

Alpena Community College Board of Trustees FY 2020 Budget Workshop May 15, 2019

1. ACC FY 2020 Budget Workshop Outline

- Budget Premises
- Budget
- Future Budget Considerations

2. Premises – Revenues

- Tuition and Fees revenue is 1% above FY 2019 budget level
- Property tax for FY 2020 increases by 2.4% over FY 2019 level
- State Aid increased by 1.5% over FY 2019 level

a. ACC Compared to Michigan Universities

30 Credit Hours as of Fall/Spring 2018/19

<u>School</u>	<u>Cost</u>
ACC	\$ 4,470
CMU	\$ 12,510
SVSU	\$ 9,870
WMU	\$ 12,483
GVSU	\$ 12,484
UMICH	\$ 15,262
MSTATE	\$ 14,522
FSU	\$ 11,788

3. Premises – Expenditures

- An increase in steps, if available, and 3% on base for all regular faculty and staff.
- Fringe Benefits – health insurance costs to the College increased by 1.9% under the State mandated healthcare premium maximum college contribution rates.
- MPERS Retirement contribution is rising to 27.5% of wages for most wage earners and up to about 30% for new hires. This equates to a \$120,000 increase in cost. TIAA contribution is 12% for faculty and administrators who select it, 21 employees at last count.
- Information technology costs will be nearly level.
- Most expenses held level or adjusted to meet funding requirements.
- Transfer to Maintenance & Replacement Fund is level.

4. Alpena Community College Headcount Enrollment History FY 2005 - 2019

<u>Fiscal</u> <u>Year</u>	<u>Fall</u> <u>Semester</u>	<u>Spring</u> <u>Semester</u>
FY05	1,853	1,789
FY06	1,887	1,837
FY07	1,905	1,786
FY08	2,060	2,030
FY09	2,052	1,973
FY10	2,085	2,155
FY11	2,081	2,083
FY12	1,987	1,948
FY13	1,953	1,857
FY14	1,710	1,621
FY15	1,638	1,439
FY16	1,501	1,540
FY17	1,540	1,353
FY18	1,612	1,379
FY19	1,439	1,368

5. Alpena Community College Credit Hour Enrollment History FY2005-2019

<u>Fiscal</u> <u>Year</u>	<u>Fall</u> <u>Semester</u>	<u>Spring</u> <u>Semester</u>
FY05	18,593	17,240
FY06	18,857	17,458
FY07	18,989	17,650
FY08	21,220	19,988
FY09	21,050	19,971
FY10	22,053	21,591
FY11	22,043	21,202
FY12	20,456	19,311
FY13	19,721	18,017
FY14	17,361	15,780
FY15	16,236	13,816
FY16	14,956	13,829
FY17	15,446	13,795
FY18	15,099	13,301
FY19	14,121	13,273

6. MPSERS Rates

<u>Fiscal</u> <u>Year</u>	<u>Total</u> <u>Pension</u>	<u>Total Retiree</u> <u>Health</u>	<u>Total</u> <u>Contribution</u>
FY98	7.14%	3.98%	11.12%
FY99	6.73%	4.04%	10.77%
FY00	7.06%	4.60%	11.66%
FY01	6.61%	5.55%	12.16%
FY02	6.12%	6.05%	12.17%
FY03	6.94%	6.05%	12.99%
FY04	6.94%	6.05%	12.99%
FY05	8.32%	6.55%	14.87%
FY06	9.79%	6.55%	16.34%
FY07	11.19%	6.55%	17.74%
FY08	10.17%	6.55%	16.72%
FY09	9.73%	6.81%	16.54%
FY10	10.13%	6.81%	16.94%
FY11	12.16%	8.50%	20.66%
FY12	15.96%	8.50%	24.46%
FY13	15.21%	9.11%	24.32%
FY14	18.34%	6.45%	24.79%
FY15	23.07%	2.71%	25.78%
FY16	18.95%	6.83%	25.78%
FY17	19.03%	5.91%	24.94%
FY18	17.89%	7.67%	25.56%
FY19	18.25%	7.93%	26.18%
FY20	19.41%	8.09%	27.50%

