We have achieved significant educational and operational advances. To name a few:

- **$41 million in savings** from operations through the elimination of redundancies and increased efficiency has freed up resources to boost instruction and student supports.
- **Benefits more in line with the market**, reducing our liability by more than $1 million a year.
- **Reached new labor agreement with AFSCME** that links up to 8 percent of our adult education instructors’ compensation to progress toward state achievement goals.
- **Negotiated a new agreement with clerical staff** (Local 1708) that includes market aligned pay increases over 6 years, elimination of steps and sick-day payouts for new hires, and a freeze on sick-day payouts as of 7/1/14 for current employees.
- **Streamlined Business Enterprise operations** and enhanced revenue to generate a $1.2 million dollar improvement in operating results.
- **Increased graduation rate from 7% to 10%**, highest in more than decade. Class of 2012 over 3,000.
- **Under the leadership of Mayor Emanuel, we launched the first College to Careers programs**, Health Care (at Malcolm X), Transportation, Distribution & Logistics (at Olive-Harvey) and Business, Entrepreneurship and Professional Services (at Harold Washington).
FY 2013 Budget Presentation
Table of Contents

- District Goals and Objectives
- Budget Highlights
- Annual Planning and Budgeting Process
- Budget Overview
- Unrestricted Operating Funds
- Restricted/Grant Funds
- Enterprise Funds
- Capital Project Funds
DISTRICT GOALS AND OBJECTIVES
Plans and Budgets are Focused on Four Performance and Four Health Goals

All budgeted spending is aligned with these eight goals and tracked by metrics in order drive all activities of the District.
The Four Performance Goals

- Increase number of students earning college credentials of economic value
- Increase rate of transfer to bachelor’s degree programs following CCC graduation
- Drastically improve outcomes for students requiring remediation
- Increase number and share of ABE/GED/ESL students who advance to and succeed in college-level courses

Reinvention Vision

Drive greater degree attainment, job placement, and career advancement

Ensure student success

Become an economic engine for the City of Chicago
The Four Organizational Health Goals

These four organizational health goals support the achievement of our four performance goals.

Organizational Health Goals

- Strategically align community and special interest programming with community need
- Increase the quality and effectiveness of student services and support
- Improve operational discipline with a focus on high performance standards including excellent financial management
- Ensure safe and secure teaching and learning environments

Health Vision

Ensure efficient application of taxpayer dollars

Ensure student success

Allow a greater proportion of spending for student facing initiatives
BUDGET HIGHLIGHTS
2013 Budget Proposal Highlights

**Readiness**
- Increasing capacity to enroll double the number of Chicago Public School students in the dual credit programs. (Spring 2012 had approximately 200 students)
- Introduction of five Early College STEM High Schools in partnership with Chicago Public Schools.
- Planned expansion of Level UP summer bridge program

**Adult Education**
- Reorganizing our Adult Education sites to better align with communities in greatest need of GED, ESL and adult basic education services and boost enrollment in this area.
- Execute on merit pay clause in AFSCME contract

**Occupational**
- Support College to Careers by launching a $524 million capital plan for the next five years, with a $144.2 million capital appropriation in FY2013, to provide modern facilities that prepare students to master the skills needed in the 21st century economy.
- Partnering with leading businesses and organizations throughout the Chicago area to better align our curriculum and facilities with marketplace need.
- Launching College to Careers TDL and healthcare programs this fall.

**Transfer**
- Introducing Transfer Academy, using tutoring, mentoring, block scheduling, internships, learning communities and more to provide students with skills and support needed to successfully navigate from remedial courses through transition to the workforce and/or four-year colleges.
2013 Budget Proposal Highlights

- Created Office of Institutional Advancement to coordinate Communications, Community Relations, Development, Government & Legislative Affairs, Marketing, and a new Recruitment department.

Student Services
- Comprehensive advising function reform with a case management and early alert strategy supported by a new advising IT system (Grades First)
- Launch of adult education advising services for the first time
- Increased investment in tutoring services
- Launching a shuttle bus service to transport students and faculty among campuses.

