



# Harper College

Preliminary Budget Presentation

Fiscal Year 2015

*June 11, 2014*

# Agenda

- Budget Process Timeline
- Fiscal Year 2014 Budget Status
- Fiscal Year 2015 Preliminary Budget
- Fiscal Year 2014 Capital Budget Status
- Fiscal Year 2015 Preliminary Capital Projects
- Estimated Sources/Uses of Capital Funds

# Budget Process/Timeline

- December – Five Year Financial Plan Reviewed
- February – Approval of Tuition and Fees
- April – Budget Parameters Reviewed
- June – Approval of Preliminary Budget for Public Review
- June – Resolution to Establish Budget Hearing Date
- June to August – Budget Available for Public Review
- August – Public Hearing and Budget Adoption Scheduled



# Fiscal Year 2014 Budget Status

# Fiscal Year 2014 Budget & Projection

## Tax Capped Funds

(\$ Millions)

<b>Tax Capped Funds</b>	<b>Budget</b>	<b>Projected</b>	<b>Variance</b>	<b>% Variance</b>
Local Government	\$54.8	\$55.3	\$0.5	0.9%
State Government	6.6	7.0	0.4	6.1%
Tuition & Fees	48.0	46.6	(1.4)	(2.9%)
Other	1.0	0.4	(0.6)	(60.0%)
<b>Total Revenue</b>	<b>\$110.4</b>	<b>\$109.3</b>	<b>(\$1.1)</b>	<b>(1.0%)</b>
<b>Total Expenditures</b>	<b>\$107.4</b>	<b>\$101.4</b>	<b>\$6.0</b>	<b>5.6%</b>
<b>Fund Transfers</b>	<b>\$2.8</b>	<b>\$7.8</b>	<b>(\$5.0)</b>	<b>178.6%</b>
<b>Fund Balance Change</b>	<b>\$0.2</b>	<b>\$0.1</b>	<b>(\$0.1)</b>	

# Fiscal Year 2014 Budget/Projection Variance

## Tax Capped Funds

Projected Expenditure Variance - \$6.0M, or 5.6% Favorable

- Salaries and Benefits - \$3.4M, or 4.2% Favorable
- General Materials & Supplies - \$.6M, or 10.2% Favorable
- Utilities - \$0.3M, or 8.3% Favorable
- Contractual Services - \$.3M, or 4.4% Favorable
- All Other - \$1.4M, or 12.7% Favorable



# Fiscal Year 2015 Preliminary Budget

# Fiscal Year 2015 Budget Parameters

## Revenue:

- State assumed 100% of prior year
- Property tax 1.5% CPI-U increase
- No increase in enrollment
- Tuition increase of \$1.75/credit hour per CPI-U based financial policy
- No “per credit hour” fee increase



# Fiscal Year 2015 Budget Parameters

## Expenditures:

- Salary increases are consistent with the collective bargaining agreements and all other groups are at 2% per CPI-U based financial policy
- Benefits increased 10% for calendar year 2015
- Negative expense adjustment of \$5M
- General contingency remains constant at \$350K
- Does not include a pension liability contingency

