

Fiscal Year 2013-2014 Proposed Budget

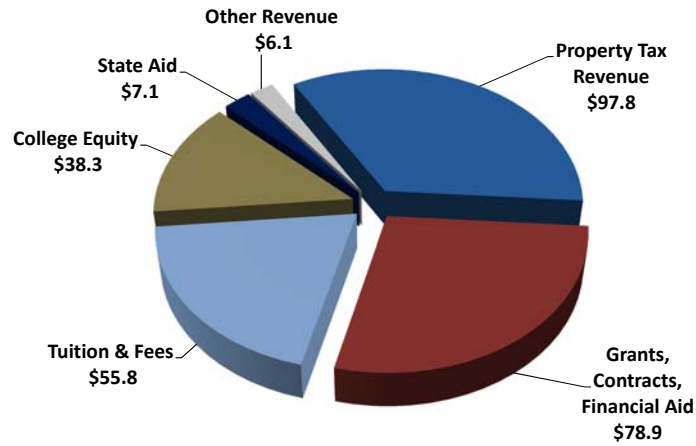
Board of Governors
May 2013

FY 2013-2014 Budget Process Timeline

- ▶ **May 8:** Present the proposed budget for Board approval to publish according to statutory guidelines.
- ▶ **May 24:** Publish the proposed budget and first Truth in Taxation notice in the *Arizona Daily Star* and on the College Website along with notice of the public hearing and special board meeting.
- ▶ **June 4:** Publish the proposed budget and second Truth in Taxation notice in the *Arizona Daily Star* along with notice of the public hearing and special board meeting.
- ▶ **June 12:** Conduct a public hearing on the proposed budget and conduct a special board meeting for the purpose of adopting the budget.
- ▶ **June 14:** Transmit required Truth in Taxation information to the Property Tax Oversight Commission.

FY 2013-2014 Proposed Budget Summary

\$284 million (all funds, in \$ millions)



Revenues

Revenues

Tax Levy

- Primary
 - Growth of 1.88%, \$1.8 million
 - Levy Increase of 2.0%, \$1.9 million
- Secondary
 - Decrease of \$676,000

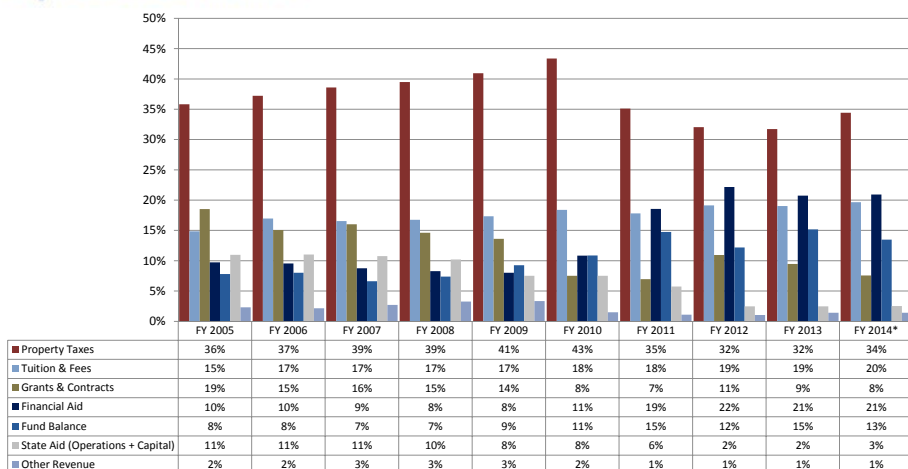
Tuition and Fees

- Increase In-state tuition from \$63.50 per unit to \$65.50 per unit
- Eliminate discounted rate for Out-of-State Tuition (<7 units)
- Out-of-State Tuition (7+ units): from \$319 to \$329 per unit
- \$0.50 increase per unit to Student Services fee
- \$0.50 increase per unit to Technology fee

State Funding:

