

Presented to the LCCC Board of Trustees 5.13.2020

FY21 Proposed Budget



Thank You's...

Jayne Myrick

Budget Process Advisory Committee (BPAC)

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Where Do We Start ?

“The Pessimist Complains About the Wind, the Optimist Expects it to Change, the Realist Adjusts the Sails”

William Arthur Ward

Since Mid-March.... The More Things Change, More Change Occurs, and Then, More Change Follows! What's Happening Next?

COVID-19... Change is Inevitable & Unpredictable Right Now, LCCC is Adjusting Our Sails!



Economic Overview

Very Uncertain Times Due to Ramifications of COVID-19

- Loss of Revenues & Increased Costs So Far - \$1.5M
- Summer Impacts? Depends on What We Do
- Future Costs to Prepare Campus for Arrival - \$50K
- Ongoing Costs for Cleaning & Social Distancing Measures – TBD
- Optimism for Replenishing Losses Thru State/Federal Aid

2nd Wave of CARE Act Federal Funding - \$750K

State CARE Act \$1.2B

\$450M May 15th

\$400M July 15th

\$400M September 15th



State of the State

Governor Gordon – April 15th

“While we all battle the impacts of the spread of COVID-19, we also need to prepare in the best way possible for inevitable financial impacts on the State,” Governor Gordon said. “It is imperative that spending slow while we continue to learn more about the full extent of this historic pandemic and economic decline.”

Legislative Services Office – Scenarios for Revenue Shortfalls Over Biennium:

Table 1. Total Estimated State Revenue Impacts for FY2020, FY2021, and FY2022 (combined), by Fund (Recipient) and Scenario.

	Optimistic	Intermediate	Pessimistic
GF/BRA ¹	(\$254,600,000)	(\$925,200,000)	(\$1,473,800,000)
OPSTA ²	(\$16,900,000)	(\$81,300,000)	(\$120,300,000)
PWMTF ³	(\$38,300,000)	(\$147,800,000)	(\$218,200,000)
SFP/SCCA ⁴	(\$136,100,000)	(\$344,000,000)	(\$526,500,000)
Local ⁵	(\$109,900,000)	(\$265,500,000)	(\$451,800,000)
Other ⁶	\$0	\$0	(\$7,500,000)
TOTAL	(\$555,800,000)	(\$1,763,800,000)	(\$2,798,100,000)





Wyoming State Construction Department

Governor Mark Gordon

Mel Muldrow, Interim Director

Director's Memorandum 2020-04

TO: State Agencies

FROM: Mel Muldrow

DATE: April 28, 2020

RE: Contract Freeze Exceptions Cap Con/Major Maintenance

As result of the COVID -19 pandemic, Wyoming is expected to face numerous fiscal impacts. To prepare for and limit these impacts, Governor Gordon issued a memo on April 15, 2020 ([linked here](#)) to state agencies directing them to prepare for budget impacts. In this memo, the Governor specifically directed agencies to:

1. Immediately institute position freezes;
2. Halt general funds contracts greater than \$100,000; and
3. Implement a rigorous review of major maintenance spending.

I want to discuss items two and three as they specifically deal with the funds that the State Construction Department (SCD) disperses to agencies for Capitol Construction and Major Maintenance. As agencies move forward with current projects and implementing their new projects it is highly recommended that serious consideration be given to those projects that are being addressed.

If the project you are asking to be completed does not fit within the "Health, safety and welfare of the citizens of Wyoming" category, then they should not move forward. Furthermore, during this period, if you feel it does meet these categories, we ask that you discuss the project and review the narrative with the project manager assigned to work with your agency prior to submitting an exception request. When preparing your narrative for the exception, SCD recommends that all agencies implement a rigorous review to determine if the major maintenance expenditure is needed at this time.

Due to the financial impact as a result of COVID 19, the SCD wants to ensure that agencies have funds needed to address their facility needs if emergencies and or urgent projects arise.

**Impacts to Capital
Construction and
Major Maintenance**

**Allowance Only for
"Health, Safety and
Welfare of the
Citizens of
Wyoming"**



Major Themes of FY21 Budget

1. Continuing Investment in Our People
2. Tightening Operating Expenses
3. Accumulating Resources for the Future
4. Preparing for Sudden Impacts & Changes



Estimated Funds Available

(Board Book Pg 13)

New Funds:

State Aid (August 2019 Recapture/Redistribution)-Actual	-\$849,394	
Local Appropriation (August 2019 Recapture/Redistribution)-Actual	810,505	
State Aid-Actual	850,933	
State Aid (Completion Funding for FY2021)-Actual	-156,836	
State Aid (FY2021 One-Time Funds) (Will receive full biennium allocation of \$816,650 In July 2020)	408,325	
Business Training Tuition (Estimate)	65,000	
Tuition (Estimate)	313,262	
Course Fee (Net Increase/Decrease) (Estimate)	25,485	
Subtotal		\$1,467,280

