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%)
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

<table>
<thead>
<tr>
<th>Category</th>
<th>VCCCD</th>
<th>COLA (.85%)</th>
<th>Increased enrollment (2.75%)</th>
<th>Student Success</th>
<th>Underrepresented students</th>
<th>Career Technical Training</th>
<th>Scheduled maint and Equipment</th>
<th>Prop 39 projects</th>
<th>Mandated Cost Reimbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td>COLA (.85%)</td>
<td>$ 47.3</td>
<td>$ 1.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increased enrollment (2.75%)</td>
<td>$140.4</td>
<td>$ 3.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student Success</td>
<td>$100.0</td>
<td>$ 2.25</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Underrepresented students</td>
<td>$ 70.0</td>
<td>$ 1.58</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Career Technical Training</td>
<td>$ 50.0</td>
<td>$ 1.15</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scheduled maint and Equipment</td>
<td>$148.0</td>
<td>$ 3.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prop 39 projects</td>
<td>$ 37.5</td>
<td>$ .9</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mandated Cost Reimbursement</td>
<td>$ 49.5</td>
<td>$ ??</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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
Increased contributions for:

- Employees
  - 2.25% over 3 years
- VCCCD
  - 10.85% over 7 years
- State
  - 3.29% over 3 years
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
Contributions Ahead

- State  8.8%
- VCCCD  19.1%
- Employee  10.25%

Total  38.15%
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)
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
### General Fund – New Expenditures/Transfers

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Utilities</strong></td>
<td><strong>$722,000</strong></td>
</tr>
<tr>
<td>Water</td>
<td>$200,000</td>
</tr>
<tr>
<td>Electricity</td>
<td>$472,000</td>
</tr>
<tr>
<td>Telephone</td>
<td>$50,000</td>
</tr>
<tr>
<td><strong>Health Care</strong></td>
<td><strong>$438,000 (net)</strong></td>
</tr>
<tr>
<td>Faculty</td>
<td>$481,000</td>
</tr>
<tr>
<td>ASCC</td>
<td>($43,000)</td>
</tr>
</tbody>
</table>
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
General Fund – Salary/Benefit Increases FY13–14

<table>
<thead>
<tr>
<th>Category</th>
<th>Over Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Faculty</td>
<td>$470,405</td>
</tr>
<tr>
<td>Mgmt/Super/Con</td>
<td>$1,758</td>
</tr>
<tr>
<td>Classified</td>
<td>$210,368</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$682,531</strong></td>
</tr>
</tbody>
</table>
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)
Restricted Funds

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

<table>
<thead>
<tr>
<th>Line</th>
<th>Activity</th>
<th>FTES</th>
<th>Budget</th>
<th>Change</th>
<th>Expense</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>FY12 Adopted - Actual</td>
<td>11,019</td>
<td>42,488,379</td>
<td>-1.7%</td>
<td>41,638,611</td>
<td>849,768</td>
</tr>
<tr>
<td>2</td>
<td>FY13 Adopted - Actual</td>
<td>10,610</td>
<td>40,514,285</td>
<td>-4.6%</td>
<td>39,939,059</td>
<td>575,226</td>
</tr>
<tr>
<td>3</td>
<td>FY14 Adopted - Projected</td>
<td>9,971</td>
<td>41,861,369</td>
<td>3.3%</td>
<td>41,267,584</td>
<td>593,785</td>
</tr>
<tr>
<td>4</td>
<td>FY15 Model - Tentative</td>
<td>9,861</td>
<td>42,440,123</td>
<td>1.4%</td>
<td>42,794,674</td>
<td>(354,551)</td>
</tr>
<tr>
<td>5</td>
<td>Instructional Hourly Reduction</td>
<td></td>
<td></td>
<td></td>
<td>(150,000)</td>
<td>(204,551)</td>
</tr>
<tr>
<td>6</td>
<td>Interfund Transfer In (Fund 114)</td>
<td></td>
<td>204,551</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>FY15 Tentative Budget</td>
<td></td>
<td>42,644,674</td>
<td></td>
<td>42,644,674</td>
<td>-</td>
</tr>
</tbody>
</table>

| 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)
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)