Safety & Security
- Enhancing campus safety and security through more strategic use of security personnel and better access control

Efficiency & Effectiveness
- Modernizing labs, classrooms, tutoring centers and libraries.
- Introducing technology that will greatly improve both student outcomes and operational efficiencies; business intelligence, early alert system and labor management system.
- Reducing our environmental footprint and saving taxpayer resources by introducing key sustainability initiatives.
ANNUAL PLANNING AND BUDGETING PROCESS
Major Steps of the Unrestricted FY2013 Budget Planning Process

**ANNUAL PLAN**

- January:
  - Define CCC Strategic Goals
  - Distribute Annual Plan and budget guidelines to colleges
  - Distribute organizational chart to the DO and colleges
  - Preliminary Annual Plans due

- Review ODs Strategic Goals
- Launch meeting with VPs and Executive Directors to begin the planning process
- Update organizational charts from departments and colleges
- Open budget panels

**BUDGET APPROPRIATION**

- Expenditures budget due and close budget panels.
- Reopen budget panels
- Hold public budget hearings
- On July 12, CCC Board considers FY 2013 Budget for approval
- Tentative budget to Board and Civic Federation
- Meeting with Civic Federation

Thursday, June 28, 2012
CCC Applies a Zero-Based Budgeting Approach

Zero-based budgeting (ZBB) concepts:

- Each year’s baseline begins at zero rather than previous year's appropriation
- Appropriations requests are justified anew each year
- Cost/benefit review of all institutional activities each year
- Requests aligned with strategic goals
- Results measured against expectations

ZBB enhances planning and decision-making
GFOA Budget Presentation Award

City Colleges
Received Award in:
FY2006
FY2007
FY2008
FY2009
FY2010
FY2011
FY2012
BUDGET OVERVIEW
Integration of Annual Plan and Budget Processes

All Major Fund Groups

- Unrestricted Operating Funds - FY 13 $307.9 million
- Restricted/Grants Funds – FY 13 $194.2 million
- Enterprise Funds – FY 13 $12.6 million
- Capital Project Funds – FY 13 $144.2 million (total of $524 million over 5yrs)

Grand total = $658.9 million

Parallel and overlapping process for all funds

January 14th:
- Develop goals & Objectives
- Create an Annual Plan
- Appropriate Resources
- Approve and Load Budgets

July 1st fiscal year begins
FY 2013 Budget Status

Unrestricted Operating Funds – FY 13 $307.9 million

Restricted/Grants Funds – FY 13 $194.2 million

Enterprise Funds – FY 13 $12.6 million

Capital Project Funds – FY 13 $144.2 million (total of $524 million over 5yrs)

Grand total = $658.9 million

All non-capital spend total=$514.7 million

Key expenditure facts

• FY 2013 non-capital budget totals $514.7 million, up 0.1%
  – Unrestricted budget decreased by $4.4 million, or -1.4%
    • Holding the line on salary increases for non-bargained for employees.
  – Restricted budget increased by $3.4 million, or 1.8% mostly due to increase in student financial aid.
  – Enterprise budget increased by $1.4 million, or 12.5%

Key revenue facts

• Unrestricted state funding for City Colleges decreased by $6.5 million for FY13.
• No property tax increase for calendar year 2012
• No tuition increase for academic year 2012-13
UNRESTRICTED OPERATING FUNDS

- **Unrestricted Operating Funds - FY 13**: $307.9 million
- **Restricted/Grants Funds – FY 13**: $194.2 million
- **Enterprise Funds – FY 13**: $12.6 million
- **Capital Project Funds – FY 13**: $144.2 million (total of $524 million)

**UNRESTRICTED OPERATING FUNDS**
Where CCC Funding Will Come From in FY 2013

Total Unrestricted Resources $307.9 million

- Tuition, $114.0, 37%
- Property Tax, $120.8, 39%
- State, $58.3, 19%
- Other, $14.6, 5%

*Of the 37% of funding coming from tuition, 60% is covered by financial aid, resulting in our students providing only 15 cents of each dollar of funding to CCC.

**Includes investment income, facilities rentals, etc.
### CCCs Sources of Funding

<table>
<thead>
<tr>
<th>All Sources Of Funding</th>
<th>Property Tax</th>
<th>State</th>
<th>Investment Income, etc.</th>
<th>Fin Aid</th>
<th>Out of Pocket Tuition</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>39%</td>
<td>19%</td>
<td>5%</td>
<td>22%</td>
<td>15%</td>
</tr>
</tbody>
</table>

- **All Sources Of Funding**
  - Nearly 40 cents of every dollar received comes from local property taxes
  - Only 15 cents of every dollar received comes directly from students

Total Funding: 307.9M
Other Sources of Funds

• Investment revenues are projected to be $1 million, due to continued low interest rates.

