

# VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

## 2018-19 TENTATIVE BUDGET



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BOARD OF TRUSTEES MEETING

JUNE 12, 2018

# GOVERNOR'S FY19 MAY REVISION KEY ISSUES

- PROPOSED NEW FUNDING FORMULA
  - 60% PER FTES
  - 20% PER LOW INCOME STUDENT
  - 20% PER DEGREE, CERTIFICATE, OR AWARD
- ONLINE COLLEGE



# VCCCD FY19 TENTATIVE BUDGET

- TENTATIVE BUDGET PROVIDES SPENDING AUTHORITY
- POSTPONED MULTI-YEAR PROJECTION (MYP)



# GOVERNOR'S FY19 MAY REVISION

## NEW FUNDING

	State January Proposal	State May Revision	VCCCD Proportional Share	VCCCD Included in Tentative
Hold Harmless Revenue	175,000,000	175,000,000	-	-
Online Education (\$100M one-time; \$20M on-going)	120,000,000	120,000,000	-	-
FTES Growth (prior year - 1%)	60,000,000	59,700,000	-	-
COLA (2.51%/2.71%)	161,200,000	173,100,000	3,894,750	3,894,750
<b>Subtotal Unrestricted Funds</b>	<b>516,200,000</b>	<b>527,800,000</b>	<b>3,894,750</b>	<b>3,894,750</b>
California College Promise Program	46,000,000	46,000,000	1,035,000	*
Innovation Awards Program	20,000,000	20,000,000	450,000	*
Full Time Student Success and Completion Grant (FTSSG)	32,900,000	40,700,000	915,750	*
Financial Aid management system (\$13.5M one-time; \$5M on-going)	No proposal	18,500,000	416,250	*
Apprenticeship Programs (\$36.5M one-time; \$22.8M on-going)	48,600,000	59,300,000	1,334,250	*
Open Education resources	No proposal	6,000,000	135,000	*
NextUp Programs (foster youth)	No proposal	5,000,000	112,500	*
Strong Workforce Program	212,000,000	214,000,000	4,815,000	*
Certified Nursing Assistant Program	2,000,000	2,000,000	45,000	*
COLA for EOPS, DSPS, CalWorks & Child care Tax Bailout programs	7,300,000	7,881,000	177,323	*
Deferred Maintenance & Instructional Equip (one-time)	275,200,000	143,500,000	3,228,750	*
<b>Subtotal Restricted Funds</b>	<b>644,000,000</b>	<b>562,881,000</b>	<b>11,179,823</b>	<b>-</b>
<b>Total Funds</b>	<b>1,160,200,000</b>	<b>1,090,681,000</b>	<b>15,074,573</b>	<b>3,894,750</b>

\* Once actual allocations are known and/or grants awarded, budget augmentations will be brought forward to the Board.

# HOLD HARMLESS YEARS' ASSUMPTIONS AND SUMMARY LEVEL BUDGET COMPONENTS

## Unrestricted General Fund (Fund 111) Assumptions

Component	2018-19 Tentative	2019-20 Estimate
Funded FTES	25,972	26,100
COLA	2.71%	2.57%
Hold Harmless Component (TCR FY18)	\$151.1M	\$151.1M
Step/Longevity - Faculty	1.7%	1.7%
Step/Longevity - Classified/Mgmt	1.4%	1.4%
STRS Rate	16.28%	18.13%
PERS Rate	18.1%	20.8%
Health Benefit Rate Increase (Faculty)	8.89%	7.5%
Carryover	2%	0%

# FY19 REVENUE

## HOLD-HARMLESS BUDGET VS. DOF SIMULATION

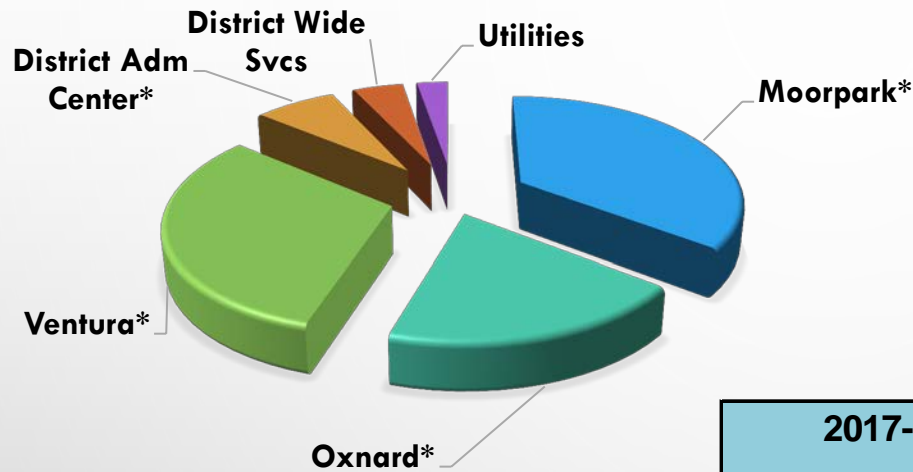
	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>
Hold Harmless Budget (TCR)	\$151.1M	\$151.1M	\$151.1M

