



# BROOKDALE COMMUNITY COLLEGE



## Operating and Capital Budget Fiscal Year 2012

Prepared by

George J. Fehr, Vice President for Business and Finance, Brookdale Community College, February 10, 2011



# **BROOKDALE COMMUNITY COLLEGE FY12 BUDGET**

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# MEMORANDUM

TO: Ms. Joan Raymond, Chair of the Finance Committee Chair,  
All Members of the Board of Trustees

FROM: Dr. Peter F. Burnham, President

DATE: February 10, 2011

RE: **FY12 Budget**

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Two weeks ago, the College was notified that the County of Monmouth was experiencing a major structural deficit in its budget for 2011-2012. As a result, each County division and department was directed to substantially reduce their appropriations request and prepare for budget cuts. The Monmouth County Library, Parks, and Vocational School systems were similarly notified of the deficit problem, and told that their budgets would be significantly reduced.

To that end, we were notified that there will be a substantial, \$6,000,000 reduction in County operating support for Brookdale Community College. The County will reduce our appropriation for FY 2012, which begins July 1, 2011, by \$6,000,000; from \$27,456,909 to \$21,456,909. Our original County request for FY12 was a 2.5% increase, which amounted to \$686,423. This amounts to an overall reduction of \$6,686,423 for FY12.

As far as we can tell, the County came to this decision based on two criteria: their perception of the College's "revenue generating capability" i.e. tuition (seen as a "user tax" by some); and, their review of our June 2010 year-end audit, which showed a "healthy reserve balance." Although the College Audit showed a healthy reserve balance at June 30, 2010, 38 percent of that balance will be expended by June 30, 2011 on the completion of projects like the Big 4 and the Central Utility Plant Energy Upgrade.

The College has encountered the "perfect storm" of revenue short falls: first, the lower enrollment in FY11, second, the continued lower revenue from the State, and third, the reduction in County support for FY12. The lowered enrollment in FY11 is not lower headcount; it is a reduction of the number of credits taken by students. In FY12 student tuition and fees will account for 57.9 percent of the College's budget. On top of this we do not know what the State budget will be for the coming fiscal year; the budget represents a 5 percent decrease in State Aid, in anticipation of the reduction in support.

In order to deal with the huge problems in FY12, the college has increased its tuition by \$10 per credit hour, or 8.4 percent, and has appropriated reserves of \$5,274,501, which is way in excess of what is usually appropriated since reserves appropriated in any given year must be regenerated in subsequent years. The critical problem the College faces is determining how to close this gap in FY13, with the prospect of

declining enrollment growth over the next few years due to the smaller pool of available high school graduates.

### **Next Steps**

I have begun the implementation of a series of steps which must be taken now to control the expansion of institutional overhead and cost. Even with the ability to fill this financial gap **short term** with reserves, it is imperative that we begin controlling expenditure increases **now** to enable us to cope with what will be a significant impact on subsequent budgets, the first of which we begin building in August of this year.

I have put a temporary hold on all hiring decisions for vacancies pending Presidential review of alternatives and options: we must either defer the hire or redistribute the cost so we are not locked into a permanent hire given that next year we may have to reduce positions. Every discretionary action we take right now provides us better hedge and flexibility going forward as we continue to determine budget reduction scenarios. I have made two exceptions (out of 21 current vacant positions); the hire of the Executive Vice President for Educational Services and the Facilities Manager position, both essential positions regardless of the fiscal challenge. Search and screening committees for all other positions are on temporary hold until each situation undergoes review.

In an emergency meeting of the Board of Trustees held on Saturday, January 29, they agreed to a set of seven Guiding Principles as policy context for budgetary, operational and, if necessary, personnel actions I may take over the next several months, and through the next fiscal and academic year, to enable us to manage through this significant fiscal challenge.

### **Guiding Principles**

1. Protect and enhance enrollment with tuition increases relevant to enrollment protection. Because of the County reduction and anticipated State reductions in revenue, revenue generated by enrollment going forward 2012-2013 will account for 60% of Brookdale's operating revenue. As never before, enrollment and efficient management of that enrollment will be the key to surviving this fiscal situation.
2. Secure the elements of the core Mission of the comprehensive community college: access to pre-baccalaureate programs; access to vocational and career programs; maintenance of the "Open Door" and support services providing reasonable access to student success; and, access to lifelong learning opportunities and community/economic development.
3. Defer vs. eliminate actions, developments, programs and hiring. Until the full impact of the "perfect storm" is assessed, we will not disassemble this extraordinary institution but rather focus while managing tightly and efficiently to enable fiscal readjustment to occur. In this period of slowing revenue, expense growth must be contained to maintain financial equilibrium. However, as these fiscal challenges increase, eliminations may be required; it is too early to judge that. In the meantime we must be aggressive, prudent and wise and not squander the time we have to adjust to a new fiscal reality. We must retain maximum flexibility in light of the financial uncertainties we face.
4. Restrict initiatives: as your President, it is very difficult for me to pass on opportunities to serve our community and grow our institution. However, the protection of our core Mission, protection of currently employed staff and faculty, and the preservation of our "rainy day fund" (and, it is pouring

right now!) require stepping back from initiatives such as the acquisition of land and facilities that would enable expansion. We are facing contraction and need to reassess our capacities.

5. Personnel Restraint: the review of hiring and other personnel actions will be critical going forward. Personnel accounts for over 80% of our operating expenditures. Everything that creates incremental growth in expense beyond our available revenue must be evaluated and examined.
6. "Symbolic Restraint": this is difficult because these are the actions that will hit home for many of you. But, in these times, there is little or no sympathy at the general public or political levels for the "prerogatives" of educational institutions. Critical to our long term future is the importance of being able to show restraint; and, any perception that it is "business as usual," even with a \$6,000,000 cut, will only empower those who call for total withdrawal of public subsidy to Brookdale, or those who wish to complain about a higher tuition. This will require a tightening down on certain expenditures, not to close the \$6,000,000 hole per se, but to illustrate our commitment to hanging tough and aggressively working with our public partners until things turn around. We have to be very sensitive to perception here. One only has to read the papers and see the public's attitude, especially if someone is out of a job, about the "plight" of college educators and employees.
7. Continue to press the County for restoration of their major reduction in support over the next several fiscal years.

