



# Flex Day – State of the Budget

January 16, 2013

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# Agenda

- o Peralta's 2012-13 Budget
  - o Unrestricted General Fund
    - o Budget assumptions
    - o Proposition 30 – Educational Protection Account (EPA)
  - o Measure B – Parcel Tax
    - o Allocations per college
- o Governor's Proposed 2013-14 Budget

# Peralta's 2012-13 Budget

## o General Assumptions:

- o The 2012-13 Adopted Budget will be balanced
- o The 2012-13 Adopted Budget will have a reserve for contingency of no less than 5%
- o We will use plans, planning documents, and planning processes as a basis for the development of expenditure budgets

# Peralta's 2012-13 Budget

## Revenue Assumptions:

- Previous ongoing workload reduction as proposed by Governor incorporated into budget
- Anticipating deferral of approximately \$15 million in general fund apportionment payments
- General apportionment deficit factor 2.00% for 2012-13

# Revenue Assumptions

## (cont'd)

- o Enrollment Growth funds for PCCD of 1% for 2012-13
- o The Cost of Living Adjustment (COLA) of 0% for 2012-13
- o Target base credit FTES of 18,500
- o Funded base non-credit FTES of 63.56
- o Anticipated property tax receipts of \$22,818,351
- o Unrestricted lottery at \$118.00 per funded FTES

# Peralta's 2012-13 Budget

## o Expenditure Assumptions:

- o The District intends to meet all negotiated contractual obligations
- o Step and column salary increases included
- o Projected Public Employee Retirement System contribution increase of 1.077% to 11.416%
- o Maintain District contribution to DSPS of \$1.15 million

# Expenditure Assumptions (cont'd)

- Any restricted funding cuts or cost increases must be borne by the respective program
- Increase in Medical premiums to actual cost of premiums, up to District cap
- Increase OPEB required contribution by 1.1% to 14%, based on latest actuarial study
- Budget Allocation Model will be used to prioritize staffing

# Peralta's 2012-13 Budget – Unrestricted General Fund

		App Budget		Actuals	% Used	Last Year Actuals
<b>Revenue</b>						
Federal Revenue	\$	-	\$	-	NA	\$ -
State Revenue	\$	(66,614,533)	\$	(22,622,430)	34%	\$ (31,030,629)
Local Revenue	\$	(40,655,807)	\$	(24,116,651)	59%	\$ (18,839,348)
Trans Res Revenue	\$	(11,398,445)	\$	-	0%	\$ (173,442)
Beginning Fund Balance	\$	-	\$	-	NA	\$ -
<b>Revenue Total</b>	\$	<b>(118,668,785)</b>	\$	<b>(46,739,081)</b>	<b>39%</b>	\$ <b>(50,043,419)</b>
<b>Expenses</b>						
Full Time Academic	\$	18,337,084	\$	6,836,409	37%	\$ 7,123,728
Academic Admin	\$	3,221,146	\$	1,607,258	50%	\$ 1,573,063
Other Faculty	\$	5,512,484	\$	1,907,033	35%	\$ 2,138,398
Part Time Academic	\$	9,066,795	\$	9,086,417	100%	\$ 8,684,612
Classified Salary	\$	20,798,732	\$	9,829,911	47%	\$ 9,514,830
Fringe Benefits	\$	37,765,653	\$	16,731,045	44%	\$ 16,819,643
Books, Supplies, Services	\$	14,156,188	\$	5,358,527	38%	\$ 4,149,599
Equipment Cap Outlay	\$	154,206	\$	42,297	27%	\$ 19,285
Debt Service Transfer	\$	4,719,658	\$	2,488,764	53%	\$ 1,157,655
Financial Aid	\$	-	\$	-	NA	\$ -
Faculty Load Banking	\$	955,518	\$	-	0%	\$ -
<b>Expense Total</b>	\$	<b>114,687,464</b>	\$	<b>53,887,661</b>	<b>47%</b>	\$ <b>51,180,813</b>



# Peralta's 2012-13 Budget – Unrestricted General Fund

## o Key elements:

- o Revenues include the passage of Proposition 30 – approximately \$5.5 million (State spending restrictions yet to be published)
- o Includes the funding of 21 new faculty positions (based upon the passage of Measure B – Parcel Tax)
- o Part-time faculty budgets augmented by Measure B Parcel Tax funding to support the generation of target FTES

# Peralta's 2012-13 Budget – Proposition 30

- o New revenue generated by increases in sales tax and personal income taxes for higher income taxpayers
- o With its passage:
  - o Avoided a 7.3% workload reduction (\$5.5 million for Peralta)
  - o Reduction in deferrals (borrowing) of \$159 million (approximately \$3 million for Peralta)
  - o Provides \$50 million in restoration funding (restoring cuts enacted in 2009-10)

# Peralta's 2012-13 Budget – Measure B Parcel Tax Fund

- Approved by voters on June 5, 2012.
- Provides an annual tax of \$48 per parcel per year for 8 years.
- Funding to be used for maintaining core academic programs, such as Mathematics, Sciences, and English; training students for careers; and preparing students to transfer to four-year universities.

