

Budget and Finance Planning Fiscal Year 2016

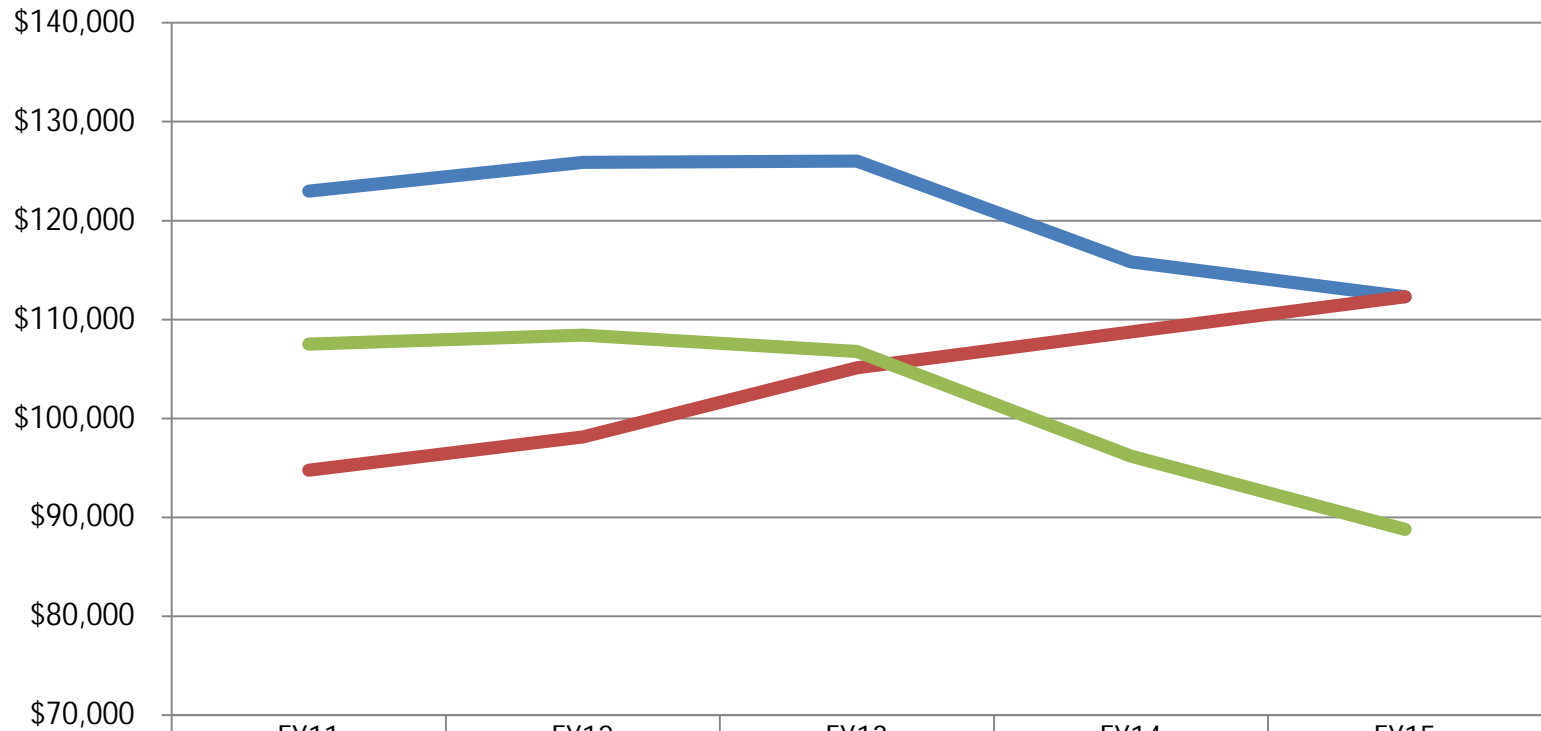
Presented by: David Bea Ph.D.
Spring 2015

Major Factors Impacting Budget

- Proposed cuts to State Aid
 - January: Governor proposed 50% cut to PCC (\$3M cut to operating; \$300K to STEM funds)
 - March: Budget bills cut 100% aid to PCC and MCC
 - State shift of 1% residential property cap funding
- 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

