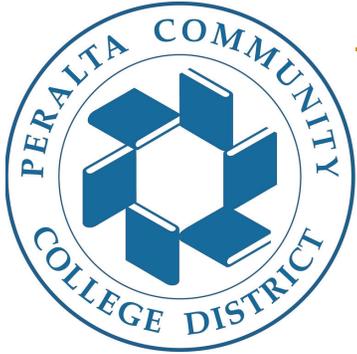


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# 2010-11 BUDGET

Board Meeting  
September 28, 2010

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# STATE BUDGET

Proposals	Governor	Senate	Assembly	Conference
Cost-of-Living Adjustment	-0.39%	no cut	no cut	no cut
Enrollment Growth	2.21%	2.21%	2.25%	2.21%
Part-Time Faculty Compensation	-\$10 million	no cut	no cut	no cut
EOPS	-\$10 million	no cut	no cut	no cut
Backfill ARRA money	not proposed	not proposed	\$35 million	\$35 million
Career Technical Ed.	\$20 million	no increase	no increase	no increase
Basic Skills	no new language	redistribute 20% of money amount districts based on basic skills success	no language	compromise budget bill language to require study of performance based funding model
Student Financial Aid Admin.	no new language	redistribute based on Pell Grant awards	no language	no language
CalWorks	make money flexible, conforming to CalWorks elimination proposal	same as 2009-10	same as 2009-10	same as 2009-10
Economic/Workforce Development	same as 2009-10	same as 2009-10	+\$100 million	+\$25 million



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# 2010-11 STRATEGIC GOALS AND OBJECTIVES

- Advance Student Access, Equity, and Success
  - Engage and Leverage Partners
  - Build Programs of Distinction
  - Create a Culture of Innovation and Collaboration
  - Develop and Manage Resources to Advance Mission
-



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# GUIDING PRINCIPALS

- Fund to the greatest degree possible the strategic goals and short-term institutional objectives outlined for 2010-11
  - Avoid further layoffs, if possible, of permanent full time employees.
  - Maintain and manage FTES. It is important that this be maintained and managed (not too much over our funded cap) to avoid further reductions.
  - Maintain compliance with the 50% law unless this is waived. ED Code 84362 requires that Districts spend at least 50% of their current expense of education on classroom salaries and benefits.
  - Maintain the mission of each entity within the District and ensure that each expenditure is mission critical.
-



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# HOW PERALTA IS FUNDED

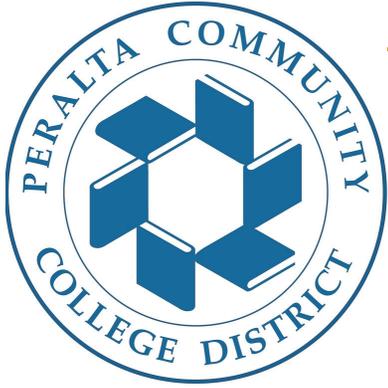
- AB 361 – General Fund
    - FTES
      - Credit
      - Non-Credit
    - Basic Allocation
    - Enrollment Fees
  - Categorical Funding
  - Grants
-



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# DISTRICT BUDGET - ASSUMPTIONS

- Base funding of 18,800.93 credit FTES and 209.59 noncredit FTES
  - Beginning fund balance of approximately \$6 million
  - Total budgeted revenues of \$115 million
  - Total budgeted expenditures of \$114.7 million
  - Projected ending fund balance of \$6.3 million
  - State revenue is budgeted at 2009-10 funded level
  - Local revenue is budgeted at 2009-10 actuals
  - State categorical funding budgeted at 2009-10 levels
-



