



Budget Analysis Fiscal Year 2020

John A. Logan College

Carterville, IL 62918

August 27, 2019

**JOHN A. LOGAN COLLEGE
TABLE OF CONTENTS
BUDGET ANALYSIS
FY 2020**

<u>ITEM</u>	<u>PAGE</u>
BUDGET CALENDAR.....	1
FACTORS AFFECTING FY 2020 BUDGET PROCESS	2
BUDGET GOALS	3
INSTITUTIONAL ACCOMPLISHMENTS EXPECTED IN FY 2020.....	3
STRATEGIC PLAN PROJECT ITEMS ADDRESSED IN BUDGET	4
BUDGET MESSAGE.....	5
OPERATING FUND DESCRIPTIONS.....	6
RESOURCE INFORMATION	7-9
RESOURCE COMPARISON WORKSHEET FY 2020 BUDGET VERSUS FY 2019 BUDGET	10
REVENUES - OPERATING FUNDS – GRAPH.....	11
OPERATING REVENUES BY SOURCE FY 2011 – FY 2020	12
LOCAL SOURCES OF REVENUE FY 2011 – FY 2020	13
STATE SOURCES OF REVENUE FY 2011 – FY 2020	14
STUDENT TUITION AND FEE REVENUE FY 2011 – FY 2020	15
EQUALIZED ASSESSED VALUATION	16
EXPENDITURE INFORMATION BY OBJECT & BY PROGRAM	17-20
EXPENDITURE COMPARISON WORKSHEET: FY 2020 BUDGET VERSUS FY 2019 BUDGET	21
EXPENDITURES BY PROGRAM - OPERATING FUNDS GRAPH	22
EXPENDITURES BY OBJECT - OPERATING FUNDS GRAPH	23
SALARY AND BENEFIT BUDGETS FY 2014 – FY 2020	24
ADOPTED BUDGET HISTORY OPERATING FUNDS FY 2000 – FY 2020	25
EXPENDITURES - BUDGETED OPERATING FUNDS GRAPH FY 2009 – FY 2020	26
NON-OPERATING BUDGETARY FUNDS.....	27-28
OPERATIONS AND MAINTENANCE (RESTRICTED) FUND.....	29

Budget Calendar – FY 2020

JANUARY & FEBRUARY

- New budget version created in budgeting software
- Historical data for FY 2017 & FY 2018 actual expenditures & FY 2019 loaded in budget software
- Salary and fringe benefit projections developed

MARCH & APRIL

- Perform initial revenue projections
- Board Finance Committee & VP of Business develop budget assumptions, March 19, 2019
- Refresher trainings held with staff on budget development, March 21st – 26th, 2019
- Budget Officers work to build detailed departmental budgets and justify requests
- Budget Officers submit departmental budgets to respective Deans
- Deans submit departmental budgets to division heads

MAY

- Dean for Financial Operations meets with Division Heads and their Deans to review requests
- Projection of FY 2019 ending fund balances
- Updated salary and fringe benefit projections

JUNE

- Proposed capital projects submitted to Board of Trustees, June 25, 2019
- Updated state revenues based on ICCB budget allocation notification, June 27, 2019
- Additional budget analysis and discussion by Administration

JULY & AUGUST

- Legal budget preparation by the Dean for Financial Operations
- Budget meeting with Board Finance Committee, July 16, 2019
- Tentative budget submitted to Board of Trustees July 23, 2019
- Notification in local newspaper
- Tentative budget put on public display July 24, 2019 for a 30-day inspection period
- Public budget hearing August 27, 2019
- Proposed final budget submitted to the Board of Trustees August 27, 2019

FACTORS AFFECTING FY 2020 BUDGET PROCESS:

On June 27th, the College received notice from the ICCB of State budget allocations for two of its significant funding sources, Base Operating Grants and Equalization. They were \$3,071,835 and \$6,381,150, respectively. This information helped to improve the accuracy of revenue assumptions and was included as part of the tentative budget process.

As with the last several years, retirements and attrition planning were again factors in this budget process. All employee groups including Operational, Custodial/Maintenance, Campus Police, Full-Time Faculty and Professional Staff were reviewed for potential savings related to pending retirements. The College has seven new faculty hires for fall 2019. Salary increases for each employee group and a health insurance increase of 4.0% were factored into the FY 2020 budget.

Based on responses from the other IL Community Colleges, statewide enrollment trends and credit hour generation continue to be on the decline or in a very few cases flat. The College has to continue to be very cautious with its tuition and fee estimates as this revenue source has more uncertainty than property taxes or even State revenue which as of June has known allocations by College. As with the prior two years, student tuition and fee revenue is the single largest resource in the budget at just over 39%. The FY 2020 estimate was based on a projection of where FY 2019 was expected to finish, and at this time a tuition increase has not been factored into the estimate.

Technology needs were probably the most significant factor in building this year's budget. The budget process must support the College's ERP system, LMS system, Smart classrooms, computer labs, office computers, and software needs. The budget takes into account the upgrade of the current Jenzabar ERP system to a new Jenzabar One (J1) platform. Implementation costs anticipated to occur within the FY 2020 year account for just under \$500,000 of allocated funds. The budget also takes into account the second half of a major replacement of campus-wide computers. As of January 2020, Windows 7 will no longer be supported with security updates. The College had two budget years to deal with the transition to newer machines to support Windows 10, FY 2019 and FY 2020. This year the focus is heavier on office computer replacements, but continues to support the replacements of lab computers. Many office computers being replaced are six to seven years old. For this budget year, funds are allocated for 307 office computers at \$288,350 and 110 lab computers at \$108,670. In addition, this budget also looks to begin a process to modernize outdated classroom technology to better support students and faculty and gain consistency in classroom technology configurations. \$200,000 will be dedicated to begin this process. A new Catalog Management software that will improve the efficiency of catalog updates and help optimize course offerings has also been requested. Facility funds are budgeted to perform needed audio visual upgrades to the F Wing Conference Center and the O'Neil Auditorium. Network related expenses include improvements to the Production Data Center and Disaster Recovery measures. With student input, FY 2020 technology fee revenue, estimated at \$350,000, has been earmarked to assist with expenses specifically related to Classroom Technology improvements, the Catalog Management software, and a portion of computer lab replacements.

BUDGET GOALS:

- Alignment with Strategic Goals and projects previously identified
- Departmental Budget Officers fully engaged in budgeting process
- Continue to provide line item detail and justification of expenditures
- Deans and Division Heads perform a detailed review of total departmental expenditures
- Historical comparison to both the prior year's budget and also to actual expenditures
- Expenditures properly allocated to reflect appropriate department and expense category
- Support institutional technology needs
- Provide reasonable revenue estimates based on enrollment trends, EAV data, and ICCB data
- Utilize reporting capabilities both during budget development and creation of a legal budget

INSTITUTIONAL ACCOMPLISHMENTS EXPECTED IN FY 2020:

- Energize the 2 megawatt distributed generation solar facility owned and operated by private investors resulting in 40% of electricity need by the campus
- Complete the planning process for the 2020-2029 Site & Construction Master Plan
- Begin construction of 0.9 mile bicycle/pedestrian path through campus funded primarily through Illinois Transportation Enhancement Program
- Begin transformation of the west entrance through the combination of elevator relocation, entry renovation, pedestrian pathway to athletic facilities and planning for expansion of the "front door" to the campus
- Begin implementation of the Jenzabar One technology platform for serving our students and administrative solutions
- Modernize the east entry lobby to create a more student friendly environment
- Work with college staff to develop college standards for facility finishes and furnishings in offices, public spaces and classrooms
- Utilize technology fee, develop model technology and furnishings for classrooms
- Complete agriculture lab and classroom to market and grow agriculture instruction
- Enhance outdoor spaces in the areas of the Waterfall and Reflecting Pool Courtyards
- Address flood hazards through site development and addition of a water retention area at the northwest quarter of campus

STRATEGIC PLAN PROJECTS / ITEMS EMPHASIZED IN FY 2020 BUDGET:

The budget maintains support for many ongoing strategic initiatives, many of which were also supported in the prior budgets.

- Support for Technology
 - ERP system, Learning Management (LMS) system, Computer labs, Classroom Technology, Catalog Management and Scheduling software, Computer replacements, Server maintenance, Website maintenance, Windows 10, Audio Visual upgrades
- Diversity and Inclusion Department
- Student Success
 - Notetaking services, Tutoring centers, Interpreter services, Testing services, Student Work program, Job Placement services, Institutional waivers, and scholarship funds.
 - Nursing Accreditation
 - CourseLeaf Catalog Management Software
 - Student Senate, PTK, Clubs, Cyber Defense team
- Capital Maintenance and Renovation
 - Agriculture Classroom and Lab
 - Biology Lab Renovation
 - East Entrance and Coffee Shop renovation
 - West Entry Elevator
 - Courtyard Enhancements

Mission Statement

We are a diverse learning and teaching community committed to improving individual life and society through high-quality, accessible educational programs and engaged learning opportunities.

