

**Peralta Community College District  
 Planning & Budgeting Committee Minutes  
 (PBC Committee)**



*July 9, 2020 4:00 pm to 5:00 pm*

*Meeting Location: Zoom Video Conference ID: 769-987-656*

**DRAFT**

*Co-Chair: Carla Walter, Vice Chancellor for Finance & Administration*

*Co-Chair: (Vacant)*

**PBC Membership**

Carla Walter, Vice Chancellor Finance & Admin., Co-Chair (Vacant), Co-Chair	Don Miller, College of Alameda, Acting President Tina Vasconcellos, Vice President of Student Services, COA
Donald Moore, DAS President	Joyce Wang, BCC, Student Representative
Thomas Renbarger, Senate President	De Doan, Institutional Research Designee
Jennifer Shanoski, President PFT	Kawanna S. Rollins, Classified Senate Representative
Scott Barringer, Local 39 Representative	David Johnson, President, Merritt College
Jamille Teer, SEIU Representative	
Adil Ahmed, Executive Fiscal Director	Richard Ferreira, Executive Assistant, Finance & Admin., (non-voting)

***Total Number of Members is 14. Amount Needed for Quorum is 8***

<p><b>In Attendance:</b>                  Carla Walter, VC Fin. &amp; Admin., Co-Chair                  Thomas Renbarger, Senate President                  Jennifer Shanoski, President PFT                  Jamille Teer, SEIU Representative                  Adil Ahmed, Executive Fiscal Director                  Kawanna S. Rollins, Classified Senate Representative                  David Johnson, President, Merritt College                  Tina Vasconcellos, Vice President of Student Services, COA                  Don Miller, College of Alameda, Acting President                  Donald Moore, DAS President</p> <p>Richard Ferreira, Executive Assistant, Finance &amp; Admin., (non-voting)</p> <p><b>Absent:</b>                  Scott Barringer, Local 39 Representative                  De Doan, Institutional Research Designee                  Joyce Wang, BCC, Student Representative</p>	<p><b>Guests:</b>                  Regina Stanback Stroud, Chancellor                  Chanelle Whittaker, Interim VC of HR &amp; ER                  Fareha Bakre, Principal Budget Analyst,                  Jeff Sanceri, COA, PFT Grievance Officer                  Siri Brown, Vice Chancellor of Academic Affairs                  Mark Johnson, Acting Exec. Director of Public Affairs                  Rudy Besikof, Acting President, Laney                  Jim Austin, Monitor, State Chancellor's Office                  Leigh Sata, VC of Dept. of General Services                  Antoine Mehoulley, Director of Information Technology                  Victoria Menzies, Business Director, Merritt                  Brian Slaughter, Director of Purchasing Services                  Shirley Slaughter, Business Director, BCC</p>
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<b>Agenda Item</b>	<b>Committee Goal</b>	<b>Strategic Plan Goal</b>	<b>Outcome</b>	<b>Action Items</b>	<b>Follow Up on Action Items</b>
<b>I. Standing Items</b>					
A. Call to Order			The meeting was called to order at 4:04 pm. Quorum was met.		
B. Adoption of the Agenda			Agenda was provided for informational purposes.		
C. Approval of Minutes from the last meeting			Minutes not reviewed from the previous meeting at this time.		
D. Report of Action Taken			There was no report of action taken from the last PBC meeting.		
E. Public Comments			There was no public comment.  Initial acknowledgement from VC Walter to the Finance Department on the work performed on the Tentative Budget. Especially, Adil Ahmed, Executive Fiscal Director, Andrea Stokes, Capital Projects Coordinator and Richard Ferreira, Executive Assistant and all the others in Finance.		

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<b>II. Carried-Over and New Items</b>	<b>Committee Goal</b>	<b>Strategic Plan Goal</b>	<b>Outcome</b>	<b>Action Items</b>	<b>Follow Up on Action Items</b>
<p><b>A. Discuss and Present Draft 2020/21 Tentative Budget based on Governor's July 1, 2020 Signed Budget</b></p>		<p>E.3 — Fiscal Oversight</p>	<p><b>Comparison Assumptions for the Tentative Budget</b></p> <p>VC Walter presented the assumptions for the Tentative Budget. This is a Comparison between the May Revise and the current Budget. Initially the May Revise Budget was to impose some severe cuts. Between May 14 and June 29 the legislature came up with a more deferral strategy. This means rather than cutting the revenue is being deferred. We plan to keep our 10% reserve. We are planning with expenditure budgets and participatory governance process to look at the development of how we are to move forward. BAM is continuing to meet over the summer to provide recommendations to the Chancellor.</p> <p>Basically, Revenue Assumptions in terms of enrollment did not change. We do not have COLA and are receiving the same amount regarding the lottery. No change to Block Grant or Parcel Tax. We are not going to have Draconian cuts which means no loss in funds in Strong Workforce, no decrease in Student Equity and we do not have a problem with Cal Grant. Offset in Property Taxes were eliminated because it is believed that tax receipts will be coming in a little higher. There is an increase in Dreamers support and for legal services. There is no decrease in our Part-Time Faculty office hours. We will receive \$100K for putting together a grant delivery system. The deferrals are to take place in this fiscal year. When it comes to deferrals it means we need to be mindful and on top of the Cash Flow. Generally, right now we are in good shape. Expenditure Assumptions had no changes to report.</p>	<p><a href="#">Send the Chancellor a copy of the Assumption from May Revise and SCFF Calculations.</a></p>	