• Improved planning and management of facilities rentals, bookstore and other auxiliary revenue sources are projected to add $4.3 million compared to the FY 2012 Budget.
Tuition and Fees

• Budget specifies no increase in tuition rates
• Goal is to increase enrollment by 1.5% in Adult Education and 2.7% in Credit

Educational Cost Comparison for One Year

Source: Institutional websites & CSU’s bursar (June 2012). Excludes cost of books and the cost of room and board, which are additional costs. Information is based on the cost of one year toward the completion of an information technology program. CSU and NIU do not have associate degree programs; therefore, costs are based upon 30 credit hours for freshman core courses.
Levied property taxes will remain flat for calendar year 2012, continuing a trend for the fiscal year 2013 budget of constant or reduced tax levies.
### Unrestricted State Funding

#### FY2012 vs. FY2013

($ in thousands)

<table>
<thead>
<tr>
<th>Unrestricted Funding</th>
<th>FY2012</th>
<th>FY2013</th>
<th>FY13 vs. FY12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit Hour Grant</td>
<td>$49,487</td>
<td>$44,244</td>
<td>($5,243)</td>
</tr>
<tr>
<td>Square Footage Grant</td>
<td>378</td>
<td>0</td>
<td>(378)</td>
</tr>
<tr>
<td>Equalization Grant</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Additional Grant</td>
<td>15,000</td>
<td>14,079</td>
<td>(921)</td>
</tr>
<tr>
<td><strong>Unrestricted Total</strong></td>
<td><strong>$64,865</strong></td>
<td><strong>$58,323</strong></td>
<td><strong>($6,542)</strong></td>
</tr>
</tbody>
</table>

Thursday, June 28, 2012
Plan on Less State Funding

Revenue Per Credit Hour

- Tuition
- State Reimbursement
Where Does the Money Go?

Total Expenditures of $307.9 million (by Object)

- Salary: 67%
- Benefits: 9%
- Services: 9%
- Travel: 1%
- Utilities: 4%
- Supplies: 6%
- Other: 4%
### Expenditure by Object - Changes

<table>
<thead>
<tr>
<th>Object</th>
<th>FY2012 Budget</th>
<th>FY2013 Budget</th>
<th>$ Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$191.9</td>
<td>$205.5</td>
<td>$13.6</td>
<td>7.1%</td>
</tr>
<tr>
<td>Benefits</td>
<td>$33.7</td>
<td>$30.8</td>
<td>($2.9)</td>
<td>-8.6%</td>
</tr>
<tr>
<td>Services</td>
<td>$31.9</td>
<td>$26.0</td>
<td>($5.9)</td>
<td>-18.5%</td>
</tr>
<tr>
<td>Supplies</td>
<td>$19.1</td>
<td>$18.0</td>
<td>($0.9)</td>
<td>-5.8%</td>
</tr>
<tr>
<td>Travel</td>
<td>$2.7</td>
<td>$2.7</td>
<td>$0.0</td>
<td>0%</td>
</tr>
<tr>
<td>Fixed Charges</td>
<td>$3.4</td>
<td>$3.2</td>
<td>($0.2)</td>
<td>-5.9%</td>
</tr>
<tr>
<td>Utilities</td>
<td>$12.5</td>
<td>$11.6</td>
<td>($0.9)</td>
<td>-7.2%</td>
</tr>
<tr>
<td>Scholarships &amp; Waivers*</td>
<td>$6.5</td>
<td>$4.3</td>
<td>($2.2)</td>
<td>-33.8%</td>
</tr>
<tr>
<td>Other</td>
<td>$10.6</td>
<td>$5.8</td>
<td>($4.8)</td>
<td>-45.3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$312.3</strong></td>
<td><strong>$307.9</strong></td>
<td><strong>($4.4)</strong></td>
<td><strong>-1.4%</strong></td>
</tr>
</tbody>
</table>

*Declining participation in the International Brotherhood of Electrical Workers (IBEW) apprenticeship program decreases need for waivers by $2 million.

FY 2013 salaries reflect negotiated increases from collective bargaining and increases in the number of full-time faculty, advisors, tutors, recruiters, and other staff providing direct student support.
Expenditures by Program

Unrestricted operating budget of $307.9 million

- College Administration
  - District Support (e.g., IT, Finance, Etc.) 20%
  - Auxiliary Org. Research 3%
  - Ops & Maint.-Dist. 0.2%

- Student Services
  - Scholarships, Grants, Waivers 8%
  - Instruction 38%
  - Acad. Support 4%
  - Scholarships, Grants, Academic Support ~73%

- Ops & Maint.-College 14%

~73% of total program expenditures are allocated to college-based and direct student-facing activities including Instruction, Student Services, Scholarships and Academic Support
RESTRICTED/GRANT FUNDS

