



BALTIMORE CITY
COMMUNITY COLLEGE
CHANGING LIVES...BUILDING COMMUNITIES

**Board of Trustees
Finance Committee
Open Session Meeting**

**Tuesday, May 23, 2017
3 PM**

**Mini Conference Center
Liberty Campus**

BALTIMORE CITY COMMUNITY COLLEGE

BOARD OF TRUSTEES

FINANCE COMMITTEE MEMBERS

Dr. Donald Gabriel, Chair
Dr. Mary Owens Southall
Dr. Rosemary Gillett-Karam
Ms. Maria Harris Tildon

TAB 1

**BALTIMORE CITY COMMUNITY COLLEGE
BOARD OF TRUSTEES
FINANCE COMMITTEE
UNAPPROVED
OPEN SESSION AGENDA
Tuesday, May 23, 2017 at 3 PM
Mini Conference Center- Liberty Campus**

Call to Order (Chair, Trustee Donald Gabriel)

I. MEETING ACTIONS

- A. Approval of May 23, 2017 Agenda (Trustee Gabriel) TAB 1
Move to approve the May 23, 2017 Agenda (Action)

- B. Approval of February 28, 2017 Minutes (Trustee Gabriel)..... TAB 2
Move to approve the February 28, 2017 Minutes (Action)

II. REPORT

- A. Vice President’s Message..... TAB 3
(Mr. Calvin Harris, Vice President for Business & Finance) **(Information)**

III. NEW BUSINESS

- A. FY2017 3rd QTR Financial Statement Report..... TAB 4
(Mr. Calvin Harris, Vice President for Business & Finance) **(Information)**

- B. Operating Budget Overview... TAB 5
(Mr. Calvin Harris, Vice President for Business & Finance) **(Action)**

- C. Capital Budget Request Overview..... TAB 6
(Mr. Calvin Harris, Vice President for Business & Finance) **(Action)**

IV. NEXT MEETING -

**Tuesday, June 27, 2017, at 3 PM
Liberty Campus- Mini Conference Center**

V. ADJOURNMENT (Trustee Gabriel)

Action: Move to adjourn open session

FY 2017 FINANCE COMMITTEE PRESENTATION CALENDAR

| No. | Description | Status | Division | Target Date |
|-----|---|-------------|----------|-------------|
| 1 | Finance Committee: BCCC, Bookstore & WBJC 1st Quarter YTD Financial Statements: Quarterly presentation of financial statements and the statements of revenues & expenditures compared to budget | Information | BF | November |
| 2 | Finance Committee: <ul style="list-style-type: none"> • Mid-Year Budget Realignment: Mid-year presentation of Budget forecast including trend data, full year projections, and recommended realignments based on needs, spending patterns and State budget reductions Quarterly presentation of financial statements and the statements of revenues & expenditures compared to budget • Tuition and Fee Analysis: Annual presentation of proposed tuition and fee levels for next fiscal year • WBJC Fund Allocation Policy Annual review of the WBJC Fund Allocation Policy | Action | BF | February |
| 3 | Finance Committee: <ul style="list-style-type: none"> • Operating Budget Request Overview: Annual presentation of operating budget request • Capital Budget Request Overview: Annual presentation of the capital budget request | Action | BF | May |
| 4 | Finance Committee: BCCC, Bookstore & WBJC 3rd Quarter YTD Financial Statements: Quarterly presentation of financial statements and the statements of revenues & expenditures compared to budget | Information | BF | June |

Note: The audits below are presented to the Audit Committee (Board as a whole)

| No. | Description | Status | Division | Target Date |
|-----|--|-------------|----------|---------------|
| 1 | Audit Committee: <ul style="list-style-type: none"> • Annual Audit: Annual presentation audited financial statements by SB & Co., LLC (for BCCC including WBJC and the Bookstore) • Foundation Audit: Annual presentation of audited financial statements by Clifton Gunderson, LLP for BCCC Foundation | Information | BF | November |
| 2 | Audit Committee: Legislative Audit: Presentation of State Legislative Audit | Information | BF | Every 3 Years |

TAB 2

BALTIMORE CITY COMMUNITY COLLEGE
BOARD OF TRUSTEES
FINANCE COMMITTEE MEETING
UNAPPROVED OPEN SESSION MINUTES
Tuesday, February 28, 2017, 3:00 p.m.
Liberty Campus - Mini Conference Center

Trustees: Dr. Donald Gabriel (via conference call), Dr. Rosemary Gillett-Karam (presiding), and Dr. Mary Owens Southall

