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BUDGET REVIEW



NASSAU COUNTY LEGISLATURE
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Inter-Departmental Memo

To: Hon. Peter J. Schmitt, Presiding Officer
Hon. Kevan Abrahams, Minority Leader
All Members of the Nassau County Legislature

From: Maurice Chalmers, Director
Office of Legislative Budget Review

A handwritten signature in blue ink, appearing to be "MC", next to the name Maurice Chalmers.

Date: June 14, 2012

Re: Nassau Community College Proposed Budget 2012-2013

Attached is the Office of Legislative Budget Review's report on the proposed Nassau Community College. The report details both expense and revenue variances with explanations. It is, however, important to highlight the following:

- The Property Tax levy supporting the College will remain at \$52.2 million.
- There is no increase in tuition.
- Fees charged by the College remain unchanged.
- New York State is increasing its aid per FTE by \$150. This translates into \$2.4 million in revenue.
- The proposed budget includes a \$1.5 million appropriation of fund balance.
- Budgeted headcount has been reduced by 32 full-time positions.

If you should have any further questions, please let me know.

cc: Hon. George Maragos, Nassau County Comptroller
Frank Moroney, Nassau County Chief Deputy Comptroller
Tim Sullivan, Deputy County Executive
Eric Naughton, Director, OMB
Evan Cohen, Executive Director, NIFA
David Gugerty, Policy Director
Aline Khatchadourian, Minority Finance Director
Dan McCloy, Director of Law, Finance & Operations
Gregory May, Director of Legislative Affairs
William Muller, Clerk of the Legislature

Proposed FY 2012-13 NCC Budget

EXPENSES

	Historical		2012		2013	2013 vs. 2012		Proj vs. 2013	
	2010	2011	Adopted Budget	OLBR Projected	Proposed Budget	Variance	Percent	Variance	Percent
Full-time Headcount	1,251	1,198	1,161	1,150	1,118	(43)	-3.7%	(32)	-2.8%
Salaries	\$128,220,560	\$127,529,677	\$127,638,123	\$126,681,813	\$126,603,492	(\$1,034,631)	-0.8%	(\$78,321)	-0.1%
Fringe Benefits	44,465,594	48,555,769	50,352,721	49,596,552	53,996,235	3,643,514	7.2%	4,399,683	8.9%
Equipment	2,197,639	2,311,973	2,383,543	2,383,543	2,275,951	(107,592)	-4.5%	(107,592)	-4.5%
General Expenses	9,012,032	8,241,022	7,953,987	7,953,987	7,755,137	(198,850)	-2.5%	(198,850)	-2.5%
Contractual Services	6,978,414	5,911,643	5,742,340	5,742,340	5,598,782	(143,558)	-2.5%	(143,558)	-2.5%
Utility Cost (Tel. & Other)	924,046	1,280,783	1,374,352	1,502,000	1,500,000	125,648	9.1%	(2,000)	-0.1%
Utility Cost (LIPA)	3,989,469	3,980,198	4,245,934	3,860,286	3,795,257	(450,677)	-10.6%	(65,029)	-1.7%
Interfund Charges	3,089,325	2,990,523	3,200,000	3,200,000	3,167,029	(32,971)	-1.0%	(32,971)	-1.0%
County Scholarships	55,000	54,900	55,000	55,000	55,000	0	0.0%	0	0.0%
Total	\$198,932,079	\$200,856,488	\$202,946,000	\$200,975,521	\$204,746,883	\$1,800,883	0.9%	\$3,771,362	1.9%

- Headcount figures in the chart above are based on June 1 data. In 2010 employees were offered retirement incentives by the County, the College and the State. The decline is a result of limited backfill of those and additional retirements.
- FY 2012-13 budgeted headcount is declining by 43 when comparing budget to budget and is decreasing by 32 when compared to 2012 projected numbers.
- Expenses are budgeted to increase slightly, by 0.9%, or \$1.8 million, compared to the adopted 2012 budget.
- Salaries in the proposed budget are decreasing slightly, by 0.1%, or \$78,000, when compared to the FY 2011-12 salary projection, and declining by 0.8%, or \$1.0 million when comparing budget to budget.
- Salaries are decreasing despite contractual increases for members of the Nassau Community College Federation of Teachers (NCCFT) and Civil Service Employees Association (CSEA). The agreement with the Adjunct Faculty Association (AFA) expired on August 31, 2010 and negotiations for a new contract are ongoing. Salaries for Ordinance employees will include no cost of living adjustments.
- The current year salary projection reflects the net savings associated with 13 retirements plus an anticipated 20 more with limited backfill. The estimated additional retirements are based on historical trends.

