

# Public Hearing

- Truth in Taxation – Notice of Tax increase
- Adoption of Fiscal Year 2014 Proposed Budget

Board of Governors Meeting  
June 12, 2013

# Truth in Taxation - Notice of Tax increase



## Primary Property Tax Levy Detail

	<u>FY 13</u>	<u>FY 14 Levy Neutral</u>	<u>FY 14 Proposed</u>
Net Taxable Value Current Year (\$100s)	\$ 80,739,377	\$ 75,591,291	\$ 75,591,291
Overall Change in Valuation	-2.8%	-6.4%	-6.4%
Change from New Property	0.9%	1.9%	1.9%
Estimated Primary Tax Rate Authorization	1.1484	1.2496	1.2746
Primary Tax Levy	\$ 92,721,101	\$ 94,461,971	\$ 96,348,660
Change from previous fiscal year		\$ 1,740,870	\$ 3,627,559
Truth in Taxation Levy Increase			\$ 1,886,689

## Property Tax Levy Detail (per \$100 net assessed valuation)

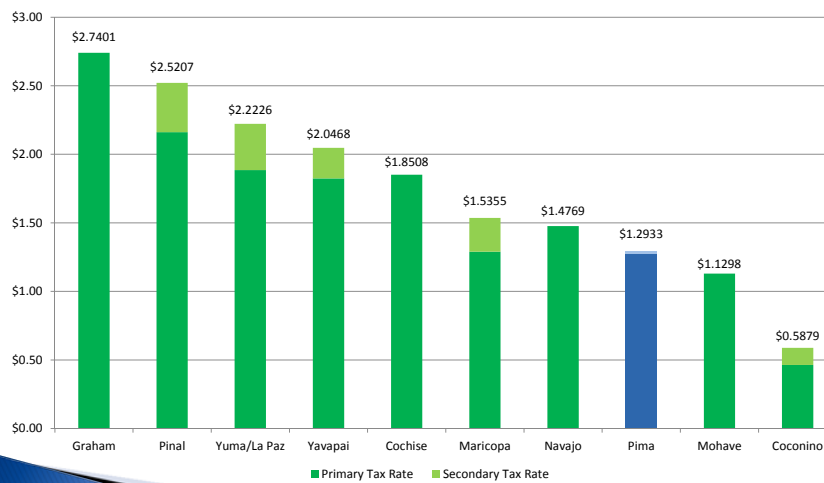
	<u>FY 12</u>	<u>FY 13</u>	<u>FY 14 Proposed</u>
Primary Tax Rate	\$ 1.0846	\$ 1.1484	\$ 1.2746
Secondary Tax Rate	\$ 0.0247	\$ 0.0257	\$ 0.0187
Combined Primary and Secondary Rates	\$ 1.1093	\$ 1.1741	\$ 1.2933