# Fiscal Year 2015 Budget

## Tax Capped Funds

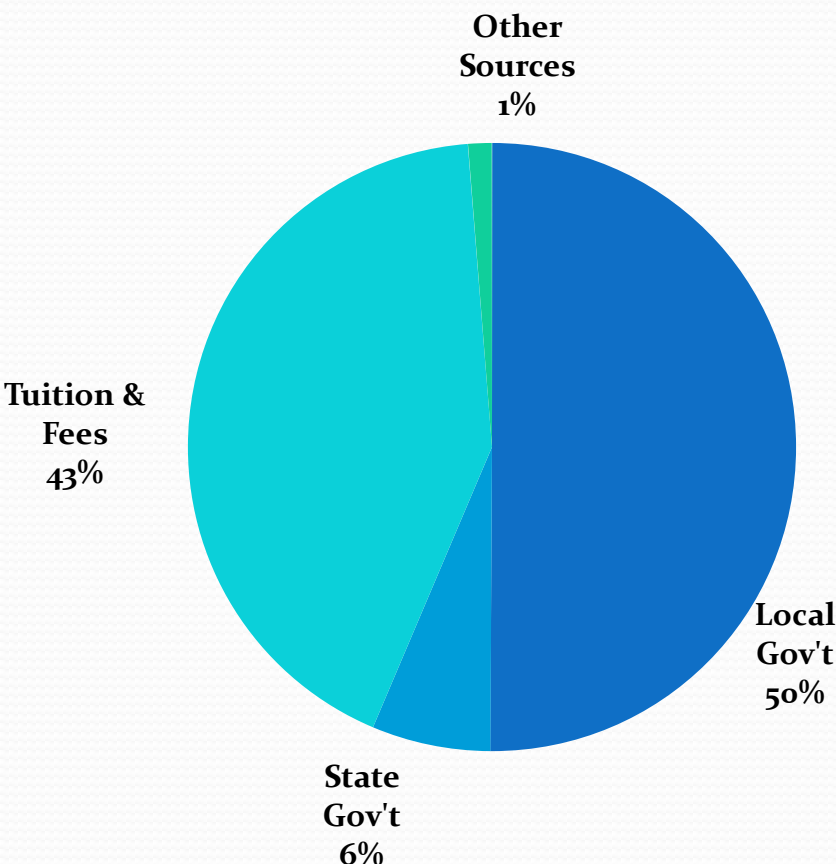
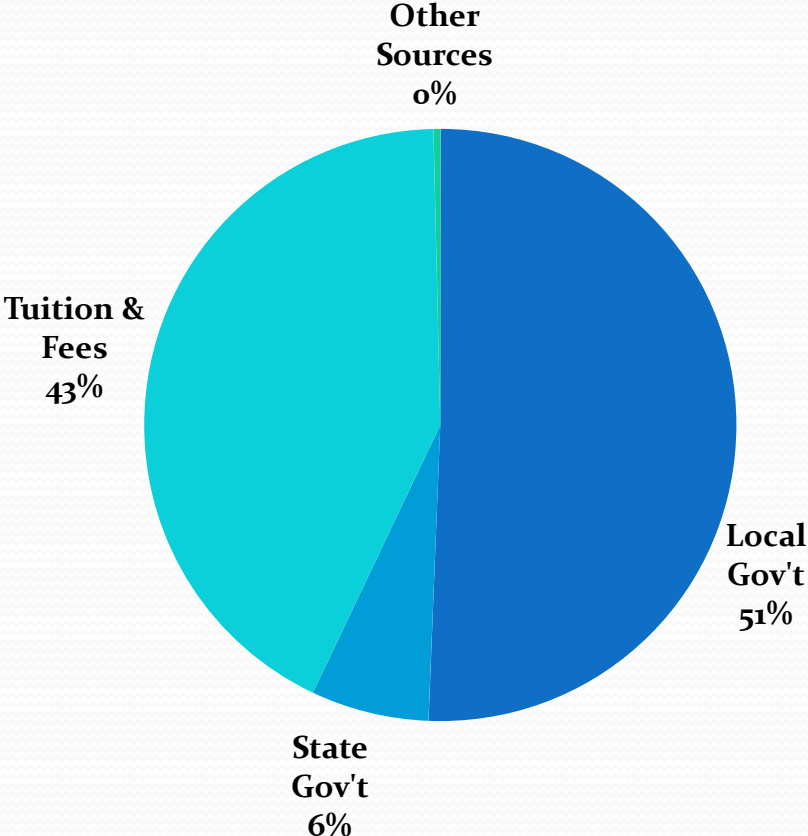
(\$ Millions)

<b>Tax Capped Funds</b>	<b>FY 2015 Budget</b>	<b>FY 2014 Budget</b>	<b>Variance</b>	<b>% Variance</b>
Local Government	\$55.9	\$54.8	\$1.1	2.0%
State Government	7.0	6.6	0.4	6.1%
Tuition & Fees	47.3	48.0	(0.7)	(1.5%)
Other	1.4	1.0	0.4	40.0%
<b>Total Revenue</b>	<b>\$111.6</b>	<b>\$110.4</b>	<b>\$1.2</b>	<b>1.1%</b>
<b>Expenditures</b>	<b>\$107.0</b>	<b>\$107.4</b>	<b>(\$0.4)</b>	<b>(0.4%)</b>
<b>Fund Transfer</b>	<b>4.6</b>	<b>2.8</b>	<b>1.8</b>	<b>64.3%</b>
<b>Fund Balance Change</b>	<b>\$0.0</b>	<b>\$0.2</b>	<b>(\$0.2)</b>	