Proposed FY 2012-13 NCC Budget

- OTPS spending is budgeted below FY 2011-12 levels by approximately 3.2% primarily due to a cap on OTPS spending. The College has imposed a spending cap on OTPS expenses for FY 2012-13 and will cease such spending if expenses in other areas of the budget require additional funds.
- OTPS also includes a \$450,000 reduction from a cost savings plan involving intentional changes in the level of services contracted for building and grounds maintenance.

Salaries

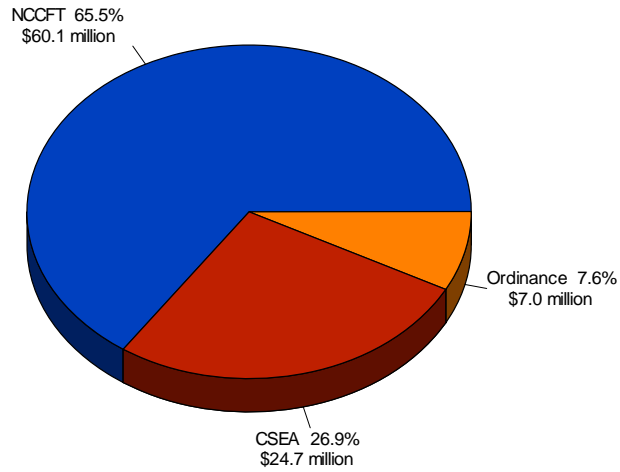
FULL-TIME HEADCOUNT											
Union	Adopted 11 - 12		Proposed 12 - 13		Difference			Jun 12	Difference		
	F/T	Pers. Svcs	F/T	Pers. Svcs	F/T	Pers. Svcs	FT % Chg	Act. F/T	F/T	% Chg	
NCCFT	699	\$60,050,368	673	\$60,049,242	(26)	(\$1,126)	-3.7%	693	(20)	-2.9%	
CSEA	393	24,734,624	383	22,349,981	(10)	(2,384,643)	-2.5%	389	(6)	-1.5%	
Ordinance	69	7,042,409	62	6,904,729	(7)	(137,680)	-10.1%	68	(6)	-8.8%	
Grand Total	1,161	91,827,401	1,118	89,303,952	(43)	(\$2,523,449)	-3.7%	1,150	(32)	-2.8%	

- Fulltime headcount in the proposed FY 2012-13 budget is decreasing by 43 compared to FY 2011-12.
- Most of the decrease in headcount is from the NCCFT union, the majority of whose members are responsible for teaching at the College. The current vacancies are a result of attritions and limited backfilling of retirements. The backfilling will be staffed by temporary non-tenure positions. In addition, the College is reducing the NCCFT positions in the adopted budget by 20 from the current onboard.
- There are seven fewer Ordinance employees included in the FY 2012-13 proposed budget than in the current year's adopted, resulting in a decrease of \$137,680. It should be noted that the June 1 actual shows a total of 68 Ordinance employees on board. There are also 14 educators associated with the Language Immersion at Nassau Community College program (LINCC) who are currently reflected in the budget as NCCFT members.
- The full-time headcount reduction of 43 is comprised of 3.7% faculty (NCCFT), 2.5% CSEA members and 10.1% Ordinance members.

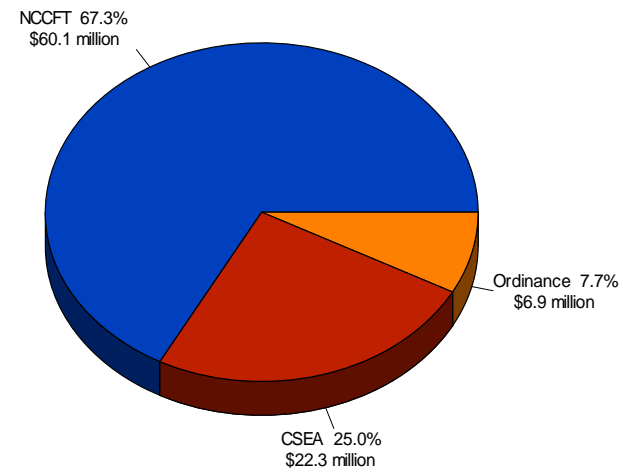
Proposed FY 2012-13 NCC Budget

- The graphs below illustrate salary expenses by union in the proposed budget compared to last year's budget.