Internal Funds: (Positions include Salary and Benefits)

Vacancies/Replacements (FY 2020)	\$69,147	
Uncommitted Funds Available	336,524	
Subtotal		\$405,671

Total Estimated Funds Available for FY2021 **\$1,872,951**



Proposed Distribution

Compensation Package:

Compensation Study (Phase III - First of Five Years) (Salaries and Benefits)	\$656,742
Health Insurance Reimbursement Shortfall (One Half of Biennium Amount)	315,316
Market Adjustments (FY2020) (Salaries and Benefits)	119,685
Employer Retirement Contribution (38.41% of the .25% Employer Portion)	19,959
Retirees Health Insurance (Two-Year Rate Holiday has ended)	120,485
Educational Advancements	45,000

Subtotal **\$1,277,187**

Academic Affairs

Continuation of Services:

Operating Budget	-\$853
Business Training	65,000
Course Fees (Net Increase/Decrease)	25,485

Subtotal **\$89,632**

Student Services

Continuation of Services:

Operating Budget	\$14,335
Scholarships	212,728

Subtotal **\$227,063**

President

Continuation of Services:

Operating Budget	-\$22,262
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Subtotal **-\$22,262**

Proposed Distribution Cont.

Albany County Campus			
Continuation of Services:			
Operating Budget		-\$111,370	
	Subtotal		-\$111,370
Institutional Effectiveness			
Continuation of Services:			
Operating Budget		-\$21,206	
	Subtotal		-\$21,206
Institutional Advancement			
Continuation of Services:			
Operating Budget		\$0	
	Subtotal		\$0
Administration and Finance			
Continuation of Services:			
Operating Budget		-\$11,893	
	Subtotal		-\$11,893
Operating Reserve			
Operating Reserve:			
Annual Operating Reserve (One-Time Funds)		\$408,325	
COVID-19 Mitigation Reserve		37,475	
	Subtotal		\$445,800
Total Proposed Distribution			\$1,872,951
Balance			\$0

Breaking News From Friday

Current Fund Budget Was Balanced at Time of Producing Budget Book

Advised By The Commission to Expect \$470K Increased Costs for Health Insurance Premium Increases Over Biennium

Current Fund Budget Now in Deficit by (\$235K)

Now Addressing the Challenge to Balance Budget for 2nd Reading

Adjusting Our Sails!



One Mill Fund

(Board Book Pg 23)

REVENUES

Mill Levy

Motor Vehicle Fees

	FY2020	FY2021
	\$1,627,788	1,872,359
	355,293	355,293
Subtotal	\$1,983,081	\$2,227,652

Carryover From Previous Year

	538,701	0
Total	\$2,521,782	\$2,227,652

EXPENSES

Eastern Laramie County

Professional Development

Equipment Repairs and Replacement

IT Technicians and IT Operating Expenses

College Insurance

	\$100,838	\$102,727
	50,000	50,000
	100,000	100,000
	605,501	691,850
	524,592	585,855
Subtotal	\$1,380,931	\$1,530,432

Remaining Amount to Budget

\$1,140,851 \$697,220

Small Maintenance Projects

One-Time Requests/Innovation Fund Requests

Facilities Planning (Ag Master Plan)

Facilities Planning (Campus Master Plan Update)

Guided Pathways Funding (Summer work, marketing, etc.)

Reserve

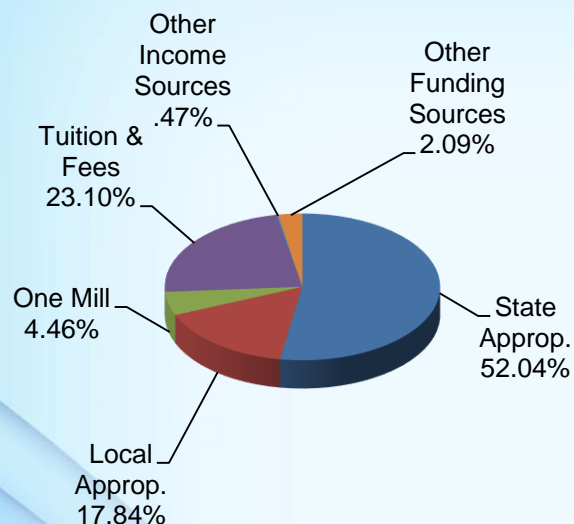
	663,701	200,000
	246,162	247,220
	112,170	0
	0	250,000
	77,337	0
	41,481	0
Total	\$1,140,851	\$697,220

