

FY 20 Budget Development Calendar

Fall Term:

November

- Standard data elements updated and published
- Budget Development Subcommittee (BDS) convened
- BDS feedback on prior year process
- Budget outlook/initial projections

December

- Review budget development principles, criteria and data elements
- Review budget execution from prior year process
- Board discussion of budget development calendar
- Board tuition discussion

Winter Term:

January

- Develop budget assumptions and scenarios
- Discussion of budget scenarios
- Analysis of balancing options
- Budget Update

February

- Budget update
- Campus forum
- Resource allocation for department planning and program review

March

- Planning projection
- Board tuition discussion
- College Council budget recommendation

Spring Term:

April

- Special Board meeting
- Administrative budget recommendation
- Board tuition decision
- Program/service reduction decisions
- Campus forum

May

- Budget Committee meetings commence

Mission:

Lane is the community's college: We provide comprehensive, accessible, quality, learning-centered educational opportunities that promote student success.

Financial Planning Principles, Criteria and Data Elements

General Principles

1. Budget development at Lane Community College is guided by ***institutional plans, program review, annual department plans***, and other planning efforts. All plans support the college's Core Themes and Strategic Plan to further mission fulfillment.
2. Faculty, staff, and managers regularly review, analyze and engage with both standard data elements and department-specific performance measures through annual department planning and five-year program review processes. This process results in a cycle of continuous improvement planning and assessment.
3. Implementation plans from both the department/program and institutional level include measurable outcomes, timelines, assessment plans, and resource needs/implications.

Investment and Reduction Criteria

In times of investment (surplus resources), resources are prioritized as follows:

- Approved program review implementation plans
- Addressing current institutional priorities and Strategic Directions
- Support of essential services and physical infrastructure
- Support of critical/demonstrated local or regional workforce need
- Support of innovation in the learning, co-curricular and operational environment
- Demonstrated, measurable, sustained return on investment; college-wide impact

In times of reduction (budget deficit), reductions are considered using the following criteria:

- Impact to students
- Avoidance of involuntary layoffs of permanent employees
- Program performance relative to established goals, college standards, and benchmarks
- Centrality to college mission
- Program or service demand
- Local and regional workforce needs and post-graduation outcomes
- Transfer articulation to four-year universities

**FY2018-FY2020
Projection Estimate**

March 14, 2019

	FY2018 Actual Funds I & IX 6.5% CR decrease	3.14.19 Estimate FY2019 Funds I & IX -1.2% CR change	3.14.19 Estimate FY2020 Funds I & IX -0.0% CR change	Notes
REVENUE				
Intergovernmental				
State Funding	24,884,595	22,479,200	22,885,800	\$590.6CCSF, 7.75% allocation
Property Taxes	19,728,801	20,500,000	21,422,500	4.5% increase
	44,613,396	42,979,200	44,308,300	
Tuition & Fees				
Tuition	23,208,944	23,871,100	23,871,100	Current enrollment levels 0% tuition rate change
Student Fees	9,365,850	9,233,800	9,233,800	
Other Fees & Charges	1,325,861	1,185,000	1,185,000	
	33,900,655	34,289,900	34,289,900	
Other Revenue Sources				
Administrative Recovery	1,898,029	4,002,500	2,652,500	Standard schedule
Gifts & Donations	1,235,416	1,587,000	1,587,000	
Other Revenue	1,211,734	1,370,000	1,245,000	
Sale of Goods & Services	2,656,417	2,776,300	3,276,300	
	7,001,596	9,735,800	8,760,800	
Operating Transfers In				
Transfers In	2,605,257	1,214,100	1,077,100	Standard schedule
	2,605,257	1,214,100	1,077,100	
	88,120,904	88,219,000	88,436,100	
EXPENDITURES				
Personnel				
Personnel - Contracted	35,530,159	35,799,800	37,234,900	Current position list; 2% swirl
Personnel - P/T	12,028,058	11,955,000	11,955,000	
OPE	27,037,859	27,132,400	28,373,300	\$860K PERS reserve OPE Rates: 64% FT, 38% PT
	74,596,076	74,887,200	77,563,200	
Other Expenditures				
Materials & Services	11,826,249	12,410,000	13,050,000	Mandatory increases
Capital Outlay	798,651	475,000	860,000	
Goods for Resale	643,106	660,000	660,000	
	13,268,006	13,545,000	14,570,000	
Operating Transfers Out				
Transfers Out	2,500,958	3,638,300	3,604,600	\$2.5M major maintenance
Enterprise Fund Subsidy	-	-	1,166,000	Food service and Titan Store subsidies
	2,500,958	3,638,300	4,770,600	
	90,365,040	92,070,500	96,903,800	
Revenue Over/Under Expenditures	(2,244,136)	(3,851,500)	(8,467,700)	
Beginning PERS Reserve	5,535,938	4,675,938	3,815,938	
Ending PERS Reserve	4,675,938	3,815,938	2,955,938	

