

Fiscal Year 2016-2017 Budget Planning & Outlook

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Spring 2016

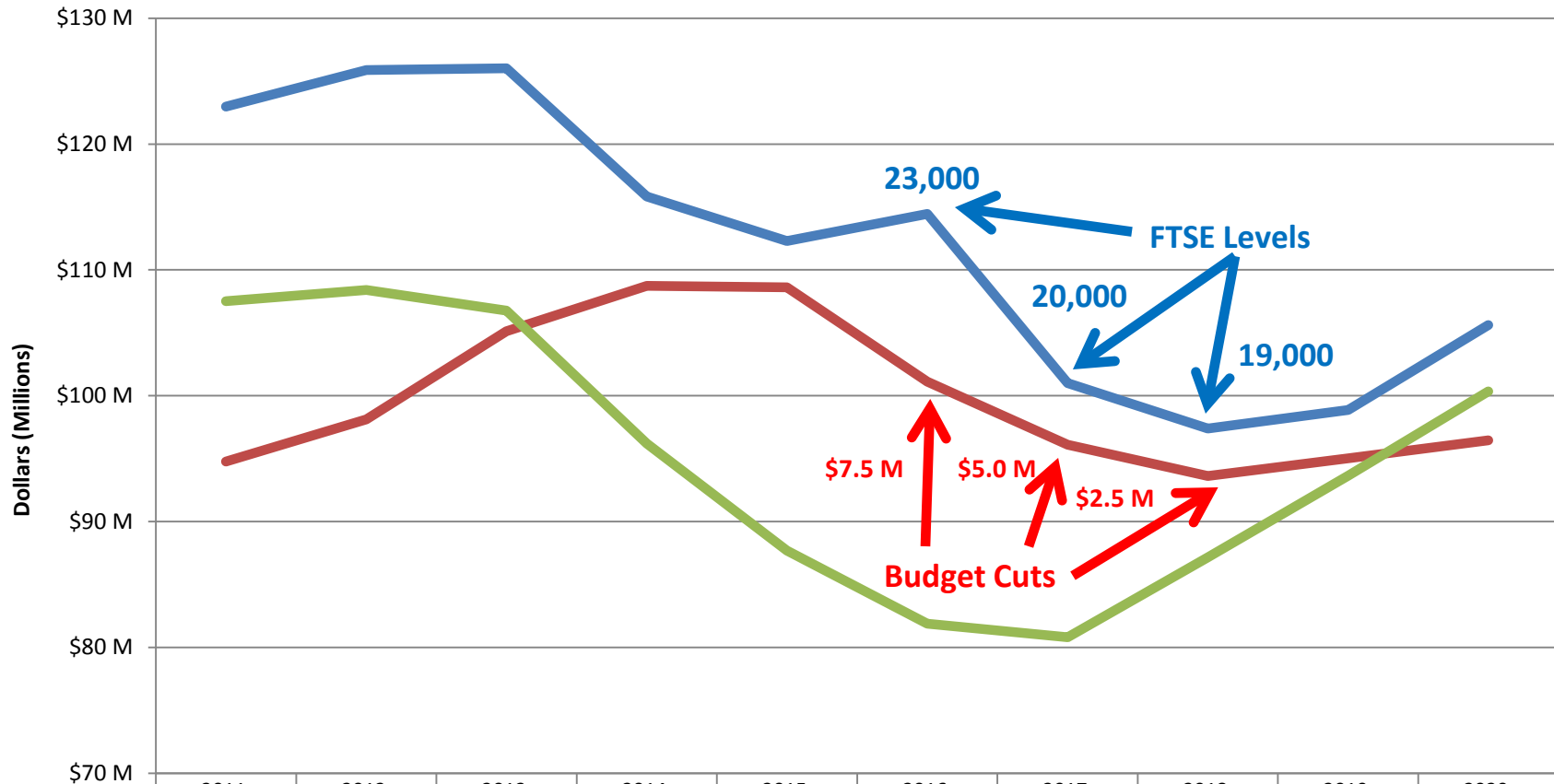


Major Factors Impacting Budget

- 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”



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>	Preliminary estimates
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		\$1.00 credit hour increase = \$450,000 additional revenue, presented at March Board Meeting
Other Revenue	0.7		
College Equity	0.5		
	<hr/>		
Total Resources	\$ 152.2		



