

Fiscal Year 2019

BUDGET- IN-BRIEF

Fiscal Year Ended June 30, 2019

Community College District 502
Counties of DuPage, Cook and Will and State of Illinois



Table of Contents

President's Letter	3
College of DuPage at a Glance	4
College of DuPage's Economic Impacts	5
Organization Chart	6
2019 Initiatives	7
Budget Overview	8
Property Taxes	9
Tuition and Fees	10
State Government	11
College Expenditures	12
General Fund	13
Restricted Purposes Fund	14
Bond and Interest Fund	15
Construction Fund	16
Auxiliary Enterprises Fund	17

College of DuPage Vision and Mission

In order to fulfill our duty as responsible stewards of a valuable resource, we profess the following statements as guiding principles in all that we hope to achieve in service of the community at large.

Vision

College of DuPage will be the primary college district residents choose for high quality education.

Mission

The mission of College of DuPage is to be a center for excellence in teaching, learning, and cultural experiences by providing accessible, affordable, and comprehensive education.

Values

INTEGRITY

We expect the highest standard of moral character and ethical behavior.

HONESTY

We expect truthfulness and trustworthiness.

RESPECT

We expect courtesy and dignity in all interpersonal interactions.

RESPONSIBILITY

We expect fulfillment of obligations and accountability.



Dr. Ann E. Rondeau

Dear Community Stakeholders:

At College of DuPage, we believe in the power of education and are committed to transparency and financial accountability with a focus on greater efficiency and growth. We are extremely proud of our strong financial position, which is a direct result of the hard work and ongoing support of key community stakeholders.

In 2018, Standard & Poor's Global Ratings upgraded the College's bond rating from AA to AA+ and affirmed its rating outlook of "stable" on the College's outstanding general obligation bonds. This is a reflection of the effective operations at College of DuPage and a solid indicator that we are meeting our fiduciary obligations to our students and taxpayers.

The budget process at College of DuPage is a thorough and thoughtful one. During a six-month period, countless meetings are held in every department across campus to identify and prioritize needs, which then are analyzed and resourced.

While the official budget is hundreds of pages in length, the College produces this budget-in-brief to provide a more user-friendly version of our financial plan. In doing so, our goal is to assist you in fully understanding how we intend to deploy the College's resources. We invite you to read this brief that supports our dedication of mindful stewardship to all stakeholders.

Respectfully yours,

A handwritten signature in black ink that reads "Ann E. Rondeau". The signature is fluid and cursive, with a long horizontal stroke at the end.

Dr. Ann E. Rondeau
President, College of DuPage
Vice Admiral, U.S. Navy (Ret.)

COLLEGE OF DUPAGE AT A GLANCE

Institutional Profile

Among Illinois' public colleges and universities, College of DuPage is the second largest provider of undergraduate education.

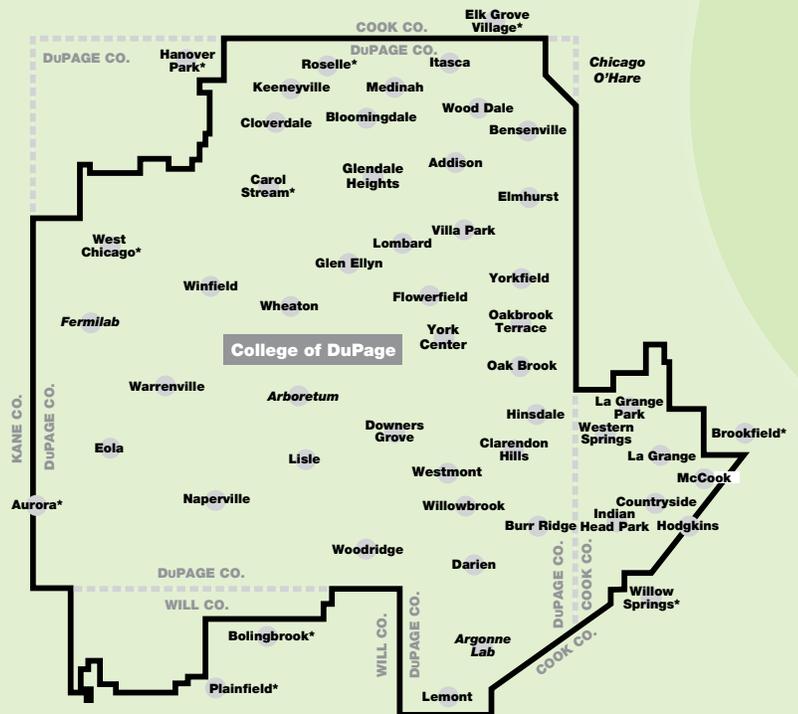
- More than 25% of all District 502 high school graduates attend College of DuPage during their college career.
- Approximately 26,000 students attend College of DuPage each semester.
- College of DuPage offers seven associate degrees in two general areas, baccalaureate transfer and career and technical education. Baccalaureate transfer degrees include the Associate in Arts, Associate in Science, Associate in Engineering Science, Associate in Fine Arts in Art, and the Associate in Fine Arts in Music. The Associate in Applied Science degree provides education in more than 40 career and technical programs. The College also offers an Associate in General Studies degree designed for students who desire to arrange a program to meet their personal needs and interests. In addition, the College offers over 175 certificates in almost 60 career and technical fields.
- The Glen Ellyn campus covers 273 acres and has 11 major buildings.
- Roughly 20% of students attending COD already possess a bachelor's degree or higher.
- The College of DuPage Library maintains a collection of 245,800 books, 285,000 microfiche, 29,500 video recordings (VHS and DVD), 20,700 sound recordings (CDs), 527 current periodical subscriptions (7,900 bound periodical back files), and 18 newspapers.
- There are more than 80 student clubs and organizations on campus.
- College of DuPage is accredited by The Higher Learning Commission.
- The College's fiscal year (FY) runs from July 1 through June 30.

