

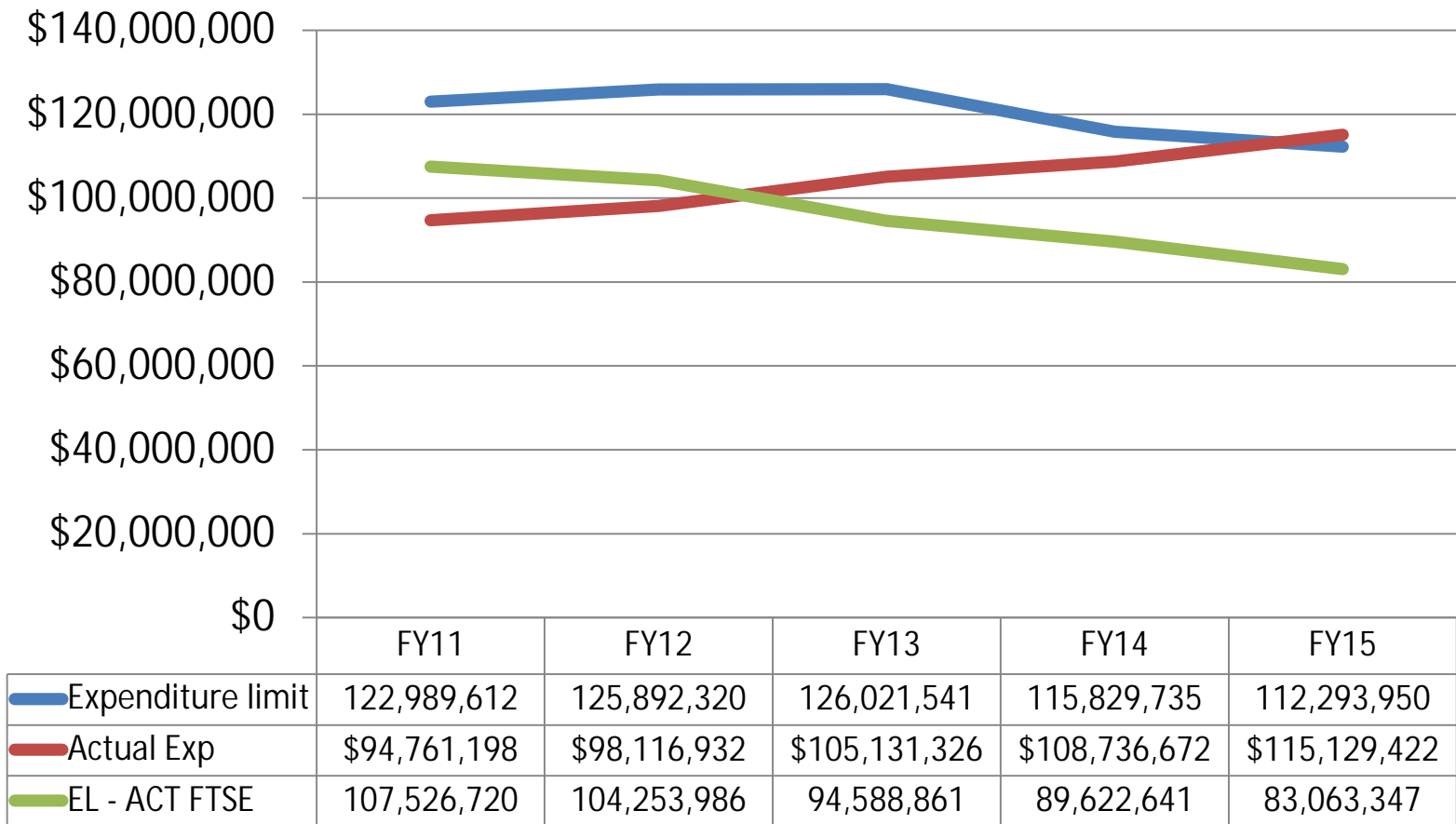
# Budget and Finance Planning Fiscal Year 2016

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# Major Factors Impacting Budget

- Proposed cuts to State Aid
  - Governor proposed 50% cut to PCC (\$3M cut to operating; \$300K to STEM funds)
  - 3/4/15 Budget bills propose 100% cut to PCC, MCC and Central Arizona College
- Enrollment declines
  - From about 23,000 FTSE in 2011 to less than 18,000 in 2014
  - Reduces tuition and fee revenue
- Proposed Expenditure Limit Legislation

