

Meeting of the  
OKLAHOMA CITY COMMUNITY COLLEGE BOARD OF REGENTS  
May 17, 2010

AGENDA ITEM 11:

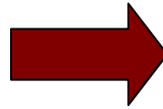
Review of the Draft Fiscal Year 2011 Staffing Requirements, Compensation and Benefits Plan, and Budget Estimates

DISCUSSION SUMMARY

- During the March and April Board of Regents' meetings, the draft *Fiscal Year 2011 Annual Plan* was reviewed by the Board of Regents.
- With the *FY 2011 Annual Plan* finalized, the next step is the development and review of the estimated staffing requirements, the compensation and benefits plan, and the total revenue and expenditures projected for FY 2011. (See the timeline diagram on the next page.)
- The FY 2011 Staffing Requirements, Compensation and Benefits Plan, and the Budget Estimates are presented in this agenda item.
- The proposals discussed in this document will be used to finalize the FY 2011 Staffing Plan, Student Tuition and Fees, and all Budgets for the College, which will be presented for approval by the Board of Regents in June.

# FY 2011 OCCC Annual Planning Process & Timeline

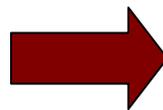
*NOVEMBER*



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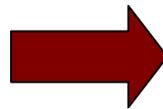
*MARCH*



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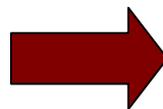
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*MAY*



*JUNE*



*FY 2011*



# Oklahoma City Community College

## FY 2011 STAFFING REQUIREMENTS COMPENSATION AND BENEFITS PLAN BUDGET ESTIMATE

### **INTRODUCTION AND BACKGROUND**

- At the March and April meetings of the Board of Regents, the draft FY 2011 Annual Plan was presented for review.
- The FY 2011 Plan outlined the underlying principles and focus for the resulting budgets. In summary, the budget principles for FY 2011 are:
  - Align the budget to achieve the objectives outlined in the FY 2011 Annual Plan and consistent with OCCC's stated vision, mission, ENDS, and values.
  - Adequately prepare for an additional reduction in state appropriations for FY 2011 and FY 2012. Federal stimulus funds and state of Oklahoma Rainy Day Funds which are anticipated in FY 2011 will likely not be available in FY 2012.
  - Preserve the capacity of faculty and staff to meet the service and instructional requirements of an increasing student population.
  - Maintain our efforts to serve the community through educational and cultural programs.
  - Maintain the physical plant, facilities, equipment, and technology to provide a high quality and safe learning environment for students and the community.
  - Allow for flexibility to respond to student, community, and workforce instructional needs and opportunities.
  - Ensure operational efficiency and effectiveness.

## STAFFING REQUIREMENTS

### ▪ Summary - E & G

	FY 2010 FTE*	FY 2011 FTE*	Net Change
Full-Time Faculty	154	<b>154</b>	0
Adjunct Faculty	260	<b>260</b>	0
Exempt Staff	174	<b>174</b>	0
Non-Exempt Staff (Hourly)	250	<b>250</b>	0
<b>Totals</b>	838	<b>838</b>	0

\* FTE is "full-time equivalent." For example, two 0.5 FTE positions = 1 FTE position

### ▪ Enrollment

- The College is budgeting for steady enrollment in FY 2011.

### ▪ Faculty

- The planned faculty staffing does not include any additional full-time faculty positions.
- The planned faculty staffing does not include any additional part time faculty positions.

### ▪ Exempt and Non-Exempt Staff

- There are no additional exempt or non-exempt positions included in the FY 2011 staffing plan.
- FY 2011 temporary student employee positions are being budgeted at the FY 2010 staffing levels. The funds are included in staffing dollars rather than in contingency.

### ▪ Summary - Auxiliary

	FY 2010 FTE	FY 2011 FTE	Net Change
Full-Time Faculty	0	<b>0</b>	0
Adjunct Faculty	0	<b>0</b>	0
Exempt Staff	11	<b>11</b>	0
Non-Exempt Staff (Hourly)	41	<b>41</b>	0
<b>Totals</b>	52	<b>52</b>	0

