

2015-16 Tentative Budget



**PERALTA COMMUNITY COLLEGE DISTRICT
PRELIMINARY BUDGET DISCUSSION JUNE 9
TO BE PRESENTED FOR APPROVAL
ON JUNE 23, 2015**

State Budget



- May 14th Governor Brown released May Revision to the January budget
- Governor stated “Health and education, that’s the focus.”
- Emphasis on three pillars of education
 - Access
 - Success
 - Equity
- Recognizing Colleges’ increased cost of operations
- Provides \$619 million in new Proposition 98 allocations to community colleges

State Budget Highlights



- **On-Going**

- 1.02% Cost of Living Adjustment – down from 1.58% in January
- 3% Enrollment Growth – up from 2% in January
- \$266.7 million increase in base funding for operating costs – up from \$125 million in January
- \$299.2 million increase for Student Success and Support Programs with no addition match on \$100 million – same as January
- \$185 million for SSSP Equity – up from \$170 million in January
- \$49 million to equalize the value of Career Development College Preparation (CDCP) rate with resident credit rate per FTES
- \$75 million to increase the number of full-time faculty – not in January Budget
- \$2.5 million for COLA for Categorical Programs – not in January Budget

State Budget Highlights



- **One time funds**

- \$627.8 million for mandate backlogs – up from \$353.3 million in January
- \$148 million for Deferred Maintenance & Instruction Equipment, no match required – not in January budget, same amount as 2014-15 budget
- \$94.5 to pay off the remaining deferrals
- \$48 million for Career Technical Education – same as January budget
- \$60 million for Basic Skills & Student Outcomes Transformation Programs – not in January budget

2015-16 General Budget Assumptions



- Balanced Budget
- Contingency reserve of no less than 5%
- Utilize PBIM Model
- Line item in the budget for facilities maintenance and repair

Revenue Assumptions



- General apportionment deficit factor of 1%
- 1.02% Cost of Living Adjustment (COLA)
 - \$1,076,303
- Funded credit base of 19,507 credit and 14.39 non-credit
- Unrestricted lottery of \$128 per FTES
 - \$2.5 Million
- Mandated Cost Block Grant \$1.5 million with additional \$9.9 for Mandate Backlog
- Increase in base allocation from State
 - \$5.06 million

2015-16 Expenditure Budget Assumptions



- **Step and column salary for eligible employees included**
 - \$1.4 million
- **Increase salary schedules by 3%**
 - \$3 Million
- **Increase in Retirement System Contributions:**
 - Public Employees Retirement System (PERS) for classified employees 11.847%, increase of .076% approximately \$23,000
 - State Teachers Retirement System (STRS) for faculty and academic administrators 10.73%, increase of 1.85% approximately \$700,000
- **Worker's Compensation rate increased to 1.5% from 1.3%, approximately \$180,000**
- **Increase in Kaiser Rates by 4.8%**
 - \$530,000
- **Increase in Debt Service payment for OPEB bonds**
 - \$775,408
- **Decrease in OPEB payroll charge by 1% to 8.5%**
 - \$556,479
- **Addition of 25 faculty positions**
 - Net increase of \$650,000

2015-16 Unrestricted General Fund Revenues



	2015-16 Tentative Budget	2014-15 Final Budget	2014-15 Estimated Actuals	2013-14 Actuals	\$ Change Estimated Actuals vs Tentative
Federal Revenue				\$ 10,816	
State Revenue	\$ 88,983,547	\$ 67,396,913	\$ 71,879,563	\$ 70,397,373	\$17,103,984
Local Revenue	\$ 46,296,814	\$ 46,682,083	\$ 47,862,120	\$ 42,455,811	(\$1,565,306)
Transfer In	<u>\$ 13,128,104</u>	<u>\$ 13,128,094</u>	<u>\$ 13,128,094</u>	<u>\$ 11,188,145</u>	<u>\$ 10</u>
Total Revenue	\$148,408,465	\$127,207,090	\$132,869,777	\$124,052,145	\$15,538,688

