

City Colleges of Chicago

FY2021 Budget

August 2020 Regular Board Meeting

August 6, 2020



CITY COLLEGES[®]
of CHICAGO

Agenda

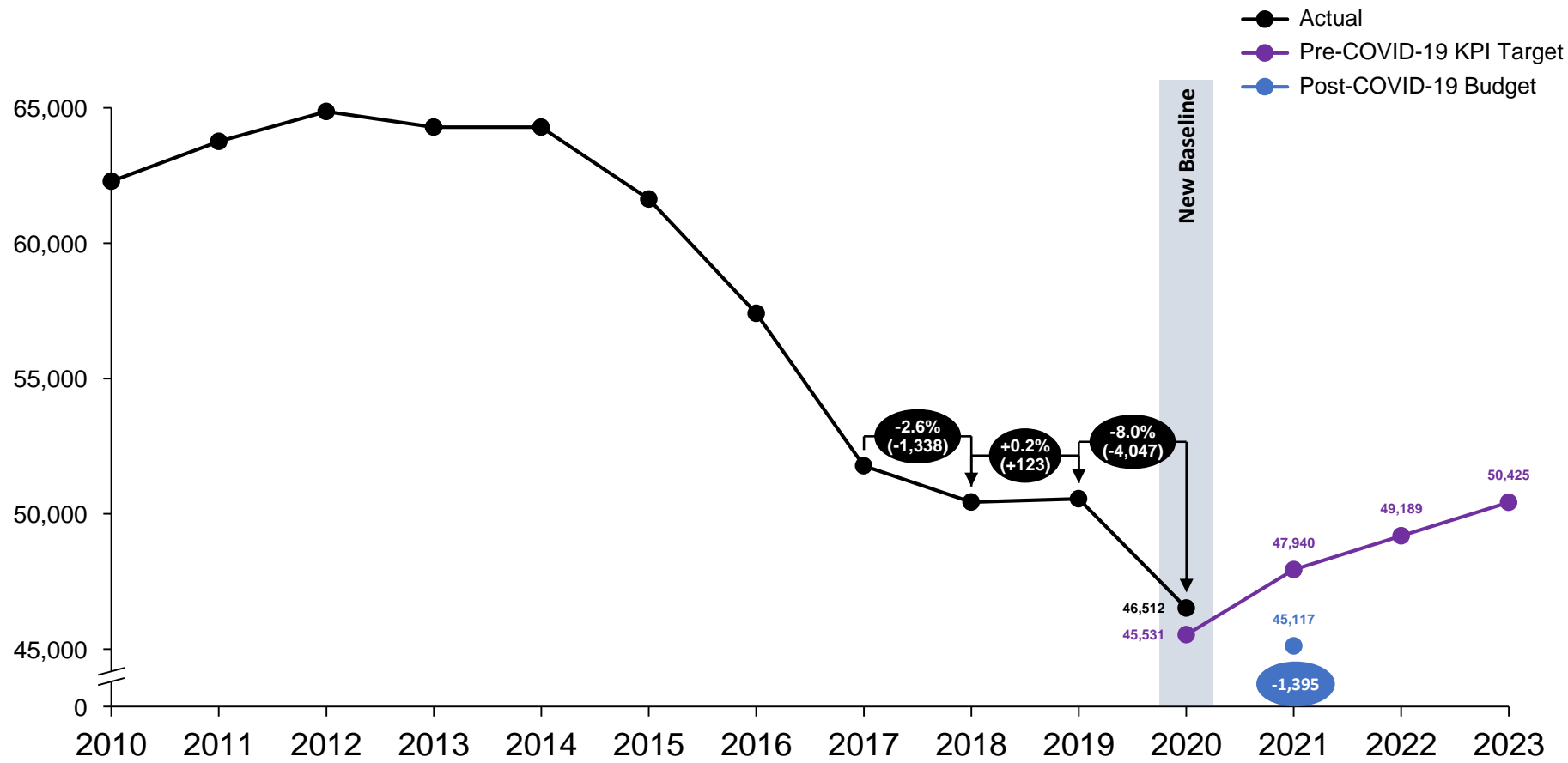
- Financial Priorities
 - Enrollment Trends
- FY21 Budget Highlights
 - Revenue Overview
 - Expense Overview
 - Notable Revenue and Expense Drivers
 - Cash Position
- FY21 Capital Plan

