



# Cerritos College 2017-18 Tentative Budget

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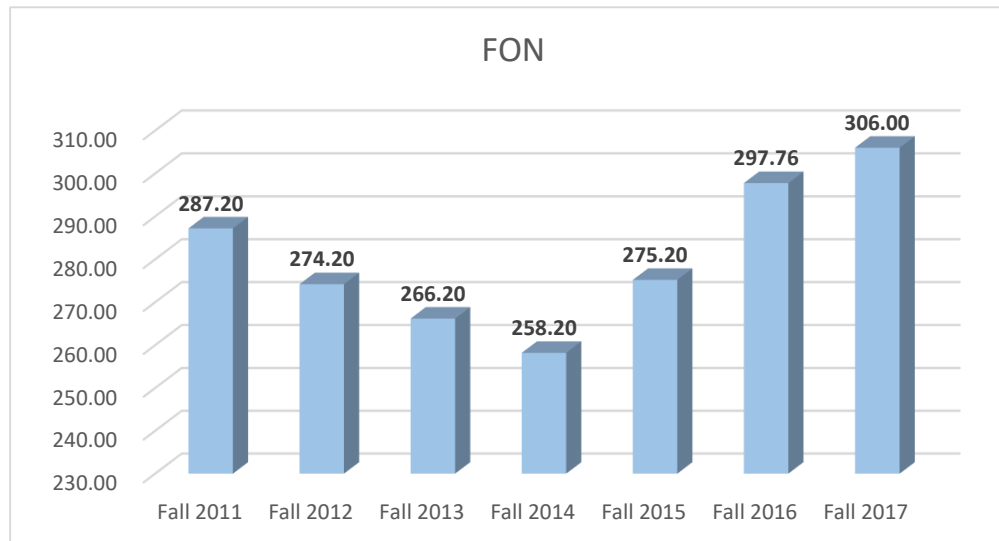
# Key Assumptions