**COMPENSATION AND BENEFITS PLAN**

- There are no wage and salary increases included in the FY 2011 staffing plan at this time due to the current economic situation and projected allocations and revenues. The total cost of wages and salaries is \$30,159,523.
- The College’s competitive relationships with wage and salary rates for comparable positions in our respective labor markets are as follows:
  - Faculty – The FY 2010 Oklahoma City Community College faculty salary average of \$49,286 is above the average salary of \$48,290 for Oklahoma two-year institutions, ranking us behind only Tulsa Community College’s average salary of \$55,945. Our average faculty salary is below the average national community college faculty salary of \$55,859.
  - Exempt (Contractual) Staff - Like faculty, the College exempt (contractual) employees are paid somewhat less overall when compared with like positions at other institutions regionally and nationally, while generally being higher than comparable state salaries. These results vary by position.
  - Non-Exempt (Hourly) Staff - Generally, non-exempt (hourly) positions are competitive with comparable positions in Oklahoma City. However, no salary increases this year or last is potentially creating some salary relationship pressures in the Oklahoma City market, although it is too early to be reflected in the salary survey results. Again, these comparisons vary by position.
- Oklahoma Teachers Retirement System (OTRS) - The employer contribution for the Oklahoma Teachers Retirement System is currently 9.5%.
- The current benefits program for employees will be continued for FY 2011. The benefits program includes:

<b>Benefit</b>	<b>Projected FY 2011 OCCC Costs</b>
Oklahoma Teachers’ Retirement System	\$5,059,612
Health Insurance	\$3,326,223
Social Security (FICA & Medicare) Insurance	\$2,294,850
403(b) Plan	\$1,023,596
Workers’ Compensation Insurance	\$ 303,446
Dental Insurance	\$ 201,581
Life and Accidental Death & Dismemberment Insurance	\$ 88,429
Long-Term Disability Insurance	\$ 74,784
Unemployment Insurance	\$ 48,242
Employee Assistance Program	\$ 18,000
Flexible Spending Accounts	\$ 15,480
Leave Policies	As Utilized
Tuition Programs	As Utilized

- The College is budgeting for and currently finalizing insurance rate changes for the 2011 fiscal year. Preliminary figures indicate the following percentage changes:

<b>Benefit Rate Increases for FY 2010</b>		
	<b>% Change</b>	<b>Cost Increase</b>
Health Insurance	0%	\$ 0
Dental Insurance	+12.0%	\$ 36,700
Life Insurance	-46.4%	\$ (58,000)
Long-Term Disability Insurance	-19.5%	\$ (17,800)

BUDGET ESTIMATES:

**Educational and General (E&G) Budget**

Education and General is the main operating fund of the College. E&G accounts for all revenue and expenses associated with performing the primary mission of the College.

▪ Revenue

- The FY 2011 state appropriation to higher education is anticipated to be reduced by at least 14%, when compared to the original amount appropriated to FY 2010. The planning budget preparation has proceeded assuming a 14% reduction in the state allocation in the amount of \$3,767,613.
- At this time, the College is projecting the same amount of stimulus dollars provided through the American Recovery and Investment Act (ARRA) of 2009 that were received in FY 2010, in the amount of \$1,995,832. This is included in the state allocation projection for FY 2011.
- A modest increase in tuition of \$6 for residents and \$16 for non-residents is necessary to help offset the 14% reduction in state allocation. This equates to an overall tuition and fee increase of approximately 7%. Tuition and fees continue to remain below the legislative limit per credit hour. Based on FY 2010 current projected FTE, this rate increase will provide the College with an additional \$1,681,767 in revenue in FY 2011.
- The College is projecting no increase for FY 2011 enrollment above FY 2010 actual enrollment; however, the proposed budget includes contingency funds necessary to support enrollment growth. Since the FY 2010 actual enrollment was 12% above budgeted enrollment, with an increase in the tuition and fee rate schedule, budgeted student tuition and fee revenue is \$3.8 million greater than FY 2010.
- The table below shows the current schedule of tuition and mandatory fees per credit hour.

<b>Residency</b>	<b>OCCC Tuition &amp; Mandatory Fees per Credit Hour FY 2010</b>	<b>OCCC Tuition &amp; Mandatory Fees per Credit Hour FY 2011</b>	<b>Increase</b>	<b>% incr</b>	<b>FY 2011 Legislative Limit per Credit Hour</b>	<b>FY 2011 rate % of Legislative Limit</b>
Resident	\$ 84.00	\$ 90.00	\$ 6.00	7%	\$ 131.17	68.61%
Non-Resident	\$ 224.00	\$ 240.00	\$ 16.00	7%	\$ 266.90	89.92%

