



2016-17 Operating Budget Report

TYPICAL HIGHER EDUCATION BUDGETS

1. General Operating Budget

Primary budget for college: supports salaries, benefits, supplies; funded thru tax funds and tuition revenues

2. Designated Budget

Generally funded thru student fees, includes Parking Services intended to be self-support programs

3. Auxiliary Budget

Student Center, Food Service, and Bookstore activities – intended to be self-support

4. Restricted Budget

Funded by external groups via grants and contracts for specific projects

5. Capital Budget

*One-time funds used to support new buildings and remodels – **cannot** be used for salaries or ongoing operating expenses*

CAPITAL BUDGETS RECENT BUILDINGS

Approved 2010 Legislative Session

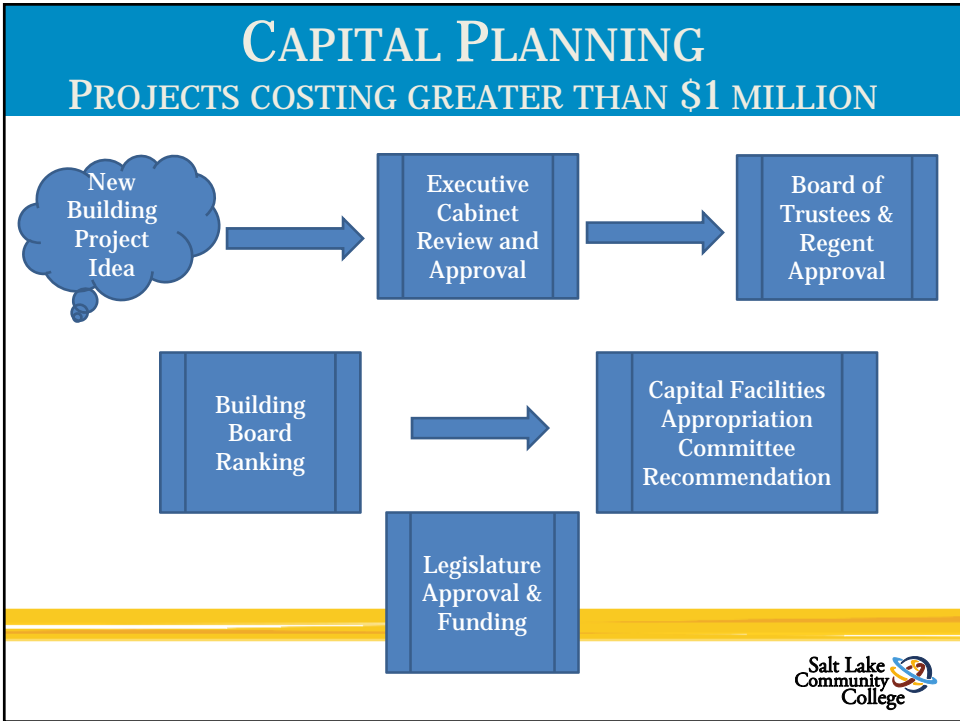


Academic & Administrative Building
Fall 2013

Approved 2016 Legislative Session



WestPointe Building
Fall 2018



CAPITAL BUDGETS

Request 2017 Legislative Session



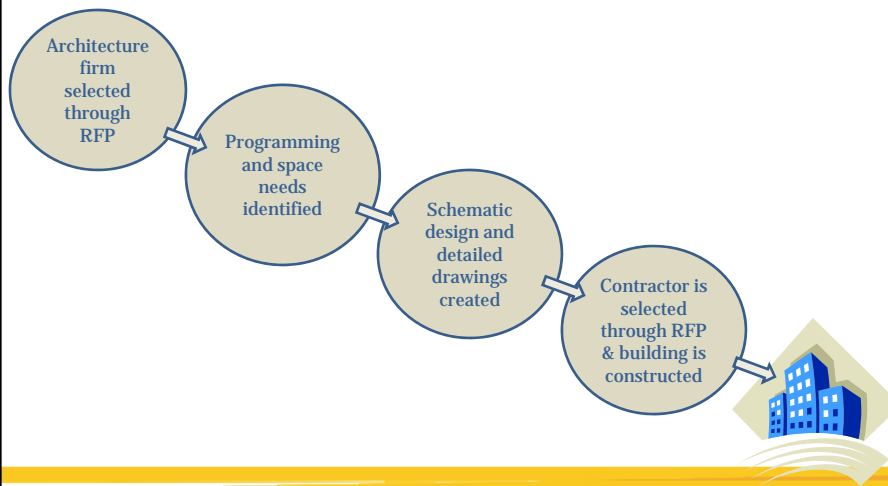
Herriman Building/Campus

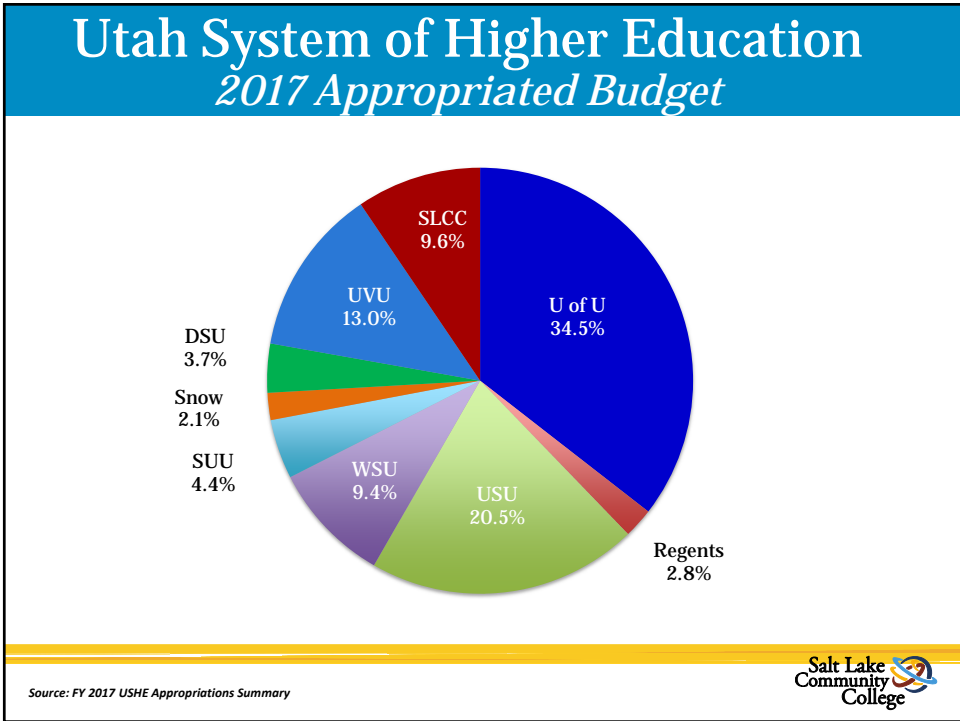
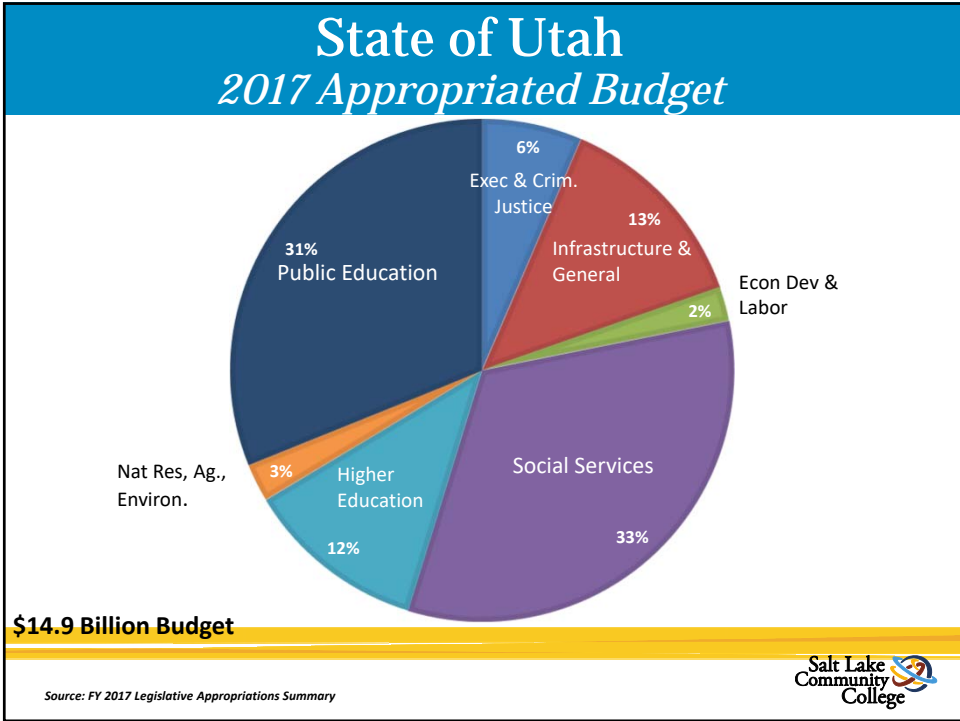
- Generally one-time in nature
- Appropriated through separate Legislative committee
- Used to fund new construction and renovations of existing space
- Used for capital improvement projects (i.e. roof repairs, HVAC)



