

CAMDEN COUNTY COLLEGE



FY2021 OPERATING AND CAPITAL BUDGETS

OVERVIEW

The COVID-19 outbreak has caused rapid and significant changes. The FY2021 College budget was developed with challenges and uncertainties. It totals \$58,744,744 which represents a \$1,700,256 or 2.8% decrease over the FY2020 year-end projected budget.

The budget started with massive shortfalls. A decision by the State to withhold \$2.3 million from the aid for the months of July, August and September reduced the total aid to \$6,903,259. The State aid after September is uncertain, but budgeted at the same levels as last year.

Face-to-face enrollments are projected to decrease by 15% in comparison to the FY2020 enrollments. After six years of keeping the tuition and fees the same, a tuition increase of \$8 per credit is recommended to start in the fall 2020 semester. The tuition will remain well below the average for the community colleges in New Jersey and the second lowest in the State.

The miscellaneous revenues are projected to decrease by \$1.5 million in comparison to the projected FY2020 revenues. This includes declines in revenue from the garage, investment income, bookstore, and rental revenues.

One strong certainty is the continuous support from the County. This budget includes \$1,100,000 increase in funding from the County, from \$11,650,000 in FY2020 to \$12,750,000 in FY2021. Additionally, the County will continue forgiving approximately \$2 million in debt service payments.

A total of \$1.5 million transfer from the reserves and \$1.5 million transfer from the plant fund will be utilized as a revenue source to balance the budget. The College received \$2.8 million in CARES Act funding. As we use this funding, the transfer from the reserves can potentially go down.

A number of cost savings measures are included in this budget. Many of these decisions were not easy to make. They will require shared sacrifice. However, they are necessary in order to meet our financial obligations and lay the foundation for the future.

Cost savings measures include the following:

- Froze all vacancies except 3 essential positions
- Converted all courses at Rohrer to online and other campuses and closed the campus until December 2020

- Offered early separation incentives to employees with 25 years of service and met age requirement
- Non-affiliated administrators earning over \$100,000 took a 10% reduction in salary until December 2020
- Canceled raises and implemented furloughs for all affiliated and non-affiliated administrative personnel
- Discussions with the unions for mutual concessions
- Moved five full-time and one part-time Camden positions in the Strengthening Institutions CARES Act grant
- Reduced all part-time salaries
- Reduced all non-salary expenses including utilities, contractual services, supplies and other expenses

If a number of factors turn negative, there will be additional pressure on the FY2021 budget and the future financial health of the College. Concerns include enrollment declines higher than 15%, additional State cuts and substantial depletion of the unrestricted reserves. This fall will undoubtedly bring more challenges – and more opportunities. We believe that with our sound fiscal planning, the support from the Unions and the consistent strong support from the County, the College will focus on the opportunities during this crisis and overcome all the surprises.