We cannot accept a structural reduction of this magnitude over the long term without serious consequences. Fortunately, we have the capacity to buy some time to adjust; but, that time is relatively short.

We must continue to increase tuition, but not to the extent that it inhibits our enrollment, as that is now our primary revenue stream. We certainly cannot count on the State to resolve our problems. We must reduce our operating costs substantially and improve our productivity through enrollment management and clear delineation of Mission-critical functions, while sustaining the highest possible levels of quality and service to our students and community.

We need to show that we are doing the best we can in short term, while encouraging the County of Monmouth to demonstrate its commitment to Brookdale, as it has for the 40 plus years of its existence, with fair and equitable funding.

Through cost reduction, as stated above, starting now, we will attempt to rebuild the College reserves that will allow us in the short term to weather this economic crisis, and still remain a quality institution with our students as our main priority.

## Enrollment Tables: FY06 – FY12

- Headcount Table 1
- F.T.E.S. Table 2
  - F.T.E.S. is one or more student(s) taking a total of 30 credits
  - F.T.E.S. is the basis for projecting tuition income and general service fees
  - For the period FY06 – FY12, while enrollment increased 24.6%, for an average of 4.1% per year; cost per F.T.E.S. has only increased 10.4%, for an average of 1.7% per year
  - From FY10 to FY12 credit FTEs have increased by 44 F.T.E.S. or .4%

TABLE NO. 1

**BROOKDALE COMMUNITY COLLEGE**  
**CREDIT ENROLLMENT HISTORY - FULL AND PART TIME STUDENTS**  
**FY06 - FY12**

TERM	FY06 ACTUAL	FY07 ACTUAL	FY08 ACTUAL	FY09 ACTUAL	FY10 ACTUAL	FY11 BUDGET	FY11 PROJECTED	FY12 BUDGET
SUMMER III PERCENT OF YEAR	2,219 6.2%	2,162 5.9%	2,291 6.1%	2,498 6.3%	2,547 6.1%	2,760 6.3%	2,719 6.4%	2,719 6.4%
FALL PERCENT OF YEAR	13,905 38.8%	14,474 39.3%	14,698 39.0%	15,508 39.4%	16,643 39.5%	17,163 39.4%	16,906 39.7%	16,906 39.7%
SPRING PERCENT OF YEAR	13,332 37.2%	13,912 37.8%	14,315 37.9%	14,769 37.5%	15,958 37.9%	16,343 37.5%	15,766 37.0%	15,766 37.0%
SUMMER I & II PERCENT OF YEAR	6,363 17.8%	6,241 17.0%	6,395 17.0%	6,629 16.8%	6,965 16.5%	7,338 16.8%	7,228 17.0%	7,228 17.0%
TOTAL	35,819	36,789	37,699	39,404	42,113	43,604	42,619	42,619



**BROOKDALE COMMUNITY COLLEGE  
ENROLLMENT HISTORY - F.T.E.S.  
FY06 - FY12**

	FY06 ACTUAL	FY07 ACTUAL	FY08 ACTUAL	FY09 ACTUAL	FY10 ACTUAL	FY11 BUDGET	FY11 PROJECTED	FY12 BUDGET
CREDIT F.T.E.S.:								
SUMMER III	273	272	286	315	331	342	330	330
PERCENT OF YEAR	2.6%	2.5%	2.5%	2.6%	2.6%	2.6%	2.6%	2.6%
FALL	4,484	4,663	4,866	5,151	5,565	5,785	5,694	5,694
PERCENT OF YEAR	42.7%	43.1%	43.1%	43.2%	44.0%	44.0%	44.2%	44.2%
SPRING	4,032	4,262	4,479	4,703	5,078	5,206	5,031	5,031
PERCENT OF YEAR	38.5%	39.3%	39.6%	39.4%	40.2%	39.5%	39.1%	39.1%
SUMMER I & II	862	855	883	949	1,007	970	970	970
PERCENT OF YEAR	8.2%	7.9%	7.8%	8.0%	8.0%	7.4%	7.5%	7.5%
CREDIT SUBTOTAL	9,651	10,052	10,514	11,118	11,981	12,303	12,025	12,025
PERCENT OF YEAR	92.0%	92.8%	93.0%	93.2%	94.8%	93.4%	93.4%	93.4%
PERCENT INCREASE FROM PREV. YEAR	1.8%	4.2%	4.6%	5.7%	7.8%	2.7%	0.4%	0.0%
NON-CREDIT F.T.E.S.:								
NON-FUNDABLE F.T.E.S	835	778	790	807	662	850	850	850
PERCENT OF YEAR	8.0%	7.2%	7.0%	6.8%	5.2%	6.5%	6.6%	6.6%
TOTAL	10,486	10,830	11,304	11,925	12,643	13,153	12,875	12,875
PERCENT INCREASE	4.0%	3.3%	4.4%	5.5%	6.0%	4.0%	1.8%	0.0%

## Operating Revenue: FY06 – FY12

The following revenue pages provide a comprehensive look at the College's revenue streams for FY12:

Tuition and Fees	\$ 57,335,875	57.9%
State	10,348,778	10.4%
County	21,456,909	21.6%
Other	<u>10,024,502</u>	<u>10.1%</u>
	<u>\$ 99,166,064</u>	<u>100.0%</u>

- Table 3 provides operating revenue from FY06 - FY12
- Table 4 provides operating revenue and expenditures for FY10 Actual, FY11 Revised Budget, FY11 Projected, and FY12 Budget.