# Tax Capped Funds - Revenue

**Projected FY 2014**

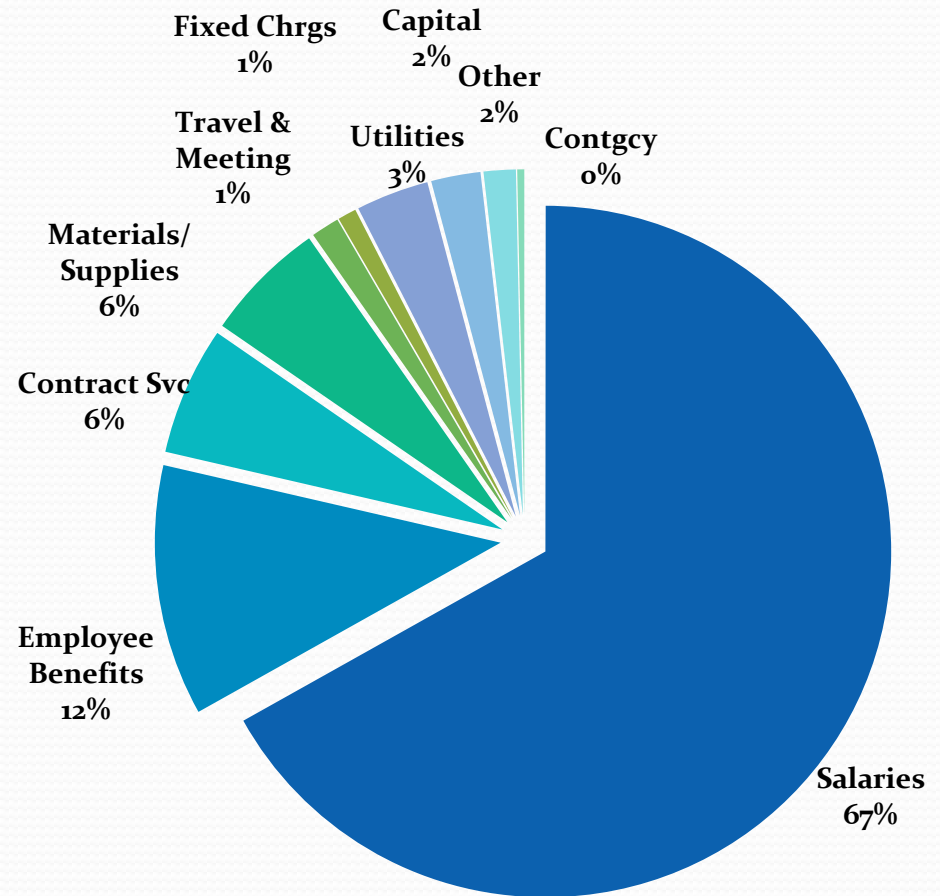
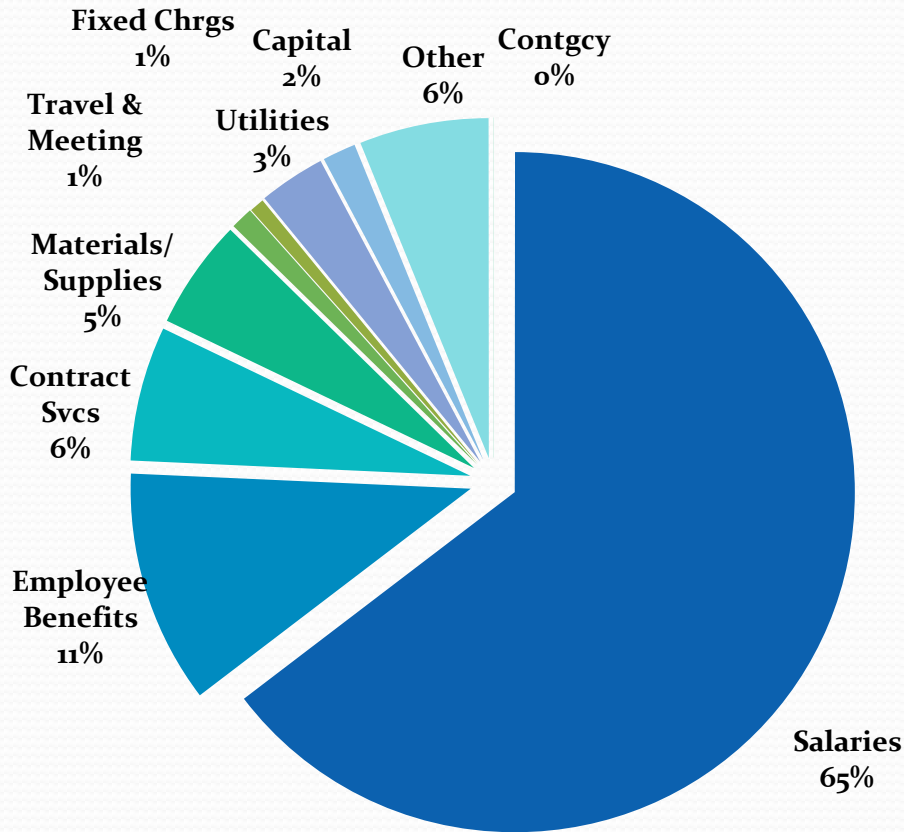
**FY 2015 Budget**