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			<p>The Administrative Procedure and Board Policy regarding the Parcel Tax was added into the Assumption to make it clear what is needed for those plans to come forward.</p> <p><b>Five Year Projections</b></p> <p>The Five Year Projections were discussed by EFD Ahmed. Student Centered Funding Formula (SCFF) calculations are based on a 3 year average and it will decline. PCCD is to be “Held Harmless” and there would be a loss if there was none. Best solution is to increase enrollment. The P2 Report has more accurate information. Unless enrollment increase then we will have to plan cuts.</p> <p>Some colleges have maximize the SCFF.</p> <p>Any other ideas from anyone, please send via email to VC Walter or Richard or in the chat box.</p> <p><b>New Tentative Budget</b></p> <p>VC Walter discussed the New Tentative Budget.</p> <p>Book Supplies/Services is primarily for services/contracts. It is not just for books and supplies.</p> <ol style="list-style-type: none"> <li>1. VC Walter and VC Sata are working on how the centralization will plan out.</li> <li>2. Monies identified at the District are really at the colleges. Custodians at Merritt are an item at the District. Example; security contracts may be district set up, but for the colleges.</li> </ol>		
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			<p>3. Utilities are still allocated to the colleges. It shows at the colleges. Engineers from DGS still at the college level. Because of the centralization it will show an increase at the district. The ePAFs forms/systems needs to be changed with Human Resources.</p> <p>Utility invoices are different. At this time, there is nothing new to add on how colleges are receiving funds.</p> <p>The BAM Task Force reconvened. Last year, there was a recommendation to the Chancellor that was not accepted. We are looking to see how the BAM may be revised and include the SCFF matrices into the model, as well as, the industry standard.</p> <p>BAM recommendation will be provided in the Fall. The goal is to implement the BAM when the January Budget is received in 2021.</p> <p>Next week a Webinar on Tentative Budget by VC Walter is scheduled for Monday, July 13, at 12:00 pm. Everyone is invited to attend.</p>		
<b>III. Next meeting</b>			The next PBC meeting is to be determined.		
<b>IV. Adjournment</b>			The PBC meeting was adjourned at 5:00 pm.		



# PERALTA COMMUNITY COLLEGE DISTRICT

## Comparative Assumptions for the Tentative Budget

<b>Governor’s May 14, 2020 Revised Budget</b>	<b>Governor’s Signed June 29, 2020 Budget</b>
The 2020/21 General Fund Unrestricted Beginning Fund Balance is projected at approximately \$19.8 million with a reserve of 14.37%, meeting the Board’s policy of maintaining at least a 10% reserve level	The 2020/21 General Fund Unrestricted Beginning Fund Balance is projected at approximately \$18.3 million with a reserve of 12.96%, meeting the Board’s policy of maintaining at least a 10% reserve level
The 2020/21 Tentative Budget will have an Ending Balance of no less than 10%	The 2020/21 Tentative Budget will have an Ending Balance of no less than 10%
The district will use plans, planning documents, and planning as a basis for the development of expenditure budgets through the participatory governance process	The district will use plans, planning documents, and planning as a basis for the development of expenditure budgets through the participatory governance process
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	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
<b>Revenue Assumptions</b>	<b>Revenue Assumptions</b>
Enrollment: 3 Year Average (FTES) of 16,950 based on a hold harmless mechanism	Enrollment: 3 Year Average (FTES) of 16,950 based on a hold harmless mechanism
Enrollment growth funds of \$31.9 million 0% growth budgeted for PCCD in 2020-21 No Statutory Cost of Living Adjustment (COLA)	Enrollment growth funds of \$31.9 million 0% growth budgeted for PCCD in 2020-21 No Statutory Cost of Living Adjustment (COLA)
Unrestricted lottery at \$223.45 per FTES, from the State Adopted Budget and projected calculation \$3.4 million for PCCD	Unrestricted lottery at \$223.45 per FTES, from the State Adopted Budget and projected calculation \$3.4 million for PCCD
First Year of Parcel Tax - Measure E is estimated to be \$8,000,000	First Year of Parcel Tax - Measure E is estimated to be \$8,000,000
Mandated Block Grants Programs which equals \$463,318	Mandated Block Grants Programs which equals \$463,318
Scheduled Maintenance & Instructional Equipment allocation \$17.2 million statewide \$0.3 million; No match required	Scheduled Maintenance & Instructional Equipment allocation \$17.2 million statewide \$0.3 million; No match required



