

GATEWAY TECHNICAL COLLEGE DISTRICT BOARD
Public Budget Hearing
May 5, 2014

The Gateway Technical College District Board met on Monday, May 5, 2014 at the Kenosha Campus, Center for Bioscience and Information Technology, 3520 30th Avenue, Room 120, Kenosha, Wisconsin. The meeting was called to order at 7:00 pm by Ram Bhatia, Chairperson.

I. Call to Order:

A. Open Meeting Compliance

- i. K. Bartlett confirmed the meeting was duly noticed in accordance with state statutes for open meeting compliance.

II. Roll Call:

William Duncan	Excused
Susan Greenfield	Present
Gary Olsen	Present
Bethany Ormseth	Excused
Scott Pierce	Present
Neville Simpson	Present
Roger Zacharias	Present
Pamela Zenner-Richards	Present
Ram Bhatia	Present

Also in attendance were Bryan Albrecht, Kelly Bartlett, Mary Harpe, and 16 citizens/reporters.

III. Approval of Agenda:

- A. It was moved by S. Pierce, seconded by G. Olsen, and carried to approve the agenda.

IV. Budget Presentation (J. Nygard):

A. Executive Limitations: 3.4 Budgeting/Forecasting

- i. Budgeting for any fiscal year or the remaining part of any fiscal year shall follow Board Ends priorities, control College financial risk, and accurately reflect projections of income and expenses. The President shall propose a budget after first seeking board input from all College constituencies. Budgets will become effective upon approval by the board.

B. Executive Limitations: 3.5 Financial Condition

- i. The President shall administer the board approved budget without material deviation and shall protect the College from financial risk.

C. FY15 Budget Calendar

- i. May 5, 2014 = Public Hearing – present the Preliminary FY2014-15 Budget
- ii. May 15, 2014 = District Board – approve the FY2014-15 Budget
- iii. October 2014 = District Board – reaffirm the tax levy

D. Gateway Fund Structure

- i. Total Gateway Budget \$156,760,000
 1. General Fund: \$79.2M
 2. Special Revenue – Operational Fund: \$9.2M
 3. Special Revenue – Non-Aidable Fund: \$44.5M
 4. Capital Fund: \$13.4M

- 5. Debt Service Fund: \$9.8M
- 6. Enterprise Fund: \$0.6M
- E. Total Funding Sources
 - i. State Aid: 27.4%
 - ii. Tax Levy: 18.5%
 - iii. Federal Grants: 25.9%
 - iv. Student Fees: 13.4%
 - v. Debt Proceeds: 8.5%
 - vi. Institutional: 6.1%
 - vii. Fund Balance: 0.2%
- F. Total Expenditures by Function
 - i. Instruction: 37%
 - ii. Student Services: 35.5%
 - iii. Physical Plant: 16.3%
 - iv. General Institutional: 9.7%
 - v. Instructional Resources: 0.8%
 - vi. Auxiliary Services: 0.4%
 - vii. Public Service: 0.3%
- G. FY15 Proposed Budget Summary

Revenues

Taxy Levy	\$ 17,250,083
State Aid	37,989,039
Tuition & Fees	19,885,378
Other Revenue (H.S. and Service Contracts)	4,120,500
Total Revenue	\$ 79,245,000

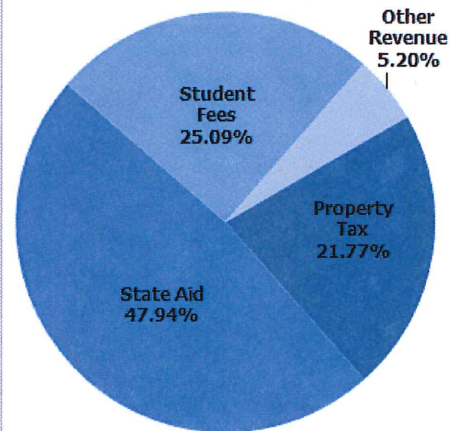
Expenses

Salaries & Wages	\$ 46,514,566
Employee Benefits	19,077,512
Other Expenses (Operating)	13,652,922
Total Expenses	\$ 79,245,000

