Portland Community College
Proposed Budget 2019-2021 Biennium

April 18, 2019
Public Hearing to Approve Proposed Budget
Presentation to the College Budget Committee
Budget Overview – President’s Message

• The proposed budget is austere in that it recognizes our current economic realities and uncertainties but is transformative in that it adeptly leverages resources for key strategic initiatives.

• The budget strategically aligns with the President’s Work Plan to improve opportunity and strive toward equitable student success by eliminating economic disparities for marginalized students.

• Key strategic initiatives embedded in the budget include Excellence in Teaching; Diversity, Equity and Inclusion; YESS; and Strategic Enrollment Planning.
# President's Work Plan Strategic Process Alignment Timeline

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<td><strong>Budget</strong></td>
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<td></td>
<td>17-18</td>
<td>18-19</td>
<td>19-20</td>
<td>20-21</td>
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<td></td>
<td>Supplemental Budget due to board in June 2018</td>
<td>Supplemental Budget due to board in March 2019</td>
<td>Supplemental Budget due to board in June 2020</td>
<td>Supplemental Budget due to board in June 2022</td>
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<td></td>
<td>Work on Phase 1* of new distribution formula</td>
<td>Work on Phase 2* of new distribution formula</td>
<td>Complete Phase 1* distribution formula</td>
<td>Complete Phase 2* distribution formula</td>
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<td><strong>Strategic Plan</strong></td>
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<td>Structural Study</td>
<td>Plan the Strategic Planning Process (Eco. Scan, External Input, Internal Input, etc.)</td>
<td>Continue Strategic planning Process</td>
<td>Align Plan with 21 - 23 Budget By March of 21</td>
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<td></td>
<td>Begin Strategic planning process</td>
<td>Write the Plan</td>
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<td><strong>Accreditation</strong></td>
<td>Mid Cycle Visit</td>
<td>Review Mission Statement</td>
<td>Full Cycle Visit in Spring of 2022</td>
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*End of Work Plan Beginning of Strategic Plan

04/18/2019
### Budget Overview – Comprehensive Budget

<table>
<thead>
<tr>
<th>FUND</th>
<th>1st Year FY 19-21</th>
<th>2nd Year FY 19-21</th>
<th>Total Biennium</th>
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<tbody>
<tr>
<td>General Fund</td>
<td>$243,849,652</td>
<td>$264,597,599</td>
<td>$508,447,251</td>
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<tr>
<td>Special Revenue Funds</td>
<td>$153,068,628</td>
<td>$154,088,016</td>
<td>$307,156,644</td>
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<tr>
<td>Capital Projects Funds</td>
<td>$71,385,817</td>
<td>$180,697,888</td>
<td>$252,083,705</td>
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<td>Enterprise Funds</td>
<td>$22,468,226</td>
<td>$20,698,571</td>
<td>$43,166,797</td>
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<td>Internal Service Funds</td>
<td>$27,225,696</td>
<td>$55,472,863</td>
<td>$82,698,559</td>
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<td>Fiduciary Funds</td>
<td>$784,951</td>
<td>$703,398</td>
<td>$1,488,349</td>
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<td>Debt Service Funds</td>
<td>$73,605,958</td>
<td>$79,902,022</td>
<td>$153,507,980</td>
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<tr>
<td>Total – All Funds</td>
<td>$592,388,928</td>
<td>$756,160,357</td>
<td>$1,348,549,285</td>
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</tbody>
</table>
Budget Overview – Special Revenue Funds

• Account for revenue sources that are legally restricted to expenditures for specific purposes.
  – Auxiliary Fund
  – CEU/CED (1900) Fund
  – Contracts and Grants Fund
  – Student Activities Fund
  – Student Financial Aid Fund
Budget Overview – Capital Projects Funds

• Account for the College’s major capital expenditures relating to the acquisition, construction, and remodeling of capital facilities. Revenue sources to finance the expenditures include the sale of General Obligation Bonds, sale of property, and transfers from other funds.

  – Capital Projects Fund (Accounts for expenditures for minor construction projects, remodeling, major maintenance of facilities and replacement of major equipment. Primarily FMS)

  – Capital Construction Fund (Accounts for all activities relating to major construction projects not accounted for in the Capital Projects Fund. Primarily Bond-related)
Budget Overview – Enterprise Funds

• Account for operations that are financed and operated in a manner similar to private business activities.
  – Bookstore Fund
  – Food Services Fund
  – Transportation & Parking Services Fund
Budget Overview – Internal Service Funds

• Are utilized for the financing of goods or services provided by one department to another department on a cost-reimbursement basis.
  – Print Center Fund
  – Internal Service – PERS Reserve Fund
  – Risk Management Fund
Budget Overview – Fiduciary Fund

- Accounts for assets held by the College in a trustee capacity or as an agent on behalf of others.
  - Pension Trust Fund: Early Retirement (Accounts for the accumulation of resources to meet future obligations on the College’s early retirement program.)
Budget Overview – Debt Service Funds

• Accounts for debt activities, the repayment of principle and interest, related to the College’s bonded debt obligations.

