



2020/21 Tentative Budget and Governor's Budget Update

Presentation for the
Board of Trustees
Peralta Community
College District

Agenda

OVERVIEW

2020/21 TENTATIVE BUDGET

UPDATE - GOVERNOR'S BUDGET

TIMELINE

CONSIDERATIONS AND POTENTIAL IMPACTS OF GOVERNOR'S BUDGET

STATE OF UNCERTAINTY

REFLECTIONS



Overview

State Chancellor's Office and
Association of Chief Business Officers
Summary



2020/21 Tentative Budget Revenue Assumptions



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- I. General Fund Unrestricted Beginning Fund Balance - approximately \$19.8 million: a reserve of 14.37%
- II. Balanced Budget - revenues equal expenditures
- III. Summary Revenue – May Revised
 - Unrestricted lottery at \$223.45 per FTES, \$3.4 million
 - Decreased SCFF by \$593 million, approximately \$9.6 million
 - Decrease in CCC Strong workforce program by \$135.6 million, approximately \$2.2 million
 - Decrease Student Equity and Achievement Program by \$68.8 million. approximately \$1.1 million
 - Increase of \$130.1 million Proposition 98 General Fund offsetting local property tax revenue decreases of approximately \$2.1 million to PCCD
 - Parcel Tax - Measure E estimated to be \$8,000,000



Revenue Assumptions, continued – 2020/21

Tentative Budget



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- Enrollment
 - Three-year average of 16,935 FTES
 - Hold Harmless through 2023/2024
 - 0% growth in 2020/21
 - No COLA





May Revise Proposals	Potential PCCD Impact
Deferral of \$330.1 million Proposition 98 General Fund	\$5.4 Million deferral from 2019/20 to 2020/21
Deferral \$662.1 million Proposition 98 General Fund	\$10.8 Million deferral from 2020/21 to 2022/23
Total Deferral	\$16.2 Million

2020/21 Tentative Budget Revenue Deferrals

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2021 Tentative Budget

Major Expenditure Assumptions

- Step and column salary increases approximately \$1.2 Million
- Public Employee Retirement System employer contribution increase from 19.72% to 20.70%, at \$261,917
- State Teachers Retirement System employer contribution decreased from 17.10% to 16.15% an estimated at \$335,730
- District contribution to DSPS program approximately \$1.2 million
- OPEB Debt Service Payment approximately \$5.3 million -bond program restructuring
- Contribute \$250,000 to the new Irrevocable Trust - OPEB long term funding plan
- Contribute \$400,000 to Self-Insurance Fund - Property and Liability insurance
- Any restricted funding cuts or cost increases borne by the respective program
- Medical premiums at \$16.9 million
- OPEB payroll charge 7.50%



