PROPOSED

Budget Document

Fiscal Year 2019-2020

Lane Community College℠

Table of Contents

Introduction

Local & Regional Information 1
About Lane Community College 2
Enrollment & Degree Statistics 4
Board of Education 6
Organizational Chart 7
Vision, Mission & Core Themes 8
Values 9
Strategic Directions 10

Overview

Budget Committee 11
Budget Calendar, Development Process & Amendment Process 12
Operating Resources & Forecasting Methodology 14
Operating Requirements & Forecasting Methodology 20
Economic Environment 25

Annual Planning

FY20 Budget Allocations (Investments) 33
Summary - All Funds 34
Consolidated Resources & Requirements - All Funds 35
Budget & Fund Structure Graph 36
Schedule of Interfund Transfers 37
Change in Fund Balance 38

General Fund I & Administratively Restricted Fund IX

General Fund I Resources 41
General Fund I Requirements 42
Administratively Restricted Fund IX 49

Capital and Debt

Long-term Debt Obligations with Debt Fund III 52
Capital Projects Fund IV 57
Capital Budget 58

Auxiliary Funds

Internal Service Fund II 62
Financial Aid Fund V 63
Enterprise Fund VI 64
Special Revenue Fund VIII 66

Appendix

Appendix A: Budget Structure and Functions A1
Appendix B: Financial Policies B1
Appendix C: Affirmative Action C1
Appendix D: Glossary of Terms and Acronyms D1

Cover Photo credit: Derek Vincent, IVI Photography. Derek is a 2015 Lane Energy Management Program graduate.

Thank you to Neil Isaacson, Graphic Artist, Lane Community College Printing & Graphics department, for the design and layout of our "Vision, Mission & Core Themes", "Values" and "Strategic Directions" sections of this document.

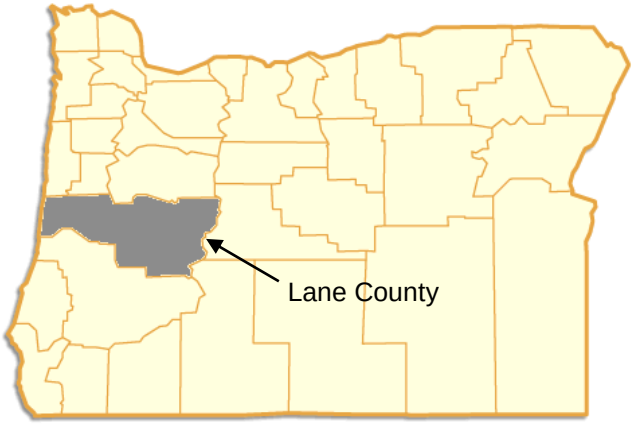
To request this information in an alternate format please contact the Center for Accessible Resources at (541) 463-5150 or AccessibleResources@lanecc.edu

INTRODUCTION

Local and Regional Information

Lane County, Oregon

Lane County was established in 1851. Covering 4,722 square miles from the Pacific Ocean to the Cascade Mountains, the county has three unique climate zones: the Willamette Valley, the Coast, and the Cascade Mountains. Although 90 percent of Lane County is forest land, Eugene and Springfield comprise the second largest urban area in the state (second to Portland). Lane County is renowned for its beautiful topography and climate and outdoor recreational opportunities.



Lane County Fast Facts:

- County Seat: Eugene, Oregon
- Average Temperatures: January: 48°, July: 82°
- Annual Precipitation: 46”
- Population: 375,120
- Median Age: 39 years
- Assessed Value: $32,780,058,909
- Real Market Value: $57,595,970,166
- Principle Industries: Lumber & wood manufacturing, healthcare, government, agriculture, tourism, retail trade and education
- Top 10 Employers: PeaceHealth, University of Oregon, Eugene 4J School District, City of Eugene, US Government, Lane Community College, Lane County Government, Springfield School District, State of Oregon, McKenzie-Willamette Medical Center, and Monaco Coach Corp.
- Top 10 Taxpayers: IP Eat Three, Comcast, Valley River Center, Shepard Investment Group, Verizon, Century Link, NW Natural Gas Co., PeaceHealth, Weyerhaeuser Company, Gateway Mall Partners

Table 1: Economic and Educational Indicators

Economic Indicator	Lane County	Oregon		Educational Indicator (pop. 25 & over)	Lane County 257,137	Oregon 2,901,195
Labor Force	161,600	1,929,100		Non-HS graduate	8%	9%
Median Home Value	$232,800	$265,700		High school graduate	23%	23%
Median Monthly Rent	$943	$1,079		Some college	29%	25%
Renter-occupied housing	41%	37%		Associate’s degree	10%	9%
Unemployment Rate	4.3%	4.1%		Bachelor’s or higher	31%	34%

Sources: www.quickfacts.census.gov www.qualityinfo.org www.lanecounty.org www.city-data.com www.usclimatedata.com www.datausa.io www.oregon.govwww.bls.gov

About Lane Community College

Institutional Overview

Lane Community College, founded in 1964, is a comprehensive community college dedicated to transforming lives through learning. The college fulfills its promise to the community by providing access to higher education, supporting student success, and ensuring its mission, core values, programs and services reflect community values and needs.

Lane's service district represents approximately 375,000 residents, slightly less than 10 percent of Oregon's population. The district encompasses 5,000 square miles, which includes most of Lane County from the Pacific Ocean to the Cascade Mountains, as well as individual school districts in Benton, Linn, and Douglas Counties. Lane's 314-acre campus is located in southeast Eugene and the college offers classes and services at a number of other locations including the Spilde Center in downtown Eugene, centers in Cottage Grove, Florence, the Eugene Airport and outreach sites in the community. Lane employs more than 1,000 employees who serve almost 26,000 students annually. Approximately 42% are credit students, 19% are College Now credit students, and 29% are non-credit students. During fall term 2018, 37% of credit students were enrolled full-time, however only 19% of credit students were enrolled full-time for the entire academic year. The college had a total of 8,295 full-time-equivalent (FTE) students in the 2017-2018 academic year. Credit student enrollment accounts for approximately 88% of total FTE.

Students come to Lane with a variety of goals including transfer to a four-year college or university, career technical education, foundational skills development, and life-long learning. All students at Lane benefit from a broad range of options for their education and support, as the college provides comprehensive programming to meet both the community's and students' needs.

Transfer. Students who come to Lane with the goal of transfer to a four-year institution in the arts and sciences are guided by a growing number of Transfer Guides. These guides help students in their pursuit of a transfer degree through Lane's School of Arts and Sciences. Lane has a strong association with its neighbors - the University of Oregon, Oregon State University and the Oregon Health Sciences University. In November 2018, new articulation agreements were created with Northwest Christian University and the Oregon State University College of Business which will allow transfer students to earn a bachelor's or master's degree in less time and at a lower cost. Two global pathways to complete a bachelor's degree are also offered to Lane students: an International Business Management 2 + 1 in France, and a Graphic Design 2 + 1 in New Zealand. In addition, Lane students who choose to pursue a career technical degree through the college's School of Professional and Technical Careers benefit from an ever-increasing number of opportunities to extend their associate's degree by continuing to a four-year college or university.

Career and Technical Education. Lane has continued the tradition of career and technical education begun in 1938 by its precursor, the Eugene Vocational School. Since that time, the college has greatly expanded services and programs to meet the community's changing needs. Today, Lane offers applied degrees and certificates in a wide range of technical program areas, from health professions to culinary arts to advanced technology and trades.

Foundational Skills. Lane students access many developmental courses to improve their foundational skills in reading, writing, and math in preparation for pursuing a college-level educational goal. Lane's offerings include Academic Learning Skills, Adult Basic and Secondary Education, and English as a Second Language.

Extended Learning. The college offers a wide array of courses through its Continuing Education, Customized Training, and Small Business Development Programs. Classes are designed to support lifelong learning in areas such as creative arts, health and wellness, small business development, and training for the incumbent and emerging workforce.

Accreditation. Lane is accredited by the Northwest Commission on Colleges and Universities. The Commission is an institutional accrediting body recognized by the Council for Higher Education Accreditation and the U.S. Department of Education. Related regional accreditation documents are on reserve in the college library. Individual Lane programs are evaluated for quality by numerous vocational and professional accrediting associations.

During the 2013-2014 academic year, the college completed a comprehensive accreditation self-study and hosted an accreditation visit from representatives of the Northwest Commission on Colleges and Universities. The college's accreditation was reaffirmed, with the commission commending the college for its emphasis on student success; student support services; strong policy leadership by the board; transparency and integrity; innovative work attracting national distinction in areas such as student success, sustainability, and college leadership; a comprehensive library; and diligence in addressing student loan default rates. The college was advised to continue its work in integrating planning and institutional effectiveness efforts, enhancing the governance system, assessing student learning outcomes, scaling up its pilot program review process, implementing its cultural competency policy, and expanding communications related to student complaint procedures. The college has begun its next accreditation self-study process in preparation for a 2021 report and evaluation.

Finances. By most measures, state financial support for higher education is substandard in Oregon. The State Higher Education Executive Officers (SHEEO) Association reported for fiscal year 2017 that Oregon ranks 39th in the nation in terms of educational funding per FTE. Oregon community colleges receive funding through three primary sources: state allocation of funds through a biennial state budget; student tuition and fees; and a county-based property tax. During the recent economic recession, the state significantly reduced funding for community colleges. To compensate for the loss in revenue, tuition and fees were increased and now comprise more than 38% of Lane's general fund revenues. As a result, the college budget is much more sensitive to enrollment fluctuations than it once was. As the economy has improved, the college has experienced substantial declines in enrollment and a corresponding reduction in revenue.

The college provides benefits to the community, both in terms of economic growth and investment. In 2015-2016, the college's net economic impact to the community was $857.4 million (EMSI, 2017). This impact is comprised of $83.7 million operations spending, $27.8 student spending, and $745.9 million alumni impact. Furthermore, the college's relationship with the community helps Lane provide the right programs and services to students as they develop, progress toward, and achieve their goals. Lane's work reflects the identity of the college developed over the past half-century.

We are the community's college…Transforming lives through learning

Enrollment & Degree Statistics

Enrollment Statistics	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Unduplicated Headcount	36,899	37,783	37,561	38,671	37,254	33,695	30,449	28,219	26,176	25,793
Full-time Equivalent Student	12,823	14,958	15,417	15,375	14,015	12,312	10,464	9,250	8,716	8,295

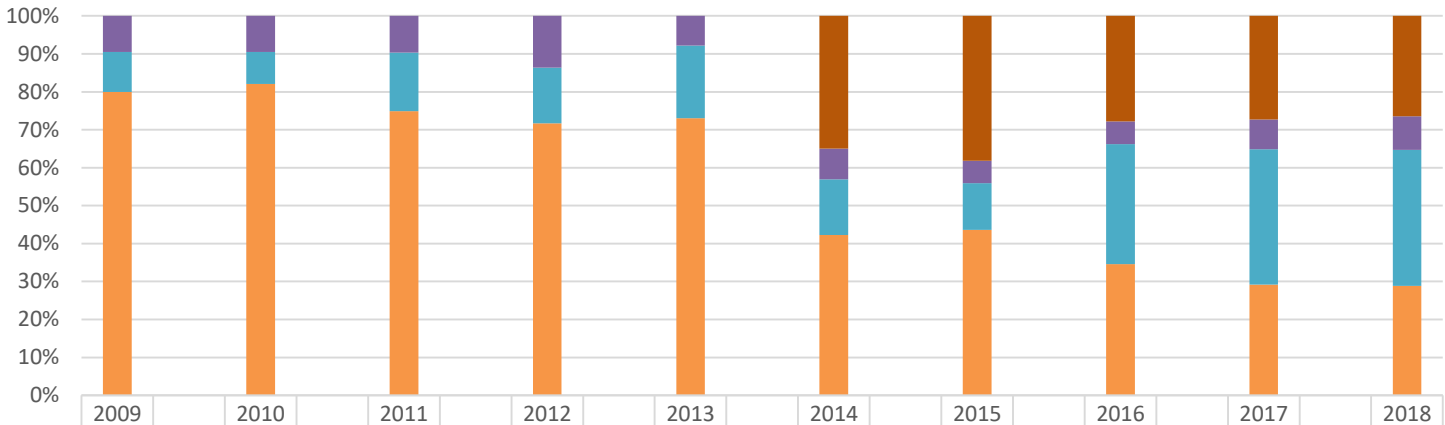
Lower Division Transfer Awards

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
AAOT/ASOT	319	407	418	474	573	454	482	468	441	536
Associate of General Studies	42	42	86	97	150	158	136	429	539	667
Associate of Science	38	47	54	90	61	87	65	81	118	165
Oregon Transfer Module	-	-	-	-	-	376	422	376	412	491
Total Transfer Awards	399	496	558	661	784	1,075	1,105	1,354	1,510	1,859

Technical Awards

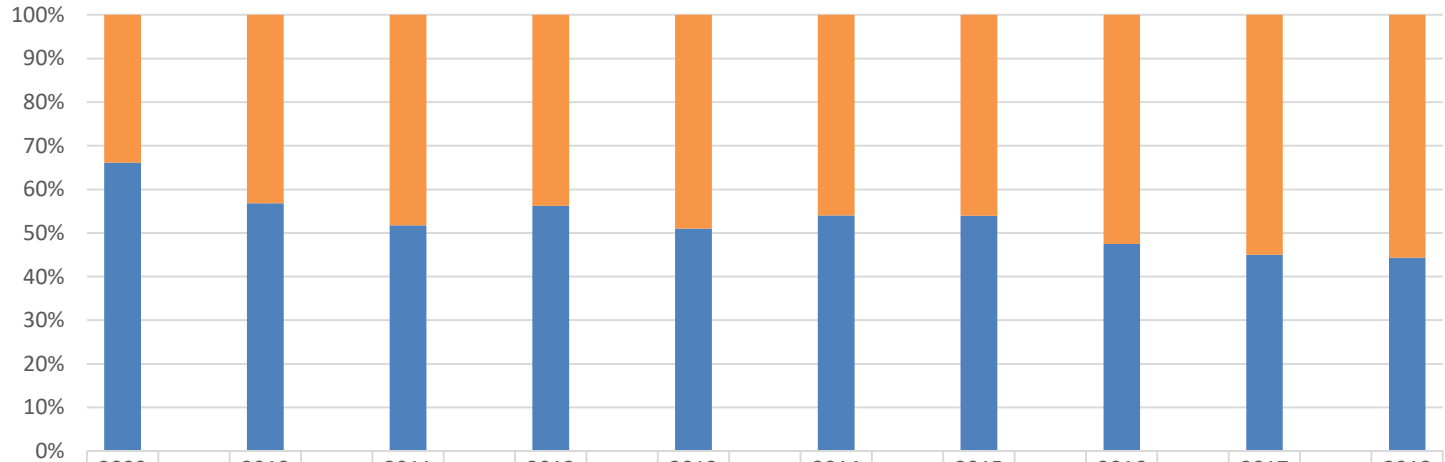
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Associate of Applied Science	308	320	418	558	548	637	488	493	340	357
Career Pathway Certificate	158	243	390	434	526	543	417	545	416	448
Total Technical Awards	466	563	808	992	1,074	1,180	905	1,038	756	805
Total Awards	865	1,059	1,366	1,653	1,858	2,255	2,010	2,392	2,266	2,664

Chart 1: Lower Division Transfer Awards



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Oregon Transfer Module	-	-	-	-	-	376	422	376	412	491
Associate of Science	38	47	54	90	61	87	65	81	118	165
Associate of General Studies	42	42	86	97	150	158	136	429	539	667
AAOT/ASOT	319	407	418	474	573	454	482	468	441	536

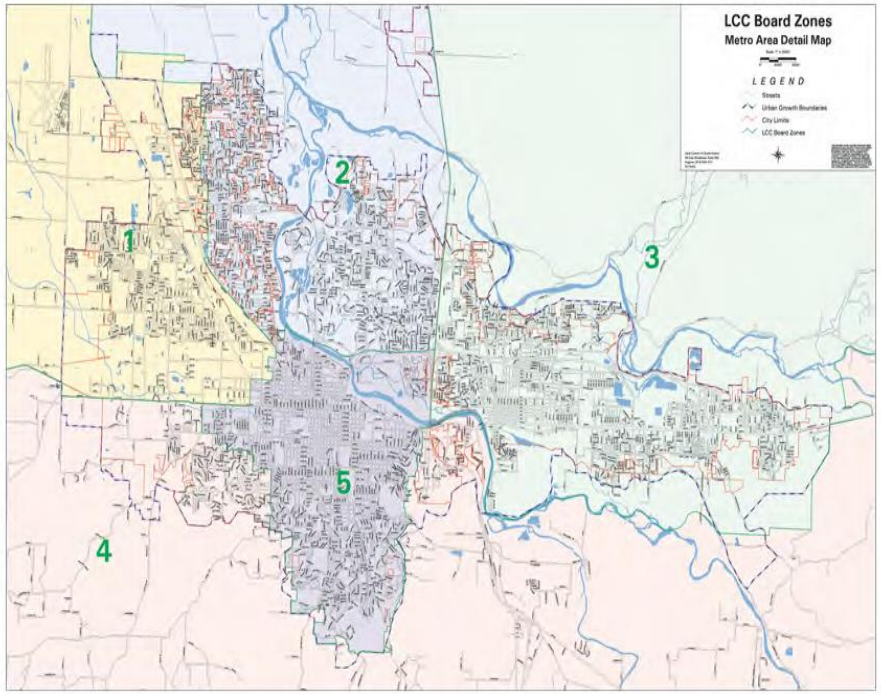
Chart 2: Technical Awards



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Career Pathway Certificate	158	243	390	434	526	543	417	545	416	448
Associate of Applied Science	308	320	418	558	548	637	488	493	340	357

Board of Education

Seven elected unpaid Board members have primary authority to establish policies governing the operation of the college and to adopt its budget. Their charge is to encourage the development of programs and services that will best serve the needs of College District constituents.



Melanie Muenzer, Associate Vice President, Eugene
Appointed April 2017, term expires June 30, 2019
Zone 1-Western

Susie Johnston, Retired, Eugene
Elected May 2007, term expires June 30, 2019
Zone 2-Northern

Mike Eyster, Retired, Springfield
Elected July 1, 2017, term expires June 30, 2021
Zone 3-Marcola and Springfield

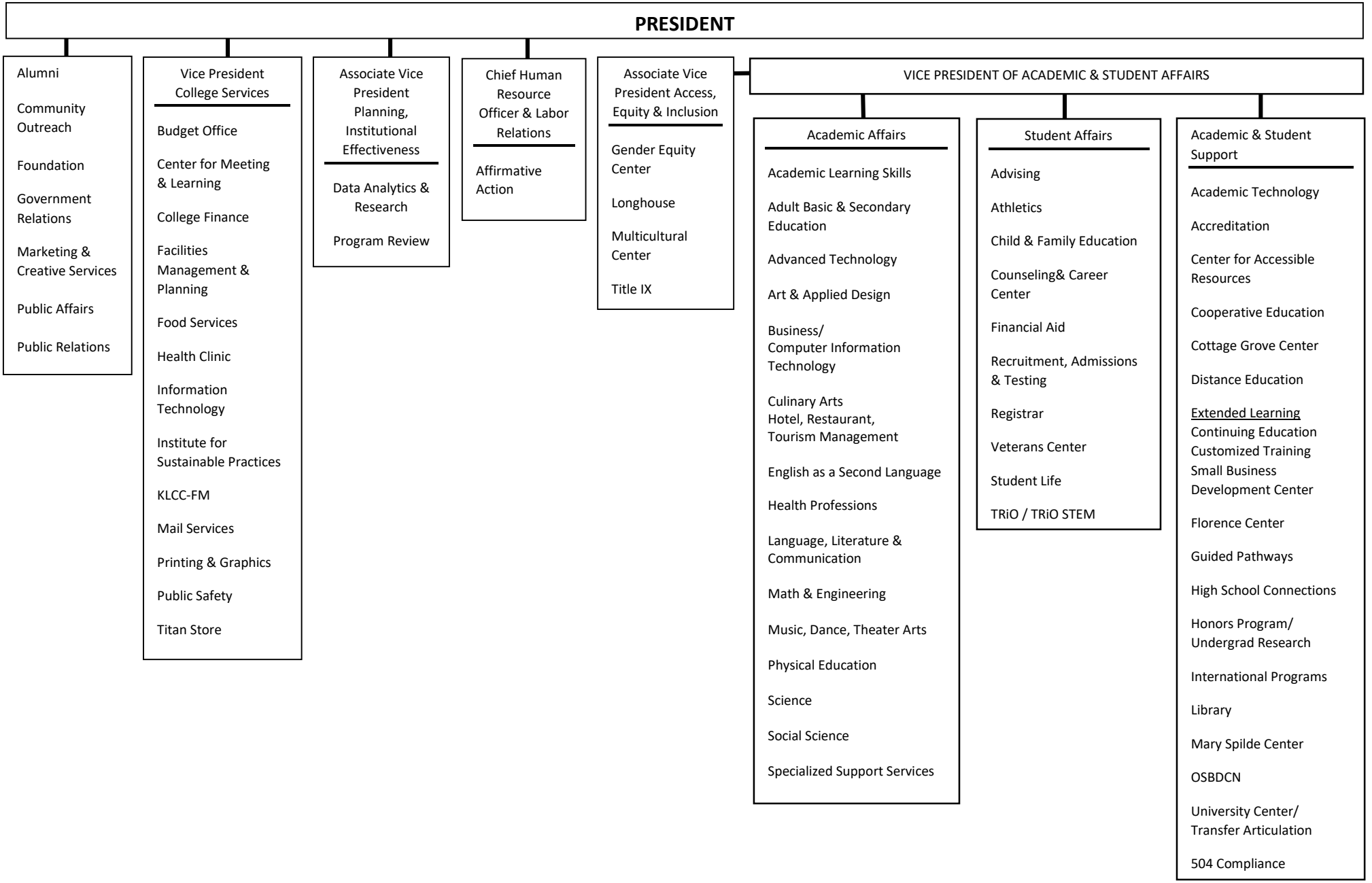
Matt Keating, Political Consultant, Eugene
Elected July 1, 2017, term expires June 30, 2021
Zone 4-Eastern

Vacant, Zone 5-Central Eugene

Rosie Pryor, Retired, Eugene
Elected July 2011, term expires June 30, 2019
At-Large, Position 6

Lisa Fragala, licensed professional teacher, Eugene
Appointed October 2018, term expires June 30, 2019
At-Large, Position 7

Organizational Chart



Lane Community College℠

Vision

Transforming lives through learning

Mission

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

Core Themes

Responsive Community Engagement
Accessible and Equitable Learning Opportunities
Quality Educational Environment
Individual Student Achievement

Values

Learning

Working together to create a learning-centered environment

Recognizing and respecting the unique needs and potential of each learner

Fostering a culture of achievement in a caring community

Diversity

Welcoming, valuing, and promoting diversity among staff, students, and our community

Cultivating a respectful, inclusive, and accessible working and learning environment

Working effectively in different cultural contexts to serve the educational and linguistic needs of a diverse community

Developing capacity to understand issues of difference, power, and privilege

Innovation

Supporting creativity, experimentation, and institutional transformation

Responding to environmental, technological, and demographic changes

Anticipating and responding to internal and external challenges in a timely manner

Acting courageously, deliberately, and systematically in relation to change

Collaboration and Partnership

Promoting meaningful participation in governance

Encouraging and expanding partnerships with organizations and groups in our community

Integrity

Fostering an environment of respect, fairness, honesty, and openness

Promoting responsible stewardship of resources and public trust

Accessibility

Strategically growing learning opportunities

Minimizing financial, geographical, environmental, social, linguistic, and cultural barriers to learning

Sustainability

Integrating practices that support and improve the health of systems that sustain life

Providing an interdisciplinary learning environment that builds understanding of sustainable ecological, social and economic systems, concern for environmental justice, and the competence to act on such knowledge

Equipping and encouraging all students and staff to participate actively in building a socially diverse, just and sustainable society, while cultivating connections to local, regional, and global communities

Strategic Directions

Lane Transforms Students' Lives Through Learning

We acknowledge that students occupy many roles, including those of family members, workers, members of social groups, and citizens of an increasingly interconnected world.

We provide educational experiences, support services, and institutional structures that enhance student learning and success.

In our work inside and outside of the classroom, and in our daily interactions with students and one another, we aim to empower all students; we encourage students to grow, to take risks, and to assume responsibility for succeeding in all aspects of their lives.

