

FY'19-'21 Budget Development

December 13, 2018 Board -Work Session

Budget Proposals For Consideration

Community College Support Fund (CCSF)

Budget Proposal (CCSF)	Amount	Comments
Governor's (Balanced) Base Budget	\$543 million	4.7% below FY'17-FY'19 Legislatively Approved Budget
Flat/Current Funding	\$570 million	Legislatively Approved FY'17-FY'19 Biennium
DAS (Administrative Services)/Legislative Fiscal Office (LFO)	\$590 million	Calculated Current Service Level
Governor's Investment Budget	\$646.7 million	\$1.9 billion rev package; Plus \$70 for CTE

Budget Principles FY'19-'21

- **PCC will develop the general fund budget using the current state base-level CCSF of \$570 million as a planning guide.**
- PCC will strive to maintain and improve affordability, access, and student success.
- PCC will develop the budget to strategically align with the President's Work Plan to improve opportunity and offer equitable student success.
- PCC will apply an equity lens in making budget decisions.
- PCC will address shortfalls by recommending increases to tuition and fees of no more than 40% of the shortfall with the remaining percentage from the reduction of college expenses.

Budget Principles FY'19-'21

- PCC will leverage resources for the implementation of key initiatives including excellence in teaching and YESS work.
- PCC will continue to explore alternative resources, including, but not limited to foundation, grant opportunities, partnerships, and will continue to strive for greater efficiencies.
- PCC will build a General Fund unrestricted fund balance within the range of 9% to 18% of the annual operating expenditures and transfers to ensure institutional stability and long-term fiscal integrity consistent with board policy.
- PCC will address known deficiencies and shortfalls in the budget, covering fixed mandated costs and realistically forecasting enrollment.
- PCC will engage stakeholder groups during the budget development process and communicate key budget decisions.

Additional Resources:		Base Case	Scenario 1
Property Taxes		\$ 3,750,000	\$ 3,750,000
State Funding (CCSF)			\$ 6,553,543
Tuition Increase (Proposed)		\$ 14,782,572	\$ 12,161,155
Tech Fee Increase (Proposed)		\$ 1,197,730	\$ 1,197,730
FY'19 Identified Savings		\$ 5,725,412	\$ 5,725,412
FY'19-FY'21 Identified Transfer(s) In		\$ 2,500,000	\$ 2,500,000
Total Additional Resources		\$ 27,955,714	\$ 31,887,840
Mandated Expenditures:			
Minimum wage increase		\$ 350,000	\$ 350,000
PERS rate increase(adj for 2% projections decline and Bond Savings)		\$ 3,100,000	\$ 3,100,000
Faculty Step movement		\$ 7,500,000	\$ 7,500,000
Pay Equity Act		\$ 750,000	\$ 750,000
Total Mandated Expenditures		\$ 11,700,000	\$ 11,700,000
Potential Expenditures:			
Health Insurance cap increase (subject to bargaining)		\$ 2,500,000	\$ 2,500,000
Classified steps (subject to bargaining)		\$ 3,000,000	\$ 3,000,000
Structured Increases (subject to bargaining)		\$ -	\$ -
Administration/Confidential Increases		\$ 2,250,000	\$ 2,250,000
YESS		\$ 1,500,000	\$ 1,500,000
Enrollment Management Plan		\$ 1,200,000	\$ 1,200,000
Budget deficiencies/shortfalls (unmet needs)		\$ 1,300,000	\$ 1,300,000
Information Technology		\$ 1,050,755	\$ 1,050,755
President's Contingency		\$ 1,500,000	\$ 1,500,000
Strategic Plan/President's Excellence Fund		\$ 1,000,000	\$ 1,000,000
Deferred Maintenance		\$ -	\$ -
Fund Balance/Reserve Replenishment		\$ 3,000,000	\$ 3,000,000
Enrollment Decline		\$ 11,700,000	\$ 11,700,000
ERP Replacement		\$ 2,000,000	\$ 2,000,000
Total Potential Expenditures		\$ 32,000,755	\$ 32,000,755
Total Shortfall		\$ (15,745,041)	\$ (11,812,915)
FT Position Cuts @ \$100,000 per year (inc. benefits)		\$ (79)	\$ (59)

- Base Case (Blue)
- \$570 million CCSF
- Scenario 1 (Green)
- \$590 million CCSF

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Questions?