

**MEETING OF THE BUSINESS AFFAIRS COMMITTEE  
OF THE BOARD OF TRUSTEES  
Community College of Philadelphia  
Wednesday, May 21, 2014 – 9:00 A.M.**

**Present:** Mr. Jeremiah White, Jr., presiding; Mr. Matthew Bergheiser, Ms. Suzanne Biemiller, Ms. Jennie Sparandara, Stella Tsai, Esq., Ms. Jody Bauer, Mr. Gary Bixby, Mr. William Finn, Dr. Judith Gay, Dr. Samuel Hirsch, Mr. Robert Lucas, Mr. Todd Murphy, Mr. James P. Spiewak and Jill Weitz, Esq.

**AGENDA – PUBLIC SESSION**

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

Mr. Spiewak provided an overview of the College's budget status for fiscal year 2013-14. Attachment A contains the handout provided to the Committee at the meeting. The implications of key factors currently impacting on the budget were discussed. The originally adopted 2013-14 budget had a projected use of carry-over funds for the 2013-14 year in the amount of \$1,618,026. The shortfall has been eliminated as a result of the additional revenue generated from the higher-than-budgeted enrollments and continued successful cost containment efforts. A small operating budget surplus of \$314,434 is projected.

**(2) 2014-15 College Budget and Proposed 2014-15 Tuition Recommendation (Action Item):**

Discussion: Attached separately to the minutes is the 2014-15 College Budget. Mr. White initiated the discussion concerning the proposed fiscal year 2014-15 budget including the proposed \$4 per credit hour tuition increase by describing the activities that occurred since the Executive Session of the May 1, 2014 Board meeting. He noted that staff were requested to provide detailed information on all budgeted expense categories and to suggest possible expense reductions that could be made in lieu of an increase in tuition. Ms. Sparandara asked how discussions of the Business Affairs Committee around these issues interact with the full Board discussions. Mr. White answered that the Board typically relies upon the recommendations of the Business Affairs Committee. Mr. Bergheiser stated that an interim step will be necessary prior to the next full Board meeting to inform other Board members of the steps taken by the Business Affairs Committee in relation to this year's proposed tuition increase and budget.

Mr. Spiewak presented selected financial data (included in Attachment B) that showed the history of funding from the City and State as well as tuition increases and debt service increases during the past few years. He noted that funding from the State is \$3.1 million less than that received in fiscal year 2010-11. For fiscal year 2011-12, the State reduced operating funds for community colleges by 10% which was roughly equivalent to the ARRA funds the State used in the prior two years to keep community colleges' funding at a stable level. He also noted that the College is currently receiving less in total funding from the City from the amounts received in fiscal years 2007-08 through 2009-10 even with the \$1 million increase that was provided for fiscal year 2013-14. Mr. Spiewak also pointed out that the amount of City funds required to fund debt service increased by \$3.2 million starting in fiscal year 2008-09

due to the bond issued to fund the Northeast Regional Center expansion; the addition of the new Pavilion Building; and the approximately 100,000 square foot renovations made to the Bonnell, Mint and West buildings. The 57,000 square foot addition to the Northeast Regional Center was completed in October, 2010; the Pavilion building opened in June, 2011; and the renovations were substantially completed in August, 2012.

Mr. Spiewak also presented a listing of examples of expense reductions the College had made over the past several years. These budget reductions, along with enrollment growth and tuition increases, enabled the College to continually have balanced budgets in spite of the funding cutbacks. He also presented a three-year budget scenario (fiscal years 2014-15 through 2016-17) without any new sources of revenues and modest increases in credit enrollments. This financial projection indicated revenue shortfalls of \$2.3 million, \$6.2 million and \$10.9 million for these years, respectively.

Ms. Biemiller questioned the extent to which Foundation revenues contribute to the College's operating budget. Mr. Spiewak indicated that the Foundation provides \$75,000 annually to support the College's operating budget. All salaries and related fringe benefit costs of the employees in the Office of Institutional Advancement are budgeted and paid for from the College's operating budget. He further stated that donations received by the Foundation from the Independence Foundation fund one full-time Nursing position. Additionally, the Foundation has committed to securing donations to fund the \$200,000 contract with Single Stop USA which is incorporated into the operating budget. The Foundation also receives donations that fund multiple student scholarships which indirectly support the College. Ms. Biemiller also questioned the information concerning the salaries and wages included in the operating budget. Staff informed Ms. Biemiller that it included salary and wage increases in accordance with year four of the collective bargaining agreement, and that non-union employee salary and wage increases equivalent to the CBA increases are budgeted.

Mr. Bergheiser asked about any specific programs or activities that generate a positive net revenue for the College. Mr. Spiewak responded that the College's two summer sessions generate net revenue because all faculty are paid at the part-time rate. He stated that he did not have exact figures but would provide in the minutes. (Note: Early summer generates \$3.7 million in net revenues and late summer generates \$2.6 million in net revenues.)

Mr. White stated that the multi-year projections clearly state the budget difficulties ahead in the absence of new revenues. Existing salaries and benefit costs, along with modest increases in other expenses, are adding \$5 million to the budget each year. He stated that the Board, along with Dr. Generals, will need to have serious discussions concerning the budget once Dr. Generals gets acclimated to the College. He also stated that everything needs to be put on the table for discussion. Ms. Biemiller asked what the potential salary savings would be if non-union employees had a salary freeze for the 2014-15 fiscal year. Mr. Spiewak stated that the savings would be approximately \$400,000. Dr. Gay identified concerns with such cuts. It was noted that all administrators went one year without an increase and the year two increase was 1.5%.

