

Ventura County Community College District

Tentative Budget Fiscal Year 2014–2015

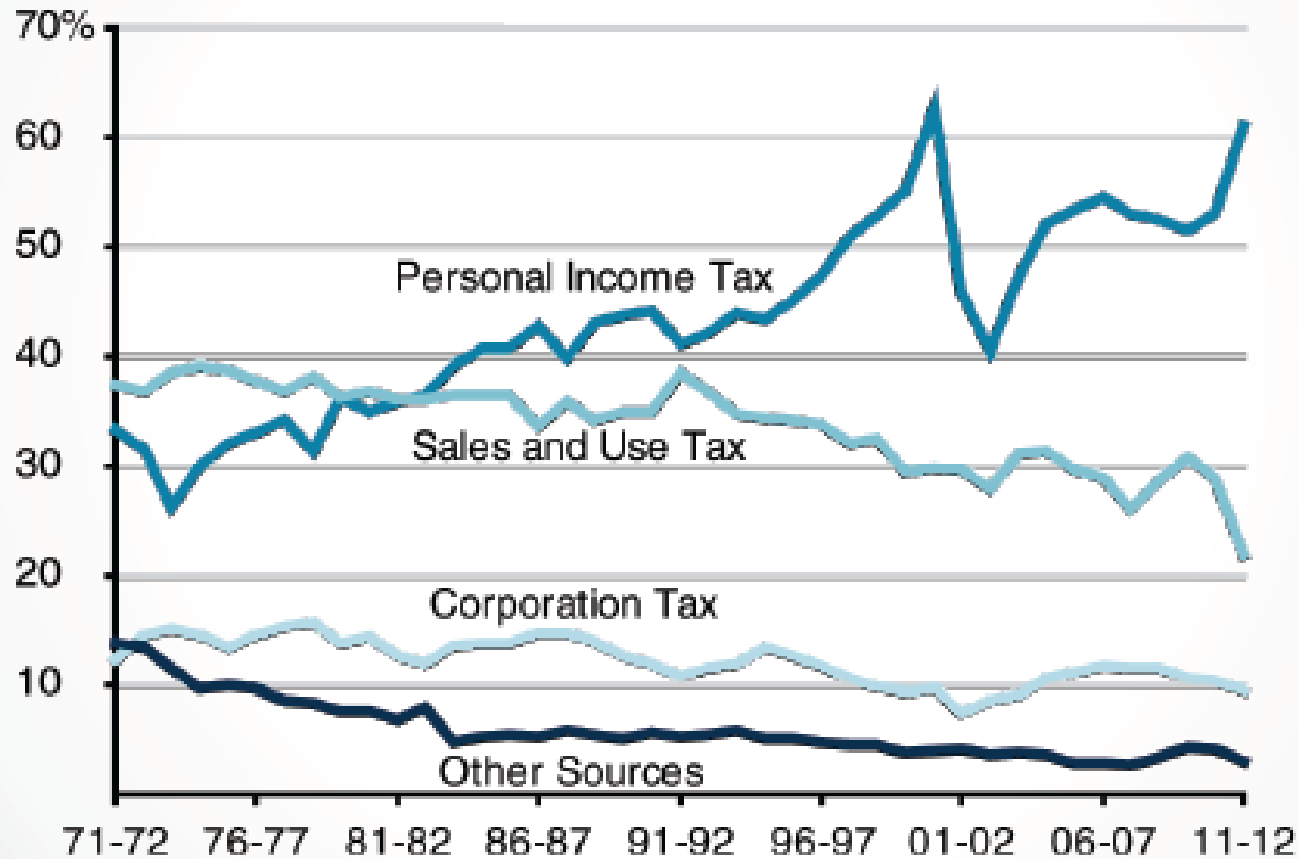


Board of Trustees Meeting
June 17, 2014

Summary

- ▶ Budget Reserves (Rainy Day Fund)
- ▶ Balanced Budget
- ▶ Pay off Debt / *Most* Deferrals
- ▶ Sizable Increase for Education
- ▶ Address Unfunded Liabilities
- ▶ Assumes Continued Modest Recovery
- ▶ Continued Reliance on 1% (who pay 40%)

Composition of Revenue



Summary

- ▶ Affordable Care Act Implementation
 - Medi-Cal Increase 46%
 - 30% of entire population
- ▶ State Court Funding Increase
- ▶ Drought Funding
- ▶ CalSTRS *Small* Increase (0.63%)

Summary

(in billions)

- ▶ Total Budget \$156
- ▶ General Fund \$108
- ▶ K-12 education \$ 45 (all funds)
- ▶ Higher Ed \$ 13 (all funds)

Community Colleges

(in millions)

