



OAKLAND COMMUNITY COLLEGE®

**2014-15 APPROVED
GENERAL FUND BUDGET**

**Presented to the Board of Trustees
June 17, 2014**

Dr. Timothy Meyer, Chancellor

Charles Thomas, Interim Vice-Chancellor for Business and Finance

Gail Pitts, Controller

Renee Ozust, Director of Budget and Financial Planning

**OAKLAND COMMUNITY COLLEGE
2014-15 GENERAL FUND BUDGET**

TABLE OF CONTENTS

Narrative 1

Estimated Revenue.....5

Expenditure Budget by Category6

Budget Summary 7

Two-Year Budget Comparison by Revenue and Expenditure Category8

Supporting Information

 Where Our Revenue Comes From (pie charts).....9

 Where Our Budget is Spent (pie charts).....10

 Student Credit Hour Enrollment (line graph).....11

 Debt Retirement Fund Budget.....12

Historical Information

 Ten Year Comparisons—Financial Information.....13

 Ten Year Comparisons—Student Information.....14

OAKLAND COMMUNITY COLLEGE 2014-15 GENERAL FUND BUDGET

NARRATIVE

The 2014-15 General Fund Budget totals \$157,118,427. This is 1.0% more than the 2013-14 approved budget. Estimated revenue and expenditures are balanced.

Enrollment Projection

Student credit hour (SCH) enrollment for 2014-15 is projected for budgeting purposes at 517,503 SCHs, representing a 3% decrease over the actual credit hours for 2013-14.

Revenue Forecast

The College forecasts general fund revenue of \$157,118,427. Major components of the revenue forecast are:

Property Taxes: All levied mills benefit the College's general fund. The 1.0 charter mill (reduced to 0.8033 mill by the Headlee Amendment) is expected to generate approximately \$38,938,425 in 2014-15 and the voted 0.8 mill (reduced by Headlee to 0.7811) is expected to generate \$37,863,202.

These estimates are based on an expected taxable property base of \$48.9 billion. Allowances have been calculated for additions from new construction and deductions for lost tax revenue due to TIFAs, LDFAs, DDAs, tax abatements, rebates and refunds.

State Appropriation: The college expects to receive \$20,483,100 in state appropriations for 2014-15. This represents the same amount of state appropriations as 2013-14.

Tuition and Fees: Tuition rates will increase for 2014-15. In-district tuition rates will increase by 7%, out-of-district and out-of-state rates will increase by 11%. The tuition rates will be as shown below.

In-district	\$ 82.00 per SCH (\$5.60 increase)
Out-of-district	\$154.00 per SCH (\$14.90 increase)
Out-of-state	\$216.00 per SCH (\$20.85 increase)

Tuition and fees are expected to generate \$55,239,700.

Investment Income: The College is limited by law to investing in government bonds, bills, and notes; CDs and savings accounts in banks and credit unions; and short-term commercial paper issued by Michigan corporations. Based on current returns and projected reductions in revenue, estimated revenue from these investments in 2014-15 is budgeted at \$4,500,000, a \$1,256,500 decrease from the 2013-14 Budget.

Miscellaneous Revenue: This category comprises ticket sales from the performing arts program, massage therapy revenue, and other revenue sources that cannot be classified elsewhere.

Expenditure Budget

Expenditures, including transfers to other funds, are projected at \$157,118,427. As in past years, cost-containment measures are necessary in order to balance the budget.

Major components of the expenditure budget are as follows:

Employee Salaries and Wages: \$83,079,773 is budgeted based on current and projected bargaining unit contracts and expected staffing levels.

FICA, Retirement, and Fringe Benefits: This budget amount of \$40,947,500 is based on three components:

- FICA is the College's contribution to Social Security and Medicare. The rate is 7.65% of employee earnings, subject to certain maximums.
- Retirement is the College's contribution to the Michigan State Public School Employees Retirement System (MPSERS) or the Optional Retirement Program (ORP). The ORP rate remains unchanged from last year at 11%. The current MPSERS rate is 24.79%, but is budgeted to increase to 25.78%, effective October 1, 2014 through September, 2015.
- Fringe benefit costs reflect an 11% increase.

