COMBINED MEETING OF THE BUSINESS AFFAIRS AND EXECUTIVE COMMITTEES OF THE BOARD OF TRUSTEES
Community College of Philadelphia
Wednesday, November 28, 2018 – 10:00 A.M.

Teleconference Trustees:	Ms. Suzanne Biemiller, Mr. Harold Epps, Mr. Steve Herzog, Honorable James Roebuck, and Mr. Jeremiah J. White, Jr.
Administrative Staff:	Donald Generals, Ed.D., Mr. Jacob Eapen, Mr. Gim Lim, Mr. James P. Spiewak and Victoria Zellers, Esq.

AGENDA

PUBLIC SESSION

Please note that the first agenda item required approval by both the Business Affairs and Executive Committees of the Board of Trustees.

(1) Job Order Contracting through the Gordian Group. (Action Item)

Discussion: Mr. Eapen explained that the College has utilized The Gordian Group to perform Job Order Contracting for low dollar renovation and repair work. Mr. Spiewak explained that job order contracting is a project delivery method that can get commonly encountered low-cost construction projects done quickly. The Gordian Group was awarded a competitively bid contract to develop, implement and support a discounted job order contracting program by Keystone Purchasing Network (KPN), a national purchasing cooperative for education and local government. The College is a member of KPN. The Gordian Group utilizes SJ Thomas for general construction, electrical, plumbing, HVAC and civil construction work. The main objective of this contractual arrangement is to provide a resource to rapidly engage a contractor to perform construction-related services and repairs while meeting statutory requirements related to bidding, prevailing wage and the Separations Act. Mr. Eapen noted that The Gordian Group is used by the Pennsylvania GSA and Penn State University.

Mr. Eapen stated that the College has utilized the KPN contract with The Gordian Group for five projects to-date that totaled $91,127 which staff have been satisfied with the quality and timeliness of these projects. Projects at CCP include converting one large room to three offices (construction of walls, painting, electric, sprinklers, flooring and voice and data installation); converting vending lounge area in CBI to general classroom and keeping part of the room for vending; repairing three drain boxes and level asphalt in the Bonnell parking lot; and repairing slop sink and replacing carpet in three offices in the Northwest Regional Center.

Mr. Eapen further explained that there are other projects that the College would like to quickly move forward. These projects include: new concrete floor and electrical upgrade at the West Regional Center to accommodate equipment to be utilized by the Advanced Manufacturing program; and sealing and pressurizing two data closets.

In response to committee members' questions, Mr. Eapen answered that neither The Gordian Group nor SJ Thomas were based in Philadelphia. Some committee members felt that using The Gordian Group thereby lessens the opportunity to use Philadelphia-based companies. Mr. Eapen responded that the College desires to use Philadelphia-based companies whenever possible and suggested that staff be authorized to use The Gordian Group only for emergency work.

Action: On behalf of the Business Affairs Committee, Mr. White moved and Mr. Herzog seconded the motion that the Business Affairs Committee recommend that staff utilize The Gordian Group only after staff requested quotes from at least three Philadelphia-based companies and they cannot perform the required work within the necessary time frame, the Gordian Group could only be utilized for an additional amount of $100,000. Mr. White and Mr. Herzog voted in favor of the motion and Ms. Biemiller opposed.

Action: On behalf of the Executive Committee, Mr. White moved the recommendation of the Business Affairs Committee. There was no second to the motions and Mr. White withdrew the motion.

(2) Lease Payments (Information item)

Mr. Spiewak explained that at a previous Business Affairs Committee meeting, Committee members asked staff to provide a schedule of equipment leases to include the leases currently budgeted and replacement leases that will need to be budgeted in future years. Mr. Spiewak briefly reviewed the information in Attachment A which contains this lease information by category and by fiscal year.