▶ COLA (.85%)	\$ 47.3
▶ Increased enrollment (2.75%)	\$140.4
▶ Student Success	\$100.0
▶ Underrepresented students	\$ 70.0
▶ Career Technical Training	\$ 50.0
▶ Scheduled maint and Equipment	\$148.0
▶ Prop 39 projects	\$ 37.5
▶ Mandated Cost Reimbursement	\$ 49.5

Community Colleges

(in millions)

VCCCD

▶ COLA (.85%)	\$ 47.3	\$ 1.1
▶ Increased enrollment (2.75%)	\$140.4	\$ 3.3
▶ Student Success	\$100.0	\$ 2.25
▶ Underrepresented students	\$ 70.0	\$ 1.58
▶ Career Technical Training	\$ 50.0	\$ 1.15
▶ Scheduled maint and Equipment	\$148.0	\$ 3.5
▶ Prop 39 projects	\$ 37.5	\$.9
▶ Mandated Cost Reimbursement	\$ 49.5	\$??

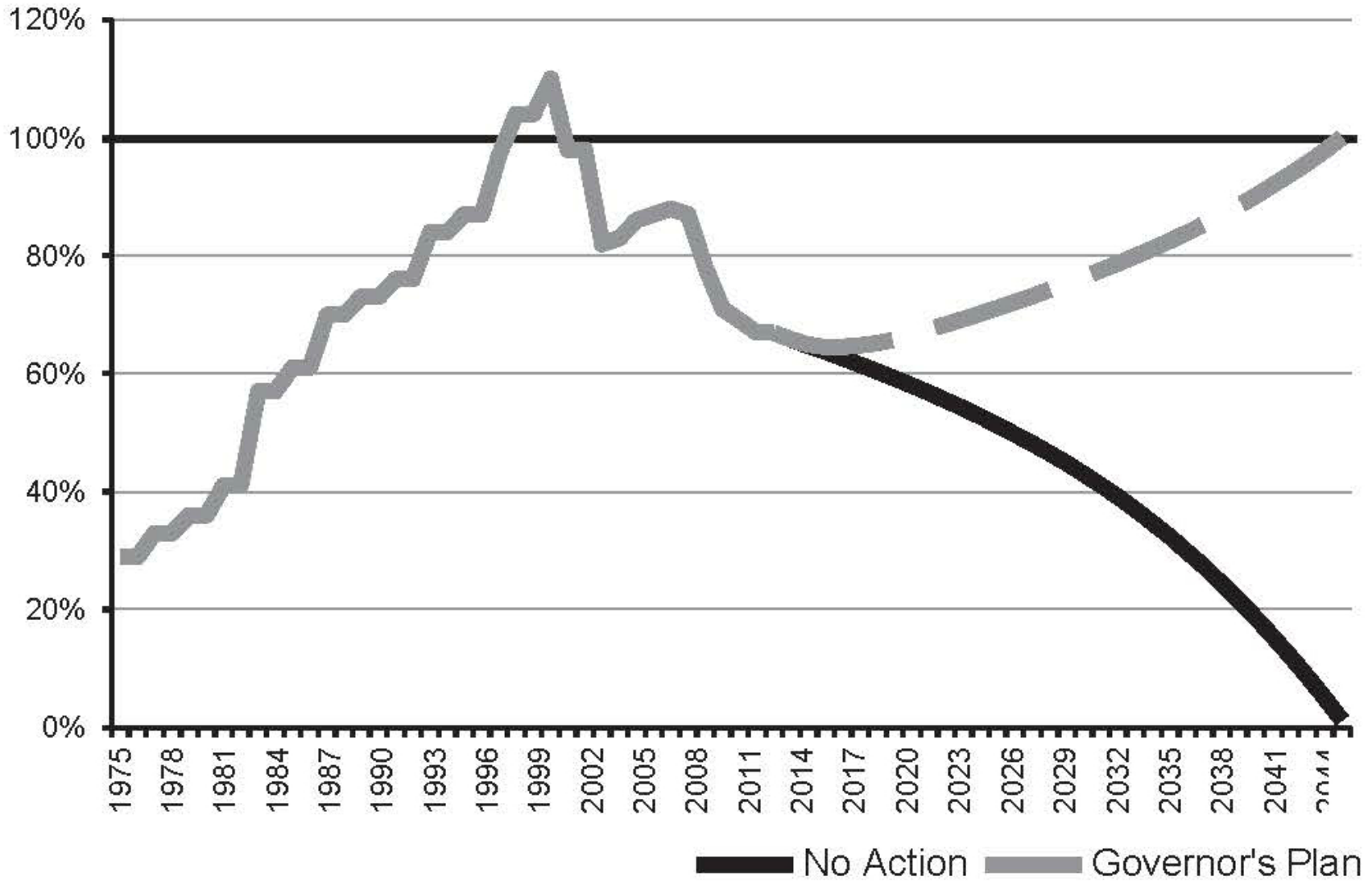
CalSTRS

- ▶ Currently 67% funded (\$74 Billion Unfunded)
- ▶ About \$5 Billion/yr more needed for 30 years
- ▶ Share of the Liability:
 - Employees \$12 Billion
 - Employers \$42 Billion
 - State \$20 Billion

