

Board Budget Committee:  
Work Session & Budget Hearing  
April 16, 2015



**Portland  
Community  
College**

# Budget Book Overview

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- Budget Process and Structure
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- Debt Summary
- Capital Improvements Summary
- Individual Fund Budgets
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# Budget Book Overview

- Summarizes the thousand page working budget.
- As information is summarized, not every department is delineated in the budget book.
- Covers the time period from July 1, 2015 through June 30, 2017.

# Board Responsibilities

- Discuss the budget, hold the public hearing and approve the budget and tax levy for submission to the Multnomah Tax Supervising and Conservation Commission (TSCC).
- On May 19th TSCC will hold a public hearing on the budget, make any recommendations and approve the budget.
- At the June 18th Board meeting the Board approves the budget, appropriation levels and tax levies.

# Budget Overview

- Budget Includes all Funds of the college and not just the General Fund.
- The budgeted expenditures for the biennium, inclusive of all Funds, is \$1,296,170,403.
- We primarily focus on the General Fund as it is the primary operating fund of the college.
- We also have Special Revenue Funds which account for revenue sources that are legally restricted to expenditures for specific purposes and include the Auxiliary, CEU/CED, Contracts and Grants, Student Activities, and Student Financial Aid Funds

# Budget Overview

- The college also maintains Capital Projects funds relating to the acquisition, construction and remodeling of capital facilities. This includes both the Capital Projects and Capital Construction Funds.
- Enterprise Funds are for operations which are financed and operated in a manner similar to private businesses and includes the Bookstore, Food Services, and Parking Operations Funds.
- Internal services Funds are utilized for the financing of goods or services provided by one department to other departments on a cost reimbursement basis and includes the Print Center, PERS Reserve, and Risk Management Funds.

# Budget Overview

- Fiduciary Funds account for assets held by the college in a trustee capacity or as an agent of others. The Early Retirement Fund falls in this category.
- Debt Service Funds account for the repayment of principal and interest on the College's bonded debt obligations. The college maintains both a General Obligation Bond and a PERS Debt Service Fund.

# General Fund

- Uncertainty remains a factor-State funding level, rate of enrollment decline, results of collective bargaining, etc.
- Beginning fund balance of \$23,954,507 has been augmented by campus requests to potentially carryover funds. If funds are spent and projects are completed in 2014-15 the fund balance will be reduced accordingly. Fund balance at end of 2014 was \$17,612,549.
- Budgeted revenues and transfers in of \$439,621,527.
- Budgeted expenditures and transfers of \$446,406,392 anticipates spending down carryover from the campuses, if any.



# General Fund

- Expenditures budget includes \$29,163,570 in contingency
- Contingency must cover bargained salary and benefit increases, any carryover of campus margin allocations from the current biennium, implementation of the strategic plan initiatives, any unplanned for emergencies , and rebuilding the fund balance.
- Ending fund balance budgeted at \$17,169,642
- In reality fund balance would only decline if 100% of budget, including emergency contingency, was spent.

# General Fund

- Key revenue assumptions:
- \$519 million state support
- \$4/\$3 per credit hour tuition rate increase.
- Continued enrollment decline of 5% and 3%
- Continued modest property tax growth
- Goals of starting to rebuild fund balance and allow for the implementation of strategic plan initiatives.

# Auxiliary Fund

- This fund accounts for a variety of pilot programs and other College sponsored activities.
- Major revenue sources are facilities usage charges and other campus activities.
- Major expenditures are costs associated with facility rentals and other campus activities.
- Budgeted expenditures of \$1,268,588
- Ending Fund Balance of \$325,076

# CEU/CED Fund

- This fund was established to provide a separate accounting of revenues and expenditures for self-improvement and non-traditional credit.
- Registration fees are the primary revenue source.
- Budgeted expenditures of \$18,055,919

# Contracts and Grants Fund

- This fund accounts for federal, state, and local grants and contracts which fund various training and literary programs, the development and operation of experimental programs, and the improvement and enhancement of existing programs.
- The major source of revenue is the funding awards from these outside agencies.
- Expenditures are dictated by the terms agreed upon with the granting agencies.
- Budgeted expenditures of \$64,340,968

# Student Activities Fund

- This fund was established to account for programs and activities related to student functions, including student government, legislative intern program, diversity center augmentation, intramural activities, and national honor society.
- Resources come from student activity fees and fundraising efforts.
- Budgeted expenditures of \$4,547,823.

