

**FY17 Budget & Finance Subcommittee Consensus Budget Balancing Proposal**

April 13, 2016

		Notes
2.3.16 Planning Projection	(5,483,000)	
Financial Stabilization Reserve	2,373,300	Established by Board of Education in January 2016
FY16 Savings	914,500	Savings from estimated \$2.5M fund balance used in current year
	(2,195,200)	
 Balancing Adjustments and Levers:		
Tuition Adjustment*	720,000	Application of HEPI index (\$3 increase)
Additional Revenue	175,000	HEPI application to differential fees, additional dental clinic & KLCC revenue
Personnel Cost Adjustment**	(1,992,200)	10-year average (see note below)
Bad Debt/Accts Receivable Adjustment	500,000	Reduced liability account due to decreased enrollment
Efficiencies and Restructuring	682,400	Additional work from departments: part-time, M&S and mandatory savings
Early Separation Incentive Savings	500,000	Estimated 1/2 of FY16 ESI savings realized
Additional Fund Balance	1,610,000	Use of additional 2% ending fund balance; resulting in 8% fund balance
	2,195,200	
 <b>Net</b>		
	-	

\* Tuition Note:

The Budget and Finance Subcommittee recommends that the LCC Board of Education review tuition rates during the 2016-2017 academic year, consistent with BP 725.

\*\* Personnel Cost Adjustment Note:

The Budget and Finance Subcommittee works to develop a consensus balanced budget proposal each spring. During contract negotiation years, this process happens concurrent with and separate from bargaining. In order to maintain the integrity of both processes, the budget and finance subcommittee is using a placeholder figure of \$1.99 million for potential personnel cost increases based upon applying a ten-year average of adjustment factors to the FY17 position list. The budget and finance subcommittee recognizes that this parameter may differ from the actual results from the bargaining process or the parameters set by the Board.

Policy Number: BP725  
Policy Type: MISCELLANEOUS  
Policy Title: TUITION

In order to maintain a constant tuition rate relative to inflation, each December, the board will adjust the per credit tuition rate to reflect changes in an appropriate index for two-year public colleges since the last tuition adjustment. The rate will be rounded to the nearest half-dollar and become effective the following academic year (Summer Term).

For other adjustments:

Periodically and as needed, the board will review Lane's tuition rates to ensure: a) that tuition revenues are appropriate for the needs of the district and, b) that Lane's tuition is comparable with other Oregon community colleges that are similar to Lane in terms of student FTE and instructional programs. Prior to approval of the tuition increase, the board will review the index options, affordability and access for students, and the revenue requirements of the college.

ADOPTED: November 13, 2002

REVISED: July 27, 2004

REVISED: July 13, 2005

REVISED: June 11, 2008

REVIEWED: June 10, 2009

REVIEWED: October 14, 2014

## Compensation Calculation

Using last ten year average

	Funds I & IX	All Funds
Salary Schedule Increase	579,100	641,100
Step	378,700	438,100
Health Insurance	794,900	863,700
Direct OPE	239,500	269,800
<b>Total</b>	<b>1,992,200</b>	<b>2,212,700</b>

Employee Group	FY07-FY16 Average
<b>Classified</b>	
Salary Schedule Adjustment	1.3%
Step (for eligible employees--July 1st)	0.7
Insurance Adjustment	6.6%
<b>Faculty: Contracted</b>	
Salary Schedule Adjustment	1.3%
Step (for eligible employees--July 1st)	0.7
Insurance Adjustment	8.6%
<b>Faculty: Part-time</b>	
Salary Schedule Adjustment	1.2%
Step (for eligible employees--as earned)	0.7
Insurance Adjustment	8.6%
<b>Management</b>	
Salary Schedule Adjustment	1.1%
Step (for eligible employees--July 1st)	0.6
Insurance Adjustment	6.4%
Full Step for eligible Classified is 4.3%	
Full Step for eligible Faculty is 3.75%	
Full Step for eligible Part-time Faculty is 3.75%	
Full Step for eligible Managers is 1.8%	