(3) Three Year Capital Budget. (Information Item)

Mr. Spiewak directed the Committee to Attachment B which contains the College's proposed capital budget three year plan for fiscal years 2018-19 through 2020-21. He noted that there was approximately $6.3 million of funds available. Projected uses included facility projects, some of which have been completed during this fiscal year, that total to $3.9 million and capital equipment and furnishings that total to $2.7 million. He indicated that the budget was flexible in that if a critical need arose in the next two years, that capital spending would occur and another item on the list would be deferred. Mr. Eapen emphasized that spending for capital will not exceed the available funds.

(4) 2018 Financial Performance Indicators. (Information Item)

Mr. Eapen explained that the annual financial performance indicators were developed in collaboration with the Board to provide a snapshot of the College's current financial operating characteristics. He noted that the College continues to have balanced budgets, has a strong liquidity position, and has received unqualified audits. Mr. Eapen also noted some challenges that face the College to include the levels of support from the City and State, declining enrollments over the past few semesters, significant dependence on student tuition and fees, expense flexibility is limited by the collective bargaining agreement, and the need for additional resources to implement the Facilities Master Plan.

Mr. Spiewak and Mr. Lim briefly provided detail on the 2018 Performance Indicators as shown in Attachment C. A discussion took place concerning the impact of the recently enacted GASB 75 Statement which required the College to accrue the actuarial calculated value of postemployment benefits other than pensions. Staff noted that, although the College recorded the full amount of the OPEB liability ($182.3 million), and that it drastically reduced the amount reported for unrestricted funds, it had no impact on the College's cash position. Ms. Zellers noted that the College's Best and Final Offer contains healthcare changes that would positively influence the liability. She noted that eliminating postretirement healthcare for new hires and evenly splitting the cost of postretirement healthcare for current employees will have the biggest impact. Staff will work with their actuary to determine the impact of these changes. Mr. Eapen stated that the financial statements are impacted by the requirements of GASB 75.

(5) Next Meeting Date:

The next regularly scheduled meeting of the Committee will be held on Wednesday, January 23, 2019 at 10:00 A.M. in the Isadore A. Shrager Boardroom, M2-1.

ATTACHMENT A

Lease Information

Current FY 18-19 Equipment Lease Budget

			FY 18-19
PCs	Replacements	$	150,000
3 Servers - Domain Controllers (CBI, NWRC,WRC)	Replacements	$	9,315
Cisco Load Balancer	Replacements	$	13,800
Telephone Upgrades	Replacements	$	36,108
PCs	Existing	$	663,880
7 Servers	Existing	$	19,031
4 Servers with VMWare	Existing	$	34,502
SAN Solution	Existing	$	40,556
Fortinet	Existing	$	18,976
2 Servers with VMWare	Existing	$	17,613
1 Server	Existing	$	1,451
1 Server	Existing	$	1,461
5 Servers with VMWare	Existing	$	41,192
4 Servers with VMWare	Existing	$	30,080
Cisco Upgrades (Fiber Ring, NERC Switches, Nexus)	Existing	$	94,279
4 Servers with VMWare	Existing	$	33,120
Subtotal		$	1,205,364
Multifunction Devices (MFDs) in Office Suites	Existing	$	43,000
Business Services High Speed Copiers	Existing	$	35,000
Mail Machine and Postage Meter	Existing	$	7,200
Student Print Interfaces	Existing	$	10,000
Collator &I Booklet Maker	Existing	$	23,000
All Other Equipment Leases	Existing	$	25,700
Subtotal		$	143,900
ORIGINAL EQUIPMENT LEASE BUDGET FOR FY 18-19		**$**	**1,349,264**

