



PCCD 2023 Proposed Adopted Budget - Revised

Board of Trustees Meeting
September 13, 2022

Presenters:

Dr. Nathaniel Jones III – Acting Vice Chancellor of Finance

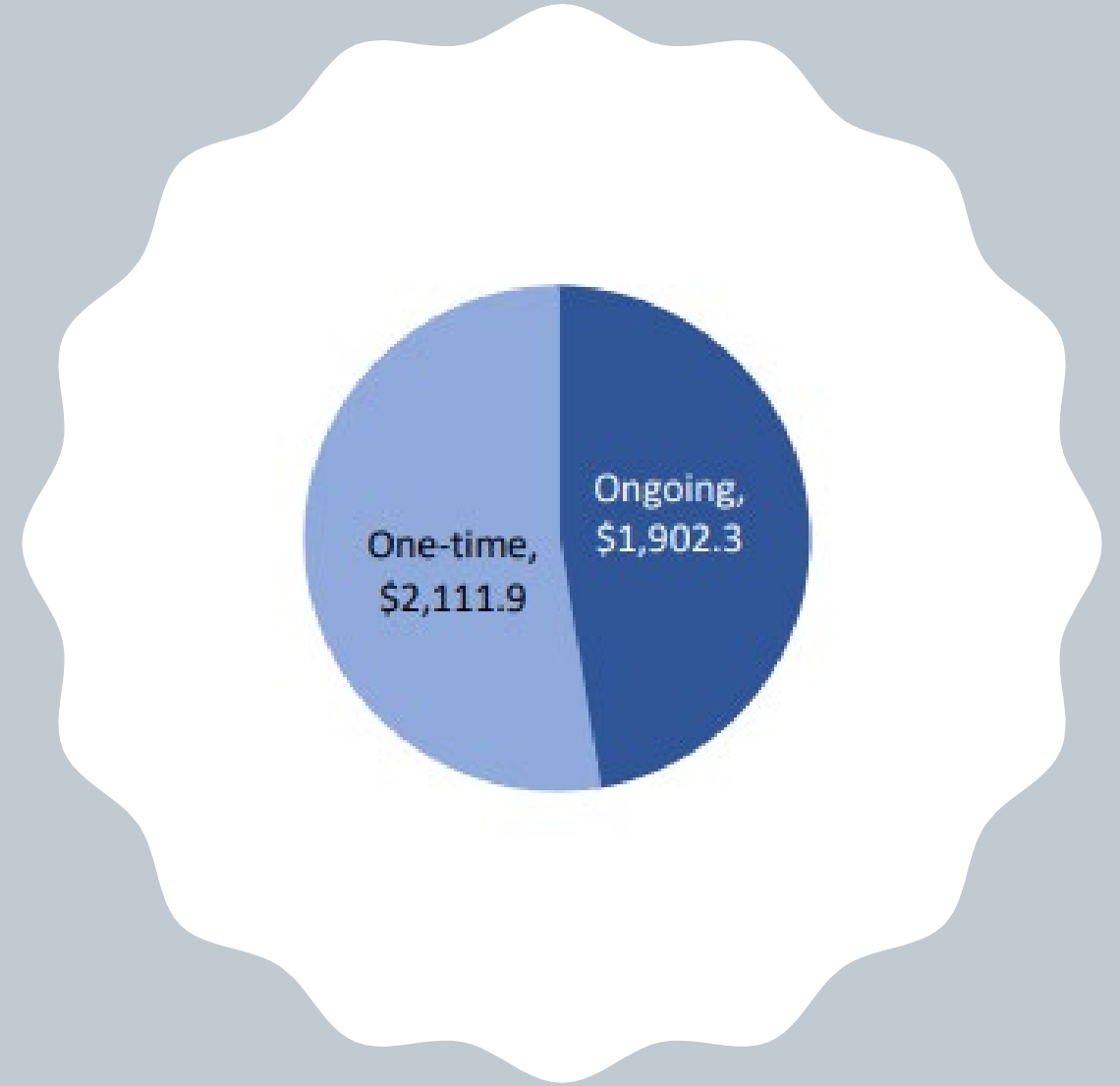
Adil Ahmed – Associate Vice Chancellor of Finance



2022/23 Adopted Budget

The 2022-23 budget for community colleges provides about \$4 billion in Proposition 98 augmentations over the prior year, of which \$1.9 billion (47%) are provided as ongoing resources and \$2.1 billion (53%) as one-time funding.

Figure: Majority of new Proposition 98 funding for 2022-23 represents one-time investments (dollars in millions).





2022/23 Adopted Budget

Figure 3: Ongoing investments for 2022-23 include COLAs, SCFF base increase, and PT faculty health insurance (dollars in millions).

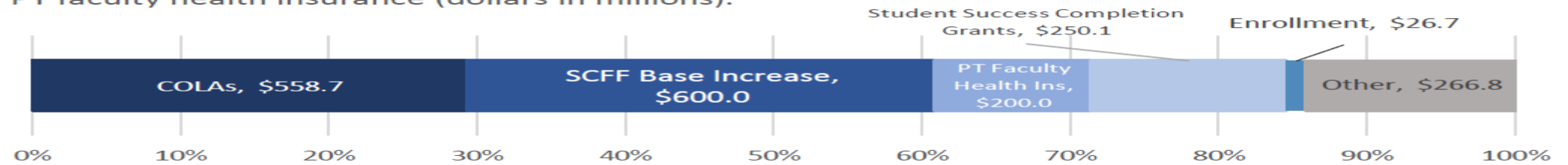
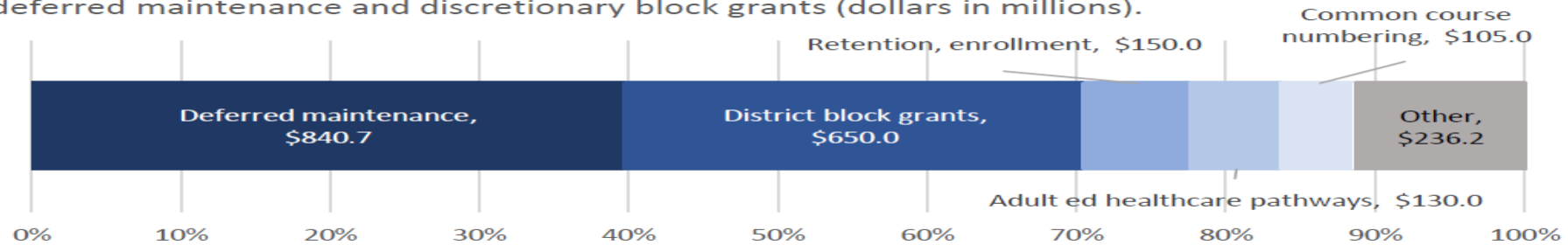


Figure 4: One-time investments for 2022-23. Included in the \$2.1 billion is deferred maintenance and discretionary block grants (dollars in millions).



^a A portion of the funding for Adult Ed programs goes to community colleges, with the remainder going to K-12.