Net Revenue / (Expenses)	\$ -
---------------------------------	-------------

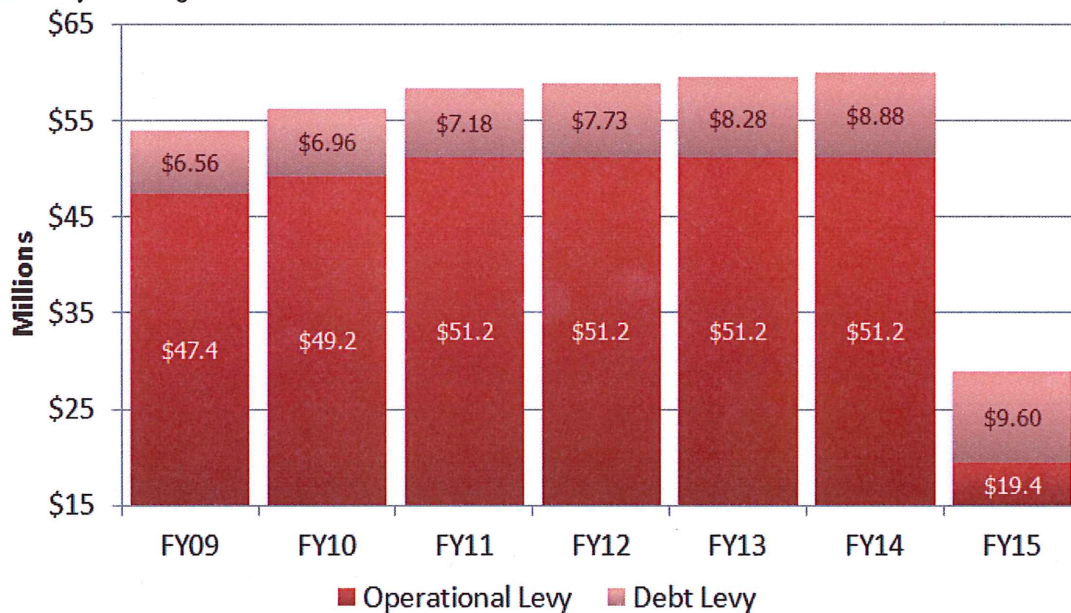
H. FY15 Budgeted Revenue

(000's)	FY 2013 Actual	FY 2014 Forecast	FY 2015 Budget
Property Tax	\$48,790	\$48,899	\$17,250
State Aid	5,663	5,352	37,989
Student Fees	19,520	18,960	19,885
Other Revenue	3,362	3,048	4,121
Total	\$77,335	\$76,259	\$79,245



FY15

I. Tax Levy Funding Formula Shift



J. FY15 Tuition & Fees

	FY2013 Actual	FY2014 Forecast	FY2015 Budget	Incr (Decr)	%
Tuition	\$16,962,737	\$16,379,748	\$17,034,937	\$655,189	3.9%
Material Fees	793,586	766,796	797,467	30,671	3.9%
Other Fees	1,763,586	1,813,090	2,052,974	239,884	13.2%
Total	\$19,519,909	\$18,959,634	\$19,885,378	\$925,744	4.8%

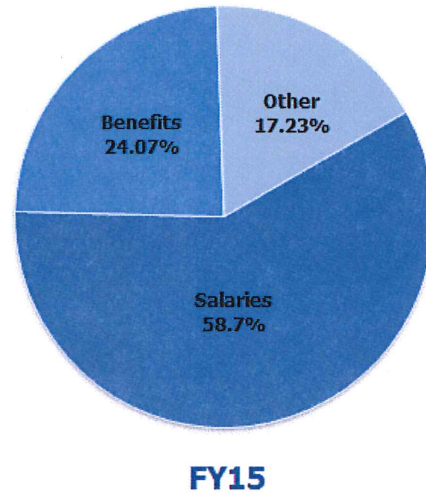
FY 2015 Tuition reflects a 3.0% rate increase and 1% increase in enrollment.
Cost per credit increases from \$122 to \$126

K. FY15 Other Revenues

	FY2013 Actual	FY2014 Forecast	FY2015 Budget	Incr (Decr)	%
Contracts for Service	\$2,177,350	\$2,130,858	\$2,900,000	\$769,142	36.0 %
Book Store Royalties	658,226	561,478	600,000	38,522	6.8 %
Interest, Rent, and Other Misc. Revenue	526,913	356,025	350,000	(6,025)	(1.6)%
Other Resources	-	-	270,500	270,500	-
Total	\$3,362,489	\$3,048,361	\$4,120,500	\$1,072,139	35.1%

