

**Adoption of the FY17 Budget
Post-Secondary Technical Funds
EXECUTIVE SUMMARY**

Purpose of Report: To receive School Board approval of the FY17 Budget for the Post-Secondary Technical Funds.

The Southeast Technical Institute Council held a public work session on the budget May 17th, 2016 to review the program budgets as presented by the Southeast Tech Administration. On May 26, 2016, a public hearing on the Southeast Tech's FY17 budget was held. No comments were received from the public in attendance at either meeting.

The School Board granted tentative approval of the budget at its meeting held May 26, 2016. There have been changes made to the FY17 Budget Post-Secondary Technical Funds since tentative approval. All of the changes are delineated in the attached report.

Southeast Tech Recommendation to School Board:

Approve the FY17 Post-Secondary Technical Fund Budget as presented. A suggested motion is attached to the report.

Adoption of the FY17 Post-Secondary Technical Funds budgets.

Purpose of Report: To receive School Board approval of the FY17 Post-Secondary Technical Funds.

Explanation:

The Southeast Tech Council held a public work session on the budget May 17, 2016 to review the program budgets as presented by the Administration. On May 26, 2016, a public hearing on Southeast's FY17 budget was held. The School Board granted tentative approval of the budget at its meeting held May 26, 2016. No comments were received from the public in attendance at either meeting.

There have been changes made to the FY17 Budget since tentative approval. The changes are:

POST-SECONDARY TECHNICAL FUND

REVENUES

State Revenue – HB1182:

- Projected Revenues for instructor salary enhancements from HB1182 will be \$415,160 less than originally projected.
- State Aid was adjusted for associated instructor salaries in all cost centers.

TAACCCT Grant – Cost Center 381:

- Projection Revenues from the Trade Adjustment Assistance Community College Career Training grant will be \$28,453 less than originally projected.

Perkins – Cost Center 382:

- Projected Revenues for the Carl V. Perkins grant will be \$69,153 less than originally anticipated.

EXPENDITURES

Regular Salaries:

- Full time salaries in all associated cost centers were adjusted to actual salaries based on FY17 adopted salary schedules.
 - Object 1110 – Administrative Salaries: Increased by \$6,554.
 - Object 1131 – Clerical Salaries: Increased by \$518.
 - Object 1141 – Custodial Salaries: Decreased by \$1,580
 - Object 1151 – Custodial Manager Salaries: Increased by \$124.
 - Object 1161 – Specialist Salaries: Increased by \$3,378.
 - Object 1191 – Employment Contract Salaries: Increased by \$1,504.
- Instructor salaries were decreased by a net amount \$274,655 resulting from the final adoption of the administrative rules related to HB1182 and the restoration of six (6) contract days.

Early Retirement Payments:

- Early retirement payments were increased by \$10,398 to reflect notification of an early retirement after the preliminary adoption.

Retirement Benefits:

- Social Security benefits were decreased by \$15,846 for associated salaries in all cost centers.
- SDRS Retirement benefits were decreased by \$20,205 for associated salaries in all cost centers.

Insurance Benefits:

- Long-term Disability benefits were decreased by \$106 for associated salaries in all cost centers.
- Worker's Compensation benefits were decreased by \$3,258 for associated salaries in all cost centers.
- Hospital/Medical Insurance benefits were decreased by \$20,317 for projected enrollments in all cost centers.
- Dental Insurance benefits were decreased by \$346 for projected enrollments in all cost centers.
- Life Insurance benefits were decreased by \$53 for associated salaries in all cost centers.

Instructor Travel – Cost Center 349:

- Instructor travel in Academic Support was reduced by \$2,000.

Equipment Repair – Cost Center 316:

- Equipment repair in Mechanical Engineering Technology was reduced by \$9,000.

Classroom Supplies:

- Classroom Supplies in the LPN Program - Cost Center 348 were increased by \$65,000 resulting from a reclassification of a program expense from Dues & Fees.
- Classroom Supplies in RN Program - Cost Center 376 were reduced by \$2,000.

Other Equipment (Non-capitalized) – Cost Center 345:

- Non-capitalized equipment in the Collision Repair & Refinish program were reduced by \$5,000.

