



MEETING OF THE BOARD OF TRUSTEES
Thursday, November 7, 2013 – 3:00 p.m.
Isadore A. Shrager Boardroom – M2-01

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Community
College
of Philadelphia
The Path to Possibilities™

MEETING OF THE BOARD OF TRUSTEES

AGENDA

Thursday, November 7, 2013 – 3:00 p.m.

Isadore A. Shrager Boardroom, M2-01

- (1) Executive Session
- (2) Consent Agenda
 - (a) Proceedings and Minutes of Decisions and Resolutions
Meeting of October 3, 2013
 - (b) Gifts and Grants
- (3) CLARUS Presentation
- (4) Presidential Search Committee
 - (a) Approval of Presidential Search Profile (A)
- (5) Report of the Chair
- (6) Foundation Report
- (7) Report of the President
- (8) New Business
- (9) Next Meeting: Thursday, February 6, 2014 – 3:00 p.m.
Isadore A. Shrager Boardroom, M2-1

Future Committee Meetings:

Student Outcomes: Thursday, November 7, 2013
1:30 p.m. – M2-34

Business Affairs: Wednesday, November 20, 2013
9:00 a.m. – Isadore A. Shrager Boardroom, M2-1

Upcoming Events

| | |
|---|---|
| Pennsylvania Commission for Community Colleges – Fall Regional Meeting | Tuesday, November 12, 2013 5:30 p.m. – 8:30 p.m. Delaware County Community College 901 Media Line Rd, Media, PA 19063 |
| 50 th Anniversary of John F. Kennedy Assassination Event | Friday, November 22, 2013 12:00 noon – Gilroy Roberts Museum Mint Building Rotunda |
| National Trends Impacting Community Colleges Presentation by Judith S. Eaton President, Council for Higher Education Accreditation | Friday, November 22, 2013 1:15 p.m. – Coffee House |
| Thanksgiving Holiday - College Closed | November 28-29, 2013 |
| Celebration of the Stars Event | Wednesday, December 18, 2013 11:00 a.m. – Great Hall, S2-19 |
| Winter Break – College Closed | December 24, 2013 noon – January 1, 2014 |
| Martin Luther King, Jr. Association for Nonviolence, Incorporated 32 nd Annual Awards & Benefit Luncheon | Monday, January 20, 2014 – 12:00 noon Sheraton Philadelphia City Center Hotel 17 th & Race Streets, Liberty Ballroom |
| Community College National Legislative Summit | February 10-13, 2014 Marriott Wardman Park Hotel Washington, DC |

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COMMUNITY COLLEGE OF PHILADELPHIA
Proceedings of the Meeting of the Board of Trustees
Thursday, October 3, 2013 – 3:00 p.m.

Present: Mr. Bergheiser, presiding; Ms. Biemiller, Mr. Edwards, Ms. Hernández Vélez, Ms. Holland, Ms. Horstmann, Mr. Lassiter, Mayor Nutter, Dr. Rényi, Ms. Sparandara, Ms. Tsai, Ms. Vieira, Dr. Gay, Ms. Bauer, Ms. Brown-Sow, Mr. Brown, Ms. DiGregorio, Ms. Garfinkle Weitz, Dr. Hirsch, and Ms. Ray

(1) Executive Session

The Executive Session was devoted to a discussion of personnel matters.

(2) Consent Agenda

Mr. Bergheiser requested approval of the following Consent Agenda:

- (a) Proceedings and Minutes of Decisions and Resolutions
Meeting of September 12, 2013
- (b) Gifts and Grants
- (c) Academic Program Audit: Liberal Studies: African-American
African Diaspora Option
- (d) Construction Bid Awards for West Building Projects
- (e) Presentation of Landscape Vision Plan and Change Order for
Next Phase of Bonnell and Pavilion Buildings Landscaping

Ms. Hernández Vélez moved, with Mr. Lassiter seconding, that the Board approve the Consent Agenda. The motion carried unanimously.

(3) Salary Increase for Administrators and Confidential Staff

As a follow up to an item discussed in Executive Session regarding salary increase for administrators and confidential employees, Mr. Bergheiser stated that salary increases for those employees mirror the increases of the full-time faculty for administrators and classified employees for confidential employees. Therefore, the following recommendations are made for increases for the College's non-represented employees:

| | |
|-------------------------------|--|
| <u>Administrators</u> | Retroactive increase as of 7/1/12: 1.5% |
| | New salary increase as of 1/1/14: 3.0% |
| <u>Confidential Employees</u> | Retroactive increase as of 7/1/12: 1.65% |
| | New salary increase as of 7/1/13: 1.05% |
| | New salary increase as of 1/1/14: 2.05% |

Mr. Bergheiser stated that the above increases are consistent with the salary increases included in the new collective bargaining agreement.

Ms. Hernández Vélez moved, with Dr. Rényi seconding, that the Board approve the salary increase for administrators and confidential employees. The motion carried unanimously.

(3a) Draft 2013-2017 Strategic Plan

As a follow-up to a conversation in Executive Session, Mr. Bergheiser asked for a motion to accept the 2013-2017 draft of the Strategic Plan for the College pending feedback from the Board of Trustees by October 11, 2013.

Ms. Tsai so moved. Ms. Holland seconded the motion. The motion carried unanimously.

(4) Report of the Chair

(4a) All-Day Visioning Session

Mr. Bergheiser thanked members of the Board for their participation in the September 19, 2013 All-Day Visioning session. He stated that the session went very well, and was very helpful in preparation for the presidential search process. Mr. Bergheiser reminded the Board of the October 18, 2013 session with AGB Search consultants scheduled from 1:00 p.m. – 3:00 p.m. in the Pavilion Cube.

(5) Foundation Report

(5a) New Gifts and Grants

Ms. Ray reported that the Pincus Family Foundation has committed to a three-year grant of \$450,000 which will support Single Stop, the Pincus Emergency Funds, and the Homeless Student Support Project. Ms. Ray stated that the \$300,000 from the Foundation for Single Stop will be applied to the College's \$1,000,000 commitment (\$200,000 per year for five years). The remaining \$600,000 needs to be raised by 2018 and remains a high priority for the College.

Ms. Ray reported that the College had received a grant \$660,388 from the U.S. Department of Education's Minority Science and Engineering Improvement Program for "Raising Interested in STEM Education (RISE)." She stated that this is a new three-year grant that will support recruitment into and persistence through the College's STEM curricula, and has Drexel as the College's required four-year partner.

(5b) Foundation Activities

Ms. Ray reported that the Foundation hosted a reception on September 10, 2013 to thank Mr. Stanley Merves and the Gilroy Roberts Foundation for their generous gift of \$1.025 million and to celebrate the opening of the Gilroy Roberts Gallery.

Ms. Ray reported that the scholarship office hosted a dinner for the 17 recipients of the Robert S. King Scholarship and their families on September 12, 2013. She stated that Mr. King's daughter, Gwen, gave an eloquent speech empowering the students to be successful in their academic pursuits.

Ms. Ray reviewed for the Board a list of major gift/grant proposals in progress.

Ms. Ray expressed her sincere thanks to the Board of Trustees for all the support given during her tenure as vice president for Institutional Advancement. She stated that the College is now well positioned to take its fundraising to the next level. Ms. Ray stated that as she takes on her new challenge at Dickinson College, she was very grateful for her experiences at the College and hoped to stay in touch with members of the Board of Trustees.

On behalf of the Board of Trustees, Mr. Bergheiser thanked Ms. Ray for her contributions to the College during her three years as vice president for Institutional Advancement. He stated that Ms. Ray had done a great job in establishing fundraising strategies for the College and that he was confident that Mr. Greg Murphy, acting vice president for Institutional Advancement, will continue to carry on the excellent work.

(6) Report of the Interim President

Internal Events

Dr. Gay called attention to the College's new website. She stated that the College launched the new web site on September 30, 2013. The leads on the project were Ms. Jody Bauer, Ms. Lynette Brown-Sow, and Dr. Samuel Hirsch.

Dr. Gay reported that Education for a Better America held an event at the College on September 14, 2013. She stated that presenters included Mayor Michael Nutter, Dr. William Hite, superintendent of the School District of Philadelphia, and Reverend Al Sharpton.

Dr. Gay reported that the Student Government Association Inauguration took place on September 25, 2013. Incoming president, Mr. Jason Mays, encouraged students to engage the officers in conversation about their ideas and issues. Dr. Gay stated that Mr. Mays talked about how the officers were already working as a team.

Dr. Gay reported that the 4th Annual Hispanic Heritage Luncheon took place on September 26, 2013. Mr. Kenneth Trujillo was the keynote speaker. Mr. Trujillo spoke on his journey to professional success. Mr. Trujillo is a partner in the Philadelphia Office of Schnader Harrison Segal and Lewis, LLP. He has also served as the City Solicitor of Philadelphia and as an Assistant U.S. Attorney.

Dr. Gay reported that the 10th Anniversary of the Women's Outreach and Advocacy Center took place on September 26, 2013. Currently, they have a special initiative for homeless students. The student presenter, Ms. Christina Farnum, talked about how she had dropped out of college four times and now, at 40 years of age, with support from the Center, is having success.

Dr. Yasmine Ndassa, director of Organizational Effectiveness/HR Analytics for Comcast, was the keynote speaker for the event. Dr. Ndassa earned a Ph.D in Molecular Biology from Harvard University. She gave examples of how her preparation in science influences her approach to her current position.

Dr. Gay reported that the second cohort for the *10,000 Small Business Program* started on September 27, 2013 with 27 scholars. Dr. Gay stated that among other things they heard from a panel of five graduates from the first cohort who shared their experience in the program as well as the benefits the program had on their businesses. Dr. Gay stated that three of the 10,000 Small Business scholars were invited to travel with Mayor Nutter on a business trip to Israel and the United Kingdom.

Dr. Gay reported that the Middle States Self-Study Steering Committee met on September 30, 2013. The Committee reviewed a revised Executive Summary and the strengths, recommendations and suggestions in the document. Dr. Gay stated that the College community has until October 4, 2013 to make comments. The draft will be sent to the Team Chair, Dr. Charlene Dukes, by October 18, 2013.

Dr. Gay reported that the 2013 Faculty show, featuring Architecture, Design and Construction; Art and Design; Photographic Imaging and Digital Video Production is scheduled from October 1-30, 2013 in the Mint Building Rotunda. The opening reception is scheduled for Thursday, October 10, 2013 from 4:00 to 6:00 p.m. in the Rotunda.

External Events

Dr. Gay reported that at the invitation of Ms. Sparandara, she had participated in the Join (t) Action: Putting Greater Philadelphia to Work session earlier in the day focusing on creating and filling jobs in Philadelphia. She stated that the session was excellent, and that Mr. Edwards, Ms. Holland, and Ms. Rényi had also participated. At the request of Dr. Gay, Ms. Sparandara stated that she was very appreciative that Dr. Gay, Mr. Edwards, Ms. Holland, and Dr. Rényi took the time to participate in the session. She indicated that she was very excited about the next action steps and linking the discussion with the strategic priorities of the College.

Dr. Gay reported that the Pennsylvania Commission for Community Colleges Fall Regional Trustee meeting is scheduled for Tuesday, November 12, 2013, 5:30 p.m. – 8:30 p.m. at Delaware County Community College in Media, PA. Members of the Board interested in attending may contact the President's Office for meeting arrangements.

Dr. Gay reported that the Pennsylvania Department of Education Transfer and Articulation Oversight Committee (TAOC) approved the Plan for the Annual Assessment /Evaluation of Pennsylvania's statewide transfer system by a vote of 27 to 1. The subcommittee will present and discuss recommended protocols for the collection of AY2013-14 transfer data at the October 10th TAOC meeting.

Announcements

Dr. Gay reported that the College has been notified that people have been using the College's internet services to download electronic media in violation of the Digital Millennium Copyright Act. Because of that, ITS has implemented a blocking mechanism on all peer-to-peer traffic effective September 22, 2013.

Congratulations to Matt on the Q & A article in the *Philadelphia Business Journal* of September 27, 2013. Matt discussed the University City District and the reasons why the community continues to thrive and exceed expectations. He was also a presenter on the State of the University City District on September 30, 2013.

Dr. Gay congratulated Ms. Lynette Brown-Sow on her selection by the *Philadelphia Tribune* as one of the top 10 most influential African-American Women in Philadelphia.

Dr. Gay reported that the student publication, *Limited Editions*, won the third place award for Literary Magazine in the Eastern Division of the Community College Humanities Association.

Dr. Gay reported that the Office of Institutional Research has issued seven new research reports in August. The Cabinet will be discussing the reports at the October Cabinet meeting. She indicated that the reports are available online.

Dr. Gay stated that as already mentioned, Ms. Marsha Ray, vice president for Institutional Advancement, is leaving the College to accept a position as vice president for Advancement at Dickinson College on October 11, 2013. Mr. Greg Murphy has agreed to serve as acting vice president for Institutional Advancement.

(7) New Business

There was no new business discussed.

(8) Next Meeting

The next meeting of the Board of Trustees is scheduled for Thursday, November 7, 2013 at 3:00 p.m. in the Isadore A. Shrager Boardroom.

The meeting adjourned at 4:30 p.m.

COMMUNITY COLLEGE OF PHILADELPHIA
Meeting of the Board of Trustees
Thursday, October 3, 2013 – 3:00 p.m.
MINUTES OF DECISIONS AND RESOLUTIONS

Present: Mr. Bergheiser, presiding; Ms. Biemiller, Mr. Edwards, Ms. Hernández Vélez, Ms. Holland, Ms. Horstmann, Mr. Lassiter, Mayor Nutter, Dr. Rényi, Ms. Sparandara, Ms. Tsai, Ms. Vieira, Dr. Gay, Ms. Bauer, Ms. Brown-Sow, Mr. Brown, Ms. DiGregorio, Ms. Garfinkle Weitz, Dr. Hirsch, and Ms. Ray

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Next Phase of Bonnell and Pavilion Buildings Landscaping

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The Board approved the salary increase for administrators and confidential staff.

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The Board accepted the 2013-2017 draft of the Strategic Plan for the College pending feedback from the Board of Trustees by October 11, 2013.

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The meeting adjourned at 4:30 p.m.

COMMUNITY COLLEGE OF PHILADELPHIA
Office of Institutional Advancement
Monthly Summary of Grants and Gifts
for the November 2013
Meeting of the Board of Trustees

State Grant

The Pennsylvania Commission on Crime and Delinquency has funded the two-year Byrne Justice Assistance grant for \$250,000. This grant will support the expansion of the College's Reentry Support Project, which provides educational access services to individuals with criminal records both behind bars and on the College's campus. Specifically, the project will expand its behind bars program to include women and introduce a cohort-based model on campus for ex-offenders entering higher education upon their release from prison. The grant also will support the creation of a staffed office for the Reentry Support Project.

Local Grant

The School District of Philadelphia has funded the three-year Gateway to College grant for \$2,310,000. The College's Gateway to College program serves high risk youth who have dropped out of school, providing them an opportunity to earn a high school diploma while earning college credits. This grant will support up to 100 students per year for the next three years.

Foundation Grants

The Independence Blue Cross Foundation has funded the Nurses for Tomorrow Undergraduate Scholarship grant for \$9,324. This grant will provide first- and second-year nursing students with a scholarship to offset tuition and additional expenses.

The Independence Blue Cross Foundation, subcontracted through the National League for Nursing, has funded year two of the two-year Using ACES to Build Collaborative Partnerships to Improve Care to Older Adults grant for \$37,827. This project extends the ACES (Advancing Care Excellence for Seniors) framework developed by the College and the National League for Nursing to nursing staff in practice environments through a series of workshops, webinars and other support. This work is an important step in assisting students, faculty and staff nurses in southeastern Pennsylvania to use ACES to improve care of older adults.

**STUDENT OUTCOMES COMMITTEE OF THE
BOARD OF TRUSTEES**

MINUTES

Thursday, October 3, 2013

1:30 p.m. – M2-34

Presiding: Ms. Stacy Holland

Present: Dr. Judith Gay, Dr. Samuel Hirsch, Dr. Sharon Thompson, Mr. Mark Edwards,
Ms. Mary Horstmann, Mr. Chad Lassiter, Dr. Judith Rényi

(1) Executive Session

The Committee discussed issues related to developmental mathematics.

(2) Public Session

(a) Approval of Minutes of September 12, 2013

The minutes were accepted.

**(b) Student Success Metrics : Balanced Score Card, Key Performance Indicators
2011-2012, 2013 Draft Strategic Plan Metrics**

(c) Student Success Agenda

The committee discussed the importance of focusing on a student success agenda. Dr. Gay explained that in the past, when there were two board committees, one focusing on Student Affairs and one on Academic Affairs, each committee decided which indicators they felt provided the best information on student success. The committee reviewed the differences between the Balanced Score Card and the Key Performance Indicators documents. Discussion ensued on the targets for ABE and GED and whether they were set too low. The committee indicated that it would be helpful to know how many students transition from these programs into credit courses and asked that this information be included in the future. Other areas of interest included the number of students that enter the College needing developmental coursework, the length of time students spend in Developmental Education, and their retention to graduation, information on persistence and retention by entering cohort. It was suggested that the data be disaggregated by age, race and gender. The committee discussed the targets set in the Strategic Plan. It was also agreed to continue the discussion of the Student Success agenda at the next meeting.

The meeting was adjourned.

(3) Next Meeting

The next meeting of the Student Outcomes Committee of the Board is scheduled for Thursday, November 7, 2013 at 1:30 p.m. in the conference room M2-34.

**STUDENT OUTCOMES COMMITTEE OF THE
BOARD OF TRUSTEES**

MINUTES

Thursday, September 12, 2013

1:30 p.m. – M2-34

Presiding: Ms. Stacy Holland

Present: Dr. Judith Gay, Dr. Samuel Hirsch, Dr. Sharon Thompson, Ms. Mary Horstmann,
Dr. Judith Rényi, Ms. Lydia Hernandez Velez

Guests: Mr. John Moore, Ms. Margaret Niven

(1) Executive Session

The Committee welcomed Dr. Judith Gay in her new role as Interim President and Dr. Sharon Thompson in her role as Acting Vice President for Academic Affairs.

The Committee discussed potential agenda items for the next Board meeting.

(2) Public Session

(a) Approval of Minutes of May 20, 2013

The minutes were accepted.

(b) Academic Program Audit: Liberal Arts: African American-African Diaspora Option (Action Item)

Mr. Moore reviewed highlights of the Audit of the Liberal Arts: African American-African Diaspora Option.

This program has been chronically low enrolled and has poor student outcomes. He pointed out that the original concept for the program was laudable, but it failed to attract student interest. One faculty member had been the driving force in creating the program but that has not been sustained. The audit recommends closing the program this academic year. Students will be able to move seamlessly into the Liberal Arts General Option without loss of credits or delay in progress to graduation. The specific departments will handle scheduling of related courses for interested students. A transition plan will be created for the six students remaining in the program.

