

# Ventura County Community College District

## Governor's (May Revision) Budget Fiscal Year 2014–2015



May 13, 2014

# Summary

- ▶ Modest Changes – (one exception\*)
- ▶ Revenues and Expenses up \$2.4 Billion
- ▶ Affordable Care Act Implementation
  - Medi-Cal Increase 46%
  - 30% of entire population
- ▶ CalPERS Slight Increase
- ▶ State Court Funding Increase
- ▶ Drought Funding
- ▶ \*CalSTRS Big Increase

# Summary

- ▶ Budget Reserves (Rainy Day Fund)
- ▶ Balanced Budget
- ▶ Pay off Debt
- ▶ Unfunded Liabilities
- ▶ Assumes Continued Modest Recovery
- ▶ Continued Reliance on 1% (who pay 40%)

# Summary

- ▶ Total Budget – \$156.1 Billion
- ▶ General Fund – \$107.8 Billion
- ▶ K–12 education – \$45.3 Billion (all funds)
- ▶ Higher Ed – \$12.9 Billion (all funds)

# Community Colleges

- ▶ \$47.3 million for COLA (.85%)
- ▶ \$140.4 million for increased enrollment (2.75%)
- ▶ \$100 million for Student Success
- ▶ \$100 million for Underrepresented students
- ▶ \$50 million Career Technical Training
- ▶ \$148 million for maintenance ~~and equipment~~
- ▶ \$37.5 million for Prop 39 projects
- ▶ CalSTRS (limited details)

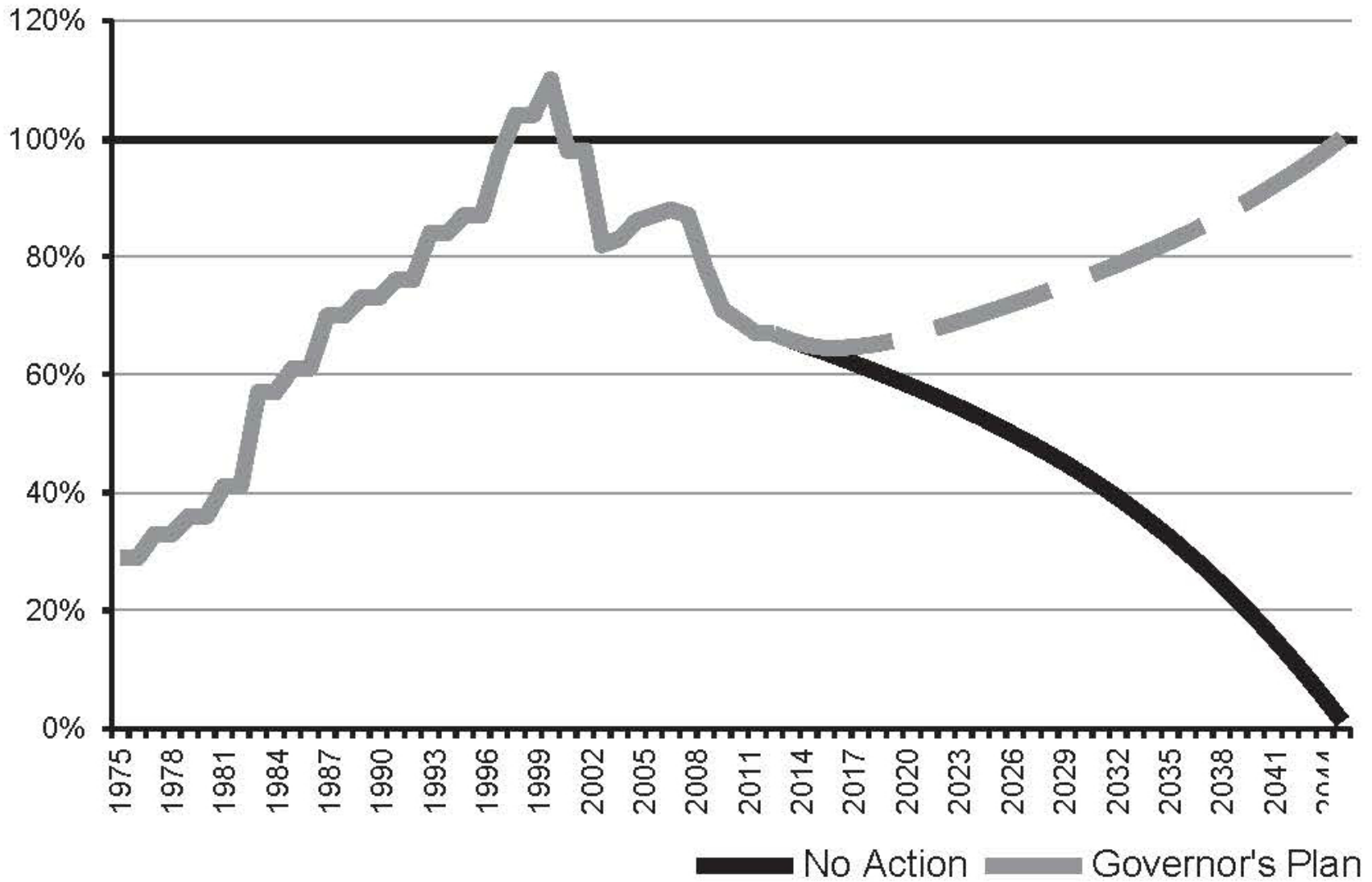
# CalSTRS

- ▶ 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 (start in FY16)
  - VCCCCD 10.85% over 7 years
  - State 3.3% 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
<b>Total New Revenue</b>	<b>\$2.7 million</b>

- 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
<b>Total Increased Expenditures</b>	<b>\$4.3 million</b>

# VCCCD

## General Fund – Salary/Benefit Increases FY13–14

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

# VCCCD

## General Fund – Net Effect

Total New Revenue	\$2.7 million
Salary Benefit Overage	(\$0.7 million)
Total Increased Expenditures	(\$4.3 million)
CalSTRS	(\$0.6 million)
<b>Total</b>	<b>(\$2.9 million)</b>

# VCCCD

## Restricted Funds

- ▶ \$3.5 million for building maintenance (one-time)
- ▶ ~~\$2 million for instructional equipment (one-time)~~
- ▶ \$885 thousand for Prop 39 projects



# VCCCD

## Other Program Funds

(Allocation method and other requirements uncertain)

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

# Budget Risks

- ▶ Drought
- ▶ Recession / Capital Gains
- ▶ Prisons
- ▶ High Speed Rail

# Timeline

- ▶ June – Constitutional deadline for Legislature to send budget to Governor
- ▶ Sept/Oct– Trailer Bills (frequently much of CCC language/clarification occurs here)