



# PCCD 2023 Tentative Budget

Board of Trustees Meeting  
June 14, 2022

Presenters:

Dr. Jannett N. Jackson, Chancellor

Adil Ahmed, Interim Vice Chancellor of Finance & Administration

Marla Williams-Powell, Interim Executive Director of Fiscal Services



# 2022/23 Tentative Budget

## Governor's Budget Proposals:

- Post pandemic recovery
- Equity and student success
- Increase transfer capacity and pathways
- Workforce preparedness



# 2022/23 Tentative Budget

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The following assumptions shall be utilized in the development of the 2022/23 District and College's Tentative Budgets. The assumptions reflect estimates based on the January Governor's state budget proposal and year-to-date actuals. These assumptions will be adjusted accordingly, as the information from the May Revise is finalized in the coming months via the Governor's Office and the State Chancellor's Office (e.g., the June Enacted Budget Summary).

## General Assumptions from the January Governor's Budget

- The 2022/23 General Fund Unrestricted Ending Fund Balance is projected at approximately \$25.9M
- 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

The following slides provide a summary comparison of assumptions between the Governor's January and May Revise Budget Proposals.

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# 2023 Tentative Budget – Governor’s Budget

## January Budget Proposal

- \$286B budget
- Surplus of \$45.7B
- COLA 5.33%
- Enrollment growth .5%
- \$842M ongoing spending
  - Student Success Completion Grants
  - Technology modernization
  - Part-Time Faculty Health Insurance Program
- \$983M one-time funding for deferred maintenance, student retention and enrollment efforts, technology modernization and other investments focused on education pathways.
- \$373M one-time Capital Outlay for 18 continuing projects

## May Revise Proposal\*

- \$300.7B budget
- Surplus of \$49.2B
- COLA 6.56%
- Enrollment growth .5%
- \$1.3B ongoing spending
  - \$250M ongoing support to increase to SCFF funding rates
  - \$10M ongoing foster youth support services
  - \$25M ongoing student equity and achievement
- \$2.9B one-time funding; \$1.5B deferred maintenance; \$750M one-time discretionary block grants; student retention and enrollment efforts, common course numbering, technology modernization and education pathways
- \$403M one-time Capital Outlay (19 projects w/ design completion by Spring 2023)

**\*The fiscal impact to PCCD will be analyzed and presented in the 2022-23 Adopted Budget upon approval of the 2022-23 Governor’s State Budget (June 2022)**



# SCFF Calculation

## (Student Centered Funding Formula)

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The new Student-Centered Funding Formula (SCFF) consists of three allocations:

- ❑ **Part 1. Base - Enrollment (FTES).** (70% System wide)
- ❑ **Part 2. Supplemental - Counts of low-income Students.** (20%)
- ❑ **Part 3. Student Success - Count of success outcomes, with “premium” for outcomes of low income students.** (10% system wide.)



# Student Centered Funding Formula Continued

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The **Student-Centered Funding Formula** is about ensuring community colleges are **funded**, at least in part, by how well their **students** are fairing.

Following consultation with the Department of Finance (DOF) and legislative staff, the highest priority has been to establish a funding floor in which the DOF apportion for all districts is at least their 2017-18 revenues, adjusted by COLA, and to maintain that commitment of minimum revenues.



