

# Victor Valley Community College District



**FY 2017-2018  
Final Budget**

# Community College Big Picture

## Revenue Impact Summary (Unrestricted):

Unrestricted Ongoing	CA Community College System	Victor Valley College
COLA	1.56% - \$97.6 million	1.56% - \$806,429
Growth	1% - \$57.8 million	1.62% - \$744,845
Basic Allocation	\$183.6 million	\$1,472,378

# Community College Big Picture

## Revenue Impact Summary (Restricted):

Restricted Ongoing Instructional	CA Community College System	Victor Valley College
Basic Skills and Student Outcomes	\$19,068,000	\$190,666
E.O.P.S	\$102,049,003	\$1,040,271
C.A.R.E.	\$14,838,053	\$311,625
D.S.P.S.	\$93,465,704	\$479,215
CalWORKS	\$41,273,654	\$641,922
Adult Education Block Grant*	\$126,241,058	\$2,069,315

Restricted Ongoing Workforce	CA Community College System	Victor Valley College
Strong Workforce Program	\$117,800,000	\$1,273,644

\* VVC is the regional consortia responsible for implementing the funds of this grant to 4 local high schools.

# Community College Big Picture

## Revenue Impact Summary (Restricted Continued):

Restricted Ongoing Financial Aid & Outreach	CA Community College System	Victor Valley College
Student Success & Support Program (SSSP)	\$209,204,501	\$1,628,376
Student Equity	\$110,000,005	\$1,217,597
Full-time Student Success Grant	\$50,010,730	\$602,631

Restricted One-time Facilities	CA Community College System	Victor Valley College
Deferred Maintenance & Instructional Support	\$76,859,000	\$641,811
Proposition 39 – Energy Efficiency	\$38,962,000	\$325,352

# Cautions and Concerns

- **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 15.53% and will continue to increase until it reaches 23.8% in 2020-21.

- **Health Care Cost Increases**

2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
16.7%	13.6%	10.6%	4.6%	17%	6.4%

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

- District will be funded at a small-sized college level for fiscal year 2017-2018. This results in a 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
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	\$1,619	\$1,482
2015-16	9,142	71	9,213	\$2,900	\$1,541	\$2,039
2016-17	9,429	48	9,477	\$3,002	\$1,504	\$1,538

Source: Fiscal Data Abstracts 2009-10 through 2014-15 published by the Chancellor's Office  
 2015-16: CFS-311A Financial Report  
 2016-17: 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 2017-18 Advance Principal Apportionment Exhibit, known and anticipated changes to the FY 2017-18 budget, including negotiated items from the employee groups, an Adopted Operating Budget has been prepared which includes estimated revenues and expenditures for 2017-18 fiscal year.

# Revenue Assumptions

- The 2017-18 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 1.02%. Revised Funding Formula indicates VVC to receive up to 1.62% for Fiscal Year 2017-18. Fiscal years 2018-19 and 2019-20 are estimated at 2%.
- Allocation of \$183.6 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 increased to 15.53%, an increase of 1.64%, estimated at an additional ongoing annual cost of \$174,162.
- State Teachers Retirement System (STRS) increased to 14.43%, an increase of 1.85%, estimated at an additional annual ongoing cost of \$484,249.
- Increase in Medical premiums to the District estimated at \$318,000.

# CalSTRS and CalPERS Impacts to Budget

## CalPERS Proposed Employer Rates

	2016-17	2017-18	2018-19	2019-20	2020-21
Rate Increase	2.04%	1.64%	2.57%	2.70%	3.00%
Projected Increase	\$217,895	\$174,162	\$272,925	\$286,731	\$318,590
<b>Projected Total Expense</b>	<b>\$1,495,229</b>	<b>\$1,669,391</b>	<b>\$1,942,316</b>	<b>\$2,229,047</b>	<b>\$2,547,637</b>

