



Fiscal Year 2022-2023 Proposed Budget

Budget Forums

May 2022

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PimaCommunityCollege

Fiscal Year 2023 Budget Summary

- Establishes the maximum spending capacity for fiscal year 2023
 - Does not require all funds to be expended if fewer programs or services are needed
 - Allows for future reductions based on lower revenue projections
- Prioritizes employee compensation
 - Classification and compensation study
 - Adjunct faculty
 - Salary adjustments
- Includes capital outlay for Centers of Excellence and deferred maintenance



Projected Revenues

- Approved tuition and fees
 - \$89.00 (+\$2.00) per credit in-state resident rate
 - Permanently providing Success Support Courses at no cost for tuition and service fees
- Increase to property taxes
 - Growth of existing property, +\$2.0M over FY 2022
 - 4% increase, +\$5.0M
- State appropriations (STEM)
- Prop 207
- Federal grant funding
 - Decrease due to conclusion of Higher Education Emergency Relief Fund grants
 - Other new grant opportunities

Expenditure Priorities

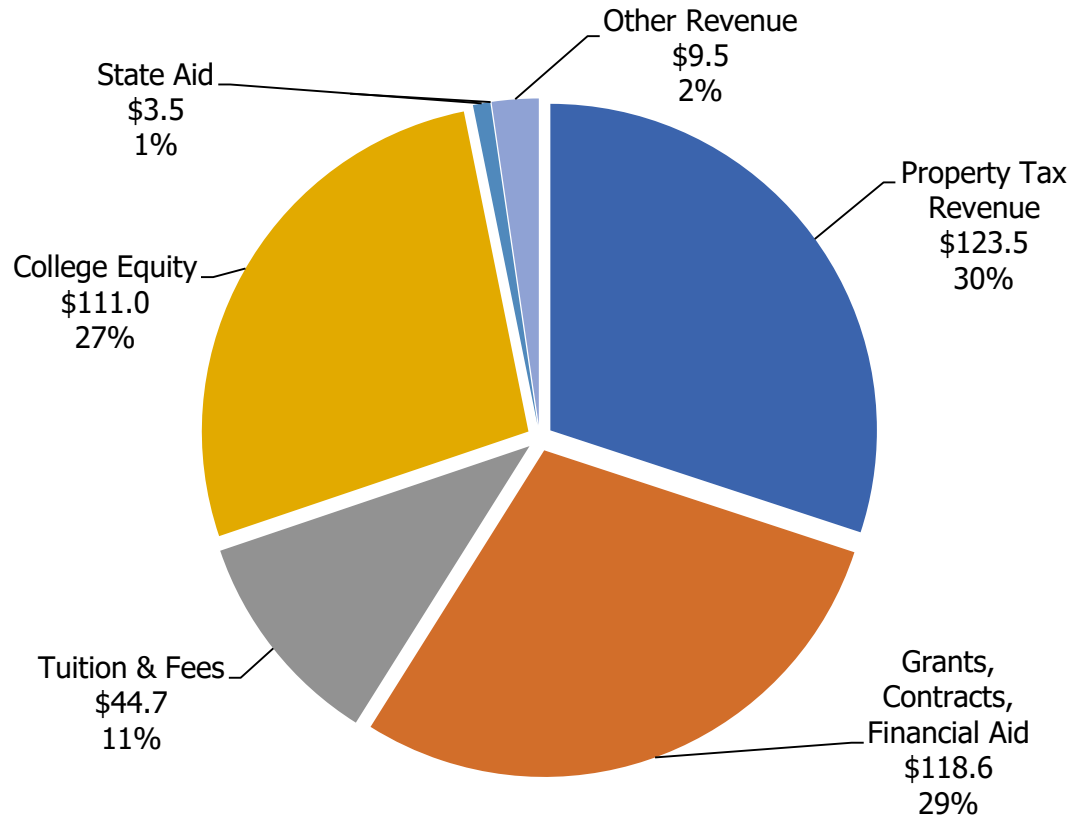
- Salaries and Wages - Approximately \$9.0M, including contingency reserve
- Capital and IT Infrastructure Commitments - \$49.0M
 - Centers of Excellence
 - Deferred maintenance
 - EMP and FMP Updates
- Strategic Plan 2021-2025 and Chancellor's Goals

