



Revised FY 2020-21 Budget

Fiscal Year 2020-2021

Presented by Adil Ahmed, Interim Vice Chancellor for Finance & Administration



Summary

- The Peralta District has adequate cash reserves.
- The discrepancy between the Peralta District's and the State's calculations for FTES that were used in the SCFF have been identified and corrected.
- Peralta has time to identify any structural deficits and adjust our budgets during the hold harmless period over the next three years.



FTES/Headcount

Peralta Community College District vs State of California Chancellors Office

Estimated State COLA

0.00%

Revised SCFF

2020-21

	①	②	③	④	⑤	⑥	⑦
	FTES Institutional Research 3 Year Avg	FTES State Chancellor 3 Year Avg	Difference FTES	Rate	Revenue per Institutional Research	Revenue per State Chancellor P2	Difference in Value State and PCCD
Basic Allocation					18,878,915	16,182,088	(2,696,827)
Credit FTES: 3-Year Average Credit	15,861	16,280	419	4,009	63,586,731	65,267,990	1,681,259
Special Admit	1,089	458	(631)	5,622	6,122,358	2,574,062	(3,548,296)
CDCP	0	42	42	5,622	0	234,494	234,494
Subtotal	16,950	16,780	(170)		88,588,005	84,258,634	(4,329,371)
Non-Credit FTES:	0	60	60	3,381	0	201,880	201,880
Total	16,950	16,840	(110)		88,588,005	84,460,513	(4,127,492)
Supplemental Allocation	Headcount			Rate			
Total	24,767	21,409	(1,595)		21,829,876	20,325,750	(1,504,126)
Student Success Allocation:	Outcomes			Rate			
Total	17,019	17,066			10,243,845	9,710,226	(533,619)
Total SCFF Calculated Revenue					120,661,726	114,496,489	(6,165,237)
Hold Harmless Protection Adjustment					3,807,264	7,125,422	3,318,158
Total TCR (Total Computation Revenue)					124,468,990	121,621,911	(2,847,079)

State of California Chancellor Guaranteed Revenue based on 2017-18 TCR plus COLA for each Year

TCR 2017-2018		114,674,531
COLA 2018-2019	2.71%	3,107,680
TCR 2018-2019		117,782,211
COLA 2019-2020	3.26%	3,839,700
TCR 2019-2020		121,621,911
COLA 2020-2021	0%	0
TCR 2020-2021		121,621,911



FTES/Headcount

Peralta Community College District Vs State of California Chancellors Office

- The FTES/Headcount number (column ①) were not the same as the State Chancellor's Office Second Principal (P2) apportionment number (column ②) which resulted in an overstatement. Going forward the Peralta District will use the P2 number from the State.
- The Total Computation Revenue (TCR) reported (column ⑤) is approximately \$124.5 million. The TCR number (column ⑥) per the State Chancellor's Office calculation is approximately \$121.6 million.
- The overstated revenue is approximately \$2.8 million. The Hold Harmless amount reported in the Adopted Budget is approximately \$3.8 million (column ⑤), while the Hold Harmless amount in the State Chancellor's Office P2 report is approximately \$7.1 million (column ⑥). The understated amount is approximately \$3.3 million. The Peralta District's structural deficit is approximately \$7.1 million for Fiscal Year 2020-21, which is covered by the Hold Harmless.



FTES/Headcount

Peralta Community College District Vs State of California Chancellors Office

- Hold Harmless is applicable to fiscal years: 2021-22, 2022-23 and 2023-24. The Peralta District must be ready to live within its budget without Hold Harmless dollars starting the 2024-25 fiscal year.
- If the Peralta District's FTES production, Student Access, and Student Success metrics continue to decline in future years, the Peralta District's Hold Harmless dollars will increase.
- Revenue projected reductions of \$2.8 million will have minimal impact on our Cash Flow. The State will continue paying the Peralta District according to the apportionment schedule based on the 2019-20 P2 Report and Advanced Apportionment (subject to deferrals for all the districts).



