



Cerritos College 2018-19 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% |
| 2018-19 | 2.71% | 2.71% |

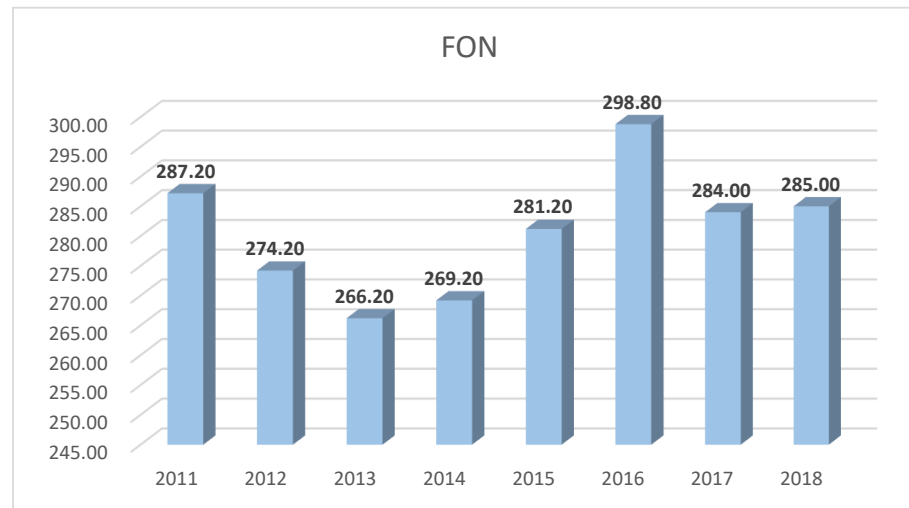
Key Assumptions

How COLA Is Used

| | Dollar Increases | Percentage Increases |
|---------------------------|------------------|----------------------|
| 2018-19 | | |
| Revenue Increases | | |
| COLA | 2,500,000 | 2.71% |
| Expenses Increases | | |
| Step/Column | 860,000 | 1.00% |
| STRS pension rate | 625,980 | 1.85% |
| PERS pension rate | 522,823 | 2.53% |
| Total Expense Increases | 2,008,803 | |
| | | |
| Net Increase (Decrease) | 491,197 | |
| | | |

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:

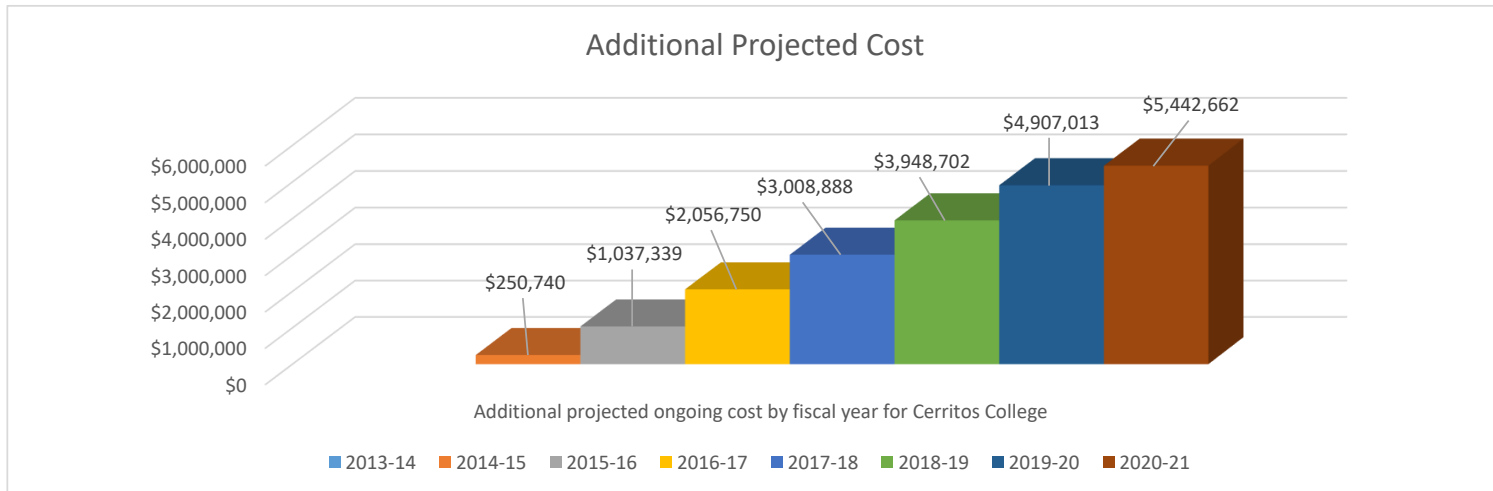
* The Board of Governors (BOG) determined there were inadequate funds to implement an increase in the fall 2011 FON. As provided in the regulation, in such years the district base full-time faculty obligation shall be unchanged.

