



**Camden County College
Fiscal Year 2016
Final Operating Budget**

Fiscal Year 2016 Operating Budget

OVERVIEW

The FY2016 College budget proposal totals \$66,596,461. This is \$3,517,908 less than the FY2015 revised budget and \$5,731,435 less than the originally submitted FY2015 budget. This budget balances the College's priorities and will continue to meet the College mission of offering accessible and affordable education to the residents of Camden County.

The budget does not include an increase in tuition or fees during FY2016. This tuition freeze is possible due to the County's generous increase of \$1,000,000 in aid. Budget revenues reflect a \$200,000 reduction from the State due to enrollment declines. Revenues from workforce development are projected to increase by \$300,000 based on our investment in hiring a new Executive Director to lead the operation.

During the enrollment surge the College prudently created a financial reserve which has been used to support operations during the enrollment decline. With reserves almost depleted at \$2.3 million, the FY2016 budget focuses on measures to support long-term fiscal sustainability, and maintain the reserve at its current level of \$2.3 million. In FY2015 we outsourced the custodial and maintenance personnel. In early fall 2014, when it became clear that enrollments would continue to drop in FY2015, we redoubled our efforts to reduce class sections and revised the budget to include a 15% reduction in all non-essential expenditures. We plan the same reductions in FY2016. In addition, the County announced the elimination of \$1,750,000 of the College's portion of the debt service. With 76% of our operating budget in salaries and benefits, we are limited in reducing expenses without the reduction of full-time positions. Through voluntary separations and layoffs we were able to reduce the number of full-time positions by 47 and part-time permanent positions by 3.

Other cost control initiatives include the elimination of salary increases and sick time retirement payout for non-affiliated employees, the closing of three buildings to reduce utility costs, replacement of lighting across the campus with LED, a reduction in the number of academic coordinators, a reduction of write-offs through the implementation of an e-billing system and a reduction of administrative costs at the Rohrer Center by reducing library services and restructuring registration services.

We anticipate that during the FY2016 academic year enrollments will plateau and maintain their current levels. New initiatives, such as increased advertising and marketing efforts, will be implemented. We expect that new students will enroll as they learn more about our partnerships with Rutgers and with the regions four year universities to provide seamless articulations and tuition discounts. Additionally, as we continue to build our new facilities, we will reach new markets and student populations. The new Taft Building is due to open in

June, 2015 as a “One-Stop Center” and we anticipate students and parents will have an increased positive experience and first impression when they apply to the College and register for courses. While these facilities are positive new assets, they bring anticipated yet significant ongoing utility, custodial and other operational costs.

We believe that with our sound fiscal planning, improved facilities, and continued support from the County, the College will continue providing our community with comprehensive, innovative and unique educational opportunities.

Budget Summary

CCC - FY2016 Budgeted Expenditures Detail Table I attached	
Salaries & Wages	\$37,026,172
Fringe Benefits	\$13,592,476
Contractual Services	\$ 5,290,632
Materials & Supplies	\$ 2,060,034
Conferences & Meetings	\$ 528,950
Fixed Charges	\$ 3,320,669
Utilities	\$ 4,117,366
Student Aid	\$ 337,350
Capital	\$ 85,587
Miscellaneous	\$ 237,225
Total Expenditures	\$66,596,461

CCC - FY2016 Budgeted Revenues Detail Table II attached	
Credit Tuition	\$25,377,605
Credit Fees	\$13,250,000
Continuing Education	\$ 2,600,000
State Appropriation	\$9,600,000
County Appropriation	\$10,488,856
Miscellaneous	\$ 4,680,000
Current Unrestricted Reserves	\$ 600,000
Total Revenue	\$66,596,461