# Tax Capped Funds - Expenditures by Object

**Projected FY 2014**

**FY 2015 Budget**





# Fiscal Year 2014 Capital Budget Status

## FY 14 Capital Projects

	<u>Board Approved/ Project Estimate</u>	<u>FY 2014 Budget</u>	<u>Estimated Project to Date</u>
<b>Building Integrity</b>	\$ 2,581,050	\$ 1,825,400	\$ 1,827,450
<b>Sustainability</b>	\$ 198,000	\$ 50,000	\$ 50,100
<b>Renewal</b>	\$ 1,958,850	\$ 1,340,550	\$ 815,400
<b>Program Support</b>	\$ 162,299,570	\$ 52,263,800	\$ 48,054,000
<b>Safety and Statutory</b>	\$ 25,114,650	\$ 18,046,700	\$ 15,720,060
<b>System Reliability</b>	\$ 8,672,500	\$ 4,875,500	\$ 1,318,490
<b>Contingency</b>		\$ 3,000,000	
<b>Grand Total</b>	<u>\$ 200,824,620</u>	<u>\$ 81,401,950</u>	<u>\$ 67,785,500</u>

FY 14 Capital Projects				
		<b>Completion Date</b>	<b>Board Approved/ Project Estimate</b>	<b>Estimated Project to Date</b>
<b><u>Building Integrity</u></b>				
Combined Projects	2014 Building Envelope Projects	Aug-14	\$ 1,739,000	\$ 1,125,000
	Roofing: Northeast Center	Jul-14	\$ 762,850	\$ 686,450
	Campus Interior Doors & Frames	Combined with 2014 Bldg Envelope projects	\$ -	\$ -
	Roof Survey and Repairs	Jan-16	\$ 79,200	\$ 16,000
		<b>TOTAL</b>	<b>\$ 2,581,050</b>	<b>\$ 1,827,450</b>
<b><u>Sustainability</u></b>				
	Indoor Lighting Level Control Installations	On going	\$ 198,000	\$ 50,100
		<b>TOTAL</b>	<b>\$ 198,000</b>	<b>\$ 50,100</b>
<b><u>Renewal</u></b>				
	Pedestrian Bridge Restoration	Aug-15	\$ 350,000	\$ 15,000
	Bldg L: Carpet Replacement	Jun-14	\$ 300,000	\$ 222,000
Revised	Bldg E: Lecture Rooms & Lobby Upgrades	Jun-15	\$ 750,000	\$ 270,200
	HPC: Carpet Replacement	Jan-14	\$ 74,400	\$ 73,900
	Bldg W: Carpet Replacement	Jun-14	\$ 71,750	\$ 67,300
Revised	Bldg S: Carpet Replacement & Graphics Department	Jun-14	\$ 175,000	\$ 150,000
	Campus Exterior Directional Signs	On going	\$ 50,000	\$ 2,000
	Bldg L: Faculty Offices	Aug-14	\$ 40,000	\$ 10,000
	Campus Monument Signage Replacement	Sep-14	\$ 147,700	\$ 5,000
		<b>TOTAL</b>	<b>\$ 1,958,850</b>	<b>\$ 815,400</b>

