

## FY2016-FY2018 Projection Estimate

November 16, 2016

*State funding estimate updated  
December 19, 2016*

	FY2016 Actual Fund I & IX 10.8% CR decrease	11.16.16 Estimate FY2017 Funds I & IX 4% CR decrease	11.16.16 Projection FY2018 Funds I & IX 0% CR decrease	
<b>REVENUE</b>				
<b>Intergovernmental</b>				
State Funding	31,421,400	27,280,000	24,149,000	\$350K increase in FY16 estimate due to property tax factors. FY18 estimate based on \$550M biennial funding; <b>8.78%</b> of allocation Estimated 4% increase FY16, 3% increase FY18
Property Taxes	18,013,800	18,734,400	19,296,400	
	<b>49,435,200</b>	<b>46,014,400</b>	<b>43,445,400</b>	
<b>Tuition &amp; Fees</b>				
Tuition	23,956,600	23,551,100	23,551,100	FY17 based on 4% credit decrease; FY18 based on 0% CR change and current tuition rate
Student Fees	6,472,300	7,650,200	7,650,200	Tech fee moved from Other Revenue FY17 forward
Other Fees & Charges	1,411,200	1,198,900	1,163,700	Revised bad debt calculation
	<b>31,840,100</b>	<b>32,400,200</b>	<b>32,365,000</b>	
<b>Other Revenue Sources</b>				
Administrative Recovery	1,889,700	1,875,000	1,875,000	Standard schedule
Gifts & Donations	1,139,500	1,156,700	1,156,700	
Interest Income	142,400	133,500	133,500	
Other Revenue	2,508,300	903,300	903,300	Tech fee moved to Student Fees FY17 forward
Sale of Goods & Services	3,158,500	3,297,400	3,297,400	
	<b>8,838,400</b>	<b>7,365,900</b>	<b>7,365,900</b>	
<b>Operating Transfers In</b>				
Transfers In	3,294,700	1,538,800	2,398,800	Reverse 1x FY16 transfers. FY18 includes \$860K transfer from PERS reserve fund
	<b>3,294,700</b>	<b>1,538,800</b>	<b>2,398,800</b>	
	<b>93,408,400</b>	<b>87,319,300</b>	<b>85,575,100</b>	
<b>EXPENDITURES</b>				
<b>Personnel</b>				
Personnel - Contracted	35,014,800	34,942,400	35,450,000	Based upon current position list, vacancy fill plan. Includes faculty bargaining provision. 3.5% swirl factor
Personnel - P/T	12,873,900	13,360,000	13,360,000	
OPE	26,862,600	27,440,000	28,624,800	
	<b>74,751,300</b>	<b>75,742,400</b>	<b>77,434,800</b>	Maintain rates at 64%, 38% with use of PERS reserve
<b>Other Expenditures</b>				
Materials & Services	12,305,800	12,809,200	12,959,200	Inflationary trend in mandatories
Capital Outlay	557,100	665,000	775,000	
Goods for Resale	715,900	715,900	715,900	
	<b>13,578,800</b>	<b>14,190,100</b>	<b>14,450,100</b>	
<b>Operating Transfers Out</b>				
Transfers Out	4,598,800	3,275,400	3,220,900	
Transfers Out - Fin. Aid.	-	-	-	
	<b>4,598,800</b>	<b>3,275,400</b>	<b>3,220,900</b>	
	<b>92,928,900</b>	<b>93,207,900</b>	<b>95,105,800</b>	
<b>Revenue Over/Under Expenditures (Change in Fund Balance)</b>	<b>479,500</b>	<b>(5,888,600)</b>	<b>(9,530,700)</b>	
PERS Reserve Draw Down			(860,000)	To offset rate increases and maintain current OPE rates
PERS Reserve Balance Remaining			4,675,938	

## FY2018 Projection Estimate - State Funding Scenarios

December 19, 2016

	Governor's Budget (Current Funding Level)	OCCA Request
State Funding	\$ 550,000,000	\$ 634,000,000
Projected Revenues Over/Under Expenditures*	\$ (9,530,700)	\$ (5,843,100)

\* Based upon November 16, 2016 projection estimate and assumptions with updated state funding figures.  
Does not include PERS reserve draw down.