BUDGET MESSAGE

By Brad McCormick, Vice-President of Business Services & College Facilities:

John A. Logan College constructed its FY 2020 budget based upon state revenues included in the legislative approved budget. Healthy increases in state revenue driven largely by an increase of 16% in the ICCB equalization grant. Despite a decrease of 3% in anticipated tuition and fee revenue, total operating fund revenues for this fiscal year are budgeted up by 3%. Increases in interest on investments are anticipated to increase to \$405,000, up \$120,000, due to more favorable interest rates and stable fund balances.

The administration is monitoring the year over year slide in tuition and fee revenue with anticipation of recommending a multi-year tuition and/or fee increase beginning with the Summer 2020 semester following 4 years of zero tuition increase. With 73% of operating revenues directly connected to enrollment and property tax revenue stagnant, a plan for incremental tuition and/or fee adjustments is going to be necessary. Total anticipated operating revenues are \$29,813,465 which is an increase of \$886,374.

Expenditures are anticipated to increase by 4.5% over last fiscal year with the growth in expenditures exceeding the growth in revenues by \$479,412. The largest increase is in the salaries category. After several years of limited increases, salaries will recover some lost ground with a budget increase of \$518,111. There are also increases in contractual services and general materials and supplies. A large part of those increases are associated with technology investment. Projected operating expenditures are \$31,665,984.

If every budgeted dollar, including contingency, were spent, this budget would result in an operating deficit of approximately \$1,852,519. In such case, the ending reserves would be just under \$9.0 million. This equates to 3 months of operating expenditures which meets the goal set forth in administrative procedure. In our experience, contingency is not all spent and final expenses will reach approximately 95% of our budget. If that is true this year, the result will be a year in which our revenues are slightly less (\$400,000) than our expenses. This budget meets all guidelines established for ending fund balances and reserves. If there is additional debt issued in the form of tax exempt leases, it will be offset by expenditure reduction in the 2020 fiscal year. There is no anticipated need to secure cash flow with the working cash fund except for cash flow within the restricted fund (grants) due to timing reasons.

As we look toward FY 2021, we will continue our history of sound financial planning and excellent service to our district. The resources in this budget will allow the College to continue the commitment to its mission by improving individual life and society through high quality, accessible educational programs, and engaged learning opportunities.

OPERATING FUND DESCRIPTIONS:

John A. Logan College has two Operating funds: the Education Fund and the Operations and Maintenance Fund. The Education fund works in combination with the Operations and Maintenance fund to make up the College's General Fund.

EDUCATION FUND:

The Education Fund is used to account for the revenues and expenditures of the academic and service programs of the college. It includes the cost of instructional, administrative, and professional salaries; supplies and moveable equipment; library books and materials; maintenance of instructional and administrative equipment; and other costs pertaining to the educational programs of the college. This fund supports all instructional programs, provides numerous forms of student services, and has a public service component as well as providing institutional support. In addition, it includes funds for student scholarships and tuition waivers.

OPERATIONS AND MAINTENANCE FUND:

This fund is used to account for expenditures for the improvement, maintenance, repair, or benefit of buildings and property, including the cost of interior decorating and the installation, improvement, repair, replacement, and maintenance of building fixtures; rental of buildings and property for community college purposes. If approved by resolution of the local board, the payment of salaries of janitors, engineers, or other custodial employees; all costs of fuel, lights, gas, water, telephone service, custodial supplies, and equipment; and professional surveys of the condition of college buildings are allowed. It also supports the expenditures related to the College's purchasing and receiving functions.



OPERATING FUNDS RESOURCE INFORMATION FY 2020

The current operating revenue projection of \$29,813,465 reflects an \$886,374 or a 3.06% increase as compared to \$28,927,091 budgeted for FY 2019. This projection is still significantly reduced from the funding levels the College received for many years. During a stretch from FY 2007 to FY 2015, the College's actual operating revenues ranged from a low of \$31m to a high of \$36m. These more recent reductions are due to lost funding from the State of Illinois and from reductions in student tuition.

LOCAL GOVERNMENT SOURCES: \$7,435,000 or 24.94% of Budgeted Operating Revenues:

Property tax revenues are budgeted to be \$6,885,000 or 23.09% of operating revenues. This amount is a projected budgeted increase of \$118,000 or a 1.74%. At the time of the original budget estimate, actual EAV numbers were received from only three of five counties for the 2018 tax year payable in 2019. These numbers along with an estimate for Jackson and Randolph Counties were utilized along with an assumed 1.00% future EAV growth for the subsequent tax year. The two years are each allocated 50% toward the FY 2020 fiscal year. The maximum allowed tax rates of .30 and .05 were assumed for the Education fund and the Operations and Maintenance fund, respectively. As of August, EAV numbers have now been received from all counties. Due to a slight decline of (1.04%) in Jackson County's EAV, the district's overall average EAV growth for the 2018 tax year is a .96% increase. With the assumption of 1.0% growth for the following year, projected numbers appear to be within \$30,000 of the original \$6,885,000 estimate and still reasonable as EAV growth has exceeded 1.0% in four of the last five years. A table later in the document on page 16, shows the calculation and historical EAV's.

In other local sources, Corporate Personal Property Replacement Tax is budgeted at \$550,000 which represents 1.85% of total operating revenues. This is a budgeted decrease of (\$50,000) as compared to the prior year's budget. This decrease in CPPRT brings the projection more in line with the FY 2019 actual funding levels. Chargeback revenue received from other College districts is no longer budgeted due to a Cooperative agreement amongst IL Community Colleges for their Career and Technical Educational programs put into place during FY 2017.

STATE GOVERNMENTAL SOURCES: \$10,029,985 or 33.64% of Budgeted Operating Revenues:

Based on allocation data from the ICCB for FY 2020 funding levels, the entire Community College system will receive allocations of \$179,940,200 for Base Operating Grants and \$71,203,900 for Equalization funding from the State. This was a system increase of 4.8% and 5.0%, respectively. In addition, \$4,264,400 was also allocated for Veterans Grants to be disbursed among all the Colleges.

With Statewide funding improved from the prior year, due to the nature of the formula, some colleges will receive funding in excess of the overall percent increases while others may receive less funding than in fiscal year FY 2019. The formula takes into account the number of credit hours, generated,

types of credit hours, the amount of local revenues, and in-district hours. State revenue sources still reflect a historical decline in budgeted revenue as compared to many past years.

For FY 2020, ICCB Base Operating grant funds are allocated for John A. Logan College at \$3,071,835 which included a deduction of \$147,225 for the repayment of prior credit hours. This is 10.30% of total budgeted operating funds which is an increase of \$147,294 or 5.04% from the FY 2019 budget. Equalization dollars were allocated at \$6,381,150 net of a deduction of \$112,705 for the repayment of prior credit hours. This accounts for 21.40% of expected revenue which is an increase of \$873,600 or 15.86% from the prior year's budget. Internally, Base Operating and Equalization grants were allocated 68% to support the Education fund and 32% to the Operations and Maintenance Fund.

FY 2020 CTE total system funding is flat at \$18,069,400. ICCB Vocational grants for CTE programs are budgeted at \$475,000 for FY 2020 which is a decrease with the prior budgeted amount of \$490,000, but equates to the College's actual FY 2019 allocation.

Funding allocations from the ICCB reflect that the College will receive \$92,000 for a special designated Veterans grant which is the same allocation it received the prior year. Based on a flat Community College system allocation of \$359,000 for Performance Based funding, the College is estimating its share of Performance revenue at a nominal \$10,000. This Performance funding is based on completion data and other metrics and varies each year, but the College received \$12,755 in FY 2019.

TUITION AND STUDENT FEES: \$11,674,500 or 39.16% of Budgeted Operating Revenues:

For FY 2020, the in-district tuition rate is at \$115 per credit hour along with a \$5 per hour technology fee. Student tuition of \$10,517,000 and fees of \$1,157,500 total \$11,674,500 in student revenue. This is compared to total student revenue of \$12,023,000 budgeted for the prior year. This is a projected decrease of (\$348,500) or (2.90%) from the prior budget. Calculations of student revenue were performed by looking at where FY 2019 numbers were expected to finish for the year. As mentioned earlier, the \$5 per hour technology fee revenue projected at \$350,000 will be divided to support three areas: new classroom technology, catalog management software, and a portion of the student lab computer replacements. The five year lease for the prior network upgrade project ended in FY 2019.

The Administration has had to look at factors that have forced much more conservative tuition estimates. The College continues to experience around \$250,000 in lost tuition revenue due to unfunded mandates of financial aid programs that have to be written off as uncollectible. With the continued statewide trends of enrollment decline and lost credit hour generation, tuition and fees are more volatile than they have been in the past. With student tuition again being the largest single source of revenue, it is important that estimates not be overstated.

OTHER REVENUE SOURCES: \$673,980 or 2.26% of Budgeted Operating Revenues:

Remaining sources of budgeted operating revenue include sales and service fees of \$87,000, interest income of \$405,000 (includes an estimated \$150,000 transfer of working cash interest), facilities revenue of \$38,980 based on two rental agreements and normal conference and meeting room fees, aid from the Franklin Williamson Regional Office of Education (FWROE) of \$63,000, and other sources.