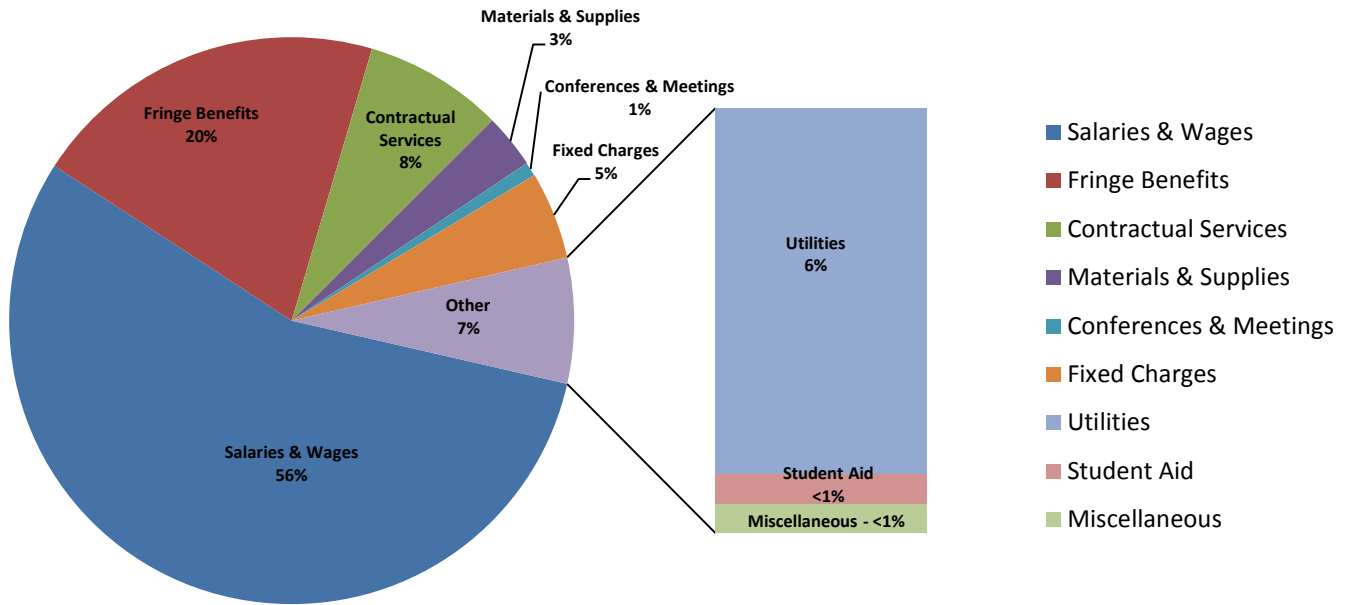
Fiscal Year 2016 Expenditures

The College's FY2016 Operating Budget is \$66,596,461. This represents a decrease of \$3,517,908 compared to the FY2015 revised budget and \$5,731,435 less than the originally submitted FY15 budget.

The expenditures are displayed two ways: by object category and by functional category.

OBJECT CATEGORY

As noted in the following chart, salaries and fringe benefits encompass the majority of the expenditures. Approximately 76% of the Operating Budget is for employee compensation, as compared to 79% in the original FY2015 budget. The remaining 24% budgeted for operating is spent on contractual services (8%) which increased by 3% to cover the outsourcing of facilities; materials and supplies (3%); conferences & meetings (1%); fixed charges (5%); utilities (6%); student aid (<1%); and miscellaneous (<1%).



Salaries and Wages

The salary budget of \$37,026,172 includes the contractual obligation of all collective bargaining units. It does not include an increase for non-affiliated personnel. In order to reduce the budgeted cost for salaries and wages, 47 full-time and 3 part-time staff positions were cut. In addition, a savings of \$800,000 in overloads/adjuncts was realized through the increase of class size and the careful monitoring of course offerings. Overall, this represents a decrease of approximately \$2,383,921 over the FY2015 revised budget.

Fringe Benefits

Even though recent notices from carriers indicate that premium costs for fringe benefits will continue to rise for FY2016, due to the recent layoffs, in addition to last year's layoffs, the FY2016 fringe benefits have decreased by \$1,740,926 over the FY2015 revised budget. Additionally savings was realized by eliminating the sick time retirement payout for all non-affiliated employees.

Utilities

Utility costs for all of our campus locations remain a major challenge. We are currently working on completing a campus-wide building analysis to determine where the increased costs have occurred and to take steps to decrease these costs through cost saving initiatives. These initiatives include closely monitoring and adjusting heating and cooling temperatures for our buildings, replacing outdated HVAC systems, implementing a new demand response program to curtail peak electricity usage, researching ways to improve waste management processes, investing in more efficient lighting, and rolling out public awareness programs to solicit faculty and student participation in sustainability measures. This is in addition to participating in County joint purchasing cooperatives to ensure the best electricity and gas rates.

