

ALABAMA STATE BOARD OF EDUCATION
ALABAMA COMMUNITY COLLEGE SYSTEM

RECOMMENDATION FOR ACTION

September 23, 2010
Date of Board Meeting Action

Action Item Number VII.A.13.
Chancellor's Recommendation
Source

ACTION ITEM TITLE

DEPARTMENT OF POSTSECONDARY EDUCATION
2010-2011 Budget

RECOMMENDATION

It is recommended "That the Alabama State Board of Education approve the 2010-2011 budget for the Department of Postsecondary Education and limit expenditures to available revenues."

FISCAL CONSIDERATION

The total amount of the 2010-2011 budget is \$80,706,039 based on state appropriations, estimated federal grants and contracts, and estimated fee collections.

RATIONALE

The Chancellor has prepared the budget for the annual operation of the Department so as to comply with State statute requiring State Board approval of the budget. Revenue and expenditure details are presented below.

The annual operations budget is based on a 2.55 percent decrease in the current year's State appropriation. In addition, the Department receives federal funding for vocational education administration from the Carl Perkins Vocational Education Funds available for postsecondary education in Alabama; a federal grant through the Alabama Department of Human Resources (DHR) for the purpose of administering an educational scholarship program for childcare center directors, teachers, and home providers; state and federal funds for the Adult Education Program and services; state and federal funds for the Governor's Office of Workforce Development; State funds for Special Populations Training; federal funds for the State Approving Agency; and fees from the Private School Licensure of postsecondary proprietary schools and Alabama General Education Diploma program.

Revenue sources available to the Department for the upcoming fiscal year, with amended prior-year figures, are as follows:

	<u>2009-2010</u>	<u>2010-2011</u>
Education Trust Fund	\$32,843,682	\$29,851,760
Grants and Awards	42,344,684	48,878,450
Other Funds – Fees	<u>1,812,565</u>	<u>1,975,829</u>
TOTAL REVENUE	<u>\$77,000,931</u>	<u>\$80,706,039</u>

The State appropriation to the Department represents a 2.55 percent decrease or \$150,000 less than the 2009-2010 appropriation. State teachers' retirement benefits and a health insurance rates did not increase for 2010-2011. Federal Vocational administrative funds are budgeted at \$406,119, which represents a 15% increase from 2009-2010. These funds are used for salaries, benefits, and supplies for administration of vocational education. The Department of Human Resources (DHR) grant will be used for salaries, benefits, travel, and supplies in connection with administering the educational childcare scholarships.

Adult Education receives funds from the Education Trust Fund and federal Adult Education Family Literacy Act Title II. The Adult Education Jobs Program and the State Approving Agency are funded via contracts with the State Department of Human Resources and the federal Veterans Administration respectively. Fees generate the revenue for the Private School Licensure Program and the General Education Diploma (GED) Program. All funds have been budgeted.

The administrative office of the Governor’s Office of Workforce Development is funded through an interagency agreement with the Alabama Department of Economic and Community Affairs (ADECA). The Field Services, Individual Training Account and Training Assistance divisions of this office are funded through grants with ADECA. Two new grants were awarded to the Governor’s Office of Workforce Development by the Department of Labor. The Community-Based Job Training Grant will provide funds for a consortium of colleges in southwest Alabama to create a standard skill base for high growth industrial maintenance careers pathways. Five mobile units will be built to provide training programs which will fill gaps that exist in developing a fully trained industrial maintenance technician. The Apprenticeship Action Clinic Grant, also funded through the Department of Labor, will fund the cost of ten to twenty team members to attend the **Collaborate for Success: Partnering with Registered Apprenticeship Action Clinic**.

Amended 2009-2010 comparative expenditures and proposed budgeted expenditures for 2010-2011 are as follows:

	<u>2009-2010</u>	<u>2010-2011</u>
Personnel Costs	\$5,592,987	\$5,631,907
Employee Benefits	1,864,825	1,790,959
Travel - In-State	180,815	161,000
Travel - Out-of-State	99,477	89,389
Repairs & Maintenance	31,779	12,775
Rentals & Leases	2,007,475	1,895,808
Utilities & Communication	792,778	696,098
Professional Services	2,800,382	2,457,530
Supplies, Materials & Operating Expense	763,252	701,466
Transportation Equipment Operations	52,054	38,358
Grants & Benefits	62,677,239	67,141,957
Capital Outlay	--	--
Transportation Equipment Purchases	40,000	20,000
Other Equipment Purchases	<u>97,868</u>	<u>68,792</u>
TOTAL EXPENDITURES	<u>\$77,000,931</u>	<u>\$80,706,039</u>

Personnel Costs include 79 positions.

No step increases are budgeted due to the Governor’s salary freeze. Longevity bonuses are budgeted at \$19,500 in accordance with Act No. 87-625. State Board of Education compensation is reflected at the rate of \$1,500 per month per member. (One-half is paid by the Department of Postsecondary Education and one-half by the State Department of Education.)

Other expenditure categories of Travel, Repairs and Maintenance, Rentals and Leases, Transportation Equipment Operations, Supplies/Materials/Operating Expense, Grants and Benefits, and Professional Services reflect various increases and decreases.

Code/Statute 16-60-111.5(3);
Act 2010-610
Policy _____

Action by Board:

- _____ Tabled
- 9-23-10 **Approved**
- _____ Disapproved
- _____ Amended (describe)
- _____ Additional action required

_____	/ /
Director	Date
_____	/ /
Legal Counsel	Date
<i>John R. Hogan</i>	9 13 10
_____	/ /
Vice Chancellor	Date
<i>Freida Hill</i>	9 14 10
_____	/ /
Chancellor	Date