# SCFF Calculation (Student Centered Funding Formula)

## Peralta Community College District SCFF Calculation

### 2023 Tentative Budget

January Release Cola for FY 2022-2023

5.33%

Total Cola

5.33%

2022-23

		FTES	Rate	Total
<b>Base Allocation</b>	Basic Allocation			17,908,666
	Credit FTES: 3-Year Average Credit	14,964.43	4,436.77	66,393,786
	Special Admit	458	6,221.74	2,848,685
	CDCP	42	6,221.81	259,512
	Non Credit	60	3,741.35	221,033
	Subtotal	<b>15,523.71</b>		<b>87,631,681</b>
Non-Credit FTES				
<b>Total</b>		<b>16,950.00</b>		<b>87,631,681</b>
<b>Supplemental Allocation</b>		Headcount	Rate	
	Pell Grant Recipients	4,608.00	1,049.15	4,834,483
	AB540 Students	641.00	1,049.15	672,505
	California Promise Grant Recipients	9,965.00	1,049.15	10,454,780
	<b>Total</b>	<b>24,767.22</b>		<b>15,961,768</b>
<b>Student Success Allocation</b>		Outcomes	Rate	
	All Students: Associate Degrees	816.00	1,855.94	1,514,444
	Associate Degrees for Transfer	592.00	2,474.59	1,464,958
	Credit Certificates	332.00	1,237.29	410,780
	Nine or More CTE Units	2,528.00	618.65	1,563,935
	Transfer	1,106.00	927.97	1,026,332
	Transfer Level Math and English	540.00	1,237.29	668,137
	Achieved Regional Living Wage	2,891.00	618.65	1,788,503
Subtotal	<b>8,805.00</b>		<b>8,437,090</b>	



# SCFF Calculation (Student Centered Funding Formula)

## 2023 Tentative Budget (2 of 3)

### Student Success Allocation (Continued)

Pell Grant Recipients Bonus:	Associate Degrees	490.00	702.20	344,080
	Associate Degrees for Transfer	342.00	936.27	320,204
	Credit Certificates	158.00	468.14	73,966
	Nine or More CTE Units	1,095.00	234.06	256,300
	Transfer	525.00	351.10	184,326
	Transfer Level Math and English	206.00	468.14	96,437
	Achieved Regional Living Wage	650.00	234.06	152,142
	<b>Subtotal</b>	<b>3,466.00</b>		<b>1,427,454</b>
California Promise Grant Recipients Bonus:	Associate Degrees	630.00	468.14	294,928
	Associate Degrees for Transfer	459.00	624.18	286,496
	Credit Certificates	222.00	312.09	69,285
	Nine or More CTE Units	1,599.00	156.05	249,518
	Transfer	719.00	234.06	168,292
	Transfer Level Math and English	315.00	312.09	98,309
	Achieved Regional Living Wage	1,262.00	156.05	196,931
	<b>Subtotal</b>	<b>5,206.00</b>		<b>1,363,759</b>
<b>Total</b>		<b>17,477.00</b>		<b>11,228,303</b>
<b>Total SCFF before Hold Harmless</b>				<b>114,821,752</b>
Hold Harmless Funding				<b>19,777,498</b>
Stability Protection Adjustment				<b>0</b>
Total TCR 2022-2023				<b>134,599,250</b>
<b>Total SCFF FY 2022-2023 (Total Computation Revenue)</b>				<b>134,599,250</b>





# SCFF Calculation (Student Centered Funding Formula)

## 2023 Tentative Budget (3 of 3)

### State Chancellor Guaranteed Revenue Amount based on 2017-18 TCR

Total Computation Revenue (TCR) 2017-2018		114674531
Cola 2019-2020	2.71%	3,107,680
Total Computation Revenue (TCR) 2019-2020		117,782,211
Cola 2020-2021	3.26%	3,839,700
Total Computation Revenue (TCR) 2020-2021		121,621,911
Cola 2021-2022	5.07%	6,166,231
Total Computation Revenue (TCR) 2021-2022		127,788,142
Cola 2022-2023	5.33%	6,811,108
<b>Total Computation Revenue (TCR) 2022-2023</b>		<b>134,599,250</b>

\*This represents COLA of 5.33% it does not include the May Revise of 6.56%. The change will be reflected in the Adopted Budget



