



Peralta Community College District

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Office of Finance and Administration

Memorandum

To: Wise Allen, Chancellor

From: Ronald Gerhard, Vice Chancellor

Date: April 12, 2011

Subject: State Budget Update

Although the Assembly and Senate have passed the 2011-12 Budget bill, it is now out of balance by approximately \$12 billion given that the tax revenues from a June election are no longer an option. The Governor's January Proposal contained \$400 million in apportionment reductions based upon the Governor's revenue proposal being enacted – the passage of the tax extensions.

In the absence of the tax extensions on a June ballot, the May Revision takes on increased significance. The May Revision is the next step in the State's budget development process and provides the Governor an opportunity to change or revise his initial proposal based upon current circumstances (i.e. new taxes and/or changes in the health of the State's economy). We believe that the Governor will articulate his next plan or strategy no later than the May Revision.

Concerning the Federal budget and Student Financial Aid, on April 12, 2011 the House Appropriations Committee released its budget language that indicated no change will be made to the 2010-11 Pell Grant maximum award amount of \$5,550 and that the President's 2012 proposal to end summer school Pell Grants will be implemented for the remainder of fiscal year 2011.

2010-11 Budget Update

The District continues to operate within budget constraints. Please find attached the Income Statement for the period ending March 31, 2011. Although we are 75% through our fiscal year, we have only received approximately 58% of budgeted revenue. This is mostly a result of the State Deferrals that began in January 2011. Year to date, our deferrals from the State have been approximately \$9 million. Our anticipate deferrals through June 30, 2011 is approximately \$20 million. Expenditures remain within budgets.

Peralta Colleges
Income Statement - Unrestricted General Fund
For the Period Ending
March 31, 2011

Revenue	App Budget	Actuals	% Used
Federal Revenue	\$ -	(602)	NA
State Revenue	\$ (68,569,132)	\$ (39,222,115)	57%
Local Revenue	\$ (41,503,231)	\$ (30,979,283)	75%
Trans Res Revenue	\$ (5,800,000)	-	0%
Beginning Fund Balance	\$ (6,038,003)	-	0%
Revenue Total	\$ (121,910,366)	\$ (70,202,000)	58%
Expenses			
Full Time Academic	\$ 18,652,238	\$ 12,012,525	64%
Academic Admin	\$ 4,311,487	\$ 3,136,682	73%
Other Faculty	\$ 5,138,971	\$ 3,607,722	70%
Part Time Academic	\$ 13,888,596	\$ 12,806,352	92%
Classified Salary	\$ 21,535,222	\$ 15,688,801	73%
Fringe Benefits	\$ 29,805,967	\$ 18,892,559	63%
Books, Supplies, Services	\$ 15,332,257	\$ 9,018,025	59%
Equipment Cap Outlay	\$ 282,585	\$ 77,698	27%
Debt Service Transfer	\$ 6,925,039	\$ 5,765,186	83%
Financial Aid	\$ -	-	NA
Fund Balance	\$ 6,038,003	-	0%
Expense Total	\$ 121,910,366	\$ 81,005,550	66%