

FY 2018 Adopted Budget Balancing Items

Planning Projection, March 8, 2017	(\$ 9,957,800)
Updates to March Projection	<u>(630,700)</u>
Budget Gap	(\$ 10,588,500)

Balancing Items:

Expense Reductions

Materials & Services/Travel	\$ 585,200
Part-Time Classified	650,000
Part-Time Faculty	1,206,300
Capital Outlay	650,000
Vacancies	1,214,000
Staggered Hiring	296,000
Reorganization	714,700
Transfers	597,000
Program & Service Reductions	<u>1,313,200</u>
	\$ 7,226,400

Revenue Additions

Tuition	\$ 1,150,000
Student Fees	1,239,100
Program Growth	610,300
Additional Revenue Generation	<u>375,000</u>
	\$ 3,374,400

Balancing Total	<u>\$ 10,600,800</u>
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Budget Balance	\$ 12,300
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	Recurring Items	Non-Recurring Items
Expense Reductions FY18	\$ 7,226,400	\$ 1,187,100
Expense Reductions FY19	\$ 6,189,300	(capital outlay, .5 accountant, staggered hiring, KLCC transfer)
Revenue Additions FY18	\$ 3,374,400	\$ 600,000
Revenue Additions FY19	\$ 3,803,500	(one-time fund transfers)

FY 2018 Administrative Budget Balancing Options

Planning Projection from March 8, 2017

(\$9,957,800)

Updates Since March Projections

Prior to finalizing balancing options, Budget Office staff review all projection line items for substantive changes.

Projection Update <i>Budget Office review of contracted position list, new hires, placements, salary resets for early separation incentive participants</i>	\$ 688,400
Fund Closeouts (one-time) <i>Close out of one-time funds to the general fund as part of restructuring</i>	600,000
State Funding <i>Update state funding assumption to co-chairs budget of \$556M</i>	262,400
Bargaining Parameter	(1,951,300)
Oregon Promise/First Year Scale Up <i>Scale Lane's successful Oregon Promise support model to all first time fall students. Investment includes .5 faculty backfill, 1.0 career advisor, part-time success coaches, student peer leaders, and materials & services. Assumes no state support. Note: This amount, originally \$325,000, was reduced to \$230,200 as part of final budget balancing.</i>	(230,200)
Total Updates & Additions	(\$ 630,700)

Budget Gap

(\$10,588,500)

BALANCING ITEMS

Expense Reductions

	FY18 Balancing Amount	FY19 Balancing Amount
Materials & Services/Travel <i>During the current fiscal year, Budget Office staff worked with department managers and classified staff to review, analyze, and reset materials and services budgets to reflect current department activity and need. After establishing new recurring base budgets, an across the board reduction was applied to all non- mandatory items including travel to reflect current budgetary realities. This means that departments will be operating especially lean and will need to reduce travel and other discretionary expenditures.</i>		
Materials & services/travel reset and reduction	\$ 585,200	\$ 585,200
Part-Time Classified <i>As reflected in personnel trends analysis reports, part-time classified expenditures have continued to escalate even after the enrollment surge while contracted classified staffing levels have remained relatively constant. In order to align part-time classified budgets to resource availability and enrollment, a 20% across the board reduction was applied to all departments in funds I & IX. This reduction will impact current part-time staff and also may impact service hours and response time.</i>		
20% part-time classified reduction	\$ 650,000	\$ 650,000

Expense Reductions (continued)

	FY18 Balancing Amount	FY19 Balancing Amount
Part-Time Faculty		
<i>As part of annual budget development work, Budget Office staff reset departmental part-time faculty budgets to reflect current enrollment trends and contracted faculty levels. It is important to note that the college has an established part-time adjustment process where deans can efficiently request additional funds to add sections based on demand. Savings in this section come from the annual reset process plus additional reductions for specific activities due to continued declining enrollment and resource shortfalls.</i>		
Annual reset based on enrollment and contracted positions	\$ 875,000	\$ 875,000
Additional part-time faculty backfill reduction due to reassignments	190,700	190,700
Reduction in faculty release time by 2.5 FTE. This may have workload implications.	<u>140,600</u>	<u>140,600</u>
Part-Time Faculty Total	\$ 1,206,300	\$ 1,206,300

Capital Outlay

The college provides an annual \$700,000 capital outlay allocation for strategic investment in equipment and other capital items that cannot be supported through materials & services budgets or other funding sources. To support one-time balancing in FY18, we are proposing to fund only \$50,000 for planned flight technology fleet reinvestment.

