PIMA COUNTY COMMUNITY COLLEGE DISTRICT
GOVERNING BOARD OPEN MEETING NOTICE AND AGENDA
April 10, 2017

NOTICE OF STUDY SESSION

2:00 p.m.
April 10, 2017
District Office
Building C Room 105
4905 E. Broadway Blvd.
Tucson, AZ 85709-1005

AGENDA FOR MEETING*

1. **Call Meeting to Order**

2. **Budget for 2017-2018**

3. **New process for Meet & Confer**

* Option to recess into legal advice executive session — Pursuant to A.R.S. §38-431.03(A)(3) the Governing Board may vote to go into executive session for the purpose of obtaining legal advice from its legal counsel with respect to any item listed on this agenda or any addendum thereto.

Members of the Governing Board may participate by telephone, video or internet conferencing.

Meeting presentations will be posted within a reasonable time following the meeting.

To request a reasonable accommodation for individuals with disabilities, a minimum of 5 business days before the event is requested. Contact Phone: (520) 206-4539; Fax: (520) 206-4567.

Note: Other than action taken on the motion to go into the above-referenced executive session and the motion to adjourn the meeting, there will be no action taken by the Governing Board at this special meeting.

Foundational Tenets

- Stewardship and Financial Health
  - Indicators
    - Enrollment Trends
    - Financial and Operational Health Metrics
- Expenditure Limitation
- College Business Model
  - Revenue Source Realities
  - Competition
  - Cost Drivers
- Future Needs
  - Educational Master Plan and Strategic Reinvestment
- Other Organizational Challenges

Cash and Investments vs. Long Term Liabilities ($mil)

Pima Community College
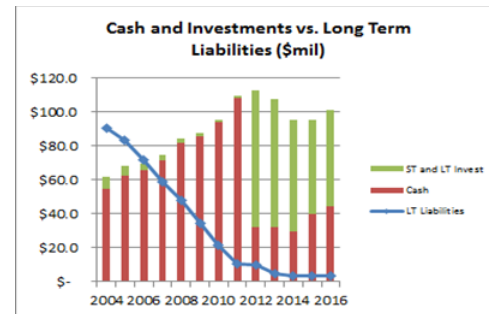
PCC Enrollment Summary
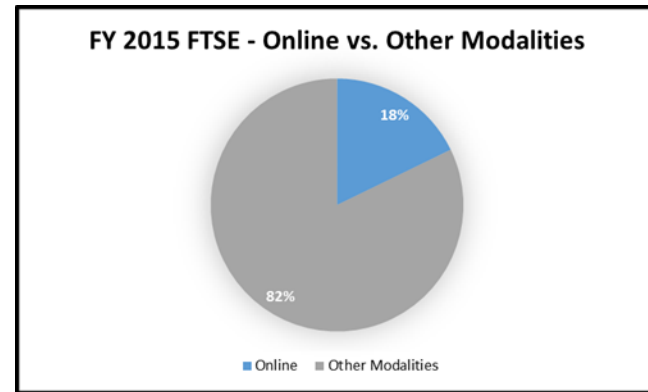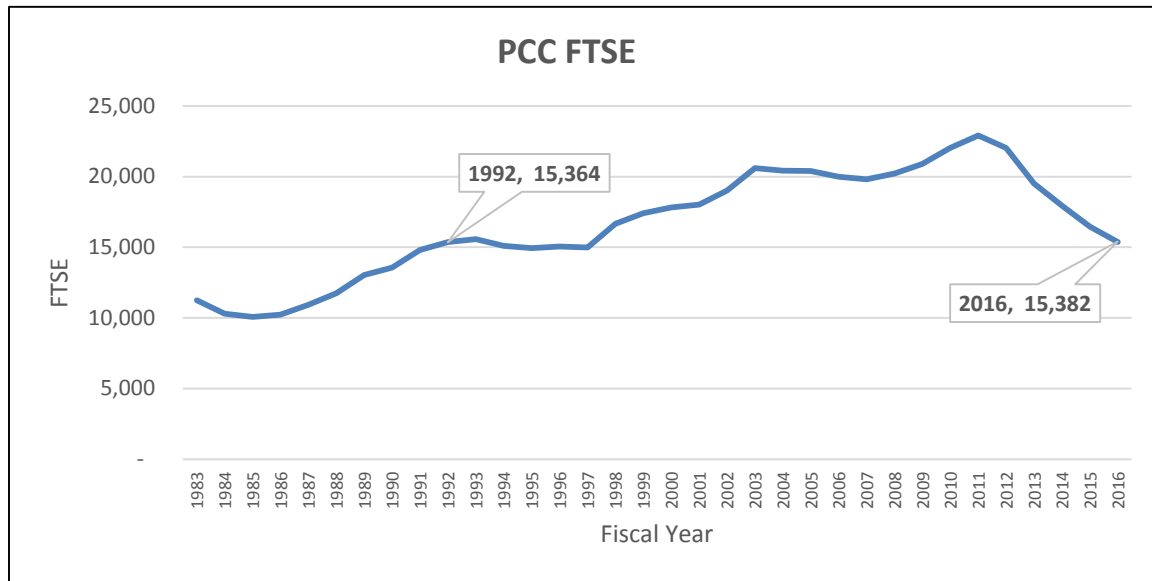
Expenditure Limitation Projections
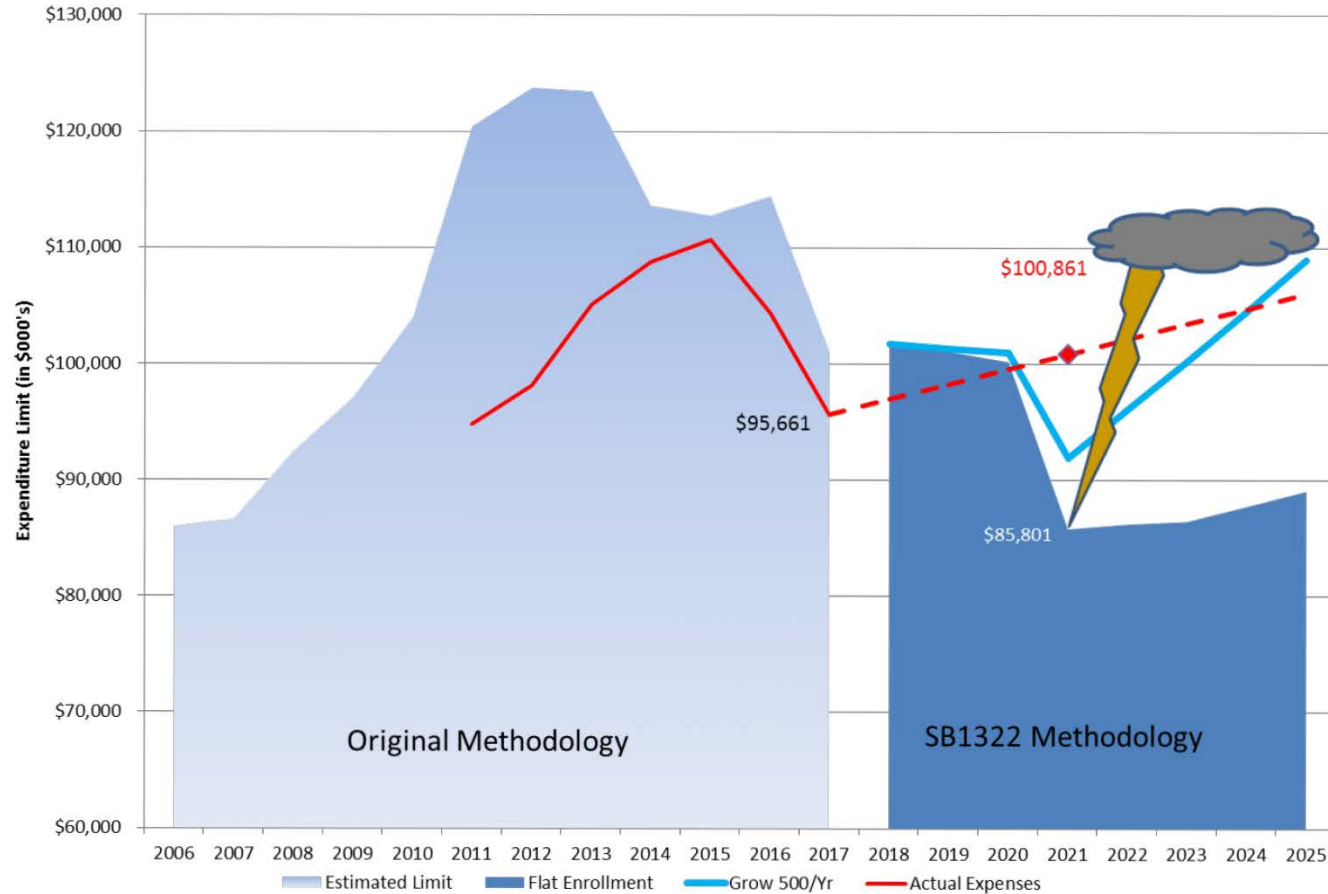
Budgeted General Fund Revenue Sources as a percent of Total Revenue