2022/23 Adopted Budget

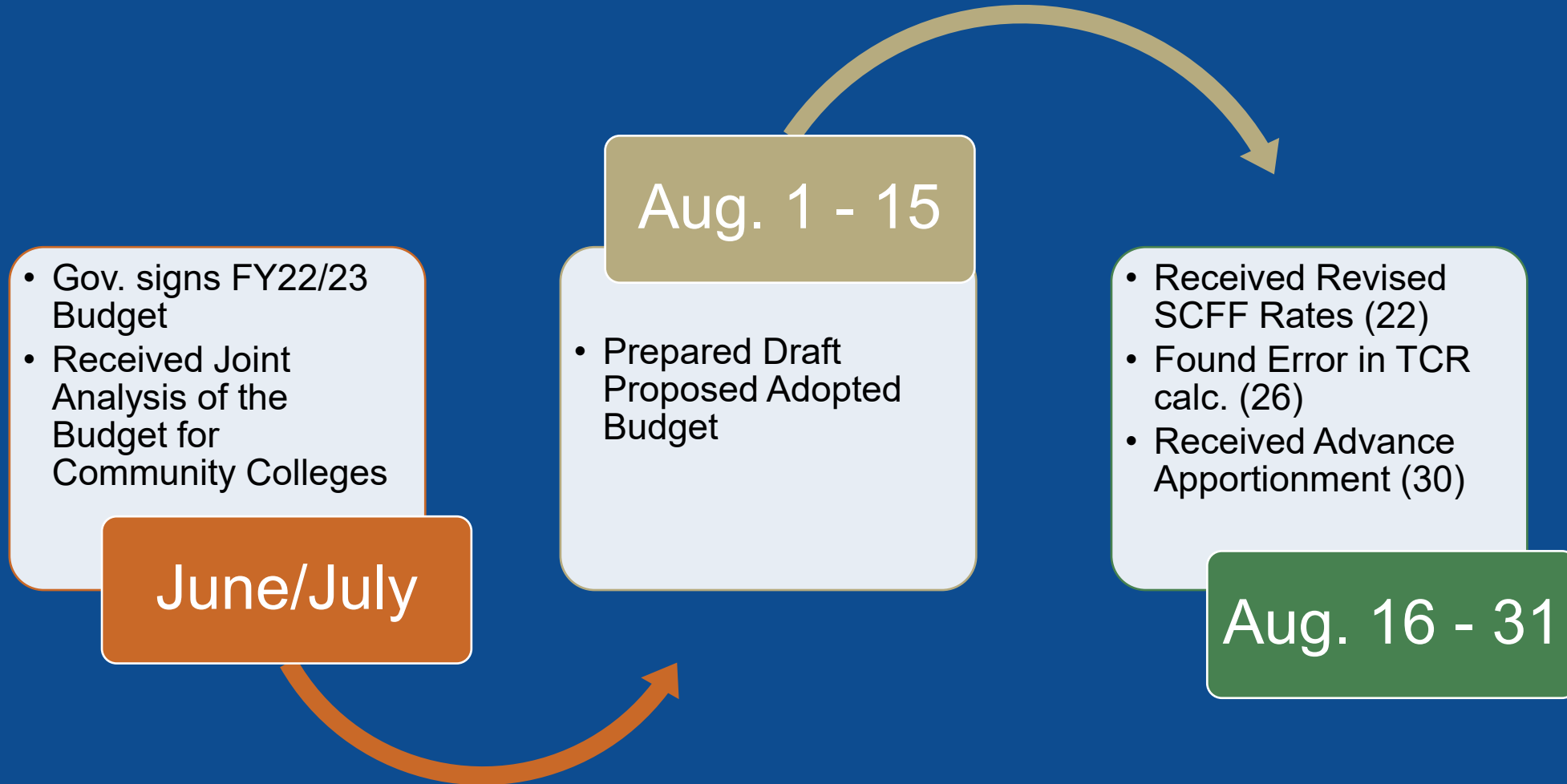
The following assumptions were utilized in the development of the 2022/23 District and College's Adopted Budgets. These assumptions reflect the June Enacted Budget and Advance Revision (8/22/22).

General Assumptions from the Enacted Budget passed by the Legislature and signed by the Governor

- The 2022/23 General Fund Unrestricted Ending Fund Balance is projected at approximately \$28.3M
- The 2021/22 Unaudited Actuals will have an Ending Balance of no less than 10%, meeting the Board's policy on the required reserve level
- The district will use planning documents and collaborative planning meetings for the development of expenditure budgets through the participatory governance process
- Recommendations from the Budget Allocation Model Task Force will inform data analysis needed to fully implement and adopt the Resource Allocation Model for 2023-24



Chronology of Key Events





State Summary of Revenues by District

**PCCD Total
Computational
Revenue (TCR) -
\$136,171,044**

Heading number >>>	1	2	3	4	5	6	7	8	9	10
District Name	Basic Allocation	FTES Allocation	Supplemental Allocation	Student Success Allocation	2022-23 SCFF Calculated Revenue (A)	2021-22 SCFF Calculated Revenue + COLA (B)	2022-23 Hold Harmless Revenue (C)	Stability Protection Adjustment (B)	Hold Harmless Protection Adjustment (C)	2022-23 TCR (Max of A, B, or C)
Allan Hancock Joint CCD	\$ 9,917,373	\$ 44,135,205	\$ 11,851,391	\$ 8,886,920	\$ 74,790,889	\$ 67,604,519	\$ 69,375,047	\$ -	\$ -	\$ 74,790,889
Antelope Valley CCD	9,917,373	54,542,213	19,358,951	10,516,831	94,335,368	85,738,032	74,350,302	-	-	94,335,368
Barstow CCD	7,843,022	12,463,917	4,925,298	2,925,965	28,158,202	24,708,944	22,183,426	-	-	28,158,202
Butte-Glenn CCD	9,917,373	49,762,272	15,684,722	9,101,949	84,466,316	76,678,299	69,905,260	-	-	84,466,316
Cabrillo CCD	7,933,895	48,757,947	8,962,371	6,102,596	71,756,809	63,384,568	72,514,048	-	757,239	72,514,048
Cerritos CCD	7,933,899	84,826,352	29,947,826	15,730,323	138,438,400	126,917,423	110,965,033	-	-	138,438,400
Chabot-Las Positas CCD	12,892,582	83,564,264	16,051,001	13,804,553	126,312,400	114,736,229	127,865,096	-	1,552,696	127,865,096
Chaffey CCD	11,900,847	82,708,411	28,148,484	15,902,710	138,660,452	125,739,562	111,228,857	-	-	138,660,452
Citrus CCD	7,933,899	47,212,394	14,984,215	10,942,578	81,073,086	77,944,512	80,912,341	-	-	81,073,086
Coast CCD	18,843,003	140,501,398	39,199,786	29,812,018	228,356,205	208,960,975	218,829,579	-	-	228,356,205
Compton CCD	5,950,421	29,412,086	5,323,625	2,739,478	43,425,610	39,434,717	42,125,229	-	-	43,425,610
Contra Costa CCD	22,809,951	140,047,841	26,570,053	23,135,690	212,563,535	192,983,717	202,160,322	-	-	212,563,535
Copper Mountain CCD	7,843,022	6,980,872	2,787,148	1,260,262	18,871,304	16,202,329	15,331,936	-	-	18,871,304
Desert CCD	9,917,373	55,467,275	15,198,258	9,159,146	89,742,052	78,718,758	69,630,545	-	-	89,742,052
El Camino CCD	7,933,899	93,281,965	25,997,744	14,944,267	142,157,875	130,920,100	135,453,244	-	-	142,157,875
Feather River CCD	7,843,022	8,832,222	2,214,839	1,369,509	20,259,592	17,520,778	16,185,642	-	-	20,259,592
Foothill-DeAnza CCD	15,867,796	109,319,555	21,356,312	23,886,255	170,429,918	158,676,876	175,640,933	-	5,211,015	175,640,933
Gavilan Joint CCD	7,843,022	25,549,765	4,658,602	4,499,796	42,551,185	38,136,675	38,322,081	-	-	42,551,185
Glendale CCD	9,917,373	70,434,744	17,398,217	9,567,473	107,317,807	97,723,220	104,757,010	-	-	107,317,807
Grossmont-Cuyamaca CCD	12,892,582	83,139,964	24,518,896	14,015,759	134,567,201	123,089,297	129,894,084	-	-	134,567,201
Hartnell CCD	6,446,290	36,847,505	10,593,454	8,171,405	62,058,654	55,411,297	51,220,611	-	-	62,058,654
Imperial CCD	5,950,421	36,599,898	13,203,186	7,801,534	63,555,039	57,823,697	51,020,158	-	-	63,555,039
Kern CCD	25,289,294	117,118,695	42,365,804	24,881,689	209,655,482	186,000,827	161,013,275	-	-	209,655,482
Lake Tahoe CCD	7,843,022	9,485,200	3,057,279	1,620,243	22,005,744	18,492,889	16,995,663	-	-	22,005,744
Lassen CCD	7,843,022	6,694,027	2,649,794	1,214,327	18,401,170	15,854,004	16,133,994	-	-	18,401,170
Long Beach CCD	11,900,847	97,065,850	34,889,149	16,000,665	159,856,511	145,680,106	141,448,588	-	-	159,856,511
Los Angeles CCD	61,487,701	495,108,630	120,911,887	78,576,432	756,084,650	688,716,211	719,410,766	-	-	756,084,650
Los Rios CCD	39,669,486	216,219,317	77,140,490	43,076,417	376,105,710	342,217,015	360,939,343	-	-	376,105,710
Marin CCD	5,950,421	17,396,063	3,060,713	2,221,819	28,629,016	25,534,590	30,407,127	-	1,778,111	30,407,127
Mendocino-Lake CCD	9,330,629	15,947,313	3,689,109	2,508,523	31,475,574	27,621,756	26,639,600	-	-	31,475,574
Merced CCD	9,917,373	49,907,682	13,830,439	9,647,454	83,302,948	75,159,171	67,087,043	-	-	83,302,948
MiraCosta CCD	9,917,373	49,176,971	13,886,524	10,006,783	82,987,651	75,304,625	75,451,080	-	-	82,987,651
Monterey Peninsula CCD	6,446,290	30,784,310	6,066,484	4,908,046	48,205,130	43,562,703	46,178,853	-	-	48,205,130
Mt. San Antonio CCD	9,917,373	172,106,967	37,234,474	21,511,845	240,770,659	220,255,959	209,496,218	-	-	240,770,659
Mt. San Jacinto CCD	9,917,373	59,646,873	19,539,800	12,545,523	101,649,569	91,945,809	84,923,862	-	-	101,649,569
Napa Valley CCD	6,942,157	22,997,844	4,951,624	4,089,319	38,980,944	35,050,919	37,547,727	-	-	38,980,944
North Orange County CCD	15,867,796	133,006,517	42,014,406	25,478,157	216,366,876	205,508,366	239,933,078	-	23,566,202	239,933,078
Ohlone CCD	7,933,895	37,318,956	5,404,893	5,980,627	56,638,371	50,965,082	57,905,701	-	1,267,330	57,905,701
Palo Verde CCD	8,090,958	13,346,434	3,404,099	1,291,235	26,132,726	22,311,583	19,755,540	-	-	26,132,726
Palomar CCD	9,917,373	90,927,726	18,364,275	13,195,415	132,404,789	121,062,014	128,896,580	-	-	132,404,789
Pasadena Area CCD	11,900,847	117,805,159	31,886,811	23,020,622	184,613,439	168,303,917	159,670,759	-	-	184,613,439
Peralta CCD	23,801,684	76,069,883	17,489,787	11,986,536	129,347,890	116,234,476	136,171,044	-	6,823,154	136,171,044