Financial Priorities

- The proposed FY2021 balanced budget reflects a year ahead impacted by COVID-19, and prioritizes our commitment to offering Chicagoans a quality, affordable education in a healthy and safe environment.
- The budget accounts for adjustments made in the 2020-21 academic year as a result of COVID-19. To protect the health and safety of our students, faculty and staff, most City Colleges classes will be offered remotely, online or via distance learning this fall.
- The budget reflects our commitment to educational quality, to maintaining a robust suite of student academic and related supports, and to college access through scholarships and grants.
- The budget holds the credit hour rate of \$146 level for the fifth straight year, recognizing the economic strain of the pandemic, and increases marketing to attract a diverse student body in the unprecedented COVID-19 environment.
- To balance the FY2021 budget and continue our long-term recovery strategy, City Colleges relies on taxing to our levy cap, budgeting for Tax Increment Financing surplus proceeds from the City of Chicago, removing the 12 credit hour tuition cap, identifying cost efficiencies, and closing vacant positions.
- Bad debt expense budget has been reduced from \$8M in FY20 to \$4M in FY21 due to improved policies and management practices.
- This budget reflects a decision this fiscal year that responds to the realities of COVID-19: Out of an abundance of caution and concern for student safety, City Colleges will suspend athletics programs and swimming during the 2020-2021 academic year. Tuition waivers will still be honored for returning student athletes in good standing and new student athletes who signed a Letter of Intent.
- The budget also responds to the dynamic circumstances and focuses on our core academic mission while we continue to recover from years of state disinvestment and declining enrollment trends, ensuring we fulfill our responsibilities to students and taxpayers.

Unduplicated Credit Headcount Budgeted vs KPI Targets

- After the implementation of the payment deadline, FY2020 is a new enrollment baseline for CCC
- Colleges set targets conservatively for FY2020, expecting a 10% decrease in credit; the preliminary decrease is 8%*
- CCC budgets for a 3% decline in FY21



*FY2020 enrollment as of 7/1/2020.



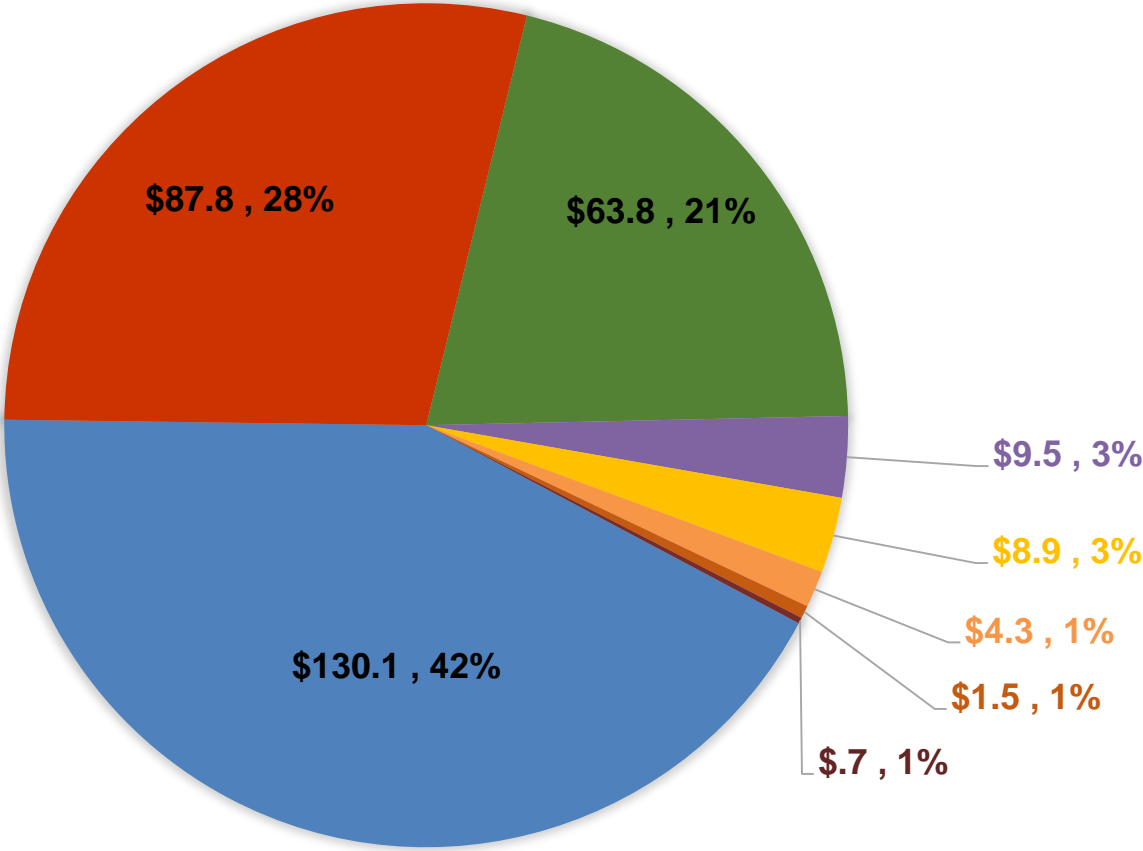
FY21 Budget Highlights

FY21 Revenue Estimates – Unrestricted Resources

(\$ in millions)