The Committee also discussed the broader question of the future directions for development of new curricula or elimination of existing programs, and how academic curricular planning is consistent with the directions laid out by the College's Strategic Plan and Academic Affairs Master Plan. Dr. Gay described the current planning and

assessment process to include the academic audit schedule, program review through annual Quality/Viability Indicators and its relationship to high priority occupations and workforce needs. She further discussed the impact of financial aid regulations, state wide articulation standards and other legislative initiatives. Dr. Hirsch described the alignment with the Enrollment Management Plan.

Action: The Student Outcomes Committee of the Board recommends that the Board of Trustees accept the audit of the Liberal Arts: African-American African Diaspora Option and concurs with the audit recommendations to include discontinuation of the program immediately.

c) Report on outcomes of two student surveys: Noel Levitz Student Satisfaction Survey and Community College Survey of Student Engagement (CCSSE).

Dr. Hirsch reviewed Institutional Research Reports 236A and 238B which describe the outcomes of two student surveys: Noel Levitz Student Satisfaction Survey and Community College Survey of Student Engagement (CCSSE). Following the College's becoming a part of the Achieving the Dream Initiative in 2006-2007, these two measures were chosen to measure student satisfaction along several dimensions. Each survey is done every three years. Noel Levitz focuses on eight scales within three general areas: Student Services, Academic Services and Campus Climate. IR report #236A compares results from 2010 and 2013. CCP student satisfaction levels were higher across all eight scales. Data from 2010 was used to guide strategies for improvement both in short term and long term planning. Future strategies to further improve student satisfaction are reflected in the draft of the new Enrollment Management Plan.

Similarly, CCSSE focuses on five benchmarks of effective educational practice. Students were more engaged across four of the five dimensions. Student –Faculty Interaction showed the only decline. Drs. Hirsch and Thompson underscored the importance of faculty engagement with students outside the classroom in co-curricular activities such as sports and student performances, as an area of improvement. Dr. Gay pointed out that we also do not have a strong service learning initiative and need to explore whether the college wants to actively engage this direction. Dr. Hirsch reiterated that we use this data to guide our planning and future initiatives.

d) Information on Single Stop

Dr. Hirsch distributed information on Single Stop,, which will open next month. This simple but powerful model has been successful on other campuses nationwide. Single Stop will bring four major services together: free tax preparation, financial counseling, legal assistance and benefit enrollment assistance for our students. The model leverages both external and internal resources. Single Stop staff will provide follow up on usage of services and outcomes and will employ a case management approach. Initial results from other institutions who have established similar centers have seen an increase in retention. The initiative is funded by the Green Light Fund who received Social innovations funding. The project requires a College match for which we are engaged in fundraising. The goal for year one is to serve 1,000 students.

The meeting was adjourned.

(3) **Next Meeting**

The next meeting of the Student Outcomes Committee of the Board is scheduled for Thursday, October 3, 2013 at 1:30 p.m. in the conference room M2-34.

(4) **Attachments**

Minutes of May 20, 2013

Academic Program Audit: Liberal Arts: African American-African Diaspora Option

Academic Affairs Performance Indicators

| Measure/Index title | Above Target | At Target | Below Target | Score or Level | Target | Date | Source |
|---|--------------|-----------|--------------|----------------|--------|-------------|--------|
| Pass Rate of Dual Enrollment Students | x | | | 83% | 70% | SU/FA 2013 | DACE |
| ABE | | | | | | | |
| Retention | x | | | 77.0% | 70.0% | AY12 | DACE |
| Retest | x | | | 77.0% | 70.0% | AY12 | DACE |
| Increase at least one level after retest | x | | | 76.0% | 70.0% | AY12 | DACE |
| GED Practice Tests Scores of All Subjects | | | | | | | |
| Language Arts, Writing | x | | | 458 | 410 | AY12 | DACE |
| Language Arts, Reading | x | | | 446 | 410 | AY12 | DACE |
| Social Studies | x | | | 479 | 410 | AY12 | DACE |
| Science | x | | | 455 | 410 | AY12 | DACE |
| Mathematics | x | | | 419 | 410 | AY12 | DACE |
| Percent of ESL Non-credit Students Who Get the Certificate | x | | x | 81.0% | 85.0% | AY12 | DACE |
| Average Credit Class Size | x | | | 23.3 | 20.0 | Report 2012 | NBP |
| Percent of Credit Hours Taught by Full-time Faculty | x | | x | 58.7% | 63.0% | Report 2012 | NBP |
| Headcount Enrollments in Distance Courses | x | | | 4763 | 4000 | 2013 | IE |
| Persistence in Distance Courses | x | | | 85% | 80.0% | Report 2012 | NBP |
| Number of Dual Admissions Applications | x | | | 1508 | 1400 | AY12 | ESS |
| Pass Rates in AtD Gatekeeper Courses | | | | | | | |
| Math 017 | | | x | 47.9% | 58.2% | 2013 | IE |
| Math 118 | | | x | 52.9% | 58.6% | 2013 | IE |
| English 098 | | | x | 59.9% | 61.4% | 2013 | IE |
| English 101 | | | x | 72.7% | 74.9% | 2013 | IE |
| Biology 106 | | | x | 83.3% | 89.7% | 2013 | IE |
| CIS 103 | | x | | 73.5% | 74.1% | 2013 | IE |
| Persistence in AtD Gatekeeper Courses | | | | | | | |
| Math 017 | | x | | 89.3% | 89.1% | 2013 | IE |
| Math 118 | | x | | 85.6% | 85.2% | 2013 | IE |
| English 098 | | x | | 89.5% | 89.7% | 2013 | IE |
| English 101 | x | | | 91.4% | 87.8% | 2013 | IE |
| Biology 106 | x | | | 96.7% | 92.2% | 2013 | IE |
| CIS 103 | x | | | 91.2% | 89.1% | 2013 | IE |
| Course Persistence | | x | | 87.7% | 87.0% | 2013 | NBP |
| Percent of Credit Hours Earned to Attempted | | x | | 86.7% | 87.0% | 2013 | IE |
| Fall to Spring Retention | x | | | 73.5% | 68.0% | Report 2012 | NBP |
| Fall to Fall Retention | x | | | 50.5% | 47.0% | Report 2012 | NBP |
| Number of Degrees Awarded | | | x | 1884 | 2063 | Report 2012 | IE |
| Percent of Graduates Who Fully Achieved Their Goals | | | x | 72.0% | 78.0% | Report 2012 | IE |
| Annual Number of Organization Clients for Corporate Solutions | | | x | 41 | 72 | FY13 | CS |
| Annual Number of Program Enrollments for Corporate Solutions | | | x | 5123 | 5849 | FY13 | CS |

CS=Corporate Solutions
DACE=Division of Adult & Community Education
ESS=Educational Support Services Division
IE=Institutional Effectiveness Report
NBP=National Benchmark Peer Report

**Community College of Philadelphia
Enrollment Management Plan
Key Performance Indicators
2011-12**

I. Increase in New Student Headcount and Full-Time Equivalent (FTE)

| Year | Headcount | % Change from Previous Year | FTE | % Change from Previous Year |
|---------|-----------|-----------------------------|-------|-----------------------------|
| 2007-08 | 9,414 | - | 6,121 | - |
| 2008-09 | 9,574 | 1.7% (+) | 6,221 | 1.6% (+) |
| 2009-10 | 10,389 | 8.5% (+) | 6,934 | 11.5% (+) |
| 2010-11 | 10,109 | 2.7% (-) | 6,574 | 5.2% (-) |
| 2011-12 | 10,327 | 2.2% (+) | 6,510 | 1.0% (-) |

II. Increase Student Retention Rate

Fall to Fall Persistence of First-Time Students

| Fall First-Time Student Cohort | # of First-Time Students | % of Cohort Returning in Following Fall |
|--------------------------------|--------------------------|---|
| 2007 to 2008 | 4,555 | 43 |
| 2008 to 2009 | 4,540 | 46 |
| 2009 to 2010 | 5,025 | 48 |
| 2010 to 2011 | 5,016 | 48 |
| 2011 to 2012 | 5,027 | 45 |

III. Increase Graduation Rate

Degrees and Certificates Awarded*

| Year | # of Awards |
|--------|-------------|
| 2007 | 1,755 |
| 2008 | 1,963 |
| **2009 | 2,119 |
| 2010 | 1,884 |
| 2011 | 1,885 |
| 2012 | 2,037 |

Unduplicated Count of Graduates

| Year | # of Graduates |
|--------|----------------|
| 2007 | 1,521 |
| 2008 | 1,565 |
| **2009 | 1,757 |
| 2010 | 1,639 |
| 2011 | 1,700 |
| 2012 | 1,823 |

*Duplicated count of graduates since multiple degrees can be earned by a graduate

**Includes 228 graduates awarded degrees and certificates identified from previous years

IV. Improve Student Satisfaction (Includes 2013 results)^

| Categories | CCP Average^^ | | |
|--|---------------|------|------|
| | 2008 | 2010 | 2013 |
| Registration Effectiveness | 5.0 | 5.2 | 5.6 |
| Campus Climate | 4.9 | 5.0 | 5.5 |
| Student Centeredness | 4.7 | 4.8 | 5.2 |
| Admissions and Financial Aid Effectiveness | 4.6 | 4.7 | 5.2 |
| Academic Advising Effectiveness | 4.8 | 4.9 | 5.3 |
| Instructional Effectiveness | 5.2 | 5.2 | 5.6 |
| Campus Services | 5.2 | 5.1 | 5.6 |
| Safety, Security and Parking | 4.7 | 4.6 | 5.4 |

^Noel-Levitz Student Satisfaction Survey results

^^Response scale ranges from 1 (not important/not satisfied at all) to a high of 7 (very important/very satisfied)

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2013-2017
STRATEGIC PLAN#

COMMUNITY COLLEGE OF PHILADELPHIA#

September 24, 2013

2013-17 STRATEGIC PLANNING STEERING COMMITTEE

Barbara McLaughlin – Professor and Head Department of Nursing (Co-Chair)

Marsha Ray – Vice President for Institutional Advancement (Co-Chair)

Geoff Berken – Department Chair, Photographic Imaging

Jon Brown – Department Head, Counseling

Pamela Gallimore – Manager, Student Affairs Services

Jane Grosset – Director of Institutional Research, Finance and Planning

Susan Hauck – Dean, Flexible Learning Options and Academic Technology

Thomas R. Hawk – Vice President for Finance and Planning

Gim Lim – Director, Financial Aid

Dennis McGrath – Professor, Sociology

Olympia Mitchell – Learning Lab, Disability Specialist

Dorothy Sumners Rush – College Trustee

Sharon Thompson – Associate Vice President for Academic Affairs and Dean of Liberal Studies

Agnes Trummer – Director, Employee Benefits, Human Resources

Earl Weeks – President, Student Government Association

PREFACE

Over the past four years, national attention has turned to view community colleges around the country as a solution to the ever-increasing need for a well-educated workforce. Today the biggest problem found in the job market is a near complete mismatch between the skills workers have, and the skills required in emerging industries. By 2020, if current trends hold, the United States will have a shortage of up to 1.5 million workers with a college degree or higher needed to fill jobs. Nearly six million Americans who lack a high school diploma will be unemployed. These are staggering figures. As Community College of Philadelphia looks to its future, it is prepared to step up to this challenge. We recognize the impact the College will make in helping Philadelphia build a vibrant city while also meeting the expectations of a rapidly changing educational environment. Most importantly, the College looks to further its mission of helping all Philadelphians achieve their educational and professional goals.

In 1964, Community College of Philadelphia was created to bring a new kind of post-secondary institution to Philadelphia, one that would be flexible enough to adapt to change and be able to “democratize” higher education through public support and open access policies. Rooted by its early curriculum, modeled after a typical liberal arts program, the College has evolved to meet the needs of Philadelphia’s changing economic and workforce environment. While the core liberal arts studies remain a College strength, new programs and courses are added annually. The College now offers more than 70 degrees and certificates in the arts, sciences, business and technology.

Today, Community College of Philadelphia is a destination of choice, enrolling larger numbers of students each year, and is one of the largest institutions of higher education in Philadelphia. More than three-quarters of graduates in transfer programs continue on to four-year institutions. More than 90% of its students remain in the region to become an influential part of the workforce. The contributions made by the College to the City of Philadelphia are seen in the work of its students and graduates who become dynamic leaders and contributors across the region.

ACHIEVEMENTS 2008-2013

In the fall of 2008 Community College of Philadelphia unveiled a strategic plan designed to prepare the College to meet the anticipated challenges of the next four years. The Strategic Plan was the result of an intensive planning process that built on numerous earlier planning efforts. The Plan was organized around three important areas:

- (1) *Enhancing quality and accountability through improved organizational unit effectiveness; better program, course and classroom assessments; strengthened general education;*

achieving parity in student outcomes; and responding effectively to external accountability expectations. Accomplishments include:

- Completing over \$90 million in campus expansion and redesign projects which: 1) create campus environments that promote student engagement; 2) allow new instructional programs to be accommodated; 3) provide a technology infrastructure that will fully accommodate current and projected uses of technology for administrative and instructional purposes; and 4) reflect the College's growing commitment to responsible stewardship of environmental resources.
- Creating a Learning Commons at the West and Northeast regional centers to integrate academic support, the library, student academic computing centers and learning lab services into one physical space.
- Establishing an Institution Wide Assessment Committee to identify strengths and weaknesses in the College's assessment efforts and make recommendations for creating a more global assessment process.
- Establishing an Office of Academic Assessment and Evaluation to oversee assessment of student learning outcomes and educational program audits.
- Introducing intensive writing and reading workshops that resulted in reduced costs to students and shortened time to entry into college-level courses.
- Implementing ongoing improvements to the admissions, registration, financial aid and orientation processes, resulting in higher student satisfaction.
- Developing program-level learning outcomes and assessment plans for all curricula.
- Developing 64 new courses; revising 176 courses; developing ten new curricula; and revising 70 curricula.
- Enhancing the academic advising process to improve advisor procedures and increase the quality of service available to students.
- Implementing a learning management system (Canvas) that serves as a new distance learning platform and supports all courses in any form of delivery.
- Creating a Center for Male Engagement to provide a variety of supports, such as coaching, life-skills workshops, and cultural enrichment activities to improve success in students who are the most at risk.
- Securing a grant from Open Society Foundations to establish Project Achieve supplementing the work of the College's Center for Male Engagement geared toward assisting African American males to improve academic performance and persistence.
- Establishing the Office of Professional Development to improve and sustain the professional growth of all employees through collegially planned learning opportunities that support the institution's strategic goals.
- Completing the comprehensive redesign of business processes and full implementation of a college-wide Enterprise Resource Planning system (Banner).

The system integrates institutional data and processes across all functions and supports analysis of trends for the purpose of improving institutional performance.

- Being recognized with Achieving the Dream Leader College Status for our progress on student retention and the success of initiatives such as the academic early alert initiative and professional development.
- Securing a grant from the Patricia Kind Family Foundation to establish the Homeless Student Support Project geared toward assisting students who are homeless, near homeless or food insecure.
- Developing and implementing an assessment model for the Division of Student Affairs programs and services to establish a mechanism for making data-driven decisions to improve student outcomes based on strategic goals and objectives, data analysis and accountability measures for student success.
- Establishing the Veterans Resource Center to serve students who are veterans, spouses of veterans, or dependent children of veterans. In 2012, the College was designated as a Top Military-Friendly College by Military Advanced Education, the Journal of Higher Education Learning for Today's Servicemember.
- Establishing the Office of Student Success Initiatives to enhance and create student development support structures designed to engage students and lead to improve academic success and persistence.
- Establishing and implementing a systemic college-wide early alert academic intervention system to identify and assist students who are having academic difficulty through the Office of Student Success Initiatives.

(2) *Ensuring effective enrollment management by improving the College's image; enhancing marketing efforts; strengthening recruitment and retention of students; and expanding program delivery services. Accomplishments include:*

- Hosting the first U.S. Department of Education Regional Community College Summit, with attendees including U.S. Department of Education Secretary Arne Duncan and U.S. Department of Labor Secretary Hilda Solis and more than 200 representatives from government, business, higher education, nonprofit and philanthropic organizations.
- Serving as the lead institution for the 2012 League for Innovation National Conference and hosting the National Council of Black American Affairs conference in 2011.
- Participating as a founding member of the Graduate! Philadelphia initiative, a program for returning adults, in support of the city-wide goal to increase the number of Philadelphians with college degrees.
- Launching a new Student Welcome Center in September 2011, consolidating services associated with helping prospective students and their families understand the benefits and opportunities of attending the College.

- Creating a Welcome Week for new students to provide a more comprehensive and deeper understanding of the College's support services that will ensure their success.
- Improving, expanding and integrating online and in-person enrollment services including a new online application process and the implementation of *MyCCP* and *My Enrollment Profile* online services that enable students to track graduation requirements, record grade challenges, change curriculum, request transcripts and more.
- Establishing a summer enrichment program, sponsored by the Center for Male Engagement in collaboration with the School District of Philadelphia, designed to assist and encourage male students to enroll in higher education.
- Reorganizing CCPTV, the College's public access channel, to provide more than eight hours per day of unduplicated quality educational programming.
- Implementing one-stop integrated enrollment services area (Enrollment Central), transforming the delivery of student services, making it easier and more efficient for students to obtain enrollment-related services.
- Increasing services, service hours, communication and programming in the Office of Financial Aid better educating students on available resources, helping students better calculate tuition and fees, and enabling more students to apply for and receive financial assistance.
- Achieving public recognition of the College's brand as the "Path to Possibilities" (as evidenced by 2009 market research)

(3) *Restructuring for the future through strengthened partnership efforts with the city and the state; changing programs and services to meet emerging needs; building organizational staff capacity; and ensuring responsive financial planning and management.* Accomplishments include:

- Completing its first-ever comprehensive campaign, led by the Community College of Philadelphia Foundation. The campaign exceeded its \$10 million goal by raising \$17.1 million in private and public funding over four years.
- Launching several targeted programs for adults returning to college and degree completion for residents and employees of the City of Philadelphia, including My Degree Now and Return to Learn, in support of City efforts to encourage Philadelphia adults with some successful higher education experience to complete their first college degree.
- Establishing Gateway to College, an innovative program for School District of Philadelphia students, ages 16-20, who have dropped out of school but have a desire to earn a high school diploma and simultaneously earn college credits toward an associate's degree or certificate.

