

**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 3, 2011
2:30 PM**

AGENDA

1. Certification of notice posted for the meeting
2. Presentation of recommendations for revisions to the 2010-11 budgets as provided by Board Policies BFA1 (LOCAL) and CC (LOCAL), as follows:

The Chancellor is responsible for the overall administration of the District. Specific responsibilities include, but are not limited to, the following: ...

6. Submit to the Board and administer an annual district budget and make recommendation to the Board for budget changes. [BFA1]

The Board may amend the budget at any time during the fiscal year upon approval of the Board and in accordance with the Business Office Procedures Manual. [CC]

3. Presentation of updated three-year financial plan as provided by Board Policy BAA (LOCAL), as follows:

Until explicitly discontinued by Board action, the Board requires the Chancellor to provide a rolling three-year (current plus two) financial plan that projects the College District's operating revenue and expenditures. The Board has a particular responsibility to prepare for additional operating costs to support expansion of the physical plant as a result of the \$450 million bond program approved by voters in May 2004 and projected for completion in May 2010.

4. Executive Session

The Board may conduct an executive session as authorized under §551.074 of the Texas Government Code to deliberate on personnel matters.

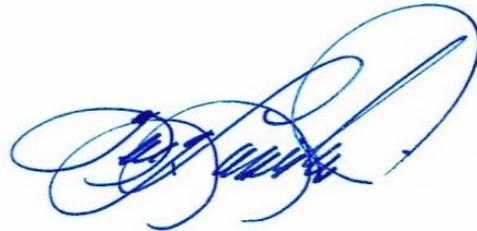
As provided by §551.072 of the Texas Government Code, the Board of Trustees may conduct an executive session to deliberate regarding real property since open deliberation would have a detrimental effect upon negotiations with a third person.

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

5. Adjournment

**CERTIFICATION OF NOTICE POSTED
FOR THE
MAY 3, 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 29th day of April 2011, in a place convenient to the public in the District Office Administration Building, and a copy of this notice was provided on the 29th day of April 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

2010-11

Spring Revision

Presented May 3, 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

	<u>Current Budget</u>	<u>Proposed Change</u>	<u>Spring Revision</u>
Unrestricted	\$ 334,147,740	\$ (2,968,383)	\$ 331,179,357
Auxiliary	10,755,481	89,275	10,844,756
Restricted	<u>152,585,755</u>	<u>10,749,903</u>	<u>163,335,658</u>
Subtotal	\$ 497,488,976	\$ 7,870,795	\$ 505,359,771
Richland Collegiate High School ¹	\$ 2,973,387	\$ (43,851)	\$ 2,929,536
Grand Total	<u>\$ 500,462,363</u>	<u>\$ 7,826,944</u>	<u>\$ 508,289,307</u>

¹ Richland Collegiate High School



Highlights

Unrestricted Revenue (p. 1 of 2)

- State appropriations have decreased \$2.5 million to accommodate the 2.5% reduction directed by the State in December 2010
- Net tuition is decreasing \$1.0 million due to market driven reduction in CE demand
- Investment revenue is being decreased \$174,000 to more accurately reflect market conditions



Highlights

Unrestricted Revenue (p. 2 of 2)

- An increase of \$121,627 in general revenue is driven primarily by increased participation in installment plan
- Several locations are requesting to underwrite new projects from fund balance



Unrestricted

Revenues & Additions

	<u>Current Budget</u>	<u>Proposed Change</u>	<u>Spring Revision</u>
State Appropriations	\$ 91,676,880	\$ (2,449,852)	\$ 89,227,028
Tuition	88,505,701	(1,021,093)	87,484,608
Taxes for Current Operations	120,222,660	-	120,222,660
Federal Grants & Contracts	1,037,885	-	1,037,885
State Grants & Contracts	126,452	-	126,452
Investment Income	2,900,000	(174,000)	2,726,000
General Revenue	2,962,947	121,627	3,084,574
Use of Fund Balance	26,715,215	554,935	27,270,150
Total	<u>\$ 334,147,740</u>	<u>\$ (2,968,383)</u>	<u>\$ 331,179,357</u>



