

# Fiscal Year 2016-2017 Budget Planning & Outlook

David Bea

*Executive Vice Chancellor for Finance and Administration*

Spring 2016

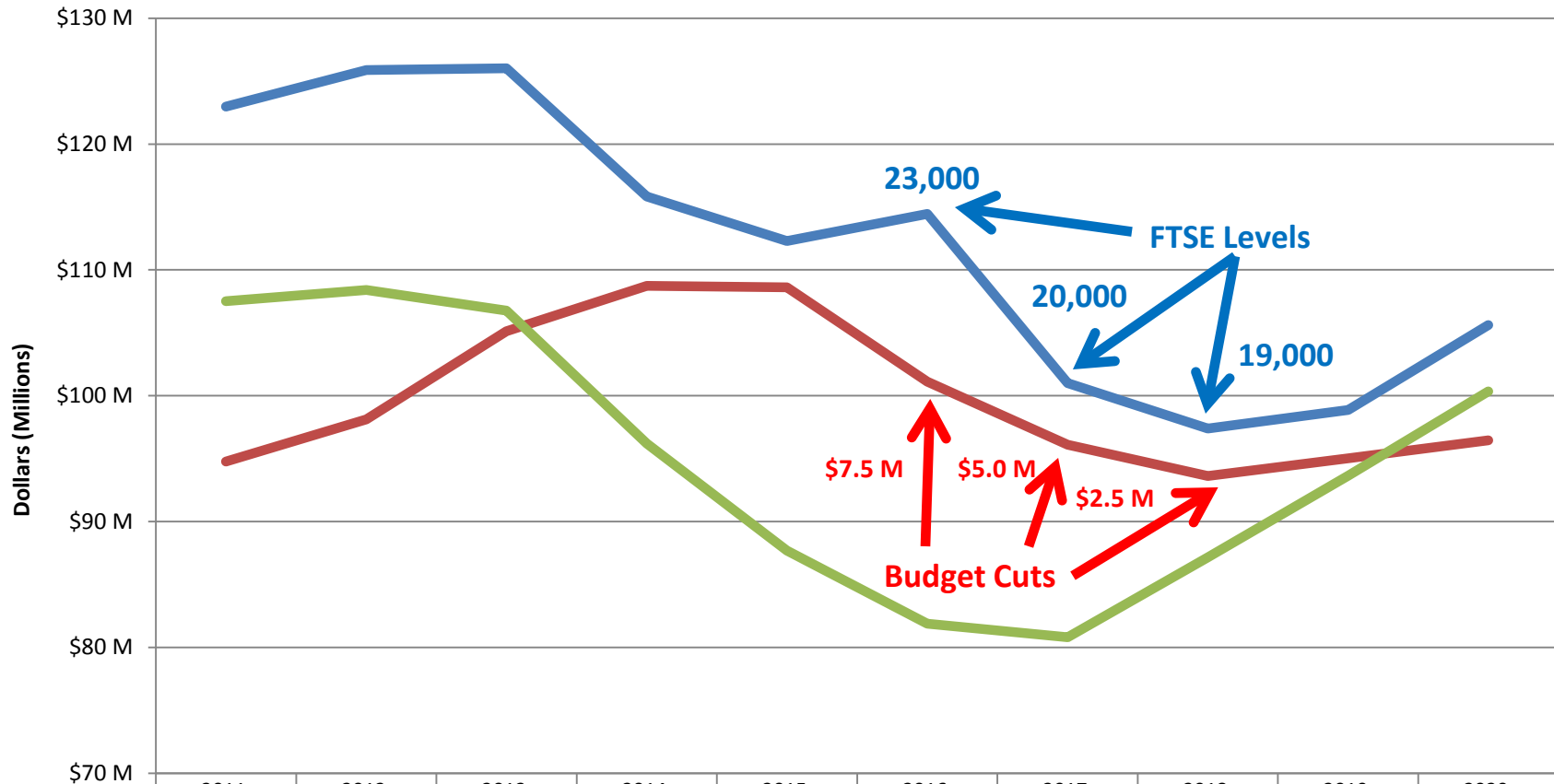


# Major Factors Impacting Budget

- 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”