Commitment to Student Learning and Success

Foster a collegewide culture of service to student learning, academic excellence, and success

Define, build shared understanding, and implement practices that lead to student learning and success

Improve communications, services, systems, and structures to maximize access and opportunity for all students

A Culture of Teaching, Learning, and Innovation

Support teaching, learning, assessment, and innovation through faculty research and scholarship

Develop cross-disciplinary structures and supports to improve collaboration and innovation in Lane's programs and services

Provide professional development opportunities for faculty, staff, and managers that advance teaching and learning at Lane

Build capacity to expand and support online teaching, learning, and educational resources

Access, Equity, and Inclusion through Social Justice

Integrate principles of social justice throughout the college learning and working environment

Develop a culture of inclusivity and respect through dialogue, outreach, education, and equitable policies and practices

Improve recruitment, retention, and support of diverse students, faculty, staff, and managers

Strengthened Community

Foster a sense of college community through engagement, dialogue, transparency, and leadership development of Lane faculty and staff

Identify, evaluate, and agilely respond to evolving community needs, issues and opportunities

Strengthen the effectiveness of collaborative partnerships with employers, advisory boards, K-12 school districts, universities, and community organizations

Financial and Environmental Stewardship

Develop planning, decision-making, and resource allocation structures for programs and services to achieve optimal enrollment levels, student affordability, and fiscal sustainability while continuing to support a high-quality teaching and learning environment

Implement environmental sustainability principles and practices

Increase adaptive capacity in our staff, students, community, and built environment to create organizational and environmental resilience

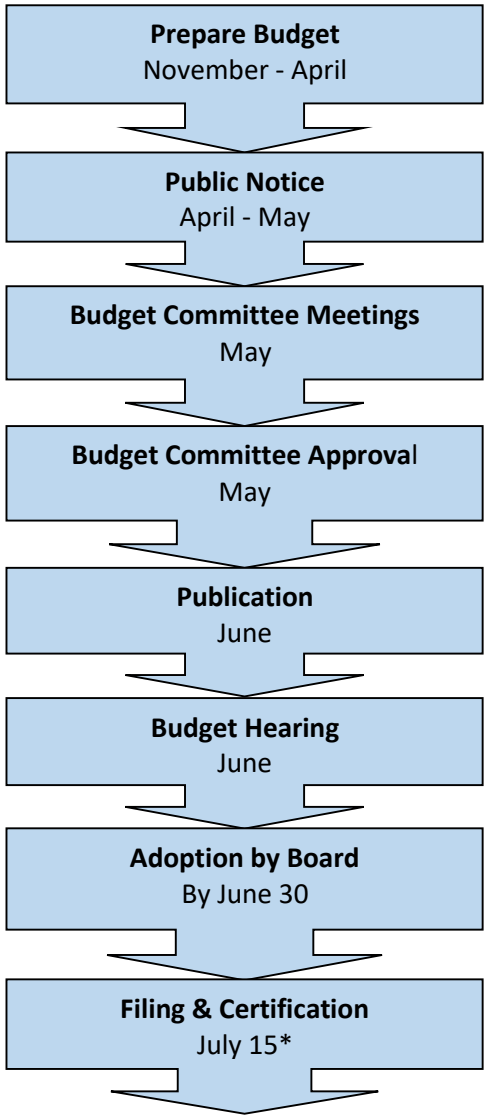
OVERVIEW

Lane Community College
2019 -2020 Budget Committee

Melanie Muenzer	Amber White	Rosie Pryor
Susie Johnston	Clarissa Parker	Hillary Kittleson
Mike Eyster	Alayne Clarke	Lisa Fragala
Matt Keating	Kevin Matthews	Celine Swenson Harris
Vacant	Timothy Morris	

Budget Development Process

In the budget development process outlined below, Lane Community College conforms to Oregon Local Budget Law. In addition to providing a financial plan for fiscal year revenues and expenses, Lane's Budget document outlines programs and initiatives, and implements controls on spending authority. The budget development process is designed to encourage citizen input and public opinion about college programs and fiscal policies.



I Establish a Budget Committee

The Budget Committee consists of the seven members of the Board of Education plus seven citizens at large. Each board member appoints one citizen to the committee for a term of three years. Terms are staggered so that about one third of the appointed terms end each year.

II Appoint a Budget Officer

Lane's Budget Officer is appointed by the Board of Education.

III Prepare a Proposed Budget

The Budget Officer supervises the preparation of a Proposed Budget which includes the following actions:

A. Discuss budget assumptions with Budget Committee
B. Develop resource (revenue) estimates and base expenditures budget
C. Estimate preliminary surplus/deficit
D. Determine tuition rate
E. Develop changes to base and final budgets in accordance with internal planning processes and Board of Education approval
F. Prepare Budget Message for the Budget Committee, public, employees and other stakeholders

IV Public Notice

Lane's Budget Officer publishes a public Notice of Budget Committee Meeting(s).

*Oregon Revised Statutes (ORS) section 294:http://www.leg.state.or.us/ors/294.html

V Budget Committee Meeting(s)

At least one Budget Committee meeting is held to 1) review the budget message and document, 2) hear the public and 3) revise and complete the budget as needed. At the time the proposed budget is distributed to the Budget Committee, it becomes public record and is made available to the public.

VI Budget Approval

When the Budget Committee is satisfied with the proposed budget, including any additions to or deletions from the budget prepared by the Budget Officer, the budget is approved. Note: If the budget requires an ad valorem tax to be in balance, the budget committee must approve an amount or rate of total ad valorem property taxes to be certified to the assessor.

VII Publication

After the budget is approved a budget hearing is held by the Board of Education. The Budget Officer publishes a summary of the approved budget and a Notice of Budget Hearing.

VIII Budget Hearing

The Budget Hearing is held to receive citizen testimony on the approved budget.

IX Adoption

The Board of Education enacts a resolution to 1) formally adopt the budget, 2) make appropriations and, if needed, 3) levy and categorize taxes. The resolution must be adopted no later than June 30 for the fiscal year starting July 1.

X Budget Filed and Levy Certified

A copy of the complete budget is sent to the Lane County Clerk. When levying a property tax, Lane's Budget Officer submits notice of levy, categorization certification and resolutions to the County Assessor's office by July 15.

Budget Amendment Process

Budget estimates as shown in the Budget Document may be amended by the Board of Education 1) prior to formal adoption or 2) after formal adoption if amendments are adopted prior to the commencement of the budget fiscal year *and* the amount of estimated expenditures for each fund is not adjusted by more than 10%, a summary of the proposed changes must be published and another public Budget Hearing must be held.

Total ad valorem property tax amounts or rates may not be increased following formal adoption of the Budget Document unless 1) an amended Budget Document is republished and another public budget hearing is held and 2) the college obtains written approval and files a supplemental notice of property tax.

Operating Resources

This section presents the major operating resource categories for Lane's primary operating funds I and IX, and the methodologies used to analyze and forecast each category.

Figure 1: Operating Resource Categories, Funds I & IX

State Funding

The college receives funding from the State of Oregon Department of Community Colleges and Workforce Development (CCWD) through a biennial allocation, paid quarterly to each of Oregon's 17 community colleges. The total amount funded to CCWD is allocated to each community college district based upon a formula that factors rolling three year full time equivalent (FTE) student enrollment and property tax revenue into a distribution formula. Enrollment gains relative to other colleges have a positive correlation to state funding allocations, while property tax increases have a negative correlation.

Figure 2: Oregon Community Colleges State Funding Formula

$$€ = \frac{\text{(Next year's imposed property tax revenue(1) + General Fund appropriations by the Legislature)}}{\text{Total Weighted Reimbursable FTE(2)}}$$

(1) Imposed property tax revenues do not include (i) taxes levied or imposed by a community college district to provide a public library system established prior to January 1, 1995, (ii) property taxes raised by Local Option Levies and General Obligation Bond Levies, (iii) base payments of $720 per FTE up to 1,100 and $360 per FTE for unrealized enrollments between actual enrollment numbers and 1,100 FTE, as adjusted pursuant to OAR 589-002-0100(8)(a), (iv) COD payments, and (v) any other payments directed by the BOE or the Legislature.

(2) Reimbursable FTEs are calculated based on a three-year weighted average of reported reimbursable FTE submitted by the community college districts to CCWD. Residents of the State and the states of Idaho, Washington, Nevada, and California shall be counted as part of each community college district's reimbursable enrollment base, but only for those students who take part in coursework offered within Oregon's boundaries. The biennial growth management component is applied to each college's actual annual FTE and the result is weighted as follows: prior year enrollment weighted at 40 percent, second year prior enrollment weighted at 30 percent and third year prior enrollment weighted at 30 percent.

When forecasting Lane's state funding revenues, staff assess the economic, budgetary and political environment in the state to project total CCWD funding levels. They then estimate enrollment and property tax levels at Lane and the other 16 community colleges in the state. During the biennial funding cycle, budget and finance staff often model multiple total funding scenarios as it is not possible to predict the ultimate outcome of legislative budget sessions.

Property Taxes

Lane receives property taxes based upon assessed property values in Lane County and small portions of Linn, Benton, and Douglas Counties. A tax rate limitation was established in 1990 as the result of an amendment to Article XL Section 11b of the Oregon Constitution, often called "Measure 5." Measure 5 limits education taxes to $5 per 1,000 of the taxable real market value of property. If taxes on a property exceed the $5 limit, tax rates are compressed, thereby reducing revenue received by the college. Property tax revenues are incorporated into the state funding formula as illustrated on page 14, and are thus subject to equalization across all 17 community college districts.

When forecasting property tax revenues, staff review county records for assessed value and collection rates, actual collections, and housing market trends and forecasts.

Tuition

Credit students at Lane pay a per-credit tuition rate based upon their residency status.

Tuition revenue is forecast through term by term enrollment trend analysis, review of external and environmental factors (such as economic and employment conditions, high school graduation rates, and financial aid regulatory changes), application of tuition rate changes, and offsets such as tuition waivers and discounts.

Student Fees

There are a variety of student fees for credit and non-credit students at Lane that factor into revenue forecasts and projections:

- The ***Technology Fee*** is assessed to all credit students at a rate of $9 per credit. The fee helps cover the cost of technology used to run classes and serve students through technology-enhanced "smart" classrooms, online courses, Wi-Fi, internet access, computer labs, and staff support.
- Students taking credit classes on main campus are assessed a ***Transportation Fee*** of $27 per term. This fee pays for expenses related to parking lot maintenance and security, as well as providing all credit students with a Lane Transit District (LTD) bus pass for the term. Credit students taking classes at locations other than main campus pay $5 per term for transportation fees. This pays for expenses related to parking lot maintenance and security at outreach sites. Proposals for special transportation projects are reviewed and voted on by a Transportation Fee Committee. Past projects include a covered bike parking structure and purchase of a fleet of bikes that are loaned to students on a per-term basis at no cost.
- Main campus credit students also pay a $56 per term ***Student Activity Fee***. This fee is voted on by the student body in the Associated Students of Lane Community College (ASLCC) spring elections and is used to support student activities and services.
- The ***Student Health Fee*** of $45 per term is paid by students taking credit courses on main campus and is used to fund the college's Health Clinic.
- Credit students enrolling in their first term at Lane are assessed a one-time, $30, ***One-Time Credit Enrollment Fee***. This fee helps cover the cost of placement testing and degree evaluation.
- Students taking online courses pay a $25 per course ***Online Course Fee*** to support online course development, technological support and quality assessment.
- Students in high-cost health professions and advanced technology programs pay ***Differential Fees*** that vary by program and help offset cost differentials in these programs.
- Students pay class fees that go into an ***Income Credit Program (ICP)*** fund for a variety of consumable, class-specific materials, supplies and equipment. These vary by class and are usually expensed in the year in which they are received.
- Continuing Education students pay ***Continuing Education Course Fees***, which vary by course.

Staff forecast student fee revenue based upon credit enrollment and headcount projections, new credit student headcount projections, program-specific enrollment, fee rate changes, and trend analysis.

Other Fees & Charges

Other fees and charges include charges for bad debt provision (contra-revenue), facilities rental, late charges, admissions fees, and other miscellaneous user fees and charges. These are projected using trend analysis and analysis of program-specific plans and activities.

Administrative Recovery

The general fund receives administrative recovery from several sources:

- The International Program contributes to the general fund on an annual basis to offset overhead and administrative costs.
- The Lane Community College Foundation reimburses the general fund for staff salaries, based on actual payroll and benefit expenses.
- The college receives revenue from grant programs it administers. Revenue is based upon the chargeback or administrative rate, which varies by grant. This is forecast by reviewing the college's current grant portfolio and anticipated new grant activity.
- Finally, the college receives funding for administering student Pell grants at a rate of $5 per student per term. This is forecast through Pell enrollment projections.

Gifts & Donations

A primary source of gift and donation revenue in Funds I & IX is membership contributions through the college's radio station, KLCC FM. Membership contributions are forecast through trend analysis and radio station strategic planning metrics. Another primary source of gift and donation revenue is the Lane Community College Foundation through program support and student scholarships. Other sources of gifts and donations come from specific program-support donations and are insignificant within the context over overall revenues.

Sale of Goods & Services

This category includes revenue from Specialized Support Services (S3) contracts, KLCC FM underwriting, dental clinic billing, and other miscellaneous sales revenue. Revenue is forecast by program-specific trend analysis and activity projections.

Other Revenue Sources

Other revenue sources include interest income, credits, rebates, and miscellaneous other revenue. Revenues in this category are forecast individually by activity. Interest income is forecast by analyzing the college's investment portfolio and return rates. Other revenues in this category are forecast using trend analysis and activity projections.

Operating Transfers In

This category includes interfund operating transfers for items such as program support and salary reimbursement. These transfers are forecast based on a standard budgetary transfer schedule and analysis of program or activity changes.

Table 2: Summary of Resource Categories, Data Sources and Key Forecasting Variables/Assumptions

Resource Category	Data Sources	Key Forecasting Variables/Assumptions
Intergovernmental		
State Funding	• CCWD funding worksheet • State economic and political environmental scanning and analysis • Lane enrollment trends and projections • Enrollment trends and projections from other community colleges • Property tax revenues	• Biennial funding base • Lane enrollment • Other Oregon community colleges' enrollment • Lane property tax revenue • Other Oregon community colleges' property tax revenue
Property Taxes	• County assessed value and collection rates, actual collections, housing market trends and forecasts	• % increase/decrease
Tuition & Fees		
Tuition	• Credit enrollment trends • Environmental scanning and analysis • Actual receipts	• Tuition rate • Enrollment % change
Student Fees	• Credit enrollment and headcount trends • Program-specific plans and analysis • Actual receipts	• Fee rates • Enrollment % change
Other Fees & Charges	• Credit enrollment • Service and activity levels • Program-specific plans and analysis • Bad debt write offs, receivable and collections trends, balance sheet analysis	• Service and activity changes • Collection rates

(Continued)

Resource Category	Data Sources	Key Forecasting Variables/Assumptions
Other Revenue Sources		
Administrative Recovery	• Administrative recovery schedules • Pell credit enrollment • Grant activity • Foundation staff position list	• Standard schedule • Staffing and activity changes
Gifts & Donations	• KLCC FM membership trends and forecasts • Foundation program support activity	• KLCC FM membership % increase/decrease • Foundation activity
Other Revenue	• Credit and continuing education enrollment • Actual receipts • Investment rates and portfolio • Department plans and forecasts	• Service and activity changes • Investment portfolio and return rates
Sale of Goods & Services	• Service and activity levels • Actual receipts • Department plans and forecasts	• Service and activity changes
Transfers In		
Operating Transfers In	• Budgeted transfers • Actual transfers • Scheduled updates	• Standard schedule

Table 3: History of Resources, Funds I & IX

Category	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
State Funding*	30,888,600	28,091,800	26,306,900	26,429,900	24,751,100	30,363,300	31,213,000	31,421,400	27,230,100	24,884,600
as % Total CCWD Funding Allocation	12.35%	12.76%	13.03%	13.21%	13.35%	13.42%	12.84%	11.46%	9.94%	8.67%
Property Taxes	14,759,000	15,635,400	15,693,300	15,746,500	16,292,300	16,513,100	17,527,800	18,013,800	18,746,800	19,728,800
	45,647,600	**43,727,200**	**42,000,200**	**42,176,400**	**41,043,400**	**46,876,400**	**48,740,800**	**49,435,200**	**45,976,900**	**44,613,400**
as % Total	51.1%	45.4%	41.8%	41.1%	42.2%	48.6%	51.4%	52.9%	52.4%	58.0%
Tuition	27,470,400	33,582,200	38,216,100	37,729,000	35,951,600	31,818,900	27,904,500	23,956,600	23,730,100	23,208,900
Student Fees	6,328,500	7,656,500	8,441,800	8,449,800	8,354,900	7,597,400	7,041,300	6,472,300	7,680,500	9,365,900
Other Fees & Charges	1,753,200	1,528,700	1,660,200	1,550,200	1,492,400	1,468,300	1,431,300	1,411,200	1,325,900	1,325,800
	35,552,100	**42,767,400**	**48,318,100**	**47,729,000**	**45,798,800**	**40,884,600**	**36,377,100**	**31,840,100**	**32,736,500**	**33,900,600**
as % Total	39.8%	44.4%	48.1%	46.5%	47.0%	42.4%	38.4%	34.1%	37.3%	37.9%
Administrative Recovery	857,800	471,400	1,357,900	557,600	1,128,400	571,100	1,293,700	1,889,700	1,985,100	1,898,000
Gifts & Donations	891,000	989,000	961,000	1,066,800	1,030,600	900,300	1,194,500	1,139,500	1,217,100	1,235,400
Other Revenue Sources	2,282,800	3,355,000	3,549,200	3,849,200	3,595,300	2,990,000	2,986,900	2,650,800	1,246,700	1,211,700
Sale of Goods & Services	1,445,200	1,449,400	1,886,700	2,383,200	2,297,900	2,298,800	2,619,000	3,158,500	2,938,700	2,656,400
	5,476,800	**6,264,900**	**7,754,800**	**7,856,700**	**8,052,200**	**6,760,000**	**8,094,100**	**8,838,500**	**7,387,600**	**7,001,500**
as % Total	6.1%	6.5%	7.7%	7.7%	8.3%	7.0%	8.5%	9.5%	8.4%	7.8%
Operating Transfers In	**2,602,800**	**3,658,400**	**2,328,200**	**4,819,800**	**2,455,500**	**1,884,500**	**1,619,000**	**3,294,700**	**1,559,100**	**2,605,300**
as % Total	2.9%	3.8%	2.3%	4.7%	2.5%	2.0%	1.7%	3.5%	1.8%	2.9%
Total All	**89,279,300**	**96,417,900**	**100,401,300**	**102,582,900**	**97,349,900**	**96,405,500**	**94,831,000**	**93,408,500**	**87,660,100**	**88,120,800**

Source: Lane Community College Budget Office, Banner/CAFR

*Adjusted for 4th quarter payment

Operating Requirements

This section presents the major operating requirement categories for Lane's primary operating funds I and IX, and the methodologies used to analyze and forecast each category.

Figure 3: Operating Requirement Categories, Funds I & IX

Contracted Salaries & Wages

This expenditure category includes salaries and wages for contracted faculty, contracted classified staff with assignments of .5 to 1.0 full time equivalency (FTE), and contracted management employees.

Each contracted employee position is tracked in the college's position list database system. Using the position database, position by position salary forecasts are calculated. The calculations consider level, step, vacancy status, FTE assignment, and salary schedule/cost of living adjustments. A "swirl" factor is applied to contracted personnel forecasts, which is the savings realized through contracted personnel attrition, and hiring that occurs after the base projection position list is developed. This swirl factor is analyzed annually and the eleven year average is 2.7%.

Part-Time Salaries & Wages

All non-contracted salaries and wages are classified as part-time. These include part-time and non-credit faculty (adjunct faculty), faculty overload, hourly classified staff, classified overtime, hourly management assignments, and student workers. Part-time expenditures are forecast using historical trend analysis, department-by-department enrollment trends and contracted employee levels, and application of step and salary schedule/cost of living adjustments.

Other Payroll Expenses (OPE)

This category includes all personnel-related expenditures outside of salaries and wages. A breakdown of OPE expenditures is shown in table 4 below.

Table 4: Fiscal Year 2018 Actual OPE Expenditures - All College Funds

Category	Amount	% Total
Medical insurance	$12,976,480	43.2%
Oregon Public Employees Retirement System (PERS)	6,601,565	22.0%
Pension obligation bond payments	4,904,050	16.3%
FICA (social security & Medicare)	3,921,436	13.1%
Early retirement actuarial expense	60,824	0.2%
Employee assistance program	36,304	0.1%
Employee tuition waiver program	419,041	1.4%
Employee wellness program	79,478	0.3%
Classified benefit stipend	204,826	0.7%
Other miscellaneous expenses	602,589	2.0%
Unemployment insurance	104,192	0.3%
Workers compensation	126,287	0.4%
Total All	$30,037,172	100.0%

The college allocates OPE by applying a blended rate to 1) contracted salaries and wages, 2) part-time faculty, classified staff, and managers, and 3) a flat 10% rate to student workers. Contracted and part-time rates are calculated by estimating total salary and wage bases, updating and applying payroll tax and PERS rates, then updating and allocating other costs. A history of OPE rates is presented in table 5.

Table 5: 15-Year OPE Rate History

Fiscal Year	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
Contracted Rate (%)	53	53.8	51.5	55.8	50.4	55.5	55.5	59	63	65	64	64	64	65	65
Part-Time Rate (%)	39.6	40.2	31.1	34.5	30.3	31.2	31.2	35	36	37	38	38	38	39	39
Student Rate (%)	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10

The college has been able to stem OPE rate escalation in recent years due to containment of medical insurance costs through plan design and choice, and mitigation of PERS rate increases through pension bond investment and PERS reserve funds. Due to this, the FY20 OPE rates for contracted and part-time salaries and wages decreased 1% from FY19 rates.

Direct OPE Rate

When developing pro forma analyses for contract negotiations related to step and salary schedule increases, staff use a "Direct Rate" of 25%, which represents the variable additional costs (payroll taxes and PERS) applied to increased salary bases.

Materials & Services

This broad expenditure category includes instructional and office supplies, contract and professional services, travel, fees and dues, and facilities and equipment maintenance. A subset of materials & services is categorized as mandatory expenditures, which are general fund expenses that are legally, contractually, or operationally required and serve the entire college. Staff forecast materials and services expenditures using historical trend analysis, analysis of changes in mandatory expenditures, and program-specific trend analysis and activity projections.

Capital Outlay

Capital outlay encompasses land, buildings, improvements, machinery and equipment with a depreciable value of $10,000 or more. It also includes library books with depreciable useful life exceeding two years. A standard annual allocation is provided from the general fund to prioritized departmental capital needs through the department planning process.

Goods for Resale

Goods for resale are items purchased for resale and include parking and bus passes, food, and books. Staff forecast goods for resale using trend analysis, enrollment projections, and program-specific activity and sales projections.

Operating Transfers Out

This category includes interfund operating transfers for items such as program support, salary reimbursement, institutional financial aid match obligations, and capital maintenance and investments. These transfers are forecast based on a standard budgetary transfer schedule and analysis of program or activity changes.

Table 6: Summary of Requirement Categories, Data Sources and Key Forecasting Variables/Assumptions

Requirement Category	Data Sources	Key Forecasting Variables/Assumptions
Personnel		
Contracted Salaries & Wages	• Position list • Salary schedules by employee group • Step and salary schedule adjustments or contract negotiation parameters • Swirl factor	• Staffing levels • Contract negotiations
Part-Time Salaries & Wages	• Enrollment and activity levels • Contracted staffing levels • Step and salary schedule adjustments or contract negotiation parameters	• Enrollment levels • Contracted staffing levels • Contract negotiations
Other Payroll Expenses (OPE)	• Actual collections and expenses • Base salary levels • PERS rates • Contract negotiation parameters, including medical insurance	• Staffing levels; total salaries and wages • Health insurance premiums • PERS rates
Other Expenditures		
Materials & Services	• Enrollment and activity levels • Actual expenditures • Mandatory requirements • Department plans and forecasts	• Enrollment and activity levels • Mandatory changes
Capital Outlay	• Capital outlay allocation • Department plans and forecasts	• Allocation funding
Goods for Resale	• Sales revenue • Actual expenditures • Department plans and forecasts	• Enrollment and activity levels • Sales forecasts
Transfers Out		
Operating Transfers Out	• Budgeted transfers • Actual transfers • Scheduled updates	• Standard schedule

Table 7: History of Requirements, Funds I & IX

	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
Personnel										
Contracted Salaries & Wages	31,505,800	32,139,500	33,962,200	35,414,900	36,142,700	37,152,900	36,913,200	35,014,900	35,846,900	35,530,200
Part-Time Salaries &Wages	11,077,100	14,320,500	16,400,000	17,790,500	17,775,400	16,082,100	12,623,100	12,873,800	12,246,400	12,028,100
Other Payroll Expenses (OPE)	19,277,600	19,144,000	21,739,000	26,712,300	28,637,300	27,609,900	26,823,700	26,862,600	26,018,200	27,037,900
	61,860,500	**65,604,000**	**72,101,200**	**79,917,700**	**82,555,400**	**80,844,900**	**76,360,000**	**74,751,300**	**75,177,800**	**74,596,200**
as % Total	74.2%	74.1%	78.3%	76.3%	80.2%	81.1%	82.5%	80.4%	81.6%	81.8%
Other Expenditures										
Materials & Services	13,036,300	13,952,400	13,982,300	13,465,900	15,007,200	13,902,000	12,007,200	12,305,700	12,168,00	11,826,200
Capital Outlay	647,600	610,100	767,500	639,900	398,000	320,200	304,300	557,100	819,100	798,700
Goods for Resale	614,900	1,193,600	1,081,700	1,049,400	1,006,200	994,200	773,100	715,900	720,000	643,100
	14,298,800	**15,756,100**	**15,831,500**	**15,155,200**	**16,411,400**	**15,216,400**	**13,084,600**	**13,578,700**	**13,707,100**	**13,268,000**
as % Total	17.2%	17.8%	17.2%	14.5%	15.9%	15.3%	14.1%	14.6%	14.9%	14.5%
Transfers Out										
Operating Transfers Out	**7,194,600**	**7,195,200**	**4,106,700**	**9,619,400**	**3,959,200**	**3,679,100**	**3,060,900**	**4,598,800**	**3,266,100**	**3,361,000**
as % Total	8.6%	8.1%	4.5%	9.2%	3.8%	3.7%	3.3%	4.9%	3.5%	3.7%
Total All	**83,353,900**	**88,555,300**	**92,039,400**	**104,692,300**	**102,926,000**	**99,740,400**	**92,505,500**	**92,928,800**	**92,151,000**	**91,225,200**

Source: Lane Community College Budget Office, Banner/CAFR

Economic Environment

State Community College Budget. The Community College Support Fund (CCSF) is a biennial allocation in the State budget adopted by the Legislative Assembly in odd-numbered years (the "Legislatively Adopted Budget"). The Legislatively Adopted Budget covers two fiscal years (a biennium) beginning July 1 of an odd-numbered year and ending June 30 of the next odd-numbered year. The Legislatively Adopted Budget allocates funding for Community College and Workforce Development (CCWD) State agencies. The Assembly has the authority to subsequently approve revisions to the Legislatively Adopted Budget, which is termed the "Legislatively Approved Budget."