Fiscal Year 2023 Property Tax

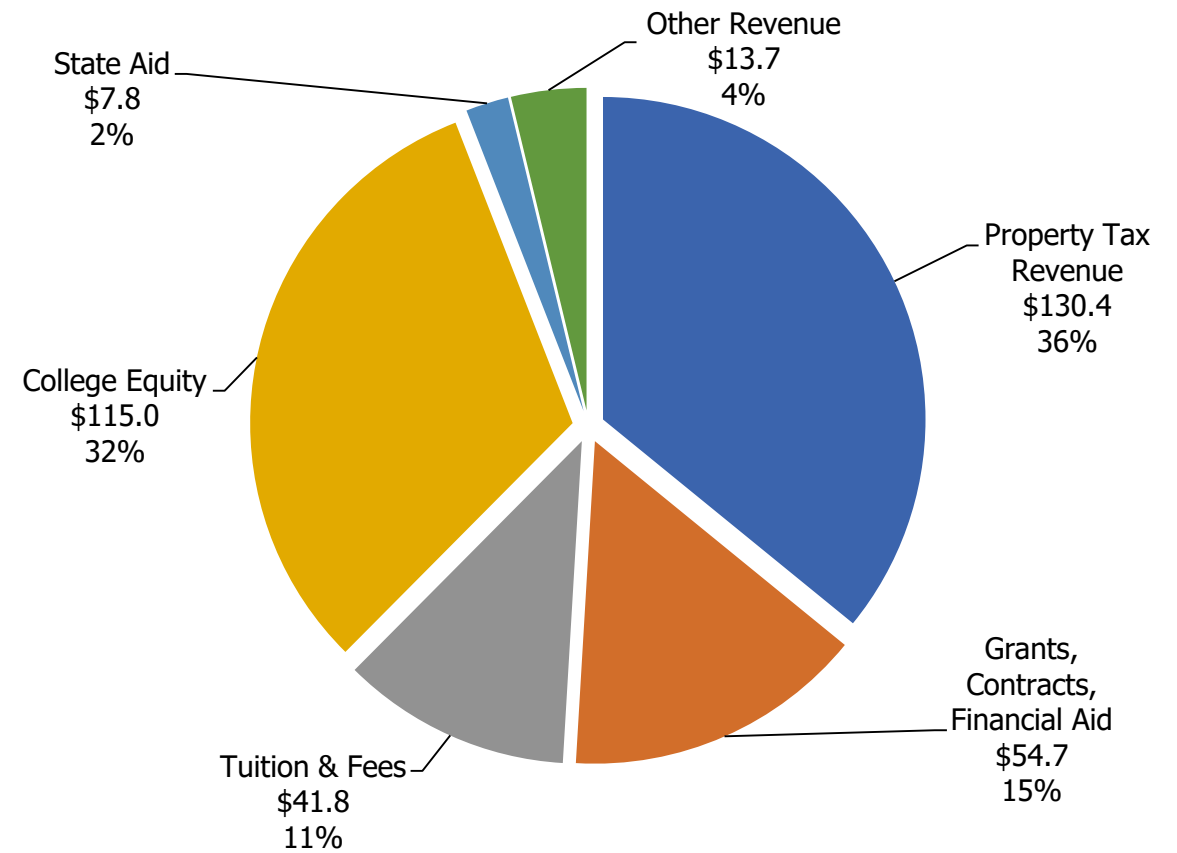
	FY 2022 Levy Neutral	FY 2023 Levy Neutral	FY 2023 4% (Proposed)
Net Taxable Value Current Year (\$100s)	\$96,961,000	\$101,326,000	\$101,326,000
Overall Change in Valuation	1.11%	1.63%	1.63%
Estimated Primary Tax Rate Authorization (per \$100 net assessed valuation)	1.2733	1.2383	1.2878
Primary Tax Levy	\$123,461,082	\$125,472,288	\$130,487,937
Change from Previous Fiscal Year		\$2,011,206	\$7,026,855