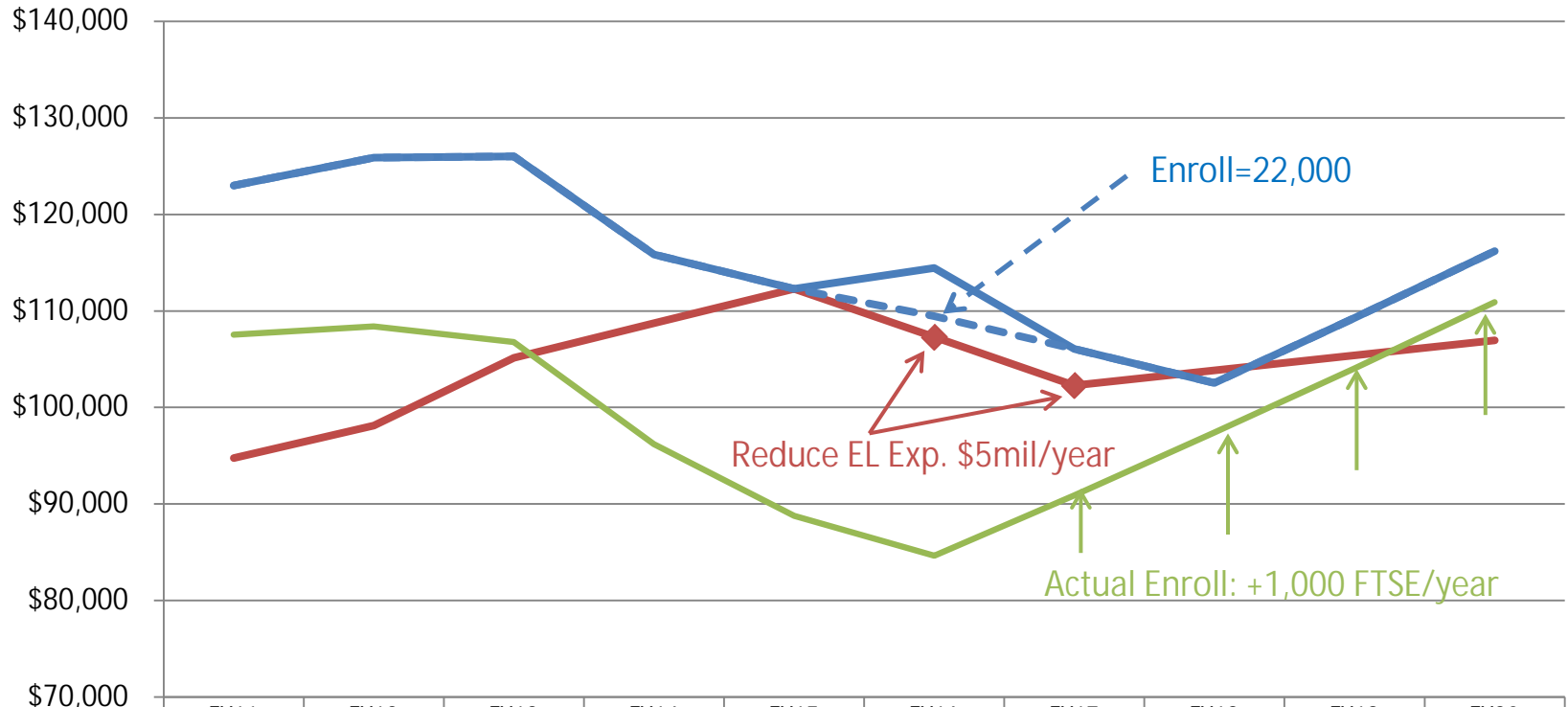
PCC Expenditure Limitation Expenses

(in \$ thousands)