Additions to Future Year Budgets for Leases

Partial Year Budgeted in FY 18-19	Projected Replacment Dates	FY 19-20	FY 20-21	FY 21-22
PCs	October, 2018 through March, 2019	$ 101,854	$ 101,854	$ 101,854
3 Servers - Domain Controllers (CBI, NWRC,WRC)	November, 2018	$ 3,105	$ 3,105	$ 3,105
Cisco Load Balancer	November, 2018	$ 13,800	$ 13,800	$ 13,800
Subtotal		$ 118,759	$ 118,759	$ 118,759
Replacements for Leases Paid Off in Previous Years				
Firewall Devices	during current year	$ 35,000	$ 35,000	$ 35,000
Digital Press	July, 2019	$ 60,000	$ 60,000	$ 60,000
Cisco Routers	July, 2019	$ 5,484	$ 5,484	$ 5,484
4 Servers with VMWare	August, 2019	$ 34,500	$ 34,500	$ 34,500
Nexus Modules	September, 2019	$ 30,000	$ 36,000	$ 36,000
PCs	March, 2019 through March, 2021	$ 65,940	$ 154,274	$ 232,262
Fortinet Security Appliances	April, 2020	$ 3,763	$ 15,051	$ 15,051
3 Servers with VMWare	April, 2020	$ 3,780	$ 15,121	$ 15,121
SAN Soluiton	April, 2020	$ 11,864	$ 47,456	$ 47,456
Cisco Routers (Main & NERC)	October, 2020	$ 4,017	$ 5,356	$ 5,356
IDF Switches (CBI & NWRC)	October, 2020		$ 48,000	$ 72,000
IDF Switches (Main & WRC) & Fiber Modules	October, 2021			$ 160,000
Subtotal		$ 254,348	$ 456,242	$ 718,230
TOTAL ADDITIONAL AMOUNT FOR FUTURE YEAR BUDGETS		**$ 373,107**	**$ 575,001**	**$ 836,989**

ATTACHMENT B

Three Year Capital Budget

Proposed Capital Budget - Three Year Plan FYs 2018-19 through 2020-21

	Sources of Funds	Status
Projected Capital Fees - FY 18-19	390,000	
Projected Capital Fees - **FY 19-20**	390,000	
Projected Capital Fees - **FY 20-21**	390,000	
Funds from City Appropriation - FY 18-19	500,000	
Funds from City Appropriation - **FY 19-20**	500,000	
Funds from City Appropriation - **FY 20-21**	500,000	
Remaining Settlement Funds (Stantac and subcontractors)	1,400,000	
Refinancing of 2008 Bond Issue	1,662,960	
Refinancing of 2007 Bond Issue during FY 16-17	634,414	
TOTAL	**$6,367,374**	

Planned / In-Process Projects & Purchases	**Use of Funds**	
FACILITY PROJECTS		
Faculty Relocations in West Building	26,688	Completed
Renovations and Furnishing in W1-1	32,967	Completed
Replacement of Historic Mint Building Steps	66,693	Completed
Biology Labs Renovations	163,626	Completed
West Building Staircase	101,305	Completed
Mint Steps	5,000	Completed
Repairs to West Building Parapet	64,594	Completed
New Classroom - 1st Floor CBI	18,037	Completed
Renovations for Re-Entry Program (BR-74)	55,668	Completed
Classroom Door Locks	116,500	Completed
Floor Replacement in Coffee House	18,000	Complete
Installation of Footers to support Public Art	121,721	in-process
Install Emergency Phones in Main Garage	20,406	in-process
Digital Sign for 17th Street	100,000	in-process
Backflow Preventers	24,900	in-process
Delayed Egress on Exterior Doors	60,500	PO Issued
Refurbishment of Bonnell Freight Elevator	162,866	PO Issued
Roof Repair - Mint	250,000	RFP in Nov
Roof Repair - Bonnell	250,000	RFP in Nov
Physics Lab	400,000	
Refurbishment of Mint Freight Elevator	250,000	
Fire Safety Enhancements in data closets	200,000	
New Exterior Lighting for Mint Building	150,000	
Mint Building Front Doors	185,000	
Cooling Tower Cell	125,000	
Bonnell Surface Lot Drain Repairs	15,585	Completed
CBI Pavers Replacement	150,000	
NERC Paver Installation at Entrance	20,000	
Office Suite Door Locks	82,500	
Regional Center Door Locks	40,000	
W1-1 Dental Hygene Clinic	200,000	
NERC Classroom Conversion - 3 GP to 2 PC with Furniture	145,000	
NERC Classroom Conversion - 2 GP to 1 Message Therapy	37,500	
SACC Conversion to Classrooms (FY20-21)	175,000	
Music Program Area	125,000	
subtotal	3,960,056	