	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>
DOF Simulation	\$151.1M	\$163.5M	\$170.4M
Increase in Unrestricted General Fund *	-	\$12.4M	\$19.3M

\* Note: Difference from FY18 TCR

# 2018-19 TENTATIVE BUDGET

## UNRESTRICTED GENERAL FUND 111 BY LOCATION



	2017-18 ADOPTION BUDGET	2018-19* TENTATIVE BUDGET
MOORPARK *	55,907,004	58,223,941
OXNARD *	30,258,436	30,550,466
VENTURA *	49,313,277	50,755,600
DISTRICT ADM CENTER *	11,008,953	11,378,321
DISTRICTWIDE SVCS	6,812,644	7,169,994
UTILITIES	4,193,500	4,710,200
<b>TOTAL EXPENDITURES</b>	<b>157,493,814</b>	<b>162,788,522</b>

\* Includes site carryover funds

# 2018-19 TENTATIVE BUDGET

## UNRESTRICTED GENERAL FUND 111 BY COLLEGE

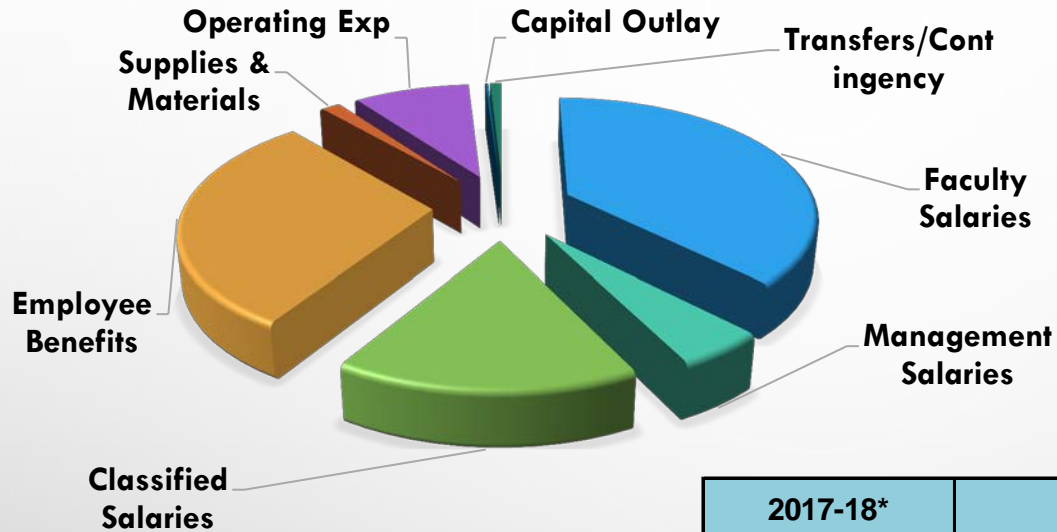
	MOORPARK COLLEGE		OXNARD COLLEGE		VENTURA COLLEGE	
	TENTATIVE BUDGET *	PERCENT OF TOTAL	TENTATIVE BUDGET *	PERCENT OF TOTAL	TENTATIVE BUDGET *	PERCENT OF TOTAL
FACULTY SALARIES	25,570,960	43.9%	12,094,164	39.6%	21,894,972	43.1%
MANAGEMENT SALARIES	2,071,125	3.6%	1,727,833	5.7%	2,339,114	4.6%
CLASSIFIED SALARIES	8,460,109	14.5%	4,947,872	16.2%	8,304,334	16.4%
EMPLOYEE BENEFITS	19,189,794	33.0%	10,557,116	34.6%	17,178,037	33.8%
SALARY & BENEFIT SUBTOTAL	<u>55,291,988</u>	<u>95.0%</u>	<u>29,326,984</u>	<u>96.0%</u>	<u>49,716,458</u>	<u>98.0%</u>
SUPPLIES & MATERIALS	1,321,977	2.3%	554,130	1.8%	520,534	1.0%
OPERATING EXP	2,040,949	3.5%	1,039,449	3.4%	1,479,669	2.9%
CAPITAL OUTLAY	147,876	0.3%	78,540	0.3%	10,427	0.0%
TRANSFERS/CONTINGENCY	(578,849)	-1.0%	(448,637)	-1.5%	(971,488)	-1.9%
TOTAL EXPENDITURES	<u>58,223,941</u>	<u>100.0%</u>	<u>30,550,466</u>	<u>100.0%</u>	<u>50,755,600</u>	<u>100.0%</u>