\$306.7M

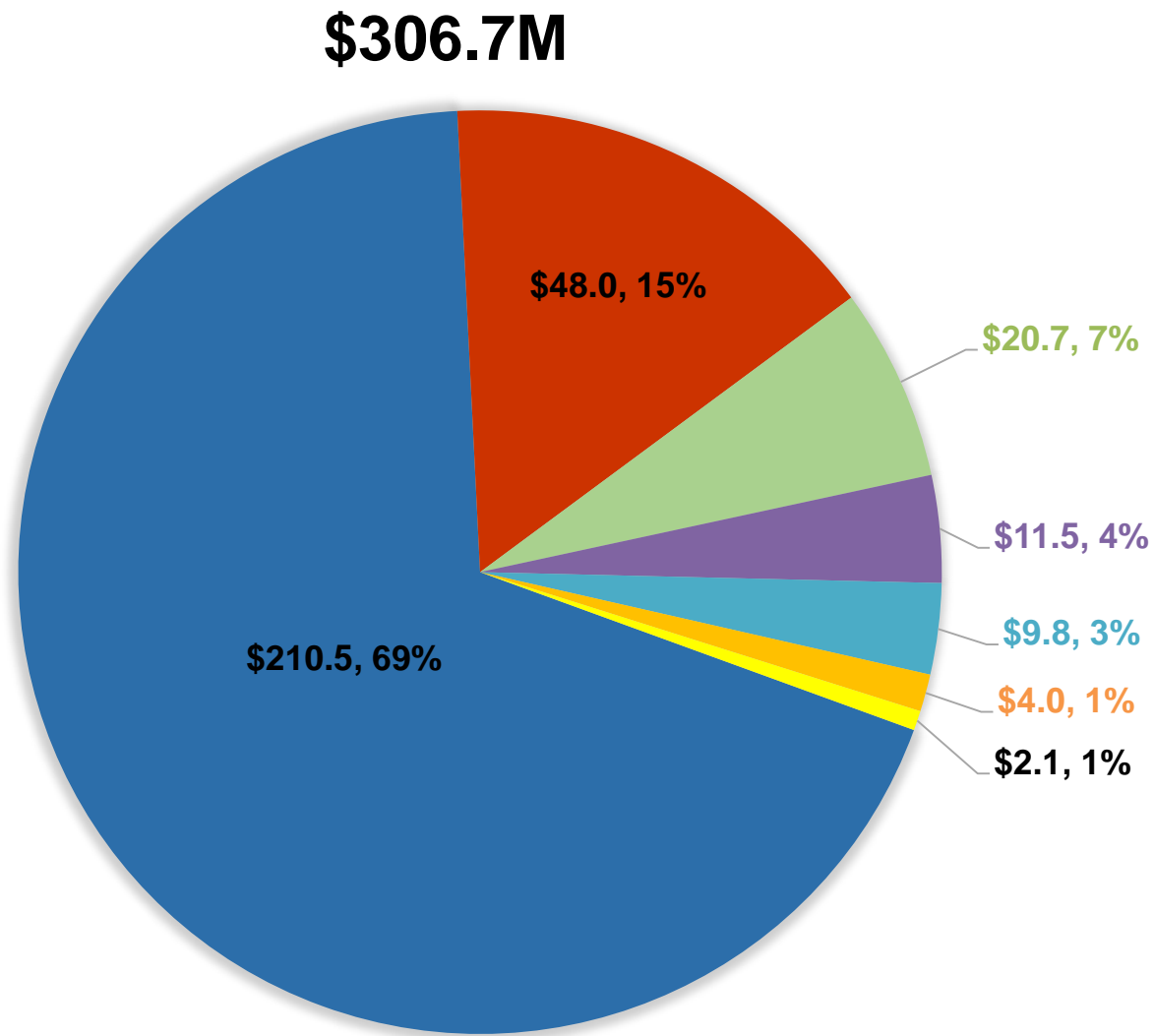
- Local Revenue
- Tuition / Fees
- State Revenue
- Auxiliary / Enterprise
- Federal Revenue
- Fundraising
- Investment Income
- Facilities Rental



