

FAP OPEN BUDGET MEETING

APRIL 23, 2019

Today's Agenda

- Timeline

- Fiscal 2018-19 Update

- Fiscal 2019-20 Proposed Budget
 - Assumptions
 - Funding Priorities
 - Operating Budget
 - Capital Budget

- Discussion & Feedback

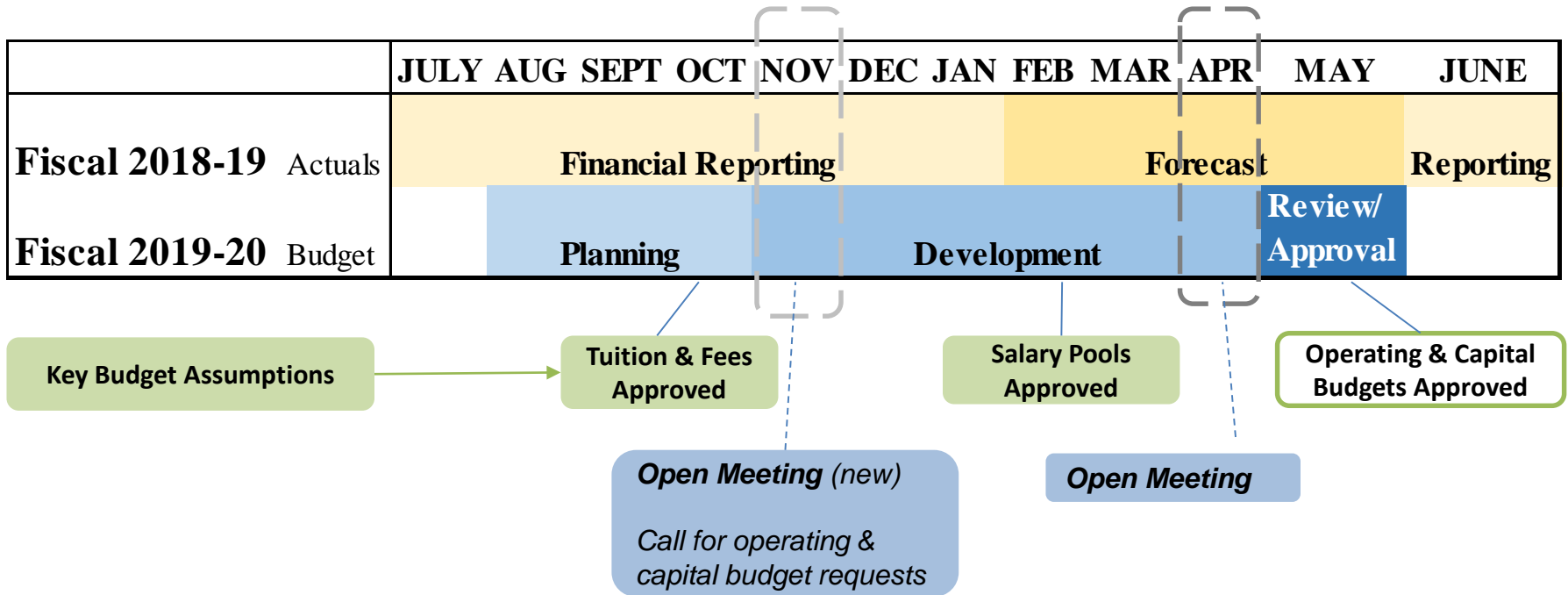
The Faculty Academic Policy (FAP) and the Budget Process

- FAP Budget Subcommittee serves as a consultative and oversight body
 - Meets monthly with the budget office
 - Informs FAP on budget development process
 - Provides current year updates on key issues, as needed

- FAP prepares significant advice on several key budget assumptions
 - Tuition rate
 - Faculty salary pool