\* Includes site carryover funds



# 2018-19 TENTATIVE BUDGET

## UNRESTRICTED GENERAL FUND 111 BY OBJECT



	2017-18* ADOPTION BUDGET	%	2018-19* TENTATIVE BUDGET	%
FACULTY SALARIES	59,332,887	37.7%	59,560,096	36.6%
MANAGEMENT SALARIES	7,704,080	4.9%	8,299,429	5.1%
CLASSIFIED SALARIES	25,651,494	16.3%	26,535,246	16.3%
EMPLOYEE BENEFITS	46,814,778	29.7%	51,508,810	31.6%
SALARY & BENEFIT SUBTOTAL	139,503,239	88.6%	145,903,581	89.6%
SUPPLIES & MATERIALS	2,266,472	1.4%	2,494,004	1.5%
OPERATING EXP	14,007,270	8.9%	14,474,021	8.9%
CAPITAL OUTLAY	335,374	0.2%	315,243	0.2%
TRANSFERS/CONTINGENCY	1,381,459	0.9%	(398,328)	-0.2%
TOTAL EXPENDITURES	157,493,814	100.0%	162,788,522	100.0%

\* Includes site carryover funds

# 2018-19

## KEY BUDGET COMPONENTS

### Additional District Cost on Each Payroll Dollar

Statutory Benefits	Academic	Classified
State Teachers Retirement System (STRS)	16.28%	N/A
Public Employee Retirement System (PERS)	N/A	18.1%
Social Security (OASDI)	N/A	6.2%
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)	12.5%	6.0%
Retired Employee Retiree Health Liability (HR2)	17.5%	14.5%
<b>Total</b>	<b>49.52%</b>	<b>48.04%</b>

# 2018-19 KEY BUDGET COMPONENTS: 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	\$ 6,664,000	\$ 802,000	\$2,619,000	12.58%	10.25%	9.21%	6.33%
2017-18	\$ 7,852,000	\$1,188,000	\$3,807,000	14.43%	10.25%	9.21%	6.33%
<b>2018-19</b>	<b>\$ 9,039,000</b>	<b>\$1,187,000</b>	<b>\$4,994,000</b>	<b>16.28%</b>	<b>10.25%</b>	<b>10.21%</b>	<b>6.33%</b>
2019-20	\$ 10,129,000	\$1,090,000	\$6,084,000	18.13%	10.25%	10.21%	6.33%
2020-21	\$ 10,788,000	\$ 659,000	\$6,743,000	19.10%	10.25%	10.21%	6.33%

NOTE 1: PLAN ALLOWS CALSTRS TO ANNUALLY ADJUST THE EMPLOYER AND STATE RATES BEGINNING JULY 1, 2021; CAPS ANY SUCH ANNUAL INCREASE AT 1% FOR EMPLOYERS AND 0.5% FOR THE STATE.

NOTE 2: IN FEBRUARY 2017, THE CALSTRS BOARD TOOK ACTION TO REDUCE THE ASSUMED RATE OF RETURN ON ITS INVESTMENTS FROM 7.5% TO 7.0%. IT IS UNKNOWN HOW THIS MAY AFFECT THE EMPLOYER RATE IN THE FUTURE.

NOTE 3: AS A RESULT OF RECENT CHANGES TO THE ACTUARIAL ASSUMPTIONS ADOPTED BY THE CALSTRS BOARD THAT CHANGE THE NORMAL COST FOR PEPPRA MEMBERS, THE CONTRIBUTION RATE HAS INCREASED IN FY 2018-19 BY 1%.

# 2018-19 KEY BUDGET COMPONENTS: 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	\$ 4,760,000	\$ 1,187,000	\$ 1,605,000	13.888%
2017-18	\$ 5,484,000	\$ 724,000	\$ 2,329,000	15.8%
<b>2018-19</b>	<b>\$ 6,965,000</b>	<b>\$ 1,481,000</b>	<b>\$ 3,810,000</b>	<b>18.1%</b>
2019-20	\$ 8,095,000	\$ 1,130,000	\$ 4,940,000	20.8%
2020-21	\$ 9,368,000	\$ 1,273,000	\$ 6,213,000	23.8%
2021-22	\$10,033,000	\$ 665,000	\$ 6,878,000	25.2%
2022-23	\$10,510,000	\$ 477,000	\$ 7,355,000	26.1%

CalPERS recently approved the 2018-19 rate at 18.1%. The projected employer rates revised by CalPERS are projected to reach 27.3% in 2024-25.

