

# Fiscal Year 2016-2017 Budget Planning & Outlook

David Bea

*Executive Vice Chancellor for Finance and Administration*

*Spring 2016*

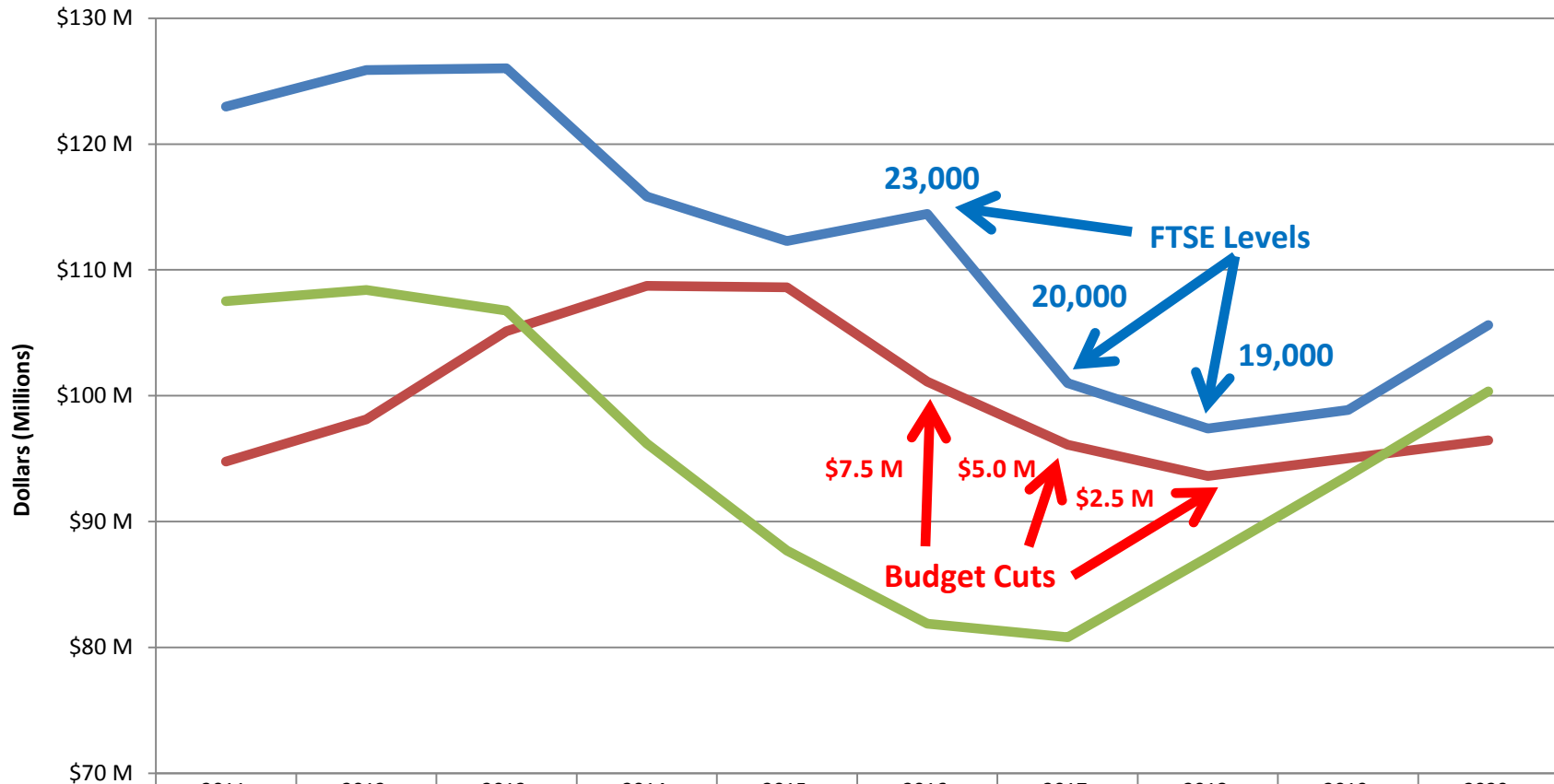


# Major Factors Impacting Budget

- No State Appropriations
- Continued Enrollment Declines
- Expenditure Limitation Risk
- Ongoing College Reorganization



