

# Victor Valley Community College District



**FY 2023 – 2024  
Final Budget**

# Economic Update

- California economy continues to overcome pandemic recovery but is falling in labor force which is below the market need of job openings, along with slow wage earnings against high inflation costs
- The State of California higher taxpayers earning and slower markets in the technology sector has slowed the state economy down
- The housing market is constrained the growth in California, along with the higher interest rate lowering the rate of borrowing for homeowners

Fiscal Year 2022 - 2023

# 2022-23

## Revenue Recap

- Total Computational Revenue (TCR) calculated from the Student Centered Funding Formula (SCFF) and reflecting available revenues
- Advanced Apportionment:
  - \$86,096,091
- First Principal Apportionment:
  - \$ 78,308,504
- Second Principal Apportionment
  - TCR: \$77,847,543
  - Available Revenue: \$69,419,017
  - Deficit of \$8,428,526
  - FY 23-24 budget trailer bill passed to backfill FY 22-23 deficit
  - Receivable booked in FY 22-23

California Community Colleges  
2022-23 Second Principal  
Victor Valley CCD  
Exhibit C - Page 1

Total Computational Revenue and Revenue Sources			
<b>Total Computational Revenue (TCR)</b>			
I. Base Allocation (FTES + Basic Allocation)		\$	53,621,691
II. Supplemental Allocation			14,892,645
III. Student Success Allocation			9,333,207
	Student Centered Funding Formula (SCFF) Calculated Revenue (A)	\$	77,847,543
	2021-22 SCFF Calculated Revenue + COLA (B)		71,541,076
	Hold Harmless Revenue (C)		65,010,616
	Stability Protection Adjustment		-
	Hold Harmless Protection Adjustment		-
	<b>2022-23 TCR (Max of A, B, or C)</b>	<b>\$</b>	<b>77,847,543</b>
<b>Revenue Sources</b>			
Property Tax & ERAF		\$	17,133,383
Less Property Tax Excess			-
Student Enrollment Fees			2,413,559
Education Protection Account (EPA)	Minimum of at least \$100 x Funded FTES	Funded FTES: 9,635.35	x Rate: \$500.23
			4,819,876
State General Fund Allocation			45,052,199
<b>State General Fund Allocation</b>			
General Fund Allocation	\$		44,413,149
Full-Time Faculty Hiring (FTFH) Allocation (2015-16 Funds Only)			639,050
	<b>Subtotal State General Fund Allocation</b>		<b>\$45,052,199</b>
Adjustment(s)			-
	<b>Total State General Fund Allocation (Exhibit A)</b>		<b>\$45,052,199</b>
		<b>Available Revenue</b>	<b>\$ 69,419,017</b>
		<b>2022-23 TCR (Max of A, B, or C)</b>	<b>77,847,543</b>
	See memo for additional information regarding revenue deficit at 2022-23 P2.	10.8270%	Revenue Deficit \$ (8,428,526)

# 2022-23 Unaudited Actuals

- Total Computational Revenue (TCR) of \$77,847,543
- \$1,708,435 Growth Estimate
- Surplus of \$18,461,158
- Ending fund balance of \$40.3 million, 45.10%

# General Fund Savings

## Actual vs Budget FY 2022-23

### Revenue:

- \$988,932 Estimated increase in apportionment due to growth revenue estimate
- \$3,988,943 Redevelopment Agency Residual Revenues, Un-Restricted Lottery and Fair Market Value of Investments at County Treasury

### Expenditures:

- \$10,561,269 Savings from Salaries and Benefits Budgets
- \$2,922,014 Savings from Supplies, Services and Other Operating Expense Budgets

# State Adopted Budget 2023-2024



# Impact of Adopted State Budget

- Student Centered Funding Formula (SCFF) - \$9.4 billion, Deficit Factor of 2.0969% (\$198.2 million)
- COLA – 8.22% for general apportionments and most categorical programs
- Growth funding - \$26.4 million (.50%)
- Adjustments to prior year funding – reduced Deferred Maintenance \$452M, reduced Enrollment & Retention \$55 million
- Flexibility – allows for remaining COVID-19, student retention and recruitment and deferred maintenance funds to be used for any of these purposes

# Impact of Adopted State Budget (June 2023)

## - VVC Categorical Funding-

- Retention & Enrollment Outreach - \$1,281,829
- Student Equity & Achievement program – \$4,241,685
- Student Success Completion Grant Program – \$2,008,235 (SCFF Funding)
- Part-time Faculty Health Insurance – reimbursement for up to 50% of cost
- Part-time Faculty Office Hours – reimbursement for up to 50% of cost
- EOPS – \$2,505,190
- CARE – \$351,822
- DSPS – \$1,003,977