Highlights

Unrestricted Expenditures

Overall expenditures are decreasing to reflect the most recent reduction in State funding of \$2.5 million



Unrestricted

Expenditures & Uses

	Current Budget	Proposed Change	Spring Revision
Instruction	\$ 138,544,080	\$ (433,940)	\$ 138,110,140
Public Service	6,836,651	(319,173)	6,517,478
Academic Support	18,628,219	(356,402)	18,271,817
Student Services	29,025,755	(305,325)	28,720,430
Institutional Support	62,101,817	274,790	62,376,607
Staff Benefits	11,388,009	124,891	11,512,900
Plant Operations & Maintenance	32,312,911	246,824	32,559,735
Repairs & Rehabilitation	22,359,542	171,763	22,531,305
Reserve - Campus	1,587,294	(854,312)	732,982
Reserve - Operating	1,936,547	(1,727,554)	208,993
Mandatory Transfers	2,560,123	210,055	2,770,178
Non-mandatory Transfers	6,866,792	-	6,866,792
Total	\$ 334,147,740	\$ (2,968,383)	\$ 331,179,357

¹ Includes approved use of fund balance.



Unrestricted

Expenditures & Uses

	<u>Current Budget</u>	<u>Proposed Change</u>	<u>Spring Revision</u>
Instruction	\$ 135,385,683	\$ (496,940)	\$ 134,888,743
Public Service	6,811,584	(319,173)	6,492,411
Academic Support	17,855,905	(356,402)	17,499,503
Student Services	27,902,305	(305,325)	27,596,980
Institutional Support	59,964,725	172,855	60,137,580
Staff Benefits	11,383,769	124,891	11,508,660
Plant Operations & Maintenance	32,312,911	(143,176)	32,169,735
Repairs & Rehabilitation	2,864,887	171,763	3,036,650
Reserve - Campus	1,587,294	(854,312)	732,982
Reserve - Operating	1,936,547	(1,727,554)	208,993
Mandatory Transfers	2,560,123	210,055	2,770,178
Non-mandatory Transfers	6,866,792	-	6,866,792
Total	\$ 307,432,525	\$ (3,523,318)	\$ 303,909,207

¹ Excludes approved use of fund balance.



Highlights

Auxiliary Revenue

- A decrease in Sales & Services revenue is caused by decreased external market share in distance learning garnered by the LeCroy Center
- Several locations are requesting to underwrite new projects from fund balance

Auxiliary Expenditures

- Changes in projected expenditures are aligned to projected changes in revenues



Auxiliary

Revenues & Additions

	<u>Current Budget</u>	<u>Proposed Change</u>	<u>Spring Revision</u>
Sales & Services	\$ 5,482,698	\$ (315,570)	\$ 5,167,128
Investment Income	174,132	36,845	210,977
Transfers-in	4,290,797	-	4,290,797
Use of Fund Balance	<u>807,854</u>	<u>368,000</u>	<u>1,175,854</u>
Total	<u>\$10,755,481</u>	<u>\$ 89,275</u>	<u>\$ 10,844,756</u>



Expenditures & Uses

	Current Budget	Proposed Change	Spring Revision
Student Activities	\$ 7,296,225	\$ 241,143	\$ 7,537,368
Sales & Services	2,632,138	(8,703)	2,623,435
Reserve - Campus	574,377	(162,570)	411,807
Reserve - District	132,191	18,405	150,596
Transfers-out	120,550	1,000	121,550
Total	\$ 10,755,481	\$ 89,275	\$ 10,844,756

¹ Includes approved use of fund balance.



Auxiliary

Expenditures & Uses

	Current Budget	Proposed Change	Spring Revision
Student Activities	\$ 6,767,298	\$ 75,143	\$ 6,842,441
Sales & Services	2,353,211	(210,703)	2,142,508
Reserve - Campus	574,377	(162,570)	411,807
Reserve - District	132,191	18,405	150,596
Transfers-out	120,550	1,000	121,550
Total	<u>\$ 9,947,627</u>	<u>\$ (278,725)</u>	<u>\$ 9,668,902</u>

* Excludes approved use of fund balance.