Mr. Spiewak discussed the general assumptions built into the budget and noted they were described in more detail in Part I of the budget document. He pointed out that the tuition and fee budget includes revenues from a budgeted 150 FTE increase in credit enrollments.

This budgeted increase in FTEs, which would generate \$660,000 in additional revenues if no new sections were required to accommodate the growth, may not materialize. It is expected that the final credit FTE enrollments for fiscal year 2013-14 will be at the same level of the prior year. Currently, fall, 2014 credit FTE enrollments compared with fall, 2013 credit FTE enrollments at the same point in time show no increase. He also pointed out that in order to maximize the amount of the City appropriation for operating purposes, the amount of dollars allocated for equipment and classroom furniture replacements has been minimized over the past few years.

Ms. Tsai asked about the impact on student enrollment the College might expect based upon a \$4 tuition increase. Dr. Hirsch stated that he did not expect this increase to have an impact on enrollments but some students may consider taking one less class in order to spend less. He also stated that the increase in the maximum Pell award and new PHEAA funding could diminish this possibility. Dr. Gay added that the College offers financial planning workshops for students that provide helpful information on how students can plan for their educational expenses. She also mentioned a new scholarship program, Complete with 15, which will be offered in the fall to help students in that situation. Complete with 15 will provide one free 3 credit hour class for 100 students in good academic standing who originally only enrolled for 12 credit hours. Ms. Tsai also asked about the enrollment of international students. Staff noted that these students pay triple the in-county tuition rate and are actively recruited by the College. Dr. Hirsch stated that the College currently enrolls approximately 200 international students. The recruitment team has shifted the approach from visiting other countries to recruiting *via* the web. They have a goal of increasing international enrollments by 10% a year. Dr. Gay mentioned that contacts are important for international recruiting. She thanked Ms. Tsai for providing one such contact for the College.

Mr. White called for a motion to accept the staff recommendation of increasing tuition by \$4 per credit hour and approving the recommended budget of \$144,126,482 (educational and general operating budget of \$131,752,097, including student activities and auxiliaries and capital budget of \$12,374,385) with a planned use of carry-over funds in the amount of \$869,196.

In response to discussions concerning additional funding from the City, Ms. Biemiller stated that there is no wiggle room in the City budget and the College should not expect any additional increase beyond the \$500,000 that the Mayor proposed.

In reaction to Mr. White's call for a motion, Ms. Tsai stated that from her perspective she would trust the recommendation of the staff and has concerns that additional austerity measures could be detrimental to the College.

Ms. Biemiller expressed her disappointment that freezing salaries of administrators was not included on the list of potential budget reductions submitted by staff. Mr. Bergheiser inquired as to whether there was a middle ground on the tuition increase; somewhere between no increase and a \$4 increase. Dr. Gay stated that staff have recommended a budget that balances many factors and has some risk in terms of enrollment targets. She also stated that the College administration is committed to making as many cuts as reasonably can be done.

Action: Ms. Tsai moved and Ms. Sparandara seconded the motion that the Committee recommend to the full Board, as detailed by Mr. White, that the tuition be increased \$4 per credit from \$153 to \$157 effective for the fall, 2014 semester, and that the proposed 2014-15 College Budget be approved. The motion passed with Ms. Biemiller voting against the recommendation.

**(3) Board Resolution Required by PDE for Electronic Signature Effective July 1, 2014 (Action Item):**

Discussion: Mr. Spiewak explained that the Pennsylvania Department of Education (PDE) requires a Board Resolution authorizing Dr. Generals to electronically sign PDE documents and contracts effective July 1, 2014. Attachment C contains the Resolution.

Action: Mr. Bergheiser moved and Ms. Tsai seconded the motion that the Committee recommend to the full Board the approval of the Resolution required by PDE authorizing Dr. Generals to electronically sign PDE documents and contracts effective July 1, 2014. The motion passed unanimously.

**(4) Construction Projects Update (Information Item):**

Mr. Bixby provided an update (including pictures) on the West Building and Landscaping construction projects currently underway at the Main Campus.

**(5) Proposed 2014-15 Business Affairs Committee Meeting Dates (Information Item):**

In order to facilitate Board calendar planning, Committees are asked to establish a meeting calendar for the year. Proposed meeting dates for 2014-15 are as follows:

Wednesday, September 17, 2014 – 9:00 A.M.  
Wednesday, October 22, 2014 – 9:00 A.M.  
Wednesday, November 19, 2014 – 9:00 A.M.  
No Meeting in December, 2014  
Wednesday, January 21, 2015 – 9:00 A.M.  
No Meeting in February, 2015  
Wednesday, March 18, 2015 – 9:00 A.M.  
Wednesday, April 22, 2015 – 9:00 A.M.  
Wednesday, May 20, 2015 – 9:00 A.M.  
Wednesday, June 17, 2015 – 9:00 A.M.

**(6) Next Meeting Date:**

The next regularly scheduled meeting of the Committee is scheduled for Wednesday, June 18, 2014 at 9:00 A.M.