FURNITURE, FIXTURES & EQUIPMENT PURCHASES			Status
Upgrade of Existing CCTV Equipment		16,613	Completed
Additional CCTV Equipment		119,898	Completed
Boardroom Refresh		10,513	Completed
Solar Energy Project		14,452	Complete
Additional ID Camera System		8,470	Completed
Enhanced Door Security System for Automotive Tech. Bldg.		7,770	PO Issued
Equipment for Bleacher Moves		32,132	Completed
Signage on 16th Street		6,900	Completed
Greenhouse		15,000	Completed
HR/IA Cleartouch		9,000	PO Issued
Smart Boards at Regional Centers (Qty 8?)		64,000	
Replacement of Classroom Tablet Armchairs (Qty 25 rooms)		360,000	
Great Hall Renovations		300,000	
Priority Items - A&SS		135,000	
Priority Items - Facilites		150,000	
Priority Items - WEI		86,000	
Priority Items - MMS		551,092	
Noncredit Registration System		200,000	
Carpet for Deans Offices (2)		50,000	
S3-3 Partition		12,100	PO Issued
W2-18 Computer Tables & Chairs		43,841	PO Issued
NWRC 102 Carpet Replacement		63,425	
WRC stackable chairs (qty 50)		9,457	
NWRC stackable chairs (qty 50)		9,457	
NERC stackable chairs (qty 245)		45,950	
NWRC 249 Ophthalmic Computer Tables		8,877	
NWRC Computer Chairs (37)		12,950	
B2-02 Computer Tables		27,560	
B2-29 Computer Tables		34,450	
	subtotal	2,404,907	
MMS Classroom Technology Replacements Years 2 & 3		50,500	
Instructional Equipment Years 2 & 3		150,000	
Other Priority Needs Years 2 & 3		150,000	
	subtotal	350,500	
	TOTAL	**6,715,463**	

ATTACHMENT C

2018 FINANCIAL PERFORMANCE REPORT
NOVEMBER 28, 2018

2018 FINANCIAL PERFORMANCE REPORT
NOVEMBER 28, 2018

Current Evidence of Financial Viability

- Through successful operational efficiencies and cost containment strategies, the College has finished the fiscal year with slight operating budget surpluses in each of the last thirteen fiscal years. Initially budgeted deficits in 2011, 2012, 2013, 2014, 2015, 2016, 2017 and 2018 were eliminated and small surpluses achieved.

- Strong liquidity. Average daily cash and investment balances in excess of $50.9 million.

- Audits are consistently unqualified with no control weakness findings.

Current Financial Challenges

- Levels of financial support from City and State.

- Large dependence on student tuition and fee revenues and associated federal aid to sustain College budgets.

- Revenue pressures from declining enrollment will continue to challenge operating performance.

- Elevated exposure to collective bargaining units limits expense flexibility.

- Growing vulnerability to shifts in Federal Financial Aid (Pell) policies.

- Under GASB 75, the College will be required to accrue the full amount of the OPEB liability beginning 2017-2018. The actuarial estimated full amount of the OPEB liability is $178.8 million.

- Capital resources are needed to implement the Facilities Master Plan.