FY21 Expense Overview – Unrestricted Funds by Cost Center

(\$ in millions)

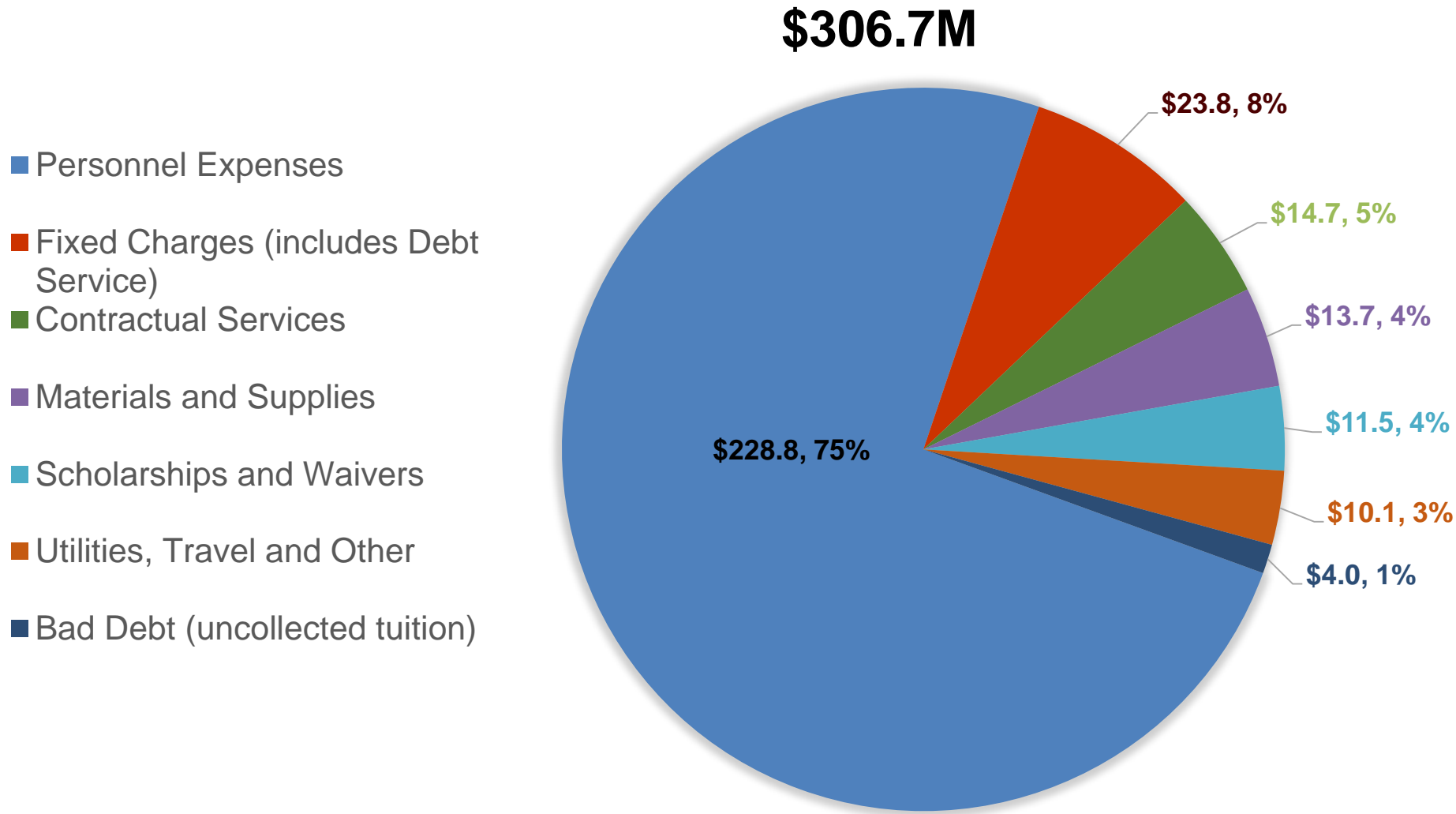
- Colleges
- District Office
- Debt Service
- Tuition Waivers
- Enterprise Activities
- Bad Debt
- General Appropriations