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# GENERAL FUND UNRESTRICTED

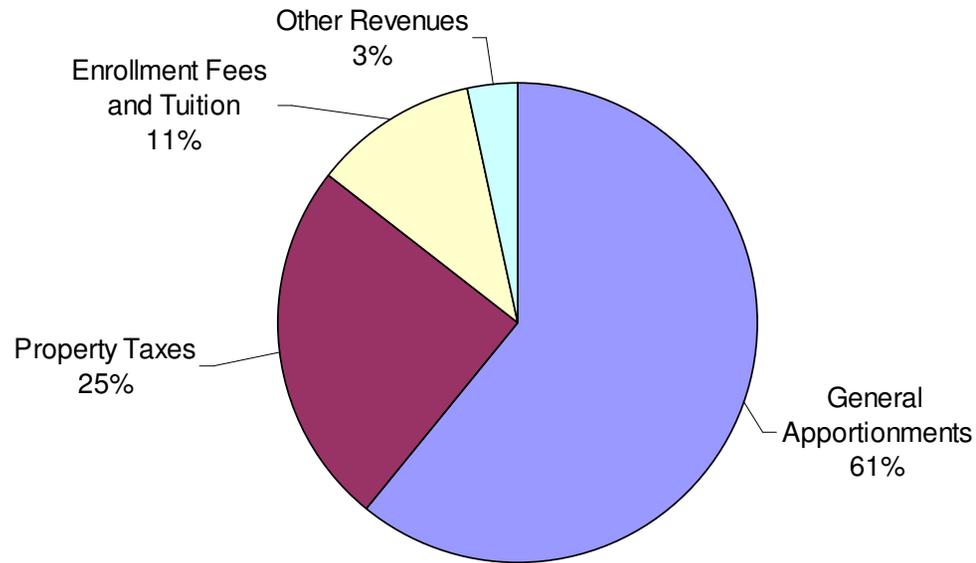
Description	<u>2010-11 FINAL BUDGET</u>
Total State Revenues	\$ 68,402,505
Total Local Revenues	40,794,435
Total Other Financing Sources	<u>5,800,000</u>
Total Revenues and Transfers	<u>114,996,940</u>
Beginning Fund Balance	<u>6,038,003</u>
Total Available for Appropriations	<u>\$ 121,034,943</u>
Certificated Salaries	\$ 41,445,514
Classified Salaries	21,201,491
Employee Benefits	<u>29,790,528</u>
Total Compensation	<u>92,437,533</u>
Total Supplies and Materials	1,184,411
Total Other Operating Expenditures	13,107,303
Total Capital Outlay	139,991
Total Other Outgo and Reserves	<u>14,165,705</u>
Total Expenditures and Reserves	<u>\$ 121,034,943</u>

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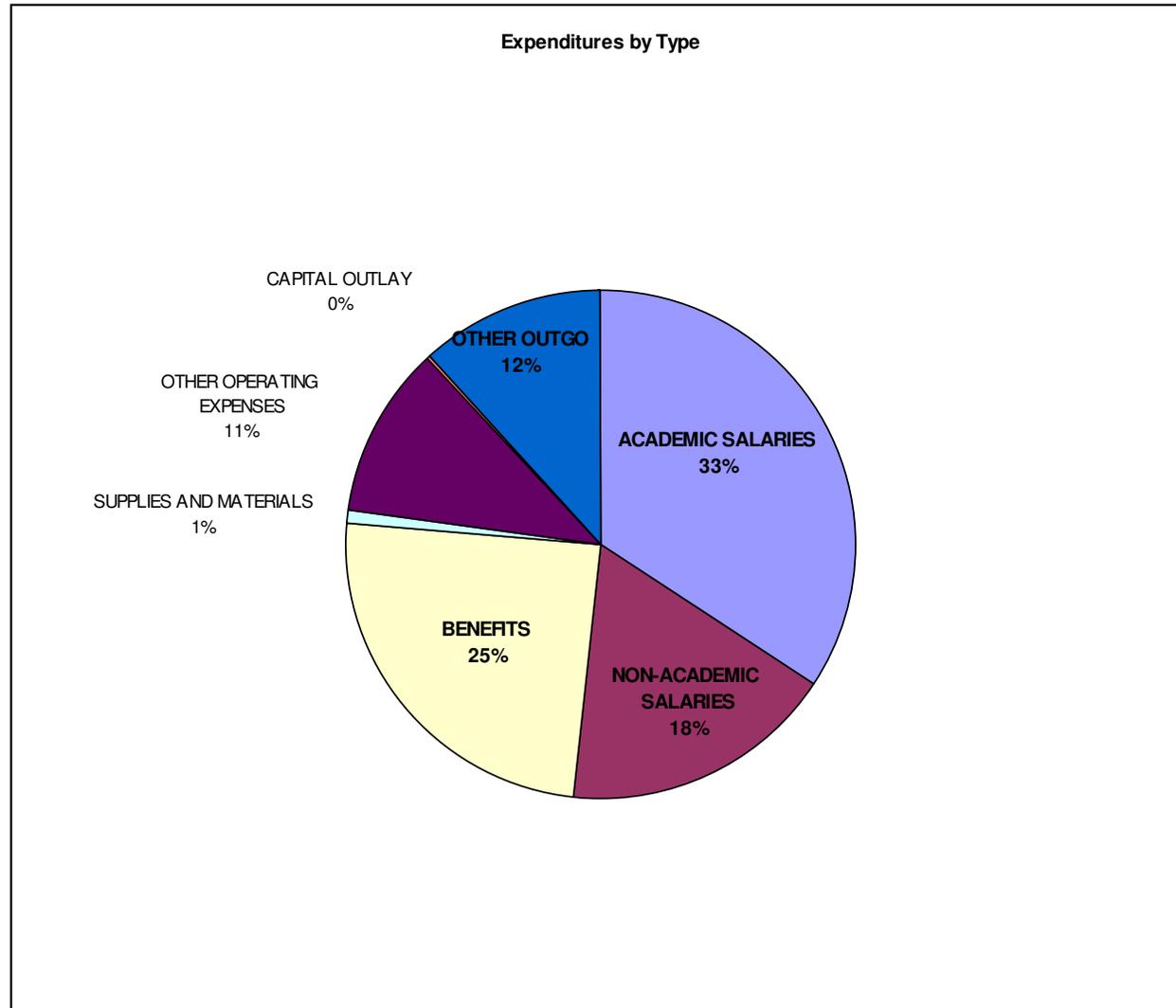
# REVENUE BY SOURCE

