

Roxbury Community College

Operating Budget

Fiscal Year Ending June 30, 2017

With draft Fiscal Year Ending June 30, 2016 Final

**Roxbury Community College**  
**Draft Budget for Fiscal Year Ending June 30, 2017**  
**With Year End Draft Actuals for Fiscal Year Ending June 30, 2016**

	Fiscal Year Ending 6/30/2015	Annual Budget Fiscal Year Ending 6/30/2016	Draft Year End Actuals FY 6/30/2016	Favorable (Unfavorable) Variances	Draft Budget Fiscal Year Ending 6/30/2017
<b>Operating Revenues</b>					
Tuition and fees - Credit	\$ 8,057,039	\$ 8,422,571	\$ 8,249,932	\$ (172,639)	\$ 8,378,056
Tuition and fees - Corporate Ed	187,275	350,000	569,445	219,445	840,000
Less: Scholarships and fellowships	<u>(6,318,083)</u>	<u>(5,167,044)</u>	<u>(5,971,161)</u>	<u>(804,117)</u>	<u>(5,812,000)</u>
Net tuition	<b><u>\$ 1,926,231</u></b>	<b><u>\$ 3,605,527</u></b>	<b><u>\$ 2,848,216</u></b>	<b><u>\$ (757,311)</u></b>	<b><u>\$ 3,406,056</u></b>
Federal Grants and Contracts	\$ 7,264,128	\$ 7,574,720	\$ 6,149,507	\$ (1,425,213)	\$ 6,498,818
State Grant And Contracts	1,504,086	1,075,000	2,907,050	1,832,050	1,209,167
Reggie Lewis Retained Revenue	477,472	500,000	520,097	20,097	529,150
Other	467,954	400,000	510,416	110,416	266,436
Private Grants and Contracts	<u>27,874</u>	<u>900,000</u>	<u>1,069,610</u>	<u>169,610</u>	<u>290,000</u>
<b>Total Operating Revenues</b>	<b><u>\$ 11,667,746</u></b>	<b><u>\$ 14,055,247</u></b>	<b><u>\$ 14,004,896</u></b>	<b><u>\$ (50,351)</u></b>	<b><u>\$ 12,199,627</u></b>
<b>Operating Expenses</b>					
Employee Compensation	\$ 10,702,326	\$ 11,279,793	\$ 10,904,933	\$ 374,860	\$ 11,047,400
Employee Related Expenses	59,462	184,620	66,857	117,763	187,550
Special Employees	4,749,901	4,707,141	5,055,589	(348,448)	4,752,837
Fringe (Pension & Insurance)	3,433,027	3,349,156	3,403,653	(54,497)	3,295,908
Administrative Expenses	522,065	697,716	713,416	(15,700)	960,994
Program, Facil & Op Supplies	395,413	481,975	1,545,592	(1,063,617)	537,600
Energy Costs, Utilities & Space Rentals	1,287,776	1,184,500	1,199,833	(15,333)	984,100
Consultant Services	1,222,907	1,989,500	1,768,237	221,263	1,626,816
Program Op Expenses	1,312,446	900,500	906,178	(5,678)	1,044,570
Program Equipt Purchases	228,537	121,000	217,989	(96,989)	140,240
Program Lease, Rentals & Mtce	255,632	233,000	184,849	48,151	139,200
Construction Improvements	427,679	347,204	424,063	(76,859)	357,284
Entitlement Programs	338,278	61,308	166,694	(105,386)	200,000
IT Expenses	719,947	704,733	980,873	(276,140)	737,641
Depreciation	1,918,129	1,900,000	1,914,414	(14,414)	2,000,000
Scholarships and Fellowships	<u>1,533,121</u>	<u>2,119,302</u>	<u>959,819</u>	<u>1,159,483</u>	<u>550,000</u>
<b>Total Operating Expenses</b>	<b><u>\$ 29,106,644</u></b>	<b><u>\$ 30,261,448</u></b>	<b><u>\$ 30,412,989</u></b>	<b><u>\$ (151,541)</u></b>	<b><u>\$ 28,562,140</u></b>
<b>Net operating Income (Loss)</b>	<b><u>\$ (17,438,898)</u></b>	<b><u>\$ (16,206,201)</u></b>	<b><u>\$ (16,408,093)</u></b>	<b><u>\$ (201,892)</u></b>	<b><u>\$ (16,362,512)</u></b>
<b>Non Operating Revenues (Expenses)</b>					
State Appropriations - Net	\$ 14,043,027	\$ 14,999,156	\$ 14,515,632	\$ (483,524)	\$ 14,852,108
Investment Income/(Loss)	6,822	1,000	1,986	986	-
Interest Expense	<u>(21,222)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Non Operating Revenues (Expenses)</b>	<b><u>\$ 14,028,627</u></b>	<b><u>\$ 15,000,156</u></b>	<b><u>\$ 14,517,618</u></b>	<b><u>\$ (482,538)</u></b>	<b><u>\$ 14,852,108</u></b>
<b>Income (loss) before Capital Appropriations</b>	<b><u>\$ (3,410,271)</u></b>	<b><u>\$ (1,206,045)</u></b>	<b><u>\$ (1,890,475)</u></b>	<b><u>\$ (684,430)</u></b>	<b><u>\$ (1,510,404)</u></b>
State appropriations - Capital	<u>2,402,284</u>	<u>1,206,045</u>	<u>1,923,794</u>	<u>717,749</u>	<u>24,000,000</u>
<b>Increase (decrease) in Net Position</b>	<b><u>\$ (1,007,987)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 33,319</u></b>	<b><u>\$ 33,319</u></b>	<b><u>\$ 22,489,596</u></b>