## Property Tax Comparison: Residential and Commercial Property

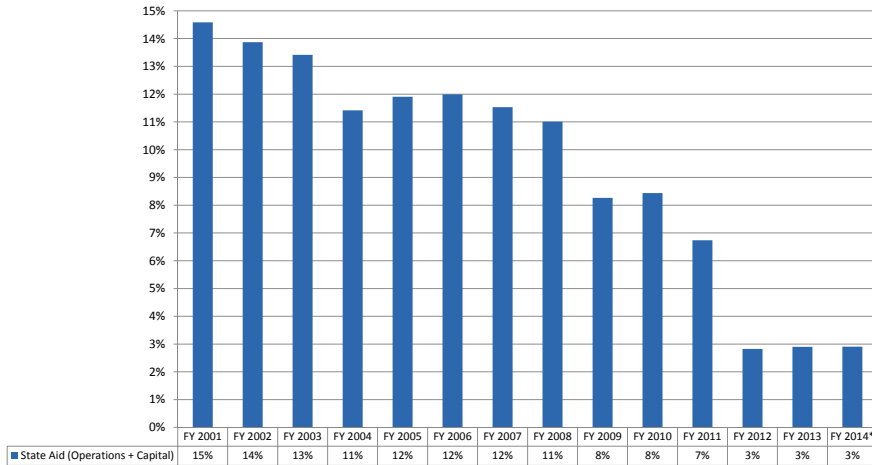
	<u>FY12</u>	<u>FY13</u>	<u>FY14 Proposed</u>	<u>FY14 Reassessed</u>
<b>Residential Property Summary</b>				
Property Value	\$ 100,000	\$ 100,000	\$ 100,000	\$ 93,620
Assessment Ratio	<u>0.10</u>	<u>0.10</u>	<u>0.10</u>	<u>0.10</u>
Assessed Value	10,000	10,000	10,000	9,362
PCC Combined Taxes Due	\$ <b>110.94</b>	\$ <b>117.41</b>	\$ <b>129.33</b>	\$ <b>121.08</b>
Change	<b>2.3%</b>	<b>5.8%</b>	<b>10.2%</b>	<b>3.13%</b>
<b>Commercial Property Summary</b>				
Property Value	\$ 100,000	\$ 100,000	\$ 100,000	\$ 93,620
Assessment Ratio	<u>0.20</u>	<u>0.20</u>	<u>0.195</u>	<u>0.195</u>
Assessed Value	20,000	20,000	19,500	18,256
PCC Combined Taxes Due	\$ <b>221.88</b>	\$ <b>234.82</b>	\$ <b>252.19</b>	\$ <b>236.10</b>
Change	<b>-2.6%</b>	<b>5.8%</b>	<b>7.4%</b>	<b>0.5%</b>

\*Assumes FCV and Limited Value are identical for both residential and commercial property examples

## AZ Community College Proposed Property Tax Rates FY 2014 (Rates Per \$100 Net Assessed Valuation. Combined rates are shown)

