

BUDGET WORK SESSION
BOARD OF ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 519
Counties of Stephenson, Ogle, Jo Daviess and Carroll

CALL TO ORDER

The budget work session of the Board of Illinois Community College District No. 519 was called to order by Mr. Doug Block, Chairperson, at 3:04 p.m. on September 27, 2016, in the Robert J. Rimington Board Room (room H-228) in the Highland Community College Student/Conference Center, 2998 West Pearl City Road, Freeport, Illinois in said district.

ROLL CALL

The following members were present: Mr. David Shockey, Mr. Doug Block, Mr. Jim Endress, Dr. Steve Jennings, and Ms. Whitney Zumdahl

The following members were absent: Mrs. Diane Gallagher, Mr. Blake Musser, and Ms. Staci Hammer

Also present: Mr. Tim Hood, President; Ms. Jill Janssen, Vice President, Administrative Services; Ms. Liz Gerber, Vice President, Student Development and Support Services; and, Ms. Terri Grimes, Board Secretary.

FY17 BUDGET

Ms. Janssen provided an overview of the changes to the FY17 permanent budget since the tentative budget was approved by trustees at the July 19 regular meeting. She reported that FY15 actual revenue was \$14,138,737, while FY16 year-end revenue was at \$13,131,236. She projects that FY17 revenue will be slightly higher at \$13,622,981. Since the tentative budget was approved, she learned that the College will not need to pay back the overpayment of \$50,000 in Corporate Personal Property Replacement Tax, which was the result of a State error, so the \$50,000 was included in the FY16 fund balance.

Overall, revenues are up \$491,000 over FY16, but decreased by \$104,250 since the tentative budget was approved. Total equalized assessed valuations are estimated to increase by one percent over 2015 – 2016. Jo Daviess County accounts for 41 percent of the property tax revenue, while Stephenson County accounts for 37 percent. Ogle and Carroll Counties account for 15 and seven percent of property tax revenues, respectively. The College's overall tax rate is estimated to be .05621, which would equate to an additional \$28 on a \$50,000 home. FY17 tuition revenue includes 37,393 unrestricted, certified credit hours, which is the same as FY16. Funding from the Foundation is projected to decrease from \$1,114,545 in FY16 to \$895,131 in FY17, and Ms. Janssen explained that the difference is that a second drawdown from the Matching Grant is not currently budgeted and would take additional Board action. Ms. Janssen projects that the College will receive \$738,961 from the State in FY17, and to-date we have received \$630,841 through the stopgap budget, leaving a difference of \$108,120. Ms. Janssen reported that her projection for State revenue is consistent with what other chief financial officers (CFOs) in the state are projecting, although some CFOs only included the stopgap funding in their projections.

Local taxes made up 48 percent of the College's revenue in FY16, compared to 47 percent in the FY17 permanent budget, while tuition made up 39 percent of revenue in FY16, compared to 40 percent projected in the FY17 permanent budget. Other funding, including funding from the HCC Foundation, accounted for 10 percent of revenue in FY16, compared to seven percent projected in FY17, and State funding accounted for three percent of revenues in FY16, compared to five percent projected in the FY17 permanent budget.

Actual expenditures in FY15 were \$14,055,231, while the FY16 end-of-year projection for expenditures is \$13,720,463. The FY17 budget includes \$13,894,857 in expenditures.

Ms. Janssen reported that, based on the FY17 permanent budget, the fund balance would be at \$2,646,135 or 19 percent of operating expenses. The fund balance was at \$3,511,502 or 25 percent of operating expenses at the end of FY15, and at \$2,918,011 or 21 percent of operating expenses at the end of FY16. The Government Finance Officers Association recommends a fund balance of between five and 15 percent of operating expenses, while the Illinois Community College Board's recommendation is between 20 and 25 percent.

Ms. Janssen reviewed changes in the other funds that had been made since the tentative budget was approved. Mr. Endress inquired about the cost of the College's Top Scholars program, and Ms. Janssen reported that the Foundation funds \$25,000, while the College funds the remainder, which she believes was around \$60,000 in FY16, although she will check the actual numbers and report back the Board.

Mr. Hood reminded trustees that the College needs to be prepared if the State does not continue to fund higher education.

ADJOURNMENT

Dr. Jennings moved and Mr. Shockey seconded the motion to adjourn the meeting. At 3:44 p.m., there being no further business, the Chairperson declared the meeting adjourned and the budget work session ended.

Respectfully submitted,



Terri A. Grimes, Board Secretary
Illinois Community College District No. 519