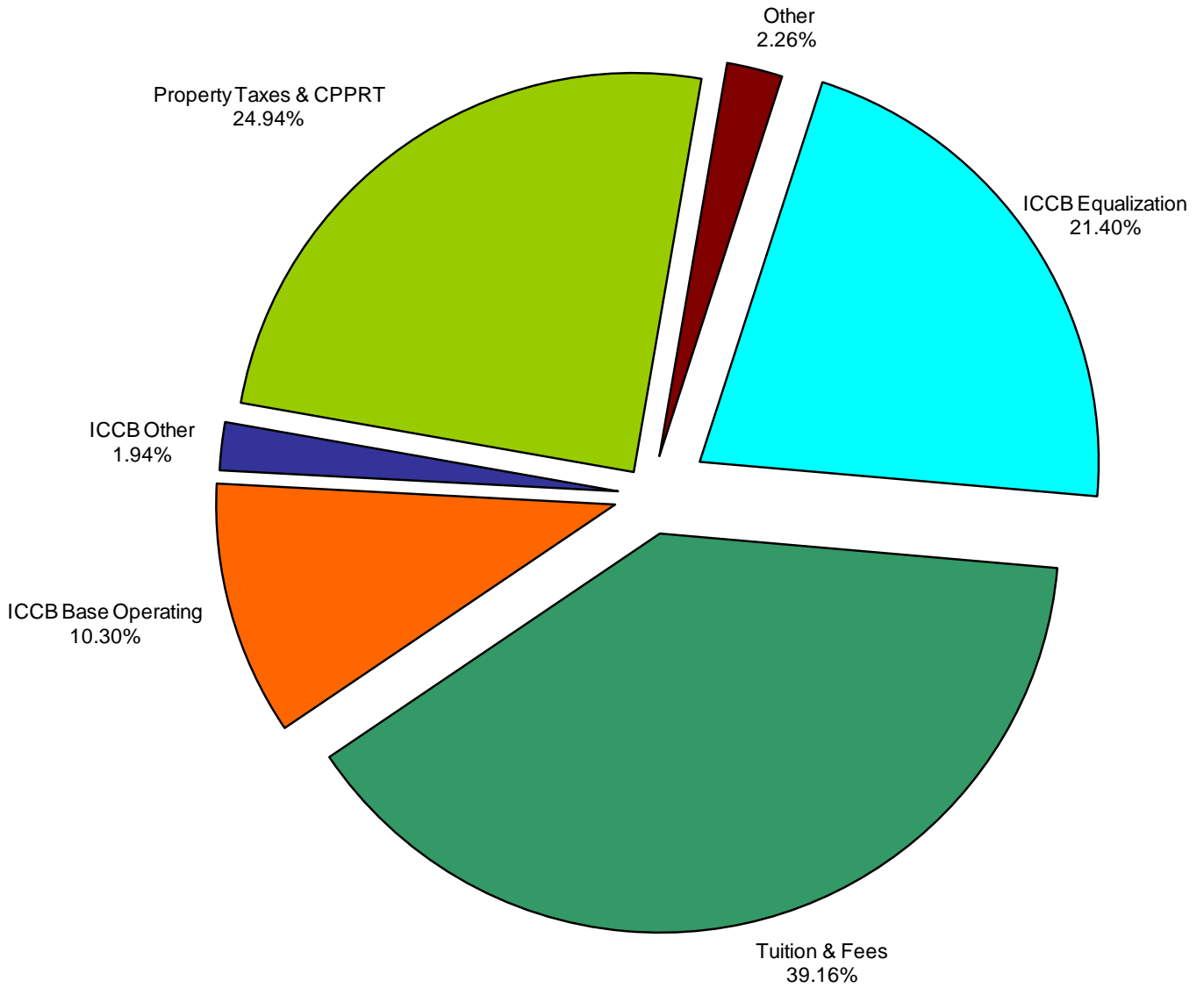
Sales and Service revenue includes various areas such as Workforce Development fees, Performing Arts, the AutumnFest event, Cosmetology services, and Massage Therapy fees. The total of other revenue sources reflects an improvement of from the prior year's budget of \$518,000. This is largely due to the new rental agreements with SIU Head Start and the Nature Conservancy along with the budgeting of the transfer of working cash interest which now generates a significant amount since the working cash fund was increased from \$2.0 million to \$7.5 million.

**RESOURCE COMPARISON BY SOURCE - FY 2020 to FY 2019
OPERATING FUNDS - Fund 01 & Fund 02**

BY REVENUE SOURCE:	FY 2020 Proposed Budget	FY 2019 Adopted Budget	\$ Increase (Decrease)	% Increase (Decrease)	% of Total FY 20 Revenue
LOCAL PROPERTY TAXES	6,885,000	6,767,000	118,000	1.74%	23.09%
CORPORATE PERSONAL PROPERTY REPLACEMENT TAX	550,000	600,000	(50,000)	(8.33%)	1.85%
CHARGEBACKS	-	-	-		0.00%
ICCB BASE OPERATING GRANTS	3,071,835	2,924,541	147,294	5.04%	10.30%
ICCB EQUALIZATION GRANTS	6,381,150	5,507,550	873,600	15.86%	21.40%
ICCB VOCATIONAL GRANTS	475,000	490,000	(15,000)		1.59%
ICCB PERFORMANCE ALLOCATION GRANT	10,000	5,000	5,000		0.04%
ICCB VETERANS GRANT	92,000	92,000	-		0.31%
STUDENT TUITION & FEES	11,674,500	12,023,000	(348,500)	(2.90%)	39.16%
SALES & SERVICE FEES	87,000	115,000	(28,000)	(24.35%)	0.29%
FACILITY USE	38,980	2,000	36,980	1849.00%	0.13%
INTEREST ON INVESTMENTS	405,000	285,000	120,000	42.11%	1.36%
OTHER INCOME	143,000	116,000	27,000	23.28%	0.48%
TOTAL	\$ 29,813,465	\$ 28,927,091	\$ 886,374	3.06%	100.00%

Note: Includes Education and Operations & Maintenance Funds.

