



Budget Preview

2021-2023 Biennium

March 18, 2021

Budget Overview

PCC Finance & Administration

Board - Information Session



- 1 Convene as the College Budget Committee to conduct a public meeting regarding the Proposed Biennial Budget with public comment.
- 2 Consider and approve the Proposed Budget as presented by the President in accordance with the College President's Duties and Responsibilities (B213) and Board Duties and Responsibilities (B214).

3

Levy Property Taxes for the next two years.

- Permanent amount subject to the Education Limit.
0.2828 per \$1,000 of assessed value of properties.
- For payment of debt service on General Obligation Bonds.

4

Submit Budget to the Multnomah Tax Supervising and Conservation Commission (TSCC) for review and certification.

- Began budget discussions and planning – Summer/Fall 2020
- Developed budget in line with established budget assumptions and goals.
- Developed the budget to clearly align with the new Strategic Plan and Reorganization that reinforces PCC as “One College” dedicated to equitable student success.
- Conducted three remote budget forums in February, including one designed specifically for students.

Extensive Review of the Proposed Budget – Both Procedural & Substantive:

- 1 Establish Compliance with Local Finance Laws and Local Budget Law.
- 2 Verify the Approved Tax Levies are within Constitutional Limits and Substantiated by Budget.
- 3 Ensure Public Notice Requirements are Met.

- 4 Validate Financial Information and Detail.
- 5 Review Program Content.
- 6 Confirm Reasonableness of Estimates.
- 7 Review Financial Planning Elements.
- 8 Conduct Public Hearing.

Conservative financial projections based on state, local, and national uncertainty:

- Current estimated state base-level student funding allocation for Oregon's 17 community colleges (Community College Support Fund) of \$640.9 million as a guide.
- Enrollment projections to be determined as more information is available, possibly a small decline in the first year of the Biennium and moderate recovery in the second year of the Biennium.
- Assume budgeting for the Biennium 2021-2023 is based on a "hold the line" FY21 or current year adjusted budget level.

- Slow and cautiously come out of the hiring freeze. **No planned additional FTE increases beyond Reorganization Model. Special requests will be reviewed on an exception basis.**
- Plan for property tax revenues to increase by 3% each year.
- **Keep tuition and fees flat no increase for 2021-2023 Biennium.**
- Adjustments to be made based on Federal COVID relief and /or Stimulus Dollars that PCC may receive in the new Biennium.
- Based on optimistic treatment and widespread vaccination distribution, the model will be predicated on more than a limited return to face to face instruction beginning fall 2021.

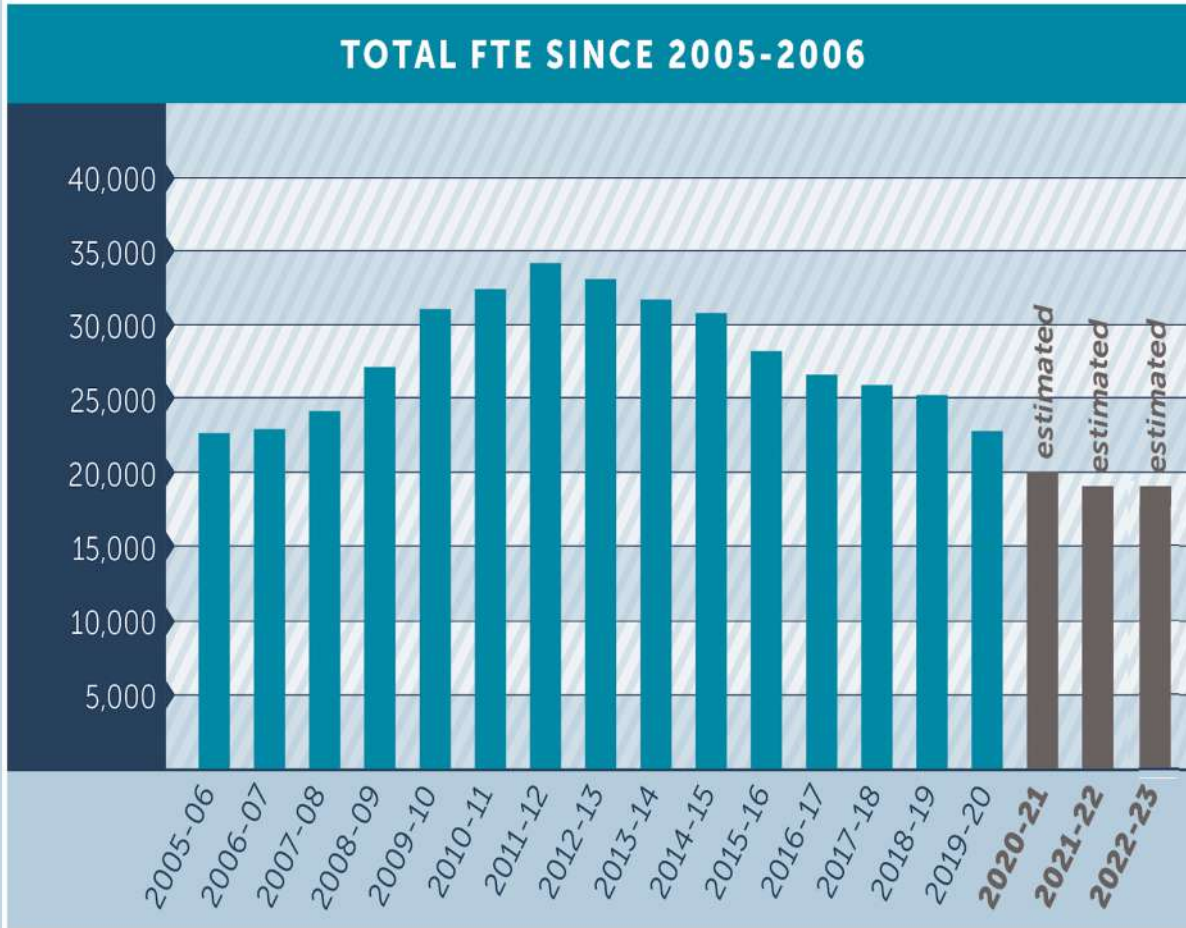
- Maintain a General Fund unrestricted fund balance not less than 9% of the annual operating expenditures and transfers, to ensure institutional stability and long-term fiscal integrity.
- **Determine investment allocation to cover Reorganization and Strategic Planning action items.**
- **Fund a Capital Reserve for a new ERP system.**