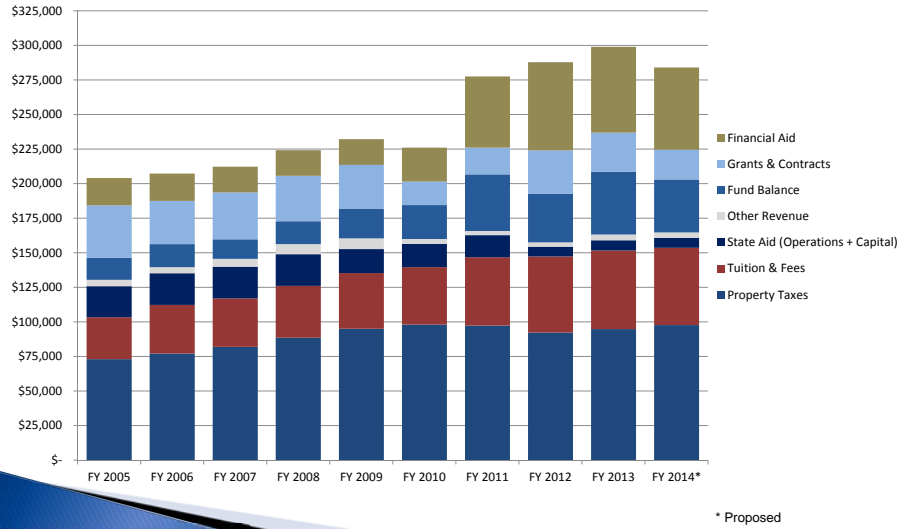
- \$217,000 decrease
- No Capital funding

Proportional Budgeted Revenue and Fund Balance by Source (all funds)

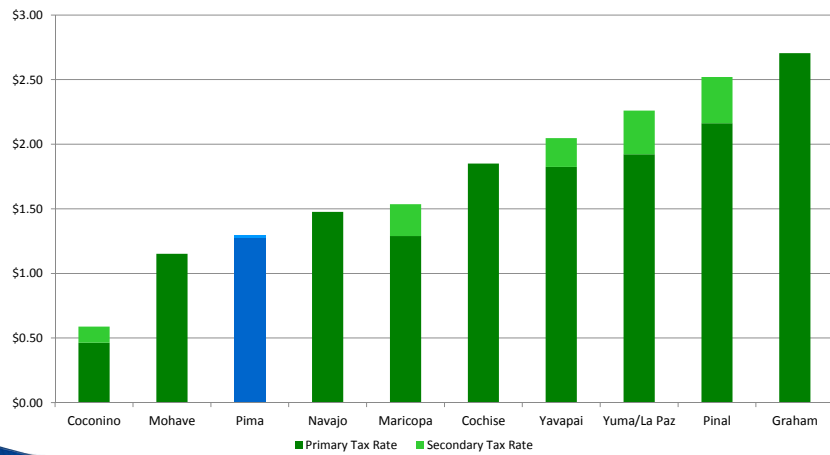


* Proposed

Budgeted Revenue and Fund Balance by Source (all funds, in \$ thousands)



AZ Community College Proposed Tax Rates for FY 2014



Property Tax Levy Detail

	<u>FY12</u>	<u>FY13</u>	<u>FY14 Proposed</u>
Net Taxable Value Current Year (\$100s)	\$ 83,101,202	\$ 80,739,377	\$ 75,591,291
Overall Change in Valuation	-7.04%	-2.84%	-6.38%
Change from New Property	1.33%	0.86%	1.88%
Average change in Valuation	-8.26%	-3.67%	-8.10%
Estimated Primary Tax Rate Authorization	1.0846	1.1484	1.2746
Change in Tax Rate	11.2%	5.9%	11.0%
Estimated Secondary Tax Rate Authorization	0.0247	0.0257	0.0187
Change in Tax Rate	-77.4%	4.0%	-27.2%

TRUTH IN TAXATION HEARING NOTICE OF TAX INCREASE

In compliance with section 15-1461.01, Arizona Revised Statutes, Pima County Community College District is notifying its property taxpayers of Pima County Community College District's intention to raise its primary property taxes over last year's level. The Pima County Community College District is proposing an increase in primary property taxes of \$1,886,689 or 2.0%.

