A dark laptop is open on a wooden desk. In front of it lies a white notebook with a black pen resting on it. The scene is dimly lit, with a dark diagonal overlay on the left side of the image.

2017-18 Budget Study Session

State Center Community College District
Board of Trustees | April 4, 2017



2016-17 Budget Recap

REVENUES

Local	\$55.0m	31%
State	\$124.5m	69%
Federal	\$0.0m	
	<hr/>	
	\$179.5m	

EXPENDITURES

Salaries/Benefits	\$145.5m	81%
Supplies/Operating	\$18.8m	10%
Capital Outlay	\$5.3m	3%
Transfer Out	\$11.0m	6%
	<hr/>	
	\$180.6m	
Deficit	(\$1.1m)	





2017-18 Assumptions



Revenues

	State	SCCCD
ON-GOING		
COLA	\$94.1m / 1.48%	\$2.4m
Base Funding	\$23.6m	\$0.6m
ONE TIME		
Sched. Maint./Inst. Equip.	\$4.7m	\$1.1m



	State	SCCCD
RESTRICTED		
Prop 39 (energy efficiency)	\$52.3m	\$1.1m
Guided Pathways	\$150m	TBD

NOV 2016 STATE BOND (\$9b, \$2b CA Community Colleges)

- Governor – 5 projects \$184m
- Board of Governors – 29 projects Yr-1 \$750m, Yr-2 \$750m, Yr-3 \$500m
- Legislative Analyst’s Office – \$400m over 5-years



Expenditures

SALARY ADJUSTMENTS

Staff Retirements/Resignations	<\$1.0m>
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ON-GOING

Step & Column	\$1.5m
STRS/PERS	\$2.0m
COLA (1.48%)	\$1.85m*

FIXED COSTS ADJUSTMENTS

Gas/Solar	<\$75,000>
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ONE TIME COSTS

Classification Study	\$200,000
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*To be negotiated

