

Financial Policies Recommendation

April 11, 2012

Financial Policies – *Campus Input Update*

- Institutional Planning Committee (IPC) has gathering College input
 - Hosted 16 employee and student sessions across the main campus and HPC
 - Input was reviewed and recommended financial policies drafted
 - Solicited campus feedback on the recommended draft policies
 - Based on feedback the IPC finalized their recommended financial policies
- Draft Policies were reviewed with the Board at the February Committee of the Whole meeting
- IPC presented recommended policies to the College Assembly in March
- College Assembly approved the recommended policies
- Presenting to the Board for your consideration

Current Financial Guidelines

- **Tuition** – Increase tuition \$4 per year most years, until students are paying 25% of per capita cost. *(Currently 23.5%)*
- **Fund Balance** – “Save Before You Spend”. Minimum of 33% of total revenue in the Operating Funds. *(Currently 47.9%)*
- **Bond Rating** – Maintain a Aaa bond rating. *(Currently Aaa rated)*

Recommended Financial Policies

- **Tuition** – Annual tuition and per credit hour fee increases will be limited to a maximum of the change in Consumer Price Index (CPI-U) plus 2%, but not to exceed either 5% of total tuition and fees or the Illinois statute limitation.
- **Fund Balance** – Maintain a fund balance in the Tax Capped Funds between 40% and 60% of the budgeted annual expenditures.
- **Bond Rating** – Support quality teaching and learning through sound financial practices consistent with maintaining a Aaa bond rating.

Financial Policies – *Next Steps*

- The Board's review and agreement on Financial Policies
- 1st reading of the policies at May Board meeting
- 2nd reading of the policies at June Board meeting