

# Peralta Community College District 2016-17 Tentative Budget Assumptions

## 2016-17 Budget Assumptions

These assumptions are for use in the preliminary development of the district's and colleges' budgets and are predicated on the **Governor's January Budget Proposal for 2016-17**. At this point they represent a starting point for building next year's budgets and any dollars associated with them represent high level estimates. As we receive more detailed information in the coming months, these assumptions will change accordingly.

## General Assumptions

1. The 2016-17 Adopted Budget will be balanced
2. The 2016-17 Adopted Budget will have a reserve for economic uncertainty of no less than 5%
3. The 2016-17 Adopted Budget will draw down on reserves set aside for STRS/PERS increases
4. The District and Colleges will use plans, planning documents, and planning processes as a basis for the development of their expenditure budgets
5. The District will not issue Tax Revenue Anticipation Notes (TRANs)
6. All State Apportionment deferrals will be eliminated
7. Facilities maintenance and repair will have a budgeted line item, however it may be funded with one-time dollars (TBD)

## Revenue Assumptions

8. General apportionment deficit factor of 1%
9. Sales Tax portion of Prop 30 sunsets December 31, 2016
  - Loss of \$1.75 million to PCCD [6-month impact]
10. Access/Growth Funds for up to 2% growth system wide (\$114.7 million state wide)
  - 0% for PCCD due to flat/ declining enrollment
11. Cost of Living Adjustment (COLA) of 0.47% (\$29.3 million state wide)
  - \$525,000 to PCCD
12. Full Time Equivalent Student (FTES) base of 18,600; funded base credit FTES of 19,500
  - 4.6% decrease (projected) from 2015-16
  - **Funded at 2015-16 levels due to STABILITY**
13. Funded base non-credit FTES of 40.0
14. Anticipated property tax receipts of \$29,650,000
  - 2% increase over 2015-16
15. Unrestricted lottery at \$126.00 per funded FTES
16. Increase in International Students Enrollment and Tuition- \$900,000
17. Mandated Cost Block Grant budgeted at \$518,000
  - Based on actual FTES
18. Fifth Year of Parcel Tax/ Measure B estimated to be \$8,060,000
19. Allocation for the retirement of outstanding mandate claims (\$76.1 million state wide)
  - \$64 per FTES; \$1.2 Million for PCCD
20. One-Time Funding for Instructional Equip and/or Deferred Maintenance (\$289 million state wide)
  - \$4 million for PCCD

## **Expenditure Assumptions**

21. The District will meet all negotiated contractual obligations
22. Step and column salary increases included
  - Amount to be determined based on salary load (estimated at \$1.1 million)
23. Public Employee Retirement System (PERS) district contribution increase to 13.05%, an increase of 1.2%, estimated at an additional ongoing annual cost of \$325,000
24. State Teachers Retirement System (STRS) increased to 12.58%, an increase of 1.85%, estimated at an additional annual ongoing cost of \$650,000
25. Maintain District contribution to DSRS of \$1.0 million + COLA adjustment
26. Any restricted funding cuts or cost increases must be borne by the respective program
27. Increase in Medical premiums up to District cap, estimated increase cost: \$ TBD
  - Kaiser –
  - Traditional PPO (PFT, Admin, SEIU) –
  - Lite PPO (PFT, Admin, SEIU) –
  - Traditional PPO (Local 39) –
  - Lit PPO (Local 39) –
28. OPEB required contribution and Debt Service: \$ TBD
29. Utilities to be budgeted at the campus level at the prior year estimated actuals plus 2% for inflation
30. Telephone expense to be adjusted to reflect VoIP implementation (based on estimated actuals)
31. Increase in Workers Compensation rate of 0.1% from 1.5% to 1.6% of payroll,
  - Estimated cost \$100,000