Adopted 2011 - 12 Full Time Salaries by Union



Proposed 2012-13 Full Time Salaries by Union



Proposed FY 2012-13 NCC Budget

Fringe Benefits

Nassau Community College Fringe Benefit Expenses							
	2012 Budget	OLBR Projection	Proposed 2013 Budget	2013 vs. 2012	Percent	Adpt Vs. Projected	Percent
State Retirement	\$4,057,905	\$4,558,894	\$6,110,376	\$2,052,471	50.6%	\$1,551,482	34.0%
Teachers Retirement	\$1,998,390	\$2,100,000	2,306,984	308,594	15.4%	206,984	9.9%
Social Security	\$9,189,945	\$9,121,091	9,479,287	289,342	3.1%	358,196	3.9%
Health Insurance	\$17,729,157	\$16,645,456	17,804,155	74,998	0.4%	1,158,699	7.0%
TIAA CREF	\$6,503,118	\$6,800,000	7,140,000	636,882	9.8%	340,000	5.0%
Optical Plan	\$130,001	\$122,848	124,000	(6,001)	-4.6%	1,152	0.9%
Unemployment	\$250,000	\$253,516	250,000	0	0.0%	(3,516)	-1.4%
Dental Insurance	\$698,003	\$632,433	650,000	(48,003)	-6.9%	17,567	2.8%
Medicare Reimbursement	\$1,365,001	\$1,236,005	1,375,000	9,999	0.7%	138,995	11.2%
Health Insurance Retirees	\$7,517,240	\$7,207,659	7,820,800	303,560	4.0%	613,141	8.5%
Retirees Optical	\$15,995	\$13,935	14,000	(1,995)	-12.5%	65	0.5%
Medicare Part D	(\$475,000)	(\$475,000)	(475,000)	0	0.0%	0	0.0%
MTA Mobility Tax	\$433,969	\$430,718	447,633	13,664	3.1%	16,915	3.9%
CSEA Legal Fund	\$64,000	\$64,000	64,000	0	0.0%	0	0.0%
NYS Disability Insurance	\$10,000	\$10,000	10,000	0	0.0%	0	0.0%
Workers Compensation	\$864,997	\$874,997	875,000	10,003	1.2%	3	0.0%
Total	\$50,352,721	\$49,596,552	\$53,996,235	\$3,643,514	7.2%	\$4,399,683	8.9%

- The Fringe Benefit budget is increasing by \$3.6 million or 7.2% compared to the current year's budget due mostly to rising health insurance and retirement costs.
- The proposed fringe benefits appropriation assumes a 10% rate increase for health insurance costs, effective January 1, 2013 (which includes eight months of the College's fiscal year). The rate is lower than the rate projection provided in New York State's 2012 1st Quarter Experience Report, which projects the 2013 health insurance premium rate to increase by 13.3% for both individual and family coverage. However, even at the lower rate, the 2013 budgeted expense for health insurance costs appears reasonable.
- The FY 2012-13 budget of \$6.1 million for State Retirement is an increase of \$2.1 million compared to the FY 2011-12 budget. This increase is due to:
 - continued rising pension contribution rates,

Proposed FY 2012-13 NCC Budget

- higher salary costs from annual cost of living and step increases, and
 - one-fifth of the cost for employees who elected to take the early retirement incentive.
- The \$7.1 million proposed budget for TIAA CREFF is increasing 9.8% or \$636,882 compared to the current year's budget due to higher salary costs for the employees who are enrolled in the plan (mostly NCCFT, Administrators and faculty personnel.)
- The FY 2012-13 Fringe Benefits budget includes the federal subsidy of \$475,000 for Medicare Part-D reimbursement of the prescription drug coverage provided by the College. The FY 2012-13 budget remains unchanged compared to the current year's budget and projection.
- The FY 2012-13 appropriations for the optical and dental plans are decreasing minimally by 4.6% and 6.9% respectively. The budgeted amounts are more consistent with the current year's projection.
- The adopted worker's compensation budget of \$875,000 is a slight decrease of 1.2% compared to the current year's budget.

