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BOARD OF TRUSTEES
COMMUNITY COLLEGE DISTRICT NO. 508
APRIL 7, 2016**



Update on FY16 financial position - Board Presentation

April 7th, 2016

FY2016 Revenue Shortfall

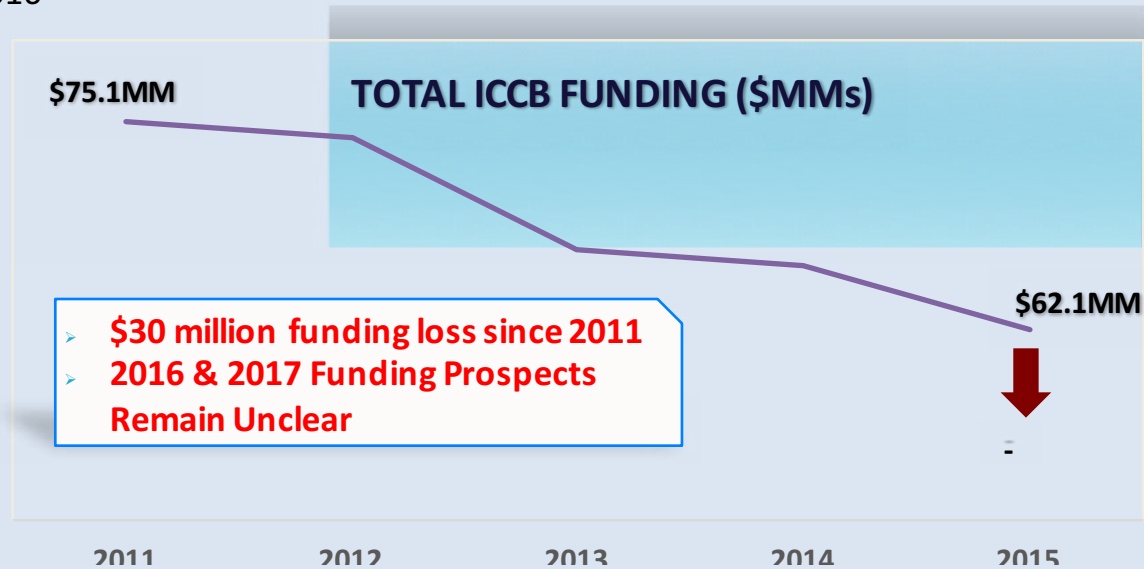
CCC is facing possible revenue shortfalls of \$18 million to \$79 million in FY16

- Shortfall driven by several factors:
 - Up to **\$60MM** in State funding should Springfield not act
 - Current State budget impasse compounds chronic State underfunding
 - **\$18MM** lower tuition revenue than budgeted
 - 2015 enrollment drop stemming from lack of State MAP funding, decline in unemployment
 - Enrollment has stabilized in Spring 16 semester

CCC is meeting its obligations and avoiding layoffs and program cuts, unlike other colleges

State funding has declined steadily since 2011

Funding to CCC from ICCB decreased **17%** from 2011 to 2015 for a total of **\$30 million**
Because of the budget impasse, City Colleges has not received the **\$60M** it is due from the State in 2016



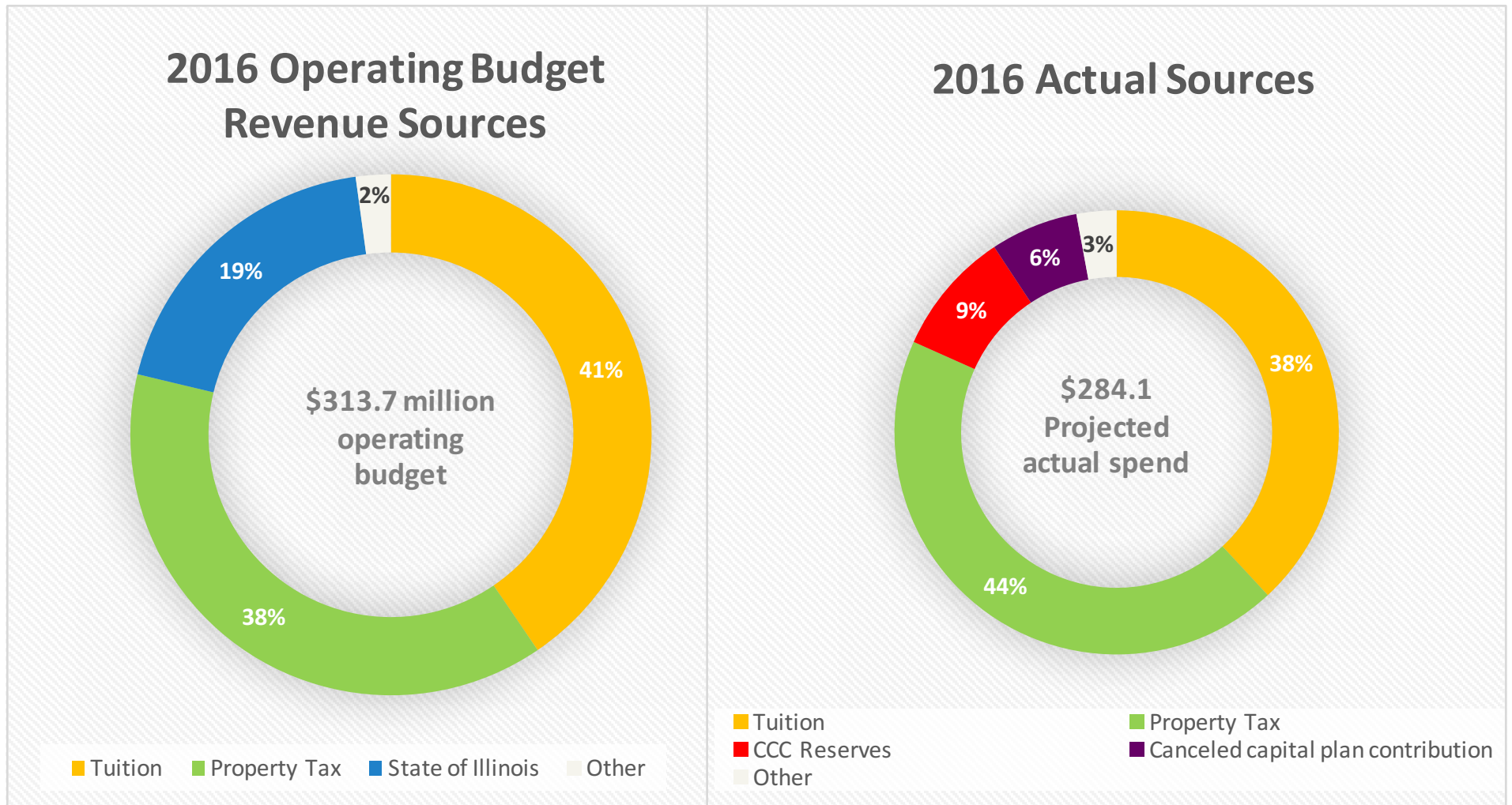
- State funding decline has two main drivers:
 - Total base operating grant funding to ICCB by General Assembly was down \$35 million cumulatively over the from 2012 to 2015
 - ICCB formula exposes CCC to deeper cuts, has no performance component

Springfield update

- In the absence of a State budget, two bills could help address the State funding issue:
- The Governor vetoed SB2043 that would have funded Illinois community colleges for the current FY2016 with a cut of 3.5% from FY2015 level. Override vote failed.
- The House has passed HB2990, which would fund MAP grants and community colleges at a 3.5% cut level.
- The Senate has yet to call the bill as it strategizes to secure veto-proof majorities
- The Senate has passed with a veto-proof majority SB2059, a \$3.8 billion appropriation that includes MAP grants and higher education (including CCC), which would amount to 10% reduction in community college funding
- Passage is certain in the House, though whether there are 71 votes to make it veto-proof is a question mark, and so bill has not yet been called in House

If either of these two live bills become law, this could mean \$50 million+ for CCC.