## **OPERATING REVENUE**

In support of the Operating Budget for FY12, Brookdale anticipates that revenue will consist of the following:

**A. Tuition** **\$50,060,075**  
**50.6%**

The current tuition charged by the College is \$118.50 per Student Credit Hour (SCH) to a maximum of \$1,777.50 per term. Since FY06, the College's tuition has been increased as indicated below:

<u>Year</u>	<u>Per SCH</u>	<u>Max of</u>	<u>Percent of Incr./Decr.</u>
FY06	\$91.75	\$1,376.25	+4.6%
FY07	\$98.00	\$1,470.00	+6.8%
FY08	\$103.00	\$1,545.00	+5.1%
FY09	\$110.00	\$1,650.00	+6.8%
FY10	\$115.00	\$1,725.00	+4.5%
FY11	\$118.50	\$1,777.50	+3.0%

The tuition revenue estimated for FY12 is based on the College increasing tuition to \$128.50 per SCH, to a maximum of \$1,927.50 per semester. This represents a 8.4 percent increase over FY11.

**B. State Support** **\$10,348,778**  
**10.4%**

The College received the following Operating Aid from the State in the past six years:

<u>Year</u>	<u>Amount of Aid</u>	<u>Percent of Incr./Decr.</u>
FY06	\$13,123,834	+ 6.0%
FY07	\$12,652,501	-3.6%
FY08	\$13,367,316	+5.6%
FY09	\$12,196,625	-8.8%
FY10	\$11,115,157	-8.9%
FY11*	\$10,893,451	-2.0%
* Budget		

FY11 Operating Aid to the sector was \$134,786,000, and the preliminary allocation of aid to Brookdale is \$10,893,451. The actual allocation of aid will not be known until all of the audited enrollments of the 19 community colleges have been received by the Office of Management and Budget, and will be determined in early January of 2011. For FY12, Brookdale has budgeted a 5.0 percent decrease over the FY11 preliminary allocation of aid.

The Governor will present a budget in early January; then, after a series of hearings with the Senate and Assembly Appropriations Committee, modifications may be made, and the Governor will approve the final budget on or about June 30, 2011.

State support for the College went from 24.4 percent in FY89, to 10.4 percent in FY12.

#### **C. County**

**\$ 21,456,909**  
**21.6%**

The College has received the following County support in the past six years:

<b>Year</b>	<b>Amount of Aid</b>	<b>Percent of Incr</b>
FY06	\$23,362,478	+ 4.5%
FY07	\$24,413,789	+ 4.5%
FY08	\$25,512,410	+ 4.5%
FY09	\$26,360,468	+3.3%
FY10	\$26,787,228	+1.6%
FY11	\$27,456,909	+2.5%

The request for FY12 anticipates a decrease from the County in the amount of \$6,000,000, which represents a 21.9 percent decrease over FY11.

#### **D. General Service Fees**

**\$ 5,675,800**  
**5.7%**

The General Service Fee supports various student initiatives, including the Associated Students for Brookdale Community College (ASBCC), the Technology Improvement Plan (TIP), and also provides contributions to the Warner Student Life Center and the Big 4 Projects. The budget for FY12 is based on the fee increasing to \$30.84 per SCH or 24 percent of tuition. For each SCH, ASBCC will receive \$3.49 of the General Service Fee to operate the Student Activities Program. The allocation to ASBCC represents 18.1 percent of the total fee, excluding the \$7.71 portion allocated to TIP and \$3.85 portion allocated to the Warner Student Life Center and the Big Four Projects debt service obligations.



**E. Non-Credit Income** **\$ 3,300,000**  
**3.3%**

In FY12, the College is projecting revenue of \$3,300,000 from Business and Community Development. The revenue exceeds the combined operating and capital expenditures for the units involved, which includes the following: Community Education; Business and Economic Development; Contract Training and Academic Camps; Gifted and Talented Program at Sandy Hook; Black Heritage Series; Direct Pathways; New Pathways; Health Care Training; and Trips and Excursions. If either revenue or expenditures are increased or decreased, the other must be adjusted accordingly.

**F. Interest Income** **\$ 200,000**  
**0.2%**

The College is projecting an average investment of funds in the amount of \$12 million dollars at an average interest rate of 1.7 percent for FY12.

**G. Other Fees** **\$1,600,000**  
**1.6%**

Other fees include application fees, transcript fees, late fees, installment loan fees, bad check fees, and laboratory fees. Due to the significance of this amount, it is shown as a separate line item in the revenue budget.

**H. Other Income** **\$ 1,250,000**  
**1.3%**

This includes income from recovery of fringe benefits and indirect costs on grants, International Education, Summer Sports Camps, Fitness Lab, Use of Facilities and all other miscellaneous sources.

**I. Reserves** **\$ 5,274,502**  
**5.3%**

The College is allocating \$5,274,502 from reserves to the FY12 budget. The reserve funds were accumulated in FY10 as a direct result of measures taken to maximize enrollment and reduce College-wide expenses. Some of the measures taken included, but were not limited to, the elimination or deferral of open and vacant positions, reduction in operating costs, and the conscious effort on the part of the College to self finance some of its operating budget. Allocation from reserves reduces the amount of funding requested from the County and/or student.