OTHER THAN PERSONAL SERVICES

- OTPS spending in FY 2012-13 will be about \$808,000, or 3.2%, less than that of the adopted FY 2011-12. The following chart details the OTPS spending from 2011 to the FY 2012-2013 Proposed Budget:

Nassau Community College OTPS Budget Comparison FY 2011-2013						
	<u>2011</u>	<u>2012</u>	<u>2012</u>	<u>2013</u>	Variance	Variance
	<u>Operating</u>	<u>Adopted</u>	<u>Projected</u>	<u>BOT</u>	2012/2013	2012/2013
	<u>Results</u>	<u>Budget</u>	<u>Oper. Results</u>	<u>Approved Bud</u>		<u>Proj/Bud</u>
Equipment	2,311,973	2,383,543	2,383,543	2,275,951	(107,592)	(107,592)
General Expenses	8,241,022	7,953,987	7,953,987	7,755,137	(198,850)	(198,850)
Contractual	5,911,643	5,742,340	5,742,340	5,598,782	(143,558)	(143,558)
Utility Costs	5,260,981	5,620,286	5,362,286	5,295,257	(325,029)	(67,029)
Central Utility Plant Chgs	2,990,523	3,200,000	3,200,000	3,167,029	(32,971)	(32,971)
Scholarships	54,900	55,000	55,000	55,000	0	0
	<u>24,771,042</u>	<u>24,955,156</u>	<u>24,697,156</u>	<u>24,147,156</u>	<u>(808,000)</u>	<u>(550,000)</u>

- Telephone, water and fuel costs are increasing in FY 2012-13 by 9.1%, or 125,648, when compared to FY 2011-12 allocations. The increase is offset by a 10.6%, or \$450,000, decline in LIPA charges.
- Contractual services are declining by \$143,558, or almost 2.5%, primarily in building and grounds maintenance expenses.

Proposed FY 2012-13 NCC Budget

OPPORTUNITIES & RISKS

- Full-time headcount is down considerably, about 80, than two years ago, and while there are salary savings garnered from restricted backfill of retirements, operations may be impacted. The lower headcount may not be sustainable.
- Salaries include \$400,000 in overtime reduction which may not be realized.
- As mentioned previously, contract negotiations are on-going between the College and the AFA, whose contract expired August 31, 2010. Should an agreement be achieved in the new fiscal year, the outcome could have a significant impact on the FY 2012-13 budget. Only promotions in rank, not salary increases, are included in the proposed budget.
- The 2.5% reduction in contractual services for building and grounds maintenance may be difficult to sustain without impacting quality. Weather related events in FY 2012-13 may occur that require building or grounds maintenance in excess of budget allocations which may result in an OTPS shortfall.
- Should circumstances evolve during the budget year that may generate shortfalls in any area of the budget, the College will implement additional contingencies such as reductions in OTPS spending, further reductions in staff and use of additional fund balance as corrective actions.

