

Board of Education/Budget Development Subcommittee Integrated Calendar

Approved by Board of Education on December 14, 2017

BDS work plan in green

| Fall Term | | Winter Term | | Spring Term | |
|--------------|--|--------------------|--|-------------|--|
| September 30 | Core Theme indicators published | January | List of potential program and service investments and reductions | April 12 | Budget Development Subcommittee budget recommendations to College Council ¹ |
| October | Standard data elements updated and published | January --> | Analysis of balancing proposals | April 4 | Amendments and adjustments submitted for Board of Education packet |
| October | Budget Development Subcommittee convened | January 10 | Develop balancing worksheet template | April 12 | Board discussion of BDS amendments and adjustments |
| October | Budget Development Subcommittee feedback on prior year process | January 10 | Develop budget assumptions and scenarios | April 12 | Administrative balancing options (if needed) |
| October 12 | Funding outlook & institutional priorities | January 10 | Develop enrollment estimate | April 12 | Program/Service change and investment decisions* |
| November 9 | Budget outlook/initial projections | January 11 | Budget update | May 1 | Final day minority report submissions will be accepted by the Board of Education |
| November 22 | Integrated budget development calendar to College Council | week of January 22 | Campus Forum | May | Budget Committee meetings commence |
| November 30 | Integrated budget development calendar submitted for Board of Education packet | February 8 | Budget update | | |
| December 6 | Review budget development data elements, principles and criteria | February 14 | Initial balancing proposals to College Council and campus community ¹ | | |
| December 6 | Review budget execution from prior year process | February 22 | Balancing proposals submitted for Board of Education Packet | | |
| December 14 | Board discussion of BDS integrated calendar | February 28 | Categorical funding decisions | | |
| | | March 8 | Planning projection | | |
| | | March 8 | Investment options and recommendations | | |
| | | March 8 | Board discussion of BDS balancing proposals | | |

¹ BDS balancing proposals will be presented to College Council and the campus community on February 14, and the Board of Education on March 8.

* Originally scheduled on March 30; moved to April 12.

FY2017 - FY2019
Projection Estimate
 January 11, 2018

| | FY2017 Actual Funds I & IX | 1.11.18 FY2018 Funds I & IX | 1.11.18 FY2019 Funds I & IX | Notes |
|---|-------------------------------|-----------------------------------|-----------------------------------|---|
| | 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 | 23,424,200 | 23,854,200 | Includes FY19 HEPI |
| Student Fees | 7,680,451 | 9,266,400 | 9,292,800 | |
| Other Fees & Charges | 1,294,086 | 1,230,400 | 1,230,400 | |
| | 32,704,615 | 33,921,000 | 34,377,400 | |
| 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 | 1,278,414 | 1,254,100 | 1,254,100 | |
| Sale of Goods & Services | 2,934,136 | 2,756,800 | 2,756,800 | |
| | 7,414,765 | 7,383,000 | 7,383,000 | |
| 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 | |
| | 87,655,418 | 87,200,100 | 87,934,300 | |
| EXPENDITURES | | | | |
| Personnel | | | | |
| Personnel - Contracted | 35,843,936 | 35,019,600 | 35,186,900 | Does not include new faculty positions Based on current position list, 3.5% swirl FY18, FY19, no FY19 increases |
| Personnel - P/T | 12,195,828 | 12,098,900 | 12,098,900 | |
| OPE | 26,068,774 | 27,481,264 | 27,590,084 | Maintain current rates |
| | 74,108,538 | 74,599,764 | 74,875,884 | |
| Other Expenditures | | | | |
| Materials & Services | 12,167,990 | 11,835,500 | 12,131,400 | 2.5% inflationary increase FY19 |
| Capital Outlay | 819,085 | 660,000 | 935,000 | Restore capital outlay allocation FY19 |
| Goods for Resale | 720,020 | 750,600 | 750,600 | |
| | 13,707,095 | 13,246,100 | 13,817,000 | |
| 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 | |
| | 91,081,717 | 90,005,064 | 91,137,384 | |
| Revenue Over/Under Expenditures * (Change in Fund Balance) | (3,426,299) | (2,804,964) | (3,203,084) | |

*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 |

Projection Categories, Components, Data Sources and Key Assumptions

Funds I & IX

| Category | Components | Data Sources | 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 | -Current \$570MM 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 |
| Tuition & Fees | | | |
| 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 |
| 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 | -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 |
| Operating Transfers In | Interfund transfers | Budgeted transfers, actual transfers, scheduled updates | -Standard schedule |

Projection Categories, Components, Data Sources and Key Assumptions

Funds I & IX

| Category | Components | Data Sources | Key Assumptions |
|--------------------------------|--|---|---|
| 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 |
| 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 |

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 Beginning General Fund Balance | \$ 9,826,328 |
| FY18 Projected Surplus/Deficit <i>January 12, 2018 estimate</i> | \$ (1,916,700) |
| Estimated FY18 Ending General Fund Balance | \$ 7,909,628 |
| 10% Total General Fund Expenditures & Transfers <i>Policy requirement</i> | \$ 8,147,300 |
| Surplus/deficit over policy requirement | \$ (237,672) |

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