AGENDA

- Review where we left off with the FY10 budget
- Revenue impacts affecting the FY10 budget
- Discuss revenue assumptions for FY11 budget
FY10 Budget
FY10 Budget

$2.7 Million Budget Deficit

$2.4 Million in Reductions Through:

- Contractual Services
- Vacancies – delayed or not filled
- Benefits for Vacancies
- Meeting expense, travel, equipment, and supplies
# FY10 Budget
## Education Fund Summary

### Revenues

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Government</td>
<td>$33,293,466</td>
<td>41.40%</td>
</tr>
<tr>
<td>State Government</td>
<td>$7,382,648</td>
<td>9.18%</td>
</tr>
<tr>
<td>Federal Government</td>
<td>$5,000</td>
<td>0.01%</td>
</tr>
<tr>
<td>Tuition &amp; Fees</td>
<td>$39,129,000</td>
<td>48.66%</td>
</tr>
<tr>
<td>Other Sources</td>
<td>$610,000</td>
<td>0.76%</td>
</tr>
<tr>
<td>Transfers</td>
<td>-</td>
<td>0.00%</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>$80,420,114</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

### Expenditures

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>$27,417,025</td>
<td>33.96%</td>
</tr>
<tr>
<td>Academic Support</td>
<td>$10,166,146</td>
<td>12.59%</td>
</tr>
<tr>
<td>Student Services</td>
<td>$8,645,008</td>
<td>10.71%</td>
</tr>
<tr>
<td>Public Service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Institutional Support</td>
<td>$28,097,599</td>
<td>34.81%</td>
</tr>
<tr>
<td>Scholarships, Student Grants, and Waivers</td>
<td>$3,537,003</td>
<td>4.38%</td>
</tr>
<tr>
<td>Transfers</td>
<td>$2,860,967</td>
<td>3.54%</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>$80,723,748</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

### Revenue Over/ (Under) Expenditures

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$(303,634)</td>
</tr>
</tbody>
</table>
Comparison of FTE Growth vs Employee Headcount

Enrollment vs. Staffing

- **FTE**
  - Y-axis: 18,000 to 21,500
  - X-axis: 2003 to 2008
  - Trend: Increase

- **Employees**
  - Y-axis: 700 to 900
  - X-axis: 2003 to 2008
  - Trend: Decrease
Revenue Impacts
Since July 1, 2009
(The World Has Changed)
FY10 Budget Challenges

- Property tax revenues flat
- Investment revenue down
- State funding down
Revenue Impacts

FY10 State Revenue

Budgeted $6.8 million (Base Operating Grant)

- 1st Quarter $1.7 million
- 2nd Quarter $1.7 million (May or June?)
- 3rd Quarter Delayed (Spring 2011?)
- 4th Quarter Delayed (Summer 2011?)
Revenue Impacts

FY11 State Revenue

- 1\textsuperscript{st} Quarter: Unknown
- 2\textsuperscript{nd} Quarter: Unknown
- 3\textsuperscript{rd} Quarter: Unknown
- 4\textsuperscript{th} Quarter: Unknown
## FY10 Budget Projections

<table>
<thead>
<tr>
<th>FY 10 Budget</th>
<th>Budget</th>
<th>Projected Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Government</td>
<td>$33,293,466</td>
<td>$32,738,466</td>
</tr>
<tr>
<td>State Government</td>
<td>7,382,648</td>
<td>3,511,714</td>
</tr>
<tr>
<td>Tuition &amp; Fees</td>
<td>39,129,000</td>
<td>40,245,550</td>
</tr>
<tr>
<td>Other</td>
<td>615,000</td>
<td>270,682</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>$80,420,114</td>
<td>$76,766,412</td>
</tr>
<tr>
<td>Expenses</td>
<td>$80,723,748</td>
<td>$77,720,967</td>
</tr>
<tr>
<td>Fund Balance Change</td>
<td>($303,634)</td>
<td>($954,555)</td>
</tr>
</tbody>
</table>
Looking Ahead FY11 Budget

- FY11 July 1, 2010 – June 30, 2011

- Modified Budget Process

- Anticipated: 4.75% salary increase
  12% benefit increase

- Enrollment Growth 3.0% for FY11
  
  Note: 1% enrollment growth = $300,000
FY11 Revenue

- State revenue cut 50%
- Property tax revenue flat
- Investment income down
- Tuition ?
Tuition and “Universal” Fees

Current

$ 90  tuition per credit hour
$ 7  technology fee per credit hour
$ 7 repair/renovation fee per credit hour
$104 tuition and universal fees per credit hour
Per Capita Costs

- Per capita calculated by using all expenditures except capital and adjusts for depreciation
- Comparable to all community colleges
Per Capita Costs

FY 10 Harper per capita cost $431.07

Tuition Limits:
- State maximum 331/3% $143.69 (tuition & fees)
- Harper $104.00 (tuition & fees)
- Board guideline 25% $107.77 (tuition only)
- Harper $90.00 (tuition only)
- FY10 per capita 20.9%
Harper Per Capita Cost Summary

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Tuition Percentage</th>
<th>Board Guideline Percentage</th>
<th>State Maximum Tuition and Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>19.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>02</td>
<td>19.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>03</td>
<td>17.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>04</td>
<td>19.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>05</td>
<td>20.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>06</td>
<td>20.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>07</td>
<td>20.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>08</td>
<td>21.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>09</td>
<td>22.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>20.9%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Harper Tuition & Per Capita Chart
Tuition Comparison

- Harper $3,120
- Northern Illinois University $9,390
- University of Illinois $12,660
- Roosevelt University $21,000
- DePaul University $26,765
- Northwestern University $38,088
FY10 Peer Group Comparison
Tuition & Fees

Source: ICCB
Pell Grant

Academic Year 2010

- Pell $178.67 per credit hour, $5,360 annual
- Harper $104 per credit hour, $3,120 annual
FY11 Budget Assumptions

Revenues

- Property tax revenues will be flat
- State revenue will decrease 50%
- Enrollment increase of 3%
Discussion Points

- Verify 50% reduction in state revenue assumption
- Use of Fund balance
  - Grow ?
  - Spend ?
- Set Tuition
  - Current Board Guideline vs. State Limit
  - Change Guideline ?