



I believe you can make a difference!

Oakland Community College 2011-12 Preliminary Budget Presentations to the College Community

Original Schedule

Orchard Ridge Campus 2/17/11

Southfield Campus 2/21/11

Highland Lakes Campus 2/22/11

Auburn Hills Campus 2/23/11

Royal Oak Campus 2/25/11

District Office 2/28/11

Oakland Community College
2011-12 Preliminary Budget
Presentations
to the
College Community

Revised Schedule

Royal Oak Campus 3/23/11

Southfield Campus 4/5/11

Orchard Ridge Campus 4/5/11

District Office 4/6/11

Highland Lakes Campus 4/7/11

Auburn Hills Campus 4/13/11

Presentation Agenda

- Purpose of Presentations
- Overview of the Budgeting Process
- Preliminary Budget
 - Revenue Assumptions
 - Revenue Budget Compared to 2010-11 Budget
 - Expenditure Assumptions
 - Two-Year Budget Comparison for Expenditures
 - Fiscal Year 2011-12 Preliminary Budget Summary
- Four-Year Projections

Key Participants and Supporters

Campus Presidents

- Dr. Patricia Dolly – Auburn Hills Campus
- Dr. Gordon May – Highland Lakes Campus
- Dr. Jacqueline Shadko – Orchard Ridge Campus
- Dr. Steven Reif – Royal Oak/Southfield Campus

Campus Business Office Managers

- Debbie Swanson – Auburn Hills Campus
- Becky Guenther – Highland Lakes Campus
- Stacey Dyer – Orchard Ridge Campus
- Jessica Jensen – Royal Oak/Southfield Campus

College Budget Manager

- Renee Oszust

College Controller

- Gail Pitts

Purpose of Presentations

To help you better understand the budget and the related processes

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To allow you to ask questions related to the budget and the financial status of the college

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To give you the opportunity to inform us of any concerns related to the budget and processes

Overview of Budgeting Process

- The objective is to prepare the General Fund Operating Budget for the fiscal year which starts July 1, 2011
- The process started in September 2010 with information gathering
- We prepare a Preliminary Budget and present to the Board of Trustees
- The Campus Business Managers and the College Budget Manager work with individual budget managers to prepare detail budgets
 - Process happens January thru March, 2011
 - Individual managers are given budget requests forms with three years actual history
 - Each manager submits budget requests with needs

Overview of Budgeting Process (Continued)

- The College Budget Manager prepares the personnel and fringe benefits budget
- The College Budget Manager and Campus Business Managers prepare the individual cost center (departments) budgets after receiving all budget managers' requests
- A Public Hearing is held in April 2011 (at the April Board of Trustees' Meeting) to present the budget to the Board of Trustees and the community
- The budget is submitted to the Board of Trustees for approval at the May 2011 Board Meeting
- After approval, the budget is loaded into the computer system and made available to the college community

Property Tax Revenue

Property Taxes Terminology

Market Value (MV)

- What the property would sell for in the open market

State Equalized Value (SEV)

- 50% of the Market Value of the property (Assessed Value)

Taxable Value (TV)

- Lesser of State Equalized Value (SEV) or Capped Value (CV)

Capped Value (CV)

- Prior Year TV adjusted for growth by inflation or 5%, whichever is less

Millage Rate (Mils)

- One mil equals \$1 for every \$1,000 of taxable value

Property Taxes

Tax Laws and Tax Calculations

Tax Laws

- Headlee Amendment – (Passed November 1978) If the assessed value of the property increased by a larger percentage than inflation, the assessed millage rate would be reduced to yield the same gross revenue.
- Proposal A – (Passed March 15, 1994) The Taxable Value of the property could not be increased by no more than inflation or 5%, whichever is less.

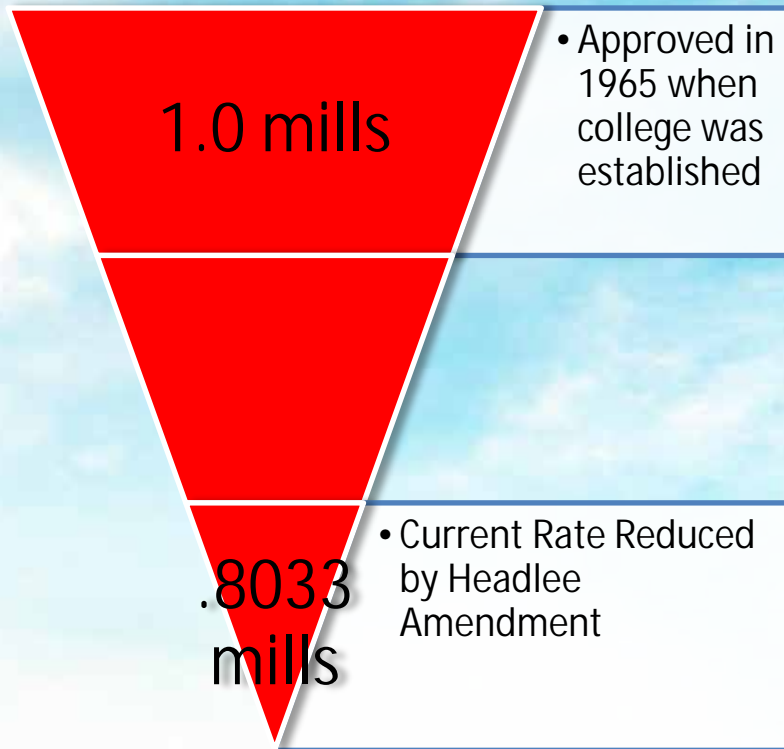
Tax Calculations

- Taxable Value multiplied by levied millage rate equals gross tax revenue.

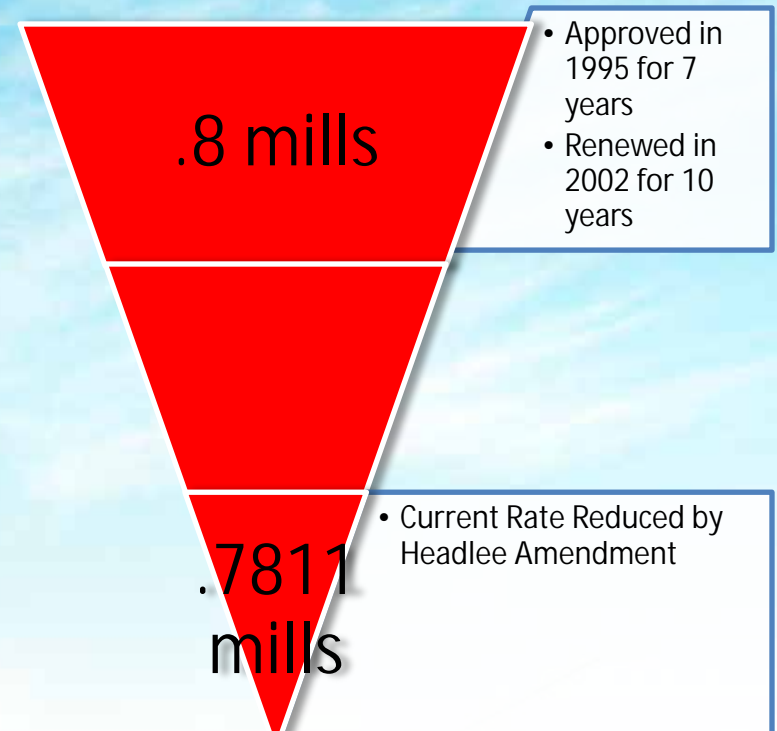
Property Taxes

Millage Rates

Original Charter Millage



Temporary Millage

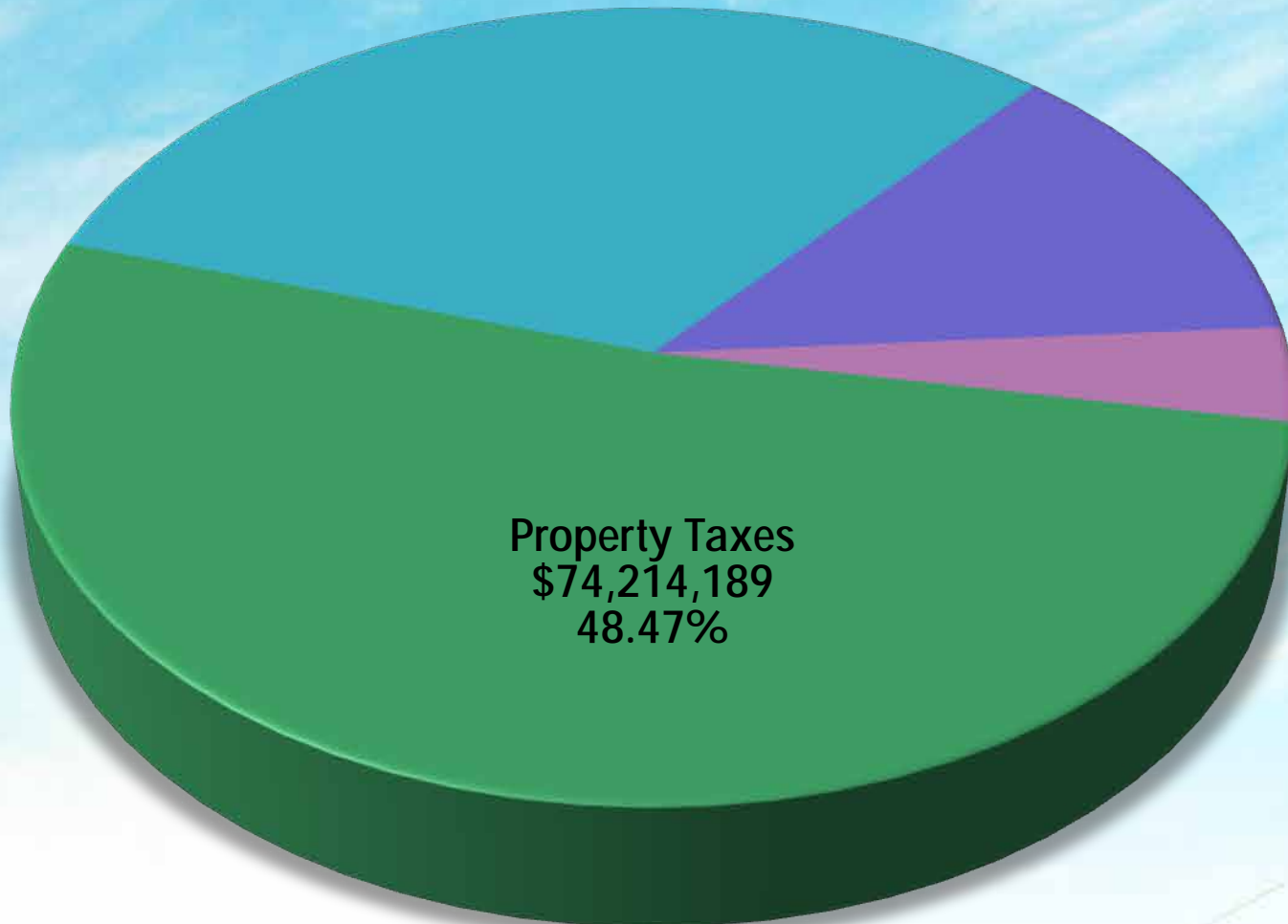


Property Tax Revenue Assumptions

- 2011-12 Budget 11.66% Reduction
- 2012-13 Projection 5.21% Reduction
- 2013-14 Projection 2.61% Reduction
- 2014-15 Projection No Change
- 2015-16 Projection No Change