# Peralta's 2012-13 Budget – Measure B Parcel Tax Fund

Budget		College of Alameda	Laney College	Merritt College	Berkeley City College	Total
1351	Instructor-Temp/PTime & Ext-Se	\$ 983,106	\$ 900,614	\$ 300,294	\$ 1,237,241	\$ 3,421,255
	<b>Part Time Academic</b>	<b>\$ 983,106</b>	<b>\$ 900,614</b>	<b>\$ 300,294</b>	<b>\$ 1,237,241</b>	<b>\$ 3,421,255</b>
2201	Instructional Aides	\$ 39,283	\$ 39,283	\$ 39,283	\$ 39,283	\$ 157,132
	<b>Classified Salary</b>	<b>\$ 39,283</b>	<b>\$ 39,283</b>	<b>\$ 39,283</b>	<b>\$ 39,283</b>	<b>\$ 157,132</b>
3140	STRS Cash Balance	\$ 47,446	\$ 59,488	\$ 28,101	\$ 64,651	\$ 199,686
3220	PERS	\$ 4,485	\$ 4,485	\$ 4,485	\$ 4,485	\$ 17,940
3340	Medicare - Academic	\$ 17,199	\$ 21,565	\$ 10,187	\$ 23,436	\$ 72,387
3350	Medicare - Classified	\$ 570	\$ 570	\$ 570	\$ 570	\$ 2,280
3421	Medical Coverage-Classified	\$ 17,622	\$ 14,622	\$ 14,622	\$ 14,622	\$ 61,488
3422	Dental Coverage-Classified	\$ 518	\$ 518	\$ 518	\$ 518	\$ 2,072
3510	Unemployment Ins.-Academic	\$ 19,097	\$ 23,944	\$ 14,050	\$ 26,022	\$ 83,113
3520	Unemployment Ins -Classified	\$ 432	\$ 432	\$ 432	\$ 432	\$ 1,728
3610	Worker's Compensation-Academic	\$ 14,234	\$ 45,090	\$ 8,430	\$ 18,374	\$ 86,128
3620	Worker's Compensation-Classfd	\$ 471	\$ 471	\$ 471	\$ 471	\$ 1,884
	<b>Fringe Benefits</b>	<b>\$ 122,074</b>	<b>\$ 171,185</b>	<b>\$ 81,866</b>	<b>\$ 153,581</b>	<b>\$ 528,706</b>
	<b>Budget Total</b>	<b>\$ 1,144,463</b>	<b>\$ 1,111,082</b>	<b>\$ 421,443</b>	<b>\$ 1,430,105</b>	<b>\$ 4,107,093</b>

# Peralta's 2012-13 Budget – Measure B Parcel Tax Fund

## o Key elements:

- o Includes an augmentation of part-time faculty budgets for colleges to achieve FTES targets (approximately \$3.4 million net of salary savings)
- o Includes 4 Instructional Aides (one at each campus)
- o Includes 1 Distance Education position
- o Will include the restoration of discretionary budgets for the colleges (approximately \$1 million)

# Governor's Proposed 2013-14 Budget

- o \$196.9 million or 3.6% increase to base apportionments. To be allocated between restoration (workload increases) and cost-of-living adjustments as determined by the Board of Governors
- o Buy down of existing deferrals by \$179 million. Total deferrals would be reduced to \$622 million from \$801 million
- o Provision of \$133.2 million to offset anticipated local property tax reductions

# Governor's Proposed 2013-14 Budget

## o Policy proposals:

- o 90 semester unit cap placed on the number of units a student could take and for which the District could receive State funding. Students who exceed this cap would be required to pay the full cost of instruction.
- o Change funding model from one based on census date enrollment to one based on course completion.
- o Movement of Adult Education out of K-12 to community colleges. Funding proposed to be allocated by block grant.



Thank you and have a great semester!