COMMUNITY COLLEGE DISTRICT 502

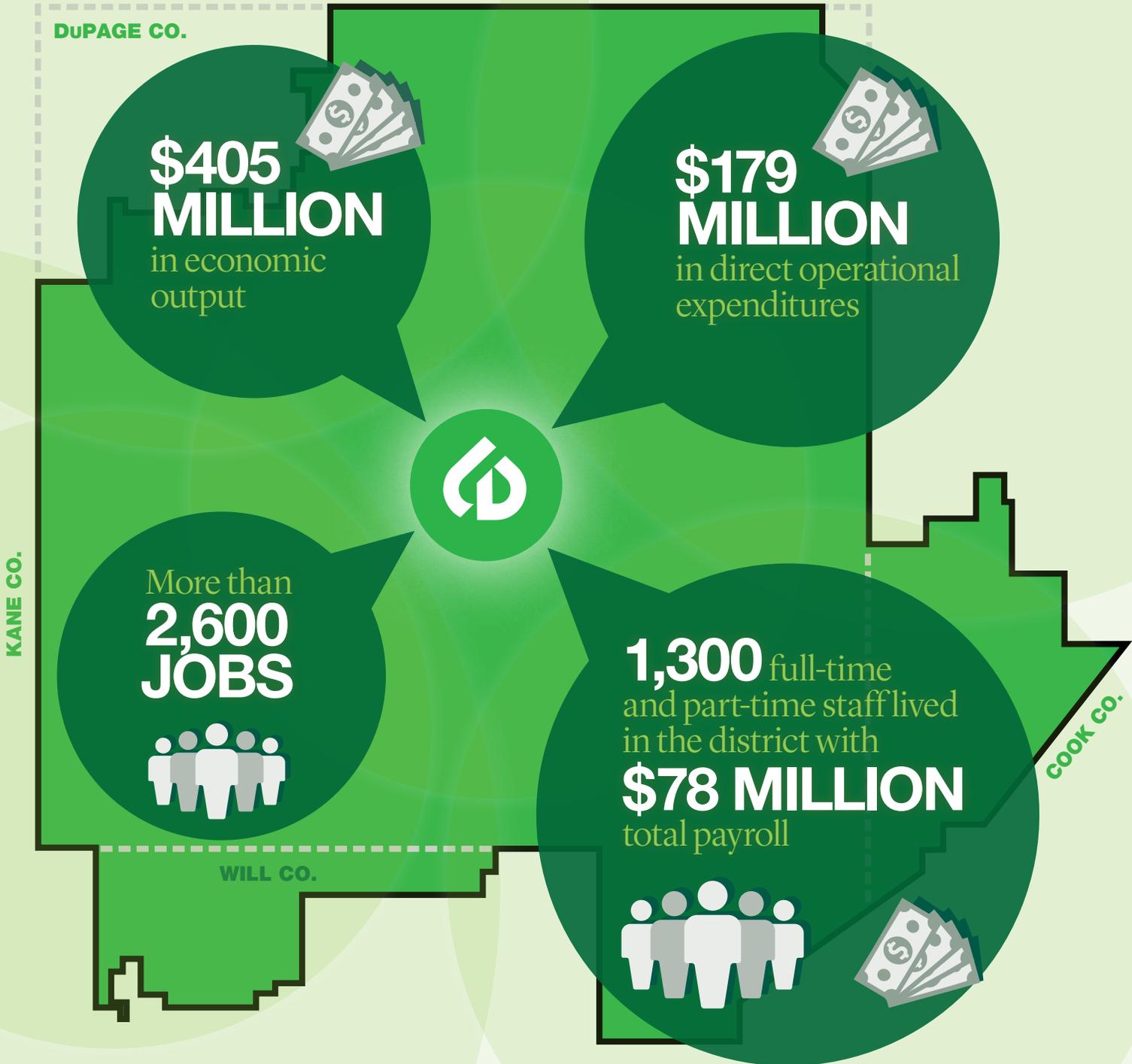
———— Community College District

----- DuPage County Line

*Only portions of these communities are in District 502.