**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% |



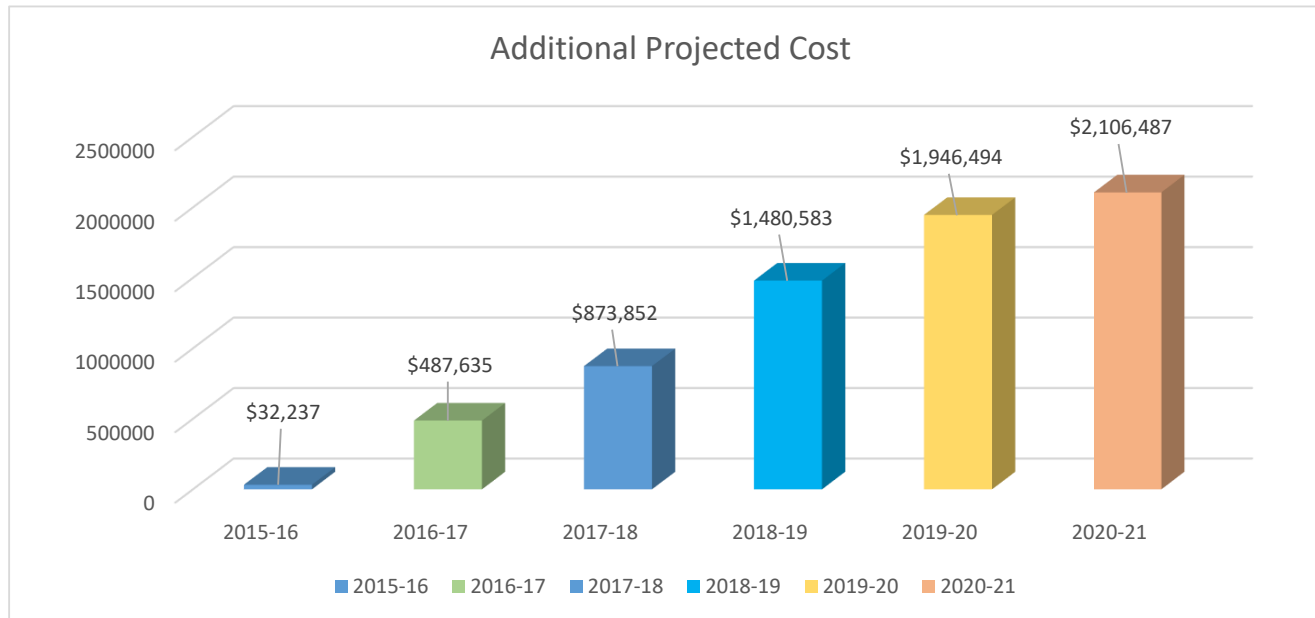
Note: Plan also allows CalSTRS to annually adjust the employer and state rates beginning July 1, 2021, and caps any such annual increase at 1% for employers and 0.5% for the state

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 Adopted 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 | | 1.40% | 1.40% |
| Alternative Retirement Plan (ARP) Academic Adjunct | 3.75% | | |
| TOTAL | | 19.18% | 27.16% |