**BROOKDALE COMMUNITY COLLEGE  
OPERATING REVENUE  
FY06 - FY12**

	FY06 ACTUAL	FY07 ACTUAL	FY08 ACTUAL	FY09 ACTUAL	FY10 ACTUAL	(1) FY11 REV BUDGET	(2) FY11 PROJECTED	(3) FY12 BUDGET
TUITION	\$28,433,214 37.8%	\$31,300,432 38.9%	\$34,508,486 40.6%	\$39,179,698 43.7%	\$44,668,746 46.4%	\$46,087,037 47.1%	\$46,130,558 47.3%	\$50,060,075 50.6%
STATE AID	13,123,834 17.5%	12,652,501 15.8%	13,367,316 15.8%	12,196,625 13.6%	11,115,157 11.6%	10,893,451 11.2%	10,893,451 11.3%	10,348,778 10.4%
FEDERAL AID	-	-	-	-	668,724 0.7%			
MONMOUTH COUNTY	23,362,478 31.1%	24,413,789 30.4%	25,512,410 30.1%	26,360,468 29.4%	26,787,228 27.9%	27,456,909 28.1%	27,456,909 28.1%	21,456,909 21.6%
GEN SVC FEES	3,113,744 4.1%	3,502,321 4.4%	3,903,668 4.6%	4,466,286 5.0%	5,056,688 5.3%	5,031,927 5.2%	5,228,221 5.4%	5,675,800 5.7%
NON CREDIT INCOME	2,541,932 3.4%	2,689,612 3.4%	2,947,355 3.5%	3,193,010 3.6%	3,392,387 3.5%	3,200,000 3.3%	3,200,000 3.3%	3,300,000 3.3%
INTEREST INCOME	1,060,327 1.4%	1,525,206 1.9%	1,133,620 1.3%	668,774 0.7%	422,011 0.4%	900,000 0.9%	450,000 0.5%	200,000 0.2%
OTHER FEES **	1,247,274 1.7%	1,298,844 1.6%	1,346,229 1.6%	1,422,189 1.6%	1,596,560 1.7%	1,400,000 1.4%	1,550,000 1.6%	1,600,000 1.6%
OTHER INCOME	994,437 1.3%	1,074,190 1.3%	1,075,612 1.3%	995,700 1.1%	1,230,319 1.3%	1,125,000 1.2%	1,125,000 1.2%	1,250,000 1.3%
RESERVES	1,311,947 1.7%	1,818,762 2.3%	1,043,343 1.2%	1,181,679 1.3%	1,202,647 1.3%	1,568,818 1.6%	1,568,818 1.6%	5,274,502 5.3%
<b>TOTAL</b>	<b>\$75,189,187</b>	<b>\$80,275,657</b>	<b>\$84,838,039</b>	<b>\$89,664,429</b>	<b>\$96,140,467</b>	<b>\$97,663,142</b>	<b>\$97,602,957</b>	<b>\$99,166,064</b>
\$ INCR OVER PRV YR	\$3,597,351	\$5,086,470	\$4,562,382	\$4,826,390	\$6,476,038	\$1,522,675	\$1,462,490	\$1,563,107
% INCR OVER PRV YR	5.0%	6.8%	5.7%	5.7%	7.2%	1.6%	1.5%	1.6%

\*\* TECHNOLOGY AND SLC/BIG FOUR PROJECT FEES ARE NOT INCLUDED IN OTHER FEES; THEY ARE SHOWN IN THE CAPITAL FUND.

(1) FY11 REVISED BUDGETED REVENUE IS BASED ON 12,303 CREDIT FTES.

(2) FY11 PROJECTED REVENUE IS BASED ON 12,025 CREDIT FTES.

(3) FY12 BUDGETED REVENUE IS BASED ON 12,025 CREDIT FTES.

**BROOKDALE COMMUNITY COLLEGE  
OPERATING BUDGET SUMMARY**

**FY12**

	FY10 ACTUAL		FY11 REV/BUD.		FY11 PROJECTED		FY12 BUDGET	
	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
Current Revenue:								
Tuition	\$44,668,746	46.4%	\$46,087,037	47.1%	\$46,130,558	47.3%	\$50,060,075	50.6%
State Aid	11,115,157	11.6%	10,893,451	11.2%	10,893,451	11.2%	10,348,778	10.4%
Federal Aid	668,724	0.7%	-	-	-	-	-	-
Monmouth County	26,787,228	27.9%	27,456,909	28.1%	27,456,909	28.1%	21,456,909	21.6%
General Service Fees	5,056,688	5.3%	5,031,927	5.2%	5,228,221	5.4%	5,675,800	5.7%
Non Credit Income	3,392,387	3.5%	3,200,000	3.3%	3,200,000	3.3%	3,300,000	3.3%
Interest Income	422,011	0.4%	900,000	0.9%	450,000	0.5%	200,000	0.2%
Other Fees	1,596,560	1.7%	1,400,000	1.4%	1,550,000	1.6%	1,600,000	1.6%
Other Income	1,230,319	1.3%	1,125,000	1.2%	1,125,000	1.2%	1,250,000	1.3%
Reserves	1,202,647	1.3%	1,568,818	1.6%	1,568,818	1.6%	5,274,502	5.3%
Total Current Revenue	<u>\$96,140,467</u>	<u>100.00%</u>	<u>\$97,663,142</u>	<u>100.00%</u>	<u>\$97,602,957</u>	<u>100.00%</u>	<u>\$99,166,064</u>	<u>100.00%</u>
Current Expenditures:								
Educational Services	\$45,461,450	51.1%	\$47,452,693	48.6%	\$47,484,125	48.7%	\$48,311,658	48.6%
Office of Bus & Comm Develop	3,175,274	3.6%	3,074,139	3.2%	3,099,924	3.2%	3,126,857	3.2%
Business & Finance	1,677,064	1.9%	1,933,938	2.0%	1,982,410	2.0%	2,056,625	2.1%
Admin. & Operations	11,030,579	12.4%	11,460,888	11.7%	11,845,974	12.1%	11,787,962	11.8%
President's Office	2,487,010	2.8%	2,561,299	2.6%	2,611,949	2.7%	2,605,891	2.6%
Develop, Comm & Gov't Rel	452,754	0.5%	460,095	0.5%	477,922	0.5%	484,589	0.5%
Benefits	15,535,807	17.5%	16,985,471	17.4%	16,746,388	17.2%	18,105,228	18.3%
General Expenses	4,928,846	5.5%	7,214,012	7.4%	7,343,229	7.4%	6,689,748	6.8%
Utilities	4,165,582	4.7%	6,520,607	6.7%	6,011,036	6.2%	5,997,506	6.1%
Total Current Expenditures	<u>\$88,914,366</u>	<u>100.00%</u>	<u>\$97,663,142</u>	<u>100.00%</u>	<u>\$97,602,957</u>	<u>100.00%</u>	<u>\$99,166,064</u>	<u>100.00%</u>
<b>Salaries have been allocated to the various divisions for those groups that have not negotiated settlement.</b>								
Expenditures before distribution of salary increases to cost centers:								
Educational Services	\$48,293,245							
Office of Bus & Comm Develop	3,121,933							
Business & Finance	2,050,752							
Admin. & Operations	11,758,844							
President's Office	2,586,990							
Develop, Comm & Gov't Rel	479,269							
Benefits	18,105,228							
General Expenses	6,772,297							
Utilities	5,997,506							
	<u>\$99,166,064</u>							

## **Operating Expenditures: FY06 – FY12**

The following pages detail the College's Operating Expenditures.

