


**MEETING OF THE BUSINESS AFFAIRS COMMITTEE
OF THE BOARD OF TRUSTEES
Community College of Philadelphia
Wednesday, September 17, 2014 – 9:00 A.M.**

TO: Business Affairs Committee of the Board of Trustees
FROM: James P. Spiewak 
DATE: September 12, 2014
SUBJECT: **Committee Meeting**

A meeting of the Business Affairs Committee of the Board of Trustees will be held on **Wednesday, September 17, 2014 at 9:00 A.M.** in the College's **Isadore A. Shrager Boardroom, M2-1.**

AGENDA – PUBLIC SESSION

(1) 2013-14 Final Budget Results (Information Item):

Mr. Spiewak will provide an overview of the College's budget results for fiscal year 2013-14. Please refer to Attachment A. The College began the year with a potential use of carry-over funds in the amount of \$1,618,026 in the Board-adopted budget. The year ended with operating revenues exceeding operating expenses by \$2,238,000. Tuition and fee revenues were positively impacted by credit enrollments exceeding the budgeted credit FTEs by 2.6% and by a change in the billing policy for course withdraws prior to census date. Total operating expenditures ended the year \$1.09 million less than budgeted. Although fringe benefit costs exceeded the budget by \$1.16 million, through tight budget management, approximately \$1.1 million in salary budgets and \$1.14 million in other budgets were not expended.

(2) Update on Construction Budget – NERC, Pavilion, BMW, Landscaping (Information Item):

Staff will present an updated budget showing projected revenues and costs associated with the completed construction activity at the Northeast Regional Center, Pavilion Building, Bonnell, Mint and West Buildings and Landscaping along 17th Street.

(3) Landscape Plan for 17th Street (Information Item):

Staff will review the Landscape Vision Plan as it relates to the currently designated Public Art location and the plan for landscaping and hardscaping in front of the Pavilion Building.

(4) Update on Biology Lab Renovations (Information Item):

The College recently received approval, and funding, from PDE for the renovation of the biology labs on the Main Campus, West Regional Center, and the original biology prep room at the Northeast Regional Center. Staff will discuss the planning that is currently underway which will include logistics, selection of architect and banking partner.

(5) Next Meeting Date

The next regularly scheduled meeting of the Committee will take place on Wednesday, October 15, 2014 at 9:00 A.M. in the Isadore A. Shrager Boardroom, M2-1.

AGENDA – EXECUTIVE SESSION

(1) Update on Lease Negotiations and Litigation

Staff will discuss lease negotiations and provide an update on litigation.

JPS/lm

Attachments

c: Mr. Matthew Bergheiser
Dr. Donald Generals
Mr. Gary Bixby
Mr. Harry Moore
Mr. Anthony Simonetta
Jill Garfinkle Weitz, Esq.

BAC0914AGD.DOC

ATTACHMENT A

2013-14 FINAL BUDGET RESULTS

**Community College of Philadelphia
Enrollment Information (FTEs) for Fiscal Year 2013-2014**

	Actual FY 12-13	Budgeted FY 13-14	Actual / Projected FY 13-14	Actual FY 14 vs Budgeted FY 14	% Variance
<u>CREDIT</u>					
Summer 2	1,837	1,829	1,865	36	1.99%
Fall	12,825	12,309	12,950	641	5.21%
Spring	12,878	12,455	12,739	284	2.28%
Summer 1	2,691	2,750	2,547	(203)	-7.38%
Credit Year-to- date Totals - Annual FTEs	15,115	14,672	15,051	379	2.58%
<u>NONCREDIT</u>					
Summer 2	93	94	58	(36)	-38.30%
Fall	598	686	525	(161)	-23.47%
Spring	561	603	382	(221)	-36.65%
Summer 1	186	268	133	(135)	-50.37%
Noncredit Year-to-date Totals - Annual FTEs	719	826	549	(277)	-33.49%

Community College of Philadelphia
 Operating Budget Projections
 Fiscal Year 2013-2014

	<u>Original Budget</u>	<u>Final Results at June 30, 2014</u>
<u>REVENUES</u>		
Student Tuition and Fees	\$73,549,267	\$76,686,006
Commonwealth of Pennsylvania	28,226,906	28,179,310
City of Philadelphia	18,843,343	18,457,126
Other Income	1,687,400	1,754,677
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TOTAL REVENUES	\$122,306,916	\$125,077,119
<u>EXPENSES</u>		
Salaries, Net of Lapsed Funds	\$72,164,281	\$71,063,906
Fringe Benefits	31,177,700	32,333,957
Other Expenses	20,407,960	19,259,994
Student Financial Aid	175,000	181,307
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TOTAL EXPENSES	\$123,924,941	\$122,839,164
Projected (Deficit) Surplus *	<u>(\$1,618,025)</u>	<u>\$2,237,955</u>
Transfer of funds to Plant Fund for Campus Expansion Projects		<hr/> \$2,000,000
Increase to Unrestricted Fund Balance		<u>\$237,955</u>

* Prior to impact of GASB45 accrual

Community College of Philadelphia
 Operating Budget Projection
 Fiscal Year 2013-2014

