



2017 - 18 Budget Challenges

April 18, 2017



Expected Challenges



- ▶ Lower allocation from prior year shift
 - ▶ 5,225 FTES in FY 17
 - ▶ 5,110 FTES in FY 18
- ▶ Increase in Retirement Benefits
 - ▶ STRS increase of 1.9%
 - ▶ PERS increase of 1.85%
- ▶ Increase in Faculty Health Benefits
 - ▶ 2.53%

Unexpected Challenges

► Retiree Liability Increase

| | Faculty | ASCC |
|------------------------------------|--------------|--------------|
| Actual HRL Rates - FY 17 | | |
| Retiree Liability - Active Service | 9.40% | 4.40% |
| Retiree Liability - Past Service | 14.00% | 12.00% |
| Calculated Retiree Rates - FY18 | | |
| Retiree Liability - Active Service | 11.70% | 5.20% |
| Retiree Liability - Past Service | 17.00% | 14.00% |
| Change | | |
| Retiree Liability - Active Service | 2.30% | 0.80% |
| Retiree Liability - Past Service | <u>3.00%</u> | <u>2.00%</u> |
| | 5.30% | 2.80% |

How Does This Impact OC?

Budget Adjustments for 17-18

Revenue (267,444.00)

Faculty Costs

STRS 1.912 226,501.74

HRL 5.3 627,855.23

Health Insurance 47,940.62

902,297.59

Classified and Management

PERS 1.85 119,181.42

HRL 4.3 277,016.26

396,197.68

(1,565,939.27)



Budget Strategies

- ▶ Reverse Set Aside From FTES Shift
 - ▶ Non-Positional Budget Reductions
 - ▶ Hiring Freeze
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