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
■ Property Tax	59%	61%	62%	60%	62%	62%	64%	66%	69%	72%
■ Tuition	24%	24%	24%	28%	32%	32%	31%	29%	31%	27%
■ State Aid	15%	13%	13%	11%	5%	5%	5%	4%	0%	0%
■ Other	2%	1%	1%	0%	1%	1%	1%	1%	0%	0%

Finance and Administration

PimaCommunityCollege

www.pima.edu
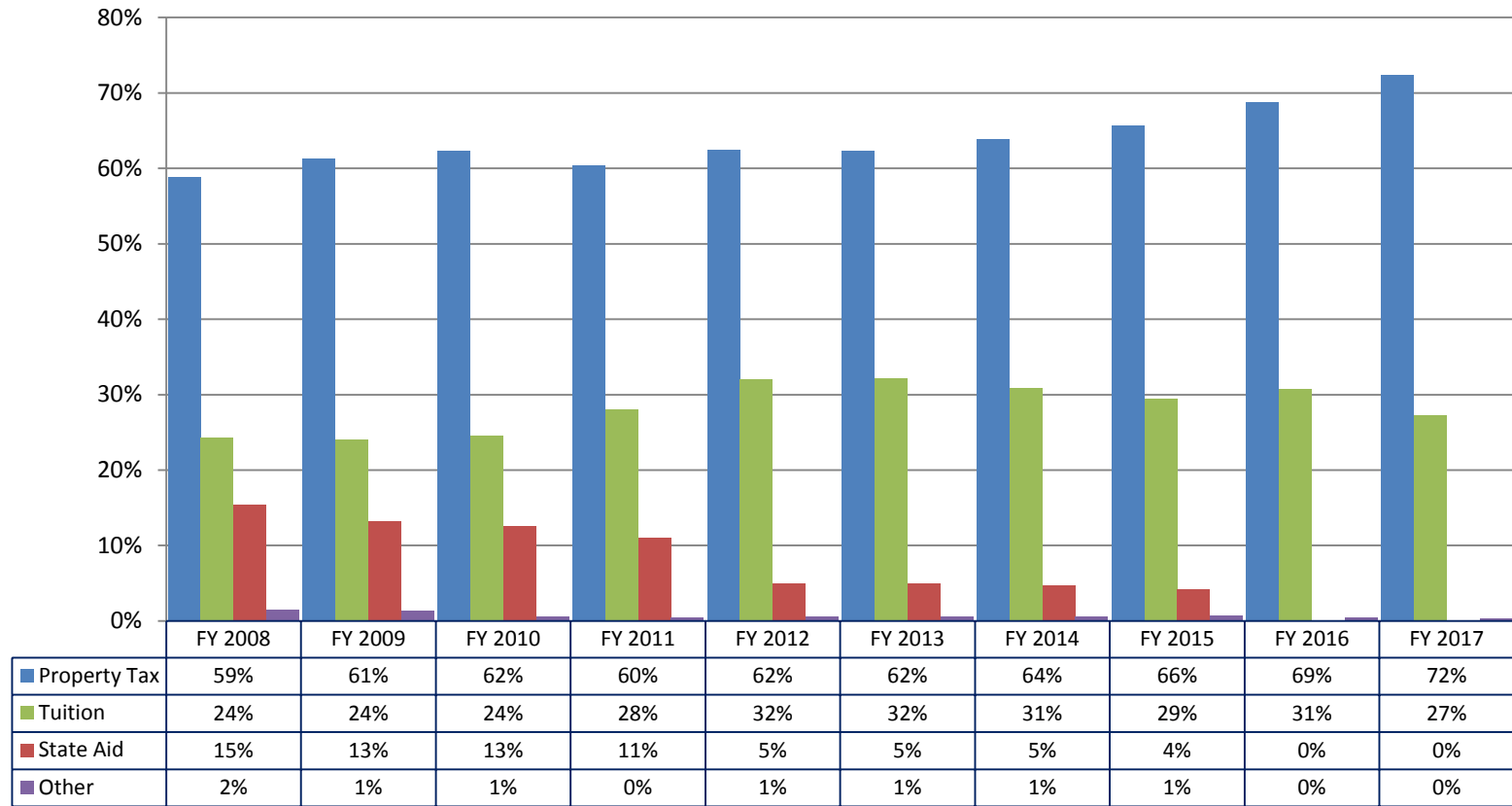
Changes in PCC and AZ CC FTSE compared with Tuition and State Appropriations, 2006-2016 (Indexed to 2006 Levels)
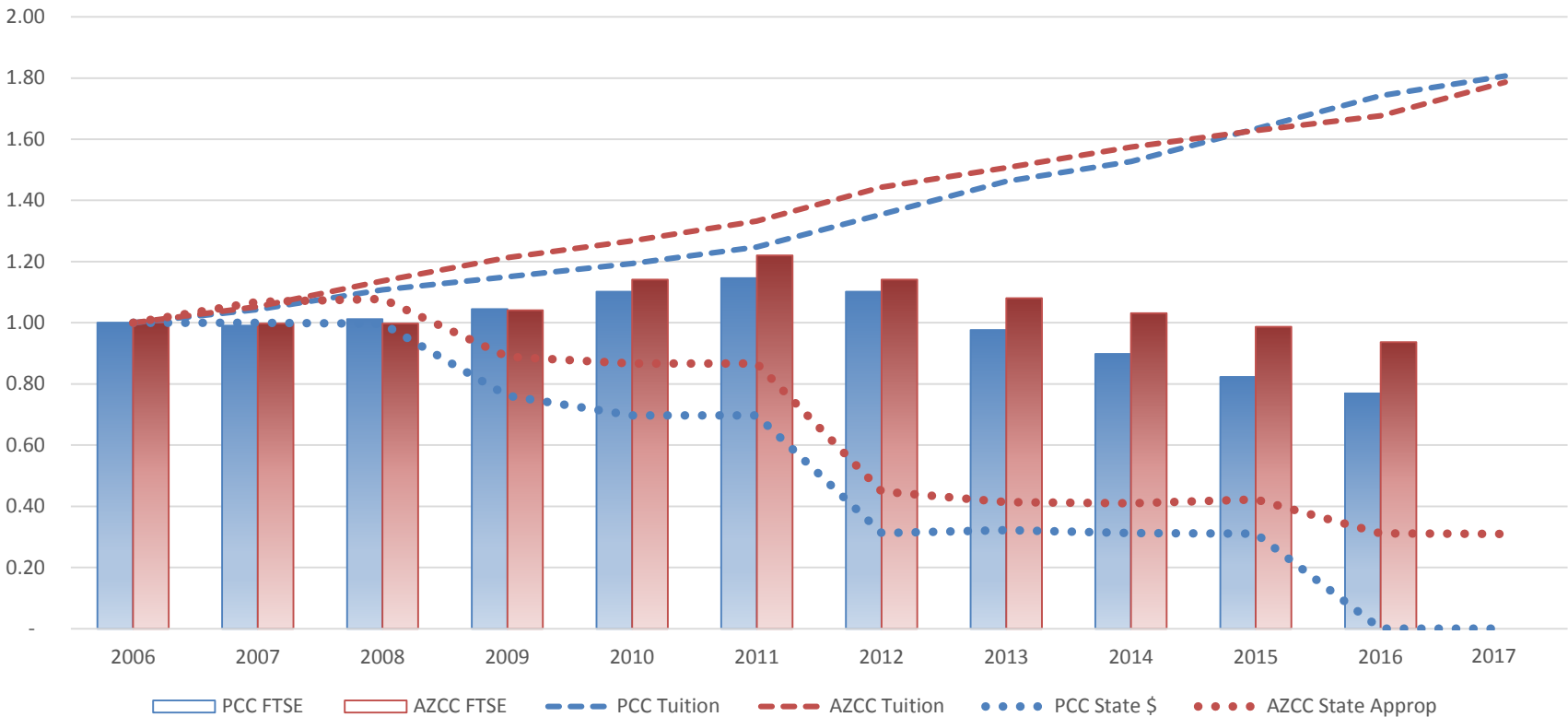
Primary Property Tax Levy Detail

