

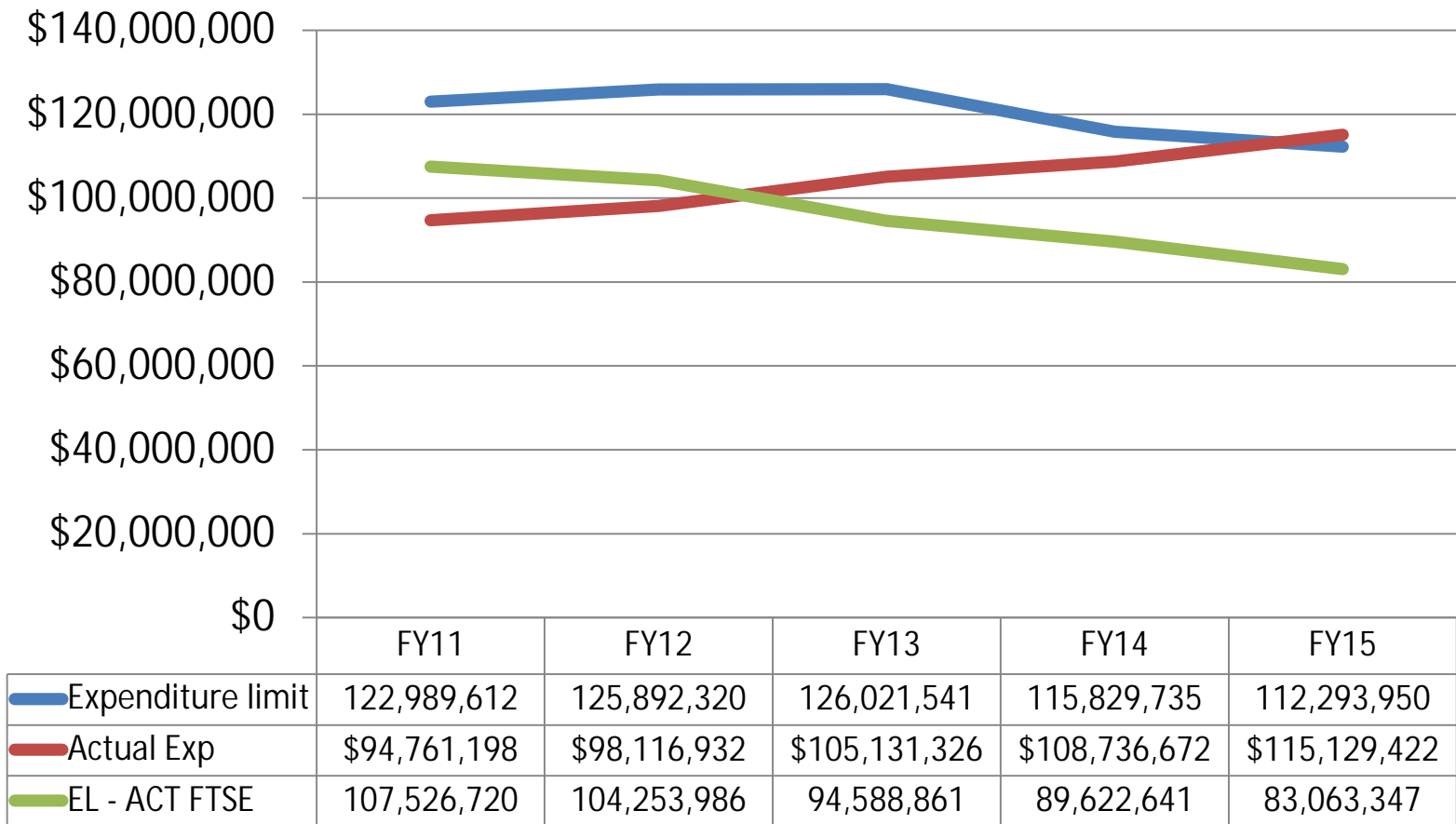
Budget and Finance Planning Fiscal Year 2016

Board of Governors Meeting
February 4, 2015

Major Factors Impacting Budget

- Proposed cuts to State Aid
 - Governors proposed 50% cut to PCC (\$3M 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