# **ATTACHMENT A**

**2013-14 BUDGET UPDATE  
MAY 21, 2014**

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

	<b>Actual FY 12-13</b>	<b>Budgeted FY 13-14</b>	<b>Actual / Projected FY 13-14</b>	<b>Actual FY 14 vs Budgeted FY 14</b>	<b>% Variance</b>
<b><u>CREDIT</u></b>					
Summer 2	1,837	1,829	1,865	36	2.0%
Fall	12,825	12,309	12,950	641	5.2%
Spring	12,878	12,455	12,749	294	2.4%
Summer 1	2,691	2,750	2,650 *	(100)	-3.6%
<b>Credit Year-to-date Totals - Annual FTEs</b>	<b>15,115</b>	<b>14,672</b>	<b>15,107</b>	<b>435</b>	<b>3.0%</b>
<b><u>NONCREDIT</u></b>					
Summer 2	93	94	49	(45)	-47.9%
Fall	598	686	525	(161)	-23.5%
Spring	561	603	386	(217)	-36.0%
Summer 1	186	268	140 *	(128)	-47.8%
<b>Noncredit Year-to-date Totals - Annual FTEs</b>	<b>719</b>	<b>826</b>	<b>550</b>	<b>(276)</b>	<b>-33.4%</b>

\* Projected

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

	Original Budget	Current Projection as of May 21, 2014
<b><u>REVENUES</u></b>		
Student Tuition and Fees	\$73,549,267	\$76,426,340
Commonwealth of Pennsylvania	28,226,906	28,226,906
City of Philadelphia	18,843,343	18,773,752
Other Income	<u>1,687,400</u>	<u>1,704,584</u>
<b>TOTAL REVENUES</b>	<b>\$122,306,916</b>	<b>\$125,131,582</b>
<b><u>EXPENSES</u></b>		
Salaries, Net of Lapsed Funds	\$72,164,281	\$72,394,259
Fringe Benefits	31,177,700	31,847,700
Other Expenses	20,407,960	20,385,189
Student Financial Aid	<u>175,000</u>	<u>190,000</u>
<b>TOTAL EXPENSES</b>	<b>\$123,924,941</b>	<b>\$124,817,148</b>
<b>Projected (Deficit) Surplus *</b>	<b><u>(\$1,618,025)</u></b>	<b><u>\$314,434</u></b>

\* Prior to impact of GASB 45 accrual

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

	Original Budget	Current Projection as of May 20, 2014	Comment
<b><u>OPERATING REVENUES</u></b>			
State Funding	\$28,036,906	\$28,036,906	
State Lease funding	190,000	190,000	
<b>Total State Revenues</b>	<b>28,226,906</b>	<b>28,226,906</b>	
Tuition - Credit Students	60,559,252	63,871,300	Reflects higher than budgeted credit enrollments and different method of recording tuition charges for students who do not officially withdraw from the College.
Technology Fee	10,196,700	10,578,930	Reflects higher than budgeted credit enrollments.
Net Contribution from: Contracted Noncredit Instruction; Other Noncredit Instruction; Adult Community Noncredit Instruction	551,500	436,500	Budget revised based upon actual net contributions through the Spring term.
Course Fees	3,291,615	3,395,110	Reflects higher than budgeted credit enrollments.
Student Regulatory Fees	957,200	1,124,500	Reflects impact on new late fee associated with the payment plan option.
Tuition Adjustments - Student Receivable Write-offs, Collection Costs, Credit Card Costs & Senior Citizen Discount	(2,007,000)	(2,980,000)	Reflects higher than budgeted discounted tuition. Write-offs are higher due to change in recording of tuition charges for those students who do not officially withdraw from the College.
<b>Total Student Tuition &amp; Fees</b>	<b>73,549,267</b>	<b>76,426,340</b>	
City Operating Funds	18,843,343	18,773,752	City funds available for the operating budget were affected positively by the State's 50% funding of loan that financed the Chemistry Lab renovations and by the use of \$150,000 more funds for capital.
Investment Income	660,000	515,384	
Vocational Education Funding	200,000	200,000	
Indirect Costs, Administrative Allowances	300,000	300,000	
Parking Proceeds & Miscellaneous Income	527,400	689,200	
<b>Total Other Income</b>	<b>1,687,400</b>	<b>1,704,584</b>	
<b>TOTAL OPERATING REVENUES</b>	<b><u>\$122,306,916</u></b>	<b><u>\$125,131,582</u></b>	



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

	Original Budget	Current Projection as of May 20, 2014	Comment
<b>OPERATING EXPENSES</b>			
<b>Salaries</b>			
Full-Time Administrative Salaries	15,342,969	15,599,863	
Less: Projected Lapsed Salaries	(600,000)	(1,200,000)	
Net Full-Time Administrative Salaries	14,742,969	14,399,863	
Full-Time Faculty Salaries	28,274,336	28,832,083	
Less: Projected Lapsed Salaries	(150,000)	0	
Net Full-Time Faculty Salaries	28,124,336	28,832,083	
Full-Time Classified Salaries	10,749,777	10,749,777	
Less: Projected Lapsed Salaries	(600,000)	(900,000)	
Net Full-Time Classified Salaries	10,149,777	9,849,777	
<b>Subtotal - Full-Time Salaries</b>	<b>53,017,082</b>	<b>53,081,723</b>	
Part-Time & Overload Credit Salaries	9,814,525	10,131,385	Budget revised based upon actual costs for Fall and Spring semesters.
Summer Credit Instruction	4,322,276	4,138,123	
Part-Time & Overload Non-Credit Salaries	316,956	316,956	
All Other Salaries	4,243,442	4,276,072	
Early Retirement Incentive Payments	450,000	450,000	
<b>Subtotal - Other than Full-Time Salaries</b>	<b>19,147,199</b>	<b>19,312,536</b>	
<b>Total Salaries</b>	<b>72,164,281</b>	<b>72,394,259</b>	
<b>Fringe Benefits</b>			
Medical Program	20,264,000	20,864,000	Budget revised based upon revised projection by benefit broker.
Retirement	5,542,800	5,520,800	
FICA	3,066,400	3,101,400	
Tuition Remission	700,000	625,000	Budget revised based upon actual through Spring term and projected for summer term.
Group Life	370,800	424,800	Budget revised based upon results of bid after 3-year fixed rate contract expired.
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	293,200	Budget revised based upon results of bid after 3-year fixed rate contract expired.
Forgivable Education Loan	95,000	185,000	Budget revised based upon final FY 12-13 costs.
<b>Total Fringe Benefits</b>	<b>31,177,700</b>	<b>31,847,700</b>	

