

Peralta CCD Proposed Final Budget

September 13, 2011



Agenda

- **State Budget**
- **Peralta's 2011-12 Final Budget**

2011-12 State Budget



- The Budget Bill contained the following community college provisions:
 - \$400 million cut to general apportionment – reduced to \$290 million after the offset of \$10 per unit fee increase
 - \$129 million increase in cash deferrals
 - Extended for two additional years categorical flexibility provisions
 - Contains “triggers” that include additional cuts to community colleges and additional fee increases if state revenues do not meet budget projections

2011-12 State Budget



- **“Triggers” fall within the following framework:**
 - If State revenues are estimated to be less than \$1 billion lower than budgeted – no changes
 - If State revenues are estimated to be between \$2 billion and \$1 billion lower than budgeted - \$23 million in cuts to child care, \$30 million in additional cuts to general apportionments, and \$10 additional fee increase (from \$36 per unit to \$46 per unit)
 - If State revenues are estimated to be more than \$2 billion lower than budgeted - \$72 million in additional cuts to general apportionment on top of cuts & fee increases previously mentioned

State Economic Risk

- The “triggers” expose the District to potential mid-year reductions
- Initial indications are that should reductions materialize, they would take the form of additional workload (FTES) reductions
 - Tier 1 – Additional reduction in funded FTES of 115 FTES to 18,070 FTES (6.8% reduction from ‘10-11)
 - Tier 2 – Additional reduction of funded FTES of 277 FTES to 17,908 FTES (9.2% reduction from ‘10-11)

2011-12 Budget Assumptions

General Principals

- **The 2011-12 Adopted Budget will be balanced**
- **The 2011-12 Adopted Budget will have a contingency reserve of no less than 5%**
- **The District and colleges will use plans, planning documents, and planning processes as a basis for the development of their expenditure budgets**

2011-12 Budget Assumptions



Revenue Assumptions

- Workload reduction as proposed by the Governor will be incorporated into tentative budget
- Anticipated deferral of approximately \$18 million in general fund apportionment payments
- General apportionment deficit factor of 0.5% for 2011-12
- The Cost of Living Adjustment (COLA) of 0% for 2011-12
- Enrollment Growth funds for PCCD of 0% for 2011-12
- Funded base credit FTES of 18,184.94
- Funded base non-credit FTES of 104.60

2011-12 Budget Assumptions

Expenditure Assumption

- The district intends to meet all negotiated contractual obligations
- Projected step and column salary increases of \$1.5 million
- Projected medical benefit costs to remain steady (no projected increase)
- Expenditure reduction related to the refinancing/restructuring of the District's OPEB debt service payment
- Maintain District contribution to DSPS of \$1.15 million
- Any restricted funding cuts or cost increases must be borne by the respective program



Unrestricted General Fund Budget

- **Based upon the enacted State budget, the anticipated revenue reduction (assuming tax extensions pass) is \$5.8 million. Further, anticipated or known cost increases amounted to \$4.7 million. Total budget solutions needed for Peralta was approximately \$10.5 million.**

Unrestricted General Fund

- To address this anticipated need the following actions have been enacted:

Budget actions taken:

OPEB debt service restructure **\$ 2.5 million**

Increase in transfers in from OPEB trust **\$ 4.2 million**

Discretionary budget reductions

District **\$1,500,000**

COA **\$ 272,000**

Laney **\$ 568,000**

Merritt **\$ 251,000**

BCC **\$130,000**

\$ 2.7 million

Instructional hourly reduction **\$ 1 million**

Administrative reorganizaton **\$.67 million**

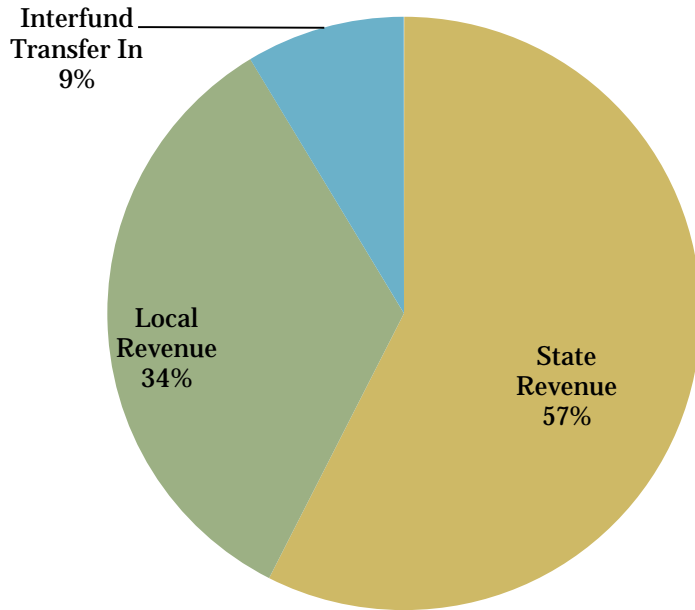
Total budget solutions \$11 million

Unrestricted General Fund

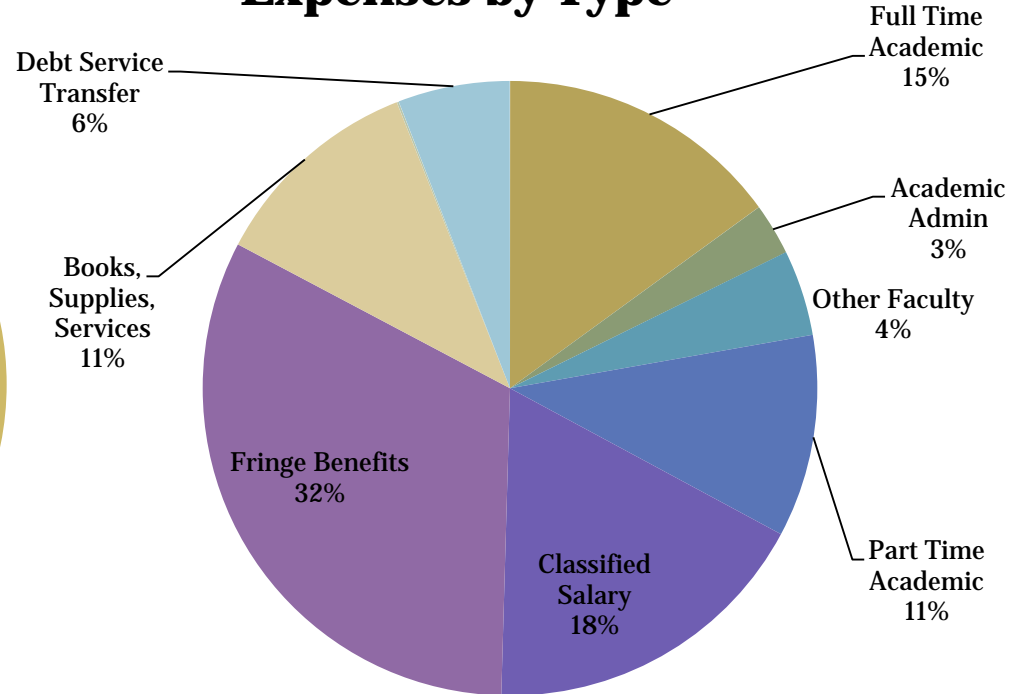
	2011-12 Final Budget	2010-11 Working Budget	2010-11 Estimated Actuals
Revenue			
Federal Revenue	\$ -	\$ -	\$ 602
State Revenue	\$ 66,456,104	\$ 71,243,244	\$ 71,834,904
Local Revenue	\$ 39,121,683	\$ 40,434,922	\$ 38,643,239
Interfund Transfers In	\$ 10,000,000	\$ 9,800,000	\$ 9,800,000
Revenue Total	\$ 115,577,787	\$ 121,478,166	\$ 120,278,745
Expenses			
Full Time Academic	\$ 17,331,315	\$ 17,162,222	\$ 18,064,167
Academic Admin	\$ 3,138,240	\$ 4,184,893	\$ 4,028,850
Other Faculty	\$ 5,213,256	\$ 4,986,186	\$ 5,331,993
Part Time Academic	\$ 12,305,375	\$ 16,760,936	\$ 15,989,919
Classified Salary	\$ 20,314,427	\$ 20,849,293	\$ 21,535,493
Fringe Benefits	\$ 37,323,210	\$ 35,685,747	\$ 34,843,033
Books, Supplies, Services	\$ 13,021,842	\$ 16,329,146	\$ 15,342,752
Equipment Cap Outlay	\$ 109,995	\$ 247,053	\$ 188,068
Debt Service Transfer	\$ 6,820,127	\$ 5,272,690	\$ 4,544,189
Expense Total	\$ 115,577,787	\$ 121,478,166	\$ 119,868,464
Beginning Fund Balance	\$ 6,448,280		\$ 6,038,000
Revenues over Expenses	\$ -		\$ 410,280
Ending Fund Balance	\$ 6,448,280		\$ 6,448,280