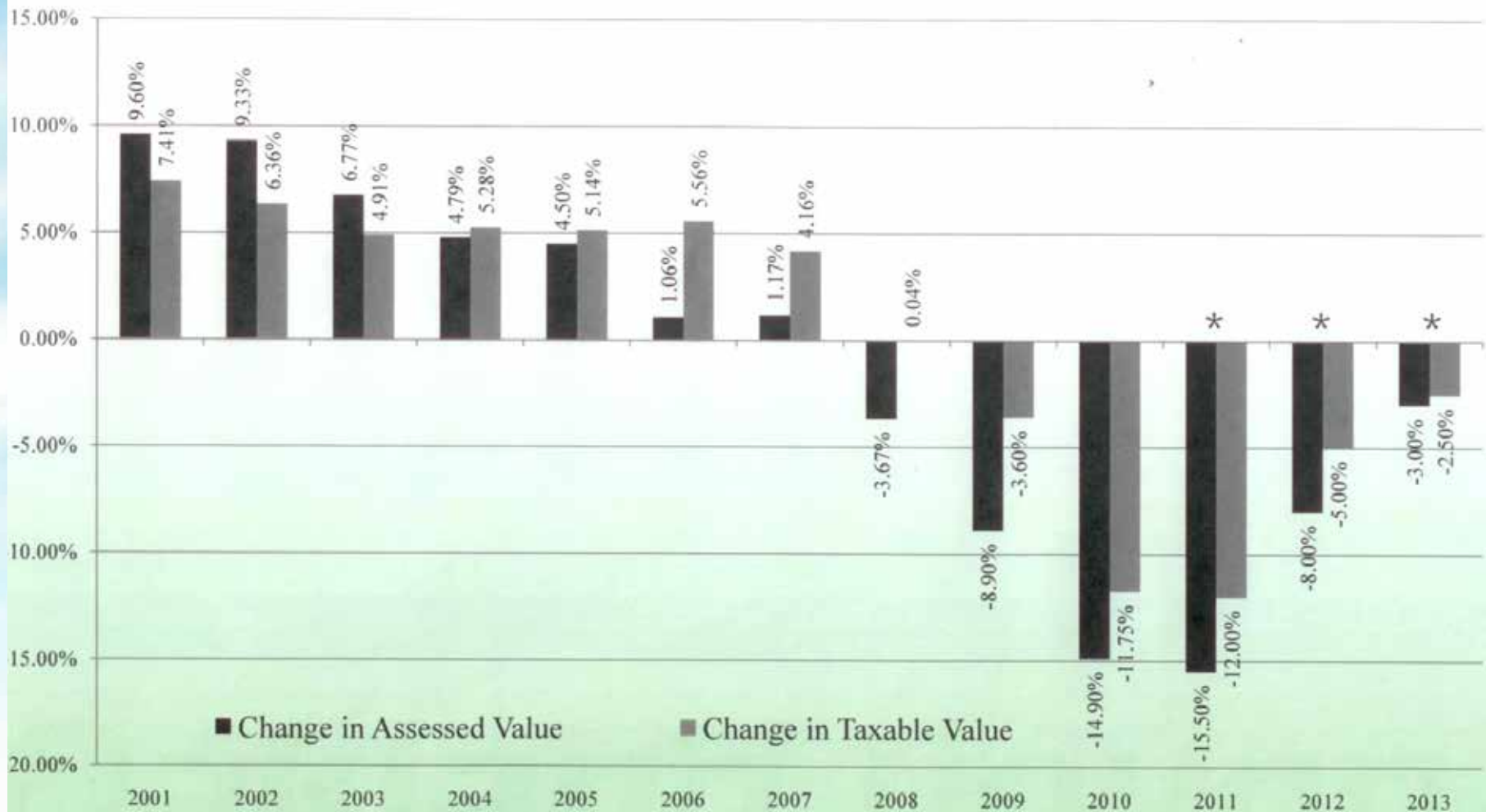
2011-12 Property Tax Revenue

\$74,214,189



Oakland County, MI

Percentage Change in Assessed and Taxable Values



* 2011 - 2013 Taxable and Assessed Percentages Estimated by the Oakland County Budget Task Force.
 2001 - 2010 information from annual Equalization Reports

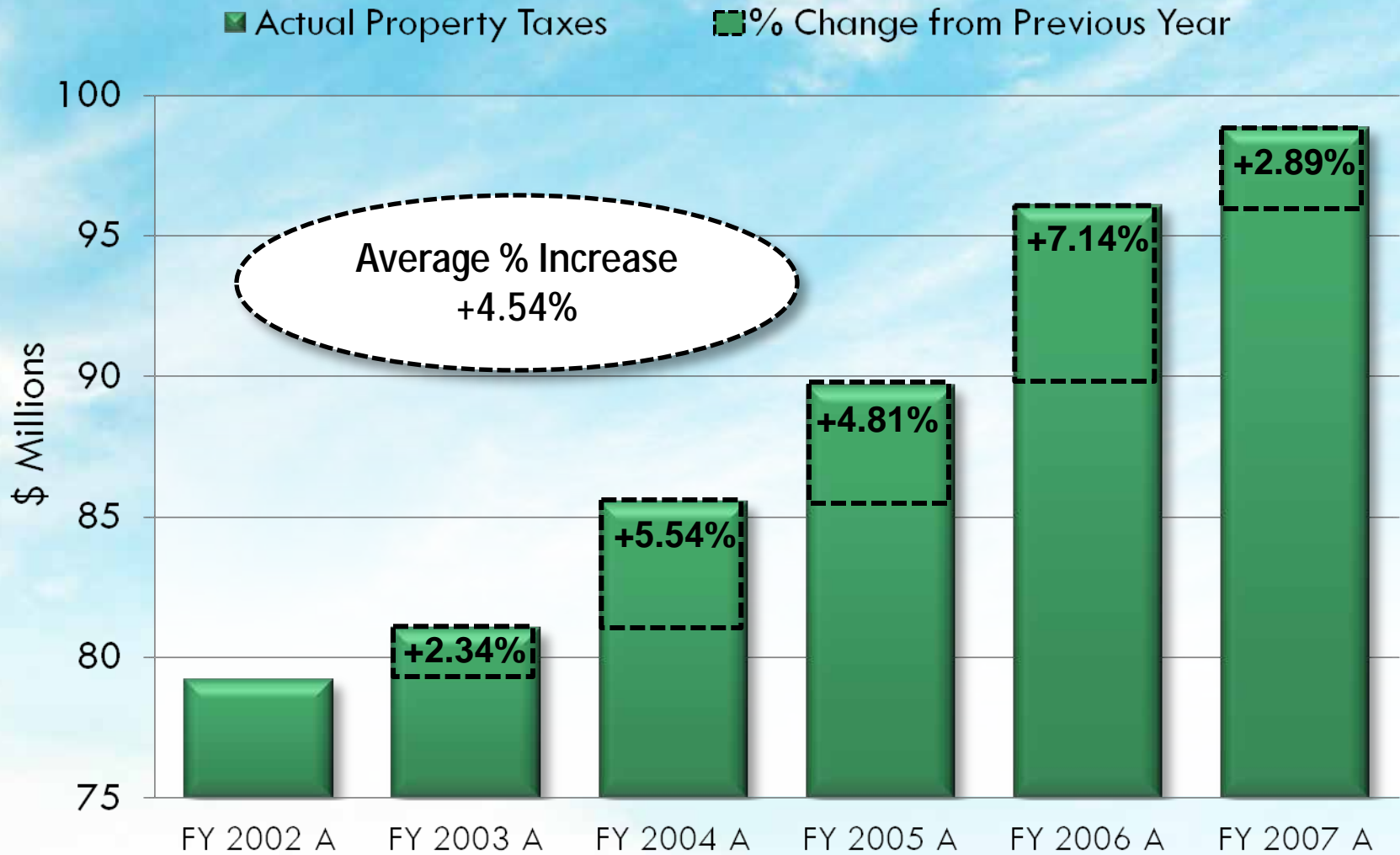
Projected Change in Taxable Value

College's Fiscal Years	Rounded For Presentation	Actual Percents Used In Budgets
FY 2011-12	-12%	-11.66%
FY 2012-13	-5%	-5.21%
FY 2013-14	-2.5%	-2.61%

Chart 1**Property Taxes Projections Analysis****History of Actual Property Taxes Received for the Years 2002 thru 2007**

Fiscal Year	Period Covered	Actual/Budget Property Taxes	Dollar Change From Prev Yr	Percentage Change From Prev Yr
FY 2002 Actual	7/01/01 - 6/30/02	79,213,787		
FY 2003 Actual	7/01/02 - 6/30/03	81,064,779	1,850,992	2.34%
FY 2004 Actual	7/01/03 - 6/30/04	85,557,465	4,492,686	5.54%
FY 2005 Actual	7/01/04 - 6/30/05	89,673,238	4,115,773	4.81%
FY 2006 Actual	7/01/05 - 6/30/06	96,075,188	6,401,950	7.14%
FY 2007 Actual	7/01/06 - 6/30/07	98,852,768	2,777,580	2.89%
	Average % Increase			4.54%

Property Taxes Revenue History



History of Actual Property Taxes Received for 2002 – 2007

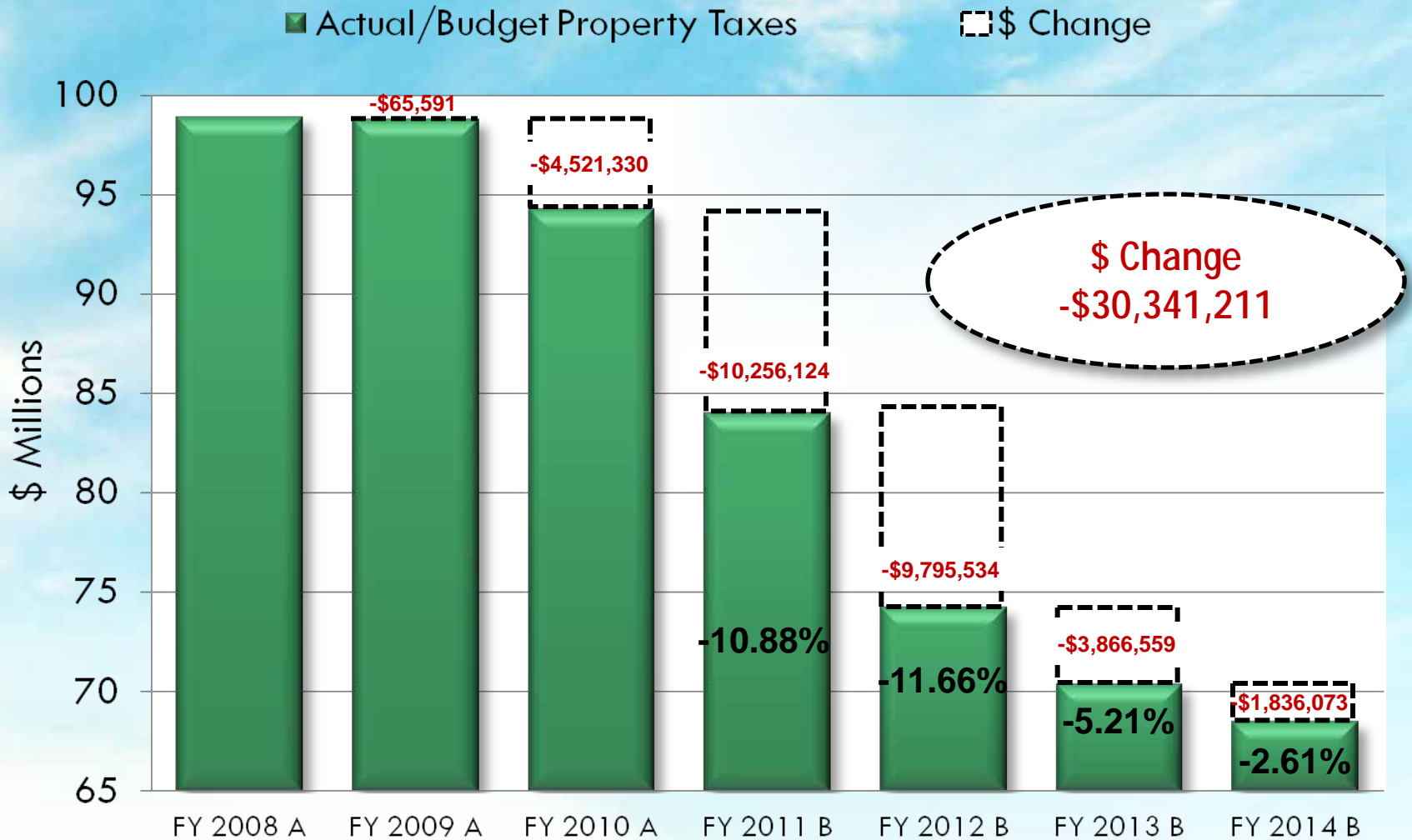
Chart 2

Property Taxes Projections Analysis

Dollar impact of the projected reductions of 10.88%, 11.66%, 5.21%, and 2.61%

Fiscal Year	Period Covered	Actual/Budget Property Taxes	Dollar Change	Projected Percentage Reductions
FY 2008 Actual	7/01/07 - 6/30/08	98,852,768		
FY 2009 Actual	7/01/08 - 6/30/09	98,787,177	-65,591	
FY 2010 Actual	7/01/09 - 6/30/10	94,265,847	-4,521,330	
FY 2011 Budget	7/01/10 - 6/30/11	84,009,723	-10,256,124	-10.88%
FY 2012 Budget	7/01/11 - 6/30/12	74,214,189	-9,795,534	-11.66%
FY 2013 Budget	7/01/12 - 6/30/13	70,347,630	-3,866,559	-5.21%
FY 2014 Budget	7/01/13 - 6/30/14	68,511,557	-1,836,073	-2.61%
	Totals		-30,341,211	

