



# Cerritos College 2018-19 Tentative 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%
2018-19	2.71%	2.71%

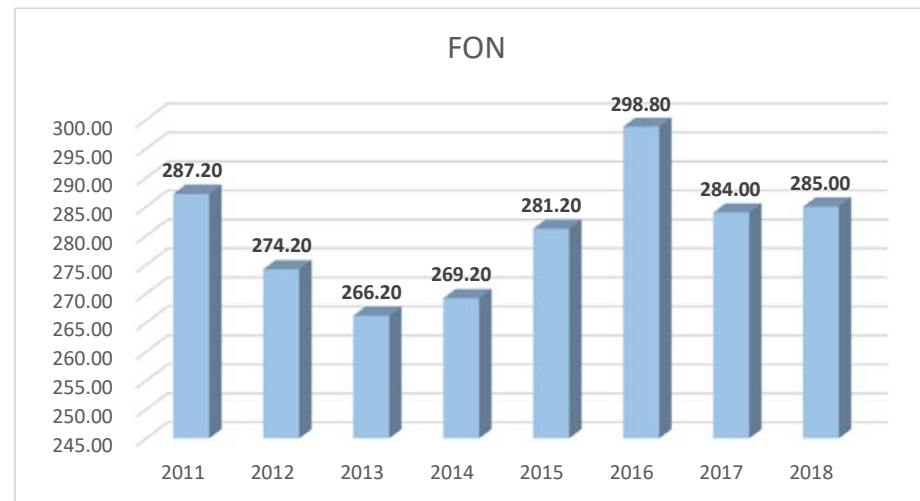
# Key Assumptions

## How COLA Is Used

	Dollar Increases	Percentage Increases
2018-19		
<b>Revenue Increases</b>		
COLA	2,500,000.00	2.71%
<b>Expenses Increases</b>		
Step/Column	860,000.00	1.00%
STRS pension rate	625,980.00	1.85%
PERS pension rate	522,823.00	2.53%
Total Expense Increases	2,008,803.00	
Net Increase (Decrease)	491,197.00	

## Key Assumptions Full-Time Faculty Obligation Number (FON)

Year	FON	
2011	287.20	*
2012	274.20	*
2013	266.20	*
2014	269.20	
2015	281.20	
2016	298.80	
2017	284.00	
2018	285.00	**



**Note:**

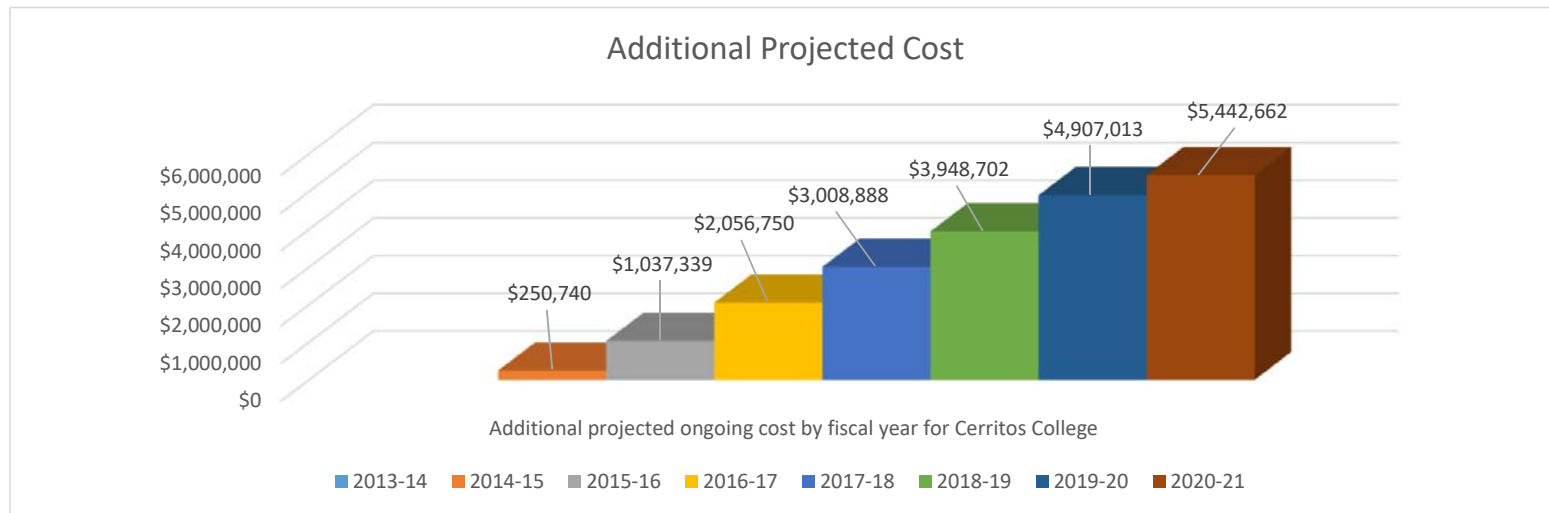
\* The Board of Governors (BOG) determined there were inadequate funds to implement an increase in the fall 2011 FON. As provided in the regulation, in such years the district base full-time faculty obligation shall be unchanged.