**Roxbury Community College  
Statement of Changes in Net Position**

	<b>Fiscal Year Ending 6/30/2015</b>	<b>Projected Year End Actuals for Year Ending 6/30/2016</b>	<b>Draft Budget for Year Ending 6/30/2017</b>
<b>Unrestricted Net Assets - Beginning</b>	\$ (210,367)	\$ (1,577,805)	\$ (1,731,774)
Unfunded Pension Adjustment	<u>(1,714,150)</u>	<u>(1,714,150)</u>	<u>(1,714,150)</u>
Adjusted Beginning Balance	\$ (1,924,517)	\$ (3,291,955)	\$ (3,445,924)
Change in Net Position from Operations	<u>(1,367,438)</u>	<u>7,774</u>	<u>489,596</u>
<b>Unrestricted Net Assets - Ending</b>	<u>\$ (3,291,955)</u>	<u>\$ (3,284,181)</u>	<u>\$ (2,956,328)</u>
<b>Investment in Capital Assets - Beginning</b>	\$ 24,789,480	\$ 25,148,931	\$ 25,174,476
Additions to Capital Assets	2,277,580	1,939,959	24,000,000
Less: Depreciation Expense	<u>(1,918,129)</u>	<u>(1,914,414)</u>	<u>(2,000,000)</u>
<b>Investment in Capital Assets - Ending</b>	<u>\$ 25,148,931</u>	<u>\$ 25,174,476</u>	<u>\$ 47,174,476</u>
<b>Total Net Position</b>	<u>\$ 21,856,976</u>	<u>\$ 21,890,295</u>	<u>\$ 44,218,148</u>

Roxbury Community College  
Draft Budget for Fiscal Year Ending June 30, 2017  
With Year End Projections for Fiscal Year Ending June 30, 2016

**Notes and Assumptions**

**Projections for Fiscal Year Ending June 30, 2016**

The projections for fiscal year ending June 30, 2016 do not include an estimate for changes in the unfunded deferred pension liability. These calculations are completed by the state's Comptroller's office and will be based on pension accruals and investment balances as of June 30, 2015—these numbers will always be a year behind because of the length of time that it takes the pension fund to complete its audit and publish the numbers.

These projections do not include adjustments to the earned vacation and sick time accruals and again these numbers are provided by the state's Comptroller. These numbers will be as of June 30, 2016 and we are expecting a reduction in the liability given that we had 18 employees leave the college this year who received payouts on their accrued balances.

The state appropriation funding for capital improvements funded through the Department of Capital Asset Management and Maintenance (DCAMM) has not been included in the projections. These funds flow through DCAMM which is managing the major capital projects and paying the invoices. We will receive a reconciliation of these funds in July and will record the revenues and capital expenses at that time. The actual amount will be lower than budgeted because phase two of the Reggie Lewis improvement project was cut from the FY 2016 spending plan after the budget was prepared.

The significant negative variance in the Federal Grants and Contracts line is offset by the positive variance in the Scholarships and Fellowships expense line which represents payments to students. The budget was based upon prior year ratios which no longer reflects our current realities and this has been adjusted for in the FY 2017 draft budget.

**Draft Budget for Fiscal Year Ending June 30, 2017**

**Tuition and Fees – Credit:** The draft FY 2017 budget is projecting a reduction of 5% in credits attempted from the FY 2016 fall actual numbers. It then assumes that spring semester will be down an additional 5% from the estimated fall 2017 number. Summer I and II are estimated based on prior years' history. The budget also includes the new course fees approved by the board of trustees at its February meeting.

Fall tuition and fees	\$3,849,094
Spring tuition and fees	3,439,700
Summer tuition and fees	725,000
Revenue from new course fees	<u>364,262</u>
<b>Total Tuition and Fees</b>	<b><u>\$8,378,056</u></b>

**Tuition and Fees – Corporate Education:** This line item includes revenue for both corporate and community education and the department of Life Long Learning. The numbers are based upon the number of courses and sessions that have been schedule for FY 2017.

**Federal Grants and Contracts:** Student financial aid revenue represents the majority of these funds. The Pell grant awards budget is based upon historic data on number of students qualifying for federal financial aid. The largest federal grant is a Department of Labor grant for STEM programming and this is year two of a multi-year grant.

**Other Revenue:** The other revenue line shows a 31% reduction do to the loss of rental income during construction—a total of \$132,500.

### **Operating Expenses**

**Personnel Costs:** Personnel costs represents 70% of the college’s budget. All collective bargaining increases have been included in the budget which includes step increases and cost of living increases. It assumes all vacant positions are filled July 1—which includes five director/dean positions. The budget also includes a significant increase for projected over-time in the maintenance budget associated with construction related activity.

**Other Operating Expenses:** In addition to added personal costs of \$50,000 the operating budget includes an additional \$660,000 in costs associated with the construction projects such as renting storage trailers to move things out of spaces under construction, packing and moving the library, relocating IT equipment, etc. These expenses for the most part are reflected in the administrative expense and program operating expense line items.