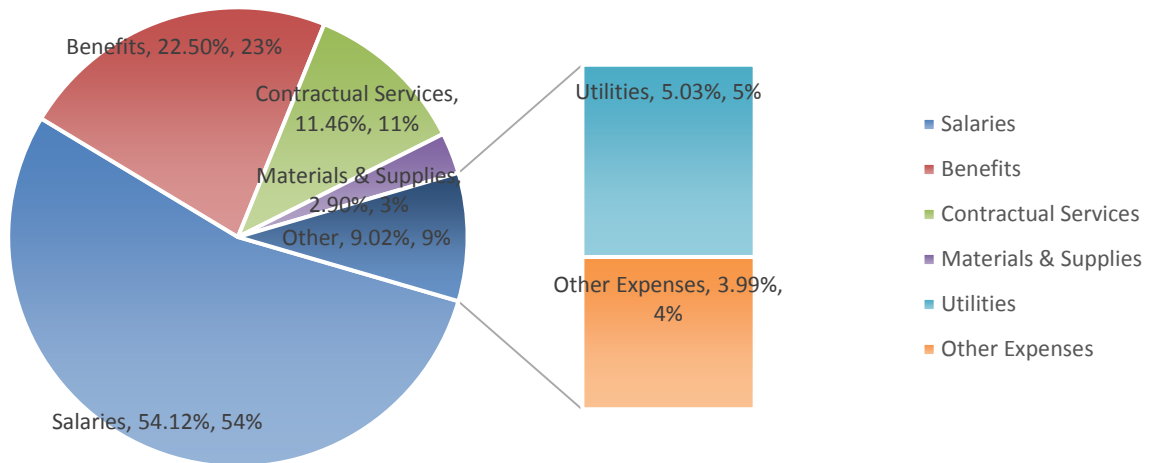
BUDGET SUMMARY

CCC - FY2021 Budgeted Expenditures Detail Table I attached	
Salaries & Wages	\$31,793,150
Fringe Benefits	\$13,219,450
Contractual Services	\$6,732,455
Materials & Supplies	\$1,701,989
Conferences & Meetings	\$529,034
Fixed Charges	\$1,497,020
Utilities	\$2,956,496
Student Aid	\$288,000
Miscellaneous	\$27,150
Total Expenditures	\$58,744,744

CCC - FY2021 Budgeted Revenues Detail Table II attached	
Credit Tuition	\$18,450,000
Credit Fees	\$8,891,000
Continuing Education	\$2,000,000
State Appropriation	\$6,903,259
County Appropriation	\$12,750,000
Miscellaneous	\$9,750,485
Total Revenue	\$58,744,744

OBJECT CATEGORY

As noted in the following chart, salaries and fringe benefits continue to encompass the majority of the expenditures. Approximately 77% of the Operating Budget is for employee compensation. The remaining 23% budgeted for operating is spent on contractual services (11%), which includes projected increases for the contracts currently out for bid; materials and supplies (3%); conferences & meetings (1%); fixed charges (2%); utilities (5%); student aid (<1%); and capital (<1%).



Salaries and Wages

The salary budget totals \$31,793,150, a decrease of \$3,106,850 over the FY2020 year-end projected budget. The salary budget includes savings from the deletion of all vacancies except three essential positions, 10% reduction in salary for six months for all non-affiliated employees earning more than \$100,000, and reductions in overloads and adjuncts salaries. There is also substantial savings in this category from furloughs and cancelled increases for many personnel. In addition, the salaries for five full-time employees and one part-time employee on the Camden campus were moved to the Strengthening Institutions grant, funded from the CARES Act initiative.

The salaries also include substantial savings in all the part-time categories including faculty projects and released time.

Fringe Benefits

Even though premium costs for fringe benefits are expected to increase by 10% for half of the year, due to the lower salaries and vacancies not being filled, the FY2021 fringe benefits have only increased by \$69,450 over the FY2020 projected fringe benefits.

Utilities

In the current climate of virtual instruction, the College is continuing to look for innovative ways to reduce energy use. We continue to explore shutting down buildings including closing the Rohrer center until December 2020. The utilities are budgeted at approximately \$145,000 lower than the projected FY2020 projected budget.

Other Operating Costs

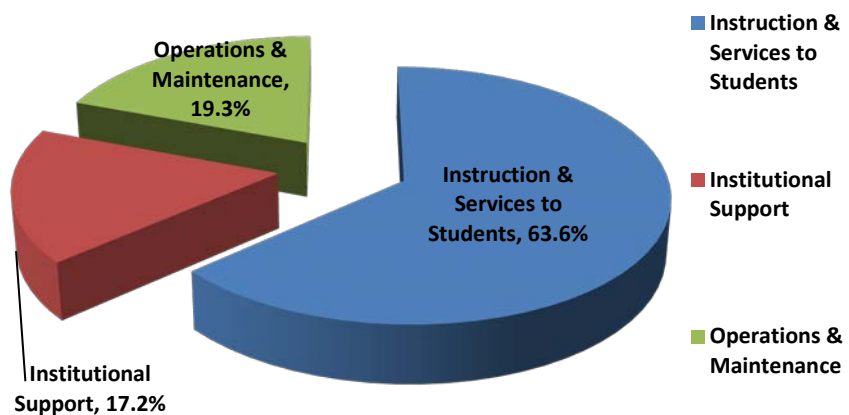
Contractual services costs are expected to increase due to a potential increase in custodial services and software contracts. Student aid and miscellaneous expenses are anticipated to remain the same.