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

	Original Budget	Current Projection as of May 20, 2014	Comment
<u>Facility Expenses</u>			
Utilities	2,398,610	2,088,110	Budget revised based upon lower than projected cost of electricity procurement and lower than budgeted use of natural gas and water.
Contracted Security	1,360,880	1,480,880	Budget revised based upon increase in contract related to health care costs for unionized security guards.
Contracted Cleaning	1,100,000	1,080,520	
All Other Facility Expenses	2,001,872	2,060,579	
<b>Total Facility Expenses</b>	<b>6,861,362</b>	<b>6,710,089</b>	
<u>All Other Expenses</u>			
Leased Equipment & Software	4,554,646	4,551,333	
Catalogs and Advertising	1,251,471	1,254,315	
Supplies-Pool	1,469,430	1,430,344	
Contracted Services	1,377,304	1,728,488	Budget revised based upon projected spending including the use of temporary agency staff in place of vacant positions.
Consultant	783,450	806,051	
Maintenance & Repairs	524,609	530,840	
Postage	428,600	368,600	Budget revised based upon projected spending.
Insurance	635,000	635,000	
Legal Fees	200,000	520,934	Budget revised based upon costs associated with claim against Burt Hill Architects.
Other Expenses	2,322,088	1,849,195	Variance is primarily the result of contingency budget funds transferred to other budget lines.
<b>Total All Other Expenses</b>	<b>13,546,598</b>	<b>13,675,100</b>	
<b>King Scholarship</b>	<b>175,000</b>	<b>190,000</b>	
<b>TOTAL OPERATING EXPENSES</b>	<b>\$123,924,941</b>	<b>\$124,817,148</b>	
<b>Projected (Deficit) Surplus *</b>	<b>(\$1,618,025)</b>	<b>\$314,434</b>	

\* Prior to impact of GASB45 accrual

# **ATTACHMENT B**

**FINANCIAL SUPPLEMENTAL INFORMATION  
MAY 21, 2014**

**Selective Financial Data**

<u>Fiscal</u> <u>Year</u>	<u>Credit</u> <u>FTEs</u>	<u>Tuition</u> <u>Increase</u>	<u>Fee Increases</u>	<u>State Operating</u> <u>Appropriation</u>	<u>Total City</u> <u>Appropriation</u>	<u>Debt not funded</u> <u>by State</u>	<u>Event</u>
FY 07-08	13,942	\$0		31,528,250	24,467,924	3,561,341	
FY 08-09	14,208	\$0	\$2 Tech Fee	31,495,479	26,467,924	6,819,820	Bond Issue
FY 09-10	15,809	\$7		31,594,396	26,467,924	6,183,563	
FY 10-11	16,090	\$6		31,343,227	25,409,207	6,471,548	NERC Expansion - October 2010
FY 11-12	15,768	\$10	13% Course Fees	28,229,309	25,409,207	6,576,664	Pavilion - June 2011
FY 12-13	15,116	\$10		28,239,824	25,409,207	6,768,319	
FY 13-14	15,082	\$5		28,226,906	26,409,207	6,785,454	

### Examples of Expense Reductions during Fiscal Years 09-14

\$ 931,600	Froze administrative, classified and confidential positions (net 20 since FY 10-11)
\$ 139,700	Non-health care benefits associated with frozen positions
\$ 300,000	Restructured the delivery of academic advising services to make them more cost effective
\$ 300,000	Introduced a credit card payment fee
\$ 280,000	Closed buildings at the Main Campus (except CBI) on Friday nights and Saturdays
\$ 200,000	Printing quantities were reduced or hard copy publications were eliminated entirely
\$ 175,000	Reduced discretionary expenditures across all units
\$ 160,000	Eliminated mailings (e.g. paycheck stubs, financial aid notices)
	Evaluated equipment coming off of lease; determine if replacements can be deferred or new lease
\$ 150,000	for longer term
\$ 135,000	Restricted the amount of overtime allowed
\$ 61,000	Reduced contracted security hours
\$ 45,000	Eliminated external help desk support
\$ 25,000	Adjusted heating/cooling thresholds
\$ 6,800	Non-health care benefits associated with frozen positions
\$ 5,000	Offer College Leadership Institute on bi-annual basis
	Tightly managed academic schedule to maximize class size
	Eliminated some programs and services
	Restricted capital expenditures
	Restricted the use of temporary agencies to fill short-term position vacancies
	Identified areas where e-publishing rather than printing can be used. In some cases, only an electronic version of the document is issued
	Eliminated all use of college space by outside groups that is not mission critical
	All internal college hospitality events were reduced in scale or eliminated
	Moved student e-mail accounts to an external provider (Google)