Property Taxes Projected Reductions



\$ Impact of the Projected Reductions of 10.88%, 11.66%, 5.21% and 2.61%

Chart 3

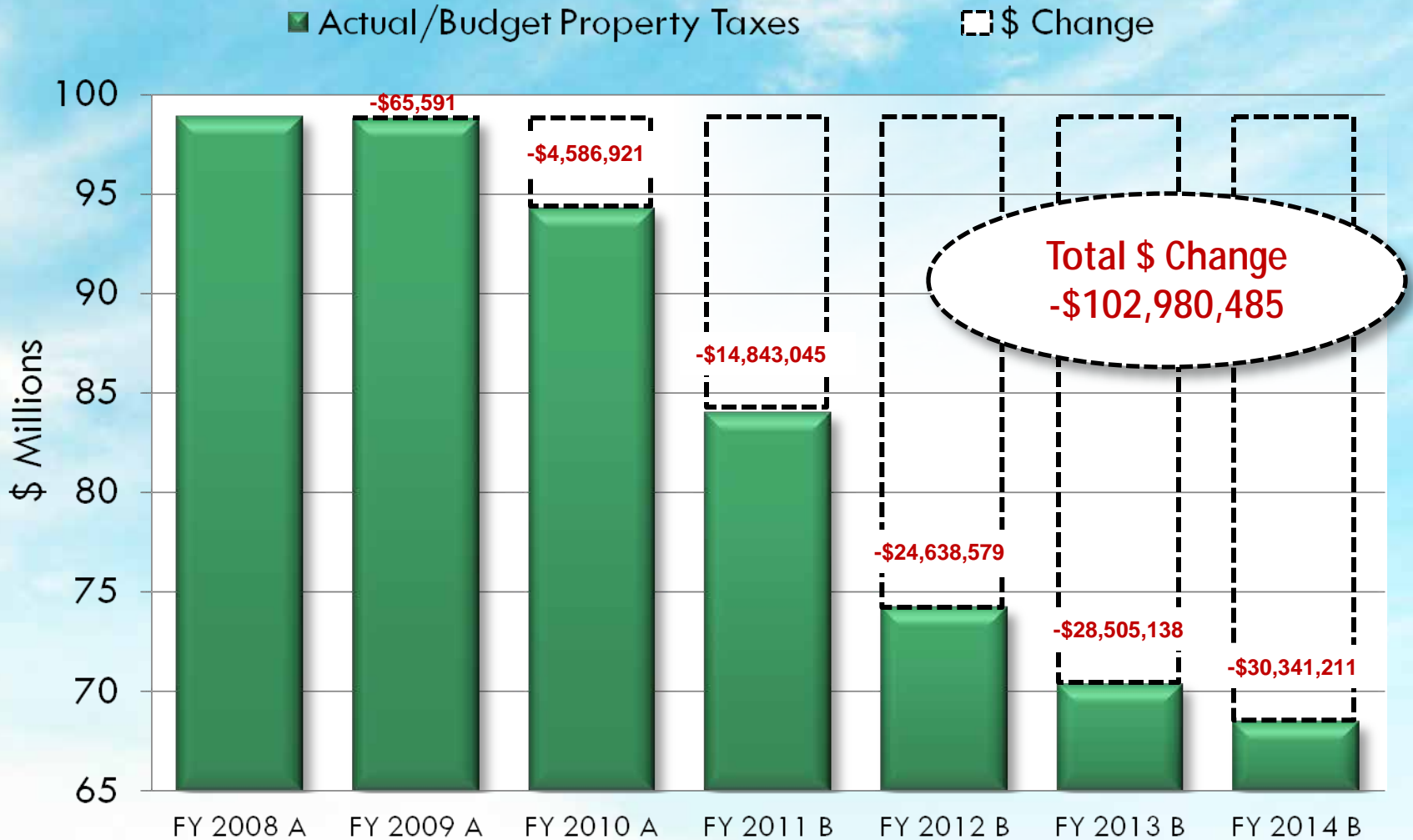
Property Taxes Projections Analysis

If Property Taxes remained at the FY 2008 level for fiscal years 2009 through 2014 (6 Years)

Compared to the projected reductions of 10.88%, 11.66%, 5.21%, and 2.61%

Fiscal Year	Period Covered	Base Year Property Taxes	Actual/Budget Property Taxes	Dollar Change	Projected Percentage Reductions
FY 2008 Actual	7/01/07 - 6/30/08	98,852,768	98,852,768	0	
FY 2009 Actual	7/01/08 - 6/30/09	98,852,768	98,787,177	-65,591	
FY 2010 Actual	7/01/09 - 6/30/10	98,852,768	94,265,847	-4,586,921	
FY 2011 Budget	7/01/10 - 6/30/11	98,852,768	84,009,723	-14,843,045	-10.88%
FY 2012 Budget	7/01/11 - 6/30/12	98,852,768	74,214,189	-24,638,579	-11.66%
FY 2013 Budget	7/01/12 - 6/30/13	98,852,768	70,347,630	-28,505,138	-5.21%
FY 2014 Budget	7/01/13 - 6/30/14	98,852,768	68,511,557	-30,341,211	-2.61%
	Totals	593,116,608	490,136,123	-102,980,485	-17.36%

Property Taxes Compared to 2008



If Property Taxes Remained at the FY 2008 Level for Fiscal Years 2009 – 2014 (6 Years)
 Compared to the Projected Reductions of 10.88%, 11.66%, 5.21% and 2.61%

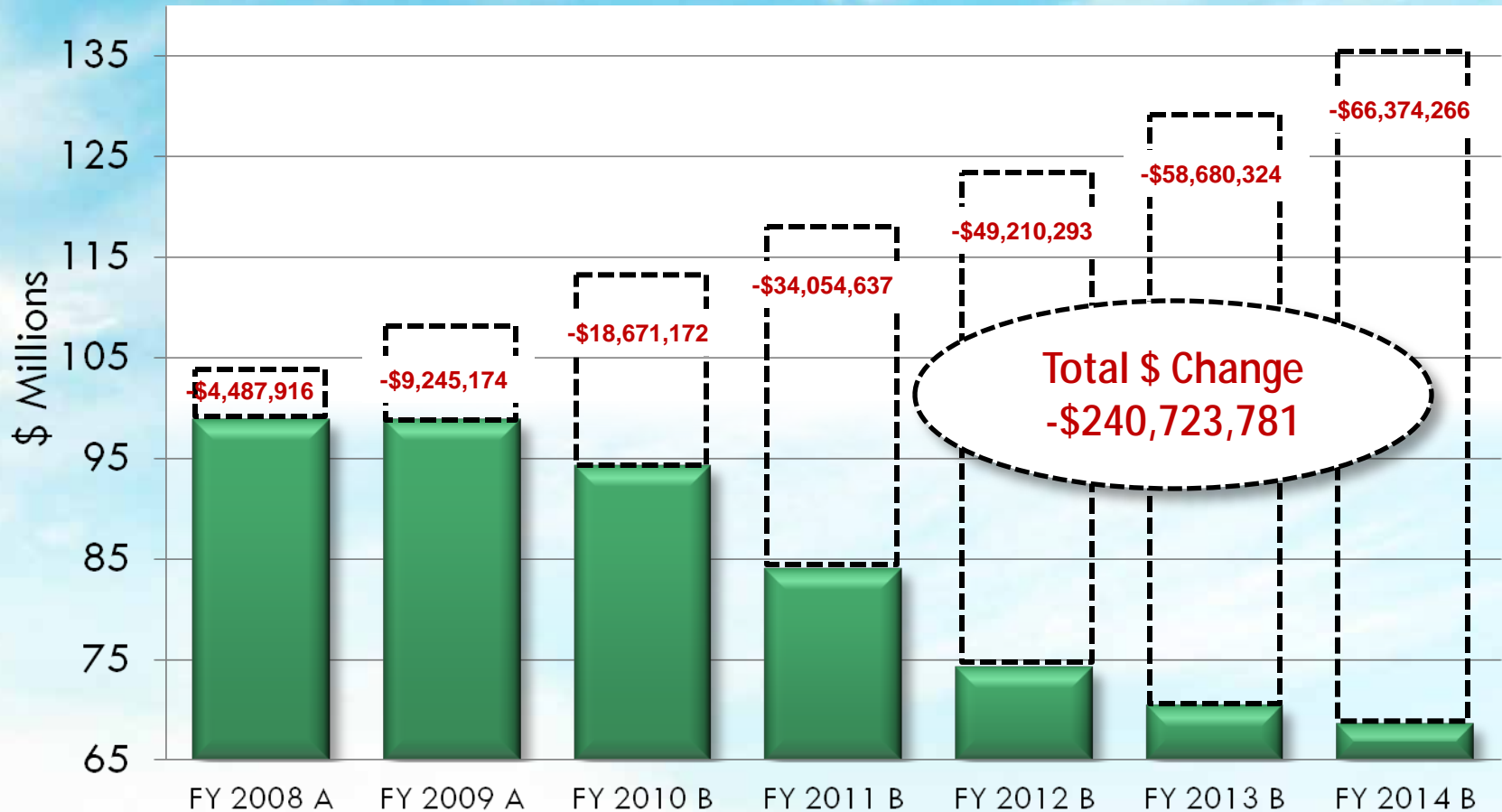
Chart 4**Property Taxes Projections Analysis**

If Property Taxes Increased by **4.54%** for the Years 2008 thru 2014

				Percentage	
				Change	
Fiscal Year	Period Covered	Property Taxes	Actual/Budget Property Taxes	Dollar Change	From Prev Yr
FY 2008	7/01/07 - 6/30/08	103,340,684	98,852,768	-4,487,916	4.54%
FY 2009	7/01/08 - 6/30/09	108,032,351	98,787,177	-9,245,174	
FY 2010 Budget	7/01/09 - 6/30/10	112,937,019	94,265,847	-18,671,172	
FY 2011 Budget	7/01/10 - 6/30/11	118,064,360	84,009,723	-34,054,637	
FY 2012 Budget	7/01/11 - 6/30/12	123,424,482	74,214,189	-49,210,293	
FY 2013 Budget	7/01/12 - 6/30/13	129,027,954	70,347,630	-58,680,324	
FY 2014 Budget	7/01/13 - 6/30/14	134,885,823	68,511,557	-66,374,266	
	Totals	829,712,672	588,988,891	-240,723,781	-29.01%

Property Taxes-Growth vs Projections

■ Actual/Budget Property Taxes □ 4.54% Increase Property Taxes



If Property Taxes Increased by 4.54% for the Years 2008 – 2014

Tuition and Fees

Based on
Credit Hours
and Tuition Rates

Tuition and Fees Assumptions Used in Preliminary Budget

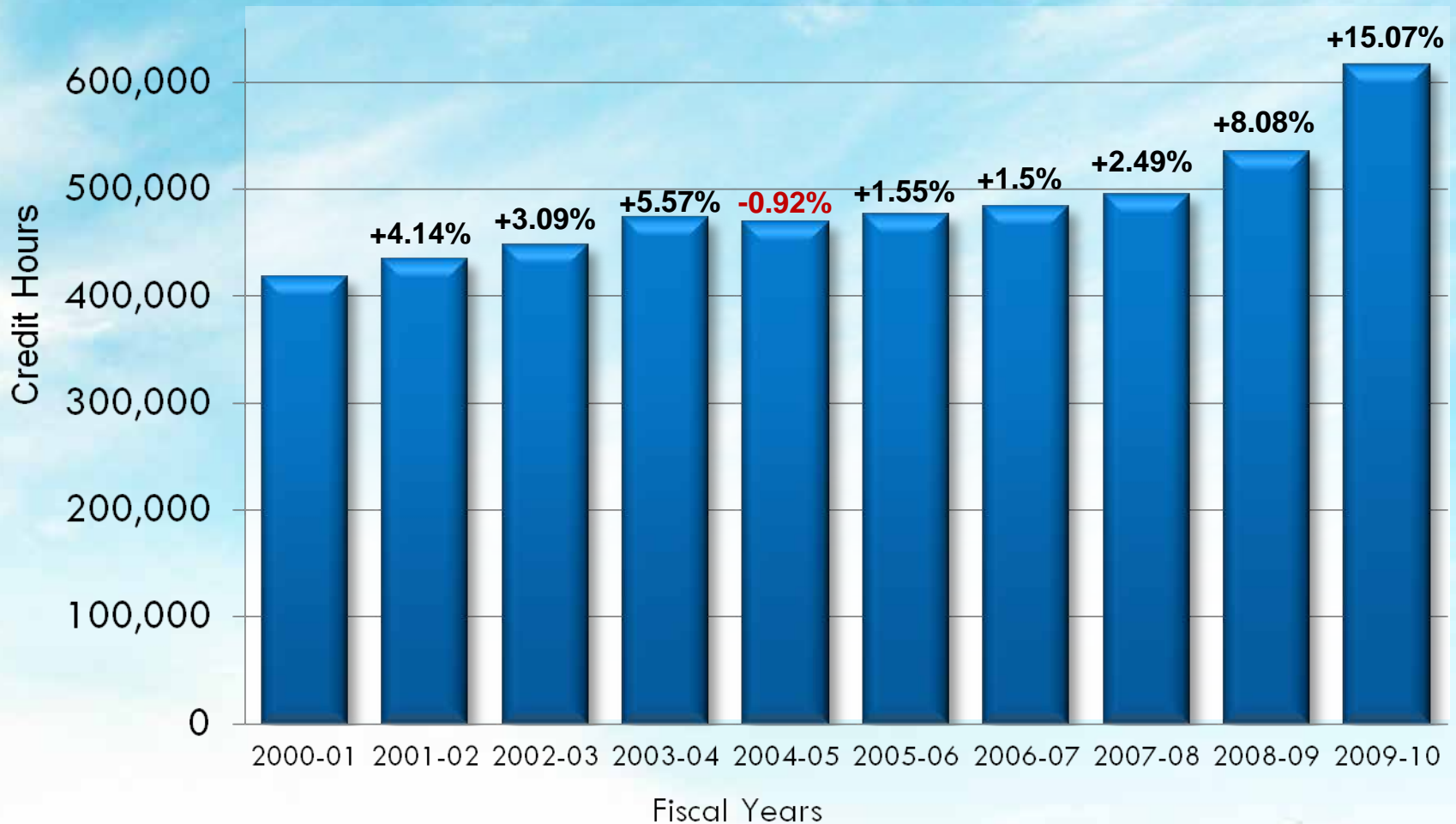
- 2011-12 Budget
 - 3.5% Increase in Credit Hours
 - 1.62% Increase in Tuition Rates
- 2012-13 thru 2015-16
 - 3.5% Increase in Credit Hours Each Year
 - 1.62% Increase in Tuition Rates Each Year