The County announced for the sixth year, the elimination of approximately \$2 million of the College’s portion of the debt service.

FUNCTIONAL CATEGORY

Seen from a functional perspective, expenditures are budgeted in several categories as follows:

Function	%	FY2021
Instruction	39%	\$23,123,606
Public Service Academic Support	3%	\$1,809,009
Student Services	10%	\$6,814,823
Institutional Support	17%	\$10,086,244
Operations & Maintenance	19%	\$11,313,886
Scholarships & Fellowships	0%	
Total		\$58,744,744



As shown in the preceding graph, approximately 64% of the College’s operating expenditures continue to be spent supporting the instructional programs.

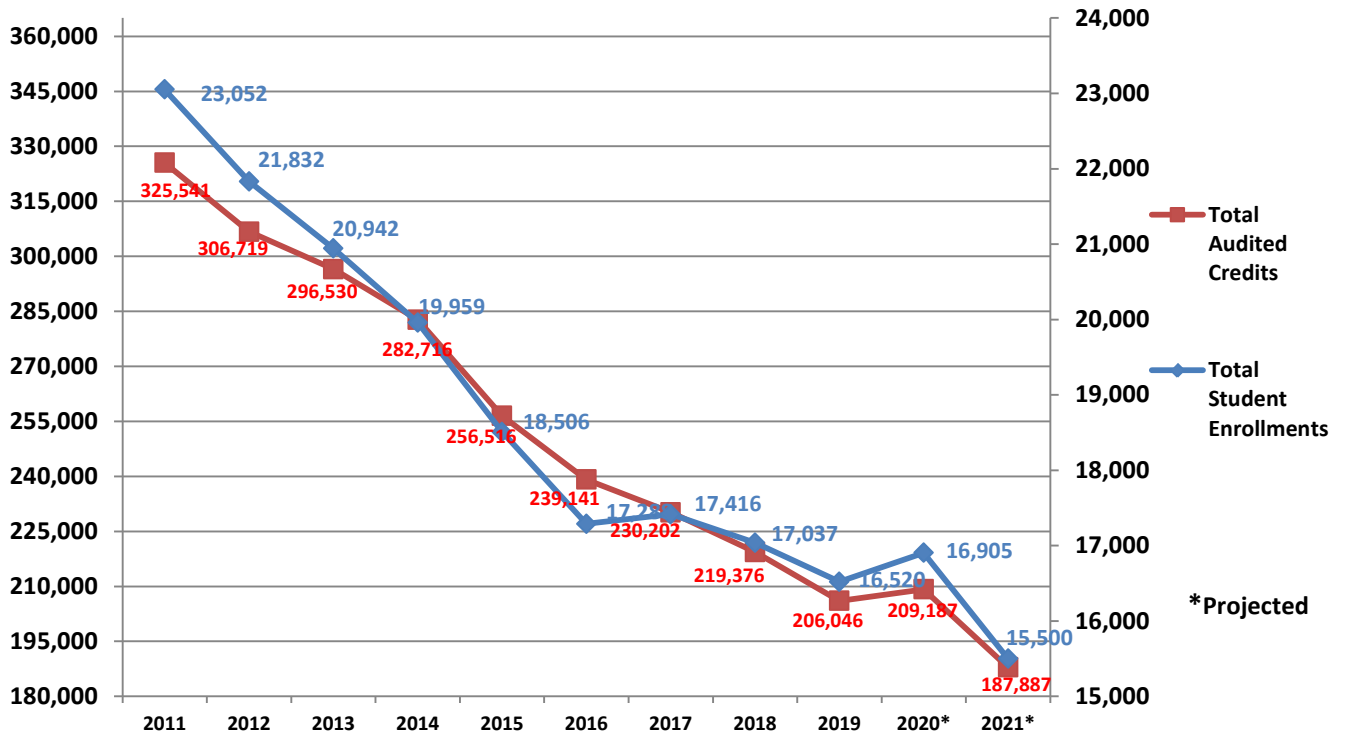
Fiscal Year 2021 Revenues

The College supports the budget from the revenue categories as summarized below:

Student Tuition, Fees	\$27,341,000
Continuing Education	\$2,000,000
State Appropriation	\$6,903,259
County Appropriation	\$12,750,000
Miscellaneous Revenue	\$9,750,485
Total Revenue	\$58,744,744

Student Tuition and Fees

Student Tuition and fee revenues represent 47% of total revenue. The College's projection for tuition and fee revenue is dependent upon both the tuition rate and level of enrollments. There will be an increase of \$8 per credit in tuition for the first time in seven years, well below the average of the all community colleges in New Jersey and the second lowest in the State. The FY2021 budget includes a 15% decline in face to face enrollments. Online, unique and high school enrollments are projected at the same levels as FY2020. As indicated below, this represents a reduction of 21,300 credits over the FY2020 enrollments.