## 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	\$484,249	\$484,249	\$484,249	\$253,903
<b>Projected Total Expense</b>	<b>\$2,747,870</b>	<b>\$3,232,119</b>	<b>\$3,716,368</b>	<b>\$4,200,617</b>	<b>\$4,454,520</b>
<b>Total Increases</b>	<b>\$679,700</b>	<b>\$658,411</b>	<b>\$757,174</b>	<b>\$770,980</b>	<b>\$572,493</b>
<b>Total Increase over 5 Years:</b>					<b>\$3,438,758</b>

# Budget Augmentations - \$300,000

REQUEST	DEPARTMENT
Update QuickBooks Pro	Fiscal
ABA Legal Dues	Political Science
Replace Micro Slides	Biology
Replace Plastic Flasks	Biology
OS1 Training	Custodial
Contracted Services	Maintenance & Ops
Supply Budget	Maintenance & Ops
Instructional Supplies	Welding
OPRA Replacement	Maintenance & Ops
Staff Certification	Research
Instructional Supplies	EMS
Meeting Supplies	English
Training	Info Tech

# Budget Augmentations - \$300,000 (cont.)

REQUEST	DEPARTMENT
25Live/College Net	Info Tech
Image Now	Info Tech
Image Now Implementation	Info Tech
Active Directory	Info Tech
Sophos Endpoint	Info Tech
Knowbe4 Security	Info Tech
Microsoft Campus	Info Tech
Sophos InterceptX	Info Tech
Nelnet Integration	Info Tech
SARS Anywhere	Info Tech
JWPlayer Licensing	Info Tech

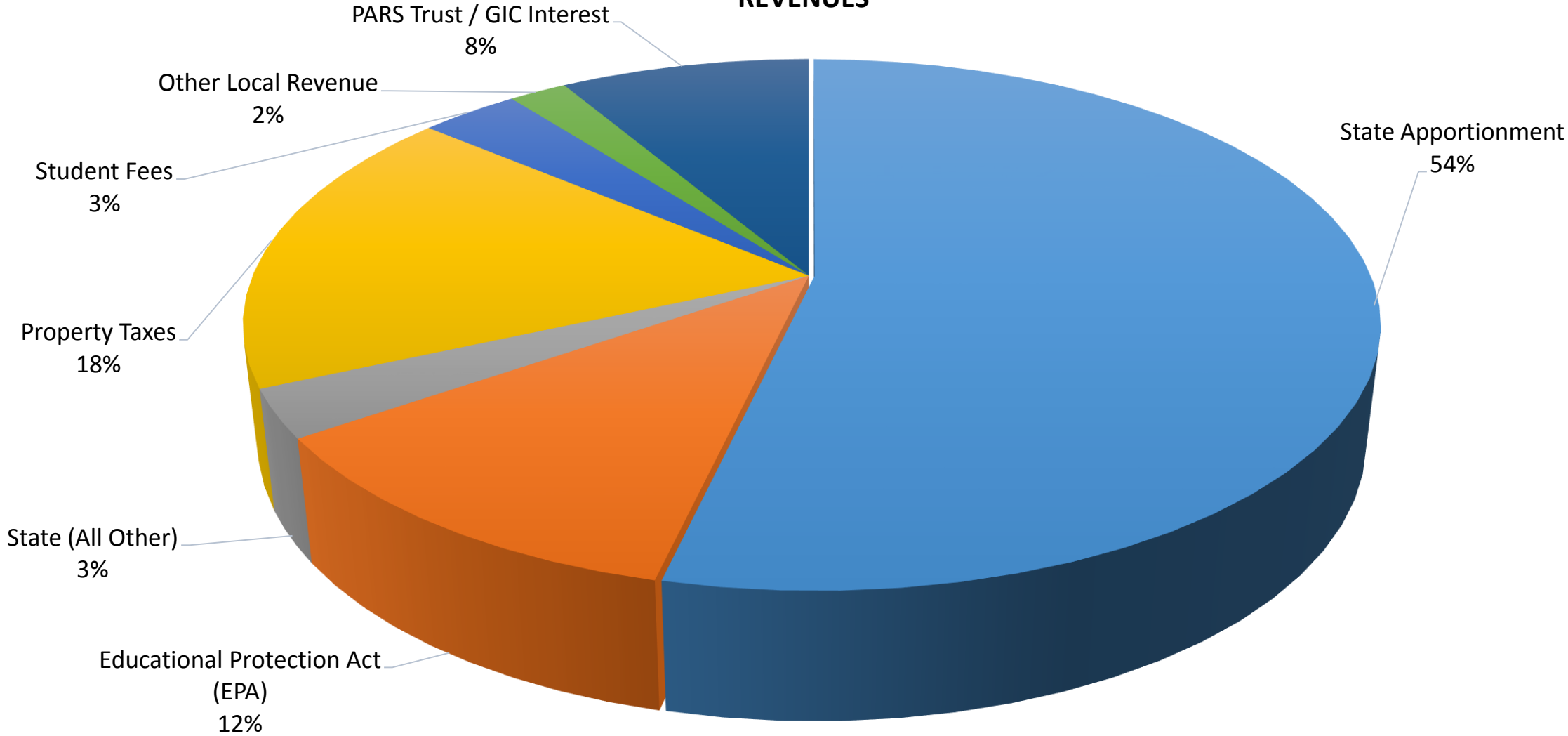
# Approved Staffing Requests for FY 2017/18