2020/21 Tentative Budget – Student Centered Funding Formula



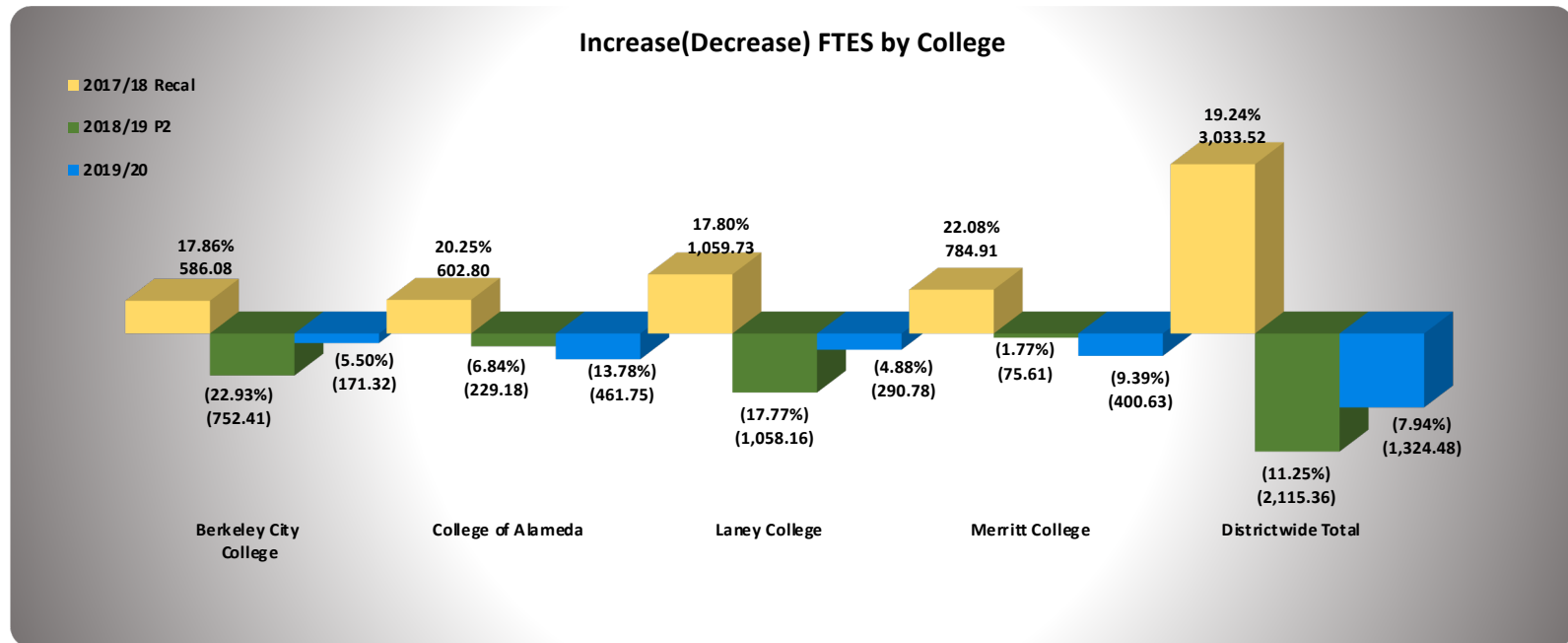
Student Centered Funding Formula (SCFF)			
State apportionments is calculated using three allocations:			
	Fiscal Year 2018/19	Fiscal Year 2019/20**	Fiscal Year 2020/21**
Base Allocation*			
Dollars per Credit FTES	3,727	3,387	3,046
Supplemental Allocation- Dollars per Point	919	919	919