Tuition and Fees Assumptions Used in Preliminary Budget

Revised as of 3/23/11

- 2011-12 Budget
 - 2.0% Decrease in Credit Hours
 - 6.0% Increase in Tuition Rates (Not approved by the Board of Trustees)

Credit Hour History



Credit Hour Projections (Updated 1/24/11)

Fiscal Yr 2009-10 Actual	SCH	Heads		SCH Change	Heads Change
Summer II 2009	27,883.00	7,008.00	1/10 day	15.38%	12.29%
Fall 2009	244,068.50	28,123.00	1/10 day	15.49%	12.69%
Winter 2010	252,031.50	29,261.00	1/10 day	14.90%	12.59%
Spring 2010 (Summer I 2010)	92,546.50	17,436.00	1/10 day	14.36%	8.87%
	616,529.50	81,828.00		15.07%	11.78%
Increase fr prior yr	15.07%	11.78%			
Fiscal Yr 2010-11 Projections	SCH	Heads		SCH Change	Heads Change
Summer II 2010	31,484.50	7,731.00	1/10 day	12.92%	10.32%
Fall 2010	252,476.50	28,984.00	1/10 day	3.44%	3.06%
Winter 2011	250,462.50	29,391.00	1/10 day	-0.62%	0.44%
Spring 2011 (Summer I 2011)	95,785.50	18,046.00	Estimate	3.50%	3.50%
	630,209.00	84,152.00		2.22%	2.84%
Increase fr prior yr	2.22%	2.84%			
Fiscal Yr 2011-12 Projections	SCH	Heads		SCH Change	Heads Change
Summer II 2011	32,586.50	8,001.00	Estimate	3.50%	3.49%
Fall 2011	261,313.50	29,998.00	Estimate	3.50%	3.50%
Winter 2012	259,229.00	30,420.00	Estimate	3.50%	3.50%
Spring 2012 (Summer I 2012)	99,138.00	18,677.00	Estimate	3.50%	3.50%
	652,267.00	87,096.00		3.50%	3.50%
Increase fr prior yr	3.50%	3.50%			

Credit Hour Projections (Updated 3/23/11)

<u>Fiscal Yr 2010-11 Projections</u>	<u>SCH</u>	<u>Heads</u>		<u>SCH Change</u>	<u>Heads Change</u>
Summer II 2010	31,484.50	7,731.00	1/10 day	12.92%	10.32%
Fall 2010	252,476.50	28,984.00	1/10 day	3.44%	3.06%
Winter 2011	250,462.50	29,391.00	1/10 day	-0.62%	0.44%
Spring 2011 (Summer I 2011)	95,785.50	18,046.00	Estimate	3.50%	3.50%
	630,209.00	84,152.00		2.22%	2.84%
Increase fr prior yr	2.22%	2.84%			
<u>Fiscal Yr 2011-12 Projections</u>	<u>SCH</u>	<u>Heads</u>		<u>SCH Change</u>	<u>Heads Change</u>
Summer II 2011	32,586.50	8,001.00	Estimate	3.50%	3.49%
Fall 2011	261,313.50	29,998.00	Estimate	3.50%	3.50%
Winter 2012	259,229.00	30,420.00	Estimate	3.50%	3.50%
Spring 2012 (Summer I 2012)	99,138.00	18,677.00	Estimate	3.50%	3.50%
	652,267.00	87,096.00		3.50%	3.50%
Increase fr prior yr	3.50%	3.50%			
Revised as of 3/10/11					
<u>Fiscal Yr 2011-12 Projections</u>	<u>SCH</u>	<u>Heads</u>		<u>SCH Change</u>	<u>Heads Change</u>
Summer II 2011	30,854.00	7,576.00	Estimate	-2.00%	-2.00%
Fall 2011	247,427.00	28,404.00	Estimate	-2.00%	-2.00%
Winter 2012	245,453.00	28,803.00	Estimate	-2.00%	-2.00%
Spring 2012 (Summer I 2012)	93,870.00	17,685.00	Estimate	-2.00%	-2.00%
	617,604.00	82,468.00		-2.00%	-2.00%
Increase fr prior yr	-2.00%	-2.00%			

Credit Hours by Residency-Hours

	Actual Summer II 2007 thru Winter 2011			
	In-District	Out-of-District	Out-of-State	Totals
Summer II 2007	18,975.00	2,640.00	466.50	22,081.50
Fall 2007	177,730.00	20,856.00	7,709.00	206,295.00
Winter 2008	169,127.50	20,776.00	7,428.00	197,331.50
Summer I 2008	56,844.00	7,873.50	2,172.00	66,889.50
Totals	422,676.50	52,145.50	17,775.50	492,597.50
Summer II 2008	20,525.00	2,911.00	550.00	23,986.00
Fall 2008	181,033.00	21,482.00	7,679.50	210,194.50
Winter 2009	185,687.50	24,983.00	7,565.00	218,235.50
Summer I 2009	68,072.00	10,513.50	2,103.50	80,689.00
Totals	455,317.50	59,889.50	17,898.00	533,105.00
Summer II 2009	23,715.50	3,610.00	479.50	27,805.00
Fall 2009	207,529.50	28,805.00	7,136.00	243,470.50
Winter 2010	211,541.00	33,622.00	6,858.50	252,021.50
Summer I 2010	76,195.50	14,251.00	1,915.50	92,362.00
Totals	518,981.50	80,288.00	16,389.50	615,659.00
Summer II 2010	25,887.50	5,052.50	456.00	31,396.00
Fall 2010	212,540.00	32,447.50	7,014.00	252,001.50
Winter 2011	206,882.00	37,174.50	6,568.50	250,625.00
Totals	445,309.50	74,674.50	14,038.50	534,022.50

Credit Hours by Residency-Percentages

	Actual Summer II 2007 thru Winter 2011			
	In-District	Out-of-District	Out-of-State	Totals
Summer II 2007	85.93%	11.96%	2.11%	100.00%
Fall 2007	86.15%	10.11%	3.74%	100.00%
Winter 2008	85.71%	10.53%	3.76%	100.00%
Summer I 2008	84.98%	11.77%	3.25%	100.00%
Totals	85.81%	10.59%	3.61%	100.00%
Summer II 2008	85.57%	12.14%	2.29%	100.00%
Fall 2008	86.13%	10.22%	3.65%	100.00%
Winter 2009	85.09%	11.45%	3.47%	100.00%
Summer I 2009	84.36%	13.03%	2.61%	100.00%
Totals	85.41%	11.23%	3.36%	100.00%
Summer II 2009	85.29%	12.98%	1.72%	100.00%
Fall 2009	85.24%	11.83%	2.93%	100.00%
Winter 2010	83.94%	13.34%	2.72%	100.00%
Summer I 2010	82.50%	15.43%	2.07%	100.00%
Totals	84.30%	13.04%	2.66%	100.00%
Summer II 2010	82.45%	16.09%	1.45%	100.00%
Fall 2010	84.34%	12.88%	2.78%	100.00%
Winter 2011	82.55%	14.83%	2.62%	100.00%
Totals	83.39%	13.98%	2.63%	100.00%

Tuition Rate Comparisons

IN-DISTRICT	2010-11
JACKSON	\$95.00
SOUTHWESTERN	\$93.75
ALPENA	\$92.00
NORTHWESTERN	\$90.70
GOGEBIC	\$90.00
GRAND RAPIDS	\$89.50
ST. CLAIR	\$89.00
MOTT	\$88.34
BAY DE NOC	\$87.00
MID MICHIGAN	\$84.00
DELTA	\$82.00
KIRTLAND	\$81.50
GLEN OAKS	\$80.00
MACOMB	\$80.00
SCHOOLCRAFT	\$80.00
WASHTENAW	\$80.00
MONTCALM	\$79.00
WAYNE COUNTY	\$79.00
WEST SHORE	\$79.00
LAKE MICHIGAN	\$77.00
MUSKEGON	\$77.00
KALAMAZOO VALLEY	\$76.50
KELLOGG	\$76.50
LANSING	\$76.00
MONROE	\$72.00
NORTH CENTRAL	\$72.00
HENRY FORD	\$70.00
OAKLAND	\$66.70
Average	\$81.55

IN-DISTRICT TUITION RATES DOLLAR AMOUNTS

	2010-11 *	% Increase Required To Equal
JACKSON	\$95.00	42%
SOUTHWESTERN	\$93.75	41%
ALPENA	\$92.00	38%
NORTHWESTERN	\$90.70	36%
GOGEBIC	\$90.00	35%
GRAND RAPIDS	\$89.50	34%
ST. CLAIR	\$89.00	33%
MOTT	\$88.34	32%
BAY DE NOC	\$87.00	30%
MID MICHIGAN	\$84.00	26%
DELTA	\$82.00	23%
KIRTLAND	\$81.50	22%
GLEN OAKS	\$80.00	20%
MACOMB	\$80.00	20%
SCHOOLCRAFT	\$80.00	20%
WASHTENAW	\$80.00	20%
MONTCALM	\$79.00	18%
WAYNE COUNTY	\$79.00	18%
WEST SHORE	\$79.00	18%
LAKE MICHIGAN	\$77.00	15%
MUSKEGON	\$77.00	15%
KALAMAZOO VALLEY	\$76.50	15%
KELLOGG	\$76.50	15%
LANSING	\$76.00	14%
MONROE	\$72.00	8%
NORTH CENTRAL	\$72.00	8%
HENRY FORD	\$70.00	5%
OAKLAND	\$66.70	0%
* Report is sorted highest to low est based on 2010-11 Tuition Rates		
Average	\$81.55	22%

History of Tuition Rate Increases

	A	B	C	D	E	F	G	H	I		
	Fiscal		Tuition Rates			Tuition Rate	Credit	% Change In		Tuition	
	Years	In-District	Out-District	Out-State	% Increase	Hours	Credit Hours	Tuition Dollars	\$ Increase		
1	2003-04	\$52.50	\$88.90	\$124.70		473,612.50		\$28,117,991		1	
2	2004-05	53.70	90.90	127.50	2.3%	469,260.50	-0.92%	29,207,869	\$1,089,878	2	
3	2005-06	55.15	93.35	130.90	2.7%	476,527.00	1.55%	29,840,281	632,412	3	
4	2006-07	56.80	96.15	134.83	3.0%	483,680.50	1.50%	30,903,722	1,063,441	4	
5	2007-08	58.50	99.00	138.85	3.0%	495,714.50	2.49%	32,496,983	1,593,261	5	
6	2008-09	60.10	101.70	142.70	2.7%	535,776.00	8.08%	35,579,408	3,082,425	6	
7	2009-10	60.10	101.70	142.70	0.0%	616,529.50	15.07%	41,130,550	5,551,142	7	
8	2010-11	66.70	112.90	158.40	11.0%	630,209.00	2.22%	47,368,840	6,238,290	8	