Staff: Dr. Gordon May, Mr. Calvin Harris, Mr. Andre Williams, Ms. Tina Mosley, Ms. Sabina Silkworth, Ms. Lyllis Green, Dr. Tom Wamalwa, Mr. Joe Hutchins, Ms. Kemberly Henderson, Ms. Eileen Waitsman, Ms. Virgie Mason, Mr. Daniel Coleman, Ms. Brenda Wiley, Ms. Nicole Becketts, Mr. Gerren Toilver, Ms. Sylvia Rochester, Ms. Wendy Harris, Ms. Nana Gyesie, Ms. Elena Berrocal, Mr. Edward Ennels, Mr. Brian O'Connell, Mr. David Xudong Jin, Mr. Vincent Whitmore, Ms. Patricia Edwards, Ms. Crystal Washington, Dr. Daphne Snowden, Mr. William Shipley, Mr. Scott Saunders, Dr. Nassir Ebrahimi, Ms. Terri Bell, and Dr. Tonja Ringgold.

Trustee Rosemary Gillett-Karam called the February 28, 2017, Finance Committee meeting to order.

I. Meeting Actions

The Finance Committee unanimously voted to approve the following:

- February 28, 2017, Agenda
- June 28, 2016, Minutes

II. New Business

Fiscal Year 2017 Financial Update

Vice President Harris began the meeting by reminding the Board that the College is funded primarily by three overall methods: Operating Budget, Fund Balance, and Capital Budget. He shared that the College's annual budget is around \$90 million with a number of existing unfunded needs that will exceed this amount. One of the finance and budget offices' goals is to make certain that the budget aligns with the Strategic Plan. Unfunded infrastructure needs have been identified (by a team including IT and Facilities) and could rise to an eight-figure dollar amount.

VP Harris emphasized the strong need for strategic budgetary and financial planning college-wide. There are many areas across the college that has not received the much needed attention that is critical to maintaining infrastructure. He shared that there has been a discussion with the Department of General Services surrounding the College receiving additional funding on the capital side to handle these matters. VP Harris mentioned that most State agencies have a source available to them for deferred maintenance items that may not fall under capital projects. BCCC does not have access to these types of resources. He

emphasized the need to request additional funds due to our current financial position and the delay of special projects, namely ERP Project and Admin Wing Renovation Project.

Trustee Gillett-Karam ask if funds were already set aside of the ERP Project, and how much additional funding was needed. VP Harris clarified that funds were set aside with additional funding allocated but there is a need for about \$2.5 million more.

Trustee Gabriel asked with all the infrastructure needs if the college campus is safe for faculty/staff and students. VP Harris responded that luckily the winter months were not aggressive enough to cause additional issues but he considers the campus to be moderately safe.

Trustee Gillett-Karam asked if there is a list of items to be included in deferred maintenance will be provided. VP Harris responded that this list is a work in process but will certainly be provided to the Board.

2nd Quarter YTD Financial Statements (College, Bookstore, and WBJC)

Vice President Harris explained that the information provided for the second quarter financial statements are very similar to what has been provided in prior years. At this point in the fiscal year we look to see revenue and expenditures close to 50%. VP noted that maintaining a healthy vacancy rate has actually served as a benefit for the College. Unfortunately we will have very little flexibility once positions are filled.

Fiscal Year 2017 Budgetary Projection

Vice President Harris stated that the College has been working hard to make certain that enrollment projections are reasonable. This is important because enrollment drives both tuition revenues and amounts received for state appropriation. Therefore 80% of the College's revenue is driven by enrollment.

VP Harris shared that restricted funds will generally always balance. Timing is usually the only factor that affects restricted funds. When we are talking about adjustments and reductions being made, it is generally related to unrestricted funds.

Trustee Gillet-Karam asked if this is the first year the Fund balance has been at zero. VP Harris explained that when we take into account the fund balance available, all the restrictions and designations out there, we end up with no funds remaining.

Multi-Year Financial Projections and Fund Balance

Vice President Harris gave a detailed outline of the projected fund balance figures for the next four years. He explained that the GASB 68 adjustment and our ability to use those funds are supporting projects that are to be funded by the Fund Balance. He emphasized the need for priorities to be made college-wide with no new funding sources available. VP Harris reminded the Board of their ability to amend items designated from the Fund Balance.

Financial Budgetary Recommendation (including Tuition and Fees)

Vice President Harris explained that the College originally proposed an increase from \$106 to \$110 for in-state tuition and \$270 to \$280 for out-of-state tuition. In keeping with Governor Hogan's request, a smaller increase is being proposed. The College is now proposing an increase of less than 2%.