Other Operating Costs

Contractual services increased by 7% to cover the expense for custodial & grounds due to the outsourcing of the facility and maintenance services in June, 2014. Fixed Charges increased by 4% due to an increase in property casualty costs and debt service. The remainder of other expenditures was decreased for FY2016.

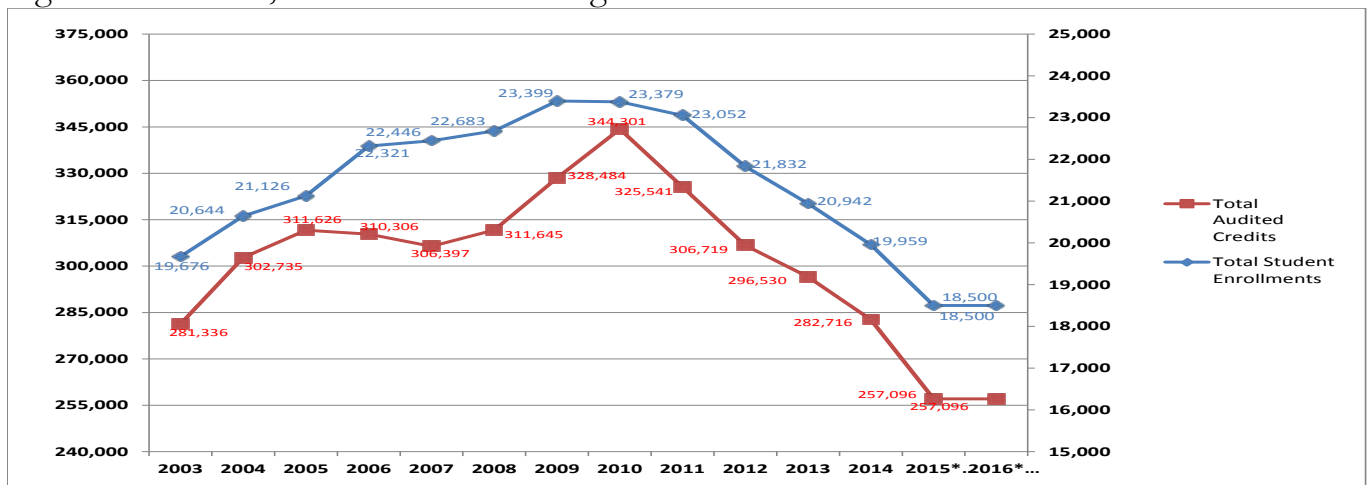
Fiscal Year 2016 Revenues

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

Student Tuition, Fees	\$38,627,605
Continuing Education	\$ 2,600,000
State Appropriation	\$ 9,600,000
County Appropriation	\$10,488,856
Miscellaneous and Other Revenue Sources	\$ 4,680,000
Current Unrestricted Reserves	<u>\$ 600,000</u>
Total Revenue	\$66,596,461

Student Tuition and Fees

As indicated below, over the past four years, student enrollment declined significantly. Tuition and fee revenue represents 62% of total revenue, a decrease from 66% in FY2012. The College's projection for tuition and fee revenue is dependent upon both the tuition rate and level of enrollments. For the second year, there will be no increase in tuition or fees. The College is working on innovative ways to attract students and increase enrollments, including new high school outreach, improved registration access, and various marketing initiatives.

