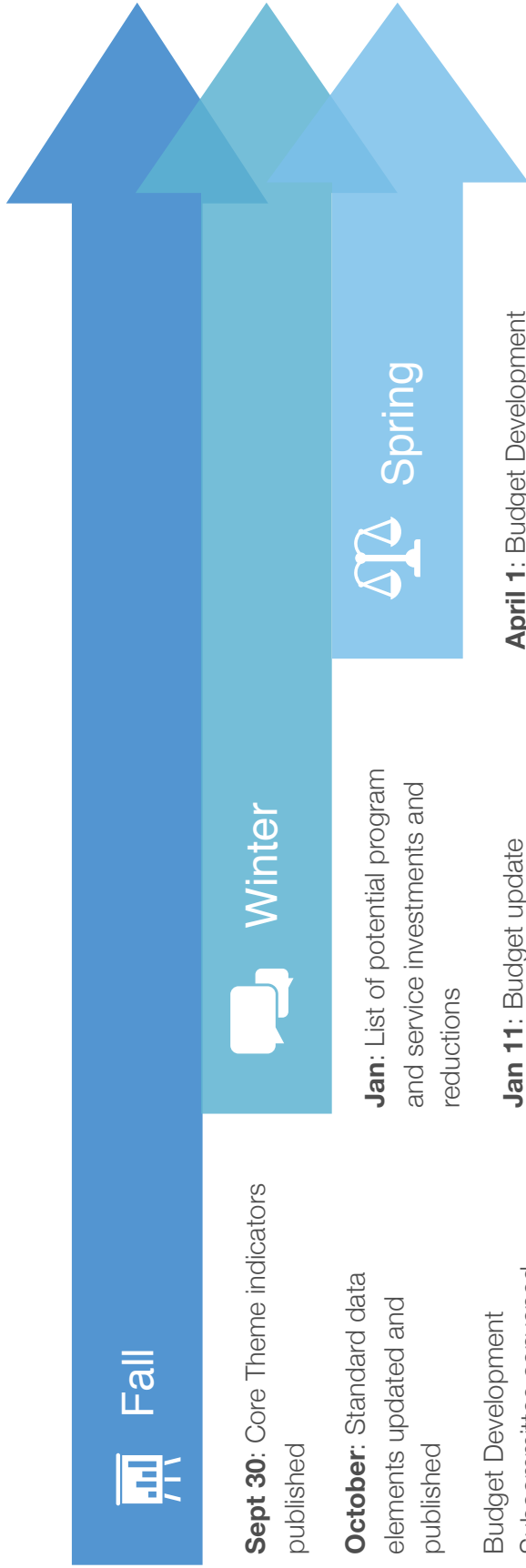


2017-2018 LCC Budget Development Calendar



Fall

Sept 30: Core Theme indicators published

October: Standard data elements updated and published

Budget Development Subcommittee convened

Budget Development Subcommittee feedback on prior year process

Oct 12: Funding outlook & institutional priorities

Nov 9: Budget outlook/initial projections



Winter

Jan: List of potential program and service investments and reductions

Jan 11: Budget update

Feb 8: Budget update

Feb 28: Categorical funding decisions

Mar 8: Planning projection

Mar 8: Investment options and recommendations

Mar 30: Program/Service change and investment decisions



Spring

April 1: Budget Development Subcommittee budget recommendations to College Council

April 12: Administrative balancing options (if needed)

May 1: Final day minority report submissions will be accepted by the Board of Education