Dues & Fees – Cost Center 348:

- Dues & Fees were reduced by \$80,000 and were reclassified as Classroom Supplies.

Land Improvements – Cost Center 395:

- Land improvements were increased by \$59,000 for the Terry Avenue project by the CTE Academy.

Equipment:

- Equipment in the Diesel Program – Cost Center 323, was reduced by \$37,817.
- Equipment in the Law Enforcement Program – Cost Center 344, was reduced by \$20,000.
- Equipment in the Perkins Program – Cost Center 382, was increased by \$21,664.

Operating Efficiency Task:

- Increased by \$188,723 from the combined effects of the changes in post-secondary revenue and expenditures.

POST-SECONDARY ENTERPRISE FUNDS

Bookstore – Fund 52

- Increases Clerical Salaries by \$32.
- Increases Employment Contract Salaries by \$53.
- Increases SDRS Benefits by \$5.
- Increases Social Security Benefits by \$6.
- Increases Worker's Compensation by \$1.

Food Service – Fund 53

- Increases Employment Contract Salaries by \$68.
- Increases SDRS Benefits by \$4.
- Increases Social Security Benefits by \$6.
- Increases Worker's Compensation by \$1.

Child Care – Fund 54

- Increases Child Care Fees by \$3,799.
- Increases Employment Contract Salaries by \$3,608.
- Increases SDRS Benefits by \$217.
- Increases Social Security Benefits by \$276.
- Increased Long-Term Disability Benefits by \$2.
- Increases Worker's Compensation by \$103.
- Increases Life Insurance Benefits by \$1.

A suggested motion is, as follows:

A motion was made by _____ and seconded by _____, _____ votes "yes" on roll call, **adopting the FY17 Budget of Southeast Technical Institute**, as follows:

Fund	Fund Description	FY17 Revenue Budget	Cash from Fund Balance	Total Funds Available	FY17 Expenditure Budget
23	Post-Secondary Technical	\$21,916,452	\$1,927,211	\$23,843,663	\$23,843,663
52	Post-Secondary Bookstore	\$2,471,875	-	\$2,471,875	\$2,437,156
53	Post-Secondary Food Service	\$545,123	-	\$545,123	\$572,702
54	Post-Secondary Child Care	\$289,799	-	\$289,799	\$289,799
	Totals	\$25,223,249	\$1,927,211	\$27,150,460	\$27,143,320

**FY17 BUDGET
POST-SECONDARY TECHNICAL FUND
Revenues**

Post-Secondary Technical Fund

Source	Budget FY16	Budget FY17	Increase/ (Decrease) from Prior Year
Tuition and Fees	\$ 11,850,816	\$ 11,959,298	\$ 108,482
Other Local Sources	419,800	457,421	37,621
State Reimbursement	6,430,667	6,572,300	141,633
Other State Revenue	1,922,727	1,033,240	(889,487)
Other State Revenue - HB1182		125,680	
Federal Reimbursement	808,075	828,052	19,977
Other Federal Revenue	138,167	30,750	(107,417)
TAACCCT Grant Funds	1,077,816	909,711	(168,105)
HEFA Bond Proceeds	-	-	-
Total Revenues	\$ 22,648,068	\$ 21,916,452	\$ (857,296)
Transfer In From Bookstore	270,000	-	(270,000)
Cash from Fund Balance	2,416,938	1,927,211	(489,727)
Total Revenues	\$ 25,335,006	\$ 23,843,663	\$ (1,617,023)

Bookstore

Source	Budget FY16	Budget FY17	Increase/ (Decrease)
Other Local Sources	\$ 2,321,875	\$ 2,471,875	\$ 150,000
Cash From Fund Balance	270,000	-	(270,000)
Total Revenues	\$ 2,591,875	\$ 2,471,875	\$ (120,000)

Food Service

Source	Budget FY16	Budget FY17	Increase/ (Decrease)
Other Local Sources	\$ -	\$ 545,123	\$ 545,123
Cash From Fund Balance	-	-	-
Total Revenues	\$ -	\$ 545,123	\$ 545,123

