

February 15, 2023

FY23-24 Budget and Tuition Discussion

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General Fund (I)

	FY2022 Actuals	FY2023* Estimate	FY2024* Preliminary Projections	
	-14.6% CR change	5.0% CR change	2.0% CR change	Projected based on Credit Enrollment Growth
REVENUE				
Intergovernmental				
State Funding	699,022,295	699,022,295	759,700,000	Governor's Recommended Budget
% Allocation	8.2% of CCSF	8.0% of CCSF	8.0% of CCSF	Projected based on current trend
\$ Allocation	28,707,387	27,700,840	30,388,000	
Property Taxes	23,029,149	24,515,802	25,373,900	3.5% Increase
Federal Stimulus	4,087,387	800,000	-	
	55,823,923	53,016,642	55,761,900	
Tuition & Fees				
Tuition	18,871,513	21,866,708	22,304,833	Projected based on Credit Enrollment Growth
Student Fees	3,354,179	3,525,200	3,595,700	
Other Fees & Charges	2,251,217	1,851,197	1,581,093	
	24,476,909	27,243,105	27,481,626	
Other Revenue Sources				
Administrative Recovery	1,376,583	1,476,600	1,476,600	
Other Revenue	381,753	681,800	681,800	Bank Rebates, Interest Income & Misc. Rev
Sale of Goods & Services	911,433	966,400	966,400	
	2,669,769	3,124,800	3,124,800	
Operating Transfers In	1,685,716	1,620,000	640,000	
TOTAL REVENUES	84,656,318	85,004,547	87,008,326	
EXPENDITURES				
Personnel				
Personnel - Contracted	35,396,397	36,756,927	38,876,022	
Personnel - P/T	9,644,284	9,939,800	10,068,000	
OPE	25,650,307	27,375,500	28,505,100	
	70,690,988	74,072,227	77,449,122	
Other Expenditures				
Materials & Services	10,494,422	12,166,000	12,661,600	
Capital Outlay	52,436	52,400	52,400	
Goods for Resale	5,102	12,000	12,000	
	10,551,960	12,230,400	12,726,000	
Operating Transfers Out	3,230,900	1,261,313	1,361,300	Major Main., Debt Serv. Fund
TOTAL EXPENDITURES	84,473,848	87,563,940	91,536,422	
Revenue Over/Under Expenditures	182,470	(2,559,400)	(4,528,100)	
Beginning Fund Balance	7,910,992	8,093,462	5,534,062	
Ending Fund Balance	8,093,462	5,534,062	1,005,962	

Administratively Restricted Fund (IX)

	FY2022 Actuals	FY2023* Estimate	FY2024* Estimate
	-14.6% CR change	5.0% CR change	2.0% CR change
REVENUE			
Intergovernmental			
State Funding	-	-	-
Property Taxes	-	-	-
Federal Stimulus	479,247	-	-
	479,247	-	-
Tuition & Fees			
Tuition	1,831,941	1,995,000	2,000,000
Student Fees	5,321,596	6,250,000	6,400,000
Other Fees & Charges	1,711,299	1,800,000	1,800,000
	8,864,836	10,045,000	10,200,000
Other Revenue Sources			
Administrative Recovery	-	-	-
Other Revenue	150,261	710,000	710,000
Sale of Goods & Services	1,131,334	1,300,000	1,300,000
	1,281,595	2,010,000	2,010,000
Operating Transfers In	1,911,017	-	-
TOTAL REVENUES	12,536,695	12,055,000	12,210,000
EXPENDITURES			
Personnel			
Personnel - Contracted	3,209,960	3,566,689	3,767,300
Personnel - P/T	1,052,988	1,100,000	1,127,500
OPE	2,503,908	2,794,000	2,817,000
	6,766,856	7,460,689	7,711,800
Other Expenditures			
Materials & Services	3,194,707	4,600,000	4,700,000
Capital Outlay	85,732	80,000	85,000
Goods for Resale	160,442	150,000	150,000
	3,440,881	4,830,000	4,935,000
Operating Transfers Out	1,055,084	1,715,000	695,084
TOTAL EXPENDITURES	11,262,821	14,005,689	13,341,884
Revenue Over/Under Expenditures	1,273,871	(1,950,700)	(1,131,900)
Beginning Fund Balance	3,617,147	4,891,018	2,940,318
Ending Fund Balance	4,891,018	2,940,318	1,808,418
Beginning PERS Reserve	2,095,938	1,235,938	1,235,938
Ending PERS Reserve	1,235,938	1,235,938	

Policy Number: BP245

Policy Type: BUDGET AND FINANCIAL

Policy Title: ENDING FUND BALANCE

Lane Community College shall maintain an unrestricted General Fund Ending Fund Balance equal to or greater than 10% of total expenditures and transfers.

The Ending Fund Balance target shall include the Unappropriated Ending Fund Balance (UEFB) as set by board policy BP 295. When the Ending Fund Balance falls to 9% or less, the college shall adopt a plan to replenish the Ending Fund Balance to 10% within three years. When the Ending Fund Balance exceeds 11%, balances in excess may be set aside for reserves or investment in one time expenditures.

If the total Ending Fund Balance (including restricted) falls to levels that require short-term borrowing, the levels set by this policy shall be automatically reviewed and adjusted as necessary.