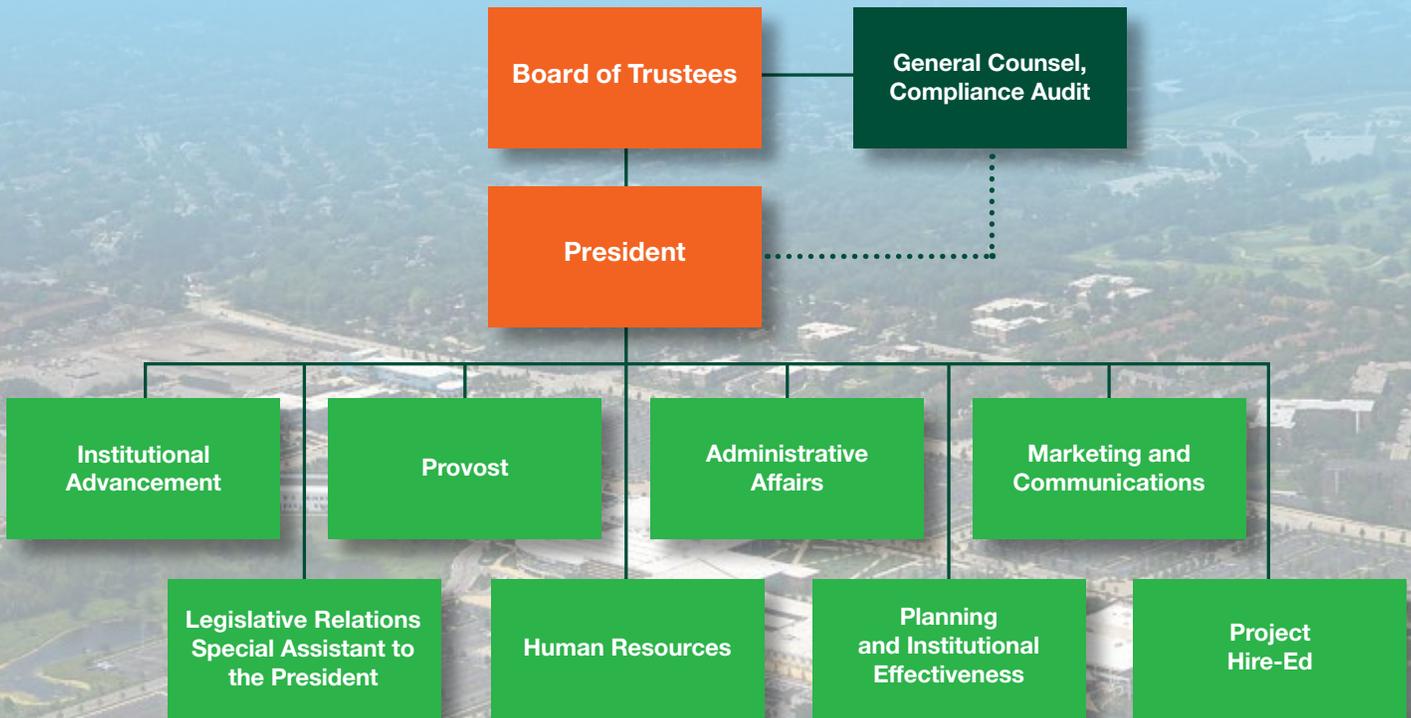


College of DuPage's **ECONOMIC IMPACTS**



Northern Illinois University, Center for Governmental Studies. College of DuPage's Economic Impacts, 2014.

ORGANIZATION CHART



College of DuPage Board of Trustees



Deanne Mazzochi
Board Chairman
Elmhurst

Frank Napolitano
Board Vice Chairman
Bloomingtondale

Christine M. Fenne
Board Secretary
Wheaton

Alan L. Bennett
Lombard

Charles Bernstein
Wheaton

Daniel Markwell
Lombard

Joseph C. Wozniak
Naperville

Sonia Paul
Student Trustee

2019 INITIATIVES

The Fiscal Year 2019 Budget of College of DuPage begins July 1, 2018 and ends June 30, 2019. The budget reflects the initial year considered in the College's short- and long-term planning processes. Significant items included in the College's 2019 budget are:

Organizational Update:

In FY2018, the College reorganized its Academic Affairs Division. The objectives of that reorganization were to flatten reporting relationships, enhance the focus of disciplines, and gain greater structural capacity to improve student outcomes. With that reorganization nearly completed, three other important and significant organizational changes will be undertaken in FY2019:

- **Provost:** Beginning July 1, 2018, the vice president of student affairs and the vice president of academic affairs will be combined to create the position of provost. The provost will be the senior executive who touches every aspect of student life—from the point of recruitment and enrollment to academic experiences to completion and graduation. This move will better align the senior management organizational structure in support of our mission and initiatives, including the implementation of the Guided Pathways Model.
- **Vice President of Administration:** Beginning July 1, 2018, the Facilities and Information Technology departments will report to the Vice President for Administration and Chief Financial Officer. This change will allow for a more integrated approach to resource management across all areas of the College, leveraging and optimizing wherever possible.
- **Compliance Officer:** Our Director of Internal Audit will be given the additional responsibilities as Chief Compliance Officer and will report to the College General Counsel. This move will better align compliance with regulatory oversight under our legal office and provide a ready resource for compliance questions.

Facilities Master Plan:

The College has contracted with a firm to prepare a new Facilities Master Plan. The plan will be finalized in FY2019 and will serve as the road map for construction activities over the next several years. Anticipated future educational needs of the community college district are key considerations in the development of the plan.

Development of a Pathways/Student Success Culture:

The Guided Pathways Model will be built upon three important design principles.

- Redesigned programs will address all aspects of a student's college experience.
- A Guided Pathways redesign is not the next in a long line of discrete reforms, but rather a framework that helps integrate a variety of reform elements. The central goal will be to help each student choose, enter, and complete a program of study aligned with the student's goals for employment and further education.
- The redesign process begins with student end goals for careers and further education in mind and "backward maps" programs and supports to ensure that the student is prepared to thrive in employment and/or education at the next level.

Innovation DuPage:

The College is moving forward with plans to renovate 8,200 square feet of currently vacant space in the Glen Ellyn Civic Center for Innovation DuPage, the new business incubator and accelerator developed by College of DuPage and its partners. Innovation DuPage will significantly impact regional economic development by leveraging public and private partners in support of startup and early-stage business enterprises by connecting them to the knowledge, expert mentors, and resources necessary to succeed.

Project Hire-Ed:

There is a distinct need in DuPage County to better align post-secondary education with certain workforce skill requirements. Project Hire-Ed will foster the development of career pathways programs for a range of workers. This initiative will connect COD programs with employment opportunities and further education to enhance upward mobility in careers. Project Hire-Ed will provide improved, collaborative, and structured mechanisms for COD to establish partnerships with employers to develop educational programs that meet their existing and changing workforce needs.

FY2019 BUDGET

College of DuPage has a diversified revenue structure consisting of local property taxes, student tuition and fees, state and federal aid, and other institutionally generated revenues. The College believes that this diversity, the strength and stability of the local tax base, and overall sound fiscal management will continue to provide the resources necessary to fulfill COD's mission now and in the future.

Property Taxes

One of the College's major revenue sources is local property taxes, comprising 32% of total revenue.

Tuition and Fees

Student tuition and fees make up approximately 26% of revenues.