CAPITAL PLANNING

WHAT HAPPENS AFTER THE PROJECT IS FUNDED?





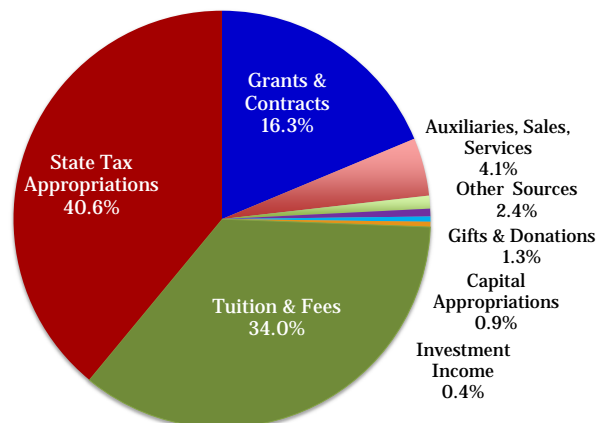
How is Higher Education Funded?

❖ Three primary sources

- State Tax Funds → General Sales Tax
Income Tax
- Tuition Revenue → 1st and 2nd
Tier-Tuition Rates
- Other Sources → Grants & Contracts
Sales & Services
Student Fees
Auxiliary Revenue



Salt Lake Community College 2017 Total Revenue Budget



Total Revenue Budget: \$235,012,400

Source: SLCC Controller's Office



GENERAL OPERATING BUDGET

General Operating Budget-
funded by tax funds and tuition revenues

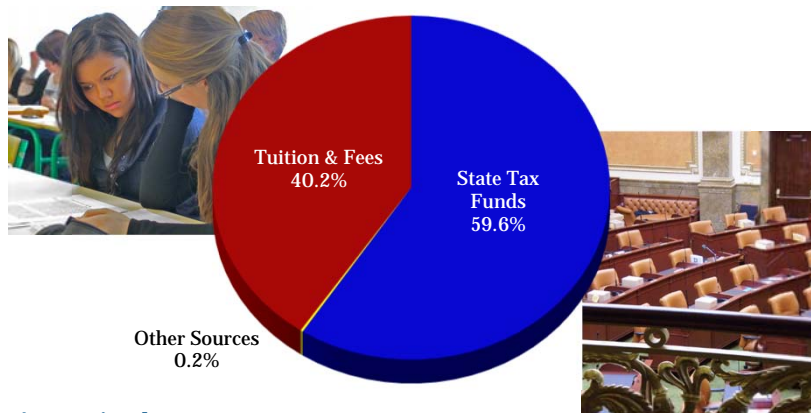
Primary budget for college:

- 1- salaries
- 2- benefits
- 3- equipment
- 4- supplies
- 5- travel



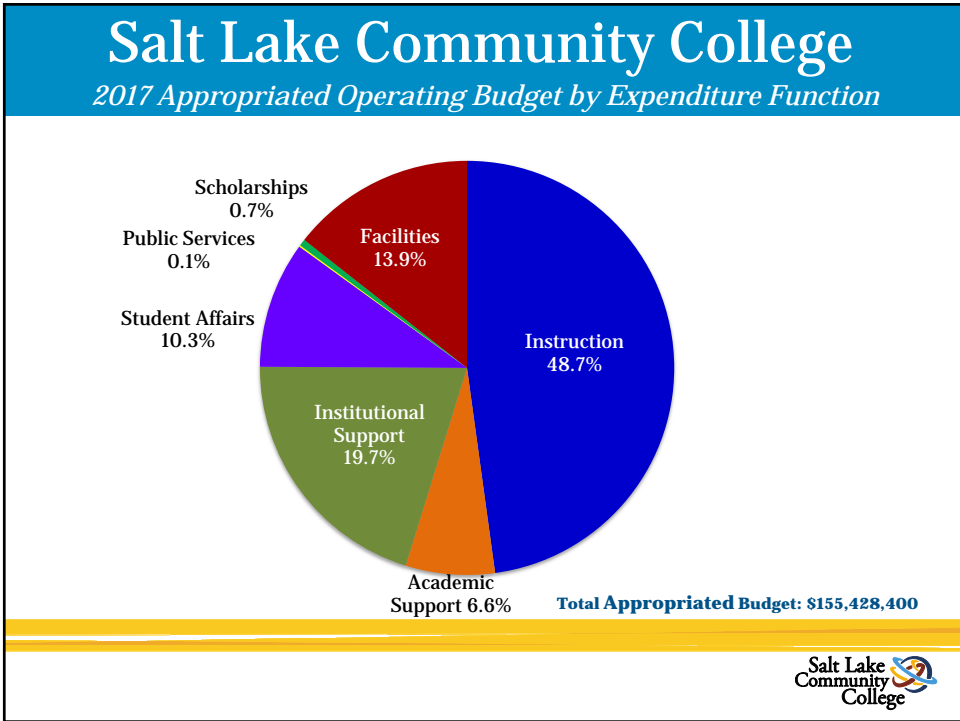
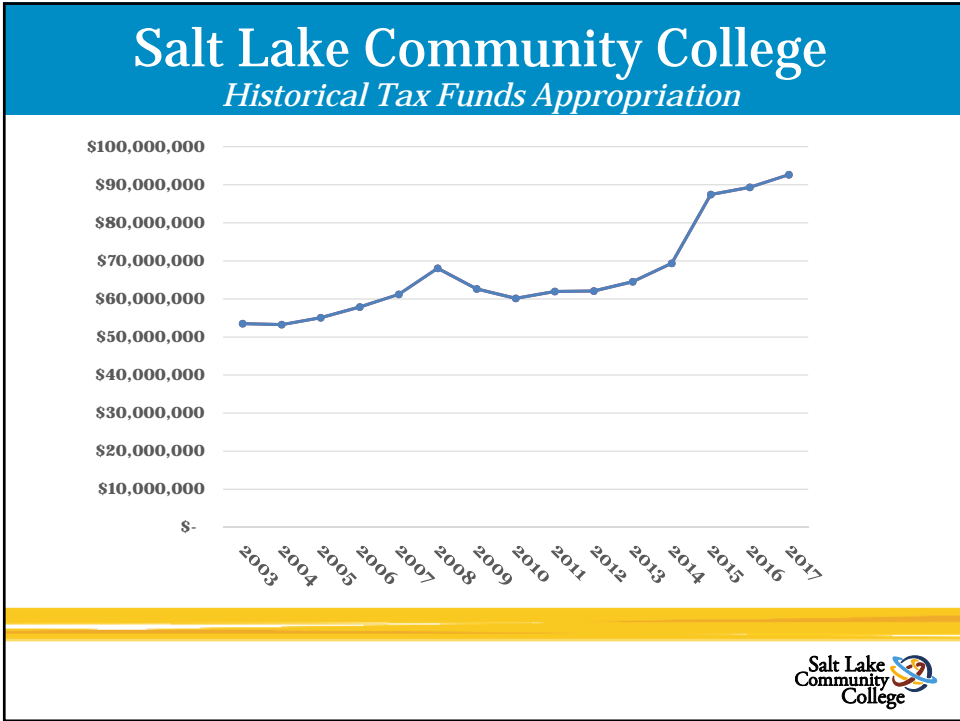
SALT LAKE COMMUNITY COLLEGE

