Budget and Finance Planning Fiscal Year 2016

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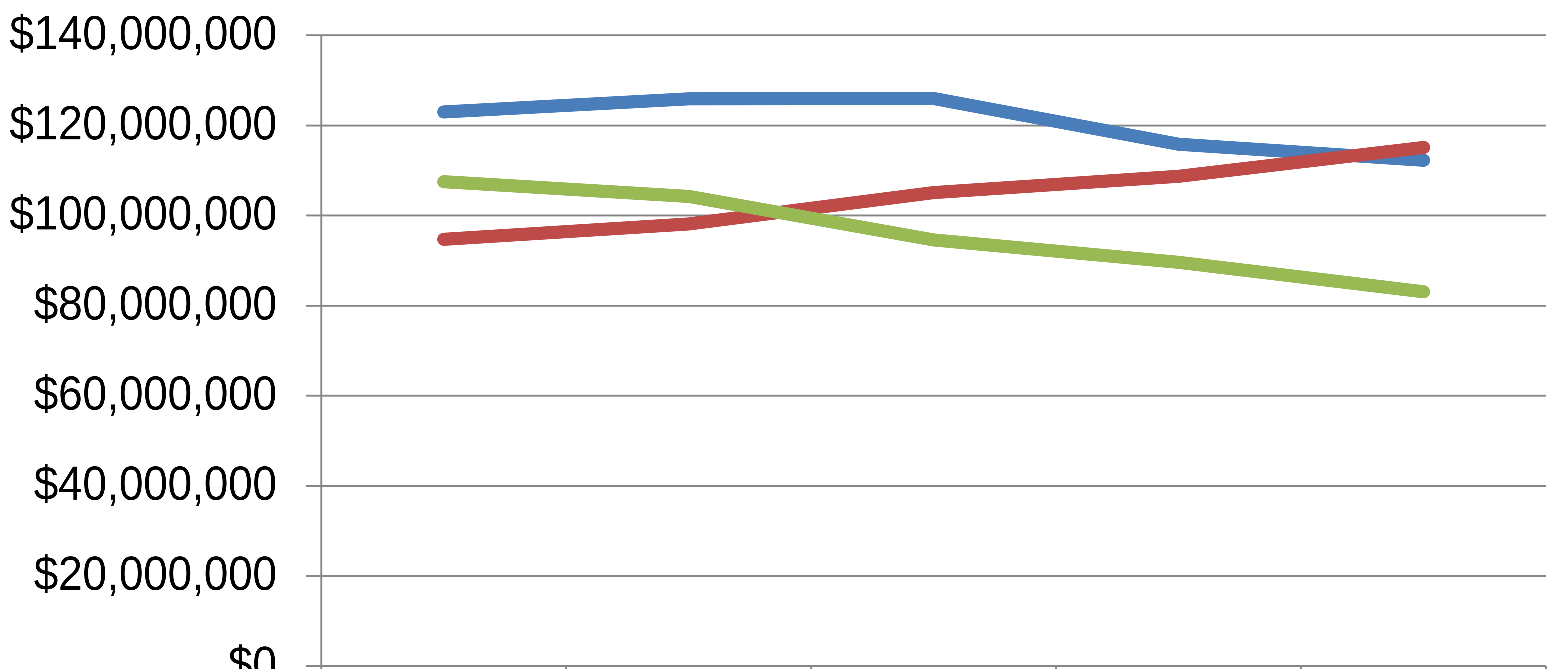
Major Factors Impacting Budget

- Proposed cuts to State Aid
  - Governors proposed 50% cut to PCC ($3 mil cut to operating; $300K to STEM funds)
- 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