SCFF Calculation (Student Centered Funding Formula)

2023 Adopted Budget (2 of 2)

		<u>Outcomes</u>	<u>Rate</u>	
Student Success Allocation	All Students: Associate Degrees	816.00	1,981	1,616,815
	Associate Degrees for Transfer	592.00	2,642	1,563,985
	Credit Certificates	332.00	1,321	439,348
	Nine or More CTE Units	2,528.00	660	1,669,653
	Transfer	1,106.00	991	1,095,709
	Transfer Level Math and English	540.00	1,321	713,301
	Achieved Regional Living Wage	2,891.00	660	1,910,206
		Subtotal	8,805.00	
Pell Grant Recipients Bonus:	Associate Degrees	490.00	750	367,339
	Associate Degrees for Transfer	342.00	1,000	341,848
	Credit Certificates	158.00	500	78,966
	Nine or More CTE Units	1,095.00	250	273,626
	Transfer	525.00	375	196,786
	Transfer Level Math and English	206.00	500	102,956
	Achieved Regional Living Wage	650.00	250	162,426
	Subtotal	3,466.00		1,523,946
California Promise Grant Recipients Bonus:	Associate Degrees	630.00	500	314,864
	Associate Degrees for Transfer	459.00	666	305,863
	Credit Certificates	222.00	333	73,968
	Nine or More CTE Units	1,599.00	167	266,385
	Transfer	719.00	250	179,668
	Transfer Level Math and English	315.00	333	104,955
	Achieved Regional Living Wage	1,263.00	167	210,409
	Subtotal	5,207.00		1,456,112
	Total	17,478.00		11,989,075
	Total SCFF before Hold Harmless			126,798,383
	Hold Harmless Funding			21,038,543
	Stability Protection Adjustment			0
	Total TCR 2022-2023			147,836,926
	Total SCFF FY 2022-2023 (Total Computation Revenue)			147,836,926





FY21/22 Exhibit C

Exhibit C - Page 1

Total Computational Revenue and Revenue Sources

Total Computational Revenue (TCR)

I. Base Allocation (FTES + Basic Allocation)				\$	83,199,490
II. Supplemental Allocation					15,219,852
III. Student Success Allocation					10,659,558
			Student Centered Funding Formula (SCFF) Calculated Revenue (A)	\$	109,078,900
			2020-21 SCFF Calculated Revenue + COLA (B)		113,311,641
			Hold Harmless Revenue (C)		127,788,142
			Stability Protection Adjustment		-
			Hold Harmless Protection Adjustment		18,709,242
			2021-22 TCR (Max of A, B, or C)	\$	127,788,142

Revenue Sources

Property Tax & ERAF				\$	57,156,424
Less Property Tax Excess					-
Student Enrollment Fees					4,644,008
Education Protection Account (EPA)	Requirement of at least \$100 x Funded FTES	Funded FTES: 15,523.71	x	Rate: \$2,005.25	31,128,849
State General Fund Allocation					34,858,861

State General Fund Allocation

General Fund Allocation	\$	33,586,805
Full-Time Faculty Hiring (FTFH) Allocation (2015-16 Funds Only)		1,272,056
Subtotal State General Fund Allocation		\$34,858,861
Adjustment(s)		-
Total State General Fund Allocation (Exhibit A)		\$34,858,861

				Available Revenue	\$	127,788,142
				2021-22 TCR (Max of A, B, or C)		127,788,142
	Revenue Deficit Percentage	0.0000%	Revenue Deficit	\$		-

Explanation of Change in Revenue

TCR Revenue Summary	Values
SCFF TCR Calc.	129,607,523
Stability TCR Calc.	116,234,476
HH TCR Calc.	136,171,044
Max TCR	136,171,044
HH included in Max TCR	6,563,521
Adopted Budget TCR	147,836,926
Variance	(11,665,882)

Budget Adjustment Options

Use

- Use HEERF Funds

Reduce

- Reduce budget for vacant positions

Decrease

- Decrease budget for liability & OPEB buy-down

Reduce

- Reduce discretionary budgets

Reduce

- Reduce fund balance

??? Savings from adopting the proposed benefit plan change???



Adopted Budget FY 2022/23 Unrestricted General Fund 5 Year Projection

	Adopted Budget F/Y 2021/22	Unaudited Actuals F/Y 2021/22	Adopted Budget F/Y 2022/23	Projections F/Y 2023/24	Projections F/Y 2024/25	Projections F/Y 2025/26
	With Hold Harmless		With Hold Harmless	With Hold Harmless	With Hold Harmless	With Out Hold Harmless
Revenues:						
Federal Revenue	-	-	-	-	-	-
State Revenue ¹	76,530,675	77,349,246	98,872,673	100,529,424	105,097,585	105,097,585
Local Revenue ²	72,205,810	69,019,624	68,937,688	69,222,205	69,336,097	69,452,267
Total Revenues:	148,736,485	146,368,870	167,810,361	169,751,629	174,433,682	174,549,852
Expenditures:						
Full Time Academic ³	25,740,117	24,407,728	28,306,815	29,439,088	30,616,651	31,228,984
Academic Administration	6,167,997	5,779,597	6,657,638	6,923,944	7,200,901	7,344,919
Other Faculty	6,949,694	6,474,025	6,827,771	7,100,882	7,384,917	7,532,615
Part Time Academic	5,261,820	13,320,837	6,721,803	6,990,675	7,270,302	7,415,708
Classified Salary	33,107,442	29,574,186	35,960,410	37,398,826	38,894,779	39,672,675
Fringe Benefits	43,267,476	41,130,396	48,747,969	49,722,928	50,717,387	51,731,735
Bad Debts	850,000	850,000	2,000,000	2,000,000	1,000,000	850,000
Books Supplies, SVcs	22,304,944	15,843,853	23,254,916	23,720,014	24,194,415	24,194,415
Equipment Outlay	268,751	326,080	308,982	315,162	321,465	321,465
Debt Services-Bonds ⁴	2,334,000	121,704	3,000,000	3,500,000	4,000,000	2,334,000
Other Outgo (General Fund Contribution) ⁵	1,850,000	6,680,465	3,000,000	1,850,000	1,850,000	1,850,000
Contingency Reserve ⁶	406,950	0	283,000	-	-	-
Total Expenses:	148,509,191	144,508,871	165,069,304	168,961,519	173,450,817	174,476,516
Beginning Fund Balance:⁷	23,666,687	23,666,687	25,526,686	28,267,743	29,057,853	30,040,718
Net Increase (Decrease)	227,294	1,859,999	2,741,057	790,111	982,865	73,336
Audit Adjustment	-	-	-	-	-	-
Ending Fund Balance:	23,893,980	25,526,686	28,267,743	29,057,853	30,040,718	30,114,054
Fund Balance %	16.09%	17.66%	17.12%	17.20%	17.32%	17.26%





