

FY17 Budget & Finance Subcommittee Consensus Budget Balancing Proposal

April 13, 2016

		Notes
2.3.16 Planning Projection	(5,483,000)	
Financial Stabilization Reserve	2,373,300	Established by Board of Education in January 2016
FY16 Savings	914,500	Savings from estimated \$2.5M fund balance used in current year
	(2,195,200)	
 Balancing Adjustments and Levers:		
Tuition Adjustment*	720,000	Application of HEPI index (\$3 increase)
Additional Revenue	175,000	HEPI application to differential fees, additional dental clinic & KLCC revenue
Personnel Cost Adjustment**	(1,992,200)	10-year average (see note below)
Bad Debt/Accts Receivable Adjustment	500,000	Reduced liability account due to decreased enrollment
Efficiencies and Restructuring	682,400	Additional work from departments: part-time, M&S and mandatory savings
Early Separation Incentive Savings	500,000	Estimated 1/2 of FY16 ESI savings realized
Additional Fund Balance	1,610,000	Use of additional 2% ending fund balance; resulting in 8% fund balance
	2,195,200	
 Net		
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* Tuition Note:

The Budget and Finance Subcommittee recommends that the LCC Board of Education review tuition rates during the 2016-2017 academic year, consistent with BP 725.

** Personnel Cost Adjustment Note:

The Budget and Finance Subcommittee works to develop a consensus balanced budget proposal each spring. During contract negotiation years, this process happens concurrent with and separate from bargaining. In order to maintain the integrity of both processes, the budget and finance subcommittee is using a placeholder figure of \$1.99 million for potential personnel cost increases based upon applying a ten-year average of adjustment factors to the FY17 position list. The budget and finance subcommittee recognizes that this parameter may differ from the actual results from the bargaining process or the parameters set by the Board.