# Expenditure Limitation Plan: Update



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Estimated EL	\$123.0 M	\$125.9 M	\$126.0 M	\$115.8 M	\$112.3 M	\$114.4 M	\$101.0 M	\$97.4 M	\$98.9 M	\$105.6 M
Actual \$	\$94.8 M	\$98.1 M	\$105.1 M	\$108.7 M	\$108.6 M	\$101.1 M	\$96.1 M	\$93.6 M	\$95.0 M	\$96.4 M
Actual FTSE EL	\$107.5 M	\$108.4 M	\$106.8 M	\$96.2 M	\$87.7 M	\$81.9 M	\$80.8 M	\$87.1 M	\$93.7 M	\$100.3 M

Dollars (Millions) by Fiscal Year



# Senate Bill 1322 – Community College Expenditure Limitation (EL)

- Modifies, calculations of community college’s expenditure limits, the calculation of full-time equivalent student enrollment, career and technical education (CTE) course weights and excludable revenues.
- CTE course weighting = 1.3
- Changes to FTSE calculation to permit one of the following FTSE estimates for EL purposes:
  - the most recent audited FTSE count;
  - the average of the five most recent audited FTSE counts; or
  - a FTSE count up to 5 percent more than the most recent audited FTSE count if the current Fall semester 45th day actual FTSE count exceeded the previous Fall semester 45th day actual FTSE count.
  - Allows, as session law, a community college district to submit the average of the ten most recent audited FTSE for the next three years.
- Adds additional exclusions for “local revenues”.
- Adds ability for Board of Governors to ask voters to approve a change in the base limit used in the EL formula.



# FY 2017 Budget Supports PCC's Mission, Strategic Planning, and Assessment



# Preliminary Budget Estimates: FY 2017 – General Fund Revenues (\$ millions)

	<u>FY 16</u>	<u>FY 17</u>	<b>Preliminary estimates</b>
Property Tax Levy	\$ 104.3	\$ 2.0	1.89% - FY 2016 Growth
		\$ 2.1	2.00% - Requires Truth in Taxation process in May
State Appropriations	\$ 0.0	\$ 0.0	
Tuition and Fees	\$ 46.7	-\$ 0.7	\$1.00 credit hour increase = \$450,000 additional revenue. FY 2017 tuition rates were approved at 3/9/16 Board meeting.
Other Revenue	\$ 0.7		
College Equity	\$ 0.5		
<b>Total Resources</b>	<b>\$ 152.2</b>		



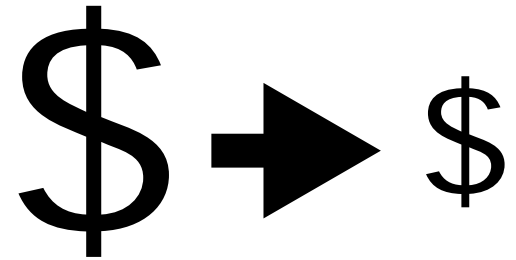
# Preliminary Budget Estimates: FY 2017 – General Fund Expenses (\$ millions)

	<u>FY 16</u>	<u>FY 17</u>	<b>Preliminary Estimates</b>
Personnel	\$ 90.1		
Fringe	\$ 27.0	\$ 2.0	Benefits (Health, Retirement, Other)
<b>Subtotal</b>	<b>\$ 117.1</b>		
Operations	\$ 27.7	\$ 0.5	Contractual Services and Utilities
Capital	\$ 0.4		
Transfers (net)	\$ 1.3	\$ 0.5	Athletics
Reserves	\$ 5.7		
<b>Total</b>	<b>\$ 152.2</b>		