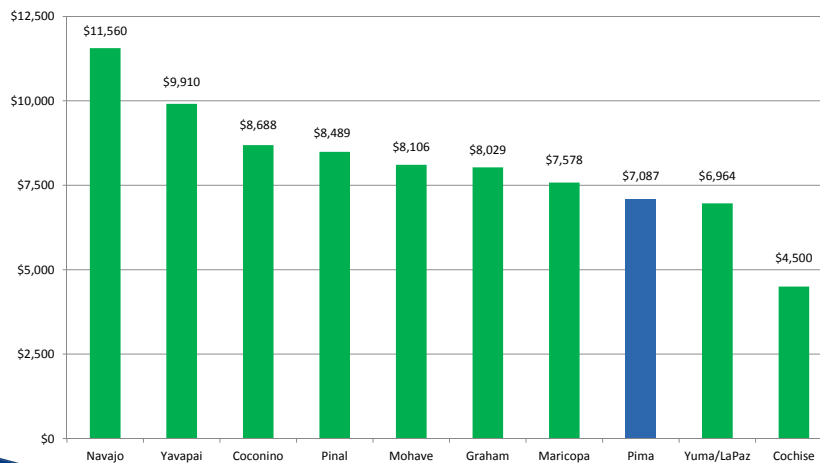


## PCC Budgeted State Aid as a percent of Total Revenue FY 2001 - FY 2014 (all funds)

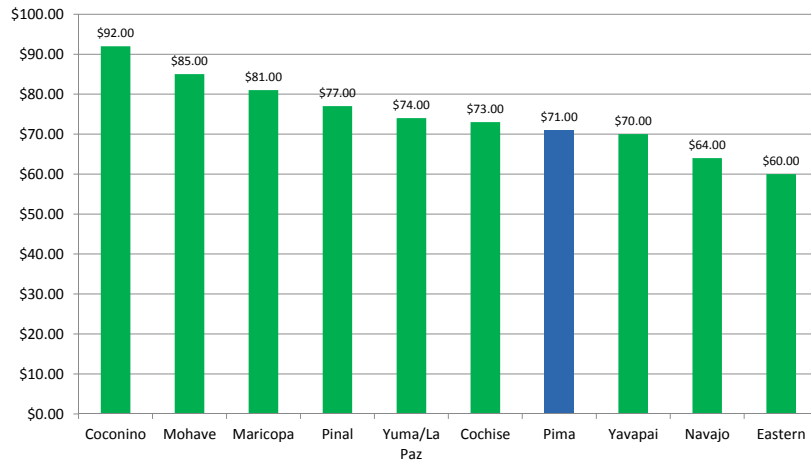


\* Proposed

## AZ Community College Cost per Full-time Student Equivalent (FTSE) FY 2014 (Proposed General Fund Budget)



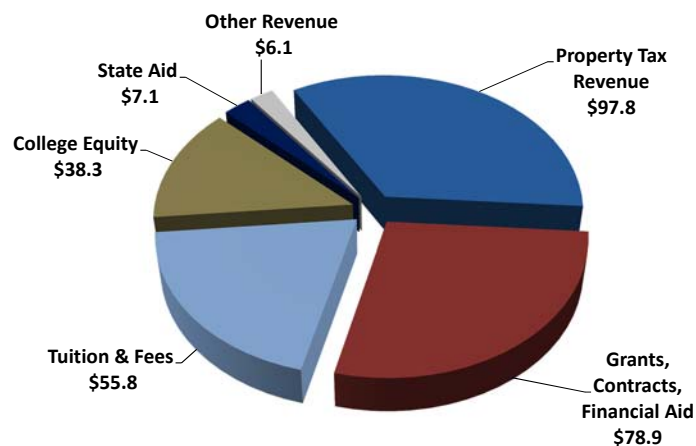
## AZ Community College Tuition + Fees Cost per Unit FY 2014 (In-State/Resident)



Questions?  
Comments?

# Adoption of Fiscal Year 2014 Proposed Budget

## FY 2013-2014 Proposed Budget Summary \$284 million (all funds, in \$ millions)



## Revenues

### Tax Levy

- Primary
  - Growth of 1.88%, \$1.8 million
  - Levy Increase of 2.0%, \$1.9 million
- Secondary
  - Decrease of \$676,000

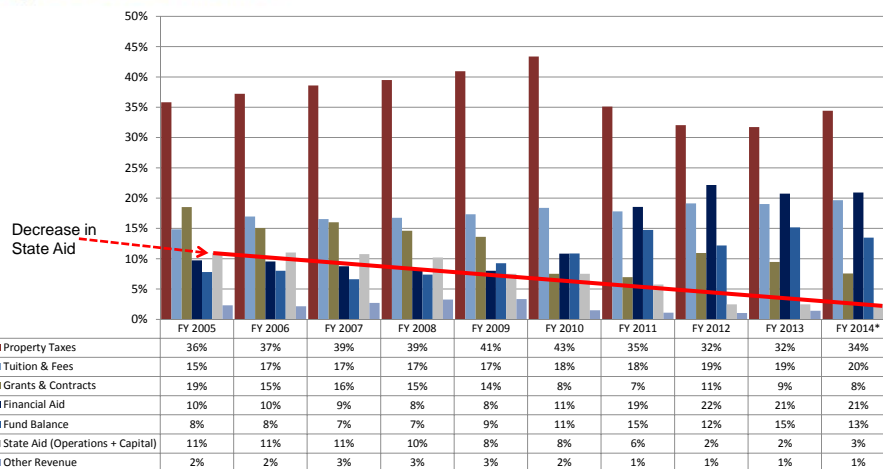
### Tuition and Fees

- Increase In-state tuition from \$63.50 per unit to \$65.50 per unit
- Eliminate discounted rate for Out-of-State Tuition (<7 units)
- Out-of-State Tuition (7+ units): from \$319 to \$329 per unit
- \$0.50 increase per unit to Student Services fee
- \$0.50 increase per unit to Technology fee

