

Dallas County Community College District

**Funding Models
to Meet Operational
Needs Not Yet Met**

July 10, 2012

Needs Not Yet Met – annual amounts

• Compensation:			
– COLA “Catch Up”, for everyone (7.54% - FY12 adj.)			Fully used in 6/5/12 proposal
– Faculty Pay Issues, amount TBD.... up to		\$ 2.5 million	
– PSS & Administrative issues, amount TBD	Use of balance TBD – further study required	\$ 0.8 million	\$1 million in 6/5/12 proposal
• 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

Presented June 5, 2012

Needs Not Yet Met – annual amounts
One Addition to “*the List*”

Increased cost of unfunded benefits: \$3,500,000

Revised Total Cost of List is: \$44,300,000

\$7 Tuition Increase-Spring '13 and Spring '15; Increase M&O Taxes FY2013 – FY2015

<u>Additional Revenues</u>	<u>FY2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>
Increase M & O Taxes to Roll-Back Limit - FY 2013	10,080,000	10,080,000	10,080,000	10,080,000
Increase M & O Texas to Roll-Back Limit - FY 2014		10,411,182	10,411,182	10,411,182
Increase M & O Texas to Roll-Back Limit - FY 2015			11,243,035	11,243,035
Increase Tuition by \$7/credit hour FY13	6,307,000	11,900,000	11,900,000	11,900,000
Increase Tuition by \$7/credit hour FY 15			6,307,000	11,900,000
Total Additional Revenues	16,387,000	32,391,182	49,941,217	55,534,217

Using this model:

DCCCD M&O Tax Rate, current and proposed	\$0.0852	\$0.0920	\$0.0994	\$0.0994
Texas Community College M&O Average, FY 2012	\$0.1440			
Peer Average (HCC, TCC, Austin, LSC, SJCC, EPCC, Alamo), FY2012	\$0.1049			
 DCCCD Tuition Rate, current and proposed	 \$45 - Fall	 \$52	 \$52 - Fall	 \$59
	\$52 - Effective Spring		\$59 - Effective Spring	
Texas Community College Average, FY2012	\$73			
Peer Average (HCC, TCC, Austin, LSC, SJCC, EPCC, Alamo), FY2012	\$63			

\$7 Tuition Increase-Spring '13 and Spring '15; Increase M&O Taxes FY2013 – FY2016

	Target, est. <u>Summer 2012</u>	FY 2013 <u>Increment</u>	FY 2014 <u>Increment</u>	FY 2015 <u>Increment</u>	FY 2016 <u>Increment</u>
<u>Existing Needs, not in current budget</u>					
Compensation:					
COLA Proposal	11,400,000	11,400,000	2,000,000	2,020,000	2,040,200
Faculty Market Adjustment	2,500,000	1,000,000	1,500,000	750,000	-
Reserve - PSS & Admin Adjs - TBD	<u>800,000</u>	<u>500,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Subtotal - Compensation	14,700,000	12,900,000	3,750,000	3,020,000	2,040,200
Increased Cost of Benefits	3,500,000	3,487,000	-	-	-
Prior Year Compensation & Benefits Increase			16,387,000	20,137,000	23,157,000
Facilities Projects (in addition to former MTN pmts)	11,700,000	-	7,500,000	11,700,000	11,700,000
Technology "Edge" Provision (in addition to existing assumption)	2,000,000	-	1,000,000	2,000,000	2,000,000
Full funding for facilities operations @ \$7.50/sq. ft.	4,500,000	-	2,250,000	4,500,000	4,500,000
Restore Full Funding to Visiting Scholar program	1,000,000	-	500,000	1,000,000	1,000,000
Provision for internal "Momentum Points"	2,000,000	-	-	2,000,000	2,000,000
Provision for instructional equipment upgrades	1,500,000	-	-	1,500,000	1,500,000
IP telephony upgrades (5 year project)	2,400,000	-	-	2,400,000	2,400,000
Provision for new program development	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>1,000,000</u>
Total Needs	44,300,000	16,387,000	31,387,000	48,757,000	51,297,200
Reserve for Benefit Increases, State Funding Cuts, Enrollment Decreases		<u>-</u>	<u>1,004,182</u>	<u>1,184,217</u>	<u>4,237,017</u>
Total Uses of Additional Revenues		16,387,000	32,391,182	49,941,217	55,534,217

\$10 Tuition Increase-Spring '13 and \$4 Tuition Increase-Spring '15; Increase M&O Taxes FY2013 – FY2015

