

July 24, 2018 Board Meeting

Operational Budget

The FY19 Operational Budget has been provided for the Board to consider. The budget decreases revenue by \$33,585 and budget option “A” increases expenditures by \$20,676 over last year’s operational budget. The budget was developed assuming flat enrollment for FY19.

As of the end of FY18, our cash reserves ended up at 51.6%. Our cash reserve takes more into account than actual cash within the General and PTE funds (General fund, PTE fund, accounts payable, misc. auxiliary accounts such as Aldrich, Capital Outlay, Student Salary, Investments, etc.) and is a calculation based on the current expenditure budget.

We ended FY18 using \$103,676 of our cash reserve. This was due to a reduction in tuition and fees collected, increased accounts receivable, and a decrease in tax revenue collected.

A summary of the significant changes in the FY19 Budget is below as well as three budget options for the Board to consider:

Updated - 07/11/18			Budget Summary - Option A			
Revenue	FY-19 Budget	Difference from FY18 Budget		Additional items included in this year's budget		
Tuition/Fees	\$13,474,000	(\$308,317)	No change in credit hours, reduced fee revenue due to increased scholarship offerings	1	2.5% of Salary budget for wage changes	\$420,000
Taxes	\$9,665,000	\$48,209	No change in Mill Levy - Pending airport and oil/gas exemptions	2	Academics	\$90,000
State Aid	\$7,807,956	\$209,523	Restoration of a portion of previously cut funds	3	Full time English Faculty	\$9,000
SB155 & AOK	\$210,000	\$10,000	KBOR reduced the number of approved SB155 courses	4	HERO additional employee (half year)	\$22,500
Other	\$348,000	\$7,000		5	HERO program budget	\$16,000
				6	Improve Housing Tennis court area (basketball, lights, benches)	\$10,000
Total Revenue	\$31,504,956	(\$33,584)		7	Increase online advertising	\$120,000
Expenses - Salaries & Benefits & Operations				8	IT Budget increase	\$200,000
Salaries	\$17,526,670	\$69,409	Reduction in salaries due to canceled positions & positions hired at lower rate, includes 2.5% change to salary budget	9	Locker room shower stalls	\$40,000
All Benefits (SS, Insurance, Unemployment, KPERS)	\$4,173,096	(\$48,904)		10	Restroom renovations	\$150,000
Operational Accounts	\$11,266,630	\$171	Includes academic plan requests, increase in IT budget, increase in Marketing budget, Facility requests	11	Student Services	\$50,000
				12	Full time Agriculture Instructor	\$23,185
Expenses	\$32,966,396	\$20,676				
Revenue versus Expenditures	(\$1,461,440)	(Option A)				
Option B changes salary budget to 3.5% and adds \$110,000 to the budget	(\$1,571,440)					
Option C changes salary budget to 4.5% and adds \$231,000 to the budget	(\$1,692,440)					

					July 24, 2018 Board Meeting	
					Operational Budget FY-19	
					<i>Option A (2.5%)</i>	
GENERAL, POSTSECONDARY TECHNICAL, AND EMPLOYEE BENEFITS					GENERAL, POSTSECONDARY TECHNICAL	
FUNDS FLOW ACTIVITY					& EMPLOYEE BENEFITS	
PERIOD ENDED JUNE 30, 2018					Operational Budget FY19	
	2017-18	PERIOD	YTD	%	2018-19	Difference from
	BUDGET	ENDED	AVAILABLE	AVAILABLE	BUDGET	17-18 Budget
		06/30/18				
Fund Balance, Beginning	16,396,915	16,396,915			16,293,239	
Tuition and Fees	13,782,317	13,380,816	401,501	2.91	13,474,000	-308,317
Tuition AR (difference between years)	0	-1,182,720				
Local Taxes	8,391,791	8,156,341	235,450	2.81	8,465,000	73,209
State Aid	7,798,433	7,926,457	-128,024	-1.64	8,017,956	219,523
Other Taxes	1,225,000	1,134,115	90,885	7.42	1,200,000	-25,000
Other	341,000	552,851	-211,851	-62.13	348,000	7,000
Total Revenue	31,538,541	29,967,860	387,961	1.23%	31,504,956	-33,585
Expenditures:						
Instruction (100)	14,689,954	13,514,562	1,175,392	8.00	14,861,514	171,560
Academic Support (200, 400)	3,508,207	3,182,340	325,867	9.29	3,425,198	-83,009
Student Services (300, 500, 800)	3,190,061	3,002,899	187,162	5.87	3,181,092	-8,969
Institutional Support (600, 900)	6,933,056	6,930,450	2,606	0.04	7,465,441	532,385
Physical Plant Operations (700)	4,624,442	3,441,285	1,183,157	25.58	4,033,150	-591,292
Total Expenditures	32,945,720	30,071,536	2,874,184	8.72%	32,966,396	20,676
Fund Balance, Ending	14,989,736	16,293,239			14,831,799	
Change in Fund Balance Ending	-1,407,179	-103,676			-1,461,440	