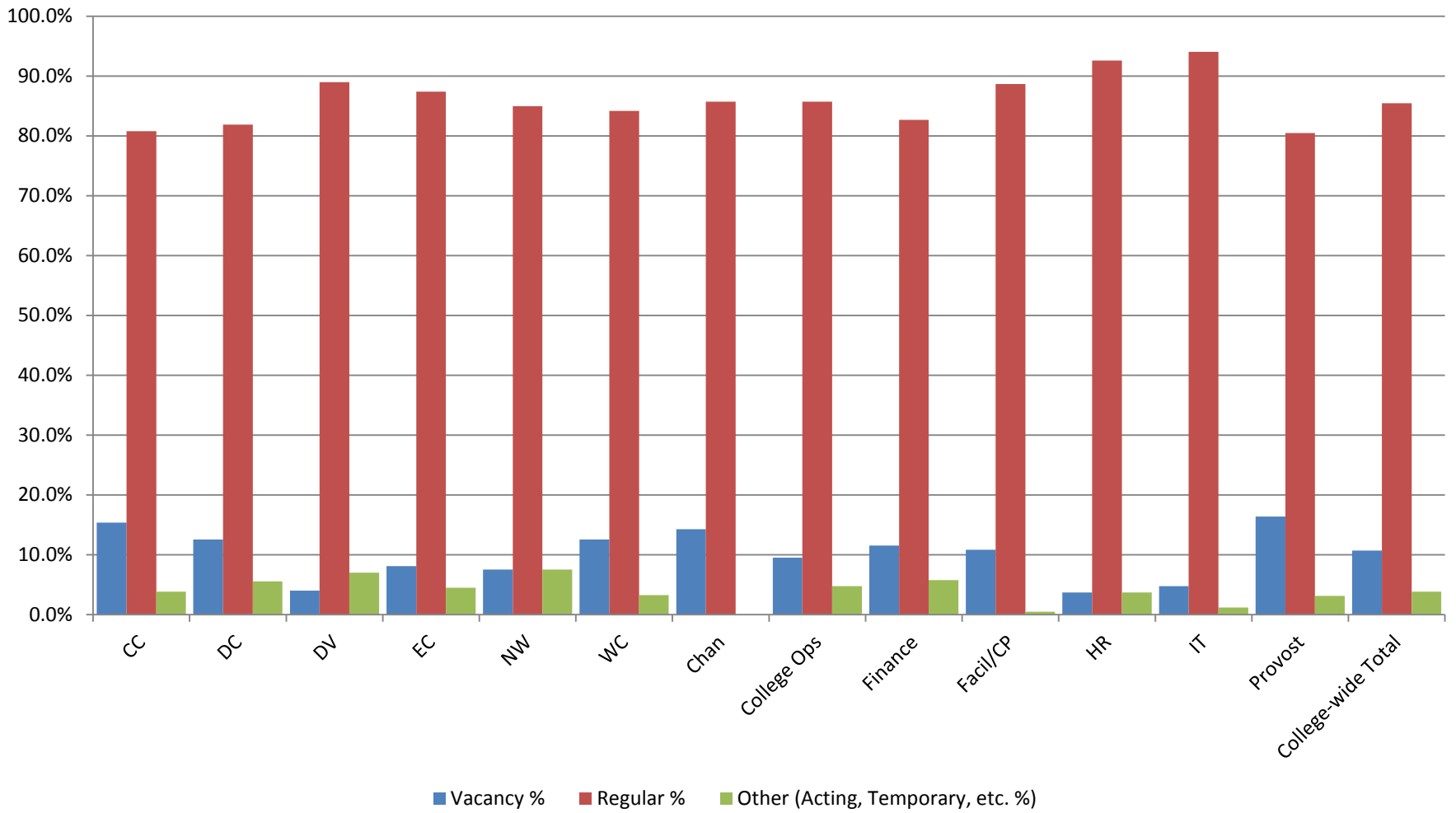
# Expenditure Limitation (EL) Cost Reduction Strategies

- Reorganization/Reductions
  - Campus/Department Consolidation
  - Hiring / Recruitment Reviews
  - Eliminate Positions
- Reduce Capital Budget
  - Lease purchase equipment vs. purchase
- Tuition Increase
- Tax Levy ➔ Fund future capital needs
  - Program innovation
  - Resource reallocation/consolidation

