



# PERALTA COMMUNITY COLLEGE DISTRICT

## 2020/21 TENTATIVE BUDGET ASSUMPTIONS GOVERNOR'S SIGNED BUDGET JUNE 30, 2020

The following assumptions shall be utilized in developing the 2020/21 District and College's Tentative Budgets. These assumptions are estimates and are based, on the Governor's signed June 30, 2020 Budget, and current year-to-date actuals. As more detailed information is received in the coming months from the Governor's office and the State Chancellor's Office, i.e., the August Revise manifests with changed apportionments, deferrals, or spending requirements expected of districts, the assumptions will be adjusted accordingly.

### General Assumptions

1. The 2020/21 General Fund Unrestricted Beginning Fund Balance is projected at approximately \$20.8 million with a reserve of 14.38%, meeting the Board's policy of maintaining at least a 10% reserve level
2. The 2020/21 Tentative Budget will have an Ending Balance of no less than 10%
3. The district will use plans, planning documents, and planning as a basis for the development of expenditure budgets through the participatory governance process
4. Recommendations from the Budget Allocation Model Task Force will be presented to the Chancellor during the fiscal year with an expectation of adopting a model that incorporates the needs of the district and the colleges to serve students

### Revenue Assumptions

5. Enrollment: 3 Year Average (FTES) of 16,950 based on a hold harmless mechanism
6. Enrollment growth funds of \$31.9 million
  - 0% growth budgeted for PCCD in 2020/21
  - No Statutory Cost of Living Adjustment (COLA)
7. Unrestricted lottery at \$223.45 per FTES, from the State Adopted Budget and projected calculation
  - \$3.4 million for PCCD
8. First Year of Parcel Tax - Measure E is estimated to be \$8,000,000

Berkeley City College

College of Alameda

Laney College

Merritt College



# PERALTA COMMUNITY COLLEGE DISTRICT

9. Mandated Block Grants Programs which equals \$463,318
10. Scheduled Maintenance & Instructional Equipment allocation \$17.2 million Statewide
  - \$0.3 million
  - No match required
11. Cal Grant Program Costs — An increase of \$599.7 million General Fund in 2020/21 to account for the following:

Participation Estimates — A decrease of \$348,000 in 2020/21 to reflect a decrease in the estimated number of new recipients in 2019/20
12. Temporary Assistance for Needy Families Reimbursements (TANF) – A decrease of \$600 million in 2020/21, which increases the amount of the State General Fund needed for program costs by a like amount. This is a technical adjustment and reflects increased TANF needed in the state's CalWORKs program
13. Deferred Total of \$16.2 million:
  - Deferral of \$330.1 million Proposition 98 General Fund from 2019/20 to 2020/21 of approximately \$5.4 million to be received in July 2020
  - Deferral \$662.1 million Proposition 98 General Fund from 2021 to 2022 of approximately \$ 10.8 million to be received at a time to be determined

## Expenditure Assumptions

14. Step and column salary increases are included:
  - Estimated at \$1.2 Million
15. Public Employee Retirement System employer contribution increase from 19.72% to 20.70%, an increase estimated at \$261,917 to PCCD
16. State Teachers Retirement System employer contribution decreased from 17.10% to 16.15% an estimated at \$335,730 to PCCD
17. Maintain District contribution to DSPS program of approximately \$1.2 million
18. OPEB Debt Service Payment of approximately \$5.3 million due to bond program restructuring

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## PERALTA COMMUNITY COLLEGE DISTRICT

19. Contribute to the new Irrevocable Trust for \$250,000 as per OPEB long term funding plan
20. Contribute \$400,000 to Self-Insurance Fund to cover costs of Property and Liability insurance
21. Any restricted funding cuts or cost increases must be borne by the respective program
22. Medical premiums at \$16.9 million
23. OPEB payroll charge 7.50%
24. Utilities to be budgeted at the campus level based on prior year actuals plus 5% increase

### Facilities

The May Revision proposes total general obligation bond funding of \$223.1 million including \$28.4 million to start 25 new capital outlay projects and \$194.7 million for the construction phase of 15 projects anticipated to complete design by spring 2020. This allocation represents the next installment of the \$2 billion available to CCCs under Proposition 51. There were no allocations for PCCD.