7. General Fund Balance Schedule as of May 15, 2019

<u>Fund Balance Year</u>	<u>General Fund Exp.</u>	<u>General and M&R Fund Balance at Beginning of Year</u>	<u>Inc./ (Dec.)</u>	<u>% Inc./ (Dec.)</u>	<u>Fund Balance at End of Year</u>	<u>Fund Bal. %</u>	<u>Goal (15%)</u>	<u>Comments</u>
2011	\$13,803,677	\$1,070,674	\$59,976	5.60%	\$1,130,650	8.20%	\$2,070,552	—
2012	\$13,962,260	\$1,130,650	-\$11,999	-1.10%	\$1,118,651	8.00%	\$2,094,339	—
2013	\$14,329,625	\$1,118,651	\$90,073	8.10%	\$1,208,724	8.40%	\$2,149,444	—
2014	\$14,077,458	\$1,208,724	-\$41,381	-3.40%	\$1,167,343	8.30%	\$2,111,619	—
2015	\$14,027,655	\$1,167,343	-\$281,390	-24.10%	\$885,953	6.30%	\$2,104,148	Prior period adjustment
2016	\$13,904,081	\$885,953	\$114,682	12.90%	\$1,000,635	7.20%	\$2,085,612	—
2017	\$14,095,402	\$1,000,635	\$547,527	54.70%	\$1,548,162	11.00%	\$2,114,310	—
2018	\$14,483,070	\$1,548,162	\$373,035	24.10%	\$1,921,197	13.30%	\$2,172,461	—
2019	\$14,692,813	\$1,921,197	\$75,000	3.90%	\$1,996,197	13.60%	\$2,203,922	—
2020	\$15,060,133	\$1,996,197	\$100,000	5.00%	\$2,096,197	13.90%	\$2,259,020	—
2021	\$15,436,637	\$2,096,197	\$100,000	4.80%	\$2,196,197	14.20%	\$2,315,495	—
2022	\$15,822,553	\$2,196,197	\$100,000	4.60%	\$2,296,197	14.50%	\$2,373,383	—
2023	\$16,218,116	\$2,296,197	\$100,000	4.40%	\$2,396,197	14.80%	\$2,432,717	—
2024	\$16,623,569	\$2,396,197	\$100,000	4.20%	\$2,496,197	15.00%	\$2,493,535	—

8. Alpena Community College Revenue Comparisons

<u>Fiscal Year</u>	<u>% of State Appropriations as Compared to Total GF Revenue</u>	<u>% of Tuition as Compared to Total GF Revenue</u>
FY 2005	45%	81.0%
FY 2006	40%	81.1%
FY 2007	40%	82.3%
FY 2008	42%	75.1%
FY 2009	39%	81.9%
FY 2010	38%	81.9%
FY 2011	37%	83.0%
FY 2012	35%	84.7%
FY 2013	36%	80.9%
FY 2014	37%	83.0%
FY 2015	39%	81.8%
FY 2016	40%	81.8%
FY 2017	40%	81.7%
FY 2018	40%	80.5%

