



Cerritos College 2017-18 Adopted Budget

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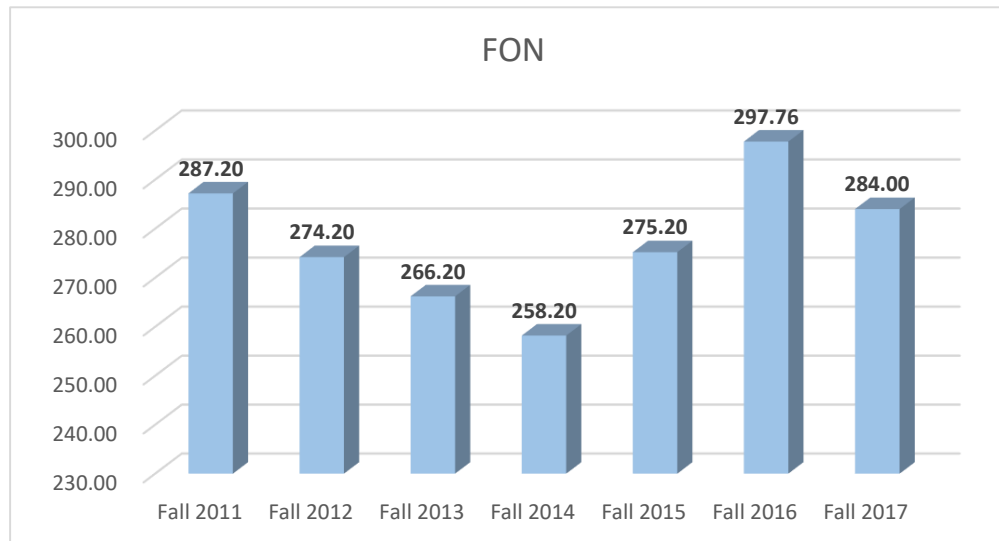
Key Assumptions

History of COLA

Year	Statutory COLA	California Community Colleges COLA
2009-10	4.25%	0.00%
2010-11	-0.39%	0.00%
2011-12	2.24%	0.00%
2012-13	3.24%	0.00%
2013-14	1.57%	1.57%
2014-15	0.85%	0.85%
2015-16	1.02%	1.02%
2016-17	0.00%	0.00%
2017-18	1.56%	1.56%

Key Assumptions Full-Time Faculty Obligation Number (FON)

Year	FON	
Fall 2011	287.20	*
Fall 2012	274.20	*
Fall 2013	266.20	*
Fall 2014	258.20	
Fall 2015	275.20	
Fall 2016	297.76	
Fall 2017	284.00	



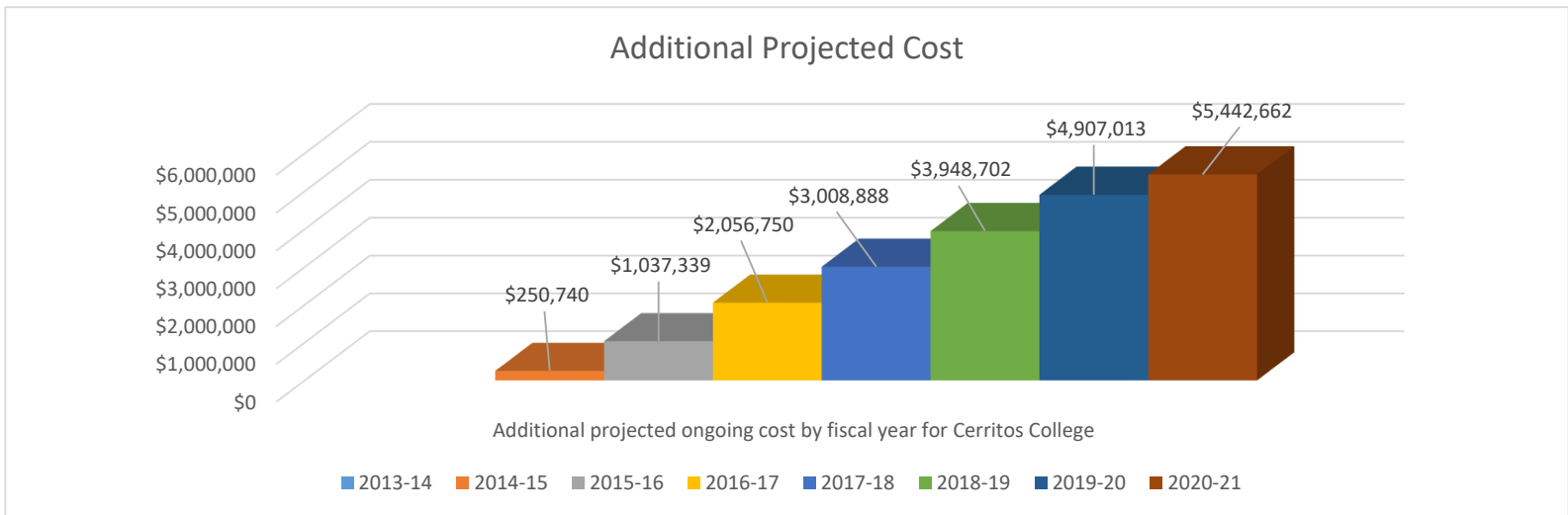
Note:

* The Board of Governors (BOG) determined there were inadequate funds to implement an increase in the fall 2011 FON. As provided in the regulation, in such years the district base full-time faculty obligation shall be unchanged.

Key Assumptions

2014-15 State Budget Approved by Legislature State Teachers Retirement System (STRS) Contribution Rates

Fiscal Year	Additional projected ongoing cost by fiscal year for Cerritos College	Employer	Employee (Pre-2013 hire date)	Employee (Post-2013 hire date)	State
2013-14		8.25%	8.00%	8.00%	3.04%
2014-15	\$ 250,740	8.88%	8.15%	8.15%	3.45%
2015-16	\$ 1,037,339	10.73%	9.20%	8.56%	3.89%
2016-17	\$ 2,056,750	12.58%	10.25%	9.21%	6.33%
2017-18	\$ 3,008,888	14.43%	10.25%	9.21%	6.33%
2018-19	\$ 3,948,702	16.28%	10.25%	9.21%	6.33%
2019-20	\$ 4,907,013	18.13%	10.25%	9.21%	6.33%
2020-21	\$ 5,442,662	19.10%	10.25%	9.21%	6.33%



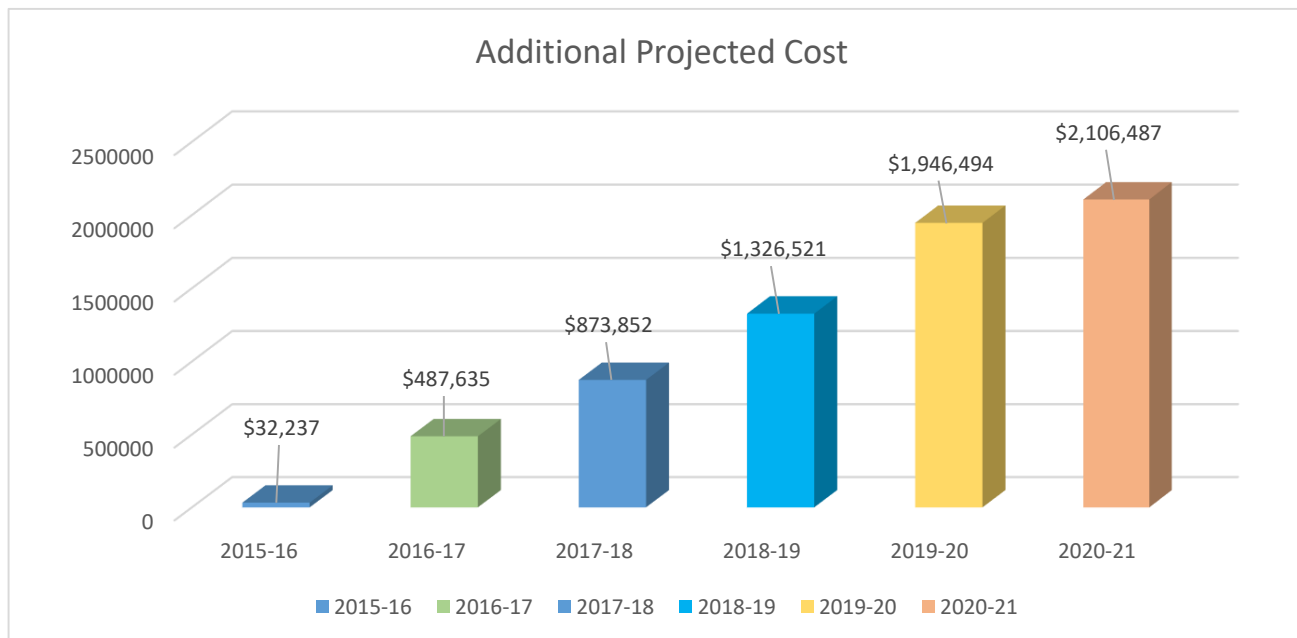
Note: Plan also allows CalSTRS to annually adjust the employer and state rates beginning July 1, 2021, and caps any such annual increase at 1% for employers and 0.5% for the state

