

Victor Valley Community College District



**FY 2016-2017
Final Budget**

Community College Big Picture

Revenue Impact Summary

Unrestricted Ongoing	CA Community College System	Victor Valley College
COLA	Not funded (0%)	Not funded (0%)
Growth	2.0% \$114.7 million	3.43% \$1,577,616
Basic Allocation	\$75 million	\$658,312

Unrestricted One-time	CA Community College System	Victor Valley College
Mandate Claims Backlog	\$105.5 million	\$848,027
Property Tax Backfill	\$31.7 million	unknown

Community College Big Picture

Revenue Impact Summary Continued

Restricted Ongoing Instructional	CA Community College System	Victor Valley College
Basic Skills and Student Outcomes Transformation Program Increase	\$30 million	\$1,425,631
CalWORKS Restoration	\$8.7 million	\$126,732 approx
Adult Education Block Grant Support Increase	\$5 million	Not applicable
Restricted Ongoing Workforce	CA Community College System	Victor Valley College
Strong Workforce Program	\$200 million	\$1,215,020
Career Technical Education Pathways Program	\$48 million	unknown
Restricted Ongoing Financial Aid & Outreach	CA Community College System	Victor Valley College
Full-time Student Success Grant Increase	\$2.2 million	\$600/year per eligible student
Restoration of MESA and Puente	\$2.3 million	unknown

Community College Big Picture

Revenue Impact Summary Continued

Restricted One-time Facilities	CA Community College System	Victor Valley College
Deferred Maintenance / Instructional Equipment	\$184.6 million	\$1,483,551
Proposition 39	\$49.2 million	\$336,595

Cautions and Concerns

- **Proposition 30**

- Quarter-cent sales tax increase expires at the end of 2016 (approximately 20% of Prop 30 revenues).
- Personal income tax increase expires at end of 2018.

- **Increasing PERS and STRS Obligations**

- In 2016-17, community colleges CalSTRS contribution rate increased from 10.73% to 12.58%. In 2017-18, the rate will increase to 14.43% and will continue to increase until it reaches 19.1% in 2020-21.
- In 2016-17, community colleges CalPERS contribution rate increased from 11.847% to 13.888%. In 2017-18, the rate will increase to 15.50% and will continue to increase until it reaches 19.8% in 2020-21.

- **Mid-size College vs. Small-size College**

- District is currently funded at a mid-sized college level through 2017-2018. Failure to reach 10,000 FTES in 2017-18 will result in the loss of \$1.2 million in funding.

FTES to Expenditure Data

	CREDIT	NONCREDIT	TOTAL	Instructional Salaries per FTES	Classified Salaries per FTES	Supplies, Materials, Services per FTES
2008-09	9,681	346	10,027	\$2,489	\$1,356	\$979
2009-10	9,826	176	10,002	\$2,548	\$1,336	\$1,314
2010-11	9,856	150	10,006	\$2,524	\$1,295	\$824
2011-12	9,300	115	9,415	\$2,517	\$1,451	\$1,158
2012-13	9,185	94	9,279	\$2,718	\$1,345	\$804
2013-14	9,293	92	9,385	\$2,626	\$1,423	\$943
2014-15	8,723	77	8,800	\$3,164	\$1,590	\$1,455
2015-16	9,161	48	9,209	\$2,848	\$1,513	\$1,531

Source: Fiscal Data Abstracts 2008-09 through 2014-15 published by the Chancellor's Office
 2015-16: Unaudited VVC Financial Reports

General Budget Assumptions (Unrestricted)

- The District shall maintain legal compliance with the 50% law.
- The District will develop a budget with a minimum 5% ending fund balance (reserve).
- The Program Review, Planning, and Budget Development Process will guide the allocation of resources.
- Vacancies due to retirement or resignation will not automatically be filled.
- Based upon assumptions from the Chancellor's Office 2016-17 Advance Principal Apportionment Exhibit, known and anticipated changes to the FY 2016-17 budget, including negotiated items from the employee groups, an Adopted Operating Budget has been prepared which includes estimated revenues and expenditures for 2016-17 fiscal year.