Scarborough Center

Source	Budget FY16	Budget FY17	Increase/ (Decrease)
Other Local Sources	\$ 259,000	\$ 289,799	\$ 30,799
Other State Revenue	-	-	-
Cash from Fund Balance	-	-	-
Transfer In from Post Secondary	172,000	-	(172,000)
Total Revenues	\$ 431,000	\$ 289,799	\$ (141,201)

Training Solutions Institute

Source	Budget FY16	Budget FY17	Increase/ (Decrease)
Tuition and Fees	\$ 501,800	\$ -	\$ (13,500)
Other Local Sources	72,000	-	(35,000)
State Reimbursement	-	-	-
Other State Revenue	-	-	15,000
Transfer In	-	-	-
Total Revenues	\$ 573,800	\$ -	\$ (33,500)

**FY17 BUDGET
POST-SECONDARY TECHNICAL FUND AND ENTERPRISE FUNDS**

REVENUES

Source	Post Secondary Fund	Post-Secondary Enterprise Funds				Proof Total
		Scarborough Center	Training Solutions Institute	Food Service	Bookstore	
State Revenue	\$ 7,731,220	\$ -	\$ -		\$ -	\$ 7,731,220
Federal Revenue	1,768,513	-	-		-	1,768,513
Other Local Sources	457,421	-	-	545,123	2,471,875	3,474,419
Tuition and Fees	11,959,298	-	-		-	11,959,298
Child Care Fees	-	289,799	-		-	289,799
GOED State Revenue	-	-	-		-	-
Total Revenue	\$ 21,916,452	\$ 289,799	\$ -	\$ 545,123	\$ 2,471,875	\$ 25,223,249
Cash from Fund Balance	1,927,211	-	-		-	1,927,211
Transfers In	-	-	-		-	-
Total Revenue, Transfers & Cash	\$ 23,843,663	\$ 289,799	\$ -	\$ 545,123	\$ 2,471,875	\$ 27,150,460

EXPENDITURES

Expenditure	Post Secondary Fund	Post-Secondary Enterprise Funds				Proof Total
		Scarborough Center	Training Solutions Institute	Food Service	Bookstore	
Salaries	\$ 11,328,414	\$ 189,895	\$ -	\$ 188,453	\$ 130,536	\$ 11,837,298
Benefits	3,404,925	88,524	-	52,749	39,247	3,585,445
Purchased Services	3,353,726	1,680	-	5,000	773	3,361,179
Supplies and Materials	1,472,481	5,000	-	253,000	2,174,600	3,905,081
Dues and Fees	1,678,221	4,000	-	46,000	75,000	1,803,221
Capital Acquisition	2,605,896	-	-	275,000	-	2,880,896
Debt Services	-	-	-	-	-	-
Total Expenditures Before Depreciation	\$ 23,843,663	\$ 289,099	\$ -	\$ 820,202	\$ 2,420,156	\$ 27,373,120
Non Cash Depreciation	-	700	-	27,500	17,000	45,200
Less Cash for Equipment	-	-	-	(275,000)	-	(275,000)
Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers	\$ 23,843,663	\$ 289,799	\$ -	\$ 572,702	\$ 2,437,156	\$ 27,143,320
Revenue Over Expenditures	\$ -	\$ -	\$ -	\$ (27,579)	\$ 34,719	\$ 7,140

POST SECONDARY - VOCATIONAL FUND

REVENUE:	FY16 BUDGET	FY17 BUGET	INCREASE / (DECREASE)	% INCREASE / (DECREASE)
Tuition & Fees	12,214,758	11,959,298	(255,460)	-2.1%
Other Local Rev	419,800	457,421	37,621	9.0%
State	7,989,452	7,605,540	(383,912)	-4.8%
Federal	2,024,058	1,768,513	(255,545)	-12.6%
Other Revenue	270,000	-	(270,000)	-100.0%
State HB1182	-	125,680	125,680	100.0%
TOTAL	\$ 22,918,068	\$ 21,916,452	\$ (1,001,616)	-4.4%

EXPENDITURES:

Regular Salaries	11,354,875	11,077,728	(277,147)	-2.4%
Hourly Pay	255,146	218,788	(36,358)	-14.2%
Early Retirement	58,337	31,898	(26,439)	-45.3%
Retirement Benefits	1,569,463	1,522,667	(46,796)	-3.0%
Insurance Benefits	1,772,495	1,882,258	109,763	6.2%
Professional Svcs	1,783,546	1,426,565	(356,981)	-20.0%
Property Svcs & Insurance	291,500	313,589	22,089	7.6%
Transportation Svcs	234,997	142,975	(92,022)	-39.2%
Communication Svcs	100,260	101,052	792	0.8%
Advertising	291,800	291,800	-	0.0%
Printing	193,445	193,510	65	0.0%
Utilities	433,000	538,000	105,000	24.2%
Repair & Maintenance	446,927	456,235	9,308	2.1%
Supplies & Materials	1,593,888	1,444,481	(149,407)	-9.4%
Library Books	21,375	21,500	125	0.6%
Subscriptions	6,785	6,500	(285)	-4.2%
Dues & Fees	1,347,535	1,286,921	(60,614)	-4.5%
Miscellaneous	197,300	31,300	(166,000)	-84.1%
Uncollectible Tuition/Fees	96,000	250,000	154,000	160.4%
Operating Efficiency Task	-	(638,438)	(638,438)	-100.0%
Subtotal - Operating	\$ 22,048,674	\$ 20,599,329	\$ (1,449,345)	-6.6%
Building Improvements - Base	665,977	377,081	(288,896)	-43.4%
Building Improvements - New	1,050,149	1,288,773	238,624	22.7%
Land Improvements	134,351	225,742	91,391	68.0%
Equipment	1,309,509	593,074	(716,435)	-54.7%
Technology	126,346	121,226	(5,120)	-4.1%
Subtotal - Capital	\$ 3,286,332	\$ 2,605,896	\$ (680,436)	-20.7%
TOTAL	\$ 25,335,006	\$ 23,205,225	\$ (2,129,781)	-8.4%

BEGINNING FUND BALANCE - BUDGET	8,650,660	5,866,280	(2,784,380)	-32.2%
PRIOR YEAR BUDGET/ACTUAL VARIANCE	(367,442)	613,177	980,619	0.0%
REVENUE OVER (UNDER) EXPENSE	(1,366,789)	-	1,366,789	100.0%
INVESTMENT IN NEW BUILDING	(1,050,149)	(1,288,773)	(238,624)	22.7%
ENDING FUND BALANCE	<u>5,866,280</u>	<u>5,190,684</u>	<u>(675,596)</u>	<u>-11.5%</u>

FTE - Employee	177.25	175.00	(2.25)	-1.3%
Credits (000's)	60.6	56.2	(4.4)	-7.3%

Tuition / Credit

Base	\$ 109.00	\$ 109.00	\$ -	0.0%
Local Fees	75.00	80.00	5.00	6.7%
Maintenance & Repair	5.00	5.00	-	0.0%
Technology	1.00	1.00	-	0.0%
Subtotal	\$ 190.00	\$ 195.00	\$ 5.00	2.6%
State Facility Fee	30.00	35.00	5.00	16.7%
Total	\$ 220.00	\$ 230.00	\$ 10.00	4.5%

On-Line Fee / Credit	\$ 50.00	\$ 50.00	\$ -	0.0%
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**FY17 PROPOSED BUDGET
POST-SECONDARY TECHNICAL FUNDS
Expenditures**