Unrestricted General Fund

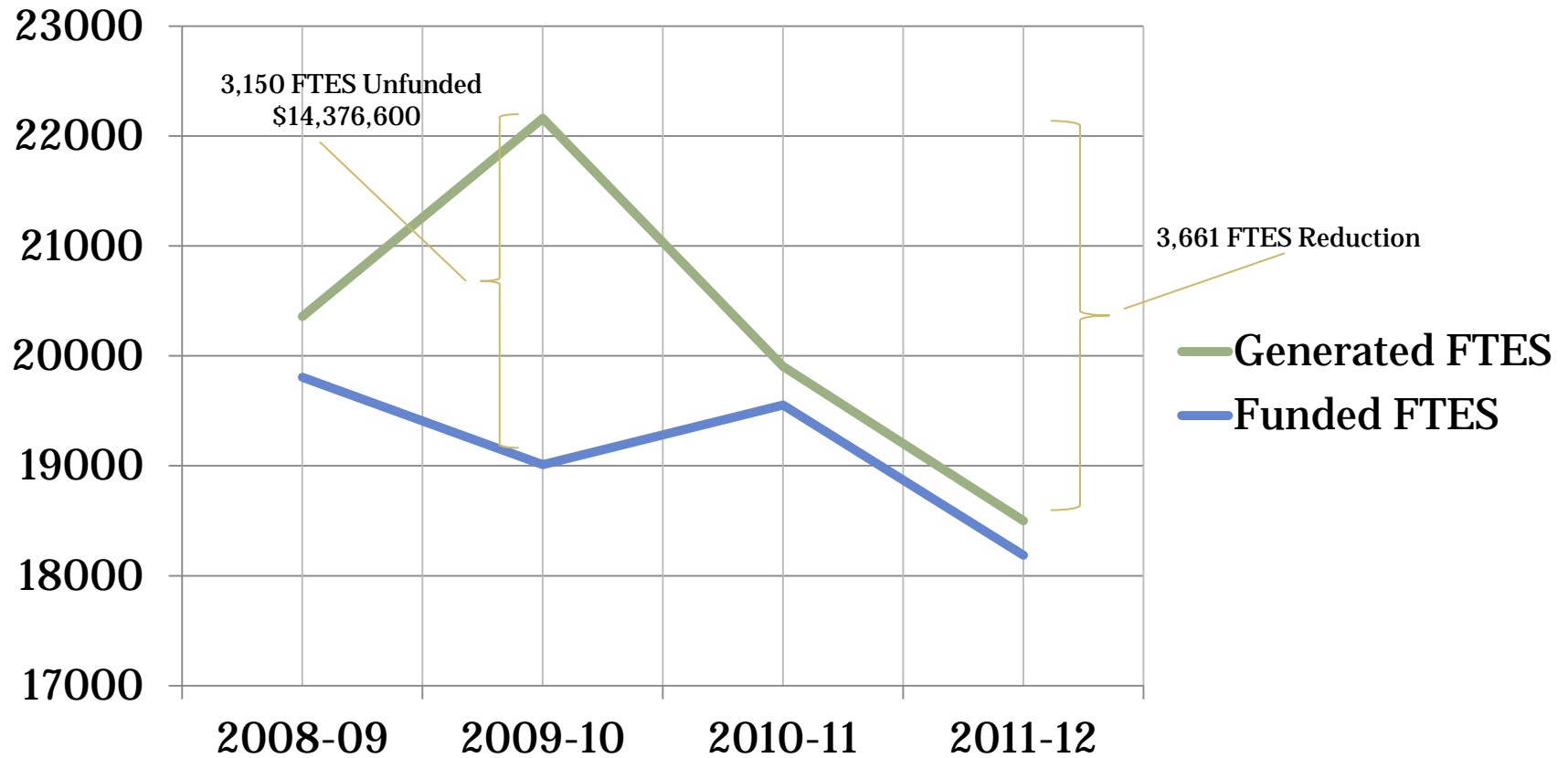
Revenue by Source



Expenses by Type



FTES History

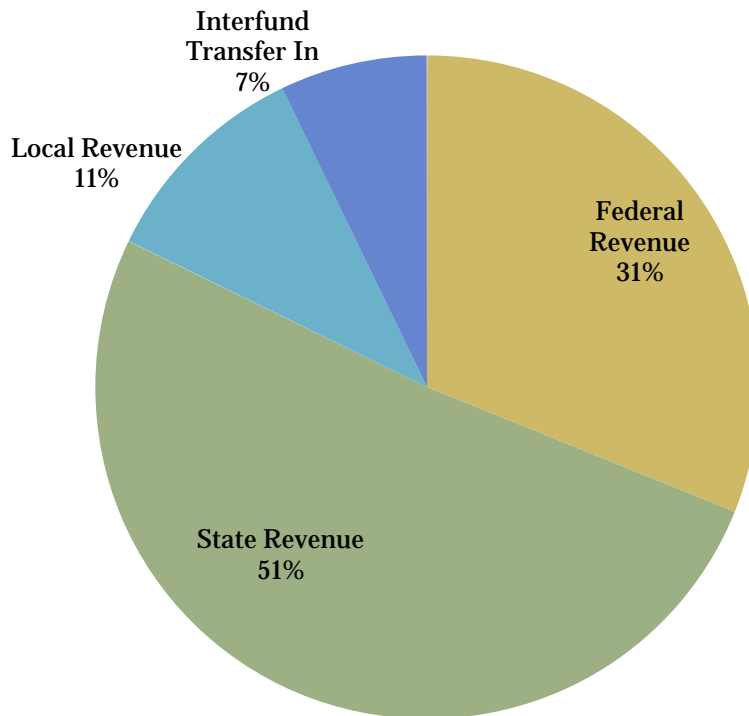


Restricted General Fund

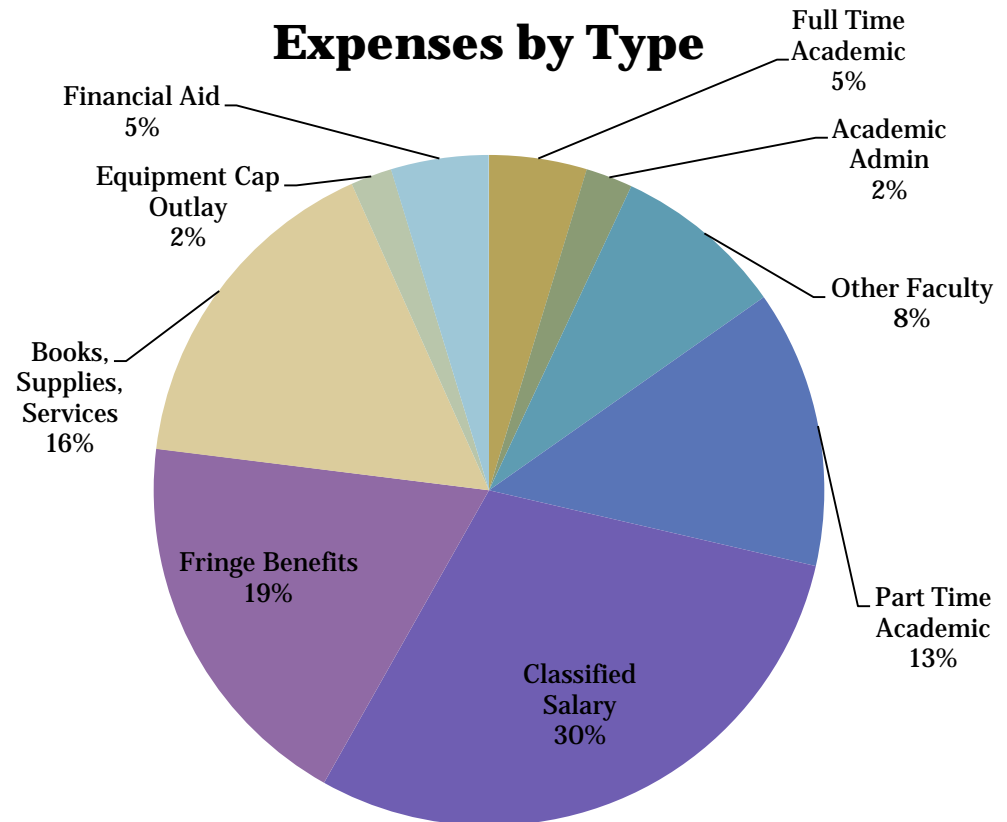
	2011-12 Final Budget	2010-11 Working Budget	2010-11 Estimated Actuals
Revenue			
Federal Revenue	\$ 5,026,049	\$ 4,736,089	\$ 8,300,108
State Revenue	\$ 8,256,487	\$ 10,179,370	\$ 10,707,783
Local Revenue	\$ 1,709,880	\$ 564,625	\$ 1,068,186