## Tentative Budget per January Governor's Proposal 2023 Unrestricted General Fund 5 Year Projection

	Adopted Budget F/Y 2021/22	Unaudited Actuals F/Y 2021/22	Projections 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
<b>Revenues:</b>						
Federal Revenue	-	-	-	-	-	-
State Revenue <sup>1</sup>	76,530,675	76,530,675	82,025,561	86,063,539	90,222,655	94,506,546
Local Revenue <sup>2</sup>	72,205,810	70,205,810	73,270,862	73,764,727	74,283,286	74,827,772
<b>Total Revenues:</b>	<b>148,736,485</b>	<b>146,736,485</b>	<b>155,296,423</b>	<b>159,828,266</b>	<b>164,505,941</b>	<b>169,334,318</b>
<b>Expenditures:</b>						
Full Time Academic <sup>3</sup>	25,740,117	22,024,997	27,834,994	28,948,394	30,106,330	31,310,583
Academic Administration	6,167,997	5,761,962	6,520,424	6,781,241	7,052,491	7,334,590
Other Faculty	6,949,694	5,934,350	7,307,317	7,599,610	7,903,594	8,219,738
Part Time Academic	5,261,820	13,591,506	5,515,285	5,735,896	5,965,332	6,203,946
Classified Salary	33,107,442	29,111,494	34,877,950	36,273,068	36,998,529	38,478,471
Fringe Benefits	43,267,476	40,819,579	44,641,673	44,229,590	44,671,886	45,118,604
Bad Debts	850,000	850,000	850,000	850,000	850,000	850,000
Books Supplies, SVcs	22,304,944	22,299,944	21,840,643	22,277,456	22,723,005	23,177,465
Equipment Outlay	268,751	268,751	287,624	287,624	287,624	287,624
Debt Services-Bonds <sup>4</sup>	2,334,000	2,334,000	3,000,000	4,000,000	5,000,000	5,500,000
Other Outgo (General Fund Contribution) <sup>5</sup>	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000
Contingency Reserve <sup>6</sup>	406,950	2,715	400,000	500,000	500,000	500,000
<b>Total Expenses:</b>	<b>148,509,191</b>	<b>144,849,299</b>	<b>154,925,910</b>	<b>159,332,878</b>	<b>163,908,791</b>	<b>168,831,020</b>
<b>Beginning Fund Balance:<sup>7</sup></b>	<b>23,666,687</b>	<b>23,666,687</b>	<b>25,553,873</b>	<b>25,924,386</b>	<b>26,419,774</b>	<b>27,016,924</b>
Net Increase (Decrease)	227,294	1,887,186	370,513	495,388	597,150	503,298
Audit Adjustment	-	-	-	-	-	-
<b>Ending Fund Balance:</b>	<b>23,893,980</b>	<b>25,553,873</b>	<b>25,924,386</b>	<b>26,419,774</b>	<b>27,016,924</b>	<b>27,520,222</b>
<b>Fund Balance %</b>	<b>16.09%</b>	<b>17.64%</b>	<b>16.73%</b>	<b>16.58%</b>	<b>16.48%</b>	<b>16.30%</b>

### Revenue Assumptions

- State revenue for 22-23 includes a 5.33% COLA (the May Revised the COLA has been increase to 6.56% which will show in the Adopted Budget). Hold Harmless is through 2025, and years 23-24 and after reflect a 3% COLA
- Local revenue (Out of State Student, International Student and miscellaneous Revenues) 5% increase annually starting 23-24