# 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	\$ 4.0	1.89% - FY 2016 Growth 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 = \$500,000 additional revenue, presented at March Board Meeting
Other Revenue	0.7		
College Equity	<u>0.5</u>		
<b>Total Resources</b>	<b>\$ 152.2</b>		



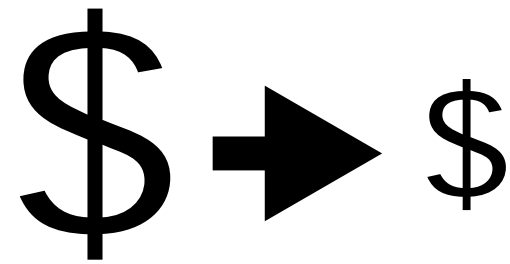
# Preliminary Budget Estimates: FY 2017 – General Fund Expenses (\$ millions)

	<u>FY 16</u>	<u>FY 17</u>	<b>Preliminary Estimates</b>
Personnel	\$ 90.1		
Fringe	27.0	\$ 1.5	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		
Reserves	5.7		
<b>Total</b>	<b>\$ 152.2</b>		



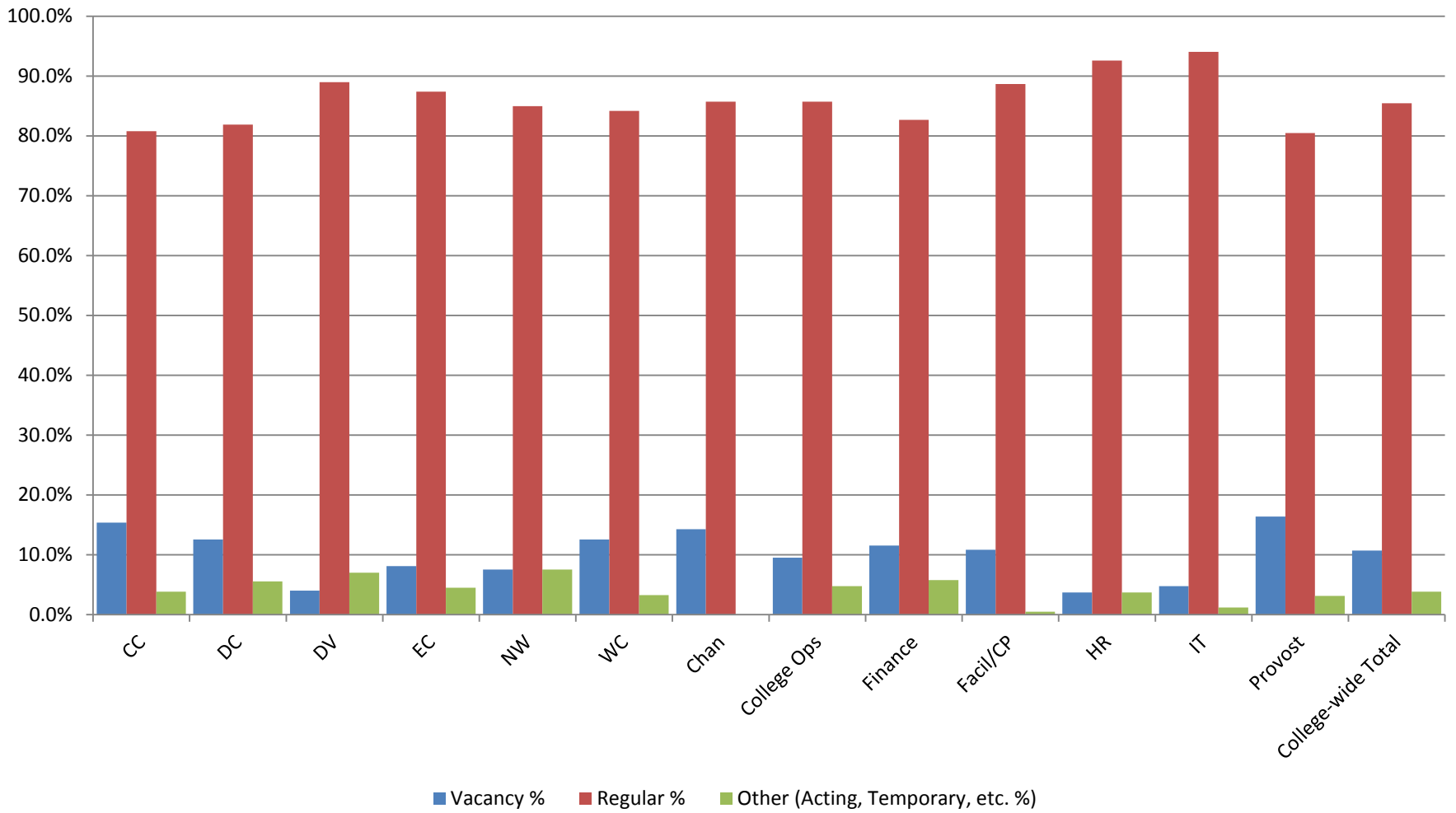
# Expenditure Limitation (EL) Cost Reduction Strategies - \$5 million