- FY11 Revised Budget \$97,663,142
- FY11 Projected \$97,602,957
- FY12 Budget \$99,166,064; a 1.5% increase over FY11 Revised Budget
- Table 5 provides operating expenditures from FY06 – FY12
- Table 6 summarizes the major changes in the FY12 budget



## **OPERATING EXPENDITURES**

The Operating Budget for FY12 increased by \$1,502,922 or 1.5% percent over the FY11 revised budget. (Table 6 shows the major increases in the budget).

### **1. Salary Increases** **\$1,312,597**

The College has completed negotiations with the Faculty, Professional Staff, and Administrative Associations, therefore those salary increases have been allocated to their cost centers. The Fraternal Order of Police is in the midst of negotiations and estimated settlement funds have been reserved in general institutional.

### **2. Additional Staff Positions** **\$ 18,974**

There is an additional .3 net in Full Time Equated Staff (F.T.E.S.) positions in the budget. Of this amount, there was a reduction of .5 in teaching faculty positions; an addition of 1.0 in police positions; an addition of .8 in administrative positions; and the reduction of 1 in professional staff positions.

### **3. Part Time Faculty Costs** **\$ (414,511)**

Part time faculty instructional costs have decreased by \$414,511, due to a decrease in the enrollment projection, and the efficient use of part time faculty in the classroom.

### **4. Benefits** **\$1,119,757**

Fringe benefits consist of Sabbaticals, Social Security, Pension Funds, Workers' Compensation, Health Benefits, Short Term Disability, Dental, NJ Unemployment Insurance, and other miscellaneous items. The College is anticipating an increase in benefit costs of \$1,119,757. This represents a 6.6 percent increase over the FY11 budget. Benefits constitute 18.3 percent of the overall Operating Budget. The largest increase is related to health benefits, social security, pension costs and dental, which amount to an increase of \$604,877, \$223,080, \$404,469, and \$57,714, respectively. All other benefits decreased by \$170,383.

### **5. Utilities** **\$ (523,101)**

The utility budget decreased by \$523,101. The College has increased square footage as a result of renovations; however with the increase in energy management initiatives, joint purchasing consortium, the upgrades to the utility plant, and the historical analysis of prior year utility costs we are anticipating a major decrease in costs.

**6. General Institutional**

**\$ (524,264)**

The General Institutional budget decreased in the net by \$524,264, due to increases in the following areas: \$82,698 for maintenance of facilities, \$250,000 for information technology contracts, \$450,000 for the reserve for doubtful tuition accounts, \$155,000 for state mandated tuition waivers, and decreases in the following areas: \$369,144 in the reserve for salary increases, 300,000 in the reserve for Human Resources Classification Study, \$50,000 in the reserve for marketing, \$79,935 in the reserve for branch campus \$80,000 in the reserve for student development, \$253,201 in the reserve for projects, a reduction of \$200,000 in snow removal due to a transfer to Administration and Operations, and various line item decreases in the net of \$129,682.

**7. Various Line Item Increases**

**\$ 513,470**

The budget increased by \$513,470 as a result of numerous increases and decreases to the various line items in the budget, which are spread throughout the entire College budget.

TABLE NO. 5

**BROOKDALE COMMUNITY COLLEGE  
OPERATING EXPENDITURES  
FY06 - FY12**

	FY06 ACTUAL	FY07 ACTUAL	FY08 ACTUAL	FY09 ACTUAL	FY10 ACTUAL	FY11 REVD BUDG	FY11 PROJECTED	FY12 BUDGET
EDUCATIONAL SERVICES	\$36,644,387 50.8%	\$38,466,062 51.7%	\$40,293,465 50.9%	\$42,246,464 51.5%	\$45,461,450 51.1%	\$47,452,693 48.6%	\$47,484,125 48.7%	\$48,311,658 48.6%
OFFICE OF BUS & COMM DEV	2,808,943 3.9%	2,812,727 3.8%	2,918,532 3.7%	3,255,615 4.0%	3,175,274 3.6%	3,074,139 3.1%	3,099,924 3.2%	3,126,857 3.2%
BUSINESS & FINANCE	1,210,106 1.7%	1,418,037 1.9%	1,543,772 1.9%	1,686,000 2.1%	1,677,064 1.9%	1,933,938 2.0%	1,982,410 2.0%	2,056,625 2.1%
ADMIN. & OPERATIONS	8,411,553 11.7%	8,517,655 11.5%	9,422,920 11.9%	9,884,306 12.0%	11,030,579 12.4%	11,460,888 11.7%	11,845,974 12.1%	11,787,962 11.8%
PRESIDENT'S OFFICE	2,164,709 3.0%	2,212,335 3.1%	2,390,731 3.0%	2,470,039 3.0%	2,487,010 2.8%	2,561,299 2.6%	2,611,949 2.7%	2,605,891 2.6%
DEVELOP, COMM & GOV'T REL	401,360 0.5%	399,440 0.5%	427,834 0.5%	444,679 0.5%	452,754 0.5%	460,095 0.5%	477,922 0.5%	484,589 0.5%
BENEFITS	11,728,851 16.3%	12,751,520 17.1%	13,452,370 17.1%	13,542,294 16.5%	15,535,807 17.5%	16,985,471 17.4%	16,746,388 17.2%	18,105,228 18.3%
GENERAL EXPENSES	5,013,777 6.9%	4,472,679 6.0%	4,350,092 5.5%	3,800,892 4.6%	4,928,846 5.5%	7,214,012 7.4%	7,343,229 7.5%	6,689,748 6.8%
UTILITIES	3,726,754 5.2%	3,396,925 4.6%	4,385,581 5.5%	4,732,414 5.8%	4,165,582 4.7%	6,520,607 6.7%	6,011,036 6.2%	5,997,506 6.1%
TOTAL	\$72,110,440 7.1%	\$74,447,380 3.2%	\$79,185,297 6.4%	\$82,062,703 3.6%	\$88,914,366 8.3%	\$97,663,142 9.8%	\$97,602,957 9.8%	\$99,166,064 1.5%
PERCENT INCREASE								