Position	Estimated Salary
Vice President / Student Services	\$162,828
Web Developer	\$62,388
Dual Enrollment Coordinator	\$62,388
Custodian	\$32,016
Help Desk Technician	\$58,115
10 Full-time Faculty *	\$743,690
<b>TOTAL</b>	<b>\$1,121,425</b>

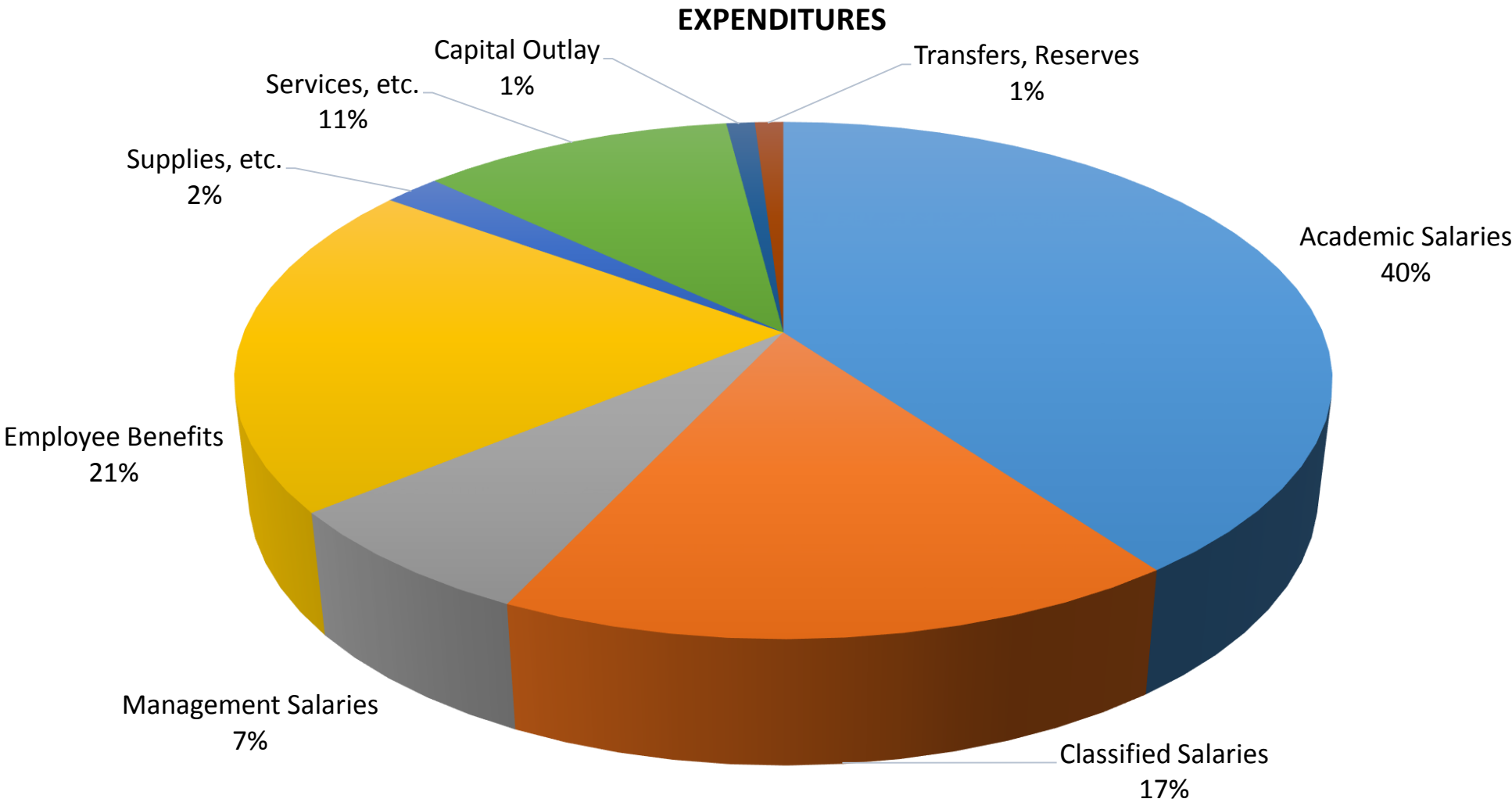
*\*Includes 1 grant-funded faculty position.*