Projection Categories, Components, Data Sources and Key Assumptions

Funds I & IX

Category	Components	Data Sources	Key Assumptions
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REVENUE

Intergovernmental

State Funding	State of Oregon Community College & Workforce Development (CCWD) funding	CCWD funding worksheet (updated quarterly), Lane enrollment trends, enrollment trends from other colleges, tax revenues	-\$590.6MM biennial funding base -Lane enrollment, property taxes -Other Oregon community colleges' enrollment, property taxes
Property Taxes	Property taxes (Primarily Lane county; also Linn, Benton, Douglas)	County assessed value and collection rates, actual collections, housing market trends and forecasts	-% increase/decrease

Tuition & Fees

Tuition	Credit and non-credit tuition payments	Credit enrollment, actual receipts, trend analysis	-Tuition rate -Enrollment % change
Student Fees	Mandatory/instructional course fees, including continuing education, transportation, technology fees	Credit and Continuing Education enrollment, fee changes, actual receipts, trends analysis	-Fee rates -Enrollment % change
Other Fees & Charges	Income Credit Program (ICP), child development center, admissions fees, contracts, user fees, rent, bad debt provision	Credit enrollment, service and activity levels, department plans and forecasts, trend analysis, bad debt analysis and collection rates	-Enrollment % change -Service and activity changes

Projection Categories, Components, Data Sources and Key Assumptions

Funds I & IX

Category	Components	Data Sources	Key Assumptions
Other Revenue Sources			
Administrative Recovery	Grant indirect, Pell grant indirect, Foundation salary reimbursement, Titan Store and International general fund contributions	Grant activity, Foundation position list, Titan Store and International operating income and forecasts, department plans and forecasts	-Standard schedule
Gifts & Donations	KLCC memberships, miscellaneous program support from foundation	KLCC trends and forecasts, foundation activity	-KLCC membership % change -Peace Health program support
Other Revenue Sources	Investment income; miscellaneous other revenue	Investment portfolio, rates, actual receipts; credit and CE enrollment, department plans and forecasts, trend analysis	-Investment portfolio base, return rate -Enrollment % change
Sale of Goods & Services	Specialized Support Services (S3), KLCC underwriting, health and dental clinic billing, books, other sales	Service and activity levels, actual receipts, department plans and forecasts, trend analysis	-Service and activity changes
Operating Transfers In	Interfund transfers	Budgeted transfers, actual transfers, scheduled updates	-Standard schedule

Projection Categories, Components, Data Sources and Key Assumptions

Funds I & IX

Category	Components	Data Sources	Key Assumptions
EXPENDITURES			
Personnel			
Contracted	Contracted faculty, staff and manager salary and wages	Position list, salary schedule and step adjustments or bargaining parameters, "swirl" factor	-Staffing levels -Swirl factor -Bargaining
Part-Time	Hourly (non-contracted) faculty, staff and manager wages	Enrollment and activity levels, contracted staffing (backfill offsets), bargaining parameters	-Enrollment % change -Bargaining
Other Personnel Expenses (OPE)	Employee benefits and payroll taxes	Actual collections and expenses, base salary levels, Public Employee Retirement System (PERS) rates, trend analysis	-Staffing levels, total salaries and wages -Health insurance premiums -PERS rates, PERS reserve transfers
Other Expenditures			
Materials & Services	Instructional and administrative materials, supplies and services, utilities	Enrollment and activity levels, actual expenditures, department plans and forecasts, trend analysis	-Enrollment and activity levels
Capital Outlay	Goods and equipment in excess of \$10K and/or depreciable (e.g. library books)	Capital outlay allocation, department plans, trend analysis	-Allocation funding
Goods for Resale	Lane Transit District (LTD) passes, ICP supplies	Sales revenue, actual expenditures, department plans and forecasts, trend analysis	-Main campus credit enrollment -Sales forecasts
Operating Transfers Out	Interfund transfers	Budgeted transfers, actual transfers, scheduled updates	-Standard schedule

