

**Sauk Valley Community College**  
**July 27, 2020**

**Action Item 4.1**

**Topic: Fiscal Year 2021 Tentative Budget – First Reading**

**Strategic Direction: Goal 1, Objective 3 – Be operationally efficient in order to maintain a low cost of attendance to students**

**Presented By: Dr. David Hellmich and Kent Sorenson**

**Presentation:**

The Fiscal Year 2021 Tentative Budget is provided for review and will be on public display in the Business Office, the President’s Office, and the Learning Commons for 30 days. The public hearing and final action will take place at the August Board meeting. Below is the overview budget projection.



Budget Projection  
July 2020

<b>Revenues</b>	<b>2019 Actual</b>	<b>2020 Budget</b>	<b>2020 Projected</b>	<b>2021 Budget</b>
Local taxes	\$ 5,547,015	\$ 5,634,272	\$ 5,695,613	\$ 5,761,912
State sources	1,574,050	1,718,248	1,718,248	1,666,465
Tuition and fees	4,890,310	4,794,278	4,950,000	4,579,000
Other revenues	318,847	242,500	267,559	192,800
Investment income	92,013	70,500	75,000	50,000
<b>Total revenues</b>	<b>\$ 12,422,236</b>	<b>\$ 12,459,798</b>	<b>\$ 12,706,420</b>	<b>\$ 12,250,177</b>
<b>Expenditures</b>				
Salaries and wages	\$ 7,390,914	\$ 7,735,956	\$ 7,484,676	\$ 7,916,245
Benefits	1,577,477	1,722,705	1,663,174	1,742,075
Contractual services	855,155	982,191	725,078	728,674
Supplies	564,987	729,267	596,894	567,627
Conference and travel	130,121	202,649	95,332	106,930
Fixed charges	40,491	42,314	42,314	-
Utilities	359,668	375,700	286,460	365,300
Capital outlay	11,511	-	16,215	-
Grants and waivers	710,047	716,900	759,401	667,500
Other expenses	18,619	66,500	8,303	25,300
Provision for contingencies		150,000		250,000
<b>Total expenditures</b>	<b>\$ 11,658,991</b>	<b>\$ 12,724,182</b>	<b>\$ 11,677,847</b>	<b>\$ 12,369,651</b>
Transfers, net	\$ (33,228)	\$ (46,126)	\$ -	\$ -
Surplus/Deficit	730,017	(310,510)	1,028,573	(119,474)
Fund balance, beginning	7,933,000	8,663,017	8,663,017	9,691,590
Fund balance, end	\$ 8,663,017	\$ 8,352,507	\$ 9,691,590	\$ 9,572,116
Challenge grant funds	\$ 1,940,057	\$ 1,940,057	\$ 1,940,057	\$ 1,940,057
Adjusted fund balance	\$ 6,722,960	\$ 6,412,450	\$ 7,751,533	\$ 7,632,059
<b>Fund balance to expenditures</b>	<b>57.50%</b>	<b>50.21%</b>	<b>66.38%</b>	<b>61.70%</b>

Notable items from the Fiscal Year 2021 Tentative Budget include the following:

- Fiscal Year 2021 Budgeted Operating Funds total expenditures are \$12,369,651, an increase of \$691,804 or 5.9% from projected fiscal year 2020 results.
- Operating Funds fund balance to expenditure ratio budgeted to be at 61.7% at the end of fiscal year 2021.
- Fiscal Year 2021 Budgeted Liability, Protection and Settlement Fund total expenditures are \$978,201, an increase of \$348,994 or 55.5% from project fiscal year 2020 results. A review of the College's Risk Management Plan with consultation with the College's attorney identified additional risk management activities that were allowable for "Tort Levy" expenditure. The College will present the Fiscal Year 2021 Risk Management Plan for the Boards approval at the August Board meeting.
- Coronavirus Aid, relief, and Economic Security CARES (CARES) Act Grants:
  - Institutional. Fiscal Year 2021 Tentative Budget projects the use of \$400,000 (of \$463,205) of awarded to be allocated towards faculty compensation and benefits related to changes in course delivery from face-to-face to distance learning formats.
  - Student. As of June 30, 2020, \$357,460 has been distributed to SVCC students as direct student emergency grants. The remaining award amount of \$105,745 will be awarded to eligible students who apply for the grants and are enrolled in for the summer and fall terms.
  - Title III. The College was awarded \$46,114. As of June 30, 2020, \$5,986 has been applied to students' accounts as a waiver for fall term online course fees. The College is still determining the best use of the remaining funds in fiscal year 2021.
- Governor's Emergency Education Relief Fund (GEERF). On July 16, the College was notified of an award of \$166,314 for the purpose to support efforts to enroll and retain low income, underrepresented, and first generation students, that might otherwise not reenroll or return due to the pandemic, including by closing digital equity gaps. The College has not yet determined the impact on the College's Operating Funds regarding this grant allocation at the time of the preparation of the Fiscal Year 2021 Tentative Budget.

**Recommendation:**

The administration recommends the Board approve the first reading of the Fiscal Year 2021 Tentative Budget as presented.