CalSTRS

- ▶ Increased contributions for:
 - Employees 2.25% over 3 years
 - VCCCCD 10.85% over 7 years
 - State 3.29% over 3 years

STRS Funded Ratio Historic and Projected



CalSTRS

- ▶ For every 1% additional contribution:
 - State \$279 Million
 - VCCCD \$500,000
 - Employees \$900

CalSTRS

- ▶ Significant Increases Ahead – Annual
 - State \$921 Million
 - VCCCD \$5.4 Million
 - Employee \$2,025

CalSTRS

▶ Contributions Ahead

▪ State	8.8 %
▪ VCCCD	19.1%
▪ Employee	10.25%
Total	38.15%

VCCCD

General Fund – New Revenue

◦ COLA (.85%)	\$1.1 million
◦ Current Year Growth	\$1.6 million
Total New Revenue	\$2.7 million

- 2.75% Growth (715 FTES) \$3.3 Million (next year)

VCCCD

General Fund – New Expenditures/Transfers

◦ Infrastructure	\$1.5 million
◦ Utilities	\$722,000
◦ Health Care	\$438,000 (net)
◦ Step/Longevity/Retirees	\$353,000 (net)
◦ Work Comp, PERS	\$184,000
◦ Property/Liability Insurance	\$130,000
◦ Growth – new faculty hires	\$1 million
Total Increased Expenditures	\$4.3 million

VCCCD

General Fund – New Expenditures/Transfers

○ Utilities		\$722,000
• Water	\$200,000	
• Electricity	\$472,000	
• Telephone	\$ 50,000	
○ Health Care		\$438,000 (net)
• Faculty	\$481,000	
• ASCC	(\$43,000)	

VCCCD

General Fund – New Expenditures/Transfers

- Step/Longevity/Retirees \$353,000 (net)
 - Step \$772,000
 - Longevity \$ 61,000
 - Retirees (\$480,000)

- Work Comp, CalPERS \$184,000
 - Workers' Comp \$99,000
 - CalPERS \$85,000

VCCCD

General Fund – Salary/Benefit Increases FY13–14

	<u>Over Budget</u>
◦ Faculty	\$470,405
◦ Mgmt/Super/Con	\$1,758
◦ Classified	\$210,368
▶ Total	\$682,531

VCCCD

General Fund – Net Effect

Total New Revenue	\$2.7 million
Salary Benefit Overage	(\$0.7 million)
Total Increased Expenditures	(\$4.3 million)
CalSTRS	(\$0.3 million)
Total	(\$2.6 million)

VCCCD

Restricted Funds

- ▶ \$3.5 million for maintenance and equipment (one-time)
- ▶ \$885 thousand for Prop 39 projects

VCCCD

Other Program Funds

(Allocation method and other requirements uncertain)

- ▶ Student Success \$2.25 million
- ▶ Underrepresented students \$1.58 million
- ▶ Career Technical Training \$1.15 million

VCCCD

Summary (p 16)

(total resources available including fund balances)

- ▶ **\$295 million including Bond Funds**
 - General Fund – Unrestricted \$154 million
 - Financial Aid \$ 47 million
 - Grants/Categorical Programs \$ 19 million
 - Construction Bond \$ 30 million
 - All other funds \$ 45 million

VCCCD

- ▶ **General Fund** **\$132 million**
 - District-wide \$6.6m
 - Utilities \$4.3m
 - District Office \$9.3m

 - Allocation Model \$112.2 million
 - Moorpark College \$45.7m
 - Oxnard College \$24.7m
 - Ventura College \$41.8m

VCCCD

▶ General Fund

• Faculty	\$53.1 m
• Management	\$ 6.0 m
• Classified	\$21.7 m
• Benefits (45%)	\$36.0 m
• Total	\$116.8 m (86.9%)

VCCCD

▶ Absorption of Cost Increases

- Utilities \$722,000
- Health Care \$438,000 (net)
- Step/Longevity/Retirees \$353,000 (net)
- Work Comp, PERS \$184,000
- Property/Liability Insurance \$130,000

▶ Classroom Efficiency (p22-24)

▶ Use of Carry-over Funds

Moorpark College Impact

- ▶ Will Absorb Cost Increases by...
 - Reducing the number of prioritized Classified position requests from 10 to 4.
 - Not fulfilling any requests for positions unless funded through SSSP/Equity resources.
 - Use of year end carryover funds for one time purchases.
 - Reduces College Contingency account by 50%
 - Delay “big-ticket” equipment purchases
 - Reducing General Fund equipment and supplies by nearly 90%.
 - Offsetting appropriate expenditures through use of one time IELM and Infrastructure funds.