**FY2015-FY2017 Projection Estimate**

February 3, 2016

	FY2015 Actual Funds I & IX	2.3.16 Estimate  FY2016 Funds I & IX	2.3.16 Planning Projection  FY2017 Funds I & IX	Comments
		11% enr. decrease	No enr. change	
<b>REVENUE</b>				
<b>Intergovernmental</b>				
State Funding	31,212,953	31,422,000	26,930,000	9.8% allocation est. based on enr. & prop. tax trends
Property Taxes	17,527,816	18,228,900	18,958,100	4% increase
	<b>48,740,769</b>	<b>49,650,900</b>	<b>45,888,100</b>	<b>53.2% of total resources</b>
<b>Tuition &amp; Fees</b>				
Tuition	27,904,467	24,115,800	24,115,800	Based on maintaining FY16 enrollment levels
Student Fees	7,041,297	6,547,300	6,547,300	& no tuition increase
Other Fees & Charges	1,398,056	1,319,700	1,319,700	
Provision for Bad Debt Adjustment	-	(857,300)	(857,300)	
	<b>36,343,820</b>	<b>31,125,500</b>	<b>31,125,500</b>	<b>36.2% of total resources</b>
<b>Other Revenue Sources</b>				
Administrative Recovery	1,293,697	1,870,000	1,870,000	
Gifts & Donations	1,203,587	1,203,000	1,203,000	
Grants & Contracts	161,608	-	-	
Interest Income	172,479	119,000	119,000	
Other Revenue	2,676,955	2,309,900	2,309,900	
Sale of Goods & Services	2,618,598	2,855,100	2,855,100	
	<b>8,126,924</b>	<b>8,357,000</b>	<b>8,357,000</b>	<b>9.7% of total resources</b>
<b>Operating Transfers In</b>				
Transfers In	1,619,037	3,112,400	897,100	Updated standard schedule
	<b>1,619,037</b>	<b>3,112,400</b>	<b>897,100</b>	<b>1.0% of total resources</b>
	<b>94,830,550</b>	<b>92,245,800</b>	<b>86,267,700</b>	
<b>EXPENDITURES</b>				
<b>Personnel</b>				
Personnel - Contracted	36,956,018	35,306,800	35,411,400	<b>Does not include bargaining parameters</b>
Personnel - P/T	12,580,322	12,745,600	12,164,000	Current position list plus FY17 staffing plan w/ 3.5% swirl
OPE	26,823,684	27,439,700	27,285,600	Adjusted PT budgets
	<b>76,360,024</b>	<b>75,492,100</b>	<b>74,861,000</b>	Current rates
				<b>81.6% of total expenditures</b>
<b>Other Expenditures</b>				
Materials & Services	12,007,199	12,086,600	12,161,600	
Capital Outlay	304,293	973,700	973,700	
Goods for Resale	773,116	717,100	717,100	
	<b>13,084,608</b>	<b>13,777,400</b>	<b>13,852,400</b>	<b>15.1% of total expenditures</b>
<b>Operating Transfers Out</b>				
Transfers Out	2,873,465	4,706,300	3,037,300	Updated standard schedule
Transfers Out - Fin. Aid.	187,397	-	-	
	<b>3,060,862</b>	<b>4,706,300</b>	<b>3,037,300</b>	<b>3.3% of total expenditures</b>
	<b>92,505,494</b>	<b>93,975,800</b>	<b>91,750,700</b>	
<b>Revenue Over/Under Expenditures (Change in Fund Balance)</b>	<b>2,325,056</b>	<b>(1,730,000)</b>	<b>(5,483,000)</b>	
Planned Ending Fund Balance Used		<b>2,500,000</b>		
Financial Stabilization Reserve			<b>2,373,321</b>	
FY16 Savings			<b>914,479</b>	
FY17 Budget Gap			<b>(2,195,200)</b>	