# Impact of Adopted State Budget (June 2023)

## - VVC Categorical Funding, Continued -

- California College Promise Program – \$442,983
- Adult Education – \$2,674,474
- Basic Needs for Food Insecurity - \$425,971
- Mental Health Program – \$284,337
- NextUp – \$1,018,136
- Student Housing Program – \$700,000
- CalWORKS & TANF – \$786,339

# General Fund Assumptions

- The District shall maintain legal compliance with the 50% law
- The District will develop a budget with a minimum 16.7% ending fund balance (reserve) in compliance with Board Policy 6200 Budget Preparation
- The Program Review, Planning, and Budget Development Process will guide the allocation of resources
- Vacancies due to retirement or resignation will not automatically be filled
- Based upon the State's Adopted Budget, an Operating Budget has been prepared which includes estimated revenues and expenditures for 2023-24 fiscal year

# Revenue Assumptions

- There is a 8.22% COLA for the 2023-24 fiscal year for General Apportionments and select Categoricals
- No growth funding assumed

# Expense Assumptions

- Public Employee Retirement System (PERS) district contribution increased by 1.31% to 26.68%
- State Teachers Retirement System (STRS) remains stable at 19.10%
- A 1% President's Contingency has been included in the Adopted Budget
- No budget augmentation funds have been allocated at this time
- District and bargaining units will settle contract negotiations

# Cautions and Concerns for 2023-24

- Unfunded growth
- Continued inflationary pressure
- Increased benefit rates
- Future state budget deficits

**Unrestricted General Fund Adopted Budget**

Major Range Description	2020-21	2021-22		2022-23		2023-24		2024-25	
	Actuals	Actuals		Unaudited Actuals		Projected Budget		Projected Budget	
<b>Beginning Fund Balance</b>	\$ 7,191,936	\$ 13,148,316		\$ 21,836,295		\$ 40,297,453		\$ 31,236,579	
COLA/Revenue Reduction	0.00%	5.07%		6.56%		8.22%		2.00%	
Projected Local Revenue Increase		0.00%		0.00%		0.00%		0.00%	
<b>Revenue</b>			Change compared to 2021		Change compared to 2022		Change compared to 2023		Change compared to 2024
State Apportionment:									
Base Allocation	11,480,660	10,396,187.00		20,910,014		22,560,045		23,511,246	
Supplemental Allocation	17,213,784	13,848,272		14,892,645		16,116,820		17,039,156	
Student Success Allocation	6,644,237	6,644,237		9,333,207		10,355,157		11,062,260	
Prior Year Adjustment	-	-		-		-		-	
<b>Total General Apportionment</b>	<b>35,338,681</b>	<b>30,888,696</b>		<b>45,135,866</b>		<b>49,032,022</b>		<b>51,612,662</b>	
Property Taxes	16,534,594	16,793,756		19,656,867		17,901,473		18,259,502	
Student Enrollment Fee	2,011,542	2,366,702		2,611,799		2,413,559		2,461,830	
Education Protection Act (EPA)	11,971,413	20,547,206		12,151,446		17,352,925		17,699,984	
<b>Total Apportionment</b>	<b>65,856,230</b>	<b>70,596,360</b>	<b>4,740,130</b>	<b>79,555,978</b>	<b>8,959,618</b>	<b>86,699,979</b>	<b>7,144,001</b>	<b>90,033,978</b>	<b>3,333,999</b>
Other State Revenue*	4,470,390	3,688,045		5,704,818		7,822,489		7,147,440	
Other Local Revenue	782,024	1,297,876		4,095,609		2,311,047		2,254,619	
<b>Total Revenue</b>	<b>\$ 71,210,729</b>	<b>\$ 75,582,281</b>	<b>4,371,552</b>	<b>\$ 89,356,405</b>	<b>13,774,124</b>	<b>\$ 96,833,515</b>	<b>7,477,110</b>	<b>\$ 99,436,037</b>	<b>2,602,522</b>
<b>Expenditure</b>									
Academic Salary	\$ 24,731,394	\$ 24,506,707		\$ 26,803,665		\$ 36,650,301		33,718,276	
Classified Salary	10,093,221	9,376,363		9,431,161		14,973,609		13,176,776	
Management Salary	4,262,461	4,534,005		4,782,397		7,716,074		7,061,751	
Employee Benefits*	18,706,685	19,108,827		19,978,743		28,254,311		27,621,414	
Books and Supplies	284,078	684,200		408,819		1,279,844		1,331,038	
Services and Operating Expenditures	6,509,215	7,917,050		8,662,492		13,895,758		14,451,588	
Capital Outlay	642,097	741,950		802,770		2,049,892		1,050,649	
Other Transfers Out	25,200	25,200		25,200		26,400		26,460	
Reserve for Contingencies	-	-		-		1,048,200		984,107	
<b>Total Expenditure</b>	<b>\$ 65,254,350</b>	<b>\$ 66,894,302</b>	<b>1,639,952</b>	<b>\$ 70,895,247</b>	<b>4,000,945</b>	<b>\$ 105,894,389</b>	<b>34,999,142</b>	<b>\$ 99,422,059</b>	<b>(6,472,330)</b>
<b>Change in Fund Balance</b>	<b>5,956,379</b>	<b>8,687,979</b>		<b>18,461,158</b>		<b>(9,060,874)</b>		<b>13,978</b>	
<b>Ending Fund Balance</b>	<b>\$ 13,148,316</b>	<b>\$ 21,836,295</b>	<b>28.89%</b>	<b>\$ 40,297,453</b>	<b>45.10%</b>	<b>\$ 31,236,579</b>	<b>32.26%</b>	<b>\$ 31,250,557</b>	<b>31.43%</b>
Over/Under Board Designated Reserve		\$ 18,057,181	23.89%	\$ 35,829,633	40.10%	\$ 26,394,903	27.26%	\$ 14,644,739	15.12%
State/Board Mandated Reserve		\$ 3,779,114	5.00%	\$ 4,467,820	5.00%	\$ 4,841,676	5.00%	\$ 16,605,818	16.70%