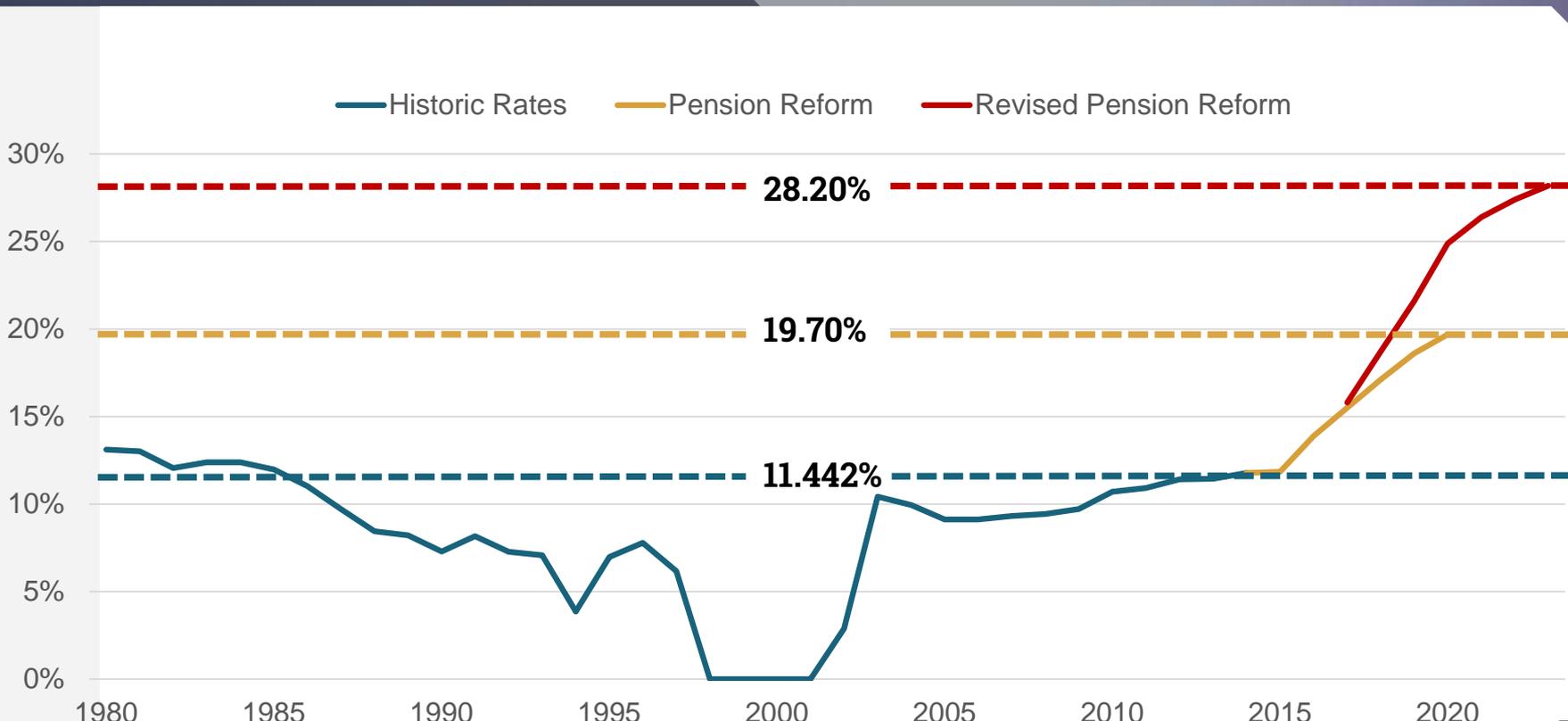




Navigating the Road Ahead



Rising PERS Rates



Rising Pension Rates - PERS

Fiscal Year	Pension Reform Rates	Revised Pension Reform Rates
2016-17	13.888%	13.888%
2017-18	15.8%	15.8%
2018-19	17.7%	18.7%
2019-20	19.7%	21.6%
2020-21	21.1%	24.9%
2021-22	N/A	26.4%
2022-23	N/A	27.4%
2023-24	N/A	28.2%



Rising Pension Rates - STRS

Fiscal Year	Pension Reform Rates	Revised Pension Reform Rates
2016-17	12.58%	12.58%
2017-18	14.43%	14.43%
2018-19	16.28%	16.28%
2019-20	18.13%	18.13%
2020-21	19.10%	19.10%
2021-22	N/A	20.10% est.
2022-23	N/A	20.25% est.
2023-24	N/A	20.25% est.



Rising STRS & PERS Costs

Fiscal Year	STRS Increase	PERS Increase	Total Annual Increase	Total Annual Cumulative
Proposed 2014-15	734,779	23,956	758,736	758,736
Proposed 2015-16	1,441,751	181,646	1,623,397	2,382,133
Proposed 2016-17	1,370,731	592,268	1,962,999	4,345,131
Proposed 2017-18	1,361,242	589,451	1,950,693	6,295,825
Proposed 2018-19	1,387,609	887,841	2,275,450	8,571,274
Proposed 2019-20	1,414,366	905,143	2,319,509	10,890,784
Proposed 2020-21	816,472	1,041,231	1,857,704	12,748,487
Proposed 2021-22	853,048	522,711	1,375,759	14,124,246
Proposed 2022-23	252,878	381,288	634,166	14,758,412
Proposed 2023-24	146,723	327,064	473,787	15,232,199