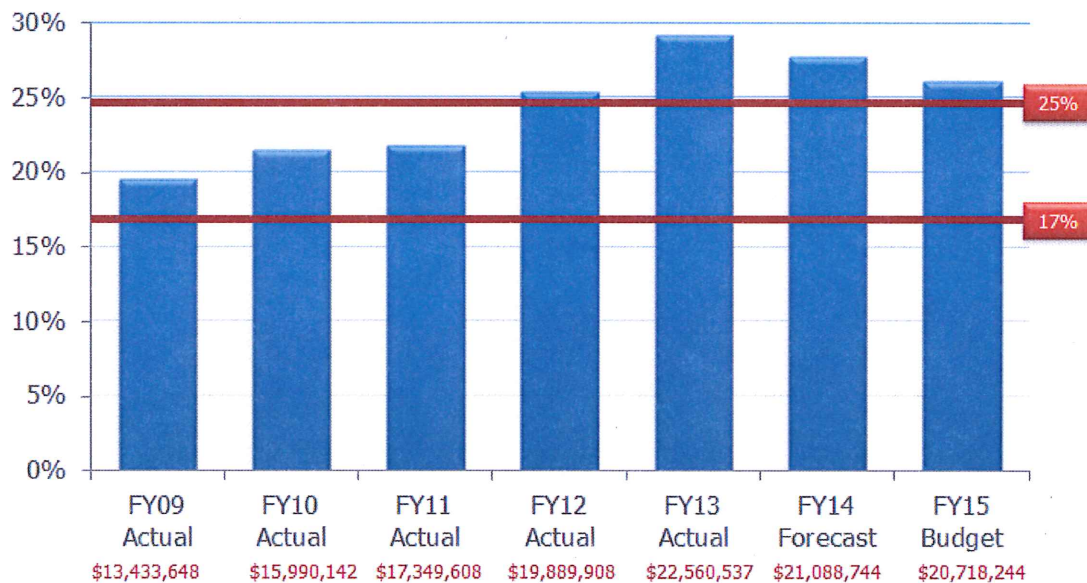
L. FY15 Budgeted Expenses

(000's)	FY 2013 Actual	FY 2014 Forecast	FY 2015 Budget
Salaries & Wages	\$44,241	\$45,788	\$46,514
Fringe Benefits	15,986	17,453	19,078
Other Expenses (Travel, Classroom Supplies, Office Supplies, Utilities, etc.)	12,567	11,989	13,653
Total	\$72,794	\$75,230	\$79,245



M. General Fund Reserves

Percent Designated for Operations to Revenue



N. FY15 has a positive impact on tax payers. A home valued at \$100,000 will see an \$82 reduction in Property Tax for Gateway Technical College. FY14 = \$163, FY15 = \$81. Total mill rate is .80513 compared to 1.63471 last year, a decrease of 50.75%.

O. FY15 Capital Budget

Use of Funds:

District		Kenosha		Racine		Elkhorn	
Maintenance	\$1,423,440	Student Services	\$1,500,000	Lake Building Restroom	\$250,000	South Building	\$1,500,000
IT/IS	2,716,000	Repairs	450,000	Roof, Student Life HVAC, Chiller, and general repairs	1,700,000	Veterinary Science	975,000
Signage	125,000					HVAC and general repairs	1,000,000
Classroom Equipment	1,360,560						
Subtotal:	\$5,625,000	Subtotal:	\$1,950,000	Subtotal:	\$1,950,000	Subtotal:	\$3,475,000

District Borrowing	\$13,000,000
---------------------------	---------------------

V. **Citizen Comments**

A. No citizen comments were submitted.

VI. **Next Meeting Date and Adjourn**

- A. Executive Session – Tuesday, May 6, 2014, 8:00 am, Center for Bioscience and Information Technology, Kenosha
- B. Regular Meeting - Thursday, May 15, 2014, 8:00 am, SC Johnson Integrated Manufacturing and Engineering Technology Center (iMET)
- C. At approximately 7:15 pm it was moved by N. Simpson, seconded by R. Zacharias and carried that the meeting adjourn.

Submitted by,

Pamela Zenner-Richards
Secretary