The Vice President for Business & Finance and the President recommend the following tuition adjustments starting in the fall 2017 semester (i.e. fiscal year 2018):

- An increase from \$106 to \$108 in the In-State tuition rate (\$2 or 1.89%),
- An increase from \$270 to \$275 in the Out-of-State tuition rate (\$5 or 1.85%).

VP Harris included that this increase will allow the College to remain the most affordable in the State.

Trustee Owens Southall added that the College needs consider earmarking funds to support the student who may attend the College for remediation. As we discuss increases we must also discuss supporting the programs that assist the students so that they have enough financial aid to actually complete school.

The Board elected to defer the vote on an increase in tuition to the Open Session meeting.

III. Next Meeting:

Tuesday, May 23, 2017, at 3 PM
Liberty Campus- Mini Conference Center

IV. Adjournment

Trustee Rosemary Gillett-Karam adjourned the Finance Committee open session meeting at 4:15p.m. to go into the Open Session Board of Trustees meeting.

Recorder of the February 28, 2017, Finance Committee Minutes: Terri Bell

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TAB 3



BOARD AGENDA
Tab 3- Information
May 23, 2017

Vice President's Message
Vice President Calvin Henry Harris Jr.
Business and Finance Division

Please allow me to review the financial status of the College, with a focus on future financial needs.

To summarize the report herein, the College has found stability in its enrollment levels and, along with other factors, is able to complete fiscal year 2017 without any overall budgetary reductions. However, various less-than-viable initiatives remain funded and divert focus, to the detriment of more strategic-focused initiatives that would make better use of those resources. The update and implementation of the strategic plan is a vital step in ensuring that operating, capital, and personnel resources are focused on the most worthwhile and beneficial areas for the college community.

With the Board having already approved reasonable tuition increases for the upcoming fiscal year 2018 (July 1, 2017 to June 30, 2018), the operating budget report focuses allocation of financial resources for the upcoming fiscal year.

On the positive side, the fiscal 2018 budget is a balanced, albeit flat overall when compared to fiscal year 2017. On the negative side, there would appear to be various initiatives that require additional resources to ensure success. Only by continuing to focus on the most strategic, productive, and future-focused initiatives will be the College be able to find continued success. Realistically there are not sufficient resources to make all desired initiatives successful. Thus, the strong recommendation is to continue to align budget with strategic plans, and consider sun-setting those areas that no longer fit in such plans.

Short of the creation of additional revenue streams, the only way for strategic areas to get "more" resources is for others to get "less."

The information for presentation at this meeting will include discussion of fiscal 2017 through the third quarter, as well as fiscal 2018 operating and capital budgets.

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TAB 4

**Third Quarter Year-to-Date Financial Statements
 Vice President Calvin Henry Harris Jr.
 Business and Finance Division**

Listed below is an overview of the third (3rd) quarter financial position for Baltimore City Community College. The overview highlights significant variances that affect revenues and/or expenditures. Included are financial statements for the College, WBJC-FM Radio, and the Bookstore, with each report providing a financial comparison of budget to actuals as of March 31, 2017 (the third quarter of fiscal year 2017).

COLLEGE

| | Actual 3/31/17 | Full Year Budget FY2017 | Actual to Budget % |
|---------------------|-----------------------|--------------------------------|---------------------------|
| Revenue | \$ 59,134,734 | \$ 88,957,846 | 66.5% |
| Expenditures | 56,970,534 | 88,957,846 | 64.0% |

The financial statements measure the performance of Baltimore City Community College during the third quarter of FY17, summarizing revenues and expenditures. The quarterly actual is compared to the full-year budget to determine the percent of revenues received and expenditures incurred during the period.

Revenue - Notable variances from budget include the following:

- 1) Fund Balance transfer (0% of budget) – Amounts to be transferred typically occur in the last quarter of the fiscal year. This amount is primarily related to ERP spending. (Line 8)
- 2) Public Service – WBJC (70.6% of budget) – This is low because check one of the Community Service Grant (CSG) amount of \$106,861 was not received until April 2017. (Line 13)
- 3) Grants, Subsidies & Contributions (57.7% of budget) – This is low because grant activity is project based and can vary from quarter to quarter. Additionally, while revenue is below budgeted amounts, restricted expenditures match these restricted revenues, minimizing any negative impact (Line 14).

