

**CONFERENCE CALL OF THE BUSINESS AFFAIRS COMMITTEE  
OF THE BOARD OF TRUSTEES  
Community College of Philadelphia  
Thursday, May 30, 2019 – 2:30 P.M.**

Present: Mr. Jeremiah J. White, Jr. (presiding); Mr. Harold Epps, Mr. Steve Herzog, Dr. Donald Generals, Mr. Jacob Eapen, Mr. James P. Spiewak and Victoria Zellers, Esq.

**AGENDA**

**PUBLIC SESSION**

**(1) Resolution for Wage Increases and Health Plan Changes for Administrators, Grant Administrators, and Confidential Employees (Action Item):**

Discussion: At the May 22, 2019 meeting, Committee members discussed a proposed resolution related to salary and benefit changes for administrative, including Cabinet-level, employees and confidential employees. As a result of the discussions, it was agreed that staff would modify the resolution. Attachment A contains the revised Resolution. The revised Resolution for administrators and confidential employees provides raises and benefits commensurate with the Union raises and benefits for only this fiscal year (which was reflected in the revised budget for 2018-2019) and for the upcoming fiscal year (2019-2020) as approved at the May 22, 2019, Business Affairs Committee meeting for the upcoming year's budget. All references were taken out to the later years for all employees with the clarification that these employees are eligible to receive the raises subject to evaluation and performance but did not guarantee the raises. The Cabinet is included since it is limited to this year and the upcoming fiscal year. Also included in the Resolution is that based on HR practice, the percentage raise for employees not employed during the entire prior fiscal year will be pro-rated. Future proposed increases for administrators and confidential employees will be presented when the budget for those years are presented.

Action: Mr. Herzog moved and Mr. Epps seconded the motion that the Committee recommend to the full Board the approval of the Resolution for Wage Increases and Health Plan Changes for Administrators, Grant Administrators, and Confidential Employees as reflected in Attachment A. The motion passed unanimously.

**(2) Revision to the 2019-2020 College Budget (Action Item):**

Discussion: Mr. Eapen stated that after the Business Affairs Committee meeting of May 22, 2019, Dr. Generals asked for a balanced budget. After reviewing the strong Fall enrollments that are up 10% over last year, it was decided to project a one percent increase in credit enrollments. This generated additional tuition and fees of approximately \$648,000. It was also decided to budget the lapse salary assumption at \$1.9 million, the same amount that has been budgeted (and exceeded) in previous years. With these changes, the fiscal year 2019-2020 Operating Budget is balanced. Attachment B contains a revised summary of the 2019-2020 College Budget. The staff recommended the approval of the FY 2019-2020 Budget.

Action: Mr. Epps moved and Mr. Herzog seconded the motion that the Committee recommend to the full Board the approval of the FY 2019-2020 Budget. The motion passed unanimously. Please note that the 2019-2020 College Budget is appended separately to these minutes.

**(3) Next Meeting Date:**

The next regularly scheduled meeting of the Committee will be held on Wednesday, June 19th at 9:00 A.M. in the Isadore A. Shrager Boardroom, M2-1.

## **ATTACHMENT A**

**Resolution for Wage Increases and Health Plan Changes for  
Administrators, Grant Administrators, and Confidential Employees**

**Resolution for Business Affairs Committee Meeting May 30th, 2019**

**Resolution for Wage Increases and Health Plan Changes for Administrators, Grant Administrators, and Confidential Employees**

Whereas on June 1, 2017, the Board of Trustees approved a two percent (2%) salary increase for the Community College of Philadelphia's Administrators (excluding the Vice Presidents and General Counsel) and Grant Administrators and a two percent (2%) increase to the hourly rate for Confidential Employees effective July 1, 2017;

Whereas on June 7, 2018, the Board of Trustees approved a two percent (2%) salary increase for the Community College of Philadelphia's Administrators (excluding the Vice Presidents and General Counsel) and Grant Administrators and a two percent (2%) increase to the hourly rate for Confidential Employees effective July 1, 2018;

Whereas on October 4, 2018, the Board of Trustees approved a two percent (2)% salary increase for the Community College of Philadelphia's Vice Presidents and General Counsel serving on the College's Cabinet retroactively to July 1, 2018;

Whereas on April 4, 2019, the Board of Trustees approved the three Memorandum of Agreements ("MOAs") with the College's unionized staff for full-time faculty, adjunct and visiting lecturer faculty, and classified agreements which included both wage increases and health plan changes;