Key Assumptions

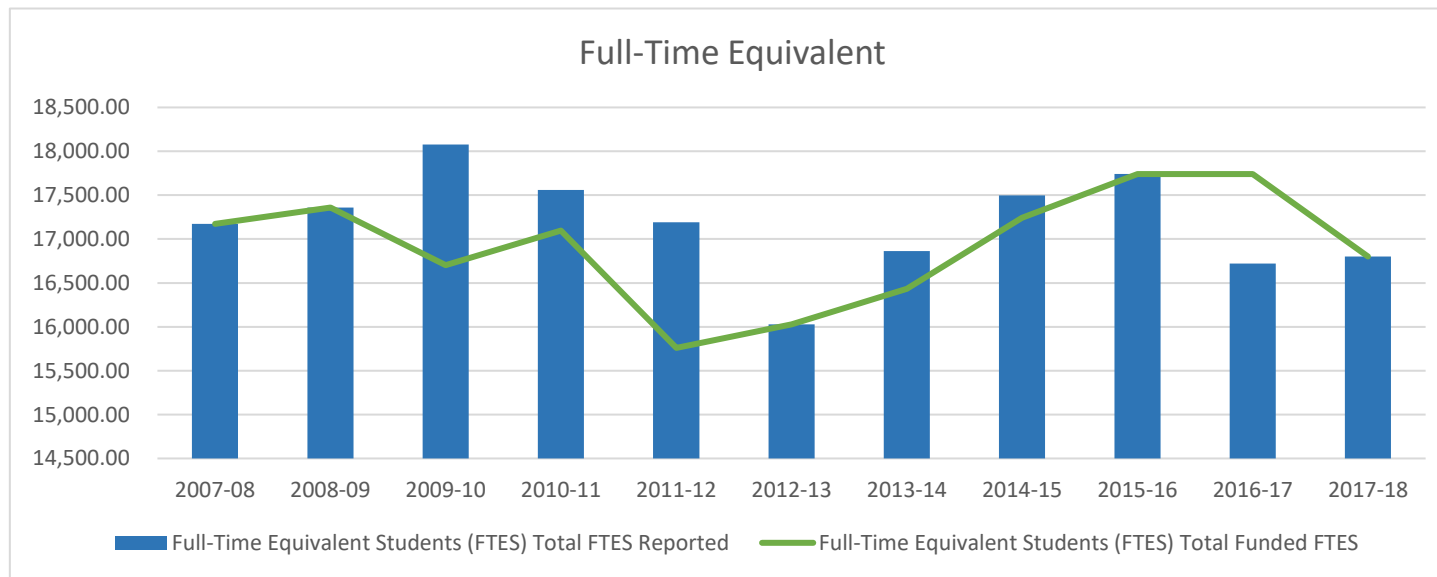
Full-Time Equivalent Students (FTES)

| Fiscal Year | Credit | Noncredit | CDCP | Total FTES Reported | Unfunded | Total Funded FTES |
|-------------|-----------|-----------|--------|---------------------|------------|-------------------|
| 2007-08 | 16,643.99 | 528.78 | | 17,172.77 | - | 17,172.77 |
| 2008-09 | 16,872.47 | 486.76 | | 17,359.23 | - | 17,359.23 |
| 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 |
| 2011-12 | 16,954.65 | 75.18 | 162.16 | 17,191.99 | (1,432.19) | 15,759.80 |
| 2012-13 | 15,680.70 | 137.18 | 209.59 | 16,027.47 | - | 16,027.47 |
| 2013-14 | 16,446.13 | 219.30 | 198.10 | 16,863.53 | (429.04) | 16,434.49 |
| 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 | 16,275.80 | 361.37 | 162.31 | 16,799.48 | - | 16,799.48 |

* Stability

TOTAL

(3,953.29)



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

Key Assumptions

2018-19 Adopted Budget Full-time Equivalent (FTE)

| Employee Group | 2017-18 Adopted Budgeted | 2018-19 Tentative Budgeted | 2018-19 Adopted Budgeted |
|-------------------------------------|--------------------------------|----------------------------------|--------------------------------|
| Full Time Faculty (CCFF) | 308 | 287 | 287 |
| Classified (CSEA) | 301 | 302 | 301 |
| Management | 48 | 48 | 48 |
| Confidential | 11 | 11 | 11 |
| Child Development Center | 11 | 12 | 12 |
| Executive Committee (President/VPs) | 5 | 5 | 5 |
| Board of Trustees | 8 | 8 | 8 |
| TOTAL | 692 | 673 | 672 |