9. General Fund Past Two Years and New May 15, 2019

Description	<u>2017-18 Actual Totals</u>	<u>2017-18 % of Actual</u>	<u>2018-19 Budget Totals</u>	<u>2018-19 % of Actual</u>	<u>2018-19 % Inc.</u>	<u>2018-19 Budget Totals</u>	<u>2018-19 % of Budget</u>	<u>2018-19 % Inc.</u>
Property Taxes	2,587,075	16.71%	2,610,574	16.91%	0.90%	2,673,240	17.09%	2.40%
Tuition/Fees	5,858,541	37.85%	5,912,970	38.30%	0.90%	5,972,860	38.19%	1.00%
State Aid	5,813,726	37.56%	5,830,365	37.77%	0.30%	5,916,080	37.82%	1.50%
State Aid - UAAL	868,919	5.61%	921,648	5.97%	0.00%	921,648	5.89%	0.00%
Federal	114,279	0.74%	63,120	0.41%	-44.80%	55,780	0.36%	-11.60%
Interest	51,689	0.33%	2,500	0.02%	0.00%	2,500	0.02%	0.00%
Other	185,394	1.20%	95,615	0.62%	-48.40%	98,615	0.63%	10.30%
Total Revenue	15,479,623	100.00%	15,436,792	100.00%	-0.30%	15,640,723	100.00%	1.30%
Salaries	7,944,368	51.75%	7,811,161	50.60%	-1.70%	8,041,064	51.21%	2.90%
Fringe Benefits	3,663,143	23.86%	3,873,507	25.09%	5.70%	3,968,180	25.27%	2.40%
F. B. - UAAL	868,919	5.66%	921,648	5.97%	0.00%	921,648	5.87%	0.00%
Outside Sources	678,470	4.42%	771,819	5.00%	13.80%	748,686	4.77%	-3.00%
Advertising	177,743	1.16%	187,500	1.21%	5.50%	177,000	1.13%	-5.60%
Supplies	224,385	1.46%	263,720	1.71%	17.50%	242,720	1.55%	-8.00%
Rental	0	0.00%	5,500	0.04%	#DIV/0!	2,500	0.02%	-54.50%
Utilities	437,429	2.85%	500,662	3.24%	14.50%	481,390	3.07%	-3.80%
Telephone	49,816	0.32%	60,000	0.39%	20.40%	55,000	0.35%	-8.30%
Postage	34,964	0.23%	40,000	0.26%	14.40%	37,500	0.24%	-6.30%
Insurance	133,513	0.87%	139,000	0.90%	4.10%	140,000	0.89%	0.70%
Travel & Mileage	85,689	0.56%	93,362	0.60%	9.00%	94,862	0.60%	1.60%
Tuition Waivers/Dues	224,660	1.46%	242,000	1.57%	7.70%	222,000	1.41%	-8.30%
Library & Equipment	51,251	0.33%	82,940	0.54%	61.80%	100,170	0.64%	20.80%
Other	125,744	0.82%	112,000	0.73%	-10.90%	114,000	0.73%	1.80%
Transfers	651,895	4.25%	331,973	2.15%	-49.10%	354,016	2.25%	6.60%
Total Expense	15,351,989	100.00%	15,436,792	100.00%	0.60%	15,700,736	100.00%	1.70%
Change	127,634	—	0	—	—	(60,013)	—	—