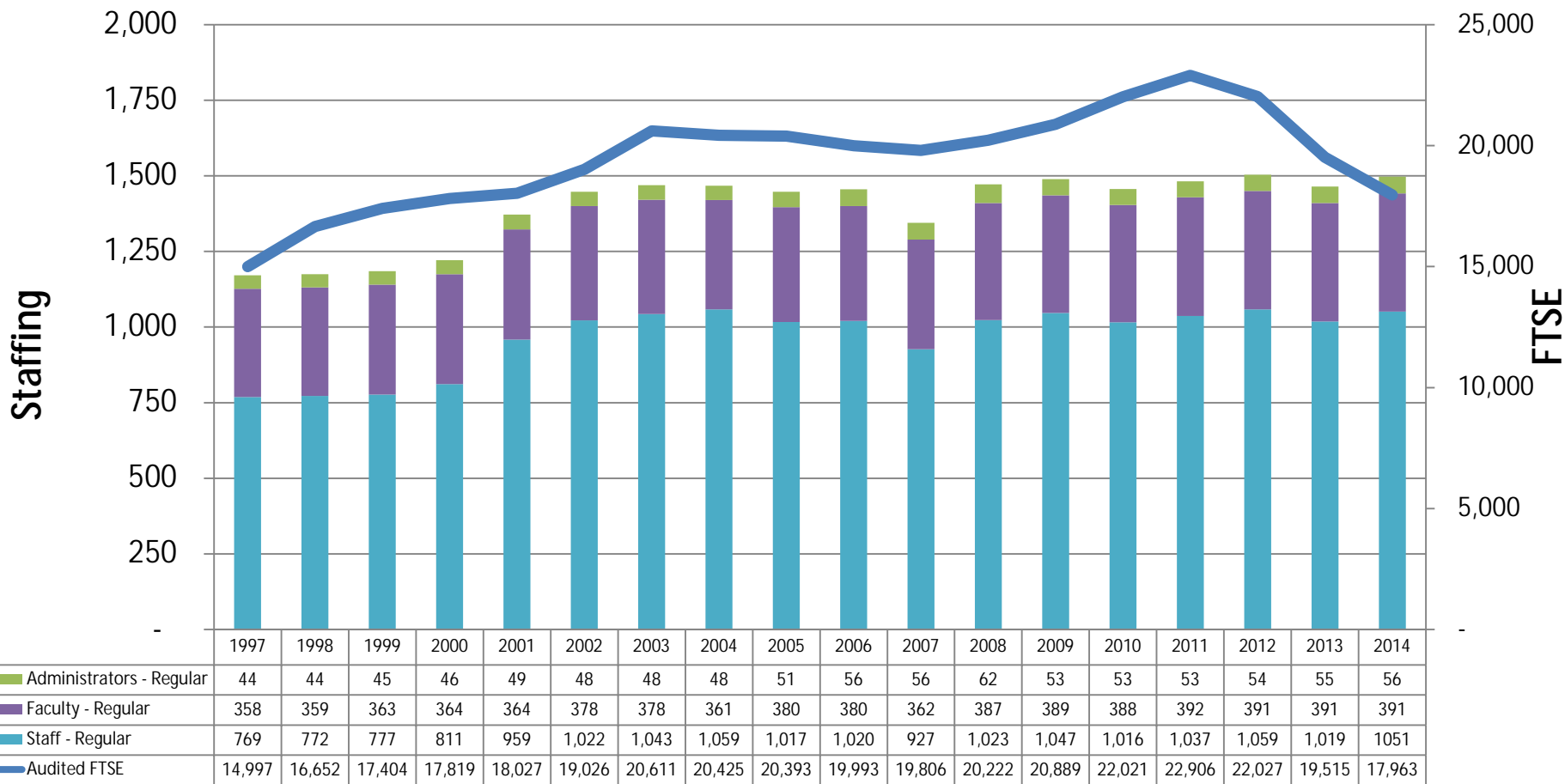
# PCC Expenditure Limit Estimate vs. Actual Summary



# PCC Cost Reality

- Large Proportion of Costs are Fixed or perceived as “Fixed”
  - Facility intensive structure, dispersed throughout County
    - 6 Campuses + 3 “campus” business parks + learning centers
    - Enrollment consistent with when College had 5 campuses, exclusive of growth in distance education
    - Depreciation and deferred maintenance
  - Heavy Personnel-based expenses
    - 78% of operating budgets (General + Designated Funds)
    - High benefits costs: medical; retirement; leave
    - Static labor force
      - 9.7 years - average years of service for current regular College employees
  - Large proportion of operating costs are not discretionary (utilities, contracts, and licenses)

# PCC FTSE vs. Staffing Levels FY 1997-2014



Notes: 1. Figures for Regular positions are based on budgeted full-time equivalents. Figures for Adjunct, Temporary & Student positions are based on estimates from actual costs.  
2. Prior to 1997, Personnel Statistics were calculated using a different methodology.

# Budget Scenarios

- Approved December 2014
- Impact General Fund expenditures
  - \$5 million reduction
  - \$10 million reduction
  - \$15 million reduction

# Budget Priority Criteria (examples)

- Ensure regulatory and compliance requirements are met
- Allocate resources to ensure College mission, goals, and strategic plan are successful
  - Investment in strategic initiatives
- Meeting community needs and expectations
- Optimize human resources throughout the district
- Optimize use of physical space

# Initiatives

- Distance Education
- International Education
- Enrollment Management
- Workforce Development
- Developmental Education
- Educational Master Plan
  - Supporting/ensuring strong programs
- Student Success Model