

ALABAMA COMMUNITY COLLEGE SYSTEM

RECOMMENDATION FOR ACTION

September 8, 2021
Date of Board Meeting Action

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

ACTION ITEM TITLE

ALABAMA COMMUNITY COLLEGE SYSTEM INSTITUTIONS
2021-2022 ACCS Operating Budgets

RECOMMENDATION

It is recommended "That the Alabama Community College System Board of Trustees approve the 2021-2022 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 2021-2022 budget for the twenty-three community and technical colleges and Marion Military Institute is \$1,094,616,892 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 2021-2022 The approval of the budgets will allow the institutions and entities of the System to continue operation into the 2021-2022 fiscal year.

Revenue sources available to community and technical colleges for 2021-2022 general operations, with prior year figures, are as follows:

	Budget	Proposed
<u>Revenues</u>	<u>2020-2021</u>	<u>2021-2022</u>
ETF-Operations and Maintenance	339,778,443	363,915,921
Other State Funds	34,334,842	42,153,216
Tuition and Fees	277,201,123	270,849,184
Auxiliary Enterprises	10,552,420	14,663,994
Federal Funds	250,037,954	356,349,695
Other Fund Sources	13,248,552	20,439,020
Total Revenues	\$925,153,334	1,068,371,031

Revenue sources available for the ATN and MMI for 2021-2022 general operations, with prior year figures, are as follows:

<u>Revenues</u>	Alabama Technology Network		Marion Military Institute	
	Budget 2020-2021	Proposed 2021-2022	Budget 2020-2021	Proposed 2021-2022
ETF-Operations and Maintenance	5,448,518	5,745,195	8,994,438	9,534,104
Other State Funds	0	0	0	0
Tuition and Fees	0	0	3,669,807	3,381,415
Auxiliary Enterprises	0	0	2,878,002	2,276,279
Federal Funds	2,447,073	2,091,702	984,418	770,900
Other Fund Sources	1,372,611	2,306,000	178,166	140,267
Total Revenues	9,268,202.00	10,142,897.00	16,704,831.00	16,102,965.00

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 34.64 percent, tuition and fees represent 25.05 percent, and federal funds account for 32.82 percent. The remaining 7.49 percent is comprised of other state funds, auxiliary revenues, and miscellaneous fund sources.

Expenditures budgeted by the community and technical colleges for 2021-2022, with prior year figures, are as follows:

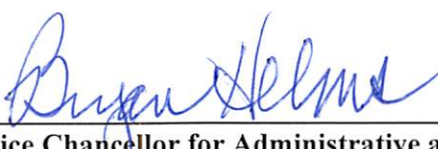

<u>Expenditures by Function</u>	Budget 2020-2021	Proposed 2021-2022
Instruction	301,293,424	319,187,041
Public Service	4,938,516	5,814,505
Academic Support	52,754,924	60,593,424
Student Services	89,248,335	97,239,170
Institutional Support	115,076,653	141,894,615
O & M of Plant	75,263,450	112,868,211
Scholarship	220,398,885	236,087,758
Auxiliary Enterprises	13,370,714	14,295,887
Mandatory Transfers	42,482,093	37,620,765
Total Expenditures by Function	914,826,994	1,025,601,377

Expenditures budgeted by the ATN and MMI for 2021-2022, with prior year figures, are as follows:

<u>Expenditures by Function</u>	Alabama Technology Network		Marion Military Institute	
	Budget 2020-2021	Proposed 2021-2022	Budget 2020-2021	Proposed 2021-2022
Instruction	7,213,065	7,846,596	1,873,900	1,928,317
Public Services	0	0	0	0
Academic Support	0	0	943,597	908,291
Student Services	0	0	3,266,123	3,254,484
Institutional Support	1,551,231	1,581,866	2,493,199	2,598,984
O & M of Plant	0	0	2,143,151	2,230,023
Scholarships	0	0	2,974,090	2,618,060
Auxiliary Enterprises	0	503,906	288,852	2,276,279
Mandatory Transfers	503,906	0	2,721,822	288,527
Total Expenditures by Function	9,268,202	9,932,368	16,704,734	16,102,965

State teachers' retirement benefits increase from 12.36% to 12.43% for Tier 1 employees and decreased from 11.34% to 11.32% for Tier II employees. Public Education Employee's Health Insurance Plan costs remain constant at \$800 per month. Additionally, while the revenues are approximately \$40 million dollars greater than the budgeted expenditures, the colleges are working towards budgeting and expending the additional Federal CARES Act funds that have been awarded in January, March and July of 2021. It is anticipated that all CARES Act awards will be budgeted and expended by the timeline set forth through the CARES Act. To date, the expiration of the CARES Act funds (dependent upon the actual award date by college from the U.S. Department of Education) is July 2022. As with any capital purchase in excess of Board of Trustee limit of \$500,000, the colleges will be requesting approval for these purchases, as needs arise.

All institutions in the Alabama Community College System are projecting at least a two-month contingency balance in the current unrestricted and unexpended plant funds, as 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. 2021-342 Act No. 2015-125		9/18/21
Policy	_____	Vice Chancellor for Administrative and Financial Services	Date
			1 / 1
		Legal Counsel	Date
			9/18/21
		Chancellor	Date

Action by Board:
<input type="checkbox"/> Tabled
<input checked="" type="checkbox"/> 9-8-21 Approved
<input type="checkbox"/> Disapproved
<input type="checkbox"/> Amended (describe)
<input type="checkbox"/> Additional action required