The Oregon Constitution requires the Legislative Assembly to balance the State's General Fund budget. The Department of Administrative Services' Office of Economic Analysis (OEA) produces a quarterly revenue forecast for the biennium. In odd years, the OEA also produces a "Close of Session Forecast" after the end of the legislative session, which adjusts the economic forecast to include any legislative changes. If OEA's assumptions are not realized, then the State's financial projections may not be achieved. Copies of the Revenue Forecasts are available on OEA's website, www.oregon.gov/das/OEA.

If, over the course of a biennium, forecasted revenues decline significantly from the Close of Session Forecast, additional action may be taken. The Legislative Assembly may call a special session to rebalance the budget, the Governor may direct reduced spending, or the Legislative Assembly may adjust the budget during regular session at the end of the biennium.

2017-2019 Biennium Revenue Forecast. In February 2019, the OEA released the March 2019 Revenue Forecast. The March 2019 Revenue Forecast for gross General Fund revenues for the 2017-2019 biennium was $20,653 million, an increase of $127 million from the previous forecast.

Personal income tax gains continue to reflect Oregon's strong labor market. Corporate tax collections have posted healthy gains since the previous forecast. The majority of the increases come from personal, corporate, and estate revenues.

Table 8: State General Fund Forecast Summary ($ in Millions)

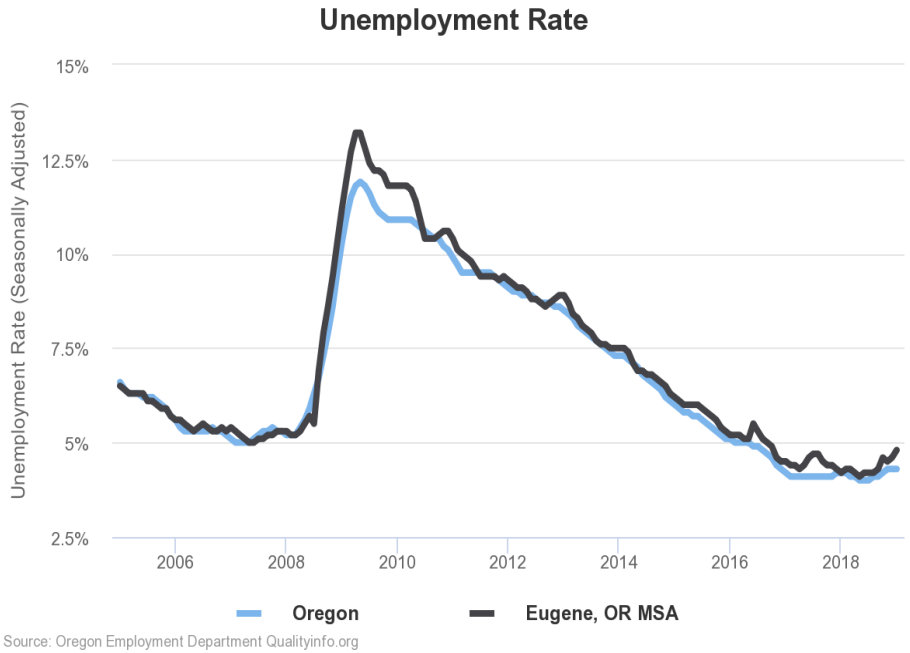
	2017-19 Biennium Revenue Forecast			March 2018 Forecast – Change From	
	Close of Session	December 2018	March 2019	December 2018	Close of Session
Structural Revenues					
Personal Income Tax	$17,147.4	$17,804.7	$17,840.9	$36.3	$693.6
Corporate Income Tax	$1,077.0	$1,306.6	$1429.8	$123.2	$352.8
All Other Revenues	$1,327.6	$1,394.7	$1,382.5	-$12.2	$54.9
Gross General Fund Revenues	**$19,551.9**	**$20,505.9**	**$20,653.2**	**$147.2**	**$1,101.2**
Offsets and Transfers	-$75.5	-$71.8	-$74.9	$-3.2	$0.5
Administrative Actions	-$21.5	-$21.5	-$21.5	$0.0	$0.0
Legislative Actions	-$180.1	-$179.4	-$179.4	$0.0	$0.7
Net Available Resources	**$20,055.7**	**$21,233.6**	**$21,377.7**	**$144.1**	**$1,322.0**

Lane County Worker Profile. As of 2017, the median age in Lane County was 39.5 years old with 60% of the county's population participating in the labor force. The Lane County Industry Employment Forecast (2017-2027), estimates an 11% increase in total employment by 2027. The industries leading the forecasted growth are construction (25%), health care (20%), professional and business services (15%), leisure and hospitality (14%), and manufacturing (12%).[1] Lane Community College offers programs that meet today's workforce demands and develop skilled employees to fill tomorrow's workforce needs.

Employment in Lane County. *Eugene Metropolitan Service Area: January 2019.* Lane County's seasonally adjusted unemployment rate was 4.8 percent in January 2019, a 0.6 percent increase from January 2018. Oregon's seasonally adjusted unemployment rate was 4.3 percent, which was 0.3 percent higher than the national rate.

Two-year public college enrollment is positively correlated to unemployment, while four year higher education enrollment is inversely related[2]. As shown in Chart 4 (page 27), unemployment rates have a significant impact on Lane Community College's enrollment.

Chart 3: Lane County Unemployment



Source: Oregon Employment Department Qualityinfo.org

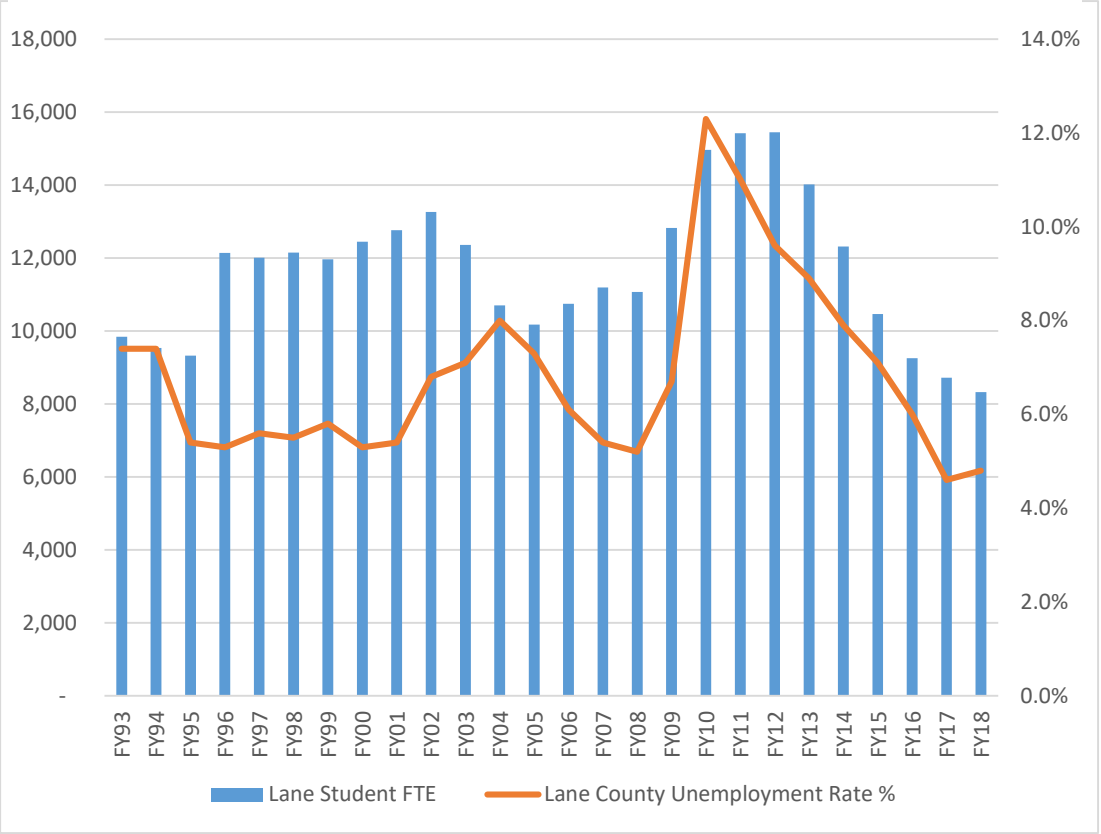
[1] Fields, Henry. (February 2019). Oregon Employment Department Lane County Fact Sheet.
[2] DeLeeuw, J. (2012). Unemployment rate and tuition enrollment predictors. Monroe Community College.

Higher Education Price Index.[3] The Commonfund Higher Education Price Index (HEPI) is an inflation index designed specifically to track the major cost drivers in higher education. It is an essential planning tool for educational managers, helping schools to understand the future budget and funding increases required to maintain real purchasing power. HEPI is issued annually by Commonfund Institute and is distributed free of charge to educational institutions.

HEPI is a more accurate indicator of changes in costs for colleges and universities than the more familiar Consumer Price Index. It measures the average relative level of prices in a fixed basket of goods and services purchased by colleges and universities each year through current fund educational and general expenditures, excluding research.

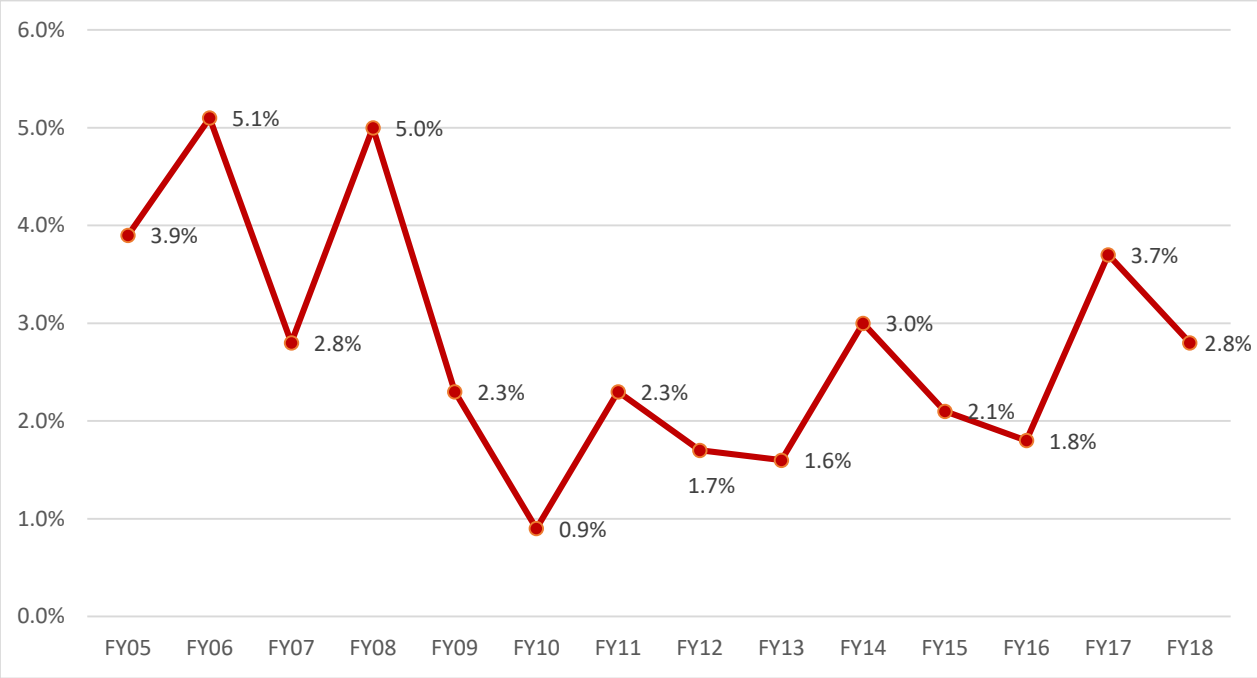
HEPI is compiled from data reported and published by government and economic agencies. The eight categories cover current operational costs of colleges and universities. These include salaries for faculty, administrative employees, clerical employees, and service employees, fringe benefits, utilities, supplies and materials, and miscellaneous services. As reflected in Chart 5 on the following page, the 2018 HEPI is 2.8%, which is a decrease of 0.9% from the previous year.

Chart 4: Unemployment Comparison to Student Full Time Equivalent (FTE)



[3] *www.commonfund.org/commonfund-institute/higher-education-price-index-hepi/*

Chart 5: Higher Education Price Index, FY05-FY18

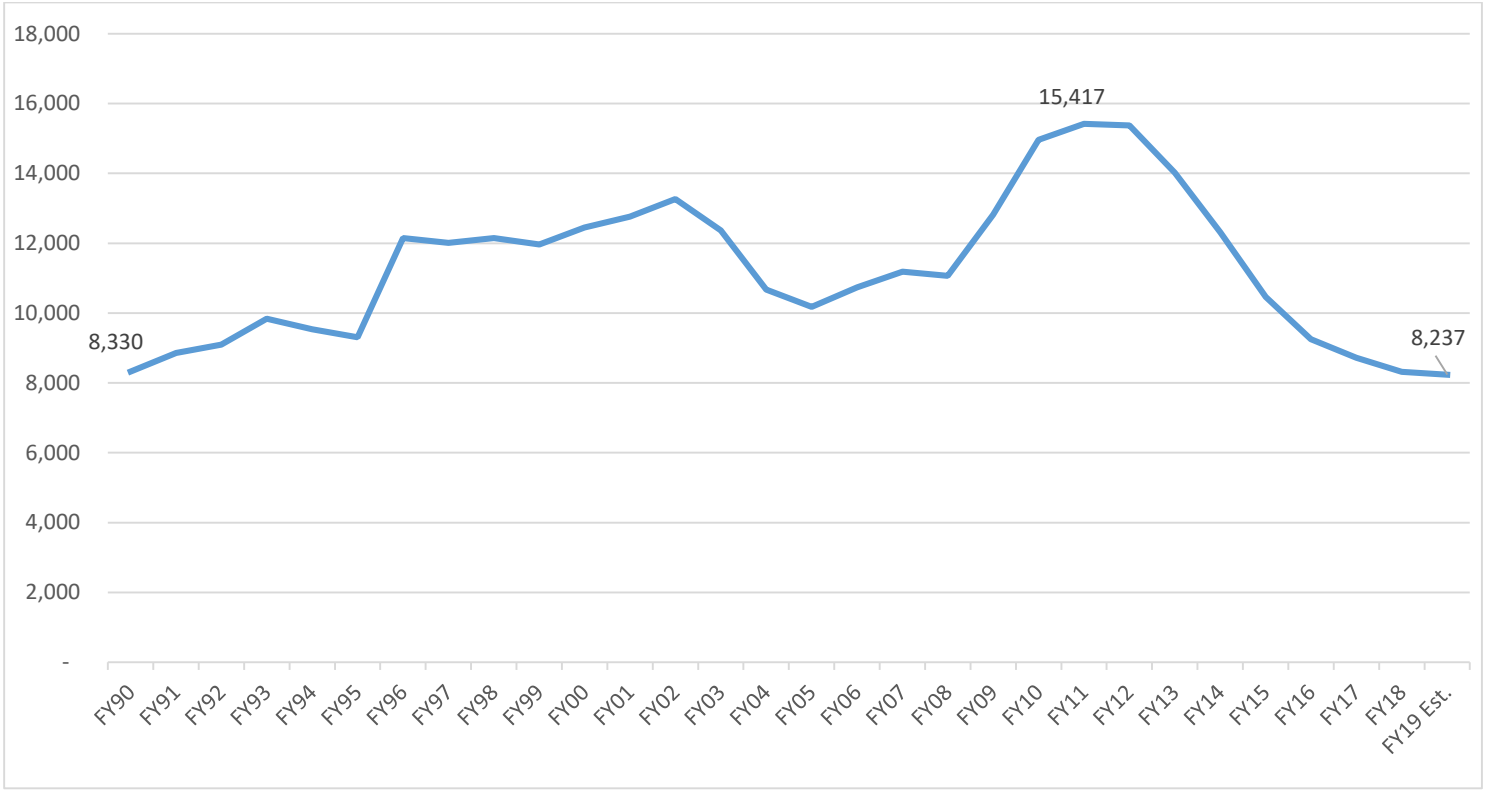


Public Employees Retirement System (PERS). Public employers in Oregon are bracing for significant increases to pension costs over the next several biennia due to low investment returns, and changes in the system's economic assumptions that have resulted in an unfunded liability of more than $27 billion. Lane Communiy college will face year-over-year increases up to 12% or $7.2 million over the three year period 2018-2021. The college prudently funded a PERS reserve account in 2004, and increased it in 2005 and again in 2010, in anticipation of rate increases. The college utilized $860,000 of this fund in fiscal years 2018 and 2019 to stabilize OPE rates and plans on utilizing another $860,000 in the 2020 fiscal year. The estimated beginning PERS reserve fund balance for the 2020 fiscal year is $3.815 million.

Issues and Opportunities

Enrollment. As shown in Chart 6 below, Lane's enrollment is projected to fall to a 30 year low 8,237, full-time equivalent (FTE) in 2019, representing a 47% decline from its peak in 2011, and 1.1% lower than the closest comparator year of 1990.

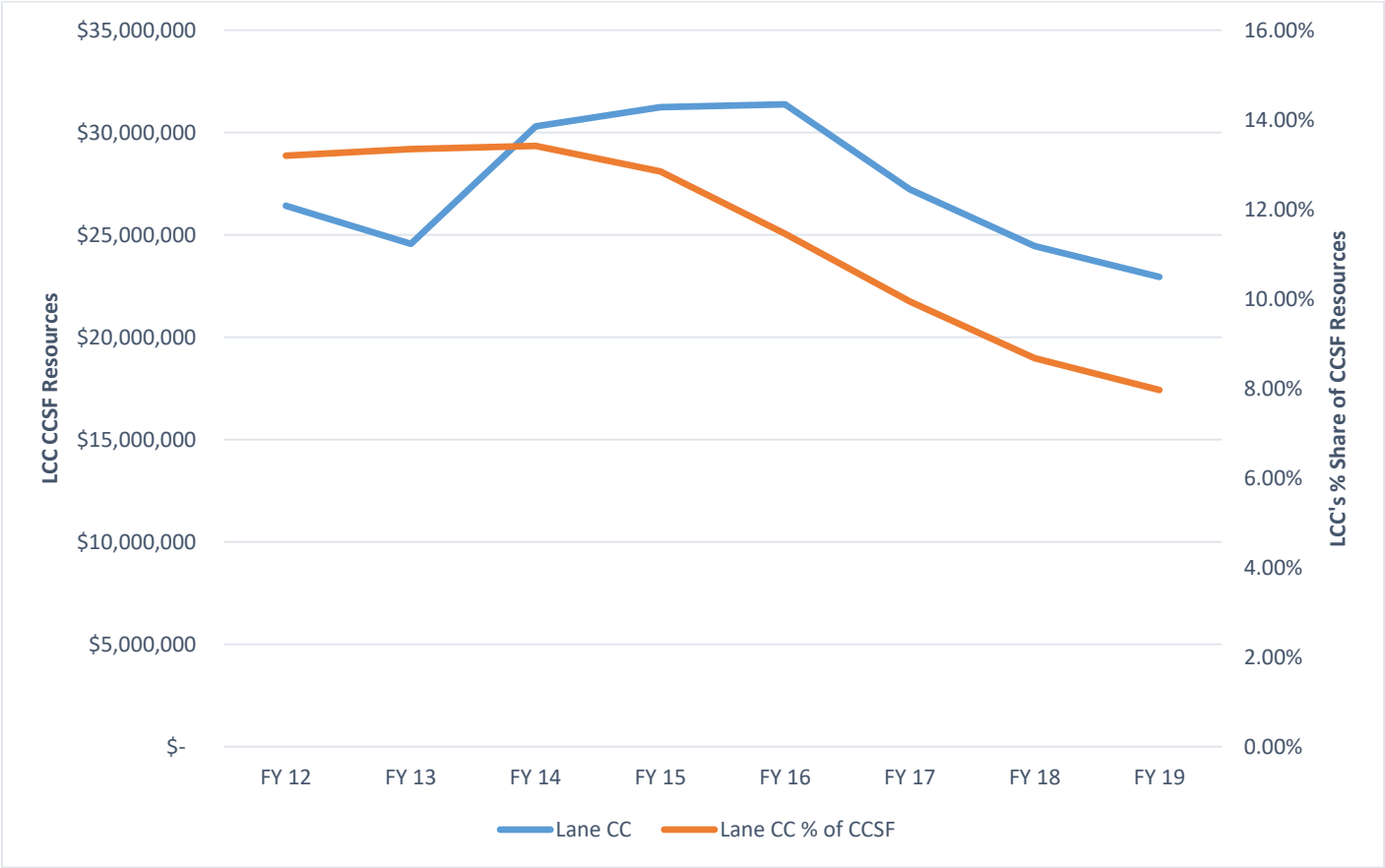
Chart 6: Lane Community College Student FTE, FY90-FY19 Estimate



In addition to unemployment drivers, changes in federal financial aid policies, shifting county demographics, impacts of the K-12 educational system and environment, and increased competition from online and for-profit educational institutions impact enrollment at Lane. The college is working on several efforts to increase student enrollement and success through the Guided Pathways initiative, the Enrollment Growth Plan, increased investment in first year experience programs and student advising, implementation of an installment payment plan, continued investments in academic technology (online courses and open educational resources), streamlined application processes, college-wide program review, and development of a comprehensive Learning Plan.

Enrollment is critical to the educational mission of the college and is essential to its financial health. The primary revenue streams of state funding and tuition and fees are directly dependent upon enrollment. Tuition and fee income is dependent upon three primary factors: number of students; credits enrolled; and, instruction time. State funding from the Community College Support Fund (as well as property tax revenue) is generally distributed in proportion to each college's percentage of the total student FTE throughout community colleges in the State (or in proportion to each college's share of the FTE distribution). The State of Oregon Ways and Means Co-Chairs framework released in March 2019, proposes $590.6M for community colleges for the upcoming biennium. The Higher Education Coordinating Commission projects that LCC will receive 7.57% of the Community College Support Fund in FY20. As shown in Chart 7 below, LCC's share of state funding has significantly declined from its recent peak in 2016.