\*\*Projected FON

# 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%



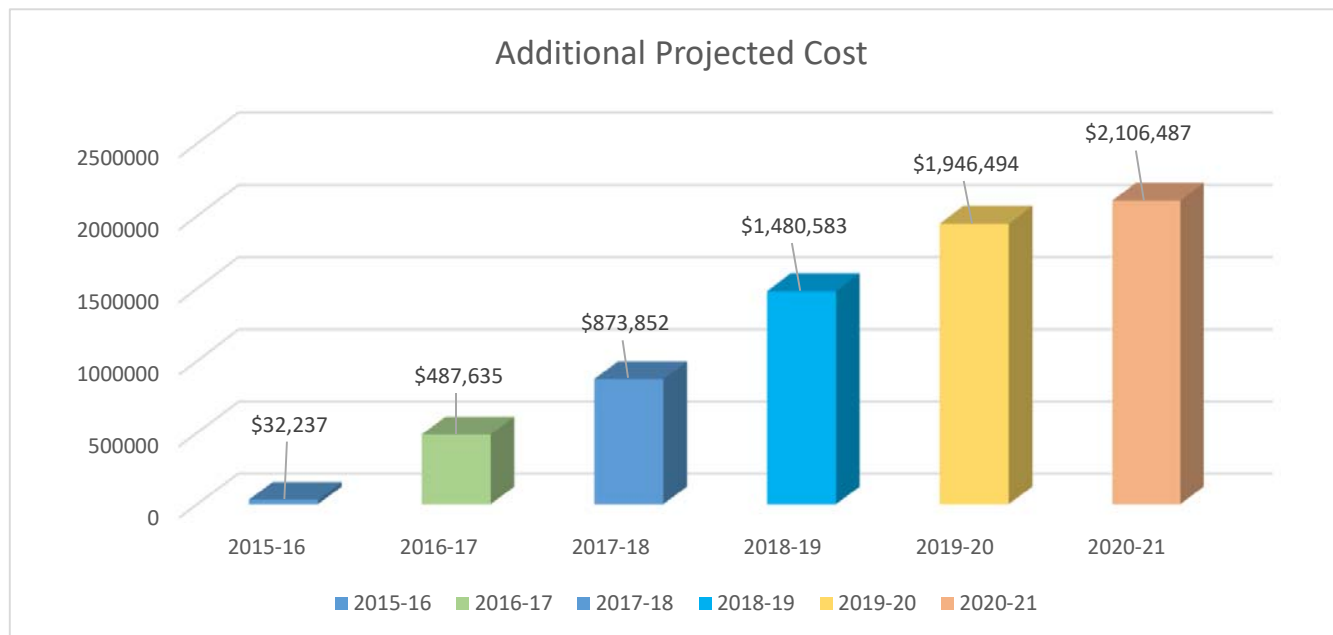
Note: Plan also allows CalSTRS to annually adjust the employer and state rates beginning July 1, 2021, and caps any such annual increase at 1% for employers and 0.5% for the state