Now, therefore, on this 30<sup>th</sup> day of May, 2019, the Business Affairs Committee of the Board of Trustees recommends that the full Board of Trustees approve the following:

- (1) Subject to evaluation and performance, College Administrators, Grant Administrators, and Confidential Staff are eligible to receive a retroactive raise for July 1, 2018 – June 30, 2019 so that their total combined raises from July 1, 2017 - June 30, 2019, are commensurate with the percentage raise approved for the full-time faculty, adjunct teaching and visiting lecturer faculty and classified staff for Academic Year September 1, 2018 - August 30, 2019 as set forth in the MOAs; provided however that the percentage of the raise shall be pro-rated for any employee who was not employed for the entire fiscal year and the preceding fiscal year in accordance with College practice;
- (2) Subject to evaluation and performance, College Administrators, Grant Administrators, and Confidential Staff are eligible to receive a 3% raise for fiscal year July 1, 2019- June 30, 2020, which is commensurate with the raise that the full-time faculty, adjunct teaching and visiting lecturer faculty and classified staff were approved to receive for Academic Year September 1, 2019 - August 30, 2020 as set forth in the MOAs; provided however that the percentage of the raise shall be pro-rated for any employee who was not employed for the entire prior fiscal year in accordance with College practice;
- (3) Starting September 1, 2019, the increased medical plan deductibles, premium costs for the PPO Personal Choice medical plan, and the prescription drug benefit changes that were approved for the unionized employees in the MOAs will apply to the benefits available to College's Administrators, Grant Administrators, and Confidential Employees to the extent applicable to

the benefits available for each group of employees, except that for College Administrators making over \$150,000: the premium costs for PPO Personal Choice plan shall be as follows: (a) for September 1, 2019-August 31, 2020, the cost shall be \$32.88 for employee only coverage; \$49.32 for employee/spouse or employee/child; and \$65.76 for family coverage; and (b) for September 1, 2020-August 31, 2021, the premium costs for the PPO Personal Choice plan shall be \$51.96 for employee only coverage; \$77.88 for employee/spouse or employee/child; and \$103.84 for family coverage; and

- (4) Eligibility for post-retirement medical benefits and the form and amount of benefits for full-time College Administrators and full-time confidential staff shall be changed to be consistent with the post-retirement medical benefits for full-time faculty and full-time confidential staff as outlined in the MOAs.

# **ATTACHMENT B**

**Revised Summary to the 2019-2020 College Budget**

**Community College of Philadelphia**  
**Fiscal Year 2019-2020 Proposed Budget**  
**KEY INITIATIVES**

**The Student Experience**

Guided Pathways Reform Efforts -full-scale implementation of redesigned programs, developmental education and support services

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Educational Planning Module via Starfish

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New Degree and Certificate Programs - Computer Programming I & II, Web & Database Development, Cloud Computing, Advanced Automotive Repair Professional, Business Leadership, Corporate Social Responsibility, Digital Investigations, Fashion Retail Sales, Tourism and Hospitality Management, ASL/IE Post-Baccalaureate

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Two new Full Time Advisors (to a total of 14)

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Dual Enrollment Expansion and 1 new position

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**Workforce Development, Readiness and Economic Innovation**

2 Additional Staff in Career Connections - Manager of Student Outreach & Engagement, Career Pathway Coordinator

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2 Additional Staff in WEI - Recruitment & Outreach Coordinator, Operations Data Coordinator

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CNC Lab at West Regional Center

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New Robotics module for the Electro-Mechanical program

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New certificate and training programs - Message Therapy, Certified Production Technician, Certified Logistics Technician, Bookkeeping certificate, Office Manager certificate, CDL, Social Media & Technology, Cloud Computing bootcamp, Digital Mapping, Adobe Creative workshops, Social Media certificate, Diversity workshops, Facilitation workshops, Change Management workshops, Conflict Resolution workshops, Human Resources for the non-HR Manager workshops

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**Fiscal Stability and Sustainability**

Fundraising Activities

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Implementation of new CRM system

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Implementation of new Assessment Management system

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Implementation of new Contract Management software

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Implementation of new eProcurement software

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Implementation of new Collections & Receivable software

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New Approach and Funding for Marketing Efforts

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**World-class Facilities**

Renovations for Library Learning Commons project

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Building of West Regional Center Career and Advanced Technology Center

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Upgrades to Classroom Technology

