

**BOARD OF TRUSTEES
PLANNING AND BUDGET COMMITTEE MEETING
DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
AND RICHLAND COLLEGIATE HIGH SCHOOL**

**District Office
1601 South Lamar Street
Lower Level, Room 007
Dallas, TX 75215
Tuesday, May 1, 2012
2:00 PM**

AGENDA

- I. Certification of notice posted for the meeting
- II. Presentation of updated three-year financial plan (FY 2012-2014) as provided by Board Policy BAA (LOCAL) *pp. 3-10*
- III. Presentation of recommendations for revisions to the 2011-12 budgets as provided by Board Policies BFA1 (LOCAL) and CC (LOCAL) *pp. 11-41*
- IV. Question/Comments from the Board and Chancellor
- V. Citizens desiring to appear before the Board
- VI. Executive session

The Board may conduct an executive session as authorized under 551.074 of the Texas Government Code to deliberate on personnel matters, including commencement of annual evaluation and/or consideration of contract of the Chancellor and any prospective employee who is noted in Employment of Contractual Personnel.

The Board may conduct an executive session under §551.071 of the Texas Government Code to seek the advice of its attorney 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.

- VII. Adjournment

**CERTIFICATION OF NOTICE POSTED
FOR THE MAY 1, 2012
PLANNING AND BUDGET COMMITTEE MEETING OF THE
DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
AND RICHLAND COLLEGIATE HIGH SCHOOL
BOARD OF TRUSTEES**

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 27th of April 2012, in a place convenient to the public in the District Office Administration Building, and a copy of this notice was provided on the 27th of April 2012, to John F. Warren, County Clerk of Dallas County, Texas, and the notice was posted on the bulletin board at the George Allen, Sr. Courts Building, all as required by the Texas Government Code §551.054.

A handwritten signature in blue ink, appearing to read 'Wright L. Lassiter, Jr.', is written over a horizontal line.

Wright L. Lassiter, Jr., Secretary

Dallas County Community College District

Multi-Year Financial Outlook and Plan FY 2012 – 2014

**DCCCD Board of Trustees
Planning & Budget Committee Meeting
May 1, 2012**

2013 – 2014 Revenue Assumptions

	<u>FY 2013</u>	<u>FY 2014</u>
Credit Enrollment	Flat	Flat
Tuition Rate	\$45	\$45
State Formula Funding	\$700K decrease	3% decrease
Tax Base	Flat	Flat
Tax Rate – M&O	\$0.0789	\$0.0789

note: Spring 2013 is next point on 2-year cycle of tuition increases

2013 – 2014 Expenditures Assumptions and Provisions

	<u>FY 2013</u>	<u>FY 2014</u>
Faculty Market Disparity	\$445,445	\$445,445
Visiting Scholar Provision	\$966,000	\$966,000
Mid-Year Growth Provision	\$0	\$0
Provision for Retention Initiatives	\$0	\$0
Technology "Edge" Provision	\$500,000	\$500,000
Provision for ATB Salary Adjustments	\$0	\$0
Provision for Faculty Formula Review	n/a	\$1,000,000
Provision Change in State Funding	\$1,500,000	\$1,000,000
Provision for Planned Maintenance – Facilities	\$4,250,000	\$5,500,000

Estimated Revenue 2012 - 2014

	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>
State Revenue	89,930,932	89,230,932	86,554,004
Federal Funds - Work Study	1,037,885	1,037,885	1,037,885
Tuition: Credit & Non Credit	87,997,938	88,249,980	88,507,063
Taxes	120,222,660	120,222,660	120,222,660
Investment Revenue	2,726,000	2,726,000	2,726,000
Other Revenue	<u>4,358,789</u>	<u>3,129,728</u>	<u>3,153,201</u>
Total	306,274,204	304,597,185	302,200,813