Unrestricted Operating Funds - FY 13
$307.9 million

Restricted/Grants Funds – FY 13
$194.2 million

Enterprise Funds – FY 13
$12.6 million

Capital Project Funds – FY 13
$144.2 million (total of $524 million)
# Grant Funding

## FY 2013

($ millions)

<table>
<thead>
<tr>
<th>Source</th>
<th>Financial Aid</th>
<th>Continuing Grants</th>
<th>Competitive Grants</th>
<th>Grant Applications Pending</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal</td>
<td>$107.3</td>
<td>$7.4</td>
<td>$8.7</td>
<td>$20.5</td>
<td>$143.9</td>
</tr>
<tr>
<td>State</td>
<td>13.8</td>
<td>-</td>
<td>8.6</td>
<td>0.9</td>
<td>23.3</td>
</tr>
<tr>
<td>Local</td>
<td>-</td>
<td>-</td>
<td>4.2</td>
<td>-</td>
<td>4.2</td>
</tr>
<tr>
<td>Non-governmental</td>
<td>21.0</td>
<td>-</td>
<td>0.6</td>
<td>1.2</td>
<td>22.8</td>
</tr>
<tr>
<td><strong>Restricted Total</strong></td>
<td><strong>$142.1</strong></td>
<td><strong>$7.4</strong></td>
<td><strong>$22.1</strong></td>
<td><strong>$22.6</strong></td>
<td><strong>$194.2</strong></td>
</tr>
</tbody>
</table>
ENTERPRISE FUNDS

- Unrestricted Operating Funds - FY 13: $307.9 million
- Restricted/Grants Funds – FY 13: $194.2 million
- Enterprise Funds – FY 13: $12.6 million
- Capital Project Funds – FY 13: $144.2 million (total of $524 million)
Business Enterprises has streamlined operations and enhanced revenue to generate a $1.2 million dollar improvement in operating results.

<table>
<thead>
<tr>
<th>Enterprise Descriptions</th>
<th>Appropriation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child Development Center</td>
<td>$1,299,265</td>
</tr>
<tr>
<td>Workforce and Economic Development</td>
<td>1,025,951</td>
</tr>
<tr>
<td>Enterprise Programs*</td>
<td>3,419,516</td>
</tr>
<tr>
<td>Fountain Café</td>
<td>155,560</td>
</tr>
<tr>
<td>French Pastry School</td>
<td>4,704,644</td>
</tr>
<tr>
<td>Parrot Cage Restaurant</td>
<td>438,246</td>
</tr>
<tr>
<td>Washburne Catering</td>
<td>603,930</td>
</tr>
<tr>
<td>WYCC TV Station</td>
<td>960,991</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>$12,608,023</strong></td>
</tr>
</tbody>
</table>

*Includes enterprise expansion funding, Continuing Education, Diagnostic Medical Imaging and Environmental Tech.
CAPITAL PROJECT FUNDS

Unrestricted Operating Funds - FY 13
$307.9 million

Restricted/Grants Funds – FY 13
$194.2 million

Enterprise Funds – FY 13
$12.6 million

Capital Project Funds – FY 13
$144.2 million
(total of $524 million)
## Capital Improvement Plan
### Sources and Uses

<table>
<thead>
<tr>
<th>Uses by major category</th>
<th>($ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic Enhancements</td>
<td>$ 77</td>
</tr>
<tr>
<td>Security</td>
<td>14</td>
</tr>
<tr>
<td>Renovation and renewal (capital needed to maintain basic operations, e.g., fire alarms, HVAC systems, etc.)</td>
<td>137</td>
</tr>
<tr>
<td>New Allied Health and General Education Campus</td>
<td>251</td>
</tr>
<tr>
<td>Olive Harvey College – addition of Transportation, Distribution and Logistics (TDL) Center</td>
<td>45</td>
</tr>
<tr>
<td><strong>Total Capital Need</strong></td>
<td><strong>$ 524</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sources by major category</th>
<th>($ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash available for capital purposes</td>
<td>$ 134</td>
</tr>
<tr>
<td>Capital Development Board Contribution</td>
<td>31</td>
</tr>
<tr>
<td>Cash generated from operations over 5 years</td>
<td>69</td>
</tr>
<tr>
<td>City Tax Increment Financing (Wilson Yard TIF)</td>
<td>12</td>
</tr>
<tr>
<td>Bond proceeds</td>
<td>278</td>
</tr>
<tr>
<td><strong>Total Sources</strong></td>
<td><strong>$ 524</strong></td>
</tr>
</tbody>
</table>
FY 2013 Capital Plan $144.2 million