Key Assumptions

CALPERS Board of Administration

California Public Employees' Retirement System (CalPERS) Contribution Rates

Fiscal Year	Additional projected ongoing cost by fiscal year for Cerritos College	Employer
2013-14		11.70%
2014-15	\$ -	11.70%
2015-16	\$ 32,237	11.85%
2016-17	\$ 487,635	13.88%
2017-18	\$ 873,852	15.53%
2018-19	\$ 1,326,521	17.40%
2019-20	\$ 1,946,494	19.90%
2020-21	\$ 2,106,487	20.40%



Key Assumptions

2017-18 Adopted Budget Statutory Benefits

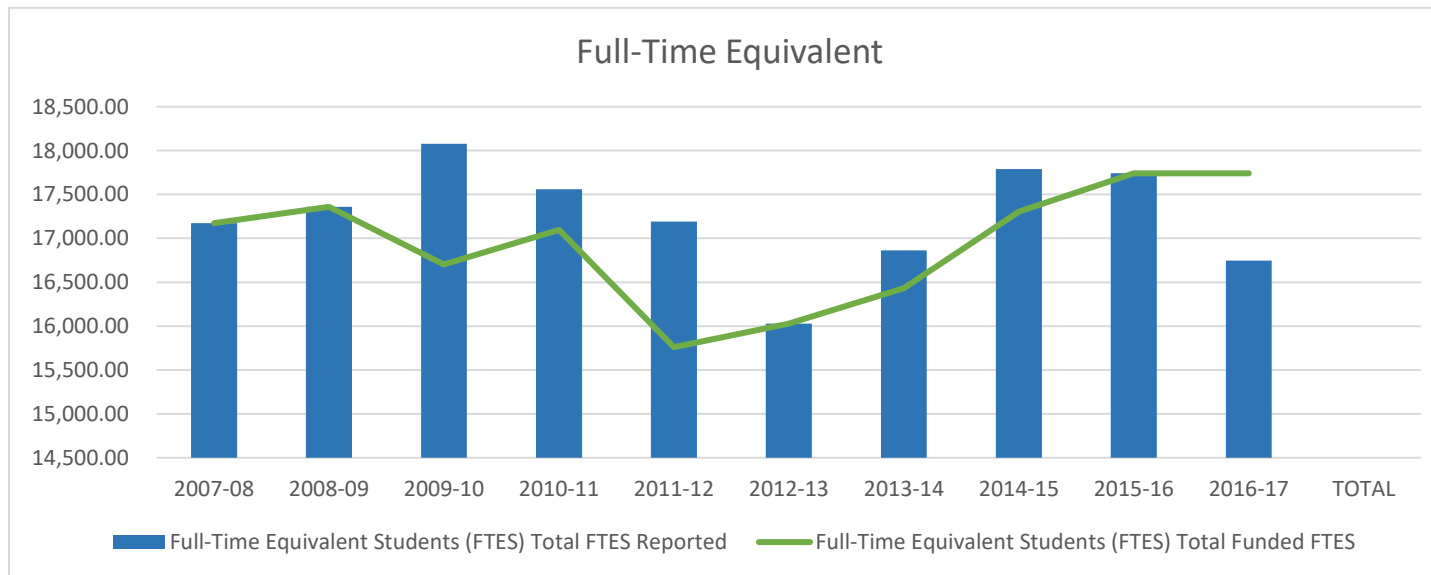
Bargaining Units	Academic Adjunct	Academic, Educational Administrators	Classified
State Teachers Retirement System (STRS)		14.43%	
Public Employee Retirement System (PERS)			15.53%
Social Security (OASDHI)			6.20%
Medicare		1.45%	1.45%
State Unemployment Insurance (SUI)		0.05%	0.05%
Worker's Compensation		1.28%	1.28%
Alternative Retirement Plan (ARP) Academic Adjunct	3.75%		
TOTAL		17.21%	24.51%