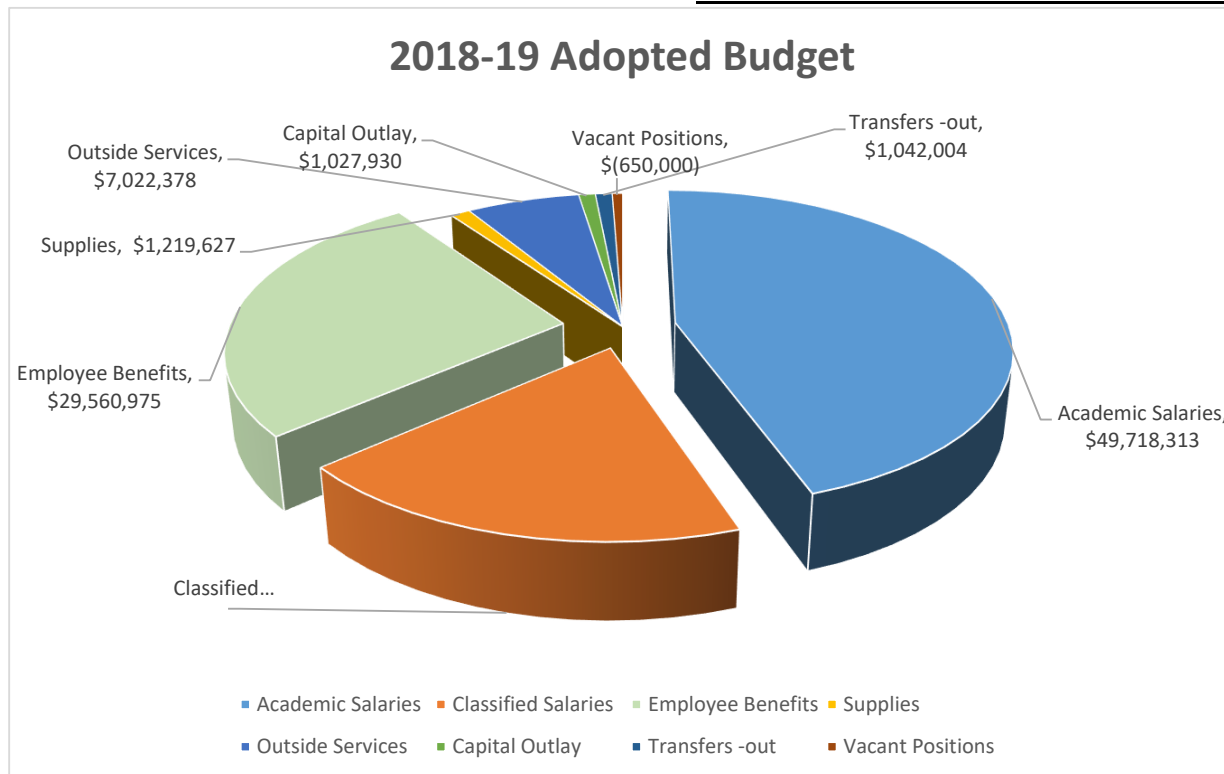
* - Includes 13 vacant full-time faculty positions that will be required to hire for the Full-Time Faculty Obligation (FON) of 285 however, these 13 positions will remain vacant until 2019-20

2018-19 Adopted Budget
Cost of 1% Salary Increase

| Bargaining Units | Cost of 1% | Statutory Benefits | Total |
|---|-------------------|--------------------|-------------------|
| 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 |
| TOTAL | \$ 816,312 | \$ 181,995 | \$ 998,307 |