TABLE NO. 6

**BROOKDALE COMMUNITY COLLEGE  
OPERATING BUDGET INCREASES/(DECREASES)  
FY12**

<b>FY11 REVISED BUDGET</b>			<b>\$97,663,142</b>
Salary & Benefits			
Salary Adjustments	\$1,312,597		
Additional Staff positions	18,974		
Part Time Faculty Costs	(414,511)		
Benefit Costs	<u>1,119,757</u>		
 Total Salary & Benefits		 \$2,036,817	
Operating			
Utilities	(523,101)		
General Institutional	(524,264)		
Various Line Item Increases	<u>513,470</u>		
Total Operating		<u>(533,895)</u>	
 Total Salary, Benefits and Operating			 <u>1,502,922</u>
 <b>FY12 BUDGET</b>			 <u><u>\$99,166,064</u></u>



## **Operating Staff Changes: FY12**

- Table 7A provides the changes in positions by function and division
- Table 7B provides a summary of the changes in positions by function
- Full time equated staff has increased by .3

## **Operating Staff**

Tables 7A and 7B summarize the changes to staffing at the College. The College increased its full time equated staff by .3 positions.

A total of .5 full time instructional positions were eliminated from the Educational Services budget.

Administrative staff positions increased by 2.0, which was offset by a decrease of 1.2 positions for a net increase of .8.

Professional Staff Association (PSA) positions decreased by 1.0.

Police positions increased by 1.0.

**BROOKDALE COMMUNITY COLLEGE  
CHANGES IN POSITIONS BY FUNCTION AND DIVISION  
FY12**

Unit	DIVISION NAME	TITLE OF POSITION	NAME	FY11 FTE	FY12 FTE	INCR. (DECR.) FTE	INCR. (DECR.) AMOUNT
<b>Administration &amp; Operations</b>							
Police	Police	Police Officer	Quetell	0.00	1.00	1.00	39,885
				<b>0.00</b>	<b>1.00</b>	<b>1.00</b>	<b>39,885</b>
<b>Business &amp; Finance</b>							
Admin	Accounting	Internal Auditor/Grants	Ciano	1.00	0.80	(0.20)	(20,040)
<b>Educational Services</b>							
Admin	Office of EVP	Coordinator	Unnamed	0.00	1.00	1.00	43,509
PSA	Library	Senior Assistant	Unnamed	1.00	0.00	(1.00)	(33,293)
Faculty	Reading	Instructor	Unnamed	0.00	0.50	0.50	24,712
Faculty	Office Administration	Instructor	Unnamed	1.00	0.00	(1.00)	(50,033)
Faculty	History	Instructor	Unnamed	0.00	1.00	1.00	50,033
Faculty	Psychology	Instructor	Unnamed	1.00	0.00	(1.00)	(50,033)
PSA	Chemistry	Learning Assistant	Unnamed	0.00	1.00	1.00	39,536
PSA	Library	Senior Assistant	Unnamed	1.00	0.00	(1.00)	(33,293)
Admin	Office of Performing Arts Ctr	Tech Coordinator	Unnamed	1.00	0.00	(1.00)	(46,920)
Admin	Student Support Services	Generalist	Unnamed	0.00	1.00	1.00	54,911
				<b>5.00</b>	<b>4.50</b>	<b>(0.50)</b>	<b>(871)</b>
<b>Total</b>				<b>6.00</b>	<b>6.30</b>	<b>0.30</b>	<b>18,974</b>
<b>Faculty</b>				<b>(0.50)</b>			
<b>Admin</b>				<b>0.80</b>			
<b>Police</b>				<b>1.00</b>			
<b>PSA</b>				<b>(1.00)</b>			
				<b>0.30</b>			

TABLE 7B

**BROOKDALE COMMUNITY COLLEGE  
ANALYSIS OF NEW OR REDUCED POSITIONS  
FY12**

	<b>FY11</b>	<b>FY12</b>	<b>INCR. (DECR) F.T.E.</b>
President/Vice Presidents/Deans	13.00	13.00	0.00
Administrators	157.06	157.86	0.80
Faculty	238.90	238.40	(0.50)
Counselors	19.40	19.40	0.00
Library Associates	7.00	7.00	0.00
Clerical/Support Staff	115.77	115.77	0.00
Technical Specialists	42.59	42.59	0.00
Paraprofessionals	90.85	89.85	(1.00)
Confidentials	9.00	9.00	0.00
Maintenance	19.00	19.00	0.00
Police Officers	21.56	22.56	1.00
	<u>734.13</u>	<u>734.43</u>	<u>0.30</u>

## Capital Budget FY12

- Table 8 summarizes the Capital Budget's revenue and expenditure requests
  - FY12 Capital Budget is \$15,502,463
- Table 9 summarizes the operating and capital requests from the County
  - FY12 Total County request is \$28,188,717, a 20.4 percent decrease excluding Chapter 12 Funds

## **CAPITAL BUDGET REVENUE**

The following tables, 8 and 9, provide details of the Capital Budget. Table 8 summarizes capital revenue by source and category. Table 9 provides an overview of County funding.

The total anticipated Capital Budget is \$15,502,463. The County is funding \$6,731,808 of the anticipated Capital budget or 43.4 percent, the State of New Jersey will fund \$4,250,000, or 27.4 percent, fees will fund \$4,220,655, or 27.2 percent, and the College will fund the remaining balance of \$300,000, or 2.0 percent.

The County and the State will provide a total of \$8,500,000 for Capital Projects funded through Chapter 12; each will contribute \$4,250,000. This funding will be used for renovations and infrastructure improvements.

The County has approved \$2,481,808 of which \$1,000,000 will support the College's Technology Improvement Plan (T.I.P.), and the balance will be used for minor capital purchases, the Warner Student Life Center debt service obligations, and the debt service for the Big Four bond projects.