### State Funding:

- \$217,000 decrease
- No Capital funding

## Proportional Budgeted Revenue and Fund Balance by Source (all funds)

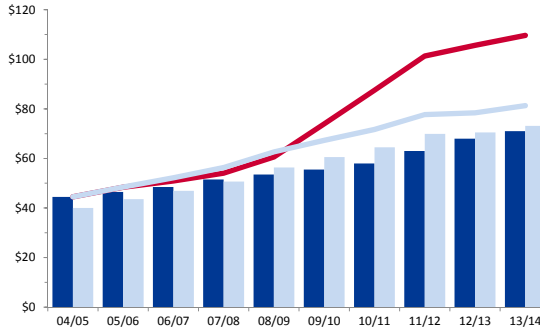


\* Proposed



## PCC Tuition and Fee Charges per Unit (in-state rates)

Year	Per Unit	\$ Change	% Change
04/05 *	44.50	2.50	6.0%
05/06	46.50	2.00	4.5%
06/07	48.50	2.00	4.3%
07/08 **	51.50	3.00	6.2%
08/09 ***	53.50	2.00	3.9%
09/10	55.50	2.00	3.7%
10/11 ****	58.00	2.50	4.5%
11/12	63.00	5.00	8.6%
12/13	68.00	5.00	7.9%
13/14 #	71.00	3.00	4.4%



- \* Student Services Fee added, \$2.50 per unit
- \*\* Technology Fee added, \$2.00 per unit
- \*\*\* Student Services Fee reduced by \$0.50 to \$2.00
- \*\*\*\* Student Services Fee increased by \$0.50 to \$2.50 per unit
- # Student Services Fee increased by \$0.50 to \$3.00 per unit, and Technology Fee increased by \$0.50 to \$2.50 per unit

■ PCC \$ per unit  
■ Avg. of AZ Community Colleges \$ per unit  
— Indexed Avg. of AZ Universities  
— Indexed Avg. of AZ Community Colleges

## Budgeted Revenues by Source (all funds, in \$ millions)

	FY13	Proposed FY14	Change
Property Tax Levy	\$ 94.8	\$ 97.8	\$ 3.0
State Aid Appropriation	7.4	7.1	-0.3
Tuition and Fees	56.9	55.8	-1.1
Other Revenue	5.4	5.3	-0.1
Investment Income	0.8	0.8	0.0
Grants and Contracts	88.2	78.9	-9.3
College Equity	<u>45.4</u>	<u>38.3</u>	<u>-7.1</u>
<b>Total Resources</b>	<b>\$ 298.9</b>	<b>\$ 284.0</b>	<b>\$ -14.9</b>

## FY 2014 Major Expenses

- ▶ Mandatory Cost Increases - examples
  - Retirement Costs
    - ASRS rate change from 11.14% to 11.54%
  - Health Benefits
  - Systems Licenses and Maintenance Fees
  - Utilities
- ▶ College Priorities
  - Athletics
  - Information Technology
  - Adult Basic Education
  - College Safety and Security
  - Salary Pool Increases