10. General Fund Three Year Projection May 15, 2019

Description	<u>2019-20</u> Budget Totals	<u>2019-20</u> % of Budget	<u>2019-20</u> % Inc.	<u>2020-21</u> Budget Totals	<u>2020-21</u> % of Budget	<u>2020-21</u> % Inc.	<u>2021-22</u> Budget Totals	<u>2021-22</u> % of Budget	<u>2021-22</u> % Inc.
Property Taxes	2,673,240	17.09%	2.40%	2,726,705	17.11%	2.00%	2,781,239	17.14%	2.00%
Tuition/Fees	5,972,860	38.19%	1.00%	6,092,317	38.24%	2.00%	6,214,164	38.29%	2.00%
State Aid	5,916,080	37.82%	1.50%	6,034,402	37.88%	2.00%	6,155,090	37.93%	2.00%
Stata Aid - UAAL	921,648	5.89%	0.00%	921,648	5.78%	0.00%	921,468	5.68%	0.00%
Federal	55,780	0.36%	-11.60%	55,780	0.35%	0.00%	55,780	0.34%	0.00%
Interest	2,500	0.02%	0.00%	2,500	0.02%	0.00%	2,500	0.02%	0.00%
Other	98,615	0.63%	3.10%	98,615	0.62%	0.00%	98,615	0.61%	0.00%
Total Revenue	15,640,723	100.00%	1.30%	15,931,967	100.00%	1.90%	16,228,855	100.00%	1.90%
Salaries	8,041,064	51.21%	2.90%	8,282,296	51.73%	3.00%	8,447,942	51.92%	2.00%
Fringe Benefits	3,968,180	25.27%	2.40%	4,015,798	25.08%	1.20%	4,063,988	24.98%	1.20%
F. B. - UAAL	921,648	5.87%	0.00%	921,648	5.76%	0.00%	921,648	5.66%	0.00%
Outside Sources	748,686	4.77%	-3.00%	748,686	4.68%	0.00%	771,147	4.74%	3.00%
Advertising	177,000	1.13%	-5.60%	177,000	1.11%	0.00%	177,000	1.09%	0.00%
Supplies	242,720	1.55%	-8.00%	247,574	1.55%	2.00%	252,526	1.55%	2.00%
Rental	2,500	0.02%	-54.50%	2,500	0.02%	0.00%	2,500	0.02%	0.00%
Utilities	481,390	3.07%	-3.80%	488,611	3.05%	1.50%	495,940	3.05%	1.50%
Telephone	55,000	0.35%	-8.30%	55,000	0.34%	0.00%	55,000	0.34%	0.00%
Postage	37,500	0.24%	-6.30%	37,875	0.24%	1.00%	38,254	0.24%	1.00%
Insurance	140,000	0.89%	0.70%	142,800	0.89%	2.00%	147,084	0.90%	3.00%
Travel & Mileage	94,862	0.60%	1.60%	94,862	0.59%	0.00%	94,862	0.58%	0.00%
Tuition Waivers/Dues	222,000	1.41%	-8.30%	228,660	1.43%	3.00%	235,520	1.45%	3.00%
Library & Equipment	100,170	0.64%	20.80%	100,170	0.63%	0.00%	100,170	0.62%	0.00%
Other	114,000	0.73%	1.80%	114,000	0.71%	0.00%	114,000	0.70%	0.00%
Transfers	354,016	2.25%	6.60%	354,016	2.21%	0.00%	354,016	2.18%	0.00%
Total Expenses	15,700,736	100.00%	1.70%	16,011,496	100.00%	2.00%	16,271,596	100.00%	1.60%
Increase(Deficit)	(60,013)	—	—	(79,530)	—	—	(42,741)	—	—

11. Five Year Facilities Projected Expenditures as of May 15, 2019

<u>Budgeted Item</u>	<u>Total Cost</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Room Upgrades - Carpet, Shades, Paint, etc.	\$87,500	\$12,500	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Building Automation Upgrades	\$59,000	\$9,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
FAC Parking Lot Drainage Improvements	\$2,700	\$2,700	-	-	-	-	-
Campus-wide Security Cameras	\$4,000	\$4,000	-	-	-	-	-
CTR Roof Maintenance and Replacement	\$246,000	\$246,000	-	-	-	-	-
BTC Terrazzo Refurbishment	\$8,000	\$8,000	-	-	-	-	-
BTC Masonry Restoration at BTC Classrooms	\$25,000	\$5,000	\$10,000	\$10,000	-	-	-
New and Updated Interior Directories and Campus Mapping	\$21,000	\$6,000	\$7,500	\$7,500	-	-	-
New Equipment for Wellness Center	\$60,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
LED Lighting Upgrades	\$20,000	\$10,000	\$5,000	\$5,000	-	-	-
Van Lare Hall Mechanical/Heating System Overhaul	\$2,000,000	-	\$2,000,000	-	-	-	-
Van Lare Hall Restroom Remodels	\$60,000	-	\$60,000	-	-	-	-
Van Lare Hall Chimney Removal	\$25,000	-	\$25,000	-	-	-	-
Van Lare Hall Commons Area Beautification	\$12,000	-	\$12,000	-	-	-	-
Van Lare Hall Door Replacement and Entrance Enhancements	\$600,000	-	\$600,000	-	-	-	-

