

Preliminary Discussion FY16 Budget

Summary Overview

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This document is to layout the budgeting process and assumptions in building the budget and to point out and explain significant changes in fund activity from the prior year's budget. The information is presented in a high level view and does not go into specific account level detail.

Contents

Introduction.....	2
Operating Fund Balance Policy	2
Philosophical Approach	2
Goals of Budget Development.....	2
Budget Development Process	3
Board of Trustees’ Direction	3
Cost Control and Savings Initiatives.....	3
Programmatic Initiatives.....	4
Capital Initiatives.....	5
Summary	6
Appendix A: Preliminary Overview of Budgets by Fund.....	7

Introduction

McHenry County College is committed to meeting its mission by providing quality service to its students and the residents of the County, with a fiscally responsible approach in order to optimize taxpayer, student tuition, and State dollars. In developing the College's fiscal budget, attention is first given to assuring that the budget is sustainable, while also maintaining a fund balance that is in compliance with Board Policy.

Operating Fund Balance Policy

The goal for the Operating Fund Balance Policy is to maintain a reserve for the operating fund balance that is equivalent to four (4) months of actual operating expenses which is measured by either:

- a. the monthly average of the final year to date actual operating fund expenditures of the previous fiscal year; or
- b. the monthly average of the current year's operating fund expenditures budget; whichever provides the most prudent outcome.

In checking the operating fund balance against the Operating Fund Balance Policy, the calculation method under version a) is a retrospective check for the past year which looks at actual operating expenses and fund balances, with the calculation in version b) being a prospective check, which looks at budget estimates and predicts where the ending operating fund balance will end up if the budget occurs exactly as built. The version a) calculation is the more accurate number to gauge where the actual operating fund balance is at a point in time and would be the primary indicator if adjustments in the new budget needs to be changed and a five year turnaround plan needs to be implemented. The calculation in version b) would alert the college as to whether the proposed budget is sustainable going forward; keeping in mind that the budget is merely a guide or road map and that budgets are controllable and adjustments are made throughout the year in order to achieve operating objectives or adapt based on changing economic conditions.

Philosophical Approach

- To provide quality education to all those who seek it.
- To further employability skills and increasing wage earning potential through workforce development opportunities.
- To increase the number of residents graduating with a certificate or degree to enhance their employability in the marketplace and quality of life.
- Providing a safe environment in which to learn. (deferred maintenance)

Goals of Budget Development

The goal of budget development is to direct resources that will allow the College to:

- Achieve its mission
- Meet Board objectives

- Implement College Plans which include:
 - Strategic Plan
 - Education Master Plan
 - Facilities Conditions Analysis
 - Education Master Plan
 - Facility Master Plan
 - Technology Master Plan
 - Brand Plan
 - Sustainability Plan
 - Emergency Action Plan

Budget Development Process

The budget development process begins with examining year-to-date revenues and expenditures for the current budget and forecasting year-end outcomes. The College's approach to budget development is to evaluate prospective enrollment, curriculum development, expenditures and revenue, areas of reductions or loss margins, contractual obligation impacts, and an overall examination of priorities. This process includes input from every department, administration, community members, and the Board of Trustees. All inputs are then evaluated to determine budgetary directions for the College.

Board of Trustees' Direction

- Continue to transfer \$2.5 million into Fund 03 (Operations and Maintenance Restricted Fund) for future land acquisition, building construction, providing the 25% match for state capital funds, or campus improvements
- Continue to annually fund the deferred maintenance issues of the College (i.e., ISES projects) which is approximately \$2.5 million annually, which is accomplished through a fund transfer from Fund 01 (Education Fund) to Fund 02 (Operations and Maintenance) or Fund 03 or to draw down from existing fund balance(s).

Cost Control and Savings Initiatives

Part of the budgeting process includes reviewing current operations in order to plan future budgets and to ensure compliance with Board Policy. As part of this process, current performance is reviewed to ensure current budgetary objectives are met, especially if actual revenue falls below budget projections. During this type of review the College looks at the following to control costs:

- Freezing or delaying open positions (non-critical)
- Eliminating positions through attrition/retirement where possible
- Enacting budgetary cuts/freezes where possible to accumulate funds for future fiscal years to help smooth fluctuations that normally occur year to year
- Review automation alternatives (possible savings could result in a reduction of overtime or payroll costs)
- Evaluation of programs/courses, especially those that lose money, for cost recovery or restructuring, efficiencies, outsourcing, elimination, etc.
- Maximizing grant allocations for administrative expenses, payroll costs, etc. in order to offset the operational cost of maintaining and accounting for grants

Areas, where the review indicated potential cost savings or increases in revenue sources could be achieved, are then implemented and included in the future budget(s). For the FY16 budget, the following measures were factored into construction of the budget.