**Major Sources of Revenue**





# EXPENDITURES BY TYPE





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# GENERAL FUND RESTRICTED

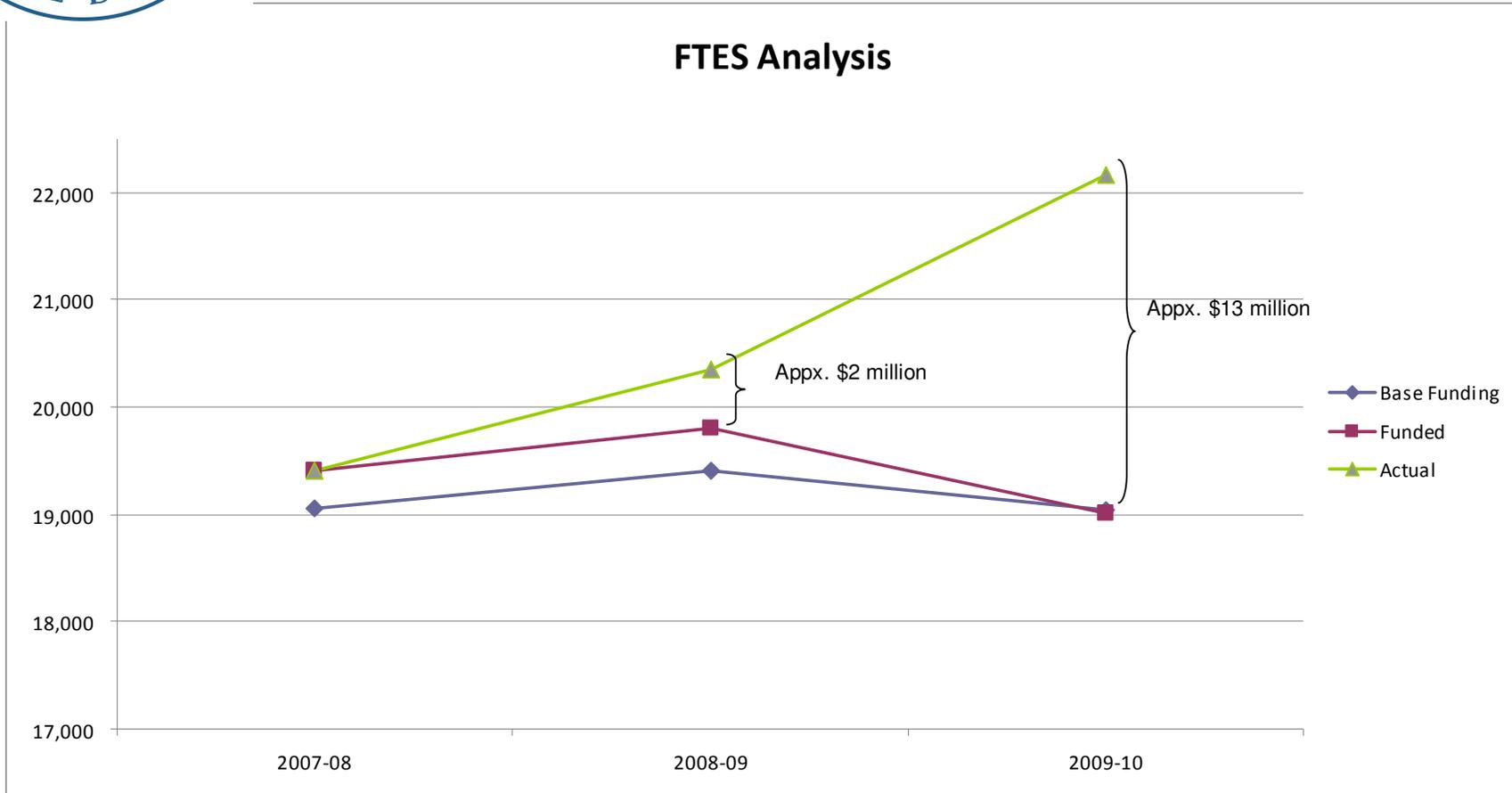
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Total Expenditures and Reserves	<u>\$ 121,034,943</u>