Adopted Budget 2023 (Per June Enacted) Unrestricted General Fund 5 Year Projection

	Adopted Budget F/Y 2021/22	Unaudited Actuals F/Y 2021/22	Revised Adopted Budget F/Y 2022/23	Projections F/Y 2023/24	Projections F/Y 2024/25	Projections F/Y 2025/26
	With Hold Harmless		With Hold Harmless	With Hold Harmless	With Hold Harmless	With Out Hold Harmless
Revenues:						
Federal Revenue	-	-	-	-	-	-
State Revenue ¹	76,530,675	77,349,246	98,872,673	100,529,424	105,097,585	105,097,585
Local Revenue ²	72,205,810	69,019,624	68,937,688	69,222,205	69,336,097	69,452,267
Revenue Error Adjustment			(11,665,882)	(11,665,882)	(11,665,882)	(11,665,882)
Total Revenues:	148,736,485	146,368,870	156,144,479	158,085,747	162,767,800	162,883,970
Expenditures:						
Full Time Academic ³	25,740,117	24,407,728	28,306,815	29,439,088	30,616,651	31,228,984
Academic Administration	6,167,997	5,779,597	6,657,638	6,923,944	7,200,901	7,344,919
Other Faculty	6,949,694	6,474,025	6,827,771	7,100,882	7,384,917	7,532,615
Part Time Academic	5,261,820	13,320,837	6,721,803	6,990,675	7,270,302	7,415,708
Classified Salary	33,107,442	29,574,186	35,960,410	37,398,826	38,894,779	39,672,675
Fringe Benefits	43,267,476	41,130,396	48,747,969	49,722,928	50,717,387	51,731,735
Bad Debts	850,000	850,000	2,000,000	2,000,000	1,000,000	850,000
Books Supplies, Svcs	22,304,944	15,843,853	23,254,916	23,720,014	24,194,415	24,194,415
Equipment Outlay	268,751	326,080	308,982	315,162	321,465	321,465
Debt Services-Bonds ⁴	2,334,000	121,704	3,000,000	3,500,000	4,000,000	2,334,000
Other Outgo (General Fund Contribution) ⁵	1,850,000	6,680,465	3,000,000	1,850,000	1,850,000	1,850,000
Contengency Reserve ⁶	406,950	0	283,000	-	-	-
Expense Reductions to cure revenue error			(9,500,000)	(9,500,000)	(9,500,000)	(9,500,000)
Total Expenses:	148,509,191	144,508,871	155,569,304	159,461,519	163,950,817	164,976,516
Beginning Fund Balance:⁷	23,666,687	23,666,687	25,526,686	26,101,861	24,726,089	23,543,072
Net Increase (Decrease)	227,294	1,859,999	575,175	(1,375,771)	(1,183,017)	(2,092,546)
Audit Adjustment	-	-	-	-	-	-
Ending Fund Balance:	23,893,980	25,526,686	26,101,861	24,726,089	23,543,072	21,450,526
Fund Balance %	16.09%	17.66%	16.78%	15.51%	14.36%	13.00%



Revised FY22/23 Adopted Budget: **Option #1** Unrestricted General Fund 5 Year Projection

Budget Adjustment Option #1

	Adopted Budget FY 2021/22	Unaudited Actuals FY 2021/222	Adopted Budget FY 2022/23	Projections FY 2023/24	Projections FY 2024/25	Projections FY 2025/26
	With Hold Harmless		With Hold Harmless	With Hold Harmless	With Hold Harmless	With Out Hold Harmless
Revenues:						
<i>HEERF^{1a}</i>	-	-	3,999,859	-	-	-
State Revenue ^{1b}	76,530,675	77,349,246	87,139,189	89,753,365	92,445,965	92,445,965
Local Revenue ²	72,205,810	69,019,624	68,141,777	69,504,612	70,894,704	72,312,598
Total Revenues:	148,736,485	146,368,870	159,280,824	159,257,977	163,340,670	164,758,564
Expenditures:						
Full Time Academic ³	25,740,117	24,407,728	28,306,815	29,156,019	30,030,700	30,931,621
Academic Administration	6,167,997	5,779,597	6,657,638	6,857,367	7,063,088	7,274,981
Other Faculty	6,949,694	6,474,025	6,827,771	7,032,604	7,243,582	7,460,890
Part Time Academic	5,261,820	13,320,837	6,721,803	6,923,457	7,131,161	7,345,096
Classified Salary	33,107,442	29,574,186	35,960,410	37,039,222	38,150,399	39,294,911
<i>Freeze 45% Vacant Positions</i>	0	0	(3,577,633)	(3,975,148)	(3,975,148)	(3,975,148)
Fringe Benefits	43,267,476	41,130,396	48,747,969	49,722,928	50,717,387	51,731,735
<i>Freeze 45% Vacant Positions Benefits</i>		0	(2,718,135)	(3,020,151)	(3,020,151)	(3,020,151)
Bad Debts	850,000	850,000	2,000,000	2,000,000	2,000,000	2,000,000
<i>Reduce Bad Debt buy-down</i>				(1,550,000)	(1,550,000)	(1,550,000)
Books Supplies, Svcs	22,304,944	15,843,853	23,254,916	23,720,014	24,194,415	24,678,303
Equipment Outlay	268,751	326,080	308,982	315,162	321,465	321,465
<i>Debt Services-Bonds⁴</i>	2,334,000	121,704	3,000,000	2,500,000	2,500,000	1,000,000
<i>Other Outgo (General Fund Contribution)⁵</i>	1,850,000	6,680,465	3,000,000	2,000,000	2,000,000	800,000
<i>Contingency Reserve⁶</i>	406,950	0	283,000	250,000	250,000	250,000
Total Expenses:	148,509,191	144,508,871	158,773,535	158,971,476	163,056,898	164,543,702
Beginning Fund Balance:⁷	23,666,687	23,666,687	25,526,686	26,033,974	26,320,475	26,604,247
Net Increase (Decrease)	227,294	1,859,999	507,289	286,501	283,772	214,862
Audit Adjustment	-	-	-	-	-	-
Ending Fund Balance:	23,893,980	25,526,686	26,033,974	26,320,475	26,604,247	26,819,108
Fund Balance %	16.09%	17.66%	16.40%	16.56%	16.32%	16.30%



Revised FY22/23 Adopted Budget: **Option #2** Unrestricted General Fund 5 Year Projection