- Savings expected to be achieved through personnel costs created by turnover, not refilling positions, or delaying hiring during the year
- Savings achieved by remaining in insurance consortiums for both medical and general property liability insurance
- Examining areas to increase reserves in Auxiliary Enterprise Fund
- Collective bargaining agreements
- Increase in tuition rate from \$105 to \$110 per credit hour to keep pace with inflation
- Further restricting/reducing the travel budget line items
- Consolidating institutional student worker expense, which is then controlled primarily by one area for the whole campus

Programmatic Initiatives

When recommending new curriculums, certificates, or degrees to be added, the administrators in the Academic areas examine the overall market and industry needs. The McHenry County Labor report forecast for employment, student input from surveys and expressed needs, a needs analysis by working with business and industry and trends within education for emerging markets is used in conjunction with this examination. The new curriculums MCC will be looking to add/enhance in fiscal year 2016 include:

- Health Information Technology (HIT)
 - Adding Health Information Technology Faculty Member
- Physical Therapy Assistant (PTA)
 - Adding Physical Therapy Assistant(PTA) Program Director
 - Purchasing equipment and developing a laboratory space for the PTA program
- Development of non-credit programs
 - Patient Care Technology
 - Home Health Aid
 - Solar Site Assessor/Sales and Service
- Development of a dual degree program with district high schools
- Development of a comprehensive credit for prior learning model
- Development of an adult learning center using Title III funds
- Development of an alternative placement program for district high schools
- Focusing on STEM Education by adding a full-time physics instructor
- Expansion of Manufacturing Technology Program (TAA Grant)
 - Industrial Maintenance Technician Certificate

Capital Initiatives

Capital related initiatives that are included in the budget are expenditures greater than \$5,000.00. Capital items include normal operating purchases for operations, deferred maintenance, Capital Development Board projects, and IDOT projects.

- Fund 01(Education Fund)
 - Institutional furniture/small projects
 - Classroom equipment
 - Shah center upgrades
- Fund 02 (Operations & Maintenance Fund)
 - ISES Projects
 - Main Campus
 - PSSSS06 Emergency Phones
 - GRDSI01 Rebuild Parking Lot A
 - APL05 Replace Building A Plumbing Fixtures
 - AES02 A Roof Replacement
 - BPL01 Re-Open Item Water Heater Café
 - BPL02 Replace B Building Plumbing Fixtures
 - GRDS01 Loading Dock & A Lot Drainage
 - GRDSI12 Cement Repairs C Plaza
 - CIS01 C Hallway Floor Refinish & Saniglaze
 - CPL02 Replace Plumbing Fixtures
 - DIS02 Paint and Walls
 - CES01 C Roof Membrane Replacement
 - GRDEL01 Exterior Lighting (E/F Lot)
 - BIS04 Renew Floor Finishes
 - AEL03 Replace Master Clock System
 - DEL01 Replace Emergency Generator
 - AFS02 Replace Sprinkler Heads
 - Shah Campus
 - SHCSS01 Emergency Phones
 - SHCHV01 Replace Packaged HVAC Units
- Fund 03 Projects (Operations & Maintenance Restricted Fund)
 - IDOT (3 year plan)
 - Entrance 3
 - Traffic Lights
 - Entrance 1
 - Lighted street signs
 - All payable over three (3) years per IDOT agreement
 - CDB project 810-066-015 total cost of project (construct Pumphouse)
 - CDB project 810-066-014 total cost of project (construct Greenhouse)
 - New phone system for the campus
 - Bookstore remodel

Summary

In every budget development cycle, there are many aspects that have to be considered when creating the new fiscal year budget. A new facet to this process was the consideration of the Operating Fund Balance Policy, which required additional work to ensure budgeted ending operating fund balances are in a position to remain in compliance with the policy.

On a macro level, all master plans, for example, Educational Master Plan, Technology Master Plan, or Strategic Master Plan, approved or adopted by the college, are used to align the budget resources to meet the goals of all the master plans. This included strategic decisions made by the Board of Trustees.

On a micro level, the budget process considers many moving parts that occur due to contractual obligations, for example, bargaining agreements with the unions, vendor contracts, and existing debt obligations to name a few. Additionally, all the capital projects and program initiatives are considered as these tend to require a substantial investment of resources.