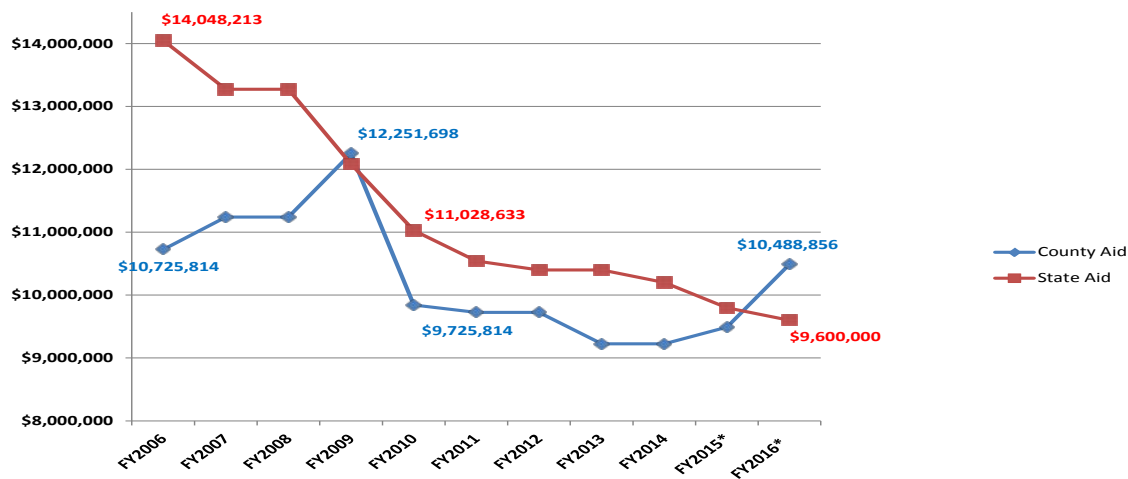


*Projected

State and County Aid

As indicated in the chart below, State aid has been steadily declining for at least five years. State appropriation for FY2016 is \$200,000 less than FY2015.

The County appropriation for FY2016 is projected to increase to \$10,488,856 which is due to a one-time \$1 Million infusion from the County to help keep our tuition and fees level. At this level, the County's share of the College budget for FY2016 represents 15.7% of its operation.



*Projected

Miscellaneous Sources

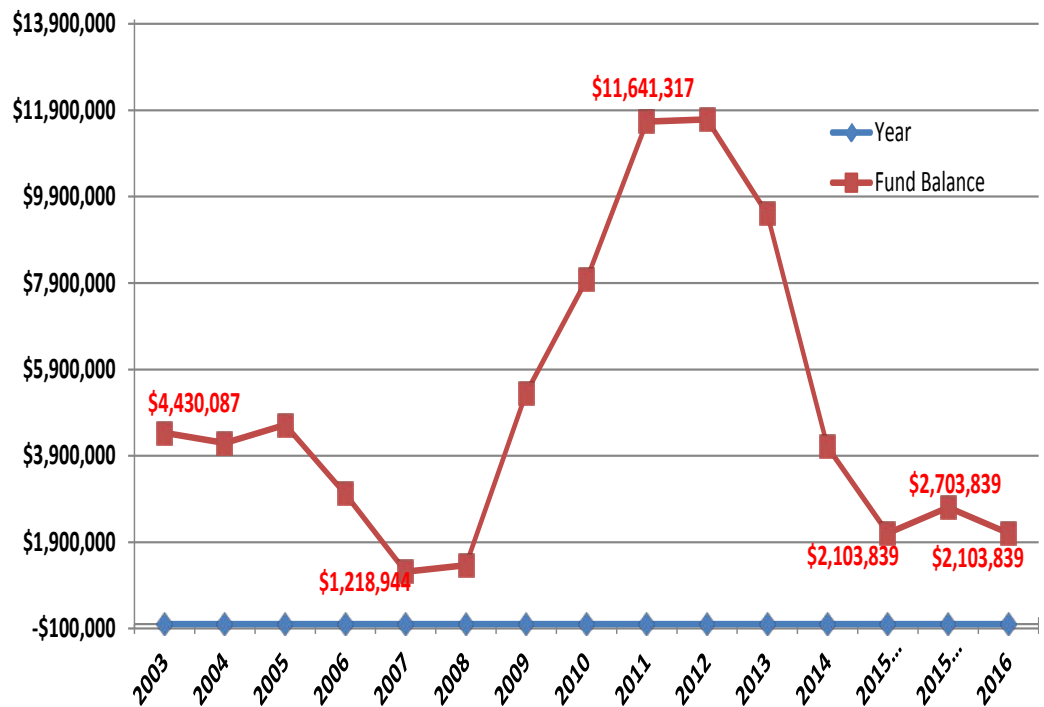
Miscellaneous revenue is projected to increase by \$317,441. Included in this category are commissions from our bookstore, parking fee revenues, and net transfers between funds as well as revenue from the Gateway Program in Camden and the Transition to College Program, both of which are expected to increase in FY2016. Revenue from several agreements with outside agencies for the use of our facilities is also included.