Budget Comparison – Adopted Fiscal Year 2022 vs. Proposed Fiscal Year 2023

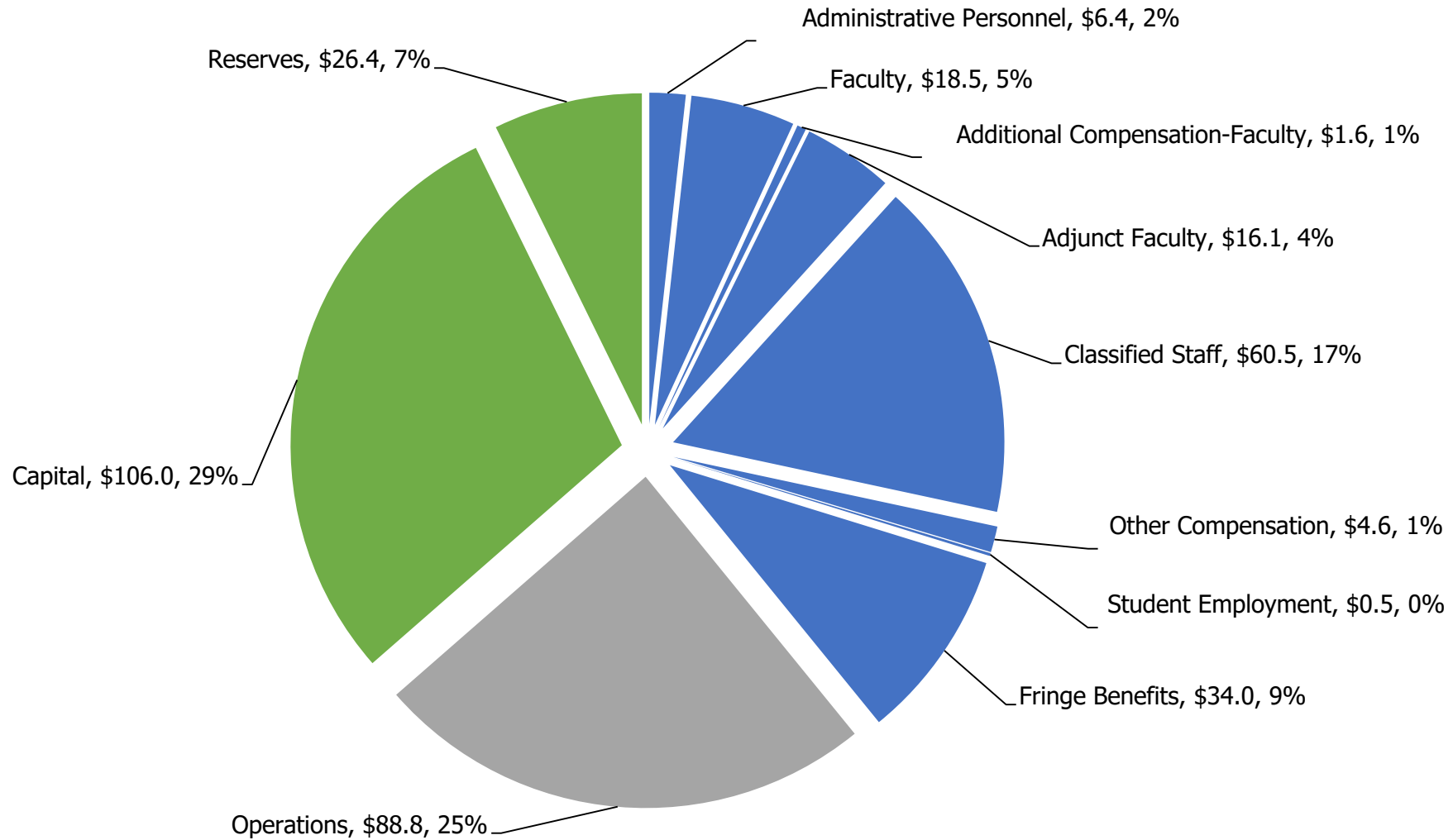
FY2022, \$410.8M



