

**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, December 6, 2011
3:00 PM**

AGENDA

- | | |
|--|-----------------|
| I. Certification of notice posted for the meeting | Wright Lassiter |
| II. Fall Revision to Fiscal Year 2011-12 Budgets | Ed DesPlas |
| III. Financial Planning for Fiscal Years 2012 - 2014 | Ed DesPlas |
| 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 of the chancellor and any prospective employee who is noted in Employment of Contractual Personnel.

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.

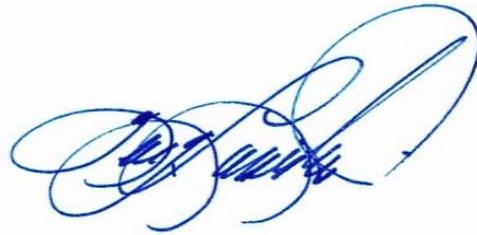
The Board may conduct an executive session under §551.071 of the Texas Government Code to seek the advice of its attorney on a matter in which the duty of the attorney under the Rules of Professional Conduct clearly conflict with the Open Meetings Act.

The Board may conduct an executive session under §551.076 of the Texas Government Code to deliberate regarding the deployment or specific occasions for implementation of security personnel or devices.

VII. Adjournment

**CERTIFICATION OF NOTICE POSTED
FOR THE
DECEMBER 6, 2011
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 2nd of December 2011, in a place convenient to the public in the District Office Administration Building, and a copy of this notice was provided on the 2nd of December 2011, 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.



Wright L. Lassiter, Jr., Secretary

Dallas County Community College District

2011-12

Fall Revision

Presented December 06, 2011



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	Fall Revision
Unrestricted	\$316,635,686	\$ 11,960,060	\$ 328,595,746
Auxiliary	9,709,370	802,646	10,512,016
Restricted	136,977,127	4,761,448	141,738,575
Subtotal	\$463,322,183	\$ 17,524,154	\$ 480,846,337
RCHS ¹	\$ 2,306,731	\$ 648,144	\$ 2,954,875
Grand Total	\$465,628,914	\$ 18,172,298	\$ 483,801,212

¹ Richland Collegiate High School



Highlights

Unrestricted Revenue (p. 1 of 2)

- Tuition is projected to increase \$1,036,890
 - Credit tuition is projected to increase \$675,000
 - Continuing education tuition is projected to increase \$361,890



Highlights

Unrestricted Revenue (p. 2 of 2)

- Use of fund balance is projected to increase \$11,474,341 of which
 - \$7,252,594 is for encumbrance and requisition carry forwards
 - \$4,221,747 is for major facilities projects and voluntary retirement incentives



Unrestricted

Revenues & Additions

	Current Budget	Proposed Change	Fall Revision
State Appropriations	\$ 89,955,380	\$ -	\$ 89,955,380
Tuition	90,316,669	1,036,890	91,353,559
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	3,132,454	(1,171)	3,131,283
Transfers-In from Plant Fund	550,000	(550,000)	-
Use of Fund Balance	8,568,186	11,474,341	20,042,527
Total	\$316,635,686	\$ 11,960,060	\$ 328,595,746



Highlights

Unrestricted Expenditures (p. 1 of 2)

- Portions of reserves have been moved into the following categories:
 - \$12,074,260 for short-funded state benefits
 - \$ 2,000,000 for salary increases to cover insurance premium increases of FY 10-11
 - \$ 670,000 for technology upgrades (portal projects)



Highlights

Unrestricted Expenditures (p. 2 of 2)

- \$1,305,000 increase in Non-Mandatory Transfers is mainly for support of a capital project for Richland
- Use of fund balance encumbrances, projects, etc. are in functional categories



