

# **Barton Community College**

## **July 14, 2020 Study Session**

### **Operational Budget**

The FY21 Operational Budget has been provided for the Board to consider. The budget decreases revenue by approximately \$850,000 and decreases expenditures by approximately \$2,443,000 over last year's operational budget. The budget was developed assuming a 1% reduction in credit hours for FY21.

As of the end of FY20, our cash reserves ended up at 56%. 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 Union, Capital Outlay, Student Salary, Investments, etc.) and is a calculation based on the current expenditure budget.

We ended FY20 with a carryover of \$1,094,990. This carryover was the result of various changes that occurred throughout the year:

- Changes to the Aldrich Fund, which resulted in approximately \$650,000 in additional revenue in the General fund.
- Approximately \$600,000 reduction in UOF expenses due to lower enrollments at Riley/Leavenworth.
- An increase in overall enrollment and Tuition & Fees.
- An increase in SB155 revenue.
- Unfilled positions and reduced operational expenditures during spring COVID19.

- A summary of the significant changes in the FY21 Budget is below for the Board's consideration:

Updated - 07/14/20	General & PostSecondary Fund		Budget Summary		Potential Challenges to Plan for:
<b>Revenue</b>	<b>FY-21 Budget - PLAN "A"</b>	<b>Difference from FY-20 Budget</b>			
Tuition/Fees	\$12,965,000	\$5,000	1% reduction in credit hours, increased fee revenue, increased out of state / international tuition	1	Reduction in Residence Hall Occupancy for Fall of 2020 ( <b>Residence halls, and food service are funded out of auxiliary funds</b> , however even if occupancy is reduced, payments on the facilities, utilities, insurance, etc. are still required to be made).
Taxes	\$9,589,939	(\$378,917)	Estimated decrease in valuation due to oil & gas price.	2	Property Taxes - Barton typically collects approximately 95% of taxes levied. Speculation is that tax revenue collections may be short due to unemployment. These revenues are typically collected in future years as delinquent taxes.
State Aid	\$7,655,571	(\$571,159)	Estimated based on a 10% allotment (reduction)	3	Decreases in on-campus enrollment for both Summer and Fall- resulting in decreased Tuition and Fee revenue.
SB155 & AOK	\$240,000	\$10,000		4	Valuation - Decrease in Oil & Gas valuation (Budget based on valuation for oil & gas of near zero).
Misc.	\$420,200	\$50,200		5	State Aid - With additional challenges the State is facing, the state aid provided to Higher Ed may be decreased (Budget based on a 10% allotment).
				6	The use of stimulus dollars are unknown at this time. 50% of the dollars must be refunded directly to the students.
				7	Athletic insurance must be contracted for prior to August 1.
<b>Total Revenue</b>	<b>\$30,870,710</b>	<b>(\$884,876)</b>		8	Lack of Fee revenue used to fund scholarships (most fee dollars are generated via F2F courses).
<b>Expenses - Salaries &amp; Benefits &amp; Operations</b>					
Salaries	\$16,887,419	(\$1,254,184)	Reduction in salaries due to canceled positions, retirements, RIF, & positions hired at lower rate, includes 0% change to base salary budget		
All Benefits ( SS, Insurance, Unemployment, KPERS)	\$3,933,000	(\$280,096)			
Operational Accounts	\$10,920,019	(\$909,101)	Decrease in multiple operating budgets, removal of all capital outlay expenditures/projects		
<b>Expenses</b>	<b>\$31,740,438</b>	<b>(\$2,443,381)</b>			
Revenue versus Expenditures	(\$869,727)				

				<b>July 28, 2020 Board Meeting</b>	
				<b>Operational Budget FY-21</b>	
				<i>Option A - 0%</i>	
<b>GENERAL, POSTSECONDARY TECHNICAL, AND EMPLOYEE BENEFITS</b>				<b>GENERAL, POSTSECONDARY TECHNICAL</b>	
<b>FUNDS FLOW ACTIVITY</b>				<b>&amp; EMPLOYEE BENEFITS</b>	
<b>PERIOD ENDED JUNE 30, 2020</b>				<b>Operational Budget FY21</b>	
	<b>2019-20</b>	<b>PERIOD</b>	<b>YTD</b>	<b>2020-21</b>	<b>Difference from</b>
	<b>BUDGET</b>	<b>ENDED</b>	<b>AVAILABLE</b>	<b>BUDGET</b>	<b>19-20 Budget</b>
		<b>06/30/20</b>			
<b>Fund Balance, Beginning</b>	<b>17,691,255</b>	<b>17,691,255</b>		<b>18,786,245</b>	
Tuition and Fees	12,960,000	13,979,750	-1,019,750	12,965,000	5,000
Tuition AR (difference between years)	0	-263,638		0	
Local Taxes	8,768,856	9,210,535	-441,679	8,389,939	-378,917
State Aid	8,456,730	8,513,669	-56,939	7,895,571	-561,159
Other Taxes	1,200,000	1,118,747	81,253	1,200,000	0
Other	370,000	1,357,007	-987,007	420,200	50,200
<b>Total Revenue</b>	<b>31,755,586</b>	<b>33,916,070</b>	<b>-2,424,122</b>	<b>30,870,710</b>	<b>-884,876</b>
<b>Expenditures:</b>					
Instruction (100)	14,935,023	13,686,247	1,248,776	13,723,576	-1,211,447
Academic Support (200, 400)	3,668,259	3,507,603	160,656	3,281,233	-387,026
Student Services (300, 500, 800)	3,403,687	3,260,386	143,301	3,070,686	-333,001
Institutional Support (600, 900)	8,073,345	7,960,364	112,981	7,612,223	-461,122
Physical Plant Operations (700)	4,126,954	4,406,480	-279,526	4,052,720	-74,234
<b>Total Expenditures</b>	<b>34,207,268</b>	<b>32,821,080</b>	<b>1,386,189</b>	<b>31,740,438</b>	<b>-2,466,830</b>
<b>Fund Balance, Ending</b>	<b>15,239,573</b>	<b>18,786,245</b>		<b>17,916,518</b>	
<b>Change in Fund Balance Ending</b>	<b>-2,451,682</b>	<b>1,094,990</b>		<b>-869,727</b>	