Key Assumptions

Full-Time Equivalent Students (FTES)

Fiscal Year	Credit	Noncredit	CDCP	Total FTES Reported	Unfunded	Total Funded FTES	Revenue Shortfall
2007-08	16,643.99	528.78		17,172.77		17,172.77	\$ (267,332)
2008-09	16,872.47	486.76		17,359.23		17,359.23	\$ (985,038)
2009-10	17,683.06	282.08	111.35	18,076.49	(1,373.82)	16,702.67	
2010-11	17,220.93	199.82	137.73	17,558.48	(461.69)	17,096.79	\$ (264,807)
2011-12	16,954.65	75.18	162.16	17,191.99	(1,432.19)	15,759.80	\$ (1,473,413)
2012-13	15,680.70	137.18	209.59	16,027.47		16,027.47	\$ (148,826)
2013-14	16,446.13	219.30	198.10	16,863.53	(429.04)	16,434.49	\$ (363,120)
2014-15	17,318.55	346.23	125.51	17,790.29	(484.64)	17,305.65	
2015-16	17,324.97	117.31	298.48	17,740.76		17,740.76	
2016-17	16,483.41	115.10	149.03	16,747.54		17,740.76	
TOTAL					<u>(4,181.38)</u>		<u>\$ (3,502,536)</u>

Stabilization



Key Assumptions

2017-18 Adopted Budget Full-time Equivalent (FTE)

Employee Group	2016-17 Adopted Budgeted	2017-18 Adopted Budgeted
Full Time Faculty (CCFF)	304	308
Classified (CSEA)	305	301
Management	48	48
Confidential	11	11
Child Development Center	11	11
Executive Committee (President/VPs)	5	5
Board of Trustees	8	8
TOTAL	692	692