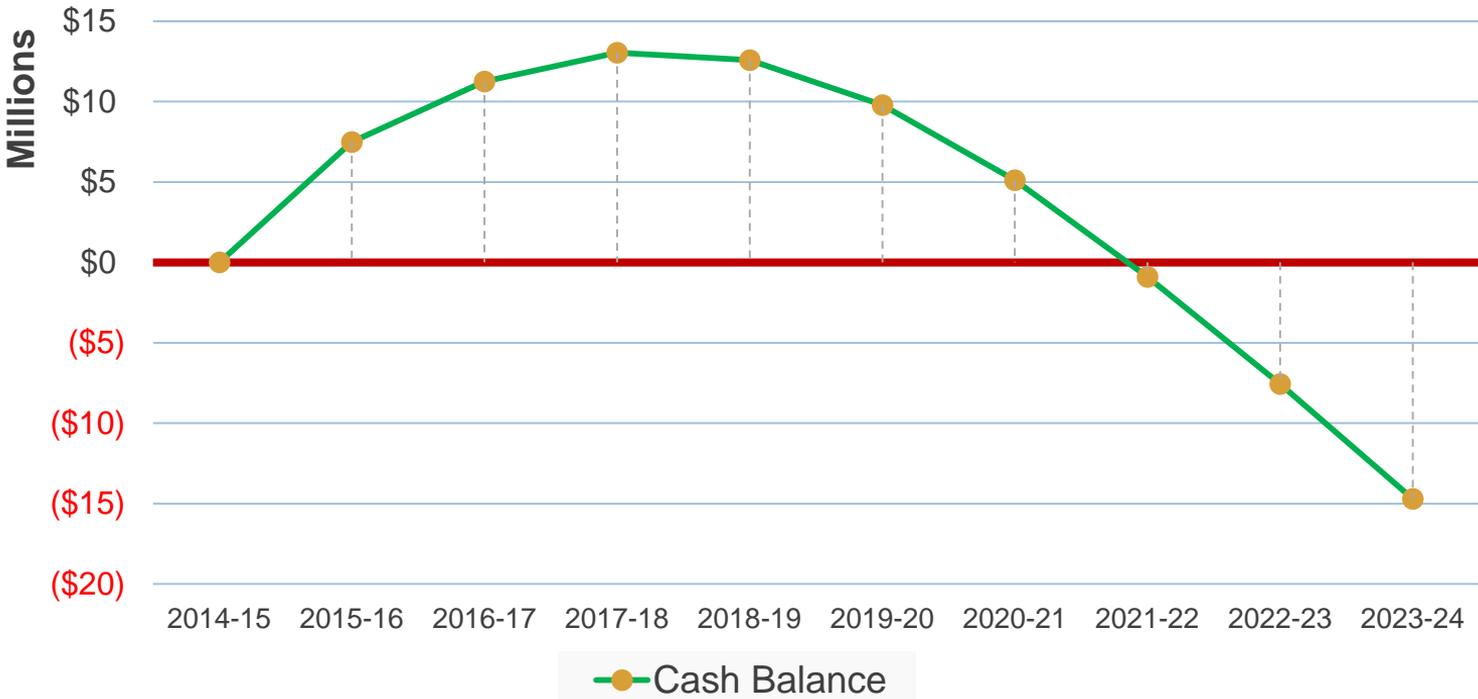
STRS & PERS Reserve Fund Balance

Fiscal Year	Contributions			Fund 62
	One-time	On-going	Withdrawals	
2015-16	4,500,000	3,000,000	0	7,500,000
2016-17	0	3,750,000	0	11,250,000
2017-18	0	3,750,000	1,950,000	13,050,000
2018-19	0	3,750,000	4,200,000	12,600,000
2019-20	0	3,750,000	6,500,000	9,850,000
2020-21	0	3,750,000	8,400,000	5,200,000
2021-22	0	3,750,000	9,800,000	(850,000)
2022-23	0	3,750,000	10,400,000	(7,500,000)
2023-24	0	3,750,000	10,900,000	(14,650,000)