\* Includes entry for State on Behalf payments to STRS



# Student Enrollment (FTES)

## Issues to consider

- Enrollment management
- Un-funded growth

Fiscal Year	16/17	17/18	18/19	19/20	20/21	21/22	22/23
FTES	9475	9640	9205	9635	7876	8285	*10,576

\*at Annual

# Budget Overview of All Funds

Funds	Beginning Fund Balance July 1, 2023	Final 23-24 Budget		Ending Fund Balance June 30, 2024
		Revenue	Expense	
<b>General</b>				
Unrestricted	\$40,297,453	\$96,833,515	\$105,894,389	\$31,236,579
Restricted	\$18,072,161	\$71,266,015	\$71,289,956	\$18,048,220
<b>Total</b>	\$58,369,614	\$168,099,530	\$177,184,345	\$49,284,799
<b>Bond Interest and Redemption</b>				
Fund 21	\$10,687,368	\$9,896,489	\$9,918,466	\$10,665,391
<b>Cafeteria Fund</b>				
Fund 32	\$0	\$958,068	\$958,068	\$0
<b>Special Revenue - GIC</b>				
Fund 39	\$13,528,230	\$3,145,923	\$0	\$16,674,153
<b>Bond Fund Activities</b>				
Fund 42	\$11,835,138	\$23,464,315	\$33,210,000	\$2,089,453
<b>Capital Outlay Projects</b>				
Fund 71	\$6,082,289	\$3,465,478	\$5,115,000	\$4,432,766
<b>Child Development Fund</b>				
Fund 72	\$851,042	\$1,659,901	\$1,659,901	\$851,042
<b>Student Center Fee</b>				
Fund 73	\$1,270	\$100,000	\$100,000	\$1,270
<b>Health Trust Fund</b>				
Fund 75	\$46,803	\$1,020	\$0	\$47,823
<b>Self Insurance Fund</b>				
Fund 78	\$279,450	\$438,081	\$150,000	\$567,531
<b>Auxiliary Services Fund</b>	\$846,076	\$383,589	\$395,081	\$834,584
<b>Rams Bookstore Fund</b>	\$3,129,397	\$216,663	\$807,748	\$2,538,312
<b>Associated Student Body</b>	\$564,363	\$285,000	\$385,000	\$464,363
<b>Federal and State Grants</b>	\$6,949	\$31,734,792	\$31,734,792	\$6,949
<b>Hi Tech Loan Fund</b>	\$80,000	\$80,000	\$80,000	\$80,000
<b>Emergency Loan Fund</b>	\$21,238	\$20,000	\$20,000	\$21,238
<b>Pension Irrevocable Trust</b>	\$6,013,849	\$341,705	\$18,281	\$6,337,273
<b>Other Post Employment Benefits (OPEB)</b>	\$14,257,215	\$1,028,853	\$102,430	\$15,183,638
<b>All Funds Total</b>	\$126,600,291	\$245,319,406	\$261,839,112	\$110,080,585