Expenditures- Notable variances from budget include the following:

- 1) Motor Vehicle Operation & Maintenance (382.3% of budget) – This is high due to two new vehicles were purchased for the College fleet (Line 23)
- 2) Fin. Aid, Scholarships, Tuition Waivers (171.7% of budget) – This is high due to more than average scholarships awarded in this period. (Line 28)
- 3) Building Maintenance & Repairs (-311.9% of budget) – The College received a large amount from the State Department of General Services (“DGS”) representing unspent funds for prior year capital projects. The College requested the return of those funds and the balance was received during fiscal 2017. While, as requested by DGS, the College expects to use these returned funds to support deferred maintenance needs, the amount is insufficient to cover but a minority of such maintenance needs. (Line 30)

| BALTIMORE CITY COMMUNITY COLLEGE | | | | |
|---|---|----------------------|----------------------|--------------|
| YEAR TO DATE OPERATING REPORT | | | | |
| FOR NINE MONTHS ENDING March 31, 2017 (FISCAL YEAR 2017) | | | | |
| ENDING March 31, 2017 | | | | |
| | FY 17 | FY 17 | PERCENT | |
| | Y-T-D | FULL YEAR | ACTUAL | |
| | ACTUALS | BUDGET | TO BUDGET | |
| 1 | REVENUES | | | |
| 2 | UNRESTRICTED | | | |
| 3 | Tuition and Fees | \$ 10,330,985 | \$ 10,953,111 | 94.3% |
| 4 | State Appropriation | 30,048,332 | 40,673,875 | 73.9% |
| 5 | Sales, Service Auxiliary & Leasing Revenue | 1,473,519 | 1,928,461 | 76.4% |
| 6 | Other Income | 1,003,999 | 1,737,126 | 57.8% |
| 7 | Investment Income | 366,895 | 440,000 | 83.4% |
| 8 | Fund Balance Transfer | 0 | 5,223,994 | 0.0% |
| 9 | Unrestricted Revenues - Excluding Bookstore | 43,223,730 | 60,956,567 | 70.9% |
| 10 | Unrestricted Revenue - Bookstore | 1,866,313 | 4,000,000 | 46.7% |
| 11 | Total Unrestricted Revenue | 45,090,043 | 64,956,567 | 69.4% |
| 12 | RESTRICTED | | | |
| 13 | Public Service - WBJC | 1,076,215 | 1,525,000 | 70.6% |
| 14 | Grants, Subsidies & Contributions | 12,968,476 | 22,476,279 | 57.7% |
| 15 | Total Restricted Revenue | 14,044,691 | 24,001,279 | 58.5% |
| 16 | Total Revenue | \$ 59,134,734 | \$ 88,957,846 | 66.5% |

| | | | | |
|----|---|-------------------|-------------------|--------------|
| 17 | UNRESTRICTED EXPENDITURES | | | |
| 18 | Permanent (PIN) Salaries & Fringe | \$ 26,786,605 | 37,637,472 | 71.2% |
| 19 | Contractual Employee Salaries & Fringe | 5,465,709 | 7,922,740 | 69.0% |
| 20 | Communications | 328,864 | 380,972 | 86.3% |
| 21 | Travel / Professional Development | 187,915 | 533,273 | 35.2% |
| 22 | Utilities | 1,225,767 | 2,066,284 | 59.3% |
| 23 | Motor Vehicle Operation & Main. | 93,434 | 24,438 | 382.3% |
| 24 | Contractual Vendors | 3,183,741 | 9,215,425 | 34.5% |
| 25 | Supplies and Materials | 1,532,384 | 817,791 | 187.4% |
| 26 | Equipment - Replacement | 33,502 | 86,118 | 38.9% |
| 27 | Equipment - Additional | 19,355 | 62,400 | 31.0% |
| 28 | Fin. Aid, Scholarships, Tuition Waivers | 273,006 | 159,000 | 171.7% |
| 29 | Leases, Dues & Subscriptions | 2,257,480 | 2,914,010 | 77.5% |
| 30 | Buildings Maintenance & Repairs | (218,307) | 70,000 | -311.9% |
| 31 | Total Unrestricted Expenditures | 41,169,455 | 61,889,923 | 66.5% |
| 32 | Unrestricted Expenditures - Bookstore | 1,781,803 | 3,066,644 | 58.1% |
| 33 | Total Unrestricted Expenditures | 42,951,258 | 64,956,567 | 66.1% |