	FY 2017	FY 2018 Levy Neutral	FY 2018 Max
Net Taxable Value Current Year (\$100s)	\$ 78,166,998	\$ 80,749,577	\$ 80,749,577
Overall Change in Valuation	2.58%	3.30%	3.30%
Change from New Property	1.89%	1.43%	1.43%
Estimated Primary Tax Rate Authorization (per \$100 net assessed valuation)	\$ 1.3733	\$ 1.3484	\$ 1.3890
Primary Tax Levy	\$ 107,346,737	\$ 108,881,795	\$ 112,161,162
Change from previous fiscal year		\$ 1,535,058	\$ 4,814,425
Truth in Taxation Levy Increase			\$ 3,279,367

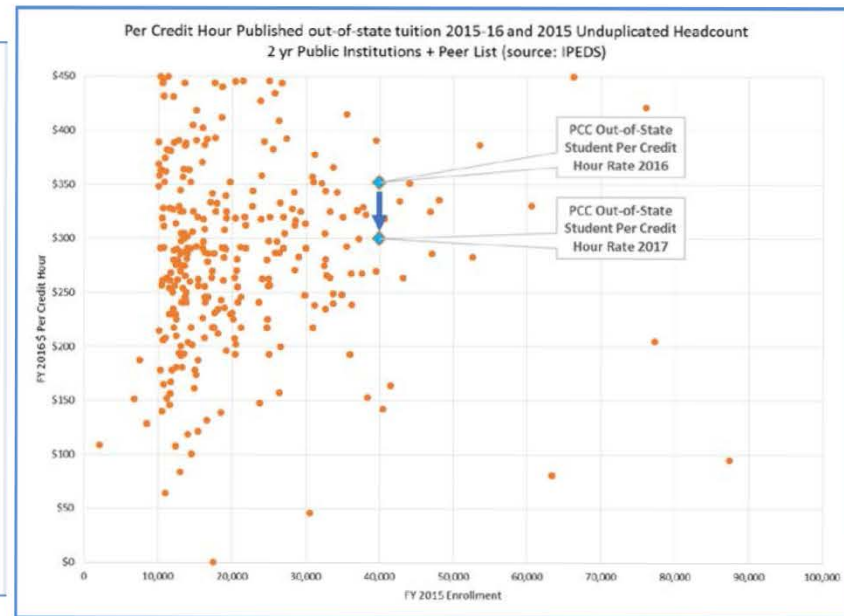# PCC Primary, Secondary, and Combined Tax Rates (Fiscal Years 2000-2018*)

1.3696

Proposed 1.3890*

Levy Neutral 1.3484

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018*
Primary Property Tax Rate	1.1626	1.1709	1.1455	1.1530	1.1358	1.1143	1.0930	1.0570	1.0191	0.9787	0.9356	0.9755	1.0846	1.1484	1.2746	1.3344	1.3689	1.3733	1.3890
Secondary Property Tax Rate	0.2070	0.3865	0.4015	0.3803	0.3526	0.2285	0.2184	0.1945	0.1654	0.1502	0.1414	0.1093	0.0248	0.0257	0.0187	0.0000	0.0000	0.0000	0.0000
Combined Primary + Secondary Tax Rates	1.3696	1.5574	1.5470	1.5333	1.4884	1.3428	1.3114	1.2515	1.1845	1.1289	1.0770	1.0848	1.1094	1.1741	1.2933	1.3344	1.3689	1.3733	1.3890

* proposed

Tuition Market Comparison

Comparison of 2016-2017 Tuition Rates for Arizona Community Colleges

	Coconino	Mohave	Maricopa	Pinal - Central	Pima	Graham - Eastern	Yuma/La Paz - AZ Western	Cochise	Yavapai	Navajo - Northland Pioneer
FY 17 Fees Per Unit	$0.00	$7.00	$0.00	$0.00	$5.50	$0.00	$0.00	$0.00	$0.00	$0.00
FY 17 Tuition Per Unit	$102.00	$81.00	$86.00	$84.00	$78.50	$80.00	$80.00	$79.00	$79.00	$70.00

Per Credit Hour Published out-of-state tuition 2015-16 and 2015 Unduplicated Headcount 2 yr Public Institutions + Peer List (source: IPEDS)

PCC Out-of-State Student Per Credit Hour Rate 2016

PCC Out-of-State Student Per Credit Hour Rate 2017

2017-2018 Recommended Tuition & Service Fees

Tuition Rates for Credit Courses	2017 2018 Recommended Cost per Unit	2016 2017 Cost per Unit
In-State Resident	$81.50	$78.50
Lifelong Learner	$40.75	$39.25
Non-Resident Classroom – Fall/Spring	$303.00	$300.00
Non-Resident Classroom – Summer	$232.00	$229.00
Non-Resident Online	$213.00	$210.00
Differential Tuition A	$24.50	$23.50
Differential Tuition B	$32.50	$31.50

Service Fees	Recommended Cost	Cost
Processing Fee	$15.00/Semester	$15.00/Semester
Technology Fee	$2.50/Credit	$2.50/Credit
Student Services Fee	$3.00/Credit	$3.00/Credit
International Fee	$75.00/Semester	-

Total PCC Tuition & Fees vs. Max Pell Award
(For In-State Students Taking 12 credits in both Fall and Spring)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018*
Total Tuition and Fees	$1,184	$1,256	$1,304	$1,352	$1,412	$1,532	$1,652	$1,724	$1,844	$1,974	$2,046	$2,118
Remaining Pell	$3,126	$3,475	$4,046	$4,198	$4,138	$4,018	$3,898	$3,921	$3,886	$3,801	$3,769	$3,802

*Proposed tuition increase of $3/hour
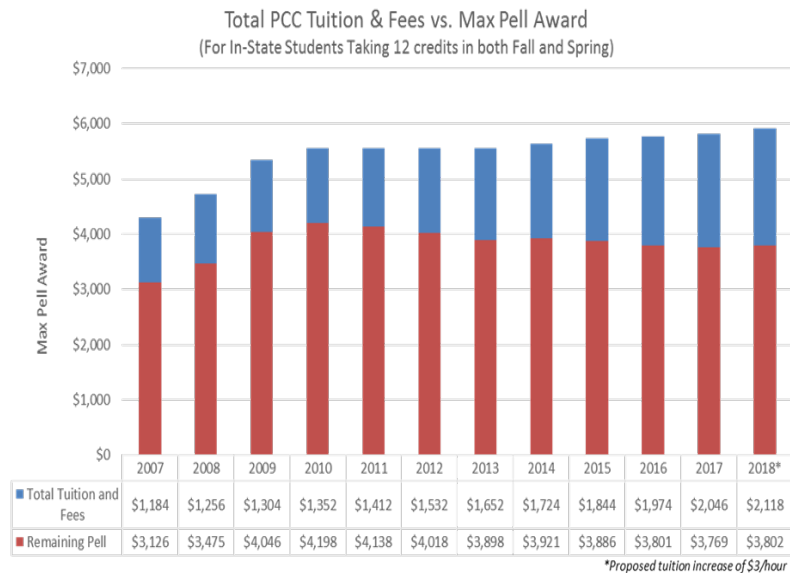
2016-2017 General Fund Expenses

