

# ALABAMA COMMUNITY COLLEGE SYSTEM

## RECOMMENDATION FOR ACTION

September 14, 2022  
**Date of Board Meeting Action**

Action Item Number IX.A.2  
Chancellor's Recommendation  
**Source**

### ACTION ITEM TITLE

**ALABAMA COMMUNITY COLLEGE SYSTEM INSTITUTIONS**  
2022-2023 ACCS Operating Budgets

### RECOMMENDATION

It is recommended "That the Alabama Community College System Board of Trustees approve the 2022-2023 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 2022-2023 budget for the twenty-three community and technical colleges and Marion Military Institute is \$1,103,196,080 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 2022-2023 The approval of the budgets will allow the institutions and entities of the System to continue operation into the 2022-2023 fiscal year.

Revenue sources available to community and technical colleges for 2022-2023 general operations, with prior year figures, are as follows:

|                                | <b>Budget</b>        | <b>Proposed</b>      |
|--------------------------------|----------------------|----------------------|
| <u>Revenues</u>                | <u>2021-2022</u>     | <u>2022-2023</u>     |
| ETF-Operations and Maintenance | 363,915,921          | 402,662,863          |
| Other State Funds              | 42,153,216           | 40,843,575           |
| Tuition and Fees               | 270,849,184          | 277,654,021          |
| Auxiliary Enterprises          | 14,663,994           | 15,328,934           |
| Federal Funds                  | 356,349,695          | 324,160,244          |
| Other Fund Sources             | 20,439,020           | 15,939,401           |
| <b>Total Revenues</b>          | <b>1,068,371,030</b> | <b>1,076,589,038</b> |

Revenue sources available for the **ATN and MMI** for 2022-2023 general operations, with prior year figures, are as follows:

| <u>Revenues</u>                | <b>Alabama Technology Network</b> |                               | <b>Marion Military Institute</b> |                               |
|--------------------------------|-----------------------------------|-------------------------------|----------------------------------|-------------------------------|
|                                | <b>Budget<br/>2021-2022</b>       | <b>Proposed<br/>2022-2023</b> | <b>Budget<br/>2021-2022</b>      | <b>Proposed<br/>2022-2023</b> |
| ETF-Operations and Maintenance | 5,745,195                         | 5,956,736                     | 9,534,104                        | 10,259,104                    |
| Other State Funds              | 0                                 | 0                             | 0                                | 0                             |
| Tuition and Fees               | 0                                 | 0                             | 3,381,415                        | 2,938,811                     |
| Auxiliary Enterprises          | 0                                 | 0                             | 2,276,279                        | 2,185,813                     |
| Federal Funds                  | 2,091,702                         | 2,191,702                     | 770,900                          | 720,875                       |
| Other Fund Sources             | 2,306,000                         | 2,210,000                     | 140,267                          | 144,000                       |
| <b>Total Revenues</b>          | <b>10,142,897.00</b>              | <b>10,358,438</b>             | <b>16,102,965.00</b>             | <b>16,248,603</b>             |

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 37.97 percent, tuition and fees represent 25.43 percent, and federal funds account for 29.65 percent. The remaining 6.95 percent is comprised of other state funds, auxiliary revenues, and miscellaneous fund sources.

Expenditures budgeted by the community and technical colleges for 2022-2023, with prior year figures, are as follows:

| <u>Expenditures by Function</u>       | <b>Budget<br/>2021-2022</b> | <b>Proposed<br/>2022-2023</b> |
|---------------------------------------|-----------------------------|-------------------------------|
| Instruction                           | 319,187,041                 | 331,098,130                   |
| Public Service                        | 5,814,505                   | 5,981,858                     |
| Academic Support                      | 60,593,424                  | 59,109,652                    |
| Student Services                      | 97,239,170                  | 101,215,740                   |
| Institutional Support                 | 141,894,615                 | 165,678,846                   |
| O & M of Plant                        | 112,868,211                 | 118,985,135                   |
| Scholarship                           | 236,087,758                 | 210,725,850                   |
| Auxiliary Enterprises                 | 14,295,887                  | 39,378,511                    |
| Mandatory Transfers                   | 37,620,765                  | 14,953,880                    |
| <b>Total Expenditures by Function</b> | <b>1,025,601,376</b>        | <b>1,047,127,602</b>          |

Expenditures budgeted by the **ATN and MMI** for 2022-2023, with prior year figures, are as follows:

| <u>Expenditures by Function</u>       | <b>Alabama Technology Network</b> |                               | <b>Marion Military Institute</b> |                               |
|---------------------------------------|-----------------------------------|-------------------------------|----------------------------------|-------------------------------|
|                                       | <b>Budget<br/>2021-2022</b>       | <b>Proposed<br/>2022-2023</b> | <b>Budget<br/>2021-2022</b>      | <b>Proposed<br/>2022-2023</b> |
| Instruction                           | 7,846,596                         | 7,946,210                     | 1,928,317                        | 1,829,727                     |
| Public Services                       | 0                                 | 0                             | 0                                | 0                             |
| Academic Support                      | 0                                 | 0                             | 908,291                          | 870,437                       |
| Student Services                      | 0                                 | 0                             | 3,254,484                        | 3,579,630                     |
| Institutional Support                 | 1,581,866                         | 1,581,836                     | 2,598,984                        | 2,603,612                     |
| O & M of Plant                        | 0                                 | 0                             | 2,230,023                        | 2,151,681                     |
| Scholarships                          | 0                                 | 0                             | 2,618,060                        | 2,268,060                     |
| Auxiliary Enterprises                 | 503,906                           | 0                             | 288,527                          | 261,667                       |
| Mandatory Transfers                   | 0                                 | 503,906                       | 2,276,279                        | 2,274,882                     |
| <b>Total Expenditures by Function</b> | <b>9,932,368</b>                  | <b>10,031,952</b>             | <b>16,102,965</b>                | <b>15,839,696</b>             |

State teachers' retirement benefits increase from 12.43% to 12.59% for Tier I employees and increased from 11.32% to 11.44% for Tier II employees. Public Education Employee's Health Insurance Plan costs remain constant at \$800 per month.

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. 2022-393

Act No. 2015-125

Policy



Chief Financial Officer

9/14/22

Date

Legal Counsel



/ /

Date

9/14/22

Chancellor

Date

Action by Board:

☐ Tabled

9-14-22 ☒ Approved

☐ Disapproved

☐ Amended

☐ Additional Action Required