Tuition Rates

(with 1.62% annualized inflation rate increase)

	Prior Year 2009 – 10	Current Year 2010 – 11	Projected with 1.62% Increase
In-District	\$60.10	\$66.70	\$67.75
Out-District	\$101.70	\$112.90	\$114.70
Out-State	\$142.70	\$158.40	\$160.95

Tuition Rates **with 6% Increase**

	Prior Year 2009 – 10	Current Year 2010 – 11	Projected with 6% Increase
In-District	\$60.10	\$66.70	\$70.70
Out-District	\$101.70	\$112.90	\$119.67
Out-State	\$142.70	\$158.40	\$167.90

Tuition Projections Calculation

- Rows 1 thru 7 reflect actual tuition rate information
- Row 8 reflects current information for fiscal year July 1, 2010 through June 30, 2011
- Row 9 thru 24 reflect projections for fiscal year 2011-12 with 0% thru 15% increases in tuition rates and **No** increase in credit hours
- All the 2011-12 projections assume the following credit hours distribution:
 - In-District 84.30%, Out-District 13.04%, Out-State 2.66%

Tuition Projections Calculation

	A	B	C	D	E	F	G	H	I	
	Fiscal	Tuition Rates			Tuition Rate	Credit	% Change In	Tuition		
	Years	In-District	Out-District	Out-State	% Increase	Hours	Credit Hours	Tuition Dollars	\$ Increase	
1	2003-04	\$52.50	\$88.90	\$124.70		473,612.50		\$28,117,991		1
2	2004-05	53.70	90.90	127.50	2.3%	469,260.50	-0.92%	29,207,869	\$1,089,878	2
3	2005-06	55.15	93.35	130.90	2.7%	476,527.00	1.55%	29,840,281	632,412	3
4	2006-07	56.80	96.15	134.83	3.0%	483,680.50	1.50%	30,903,722	1,063,441	4
5	2007-08	58.50	99.00	138.85	3.0%	495,714.50	2.49%	32,496,983	1,593,261	5
6	2008-09	60.10	101.70	142.70	2.7%	535,776.00	8.08%	35,579,408	3,082,425	6
7	2009-10	60.10	101.70	142.70	0.0%	616,529.50	15.07%	41,130,550	5,551,142	7
8	2010-11	66.70	112.90	158.40	11.0%	630,209.00	2.22%	47,368,840	6,238,290	8
9	2011-12	66.70	112.90	158.40	0.00%	630,209.00	0.00%	47,368,840	0	9
10	2011-12	67.78	114.73	160.97	1.62%	630,209.00	0.00%	48,136,215	767,375	10
11	2011-12	68.03	115.16	161.57	2.00%	630,209.00	0.00%	48,316,217	947,377	11
12	2011-12	68.70	116.29	163.15	3.00%	630,209.00	0.00%	48,789,905	1,421,065	12
13	2011-12	69.37	117.42	164.74	4.00%	630,209.00	0.00%	49,263,594	1,894,754	13
14	2011-12	70.04	118.55	166.32	5.00%	630,209.00	0.00%	49,737,282	2,368,442	14
15	2011-12	70.70	119.67	167.90	6.00%	630,209.00	0.00%	50,210,971	2,842,131	15
16	2011-12	71.37	120.80	169.49	7.00%	630,209.00	0.00%	50,684,659	3,315,819	16
17	2011-12	72.04	121.93	171.07	8.00%	630,209.00	0.00%	51,158,347	3,789,507	17
18	2011-12	72.70	123.06	172.66	9.00%	630,209.00	0.00%	51,632,036	4,263,196	18
19	2011-12	73.37	124.19	174.24	10.00%	630,209.00	0.00%	52,105,724	4,736,884	19
20	2011-12	74.04	125.32	175.82	11.00%	630,209.00	0.00%	52,579,413	5,210,573	20
21	2011-12	74.70	126.45	177.41	12.00%	630,209.00	0.00%	53,053,101	5,684,261	21
22	2011-12	75.37	127.58	178.99	13.00%	630,209.00	0.00%	53,526,789	6,157,949	22
23	2011-12	76.04	128.71	180.58	14.00%	630,209.00	0.00%	54,000,478	6,631,638	23
24	2011-12	76.71	129.84	182.16	15.00%	630,209.00	0.00%	54,474,166	7,105,326	24

Tuition Projections Calculation

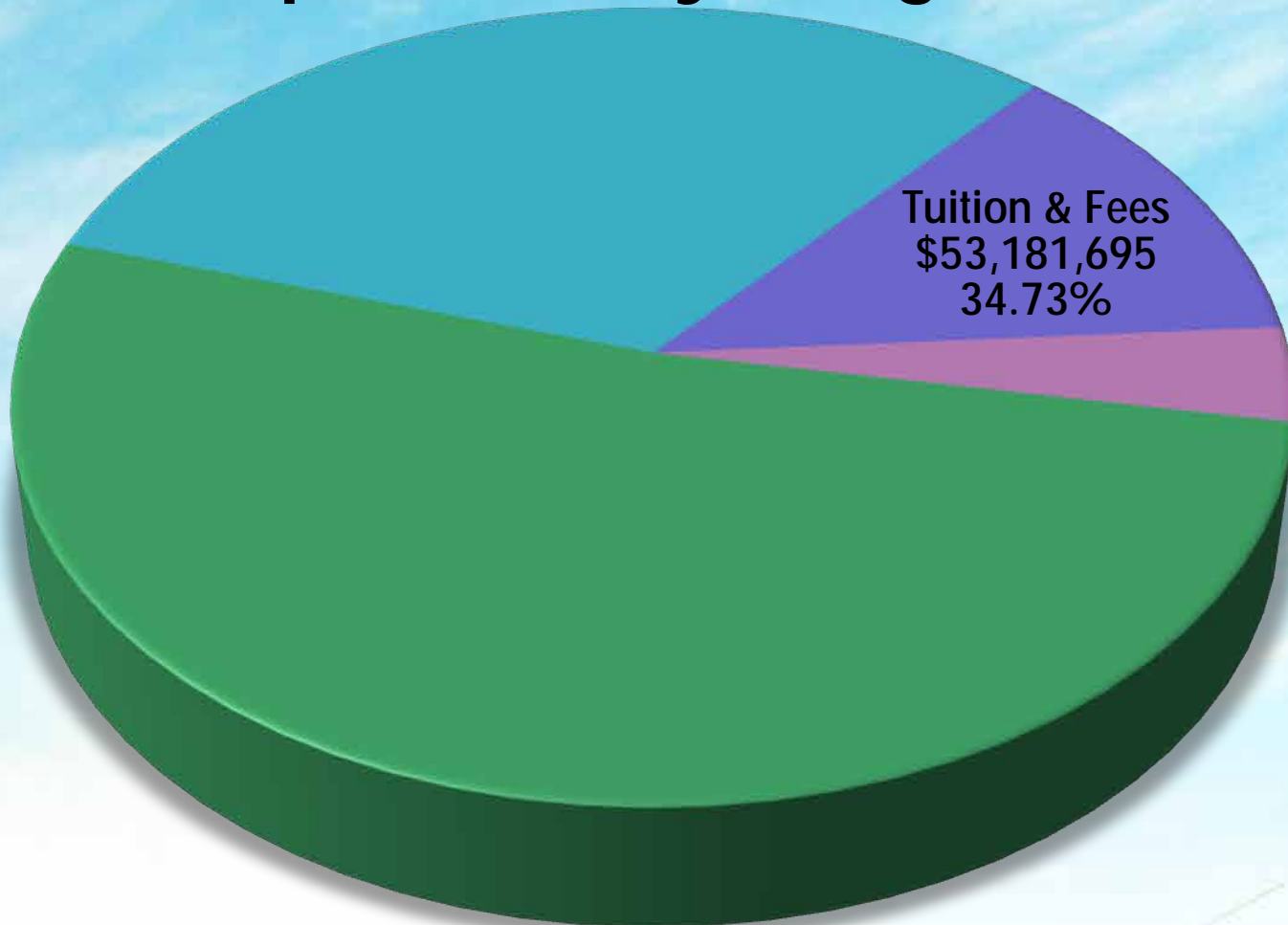
- Rows 1 thru 7 reflect actual tuition rate information
- Row 8 reflects current information for fiscal year July 1, 2010 through June 30, 2011
- Row 9 thru 24 reflect projections for fiscal year 2011-12 with 0% thru 15% increases in tuition rates and **2% decrease** in credit hours
- All the 2011-12 projections assume the following credit hours distribution:
 - In-District 84.30%, Out-District 13.04%, Out-State 2.66%

Tuition Projections Calculation

	A	B	C	D	E	F	G	H	I	
	Fiscal	Tuition Rates			Tuition Rate	Credit	% Change In		Tuition	
	Years	In-District	Out-District	Out-State	% Increase	Hours	Credit Hours	Tuition Dollars	\$ Increase	
1	2003-04	\$52.50	\$88.90	\$124.70		473,612.50		\$28,117,991		1
2	2004-05	53.70	90.90	127.50	2.3%	469,260.50	-0.92%	29,207,869	\$1,089,878	2
3	2005-06	55.15	93.35	130.90	2.7%	476,527.00	1.55%	29,840,281	632,412	3
4	2006-07	56.80	96.15	134.83	3.0%	483,680.50	1.50%	30,903,722	1,063,441	4
5	2007-08	58.50	99.00	138.85	3.0%	495,714.50	2.49%	32,496,983	1,593,261	5
6	2008-09	60.10	101.70	142.70	2.7%	535,776.00	8.08%	35,579,408	3,082,425	6
7	2009-10	60.10	101.70	142.70	0.0%	616,529.50	15.07%	41,130,550	5,551,142	7
8	2010-11	66.70	112.90	158.40	11.0%	630,209.00	2.22%	47,368,840	6,238,290	8
9	2011-12	66.70	112.90	158.40	0.00%	617,604.82	-2.00%	46,421,463	-947,377	9
10	2011-12	67.78	114.73	160.97	1.62%	617,604.82	-2.00%	47,173,491	-195,349	10
11	2011-12	68.03	115.16	161.57	2.00%	617,604.82	-2.00%	47,349,893	-18,947	11
12	2011-12	68.70	116.29	163.15	3.00%	617,604.82	-2.00%	47,814,107	445,267	12
13	2011-12	69.37	117.42	164.74	4.00%	617,604.82	-2.00%	48,278,322	909,482	13
14	2011-12	70.04	118.55	166.32	5.00%	617,604.82	-2.00%	48,742,537	1,373,697	14
15	2011-12	70.70	119.67	167.90	6.00%	617,604.82	-2.00%	49,206,751	1,837,911	15
16	2011-12	71.37	120.80	169.49	7.00%	617,604.82	-2.00%	49,670,966	2,302,126	16
17	2011-12	72.04	121.93	171.07	8.00%	617,604.82	-2.00%	50,135,180	2,766,340	17
18	2011-12	72.70	123.06	172.66	9.00%	617,604.82	-2.00%	50,599,395	3,230,555	18
19	2011-12	73.37	124.19	174.24	10.00%	617,604.82	-2.00%	51,063,610	3,694,770	19
20	2011-12	74.04	125.32	175.82	11.00%	617,604.82	-2.00%	51,527,824	4,158,984	20
21	2011-12	74.70	126.45	177.41	12.00%	617,604.82	-2.00%	51,992,039	4,623,199	21
22	2011-12	75.37	127.58	178.99	13.00%	617,604.82	-2.00%	52,456,254	5,087,414	22
23	2011-12	76.04	128.71	180.58	14.00%	617,604.82	-2.00%	52,920,468	5,551,628	23
24	2011-12	76.71	129.84	182.16	15.00%	617,604.82	-2.00%	53,384,683	6,015,843	24