In conclusion, the budget process takes many months and requires a great deal of thought and decisions in order to have a budget that achieves all the objectives and does so in a financially sustainable way.

Appendix A: Preliminary Overview of Budgets by Fund

FY16 Budget Sum By All Funds & Object Group

<i>Fund Code & Name</i>	<i>FY15 YTD</i>	<i>FY15 Budget</i>	<i>FY16 Budget</i>	<i>Change</i>
Beginning Fund Balance	\$83,049,240	\$83,049,240	\$83,049,240	
Revenue				
Local Government	\$23,535,606	\$28,469,473	\$28,341,302	-0.5%
State Government	\$3,531,682	\$5,095,274	\$4,637,121	-9.0%
Federal Government	\$6,548,581	\$7,541,650	\$7,615,723	1.0%
Student Tuition and Fees	\$13,184,681	\$15,408,204	\$14,917,511	-3.2%
Sales and Service Fees	\$4,250,223	\$5,668,089	\$5,175,810	-8.7%
Facilities Revenue	\$41,085	\$21,000	\$53,000	152.4%
Investment Revenue	\$219,936	\$389,600	\$488,800	25.5%
Non Governmental Gifts, Scholarships, Grants, and Bequests	\$17,589	\$32,788	\$14,000	-57.3%
Other Sources	\$4,245,885	\$27,345,304	\$29,523,390	8.0%
Sum of all Revenue	\$55,575,268	\$89,971,381	\$90,766,657	-0.5%
Expense				
Salaries	\$22,103,980	\$29,683,589	\$30,292,828	2.1%
Employee Benefits	\$8,325,215	\$17,181,972	\$18,866,641	9.8%
Contractual Services	\$4,149,690	\$5,658,771	\$5,706,454	0.8%
Supplies	\$4,621,625	\$6,019,739	\$5,694,769	-5.4%
Travel	\$469,132	\$956,893	\$837,087	-12.5%
Fixed Charges	\$457,445	\$1,786,923	\$623,182	-65.1%
Utilities	\$694,586	\$1,081,940	\$1,039,387	-3.9%
Capital Outlay	\$3,328,141	\$9,305,151	\$8,391,119	-9.8%
Other	\$7,211,891	\$23,169,472	\$23,771,175	2.6%
Sum of all Expense	\$51,361,704	\$94,844,450	\$95,222,642	2.1%
Contingency				
Contingency	\$0	\$1,775,000	\$1,475,000	-16.9%
Sum of all Contingency	\$0	\$1,775,000	\$1,475,000	-16.9%
Net Transfer				
Interfund Transfer Out	\$0	\$5,000,000	\$6,071,000	21.4%
Interfund Transfer In	\$0	\$5,000,000	\$6,071,000	21.4%
Sum of all Net Transfers	\$0	\$0	\$0	21.4%
Surplus/(Deficit)	\$4,213,564	(\$6,648,069)	(\$5,930,985)	-10.8%
Estimated Ending Fund Balance	\$87,262,804	\$76,401,171	\$77,118,255	0.9%

Grand Total All Funds Combined	\$4,213,564	(\$6,648,069)	(\$5,930,985)	-10.8%
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FY16 Budget Summary By Fund & Object Group

