

# GCCCD PERS & STRS INCREASES FORECAST ANALYSIS OF OPTIONS USING RESERVE<sup>(1)</sup>

	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>	<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>	<u>2022/2023</u>	<u>2023/2024</u>	<u>2024/2025</u>	<u>2025/2026</u>	<u>2026/2027</u>
<b>PERS</b>													
Employer Rate	11.771%	11.847%	13.89%	16.60%	18.20%	19.90%	20.40%	20.40%	20.40%	20.40%	20.40%	20.40%	20.40%
Annual PERS increase	N/A	\$ 17,427	\$ 787,821	\$ 768,110	\$ 505,499	\$ 550,788	\$ 243,145	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>STRS</b>													
Employer Rate	8.880%	10.730%	12.58%	14.43%	16.28%	18.13%	19.10%	19.10%	19.10%	19.10%	19.10%	19.10%	19.10%
Annual STRS increase	N/A	\$ 732,449	\$ 1,185,309	\$ 923,697	\$ 958,472	\$ 994,268	\$ 619,694	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>6-Year Forecast</b>													
Annual fiscal impact		\$ 2,723,006	\$ 4,414,813	\$ 5,878,784	\$ 7,423,840	\$ 8,286,679	\$ 8,286,679	\$ 8,286,679	\$ 8,286,679	\$ 8,286,679	\$ 8,286,679	\$ 8,286,679	\$ 8,286,679
Annual rate increase		\$ 1,973,130	\$ 1,691,807	\$ 1,463,971	\$ 1,545,056	\$ 862,839	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50% of UGF portion		* \$ 887,802	\$ 845,904	\$ 731,986	\$ 772,528	\$ 431,420	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Option 1 (Use one-time funds to pay 100% of Cumulative Fiscal Impact)</b>													
PRSF Beginning Balance		\$ 9,020,000	\$ 6,296,994	\$ 1,882,181									
Option 1 use of one time funds		\$ (2,723,006)	\$ (4,414,813)	\$ (1,882,181)									
PRSF ending balance		\$ 6,296,994	\$ 1,882,181	<u>PRSF funds depleted</u>	<u>PRSF funds depleted</u>	<u>PRSF funds depleted</u>	<u>PRSF funds depleted</u>	<u>PRSF funds depleted</u>	<u>PRSF funds depleted</u>	<u>PRSF funds depleted</u>	<u>PRSF funds depleted</u>	<u>PRSF funds depleted</u>	<u>PRSF funds depleted</u>
Annual operating expense amount		\$ -	\$ -	\$ 3,996,603	\$ 7,423,840	\$ 8,286,679	\$ 8,286,679	\$ 8,286,679	\$ 8,286,679	\$ 8,286,679	\$ 8,286,679	\$ 8,286,679	\$ 8,286,679
<b>Option 2 (Use one-time funds to pay 50% of cumulative amount, expense the rest)</b>													
PRSF Beginning Balance		\$ 9,020,000	\$ 7,658,497	\$ 5,451,090	\$ 2,511,698								
Option 2 use of one time funds		\$ (1,361,503)	\$ (2,207,407)	\$ (2,939,392)	\$ (2,511,698)								
PRSF ending balance		\$ 7,658,497	\$ 5,451,090	\$ 2,511,698	<u>PRSF funds depleted</u>	<u>PRSF funds depleted</u>	<u>PRSF funds depleted</u>	<u>PRSF funds depleted</u>	<u>PRSF funds depleted</u>	<u>PRSF funds depleted</u>	<u>PRSF funds depleted</u>	<u>PRSF funds depleted</u>	<u>PRSF funds depleted</u>
Annual operating expense amount		\$ 1,361,503	\$ 2,207,406	\$ 2,939,392	\$ 4,912,142	\$ 8,286,679	\$ 8,286,679	\$ 8,286,679	\$ 8,286,679	\$ 8,286,679	\$ 8,286,679	\$ 8,286,679	\$ 8,286,679
<b>Option 3 (Use one-time funds to pay 100% of budget year rate increase, expense the rest)</b>													
PRSF Beginning Balance		\$ 9,020,000	\$ 7,046,870	\$ 5,355,063	\$ 3,891,092	\$ 2,346,036	\$ 1,483,197	\$ 620,358					
Option 3 use of one time funds		\$ (1,973,130)	\$ (1,691,807)	\$ (1,463,971)	\$ (1,545,056)	\$ (862,839)	\$ (862,839)	\$ (620,358)					
PRSF ending balance		\$ 7,046,870	\$ 5,355,063	\$ 3,891,092	\$ 2,346,036	\$ 1,483,197	\$ 620,358	<u>PRSF funds depleted</u>	<u>PRSF funds depleted</u>	<u>PRSF funds depleted</u>	<u>PRSF funds depleted</u>	<u>PRSF funds depleted</u>	<u>PRSF funds depleted</u>
Annual operating expense amount		\$ 749,876	\$ 2,723,006	\$ 4,414,813	\$ 5,878,784	\$ 7,423,840	\$ 7,423,840	\$ 7,666,321	\$ 8,286,679	\$ 8,286,679	\$ 8,286,679	\$ 8,286,679	\$ 8,286,679
<b>Option 4 (Use one-time funds to pay 50% of budget year increase, expense the rest)</b>													
PRSF Beginning Balance		\$ 9,020,000	\$ 8,132,198	\$ 7,286,294	\$ 6,554,308	\$ 5,781,780	\$ 5,350,360	\$ 4,458,633	\$ 3,566,906	\$ 2,675,179	\$ 1,783,452	\$ 891,725	\$ 891,725
Option 4 use of one time funds		\$ (887,802)	\$ (845,904)	\$ (731,986)	\$ (772,528)	\$ (431,420)	\$ (891,727)	\$ (891,727)	\$ (891,727)	\$ (891,727)	\$ (891,727)	\$ (891,727)	\$ (891,725)
PRSF ending balance		\$ 8,132,198	\$ 7,286,294	\$ 6,554,308	\$ 5,781,780	\$ 5,350,360	\$ 4,458,633	\$ 3,566,906	\$ 2,675,179	\$ 1,783,452	\$ 891,725	<u>PRSF funds depleted</u>	<u>PRSF funds depleted</u>
Annual operating expense amount		\$ 1,835,204	\$ 3,568,909	\$ 5,146,798	\$ 6,651,312	\$ 7,855,259	\$ 7,394,952	\$ 7,394,952	\$ 7,394,952	\$ 7,394,952	\$ 7,394,952	\$ 7,394,952	\$ 7,394,954

\* 2016/21017 AB estimates withdrawal of only 50% of UGF portion for 2016/2017 from one-time funds