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 two 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

REVIEWED: February 14, 2007

REVISED: October 19, 2009

REVISED: November 4, 2014

		% of EFB
FY19 Beginning General Fund Balance	\$ 7,783,419	9.3%
FY19 Estimated Surplus/Deficit*	\$ (3,786,500)	
Estimated FY19 Ending General Fund Balance	\$ 3,996,919	4.8%
10% Total General Fund Expenditures & Transfers <i>Policy requirement</i>	\$ 8,354,100	
Estimated Surplus/deficit over policy requirement	\$ (4,357,181)	

*March 14, 2019 Estimate

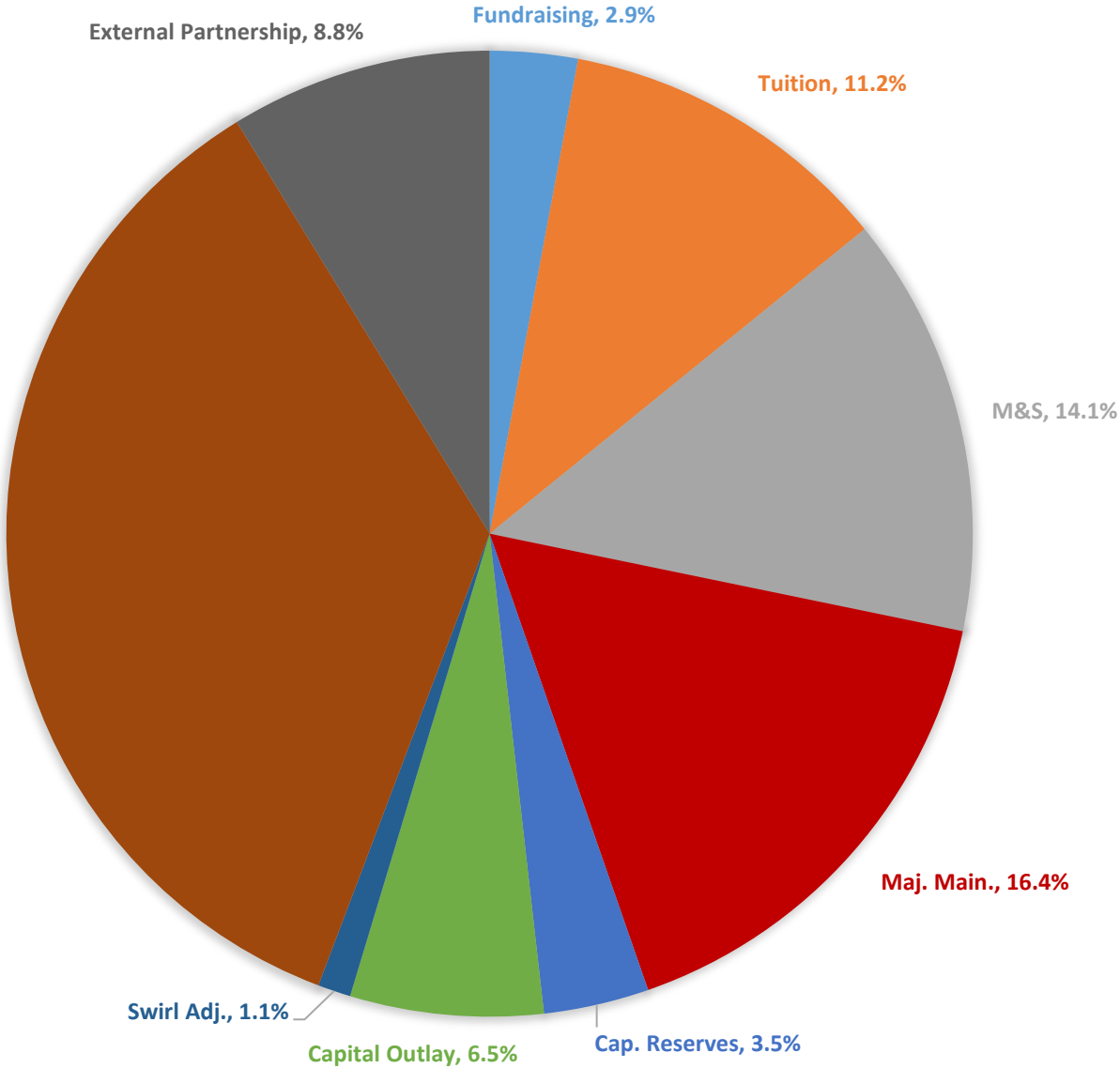
Administration Budget Balancing Recommendations and Options