- Expanding Dual Admission agreements with four-year transfer institutions to a total of 12 and the number of articulation agreements to over 200 with 50 different institutions.
- Establishing the Fox Rothschild Center for Law and Society, the Center for International Understanding, and the Center for Science and Engineering Education, to expand community outreach and undergraduate research opportunities, improve high school/college collaborations and increase external resources.
- Assuming the leadership role for a statewide, \$20 million Trade Adjustment Act educational consortium grant. Programs supported by the grant are in areas identified as high priority by the Commonwealth of Pennsylvania, including energy, health care and advanced manufacturing.
- Adding, in response to workforce demands, new and innovative programs such as Building Science, Computer Forensics, Health Services Management, and Sound Recording and Music Technology.
- Creating, in response to the research showing the importance of short-term credentials, 18 stackable proficiency certificates to create a path to both employment and degrees.
- Partnering with the Inside-Out Prison Exchange Program and the Philadelphia prison system to provide college classes at a minimum-security prison in North Philadelphia.

THE EXTERNAL ENVIRONMENT: CHALLENGES AND OPPORTUNITIES

The outlook for higher education and, in particular, community colleges has changed dramatically over the past decade. The American Association of Community Colleges (AACC) recognized this change in its *Reclaiming the American Dream* report and called for “community college leaders to help create a vision, in which students’ educational experiences are redesigned, institutional roles are reinvented and the system itself has been reset to meet the needs of students, their communities, and the nation.”

Across the United States, the traditional model of college is changing. Chronicle Research Services in its June 2009 *The College of 2020: Students* reported, “In the future many more students will attend classes online, study part time, take courses from multiple institutions, and jump in and out of colleges. Students will demand more options for taking courses... And they will make those demands for economic reasons... More and more students are looking for lower-cost alternatives to attending college.”

Inherent in this forecast are both challenges and opportunities for Community College of Philadelphia. As strategies were identified for fostering student success, expectations of the student of the future were strongly considered:

- Students will come with a wide range of abilities, preparedness, background, opportunity, and motivation requiring an increasingly customized approach to learning opportunities.
- Growing numbers of adult learners will ask colleges to credential life-experiences and prior non-credit course work.
- Students and higher education funders will expect clear pathways to exist between two- and four-year colleges.

In *Reclaiming the American Dream*, AACC stresses the need to “use data metrics emphasizing transparency, inclusion, and accountability.” As Community College of Philadelphia continues to build upon steps taken in the previous strategic plan to enhance assessment and student services, it does so with the knowledge that retention and completion have moved into the top spot for support and attention by the U.S. government, foundations, associations, and institutions. Broad-based use of performance indicators and their documented use in institutional decision making is quickly becoming a requirement for accreditation and funding purposes.

For many Americans the path to improving their life circumstances has become increasingly difficult. In September of 2012, the *Philadelphia Inquirer* reported that poverty rose significantly in Philadelphia over the last two years and the city's median household income in 2011 ranked second-worst among the nation's 25 largest cities. From 2010 to 2011, Philadelphia's poverty rate jumped from 26.7 percent to 28.4 percent. Nearly 40 percent of city children were living in poverty in 2011, a rise of three percentage points from 2010, according to the report. Many studies demonstrate the relationship between education and poverty. The more educated that people are the more likely they are to be employed, paying taxes and contributing to their communities.

Launched in November 2008 and joined by more than 100 mayors, the Mayor's Action Challenge for Children and Families set bold, measurable goals and specific local targets for helping children and families thrive. As part of this Challenge, Mayor Nutter set two goals,

- 1) To cut the city's high school dropout rate in half in five to seven years, and
- 2) To double the percentage of college graduates in five to ten years.

Community College of Philadelphia is pivotal to the City's success in meeting these goals. Aggressive strategies will be taken to strengthen the College's efforts to support the educational goals of the City and its population.

To sustain political and financial support in the future, colleges and universities will be required to become more proactive in participating in local and regional economic and workforce development issues. In its study, AACC found that “community colleges are producing too few graduates to meet workforce needs in several high-demand occupations including precision

production, health professions and related programs, and mechanics and repair technologies.” Analysis of the Philadelphia region shows that:

- Development of a more educated work force in Philadelphia will remain essential to meeting employer needs and to attracting new business and industry to the Philadelphia area.
- The projected future growth in the number of older adults will potentially impact the programs that the College could offer.

Many opportunities will be presented to the College in the future to strengthen its strategic partnerships throughout the region with not only business and industry but also with local neighborhoods and K-12 and four year institutions.

As Community College of Philadelphia looks to the future we recognize that students today and even more so in the future are looking for flexible delivery strategies coupled with simplified enrollment services. Increasingly, students are viewing themselves as learners not affiliated with a specific education institution and with educational needs that can be met in a variety of venues and ways. Across the nation higher education must spend much of its limited resources to meet evolving technology needs that change at an accelerated rate. In order to avoid over-investment in non-current technology, better methods of anticipating technology changes will be required.

Making the greatest impact on educational institutions today is the decline in federal, state and local funding. In the future, new funding sources will be required to sustain Pennsylvania community colleges’ base institutional budget. City and State funding sources are not expected to increase significantly in the foreseeable future and may continue to shrink. Federal spending on “discretionary” budget categories including education will receive less political support in federal budget decision making. As the College positions itself for the future, it is imperative that it develop innovative and sustainable strategies that will ensure the College’s strong financial picture.

Within these challenges there are many opportunities for the College to expand and create strong programs that will lead to improved student success and nurture the hopes of all Philadelphians. Programs such as Achieving the Dream and the Center for Male Engagement will address the needs of those students who are most at risk. Continued assessment of current programs will ensure that the College is meeting the needs of Philadelphia’s workforce. And as the College expands its fundraising potential financial risks will continue to mitigate.

THE INTERNAL ENVIRONMENT

Key Assets

A wide array of institutional reports and research documents were used to assess key areas of the College including student outcomes, workforce development, transfer preparation, student persistence and academic performance, community outreach and revenue and resource usage patterns.

Community College consistently demonstrates success within its transfer population. Each year nearly 75% of its transfer graduates will transfer successfully. The number of transfer agreements with local baccalaureate institutions has increased to 12 and the College has an additional 216 program specific articulation agreements.

The College's foundation is rooted as an institution that provides open access and an affordable alternative to the traditional four-year experience. Today, the College's student body is diverse and very representative of the city's demographics. The College is responsive to the educational needs of this diverse community and has balanced programs to meet the needs of many ethnic and cultural backgrounds. The College takes pride in knowing that its students have a huge impact on the local economy and workforce needs of the Philadelphia region.

Community College of Philadelphia is well positioned for continued financial stability. The College has balanced its operating budget in each of the last nine years and holds an A1 bond rating. Overall programs and operations are efficient and effective.

Key Challenges

Our internal assets provide a firm foundation for optimism. Nonetheless, a scan of our internal environment also reveals substantial challenges for the College. Some reflect the imperative to push further in areas where we have momentum as seen in our strong Health Career programs, the Center for Male Engagement and fundraising. In other cases, such as workforce partnerships and student career development, the task is to create momentum—to move forward in ways that will move the College and its students to higher levels of success.

The low completion rates at Community College of Philadelphia reflect a nationwide trend. The majority of high school students entering the College are not well prepared. About 70% of the College's incoming students take at least one developmental course. In the past, developmental education has been a deterrent to student's reaching their goals, sometimes taking many semesters to realize success. Research shows that the longer a student is in remedial education, the less likely a student is to complete their education. Over the past three years the College has created a momentum that has improved the ability of students to move more quickly through the developmental process. However, the challenge still exists. Among the College's top priorities is to expand with innovative efforts that will continue to foster student persistence and success.

In addition to addressing the need to promote student success the plan identifies the following challenges as key to the College's success.

- Adjust for fluctuations in enrollment by increasing the number of adult participation and building greater awareness among high school students and their parents on the value of attending Community College of Philadelphia

- Address the challenges of a rapidly changing technology environment by improving the College's technology infrastructure and services available to students
- Build stronger connections with and support from our former students and position the College as an important contributor to the vitality of the city.
- Continue to ensure that the College has a strong financial base that will meet the needs of its evolving programs and services.

In order for momentum to be sustained and accomplishments realized we must systematically address each area with targeted strategies that will ensure a solid foundation for the future.

THE PLANNING PROCESS

The process to draft the 2013–17 Strategic Plan began in 2012 with a review of external and internal environmental scans, developed by the College's Institutional Research department. A Strategic Planning committee was charged with the responsibility of identifying the priorities, goals and strategies that will guide the College in its decision making and resource allocation over the next four years.

The strategic planning process was viewed as serving a variety of purposes including:

- Establishing realistic goals and objectives consistent with the College's mission.
- Communicating the College's goals and objectives to key stakeholders and constituents
- Ensuring that the most effective use is made of the College's resources
- Providing a base from which progress can be measured and establishing a mechanism for informed change when needed.
- Providing a transparent opportunity to build consensus about where the College is going and develop a sense of ownership within the College community.

A process was put in place to ensure that a broad audience was involved in the strategic planning discussion, including faculty, staff, students, volunteer leadership and external partners. Along with the scans, the committee considered the College's mission and vision to determine the guiding principles that would be the framework for the process. Five guiding principles were developed: Student Success, The City's College, Visibility, Fiscal Stability and Impact. These were used to create a series of roundtable discussions where more than 200 participants were encouraged to tackle hard questions and develop transformational ideas. The roundtables were well attended and well received.

Using the information gleaned from the roundtable discussions, the academic master plan, the student enrollment plan and the previous strategic plan the Committee determined three priority areas: Fostering Student Success, Making an Impact and Positioning for the Future, and drafted potential goals and outcomes for each area. These were vetted first by the President's Cabinet and then at a department level where departments were asked: (1) How will your unit accomplish the goal? (2) What resources will you need to accomplish the goal? and, (3) With whom do you need to collaborate to be successful.

In December of 2012 the Strategic Planning Committee presented to the President a set of recommendations formed by feedback received throughout the strategic planning process. These recommendations addressed each priority area:

- Continue to identify the steps needed to create an innovative curricular structure with alternative pathways that strives for academic excellence, has relevance in the work place and meets the needs of the contemporary student. [Fostering Student Success]
- Structure the College's intervention methods that ensure student persistence and success, to be aggressive, targeted and supported. [Fostering Student Success]
- Build on the strategies needed for the College to be a working partner with the K-12 system and other higher education institutions in the region to ensure a robust K-16 pipeline. [Making an Impact]
- Strengthen the structures within the College that anticipate, identify and efficiently respond to emerging workforce trends in order to position Community College of Philadelphia as a leader in the city. [Making an Impact]
- Ensure the fiscal stability of the College by developing new and innovative sources of revenue and eliminating the overreliance on city and state resources and on tuition. [Position for the Future]
- Make the key major strategic choices needed to ensure that the College is responsive and prepared to meet the future of education delivery systematically. [Position for the Future]

Based on the proposed goals and outcomes developed through the work of the Strategic Planning Committee, and informed by discussions with the Board of Trustees, the President's Cabinet oversaw the development of specific objectives, strategies and metrics through which to implement and evaluate the plan. The general college community was provided with an opportunity to review the total plan and offer comments and recommendations.

We profoundly believe that the College is at an important crossroad in defining its future. The 2013-17 Strategic Plan was developed with the goal of putting the College in a position to be able to respond to dynamic social, economic and political pressures which will influence its actions and impact the ability of the College to carry out its vision. As one of Philadelphia's premier educational institutions we strive to be responsive to the City's needs in fostering a dynamic, well-educated and globally competent community and we aim to be:

- 1st choice in education for Philadelphians
- 1st choice as an economic partner by businesses and corporations
- 1st choice by the city government as a partner in meeting the city's needs
- 1st choice as a resource for meeting the social, economic, and cultural needs of Philadelphia

MISSION STATEMENT

Community College of Philadelphia is an open-admission, associate degree-granting institution which provides access to higher education for all who may benefit. Its programs of study in the liberal arts and sciences, career technologies, and basic academic skills provide a coherent foundation for college transfer, employment, and life-long learning. The College serves Philadelphia by preparing its students to be informed and concerned citizens, active participants in the cultural life of the city, and enabled to meet the changing needs of business, industry and the professions. To help address broad economic, cultural and political concerns in the city and beyond, the College draws together students from a wide range of ages and backgrounds and seeks to provide the programs and support they need to achieve their goals.

Community College of Philadelphia seeks to create a caring environment which is intellectually and culturally dynamic and encourages all students to achieve:

- greater insight into their strengths, needs, and aspirations, and greater appreciation of their own cultural background and experience;
- increased awareness and appreciation of a diverse world where all are interdependent;
- heightened curiosity and active interest in intellectual questions and social issues;
- improved ability to pursue paths of inquiry, to interpret and evaluate what is discovered, and to express reactions effectively; and
- self-fulfillment based on service to others, preparation for future work and study, and enjoyment of present challenges and accomplishments.

VISION STATEMENT

To serve Philadelphia as a premier learning institution where student success exemplifies the strength of a diverse, urban community college.

VISION IDEALS

- A college environment that values and supports a culturally diverse and intellectually dynamic community and prepares students for global citizenship.
- Respected liberal arts and transfer programs that facilitate student preparation for the baccalaureate experience.
- Superior career programs that prepare students to meet current and evolving labor market needs.
- Innovative developmental and literacy programs that prepare students for more advanced educational and training opportunities.
- Agile programs that meet the needs of employers and emergent workforce development initiatives.
- Responsive continuing adult and community education programs that enhance and encourage individual growth and development.
- An engaged and excellent faculty, staff and administration that enable students to meet their full potential.
- A teaching and learning environment that exemplifies ongoing and productive communication and collaboration across the institution.
- Strong and mutually beneficial partnerships with public and parochial schools, community organizations and governmental agencies that model effective community-based educational programs.
- State-of-the-art technology employed to enhance teaching and learning.
- Accessible and affordable education designed to optimize opportunities for student participation.
- A supportive learning community that uses learning outcomes to measure success and guide innovative curricular and program improvements to meet individual and group needs.

CORE VALUES

Integrity

The College places fairness and honesty at the center of all of its policies and operations. We uphold the highest ethical standards in striving for academic and professional integrity in all that we do. We strive to be both responsible and responsive in utilizing resources to meet student and community needs.

Academic Excellence

The College sets, expects, and maintains high educational standards consistent with the needs of the students, region, and changing workforce. Our faculty and staff are committed to providing high-quality, innovative, and flexible educational opportunities and services in an accessible student-centered environment.

Diversity

The College embraces and understands the importance of providing an education and environment that promotes the uniqueness of students, faculty, staff, and the communities that we serve. We affirm that diversity is crucial to a democratic society, as it enriches the educational experience and celebrates differences among individuals.

Commitment to Teaching and Learning

The College functions as a learning organization, continually adapting, improving, and evaluating its services to promote life-long intellectual and personal development. We believe that learning is rooted in both curiosity and inquiry, and is engendered by dedicated, creative, and enthusiastic teaching utilizing appropriate and optimal modes of delivery. Technology supports and serves the learning process.

Communication

The College is committed to effective, open, and proactive communication. We take responsibility to listen, speak, and write clearly to inform others and foster collaboration by using and respecting a matrix of communication channels. Collaborative partnerships are strengthened when communication is ongoing and productive.

Respect

The College promotes respect, civility, and courtesy in our day-to-day interactions with others. We seek to instill respect for and appreciation of members of the College community, our facilities, our environment, our community, and the institution in which we work.

BOARD OF TRUSTEES ASPIRATIONAL STATEMENT

The Community College of Philadelphia is a regional and national leader in educational opportunity and workforce preparation. Through high quality academic programs and strategic support services, students develop the knowledge and skills they need to succeed in the 21st century economy. In addition, CCP serves employers by providing rigorous training programs that equip future jobseekers and current employees with the knowledge and skills they need to be successful within their career. CCP will be a premier open access learning institution in the region, and one that embraces innovation, efficiency and transparency in all of its work.

2013-17 ACTION PLAN

- I. FOSTERING STUDENT SUCCESS - Community College of Philadelphia will ensure that all students can: (1) earn an associate's degree or certificate; (2) seamlessly transfer to a baccalaureate program; or (3) complete a continuum of educational experiences to achieve 21st century skills.**

Goal I.A. Community College of Philadelphia will support all students to be successful in their academic endeavors.

Objectives

1. A comprehensive first year experience will assist students to respond successfully to the academic and personal challenges that could impede their success and persistence.
2. Comprehensive, cohesive approaches will be further developed and enhanced to enable students to be successful throughout their educational experience and in achieving their academic goals.
3. The mix of programs and instructional delivery strategies will be refined to meet student needs and provide multiple pathways for goal achievement and degree completion.

Planned Strategies

1. New and targeted learning experiences and support services will be designed to support students toward success as they enter the College and continuing through their first 30-credit experience.
2. Opportunities for students to acquire credits based upon prior learning will be expanded including learning acquired *via* MOOCS (Massive Open Online Courses).
3. Developmental education programs will be restructured to reduce the time students are required to spend in developmental education and strengthen students' subsequent achievements in college-level coursework. A major emphasis will be placed on strengthening approaches used to help students improve developmental math skills.
4. Consistent with the College's status as an Achieving the Dream Leader College, student success initiatives will focus on closing achievement gaps.
5. Learning Commons' services will be enhanced by providing expanded and redesigned services.

6. The College will further initiatives to support male students, building upon the success of the Center for Male Engagement's support services for African American males.
7. A robust web-based degree monitoring system and academic advisement tool (My Degree Path) will provide consistent and meaningful direction to students that facilitate the monitoring of students' academic progress toward degree completion.
8. Faculty-based initiatives will focus on increasing the use of technology to enhance teaching and learning.
9. Opportunities for honors experiences will be increased to meet the academic needs of students.

Outcome Metrics – Key Performance Indicators

1. Over the life of the Plan, the percent of first-time students who require developmental education in math, English and reading, based on placement testing, who successfully completed developmental coursework within the first year of enrollment will increase by 8 percent.
2. Over the life of the Plan, new student cohort persistence rates will increase by 8 percent in the following categories: fall to spring; fall to fall; spring to fall; and spring to spring.
3. Over the life of the Plan, the student cohort three year and six year graduation rates for new full and new part-time students will increase by 4 percent.
4. Over the life of the Plan, the number of student credit hours taught annually in distance or hybrid learning formats will increase by 20 percent.
5. Over the life of the Plan, the number of credits awarded annually based upon assessment of prior learning will increase by 100 percent.

Goal I.B. Community College of Philadelphia will prepare students for success at a four year college or university and facilitate their transfer.

Objectives

1. Students will be engaged in high-impact and purposeful learning experiences that prepare students for academic success at transfer institutions.
2. Through Statewide efforts, dual admission agreements and program articulation efforts, staff will facilitate student transfer with minimal or no loss of credits.
3. The College will facilitate financial support opportunities for transfer students.