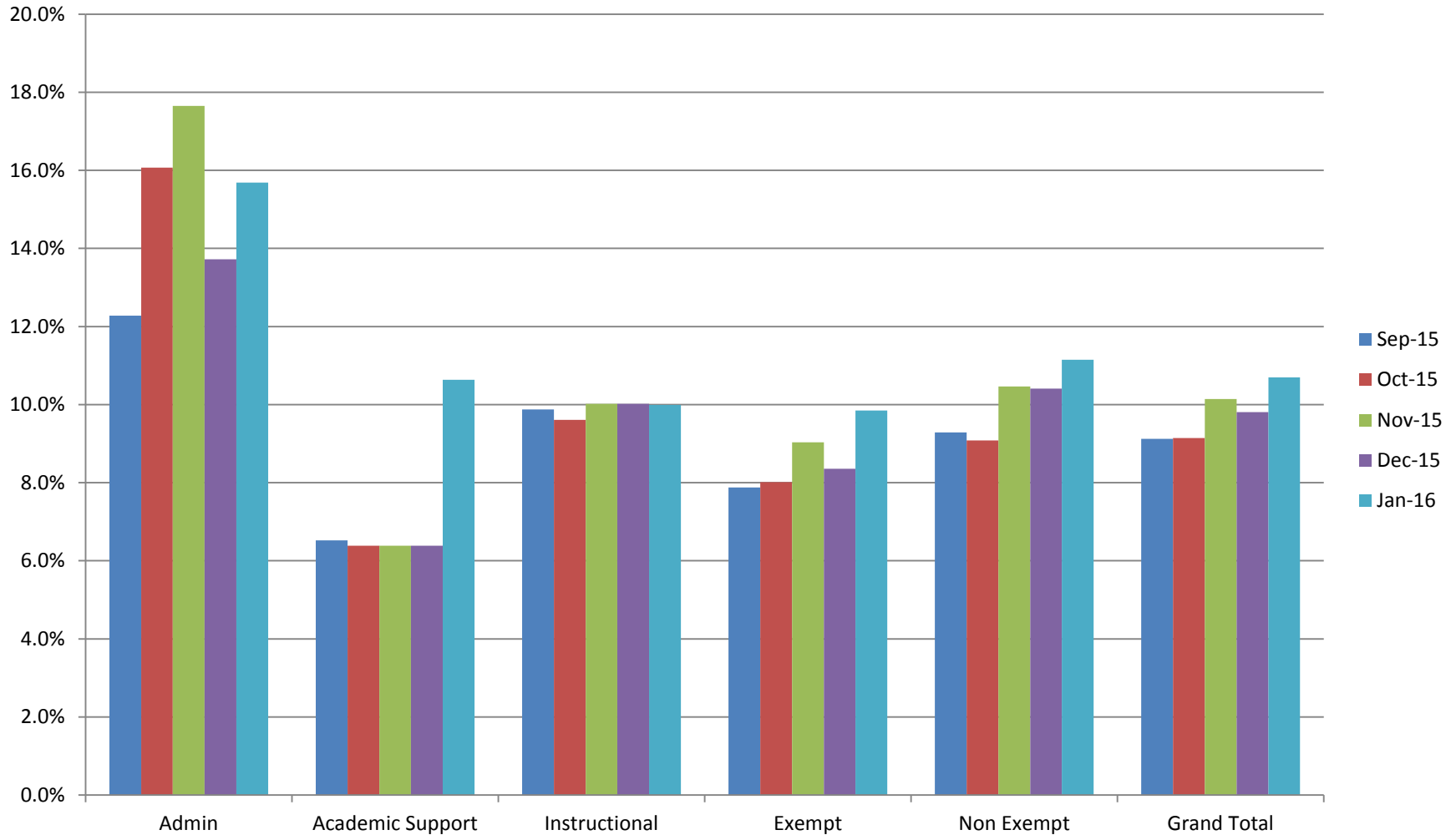




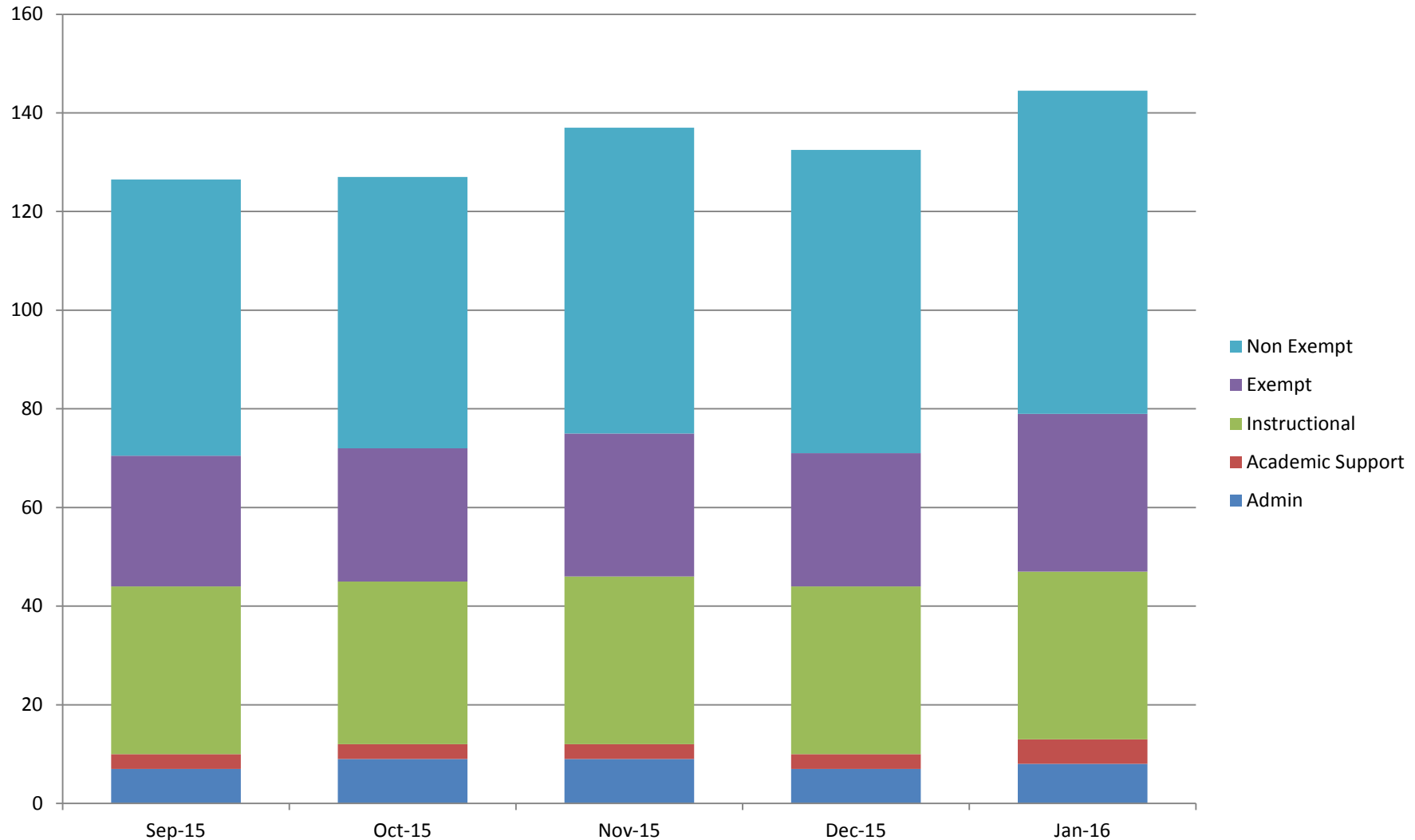
# Percent of Positions Vacant and Filled Regular by College Unit (January 2016 data)