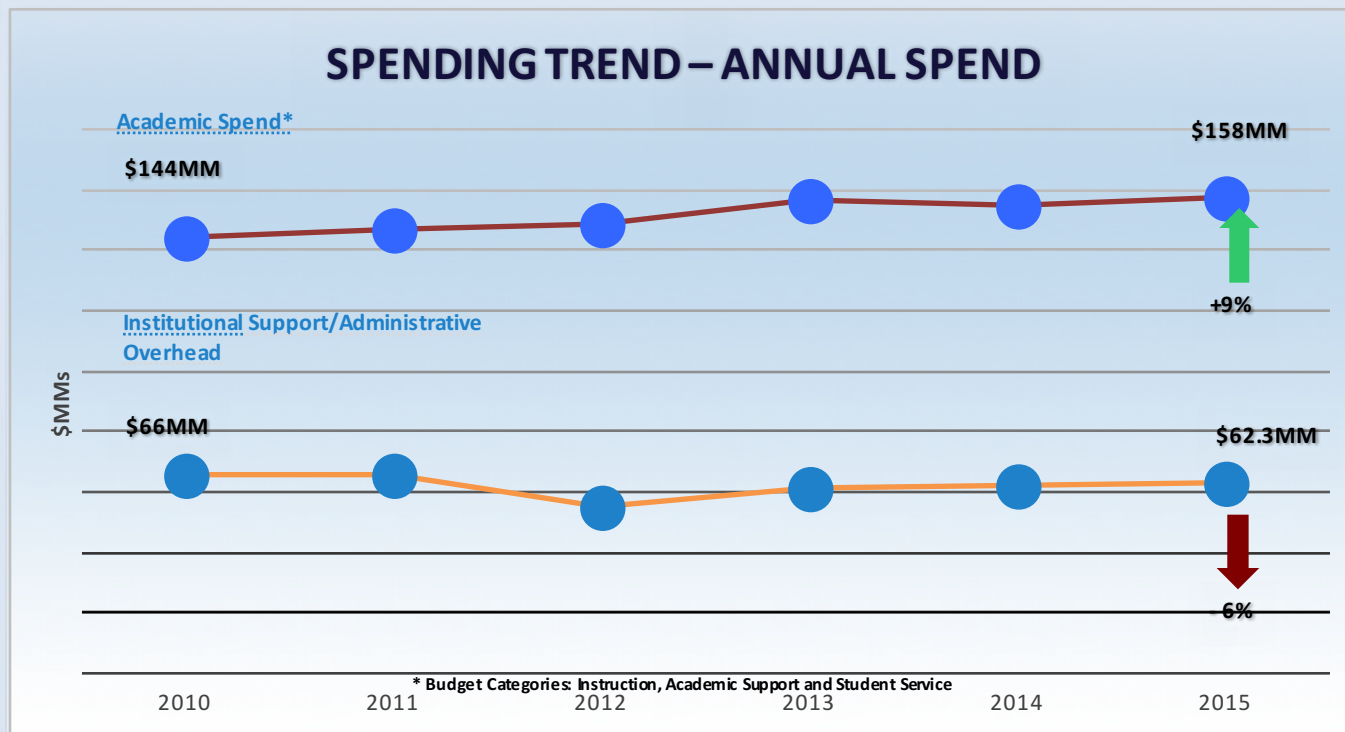
How CCC has handled the shortfall



*"Other" includes Personal Property Replacement Tax, Federal adult education funds, investment income and facility rental fees

Fiscal Prudence Under Reinvention

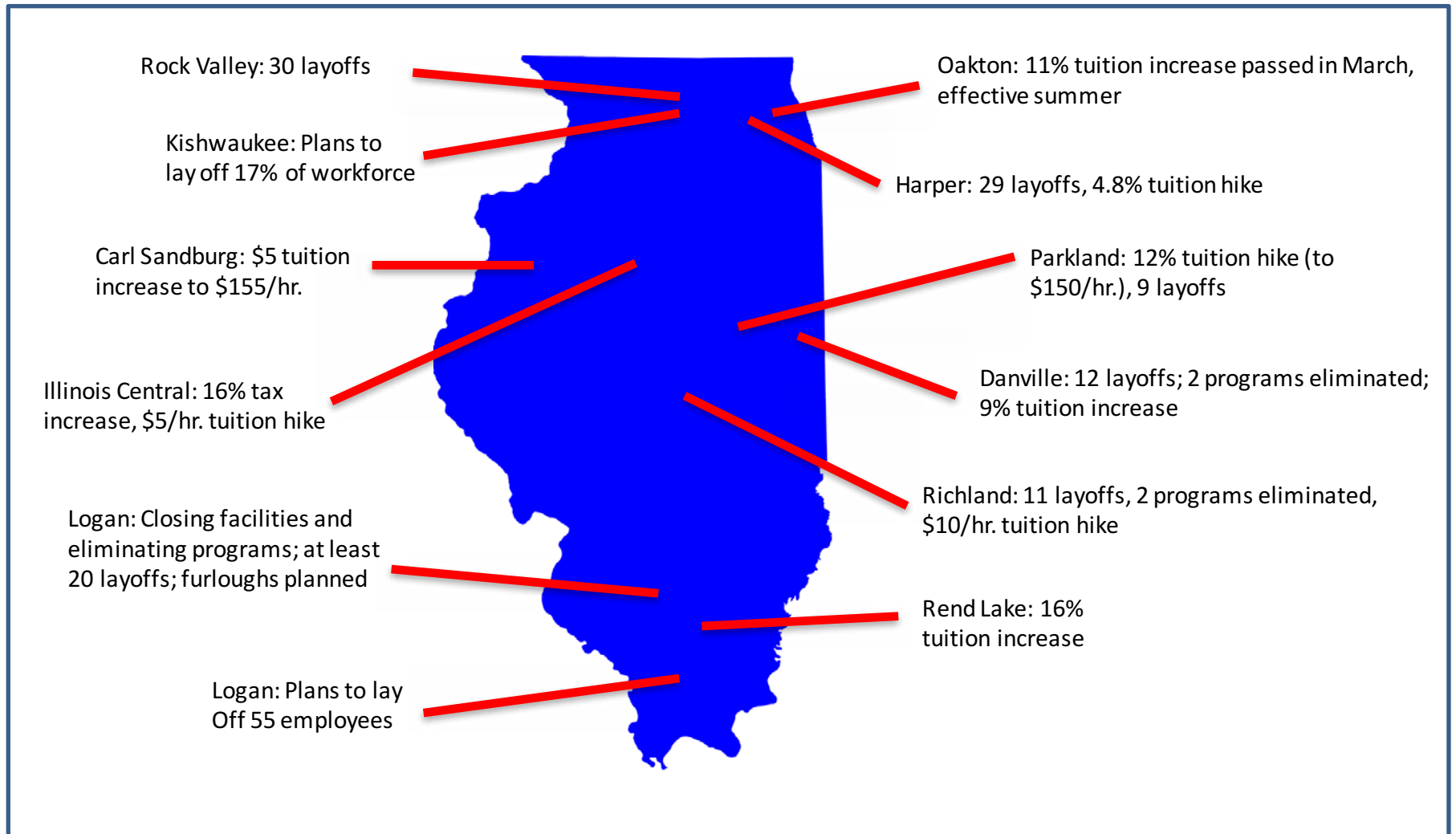
- CCC **Saved \$70MM** from eliminating administrative redundancies and increasing efficiencies
- \$70MM has been **reinvested** in the classroom



Additional steps this year

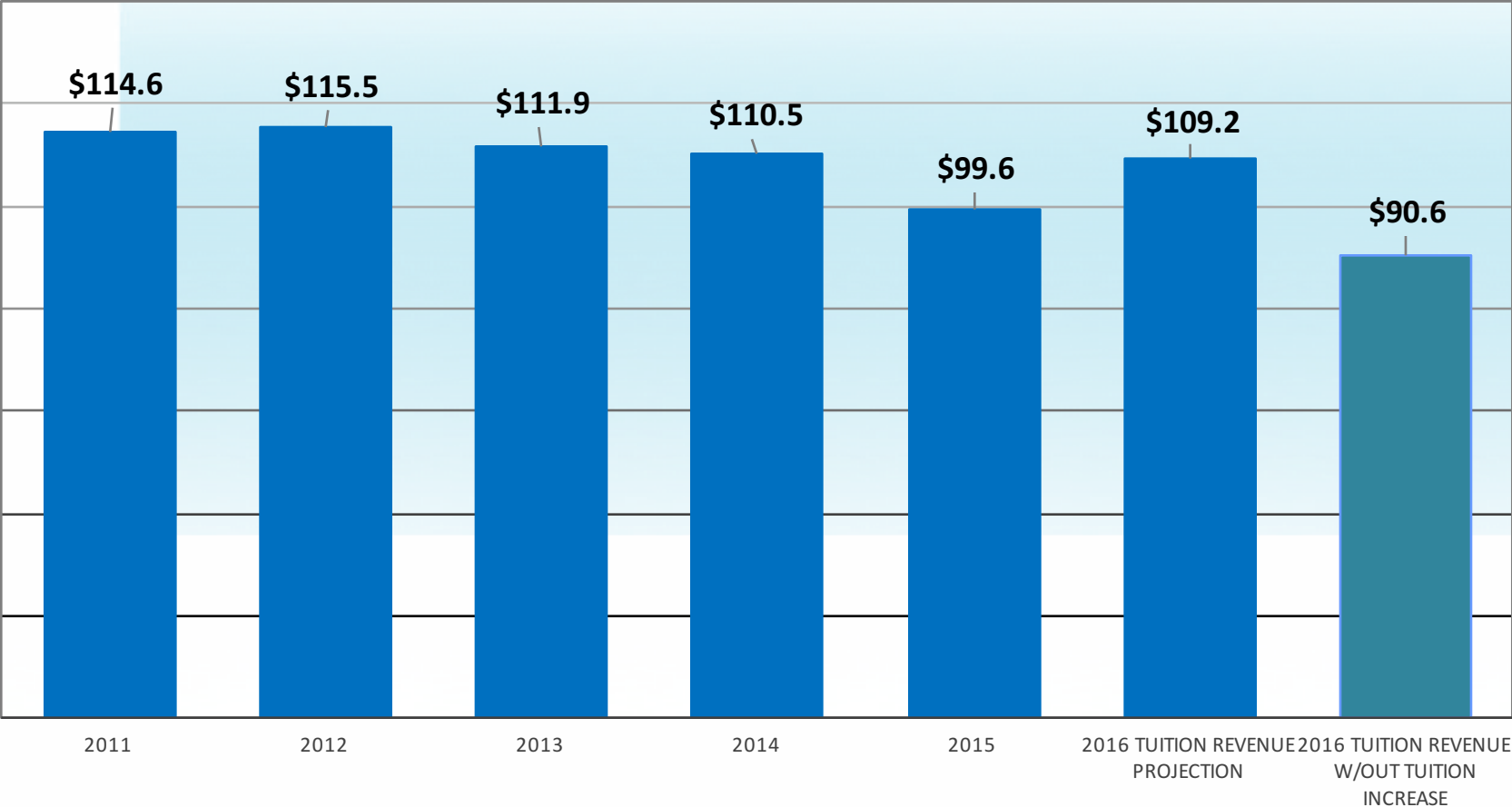
- CCC has dramatically slowed hiring:
 - 37% (256) of 686 vacancies so far in FY16 were canceled and will not be filled
 - 75% of position cancellations have taken place since December
- Non-essential spending (travel, supplies, events, promotional items) have been dramatically curtailed
- Overall, actual spend is 9% than budget
- CCC has allocated \$25 million from reserves
- CCC canceled an \$18 million allocation from general fund to capital fund for FY16