## 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%

## 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	306.00	



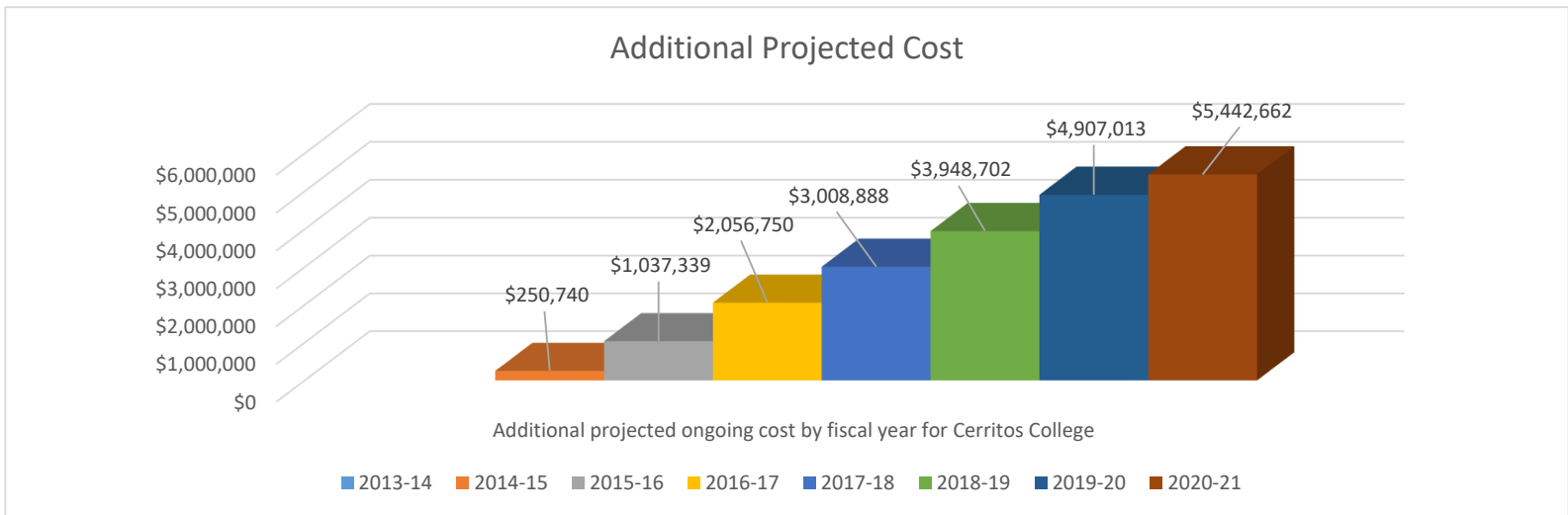
**Note:**

\* 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%



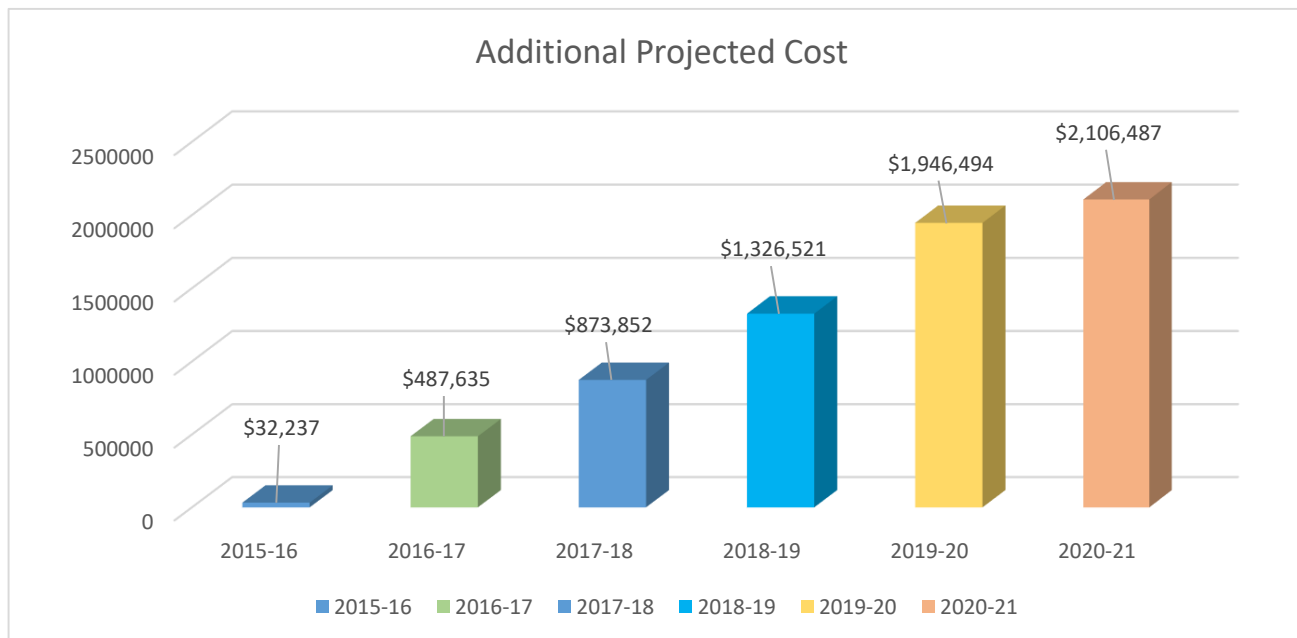
Note: Plan also allows CalSTRS to annually adjust the employer and state rates beginning July 1, 2021, and caps any such annual increase at 1% for employers and 0.5% for the state