Budget Adjustment Option #2

	Adopted Budget FY 2021/22	Unaudited Actuals FY 2021/22	Adopted Budget FY 2022/23	Projections FY 2023/24	Projections FY 2024/25	Projections FY 2025/26
	With Hold Harmless		With Hold Harmless	With Hold Harmless	With Hold Harmless	With Out Hold Harmless
Revenues:						
<i>Federal Revenue (HEERF Funds)</i>	-	-	3,999,859	-	-	-
State Revenue ¹	76,530,675	77,349,246	87,139,189	89,753,365	92,445,965	92,445,965
Local Revenue ²	72,205,810	69,019,624	68,141,777	69,504,612	70,894,704	72,312,598
Total Revenues:	148,736,485	146,368,870	159,280,824	159,257,977	163,340,670	164,758,564
Expenditures:						
Full Time Academic ³	25,740,117	24,407,728	28,306,815	29,156,019	30,030,700	30,931,621
Academic Administration	6,167,997	5,779,597	6,657,638	6,857,367	7,063,088	7,274,981
Other Faculty	6,949,694	6,474,025	6,827,771	7,032,604	7,243,582	7,460,890
Part Time Academic	5,261,820	13,320,837	6,721,803	6,923,457	7,131,161	7,345,096
Classified Salary	33,107,442	29,574,186	35,960,410	37,039,222	38,150,399	39,294,911
<i>Freeze 35% Vacant Positions</i>	0	0	(2,782,604)	(2,782,604)	(2,782,604)	(2,782,604)
Fringe Benefits	43,267,476	41,130,396	48,747,969	49,722,928	50,717,387	51,731,735
<i>Freeze 35% Vacant Positions Benefits</i>		0	(2,114,105)	(2,114,105)	(2,114,105)	(2,114,105)
Bad Debts	850,000	850,000	2,000,000	2,000,000	2,000,000	2,000,000
<i>Reduce Bad Debt buy-down</i>				(1,550,000)	(1,550,000)	(1,550,000)
<i>Books Supplies, Svcs</i>	22,304,944	15,843,853	23,254,916	23,254,916	23,254,916	23,254,916
Equipment Outlay	268,751	326,080	308,982	315,162	321,465	321,465
<i>Debt Services-Bonds⁴</i>	2,334,000	121,704	2,500,000	1,500,000	1,750,000	500,000
<i>Other Outgo (General Fund Contribution)⁵</i>	1,850,000	6,680,465	2,300,000	1,250,000	1,500,000	500,000
Contingency Reserve ⁶	406,950	0	350,000	350,000	350,000	350,000
Total Expenses:	148,509,191	144,508,871	159,039,595	158,954,967	163,065,989	164,518,905
Beginning Fund Balance:⁷	23,666,687	23,666,687	25,526,686	25,767,915	26,070,924	26,345,605
Net Increase (Decrease)	227,294	1,859,999	241,229	303,009	274,681	239,659
Audit Adjustment	-	-	-	-	-	-
Ending Fund Balance:	23,893,980	25,526,686	25,767,915	26,070,924	26,345,605	26,585,264
Fund Balance %	16.09%	17.66%	16.20%	16.40%	16.16%	16.16%

Budgeting Assumptions



Revenue Assumptions

^{1a} HEERF funding from indirect and Loss revenues (one-time revenues)

^{1b} State revenue for FY22/23 includes a 6.56%; FY23/24 - 24/25 3% incr. & local Rev. 2% incr. FY24/25 state revenues to be flat, no TCR COLA.

² Local revenue (Out of State Student, International Student and miscellaneous Revenues) 2% increase annually starting 23-24; \$2.8M included for PT Faculty Health Ins.

Expenditure Assumptions

³ FY22/23 Full Time Academic includes a 5.56% COLA and hiring of 11 new faculty positions; all other personnel salaries include 5.56% COLA; FY23/24 - 25/26 includes 3% salary increases for all positions.

⁴ Debt services, increase in annual bond payment beginning 22-23. Debt payment from the General Fund will decrease from FY23/24 - FY25/26, differential will be paid from Fund 69 reserve.

⁵ Other Outgo - Includes DSPS contribution \$1.2M, Property Insurance \$1.5M and Post Retiree contribution of \$3M but will decrease from FY 23/24 - 25/26. Cost of Self Insurance need to be examined for less costly options.

⁶ Contingency reserve for unforeseen expenses

⁷ Beginning Fund Balance for Fiscal Year 2022/23 is the unaudited actuals Ending Fund Balance for FY21/22

⁸ All expenditures increase 4% every year from 23-24 which represent 2% cola and 2% step increase (except Bad Debt, Other Outgo, Contingency Reserve and Contributions)

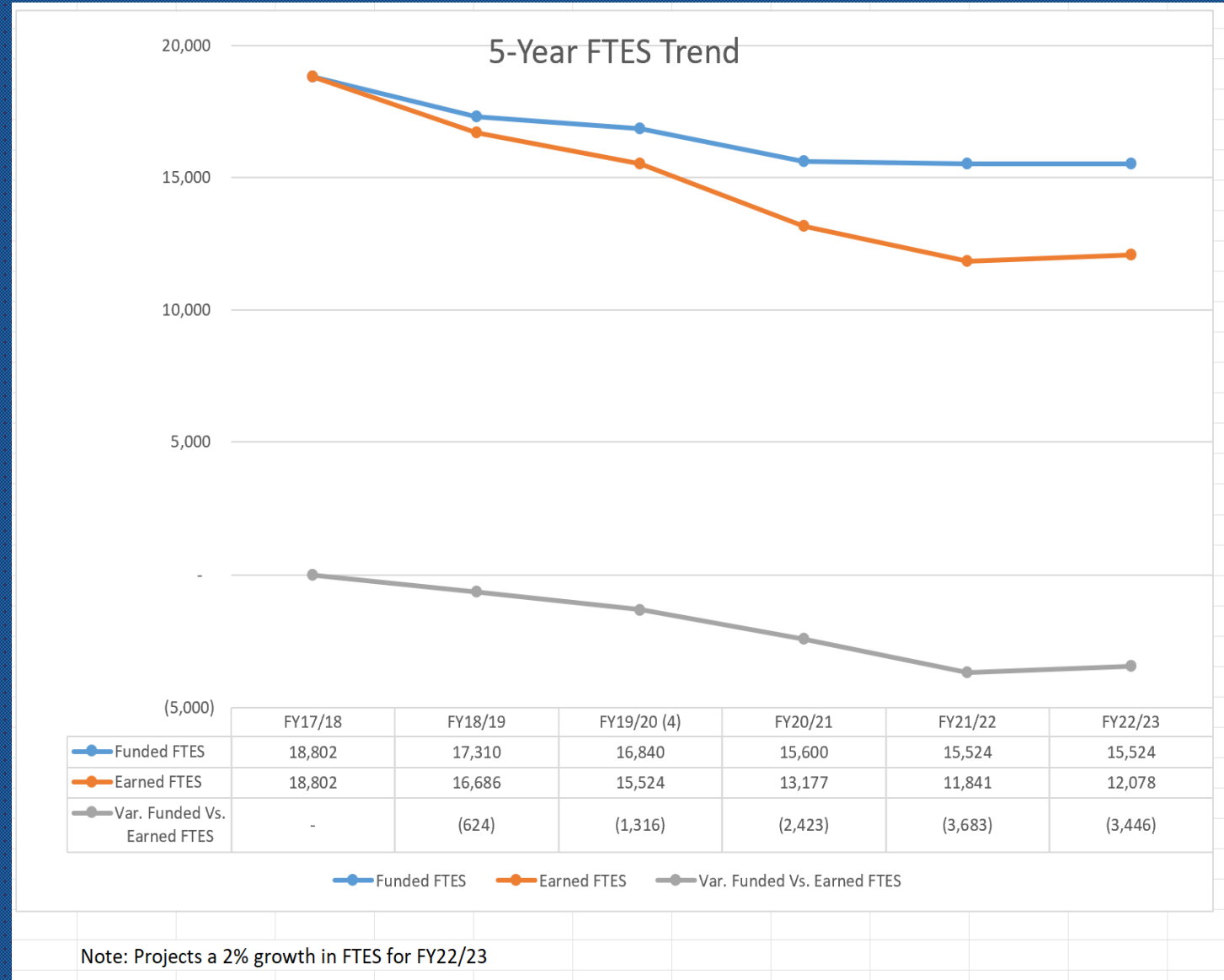
⁹ FY23/24 - FY25/26. Option #2 - No increase

¹⁰ Ending Fund Balance planned to be maintained at 16% or two months of operating costs.