More than half of other Illinois community colleges are laying off employees, increasing tuition, cutting programs or raising taxes to cope with impasse



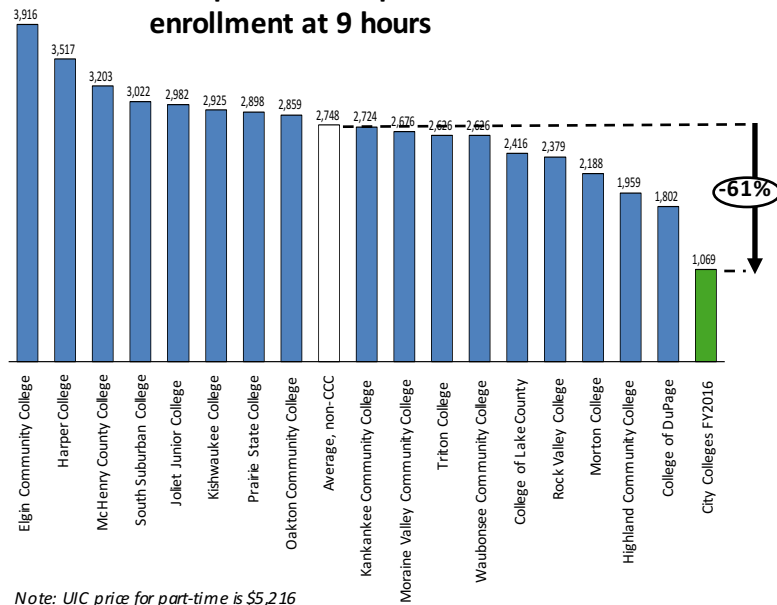
New Tuition Structure Led to Rebound in Tuition revenue, Lessening Impact of MAP Downturn and State Budget Crisis

\$MMs

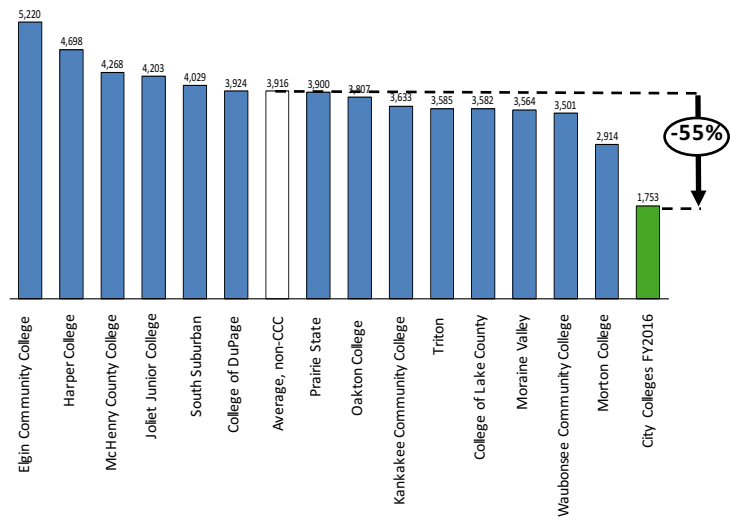


CCC Remains the Lowest Cost Option

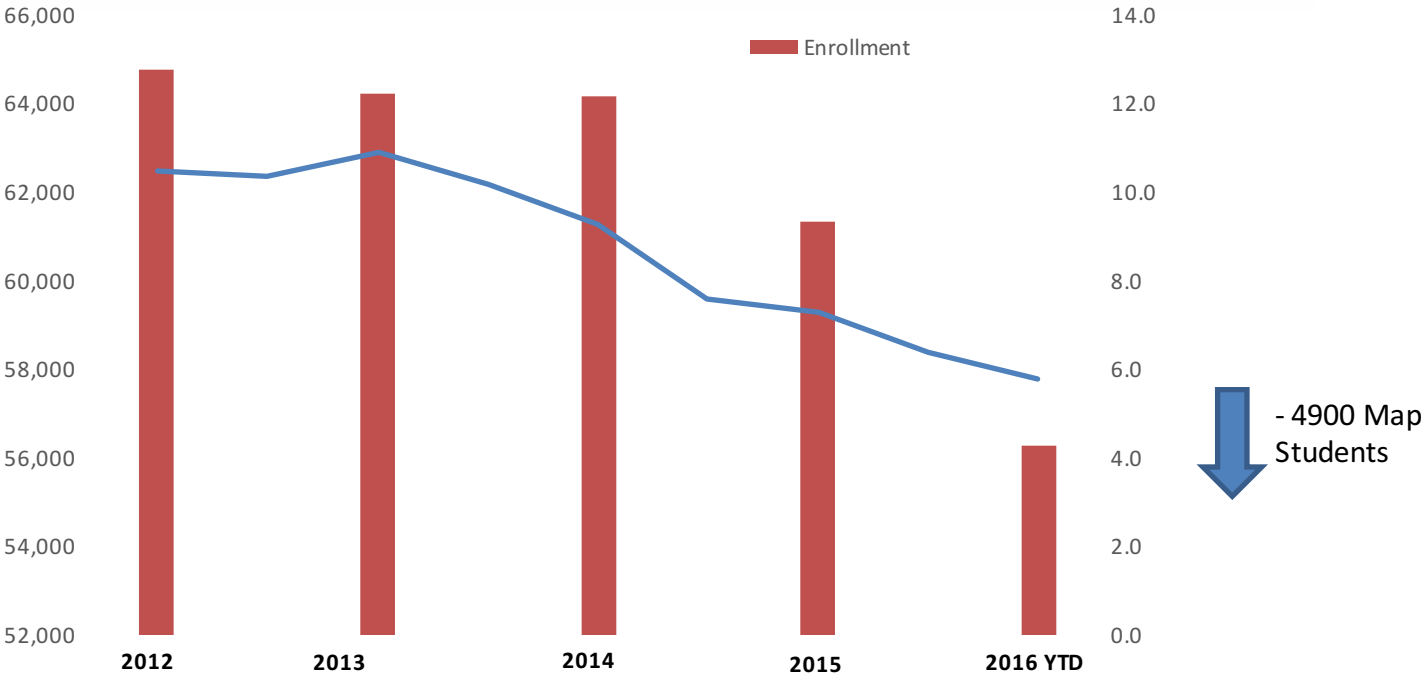
Cost per term for part-time enrollment at 9 hours



Cost per term for full-time enrollment at 12 hours

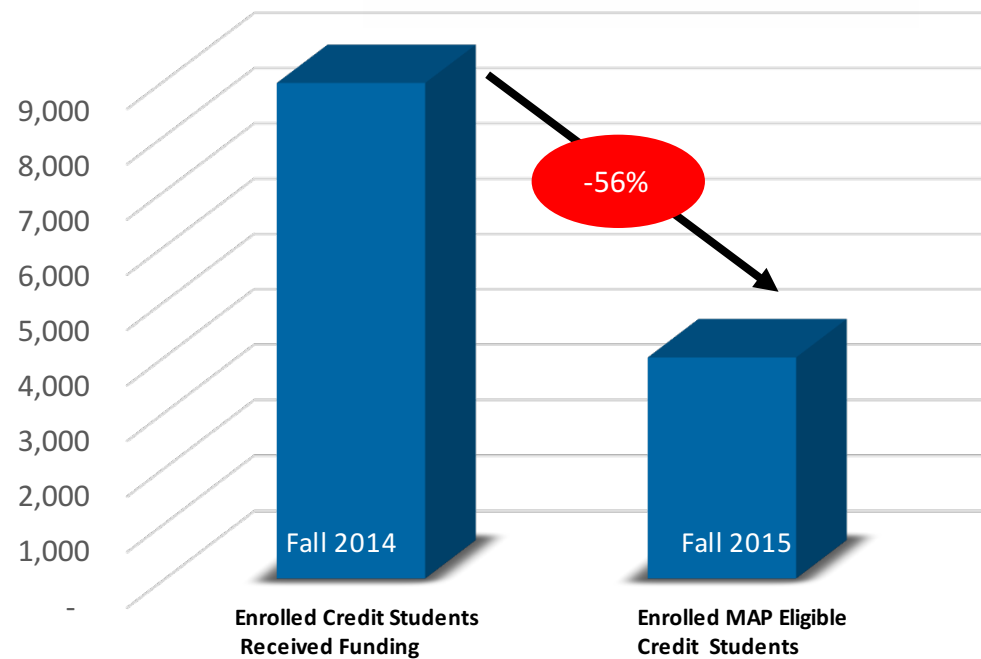


Drop in Unemployment Has Corresponded to Drop in CCC Enrollment, But Enrollment Decline Has Been Exacerbated by State MAP Funding Crisis



