

ALABAMA COMMUNITY COLLEGE SYSTEM

RECOMMENDATION FOR ACTION

September 6, 2017
Date of Board Meeting Action

Action Item Number VII.A.1.
Chancellor's Recommendation
Source

ACTION ITEM TITLE

ALABAMA COMMUNITY COLLEGE SYSTEM INSTITUTIONS
2017-2018 Budgets

RECOMMENDATION

It is recommended "That the Alabama Community College System Board of Trustees approve the 2017-2018 budgets as presented by the Chancellor for the community and technical colleges, Alabama Technology Network (ATN) and Marion Military Institute (MMI)."

FISCAL CONSIDERATION

The total projected revenues for the 2017-2018 fiscal year for the twenty-three community and technical colleges, Alabama Technology Network, and Marion Military Institute is \$914,851,314. The projections for the community and technical colleges and MMI are based on State Education Trust Fund (ETF) appropriations, estimated fees collections, auxiliary enterprise operations, estimated Federal, State, and local grants and contracts, and other miscellaneous income. The ATN revenues include the ETF funding, and projections for Federal and State grants and other miscellaneous income.

RATIONALE

Each entity of the Alabama Community College System has prepared and submitted a preliminary budget for its annual operation based on various revenue sources for the fiscal year 2017-2018. The approval of the budgets will allow the institutions and entities of the System to continue operation into the 2017-2018 fiscal year.

Revenue sources available to community and technical colleges for 2017-2018 general operations, with prior year figures, are as follows:

<u>Revenues</u>	<u>Budget 2016-2017</u>	<u>Proposed 2017-2018</u>
ETF-Operations and Maintenance	\$ 305,317,041	\$ 302,562,041
Other State Funds	\$ 27,866,061	\$ 28,190,743
Tuition and Fees	\$ 279,009,532	\$ 275,800,769
Auxiliary Enterprises	\$ 20,718,635	\$ 19,625,411
Federal Funds	\$ 253,809,008	\$ 249,016,396
Other Fund Sources	\$ 13,078,962	\$ 13,700,308
Total Revenues	\$ 899,799,239	\$ 888,895,668

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Revenue sources available for the ATN and MMI for 2017-2018 general operations, with prior year figures, are as follows:

<u>Revenues</u>	Alabama Technology Network		Marion Military Institute	
	Budget 2016-2017	Proposed 2017-2018	Budget 2016-2017	Proposed 2017-2018
ETF-Operations and Maintenance	\$ 4,896,762	\$4,896,762	\$ 7,820,936	\$ 7,820,936
Other State Funds	\$ -	\$ -	\$ -	\$ -
Tuition and Fees	\$ -	\$ -	\$ 4,067,100	\$ 4,196,225
Auxiliary Enterprises	\$ -	\$ -	\$ 3,070,040	\$ 3,170,315
Federal Funds	\$ 1,780,800	\$1,780,800	\$ 1,200,239	\$ 1,169,468
Other Fund Sources	\$ 2,701,406	\$2,573,140	\$ 348,000	\$ 348,000
Total Revenues	\$ 9,378,968	\$9,250,702	\$ 16,506,315	\$16,704,944

The primary source of revenues for the community and technical colleges include State appropriations and tuition and fees. Of the total revenues projected, the State appropriations from the Education Trust Fund accounts for 34.46 percent, tuition and fees represent 30.61 percent, and federal funds account for 27.54 percent. The remaining 7.39 percent is comprised of other state funds, auxiliary revenues, and miscellaneous fund sources.

Expenditures budgeted by the community and technical colleges for 2017-2018, with prior year figures, are as follows:

<u>Expenditures by Function</u>	Budget 2016-2017	Proposed 2017-2018
Instruction	\$ 297,736,161	\$ 289,309,973
Public Service	\$ 3,186,629	\$ 4,883,961
Academic Support	\$ 56,079,179	\$ 53,312,465
Student Services	\$ 82,185,607	\$ 83,673,867
Institutional Support	\$ 106,925,094	\$ 105,084,176
O & M of Plant	\$ 69,076,941	\$ 70,360,468
Scholarship	\$ 216,250,357	\$ 222,165,004
Mandatory Transfers	\$ 41,919,949	\$ 41,718,432
Auxiliary Enterprises	\$ 20,522,559	\$ 16,819,634
Total Expenditures by Function	\$ 893,882,476	\$ 887,327,981

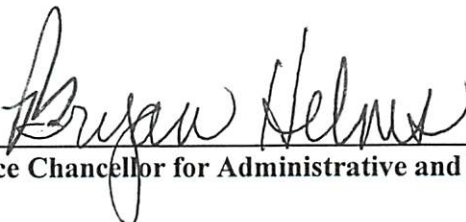
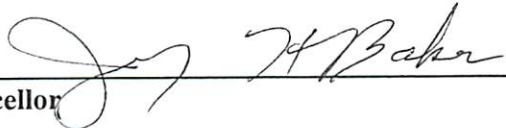
Expenditures budgeted by the ATN and MMI for 2017-2018, with prior year figures, are as follows:

<u>Expenditures by Function</u>	<u>Alabama Technology Network</u>		<u>Marion Military Institute</u>	
	<u>Budget</u> <u>2016-2017</u>	<u>Proposed</u> <u>2017-2018</u>	<u>Budget</u> <u>2016-2017</u>	<u>Proposed</u> <u>2017-2018</u>
Instruction	\$ 7,406,323	\$ 7,099,750	\$ 1,777,928	\$ 1,755,316
Public Services	\$ -	\$ -	\$ -	\$ -
Academic Support	\$ -	\$ -	\$ 1,018,461	\$ 1,212,458
Student Services	\$ -	\$ -	\$ 3,371,609	\$ 3,184,372
Institutional Support	\$ 1,315,087	\$ 1,316,844	\$ 2,295,321	\$ 2,269,687
O & M of Plant	\$ -	\$ -	\$ 2,123,764	\$ 2,243,454
Scholarships	\$ -	\$ -	\$ 2,854,350	\$ 3,061,546
Mandatory Transfers	\$ -	\$ -	\$ 293,100	\$ 295,800
Auxiliary Enterprises	\$ 503,906	\$ 503,906	\$ 2,571,570	\$ 2,666,752
Total Expenditures by Function	\$ 9,225,316	\$ 8,920,500	\$ 16,306,103	\$ 16,689,385

State teachers' retirement benefits increased from 12.01% to 12.24% for Tier 1 employees and increased from 10.82% to 11.01% for Tier II employees. Public Education Employee's Health Insurance Plan costs remain constant at \$800 per month.

Eleven institutions in the Alabama Community College System are projecting a three-month or more contingency balance in the current unrestricted and unexpended plant funds with fourteen more projecting the two-month contingency that is required by the Chancellor. Contingency balance indicates the number of months each institution's available fund balance would pay current unrestricted expenditures, including mandatory transfers, in the event of emergency situations.

Code/Statute Act No. 2017-335
 Act No. 2015-125
 Policy _____

 9/1/17 ' ' / /
 Vice Chancellor for Administrative and Financial Services Date
 _____ / /
 Legal Counsel Date
 _____ / /
 Date
 8/31/17
 Chancellor Date

Action by Board:
<input type="checkbox"/> Tabled
<u>9-6-17</u> <input checked="" type="checkbox"/> Approved
<input type="checkbox"/> Disapproved
<input type="checkbox"/> Amended (describe)
<input type="checkbox"/> Additional action required