Unrestricted

Expenditures & Uses

	<u>Current Budget</u>	<u>Proposed Change</u>	<u>Fall Revision</u>
Instruction	\$ 127,014,775	\$ 3,330,770	\$ 130,345,545
Public Service	6,170,289	(50,534)	6,119,755
Academic Support	16,312,016	1,072,083	17,384,099
Student Services	28,190,336	119,246	28,309,582
Institutional Support	54,839,810	3,169,267	58,009,077
Staff Benefits	12,310,224	13,435,357	25,745,581
Plant Operations & Maintenance	28,950,413	323,367	29,273,780
Repairs & Rehabilitation	10,707,652	5,348,243	16,055,895
Reserve - Campus	3,859,080	(607,487)	3,251,593
Reserve - Benefits	12,074,260	(12,074,260)	-
Reserve - Health Premiums Salary Increase	2,000,000	(2,000,000)	-
Reserve - Technology	1,000,000	(670,000)	330,000
Reserve - Operating	590,993	(213,993)	377,000
Reserve - Potential State Reduction/ERS Fees	3,286,197	(571,699)	2,714,498
Mandatory Transfers	2,584,342	44,700	2,629,042
Non-mandatory Transfers	6,745,299	1,305,000	8,050,299
Total	<u>\$ 316,635,686</u>	<u>\$ 11,960,060</u>	<u>\$ 328,595,746</u>

¹ Includes approved use of fund balance.



Unrestricted

Expenditures & Uses

	<u>Current Budget</u>	<u>Proposed Change</u>	<u>Fall Revision</u>
Instruction	\$ 127,014,775	\$ 2,007,983	\$ 129,022,758
Public Service	6,170,289	(368,412)	5,801,877
Academic Support	16,312,016	809,074	17,121,090
Student Services	28,190,336	(181,726)	28,008,610
Institutional Support	54,839,810	1,937,961	56,777,771
Staff Benefits	12,310,224	12,052,516	24,362,740
Plant Operations & Maintenance	28,950,413	323,367	29,273,780
Repairs & Rehabilitation	2,139,466	(1,307,305)	832,161
Reserve - Campus	3,859,080	(607,487)	3,251,593
Reserve - Benefits	12,074,260	(12,074,260)	-
Reserve - Health Premiums Salary Increase	2,000,000	(2,000,000)	-
Reserve - Technology	1,000,000	(670,000)	330,000
Reserve - Operating	590,993	(213,993)	377,000
Reserve - Potential State Reduction/ERS Fees	3,286,197	(571,699)	2,714,498
Mandatory Transfers	2,584,342	44,700	2,629,042
Non-mandatory Transfers	6,745,299	1,305,000	8,050,299
Total	<u>\$ 308,067,500</u>	<u>\$ 485,719</u>	<u>\$ 308,553,219</u>

¹ Excludes approved use of fund balance.



Highlights

Auxiliary Revenue

- \$816,948 of Fund Balance is requested for:
 - \$459,822 is for encumbrance & requisition carry forwards
 - \$357,126 is for college projects, retirement incentives, and student activities



Auxiliary

Revenues & Additions

	<u>Current Budget</u>	<u>Proposed Change</u>	<u>Fall Revision</u>
Sales & Services	\$ 5,207,596	\$ (14,302)	\$ 5,193,294
Investment Income	210,977	-	210,977
Transfers-in	4,290,797	-	4,290,797
Use of Fund Balance	-	816,948	816,948
Total	<u>\$ 9,709,370</u>	<u>\$ 802,646</u>	<u>\$ 10,512,016</u>



Highlights

Auxiliary Expenditures

- Changes mainly reflect use of fund balance requests



Expenditures & Uses

	Current Budget	Proposed Change	Fall Revision
Student Activities	\$ 6,856,512	\$ 664,544	\$ 7,521,056
Sales & Services	2,155,865	146,504	2,302,369
Reserve - Campus	451,497	(16,402)	435,095
Reserve - District	150,596	-	150,596
Transfers-out	94,900	8,000	102,900
Total	\$ 9,709,370	\$ 802,646	\$ 10,512,016

¹ Includes approved use of fund balance.



Auxiliary

Expenditures & Uses

	Current Budget	Proposed Change	Fall Revision
Student Activities	\$ 6,856,512	\$ (117,904)	\$ 6,738,608
Sales & Services	2,155,865	112,004	2,267,869
Reserve - Campus	451,497	(16,402)	435,095
Reserve - District	150,596	-	150,596
Transfers-out	94,900	8,000	102,900
Total	<u>\$ 9,709,370</u>	<u>\$ (14,302)</u>	<u>\$ 9,695,068</u>

¹ Excludes approved use of fund balance.