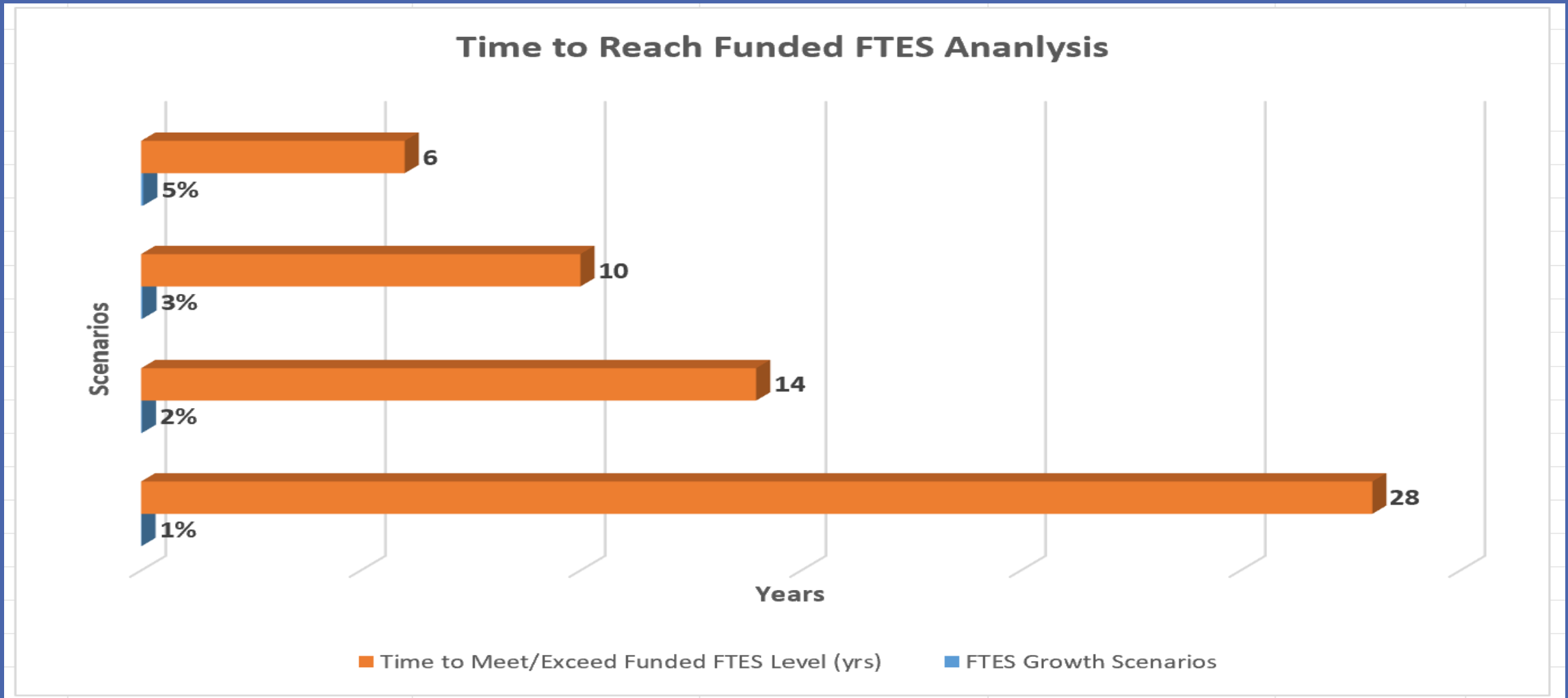
FTES TREND ANALYSIS

- Funded FTES declined from 18,802 to 15,524 (-17.43%)
- Earned FTES declined from 18,802 to 11,841 (-37.02%) based on P2
- Gap between funded and earned FTES has increased from -624 to -3,683 (Covid impacted)
- Info sources Chancellor Office Exhibit C & PCCD Budget Books