Oxnard College Budget Highlights

- ▶ Continues Restoration of Student Co-Curricular
 - Restores Women's and Men's Basketball
- ▶ Expands Class Offerings
 - 3% Growth
- ▶ Set Aside for Academic Restructuring
 - To Address students at pre-collegiate level
- ▶ Relies on Foundation Support and Inter-fund Transfers
 - \$200K from Foundation for expansion of class schedule
 - \$250K in inter-fund transfers

Ventura College Budget Actions

Line	Activity	FTES	Budget	Change	Expense	Balance
1	FY12 Adopted - Actual	11,019	42,488,379	-1.7%	41,638,611	849,768
2	FY13 Adopted - Actual	10,610	40,514,285	-4.6%	39,939,059	575,226
3	FY14 Adopted - Projected	9,971	41,861,369	3.3%	41,267,584	593,785
4	FY15 Model - Tentative	9,861	42,440,123	1.4%	42,794,674	(354,551)
5	Instructional Hourly Reduction				(150,000)	(204,551)
6	Interfund Transfer In (Fund 114)		204,551			
7	FY15 Tentative Budget		42,644,674		42,644,674	-
8						
9	FTES Growth Capacity					
10	FY15 Budgeted FTES	9,861				
11	3% Growth	296				
12	FY14 Instructional Hourly Budgets	7,611,361				
13	FY14 Model Productivity Ratio	528				
14	FY14 Actual Productivity (Fall&Spring)	488				
15	Productivity Inefficiency	7.6%				
16	Budget Inefficiency	576,618				
17	Line 5 - Hourly Reduction	(150,000)				
18	Available Growth Capacity	426,618				
19	Average PT Hourly Cost per FTES	1,423				
20	FTES Efficiency Capacity	300				

Absorb FY14 Recurring Salary Increases

Reduce Hourly by \$150,000

Retain Budget for 3% Growth

Reserves

State Mandated 5%	\$7,025,449
Revenue Shortfall	\$5,000,000
Unallocated	\$7,709,938
Total Estimated	\$19,735,387

Not Included

- ▶ Growth Revenue
- ▶ Additional CalSTRS Expenditures
- ▶ Student Success /Equity
- ▶ Career Technical Training
- ▶ Mandated Cost Reimbursement

Other Funds

- ▶ **Parking Services** (p 32)
- ▶ **Health Services** (p 33)
- ▶ **Child Care Center** (p 35)
- ▶ **Vending Operations** (p 36)
- ▶ **Self-Insurance** (p 37)
- ▶ **Financial Aid** (p 39)

Other Funds

▶ Financial Aid

- Pell \$38.0 million
- Direct Loans \$ 6.0 million
- Cal Grants \$ 2.2 million

Total \$46.9 million

Other Funds

▶ Grants and Categorical Programs

- State Categorical \$9.0 million
- State Grants \$1.2 million
- Fed/Local Grants \$4.5 million
- Restricted Lottery \$2.5 million

Other Funds

▶ Capital Projects

- Scheduled Maintenance \$.7 million
- Prop 39 \$.9 million
- RDA \$ 9.9 million
- Measure S \$30.0 million

Budget Challenges

- ▶ Retiree Health Liability
 - \$12.6 million
 - \$11.4 million – Premiums
 - \$1.2 million – OPEB Trust
- ▶ Low COLA – High Actual
- ▶ Significant Growth Target (715 FTES)
- ▶ Possible Infrastructure Model Changes
- ▶ Uncapped Health Care Costs

Budget Risks

- ▶ Classroom Efficiency
- ▶ CalSTRS
- ▶ Ventura College – Small/Medium College
- ▶ Utility Increases – Drought
- ▶ Small Contingency
- ▶ Stretched Support Staff
- ▶ Children Centers

Long-term Outlook

- Retiree Health Liability
- CalSTRS
- ▶ +90% Fixed Labor Costs

- ▶ Alternative Income Sources
- ▶ \$16 Million EPA Funds (until 2018)

Timeline

- ▶ June – Approved by Legislature – awaiting signature by the Governor
- ▶ Sept/Oct– Trailer Bills (frequently much of CCC language/clarification occurs here)