

REQUEST TO APPROVE 2013-14 BUDGET DEVELOPMENT ASSUMPTIONS AND GUIDELINES

Recommendation:

Staff recommends approval of the 2013-14 Budget Development Assumptions and Guidelines.

Summary

Staff will provide an overview of proposed budget development assumptions and guidelines for 2013-14, which are summarized in the following document. Supporting information for revenues and expenditures is attached. Staff will seek additional Board input and guidance.



**Northland Pioneer College
Departmental Budget Guidelines
FY 2013-14**

GENERAL ASSUMPTIONS

- Budget Development Calendar will be followed
- Introductory budget analysis for DGB in February will be prior to budget hearings and will be limited to an overview of expenditure and revenue trends.
- Preliminary budget analysis for DGB in March will include a detailed examination of budget planning similar to prior year preliminary budget analyses
- Statutory Expenditure Limit will be monitored. Carry-forward is available but should only be used to address short-term issues.

REVENUE ASSUMPTIONS

- Overall revenues are expected to remain flat compared to current fiscal year
- State funding expected to be increased in FY13-14 by approximately \$100,000
- Tuition and general fees will be set at a rate that
 - (A) Gives consideration to the impact on students
 - (B) Increases incrementally
 - (C) Is competitive in our market by maintaining a comparative position to the average tuition at other Arizona community colleges
- Course fees will be set at a rate calculated to offset expendable supplies and equipment
- Overall tuition and fee revenues are expected to decline as a result of a one-time adjustment in budget estimates to more favorably compare with audited financial statements
- Primary property tax will be levied at the maximum rate, which is 2% higher than current year tax and will require a truth-in-taxation hearing. Property tax valuation is expected to continue to decline causing a greater than 2% increase in the current tax rate of \$1.3515/\$100 NAV.
- Other revenues will be estimated based on historical information and emerging trends

EXPENDITURE ASSUMPTIONS

- Items in budget requests will be linked to the current **NPC Strategic Plan**. Any budget amounts that are higher than FY12-13 budget **or** actual historical spending will require written **justification and review during the budget hearing process.**
- Budget requests for operational and capital expenditures will be completed by **Friday, February 1, 2013.**

