

***Study Committee  
on Community College  
Finance & Expenditure Limits***

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Chancellor**

**September 30, 2015**

# Mission

*Pima Community College provides affordable access to educational opportunities that support student success and meet the diverse needs of our students and community.*

- ✓ 6 campuses
- ✓ 52,197 student headcount, 2014
- ✓ 4,000 full & PT employees, 2015
- ✓ 3,700 degrees & certificates awarded, 2015
- ✓ Service area larger than New Jersey



We are ***stewards*** of  
***taxpayer*** dollars.

**Our Guiding principles:**

- ✓ *Transparency*
- ✓ *Accountability*
- ✓ *Stewardship*
- ✓ *Free Market*

# The EL Formula is a *barrier* to free market success.

$$\begin{array}{ccccccc} \text{FY 1979/80} & & \text{2015/16 Enrollment (FTSE)} & & \text{GDP Implicit Price} & & \text{Final FY 2015/16} \\ \text{Base Limit} & \times & \text{(Estimate)} & \times & \text{Deflator 2014} & = & \text{Expenditure} \\ & & \text{—————} & & \text{—————} & & \text{Limit} \\ & & \text{1979/80 FTSE} & & \text{GDP Implicit Price} & & \\ & & & & \text{Deflator 1978} & & \end{array}$$

- ✓ FTSE *estimated*, not actual
- ✓ Places artificial importance on a single fiscal year: 1980
- ✓ 35 years of *compounding* creates *enormous* issues now
- ✓ Inflationary index has had a *great* impact on Expenditure Limits now
- ✓ Formula is *not Accountable, not Transparent, not Responsive*
- ✓ *Prevents* 21<sup>st</sup> Century Successes



# Aviation Technology

*We can build buildings.*

*We can't build...*

*high-demand, high-wage, high-tech programs.*

# Solutions

- **Use better measurement of student count**
- **Eliminate punishment for historical fiscal prudence**
- **Change inflation measure**
- **Encourage high-cost / high-demand / high-wage programs**





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