# Student Financial Aid Fund

- This fund was established to provide for a separate accounting of student financial assistance.
- Federal and state student aid programs are the primary revenue source.
- Budgeted expenditures of \$366,615,716.

# Capital Projects Fund

- This fund was established to account for expenditures for minor construction projects, remodeling, maintenance of facilities and replacement of major equipment.
- The primary revenue source is a transfer from the General Fund Federal and state student aid programs are the primary revenue source.
- Budgeted expenditures of \$8,595,000.
- Ending Fund Balance of \$2,001,833



# Capital Construction Fund

- This fund was established to account for major construction projects funded by voter approved bond authority.
- The major revenue sources are proceeds from bond sales and interest on investments.
- Budgeted expenditures of \$123,000,000.
- Ending fund balance of \$7,460,349

# Bookstore Fund

- The College Bookstore operation provides students and staff with books and instructional supplies needed to carry out their educational programs.
- The major revenue source is proceeds from sale of merchandise.
- The major expenditures are staff costs and the cost of merchandise.
- Budgeted expenditures of \$34,878,003.
- Ending fund balance of \$5,499,820.

# Food Services Fund

- This fund accounts for the operation of the cafeterias and related food services.
- The major revenue source is proceeds from the sale of food items.
- The major expenditures are staff costs and the cost of merchandise.
- Budgeted expenditures of \$14,965,806.

# Parking Operations Fund

- This fund accounts for the college parking program and transportation
- The major revenue sources are from the sale of parking permits and a student transportation fee.
- Resources are expended for alternative transportation options (subsidized Trimet passes) and maintenance of the parking lots.
- Budgeted expenditures of \$15,182,424.

# Print Center Fund

- This fund was established to account for expenses related to printing and photocopying.
- The major revenue source is charges for services to the college's operating funds.
- Budgeted expenditures of 2,386,817.
- Ending fund balance of \$63,555.

# PERS Reserve Fund

- This fund was established to centrally manage and account for the additional PERS employer rate.
- The primary source of revenue is from charges to the college's operating funds on all salaries subject to PERS.
- The primary expenditure is a transfer of accumulated charges to the PERS Bond Fund.
- Budgeted expenditures of \$17,836,450.
- Ending fund balance of \$26,603,945.

# Risk Management Fund

- This fund was established for expenses relating to the College's management of its property, casualty, liability, unemployment and worker's compensation insurance.
- The primary source of revenue is from charges to the college's operating funds and a transfer from the General Fund.
- The primary expenditures are the payment of policy premiums and the settlement of claims.
- Budgeted expenditures of \$6,437,236.
- Ending fund balance of \$4,798,198.

# Early Retirement Fund

- This fund was established to account for the accumulation of resources to meet future obligations of the early retirement program.
- The primary source of revenue is a transfer from the General Fund.
- The primary expenditures are the payment of policy premiums and the settlement of claims.
- Budgeted expenditures of \$1,534,848.
- Ending fund balance of \$876,776.



# Debt Service-General Obligation Bond Fund

- This fund was established to account for the accumulation of resources for the payment and principal and interest on the general obligation bonds.
- The primary source of revenue is property taxes.
- The primary expenditures are the payment of policy premiums and the settlement of claims.
- Budgeted expenditures of \$84,373,150.
- Ending fund balance of \$3,359,619.

# Debt Service-PERS

- This fund was established to account for the accumulation of resources for the payment and principal and interest on the PERS bonds.
- The primary source of revenue is a transfer from the PERS Reserve Fund.
- Budgeted expenditures of \$17,586,450.
- PERS Debt will be paid off in the 2027 fiscal year.