FIGURE I

Reported Value of Unrestricted (Carry-Over) Fund Balances Including Quasi Endowment Funds with the Impact of Other Post-Employment Benefits Accrual

Fiscal Year	Cumulative Value of OPEB Annual Accrual	Reported Value of Unrestricted Carry-Over Funds Including Quasi-Endowment Funds with OPEB Accrual
2004-05	0	$9,692,958
2005-06	0	$11,682,218
2006-07	0	$17,051,787
2007-08	$5,194,673	$17,154,757
2008-09	$10,367,219	$14,553,315
2009-10	$16,575,690	$14,588,450
2010-11	$22,614,325	$9,352,894
2011-12	$30,225,327	$2,014,736
2012-13	$38,755,360	($6,437,761)
2013-14	$47,396,561	($14,906,416)
2014-15	$58,227,563	($25,320,183)
2015-16	$70,428,317	($36,372,774)
2016-17	$82,801,420	($44,715,047)
2017-18	$182,233,779	($208,445,629)

Comment: Beginning 2017-2018, the College was required to implement GASB 75. Under GASB 75, the College accrued the full amount of the OPEB liability and the proportionate share of PSERS/SERS liabilities for a total of $182.3 million. The post-employment health benefit accrual reduces the amount reported for unrestricted funds but has no impact on the College's cash position. The above data shows the cumulative value of the accrual which reduces both the value reported for unrestricted net assets and the College's reported net position.

Current Status: GASB 75 required the College to accrue the full amount of the OPEB liability as employees earn the benefits. The actuarial estimated full amount of the OPEB health benefits liability is $178.8 million.

FIGURE II

Fiscal Year End Current Asset to Current Liability Ratio

	As Reported in Financial Statements	Including the Value of Liquid Long-Term Investments
2004-05	1.22	1.22
2005-06	1.29	1.29
2006-07	1.57	1.57
2007-08	1.47	1.65
2008-09	1.54	1.70
2009-10	1.50	1.65
2010-11	1.11*	1.66
2011-12	1.08*	1.61
2012-13	1.02*	1.52
2013-14	1.10*	1.65
2014-15	1.16*	1.61
2015-16	1.32*	1.97
2016-17	1.40*	2.01
2017-18	1.55*	2.17

* Current assets reduced by movement of some operating cash to long-term investments.

Comment: A positive trend in this ratio is indicative of a growing capacity to handle current debt obligations. Beginning in 2011, the nominal value for the current ratios was reduced by the movement of some core cash into liquid long-term investments. Long-term liquid investments in 2018 totaled $16.4 million. Including these funds, the College's current ratio is 2.17. Because the longer-term fixed-income investments can be liquidated without penalty, the longer-term investment strategy did not create any significant operational risk for the College. The above chart shows the current ratio without and with the inclusion of liquid long-term investments.

Target: Ratio: 1.2 or higher

Current Status: No major change in this ratio is expected to occur.

FIGURE III

Total Debt Payments Made Using City Dollars as a Percentage of Unrestricted Operating Revenue

	Total Debt Payments Made from City Dollars	Debt Payments Made from City Dollars as Percent of Total Operating Revenue
2004-05	$3,378,206	3.56%
2005-06	$3,378,259	3.46%
2006-07	$3,469,762	3.37%
2007-08	$3,848,690	3.57%
2008-09	$6,819,821	6.25%
2009-10	$6,183,563	5.20%
2010-11	$6,471,559	5.32%
2011-12	$6,576,665	5.49%
2012-13	$6,822,960	5.64%
2013-14	$6,785,455	5.43%
2014-15	$5,316,296	4.15%
2015-16	$5,541,800	4.25%
2016-17	$5,144,174	4.02%
2017-18	$5,018,379	3.93%

Comment: The portion of the College debt paid by the State is funded separately by the State and, as a result, growth in State-funded debt payments does not impact on the College's operating revenues. However, debt payments made using City revenues directly impact on dollars which are available for College operating purposes. Act 484 requires that local sponsor revenues be used to fund the local sponsor share of capital costs prior to applying funds to operating expenditures. A decline in the percentage of operating revenues required for debt payments is a positive indication of financial flexibility.

