

## GCCCD OPTIONS OF USING PERS/STRS RESERVE TO FUND PERS/STRS INCREASES

### Beginning balance of \$9,020,000

	Option 1 (100% of Cumulative)	Option 2 (50% of Cumulative)	Option 3 (100% of annual increase)	Option 4 (50% of annual increase)
Funds Depleted by	2018/19	2019/20	2022/23	2026/27

### Annual budget demand increase (net of reserve funds)

	Option 1 (100% of Cumulative)	Option 2 (50% of Cumulative)	Option 3 (100% of annual increase)	Option 4 (50% of annual increase)
2016/17	\$0.0 M	\$1.4 M	\$0.7 M	\$1.8 M
2017/18	0.0 M	0.8 M	2.0 M	1.7 M
2018/19	4.0 M	0.7 M	1.7 M	1.6 M
2019/20	3.4 M	2.0 M	1.5 M	1.5 M
2020/21	0.9 M	3.4 M	1.5 M	1.2 M
				<i>This option was used for the 2016/17 AB</i>

Recommendation: Only use a portion of the reserve each year (i.e. Options 3 and 4) to minimize the annual demand. This will also allow use of additional reserves in years of minimal or no state revenue increase as needed.

Site CBO and President's offices to analyze and make recommendation annually using projected revenues and expenses that will be used to create Tentative Budget.