Planned Strategies

1. The current Dual Admission programs with area colleges and universities will be actively managed to support student successful entry and graduation from the college or university.
2. To support transfer program planning and decision making, the Office of Institutional Research will further support and enhance use of the comprehensive data base tracking of student transfer outcomes.
3. The College will support and implement State-wide program articulation agreements with PASSHE and other Pennsylvania colleges and universities.
4. The Liberal Arts – General curriculum will be redesigned to facilitate program completion and increase student transfer success.
5. Transfer students will be assisted to develop viable education and financial plans leading to increased completion rates of four year degree.

Outcome Metrics – Key Performance Indicators

1. Over the life of the Plan, the five-year transfer rate of graduates and non-graduates who leave the College and transfer each fall will increase by 5 percent.
2. Over the life of the Plan, the four-year graduation rate of CCP graduates and students no longer enrolled at the College who graduate from a transfer institution will increase by 4 percent.

Goal I.C Community College of Philadelphia will focus on student job preparation, job attainment, and success in the workforce.

Objectives

1. Strengthen opportunities for students to have easy access to career and education information that fosters informed decision making.
2. Expand career services to provide more comprehensive services focusing on job preparation and access to job opportunities.
3. Further enhance general education and program requirements to ensure that all students have workforce skills that match the expectations and needs of employers.

Planned Strategies

1. Career Services Center will develop an individualized career development plan based on a student's academic goals and accumulated credits incorporating programs and services designed to instill the top skills that employers expect students to learn while in college. These skills include resume and cover letter writing, interviewing skills, how to obtain references, establishing a work ethic, developing physical skills, communicating verbally and in writing, team work, research, and problem solving.
2. Through a web-based, self-help tool (MyGPS-Goal Planning System) students will be alerted about career development skills that should have been achieved based on the number of credits earned. Students will be able to track their progress in achieving key milestones in addition to allowing Career Services Center to intervene when progress is not being made in a timely fashion.
3. Department Heads will review general education outcomes and faculty feedback to determine the next steps for general education.
4. Faculty will redesign the Culture, Science and Technology curriculum to increase student completion to graduation and improve student success in the workplace.

Outcome Metrics – Key Performance Indicators

1. Over the life of the Plan, the percent of career program graduates employed in a job related to their program of study twelve months after graduation will increase by 10 percent.

Goal I.D. Community College of Philadelphia's environment and operations will reflect a commitment to student achievement.

Objectives

1. Build a collaborative and caring culture within which all members of the community view themselves as responsible partners for student success.
2. Provide multiple opportunities for students to receive guidance throughout their individual educational journey.
3. Create ideal learning environments that optimize the student's educational experience.

Planned Strategies

1. A multi-year implementation effort will be put in place for the development of a web-based, self-help tool (MyGPS – Goal Planning System) that will integrate the College's student data management system, learning management system, student degree audit system, and identified third party providers in a comprehensive manner to provide students with online support and resources including academic, career development and financial management tools to achieve their goals. The system will assist students in identifying an individualized academic pathway from the first year to goal completion with intentional milestones built in enabling students to track their progress or seamlessly change paths as needed while enabling the College to direct support services to those in need.
2. Enrollment Management will implement a Customer Relationship Management (CRM) system, a major new technology-based tool, which will automate and execute the entire admissions communications plan. Using a mix of personalization and multi-channel communication options, the CRM system will enhance Admissions' ability to diversify their relationship management strategies through a variety of features designed to help optimize enrollment results.
3. The Center on Disability will review current services and redesign approaches to meet best practices and increase student success.
4. A range of technology enhancements will be undertaken to strengthen student-related administrative processes and improve services to students.
5. The Office of Institutional Research will sustain and expand the student outcomes data bases development and ongoing research reporting that support assessment of institutional effectiveness, decision making for institutional improvement, and the achievement levels for strategic initiatives and Mission goals.
6. Create intentionally designed professional development opportunities and service expectations that lead to a greater awareness of student needs and accompanying service strategies.

7. As part of the ongoing effort to create ideal learning environments for students, at least ten additional smart classrooms/laboratories will be created in each year of the Strategic Plan. As part of this effort, classrooms will be renewed and feasible classroom furniture installed to support easy adaption to variable teaching and learning modalities.
8. The Office of Diversity and Equity will collaborate with the Teaching Center, the President's Diversity Council, Academic Affairs and the Office of Professional Development leadership to identify and implement strategies to enhance faculty development opportunities with the goal of creating more inclusive classroom dynamics.
9. The College will enhance distance learning services to improve student outcomes. The College will expand distance learning options to increase flexibility for students.

Outcome Measures – Key Performance Indicators

1. Over the life of the Plan, student satisfaction levels on the Noel-Levitz (or similar survey) Student Services, Academics and Campus Climate indices, the average scale score will increase by 0.5.
2. Over the life of the Plan, the average College-wide credit course withdrawal rates will decrease by 2 percent.

II. MAKING AN IMPACT - Community College of Philadelphia will be a valuable asset to Philadelphia to create a well-educated workforce and globally-competent community.

Goal II.A Community College of Philadelphia will assume a leadership role in improving student success in the city of Philadelphia.

Objectives

1. Develop additional student recruitment, communication and access strategies to help ensure current high school students and other Philadelphia residents are aware of the possibility and benefits of attaining a college education, and provided with the opportunity to complete a college education.
2. Create multiple pathways for literacy students to develop skills that lead to achievement of educational and employment goals.
3. Implement financial planning and tuition assistance strategies to assist Philadelphia residents in meeting their educational goals.

Planned Strategies

1. Through the establishment of a new instructional site at the Naval Yard, provide the leadership for the development of undergraduate degree completion opportunities for Naval Yard employees and area residents.
2. Within the framework of the current facility master planning process, establish the need and location of opportunities for additional regional instructional sites.
3. Increase private scholarship opportunities for CCP students.
4. Initiate a multi-level approach for providing students with financial planning tools and tuition assistance strategies with the goal of increasing grant or other aid assistance and decreasing loan dependence.
5. Ongoing expansion will occur in the range and scale of current programs offered to high school students supporting high school graduation and simultaneous accumulation of credits toward a college degree.
6. The College will bring successful developmental education strategies to scale to have a positive impact on students' abilities to enter and succeed in college-level studies.
7. The College will increase partnerships with secondary institutions to make it possible for more high school students to experience success in college.
8. The College will identify multiple pathways for students who test at the Adult Basic Education level to help more students move toward college and or career success.

9. The Office of Institutional Research will continue collaborative efforts with the School District of Philadelphia to develop longitudinal student tracking research to develop predictive analytics to understand factors contributing to public school student performance upon enrolling at the College, and to understand potential strategies to strengthen the ability of the public schools to prepare students for success in college.
10. Support services for students who are ex-offenders will continue to be expanded and enhanced.
11. The College will open a new Single Stop Center in collaboration with Single Stop USA, a national non-profit organization dedicated to helping low-income families and individuals build economic security. The Center will offer free and comprehensive services to students to address personal barriers which commonly prevent enrollment or perseverance in higher education. Services will include comprehensive social, legal and financial services such as benefits screening and application assistance; tax preparation; financial counseling; and legal aid.
12. Exploratory and procedural steps leading to the Pennsylvania Community Colleges' abilities to offer Bachelor-degree level programs in select career program areas will continue. CCP will serve as the lead community college in the outreach to the Pennsylvania Department of Education and the State Board of Education.
13. Invest in strategic opportunities to provide city residents who have earned some college credits a seamless pathway to enroll at the College with the goal of completing a degree.

Outcome Metrics – Key Performance Indicators

1. Over the life of the Plan, the number of recent Philadelphia high school graduates (21 years of age and younger) enrolling at the College will increase by 10 percent over the current level.
2. Over the life of the Plan, the number of adult students (22 years of age and older) enrolling at the College will increase by 5 percent over the current level.
3. Over the life of the Plan, the number of recent high school graduates (21 years of age and younger) in entering cohorts earning a degree or transferring will increase by 5 percent over the current level.
4. Over the life of the Plan, the number of new adult students (22 years of age and older) in entering cohorts earning a degree or transferring will increase by 5 percent over the current level.
5. Over the life of the Plan, the percent of students entering the College directly from Philadelphia public schools that require developmental education coursework prior to enrolling in College-level courses will decrease by 10 percent.

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| II.B | Community College of Philadelphia will implement innovative and entrepreneurial strategies for workforce training and development. |
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Objectives

1. Sustain a flexible curriculum development process that responds rapidly to emerging workforce trends.
2. Expand curricular delivery options for regional employers.
3. Offer innovative programs for building competency in small business entrepreneurship that position the College as the regional preferred choice for small business education.

Planned Strategies

1. The College will leverage participation in the Goldman Sachs *10,000 Small* Program to increase growth and development opportunities for small businesses in Philadelphia.
2. CCP will identify mechanisms to sustain Job Trak PA at the conclusion of the TAACCCT grant in September 2014.
3. The College will participate in the Pennsylvania Commission for Community Colleges' Think Tank to increase the number of collaborative community college initiatives in Pennsylvania.
4. The College will expand services and educational opportunities related to the energy industry.
5. Corporate Solutions will create a business plan that identifies innovative strategies to increase Philadelphia businesses and individuals served and to increase net revenue contributions to the College.

Outcome Metrics – Key Performance Indicators

1. **Over the life of the Plan, the number of employers/companies served annually by College work training programs will increase to 100.**
2. **Over the life of the Plan, the number of individuals successfully completing workforce development programs will increase by 300 annually.**
3. **Revenues generated by firms served by the *10,000 Small Businesses Program* will increase by ___ percent within 12 months of program completion.**
4. **The number of individuals employed by firms served by the *10,000 Small Businesses Program* will increase by ___ percent within 12 months of program completion.**

Goal II.C. Community College of Philadelphia will be a visible asset to the region and broadly recognized as an important economic and educational resource.

Objectives

1. Enhance communication and marketing strategies that highlight the College's educational and economic impacts.
2. Highlight the College's former students, alumni and faculty as important leaders and contributors who are making a difference in the region.
3. Achieve national and regional recognition for the College based upon community engagement activities.

Planned Strategies

1. Align communication and marketing strategies with enrollment management strategies to highlight the College's educational possibilities for perspective student audiences.
2. Through the resources of the Academic Centers and Corporate Solutions, the College will develop and host workshops and conferences focused on key regional issues.
3. The College will leverage the current regional activities of faculty, students and staff to create greater visibility for the College's contribution to regional development efforts.
4. A new initiative, Pathfinders, will focus on identifying and supporting City of Philadelphia community volunteers with the goal of creating greater visibility and awareness of the College. These volunteers will work to help their neighbors and first-generation college students gain access to education at the College, and then to mentor these students to help them succeed in postsecondary education.
5. The redesign of the College's Home Page will be completed with a goal of creating a comprehensive and dynamic presentation of the College as a major educational resource for prospective students, donors, business and industry, and the larger community.

Outcome Metrics – Key Performance Indicators

1. The results of targeted marketing research analyzing public perceptions of College as a key visible educational and economic development resource for the community will demonstrate 25 percent growth in recognition and valuing measures from the last survey.

III. POSITIONING FOR THE FUTURE - Community College of Philadelphia will develop the resources required to thrive in a continuously changing economic and educational environment.

Goal III.A. Community College of Philadelphia's facilities and technology resources will evolve to meet future educational demands and promote successful learning.

Objectives

1. Further develop and expand service delivery systems designed to ensure optimal access to and use of academic and student support services.
2. Ensure comprehensive integrated planning efforts to provide students, faculty and staff with access to state-of-the-art facilities and technology.
3. Further efforts to position the College as a visible leader in implementing best practices in sustainability.

Planned Strategies

1. The comprehensive 2014-24 Facility Master Plan will be completed with the goal of having the ten year plan available for final board and staff review in fall, 2014. In addition to identifying needs for new and renovated spaces, the Plan will focus on continuing to strengthen and demonstrate the College's commitment to sustainable design.
2. A comprehensive renewal of the College's STEM (Science, Technology, Engineering, and Math) labs will be undertaken.
3. A comprehensive assessment will be made of the institutional implications associated with both the recent Banner/Datatel merger and current migration by Banner/Ellucian to Banner 9. The lack of a vendor-defined seamless migration strategy will be carefully analyzed to understand the broad-based College impacts which are anticipated to occur.
4. The opportunities created for the College by its entry into the State-wide Higher education technology network (KINBER) will be carefully assessed. Expected benefits exist in a wide range of areas. Examples include: lower internet service provider costs, cost-saving consortial software usage, and shared instructional resources.
5. Implementation of the 2013 Landscape Vision Plan will continue with completion of landscaping along 17th Street and in the areas adjacent to the Pavilion and Winnet Buildings, and the completion of the 18th and Spring Garden Street pocket park with the planned public art. The landscaping effort will emphasize the College's commitment to sustainable design principles and creating improved student life spaces.

6. In order to improve efficiency and responsiveness in facility operations, an integrated facility management information system will be implemented in phases. The initial phase will focus on implementing a web-based work order management system. Ultimately the system will enable efficient and timely management of all facility renewal projects.

Outcome Metrics – Key Performance Indicators

1. The annual building square feet constructed or renovated to address specific Master Plan Goals will meet or exceed annual targets in the Master Plan.
2. Over the life of the Plan, on the Noel Levitz or similar survey of campus climate, the average scale score for student satisfaction measures will increase by 0.5.

Goal III.B Community College of Philadelphia will manage its programs and services to ensure efficiency and effectiveness.

Objectives

1. Improve the use of analytics to enhance the effectiveness of decision-making to promote operational effectiveness and increase efficiencies.
2. Evaluate the College's organizational structure and administrative functions and realign as needed to optimize institutional effectiveness and efficiency.

Planned Strategies

1. A range of service contracts will be bid out over the life of the Strategic Plan. All bids will be undertaken with the goals of achieving additional operational efficiencies, improving the student learning experience, and creating opportunities for minority and women-owned firms to participate in the College's purchase of goods and services. Examples of contracts to be bid out include: credit card payment gateway, student accounts banking relationship, contracted cleaning, contracted security, landscaping and external audit.
2. The Office of Institutional Research in collaboration with the Institution Wide Assessment Committee will continue to develop and undertake an institutional research agenda focused on providing information needed to assess achievement of the College's strategic priorities and guide future decision making. Examples of efforts in this area include: developing and maintaining Strategic Plan performance measures, peer institution benchmarking studies, maintaining the Institutional Assessment Plan, and undertaking focused data development and assessment efforts to support divisional planning efforts (e.g., the Enrollment Management, Facility, Academic and Diversity Plans).
3. An assessment will be made of currently available technology reporting tools to see if a better option to the current reporting tool, Brio/Hyperion, is now available which will facilitate greater independent staff access to computer data bases and reduce expense levels associated with usage of the current report writing tool.
4. The Organizational Unit Assessment Process will be enhanced and serve as a key tool to understand non-instructional units' effectiveness and guide the development of strategies to strengthen each unit's contributions toward College strategic priorities and Mission goals.

5. Under the auspices of the Institution Wide Assessment Committee (IWAC), a new Data Coordination Committee will: monitor the implementation and use of systems to ensure that critical information requirements are defined and realized during use of the systems; develop a College-wide data glossary; and facilitate data retrieval strategies to ensure easy access to institutional data resources. In addition, IWAC will oversee the College's Institution Review Board (IRB) function by approving and monitoring research involving human subjects.

Outcome Metrics – Key Performance Indicators

1. The average annual expenditure changes in College expense categories other than salaries and fringe benefits will be increased less than the Consumer Price Index for all Urban Consumers.
2. The annual number of budgeted full-time staff positions relative to FTE students will remain constant or decrease.
3. The percentage increase in average direct instructional and total cost per FTE student (at program and total College level) will not exceed the percentage increase in the Philadelphia CPI for Urban Consumers.
4. The credit hours taught per FTE faculty will remain constant or increase on an annual basis.

Goal III.C. Community College of Philadelphia will develop new and innovative sources of revenue.

Objectives

1. Bring to scale the private fundraising capabilities of the College as demonstrated by a transformational comprehensive campaign.
2. Incentivize innovative ideas that foster resource development.
3. Promote private-public partnerships that develop future sources of revenue for the College.

Planned Strategies

1. The College will launch the next Comprehensive Fund Raising Campaign.
2. Annual College fund-raising efforts will be strengthened employing strategies such as expanding the Pathways Celebration and Golf Classic; strengthening fund-raising efforts with former students; creation of a "Pride Fund" to increase annual support from staff, alumni and friends; and expansion of efforts to increase the number of transformational gifts.
3. Long-term financial planning for the College will continue to focus on issues such as maximizing liquidity, rates of return on operating cash investments, auxiliary enterprise profitability, and identifying new revenue opportunities that could result from the College's operations.
4. The College's facility master planning process will include a focus on capital development partnership strategies that result in shared costs, reduced debt, and potential new revenue resources.
5. Auxiliary enterprises will be carefully assessed to identify partnership possibilities and operating procedural changes which can improve net revenue contributions to the College.

Outcome Metrics – Key Performance Indicators

1. The number and value of transformative gifts made to the Foundation will increase by 10 percent in each year of the Plan.
2. Over the life of the Plan, the percentage of College expenditures funded from non-student revenues will increase by 10 percent.
3. Over the life of the Plan, the number of donors and annual private gift dollars received will each increase by 50 percent from the current levels.

Goal III.D. Community College of Philadelphia's investment in faculty and staff will meet the emerging student development, instructional and academic support, and administrative needs.

Objectives

1. Enhance recruitment strategies to attract diverse, high-caliber faculty and staff capable of meeting future student needs.
2. Position the College as an employer of choice in Philadelphia.
3. Expand innovative programs and resources to enhance professional, career and leadership development.
4. Improve faculty and staff engagement and internal communications.

Planned Strategies

1. Faculty and staff recruitment and hiring practices will be strengthened by: 1) assessment and enhancement of current recruitment strategies including expanding use of social media, greater interactions with applicants and expedited hiring procedures for faculty positions; 2) enhanced on-boarding programs for new employees; 3) creating more opportunities for collaborative, cross functional work opportunities and information sharing; and 4) evaluating and implementing strategies leading to the College becoming more recognized as an employer of choice.
2. On at least an every-other-year schedule, new classes will be enrolled in the College's Leadership Institute. Participants will work on projects that are consistent with the College's Strategic Plan.
3. A comprehensive staff development program will maintain a focus on helping faculty and staff develop the most essential new skills and knowledge.
4. Within three years, apply for the College to be recognized by The Chronicle of Higher Education as a "Great College to Work For."
5. Human Resources will provide the leadership for the creation of a comprehensive approach to develop and implement College-wide succession planning. Potential use of on-line succession planning and tracking tools will be explored.
6. The current Employee Performance Management process will be evaluated and redesigned in order to introduce possible models to reward exceptional performance, provide greater focus on targeted competencies, and relate assessment more directly to achievement of institutional strategic priorities.

7. The Office of Diversity will provide the leadership implementing strategies that will assist with the ongoing goal of achieving and supporting a diverse workforce.