- Total expenses are $153.9 million

- Predominately personnel (~75%)

- Operational expenses – little to cut/reduce

- Capital expenses – need to operationalize/find a sustainable revenue source
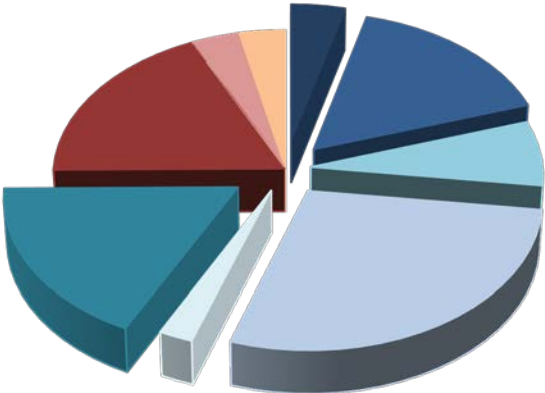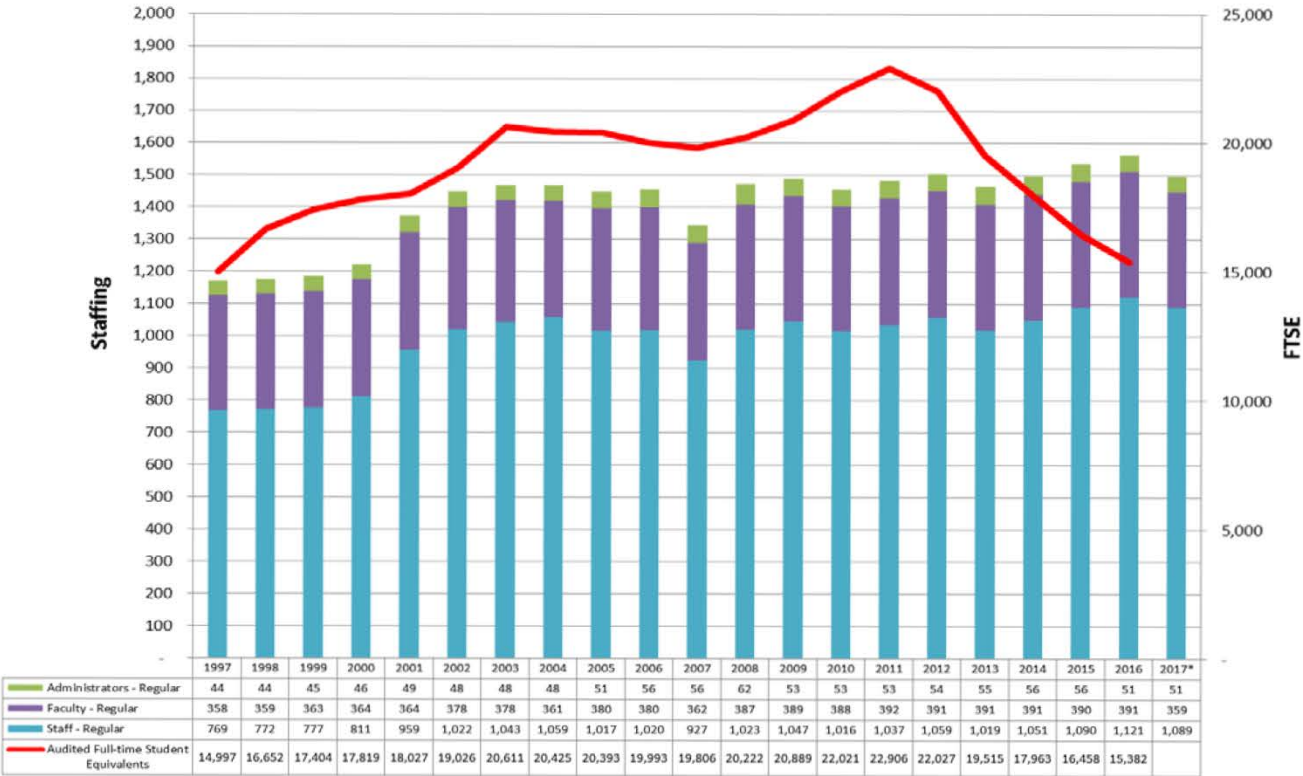
Administrative	$6.2 mil
Faculty	$24.5 mil
Adjunct Faculty	$10.9 mil
Staff Classified	$43.3 mil
Other Compensation	$3.4 mil
Fringe Benefits	$26.9 mil
Operations	$28.0 mil
Net Interfund Transfers	$5.5 mil
Net Reserves/Contingency	$5.2 mil

Staffing Levels – All Funds
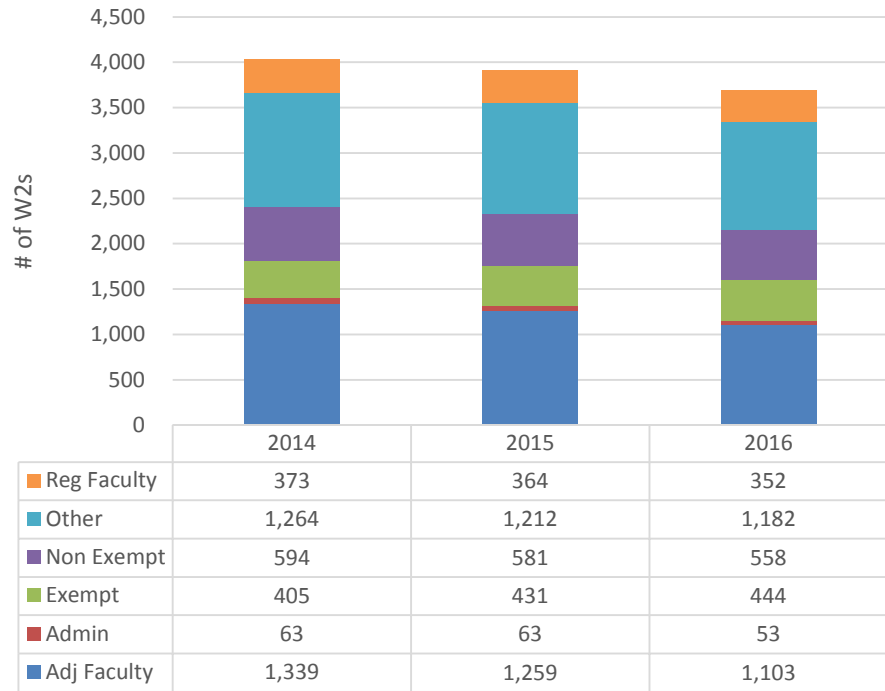
PCC FTSE vs. Staffing Levels - Fiscal Years 1997-2017

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017*
Administrators - Regular	44	44	45	46	49	48	48	48	51	56	56	62	53	53	53	54	55	56	56	51	51
Faculty - Regular	358	359	363	364	364	378	378	361	380	380	362	387	389	388	392	391	391	391	390	391	359
Staff - Regular	769	772	777	811	959	1,022	1,043	1,059	1,017	1,020	927	1,023	1,047	1,016	1,037	1,059	1,019	1,051	1,090	1,121	1,089
Audited Full-time Student Equivalents	14,997	16,652	17,404	17,819	18,027	19,026	20,611	20,425	20,393	19,993	19,806	20,222	20,889	22,021	22,906	22,027	19,515	17,963	16,458	15,382	