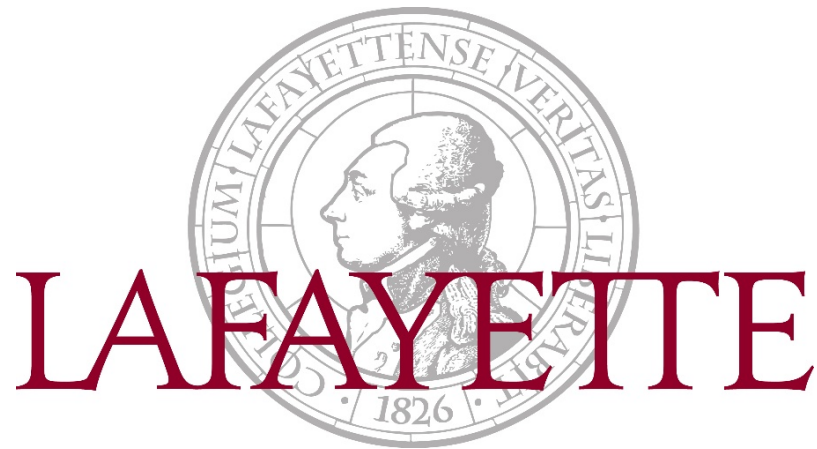
- FAP holds an annual open meeting on the budget

Financial Planning Calendar



Community Involvement Includes:

- Attend and participate in the FAP open budget meetings
- Submit budget requests
- Talk to your division leader
- Speak to FAP, Admin Council members or Budget Office



FISCAL 2018-19 FORECAST

Fiscal 2018-19 Update: Operating Budget Forecast

The College's fiscal 2018-19 forecast is projected with an anticipated \$1.5 million surplus, primarily attributed to unspent contingency.

<i>In thousands</i>	FY 2018-19 Adjusted Budget	FY 2018-19 Forecast	\$ Variance Fav/(Unfav)
Revenues	217,667	217,280	(387)
Expenditures & Transfers	217,667	215,780	1,887
Operating Contribution	-	1,500	1,500
<i>Operating Contribution Margin</i>	<i>0.0%</i>	<i>0.7%</i>	

What was different?

- Increased first year enrollment (+)
- Increased Study Abroad participation (-)
- Increased employee participation in healthcare plan (-)

CONCLUSION:

If the anticipated operating contribution is achieved, we will transfer it to the capital reserve.