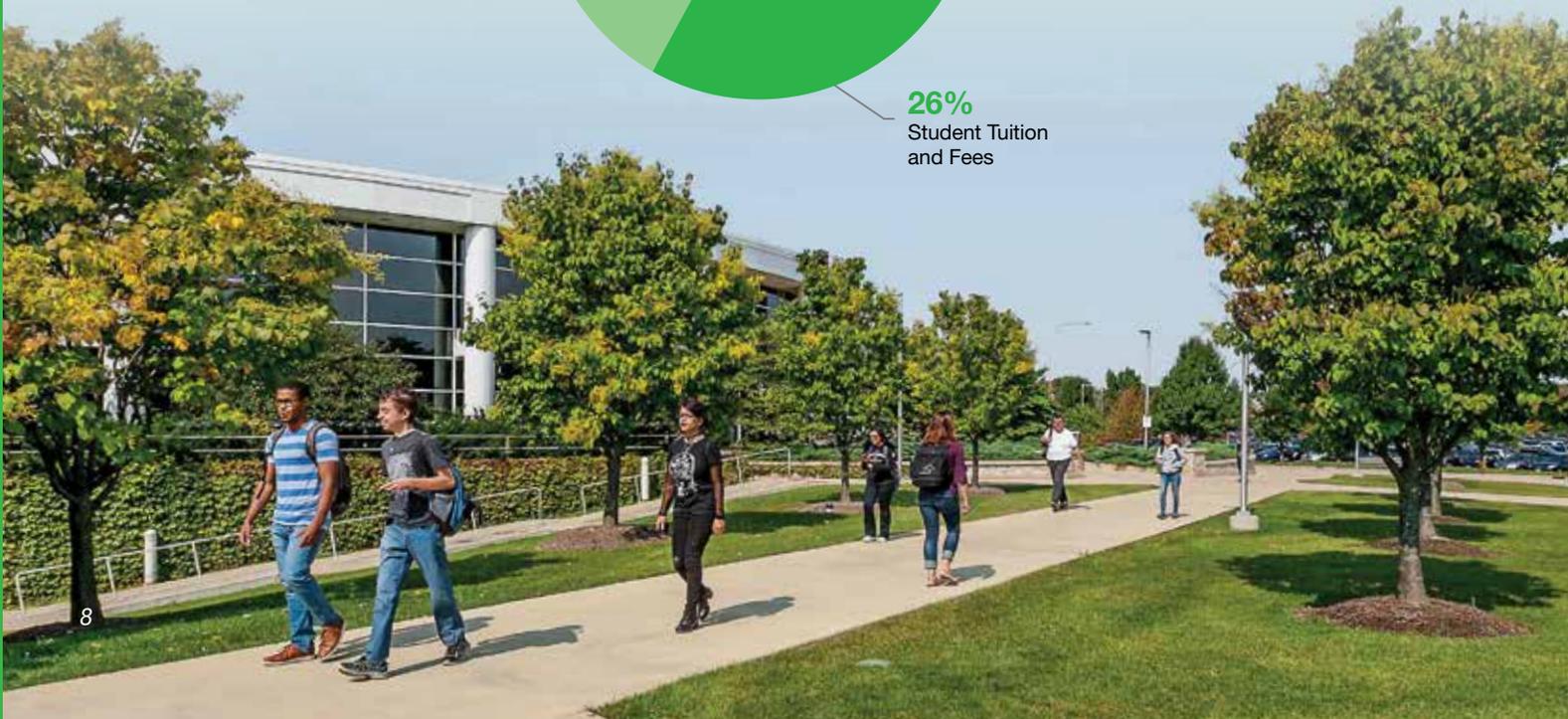
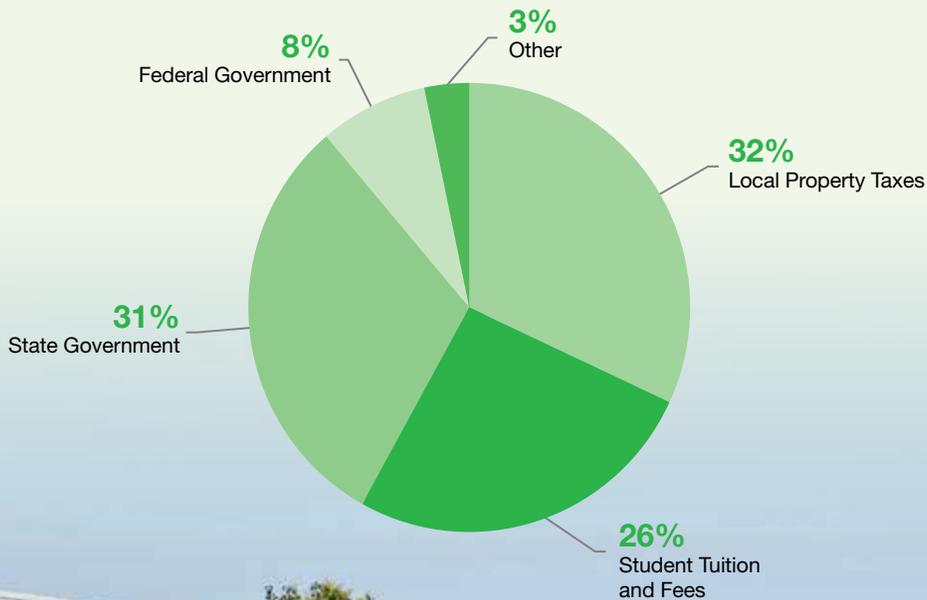
State Government

State appropriations comprise about 31% of college revenues. These appropriations include amounts for various grants and pension contributions.

Revenues

Sources	Amount
Local Property Taxes	\$103,949,861
Student Tuition and Fees	84,872,169
State Government	100,076,187
Federal Government	25,812,545
Other	10,656,575
Total	\$325,367,337

In addition to current-year revenues, on-hand cash (fund balance) is available to pay current-year expenditures.



Property Taxes

As part of the annual budget process of the College, a resolution is adopted by the College Board of Trustees for the tax levy amount for the current calendar year to be collected in the next year.

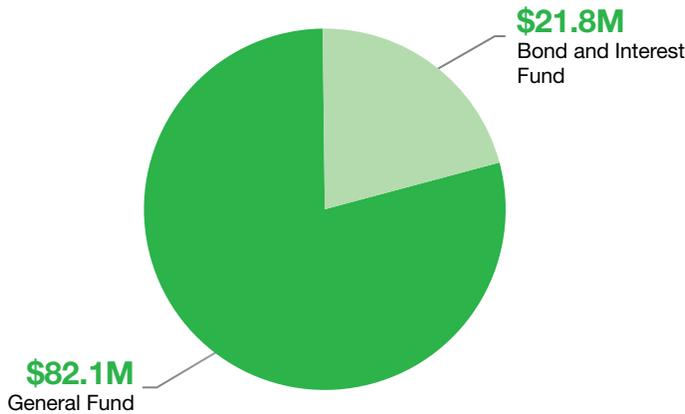
General Fund

The operating tax levy is used to fund expenditures of the Education and Operation and Maintenance Funds (together constituting the General Fund).