Chart 7: Lane Community College's Annual Resources from the Community College Support Fund, FY12-FY19



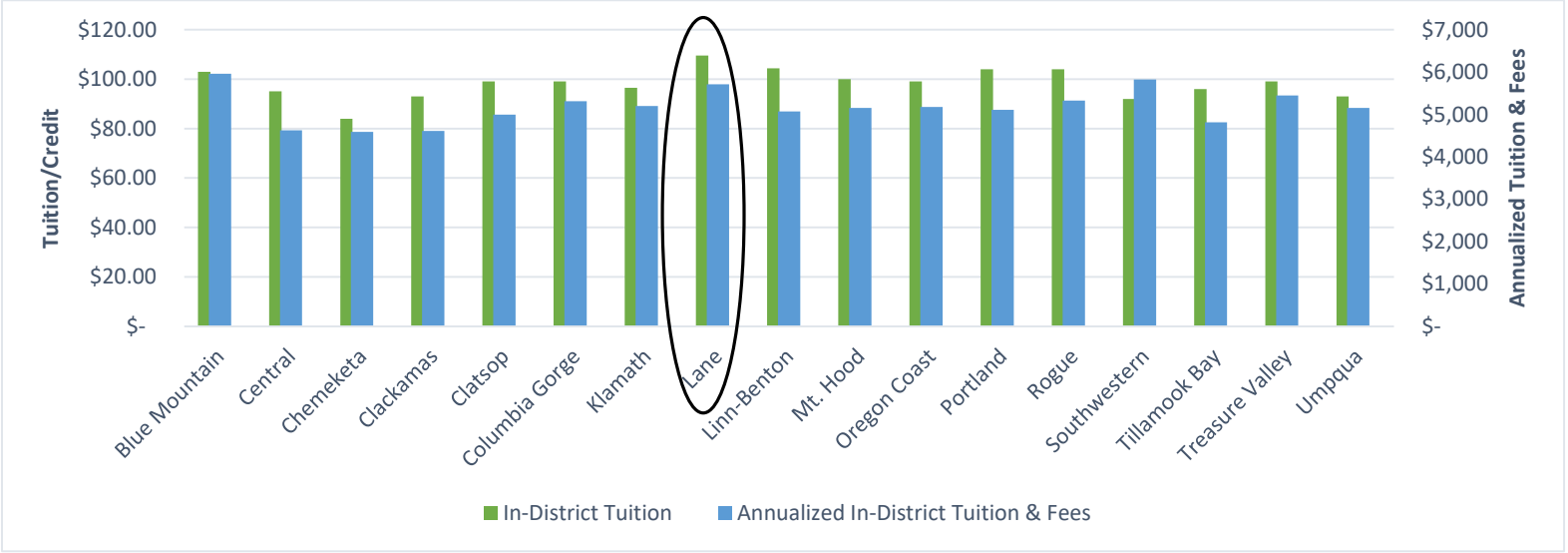
Tuition

The most recent (2018) Higher Education Price Index was 2.8%, which when applied to Lane's resident tuition rates, equals a $3.50 per credit tuition increase. In April 2019, the LCC Board of Education approved a $4.50 (HEPI + $1) per credit tuition increase for FY20. Significant tuition increases, not pegged to inflation, adversely affect student enrollment in the next academic year. The college, therefore, adopted board policy BP725, which states:

> *In order to maintain a constant tuition rate relative to inflation, each year, the board may consider an appropriate index for two-year public colleges on which to discuss a tuition increase. Each year, the board may adjust the per credit tuition rate to reflect the needs of the college. The rate will be rounded to the nearest half-dollar and become effective the following academic year (Summer Term).*
>
> *Each year, the board with review Lane's tuition rates to ensure: a) that tuition revenues are appropriate for the needs of the district, 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, c) access and affordability, and d) the revenue requirements of the college.*
>
> *Should the board conclude that increases above the selected index are required, the board will assure that there are college-wide opportunities, particularly with students, to engaged in discussions about the impact of tuition increases on access, affordability and course offerings. Should the board concluded that tuition reduced, the board will similarly assure that there are opportunities to engaged in college-wide discussions about the impact on course offerings, access and affordability.*

Lane's tuition and fees are among the highest in the State, as shown in Chart 8 below. With continued disinvestment by the state, exacerbated by enrollment-driven declines in Lane's share of community college support funds, the college increasingly relies on tuition and fee revenue to support its expenditure base.

Chart 8: Oregon Community Colleges In-District Tuition and Fees, FY17-FY18 Academic Year



Source: Oregon Department of Community Colleges and Workforce Development

Personnel Costs

Even as enrollment at the college dips to historical lows, FY18 personnel costs in operating funds I & IX were $12.7 million or 21% higher than FY2009, prior to the enrollment surge of 2009 to 2013. Staffing to student FTE ratios have increased 30% over that same time period as reflected in Table 9 below.

Table 9: Student and Personnel Trends

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Student FTE	12,817	14,958	15,417	15,375	14,015	12,312	10,466	9,250	8,716	8,320
Personnel FTE	848	936	1004	1046	1040	992	863	830	816	792
Student to Personnel FTE	15.1	16.0	15.4	14.7	13.5	12.4	12.1	11.1	10.7	10.5
Salary, Wages & OPE	$61,860,562	$65,594,434	$72,101,223	$79,917,689	$81,415,508	$79,559,400	$76,330,849	$74,687,267	$74,100,298	$74,596,075

Funds I & IX. Source: Lane Community College Budget Office

ANNUAL PLANNING

FY20 Budget Allocations (Investments)

Institutional planning efforts represent college-wide strategic directions and priority actions needed to support and improve achievement of Lane's core theme objectives. Institutional plans both inform and are informed by Program and Department Plans. Program review and annual department planning support strategic directions and core theme objectives by operationalizing priorities and improvements at the program and service level. The table below identifies FY20 budget allocations (investments) from strategic planning, program review and department planning.

Table 10: FY20 Budget Allocations (Investment) fom Strategic Planning, Program Review and Department Planning

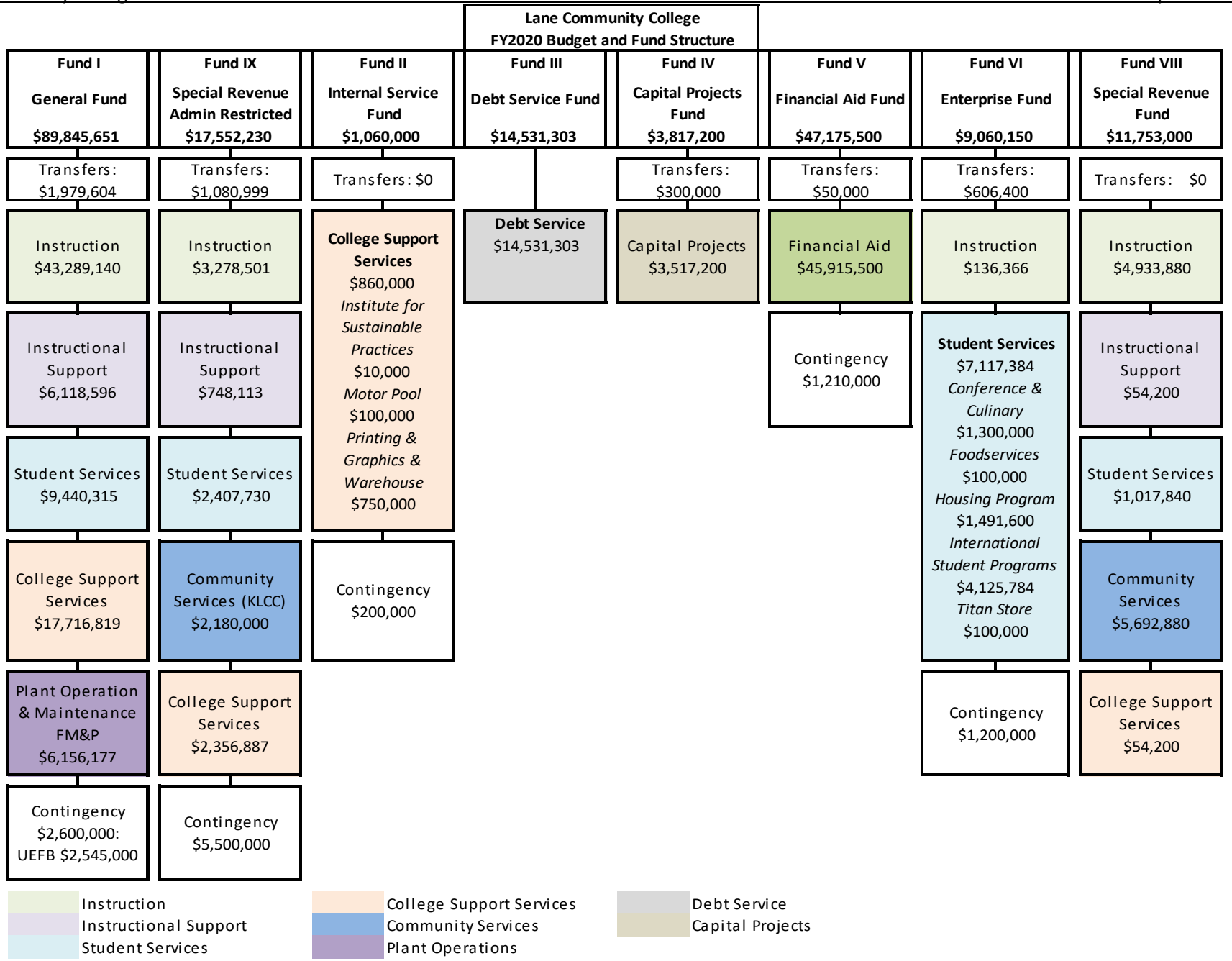
Category	Amount	Strategic Priority		
		Student Success	Access & Equity	Economic Driver
Assessment of Student Learning (course, program, core learning outcomes)	$ 90,000	X	X	
Curriculum Development	98,100	X		X
New Contracted Faculty Positions	1,300,000	X		
Increased Funding for Student Resource Centers, Labs, Early Alert Program	272,000	X	X	
Increased Funding for Academic Technology, Online/OER	140,000	X	X	
Student Success Coaching	110,000	X	X	
Increased Funding for Multicultural Center, Access & Equity Initiatives	225,000	X	X	
Classroom Technology & Equipment	70,500	X	X	
Increased Funding for Information Technology Upgrades, Security	539,000	X		
Institutional Advancement, External Affairs and Data Analytics	536,000	X	X	X
Increased Funding for Recruitment	81,000	X	X	X
Increased Funding for Marketing and Website Redesign	100,000	X	X	X
Bond Information Campaign	250,000			X
Total Investment	**$ 3,811,600**			

Summary – All Funds

FY 2016-17 ACTUAL	FY 2017-18 ACTUAL	FY 2018-19 BUDGET	Fund	FY 2019-20 PROPOSED
80,550,358	78,932,725	88,811,048	General Fund I	89,845,651
1,168,459	1,042,928	1,470,000	Internal Service Fund II	1,060,000
33,266,742	13,877,978	14,126,542	Debt Service Fund III	14,531,303
2,511,864	4,600,153	4,066,500	Capital Projects Fund IV	3,817,200
39,009,658	35,417,524	52,026,500	Financial Aid Fund V	47,175,500
12,984,993	11,914,507	17,369,000	Enterprise Fund VI	9,060,150
7,954,599	8,422,205	11,757,000	Special Revenue Fund VIII	11,753,000
10,531,359	12,292,315	19,515,020	Administratively Restricted Fund IX	17,552,230
187,978,031	166,500,334	209,141,610	Total All Funds	194,795,034

Consolidated Resources & Requirements– All funds

FY 2016-17 ACTUAL	FY 2017-18 ACTUAL	FY 2018 - 19 BUDGET	Description of Resources and Requirement	FY 2019 - 20 PROPOSED
			REVENUES	
35,024,544	33,833,031	33,100,000	State Support	32,850,000
35,039,981	31,080,861	46,395,000	Federal Support	41,900,000
41,758	134,577	300,000	Local Support	300,000
25,598,190	27,039,133	27,954,300	Property Taxes	29,704,350
			Tuition & Fees:	
26,226,778	25,725,398	28,468,300	Tuition	29,071,600
8,415,463	10,052,248	11,214,200	Student Fees	11,534,290
			Other Sources:	
8,195,997	7,517,027	10,641,000	Sale of Goods and Services	4,759,000
38,312,180	18,300,365	22,398,018	Other Revenues	23,341,291
176,854,891	153,682,640	180,470,818	**TOTAL REVENUES**	173,460,531
			REQUIREMENTS	
50,889,569	49,262,037	54,500,287	Instruction	51,637,887
6,045,561	6,438,822	6,931,953	Instructional Support	6,920,909
23,167,461	22,669,458	25,291,756	Student Services	19,983,269
6,440,078	7,365,440	7,827,400	Community Services	7,872,880
16,009,818	16,316,819	17,090,777	College Support Services	20,987,906
5,884,198	6,032,632	6,030,303	Plant Operations & Maintenance	6,156,177
2,475,913	4,039,732	4,066,500	Plant Additions	3,517,200
38,810,888	35,367,524	50,315,500	Financial Aid	45,915,500
33,266,742	13,877,978	14,126,542	Debt Services	14,531,303
-	-	14,981,000	Contingency	10,710,000
-	-	2,650,000	Unappropriated Ending Fund Balance (UEFB)	2,545,000
182,990,228	161,370,442	203,812,018	**TOTAL REQUIREMENTS**	190,778,031
			SUMMARY	
176,854,891	153,682,640	180,470,818	Total Revenues	173,460,531
(182,990,228)	(161,370,442)	(203,812,018)	Less: Total Requirements	(190,778,031)
(6,135,337)	(7,687,802)	(23,341,200)	**REVENUES OVER-(UNDER) REQUIREMENTS**	(17,317,500)
			OTHER FINANCING SOURCES	
4,987,805	5,129,892	5,329,592	Transfers In	4,017,003
(4,987,805)	(5,129,892)	(5,329,592)	Transfers Out	(4,017,003)
-	-	-	**TOTAL OTHER FINANCING SOURCES**	-
			CHANGES IN FUND BALANCE	
36,037,008	29,901,371	23,341,200	Beginning Fund Balance	17,317,500
29,901,671	22,213,569	-	**ENDING FUND BALANCE**	-


Lane Community College
FY2020 Budget and Fund Structure
Fund I
General Fund
$89,845,651
Transfers: $1,979,604
Instruction $43,289,140
Instructional Support $6,118,596
Student Services $9,440,315
College Support Services $17,716,819
Plant Operation & Maintenance FM&P $6,156,177
Contingency $2,600,000: UEFB $2,545,000
Fund IX
Special Revenue Admin Restricted
$17,552,230
Transfers: $1,080,999
Instruction $3,278,501
Instructional Support $748,113
Student Services $2,407,730
Community Services (KLCC) $2,180,000
College Support Services $2,356,887
Contingency $5,500,000
Fund II
Internal Service Fund
$1,060,000
Transfers: $0
College Support Services $860,000
Institute for Sustainable Practices $10,000
Motor Pool $100,000
Printing & Graphics & Warehouse $750,000
Contingency $200,000
Fund III
Debt Service Fund
$14,531,303
Debt Service $14,531,303
Fund IV
Capital Projects Fund
$3,817,200
Transfers: $300,000
Capital Projects $3,517,200
Fund V
Financial Aid Fund
$47,175,500
Transfers: $50,000
Financial Aid $45,915,500
Contingency $1,210,000
Fund VI
Enterprise Fund
$9,060,150
Transfers: $606,400
Instruction $136,366
Student Services $7,117,384
Conference & Culinary $1,300,000
Foodservices $100,000
Housing Program $1,491,600
International Student Programs $4,125,784
Titan Store $100,000
Contingency $1,200,000
Fund VIII
Special Revenue Fund
$11,753,000
Transfers: $0
Instruction $4,933,880
Instructional Support $54,200
Student Services $1,017,840
Community Services $5,692,880
College Support Services $54,200
Instruction
Instructional Support
Student Services
College Support Services
Community Services
Plant Operations
Debt Service
Capital Projects

Schedule Of Interfund Transfers

Interfund transfers are authorized by ORS 294.361 and ORS 294.463 and represent transfers of resources between funds for repayment of costs incurred by one fund on behalf of another or represent transfers of equity between funds.

	Revenues	Expenditures	Comments
GENERAL FUND I			
To Debt Service Fund III	-	$ 802,504	Qualified Energy Conservation Loan $142,504; Titan Court $660,000
To Capital Projects Fund IV	-	1,100,000	Major Maintenance
To Special Revenue-Administratively Restricted Fund IX	-	77,100	KLCC $77,100
From Capital Projects Fund IV	$ 300,000	-	Capital Projects Reserve for one-time capital/deferred maintenance projects
From Financial Aid Fund V	50,000	-	Financial Aid transfer
From Special Revenue-Administratively Restricted Fund IX	860,000	-	PERS Reserve
TOTAL	$ 1,210,000	$ 1,979,604	
DEBT SERVICE FUND III			
From General Fund I	$ 802,504	-	Qualified Energy Conservation Loan $142,504; Titan Court $660,000
From Enterprise Fund VI	606,400	-	Full Faith and Credit Obligations
From Special Revenue-Administratively Restricted Fund IX	13,799	-	Flight Technology airplane loan
TOTAL	$ 1,422,703		
CAPITAL PROJECTS FUND IV			
From General Fund I	$ 1,100,000	-	Major Maintenance
From Special Revenue-Administratively Restricted Fund IX	207,200	-	Transportation and Parking $150,000; Longhouse $57,200
To General Fund I	-	$ 300,000	Capital Projects Reserve for one-time capital/deferred maintenance projects
TOTAL	$ 1,307,200	$ 300,000	
FINANCIAL AID FUND V			
To General Fund	-	$ 50,000	Financial Aid transfer
TOTAL	$ -	$ 50,000	
ENTERPRISE FUND VI			
To Debt Service Fund III	-	$ 606,400	Full Faith and Credit Obligations
TOTAL	$ -	$ 606,400	
SPECIAL REVENUE-ADMINISTRATIVELY RESTRICTED FUND IX			
To General Fund I	-	$ 860,000	PERS Reserve
To Debt Service Fund III	-	13,799	Flight Technology airplane loan
To Capital Projects Fund IV	-	207,200	Transportation and Parking $150,000; Longhouse $57,200
From General Fund I	$ 77,100	-	KLCC $77,100
TOTAL	$ 77,100	$ 1,080,999	
TOTAL TRANSFERS - ALL FUNDS	**$ 4,017,003**	**$ 4,017,003**	

Change in Fund Balance

Table 11: Budgetary Statement of Resources, Uses and Changes in Fund Balance FY19-FY20

Category	General Fund	Admin Restricted	Capital Projects	Enterprise	Internal Service	Special Revenue	Financial Aid	Debt Service	Total
Revenues:									
Intergovernmental - State	23,200,000	-	-	-	-	2,750,000	6,900,000	-	32,850,000
Intergovernmental - Federal	-	35,000	-	-	-	6,507,000	35,358,000	-	41,900,000
Intergovernmental - Local	-	-	-	-	-	300,000	-	-	300,000
Intergovernmental - Property Taxes	22,100,000	-	-	-	-	-	-	7,604,350	29,704,350
Tuition & Fees	30,480,540	6,826,000	-	3,224,350	-	75,000	-	-	40,605,890
Other Sources:									-
Sale of Goods and Services	824,000	1,685,000	-	1,500,000	730,000	20,000	-	-	4,759,000
Other Revenues	7,565,611	2,340,630	226,000	2,474,800	60,000	1,880,000	3,390,000	5,404,250	23,341,291
Total Revenues	84,170,151	10,886,630	226,000	7,199,150	790,000	11,532,000	45,648,000	13,008,600	173,460,531
Expenditures:									
Instruction	43,289,140	3,278,501	-	136,366	-	4,933,880	-	-	51,637,887
Instructional Support	6,118,596	748,113	-	-	-	54,200	-	-	6,920,909
Student Services	9,440,315	2,407,730	-	7,117,384	-	1,017,840	-	-	19,983,269
Community Services	-	2,180,000	-	-	-	5,692,880	-	-	7,872,880
College Support Services	17,716,819	2,356,887	-	-	860,000	54,200	-	-	20,987,906
Plant Operations & Maintenance	6,156,177	-	-	-	-	-	-	-	6,156,177
Plant Additions	-	-	3,517,200	-	-	-	-	-	3,517,200
Financial Aid	-	-	-	-	-	-	45,915,500	-	45,915,500
Debt Services	-	-	-	-	-	-	-	14,531,303	14,531,303
Total Expenditures	82,721,047	10,971,231	3,517,200	7,253,750	860,000	11,753,000	45,915,500	14,531,303	177,523,031
Revenues Over-(Under) Expenditures	1,449,104	(84,601)	(3,291,200)	(54,600)	(70,000)	(221,000)	(267,500)	(1,522,703)	(4,062,500)

Continued

	General Fund	Admin Restricted	Capital Projects	Enterprise	Internal Service	Special Revenue	Financial Aid	Debt Service	Total
Contingency									
BP270: Board Contingency*	450,000	-	-	-	-	-	-	-	450,000
BP270: Administrative Contingency*	900,000	-	-	-	-	-	-	-	900,000
Reserve for restricted carry over/adjustment	750,000	-	-	-	-	-	-	-	750,000
Operating contingency	500,000	5,500,000	-	1,200,000	200,000	-	1,210,000	-	8,610,000
Total Contingency	2,600,000	5,500,000	-	1,200,000	200,000	-	1,210,000	-	10,710,000
Other Financing Sources-(Uses)									
Transfers in/(out)	(769,604)	(1,003,899)	1,007,200	(606,400)	-	-	(50,000)	1,422,703	-
Changes in fund balance	**(1,920,500)**	**(6,588,500)**	**(2,284,000)**	**(1,861,000)**	**(270,000)**	**(221,000)**	**(1,527,500)**	**(100,000)**	(14,772,500)
Beginning Fund Balance	4,465,500	6,588,500	2,284,000	1,861,000	270,000	221,000	1,527,500	100,000	17,317,500
Total resources/(uses)	2,545,000	-	-	-	-	-	-	-	2,545,000
Transfers to/(From) Fund Balance									
BP295: Unappropriated Ending Fund Balance*	(2,545,000)								(2,545,000)
Ending Fund Balance	-	-	-	-	-	-	-	-	-

* BP (Board policies) can be found in Appendix B: Financial Policies.

What is Fund Balance?

Fund balance is generally defined as the difference between a fund's assets and liabilities. An adequate fund balance is necessary for numerous reasons, such as to have funds available in case of emergency or unexpected events, to maintain or enhance the college's financial position and related bond ratings, to provide cash for operations prior to receipt of fall term tuitions and fees and receipt of property tax revenues.

Table 12: FY19-FY20 Estimated Beginning and Ending Fund Balance

Fund Description	July 1, 2019 Fund Balance	June 30, 2020 Fund Balance	Dollar Change	Percent Change	Explanation of changes in fund balances > 10%
General Fund I	4,465,500	4,465,500	-	0%	
Administratively Restricted Fund IX	6,588,500	5,728,500	(860,000)	-13%	Pension (PERS) reserve is being drawn down $860,000
Capital Projects Fund IV	2,284,000	1,238,000	(1,046,000)	-46%	The college is winding down the 2008 bond and utilizing capital reserves for projects.
Enterprise Fund VI	1,861,000	1,150,000	(711,000)	-38%	International Programs use of fund balance & enrollment-related revenue decline
Internal Service Fund II	270,000	200,000	(70,000)	-26%	Investment in motor pool fleet
Special revenue Fund VIII	221,000	221,000	-	0%	
Financial Aid Fund V	1,527,500	1,210,000	(317,500)	-21%	Enrollment decline
Debt Service Fund III	100,000	100,000	-	0%	
	17,317,500	14,313,000	(3,004,500)	-17.3%	

GENERAL FUND I

ADMINISTRATIVELY RESTRICTED FUND IX

General Fund I Resources

FY 2016-17 ACTUAL	FY 2017-18 ACTUAL	FY 2018-19 BUDGET	Description of Resources and Requirements	FY 2019-20 PROPOSED	+/-	Explanation of changes in budget of > 10%
			RESOURCES			
12,988,183	9,826,328	7,503,300	Beginning Fund Balance	4,465,500	-	Budgeted at current projection
27,230,149	24,884,595	23,500,000	State Support	23,200,000		
18,746,752	19,728,801	20,500,000	Property Taxes	22,100,000		
			Tuition & Fees:			
23,362,340	22,961,785	25,653,300	Tuition	26,265,000		
3,113,547	3,201,964	3,411,250	Student Fees	4,215,540	+	Budgeted at current projection
			Other Sources:			
906,448	746,801	852,000	Sale of Goods and Services	824,000		
1,985,148	1,898,029	4,270,000	Administrative Recovery	2,365,000	-	FY20 standard schedule
811,423	1,087,889	455,720	Other Fees & Charges	926,945	+	Current activity; Foundation
985,974	839,751	1,736,478	Other Revenue	4,273,666	+	Partnerships, rental & interest income
77,141,781	75,349,615	80,378,748	**Total Revenues**	84,170,151		
			Transfers In:			
12,000	10,000	-	Transfer In Internal Services Fund II	-		
35,951	462,194	-	Transfer In Capital Projects Fund IV	300,000	+	Capital reserves transfer
198,770	50,000	50,000	Transfer In Financial Aid Fund V	50,000		
-	-	15,000	Transfer In Enterprise Fund VI	-	-	Accounting change
-	-	4,000	Transfer In Special Revenue Fund VIII	-	-	Budget correction
-	1,018,007	860,000	Transfer In Administratively Restricted IX	860,000		
246,721	1,540,201	929,000	**Total Transfers In**	1,210,000		
90,376,685	86,716,144	88,811,048	**TOTAL RESOURCES**	89,845,651		