Notes: 1. Figures for Regular positions are based on budgeted full-time equivalents. Figures for Adjunct, Temporary & Student positions are based on estimates from actual costs.
2. Prior to 1997, Personnel Statistics were calculated using a different methodology.
3. Number of positions funded as of December 31, 2016.
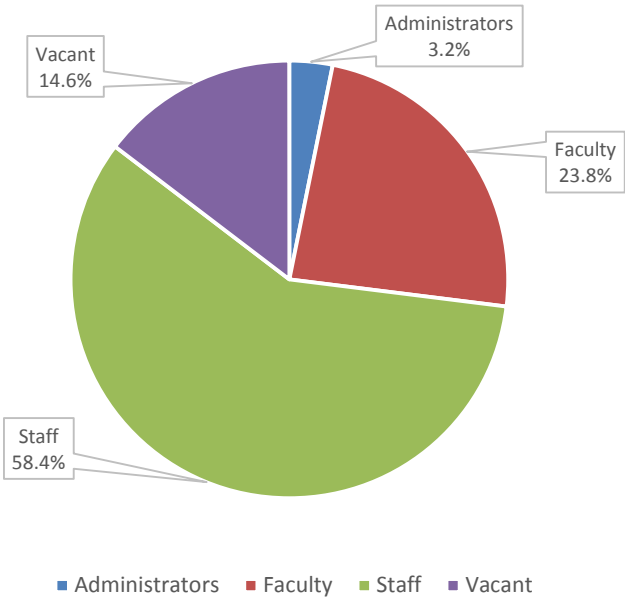
Recent Reductions

PCC W2s by Calendar Year – 2014 to 2016

# of W2s	2014	2015	2016
■ Reg Faculty	373	364	352
■ Other	1,264	1,212	1,182
■ Non Exempt	594	581	558
■ Exempt	405	431	444
■ Admin	63	63	53
■ Adj Faculty	1,339	1,259	1,103

2017-2018 Currently Vacant Positions

	Budgeted FTE	Filled FTE	Vacant FTE
Administrators	48	41	7
Faculty	355	307	48
Staff	886.8	753	133.8
Total	1289.8	1101	188.8

Currently Filled and Vacant Positions (Total FTE)

- Administrators 3.2%
- Faculty 23.8%
- Staff 58.4%
- Vacant 14.6%

■ Administrators ■ Faculty ■ Staff ■ Vacant

Revitalizing and Renewing Pima Community College: What We've Done & What We Need to Do

- Recognize new reality
  - Adapt to state changes
    - State budget reduction
    - SB1322
  - Reorganize and improve efficiency
    - Administrative Reorganization
    - Staff Reductions via Attrition
- Improve Enrollment Management
  - Maximize Pima County enrollment
    - Recruitment, Enrollment, Retention, Completion
      - Lifelong Learner tuition program, Tuition cap
  - Stimulate and support out-of-state and international enrollment
- Anticipate the future and adapt
  - Educational Master Plan
    - Programmatic needs and capabilities
    - Reinvestment

Funding the Renewal of the College

- Educational Master Plan Priorities
  - Ensure program quality, relevancy, and sustainability
  - Create pathways to student success
  - Establish centers for excellence
  - Emphasize outreach centers and leverage adult education

Budget Scenarios

- Scenario A: Delay Impacts for Now with Larger Tuition Increases
  - Small to no reductions for 17-18 and 18-19. Plan for $15 mil reduction in 19-20
  - Continue to reduce via attrition
  - Mitigate cost increases and Expenditure Limitation impacts with larger tuition increases
  - No funding to implement Educational Master Plan or other strategic changes until 19-20
  - Large reduction pending due to Expenditure Limitation

- Scenario B: Rejuvenate the College
  - Reduce current operations by $5 mil per year in each of next 3 years
  - Identify programs for elimination and begin phasing out
  - Reduce infrastructure/staffing
  - Implement most of the first 5 years of the Educational Master Plan (EMP)
  - Rely on GO Bonds for some EMP projects

- Scenario C: Revolutionize the College
  - Reduce current operations by about $10 mil per year in each of next 3 years
  - Identify programs for elimination and begin phasing out
  - Eliminate at least one location
  - Significantly reduce infrastructure/staffing
  - Large and immediate investment in Educational Master Plan
  - Ensure future financial stability and ability to grow
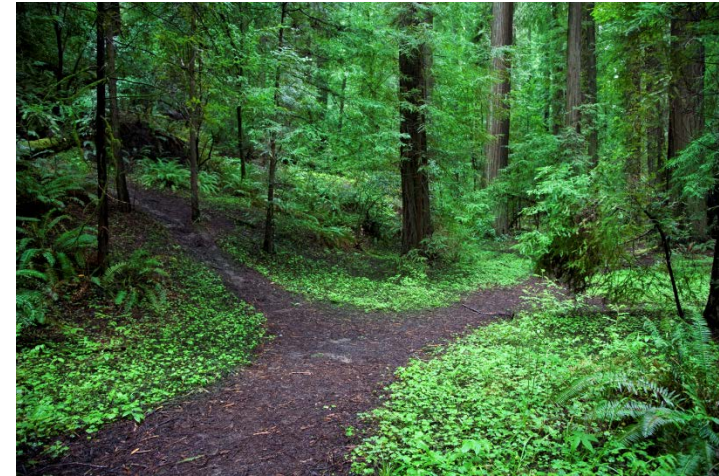
2017-2018 Budget Model

PimaCommunityCollege Administration

FY2018 General Fund Budget Model
Variables and Outcome Indicators
3/30/2017

Input Variables

Enrollment		
	In state	0.0%
	Out of State	0.0%
	International	0.0%

Tuition Increase	$ -

Tax		
	Growth	1.43%
	Levy (max 3.0%)	0.00%

Pay Increases		
	Pool Increases	0.0%
	Adj Faculty Rate	0.0%
	One-Time Stipend	$ -
	Average Increase	0.0%

Debt		
	Principal ($mil)	$ -
	Interest Rate	5.0%
	Years	20

Cut % Vacant Staff Positions	0%
Reduced Vacant FTE	0
Additional Reduction ($mil)	$ -
Effective Add'l Cut	0.0%
Estimated Positions	0

Outcome Measures

		FY17 Budget	FY18 Projection	Change	Change Indicator
Financial Indicators	General Fund Revenues	153,855,182	153,968,722	113,540	
	Personnel Expenses	112,266,706	115,139,578	2,872,871	
	Operating Expenses	27,269,152	28,669,152	1,400,000	
	Reserves/Transfers	14,378,864	15,378,864	1,000,000	
	Revenue Bond Debt Service	0	0	0	
	Subtotal Expenses	153,914,722	159,187,593	5,272,871	
	Budget Surplus/Deficit	-59,540	-5,218,871		❌
				Target	
	Funds for Future Equipment	0	-5,218,871	2,000,000	❌
Expenditure Limit	Amount Under/(Over)	700,000	-4,400,000	1,000,000	🟡
	Year over Year Change	-5,144,824	5,700,000	-3,419,745	❌
Tuition/Market	In State vs. AZCC Average	$ 0.89	$ (1.44)	$ 2.00	✅
Stewardship	Bud GF Exp per Total FTSE	9,867	10,226	9,867	❌
	Est FTSE per FTE Position	11.1	11.4	12.0	❌
	Tax Rate vs AZCC Average	-25.7%	-27.2%	-20.0%	✅
	Levy Increase	1.0%	0.00%	2.0%	✅
	Salary Pool Increase Less CPI	-1.37%	-2.50%	0.0%	✅
Accreditation and Statutory Compliance	Composite Financial Ratio	4.80	4.26	3.25	✅
	Viability Ratio	10.00	0.00	1.00	❌
	Revenue Bond Capacity	14.80	14.80	7.40	✅

Next Steps

- Communication plan based on feedback from:
  - Governing Board
  - College administrators, faculty, and staff
  - Community members
- Governing Board Meetings
  - April: Tuition and Fees
  - May: Budget Proposal
  - June: Truth in Taxation, Budget Adoption

DRAFT AP

Purpose:

This procedure establishes the framework for employee input regarding employee-related college policies and procedures.

Section 1: DEFINITIONS

1.1 All Employee Representative Council (AERC): a group of representatives from all employee classifications. The AERC will meet monthly and will be composed of faculty, adjunct faculty, exempt staff, non-exempt staff, temporary employee representation, and administrators selected from the groups listed below

- ACES (2)
- Adjunct Faculty (2)
- Administration (2)
- AFSCME (2)
- Non PCCEA Faculty selected by Faculty Senate (2)
- Non ACES Staff selected by Staff Council (2)
- Non AFSCME Staff selected by Staff Council (2)
- PCCEA (2)
- Temp Staff full time advocates (2)

Each group will decide its own process for selecting members serving on the group for a staggered term of two years.