<i>Fund Code & Name</i>	<i>FY15 YTD</i>	<i>FY15 Budget</i>	<i>FY16 Budget</i>	<i>Change</i>
01 Education				
Beginning Fund Balance	\$18,387,214	\$18,387,214	\$21,696,859	18.0%
Local Governmental Sources	\$19,982,369	\$24,188,453	\$24,085,058	-0.4%
State Governmental Sources	\$1,679,274	\$2,145,868	\$2,135,869	-0.5%
Student Tuition & Fees	\$10,427,070	\$12,047,927	\$11,987,146	-0.5%
Sales & Service Fees	\$113,650	\$174,120	\$170,000	-2.4%
Facilities Revenue	\$11,000	\$18,000	\$18,000	0.0%
Investment Revenue	\$115,347	\$240,000	\$227,813	-5.1%
Other Revenue	\$4,223,391	\$12,226,976	\$14,338,765	17.3%
Total Education Fund Revenue	\$36,552,101	\$51,041,344	\$52,962,651	3.8%
Salaries	\$19,429,145	\$26,277,692	\$26,895,669	2.4%
Employee Benefits	\$7,292,227	\$15,727,501	\$17,457,638	11.0%
Contractual Services	\$2,160,610	\$3,054,617	\$3,215,816	5.3%
Supplies	\$1,508,156	\$2,676,073	\$2,559,207	-4.4%
Travel	\$392,141	\$797,039	\$681,627	-14.5%
Fixed Charges	\$1,498,396	\$1,895,111	\$1,805,162	-4.7%
Utilities	\$140,206	\$252,605	\$215,670	-14.6%
Capital Outlay	\$75,472	\$723,676	\$620,000	-14.3%
Other	\$700,281	\$739,250	\$844,700	14.3%
Total Education Fund Expense	\$33,196,634	\$52,143,565	\$54,295,489	4.1%
Contingency	\$0	\$1,650,000	\$1,350,000	-18.2%
Total Education Fund Contingency	\$0	\$1,650,000	\$1,350,000	-18.2%
Interfund Transfer Out	\$0	\$5,000,000	\$5,000,000	0.0%
Interfund Transfer In			\$1,071,000	N/A
Total Education Fund Transfers	\$0	\$5,000,000	\$6,071,000	21.4%
Education Surplus/(Deficit)	\$3,355,468	(\$7,752,221)	(\$6,611,838)	-14.7%
Estimated Ending Fund Balance	\$21,742,682	\$10,634,993	\$15,085,021	41.8%
33% of Total Education Fund Expenses	\$10,954,889	\$17,207,376	\$17,917,512	4.1%

FY16 Budget Summary By Fund & Object Group

<i>Fund Code & Name</i>	<i>FY15 YTD</i>	<i>FY15 Budget</i>	<i>FY16 Budget</i>	<i>Change</i>
02 Operations and Maintenance				
Beginning Fund Balance	\$5,715,263	\$5,715,263	\$5,993,029	4.9%
Local Governmental Sources	\$2,342,573	\$2,824,076	\$2,794,681	-1.0%
State Governmental Sources	\$591,025	\$631,386	\$631,386	0.0%
Student Tuition & Fees	\$2,696,169	\$3,165,277	\$2,602,548	-17.8%
Facilities Revenue	\$0	\$3,000	\$0	N/A
Investment Revenue	\$6,281	\$4,800	\$15,674	226.5%
Other Revenue	\$12,774	\$27,500	\$41,700	51.6%
Total Operations and Maintenance Fund Revenue	\$5,648,821	\$6,656,039	\$6,085,989	-8.6%
Salaries	\$475,182	\$623,604	\$649,884	4.2%
Employee Benefits	\$92,790	\$148,742	\$128,639	-13.5%
Contractual Services	\$1,273,053	\$1,676,057	\$1,682,968	0.4%
Supplies	\$182,956	\$320,250	\$316,800	-1.1%
Travel	\$27,255	\$40,150	\$41,850	4.2%
Fixed Charges	\$7,170	\$150,000	\$29,500	-80.3%
Utilities	\$548,724	\$823,000	\$817,000	-0.7%
Capital Outlay	\$763,604	\$6,292,774	\$5,086,522	-19.2%
Total Operations and Maintenance Fund Expense	\$3,370,734	\$10,074,577	\$8,753,163	-13.1%
Contingency	\$0	\$100,000	\$100,000	0.0%
Total Operations and Maintenance Fund Contingency	\$0	\$100,000	\$100,000	0.0%
Interfund Transfer In	\$0	\$2,500,000	\$2,500,000	0.0%
Total Operations and Maintenance Fund Transfers	\$0	\$2,500,000	\$2,500,000	0.0%
Operations and Maintenance Surplus/(Deficit)	\$2,278,087	(\$1,018,538)	(\$267,174)	-73.8%
Estimated Ending Fund Balance	\$7,993,350	\$4,696,725	\$5,725,855	21.9%
33% of Total Operations and Maintenance Fund Expenses	\$1,112,342	\$3,324,610	\$2,888,544	-13.1%