- 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

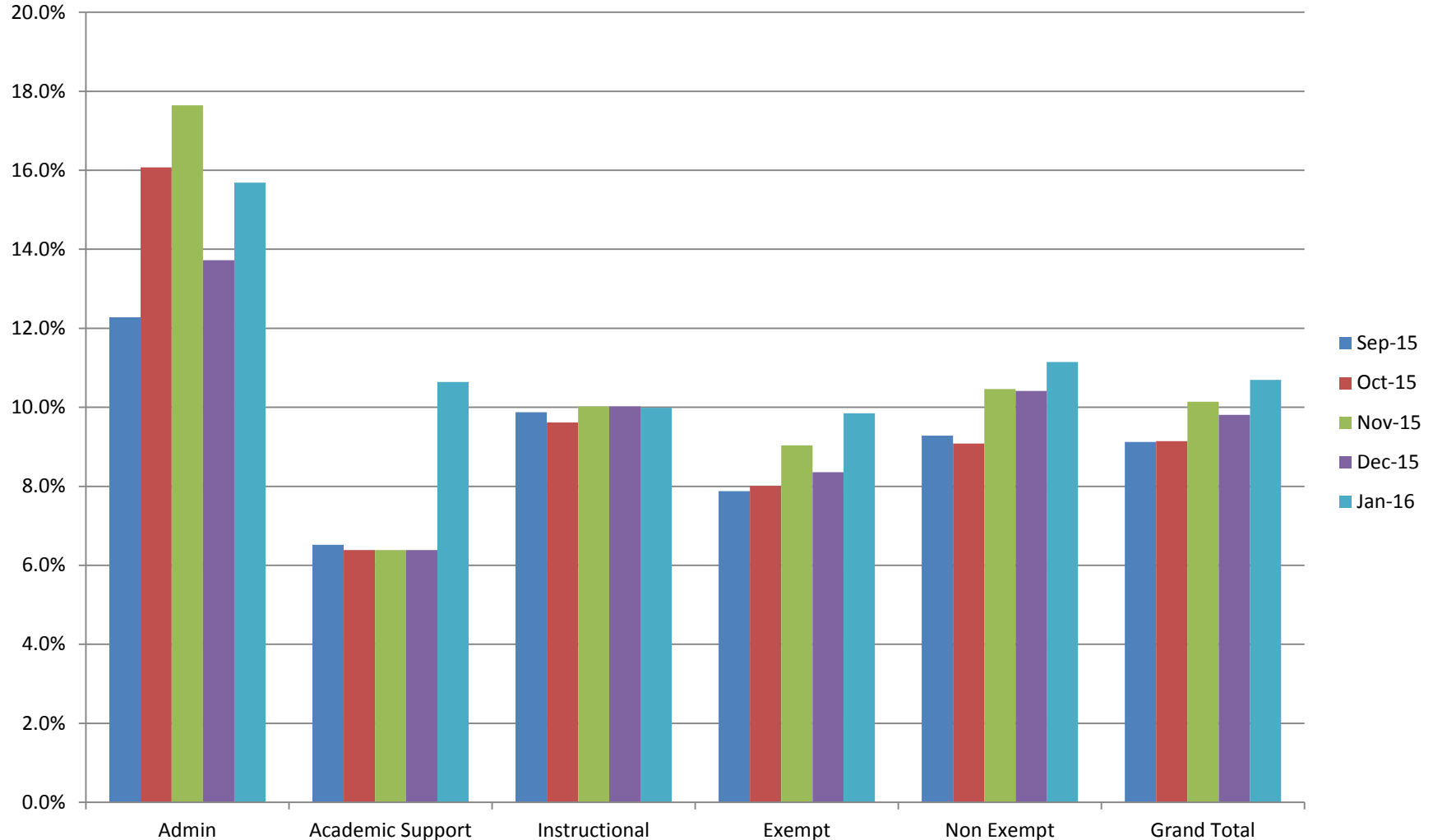




