



PERALTA COMMUNITY COLLEGE DISTRICT
New Budget Allocation Model
April 12, 2022
Presented by: C.M. Brahmbhatt from CW/P

Based on Student Centered Funding Formula



BUDGET PHILOSOPHY

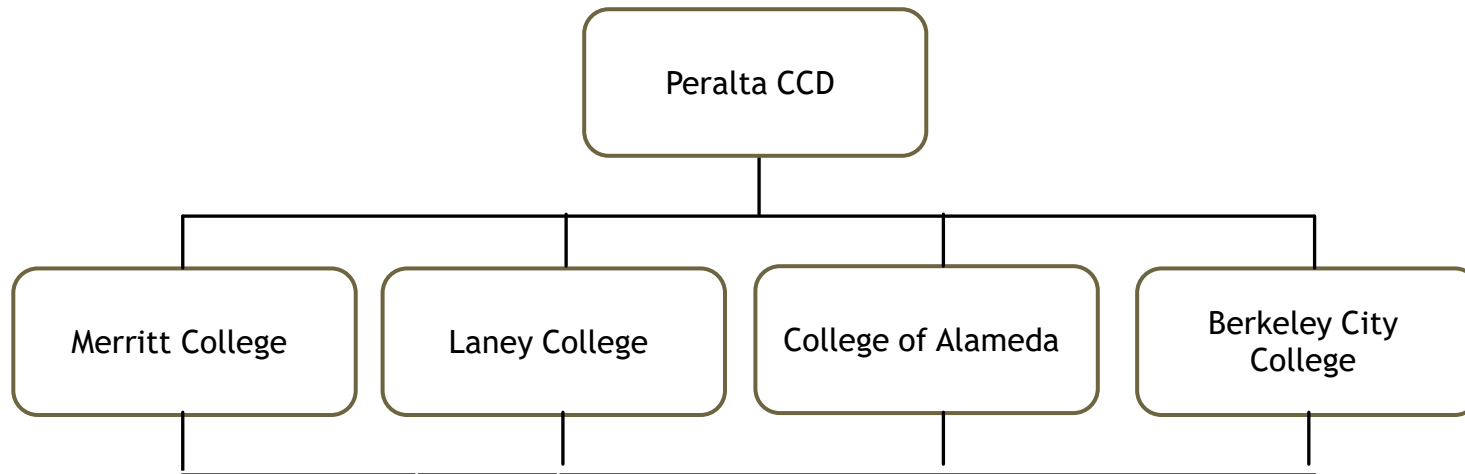
- ▶ The Budget Philosophy of the Peralta Community College District is to create a spending plan that provides funding for educational programs to support the success of our students by using fiscally responsible and sound practices. The overall goal is to develop a budget that best aligns resources with student achievement goals.
- ▶ Our budget plan must address and include all facets of the student experience that will lead to student success. It reflects strategies that are adopted and implemented following the goals as outlined in the California Community Colleges Chancellors Office Vision for Success to reduce achievement gaps by supporting diversity, equity, access, and inclusion in all our programs. It will also reflect the prioritization and allocation of expenditures that align with each college's goals.
- ▶ The budget should encompass a complete cycle for integrated long-term planning and budgeting. Throughout this cycle, the college's planning and institutional goals serve as the overarching guide for decision-making and resource allocation to be supported by the Peralta Board of Trustees.

PRINCIPLES

- ▶ These are the guiding principles that were developed for the new allocation model.
- Recognize the District as the fiscal entity while honoring the unique legacy and culture of each institution
- The BAM will be fair, equitable, and transparent.
 - Fair - resource allocation decisions will be informed by objective, predictable, verifiable, and easily accessible data and will be made in an impartial and consistent manner.
 - Equitable - resources will be distributed in a manner that adequately supports the full array of programs offered at each college while ensuring compliance with statutory and regulatory requirements; efficient and strategic use of resources is expected, and inefficiencies will not be subsidized or supported.
 - Transparent - resource allocation decisions will be made in an open and consultative manner with representative stakeholder groups and that it is simple, easy to administer, and communicate as possible.
- The goals and priorities for student success, equity, and access as articulated in the educational master/strategic plan of each college and the district office will align with the goals included in the district strategic plan and strategic vision plan adopted by the California Community Colleges Board of Governors, including benchmarks and actions for measuring progress, and the Budget Allocation Model will align accordingly.
- The BAM will provide operational cost predictability and stability to support college and District office strategic goals and objectives.
- ▶ The operational structural balance will be maintained by ensuring that ongoing expenditures do not exceed ongoing revenues resulting in a positive fund balance.