# 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	\$ 1,480,583	18.06%
2019-20	\$ 1,946,494	19.90%
2020-21	\$ 2,106,487	20.40%



# Key Assumptions

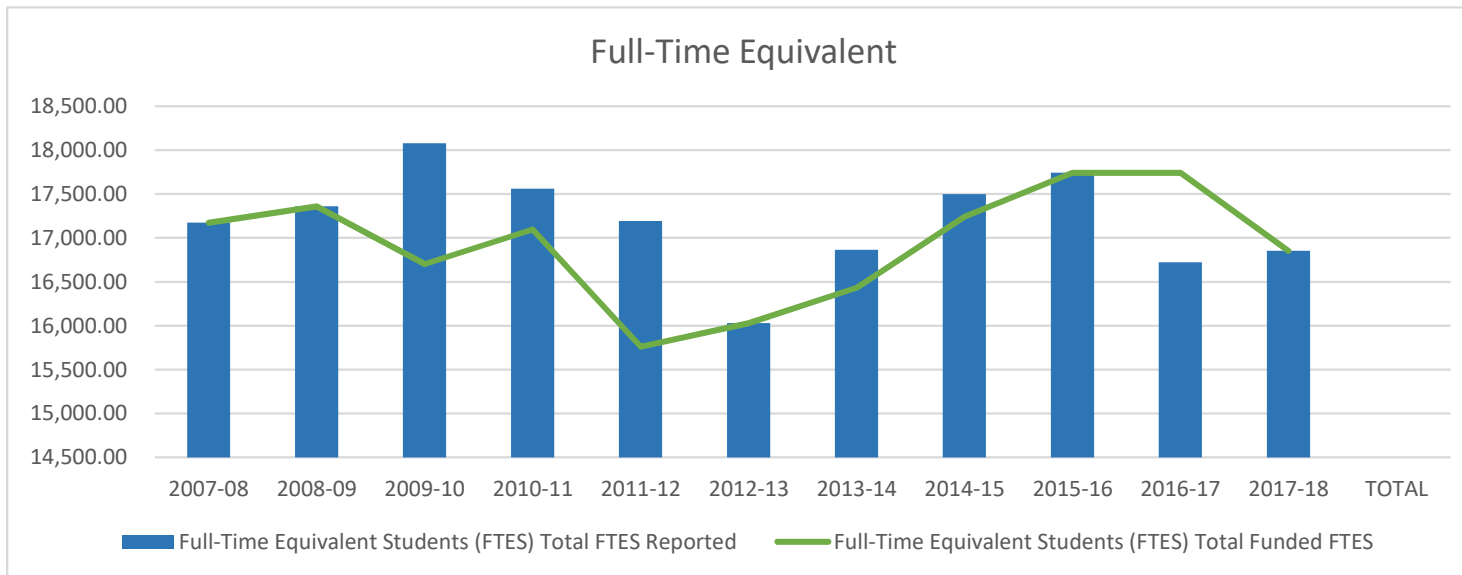
## 2018-19 Tentative Budget Statutory Benefits

Bargaining Units	Academic Adjunct	Academic, Educational Administrators	Classified
State Teachers Retirement System (STRS)		16.28%	
Public Employee Retirement System (PERS)			18.06%
Social Security (OASDHI)			6.20%
Medicare		1.45%	1.45%
State Unemployment Insurance (SUI)		0.05%	0.05%
Worker's Compensation		1.52%	1.52%
Alternative Retirement Plan (ARP) Academic Adjunct	3.75%		
<b>TOTAL</b>		<b>19.30%</b>	<b>27.29%</b>

# 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	17,025.69	346.23	125.51	17,497.43	(256.55)	17,240.89	
2015-16	17,324.97	298.48	117.31	17,740.76		17,740.76	
2016-17	16,303.43	279.76	138.50	16,721.69		17,740.76	*
2017-18	16,434.30	138.50	279.76	16,852.56		16,852.56	**
<b>TOTAL</b>					<u>(3,953.29)</u>		<u>\$ (3,502,536)</u>



