

Barton Community College

July 09, 2024 Board Study Session

Operational Budget

The FY25 Operational Budget has been provided for the Board's consideration. The Board is being presented with two options for the operational budget. Option A increases revenue by \$823,777 and increases expenditures by \$105,428 over last year's operational budget. Option B increases revenue by \$823,777 and decreases expenditures by \$304,757 over last year's operational budget.

We ended FY24 with a deficit of \$227,865 which was taken from our cash reserves. This deficit was the result of various changes that occurred throughout the year:

- Previously unfilled positions have been filled as well as a number of additional positions.
- New programs (expansion of WTCE offerings).
- Construction expenditures.
- Inflationary costs of all products and services.
- Non-Budgeted items related to Presidential change.

A summary of the significant changes in the FY25 Budget is below for the Board's consideration:

Option A:

- Increases revenue by \$823,777 and increases expenditures by \$105,428 over last year's operational budget.
- Provides 5% increase to the salary budget to keep up with the market value salary level per Performance Solutions. Increases the starting salary levels by the same 5%.
- Includes a reduction of approximately 11 full time positions for FY25.
- Includes increases in cost for health insurance, Social Security taxes, and other benefits.
- Includes reductions in operational budgets.
- Includes a planned deficit of \$394,823 at the end of FY25. Of course, this will depend on enrollment growth and responsible spending throughout the year.
- **This option remains REVENUE NEUTRAL for tax revenue.**

Updated - 07-06-24	General & PostSecondary Fund	Budget Summary - Option A
Revenue	FY-25 Budget	
Tuition	\$12,792,000	Calculated at a 5% growth rate + increase in Tuition
Taxes -Ad valorem, Past Due, Motor Vehicle, Neighborhood Revit	\$10,869,453	Oil valuation dropped to \$65.00 (\$70 last year). SB13, RNR caps tax revenue to previous year without a vote to increase taxes and have an RNR hearing. The current mill levy is set at 29.691 (Changed from 29.757 after published budget approved due to error in valuation). <u>This budget developed maintaining the current tax request (revenue neutral).</u>
State Aid - Tiered, Non Tiered, SB155	\$10,097,951	Three year rolling average, recentering, and a drop in credit hour production (for all CC's) resulted in less funding for both tiered and non-tiered within the funding formula.
Additional State funding (Special Projects)	\$3,119,060	Cyber/Capital Outlay/B&I & Apprenticeships/Student Support
Misc. Revenue	\$733,200	Interest, rentals, refunds, insurance reimbursements, grant reimbursements, etc.
Total Revenue	\$37,611,664	
Expenses - Salaries & Benefits & Operations		
Salaries	\$20,864,436	Maintain market value salary level per Performance Solutions (Compease). Approximately 5% increase has been calculated per Performance Solutions. Includes positions previously unfilled, as well as reductions in positions.
All Benefits (SS, Insurance, Unemployment, KPERS)	\$4,423,000	Health Insurance & Social Security increases
Operational Accounts	\$12,719,051	Utility/Insurance/Fuel/Operational adjustments (KBOR Special Projects)
Expenses	\$38,006,487	
Revenue versus Expenditures	(\$394,823)	

			July 23, 2024 Board Meeting	
			Operational Budget FY-25	
			<i>Option A</i>	
GENERAL, POSTSECONDARY TECHNICAL, AND EMPLOYEE BENEFITS			GENERAL, POSTSECONDARY TECHNICAL	
FUNDS FLOW ACTIVITY			& EMPLOYEE BENEFITS	
PERIOD ENDED JUNE 30, 2024			Operational Budget FY25	
	2023-24	PERIOD	2024-25	Difference from
	BUDGET	ENDED	BUDGET	23-24 Budget
		06/30/24		
Fund Balance, Beginning	19,878,880	19,878,880	19,651,015	
Tuition and Fees	12,489,000	12,389,629	12,792,000	303,000
Tuition AR (difference between years)	0	-425,809	0	0
Local Taxes	8,978,627	8,868,642	9,574,453	595,826
State Aid	11,430,513	11,497,023	10,097,951	-1,332,562
Additonal project state funding	1,911,547	1,911,547	3,119,060	1,207,513
Other Taxes	1,395,000	1,190,027	1,295,000	-100,000
Other	583,200	1,477,880	733,200	150,000
Total Revenue	36,787,887	36,908,939	37,611,664	823,777
Expenditures:				
Instruction (100)	14,920,981	14,517,904	15,263,421	342,440
Academic Support (200, 400)	3,789,394	4,037,620	3,823,244	33,851
Student Services (300, 500, 800)	3,861,204	3,649,850	3,852,218	-8,986
Institutional Support (600, 900)	9,468,668	10,397,906	9,321,237	-147,431
Physical Plant Operations (700)	5,860,812	4,533,524	5,746,367	-114,445
Total Expenditures	37,901,059	37,136,804	38,006,487	105,428
Fund Balance, Ending	18,765,708	19,651,015	19,256,192	
Change in Fund Balance Ending	-1,113,172	-227,865	-394,823	