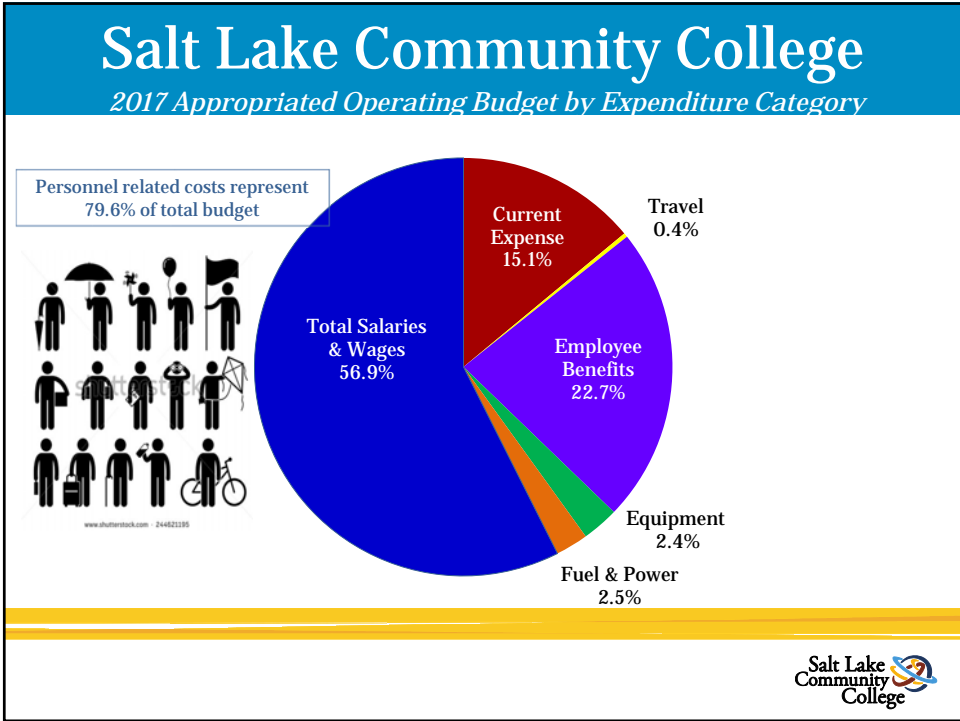
2017 APPROPRIATED OPERATING BUDGET BY REVENUE SOURCE



Total Appropriated Budget: \$155,428,400







REQUESTING NEW FUNDS

Budget Request Process:

- ❖ Legislative & Regent Process
- ❖ Tuition Increase Process
- ❖ SLCC Informed Budget Process



Salt Lake Community College

LEGISLATIVE & REGENT PROCESS

OPERATING BUDGETS

Legislative statute requires that Regents:

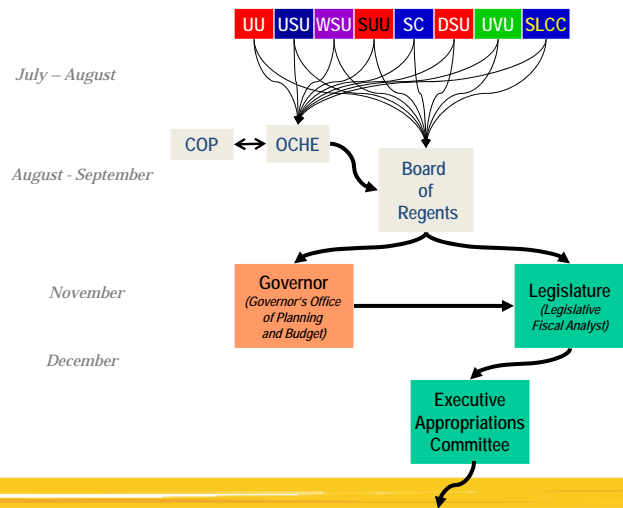
- Justify institutions' appropriations are consistent with needs, and the financial ability of the state; and
- Determine an equitable distribution of funds among the respective institutions