The College has approved general service fees of \$2,813,850 to fund the T.I.P. budget, \$468,935 to fund the WSLC debt service obligation, \$937,870 to fund the debt service on the Big Four projects, and \$300,000 for infrastructure improvements.

## **CAPITAL BUDGET EXPENDITURES**

Expenditures are broken down into the following categories; New Construction, Renewals and Replacements, and Minor Capital. New Construction and Renewals and Replacements are a result of the projects and related costs identified in the College's Facilities Master Plan.

### **Minor Capital**

**\$4,813,850**

The College is requesting a total Capital Budget of 15,502,463. The budget consists of \$4,813,850 in Minor Capital. This request represents \$3,813,850 for technology and \$500,000 for various requests from all cost centers for furniture and equipment, and \$500,000 to fund the debt service on the Warner Student Life Center.

### **Renewals and Replacements**

**\$10,688,613**

The College is requesting \$10,688,613 for renewals and replacements. A total of \$1,888,613 is for the debt service obligations of the College, \$8,500,000 is for Chapter 12 Projects, and \$300,000 is for infrastructure needs.

TABLE NO. 8

**BROOKDALE COMMUNITY COLLEGE  
CAPITAL BUDGET SUMMARY  
FY12**

	FY11 REVISED		FY12 REQUEST	
	<u>AMOUNT</u>	<u>PERCENT OF TOTAL</u>	<u>AMOUNT</u>	<u>PERCENT OF TOTAL</u>
<b>Revenue</b>				
<b>County:</b>				
County Appropriations	\$2,481,808	100.0%	\$2,481,808	36.9%
County Chapter 12	-	0.0%	4,250,000	63.1%
Subtotal County	2,481,808	100.0%	6,731,808	100.0%
<b>State:</b>				
State Chapter 12	-	0.0%	4,250,000	0.0%
	-	0.0%	4,250,000	0.0%
<b>Other:</b>				
Other	300,000	7.0%	300,000	6.6%
Fees	3,979,528	93.0%	4,220,655	93.4%
Subtotal Other	4,279,528	100.0%	4,520,655	100.0%
Total Revenue	6,761,336	100.0%	15,502,463	100.0%
<b>Expenditures:</b>				
Minor Capital	4,637,763	68.6%	4,813,850	31.1%
New Construction	-	0.0%	-	0.0%
Renewal & Replacements	2,123,573	31.4%	10,688,613	68.9%
Total Expenditures	\$6,761,336	100.0%	\$15,502,463	100.0%

TABLE NO. 9

**BROOKDALE COMMUNITY COLLEGE  
REQUEST FROM COUNTY  
FY12**

	<b>FY11</b>	<b>FY12</b>	<b>INCR</b>	<b>% INCR.</b>
OPERATING APPROPRIATION	\$27,456,909	\$21,456,909	(\$6,000,000)	-21.9%
MINOR CAPITAL APPROPRIATION	2,000,000	2,000,000	-	0.0%
CAPITAL RENEWALS & REPLACEMENTS *	<u>481,808</u>	<u>4,731,808</u>	<u>4,250,000</u>	<u>882.1%</u>
TOTAL COUNTY APPROPRIATION	<u>\$29,938,717</u>	<u>\$28,188,717</u>	<u>(\$1,750,000)</u>	<u>-5.8%</u>

\* Capital Renewals & Replacements includes \$4,250,000 which is the County share of Chapter 12



## Budget Statistics: FY06 – FY12

Table 10 provides statistics for the following:

- Revenue      \$99,166,064
  - Tuition & Fees      +9.2%
  - State      -5.0%
  - County      -21.9%
- Expense      \$99,166,064
  - Expense      +1.5%
- F.T.E.S.
  - Enrollment      -0.2%
    - Credit      12,025
    - Cost      \$8,247

Table 11 provides Negotiation Data for the four associations.

- Salaries
  - Fraternal Order of Police & Administration are in negotiation

**BROOKDALE COMMUNITY COLLEGE  
BUDGET STATISTICS  
FY06 - FY12 REVENUE & EXPENSE**

	FY06 ACTUAL	FY07 ACTUAL	FY08 ACTUAL	FY09 ACTUAL	FY10 ACTUAL	FY11 REV. BUDGET	FY11 PROJECTED	FY12 BUDGET
<b>REVENUE:</b>								
TUITION & FEES	\$32,794,232	\$36,101,597	\$39,758,383	\$45,068,173	\$51,321,994	\$52,518,964	\$53,230,100	\$57,335,875
% OF BUDGET	43.6%	44.9%	46.8%	50.2%	53.5%	53.7%	54.4%	57.8%
% INCR OVER PRV YR	7.5%	10.1%	10.1%	13.4%	13.9%	16.5%	1.4%	7.7%
STATE AID	13,123,834	12,652,501	13,367,316	12,196,625	10,706,157	10,893,451	10,893,451	10,348,778
% OF BUDGET	17.5%	15.8%	15.8%	13.6%	11.2%	11.2%	11.1%	10.4%
% INCR/(DECR) OVER PRV YR	0.6%	-3.6%	5.6%	-8.8%	-12.2%	-10.7%	0.0%	-5.0%
FEDERAL AID					668,724			
% OF BUDGET					0.7%			
MONMOUTH COUNTY	23,362,478	24,413,789	25,512,410	26,360,468	26,787,228	27,456,909	27,456,909	21,456,909
% OF BUDGET	31.1%	30.4%	30.1%	29.5%	28.0%	28.1%	28.0%	21.7%
% INCR OVER PRV YR	4.5%	4.5%	4.5%	3.3%	1.6%	4.2%	0.0%	-21.9%
OTHER INCOME	4,596,696	5,289,008	5,156,587	4,857,484	5,044,717	5,225,000	4,775,000	4,750,000
% OF BUDGET	6.1%	6.6%	6.1%	5.4%	5.3%	5.4%	4.9%	4.8%
% INCR/(DECR) OVER PRV YR	15.2%	15.1%	-2.5%	-5.8%	3.9%	7.6%	-8.6%	-0.5%
RESERVES	1,311,947	1,818,762	1,043,343	1,181,679	1,202,647	1,568,818	1,568,818	5,274,502
% OF BUDGET	1.7%	2.3%	1.2%	1.3%	1.3%	1.6%	1.6%	5.3%
<b>TOTAL</b>	<b>\$75,189,187</b>	<b>\$80,275,657</b>	<b>\$84,838,039</b>	<b>\$89,664,429</b>	<b>\$95,731,467</b>	<b>\$97,663,142</b>	<b>\$97,924,278</b>	<b>\$99,166,064</b>
\$ INCR OVER PRV YR	\$3,597,351	\$5,086,470	\$4,562,382	\$4,826,390	\$6,067,038	\$1,931,675	\$2,192,811	\$1,502,922
% INCR OVER PRV YR	5.0%	6.8%	5.7%	5.7%	6.8%	2.0%	2.3%	1.5%
<b>TUITION RATES</b>	<b>\$91.75</b>	<b>\$98.00</b>	<b>\$103.00</b>	<b>\$110.00</b>	<b>\$115.00</b>	<b>\$118.50</b>	<b>\$118.50</b>	<b>\$128.50</b>
<b>TUITION &amp; FEES PER CREDIT FTE</b>	<b>\$3,398.01</b>	<b>\$3,591.48</b>	<b>\$3,781.47</b>	<b>\$4,053.62</b>	<b>\$4,283.62</b>	<b>\$4,268.79</b>	<b>\$4,392.28</b>	<b>\$4,768.06</b>
<b>EXPENSES:</b>								
TOTAL OPERATING	\$72,110,440	\$74,447,380	\$79,185,297	\$82,062,703	\$88,914,366	\$97,663,142	\$97,924,278	\$99,166,064
\$ INCR OVER PRV YR	4,757,949	2,336,940	4,737,917	2,877,406	6,851,663	8,748,776	9,009,912	1,502,922
% INCR OVER PRV YR	7.1%	3.2%	6.4%	3.6%	8.3%	9.8%	10.1%	1.5%