# Percent Vacancy by Personnel Account Code and Month



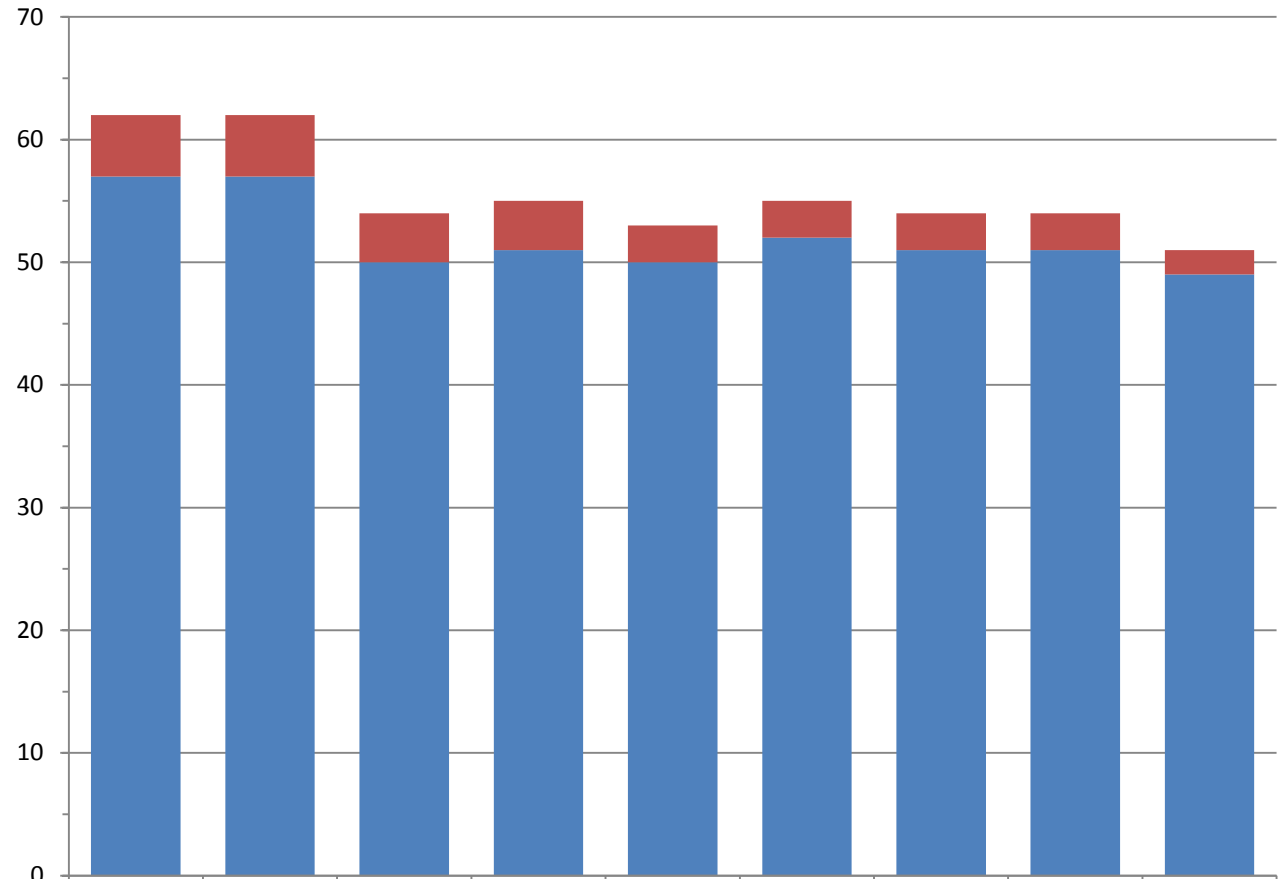
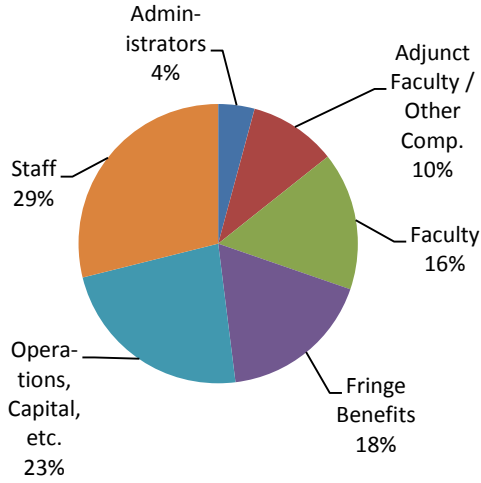
# Change in Number of Vacant Positions by Month and Personnel Account Code



# PCC Administrator Positions

(FY 2008-2016, All Funds)

PCC General Fund Budget Expenses, FY 2016



# Administrator Positions - Other Funds	5	5	4	4	3	3	3	3	2
# Administrator Positions - General Fund	57	57	50	51	50	52	51	51	49