Target: The accepted standard for private colleges and universities is to keep this ratio below 7%.

Current Status: In fiscal year 2017-18, the College borrowed $16 million to fund the Library and Learning Commons Project; the State is currently funding 28.13% of the debt service and the College has submitted an additional capital request that would bring the State funding level to 46.9% starting in FY 2019-20 if approved. A bond offering of $20 million to finance the expansion of the West Regional Center will occur in Spring of 2019; the State will fund 50% of the debt service. The amount of City appropriations required to be used for this additional debt service is estimated at $775,000.

FIGURE IV

Revenue Dispersion - Operating Budget Revenues by Source

Operating Revenue by Source	FY 14-15	% of Total	FY 15-16	% of Total	FY 16-17	% of Total	FY 17-18	% of Total
State Appropriation	$28,499,415		$29,963,712		$30,732,457		$30,732,457	
State Lease Appropriation	132,174		164,616		135,845		159,154	
TOTAL STATE	**28,631,589**	**22.37%**	**30,128,328**	**23.10%**	**30,868,302**	**24.13%**	**30,891,611**	**24.18%**
City Operating Appropriation	21,353,866	16.69%	23,367,407	17.91%	23,830,493	18.63%	22,569,958	17,66%
Student Tuition & Course-related Fees	75,226,747		73,359,959		70,522,593		71,353,463	
Student Regulatory Fees	1,173,147		1,287,923		1,202,303		1,198,833	
TOTAL STUDENT	**76,399,894**	**59.68%**	**74,647,882**	**57.22%**	**71,724,896**	**56.08%**	**72,552,296**	**56.78%**
Other	1,609,122	1.26%	2,296,953	1.77%	1,484,975	1.16%	1,768,613	1.38%
GRAND TOTAL	**$127,994,471**		**$130,440,570**		**$127,908,666**		**$127,782,479**	

Comment: The State operating appropriation for fiscal year 2017-18 was the same as the previous year. The City operating appropriation represents dollars remaining from the total City allocation after all City capital obligations are met. The total City appropriation was $.5 million more than fiscal year 2016-17. The College used $.83 million to fund the PowerUp Your Business program. Other income includes investment income, Federal Perkins operating budget support for career programs, and other miscellaneous income. Revenue dispersion, lack of overdependence on one revenue source, is viewed as an important indicator of financial stability. The growth in College dependence on student revenues over the past few years, and indirectly on State and Federal Student aid programs (see Figure VI), is a concern.

Target: To reduce operating budget dependence on student revenues over time.

Current Status: The State budget contained an increase of $.92 million for the Operating Budget. The City provided a $2 million increase in appropriations.

FIGURE V

Trends in Student Revenue Dependency, Percent of Tuition and Fees Paid by Grant Aid, and Operating Budget Dependency on Student Financial Aid Programs

Year	Annual Tuition and Fee Revenues (in $000)	Percent of Operating Revenues Dependent Upon Student Tuition and Fees	Percent of Student Revenues Paid by Federal and State Aid Grants	Percent of Operating Budget Dependent on Federal and State Aid Programs
2004-05	$45,811	48.4%	45.3%	21.9%
2005-06	$45.330	47.6%	45.0%	21.4%
2006-07	$48,944	49.8%	47.3%	23.6%
2007-08	$54,020	49.6%	47.3%	23.5%
2008-09	$56,844	52.3%	46.5%	24.3%
2009-10	$65,308	55.0%	56.2%	30.9%
2010-11	$69,701	57.3%	61.1%	34.9%
2011-12	$71,641	59.8%	60.0%	35.9%
2012 -13	$73,206	60.5%	58.3%	35.3%
2013-14	$76,686	61.3%	56.6%	35.3%
2014-15	$76,400	59.7%	60.9%	36.4%
2015-16	$74,648	57.2%	60.5%	34.6%
2016-17	$71,724	56.1%	55.6%	31.6%
2017-18	$75,076	58.8%	55.7%	32.7%

