

May 21, 2020

Budget Memo to College Community

Sheldon Flom, VP Finance and Operations

Last week we presented what is being called a post-COVID budget to the campus and to the Budget Committee. Yesterday morning the State released the May revenue forecast and it showed a slightly improved State revenue picture of a \$2.7 billion shortfall as opposed to the earlier estimate of \$3 billion. Based on the comments we received and the improved revenue forecast, we revised the budget which was presented to and approved by the Budget Committee last night. We reduced our request for a tuition increase from 10% to 8%, and the Board approved that increase. We also revised the estimated shortfall in State Aid from 17% to 14%. This reduces the required operational efficiencies from \$2.9 million to \$2.5 million, which results in an increased budget shortfall from \$2.0 million to \$2.1 million. The Board of Education will hold a budget hearing on June 17 for the adoption of the budget.

	2019-20	2020-21	2020-21
	Estimated Year End Balance	Presented 5-13-20	Approved 5-20-20
State Aid	23,465,668	19,476,504	20,180,474
Property Tax	8,976,772	9,380,727	9,380,727
Tuition	20,312,096	21,349,029	20,960,864
Other Revenue	912,280	863,578	863,578
Revenue	\$ 53,666,816	\$ 51,069,838	\$ 51,385,643
Personnel Costs	46,497,647	47,599,474	47,599,474
Materials/Services	6,087,410	6,087,410	6,087,410
Performance Packages	-	296,807	296,807
Capital Proj Oper Costs	-	-	-
Strategic Investments	-	200,000	200,000
Operational Efficiencies	-	(2,924,496)	(2,500,000)
Transfers Out	1,836,468	1,875,768	1,875,768
Expenses	\$ 54,421,525	\$ 53,134,963	\$ 53,559,459
Annual Budget Balance	\$ (754,709)	\$ (2,065,125)	\$ (2,173,816)

As President Hamann stated in his 2020-21 Budget Message, *“The 2020-21 budget has been developed with an eye toward our future-facing projection model which provides a strategic, long-term approach to resource allocation and ensures the college is poised to fund both ongoing operations and investments in the future despite the difficult realities of the community college funding.”*

The Budget and Executive Teams are developing a plan for the implementation of the 2020-21 budget, which will be released before the June Board of Education meeting.

As always, please let me or any member of the Budget Team know if you have any questions concerning the budget.

Sheldon