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# LOST REVENUE

## FTES Analysis





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# BUDGETED INCREASES

- Budgeted increases include:
    - ❑ Health Benefit Increases of approximately 11%
    - ❑ PERS rate increase to 10.707% (increase of approximately 10%)
    - ❑ OPEB bond payments of \$7.2 million
-



# BENEFITS

## STATUTORY BENEFITS

	Classified	Certificated
STRS	NA	8.25%
PERS	10.71%	NA
FICA	6.20%	NA
MEDICARE	1.45%	1.45%
SUI	0.30%	0.30%
WORKERS' COMP	1.20%	1.20%
Total before Health Benefits	<u>19.86%</u>	<u>11.20%</u>

## OPEB

Actuarial Study	12.50%	12.50%
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## HEALTH BENEFITS

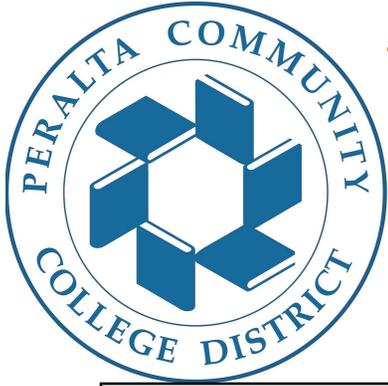
	Employee	Employee + 1	Employee + family
Coresource	\$ 7,997	\$ 17,868	\$ 26,843
Kaiser	\$ 6,731	\$ 13,462	\$ 19,049
Dental	\$ 315	\$ 1,356	\$ 2,073
EAP	\$ 27	\$ 27	\$ 27



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## DISTRICT BUDGET – BUDGETED DECREASES

- Budgeted decreases include:
    - Reduction of adjunct budget by \$2.1 million
    - Benefit audit savings of \$813,000
    - Attrition \$1 million
    - Staff reductions \$848,000
    - College reductions \$2 million
    - District reductions \$4.5 million
-