\* - District entered into stability funding, funded at 2015-16 level

\*\* - Projected FTES which includes borrowing 205 FTES from 2018 Summer



# Key Assumptions

## 2018-19 Tentative Budget Full-time Equivalent (FTE)

Employee Group	2017-18 Adopted Budgeted	2018-19 Tentative Budgeted
Full Time Faculty (CCFF)	308	287 *
Classified (CSEA)	301	302
Management	48	48
Confidential	11	11
Child Development Center	11	12
Executive Committee (President/VPs)	5	5
Board of Trustees	8	8
<b>TOTAL</b>	<b>692</b>	<b>673</b>

\* - Includes 13 vacant full-time faculty positions that will be required to hire for the Full-Time Faculty Obligation (FON) of 285 however, these 13 positions will remain vacant until 2019-20

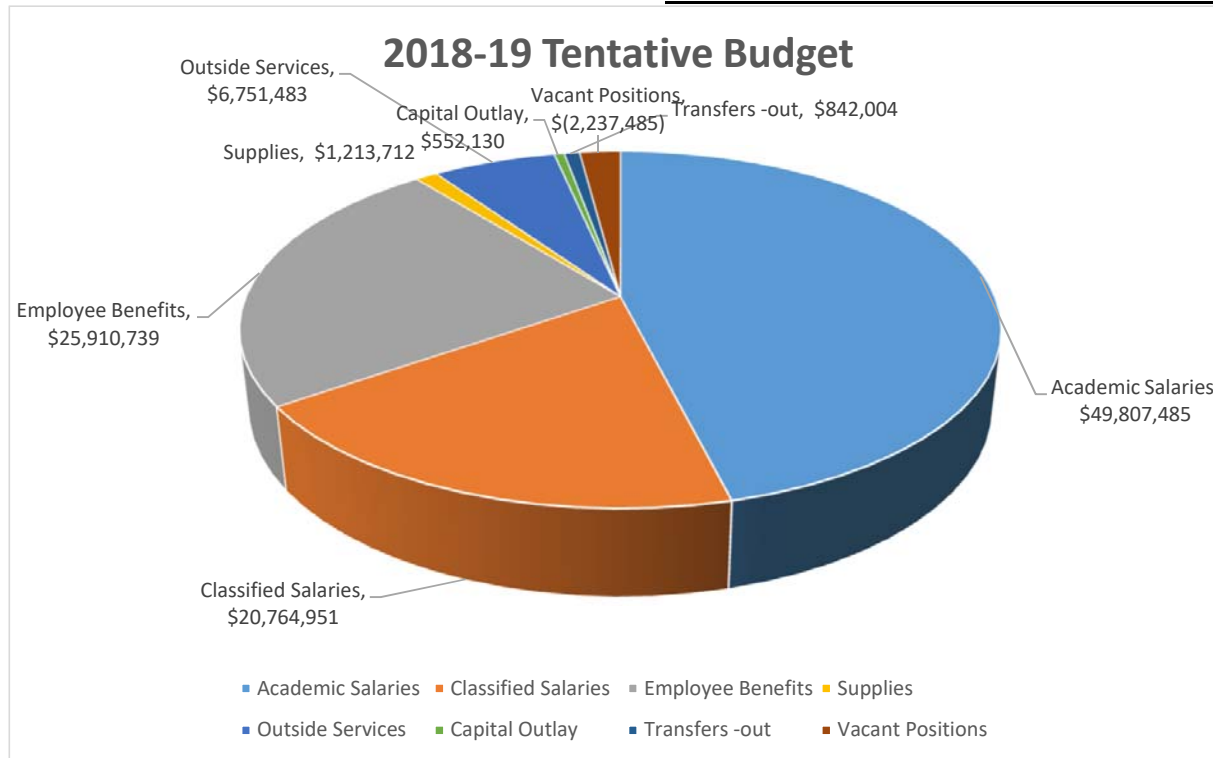
## 2018-19 Tentative Budget

### Cost of 1% Salary Increase

<b>Bargaining Units</b>	<b>Cost of 1%</b>	<b>Statutory Benefits</b>	<b>Total</b>
Full Time Faculty (CCFF)	\$ 299,505	\$ 58,739	\$ 358,244
Adjunct (CCFF)	\$ 195,965	\$ 38,724	\$ 234,689
Classified (CSEA)	\$ 191,217	\$ 52,143	\$ 243,360
Management	\$ 65,816	\$ 15,739	\$ 81,555
Confidential	\$ 8,187	\$ 2,234	\$ 10,421
Child Development Center	\$ 5,651	\$ 1,143	\$ 6,794
Others - Short Term Temp, Student Workers	\$ 49,426	\$ 13,223	\$ 62,649
Board of Trustees	\$ 545	\$ 50	\$ 595
<b>TOTAL</b>	<b>\$ 816,312</b>	<b>\$ 181,995</b>	<b>\$ 998,307</b>

### Unrestricted General Fund Expenditures

Description	2018-19 Tentative Budget	Percent
Academic Salaries	\$ 49,807,485	48.07%
Classified Salaries	\$ 20,764,951	20.04%
Employee Benefits	\$ 25,910,739	25.01%
Supplies	\$ 1,213,712	1.17%
Outside Services	\$ 6,751,483	6.52%
Capital Outlay	\$ 552,130	0.53%
Transfers -out	\$ 842,004	0.81%
Vacant Positions	\$ (2,237,485)	-2.16%
	\$ 103,605,019	100.00%



### Unrestricted General Fund Revenue/Expenditures

Description	2018-19 Tentative Budget	Percent
