



**Board of Directors
Finance/Facilities Committee
Annual Report – October 24, 2016**

Committee Members: Ken Paul, Chair, Joe Creaghead, Daniel Ridley, Paul Whalen

**Q1- Finance/Facilities Committee Meeting
Center for Technology, Innovation, and Enterprise, Room 216
Tuesday, March 8, 2016
12 p.m.**

The committee reviewed the following agenda items:

- **2015-16 Budget Updates** – the follow information below was provided by James Younger, VP for Administration and Business affairs:
 - 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 December 31, 2015, the college’s operating budget has been revised to \$21,300,477.
 - Upon direction from the system office, \$644,819 was added to fund balance to cover the advance of gift pledges for BuildSmart funding. The college will repay itself as these funds are received.
- **2016-17 Budget Status/Timeline** – the early process has started and the committee will have additional meetings beginning April and May. KCTCS has not set the timeframe for approval by the Gateway Board. If the timetable follows last year, the 2016-17 budget will need to have board approval at the May meeting or at a special called meeting.
- **Transportation Center Update** - the bidding process is under way and the renovations of the Transportation Technology Center (TTC) will be completed by mid-July. Classes are scheduled to begin in the fall 2016 semester.

Q2 - Finance/Facilities Committee Special Called Meeting
Center for Technology, Innovation, and Enterprise, Room UB 107
Tuesday, May 10, 2016
7 p.m.

The committee and board reviewed the following agenda items:

- **2015-16 Budget Review** – Mr. Ken Paul stated that any budget is a point-in-time snapshot, based on revenue and expense, and that it will change throughout a given year. Amendments can be made to the budget, but at the current time, a budget is required to be submitted for approval to the KCTCS Board of Regents. Regarding the current budget and finances of Gateway:
 - 2015-16 Budget Recap – The original budget consisted of \$21,625,100 unrestricted funding. As of April 30, 2016, the college's operating budget has been revised to \$21,300,477.

- **2016-17 PROPOSED BUDGET REVIEW** – Mr. Jamie Younger's presentation continued related to the 2016-17 Budget:
 - 2016-17 Budget Assumptions – the unrestricted budget is \$19,352,500, which is a reduction of about \$2.3 million from the FY2015-16 original budget. The total operating budget is \$33,871,000.
 - Breakdown of 2016-17 Budget
 - ✓ Revenue: a decline in credit enrollment is projected. The Council on Postsecondary Education has approved up to a 6.1%, or \$9 increase per credit hour. State allocation will be reduced, and fixed costs will increase. Noncredit tuition will increase. Sales/Service educational activity income will decrease. The required budget reserve will be 3% of total public funds.
 - ✓ Function of Expenses: Instruction, student services, and student financial aid costs will increase. Public service, libraries, operations and maintenance costs will decrease. Academic support, institutional support and the budget reserve will remain the same.
 - ✓ Object of Expenses: Personnel costs will decrease based on overall reduction of \$2.3 million in revenue compared to FY2015-16. Grants in aid costs will increase due to projected growth in dual enrollment waivers.

With the requirement that the Gateway Board of Directors submit a recommended budget to the KCTCS Board of Regents by the end of May, discussion involved the Board meeting on May 12, as the next opportunity to vote to approve the budget. An alternative was to take no action on May 12, but to request more information to be provided, with another special meeting scheduled before the end of May. With a show of hands, the Board members voted to approve a resolution to recommend the budget to the Board of Regents at the May 12 meeting. They will include, in the

resolution, a listing of requested additional information. Board members will email the detail of additional information to the Board Chair and copy Mr. Ken Paul in time to be included in the resolution prepared for the meeting on May 12.

Q3 - Finance/Facilities Committee Meeting
Center for Technology, Innovation, and Enterprise, Room UB 411
Wednesday, September 21, 2016
11:30 a.m.

The committee reviewed the following agenda items:

- **Update on the 2015-16 Budget Results** – Jamie Younger provided financial handout a giving drill-down review of the budget. A handout will be provided to the Board at the next meeting with no major changes being noted.
- **Review of Supplemental Questions of the 2016-17 Budget Approval** - Jamie Younger provided a handout and after discussion, it was decided that the questions would be reduced three remaining (3, 4, and 9). Mr. Younger and Dr. Figueroa will follow up on those three questions due to further breakdown required. These three questions will remain on the follow up list of the committee.

- **Transportation Technology Center (TTC) Update**

Dr. Teri VonHandorf provided a handout on the Transportation Center giving numbers on actual students in the program and projections out to 2018. The handout will be shared with the Board.

- **Nursing & ABET** – Dr. Figueroa gave a brief update on the Nursing program and ABET which he will present completely to the Board at the September 26 meeting.