This year we will be finalizing the agreement that had been started in FY2015 to bring an Urgent Care facility to the Blackwood Campus. It will bring access to medical care for the general public as well as students, faculty and staff and clinical opportunities for our allied health students.

Current Unrestricted Funds

As a result of reserve transfers over the last three years and the \$1.7M reserve payment for the financial aid audit, the College's unrestricted funds balance will be \$2,103,839, the same as the balance projected in the original FY2015 budget. To balance the FY2016 budget, it is projected that we will use the \$600,000 from reserves originally projected to be used in FY2015.

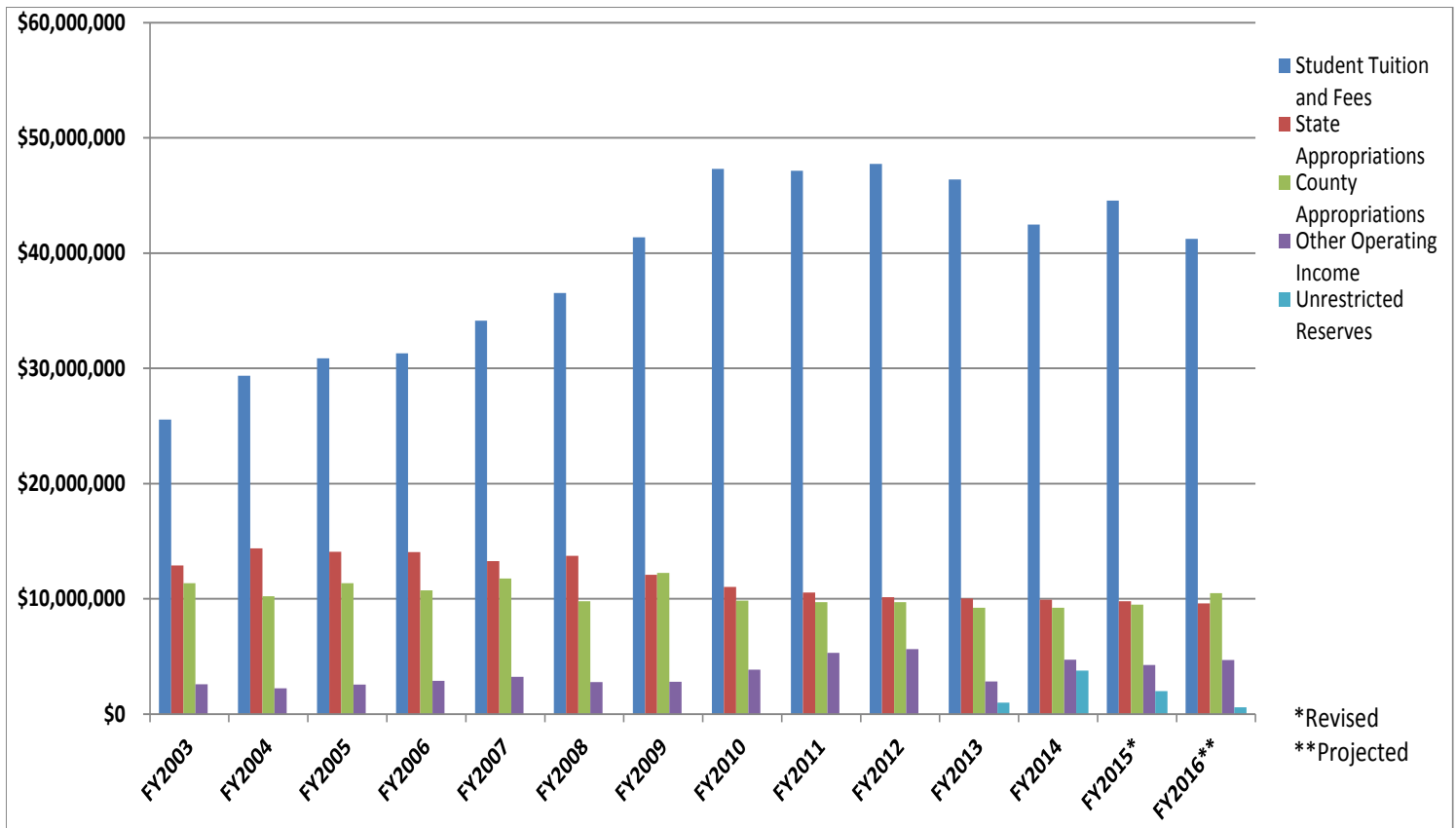
Year	<i>Fund Balance</i>
2003	\$4,430,087
2004	\$4,193,606
2005	\$4,614,285
2006	\$3,019,990
2007	\$1,218,944
2008	\$1,369,663
2009	\$5,357,050
2010	\$7,972,524
2011	\$11,641,317
2012	\$11,689,094
2013	\$9,503,839
2014	\$4,103,839
2015 Budgeted	\$2,103,839
2015 Projected	\$2,703,839
2016 Budgeted	\$2,103,839



