

BCC Budget/Finance Update

May 2015

➤ **Budget Forecast Remains Very Similar to Prior Month's Forecast – No Material Changes**

- It has been forecasted that Expenses will be \$1.9M less than budget by fiscal year end, with the additional funds being used to increase our unreserved fund balance from 5% of net operating costs to ~8% of net operating costs.
- Revenue forecasts have been adjusted to reflect current actuals. Revenue increases related to student enrollment growth are anticipated to be offset by decreases in Continuing Education as well as Study Abroad Programs. This brings our total revenues close to our original 14-15 budget.

➤ **15-16 Proposed Budget Submitted to County Executive and Legislature on May 1st**

The 2015-16 year proposed budget that Board members reviewed and discussed last week was submitted to the Broome County Executive and Legislature on May 1st. The County Executive's recommended budget is usually forwarded to the Legislature for consideration in June. Board of Trustees resolutions adopting the budget and tuition and fee schedules will also be presented for approval in June. An electronic copy of the proposed budget is being emailed to Trustees, and a hard copy will be included in this month's Trustee packet.

Consideration is being given to including an action item in future year's budgets seeking approval to submit the proposed budget rather than relying on the historical practice of informal consensus.

➤ **Summer And Fall Application and Enrollment Picture Favorable**

Summer enrollment full-time equivalents are currently 10% greater than last year at this time – one month before classes start. The many steps taken to improve summer enrollment and recoup last summer's 15% enrollment decline appear to be bearing fruit.

The *fall* enrollment picture is also favorable at this time – Continuing and New Student registrations are up 12.5%. We are just a little less than five months from the start of Fall 15 classes - Inquiries, Applications, and Accepts are all showing significant increases compared to last year at this time. Retaining the enrollment growth from Fall 14 is also showing up with our continuing student registrations. We are currently up 3% in continuing student registrations which closely resembles our Fall 14 total enrollment growth.

➤ **Tax Incentives Begin Explored for Carnegie Library Renovation**

Several meetings have been conducted with professionals to ascertain options available to the College with regards to various tax credits (historical and new market) that might provide funding for the Carnegie Library, perhaps as much as \$2+ million. We are in the processing of gaining a more thorough understanding of what credits are available and what will work best for the College.

2014-15 operating expenses
 Budget, YTD commitments, and forecast
 on April 26, 2015 (65% budget year)

	Current budget *	YTD commitments				Uncommitted	Annual cost forecast			Discussion
		Paid	Encumbered	Total Committed <i>(paid & enc)</i>	% budget Committed		Total cost forecast	(More) or less than budget	% budget forecast	
PERSONNEL:										
Full-time	\$ 19,952,000	\$12,127,000	7,401,000	\$19,528,000	97.9%	\$424,000	\$19,590,000	\$362,000	98.2%	FT forecast based upon known vacancies and estimates of fill dates and future vacancies
Temp help - Non Instructional	2,094,000	1,267,000	657,000	1,924,000	91.9%	170,000	1,960,000	134,000	93.6%	
Temp help - Instructional	6,282,000	4,855,000	906,000	5,761,000	91.7%	521,000	6,289,000	(7,000)	100.1%	
Student assistants	228,000	170,000	60,000	230,000	100.9%	(2,000)	228,000	0	100.0%	
Overtime	126,000	107,000	-	107,000	84.9%	19,000	126,000	0	100.0%	
Retirement and separation incentives, and 1x lump sums	230,000	-	-	-	0.0%	230,000	188,000	42,000	81.7%	
TOTAL PERSONNEL	\$28,912,000	\$18,526,000	9,024,000	\$27,550,000	95.3%	\$1,362,000	\$28,381,000	\$531,000	98.2%	
FRINGE BENEFITS:										
Health insurance - employees	\$ 4,925,000	\$2,909,000		\$2,909,000	59.1%	2,016,000	\$4,680,000	\$245,000	95.0%	Health savings forecast due to no rate increase 2015 (5% budgeted)
Health insurance - retirees	3,287,000	1,035,000	2,008,000	3,043,000	92.6%	244,000	3,096,000	191,000	94.2%	
Retirement - ORP	1,450,000	777,000		777,000	53.6%	673,000	1,359,000	91,000	93.7%	Retirement and FICA forecast based on prior year expenses. ERS and TRS actuals will be known after end of fiscal year when 2016 bills are received
Retirement - NYS ERS	1,600,000	1,092,000		1,092,000	68.3%	508,000	1,544,000	56,000	96.5%	
Retirement - NYS TRS	1,050,000	715,000		715,000	68.1%	335,000	1,029,000	21,000	98.0%	
FICA and medicare	2,204,000	1,337,000		1,337,000	60.7%	867,000	2,049,000	155,000	93.0%	
Workers compensation	273,000	171,000		171,000	62.6%	102,000	273,000	-	100.0%	
Dental	144,000	106,000	48,000	154,000	106.9%	(10,000)	137,000	7,000	95.1%	
Tuition reimbursement	233,000	178,000		178,000	76.4%	55,000	195,000	38,000	83.7%	Tuition reimbursement cost forecast < budget due to fall use being less than last year
Life insurance	8,000	4,000		4,000	50.0%	4,000	8,000	-	100.0%	
Unemployment	38,000	0	38,000	38,000	100.0%	-	38,000	-	100.0%	
Disability	43,000	23,000		23,000	53.5%	20,000	38,000	5,000	88.4%	
Other compensation	8,000	8,000		8,000		-	8,000	-		
TOTAL FRINGE BENEFITS	\$15,263,000	\$8,355,000	2,094,000	\$10,449,000	68.5%	\$4,814,000	\$14,454,000	\$809,000	94.7%	
EQUIPMENT	277,000	54,000	53,000	107,000	38.6%	170,000	263,000	14,000	94.9%	Equipment cost forecast assumes 5% will not be spent ('typical')
CONTRACTUAL EXPENSES	8,075,000	4,730,000	1,634,000	6,364,000	78.8%	1,711,000	7,483,000	592,000	92.7%	Contractual Expense forecast assumes conservatively that 3% budget will not be spent, and \$350k of SAP will not be (based upon current spending)
TOTAL EXPENDITURES	\$ 52,527,000	\$31,665,000	12,805,000	\$44,470,000	84.7%	\$8,057,000	\$50,581,000	\$1,946,000	96.3%	Favorable expense forecast bottom line - spending anticipated < budget Being taken to fund balance to build it back up towards 10% of budget, mid-range of 5% - 15% budget recommended by SUNY and GASB