FY 14 Capital Projects				
		Completion Date	Board Approved/ Project Estimate	Estimated Project to Date
<b>Program Support</b>				
	Bldg D Landscape Restoration	Aug-16	\$ 2,850,000	\$ 50,000
	Bldgs D Temporary Relocation	Dec-14	\$ 2,000,000	\$ 100,000
	Bldg H: Advanced Manufacturing Permanent Space	Aug-15	\$ 1,300,000	\$ 60,120
Revised	HPC: Certification Center	Aug-14	\$ 900,000	\$ 327,700
	Reconfiguration of Steam Lines & Boiler Replacement	Postponed FY15	\$ 165,000	\$ -
Revised	NEC: Building Improvements	Nov-14	\$ 550,000	\$ 25,000
Revised	NEC: Building Improvements Interior	Nov-14	\$ 450,000	\$ -
	NEC: Reading Room Expansion	Cancel	\$ 150,000	\$ -
	Campus Tennis Court Repairs	May-14	\$ 182,700	\$ 176,580
	Bldg V: Career skills institute classroom	Jan-14	\$ 120,000	\$ 43,780
	Bldg D: Advanced Manufacturing Temporary Space	Aug-14	\$ 100,000	\$ 80,000
	Bldg W: Office Relocations	Jan-14	\$ 75,000	\$ 65,520
	Bldg C: Art Gallery	Jul-14	\$ 49,500	\$ 25,000
	Campus Athletic Field Maintenance	Jun-13	\$ 50,000	\$ 49,930
Revised	One Stop/Student Center Programming	Aug-17	\$ 61,684,300	\$ 1,713,800
	Bldg D Renovation and Additions	Jun-16	\$ 46,423,500	\$ 20,318,800
	H Building Renovations	Nov-14	\$ 38,115,700	\$ 23,451,300
	Hospitality Programming	Aug-16	\$ 5,106,500	\$ -
	Bldg L: Liberal Arts Office Remodels	Dec-13	\$ 612,000	\$ 591,500
	Exterior Gathering Areas	Aug-13	\$ 417,420	\$ 407,300
	Bldg F: Center for Innovative Instruction Reconfiguration	Aug-13	\$ 225,000	\$ 193,255
	HPC: Continuing Education Office Reconfiguration	Cancel	\$ 173,000	\$ 27,965
	Bldg B: Physical Plant Office Remodels	Jun-14	\$ 170,000	\$ 156,500
	Bldg B: Physical Plant Office Reconfiguration	Dec-13	\$ 153,450	\$ 145,000
	Bldg M Master Plan	Postponed FY15	\$ 100,000	\$ -
	Bldg X: Cardiac Tech/Diagnostic Medical Sonography Programs Waiting Room	Sep-13	\$ 83,300	\$ 7,940
	Performing Arts Center, Bldg R: Sun Control Installation	Combined with 2014 Bldg Envelope projects	\$ -	\$ -
	Bldg Z: Office Z327 Reconfiguration	Sep-13	\$ 58,000	\$ 29,060
	Bldg X: Massage Clinic Reception Area	Sep-13	\$ 35,200	\$ 7,950
	<b>TOTAL</b>		<b>\$ 162,299,570</b>	<b>\$ 48,054,000</b>



FY 14 Capital Projects				
		<b>Completion Date</b>	<b>Board Approved/ Project Estimate</b>	<b>Estimated Project to Date</b>
<b>Safety and Statutory</b>				
	Warehouse	Nov-14	\$ 1,775,000	\$ 975,000
	Parking Lot #6	Aug-14	\$ 900,000	\$ 360,500
	Temporary Parking	Aug-13	\$ 461,800	\$ 427,160
	Bldgs L, R, W: Exterior Door Replacements	Combined with 2014 Bldg Envelope projects	\$ -	\$ -
	Campus Keyless Access	Combined with 2014 Bldg Envelope projects	\$ -	\$ -
	Parking Lot Maintenance 2014	Aug-14	\$ 491,650	\$ 294,020
	Parking Structure	Nov-14	\$ 14,127,000	\$ 11,492,600
	Euclid Ave Entrance Relocation	Aug-16	\$ 3,250,000	\$ 96,150
	Parking Lot Reconstruction: HPC & NEC	Aug-15	\$ 1,370,100	\$ 69,600
	Emergency Power Distribution	Aug-14	\$ 1,250,000	\$ 1,100,000
	Life Safety Asbestos Removal	On Going	\$ 633,000	\$ 481,100
	Avante Center, Bldg X, Y & Z: Exterior Door Replacement	Aug-13	\$ 370,000	\$ 343,020
	Bldg P: Washroom renovations	Combine with 2014 Bldg Envelope projects	\$ -	\$ -
	Bldg A: Washroom renovations	Cancel	\$ 140,000	\$ -
	HVAC Equipment Removal	Dec-14	\$ 100,000	\$ 9,500
	Bldg B: Concrete Repairs	Aug-14	\$ 75,000	\$ 21,520
	Bldg A: Mechanical Repairs Design	Aug-15	\$ 115,000	\$ 25,250
	Bldg Z: Lobby Tile Replacement	Cancel	\$ 56,100	\$ 24,640
		<b>TOTAL</b>	<b>\$ 25,114,650</b>	<b>\$ 15,720,060</b>

