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## Agenda Item 7A

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June 21, 2016

**SUBJECT:**

Review and Discussion of the Proposed Budget for the 2016-2017 Fiscal Year

**RECOMMENDATION:**

That the Board of Trustees receive and discuss a presentation on the proposed budget for the 2016-2017 fiscal year

**RATIONALE:**

Per Blinn College policy BAA (LEGAL), the Board shall approve the current operating budget on or before September 1 of each year. Having a review and discussion about the proposed budget with administration in June will enable Board members to make an informed decision concerning the 2016-2017 Fiscal Year budget at the July board meeting where it will be presented for approval. On June 7, 2016, staff met with Trustee Douglas Borchardt, Chair, and Trustee Davis Sommer, members of the Board's Budget, Audit, Investment, and Finance Committee to review the proposed 2016-17 budget in depth. Staff also met with Committee Chair Borchardt on June 9th and 13th for further review and discussion.

**BUDGETARY CONSIDERATIONS:**

Fiscal Year 2016-2017 proposed budget is \$107.9 million, and represents a 1.00% increase over Fiscal Year 2015-2016.

**RESOURCE PERSONNEL:**

Douglas Borchardt, Chair, Board Budget, Audit, Investment, and Finance Committee  
Annette Ferguson, Assistant Vice President/Controller  
Kristina Beckendorf, Director of Budgets/Insurance

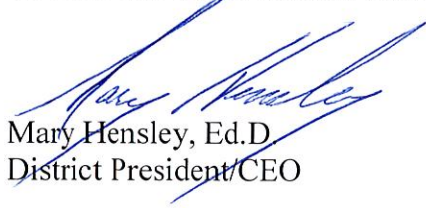
**ATTACHMENTS:**

Attachment A: Fiscal Year 2017 Proposed Statement of Revenues and Expenditures  
Attachment B: Fiscal Year 2017 Board Workshop Presentation  
Attachment C: Fiscal Year 2017 Contracts over \$50,000  
Attachment D: Institutional Fact Book AY 2015-2016

Respectfully Submitted By:



Kelli Shomaker  
CFO/Senior Vice President Finance and Administrative Services



Mary Hensley, Ed.D.  
District President/CEO

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BLINN COLLEGE  
FISCAL YEAR 2016-17 PB BUDGET  
STATEMENT OF REVENUES AND EXPENDITURES