Restricted

Highlights

- Federal Grants & Contracts are up
- State Grants & Contracts revenue are up
- Local Grants & Contracts are up
- RCHS has received grants totaling \$169,259



Revenues & Additions

	<u>Current Budget</u>	<u>Proposed Change</u>	<u>Spring Revision</u>
Insurance/Retirement Match	\$ 27,573,949	\$ -	\$ 27,573,949
SBDC State Match	2,037,102	477,514	2,514,616
ARRA State Funding	780,000	158,266	938,266
Subtotal State Appropriations	\$ 30,391,051	\$ 635,780	\$ 31,026,830
Grants & Contracts			
Federal	106,968,784	5,222,845	112,191,629
State	8,314,598	2,623,145	10,937,743
Local	6,085,578	2,435,006	8,520,584
Transfers-in	825,744	(336,131)	489,613
Total	\$ 152,585,755	\$ 10,580,645	\$ 163,166,399
Richland ¹	\$ -	\$ 169,259	\$ 169,259
Grand Total	<u>\$ 152,585,755</u>	<u>\$ 10,749,903</u>	<u>\$ 163,335,658</u>

¹ Richland Collegiate High School



Expenditures & Uses

	<u>Current Budget</u>	<u>Proposed Change</u>	<u>Spring Revision</u>
Insurance/Retirement Match	\$ 27,573,949	\$ -	\$ 27,573,949
Grants & Contracts	29,306,928	7,666,688	36,973,616
Scholarships	95,704,878	2,913,956	98,618,834
Subtotal	\$152,585,755	\$ 10,580,644	\$ 163,166,399
Richland ¹	\$ -	\$ 169,259	\$ 169,259
Grand Total	<u>\$152,585,755</u>	<u>\$ 10,749,903</u>	<u>\$ 163,335,658</u>

¹ Richland Collegiate High School



Richland Collegiate High School

Revenue

- Lower than projected enrollments have caused a decrease in state funding

Expenditures

- Expenditures have been realigned to better reflect needs for the remainder of the fiscal year



Richland Collegiate HS

Revenues and Additions

	<u>Current Budget</u>	<u>Proposed Change</u>	<u>Spring Revision</u>
State Funding	\$ 2,965,387	\$ (43,851)	\$ 2,921,536
Investment Income	8,000	-	8,000
Total	<u>\$ 2,973,387</u>	<u>\$ (43,851)</u>	<u>\$ 2,929,536</u>

Expenditures and Uses

	<u>Current Budget</u>	<u>Proposed Change</u>	<u>Spring Revision</u>
Instruction	\$ 1,605,489	\$ 65,308	\$ 1,670,797
Public Service	220,000	-	220,000
Academic Support	83,027	20,000	103,027
Student Services	381,257	(52,082)	329,175
Institutional Support	663,614	(57,077)	606,537
Operation & Maintenance of Plant	20,000	(20,000)	-
Total	<u>\$ 2,973,387</u>	<u>\$ (43,851)</u>	<u>\$ 2,929,536</u>



Non-operating Funds

Overview

	Current Budget	Proposed Change	Spring Revision
Unexpended Plant	\$ 30,561,006	\$ (792,320)	\$ 29,768,686
Debt Service	\$ 46,974,372	\$ -	\$ 46,974,372
Quasi-endowment	\$ 482,250	\$ (100,000)	\$ 382,250



Unexpended Plant

Highlights

Unexpended Plant Revenue

- Capital projects are being finalized and closed out
- Reductions in this fund represent unspent resources

Unexpended Plant Expenditures

- Expenditures are being reduced as the final capital project programs are closing out



Unexpended Plant

Revenues and Additions

	Current Budget	Proposed Change	Spring Revision
Investment Revenue	\$ 506,500	\$ 71,500	\$ 578,000
Transfers-in	788,841	-	788,841
Use of Fund Balance	29,265,665	(863,820)	28,401,845
Total	\$ 30,561,006	\$ (792,320)	\$ 29,768,686