**Financial Projection with No New Sources of Revenues**

	<u>FY 13-14</u>	<u>FY 14-15</u>	<u>% Change</u>	<u>FY 15-16</u>	<u>% Change</u>	<u>FY 16-17</u>	<u>% Change</u>
<b><u>FTE Enrollments</u></b>							
FTEs - Credit	15,107	15,257	1.0%	15,332	1.8%	15,757	1.4%
FTEs - Noncredit	550	802	45.8%	825	2.9%	850	3.0%
<b>Tuition Credit Hour Rate</b>	<b>\$153</b>	<b>\$153</b>	<b>0.0%</b>	<b>\$153</b>	<b>0.0%</b>	<b>\$153</b>	<b>0.0%</b>
<b><u>REVENUES</u></b>							
State Revenues	\$28,226,906	\$28,226,906	0.0%	\$28,226,906	0.0%	\$28,226,906	0.0%
City Revenues	18,773,752	19,997,545	6.5%	20,222,715	1.1%	20,421,816	1.0%
Student Revenues	76,426,340	76,693,051	0.3%	77,836,440	1.5%	78,815,740	1.3%
Investment Earnings	515,384	645,400	25.2%	645,400	0.0%	645,400	0.0%
Other Revenues	1,189,200	1,222,000	2.8%	1,234,900	1.1%	1,248,400	1.1%
<b>TOTAL REVENUES</b>	<b><u>\$125,131,582</u></b>	<b><u>\$126,784,902</u></b>	<b>1.3%</b>	<b><u>\$128,166,361</u></b>	<b>1.1%</b>	<b><u>\$129,358,262</u></b>	<b>0.9%</b>
<b><u>EXPENSES</u></b>							
Full Time Salaries	\$53,001,723	\$53,540,800	1.0%	\$55,148,300	3.0%	\$56,855,900	3.1%
Other Salaries	19,392,536	20,044,200	3.4%	20,755,000	3.5%	21,679,500	4.5%
Fringe Benefits	31,847,700	34,499,400	8.3%	36,884,900	6.9%	39,504,178	7.1%
Other Expenses	20,575,189	20,975,698	1.9%	21,605,000	3.0%	22,253,100	3.0%
<b>TOTAL EXPENSES</b>	<b><u>\$124,817,148</u></b>	<b><u>\$129,060,098</u></b>	<b>3.4%</b>	<b><u>\$134,393,200</u></b>	<b>4.1%</b>	<b><u>\$140,292,678</u></b>	<b>4.4%</b>
Projected Surplus for FY 2013-14	<b><u>(\$314,434)</u></b>						
<b>SHORTFALL (SURPLUS) WITHOUT INCREASES IN APPROPRIATIONS FROM STATE OR CITY AND NO TUITION INCREASE</b>		<b><u>\$2,275,196</u></b>		<b><u>\$6,226,839</u></b>		<b><u>\$10,934,416</u></b>	
<b>City Funds used for Capital Purchases</b>	<b><u>\$850,000</u></b>	<b><u>\$1,200,000</u></b>		<b><u>\$1,000,000</u></b>		<b><u>\$1,000,000</u></b>	

Note: Changes in City Revenues is caused by changes in the amount of debt service and capital purchases funded from the lump-sum City Appropriation.

**TABLE IV**  
**COMPARATIVE ANALYSIS OF CURRENT OPERATING EXPENSE CATEGORIES**

	Approved Budget 2013-2014	Revised Budget 2013-2014	Proposed Budget 2014-2015	
<b>SALARIES AND WAGES</b>				
Instructional - Full-Time Faculty & VLs	\$24,375,718	\$24,733,266	\$24,205,917	
Instructional - Overload & Part-Time - Credit	9,814,525	10,131,385	10,703,458	
	34,190,243	34,864,651	34,909,376	ET & PT Faculty to offer app. 2100 sections each Fall and Spring
Instructional - Summer - Credit	4,322,276	4,138,123	4,186,542	Faculty to offer app. 900 sections during summer sessions
Instructional - Overload & Part-Time - Noncredit	316,956	316,956	318,910	PT Faculty to offer 25 GED, 35 ESL and 8 ABE sections during the Fall and Spring semesters
Instructional - Summer - Noncredit	145,811	145,811	146,392	PT Faculty to offer 10 GED, 6 ESL and 2 ABE sections during the summer
Counselors	2,247,492	2,310,542	2,461,668	
Librarians	705,529	842,678	673,725	
Instructional Aides	945,597	945,597	949,928	18 F-T Aides to assist in Biology, Chemistry, Student Academic Computer Labs
	42,873,904	43,564,358	43,647,541	
Part-Time Laboratory/Professional	1,104,609	1,150,132	1,113,236	PT Lab Aides & Learning Lab Specialists - ADC, BHHS, ASL CAHM, Bio, Chem SACC, CR, DMI, L Lab
Part-time Librarians and Counselors	211,572	211,572	213,245	
Extended Time Payments	510,799	551,232	540,196	Contractual Payments to Faculty for Curriculum & Clinical supervision and administrative projects
Department Head Supplement	113,744	113,744	115,364	Contractual Payment for Dept Head Responsibilities
Curriculum Advising	541,620	521,020	549,744	
Part-Time Tutors	80,000	80,000	80,000	
Student & Co-Op	389,146	400,678	418,446	
	45,825,394	46,592,737	46,677,772	

TABLE IV

## COMPARATIVE ANALYSIS OF CURRENT OPERATING EXPENSE CATEGORIES

	Approved Budget 2013-2014	Revised Budget 2013-2014	Proposed Budget 2014-2015
Administrative	15,772,403	15,980,898	16,279,579
			198 Total (Academic Affairs - 52, Student Affairs - 52 (FA-22), IA-12, Finance & Facilities - 30, HR - 12, ITS - 26, Government Relations & Communications - 10, President & Diversity - 4) and PT Site Administrators & Financial Aid Specialists
Full-Time Classified	10,749,777	10,749,777	10,820,129
Part-Time Classified	349,555	342,655	382,991
Classified Overtime	347,631	358,671	304,468
Shift Differential	19,521	19,521	20,021
	11,466,484	11,470,624	11,527,609
<b>Total Salaries and Wages</b>	<b>73,064,281</b>	<b>74,044,259</b>	<b>74,484,960</b>
Retirement Incentive Payments	450,000	450,000	450,000
<b>Total Salaries, Wages &amp; Retirement Incentive Expenses</b>	<b>73,514,281</b>	<b>74,494,259</b>	<b>74,934,960</b>
			256 (Facilities - 79, Student Services - 51, Controller - 21, Business Services - 13, Academic Support - 61, ITS - 14, All Other - 17)