	FY 2016-2017		FY 2015-2016				Variances		
	PROPOSED	PERCENTAGE	APPROVED	PERCENTAGE	EST ACTUAL	FY 2014-2015	DOLLARS	PERCENTAGE	
	BUDGET	OF BUDGET	BUDGET	OF BUDGET	8/31/16	ACTUALS	\$	%	
<b>FN REVENUES</b>									
1	STATE APPROPRIATIONS	24,145,564	22.4%	24,145,564	22.6%	22,741,441	22,946,056	-	0.0%
2	STATE INSURANCE AND RETIREMENT	4,911,810	4.6%	4,665,866	4.4%	4,363,048	4,062,121	245,944	5.3%
3	TUITION/FEES (NET)	60,234,012	55.9%	59,849,263	56.0%	53,056,160	48,962,183	384,749	0.6%
	AUXILIARY SALES & SERVICES (NET)	15,546,957	14.4%	15,514,880	14.5%	11,602,779	10,892,449	32,077	0.2%
4	PROPERTY TAXES	1,798,045	1.7%	1,643,914	1.5%	1,677,438	1,637,679	154,131	9.4%
5	INTEREST	500,000	0.5%	161,000	0.2%	156,276	153,316	339,000	210.6%
6	MISCELLANEOUS REVENUES	651,350	0.6%	854,276	0.8%	1,099,647	1,160,040	(202,926)	-23.8%
	<b>TOTAL REVENUES</b>	<b>107,787,738</b>	<b>100.0%</b>	<b>106,834,763</b>	<b>100.0%</b>	<b>94,696,789</b>	<b>89,813,844</b>	<b>952,975</b>	<b>0.9%</b>
<b>OPERATING EXPENDITURES</b>									
7 10	GENERAL ACADEMIC & VOCATIONAL	45,954,143	42.6%	44,294,845	41.5%	42,681,672	39,975,347	1,659,298	3.7%
7	ACADEMIC SUPPORT	5,921,782	5.5%	5,515,914	5.2%	4,458,127	3,258,190	405,868	7.4%
7	STUDENT SERVICES	7,012,005	6.5%	6,853,960	6.4%	5,966,259	5,804,192	158,045	2.3%
7	EXTENSION AND PUBLIC SERVICE	182,308	0.2%	182,308	0.2%	175,089	138,664	-	0.0%
7	INSTITUTIONAL SUPPORT	14,465,382	13.4%	13,676,943	12.8%	10,498,168	9,931,332	788,439	5.8%
7 11	PHYSICAL PLANT OPERATIONS & MAINTENANCE	8,412,585	7.8%	7,928,219	7.4%	7,832,738	7,234,171	484,366	6.1%
7	LIBRARY	1,782,713	1.7%	1,789,797	1.7%	1,659,877	1,608,021	(7,084)	-0.4%
7	MUSEUM	606,120	0.6%	545,787	0.5%	535,471	530,483	60,333	11.1%
7 12	AUXILIARY	9,657,099	9.0%	9,127,540	8.5%	8,812,074	8,422,958	529,559	5.8%
	<b>TOTAL OPERATING EXPENDITURES</b>	<b>93,994,137</b>	<b>87.2%</b>	<b>89,915,315</b>	<b>84.2%</b>	<b>82,619,475</b>	<b>76,903,358</b>	<b>4,078,822</b>	<b>4.5%</b>
	CONTINGENCY	1,000,000	0.9%	3,349,695	3.1%	-	-	(2,349,695)	-70.1%
8	BANNER PROJECT	961,208	0.9%	1,764,836	1.7%	-	-	(803,628)	-45.5%
	REPLACEMENTS AND RENOVATIONS	5,000,000	4.6%	5,000,000	4.7%	6,500,000	5,657,505	-	0.0%
9	DEBT SERVICE	6,832,393	6.3%	6,804,917	6.4%	4,897,197	4,522,469	27,476	0.4%
	<b>TOTAL EXPENDITURES</b>	<b>107,787,738</b>	<b>100.0%</b>	<b>106,834,763</b>	<b>100.0%</b>	<b>94,016,672</b>	<b>87,083,332</b>	<b>952,975</b>	<b>0.9%</b>
	<b>NET REVENUES OVER EXPENDITURES</b>	<b>0</b>	<b>n/a</b>	<b>-</b>	<b>n/a</b>	<b>680,117</b>	<b>2,730,512</b>	<b>0</b>	<b>-</b>

Footnotes:

- Appropriations received from the state based on: Core Operations, Student Success and Contact Hours. FY 17 is the second year of the biennium.
- Appropriations received from the state to help fund the college's share of health insurance and retirement plan match amounts. This is slightly higher to help fund the increased cost of health insurance.
- Tuition and fees based on Fall 2015 actual enrollment and the new rates approved April 2016. These amounts are reduced by Waivers/Exemptions (ie: Hazelwood, Bryan Collegiate High School) and institutional scholarships.
- Based on FY 16 collection amounts.
- Interest revenue earned from cash funds invested in Brenham National Bank, Bank of Brenham, Lone Star, Tex Pool, Tex Star, and agency accounts. These amounts were increased to reflect the increased rate of return Blinn is currently receiving and the increase in cash in bank of approximately \$46 million from the series 2015 and 2016 bond issuances.
- Funds received from Blinn foundation and federal work-study. There was a reduction in the expected funding from the foundation and allocation of federal work-study funds for Blir
- 3.5% salary increase for full time faculty and all staff. A \$50 per course increase for part-time faculty. A portion of health insurance premium increase and associated payroll taxes
- Reduction in Banner costs for FY 17 tied to contract arrangement.
- Adjustment to bond payments per debt service schedules.
- Increased for new surgical tech program, equipment and operating costs for new workforce facility, classroom consumables and student travel.
- Increase in custodial contract and estimated operating expenses for new facilities.
- Increase in custodial contract for the student center and housing. Food Service budget was increased to allow for an increase in the purchase of resale items (snacks, bottled drink)