Student Success Allocation-Dollars per Point	440	660	880
Student Success Equity Portion-Dollars per Point	111	167	222

*Base Allocation is calculated based on the numbers of colleges and comprehensive center consistent with the current formula.





2020/21 Tentative Budget – Decreasing FTES by College

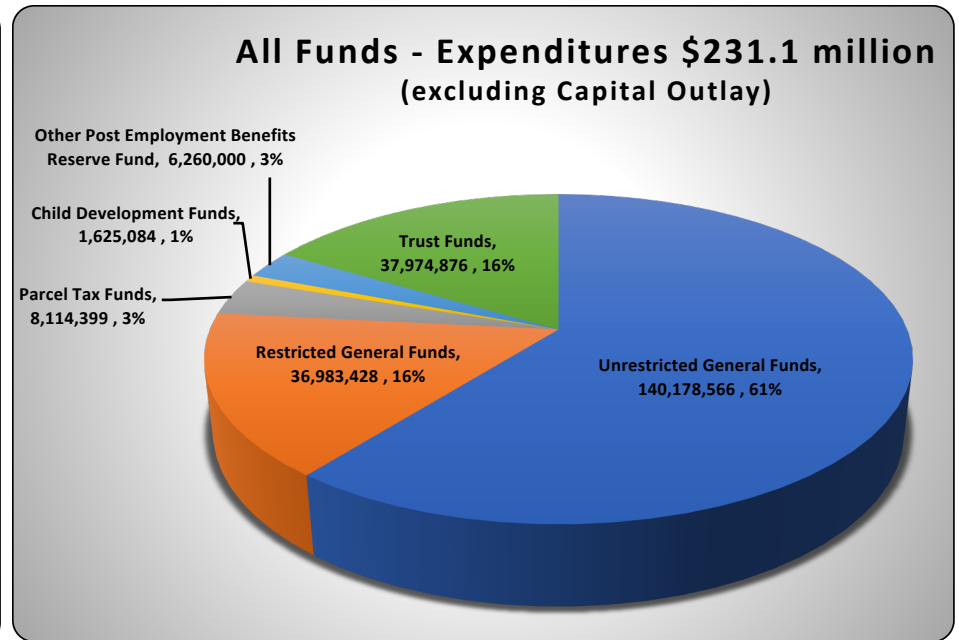
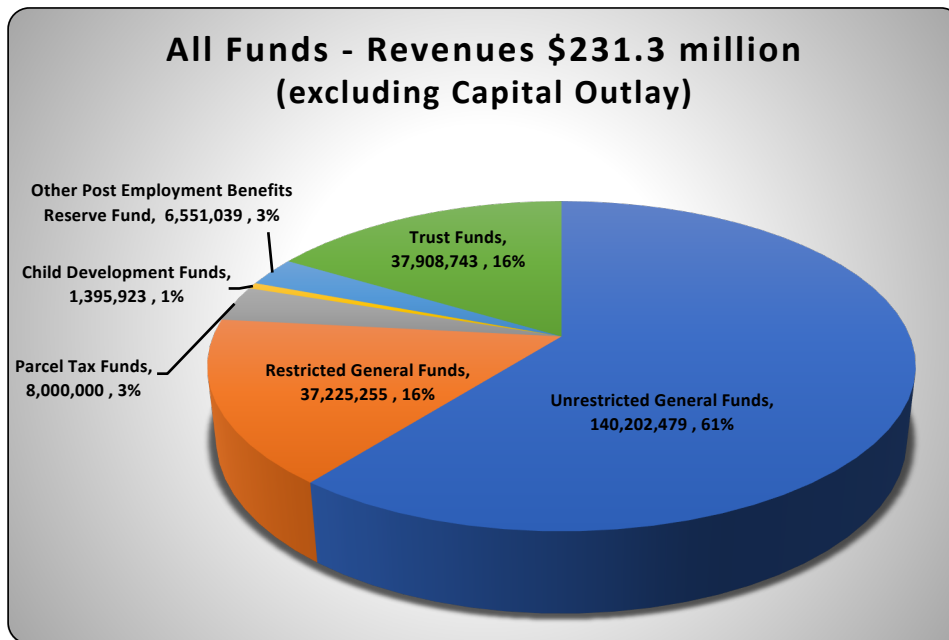