Contracted Temporary Personnel: This category represents individuals and agencies that are contracted to provide services to the College; but, are not employees of the College. The budget for this category is now projected at \$2,742,339 for 2014-15. This represents an increase of \$101,944 from the 2013-14 budget.

Utilities: Purchased utilities — heating fuels, electricity, and water and sewer usage— are budgeted at \$5,676,288 which is 3.6% more than the 2013-14 budget.

Operating Expenses: Operating expenses are budgeted at \$24,672,527. This category includes a wide variety of components that are estimated based on different criteria:

- Lab supply budgets are based on the expected student lab fee revenue collected. All lab fee revenue is distributed to academic disciplines to be used for lab and classroom expenses.
- Matching funds for federal and Michigan work-study programs and Supplemental Educational Opportunity Grants are budgeted based on estimated revenue for those programs.
- Budgets for space rental, computer and equipment maintenance, and other contractual commitments are based on their respective contracts.
- Legal fees, fire and liability insurance, and other unavoidable administrative costs are budgeted based on historical spending levels and expected rate increases. Insurance in particular has seen large increases in recent years.
- Operating budgets are established for new programs and activities and prior years' new initiatives that have received continuing program status. Continued funding is planned for several student-centered activities: student orientation, student life, international study opportunities, and developmental education.
- Several cost saving suggestions have been incorporated into this budget. The College will continue to evaluate many suggestions for cost savings and/or revenue enhancements that may produce financial results over the long term.

Non-Operating Expenses: Non-Operating expenses had been moved to the transitional budget.

Contribution to Fund Balance: The fund balance reflects the ability of the College to respond to revenue shortfalls, unanticipated expenses and other financial emergencies. The College's fund balance has been increased over the last several years as funding permitted. No increase has been budgeted for 2014-15, but if revenues increase during the fiscal year, funds will be devoted to this purpose.

OAKLAND COMMUNITY COLLEGE 2014-15 GENERAL FUND BUDGET

Estimated Revenue

Property Taxes		\$ 76,801,627																		
<p style="margin-left: 40px;">Taxes levied on estimated Taxable Value of \$48.9 billion 1.0 charter mill reduced by Headlee Amendment to .8033 mill. 0.8 voted mill reduced by Headlee Amendment to .7811 mill. Net of adjustments for TIFA, LDFA, and DDA exemptions, abatements, rebates and refunds.</p>																				
State Appropriation		20,483,100																		
Tuition and Fees		55,239,700																		
<p style="margin-left: 40px;">Tuition - 517,503 Student Credit Hours will generate General Fund revenue</p>																				
	50,900,000																			
<p style="margin-left: 40px;">79.00% in-district at \$82.00 per SCH. 19.00% out-of-district at \$154.00 per SCH. 2.00% out-of-state at \$216.00 per SCH.</p>																				
Fees -	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Registration Fees</td> <td style="width: 10%; text-align: right;">\$ 1,621,000</td> <td style="width: 40%;"></td> </tr> <tr> <td>Lab and Course Fees</td> <td style="text-align: right;">1,965,000</td> <td></td> </tr> <tr> <td>Technology Fees</td> <td style="text-align: right;">648,000</td> <td></td> </tr> <tr> <td>Transcript Fees</td> <td style="text-align: right;">80,200</td> <td></td> </tr> <tr> <td>Other Fees</td> <td style="text-align: right;">25,500</td> <td style="text-align: right;">4,339,700</td> </tr> <tr> <td></td> <td style="border-top: 1px solid black; text-align: right;"></td> <td style="border-top: 1px solid black; text-align: right;"></td> </tr> </table>	Registration Fees	\$ 1,621,000		Lab and Course Fees	1,965,000		Technology Fees	648,000		Transcript Fees	80,200		Other Fees	25,500	4,339,700				
Registration Fees	\$ 1,621,000																			
Lab and Course Fees	1,965,000																			
Technology Fees	648,000																			
Transcript Fees	80,200																			
Other Fees	25,500	4,339,700																		
Net Tuition and Fees	\$ 55,239,700																			
Income from Investments		4,500,000																		
Miscellaneous Revenue		94,000																		
Total Estimated Revenue		\$ 157,118,427																		