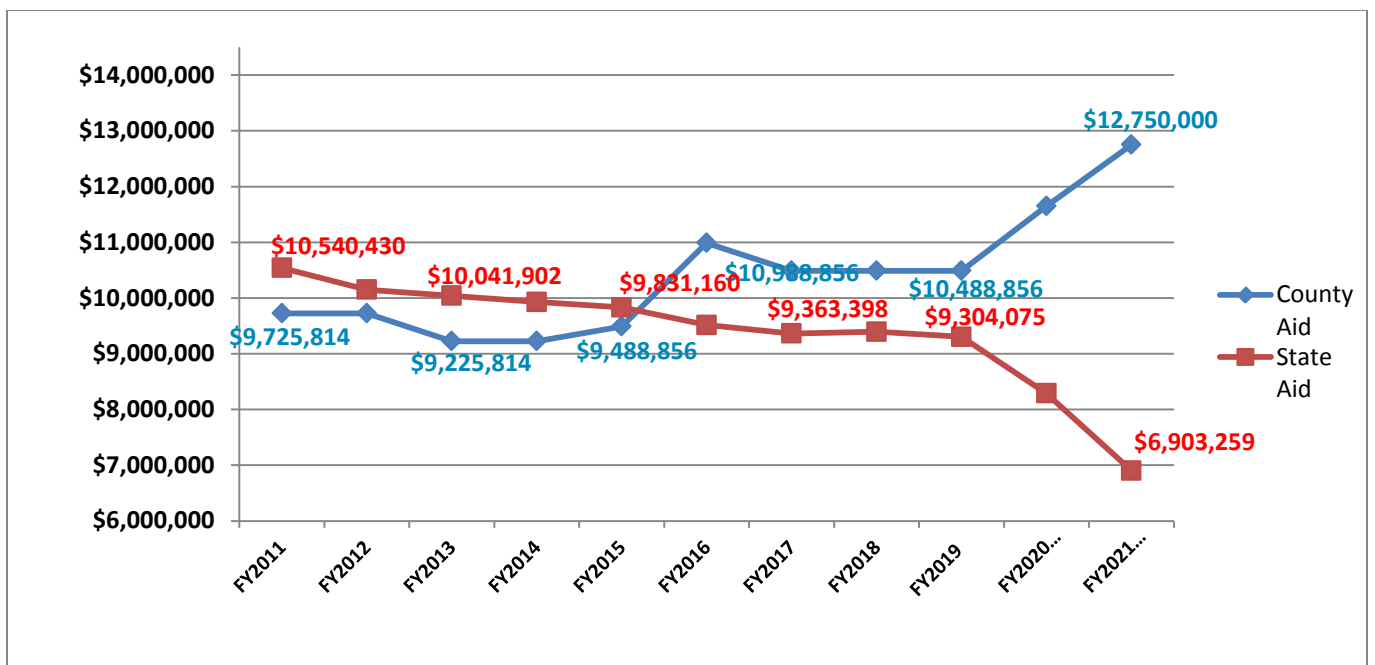


State and County Aid

The State is withholding aid for the months of July, August and September totaling \$2.3 million. This is in addition to a cut of approximately \$911,000 in FY2020. The State aid after September is uncertain at this point. The total State aid is budgeted at \$6,903,250.

The County appropriation for FY2021 is projected to increase to \$12,750,000. That is an increase of \$1,100,000 compared to the FY2020 year-end projected budget.

The share of the College's operating budget for FY2021 is 12% from the State and 22% from the County.

