

# Fiscal Year 2026 Budget Discussion

Virtual Budget Forum

April 2025

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# Base Budget

- Complete the current Strategic Plan and Strategic Plan Extension
- Prioritize completion of the Centers of Excellence for Health Professions and Applied Technology
- Sustain the classification and compensation structure
- Address lifecycle maintenance and replacement
- Limit expenditure increases to revenue projections to avoid the use of College reserves

- No increase to tuition and service fees rates
- Levy-neutral property tax rate
- Increase to employee salaries and wages
- Emphasis on efficiency

## **Fiscal Year 2026 Proposed Budget Highlights**

# Fiscal Year 2026 Revenue Projections

Make Someday Today

Revenue Source	Estimated Revenue
<u>Tuition</u>	
Net Tuition per 1% FTSE Growth	\$150,000
<u>Property Taxes</u>	
Levy Neutral	+\$2.8M
1% Levy Increase	+\$1.4M
2% Levy Increase	+\$2.8M
3% Levy Increase	+\$4.2M
<u>State Aid</u>	
STEM	No change
Operating	Unreliable
<u>Other Revenues</u>	
Prop 207 - Smart & Safe Arizona	+\$150,000
Prop 301 - State Sales Tax	+\$110,000
Investment Revenues*	-\$1.5M

*\*Actual value will depend on market conditions*

- A 3% increase to the adjunct faculty rate (\$1,030.00 per load hour for Tier 1, \$1,081.50 per load hour for Tier 2) and a similar increase for ongoing temporary staff instructors and workforce trainers
- Market-based adjustments to Bands 1 to 4 for regular Staff and Grades 1 to 6 for regular Faculty
- One year of experience or a step for eligible employees and a budget for other compensation enhancements, such as a minimum increase of 1% for regular faculty and staff
- Continue to reduce personnel costs via attrition of \$3.0M per year to offset compensation pool increases

## Proposed Fiscal Year 2026 Salaries and Wages

# Staff Reductions via Attrition

(Originally Presented in February 2024)

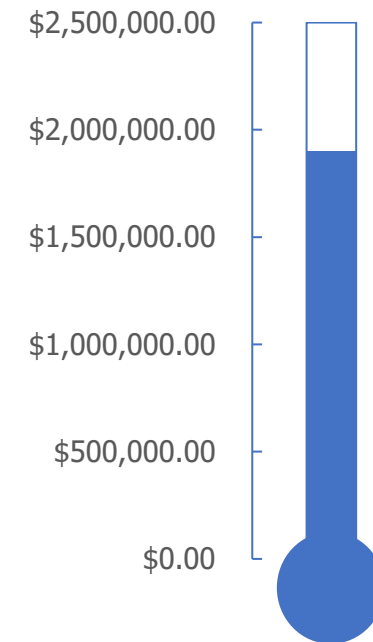
- FTSE to Staff Ratio (excluding grant-funded positions)
  - 2015 through 2019 - Average 16 FTSE per staff
  - 2020 through 2022 - Average 14 FTSE per staff
  - 2023: 12.2 FTSE per staff
- Goal 15:1 FTSE to Staff ratio comparable to 50:1 FTSE to Instructional Faculty ratio

FY24 FTSE to Staffing Ratio	# of Staff Positions Over
14.5 FTSE to Staff	150
15.0 FTSE to Staff	175

# Fiscal Year 2025 Position Reductions

Goal of \$2.5M

- Closed to date: 21 Full Time Equivalents (FTE)
- Salary savings: \$1.43M
- Fringe savings: \$0.47M



- Use of health plan reserves to offset \$1.0M of the projected \$1.5M increase
- Restructure of employee medical benefit plans including an increase to employee contributions of \$260K and the remaining \$240K to be funded in the budget

## **Fiscal Year 2026 Employee Medical Benefits**

# Fiscal Year 2026 Efficiency Strategies

**Make Someday Today**

	Change (\$mil)
<b>Revenues</b>	
Property Tax Growth	2.8
Enrollment	0.5
Investment Earnings	-1.5
<u>Prop 301/207</u>	<u>0.3</u>
Subtotal Revenues	2.1
<b>Expenses</b>	
Salaries and Wages	3.8
Benefits	1.5
<u>Contractual Obligations</u>	<u>1.1</u>
Subtotal Expenses	6.4
Net Change	-4.3
<b>Strategies</b>	
Position Reductions via Attrition	-3.0
Health Benefit Cost Share	-0.3
<u>Health Reserve</u>	<u>-1.0</u>
Subtotal Strategies	-4.3
Total Net	0.0

- May Governing Board Meeting
  - Request to approve employee salaries and wages
  - Request to approve capital budget
  - Request to publish Proposed Budget and, if required, Truth in Taxation Notification
- June Public Hearing and Special Meeting
  - Set property tax rates and levies
  - Adopt the budget

## Next Steps



**PimaCommunityCollege**