Restricted

Revenues & Additions

	Current Budget	Proposed Change	Fall Revision
Insurance/Retirement Match	\$ 14,766,881	\$ -	\$ 14,766,881
SBDC State Match	1,986,904	410,881	2,397,785
Subtotal State Appropriations	\$ 16,753,785	\$ 410,881	\$ 17,164,666
Grants & Contracts			
Federal	103,529,698	2,540,801	106,070,499
State	7,527,437	1,989,566	9,517,003
Local	8,607,878	101,278	8,709,156
Transfers-in	501,650	(305,633)	196,017
Total	\$ 136,920,448	\$ 4,736,893	\$ 141,657,341
RichHS ¹	\$ 56,679	\$ 24,555	\$ 81,234
Grand Total	<u>\$ 136,977,127</u>	<u>\$ 4,761,448</u>	<u>\$ 141,738,575</u>

¹ Richland Collegiate High School



Expenditures & Uses

	<u>Current Budget</u>	<u>Proposed Change</u>	<u>Fall Revision</u>
Insurance/Retirement Match	\$ 14,766,881	\$ -	\$ 14,766,881
Grants & Contracts	27,859,561	3,954,110	31,813,671
Scholarships	94,294,006	782,783	95,076,789
Subtotal	\$136,920,448	\$ 4,736,893	\$ 141,657,341
Richland ¹	\$ 56,679	\$ 24,555	\$ 81,234
Grand Total	<u>\$136,977,127</u>	<u>\$ 4,761,448</u>	<u>\$ 141,738,575</u>

¹ Richland Collegiate High School



Richland Collegiate High School

Revenue and Expenditures

- State Funding is projected to increase \$648,144 for increased Average Daily Attendance
- \$390,054 of the increase will go to Instruction and Public Service expenses
- Other expenses are projected to increase accordingly



Richland Collegiate HS

Revenues and Additions

	Current Budget	Proposed Change	Fall Revision
State Funding	\$ 2,298,731	\$ 648,144	\$ 2,946,875
Investment Income	8,000	-	8,000
Total	\$ 2,306,731	\$ 648,144	\$ 2,954,875

Expenditures and Uses

	Current Budget	Proposed Change	Fall Revision
Instruction	\$ 1,125,926	\$ 330,054	\$ 1,455,980
Public Service	220,000	60,000	280,000
Academic Support	62,527	14,999	77,526
Student Services	333,787	91,613	425,400
Institutional Support	564,491	106,478	670,969
Operation & Maintenance of Plant	-	45,000	45,000
Total	\$ 2,306,731	\$ 648,144	\$ 2,954,875



Non-operating Funds

Overview

	Current Budget	Proposed Change	Fall Revision
Unexpended Plant	\$ 14,488,624	\$ (3,267,643)	\$ 11,220,981
Debt Service	\$ 46,279,094	\$ -	\$ 46,279,094
Quasi-endowment	\$ 332,250	\$ -	\$ 332,250



Unexpended Plant

Highlights

Unexpended Plant Revenue and Expenditures

- Transfers-in is increasing \$1,300,000 in support of a capital project for Richland
- Use of Fund Balance is decreasing \$4,567,643 mainly because more was spent for projects in the summer than anticipated by Spring Revision numbers
- Expenditures reflect the changes described above



Unexpended Plant

Revenues and Additions

	<u>Current Budget</u>	<u>Proposed Change</u>	<u>Fall Revision</u>
Investment Revenue	\$ 578,000	\$ -	\$ 578,000
Transfers-in	-	1,300,000	1,300,000
Use of Fund Balance	13,910,624	(4,567,643)	9,342,981
Total	<u>\$ 14,488,624</u>	<u>\$ (3,267,643)</u>	<u>\$ 11,220,981</u>

Expenditures and Uses

	<u>Current Budget</u>	<u>Proposed Change</u>	<u>Fall Revision</u>
Bldg & Physical Plant Repairs	\$ 2,895,720	\$ (1,457,471)	\$ 1,438,249
Construction	10,462,608	(1,770,085)	8,692,523
Architects	1,130,296	(49,745)	1,080,551
Furniture & Equipment	-	9,658	9,658
Total	<u>\$ 14,488,624</u>	<u>\$ (3,267,643)</u>	<u>\$ 11,220,981</u>



Highlights

Revenue and Expenditures

- Debt Service: no changes are projected
- Quasi-endowment Fund: no changes are projected



Debt Service

Revenues and Additions

	Current Budget	Proposed Change	Fall Revision
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
Total	<u>\$ 46,279,094</u>	<u>\$ -</u>	<u>\$ 46,279,094</u>