- Develop the budget to strategically align with the Reorganization and new Strategic Plan to improve affordability, equitable access and student success.
- **No significant changes will be made to org units or the current chart of accounts during this budget cycle.**
- **Customized reports to show organizational changes will be made available using supplemental budget reporting tools in addition to Banner.**
- Full budget realignment to the new Strategic Plan and Reorganization will occur in the FY 23-25 Biennium.

- **Scan for and analyze** issues of disparate impact when making budget decisions.
- Continue to explore alternative resources, including but not limited to foundation, grant opportunities and partnerships, and continue to strive for greater efficiencies.
- **Establish process for new or greater funding that uniquely contribute to equitable student success metrics.**

Historical Reductions in Revenue & Enrollment:

- From 2012 through 2019, SFTE Enrollment dropped an average of 4.5% annually
- For FY 2021, SFTE YTD Enrollment (Summer through Winter terms) has dropped 16.58% from FY 2020 levels for the same terms.



Reductions in Revenue & Enrollment:

ENROLLMENT FTEs BY TERM

YEAR	SUMMER	FALL	WINTER	SPRING	TOTAL
2016-17	3,071	8,269	7,511	7,727	27,319
2017-18	2,971	8,104	7,481	7,452	26,711
2018-19	2,772	7,656	6,972	6,905	25,084
2019-20	2,517	7,574	7,053	4,962	22,320
2020-21	2,686	6,178	5,604	4,850	19,318*

ENROLLMENT FTEs BY TERM



**FY 2022 and FY 2023
Enrollment Budgeting
Projections:**

(compared to the previous year)

**FY 2022 SFTE Projection:
-3.5% compared to FY 2021**

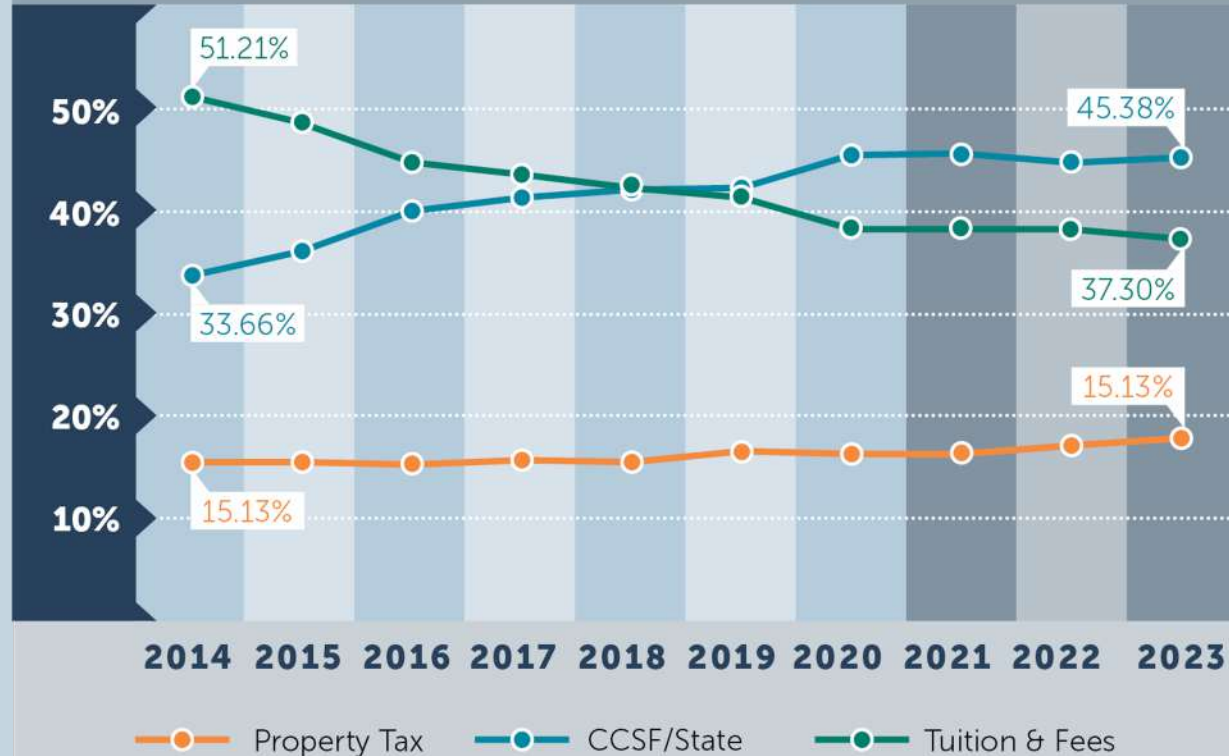
**FY 2023 SFTE Projection:
-0.0% compared to FY 2022**