- A resident student takes an average of 9 credit hours per semester and if a tuition increase is approved will pay approximately \$810.00, which is \$54 more than paid in FY 2010.
- The South Oklahoma City Area School District revenue for FY 2011 will allow for \$5.2 million being available for transfer to the College for services provided. This transfer includes the Incentive Levy that the College began collecting in FY 2010.
- In FY 2010 E&G reserves were \$2,750,000 or approximately 5% of total revenues. Reserve funds are not included in the funds available for expenditure. Planned E&G reserve funds will remain at \$2,750,000 for FY 2011.
- The estimated summary of the E&G Sources of Funds is presented in the following table:

<b>E&amp;G sources of Revenue</b>				
	<b>FY 2010 Budget</b>	<b>FY 2011</b>	<b>Increase</b>	<b>%</b>
	<b>Budget</b>	<b>Draft Budget</b>	<b>Decrease</b>	<b>Change</b>
State Allocations	<b>\$27,693,248</b>	<b>\$23,925,635</b>	<b>(\$3,767,613)</b>	<b>-14%</b>
Student fees	17,397,286	21,215,049	3,817,763	22%
Prior Year Student Fee Collections	1,570,000	1,600,000	30,000	2%
Technical Education Reimbursement	3,600,000	3,600,000	0	0%
Incentive Levy	1,600,000	1,600,000	0	100%
Public Service	700,000	500,000	(200,000)	-29%
Auxiliary Transfer OHLAP Fee Scholarship	263,732	329,549	65,817	25%
Other Income	900,000	1,015,000	115,000	13%
<b>Total Estimated Revenues - Recurring</b>	<b>\$53,724,266</b>	<b>\$53,785,233</b>	<b>\$60,967</b>	<b>0%</b>
Projected Carryover & Reserves	7,000,000	8,500,000	1,500,000	21%
Total Sources Available	60,724,266	62,285,233	1,560,967	3%
Less: Reserves	(2,750,000)	(2,750,000)	0	0%
<b>Total Available for Expenditure</b>	<b>\$57,974,266</b>	<b>\$59,535,233</b>	<b>\$1,560,967</b>	<b>3%</b>

▪ Expenditures

- The College's FY 2011 Annual Plan can be funded from projected revenues and carryover. The Annual Plan and budget priorities include steps to fulfill the College's ten-year strategic plan, *The Way Forward and Why It Matters*, including:
  - Achieving the Dream Initiative
  - Technology and Personalized Service Initiative
  - OCCC Online and Off-Campus Initiative
  - The OCCC Institute for Global Excellence
  - Developing Our Next Generation of Leaders Initiative
  - New Learning Spaces Initiative
  - Capitol Hill Center Initiative
  - Childcare for Students Initiative
  - Center for the Arts-Phase II – Theater
  - Campus Facilities
- Work on several of these initiatives will continue in FY 2011.
- Mandatory costs are those costs required to operate. The College will experience an approximate increase of \$1,327,616 in E&G mandatory costs for FY 2011 which includes an increase in Safety & Security overtime personnel costs of \$25,000 and a \$1,302,616 increase in non-personnel mandatory costs. The largest mandatory increase is attributable to funding health insurance at the maximum expected payout rate since the College will be partially self-insured in FY 2011. Other mandatory costs includes debt service for the Real Property Master Lease Purchase bond issue through the State Regents in the amount of \$4,000,000 and service contract increases such as software maintenance agreements and licenses.
- Contingency budgets enable the College to respond to unforeseen challenges and could be used to offset further reductions in state appropriations and the loss of Federal Stimulus Funding through ARRA.
- The draft summary of the E&G Uses of Funds is presented in the table on the next page.

<b>E&amp;G Uses of Funds</b>				
	<b>FY 2010</b>	<b>FY 2011</b>	<b>Increase</b>	
	<b>Budget</b>	<b>Draft Budget</b>	<b>Decrease</b>	<b>% change</b>
Total Available for Expenditure	\$ 57,974,266	\$ 59,535,233	\$ 1,560,967	3%
Personnel	\$ 39,604,626	40,151,257	546,631	1%
Non-Personnel	11,754,126	13,029,690	1,275,564	11%
Contingency	6,615,514	6,354,286	(261,228)	-4%
<b>Total Exp. Budget</b>	<b>\$ 57,974,266</b>	<b>\$ 59,535,233</b>	<b>\$ 1,560,967</b>	<b>3%</b>

### **Auxiliary Budget**

The Auxiliary Enterprises and Student Facilities budget supports the mission of the College and provides essential services to the campus community. Auxiliary services are generally self supporting, recovering costs through fees or prices charged for goods or services.