	Original Budget	Final Results at June 30, 2014	
OPERATING REVENUES			
State Funding	\$28,036,906	\$28,036,906	
State Lease funding	190,000	142,404	
Total State Revenues	28,226,906	28,179,310	
Tuition - Credit Students	60,559,252	64,089,836	Reflects higher than budgeted credit enrollments and a change in the billing policy related to student withdraws prior to the census date.
Technology Fee	10,196,700	10,753,470	Reflects higher than budgeted credit enrollments and a change in the billing policy related to student withdraws prior to the census date.
Net Contribution from: Contracted Noncredit Instruction; Other Noncredit Instruction; Adult Community Noncredit Instruction	551,500	438,626	Reflects actual contributions from noncredit and other special programs.
Course Fees	3,291,615	3,491,609	Reflects higher than budgeted credit enrollments and a change in the billing policy related to student withdraws prior to the census date.
Student Regulatory Fees	957,200	1,195,462	Reflects impact on new late fee associated with the student payment plan option.
Tuition Adjustments - Student Receivable Write-offs, Collection Costs, Credit Card Costs & Senior Citizen Discount	(2,007,000)	(3,282,997)	Reflects higher than budgeted write-offs, associated with the change in the billing policy, and higher than budgeted discounted tuition.
Total Student Tuition & Fees	73,549,267	76,686,006	
City Operating Funds	18,843,343	18,457,126	Reflects the use of City appropriations for the completion of West Building projects.
Investment Income	660,000	693,740	Interest earnings were lower than budgeted but total investment income was aided by unrealized gains on longer-term investments.
Vocational Education Funding	200,000	163,503	
Indirect Costs, Administrative Allowances	300,000	306,099	
Parking Proceeds & Miscellaneous Income	527,400	591,335	
Total Other Income	1,687,400	1,754,677	
TOTAL OPERATING REVENUES	\$122,306,916	\$125,077,119	

Community College of Philadelphia
Operating Budget Projection
Fiscal Year 2013-2014

	Original Budget	Final Results at June 30, 2014	
OPERATING EXPENSES			
Salaries			
Full-Time Administrative Salaries	15,342,969		
Less: Projected Lapsed Salaries	(600,000)		
Net Full-Time Administrative Salaries	14,742,969	14,191,006	Reflects savings due to multiple administrative vacancies during the year.
Full-Time Faculty Salaries	28,274,336		
Less: Projected Lapsed Salaries	(150,000)		
Net Full-Time Faculty Salaries	28,124,336	28,716,253	Higher number of VLs utilized than budgeted.
Full-Time Classified Salaries	10,749,777		
Less: Projected Lapsed Salaries	(600,000)		
Net Full-Time Classified Salaries	10,149,777	9,780,086	Reflects savings due to higher than anticipated classified and confidential vacancies.
Subtotal - Full-Time Salaries	53,017,082	52,687,345	
Part-Time & Overload Credit Salaries	9,814,525	10,196,803	Reflects higher than budgeted number of sections offered for the Fall and Spring semesters.
Summer Credit Instruction	4,322,276	3,818,500	Reflects lower than budgeted number of sections offered during the summer terms.
Part-Time & Overload Non-Credit Salaries	316,956	403,226	
All Other Salaries	4,243,442	3,719,696	Reflects savings in the following budget lines: Part-time Administrative, Extended Time Payments, Advising, Part-time Classified and Student wages.
Early Retirement Incentive Payments	450,000	238,336	Reflects lower than budgeted staff requesting the Retirement Incentive Option.
Subtotal - Other than Full-Time Salaries	19,147,199	18,376,561	
Total Salaries	72,164,281	71,063,906	
Fringe Benefits			
Medical Program	20,264,000	21,893,925	Reflects higher than budgeted claims, including seven claims that exceeded the stop loss limit.
Retirement	5,542,800	5,596,493	
FICA	3,066,400	2,951,308	
Tuition Remission	700,000	605,539	
Group Life	370,800	416,467	Reflects increased premium rates effective January 1, 2014 after a 3-year fixed rate contract expired.
Unemployment Compensation	366,400	161,515	
Workers' Compensation	271,700	334,298	Reflects premium cost higher than budgeted.
Unused Vacation	228,400	(43,007)	Reflects employees using their accrued vacation time at a higher than typical rate.
Disability Premium	272,200	283,508	
Forgivable Education Loan	95,000	133,911	
Total Fringe Benefits	31,177,700	32,333,957	

Community College of Philadelphia
Operating Budget Projection
Fiscal Year 2013-2014

	Original Budget	Final Results at June 30, 2014	
Facility Expenses			
Utilities	2,398,610	1,778,733	Reflects savings from electricity procurement and energy saving strategies and lower than budgeted costs for natural gas.
Contracted Security	1,360,880	1,409,604	Reflects increased cost based upon contractual requirements of unionized security guards, effective January 1, 2014
Contracted Cleaning	1,100,000	1,046,932	
All Other Facility Expenses	2,001,872	2,186,857	Reflects cost associated with internal building renewal in anticipation of Middle States visit.
Total Facility Expenses	6,861,362	6,422,126	
All Other Expenses			
Leased Equipment & Software	4,554,646	4,461,498	
Catalogs and Advertising	1,251,471	1,173,988	
Supplies-Pool	1,469,430	1,083,748	Reflects savings across multiple departments.
Contracted Services	1,377,304	1,584,424	Reflects use of temporary services in place of vacant positions.
Consultant	783,450	732,412	Includes cost of Presidential Search consultants.
Maintenance & Repairs	524,609	520,464	
Postage	428,600	342,847	Reflects savings from continued improvements in communicating with students by means other than mailings.
Insurance	635,000	609,950	
Legal Fees	200,000	781,020	Reflects cost associated with the Burt Hill litigation.
Other Expenses	2,322,088	1,547,517	Reflects savings in other budget lines including contingency accounts.
Total All Other Expenses	13,546,598	12,837,868	
King Scholarship	175,000	181,307	
TOTAL OPERATING EXPENSES	\$123,924,941	\$122,839,164	
Projected (Deficit) Surplus *	(\$1,618,025)	\$2,237,955	
Transfer of funds to Plant Fund for Campus Expansion Projects		\$2,000,000	
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