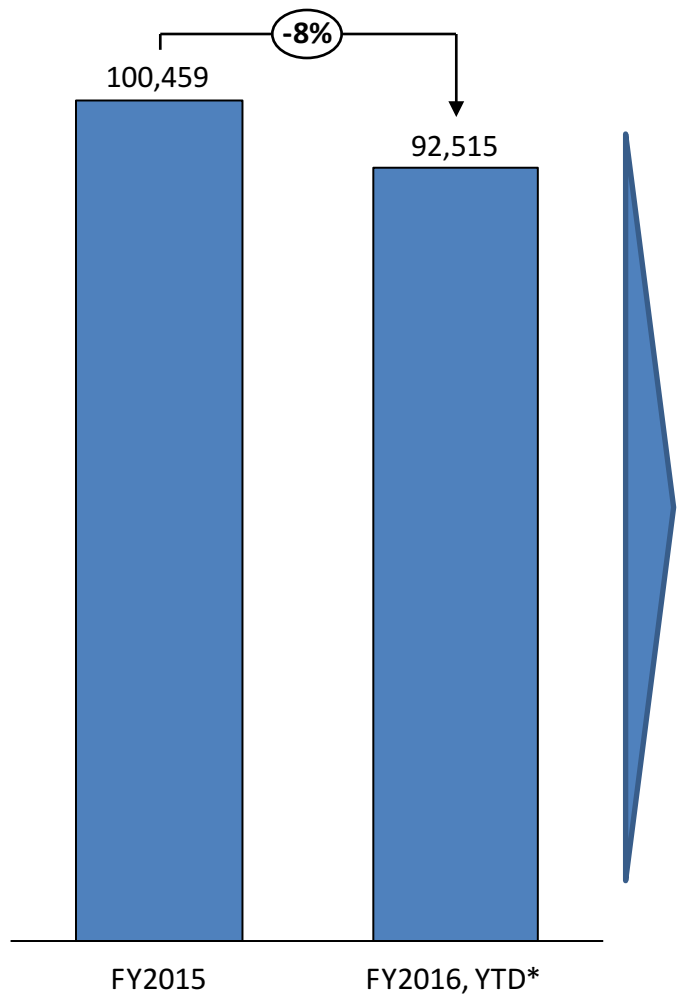
"1% drop in unemployment = 2.5% drop in **community** college enrollment" – *Inside Higher Ed*

4,900 Fewer MAP Students than Expected Have Enrolled at CCC

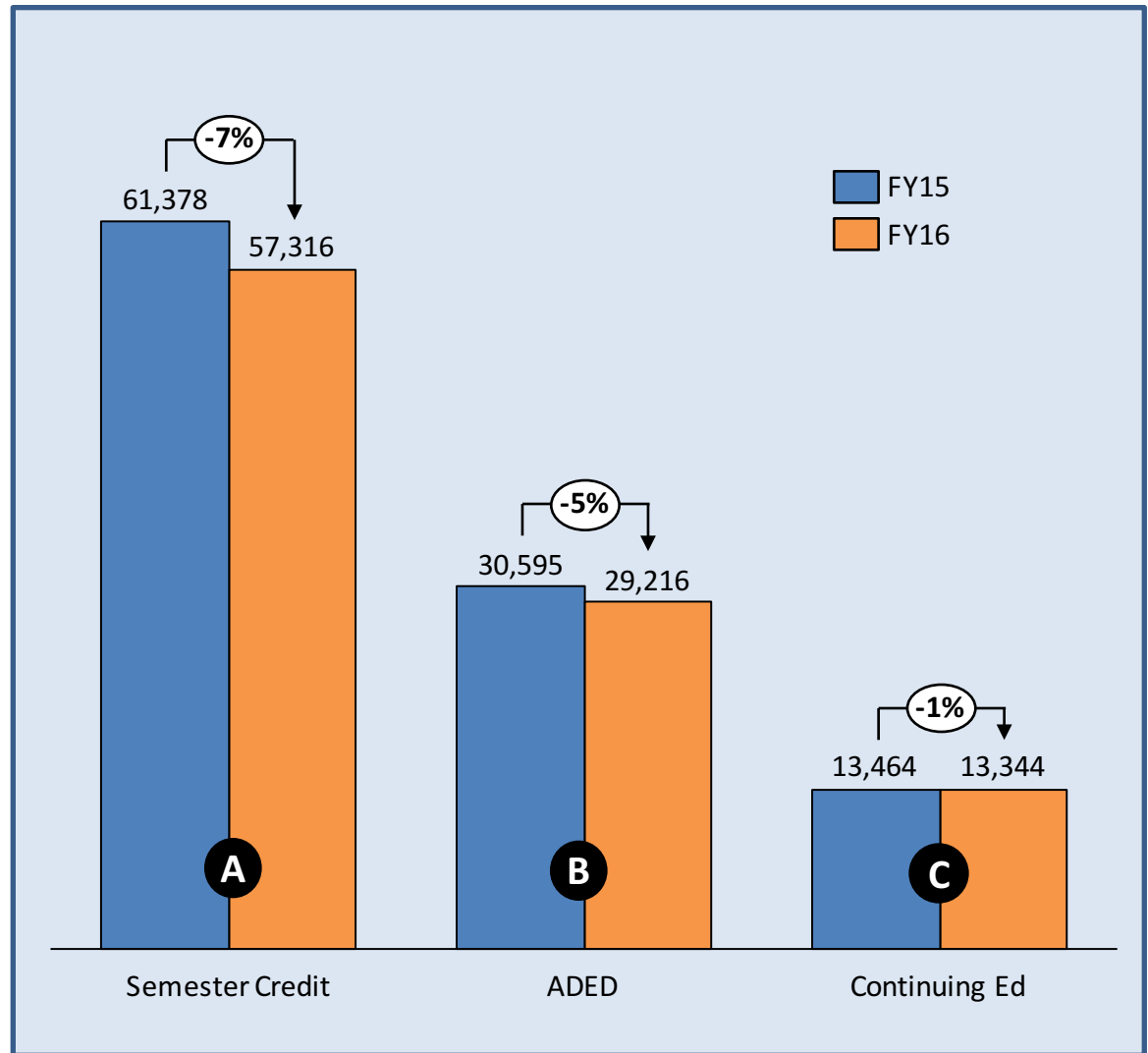


Overview of FY2016: Enrollment headcount is down by 8% YOY

Total enrollment...



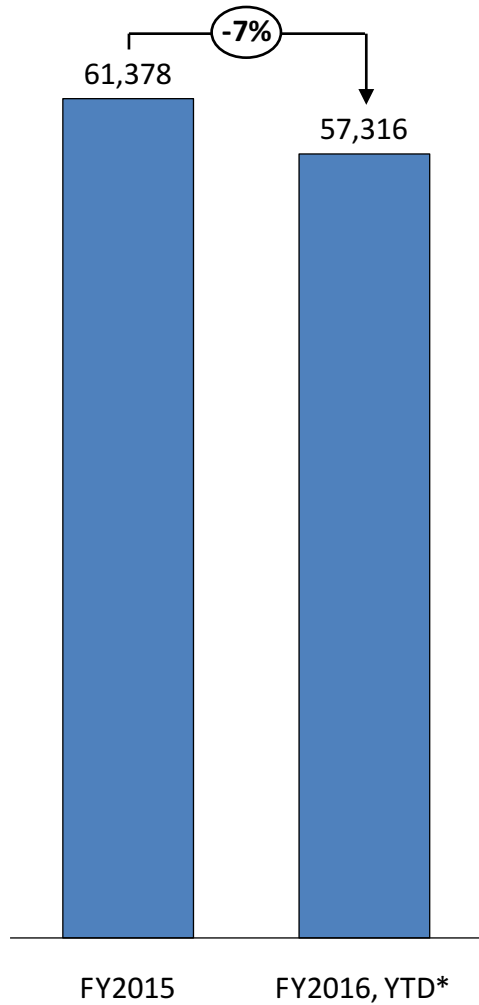
... with breakdown per term of enrollment, and YoY change*



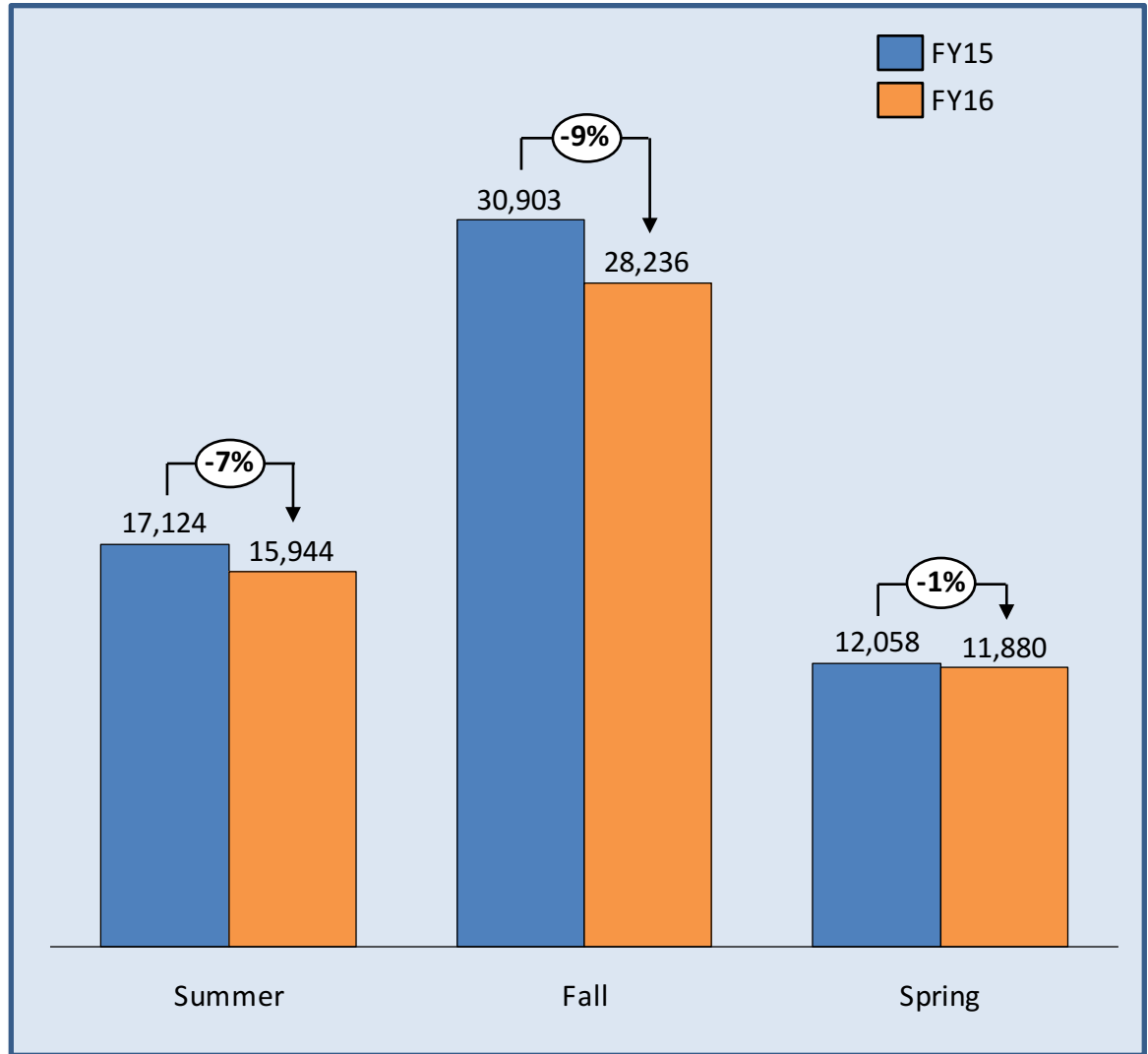
*Since students can be enrolled under multiple instructional areas, the proportion declines on the right do not directly reflect the overall enrollment decrease.