### Expenditure Assumptions

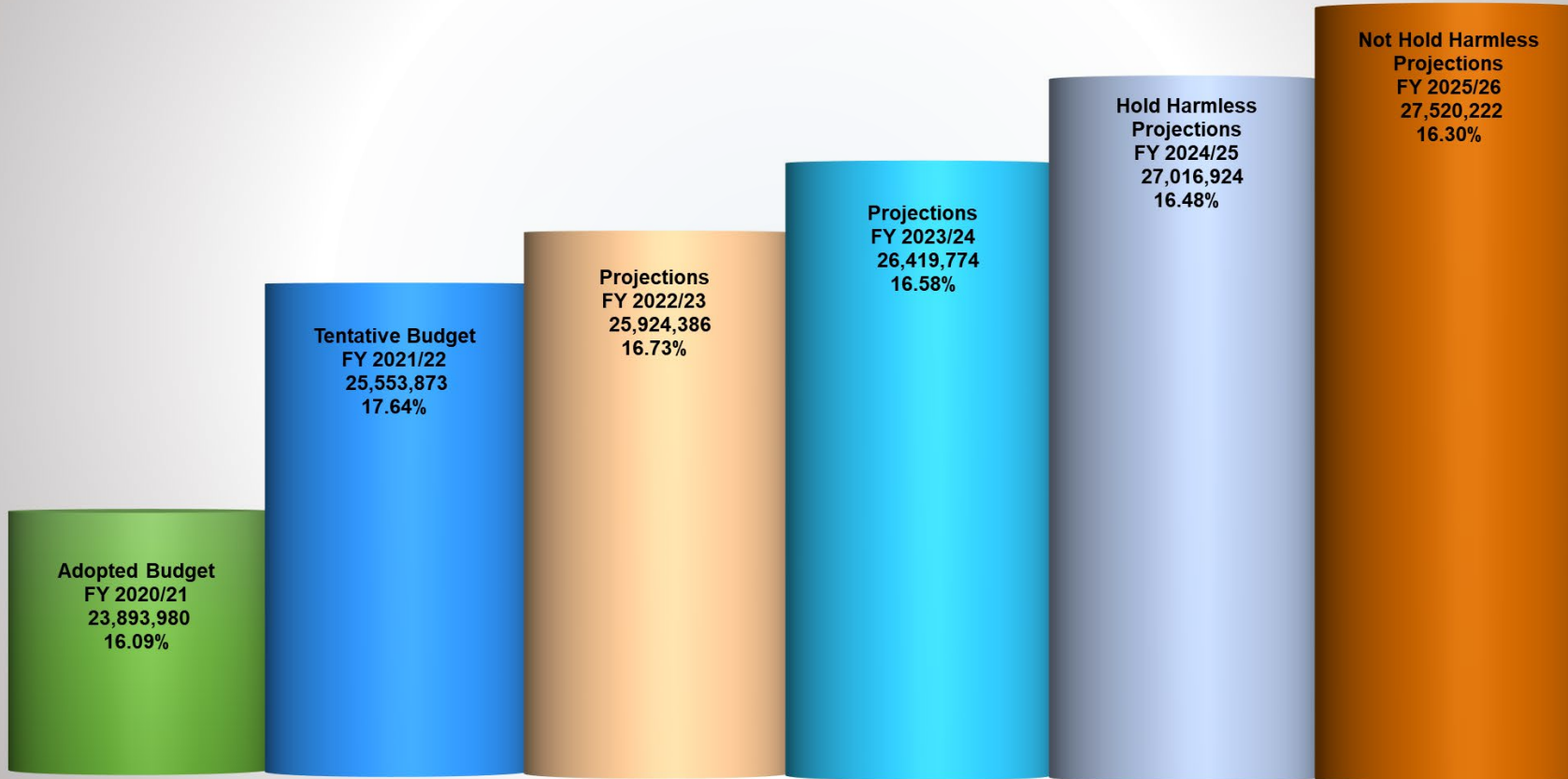
- Full Time Academic includes a 3.33% COLA and hiring of 11 new faculty positions (the cost benefit is \$1,375,000)  
All others personnel costs include a 3.33% COLA
- Debt services, increase in annual bond payment beginning 23-24. In order for PCCD to become self sufficient without requesting the Retiree Board to cover the Total Debt Payment
- Other Outgo - Includes DSPS contribution \$1.2m, Property Insurance \$.4m and Post Retiree contribution \$.25m
- Contingency reserve for unforeseen expenses
- Beginning Fund Balance for Fiscal Year 2022/23 is the Unaudited Actuals Ending Fund Balance for 2021/22

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)

The % of the fund balance will decrease if the total expenditures increase. The formula to determine the percentage of the Fund Balance for each fiscal year is the Ending Fund Balance divided by the Total Expenses.