Outcome Metrics – Key Performance Indicators

1. The number of positive grade changes or promotions for administrative and classified/confidential employees will increase annually.
2. Over the life of the Plan, the number of vacant positions not successfully filled in first recruitment effort relative to the total number of vacancies will decrease by 20 percent.

APPENDIX A

ADDITIONAL METRICS THAT WILL BE USED TO UNDERSTAND AND ASSESS THE COLLEGE'S ACHIEVEMENT OF ITS 2013-2017 STRATEGIC PLAN OBJECTIVES

For each of the 2013-17 Strategic Plan Objectives, a limited number of Key Performance Indicators (KPIs) have been provided within the Plan. These KPIs were developed in collaboration with the College's Board of Trustees and are intended to be the metrics that the Board will use to chart the College's progress toward achievement of the Strategic Plan Goals.

As has been the case in past Plans, staff will employ a larger set of metrics to support both formative and summative assessments of the Plan's accomplishments. The following is a list of general areas where potentially useful information is currently available or could be developed to assess the effectiveness of the 2013-17 planning efforts. These measures are intended to be representative of what could be done. Information will be added and deleted over the life of the Plan depending upon Institutional assessment priorities.

Development and maintenance of these more extensive potential performance measures will be a shared responsibility across all the College's Divisions and will be accomplished over the life of the Plan. The Office of Institutional Research will develop reporting strategies to share the results from these more extensive outcomes measurement efforts. Examples of what has been done in the past with respect to Strategic Plan progress reporting include: the annual statistical performance reports provided on the Strategic Plan website, the Office of Institutional Research's Annual Institutional Effectiveness Reports, development of *ad hoc* Institutional Research Reports dealing with the impacts of key initiatives in the Plan, and the Institution Wide Assessment Committee's Assessment Library.

FOSTERING STUDENT SUCCESS

Goal I.A. Community College of Philadelphia will support all students to be successful in their academic endeavors.

Additional Potential Outcome Metrics – General Description

1. Student persistence and academic success measures reported by student demographic and goal categories.
2. Center for Male Engagement outcome measures.
3. Time spent and completion rates in developmental education coursework.
4. Graduation and goal completion rates by various student cohorts including student cohorts initially enrolling in developmental education.
5. AACC Voluntary Framework of Accountability measures.

Goal I.B. Community College of Philadelphia will prepare students for success at a four year college or university and facilitate their transfer.

Additional Potential Outcome Metrics – General Description

1. Transfer rates reported by program and student demographic categories.
2. Academic success and graduation results of CCP transfers.
3. Former students' assessments of their preparation for transfer.
4. Assessment of impact of Dual Admission Programs.
5. Affordability information associated with degree completion at CCP.

Goal I.C Community College of Philadelphia will focus on student job preparation, job attainment, and success in the workforce.

Additional Potential Outcome Metrics – General Description

1. Percentage of career program graduates making a successful transition to the workplace.
2. Former students' assessments of their preparation for work.
3. Student career goal achievement results.
4. General education outcomes for defined student cohorts

Goal I.D. Community College of Philadelphia's environment and operations will reflect a commitment to student achievement.

Additional Potential Outcome Metrics – General Description

1. Student access and use of technology measures (e.g., use of Wi-Fi on campus).
2. Success measures identified by the Center on Disability staff relating to students with disabilities access to programs and services and their academic achievements.
3. Student satisfaction measures.
4. Application numbers by demographic categories.

MAKING AN IMPACT

Goal II.A Community College of Philadelphia will assume a leadership role in improving student success in the city of Philadelphia.

Additional Potential Outcome Metrics – General Description

1. Enrollment patterns by demographic categories and geographic sections of the City.
2. Student financial aid patterns, e.g., the extent to which dependency on loans is reduced, amount of tuition and fees paid by private scholarships.
3. Employment and educational outcomes of participants in College literacy programs.
4. Single Stop assessment measures.

II.B Community College of Philadelphia will implement innovative and entrepreneurial strategies for workforce training and development.

Additional Potential Outcome Metrics – General Description

1. Number of adult residents who use the College to complete a degree or certificate program.
2. Number of new non-credit courses, certificate programs, and Associate Degree Career Programs developed and offered with viable enrollments and favorable student outcomes.
3. Employer and participant satisfaction with the College's workforce development programs.

Goal II.C. Community College of Philadelphia will be a visible asset to the region and broadly recognized as an important economic and educational resource.

Additional Potential Outcome Metrics – General Description

1. Public acknowledgment of significant accomplishments of student, alumni, faculty and staff.
2. Community member participation numbers in CCP regional conferences and workshops.
3. Regional leadership positions held by members of the College community.

6. Web analytics will be developed and utilized to assess Home Page redesign effectiveness.
7. Measures of media presence for College documenting growing recognition of its contributions to the region.

POSITIONING FOR THE FUTURE

Goal III.A. Community College of Philadelphia's facilities and technology resources will evolve to meet future educational demands and promote successful learning.

Additional Potential Outcome Metrics – General Description

1. Achievement of priority facility and technology projects on proposed schedule and within proposed budgets.
2. Documentation of environmental impacts and institutional cost savings associated with sustainable design initiatives.
3. Student and staff satisfaction measures associated with technology and physical facilities.

Goal III.B Community College of Philadelphia will manage its programs and services to ensure efficiency and effectiveness.

Additional Potential Outcome Metrics – General Description

1. Evidence of positive changes resulting from the organizational unit audit process.
2. Reduced costs and/or improved revenues resulting from the selection of new service contracts.
3. Trends in key institutional expense categories.

Goal III.C. Community College of Philadelphia will develop new and innovative sources of revenue.

Additional Potential Outcome Metrics – General Description

1. Favorable changes in patterns of revenue support for the College, e.g., less dependence on student revenues, more revenues from sources other than City, State and students.
2. New revenue generation and/or expense reductions that result from private/public partnerships.
3. Levels of sustaining support for the College provided by the Community College Foundation.

Goal III.D. Community College of Philadelphia's investment in faculty and staff will meet the emerging student development, instructional and academic support, and administrative needs.

Additional Potential Outcome Metrics – General Description

1. The impact of the Leadership Institute on employee contributions and professional advancement within and outside the College will be tracked.
2. Faculty and staff demographic measures which compare College employees to the larger communities which it serves.
3. Evidence of successful improvements in staff and faculty performance.
4. Evidence of successful staff progression succession through the organization.
5. Demonstrated improvements in hiring and on-boarding procedures for new faculty and staff.
6. Staff surveys related to engagement and communication issues.

**MEETING OF THE BUSINESS AFFAIRS COMMITTEE
OF THE BOARD OF TRUSTEES
Community College of Philadelphia
Wednesday, October 23, 2013– 9:00 A.M.**

Present: Mr. Matthew Bergheiser, (Chaired meeting); Mr. Jeremiah White, Jr. (*via* teleconference), Stella Tsai, Esq., (*via* teleconference), Dr. Judith Gay, Dr. Thomas R. Hawk, Mr. Robert Lucas, Mr. Todd E. Murphy, Mr. James P. Spiewak, Jill Weitz, Esq., and representing KPMG: Ms. Chris Chepel and Mr. Arthur Ayres

AGENDA – PUBLIC SESSION

(1) 2013-14 Budget Update (Information Item):

Dr. Hawk and Mr. Spiewak provided an overview of the College's budget status for fiscal year 2013-14. (See Attachment A.) The 2013-14 budget plan adopted by the Board included a projected revenue shortfall based upon the assumptions that enrollments for the 2013-14 year would be 4 percent lower than was achieved in the 2012-13 fiscal year. However, in the first half of the 2013-14 year, enrollments have been approximately 5 percent higher than the budgeted level which has resulted in a significant increase in the 2013-14 student revenues. The originally-assumed revenue shortfall for the year can now be projected to be eliminated, and a small budget surplus of approximately \$200,000 is currently forecast for the 2013-14 year. This revenue projection assumes that the higher-than-budgeted enrollment levels achieved in the summer II and fall terms will be similar for the spring and summer I terms. Key factors in the higher-than-budgeted enrollment levels are associated with a growth in new student enrollments and the positive impacts of institutional efforts to help students persist and avoid the potentially negative enrollment impacts of recent changes in Pell regulations. With the larger-than-planned enrollment levels, student revenues will be approximately \$2.1 million greater than budgeted.

Mr. Spiewak noted that because only the results for the first quarter of the fiscal year were available, updates in projections for most expenditures for the year were not possible at this time. However, there were several areas where changes in projected expenditures had been made. Based upon the increased enrollments, additional dollars for part-time and overload instructional salaries have been expended. The approval by the State, received after the budget was approved, for full 50 percent funding of the current Chemistry Lab renewal project has reduced the City dollars that are required to be used for capital purposes and results in additional City revenues being available for the operating budget. Estimates for medical cost expenditures in the College's self-insured medical plan have been increased by \$400,000. This reflects the fact that expenditures on self-insurance medical costs in the last quarter of the 2012-13 fiscal year were higher than anticipated at the time the 2013-14 budget was prepared. Based upon this new cost information, an updated actuarial cost estimate was recently provided to the College for 2013-14. Dr. Hawk noted that the new projections for the 2013-14 year assumed an escalation in healthcare cost of 9.5 percent over the 2012-13 expense level which, given current healthcare cost trends, is likely to be an overestimate

of actual costs. It is probable that the projected level of healthcare expenditures will be reduced in future quarter budget reports. Mr. Spiewak noted that several reductions in projected expenses had been made in areas such as utilities and postage where final expenditure information for the 2012-13 year allowed a reduced expenditure projection to be made for fiscal year 2014.

Mr. White asked if the salary adjustments that resulted from the conclusion of the collective bargaining agreement were included in the budget projections. Mr. Spiewak responded that the value of the retroactive raise for the 2012-13 year had been treated as an accrued expense in the financial statement values in the 2013 financial statements; and the value of the mid-year raise authorized for the 2013-14 year was included in the budget projections provided to the Committee.

(2) 2012-13 Fiscal Year KPMG Audit Report Including Key Account Changes (Action Item):

Discussion: Ms. Chris Chepel, Engagement Partner, and Mr. Arthur Ayres, Engagement Manager, from KPMG LLC presented the results of the 2012-13 fiscal year audit. Attachment B contains the KPMG presentation to the Committee. The 2012-13 Financial Statements are attached separately. The presentation by Ms. Chepel and Mr. Ayres had five components: the Required Communications Letter; the Engagement Letter; the Management Representation Letter; the No Materials Weakness Letter; and an update on the status of the remaining 2013 audit procedures. In the Required Communications Letter, Ms. Chepel drew attention to the section dealing with accounting estimates and noted that the major estimates included in the College's financial reports were associated with the following: the value of investments held by the College that are not publically traded and therefore based upon the investment managers' reported values; the value of the accrual for post-retirement healthcare benefits (GASB 45 estimate); and the value for student receivables net of write offs. She noted that the auditors had found all estimated values reported by management to "be reasonable in relationship to the financial statements in all material respects."

Ms. Chepel stated that there had been no disagreements with management in the preparation of the financial statements, and that there had been no significant difficulties encountered in performing the audit. The No Material Weakness Letter states that there is no evidence of internal control deficiencies identified during the process of conducting the audit. The auditors did not identify any deficiencies in internal controls that are considered to be material weakness.

With respect to the outstanding audit work for the 2013 audit process, Mr. Ayres reported that the State Enrollment Verification Audit was essentially complete, and that a formal report would be issued within the next few weeks. The A-133 audit fieldwork has begun with a targeted completion date for the issuance of the audit of January 31, 2014. Five federal program funding areas will be included in the A-133 audit. These include: (1) the federal student aid programs; (2) the Trade Adjustment Assistance Community College and Career Training (TAACCCT); (3) the TRIO Student Support and Upper Bound grants; (4) the Predominantly Black Institution Formula Grant; and (5) the Vocational Education/Local Plan (Perkins) grant. At this point, it is anticipated that that

the results of the A-133 audit will be presented to the Board Business Affairs or Audit Committee in February 2014.

Staff provided an overview of the 2013-14 financial statements. In addition to the auditor letters, the 2013 financial audit report has five sections: (1) the Management's Discussion and Analysis; (2) the three financial statements (Statements of Net Position; Statements of Revenues, Expenses, and Changes in Net Position; and Statements of Cash Flows); (3) the Notes; (4) the Statistical Section; and (5) a schedule of 2012-13 financial results reported in the format required for City reporting purposes. The Management's Discussion and Analysis (pages 3-12) is an unaudited statement prepared by College staff to describe the significant events during the past fiscal year that had implications for institutional financial reporting. Information is reported in such areas as campus development, enrollments and significant changes in revenues and expenses.

The 2012-13 Financial Statements (pages 13-18) are reported in the same format as had been the case as in prior years with the exception of a GASB-required account name revision from "Net Assets" to "Net Position."

The Notes (pages 19-48) provide detailed information in key areas such as: outstanding debt and debt amortization; physical asset, acquisition and depreciation; an explanation of the College funding; the composition of the College's investment portfolios; and details on receivables and payables. The Statistical Section (pages 50-59) provides a nine year summary of key institutional financial trends as well as demographic information on the student body, and data on staff and facilities. This section provides readers of the financial statements with a way of tracking trends and major financial patterns within the institution. The last part of the report, the City Schedule (pages 60-63), does not provide any new information not contained in the College's other financial schedules, but is formatted in a way that allows the College's financial data to map to the City's required financial reporting requirements. The data in this schedule is placed directly into the City's overall financial statements with the College as a component unit report.

Dr. Hawk noted that there were no unusual financial transactions during the year which would have caused large account variances. There are two major annually-reported non-cash values within the College's financial statements that have a major impact on the College's reported value for "Net Position" but do not directly impact on the financial performance of the College during the current year. These values are the GASB 45 post-retirement healthcare benefit expense accrual and depreciation expense. The GASB 45 post-retirement healthcare expense accrual is recorded in the financial statements as an operating expense and has the impact of reducing the amount reported for the balance in the unrestricted fund. As reported on page 12 of the financial statements, the current value of the unrestricted fund is a negative \$8.3 million based upon the cumulative impact of the GASB 45 expense accrual which now stands at a level of \$38.8 million. The College is currently implementing the accrual over a 30-year timeframe. Ms. Chepel noted that a proposed GASB standard for 2017 is to require that the entire value of the remaining amount to be accrued be recorded in one year. The College's depreciation expense for 2013 was \$8.3 million. As a result of this

amount and prior years' depreciation amounts, the unrestricted plant fund now stands at a negative \$8.9 million.

Staff commented that the adverse impacts of both the GASB 45 post-retirement healthcare benefit accrual and unfunded depreciation expense were well understood by the financial community, and that the negative balances in these two funds had not had an adverse impact on the College's bond rating. The actual post-retirement healthcare benefit is being annually paid out of the College's budgeted revenues and is a manageable annual expense in the context of the overall College's budget. In the context of the restraints on State and City funding, it is not reasonable to expect that tuition and fees would be annually increased to cover the annual value recorded for depreciation and GASB 45 accrual. Dr. Hawk noted that the value reported for depreciation fluctuated greatly depending upon where the College was in a capital cycle. In years in which significant amounts of dollars are provided for the acquisition of new capital, these dollars offset the impact of depreciation. In years in which the amount of new capital acquisition is relatively limited, depreciation expense will be greater than the increases in new capital investment and there will be a resulting negative impact on unrestricted plant fund assets.

Mr. Murphy reviewed the information provided in Attachment C. This document explains the major factors which contributed to changes to the general ledger account values between fiscal years 2012 and 2013. Most of the variances reflect the timing of the receipt of revenues and the date of payments. The large PHEAA payable reflects the practice of PHEAA to send larger cash allocations to the College than is expected to be needed and then request its return after the close of the fiscal year. In contrast, federal management of aid dollars has become much tighter and requires careful management of College liquidity to ensure readily available cash at times of major student aid balance disbursements. Mr. Murphy noted that, despite the fact that the College ended the year with an operating budget surplus, the combined impact of the GASB 45 accrual and depreciation expense was to reduce the value of the College's reported "Net Position" from \$83.1 million in fiscal 2012 to \$78.8 million in fiscal 2013.

Action: Ms. Tsai moved and Mr. White seconded the motion that the Committee accept the 2012-13 fiscal year KPMG audit report. The motion passed unanimously.

(3) 2013 Financial Performance Indicators (Information Item):

The annual financial performance indicators were developed by staff in collaboration with the Business Affairs Committee to provide an annual summary look at the College's current financial operating characteristics. The current indicators incorporate the financial results for the 2012-13 fiscal year and include preliminary projections for 2013-14. Attachment D contains the detailed report on the 2013 Financial Performance Indicators. The first page of the report provides a short summary of key current strengths and challenges. Among the key strengths at the present time are: the achievement of balanced budgets for ten consecutive years, strong liquidity, maintenance of an A1 bond rating, significant long-term debt retirement at the end of the 2014 fiscal year, consistently unqualified audits with no significant control weaknesses, enrollment levels for 2013-14 that are significantly higher than budgeted

and are contributing to the expectation of a balanced budget for the 2013-14 year, and achievement of collective bargaining agreements for the 2011-2016 time period which facilitates longer-term financial planning. Current financial challenges for the College include: the continuing decline in the relative levels of support received from the City and State to support the College's operating budget and the commensurate growing dependence on tuition and fee revenues to fund an increasingly larger percentage of the operating budget; the increasing vulnerability of the College to changes in Federal financial aid policies; and the fact that many years of tight budget management have greatly reduced the degrees of freedom that the College has to respond to potential future funding shortfalls.

The Committee discussed the importance of maintaining a stable bond rating and the factors associated with recent issues raised by Moody's with respect to the College's current A-1 bond rating. Dr. Hawk noted that the bond rating was most important at times when the College was trying to access the capital market for loans to complete capital projects. There is a direct relationship between the level of the College's bond rating and interest charges which the College will incur in its financing. A stable bond rating is also helpful in terms of facilitating financial arrangements such as capital leases and in maintaining relationships with vendors who might otherwise have concerns about the College's ability to meet financial obligations. The recent relatively sudden and significant changes in institutional leadership at both the staff and board level created concerns on the part of Moody's with respect to the financial stability of the College and raised the question of whether or not the College's long-term pattern of fiscally-responsible financial management might be compromised in some way based upon the governance changes which had occurred. Dr. Hawk noted that after several detailed conversations with staff, Moody's representatives appear comfortable with the directions being taken by the College, and that a change in the College's bond rating did not appear to be a current issue.

Mr. White asked about the process that the College went through to establish a bond rating. Dr. Hawk responded that it was very much like an accreditation self-study process. A voluminous amount of financial and background information is required to be prepared, and then a team visit from Moody's takes place involving in-depth interviews with College financial staff, institutional leadership and Board of Trustees representatives. Once the initial rating is set, then annual financial reporting is made to Moody's by College staff which is typically followed up with phone meetings with Moody's representatives in which clarification information is requested. If a significant downgrade in the institution's bond rating was being considered, it is likely that a visit to the College by Moody's representatives would occur in an attempt to fully understand the underlying circumstances which seem to be requiring a change in the College's bond rating. Ms. Chepel noted that bond rating downgrades were becoming increasingly common in higher education as growing concerns emerge with respect to public support and institutions' abilities to achieve enrollment goals.