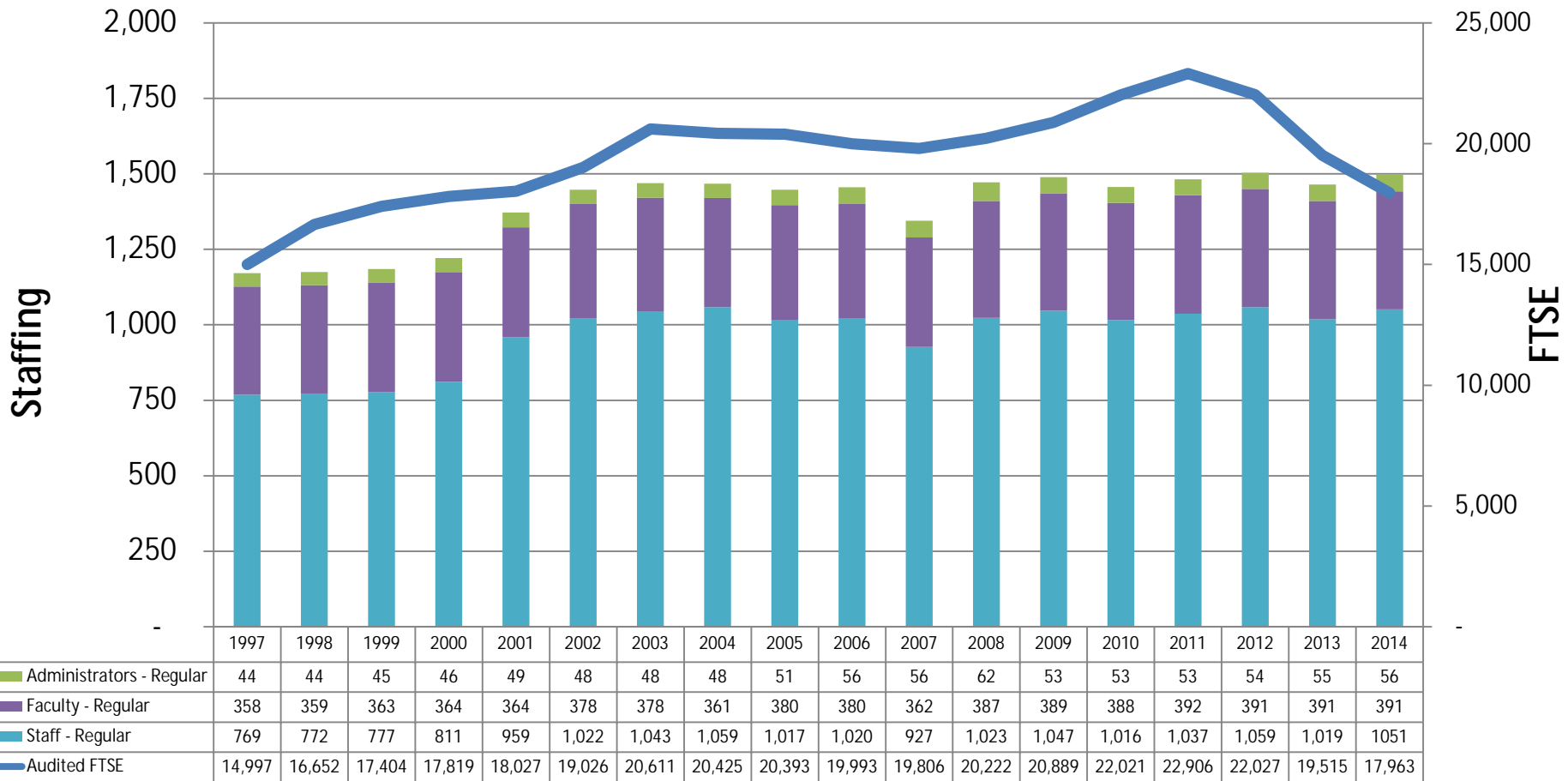
PCC Expenditure Limit Estimate vs. Actual Summary



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)

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

Initiatives

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