REVENUE

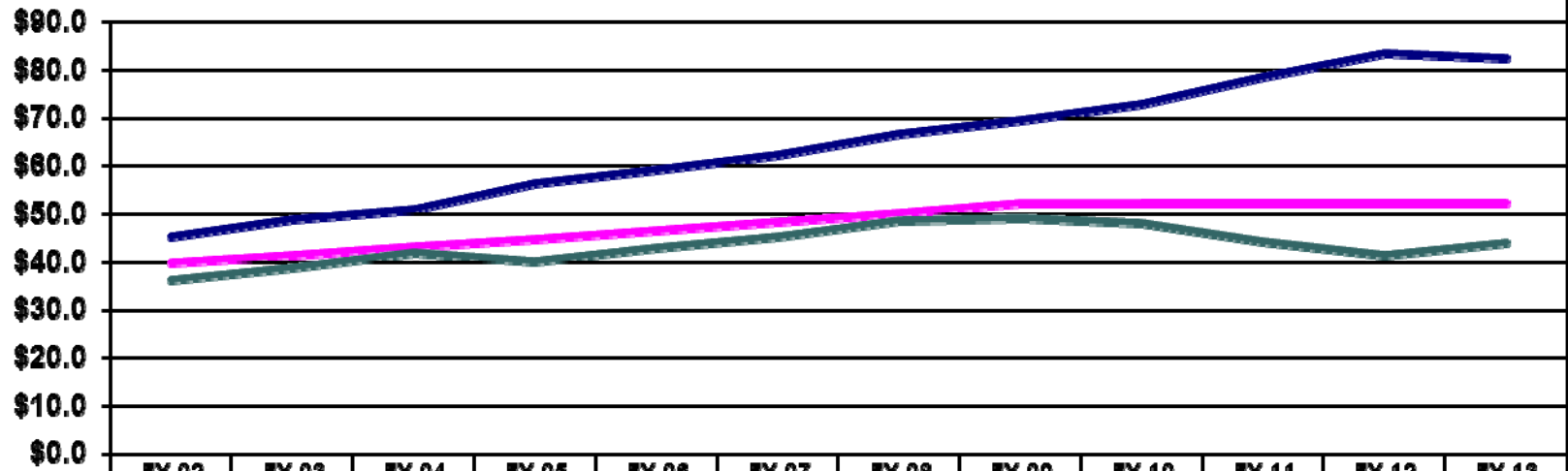
	Historical		2012		2013	2013 vs. 2012		Proj vs. 2013	
	2010	2011	Adopted Budget	OLBR Projected	Proposed Budget	Variance	Percent	Variance	Percent
Tuition	\$72,886,735	78,709,256	\$83,393,727	\$82,372,988	\$82,372,988	(\$1,020,739)	-1.2%	\$0	0.0%
Property Tax	52,206,883	52,211,454	52,206,883	52,206,883	\$52,206,883	0	0.0%	0	0.0%
State Aid	47,991,751	44,095,874	41,456,390	41,456,390	43,862,313	2,405,923	5.8%	\$2,405,923	5.8%
Rev. Lieu Spons. Share	13,283,966	13,914,407	14,000,000	14,000,000	14,000,000	0	0.0%	0	0.0%
Rev. Offset To Expense	4,197,926	4,414,971	4,048,000	4,048,000	4,048,000	0	0.0%	0	0.0%
Service Fees	5,879,878	5,859,386	5,991,000	5,991,000	5,991,000	0	0.0%	0	0.0%
Rents & Recoveries	575,042	1,020,849	400,000	400,000	400,000	0	0.0%	0	0.0%
Investment Income	189,358	82,267	200,000	82,000	82,000	(118,000)	-59.0%	0	0.0%
Federal Aid	309,115	178,920	250,000	250,000	250,000	0	0.0%	0	0.0%
Suppl Approp/Fund Balance	834,315	0	0	0	0	0	0.0%	0	0.0%
Fund Balance Appropriated	2,488,541	2,188,000	1,000,000	1,000,000	1,533,699	533,699	53.4%	533,699	53.4%
Total	\$200,843,510	\$202,675,384	\$202,946,000	\$201,807,261	\$204,746,883	\$1,800,883	0.9%	\$2,939,622	1.5%

- The Proposed FY 2012–13 revenue budget is increasing by \$1.8 million, or 0.9%, from the previous year’s adopted budget and \$2.9 million, or 1.5%, over the current academic year projection.
- The property tax levy supporting the College will remain at \$52.2 million.
- State Aid is increasing by \$2.4 million to \$43.9 million in the FY 2013 Proposed Budget compared to the 2012 projection due to a \$150 increase in the Full Time Equivalent (FTE) reimbursable rate. After three consecutive years of cuts totaling \$553 per FTE, this increase constitutes a revenue pick-up.
- Tuition revenue is decreasing by \$1.0 million from the prior year Adopted Budget. Although the rate remains constant, the FTE enrollment has impacted the bottom line negatively.