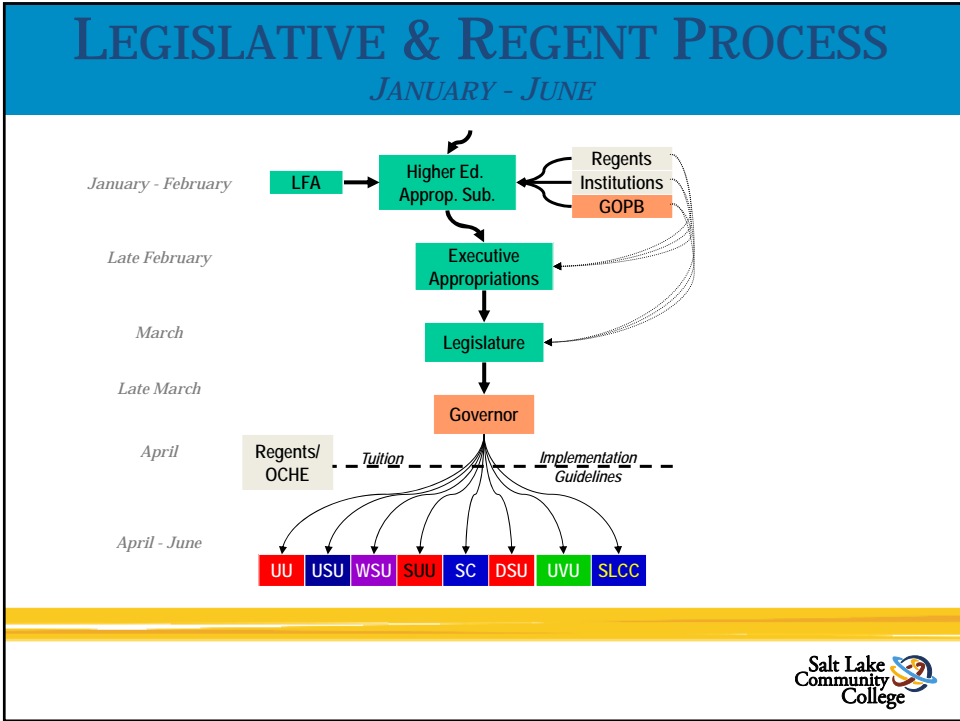
| Utah System of Higher Education | | September 16, 2016 |
|---|------------|---------------------|
| Budget Request Summary | | |
| ESTIMATED FY 2017-18 STATE TAX FUNDS BEGINNING BASE BUDGET | | \$681,711,600 |
| USHE OPERATING BUDGET PRIORITIES (Ongoing Increase) | | \$66,428,000 |
| 1. Compensation (75%^{2,14}) | | |
| A. 3% Performance Based Compensation | 24,710,800 | \$32,879,200 |
| B. 7% Health & Dental Premium Increases | 8,167,400 | |
| 2. Student Growth & Market Demand | | |
| A. New Student Growth ¹⁵ | 4,117,400 | 23,570,800 |
| B. Market Demand Programs | 19,453,400 | |
| 3. Performance Funding | | |
| | 9,979,000 | 9,979,000 |
| Subtotal - USHE Operating Budget Priorities | | \$66,428,000 |
| USHE Operating Budget Priorities Percent Increase | | 7.5% |
| Regent Scholarship Programs (Ongoing Increase)¹ | | |
| | | \$11,205,800 |
| 1. Regent Scholarship | | |
| A. Fully Fund the Scholarship Programs | 11,205,800 | \$11,205,800 |
| B. Partially Fund the Scholarship Program (reduce exemplary award to \$1,000) | 8,275,800 | |
| Total USHE FY18 Budget Request | | |
| 1. Operating Budget Priorities | | \$66,428,000 |
| 2. Regent Scholarship Program | | \$11,205,800 |



LEGISLATIVE & REGENT PROCESS

JULY - DECEMBER





FIRST-TIER TUITION INCREASE

- Established by the Board of Regents
- Uniform for 8 USHE institutions
- Legislative match requirement for compensation increases (75%/25%)
- If first-tier tuition is insufficient, then the compensation package is not fully funded



SECOND-TIER TUITION INCREASE

- Initiated in the 2001-02 academic year
- Optional increases recommended by a president with approval from the Board of Trustees:
 - Requires consultation with students and public hearings
- Must be adopted by the Regents
- Excluded from legislative appropriations process for the first year:
 - Institutions retain authority to allocate funds consistent with discussions with students
 - Second-tier tuition is then included in the "base" state-appropriated budget