# 2017-18 General Fund Budget (Unrestricted) Where The Money Comes From

## REVENUES



# 2017-18 General Fund Budget (Unrestricted) Where The Money Goes



**Victor Valley Community College District**  
**2017-18 ADOPTED BUDGET**  
**Unrestricted General Fund**  
**Board of Trustees Meeting - September 12, 2017**

09.06.17

	Adopted Budget 2016-2017	Actual Fiscal Year 2016-2017	Adopted Budget 2017-2018	Estimated Budget Year 2018-2019	Estimated Budget Year 2019-2020
Needed for Mid-Size College FTES Reported/Projected	10,000 9,531	10,000 9,477	10,000 9,621	10,000 9,813	10,000 10,010
<b>BEGINNING FUND BALANCE</b>	<b>\$5,210,032</b>	<b>\$5,210,032</b>	<b>\$5,679,430</b>	<b>\$5,713,681</b>	<b>\$4,292,845</b>
<b><u>ESTIMATED REVENUES</u></b>					
State (Apportionment)	32,538,446	32,601,137	\$33,401,856	\$33,805,173	\$35,972,476
State (Apportionment) Prior Year Recalc	-	314,614	\$0	\$0	\$0
Educational Protection Act (EPA)	7,754,720	7,706,878	\$7,299,512	\$7,157,060	\$7,157,060
State (All Other)	2,001,577	2,013,164	\$1,828,795	\$1,849,870	\$1,863,838
CalSTRS On-Behalf Payments (GASB 24)	-	1,985,376	\$2,000,000	\$0	\$0
Local (Property Tax Included)	12,610,468	14,493,965	\$14,430,181	\$14,430,181	\$14,430,181
<b>TOTAL REVENUES</b>	<b><u>\$54,905,211</u></b>	<b><u>\$59,115,134</u></b>	<b><u>\$58,960,344</u></b>	<b><u>\$57,242,284</u></b>	<b><u>\$59,423,555</u></b>
<b><u>ESTIMATED EXPENDITURES</u></b>					
Academic Salaries	24,041,784	24,751,946	\$25,087,409	\$25,202,409	\$25,317,409
Classified Salaries	10,402,287	9,453,032	\$10,745,272	\$10,927,020	\$10,986,020
Management Salaries	3,914,140	3,619,760	\$4,051,396	\$4,084,396	\$4,117,396
Employee Benefits	13,262,192	12,426,107	\$14,859,161	\$15,616,335	\$16,387,315
Salary & Benefit Savings	(1,376,394)		(\$1,534,650)	(\$1,500,000)	(\$1,500,000)
OPEB Liability	508,127	508,127	\$0	\$0	\$0
FON Penalty	-	533,463	\$0	\$0	\$0
CalSTRS On-Behalf Payments (GASB 24)	-	1,985,376	\$2,000,000	\$0	\$0
Supplies, Software, Subscriptions	1,031,649	444,122	\$994,005	\$1,039,857	\$1,039,857
Services and Operations	6,546,011	6,637,294	\$6,553,980	\$6,665,180	\$6,665,180
Capital Outlay	707,485	1,026,448	\$686,123	\$708,923	\$708,923
Transfers, Reserves	729,700	25,200	\$894,097	\$729,700	\$729,700
<b>TOTAL ESTIMATED EXPENDITURES</b>	<b><u>\$59,766,981</u></b>	<b><u>\$61,410,875</u></b>	<b><u>\$64,336,793</u></b>	<b><u>\$63,473,820</u></b>	<b><u>\$64,451,800</u></b>
<b>FUND BALANCE</b>	<b>348,262</b>	<b>2,914,291</b>	<b>\$302,981</b>	<b>(\$517,855)</b>	<b>(\$735,400)</b>
PARS Trust / GIC	3,700,000	1,100,000	5,300,000	4,700,000	1,100,000
One-Time Revenue	1,183,827	1,665,139	110,700	110,700	110,700
<b>ENDING FUND BALANCE</b>	<b>\$ 5,232,089</b>	<b>8.8% \$ 5,679,430</b>	<b>9.2% \$ 5,713,681</b>	<b>8.9% \$ 4,292,845</b>	<b>6.8% \$ 475,300</b>