FY16 Budget Summary By Fund & Object Group

<i>Fund Code & Name</i>	<i>FY15 YTD</i>	<i>FY15 Budget</i>	<i>FY16 Budget</i>	<i>Change</i>
03 Operations and Maintenance Restricted				
Beginning Fund Balance	\$10,896,967	\$10,896,967	\$10,705,040	-1.8%
State Governmental Sources	\$0	\$787,500	\$787,500	0.0%
Investment Revenue	\$74,645	\$120,000	\$186,260	55.2%
Total Operations and Maintenance Restricted Fund Revenue	\$74,645	\$907,500	\$973,760	7.3%
Contractual Services	\$0	\$0	\$0	N/A
Capital Outlay	\$191,927	\$1,533,597	\$2,658,597	73.4%
Total Operations and Maintenance Restricted Fund Expense	\$191,927	\$1,533,597	\$2,658,597	73.4%
			\$0	N/A
Interfund Transfer In	\$0	\$2,500,000	\$2,500,000	0.0%
Total Operations and Maintenance Restricted Fund Transfers	\$0	\$2,500,000	\$2,500,000	0.0%
Operations and Maintenance Restricted Surplus/(Deficit)	(\$117,282)	\$1,873,903	\$815,163	-56.5%
Estimated Ending Fund Balance	\$10,779,685	\$12,770,870	\$11,520,203	-9.8%

FY16 Budget Summary By Fund & Object Group

<i>Fund Code & Name</i>	<i>FY15 YTD</i>	<i>FY15 Budget</i>	<i>FY16 Budget</i>	<i>Change</i>
04 Bond and Interest				
Beginning Fund Balance	\$0	\$0	\$0	N/A
Total Bond and Interest Fund Transfers			\$0	N/A
Bond and Interest Surplus/(Deficit)			\$0	N/A
Estimated Ending Fund Balance				

FY16 Budget Summary By Fund & Object Group

<i>Fund Code & Name</i>	<i>FY15 YTD</i>	<i>FY15 Budget</i>	<i>FY16 Budget</i>	<i>Change</i>
05 Auxiliary				
Beginning Fund Balance	\$1,912,834	\$1,912,834	\$1,271,005	-33.6%
Student Tuition & Fees	\$61,442	\$195,000	\$327,817	68.1%
Sales & Service Fees	\$4,136,573	\$5,493,969	\$5,005,810	-8.9%
Facilities Revenue	\$30,085	\$0	\$35,000	#Div/0!
Other Revenue	\$9,720	\$17,000	\$11,000	-35.3%
Total Auxiliary Fund Revenue	\$4,237,819	\$5,705,969	\$5,379,627	-5.7%
Salaries	\$1,270,987	\$1,547,095	\$1,669,748	7.9%
Employee Benefits	\$238,374	\$323,750	\$352,586	8.9%
Contractual Services	\$457,226	\$563,095	\$606,870	7.8%
Supplies	\$2,766,370	\$2,783,801	\$2,683,469	-3.6%
Travel	\$29,359	\$66,532	\$72,332	8.7%
Fixed Charges	\$25,939	\$31,512	\$30,512	-3.2%
Utilities	\$3,683	\$4,535	\$4,485	-1.1%
Capital Outlay	\$773	\$350,000	\$0	N/A
Other	\$995	\$10,750	\$10,750	0.0%
Total Auxiliary Fund Expense	\$4,793,707	\$5,681,070	\$5,430,752	-4.4%
Contingency	\$0	\$20,000	\$20,000	0.0%
Total Auxiliary Fund Contingency	\$0	\$20,000	\$20,000	0.0%
			\$0	N/A
Total Auxiliary Fund Transfers			\$0	N/A
Auxiliary Surplus/(Deficit)	(\$555,888)	\$4,899	(\$71,125)	-1551.8%
Estimated Ending Fund Balance	\$1,356,946	\$1,917,733	\$1,199,880	-37.4%

FY16 Budget Summary By Fund & Object Group

<i>Fund Code & Name</i>	<i>FY15 YTD</i>	<i>FY15 Budget</i>	<i>FY16 Budget</i>	<i>Change</i>
06 Restricted Purposes				
Beginning Fund Balance	\$60,260	\$60,260	\$1,805	-97.0%
State Governmental Sources	\$1,261,383	\$1,530,520	\$1,082,366	-29.3%
Federal Governmental Sources	\$6,548,581	\$7,541,650	\$7,615,723	1.0%
Nongovernmental Gifts, Scholarships, Grants & Bequests	\$17,589	\$32,788	\$14,000	-57.3%
Other Revenue	\$0	\$15,073,828	\$15,131,925	0.4%
Total Restricted Purposes Fund Revenue	\$7,827,553	\$24,178,785	\$23,844,014	-1.4%
Salaries	\$610,596	\$799,563	\$617,150	-22.8%
Employee Benefits	\$51,317	\$54,308	\$64,318	18.4%
Contractual Services	\$178,187	\$233,002	\$70,800	-69.6%
Supplies	\$152,931	\$217,865	\$113,543	-47.9%
Travel	\$20,149	\$49,172	\$36,378	-26.0%
Fixed Charges	\$10	\$300	\$100	-66.7%
Capital Outlay	\$362,203	\$405,104	\$26,000	-93.6%
Other	\$6,510,615	\$22,419,472	\$22,915,725	2.2%
Total Restricted Purposes Fund Expense	\$7,886,008	\$24,178,785	\$23,844,014	-1.4%
			\$0	N/A
Total Restricted Purposes Fund Transfers			\$0	N/A
Restricted Purposes Surplus/(Deficit)	(\$58,455)	\$0	\$0	N/A
Estimated Ending Fund Balance	\$1,805	\$60,260	\$1,805	-97.0%

