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
“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
  Instructional hourly reduction $ 1 million
  Administrative reorganization $ .67 million

  Total budget solutions $11 million
### Unrestricted General Fund

#### 2011-12 Final Budget

<table>
<thead>
<tr>
<th>Revenue</th>
<th>2011-12 Final Budget</th>
<th>2010-11 Working Budget</th>
<th>2010-11 Estimated Actuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Revenue</td>
<td>$</td>
<td>- $</td>
<td>- $</td>
</tr>
<tr>
<td>State Revenue</td>
<td>$66,456,104 $</td>
<td>$71,243,244 $</td>
<td>$71,834,904 $</td>
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<tr>
<td>Local Revenue</td>
<td>$39,121,683 $</td>
<td>$40,434,922 $</td>
<td>$38,643,239 $</td>
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<tr>
<td>Interfund Transfers In</td>
<td>$10,000,000 $</td>
<td>$9,800,000 $</td>
<td>$9,800,000 $</td>
</tr>
</tbody>
</table>

**Revenue Total** $115,577,787 $121,478,166 $120,278,745

#### Expenses

<table>
<thead>
<tr>
<th>Expenses</th>
<th>2011-12 Final Budget</th>
<th>2010-11 Working Budget</th>
<th>2010-11 Estimated Actuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Time Academic</td>
<td>$17,331,315 $</td>
<td>$17,162,222 $</td>
<td>$18,064,167 $</td>
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<tr>
<td>Academic Admin</td>
<td>$3,138,240 $</td>
<td>$4,184,893 $</td>
<td>$4,028,850 $</td>
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<tr>
<td>Other Faculty</td>
<td>$5,213,256 $</td>
<td>$4,986,186 $</td>
<td>$5,331,993 $</td>
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<tr>
<td>Part Time Academic</td>
<td>$12,305,375 $</td>
<td>$16,760,936 $</td>
<td>$15,989,919 $</td>
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<tr>
<td>Classified Salary</td>
<td>$20,314,427 $</td>
<td>$20,849,293 $</td>
<td>$21,535,493 $</td>
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<tr>
<td>Fringe Benefits</td>
<td>$37,323,210 $</td>
<td>$35,685,747 $</td>
<td>$34,843,033 $</td>
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<tr>
<td>Books, Supplies, Services</td>
<td>$13,021,842 $</td>
<td>$16,329,146 $</td>
<td>$15,342,752 $</td>
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<tr>
<td>Equipment Cap Outlay</td>
<td>$109,995 $</td>
<td>$247,053 $</td>
<td>$188,068 $</td>
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<tr>
<td>Debt Service Transfer</td>
<td>$6,820,127 $</td>
<td>$5,272,690 $</td>
<td>$4,544,189 $</td>
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</tbody>
</table>

**Expense Total** $115,577,787 $121,478,166 $119,868,464

Beginning Fund Balance $6,448,280 $6,038,000

**Revenues over Expenses** $648,280 $410,280

Ending Fund Balance $6,448,280 $6,448,280
Unrestricted General Fund

Revenue by Source
- State Revenue: 57%
- Local Revenue: 34%
- Interfund Transfer In: 9%

Expenses by Type
- Fringe Benefits: 32%
- Classified Salary: 18%
- Part Time Academic: 11%
- Academic Admin: 3%
- Other Faculty: 4%
- Books, Supplies, Services: 11%
- Debt Service Transfer: 6%
FTES History

- 2008-09: 3,661 FTES Reduction
- 2009-10: 3,150 FTES Unfunded, $14,376,600
- 2008-12: 3,661 FTES Reduction

Generated FTES vs. Funded FTES
## Restricted General Fund

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<thead>
<tr>
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<tr>
<td><strong>Revenue</strong></td>
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</tr>
<tr>
<td>Federal Revenue</td>
<td>$ 5,026,049</td>
<td>$ 4,736,089</td>
<td>$ 8,300,108</td>
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<tr>
<td>State Revenue</td>
<td>$ 8,256,487</td>
<td>$ 10,179,370</td>
<td>$ 10,707,783</td>
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<tr>
<td>Local Revenue</td>
<td>$ 1,709,880</td>
<td>$ 564,625</td>
<td>$ 1,068,186</td>
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<tr>
<td>Interfund Transfers In</td>
<td>$ 1,157,665</td>
<td>$ 1,157,655</td>
<td>$ 1,157,655</td>
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<tr>
<td><strong>Revenue Total</strong></td>
<td>$ 16,150,081</td>
<td>$ 16,637,739</td>
<td>$ 21,233,732</td>
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<tr>
<td><strong>Expenses</strong></td>
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<tr>
<td>Full Time Academic</td>
<td>$ 792,819</td>
<td>$ 559,240</td>
<td>$ 454,191</td>
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<tr>
<td>Academic Admin</td>
<td>$ 381,373</td>
<td>$ 297,938</td>
<td>$ 184,217</td>
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<td>Other Faculty</td>
<td>$ 1,395,290</td>
<td>$ 2,007,124</td>
<td>$ 1,676,218</td>
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<tr>
<td>Part Time Academic</td>
<td>$ 2,255,885</td>
<td>$ 3,124,002</td>
<td>$ 2,497,469</td>
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<tr>
<td>Classified Salary</td>
<td>$ 4,981,132</td>
<td>$ 6,326,342</td>
<td>$ 5,554,716</td>
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<td>Fringe Benefits</td>
<td>$ 3,166,798</td>
<td>$ 3,515,075</td>
<td>$ 2,914,530</td>
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<td>Books, Supplies, Services</td>
<td>$ 2,751,853</td>
<td>$ 7,636,416</td>
<td>$ 5,200,260</td>
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<tr>
<td>Equipment Cap Outlay</td>
<td>$ 335,075</td>
<td>$ 782,315</td>
<td>$ 602,830</td>
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<tr>
<td>Financial Aid</td>
<td>$ 795,122</td>
<td>$ 1,025,680</td>
<td>$ 945,718</td>
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<tr>
<td><strong>Expense Total</strong></td>
<td>$ 16,855,347</td>
<td>$ 25,274,131</td>
<td>$ 20,030,148</td>
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</table>

Beginning Fund Balance: $1,203,584
Revenues over Expenses: $(705,266)
Ending Fund Balance: $498,318

Revenues over Expenses: $1,203,584
Restricted General Fund

Revenue by Type
- Federal Revenue 31%
- State Revenue 51%
- Local Revenue 11%
- Interfund Transfer In 7%

Expenses by Type
- Classified Salary 30%
- Part Time Academic 13%
- Other Faculty 8%
- Books, Supplies, Services 16%
- Equipment Cap Outlay 2%
- Financial Aid 5%
Conclusion

• Questions?