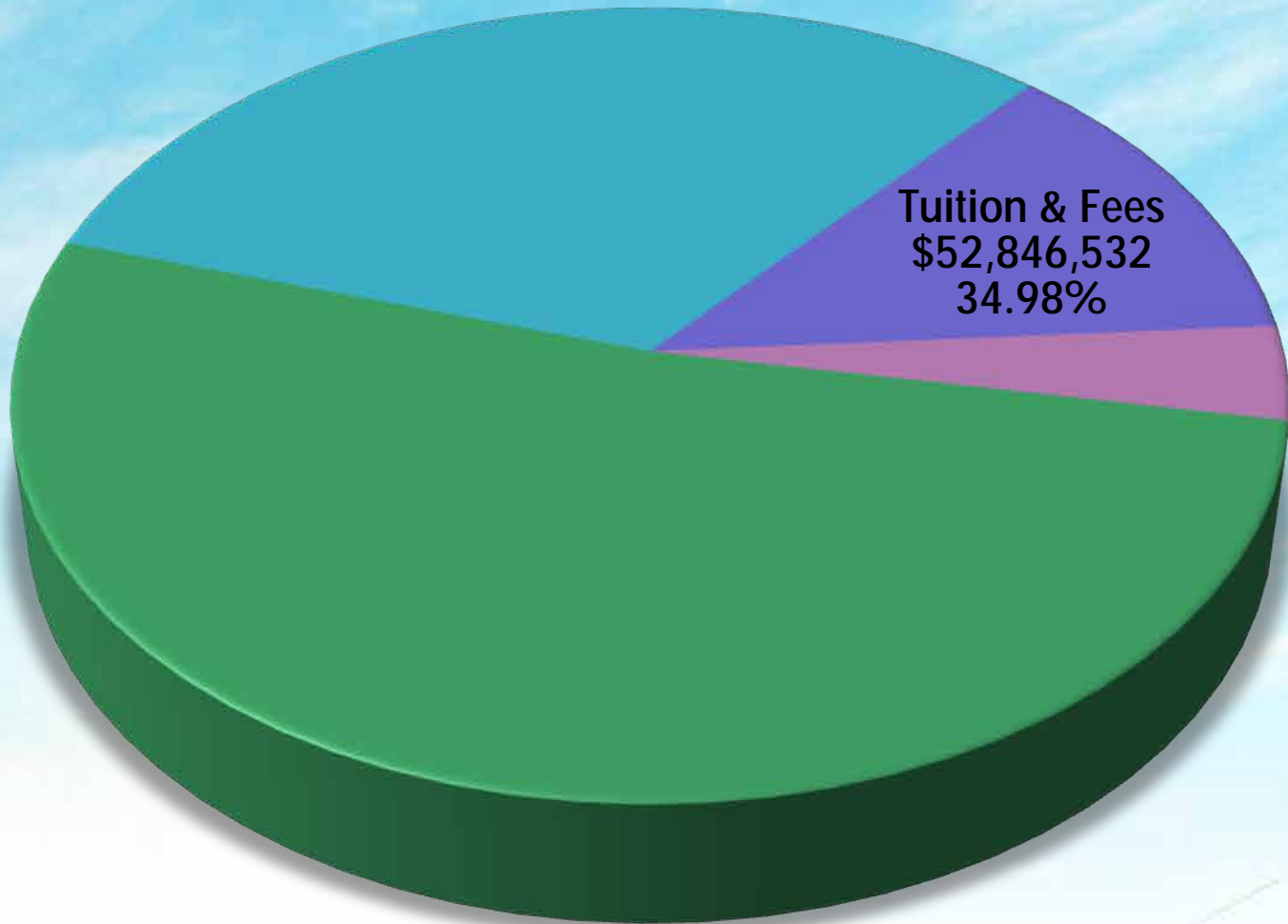
2011-12 Tuition and Fees Revenue

\$53,181,695
used in preliminary budget 1/24/11



2011-12 Tuition and Fees Revenue

\$52,846,532 Revised 3/15/11



State Appropriations

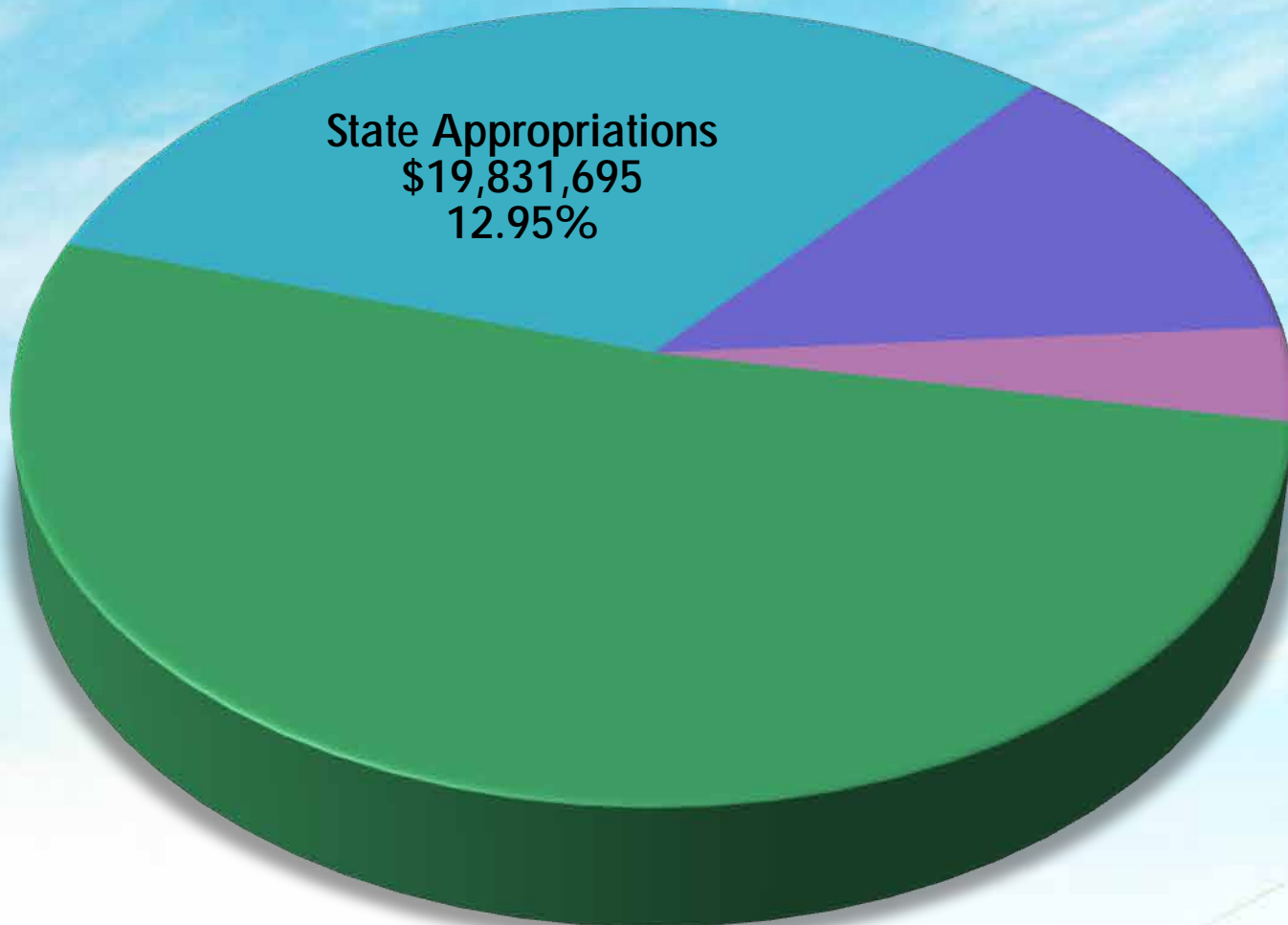
State Appropriations Assumptions

(used in preliminary budget 1/24/11)

- 2011-12 Budget
 - 1.5% Decrease
- 2012-13 thru 2015-16
 - No Change
 - No Increase or Decrease

2011-12 State Appropriations

\$19,831,695



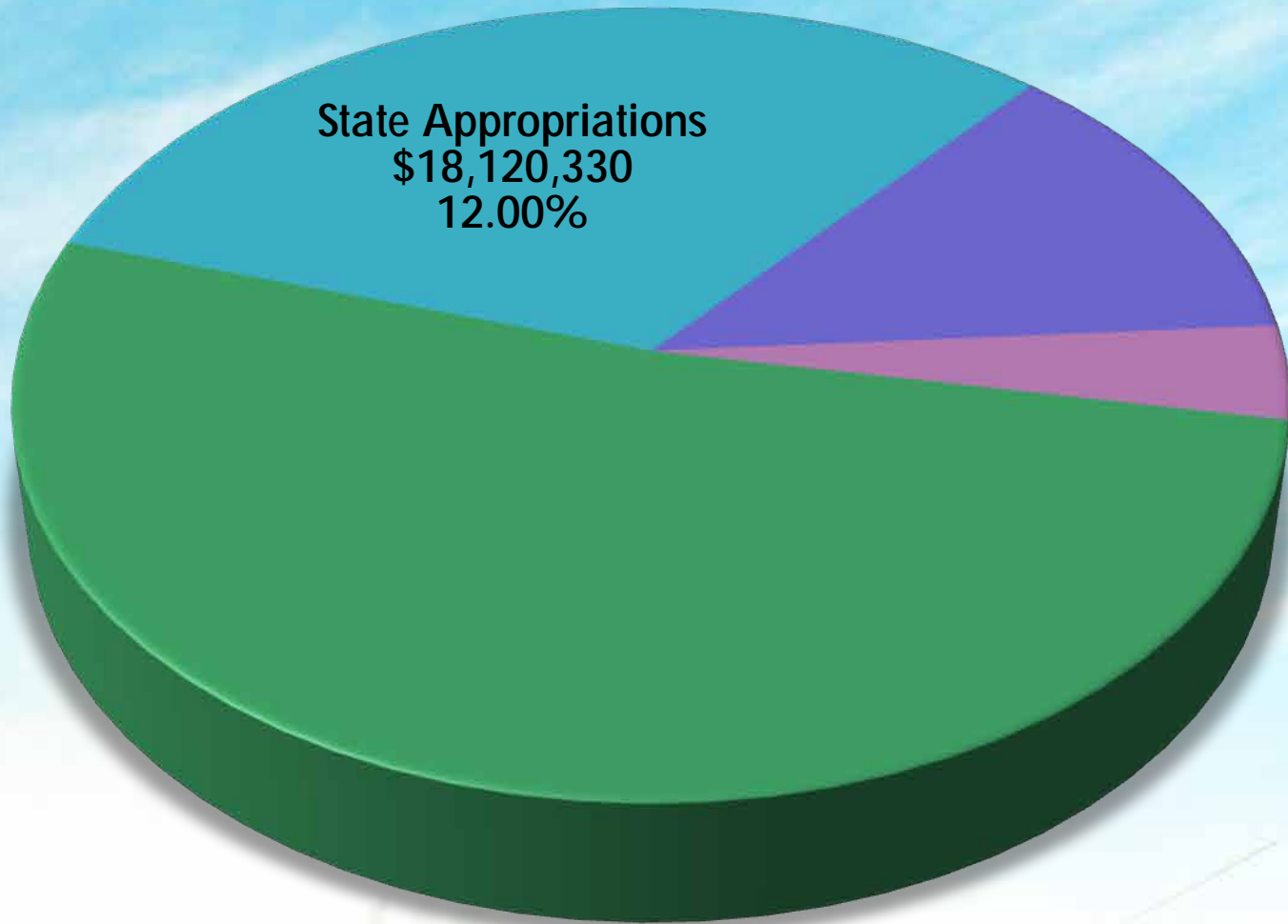
State Appropriations Assumptions

(Revised 3/23/11)

- 2011-12 Budget
 - 10% Decrease
- 2012-13 thru 2015-16
 - No Change
 - No Increase or Decrease