OAKLAND COMMUNITY COLLEGE 2014-15 GENERAL FUND BUDGET

Expenditure Budget By Category

	<u>Amount</u>	<u>Percent of Total Budget</u>	<u>Percent of Operating Budget</u>
<u>Personnel Costs:</u>			
Employee Salaries and Wages	\$ 83,079,773	52.88%	52.88%
FICA, Retirement and Fringe Benefits	40,947,500	26.06%	26.06%
Subtotal College Employee Costs	\$ 124,027,273	78.94%	78.94%
Contracted Temporary Personnel	2,742,339	1.75%	1.75%
Total Personnel Costs	\$ 126,769,612	80.69%	80.69%
<u>Non-Personnel Costs:</u>			
Utilities	5,676,288	3.61%	3.61%
Operating Expenses	24,672,527	15.70%	15.70%
Total Non-Personnel Costs	\$ 30,348,815	19.31%	19.31%
Operating Budget	\$ 157,118,427	100.00%	100.00%
<u>Non-Operating Costs:</u>			
Facility and Maintenance Projects	\$ -	0.00%	
Equipment - Computer Replacement Program	\$ -	0.00%	
Carpet Replacement	\$ -	0.00%	
Equipment - Other Furniture and Equipment	\$ -	0.00%	
Total Non-Operating Costs	\$ -	0.00%	
Total Expenditures and Transfers	\$ 157,118,427	100.00%	
Contribution to Fund Balance	-	0.00%	
Total Budget	\$ 157,118,427	100.00%	

* Operating Budget includes budgets for personnel, utilities, financial aid, and other supplies and services necessary for the daily operations of the College. Non-operating costs include projects for facilities, major maintenance and technology, as well as equipment replacement.

OAKLAND COMMUNITY COLLEGE 2014-15 GENERAL FUND BUDGET

Budget Summary

<u>Revenue:</u>	<u>Amount</u>	<u>Percent of Total Budget</u>	
Property Taxes	\$ 76,801,627	48.88%	
State Appropriation	20,483,100	13.04%	
Tuition and Fees	55,239,700	35.16%	
Income from Investments	4,500,000	2.86%	
Miscellaneous Revenue	94,000	0.06%	
Total Revenue	\$ 157,118,427	100.00%	
<u>Expenditures and Transfers:</u>	<u>Amount</u>	<u>Percent of Total Budget</u>	<u>Percent of Operating Budget</u>
Personnel Costs	\$ 126,769,612	80.69%	80.69%
Non-Personnel Costs	30,348,815	19.31%	19.31%
Operating Budget*	\$ 157,118,427	100.00%	100.00%
Non-Operating Costs	0	0.00%	
Total Expenditures and Transfers	\$ 157,118,427	100.00%	
Contribution to Fund Balance	0	0.00%	
Total Budget	\$ 157,118,427	100.00%	

* Operating Budget includes budgets for personnel, utilities, financial aid, and other supplies and services necessary for the daily operations of the College. Non-operating budgets include projects for facilities, major maintenance and technology, as well as equipment replacement

**OAKLAND COMMUNITY COLLEGE
2014-15 GENERAL FUND BUDGET
Two Year Budget Comparison
By Revenue Category**

	2014-15 Budget	2013-14 Budget	2014-15 Budget Increase/(Decrease) from 2013-14 Budget	
Property Taxes	76,801,627	74,117,607	\$2,684,020	3.6%
State Appropriations	20,483,100	20,483,100	\$0	0.0%
Tuition & Fees	55,239,700	55,123,226	\$116,474	0.2%
Investment Income	4,500,000	5,756,500	(\$1,256,500)	-21.8%
Miscellaneous Revenue	94,000	50,000	\$44,000	88.0%
Total Revenue	\$157,118,427	\$155,530,433	\$1,587,994	1.0%

