

Victor Valley College
2007 – 2008 Final General Fund Budget
Key Budget Development Assumptions

REVENUE ASSUMPTIONS

- The District growth target from the state will be approximately 5%. No growth funding is being added to the budget until growth is earned. In 2004 – 2005 and 2005 – 2006 the college did not make growth and lost the opportunity to add approximately \$5 million to its base budget. Additionally, the college has lost base FTES for which it was penalized financially. Current projections for 2007-2008 are to achieve the 5% growth.
- State revenues are reduced by \$1 million to reflect enrollment shortfalls 2006-2007 that will be repaid in the current fiscal year.
- The Cost-of-Living Adjustment (COLA) is budgeted at 4.53%.
- Fee income is reduced by 10 percent (10%) to reflect an additional six months of reduced fees based on the January 2007 implementation of a fee reduction from \$26 to \$20 dollars.
- Increased revenues for parking fees of approximately \$69,000 is being included (based on Board action) to help support costs of securing and maintaining the parking operations.
- Lottery funds will be budgeted at the same rate as in 2006 – 2007.
- One time reserve funds of about \$2 million are included to balance the budget in accordance with the five year plan to increase state revenues through enrollment growth.

EXPENDITURE ASSUMPTIONS

- Cost of step and column salary increases is funded right off the top of the COLA funding.
- Funding equal to 6.53% of full-time salaries is funded as reported, for full-time faculty, classified and management staff. Funding is provided for part-time faculty salary increases of approximately 27%.
- Partial funds for retiree health benefits to comply with the GASB 43/45 requirements will be set aside.
- Limited funding will be provided to meet highest priority needs identified through the shared governance budget process.
- Instructional supply budgets will be implemented at last year's base plus augmentations intended to be ongoing. Allocations for one-time needs will be part of the budget prioritization process.
- The unrestricted reserve fund is projected to drop to 3.5% due to costs of exceeding revenues. This may change for the worse based on final enrollment analysis.
- Work must be done to increase enrollments to achieve growth funding to reverse the trend of budgetary overspending. Work should begin immediately on how to bring the budget back into balance.