

Appendix F

Budget



North Idaho College

**North Idaho College
General Fund
Approved Operating Budget
FY 13 -FY 14**

	<u>FY13 Budget</u>	<u>FY14 Changes</u>	<u>FY14 Budget</u>
Changes in Revenue			
Tuition and Fees Base	\$ 13,022,064		\$ 13,022,064
Structure Change	-	\$ 1,211,054	\$ 1,211,054
Base Adjustment ¹		\$ 2,057,601	\$ 2,057,601
Enrollment Decrease 5%	-	\$ (546,417)	\$ (546,417)
Base Adjustment for FY13 Shortfall		\$ (996,924)	\$ (996,924)
\$5 per credit tuition increase	-	\$ 600,000	\$ 600,000
Subtotal	<u>\$ 13,022,064</u>	<u>\$ 2,325,314</u>	<u>\$ 15,347,378</u>
State General Funds Base	\$ 9,877,200		\$ 9,877,200
State General Fund Change ²	-	352,400	\$ 352,400
PTE Funding Base	\$ 4,066,816		\$ 4,066,816
PTE Funding Change	-	12,800	\$ 12,800
Property Tax Base	\$ 13,668,144		\$ 13,668,144
New Property on Rolls (estimate)	-	130,000	\$ 130,000
Interest Income Base	\$ 7,476		\$ 7,476
All other Revenue ³	<u>\$ 1,820,858</u>	<u>\$ (530,661)</u>	<u>\$ 1,290,197</u>
FY14 Revenue Projection	<u>\$ 42,462,558</u>	<u>\$ 2,289,853</u>	<u>\$ 44,752,411</u>
Percentage Change			5.12%
			\$ 2,289,853

¹ FY13 budgeted tuition reflected gross tuition net of Grant in Aid, Staff Tuition Waivers and Athletics Contributions
In FY14 those items are budgeted within the expense line items for transparency

² Includes \$76,800 for benefit changes; \$25,600 for Enrollment workload Adj; \$250,000 for line item request

³ Includes County Tuition revenue, Misc Tax Receipts, and Miscellaneous Revenue.
Reduction is for transfer of Children's Center, Schuler Perf Arts Center and Parking to other funds

North Idaho College
General Fund
Approved Operating Budget
FY 13 -FY 14

Revenue

Tuition and Fees	\$	15,347,378
State General Fund Allocation		10,229,600
State Professional Technical Allocation		4,079,616
Property Taxes		13,798,144
Other Revenue		
County Tuition Payments		735,797
Miscellaneous Tax Receipts		456,000
Other Revenue		105,876
Total Revenue	\$	<u>44,752,411</u>

Operating Expenses

Academic Instruction	\$	14,172,041
PTE Instruction		4,116,088
Academic Support		3,979,091
Student Services		3,469,096
Institutional Support		7,214,639
Physical Plant		3,737,509
Public Service		90,135
Student Aid		1,076,355
Transfers		6,897,457
Total Expenditures	\$	<u>44,752,411</u>

**North Idaho College
Approved Plant Fund Budget FY2014**

	FY13 Budget	FY14 Budget
Total Funding:	\$ 4,248,749	\$ 4,674,253
Obligations:		
Rent	\$ 422,540	\$ 341,192
Enrollment Contingency	\$ 211,648	\$ -
Equip Replacement Schedule	\$ 601,450	\$ 719,950
Instructional Equipment Replacement		\$ 600,000
Capital Investment Reserve	\$ 2,588,111 ¹	\$ 2,588,111
Plant Fund Contingency	\$ 425,000	\$ 425,000
Net Plant Fund	\$ -	\$ -

1- includes the 1% property tax increase for FY13

**North Idaho College
FY14 Approved Budget**

Total Institution

	General Fund	Fee Based	Services	Grants	Total NIC
Tuition and Fee Revenue	\$ 15,347,378	\$ 1,234,010	\$ 1,342,230		\$ 17,923,618
Federal Revenue	\$ -		18,000	5,102,346	5,120,346
State Revenue	\$ 14,309,216			664,680	14,973,896
Local Revenue	\$ 14,254,144				14,254,144
Interest Income	\$ 7,476				7,476
Purchase Discount	\$ 1,500				1,500
Net Sales Revenue	\$ -	7,000	2,548,324		2,555,324
Rental Revenue	\$ -	39,000	75,000	40,000	154,000
Other Revenue	\$ 832,697	1,167,026	1,448,391	1,628,590	5,076,704
Total Revenue	\$ 44,752,411	\$ 2,447,036	\$ 5,431,945	\$ 7,435,616	\$ 60,067,008
Salary Expense	\$ 23,531,751	\$ 1,219,424	\$ 2,511,544	\$ 2,477,423	\$ 29,740,142
Benefits	\$ 7,414,463	393,972	844,283	963,941	9,616,659
Equipment	\$ 224,139	14,676	105,400	564,000	908,215
Operating Expenses	\$ 13,582,058	818,964	1,775,984	3,430,252	19,607,259
Total Expenses	\$ 44,752,411	\$ 2,447,036	\$ 5,237,211	\$ 7,435,616	\$ 59,872,275
Net Income	-	-	\$ 194,734	\$ -	\$ 194,733