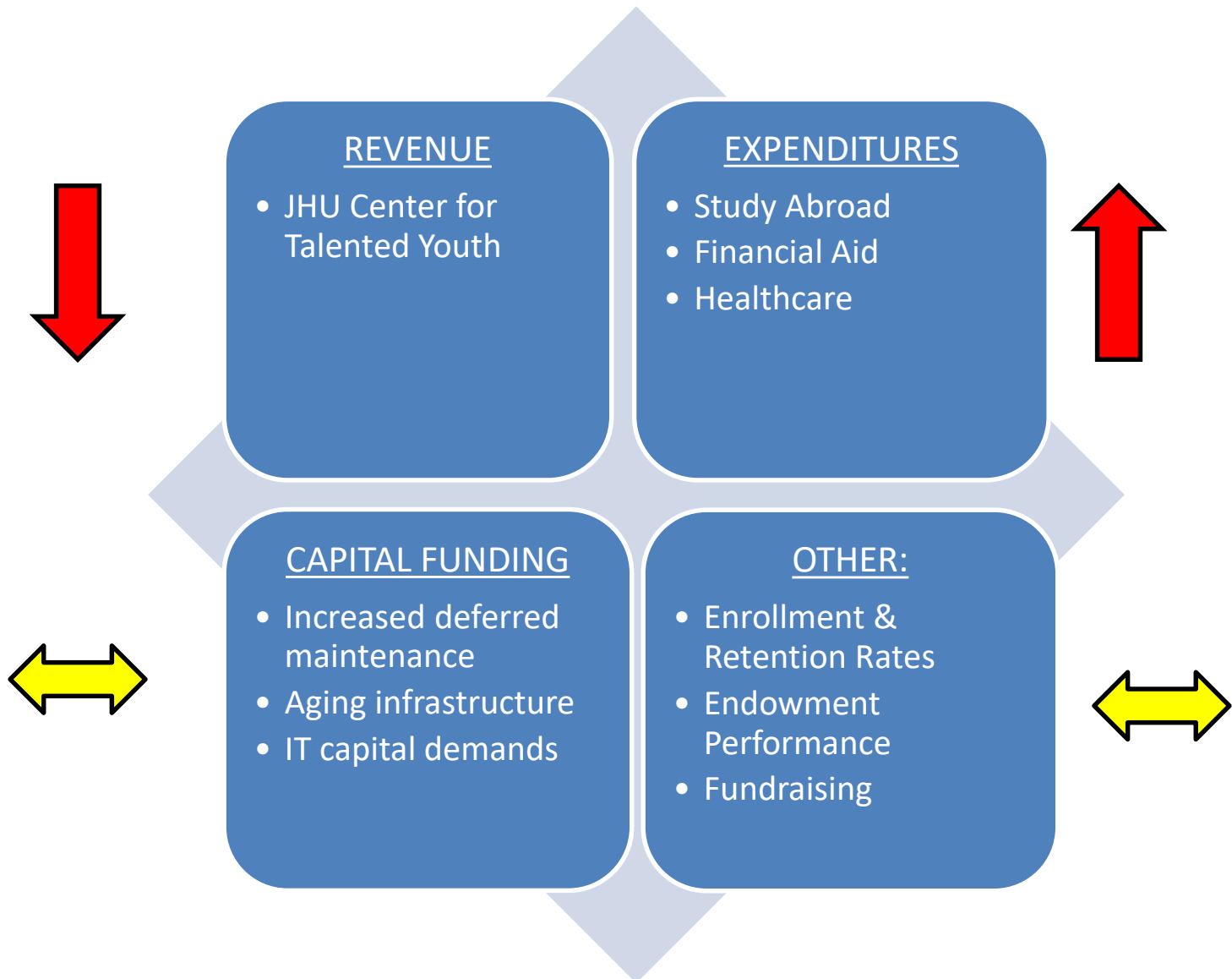
FISCAL 2019-20 PROPOSED BUDGET

The Strategic Direction is guiding the development of the Fiscal 2020 Budget.

Key items we seek to fund:

- Financial Aid
- Maintain or improve student-faculty ratio
- Competitive salaries to recruit and retain the best faculty & staff
- RISC operating cost
- Student Support
- Residence & operating cost for McCartney Street housing

Fiscal 2019-20 Proposed Budget: Challenges



Key budget assumptions include:

1. Tuition

3% supports operations and
1% directed toward
additional financial aid

2. Enrollment

First Year Students: 700
Average Enrollment Target:
2,635

3. Endowment

Maintain 5% spending rate

4. Financial Aid

38.7% in accordance with
the plan

5. Salary Pools

Faculty: 3.5%, Staff: 2.5%

6. Healthcare

4% increase effective 1/1

Fiscal 2019-20 Proposed Budget: Summary of Funding Priorities

The budget assumptions provide \$8.6 million of new funding; The priorities funded in the operating budget are guided by the Strategic Direction:

Increased Financial Aid **\$4.3 million**

Competitive Salaries & Fringe Benefits **\$2.7 million**

Strategic Initiatives **\$1.2 million**

- RISC operating cost
 - 3 positions
 - Energy, Building maintenance & cleaning
- New faculty lines (*3 new positions*)
- Student Support (*3 new positions*)
 - Accessibility Services
 - Gateway Career Counselor
 - Student Athlete Development & Compliance
- Academic selected budget increases