Proposed FY 2012-13 NCC Budget

FY 2002 - 2013
(\$ in millions)

Tuition, County Share and State Aid



	FY 02 Actual	FY 03 Actual	FY 04 Actual	FY 05 Actual	FY 06 Actual	FY 07 Actual	FY 08 Actual	FY 09 Actual	FY 10 Actual	FY 11 Actual	FY 12 Adopted	FY 13 Proposed
Tuition	\$45.2	\$48.9	\$50.9	\$56.4	\$59.1	\$62.3	\$66.6	\$69.6	\$72.9	\$78.7	\$83.4	\$82.4
County Share	\$39.9	\$41.5	\$43.1	\$44.8	\$46.5	\$48.4	\$50.2	\$52.2	\$52.2	\$52.2	\$52.2	\$52.2
State Aid	\$36.1	\$38.7	\$41.8	\$40.0	\$42.9	\$45.3	\$48.5	\$49.1	\$48.0	\$44.1	\$41.5	\$43.9

- The Proposed Budget absorbs an enrollment decline which impacts the budget by \$1.0 million.
- Offsetting the above decrease is additional state aid of \$2.4 million.
- The FY 12-13 will be the fifth consecutive year that the County share of the College revenue has remained stable with no increase in the tax levy.

Proposed FY 2012-13 NCC Budget

Tuition

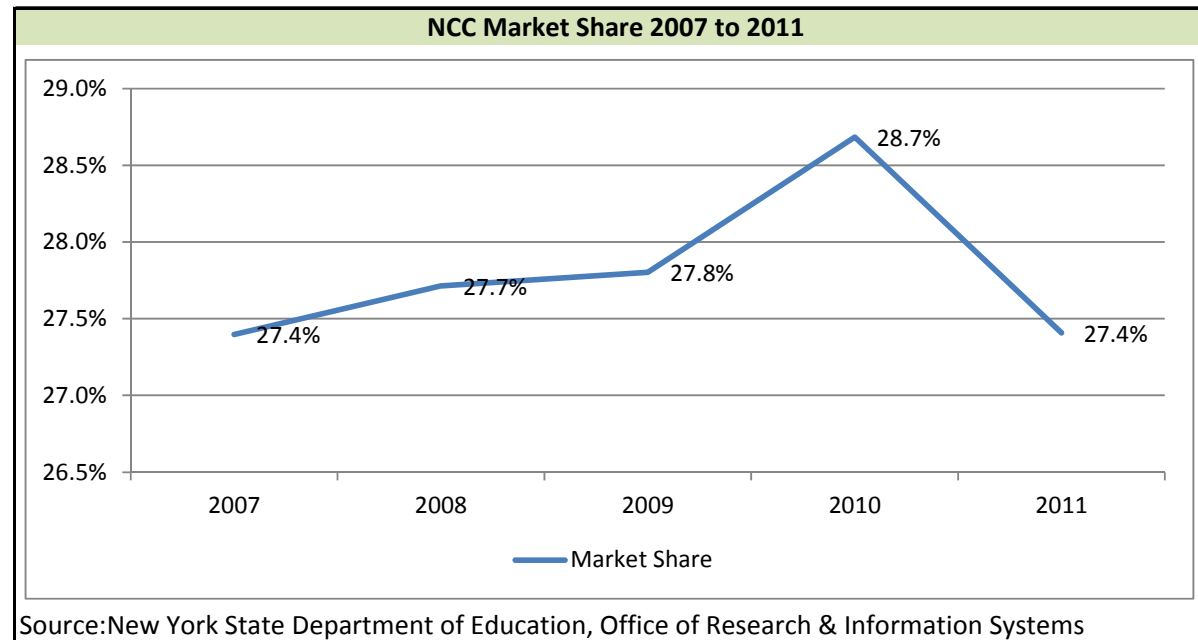
- The FY 2012 – 13 budget to budget decrease in tuition by \$1.0 million to \$82.4 million is a result of lower enrollment projections.
 - In these difficult times, the College will keep tuition flat at \$1,995 per semester. Nassau will be in line with Suffolk and still be cheaper than Westchester.

Yearly Tuition Comparison				
	Current	2013 Proposed	Increase	Diff From Nassau
Westchester	4,150	4,150	-	160
Suffolk	3,999	3,990		-
Nassau	3,990	3,990	-	

- Tuition represents 40.2% of the total budgeted revenue.
- The enrollment decline recorded at NCC was evident across the Country.
- A recent report by Community College Week found that after years of record-breaking enrollments, enrollments in some places are beginning to slow. Industry analysts were hesitant to call it a trend with just one year of data. However, several explanations were given.
 - When many people were losing their jobs and money was tight for families, workers went to school in search of new careers and children opted to attend two year school to save money. Since the economy is improving and fewer people are losing their jobs, less people are choosing to attend community college.
 - Secondly, the No Worker Left Behind, a State program which covered tuition for unemployed workers, ended. This implies that some unemployed individuals can no longer afford to go back to school.

