

Board Budget Update

February 19, 2015



**Portland
Community
College**

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



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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**



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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



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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.**



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Questions

Thank you!



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