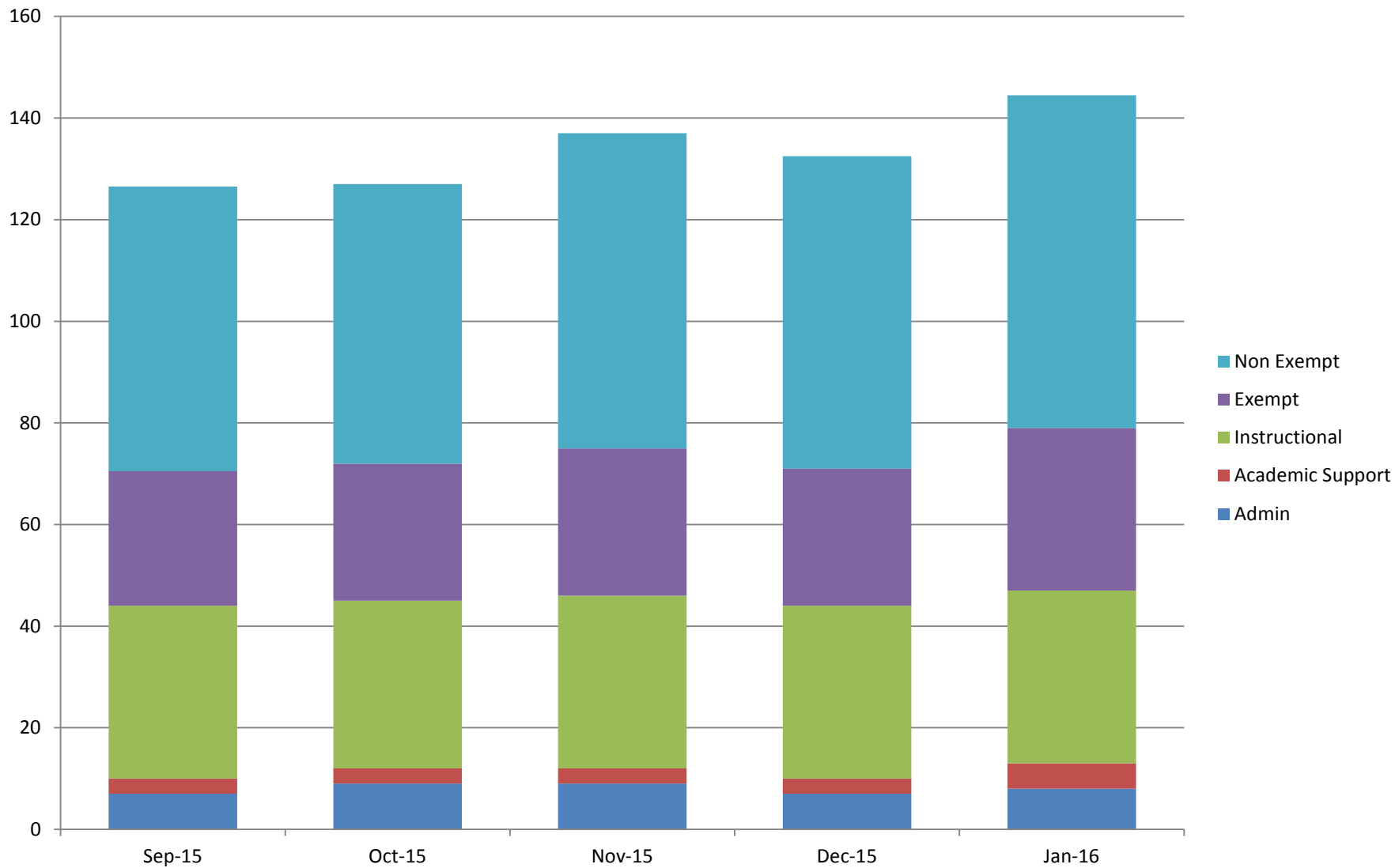
# Percent of Positions Vacant and Filled Regular by College Unit (January 2016 data)