2011-12 State Appropriations

\$18,120,330
Revised 3/15/11

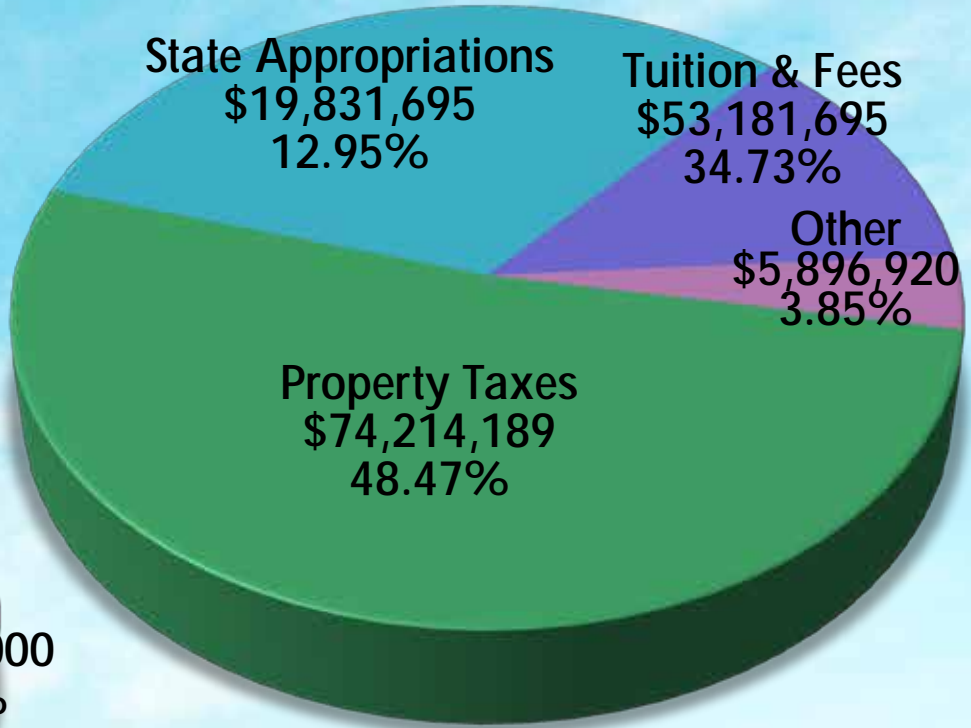


2011-12 Total Estimated Revenue

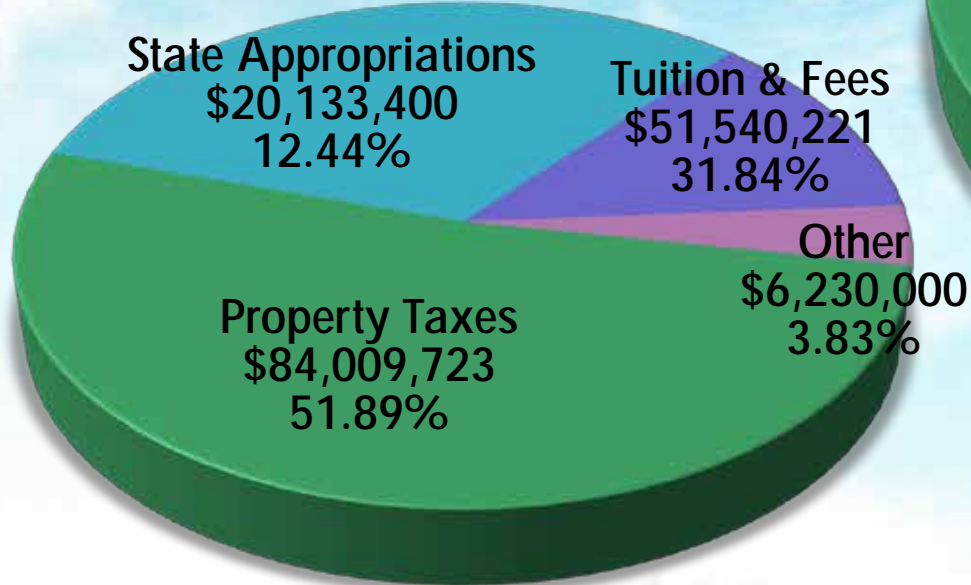
2011-12 Estimated Revenue Preliminary Budget

Compared to 2010-11

2011-12 Total Estimated Revenue
\$153,124,499



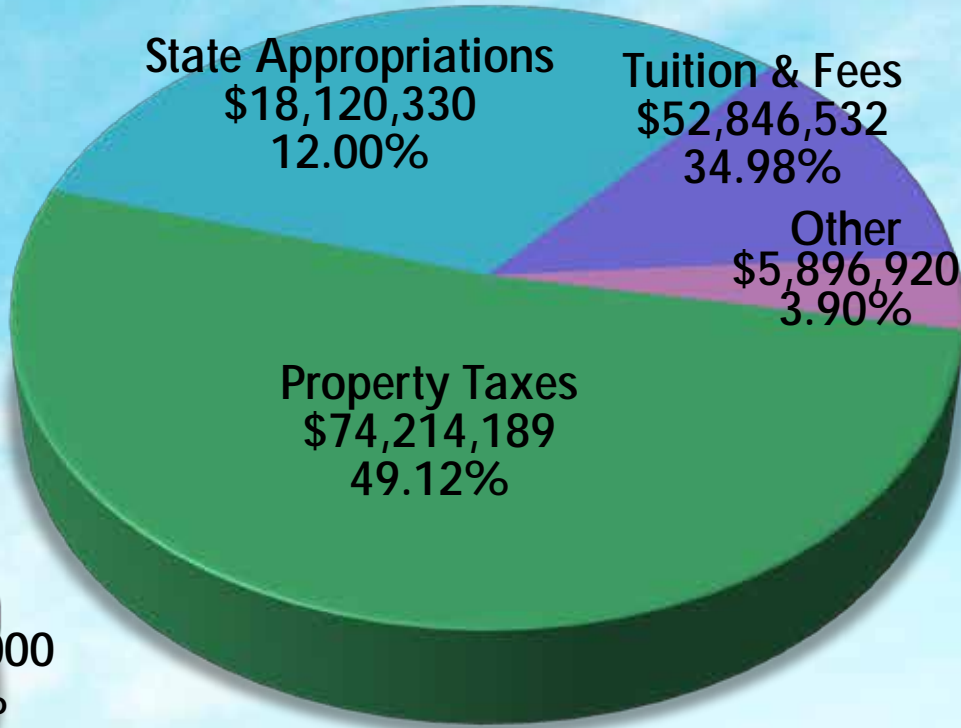
2010-11 Total Estimated Revenue
\$161,913,644



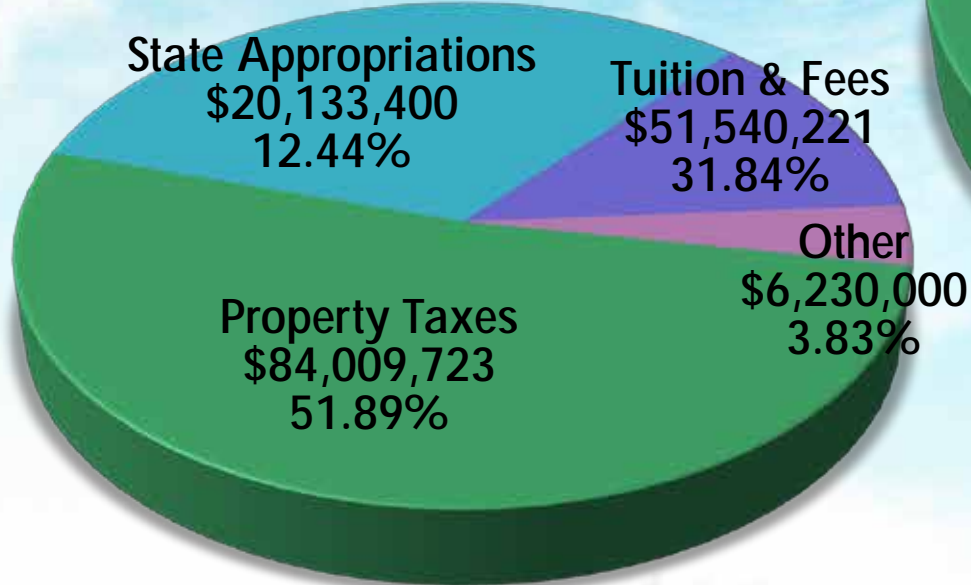
2011-12 Estimated Revenue Revised 3/15/11

Compared to 2010-11

2011-12 Total Estimated Revenue
\$151,077,971



2010-11 Total Estimated Revenue
\$161,913,644



2011-12 Estimated Expenditures

(Note – Not Adjusted to Reflect
Changes Since 1/24/11)

Expenditure Assumptions

- Personnel
 - 5% Increase Each Year
- Non-Personnel
 - 3% Increase Each Year
- Capital
 - No Increase 2011-12 thru 2015-16

2011-12 Estimated Expenditures

- Personnel \$123,699,829
- Non-Personnel \$28,795,189
- Capital \$21,350,000
- Total \$173,845,018

Michigan Public School Employees Retirement System (MPERS)

Is a defined benefit plan—not a defined contribution plan

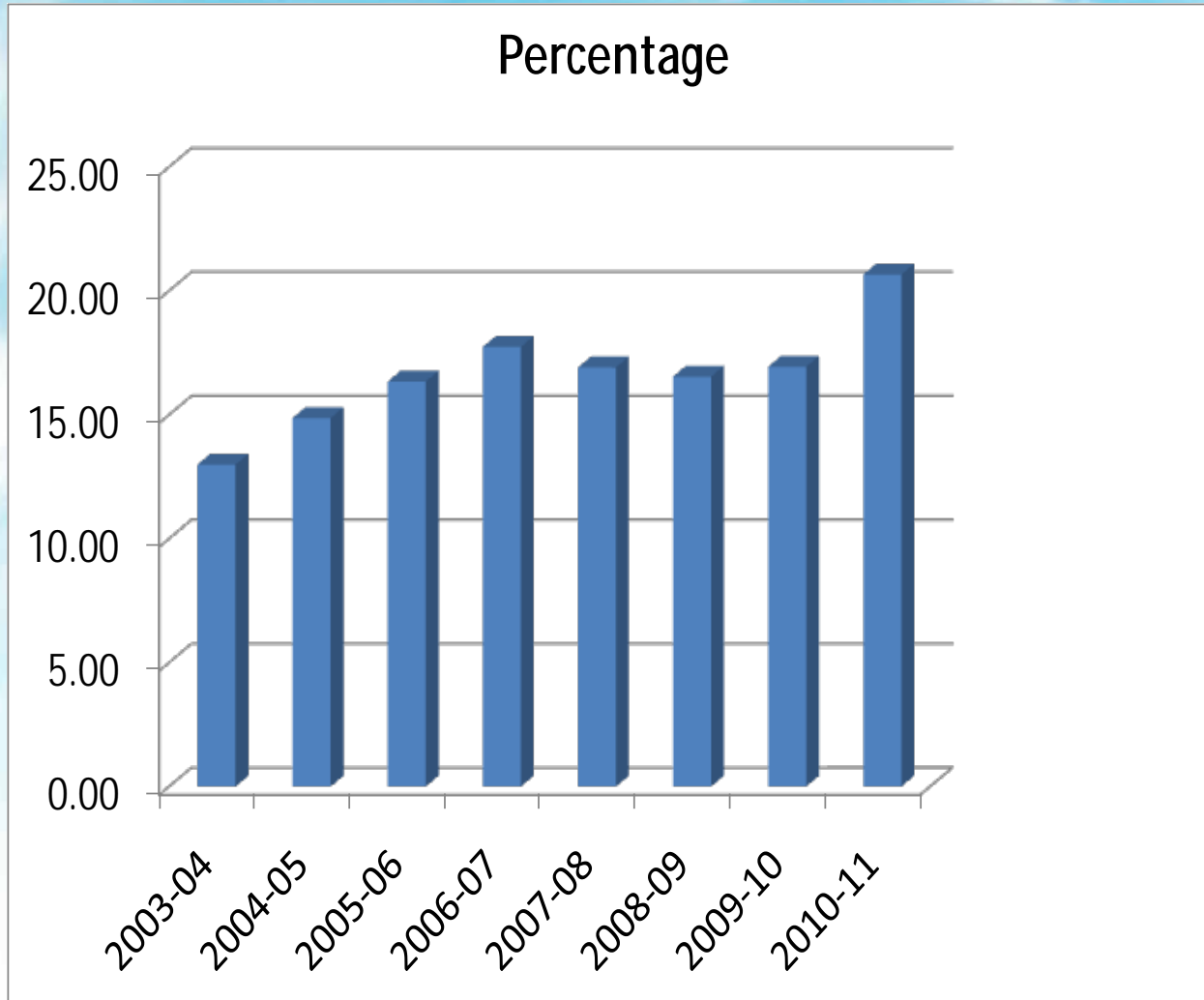
Provides retirees pensions and health, dental, and vision benefits

Includes 557 K-12 districts, 59 charter schools, 7 universities, 28 community colleges, 57 intermediate school districts, and 11 libraries

For FY 2009-10, the system served 242,568 active members and 187,722 retirees and beneficiaries. Total members 430,290.