2015-16 Unrestricted General Fund Expenditures



	2015-16 Tentative Budget	2014-15 Final Budget	2014-15 Estimated Actuals	2013-14 Actuals	\$ Change Estimated Actuals vs Tentative
Full Time Academic	\$ 25,554,302	\$ 21,353,690	\$ 20,200,324	\$ 18,252,185	\$5,353,978
Academic Admin	5,344,766	4,864,416	4,744,919	4,214,079	599,847
Other Faculty	5,386,849	5,679,831	5,677,171	1,964,688	(290,322)
Part Time Academic	10,054,765	8,226,114	11,912,337	15,018,835	(1,857,572)
Classified	25,624,626	24,464,869	23,894,231	22,594,962	1,730,395
Fringe Benefits	40,802,926	38,598,080	38,494,900	36,875,806	2,308,026
Books, Supplies & Services	16,546,691	15,958,462	16,103,720	14,775,855	442,971
Equipment & Capital Outlay	258,018	176,576	560,988	327,152	(302,970)
Debt Service & Transfers	8,660,460	7,885,052	7,885,052	7,053,614	775,408
Other Transfers/ Book Vouchers	<u>132,000</u>	<u>\$0</u>	<u>125,344</u>	<u>835</u>	<u>6,656</u>
Total Expenditures	\$138,365,403	\$127,207,090	\$129,598,986	\$121,078,011	\$8,766,417

Revenues Over/(Under) Expenses



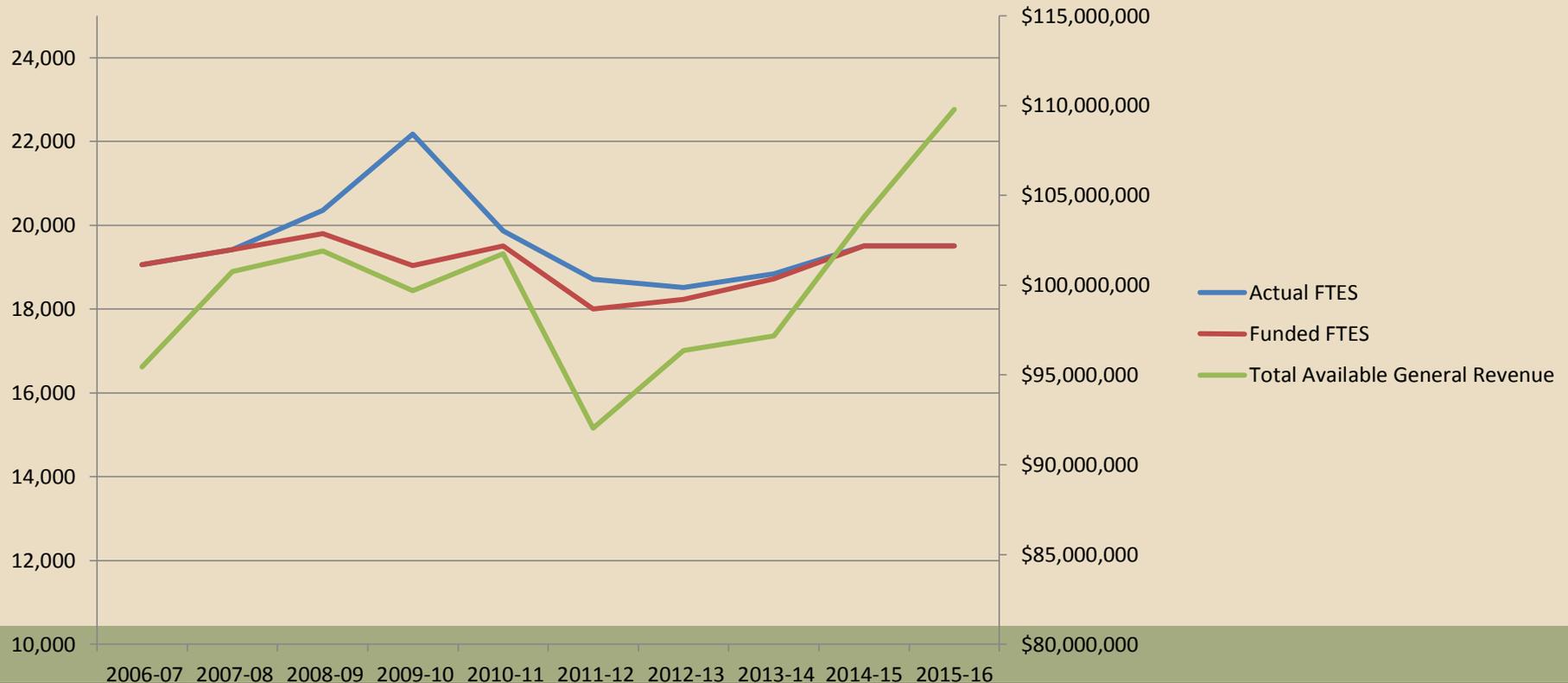
	2015-16 Tentative Budget	2014-15 Final Budget	2014-15 Estimated Actuals	2013-14 Actuals	\$ Change Estimated Actuals vs Tentative
Total Revenue	\$148,408,465	\$127,207,090	\$132,869,777	\$124,052,145	\$15,538,688
Total Expenditures	<u>138,365,403</u>	<u>127,207,090</u>	<u>129,598,986</u>	<u>121,078,011</u>	\$8,766,417
Change in Fund Balance	\$ 10,043,062	\$0	\$ 3,270,791	\$ 2,974,134	

Estimated ending fund balance for 2014-15 is \$16,262,821, 12.5% of total estimated actual expenditures.