Expenditures and Uses

	Current Budget	Proposed Change	Spring Revision
Bldg & Physical Plant Repairs	\$ 3,799,248	\$ (51,304)	\$ 3,747,944
Construction	23,167,433	(590,629)	22,576,804
Architects	2,664,590	(122,376)	2,542,214
Furniture & Equipment	929,735	(28,011)	901,724
Total	\$ 30,561,006	\$ (792,320)	\$ 29,768,686



Highlights

Debt Service Revenue and Expenditures

No changes are projected for the debt service fund



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)	6,510,249	-	6,510,249
Taxes (General Obligation Bonds)	35,192,255	-	35,192,255
Transfer-in (Tuition)	2,529,623	-	2,529,623
Transfer-in (Unrestricted)	2,575,995	-	2,575,995
Total	<u>\$46,974,372</u>	<u>\$ -</u>	<u>\$ 46,974,372</u>

Expenditures and Uses

	<u>Current Budget</u>	<u>Proposed Change</u>	<u>Spring Revision</u>
G.O. Bond Principal & Interest	\$33,557,325	\$ -	\$ 33,557,325
Revenue Bonds Principal & Interest	5,153,617	-	5,153,617
MTN Principal & Interest	6,336,022	-	6,336,022
Uncollectible Tax Expense	293,555	-	293,555
Tax Collection Fees	845,012	-	845,012
Transfer-Out (Unexpended Plant)	788,841	-	788,841
Total	<u>\$46,974,372</u>	<u>\$ -</u>	<u>\$ 46,974,372</u>



Quasi Endowment Fund

Highlights

Revenue and Expenditures

The \$100,000 reduction in lease revenue reflects the change in golf course lease terms effective January 2011



Quasi-endowment

Revenues

	<u>Current Budget</u>	<u>Proposed Change</u>	<u>Spring Revision</u>
Investment Income	\$ 82,250	\$ -	\$ 82,250
Lease Income	400,000	(100,000)	300,000
Total	<u>\$ 482,250</u>	<u>\$ (100,000)</u>	<u>\$ 382,250</u>

Expenditures

Transfers-out Rising Star Program	<u>\$ 482,250</u>	<u>\$ (100,000)</u>	<u>\$ 382,250</u>
Total	<u>\$ 482,250</u>	<u>\$ (100,000)</u>	<u>\$ 382,250</u>



Concluding Remarks



The End



Dallas County Community College District

Multi-Year Financial Outlook and Plan FY 2011 – 2014

DCCCD Board Planning and Budget Meeting

May 3, 2011

2012 – 2014 Revenue Assumptions

	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY2014</u>
Credit Enrollment	5% increase	4% increase	3% increase
Tuition Rate	\$45	\$45/TBD	\$45/TBD
State Formula Funding	20% decrease	Flat	Flat
Tax Base	3% decrease	Flat	Flat
Tax Rate – M&O	\$0.0778	\$0.0778	\$0.0778

Changes in Total State Funding FY 2008 – FY 2012

	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>Current Est.</u> <u>FY 2011</u>	<u>Est. HB1</u> <u>FY2012</u>	<u>HB1 Aycock</u> <u>Amendment</u> <u>FY2012</u>
Formula	89,498,204	89,498,204	93,008,179	89,227,028	89,504,912	70,938,186
Benefits Contribution	<u>25,244,601</u>	<u>26,049,303</u>	<u>25,709,342</u>	<u>26,841,141</u>	<u>8,274,415</u>	<u>26,841,141</u>
Total	114,742,805	115,547,507	118,717,521	116,068,169	97,779,327	97,779,327
Change - Formula		0	3,509,975	(3,781,151)	277,884	(18,288,842)
Change - Benefits		<u>804,702</u>	<u>(339,961)</u>	<u>1,131,799</u>	<u>(18,566,726)</u>	<u>0</u>
Total Change		804,702	3,170,014	(2,649,352)	(18,288,842)	(18,288,842)