For example, the proposed tax increase will cause Pima County Community College District's primary property taxes on a \$100,000 home to increase from \$124.96 (total taxes that would be owed without the proposed tax increase) to \$127.46 (total proposed taxes including the tax increase).

This proposed increase is exclusive of increased primary property taxes received from new construction. The increase is also exclusive of any changes that may occur from property tax levies for voter approved bonded indebtedness or budget and tax overrides.

All interested citizens are invited to attend the public hearing on the tax increase that is scheduled to be held Wednesday, June 12, 2013 at 6:30 p.m. in the Community/Board Room at the District Office of Pima Community College, 4905 E. Broadway, Tucson, Arizona 85709-1005.

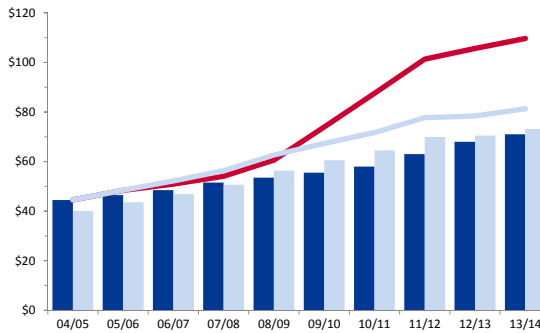
Property Tax Comparison: Residential and Commercial Property

	<u>FY12</u>	<u>FY13</u>	<u>FY14 Proposed</u>	<u>FY14 Reassessed</u>
Residential Property Summary				
Property Value	\$ 100,000	\$ 100,000	\$ 100,000	\$ 93,620
Assessment Ratio	<u>0.10</u>	<u>0.10</u>	<u>0.10</u>	<u>0.10</u>
Assessed Value	10,000	10,000	10,000	9,362
PCC Combined Taxes Due	\$ 110.94	\$ 117.41	\$ 129.33	\$ 121.08
Change	2.3%	5.8%	10.2%	3.13%
Commercial Property Summary				
Property Value	\$ 100,000	\$ 100,000	\$ 100,000	\$ 93,620
Assessment Ratio	<u>0.20</u>	<u>0.20</u>	<u>0.195</u>	<u>0.195</u>
Assessed Value	20,000	20,000	19,500	18,256
PCC Combined Taxes Due	\$ 221.88	\$ 234.82	\$ 252.19	\$ 236.10
Change	-2.6%	5.8%	7.4%	0.5%

*Assumes FCV and Limited Value are identical for both residential and commercial property examples

PCC Tuition and Fee Charges per Unit (in-state rates)

<u>Year</u>	<u>Per Unit</u>	<u>\$ Change</u>	<u>% Change</u>
04/05 *	44.50	2.50	6.0%
05/06	46.50	2.00	4.5%
06/07	48.50	2.00	4.3%
07/08 **	51.50	3.00	6.2%
08/09 ***	53.50	2.00	3.9%
09/10	55.50	2.00	3.7%
10/11 ****	58.00	2.50	4.5%
11/12	63.00	5.00	8.6%
12/13	68.00	5.00	7.9%
13/14 #	71.00	3.00	4.4%



- * Student Services Fee added, \$2.50 per unit
- ** Technology Fee added, \$2.00 per unit
- *** Student Services Fee reduced by \$0.50 to \$2.00
- **** Student Services Fee increased by \$0.50 to \$2.50 per unit
- # Student Services Fee increased by \$0.50 to \$3.00 per unit, and Technology Fee increased by \$0.50 to \$2.50 per unit

■ PCC \$ per unit
 ■ Avg. of AZ Community Colleges \$ per unit
 — Indexed Avg. of AZ Universities
 — Indexed Avg. of AZ Community Colleges

All Funds Revenues by Source

(in \$ millions)