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Decrease SCFF by \$593 million proposition 98 approximately <b>\$9.6 million</b> to PCCD	No decrease
Decrease support for the CCC Strong workforce program by \$135.6 million approximately <b>\$2.2 million</b> .	No decrease
Decrease support for the Student Equity and Achievement Program by \$68.8 million approximately <b>\$1.1 million</b> to PCCD	No decrease
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.	No decrease
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	No decrease
An increase of \$130.1 million ongoing Proposition 98 General Fund as a result of the decrease from offsetting local property tax revenues of approximately <b>\$2.1 million</b> to PCCD	Eliminated
A statewide decrease of \$11.4 million ongoing Proposition General Fund to establish or support food pantries at community college campuses approximately <b>\$0.2 million</b> to PCCD	No decrease
A statewide decrease of \$5.8 million ongoing proposition General Fund to support dreamer Resource Liaison which is approximately <b>\$0.1 million</b> less for PCCD	<i>An <b>increase</b> for PCCD of \$0.8 million and an increase of \$10 million ongoing Proposition 98 General Fund to provide legal services to immigrant students, faculty, and staff on community college campuses. An <b>increase</b> for PCCD of \$0.1 million</i>
A decrease of \$10 million one-time Proposition 98 General Fund at the state level for part-time faculty office hours, which approximately decreases <b>\$0.2 million</b> to PCCD	No decrease
A statewide decrease of \$10 million in one-time Proposition 98 General Funds to develop	A statewide decrease of \$10 million in one-time Proposition 98 General Funds to develop

Berkeley City College

College of Alameda

Laney College

Merritt College



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and implement zero-textbook cost decreases funds to PCCD by approximately <b>\$0.2 million</b>	and implement zero-textbook cost decreases funds to PCCD by approximately <b>\$0.2 million</b>
A decrease of approximately \$5 million ongoing Proposition 98 General Fund to provide instructional materials for dual enrollment students at the state level approximately reduces PCCD's portion by <b>\$0.1 million</b>	No decrease
Total Estimated Revenues decrease in FY 2020/21 by approximately <b>\$11,600,000</b>	No decrease
<b>Not Included</b>	<i>COVID-19 Response Block Grant for CCCs— A one-time increase of approximately \$120.2 million, which is comprised of approximately \$54 million from the Coronavirus Relief Fund (CARES Act) and approximately \$66.3 million Proposition 98 General Fund. An <b>increase</b> for PCCD of \$1.8 million</i>
<b>Not Included</b>	<i>Grant Delivery System—An increase of \$5.3 million one-time General Fund to fund the third year and final year of project development costs for the Grant Delivery System Modernization Project. An <b>increase</b> for PCCD of \$ \$0.1 million</i>
<b>Deferred Total of \$16.2 million:</b>	<b>Deferred Total of \$16.2 million:</b>
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 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	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
<b>Expenditure Assumptions</b>	<b>Expenditure Assumptions</b>
Step and column salary increases are included: Estimated at \$1.2 Million	Step and column salary increases are included: Estimated at \$1.2 Million
Public Employee Retirement System employer contribution increase from 19.72% to 20.70%, an increase estimated at \$261,917 to PCCD	Public Employee Retirement System employer contribution increase from 19.72% to 20.70%, an increase estimated at \$261,917 to PCCD





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State Teachers Retirement System employer contribution decreased from 17.10% to 16.15% an estimated at \$335,730 to PCCD	State Teachers Retirement System employer contribution decreased from 17.10% to 16.15% an estimated at \$335,730 to PCCD
Maintain District contribution to DSPS program of approximately \$1.2 million	Maintain District contribution to DSPS program of approximately \$1.2 million
OPEB Debt Service Payment of approximately \$5.3 million due to bond program restructuring	OPEB Debt Service Payment of approximately \$5.3 million due to bond program restructuring
Contribute to the new Irrevocable Trust for \$250,000 as per OPEB long term funding plan	Contribute to the new Irrevocable Trust for \$250,000 as per OPEB long term funding plan
Contribute \$400,000 to Self-Insurance Fund to cover costs of Property and Liability insurance	Contribute \$400,000 to Self-Insurance Fund to cover costs of Property and Liability insurance
Any restricted funding cuts or cost increases must be borne by the respective program	Any restricted funding cuts or cost increases must be borne by the respective program
Medical premiums at \$16.9 million	Medical premiums at \$16.9 million
OPEB payroll charge 7.50%	OPEB payroll charge 7.50%
Utilities to be budgeted at the campus level based on prior year actuals plus 5% increase	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 it