Note: Fund Balance Includes the use of funds for \$1,700,000 Financial Aid Audit

REVENUE COMPARISONS FY2003 TO FY2016

Revenue History and Projections:



In summary, over the past few years the College has relied on increases in student tuition to offset declines in enrollments and State and County appropriations. The College did not increase tuition in FY2015 and, due to the County's increased aid, will not increase tuition or fees in FY2016 to balance the budget.

In FY2015 the administration is projecting transferring \$600,000 less from reserves than originally budgeted. The \$600,000 will be used to balance the FY2016 budget, leaving the reserves at the same level originally budgeted in FY2015.

Table 1

Camden County College
Expenditure Comparison

Expenditures	General Operating				Continuing Education				Auxiliary Services				TOTAL Current Unrestricted				Difference Between FY2015 Projections & Budgeted
	Actual FY2014	Revised FY2015	Year End FY2015 Projections	Budgeted FY2016	Actual FY2014	Revised FY2015	Year End FY2015 Projections	Budgeted FY2016	Actual FY2014	Revised FY2015	Year End FY2015 Projections	Budgeted FY2016	Actual FY2014	Revised FY2015	Year End FY2015 Projections	Budgeted FY2016	
Salaries	\$33,607,488	\$31,016,688	\$29,453,881	\$27,404,369	\$1,575,756	\$1,693,594	\$1,608,915	\$1,487,287	\$616,790	\$472,004	\$415,000	\$456,168	\$35,800,034	\$33,182,286	\$31,477,796	\$29,347,824	(\$2,129,972)
Overloads	\$7,055,643	\$8,629,518	\$8,096,858	\$7,645,118	\$28,681	\$26,680	\$25,346	\$33,230	\$0	\$0	\$0	\$0	\$7,084,324	\$8,656,198	\$8,122,204	\$7,678,348	(\$443,856)
Fringe Benefits	\$13,694,518	\$14,903,217	\$13,586,917	\$13,194,663	\$321,102	\$338,718	\$321,783	\$297,457	\$137,901	\$103,840	\$91,300	\$100,356	\$14,153,521	\$15,345,775	\$14,000,000	\$13,592,476	(\$407,524)
Contractual Services	\$2,830,031	\$2,792,270	\$4,455,000	\$4,922,597	\$144,519	\$149,168	\$145,000	\$140,568	\$270,127	\$198,451	\$200,000	\$227,467	\$3,244,677	\$3,139,889	\$4,800,000	\$5,290,632	\$490,632
Materials & Supplies	\$1,368,214	\$1,634,375	\$1,039,437	\$1,587,798	\$332,183	\$417,520	\$420,000	\$432,485	\$12,934	\$44,751	\$40,563	\$39,751	\$1,713,331	\$2,096,646	\$1,500,000	\$2,060,034	\$560,034
Conferences /Meetings	\$427,213	\$520,307	\$470,043	\$498,309	\$14,278	\$28,730	\$28,537	\$29,301	\$1,613	\$1,530	\$1,420	\$1,340	\$443,104	\$550,567	\$500,000	\$528,950	\$28,950
Fixed Charges	\$1,595,394	\$3,156,065	\$1,007,987	\$3,273,314	\$35,323	\$11,900	\$13,250	\$15,000	\$8,701	\$26,250	\$28,763	\$32,355	\$1,639,418	\$3,194,215	\$1,050,000	\$3,320,669	\$2,270,669
Utilities	\$3,561,992	\$2,989,743	\$3,638,518	\$3,817,140	\$56,736	\$81,685	\$73,257	\$68,885	\$228,628	\$204,797	\$217,578	\$231,341	\$3,847,356	\$3,276,225	\$3,929,353	\$4,117,366	\$188,013
Student Aid	\$347,328	\$380,800	\$294,900	\$332,250	\$1,125	\$5,100	\$5,100	\$5,100	\$0	\$0	\$0	\$0	\$348,453	\$385,900	\$300,000	\$337,350	\$37,350
Capital	\$15,354	\$126,404	\$126,503	\$85,587	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,354	\$126,404	\$126,503	\$85,587	(\$40,916)
Miscellaneous	\$949,604	-\$120,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$949,604	-\$120,000	\$0	\$0	\$0
Contingency	\$7,003	\$268,014	\$0	\$225,000	\$0	\$2,975	\$0	\$2,950	\$340	\$9,275	\$0	\$9,275	\$7,343	\$280,264	\$0	\$237,225	\$237,225
Transfers													\$0	\$0	\$0	\$0	\$0
													\$0	\$0			
Expenditure	\$65,459,782	\$66,297,401	\$62,170,044	\$62,986,145	\$2,509,703	\$2,756,070	\$2,641,188	\$2,512,263	\$1,277,034	\$1,060,898	\$994,624	\$1,098,053	\$69,246,519	\$70,114,369	\$65,805,856	\$66,596,461	\$790,605