	<u>FY13</u>	Proposed <u>FY14</u>	<u>Change</u>
Property Tax Levy	\$ 94.8	\$ 97.8	\$ 3.0
State Aid Appropriation	7.4	7.1	-0.3
Tuition and Fees	56.9	55.8	-1.1
Other Revenue	5.4	5.3	-0.1
Investment Income	0.8	0.8	0.0
Grants and Contracts	88.2	78.9	-9.3
College Equity	<u>45.4</u>	<u>38.3</u>	<u>-7.1</u>
Total Resources	\$ 298.9	\$ 284.0	\$ -14.9

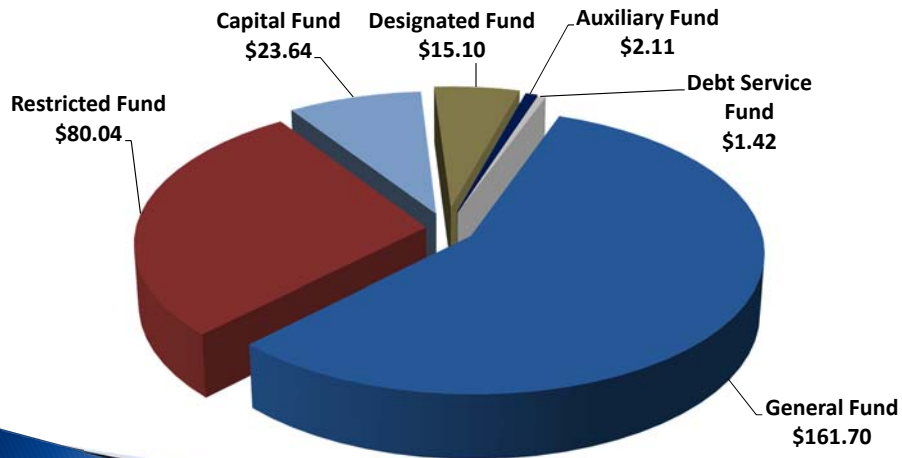
Expenditures

FY 2014 Major Expenses

- ▶ Mandatory Cost Increases - examples
 - Retirement Costs
 - ASRS rate change from 11.14% to 11.54%
 - Health Benefits
 - Systems Licenses and Maintenance Fees
 - Utilities
 - College Priorities
 - Athletics
 - Information Technology
 - Adult Basic Education
 - College Safety and Security
 - Salary Pool Increases

FY 2013-2014 Proposed Budget Summary

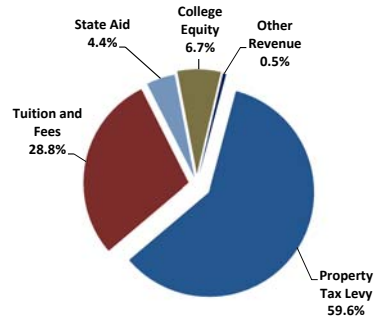
\$ 284 million (all funds, in \$ millions)



FY 2013-2014 General Fund Revenues by Source

(in \$ millions)

	<u>FY13</u>	<u>Proposed FY14</u>	<u>Change</u>
Property Tax Levy	\$ 92.7	\$ 96.4	\$ 3.7
State Aid	7.4	7.1	-0.3
Tuition and Fees	47.8	46.6	-1.2
Other Revenue	0.8	0.8	0.0
College Equity	<u>12.8</u>	<u>10.8</u>	<u>-2.0</u>
Total Resources	\$ 161.5	\$ 161.7	\$ 0.2



General Fund Expenditures

(in \$ millions)

	<u>FY13</u>	<u>Proposed FY14</u>	<u>Change</u>
Admin	\$ 6.5	\$ 6.7	\$ 0.2
Faculty	23.9	24.1	0.2
Staff-Classified	37.9	39.5	1.6
Other Compensation / Adjunct Faculty	19.3	16.9	-2.4
Fringe	<u>26.5</u>	<u>27.3</u>	<u>0.8</u>
Subtotal	114.1	114.5	0.4
Operations	25.6	25.4	-0.2
Capital	0.4	0.4	0.0
Transfers (net)	14.8	13.9	-0.9
Reserves	<u>6.6</u>	<u>7.5</u>	<u>0.9</u>
Total	\$ 161.5	\$ 161.7	\$ 0.2