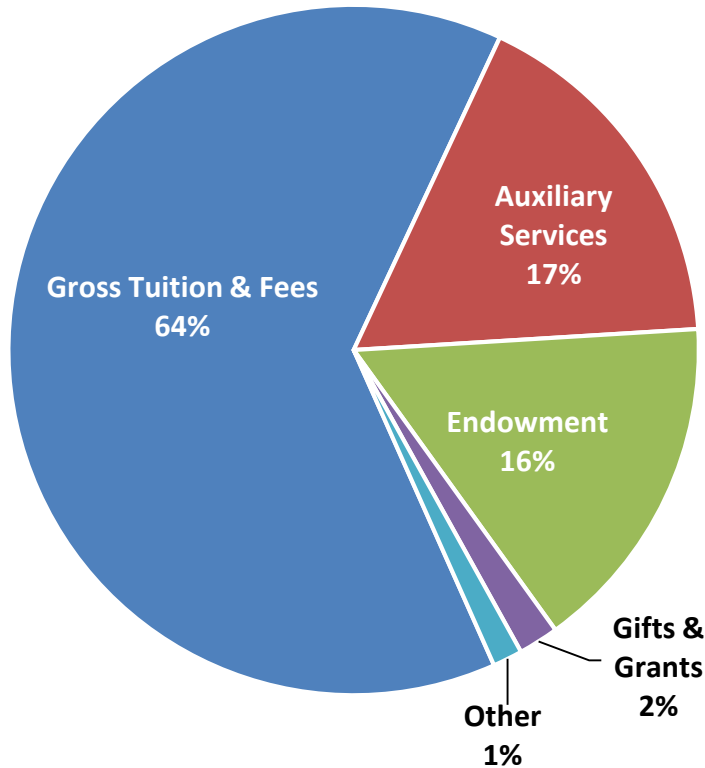
Other **\$0.4 million**

- Fixed Cost increases (*insurance, property tax, assessments*)
- Maintain 1% contingency of total operating revenue
- Campus operating cost

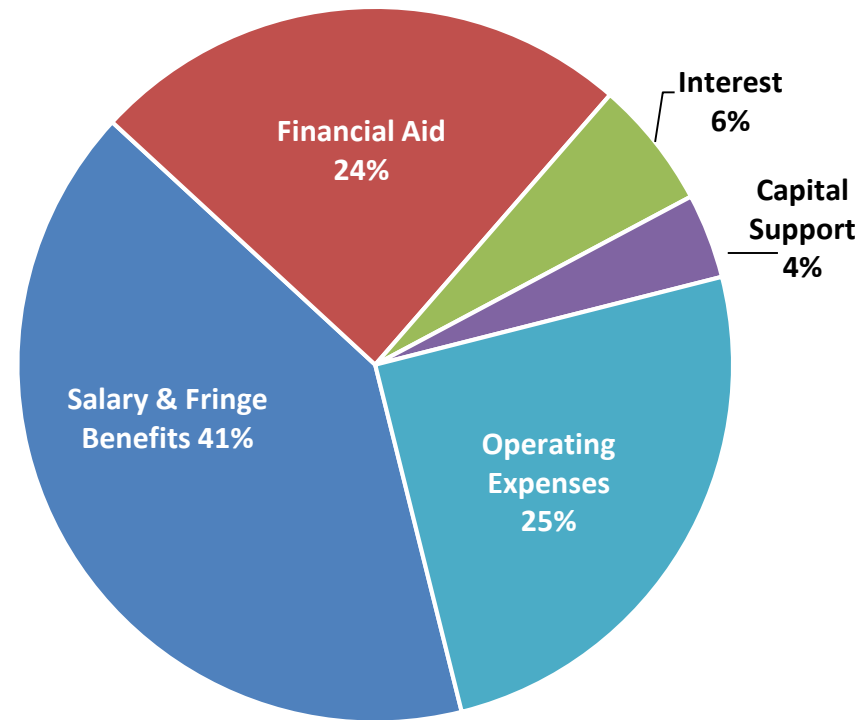
Fiscal 2019-20 Proposed Budget: Revenue and Expense Distribution