FY16 Budget Summary By Fund & Object Group

<i>Fund Code & Name</i>	<i>FY15 YTD</i>	<i>FY15 Budget</i>	<i>FY16 Budget</i>	<i>Change</i>
07 Working Cash				
Beginning Fund Balance	\$2,821,100	\$2,821,100	\$2,836,887	0.6%
Investment Revenue	\$12,894	\$14,400	\$32,178	123.5%
Total Working Cash Fund Revenue	\$12,894	\$14,400	\$32,178	123.5%
Interfund Transfer Out			\$1,071,000	
Total Working Cash Fund Transfers			\$1,071,000	
Working Cash Surplus/(Deficit)	\$12,894	\$14,400	(\$1,038,822)	-7314.0%
Estimated Ending Fund Balance	\$2,833,994	\$2,835,500	\$1,798,065	-36.6%

FY16 Budget Summary By Fund & Object Group

<i>Fund Code & Name</i>	<i>FY15 YTD</i>	<i>FY15 Budget</i>	<i>FY16 Budget</i>	<i>Change</i>
08 General Fixed Asset				
Beginning Fund Balance	\$47,924,544	\$47,924,544	\$47,532,511	-0.8%
Capital Outlay	\$1,934,163	\$0	\$0	N/A
Total General Fixed Asset Fund Expense	\$1,934,163	\$0	\$0	N/A
			\$0	N/A
Total General Fixed Asset Fund Transfers			\$0	N/A
General Fixed Asset Surplus/(Deficit)	(\$1,934,163)	\$0	\$0	N/A
Estimated Ending Fund Balance	\$45,990,381	\$47,924,544	\$47,532,511	-0.8%

FY16 Budget Summary By Fund & Object Group

<i>Fund Code & Name</i>	<i>FY15 YTD</i>	<i>FY15 Budget</i>	<i>FY16 Budget</i>	<i>Change</i>
09 General Long-Term Debt				
Beginning Fund Balance	(\$8,873,881)	(\$8,873,881)	(\$7,743,379)	-12.7%
Fixed Charges	(\$1,130,503)	(\$440,000)	(\$1,342,092)	205.0%
Total General Long-Term Debt Fund Expense	(\$1,130,503)	(\$440,000)	(\$1,342,092)	205.0%
			\$0	N/A
Total General Long-Term Debt Fund Transfers			\$0	N/A
General Long-Term Debt Surplus/(Deficit)	\$1,130,503	\$440,000	\$1,342,092	205.0%
Estimated Ending Fund Balance	(\$7,743,378)	(\$8,433,881)	(\$6,401,287)	-24.1%

FY16 Budget Summary By Fund & Object Group

<i>Fund Code & Name</i>	<i>FY15 YTD</i>	<i>FY15 Budget</i>	<i>FY16 Budget</i>	<i>Change</i>
10 Trust & Agency				
Beginning Fund Balance	\$0	\$0	\$0	N/A
Total Trust & Agency Fund Transfers			\$0	N/A
Trust & Agency Surplus/(Deficit)			\$0	N/A
Estimated Ending Fund Balance				

FY16 Budget Summary By Fund & Object Group

<i>Fund Code & Name</i>	<i>FY15 YTD</i>	<i>FY15 Budget</i>	<i>FY16 Budget</i>	<i>Change</i>
11 Audit				
Beginning Fund Balance	\$62,702	\$62,702	\$79,173	26.3%
Local Governmental Sources	\$86,383	\$104,573	\$104,210	-0.3%
Total Audit Fund Revenue	\$86,383	\$104,573	\$104,210	-0.3%
Contractual Services	\$65,380	\$100,000	\$100,000	0.0%
Total Audit Fund Expense	\$65,380	\$100,000	\$100,000	0.0%
Audit Surplus/(Deficit)	\$21,003	\$4,573	\$4,210	-7.9%
Estimated Ending Fund Balance	\$83,705	\$67,275	\$83,383	23.9%