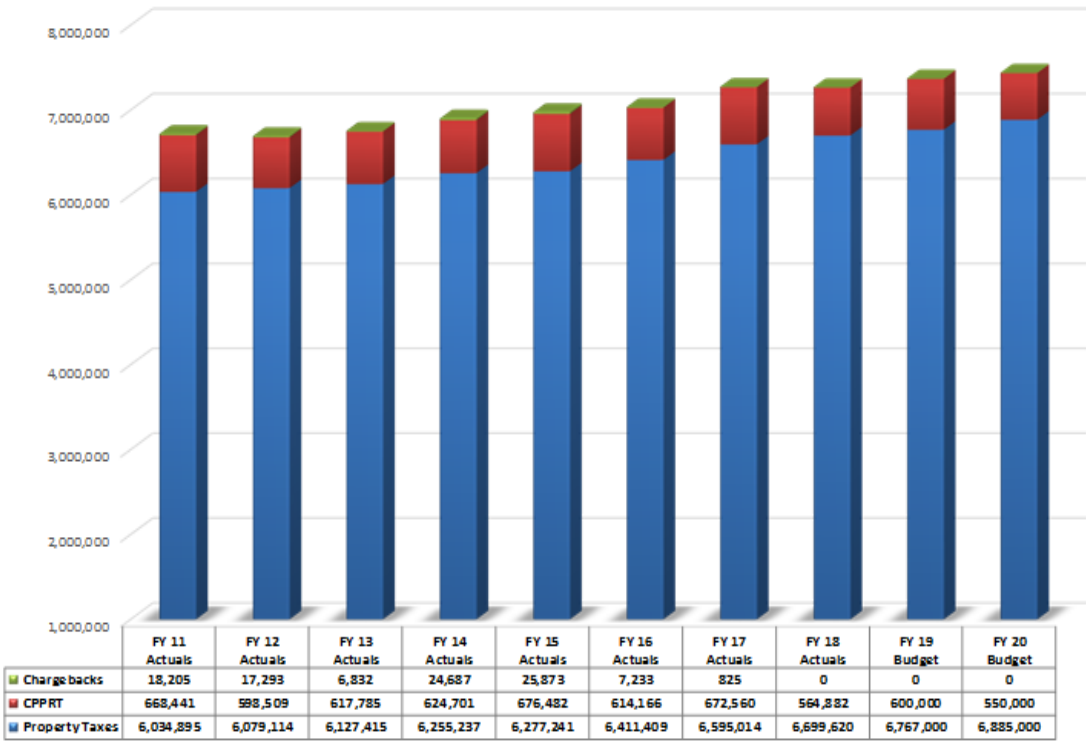
Revenues Operating Funds FY 2020



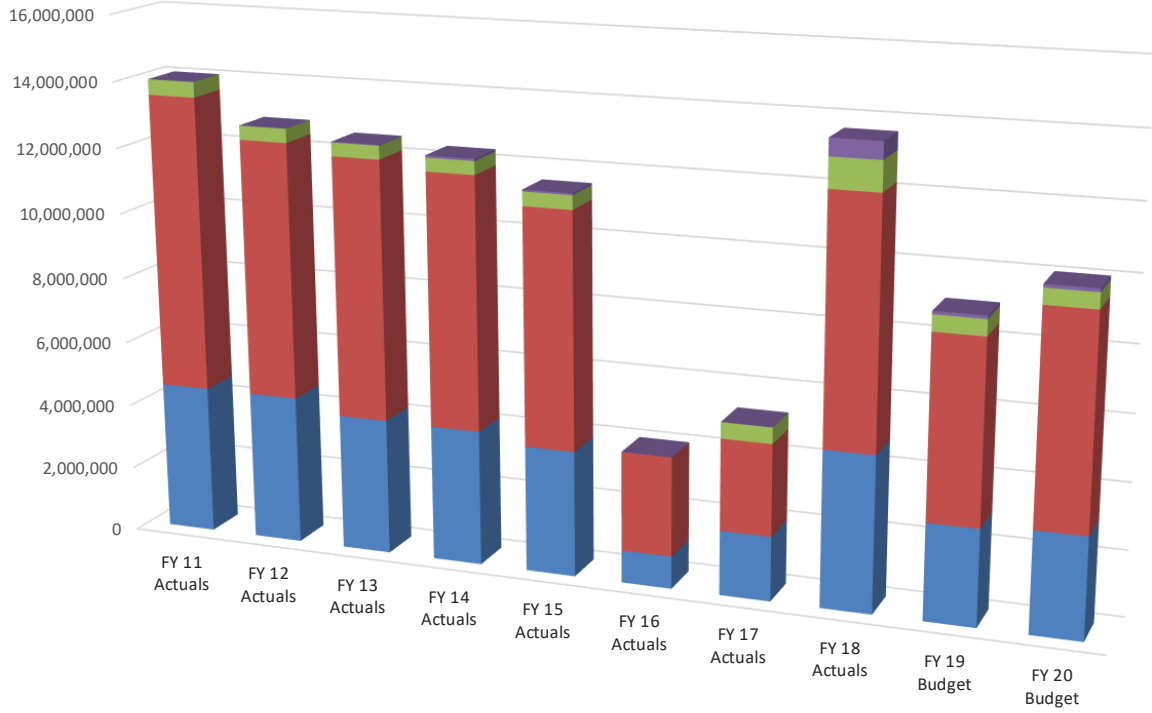
REVENUE BY SOURCE (OPERATING FUNDS)										
REVENUE SOURCE:	FY 11 Actuals	FY 12 Actuals	FY 13 Actuals	FY 14 Actuals	FY 15 Actuals	FY 16 Actuals	FY 17 Actuals	FY 18 Actuals	FY 19 Budget	FY 20 Budget
Property Taxes	6,034,895	6,079,114	6,127,415	6,255,237	6,277,241	6,411,409	6,595,014	6,699,620	6,767,000	6,885,000
CPPRT	668,441	598,509	617,785	624,701	676,482	614,166	672,560	564,882	600,000	550,000
Chargebacks	18,205	17,293	6,832	24,687	25,873	7,233	825	0	0	0
Local Revenue	6,721,541	6,694,916	6,752,032	6,904,625	6,979,596	7,032,808	7,268,399	7,264,502	7,367,000	7,435,000
% of Total	18.54%	19.09%	19.58%	20.42%	21.63%	28.49%	29.71%	22.05%	25.46%	24.94%
ICCB Base Operating	4,544,200	4,544,200	4,150,870	4,129,409	3,834,673	989,001	1,956,559	4,730,542	2,924,541	3,071,835
ICCB Equalization	8,995,423	7,826,930	7,926,808	7,702,797	7,198,380	3,015,467	2,773,733	7,455,359	5,507,550	6,381,150
ICCB Vocational Ed	471,462	428,343	413,863	410,285	429,763	0	491,406	901,946	490,000	475,000
ICCB & Misc Grants	0	0	20,176	67,533	53,400	0	2,779	521,219	97,000	102,000
State Revenue	14,011,085	12,799,473	12,511,717	12,310,024	11,516,216	4,004,468	5,224,477	13,609,066	9,019,091	10,029,985
% of Total	38.65%	36.50%	36.29%	36.41%	35.70%	16.22%	21.35%	41.30%	31.18%	33.64%
Tuition	13,405,662	13,811,142	13,382,565	12,996,511	11,954,174	11,818,351	10,506,351	10,348,350	10,800,000	10,517,000
Fees	1,156,010	1,248,860	1,250,406	1,160,281	1,374,094	1,224,914	1,148,501	1,140,774	1,223,000	1,157,500
Tuition & Fees	14,561,672	15,060,002	14,632,971	14,156,792	13,328,268	13,043,265	11,654,852	11,489,124	12,023,000	11,674,500
% of Total	40.17%	42.94%	42.44%	41.88%	41.31%	52.83%	47.63%	34.87%	41.56%	39.16%
Sales & Service fees	250,647	229,544	293,713	174,476	238,626	235,351	87,497	119,574	115,000	87,000
Facilities Revenue	1,760	27,872	43,527	15,138	6,870	7,330	3,980	1,928	2,000	38,980
Investment Revenue	21,428	30,139	38,724	34,146	29,489	40,076	81,606	279,463	285,000	405,000
Other Sources	686,392	228,169	203,951	210,930	163,421	324,321	146,998	185,474	116,000	143,000
Other Revenue	960,227	515,724	579,915	434,690	438,406	607,078	320,081	586,439	518,000	673,980
% of Total	2.64%	1.47%	1.69%	1.29%	1.36%	2.47%	1.31%	1.78%	1.80%	2.26%
Total Operating Revenue	36,254,525	35,070,115	34,476,635	33,806,131	32,262,486	24,687,619	24,467,809	32,949,131	28,927,091	29,813,465
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Note: Includes the Education Fund and the Operations and Maintenance Fund.

LOCAL SOURCES OF OPERATING REVENUE

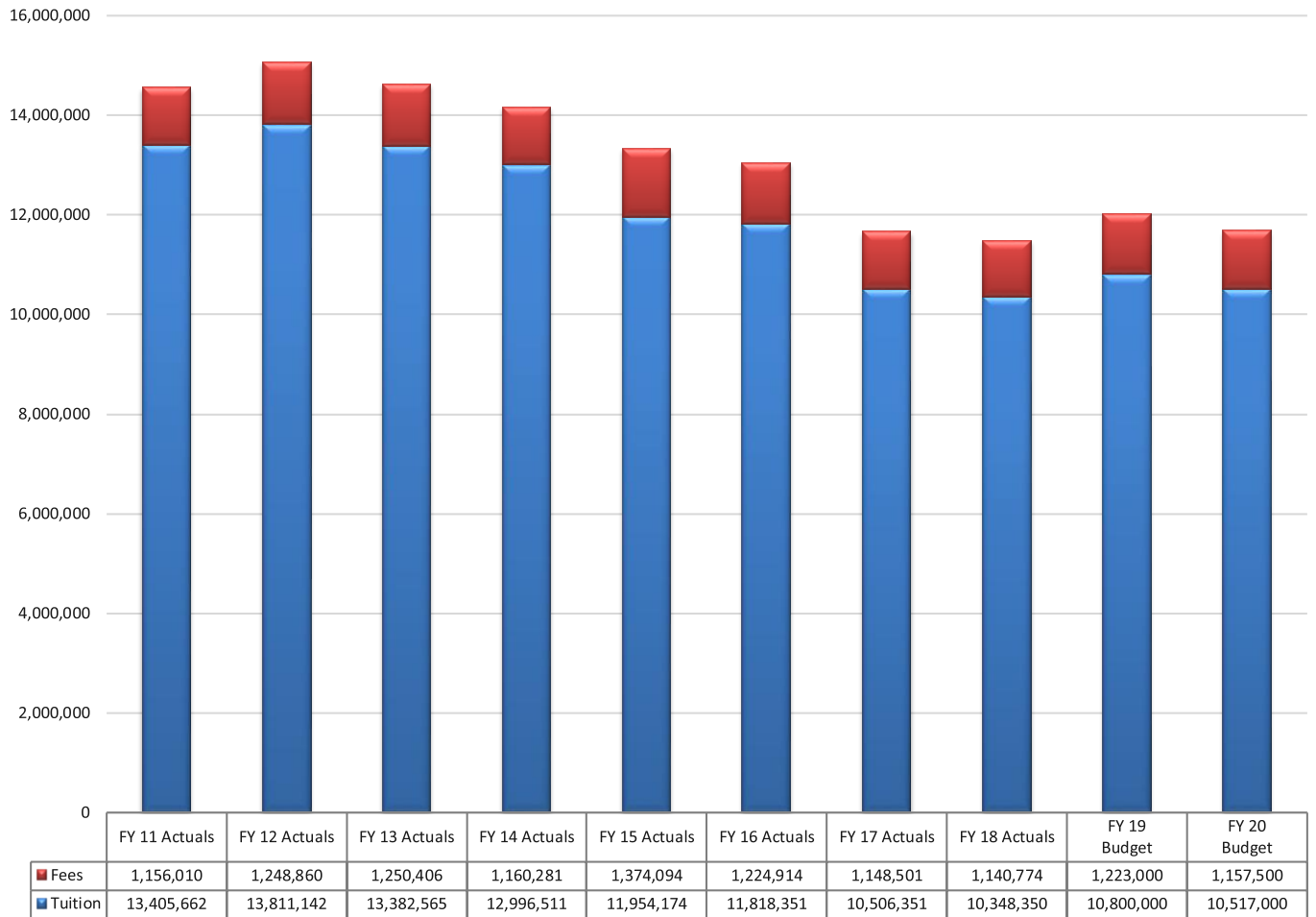


STATE SOURCES OF OPERATING REVENUE



	FY 11 Actuals	FY 12 Actuals	FY 13 Actuals	FY 14 Actuals	FY 15 Actuals	FY 16 Actuals	FY 17 Actuals	FY 18 Actuals	FY 19 Budget	FY 20 Budget
ICCB & Misc Grants	0	0	20,176	67,533	53,400	0	2,779	521,219	97,000	102,000
ICCB Vocational Ed	471,462	428,343	413,863	410,285	429,763	0	491,406	901,946	490,000	475,000
ICCB Equalization	8,995,423	7,826,930	7,926,808	7,702,797	7,198,380	3,015,467	2,773,733	7,455,359	5,507,550	6,381,150
ICCB Base Operating	4,544,200	4,544,200	4,150,870	4,129,409	3,834,673	989,001	1,956,559	4,730,542	2,924,541	3,071,835