Estimated Expenditures 2012 - 2014

	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>
College Operations	253,370,616	252,306,846	252,563,846
Percent of Change	-3.8%	-0.4%	0.1%
District Operations	25,922,660	25,822,660	25,614,676
Percent of Change	-4.3%	-0.4%	-0.8%
Virtual College Operations	3,866,595	3,866,595	3,866,595
Shortfunded Benefits	12,074,260	12,074,260	12,074,260
Election Expense	803,934		500,000
Reserves & Transfers	<u>10,236,139</u>	<u>10,526,824</u>	<u>7,581,436</u>
Total	306,274,204	304,597,185	302,200,813
Percent of Change	0.8%	-0.5%	-0.8%

Budgetary Objectives

- Maintain low cost of tuition
 - Remain “fee free”
 - Specific high cost user fees (i.e. assessment costs) could be considered?
- Maintain low tax rate
- Declining State support expected
- Avoid further debt?
- Reduce costs; maintain control of costs
- Avoid enrollment caps

Needs Not Yet Met – annual amounts

• Compensation:	
– COLA “Catch Up”, for everyone (7.54% - FY12 adj.)	\$11.4 million
– Faculty Pay Issues, amount TBD.... up to	\$ 2.5 million
– PSS & Administrative issues, amount TBD	\$ 0.8 million
• Facilities Projects	
– \$86 million spread over 5 yrs (less \$5.5 million former MTN pmts)	\$11.7 million
• Enhance Technology “Edge” Provision	\$ 2.0 million
• Fully fund cost of facilities operations @ \$7.50/sq ft	\$ 4.5 million
• Restore full funding to Visiting Scholar program	\$ 1.0 million
• Provision for internal “Momentum Points”	\$ 2.0 million
• Provision for instructional equipment upgrades	\$ 1.5 million
• Retrofit closets, IP telephony upgrades, (5 years)	\$ 2.4 million
• Provision for new program development	<u>\$ 1.0 million</u>
	Total
	\$40.8 million

Note: Items above are listed in priority order

Impact of Tuition and Tax Increments

Additional Revenue Generated by Tuition Increase In \$1 increments		Additional Cost to FT Student each Semester (15 hrs)	
\$	1,700,000	Amount	% increase
\$1	\$1,700,000	\$15	2.22%
\$2	\$3,400,000	\$30	4.44%
\$3	\$5,100,000	\$45	6.67%
\$4	\$6,800,000	\$60	8.89%
\$5	\$8,500,000	\$75	11.11%
\$6	\$10,200,000	\$90	13.33%
\$7	\$11,900,000	\$105	15.56%
\$8	\$13,600,000	\$120	17.78%
\$9	\$15,300,000	\$135	20.00%
\$10	\$17,000,000	\$150	22.22%
\$11	\$18,700,000	\$165	24.44%
\$12	\$20,400,000	\$180	26.67%
\$13	\$22,100,000	\$195	28.89%
\$14	\$23,800,000	\$210	31.11%
\$15	\$25,500,000	\$225	33.33%

*****based on current enrollment levels*****

note: 15 credit hours currently cost \$675

Additional Revenue Generated by M&O tax increase in \$0.001/\$100 increments		Additional Cost to Homeowner of a \$131,780 home	
\$	1,600,000	Amount	% increase
\$0.001	\$1,600,000	\$1.05	1.27%
\$0.002	\$3,200,000	\$2.11	2.54%
\$0.003	\$4,800,000	\$3.16	3.80%
\$0.004	\$6,400,000	\$4.22	5.07%
\$0.005	\$8,000,000	\$5.27	6.34%
\$0.006	\$9,600,000	\$6.33	7.61%
\$0.007	\$11,200,000	\$7.38	8.87%
\$0.008	\$12,800,000	\$8.43	10.14%
\$0.009	\$14,400,000	\$9.49	11.41%
\$0.010	\$16,000,000	\$10.54	12.68%
\$0.011	\$17,600,000	\$11.60	13.94%
\$0.012	\$19,200,000	\$12.65	15.21%
\$0.013	\$20,800,000	\$13.71	16.48%
\$0.014	\$22,400,000	\$14.76	17.75%
\$0.015	\$24,000,000	\$15.81	19.01%

*****based of current taxable assessed valuation*****

note: current M&O taxes for \$131,780 home, net of homestead exemption is \$83.17

Dallas County Community College District

2011-12

Spring Revision

Presented May 1, 2012



Dallas County
Community College District

IT ALL BEGINS HERE.

