

ALABAMA COMMUNITY COLLEGE SYSTEM

RECOMMENDATION FOR ACTION

<u>September 13, 2023</u>	<u>Action Item Number IX.A.2</u>
Date of Board Meeting Action	<u>Chancellor's Recommendation</u>
	Source

ACTION ITEM TITLE

ALABAMA COMMUNITY COLLEGE SYSTEM INSTITUTIONS
2023-2024 ACCS Operating Budgets

RECOMMENDATION

It is recommended "That the Alabama Community College System Board of Trustees approve the 2023-2024 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 2023-2024 budget for the twenty-three community and technical colleges and Marion Military Institute is \$1,177,216,183 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 2023-2024. The approval of the budgets will allow the institutions and entities of the System to continue operation into the 2023-2024 fiscal year.

Revenue sources available to community and technical colleges for 2023-2024 general operations, with prior year figures, are as follows:

<u>Revenues</u>	<u>Budget 2022-2023</u>	<u>Proposed 2023-2024</u>
ETF-Operations and Maintenance	402,662,863	401,557,756
Other State Funds	40,843,575	108,859,160
Tuition and Fees	277,654,021	296,587,519
Auxiliary Enterprises	15,328,934	44,049,863
Federal Funds	324,160,244	299,448,700
Other Fund Sources	15,939,401	26,713,185
Total Revenues	\$1,076,589,039	1,177,216,183

Revenue sources available for the ATN and MMI for 2023-2024 general operations, with prior year figures, are as follows:

<u>Revenues</u>	Alabama Technology Network		Budget 2022-2023	Proposed 2023-2024
	Budget 2022-2023	Proposed 2023-2024		
ETF-Operations and Maintenance	5,956,736	5,956,736	10,259,104	11,364,211
Other State Funds	0	0	0	0
Tuition and Fees	0	0	2,938,811	2,977,999
Auxiliary Enterprises	0	0	2,185,813	2,324,133
Federal Funds	2,191,702	2,429,048	720,875	875
Other Fund Sources	2,210,000	1,935,000	144,000	146,000
Total Revenues	10,358,438	10,320,784	16,248,603	16,813,218

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 34.78 percent, tuition and fees represent 24.87 percent, and federal funds account for 25.07 percent. The remaining 15.28 percent is comprised of other state funds, auxiliary revenues, and miscellaneous fund sources.

Expenditures budgeted by the community and technical colleges for 2023-2024, with prior year figures, are as follows:

<u>Expenditures by Function</u>	Budgeted 2022-2023	Proposed 2023-2024
Instruction	331,098,130	338,424,352
Public Service	5,981,858	3,894,178
Academic Support	59,109,652	92,537,885
Student Services	101,215,740	102,110,894
Institutional Support	165,678,846	185,276,762
O & M of Plant	118,985,135	129,419,165
Scholarship	210,725,850	211,988,739
Auxiliary Enterprises	39,378,511	39,780,704
Mandatory Transfers	14,953,880	22,539,019
Total Expenditures by Function	1,047,127,601	1,125,971,68

Expenditures budgeted by the ATN and MMI for 2023-2024, with prior year figures, are as follows:

<u>Expenditures by Function</u>	Alabama Technology Network		Marion Military Institute	
	Budget 2022-2023	Proposed 2023-2024	Budget 2022-2023	Proposed 2023-2024
Instruction	7,946,210	7,208,145	1,829,727	1,873,578
Public Services	0	0	0	0
Academic Support	0	0	870,437	838,861
Student Services	0	0	3,579,630	3,696,275
Institutional Support	1,581,836	3,112,639	2,603,612	2,780,774
O & M of Plant	0	0	2,151,681	2,165,549
Scholarships	0	0	2,268,060	2,188,167
Auxiliary Enterprises	0	0	261,667	268,629
Mandatory Transfers	503,906	0	2,274,882	2,324,133
Total Expenditures by Function	10,031,952	10,320,784	15,839,696	16,135,966

State teachers' retirement benefits remains at 12.59% for Tier 1 employees and increased from 11.44% to 11.57% 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.

Act No. 2023-379
Act No. 2015-125
Code/Statute _____
Policy _____

 9/13/23

Chief Financial Officer Date

Legal Counsel Date

 9/13/23

Chancellor Date

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