PRINCIPLES

- Ongoing expenditures will be funded with ongoing revenues, and one-time expenditures will be funded with one-time revenues, with exceptions only under rare circumstances.
- Compliance with state, accreditor, and district reserve requirements will be maintained or exceeded, will be the first item funded in the BAM, and each college will maintain its own prudent reserve of no less than 1% of the previous year's expenditures. Reserves in excess of the minimum reserve requirements will be established in an expenditure holding account to meet unexpected and/or unanticipated expenditures that arise subsequent to budget adoption.
- The BAM will be assessed manually.
- The BAM will maintain and enhance FON requirements for the district.
- The BAM will maintain and improve the 50% law calculation for future budget years.
- The BAM will support maintaining and improving the 75/25 ratio in future years.
- The BAM will provide minimum funding for classroom 17.5 FTES/FTEF ratio to achieve expected classroom efficiency.
- The BAM will provide guidance to maintain staffing salary and benefits costs between 85% and 87% of available resources.
- The BAM encourages cooperation among and between colleges and District office to continuously find solutions to improve classroom offerings, student services, and trim costs to seek fiscal stability within the District.



Budget Development

Resources - Phase I
(Revenue)
(Completed)

SCFF

Other State

Local

Expenditures - Phase II
(Appropriations)

Academic Salaries

Classified/Managers Salaries

Benefits

Books & Supplies

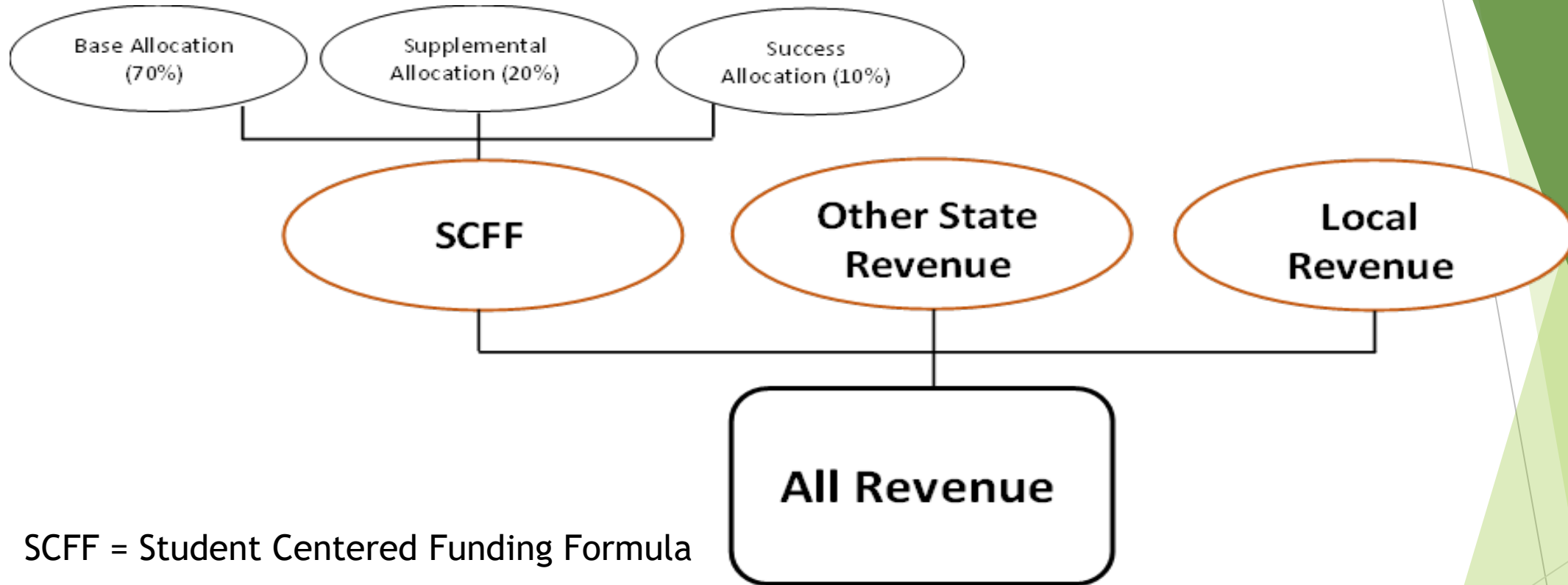
Operating Expenses

Equipment's

Transfer out/Financial Aid

Prior year ending balance shall not be used for ongoing expenses.
Maintaining reserve for contingency per Board Policy.