Policy Number: BP245

Policy Type: BUDGET AND FINANCIAL

Policy Title: ENDING FUND BALANCE

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

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

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

ADOPTED: January 14, 2004

REVIEWED: February 14, 2007

REVISED: October 19, 2009

REVISED: November 4, 2014

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FY17 Beginning Fund Balance	\$ 12,988,103
Funds Used In FY17 Budget Balancing:	
Financial Stabilization Reserve	(2,373,321)
Additional Fund Balance	<u>(2,811,700)</u>
	(5,185,021)
FY17 Projected Surplus/Deficit	\$ (577,779)
<i>November 16, 2016 estimate</i>	
<b>Estimated FY17 Ending Fund Balance</b>	<b>\$ 7,225,303</b>
10% Total General Fund Expenditures & Transfers	\$ 8,050,300
<i>Policy requirement</i>	
Surplus/deficit over policy requirement	\$ (824,997)

## Projection Categories, Components, Data Sources and Key Assumptions

Funds I & IX

Category	Components	Data Sources	Key Assumptions
<b>REVENUE</b>			
<b>Intergovernmental</b>			
State Funding	State of Oregon Community College & Workforce Development (CCWD) funding	CCWD funding worksheet (updated quarterly), Lane enrollment trends, enrollment trends from other colleges, tax revenues	-Current \$550MM biennial funding base -Lane enrollment -Other Oregon community colleges' enrollment
Property Taxes	Property taxes (Primarily Lane county; also Linn, Benton, Douglas)	County assessed value and collection rates, actual collections, housing market trends and forecasts	-% increase/decrease
<b>Tuition &amp; Fees</b>			
Tuition	Credit and non-credit tuition payments	Credit enrollment, actual receipts, trend analysis	-Tuition rate -Enrollment % change
Student Fees	Mandatory/instructional course fees, including continuing education, transportation, technology fees	Credit and Continuing Education enrollment, fee changes, actual receipts, trends analysis	-Fee rates -Enrollment % change
Other Fees & Charges	Income Credit Program (ICP), child development center, admissions fees, contracts, user fees, rent, bad debt provision	Credit enrollment, service and activity levels, department plans and forecasts, trend analysis, bad debt analysis and collection rates	-Enrollment % change -Service and activity changes
<b>Other Revenue Sources</b>			
Administrative Recovery	Grant indirect, Pell grant indirect, Foundation salary reimbursement, Titan Store and International general fund contributions	Grant activity, Foundation position list, Titan Store and International operating income and forecasts, department plans and forecasts	-Standard schedule
Gifts & Donations	KLCC memberships, miscellaneous program support from foundation	KLCC trends and forecasts, foundation activity	-KLCC membership % change
Interest Income	Miscellaneous investment income	Investment portfolio, rates, actual receipts	-Portfolio base, return rate
Other Revenue Sources	Miscellaneous revenue	Credit and CE enrollment, actual receipts, department plans and forecasts, trend analysis	-Enrollment % change
Sale of Goods & Services	Specialized Support Services (S3), KLCC underwriting, health and dental clinic billing, books, other sales	Service and activity levels, actual receipts, department plans and forecasts, trend analysis	-Service and activity changes
<b>Operating Transfers In</b>	Interfund transfers	Budgeted transfers, actual transfers, scheduled updates	-Standard schedule
<b>EXPENDITURES</b>			
<b>Personnel</b>			
Contracted	Contracted faculty, staff and manager salary and wages	Position list, salary schedule and step adjustments or bargaining parameters, "swirl" factor	-Staffing levels -Bargaining
Part-Time	Hourly (non-contracted) faculty, staff and manager wages	Enrollment and activity levels, contracted staffing (backfill offsets), bargaining parameters	-Enrollment % change -Bargaining
Other Personnel Expenses (OPE)	Employee benefits and payroll taxes	Actual collections and expenses, base salary levels, Public Employee Retirement System (PERS) rates, trend analysis	-Staffing levels and total salaries and wages -Health insurance premiums -PERS rates
<b>Other Expenditures</b>			
Materials & Services	Instructional and administrative materials, supplies and services, utilities	Enrollment and activity levels, actual expenditures, department plans and forecasts, trend analysis	-Enrollment and activity levels
Capital Outlay	Goods and equipment in excess of \$10K and/or depreciable (e.g. library books)	Capital outlay allocation, department plans, trend analysis	-Allocation funding
Goods for Resale	Lane Transit District (LTD) passes, ICP supplies	Sales revenue, actual expenditures, department plans and forecasts, trend analysis	-Main campus credit enrollment -Sales forecasts
<b>Operating Transfers Out</b>	Interfund transfers	Budgeted transfers, actual transfers, scheduled updates	-Standard schedule

## **Fiscal Year 2017-2018 Balancing Levers**

Funds I & IX

The Budget Development Subcommittee of College Council has begun its work and will be meeting regularly throughout winter term. In addition to discussing and reviewing projection assumptions, the committee develops a list of potential balancing levers.

Following is a list of balancing levers the subcommittee has considered in prior years.

### **Revenue Levers**

- Tuition
- Student Fees
- Administrative Recovery
- Entrepreneurial Activities

### **Expense Levers**

- Early separation incentive
- Vacancies
- Efficiencies & restructuring
- Classified, faculty, & management contracted positions
- Classified, faculty, & management part-time reductions
- Materials & services
- Capital outlay
- Major maintenance
- Program and service reductions
- Outsourcing

### **Other Considerations**

- Personnel cost adjustments
- Fund balance/reserve funds