Updated March 26, 2019 based upon feedback from the Board of Education, further analysis, and continued collaboration with College Council and its Budget Development Subcommittee

Planning Projection		\$ (8,467,700)	
Revenue	Estimate	Balancing Contribution	
Fundraising	\$ 250,000	\$ 250,000	Leverage foundation funds and fundraising efforts to support strategic priorities
Tuition (per credit increase)	\$ 4.50	\$ 954,000	\$4.50 increase per credit hour (HEPI plus \$1). Results in \$162 (3.4%) annual increase in cost of attendance for students taking 12 credits per term.
Expense Reductions		Balancing Contribution	
Materials and Services	\$ 1,200,000	\$ 1,200,000	Reduce all discretionary overnight travel in FY2020; eliminate telephone chargebacks; reduce printing and graphics charges; share supplies and resources across departments; review and reduce contracts and outside service expenses
Major Maintenance funding	\$ 1,400,000	\$ 1,400,000	Reduce from \$2.5M to \$1.1M (10% increase over historic funding levels)
Capital Funds transfer	\$ 300,000	\$ 300,000	Use \$300K of Fund IV Capital Projects Reserve for one-time capital/deferred maintenance projects. Requires Board action/approval.
Capital Outlay	\$ 550,000	\$ 550,000	Withhold \$550K of \$700K capital outlay allocation. Use Perkins and grant funds to support essential capital needs.
Swirl	\$ 94,000	\$ 94,000	Increase swirl (employee turnover) factor from 2% to 2.25% consistent with historical averages
Personnel, program, and service reductions, including contracted and part-time	\$ 3,020,000	\$ 3,020,000	College Council Recommendation: \$3.7M Planned Reductions: ~10% part-time net reduction from FY19 estimated actuals (all employee groups). Review scheduling assignments; reduce overload, overtime, reassignment; review and maximize workload. Hold vacant positions open; staggered hiring; food services closure
Budget Gap		\$ (699,700)	
Additional Options		Factor	Balancing Contribution
External Bookstore Partnership	\$ 746,000	\$ 746,000	Administration Recommendation: External bookstore partnership
Program Closures and Involuntary separations	\$ 100,000		Administration Recommendation: No closure of academic programs and services as they will have a direct negative impact on mission, access, and strategic priorities. Review, analysis and improvement of academic and student affairs programs and services is an ongoing process and should occur outside of the annual budget process.
Budget Gap		\$ 46,300	
	Annual \$	% Change	
Change in Cost of Attendance*	\$ 162	3.4%	

* Resident credit students taking 12 credits/term

FY20 ADMINISTRATION BALANCING OPTIONS



The budget below is based on an independent student, with in-state tuition, who lives on their own.

Federal Student Aid Budget Components and how they are calculated annually	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Five year cost summary
Room and Board Rent: Local rent survey Utilities: Survey from EWEB Food: CPI for local stores	\$14,862	\$15,503	\$15,497	\$16,704	\$17,373	\$19,047	Room and Board By far the largest increase in the cost of attendance: \$2,979 (+28.24%)
Transportation Fuel: Average Gas Prices Personal: Healthcare, indicentals	50.93%	51.42%	49.71%	52.96%	52.37%	55.38%	Transport/Misc Cheaper gas -\$153 (-6.16%)
Books and Supplies Bookstore survey							Books and Supplies +\$171 (+11.88%)
Tuition	17.74%	16.84%	15.74%	14.12%	13.78%	13.04%	Tuition +\$930 (+23.88%) *assumes a \$4.50 increase per credit for 19/20
Fees Assessed ASLCC Transportation Health Clinic Technology Fee	8.54%	8.57%	8.96%	8.69%	8.17%	7.56%	
	19.94%	20.30%	21.83%	20.74%	21.76%	20.44*%	
	2.85%	2.87%	3.76%	3.48%	3.92%	3.58%	Fees +\$258 (+37.89%)