TOTAL BUDGET

\$2,521,782 \$2,227,652

Revenue Comparison

FY2019-2020 REVENUES

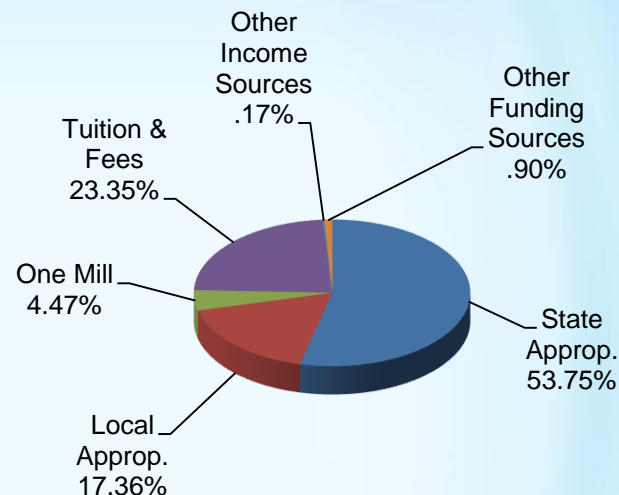


Revenues

State Appropriations	\$ 25,538,505	52.59%
Local Appropriations	7,832,250	16.13%
One Mill	2,521,782	5.19%
Tuition & Fees	11,220,391	23.10%
Other Income Sources	82,996	0.16%
Other Funding Sources	1,368,265	2.82%

Total Revenues	\$ 48,564,189	100.00%
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FY2020-2021 REVENUES



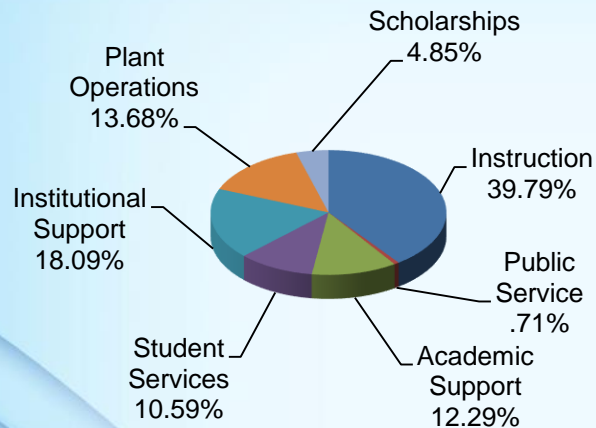
Revenues

State Appropriations	\$ 26,757,078	53.75%
Local Appropriations	8,642,755	17.36%
One Mill	2,227,652	4.47%
Tuition & Fees	11,624,138	23.35%
Other Income Sources	82,996	0.17%
Other Funding Sources	450,000	0.90%

Total Revenues	\$ 49,784,619	100.00%
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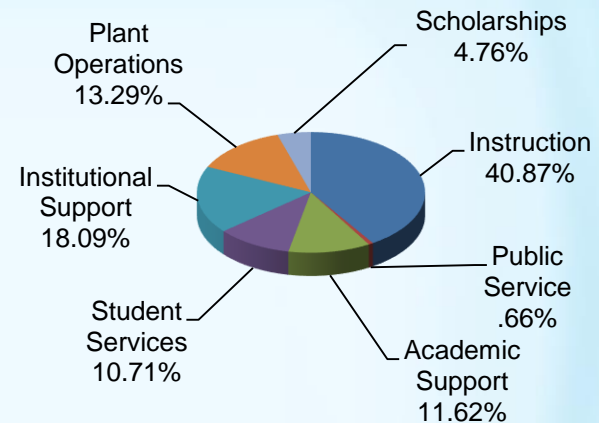
Expenditure Comparison By Program

FY2019-2020 EXPENDITURES BY PROGRAM



Instruction	\$ 19,361,708	39.87%
Public Service	327,143	0.67%
Academic Support	5,694,729	11.73%
<hr/>		
Total Instructional Programs	\$ 25,383,580	52.26%
<hr/>		
Student Services	\$ 5,071,341	10.44%
Institutional Support	8,949,315	18.43%
Plant Operations	7,003,503	14.42%
Scholarships	2,156,450	4.45%
<hr/>		
Total Expenditures by Program	<u>\$ 48,564,190</u>	<u>100.00%</u>