Designated Fund Budget Detail by Program

(in \$ millions)

	<u>FY13</u>	Proposed <u>FY14</u>	<u>Change</u>
Professional Development	\$1.0	\$ 1.0	\$ 0.0
Athletics	2.3	2.1	-0.2
Course Fees	2.2	2.0	-0.2
Academic Programs	2.2	1.1	-1.1
Center for Training & Development	2.9	2.9	0.0
Contract Training	0.9	0.8	-0.1
Prison Program	0.8	0.7	-0.1
Public Safety Institute	0.4	0.5	0.1
Community Education	0.3	0.5	0.2
Other	1.4	1.5	0.1
Reserves	<u>2.0</u>	<u>2.0</u>	<u>0.0</u>
Total	\$ 16.4	\$ 15.1	\$ -1.3

Auxiliary Fund Summary

(in \$ millions)

	<u>FY13</u>	Proposed <u>FY14</u>	<u>Change</u>
Revenues	\$ 2.2	\$ 2.1	\$ -0.1
Food Service	0.2	0.2	0.0
Business Relations	0.2	0.2	0.0
Rentals	0.3	0.2	-0.1
Transfers	0.7	0.7	0.0
Reserves and Other	<u>0.8</u>	<u>0.8</u>	<u>0.0</u>
Total	\$ 2.2	\$ 2.1	\$ -0.1

Restricted Fund Summary

(in \$ millions)

	<u>FY13</u>	<u>Proposed FY 14</u>	<u>Change</u>
Student Financial Aid	\$ 64.7	\$ 57.4	\$ - 7.3
Workforce Development (Prop 301)	2.9	2.7	- 0.2
Grants			
Health Prof Opportunity Grant	2.8	4.5	1.7
Adult Education	2.7	3.0	0.3
Title III – Improving graduation rates, particularly STEM	1.4	1.2	- 0.2
Title V – Developing Hispanic Serving Institutions	0.6	0.1	- 0.5
TRIO (Upward Bound, Student Support Svcs, Talent Search)	1.8	1.9	0.1
Adelante Performance Based Award	0.6	0.2	- 0.4
Trade Adjustment Assistance	0.0	0.6	0.6
Other	0.8	0.7	- 0.1
New Grants	<u>11.3</u>	<u>7.7</u>	<u>-3.6</u>
Total	\$ 89.6	\$ 80.0	\$ - 9.6

Capital Fund Summary

(in \$ millions)

	<u>FY 13</u>	<u>Proposed FY 14</u>
<u>Budget Year Projects</u>		
General Capital Projects	\$ 9.4	\$ 10.8
Technology Fee Projects	1.6	1.4
Proposition 301 Projects	2.0	2.2
Grant Funded Projects	2.1	0.2
Contract/Auxiliary Projects	0.1	0.1
Special Projects	<u>3.4</u>	<u>0.0</u>
Total Budget Year Projects	\$ 18.6	\$ 14.7
Carry Forward Projects	24.4	21.2
Reserves	<u>1.1</u>	<u>1.0</u>
Total All Projects	\$ 44.1	\$ 36.9
Less Transfers from Other Funds		
Proposition 301 Funding	-2.0	-2.2
General Fund Transfer	-9.4	-10.8
Other Funds Support	<u>-5.6</u>	<u>-0.3</u>
Net Budget	\$ 27.1	\$ 23.6

Debt Service Budget

(in \$ millions)

	<u>FY13</u>	<u>Proposed FY 14</u>	<u>Change</u>
General Obligation	\$ 2.1	\$ 1.4	\$ -0.7
Lease Payment (U of A Building)	<u>3.4</u>	<u>0.0</u>	<u>-3.4</u>
Total Expenses	5.5	1.4	-4.1
Transfers from General Fund	<u>-3.4</u>	<u>0.0</u>	<u>3.4</u>
Total Budget	\$ 2.1	\$ 1.4	\$ -0.7

Questions?