Withhold \$650,000 of \$700,000 annual capital outlay allocation	\$ 650,000	\$ 0
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Vacancies

The Executive Team reviewed the current vacancy list and identified positions to hold open in FY18. The college-wide impact of holding positions open and reassigning work to existing staff will reduce capacity in some areas and continue to prompt departments to operate at maximum efficiency.

Faculty Vacancies

Funded faculty positions

Art History faculty <i>Hold vacant art history position open with classes taught by full-time and part-time faculty</i>	\$ 116,400	\$ 116,400
Human Services faculty <i>Hold vacant human services faculty position open with part-time backfill</i>	58,900	58,900
Media Arts faculty <i>Hold vacant media arts faculty coordinator position open with part-time backfill</i>	58,900	58,900
Music faculty <i>Hold vacant jazz band music faculty position open with part-time backfill</i>	58,900	58,900
	<u>\$ 293,100</u>	<u>\$ 293,100</u>

Expense Reductions *(continued)*

	FY18 Balancing Amount	FY19 Balancing Amount
Early separations		
Adult Basic and Secondary Education faculty <i>Hold vacant ABSE faculty position open with part-time backfill</i>	\$ 58,900	\$ 58,900
History faculty <i>Hold vacant history position open with part-time backfill</i>	58,900	58,900
Health & Physical Education faculty <i>Hold vacant HPE position open with part-time backfill</i>	58,900	58,900
Health & Physical Education faculty <i>Hold vacant HPE position open; backfill already in place</i>	116,400	116,400
Science faculty <i>Hold vacant biology position open; part-time backfill already in place</i>	116,400	116,400
	<u>\$ 409,500</u>	<u>\$ 409,500</u>
Other positions		
Computer Information Technology faculty Add funding for approved contracted computer information technology faculty position that was missed in the proposed budget. The budgetary impact will be an increase to contracted salary and a decrease to part-time backfill in the CIT department.	\$ (51,000)	\$ (51,000)
Business faculty <i>Do not renew temporary faculty appointment; part-time backfill in place</i>	116,400	116,400
	<u>\$ 65,400</u>	<u>\$ 65,400</u>
Faculty Total 9 positions; 9.0 FTE	\$ 768,000	\$ 768,000
Classified Vacancies		
Funded classified positions		
Campus Advocate Project Coordinator <i>Hold new campus advocate position open</i>	\$ 93,100	\$ 93,100
Health Clinic Biller/Coder <i>Hold new biller/coder position open; responsibilities absorbed by other clinic staff</i>	60,200	60,200
Telecommunications Technician <i>Hold vacant telecommunications classified position open; work has been reassigned to other staff</i>	87,400	87,400
	<u>\$ 240,700</u>	<u>\$ 240,700</u>

Expense Reductions (continued)

	FY18 Balancing Amount	FY19 Balancing Amount
Early separations		
Accountant <i>Hold vacant accountant position open ½ year</i>	\$ 41,100	\$ 0
Cooperative Education Administrative Specialist <i>Hold vacant cooperative education position open</i>	68,200	68,200
Custodian <i>Hold vacant custodian position open with part-time backfill</i>	13,800	13,800
Financial Aid Advisor <i>Hold vacant financial aid advisor position open</i>	82,200	82,200
	<u>\$ 205,300</u>	<u>\$ 164,200</u>
Classified Total 7 positions; 6.5 FTE	\$ 446,000	\$ 404,900
Total All Vacancies 16 positions, 15.5 FTE	\$ 1,214,000	\$ 1,172,900
Staggered Hiring <i>In order to bridge the budgetary gap presented by alternate proposals and updates, the college will intentionally stagger hiring for vacant positions which have been budgeted for a July 1, 2017 start date. This figure represents 12% of budgeted vacancies.</i>	\$ 296,000	\$ 296,000
Reorganization <i>This broad category captures the ongoing college-wide work in reviewing departmental activity and operations and identifying opportunities for efficiency and improvement.</i>		
Cottage Grove Center <i>Reassign advisor to main campus vacancy due to greatly reduced activity in Cottage Grove</i>	\$ 61,200	\$ 61,200
Exercise and Movement Science and Fitness Education <i>Restructure Exercise and Movement Science to one-year certificate; reassign faculty and classified staff to fitness education center</i>	107,400	107,400
Foodservices <i>Reorganize food services operations to support increased innovation and profitability</i>	200,000	350,000
Multicultural Center, Women's Program, Office of Gender Equity <i>Restructure support offices for efficiency and improved service to students</i>	214,100	214,100