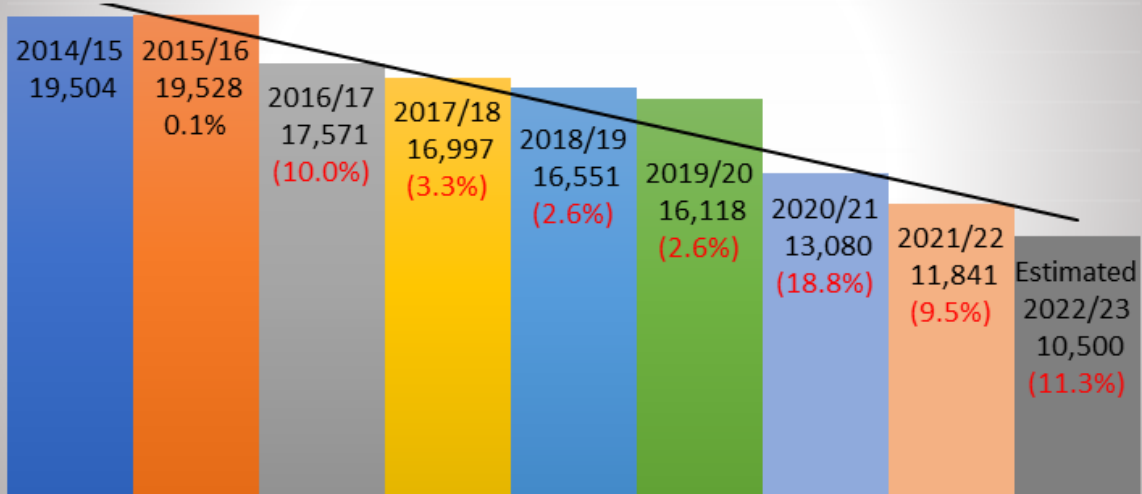
## 2023 Tentative Budget Five Year Projection Ending Fund Balance





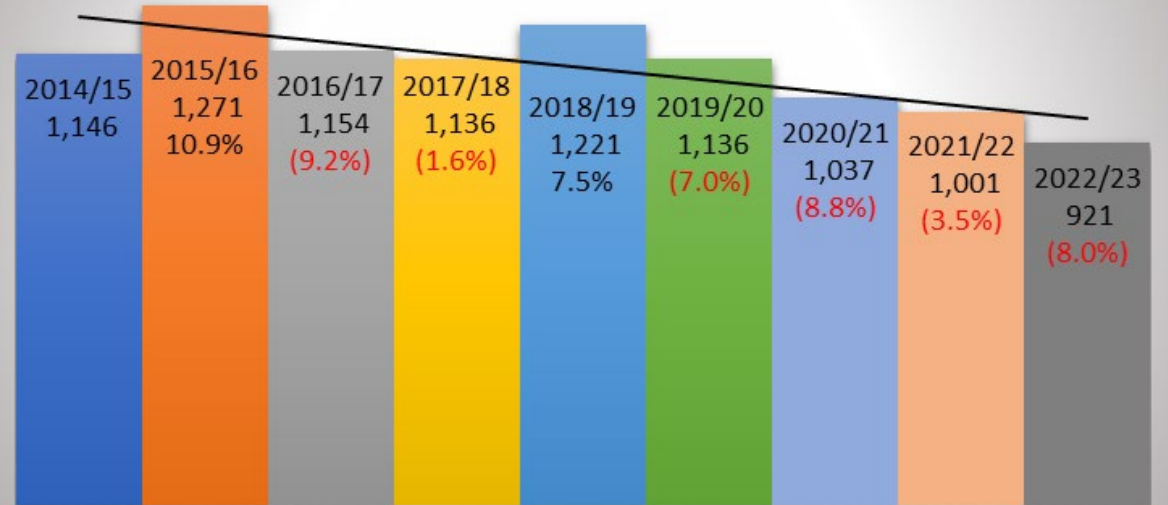
# FTES and FTEF from 2014/15 to 2022/23

## 9 Years FTES 320 Attendance Report



From 2014/15 fiscal year to 2022/23 fiscal year we have had a total reduction in FTES of 58.1%

## 9 Years FTEF



From 2014/15 fiscal year to 2022/23 fiscal year we have had a total reduction in FTEF of 19.6%