However, there are re-appropriations for delayed projects at:

- Merritt College – Child Development Center
- Merritt College – Horticulture Building Replacement
- Laney College – Learning Resource Center
- Laney College for modernizing the Theater Building.
- College of Alameda – Replacement of Buildings B and E (Auto and Diesel Technologies)

These projects are in the working drawings stages.

In the March 3 statewide primary election, a majority of voters rejected Proposition 13, School and College Facilities Bond, which would have provided \$2 billion for CCC educational facilities (out of a total of \$15 billion for all educational segments). This is the first school bond proposal rejected by California's voters since 1994. In the final tally, 47% of voters voted in favor of the bond proposal and 53% voted against.



# PERALTA COMMUNITY COLLEGE DISTRICT

## FIVE YEAR PROJECTIONS

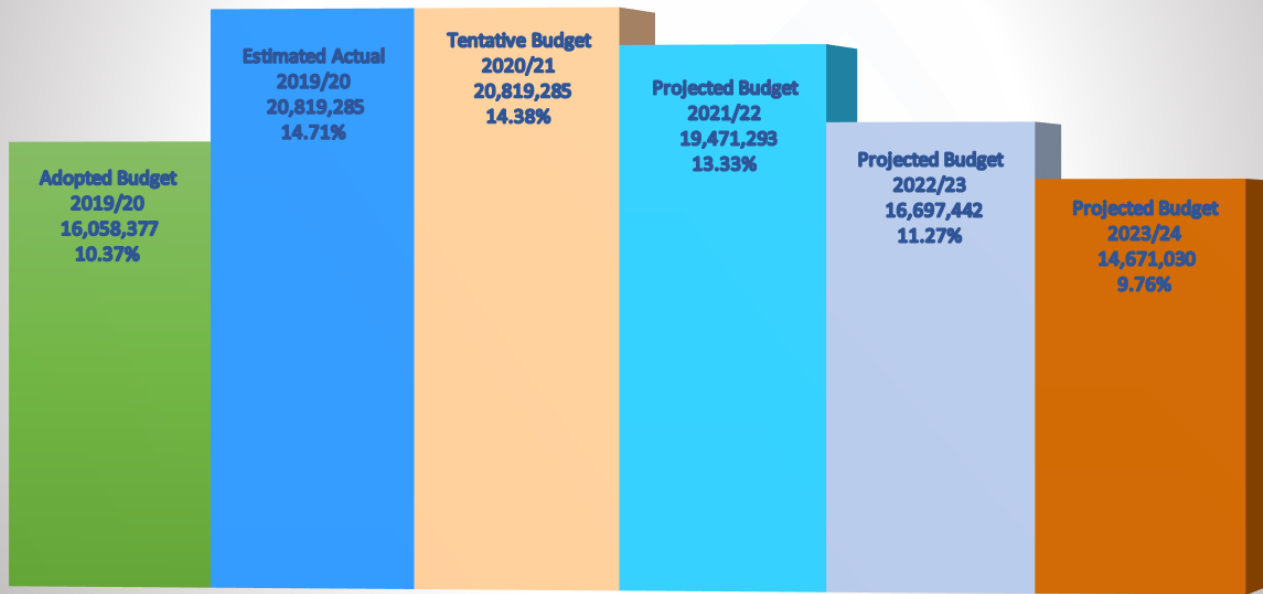
### 2020/21 Tentative Budget

	2019/20 Adopted Budget	2019/20 Estimated Actuals	2020/21 Tentative Budget	2021/22 Projected Budget	2022/23 Projected Budget	2023/24 Projected Budget
<b>Revenue</b>						
Federal Revenue	-	-	-	-	-	-
State Revenue	68,077,817	68,077,817	69,689,847	69,884,758	70,234,182	71,638,865
Local Revenue	75,298,147	73,998,147	75,127,953	74,803,346	75,177,363	76,680,910
Interfund Transfer In	9,650,000	-	-	-	-	-
International Shortfall	-	-	-	-	-	-
Student Refund	-	-	-	-	-	-
<b>Revenue Total</b>	<b>153,025,964</b>	<b>142,075,964</b>	<b>144,817,800</b>	<b>144,688,104</b>	<b>145,411,544</b>	<b>148,319,775</b>
<b>Expenses</b>						
Full Time Academic	26,494,736	23,502,599	25,400,106	25,654,107	25,910,648	26,169,755
Academic Administration	5,545,939	5,401,817	5,984,656	6,044,503	6,104,948	6,165,997
Other Faculty	4,862,479	7,041,075	6,266,430	6,329,094	6,392,385	6,456,309
Part Time Academic	10,083,450	17,931,788	8,240,603	8,323,009	8,406,239	8,490,302
Classified Salary	29,131,772	26,717,887	28,834,977	29,123,327	29,414,560	29,708,706
Fringe Benefits	47,030,588	37,951,253	39,065,286	39,455,939	39,850,498	40,249,003
Bad Debts	850,000	850,000	670,830	1,000,000	1,000,000	1,000,000
Books Supplies, Svcs	21,319,082	15,625,317	22,394,604	21,744,368	21,744,368	21,744,368
Equipment Outlay	273,267	263,424	219,303	211,749	211,749	211,749
Other Outgo	6,198,805	6,198,805	7,150,000	8,150,000	9,150,000	10,150,000
Contingency Reserve	3,080,000	-	591,005	-	-	-
