**Institutional Effectiveness Report: Governance Council Format**

Each institutional planning group or function will submit an annual report to the Institutional Effectiveness Committee summarizing their outcomes and performance measures; progress toward achieving established outcomes; areas of focus for the coming year(s); and suggestions for continued improvement of college wide institutional effectiveness systems and structures.

**Reports are due to the Institutional Effectiveness Committee by December 14, 2018**

Email completed reports to InstitutionalEffectiveness@lanecc.edu

Please limit the narrative section of your report to five pages

Submitted by:   Dennis Gilbert / Greg Holmes

Representing:   Finance Council

Date:  December 14, 2018

**Section 1: Progress Report**

The council’s work accomplished for 2017-2018 academic year was the following:

1.      Updated the Fiscal Indicators Scorecard used in the 2018/19 budget document.   This report came from the Council’s Long Range report completed in June 2017. The fiscal indicators are updated after audit is presented to the board in December and projected for future years.

2.      The refinement of the five-year forecasting tool is still on the councils’ work plan.  The budget office is currently doing an RFP for a budget tool that may facilitate forecasts with a goal to have in place by October 2019.

3.      During the summer months the college had an intern explore the feasibility and benefits of disaggregating OPE rate for reporting, cost allocation and decision making.   More staff time needed to review and bring to the Council.

The Council’s previous work plan (see attached appendix) was only partially completed.  This movement by the Council’s work plan but after an intense 2 year effort focused on creating long range financial planning.  However, with the early start of the Budget Development Subcommittee which drew heavily from the administration members of the Council, the Council had difficulty getting a quorum and met only five times in 2017-18.  Further, the effective subcommittee work of the Council, not subject to this quorum of the whole, wascurtailed by the BDSC work as well as the pursuit all year of allegations (dropped at the end of the spring term) against the active faculty member on the Council.

**Section 2: Looking Ahead**

The Council reconvened in fall with a strong membership and set a course aimed at regaining the previous financial planning momentum and meeting it charter purpose.  The following goals were set.

**1.       Provide an annual report on fiscal indicators to promote financial literacy.**

* Provide Fiscal Indicator Scorecard for the upcoming 2019/20 Budget

**2.       Develop systems to support financial transparency**

* Council will develop a monthly close report and post on website
* Provide regular updates on Council progress and disseminate products of the Council

**3.       Identifying long-term financial planning data and forms of analysis/projection**

* Student FTE
* Staffing
* Cash flow
* Use of and defining of related Indices/Ratios and Time periods of interest

**4.       Identifying elements of educational environment for review and to model impacts**

* High school population and graduation rates
* Transfer rates
* Certification  rates

**5.       Identifying policy for review and the form of review**

* Distribution formula
* High school dual credit framework
* Fund balances
* ICP/COPPS

**6.       Scenario options and related financial analysis, including**

* OPE by employee categories
* Moving to substantially full-time faculty staffing

**Section 3: Ideas for Institutional Effectiveness Systems and Structures**

Identify existing espoused or implemented decision-making algorithms, which can provide a basis for productive institutional reflection, modeling, and prediction.

Establish a system of vetting support for Council projects, not otherwise feasible within existing staff responsibilities.

**Appendix**

***2017-2018***

**Next Steps**

Finance Council has identified the following action items and priorities to pursue to support long-range and strategic financial planning at the college. The council will assess implementation efforts and fiscal indicators annually; updating and amending forecasts, action items, strategies and plan documents and resources accordingly.

**Scenario Planning[[1]](#footnote-1): Lane’s Educational Service Environment**

* Collaborate with Learning Council, Faculty Council, and other policy and planning groups to host a series of scenario planning sessions and forums designed to outline key questions, issues and opportunities relating to our educational environment. These efforts will foster dialogue, broaden engagement and understanding of both financial and educational environments, articulate strategic options before us, and illustrate the necessary alignment of strategic and financial planning.

**Develop Systems and Resources to Support Financial Literacy, Access, Transparency and Decision-Making**

* Continue development and refinement of five-year financial forecasting tool
* Create data and reporting dictionary of common financial and related data and reports to further understanding and analysis and a common language and understanding
* Develop systems, tools and training resources to promote access to financial data to support analysis and decision making at the local level
* Establish yearlong communication plan for and with all stakeholder groups (outside the annual budget development cycle) to encourage dialogue, shared problem-solving, and shared understanding of financial issues and opportunities
* Provide an annual report on fiscal indicators and progress toward financial goals

**Planning and Resource Allocation Integration**

* Create an integrated department planning process that flows into budget development and resource allocation and includes analysis of implementation/goal attainment
* Ensure the Long-Range Financial Plan and college planning structures and systems support the Learning Plan, Facilities Master Plan, and other planning processes currently in development

**Comprehensive Review of Enterprise and Auxiliary Funds**

* Conduct a comprehensive review of Enterprise and Auxiliary Funds to identify issues and develop specific plans as needed for long-term fiscal health. Fund II: Internal Service Fund, Fund IV: Capital Projects Fund, Fund VI: Enterprise Fund.

**OPE Rate Assessment**

* Explore the feasibility and benefits of disaggregating OPE rates to better allocate benefit costs for reporting, cost allocation, and decision making

**Budget Cycle Review**

* Explore the feasibility and benefits moving to a two-year budget cycle to support longer-term planning cycles and operational efficiencies.
1. Sayers, N. (June 2010). A Guide to Scenario Planning in Higher Education. *Leadership Foundation for Higher Education,* *Publication 4*, Series 2. <https://www.lfhe.ac.uk/filemanager/root/site_assets/research_resources/research/series_2/S2-4%20Sayers%20-%20Scenario%20Planning.pdf> [↑](#footnote-ref-1)