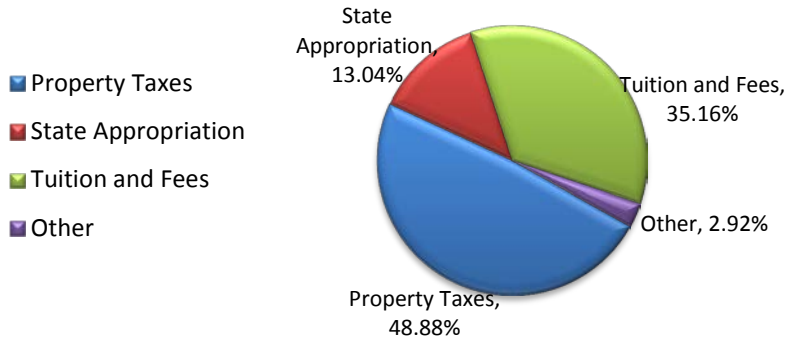
**OAKLAND COMMUNITY COLLEGE
2014-15 GENERAL FUND BUDGET
Two Year Budget Comparison
By Expenditure Category**

	2014-15 Budget	2013-14 Budget	2014-15 Budget Increase (Decrease) from 2013-14 Budget	
Employee Salaries & Wages	\$83,079,773	\$83,142,911	(\$63,138)	-0.1%
Fringe Benefits	40,947,500	38,719,696	2,227,804	5.8%
Subtotal College Employee Costs	124,027,273	121,862,607	2,164,666	1.8%
Contracted Temporary Personnel	2,742,339	2,640,395	101,944	3.9%
Total Personnel Costs	\$126,769,612	\$124,503,002	\$2,266,610	1.8%
Utilities	\$5,676,288	\$5,480,533	195,755	3.6%
Operating Expenses	24,672,527	23,196,141	1,476,386	6.4%
Subtotal Non-Personnel Costs	\$30,348,815	\$28,676,674	\$1,672,141	5.8%
Operating Budget	\$157,118,427	\$153,179,676	\$3,938,751	2.6%
Facility and Maintenance Projects	\$ -	\$700,757	(\$700,757)	-100.0%
Equipment-Computer Replacement Program	-	1,000,000	(1,000,000)	-100.0%
Carpet Replacement	-	150,000	(150,000)	0.0%
Equipment-Other Furniture and Equipment	-	500,000	(500,000)	-100.0%
Subtotal Non-Operating Costs	\$ -	\$2,350,757	(\$2,350,757)	-100.0%
Total Expenditures and Transfers	\$157,118,427	\$155,530,433	\$1,587,994	1.0%
Contribution to Fund Balance	-	-	-	0.0%
Total Budget	\$157,118,427	\$155,530,433	\$1,587,994	1.0%

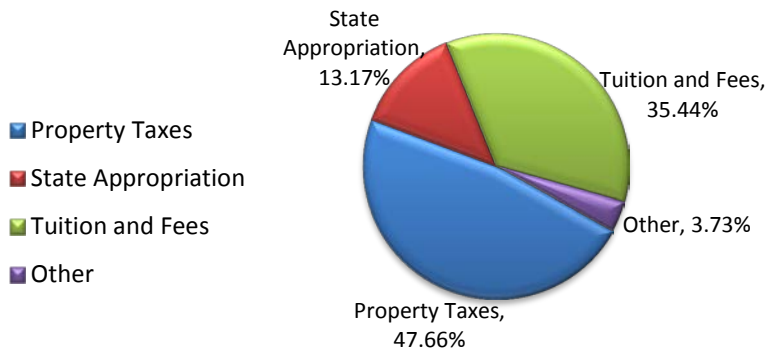
**OAKLAND COMMUNITY COLLEGE
2014-15 GENERAL FUND BUDGET**