Unrestricted General Fund Expenditures

| Description | 2018-19 Adopted Budget | Percent |
|---------------------|------------------------|---------|
| Academic Salaries | \$ 49,718,313 | 45.25% |
| Classified Salaries | \$ 20,940,500 | 19.06% |
| Employee Benefits | \$ 29,560,975 | 26.90% |
| Supplies | \$ 1,219,627 | 1.11% |
| Outside Services | \$ 7,022,378 | 6.39% |
| Capital Outlay | \$ 1,027,930 | 0.94% |
| Transfers -out | \$ 1,042,004 | 0.95% |
| Vacant Positions | \$ (650,000) | -0.59% |
| | \$ 109,881,727 | 100.00% |



Unrestricted General Fund Revenue/Expenditures

| Description | 2018-19 Tentative Budget | Percent |
|----------------------------|-----------------------------|--------------|
| Revenue | \$ 115,631,266 | 100.00% |
| | | |
| Academic Salaries | \$ 49,718,313 | 43.00% |
| Classified Salaries | \$ 20,940,500 | 18.11% |
| Employee Benefits | \$ 29,560,975 | 25.56% |
| Supplies | \$ 1,219,627 | 1.05% |
| Outside Services | \$ 7,022,378 | 6.07% |
| Capital Outlay | \$ 1,027,930 | 0.89% |
| Interfund Transfers Out | \$ 1,042,004 | 0.90% |
| Vacant Positions | \$ (650,000) | -0.56% |
| Surplus/(Deficit) Spending | <u>\$ 5,749,539</u> | <u>4.97%</u> |

Other Post Employment Benefits (OPEB) - Healthcare

| Description | | |
|---|---------------|----------------------|
| Fund Balance as of June 30, 2018 | | \$ 14,095,595 |
| | | |
| Actuarial Study as of March 1, 2016 - Actuarial 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 | | \$ 7,137,572 |
| TOTAL | | <u>\$ 21,233,167</u> |

2018-19 and Beyond Issues for Consideration

Revenues

Education Protection Act (Prop 30/Prop 55):

- a) Sales Tax Sunset (25%)

Apportionment:

- a) Adopted Budget based on 16,799.48 FTES
- b) Projected Budget for 2019-20 based on 16,799.48 FTES
- c) Projected Budget for 2020-21 based on 16,799.48 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) "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."

Unrestricted General Fund - Resource Allocation

Fiscal Year 2018-19

| Division | Description | Amount |
|------------------------|---|------------|
| BS - Business Services | purchase new patrol car | \$ 42,000 |
| AA - Academic Affairs | R25 Upgrade | \$ 77,000 |
| AA - Academic Affairs | Sirsi | \$ 53,000 |
| AA - Academic Affairs | Turnitin | \$ 46,000 |
| AA - Academic Affairs | Budget augmentation for Adult Hourly in Ceramics/3D | \$ 30,000 |
| AA - Academic Affairs | Evening Men's Locker Room Attendant (Hourly) | \$ 40,000 |
| SS - Student Services | Redesign current Career Services space to extend into classroom next door, MP 203 | \$ 150,000 |
| AA - Academic Affairs | eLumen | \$ 40,000 |
| SS - Student Services | QLess | \$ 15,000 |
| BS - Business Services | Increase in Yearly PeopleSoft Maintenance | \$ 10,500 |
| BS - Business Services | Augment transportation account | \$ 100,000 |
| BS - Business Services | Increase budget allocations for hourly workers | \$ 100,000 |
| HR - Human Resources | Staff/Professional Development Budget Increase | \$ 65,000 |
| HR - Human Resources | Budget Increase for Title IX Deputies and Training Sessions | \$ 50,000 |
| AA - Academic Affairs | Adobe Cloud college-wide | \$ 53,000 |
| AA - Academic Affairs | Account infusion for maintenance agreements | \$ 15,000 |
| AA - Academic Affairs | SPSS statistical software | \$ 2,800 |
| SS - Student Services | Hourly funding for clinical psychologist | \$ 45,000 |
| SS - Student Services | Qless Contribution (shared with Financial Aid) | \$ 12,310 |
| SS - Student Services | Maxient Database Subscription | \$ 9,000 |
| BS - Business Services | Enhance current Dispatcha and Records Management System | \$ 12,000 |