STUDENT FEES

REGENT POLICY: R510, TUITION AND FEES

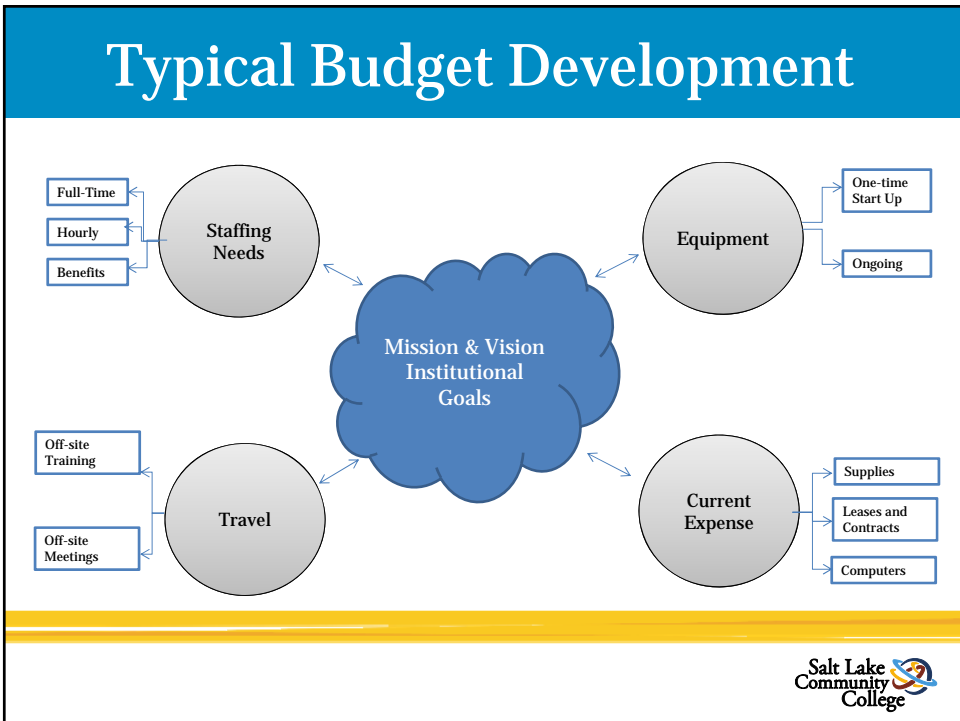
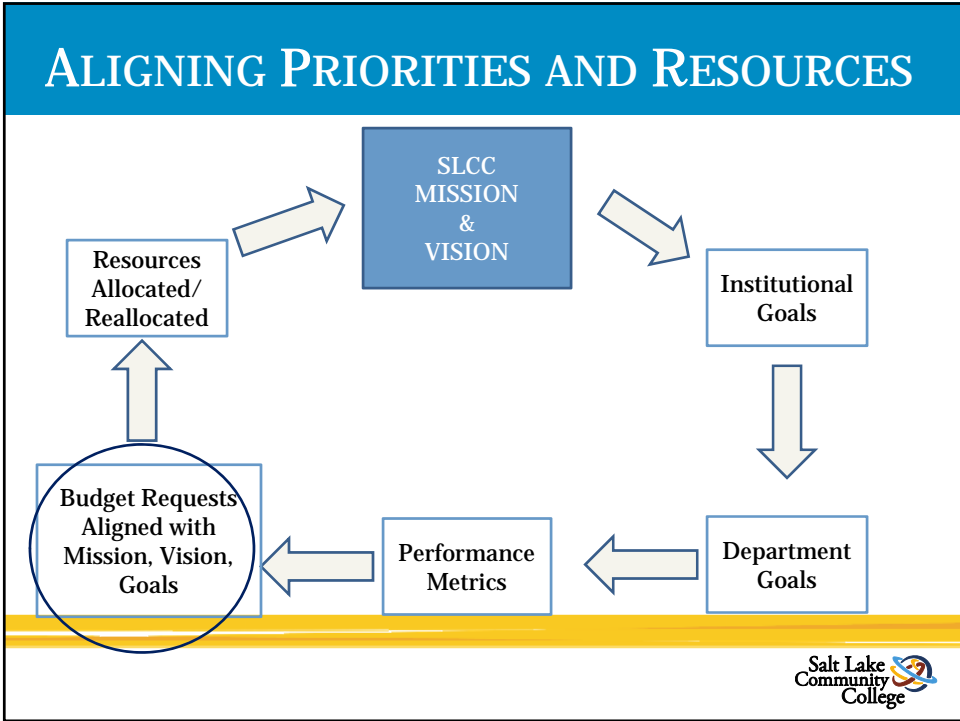
- Regents allow institutions to increase student fees each year up to the rate at which first-tier tuition is increased
 - *Exceptions may be granted after justification is presented*
- General student fees are subject to Board of Regents approval
 - *Course fees do not require Board approval but will be monitored*