Proposed FY 2012-13 NCC Budget

- The college age population is declining.
 - Lastly, the market has reached its point of saturation in that all the workers who want to go back to college already are in the pipeline or are working their way through it.¹
- Despite the enrollment decline, NCC continues to educate 27.4% of the college age population in Nassau County.
- NCC's market share dipped in 2011 from 28.7% in 2010 to 27.4%. However, of all the colleges and universities located in Nassau County, it continues to educate the greatest amount of students in both absolute and percentage terms. The chart below reveals NCC's market share from 2007 to 2011.



¹ Bradley, Paul, "Downward Trend: Community College Enrollments Begin to Recede from Historic Highs", *Community College Week*, November 28, 2011.

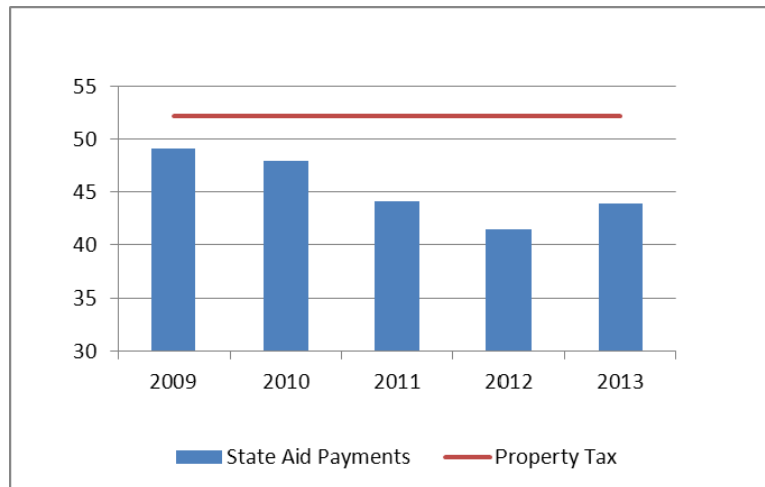
Proposed FY 2012-13 NCC Budget

Property Taxes

- There is no Property Tax increase in the proposed budget.
- Nassau County's share of \$52.2 million represents 25.5% of the Proposed Budget.

State Aid

- For the past several years the College has had to absorb the impact of reductions in state aid. Although the current budget reverses the trend, the cumulative impacts of these cuts continue to pose challenges for the College. This revenue source represents 21.4% of the proposed 2013 budget.
- The State has imposed midyear cuts in the past. Further stress would be put on the budget, should mid year cuts occur in the coming year.



Revenue Lieu Sponsor Share

- The chargeback rate is an assortment of collections from non-residents, out of state residents, international students and NYS Counties' without a certificate of residency.
- The \$14.0 million budgeted for this revenue source is made up of \$11.3 million from other New York State County chargebacks and \$2.7 million from out of state residents.
- The estimated FY 2012 – 13 proposed chargeback rate per non-resident FTE is \$3,330 which is same as FY 2011-12-12.

Revenue Offset to Expenses

- This area consists of commissions, contract education and special course fees that help pay for the costs associated with some courses and programs, such as classes in adult education, corporate training, and English as a Second Language (ESL).
- No increase over the current budget is expected in the proposed FY 2012 – 13 Budget.

Proposed FY 2012-13 NCC Budget

Investment Income

Managed by the County Treasurer this revenue source is directly affected by market interest rates. Due to the recession, rates have trended downward. This drift implies lower total investment income. OLBR is projecting investment income to be below budget in 2012.

Fund Balance

- Fund Balance as of 8/31/2011 was \$10.7 million, with \$1.0 million scheduled to be used for the 2012 budget. The FY 2013 budget requires the use of \$1.5 million reducing the fund balance to \$8.2 million.
- The College has established a fund balance policy which states that an “unreserved fund balance of no less than 4% of the prior year’s operating budget” must be maintained.