FACILITIES PROJECTS FY 2023-2024

Capital Projects

	Projected Cost	Completed To Date	FY 2023-24 Expense	Projected Finish	Status
Stadium/Ed Center	\$45M	\$21.79M	\$23.21M	3/01/2024	construction
Site Acquisition	10M	0	10M	6/30/2024	on-going
Pickleball Courts	1.5M	.08M	1.42M	8/31/2024	Design Complete
<b>TOTAL</b>	<b>\$56.5 Million</b>	<b>\$21.87M</b>	<b>\$34.63M</b>		

Scheduled Maintenance

2021-22 State Funded Scheduled Maintenance Projects \$3,552,078 approved

	Approved Amount	Expense to Date	Balance	Projected Finish	Status
Central Plant Cooling Tower Media Replacement	\$ 90,000	0 \$	\$ 90,000	4/30/2024	
Re-roof Portables	\$ 407,766	59,608 \$	\$ 348,158	12/31/2023	60% Complete
Evaporative Cooling Systems Replacement	\$ 100,000	109,413 \$	\$ (9,413)	12/31/2023	80% Complete
Upgrade Bldg Control System	\$ 200,000	0 \$	\$ 200,000	6/30/2024	
Landscape Replacement - Water Conservation	\$ 742,000	449,497 \$	\$ 292,503	6/30/2024	75% Complete
Campus-wide Painting	\$ 250,000	157,190 \$	\$ 92,810	6/30/2024	63% Complete
Floor Covering Replacement	\$ 250,000	188,004 \$	\$ 61,996	6/30/2024	75% Complete
Warehouse Renovation	\$ 150,000	0 \$	\$ 150,000	6/30/2024	
Upgrade Campus Fire Alarm System	\$ 300,078	140,570 \$	\$ 159,508	6/30/2023	47% Complete
District-wide Keying Project	\$ 50,000	0 \$	\$ 50,000	6/30/2024	
Replace AC Units Bldg. 10	\$ 100,000	14,200 \$	\$ 85,800	6/30/2024	14% Complete
Door Access Card Reader System Expansion	\$ 240,000	0 \$	\$ 240,000	6/30/2024	
Re-Roof Bldg #31	\$ 200,000	0 \$	\$ 200,000	6/30/2024	

2022-23 State Funded Scheduled Maintenance Projects - Original Allocation=\$8,946,910, Revised Allocation=\$3,686,383, Reduction=\$5,260,527

\*Project Proposals to be resubmitted 10/23 due to budget reductions

Water Heater Replacement 22-23	\$ 120,000	25,465 \$	\$ 94,535	6/30/2024	21% Complete
Storm Drain Improvements 22-23	\$ 380,000	160,092 \$	\$ 219,908	6/30/2024	42% Complete
Janitor Closet Refresh 22-23	\$ 90,000	53,700 \$	\$ 36,300	6/30/2024	60% Complete
District-wide painting 22-23	\$ 475,000	131,862 \$	\$ 343,138	6/30/2024	28% Complete
District-wide flooring 22-23	\$ 475,000	17,520 \$	\$ 457,480	6/30/2024	4% Complete
Replace Pumps Central Plant 22-23	\$ 92,500	36,261 \$	\$ 56,239	6/30/2024	39% Complete
Energy Monitoring 22-23	\$ 260,000	61,800 \$	\$ 198,200	6/30/2024	24% Complete
Lower Campus Gas Line 22-23	\$ 250,000	21,392 \$	\$ 228,608	6/30/2024	9% Complete
Irrigation System Upgrades 22-23	\$ 330,000	136,541 \$	\$ 193,459	6/30/2024	41% Complete
Walkway Repairs 22-23	\$ 345,000	102,712 \$	\$ 242,288	6/30/2024	30% Complete
District-wide LED Lighting 22-23	\$ 250,000	95,500 \$	\$ 154,500	6/30/2024	38% Complete
Re-Coat Roofs Bldgs 20, 31, Elevator Tower 22-23	\$ 466,410	0 \$	\$ 466,410	6/30/2024	
Security Camers Phase 1 22-23	\$ 100,000	0 \$	\$ 100,000	6/30/2024	
Gym Roof Replacement	\$ 650,000	385,000 \$	\$ 265,000	10/31/2023	60% Complete
Replace Sliding Doors Bldg 30, Elevator Tower 22-23	\$ 100,000	0 \$	\$ 100,000	6/30/2024	
Replace HVAC Bldg 20 22-23	\$ 350,000	0 \$	\$ 350,000	6/30/2024	
Roof Repair Bldg 44 22-23	\$ 203,064	0 \$	\$ 203,064	6/30/2024	
Repair Breezeway B/T Bldg #30/31 22-23	\$ 700,000	560,000 \$	\$ 140,000	9/30/2023	

Questions?