Revenue Assumptions

- The 2016-17 Adopted Budget will draw down on Irrevocable Trust set aside for CalSTRS / CalPERS increases.
- When permitted, revenues generated from all sources will be deposited into the general fund.
- Access/Growth Funds Statewide projected to be 2%. Revised Funding Formula indicates VVC to receive up to 3.43% for Fiscal Year 2016-17. Fiscal years 2017-18 and 2018-19 are estimated at 1%.
- Allocation of \$75 million system-wide was added in support of district general operating expenses.

Expense Assumptions

- Budget Augmentation funds of \$300,000 have been allocated to fulfill requests prioritized and approved through the Program Review process.
- Public Employee Retirement System (PERS) district contribution increase to 13.888%, an increase of 2.04%, estimated at an additional ongoing annual cost of \$218,000.
- State Teachers Retirement System (STRS) increased to 12.58%, an increase of 1.85%, estimated at an additional annual ongoing cost of \$462,000.
- Increase in Medical premiums to the District estimated at \$600,000. This represents increase in premium plans from 14.89% to 18.5%.

CalSTRS and CalPERS Impacts to Budget

CalPERS Proposed Employer Rates

	2016-17	2017-18	2018-19	2019-20	2020-21
Rate Increase	2.04%	1.61%	1.60%	1.50%	1.20%
Projected Increase	\$217,895	\$171,966	\$170,898	\$160,217	\$128,173
Projected Total Expense	\$1,454,455	\$1,626,421	\$1,797,319	\$1,957,536	\$2,085,709

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	\$461,805
Projected Total Expense	\$2,818,538	\$3,280,343	\$3,742,148	\$4,203,953	\$4,665,758

Total Increases	\$679,700	\$633,771	\$632,703	\$622,022	\$370,309
					\$2,938,505

Budget Augmentations - \$300,000

REQUEST	DEPARTMENT	CODE
Survey Monkey Subscription Increase	Institutional Research	AC/FS
Instructional Supplies	Chemistry	SS
Instructional Supplies	Biology	SS
AAFPE Membership	Political Science	EP
Program Supplies (Smart Level/Laser Tape)	Facilities	EP
Live Model Budget Increase	Art	SS
Sound System Student Activities Center		IM
LiveScan Machine	Human Resources	IM
NeoGove On-Boarding	Human Resources	AC/IM
Repairs/Warranty MILO Shooting Range	Administration of Justice	SS
Women's Beach Volleyball Equip/Supplies	Athletics	SS/AC
Increased Travel Budget	Athletics	SS/AC
Increase Operational Budget	Performing Arts Center	SS/IM

Codes: FS – Fiscal Stability, AC – Accreditation, SS – Student Success, IM – Image, EP – Educational Master Plan

Approved Staffing Requests for FY 2016/17

Position		Estimated Cost *
Human Resources Analyst		\$65,280
SLO Assessment Coordinator		\$50,000
Payroll Technician Half-time		\$20,400
Five (5) Full-Time Faculty		\$500,000
TOTAL		\$635,680

*Costs provided by requester

Transfers out

- \$508,127 to Other Post Employment Benefits (OPEB) Fund
 - Currently 94% funded, this contribution would bring the fund up to 99% funded
- \$24,000 to Fund 78 Insurance Fund