# Percent Vacancy by Personnel Account Code and Month

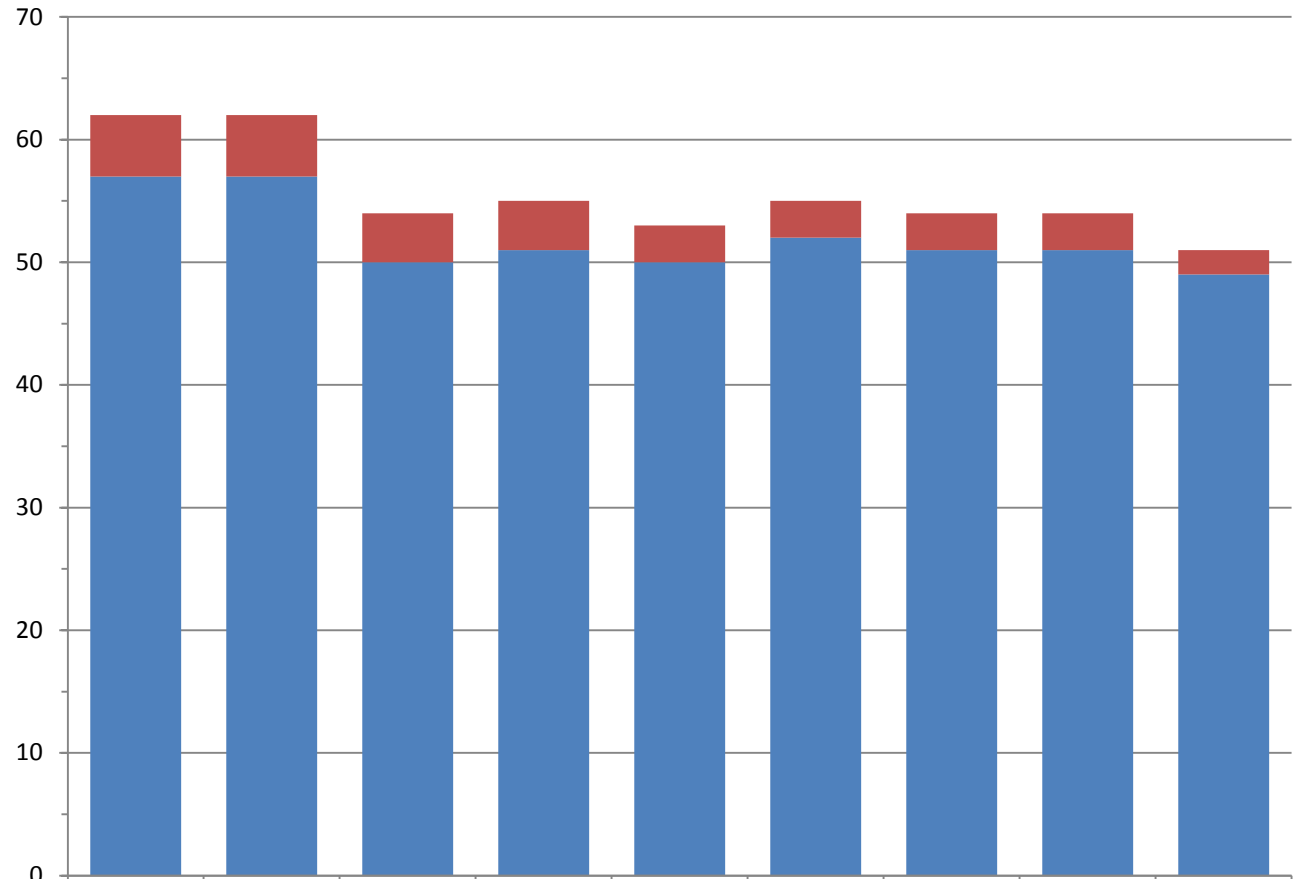


# Change in Number of Vacant Positions by Month and Personnel Account Code



# PCC Administrator Positions

(FY 2008-2016, All Funds)