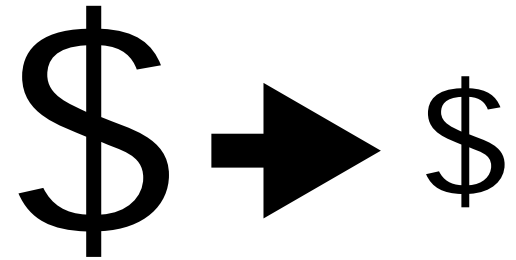
Preliminary Budget Estimates: FY 2017 – General Fund Expenses (\$ millions)

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

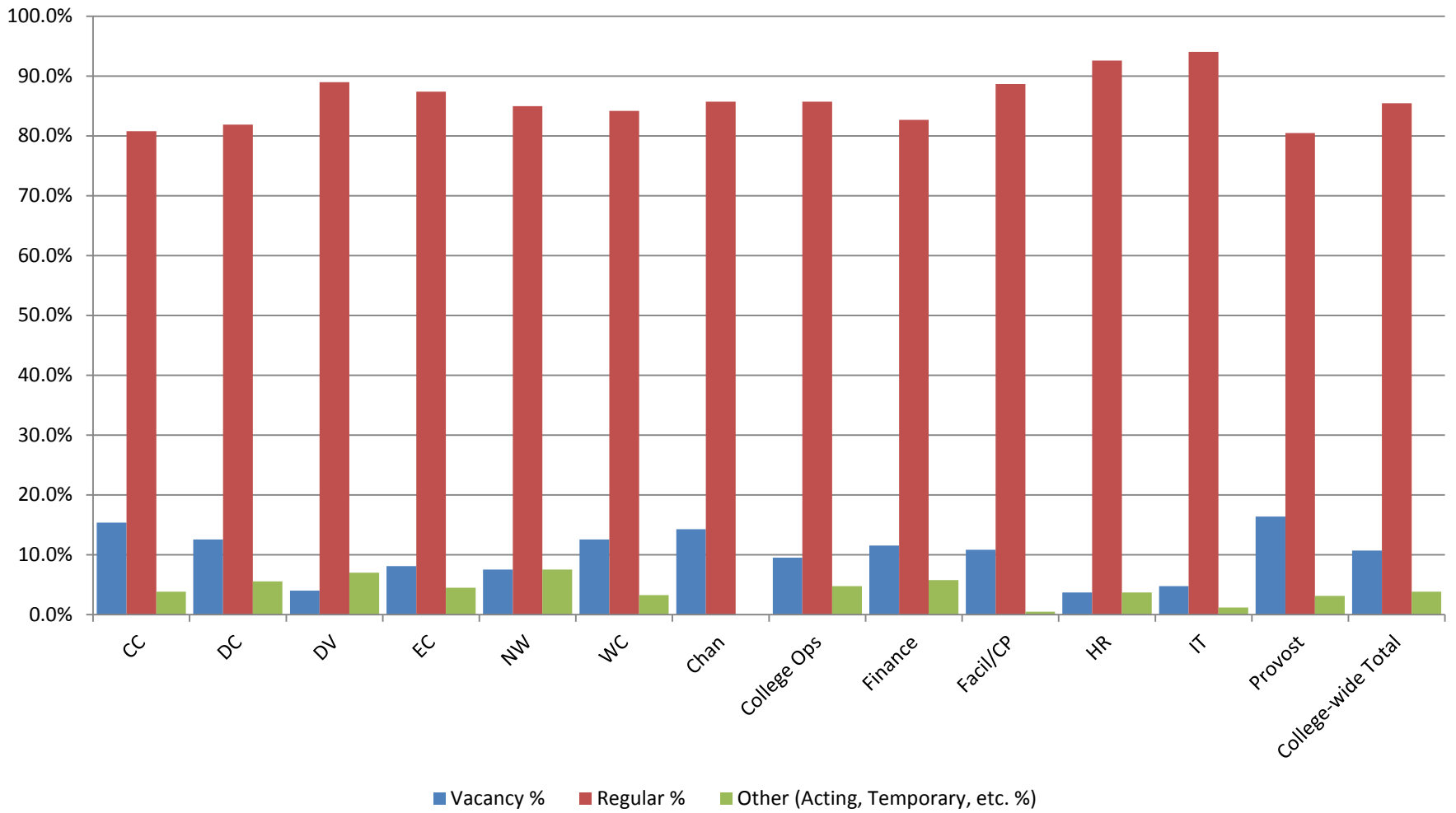


Expenditure Limitation (EL) Cost Reduction Strategies

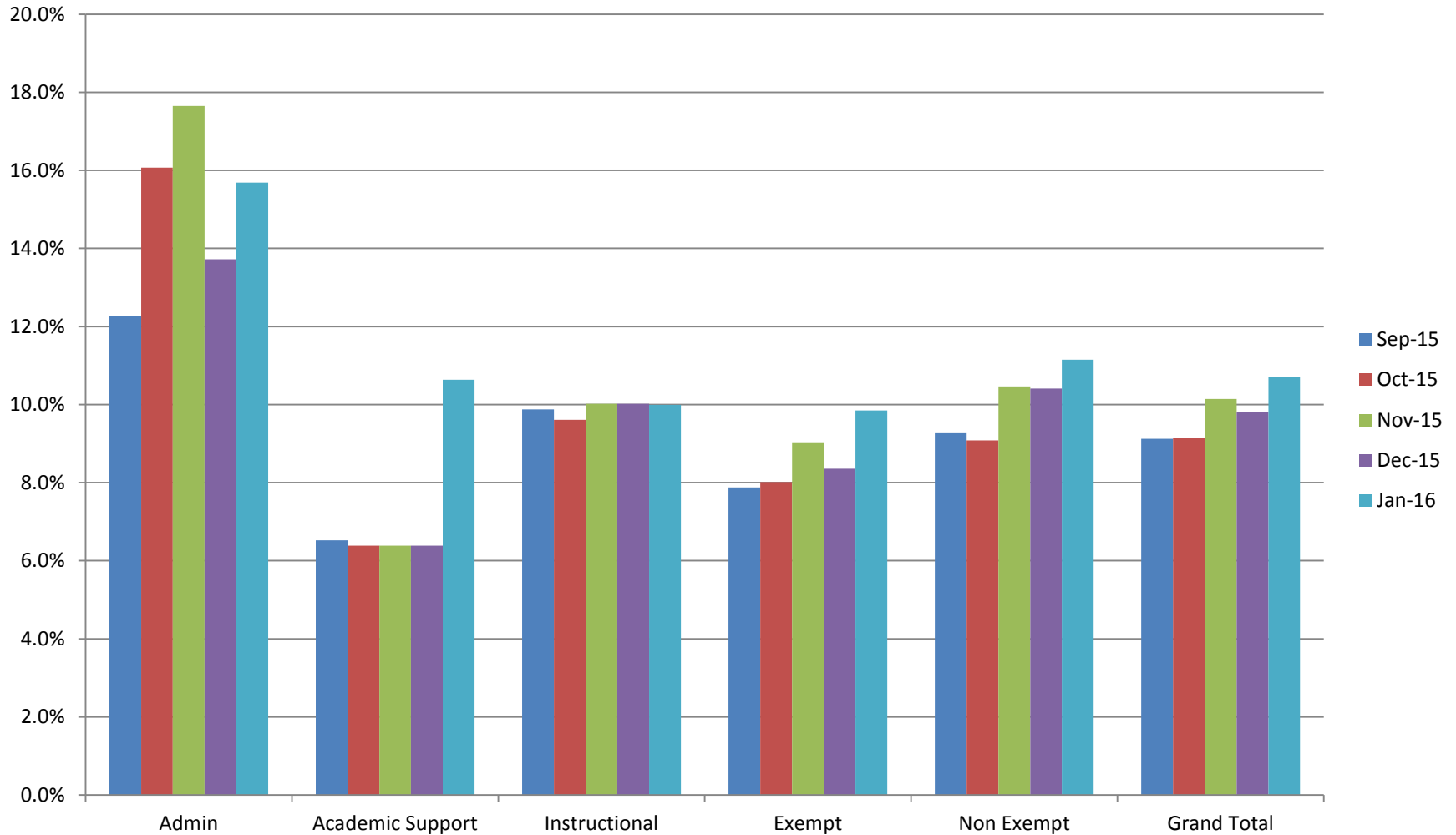
- Reorganization/Reductions
 - Campus/Department Consolidation
 - Hiring / Recruitment Reviews
 - Eliminate Positions
- Reduce Capital Budget
 - Lease purchase equipment vs. purchase
- Tuition Increase
- Tax Levy ➔ Fund future capital needs
 - Program innovation
 - Resource reallocation/consolidation