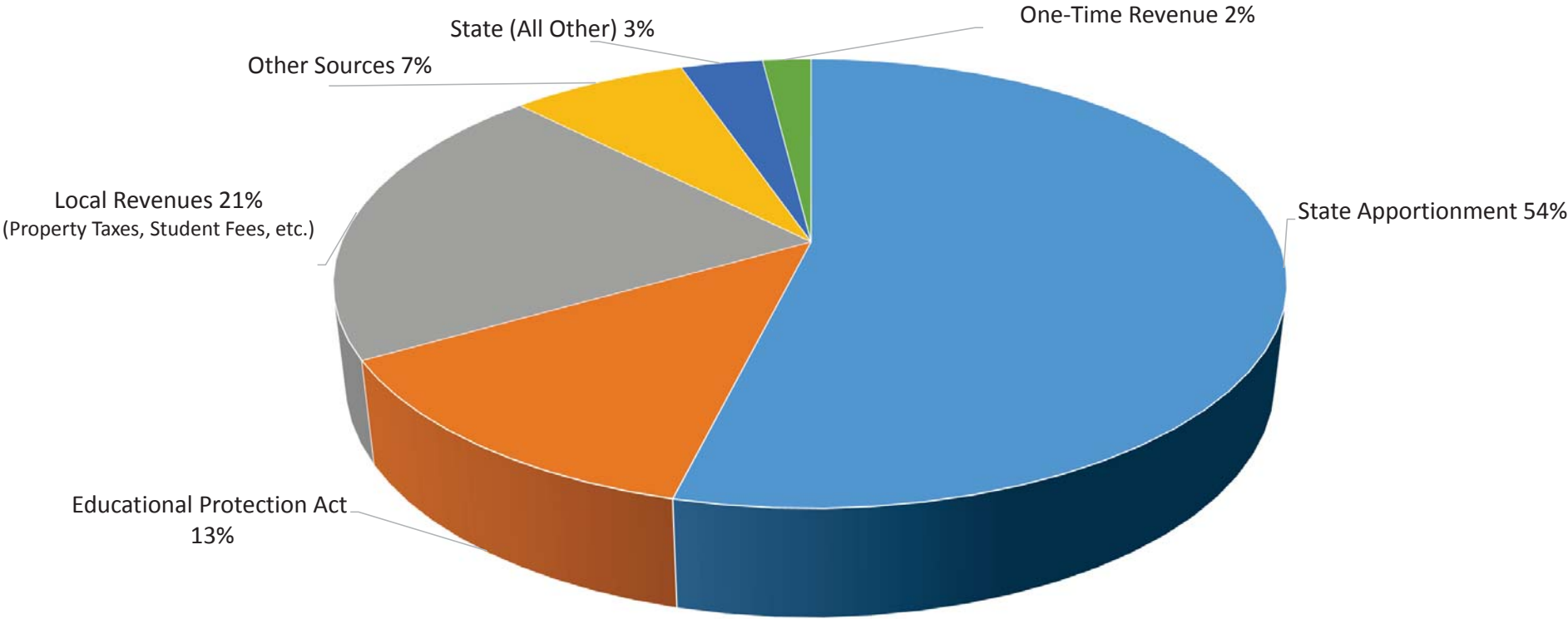
**Victor Valley Community College District
2016/17 ADOPTED BUDGET
Unrestricted General Fund
Board of Trustees Meeting - September 13, 2016**

