

Fiscal Year 2004 Update

The fiscal year 2004 budget has been adjusted to reflect a two percent reserve of \$603,704 as required by the Governor's Office of Management and Budget (OMB). To date, ICN has received one half of its original appropriation through payments from Central Management Services. In addition, ICN has received a portion of the previously delayed e-rate reimbursements. These reimbursements have been in the form of checks from telecommunications vendors (\$70,952) and credits against fiscal year 2004 invoices (\$95,000). It is anticipated that the final \$1,182,467 for Year 3 e-rate credits will be received by the end of the fiscal year. Reimbursements for Year 4 remain outstanding.

Summarizing e-rate funding, the ICN requested \$5,300,624 in reimbursements; however, only \$3,026,392 has been approved by the federal program administrators. The State Board of Education, on behalf of the ICN, has submitted an appeal to receive the remaining \$2.274 million. The timing of the receipt of the approved amount is not known, and therefore not included in revenue projections.

Personnel cost projections are increased due to the burden of paying the employer's share of State Universities Retirement System (SURS) and group insurance costs; however, actual salary projections for FY04 have not increased. Contractual projections have increased due to costs of maintenance on an increasing number of software systems, as well as a more accurate allocation of Cisco equipment maintenance (SmartNet). Fiscal year 2004 warrants are currently paid through the BHE Special Projects fund (not General Revenue funds), so the state's cashflow dilemma that resulted in prompt payment costs in fiscal year 2003 should not impact ICN to the level earlier projected in fiscal year 2004. The two percent reserve will impact ICN's ability to upgrade equipment or implement solutions requested by constituents, as evidenced by the decreased projection in the telecommunications line.

ILLINOIS CENTURY NETWORK
Fiscal Year 2004
As of 10/31/03

	Approved at 6/18/03 PC Meeting	Revised Projection	Year-to-Date
REVENUE SOURCES:			
ICN Appropriation:	25,500,000	24,896,296	12,750,000
E-Rate Reimbursement:	1,752,159	1,348,419 ¹	165,952 ²
Cost Recovery Funds:	2,000,000	2,000,000	665,383
Interest	0	0	2,874
TOTAL REVENUES:	29,252,159	28,244,715	13,584,209³
OMB 2% Reserve	-603,704		
ADJUSTED REVENUES:	28,648,455		
EXPENDITURES:			
Personnel:	3,934,231	4,579,361	1,479,418
Contractual:	1,063,975	1,366,705	553,951
Commodities:	62,300	62,300	6,999
Equipment:	22,500	52,500	0
Telecommunications:	23,809,153	21,908,849	6,975,900 ⁴
Regional Technology Centers:	0	0	0
Operation of Auto:	10,000	10,000	365
Prompt Payment Interest:	250,000	165,000	512
Permanent Improvements:	100,000	100,000	0
TOTAL EXPENDITURES:	29,252,159	28,244,715	9,017,145
Adjustment for OMB 2% Reserve:	-603,704		
ADJUSTED EXPENDITURES:	28,648,455		

¹ Revised to include only year-to-date receipts plus projected future receipts of \$1,182,467 in approved and pending e-rate credits on telecommunications invoices.

² Figure includes \$95,000 e-rate credit applied to telecommunications invoice.

³ ICN Trust Fund 729 expired at the end of FY03. The balance in that fund was transferred to Fund 736 for ICN use in FY04. \$1,416,160 was transferred, which is not included in Total Revenues.

⁴ Figure includes \$95,000 e-rate credit applied to telecommunications invoice added to actual expenditures to date.