May: Budget Committee meetings commence

**FY2017 - FY2019
Projection Estimate**
November 9, 2017

	11.9.17 PreAudit Final	11.9.17	11.9.17	Notes
	FY2017 Funds I & IX	FY2018 Funds I & IX	FY2019 Funds I & IX	
	4.3% CR decrease	-5% CR decrease	-0% CR change	Enrollment change impact: \$300K per %Δ
REVENUE				
Intergovernmental				
State Funding	27,230,149	24,311,400	24,311,400	
Property Taxes	18,746,752	19,500,000	20,085,000	4% increase FY18, 3% increase FY19
	45,976,901	43,811,400	44,396,400	
Tuition & Fees				
Tuition	23,730,078	23,387,600	23,387,600	Does not include FY19 HEPI. Add \$215K for each \$1 increase
Student Fees	7,680,451	9,235,200	9,235,200	
Other Fees & Charges	1,294,086	1,240,300	1,240,300	
	32,704,615	33,863,100	33,863,100	
Other Revenue Sources				
Administrative Recovery	1,985,148	1,965,000	1,965,000	
Gifts & Donations	1,217,067	1,407,100	1,407,100	
Other Revenue	1,254,124	1,368,500	1,368,500	
Sale of Goods & Services	2,934,136	2,974,700	2,974,700	
	7,390,475	7,715,300	7,715,300	
Operating Transfers In				
Transfers In	1,559,137	2,084,700	1,777,500	FY18 includes 1x fund balance transfers
	1,559,137	2,084,700	1,777,500	
	87,631,128	87,474,500	87,752,300	
EXPENDITURES				
Personnel				
Personnel - Contracted	35,843,936	35,239,200	35,326,000	Based on current position list, 3.5% swirl FY18, FY19, no FY19 increases
Personnel - P/T	12,195,828	11,934,000	11,934,000	
OPE	26,068,774	27,559,735	27,616,200	Maintain current rates
	74,108,538	74,732,935	74,876,200	
Other Expenditures				
Materials & Services	12,056,978	11,726,300	12,019,500	2.5% inflationary increase FY19
Capital Outlay	819,085	660,000	935,000	Restore capital outlay allocation
Goods for Resale	720,020	750,600	750,600	
	13,596,083	13,136,900	13,705,100	
Operating Transfers Out				
Transfers Out	3,266,084	2,159,200	2,444,500	Standard transfer schedule
Transfers Out - Fin. Aid.	-	-	-	
	3,266,084	2,159,200	2,444,500	
	90,970,705	90,029,035	91,025,800	
Revenue Over/Under Expenditures * (Change in Fund Balance)	(3,339,577)	(2,554,535)	(3,273,500)	

*Does not include PERS reserve draw down

Beginning PERS Reserve Balance	5,535,938	5,535,938	4,675,938
Ending PERS Reserve Balance	5,535,938	4,675,938	3,815,938

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

FY18 Estimated Beginning Fund Balance <i>Pending final year-end audit</i>	\$ 9,802,000
FY18 Projected Surplus/Deficit <i>November 9, 2017 estimate</i>	\$ (1,509,100)
Estimated FY18 Ending Fund Balance	\$ 8,292,900
10% Total General Fund Expenditures & Transfers <i>Policy requirement</i>	\$ 8,147,300
Surplus/deficit over policy requirement	\$ 145,600

Projection Categories, Components, Data Sources and Key Assumptions		
Funds I & IX	Components	Data Sources
Category	Components	Key Assumptions
REVENUE		
Intergovernmental		
State Funding	State of Oregon Community College & Workforce Development (CCWD) funding	CCWD funding worksheet (updated quarterly), Lane enrollment trends, enrollment trends from other colleges, tax revenues
Property Taxes	Property taxes (Primarily Lane county; also Linn, Benton, Douglas)	County assessed value and collection rates, actual collections, housing market trends and forecasts
Tuition & Fees		
Tuition	Credit and non-credit tuition payments	Credit enrollment, actual receipts, trend analysis
Student Fees	Mandatory/instructional course fees, including continuing education, transportation, technology	Credit and Continuing Education enrollment, fee changes, actual receipts, trends analysis
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
Other Revenue Sources		
Administrative Recovery	Grant indirect, Pell grant indirect, Foundation salary reimbursement, Titan Store and International general fund contributions	Grant activity, Foundation position list, Titan Store and International operating income and forecasts, department plans and forecasts
Gifts & Donations	KLCC memberships, miscellaneous program support from foundation	KLCC trends and forecasts, foundation activity
Interest Income	Miscellaneous investment income	Investment portfolio, rates, actual receipts
Other Revenue Sources	Miscellaneous revenue	Credit and CE enrollment, actual receipts, department plans and forecasts, trend analysis
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
Operating Transfers In	Interfund transfers	Budgeted transfers, actual transfers, scheduled updates
EXPENDITURES		
Personnel		
Contracted	Contracted faculty, staff and manager salary and wages	Position list, salary schedule and step adjustments or bargaining parameters, "swirl" factor
		Staffing levels -Swirl factor -Bargaining