History of Full Time Equivalent Students (FTES)



	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Actual	19,058	19,414	20,359	22,179	19,871	18,712	18,517	18,844	19,507	19,507
Funded	19,058	19,414	19,805	19,041	19,510	18,006	18,230	18,719	19,507	19,507



Parcel Tax



Measure B was approved by the voters on June 5, 2012, to provide the District with an annual parcel tax on all parcels located within the District boundaries of \$48 per parcel per year for the duration of 8 years. Total amount is approximately \$8 million annually. 2015-16 is the fourth year of the 8 year period.

These funds are used for maintaining core academic programs; training students for careers; and preparing student to transfer to four-year universities.

2015-16 Parcel Tax Fund Revenues



	2015-16 Tentative Budget	2014-15 Final Budget	2014-15 Estimated Actuals	2013-14 Actuals	\$ Change Estimated Actuals vs Tentative
Local Revenue	<u>\$ 8,053,385</u>	<u>\$8,055,785</u>	<u>\$8,064,827</u>	<u>\$8,064,064</u>	<u>\$ (11,442)</u>
Total Revenue	\$ 8,053,385	\$8,055,785	\$8,064,827	\$8,064,064	\$ (11,442)

2015-16 Parcel Tax Fund Expenditures



	2015-16 Tentative Budget	2014-15 Final Budget	2014-15 Estimated Actuals	2013-14 Actuals	\$ Change Estimated Actuals vs Tentative
Other Faculty	\$ 60,732	\$ 0	\$ 0	\$ 3,471,577	\$ 60,732
Part Time Academic	6,536,619	6,500,000	5,594,828	2,922,746	941,791
Classified	400,868	369,702	464,014	406,647	(63,146)
Fringe Benefits	723,542	624,702	787,759	346,570	(64,217)
Books, Supplies & Services	331,706	2,929,000	667,785	369,286	(336,079)
Equipment & Capital Outlay	<u>0</u>	<u>16,000</u>	<u>227,953</u>	<u>135,599</u>	<u>(227,953)</u>
Total Expenditures	\$ 8,053,467	\$ 10,439,213	\$ 7,742,339	\$ 7,652,425	311,128

Revenues Over/(Under) Expenses



	2015-16 Tentative Budget	2014-15 Final Budget	2014-15 Estimated Actuals	2013-14 Actuals	\$ Change Estimated Actuals vs Tentative
Total Revenue	\$ 8,053,385	\$8,055,785	\$8,064,824	\$8,061,064	\$ (11,442)
Total Expenditures	<u>8,053,467</u>	<u>10,439,213</u>	<u>7,742,339</u>	<u>7,652,425</u>	311,128
Change in Fund Balance	\$ (82)	\$(2,383,428)	\$ \$ 322,485	\$ 408,639	

Estimated ending fund balance for 2014-15 is \$2,901,481.

2015-16 Other Funds



Fund	Revenue	Expenditures	Revenue Over/(under)Expenditures	Comments
Measure A – Bond Fund	\$100,000	\$107,411,746	\$(107,311,746)	Projects budgeted, revenue received in prior years
Measure E – Bond Funds	\$0	\$8,450,581	\$(8,450,581)	Projects budgeted, revenue received in prior years
Child Development	\$1,184,166	\$1,84,166	\$0	

Funds Still to Come



- Restricted General Fund
- Special Revenue Fund
- Capital Outlay Fund
- Bond Construction Fund
- Other Post Employment Benefits Reserve Fund
- Trust and Agency Funds
- Self Insurance Fund
- Student Center Fee Fund
- Student Financial Aid Fund

Next Steps



- Final review and modifications to tentative budget
- Present the tentative budget to the Board of Trustee's for approval on June 23, 2015
- Align District budget with final State Budget
- Present the final budget to the Board of Trustee's for approval on September 8, 2015

Thank you for your time,
and see you in 2 weeks!