Bond and Interest Fund

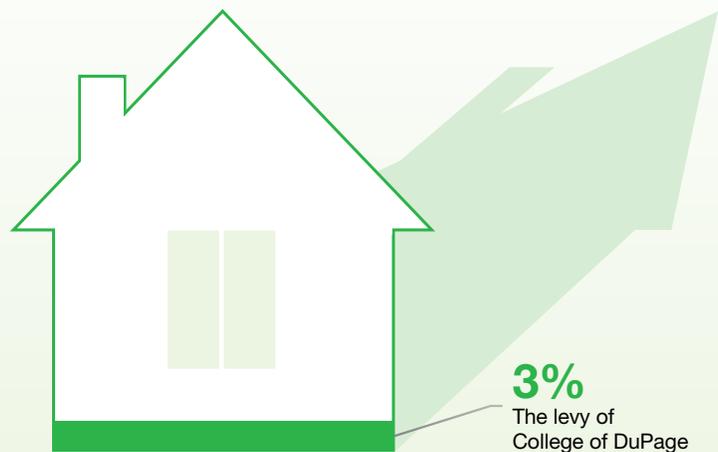
The bond and interest levy is used to pay principal and interest payments on general obligation bonds.

Levy Distribution



Since 2014, the College has reduced its tax levy by 4%, or **\$4.2 million.**

The levy of College of DuPage comprises 3% of the average DuPage County tax bill



Since Fall 2014, the College has reduced its tuition rate \$8.00 per credit hour.

The current in-district rate of the College is \$136.00 per credit hour.

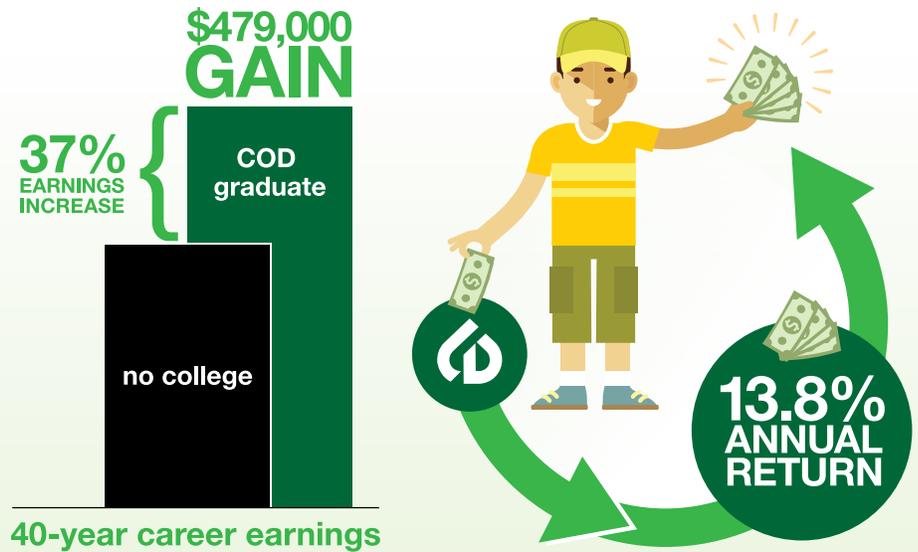
Tuition and Fees

As described in its mission statement, College of DuPage strives to be a center for excellence in teaching, learning, and cultural experiences by providing accessible, affordable, and comprehensive education. This is accomplished by keeping tuition as low as possible without impairing the quality or integrity of college programs and services.

A College of DuPage program graduate can expect a total lifetime earnings gain over a 40-year career of about \$479,000.

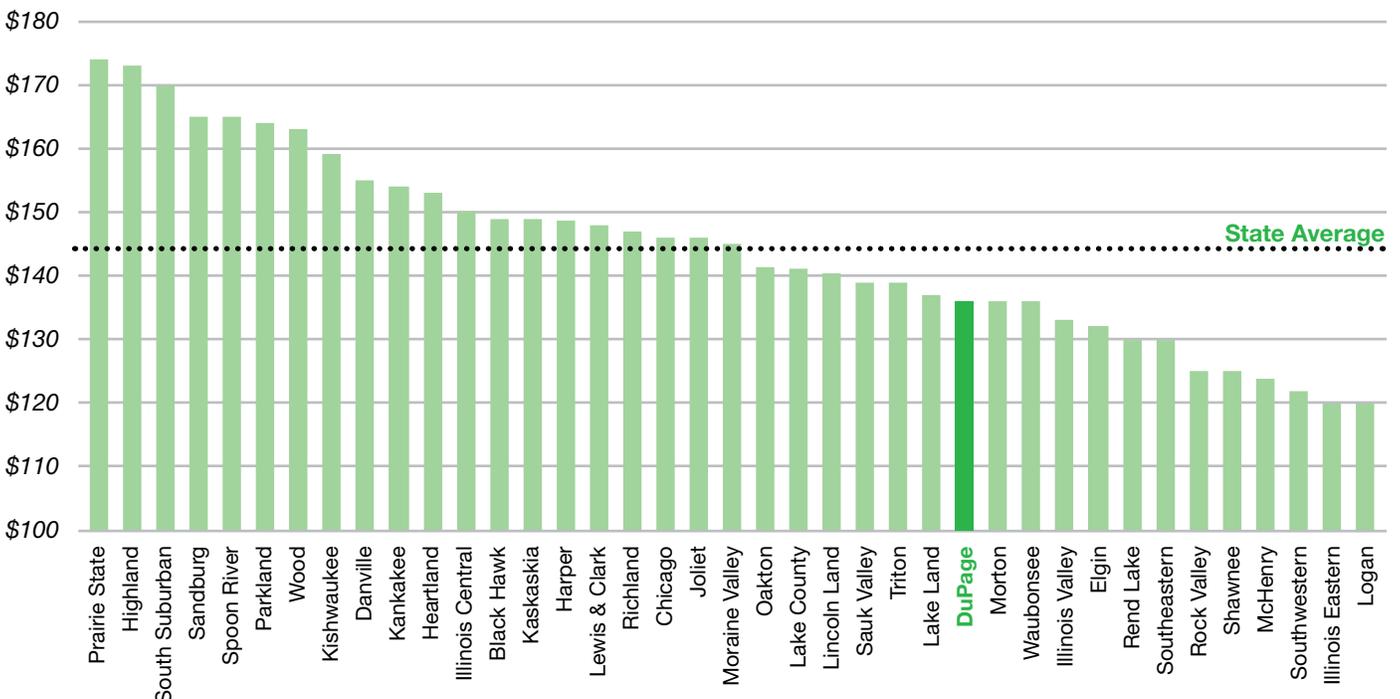
This is a 37% increase over those not completing a community college program.