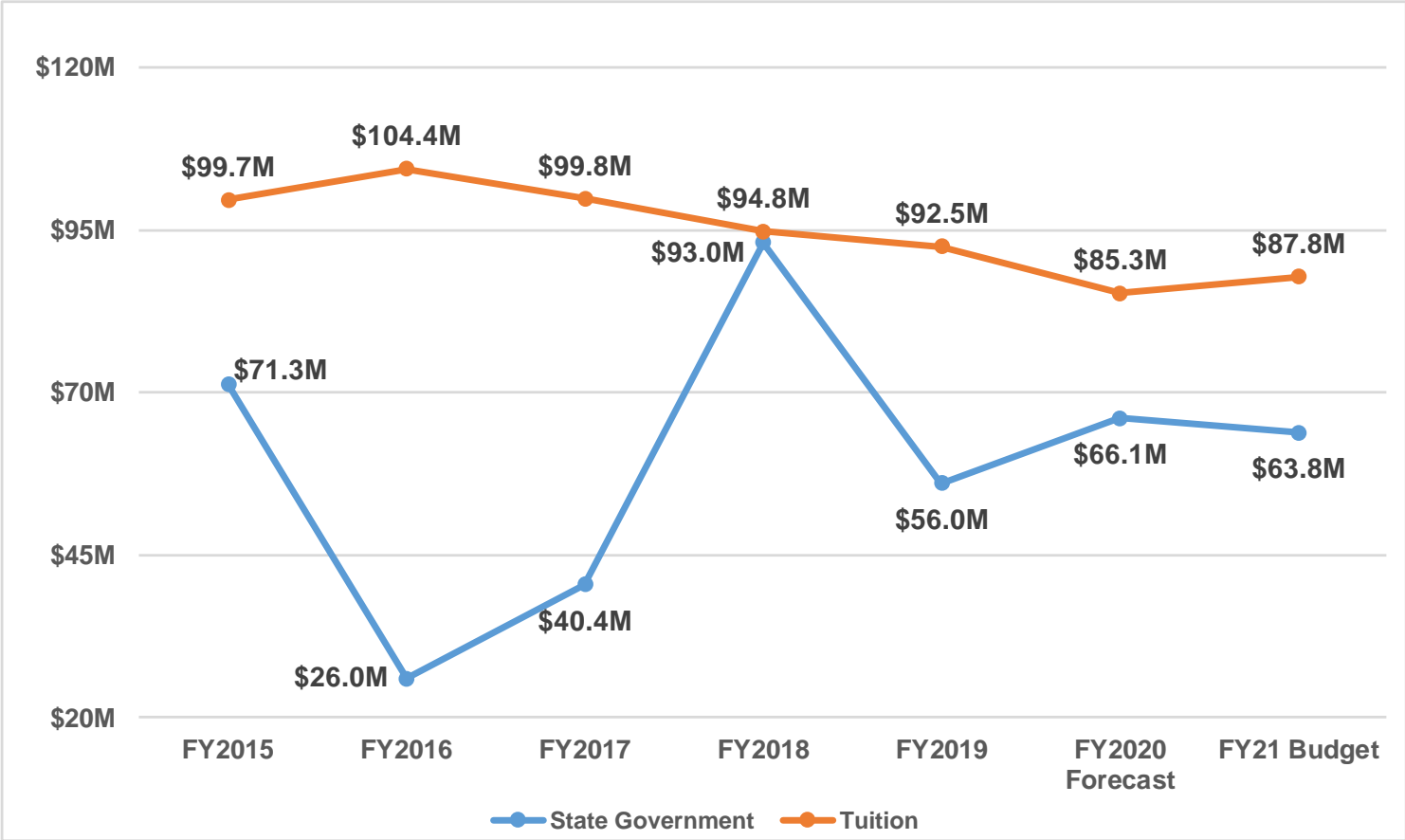
| FY21 College Budgets | |
|----------------------|---------|
| Daley | \$25.5 |
| Harold Washington | \$35.3 |
| Kennedy-King | \$28.3 |
| Malcolm X | \$39.3 |
| Olive-Harvey | \$20.3 |
| Truman | \$28.1 |
| Wright | \$33.7 |
| Total | \$210.5 |

FY21 Expense Overview – Unrestricted Funds by Budget Line

(\$ in millions)