Where Our Revenue Comes From

2014-15 Total Estimated Revenue



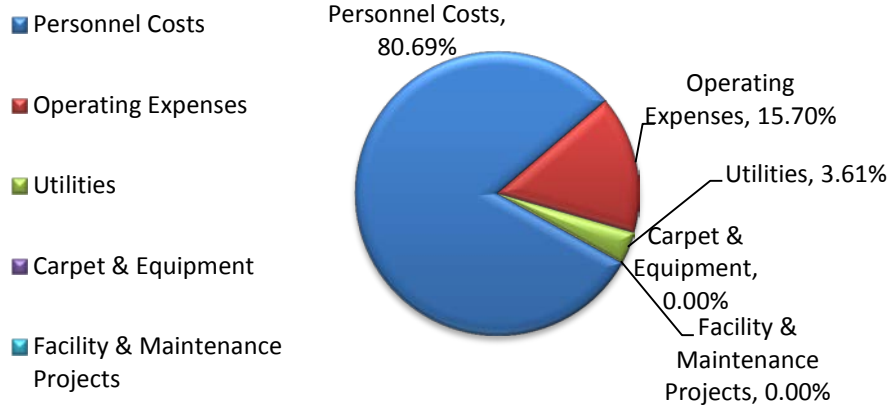
2013-14 Total Estimated Revenue



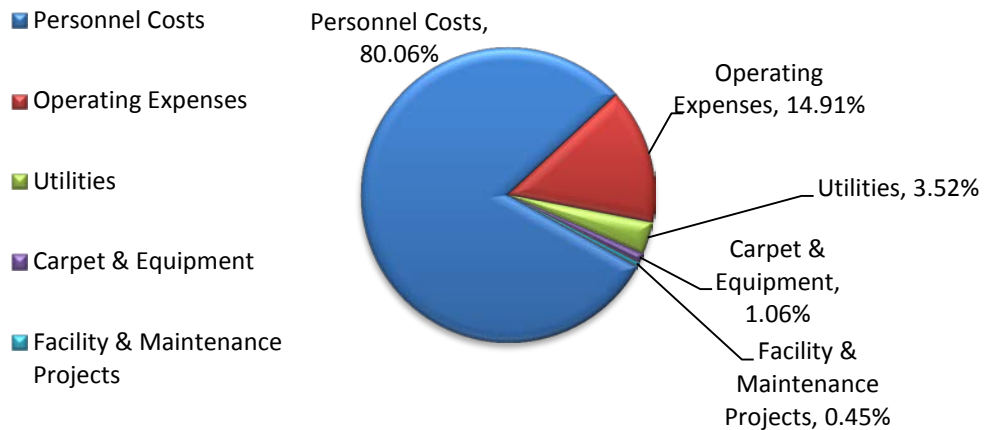
OAKLAND COMMUNITY COLLEGE 2014-15 GENERAL FUND BUDGET