# 2018-19 KEY BUDGET COMPONENTS

## TEN-YEAR HISTORY OF RETIREE HEALTH & WELFARE PREMIUM COSTS

	<b>FY19 Budget</b>	<b>FY18 Estim</b>	<b>FY17 YTD</b>	<b>FY16 YTD</b>	<b>FY15 YTD</b>	<b>FY14 YTD</b>	<b>FY13 YTD</b>	<b>FY12 YTD</b>	<b>FY11 YTD</b>	<b>FY10 YTD</b>
Classified	4,880,180	4,704,495	4,620,888	4,312,713	3,739,463	3,725,191	3,373,990	2,951,267	2,684,396	2,353,326
Confidential	384,886	364,172	375,750	358,171	332,967	351,908	308,835	266,039	240,398	200,271
Faculty	7,328,157	7,396,631	7,247,887	6,190,353	6,001,060	5,321,878	5,098,860	4,188,227	3,639,113	3,584,716
Management	1,322,542	1,380,321	1,300,471	1,125,884	1,000,878	989,824	875,851	816,439	786,950	705,953
Supervisors	644,082	661,008	649,827	585,645	530,472	521,879	447,335	415,642	392,191	329,404
<b>Total Expenditures</b>	<b>14,559,848</b>	<b>14,506,626</b>	<b>14,194,824</b>	<b>12,572,766</b>	<b>11,604,840</b>	<b>10,910,680</b>	<b>10,104,869</b>	<b>8,637,614</b>	<b>7,743,048</b>	<b>7,173,669</b>

<b>Total Unrestricted Revenue</b>	<b>159,783,130</b>	<b>154,931,762</b>	<b>151,545,609</b>	<b>144,305,637</b>	<b>133,118,624</b>	<b>131,086,840</b>	<b>127,722,561</b>	<b>130,438,886</b>	<b>134,921,415</b>	<b>134,765,057</b>
<b>%</b>	<b>9.1%</b>	<b>9.4%</b>	<b>9.4%</b>	<b>8.7%</b>	<b>8.7%</b>	<b>8.3%</b>	<b>7.9%</b>	<b>6.6%</b>	<b>5.7%</b>	<b>5.3%</b>

# 2018-19 KEY BUDGET COMPONENTS

## General Fund – Unrestricted – Reserves (Ending Balance) Designated and Unallocated

Year	State Required Minimum 5%	Total Reserves	%
FY18 (estim)	\$9,310,363	\$25,236,333	13.6
FY17	\$9,281,823	\$20,132,800	10.8
FY16	\$9,215,676	\$26,515,602	14.4
FY15	\$7,991,449	\$25,440,227	15.9
FY14	\$7,025,449	\$24,804,243	17.7
FY13	\$6,838,130	\$22,587,735	16.5
FY12	\$6,616,746	\$21,918,351	16.6
FY11	\$6,916,541	\$25,181,591	18.2
FY10	\$7,093,005	\$21,645,770	15.3
FY09	\$6,790,790	\$20,555,321	15.1

# PLANNING CONSIDERATIONS

- STATE APPROVED BUDGET
  - ✓ POTENTIAL INFLUX OF NEW REVENUE
  
- STATE ECONOMIC CYCLE
  
- MANAGING PROGRAM AND FISCAL IMPACT OF FUNDING FORMULA
  - ✓ FOCUS ON OPTIMIZATION OF RESOURCES
  
- ENROLLMENT MANAGEMENT
  
- POTENTIAL FTES SHIFT FOR ADOPTION BUDGET
  
- EXPENDITURE CONCERNS
  - ✓ RESTRICTED VS UNRESTRICTED
  - ✓ ONE-TIME VS ONGOING
  - ✓ STRS/PERS
  - ✓ HEALTH AND WELFARE
  - ✓ RETIREE H&W BENEFIT LIABILITY



# PLANNING CONSIDERATIONS

## ONGOING INNOVATION FOR ADVANCING STUDENT SUCCESS

- ✓ STUDENT ACCESS, SOCIAL JUSTICE AND OUTCOMES ATTAINMENT
- ✓ GUIDED PATHWAYS
- ✓ DUAL ENROLLMENT
- ✓ OPEN EDUCATIONAL RESOURCES
- ✓ PROMISE PROGRAMS
- ✓ STRONG WORKFORCE
- ✓ SUSTAINABILITY
- ✓ WORKFORCE AND ECONOMIC DEVELOPMENT
- ✓ GRANTS