	Adopted Budget 2015-2016	Actual Fiscal Year 2015-2016	Adopted Budget 2016-2017	Estimated Budget Year 2017-2018	Estimated Budget Year 2018-2019
FTES Rolled (Beginning Balance)	391				
FTES (Total State Funded)	9,426	9,209	9,531	9,626	9,723
Needed for Mid-Size College	9,940	9,940	10,000	10,000	10,000
FTES Reported/Projected	9,426	9,209	9,531	9,626	9,723
FTES Unfunded	-	-	-	-	-
BEGINNING FUND BALANCE	\$3,637,919	\$3,637,919	\$5,210,032	\$5,232,089	\$3,494,410
ESTIMATED REVENUES					
State (Apportionment)	\$32,035,289	\$31,016,211	\$32,538,446	\$32,863,830	\$31,992,469
State (Apportionment) Prior Year Recalc	\$0	\$652,766	\$0	\$0	\$0
Educational Protection Act (EPA)	\$8,025,963	\$7,993,118	\$7,754,720	\$7,832,267	\$7,910,590
State (All Other)	\$7,041,786	\$7,080,018	\$2,001,577	\$2,001,577	\$2,001,577
CalSTRS On-Behalf Payments (GASB 24)	\$0	\$1,429,296	\$0	\$0	\$0
Local (Property Tax Included)	\$10,628,148	\$12,678,224	\$16,310,468	\$15,410,468	\$14,810,468
One-Time Revenue	\$652,731	\$559,040	\$1,183,827	\$160,827	\$160,827
TOTAL REVENUES	\$58,383,917	\$61,408,673	\$59,789,038	\$58,268,969	\$56,875,930
ESTIMATED EXPENDITURES					
Academic Salaries	\$23,096,399	\$23,486,345	\$24,041,784	\$24,156,784	\$24,271,784
Classified Salaries	\$9,909,093	\$9,667,150	\$10,402,287	\$10,506,287	\$10,610,287
Management Salaries	\$3,862,933	\$3,726,811	\$3,914,140	\$3,915,921	\$3,944,196
Employee Benefits	\$12,814,521	\$12,023,430	\$13,262,192	\$13,895,963	\$14,583,275
Salary & Benefit Savings	\$0	\$0	(\$1,376,394)	(\$1,548,612)	(\$1,602,286)
OPEB Liability	\$0	\$0	\$508,127	\$0	\$0
CalSTRS On-Behalf Payments (GASB 24)	\$0	\$1,429,296	\$0	\$0	\$0
Supplies, Software, Subscriptions	\$893,537	\$597,685	\$1,031,649	\$1,031,649	\$1,031,649
Services and Operations	\$6,161,413	\$5,919,280	\$6,546,011	\$6,611,471	\$6,677,586
Capital Outlay	\$719,673	\$961,363	\$707,485	\$707,485	\$707,485
Transfers, Reserves	\$829,700	\$2,025,200	\$729,700 *	\$729,700	\$729,700
TOTAL ESTIMATED EXPENDITURES	\$58,287,269	\$59,836,560	\$59,766,981	\$60,006,648	\$60,953,676
ENDING FUND BALANCE	\$3,734,567 6.4%	\$5,210,032 8.7%	\$5,232,089 8.8%	\$3,494,410 5.8%	(\$583,335) -1.0%