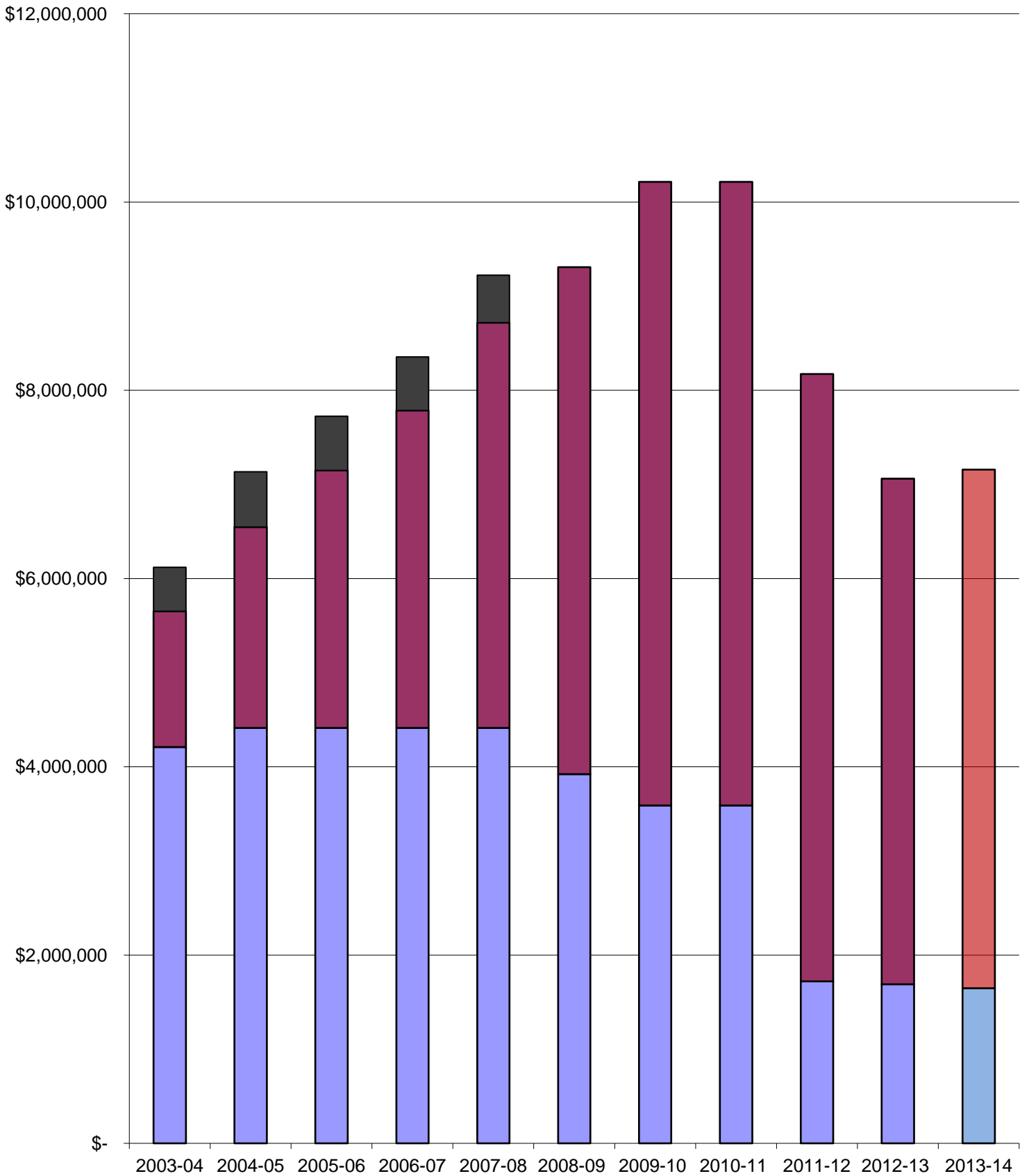
- SALARY SCHEDULES will be developed with
 - (A) Incrementally increasing rates
 - (B) Consideration to competitive market conditions by maintaining a comparative position to the average increases/rates at other local public entities, other Arizona community colleges, and other similar institutions.
 - (C) Consideration to salary recommendations received through the shared governance process
 - (D) Other
- BENEFITS will be developed with
 - (A) No expected major changes in base plan benefit structure with planned addition of a low deductible health insurance option
 - (B) Consideration on impact of third-party partnerships
 - (1) Navajo County Schools Employee Benefit Trust for medical and dental insurance
 - (2) Arizona State Retirement System for retirement contributions
- Education partner relationships will be maintained
 - (A) Apache County
 - (B) NAVIT
 - (C) Dual enrollment
 - (D) Other
- CAPITAL budget requests will be developed for a three-year period (2013 – 2016)
- GRANT funding will continue to be identified and pursued
- AUXILIARY fund activities will be maintained
- Other

Budget Categories & Targets:

| | |
|---------------------------|---|
| Revenues | <ul style="list-style-type: none">• Budget will be prepared by Administrative Services. |
| Salaries/Wages & Benefits | <ul style="list-style-type: none">• Budget will be prepared by Administrative Services except for the following that budget managers will <u>include in budget request:</u><ul style="list-style-type: none">○ Adjunct Salaries,○ Overload,○ Temporary Salaries,○ Lab Aids, and○ Substitute Salaries. |
| Operating Expenditures | <ul style="list-style-type: none">• Funding expected to remain level in FY 13-14.• Budget requests should reflect only those items required to maintain service levels.• Any new programs/services must be initiated through the shared governance process, including adoption in the strategic plan. |
| Capital Expenditures | <ul style="list-style-type: none">• No state funding is expected in future• All request for funding must be covered from the operation budget or reserved funds. |

NPC State Aid Revenues

■ OPERATING STATE AID ■ EQUALIZATION AID ■ CAPITAL OUTLAY



2014 budget development
Estimated