

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	January 25	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	March 7	Campus Forum		
		March 8	Planning projection		
		March 8	Investment options and recommendations		
		March 7	Board discussion of BDS balancing proposals		
		March 15	Campus Forum		
		March 30	Categorical funding decisions		

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**

March 8, 2018

	FY2017 Actual Funds I & IX	3.8.18 Estimate FY2018 Funds I & IX	3.8.18 Planning Projection FY2019 Funds I & IX	Notes
	4.3% CR decrease	6.5% CR decrease	2.5% CR decrease	Enrollment change impact: \$300K per %Δ
REVENUE				
Intergovernmental				January 2018 funding formula update. FY19 allocation estimate 8.05%
State Funding	27,230,149	24,461,600	22,942,500	
Property Taxes	18,746,752	19,500,000	20,085,000	
	45,976,901	43,961,600	43,027,500	
Tuition & Fees				Includes FY19 HEPI
Tuition	23,730,078	23,409,500	23,393,900	
Student Fees	7,680,451	9,097,700	9,004,700	
Other Fees & Charges	1,294,086	960,200	960,200	
	32,704,615	33,467,400	33,358,800	
Other Revenue Sources				Standard schedule
Administrative Recovery	1,985,148	1,965,000	1,965,000	
Gifts & Donations	1,217,067	1,552,800	1,552,800	
Other Revenue	1,278,414	1,157,900	1,157,900	
Sale of Goods & Services	2,937,669	2,606,300	2,606,300	
	7,418,298	7,282,000	7,282,000	
Operating Transfers In				FY18 includes 1x fund balance transfers
Transfers In	1,594,317	2,114,700	1,777,500	
	1,594,317	2,114,700	1,777,500	
	87,694,131	86,825,700	85,445,800	
EXPENDITURES				
Personnel				Based on current position list and new faculty positions, 3.5% swirl FY18, FY19, no FY19 increases
Personnel - Contracted	35,843,936	35,063,300	35,632,100	
Personnel - P/T	12,195,828	12,183,500	11,883,500	
OPE	26,068,774	27,542,800	27,795,500	Maintain current rates with use of \$860K PERS reserve
	74,108,538	74,789,600	75,311,100	
Other Expenditures				1% inflationary increase FY19 Restore capital outlay allocation FY19
Materials & Services	12,167,990	11,821,400	11,939,700	
Capital Outlay	819,085	660,000	935,000	
Goods for Resale	720,020	709,000	720,000	
	13,707,095	13,190,400	13,594,700	
Operating Transfers Out				Standard transfer schedule
Transfers Out	3,301,264	2,209,200	2,444,500	
Transfers Out - Fin. Aid.	-	-	-	
	3,301,264	2,209,200	2,444,500	
	91,116,897	90,189,200	91,350,300	
Revenue Over/Under Expenditures * (Change in Fund Balance)	(3,422,766)	(3,363,500)	(5,904,500)	

*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

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

Projection Categories, Components, Data Sources and Key Assumptions

Funds I & IX

Category	Components	Data Sources	Key Assumptions
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>March, 2018 estimate</i>	\$ (2,081,600)
Estimated FY18 Ending General Fund Balance	\$ 7,744,728
10% Total General Fund Expenditures & Transfers <i>Policy requirement</i>	\$ 8,147,300
Surplus/deficit over policy requirement	\$ (402,572)

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
- Deferred maintenance needs
- PERS cost escalation

FY19 Balancing Ideas

March 8, 2018

PLANNING → BUDGET

Access & Affordability - Student Success - Economic Impact

Category	Initial Estimate*
Program Revision, Reorganization and Efficiencies	\$ 3,700,000
<i>As part of our annual planning and program review cycle, leadership from academics, student affairs, information technology, executive services, and college services have been engaging in analysis and review of all programs and services. Ideas have been brought forward for rethinking and restructuring some programs and services to align with current enrollment, improve student opportunities and outcomes, leverage grant funding sources, and maximize limited financial and human resources.</i>	
Student Enrollment and Retention	\$ 1,350,000
<i>At the first Budget Development Subcommittee campus forum, we received substantive feedback and ideas for improving enrollment and retention at the college. Committee members have been working with the Academic and Student Affairs Office to develop actionable plans to impact enrollment in the coming year. If successfully executed, the committee estimates 2% growth instead of 2.5% decline over current year enrollment.</i>	
Economic Driver/Community Partnerships	\$ 300,000
<i>We are investing in continued growth in our Extended Learning department which will result in increased revenue through continuing education courses and customized training for community employers. We also continue to explore partnerships and rental opportunities with partner academic institutions and community organizations.</i>	
Additional Ideas	
<i>We are reviewing fund balances, capital outlay allocations, and materials and services budgets for both one-time and recurring budget savings. The Budget Development Subcommittee is also reviewing additional ideas that have been brought forward for early separation incentives, holding funded vacancies open, and adjusting "swirl" factors.</i>	
Total	\$ 5,350,000