| BALTIMORE CITY COMMUNITY COLLEGE | | | | |
|---|---------------------------------------|----------------------|------------------|--|
| YEAR TO DATE OPERATING REPORT | | | | |
| FOR NINE MONTHS ENDING March 31, 2017 (FISCAL YEAR 2017) | | | | |
| ENDING March 31, 2017 | | | | |
| | FY 17 | FY 17 | PERCENT | |
| | Y-T-D | FULL YEAR | ACTUAL | |
| | ACTUALS | BUDGET | TO BUDGET | |
| 34 | <u>RESTRICTED EXPENDITURES</u> | | | |
| 35 | 1,207,825 | 1,607,343 | 75.1% | |
| 36 | 2,004,528 | 2,670,165 | 75.1% | |
| 37 | 5,156 | 4,141 | 124.5% | |
| 38 | 22,265 | 107,473 | 20.7% | |
| 39 | 10,396 | 0 | 0.0% | |
| 40 | 0 | 0 | 0.0% | |
| 41 | 519,288 | 637,053 | 81.5% | |
| 42 | 165,440 | 567,461 | 29.2% | |
| 43 | 130 | 0 | 0.0% | |
| 44 | 181,729 | 524,686 | 34.6% | |
| 45 | 8,822,601 | 16,353,080 | 54.0% | |
| 46 | 15,000 | 4,877 | 0.0% | |
| 47 | 0 | 0 | 0.0% | |
| 48 | 12,954,358 | 22,476,279 | 57.6% | |
| 49 | 1,064,918 | 1,525,000 | 69.8% | |
| 50 | 14,019,276 | 24,001,279 | 58.4% | |
| 51 | \$ 56,970,534 | \$ 88,957,846 | 64.0% | |

BOOKSTORE

| | Actual 3/31/17 | Full Year Budget FY2017 | Actual to Budget % |
|---------------------|---------------------------|------------------------------------|-------------------------------|
| Revenue | \$ 1,866,313 | \$ 4,000,000 | 46.7% |
| Expenditures | 1,781,803 | 3,900,000 | 45.7% |

The financial statements measure the performance of the Bookstore operations at Baltimore City Community College during the third quarter of FY17. The quarterly actual is compared to the full-year budget to determine the percent of revenues received and expenses incurred during the period under review. Please note that the Bookstore is an “auxiliary enterprise” – where overall annual revenues are expected to at least match overall annual expenditures. Thus, actual to budget is often less vital than whether revenues match or exceed expenditures

Revenue - Notable variances from budget include the following:

- 1) New Textbooks (45% of budget) – New textbook sales for the semester are expected to be higher. While any variance is mitigated with inventory management (purchases were \$600,000 lower than this point in the prior fiscal year) and the auxiliary nature of the Bookstore, analysis will continue to ensure budget levels are appropriate. (Line 1)

Expenditures – As the Bookstore includes inventory and cost of goods sold, total expenditures are calculated as “Purchases” (\$1,380,900 on line 13) plus “Operating Expenditures” (\$400,903 on line 29), representing funds spent to date during the fiscal year.

BALTIMORE CITY COMMUNITY COLLEGE
BOOKSTORE - YEAR TO DATE OPERATING REPORT
FOR THE NINE MONTHS ENDING MARCH 31, 2017 (Fiscal Year 2017)

| | | ENDING MARCH 31, 2017 | | | |
|----|--------------------------------------|------------------------------|----------------|---------------------|----------------|
| | | Y-T-D | Actuals | Full | Actuals |
| | | Actuals | as a | Year | as a |
| | | | % of | Budget | % of |
| | | | Sales | | Budget |
| 1 | New Textbooks | \$ 1,384,872 | 74% | \$ 3,045,498 | 45% |
| 2 | Used Textbooks | 88,167 | 5% | 65,198 | 135% |
| 3 | Trade Books | 6,661 | 0% | 58,678 | 11% |
| 4 | Supplies | 229,763 | 12% | 586,784 | 39% |
| 5 | Clothing | 44,190 | 2% | 104,317 | 42% |
| 6 | Gifts | 91 | 0% | 6,520 | 1% |
| 7 | Sundries | 111,341 | 6% | 130,396 | 85% |
| 8 | Commissions | 1,228 | 0% | 2,608 | 47% |
| 9 | Miscellaneous Revenue | 0 | 0% | 0 | 0% |
| 10 | | \$ 1,866,313 | 100% | \$ 4,000,000 | 47% |
| 11 | Cost of Sales: | | | | |
| 12 | Beginning Inventory | 402,807 | | 700,000 | |
| 13 | Plus: Purchases | 1,380,900 | | 3,048,604 | |
| 14 | Cost of Goods Available | 1,783,707 | | 3,748,604 | |
| 15 | Less: Ending Inventory | 401,847 | | 600,000 | |
| 16 | | 1,381,860 | 74% | 3,148,604 | 44% |
| 17 | | 484,453 | 26% | 851,396 | 57% |
| 18 | Operating Expenditures: | | | | |
| 19 | Salaries and Wages | 215,134 | 12% | 348,673 | 62% |
| 20 | Communications | 8 | 0% | 124 | 0% |
| 21 | Travel\Professional Development | 0 | 0% | 0 | 0% |
| 22 | Contractual Vendors | 29,973 | 2% | 117,683 | 25% |
| 23 | Supplies and Materials | 5,132 | 0% | 12,388 | 41% |
| 24 | Equipment | 656 | 0% | 12,388 | 0% |
| 25 | Depreciation | 0 | 0% | 0 | 0% |
| 26 | Indirect Admin Allowance | 0 | 0% | 247,753 | 0% |
| 27 | Fixed Charges | 150,000 | 8% | 12,388 | 0% |
| 28 | Allowance for Inventory Write-Off | 0 | 0% | 0 | 0% |
| 29 | | 400,903 | 21.5% | 751,396 | 53% |
| 30 | | \$ 83,550 | 4.5% | \$ 100,000 | 84% |