Comment: Over the last two decades, the College has become increasingly dependent on student-generated revenues as the largest source of operating revenues for the College. In fiscal 2018, 58.8 percent of revenues were generated by students. The number of students eligible for Pell grants and state grants declined in fiscal 2018 due to the improving local economy. However, the maximum Pell award was increased by $105 in 2018. This resulted in a small increase from 31.6 percent of College operating revenues coming from federal and State (primarily Pell) aid awards in 2017 to 32.7 percent in 2018. Levels of funding and eligibility standards for Pell awards are subject to a political environment in Washington which is frequently less supportive of higher education funding. The College is increasingly dependent on a revenue stream with growing unpredictability.

Target: To reduce dependency on student-generated revenues as the largest single source of operating funds and reduce the College's exposure to the funding uncertainties associated with federal financial aid programs.

Current Status: The distribution of operating revenues by source is not expected to change significantly for the 2017-18 year.

FIGURE VI

Tuition and Fee Changes

	2011-12(3)	2012-13(3)	2013-14(3)	2014-15(3)	2015-16(3)	2016-17(3)	2017-18(3)	2018-19(3)
Tuition(1)	$138 per cr. hr.	$148 per cr. hr.	$153 per cr. hr.	$153 per cr. hr.	$153 per cr. hr.	$153 per cr. hr.	$159 per cr. hr.	$159 per cr. hr.
General College Fee	$4.00 per cr. hr.	$4.00 per cr. hr.	$4.00 per cr. hr.	$4.00 per cr. hr.	$4.00 per cr. hr.	$4.00 per cr. hr.	$4.00 per cr. hr.	$4.00 per cr. hr.
Technology Fee	$28.00 per cr. hr.	$28.00 per cr. hr.	$28.00 per cr. hr.	$28.00 per cr. hr.	$28.00 per cr. hr.	$30.00 per cr. hr.	$30.00 per cr. hr.	$30.00 per cr. hr.
Average Course Fee	$7.15 per cr. hr.	$7.66 per cr. hr.	$7.68 per cr. hr.	$7.66 per cr. hr.	$8.08 per cr. hr.	$9.71 per cr. hr.	$10.05 per cr. hr.	$10.01 per cr. hr.
Average Total Annual Costs for Full-Time Study(2)	$4,263	$4,504	$4,624	$4,624	$4,634	$4,721	$4,873	$4,872

Source: The College.

(1) Per credit hour for Philadelphia residents. Other Pennsylvania residents pay double tuition and out-of-state students pay triple tuition.

(2) Assumes full-time enrollment (12 credits in fall and spring terms). Amount includes: tuition, student activity fee, technology fee, and average course fees.

(3) The College charges course fees in high cost course areas such as allied health and laboratory sciences. Course fees range from $85 to $345 per course.

Comment: Course fees are charged in disciplines where instructional delivery costs are above average based upon factors such as class size constraints, faculty workloads, and instructional materials costs. As a result, full-time student charges vary by program of study. The lowest possible charge for a full-time student in the 2018-19 fiscal year is $4,632.

Target: To keep tuition and fee increases per year at the lowest feasible level.

Current Status: Tuition for 2018-19 remained the same at $159; there were no changes to fees. The College has only raised tuition once in the past five years.