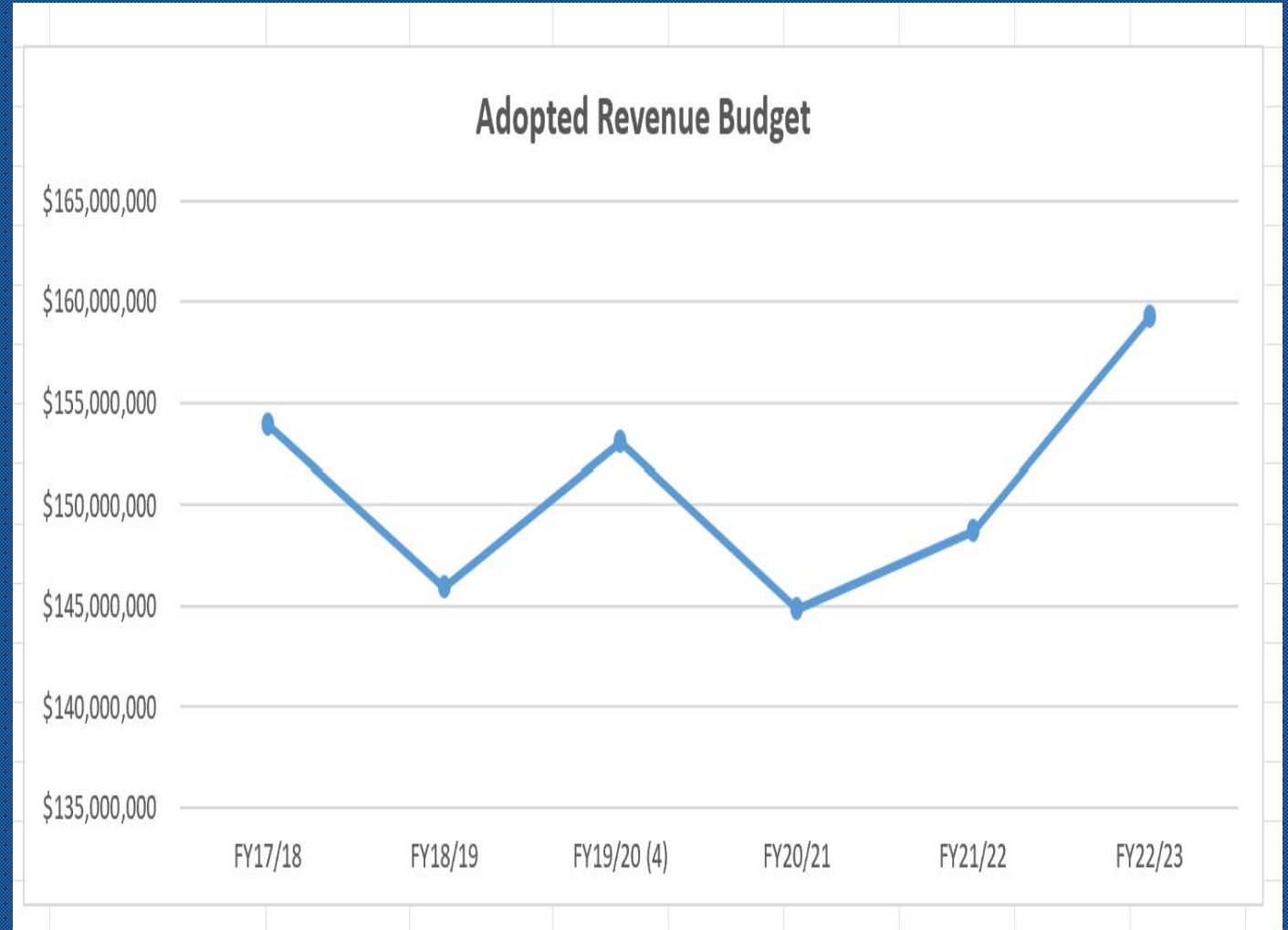


FTES Recovery Sensitivity Analysis



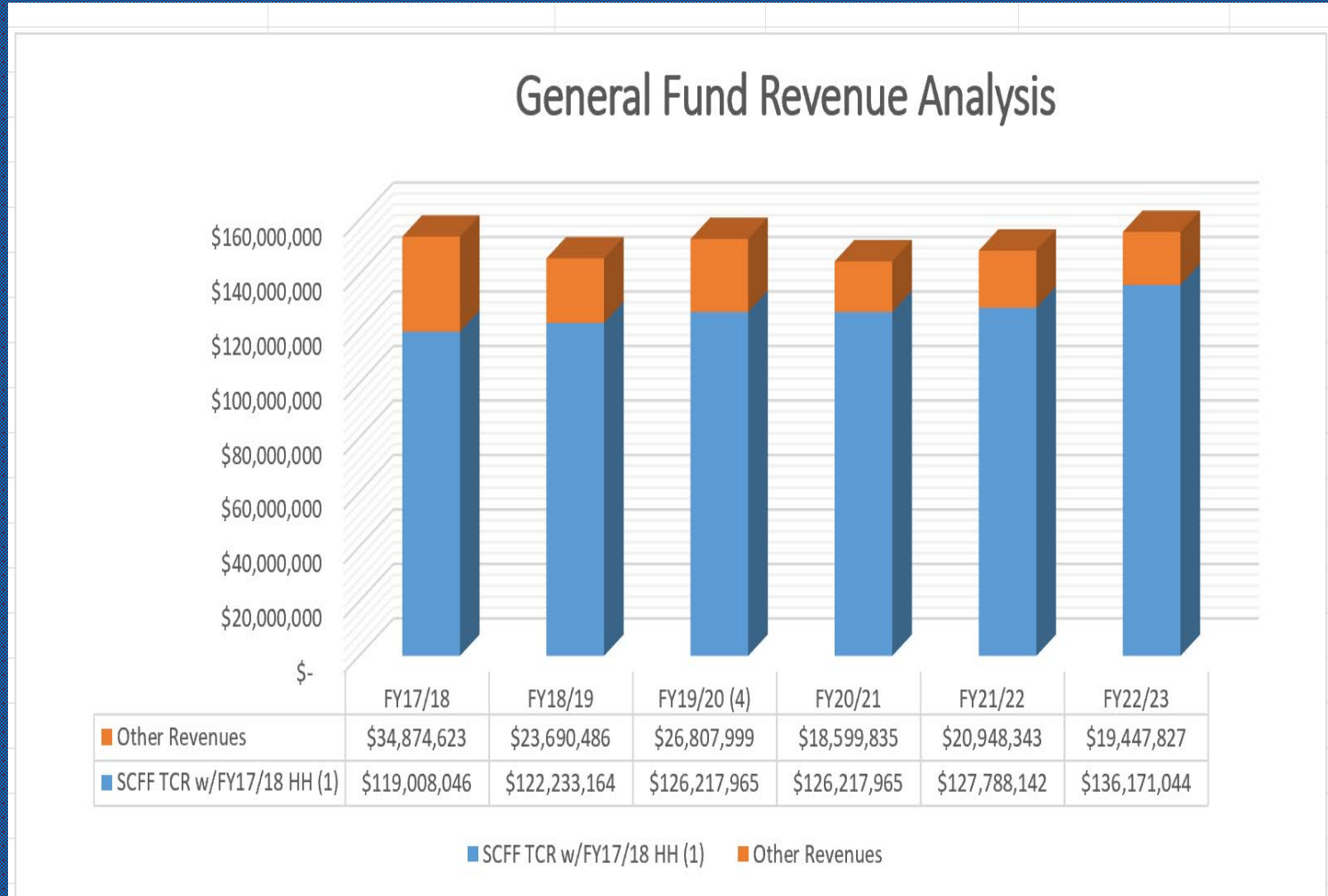
Revenue Trend Analysis

- GF revenues include state Total Computational Revenues (TCR) plus “Other Revenues” (e.g. Lottery, student health fees, non-resident fees, etc.)
- Fluctuated over the past 6-yrs. Due to changes in Other Revenues
- TCR has increased over the past 6-yrs. due to COLA (1.54, 2.71, 3.26, 0, 5.07, 6.56)



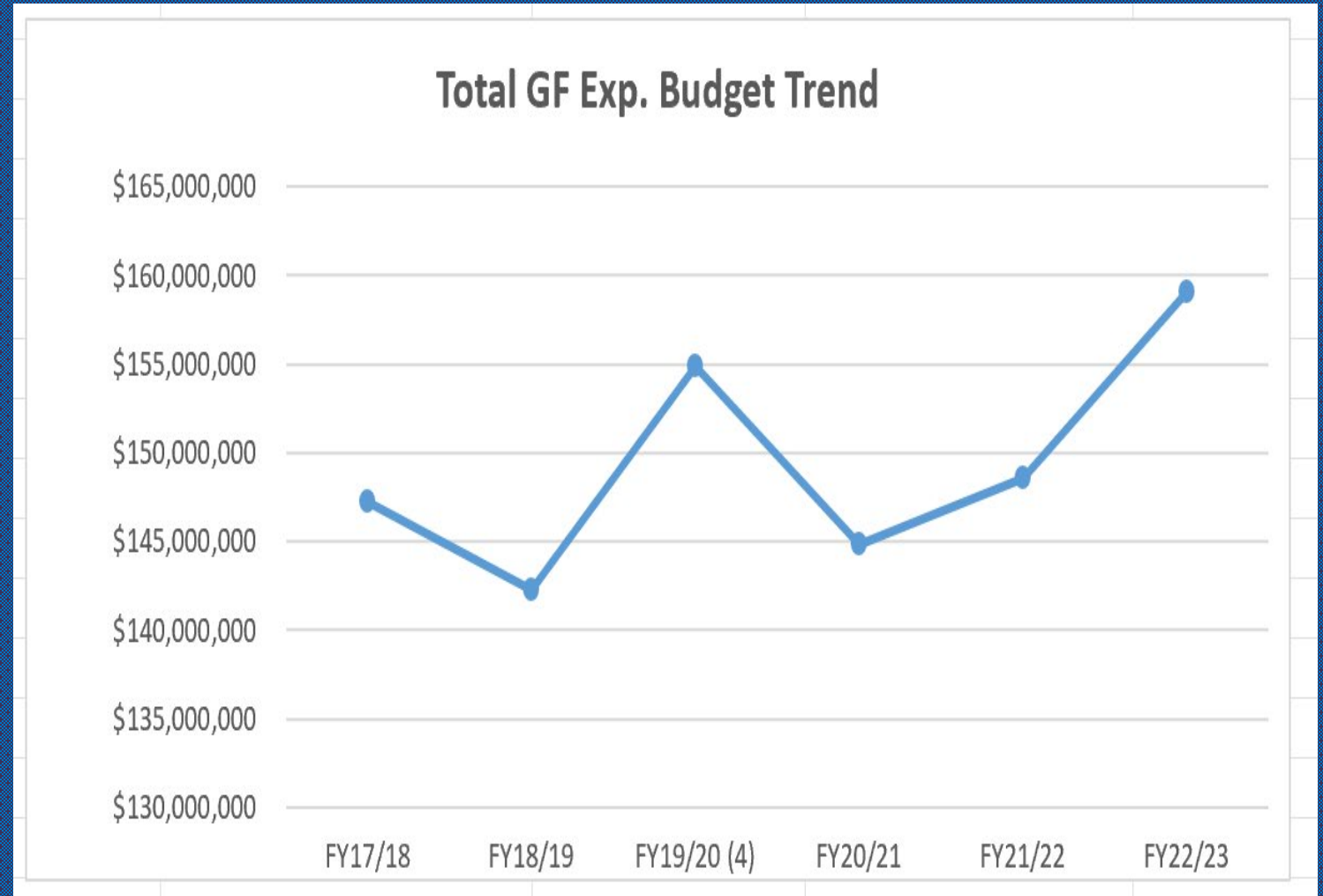
Revenue Trend Analysis

- TCR as a percentage of total GF revenues has ranged from 77.34% to 86%, with an average of 82.1%
- Other Revenues varies from year to year due to: differences in non-TCR state funding (one-time & ongoing, e.g. PT faculty Off. Hours, Student retention & Enrollment, Block Grants, etc.)



