

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

FY15 Ending General Fund Balance	\$ 13,068,104
Fund Balance Used in FY16 Budget Balancing	<u>\$ 2,500,000</u>
	\$ 10,568,104
10% Total Expenditures & Transfers	\$ 8,034,783
Surplus over policy requirement	\$ 2,533,321

FY2015-FY2016 Projection Estimate

November 3, 2015

	FY2014 Actual Funds I & IX	FY2015 Funds I & IX	11.3.15 Estimate FY2016 Funds I & IX	Comments
REVENUE				
Intergovernmental				
State Funding	30,363,341	31,212,953	31,074,000	CCWD funding worksheet Oct. 2015
Property Taxes	16,513,061	17,527,816	18,228,900	4% increase over FY15
	46,876,402	48,740,769	49,302,900	
Tuition & Fees				
Tuition	31,818,863	27,904,467	23,914,200	12% credit decrease (enrollment YTD)
Student Fees	6,951,964	6,336,748	5,787,300	
Non-Mandatory Fees	645,396	704,549	642,400	
Other Fees & Charges	1,437,936	1,398,056	1,325,400	
Provision for Bad Debt Adjustment	-	-	(844,600)	Accounting change
	40,854,159	36,343,820	30,824,700	
Other Revenue Sources				
Administrative Recovery	571,060	1,293,697	1,870,000	Standard schedule
Gifts & Donations	900,293	1,203,587	1,203,000	
Grants & Contracts	30,395	161,608	33,200	
Interest Income	158,599	172,479	119,000	
Other Revenue	2,831,276	2,676,955	2,116,100	
Sale of Goods & Services	2,298,760	2,618,598	2,776,100	
	6,790,383	8,126,924	8,117,400	
Operating Transfers In				
Transfers In	1,939,831	1,619,037	1,625,500	
	1,939,831	1,619,037	1,625,500	
	96,460,775	94,830,550	89,870,500	
EXPENDITURES				
Personnel				
Personnel - Contracted	37,152,937	36,956,018	35,842,900	Current position list and vacancy fill plan
Personnel - P/T	16,042,095	12,580,322	13,030,500	
OPE	27,649,885	26,823,684	27,891,100	
	80,844,917	76,360,024	76,764,500	
Other Expenditures				
Materials & Services	13,902,034	12,007,199	12,659,200	One time bad debt allowance adjustment FY15
Capital Outlay	320,209	304,293	973,700	Capital outlay funding reinstated FY16
Goods for Resale	994,158	773,116	697,100	
	15,216,401	13,084,608	14,330,000	
Operating Transfers Out				
Transfers Out	3,596,726	2,873,465	3,009,000	
Transfers Out - Fin. Aid.	137,665	187,397	-	
	3,734,391	3,060,862	3,009,000	
	99,795,709	92,505,494	94,103,500	
Revenue Over/Under Expenditures (Change in Fund Balance)	(3,334,934)	2,325,056	(4,233,000)	

Planned Ending Fund Balance Used

2,500,000

Projected Budget Gap

(1,733,000)

One-Time Reserve and Expenditure Options

December 9, 2015

Option	Reserve/ Expenditure Amount
<p>1. <u>Stabilization Reserve Fund</u> Per Board Policy BP290, "the board may require the president to establish a separate reserve fund for the purpose of providing short-term stabilization in anticipation of possible shortfalls in revenue".</p> <p>Due to the additional enrollment decline in the current year over the 7% budgeted, and the \$3.6M reduction in state funding to Lane in FY17, the Board could consider re-establishing this reserve, which was last established during the enrollment surge and depleted in the subsequent enrollment decline.</p>	Up to \$2,500,000
<p>2. <u>Student Success/ Strategic Enrollment Management</u> The Strategic Enrollment Management (SEM) plan approved by the Board in June 2015 included twelve strategies in support of the three SEM goals of increased new student enrollment, increased retention rate, and increased credential attainment.</p> <p>The planning team identified known resources needed to support strategies and also noted that additional resources would likely be needed as goal teams moved into further development and implementation.</p> <p>The following three resources would be of great use to the SEM team in supporting student retention , as this is the largest factor in our enrollment decline. These resources could be implemented within the current fiscal year:</p>	
<p>a. <u>Implementation of an online pre-orientation system</u></p> <p>Implementation of an online pre-orientation system. This will provide a robust, Lane-branded educational experience for all new-to-Lane students. Topics will include an introduction to high-impact practices that support student engagement and retention such as academic advising, placement test preparation and financial literacy. The idea is to take a flipped classroom approach to orientation, with the content presented in the online pre-orientation and a focus on high-touch relational aspects for in-person orientation and advising. The one-time expenditure will go toward purchase and development. The annual license fee moving forward is approximately \$3,000.</p>	\$60,000
<p>b. <u>Programmer/report writer to develop SEM data elements and key performance indicators</u></p> <p>A one-time investment in developing SEM-related reports and analytics provide SEM leads critical information regarding specific recruitment and retention issues and opportunities, and ongoing self-service access to SEM goal indicators. In particular, the team can use advanced reporting tools to better understand student stop out data.</p>	\$40,000

One-Time Reserve and Expenditure Options

December 9, 2015

Option	Reserve/ Expenditure Amount
<p>c. <u>Deployment of a Retention Support Team</u></p> <p>A temporary, part-time support team could be brought in through fall term 2016 to provide high-touch outreach and service to students who are at risk of stopping out. Examples include ensuring full staffing of the student services information desk and phone lines, calling students who haven't registered in a timely way for the following term, providing support and resources for students who have holds on their account or other barriers to registration.</p>	\$60,000
<p>3. <u>Deferred Maintenance</u></p> <p>Although several important deferred maintenance projects were accomplished as part of the 2008 Bond, there remains approximately \$19M in projects on the deferred maintenance list to include roofing, infrastructure and electrical upgrades, and safety projects.</p>	Up to \$1,000,000
<p>4. <u>Other Options</u></p>	Up to \$2,500,000

Policy Number: BP290

Policy Type: BUDGET AND FINANCIAL

Policy Title: STABILIZATION RESERVE FUND

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.

ADOPTED: January 14, 2004

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