Approved Unrestricted General Funds \$ 967,610

Other Funds - One-time Resource Allocation

Fiscal Year 2018-19

| Division | Description | Amount |
|------------------------|--|-------------------|
| BS - Business Services | Consultants to help upgrade PeopleSoft Campus Solutions to version 9.2 | \$ 400,000 |
| BS - Business Services | Server/Network Replacement | \$ 250,000 |
| BS - Business Services | Staff/ Faculty Computer Replacements | \$ 250,000 |
| | Approved Capital Outlay Fund | \$ 900,000 |

| | | |
|-----------------------|--|-----------|
| SS - Student Services | Student Success Center Expanded Hours | \$ 75,000 |
| AA - Academic Affairs | BIOL: BELOW \$500/ea.-- A&P \$3500 in replacement supplies (all less than \$500 ea.) | \$ 8,700 |
| AA - Academic Affairs | Coulombs Law Apparatus (Item # ES-9070) | \$ 27,648 |
| AA - Academic Affairs | Educational Equipment | \$ 2,433 |
| AA - Academic Affairs | Four Epson Large Format Printers | \$ 16,000 |
| AA - Academic Affairs | Purchase Vernier equipment for Organic Chemistry | \$ 8,000 |
| AA - Academic Affairs | Wall blood pressure equipment SL/MA | \$ 2,600 |

Approved Restricted General Fund \$ 140,381

Total Approved 1,040,381

Restricted General Fund - Resource Allocation

Fiscal Year 2018-19

| Division | Description | Amount |
|-----------------------|--|------------|
| HR - Human Resources | Receive Student Equity funds to be used for diversity training and events. | \$ 65,000 |
| AA - Academic Affairs | Discipline-Specific Tutoring (Equity) | \$ 40,000 |
| AA - Academic Affairs | Maintain current spending for embedded tutoring and structured study sessions (Equity) | \$ 105,000 |
| AA - Academic Affairs | Math Tutoring (Equity) | \$ 120,000 |
| AA - Academic Affairs | Embedded Tutors | \$ 50,000 |
| AA - Academic Affairs | Fund Instructional Aides in the MLC | \$ 120,000 |
| AA - Academic Affairs | Athlete Tutoring (Equity) | \$ 105,000 |
| AA - Academic Affairs | iFALCON (Equity) | \$ 100,000 |
| AA - Academic Affairs | SmartThinking Online Tutoring Subscription | \$ 22,400 |
| AA - Academic Affairs | Annual software licence fees for ENGT department | \$ 17,000 |
| AA - Academic Affairs | Hood Maintenance CA | \$ 2,500 |
| AA - Academic Affairs | NearPod Liscence | \$ 950 |
| AA - Academic Affairs | AEBG Consortium Fund | \$ 100,000 |
| HR - Human Resources | Student Equity Funds for Advertising/Recruitment | \$ 40,000 |
| SS - Student Services | IT support | \$ 100,000 |

Approved Restricted General Funds \$ 987,850

Vintage Fund - One-time Resource Allocation

Fiscal Year 2018-19

| Division | Description | Amount |
|------------------------|---|------------|
| AA - Academic Affairs | Cerritos Complete Senior Steps and Coordination | \$ 15,625 |
| AA - Academic Affairs | Dual Enrollment Program | \$ 20,000 |
| AA - Academic Affairs | Enrollment fees for Cerritos Complete students who do not qualify for BOG | \$ 255,000 |
| AA - Academic Affairs | President's Scholars Program | \$ 20,000 |
| BS - Business Services | Funding for new and replacement audio visual equipment and installation of new equipment. | \$ 160,000 |
| BS - Business Services | Student Lab Replacement | \$ 360,000 |

Approved Vintage Funds \$ 830,625

BP 2800 Student Success Funds From Vintage Cerritos:

These funds can be used for non-personnel items identified in the Unit Plans, Student Success Plan, Educational Master Plan or Facilities Master Plan.

Annual Funded Allocation:

Student Success items identified for funding shall be recommended by Executive Council to the Board of Trustees for approval on an annual basis.