#### ▪ Revenue

- Student Store sales are projected to increase by approximately \$1.1 million primarily due to increased sales volume due to the 12% increased enrollment during FY 2010, now budgeted in FY 2011.
- Facility use fees and student activity fees are projected to increase by approximately \$390,954 due to the increased enrollment during FY 2010, now budgeted in FY 2011.
- Other Auxiliary revenue budgeted for FY 2011 will remain the same as FY 2010. Other Auxiliary revenue includes revenue transferred from the Testing Services restricted account in order to reimburse Auxiliary for personnel costs paid from Auxiliary, Pioneer advertising sales and reimbursements for security services paid from Auxiliary departments for special events.
- Planned Auxiliary reserves will remain at \$300,000. These funds are not included in the funds available for expenditure.
- The total Auxiliary funds available for expenditure in FY 2010 are estimated to be approximately \$15.4 million, which is approximately \$4 million more than the FY 2010 budget.

- Revenue retained from the facility use fee increase of \$3.00 in FY 2008 thru FY 2010 will remain budgeted in a contingency account in FY 2011 for use for the theater project. This contingency amount will be transferred to the Capital Fund as needed for the construction of the Performing Arts Theater.

<b>Transfer to Capital - Theater (Facility Fee)</b>		
<b>Fiscal Year</b>	<b>Annual \$</b>	<b>Cumulative \$</b>
FY 2008	613,800	613,800
FY 2009	611,535	1,225,335
FY 2010	643,187	1,868,522
Total	<b>\$1,868,522</b>	

- The draft summary of the Auxiliary Sources of Funds is presented in the following table:

<b>Auxiliary Sources of Funds</b>	<b>FY 2010 Budget</b>	<b>Draft Budget FY 2011</b>	<b>Increase Decrease</b>	<b>% of Change</b>
	Student Store Sales	\$5,205,992	\$6,353,208	\$1,147,216
Facility Use & Student Activity Fees	3,312,411	3,703,365	390,954	12%
Recreation & Fitness	200,000	200,000	-	0%
Cafeteria/Catering & Vending	146,000	146,000	-	0%
Arts Festival	100,000	100,000	-	0%
Other	150,000	150,000	-	0%
<b>Total Estimated Revenues</b>	<b>9,114,403</b>	<b>10,652,573</b>	<b>1,538,170</b>	<b>17%</b>
Projected Carryover	2,500,000	4,500,000	2,000,000	80%
<b>Total Sources Available</b>	<b>11,614,403</b>	<b>15,152,573</b>	<b>3,538,170</b>	<b>30%</b>
Less: Reserves	(300,000)	(300,000)	-	0%
<b>Total Available for Expenditure</b>	<b>\$11,314,403</b>	<b>\$14,852,573</b>	<b>\$3,538,170</b>	<b>31%</b>

- Expenditures

- Our debt service payments will increase by approximately \$450,000 annually with the issuance of the FY2010 Student Facility Revenue Bonds in August 2010 in the amount of \$8,000,000 for the construction of the new theater.

- The Auxiliary budget will experience an approximate increase of \$48,428 in mandatory costs for FY 2010 which includes an increase in personnel of \$25,000 and a \$23,428 increase in non-personnel mandatory costs. The largest increase in mandatory costs is for security officer's overtime budget and increased Special Events funding in Academic Affairs.
- The draft summary of the Auxiliary Budget is presented in the following table:

Auxiliary Uses of Funds	FY 2010	FY 2011	Increase	%
	Budget	Draft Budget	Decrease	Change
Personnel	\$ 2,014,278	\$ 2,129,029	\$ 114,751	5.7%
Non-Personnel	7,147,211	8,118,055	970,844	13.6%
Contingency	284,393	2,736,967	2,452,574	862.4%
Transfer to Capital - Theater	1,868,522	1,868,522	-	0.0%
Total Contingency	2,152,915	4,605,489	2,452,574	113.9%
<b>Total Expenditure Budget</b>	<b>\$ 11,314,403</b>	<b>\$ 14,852,573</b>	<b>\$ 3,538,169</b>	<b>31.3%</b>

### **South Oklahoma City Area School District Budget**

The South Oklahoma City Area School District (the District) is a component of Oklahoma City Community College for financial reporting purposes. The District is one of many taxing districts in Oklahoma County. Revenue from the District comes from Ad Valorem taxes derived from taxation of the assessed valuation on personal property, public service property and real estate located within the District boundaries. The District's tax rate is .508% or 5.08 mills. Effective beginning in FY 2010 District revenues include Ad Valorem taxes derived from an incentive levy assessed at a rate of .25% or 2.5 mills.