ADOPTED: January 14, 2004

REVISED: December 18, 2019

REVISED: November 4, 2014

REVISED: October 19, 2009

REVIEWED: February 14, 2007

		% of EFB
FY22-23 Beginning General Fund Balance *	\$ 8,093,462	9.0%
* Pre Audit		
FY22-23 Estimated Surplus/Deficit	\$ (2,559,400)	
Estimated FY22-23 Ending General Fund Balance	\$ 5,534,062	6.1%
10% Total General Fund Expenditures & Transfers	\$ 8,756,394	
<i>Policy requirement</i>		
Estimated Surplus/deficit over policy requirement	\$ (3,222,332)	

*February 8, 2023 Estimate

Fiscal Year 2023-2024 Budget Parameters

Funds I & IX

Revenue Levers

Tuition Increase

Increase Auxiliary revenue by (5%)

Food Services

Contract Renewal

Enrollment Increase 0% to 3.5%

Expense Levers

Major maintenance

Other Considerations

Compensation and Benefits levels

Fund balance/reserve funds BP245, BP290, BP295

Opportunities

Other

FY 2023-24 CCSF Funding and Tuition Scenarios

	Scenario 1 - Current Tuition Level	Scenario 2 - Deficit Elimination	Scenario 3 -Modified Budget (I)
General Fund Deficit/Surplus	(4,528,096)	44,395	(2,469,999)
CCSF Funding Level	759,700,000	759,700,000	800,000,000
LCC % of CCSF	8.0%	8.0%	8.0%
State Funding	30,388,000	30,388,000	32,000,000
CR change(estimated based on curr. trend)	2%	2%	2%
Total Credits	173,389	173,389	173,389
Tuition % Change	0.0%	20.5%	2.0%
Tuition Rate	\$132.50	\$159.66	\$135.15
Tuition Revenue	22,304,833	26,877,324	22,750,930
Summary of Scenarios	Scenario 1 assumes state funding at the Governor's Recommend Budget of \$759.7 million for the CCSF, no increase in LCC's share of the CCSF distribution, and a slight increase in student fees and property tax based on projected growth. This scenario assumes NO adjustments to tuition rates or other revenue sources.	Scenario 2 makes the same assumptions as Scenario 1, except this scenario includes a 20.5% adjustment to tuition rates. <u>Please note: this is not an administration proposal to increase tuition, rather an example to show what increase would be necessary to reduce the deficit primarily using tuition.</u>	Scenario 3 assumes state funding at \$800 million, no increase in LCC's share of the CCSF distribution, a slight increase in students fees and property tax based on projected growth, plus a 2% adjustment to tuition rates. No other revenue sources were impacted.
	Scenario 4 - Modified Budget (II)	Scenario 5 - Modified Budget (III)	Scenario 6 - Modified Budget (IV)
General Fund Deficit/Surplus	(2,135,427)	(269,999)	64,573
CCSF Funding Level	800,000,000	855,000,000	855,000,000
LCC % of CCSF	8.0%	8.0%	8.0%
State Funding	32,000,000	34,200,000	34,200,000
CR change(estimated based on curr. trend)	2%	2%	2%
Total Credits	173,389	173,389	173,389
Tuition % Change	3.5%	2.0%	3.5%
Tuition Rate	\$137.14	\$135.15	\$137.14
Tuition Revenue	23,085,502	22,750,930	23,085,502
Summary of Scenarios	Scenario 4 assumes state funding at \$800 million, no increase in LCC's share of the CCSF distribution, a slight increase in students fees and property tax based on projected growth, plus a 3.5% adjustment to tuition rates. No other revenue sources were impacted.	Scenario 5 assumes state funding at the full community college ask of \$855 M, no increase in LCC's share of the CCSF distribution, a slight increase in student fees and property tax based on projected growth, plus a 2% adjustment to tuition rates. No other revenue sources were impacted.	Scenario 6 assumes state funding at the full community college ask of \$855 M, no increase in LCC's share of the CCSF distribution, a slight increase in student fees and property tax based on projected growth, plus a 3.5% adjustment to tuition rates. No other revenue sources were impacted.

	Scenario 7 - Modified Budget (V)	Scenario 8 - Modified Budget (VI)	Scenario 9 - Modified Budget (VII)
General Fund Deficit/Surplus	(3,301,330)	(1,512,378)	64,573
CCSF Funding Level	759,700,000	810,000,000	855,000,000
LCC % of CCSF	8.0%	8.0%	8.0%
State Funding	30,388,000	32,400,000	34,200,000
CR change(estimated based on curr. trend)	2%	2%	2%
Total Credits	173,389	173,389	173,389
Tuition % Change	5.5%	4.5%	3.5%
Tuition Rate	\$139.79	\$138.46	\$137.14
Tuition Revenue	23,531,599	23,308,551	23,085,502
Summary of Scenarios	Scenario 7 assumes state funding at the Governor's Recommended Budget of \$759.7 million, no increase in LCC's share of the CCSF distribution, a slight increase in students fees and property tax based on projected growth, plus a 5.5% adjustment to tuition rates based on Higher Education Price Index (HEPI). No other revenue sources were impacted.	Scenario 8 assumes state funding at \$810 million, no increase in LCC's share of the CCSF distribution, a slight increase in students fees and property tax based on projected growth, plus a 4.5% adjustment to tuition rates. No other revenue sources were impacted.	Scenario 9 assumes state funding at the full community college ask of \$855 million, no increase in LCC's share of the CCSF distribution, a slight increase in students fees and property tax based on projected growth, plus a 3.5% adjustment to tuition rates. No other revenue sources were impacted.