Projected Changes: Three Primary Sources - FY 2012

	<u>FY 2012</u>
Decrease in Funding - HB1	(18,288,842)
Tax Revenue Decrease @ 3% decline in base	(4,316,495)
Increase in Tuition Revenue @ 5% enrollment growth	<u>4,669,482</u>
Overall Budget Shortfall Under HB1, 4/13/2011	(17,935,855)

2012 – 2014 Expenditures Assumptions and Provisions

	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>
Faculty Market Disparity	\$445,445	\$445,445	\$445,445
Visiting Scholar Provision	\$966,000	\$966,000	\$966,000
Mid-Year Growth Provision	\$0	\$0	\$0
Provision for Retention Initiatives	\$0	\$0	\$0
Technology "Edge" Provision	\$0	\$750,000	\$0
Provision for ATB Salary Adjustments	\$0	\$1,000,000	\$1,000,000
Provision for Faculty Formula Review	n/a	n/a	\$1,000,000
Provision for Job Reclassifications	\$0	\$0	\$0
Provision for Planned Maintenance – Facilities	\$0	\$0	\$0

Estimated Revenue 2011 - 2014

	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>
State Revenue	89,227,028	70,938,186	70,938,186	70,938,186
Federal Funds	1,037,885	1,037,885	1,037,885	1,037,885
Tuition: Credit & Non Credit	87,484,608	92,184,462	95,599,749	98,467,742
Taxes	120,222,660	115,906,165	115,906,165	115,906,165
Investment Revenue	2,726,000	2,726,000	2,726,000	2,726,000
Other Revenue	<u>3,211,026</u>	<u>3,258,906</u>	<u>3,283,348</u>	<u>3,307,973</u>
Total	303,909,207	286,051,604	289,491,333	292,383,951

Estimated Expenditures 2011 - 2014

	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>
College Operations	263,373,247	249,040,575	249,040,575	249,933,193
Percent of Change		-5.4%	0.0%	0.4%
District Operations	27,092,862	25,713,830	25,629,847	25,629,847
Less: Reductions to Balance	-	(83,983)	-	-
Adjusted District Operations	27,092,862	25,629,847	25,629,847	25,629,847
Percent of Change		-5.4%	0.0%	0.0%
Virtual College Operations	3,186,000	3,261,000	3,261,000	3,261,000
Further Reductions to Balance		(1,485,226)	-	-
Reserves & Transfers	10,257,098	9,605,408	11,559,911	13,559,911
Total	303,909,207	286,051,604	289,491,333	292,383,951
Percent of Change		-5.9%	1.2%	1.0%

Items of Impact

- From budget @ 9/1/2009 to projection for 9/1/2011:
State Formula Funding Decline = \$25,560,018
or 26.5%
- From budget @ 9/1/2009 to projection for 9/1/2011:
M & O Tax Revenue Decline = \$10,245,630 or 8.1%
- Cost Drivers
 - Increasing Enrollments
 - Increased Square Footage
 - Commitment to “Closing the Gaps”

Revenue Issues to Watch

- Credit Enrollment Levels, relative to projections
- Continuing Education Tuition/Fees, relative to projections
- Changes in Tax Base – Tax Rolls not certified until July 2011
- Decline in State revenue projections – 82nd Legislature still in-session.
- Changes to state funding of employee benefits/health insurance

Operational Issues

- Costs to accommodate increasing enrollment
 - Improvements in Financial Aid processing:
 - **increased cost estimated at \$1.4 million**
- Continued funding of student retention efforts
- Decreased staffing levels
- Replacement of retired faculty
- Continue exploring and achieving efficiency measures

Operational Issues

- **Keeping pace with planned facilities maintenance and repairs (increased sq. footage)**
 - **5-year Maintenance List = \$72.8 million**
- **Honing Technological Edge**
 - **Need to bring portals on-line no later than 2013/2014; cost = \$750 thousand (approximate)**
- **Maintaining commitment to competitive compensation for employees**
 - **Increased cost in FY11 dependent coverage**
 - **More cost increases projected for FY12**
 - No offsetting pay increases for FY11 or FY12
 - **CPI increase 2.1% from Feb. 2010 to Feb. 2011**
 - Gasoline prices way up and climbing
 - Grocery prices up