* reflects budget transfers and includes prior year-end encumbrances carried over

2014-15 operating revenues

Budget, YTD actuals, and forecast

on April 26, 2015 (65% budget year)

	Budget 14-15	Actuals YTD		Annual forecast			
		\$	% budget achieved	\$	More or (less) than budget	% budget achieved	
STUDENT ENROLLMENT FTE	4,992	5,039	100.9%	5,134	142	102.8%	Fall enrollment 3.2% > last fall - better than 2% increase budgeted; Winterim 26% > last year; spring enrollment growth currently 6.6% > last yr; assumed prior year 15% enrollment decline recouped
REVENUES:							Tuition forecast reflects fall, winterim, and spring enrollment growth. Summer recoups 15% prior year decline
Student tuition	\$21,331,000	\$23,461,000	110.0%	\$21,628,000	\$297,000	101.4%	
Out-of-state tuition	1,662,000	2,084,000	125.4%	1,765,000	\$103,000	106.2%	Fall 14 OS Tuition forecast > budget based upon early fall enrollments and housing; will be updated early spring
State aid							Basic state aid will be slightly less than budget as result of decline in summer enrollments last year
Basic aid	12,416,000	9,315,000	75.0%	12,360,000	\$(56,000)	99.5%	
Rental of physical space	209,000	142,000	67.9%	209,000	-	100.0%	Assumed rental aid = budget (will be updated at end of spring)
Performance based (job linkage)	110,000	116,000		110,000	-		
Total state aid	\$12,735,000	\$9,573,000	75.2%	\$12,679,000	\$(56,000)	99.6%	
Broome county support	6,979,000	3,489,000	50.0%	6,979,000	0	100.0%	
Charges to other NY counties	4,226,000	4,206,000	99.5%	4,433,000	207,000	104.9%	
Miscellaneous revenues	5,025,000	4,003,000	79.7%	4,325,000	(700,000)	86.1%	miscellaneous revenue forecast reduced \$700k to reflect lower SAP and CE revenues
Total revenues	\$51,958,000	\$46,816,000	90.1%	\$51,809,000	\$(149,000)	99.7%	
Encumbrance fund balance reserve	172,000			172,000			It is currently forecast that none of the budgeted \$397k fund balance will be used - instead, fund balance will increase intentionally pending discussion with BOT
Fund balance appropriated	397,000	n/a		(1,400,000)			Current key assumptions: spring and summer enrollments meeting budget and set-aside funds and other positive budget developments going to fund balance
Total revenues and fund balance	\$52,527,000	\$46,816,000		\$50,581,000			Discussions with BOT on fund balance goals and the use of these funds underway

Undesignated fund balance forecast (pending discussions and goal setting with BOT)

on April 26, 2015 (65% budget year)

Fund balance last year (8-31-14)	= 5.4 % of net operating budget	\$2,576,000
Reserve for encumbrances last year		172,000
+ forecast current year operating revenues		51,809,000
- forecast current year operating expenses and encumbrances		(50,581,000)
Forecast fund balance end of this budget year (8-31-15)	= 8.0 % of net operating budget ~	\$3,976,000
Less: Fund balance proposed for use next fiscal year (15/16)		(150,510)

~ SUNY and GASB recommend that undesignated fund balance be maintained at a level = 5% to 15% of net operating budget

Fund balance forecast risks and opportunities

...things that will alter the forecast if they occur

What...	And what will happen...	\$ risk	\$ opportunity
Supplies and contractual expenses	If they vary from current 3% 'unused' forecast	(200,000)	200,000
Student write-offs	Impact of steps taken to improve student bad debt may take a year to be felt in allowance for bad debt and write-offs ... current assumption is that it will be the same as last year	(200,000)	200,000
Miscellaneous revenues	If they vary from current forecast	(100,000)	100,000
Out-of-state tuition	If New York State residents who have been billed for out-of-state charges do not present residency certificates by fiscal year end	-	100,000
Temporary instruction	The actual need for adjunct and overload will be known as year unfolds and will be updated at end of spring semester	(50,000)	-
Chargeback to other NYS county revenues		(50,000)	-
Tuition - summer	If 15% summer enrollment decline from last year is not recouped... each % = \$11k revenues risk estimated at - 15% and opportunity at +5%	(55,000)	55,000
Vacancy savings	If savings vary from current \$40k estimate	-	50,000
"The unknowns"	if they happen...	?	?
Total fund balance forecast risks and opportunities		\$(655,000)	\$705,000