Option B:

- Increases revenue by \$823,777 and decreases expenditures by \$304,757 over last year's operational budget.
- Provides 2.5% increase to the salary budget. This amount does not maintain the market value salary level per Performance Solutions. The starting salary levels would not change, so new employees would start 5% below market value. This would put the College at a hiring disadvantage and we would again need to look at "catching up" to maintain our workforce and provide our services.
- Includes a reduction of approximately 11 full time positions for FY25.
- Includes increases in cost for health insurance, Social Security taxes, and other benefits.
- Includes reductions in operational budgets.
- Includes a planned increase in reserves of \$15,362 at the end of FY25. Of course, this will depend on enrollment growth and responsible spending throughout the year.
- **This option remains REVENUE NEUTRAL for tax revenue.**

Updated - 07-06-24	General & PostSecondary Fund	Budget Summary - Option B
Revenue	FY-25 Budget	
Tuition	\$12,792,000	Calculated at a 5% growth rate + increase in Tuition
Taxes -Ad valorem, Past Due, Motor Vehicle, Neighborhood Revit	\$10,869,453	Oil valuation dropped to \$65.00 (\$70 last year). SB13, RNR caps tax revenue to previous year without a vote to increase taxes and have an RNR hearing. The current mill levy is set at 29.691 (Changed from 29.757 after published budget approved due to error in valuation). <u>This budget developed maintaining the current tax request (revenue neutral).</u>
State Aid - Tiered, Non Tiered, SB155	\$10,097,951	Three year rolling average, recentering, and a drop in credit hour production (for all CC's) resulted in less funding for both tiered and non-tiered within the funding formula.
Additional State funding (Special Projects)	\$3,119,060	Cyber/Capital Outlay/B&I & Apprenticeships/Student Support
Misc. Revenue	\$733,200	Interest, rentals, refunds, insurance reimbursements, grant reimbursements, etc.
Total Revenue	\$37,611,664	
Expenses - Salaries & Benefits & Operations		
Salaries	\$20,454,251	Provides 2.5% increase to current full time employees. Does not change starting level pay for new employees. Will result in 5% below market value for new employees and a 2.5% below market value for current employees.
All Benefits (SS, Insurance, Unemployment, KPERS)	\$4,423,000	Health Insurance & Social Security increases
Operational Accounts	\$12,719,051	Utility/Insurance/Fuel/Operational adjustments (KBOR Special Projects)
Expenses	\$37,596,302	
Revenue versus Expenditures	\$15,362	

			July 23, 2024 Board Meeting	
			Operational Budget FY-25	
			Option B	
GENERAL, POSTSECONDARY TECHNICAL, AND EMPLOYEE BENEFITS			GENERAL, POSTSECONDARY TECHNICAL	
FUNDS FLOW ACTIVITY			& EMPLOYEE BENEFITS	
PERIOD ENDED JUNE 30, 2024			Operational Budget FY25	
	2023-24		2024-25	Difference from
	BUDGET	PERIOD ENDED 06/30/24	BUDGET	23-24 Budget
Fund Balance, Beginning	19,878,880	19,878,880	19,651,015	
Tuition and Fees	12,489,000	12,389,629	12,792,000	303,000
Tuition AR (difference between years)	0	-425,809	0	0
Local Taxes	8,978,627	8,868,642	9,574,453	595,826
State Aid	11,430,513	11,497,023	10,097,951	-1,332,562
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Other	583,200	1,477,880	733,200	150,000
Total Revenue	36,787,887	36,908,939	37,611,664	823,777
Expenditures:				
Instruction (100)	14,920,981	14,517,904	15,053,236	132,255
Academic Support (200, 400)	3,789,394	4,037,620	3,823,244	33,851
Student Services (300, 500, 800)	3,861,204	3,649,850	3,852,218	-8,986
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Physical Plant Operations (700)	5,860,812	4,533,524	5,746,367	-114,445
Total Expenditures	37,901,059	37,136,804	37,596,302	-304,757
Fund Balance, Ending	18,765,708	19,651,015	19,666,377	
Change in Fund Balance Ending	-1,113,172	-227,865	15,362	

Recommendation – Administration requests that the Board of Trustees approve one of the two Operational Budget options as presented.