A Credit: Enrollment headcount is down by 7% YOY

Credit enrollment is down 7% YOY...



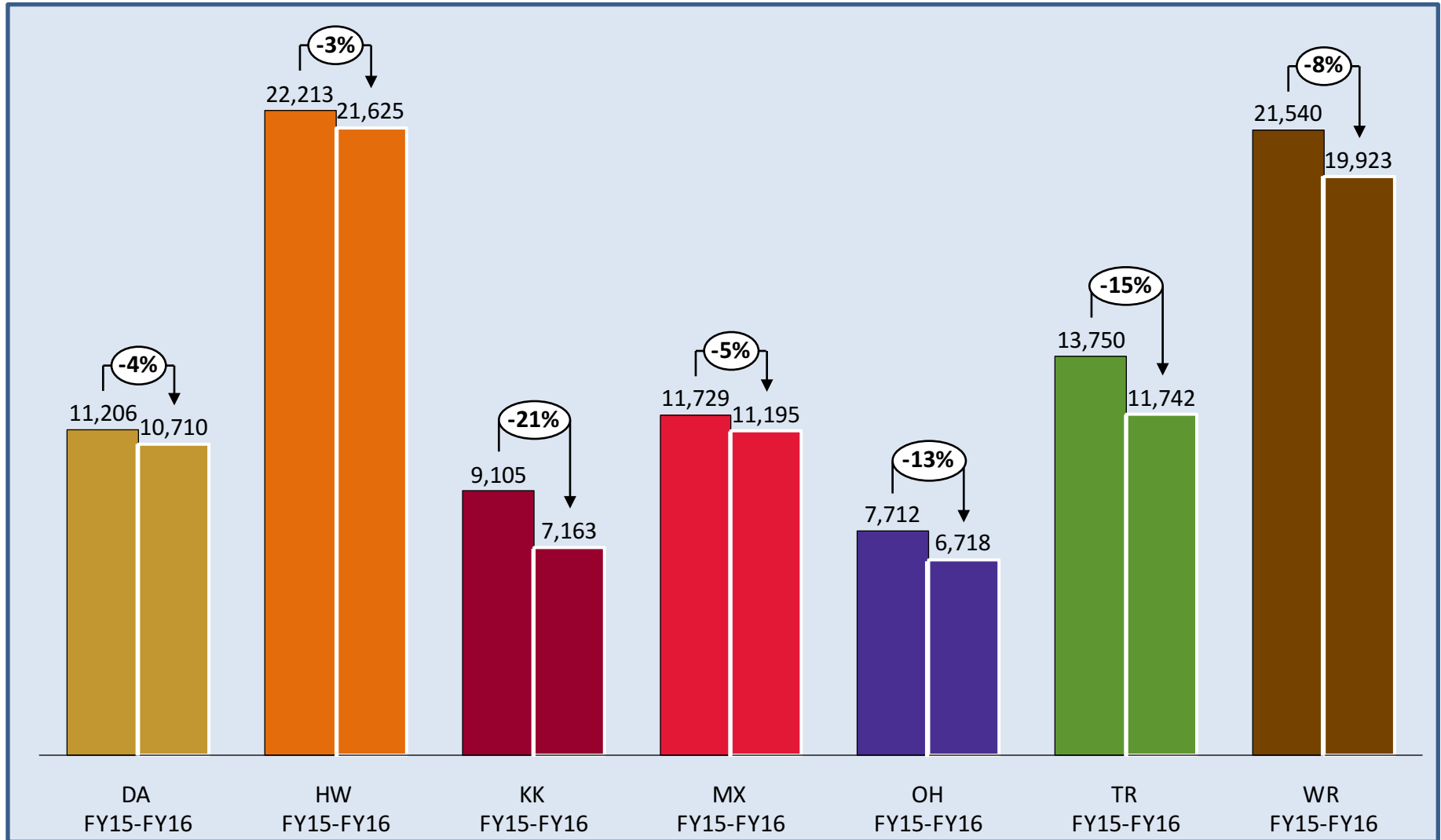
... however, downwards trajectory is halted in Spring term



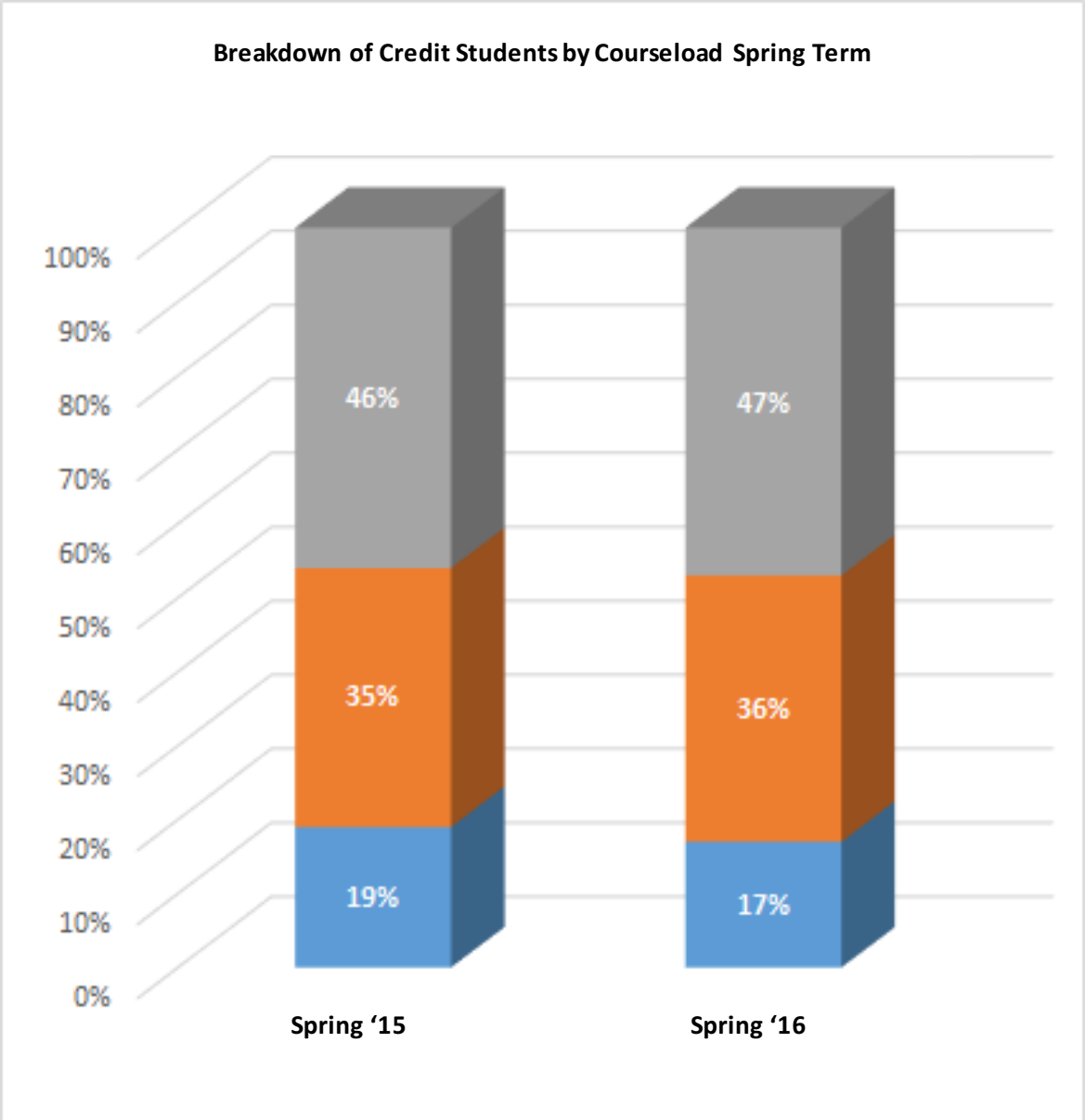
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A Credit: Overview by College

All colleges dipped from FY15 to FY16, with some more dramatic changes than others