Tentative Budget – FTES via Hold Harmless

Year	Berkeley City College	College of Alameda	Laney College	Merritt College	Total
2019-20	2,944.00	2,889.00	5,665.00	3,864.00	15,362.00
2018/19 P2	3,115.32	3,350.75	5,955.78	4,264.63	16,686.48
2017/18 Recal	3,867.73	3,579.93	7,013.94	4,340.24	18,801.84
Average	3,309.02	3,273.23	6,211.57	4,156.29	16,950.11
Percentage	19.52%	19.31%	36.65%	24.52%	100.00%
2016/17 Recal	3,281.65	2,977.13	5,954.21	3,555.33	15,768.32

2020/21 Tentative Budget – Revenue and Expenditure

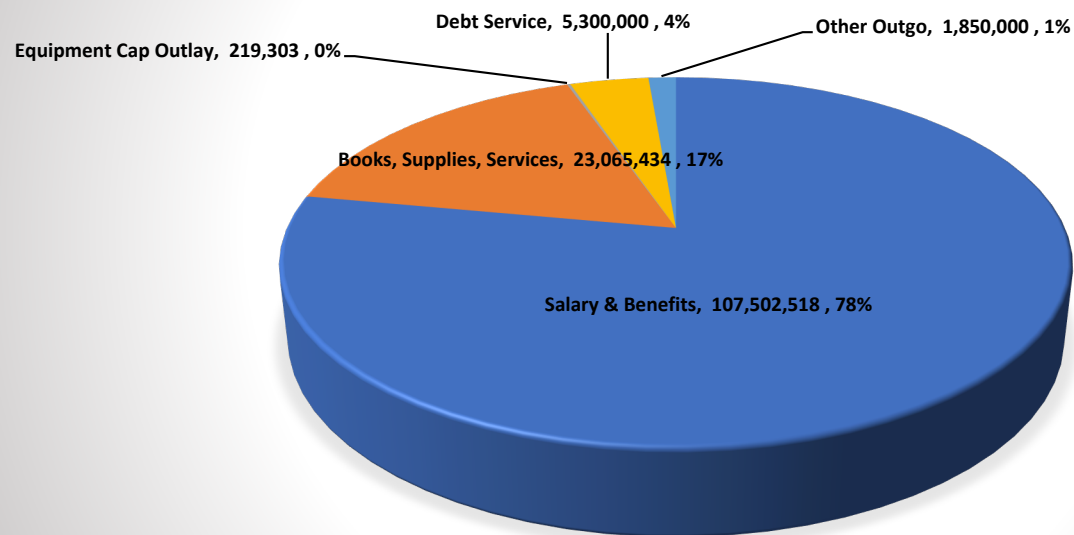




2020/21 Tentative Budget

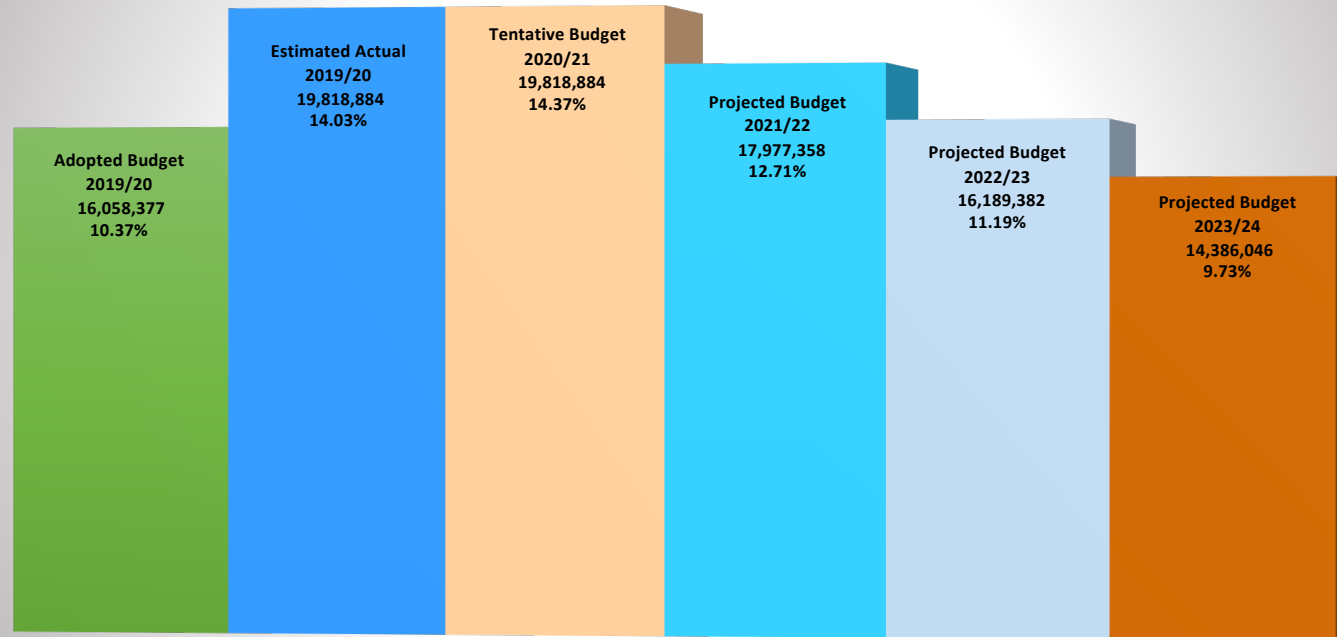
Budget Allocation

2020/21 Unrestricted General Fund Expenditure Budget





2020/21 Tentative Budget Five Year Projection Ending Fund Balance



2020/21 Tentative Budget and Projected Fund Balance

California Community Colleges Budget Update

- Current state of Governor's Budget
- Deferrals versus budget cuts
- Tentative Budget allows for operations



Friday, June 12, 2020

PCCD 2021 Tentative Budget and Update





Impacts of 2020/21 Legislative Budget Strategies – 10% Reduction in General Fund

Deferrals

- Deferrals impact cash flow - over \$16 Million in 2020/21
 - Use TRANs
 - Pooled short-term instruments