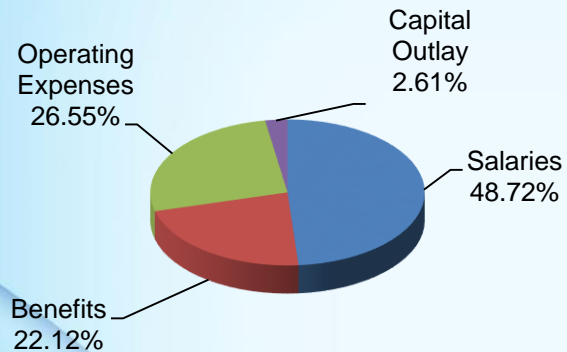
FY2020-2021 EXPENDITURES BY PROGRAM



Instruction	\$ 20,346,685	40.87%
Public Service	330,369	0.66%
Academic Support	5,785,640	11.62%
<hr/>		
Total Instructional Programs	\$ 26,462,694	53.15%
<hr/>		
Student Services	\$ 5,331,844	10.71%
Institutional Support	9,005,022	18.09%
Plant Operations	6,615,881	13.29%
Scholarships	2,369,178	4.76%
<hr/>		
Total Expenditures by Program	<u>\$ 49,784,619</u>	<u>100.00%</u>

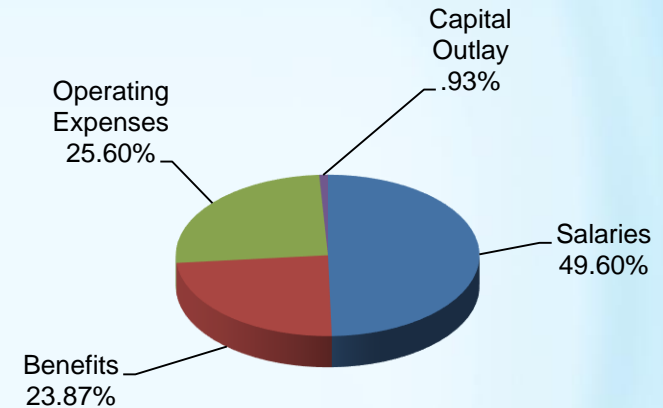
Expenditure Comparison by Series

FY2019-2020 EXPENDITURES BY SERIES



ITEM	APPROVED 2019-2020 BUDGET	PERCENT OF BUDGET
Expenditures by Series		
Salaries	\$ 23,659,228	48.72%
Benefits	10,741,682	22.12%
Operating Expenses	12,893,717	26.55%
Capital Outlay	1,269,562	2.61%
Total Expenditures by Series	\$ 48,564,189	100.00%

FY2020-2021 EXPENDITURES BY SERIES



ITEM	TENTATIVE 2020-2021 BUDGET	PERCENT OF BUDGET
Expenditures by Series		
Salaries	\$ 24,694,276	49.60%
Benefits	11,885,470	23.87%
Operating Expenses	12,745,504	25.60%
Capital Outlay	459,369	0.93%
Total Expenditures by Series	\$ 49,784,619	100.00%

Auxiliary Fund Tab

Incidental operations to the College, intended to be self-sustaining operations

(Res Halls, Facilities, Copy Center, Food Service, CDC, Bookstore)

Overall Budget Is Up \$878K

Largely Due to Residence Hall Expansion

Room & Board Rates Increasing 2% (integrated into our viability model)

Child Discovery Center Rates Increasing As Well



Restricted Fund Tab

Funds which are restricted to purposes specified by sources external to the College

(Federal, State, Local & Private Grants)

Overall Budget is Up \$436K

Comparative Listing on Page 27 of Budget Book

Federal Grants & Contracts Up \$283K
Cares Act Funding

Pass-through Grants Down \$364K
Due to final year of “Education Toward Economic Diversity” Grant

State Grants & Contracts Up \$492K
Wyoming Works CDL & Production Technician Programs



Endowment Fund Tab

Funds received from a donor with restrictions on the principal

Anticipating Spend of \$500K for Scholarships

Assuming Decline in Investment Income Due to Covid-19

Planned Support From the Foundation Will Be Nearly ~\$866K



Plant Fund Tab

Funds for long term assets, renewal or replacement of campus properties, debt service payments, or to account for the cost of long-lived assets

Overall Budget is Up \$354K

Major Maintenance & Minor Maintenance Listing Page
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Fund Budget Summary

ITEM	Actuals 2018-2019 Summary	Estimated 2019-2020 Actuals	Tentative 2020-2021 Summary	Approved 2020-2021 Budget
Unrestricted Operating Fund	\$41,695,671	\$46,042,407	\$47,556,967	\$0
One Mill Fund	1,944,615	2,521,782	2,227,652	0
Unrestricted & One Mill Fund	\$43,640,286	\$48,564,189	\$49,784,619	\$0
Auxiliary Fund	\$3,827,126	\$3,952,024	\$4,705,562	\$0
Restricted Fund	12,141,126	15,129,672	15,566,110	0
Total	\$59,608,537	\$67,645,885	\$70,056,291	\$0
Endowment Fund	\$663,636	\$500,000	\$500,000	\$0
Plant & Construction Fund	9,135,121	22,502,553	22,857,016	0
	\$9,798,757	\$23,002,553	\$23,357,016	\$0
Total LCCC Budget	\$69,407,295	\$90,648,438	\$93,413,307	\$0