Tax Base

FY2007, FY2008	Total Revenue and expenses include Workforce Training PTE Revenue includes supplemental grant Includes Athletics	FY2012, FY2013	Does NOT include Workforce Training Does NOT include Athletics Tuition revenue is net of waivers
FY2009	Foregone increase for Millsite in Levy amount Total Revenue and expenses include Workforce Training Includes Athletics	FY2014	Does NOT include Workforce Training Does NOT include Athletics Tuition revenue is NOT net of waivers
FY2010	Does NOT include Workforce Training Includes Athletics State General Allocation holdback of \$766K	HOE	FY07 75,000
		Per Idaho State	FY08 89,325
		Tax Commission	FY09 100,398
FY2011	Does NOT include Workforce Training Does NOT include Athletics Tuition revenue is net of waivers State General Allocation includes \$1.8M	Website	FY10 104,471
			FY11 101,153
			FY12 92,040
			FY13 83,974
			FY14 81,000

FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	Change from 07 to 14
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Levy rate in mils	0.000531039	0.000509932	0.000727467	0.000829344	0.001059342	0.001108407	0.001220307	0.001213545	128.52%
K county valuation	15,053,706,037	17,664,796,483	15,993,530,978	15,331,477,650	12,181,378,195	12,057,168,530	11,200,578,215	11,366,038,227	-24.50%
\$ from K county property taxes	7,994,105	9,007,845	11,634,766	12,715,069	12,904,248	13,364,250	13,668,144	13,793,194	72.54%
Cost to Homeowner after exemption (\$200K value)	66.38	56.44	72.75	82.93	105.93	119.66	141.59	144.41	117.55%
\$ from State w/o special grants	10,656,000	11,083,800	10,941,300	9,490,300	11,093,900	8,942,900	9,877,200	10,229,600	State General
\$ from State - grants	4,421,599	4,502,083	4,282,903	4,244,887	3,917,410	3,948,609	4,066,816	4,079,616	State PTE Funding
\$ from other sources -									
Feds									
Private sources (like foundations)									
\$ from tuition	8,051,267	8,461,712	9,915,879	12,460,408	11,826,769	12,326,223	12,016,923	15,347,378	Fall, Spring and Summer - does not include out of county. FY14 figure is Budget
Total revenue	33,937,981	36,128,255	39,836,061	41,014,736	42,198,130	41,815,903	42,777,913	44,752,411	General Fund Only
total spending	32,374,806	35,258,472	39,058,207	39,452,385	38,203,063	41,664,935	42,236,789	44,752,411	General Fund Only
changes in reserves addition (reduction)	1,563,175	869,783	777,853	1,562,351	3,995,068	150,967	541,124	n/a	General Fund Only
Financial aid awarded and distributed	11,500,000	11,666,861	16,265,779	28,510,490	37,595,249	39,275,152	37,609,190		From NIC Facts and Information booklets. FY13 is estimate. Includes tuition waivers (GIA)
# of tuition waivers granted (athletics & others)	784,268	804,695	840,333	879,717	899,615	960,786	1,002,871	958,000	\$ of Tution waived (including staff and dependent waivers) FY14 figure is budget
Credit enrollment - headcount									
Fall semester	4650	4856	5659	6347	6751	6543	6574		
Spring semester	4246	4408	4860	5852	6426	6422	6072		
Average	4448	4632	5260	6100	6589	6483	6323		
percent change y over y		4.14%	13.55%	15.97%	8.02%	-1.61%	-2.46%		
Cumulative						45.74%	36.51%		

FACILITY FUNDING OPTIONS

The following are methods allowed by the Idaho Code for funding facilities. This listing was prepared by Marc Lyons.

Special Plant facilities Fund (SPFL)

Attached is a memo that Megan, from Ramsden and Lyons, prepared for us in October on the SPFL issue. Depending on the amount requested, voter approval is required at the 55%, 60%, or 66 and 2/3% levels.