General Fund I Requirements

FY 2016-17 ACTUAL	FY 2017-18 ACTUAL	FY 2018-19 BUDGET	Description of Resources and Requirements	FY 2019-20 PROPOSED	+ / -	Explanation of changes in budget of > 10%
			REQUIREMENTS			
			Instruction			
1,077,371	1,084,010	1,072,048	Academic Learning Skills	708,116	-	Vacancies
1,559,597	1,730,816	1,691,815	Adult Basic & Secondary Education	1,482,230	-	Department reorganization
3,193,293	3,138,633	3,196,713	Advanced Technologies	2,787,886	-	Department reorganization & vacancies
2,330,027	2,272,462	2,954,460	Art & Applied Design	2,645,884	-	PT faculty reduction
2,425,606	2,331,027	2,883,976	Business & Computer Information Technology	2,586,881	-	Department reorganization
-	-	-	Career Pathways*	324,943	+	Department reorganization
1,381,772	1,253,297	-	Cooperative Education	920,665	+	Department reorganization
810,461	762,254	722,290	Culinary Arts, Hotel/Restaurant/Tourism	696,152		
1,421,099	1,409,113	1,327,160	English as a Second Language	1,352,996		
756,390	855,717	857,181	Extended Learning	866,227		
1,835,347	1,550,232	1,460,771	Health & Physical Education	1,447,232		
7,501,986	7,354,752	8,013,796	Health Professions	7,816,227		
192,483	107,152	102,110	Lane Community College at Cottage Grove	109,695		
576,787	595,973	594,950	Lane Community College at Florence	561,083		
5,146,057	5,103,157	4,516,481	Language, Literature & Communication	4,483,619		
3,843,217	3,722,453	3,337,218	Mathematics	3,568,546		
1,522,807	1,540,923	1,035,162	Music/Dance/Theatre Arts	1,151,107	+	Additional faculty position
66,465	30,559	1,768,438	Non-Departmental	1,242,000	-	Salary provision
4,195,641	4,253,278	3,923,640	Science	4,174,992		
3,609,426	3,110,523	3,338,108	Social Science	3,727,014	+	Additional faculty positions
115,249	119,504	166,800	Special Instructional Projects	165,600		
322,867	330,571	355,113	Student Success	343,139		
176,439	181,972	182,581	Tutoring	126,906	-	Department reorganization
442	(318)	-	Workforce Development	-		
44,060,829	42,838,061	43,500,811	**Total Instruction**	43,289,140		

*New department created in FY20

Continued-

FY 2016-17 ACTUAL	FY 2017-18 ACTUAL	FY 2018-19 BUDGET	Description of Resources and Requirements	FY 2019-20 PROPOSED	+/-	Explanation of changes in budget of > 10%
			Instructional Support			
1,376,909	1,386,097	1,349,275	Academic & Student Affairs Office	1,390,121		
960,254	997,037	962,827	Academic Technology	942,355		
340,978	377,856	350,109	Faculty Professional Development	369,360		
257,344	156,165	-	Grant Coordination	-		
341,563	463,836	619,847	High School Connections	650,607		
562,026	568,368	630,409	Information Technology	548,702	-	Accounting change
1,268,491	1,199,340	1,257,019	Library	1,472,109	+	Budget correction
3,816	-	-	Non-Departmental	-		
-	-	-	Planning & Institutional Effectiveness	137,862	+	Department reorganization
257,416	403,981	1,114,397	Special Instructional Projects	607,480	-	Department reorganization
5,368,796	5,552,680	6,283,883	**Total Instructional Support**	6,118,596		
			Student Services			
735,671	821,074	877,051	Athletics	815,344		
730,687	1,035,790	980,970	Center for Accessible Resources	1,059,524		
-	-	-	Child and Family Education	46,074	+	Accounting change
305,712	213,081	171,326	Conference & Culinary Services	181,105		
-	-	449,276	Gender Equity Center*	461,808		
104,991	174,214	-	High School Connections	-		
359,621	226,957	380,258	Multicultural Center*	577,605	+	Department reorganization
1,442,100	1,319,681	3,250,663	New Student Transitions*	3,446,136		
-	66,905	-	Non-Departmental	-		
14,409	356,717	-	Special Instructional Projects	-		
679,898	671,842	1,232,599	Student Engagement*	227,435	-	Department reorganization
204,169	211,581	209,733	Student Standards *	214,994		
3,304,745	3,758,753	1,433,332	Student Success*	2,410,290	+	Department reorganization
554,404	102,927	-	Workforce Development	-		
8,436,406	8,959,522	8,985,208	**Total Student Services**	9,440,315		

* Student Affairs reorganization FY19

Continued-

FY 2016-17 ACTUAL	FY 2017-18 ACTUAL	FY2018-19 BUDGET	Description of Resources and Requirements	FY 2019-20 PROPOSED	+/-	Explanation of changes in budget of > 10%
			College Support Services			
-	-	-	Access, Equity and Inclusion	245,871	+	Department reorganization
36,713	28,676	39,397	Archives & Records Management	39,295		
31,435	36,252	28,300	Board of Education	26,500		
1,548,727	6,496,120	1,401,841	College Finance	1,432,964		
693,551	879,211	1,054,814	College Services	946,587	-	Department reorganization
243,314	259,336	158,403	Curriculum & Scheduling	163,305		
-	-	1,000	Employee Wellness	-	-	Department reorganization
488,895	314,185	442,400	Governance & Administration	315,000	-	Materials & services reduction
1,329,819	1,388,064	1,350,334	Human Resources	1,496,656	+	Additional position
3,908,850	3,572,958	3,752,184	Infrastructure Technology	4,500,956	+	Additional position; college mandatories
424,792	407,981	311,988	Institute for Sustainable Practices	310,288		
615,847	593,187	684,000	Insurance - Property & Liability	650,000		
757,561	772,683	787,819	Lane Community College Foundation	747,381		
222,110	188,809	121,571	Mail Services	123,428		
426,173	460,963	638,080	Marketing & Public Relations	1,515,711	+	Dept. reorganization; marketing investments
4,891,601	76,886	761,500	Non-Departmental	1,523,102	+	Department reorganization
(5,957,180)	(5,551,233)	-	Other Personnel Expenditures	-		
646,498	648,205	597,496	Planning & Institutional Effectiveness*	801,530	+	Department reorganization
1,734,992	1,114,094	1,281,687	President's Office	888,615	-	Department reorganization
182,969	191,295	300,062	Professional & Organizational Development	321,552		
1,551,361	1,385,919	1,335,650	Public Safety	1,269,926		
-	160,035	160,324	Telephone Services	398,152	+	Department reorganization
13,778,025	13,423,627	15,208,850	**Total College Support Services**	17,716,819		
			Plant Operations & Maintenance			
5,884,198	6,032,632	6,030,303	Facilities Management & Planning	6,156,177		
5,884,198	6,032,632	6,030,303	**Total Plant Operations & Maintenance**	6,156,177		
			Contingency			
-	-	2,620,000	Projects/Provisions	2,600,000		
-	-	2,620,000	**Total Contingency**	2,600,000		

*IRAP reorg FY19

Continued-

FY 2016-17 ACTUAL	FY 2017-18 BUDGET		Description of Resources and Requirements	FY 2018-19 PROPOSED	+/-	Explanation of changes in budget of > 10%
			Transfers Out:			
446,980	89,478	-	To Internal Service Fund II	-		
112,489	69,897	746,893	To Debt Service III	802,504		
1,059,949	1,000,000	2,500,000	To Capital Projects Fund IV	1,100,000	-	Decreased investment in Major Maintenance
94,771	-	-	To Enterprise Fund VI	-		
1,307,916	966,827	285,100	To Administratively Restricted Fund IX	77,100	-	Updated transfer schedule
3,022,105	2,126,202	3,531,993	**Total Transfers Out**	1,979,604		
			UEFB			
-	-	2,650,000	Unappropriated Ending Fund Balance	2,545,000		
-	-	2,650,000	**Total UEFB**	2,545,000		
			TOTAL REQUIREMENTS			
80,550,358	78,932,725	88,811,048		89,845,651		
			SUMMARY			
90,376,685	86,716,144	88,811,048	Total Resources	89,845,651		
(80,550,357)	(78,932,725)	(88,811,048)	Less: Total Requirements	(89,845,651)		
9,826,328	7,783,419	-	**RESOURCES OVER-(UNDER) EXPENDITURES**	-		
9,826,328	7,783,419	-	**ENDING FUND BALANCE**	-		

Continued-

General Fund I Requirements by Expense Category

	FY 2019-20 ADOPTED	Personnel Services	Materials & Services	Capital Outlay	Transfers Out	Debt Service	Contingency
Instruction							
Academic Learning Skills	**708,116**	696,916	11,200	-	-	-	-
Adult Basic & Secondary Education	**1,482,230**	1,401,630	80,600	-	-	-	-
Advanced Technologies	**2,787,886**	2,450,611	337,275	-	-	-	-
Art & Applied Design	**2,645,884**	2,475,469	170,415	-	-	-	-
Business & Computer Information Technology	**2,586,881**	2,520,831	66,050	-	-	-	-
Career Pathways	**324,943**	322,443	2,500				
Cooperative Education	**920,665**	903,865	16,800				
Culinary Arts, Hotel/Restaurant/Tourism	**696,152**	592,352	103,800	-	-	-	-
English as a Second Language	**1,352,996**	1,325,946	27,050	-	-	-	-
Extended Learning	**866,227**	828,027	38,200	-	-	-	-
Health & Physical Education	**1,447,232**	1,337,092	110,140	-	-	-	-
Health Professions	**7,816,227**	6,945,954	870,273	-	-	-	-
Lane Community College at Cottage Grove	**109,695**	96,095	13,600	-	-	-	-
Lane Community College at Florence	**561,083**	543,083	18,000	-	-	-	-
Language, Literature & Communication	**4,483,619**	4,420,719	62,900	-	-	-	-
Mathematics	**3,568,546**	3,526,146	42,400	-	-	-	-
Music/Dance/Theatre Arts	**1,151,107**	1,047,817	103,290	-	-	-	-
Non-Departmental	**1,242,000**	1,242,000	-	-	-	-	-
Science	**4,174,992**	4,056,642	118,350	-	-	-	-
Social Science	**3,727,014**	3,684,814	42,200	-	-	-	-
Special Instructional Projects	**165,600**	165,600	-	-	-	-	-
Student Success	**343,139**	343,139	-	-	-	-	-
Tutoring	**126,906**	122,406	4,500	-	-	-	-
Total Instruction	**43,289,140**	41,049,597	2,239,543	-	-	-	-

Continued

General Fund I Requirements by Expense Category

	FY 2019-20 ADOPTED	Personnel Services	Materials & Services	Capital Outlay	Transfers Out	Debt Service	Contingency
Instructional Support							
Academic & Student Affairs Office	**1,390,121**	1,289,921	100,200	-	-	-	-
Academic Technology	**942,355**	896,255	46,100	-	-	-	-
Faculty Professional Development	**369,360**	14,219	355,141	-	-	-	-
High School Connections	**650,607**	629,207	21,400	-	-	-	-
Information Technology	**548,702**	548,702	-	-	-	-	-
Library	**1,472,109**	1,271,049	121,060	80,000	-	-	-
Planning & Institutional Effectiveness	**137,862**	69,462	68,400	-	-	-	-
Special Instructional Projects	**607,480**	132,480	475,000	-	-	-	-
Total Instructional Support	**6,118,596**	4,851,295	1,187,301	80,000	-	-	-
Student Services							
Athletics	**815,344**	701,844	113,500	-	-	-	-
Center for Accessible Resources	**1,059,524**	955,524	104,000	-	-	-	-
Child & Family Education	**46,074**	46,074	-	-	-	-	-
Conference & Culinary Services	**181,105**	181,105	-	-	-	-	-
Gender Equity Center	**461,808**	446,308	15,500				
Multicultural Center	**577,605**	526,280	51,325				
New Student Transitions	**3,446,136**	3,307,336	138,800	-	-	-	-
Student Engagement	**227,435**	173,035	54,400	-	-	-	-
Student Standards	**214,994**	212,394	2,600	-	-	-	-
Student Success	**2,410,290**	2,336,220	74,070	-	-	-	-
Total Student Services	**9,440,315**	8,886,120	554,195	-	-	-	-
Community Services							
KLCC FM	**77,100**	-	-	-	77,100	-	-
Total Community Services	**77,100**	-	-	-	77,100	-	-

Continued

General Fund I Requirements by Expense Category

	FY 2018-19 ADOPTED	Personnel Services	Materials & Services	Capital Outlay	Transfers Out	Debt Service	Contingency
College Support Services							
Access, Equity & Inclusion	**245,871**	223,171	22,700	-	-	-	-
Archives & Records Management	**39,295**	32,995	6,300	-	-	-	-
Board of Education	**26,500**	-	26,500	-	-	-	-
College Finance	**1,575,468**	1,214,064	218,900	-	142,504	-	-
College Services	**946,587**	820,987	125,600	-	-	-	-
Curriculum & Scheduling	**163,305**	163,305	-	-	-	-	-
Governance & Administration	**315,000**	-	315,000	-	-	-	-
Human Resources	**1,496,656**	1,376,756	119,900	-	-	-	-
Infrastructure Technology	**4,500,956**	3,323,156	1,107,300	70,500	-	-	-
Institute for Sustainable Practices	**310,288**	227,488	82,800	-	-	-	-
Insurance - Property & Liability	**650,000**	-	650,000	-	-	-	-
Lane Community College Foundation	**747,381**	747,381	-	-	-	-	-
Mail Services	**123,428**	115,928	7,500	-	-	-	-
Marketing & Public Relations	**1,515,711**	751,211	764,500	-	-	-	-
Non-Departmental	**1,523,102**	898,102	475,000	150,000	-	-	-
Planning & Institutional Effectiveness	**801,530**	767,530	34,000				
President's Office	**888,615**	623,315	265,300	-	-	-	-
Professional & Organizational Development	**321,552**	133,852	187,700	-	-	-	-
Public Safety	**1,269,926**	1,131,726	138,200	-	-	-	-
Telephone Services	**398,152**	165,172	232,980	-	-	-	-
Total College Support Services	**17,859,323**	12,716,139	4,780,180	220,500	142,504	-	-
Debt Service							
College Finance	**660,000**	-	-	-	660,000	-	-
Total Debt Service	**660,000**	-	-	-	660,000	-	-
Plant Operations & Maintenance							
Facilities Management & Planning	**7,256,177**	3,590,677	2,565,500	-	1,100,000	-	-
Total Plant Operations & Maintenance	**7,256,177**	3,590,677	2,565,500	-	1,100,000	-	-
Contingency							
Projects/Provisions	**2,600,000**	-	-	-	-	-	2,600,000
Unappropriated Ending Fund Balance (UEFB)	**2,545,000**	-	-	-	-	-	2,545,000
Total Contingency	**5,145,000**	-	-	-	-	-	5,145,000
Total General Fund Requirements	**89,845,651**	71,093,828	11,326,719	300,500	1,979,604	-	5,145,000

Administratively Restricted Fund IX

FY 2016-17 ACTUAL	FY 2017-18 ACTUAL	FY18-19 BUDGET	Description of Resources and Requirements	FY 2019-20 PROPOSED	+ -	Explanation of changes in budget of > 10%
7,723,683	7,462,773	7,160,000	Beginning Fund Balance	6,588,500		
31,770	34,163	30,000	Federal Support	35,000	+	Budgeted at current projction
			Tuition & Fees:			
367,738	247,160	240,000	Tuition	200,000	-	Based on current enrollment projections
4,566,904	6,163,886	6,987,400	Student Fees	6,626,000		
1,699,730	1,473,387	1,689,510	Other Fees & Charges	1,704,760		
2,031,221	1,909,616	1,994,000	Sale of Goods and Services	1,685,000	-	Reduction based upon current activiy
260,670	337,821	1,119,010	Other Revenue	635,870	-	Reduction based upon current activiy
8,958,033	10,166,033	12,059,920	**Total Revenues**	10,886,630		
			Transfers In:			
1,307,916	966,827	285,100	Transfer In General Fund I	77,100	-	Updated transfer schedule
4,500	-	-	Transfer In Internal Services Fund II	-		
-	98,227	-	Transfer In Fm Capital Proj Fund	-		
-	-	10,000	Transfer In Enterprise Fund VI	-	-	Accounting change
1,312,416	1,065,054	295,100	**Total Transfers In**	77,100		
17,994,132	18,693,860	19,515,020	**TOTAL RESOURCES**	17,552,230		

Continued-

FY 2016-17 ACTUAL	FY 2017-18 ACTUAL	FY2018-19 BUDGET	Description of Resources and Requirements	FY 2019-20 PROPOSED	+/-	Explanation of changes in budget of > 10%
			REQUIREMENTS			
			Instruction			
1,113,781	1,169,379	1,590,000	Extended Learning	1,245,300	-	Budgeted at current activity levels
1,058,757	1,187,172	1,299,201	Flight Technology	1,025,201	-	Budgeted at current activity levels
453,218	430,191	-	Institute for Sustainable Practices	-		
1,224,228	1,201,353	1,252,000	Specialized Support Services	993,000	-	Program reorganization
10,844	25,751	15,000	Student Restaurant	15,000		
299,195	324,340	1,801,943	Technology Fee	-	-	Accounting change
-	222	-	Non-Departmental	-		
4,160,023	4,338,408	5,958,144	**Total Instruction**	3,278,501		
			Instructional Support			
83,921	295,875	415,000	Academic Technology	465,000	+	Program investments
81,903	-	-	Regional Technical Education Consortium	-		
35,320	-	-	Special Instruction Projects	-		
473,052	590,265	178,570	Technology Fee	283,113	+	Additional staff position
674,196	886,141	593,570	**Total Instructional Support**	748,113		
			Student Services			
111,012	-	-	Athletics*	-		
577,724	604,517	833,200	Child Development Center	778,000		
951,620	1,004,751	1,199,000	Health Clinic	1,038,000	-	Budgeted at current activity levels
-	-	67,800	Multicultural Center**	60,230	-	Department reorganization
572,254	367,630	514,580	Student Engagement**	459,860	-	Department reorganization
20,558	25,099	13,500	Student Productions Association	13,140		
19,221	33,982	-	Technology Fee	-		
175,571	64,292	73,400	The Torch	58,500	-	Based on current enrollment projections
2,427,960	2,100,271	2,701,480	**Total Student Services**	2,407,730		

*Athletics moved to General Fund FY18

**Student Engagement Reorganization

Continued-

FY 2016-17 ACTUAL	FY 2017-18 ACTUAL	FY2018-19 BUDGET	Description of Resources and Requirements	FY 2019-20 PROPOSED	+ / -	Explanation of changes in budget of > 10%
			Community Services			
1,950,350	1,872,475	2,118,100	KLCC FM Operations	2,180,000		
1,950,350	1,872,475	2,118,100	**Total Community Services**	2,180,000		
			College Support Services			
415,407	1,170,757	163,487	Technology Fee	1,836,887	+	Accounting change
659,444	689,507	593,940	Transportation	520,000	-	Based on current enrollment projections
1,074,852	1,860,264	757,427	**Total College Support Services**	2,356,887		
			Transfers Out:			
-	1,018,007	860,000	To General Fund I	860,000		
28,504	15,934	13,799	To Debt Service III	13,799		
215,475	200,815	212,500	To Capital Projects Fund IV	207,200		
243,979	1,234,756	1,086,299	**Total Transfers Out**	1,080,999		
			Contingency			
-	-	6,300,000	Projects/Provisions	5,500,000	-	Based upon fund balance estimate
-	-	6,300,000	**Total Contingency**	5,500,000		
10,531,359	12,292,315	19,515,020	**TOTAL REQUIREMENTS**	17,552,230		
7,462,773	6,401,545	-	**ENDING FUND BALANCE**	-		
			SUMMARY			
17,994,132	18,693,860	19,515,020	Total Resources	17,552,230		
(10,531,359)	(12,292,315)	(19,515,020)	Less: Total Requirements	(17,552,230)		
7,462,773	6,401,545	-	**RESOURCES OVER-(UNDER) EXPENDITURES**	-		

DEBT FUND III

AND

CAPITAL FUND IV

Long Term Debt Obligations

The debt service fund is used to account for the accumulation of resources and, for the payment of general long term debt principal, interest and related costs.

Debt Service Fund III

FY 2016-17 ACTUAL	FY 2017-18 ACTUAL	FY2018-19 BUDGET	Description of Resources and Requirements	FY 2019-20 PROPOSED	+ / -	Explanation of changes in budget of > 10%
			RESOURCES			
842,423	528,081	100,000	Beginning Fund Balance	100,000	-	Budgeted at current projection
6,851,438	7,310,332	7,454,300	Property Taxes	7,604,350		
24,489,469	4,965,264	5,179,250	Other Revenue - PERS Bond	5,404,250		
31,340,907	12,275,596	12,633,550	**Total Revenues**	13,008,600		
			Transfers In			
112,489	69,897	746,893	Transfer In General Fund I	802,504		
1,470,500	1,148,513	632,300	Transfer In Enterprise Fund VI	606,400		
28,504	15,934	13,799	Transfer In Administratively Restricted IX	13,799		
1,611,493	1,234,344	1,392,992	**Total Transfers In**	1,422,703		
33,794,822	14,038,021	14,126,542	**TOTAL RESOURCES**	14,531,303		
			REQUIREMENTS			
33,266,742	13,877,978	14,126,542	Debt Service	14,531,303		
33,266,742	13,877,978	14,126,542	**TOTAL REQUIREMENTS**	14,531,303		
528,081	160,043	-	**ENDING FUND BALANCE**	-		
			SUMMARY			
33,794,822	14,038,021	14,126,542	Total Resources	14,531,303		
(33,266,742)	(13,877,978)	(14,126,542)	Less: Total Requirements	(14,531,303)		
528,081	160,043	-	**RESOURCES OVER-(UNDER) EXPENDITURES**	-		

Obligation to Pay

Debt incurred by a community college district becomes the obligation of such community college district to pay. In the case that a community college district no longer has students and no longer provides educational services, it is still required to levy and collect property taxes, up to its operating tax rate limit. Article XI, Section 11b (often called “Measure 5”) limits Educational Taxes to $5 per $1,000 of the Taxable Real Market Value of a property.

Debt Limitation

General Obligation Bonds. Oregon Revised Statute (ORS) 341.675 establishes a parameter of general obligation bonded indebtedness for community college districts. Community colleges may issue an aggregate principal amount up to 1.5 percent of Real Market Value (RMV) of all taxable properties within the district if the District's voters approve the general obligation bonds. General obligation bonds are secured by the power to levy an additional tax outside the limitations of Article XI, Sections 11 and 11b.

Lane Community College
General Obligation Debt Capacity

Measure 5 Real Market Value (Fiscal Year 2018)	55,534,521,957	(1)
Debt Capacity		
General Obligation Debt Capacity (1.5% of RMV)	833,017,829	
Less: Outstanding Debt Subject to Limit	42,510,000	(2)
Remaining General Obligation Debt Capacity	790,507,829	
Percent of Capacity Issued	5.1%	

(1) The District's fiscal Year commences July 1 and ends June 30 of the following year (the "Fiscal Year"). *Source: Lane, Linn, Benton and Douglas Counties Department of Assessment and Taxation.*

(2) Represents voter-approved, unlimited-tax general obligations of the District. *Source: Lane Community College Audited Financial Reports for the Fiscal Year Ended June, 30, 2018.*

Full Faith and Credit Obligations/Limited Tax Obligations. Community colleges may pledge their full faith and credit for "limited tax bonded indebtedness" or "full faith and credit obligations" in addition to pledging the full faith and credit for voter approved general obligation bonds. The Oregon Constitution and statutes do not limit the amount of limited tax bonded indebtedness that a community college may issue. Full faith and credit obligations can take the form of certificates of participation, notes or capital leases. Collection of property taxes to pay principal and interest on such limited-tax debt is subject to limitations of Article XI, Sections 11 and 11b.

Pension Bonds. ORS 238.694 authorizes community colleges to issue full faith and credit obligations to pay pension liabilities without limitations as to principal amount. Pension bonds are not general obligation as defined under State law and the District is not authorized to levy additional taxes to make pension bond payments.

Revenue Bonds. The district may issue revenue bonds for any public purpose, which are secured by revenues pursuant to ORS 287A.150. Subject to any applicable limitations imposed by the Oregon Constitution or laws of the state or resolution of an individual community college, ORS 287A.180 provides that the District may borrow money in anticipation of tax revenues or other monies and provide interim financing.

Outstanding Long-Term Debt

Flight Technology

In September 2013, the College executed promissory notes for the purchase of two aircraft totaling $230,000 for the Flight Technology Program. The benefits of these airplanes are lower fuel costs, high reliability, low down-time and industry standard equipment that better prepare students for the equipment they will be using after graduation. After one of the aircraft was damaged beyond repair, the College fully repaid the related note with proceeds from an insurance settlement. The notes are payable in monthly installments with interest at 3.685% per annum, debt service for this loan is to be paid by an interfund transfer from Fund IX so there is no impact on the General Fund. The loan will be fully paid September 15, 2023.

Flight Technology Long-Term Debt	Principal	Interest	Total
2019-2020	11,974	1,825	13,799
2020-2024	42,125	2,679	44,804
Total Flight Technology	54,099	4,504	58,603

Qualified Energy Conservation Bonds

In October 2012, the College issued $1,500,000 of Qualified Energy Conservation Bonds to finance capital costs for energy conservation measures. The bonds are due annually and interest is payable semi-annually, on June 15 and December 15, with interest at 4.62% per annum. The bonds qualify for interest subsidy payments from the U.S. Treasury for up to 70% of the interest payments on the bonds. This note will be fully paid in 2027.