1.2 Employee Representative Groups (ERG): The Board recognized representative groups for the three employee classifications (exempt, non-exempt, faculty).

Section 2: PROCESS

2.1 COLLECTING INPUT

The College encourages all employees to submit their suggestions and concerns regarding policy and terms and conditions of employment to the AERC. The College will provide multiple pathways for employees to submit these suggestions and concerns and develop measures to ensure that, when desired and if possible, anonymity is preserved.

1. The College will establish and maintain a secure online platform for employees to submit their suggestions and concerns to the AERC that both permits anonymity for the employee and establishes an infrastructure to ensure all submissions are archived and organized to support the AERC's needs for properly reviewing and classifying all suggestions and concerns.

2. The AERC will annually conduct Fall and Spring forums, and a minimum of one employee survey a year.

3. The AERC will seek to ensure robust input collection methods are implemented regularly. Additional input processes may include campus visits and other data gathering mechanisms as determined by the AERC.

2.2 CATEGORIZING INPUT

During their meetings, the AERC will review the issues brought forward in the 2.1 Collecting Input process and determine the appropriate pathway.

2.2.1 POLICY CHANGES

Issues that require a change to or new Board Policy/Administrative Procedure/Employee Personnel Policy Statements. Employment-related issues of broad significance best addressed through modification of existing or creation of new Board Policy, Administrative Procedures, Employee Classification and/or Common Policy Statements, or Annual Compensation Process will be directed to the 2.3 Meet and Confer process.

2.2.2 NON-POLICY CHANGES

Issues that do not require a change to policy. Employment issues of more limited applicability better addressed on an individual basis or through the processes available from an appropriate responsible unit or department, including potential policy violations, will be directed to that office (i.e., Office of Dispute Resolution, Human Resources, Office of the General Counsel, Equal Employment Opportunity Office, a Dean, etc.).

2.3 MEET AND CONFER

On an annual basis, no later than April, a compensation-based Meet and Confer for each representative group will convene, based on the budget.

Items that are categorized in Step 2 as requiring change to or new Board Policy/Administrative Procedure/Employee Personnel Policy Statements are sent to the representative group presidents and VC of HR, or designee, for convening of an item-specific Meet and Confer. Employee representative group presidents will determine if their employee group would be impacted by this item. If so, the leadership of the representative group will identify the employee representatives.

2.3.1 RESOLUTION TEAM

Resolution Teams will conduct appropriate research, gather feedback from constituencies, and recommend policy or procedure changes.

2.3.2 RESOLUTION TEAM COMPOSITION

Employee Representatives. ERG leadership (President or designee) will assemble a team of up to six (6) members who are diverse in representatives' campus location, classification, gender, and ethnicity. As much as possible, representatives should have expertise in the item(s) discussed and represent diversity in perspective. The chief spokesperson will be determined by vote of the team.

Management Representatives. The VC of HR or designee will assemble a team of up to six (6) members who are diverse in representatives' campus location, classification, gender, and ethnicity. As much as possible, team members should have expertise in the item(s) discussed and represent diversity in perspective. The chief spokesperson will be determined by vote of the team.

Additional Participants: The resolution team may invite additional subject matter experts or additional affected parties as needed.

2.3.3 RESOLUTION TEAM GUIDELINES

AERC shall set a recommended timeline for the work of each Resolution Team. The goal of the Resolution Team process is to reach consensus. If consensus is not reached, multiple proposals may be submitted for review to the AERC. Options for the AERC would include: 1. moving the recommendation(s) forward to the appropriate decision-maker or 2. Referring it back to the resolution team for revision.

2.4 COMMUNICATION

The AERC will assure that the pathway recommended for each topic, issue, or concern is communicated and that all resolutions are communicated with rationales to the parties involved and to the College community, where appropriate. Timely communication will occur via numerous mechanisms.

Framework for Employee Policy Input Process
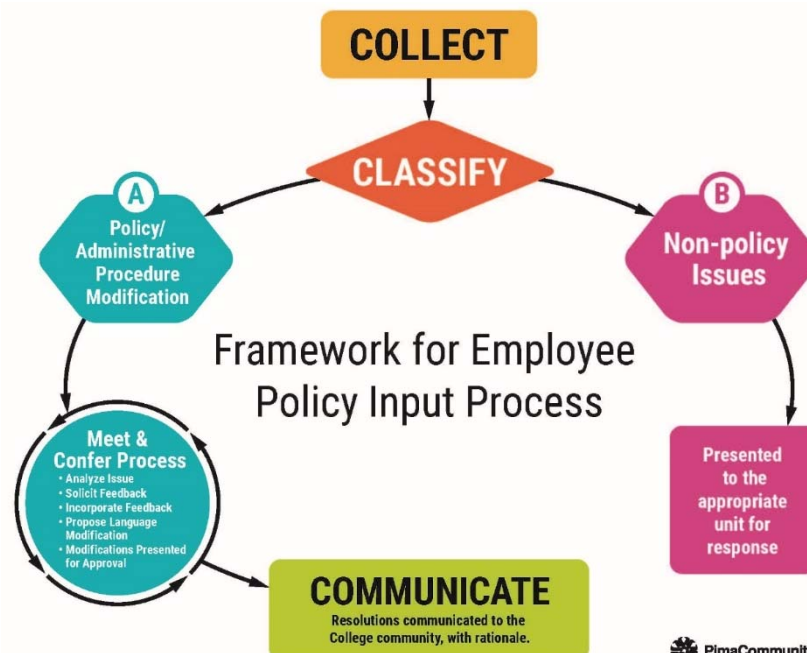
Personnel Governance Task Force (PGTF) 2016-2017

First Name	Last Name	E-mail Address	Status
Rachel	Araiza	raraiza5@pima.edu	HR Support Staff
Daniel	Berryman	dberryman@pima.edu	VC for HR
Jorge	Caballero	jcaballero1@pima.edu	Non-Exempt
Alison	Colter-Mack	amcolter@pima.edu	ACV for HR
Aubrey	Conovor	aconover@pima.edu	Vice President
Linda	Cordier	lcordier@pima.edu	Exempt
Jim	Craig	jcraig7@pima.edu	Academic Dean
Irma	Federico	ifederico1@pima.edu	HR Prog. Mgr.
Jessica	Felix	jdfelix@pima.edu	HR Support
Julie	Hecimovich	jhecimovich@pima.edu	Exempt
Ana	Jiménez	ajimenez@pima.edu	Faculty
Denise	Kingman	dkingman1@pima.edu	Exempt
Sandra	Loreto	sloreto@pima.edu	Non-Exempt
Steven	Mendoza	smendoza19@pima.edu	Non-Exempt
Lamata	Mitchell	lmitchell13@pima.edu	Vice President
Helen	O'Brien	hobrien@pima.edu	Exempt
Virginia	Ortega	vortega@pima.edu	Non-Exempt
Ted	Roush	troush@pima.edu	Vice President
Erich	Saphir	esaphir@pima.edu	Faculty
Nan	Schmidt	nschmidt@pima.edu	Faculty
Jeffery	Silvyn	silvyn@pima.edu	PCC General Counsel
Alba	Sotomayor	asotomayor@pima.edu	Non-Exempt
Tal	Sutton	tsutton4@pima.edu	Faculty
Frank	Velasquez	fvelasquez4@pima.edu	Exempt
Gregory	Wilson	gwilson@pima.edu	Academic Dean

Personnel Governance Task Force Charge

In the fall of 2015, the Personnel Governance Task Force was charged by the Chancellor to create a framework for a process to gather input on issues related to policies and administrative procedures that is inclusive of all employees, while being flexible, responsive and efficient. Upon approval of this framework, further work would then be done to develop an appropriate Board Policy and Administrative Procedure to replace the current Meet & Confer with Employee Representative Groups Board Policy 1.25 (formerly BP 4001).

Feedback on the Personnel Governance Task Force Proposal Survey Results

March 30th 2017

      The College solicited employee feedback on the draft version of a proposed process to enable the Personnel Governance Task Force (PGTF) to complete its work and present a final proposal to the Chancellor. The survey was shared throughout the College by email (and later a reminder) sent by the Human Resources Office to all Pima Community College employees.