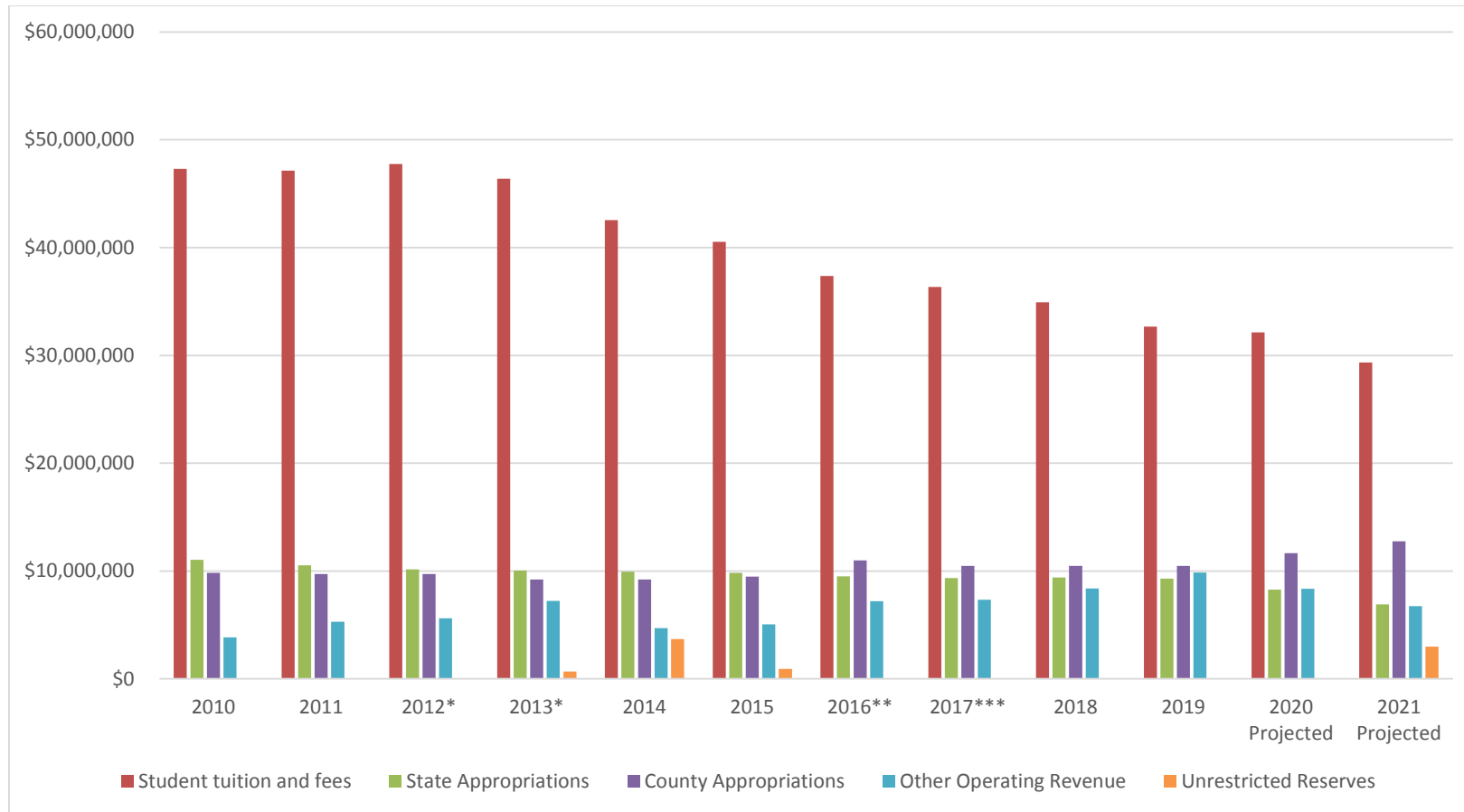


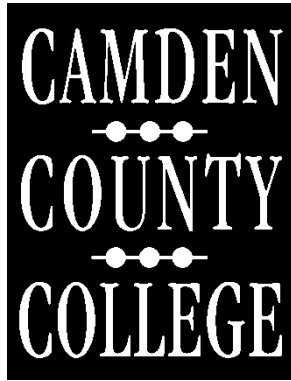
Miscellaneous Sources

Miscellaneous revenues are projected to decrease by \$1.5 million in comparison to the projected FY2020 revenues. This includes declines in revenue from the garage, investment income, bookstore, and rental revenues. Miscellaneous revenues also include a \$1.5 million transfer from the reserves and a \$1.5 million transfer from the plant fund. The College was awarded \$2,892,056 in CARES Act funding which we plan to use for qualified expenses.

REVENUE COMPARISONS FY2010 TO FY2021

**Revenue History and Projections: FY2009-2019 Actual
FY2020 - FY2021 – Projected**





FY2021 Capital Budget

**Fiscal Year 2021
Capital Budget
Overview**

The State suspended the FY2020 Chapter 12 funding. There is no indication about the status of the FY2021 funding. However, the County is funding \$939,000 in FY2021 for Capital improvements and equipment.

Capital needs, including facility upgrades, are an ongoing critical College expense priority. The FY2021 capital budget addresses the most urgent repairs, renovations and equipment identified and prioritized by the College.

The College continues to use current grants, which include the Perkins Career and Technical Education Grant for updates to equipment and upgrades to facilities.

CHART I

Capital Projects	Amount
Academic Equipment and Upgrades	\$75,000
OIT Equipment	\$393,000
Facilities and Security Equipment and Upgrades	\$350,000
RETC	\$121,000
Total Capital	\$939,000

Academic Equipment and Upgrades - \$75,000

Academic equipment not funded by Perkins including the expansion of the eLearning Division in the Library. With the launch of eLearning as a new division, offices need to be in a central location that is easily accessible to students and faculty.

OIT Equipment - \$398,000

A large segment of the workstation infrastructure is in dire need of replacement or upgrade. Most workstations are still running on Microsoft Windows 7 which is no longer supported by Microsoft after January 2020.

The plan for addressing the workstation infrastructure is to change from a physical to virtual desktop infrastructure (VDI). This flips the current solution entirely. Every workstation will be touched by either

replacing it with a VDI station or transforming the current physical equipment into a virtual station. A new virtual unit is 60% less than the cost of a physical unit.

Additionally, critical infrastructure equipment is at end of life and needs to be replaced reducing high risk that failure will occur in availability of network resources and data protection.

