

Victor Valley Community College District



FY 2017-2018
Governor's Proposed
Budget for Community
Colleges

Governor's Proposed Budget for Community Colleges FY 2017/18

- Growth - 1.34% (\$79.3M)
 - Down \$35.4 million or .66% from 2016-17
 - Estimated Benefit for Victor Valley College - \$616,000
- COLA – 1.48% (\$94.1M)
 - Estimated Benefit for Victor Valley College - \$751,000
- Base apportionment increase - \$23.6 million
 - Down \$51.4 million from 2016-17
 - Estimated Benefit for Victor Valley College - \$209,000

Expenditure Increases for 2017-18 Related to Ongoing Liabilities

- **Salary (steps and columns)**
 - \$207,000
- **Medical benefits (estimated 9%)**
 - \$531,340
- **PERS/STRS**
 - \$665,800
- **Worker's Compensation**
 - \$72,000
- **Operating Expense Increase**
 - \$131,900
- **Total = \$1,608,040**

Governor's Proposed Budget for Community Colleges FY 2017/18

Ongoing Funds	2016-17	2017-18
Cost of Living Adjustment (COLA)	0%	\$94.1 M (1.48%)
Enrollment Growth	2%	\$79.3 M (1.34%)
Base Augmentation	\$75 M	\$23.6 M
Student Success and Support Program (SSSP)	No Augmentation	No Augmentation
SSSP – Equity	No Augmentation	No Augmentation
Workforce & CTE Pathways	\$248 M	No Augmentation
Basic Skills	\$30 M	No Augmentation
Full-Time Student Success Grants	\$2.2 M	\$3.1 M
COLA for EOPS, DSPS, CalWORKs, Childcare Tax Bailout	0%	\$5.4 M (1.48%)
Online Educational Initiative	No Augmentation	\$10 M

Governor's Proposed Budget for Community Colleges FY 2017/18

One-Time Funds	2016-17	2017-18	Notes
Guided Pathways		\$150 M	Intent is to leverage integrated pathways to help more students achieve their educational objectives
Integrated Library Systems		\$6 M	Allows every student to access a cloud-based, up-to-date library catalog.
Deferred Maintenance & Instructional Equipment	\$184.6 M	\$43.7 M	No match requirement
Prop 39 Clean Energy Job Creation Fund	\$49.2 M	\$52.3 M	Energy efficiency projects
Innovation Awards		\$20 M	The Chancellor will have broad authority to select the focus of the grants and the awardees.
Mandate Claims Backlog	\$105.5 M	N / A	This fiscal year 2016-17 VVC will receive approximately \$848,027 .

Cautions and Concerns

- **Increasing PERS and STRS Obligations**

- Over \$3.5 M increase through 2020-21

- **Reduction of one-time and ongoing funding increases**

- Mandate Claims backlog revenue was budgeted at \$848,027 for this fiscal year 2016-17

- **Budget shortfall for FY 2017-18**

- \$1.7 M deficit in revenues vs projected expenditures

- Deficit represents 3% of budget

CalSTRS and CalPERS Impacts to Budget

CalPERS Proposed Employer Rates

	2016-17	2017-18	2018-19	2019-20	2020-21
Rate Increase	2.04%	1.91%	2.90%	2.90%	3.30%
Projected Increase	\$217,895	\$204,009	\$309,753	\$309,753	\$352,477
Projected Total Expense	\$1,454,455	\$1,658,464	\$1,968,217	\$2,277,970	\$2,630,447

CalSTRS Proposed Employer Rates

	2016-17	2017-18	2018-19	2019-20	2020-21
Rate Increase	1.85%	1.85%	1.85%	1.85%	0.97%
Projected Increase	\$461,805	\$461,805	\$461,805	\$461,805	\$242,135
Projected Total Expense	\$2,818,538	\$3,280,343	\$3,742,148	\$4,203,953	\$4,446,088
Total Increases	\$679,700	\$665,814	\$771,558	\$771,558	\$594,612
*Estimates based on 15-16 Unrestricted estimated Payroll					Total Projected Increases through 2020-21
					\$3,483,242

Next Steps

- **There will be input from the California Community College system stakeholders**
 - Chancellor's Office
 - Community College League of California
- **There will be an initial round of legislative hearings prior to the release of the May Revision of the Governor's budget**

Next Steps

- **Budget Build Considerations**

- Increase Revenue

- AB 288 Dual Enrollment
 - California College Promise campaign
 - Enrollment management assistance from Institutional Effectiveness Partnership Initiative (IEPI)

- Control Expenditures

- The Budget Office will identify 3 year spending patterns of departments to determine possible reductions of budgets
 - Contain health care costs