Expense Budget Trend Analysis

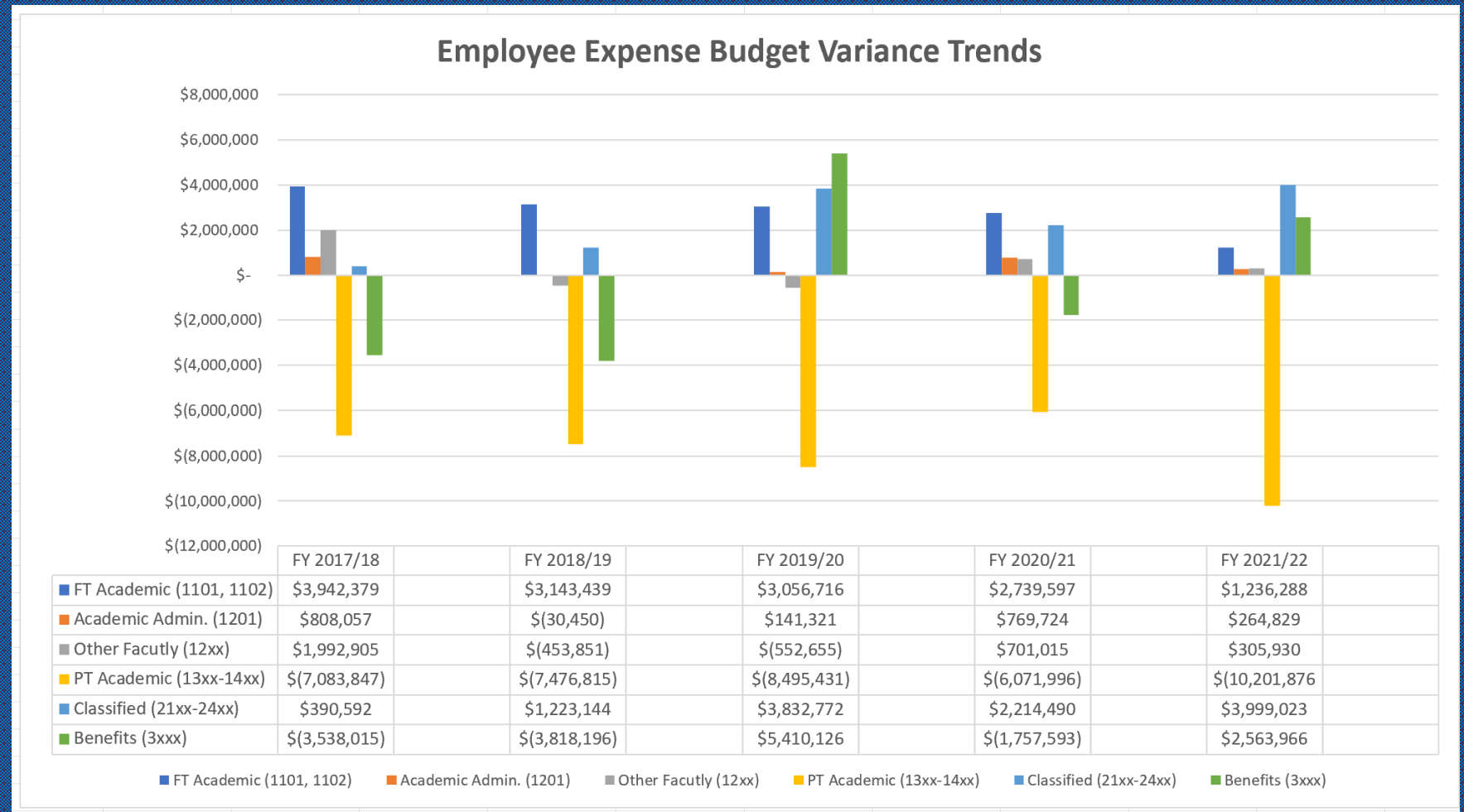
- Follows closely the trend of the budgeted revenues; balanced budget
- Reflect annual increases in key operating expense drivers:
 - Salary increases
 - Employee benefit costs
 - OPEB liability
 - Utilities costs



Employee Expense Budget Variance Trend

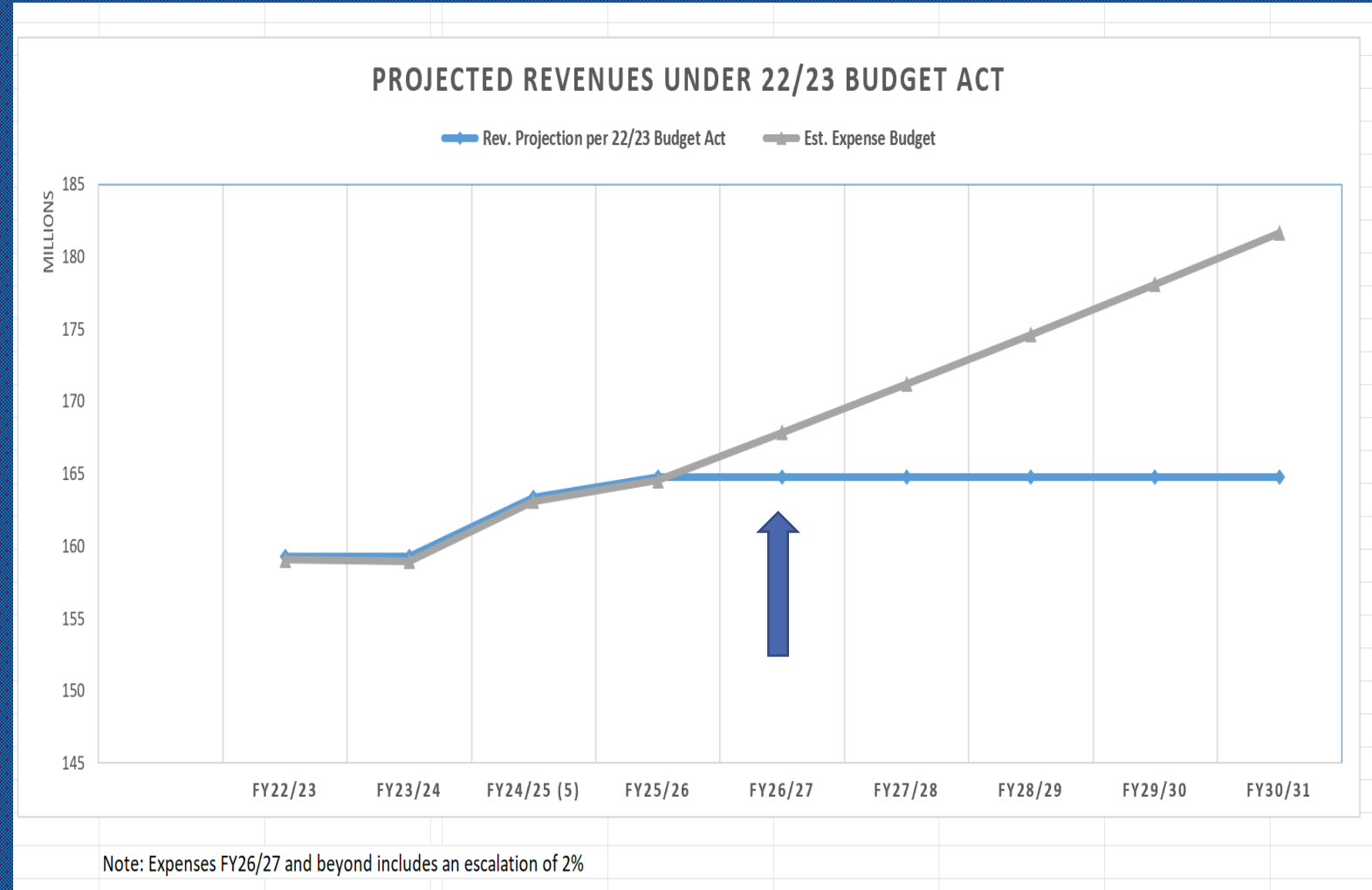


- FT Faculty, Administrator and classified staff expenses have been under-budget
- PT Faculty expenses have exceeded budget on avg. by **-\$7.9M** over last 5 years
- Benefit budget variance fluctuated



Revenue-Expense Projection – Sign Budget Act

- End HH in 24/25
- Set TCR floor to 24/25 level
- No future TCR COLA increases beyond FY24/25
- COLA (22/23) – 6.56
- Est. COLA (23/24) – 3%
- Est. COLA (24/25) – 3%
- Est. SCFF Metrics – N/C except for rates
- Expense projection escalation – 2%





Call to Action

- The time to act to address these fiscal challenges is now
- Our work must be solutions oriented and collaborative
- Need to set/clarify principles to guide this work that reflect our values as an institution
- Failure is not an option – our students and community need us to succeed and preserve the PCCD colleges and district





Strategies for Addressing the Issues

1	PCCD Deficit Reduction Strategies & Projections							
2								
3				Fiscal Year				
4	Revenues Strategies	Feasibility (H-M-L)	DO/DSS Est. Amt.	BCC Est. Amt.	CoA Est. Amt.	Laney Est. Amt.	Merritt Est. Amt.	DO/DSS Est. Amt.
5	Implement auto award of degrees							
6	Correct issues of data integrity							
7	Analyze & Increase sales/services rates							
8	Increase grant awards							
9	Sell or lease property & other assets							
10	Increase fundraising							
11	Increase course caps							
12	Establish an emergency reserve holding account							
13								
14	One-time Expense Reduction Strategies							
15	Delay filling some vacant positions							
16	Furloughs							
17	Voluntary FTE reduction							
18	Shift expenses to non GF resources							
19	Renegotiate/consolidate Service Contracts							
20	Renegotiate annual compensation increases							
21	Reduce spend on operating materials/supplies							
22	Reduce faculty release time & stipends							
23	Step & Column deferral							
24	Limit non-essential travel							
25	Allow Colleges to retain carryforward balances							
26								
27	Ongoing Expense Reduction Strategies							
28	Position elimination via reorganization							
29	Eliminate vacant positions strategically							
30	Reduce the BOT required reserve							
31	Early retirement incentive program							
32	Restructure long term debt							



Questions?



Thank You!

Reach out to us at info@Peralta.edu



@PeraltaColleges



@PeraltaColleges



@peraltacolleges