Listed below are the network infrastructure items:

- Current College backup system for virtual and physical servers is at end of life. This is a critical component of disaster recovery and data protection. Requires two Veeam 100TB backup servers, one the primary and the second replication.
- UPS Battery Backup systems to protect network and server environments. Camden CTC data room is critical to replace.
- UPS Battery Backup systems to protect network and server environments. Camden College Hall UPS in third floor IDF closet is in dire need of replacement.
- Twenty seven network switches are out of support. Cisco switches will be replaced with Juniper switches which are half the cost.
- Begin replacing wireless infrastructure coming to end of life (this segment is just 10% of total cost). Wireless will not operate when it comes to end of support. Change from Cisco to Ruckus solution reducing cost and increasing wireless coverage.

Facilities, Security Equipment and Upgrades- \$350,000

Facilities Upgrades – Funding is needed to maintain emergency upgrades including HVAC controls, equipment replacements and improvements. The College will focus on high priority items that are at or beyond their useful life.

Security Equipment – Additional security cameras and blue light phones will be necessary to increase the level of security provided by Public Safety to monitor vulnerable areas remotely.

Facilities and Custodian Equipment – Facilities staff relies on mobile cart transportation to quickly reach areas requiring facilities maintenance, especially on the expansive Blackwood campus. The current fleet of vehicles is gradually breaking down and requires repair and upgrade. In addition, a large number of tables and chairs are deteriorating and are in need of replacement.

RETC - \$121,000

This project is to update the fire simulator computer system on the RETC training ground. This supporting computerized equipment has entered its lifespan projection & many components have become obsolete.

Table 1

Camden County College
Expenditure Comparison

Expenditures	General Operating				Continuing Education				Auxiliary Services				TOTAL Current Unrestricted				Difference Between FY2020 Projections & FY2021 Budgeted
	Actual FY2019	Budgeted FY2020	Year End FY2020 Projections	Budgeted FY2021	Actual FY2019	Budgeted FY2020	Year End FY2020 Projections	Budgeted FY2021	Actual FY2019	Budgeted FY2020	Year End FY2020 Projections	Budgeted FY2021	Actual FY2019	Budgeted FY2020	Year End FY2020 Projections	Budgeted FY2021	
Salaries	\$26,803,452	27,143,853	26,985,676	\$24,672,519	\$1,130,652	1,145,011	1,138,339	1,040,763	\$451,294	457,025	454,362	415,415	\$28,385,398	\$28,745,890	\$28,578,377	\$26,128,697	(\$2,449,680)
Overloads	\$7,016,910	6,736,623	6,736,623	\$5,664,453									\$7,016,910	\$6,736,623	\$6,736,623	\$5,664,453	(\$1,072,170)
Fringe Benefits	\$13,275,041	13,721,415	12,736,240	\$12,803,505	\$278,378	287,738	267,079	268,490	\$152,886	158,027	146,681	147,455	\$13,706,305	\$14,167,180	\$13,150,000	\$13,219,450	\$69,450
Contractual Services	\$6,469,310	6,224,051	5,627,241	\$6,421,212	\$93,143	89,612	81,019	92,450	\$220,432	212,075	191,740	218,793	\$6,782,885	\$6,525,738	\$5,900,000	\$6,732,455	\$832,455
Materials & Supplies	\$1,142,670	1,540,896	949,374	\$1,292,659	\$308,276	415,712	256,127	348,741	\$53,559	72,225	44,499	60,589	\$1,504,505	\$2,028,832	\$1,250,000	\$1,701,989	\$451,989
Conferences/ Meetings	\$457,083	605,572	318,453	\$510,523.35	\$16,573	21,957	11,547	18,511		0		0	\$473,656	\$627,529	\$330,000	\$529,034	\$199,034
Fixed Charges	\$1,259,450	1,367,241	1,155,480	\$1,441,480.45	\$39,693	43,090	36,416	45,430	\$8,833	9,589	8,104	10,110	\$1,307,976	\$1,419,920	\$1,200,000	\$1,497,020	\$297,020
Utilities	\$3,061,396	2,934,006	2,937,499	\$2,801,517	\$52,054	49,888	49,947	47,635	\$117,301	\$112,420	112,554	107,343	\$3,230,751	\$3,096,314	\$3,100,000	\$2,956,496	(\$143,504)
Student Aid	\$235,413	341,367	250,000	\$250,000	\$7,498	10,873	0						\$242,911	\$352,240	\$200,000	\$288,000	\$88,000
Capital	\$28,669	33,202	0	\$11,824	\$5,640	6,532	0	0					\$34,309	\$39,734	\$0	\$14,150	\$14,150
Miscellaneous	\$0												\$0		\$0	\$0	\$0
Contingency	\$17,857	0	0	\$0	\$0				\$0	0			\$17,857	\$0	\$0	\$13,000	\$13,000
Transfers													\$0	\$0	\$0	\$0	\$0
													\$0	\$0			
Expenditures	\$59,767,251	\$60,648,227	\$57,696,586	\$55,869,693	\$1,931,907	\$2,070,413	\$1,840,475	\$1,862,020	\$1,004,305	\$1,021,361	\$957,939	\$959,706	\$62,703,463	\$63,740,000	\$60,445,000	\$58,744,745	(\$1,700,255)