Total 62 62 54 55 53 55 54 54 51



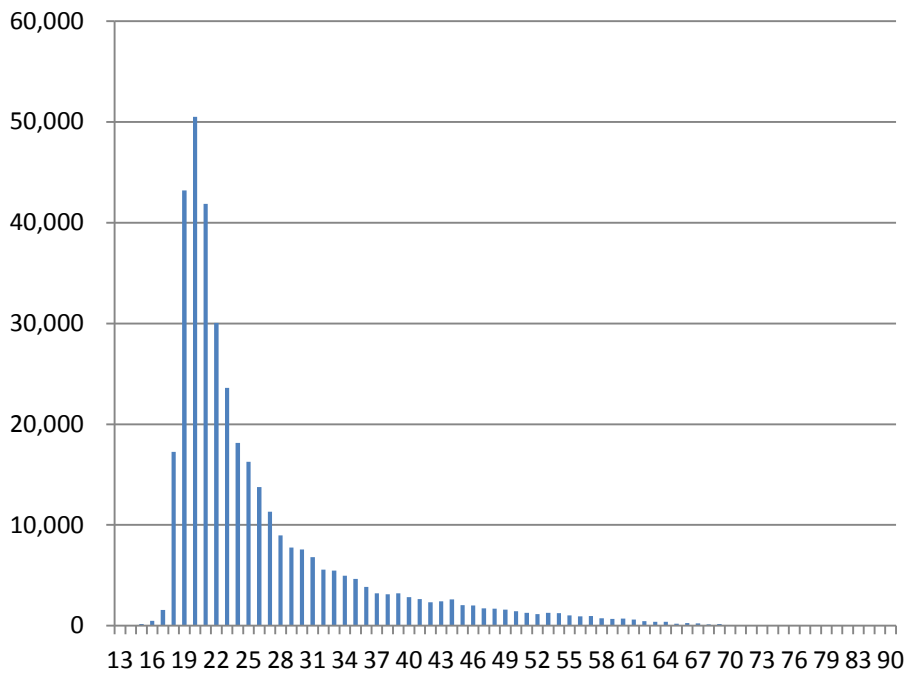
# FY 2017 Budget Priorities

- Employee Benefit Costs: +\$ 1.5-2.0 million
- Contractual Obligations: +\$ 0.5 million
- Athletics: +\$ 0.5 million
- Depreciation / Capital Project Funding
- Strategic Resource Reallocation
  - Enrollment Initiatives
  - Operational/Personnel Reductions

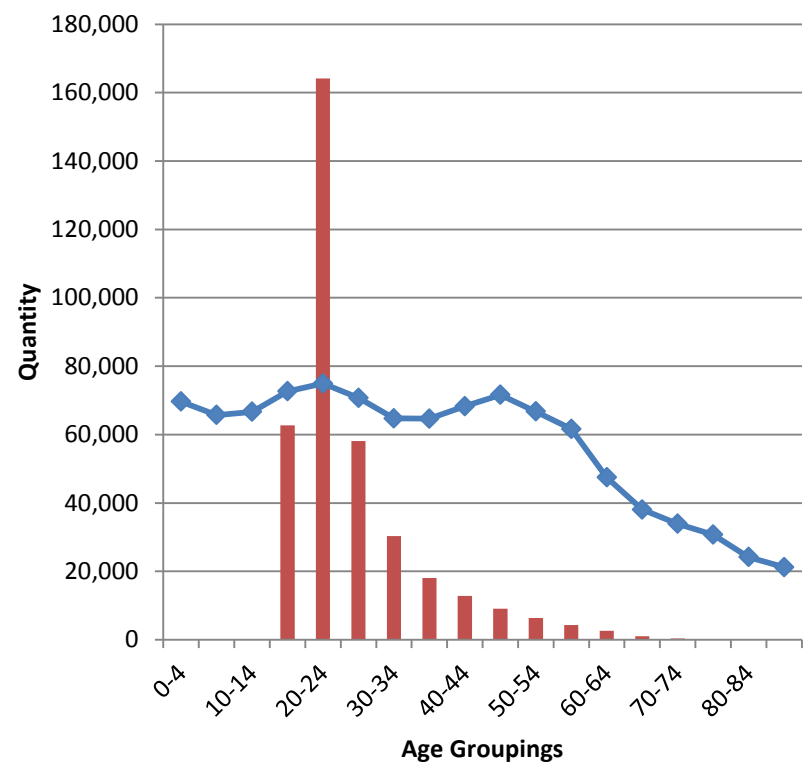


# Population vs. Student Age Data

Two Term Average of Credits Taken by Student Age (based on FY15, FY16)



Two Term Average of Credits Taken by Student Age Group (FY15, FY16) vs. 2008 Pima County Population