# 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

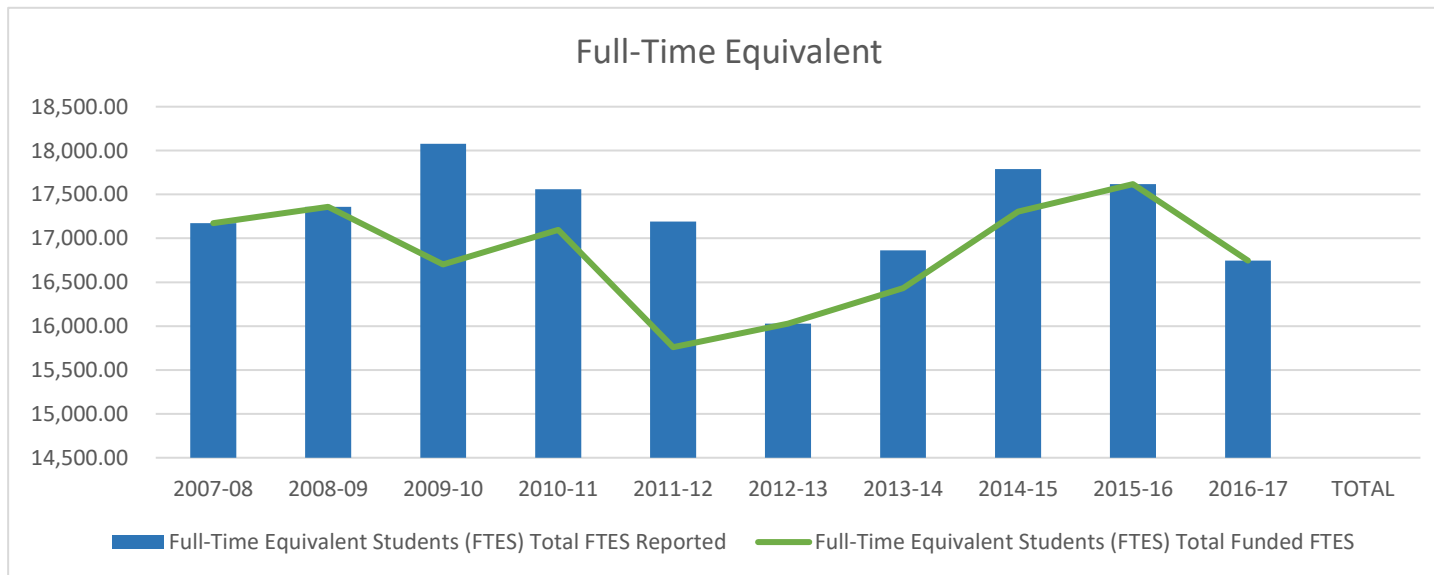
## 2017-18 Tentative Budget Statutory Benefits

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		1.25%	1.25%
Alternative Retirement Plan (ARP) Academic Adjunct	3.75%		
<b>TOTAL</b>		<b>17.18%</b>	<b>24.48%</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	17,318.55	346.23	125.51	17,790.29	(484.64)	17,305.65	
2015-16	17,192.00	254.00	172.00	17,618.00		17,618.00	\$ (1,129,047)
2016-17	16,311.41	264.13	172.00	16,747.54		16,747.54	\$ (1,236,004)
<b>TOTAL</b>					<u>(4,181.38)</u>		<u>\$ (5,867,587)</u>



# Key Assumptions

## 2017-18 Tentative Budget Full-time Equivalent (FTE)

Employee Group	2016-17 Adopted Budgeted	2017-18 Tentative 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
<b>TOTAL</b>	<b>692</b>	<b>692</b>