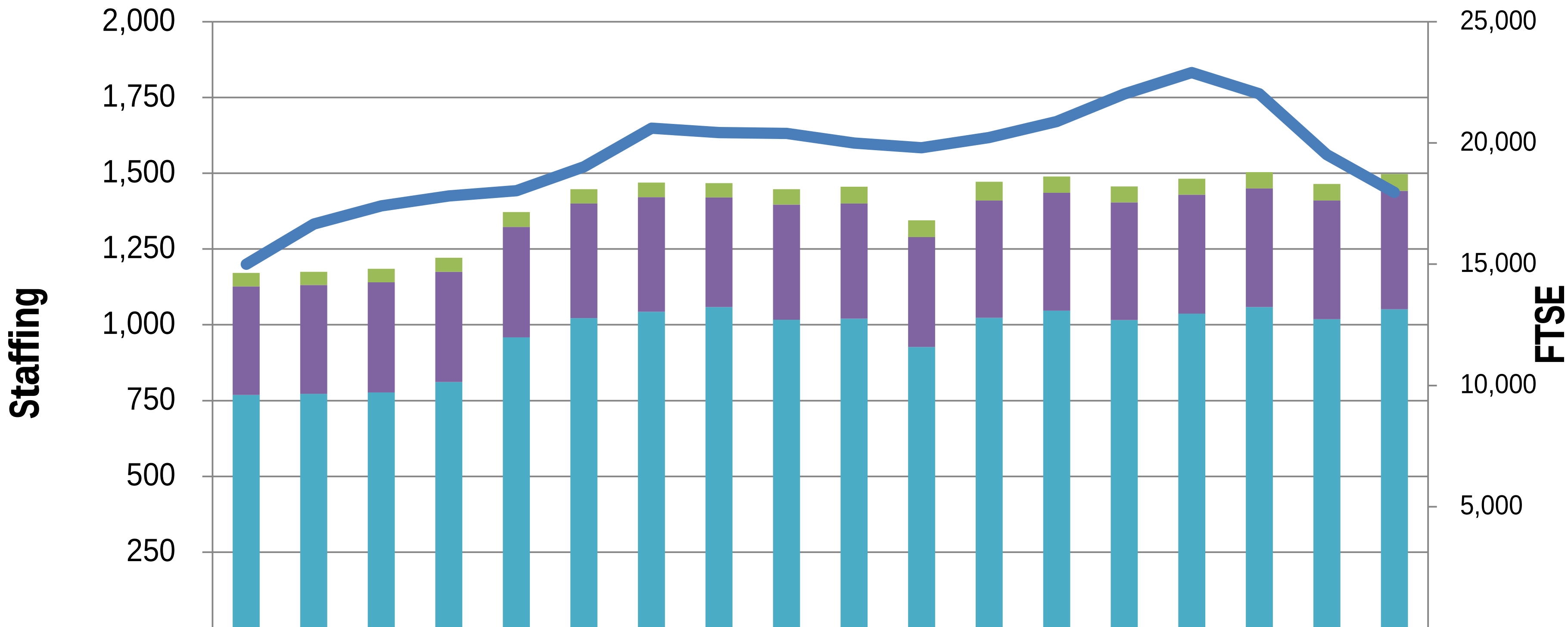


	FY11	FY12	FY13	FY14	FY15
Expenditure limit	122,989,612	125,892,320	126,021,541	115,829,735	112,293,950
Actual Exp	$94,761,198	$98,116,932	$105,131,326	$108,736,672	$115,129,422
EL - ACT FTSE	107,526,720	104,253,986	94,588,861	89,622,641	83,063,347

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



	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Administrators - Regular	44	44	45	46	49	48	48	48	51	56	56	62	53	53	53	54	55	56
Faculty - Regular	358	359	363	364	364	378	378	361	380	380	362	387	389	388	392	391	391	391
Staff - Regular	769	772	777	811	959	1,022	1,043	1,059	1,017	1,020	927	1,023	1,047	1,016	1,037	1,059	1,019	1051
Audited FTSE	14,997	16,652	17,404	17,819	18,027	19,026	20,611	20,425	20,393	19,993	19,806	20,222	20,889	22,021	22,906	22,027	19,515	17,963

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)

- Increasing enrollment
- Ensuring student success
- Meeting community needs and expectations
- Supporting critical functions, such as regulatory compliance
- Investment in strategic initiatives that will reduce costs or generate revenues
- Relieving pressure on expenditure limitation