Where Our Budget is Spent

2014-15 Total Budget

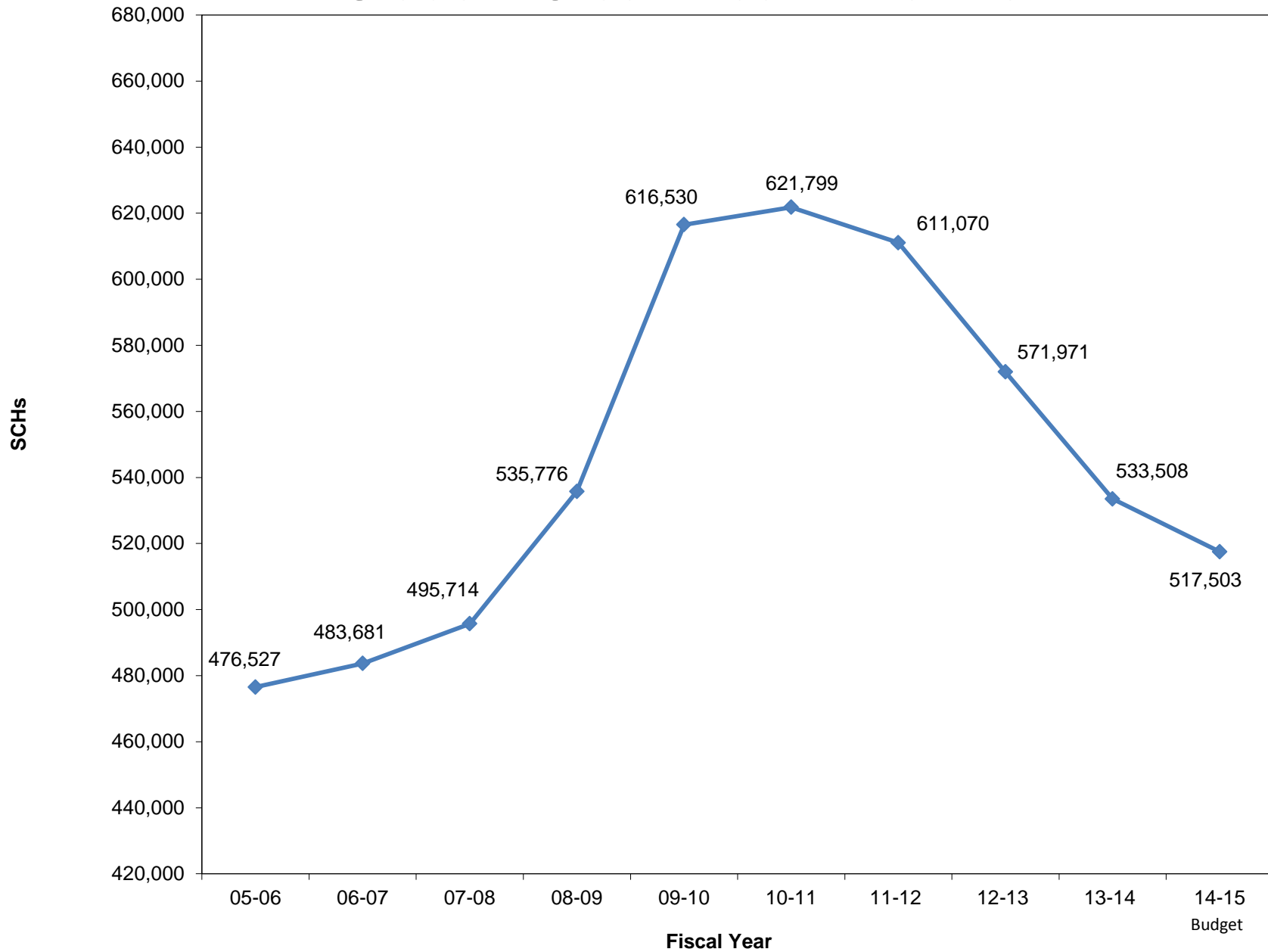


2013-14 Total Budget



**OAKLAND COMMUNITY COLLEGE
2014-15 GENERAL FUND BUDGET**

Student Credit Hour Enrollment



OAKLAND COMMUNITY COLLEGE 2014-15 GENERAL FUND BUDGET

Debt Retirement Fund Budget

	<u>General Obligation Bonds 2003</u>	<u>Total Debt Retirement Fund</u>
Requirements:		
Interest Payments		
November 1, 2014	\$68,322.50	\$68,322.50
May 1, 2015	68,322.50	68,322.50
	<u>\$136,645.00</u>	<u>\$136,645.00</u>
Principal Payments		
May 1, 2015	720,000.00	720,000.00
	<u>\$720,000.00</u>	<u>\$720,000.00</u>
Total Requirements	<u><u>\$856,645.00</u></u>	<u><u>\$856,645.00</u></u>
Funding Sources		
General Fund		
Debt Retirement Fund	\$856,645.00	\$856,645.00
Total Funding	<u><u>\$856,645.00</u></u>	<u><u>\$856,645.00</u></u>