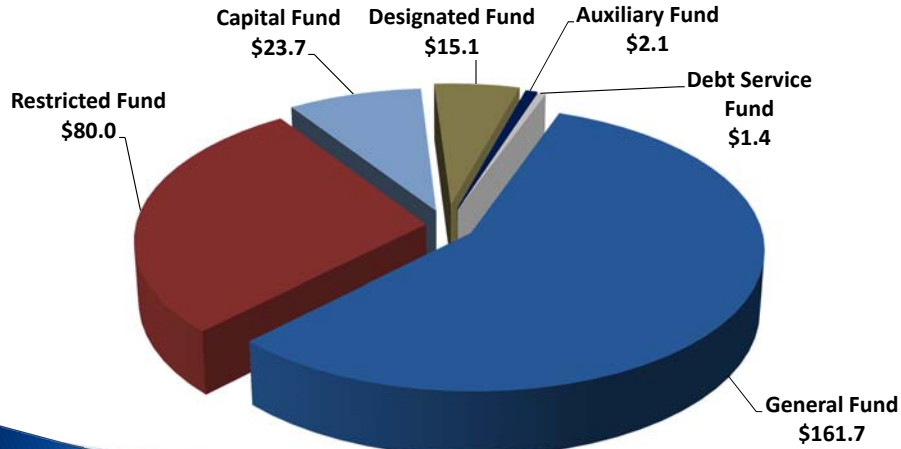
## Expenditures by Fund

(all funds, in \$ millions)

	<u>FY 13</u>	<u>Proposed FY 14</u>	<u>Change</u>
General Fund	\$ 161.5	\$ 161.7	\$ 0.2
Designated Fund	16.4	15.1	-1.3
Restricted Fund	89.6	80.0	-9.6
Capital	27.1	23.7	-3.4
Auxiliary	2.2	2.1	-0.1
Debt Service	<u>2.1</u>	<u>1.4</u>	<u>-0.7</u>
<b>Total</b>	<b>\$298.9</b>	<b>\$284.0</b>	<b>\$ -14.9</b>

# FY 2013-2014 Proposed Budget Summary

## \$ 284 million (all funds, in \$ millions)



### PIMA COUNTY COMMUNITY COLLEGE DISTRICT

#### BUDGET FOR FISCAL YEAR 2014 SUMMARY OF BUDGET DATA

	Budget 2014	Budget 2013	Increase/Decrease From Budget 2013 To Budget 2014	
			Amount	%
<b>I. CURRENT GENERAL AND PLANT FUNDS</b>				
<b>A. Expenditures:</b>				
Current General Fund	\$ 166,540,000	\$ 165,658,000	\$ 882,000	0.5%
Unexpended Plant Fund	36,714,000	38,503,000	(1,789,000)	-4.6%
Retirement of Indebtedness Plant Fund	1,423,000	\$ 499,000	(4,375,000)	-73.1%
<b>TOTAL</b>	<b>\$ 204,678,000</b>	<b>\$ 209,660,000</b>	<b>\$ (4,982,000)</b>	<b>-2.4%</b>
<b>B. Expenditures Per Full-Time Student Equivalent (FTSE):</b>				
Current General Fund	\$ 7,687 /FTSE	\$ 6,311 /FTSE	\$ 1,376 /FTSE	21.8%
Unexpended Plant Fund	\$ 1,562 /FTSE	\$ 1,481 /FTSE	\$ 81 /FTSE	5.5%
Projected FTSE Count	23,500	26,000		
<b>II. TOTAL ALL FUNDS ESTIMATED PERSONNEL COMPENSATION</b>				
Employee Salaries and Hourly Costs	\$ 99,632,000	\$ 101,314,000	\$ (1,682,000)	-1.7%
Retirement Costs	9,611,000	9,253,000	358,000	3.9%
Healthcare Costs	12,141,000	11,942,000	199,000	1.7%
Other Benefit Costs	8,822,000	9,511,000	(689,000)	-7.2%
<b>TOTAL</b>	<b>\$ 130,206,000</b>	<b>\$ 132,020,000</b>	<b>\$ (1,814,000)</b>	<b>-1.4%</b>
<b>III. SUMMARY OF PRIMARY AND SECONDARY PROPERTY TAX LEVIES AND RATES</b>				
<b>A. Amount Levied:</b>				
Primary Tax Levy	\$ 96,348,660	\$ 92,721,000	\$ 3,627,660	3.9%
Secondary Tax Levy	1,423,000	2,098,000	(675,000)	-32.2%
<b>TOTAL LEVY</b>	<b>\$ 97,771,660</b>	<b>\$ 94,819,000</b>	<b>\$ 2,952,660</b>	<b>3.1%</b>
<b>B. Rates Per \$100 Net Assessed Valuation:</b>				
Primary Tax Rate	1.2746	1.1484	0.1262	11.0%
Secondary Tax Rate	0.0157	0.0227	(0.0070)	-27.2%
<b>TOTAL RATE</b>	<b>1.2903</b>	<b>1.1711</b>	<b>0.1192</b>	<b>10.2%</b>
<b>IV. MAXIMUM ALLOWABLE PRIMARY PROPERTY TAX LEVY FOR FISCAL YEAR 2014 PURSUANT TO A.R.S. §42-17051</b>				
			\$ 96,348,660	
<b>V. AMOUNT RECEIVED FROM PRIMARY PROPERTY TAXES IN FISCAL YEAR 2013 IN EXCESS OF THE MAXIMUM ALLOWABLE AMOUNT AS CALCULATED PURSUANT TO A.R.S. §42-17051</b>				
			\$ _____	

