

**Victor Valley Community College District
2017-18 Tentative Budget Assumptions
Unrestricted General Fund**

General Assumptions:

1. The District shall maintain legal compliance with the 50% law.
2. The District will develop a budget with a minimum 5% ending fund balance (reserve).
3. The Program Review, Planning, and Budget Development Process will guide the allocation of resources.
4. Vacancies due to retirement or resignation will not automatically be filled.
5. Based upon recommendations from the Governor's May Revision Budget for 2017-18, known and anticipated changes to the FY 2016-17 budget, including negotiated solutions from the employee groups, a Tentative Operating Budget has been prepared which includes estimated revenues and expenditures for 2017-18 fiscal year.

Revenue Assumptions:

6. The 2017-18 Tentative Budget will draw down on the Irrevocable Trust set aside for CalSTRS / CalPERS increases.
7. When permitted, revenues generated from all sources will be deposited into the general fund.
8. Access/Growth Funds Statewide are projected to be 1%. Revised Funding Formula indicates VVC to receive 1.55% for Fiscal Year 2017-18. Fiscal years 2018-19 and 2019-20 are estimated at 2%.
9. Allocation of \$97 million for a 1.56% COLA system-wide is assumed.

Expense Assumptions:

10. Budget Augmentation funds of \$300,000 have been allocated to fulfill requests prioritized and approved through the Program Review process.
11. Public Employee Retirement System (PERS) district contribution increase to 15.53%, an increase of 1.64%, estimated to an additional ongoing annual cost of \$175,170.
12. State Teachers Retirement System (STRS) increased to 14.43%, an increase of 1.85%, estimated at an additional annual ongoing cost of \$461,805.
13. Increase in medical premiums to the District are estimated at \$318,000.