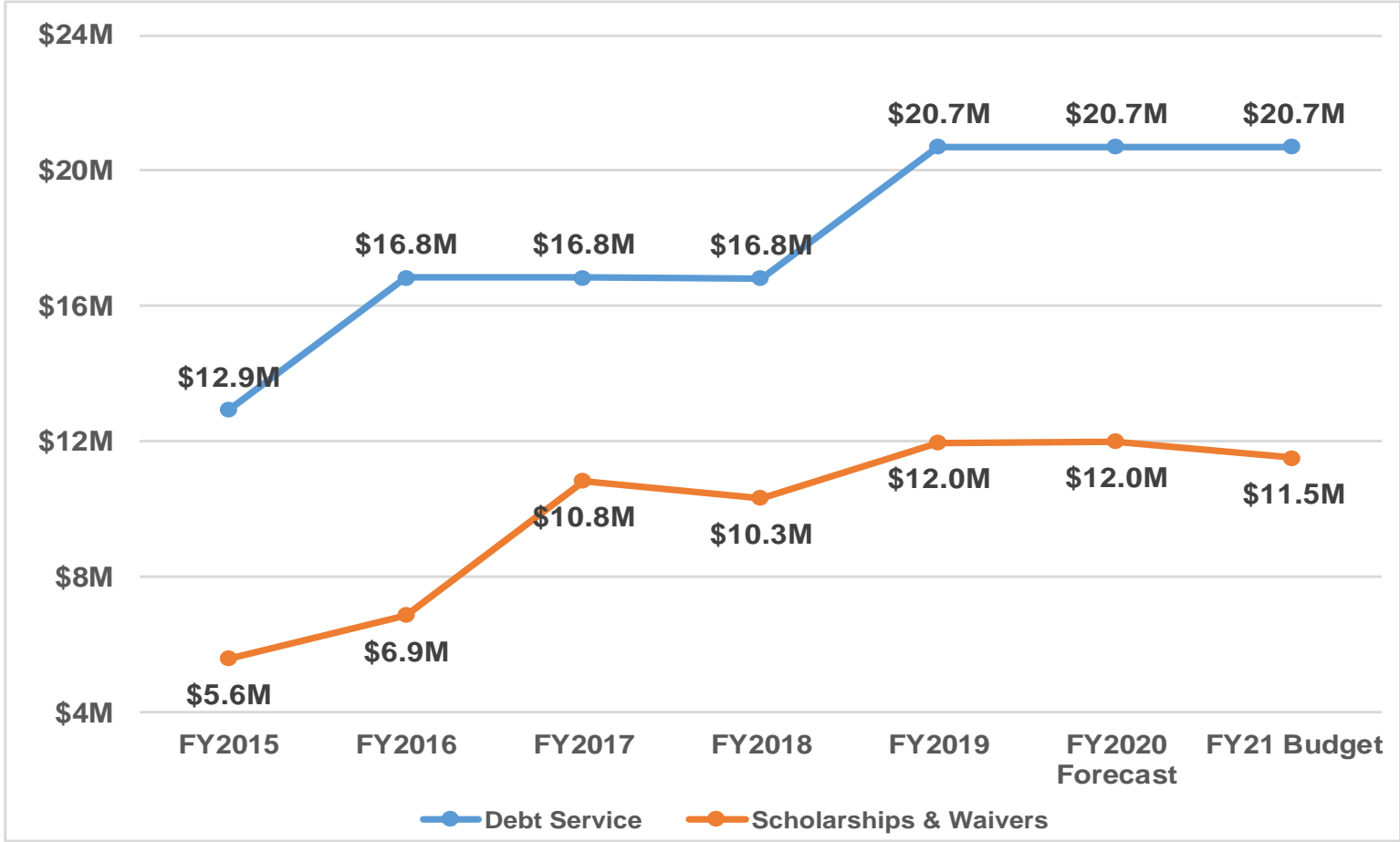
Notable Revenue and Expense Drivers, FY15 – FY21 (\$ in millions)



| Notable Drivers (\$ in millions) | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 Forecast | FY21 Budget |
|-------------------------------------|--------|---------|--------|--------|--------|------------------|----------------|
| Tuition | \$99.7 | \$104.4 | \$99.8 | \$94.8 | \$92.5 | \$85.3 | \$87.8 |
| State Government ¹ | 71.3 | 26.0 | 40.4 | 93.0 | 56.0 | 66.1 | 63.8 |

¹ Includes Personal Property Replacement Taxes (PPRT)

Notable Revenue and Expense Drivers, FY15 – FY21 (\$ in millions)

