

Dallas County Community College District

Second Draft

Multi-Year Financial Outlook and Plan
FY 2009 – FY 2011

DCCCD Board Work Session
February 16, 2009

2009 – 2011 Revenue Assumptions

	<u>FY 2010</u>	<u>FY 2011</u>
Credit Enrollment	4.0% increase	4.5% increase
Tuition Rate	no change	TBD
State Funding	3.8% increase	no change
Tax Base	no change	no change

2009 – 2011 Expenditures Assumptions and Provisions

	<u>FY 2010</u>	<u>FY 2011</u>
New Square Footage	854,328 s.f.	208,097 s.f.
Provision - expanded facilities (colleges & district ops)	\$9,294,297	\$11,689,500
Increase - community campuses	\$1,459,483	\$1,738,194
Visiting Scholar Provision	\$1,978,000	\$1,978,000
Mid-Year Growth Provision	-0-	-0-
Provision for Retention Initiatives	\$1,500,000	\$1,500,000
Technology "Edge" Provision	\$500,000	\$500,000
Provision for ATB Salary Adjs - FY11	-0-	\$1,900,000
Provision for Job Reclassifications	\$250,000	\$250,000
Provision for Planned Maintenance – Facilities (fund balance)	\$10,000,000	\$10,000,000

2009 – 2011 Fund Balance Minimums

Board policy requires a minimum of 4 months expenditures in fund balance.

Estimated Requirement for FY Ending 8/31/10 \$104,490,000

Estimated Requirement for FY Ending 8/31/11 \$106,490,000

Estimated Revenue 2009 - 2011

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
State Revenue	89,646,724	93,047,656	93,047,656
Federal Funds	887,169	887,169	887,169
Tuition	68,343,154	70,814,959	73,667,683
Taxes	126,851,795	126,851,795	126,851,795
Investment Revenue	6,225,000	5,850,000	5,850,000
Other Revenue	2,773,524	2,810,216	2,853,146
Use of Fund Balance	<u>27,564,535</u>	<u>10,000,000</u>	<u>10,000,000</u>
Total	322,291,901	310,261,795	313,157,449

Estimated Expenditures 2009 - 2011

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
College Operations:			
Allocation	257,973,400	243,240,660	245,780,296
Community Campuses	5,319,573	6,779,056	7,057,767
Expanded Facilities	0	8,497,870	10,863,413
"Belt Tightening"		<u>(1,950,065)</u>	<u>(1,950,065)</u>
Total College Operations	263,292,973	256,567,521	261,751,411
Percent of Change		-2.6%	2.0%
District Operations	28,135,921	26,997,560	27,321,718
"Belt Tightening"		<u>(257,683)</u>	<u>(257,683)</u>
Total District Operations	28,135,921	26,739,877	27,064,035
Percent of Change		-5.0%	1.2%
Virtual College Operations	3,181,328	3,211,988	3,213,885
Reserves and Transfers	<u>27,681,679</u>	<u>26,952,383</u>	<u>27,439,810</u>
Total	322,291,901	313,471,769	319,469,141

Gaps Using Assumptions

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Estimated Revenue	322,291,901	310,261,795	313,157,449
Estimated Expenditures	<u>322,291,901</u>	<u>313,471,769</u>	<u>319,469,141</u>
Estimated Operations Gap	0	3,209,974	6,311,692
Est. Fund Balance Gap Based on Policy		<u>4,175,011</u>	<u>11,999,124</u>
Total Gap		7,384,985	18,310,816
Tuition Rate - In District	41	41	45
Tuition Rate - Out of District	76	76	83
Tuition Rate - Out of State	121	121	144
M & O Tax Rate Needed	0.07590	0.08013	0.08742

Possible Measures to Avoid or Reduce Need for Tax Increase

- Assumptions:
 - Cut or reduce provision for retention initiatives
 - Change minimum fund balance policy from 4 months to 3 months
 - Defer facilities planned maintenance projects
 - Lower funding for expanded facilities

Possible Measures to Avoid or Reduce Need for Tax Increase

- Reduce Existing Costs
 - Hiring “chill”
 - Increased Use of Adjunct Faculty
 - Reduce travel
 - Defer planned maintenance projects
 - Invest in increased energy efficiency measures
 - Savings from retirements

For Consideration

- Develop blended strategy:
Reduction in existing expenditure patterns and implementation of measures for even higher efficiencies

coupled with

Modest tax rate increase

What Conditions Could Improve Outlook?

- State Funding that provides more than a 3.8% increase
- Greater than zero growth in tax base
- Larger than projected enrollment increase

What Conditions Could Make Outlook Decline?

- Lower than anticipated state funding
- Decline in tax base
- No growth in enrollment

Disclaimer

The preceding presentation and projections contained herein are considered to be a “second draft” for discussion purposes only. The projections are based on most current information available and best guesses possible to date. Management will use resulting Board conversation as guidance in focusing next draft of multi-year financial plan.

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