FY 14 Capital Projects				
		<b>Completion Date</b>	<b>Board Approved/ Project Estimate</b>	<b>Estimated Project to Date</b>
<b><u>System Reliability</u></b>				
Revised	Bldg A: Data Center Air Conditioning	Dec-14	\$ 809,700	\$ 107,200
	NEC: Network Room Reconfigure	Postponed FY15	\$ 100,000	\$ -
	NEC: Water Piping	Postponed FY15	\$ 125,000	\$ -
	NEC: Compressor Replacement	Sep-13	\$ 50,050	\$ 45,500
	Oasis Fountain Repairs	Apr-14	\$ 68,350	\$ 64,100
	Building Automation Systems (BAS)	Aug-16	\$ 2,998,000	\$ 125,800
	Bldg M: Pool Repairs & Upgrades	May-16	\$ 1,206,000	\$ 52,950
	Bldg B Mechanical system	Aug-16	\$ 757,500	\$ 298,120
	Bldg D: Mechanical room	Apr-14	\$ 475,000	\$ 403,100
Revised	MEP: Bldg I & J HVAC Upgrades	Dec-14	\$ 620,900	\$ 88,615
	Bldg A: Drain Lines Repairs	Cancel	\$ 297,000	\$ -
	Infrastructure MEP: Utility Sub Metering	Postponed FY15	\$ 250,000	\$ -
	Life Safety Tunnel Mechanical work	Postponed FY15	\$ 350,000	\$ 12,500
	Campus Emergency and Exit Lighting	On going	\$ 200,000	\$ 68,530
	Blue Reflecting Pool Repairs	Dec-14	\$ 140,000	\$ 28,850
	Bldg M: HVAC Control System	Cancel	\$ 90,000	\$ -
	Infrastructure MEP: Bldg A Piping	Cancel	\$ 70,000	\$ -
	Infrastructure MEP: HVAC piping insulation	Jun-14	\$ 40,000	\$ 15,440
	Infrastructure MEP: West Chiller	Combined with B: Mechanical	\$ -	\$ -
	Bldg V: Isolation Valve	Nov-13	\$ 25,000	\$ 7,785
		<b>TOTAL</b>	<b>\$ 8,672,500</b>	<b>\$ 1,318,490</b>



Fiscal Year 2015 Capital Projects  
*(Preliminary)*

# Fiscal Year 2015 Capital Budget Objectives

- Support Instructional Programs
- Maintain Campus Facilities
- Continue Working on the Master Plan

# FY 15 Capital Projects (Preliminary)

	<u>Project Estimated Cost</u>	<u>FY15 Budget Request</u>
<b>Building Integrity</b>	\$ 2,931,050	\$ 1,114,200
<b>Sustainability</b>	\$ 198,000	\$ 50,000
<b>Renewal</b>	\$ 1,387,700	\$ 1,085,000
<b>Program Support</b>	\$ 161,584,000	\$ 49,524,500
<b>Safety and Statutory</b>	\$ 25,781,750	\$ 7,653,000
<b>System Reliability</b>	\$ 20,973,935	\$ 11,141,735
<b>Grand Total</b>	<u>\$ 212,856,435</u>	<u>\$ 70,568,435</u>
<b>Contingency</b>		\$ 3,000,000
<b>Total Budget Request</b>		<u>\$ 73,568,435</u>

# Estimated Sources of Capital Funds

## *\$ millions*

### **Estimated Sources:**

• Operations and Maintenance (Restricted) Fund, Projected to July 1, 2014	\$136.0
• State Funds, Net of Expenditures to Date	46.7
• Non-Referendum Bond Issues, Fiscal Years 2015 & 2017	10.0
• Construction Fee per Credit Hour	3.0
• Fiscal Year 2015 Budgeted Capital Transfer	1.8
• Interest	<u>0.5</u>
<b>Total Estimated Sources of Funds</b>	<b><u>\$198.0</u></b>

# Estimated Uses of Capital Funds

## *\$ millions*

### **Estimated Uses:**

• Canning Center, Building A	\$59.6
• Building D ( <i>includes \$5.5M of infrastructure capital</i> )	28.9
• Library, Building F	26.1
• Infrastructure Projects	24.7
• Building M	20.0
• Building H	14.7
• Parking Structure	4.0
• All Other	<u>17.8</u>
<b>Total Estimated Uses of Funds</b>	<b><u>\$195.8</u></b>