FY 2023 – Proposed, \$363.4M

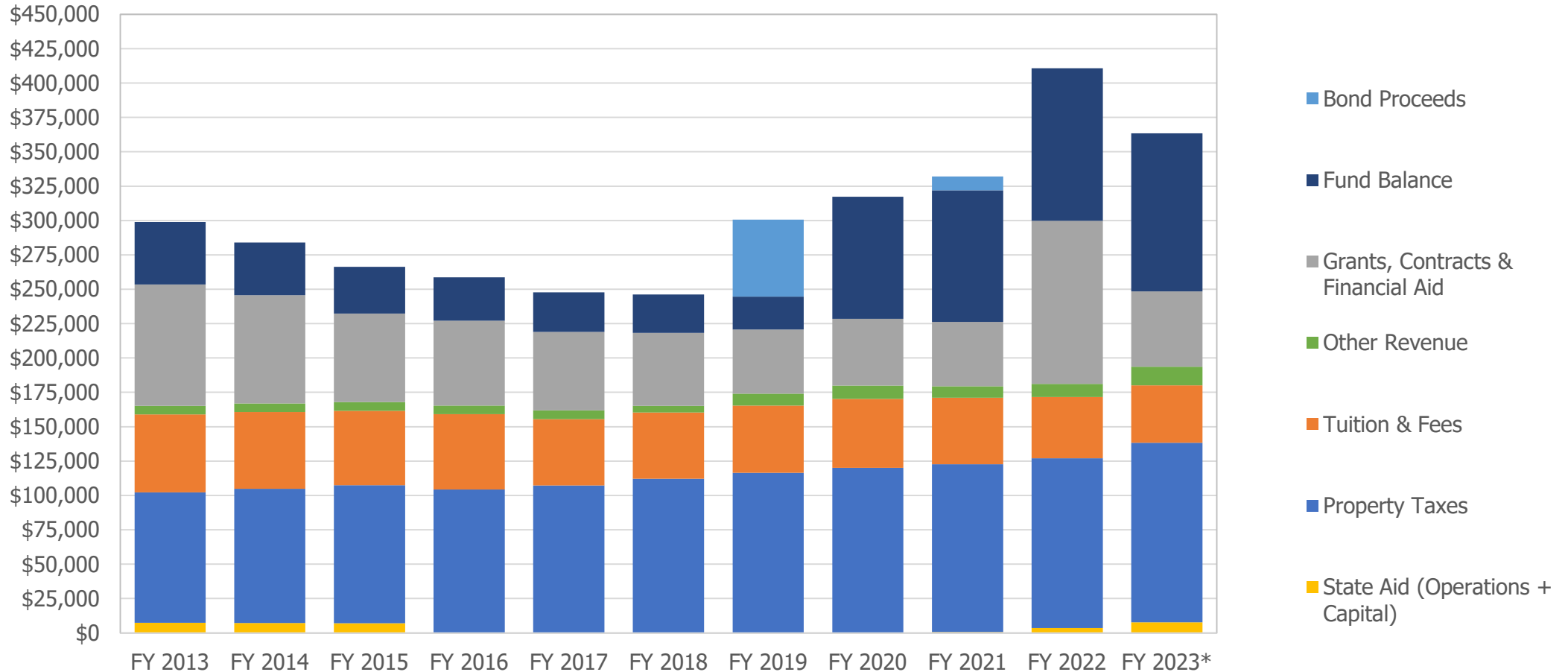


FY 2023 Proposed Budget Expenditures, \$363.4M (All Funds, in \$Millions)