WBJC – Radio Station

| | Actual 3/31/17 | Full Year Budget FY2017 | Actual to Budget % |
|---------------------|---------------------------|------------------------------------|-------------------------------|
| Revenue | \$ 1,076,215 | \$ 1,525,000 | 70.6% |
| Expenditures | 1,064,918 | 1,525,000 | 69.8% |

The financial statements measure the performance of the WBJC Radio Station at Baltimore City Community College during the third quarter of FY17. The quarterly actual is compared to the full-year budget to determine the percent of revenues received and expenses incurred during the period under review. Please note that WBJC Radio is an “auxiliary enterprise” – where overall annual revenues are expected to at least match overall annual expenditures.

Revenue - Notable variances from budget include the following:

- 1) Donations (588.2% of budget) – Revenue is higher than expected budget due to larger than prior year donations from activities such as a fundraising drive held in September and a large bequest received in November. (Line 4)

Expenditures: Major variances from budget are primarily due to the following:

- 1) Equipment – Additional (103.4% of budget) –Expenditure is slightly above budget due to encumbrances from FY16. The current purchase orders will be used for expenses for the rest of the year, and expenditures are not expected to significantly exceed budget for equipment. (Line 19)

| BALTIMORE CITY COMMUNITY COLLEGE | | | | |
|---|---|-----------------------|---------------------|----------------|
| WBJC RADIO STATION - YEAR TO DATE OPERATING REPORT | | | | |
| FOR THE NINE MONTHS ENDING MARCH 31, 2017 (Fiscal Year 2017) | | | | |
| <hr/> <hr/> | | | | |
| ENDING MARCH 31, 2017 | | | | |
| | | FY 17 | FY 17 | |
| | | Y-T-D | FULL YEAR | PERCENT |
| | | ACTUALS | BUDGET | Actual |
| 1 | REVENUES | | | |
| 2 | Underwriting | \$ 124,170 | \$ 250,000 | 49.7% |
| 3 | Memberships | 750,694 | 1,001,000 | 75.0% |
| 4 | Donations | 117,642 | 20,000 | 588.2% |
| 5 | Matching Funds | 3,143 | 4,000 | 78.6% |
| 6 | Miscellaneous Revenue | 0 | 0 | 0.0% |
| 7 | Community Service Grant | 0 | 170,000 | 0.0% |
| 8 | Other Grants | 80,566 | 80,000 | 100.7% |
| 9 | Fund Balance Transfer | 0 | 0 | 0.0% |
| 10 | Total Revenue | * \$ 1,076,215 | \$ 1,525,000 | 70.6% |
| 11 | EXPENDITURES | | | |
| 12 | Permanent (PIN) Salaries & Fringe | \$ 749,560 | \$ 1,028,869 | 72.9% |
| 13 | Communications | 19,227 | 41,000 | 46.9% |
| 14 | Travel / Professional Development | 7,470 | 18,000 | 41.5% |
| 15 | Utilities | 33,333 | 71,000 | 46.9% |
| 16 | Contractual Vendors | 149,017 | 158,000 | 94.3% |
| 17 | Supplies and Materials | 12,094 | 42,000 | 28.8% |
| 18 | Equipment - Replacement and Structures | 0 | 30,000 | 0.0% |
| 19 | Equipment - Additional | 7,376 | 7,131 | 103.4% |
| 20 | Leases, Dues & Subscriptions | 81,841 | 117,000 | 69.9% |
| 21 | Stipend | 5,000 | 12,000 | 41.7% |
| 22 | Building Maintenance & Repairs | 0 | 0 | 0.0% |
| 23 | TOTAL EXPENDITURES | \$ 1,064,918 | \$ 1,525,000 | 69.8% |

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TAB 5



BOARD AGENDA
Tab 5 – Action
May 23, 2017

**Operating Budget Request Overview
Vice President Calvin Henry Harris Jr.
Business and Finance Division**

Please allow me to provide a fiscal year 2018 Operating Budget overview for BCCC.