Budget Reductions

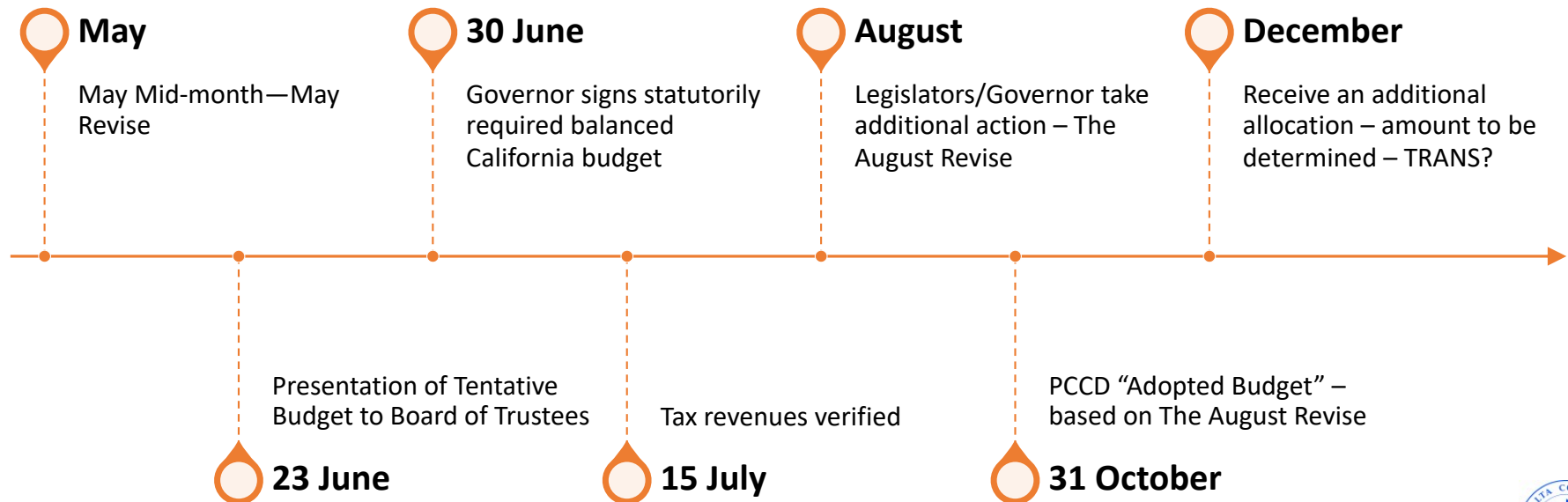
- Reduced funding is permanent
- Creates annual deficit of greater than \$9 Million

Continue to Balance Budget and Increase Reserves

- Implement attractive Supplemental Early Retirement Program – could generate \$3.5 MM general fund savings each year and avoids Reduction in Force
- Garner revenue generating opportunities and investments
- Expand student enrollment
- Apply technology solutions

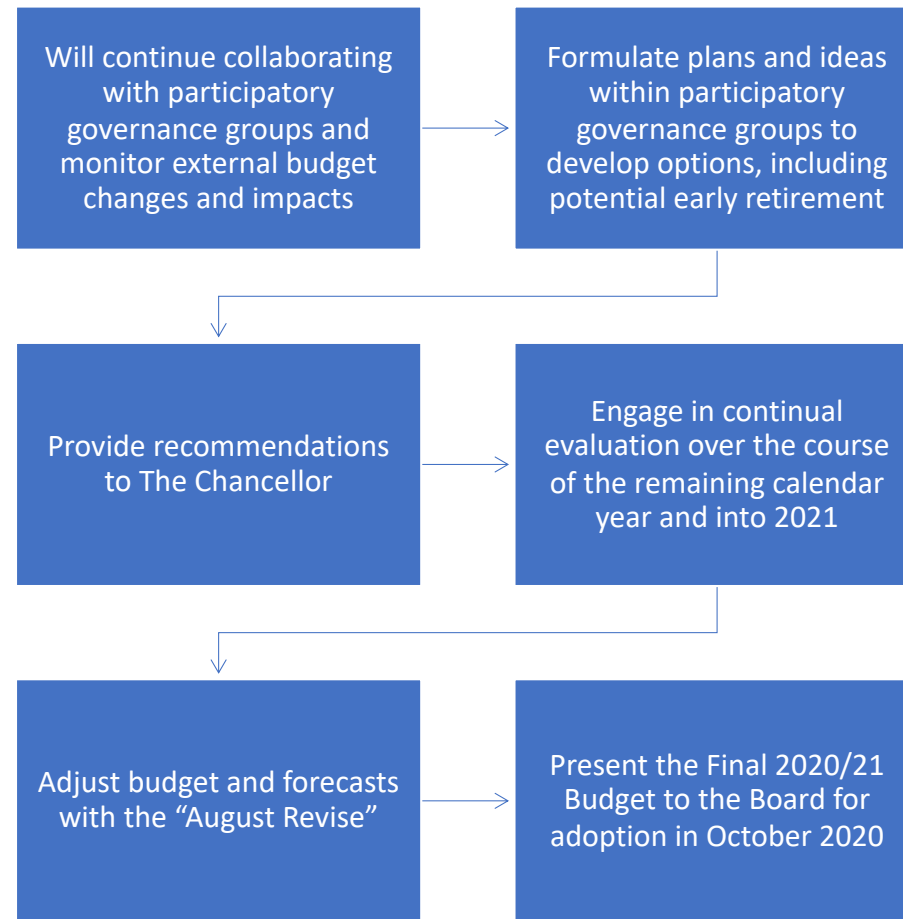


A Special Timeline for Final Budget Adoption





Uncertainty
is the norm





Reflections

Thursday, June 11, 2020