Interfund Transfers In	\$ 1,157,665	\$ 1,157,655	\$ 1,157,655
Revenue Total	\$ 16,150,081	\$ 16,637,739	\$ 21,233,732
Expenses			
Full Time Academic	\$ 792,819	\$ 559,240	\$ 454,191
Academic Admin	\$ 381,373	\$ 297,938	\$ 184,217
Other Faculty	\$ 1,395,290	\$ 2,007,124	\$ 1,676,218
Part Time Academic	\$ 2,255,885	\$ 3,124,002	\$ 2,497,469
Classified Salary	\$ 4,981,132	\$ 6,326,342	\$ 5,554,716
Fringe Benefits	\$ 3,166,798	\$ 3,515,075	\$ 2,914,530
Books, Supplies, Services	\$ 2,751,853	\$ 7,636,416	\$ 5,200,260
Equipment Cap Outlay	\$ 335,075	\$ 782,315	\$ 602,830
Financial Aid	\$ 795,122	\$ 1,025,680	\$ 945,718
Expense Total	\$ 16,855,347	\$ 25,274,131	\$ 20,030,148
Beginning Fund Balance	\$ 1,203,584		\$ -
Revenues over Expenses	\$ (705,266)		\$ 1,203,584
Ending Fund Balance	\$ 498,318		\$ 1,203,584

Restricted General Fund

Revenue by Type



Expenses by Type



Conclusion

- Questions?