TABLE IV

## COMPARATIVE ANALYSIS OF CURRENT OPERATING EXPENSE CATEGORIES

	Approved Budget 2013-2014	Revised Budget 2013-2014	Proposed Budget 2014-2015
<b>FRINGE BENEFITS</b>			
Medical, Drug, & Dental *	20,264,000	20,664,000	23,243,400
Retirement	5,542,800	5,520,800	5,625,900
FICA Tax	3,066,400	3,101,400	3,112,400
Group Life Insurance	370,800	424,800	475,000
Workers' Compensation	271,700	338,700	350,000
Unemployment Compensation	366,400	366,400	381,000
Disability Insurance	272,200	293,200	305,700
Unused Vacation	228,400	128,400	100,000
Forgivable Loans	95,000	185,000	185,000
Tuition Remission	<u>700,000</u>	<u>625,000</u>	<u>721,000</u>
<b>Total Fringe Benefits</b>	<b>31,177,700</b>	<b>31,647,700</b>	<b>34,499,400</b>
* Benefit cost recoveries from grants are reflected in these amounts.			
<b>OTHER EXPENSES - GENERAL</b>			
Leased Equipment & Software	4,554,646	4,551,333	4,534,486 See Separate Listing
Catalogues & Advertising Pool	1,251,471	1,254,315	1,243,403
			Faculty Evals - \$50k, GED&ESL Books - \$77k, Library Subscriptions - \$105k, Instr'l Departments - \$508k, ESS - \$81k, MMS - \$23k, SACC - \$52k ACT Tests - \$100k, Student Affairs - \$51k, Controller - \$25k, Facility Uniform Rentals - \$58k, Bus Svce-\$190k
Supplies & Book Purchases	1,469,430	1,430,344	1,493,840
			Nursing Testing- \$77k, Canvas LMS- \$225k; Interpreters- \$172k, Single Stop- \$200k, Storage- \$19k, FA TV- \$15k, Loan Default- \$61k, Imaging- \$80k, IA- \$20k, Architect- \$20k, Courier- \$20K, HR Records- \$101k, Firewall- \$148k, Backup- \$49k, Web Host-\$76k
Contracted Services Pool	1,377,304	1,728,488	1,725,650

**TABLE IV**  
**COMPARATIVE ANALYSIS OF CURRENT OPERATING EXPENSE CATEGORIES**

	Approved Budget 2013-2014	Revised Budget 2013-2014	Proposed Budget 2014-2015	
Consulting	783,450	806,051	514,100	Facility MP-\$95k, Energy-\$24k, FAMIS-\$10k, Engineering-\$40k, Other Facilities-\$30k, Camera/Alert Integration-\$50k, IT Special Proj-\$90k, Lobbyists-\$157k
Equipment Repair & Maintenance	524,609	530,840	506,987	Library - \$31k, Instructional Equip-\$92k, Press & Copiers - \$83k, IT- \$288k
Insurance	635,000	635,000	666,750	
Postage	428,600	368,600	395,100	
Travel	204,078	133,454	207,118	President & Board-\$38k, Student Recruitment-\$19k, IA- \$16k; All Others- \$134k
Faculty Travel Funds	136,000	136,000	137,000	Contractural
Fundraising Events & Activities	75,000	75,000	65,000	
Legal	200,000	520,934	450,000	Added \$250k for expected jury trial - BH Claim
Library Books and AV Software	177,900	172,900	177,700	
Institutional Membership	242,397	273,550	255,098	President & Board- \$142k, Paralegal- \$33k, Academic Affairs - \$12k, All Others- \$38k
Personnel Recruitment	123,702	182,305	151,000	
Hospitality	176,830	182,776	167,373	
Audit	177,000	177,000	114,000	
Freight and Delivery	41,060	41,179	41,160	
Public Events	89,532	97,758	59,532	
Overtime Dinner Allowance	23,009	24,741	22,811	
Accreditation	34,750	34,718	28,000	
Fuel-College Vehicles	6,450	6,000	6,000	
Leased Vehicles	7,570	10,570	6,570	
Awards	4,110	4,698	4,810	
Presidential Search		129,000		
Contingency - Departmental	252,700	162,857	328,755	
Contingency - Institutional	550,000	4,889	700,000	Includes additional \$150k for Inauguration & 50th Anniversary events
<b>Total Other Expenses - General</b>	<b>13,546,598</b>	<b>13,675,100</b>	<b>14,002,243</b>	