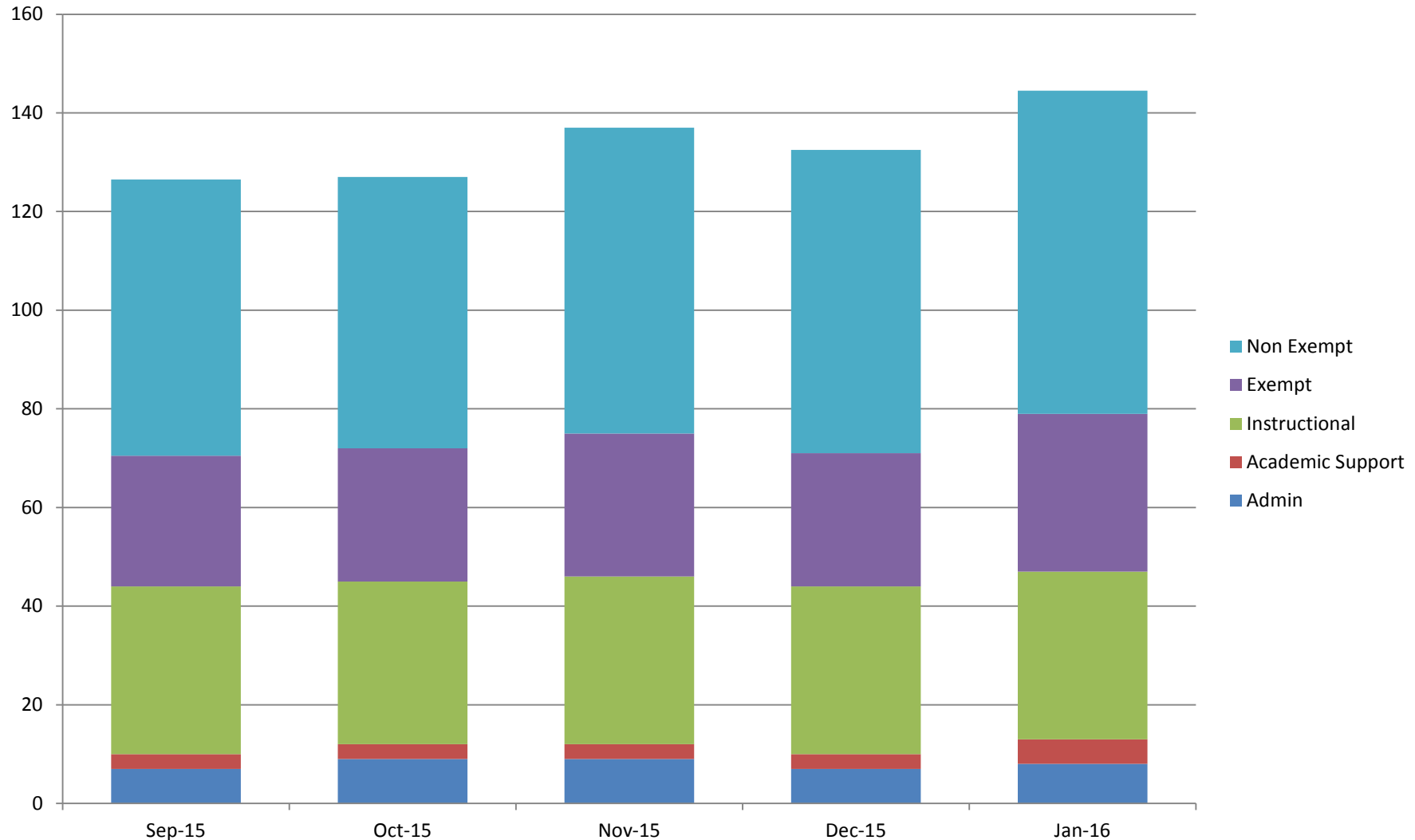
Percent of Positions Vacant and Filled Regular by College Unit (January 2016 data)