12. Five Year Facilities Projected Expenditures as of May 15, 2019 (continued)

<u>Budgeted Item</u>	<u>Total Cost</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Replace Both 12-Passenger Vans	\$64,000	\$32,000	-	\$32,000	-	-	-
Replace Maintenance/Plow Trucks	\$54,000	-	-	-	\$27,000	\$27,000	-
Replace VCT Tile in 1st Floor of Oscoda Campus	\$10,000	\$10,000	-	-	-	-	-
FAC Automated Entry Door Opener	\$5,000	\$5,000	-	-	-	-	-
BTC Roof Replacement at Lower Section	\$160,000	-	-	-	-	\$160,000	-
B-Lot Asphalt Maint and Replacement	\$190,000	\$40,000	-	-	-	-	\$150,000
BTC Restroom Remodels	\$50,000	-	-	\$50,000	-	-	-
Replace WCCT Walkway Pavers and Add Ice melt Loop	\$75,000	-	-	\$75,000	-	-	-
Replace WCCT Boiler with High Efficiency Units	\$90,000	-	-	\$100,000	-	-	-
Upgrade Welding/Manu.Tech Fume Extraction and Air Make-up	\$50,000	-	-	-	-	-	\$50,000
Replace Auto-Body Shop Air Make-up Unit	\$40,000	-	-	-	-	-	\$40,000
UCB Window replacement	\$20,000	-	-	-	\$20,000	-	-
Replace Tables/Chairs in CTR 104/106	\$20,000	-	\$5,000	\$5,000	\$5,000	\$5,000	-
Upgrade NRC Elevator	\$205,000	-	-	-	\$205,000	-	-
NRC Window Replacement	\$350,000	-	-	-	\$350,000	-	-

13. Five Year Facilities Projected Expenditures as of May 15, 2019 (continued)

<u>Budgeted Item</u>	<u>Total Cost</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
NRC Air Handler Upgrades with Vari-Freq Drive and A/C	\$85,000	-	-	-	-	-	\$85,000
NRC Stair Tread and Landing Replacement	\$36,000	-	-	-	-	-	\$36,000
NRC 4th Floor Balcony and Overhang Repair	\$60,000	-	\$60,000	-	-	-	-
Renovate/Upgrade NRC 101 Lecture Hall	\$350,000	-	-	-	-	\$350,000	-
New Roof Over NRC 101	\$38,000	-	-	\$38,000	-	-	-
Roof Restoration Over 2nd/3rd Floor of NRC	\$75,000	-	-	-	-	-	\$75,000
Roof Restoration over BTC Machine Shop	\$45,000						\$45,000
New Classroom Chairs in NRC	\$10,000	-	\$10,000	-	-	-	-
New Classroom Chairs in BTC	\$10,000	-	-	-	\$10,000	-	-
New Classroom Chairs in VLH	\$10,000	-	-	\$10,000	-	-	-
Replace Sidewalk Between VLH and UCB	\$7,500	\$7,500	-	-	-	-	-
Plant Trees Along BTC Drive and Along Johnson St Sidewalk on VLH & BTC	\$8,000	\$2,000	-	\$2,000	\$2,000	\$2,000	-
College Park Apartments Parking Lot Sealcoating and Striping	\$10,000	-	-	-	-	-	\$10,000
College Park Apartments Roof Replacement	\$45,000	-	-	-	-	-	\$45,000
Improvement to South Johnson St Crosswalk and UCB Sidewalk	\$30,000	-	-	\$30,000	-	-	-
Totals:	\$5,432,700	\$413,738	\$2,833,540	\$403,542	\$658,044	\$583,046	\$575,048

14. Future Budgeting Considerations

- Enrollments lower than budgeted
- State aid still being determined
- Personal property tax reimbursement lower than estimated
- Legislated retirement and healthcare provisions