STUDENT TUITION AND FEE REVENUE



EQUALIZED ASSESSED VALUATION (updated August 2019)								
County	2-Year Avg EAV Related to FY 2020	**Estimated 2019 Payable in 2020	*Estimated 2018 Payable in 2019	Actual 2017 Payable in 2018	Actual 2016 Payable in 2017	Actual 2015 Payable in 2016	Actual 2014 Payable in 2015	Actual 2013 Payable in 2014
Williamson	\$1,051,900,576	\$1,057,133,912	\$1,046,667,240	\$1,028,897,830	\$1,014,817,466	\$982,107,912	\$950,562,817	\$946,400,403
Jackson	\$705,739,815	\$709,250,959	\$702,228,672	\$709,623,960	\$700,982,631	\$687,768,397	675,757,450	667,469,780
Perry	\$96,030,663	\$96,508,428	\$95,552,899	\$94,038,523	\$91,232,451	\$88,977,600	85,122,356	83,815,165
Randolph	\$12,442,859	\$12,504,764	\$12,380,954	\$11,208,485	\$11,547,935	\$10,919,160	11,055,039	10,198,758
Franklin	\$92,451,386	\$92,911,343	\$91,991,429	\$86,523,070	\$86,483,459	\$88,025,530	83,697,751	77,755,623
Total EAV	\$1,958,565,300	\$1,968,309,406	\$1,948,821,194	\$1,930,291,868	\$1,905,063,942	\$1,857,798,599	\$1,806,195,413	\$1,785,639,729
		1.00%	0.96%	1.32%	2.54%	2.86%	1.15%	
*Based on EAV from counties as known August 2019								
**Based on 1.0% estimated future EAV increase								

	2-Year Avg	Est. 19 Pay 20	Est. 18 Pay 19	Formula
Fund 01	\$5,875,696	\$5,904,928	\$5,846,464	EAV / 100 * \$.30 max rate Education
Fund 02	\$979,283	\$984,155	\$974,411	EAV / 100 * \$.05 max rate Operations Maint.

	100% Related to FY 20	50% 2nd half of FY 20	50% 1st half of FY 20
Fund 01	\$5,875,696	\$2,952,464	\$2,923,232
Fund 02	\$979,283	\$492,077	\$487,205

Tax Revenue FY 2020 Budget	
Fund 01	5,900,000
Fund 02	985,000
Operating	\$6,885,000

OPERATING FUNDS
(Education Fund & Operations and Maintenance Fund)
EXPENDITURE INFORMATION – BY OBJECT & BY PROGRAM FY 2020

Budget Officers and their staff across all departments of the campus were trained on budget development for detailed expenditure requests. For comparison purposes, each department was given detailed information on actual expenditures for both FY 2018 and FY 2017 and also the budget numbers for FY 2019.

Total budgeted operating expenditures for FY 2020 are \$31,665,984 as compared to \$30,300,198 for FY 2019. This is an increase of \$1,365,786 or 4.51%. This is compared to a 2.83% budget increase for FY 2019 and 1.86% for FY 2018 which followed two years of double digit expenditure decreases of (15.71%) and (12.52%), respectively. As you will see from a historical comparison later in the document on page 25, this level of budgeted expenditures is very comparable to FY 2005 which was \$31.5m.

EXPENDITURE INFORMATION BY OBJECT:

Salary expenses of \$18,373,374 and benefit expenses of \$2,089,928 reflect 2.90% and 2.96% increases, respectively. Salary increases for all employee groups are reflected in the budget. Retirements and posted replacements have also been factored into the budget. More detailed historical data on salary and benefit amounts are provided later in this document on page 24.

As compared to FY 2019, contractual services increased by \$203,659 to \$2,068,406 showing a 10.92% increase. This is primarily due to the services required for the transition to the Jenzabar One (J1) platform such as data conversion, implementation hours, integrations, and report building.

An increase to materials and supplies of \$312,102 or 18.82% was necessary. This amount helped cover increases and updates of small equipment and supplies in several areas including: Chemistry and Physics labs, new software, office computer replacements, classroom furniture, instructional supplies, and updates to the network production data center. This is a budget of \$1,970,208, and represents 6.2% of the total operating expenditures. Capital outlay requests also increased from \$172,720 to \$201,750, mainly due to equipment requests for the network production data center that includes servers and switches. Capital Outlay represents items valued at \$5,000 or greater.

With small increases seen across each program area, conference and meeting expenses increased overall by \$73,148 to \$416,965 representing 1.3% of the operating budget. Utilities are budgeted at \$802,150 or 2.5%. Based on projected FY 2019 actual expenditures of just under \$2.9 million, institutional scholarships and waivers were reduced to \$2,941,225.

Transfers from the Education Fund to support other funds were increased from \$1,591,188 to \$1,952,425 for FY 2020. These transfers included \$330,175 for the repayment of 2016 debt certificates. A \$350,000 transfer of student technology fees to support classroom technology,

catalog management software, and a portion of lab computer replacements. \$18,000 is required for a grant matching component. A transfer of \$54,250 to reimburse staff wellness expenses at the Logan Fitness facility, and a subsidy of \$1,200,000 was budgeted to support activities in the Auxiliary Fund operations such as Athletics operations. From the Operations and Maintenance Fund, there was a \$200,000 transfer budgeted to support non-PHS construction projects.

Operating expenditures include a small provision for contingency funds of \$220,000 which is 0.7% of budgeted expenditures. These funds are available for emergencies and unforeseen budget issues, and close monitoring of these funds will be performed by the College Administration. \$70,000 is specifically in the Operations and Maintenance fund to assist with unforeseen facility issues. The remainder resides in the Education fund. \$20,000 is allocated to Instruction, \$20,000 to Student Services, \$10,000 to Business Services as well as \$100,000 to a general institutional contingency.

EXPENDITURE INFORMATION BY PROGRAM:

INSTRUCTION: \$10,044,160 or 31.7% of Budgeted Operating Expenditures

Instruction consists of those activities dealing directly with the teaching of students. It includes the activities of faculty in the baccalaureate-oriented/transfer, occupational-technical career, general studies, and remedial and ABE/ASE programs. SICCM seat assessment fees are part of the Instructional costs.

As compared to the prior year's budget, Instruction expenditures were adjusted up by \$444,029 or 4.63%. The majority of this increase is reflected in salaries followed supplies and materials and conference and meeting expenses. There were seven full-time faculty hires which included a new Philosophy position, an addition in Math, and a third full-time faculty member was added to the Computer Information Systems department. Chemistry and Physics labs are in great need of an overhaul of small equipment, software, and lab stools. In the Workforce Development area, there is an additional need for more instructional supplies related to OSHA and CPR training. Student fees are charged for CPR cards.

ACADEMIC SUPPORT: \$2,471,839 or 7.8% of Budgeted Operating Expenditures

This category includes activities designed to provide support services for the institution's primary missions of instruction and public service. Academic support includes the operation of the library, educational media services, and academic computing used in the learning process.

As compared to the prior year's budget, Academic Support experienced an overall decrease of (\$91,817) or (3.58%). The decrease was in general materials and supplies. Since 310 computers in student labs were budgeted for replacement in the prior year, only 110 are necessary for this budget year. This is year two of replacements previously deferred due to the budget crisis

experienced in prior years. These newer machines will support the Windows 10 operating system and allow for continued security updates.

In this budget, there are also funds to start a much needed replacement cycle for broken classroom furniture such as desks, tables, chairs, and instructor stools. In addition, other funds were budgeted to support computer labs with supplies and printer replacements. Funds were also budgeted to support maintenance of CurricUNET software, adobe cloud licensing, the maintenance of the Desire2Learn LMS system, and the EMS scheduling software that assists with classroom scheduling. In the Library area, there are funds to support various databases and reference sources.

STUDENT SERVICES: \$2,768,906 or 8.7% of Budgeted Operating Expenditures

The student services function provides assistance in the areas of financial aid, admissions, advisement, placement, testing, counseling, tutoring, and student activities.

As compared to the prior year's budget, Student Services expenditures were adjusted by (\$27,575) or (0.99%). This was reflected in lower contractual services along with reduced salary expenses due to savings from multiple retirements in this area.

In addition to services such as Admissions, Advisement, and Financial Aid some examples of normal budget requests in the Student Services area would be to provide student assistance in the areas of testing, interpreting and tutoring services, along with the job fair and other career services. Also, included in this area are recruitment expenses.