Types of Funds

I. Operating (Current) Funds

- A. Unrestricted
- B. Auxiliary
- C. Restricted

II. Non-operating Funds

- A. Unexpended Plant
- B. Debt Service
- C. Quasi-endowment



Operating (Current) Funds

Overview

	Current Budget	Proposed Change	Spring Revision
Unrestricted	\$328,595,746	\$ (569,328)	\$ 328,026,418
Auxiliary	10,512,016	75,157	10,587,173
Restricted	141,738,575	2,084,818	143,823,393
Subtotal	\$480,846,337	\$ 1,590,647	\$ 482,436,984
RCHS ¹	\$ 2,954,875	\$ -	\$ 2,954,875
Grand Total	<u>\$483,801,212</u>	<u>\$ 1,590,647</u>	<u>\$ 485,391,859</u>

¹ Richland Collegiate High School



**Dallas County
Community College District**

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Highlights

Unrestricted Revenue (p. 1 of 2)

- State appropriations is projected to decrease by \$24,448
- Tuition is projected to decrease by \$3,355,621
 - \$1,991,264 in reduced credit tuition
 - \$1,364,357 in reduced continuing education tuition
- General revenue is projected to decrease \$128,007
 - \$108,400 in reduced miscellaneous income
 - \$19,607 in reduced pay plan fees



Highlights

Unrestricted Revenue (p. 2 of 2)

- Transfers-In from other funds is projected to increase by \$1,229,061 due to unused project funds being transferred back to Northlake College
- Use of Fund Balance is projected to increase \$1,709,687 for new college projects and one college's retirement incentives



Unrestricted

Revenues & Additions

	Current Budget	Proposed Change	Spring Revision
State Appropriations	\$ 89,955,380	\$ (24,448)	\$ 89,930,932
Tuition	91,353,559	(3,355,621)	87,997,938
Taxes for Current Operations	120,222,660	-	120,222,660
Federal Work Study & Allowances	1,037,885	-	1,037,885
State Work Study	126,452	-	126,452
Investment Income	2,726,000	-	2,726,000
General Revenue	3,131,283	(128,007)	3,003,276
Transfers-in from Other Funds	-	1,229,061	1,229,061
Use of Fund Balance	20,042,527	1,709,687	21,752,214
Total	\$328,595,746	\$ (569,328)	\$ 328,026,418



**Dallas County
Community College District**

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Highlights

Unrestricted Expenditures

- Institutional Support is projected to increase \$1,701,209
 - \$442,000 salary increases for FLSA status changes and catch-up for those below poverty level
 - \$1,200,000 increase in operating expenses for such items as legal expenses, election, IP phone upgrades, etc.
- Reserve for potential state funding reduction has offset decrease in tuition revenue



Unrestricted

Expenditures & Uses

	Current Budget	Proposed Change	Spring Revision
Instruction	\$ 130,345,545	\$ 135,889	\$ 130,481,434
Public Service	6,119,755	(298,962)	5,820,793
Academic Support	17,384,099	(661,158)	16,722,941
Student Services	28,309,582	110,890	28,420,472
Institutional Support	58,009,077	1,701,209	59,710,286
Staff Benefits	25,745,581	225,140	25,970,721
Plant Operations & Maintenance	29,273,780	630,613	29,904,393
Repairs & Rehabilitation	16,055,895	1,868,390	17,924,285
Reserve - Campus	3,251,593	(322,412)	2,929,181
Reserve - Technology	330,000	(175,000)	155,000
Reserve - Operating	377,000	(376,054)	946
Reserve - Potential State Reduction/ERS Fees	2,714,498	(2,714,498)	-
Mandatory Transfers	2,629,042	-	2,629,042
Non-mandatory Transfers	8,050,299	(693,375)	7,356,924
Total	\$ 328,595,746	\$ (569,328)	\$ 328,026,418

¹ Includes approved use of fund balance.