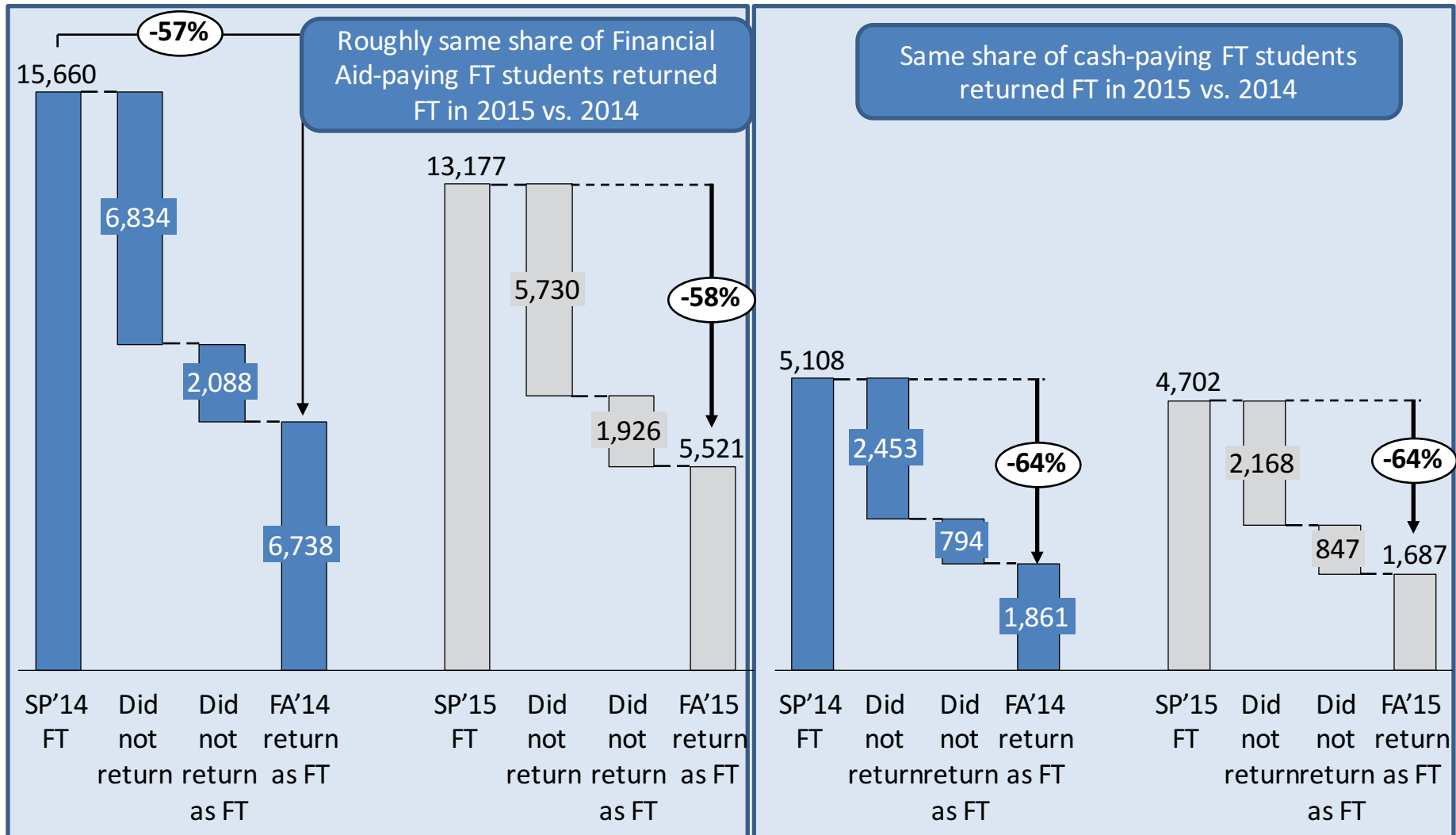
New Tuition Structure did not change the composition of students' course-taking behavior



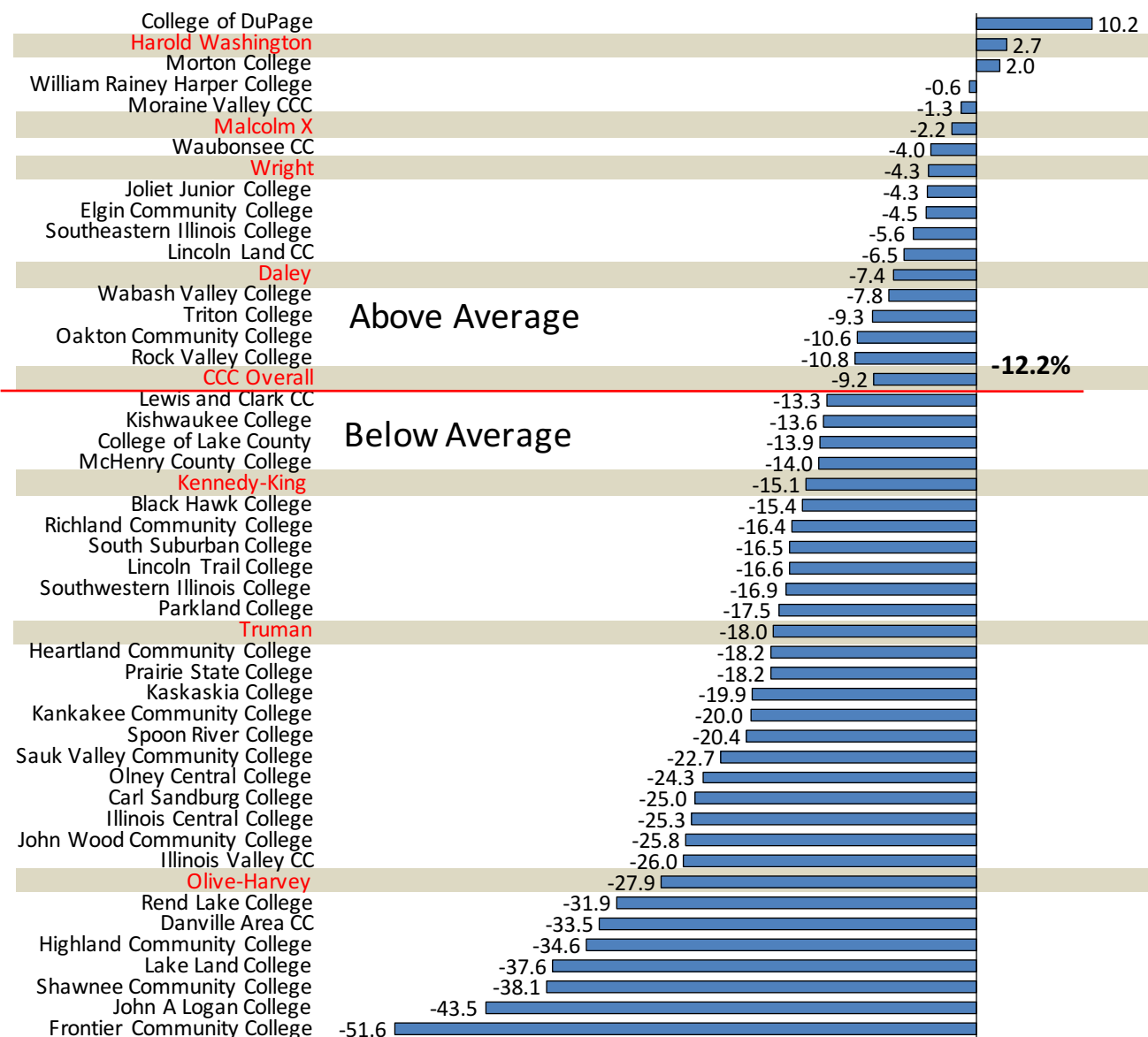
A FT students course-taking behavior, Spring to Fall 2015

Financial Aid 2014 vs. 2015: Roughly similar share of Spring full-time students returned full-time in Fall despite tuition change

Cash-paying students 2014 vs. 2015: Exactly same share of Spring full-time students returned full-time in Fall despite tuition change



A Degree/Certificate Seeking: % Change Fall 2010 – Fall 2014



-12.2% is the average percentage of degree/certificate change from Fall 10 – Fall 14 (5-year period). The % change calculation including CCC totals.

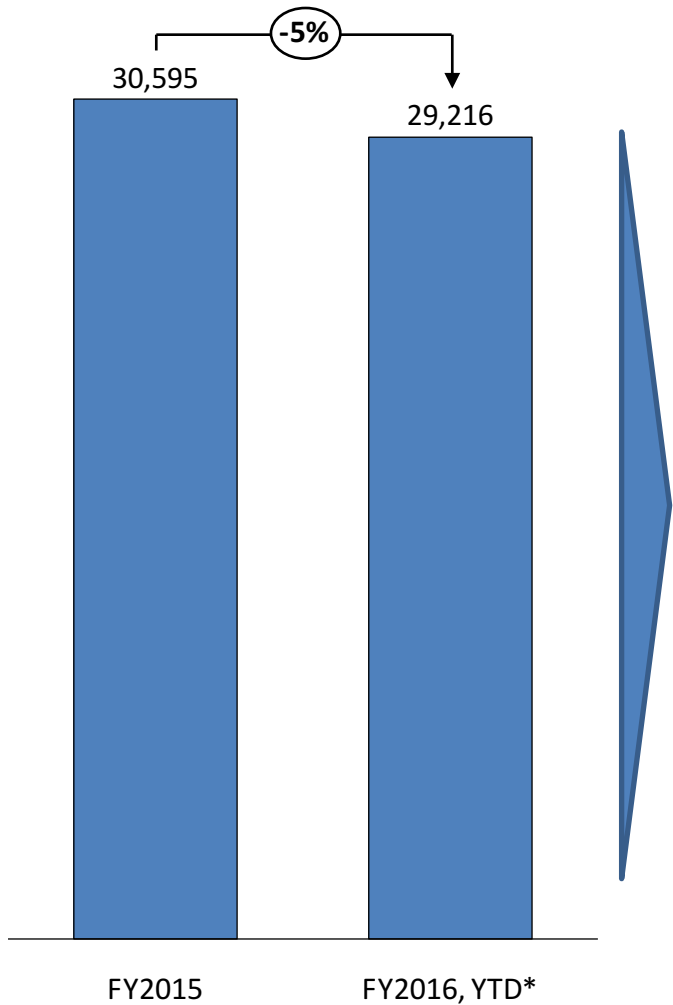
*College is part of Illinois Eastern

Source: IPEDS Data Center (<http://nces.ed.gov/ipeds/datacenter/>)