## Tentative Budget 2023 (Per May Revise ) Unrestricted General Fund 5 Year Projection

	Adopted Budget F/Y 2021/22	Unaudited Actuals F/Y 2021/22	Projections 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
<b>Revenues:</b>						
Federal Revenue	-	-	-	-	-	-
State Revenue <sup>1</sup>	76,530,675	76,530,675	87,852,700	92,065,492	96,404,466	100,874,018
Local Revenue <sup>2</sup>	72,205,810	70,205,810	73,270,862	73,764,727	74,283,286	74,827,772
<b>Total Revenues:</b>	<b>148,736,485</b>	<b>146,736,485</b>	<b>161,123,562</b>	<b>165,830,219</b>	<b>170,687,752</b>	<b>175,701,790</b>
<b>Expenditures:</b>						
Full Time Academic <sup>3</sup>	25,740,117	22,024,997	28,734,064	30,106,330	31,310,583	32,563,006
Academic Administration	6,167,997	5,761,962	6,731,034	7,052,491	7,334,590	7,627,974
Other Faculty	6,949,694	5,934,350	7,543,343	7,903,594	8,219,738	8,548,527
Part Time Academic	5,261,820	13,591,506	5,693,429	5,965,332	6,203,946	6,452,103
Classified Salary	33,107,442	29,111,494	36,004,508	37,444,688	38,942,476	40,500,175
Fringe Benefits	43,267,476	40,819,579	45,534,506	44,671,886	45,118,604	45,569,791
Bad Debts	850,000	850,000	1,000,000	1,000,000	1,000,000	1,000,000
Books Supplies, SVcs	22,304,944	22,299,944	22,745,943	23,200,862	22,723,005	23,177,465
Equipment Outlay	268,751	268,751	287,624	287,624	287,624	287,624
Debt Services-Bonds <sup>4</sup>	2,334,000	2,334,000	3,500,000	4,500,000	5,500,000	6,500,000
Other Outgo (General Fund Contribution) <sup>5</sup>	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000
Contengency Reserve <sup>6</sup>	406,950	2,715	500,000	500,000	500,000	500,000
<b>Total Expenses:</b>	<b>148,509,191</b>	<b>144,849,299</b>	<b>160,124,452</b>	<b>164,482,806</b>	<b>168,990,566</b>	<b>174,576,665</b>
<b>Beginning Fund Balance:</b> <sup>7</sup>	<b>23,666,687</b>	<b>23,666,687</b>	<b>25,553,873</b>	<b>26,552,983</b>	<b>27,900,396</b>	<b>29,597,582</b>
Net Increase (Decrease)	227,294	1,887,186	999,110	1,347,412	1,697,186	1,125,125
Audit Adjustment	-	-	-	-	-	-
<b>Ending Fund Balance:</b>	<b>23,893,980</b>	<b>25,553,873</b>	<b>26,552,983</b>	<b>27,900,396</b>	<b>29,597,582</b>	<b>30,722,707</b>
<b>Fund Balance %</b>	<b>16.09%</b>	<b>17.64%</b>	<b>16.58%</b>	<b>16.96%</b>	<b>17.51%</b>	<b>17.60%</b>

### Revenue Assumptions

- <sup>1</sup> State revenue for 22-23 includes a 6.56% COLA and 3.23% SCFF Base increase & Hold Harmless (through 2025); years 23-24 and after reflect a 3% COLA
- <sup>2</sup> Local revenue (Out of State Student, International Student and miscellaneous Revenues) 5% increase annually starting 23-24. \$125 million basic increase in May revise is not reflected in the 5 year projection