2019-20 Operating Budget increased 4.1% to \$226.2 million

Revenues



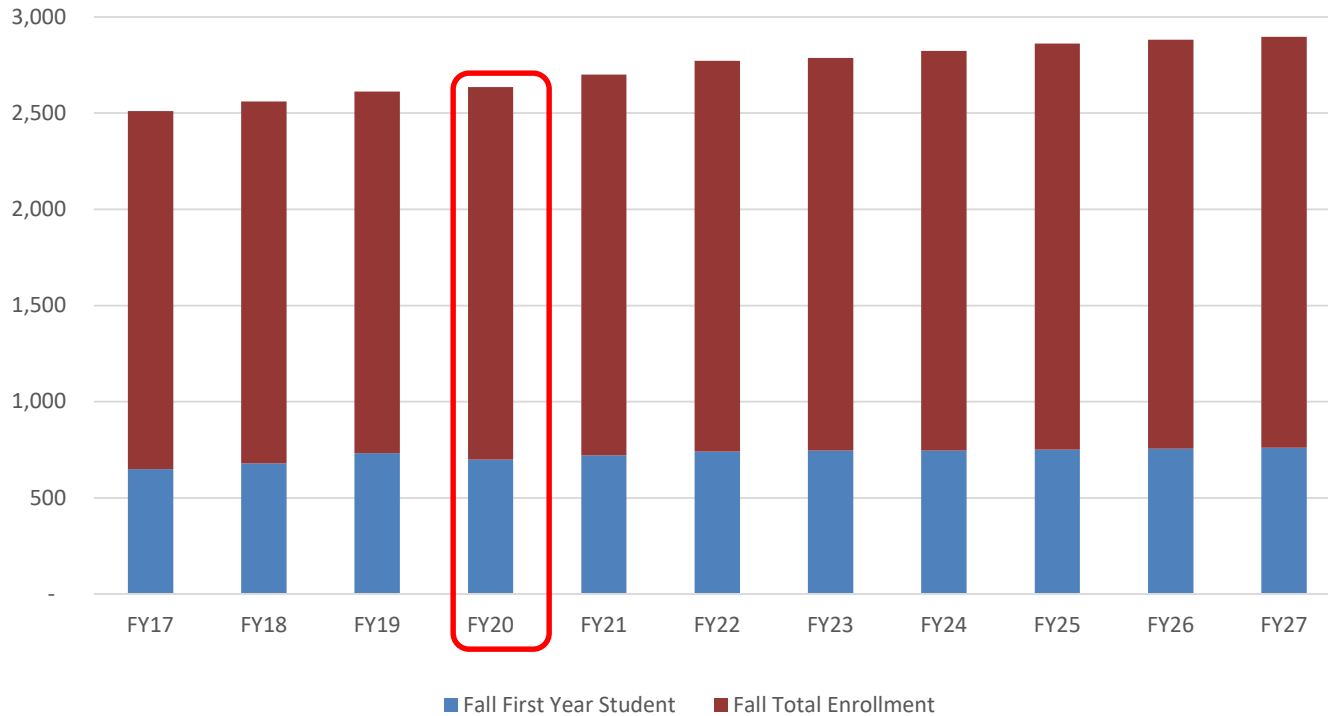
Expenditures



Fiscal 2019-20 Proposed Budget: Enrollment

Enrollment growth in line with strategic direction

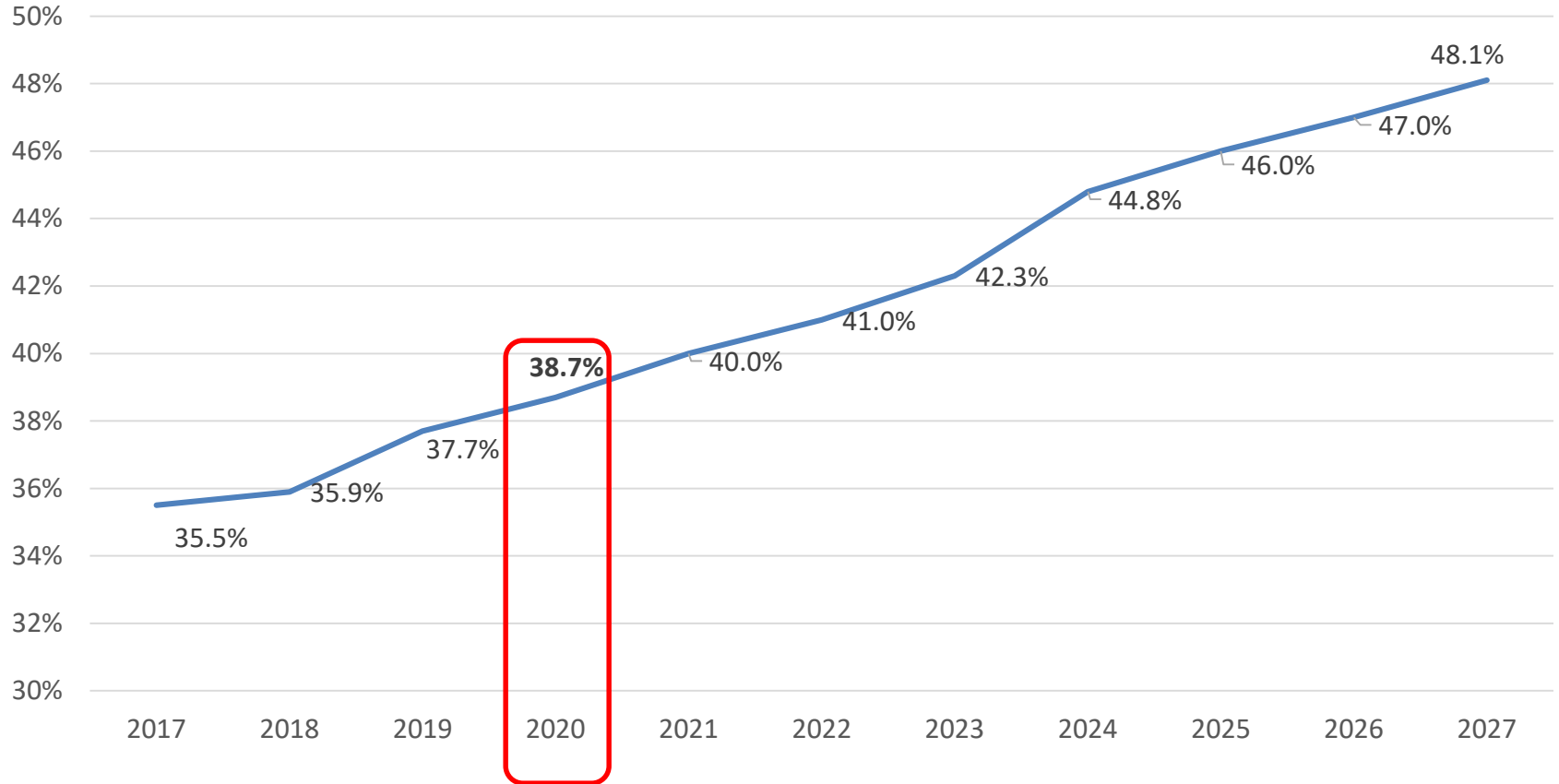
- Total Fall enrollment projected at 2,635
- Enrollment grows to nearly 2,900 students by fiscal 2027



	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27
Fall First Year Student	649	680	733	700	720	740	745	745	750	755	760
Total Enrollment	2,511	2,560	2,612	2,635	2,701	2,772	2,786	2,824	2,862	2,882	2,897

Fiscal 2019-20 Proposed Budget: Financial Aid

The College's commitment to financial aid continues an upward trend reaching a targeted 48.1% of projected tuition & fee revenue in fiscal 2027