At prior meetings, the Board and Finance Committee reviewed multi-year financial projections. Providing this information is indicative of the fiscal oversight that currently exists at the College, with a focus on past, present and future financial concerns.

As a reminder, please note the State authorizes two distinct budgets for BCCC – an operating budget and a capital budget. These two budget sources, along with accumulated fund balance amounts, create a “funding tripod” that finances the College.

Operating budgetary funds cover most the College’s spending needs, apart from major renovations (such as the Administrative Building) and other construction. The operating budget is the funded by state appropriations, federal funds, tuition and fees, outside grants and various other sources of revenue. All areas of the College are involved in the operating budget managed through various departments of Business and Finance Division, and especially the Budget and Controller’s Offices.

Capital budgetary funds cover costs related to the construction of new facilities and major renovations. Though the projects in the capital budget affect the entire College, direct involvement in this budget is limited to the Controller’s and Budget Offices and Facilities (though areas such as Information Technology also are commonly involved). Projects funded by the capital budget are typically planned years in advance and capital budget funds are prohibited from being used for any other purpose.

Fund balance represents the accumulated unspent operating budget amounts from prior years. In various cases, portions of the fund balance for specific initiatives (such as Board designations and reserves required by outside groups or agencies). In other instances, fund balance is reserved for major projects such as the ERP implementation.

While there are often no requirements for how fund balance amounts may be spent, I strongly encourage these amounts to only finance major one-time initiatives.

For this meeting, we are presenting the fiscal year 2018 operating budget request for the approval of the Finance Committee. The operating budget is based on what was originally forwarded to the Department of Budget and Management in summer 2016, presented to Legislative Subcommittees in March 2017, approved by the Legislature and Governor, and considers the effect of enrollment and tuition levels on revenue.

The College's current approved fiscal 2017 budget is presented herein, along with the proposed fiscal 2018 budget, which is presented for Committee approval.

Exhibit 1 – Budgeted Revenues

| <u>Budgeted Revenue</u> | FY 2017 Approved | FY 2018 Proposed |
|--|-----------------------------|-----------------------------|
| Tuition and Fees | \$ 10,953,111 | \$ 12,193,665 |
| State Appropriation | 40,673,875 | 40,602,171 |
| Auxiliary - Bookstore | 4,000,000 | 3,073,288 |
| Auxiliary - Other | 1,928,461 | 1,974,061 |
| Other Revenues | 2,177,126 | 2,447,585 |
| Fund Balance Draws | 5,223,994 | 4,193,588 |
| Total Unrestricted Revenue | 64,956,567 | 64,484,358 |
| Public Service - WBJC | 1,525,000 | 1,550,000 |
| Federal, State and Local Grants and Contracts | 22,476,279 | 18,785,961 |
| Total Restricted Revenue | 24,001,279 | 20,335,961 |
| Total Revenue | \$ 88,957,846 | \$ 84,820,319 |

For revenues, the areas that change between fiscal year 2017 and proposed fiscal year 2018 budget include the following:

- Tuition and fees – budgetary increase of approximately \$1.2 million.
- State appropriation – anticipated reduction of approximately \$71,000.
- Other revenues – anticipated increase of approximately \$270,000.
- Grants and contracts – anticipated decrease of approximately \$3.7 million.