<u>Additional Revenues</u>	<u>FY2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>
Increase M & O Taxes to Roll-Back Limit - FY 2013	10,080,000	10,080,000	10,080,000	10,080,000
Increase M & O Texas to Roll-Back Limit - FY 2014		10,411,182	10,411,182	10,411,182
Increase M & O Texas to Roll-Back Limit - FY 2015			11,243,035	11,243,035
Increase Tuition by \$10/credit hour FY13	9,010,000	17,000,000	17,000,000	17,000,000
Increase Tuition by \$4/credit hour FY 15			3,604,000	6,800,000
Total Additional Revenues	19,090,000	37,491,182	52,338,217	55,534,217

Using this model:

DCCCD M&O Tax Rate, proposed	\$0.0852	\$0.0920	\$0.0994	\$0.0994
Texas Community College M&O Average, FY 2012	\$0.1440			
Peer Average (HCC, TCC, Austin, LSC, SJCC, EPCC, Alamo), FY2012	\$0.1049			
 DCCCD Tuition Rate, current and proposed	 \$45 - Fall \$55 - Effective Spring	 \$55	 \$55 - Fall \$59 - Effective Spring	 \$59
Texas Community College Average, FY2012	\$73			
Peer Average (HCC, TCC, Austin, LSC, SJCC, EPCC, Alamo), FY2012	\$63			

\$10 Tuition Increase-Spring '13 and \$4 Tuition Increase-Spring '15; Increase M&O Taxes FY2013 – FY2015

	Target, est.	FY2013	FY 2014	FY 2015	FY 2016
<u>Existing Needs, not in current budget</u>	<u>Summer 2012</u>	<u>Increment</u>	<u>Increment</u>	<u>Increment</u>	<u>Increment</u>
Compensation:					
COLA Proposal	11,400,000	11,400,000	2,000,000	2,020,000	2,040,200
Faculty Market Adjustment	2,500,000	1,000,000	1,500,000	750,000	-
Reserve - PSS & Admin Adjs - TBD	<u>800,000</u>	<u>800,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Subtotal - Compensation	14,700,000	13,200,000	3,750,000	3,020,000	2,040,200
Increased Cost of Benefits	3,500,000	3,500,000	-	-	-
Prior Year Compensation & Benefits Increase			16,700,000	20,450,000	23,470,000
Facilities Projects (in addition to former MTN pmts)	11,700,000	2,000,000	11,700,000	11,700,000	11,700,000
Technology "Edge" Provision (in addition to existing assumption)	2,000,000	-	2,000,000	2,000,000	2,000,000
Full funding for facilities operations @ \$7.50/sq. ft.	4,500,000	-	3,341,182	4,500,000	4,500,000
Restore Full Funding to Visiting Scholar program	1,000,000	-	-	1,000,000	1,000,000
Provision for internal "Momentum Points"	2,000,000	-	-	2,000,000	2,000,000
Provision for instructional equipment upgrades	1,500,000	-	-	1,500,000	1,500,000
IP telephony upgrades (5 year project)	2,400,000	-	-	2,400,000	2,400,000
Provision for new program development	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>
Total Needs	44,300,000	18,700,000	37,491,182	49,570,000	51,610,200
Reserve for Benefit Increases, State Funding Cuts, Enrollment Decreases		<u>390,000</u>	<u>-</u>	<u>2,768,217</u>	<u>3,924,017</u>
Total Uses of Additional Revenues		19,090,000	37,491,182	52,338,217	55,534,217

Homeowner Impact

M&O Tax Increases to Rollback Limit: FY 2013 – FY 2015

	FY 2012	FY 2013	FY 2014	FY 2015
	<u>Current Rate</u>	Up To <u>Rollback Rate</u>	Up To <u>Rollback Rate</u>	Up To <u>Rollback Rate</u>
Assessed Home Value	\$131,780	\$131,780	\$131,780	\$131,780
Less Homestead Exemption	<u>26,356</u>	<u>26,356</u>	<u>26,356</u>	<u>26,356</u>
Taxable Value	<u>\$105,424</u>	<u>\$105,424</u>	<u>\$105,424</u>	<u>\$105,424</u>
 M & O Tax Rate per \$100	 0.0789	 0.0852	 0.0920	 0.0994
Annual M & O Taxes	\$83.18	\$89.83	\$97.00	\$104.75
Increase in Annual M & O Taxes		\$6.65	\$7.18	\$7.75
% Change		7.99%	7.99%	7.99%

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