- District net assessed valuation of residential real property is anticipated to increase. The combined effect of both commercial and residential property valuations are anticipated to increase by 2% in FY 2011.
- Interest income has decreased significantly in FY 2010, lowering the expected interest income for FY 2011 to \$10,000 as compared to \$30,000 in FY 2010.

- The draft summary of the District Sources and Uses of Funds is presented in the following table:

District Revenue & Expenses	FY 2010	FY 2011	Increase	%
	Budget	Draft Budget	Decrease	Change
Estimated Revenues				
Operational Levy	\$ 3,356,738	\$ 3,433,846	\$ 77,108	2.3%
Incentive Levy	1,600,000	1,689,885	89,885	100.0%
Interest Income	30,000	10,000	(20,000)	-66.7%
Total Estimated Revenues	4,986,738	5,133,731	146,993	2.9%
Projected Carryover & Reserves 6/30/2010	552,297	481,181	(71,116)	-12.9%
Total Est. Available for Expenditure	5,539,035	5,614,912	75,877	1.4%
Less: Projected Reserve 6/30/2011	(278,135)	(354,012)	(75,877)	27.3%
Total Available for Expenditure	\$ 5,260,900	\$ 5,260,900	\$ (0)	0.0%
Proposed Expenditures				
Reimbursement to College for Providing				
Technical Education Instruction	\$ 5,200,000	\$ 5,200,000	\$ -	0.0%
Administrative Costs	60,900	60,900	-	100.0%
Total Proposed Expenditures	\$ 5,260,900	\$ 5,260,900	\$ -	0.0%

### **Section 13 Offset Budget & Other Capital Budgets**

#### **Section 13 Offset Budget**

Section 13 Offset funds are capital funds and are distributed by the Oklahoma State Regents for Higher Education to two-year and regional colleges that do not receive Section 13 funds.

- Revenue
  - Section 13 Offset funds can only be used for capital expenditures.
  - Any remaining capital funds at the end of each year are carried forward to the next year.
  - The College's FY 2010 Section 13 Offset allocation was \$896,272.
  - The College anticipates the FY 2011 allocation to be the same as FY 2010.

- The draft summary for FY 2011 of the Section 13 Offset Budget is presented in the following table:

<b>Sources &amp; Uses of Section 13 Offset Funds</b>		
		<b>Estimated Amount</b>
<b>Sources of Section 13 Offset Funds</b>		
Prior Year Carryover Funds	\$	2,898,866
FY2010 estimated allocation		896,272
<b>Total Funds Available</b>	<b>\$</b>	<b>3,795,138</b>
<b>Uses of Section 13 Offset Funds</b>		
Phase II Arts Education Center - Theater	\$	1,000,000
Capitol Hill Center renovations		1,500,000
Campus Wide renovations & improvements		1,295,138
<b>Total Uses of Funds</b>	<b>\$</b>	<b>3,795,138</b>

- Expenditures

- Section 13 Offset funds may be used for campus projects such as roof replacement, office remodels, parking lot expansion, or repair and other minor repairs.

## Other Capital Budget

- Revenue

- Revenue is derived from the sale of property; the transfer from E&G or Auxiliary funds or from other outside sources other than Section 13 offset funds or revenue bond funds.

<b>Sources &amp; Uses of Other Capital Funds (295)</b>		
		<b>Estimated Amount</b>
<b>Sources of Other Capital Funds</b>		
Prior Year Carryover Funds		\$ 2,597,506
Transfer from Auxiliary - Facility Fee Theater		1,868,522
<b>Total Funds Available</b>		<b>\$ 4,466,028</b>
<b>Uses of Other Capital Funds</b>		
Phase II Arts Education Center - Theater		\$ 1,868,522
JMC relocaton project		\$ 2,597,506
<b>Total Uses of Funds</b>		<b>\$ 4,466,028</b>

- Expenditures

- Proceeds from the sale of the John Massey Center of will be used to build the new John Massey Center on the College campus to relocate personnel from Finance, Human Resources, and Institutional Planning. Funds transferred from Auxiliary will be used towards construction of the new theater.