Mr. White asked what implications the reduction in debt service payments would have for the College in the 2014-15 year, and whether or not this would free up City dollars that could be used for operating purposes. Staff responded affirmatively and noted that the retirement of debt provides an opportunity to reduce the level of tuition

and fee increases that would otherwise be recommended to the Board for the 2014-15 year. Longer-term, the retirement of debt provides the capacity to undertake future new major capital projects. A facility master planning process is currently underway which will result in recommendations for new construction and renovations. Dr. Hawk noted that staff did not anticipate the need to undertake any major capital financing for at least two to three years.

The Committee discussed the fact that, in the near future, the greatest financial challenge that the College may face is instability in the Federal Pell program and the potential implications for Pell policy changes to have adverse impacts on institutional enrollment levels as some students are unable to acquire the necessary support to attend higher education. Figure VI in the Financial Performance Indicators shows the percentage of the operating budget which is currently dependent upon Federal and State aid. In 2012-13, 35.3 percent of the operating revenues came from Pell and PHEAA dollars. Of this, a great majority was received from Pell. Mr. White noted that the growing dependence on Federal financial aid emphasizes the importance of private revenue growth. He noted that an important role for private fund raising in the future is to develop larger scholarship endowments and gifts which will help to reduce the dependence of students and the institution on Federal financial aid dollars.

Dr. Hawk reviewed the total College revenue chart which is contained in Attachment E. This chart details all sources of revenues received by the College for the 2013 and 2012 fiscal years, including dollars received for specially-funded grant programs and dollars received to support financial aid for students both to pay tuition and fees, as well as to pay living costs. The revenues reported in this chart are approximately \$20 million higher than those used to support the College's base operating budget. The additional dollars are split between dollars that are received from the State and the Federal Government to support students' cost-of-living expenses beyond those associated with the payment of tuition and fees. In addition, there are additional dollars received for grant-funded initiatives to support special program efforts at the College. Dr. Gay noted that grant funding was not used to sustain the ongoing base budget of the College, but to support initiatives that enrich the educational programs and services of the College in ways that were not possible to accomplish within the base budget.

The majority of the Federal grant revenue for the 2012-13 fiscal year (\$10.6 million) was associated with dollars received to support the TAACCCT program for which the College is providing Statewide leadership. The State grant revenue includes \$2.7 million in FICA tax reimbursement that the College receives annually from the State to defray the College's employer contributions associated with the Social Security program. Mr. Bergheiser stated that a concern that he and other Board members had was whether or not the College was adequately exploring its opportunities to access soft money to continue to advance key institutional priorities in such areas as student success.

(4) Internal Audit Plan 2013-14 Year Update (Information Item):

Mr. Robert Lucas, Internal Auditor, presented a brief status report on the 2013-14 Audit Plan. Mr. Lucas briefly summarized the overall structure of the 2013-14 Internal Audit Plan and activities he has undertaken to date associated with the Plan. He noted that the audit plan was structured around five areas: finance, information technology, construction, institutional operations, and compliance. The most recent in-depth audit was focused on looking at the issues associated with the management of hand-held devices (e.g., phones and iPads) issued to staff and Board members. There are potential risks associated with property loss and inappropriate access to College data. Mr. Spiewak noted that under the current cyber insurance coverage provided by AIG, costs associated with loss of data from hand-held devices is now included within the insured events.

As time was short, Mr. White asked that Mr. Lucas attend the next meeting of the Committee to provide the rest of the internal audit report.

(5) Next Meeting Date

The next meeting of the Committee is scheduled for Wednesday, November 20, 2013 at 9:00 A.M. in the Isadore A. Shrager Boardroom, M2-1.

TRH/lm
Attachments
BACVI013MINUTES.DOCX

ATTACHMENT A
2013-14 BUDGET UPDATE

Community College of Philadelphia
Enrollment Information (FTEs) for Fiscal Year 2013-2014
As of October 23, 2013

| | 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 | 1.95% |
| Fall | 12,825 | 12,309 | 12,970 | 661 | 5.37% |
| Spring | 12,878 | 12,455 | 12,800 * | | |
| Summer 1 | 2,691 | 2,750 | 2,750 * | | |
| Credit Year-to-date Totals - Annual FTEs | 15,115 | 14,672 | 15,192 | | |
| <u>NONCREDIT</u> | | | | | |
| Summer 2 | 93 | 94 | 58 | (36) | -38.30% |
| Fall | 598 | 686 | 578 * | (108) | -15.74% |
| Spring | 561 | 603 | 603 * | | |
| Summer 1 | 186 | 268 | 268 * | | |
| Noncredit Year-to-date Totals - Annual FTEs | 719 | 826 | 754 | | |

* Projected

Community College of Philadelphia
Fiscal Year 2013-14 Operating Budget Projections
As of October 23, 2013

| | Original Budget | Current Projection as of October 23, 2013 |
|--------------------------------------|-----------------------------|--|
| REVENUES | | |
| Student Tuition and Fees | \$73,549,267 | \$75,660,620 |
| Commonwealth of Pennsylvania | 28,226,906 | 28,226,906 |
| City of Philadelphia | 18,843,343 | 18,923,752 |
| Other Income | <u>1,187,400</u> | <u>1,687,400</u> |
| TOTAL REVENUES | \$121,806,916 | \$124,498,677 |
| EXPENSES | | |
| Salaries, Net of Lapsed Funds | \$72,164,281 | \$72,359,281 |
| Fringe Benefits | 31,177,700 | 31,544,700 |
| Other Expenses | 20,407,960 | 20,207,960 |
| Student Financial Aid | <u>175,000</u> | <u>175,000</u> |
| TOTAL EXPENSES | \$123,924,941 | \$124,286,941 |
| Projected (Deficit) Surplus * | <u>(\$2,118,025)</u> | <u>\$211,736</u> |

* Prior to impact of GASB 45 accrual

Community College of Philadelphia
Fiscal Year 2013-14 Operating Budget Projection
As of October 23, 2013.

| | Original Budget | Current Projection as of October 23, 2013 | Comment |
|---|----------------------|--|--|
| OPERATING REVENUES | | | |
| State Funding | \$28,036,906 | \$28,036,906 | |
| State Lease funding | 190,000 | 190,000 | |
| Total State Revenues | 28,226,906 | 28,226,906 | |
| Tuition - Credit Students | 60,559,252 | 62,341,768 | Reflects higher than budgeted credit enrollments. |
| Technology Fee | 10,196,700 | 10,600,612 | Reflects higher than budgeted credit enrollments. |
| Net Contribution from: Contracted Noncredit Instruction; Other Noncredit Instruction; Adult Community Noncredit Instruction | 551,500 | 551,500 | |
| Course Fees | 3,291,615 | 3,432,340 | Reflects higher than budgeted credit enrollments. |
| Student Regulatory Fees | 957,200 | 1,071,400 | |
| Tuition Adjustments - Student Receivable Write-offs, Collection Costs, Credit Card Costs & Senior Citizen Discount | (2,007,000) | (2,337,000) | Reflects higher than budgeted write-offs and discounted tuition. |
| Total Student Tuition & Fees | 73,549,267 | 75,660,620 | |
| City Operating Funds | 18,843,343 | 18,923,752 | |
| Investment income | 660,000 | 660,000 | |
| Vocational Education Funding | 0 | 200,000 | |
| Indirect Costs, Administrative Allowances | 0 | 300,000 | |
| Parking Proceeds & Miscellaneous Income | 527,400 | 527,400 | |
| Total Other Income | 1,187,400 | 1,687,400 | |
| TOTAL OPERATING REVENUES | \$121,806,916 | \$124,498,677 | |

Community College of Philadelphia
Fiscal Year 2013-14 Operating Budget Projection
As of October 23, 2013

| | Original Budget | Current Projection as of October 23, 2013 | Comment |
|---|-------------------|--|---|
| OPERATING EXPENSES | | | |
| Salaries | | | |
| Full-Time Administrative Salaries | 15,342,969 | 15,342,969 | |
| Less: Projected Lapsed Salaries | (600,000) | (600,000) | |
| Net Full-Time Administrative Salaries | 14,742,969 | 14,742,969 | |
| Full-Time Faculty Salaries | 28,274,336 | 28,274,336 | |
| Less: Projected Lapsed Salaries | (150,000) | (150,000) | |
| Net Full-Time Faculty Salaries | 28,124,336 | 28,124,336 | |
| Full-Time Classified Salaries | 10,749,777 | 10,749,777 | |
| Less: Projected Lapsed Salaries | (600,000) | (600,000) | |
| Net Full-Time Classified Salaries | 10,149,777 | 10,149,777 | |
| Subtotal - Full-Time Salaries | 53,017,082 | 53,017,082 | |
| Part-Time & Overload Credit Salaries | 9,814,525 | 10,009,525 | Additional sections were added to accommodate increased enrollments. |
| Summer Credit Instruction | 4,322,276 | 4,322,276 | |
| Part-Time & Overload Non-Credit Salaries | 316,956 | 316,956 | |
| All Other Salaries | 4,693,442 | 4,693,442 | |
| Early Retirement Incentive Payments | 0 | 0 | |
| Subtotal - Other than Full-Time Salaries | 19,147,199 | 19,342,199 | |
| Total Salaries | 72,164,281 | 72,359,281 | |
| Fringe Benefits | | | |
| Medical Program | 20,264,000 | 20,564,000 | Budget revised based upon final FY 12- 13 costs. |
| Retirement | 5,542,800 | 5,542,800 | |
| FICA | 3,066,400 | 3,066,400 | |
| Tuition Remission | 700,000 | 700,000 | |
| Group Life | 370,800 | 370,800 | |
| Unemployment Compensation | 366,400 | 366,400 | |
| Workers' Compensation | 271,700 | 338,700 | Actual premium cost is higher than budgeted. |
| Unused Vacation | 228,400 | 128,400 | Budget revised based upon final FY 12- 13 costs. |
| Disability Premium | 272,200 | 272,200 | |
| Forgivable Education Loan | 95,000 | 95,000 | |
| Total Fringe Benefits | 31,177,700 | 31,544,700 | |

Community College of Philadelphia
 Fiscal Year 2013-14 Operating Budget Projection
 As of October 23, 2013

| | Original Budget | Current Projection as of October 23, 2013 | Comment |
|--------------------------------------|----------------------|--|---------|
| Facility Expenses | | | |
| Utilities | 2,398,610 | 2,258,610 | |
| Contracted Security | 1,360,880 | 1,360,880 | |
| Contracted Cleaning | 1,100,000 | 1,100,000 | |
| All Other Facility Expenses | 2,001,872 | 2,001,872 | |
| Total Facility Expenses | 6,861,362 | 6,721,362 | |
| All Other Expenses | | | |
| Leased Equipment & Software | 4,554,646 | 4,554,646 | |
| Catalogs and Advertising | 1,251,471 | 1,251,471 | |
| Supplies-Pool | 1,469,430 | 1,469,430 | |
| Contracted Services | 1,377,304 | 1,377,304 | |
| Consultant | 783,450 | 783,450 | |
| Maintenance & Repairs | 524,609 | 524,609 | |
| Postage | 428,600 | 368,600 | |
| Insurance | 635,000 | 635,000 | |
| Legal Fees | 200,000 | 200,000 | |
| Other Expenses | 2,322,088 | 2,322,088 | |
| Total All Other Expenses | 13,546,598 | 13,486,598 | |
| King Scholarship | 175,000 | 175,000 | |
| TOTAL OPERATING EXPENSES | \$123,924,941 | \$124,286,941 | |
| Projected (Deficit) Surplus * | (\$2,118,025) | \$211,736 | |

* Prior to impact of GASB45 accrual

ATTACHMENT B

**KPMG REPORT TO THE BUSINESS AFFAIRS COMMITTEE
OCTOBER 23, 2013**



cutting through complexity™

Report to the Business Affairs Committee

**Community College of
Philadelphia**

October 23, 2013

Agenda

1. Required Communications Letter
2. Engagement Letter
3. Draft Management Representation Letter
4. No material weakness letter
5. Status of 2013 Audits

This presentation to the Business Affairs Committee is intended solely for the information and use of the Business Affairs Committee and management and is not intended to be and should not be used by anyone other than these specified parties. This presentation is not intended for general use, circulation or publication and should not be published, circulated, reproduced or used for any purpose without our prior written permission in each specific instance.

1: Required Communications Letter



KPMG LLP
1601 Market Street
Philadelphia, PA 19103-2499

October 17, 2013

Business Affairs Committee of the Board of Trustees
Community College of Philadelphia
Philadelphia, Pennsylvania

Ladies and Gentlemen:

We have audited the financial statements of the Community College of Philadelphia (the College) and its component unit Foundation (the Foundation), collectively "the Reporting Entity", as of June 30, 2013 and plan to issue our report thereon under date of October 2013. Under our professional standards, we are providing you with the attached information related to the conduct of our audit.

Our Responsibility Under Professional Standards

We are responsible for forming and expressing opinions about whether the financial statements, which have been prepared by management with the oversight of the Business Affairs Committee, are presented fairly, in all material respects, in conformity with U.S. generally accepted accounting principles. We have a responsibility to perform our audit of the financial statements in accordance with professional standards. In carrying out this responsibility, we planned and performed the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. Because of the nature of audit evidence and the characteristics of fraud, we are to obtain reasonable, not absolute, assurance that material misstatements are detected. We have no responsibility to plan and perform the audit to obtain reasonable assurance that misstatements, whether caused by error or fraud, that are not material to the financial statements are detected. Our audit does not relieve management or the audit committee of their responsibilities.

In addition, in planning and performing our audit of the financial statements, we considered internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Reporting Entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the Reporting Entity's internal control.

We also have a responsibility to communicate significant matters related to the financial statement audit that are, in our professional judgment, relevant to the responsibilities of the Business Affairs Committee in overseeing the financial reporting process. We are not required to design procedures for the purpose of identifying other matters to communicate to you.



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Other Information in Documents Containing Audited Financial Statements

Our responsibility for other information in documents containing the Reporting Entity's financial statements and our auditors' report thereon does not extend beyond the financial information identified in our auditors' report, and we have no obligation to perform any procedures to corroborate other information contained in these documents.

Accounting Practices and Alternative Treatments

Significant Accounting Policies

The significant accounting policies used by the Reporting Entity are described in Note 1 to the financial statements. No new accounting standards were adopted during the year under audit.

Unusual Transactions

We noted no transactions entered into by the Reporting Entity during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is lack of authoritative guidance or consensus.

Critical Accounting Policies and Practices

The critical accounting policies and practices used by the Reporting Entity in preparing its financial statements are as described in Management's Discussion and Analysis. These policies and practices are considered both most important to the portrayal of the Reporting Entity's financial condition and results of operations, and require management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about matters that are inherently uncertain. We have discussed with the Business Affairs Committee and management our assessment of management's disclosures regarding such policies and practices (including any significant modifications to such disclosures proposed by us but rejected by management), the reasons why these policies and practices are considered critical, and how current and anticipated future events impact those determinations.

Qualitative Aspects of Accounting Practices

We have discussed with the Business Affairs Committee and management our judgments about the quality, not just the acceptability, of the Reporting Entity's accounting principles as applied in its financial reporting. The discussions generally included such matters as the consistency of the Reporting Entity's accounting policies and their application, and the understandability and completeness of the Reporting Entity's financial statements, which include related disclosures.

Management Judgments and Accounting Estimates

The preparation of the financial statements requires management of the Reporting Entity to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Management's estimate of the reserves for its accounts receivable, including contributions receivable, are based on past experience and an evaluation of specific receivables outstanding.



Alternative investments are defined by the American Institute of Certified Public Accountants as all investments for which a readily determinable fair value does not exist (that is, investments not listed on national exchanges or over-the-counter markets, or which quoted market prices are not available for sources such as financial publications, the exchanges, or the National Association of Securities Dealers Automated Quotations System (NASDAQ)). The College's and Foundation's investments in alternative investment funds are \$10.7M and \$7.5M respectively at June 30, 2013. The Reporting Entity estimates the fair value of its alternative investments based on net asset value information received from the investment managers, including audited financial statements as of June 30, 2013.

Assumptions underlying management's calculation of the self-insurance and postretirement benefit obligations are disclosed in Notes 1 and 9 to the financial statements, respectively.

We evaluated the key factors and assumptions used to develop the estimates described above and have determined that the judgments and resulting estimates are reasonable in relation to the financial statements in all material respects.

Uncorrected and Corrected Misstatements

In connection with our audit of the Reporting Entity's financial statements, we have not identified any significant financial statement misstatements that have not been corrected in the Reporting Entity's books and records as of and for the year ended June 30, 2013 and have communicated that finding to management.

There were no significant corrected misstatements in connection with our audit of the Reporting Entity's financial statements as of and for the year ended June 30, 2013.

Disagreements with Management

There were no disagreements with management on financial accounting and reporting matters that, if not satisfactorily resolved, would have caused a modification of our auditors' report on the Reporting Entity's financial statements.

Management's Consultation with Other Accountants

To the best of our knowledge, management has not consulted with or obtained opinions, written or oral, from other independent accountants during the year ended June 30, 2013.

Significant Issues Discussed, or Subject to Correspondence, with Management

Major Issues Discussed with Management Prior to Retention

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with you and management each year prior to retention by you as the Reporting Entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.



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Material Written Communications

The following are material written communications between management and us:

- 1) Engagement letter;
- 2) Management representation letter; and
- 3) No material weakness letter.

Significant Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing our audit.

Independence

We are not aware of any independence-related relationships between our firm and the Reporting Entity other than the professional services that have been provided in accordance with the 2013 audit engagement letter and tax compliance services provided to the Foundation related to its annual Form 990 filing, for the year ended June 30, 2013.

We hereby confirm that as of the date of this letter we are independent accountants with respect to the Reporting Entity under all relevant professional and regulatory standards.

* * * * *

This letter to the Business Affairs Committee of the Board of Trustees is intended solely for the information and use of the Business Affairs Committee of the Board of Trustees and management and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

KPMG LLP

2: Engagement Letter



KPMG LLP
1601 Market Street
Philadelphia, PA 19103-2499

Telephone +1 267 256 7000
Fax +1 267 256 7200
Internet www.us.kpmg.com

May 24, 2013

Dr. Stephen M. Curtis, President
Community College of Philadelphia
1700 Spring Garden Street
Philadelphia, PA 19130

This letter amends EXHIBIT C to our agreement dated May 28, 2009 (Agreement), as subsequently amended, confirming our understanding to provide professional audit services to Community College of Philadelphia by substituting the attached Appendix I for the Appendix I originally attached to EXHIBIT C and all subsequent amendments of Appendix I.