Table II

**Camden County College
Revenue Comparison**

Revenue	General Operating				Continuing Education				Auxiliary Services				TOTAL Current Unrestricted				Difference Between FY2019 Projections & FY2020 Budgeted
	Actual FY2019	Revised Budget FY2020	Year End FY2020 Projections	Budgeted FY2021	Actual FY2019	Revised Budget FY2020	Year End FY2020 Projections	Budgeted FY2021	Actual FY2019	Revised Budget FY2020	Year End FY2020 Projections	Budgeted FY2021	Actual FY2019	Revised Budget FY2020	Year End FY2020 Projections	Budgeted FY2021	
Student Tuition	\$20,038,755	\$21,000,000	\$19,778,336	18,450,000	\$2,190,796	\$2,500,000	\$2,200,000	\$2,000,000					\$22,229,551	\$23,500,000	\$21,978,336	\$20,450,000	(\$1,528,336)
Student Enrollment Fees	8,891,849	9,345,000	8,680,988	7,594,071									8,891,849	9,345,000	8,680,988	7,594,071	(1,086,917)
Student Service Fees	1,406,597	1,638,000	1,327,923	1,157,017									1,406,597	1,638,000	1,327,923	1,157,017	(170,906)
Student Penalties	154,979	117,000	147,757	139,912					0				154,979	117,000	147,757	139,912	(7,845)
County Chargebacks	19,287	0	0	0									19,287	0	0	0	0
Federal Government	23,440	0	0	0									23,440	0	0	0	0
State Appropriation\	9,304,075	9,800,000	8,288,856	6,903,259									9,304,075	9,800,000	8,288,856	6,903,259	(1,385,597)
County Appropriations (Net of Stab. Fund)	10,488,856	10,488,856	11,650,000	12,750,000									10,488,856	10,488,856	11,650,000	12,750,000	1,100,000
Other Revenue	-	0	0	0					8,942,538	8,472,068	7,735,357	9,260,485	8,942,538	8,472,068	7,735,357	9,260,485	1,525,128
Parking Garage Fees									572,843	595,495	515,783	370,000	572,843	595,495	515,783	370,000	(145,783)
CCC Current Unrestricted Reserves		0		0									0	0	0	0	0
Net Transfers/Auxiliary Expenses	0												0	0	0	0	0
Interest	-	0	0	0					120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	0
Alternate Benefit Program	846,290	0	0										846,290	0	0	0	0
Total Revenue	\$51,174,128	\$52,388,856	\$49,873,860	\$46,994,259	\$2,190,796	\$2,500,000	\$2,200,000	\$2,000,000	\$9,635,381	\$9,187,563	\$8,371,140	\$9,750,485	\$63,000,305	\$64,076,419	\$60,445,000	\$58,744,744	-\$1,700,256