



Budget Forecast & Three-Year Budget Plan

Executive Leadership Team

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PimaCommunityCollege

Ongoing Challenges

- Struggling enrollment and declining outlook
- One year of revenue growth to flattening future growth
- End of Federal COVID-19 Relief
- Structural inefficiencies and continued resistance to reductions
 - All services at all places
 - Classroom inefficiencies (scheduling, course capacity)
 - Release time/course preference
- Funding new priorities with limited resources
 - Unlimited possibilities and expectations
- Need to reallocate resources to changing needs and realities



Three-Year Budget Plan - Revenue Summary

- Achieve and maintain levy max property taxes
 - FY24, ~4% increase (to levy max) (\$7.5M)
 - FY25, ~2% increase (to levy max) (~\$4M)
 - FY26, ~2% increase (to levy max) (~\$4M)
- Tuition
 - Moderate increases (\$2.00 per credit hour = \$700K)
 - Balance between student and taxpayer revenues
 - Suggested by Fitch Ratings to maintain AA for Revenue bonds
 - Reinvent the learner payment structure, to include assessing flat-rates by program (Strategic Plan 2021-2025)
- Sales taxes (+\$1M)
- Investments (+\$1M)
- End of Federal COVID-19 Relief
- Other?



Budget/Expenditure Demands

- Employee compensation
 - Sustaining the new Classification and Compensation structure
- Completing capital construction and operationalizing ongoing support
- Addressing deferred maintenance (\$10M per year)
- Other requests
 - Marketing
 - Dual enrollment
 - Instructional staff pay
 - Bookstore/food service
 - Institutionalization of grant programs
 - Childcare
 - Digital transformation
 - Infrastructure
 - Device Program
 - Additional Centers of Excellence



Employee Compensation

- To Be Addressed
 - Appeals
 - Recent promotion adjustments
 - Starting pay (hiring) levels
 - Educational attainment
 - Performance-based pay
- Ongoing Challenges
 - Annual obligation
 - Initial placement caps
 - Supervisor advocacy
 - Future market increases

Employee Ratios

- FTSE to Staff/Administrator to Ratio (excluding grant-funded positions)
 - 2012 through 2014 - Average 20 FTSE per staff
 - 2015 through 2019 - Average 15 FTSE per staff
 - 2020 through 2022 - Average 12 FTSE per staff
- 50:1 FTSE to Instructional Faculty ratio already established
 - 2022 FTSE 11,462 (10,283 Traditional)
 - 10,283 in core FTSE
 - 367 FTSE in ABE, Skill Center programs
 - 812 FTSE in Dual Enrollment
 - 10,300 = 206 Faculty
 - Currently ~265 Faculty positions



Capital Planning Considerations

- Alignment with College strategic planning processes
- Capacity of Information Technology and Facilities personnel to implement
- College reserves vs. new revenues
- Impact of prior years budget estimates on current projects are underfunded
 - Revenue bonds projects

Three-Year Budget Plan - Expenditure Scenarios

	Scenario A - Do Nothing	Scenario B – Right-Size	Scenario C - Aggressive
Personnel			
Staff Positions	Continue with 12 FTSE to 1 staff ratio	15 FTSE to 1 staff in 3 years (Number of position based on FY21 Audited FTSE)	20 FTSE to 1 staff in 3 years
Faculty Positions	Continue to pause 50 FTSE to 1 faculty ratio	Reinstate 50 FTSE to 1 faculty ratio	Reinstate 50 FTSE to 1 faculty ratio
Class and Comp Implementation	To only those below market increases	Mark to market based on years of service	75% percentile on all positions
Employee Benefits	College to continue absorbing annual increases	Employee cost-share to increase by 25% of overall annual increase	Employee cost-share to increase by 50% of overall annual increase
Facilities	Continue to provide all services in all locations	Modify service delivery	Close a campus



Additional Information



FY 2023 Capital Outlay - \$49M

<u>Summary Recap by Criteria</u>	<u>Ideal Budget Scenario</u>	<u>Year 1 FY23</u>	<u>Year 2 FY24</u>	<u>Year 3 FY25</u>	<u>Year 4 FY26</u>
1 Fire, Life, Health Safety Requirement	\$ 1,000,000	\$ 1,358,600	\$ 975,000	\$ 600,000	\$ 600,000
2 Replace Academic Equipment	\$ 3,500,000	\$ 2,667,000	\$ 3,359,630	\$ 2,500,000	\$ 2,500,000
3 Deferred Maintenance	\$ 7,500,000	\$ 9,726,950	\$ 7,436,400	\$ 6,563,150	\$ 6,139,650
3.1 IT Infrastructure	\$ 5,000,000	\$ 5,950,000	\$ 4,350,000	\$ 4,350,000	\$ 4,350,000
4 CoE, Strategic Investments, EMP	\$ 10,000,000	\$ 23,571,440	\$ 29,935,980	\$ 22,500,000	\$ 18,700,000
5 Program Accreditation Requirement	\$ -	\$ -	\$ -	\$ -	\$ -
6 Program/Service Enhancement/Renovations	\$ 5,000,000	\$ 3,389,600	\$ 1,018,600	\$ 400,000	\$ 150,000
7 New Program / Service Development	\$ 1,000,000	\$ 275,000	\$ -	\$ -	\$ -
8 Contingencies/Out of Cycle	\$ 2,000,000	\$ 2,028,700	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Criteria Total	\$ 35,000,000	\$ 48,967,290	\$ 49,075,610	\$ 38,913,150	\$ 34,439,650



Aggressive, not sustainable.
 High Risk for Exceeding EL limits, Over committed
 Low Risk, strategic spend down of reserves.



/// Keep striving.



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