Post-Secondary Technical Fund

Program	FTE FY16	FTE FY17	Budget FY16	Budget FY17	Increase/ (Decrease) from Prior Year
Mechatronics Technology	2.25	1.25	\$ 174,291	\$ 139,111	\$ (35,180)
Electronics Technology	1.75	1.75	147,903	142,057	(5,846)
Digital Media Production Technology	1.00	1.00	102,159	101,850	(309)
Media Design Technology	3.00	3.00	245,864	253,060	7,196
Programming Technology	2.00	2.00	225,641	228,807	3,166
Networking Technology	3.00	3.00	336,617	336,390	(227)
Business Core	4.50	5.90	554,712	556,377	1,665
Financial Services	0.75	0.35	70,872	29,220	(41,652)
Office Assistant Technology	0.34	0.34	29,044	39,944	10,900
Business Administration	1.95	2.00	258,632	209,431	(49,201)
Marketing	2.20	1.05	220,076	104,297	(115,779)
Accounting	1.70	1.20	170,809	104,229	(66,580)
Insurance	0.50	0.10	51,150	18,273	(32,877)
Construction Management Technology	1.20	1.00	108,273	89,584	(18,689)
Architectural Engineering Technology	1.20	1.00	102,651	91,717	(10,934)
Civil Engineering Technology	1.20	1.00	102,744	81,324	(21,420)
Mechanical Engineering Technology	1.20	1.00	158,617	108,394	(50,223)
Surveying Technology	1.20	1.00	106,456	82,504	(23,952)
General Education	13.06	11.06	1,313,440	1,870,417	556,977
Cardiovascular Technology	-	-	122,941	116,046	(6,895)
Diagnostic Medical Sonography	-	-	260,608	250,009	(10,599)
Electroneurodiagnostic Technology	1.00	1.00	120,170	115,351	(4,819)
Pharmacy Technology	1.00	1.00	104,838	89,844	(14,994)
Health Core Courses	4.75	4.00	389,518	301,544	(87,974)
Invasive Cardiovascular Technology	1.00	1.00	132,885	137,561	4,676
Vascular Ultrasound Technology	-	-	136,146	129,016	(7,130)
Surgical Technician Technology	2.00	2.00	193,992	193,329	(663)
Health Information Services	1.00	1.00	100,044	85,868	(14,176)
Law Enforcement Sciences	1.00	1.00	161,629	163,726	2,097
Licensed Practical Nursing	10.25	11.00	1,116,826	1,330,994	214,168
Registered Nursing	3.75	4.00	502,312	472,816	(29,496)
Nuclear Medicine Technology	-	-	244,579	223,521	(21,058)
Medical Coding	1.00	1.00	78,664	83,317	4,653
Biomedical Equipment Technology	-	-	90,577	95,616	5,039
Phlebotomy/Patient Care	0.25	0.25	35,894	35,096	(798)
Early Childhood Specialist	2.00	2.00	198,125	180,462	(17,663)
Horticulture Technology	1.34	1.34	126,830	109,891	(16,939)
Landscape Technology	1.33	1.33	117,509	101,565	(15,944)
Sports Turf Management Technology	1.33	1.33	119,317	122,589	3,272
HVAC & Refrigeration Technology	2.00	2.00	197,185	174,207	(22,978)
Welding Technology	3.00	3.00	258,801	250,746	(8,055)

**FY17 PROPOSED BUDGET
POST-SECONDARY TECHNICAL FUNDS
Expenditures**

Program	FTE FY16	FTE FY17	Budget FY16	Budget FY17	Increase/ (Decrease) from Prior Year
Plumbing Technology	1.00	1.00	\$ 104,443	\$ 103,274	\$ (1,169)
Electrician	-	-	113,750	82,929	(30,821)
Automotive Technology	3.00	4.00	256,635	437,859	181,224
Diesel Technology	3.00	5.00	232,787	719,617	486,830
Collision Repair & Refinish Technology	3.00	3.00	352,948	379,515	26,567
Academic Support Service	7.25	7.40	910,523	818,497	(92,026)
TAACCCT Grant	8.00	5.35	1,077,815	909,711	(168,104)
Adult Basic Education	3.00	3.00	279,435	285,594	6,159
Career Education Program	1.00	1.00	115,698	104,243	(11,455)
Internal Scholarships	-	-	60,000	-	(60,000)
Housing Management	1.80	2.00	140,294	167,310	27,016
Library Media Services	-	-	-	-	-
Recruitment Services	3.00	2.00	231,639	190,957	(40,682)
Student Services	5.00	5.00	400,893	410,501	9,608
Disabilities Services	1.50	1.50	108,476	89,615	(18,861)
Counseling Services	-	-	37,369	34,613	(2,756)
Peer Tutoring	0.50	0.50	56,999	45,066	(11,933)
Co-Curricular Activities	-	-	11,684	10,223	(1,461)
Student Groups	-	-	64,769	68,368	3,599
Student Government/Activities	0.55	0.50	137,174	125,905	(11,269)
Student Success Center	10.65	10.50	867,538	856,954	(10,584)
Help Desk	3.00	3.00	460,985	400,058	(60,927)
Information Technology Services	6.00	6.00	1,123,685	1,191,224	67,539
Major Capital Improvements	-	-	2,091,360	1,886,096	(205,264)
Capital Equipment	-	-	906,755	-	(906,755)
Perkins Grant	1.00	2.00	610,919	526,331	(84,588)
Operational Services	17.00	19.00	1,625,025	1,853,213	228,188
Financial Aid Services	4.00	4.00	279,566	304,850	25,284
College Workstudy	-	-	63,684	80,838	17,154
Institutional Advancement	1.00	1.00	88,133	86,564	(1,569)
Business Office	6.00	6.00	518,139	800,604	282,465
Administration	3.00	3.00	2,215,562	1,013,080	(1,202,482)
Committed Funds	-	-	-	-	-
Marketing-Administration	2.00	2.00	480,279	486,250	5,971
Higher Learning Commission	-	-	20,704	23,704	3,000
Total Post-Secondary Technical Fund	177.25	175.00	\$ 25,335,006	\$ 23,843,663	\$ (1,491,343)

