiscal Impact of FTES


 Hiring Freeze

 Classified/Confidential/Management

 FON = 411.8; FTEF = 431.1

 Discretionary Budget Reductions (5%, 10%, 15%, 20%)

 Reduce Cost of Health Benefits

 Negotiable Items

Next Steps

 Chancellor/Vice Chancellor Forums

 Institution-wide Discussions and Action Plans

Planning Considerations

 Managing Fiscal Impact of FTES

 Enrollment Management

 Collective Bargaining

 Expenditure concerns

 Restricted vs Unrestricted

 One-time vs ongoing

 STRS/PERS




 Health and welfare escalation

 Retiree health benefit liability








 Focus on optimization of resources

Planning Considerations Continued

Alternative revenue sources

-  Workforce and Economic Development
-  Grants
-  Philanthropic Grants/Donations for Student Success Initiatives

Ongoing Innovation for Advancing Student Success

-  Student Access, Social Justice and Outcomes Attainment
-  Pathways
-  Dual Enrollment
-  Open Educational Resources
-  Strong Workforce
-  Sustainability
-  Attracting Preferred Partnership Opportunities with Philanthropic Funders