PUBLIC SERVICES: \$1,056,536 or 3.3% of Budgeted Operating Expenditures

Public service consists of Community Education (non-credit) classes and other activities of an educational nature, such as workshops, seminars, and the provision of college facilities and expertise to the community designed to be of service to the public.

As compared to the prior year's budget, Public Services experienced a decrease of (\$108,063) or (9.28%). Since Public Services are related to non-credit activities, all expenses related to OSHA and CPR training including staff and instructional supplies were relocated to a different program area.

INSTITUTIONAL SUPPORT: \$6,478,833 or 20.5% of Budgeted Operating Expenditures

Institutional support includes expenditures for central executive-level activities and support services that benefit the entire institution. Examples include expenses for the governing board, administrative offices, information technology, fiscal operations, human resources, institutional effectiveness, legal services, etc.

As compared to the prior year's budget, Institutional Support increased by \$819,245 or 14.48%. In addition to salary increases, the largest portion of this increase is technology related. It includes expenses related to the Jenzabar One (J1) implementation which includes PowerFacts software for Financial Aid. There are updates to the network Production Data Center that include switches and servers. There is also a larger focus on office computer replacements this year.

OPERATION & MAINT. OF PLANT: \$3,752,060 or 11.9% of Budgeted Operating Expenditures

Operation and maintenance of plant consists of those activities necessary to keep the grounds, buildings, and equipment operating efficiently and ready for use. This function also provides for plant utilities, as well as equipment, materials, supplies, fire protection, and other costs necessary to support this function. This program area increased by \$188,992 or 5.30%. Normal salary and insurance adjustments were budgeted along with the addition of one Custodial position and the return of the Coordinator of Grounds position.

SCHOLARSHIPS & WAIVERS: \$2,941,225 or 9.3% of Budgeted Operating Expenditures

As compared to last year's budget, this area was adjusted by (\$220,262) or (6.97%) to bring it more in line with FY 2019 projected expenditures.

Along with amounts for student scholarships, this category includes both mandated waivers such as those for ABE/GED/ASE students and Senior Citizens along with institutional waivers for Dual Credit, Workforce Development, FAVAS Academic Awards, Competition Winners, Student Ambassadors, Departmental Waivers, and designated Presidential waivers. Athletic waivers are budgeted separately in the Auxiliary fund.

EXPENDITURE SUMMARY:

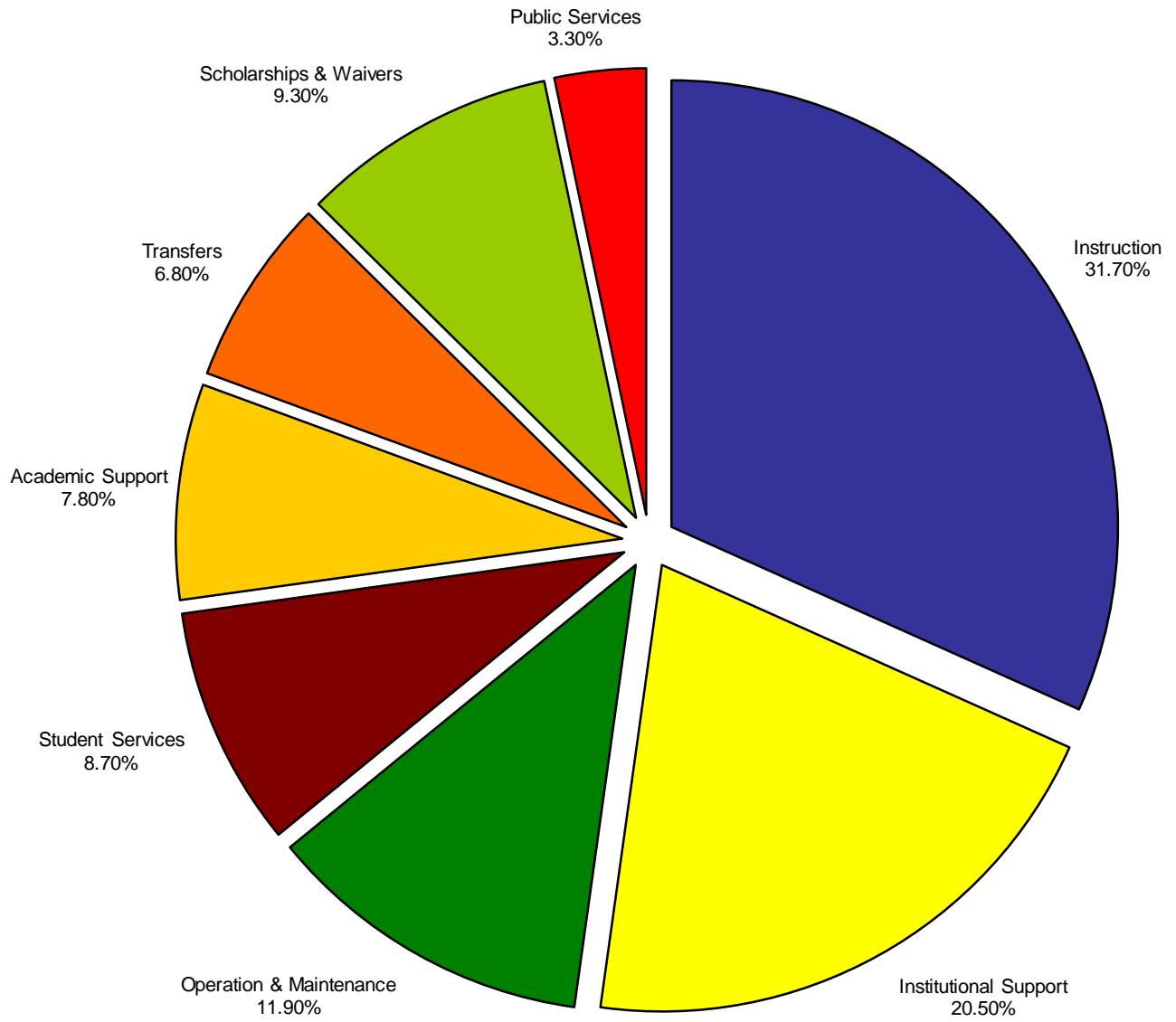
In the pages that follow, you will see a comparison of budgeted operating expenditures FY 2020 vs. FY 2019 along with graphs that break down the proposed expenditures both by program categories and by account objects. Then, you will see a more detailed historical view of amounts budgeted for salary and benefit expenses as compared to the total operating expenditures for each year. Finally, you will find a chart and a graph that shows several years of historical data on the adopted operating expenditures.

**EXPENDITURE COMPARISON - FY 2020 to FY 2019
OPERATING FUNDS (Education and Operations & Maintenance)**

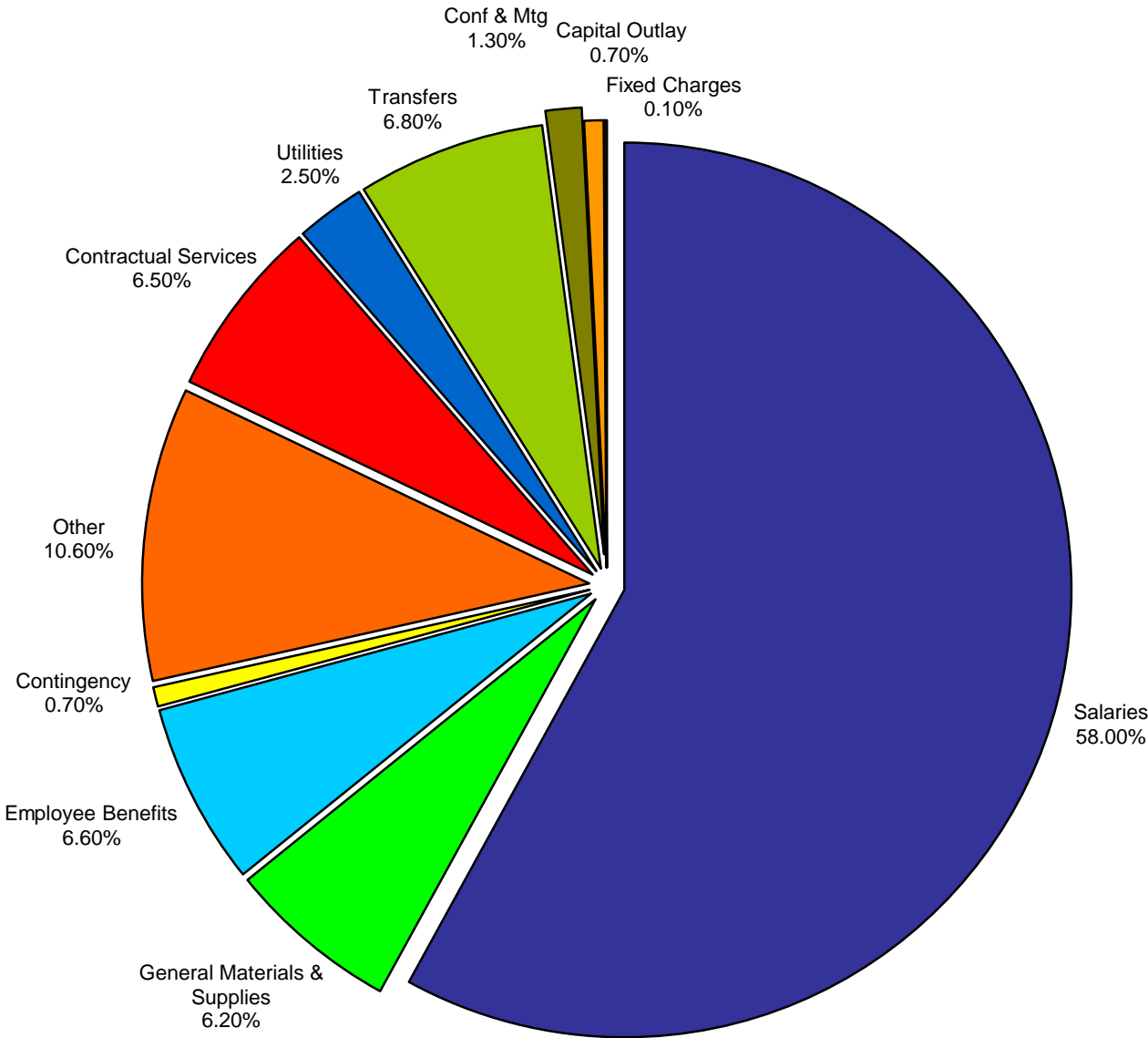
EXPENDITURES BY PROGRAM:	FY 20 Tentative Budget	FY 19 Adopted Budget	\$ Increase (Decrease)	% Increase (Decrease)	% of Total FY 20 Budget
INSTRUCTION	\$10,044,160	\$9,600,131	\$444,029	4.63%	31.7%
ACADEMIC SUPPORT	2,471,839	2,563,656	(91,817)	(3.58%)	7.8%
STUDENT SERVICES	2,768,906	2,796,481	(27,575)	(0.99%)	8.7%
PUBLIC SERVICES	1,056,536	1,164,599	(108,063)	(9.28%)	3.3%
OPERATION & MAINTENANCE	3,752,060	3,563,068	188,992	5.30%	11.9%
INSTITUTIONAL SUPPORT	6,478,833	5,659,588	819,245	14.48%	20.5%
SCHOLARSHIPS & WAIVERS	2,941,225	3,161,487	(220,262)	(6.97%)	9.3%
TRANSFERS	2,152,425	1,791,188	361,237	20.17%	6.8%
TOTALS	\$ 31,665,984	\$ 30,300,198	\$1,365,786	4.51%	100.0%

