STATE FUNDING AND ECONOMIC FORECAST

- Adopted budget built on flat state funding of $550 million for CCWD system but actually increased to $570 million. State Funding for CCWD was $500 million in 2007-09 and is $570 million in 2017-19. A 14% increase over a twelve year period. However, the number of students served by the system has grown so State funding on a per student basis has still lagged behind the level of support in 2007-09.
- While the 2017-19 General Fund revenue forecast increased from the September 2017 Economic and Revenue Forecast by $38.8 million it still remains $31.1 million below the close of session forecast.
- 87.98% of State General Fund revenues are projected to come from personal income taxes and 5.54% from corporate income taxes. Oregon vulnerability to changing economic conditions will remain high.
- Revenue is projected to grow by 11.4% for the 2019-21 biennium, and increase by 9.9% and 8.6% in 2021-23 and 2023-25 respectively.

TUITION AND FEES

- PCC tuition and fee structure for in-district students places them 11th from the highest of the 17 community college and $64 per student below the average.
- PCC tuition and fee structure for international students places them 13th from the highest of the 17 community college and $956 per student below the average.
- Only one community college who charges a technology fee charges a lower amount than PCC. 4 community colleges do not charge a specific technology fee but have a high service fee.

ENROLLMENT

- 2017-19 biennium adopted budget was built on flat enrollment.
- Reimbursable enrollment was down 2.3% for summer and 2.0% for fall.
- Fall is typically the highest enrollment quarter.
- For updated budget projections have been using 3% reduction in enrollment.
- Current enrollment cap for State funding purposes is 26,064.
- Reimbursable enrollment for 2016-17 was 25,816 or 248 FTE below the current cap.

FUND BALANCE

- Ended fiscal year 2017 with a fund balance of $20,434,097 or 9.17% of annual expenditures.
- Fund balance was down $1.8 million for fiscal year 2017 but was still up $3.2 million for the biennium.
- Meets the Boards minimum threshold of 8% but remains well below the advised 15% level.
- 2017-19 budget calls for an addition of $2 million to the fund balance.

PERS EMPLOYER CONTRIBUTION RATE HISTORY

	2009-11	2011-13	2013-15	2015-17	2017-19	2019-21
Tier 1/Tier 2	.29%	7.10%	8.32%	11.23%	14.99%	19.90%
OPSRP	.19%	5.44%	6.42%	5.68%	8.41%	13.73%

PERS

- Actual rate for 2019-21 will not be known until next fall.
- Figures shown do not include the college paid employee contribution share of 6% or the PERS bond repayment of 6.35%
- The pending PERS rate increase alone will start PCC in a $12 million deficit as we begin budget planning for 2019-21.
- Along with other governmental agencies we are exploring the possibility of issuing PERS bonds again.
- In fiscal year total General Fund payments to PERS topped $23.5 million or more than 10.5% of the General Fund budget.

BUDGET BALANCING

- 2017-19 budget had to be adopted before key information (level of state funding, negotiations, enrollment trends, etc.) were known.
- Springtime cuts of $7 million to Sylvania, Cascade, IT, and Academic and Student Affairs due to enrollment decline.
- As we have received new information and revised estimates we were still roughly $5.5 million short of a balanced budget.
- We have addressed this deficit in a number of ways:
- Hiring freeze efforts have saved $2.1 million and are still in place.
- Operational cuts (utilities, legal etc.) have generated $1.5 million.
- We have a targeted reduction of $500,000 in travel for the biennium.
- The Deans are currently meeting to try to come up with further reductions.

SUPPLEMENTAL BUDGET PROCESS

- Associate Vice President of Finance, Eric Blumenthal and Budget Manger, Dina Ferrell have been having meetings with Deans and other department heads to review budget principles, guidelines, and budgetary controls.
- Process changes underway include more accurate budgeting of benefits by employee, restricting carryover of purchase orders from year to year, mandatory updated training for purchasing card users and approvers, and limiting transfers between categories of expenditures.

SUPPLEMENTAL BUDGET PROCESS

- Budget balancing.
- Budget redistribution.
- Identification of unmet needs.
- Strategic initiatives.
- Budget redesign.

BUDGET REDISTRIBUTION

- Starting with campuses and centers.
- Currently over a $1,000 per student FTE variance between the campuses.
- Modeling for fiscal year 2019 will follow CCSF formula with key modifiers.
- Will undertake benchmarking to determine best distribution of funds between instruction, support, operations and administration for 2019-21.

UNMET NEEDS

- Can inform the budgeting process for 2019-21 and helps us to use our limited resources as efficiently and effectively as possible.
- Have been working with BPAC and have met some reluctance to compile information as they feel it might raise hopes of having needs met when we have limited dollars to meet those needs.
- Using information from program reviews, strategic initiative proposals, six year capital plan, etc.
- Will continue to work through BPAC to identify other areas which might have unmet needs.

STRATEGIC INITIATIVES

- Preliminary planning with President Mitsui has outlined a process similar to last biennium.
- Proposals will be tied to measurable key indicators of achievement related to equitable student success.
- $1.5 million available for the biennium.
- Proposals will be for one-time investment of funds and not require ongoing resources.

BUDGET REDESIGN

- Enhanced budgetary controls.
- Increased participation and communication.
- Process that works both in times of growth and reduction.
- Process that incorporates the many developing planning efforts which are under way-Strategic Plan/President's ties Work Plan, Academic Plan, Facilities Plan, YESS, Strategic Enrollment Management, etc.
- These are major systemic changes and will take time.