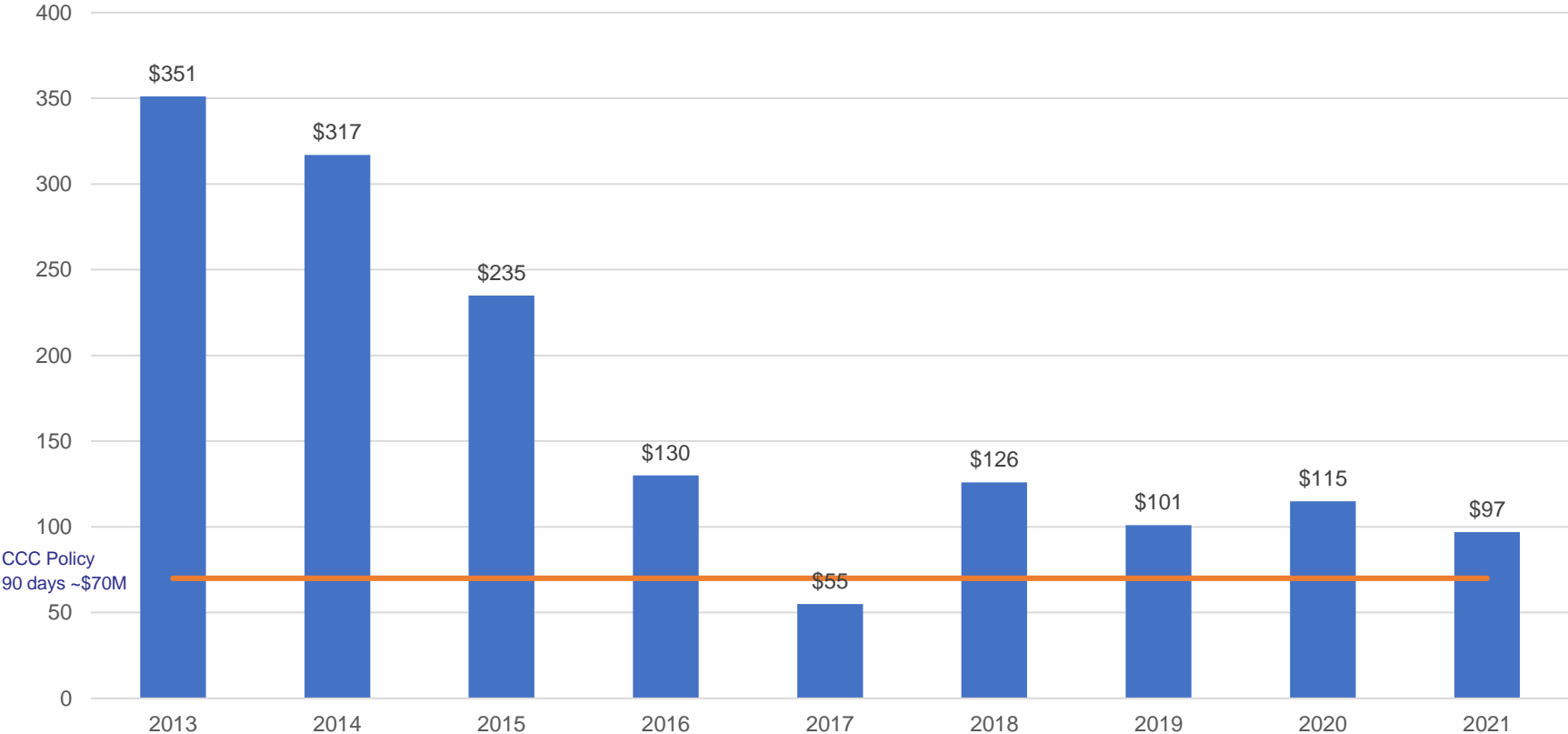


| Notable Drivers (\$ in millions) | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 Forecast | FY21 Budget |
|---------------------------------------|--------|--------|--------|--------|--------|------------------|----------------|
| Debt Service | \$12.9 | \$16.8 | \$16.8 | \$16.8 | \$20.7 | \$20.7 | \$20.7 |
| Scholarships & Waivers ⁽¹⁾ | 5.6 | 6.9 | 10.8 | 10.3 | 12.0 | 12.0 | 11.5 |

⁽¹⁾ Does not include City Colleges of Chicago Foundation scholarships, such as Chancellor Retention Grants

City Colleges Is Focused on Stabilizing its Cash Position

CCC's Operating Cash Balances
(\$ in millions)