**PIMA COUNTY COMMUNITY COLLEGE DISTRICT**  
**BUDGET FOR FISCAL YEAR 2014**  
**RESOURCES**

	CURRENT FUNDS			PLANT FUNDS		Other Funds 2014	Total All Funds 2014	Total All Funds 2013	% Increase/Decrease
	General Fund 2014	Restricted Fund 2014	Auxiliary Fund 2014	Unexpended Plant Fund 2014	Retirement of Indebtedness 2014				
<b>BEGINNING BALANCES - July 1*</b>									
Restricted	\$	\$ 2,475,000	\$	\$	\$ 1,509,000	\$	\$ 3,984,000	\$ 4,927,000	-19.1%
Unrestricted	\$ 62,474,000		\$ 9,005,000	\$ 26,866,000			\$ 98,345,000	\$ 102,809,000	-4.3%
<b>Total Beginning Balances</b>	\$ 62,474,000	\$ 2,475,000	\$ 9,005,000	\$ 26,866,000	\$ 1,509,000	\$	\$ 102,329,000	\$ 107,736,000	-5.0%
<b>REVENUES AND OTHER INFLOWS</b>									
<b>Student Tuition and Fees</b>									
General Tuition	\$ 43,559,000						\$ 43,559,000	\$ 44,405,000	-1.0%
Out-of-District Tuition	12,000						12,000	12,000	
Out-of-State Tuition	4,987,000						4,987,000	6,069,000	-17.0%
Student Fees	8,348,000			1,400,000			9,748,000	9,392,000	3.7%
Tuition and Fee Remissions or Waivers	(2,771,000)						(2,771,000)	(3,015,000)	-8.1%
<b>State Appropriations</b>									
Maintenance Support	7,137,000						7,137,000	7,354,000	-3.0%
Equalization Aid									
Capital Support									
<b>Property Taxes</b>									
Primary Tax Levy	96,349,000						96,349,000	92,721,000	3.9%
Secondary Tax Levy				1,423,000			1,423,000	2,098,000	-32.2%
Gifts, Grants, and Contracts	2,555,000	77,321,000					79,876,000	80,507,000	-10.0%
Sales and Services	805,000		1,768,000				2,573,000	1,746,000	47.8%
Investment Income				3,000			3,000	806,000	-99.7%
State Shared Sales Tax		2,100,000					2,100,000	2,000,000	5.0%
Other Revenues	144,000		287,000				431,000	442,000	-2.5%
Proceeds from Sale of Bonds									
<b>Total Revenues and Other Inflows</b>	\$ 161,423,000	\$ 79,431,000	\$ 2,055,000	\$ 1,400,000	\$ 1,424,000	\$	\$ 245,733,000	\$ 253,537,000	-3.1%
<b>TRANSFERS</b>									
Transfers In	4,313,000	150,000		13,070,000			17,533,000	14,953,000	17.3%
Transfers Out	(14,566,000)	(2,325,000)	(742,000)				(17,633,000)	(14,953,000)	17.3%
<b>Total Transfers</b>	(10,253,000)	(2,175,000)	(742,000)	13,070,000					
<b>Less:</b>									
Emergency and cash reserves	(14,945,000)		(2,300,000)		(1,509,000)		(18,754,000)	(25,138,000)	-25.4%
Future capital projects	(32,159,000)		(6,651,000)	(4,622,000)			(43,432,000)	(35,057,000)	-23.9%
Indirect cost recovery		(1,871,000)					(1,871,000)	(2,161,000)	-13.4%
<b>Total Resources Available for the Budget Year</b>	\$ 166,540,000	\$ 77,960,000	\$ 1,367,000	\$ 36,714,000	\$ 1,424,000	\$	\$ 284,005,000	\$ 298,921,000	-5.0%