TABLE IV

## COMPARATIVE ANALYSIS OF CURRENT OPERATING EXPENSE CATEGORIES

	Approved Budget 2013-2014	Revised Budget 2013-2014	Proposed Budget 2014-2015	
<b>OTHER EXPENSES - PLANT</b>				
Electricity	1,759,514	1,534,514	1,478,115	
Natural Gas	254,633	214,633	226,323	
Water and Sewer Rent	303,963	263,963	292,214	
Fuel Oil	80,500	75,000	64,544	
Contracted Security Service	1,360,880	1,480,880	1,520,880	
Contracted Cleaning	1,100,000	1,080,520	1,058,611	Evening Cleaning of Classrooms, Offices and Childcare Center
Plant Maintenance & Repairs	667,188	684,530	858,700	Elevator/Escalator-\$290k, Water Treatment- \$13k, Johnson Controls- \$9k, CBI Automation- \$10k, NWRC Chiller- \$6k, Technical Services T&M- \$234, Building Services T&M- \$92k,\$180k for Shed Demolition
Contracted Plant Operations	706,712	756,192	657,497	Trash Removal- \$114k, Snow Removal-\$30k, Landscaping-\$106k, HazMat Disposal-\$16k, Pest Control-\$13k, Lot Sweeping-\$10k, Life Safety & Building Automation Systems-\$315, Sprinkler Inspections- \$17k, Extinguisher Inspections- \$6k, CTV- \$12k
Property Rent	383,662	383,662	399,750	West Regional Center and 1500 Spring Garden Street
Plant Operations Material & Supplies	238,310	229,745	208,410	Paper Products and Electrical, Plumbing, HVAC and Other Maintenance Items
Boiler & Elevator Certificate	6,000	6,450	8,450	
<b>Total Other Expenses - Plant</b>	<b>6,861,362</b>	<b>6,710,089</b>	<b>6,773,494</b>	
<b>Total Other Expenses</b>	<b>20,407,960</b>	<b>20,385,189</b>	<b>20,775,737</b>	
<b>Robert S. King Scholarship</b>	<b>175,000</b>	<b>190,000</b>	<b>200,000</b>	
<b>TOTAL CURRENT OPERATING EXPENSES</b>	<b>125,274,941</b>	<b>126,717,148</b>	<b>130,410,097</b>	

**TABLE IV**  
**COMPARATIVE ANALYSIS OF CURRENT OPERATING EXPENSE CATEGORIES**

	Approved Budget 2013-2014	Revised Budget 2013-2014	Proposed Budget 2014-2015
Less: Anticipated Lapsed-Budget Salary Dollars	(1,350,000)	(2,100,000)	(1,350,000)
Less: Projected Residual Savings			
<b>TOTAL REDUCED CURRENT OPERATING EXPENSES</b>	<b>\$123,924,941</b>	<b>\$124,617,148</b>	<b>\$129,060,097</b>

**Equipment and Software Leases**

<u>Description</u>		<u>FY 14-15</u>	<u>Department</u>
Sun Servers, Storage Devices & Cisco Equipment Leases	NERC	127,910	ITS
IT Infrastructure Upgrade Financing Leases		386,303	ITS
Conversion to Virtualized Server Environment and Expansion of Storage Capacity		78,400	
Oracle Software Maintenance		487,245	ITS
Active Directory Equipment Lease		37,745	ITS
Banner Software Maintenance including Flex Reg, Degreeworks, BDMS, ePrint		367,455	ITS
Evisions, Brio, Schedule/Resource 25 Software Maintenance		90,742	ITS
Appworx Software Maintenance		5,483	ITS
Microsoft Campus License		127,189	ITS
McAfee Anti-Virus Software Maintenance		17,272	ITS
CBORD ID Card, Stored Value, Access, Security Software Maintenance		51,526	ITS
Other Non-Banner related Software Maintenance		219,656	ITS
Data and Voice Lines		314,058	ITS
Faculty and Staff PCs		445,917	ITS
Other ITS Servers		60,407	ITS
Telephone System Financing Lease		123,732	ITS
WiFi Equipment Upgrades (West Building & CBI) Financing Lease		43,040	ITS
Telephone System Upgrade Financing Lease		13,479	ITS
Document Imaging Software & Hardware Financing Lease		38,806	Enrollment Services
Classroom & Lab PC Leases		592,876	Student Academic Computing
Copier Leases - High Speed and Satellite		139,333	Duplicating
HP Color Indigo Printer/Press Financing Lease		72,300	Duplicating
Duplicating Duplo Folder Financing Lease		15,500	Duplicating
Jonson Control Performance Contract Financing Lease		498,660	Facilities
FAMIS Maintenance & Space Inventory Software		55,000	Facilities
PeopleAdmin for HR Applicant Software (as a Service)		27,842	HR
ITS Workorder Tracking Software (as a Service)		20,000	ITS
OmniteAlert e2Campus Emergency Software (as a Service)		10,404	Security
Citric Gotomy PC/Meeting/Webinar Software (as a Service)		26,120	ITS
Runner Clean Address Software (as a Service)		13,546	ITS
Hobson Customer Relations Manager Software (as a Service)		61,168	Enrollment Services
Other Software (as a Service)		11,628	Various
Shared Database - OCLC and Lyasis		95,050	Library
Periodical Databases		153,000	Library
Miscellaneous Leases		28,570	Various
		<u>4,857,362</u>	
Less: Classroom and Lab PCs funded with Perkins Local Plan		<u>(322,876)</u>	
Amount in Operating Budget		<u>4,534,486</u>	

### Potential Budget Reductions

\$ 90,000 ITS

Elimination of consulting services that are used to augment ITS staff for complex tasks related to the College's ERP and auxiliary products. Limited or no support will be available to assist other divisions in accomplishing student service and other initiatives.

\$37,700 ITS

Elimination of services and software products that are used to assist/automate ITS in administrative tasks associated with user support, software management and server management. Issues include: the possible loss of email archives from prior years resulting in an inability to retrieve email that may be needed for litigation; loss of the automated process to allow users to format data from the ERP system requiring ITS staff to manually perform the task for users; reduction of functionality to assist users remotely with College workstation issues; and loss of ability to modify code of SaaS solution related to computer/printer trouble ticketing system.

\$37,500 ITS

Reduce the loaner pool of devices available to College staff. Issues include: the inability to provide support to faculty and staff travelling out of the area with connectivity to email and the College network and reduction of devices available to ITS staff to perform required system related tasks during off-site times.