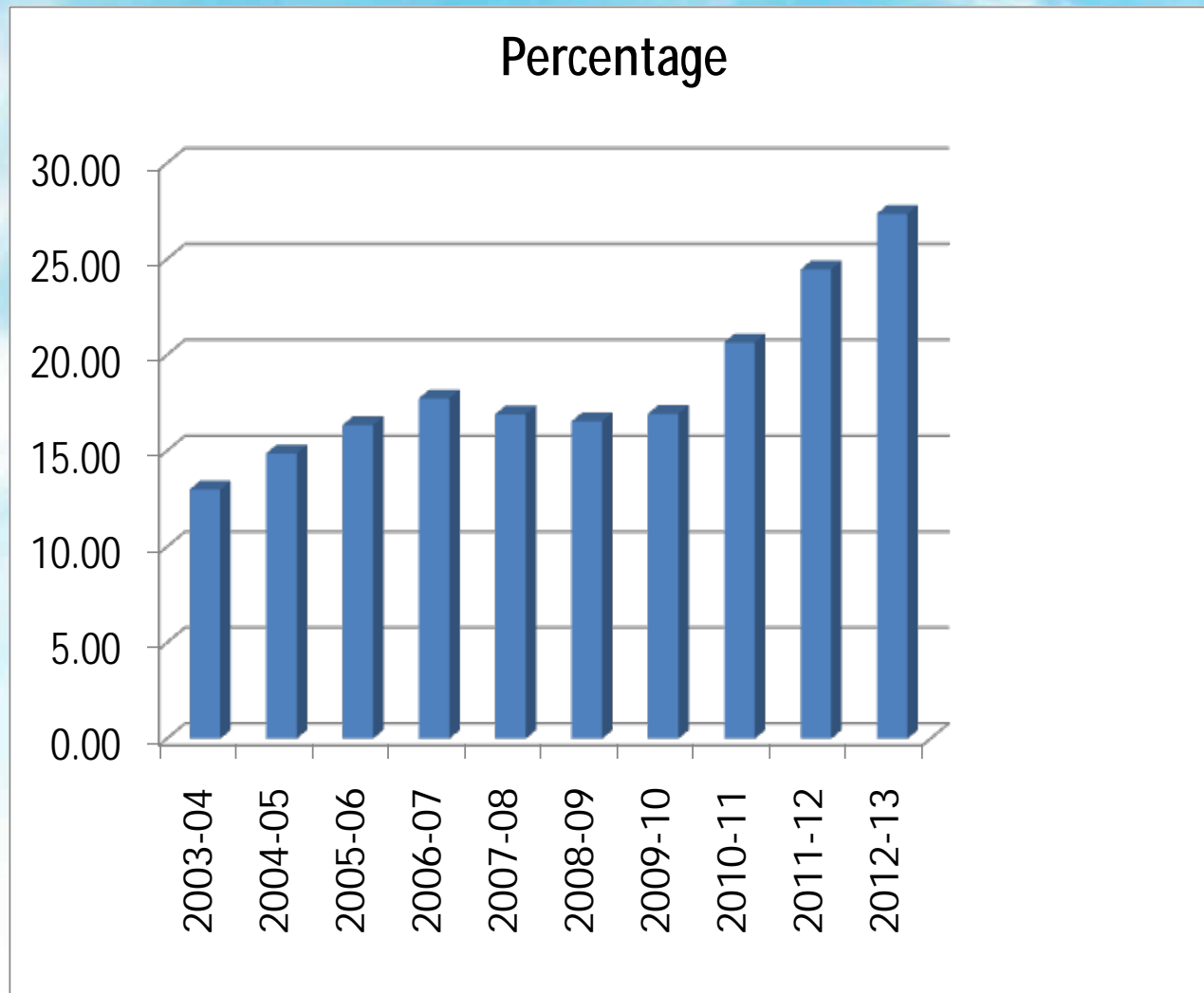
For FY 2009-10, the pension unfunded liability was \$12 Billion, and the health unfunded liability was \$27.6 Billion. Total \$39.6 Billion.

Actual and Projected Contribution Rates for MPSEERS



FY	Percentage
2003-04	12.99
2004-05	14.87
2005-06	16.34
2006-07	17.74
2007-08	16.72
2008-09	16.54
2009-10	16.94
2010-11	20.66

Actual and Projected (Revised 3/15/11) Contribution Rates for MPSEERS



FY	Percentage
2003-04	12.99
2004-05	14.87
2005-06	16.34
2006-07	17.74
2007-08	16.72
2008-09	16.54
2009-10	16.94
2010-11	20.66
2011-12	24.46
2012-13	27.37

Michigan Public School Employees Retirement System (MPERS)

Employer

Contribution Rates

Fiscal Year 2011-12 (Effective October 1, 2011)			
<u>First Work Before 7/1/10</u>		<u>First Work After 7/1/10</u>	
Current	20.66%	Current	19.16%
New Rate	<u>24.46%</u>	New Rate	<u>23.23%</u>
Increase	3.80%	Increase	4.07%
Fiscal Year 2012-13 (Effective October 1, 2012)			
<u>First Work Before 7/1/10</u>		<u>First Work After 7/1/10</u>	
Prior Rate	24.46%	Prior Rate	23.23%
New Rate	<u>27.37%</u>	New Rate	<u>26.14%</u>
Increase	2.91%	Increase	2.91%
Totals	6.71%		6.98%
For Oakland Community College			
Estimated Cost of Increase in 2011-12		\$3,116,000	
Estimated Cost of Increase in 2012-13		<u>2,386,200</u>	
Total Estimated Cost of Increases		<u>\$5,502,200</u>	

EXPENDITURES BY CATEGORY	Budget Year 2011-12		
	2011-12 Budget Amount	Percent Operating Budget	Enter Projected Change
<u>Personnel Costs:</u>			
Employee Salaries and Wages	\$ 86,594,885	56.79%	5.00%
FICA, Retirement and Fringe Benefits	35,202,644	23.08%	5.00%
Subtotal College Employee Costs	<u>\$ 121,797,529</u>	79.87%	5.00%
Contracted Temporary Personnel	1,902,300	1.25%	2.00%
Total Personnel Costs	<u>\$ 123,699,829</u>	81.12%	4.95%
<u>Non-Personnel Costs:</u>			
Utilities	\$ 5,228,305	3.43%	3.00%
Retirement Contribution	-	0.00%	0.00%
Staff Development and Initiatives	337,133	0.22%	2.00%
Operating Expenses	23,229,751	15.23%	3.00%
Total Non-Personnel Costs	<u>\$ 28,795,189</u>	18.88%	2.99%
Operating Budget*	<u>\$ 152,495,018</u>	100.00%	4.58%
<u>Non-Operating Costs:</u>			
Facility and Maintenance Projects	\$ 15,000,000		0.00%
Technology Projects	1,500,000		0.00%
Equipment - Computer Replacement Program	1,750,000		0.00%
Carpet Replacement	-		0.00%
Equipment - Other Furniture and Equipment	800,000		0.00%
Equipment - Depreciation Expense	2,300,000		0.00%
Total Non-Operating Costs	<u>\$ 21,350,000</u>		40.51%
Total Expenditures and Transfers	<u>\$ 173,845,018</u>		7.97%
Contribution to Fund Balance	<u>0</u>		
Total Budget	<u>\$ 173,845,018</u>		7.97%

Expenditure Budget Concerns

- Personnel
 - Wage and salary step increases
 - Increase in adjunct cost
 - Increase in retirement system cost
 - Increasing health and other fringe benefit cost
- Non-Personnel
 - On-going increases
- Capital
 - On-going equipment needs

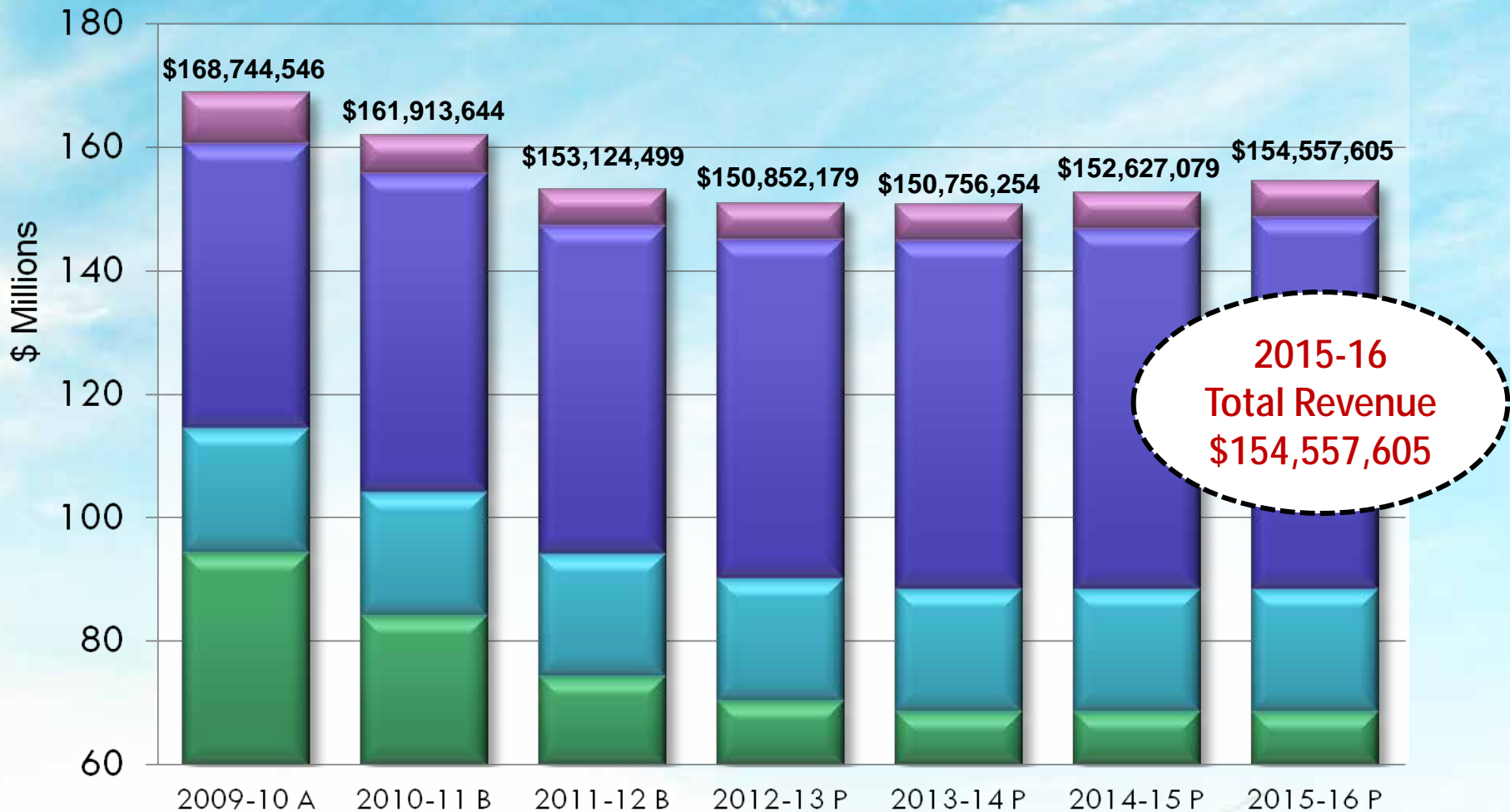
Four-Year Projections Summary

(Note – Not Adjusted to Reflect
Changes Since 1/24/11)

REVENUE BUDGET AND PROJECTIONS						
	Property Tax	State		Investment	Misc	
	Revenue	Appropriations	Tuition & Fees	Income	Revenue	Totals
2009-10 Actual	94,265,848	20,133,700	46,125,145	8,068,984	150,869	168,744,546
2010-11 Budget	84,009,723	20,133,700	51,540,221	6,180,000	50,000	161,913,644
2011-12 Budget (w)	74,214,189	19,831,695	53,181,695	5,846,920	50,000	153,124,499
2012-13 Projection	70,347,630	19,831,695	54,862,704	5,760,150	50,000	150,852,179
2013-14 Projection	68,511,557	19,831,695	56,606,503	5,756,500	50,000	150,756,254
2014-15 Projection	68,511,557	19,831,695	58,405,927	5,827,900	50,000	152,627,079
2015-16 Projection	68,511,557	19,831,695	60,262,753	5,901,600	50,000	154,557,605

Revenue Budget and Projections

■ Property Tax Revenue ■ State Appropriations ■ Tuition & Fees ■ Other



EXPENDITURE BUDGET AND PROJECTIONS

	Personnel	Non-Personnel	Capital	
	Costs	Costs	Expenditures	Totals
2009-10 Actual	113,628,645	25,843,164	29,272,737	168,744,546
2010-11 Budget	117,862,647	27,959,703	15,194,174	161,016,524
2011-12 Budget (w)	123,699,829	28,795,189	21,350,000	173,845,018
2012-13 Projection	129,808,729	29,652,302	21,350,000	180,811,031
2013-14 Projection	136,222,312	30,535,061	21,350,000	188,107,373
2014-15 Projection	142,955,807	31,444,234	21,350,000	195,750,041
2015-16 Projection	150,025,199	32,380,614	21,350,000	203,755,813

Expenditure Budget and Projections



Projected Deficits

	Surplus (Deficit)
2009-10 Actual	0
2010-11 Budget	0
2011-12 Budget (w)	(20,720,519)
2012-13 Projection	(29,958,852)
2013-14 Projection	(37,351,119)
2014-15 Projection	(43,122,962)
2015-16 Projection	(49,198,209)

Thank You For Your Time

***We Hope That We Have Explained
The Budget To Your Satisfaction***



I believe you can make a difference!