Northern Illinois University, Center for Governmental Studies. College of DuPage's Economic Impacts, 2014.



FY2019 Tuition Rate Comparison

Illinois Community College System



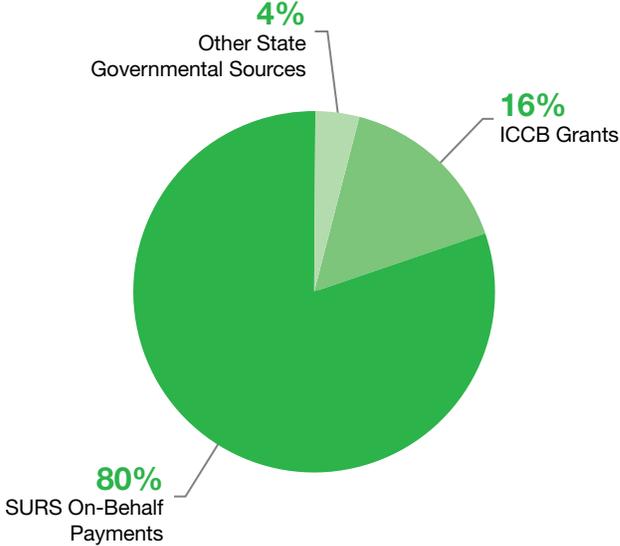
State Government

State appropriations are monies received from the State of Illinois. The monies are used to support operations and specific programs within the College.

Revenue Sources	Amount
ICCB Grants	\$15,753,687
SURS On-Behalf Payments	80,400,000
Other State Governmental Sources	3,922,500
Total	\$100,076,187

- \$15.8 million of the state appropriations distributed through the Illinois Community College Board (ICCB) is included in the FY2019 Budget. This amount is equal to the funding received in FY2011.
- \$80.0 million of state support relates to the State Universities Retirement System (SURS). The State of Illinois makes pension and healthcare plan payments on behalf of the College (“on-behalf payments”). These state payments are recognized both as revenue and an expenditure in the College’s financial statements.

State Appropriations





BUDGETED EXPENDITURES

General Fund

The General Fund includes the expenditures needed to conduct the day-to-day business of the College. Most of the instruction and instructional support activities are recorded in the General Fund.

Restricted Purposes Fund

The Restricted Purposes Fund is used to account for monies that have restrictions pertaining to their use, such as grants.

Bond and Interest Fund

This fund is used to account for the payment of principal, interest, and related charges on any outstanding long-term debt.

Construction Fund

Expenditures accounted for in this fund are typically non-recurring capital items and relate to projects which often take more than a year to complete.

Auxiliary Enterprises Fund

The Auxiliary Enterprises Fund is used to record revenues and expenditures related to providing services to students, faculty, staff, and the general public for which a fee is charged that is intended to recover associated costs.

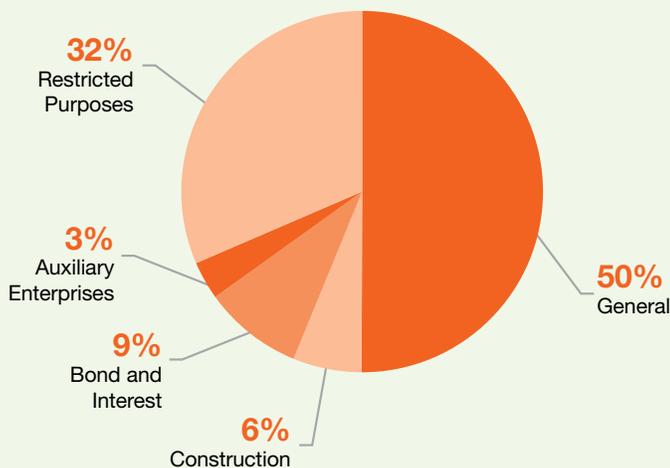
Working Cash Fund

This fund is used to facilitate effective cash flow for the College.

Per Capita Cost
\$470.81

The total cost of delivering a credit hour of instruction at College of DuPage in FY2017 was \$470.81.

Cost of Attendance



Expenditures

Fund	Amount
General	\$177,317,376
Restricted Purposes	111,523,365
Bond and Interest	31,503,280
Construction	21,791,338
Auxiliary Enterprises	12,168,798
Working Cash	7,000
Total	\$354,311,157

General Fund

The General Fund includes the expenditures needed to conduct the day-to-day business of the College. Together, the Education Fund and the Operations and Maintenance Fund constitute the College's General Fund.

- **Education Fund**

To account for academic and service programs.

- **Operations and Maintenance Fund**

To account for expenditures related to maintenance of the facilities and grounds.