The attached Appendix I lists the services to be rendered and related fees to provide each specified service for the identified time period. Except as specified in this letter and in the Appendix I attached to this letter, all provisions of the aforementioned Agreement remain in effect until either the Community College of Philadelphia or we terminate the Agreement or mutually agree to the modification of its terms.

While our reports may be sent to the College electronically for your convenience, only the hard copy reports are to be relied upon as our work product.

KPMG uses the services of KPMG controlled entities, KPMG member firms and/or third party service providers to provide professional services and administrative, analytical and clerical support. These parties may have access to certain of your information with the understanding that the confidential information will be maintained under information controls providing equivalent protection as our own. You also understand and agree that KPMG aggregates your information with information from other sources for the purpose of improving audit quality and service, and for use in presentations to clients and non-clients in a form where it is sufficiently de-identified so as not to be attributable to the College or where the College could be identified as a source of the information.

As required by *Government Auditing Standards*, we have attached to this letter a copy of KPMG's most recent peer review report.

We shall be pleased to discuss this letter with you at any time. For your convenience in confirming these arrangements, please return an original signed copy of this letter to us.



Community College of Philadelphia
May 24, 2013

Very truly yours,
KPMG LLP

Christina R. Chepel
Partner

ACCEPTED:

Community College of Philadelphia

Dr. Stephen M. Curtis
President

5/31/13
Date

Thomas R. Hawk
Vice President for Planning and Finance

May 30, 2013
Date

Fees for Services

Based upon our Proposal which is included as Exhibit B to the Agreement, our fees for services we will perform are estimated as follows:

| | |
|---|----------|
| Audit of financial statements of the College as of and for the year ended June 30, 2013 | \$80,250 |
|---|----------|

Other Reports:

The reports that we will issue as part of this engagement are as follows:

| <u>Report</u> | <u>Fee</u> |
|---|------------|
| Reports issued in connection with OMB Circular A-133 (Assuming two (2) major federal programs) * | \$29,480 |
| State grant agreed-upon procedures | \$13,100 |
| Foundation financial statements | \$6,550 |
| DCED contract audit (each, if required) | \$5,700 |

* The fee for each additional major program will be \$11,750.

Our services related to the preparation of the Foundation's Form 990 will be included in a separate engagement letter.

Where KPMG is reimbursed for expenses, it is KPMG's policy to bill clients the amount incurred at the time the good or service is purchased. If KPMG subsequently receives a volume rebate or other incentive payment from a vendor relating to such expenses, KPMG does not credit such payment to the client. Instead, KPMG applies such payments to reduce its overhead costs, which costs are taken into account in determining KPMG's standard billing rates and certain transaction charges which may be charged to clients.

We will bill the base fees above (including the first two major programs) on the following schedule:

| | |
|--|----------|
| June 15, 2013 | \$30,625 |
| July 15, 2013 | \$30,625 |
| August 15, 2013 | \$30,625 |
| September 15, 2013 | \$30,625 |
| Upon issuance of State grant agreed-upon procedures report | \$ 3,500 |
| Upon issuance of Single Audit reports | \$ 3,380 |
| Upon issuance of each DCED contract audit report | \$ 5,700 |

The fee for additional Single Audit major programs will be billed as mutually agreed as fieldwork progress.



System Review Report

To the Partners of KPMG LLP
and the National Peer Review Committee of the AICPA Peer Review Board

We have reviewed the system of quality control for the accounting and auditing practice of KPMG LLP (the Firm), applicable to non-SEC issuers, in effect for the year ended March 31, 2011. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The Firm is responsible for designing a system of quality control and complying with it to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the Firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*, audits of employee benefit plans, an audit performed under FDICIA, and an audit of a carrying broker-dealer.

In our opinion, the system of quality control for the accounting and auditing practice of KPMG LLP, applicable to non-SEC issuers, in effect for the year ended March 31, 2011, has been suitably designed and complied with to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. KPMG LLP has received a peer review rating of *pass*.

PricewaterhouseCoopers US

December 2, 2011

**3: Draft
Management
Representation
Letter**

October 23, 2013

KPMG LLP
1601 Market Street
Philadelphia, PA 19103

Ladies and Gentlemen:

We are providing this letter in connection with your audit of the financial statements of the Community College of Philadelphia and its discretely presented component unit the Community College of Philadelphia Foundation (the Foundation), collectively referred to below as the College, for the year ended June 30, 2013, for the purpose of expressing opinions as to whether the financial statements present fairly, in all material respects, the financial position of the College and the Foundation, and the respective changes in financial position, and, where applicable, cash flows thereof in conformity with U.S. generally accepted accounting principles.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit:

1. The financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles.
2. We have made available to you:
 - a. All financial records and related data.
 - b. All minutes of the meetings of the Board of Trustees of the College and Board of Directors of the Foundation and the Boards' committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
3. Except as disclosed to you in writing, there have been no:
 - a. Circumstances that have resulted in communications from the College's external legal counsel to the College reporting evidence of a material violation of securities law or breach of fiduciary duty, or similar violation by the College or any agent thereof.
 - b. Communications from regulatory agencies, governmental representatives, employees, or others concerning investigations or allegations of noncompliance with laws and regulations in any jurisdiction, deficiencies in financial reporting

practices, or other matters that could have a material adverse effect on the financial statements.

- c. False statements affecting the College's financial statements made to the College's internal auditors, or other auditors who have audited entities under our control upon whose work you may be relying in connection with your audit.

4. There are no:

- a. Violations or possible violations of laws or regulations, whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
- b. Unasserted claims or assessments that our lawyers have advised us are probable of assertion and must be disclosed in accordance with Governmental Accounting Standards Board (GASB) Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
- c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB Statement No. 62.
- d. Material transactions, for example, grants and other contractual arrangements, that have not been properly recorded in the accounting records underlying the financial statements.
- e. Events that have occurred subsequent to the date of the statement of net assets and through the date of this letter that would require adjustment to or disclosure in the financial statements.

- 5. All known actual or possible litigation and claims have been accounted for and disclosed in accordance with GASB Statement No. 62, paragraphs 96 – 113.
- 6. The effect of the uncorrected financial statement misstatements summarized in the accompanying schedule is immaterial, both individually and in the aggregate, to the financial statements for each respective opinion unit.
- 7. We acknowledge our responsibility for preventing and detecting fraud, including the design and implementation of programs and controls to prevent and detect fraud; for adopting sound accounting policies; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements and to provide reasonable assurance against the possibility of misstatements that are material to the financial statements whether due to error or fraud.
- 8. We have no knowledge of any fraud or suspected fraud affecting the College involving:
 - a. Management
 - b. Employees who have significant roles in internal control over financial reporting, or
 - c. Others where the fraud could have a material effect on the financial statements.
- 9. We have no knowledge of any allegations of fraud or suspected fraud affecting the College received in communications from employees, former employees, analysts, regulators, or others.

10. The College has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
11. We have no knowledge of any officer or trustee or director of the College, or any other person acting under the direction thereof, having taken any action to fraudulently influence, coerce, manipulate, or mislead you during your audit.
12. The following have been properly recorded or disclosed in the financial statements:
 - a. Related party transactions including sales, purchases, loans, transfers, leasing arrangements, guarantees, ongoing contractual commitments, and amounts receivable from or payable to related parties.
 - b. Guarantees, whether written or oral, under which the College is contingently liable.
 - c. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and lines of credit or similar arrangements.
 - d. Agreements to repurchase assets previously sold, including sales with recourse.
 - e. Changes in accounting principle affecting consistency.
 - f. The existence of and transactions with joint ventures and other related organizations.
13. The College has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral.
14. The College has complied with applicable laws, regulations, contracts, donor restrictions, and grants that could have a material effect on the financial statements in the event of noncompliance.
15. Management is responsible for compliance with the laws, regulations, donor restrictions, and provisions of contracts and grant agreements applicable to the College. Management has identified and disclosed to you all laws, regulations, donor restrictions, and provisions of contracts and grant agreements that have a direct and material effect on the determination of financial statement amounts.
16. There are no deficiencies, significant deficiencies, or material weaknesses in the design or operation of internal control over financial reporting of which we are aware, which could adversely affect the College's ability to initiate, authorize, record, process, or report financial data. We have separately disclosed to you all such deficiencies that we believe to be significant deficiencies or material weaknesses in internal control over financial reporting, as those terms are defined in Statement on Auditing Standards No. 115, *Communicating Internal Control Related Matters Identified in an Audit*.
17. There have been no:
 - a. Instances of fraud involving others that could have a material effect on the adjustments.
 - b. Allegations, either written or oral, of misstatements or other misapplication of accounting principles in the College's adjustments that have not been disclosed to you in writing.

- c. Allegations, either written or oral, of deficiencies in internal control that could have a material effect on the College's adjustments that have not been disclosed to you in writing.
 - d. False statements affecting the College's adjustments made to you, our internal auditors, or other auditors who have audited entities under our control upon whose work you may be relying in connection with your audit.
18. There are no material transactions that have not been properly recorded in the accounting records underlying the adjustments.
 19. The College's reporting entity includes all entities that are component units of the College. Such component units have been properly presented as either blended or discrete. Investments in joint ventures in which the College holds an equity interest have been properly recorded on the statement of net assets. The financial statements disclose all other joint ventures and other related organizations.
 20. The College has not elected to apply the option allowed in paragraph 7 of GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Activities*, to its activities.
 21. The financial statements properly classify all funds and activities, including governmental funds, which are presented in accordance with the fund type definitions in GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.
 22. Interfund, internal and intra-entity activity and balances have been appropriately classified and reported.
 23. Amounts advanced to related entities represent valid receivables and are expected to be recovered at some future date in accordance with the terms of related agreements.
 24. Receivables reported in the financial statements represent valid claims against debtors arising on or before the date of the statement of net assets and have been appropriately reduced to their estimated net realizable value.
 25. Deposits and investment securities are properly classified and reported.
 26. The College is responsible for determining the fair value of certain investments as required by GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, as amended. The amounts reported represent the College's best estimate of fair value of investments required to be reported under the Statement. The College also has disclosed the methods and significant assumptions used to estimate the fair value of its investments, and the nature of investments reported at amortized cost.
 27. The following information about financial instruments with off-balance-sheet risk and financial instruments with concentrations of credit risk has been properly disclosed in the financial statements:
 - a. Extent, nature, and terms of financial instruments with off-balance-sheet risk;
 - b. The amount of credit risk of financial instruments with off-balance-sheet credit risk, and information about the collateral supporting such financial instruments; and

- c. Significant concentrations of credit risk arising from all financial instruments and information about the collateral supporting such financial instruments.
- 28. We believe that all material expenditures or expenses that have been deferred to future periods will be recoverable.
- 29. Capital assets are properly capitalized, reported and, if applicable, depreciated.
- 30. The College has properly applied the requirements of GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, including those related to the recognition of outlays associated with the development of internally generated computer software.
- 31. The College has no:
 - a. Commitments for the purchase or sale of services or assets at prices involving material probable loss.
 - b. Material amounts of obsolete, damaged, or unusable items included in the inventories at greater than salvage values.
 - c. Loss to be sustained as a result of other-than-temporary declines in the fair value of investments.
- 32. The College has complied with all tax and debt limits and with all debt related covenants.
- 33. We have received opinions of counsel upon each issuance of tax-exempt bonds that the interest on such bonds is exempt from federal income taxes under section 103 of the Internal Revenue Code of 1986, as amended. There have been no changes in the use of property financed with the proceeds of tax-exempt bonds, or any other occurrences, subsequent to the issuance of such opinions, that would jeopardize the tax-exempt status of the bonds. Provision has been made, where material, for the amount of any required arbitrage rebate.
- 34. We believe that the actuarial assumptions and methods used to measure financial statement liabilities and costs associated with other post-employment benefits and to determine information related to the College's funding progress related to such benefits for financial reporting purposes are appropriate in the College's circumstances and that the related actuarial valuation was prepared in conformity with U.S. generally accepted accounting principles.
- 35. Provision has been made in the financial statements for the College's pollution remediation obligations. We believe that such estimate has been determined in accordance with the provisions of GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* and is reasonable based on available information.
- 36. Components of net assets (invested in capital assets, net of related debt; restricted; and unrestricted) are properly classified and, if applicable, approved.
- 37. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 38. The College has identified and properly accounted for all nonexchange transactions.

39. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
40. Special and extraordinary items are appropriately classified and reported.
41. The financial statements disclose all of the matters of which we are aware that are relevant to the entity's ability to continue as a going concern, including significant conditions and events, and our plans.
42. We have disclosed to you all accounting policies and practices we have adopted that, if applied to significant items or transactions, would not be in accordance with U.S. generally accepted accounting principles. We have evaluated the impact of the application of each such policy and practice, both individually and in the aggregate, on the college's current period financial statements, and the expected impact of each such policy and practice on future periods' financial reporting. We believe the effect of these policies and practices on the financial statements is not material. Furthermore, we do not believe the impact of the application of these policies and practices will be material to the financial statements in future periods.
43. We agree with the findings of specialists in evaluating the valuation of post-employment benefits and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.
44. We acknowledge our responsibility for the presentation of supplementary information including the City format financial statements in accordance with the applicable criteria and/or prescribed guidelines and:
 - a. Believe the supplementary information, including its form and content, is fairly presented in accordance with the applicable criteria and/or prescribed guidelines.
 - b. The methods of measurement or presentation of the supplementary information have not changed from those used in the prior period
45. The significant assumptions or interpretations underlying the measurement or presentation of the supplementary information are reasonable and appropriate in the circumstances.
46. We acknowledge our responsibility for the presentation of required supplementary information including management's discussion and analysis and the schedule of funding progress in accordance with the applicable criteria and prescribed guidelines established by the *Governmental Accounting Standards Board* and:
 - a. Believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with the applicable criteria and prescribed guidelines.
 - b. The methods of measurement or presentation of the required supplementary information have not changed from those used in the prior period

c. The significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information are reasonable and appropriate in the circumstances.

47. The College has complied with all applicable laws and regulations in adopting, approving and amending budgets.

48. In accordance with *Government Auditing Standards*, we have identified to you all previous audits, attestation engagements, and other studies that relate to the objectives of this audit, including whether related recommendations have been implemented.

49. KPMG assisted management in drafting the financial statements and notes. In accordance with *Government Auditing Standards*, we confirm that we have reviewed, approved, and accept responsibility for the financial statements and notes.

Further, we confirm that we are responsible for the fair presentation in the financial statements of financial position, changes in financial position, and cash flows in conformity with U.S. generally accepted accounting principles. We are also responsible for establishing and maintaining effective internal control over financial reporting.

Very truly yours,

Community College of Philadelphia

Dr. Judith Gay

Interim President

Dr. Thomas R. Hawk

Treasurer/Vice President of Planning and Finance

Todd E. Murphy

Controller

4: No Material Weakness Letter



KPMG LLP
1601 Market Street
Philadelphia, PA 19103-2499

October 17, 2013

Business Affairs Committee of the Board of Trustees
Community College of Philadelphia
Philadelphia, PA

Ladies and Gentlemen:

In planning and performing our audit of the financial statements of the Community College of Philadelphia and its component unit Foundation (the College), as of and for the year ended June 30, 2013 in accordance with auditing standards generally accepted in the United States of America, we considered the College's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

This communication is intended solely for the information and use of management, the Business Affairs Committee of the Board of Trustees, others within the College, and federal awarding agencies and pass through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

KPMG LLP

5: Status of 2013 Audits

Status of 2013 Audits

| Deliverable | Status |
|-------------------------------|--|
| Financial Statement Audit | Substantially complete. Pending final review and approval of financial statements by the College/Audit Committee and receipt of representation letter. |
| State AUP (enrollment) Report | Substantially complete and will be issued prior to due date of December 31, 2013. |
| OMB Circular A-133 | Fieldwork began in October 2013 with a target issue date of January 31, 2014. |



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ATTACHMENT C

**STATEMENT OF NET ASSETS FOR THE YEAR
ENDED JUNE 30, 2013
KEY VARIANCES IN GENERAL LEDGER ACCOUNTS**

Community College of Philadelphia
Statement of Net Assets for the Year Ended June 30, 2013
Key Variances in General Ledger Accounts

| | 6/30/2013 | 6/30/2012 | Variance | |
|--|-------------------|-------------------|--------------------|--|
| ASSETS: | | | | |
| Cash and cash Equivalents | 11,967,374 | 11,562,871 | 404,503 | |
| Short Term Investments | 10,325,397 | 12,253,159 | (1,927,762) | |
| Sub-Total | 22,292,771 | 23,816,030 | (1,523,259) | Timing of Payments. |
| Long Term Investments | 15,750,134 | 15,782,209 | (32,075) | Unit value decrease from TIAA-CREF & Bor Fund Investments. |
| Capital Assets | 180,052,760 | 179,484,523 | 568,237 | Mint & Bonnell Construction Completion. Capital Disposal of fully depreciated equipment. |
| Accounts Receivable | | | | |
| Tuition and Fee Receivable | 5,049,777 | 4,692,876 | 356,901 | Increase related to the tuition increase. |
| Grants Receivable | 30,478 | 6,441 | 24,037 | Increase in Grants receivable. Mastery Early College Partnership Program. |
| Other Receivable | 1,969,407 | 1,530,606 | 438,801 | Increase in receivable from Foundation for Capital Campaign. Decrease in receivable from Barnes & Noble, American Federation of Teachers & Bond reimbursements. |
| Receivable from Foundation | 963,091 | 191,938 | 771,153 | Timing of reimbursement to the College for Foundation, payroll & grant related expenses. |
| Sub-Total | 8,012,753 | 6,421,861 | 1,590,892 | |
| Allowance for Doubtful Accounts | (2,598,105) | (2,441,993) | (156,112) | |
| Total | 5,414,648 | 3,979,868 | 1,434,780 | |
| Receivable from Government Agencies | | | | |
| State Grants and Special Projects | 439,175 | 341,683 | 97,492 | |
| PHEAA Grants | 2,923 | 6,209 | (3,286) | |
| City of Philadelphia - School Dist. | 17,069 | 423,235 | (406,166) | Reduction in Receivable from the Philadelphia School district (Gateway & Parent University) |
| Federal Financial Aid | 346,172 | 226,064 | 120,108 | Increase in receivable from Financial Aid Programs. (SEOG, Direct Loan, Work Study & Job Corp.) |
| Federal Grants and Special Projects | 1,947,353 | 1,611,329 | 336,024 | Increase in receivable from Federal Grants. Mainly due to timing of draw down for the TAACCT Grant. |
| Total | 2,752,692 | 2,608,520 | 144,172 | |