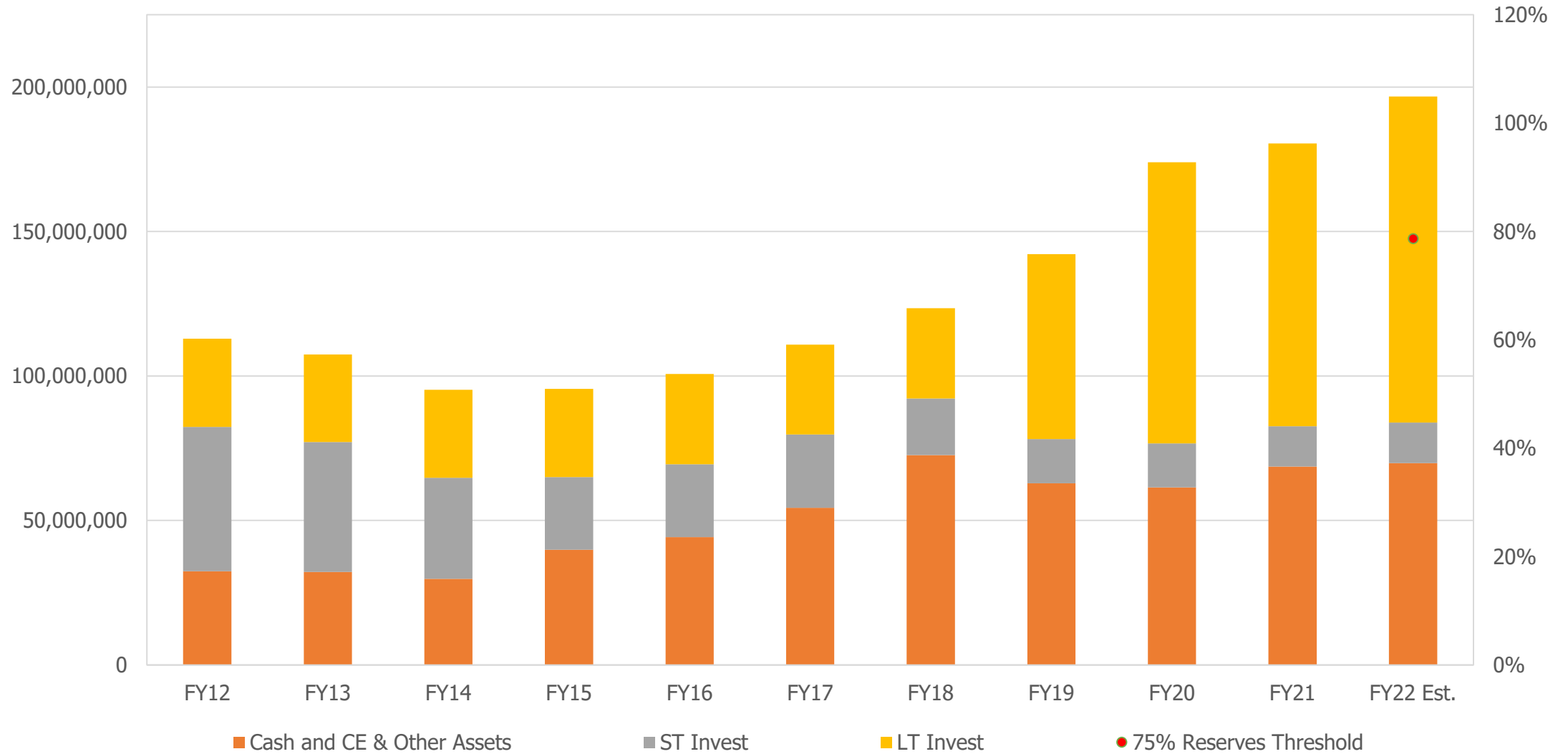


FY 2013-2023* Budgeted Revenue and Fund Balance by Source

(All funds, 000's, *Proposed)



Reserves Ratio - 75% Threshold – FY 2012 to 2021 with FY 2022 Estimated



Budget Calendar

- May 2022
 - Review [proposed FY 2023 Budget](#) and provide approval for publication on May 24th and May 31th in the *Arizona Daily Star*
 - Press release on the proposed budget on May 24th
- June 2022
 - Public Hearing and Special Meeting on June 8th to adopt the Fiscal Year 2023 Budget and set property tax rates and levies
 - Review and approve contractual obligations and insurances
- Fall 2022
 - Three-year budget plans to be developed



Three-Year Budget Plans - Ongoing Challenges

- Struggling enrollment and declining outlook
- Limited potential growth in other revenues
- Structural inefficiencies and continued resistance to reductions
 - All services at all places
 - Classroom inefficiencies (scheduling, course capacity)
- Funding College priorities with limited resources
- Reallocating resources

Three-Year Budget Plan - Revenue Summary

- Achieve and maintain levy max property taxes
 - FY23, 4% increase
 - FY24, ~4% increase (to levy max)
 - FY25, ~2% increase (to levy max)
- Modify tuition
 - Moderate increases (\$2.00 per credit hour per year)
 - Balance between student and taxpayer revenues
 - Suggested by Fitch Ratings to maintain rating for revenue bonds
 - Reinvent the learner payment structure, to include assessing flat-rates by program (Strategic Plan 2021-2025)
- Explore new partnerships and opportunities to increase enrollment
- Work with the State to secure appropriations