Table II

Camden County College
Revenue Comparison

Revenue	General Operating				Continuing Education				Auxiliary Services				TOTAL Current Unrestricted				Difference Between FY2015 Projections & FY2016 Budgeted
	Actual FY2014	Revised Budget FY2015	Year End FY2015 Projections	Budgeted FY2016	Actual FY2014	Revised Budget FY2015	Year End FY2015 Projections	Budgeted FY2016	Actual FY2014	Revised Budget FY2015	Year End FY2015 Projections	Budgeted FY2016	Actual FY2014	Revised Budget FY2015	Year End FY2015 Projections	Budgeted FY2016	
Student Tuition	\$29,135,282	\$28,176,994	\$25,100,000	\$25,377,965	\$1,959,120	\$2,600,000	\$2,300,000	\$2,600,000					\$31,094,402	\$30,776,994	\$27,400,000	\$27,977,965	\$577,965
Student Enrollment Fees	13,002,960	13,781,437	13,250,000	13,250,000									13,002,960	13,781,437	13,250,000	13,250,000	0
Student Service Fees	182,595				452,415								635,010	0	0	0	0
Student Penalties	237,724				35								237,759	0	0	0	0
County Chargebacks	26,840												26,840	0	0	0	0
Federal Government	41,089												41,089	0	0	0	0
State Appropriation\	9,928,514	9,800,000	9,800,000	9,600,000									9,928,514	9,800,000	9,800,000	9,600,000	(200,000)
County Appropriations (Net of Stab. Fund)	9,225,814	9,488,856	9,488,856	10,488,856									9,225,814	9,488,856	9,488,856	10,488,856	1,000,000
Other Revenue	2,807,180	4,267,082	4,467,000	4,680,000	144,069				152,156				3,103,405	4,267,082	4,467,000	4,680,000	213,000
Parking Garage Fees									539,327				539,327	0	0	0	0
CCC Current Unrestricted Reserves		2,000,000	1,400,000	600,000									0	2,000,000	1,400,000	600,000	-800,000
Net Transfers/ Auxiliary Expenses	(1,614,601)												-1,614,601	0	0	0	0
Fed Stimulus																	
County Security Revenue													0	0	0	0	0
Total Revenue	\$62,973,397	\$67,514,369	\$63,505,856	\$63,996,821	\$2,555,639	\$2,600,000	\$2,300,000	\$2,600,000	\$691,483	\$0	\$0	\$0	\$66,220,519	\$70,114,369	\$65,805,856	\$66,596,821	\$790,965