Community College of Philadelphia
Statement of Net Assets for the Year Ended June 30, 2013
Key Variances in General Ledger Accounts

| | <u>6/30/2013</u> | <u>6/30/2012</u> | <u>Variance</u> | |
|--|-------------------|-------------------|------------------|--|
| LIABILITIES: | | | | |
| <u>Accounts payable & Accrued Liabilities</u> | | | | |
| Vendors and Others | 6,335,591 | 6,163,431 | 172,160 | Increase in dollars owed to vendors at June 30th. |
| Accrued Salaries | 4,085,888 | 2,876,364 | 1,209,524 | Increase reflects additional payroll expense booked for best and final offer from the Collective Bargaining Agreement. |
| Accrued Benefits | 2,016,985 | 1,945,353 | 71,632 | Increase in Academic Year Faculty Medical & Retirement costs. |
| Compensated Absences | 3,141,021 | 3,174,843 | (33,822) | Value of Accrued Vacation Time. Leave time usage increased. |
| Retirement Incentive Payments | 826,619 | 819,153 | 7,466 | Increase in college retirees due incentive payments. |
| Payroll Withholding Taxes | 148,925 | 118,315 | 30,610 | Increase in payroll withholding taxes accrued on June 30th. |
| Accrued Interest Expense | 341,956 | 373,253 | (31,297) | Debt service interest expense decreased. |
| Total | 16,896,985 | 15,470,712 | 1,426,273 | |
| <u>Payable to Government Agencies</u> | | | | |
| Commonwealth of Pennsylvania (Due to the State) | 49,084 | 79,599 | (30,515) | Due to State for excess lease payment funding received by the College. |
| State Grants and Special Projects | | | | |
| PHEAA Grants | 1,858,420 | 2,338,993 | (480,573) | Excess PHEAA dollars advanced from the State. |
| Perkins Loans | - | - | - | |
| Federal Perkins Loans | - | - | - | |
| Federal Financial Aid | - | 131 | (131) | Prior year Pell adjustment. |
| Total | 1,907,504 | 2,418,723 | (511,219) | |
| Capital Lease Obligation | 6,307,208 | 7,179,616 | (872,408) | Value of outstanding PC lease payments was less. |
| Long Term Debt | 86,015,892 | 90,220,973 | (4,205,081) | Repayment of principal on outstanding debt. |
| Other Post-Employment Benefits GASB 45 | 38,755,360 | 30,225,327 | 8,530,033 | Increase in actuarially computed value for post retirement health care benefits. |

Community College of Philadelphia
Statement of Net Assets for the Year Ended June 30, 2013
Key Variances in General Ledger Accounts

| <u>Fund Balances</u> | <u>6/30/2013</u> | <u>6/30/2012</u> | <u>Variance</u> | |
|--------------------------------|-------------------|-------------------|--------------------|---|
| Unrestricted Operating Fund | (8,297,655) | 100,502 | (8,398,157) | Decrease due to GASB 45 expense and \$1 million excess budget surplus moved to the Plant Fund for future capital projects. |
| Quasi Endowment | 1,859,894 | 1,914,234 | (54,340) | Expenses greater than Student Activity Revenues for the year. |
| <u>Plant Fund:</u> | | | | |
| Net Invested in Capital Assets | 91,369,577 | 86,330,902 | 5,038,675 | Increase due to the Main Campus Mint & Bonnell Construction. |
| Restricted Net Assets | 2,740,642 | 1,364,726 | 1,375,916 | Increase due to 2/3 City Garage Proceeds transferred to the Plant Fund for garage renovations. \$1 million excess budget surplus moved to the Plant Fund for future capital projects. |
| Unrestricted Plant Fund | (8,890,495) | (6,567,991) | (2,322,504) | Includes impact of the purchase of 430-440 N. 15th Street (\$5.8 million purchase) and unfunded depreciation operational expense. |
| Sub-Total | 85,219,724 | 81,127,637 | 4,092,087 | |
| Total Net Assets | 78,781,963 | 83,142,373 | (4,360,410) | Net change for the Fiscal Year which Includes GASB 45. |

ATTACHMENT D

**2013 FINANCIAL PERFORMANCE REPORT
OCTOBER 23, 2013**

**2013 FINANCIAL PERFORMANCE REPORT
OCTOBER 23, 2013**

Current Evidence of Financial Viability

- Through successful operational efficiencies and cost containment strategies, the College has finished the fiscal year with (small) operating budget surpluses in each of the last ten fiscal years. Initially budgeted deficits in 2011, 2012 and 2013 were eliminated and small surpluses achieved.
- Strong liquidity. Average daily cash and investment balances in excess of \$43 million.
- Moody's bond rating (A1) was reassessed and reaffirmed in June 2012.
- Significant long-term debt retirement in 2014 fiscal year.
- Audits are consistently unqualified with no significant control weakness findings.
- Facility expansions and renewals are creating important enrollment growth opportunities. Enrollments for the first half of 2013-14 are 1.2 percent higher than comparable period in 2012-13 and 5.4 percent higher than budgeted.
- September 2013 resolution of staff labor contracts facilitates more comprehensive multi-year financial planning.

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.
- Growing vulnerability to shifts in Federal Financial Aid (Pell) policies.
- Many successive years of responding to tight budget scenarios has greatly limited degrees of freedom to respond to future revenue shortfalls.

CCP FINANCIAL PERFORMANCE MEASURES

OCTOBER 2013

FIGURE I

Average Monthly Operating Fund Cash and Investment Assets as a Percentage of Final Operating Budget Expense

| | Average Monthly Amount of Operating Cash and Liquid Investments | % of Annual Expense |
|---------|---|------------------------|
| 2004-05 | \$25,328,414 | 26.8% |
| 2005-06 | \$28,909,469 | 30.4% |
| 2006-07 | \$33,923,655 | 34.6% |
| 2007-08 | \$40,065,045 | 39.1% |
| 2008-09 | \$42,902,426 | 40.1% |
| 2009-10 | \$45,390,373 | 40.4% |
| 2010-11 | \$48,696,232 | 40.6% |
| 2011-12 | \$42,258,724 | 35.3% |
| 2012-13 | \$43,316,313 | 36.1% |

Comment: An upward trend is indicative of improved liquidity and the ability to withstand short-term fluctuations in revenue receipts.

Target: 25% (coverage for 3 months of operations) or higher.

Current Status: The purchase of the 15th and Hamilton Street property in the amount of \$5.8 million using College cash resources in the second half of the 2010-11 fiscal year reduced the College's liquidity. Recent tightening of federal cash-draw-down procedures for federal student financial aid dollars has delayed College access to these funds and also reduced average monthly liquidity. Current projections are that the College's liquidity position for 2013-14 will be similar to levels for 2012-13.

FIGURE II-A
Unrestricted (Carry-Over) Fund Balances Including Quasi Endowment Funds
as Percent of Operating Budget Excluding the
Impact of the Post-Employment Health Benefit (GASB 45) Accrual

| Fiscal Year | Unrestricted (Carry-Over) Funds Prior to Recording Post-Employment Benefit Accrual | Operating Budget | Unrestricted Carry-Over Funds as a Percent of Budget |
|--------------------|---|-------------------------|---|
| 2004-05 | \$9,692,958 | \$94,728,456 | 10.23% |
| 2005-06 | \$11,682,218 | \$95,054,502 | 12.29% |
| 2006-07 | \$17,051,787 | \$98,088,111 | 17.38% |
| 2007-08 | \$22,349,410* | \$102,513,725 | 21.80%* |
| 2008-09 | \$24,578,300* | \$106,942,052 | 22.99%* |
| 2009-10 | \$31,164,140* | \$112,444,701 | 27.72%* |
| 2010-11 | \$31,967,219* | \$120,084,822 | 26.62%* |
| 2011-12 | \$32,240,063* | \$119,272,435 | 27.03%* |
| 2012-13 | \$32,335,599* | \$119,945,027 | 26.96%* |

*Prior to recording GASB 45 accrual.

Comment: In fiscal 2008, the College was required to implement a new accounting reporting standard (GASB 45) which results in the College recording the estimated value of post-employment benefits for current and retired staff. This accrual for future expenses is being phased in over 30 years. The above chart shows the value of the College's unrestricted carry-over funds without the impact of reporting the GASB 45 post-employment health benefit accrual. Growth of unrestricted (carry-over) funds provides a resource to ensure stability in College operations in years of underfunding, as well as provides potential resources for one-time needs not fundable out of current-year budget resources. The GASB 45 post-employment health benefit accrual reduces the amount reported for unrestricted funds but has no impact on the College's cash position. [See Figure II-B]

Target: At the end of fiscal 2006, the Board set a target to maintain unrestricted funds at a level equal to 15% of the operating budget (prior to the impact of GASB 45).

Current Status: The 2013-14 fiscal year is currently projected to end with a small surplus. The ratio will remain essentially flat.

FIGURE II-B
Reported Value of Unrestricted (Carry-Over) Fund Balances
Including Quasi Endowment Funds
with the Impact of the Post-Employment Health Benefit (GASB 45) Accrual

| Fiscal Year | Cumulative Value of GASB 45 Annual Accrual | Reported Value of Unrestricted Carry-Over Funds Including Quasi- Endowment Funds With GASB 45 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 | (\$6,419,761) |

Comment: In fiscal 2008, the College was required to implement a new accounting reporting standard (GASB 45) which requires the College to record the estimated value of post-employment health benefits for current and retired staff. This accrual for future expenses is being phased in over 30 years. The GASB 45 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**

An additional accrual for the post-employment healthcare benefit will occur in 2013-14. Changes to the eligibility requirements in the current employee contract which tighten requirements to qualify for the benefits are expected to reduce the future growth in the value of this accrued expense.

FIGURE III

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 |

- 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 2013 totaled \$15.8 million. Including these funds, the College's current ratio is 1.52. 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 will occur during the 2013-14 year.

FIGURE IV

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% |

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: Debt payments will remain relatively constant through fiscal year 2014 at which point the debt issued in 1999 will have been retired and this ratio will decline.

FIGURE V

Revenue Dispersion - Operating Budget Revenues by Source

| Operating Revenue by Source | FY 10-11 | % of Total | FY 11-12 | % of Total | FY 12-13 | % of Total |
|---------------------------------------|----------------------|---------------|----------------------|---------------|----------------------|---------------|
| State Appropriation | \$31,152,104 | | \$28,036,906 | | \$28,036,906 | |
| State Lease Appropriation | 191,123 | | 192,403 | | 202,918 | |
| TOTAL STATE | 31,343,227 | 25.78% | 28,229,309 | 23.39% | 28,239,824 | 23.32% |
| City Operating Appropriation | 18,091,851 | 14.88% | 17,652,221 | 14.73% | 18,063,705 | 14.92% |
| Student Tuition & Course-related Fees | 68,811,100 | | 70,832,589 | | 72,014,866 | |
| Student Regulatory Fees | 899,739 | | 808,692 | | 1,190,926 | |
| TOTAL STUDENT | 69,701,839 | 57.32% | 71,641,281 | 59.09% | 73,205,792 | 60.47% |
| Other | 2,453,996 | 2.02% | 2,350,126 | 1.96% | 1,547,115 | 1.28% |
| Total | \$121,590,914 | | \$119,872,937 | | \$121,056,437 | |

Comment: The value reported for FY 2011 State funding includes the amount provided by the State out of federal stimulus funds, \$2,844,299. These funds were not replaced for the 2012 year by the State when federal stimulus funding expired. As a result, FY 2012 State funding was \$3.1 million less than received in FY 2011. No change was made in the State operating appropriation for FY 2013. The City operating appropriation represents dollars remaining from the total City allocation after all City capital obligations are met. 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, 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: State operating funding for FY 2014 remains unchanged from FY 2013. As a result, on a percentage basis, State funding will be lower in fiscal 2014 and will provide an estimated 23.1 percent of operating revenues. The City budget allocation to the College for 2013-14 was one million dollars higher than provided in 2012-13. With this increase, City operating revenues will provide approximately 15.4 percent of total operating revenues. The current realities of City and State revenue receipts are likely to require a greater dependency on tuition and fee revenue for at least the next several years, if not permanently.

FIGURE VI

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 |
|----------|--|---|--|---|
| 2003-04 | \$41,113 | 44.9% | 42.9% | 19.3% |
| 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% |

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 2013, 60.5 percent of revenues were generated by students. Of these student revenues, a growing percentage is being paid *via* federal financial aid (Pell). In FY 2013, 35.3 percent of College operating revenues came from federal and State (primarily Pell) aid awards. 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 2013-14 year.

FIGURE VII

Tuition and Fee Changes

| | <u>2007-08⁽³⁾</u> | <u>2008-09⁽³⁾</u> | <u>2009-10</u> | <u>2010-11</u> | <u>2011-12</u> | <u>2012-13</u> | <u>2013-14</u> |
|---|------------------------------|------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Tuition ⁽¹⁾ | \$115 | \$115 | \$122 | \$128 | \$138 | \$148 | \$153 |
| 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. |
| 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. | \$28.00 per cr. hr. | \$28.00 per cr. hr. |
| Average Course Fee | \$6.65 per cr. hr. | \$6.53 per cr. hr. | \$6.39 per cr. hr. | \$6.31 per cr. hr. | \$7.15 per cr. hr. | \$7.66 per cr. hr. | \$7.66 per cr. hr. |
| Average Total Annual Costs for Full-time Study ⁽²⁾ | \$3,688 | \$3,685 | \$3,849 | \$3,991 | \$4,263 | \$4,504 | \$4,624 |

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 \$75 to \$300 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 2013-14 fiscal year is \$4,440. Over the past six years, the average annual increase in tuition and fees has been 3.8%.

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

Current Status: Tuition and fee charges for the 2014-15 year cannot currently be predicted pending more information on probable levels of City and State support. However, the retirement of long-term debt will free up some additional City dollars for operating purposes and, assuming no reduction in City support, will reduce the required level of tuition increase needed to achieve a balanced budget.

FIGURE VIII

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 | -4% | \$7,020 | 5.3% | 3.9% |
| 2007-08 ⁽¹⁾ | 13,942 | 2.8% | \$7,113 | 1.3% | 2.4% |
| 2008-09 ⁽¹⁾ | 14,208 | 1.9% | \$7,198 | 1.2% | 3.2% |
| 2009-10 ⁽¹⁾ | 15,808 | 11.3% | \$6,779 | -5.5% | -0.2% |
| 2010-11 ⁽¹⁾ | 16,091 | 1.8% | \$7,166 | 5.4% | 1.9% |
| 2011-12 ⁽¹⁾ | 15,796 | -1.8% | \$7,355 | 2.6% | 2.8% |
| 2012-13 ⁽¹⁾ | 15,115 | -4.3% | \$7,707 | 4.8% | 1.8% |

(1) Excludes the impact of GASB 45 post-retirement expense accrual.

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 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) expenses. The value of this accrual for 2012-13 was \$8.5 million or \$563 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 increase in enrollments, coupled with continuing restraints on College expenditures, will result in no significant change in cost per FTE for the 2013-14 year.

FIGURE IX

**Average Annual Salary and
Annual Percentage Increase in Average Salary**

| | <u>Fall 2009</u> | <u>Fall 2010</u> | <u>Fall 2011</u> | <u>Fall 2012</u> | <u>Fall 2013</u> |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Faculty and Lab Aides | | | | | |
| Average Salary | \$65,381 | \$67,266 | \$66,236 | \$66,137 | \$66,862 |
| Percent Increase | +3.1% | +2.9% | -1.5% | 0% | +1.1% |
| Administrators | | | | | |
| Average Salary | \$71,910 | \$74,652 | \$75,744 | \$75,731 | \$74,804 |
| Percent Increase | +1.5% | +3.8% | +1.5% | 0% | -1.2% |
| Classified and Confidential | | | | | |
| Average Salary | \$39,553 | \$41,307 | \$40,944 | \$40,609 | \$41,322 |
| Percent Increase | +1.6% | +4.4% | -9% | -8% | +1.8% |

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 salaries are not included in the computation.

Target: All faculty and classified employees' salaries are set by collective bargaining agreements. The most recent five year employee contracts began on September 1, 2013. The five year contract provided no salary increases in 2011-12 and 1.5% increases in 2012-13. A mid-year increase of 3% will occur in 2013-14. However, 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 mid-year salary increase for 2013-14 will result in the salaries of continuing employees being approximately 3% higher in fall, 2014. However, employee turnover due to resignations and retirements are expected to result in a fall, 2014 average salaries which increase by less than 3% over the fall, 2013 salaries.

ATTACHMENT E

**TOTAL COLLEGE REVENUES—ALL SOURCES OF REVENUES
(Includes Specially-Funded Initiatives Not Part of College Base Budget)**

Total College Revenues -- All Sources of Revenues
(Includes Specially-Funded Initiatives Not Part of College Base Budget)
(in thousands)

| | 2012-13 | | 2011-12 | |
|-------------------------------------|----------------|-------|----------------|-------|
| Operating Revenues | | | | |
| City -- Used for Operating Expense | 18,064 | | 17,652 | |
| State Operating Allocation | 28,240 | | 28,229 | |
| Student Direct Tuition/Fee Payments | 31,670 | | 31,662 | |
| Federal Tuition/Fee Aid Payments | 41,085 | | 41,289 | |
| State Tuition/Fee Aid Payments | 1,595 | | 1,684 | |
| Private Tuition/Fee Aid Payments | 590 | | 590 | |
| Investment Income | 333 | | 1,098 | |
| Federal Other Student Aid * | 7,057 | | 6,853 | |
| State Other Student Aid | 2,184 | | 1,908 | |
| Federal Grants | 10,638 | | 4,834 | |
| State Grants | 3,412 | | 2,903 | |
| Non-Governmental Grants | 1,119 | | 1,014 | |
| Auxiliary Enterprises | 1,776 | | 1,827 | |
| Other Revenues | 538 | | 707 | |
| Total Operating Revenues | 148,301 | | 142,250 | |
| Capital Revenues | | | | |
| City -- Used for Capital | 7,346 | | 7,757 | |
| State Capital allocation | 6,384 | | 6,327 | |
| Federal Capital Grants | 92 | | 1,418 | |
| Non-resident Student Capital Fees | 333 | | 341 | |
| Non-governmental Gifts | 2,809 | | 0 | |
| Total Capital | 16,964 | | 15,843 | |
| TOTAL REVENUES | 165,265 | | 158,093 | |
| Total Student Directly Paid | 32,003 | 19.4% | 32,003 | 19.4% |
| Total City | 25,410 | 15.4% | 25,409 | 15.4% |
| Total State | 41,815 | 25.3% | 41,051 | 24.8% |
| Total Federal * | 58,872 | 35.6% | 54,394 | 32.9% |
| Total Other | 7,165 | 4.3% | 5,236 | 3.2% |
| TOTAL REVENUES | 165,265 | | 158,093 | |

* Excludes Federal Student Loans

hawk:excel/revenue patterns/Total Revenue Budget