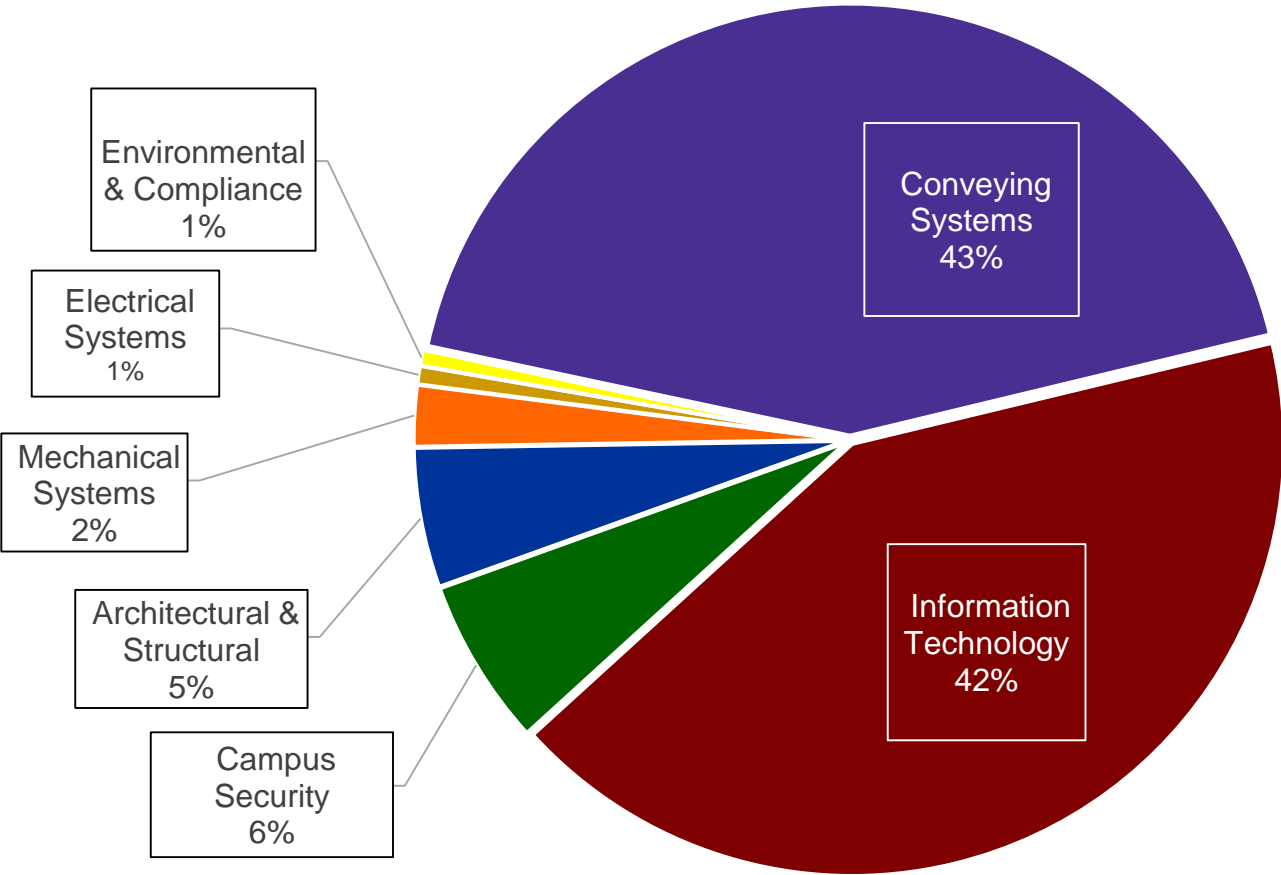
- CCC’s goal is to establish financial growth stabilization and provide a positive outlook on the financial position of the District.
- Chancellor Salgado arrived at the beginning of FY18 budget cycle, and has since worked to improve CCC’s cash position, including the sale of CCC’s downtown headquarters that closed on September 30, 2019.

FY21 Capital Plan

City Colleges of Chicago FY21 Capital Plan – Total \$28.9M

The Capital Plan is based upon a comprehensive condition assessment survey of all existing capital assets and is updated annually. In collaboration with the College leadership and chief engineers, projects are prioritized to support the academic vision, address student needs, and maintain infrastructure. The plan covers the building envelope, facility infrastructure, furniture & equipment, and the surrounding site landscape.

The FY21 Capital Plan totaling \$28.9 million is consists of critical deferred maintenance, technology, and technology infrastructure enhancements necessary for continued operation and meeting student needs.



FY21 PROJECTS

- Fire alarm replacement
- Elevator remediation
- Parking lot & storm sewer repairs
- Water heater replacement
- Technology Infrastructure

SOURCE OF FUNDS (\$ in millions)

| | |
|---------------------------------------|-------------|
| FY21 Capital Plan | \$ 28.959 |
| Bond Proceeds Remaining (2017 Series) | \$ (10.000) |
| Total CCC Funds | \$ 18.959 |