Expense Reductions (continued)

	FY18 Balancing Amount	FY19 Balancing Amount
Student Success <i>Reassign Student Success Director to current vacancy in student affairs redesign</i>	132,000	132,000
Reorganization Total	\$ 714,700	\$ 864,700

Transfers

Distance Learning <i>Eliminate general fund transfer due to functional reorganization</i>	\$ 37,000	\$ 37,000
KLCC <i>Withhold general fund transfer to KLCC for one year</i>	200,000	0
Specialized Support Services <i>Eliminate general fund transfer to S3 program; program is operating self-sufficiently</i>	300,000	300,000
Telecommunications <i>Eliminate general fund transfer due to functional reorganization</i>	60,000	60,000
Transfers Total	\$ 597,000	\$ 397,000

Program & Service Reductions

The administration has applied budget development principles, criteria and data elements as approved by the Board of Education to college programs and services. Academic programs were further reviewed from a lens of total student FTE and potential student impact upon closure. Based upon this analysis and review, the following program and service reductions are recommended. Balancing figures here reflect direct cost obligations, largely in contracted and part-time personnel.

Counseling <i>Reduce two faculty counselor positions due to decreasing enrollment. Reassign faculty to human services and other courses for which they are certified. Budgetary savings will be reflected in reduced part-time faculty rather than contracted faculty.</i>	\$ 101,300	\$ 101,300
Early Childhood Education <i>Pending agreement with the faculty association and impacted faculty, the Early Childhood Education Program will be retained and reorganized to reduce the total credits required to earn a degree, a reduction in practicum courses, and the elimination of 1.0 FTE faculty member.</i>	135,000	135,000

Expense Reductions (continued)		
	FY18 Balancing Amount	FY19 Balancing Amount
<p>Geographic Information Systems</p> <p><i>The GIS program will be suspended for one year to allow the lead faculty member to complete an academic program review that will include addressing program enrollment. To provide a teach-out for students completing degrees or certificates, two sections will be offered during the 2017-2018 academic year. Budgetary savings will be reflected in reduced part-time faculty in non-GIS geography courses.</i></p>	28,100	28,100
<p>Grants</p> <p><i>Eliminate management position due to decreased grant opportunities and activity. Grants activity does not support the need for a 1.0 manager. Grants will continue to be written by faculty, staff and managers with content expertise, with support from Academic and Student Affairs. Will impact one 1.0 manager.</i></p>	129,100	129,100
<p>Honors Program</p> <p><i>Eliminate program due to low demand and enrollment. Reassign faculty to LLC courses.</i></p>	100,000	100,000
<p>Religion and Philosophy</p> <p><i>Eliminate disciplines due to large diversity of social science offerings for students to choose from for degree requirements. Lost student FTE will be made up in other social science offerings. Will impact one 1.0 faculty. A small number of philosophy courses (less than .5 FTE) will continue to be offered.</i></p>	136,900	136,900
<p>Respiratory Therapy</p> <p><i>Eliminate program due to low enrollment and change in hospital employment practices. Lost student FTE will be made up through additional nursing cohort, which is the goal for most RT students. Will impact two 1.0 faculty, one of whom will be reassigned to teach in other Health Professions courses for which they are certified.</i></p>	201,500	201,500
<p>Successful Aging Institute</p> <p><i>Close program due to low enrollment and duplication of local services. Eliminate .5 manager position.</i></p>	55,300	55,300
<p>Watershed Science Technician</p> <p><i>Eliminate program due to continued low enrollment, low student FTE. Lost student FTE will be made up through other science offerings. Will impact one 1.0 faculty under temporary faculty appointment.</i></p>	111,500	111,500
<p>Workforce</p> <p><i>Eliminate workforce development program, retaining one 1.0 project specialist position to support limited career center functions. Program services of career planning, job search, and training options can be provided by coop internships, career and college successes, and are available through other state agencies. Will impact 3 1.0 classified staff.</i></p>	314,500	314,500
Program and Service Reductions Total	\$ 1,313,200	\$ 1,313,200
Total All Expense Reductions	\$ 7,226,400	\$ 6,189,300

