**Sauk Valley Community College**

**July 24, 2017**

**Action Item 4.3**

**Topic: 2017-2018 Tentative Budget – Second Reading**

**Strategic Direction: Goal 1, Objective 3 – Be operationally efficient in order to maintain a low cost of attendance for students**

**Presented By: Dr. David Hellmich and Melissa Dye**

**Presentation:**

Attached is the 2017-2018 Tentative Budget for a second reading. This budget will be on public display in the Business Office, the President’s Office, and the Learning Commons for thirty days. The public hearing and final action of the College’s budget will take place at the August Board Meeting.

Since the June Board meeting, the State has approved a budget that will bring in an additional $879,577 in revenue to the College for FY 2018 (see detail below).

|  |  |  |  |
| --- | --- | --- | --- |
|  | Tentative |  | New Tentative |
|  | Budget | Changes | Final Budget |
| Base Operating Grant | 525,873 | 596,917 | 1,122,790 |
| Small College Grant | - | 38,400 | 38,400 |
| Equalization Grant | - | 244,260 | 244,260 |
| Total: | 525,873 | 879,577 | 1,405,450 |

Additionally, a total of $22,023 in expense adjustments are reflected in the budget as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | Tentative Budget | Changes | New Tentative  Final Budget |
| By Program |  |  |  |
| Instruction | 4,407,336 | 15,423 | 4,422,759 |
| Academic Support | 1,228,958 | 608 | 1,229,566 |
| Operation & Maintenance of Plant | 1,299,028 | 2,000 | 1,301,028 |
| Institutional Support | 2,118,800 | 3,992 | 2,122,792 |
| By Object |  |  |  |
| Salaries | 7,205,662 | 2,428 | 7,208,090 |
| Employee Benefits | 1,458,651 | 12,995 | 1,471,646 |
| Contractual Services | 719,214 | 2,900 | 722,114 |
| General Materials & Supplies | 586,709 | 3,700 | 590,409 |

As a result of these changes, the final net operating budget increased to a total of $523,829 from the tentative net budget of $0.

Total state funding budgeted for FY18 is $1,537,012.

Prior to this budget is an attachment giving a Fund 1 & 2 overview with the following highlights:

* State Governmental Sources (State funding, which reflects the recently passed State budget) is $2,324,230 in the 2016-2017 Projection (an increase of $1,666,796 over the previous funding of $657,434) and $1,537,012 in the 2017-2018 Budget (an increase of $879,577 over the previously anticipated 2017-2018 funding – this amount has been reduced from the 2016-2017 amount by 10% and due to enrollment decreases).
* For the 2017-2018 Budget, Student Tuition and Fees assumes a 5% decrease in paid enrollment and reflects a $12 rate increase.
* For the 2017-2018 Budget, Transfer from Working Cash is no longer included.
* FT Salaries are projected to be reduced $341,526 in 2017-2018.
* Insurance (Medical, Dental, Life & Flex) is projected to increase $20,091 in 2017-2018; last month’s projection was an increase of $7,890.
* The 2016-2017 Projection had shown a deficit of $1,132,001. It now shows an anticipated balance of $531,428.
* The 2016-2017 Projection had shown a 34.85% ($5,324,823) Fund Balance. It now shows an anticipated 45.73% ($6,988,252) Fund Balance.
* The 2017-2018 Budget had been balanced with the assistance of a one-time $303,725 transfer from working cash. It now shows an anticipated balance of $523,829 with no transfer from working cash.
* The 2017-2018 Budget had shown a 35.09% ($5,324,823) Fund Balance. It now shows an anticipated 49.44% ($7,512,081) Fund Balance.

**Recommendation:**

The administration recommends the Board approve the 2017-2018 Tentative Budget for a second reading as presented.