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New Classroom Furniture

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Multiple Deferred Maintenance and Renovation Projects

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**External and Internal Community Relations**

New Government Relations position

**Community College of Philadelphia**  
**Fiscal Year 2019-2020 Proposed Budget Compared with FY 2018-2019 Revised Budget**

	<u>FY 2018-19</u> <u>Revised Budget</u>	<u>FY 2019-20</u> <u>Proposed Budget</u>	<u>Variance</u>	
<b><u>REVENUES</u></b>				
Student Tuition and Fees	68,798,280	69,688,003	\$889,723	1.3%
Commonwealth of Pennsylvania	31,791,114	31,791,114	0	0.0%
City of Philadelphia	26,446,073	29,190,402	2,744,330	10.4%
Other Income	2,282,864	2,488,216	205,352	9.0%
<b>TOTAL REVENUES</b>	<b>\$129,318,330</b>	<b>\$133,157,735</b>	<b>\$3,839,405</b>	<b>3.0%</b>
<b><u>EXPENSES *</u></b>				
Salaries, Net of Lapsed Funds	74,370,320	76,725,016	\$2,354,696	3.2%
Fringe Benefits	31,863,116	33,001,000	1,137,884	3.6%
Other Expenses	22,002,902	22,631,719	628,817	2.9%
PowerUp Your Business	<u>800,000</u>	<u>800,000</u>	<u>0</u>	0.0%
<b>TOTAL EXPENSES</b>	<b>129,036,338</b>	<b>133,157,735</b>	<b>\$4,121,397</b>	<b>3.2%</b>
Transfer TO (FROM) Carry Forward Funds	<b><u>\$281,993</u></b>	<b><u>\$0</u></b>		

**Assumptions**

No Increase in Tuition or Fees (only 1 increase to tuition in last six years)

No Increase from State; **\$3.5 M from City**

Credit Enrollments - 1% increase over FY 18-19

Salary increases based upon contract settlement; Faculty positions based upon load selections as of 5/9/19

4% Increase in Healthcare Costs over FY19 Revised Projection prior to savings from contract settlement

Debt Service includes 1 payment of \$821,961 from the City appropriation for Phase II financing of Career and Advanced Technology Center

**Community College of Philadelphia**  
**Fiscal Year 2019-2020 Proposed Budget Compared with FY 2018-2019 Revised Budget**

	<u>FY 2018-19</u> <u>Revised Budget</u>	<u>FY 2019-20</u> <u>Proposed Budget</u>	<u>Variance</u>	
<b><u>OPERATING REVENUES</u></b>				
State Funding	31,653,624	31,653,624	-	0.0%
State Lease funding	<u>137,490</u>	<u>137,490</u>	-	0.0%
<b>Total State Revenues</b>	<b>31,791,114</b>	<b>31,791,114</b>	-	0.0%
Tuition - Credit Students , net of write-offs, discounts & other offsets	52,985,730	53,658,073	672,343	1.3%
Technology Fee	9,768,000	9,873,030	105,030	1.1%
Course & Other Fees	4,220,550	4,246,800	26,250	0.6%
Net Contribution from Noncredit Programs	675,000	755,000	80,000	11.9%
Other Student Fees	<u>1,149,000</u>	<u>1,155,100</u>	<u>6,100</u>	0.5%
<b>Total Student Tuition &amp; Fees</b>	<b>68,798,280</b>	<b>69,688,003</b>	<b>889,723</b>	1.3%
<b>City Operating Funds</b>	26,446,073	29,190,402	2,744,330	10.4%
Investment Income	744,800	744,800	-	0.0%
Vocational Education Funding	300,000	300,000	-	0.0%
Indirect Costs, Administrative Allowances	500,000	500,000	-	0.0%
Parking Proceeds & Miscellaneous Income	<u>738,064</u>	<u>943,416</u>	<u>205,352</u>	27.8%
<b>Total Other Income</b>	2,282,864	2,488,216	205,352	9.0%
<b>TOTAL OPERATING REVENUES</b>	<b>129,318,330</b>	<b>133,157,735</b>	<b>3,839,405</b>	3.0%

**Community College of Philadelphia**  
**Fiscal Year 2019-2020 Proposed Budget Compared with FY 2018-2019 Revised Budget**