<b>Total Expenses</b>	<b>54,870,118</b>	<b>141,483,965</b>	<b>144,817,800</b>	<b>146,036,095</b>	<b>148,185,395</b>	<b>150,346,188</b>
<b>Beginning Fund Balance</b>	<b>17,902,531</b>	<b>17,902,531</b>	<b>20,819,285</b>	<b>20,819,285</b>	<b>19,471,293</b>	<b>16,697,442</b>
Audit Adjustment	(1,844,154)	591,999	-	(1,347,991)	(2,773,851)	(2,026,413)
Net Increase (Decrease)	-	2,324,755	-	-	-	-
<b>Ending Fund Balance</b>	<b>16,058,377</b>	<b>20,819,285</b>	<b>20,819,285</b>	<b>19,471,293</b>	<b>16,697,442</b>	<b>14,671,030</b>
Ending Fund Balance %	10.37%	14.71%	14.38%	13.33%	11.27%	9.76%



# PERALTA COMMUNITY COLLEGE DISTRICT

## 2021 Tentative Budget Five Year Projection Ending Fund Balance



Berkeley City College

College of Alameda

Laney College

Merritt College



# PERALTA COMMUNITY COLLEGE DISTRICT

## UNRESTRICTED GENERAL FUND SUMMARY (FUNDS 01 & 02)

### 2020/21 Tentative Budget

	2018/19 Audited Actuals	2019/20 Adopted Budget	2019/20 Estimated Actuals	2020/21 Tentative Budget
<b>Revenue</b>				
Federal Revenue	-	-	-	-
State Revenue	64,006,532	68,077,817	68,077,817	69,689,847
Local Revenue	73,457,731	75,298,147	73,998,147	75,127,953
Other Financing Sources	9,496,623	9,650,000	-	-
<b>Revenue Total</b>	<b>146,960,886</b>	<b>153,025,964</b>	<b>142,075,964</b>	<b>144,817,800</b>
<b>Expenses</b>				
Full Time Academic	22,008,148	26,494,736	23,502,599	25,400,106
Academic Admin	5,455,284	5,545,939	5,401,817	5,984,656
Other Faculty	3,702,744	4,862,479	7,041,075	6,266,430
Part Time Academic	19,154,438	10,083,450	17,931,788	8,240,603
Classified Salary	26,053,294	29,131,772	26,717,887	28,834,977
Fringe Benefits	45,762,426	47,030,588	37,951,253	39,065,286
Books, Supplies, Services	12,298,836	22,169,082	850,000	670,830
Equipment Cap Outlay	377,567	273,267	15,625,317	22,394,604
Debt Service	4,899,297	4,334,000	4,334,000	5,300,000
Other Outgo	3,214,521	1,864,805	1,864,805	1,850,000
Reserve for Contingency	-	3,080,000	-	591,005
<b>Total Expenses</b>	<b>142,926,555</b>	<b>154,870,118</b>	<b>141,483,965</b>	<b>144,817,800</b>
<b>Beginning Fund Balance</b>	<b>4,198,701</b>	<b>17,902,531</b>	<b>17,928,885</b>	<b>20,819,285</b>
Audit Adjustment	9,695,853	-	2,324,755	-
Net Increase (Decrease)	4,034,330	(1,844,154)	591,999	(1,347,991)
<b>Ending Fund Balance</b>	<b>17,928,885</b>	<b>16,058,377</b>	<b>20,819,285</b>	<b>19,471,293</b>
Ending Fund Balance %	12.54%	10.37%	14.71%	13.33%