

## **Board of Trustees Agenda Item**

**Board Meeting Date:** July 11, 2011

**Title of Item:** Campus Center Use Fee Increase – Foothill College

### **Background and Analysis:**

The administration at Foothill College in conjunction with the District Accounting Office has determined that the current fee of \$16 is insufficient to meet financial obligations for the fiscal year 2011-12. The Campus Center Use Fee is restricted for the purpose of retirement of the 2006 Certificate of Participation (COP) that financed a portion of the construction cost for the new Foothill Campus Center building. The Student Use Fee also is used for repairs and maintenance of the campus center facility and cost of personnel support of the campus center operations. The current fee of \$16 is already insufficient to meet the 2010-2011 expense components listed above. The problem is further compounded by the projected drop in enrollment in 2011-2012.

To meet anticipated obligations for the year 2011-2012 we have determined that the student use fee needs to be increased to \$20 per quarter for on-campus students and \$10 per quarter for off-campus students. Foothill will revisit this fee as enrollment recovers.

In May 2011, this proposal was presented to and acknowledged by the Associated Students of Foothill College (ASFC). This item was also presented to the Campus Center Board on May 11, 2011.

The purpose of this agenda item is to request that the Board, per Education Code 81956, approve the increase in Campus Center Use Fee for Foothill College at \$20 per quarter for on-campus students and \$10 per quarter for off-campus students.

Education Code Section 81956 authorizes the governing board of a community college district to charge rents, charges, and fees to cover annual operating and maintenance expenses, and to make bond payments for a student body facility.

### **Recommendation:** (specify if information only)

Approval.

|                           |  |
|---------------------------|--|
| Submitted by:             | Judy Miner ex 7200                       |
| Additional contact names: | Shirley Treanor ex 7364, Pat Hyland 7389 |
| Is backup provided?       | Yes                                      |

## Foothill Campus Center Student Use Fee Fund

Tentative Budget FY 2011-12

|   | <b>Foothill Campus<br/>Center Use Fees</b> | <b>Foothill Virtual<br/>Campus Center<br/>Fees</b> | <b>Total Foothill<br/>Campus Center<br/>Tentative Budget</b> |
|---|--|--|--|
| Campus Center Use Fees                    | 893,760                                    | 23,520   | 917,280  |
| <b>Total Revenue</b>                      | <b>893,760</b>                             | <b>23,520</b>                                      | <b>917,280</b>   |
| Manager Salaries Noninstruction           | 70,127                                     | -  | 70,127   |
| Classified Salaries                       | 112,226                                    | -  | 112,226  |
| Student Salaries                          | -  | 20,000   | 20,000   |
| Total Salaries                            | 182,353                                    | 20,000   | 202,353  |
| Benefit Budget                            | 62,329                                     | 2,000  | 64,329   |
| Total Benefits                            | 62,329                                     | 2,000  | 64,329   |
| Miscellaneous Supplies                    | 700  | -  | 700  |
| Total Materials and Supplies              | 700  | -  | 700  |
| Insurance                                 | 12,831                                     | -  | 12,831   |
| Utilities                                 | 33,766                                     | -  | 33,766   |
| Technical & Professional Services         | 75,000                                     | -  | 75,000   |
| Misc Operating Expenses                   | 25,000                                     | 1,520  | 26,520   |
| Total Operating Expenses                  | 146,597                                    | 1,520  | 148,117  |
| <b>Total Expenses</b>                     | <b>391,979</b>                             | <b>23,520</b>                                      | <b>415,499</b>   |
| Mandatory Transfer Out (Debt Service Pmt) | 471,306                                    | -  | 471,306  |
| Non-Mandatory Transfer Out                | 1,377                                      | -  | 1,377  |
| <b>Other Out Go</b>                       | <b>472,683</b>                             | <b>-</b>   | <b>472,683</b>   |
| <b>Net Change in Fund Balance</b>         | <b>29,098</b>                              | <b>-</b>   | <b>29,098</b>  |
| Estimated Beg Fund Balance, July 1st,     | -  | -  | -  |
| <b>Estimated End Fund Balance</b>         | <b>29,098</b>                              | <b>-</b>   | <b>29,098</b>  |

### Assumptions

|   |        |       |        |
|---|--------|-------|--------|
| Est. Annual Fee Collected from<br>total students paying use fee - 47,040<br>(6% enrollment reduction for FY2011-2012) | 44,688 | 2,352 | 47,040 |
| Proposed On-Campus Center Fee:  | \$20   |       | \$20   |
| Proposed Off-Campus Center Fee:   |        | \$10  | \$10   |

Projected expenses include a reduction of salaries and benefits of approximately \$160K that is being absorbed by ASFC. All other operating expenses are comparable to FY 2010-11 expenses.