

# Budget Update

Strategic Leadership Team

September 11, 2015

# 2014-15 Year End

- ❑ Audit being finalized for presentation to the BOT in Oct.
- ❑ Year end close was positive:
  - No reduction in fund balance will be required to cover VESP payments. Fund balance will remain within BOT target of 10% to 15% of revenues
  - In addition, we were able to move approximately \$1.3 million to the Plant Fund to cover future capital needs

# 2015-16 Budget

- ❑ BOT adopted a balanced budget for 2015-16 budget in June
- ❑ Includes a 5.0% reduction in billing units from 2014-15
- ❑ Includes over \$2.8 million in revenue enhancement and expense reduction recommendations from the Ad Hoc Budget Committee to offset the impact of declining enrollment:

Total Revenue Enhancements	\$960,000
Total Expense Reductions (incl. first year of VESP savings)	<u>1,895,500</u>
<b>Total Impact</b>	<b><u>\$2,855,500</u></b>

# 2015-16 Budget (cont'd)

- ❑ As of Fall 2015.....
- ❑ Actual enrollment reduction = 6.6%
  - The good news: With a slightly higher than expected percentage of non-resident enrollment, we're on track with projected revenue
  - The bad news: We are still in a period of declining enrollment (back to 2008-09 levels), and we don't know where the "bottom" is
- ❑ Highlights need for continued emphasis on savings
- ❑ No other significant changes known at this time

# Five Year Projection



Microsoft Excel  
Worksheet