BOARD OF TRUSTEES MEETING - MAY 14, 2020

PROPOSED COLLEGE BUDGET REVISION

Due to the current economic environment and the on-going COVID-19 pandemic, Highline College is projecting to fall short of our revenue target for the remainder of the FY2019-2020. As such, the College is proposing a revised Operating Budget to ensure a balanced budget by June 30, 2020.

Revenue Sources:

- With the exception of the state allocation, we are expecting to fall short of revenue target for every other revenue source.
- Tuition collection is projected to be at least $1M short of target by the end of the year.
- International Student revenue is estimated to be over $1M or more than 25% off of target for the year.
- Running Start is likely the only category to be minimally due to existing reimbursement arrangements with the local school districts.
- Due to the closure of the physical campus, all proprietary revenue sources, including Food Service, Conference Service, Parking, and various grants and contracts, are estimated to lose most of their normal revenue during spring quarter.
- Total revised revenue for FY2019-20 is projected at $70.3M. This is a reduction of $4.9M from the earlier adopted revenue budget of $75.2M.

Expenditures:

- A reduction of $500K is planned in the Professional/Exempt category by not filling vacancies.
- Faculty (full-time and part-time – combined) is expected to exceed budget due to the already-committed spring quarter and end-of-spring balloon payments.
- Savings of approximately $2M is projected for suspending all non-essential acquisitions and freezing of travel.
- With the campus closure, the Bookstore is expected to reduce its COGS by approximately $274K in merchandise purchases.
- All internal transfers will be reduced by $600K.
- Total revised expenditure budget for FY2019-20 is estimated to be at $69.4M. This is a reduction of approximately $2.8M from the earlier adopted expenditure budget of $72.3M.

CARES Act:

- As of May 1, 2020, Highline College is expected to receive approximately $3.5M of grant funding from the Federal stimulus CARES Act. This grant is not currently included in this proposed budget revision due to some of the uncertainty regarding spending requirements. We will update the Board upon receiving confirmation of the full award as well as all other detail clarifications.

HIGHLINE COLLEGE
FISCAL YEAR 2019-2020
REVISED BUDGET

REVENUE	REVISED PROJECTION	% OF TOTAL	ADOPTED BUDGET	% OF TOTAL	CHANGE FROM ADOPTED
State Allocation	$ 33,275,669	47.3%	$ 33,263,669	44.2%	$ 12,000
Tuition	$ 11,377,570	16.2%	$ 12,455,543	16.5%	$ (1,077,973)
Running Start	$ 9,528,791	13.5%	$ 9,597,776	12.8%	$ (68,985)
International Student Programs	$ 2,983,275	4.2%	$ 4,048,198	5.4%	$ (1,064,923)
Grants & Contracts	$ 7,697,426	10.9%	$ 8,140,310	10.8%	$ (442,884)
Student Fees	$ 1,514,037	2.2%	$ 2,724,870	3.6%	$ (1,210,833)
Extended Learning	$ 782,301	1.1%	$ 819,853	1.1%	$ (37,552)
Interest & Investments	$ 750,000	1.1%	$ 800,000	1.1%	$ (50,000)
Bookstore	$ 1,294,746	1.8%	$ 1,757,183	2.3%	$ (462,437)
Parking & Transportation	$ 709,656	1.0%	$ 909,146	1.2%	$ (199,490)
Food Service	$ 73,153	0.1%	$ 141,696	0.2%	$ (68,543)
Auxiliary Enterprises	$ 356,771	0.5%	$ 615,878	0.8%	$ (259,107)
Other Contributions	$ 1	0.0%	$ 1	0.0%	$ -
TOTAL	**$ 70,343,396**	**100.0%**	**$ 75,274,123**	**100.0%**	**$ (4,930,727)**

EXPENDITURES	REVISED PROJECTION	% OF TOTAL	ADOPTED BUDGET	% OF TOTAL	CHANGE FROM ADOPTED
Professional/Exempt	$ 11,711,657	16.9%	$ 12,205,711	16.9%	$ (494,054)
Hourly	$ 1,958,356	2.8%	$ 2,123,805	2.9%	$ (165,449)
Faculty FT	$ 11,019,384	15.9%	$ 12,174,530	16.8%	$ (1,155,146)
Faculty PT	$ 10,649,689	15.3%	$ 8,818,704	12.2%	$ 1,830,985
Classified Staff	$ 7,769,718	11.2%	$ 7,741,891	10.7%	$ 27,827
Benefits	$ 14,136,304	20.3%	$ 14,108,188	19.5%	$ 28,116
Contracts, Goods & Services	$ 5,846,734	8.4%	$ 7,501,484	10.4%	$ (1,654,750)
Travel	$ 534,808	0.8%	$ 661,397	0.9%	$ (126,589)
Equipment	$ 1,202,127	1.7%	$ 1,454,623	2.0%	$ (252,496)
Debt Service	$ 170,000	0.2%	$ 170,000	0.2%	$ -
Cost of Goods Sold	$ 829,637	1.2%	$ 1,104,000	1.5%	$ (274,363)
Student Aid	$ 1,942,625	2.8%	$ 1,942,625	2.7%	$ -
SUBTOTAL	$ 67,771,039	97.6%	$ 70,006,958	96.8%	$ (2,235,919)
To Operational Contingencies	$ 953,590	1.4%	$ 1,100,000	1.5%	$ (146,410)
To Capital Contingencies	$ 337,781	0.5%	$ 750,000	1.0%	$ (412,219)
To ISP Foundation Contract	$ 408,478	0.6%	$ 450,000	0.6%	$ (41,522)
SUBTOTAL CONTINGENCIES	$ 1,699,849	2.4%	$ 2,300,000	3.2%	$ (600,151)
TOTAL (including TRANSFERS)	$ 69,470,888	100.0%	$ 72,306,958	100.0%	$ (2,836,070)
NET	$ 872,508		$ 2,967,165		