Expenditures and Uses

	Current Budget	Proposed Change	Fall Revision
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
Total	<u>\$ 46,279,094</u>	<u>\$ -</u>	<u>\$ 46,279,094</u>



Quasi-endowment

Revenues

	<u>Current Budget</u>	<u>Proposed Change</u>	<u>Fall Revision</u>
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	<u>\$ 332,250</u>	<u>\$ -</u>	<u>\$ 332,250</u>
Total	<u>\$ 332,250</u>	<u>\$ -</u>	<u>\$ 332,250</u>



Concluding Remarks



Dallas County Community College District

Multi-Year Financial Outlook and Plan FY 2012 – 2014

DCCCD Board Planning and Budget Meeting

December 6, 2011

2013 – 2014 Revenue Assumptions

	<u>FY 2013</u>	<u>FY 2014</u>
Credit Enrollment	2.5% increase	2% increase
Tuition Rate	\$45*	\$45
State Formula Funding	(\$25,000) “Flat”	Flat
Tax Base	Flat	Flat
Tax Rate – M&O	\$0.0789	\$0.0789

*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	1,000,000	\$1,000,000
Provision for ATB Salary Adjustments	\$0	\$1,000,000
Provision for Faculty Formula Review	n/a	\$1,000,000
Provision Change in State Funding or Tax Base	\$3,500,000	\$3,500,000
Provision for Planned Maintenance – Facilities	\$4,250,000	\$6,500,000

Estimated Revenue 2012 - 2014

	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>
State Revenue	89,955,380	89,930,380	89,930,380
Federal Funds - Work Study	1,037,885	1,037,885	1,037,885
Tuition: Credit & Non Credit	91,353,559	93,567,566	95,438,917
Taxes	120,222,660	120,222,660	120,222,660
Investment Revenue	2,726,000	2,726,000	2,726,000
Other Revenue	<u>3,257,735</u>	<u>3,290,312</u>	<u>3,314,990</u>
Total	308,553,219	310,774,803	312,670,832

Estimated Expenditures 2012 - 2014

	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>
College Operations	252,782,940	253,284,868	253,284,868
Percent of Change		0.2%	0.0%
District Operations	25,922,660	25,922,660	25,922,660
Percent of Change		0.0%	0.0%
Virtual College Operations	3,801,595	3,801,595	3,801,595
Shortfunded Benefits	12,074,260	12,074,260	12,074,260
Election Expense	780,344		
Reserves & Transfers	<u>13,191,420</u>	<u>15,691,420</u>	<u>17,587,449</u>
Total	308,553,219	310,774,803	312,670,832
Percent of Change		0.7%	0.6%

Revenue Issues to Watch

- Credit Enrollment Levels, relative to projections
 - Q: Will the Board consider tuition increase, effective Spring 2013?
- Continuing Education Tuition/Fees, relative to projections (FY13 & FY 14 based on 2% increase each year)
- Changes in Tax Base – DCAD announced in Nov. 2011 that base would be “**flat** or down”
 - Note: Adoption of Effective Tax Rate provides stability
- Decline in State revenue: Mid-Year Reductions could happen

Possible

Agenda for *Future* Tuition Discussion

- Spring 2013 Tuition Increase
- Increase to Out-of-County and/or Out-of-State/Out-of-Country **Only**
- Changes to Dual Credit Tuition Waiver

Operational Issues

- **Maintaining commitment to competitive compensation/benefits for employees**
- **Keeping pace with planned facilities maintenance and repairs (increased sq. footage)**
 - **5-year Maintenance List = \$62 million; new facilities audit underway**
 - **In Feb. 2013, Maintenance Tax Notes will be paid-off. In FY 2013, we will be able to dedicate up to \$4.3 million previously used for debt service to facilities projects. In FY 2014 and after, that annually recurring amount is \$6.5 million.**
- **Honing Technological Edge**

Operational Issues

- Costs to accommodate increasing enrollment
- Continued funding of student retention efforts
- Decreased staffing levels
- Replacement of retired faculty
- Continue exploring and achieving efficiency measures
- Recovery of investment in VRI program by 12/31/15

Budgetary Objectives

- Maintain low cost of tuition
 - Remain “fee free”
- Maintain low tax rate
- Maximize state funding
- Avoid further debt
- Reduce costs; maintain control of costs
- Avoid enrollment caps