Supplemental levy authorized by IC 33-2111

Like a supplemental levy, as if the college was a school district [election pursuant to Title 34]; Approval by a voting majority.

Additional tax levy for gym and grounds – IC 33-2112.

Tax levy not exceeding one one-hundredth percent (.01%) on each dollar or the assessed value of taxable property within the district. This statute says that it is “in addition to other taxes authorized by law....” 33-2111 provides that a board of trustees may levy “a tax not to exceed one hundred twenty-five thousandths percent (.125%) of market value for assessment purposes on all taxable property within the district.” It seems the gym levy is in addition to the 33-2111 cap. No vote requirement, but sure to attract attention for raising taxes.

Idaho Code section 33-2113, regarding capital funds, in addition to also discussing SPFL (see attached memo), provides in relevant part that “The board of trustees of each junior college district may issue general obligation bonds in the manner and form, and for the same purposes, as prescribed for public school districts, the maximum amount of general obligation bonds outstanding, computed in the manner so prescribed shall not at any time exceed one per cent (1%) of the market value for assessment purposes of the taxable property in the district.”

This statute (33-2113) also allows community college districts to issue bonds in the same manner and form, and for the same purposes, as state institutions of higher education pursuant to chapter 38, title 33 of the Idaho Code. Marc has little familiarity with them, but the higher education bonds do not appear to require voter approval.

Any one of these options does, of course, have political ramifications. Marc does not believe that NIC has ever attempted to raise money through either a supplemental levy or SPFL

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October 4, 2012

MEMORANDUM

To: Marc Lyons
From: Megan O'Dowd
Re: School plant facilities reserve fund levy

ISSUE:

Is NIC authorized to exercise school plant facilities levying powers that are afforded to school districts in Chapter 8, Title 33 of the Idaho Code?

If NIC is so authorized, what limitations exist on the use of such levying powers?

SUMMARY:

NIC is authorized to create a school plant facilities reserve fund and to levy for such funds in an amount that does not exceed .4% of the assessed land value in the district for a period of 10 years or less.

ANALYSIS:

Idaho Code authorizes a community college to create a school plant facilities reserve fund "in the manner, and for the same purposes, as prescribed for school districts." I.C. 33-2113(1). Although this provision does not expressly authorize a school plant *levy*, the manner in which a school plant reserve fund is capitalized is through a school plant levy. *See* I.C. 33-901. Therefore, this provision empowers a community college to create a school plant reserve fund, and to levy for the fund, just as any school district in Idaho could do.

An Idaho school district can create a school plant facilities reserve fund (the SPFR) by resolution at any regular or special meeting. I.C. 33-901. The SPFR is funded with taxes levied pursuant to the SPFR levying power, investments of monies in the fund, as well as

depreciation of school facilities. I.C. 33-901. Disbursements from this fund can be made for the purposes authorized by 33-1102, as well as for payments of lease and lease purchase agreements with lending institutions for the construction of facilities. *Id.* This fund can also be used to participate in a local improvement district where the school is located, but such participation cannot create a lien on the property owned by the school. *Id.*

Any school board that has created a school plant facilities reserve fund can submit to the electors a school plant facilities reserve fund levy not to exceed .4% of the assessed land value in the district for a period of not more than 10 years. I.C. 33-804 (emphasis added). The moneys can be used to “acquire, purchase or improve a school site or school sites; to build a schoolhouse or schoolhouse or other building or buildings . . . including all lighting, heating, ventilation and sanitation facilities and appliances necessary to maintain and operate the buildings of the district . . .” I.C. 33-1102 (emphasis added). The required voter approval rating changes based on the amount of the levy: (1) a levy that is less than .2% of the market value requires a 55% voter approval; (2) a levy between .2 and .3% requires a 60% voter approval; (3) a levy in excess of .3% but not to exceed .4% requires 2/3 of voters to approve the levy. I.C. 33-804.

CONCLUSION

NIC can exercise the school plant facilities reserve fund levying power so long as (1) the NIC board creates a school plant facilities reserve fund, (2) the appropriate percentage of voters approves the levy, (3) the levy is limited to ten years, and (4) the funds are used for one of the authorized expenditures.

Additional considerations will be required for any project that is likely to exceed one year. Article VIII, Section 3 of the Idaho Constitution requires approval by 2/3 of the electorate in order for a public entity to incur a debt or obligation in excess of one year. A school plant facilities levy that is .3% or less than the assessed value of the land in the district does not require 2/3 voter approval and does not displace the constitutional limitations set forth in Article 3. NIC may be able to enter into financing and lease agreements that are subject to annual appropriation clauses in order to facilitate a transaction in excess of one while still complying with these constitutional limitations.