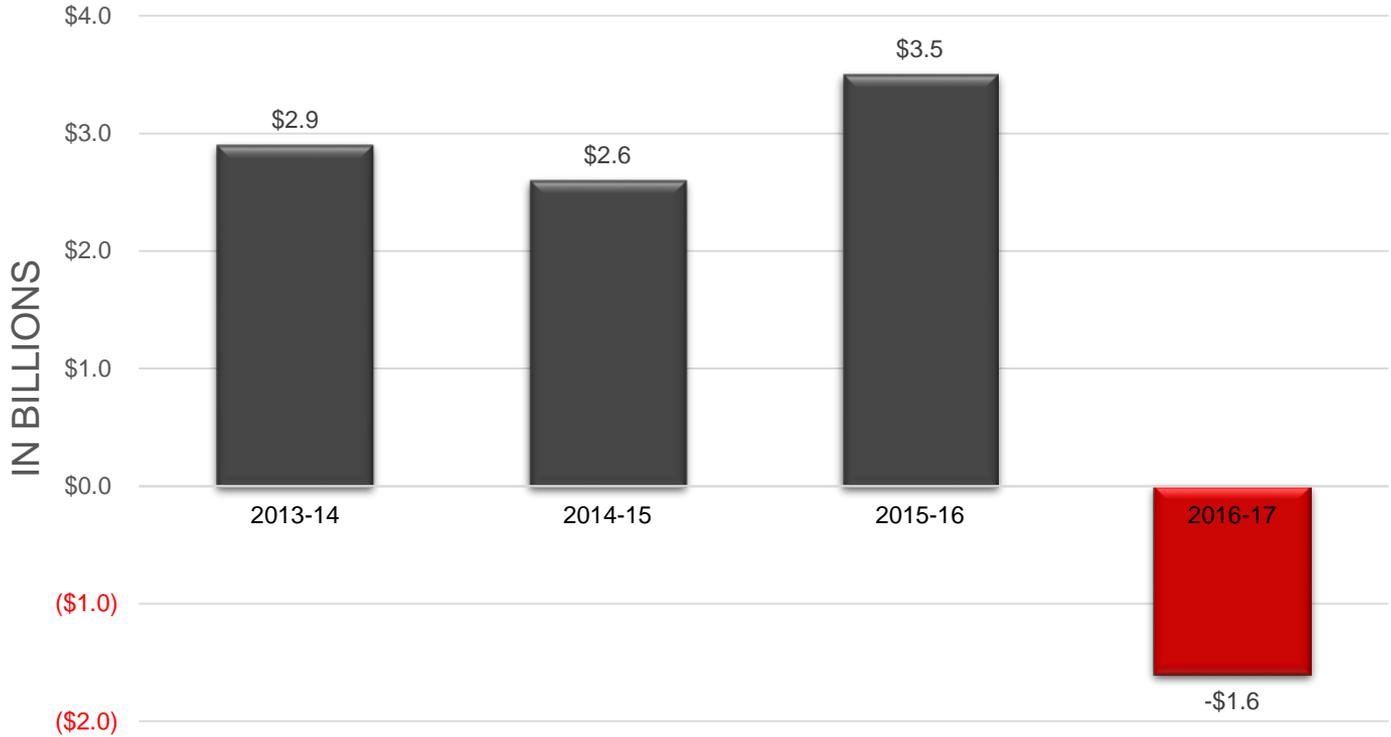


STRS & PERS Reserve Fund Balance

Projected Pension Obligation Fund Balance



State General Fund Revenues



As of February 2017



Prop 30 (Nov 2012)

Sales and Income Tax Increase

- 0.25% Sales Tax Increase
(Jan. 1, 2013 to Dec. 31, 2016)
- Additional 1% Income Tax Rate
Incomes exceeding \$250k, \$300k, \$500k, \$1.0m
(Jan. 1, 2012 to Dec. 31, 2018)

Prop 55 (Nov 2016)

- Extends Increased Personal Income Tax rates for 12 additional years
(Jan. 1, 2019 to Dec. 31, 2030)



2017-18 Budget Recap

REVENUES

State	\$3.0m
Local	<u>\$0.5m</u>
New Rev.	\$3.5m

EXPENDITURES

Sal/Benefits	(\$3.5m)
COLA	<u>(\$2.0m)*</u>
New Expend.	(\$5.5m)

Shortfall	(\$2.0m)
Utilize STRS/PERS Set Aside	<u>\$2.0m</u>
Balance Budget	\$0.0

*To be negotiated



Questions