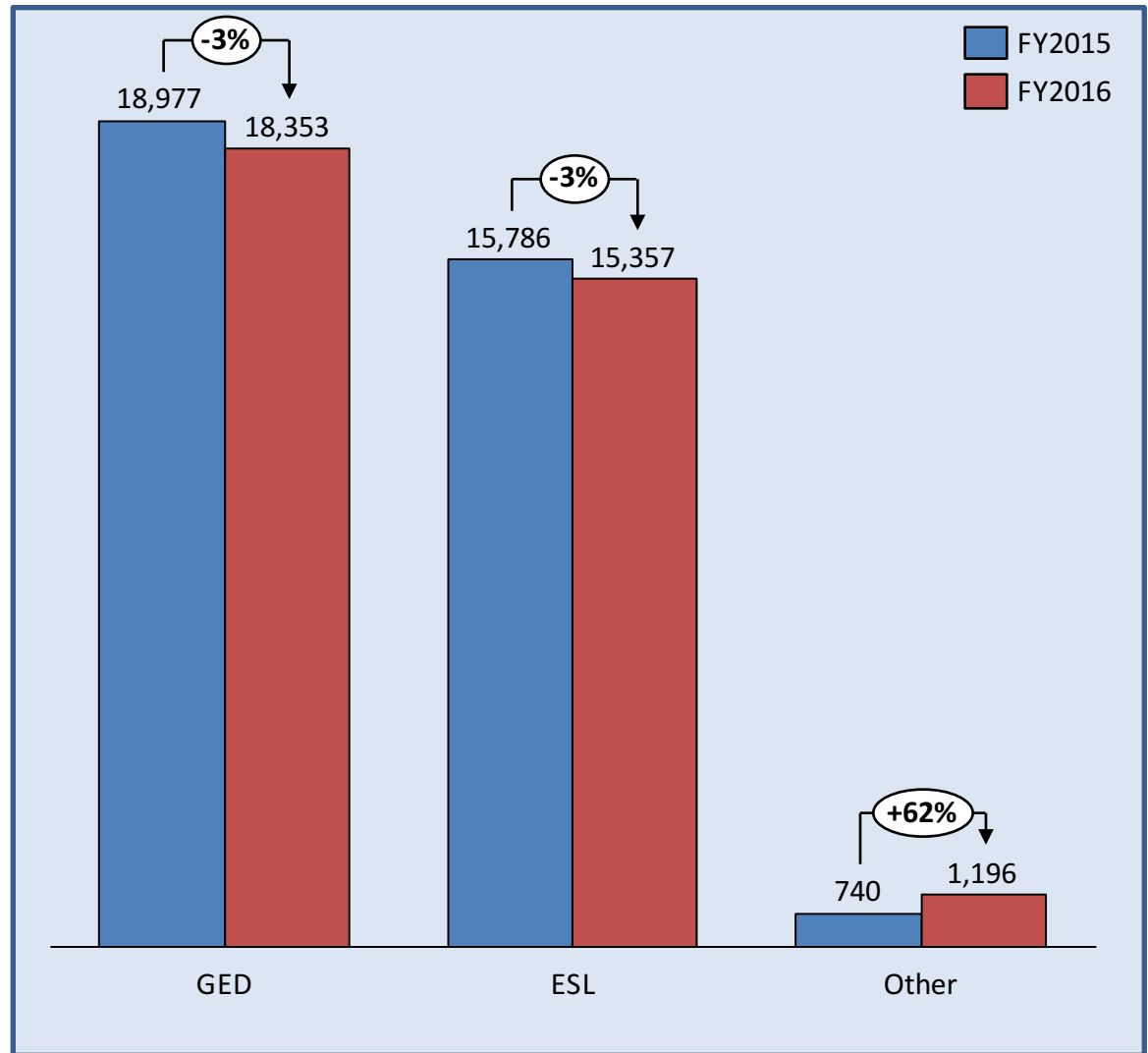
DRAFT - for discussion purposes

B Adult Education: Enrollment is down 5% YOY...

Total ADED enrollment...



... with breakdown per type of enrollment*

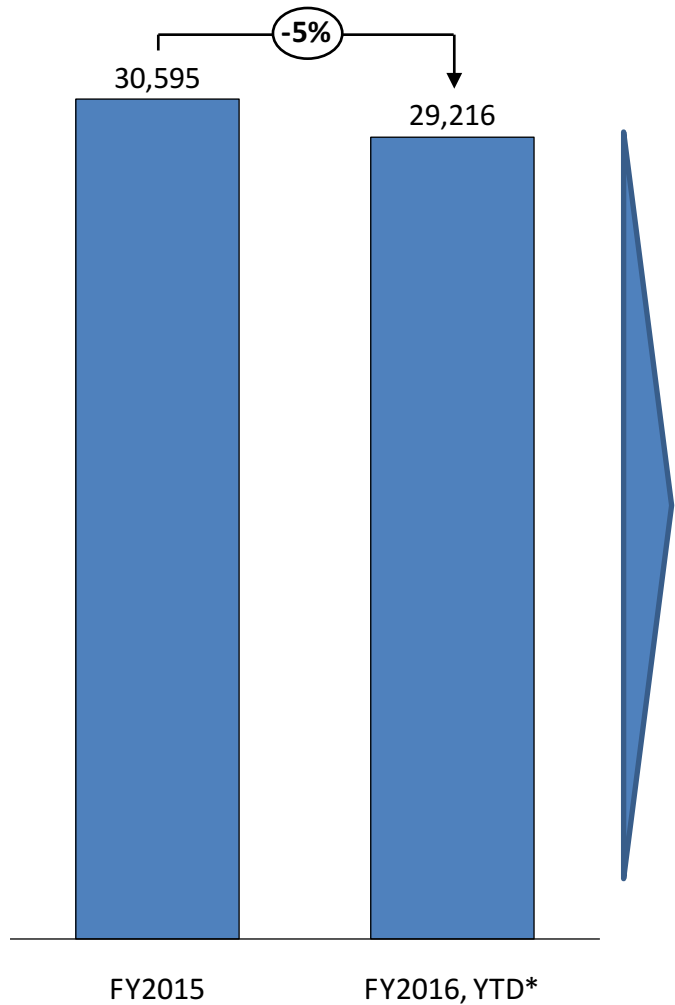


*Numbers are unduplicated within each category, and will not add up to the overall numbers in the graph on the left because a student could enroll in courses placing him in all three categories.