FIGURE VII

Total Credit Enrollments and Operating Cost Per FTE Credit Student

	Total Credit FTEs	Percent Increase/ Decrease in Enrollment	Total Operating Cost Per FTE Credit Student(1)	Percent Increase/ Decrease in Cost Per FTE	Change in Philadelphia All Urban CPI Increase**
2005-06	13,629		$6,668		
2006-07	13,569	-0.40%	$7,020	5.30%	1.60%
2007-08(1)	13,942	2.80%	$7,113	1.30%	5.10%
2008-09(1)	14,208	1.90%	$7,198	1.20%	-2.00%
2009-10(1)	15,808	11.30%	$6,779	-5.50%	1.90%
2010-11(1)	16,091	1.80%	$7,166	5.40%	2.80%
2011-12(1)	15,796	-1.80%	$7,355	2.60%	1.30%
2012-13(1)	15,115	-4.30%	$7,707	4.80%	1.50%
2013-14(1)	15,051	-0.40%	$7,918	2.70%	1.80%
2014-15(1)	14,851	-1.30%	$8,145	2.90%	0.20%
2015-16	14,505	-2.30%	$8,452	3.77%	0.10%
2016-17	13,657	-5.85%	$8,924	5.88%	0.70%
2071-18	13,361	-2.17%	$8,951*	.30%	1.90%

(1) Excludes the impact of GASB 45 and GASB 68 post-retirement expense accrual.
* Estimated.
** Percent change from 12 months prior - June

Comment: This chart reports total institutional operating cost per full-time equivalent (FTE) credit students. Because many of the College's costs are relatively fixed, a significant increase or decrease in enrollments will have a major impact on costs per FTE student. The drop in cost per FTE in 2009-10 is explained by the large enrollment increase. Similarly the relatively large increase in cost per FTE for 2012-13 and again in 2016-17 and 2017-18 reflects the drop in credit enrollments which occurred for the year. The costs per FTE shown in this chart do not include the future expense accrual for post-employment benefit (GASB 45 and GASB 68) expenses. The value of this accrual for 2017-18 was $12.279 million or $919 per credit FTE.

Target: Over time to keep the average annual increase in cost per credit FTE at or below the Philadelphia Consumer Price Index increase.

Current Status: The currently projected decrease in enrollments will result in an increase to the cost per FTE for the 2018-19 year.

FIGURE VIII

Average Annual Salary and Annual Percentage Increase in Average Salary

	Fall 2012	Fall 2013	Fall 2014	Fall 2015	Fall 2016	Fall 2017	Fall 2018
Faculty and Lab Aides							
Average Salary	$66,137	$66,862	$66,878	$66,980	$68,583	$67,244	$69,607
Percent Increase	0%	+1.10%	0%	0%	+2.40%	-1.95%	3.51%
Administrators							
Average Salary	$75,731	$74,804	$75,630	$78,572	$79,017	$80,338	$82,051
Percent Increase	0%	-1.20%	+1.10%	+3.90%	+.60%	+1.67%	2.13%
Classified/Confidential							
Average Salary	$40,609	$41,322	$41,312	$42,194	$43,408	$42,353	$43,308
Percent Increase	-0.80%	+1.80%	0%	+2.10%	+2.90%	-2.43%	2.25%

Comment: Data for each year are points-in-time values as of the middle of the fall term based upon all full-time filled positions as of that date. Vacant position budgets are not included in the computation.

Target: All faculty and classified employees' salaries are set by collective bargaining agreements. The College's Collective Bargaining Agreements expired on August 31 2016. Through the opportunities provided by employee turnover and retirement, the goal is to keep overall average salary increases below the percentage increases granted to continuing employees over the five year contract period.

Current Status: The College's Collective Bargaining Agreements expired on August 31, 2016. No increases were provided to any category of employee during the 2016-17 fiscal year. Effective July 1, 2017, a two (2%) percent increase was approved by the Board of Trustees for Administrators (excluding Vice Presidents and General Counsel serving on the College's Cabinet) and Grant Administrators, and a two (2%) percent increase in hourly rate for Confidential Employees. The College's latest proposal to the Union included a 2% increase to Faculty and Classified Employees. For comparison purposes only, the same percentage increases were applied to current salaries of Faculty and Classified employees since the Union contract has not yet been settled.