**Dallas County
Community College District**

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Unrestricted

Expenditures & Uses

	Current Budget	Proposed Change	Spring Revision
Instruction	\$ 129,022,758	\$ (82,577)	\$ 128,940,181
Public Service	5,801,877	(298,962)	5,502,915
Academic Support	17,121,090	(661,158)	16,459,932
Student Services	28,008,610	110,890	28,119,500
Institutional Support	56,777,771	1,459,988	58,237,759
Staff Benefits	24,362,740	225,140	24,587,880
Plant Operations & Maintenance	29,273,780	630,613	29,904,393
Repairs & Rehabilitation	832,161	618,390	1,450,551
Reserve - Campus	3,251,593	(322,412)	2,929,181
Reserve - Technology	330,000	(175,000)	155,000
Reserve - Operating	377,000	(376,054)	946
Reserve - Potential State Reduction/ERS Fees	2,714,498	(2,714,498)	-
Mandatory Transfers	2,629,042	-	2,629,042
Non-mandatory Transfers	8,050,299	(693,375)	7,356,924
Total	\$ 308,553,219	\$ (2,279,015)	\$ 306,274,204

† Excludes approved use of fund balance.



**Dallas County
Community College District**

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Highlights

Auxiliary Revenue

- Sales & Services is projected to decrease \$28,788 due to reduction in rental income from copier and vending services
- Use of Fund Balance is projected to increase \$113,500 for college initiatives



Auxiliary

Revenues & Additions

	Current Budget	Proposed Change	Spring Revision
Sales & Services	\$ 5,193,294	\$ (28,788)	\$ 5,164,506
Investment Income	210,977	(9,555)	201,422
Transfers-in	4,290,797	-	4,290,797
Use of Fund Balance	816,948	113,500	930,448
Total	<u>\$10,512,016</u>	<u>\$ 75,157</u>	<u>\$ 10,587,173</u>



Dallas County
Community College District

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Auxiliary

Highlights

Auxiliary Expenditures

- Changes mainly reflect Use of Fund Balance requests



Auxiliary

Expenditures & Uses

	Current Budget	Proposed Change	Spring Revision
Student Activities	\$ 7,521,056	\$ 151,017	\$ 7,672,073
Sales & Services	2,302,369	3,825	2,306,194
Reserve - Campus	435,095	(74,882)	360,213
Reserve - District	150,596	(4,803)	145,793
Transfers-out	102,900	-	102,900
Total	\$ 10,512,016	\$ 75,157	\$ 10,587,173

¹ Includes approved use of fund balance.



**Dallas County
Community College District**

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Auxiliary

Expenditures & Uses

	Current Budget	Proposed Change	Spring Revision
Student Activities	\$ 6,738,608	\$ 37,517	\$ 6,776,125
Sales & Services	2,267,869	3,825	2,271,694
Reserve - Campus	435,095	(74,882)	360,213
Reserve - District	150,596	(4,803)	145,793
Transfers-out	102,900	-	102,900
Total	\$ 9,695,068	\$ (38,343)	\$ 9,656,725

¹ Excludes approved use of fund balance.