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

Fiscal Year 2018-2019 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 incentives
- 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

FY 2018 Adopted Budget Balancing Items

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

Balancing Items:

Expense Reductions

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

Revenue Additions

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

Balancing Total	<u>\$ 10,600,800</u>
-----------------	----------------------

Budget Balance	\$ 12,300
-----------------------	------------------

Early Separation Incentive Summary

FY 2015 - classified staff	Funds I & IX	Other Funds	Total
# Participants ^Δ	29	5	34
Positions Filled/To Be Filled	13	0	13

Budgeted Savings FY16	\$ 678,000	\$ -	\$ 678,000
Net Savings FY16	\$ 787,500	\$ 121,500	\$ 909,000
Net Savings FY17 forward	\$ 870,300	\$ 176,500	\$ 1,046,800

^Δ27 participants opted for the \$9,000 lump sum payout; 7 opted for the one-year individual insurance coverage option

FY 2016 - classified staff	Funds I & IX	Other Funds	Total
# Participants [∪]	30	10	40
Positions Filled/To Be Filled	17	4	21

Budgeted Savings FY17	\$ 500,000	\$ -	\$ 500,000
Net Savings FY17	\$ 776,900	\$ 229,900	\$ 1,006,800
Net Savings FY18 forward	\$ 822,300	\$ 241,400	\$ 1,063,700

[∪]33 participants opted for the \$9,000 lump sum payout; 7 opted for the one-year individual insurance coverage option

FY 2017 - all employee groups	Funds I & IX	Other Funds	Total
# Classified Participants	11	7	18
Positions Filled/To Be Filled	7	4	11

Budgeted Savings FY18	\$ 205,300	\$ -	\$ 205,300
Net Savings FY18	\$ 146,200	\$ 70,000	\$ 216,200
Net Savings FY19 forward	\$ 224,300	\$ 139,900	\$ 364,200

# Faculty Participants	9	0	9
Positions Filled/To Be Filled	2	0	2

Budgeted Savings FY18	\$ 409,500	\$ -	\$ 409,500
Net Savings FY18	\$ 426,000	\$ -	\$ 426,000
Net Savings FY19 forward	\$ 427,800	\$ -	\$ 427,800

# Management Participants	5	0	5
Positions Filled/To Be Filled	5	0	5

Budgeted Savings FY18	\$ -	\$ -	\$ -
Net Savings FY18	\$ 1,600	\$ -	\$ 1,600
Net Savings FY19 forward	\$ 51,600	\$ -	\$ 51,600

Total All Groups	25	7	32
Positions Filled/To Be Filled	14	4	18

Budgeted Savings FY18	\$ 614,800	\$ -	\$ 614,800
Net Savings FY18	\$ 573,800	\$ 70,000	\$ 643,800
Net Savings FY19 forward	\$ 703,700	\$ 139,900	\$ 843,600

All 32 participants in FY2017 opted for the \$10,000 lump sum payout.

NOTES

Net Savings calculated after lump sum/insurance premium incentive, applicable backfill and filled positions

Figures include direct OPE of 25%