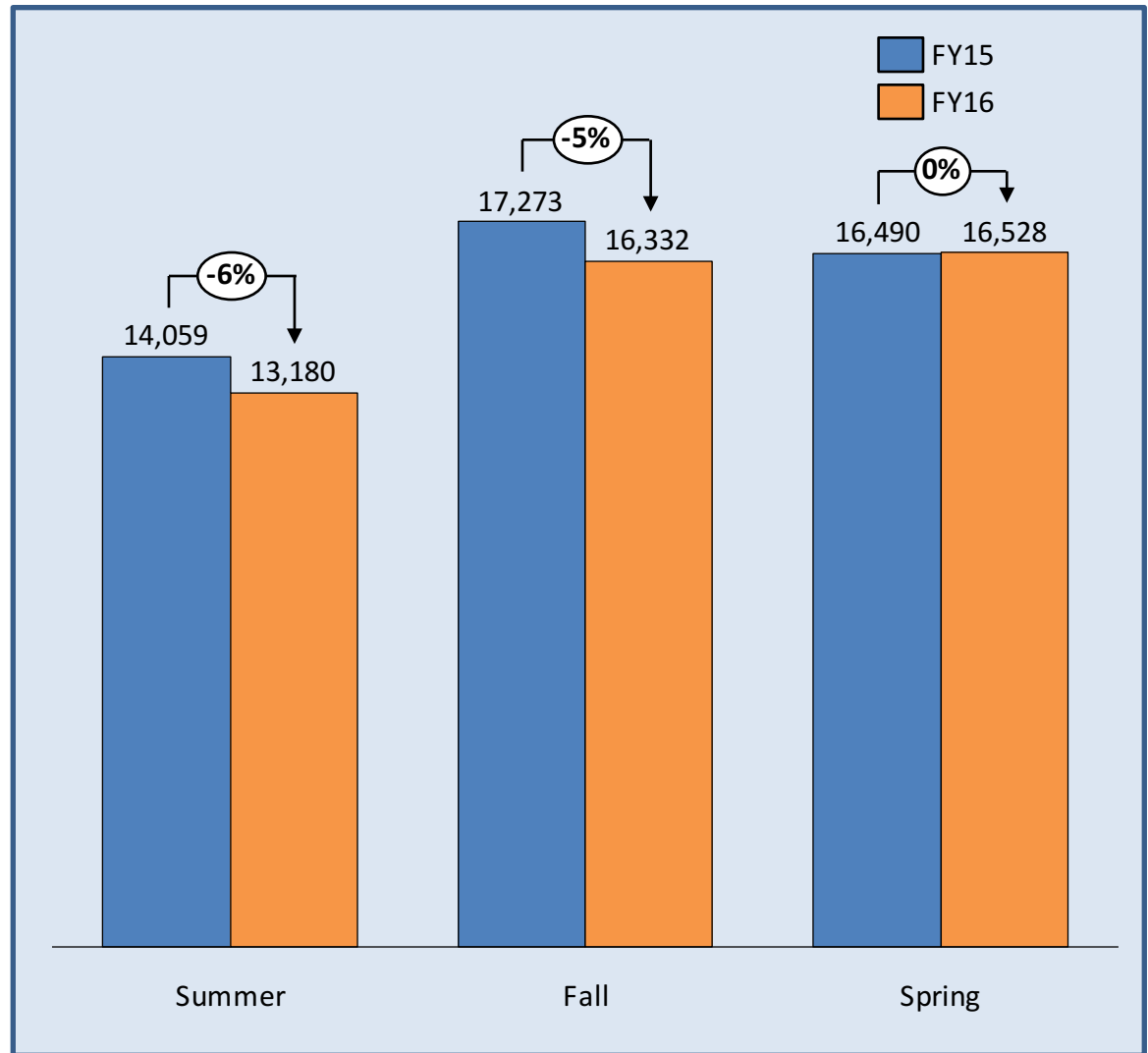
DRAFT - for discussion purposes

B Adult Education: ... but trajectory is improving in Spring term

Credit enrollment is down 5% YOY...



... however, downwards trajectory is halted in Spring term

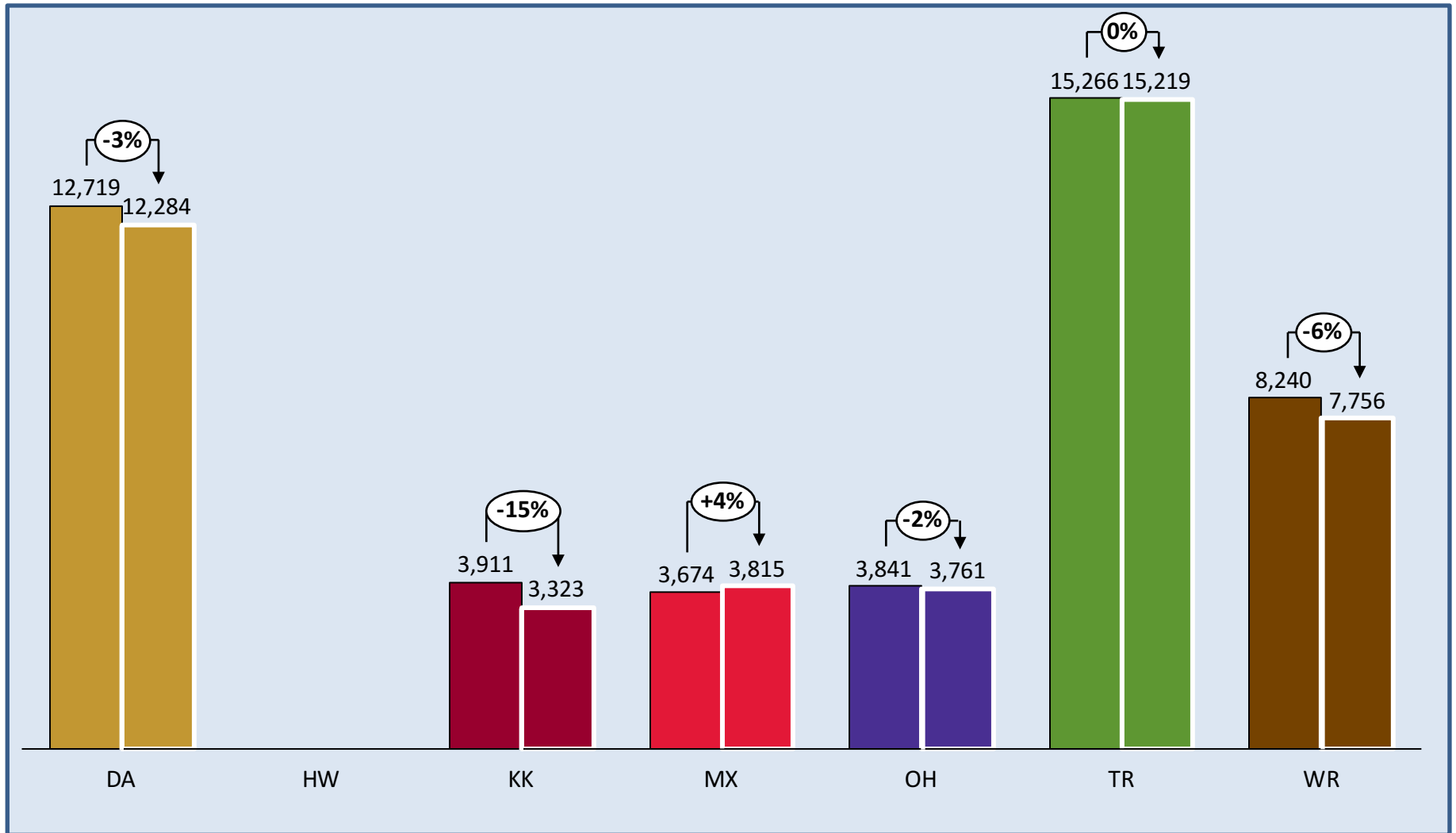


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DRAFT - for discussion purposes

B Adult Education: Enrollment by college highly variable

Significant variance between colleges, with some colleges close to or outperforming FY15...

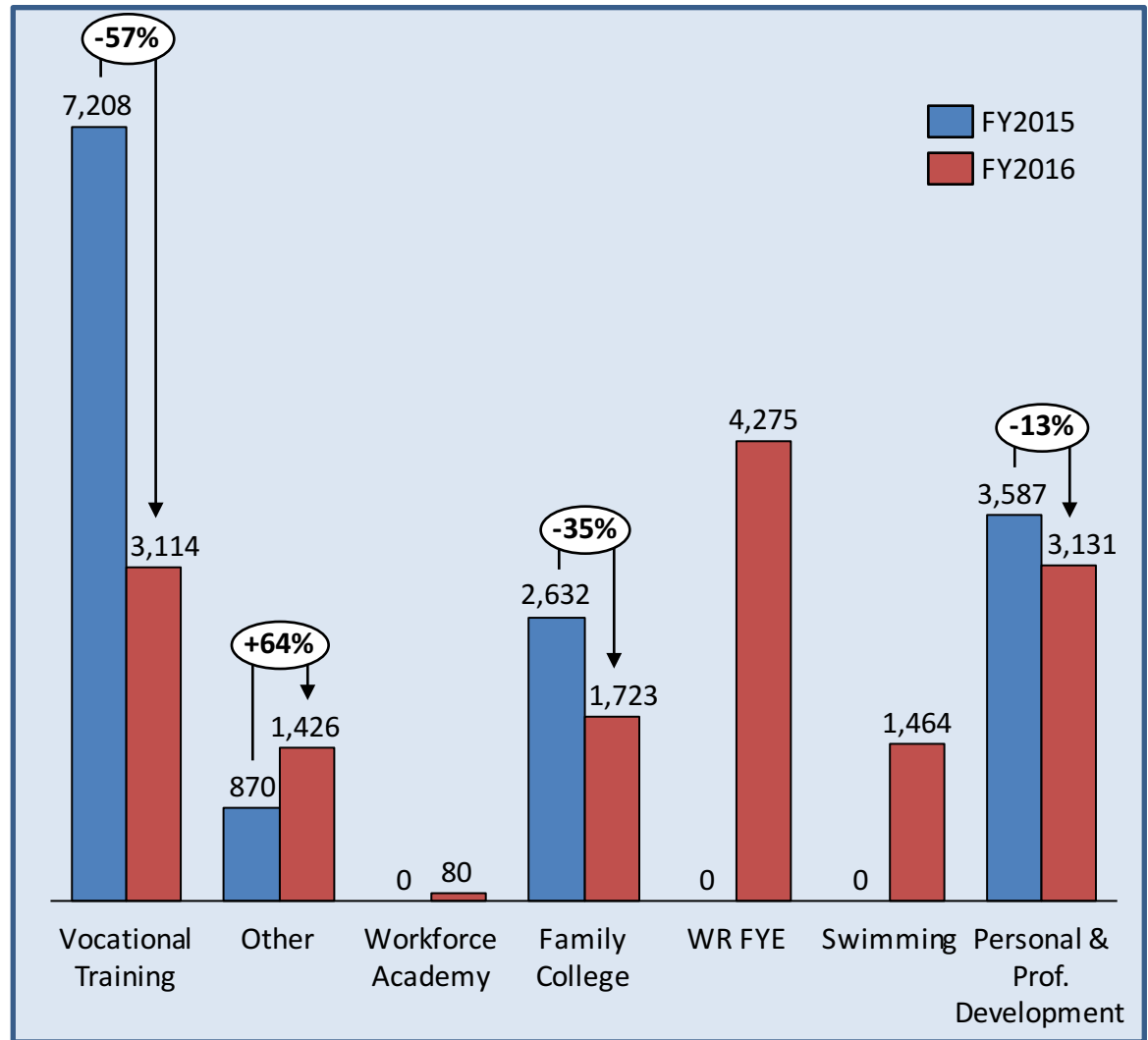


C Continuing Education: Overview of enrollment FY2016

Total CE enrollment is flat YOY...



... with breakdown per type of enrollment



• Comparable numbers with very few expected additional students in Spring term

** Personal / Professional Development

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