Qualified Energy Conservation Bonds	Principal	Interest	Total
2019-2020	100,000	42,504	142,504
2020-2027	820,000	159,390	979,390
Total Qualified Energy Conservation Bonds	920,000	201,894	1,121,894

General Obligation Bonds

On November 4, 2008 voters approved authority for the College to issue $83 million in general obligation bonds to be used to renovate outdated infrastructure and instructional technology. In June 2009, the College issued Series 2009 General Obligation Bonds in the original amount of $45 million and in August 2012, the College issued $38 million in Series 2012 General Obligation Bonds. These general obligation bonds were issued to finance the costs of capital construction and improvements to College facilities, and to pay the costs of issuance of the Bonds. The bonds will be retired from property taxes levied by the College. The Bonds are due annually and interest is payable semi-annually, on June 15 and December 15, with interest rates ranging from 4.0% to 5.0% on the Series 2009 Bonds and 3.0% to 5.0% on the Series 2012 Bonds.

In June 2016, the College issued Series 2016 General Obligation Refunding Bonds in the amount of $14,135,000. These bonds were used to extinguish $14,630,000 of outstanding Series 2009 General Obligation Bonds through an in-substance defeasance. The in-substance defeasance was accomplished by placing a portion of the proceeds of the Series 2016 General Obligation Refunding Bonds in an irrevocable trust from which principal and interest payments will be made on the defeased debt. The excess of the reacquisition price of the defeased debt over its carrying value was deferred and is being amortized over the term of the Series 2009 bonds. At June 30, 2017, $14,630,000 in Series 2009 bonds were outstanding and considered defeased.

General Obligation Bonds	Series 2012 Bonds		Series 2016 Bonds		
	Principal	Interest	Principal	Interest	Total
2019-2020	5,070,000	972,650	1,115,000	546,700	7,704,350
2020-2024	17,525,000	2,036,625	13,020,000	1,410,600	33,992,225
Total General Obligation Bonds	22,595,000	3,009,275	14,135,000	1,957,300	41,696,575

Full Faith & Credit Obligations

In October 2016, the College issued $17,580,000 of Full Faith and Credit Obligations, Series 2016 to extinguish the remaining $19,355,000 of Full Faith and Credit Obligations, Series 2010 (previously termed “Recovery Zone Bonds). The Series 2010 Obligations were used to finance the costs of capital improvements for the College’s student housing project, to pay capitalized interest and to pay the costs of issuance of the Obligations. The Series 2010 Obligations were called on October 25, 2016.

The College advance refunded the Series 2010 Obligations to take advantage of lower interest rates and to reduce total debt service payments over the life of the Series 2016 Obligations by $3,171,550. The refunding resulted in an economic gain (difference between the present values of the old and new debt service payments) of $2,554,977. The Series 2016 Obligations bear interest rates from 1.6% to 5% and the final maturity is on December 1, 2035. Debt service payments are scheduled semiannually.

Full Faith & Credit Obligations	Principal	Interest	Total
2019-2020	660,000	606,400	1,266,400
2020-2036	14,735,000	5,225,500	19,960,500
Total Full Faith & Credit Obligations	15,395,000	5,831,900	21,226,900

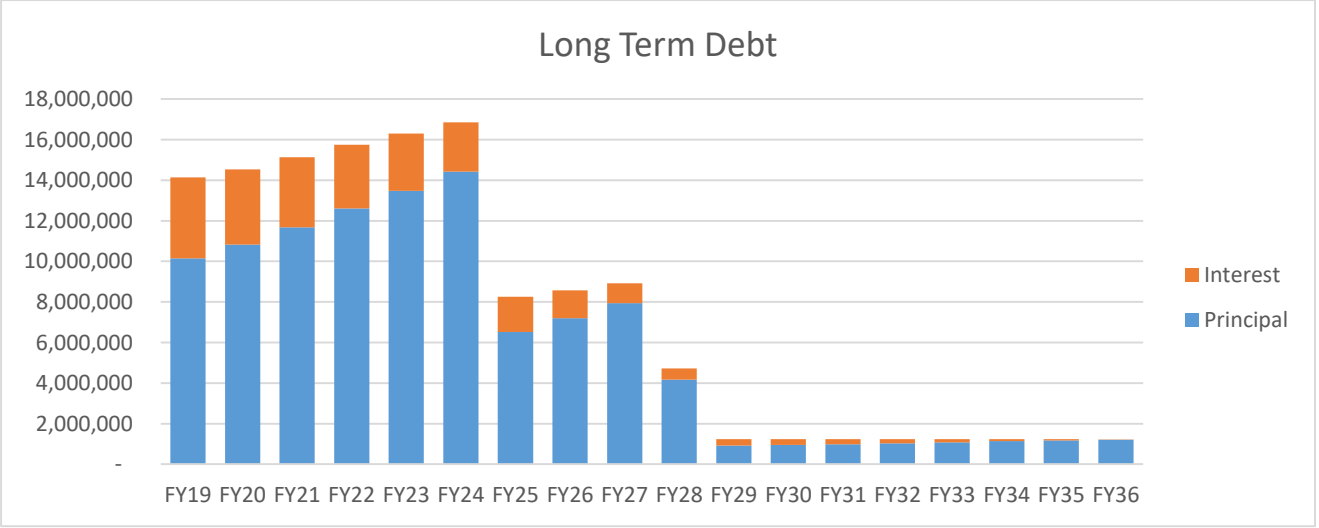
Pension Obligation Bonds

In April 2003, the College issued $51,803,948 of Limited Tax Pension Obligation Bonds and transferred the net proceeds to the State of Oregon Public Employees Retirement System to cover a portion of the College’s share of the cost sharing plan’s unfunded actuarial liability. The resulting pension asset is being used to pay a portion of the college’s annual required contribution. Principal payments are due annually through June 30, 2028 and interest is payable in December and June of each year with rates ranging from 5.91% to 6.25%. Table 6 shows the College’s total debt service.

Pension Obligation Bonds	Principal	Interest	Total
2019-2020	3,875,000	1,529,250	5,404,250
2020-2028	40,360,000	9,047,404	49,407,404
Total Pension Obligation Bonds	44,235,000	10,576,654	54,811,654
Less Deferred Interest	(3,544,912)		
Carrying Amount	40,690,088		

Total Debt Service	Principal	Interest	Total
2019-2020	10,831,974	3,699,329	14,531,303
2020-2036	86,502,125	17,882,198	104,384,323
Total Debt Service	97,334,099	21,581,527	118,915,626
Less Deferred Interest	(3,544,912)		
	93,789,187		

Chart 9: Lane Community College Long Term Debt[4]



[4] Source: *Lane Community College Audited Financial Reports for the Fiscal Year Ended June 30, 2018*

Capital Projects Fund IV

FY 2016-17 ACTUAL	FY 2017-18 ACTUAL	FY2018-19 BUDGET	Description of Resources and Requirements	FY 2019-20 PROPOSED	+/-	Explanation of changes in budget of > 10%
			RESOURCES			
4,637,219	4,064,939	1,108,000	Beginning Fund Balance	2,284,000		+ Budgeted at current projection
298,122	701,878	-	State Support	-		
255,216	251,331	246,000	Other Fees & Charges	226,000		
110,822	55,844	-	Other Revenue	-		
664,160	1,009,053	246,000	**Total Revenues**	226,000		
			Transfers In			
1,059,949	1,000,000	2,500,000	Transfer In General Fund I	1,100,000		- Decreased funding for major maintenance
215,475	200,815	212,500	Transfer In Administratively Restricted IX	207,200		
1,275,424	1,200,815	2,712,500	**Total Transfers In**	1,307,200		
6,576,803	6,274,807	4,066,500	**TOTAL RESOURCES**	3,817,200		
			REQUIREMENTS			
			Capital Projects			
2,475,913	4,039,732	4,066,500	Capital Projects	3,517,200		- Decreased funding for major maintenance
2,475,913	4,039,732	4,066,500	**Total Capital Projects**	3,517,200		
			Contingency			
-	-	-	Projects/Provisions	-		
-	-	-	**Total Contingency**	-		
			Transfers Out			
35,951	462,194	-	To General Fund I	300,000		+ Capital reserves transfer to the General Fund
-	98,227	-	To Administratively Restricted Fund IX	-		
35,951	560,421	-	**Total Transfers Out**	300,000		
2,511,864	4,600,153	4,066,500	**TOTAL REQUIREMENTS**	3,817,200		
4,064,939	1,674,654	-	**ENDING FUND BALANCE**	-		
			SUMMARY			
6,576,803	6,274,807	4,066,500	Total Resources	3,817,200		
(2,511,864)	(4,600,153)	(4,066,500)	Less: Total Requirements	(3,817,200)		
4,064,939	1,674,654	-	**RESOURCES OVER-(UNDER) EXPENDITURES**	-		

Capital Budget

What is a Capital Project?

A Capital Project is defined as an activity that creates, improves, replaces, repairs, or maintains a capital asset and results in a permanent addition to the college's asset inventory. Capital Projects are accomplished through one or more of the following actions:

- Rehabilitation, reconstruction or renovation of an existing facility to a condition which extends its useful life or increases its usefulness or capacity;
- Acquisition of property; or
- Construction of new facilities.

Capital Projects are generally large-scale endeavors in terms of cost, size and benefit to the community. They involve non-recurring expenditures or capital outlays from a variety of specifically identified funding sources, which do not duplicate normal maintenance activities funded by the operating budget.

What is a Capital Purchase?

A Capital Purchase is equipment, books and publications, or software with a useful life exceeding two years and an individual cost equal to or above the following thresholds:

1. At the threshold set forth in applicable regulations or grantor requirements, when the assets are acquired with grant or contract funds, but not at a higher threshold than 2, below.
2. At $10,000 when the owner of the asset(s) is Lane Community College at the time of purchase or construction. *(COPPS, Purchases: Capital Equipment.)*

Rehabilitation and Preservation of Existing Capital Assets

As an asset ages, it requires preservation to protect or extend its useful life. In addition, reconstruction costs are frequently four to five times the cost of preservation and maintenance. For that reason, major maintenance funding transfer from the General Fund to the Capital Projects Fund reflects board policy:

- Assure that plant and equipment are not subjected to improper wear and tear or insufficient maintenance. *(Board Policy 205).*

Impact of Capital Projects on Marginal Operating Costs

Generally, projects that create new capital facilities or increase capacity will have associated long-term operating, preservation, and maintenance costs. The Leadership in Educational Facilities (APPA) professional association recommends the following formula to budget operating costs for new buildings:

- Annual maintenance costs are 2% of the construction cost.
- Custodial Services at a cost of $1.95/square foot. LCC expended 1.11/ft.^{2} Custodial Services in FY17 and FY18.
- Plan for utility costs for the new building(s). LCC expended $.97/ft.^{2} on utilities in FY18.
- If applicable, plan for grounds cost per acre.

What is Deferred Maintenance?

Deferred maintenance is previously unfunded major maintenance or capital projects. By deferring maintenance or capital renewal, the risk of facility or capital failure increases.

What are Lane Community College's Deferred Maintenance Needs?

In 2017, LCC completed a Facilities Conditions Assessment (FCA), which assessed LCC's 34 buildings (1,352,956 ft.^{2}). The assessment reviewed the following facilities systems:

- Accessibility
- Elevators
- Exterior Systems (roofs, windows, siding, etc.)
- Fire/Life Safety
- Interior Finishes
- Electrical
- Plumbing
- Site
- HVAC
- Health

The assessment outlined 10 years of deferred maintenance needs for the college, as outlined in Table 13 below. The non-recurring items are one-time upgrades to address non-wear improvements. Deferred renewal items are at or beyond their useful life.

Table 13: 10-year Renewal Needs from 2017 Facilities Conditions Assessment ($ in Millions)

System	Non-Recurring	Deferred Renewal	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	10 Yr. Needs
Accessibility	4.60	-	-	-	-	-	-	-	-	-	-	-	$ 4.6
Exterior System	2.70	10.9	.19	.1.5	.20	.20	.17	.14	.21	.19	1.5	1.1	$ 19.0
Interior Finishes	.40	6.7	.18	.56	.02	1.8	.32	1.6	.50	.90	2.4	1.1	$ 16.5
Plumbing	.002	.38	.02	.02	.005	-	.003	.02	.03	.14	10.5	1.2	$ 12.3
HVAC	.01	28.2	.90	.35	.65	-	-	.2	.6	2.0	.63	.17	$ 33.7
Fire/Life Safety	2.70	.70	-	-	-	-	-	-	.02	.18	.08	1.2	$ 4.9
Electrical	.65	6.60	.003	.7	.21	1.3	-	.07	3.6	5.3	2.3	1.3	$ 22.0
Site	-	-	.04	-	-	-	-	-	-	.02	-	.14	$ .2
Elevators	-	.36	-	-	-	-	-	-	-	.23	.76	-	$ 1.4
Health	.23	.14	.11	-	-	-	-	-	-	-	1.5	-	$ 2.0
Total (millions)	11.3	54.0	1.4	3.1	1.1	3.3	.5	2.0	5.0	9.0	19.7	6.2	$ 116.6**M**

APPA recommends funding annual capital renewal at 1.5% – 2.5% of current replacement value. LCC's proposed FY20 capital budget is $1.1M, or 0.22% of the FY19 replacement value. Chart 10 on page 60 shows funding scenarios for satisfying 10 Year Renewal Needs.

Chart 10: Funding Scenarios for Completing 10 Year Renewal Needs

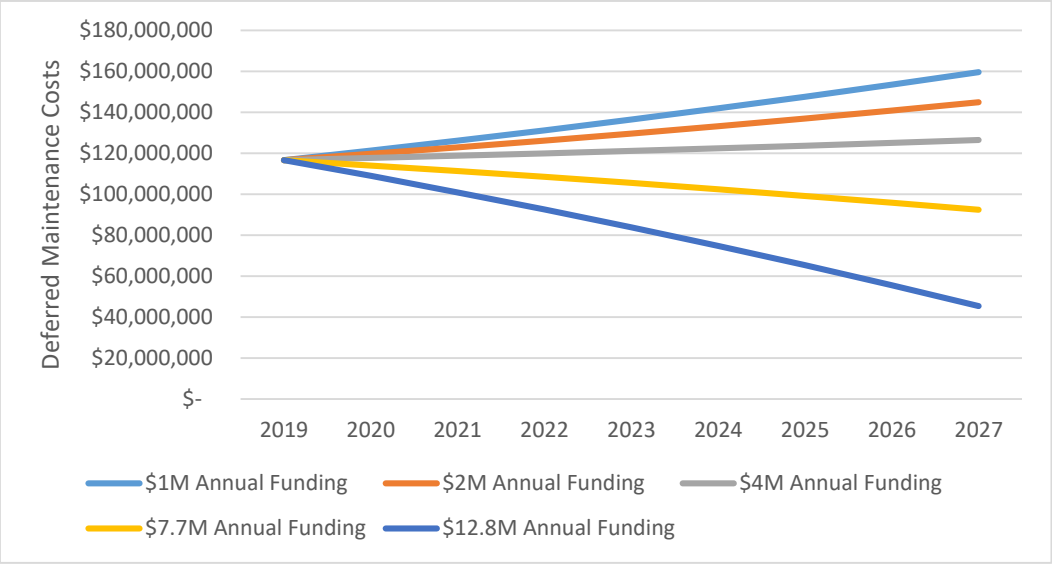


Table 14: LCC Capital Budget – All Funds & All Sources

Fund	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019 Budget	FY 2020[5] Proposed
General Fund	$ 305,628	$ 326,727	$ 207,453	$ 178,588	$ 611,234	$ 883,782	$ 245,114	$ 245,500	$ 80,000
Admin. Restricted	334,297	71,272	112,755	125,705	34,511	323,476	553,537	160,404	102,430
Internal Service	82,809	129,162	-	-	29,195	100,000	150,000	-	-
Capital Fund[6]	50,250,992	17,793,321	9,949,725	23,979,817	15,673,586	2,511,864	4,600,153	4,066,500	3,517,200
Enterprise	229,176	69,869	45,598	300,125	29,129	87,827	5,081	-	-
Special Revenue	555,635	815,524	76,924	154,351	256,915	250,000	224,879	250,000	250,000
Total	$ 51,758,537	$ 19,205,875	$ 10,392,455	$ 24,738,586	$ 16,634,570	$4,156,949	$ 5,778,764	$ 4,722,404	$3,949,630

[5] FY20 Capital Fund Budget reduced to account for $300K transfer out of capital reserve funds.
[6] The Capital Fund budget is declining as LCC is finishing projects tied to the $83M bond, which Lane County voters passed in 2008.

Capital Renewal Plan, Differing Funding Levels

For the FY20 Proposed Budget, Lane Community College proposes a $3.9M (table 14 on page 60) budget for capital projects and purchases. Of the total proposed budget, $3.5M is in the Capital Fund and $1.1M is allocated for major maintenance. The scenarios outlined in Table 15 outline capital renewal projects under varying funding scenarios.

At a $1.1M funding level, the Facilities Management & Planning (FMP) team will initiate the removal of exterior beams around buildings 9, 10, and 12, as well as install OSHA mandated roof tie offs for building 1. This funding level also reserves funding for wayfinding updates and unplanned expenditures. For example, typical unplanned expenditures include water damage from roof leaks, pipe failures, HVAC and electrical equipment. At this funding level, the deferred maintenance list will increase, as funding is not available for other necessary projects.

At a $2.5M funding level, the FMP team will initiate all the projects outlined in Table 15 below and reserve some funds for unplanned expenditures. Similar to the $1.1M funding level, the deferred maintenance list will increase.

Table 15: FY20 Capital Renewable Plan at Differing Funding Levels

	Funding Scenarios				
Project	**$2.5M**	**$2.0M**	**$1.5M**	**$1M**	**Notes**
Remove exterior beams around bldgs. 9,10, & 12	✓	✓	✓	✓	Beams are degrading
Roof Tie Offs, Bldg. 1	✓	✓	✓	✓	OSHA mandated and departmental goal
Center Building Transformer	✓	✓			Transformer is 50+ years old and requires replacement
Bldg. 5 Gym Lighting Controls	✓	✓	✓		Controls currently operated by a 5” floppy disk and an old computer
Bldg. 1 Lighting Controls	✓	✓	✓		These controls are failed and lighting is on 24-7
Remove broken stairway west of bldg. 18	✓	✓	✓		Currently blocked off due to safety hazards
Remove Bldg. 18 exterior handrail (only)	✓	✓	✓		
Building 25 Flooring	✓	✓	✓		Building is 21 years old and the flooring is damaged
Building 11 handrail	✓				Remove and replace handrail
Building 16 carpet	✓	✓			Replace all 19 year old carpet
Building 16 Interior Painting – Phase 1	✓				
Parking Lot Maintenance	✓	✓	✓		
Concrete repairs	✓	✓	✓		Replace worn and chipped concrete
Wayfinding signage updates	✓	✓	✓	✓	
Unplanned	✓	✓	✓	✓	

INTERNAL SERVICE FUND II
FINANCIAL AID FUND V
ENTERPRISE FUND VI
SPECIAL REVENUE FUND VIII

Internal Service Fund II

FY 2016-17 ACTUAL	FY 2017-18 ACTUAL	FY2018-19 BUDGET	Description of Resources and Requirements	FY 2019-20 PROPOSED	+/-	Explanation of changes in budget of > 10%
			RESOURCES			
401,669	610,686	400,000	Beginning Fund Balance	270,000	-	Fund reorganization
876,567	927,024	1,025,000	Sale of Goods and Services	730,000	-	Reduction based upon current activity
645	1,535	-	Student Fees	-		
29,501	34,016	30,000	Other Fees & Charges	30,000		
23,782	2,660	15,000	Other Revenue	30,000	+	Increase based upon current activity
930,495	965,235	1,070,000	**Total Revenues**	790,000		
			Transfers In			
446,980	89,478	-	Transfer In General Fund I	-		
446,980	89,478	-	**Total Transfers In**	-		
1,779,144	1,665,399	1,470,000	**TOTAL RESOURCES**	1,060,000		
			REQUIREMENTS			
			College Support Services			
140,176	77,731	-	Employee Wellness	-		
-	2,004	-	Institute for Sustainable Practices	10,000	+	Accounting change
12,646	28,699	30,000	Motor Pool	100,000	+	Increase for capital investment
683,141	546,949	795,000	Printing & Graphics and Warehouse	750,000		
315,996	377,545	245,000	Telephone Services	-	-	Department reorganization
1,151,959	1,032,928	1,070,000	**Total College Support Services**	860,000		
			Contingency			
-	-	400,000	Projects/Provisions	200,000	-	Accounting change
-	-	400,000	**Total Contingency**	200,000		
			Transfers Out:			
12,000	10,000	-	To General Fund I	-		
4,500	-	-	To Administratively Restricted Fund IX	-		
16,500	10,000	-	**Total Transfers Out**	-		
1,168,459	1,042,928	1,470,000	**TOTAL REQUIREMENTS**	1,060,000		
610,686	622,471	-	**ENDING FUND BALANCE**	-		
			SUMMARY			
1,779,144	1,665,399	1,470,000	Total Resources	1,060,000		
(1,168,458)	(1,042,928)	(1,470,000)	Less: Total Requirements	(1,060,000)		
610,686	622,471	-	**RESOURCES OVER-(UNDER) EXPENDITURES**	-		

Financial Aid Fund V

FY 2016-17 ACTUAL	FY 2017-18 ACTUAL	FY2018-19 BUDGET	Description of Resources and Requirements	FY 2019-20 PROPOSED	+/-	Explanation of changes in budget of > 10%
			RESOURCES			
2,072,590	1,661,035	1,978,500	Beginning Fund Balance	1,527,500	-	Budgeted at current projection
5,253,688	5,108,956	6,900,000	State Support	6,900,000		
30,164,782	26,652,556	39,858,000	Federal Support	35,358,000	-	Budgeted based upon decreased enrollment
			Other Sources:			
21,655	20,070	-	Administrative Recovery	-		
816,712	915,337	700,000	Other Fees & Charges	750,000		
2,341,266	2,269,777	2,590,000	Other Revenue	2,640,000		
38,598,103	34,966,695	50,048,000	**Total Revenues**	45,648,000		
40,670,693	36,627,730	52,026,500	**TOTAL RESOURCES**	47,175,500		
			REQUIREMENTS			
			Financial Aid			
38,810,888	35,367,524	50,315,500	Financial Aid	45,915,500		
38,810,888	35,367,524	50,315,500	**Total Expenditures**	45,915,500		
			Transfers Out:			
198,770	50,000	50,000	To General Fund I	50,000		
198,770	50,000	50,000	**Total Transfers Out**	50,000		
			Contingency			
-	-	1,661,000	Projects/Provisions	1,210,000	-	Budgeted at current projection
-	-	1,661,000	**Total Contingency**	1,210,000		
39,009,658	35,417,524	52,026,500	**TOTAL REQUIREMENTS**	47,175,500		
1,661,035	1,210,206	-	**ENDING FUND BALANCE**	-		
			SUMMARY			
40,670,693	36,627,730	52,026,500	Total Resources	47,175,500		
(39,009,658)	(35,417,524)	(52,026,500)	Less: Total Requirements	(47,175,500)		
1,661,035	1,210,206	-	**RESOURCES OVER-(UNDER) EXPENDITURES**	-		

Enterprise Fund VI

FY 2016-17 ACTUAL	FY 2017-18 ACTUAL	FY2018-19 BUDGET	Description of Resources and Requirements	FY 2019-20 PROPOSED	+/-	Explanation of changes in budget of > 10%
			RESOURCES			
7,039,141	5,371,295	4,866,400	Beginning Fund Balance	1,861,000	-	Budgeted at current projection
			Tuition & Fees:			
2,496,700	2,516,453	2,525,000	Tuition	2,606,600		
694,904	618,469	740,550	Student Fees	617,750	-	Enrollment decline
4,335,081	3,913,325	6,750,000	Sale of Goods and Services	1,500,000	-	Enrollment decline
1,983,949	2,074,101	2,098,000	Downtown Housing Rents	2,098,000		
1,711,741	1,412,396	389,050	Other Fees & Charges	376,800		
11,222,375	10,534,744	12,502,600	**Total Revenues**	7,199,150		
			Transfers In			
94,771	-	-	Transfer In General Fund I	-		
94,771	-		**Total Transfers In**	-		
18,356,287	15,906,039	17,369,000	**TOTAL RESOURCES**	9,060,150		
			REQUIREMENTS			
			Instruction			
124,641	131,244	130,032	International Programs	136,366		
124,641	131,244	130,032	**Total Instruction**	136,366		
			Student Services			
-	(7,247)	-	Non-Departmental	-		
4,515,440	3,938,041	4,450,000	Bookstore	100,000	-	Outsourcing
1,262,202	1,204,426	1,465,700	Downtown Housing	1,491,600		
1,105,272	1,228,206	900,000	Foodservices	100,000	-	Outsourcing
1,650,286	1,264,952	1,400,000	Hospitality & Conference Services	1,300,000		
2,856,652	3,006,371	4,365,968	International Programs	4,125,784		
11,389,851	10,634,750	12,581,668	**Total Student Services**	7,117,384		

Continued-

FY 2016-17 ACTUAL	FY 2017-18 ACTUAL	FY2018-19 BUDGET	Description of Resources and Requirements	FY 2019-20 PROPOSED	+ / -	Explanation of changes in budget of > 10%
			Contingency			
-	-	4,000,000	Projects/Provisions	1,200,000	-	Budgeted at current projection
-	-	4,000,000	**Total Contingency**	1,200,000		
			Transfers Out:			
-	-	15,000	To General Fund I	-	-	Accounting change
1,470,500	1,148,513	632,300	To General Fund I	606,400		
-	-	10,000	To Administratively Restricted Fund IX	-	-	Accounting change
1,470,500	1,148,513	657,300	**Total Transfers Out**	606,400		
			TOTAL REQUIREMENTS			
12,984,993	11,914,507	17,369,000		9,060,150		
5,371,294	3,991,532	-	**ENDING FUND BALANCE**	-		
			SUMMARY			
18,356,287	15,906,039	17,369,000	Total Resources	9,060,150		
(12,984,993)	(11,914,507)	(17,369,000)	Less: Total Requirements	(9,060,150)		
5,371,294	3,991,532	-	**RESOURCES OVER-(UNDER) EXPENDITURES**	-		

Special Revenue Fund VIII

FY 2016-17 ACTUAL	FY 2017-18 ACTUAL	FY2018-19 BUDGET	Description of Resources and Requirements	FY 2019-20 PROPOSED	+/-	Explanation of changes in budget of > 10%
			RESOURCES			
331,796	376,234	225,000	Beginning Fund Balance	221,000		
2,242,585	3,137,602	2,700,000	State Support	2,750,000		
4,843,429	4,394,142	6,507,000	Federal Support	6,507,000		
41,758	134,577	300,000	Local Support	300,000		
			Tuition & Fees:			
-	-	50,000	Tuition	-	-	Budget correction
39,463	66,394	75,000	Student Fees	75,000		
6,599	27,066	-	Other Fees	-		
46,680	20,261	20,000	Sale of Goods and Services	20,000		
778,523	635,626	1,880,000	Other Revenue	1,880,000		
7,999,037	8,415,668	11,532,000	**Total Revenues**	11,532,000		
8,330,833	8,791,902	11,757,000	**TOTAL RESOURCES**	11,753,000		
			REQUIREMENTS			
			Funded Projects			
2,544,076	1,954,325	4,911,300	Instruction	4,933,880		
2,569	-	54,500	Instructional Support	54,200		
913,244	974,915	1,023,400	Student Services	1,017,840		
4,489,728	5,492,964	5,709,300	Community Services	5,692,880		
4,982	-	54,500	College Support Services	54,200		
7,954,599	8,422,205	11,753,000	**Total Funded Projects**	11,753,000		
			Transfers Out:			
-	-	4,000	To General Fund I	-	-	Budget correction
-	-	4,000	**Total Transfers Out**	-		
7,954,599	8,422,205	11,757,000	**TOTAL REQUIREMENTS**	11,753,000		
376,234	369,697	-	**ENDING FUND BALANCE**	-		
			SUMMARY			
8,330,833	8,791,902	11,757,000	Total Resources	11,753,000		
(7,954,599)	(8,422,205)	(11,757,000)	Less: Total Requirements	(11,753,000)		
376,234	369,697	-	**RESOURCES OVER-(UNDER) EXPENDITURES**	-		

Lane Community College SM

A: BUDGET STRUCTURE & FUNCTION

B: FINANCIAL POLICIES

C: AFFIRMATIVE ACTION

D: GLOSSARY OF TERMS & ACRONYMS

Budget Structure and Functions

Basis of Budgeting

For the budget document, Oregon Budget Law requires that a modified accrual basis of accounting is used which determines when and how transactions or events are recognized. Therefore revenues are reported when earned, expenditures are reported when the liability is incurred and taxes are accounted for on a cash basis, i.e. when received. The result is that carryovers of financial obligations from year-to-year are precluded and projections of anticipated revenue are not inflated.