Three-Year Budget Plan - Expenditure Priorities

- Implementing the classification and compensation structure
- Right-sizing the institution
 - Reallocating resources
 - Changes to service delivery
 - Metrics
 - FTSE to staff/administrator ratios
 - FTSE to instructional faculty ratios
 - Cost per FTSE ratios
 - Program viability
- Institutionalizing commitments from grants and contracts
- Operationalizing the Centers of Excellence

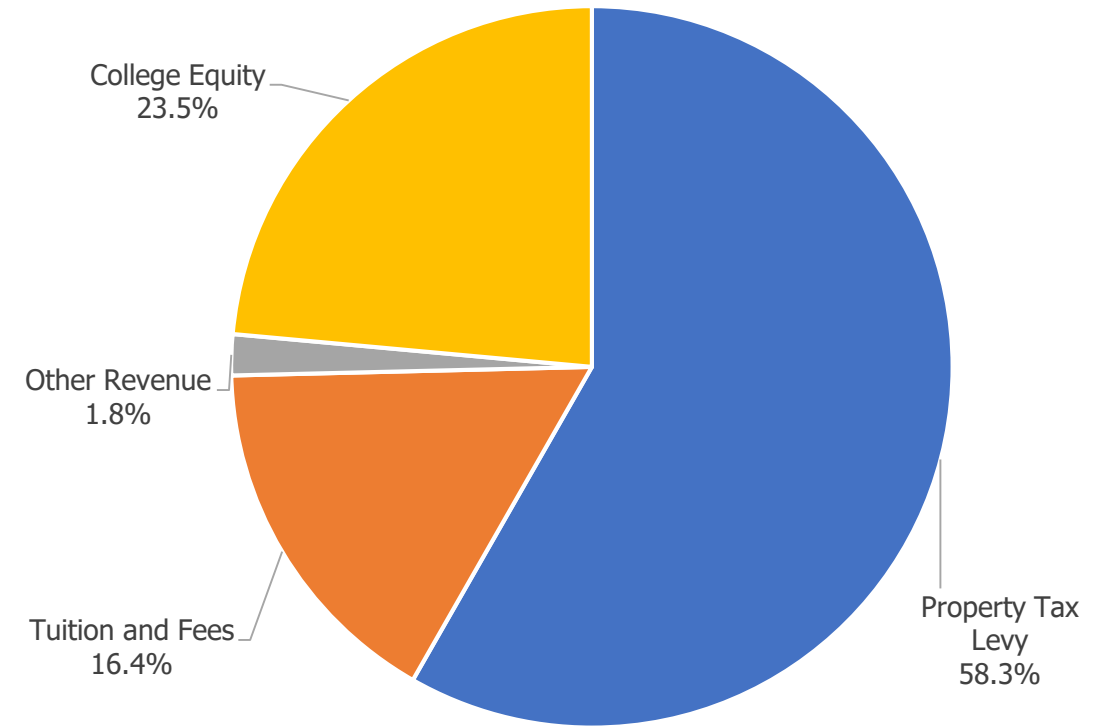


Additional Information & Resources

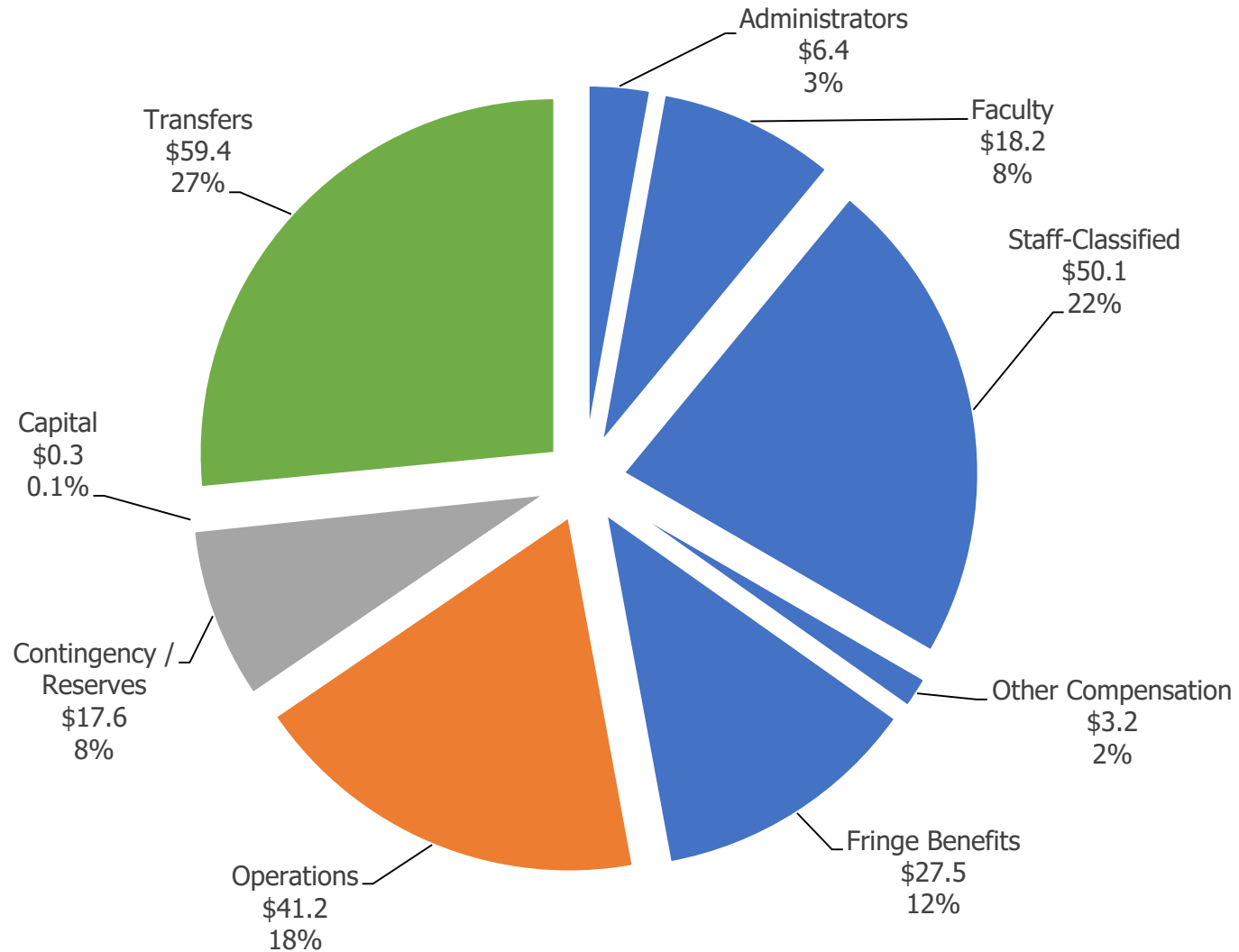


Budget Comparison – FY 2022 vs. FY 2023* General Fund Revenues by Source (in Millions, *Proposed)

	FY 2022	Proposed FY2023	Change
Property Tax Levy	\$123.5	\$130.4	\$6.9
Tuition and Fees	36.6	36.6	0.0
Other Revenue	4.1	4.1	0.0
Fund Balance	<u>37.6</u>	<u>52.7</u>	<u>15.1</u>