FY16 Budget Summary By Fund & Object Group

<i>Fund Code & Name</i>	<i>FY15 YTD</i>	<i>FY15 Budget</i>	<i>FY16 Budget</i>	<i>Change</i>
12 Liability, Protection & Settlement				
Beginning Fund Balance	\$678,115	\$678,115	\$678,115	0.0%
Local Governmental Sources	\$1,124,282	\$1,352,371	\$1,357,353	0.4%
Investment Revenue	\$10,769	\$10,400	\$26,875	158.4%
Total Liability, Protection & Settlement Fund Revenue	\$1,135,051	\$1,362,771	\$1,384,228	1.6%
Salaries	\$318,070	\$435,635	\$460,377	5.7%
Employee Benefits	\$650,506	\$927,671	\$863,460	-6.9%
Contractual Services	\$15,234	\$32,000	\$30,000	-6.3%
Supplies	\$11,212	\$21,750	\$21,750	0.0%
Travel	\$228	\$4,000	\$4,900	22.5%
Fixed Charges	\$56,432	\$150,000	\$100,000	-33.3%
Utilities	\$1,972	\$1,800	\$2,232	24.0%
Total Liability, Protection & Settlement Fund Expense	\$1,053,654	\$1,572,856	\$1,482,719	-5.7%
Contingency	\$0	\$5,000	\$5,000	0.0%
Total Liability, Protection & Settlement Fund Contingency	\$0	\$5,000	\$5,000	0.0%
Liability, Protection & Settlement Surplus/(Deficit)	\$81,397	(\$215,085)	(\$103,491)	-51.9%
Estimated Ending Fund Balance	\$759,512	\$463,030	\$574,624	24.1%

FY16 Budget Summary By Fund & Object Group

<i>Fund Code & Name</i>	<i>FY15 YTD</i>	<i>FY15 Budget</i>	<i>FY16 Budget</i>	<i>Change</i>
<i>Grand Total All Funds Combined</i>	\$4,213,564	(\$6,648,069)	(\$5,930,985)	-10.8%