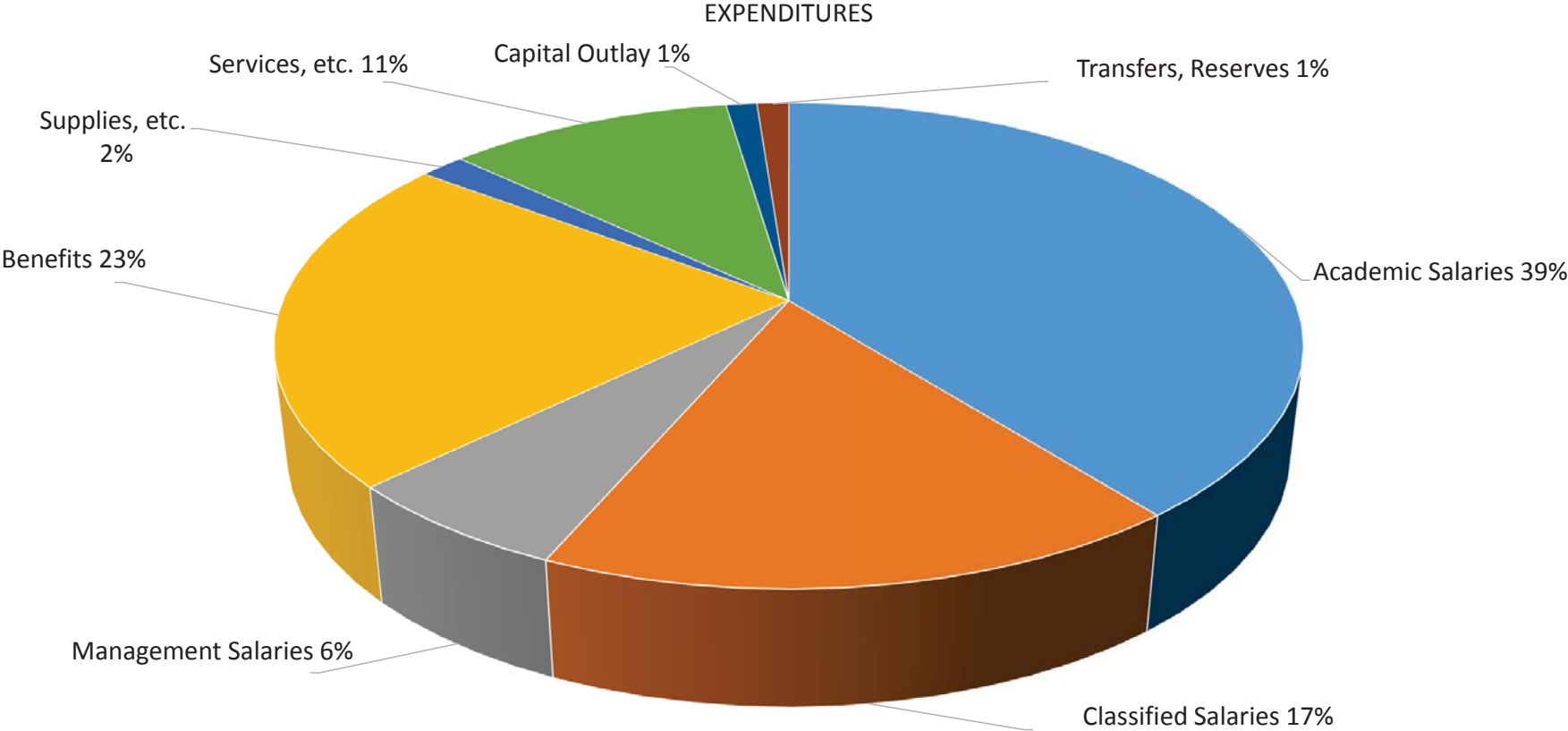
* Includes \$24,000 Inter-fund Transfer to Fund 78-Insurance Fund

2016-17 General Fund Budget (Unrestricted) Where The Money Comes From

REVENUES



2016-17 General Fund Budget (Unrestricted) Where The Money Goes



Bond Fund – Fund 42

- One-Stop \$355,000
- Vocational Complex Renovation \$6,618,865
- VVC Campus \$100,000

Capital Outlay

- Instructional Support \$390,441
- Facilities \$2,663,750
- Information Technology \$1,048,110
- Energy Efficiency Projects \$596,156

Other Funds (2016-17 Budget)

Fund	Beginning Balance	Revenue	Expense	Ending Fund Balance
39 (GIC)	\$29,536,618	\$2,295,365	0	\$31,831,983
42 (Bond)	\$13,368,609	\$75,000	\$7,258,749	\$6,184,860
71 (Capital Outlay)	\$5,828,379	\$1,315,000	\$2,630,750	\$4,512,629
72 (Child Development)	\$133,567	\$287,203	\$287,203	\$133,567
73 (Student Center)	0	\$91,100	\$91,100	0
75 (Health Trust)	\$41,394	\$150	0	\$41,544
78 (Self Insurance)	\$526,767	\$25,000	\$137,120	\$414,647
Auxiliary Services	\$268,544	\$314,350	\$312,000	\$270,894
Bookstore	\$1,516,155	\$678,450	\$675,100	\$1,519,505
ASB Trust	\$367,566	\$171,000	\$171,000	\$367,566
<i>Pension Irrevocable Trust</i>	<i>\$4,300,000</i>	<i>\$172,000</i>	<i>\$3,700,000</i>	<i>\$772,000</i>

Questions?