# Bond Fund – Fund 42

## 2017-18 Budget

One-Stop	\$ 4,224,500
Vocational Complex Renovation	\$ 1,243,348
VVC Campus	\$ 100,000
<b>Total</b>	<b>\$ 5,567,848</b>

# Capital Outlay Projects 2017-18 Budget

Deferred Maintenance	\$ 699,000
Facilities	\$ 2,336,000
Maintenance & Operations	\$ 561,200
Information Technology	\$ 1,307,000
Energy Efficiency Projects	\$ 525,352
<b>Total</b>	<b>\$ 5,428,552</b>

# Potential GIC Projects

	Estimated Project Cost
One-Stop *	\$ 18,000,000
Renovate Buildings 50 & 52	\$ 3,000,000
Renovate Buildings 55	\$ 3,500,000
Stadium / Conference Center	\$ 12,000,000
Engineering & Arts Building	\$ 3,500,000
<b>Total</b>	<b>\$ 38,000,000</b>

*\*Only a portion of GIC funding will be needed to complete the One-Stop project.*

# Other Funds 2017-18 Budget

Fund	Beginning Balance	Revenue	Expense	Ending Fund Balance
21 (Bond Interest and Redemption)	\$7,812,372	\$6,864,727	\$6,864,727	\$7,812,372
39 (GIC)	\$29,546,771	\$2,311,700	\$2,300,000	\$29,558,471
42 (Bond)	\$8,564,884	\$75,000	\$5,567,848	\$3,072,036
71 (Capital Outlay)	\$5,774,584	\$1,525,000	\$3,440,200	\$3,859,384
72 (Child Development)	\$174,872	\$299,494	\$371,341	\$103,025
73 (Student Center)	\$0	\$111,500	\$111,500	\$0
75 (Health Trust)	\$41,750	\$250	\$0	\$42,000
78 (Self Insurance)	\$670,862	\$27,000	\$116,500	\$581,362
Auxiliary Services	\$346,478	\$325,000	\$323,318	\$348,160
Bookstore	\$1,728,742	\$859,350	\$859,350	\$1,728,742
ASB Trust	\$370,444	\$180,000	\$236,000	\$314,444
Pension Irrevocable Trust	\$5,782,709	\$264,000	\$3,000,000	\$3,046,709
Other Post Employment Benefits (OPEB)	\$12,166,736	\$1,094,206	\$0	\$13,260,942
<b>Total</b>	<b>\$72,981,204</b>	<b>\$13,937,227</b>	<b>\$23,190,784</b>	<b>\$63,727,647</b>

**Questions?**