Total Resources	\$201.8	\$223.8	22.0
Debt Fund Transfer	<u>-5.4</u>	<u>-5.1</u>	
Total	\$196.4	\$218.7	



FY 2023 Proposed Budget Expenditures – General Fund, \$223.8M (in \$Millions)



General Fund Summary (in \$Millions)

	FY 2022	Proposed FY 2023	Change
Administrators	\$6.6	\$6.4	-\$0.2
Faculty	18.5	18.2	-0.3
Staff-Classified	45.6	50.1	4.5
Other Compensation	2.7	3.2	0.5
Fringe	<u>27.5</u>	<u>27.5</u>	<u>0.0</u>
Subtotal	\$100.9	\$105.4	\$4.5
Operations	38.8	41.2	2.4
Capital	0.3	0.3	0.0
Transfers			
Designated	20.1	20.0	-0.1
Capital	38.3	41.4	3.1
Debt Service	5.4	5.1	-0.3
Misc.	<u>-18.6</u>	<u>-7.1</u>	<u>11.5</u>
Net Transfers	<u>45.2</u>	<u>59.4</u>	<u>14.2</u>
Contingency/Reserves	<u>16.7</u>	<u>17.6</u>	<u>0.9</u>
Total	\$201.8	\$223.8	\$22.0
Debt Fund Transfer	<u>-5.4</u>	<u>-5.1</u>	<u>0.3</u>
Total	\$196.4	\$218.7	\$22.3