**Oakland Community College
2014-15 General Fund Budget**

**Ten year Comparisons-Financial Information
Amounts Shown are in Thousands (000s)**

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Budget
REVENUE SOURCES									
Property Taxes	62.1%	59.8%	59.4%	55.9%	53.2%	49.0%	49.1%	47.7%	48.9%
State Appropriation	10.2%	13.0%	12.1%	11.9%	12.9%	12.5%	14.0%	13.2%	13.0%
Tuition & Fees	22.6%	22.2%	24.1%	27.3%	32.6%	32.9%	33.9%	35.4%	35.2%
All Other	5.0%	5.0%	4.4%	4.9%	1.3%	5.6%	3.0%	3.7%	2.9%
Total Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
EXPENDITURES *									
	\$154,388	\$163,613	\$164,303	\$167,550	\$153,113	\$153,811	\$152,252	\$155,530	\$157,118
Increase (Decrease)	\$10,378	\$9,225	\$690	\$3,247	(\$14,437)	\$698	(\$1,559)	\$3,278	\$1,588
% Increase (Decrease)	7.2%	6.0%	0.4%	2.0%	-8.6%	0.5%	-1.0%	2.2%	1.0%
EXPENDITURES PER FISCAL YEAR EQUATED STUDENT (FYES) **									
	\$9,895	\$10,232	\$9,507	\$8,425	\$7,634	\$7,803	\$8,252	\$9,037	\$9,412
Increase (Decrease)	\$527	\$337	(\$725)	(\$1,082)	(\$791)	\$169	\$449	\$785	\$375
% Increase (Decrease)	5.6%	3.4%	-7.1%	-11.4%	-9.4%	2.2%	5.8%	9.5%	4.1%
BUDGET COMPARISON									
Revenues	\$154,684	\$165,165	\$166,306	\$168,745	\$155,873	\$155,608	\$153,558	\$155,530	\$157,118
Expenditures	\$154,388	\$163,613	\$164,303	\$167,550	\$153,113	\$153,811	\$152,252	\$155,530	\$157,118
Excess (Shortfall) of									
Revenue over (under)									
Expenditures	\$296	\$1,552	\$2,003	\$1,195	\$2,760	\$1,797	\$1,306	\$0	\$0

* Expenditure totals include transfers.

** Fiscal Year Equated Student (FYES) = Total Student Credit Hours / 31.

**OAKLAND COMMUNITY COLLEGE
2014-15 GENERAL FUND BUDGET**

TEN YEAR COMPARISONS - STUDENT INFORMATION

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Budget
STUDENT CREDIT HOURS	476,527	483,681	495,714	535,776	616,530	621,799	611,070	571,971	533,508	517,503
Increase (Decrease)	7,266	7,154	12,034	40,062	80,754	5,269	-10,729	-39,099	-38,463	-16,005
% Increase (Decrease)	1.5%	1.5%	2.5%	8.1%	15.1%	0.9%	-1.7%	-6.4%	-6.7%	-3.0%
 FISCAL YEAR EQUATED STUDENTS (FYES) **	 15,372	 15,603	 15,991	 17,283	 19,888	 20,058	 19,712	 18,451	 17,210	 16,694
Increase (Decrease)	234	231	388	1,292	2,605	170	-346	-1,261	-933	-525
% Increase (Decrease)	1.5%	1.5%	2.5%	8.1%	15.1%	0.9%	-1.7%	-6.4%	-5.1%	-3.1%
 STUDENT HEADCOUNT	 66,784	 67,042	 68,038	 73,203	 81,828	 82,452	 81,231	 76,885	 71,766	 69,612
Increase (Decrease)	-223	258	996	5,165	8,625	624	-1,221	-4,346	-5,119	-2,154
% Increase (Decrease)	-0.3%	0.4%	1.5%	7.6%	11.8%	0.8%	-1.5%	-5.3%	-6.7%	-3.0%

** Fiscal Year Equated Student (FYES) = Total Student Credit Hours / 31.