### Expenditure Assumptions

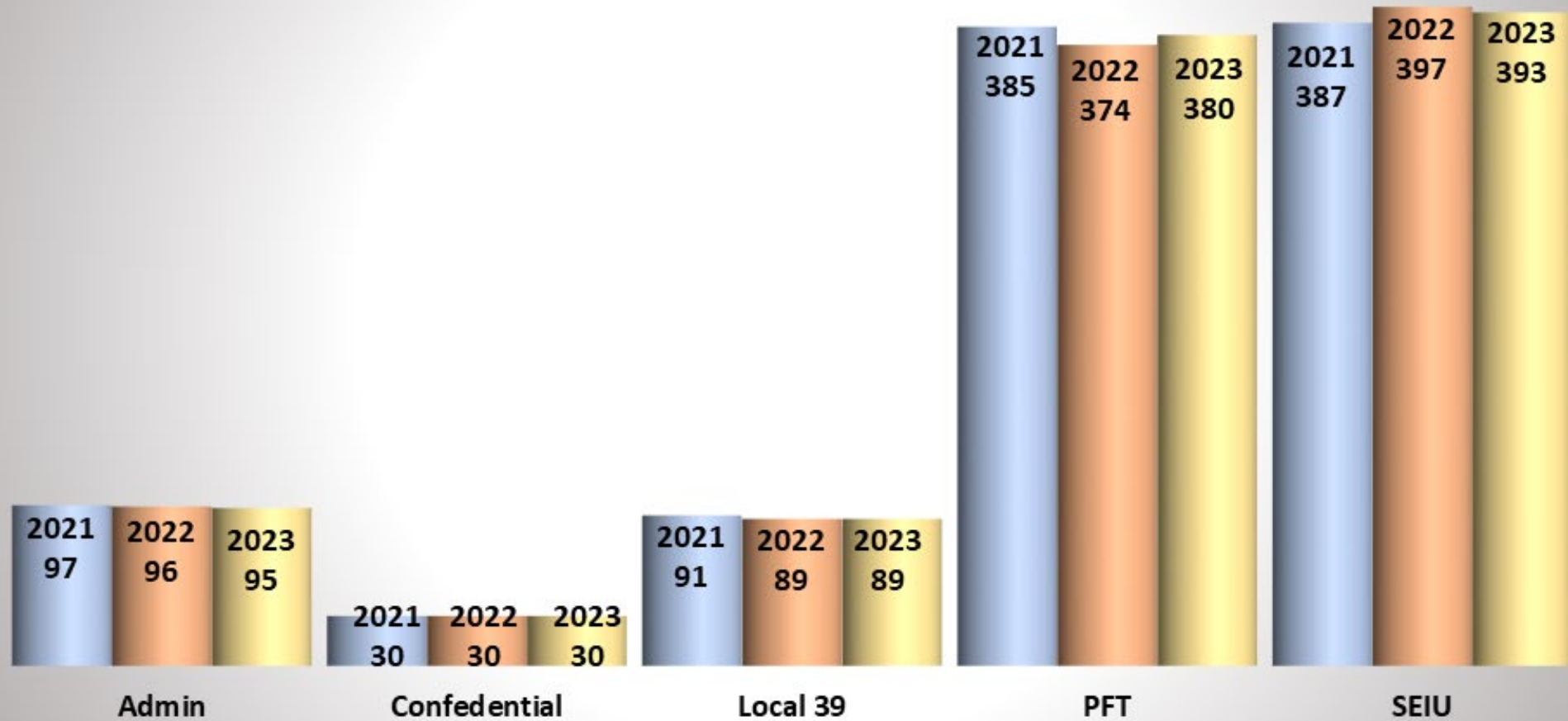
- <sup>3</sup> Full Time Academic includes a 6.56% COLA and hiring of 11 new faculty positions All others personnel costs include a 6.56% COLA (the cost benefit is \$1,375,000)
- <sup>4</sup> Debt services, increase in annual bond payment beginning 23-24. In order for PCCD to become self sufficient without requesting the Retiree Board to cover the Total Debt Payment
- <sup>5</sup> Other Outgo - Includes DSPS contribution \$1.2m, Property Insurance \$.4m and Post Retiree contribution \$.25m
- <sup>6</sup> Contingency reserve for unforeseen expenses
- <sup>7</sup> Beginning Fund Balance for Fiscal Year 2022/23 is the Unaudited Actuals Ending Fund Balance for 2021/22

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)

The fund balance and percentage increases due to additional State Revenue (See footnote #1)



## Employee Effective FTE by Union Code





# Questions?



# Thank You!

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Reach out to us at [info@Peralta.edu](mailto:info@Peralta.edu)



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