FY 2016 Planning Initiatives for Budget Consideration

Strategic Plan	Facilities Condition Analysis	Education Master Plan	Facility Master Plan
Continue to implement the Service Excellence strategies	ISES PROJECTS: Main Campus PSSSS06 Emergency Phones \$63,217 GRDSI01 Rebuild Parking Lot A \$699,669	Maximize community business and industry engagement identify future program trends (Patient Care Technology, Home Health Aid, Solar Site Assessor/Sales and Service)(Ongoing no cost)	Transfer of \$2.5M for campus growth and \$2.5M for Deferred Maintenance projects (pending Board strategic direction).
Utilize data from CCSSEE, Noel Levitz, to drive continuous improvement especially in the areas of student services and leadership development (\$10,000)	APLO5 Replace Bldg A Plumbing Fixtures \$60,060 AES02 A Roof Replacement \$1,036,750 BPL01 Re-Open Item Water Heater Café \$65,000 BPL02 Replace B Bldg Plumbing Fixtures \$28,600 GRDS01 Loading Dock & A Lot Drainage \$286,000 GRDS112 Cement Repairs C Plaza \$18,258 CIS01 C Hallway Floor Refinish & Saniglaze \$176,632 CPL02 Replace Plumbing Fixtures \$12,727	Utilizing the Academic Performance Indicators to benchmark data for student learning and implement strategies to exceed benchmarks (Ongoing - no cost)	Continuation I.D.O.T. Signage: way finding & monument sign \$200,000
Enhanced navigation capabilities for interactive mapping, campus signage, & Hootesuite (\$10,000)	DIS02 Paint and Walls \$87,334 CES01 C Roof Membrane Replacement \$274,621 BIS04 Renew Floor Finishes \$15,500	Integrate the definition for Excellence in teaching into a new non-tenured faculty evaluation process (no cost)	Continuation of I.D.O.T. Rt 14 entrance construction (estimated \$50,000 for unplanned contingency costs)
Website development and hosting/CMS \$100,000)	AEL03 Replace Master Clock System \$5,000 DEL01 Replace Emergency Generator \$54,468 AFS02 Replace Sprinkler Heads \$15,730 Shah Campus SHCSS01 Emergency Phones \$21,799 SHCHV01 Replace Packaged HVAC Units \$39,325	Accelerate time to completion: Credit for prior learning and life experiences, accelerated course offerings, credit for non-credit certificates (\$8,000)	Continuation of I.D.O.T. Signal Light relocation Traffic Lights = 402,500 Entrance 3 = 266,857 Entrance 1 = 14,490.00 Lighted street signs 18,441 (Total 3 year cost at \$702,289 and annual cost \$234,097)
Increase MCC's capacity to effectively manage grants/external funding resources (Initiative 3: Ensure high-quality services and learning opportunities through a culture of continuous improvement, innovation, and accountability). (\$10,000)	Remaining Painting & Carpeting of campus as needed and as budget allows.	Develop a dual degree model with local high schools (\$5,000)	Continuation of Planning of Health Sciences Space Utilization Study which includes the phase I and Phase II components as approved by the Board, total estimated cost is \$131,200. This amount was budgeted in FY15 and may be fully expended or it may carryover into FY16 if it is not completed by end of FY15.
Update the Environmental Scan with NIU (\$8,000K)		Development of Industrial Maintenance (\$100,000)	Remodeling of Testing Center to meet Compass 5.0 requirements(\$170,000)
Dasboards for MCC Employees and Board of Trustees (\$40,000)		Development of an Adult Center using Title III Grant Money	CDB project 810-066-015 total cost of project (construct Pumphouse \$154,500)
Continue quest for media-rich learning environments (\$50,000)		Applying for an National Endowment of Humanities Bridging Cultures Grant (No cost)	CDB project 810-066-014 total cost of project (construct Greenhouse \$895,000)
Comply with requirements for all Title IX and sexual misconduct legislation (\$15,000)		Development of alternative placement process with local high schools(Grant dollars \$5,000)	A, C & E Classroom Furniture - Office Furniture - Atrium Furniture (\$100,000)
Begin completion of the 2017 AQIP Systems Portfolio (no cost)		Development of a grant for the upgrading of Welding (no cost)	Testing Center Remodel-\$170,000 Institutional Research Remodel-\$65,000 Student Services-\$300,000 Detention Pond Landscape/Clear Trees \$105,000 A Corridor Remodel-\$400,000 Resurface Ring Road to Dock-\$375,000 Portable Classrooms-\$150k Additional drainage reroute in conjunction with the related I.S.E.S. project \$200,000
Conduct predictive analytics to help drive marketing strategy (\$20,000)		Development of Physical Therapy Assistant Program (\$200,000)	
		Add a full-time Physic/Engineering instructor(\$75,000)	
		Onboard new Faculty Development Chair and Adjunct Development Coordinator (no cost)	

FY 2016 Planning Initiatives for Budget Consideration

Technology Master Plan	Brand Plan	Sustainability	Emergency Action Plan
Application for a technology based National Science Foundation Grant for Mobile App Development(no cost)	Conduct annual, follow-up data analysis of public perception (\$19,000K)	Implement sustainable campus programs including a food scrap recycling pilot program (\$3,000)	Continue to remain in the Illinois Community College Risk Management Consortium to acquire proper insurance for the campus. Cost is dependent on renewal information from insurance carriers.
Continue thin client deployments, targeting a total of 400-425. (\$15,000)	Update exterior and interior wayfinding and signage to reflect branding and help with easier navigation on campus (\$25,000K)	Continue Community Engagement via the Green Living Expo, Bioneers Speaker Series and Green Guide (\$20,000--offset with revenue)	Continue Shah computer room facility updates to accommodate Disaster Recovery (see Tech Master Plan).
Continue Shah computer room facility updates to accommodate Disaster Recovery (see Emerg. Action Plan) (\$50,000)		Further the development of sustainability related curriculum for both credit and non credit including solar coursework and faculty workshops on greening your curriculum (\$3,000)	
Enhance/add functionality to ERP system (Projects Accounting, Student Planning, Purchase Req's, Events Scheduling) (COMPLETED - Added Document Imaging to this project in 2016 - \$52,000)			
Implement new IBOP high-speed fiber (internet broadband) to main campus (One-time \$25,000 + \$4,500 On-going Monthly)			
Expand use of remote access (Citrix) for anywhere, anytime access (COMPLETED)			
Expand security camera surveillance coverage (parking lots) (\$165,000, \$101,000 funded by Grant)			
Replace aging Voice Communications system (\$975,000)			