	<u>FY 2018-19</u> <u>Revised Budget</u>	<u>FY 2019-20</u> <u>Proposed Budget</u>	<u>Variance</u>	
<b><u>OPERATING EXPENSES *</u></b>				
<u>Salaries</u>				
Full-Time Administrative Salaries	17,910,285	18,700,740	790,456	4.4%
Full-Time Faculty Salaries	28,565,956	29,093,314	527,359	1.8%
Full-Time Classified & Confidential Salaries	<u>10,814,808</u>	<u>10,717,737</u>	<u>(97,071)</u>	-0.9%
Total Full-Time Salaries	<b>57,291,048</b>	<b>58,511,791</b>	1,220,743	2.1%
Less Projected Lapsed Funds	<u>(2,950,000)</u>	<u>(1,900,000)</u>	<u>1,050,000</u>	<u>-35.6%</u>
Net Full-Time Salaries	54,341,048	56,611,791	2,270,743	4.2%
Part-Time & Overload Credit Salaries	10,352,748	10,366,248	13,500	0.1%
Summer Credit Instruction	3,948,000	4,040,036	92,036	2.3%
Noncredit Instructional Salaries	462,577	414,174	(48,403)	-10.5%
Part-Time Laboratory/Professional	1,236,438	1,241,472	5,034	0.4%
Classified Part-Time and Overtime	640,395	679,157	38,762	6.1%
Extended Time	629,139	697,386	68,247	10.8%
Tutors, Student & Other College Co-Ops	431,938	617,138	185,200	42.9%
All Other Salaries	1,228,037	1,287,739	59,702	4.9%
Early Retirement Incentive Payments	<u>1,100,000</u>	<u>769,875</u>	<u>(330,125)</u>	-30.0%
Other than Full-Time Salaries	<b>20,029,272</b>	<b>20,113,225</b>	<b>83,953</b>	0.4%
<b>Total Salaries</b>	<b>74,370,320</b>	<b>76,725,016</b>	<b>2,354,696</b>	<b>3.2%</b>
<u>Staff Benefits</u>				
Medical Program	20,600,000	21,208,200	608,200	3.0%
Retirement Contributions	6,056,100	6,365,500	309,400	5.1%
FICA	3,084,800	3,203,000	118,200	3.8%
All Other Benefits	<u>2,122,216</u>	<u>2,224,300</u>	<u>102,084</u>	4.8%
<b>Total Fringe Benefits</b>	<b>31,863,116</b>	<b>33,001,000</b>	<b>1,137,884</b>	<b>3.6%</b>

**Community College of Philadelphia**  
**Fiscal Year 2019-2020 Proposed Budget Compared with FY 2018-2019 Revised Budget**

	<u>FY 2018-19</u> <u>Revised Budget</u>	<u>FY 2019-20</u> <u>Proposed Budget</u>	<u>Variance</u>	
<u>Facility Expenses</u>				
Utilities	1,964,506	2,027,170	62,664	3.2%
Contracted Security	2,030,000	2,085,145	55,145	2.7%
Contracted Cleaning	1,534,932	1,560,696	25,764	1.7%
All Other Facility Expenses	<u>2,482,772</u>	<u>2,533,811</u>	<u>51,039</u>	2.1%
<b>Total Facility Expenses</b>	<b>8,012,210</b>	<b>8,206,822</b>	<b>194,612</b>	2.4%
<u>All Other Expenses</u>				
Leased Equipment & Software	4,012,099	4,226,810	214,711	5.4%
Contracted Services	2,253,164	2,088,203	(164,961)	-7.3%
Catalogs and Advertising	1,872,752	1,795,250	(77,502)	-4.1%
Supplies-Pool	1,377,270	1,329,758	(47,512)	-3.4%
Institutional & Departmental Contingency	21,068	400,000	378,932	1798.6%
Insurance	729,300	735,400	6,100	0.8%
Legal Fees	568,000	411,000	(157,000)	-27.6%
Maintenance & Repairs	426,568	520,284	93,716	22.0%
Consulting	673,473	508,117	(165,356)	-24.6%
Other Expenses	<u>2,056,998</u>	<u>2,410,075</u>	<u>353,077</u>	17.2%
<b>Total All Other Expenses</b>	<b>13,990,692</b>	<b>14,424,897</b>	<b>434,205</b>	3.1%
<b>PowerUp Your Business</b>	<b>800,000</b>	<b>800,000</b>	-	0.0%
<b>TOTAL OPERATING EXPENSES</b>	<b><u>129,036,338</u></b>	<b><u>133,157,735</u></b>	<b><u>4,121,397</u></b>	3.2%