      The employees had to answer how much they agree with four statements about the process. At the end of the survey two open-end questions were asked.

1. This process is inclusive.
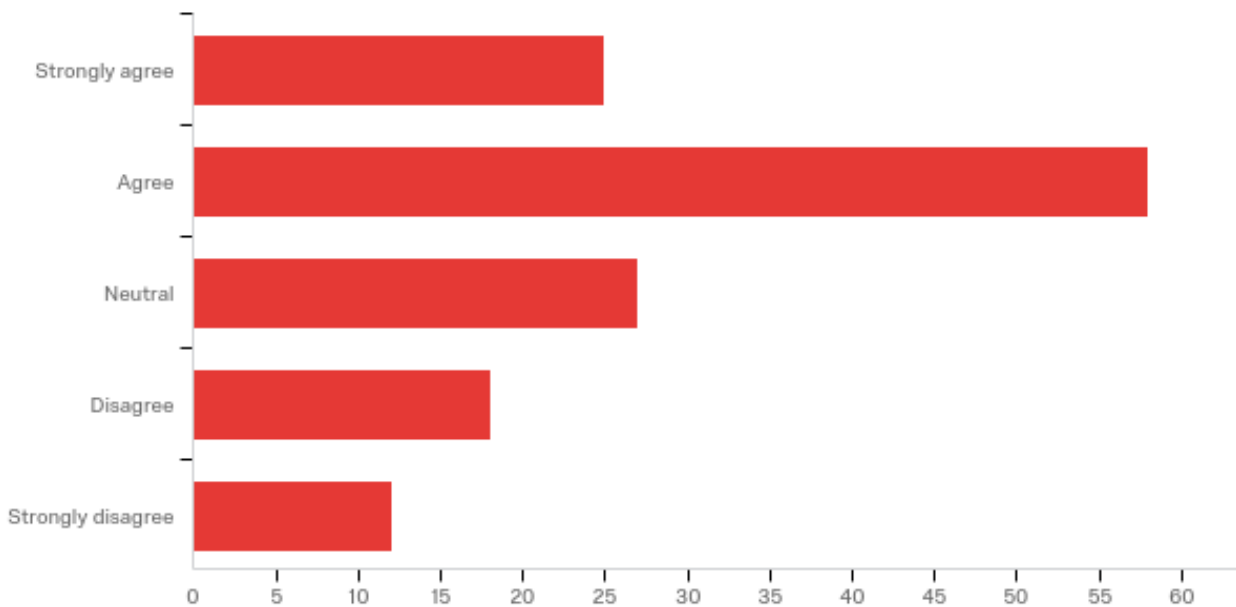
Answer	%	Count
Strongly agree	17.86%	25
Agree	41.43%	58
Neutral	19.29%	27
Disagree	12.86%	18
Strongly disagree	8.57%	12
Total	100%	140

2. This year round process provides the flexibility to address the changing needs of the college.
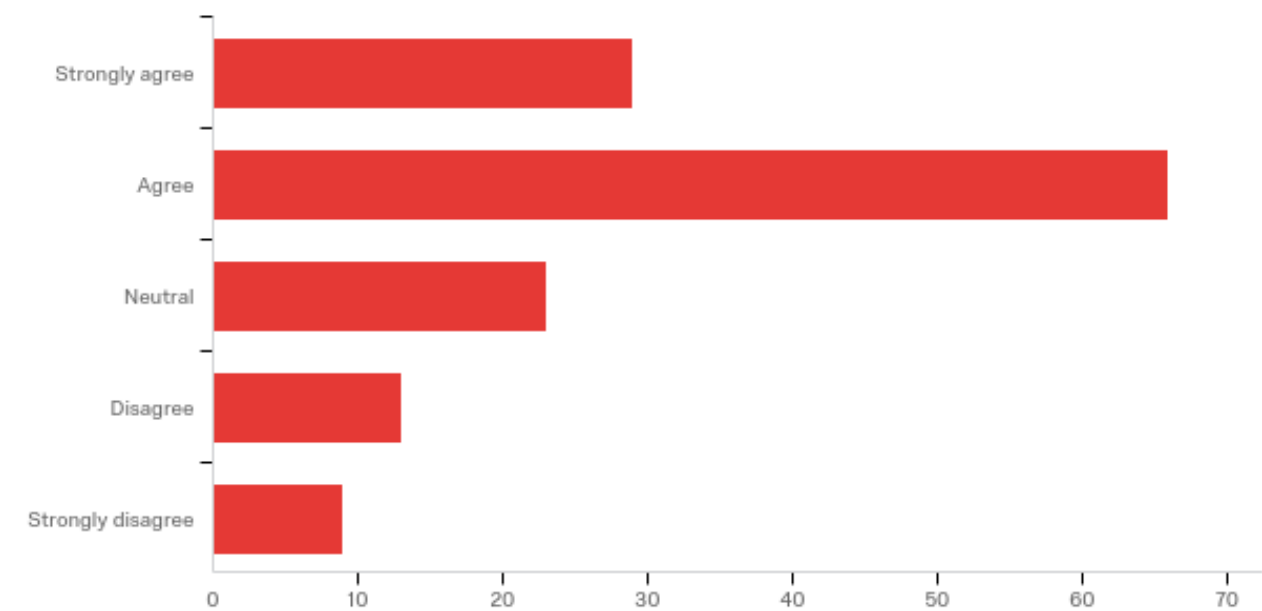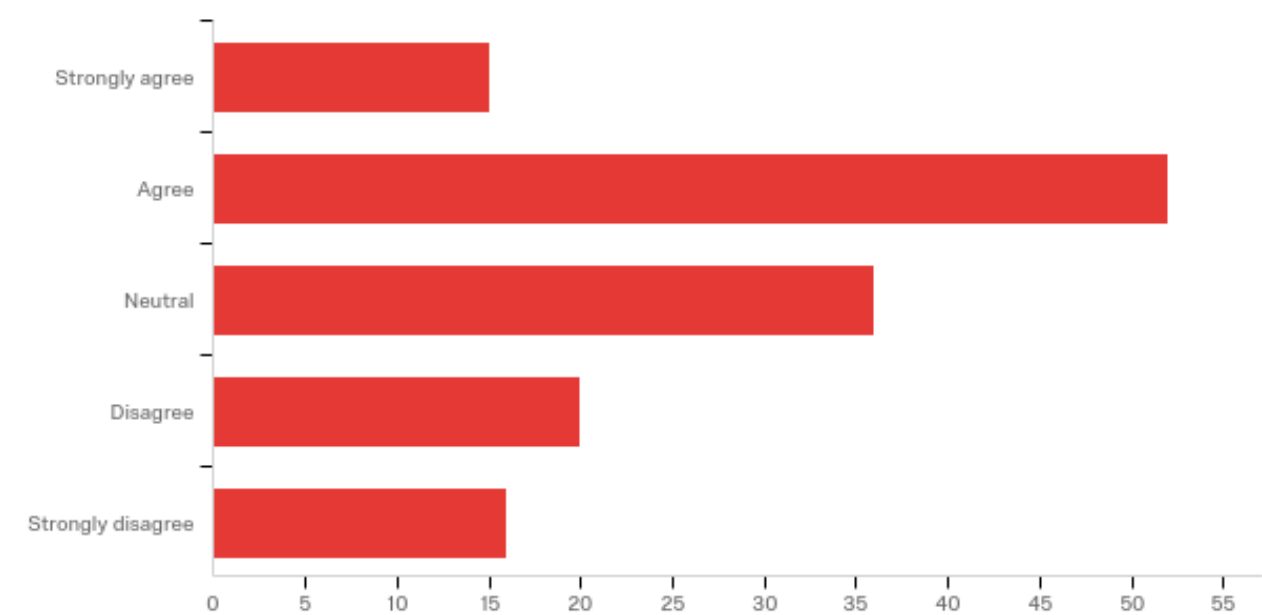

Answer	%	Count
Strongly agree	20.71%	29
Agree	47.14%	66
Neutral	16.43%	23
Disagree	9.29%	13
Strongly disagree	6.43%	9
Total	100%	140

