

# Pasadena Area Community College District

## Tentative Budget Fiscal Year 2017-18

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RECOMMENDED FOR ADOPTION BY THE BOARD OF TRUSTEES

PRESENTED BY: DR. RICHARD STORTI,  
ASSISTANT SUPERINTENDENT & VICE PRESIDENT  
BUSINESS & ADMINISTRATIVE SERVICES

JUNE 7, 2017

# California Budget Highlights Community Colleges

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## Unrestricted Ongoing Funding Increases

- Access - \$57.8 million (1%) increase
  - PCC: \$1.2 million / 240 FTES
- General Operating Allocation - \$186.3 million increase
  - PCC: \$3.6 million
- Cost of Living Adjustment of 1.56% (COLA) - \$97.0 million
  - PCC: \$2.0 million

# California Budget Highlights Community Colleges

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## Restricted One-time Funding

- \$150 million for Guided Pathways
  - PCC: tbd
- \$135.8 million for deferred maintenance / instructional equipment – majority of funds will be allocated in FY 2018/19
  - PCC: \$200K in FY 2017/18 and \$2.5 million in FY 2018/19
- \$46.5 million for Proposition 39 (Funding for Clean Energy Projects)
  - Prop 39 provides funding for 5 years – last year is 2017/18
  - PCC: \$800K

# Cautions and Concerns

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- **Economic and political uncertainties**

- **STRS and PERS**

- **Increasing Employer Contribution Rates**

Year	STRS	PERS
2016/17	12.58%	13.89%
2017/18	14.43%	15.80%
2018/19	16.28%	18.70%
2019/20	18.13%	21.60%
2020/21	19.10%	24.90%

- Annual ongoing STRS / PERS expense will increase \$7.0 million by FY 2020/21

- **Other Postemployment Benefit (OPEB) Liability**

# Full time Equivalent Students (FTES)

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Fiscal Year	FTES		Year over Year Change	
2013/14	21,243.21	actual	145.23	0.7%
2014/15	22,895.00	actual	1,651.79	7.8%
2015/16	23,502.23	actual	607.23	2.7%
2016/17	23,987.82	target	485.59	2.1%
2017/18	24,227.70	May Revise 1% Growth	239.88	1.0%

**\*\*PCC's has increased FTES by 2,745 or 12.9% from FY 2013/14 to FY 2016/17**

# General Fund Tentative Budget FY 2017/18

<b>Revenue</b>		
State Apportionment	\$133,832,950	86.26%
Lottery	3,461,327	2.23%
State Mandated Claims	375,050	0.24%
Non-resident Tuition	9,373,000	6.04%
CalSTRS On Behalf Payment	4,000,000	2.58%
Categorical / Student Fees / Other	4,102,295	2.64%
<b>Total Revenue</b>	<b>\$155,144,622</b>	<b>100.00%</b>
<b>Expenses</b>		
Salaries and Benefits	\$132,651,670	85.50%
Supplies and Materials	2,130,119	1.37%
Operating Expenses and Services	16,164,107	10.42%
Capital Outlay	657,321	0.42%
Other Outgoing / Transfers	3,541,405	2.28%
<b>Total Expenses and Transfers</b>	<b>\$155,144,622</b>	<b>100.00%</b>
<b>Surplus (Deficit)</b>	<b>-0-</b>	<b>0.00%</b>

# Revenue Assumptions

## Changes from FY 2016/17 to 2017/18

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Description	Financial Impact
Base Allocation - 3.0% Increase	3,590,000
COLA - 1.56%	1,980,000
Enrollment Growth - 1.0% Increase	1,200,000
Other (Lottery and Non-Resident Tuition)	307,000
State Mandated Claims	(2,417,000)
State One-time Revenue	(2,899,000)
<b>Total</b>	<b>1,761,000</b>

# Expense Assumptions

## Changes from FY 2016/17 to 2017/18

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Description	Financial Impact
Total Compensation – 2.0% Increase	2,108,000
Faculty Positions – Net increase in Faculty Positions	1,250,000
General Operating Expenses – 1.0% Increase	505,000
Decrease in Transfers to Other Funds	(2,092,000)
<b>Total</b>	<b>1,771,000</b>

# Transfers

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Fund	Transfers
01 General Fund	(3,541,404)
33 Child Development Center Fund	36,000
41 Capital Outlay Fund	600,000
62 Property & Liability Self -Insurance Fund	1,411,016
64 OPEB Self-Insurance Fund	1,000,000
69 Other Internal Service Fund - PERS/STRS	494,388
<b>Total</b>	<b>\$ -</b>

# Summary of Funds

## 2017/2018 Tentative Budget

Fund	Projected Beginning Balance	Income	Expenditures	Transfers	Net Activity	Ending Balance
01 General Fund	16,047,908	155,144,622	(151,603,218)	(3,541,404)	-	16,047,908
03 Restricted General Fund	1,344,192	44,070,348	(44,387,553)		(317,205)	1,026,987
29 Capital Servicing Fund	1,038,967	1,000	(929,884)		(928,884)	110,083
33 Child Development Center Fund	248,386	917,959	(943,914)	36,000	10,045	258,431
41 Capital Outlay Fund	5,000,089	972,988	(4,048,678)	600,000	(2,475,690)	2,524,399
42 Building Fund - Measure P	6,235,995		(6,235,995)		(6,235,995)	-
43 Scheduled Maintenance	3,112,902	200,000	(1,500,000)		(1,300,000)	1,812,902
59 Identity Services Fund	127,334	31,000	(53,920)		(22,920)	104,414
61 Workers Compensation Self- Insurance Fund	1,283,088	1,883,629	(1,883,629)		-	1,283,088
62 Property & Liability Self -Insurance Fund	378,939		(1,411,016)	1,411,016	-	378,939
63 Dental Coverage Self - Insurance Fund	2,345,239	1,350,000	(1,350,000)		-	2,345,239
64 OPEB Self-Insurance Fund	14,369,173		(1,800,000)	1,000,000	(800,000)	13,569,173
69 Other Internal Service Fund - PERS/STRS	5,308,281			494,388	494,388	5,802,669
74 Student Financial Aid Fund	737,533	42,418,825	(42,418,825)		-	737,533
<b>Total</b>	<b>\$ 57,578,026</b>	<b>\$ 246,990,371</b>	<b>\$ (258,566,632)</b>	<b>\$ -</b>	<b>\$ (11,576,261)</b>	<b>\$ 46,001,765</b>

# Questions

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