  – General Obligation Bond Fund

  – PERS Debt Service Fund
Budget Overview – General Fund

General Fund– Total Appropriations $ 485,713,930
Unappropriated Ending Fund Balance ("Reserves") $ 22,733,321
Total General Fund $ 508,447,251

General Fund Budget – FY2017-2019 $ 502,702,698
Increase in Budget 1.1%
General Fund – Strategic Initiatives

YESS Mission – Recognizing the unique value, perspective, strengths, and challenges of every person who comes to PCC for education, all students will achieve their academic goals through equitable support, quality instruction, clear guidance to persist, and an unwavering commitment to completion shared by the entire college community.
General Fund – Strategic Initiatives

Cornerstones for YESS

- Build a Foundation for Guided Pathways
- Focus on Diversity, Equity, and Inclusion
- Increase Data and Technology Resources
- Develop a Strategic Enrollment Management Plan
General Fund – Accomplishments Tied to Strategic Initiatives

• President’s Fund for Excellence Awards

26 awards totaling $1 million with $100,000 each to Developing Engaged & Thriving Students, On Campus & Beyond, Men of Color Center of Excellence in Education, PCC Print on Demand: Open Resources and Student Success
General Fund – Accomplishments Tied to Strategic Initiatives

• Partnership with Oregon DHS to increase access to federal benefit programs such as SNAP and SNAP 50/50.
• Statewide leadership of the Pathways to Opportunity and STEP expansion projects to leverage statewide partnerships between community colleges and state agencies.
• Partnership with TriMet to expand student access to the Low Income Fare Card Program.
• Partnership with the Oregon Food Bank to assist food insecure students.
General Fund - By the Numbers

Total Operating Revenues: $472,747,251
Total Operating Expenditures: $448,575,379
Total Transfers Out: $6,672,905
Total Contingency: $30,465,646
Unappropriated Ending Fund Balance (“Reserves”): $22,733,321

- Contingency includes minimum wage increases, faculty step movement, Oregon Pay Equity Act adjustments and any other unfunded mandates.
- Tuition and Fees: $185,403,990 represent 39% of total GF operating revenues.
- State Sources: $198,217,222 represent 42% of total GF operating revenues.
- Unappropriated Ending Fund Balance is budgeted at 10% of operating expenditures and transfers out.
General Fund - Budget Assumptions

• Budget forecasting the Community College Support Fund at $590 million consistent with the Joint Ways and Means preliminary budget framework.

• Forecast a 4% decline in full-time equivalent (FTE) students in FY 2020, and an additional 3% decline in FY 2021.

• Plan for property tax revenues to grow approximately 3.5% each year of the biennium based on prior years’ history.
General Fund- Budget Actions

- Tuition increase of $5 per credit hour in the first year of the biennium and $7 per credit hour in the second year of the biennium, or 4.5% and 6.0% for resident and border state resident students respectively, and 2.0% and 2.8% respectively for non-resident students including international students.

- Campuses and Divisions reduced their base budgets by 3% to cover the biennial budget shortfall.

- Reductions included the elimination of roughly 47 positions in FY20 and another 2 positions in FY21 in classified, faculty, academic professional, and management job categories. Another 4 positions are slated for FTE reduction in FY20.
Budget Assumptions – PERS

PCC addressed mounting PERS obligations by issuing full faith and credit pension bonds of $171,865,000 in November 2018 to prepay the college’s net unfunded actuarial liability (“UAL”).

- PCC received an immediate rate credit of 9.32% for T1/T2 and OPSRP General Service. The rate credit is expected generate at least $3.7 million in savings for the FY19-21 biennium that PCC would not have seen if it had not issued the bonds.

- The savings will be countered by an overall UAL percentage increase that will increase total PCC PERS costs by 4% in FY 19-21.
Budget Summary

Total Budget –All Funds $ 1,348,549,285
Total General Fund Budget $ 508,447,251

• Austere budget but is transformative in that it adeptly leverages resources for key strategic initiatives.
• Budget strategically aligns with the President’s Work Plan to improve opportunity and strive toward equitable student success.
• FY19-21 Biennial Budget allows for alignment of the new Strategic Plan with the FY21-23 Biennial Budget.
Questions?

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