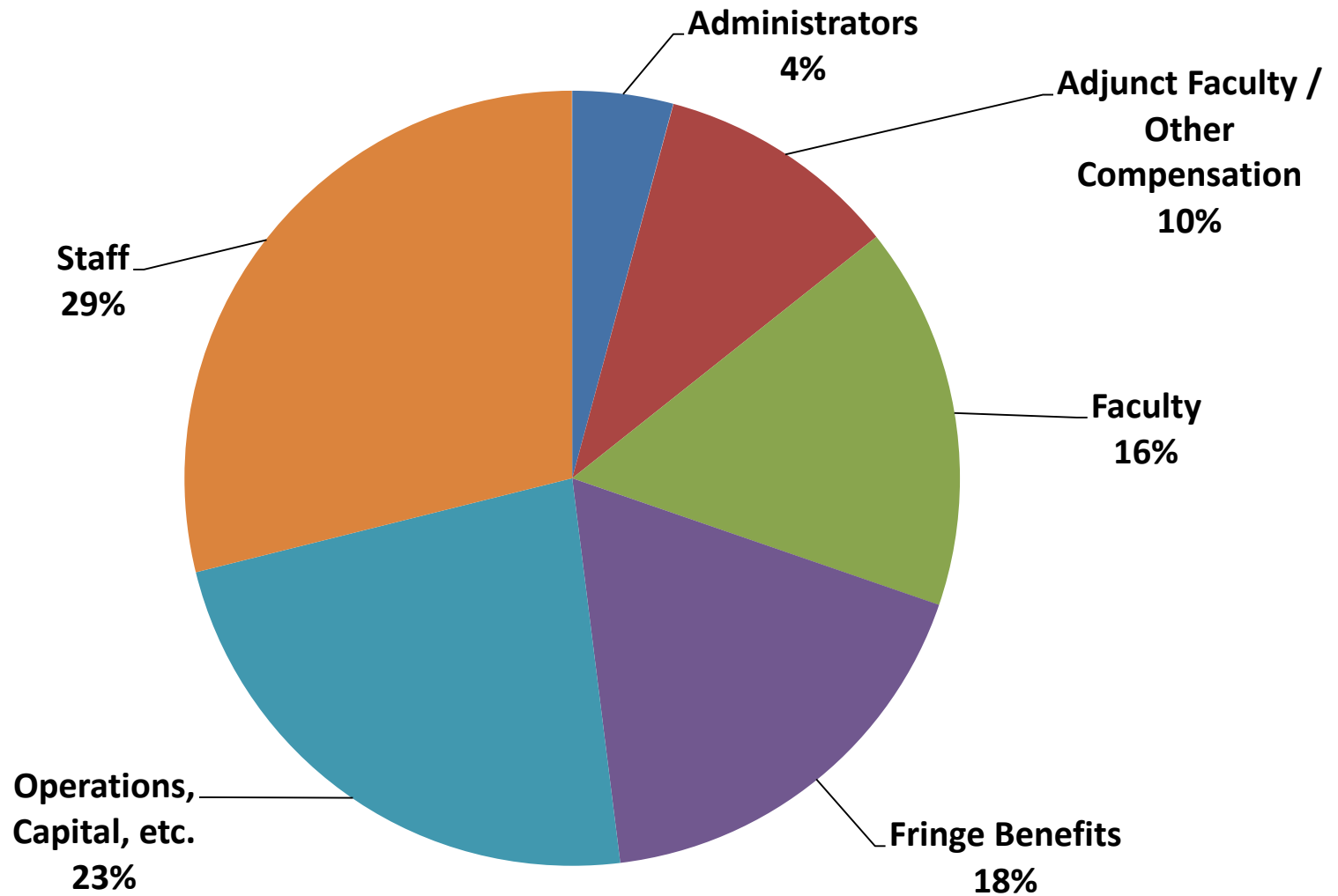


	2008	2009	2010	2011	2012	2013	2014	2015	2016
# Administrator Positions - Other Funds	5	5	4	4	3	3	3	3	2
# Administrator Positions - General Fund	57	57	50	51	50	52	51	51	49

Total 62 62 54 55 53 55 54 54 51



# PCC General Fund Budget Expenses, FY 2016



# FY 2017 Priorities for Discussion

- Continued Budget Reductions
- Health Benefit Costs
- Athletics
- Depreciation / Capital Project Funding
- Strategic Initiatives
- Tuition Options
- Strategic Resource Reallocation



# Questions?