Peralta Community College District

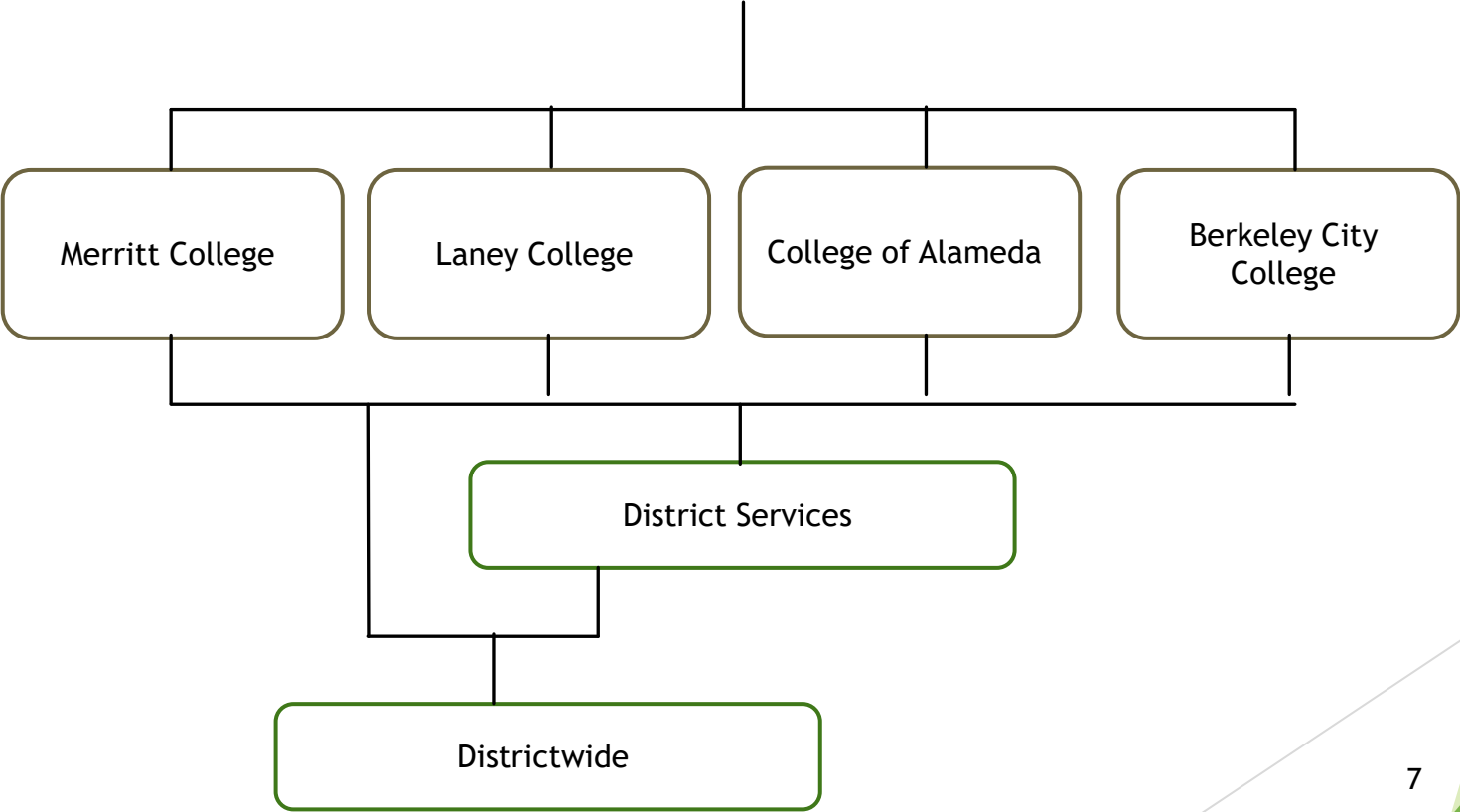


SCFF = Student Centered Funding Formula

All Revenue = Unrestricted General Fund

All Revenue

All Revenue = Unrestricted General Fund



SCFF

Student Centered Funding Formula

Base Allocation

(70%)

- Credit FTES
- Non-credit FTES
- CDCP
- Incarcerated
- Special Admit

Supplemental Allocation

(20%)

- Pell Grants
- Promise Grants
- AB 540 Grants

Success Allocation

(10%)

Earned:

- Associate Degrees
- Associate Degrees for Transfer
- Credit Certificates

Completion of:

- 9+ CTE Units
- Transfer Level Math and English

Achieved:

- Regional Living Wage

FTES = Full Time Equivalent Student
CDCP = Career Development & College Preparation
CTE = Career Technical Education

Other State Fund

- Lottery
- Faculty Compensation
- Mandated Cost
- Faculty Hiring and Parity
- Other State
- Homeowners Tax Relief

Local Revenues

- Community Service Fees
- Contract Education/Services
- Facilities Rental Fees
- STRS paid on behalf Others
- Non-Resident Student Revenue
- Student Health Fees
- A/C Transit
- Application Fees (Int'l)/Student Records
- Capital Outlay
- Other Local
- Interest 2% Enrollment Fee
- Miscellaneous

Peralta Community College District

▶ Timeline For Resource Allocation Model

- ▶ Phase I – Resources – October 2020 to December 2021 (Draft Completed)
- ▶ Phase II – Expenditures – April 2022 to December 2022
- ▶ Ready for Budget Development of 2023-24 fiscal year
- ▶ Requirements:
 - Support from Board of Trustees
 - Support from Chancellor and College Presidents
 - Engagement with stakeholders in college, district participation processes.
 - Availability of accurate and timely data related to all operations

Questions?

▶ **Thank you**