

ALABAMA COMMUNITY COLLEGE SYSTEM

RECOMMENDATION FOR ACTION

September 9, 2020

Date of Board Meeting Action

Action Item Number VII.A.5.

Chancellor's Recommendation

Source

ACTION ITEM TITLE

ALABAMA COMMUNITY COLLEGE SYSTEM INSTITUTIONS
2020-2021 ACCS Operating Budgets

RECOMMENDATION

It is recommended "That the Alabama Community College System Board of Trustees approve the 2020-2021 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 amount of the 2020-2021 budget for the twenty-five community and technical colleges and Marion Military Institute is \$951,126,367 based on State Education Trust Fund (ETF) appropriations, estimated fess collections, auxiliary enterprise operations, estimated Federal, State, and local grants and contract, 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 budget for its annual operation based on various revenue sources for the fiscal year 2020-2021. The approval of the budgets will allow the institutions and entities of the System to continue operation into the 2020-2021 fiscal year.

Revenue sources available to community and technical colleges for 2020-2021 general operations, with prior year figures, are as follows:

	Budget	Proposed
<u>Revenues</u>	<u>2019-2020</u>	<u>2020-2021</u>
ETF-Operations and Maintenance	335,375,248	339,778,443
Other State Funds	35,072,605	34,334,842
Tuition and Fees	285,201,448	277,201,123
Auxiliary Enterprises	12,741,678	10,552,420
Federal Funds	251,070,549	250,037,954
Other Fund Sources	14,237,648	13,248,552
Total Revenues	933,699,176	925,153,334

Revenue sources available for the ATN and MMI for 2020-2021 general operations, with prior year figures, are as follows:

	Alabama Technology Network		Marion Military Institute	
<u>Revenues</u>	<u>Budget</u> <u>2019-2020</u>	<u>Proposed</u> <u>2020-2021</u>	<u>Budget</u> <u>2019-2020</u>	<u>Proposed</u> <u>2020-2021</u>
ETF-Operations and Maintenance	5,448,518	5,448,518	8,994,438	8,994,438
Other State Funds	0	0	0	0
Tuition and Fees	0	0	3,695,768	3,669,807
Auxiliary Enterprises	0	0	2,710,752	2,878,002
Federal Funds	1,942,802	2,447,073	1,158,129	984,418
Other Fund Sources	2,288,906	1,372,611	318,000	178,166
Total Revenues	9,680,226	9,268,202	16,877,087	16,704,831

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 37.24 percent, tuition and fees represent 29.53 percent, and federal funds account for 26.65 percent. The remaining 6.58 percent is comprised of other state funds, auxiliary revenues, and miscellaneous fund sources.

Expenditures budgeted by the community and technical colleges for 2020-2021, with prior year figures, are as follows:

<u>Expenditures by Function</u>	<u>Budget</u> <u>2019-2020</u>	<u>Proposed</u> <u>2020-2021</u>
Instruction	307,107,944	301,293,424
Public Service	4,952,769	4,938,516
Academic Support	56,958,948	52,754,924
Student Services	88,837,173	89,248,335
Institutional Support	112,716,696	115,076,653
O & M of Plant	72,035,685	75,263,450
Scholarship	226,736,080	220,398,885
Mandatory Transfers	43,170,358	42,482,093
Auxiliary Enterprises	10,513,227	13,370,714
Total Expenditures by Function	923,028,880	914,826,994

Expenditures budgeted by the ATN and MMI for 2020-2021, with prior year figures, are as follows:

<u>Expenditures by Function</u>	Alabama Technology Network		Marion Military Institute	
	Budget 2019-2020	Proposed 2020-2021	Budget 2019-2020	Proposed 2020-2021
Instruction	7,474,576	7,213,065	1,755,229	1,873,900
Public Services	0	0	0	0
Academic Support	0	0	1,248,394	943,597
Student Services	0	0	3,213,580	3,266,123
Institutional Support	1,467,867	1,551,231	2,423,641	2,493,199
O & M of Plant	0	0	2,183,748	2,143,151
Scholarships	0	0	2,975,853	2,974,090
Mandatory Transfers	0	0	290,148	288,852
Auxiliary Enterprises	503,906	503,906	2,541,486	2,721,822
Total Expenditures by Function	9,446,349	9,268,202	16,632,079	16,704,734

State teachers' retirement benefits decreased from 12.43% to 12.36% for Tier 1 employees and decreased from 11.34% to 11.22% for Tier II employees. Public Education Employee's Health Insurance Plan costs remain constant at \$800 per month.

Nineteen 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 six more projecting at least 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. 2020-169
Act No. 2015-125

Policy


Vice Chancellor for Administrative and Financial Services

9/9/20

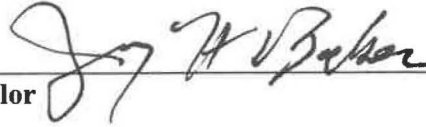
Date

Legal Counsel

1/1

Date

Chancellor



9/9/20

Date

Action by Board:

9-9-20 Tabled

Approved

Disapproved

Amended (describe)

Additional action required