Service Fees

Service Fees Proposed FY 2013 vs. Adopted FY 2012						
Service Fee: Source	Fee	FY 11 - 12		FY 12-13		Variance Fee Revenue
		Adopted Budget	Fee	Adopted Budget	Fee	
Technology Fee	40	1,500,000	40	1,500,000	0	0
Student Lab Fees Day	100	1,700,000	100	1,700,000	0	0
Application	50	800,000	50	800,000	0	0
NG Check Fee	20	20,000	20	20,000	0	0
Transcript Fees	-	0	0	0	0	0
Late Registration	25	200,000	25	200,000	0	0
Nursing Evaluation	75	1,000	75	1,000	0	0
Tuition Pay Plan	40	460,000	40	460,000	0	0
Change of Program	25	10,000	25	10,000	0	0
Consolidated Fee	30	665,000	30	665,000	0	0
Convenience Fee	18	250,000	18	250,000	0	0
Vehicle Registration	45	385,000	45	385,000	0	0
Totals		5,991,000		5,991,000		

- The Proposed Budget for service fees is flat compared to the current year.

Fund Balance Reconciliation

Beginning Fund Balance FY 10-11	10,742,870
FY 11 -12 Appropriation of Fund Balance	(1,000,000)
Net End of Year 2012 Fund Balance	<u><u>9,742,870</u></u>
FY 12-13 Appropriation of Fund Balance	<u><u>(1,533,699)</u></u>
FY 12-13 Un-appropriated Fund Balance	<u>8,209,171</u>

- The chart above shows how fund balance has been decreasing. Should the planned uses take place in FY13, the College would end the year with \$8.2 million in fund balance. That would represent 4.1% of the prior year expenditures, which is slightly higher than the minimum set by the College Board of Trustees.

Proposed FY 2012-13 NCC Budget

- On average, in FY11, New York State Community Colleges held 12.6% of budgeted expenditures in fund balance. The College is ranked 26th amongs Community Colleges in terms of fund balance percentage. This is lower than Suffolk and Westchester.

Community College Opening Fund Balance Comparison			
As of Fiscal Year Ending August 31, 2011			
Community College	Unreserved Fund Balance	Total Expenditures	Percent of Fund Balance to Expenditures
F-I-T	48,918,275	163,355,050	29.95%
Jamestown	9,374,886	31,390,460	29.87%
Schenectady	6,486,291	22,248,419	29.15%
Corning	8,097,031	32,363,033	25.02%
Niagara	10,653,025	43,067,405	24.74%
North Country	2,787,109	13,123,908	21.24%
Columbia-Greene	3,338,847	15,845,629	21.07%
Genesee	5,819,334	35,719,492	16.29%
Erie	16,231,263	102,287,218	15.87%
Dutchess	8,844,002	55,949,775	15.81%
Clinton	2,309,945	15,238,862	15.16%
Mohawk Valley	6,626,108	47,386,940	13.98%
Cayuga	4,343,527	31,358,547	13.85%
Monroe	16,216,332	120,821,925	13.42%
Broome	5,884,028	46,023,355	12.78%
Fulton-Montgomery	2,173,332	17,444,042	12.46%
Suffolk	18,653,706	180,748,442	10.32%
Finger Lakes	3,982,625	39,442,866	10.10%
Jefferson	2,120,484	22,506,342	9.42%
Adirondack	1,951,816	23,748,701	8.22%
Herkimer	1,763,244	22,169,103	7.95%
Orange County	3,384,826	55,790,149	6.07%
Hudson Valley	5,174,177	90,932,300	5.69%
Westchester	5,965,902	109,917,764	5.43%
Onondaga	3,881,772	72,128,560	5.38%
Nassau	10,742,669	200,271,091	5.36%
Tompkins - Cortland	1,487,164	34,519,663	4.31%
Sullivan	647,742	15,777,706	4.11%
Rockland	1,966,716	60,912,951	3.23%
Ulster	502,058	24,485,586	2.05%

- Rents & Recoveries revenue in the amount of \$400,000 is expected due to the disencumbering of financial obligations in the prior year.
- Federal aid in the amount of \$250,000 is received annually for expenses associated with its work-study program, 75% of which is reimbursed by this revenue.

OPPORTUNITIES & RISKS

- **State Aid** which is based on Full-Time Equivalent Student. Since the budget is prepared before the final tally is known, there is a risk some variation may occur.
- **Tuition** is based on an enrollment assumption and no increase in the tuition rate. The budget assumes that the 2013 projected enrollment will meet the 2012 enrollment projection. There may be a variation in enrollment.