\*These amounts exclude amounts not in spendable form (i.e., prepaids, inventories, and capital assets) or amounts legally or contractually required to be maintained intact.



**PIMA COUNTY COMMUNITY COLLEGE DISTRICT**  
**BUDGET FOR FISCAL YEAR 2014**  
**EXPENDITURES AND OTHER OUTFLOWS**

	CURRENT FUNDS			PLANT FUNDS		Other Funds 2014	Total All Funds 2014	Total All Funds 2013	% Increase/Decrease
	General Fund 2014	Restricted Fund 2014	Auxiliary Fund 2014	Unexpended Plant Fund 2014	Retirement of Indebtedness 2014				
<b>TOTAL RESOURCES AVAILABLE FOR THE BUDGET YEAR (from Schedule B)</b>	\$ 166,540,000	\$ 77,960,000	\$ 1,367,000	\$ 36,714,000	\$ 1,424,000	\$	\$ 284,005,000	\$ 298,921,000	-5.0%
<b>EXPENDITURES AND OTHER OUTFLOWS</b>									
<b>Instruction</b>	\$ 59,595,000	\$ 10,945,000					\$ 70,540,000	\$ 73,898,000	-4.5%
Public Service									
Academic Support	26,179,000	6,860,000					33,039,000	30,277,000	9.1%
Student Services	23,650,000	2,743,000					26,393,000	25,700,000	2.7%
Institutional Support (Administration)	36,792,000	42,000					36,834,000	37,993,000	-11.6%
Operation and Maintenance of Plant	13,567,000	250,000					13,817,000	15,536,000	-11.1%
Scholarships	1,004,000	57,120,000					58,124,000	70,008,000	-17.0%
Auxiliary Enterprises			1,367,000				1,367,000	1,468,000	-6.9%
Capital Assets				36,714,000			36,714,000	38,503,000	-4.6%
Debt Service-General Obligation Bonds					1,424,000		1,424,000	2,999,000	-32.2%
Debt Service-Other Long Term Debt								3,400,000	-100.0%
Other Expenditures	5,753,000						5,753,000	5,039,000	14.2%
Contingency									
<b>Total Expenditures and Other Outflows</b>	\$ 166,540,000	\$ 77,960,000	\$ 1,367,000	\$ 36,714,000	\$ 1,424,000	\$	\$ 284,005,000	\$ 298,921,000	-5.0%



## Proposed FY 2013-2014 Budget Reconciliation to Published State Format

(all funds, in \$ millions)

	<u>PCC Budget</u>	<u>Transfers</u>	<u>State Forms</u>
General	\$ 161.70		
Designated	<u>15.10</u>	_____	_____
Total General Fund	\$ 176.80	\$ -10.26	\$ 166.54
Auxiliary	2.11	-0.74	1.37
Restricted	80.03	-2.07	77.96
Capital	23.64	13.07	36.71
Debt Service	<u>1.42</u>	<u>0.00</u>	<u>1.42</u>
<b>Total</b>	<b>\$ 284.00</b>	<b>\$ 0.00</b>	<b>\$ 284.00</b>

# Questions? Comments?