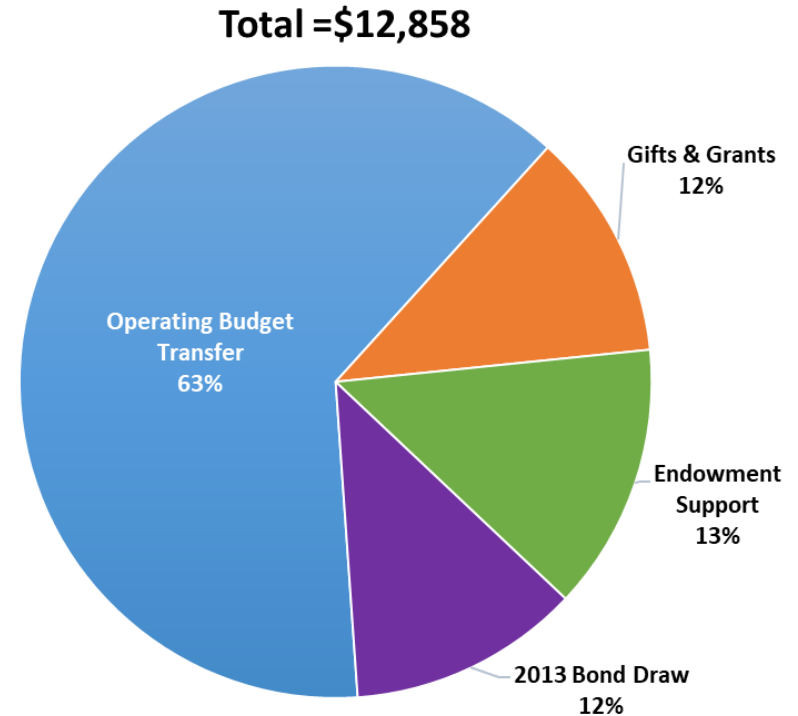


Fiscal 2019-20 Proposed Capital Budget: Summary

- **The Capital Budget pays for large projects that steward and improve the campus**

Funding Sources for Capital Budget *(in thousands)*

1. Operating Budget Transfer: \$8,078
2. Debt - 2013 Bond Draw: \$1,525
2017 RISC tracked separately
3. Gifts and Other Funds: \$1,500
Additional gifts tracked separately
4. Endowment Support: \$1,755



Fiscal 2019-20 Proposed Capital Budget

Summarized List of Recommended Projects *(in thousands)*

Project Name	Amount
Capital Reserve Transfer	\$ 2,603
Furniture and Equipment	1,493
ADA, Pedestrian Safety, and General Conservation	1,260
Facility Repair/Replacement	1,217
IT Infrastructure	1,095
Williams Center for the Arts	972 *
New Student Programming and Social Spaces	840 **
Markle Administrative Building	750
Kirby Sports Center Repair/Replace	738 *
Climate Action Plan	600
Residence Hall Upgrades	591
Metzgar Fields-Pedestrian Safety Phase II	209 *
Campus Landscaping	185
All Other (Projects <\$150K)	305 *
Grand Total	\$ 12,858

* Partially or fully funded by the College's endowment

** Donor Funded

- 1. The 2020 Budget is aligned with the strategic direction**
 - Continue to fund highest priority of financial aid
 - Recruit, retain & reward faculty & staff
- 2. We are prepared to open the largest building on campus**
- 3. We directed new resources towards student support**
- 4. Continue to address the maintenance of our campus**



DISCUSSION & FEEDBACK

➤ Budget Process & Communication

- Do you feel the budget process is more transparent and better communicated?
- Do you have suggestions for improvement?

➤ Efficiencies

- How can you help to identify ways to be more efficient and make budget reallocations?

➤ Next year's budget (Fiscal 2020-21)

- Are there any concerns or issues to consider?