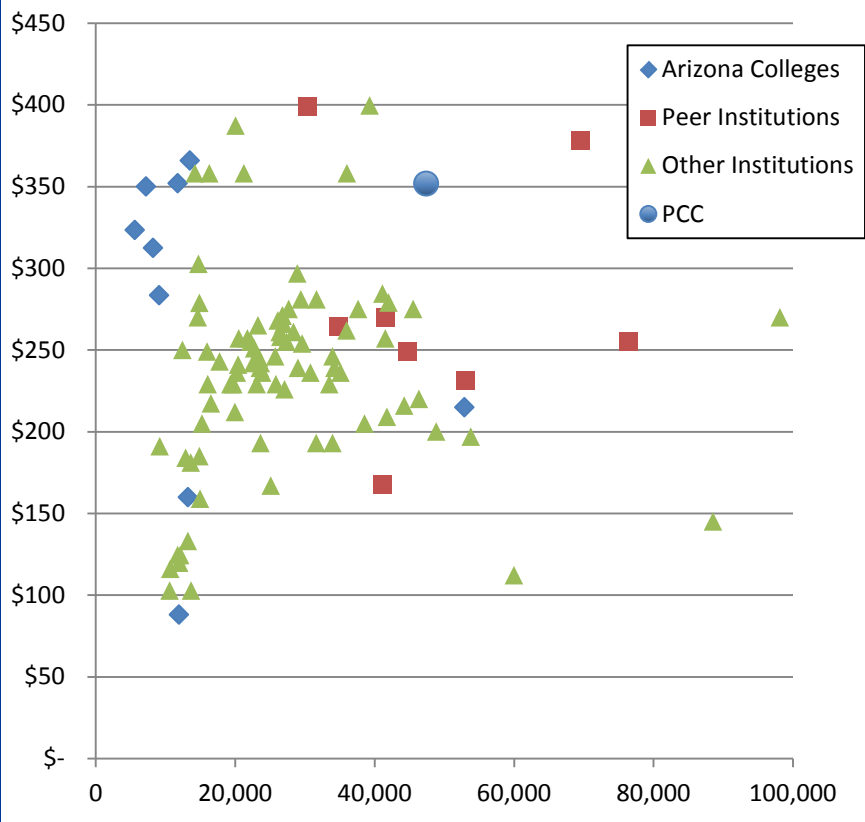


- Average # Credits taken by Age Grouping for 2 Terms
- ◆ 2008 Pima County Population by Age Grouping

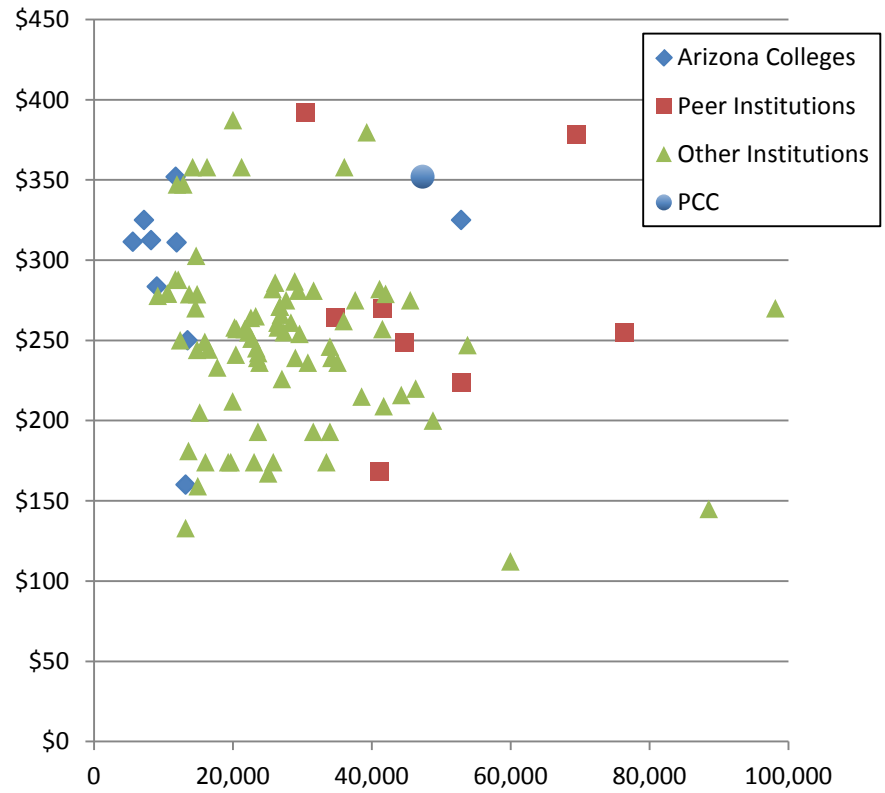


# Out of State and International Tuition Comparisons – 2 Year Colleges

## Out of State Online Tuition Charges



## International Tuition



# Approved FY 2017 Tuition Rates

Tuition Type	Change	Change per Unit	FY 2017 Rate	Revenue Impact
In-State Resident	Increase	+\$3.00	\$ 78.50	+ \$ 1.3 million
International Tuition - Classroom	Decrease	- \$52.00	300.00	- \$ 0.2 million
Out-of-State Non-Resident – Online	Decrease	- \$142.00	210.00	- \$ 1.0 million
Out-of-State Non-Resident – Classroom	Decrease	- \$52.00	300.00	- \$ 0.1 million
New Tuition Discount				
In-State, 55 yrs. old and above	Decrease	50% of In-State Rate	\$ 39.25	- \$ 0.3 million
Tiered/Capped Tuition at 15 units				- \$ 0.4 million
		<b>Net Revenue</b>		<b>- \$ 0.7 million</b>
<b>Plus Budget Reduction</b>				<b>- \$ 3.7 million</b>
<b>Expenditure Limitation FY 2017</b>				<b>\$ 97.6 million</b>





Questions?

Feedback?