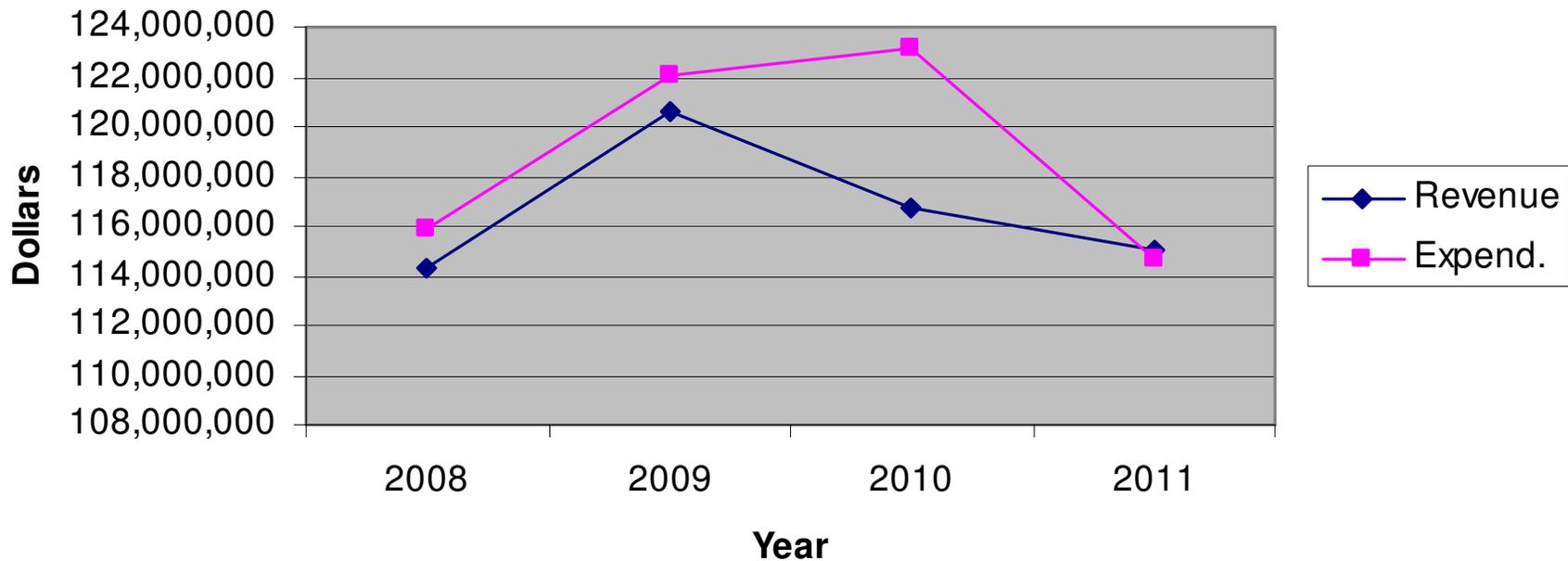
# DISTRICT BUDGET – FUND BALANCE

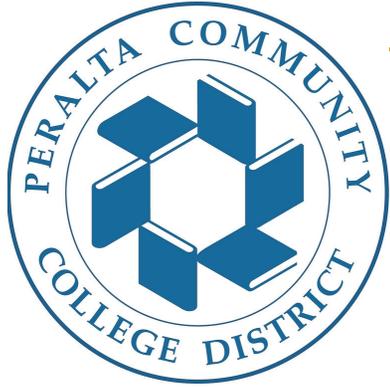
Changes in Unrestricted Balances						
Year	Beg Balance	Revenue & Trans.	Expend. & Trans.	Balance		
2008	15,481,521	114,266,043	115,840,026	13,907,538		actual
2009	13,907,538	120,640,551	122,089,271	12,458,818		actual
2010	12,458,818	116,707,385	123,128,200	6,038,003		estimate
2011	6,038,003	114,996,940	114,675,587	6,359,356		budget



# DISTRICT BUDGET – FUND BALANCE (cont.)

**Revenue and Expenditures**





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# GOALS AND OBJECTIVES

- Stay within balanced budget
    - Keep prudent level of reserve
  - Adhere to deadlines
    - Budget development
    - Fiscal Reporting
  - Resolve audit findings
    - 53
  - Begin the development of a clear, transparent, and equitable budget allocation model
-



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## PRESENT AND LONG-TERM ISSUES & RISK

- Maintaining student access and services with fewer resources
  - OPEB – Continued annual cost increases through 2016 - \$1 million increase next year
  - Continued projected increases in medical costs
  - Unknown PERS & STRS rate increases
  - State budget
-



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# 2010-11 BUDGET

QUESTIONS?

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# AUDIT

- 2008-09 Audit report was issued on August 5, 2010
    - Unqualified audit opinion
    - Contained 53 audit findings
      - Across all locations and within all funding sources
      - 19 material weaknesses; 34 significant deficiencies
  
  - 2009-10 Audit has begun
-



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# BENEFITS CONTINUED

<b>ESTIMATED TOTAL BENEFIT COST PER EMPLOYEE</b>		<b>Coresource</b>	<b>Kaiser</b>
		<b>Percentage-</b>	<b>Percentage-</b>
		<b>Employee+1</b>	<b>Employee+1</b>
Classified Average Salary*	\$ 46,250	73.98%	64.45%
PFT Average Salary*	\$ 80,500	47.61%	42.14%

- Per Actuarial Study completed by Bartel & Associates dated 5/18/2009

- Excludes district paid life insurance

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