Revenue Additions

	FY18 Balancing Amount	FY19 Balancing Amount
Tuition		
<i>Based upon the co-chairs' budget of \$556 million for Oregon community colleges, the administration is recommending a \$5 per credit tuition increase to support budget balancing. At the Oregon Community College Association funding request of \$634 million there would be no tuition increase over the HEPI index, which has already been applied.</i>		
Tuition rate increase	\$ 1,150,000	\$ 1,150,000
<i>Tuition rate increase at \$556M community college support funding</i>		
Student Fees		
<i>As part of a review of all programs and services, staff analyzed student fees, comparator data and fee-based services and developed the following recommended fee increases.</i>		
Health Clinic fee	\$ 600,000	\$ 600,000
<i>Increase health clinic fee from \$12/term to \$45/term for main campus credit students. The increased fee will support clinic operating costs and enable the college to maintain this service.</i>		
Online Course fee	325,000*	325,000*
<i>Implement \$25 online course fee, consistent with other Oregon community colleges. Revenue will be used for new investment in online course development, z-degree (zero cost degree) development, resources and support.</i>		
General Fund savings (open educational resources support)	93,100	93,100
<i>*New investments in online course and z-degree development</i>	231,900*	231,900*
Technology Fee	920,000*	920,000*
<i>Increase the technology fee from \$5/credit to \$9/credit. As the use of technology expands and as we have increased support needs for student technology in learning, requests for funding to support academic technology (hardware, software and support) exceed available resources. This fee increase will generate approximately \$920,000 in revenue, \$546,000 of which will support existing student-related technology and the remainder will fund department technology requests, which in FY17 exceeded \$2.1 million.</i>		
General Fund savings (student software)	546,000	546,000
<i>*Additional support for instructional technology at the department level</i>	356,000*	356,000*
Student Fees Total	\$ 1,239,100	\$ 1,239,100

Revenue Additions (continued)

	FY18 Balancing Amount	FY19 Balancing Amount
Program Growth		
<i>The college is supporting growth in high demand programs with strong employment outlooks.</i>		
Aviation Maintenance Technician <i>Support continued enrollment growth in Aviation Maintenance program, increasing tuition revenue and FTE reimbursement. Enrollment is up 22% in FY17 and projected to continue growing in FY18.</i>	\$ 78,200	\$ 78,200
Extended Learning <i>Increase extended learning program revenue through customized training and open enrollment</i>	165,000	165,000
Flight Technology <i>Increased student flight time (enrollment) and student fee revenue due to fleet reinvestment</i>	50,000	89,000
Medical Assistant <i>Add addition medical assistant cohort to support increased demand and employment opportunities. FTE reimbursement impact will be realized in FY19.</i>	43,900	73,400
Nursing <i>Add addition nursing cohort to support increased demand and employment opportunities. FTE reimbursement impact will be realized in FY19.</i>	171,800	222,400
Nursing <i>Develop bridge student model to backfill any seats lost from first year students, approximately 5 per year.</i>	85,000	85,000
Online Courses in Arts <i>Increased enrollment in online arts courses currently in development.</i>	16,400	16,400
Physical Therapy Assistant <i>Add additional physical therapy assistant cohort to support increased demand and employment opportunities with an addition contracted faculty. FTE reimbursement impact will be realized in FY19.</i>	0	60,000
Program Growth Total	\$ 610,300	\$ 789,400

Revenue Additions (continued)

	FY18 Balancing Amount	FY19 Balancing Amount
Additional Revenue Generation		
<i>The college is looking to new and existing services and facilities to maximize revenue.</i>		
Dental Clinic <i>Restructure dental clinic to improve scheduling efficiency, inventory control, patient services and billing/collections.</i>	\$ 75,000	\$ 75,000
Downtown Campus (new) Rental <i>Discussions are under way to share space at the new Downtown Campus with a public partner to maximize use of the facility and generate revenue. This is a conservative projection based on leasing market estimates and a projected start date of January 1, 2018.</i>	200,000	350,000
Master Art Work on Loan <i>Implement master work on loan partnership program</i>	100,000	200,000
Additional Revenue Total	\$ 375,000	\$ 625,000
Total All Revenue Additions	\$ 3,374,400	\$ 3,803,500