\$50,000 Safety and Security

Elimination of consulting services to assist the College with integrating its camera and recording systems with the purchased alert monitoring system. Lack of integration will result in the inability of automatic alerts to Security and the recording of events such as unauthorized entry or compromised entry/exit points.

\$80,000 Student Services

Elimination of service to scan forty years of grade reports from paper to an electronic format. Delaying this project again increase the likelihood that the paper grade sheets will further deteriorate or be inadvertently damaged. It is a legal requirement to maintain these student records in perpetuity.

\$10,000 Student Services

Reduction by 50% of funds designated for using "Robocall" services. The use of such robocalls has proven to be an effective strategy to remind students of important enrollment-related action steps such as meeting deadlines for course registration and tuition payment. Limiting this strategy may negatively impact enrollment.

\$50,000 Student Affairs

Elimination of funds for employing part-time counselors which result in counseling services being reduced. This reduction may negatively impact student persistence.

**\$156,000**      **Government Relations**

Elimination of funds designated for lobbyists at both the federal and state level.

**\$25,000**      **College-wide Events**

Reduction of funds for internal and some external events. This will negatively affect employee morale and will result in limited community recognition events.

**\$75,000**      **College-wide Events**

Reduction in funds for events associated with the College's 50<sup>th</sup> Anniversary and the Presidential Inauguration.

**\$70,600**      **Human Resources**

Elimination of funds for the hiring of Director of Human Resources, effective October 1, 2014. This position was frozen and eliminated from budget beginning with the 2012-13 fiscal year. Without this position, HR will not have the resources for the following projects: implementation of the employee succession plan; development and implementation of a new performance management tool for administrators and support staff; and implementation of the "Talent Acquisition Plan" which would be utilized to enhance overall recruiting, including improved diversity recruiting.

**\$101,000**      **Human Resources**

Elimination of funds for the commencement of the multi-year document imaging project for the Human Resources department. The initial phase of the project is to digitize hard-copy records currently stored within the department or at an off-site location for a fee. The department lacks sufficient physical space for records and annually incurs costs for off-site storage.

**\$177,000**      **Academic Affairs - Library**

Eliminate the funds for adding materials to the Library collection. Disciplines such as Nursing, Paralegal Studies and Allied Health require up to date collections for accreditation. Student, in all programs, should be provided quality educational materials that are current and relevant.

**\$263,000**      **Academic Affairs – Adult Literacy Instruction**

Elimination of all GED, ESL and ABE instruction effective with the Spring, 2015 semester, including the layoff of two administrators and one support staff will result in the denial of service to approximately 650 GED students, 1,100 ESL students and 150 ABE students annually.

**\$100,000**      **Institutional Contingency**

Reduction in the level of institutional contingency funds from \$550,000 to \$450,000.

**\$1,322,800**      **TOTAL**

# **ATTACHMENT C**

**BOARD RESOLUTION REQUIRED BY  
PDE FOR ELECTRONIC SIGNATURE**



RESOLUTION

BE IT RESOLVED, by authority of the Board of Trustees of the Community College of Philadelphia, and it is hereby resolved by authority of the same, that Donald Generals, Jr. who is the President of the above named body is authorized and directed to sign any and all contracts, agreements, grants and/or licenses (hereinafter collectively referred to as contract(s) with the Pennsylvania Department of Education (Department); and

BE IT FURTHER RESOLVED, that the body consents to the use of electronic signatures by the above named individual and that no handwritten signature from the above named individual shall be required in order for any contract with the Department to be legally enforceable and that by affixing his/her electronic signature to an electronic file of the contract via the Department's e-grants system, the above designated authorized individual shall have effectively executed and delivered the contract, binding the Community College of Philadelphia to comply with the terms of said contract; and

BE IT FURTHER RESOLVED, that no writing shall be required in order to make the contract valid and legally binding, provided that the Department and all other necessary Commonwealth approvers affix their signatures electronically and an electronically-printed copy of the Contract is e-mailed or is otherwise made available to the body by electronic means; and

BE IT FURTHER RESOLVED, that the body will not contest the due authorization, execution, delivery, validity or enforceability of the electronic Contract under the provisions of a statute of frauds or any other applicable law. The Contract, if introduced as evidence on paper in any judicial, arbitration, mediation, or administrative proceedings, will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form and the admissibility thereof shall not be contested under either the business records exception to the hearsay rule or the best evidence rule; and

BE IT FURTHER RESOLVED, that the body will notify the Department's Bureau of Management Services promptly in the event that the above named individual is no longer authorized to execute agreements on behalf of the body electronically and that the Department shall be entitled to rely upon the above named officer's authority to execute agreements electronically on behalf of the body until such notice is received by the Department's Office of Chief Counsel.

ATTEST

\_\_\_\_\_  
President/Chair or Vice-President/Chair

\_\_\_\_\_  
Treasurer/Secretary

Matthew Bergheiser, Chair

Beatriz Vieira, Secretary

Print/type name and title

Print/type name and title

I, Beatriz Vieira, Secretary, of the Board of Trustees, do certify that the foregoing is a true and correct copy of the Resolution adopted at a regular meeting of the Board of Trustees, held the 5th day of June, 2014.

Dated: \_\_\_\_\_

Signature

Beatriz Vieira, Secretary

Print/type name and title

**TO BE EXECUTED BY AUTHORIZED OFFICER:**

As the person authorized to sign on behalf of the above named body, I agree that I shall not provide any other person with my e-grants password or otherwise authorize any other individual to affix my electronic signature to any agreement with the Department.

Dated: \_\_\_\_\_

Signature

Donald Generals, Jr.

President