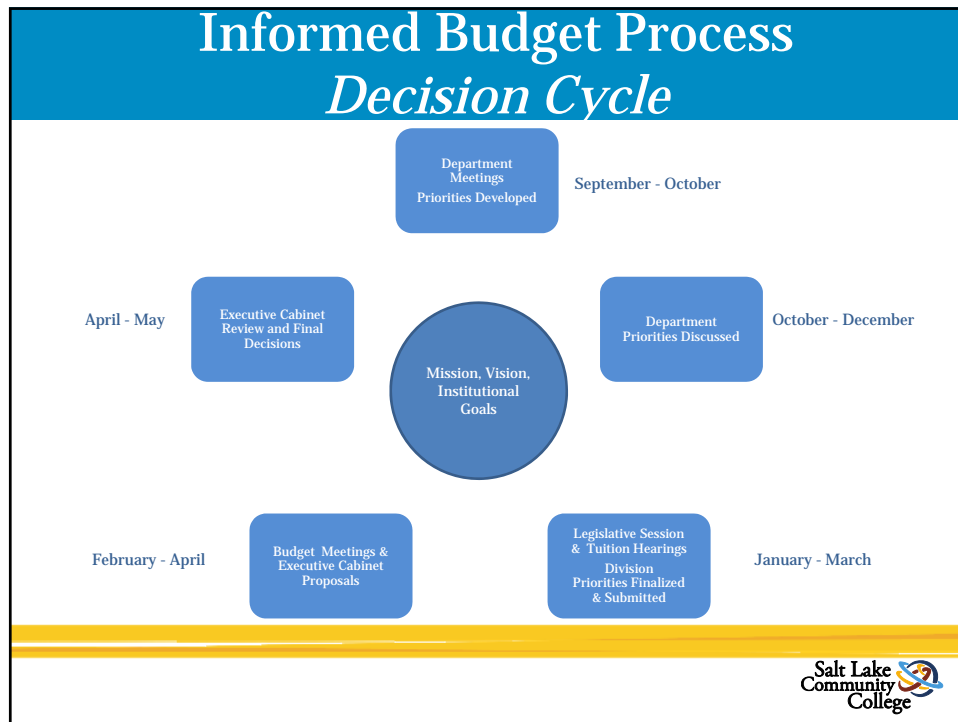


SLCC Informed Budget Process

It is a process that:

- Establishes institution-wide budget priorities
- Encourages institutional collaboration
- Gives all employees the opportunity to participate
- Allocates new resources to accomplish institutional goals
- Reallocates existing resources to accomplish institutional and departmental priorities
- Promotes accountability





INFORMED BUDGET PROCESS

- All finalized budget information is shared with employees at the end of the Informed Budget Process cycle
- Accountability reports are required from each division receiving funds at 1 year and 2 years to ensure funds are being used to meet strategic priorities

Salt Lake Community College

BUDGET CENTER MANAGER FINANCIAL ROLE & RESPONSIBILITIES

- BCM is a special designation that means acceptance of financial empowerment and accountability
- Generally only administrator/manager level positions are BCMs
- BCM's act prudently in ALL financial matters to protect College interests
- BCM accountability cannot be delegated, but administrative assistants assist the BCM fulfill his/her role by in performing financial related tasks
- See list of BCM financial duties and responsibilities (handout)



PURCHASING PRODUCTS & SERVICES

- Purchases are subject to State procurement laws
- Free to make small \$ purchases (items < \$1,000)
- Enter an online "purchase requisition" for items >\$1,000
- Choose the appropriate "descriptive" account # for purchase (Refer to the "Expense Account Number Definitions & Descriptions document")
- Two approvals required for purchases - one should be the Budget Center Manager
- *SLCCBuy* Procurement System