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property repair: Parking lot improvements</td>
<td>$ 0.7 million</td>
</tr>
<tr>
<td>Architectural/Structural: Replace roofs, windows and stairways</td>
<td>53.0 million</td>
</tr>
<tr>
<td>Conveyance: Elevator replacement</td>
<td>0.9 million</td>
</tr>
<tr>
<td>Mechanical: HVAC system repair</td>
<td>18.3 million</td>
</tr>
<tr>
<td>Electrical: Fire Alarms/Lighting</td>
<td>1.6 million</td>
</tr>
<tr>
<td>Academic Enhancement: Science, foreign language and computer</td>
<td>57.0 million</td>
</tr>
<tr>
<td>labs, locker rooms</td>
<td></td>
</tr>
<tr>
<td>Security: Safe Campus Initiative</td>
<td>12.7 million</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$144.2 million</strong></td>
</tr>
</tbody>
</table>
PERFORMANCE AND HEALTH HIGHLIGHTS
Operating Budget Allocation Across the Four Performance and Four Health Goals

- Reflects direct costs of remedial education as well as strategic initiatives, total costs including indirect costs (e.g., operations, maintenance, etc.) are approximately $25-30M
- Reflects unrestricted funds only, with restricted government funding included spend is approximately $20M

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 2013 Operating Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safety &amp; Security</td>
<td>$12,693,985</td>
</tr>
<tr>
<td>Efficiency &amp; Effectiveness</td>
<td>$110,820,775</td>
</tr>
<tr>
<td>Community Relations &amp; Special Interest</td>
<td>$2,971,789</td>
</tr>
<tr>
<td>Student Services</td>
<td>$58,234,878</td>
</tr>
<tr>
<td>Readiness*</td>
<td>$12,637,921</td>
</tr>
<tr>
<td>Adult Education**</td>
<td>$11,461,201</td>
</tr>
<tr>
<td>Occupational</td>
<td>$25,113,288</td>
</tr>
<tr>
<td>Transfer</td>
<td>$886,607,249</td>
</tr>
</tbody>
</table>

Performance investments including all direct student facing activities comprise nearly 60% of the FY 2013 operating budget.
Academic and Student Support Highlights

About 60% of the operating budget is in academic initiatives focused on the four performance goals.

Expenditure by Goal

- **Efficiency & Effectiveness**: 34%
- **Student Services**: 18%
- **Occupational**: 8%
- **Readiness**: 4%
- **Adult Education**: 4%
- **Transfer**: 27%
- **Community Relations & Special Interest**: 1%

Budget Highlights

**Readiness**
- Improved student placement and acceleration into college readiness through Level UP and other programs.

**Adult education reorganization**
- Reorganizing our Adult Education sites to better align with communities in greatest need of GED, ESL and adult basic education.

**Occupational**
- C2C is being rolled out at three colleges and being supported through a $524 million capital plan for the next five years.

**Transfer**
- Using tutoring, block scheduling, mentoring, internships, learning communities, transfer centers and more to support from remedial through transition.

**Student Services**
- Launching a shuttle bus service to transport students and faculty among campuses.
Operations Highlights

About 40% of the operating budget is focused on the four organizational health goals, in support of our performance goals.

Expenditure by Goal

- Efficiency & Effectiveness: 34%
- Transfer: 27%
- Student Services: 18%
- Readiness: 4%
- Adult Education: 4%
- Occupational: 8%
- Safety & Security: 4%
- Community Relations & Special Interest: 1%

Budget Highlights

Community relations
- Created Office of Institutional Advancement to coordinate Recruiting, Communications, Community Relations, Development, Government & Legislative Affairs and Marketing

Safety & Security
- Enhancing campus safety and security

Effectiveness - Learning Infrastructure
- Modernizing labs, classrooms, tutoring centers and libraries.
- Introducing technology to greatly improve both student outcomes and operational efficiencies; business intelligence, early alert system and labor management system.
FINANCE COMMITTEE QUESTIONS
You can also e-mail questions or comments to:

cccbudget@ccc.edu

PUBLIC QUESTIONS
Expenditures by Program
Unrestricted operating budget of $308.5 million

- **Instruction:** $117,696,598
- **Acad. Support:** $13,796,862
- **Student Services:** $25,954,020
- **Org. Research:** $847,780
- **Auxiliary:** $9,345,990
- **Ops & Maint.-College:** $44,556,129
- **Ops & Maint.-Dist.:** $5,779,569
- **District support (IT, Finance, etc.):** $60,362,929
- **Scholarships, Grants, Waivers:** $7,521,569
- **College Administration:** $22,607,517

Thursday, June 28, 2012