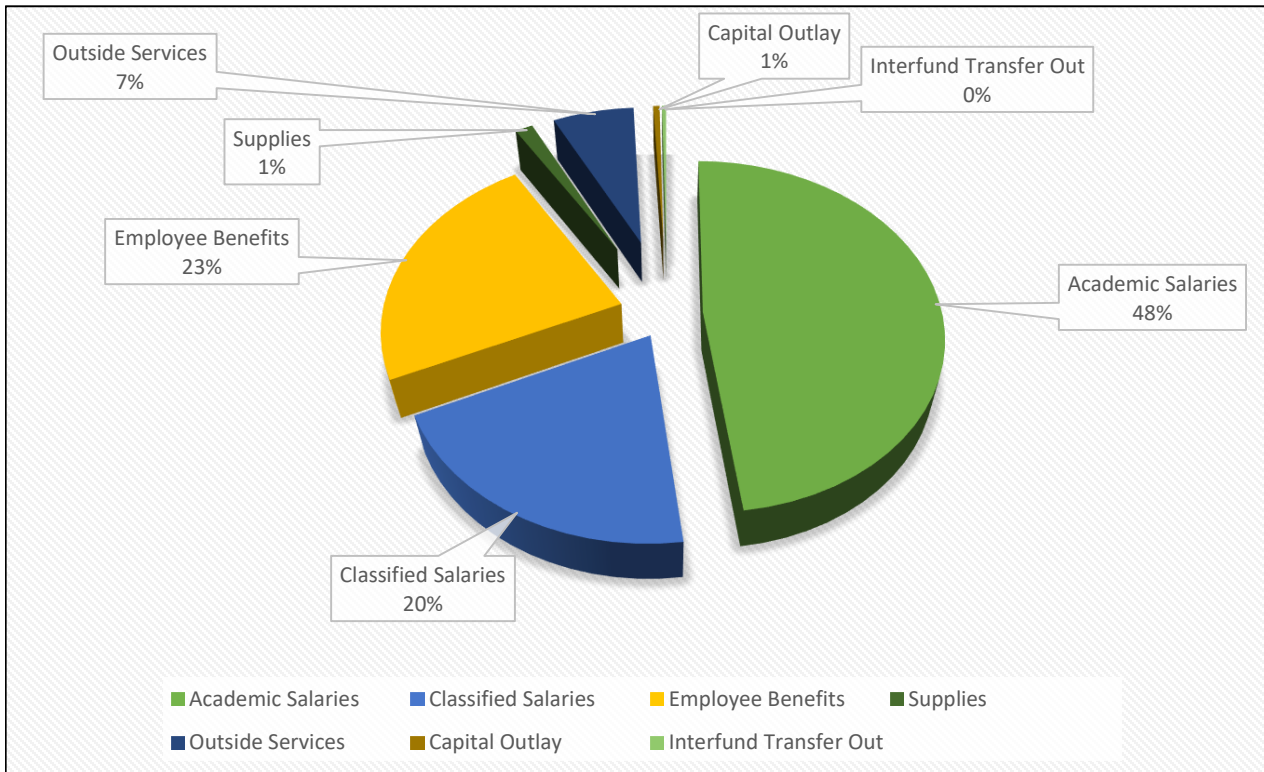
2017-18 Adopted Budget

Cost of 1% Salary Increase

Bargaining Units	Cost of 1%	Statutory Benefits	Total
Full Time Faculty (CCFF)	\$ 378,639	\$ 65,050	\$ 443,689
Adjunct (CCFF)	\$ 132,992	\$ 22,848	\$ 155,840
Classified (CSEA)	\$ 198,109	\$ 48,497	\$ 246,606
Management	\$ 63,790	\$ 13,287	\$ 77,077
Confidential	\$ 8,175	\$ 2,001	\$ 10,176
Child Development Center	\$ 4,511	\$ 775	\$ 5,286
Others - Short Term Temp, Student Workers	\$ 38,329	\$ 3,430	\$ 41,759
Board of Trustees	\$ 507	\$ 45	\$ 552
TOTAL	\$ 825,052	\$ 155,934	\$ 980,986

Unrestricted General Fund Expenditures

Description	2017-18 Adopted Budget	Percent
Academic Salaries	\$ 50,762,074	47.99%
Classified Salaries	\$ 21,240,392	20.08%
Employee Benefits	\$ 24,486,649	23.15%
Supplies	\$ 1,500,981	1.42%
Outside Services	\$ 6,898,295	6.52%
Capital Outlay	\$ 542,980	0.51%
Interfund Transfer Out	\$ 350,200	0.33%
	\$ 105,781,571	100.00%



Unrestricted General Fund Revenue/Expenditures

Description	2017-18 Adopted Budget	Percent
Revenue	\$ 101,968,263	100.00%
Academic Salaries	\$ 50,762,074	49.78%
Classified Salaries	\$ 21,240,392	20.83%
Employee Benefits	\$ 24,486,649	24.01%
Supplies	\$ 1,500,981	1.47%
Outside Services	\$ 6,898,295	6.77%
Capital Outlay	\$ 542,980	0.53%
Outside Services	\$ 350,200	0.34%
Surplus/(Deficit) Spending	<u><u>\$ (3,813,308)</u></u>	<u><u>-3.40%</u></u>

2017-18 and Beyond Issues for Consideration

Revenues

Education Protection Act (Prop 30/Prop 55):

- a) Sales Tax Sunset (25%)

Apportionment:

- a) Adopted Budget based on 16,800 FTES

Expenses

State Teachers Retirement System (STRS):

- a) Employer contribution increased by 1.85% to 14.43% 7/1/2017

California Public Employees' Retirement System (CalPERS):

- a) Employer contribution increased by 1.65% to 15.53%% 7/1/2017

State Minimum Wage Increase:

- a) Increase from \$10/hr. to \$10.50/hr. 1/1/2017
- b) Increase from \$10.50/hr. to \$11.00/hr. 1/1/2018
- c) Increase from \$11.00/hr. to \$12.00/hr. 1/1/2019
- d) Increase from \$12.00/hr. to \$13.00/hr. 1/1/2020
- e) Increase from \$13.00/hr. to \$14.00/hr. 1/1/2021
- f) Increase from \$14.00/hr. to \$15.00/hr. 1/1/2022

Cost Saving Measures:

- a) Implemented a temporary hiring freeze affecting management, confidential, and classified positions funded by the unrestricted general fund - approximately \$1 million one-time cost savings.