**Dallas County
Community College District**

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Highlights

Restricted Revenue

- State Grant revenue is projected to increase mainly due to several new skills development grants received
- Local Grant revenue is projected to increase mainly because of a new United Way grant for Tech Prep and in-kind match requirements for SBA
- Transfers-in is projected to decrease due to closed grants



Restricted

Revenues & Additions

	Current Budget	Proposed Change	Spring Revision
Insurance/Retirement Match	\$ 14,766,881	\$ -	\$ 14,766,881
SBDC State Match	<u>2,397,785</u>	<u>1,000</u>	<u>2,398,785</u>
Subtotal State Appropriations	\$ 17,164,666	\$ 1,000	\$ 17,165,666
Grants & Contracts			
Federal	106,070,499	11,076	106,081,575
State	9,517,003	1,745,437	11,262,440
Local	8,709,156	429,833	9,138,989
Transfers-in	<u>196,017</u>	<u>(104,058)</u>	<u>91,959</u>
Total	\$141,657,341	\$ 2,083,288	\$ 143,740,629
Richland Collegiate High School ¹	<u>\$ 81,234</u>	<u>\$ 1,530</u>	<u>\$ 82,764</u>
Grand Total	<u>\$141,738,575</u>	<u>\$ 2,084,818</u>	<u>\$ 143,823,393</u>

¹ Richland Collegiate High School



Dallas County
Community College District

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Highlights

Restricted Expenditures

- Grants & Contracts expenditures are projected to increase \$1,819,715 mainly due to new grants mentioned previously
- Scholarships are projected to increase \$263,573 mainly due to an increase in projected SEOG funds availability



Restricted

Expenditures & Uses

	Current Budget	Proposed Change	Spring Revision
Insurance/Retirement Match	\$ 14,766,881	\$ -	\$ 14,766,881
Grants & Contracts	31,813,671	1,819,715	33,633,386
Scholarships	95,076,789	263,573	95,340,362
Subtotal	\$141,657,341	\$ 2,083,288	\$ 143,740,629
RCHS ¹	\$ 81,234	\$ 1,530	\$ 82,764
Grand Total	<u>\$141,738,575</u>	<u>\$ 2,084,818</u>	<u>\$ 143,823,393</u>

¹ Richland Collegiate High School



Dallas County
Community College District

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Richland Collegiate High School

Revenue and Expenditures

No changes are projected at this time in either revenue or expenditures



Richland Collegiate HS

Revenues and Additions

	Current Budget	Proposed Change	Spring Revision
State Funding	\$ 2,946,875	\$ -	\$ 2,946,875
Investment Income	8,000	-	8,000
Total	\$ 2,954,875	\$ -	\$ 2,954,875

Expenditures and Uses

	Current Budget	Proposed Change	Spring Revision
Instruction	\$ 1,455,980	\$ -	\$ 1,455,980
Public Service	280,000	-	280,000
Academic Support	77,526	-	77,526
Student Services	425,400	-	425,400
Institutional Support	670,969	-	670,969
Operation & Maintenance of Plant	45,000	-	45,000
Total	\$ 2,954,875	\$ -	\$ 2,954,875



Non-operating Funds

Overview

	Current Budget	Proposed Change	Spring Revision
Unexpended Plant	\$ 11,220,981	\$ 2,767,751	\$ 13,988,732
Debt Service	\$ 46,279,094	\$ 5,107,957	\$ 51,387,051
Quasi-endowment	\$ 332,250	\$ -	\$ 332,250



ADA Projects

Proposed Funding for ADA Projects

	<u>Current Budget</u>	<u>Proposed Change</u>	<u>Spring Revision</u>
Transfer-in Debt Service Use of Fund Balance	\$ -	\$ 5,107,957	\$ 5,107,957
CIP General Obligation Bond Residual Funds	-	4,532,145	4,532,145
Series 2003 Tax Notes Residual Funds	-	5,800	5,800
Series 2004 Tax Notes Residual Funds	-	1,214,390	1,214,390
Total	<u>\$ -</u>	<u>\$ 10,860,292</u>	<u>\$ 10,860,292</u>