					July 24, 2018 Board Meeting	
					Operational Budget FY-19	
					Option B (3.5%)	
GENERAL, POSTSECONDARY TECHNICAL, AND EMPLOYEE BENEFITS					GENERAL, POSTSECONDARY TECHNICAL	
FUNDS FLOW ACTIVITY					& EMPLOYEE BENEFITS	
PERIOD ENDED JUNE 30, 2018					Operational Budget FY19	
	2017-18	PERIOD	YTD	%	2018-19	Difference from
	BUDGET	ENDED	AVAILABLE	AVAILABLE	BUDGET	17-18 Budget
		06/30/18				
Fund Balance, Beginning	16,396,915	16,396,915			16,293,239	
Tuition and Fees	13,782,317	13,380,816	401,501	2.91	13,474,000	-308,317
Tuition AR (difference between years)	0	-1,182,720				
Local Taxes	8,391,791	8,156,341	235,450	2.81	8,465,000	73,209
State Aid	7,798,433	7,926,457	-128,024	-1.64	8,017,956	219,523
Other Taxes	1,225,000	1,134,115	90,885	7.42	1,200,000	-25,000
Other	341,000	552,851	-211,851	-62.13	348,000	7,000
Total Revenue	31,538,541	29,967,860	387,961	1.23%	31,504,956	-33,585
Expenditures:						
Instruction (100)	14,689,954	13,514,562	1,175,392	8.00	14,920,716	230,762
Academic Support (200, 400)	3,508,207	3,182,340	325,867	9.29	3,440,378	-67,829
Student Services (300, 500, 800)	3,190,061	3,002,899	187,162	5.87	3,191,773	1,712
Institutional Support (600, 900)	6,933,056	6,930,450	2,606	0.04	7,484,427	551,371
Physical Plant Operations (700)	4,624,442	3,441,285	1,183,157	25.58	4,039,101	-585,341
Total Expenditures	32,945,720	30,071,536	2,874,184	8.72%	33,076,396	130,676
Fund Balance, Ending	14,989,736	16,293,239			14,721,799	
Change in Fund Balance Ending	-1,407,179	-103,676			-1,571,440	

					July 24, 2018 Board Meeting	
					Operational Budget FY-19	
					<i>Option C (4.5%)</i>	
GENERAL, POSTSECONDARY TECHNICAL, AND EMPLOYEE BENEFITS FUNDS FLOW ACTIVITY					GENERAL, POSTSECONDARY TECHNICAL & EMPLOYEE BENEFITS	
PERIOD ENDED JUNE 30, 2018					Operational Budget FY19	
	2017-18	PERIOD	YTD	%	2018-19	Difference from
	BUDGET	ENDED	AVAILABLE	AVAILABLE	BUDGET	17-18 Budget
		06/30/18				
Fund Balance, Beginning	16,396,915	16,396,915			16,293,239	
Tuition and Fees	13,782,317	13,380,816	401,501	2.91	13,474,000	-308,317
Tuition AR (difference between years)	0	-1,182,720				
Local Taxes	8,391,791	8,156,341	235,450	2.81	8,465,000	73,209
State Aid	7,798,433	7,926,457	-128,024	-1.64	8,017,956	219,523
Other Taxes	1,225,000	1,134,115	90,885	7.42	1,200,000	-25,000
Other	341,000	552,851	-211,851	-62.13	348,000	7,000
Total Revenue	31,538,541	29,967,860	387,961	1.23%	31,504,956	-33,585
Expenditures:						
Instruction (100)	14,689,954	13,514,562	1,175,392	8.00	14,985,838	295,884
Academic Support (200, 400)	3,508,207	3,182,340	325,867	9.29	3,457,076	-51,131
Student Services (300, 500, 800)	3,190,061	3,002,899	187,162	5.87	3,203,522	13,461
Institutional Support (600, 900)	6,933,056	6,930,450	2,606	0.04	7,505,312	572,256
Physical Plant Operations (700)	4,624,442	3,441,285	1,183,157	25.58	4,045,647	-578,795
Total Expenditures	32,945,720	30,071,536	2,874,184	8.72%	33,197,396	251,676
Fund Balance, Ending	14,989,736	16,293,239			14,600,799	
Change in Fund Balance Ending	-1,407,179	-103,676			-1,692,440	

Recommendation – Approve one of the three options as requested by the Board