

Budget Committee Financial Forecast Update

May 15, 2024

Kara Flath, VP for Finance & Operations

Jonathon Campbell, Director of Budget and Resource Planning

Agenda

- FY24 Year-end Projections
- Three-year Outlook
- Suggested Adjustments to the Budget
- Risk Mitigation Strategies
- Reserve for Revenue Shortfall Review
- Discussion and Potential Motions to Approve

FY24 Forecast + Three-year Outlook

	FY2024 Forecast	FY2025 Forecast	FY2026 Forecast	FY2027 Forecast	FY2028 Forecast
Beginning Fund Balance	\$ 7,500,000	\$ 8,924,000	\$ 8,243,000	\$ 5,189,000	\$ 96,000
Total Revenues	\$ 92,849,000	\$ 98,895,000	\$ 100,166,000	\$ 102,536,000	\$ 106,481,000
Total Expenditures	\$ 91,413,000	\$ 99,575,000	\$ 103,220,000	\$ 107,629,000	\$ 112,127,000
Ending Fund Balance (EFB)	\$ 8,924,000	\$ 8,243,000	\$ 5,189,000	\$ 96,000	\$ (5,550,000)
% of EFB	9.8%	8.3%	5.0%	0.1%	-5.0%
EFB (Short) / Over	-\$217,400	-\$1,714,200	-\$5,130,000	-\$10,670,000	-\$16,760,000

- ▶ Tuition Revenue targets are forecasted to be met
- ▶ High spending on part-time positions due to increased enrollment
- ▶ Increased spending on outside services contracts
- ▶ Classified Bargaining Agreement
- ▶ Materials & Supplies expense is up but still under budget
- ▶ Additional support to non-General Funds, ie. Fund 9 programs.

Responsible Adjustments to FY25 Budget

- ▶ FY24 Ending Fund Balance change
 - ▶ \$9,570,000 to \$8,924,000
- ▶ Reduce FY25 Personnel Expenditures - \$1,070,000
- ▶ Reduce FY25 Materials and Supplies - \$250,000
- ▶ Increase FY25 Contingency by ~\$423,400

Impact and Trajectory

	FY2024 Forecast	FY2025 Original Forecast	FY2025 Proposed	FY2025 Suggested Adopted	Changes for Adopted Budget	FY2025 New Forecast	FY2026 Forecast	FY2027 Forecast	FY2028 Forecast
Beginning Fund Balance	7,500,000	8,924,000	9,570,425	8,924,000	(646,425)	8,924,000	8,243,000	6,757,000	1,663,000
Total Revenues	92,849,000	98,895,000	98,895,000	98,895,000		98,895,000	100,166,000	102,536,000	106,481,000
Federal Support		1,400,000	1,400,000	1,400,000		1,400,000			
State Support *	31,451,000	31,824,000	31,824,000	31,824,000		31,824,000	33,256,000	33,256,000	34,753,000
Property Taxes	24,804,000	26,192,000	26,192,000	26,192,000		26,192,000	27,030,000	27,895,000	28,788,000
Student Tuition & Fees	29,747,000	33,171,000	33,171,000	33,171,000		33,171,000	34,360,000	35,793,000	37,276,000
Other Revenue	6,847,000	6,308,000	6,308,000	6,308,000		6,308,000	5,519,000	5,592,000	5,665,000
Total Expenditures	91,413,000	99,575,000	108,465,000	107,819,000	(1,070,000)	98,008,000	103,220,000	107,629,000	112,127,000
Personnel Services **	77,174,000	81,384,000	84,189,000	83,369,000	(820,000)	80,066,000	87,162,000	91,204,000	95,322,000
Materials & Services	12,172,000	15,145,000	15,151,000	15,151,000	(250,000)	15,145,000	15,605,000	16,073,000	16,556,000
Capital Outlay	55,000	832,000	832,000	832,000		832,000	857,000	883,000	909,000
Transfers Out	2,011,634	2,374,381	2,674,381	2,674,381		2,374,400	2,374,400	2,374,400	2,374,400
Contingencies			5,268,991	5,692,451	423,460				
Reserve For Revenue Shortfall			350,000	350,000					
Ending Fund Balance (EFB)	8,924,000	8,243,000				9,811,000	6,757,000	1,663,000	(3,983,000)
% of EFB	9.8%	8.3%				10.0%	6.5%	1.5%	-3.6%
EFB (Short) / Over	(217,400)	(1,714,100)				9,900	(3,570,000)	(9,100,000)	(15,200,000)

Reserve for Revenue Shortfall Overview

- ▶ FY24 RRS Components
 - ▶ ERTC - \$2,000,000
 - ▶ State Biennium Funding - \$1,000,000
 - ▶ Enrollment(5%) - \$1,000,000

- ▶ FY25 RRS Calculation (proposed)
 - ▶ ~1.5 of Enrollment Growth - \$350,000

FY25 Risk Mitigation

- ▶ Risk Mitigation Options
 - ▶ Vacancy Savings - \$2,000,000
 - ▶ Historical underspending in Materials and Supplies (Operational Costs) - \$1,000,000
 - ▶ Contingencies - \$2,800,000
 - ▶ Reserve for Revenue Shortfall - \$350,000
 - ▶ Strategic Investments - \$1,350,000 tied to one time funding

Total Risk Mitigation Options - \$6,500,000

Next Steps and Goals

Motion to Approve

- ▶ FY25 Proposed Budget
- ▶ FY25 Property Tax Levy

Thank you! Questions and Discussion.