**FY17 PROPOSED BUDGET
POST-SECONDARY TECHNICAL FUNDS
Expenditures**

Training Solutions Institute

Program	FTE	FTE	Budget	Budget	Increase/ (Decrease)
	FY16	FY16	FY16	FY17	from Prior Year
Administration	0.75	-	\$ 104,893	\$ -	\$ (104,893)
Marketing	1.00	-	129,450	-	(129,450)
Welding	-	-	23,353	-	(23,353)
Retail Floral	-	-	-	-	-
Truck Driving	1.00	-	112,175	-	(112,175)
Computer Applications	0.50	-	63,595	-	(63,595)
ACT Testing Center	0.50	-	73,145	-	(73,145)
Health & Human Services	-	-	19,775	-	(19,775)
Total Expenditures-TSI	3.75	-	\$ 526,386	\$ -	\$ (526,386)
Non Cash Depreciation	-	-	69,451	-	(69,451)
Less Cash for Equipment	-	-	-	-	-
Total Expenditures & Depreciation	3.75	-	\$ 595,837	\$ -	\$ (595,837)

Food Service

Program	FTE	FTE	Budget	Budget	Increase/ (Decrease)
	FY16	FY17	FY16	FY17	from Prior Year
Southeast Tech Food Service	-	2.00	\$ -	\$ 545,202	\$ 545,202
Total Expenditures Food Service	-	2.00	\$ -	\$ 545,202	\$ 545,202
Non Cash Depreciation	-	-	-	27,500	27,500
Transfer to Post Secondary	-	-	-	-	-
Total Expenditures & Depreciation	-	2.00	\$ -	\$ 572,702	\$ 572,702

Bookstore

Program	FTE	FTE	Budget	Budget	Increase/ (Decrease)
	FY16	FY16	FY16	FY17	from Prior Year
STI Bookstore	2.00	2.00	\$ 2,299,657	\$ 2,420,156	\$ 120,499
Total Expenditures Bookstore	2.00	2.00	\$ 2,299,657	\$ 2,420,156	\$ 120,499
Non Cash Depreciation	-	-	17,000	17,000	-
Transfer to Post Secondary	-	-	270,000	-	(270,000)
Total Expenditures & Depreciation	2.00	2.00	\$ 2,586,657	\$ 2,437,156	\$ (149,501)

**FY17 PROPOSED BUDGET
POST-SECONDARY TECHNICAL FUNDS
Expenditures**

Scarborough Center

Program	FTE FY16	FTE FY16	Budget FY16	Budget FY17	Increase/ (Decrease) from Prior Year
Childcare	6.69	6.00	\$ 298,052	\$ 289,099	\$ (8,953)
Total Expenditures Scarborough Center	6.69	6.00	\$ 298,052	\$ 289,099	\$ (8,953)
Non Cash Depreciation	-	-	2,400	700	(1,700)
Less Cash for Equipment	-	-	-	-	-
Total Expenditures & Depreciation	6.69	6.00	\$ 300,452	\$ 289,799	\$ (10,653)
Total PSVF and Enterprise Funds	189.69	185.00	\$ 28,817,952	\$ 27,143,320	\$ (1,674,632)