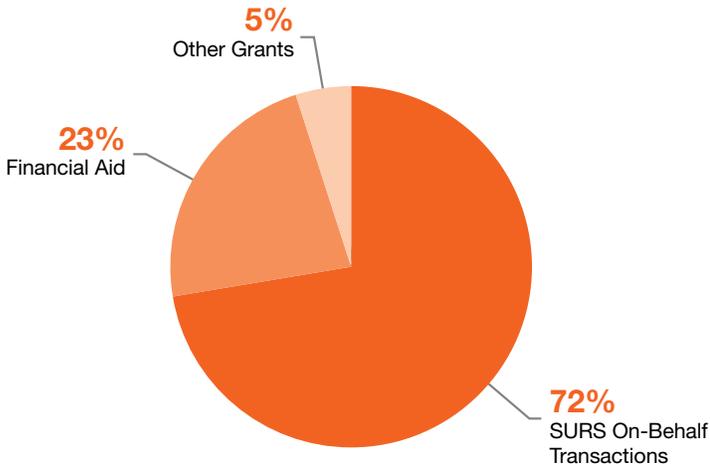
General Fund Expenditures By Division



Restricted Purposes Fund

The Restricted Purposes Fund is used to account for monies that have restrictions regarding their expenditure, such as grants.

Restricted Fund Expenditures



SURS On-Behalf Transactions

\$80.4 million of the state appropriation relates to the State University Retirement System pension costs. The State of Illinois makes pension and healthcare plan payments on behalf of the College. These payments are recognized both as a revenue and an expenditure in the College's financial statements.

Financial Aid

Financial aid is money to help students pay for college. The FY2019 budget includes \$26.5 million of aid, payable from the following sources:

- Federal Pell Grants
- Federal Work Study
- Federal Direct Loans
- Federal Plus Loans
- Opportunity Grants
- Scholarships
- Military Grants
- Student-to-Student Grants
- Monetary Award Program



Bond and Interest Fund

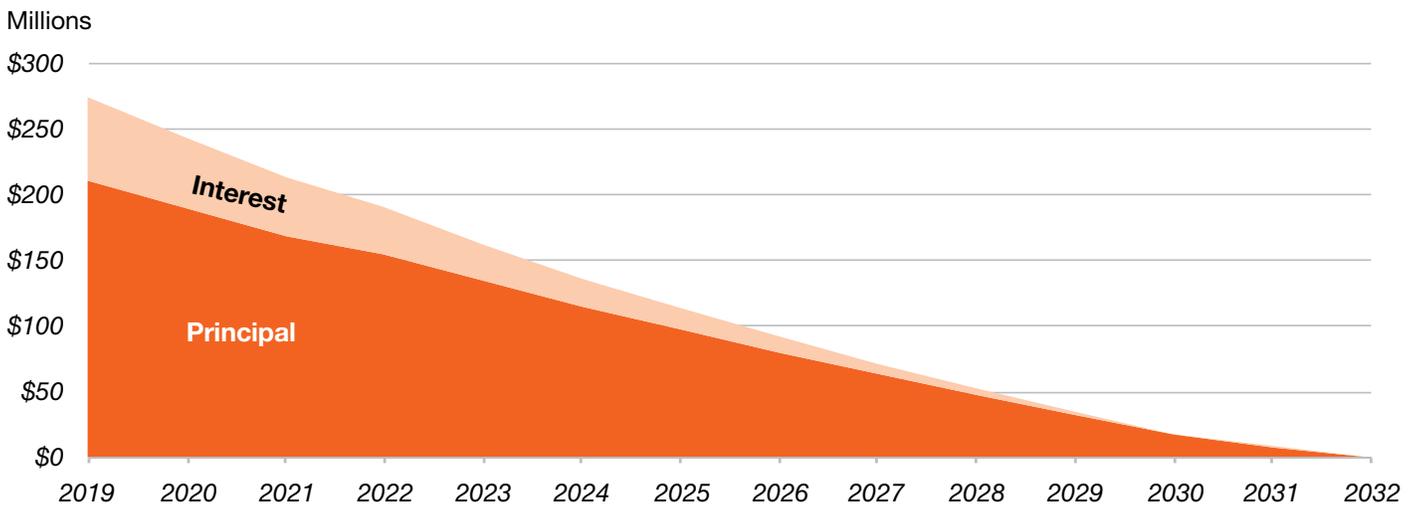
The Bond and Interest Fund is used to account for the payment of principal, interest, and related charges on any outstanding long-term debt issued by the College.

AA+ Rated

On March 12, 2018, Standard and Poor's Global Ratings raised its rating of the College's general obligation (GO) bonds from AA to AA+. The higher rating recognizes the College's continuing positive financial operations and its implementation of a new governing structure.



College's Outstanding Debt Schedule



Bond Refunding

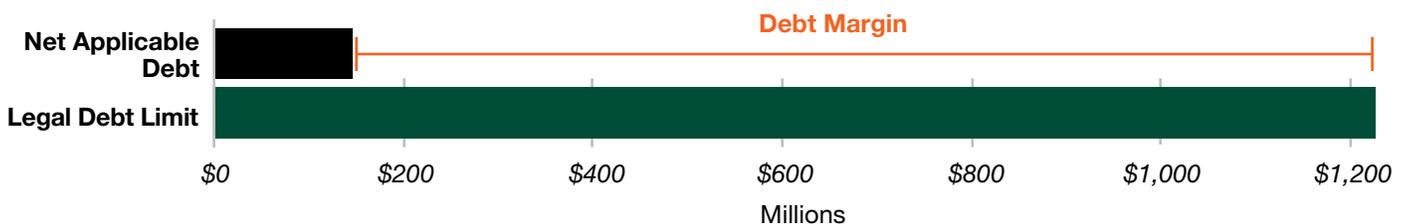
In March 2018, the College issued Series 2018 GO Bonds in the amount of \$30.1 million. The proceeds of these bonds were used to refund the College's Series 2007 General Obligation Bonds resulting in a net present value savings of \$2.1 million for the community.

The FY2019 budget includes \$506,000 to cover a potential refunding of its outstanding 2009B bonds. The soonest the College could refund the 2009B bonds is in September 2018.

Debt Margin

The College has \$143.5 million of net debt outstanding applicable to a legal limitation, leaving an estimated margin of \$1.1 billion for the 2017 tax year.

Debt Margin





BEEM Building Renovation



Student Services Support Center



Innovation DuPage

Construction Fund

Non-recurring capital items are generally charged to the Construction Fund and relate to projects that often take more than a year to complete.