Unexpended Plant

Highlights

Unexpended Plant Revenue

- Transfers-in is projected to increase \$5,114,884 mainly due to unneeded funds from Debt Service being transferred to cover ADA construction projects
- Use of Fund Balance is projected to decrease \$2,347,133 mainly due to closing out completed projects



Unexpended Plant

Highlights

Unexpended Plant Expenditures

- Bldg. & Physical Plant Repairs is projected to decrease mainly due to closing out completed projects
- Construction and Architects are projected to increase for new ADA projects netted against reductions for completed projects that came in less than projected
- Non-mandatory Transfers is projected to increase due to unused project funds being transferred back to North Lake College



Unexpended Plant

Revenues and Additions

	Current Budget	Proposed Change	Spring Revision
Investment Revenue	\$ 578,000	\$ -	\$ 578,000
Transfers-in	1,300,000	5,114,884	6,414,884
Use of Fund Balance	9,342,981	(2,347,133)	6,995,848
Total	\$ 11,220,981	\$ 2,767,751	\$ 13,988,732

Expenditures and Uses

	Current Budget	Proposed Change	Spring Revision
Bldg & Physical Plant Repairs	\$ 1,438,249	\$ (1,354,225)	\$ 84,024
Construction	8,692,523	1,924,628	10,617,151
Architects	1,080,551	223,644	1,304,195
Furniture & Equipment	9,658	23,142	32,800
Non-mandatory Transfers	-	1,950,562	1,950,562
Total	\$ 11,220,981	\$ 2,767,751	\$ 13,988,732



Debt Service

Highlights

Debt Service Revenue and Expenditures

- Approximately \$5 million of fund balance held as a revenue bond reserve has been de-obligated and is being transferred to Unexpended Plant Funds for ADA projects
- Transfer-out (Unexpended Plant) is projected to increase \$5,107,957 for transfer to Unexpended Plant for ADA projects



Debt Service

Revenues and Additions

	<u>Current Budget</u>	<u>Proposed Change</u>	<u>Spring Revision</u>
Investment Revenue	\$ 166,250	\$ -	\$ 166,250
Taxes (Maintenance Tax Notes)	6,641,041	-	6,641,041
Taxes (General Obligation Bonds)	34,487,678	-	34,487,678
Transfer-in (Tuition)	2,529,623	-	2,529,623
Transfer-in (Unrestricted)	2,454,502	-	2,454,502
Use of Fund Balance	-	5,107,957	5,107,957
Total	\$ 46,279,094	\$ 5,107,957	\$ 51,387,051

Expenditures and Uses

	<u>Current Budget</u>	<u>Proposed Change</u>	<u>Spring Revision</u>
G.O. Bond Principal & Interest	\$ 33,564,719	\$ -	\$ 33,564,719
Revenue Bonds Principal & Interest	5,150,375	-	5,150,375
MTN Principal & Interest	6,463,313	-	6,463,313
Uncollectible Tax Expense	283,788	-	283,788
Tax Collection Fees	816,899	-	816,899
Transfer-out (Unexpended Plant)	-	5,107,957	5,107,957
Total	\$ 46,279,094	\$ 5,107,957	\$ 51,387,051



Dallas County
Community College District

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Quasi-Endowment Fund

Highlights

Quasi-endowment Revenue and Expenditures

No changes are projected in revenue or expenditures in the Quasi-Endowment Fund at this time



Quasi-endowment

Revenues

	Current Budget	Proposed Change	Spring Revision
Investment Income	\$ 82,250	\$ -	\$ 82,250
Lease Income	250,000	-	250,000
Total	<u>\$ 332,250</u>	<u>\$ -</u>	<u>\$ 332,250</u>

Expenditures

Transfers-out Rising Star Program	\$ 332,250	\$ -	\$ 332,250
Total	<u>\$ 332,250</u>	<u>\$ -</u>	<u>\$ 332,250</u>



Concluding Remarks



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The End



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