Revenue	\$ 103,176,913	100.00%
Academic Salaries	\$ 49,807,485	48.27%
Classified Salaries	\$ 20,764,951	20.13%
Employee Benefits	\$ 25,910,739	25.11%
Supplies	\$ 1,213,712	1.18%
Outside Services	\$ 6,751,483	6.54%
Capital Outlay	\$ 552,130	0.54%
Interfund Transfers Out	\$ 842,004	0.82%
Vacant Positions	\$ (2,237,485)	-2.17%
Surplus/(Deficit) Spending	<u><u>\$ (428,106)</u></u>	<u><u>-0.41%</u></u>

**OTHER POST EMPLOYEMENT BENEFITS(OPEB) - HEALTHCARE**

Description		
Fund Balance as of May 31, 2018		\$ 14,334,181
Actuarial Study as of March 1, 2016 - Acturial Accrued Liability (AAL)	\$ 16,194,524	
Actuarial Study as of June 30, 2017 - Net OPEB Liability (NOL)	\$ 21,233,167	
Funds needed to fully fund OPEB liability		\$ 6,898,986
<b>TOTAL</b>		<b><u>\$ 21,233,167</u></b>

## 2018-19 and Beyond Issues for Consideration

### Revenues

#### Education Protection Act (Prop 30/Prop 55):

- a) Sales Tax Sunset (25%)

#### Apportionment:

- a) Tentative Budget based on 16,852.56 FTES, which includes borrowing 205 FTES from 2018 Summer session
- b) Projected Budget for 2019-20 based on 16,852.56 FTES
- c) Projected Budget for 2020-21 based on 17,052.56 FTES

### Expenses

#### State Teachers Retirement System (STRS):

- a) Employer contribution increased by 1.85% to 16.28% 7/1/2018

#### California Public Employees' Retirement System (CalPERS):

- a) Employer contribution increased by 2.53% to 18.062% 7/1/2018

#### 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 management positions funded by the unrestricted general fund - approximately \$2.2 million one-time cost savings
- b) "The SERP included thirty-four (34) faculty, thirty-two (32) classified staff (non-management) and five (5) management employees, totaling 71 employees. The SERP will save approximately \$9,019,637 over a five (5) year period."