Exhibit 2 – Budgeted Expenditures

| <u>Budgeted Expenditures</u> | <u>FY 2017 Approved</u> | <u>FY 2018 Proposed</u> |
|--|------------------------------------|------------------------------------|
| Academic Affairs | \$ 21,352,166 | \$ 21,632,024 |
| BCED | 4,305,971 | 4,084,698 |
| Student Affairs | 6,339,765 | 6,365,225 |
| Business & Finance | 3,152,735 | 3,073,090 |
| Plant Operations | 5,653,213 | 5,860,755 |
| Public Safety | 2,575,315 | 2,574,181 |
| President's Office | 1,265,773 | 1,243,379 |
| ITS | 3,683,324 | 3,865,329 |
| Human Resources | 1,274,204 | 1,278,885 |
| IAMR | 2,176,921 | 2,307,822 |
| Auxiliary - Bookstore | 3,066,644 | 3,065,054 |
| Facilities Cap, Lockwood , Tower Rental | 776,006 | 806,412 |
| Real Estate | 1,104,100 | 1,105,100 |
| Institutional | 2,230,430 | 2,222,404 |
| ERP | 6,000,000 | 5,000,000 |
| <u>Total Unrestricted Expenditures</u> | <u>64,956,567</u> | <u>64,484,358</u> |
| Public Service- WBJC | 1,525,000 | 1,550,000 |
| Federal, State and Local Grants and Contracts | 22,476,279 | 18,785,961 |
| <u>Total Restricted Expenditures</u> | <u>24,001,279</u> | <u>20,335,961</u> |
| Total Expenditures | <u>\$ 88,957,846</u> | <u>\$ 84,820,319</u> |

Unrestricted expenditures include the required spending reductions by division. Additional discussion may occur internally on the nature of specific reductions, but the total unrestricted expenditures would not change. Restricted expenditures, such as WBJC radio and grants, are not affected by spending reductions as they are not funded by unrestricted revenues such as tuition and fees or State appropriations.

Recommendation:

The Vice President of Business and Finance recommends the approval of the fiscal year 2018 Operating Budget as noted herein.

The President recommends the Finance Committee approve the FY2018 Operating Budget for submission to the Board of Trustees.

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TAB 6



BOARD AGENDA
Tab 6 – Action
May 23, 2017

Capital Budget Request Overview
Vice President Calvin Henry Harris Jr.
Business and Finance Division

Please allow me to provide a fiscal year 2018 Capital Budget overview for BCCC.

As a reminder, the State authorizes two distinct budgets for the College – an operating budget and a capital budget. The capital budget finances construction of new facilities and major renovations, with those funds prohibited from being used for any other purpose. The College's current capital budget is heavily based on prior Capital Improvement Plans and the updated Facilities Master Plan.

For fiscal 2018, the Capital Budget for the College includes spending funds that were included in the fiscal 2017 budget, but were postponed State-wide. *Therefore, these items were previously Board approved.* Please note that recently restarted construction on the Administrative Building was previously funded and is not included herein.

Loop Road, Main Street and Entrance Improvement

This critical life-safety construction project includes various infrastructure and site improvements for the roadways of the Liberty Campus. Improvements include:

- Widen the main vehicular entrance at Liberty Heights Avenue which will reduce queuing for traffic and provide for more efficient vehicular circulation.
- Create of a perimeter loop road surrounding Liberty Campus. This will provide safer entrance and exit for all vehicles and more access for emergency vehicles.
- Improved disabled accessibility routes, signage, and pedestrian connections.

The Loop Road project enters its design phase in fiscal 2018. Design is expected to continue in fiscal 2019 and construction is expected to begin by fiscal 2020. This is a significant step for the College, as the project had been delayed for many years. The College is working directly with the State Department of Budget and Management and Department of General Services to help this project commence in fiscal 2018.

The State has approved \$248,000 in general obligation bonds to fund the fiscal 2018 design work for the Loop Road Project.

Another major college project is not funded for fiscal 2018, but remains listed in the State Capital Budget for future funding, the Library Learning Resource Center.

Learning Resource Center (LRC), Liberty Campus

Renovation and expansion of the Library as a Learning Resource Center will allow the College to better support the total intellectual experience of the community of learners, and provide a coordinated multi-use facility for teaching, learning, trainings, conferencing, meetings, workshops and community events. This space renovation will include additional group and individual study rooms as well as provide centralized, accessible, and improved student and faculty learning space in which to perform research or have group meetings.

Currently, the College is working with Department of General Services (DGS) and Department of Budget and Management (DBM) to establish design and construction periods for the LRC project. The College is also actively considering and viewing library designs that have been favorably accepted by DGS and DBM. Despite these on-going efforts, no capital funds are currently budgeted for this project in fiscal 2018.

The Business and Finance area, through the Integrated Facilities Master Plan, continues evaluating the facilities of the College, and recognizes its needs far exceed the two projects slated for future usage. We will continue the pursuit of additional capital funds, particularly as those needs align with various strategic plans, to better support the College community and its needs.

Recommendation:

The Vice President of Business and Finance recommends the approval of the fiscal year 2018 Capital Budget as follows:

- Spending of \$248,000, funded by Maryland General Obligation bonds, for design work on the College Loop Road Project.

The President recommends the Finance Committee approve the FY2018 Capital Budget for submission to the Board of Trustees.

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