FY2019 Major Capital Projects

Beem Building Renovation

In 2017, the College made the difficult decision to close its early childcare center in the Beem Building on campus. In FY2019, the College will relocate some program and administrative functions from east campus to the Beem Building on the west campus. This will create backfill opportunities for learning and support service activities on the east campus. (\$5,030,100)

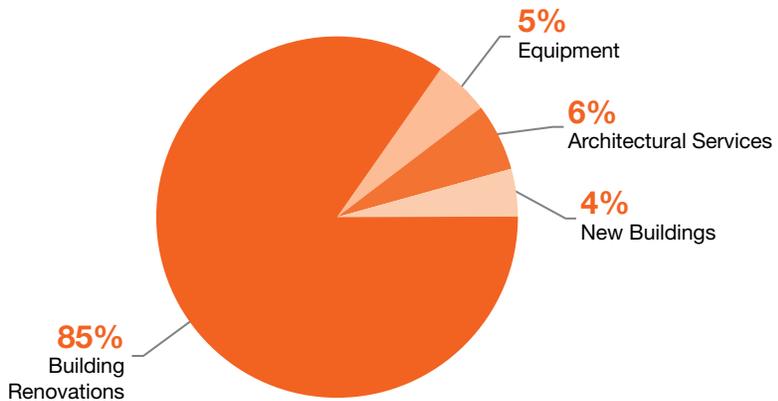
Student Services Support Center

A new student services support center will assist students in navigating all college protocols and optimizing their educational programming. The center's staff will monitor student progress and provide support services to help students succeed. A case management model is being implemented to facilitate the student's transition to the college environment, enhance learning, and improve outcomes. (\$2,000,000)

Innovation DuPage

Innovation DuPage, scheduled to open in 2018, will work as both a business incubator and accelerator connecting small businesses with the necessary resources to thrive and stimulate job growth. It involves partners from higher education and the public and private sectors working together to guide entrepreneurs, small businesses, and new companies on the path to success. (\$2,000,313)

Construction Categories



Auxiliary Enterprises Fund

The Auxiliary Enterprises Fund is used to record revenues and expenditures associated with the provision of services to students, faculty, staff, and the general public for a fee that is directly related to the service provided.

Each activity is accounted for in a manner similar to that which is used for a private business enterprise.

Major Business Enterprises

Continuing Education

There are more than 35 departments under the banner of Continuing Education (CE) organized into three main divisions: Business Solutions, Youth Academy, and Adult Enrichment. CE provides both credit and non-credit classes.

McAninch Arts Center

The McAninch Arts Center (MAC) houses and manages the performing arts for the College. The three major functions of the arts center consist of performances by internal and hired artists; touring shows; and operations and building upgrades.

WDCB Radio

WDCB is a broadcast service of College of DuPage from which the College can reach the community through cultural and news/public affairs programming. WDCB presents the College to a vast audience in northeastern Illinois, especially the greater Chicago metropolitan area and District 502.

Field Studies

Field Studies offers credit courses that combine classroom work with field experiences. Classes are experience based and faculty led. Courses include Arts and Culture, Interdisciplinary Learning Communities, Outdoor Adventure and Science and Nature. The courses vary from local to international destinations. Study Abroad courses immerse the student in culture and language of the host country.



Continuing Education



McAninch Arts Center

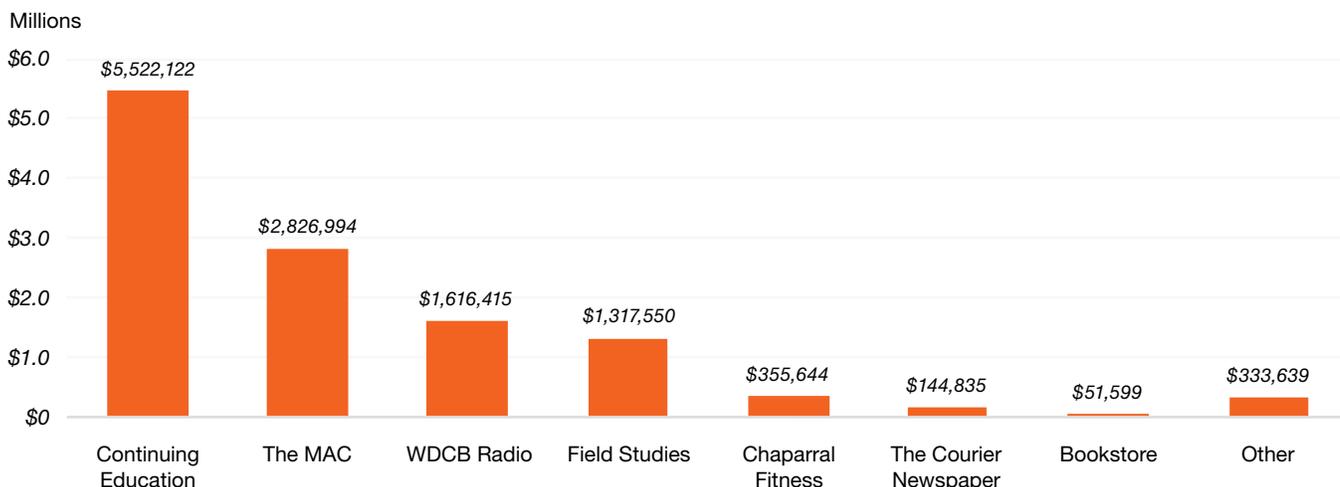


WDCB Radio



Field Studies

Auxiliary Expenditures by Business Unit



College of DuPage Budget Office

Dr. Brian W. Caputo, *Vice President, Administrative Affairs and Treasurer (CFO)*

Robert Hayley, *Budget Manager*

Antoinette Stella, *Budget Analyst*

The purpose of this Budget-in-Brief is to give the college community an overview of College of DuPage's FY2019 Budget. The complete FY2019 budget document can be found on the College's website: www.cod.edu/budget

For ADA accommodations, call (630) 942-2141 (voice) or (630) 858-9692 (TDD). Please call two weeks in advance.

©2018 College of DuPage. All rights reserved. FINAN-18-26642(8/18)500





College of DuPage
425 Fawell Boulevard
Glen Ellyn, IL 60137-6599
www.cod.edu