3. This process establishes an effective way to provide input.
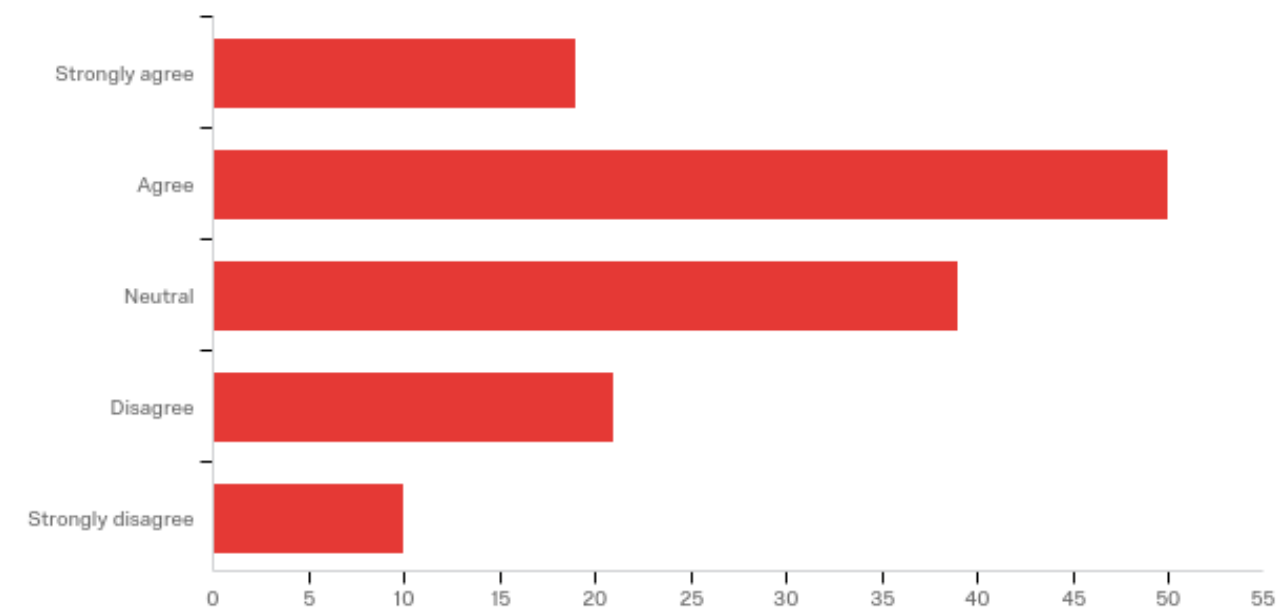
Answer	%	Count
Strongly agree	13.67%	19
Agree	35.97%	50
Neutral	28.06%	39
Disagree	15.11%	21
Strongly disagree	7.19%	10
Total	100%	139

4. This process increases employee participation in the development of employee-related college policies and procedures.

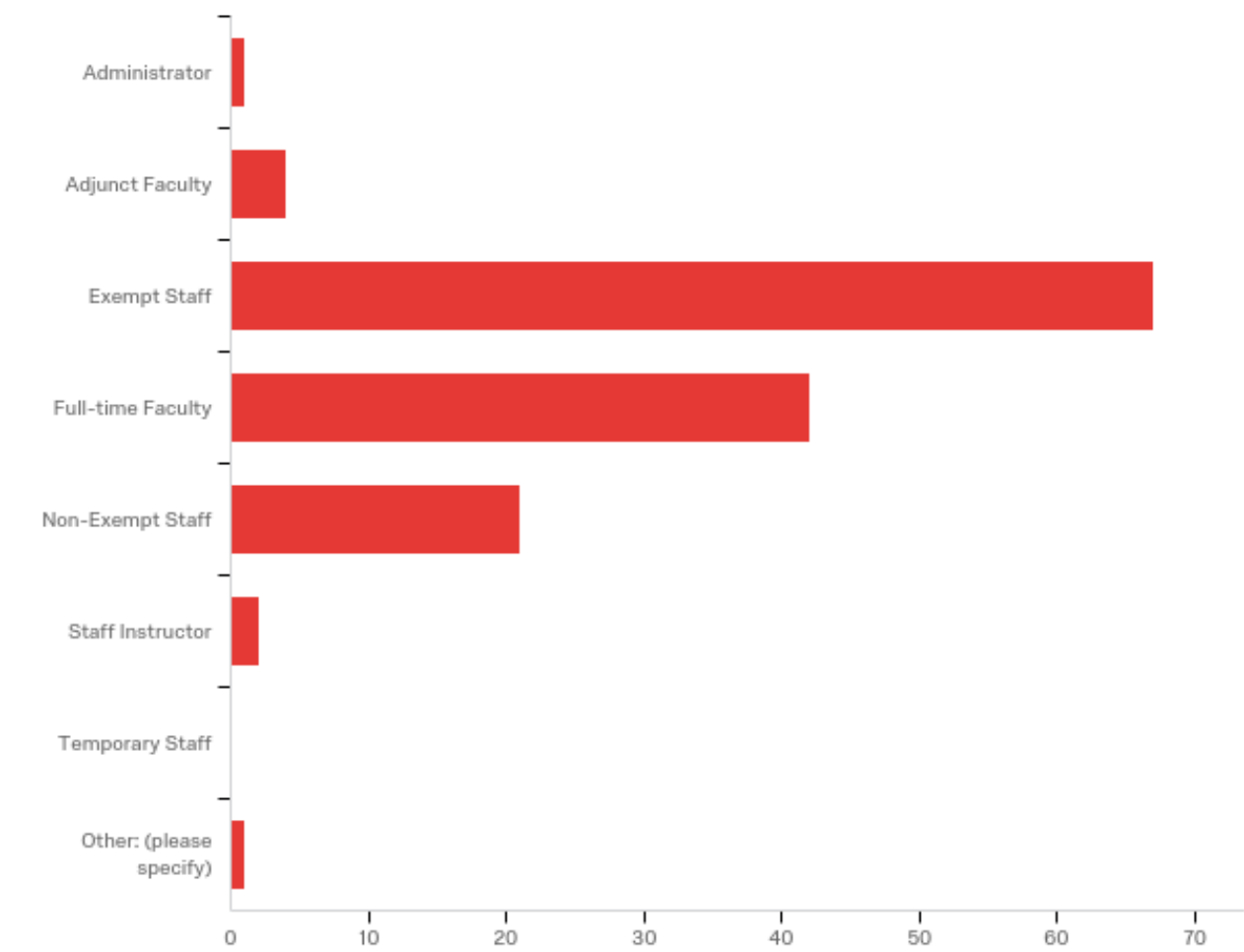| Answer	%	Count
Strongly agree	10.79%	15
Agree	37.41%	52
Neutral	25.90%	36
Disagree	14.39%	20
Strongly disagree	11.51%	16
Total	100%	139

5. Which do you see as the strengths of this process?

6. How can this process be improved?

7. Primary campus/location:

Answer	%	Count
29th Street Coalition Center	0.74%	1
Aviation Technology Center (ATC)	0.74%	1
Community Campus	12.50%	17
Davis-Monthan Air Force Base	0.00%	0
District Office	25.00%	34
Desert Vista Campus	8.82%	12
Downtown Campus	12.50%	17
East Campus	10.29%	14
El Pueblo Learning Center	0.00%	0
El Rio Learning Center	0.00%	0
Maintenance and Security (M & S)	2.94%	4
Northwest Campus	8.82%	12
Public Safety & Emergency Services Institute (PSESI)	0.00%	0
West Campus	17.65%	24
Total	100%	136

8. Primary job classification:

Answer	%	Count
Administrator	0.72%	1
Adjunct Faculty	2.90%	4
Exempt Staff	48.55%	67
Full-time Faculty	30.43%	42
Non-Exempt Staff	15.22%	21
Staff Instructor	1.45%	2
Temporary Staff	0.00%	0
Other: (please specify)	0.72%	1
Total	100%	138

Link to 4 minute video explaining the proposed process here:

https://www.powtoon.com/c/bf07Q31xplD/1/m