EXPENDITURES BY OBJECT:	FY 20 Tentative Budget	FY 19 Adopted Budget	\$ Increase (Decrease)	% Increase (Decrease)	% of Total FY 20 Budget
SALARIES	\$18,373,374	\$17,855,263	\$518,111	2.90%	58.0%
EMPLOYEE BENEFITS	2,089,928	2,029,791	60,137	2.96%	6.6%
CONTRACTUAL SERVICES	2,068,406	1,864,747	203,659	10.92%	6.5%
MATERIALS & SUPPLIES	1,970,208	1,658,106	312,102	18.82%	6.2%
CONFERENCE & MEETING	416,965	343,817	73,148	21.28%	1.3%
FIXED CHARGES	13,643	13,037	606	4.65%	0.1%
UTILITIES	802,150	774,763	27,387	3.53%	2.5%
CAPITAL OUTLAY	201,750	172,720	29,030	16.81%	0.7%
OTHER	3,357,135	3,576,766	(219,631)	(6.14%)	10.6%
CONTINGENCY	220,000	220,000	-	0.00%	0.7%
TRANSFERS	2,152,425	1,791,188	361,237	20.17%	6.8%
TOTALS	\$31,665,984	\$ 30,300,198	\$1,365,786	4.51%	100.0%

Expenditures by Program Operating Funds FY 2020



Expenditures by Object Operating Funds FY 2020



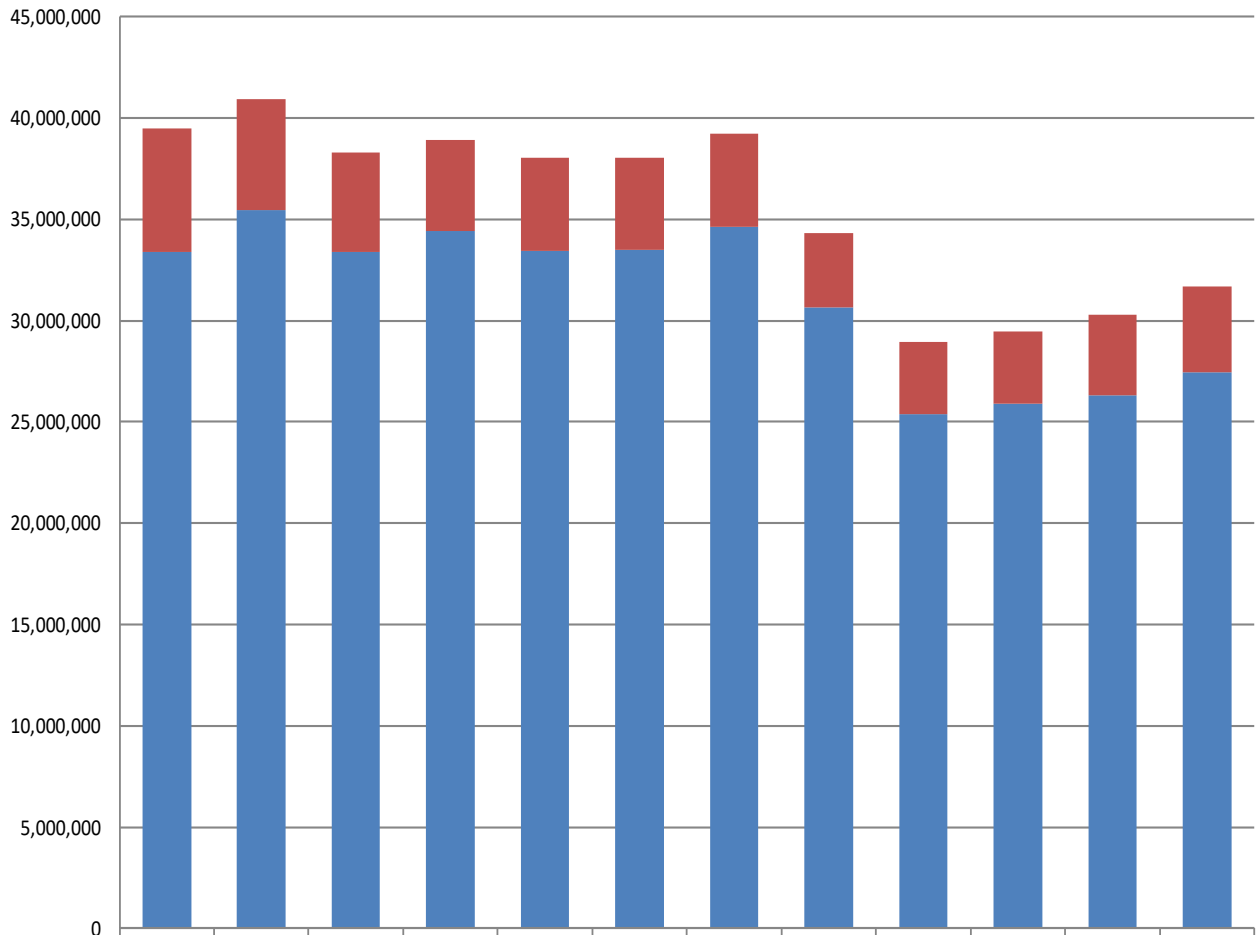
BUDGET FOR HUMAN RESOURCES - OPERATING FUNDS

\$ Budgeted:	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020 Tentative	Seven-Year Average
Salaries	21,352,038	22,026,208	20,600,199	17,281,063	17,630,322	17,855,263	18,373,374	19,302,638
Benefits	2,463,331	3,273,265	2,639,584	1,842,344	1,892,979	2,029,791	2,089,928	2,318,746
Staff Resources	\$23,815,369	\$25,299,473	\$23,239,783	\$19,123,407	\$19,523,301	\$19,885,054	\$20,463,302	\$21,621,384
 Total Operating Expenditures	 \$38,028,476	 \$39,229,210	 \$34,319,521	 \$28,928,331	 \$29,467,518	 \$30,300,198	 \$31,665,984	 \$33,134,177
 % of Operating Funds:	 FY 2014	 FY 2015	 FY 2016	 FY 2017	 FY 2018	 FY 2019	 FY 2020 Tentative	 Seven-Year Average
Salaries	56.1%	56.1%	60.0%	59.7%	59.8%	58.9%	58.0%	58.3%
Benefits	6.5%	8.3%	7.7%	6.4%	6.4%	6.7%	6.6%	7.0%
Staff Resources	62.6%	64.4%	67.7%	66.1%	66.2%	65.6%	64.6%	65.3%