The college budgets all college funds required to be budgeted, the General Fund and all Auxiliary Funds, in accordance with Oregon Local Budget Law on a Non-GAAP (Generally Accepted Accounting Principles) budgetary basis, whereas GAAP provide the structure for the basis of accounting used for financial statement reporting. The differences between GAAP and the budgetary basis of accounting generally concern timing of recognition of revenues and expenditures. Thus, there are no differences between fund structure in the financial statements and the budget document.

The basic financial statements present the college and its component unit, Lane Community College Foundation, for which the college is considered to be financially accountable. The Foundation, a legally separate tax-exempt entity, is discretely presented component unit and is reported in a separate column in the basic financial statements. The budget document presents college information exclusive of Foundation data.

Under GAAP, basic financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenues in the years in which they are levied. Grants and other similar types of revenue are recognized as soon as all eligibility requirements imposed by the grantor have been met.

Material timing differences in expenditures between GAAP and the budgetary basis of accounting include capital expenditures, which under GAAP are allocated to depreciation expense over a specified period of time. In the budget document, capital expenditures are assigned in full to operations expense. With respect to debt service, payments to principal reduce the liability on the financial statements while interest payments are expensed. Under the budgetary basis of accounting, both principal and interest are expensed to operations within the fiscal year.

Funds

Lane Community College's budget is separated into the following funds appropriated by the Board of Education. Each fund is independently budgeted, operated and accounted for. The college's primary budgeting and operation funds are the General Fund (I) and the Special Revenue – Administratively Restricted Fund (IX).

Fund I: General Fund

Includes activities directly associated with operations related to the college's basic educational objectives.

Fund IX: Special Revenue – Administratively Restricted Fund

Used to account for specific programs where monies are administratively restricted. Activities recorded in this fund generate revenue primarily through specifically assessed tuition and fees or through other revenue-generating activities.

Fund II: Internal Service Fund

Includes functions that exist primarily to provide goods or services to other instructional or administrative units of the college.

Fund III: Debt Service Fund

Accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Fund IV: Capital Projects Fund

Used for the acquisition of land, new construction, major remodeling projects and major equipment purchases.

Fund V: Financial Aid Fund

Used for the provision of grants, stipends and other aid to enrolled students.

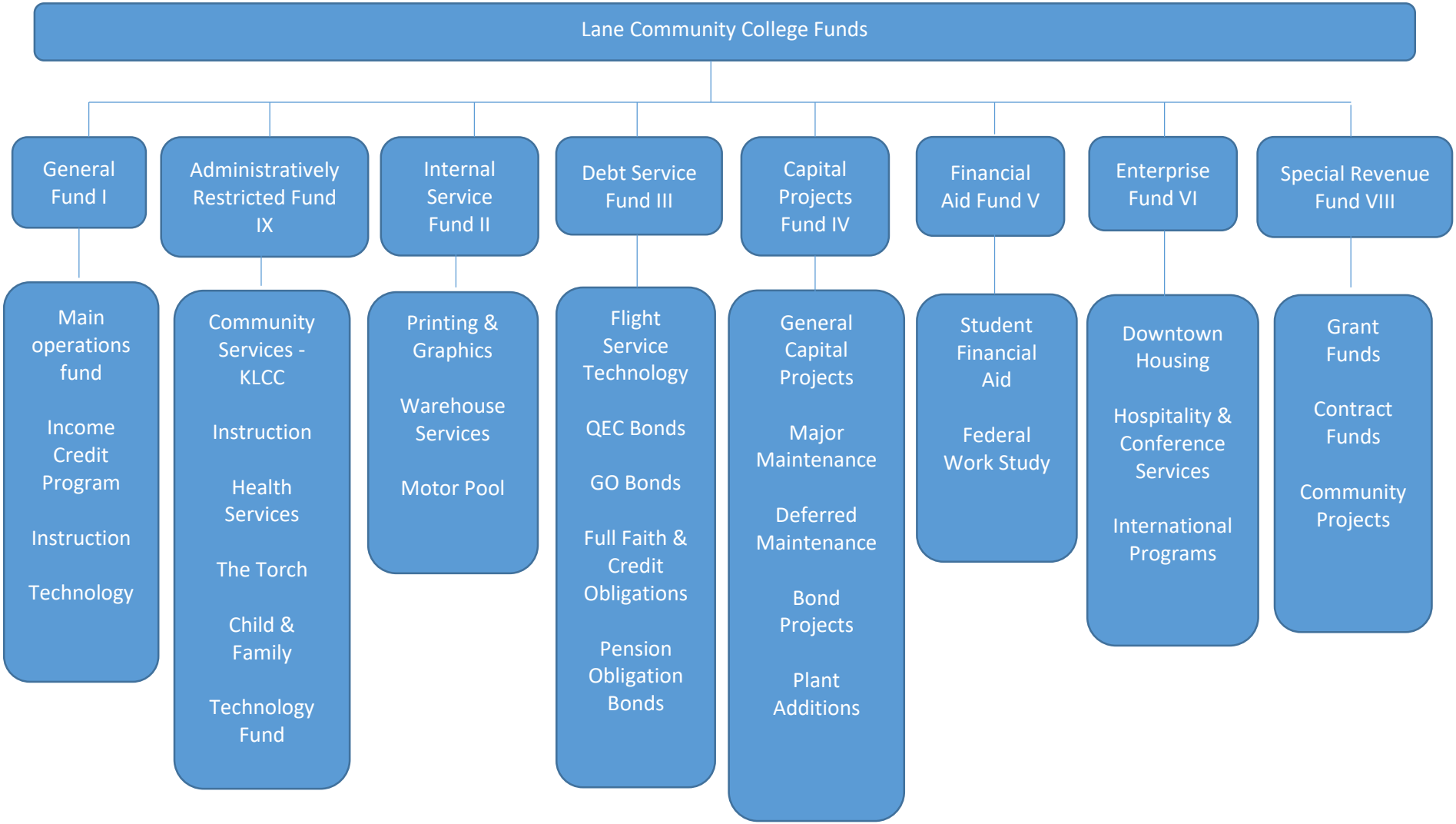
Fund VI: Enterprise Fund

Includes activities that furnish goods or services to students, staff or the public for which charges or fees are assessed that are directly related to the cost of the good or service provided.

Fund VIII: Special Revenue Fund

Accounts for revenue sources that are legally restricted to expenditures for specific purposes

Fund Summary



Revenue Sources

Intergovernmental

Also known as total public resources, intergovernmental resources include Lane's allocation of community college funding from the State of Oregon, resources from various unrestricted federal, state and local contracts, and local property tax revenue. State community college funding resources are determined by the state legislature's funding distribution formula and are calculated on a biennial basis. Federal, state and local unrestricted resources are budgeted using statistical trend analysis. Property tax revenue is determined by annual property tax levy and is budgeted using estimates provided by the state and through historical trend analysis.

Tuition

Credit tuition is generated by assessing students' per credit-hour rates. Non-credit tuition is generated by charging varying rates per course based on course costs and market forces. Tuition resources are budgeted taking into consideration enrollment projections developed by the college's Planning & Institutional Effectiveness department.

Instructional Fees

Instructional fees are generated by assessing students for course-related expenses such as art supplies. All instructional fees are administratively restricted resources that are tied specifically to instructional expenditures and are not available for general allocation. Departmental instructional fees are established based on estimated materials and services costs and are approved by the Board of Education. Instructional fees are budgeted based on enrollment projections that are developed by the college's Institutional Research and Planning department and historical trend analysis.

Fees (Non-Instructional)

Non-instructional fees are generated by assessing students for non-instructional expenses such as student body fees, transportation fees and technology fees. Individual fee amounts are approved by the Board of Education and budgeted based on enrollment projections and historical trend analysis.

Sale of Goods and Services

Sales of Goods and Services are generated primarily through the college's Enterprise and Internal Service activities including such units as the Center for Meeting and Learning (CML), and Printing & Graphics. Sale of Goods and Services revenue is budgeted based on historical trends factoring in known variables.

Administrative Recovery

Administrative Recovery includes amounts received from college Enterprise funds as well as from various federal, state and local grants and contracts as a contribution to the General Fund for administrative and overhead costs.

Transfers In

Interfund Transfers In move resources from one fund to another. These transfers are for specific amounts and purposes. An example would be transferring resources from Flight Technology in Fund 9 to the Debt Service Fund to pay the annual debt service on an airplane purchase loan.

Other Resources

These include resources from various activities such as finance charges, insurance proceeds, sale of equipment, enforcement fees, interest income and other nominal, one-time miscellaneous amounts. Budgeting is based on historical trend analysis.

Expense Functions

Instruction
Expenditures are for all activities that are part of the college's instructional programs including expenditures for departmental administrators and their support.

Instructional Support
Expenditures are for activities carried out primarily to provide support services that are an integral part of the college's instructional programs. This category includes the media and technology employed by these programs for the retention, preservation and display of materials as well as the administrative support operations that function within the various instructional units. It also includes expenditures for chief instructional officers and their support where their primary assignment is administration.

Student Services
Expenditures are for admissions, registration, recordkeeping and other activities when the primary purpose is to contribute to students' well-being and development outside the context of their formal instructional program.

Community Services
Expenditures are for activities established primarily to provide non-instructional services to groups external to the college. One such activity involves making the various resources and unique capabilities that exist within the college available to the public.

College Support Services
Expenditures are for activities whose primary purpose is to provide operational support for the ongoing operation of the college excluding physical plant operations. Expenses include executive management, fiscal operations, administrative and logistical services and community relations.

Plant Operations and Maintenance
Expenditures are for the operation and maintenance of the physical plant. It includes services related to campus grounds and facilities, utilities and property insurance.

Plant Additions
Expenditures are for land, land improvement, buildings and major remodeling or renovation that is not a part of normal plant operation and maintenance.

Financial Aid
Expenditures are for loans, grants and trainee stipends to enrolled students. Student fee remissions are also included in this expense function.

Contingency
A budget account (not for expenditures) to provide for contingencies and unanticipated items or to hold funds for future distribution. This function may also be used to provide expenditure authority for obligations created but not expended in previous years.

Expenditure Categories

Personnel Services

Personal Services expenditures include all full-time and part-time payroll plus Other Payroll Expenses (OPE). Payroll is budgeted using actual position lists, and where possible, factors in any anticipated changes in collective bargaining agreements. OPE rates are budgeted using benefits cost projections including amounts for various employment-related taxes, health and life insurance premiums, retirement fund contributions and other direct employee benefits.

Materials & Services

Materials & Services expenditures include items such as office support supplies for instructional and operations departments, non-capitalized equipment, travel and maintenance.

Capital Outlay

Capital Outlay expenditures include all equipment purchases with a single item cost in excess of $10,000 and with a useful life exceeding two years. Capital Outlay is budgeted and allocated according to the Capital Assets Replacement Plan.

Transfers Out

Interfund transfers-out includes resource funding of specific amounts to another fund for an identified purpose. The majority of transfers-out occur in the General Fund and include items such as transfers to the Financial Aid Fund to cover institutional match obligations and transfers to the Capital Projects Fund for capital repairs and improvements, special projects, capital reserves and deferred maintenance.

Debt Service

Debt Service includes amounts transferred out to the Debt Service Fund to cover current payment of long-term debt obligations entered into by the college.

Contingency

Contingency is a budget account used to provide for unanticipated items or to hold funds for future distribution. This category may also be used to provide expenditure authority for obligations created but not expended in previous years.

Financial Policies

Lane Community College Board of Education

Policy BP205: Asset Protection ***Adopted 11.09.98; Last Reviewed 4.12.17***

The president shall assure that assets are protected, adequately maintained, and not placed at risk.

Accordingly, the president shall:

1. Insure against theft and casualty losses and against liability losses to board members, staff, and the organization itself in an amount similar to the average for comparable organizations.
2. Prevent uninsured personnel from access to material amounts of funds.
3. Assure that plant and equipment are not subjected to improper wear and tear or insufficient maintenance.
4. Assure that the organization, its board, or staff, are not unnecessarily exposed to claims of liability.
5. Assure that every purchase:
   a. Includes normally prudent protection against conflict of interest; and
   b. Of over $100,000 for goods and services contracts or $150,000 for public improvements contracts includes a stringent method of assuring the balance of long-term quality and cost.
6. Protect intellectual property, information, and files from loss or significant damage.
7. Receive, process, or disburse funds under sufficient controls to meet the board-appointed auditor's standards.
8. Invest or hold operating capital in excess of daily requirements in accordance with ORS 294.035.
9. Not endanger the organization's public image or credibility, particularly in ways that would hinder the accomplishment of its mission.
10. Not name a building, substantial parts of buildings, or significant landscape features of Lane Community College without prior approval of the board; and, when a building has substantial support from a donor, without prior involvement of the Foundation.

Policy BP210: Board Duties and Responsibilities: Budget Making ***Adopted 11.09.98; Last Reviewed 07.14.18***

The board of education has the responsibility to:

1. Adopt the annual budget before July 1 of the budget year.
2. Act as the levying board in the budget process.
3. Assist in presenting the needs of the college to the public and assist in the adoption, through the formulated budget process, of a budget that will address these needs.
4. Appoint the seven members with whom they shall serve jointly as the budget committee.
5. Review student tuition rates annually.

Policy BP215: Budget Officer ***Adopted 11.09.98; Last Reviewed 10.11.18***

The president or designee shall serve as budget officer. The budget officer shall be responsible for preparation and maintenance of the budget document in compliance with Local budget Law [ORS 294].

Policy BP220: Budget Preparation and Adoption ***Adopted 11.09.98; Last Reviewed 4.12.17***

At the direction of the board of education, the president shall study budget needs and prepare recommendations on programs and services for budget committee consideration. The recommendation of advisory committees and interested citizens and organizations within the college district shall be considered by the president in developing the budget document. The college budget shall be prepared and adopted in compliance with Oregon Local Budget Law [ORS 294].

Policy BP225: Budgeting of Non-Recurring Resources ***Adopted 1.14.04; Last Reviewed 11.15.18***

Non-recurring resources are resources that are not part of an annual revenue stream. Non-recurring resources include but are not limited to such categories as:

- Fund balances (i.e., “carryover”)
- Reserves
- One-time grants or awards of money
- Funds withheld from annual budget allocations e.g., funds held back from annual General Fund transfer to Capital Repair & Improvement)
- Special allocations from the state (e.g., allocations from the Emergency Board)
- Other special allocations (e.g., “seed money” for a project)

Non-recurring resources shall not be budgeted for ongoing recurring expenditures.

Non-recurring resources maybe allocated or one-time expenditures including but not limited to the following:

- Capital equipment
- Capital construction
- Investment in a new program or service that will move to recurring funding sources after a specified trial period
- Projects related to strategic directions of the college

However, the college shall not rely on non-recurring resources for funding ongoing needs such as major maintenance and equipment replacement.

Policy BP230: Capital Reserve Funds ***Adopted 1.14.04; Last Reviewed 11.15.18***

The college shall establish and maintain separate reserve funds (as described in ORS 341.321 and ORS 294.525) in Capital Projects Fund IV for the following purposes:

1. To replace capital equipment that is broken or beyond its useful life as determined by the Capital Assets Replacement Forecast;
2. To maintain and repair college facilities according to the Major Maintenance Schedule;
3. To maintain and upgrade the college's information/telecommunications system according to planning schedules maintained by Information Technology;
4. To build new instructional facilities and/or to purchase property that facilitate planned long-term growth of the college.

Appropriate levels of funding for reserves will be determined using existing college decision-making structures. The president will make recommendations to the Board of Education for approval to establish and fund these reserves.

Optimal funding levels will be determined using benchmarks, professional standards and best practices from other colleges and adapting these to Lane's specific situation. It is expected that full funding of these reserves will take place over a number of years and that annual transfers to these reserves will be budgeted from the General Fund and other sources as appropriate.

As required in ORS 294.525, the board shall periodically review the reserve fund "and determine whether the fund will be continued or abolished." While ORS 294 allows review to take place every 10 years, reserve funds established under these policies shall be reviewed (a) annually by the president; and (b) at least every three years or more frequently as determined by the board.

As allowed in ORS 294.525, the board may determine at any time that a reserve fund is no longer necessary or that some or all of the reserves may be transferred to the General Fund.

Policy BP235: Debt Issuance and Management ***Adopted 6.9.04; Last Reviewed 4.12.17***

The president shall ensure that sufficient funds are available to meet current and future debt service requirements on all indebtedness, while adequately providing for recurring operating requirements. The issuance of debt limits the college's flexibility to respond to future learning priorities; consequently, the college shall issue and manage debt in a manner which maintains a sound fiscal position, protects its creditworthiness and complies with ORS 341.675 and ORS 341.715.

To meet the objectives of this policy the president shall ensure that the college incurs and services all debts in a manner that will:

- Maintain a balanced relationship between debt service requirements and current operating needs.
- Maintain and enhance the college's ability to obtain access to credit markets, at favorable interest rates, in amounts needed for capital improvements and to provide essential learning services.
- Prudently incur and manage debt to minimize costs to the taxpayers and ensure that current decisions do not adversely affect future generations.
- Preserve the college's flexibility in capital financing by maintaining an adequate margin of statutory debt capacity.

The board shall approve borrowing as described in Board Policy BP315. Long-term debt (due more than a year in the future) shall not be issued to fund normal operating needs.

Policy BP240: Definition of a Balanced Budget ***Adopted 1.14.04; Last Reviewed 11.15.18***

The board directs the president to develop annual budget recommendations that are in accordance with the college's strategic plan and conform to the requirements of Local Budget Law [ORS 294.326]. The budget shall provide for:

- Annual operating expenditures not to exceed projected revenues (Expenditures shall be budgeted according to the college's strategic priorities.)
- Debt service, both current (due in less than 12 months) and long term.
- Reserves for maintenance and repairs to its existing facilities.
- Reserves for acquisition, maintenance and replacement of capital equipment.
- Reserves for strategic capital projects.
- Funding levels to fulfill future terms and conditions of employment, including early retirement benefits.
- Allocations for special projects related to the strategic directions of the college.
- Allocations for contingencies (unforeseen events requiring expenditures of current resources.)
- Ending Fund Balances (according to policies set specifically for that purpose.)

Lane has a further responsibility to:

- Plan how it will spend any "onetime" unanticipated revenue, allocating it strategically and prudently between:
    - The restoration of any shortfall to targeted ending fund balances,
    - Currently unfunded projects in the strategic plan, and/or
    - Holding some of all of it in reserve during financially volatile periods.
- Permanently stabilize its finances in their entirety (operating budget, reserves, contingencies and ending fund balances) when it perceives a long term change (increase or decrease) to its available future recurring resources.

Policy BP245: Ending Fund Balance ***Adopted 1.14.04; Last Reviewed/Revised 11.4.14***

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 BP295. 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.

Policy BP250: Financial Integrity ***Adopted 5.14.14; Last Reviewed 10.11.18***

Clear financial policies and procedures, regularly reviewed and revised as necessary, are critical to the effective management and operation of the College. The president shall oversee the responsible development and management of all College financial resources, such as financial planning, operating and capital budgets, reserves, investments, fundraising, cash management, debt management, and transfers and borrowings between funds.

Policy BP255: Financial Condition and Activities ***Adopted 11.09.98; Last Reviewed/Revised 2.8.18***

With respect to the actual, on-going financial condition and activities, the president shall avoid fiscal jeopardy and assure that actual expenditures reflect board priorities as established in ends policies.

Accordingly, the president shall:

1. Not expend more funds than have been received in the fiscal year to date, except as approved by the board.
2. Not use any long-term reserves that are not budgeted and appropriated for expenditure.
3. Settle payroll and debts in a timely manner.
4. Assure that tax payments or other government-ordered payments or filings be on time and accurately filed.
5. Make no single purchase or commitment of greater than $100,000 for goods and services contracts, or $150,000 for public improvements contracts, without board approval, except in extreme emergencies.
6. Acquire, encumber, or dispose of real property only with board approval, except in extreme emergencies.
7. Pursue receivables aggressively after a reasonable grace period.
8. Comply with budget and financial policies contained in Section E.
9. Not contract with the College's independent auditors for non-audit services without prior approval of the Board.

10. Provide the following annual certifications, by the president and by the vice president for college operations, to the Board upon receipt of the audited financial statements:
    a. He/she has reviewed the annual audit report;
    b. Based on his/her knowledge, the report does not contain any untrue statement of a material fact or omission of a material fact that makes the financial statements misleading;
    c. Based on his/her knowledge, the financial statements present in all material respects the financial condition and results of operations.
11. Establish and maintain an adequate internal control structure and procedures for financial operations and reporting.

Policy BP260: Financial Planning and Budgeting ***Adopted 11.09.98; Last Reviewed/Revised 2.8.18***

Financial planning for any fiscal year or the remaining part of any fiscal year shall reflect the board's end priorities, avoid fiscal jeopardy, and shall be derived from a multi-year plan.
Accordingly, the president shall assure budgeting that:

1. Complies with Oregon Local Budget Law.
2. Contains sufficient information to enable credible projections of resources and expenditures as presented in the Budget Document in accordance with Oregon Local Budget Law.
3. Discloses planning assumptions.
4. Limits expenditures in any fiscal year to conservatively projected resources for that period.
5. Maintains current assets at any time to at least twice current liabilities.
6. Complies with budget and financial policies contained in Section E.

Policy BP265: Financial Reporting ***Adopted 3.9.05; Last Reviewed 10.12.17***

Lane's annual audited financial statements shall conform to generally accepted accounting principles. Applicable professional accounting standards and guidance shall be incorporated into Lane's financial statements.