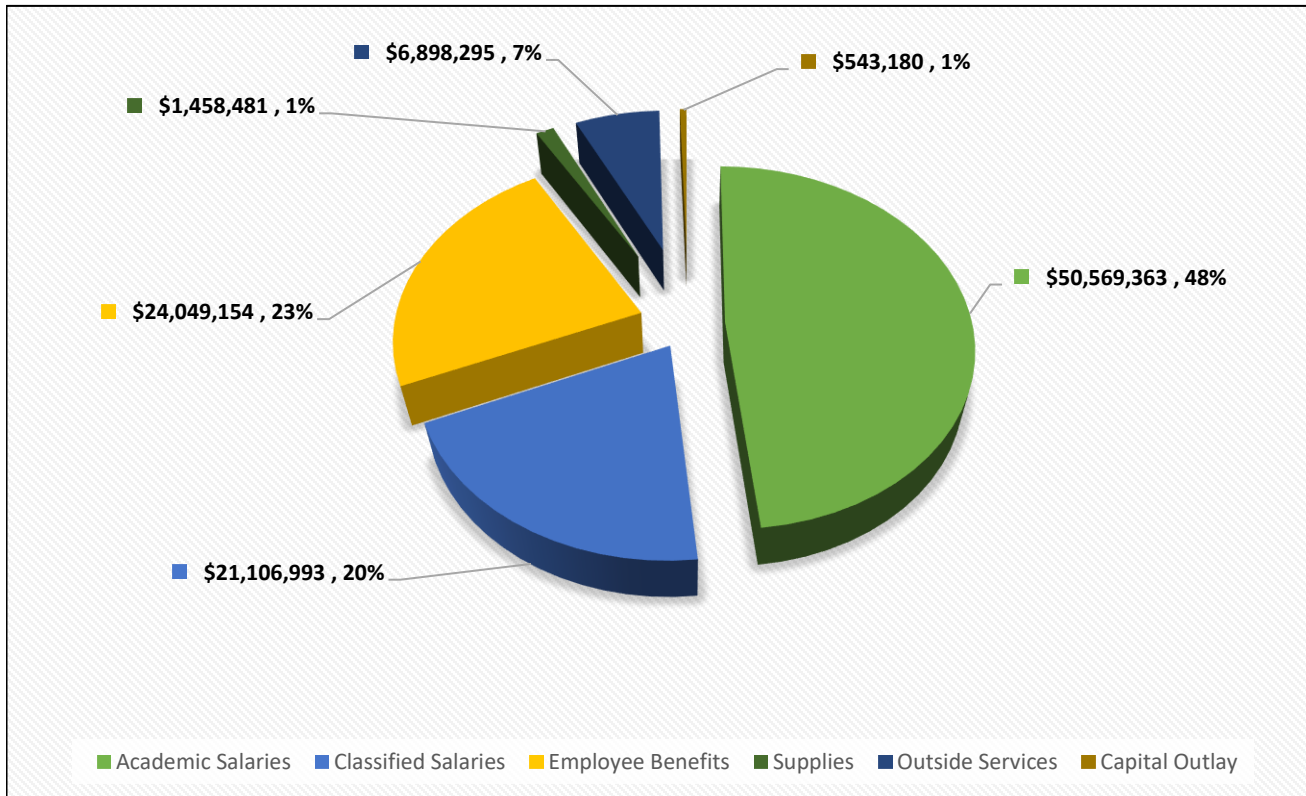
## 2017-18 Tentative Budget

### 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)	\$ 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
<b>TOTAL</b>	<b>\$ 825,052</b>	<b>\$ 155,934</b>	<b>\$ 980,986</b>

### Unrestricted General Fund Expenditures

Description	2017-18 Tentative Budget	Percent
Academic Salaries	\$ 50,569,363	48.33%
Classified Salaries	\$ 21,106,993	20.17%
Employee Benefits	\$ 24,049,154	22.99%
Supplies	\$ 1,458,481	1.39%
Outside Services	\$ 6,898,295	6.59%
Capital Outlay	\$ 543,180	0.52%
	\$ 104,625,466	100.00%



### Unrestricted General Fund Revenue/Expenditures

Description	2017-18 Tentative Budget	Percent
Revenue	\$ 99,186,416	100.00%
Academic Salaries	\$ 50,569,363	50.98%
Classified Salaries	\$ 21,106,993	21.28%
Employee Benefits	\$ 24,049,154	24.25%
Supplies	\$ 1,458,481	1.47%
Outside Services	\$ 6,898,295	6.95%
Capital Outlay	\$ 543,180	0.55%
Surplus/(Deficit) Spending	<u>\$ (5,439,050)</u>	<u>-5.48%</u>

## 2017-18 and Beyond Issues for Consideration

### Revenues

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

- a) Sales Tax Sunset (25%)

#### Apportionment:

- a) Tentative Budget based on 16,800 FTES - decrease of 959 FTES

#### Physical Plant and Instructional Support:

- a) Tentative Budget includes the elimination of \$1.5 million in deferred maintenance and instructional

### 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 management positions funded by the unrestricted general fund - approximately \$1 million one-time cost savings
- b) Will be exploring additional cost saving measures for adoption of the final budget. District will be working with the Planning and Budget Committee on identifying additional measures.