

2015-16 Budget Recap

The original budget submitted to and approved by the Gateway Board of Directors on May 28, 2015 consisted of \$21,625,100 unrestricted funding. As of April 30, 2016 the college's operating budget has been revised to \$21,300,477. The following adjustments have been made:

- \$200,000 reduced from fall tuition. Original budget \$5,114,900; Revised budget \$4,914,900. This reduction in revenue was offset through salary savings from vacant positions located in academic support and an instructional program.
- \$475,000 reduced from spring tuition. Original budget \$4,690,200; Revised budget \$4,215,200. This reduction in revenue was offset through a combination of adjunct savings due to strategic alignment with federal grant resources, salary savings from various staff positions and utility savings.
- \$275,000 reduced from Other Income - Grants Indirect. Several large grants have ended this year which have resulted in a loss of income for the college. This reduction in revenue was offset through a reduction in M&O and salary savings created from delayed hiring and not filing some positions for the remainder of this year.
- Upon direction from the system office; \$644,819 added to fund balance to cover the advance of Gift pledges for BuildSmart funding. The college will repay itself as these funds are received.
- The remaining reduction difference of \$19,400 was previously reported during the 1st quarter. On June 12, 2015 the KCTCS (BOR) approved a 1% or \$1,000 raise for college personnel, resulting in a \$19,400 reduction to Gateway's original budget and a revised unrestricted budget of \$21,605,700.

2016-17 Budget Assumptions

The proposed 2016-17 revenue and expenditure assumptions are as follows:

The unrestricted budget for 2016-17 is \$19,352,500 which is a decline of about \$2.3M from FY2015-16 original budget.

Revenue

	FY2016-17	FY2015-16
Tuition and Mandatory Fees	55%	49%
State Allocation	30%	29%
Noncredit Tuition	7%	4%
Sales and Services Educational	5%	9%
Other Sources	0%	6%
Budget Reserve "NR"	3%	3%

- Tuition & Mandatory Fees: Projecting a decline in credit enrollment based on historical data and in line with state and national trends. The Council on Postsecondary Education has approved up to a 6.1% or \$9 increase per credit hour.
- State Allocation: Reduction due to approved state budget and other fixed cost increases.

- Noncredit Tuition: Increase due to continued growth in the capacity of successful programming and optimizing KY Trains.
- Sales/Service Educational Activity: Decrease associated with enrollment projections and the completion of substantial grant funding resulting in a decline of indirect grant revenue.
- Budget Reserve: KCTCS Board of Regents has adjusted the required reserve to equal 3% of total public funds which is comprised of State Allocation and Tuition.

Function of Expenses

Function of Expenses	FY2016-17	FY2015-16
Instruction	41%	37%
Public Service	0%	3%
Academic Support	9%	9%
Libraries	1%	2%
Student Services	13%	12%
Institutional Support	15%	15%
Operations and Maintenance	13%	15%
Student Financial Aid	5%	3%
Budget Reserve	3%	3%

- Instruction: Increase due to shifting corporate college from public service to align us more closely with the other colleges within KCTCS for benchmarking purposes.
- Libraries: decrease due to optimization of digital resources.
- Student Service: Increase due to shifting testing and assessment center from public service to align us more closely with the other colleges within KCTCS for benchmarking purposes.
- Operations and Maintenance: Decrease due to elimination of rent associated with TIE and decrease in utilities.
- Student Financial Aid: Increase due to projected growth in dual enrollment waivers.

Object of Expenses

Object of Expenses	FY2016-17	FY2015-16
Personnel Costs	76%	78%
Operating Expenses	16%	16%
Grants in Aid	5%	3%
Budget Reserve	3%	3%

- Personnel Costs: Decrease based on overall reduction of \$2.3M in revenue budgeted compared to FY2015-16.
- Grants in Aid: Increase due to projected growth in dual enrollment waivers.