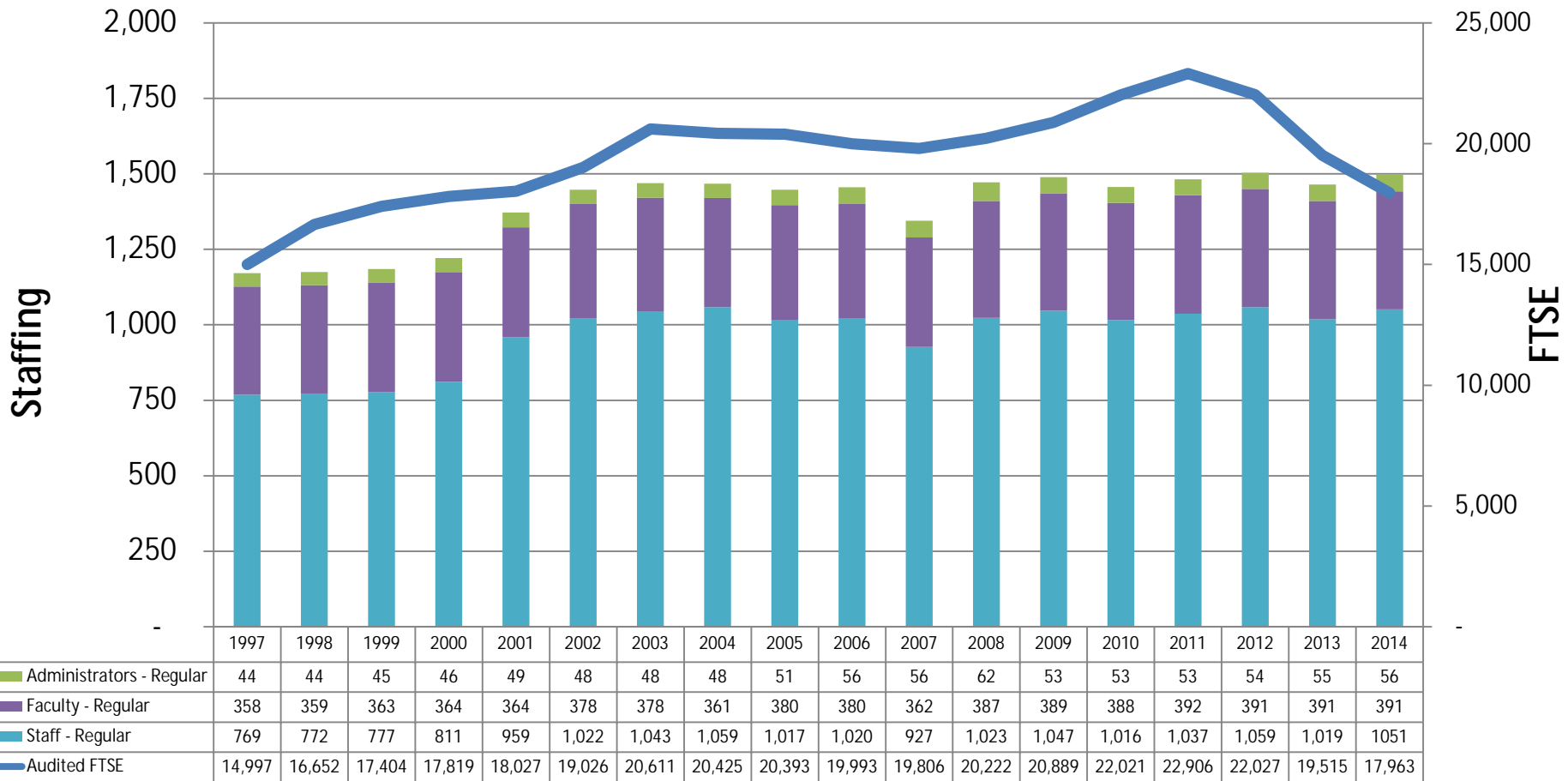
	FY11	FY12	FY13	FY14	FY15
Estimated EL	122,990	125,892	126,022	115,830	112,294
Expenses	94,761	98,117	105,131	108,737	112,294
Actual-based EL	107,527	108,409	106,769	96,188	88,776

PCC Projected Expenditure Limitation Expenses (in \$ thousands)



	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Expenses	94,761	98,117	105,131	108,737	112,294	107,294	102,294	103,828	105,386	106,967
Estimated EL	122,990	125,892	126,022	115,830	112,294	114,443	106,059	102,524	109,265	116,185
Target EL	122,990	125,892	126,022	115,830	112,294	109,468	106,059	102,524	109,265	116,185
Actual-based EL	107,527	108,409	106,769	96,188	88,776	84,653	90,908	97,398	104,062	110,904

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.

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)

Budget Scenarios

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

Budget Priority Criteria (examples)

Decisions will be evidence-based, transparent, collaborative, well communicated, and defensible

Resources shall be allocated to:

- Ensure College mission, goals, and strategic plans are successful
 - Investment in strategic initiatives
- Ensure regulatory and compliance requirements are met
- Meet student and community needs and expectations
- Optimize human resources throughout the district
- Optimize use of physical space
- Encourage efficiencies, create returns on investment, and enable continuous improvement

Initiatives

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