	FY06 ACTUAL	FY07 ACTUAL	FY08 ACTUAL	FY09 ACTUAL	FY10 ACTUAL	FY11 REV. BUDGET	FY11 PROJECTED	FY12 BUDGET
<b>FTES:</b>								
CREDIT	9,651	10,052	10,514	11,118	11,981	12,303	12,119	12,025
% INCR OVER PRV YR	1.8%	4.2%	4.6%	5.7%	7.8%	10.7%	-1.5%	-0.8%
NON-CREDIT	835	778	790	807	662	850	850	850
TOTAL FTE	10,486	10,830	11,304	11,925	12,643	13,153	12,969	12,875
% INCR OVER PRV YR	4.0%	3.3%	4.4%	5.5%	6.0%	4.0%	2.6%	-2.1%
<b>COST PER FTE:</b>								
CREDIT	\$7,472	\$7,406	\$7,531	\$7,381	\$7,421	\$7,938	\$8,080	\$8,247
% INCR/(DECR) OVER PRV YR	5.1%	-0.9%	1.7%	-2.0%	0.5%	7.0%	8.9%	3.9%
CREDIT & NON-CREDIT	\$6,877	\$6,874	\$7,005	\$6,882	\$7,033	\$7,425	\$7,551	\$7,702
% INCR/(DECR) OVER PRV YR	2.9%	0.0%	1.9%	-1.8%	2.2%	5.6%	7.4%	3.7%

EACH TUITION % = \$500,601  
 EACH STATE % = \$103,488  
 EACH COUNTY % = \$214,569  
 EACH GEN FEE % = \$56,758  
 EA \$1. TUITION INCR = \$389,573  
 EA \$1. GEN FEE INCR = \$47,853  
 EA \$1. TECH FEE INCR = \$23,374  
 EA \$1. SLC FEE INCR = \$11,687

TUITION % INCREASE OVER FY11 = 8.4%  
 TUITION RATE \$128.50/CREDIT, MAX \$1,927.50

TUIT REVENUE PER FTE \$4,163  
 GENL SRV FEE PER FTE \$472

STATE AID HIT A HIGH OF 28.8% IN FY85  
 COUNTY SUPPORT HIT A HIGH OF 44.1% IN FY90  
 % OF COUNTY INCREASE HIT A HIGH IN FY89 OF 23.4%  
 AVERAGE INCREASE IN COUNTY SUPPORT FROM FY85-FY89 WAS 15.4%

**BROOKDALE COMMUNITY COLLEGE  
NEGOTIATION DATA  
FY05 - FY12**

Listed below are the negotiated settlements for the major units of the College.

**P S A**

FY06	\$275 + 4.0% (N3-N4-N5), (\$475 N1-N2)	FY11	\$500 + 2%
FY07	\$225 + 4.0% (N3-N4-N5), (\$425 N1-N2)	FY12	\$500 + 2%
FY08	4.0%	FY13	\$500 + 2%
FY09	4.0%		
FY10	4.0%		

**FACULTY**

FY05	\$2,564 flat dollar (4.0% avg.)	FY11	\$907 + 2.0%
FY06	\$1,333 + 2.0% (4.0% avg.)	FY12	\$936 + 2.0%
FY07	4.0%	FY13	\$967 + 2.0%
FY08	\$2,698 flat dollar		
FY09	\$1,375 + 2.0%		
FY10	4.0%		

**ADMINISTRATORS**

FY05	\$1,500 + 2.1% (4.0% avg.)	FY11	\$754 + 2.0%
FY06	\$1,500 + 1.0% (4.0% avg.)	FY12	\$778 + 2.0%
FY07	\$1,500 + 1.0% (4.0% avg.)	FY13	\$803 + 2.0%
FY08	4.0%		
FY09	\$1,176 + 2.0%		
FY10	\$1,225 + 2.0%		

**F O P**

FY06	\$250 + 4.0%	FY09	4.55%
FY07	\$250 + 4.0%	FY10	3.9%
FY08	\$250 + 4.0%	FY11	3.75%

Note: FOP are currently in negotiations for FY12-FY14