Designated Fund Summary (in \$Millions)

	FY 2022	Proposed FY 2023	Change
Professional Development	\$1.0	\$0.9	-\$0.1
Athletics	1.9	1.9	0.0
Course Fees	3.7	3.5	-0.2
Academic Programs	17.1	18.0	0.9
Workforce Development	3.5	2.0	-1.5
Adult Education	0.8	1.2	0.4
Other	6.0	6.9	0.9
Contingency/Reserves	1.9	1.3	-0.6
Transfers	<u>-20.1</u>	<u>-20.0</u>	<u>0.1</u>
Total	\$15.8	\$15.7	-0.1

Restricted Fund Summary (in \$Millions)

	FY 2022	Proposed FY 2023	Change
Student Financial Aid	\$31.9	\$31.5	-\$0.4
HEERF II – Student Financial Aid – New for FY 20/FY 21	0.9	0.0	-0.9
HEERF III – Student Financial Aid – New for FY 21/FY 22	39.7	0.0	-39.7
Workforce Development (Prop 301)	2.4	2.4	0.0
AZ Teacher Academy	0.4	0.4	0.0
Smart & Safe Act (Prop 207) – New for FY 22	2.7	0.0	-2.7
Adult Basic Education (ABE) Programs	0.5	0.5	0.0
<u>Grants</u>			
Adult Education	3.4	4.2	0.8
Title III – Improving graduation rates, particularly STEM	1.5	0.9	-0.6
Title V – Developing Hispanic Serving Institutions	0.6	0.6	0.0
TRIO (Upward Bound, Student Support Services, Talent Search)	2.5	2.3	-0.2
Other Federal Grants & Contracts	9.6	13.7	4.1
CRRSA Act – for Grants – New for FY21/FY22	17.6	0.0	-17.6
Other	8.5	2.4	-6.1
New Grants	<u>1.3</u>	<u>2.3</u>	<u>1.0</u>
Total Restricted Funds	\$123.6	\$61.2	-\$62.4

Auxiliary Fund Summary (in \$Millions)

	FY 2022	Proposed FY 2023	Change
Food Service	\$0.1	\$0.1	\$0.0
Business Relations	0.2	0.1	-0.1
Rentals	0.1	0.3	0.2
Transfers	0.7	0.0	-0.7
Contingency/Reserves and Other	<u>1.0</u>	<u>0.8</u>	<u>-0.2</u>
Total	\$2.1	\$1.3	-0.8

Debt Fund Summary (in \$Millions)

	FY 2022	Proposed FY 2023	Change
Lease Purchases	\$0.9	\$0.7	-\$0.2
Revenue Bonds	<u>4.5</u>	<u>4.4</u>	<u>-0.1</u>
Total	\$5.4	\$5.1	-0.3

Capital Fund Summary (in \$Millions)

	FY 2022	Proposed FY 2023	Change
General Capital Projects	\$39.8	\$41.5	\$1.7
Technology Fee Projects	0.7	0.9	0.2
STEM Projects	0.4	1.8	1.4
Smart AZ	0.0	5.6	5.6
Federal Funds (HEERF II)	7.0	0.0	-7.0
Special Projects	0.0	13.3	13.3
Subtotal	\$47.9	\$63.1	15.2
Bond Projects (Center of Excellence)	50.0	27.0	-23.0
Carry Forward Projects	15.0	15.0	0.0
Total All Projects	\$112.9	\$105.1	-7.8
Less: Transfers from Other Funds			
General Fund Transfer	-38.3	-41.4	-3.1
Other Funds Support (including grants)	<u>-7.0</u>	<u>0</u>	<u>7.0</u>
Net Budget	\$67.6	\$63.7	-3.9

Capital Budget Summary – by Project Type

Project Type	Proposed FY 2023
Building and Construction	\$23,796,440
Classroom Equipment	2,382,000
Deferred Maintenance	9,726,950
IT Technology Maintenance	5,950,000
Library Equipment	232,000
Lab Equipment	56,000
Operations Equipment	345,000
Office Equipment	79,000
Relocation	250,000
Renovations	3,715,000
Vehicles	388,600
Other	<u>2,046,300</u>
Total	\$48,967,290



PimaCommunityCollege

/// Keep striving.