Peralta Community College

Budget Revision FY 2020-2021

① ② ③ ④ ⑤ ⑥ ⑦ ⑧

	Actual Fiscal Year 2018-2019	Adopted Budget Fiscal Year 2019-2020	PCCD Budget Book Unaudited Actuals Fiscal Year 2019-2020	Revised Unaudited Actual Fiscal Year 2019-2020	Adopted Budget Fiscal Year 2020-2021	Revised Budget Fiscal Year 2020-2021	Difference	Notes
Revenues:								
Federal Revenue								
State Revenue	64,006,532	68,077,817	72,605,617	73,638,135	69,689,847	66,842,768		
Local Revenue	73,457,731	75,298,147	71,416,115	71,417,558	75,127,953	75,127,953		
Interfund Transfer In	9,496,623	9,650,000						
Other Revenues								
Total Revenues:	146,960,886	153,025,964	144,021,732	145,055,693	144,817,800	141,970,721	2,847,079	Overstated Basic Allocation
Expenditures:								
Full Time Academic	22,008,148	26,494,736	23,438,020	23,438,020	25,400,106	25,400,106		
Academic Administration	5,455,284	5,545,939	5,376,059	5,404,618	6,126,601	6,126,601		
Other Faculty	3,702,744	4,862,479	5,460,639	5,415,134	5,640,185	5,640,185		
Part Time Academic	19,154,438	10,083,450	18,251,757	18,578,881	9,042,082	9,042,082		
Classified Salary	26,053,294	29,131,772	24,742,356	25,299,000	29,827,717	28,264,106	(1,563,611)	Salary Savings
Fringe Benefits	45,762,426	47,030,588	43,043,185	41,620,462	39,892,236	38,608,768	(1,283,468)	Benefits Savings
Bad Debts	1,050,000	850,000	0	850,000	670,830	670,830		
Books Supplies, Svcs	11,248,836	21,319,082	20,418,885	14,799,715	23,023,008	23,023,008		
Equipment Outlay	377,567	273,267	402,896	402,896	261,743	261,743		
Other Outgo	8,113,818	9,278,805	2,202,200	6,305,341	4,933,292	4,933,292		
Total Expenses:	142,926,555	154,870,118	143,335,997	142,114,067	144,817,800	141,970,721	(2,847,079)	
Beginning Fund Balance:	4,198,701	17,928,890	17,928,890	17,928,890	23,195,271	23,195,271		
Net Increase (Decrease)	4,034,331	(1,844,154)	685,735	2,941,626	0	0		
Audit Adjustment	9,695,858	0	2,324,755	2,324,755	0	0		
Ending Fund Balance:	17,928,890	16,084,736	20,939,380	23,195,271	23,195,271	23,195,271		
Fund Balance %	12.54%	10.39%	14.61%	16.32%	16.02%	16.34%		



Detail of Books, Supplies, and Services

<u>Books, Supplies, and Svcs</u>	<u>2020-21 Revised Budget</u>
Legal	1,276,199
Audit	200,000
Independent Contractor	8,413,860
Utilities	5,277,263
Maintenance and Repairs	3,911,078
Book and Supplies	857,365
Election Cost	320,000
Leases	856,685
Other Miscellaneous Expenses	1,910,578
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	23,023,028



Peralta Community College District Budget Revision FY 2020-2021

- The unaudited actuals for Fiscal Year 2019-20 projected a surplus of \$685k with an ending fund balance of 14.61%. When the Fiscal Year 2019-20 accounting books were closed it was determined that the Peralta District had a surplus of \$2.9 million with an ending fund balance of 16.32%.
- On the budget revision, the revenues were reduced by \$2.8 million which was primarily from basic allocations. The expenditures were reduced to offset the revenue shortfall with vacancy savings from unfilled positions (using salaries and benefits for up to six months, July through December). This savings was redirected from Administration and Classified Staff vacancies to create a balanced budget.



MOVING FORWARD

- Begin now to have discussions to address the structural deficit for Peralta.
- Suggested areas for consideration: 1) reduction in the Faculty Obligation Number (FON), 2) implementation of the Supplemental Employee Retirement Plan (SERP), 3) freeze some vacant positions by prioritizing based on Accreditation and FCMAT recommendations, and 4) reduce the discretionary Districtwide budget by 5%.
- Additionally, the Peralta District has a Cash Flow of approximately \$25 million in reserve, which would allow us to operate for two months. This is common among other Community College Districts.



Thank You!



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