Adopted Budget History Operating Fund Expenditures FY 2000 - FY 2020 (Proposed)				
Fiscal Year	Education	Operations & Maintenance	Total Operating Funds	Increase (Decrease) From Prior Year
FY 00	19,046,734	2,737,552	21,784,286	
FY 01	20,297,130	3,672,809	23,969,939	10.03%
FY 02	21,918,087	3,600,289	25,518,376	6.46%
FY 03	24,195,342	4,027,502	28,222,844	10.60%
FY 04	24,365,041	4,538,181	28,903,222	2.41%
FY 05	26,571,301	5,004,526	31,575,827	9.25%
FY 06	28,109,073	5,741,445	33,850,518	7.20%
FY 07	30,337,763	5,487,059	35,824,822	5.83%
FY 08	33,235,496	5,844,366	39,079,862	9.09%
FY 09	33,397,236	6,096,541	39,493,777	1.06%
FY 10	35,436,271	5,490,121	40,926,392	3.63%
FY 11	33,393,581	4,889,387	38,282,968	(6.46%)
FY 12	34,407,822	4,489,562	38,897,384	1.60%
FY 13	33,443,145	4,607,250	38,050,395	(2.18%)
FY 14	33,521,198	4,507,278	38,028,476	(0.06%)
FY 15	34,649,364	4,579,846	39,229,210	3.16%
FY 16	30,648,249	3,671,272	34,319,521	(12.52%)
FY 17	25,410,904	3,517,427	28,928,331	(15.71%)
FY 18	25,920,747	3,546,771	29,467,518	1.86%
FY 19	26,340,135	3,960,063	30,300,198	2.83%
FY 20	27,442,034	4,223,950	31,665,984	4.51%

Note: FY 2020 is based on the tentative proposed budget.

Adopted Budget History - Operating Expenditures FY 09 to FY 20 (Proposed)



	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20
■ Oper & Maint Fund	6,096,541	5,490,121	4,889,387	4,489,562	4,607,250	4,507,278	4,579,846	3,671,272	3,517,427	3,546,771	3,960,063	4,223,950
■ Education Fund	33,397,236	35,436,271	33,393,581	34,407,822	33,443,145	33,521,198	34,649,364	30,648,249	25,410,904	25,920,747	26,340,135	27,442,034
Operating Funds	39,493,777	40,926,392	38,282,968	38,897,384	38,050,395	38,028,476	39,229,210	34,319,521	28,928,331	29,467,518	30,300,198	31,665,984

NON-OPERATING BUDGETARY FUNDS

BOND AND INTEREST FUND:

This fund is established for the payment of principal, interest and related charges of any outstanding bond or debt issuance. For FY 2020, \$2,982,327 in principal, interest, and fee payments are scheduled. The breakdown is shown below:

- \$330,175 debt certificates issued 2016 for \$1.5 million in technology improvements to be repaid over a five year period
- \$428,460 bonds issued 2016 for funding a post-employment benefit for retiree insurance
- \$422,493 bonds issued 2014 to refinance debt certificates for the purchase of an ERP system
- \$641,500 interest and fees on refunding of 2007 bonds issued as 2017A
- \$1,159,700 interest and fees on \$5.5 million in working cash bonds issued as 2017B

AUXILIARY ENTERPRISES FUND:

The Auxiliary Enterprises Fund accounts for college services where a fee is charged to students/staff and the activity is intended to be self-supporting. Examples of accounts in this fund include food services, bookstore, copy/supply center, athletics, and the Logan Fitness facility.

Including the transfers in, revenue for the Auxiliary fund is projected at \$2,374,805. Subsidies for Auxiliary Services by the Education Fund should be shown as transfers to the appropriate account. For FY 2020, \$54,250 is being provided by transfers budgeted from the Education Fund specifically related to reimbursing the Logan Fitness facility for the cost of staff wellness waivers agreed to by the College in policy and various union contracts. For this year, there is also a transfer of \$1,200,000 budgeted to support Athletic programs.

Total expenditures in the Auxiliary Fund are estimated at \$2,493,474. The College has not been able regrow this ending fund balance back to its prior levels, as the focus has been on regaining accumulated fund balance in the operating funds.

AUDIT FUND:

The Audit Fund is established for recording the payment of auditing expenses. During FY 2020, \$56,695 will be budgeted to cover expenditures in this fund. This amount includes \$54,495 for the performance of an external audit by an independent CPA firm less \$1,800 of the portion anticipated to be funded by grant sources. It also includes \$4,000 for a GASB requirement to conduct an actuarial study of post-employment benefits every other year. Revenue of \$50,000 is anticipated from local property taxes along with interest of \$2,000. The FY 2020 projected ending fund balance is \$61,305.

LIABILITY, PROTECTION AND SETTLEMENT FUND:

This fund accepts special levies for tort liability, property insurance, Medicare insurance, FICA taxes and workers' compensation. The monies in this fund should be used only for the payment of tort

liability, property, unemployment or workers compensation insurance or claims, risk mitigation, and the cost of participation in the Federal Medicare program. During FY 2020, budgeted expenditures are \$2,450,403 with expected revenues of \$1,875,000 from local taxes, plus \$16,000 of interest. Expenditures in this fund include insurance costs for property and casualty, and the cost of maintaining and expanding the Campus Police operations. The College will include a portion of staff members' time who are active in the functions of risk management. For FY 2019, final expenditures are projected to come in under budget and within current year revenues. The FY 2020 projected ending fund balance is \$840,597.

RESTRICTED PURPOSES FUND:

This fund is for the purpose of accounting for monies that have restrictions regarding their use. This fund accounts for state and federal grants plus other specific use contracts. Student financial aid funds are a primary source of expenditures in this fund. During FY 2020, we will budget \$16,949,000 in this fund for expenditures with offsetting revenue of the same amount. The College feels this will adequately meet the needs of the Restricted Fund and establishing grant budgets.

ADDITIONAL BUDGET INFORMATION RESTRICTED PURPOSES FUND 06:

In 2016, the College issued \$1.5 million debt certificates for additional contracts related to technology upgrades and services. The revenue was placed in the Restricted Purposes Fund. Expenditures include professional and remote services and travel provided by Jenzabar in relation to both the ERP system, the Higher Reach system, reporting maintenance, and a small contract for Help Desk support related to student needs. These services for FY 2020 total \$169,000.

As discussed earlier, for FY 2020, the College has placed \$350,000 of technology expenditures in the restricted purposes fund and has budgeted a transfer in of an equal amount from student technology fee revenue to assist with three specific projects: begin to revamp classroom technology, new catalog management software, and assist with a portion of remaining computer lab replacements.

In 2016, the College issued bonds related to funding a liability for post-employment benefits. These payments are for obligations related to assisting retirees with a portion of the cost of their health insurance. For FY 2020, the College has budgeted expected expenditures of \$400,000 in the Restricted Purposes Fund for retiree payments.

OPERATIONS AND MAINTENANCE (RESTRICTED) FUND:

This fund is utilized to account for monies restricted for building purposes and site acquisition. Funds are provided in the Operation and Maintenance (Restricted) for completion of approved protection, health, safety projects as well as some general construction improvements. This fund primarily will be expending protection, health and safety (PHS) levies, plus transfers from operating funds, and interest earnings. Total expenditures of \$992,023 are being budgeted in this fund with \$252,223 of those being Protection Health Safety projects (PHS) funded by tax levy.

For FY 2020, a transfer is no longer needed to support the Dell Lease related to the previous network upgrade. This five-year lease ended in FY 2019. These funds previously came from the technology fee of \$5.00 per credit hour assessed to students.

An operating transfer of \$200,000 is budgeted from the Operations and Maintenance Fund to support non-PHS construction budgeted for FY 2020.

Breakdown of Operations and Maintenance (Restricted) Fund projects:

CAPITAL PROJECTS PROPOSED IN BUDGET - FY 2020						
Project Description:	PHS Projects	Tort	Other O&M (Restricted)	Auxiliary Fund (05)	Grant, Donated, Foundation or Tech Fee	Total Cost
Fire Alarm Replacement/Updates	\$ 23,540					\$ 23,540
Protection, Health and Safety Planning for 2021	\$ 50,000					\$ 50,000
Classroom Technology Upgrades (funded by \$5 Tech Fee)					\$ 200,000	\$ 200,000
E-Wing Entrance/Coffee Shop Renovation			\$ 75,000			\$ 75,000
Biology Lab Renovation			\$ 135,000			\$ 135,000
Courtyard Environment Enhancement			\$ 100,000			\$ 100,000
IL Rt. 13/Greenbriar Digital Sign Replacement				\$ 50,000		\$ 50,000
Agriculture Classroom and Lab			\$ 95,000			\$ 95,000
Pedestrian Pathway and Relocation of Bell Tower		\$ 225,000	\$ 30,000			\$ 255,000
Bicycle Pathway (0.9 miles) with Bridge					\$ 550,000	\$ 550,000
West Entry Asbestos Abatement	\$ 75,000					\$ 75,000
West Entry Elevator and Mezzanine (local match)	\$ 85,000					\$ 85,000
Building "A" Interior Finishes / Exterior Door Replacements			\$ 100,000			\$ 100,000
Miscellaneous Small Projects < \$50,000			\$ 100,000			\$ 100,000
Architectural & Engineering Services 8%	\$ 18,683	\$ 18,000	\$ 50,800	\$ 4,000	\$ 60,000	\$ 151,483
Totals	\$ 252,223	\$ 243,000	\$ 685,800	\$ 54,000	\$ 810,000	\$ 2,045,023