For the FY 2021-2023 Biennium, we estimate that each 1% in annual SFTE change = approximately \$900,000 in total revenue

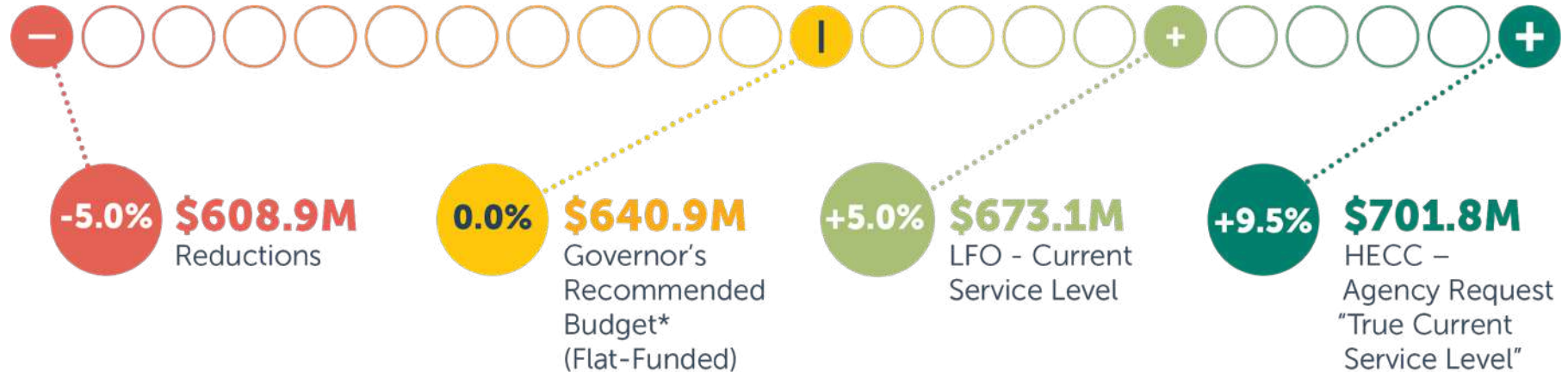
For FY 2022 we estimate a minor enrollment reduction of 3.5% in SFTEs. For FY 2023 we are projecting enrollment levels to begin recovering, with no change or decline in SFTE compared to FY 2022.

- Since 2014 Tuition and Fee revenues have declined relative to State Support & Property Taxes
- The College has become increasingly more dependent on State funding over the last decade

GENERAL FUND REVENUE BY SOURCE



Potential Funding Scenarios CCSF - A Range of Options for Budget Consideration



FY2021-2023 General Fund Budget Preview

Base Operating revenues:

\$491 Million



**\$85
Million**

Base Operating expenses:

\$576 Million

The FY2021 Expected Ending Fund Balance
Closes the gap due to one-time factors

FY2021-2023 Biennium Preview Snapshot with a CCSF level of \$640.9 million

RESOURCES	
Projected Beginning Fund Balance	\$85.5m
CCSF/State	\$174.7m
Property Taxes	\$80.9m
Tuition & Fees	\$220.4m
Transfers in, Interest, Other	\$14.3m
TOTAL	\$576.2m

EXPENDITURES	
Personnel & Labor, Benefits	\$434.6m
MS&S	\$54.3m
Capital, Transfers out, etc	\$25.6m
Contingency	\$39.5m
9% Budgeted Ending Fund Balance	\$22m
TOTAL	\$576.2m

- April 15** Board meets as Budget Committee to approve proposed biennial budget.
- May 20** TSCC Public Hearing to approve and certify budget.
- June 17** Board holds public meeting to adopt the biennial budget and appropriations and approve resolution to levy taxes.
- July 15** File Property Tax Levy Forms & Adopted Budget with TSCC, County Assessors, and Oregon Department of Revenue.

- Potential for Increased PERS Employer Costs
- Potential for Further Enrollment Declines
- Enrollment/Revenue Uncertainty
- Demographic Shifts
- Ending Federal Stimulus and Relief Funds (Post-Pandemic)

Questions?

