



Peralta Community College District

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Office of Finance and Administration

Memorandum

To: College Presidents

CC: Dr. José M. Ortiz, Sui Song, Directors of Business and Administrative Services

From: Susan Rinne, Interim Vice Chancellor

Date: March 3, 2014

Subject: 2014-15 Tentative Budget Development Guidelines

Please find attached the various documents that will be used to guide and develop Peralta Community College District's 2014-15 Tentative Budget. The first document is the District 2014-15 Budget Development Calendar. This calendar contains critical timelines and due dates that will ensure our budget is developed timely and openly. The second document is the current working version of the 2014-15 Budget Assumptions which contain revenue and expenditure assumptions that will ensure our budget is developed based upon data used for planning and is balanced.

The District is in a position for the second year of rebuilding and restoring. The reason for this is directly attributed to the passage of Measure B – Parcel Tax and Proposition 30. Further, as we look towards fiscal year 2014-15 we have reason to be optimistic. On January 10, 2014 the Governor released his Budget Proposal for 2014-15. This initial proposal is considered to be the beginning of the budget discussions and negotiations that ultimately lead up to the State's final budget. The Governor's Proposed Budget reflects the fact that the State economy is no longer shrinking and that Proposition 30 has taken some of the pressure off of the State to find solutions to deficits.

Specific to Community Colleges, the Proposed Budget includes an increase of \$203.7 million (or 3.86%) to general apportionments. The allocation of these funds between restoration of prior year imposed workload reductions and cost-of-living (COLA) adjustment are to be determined by the Board of Governors (BOG). Not until the Governor signs the State's Final Budget and the Board of Governors approves some distribution of these funds between workload restoration and COLA will we have sufficient information to then begin to discuss of allocating these funds within the District's budget. Naturally, when or if these events occur, some of this funding will be allocated to the College's 1351 (part-time faculty) budgets.

Given the existing assumptions and circumstances, we are moving forward with developing the 2014-15 fiscal year discretionary budgets at the same level (amounts) as was included in the 2013-14 base discretionary budgets, plus an increase to the utilities budget lines by 2%. We will be developing all of the discretionary budgets in fund 01 this year, unlike the previous year where 15% was developed in fund 12. Discussion for developing the Fund 12 budgets is still in progress, and will be shared as the development continues.

The breakout of the District-wide discretionary budget of \$14,270,893 is as follows:

Location	Fund 01 Base Discretionary Budget	Fund 12 (Parcel Tax) Base Discretionary Budget
College of Alameda	\$1,417,563	\$0
Laney College	\$2,975,023	\$0
Merritt	\$1,701,248	\$0
Berkeley City College	\$1,603,938	\$0
Central Service Centers	\$6,573,121	\$0
District Total	\$14,270,893	\$0

You are encouraged to reallocate funds from their current budget to areas deemed of highest priority and of best use by your campus budgeting processes. It should be noted that the concept of base budget is only applied to the total funds allocated to each site and not to any particular department of cost center. It will probably be necessary to reallocate funds among cost centers if you are to achieve your college objectives in this economic environment.

Categorical budgets will be distributed within the next couple of weeks. We will be preparing the categorical budgets assuming each categorical budget remains separate. As always, we must develop budgets for categorical programs and grants that balance expenditures with expected income.

I request that you submit your base budgets with signatures verifying understanding and compliance with these guidelines requested to my office on or before April 25, 2014. Meeting this deadline is critical to staying on the Board approved 2014-15 Budget Development Calendar and to allow time for reports to be disseminated to the colleges to ensure accuracy. Your assistance is greatly appreciated.