Percent Vacancy by Personnel Account Code and Month



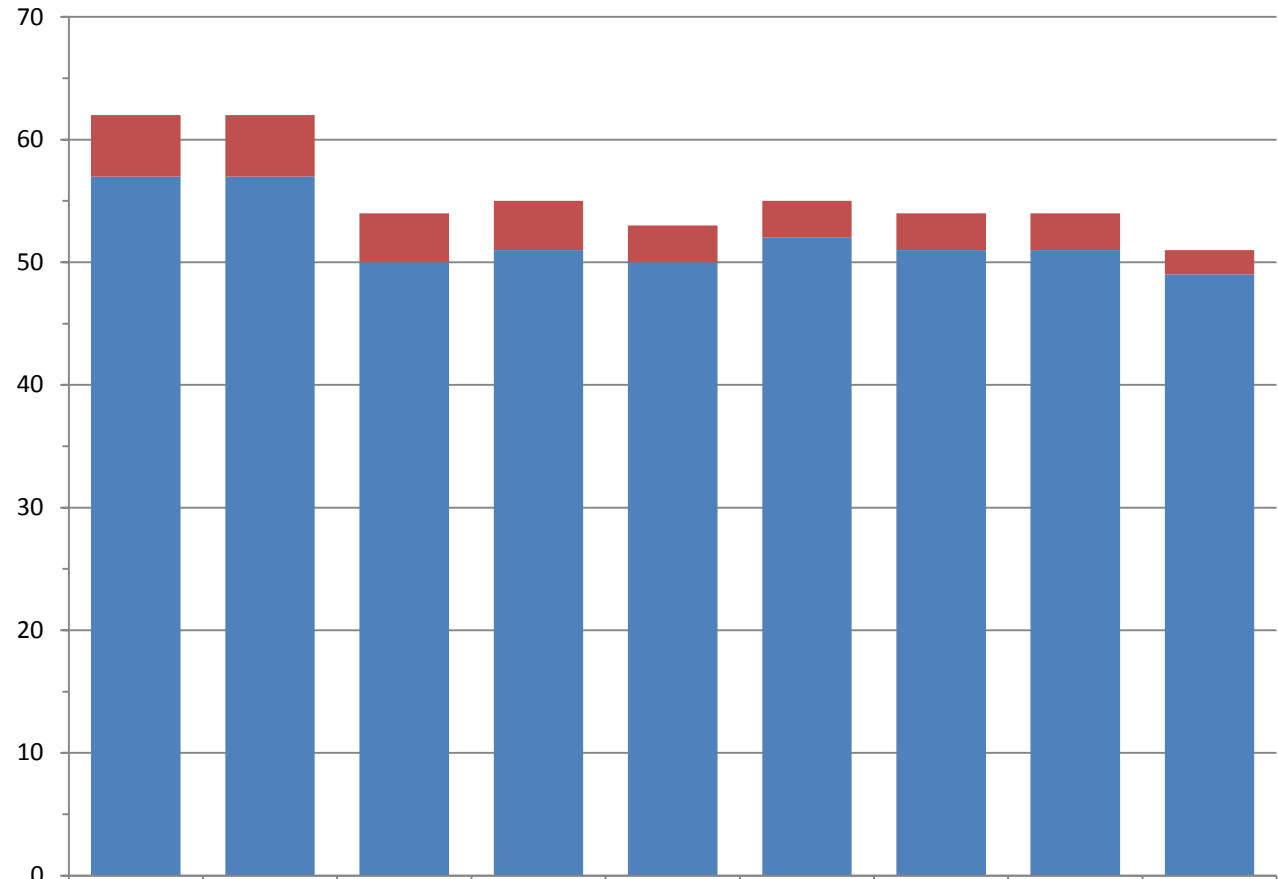
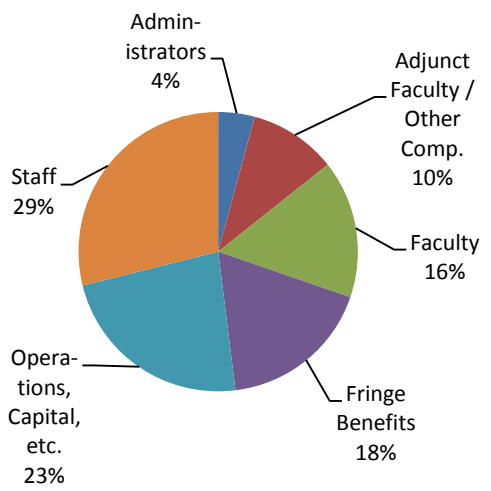
Change in Number of Vacant Positions by Month and Personnel Account Code



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



Tuition Options under Consideration

- Traditional In-State Tuition increase
 - \$1 per unit = \$450,000
- Tuition cap
- Lifelong learning program discount for 55+
- Out of State Tuition - market adjustment
- International Tuition - market adjustment



FY 2017 Tuition Base Recommendation

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



Questions?

Feedback?