Policy BP270: General Fund Contingency ***Adopted 1.14.04; Last Reviewed 10.14.14***

Board Contingency:
The annual budget shall set aside approximately one-half percent (0.5%) of the budgeted revenues each year for Board Contingency. Use of Board Contingency shall be at the discretion of the Board of Education and shall be allocated by formal approval of the board according to its policies.

Administrative Contingency:
Administrative Contingency shall be approximately one percent (1%) of the budgeted revenues each year. Administrative Contingency shall be allocated by approval of the president.

Policy BP275: Interfund Loans ***Adopted 6.9.04; Last Reviewed 10.12.17***

Loans from one fund to another shall conform to the requirements of ORS 294.460 and be authorized by the Board of Education. Interfund loans may not be from: a Debt Service fund, a Financial Aid fund, employee/retiree benefit funds, or funds legally restricted to specific uses. Repayment of the loan must be budgeted according to an approved schedule and at a stated rate of interest.

The full repayment of interfund loans shall occur no later than:

- Five years from the date of the loan, if the funds are to be used to acquire or improve real or personal property, or
- June 30 of the fiscal year following the year in which the loan was authorized, if the funds are to be used for operating purposes.

Policy BP280: Interfund Transfers ***Adopted 1.14.04; Last Reviewed 11.4.14***

All transfers between funds shall be in conformance with ORS 294.361. The Budget Document shall clearly show for each fund the amounts, origin and destination of each transfer. Accompanying documentation shall list the specific purposes for each transfer and will be submitted to the board for approval in initial budget or subsequent resolution.

Transfers from the General Fund to other funds shall be for the following purposes:

- Debt service on an obligation incurred as a part of normal operations of the college;
- Goods and services provided to General Fund units by units in other funds;
- Construction, maintenance and acquisition of facilities and/or real property used by the college in support of its mission;
- Acquisition of capital equipment for use by the college in support of its mission;
- Matching funds for grants and contracts;
- Operation of certain financial aid functions and matching funds required for financial aid grants;
- Contractual and legal obligations to employees and retirees for compensation and benefits;
- Other needs as deemed appropriate and necessary to the board for fulfilling the obligations of the college.

Policy BP285: Purchasing Procedure ***Adopted 11.09.98; Last Reviewed 11.3.15***

All procurement on behalf of the college shall be executed in accordance with the requirements of Oregon Revised Statute Chapters 279A, 279B and 279C, the Oregon Community College Rules of Procurement (“CCRP”), and Oregon Administrative Rules 125 (OAR 125) and Lane Community College online Policies and Procedures.

Where federal procurement regulations apply and are more restrictive than the state regulations, the federal regulations shall prevail.

Pursuant to ORS 279A.065(5), the Oregon Attorney General's Model Rules (OAR 137) do not apply to Lane Community College except those portions of the Oregon Attorney General's Model Rules that have been expressly identified in Section 300, Appendix A, of the CCRP.

The CCRP shall prevail over the provisions in OAR 125 where topics are not addressed in the CCRP, the rules OAR 125 shall remain in force.

Policy BP290: Stabilization Reserve Fund ***Adopted 1.14.04; Last Reviewed 10.14.14***

The board may require the president to establish a separate reserve fund (as described in ORS 341.321 and ORS 294.525) for the purpose of providing short-term stabilization in anticipation of possible shortfalls in revenue.

A stabilization reserve fund may be established under one or more of the following circumstances:

- State budget appropriations for community colleges are not approved by the time the college budget is approved and adopted.
- A situation exists where significant changes in enrollment are possible but not reasonably predictable.
- When any major revenue source has a reasonable possibility of decreasing after the college budget is approved and adopted.
- When any operating expenditure that is beyond the control of the college could reasonably be expected to increase after the college budget is approved and adopted.
- Any other situation in which the board determines that there is a reasonable expectation that major shifts in revenue or expenditures could occur during the budget year.

Stabilization reserve levels:

- Minimum reserve levels shall be at the discretion of the board under advice from the president.
- Maximum reserve levels shall be no more than the maximum reasonably estimated shortfall at the time of the adoption of the budget.

Stabilization reserves will be reviewed annually as part of the budget development process. The stabilization reserve fund shall be closed out when the board determines that the precipitating threat to revenues and/or expenditures no longer exists. As long as the conditions exist that caused the fund to be established, the funds shall be kept in reserve for the purpose intended. If and when the fund is closed out, any remaining balance shall be released for use as a resource in the General Fund.

Policy BP295: Unappropriated Ending Fund Balance ***Adopted 1.14.04; Last Reviewed 10.11.18***

The president shall assure budgeting that maintains the estimate of unappropriated ending fund balance at no less than three percent of the general fund operational expenditure budget.

Policy BP315: Borrowing ***Adopted 11.09.98; Last Reviewed 12.13.18***

The board may authorize borrowing for the college, in compliance with state laws, by resolution stating the upper limit to be obligated at any one time. The president or designee may initiate emergency borrowing prior to board approval should a quorum of the board not be available to authorize borrowing.

Policy BP340: Contractual Authority ***Adopted 11.09.98; Last Reviewed 2.4.15***

Only the president, or formally designated representatives, may commit the college to financial obligations or contractual agreements. No obligation may be incurred unless it first has been authorized by the budget or by the budget change process. Any contract entered into in violation of this policy is void as to the college.

All contracts of $100,000 for goods and services contracts, or $150,000 for public improvements contracts or greater shall be approved for award by the board of education. The president is authorized by the board to enter into contractual agreements on behalf of the college up to a total dollar value not exceeding $100,000 for goods and services contracts, or $150,000 for public improvements contracts. The president may delegate this authority to college staff.

The Lane Community College Board of Education shall be the college's Local Contract Review Board as defined in ORS 279A.060.

Policy BP540: Monitoring President's Performance ***Adopted 11.09.98; Last Reviewed 3.9.16***

Any evaluation of the president's performance, formal or informal, may be derived only from the criteria established within board Ends and Executive Directions.

Accordingly,

1. The purpose of monitoring is to determine the degree to which board policies are being fulfilled. Information which does not do this will not be considered to be monitoring.
2. The board will acquire monitoring data by one or more of three methods: (a) by internal report, in which the president discloses compliance information to the board, (b) by external report, in which an external, disinterested third party selected by the board assesses compliance with board policies, and (c) by direct board inspection, in which a designated member or members of the board assess compliance with the appropriate policy criteria.
3. The standard for compliance shall be any reasonable presidential interpretation of the board policy being monitored.
4. All policies that instruct the president will be monitored at a frequency and by a method chosen by the board. The board can monitor any policy at any time by any method, but will ordinarily depend on a routine schedule.

Policy	Method	Frequency
Treatment of Learners, BP720	Internal	Annually
Treatment of Staff, BP555	Internal/External	Annually
Financial Planning and Budgeting, BP260	Internal	Semi-annual
Financial Condition and Activities, BP255	Internal	Quarterly
	External	Annually
Emergency President Succession, BP350	Internal	Annually
Asset Protection, BP205	Internal	Annually
Compensation and Benefits, BP515	Internal	Annually
Communication and Support to the Board, BP330	Internal/Direct Inspection	Annually
Community Outreach, BP335	Internal	Annually
Governance Process Policies, Bp305-BP385	Direct Inspection	Annually

Policy BP715: Mandatory Student Activity Fees ***Adopted 11.9.98; Last Reviewed/Revised 2.3.16***

The board may approve an assessment of mandatory fees for programs or activities that it determines provide educational value to the students consistent with the college mission and goals. The board will approve the mandatory fee on an annual basis to ensure that the programs or activities maintain educational value to students.
Programs that use funds generated through the mandatory fee must further the following guiding principles:

1. Improve the overall quality of the campus experience from the students' perspective;
2. Increase opportunities for student involvement and leadership in the educational process through extra-curricular activities and support services;
3. Enhance the appropriate out-of-class services and programs at the campuses based on the unique needs of Lane students.

The mandatory fee enhances student life and the overall student experience by maximizing opportunities for out-of-class experiences that build on classroom education and connect to the larger world and improving the educational climate by offering programs and activities.
The President will establish a Mandatory Fee Committee by October 30 of each year to advise the administration on ongoing and emerging student needs. The voting members of the mandatory student fee committee will be composed of both elected students and students appointed from student groups and organizations at the college. At the discretion of the president, administrative staff appointed to the committee will serve in a support role and as non-voting members. An annual report from the Mandatory Fee Committee will be submitted by the President to the Board before budget decisions are finalized for the next year. All appropriations in relation to this fee must be viewpoint neutral. All changes to the mandatory fee remain in the sole discretion of the Board.

Policy BP725: Tuition ***Adopted 11.13.02; Last Reviewed/Revised 2.8.18***

Research in community colleges broadly and experience at Lane has shown that implementing a single large increase in tuition in one year because tuition has not kept pace with inflation has a significant adverse effect on student enrollment in the next academic year.

In order to maintain a constant tuition rate relative to inflation, each year, the board may consider an appropriate index for two-year public colleges on which to discuss a tuition increase. Each year, the board may adjust the per credit tuition rate to reflect the needs of the college. The rate will be rounded to the nearest half-dollar and become effective the following academic year (Summer Term).

For other adjustments:

Each year, the board will review Lane's tuition rates to ensure: a) that tuition revenues are appropriate for the needs of the district, 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, c) access and affordability, and d) the revenue requirements of the college.

Should the board conclude that increases above the selected index are required, the board will assure that there are college-wide opportunities, particularly with students, to engage in discussions about the impact of tuition increases on access, affordability and course offerings. Should the board conclude that tuition should be reduced, the board will similarly assure that there are opportunities to engage in college-wide discussions about the impact on course offerings, access and affordability.

College Policy Statement on Affirmative Action and Equal Employment

It is the policy of Lane Community College to provide equal employment opportunity to all qualified persons and to prohibit discrimination in employment on the basis of race, color, national origin, sex, marital status, family relationship, sexual orientation, age, pregnancy, mental or physical disability, religion, veteran status, expunged juvenile record, parental or family medical leave, application for Workers Compensation, whistle blowing, association with a member of a protected class and all other federal, state and local protected classes.

It is also the policy of the college to take affirmative action to recruit and to employ members of protected groups. Under Federal Executive Order 11246 as amended, protected minority groups are defined as African Americans, Asian Americans, Hispanic Americans and Native Americans. All women are designated a protected group. The protected groups are those groups of persons who have historically been most disadvantaged by discriminatory practices, including practices formerly sanctioned by law.

The affirmative action and equal opportunity clause of this policy requires that applicants be hired and employees be treated during employment without regard to race, color, national origin, sex, marital status, family relationship, sexual orientation, age, pregnancy, mental or physical disability, religion, veteran status, expunged juvenile record, parental or family medical leave, application for Workers Compensation, whistle blowing, association with a member of a protected class and all other federal, state and local protected classes.

The affirmative action and equal opportunity clause applies to all employment actions including but not limited to recruitment, appointment, reappointment, promotion, transfer, demotion, termination, compensation, benefits, layoff and training. Furthermore, the policy applies to all executive, academic, administrative employees and to full-time, part-time, temporary, probationary and permanent employees as well as those with appointments in self support programs. This policy conforms to federal and state laws and to the equal employment and affirmative action policy of the Board of Education of Lane Community College.

Glossary of Terms

Accrual Basis Accounting: A system of accounting based on the accrual principal under which revenue is recognized when earned and expenses are recognized when incurred.

Ad Valorem Tax: A property tax computed as a percentage of the value of taxable property.

Administrative Contingency: General Fund contingency consisting of approximately one percent of budgeted revenues to be used at the discretion of the president and Executive Team.

Administrative Recovery: Revenue generated from college enterprise funds, grants and contracts to cover General Fund administrative and overhead costs.

Adopted Budget: The total spending level for the year based on estimates that have been set by the Board of Education.

Appropriation: Based on the adopted budget, an authorization from the Board of Education to make expenditures and incur obligations for specific purposes. The appropriation is limited to a single fiscal year.

Approved Budget: The budget that has been approved by the Budget Committee and sent to the Board of Education for adoption.

Assessed Value: Valuation set on real estate or personal property by the Property Appraiser as a basis for levying taxes.

Balanced Budget: A budget whereby operating expenditures do not exceed resources.

Beginning Fund Balance: The amount remaining after accounting for the previous year's revenues less the previous year's expenditures.

Biennium: A two-year [budget] period.

Board Contingency: General Fund contingency consisting of approximately one-half percent of budgeted revenues to be used at the discretion of the Board of Education.

Board of Education: Committee of seven elected unpaid citizens whose primary authority is to establish policies governing the operation of the college and to adopt the college budget.

Bond: A debt investment with which the investor loans money to an entity (company or government) that borrows the funds for a defined period of time at a specified interest rate.

Budget: A written report showing a comprehensive financial plan for one fiscal year.

Budget Committee: The fiscal planning board consisting of the Board of Education plus an equal number of citizens at large from the College District.

Budget Message: An explanation of the budget and financial priorities presented in writing by the Budget Officer as part of the budget document.

Budget Officer: Person appointed by the Board of Education to oversee the budget process.

Budget Transfer: Amounts moved from one fund to finance activities in another fund. They are shown as expenditures in the originating fund and revenues in the receiving fund.

Capital Assets Replacement Plan: Revolving seven year plan established by the Board of Education in fiscal year 2004 to schedule the replacement of capital assets based upon the Capital Asset Acquisition Schedule.

Capital Expenditure: An expenditure for a single item with cost exceeding $10,000 and an estimated useful life of three or more years.

Capital Outlay: An expenditure category that includes acquisition of land, buildings, improvements, machinery and equipment.

Capital Projects Fund (IV): Budget fund used for the acquisition of land, new construction, major remodeling projects and major equipment purchases.

Capital Reserve Fund: A separate fund within the Capital Projects Fund IV used for planned and unplanned maintenance, repair and replacement of capital and technological equipment.

Cash Basis: System of accounting under which revenues are accounted for only when received in cash and expenditures are accounted for only when paid.

College Council: The College's main planning and policy body.

College District: The College's service area which encompasses a 5,000 square mile area in Lane County and parts of Linn, Douglas and Benton Counties.

College Support Services: Expense function covering activities that support the ongoing operations of the college excluding physical plant operations.

Community Services: Expense function covering non-instructional activities provided to external groups.

Consumer Price Index: A measure estimating the average price of consumer goods and services purchased by households.

Current Budget: In financial tables, the "Current Budget" is the current year budget plus any additional supplemental budgets.

Debt Service: An expenditure category for repayment of principle and interest on bonds, interest-bearing warrants and short-term loans.

Debt Service Fund (III): Budget fund for accounting for general long-term debt, principal and interest.

Deferred Maintenance: The practice of postponing maintenance activities such as repairs on both real property (i.e. infrastructure) and personal property (i.e. machinery) in order to save costs, meet budget funding levels or realign available budget monies.

Differential Pricing: Additional fees based on class clock hours for certain Career and Technical courses.

Ending Fund Balance: The beginning fund balance plus current year revenues less current year expenditures.

Enterprise Fund (VI): Budget fund for activities that furnish goods or services to students, staff or the public for which charges or fees are assessed that are directly related to the cost of the good or service provided.

Executive Team: The College's administrative leadership team comprised of the president, vice president(s), chief officers and deans.

Expenditure: An amount of money, cash or checks, actually paid or obligated for payment due to the purchase of goods and services, the payment of salaries and benefits and the payment of debt service.

Fees (Non-Instructional): Revenue generated from assessing students for non-instructional expenses.

Financial Aid: Expense function for student loans, grants and stipends.

Financial Aid Fund (V): Budget fund used for the provision of grants, stipends and other aid to enrolled students.

Fiscal Year: The twelve-month financial period used by the college that begins July 1 and ends June 30.

Full-Time Equivalent (FTE): The equivalent of a full-time employee or student. For example, two half-time employees equal one FTE employee.

Fund: A division in the budget segregating independent fiscal and accounting requirements.

Fund Balance: The excess of a fund's revenues over expenditures.

Fund Type: One of nine fund types: General, special revenue, debt service, capital projects, special assignment, enterprise, internal service, trust and reserve.

General Fund (I): The primary operating fund of the college that includes activities directly related to the college's basic educational objectives.

Generally Accepted Accounting Principles (GAAP): A widely accepted set of rules, conventions, standards and procedures for reporting financial information as established by the Financial Accounting Standards Board.

Government Finance Officers Association (GFOA): The professional association of state/provincial and local finance officers in the United States and Canada.

Governmental Funds: Funds generally used to account for tax-supported activities. There are five different types of governmental funds. LCC's governmental funds include the General, Special Revenue, Debt Service and Capital Projects Funds.

Grant: A donation or contribution in cash by one governmental unit to another which may be made to support a specified purpose, function or general purpose.

Higher Education Price Index (HEPI): Inflation index designed specifically for higher education. A more accurate economic indicator for colleges and universities than the Consumer Price Index.

Instruction: Expense function covering all activities related to instructional programs.

Instructional Fees: Revenue generated by assessing students for course-related expenses.

Instructional Support: Expense function covering activities that provide integral support services to instructional programs.

Interest Income: Revenue generated from investment of operating capital in excess of daily requirements.

Interfund Transfer: An amount to be given as a resource to another fund in the budget.

Intergovernmental [Resource]: Total public resources that include State and Federal funds and local property taxes.

Internal Service Fund (II): Budget fund for functions that exist primarily to provide goods and services to other instructional and administrative units of the college.

Local Option Tax: Voter-approved taxing authority that is in addition to the taxes generated by the permanent tax rate. Local option taxes can be for general operations, a specific purpose or capital projects. It is limited to five years unless it is for a capital project, then it is limited to the useful life of the project or 10 years, whichever is less.

Measure 5: A constitutional amendment (Art. XI, section 11b) passed in 1990 that limits the amount of operating tax that can be imposed on a property to $5 per $1,000 of real market value for education and $10 per $1,000 for general government.

Measure 50: A constitutional amendment (Art. XI, section 11) passed in 1997 that limits the growth in a property's assessed value to 3% per year. It also limits a local government's taxing authority by creating permanent rate limits.

Mandatory Adjustments: Adjustments for expenditures that are primarily beyond the control of the college such as facilities leases, utilities, insurance premiums and maintenance contracts.

Material and Services (M&S): An expenditure category that includes contractual and other services, materials, supplies and other charges.

Modified Accrual Basis: Basis of accounting under which revenues are recorded when they become measurable and available. Expenditures are recorded when the liability is incurred, except for interest on general long-term obligations, which is recorded when due.

Non-Recurring Resources: Resources (revenues) that are not part of an annual revenue stream to include: fund balances, reserves, one-time grants and awards and special allocations.

Object Classification: A grouping of expenditures such as personnel services, material and services, capital outlay, debt services and other types of requirements.

Operating Rate: The rate determined by dividing the local government's operating tax amount by the estimated assessed value of the local government. This rate is needed when a local government wants to impose less tax than its permanent rate will raise.

Oregon Administrative Rules (OAR): A compilation of rules and regulations that apply, in the same manner as a law, to state agencies in Oregon.

Oregon Public Employees Retirement System (PERS): Retirement system provided by the State of Oregon for all public employees.

Oregon Revised Statutes (ORS): The codified laws of the State of Oregon. The ORS is published every two years to incorporate each legislative session's new laws.

Other Payroll Expenses (OPE): An expense classification that includes the costs of payroll taxes, PERS, medical insurance and other fringe benefits and payroll-related items accruing to an employee.

Other Resources: Revenue generated from various activities such as finance charges, sale of equipment, enforcement fees and other nominal, one-time miscellaneous amounts.

Personnel Services Expenses: Expenses related to the compensation of employees such as health and accident insurance premiums, Social Security and retirement contributions and civil service assessments.

Plant Additions: Expense function for land, land improvement, buildings and major remodeling and renovation that is not a part of normal plant operation and maintenance.

Plant Operations and Maintenance: Expense function covering the operation and maintenance of the physical plant including grounds, facilities, utilities and property insurance.

Proposed Budget: Financial and operating plan prepared by the Budget Officer and submitted to the public and Budget Committee for review.

Requirement: A use of funds or expenditure.

Resolution: An order of the Board of Education.

Resources: Estimated beginning fund balances on hand plus all anticipated revenues and transfers.

Revenue: Monies received or anticipated.

Salary Provision Budget: A contingency budget used to cover employee compensation increases during the year.

Sale of Goods and Services: Revenue generated from the college's enterprise and special revenue activities.

Special Revenue Fund (VIII): Budget fund that accounts for revenues that are legally restricted to expenditures for specific purposes such as federal grants and contracts.

Special Revenue – Administratively Restricted Fund (IX): Budget fund for programs where monies are administratively restricted. Activities recorded in this fund generate revenue primarily through specifically-assessed tuition and fees or through other revenue-generating activities.

Stabilization Reserve Fund: A separate fund established at the request of the Board of Education for the purpose of providing short-term stabilization in anticipation of possible shortfalls in revenue.

Student Services: Expense function covering activities to support students' success and development.

Supplemental Budget: Most often required when new appropriation authority is needed, a supplemental budget is usually associated with the expenditure of new appropriations and increased revenues.

Tax Rate: The amount of tax stated in terms of a unit of tax for each $1,000 of assessed value of taxable property.

Tax Year: The fiscal year from July 1 through June 30.

Total Public Resources: Revenue received from State funding as appropriated by the legislature and local property taxes as assessed by the counties.

Transfers Out: An expenditure category that includes resource funding for specific purposes.

Tuition: Revenue generated by assessing students per-credit-hour rates.

Unappropriated Ending Fund Balance (UEFB): Amount set aside in the budget to be carried over to the next year's budget. It provides the college with cash until tax money or other revenues are received later in the year. This amount cannot be transferred by resolution or used through a supplemental budget unless necessitated by a qualifying emergency.

Unfunded Actuarial Liability (UAL): Amount PERS has determined to be owed by participating governments to fully fund the retirement system.

Glossary of Acronyms

AAC&U American Association of Colleges and Universities
AACC American Association of Community Colleges
AAOT Associate of Arts Oregon Transfer (degree)
AASHE Association for the Advancement of Sustainability in Higher Education
AAUP American Association of University Professors
AAWCC American Association of Women in Community Colleges
ABSE Adult Basic Skills & Secondary Education
ACCT Association of Community College Trustees
ACT American College Test
AFT American Federation of Teachers
APPA Leadership in Educational Facilities
ASLCC Associated Students of LCC
ATC Academic Technology Center
BSD Basic Skills Development
CAFR Comprehensive Annual Financial Report
CARF Capital Assets Replacement Forecast
CCBO Community College Business Officers
CCFIS Community College Financial Information System
CCSF Community College Support Fund
CCWD Community Colleges and Workforce Development (Department of)
CES Career Employment Services
CEU Continuing Education Unit
CML Center for Meeting and Learning
COLA Cost of Living Adjustment
CO-OP Cooperative Education
CPI Consumer Price Index
CSL Current Service Level
CSSA Council of Student Services Administrators
ERB Employee Relations Board
ESD Education Service District

ESL	English as a Second Language
FASB	Financial Accounting Standards Board
FERPA	Family Educational Rights and Privacy Act
FMP	Facilities Management & Planning Department
FTE	Full-time equivalency
FWS	Federal Work Study
FY	Fiscal Year (FY12 = Fiscal Year 12)
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GDP	Gross Domestic Product
GED	General Education Development
GFOA	Government Finance Officers Association
HEA	Higher Education Act
HEPI	Higher Education Price Index
IESL	International (student) English as a Second Language
IRAP	Institutional Research, Assessment & Planning
KLCC	LCC's award-winning radio station: 89.7 FM
LASR	Lane Administrative Systems Renewal (Project)
LCC	Lane Community College
LCCEA	LCC Education Association (Union - Classified)
LCCEF	LCC Employees Federation (Union - Faculty)
LEED	Leadership in and Environment Design
LRFP	Long Range Financial Plan
LTD	Lane Transit District
NACUBO	National Association of College & University Business Officers
NEA	National Education Association
NWAACC	Northwest Athletic Association of Community Colleges
OAR	Oregon Administrative Rule
OATC	Oregon Advanced Technology Consortium
OCCA	Oregon Community College Association
OCCCIR	Oregon Community College Council of Institutional Researchers

OCCS	Office of Community College Services
OCCSA	Oregon Community College Students Association
OCESP	Oregon Council for Education Support Professionals
ODE	Oregon Department of Education
ODOE	Oregon Department of Energy
OEA	Oregon Education Association
OFTEHP	Oregon Federation of Teachers, Education and Health Professionals
OICA	Oregon Independent Colleges Association
ONE	Oregon Network for Education
OPE	Other Payroll Expenses
OPTE	Office of Professional Technical Education
ORS	Oregon Revised Statutes
OSA	Oregon Student Association
OSAC	Oregon Student Assistance Commission
OSBA	Oregon School Boards Association
OSBDCN	Oregon Small Business Development Center Network
OSEA	Oregon School Employees Association
OUS	Oregon University System
PERS	Public Employee Retirement System
RTEC	Regional Technology in Education Consortium
SBDC	Small Business Development Center
SBE	State Board of Education
STEM	Science, Technology, Engineering and Math
UEFB	Unappropriated Ending Fund Balance
UAL	Unfunded Actuarial Liability

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