

**BOARD OF TRUSTEES WORK SESSION
DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
AND RICHLAND COLLEGIATE HIGH SCHOOL**

**District Office
1601 South Lamar Street
Dallas, TX 75215
Board Room (007)
Tuesday, January 6, 2009
2:30 PM**

AGENDA

- I. Certification of Posting of Notice of the Meeting
- II. Three-Year Financial Plan [Board Policy BAA (LOCAL), Management of College District Funds, #6]
- III. Executive Session: The Board may conduct an executive session as authorized under §551.074 of the Texas Government Code to deliberate on personnel matters.

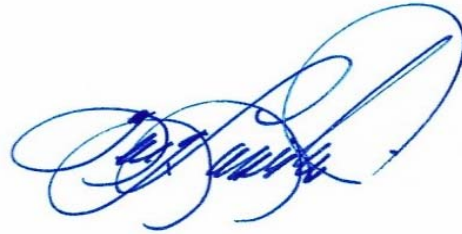
As provided by §551.072 of the Texas Government Code, the Board of Trustees may conduct an executive session to deliberate regarding real property since open deliberation would have a detrimental effect upon negotiations with a third person.

The Board may conduct an executive session under §551.071 of the Texas Government Code to seek the advice of its attorney on an investigation of an alleged ethics violation and/or on a matter in which the duty of the attorneys under the Rules of Professional Conduct clearly conflict with the Open Meetings Act. The Board may seek or receive its attorney's advice on other legal matters during this executive session.

- IV. Adjournment of Work Session

**CERTIFICATION OF POSTING OF NOTICE JANUARY 6, 2009
WORK SESSION OF DCCCD BOARD OF TRUSTEES
AND RICHLAND COLLEGIATE HIGH SCHOOL**

I, Wright L. Lassiter, Jr., Secretary of the Board of Trustees of the Dallas County Community College District, do certify that a copy of this notice was posted on the 23rd day of December, 2008, in a place convenient to the public in the District Office Administration Building, and a copy of this notice was provided on the 23rd day of December, 2008, to John F. Warren, County Clerk of Dallas County, Texas, and the notice was posted on the bulletin board at the Frank Crowley Courts Building, all as required by the Texas Government Code, §551.054.



Wright L. Lassiter Jr., Secretary

Dallas County Community College District

First Draft

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

DCCCD Board Work Session
January 6, 2009

2009 – 2011 Revenue Assumptions

	<u>FY 2010</u>	<u>FY 2011</u>
Credit Enrollment	3.5% increase	4.0% increase
Tuition Rate	no change	increase TBD
State Funding	4.0% increase	no change
Tax Base	2.0% increase	1.5% increase

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	\$1,000,000	\$1,000,000
Provision for Retention Initiatives	\$1,750,000	\$1,750,000
Technology "Edge" Provision	\$1,250,000	\$1,250,000
Provision for ATB Salary Adjs - FY10	\$5,700,000	\$5,700,000
Provision for ATB Salary Adjs - FY11		\$6,000,000
Provision for Job Reclassifications	\$250,000	\$500,000
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	\$107,625,000
Estimated Requirement for FY Ending 8/31/11	\$110,883,000

Estimated Revenue 2009 - 2011

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
State Revenue	89,646,724	93,226,652	93,226,652
Federal Funds	887,169	887,169	887,169
Tuition	68,343,154	70,538,724	73,093,113
Taxes	126,851,795	129,388,831	131,329,663
Investment Revenue	6,225,000	6,225,000	6,225,000
Other Revenue	2,773,524	2,773,524	2,773,524
Use of Fund Balance	<u>27,564,535</u>	<u>10,000,000</u>	<u>10,000,000</u>
Total	322,291,901	313,039,900	317,535,121

Estimated Expenditures 2009 - 2011

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
College Operations:			
Allocation	257,973,400	248,624,177	254,777,362
Community Campuses	5,319,573	6,779,056	7,057,767
Expanded Facilities	<u>0</u>	<u>8,497,870</u>	<u>10,863,413</u>
Total College Operations	263,292,973	263,901,102	272,698,542
Percent of Change		0.2%	3.3%
District Operations	28,135,921	27,381,875	27,966,059
Percent of Change		-2.7%	2.1%
Virtual College Operations	3,181,328	3,181,328	3,181,328
Reserves and Transfers	<u>27,681,679</u>	<u>28,412,475</u>	<u>28,804,567</u>
Total	322,291,901	322,876,780	332,650,496

Gaps Using Assumptions

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Estimated Revenue	322,291,901	313,039,900	317,535,121
Estimated Expenditures	<u>322,291,901</u>	<u>322,876,780</u>	<u>332,650,496</u>
Estimated Operations Gap	0	9,836,880	15,115,375
Est. Fund Balance Gap Based on Policy		<u>7,310,000</u>	<u>13,258,000</u>
Total Gap		17,266,880	28,373,375
Tuition Rate - In District	41	41	47
Tuition Rate - Out of District	76	76	87
Tuition Rate - Out of State	121	121	139
M & O Tax Rate Needed	0.07590	0.08880	0.10306

Possible Measures to Avoid or Reduce Need for Tax Increase

- Assumptions:
 - No salary increases or only minimal increases
 - Cut or reduce mid-year enrollment growth provision
 - Cut or reduce provision for retention initiatives
 - Cut or reduce “edge” technology provision
 - 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”
 - Use of Adjunct Faculty
 - Reduce travel
 - Reduce technology acquisitions
 - 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 4% increase
- Greater than anticipated growth in tax base
- Larger than projected enrollment increase

What Conditions Could Make Outlook Decline?

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

What If....No Growth in Tax Base?

Assuming same increase in state funding
and same enrollment increases AND
same expenditures assumptions:

2009-2010 Tax rate would have to be
0.09049 (19.22% increase)

2010-2011 Tax rate would have to be
0.10701 (18.26% increase)

2010-2011 Tuition rates would have to be
\$48/\$89/\$142

What If....No Growth in Tax Base, In State Funding and Enrollments?

Assuming revenue flat from 2009-2010 AND
same expenditures assumptions:

2009-2010 Tax rate would have to be
0.09374 (23.51% increase)

2010-2011 Tax rate would have to be
0.11355 (21.13 % increase)

2010-2011 Tuition rates would have to be
\$50/\$93/\$148

Disclaimer

The preceding presentation and projections contained herein are considered to be a “first 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.

Not the End