Board Budget Update

February 19, 2015
2015-17 Biennium Budget timeline RECAP:

• February 17, 2015 Board meeting, Budget discussion and resolutions to approve tuition/fee changes—needed for timely processing of financial aids
• March 19, 2015, Board to meet as budget committee to discuss budget
• Beginning of April: President to propose the budget
• April 16, 2015, Board to meet as budget committee to hear and approve the proposed budget & levy property tax for operations & bond debt services
• May 19, 2015 Tax Supervising & Conservation Commission to hear and certify the PCC Board approved budget
• June 18, 2015 Board to Adopt the 2015-17 Budget and tax levies
Preliminary Budget assumptions: Revenue:

- CCSF $519 million-HECC recommendation to Governor
  Governor budget $500 million
  Co-chairs recommendation $535 million
- Property Tax increase: 3% allowed by law, about $800K
- Enrollment anticipated to decline further:
  - Preliminary assumptions: -5% and -3% respectively
- Tuition increase: pending Board approval
  - $4 per credit hour first year of biennium and an additional $3 per credit hour for the second year of the biennium
  - Student fees 50 cents per credit hour
  - Transportation fee $4. per term
Preliminary Budget assumptions:

Expenditures:

• Salary adjustments (known ones, like steps & related benefits)
• PERS escalation anticipated; 1.5%-increase or $1.5 M a year
• Small adjustment to Materials, Supplies & Services (1%)
• Augment Risk Reserve & Early Retirement based on actuary studies
• Add bond build-out operating costs of the last new buildings
• Commitments to make grant funded positions permanent, e.g. Title III FLAIR Grant
Preliminary Budget assumptions:

Expenditures: Strategic budget initiatives

- Replenish some of the $20M fund balance that we used in 2010-11 to 2012-13
- Set up a strategic initiative fund (SIP) to implement the College Strategic Plan approved by the Board
- Set up a large equipment fund for college’s large equipment needs
Preliminary Budget assumptions:

Risks and Uncertainties:

• CCSF not finalized until June, 2015.
• Enrollment could decline more than we anticipate
• Labor negotiation to start in Feb; won’t know until June or later
• Supreme Court reverses the legislative reforms on PERS--a big impact after 2015-17
• Dual Credit enrollment is likely to increase while giving PCC no resources while we are still capped.
Questions

Thank you!