



Lane Community College

Budget Committee Orientation

April 15, 2024

Jonathon Campbell, Director of Budget and Resource Planning

Agenda

- Introductions
- Purpose of the Committee and the Process
- Budget Development Process
- Overview of Higher Education in Oregon
- LCC Financial Structure
 - Major Planning Components
- FY24 Updates & FY25 Planning and Assumptions
- Next Steps & Discussion
- Resources

Budget Committee Members

Ron Preisler Zone 1, three-year term ending June 30th, 2026	Sue Cutsogeorge Zone 5, Completion of existing term ending June 30th, 2024
Siobhan Cancél Zone 2, three-year term ending June 30th, 2024	Amber Patterson At Large, Completion of existing term ending June 30, 2025
Charles Kimball Zone 3, Three-year term ending June 30th, 2026	Larissa Ennis At Large, three-year term ending June 30, 2026
William Gray Zone 4, Completion of existing term ending June 30th, 2026	

Also, includes members of the Board of Education.

Purpose of the Committee (ORS 294)

- Must have a quorum (more than one half) to hold a meeting
- Must hold at least one meeting to:
 - Receive the budget document
 - Receive the budget message
 - Provide opportunity for public input
- Discusses and revises the budget as needed, receive input from the community through Public Comment
 - May reduce or increase the estimate of resources and requirements
- Approve the Budget, Property Taxes, and gives the College the financial authority to carry out its mission

But not during the Orientation meetings

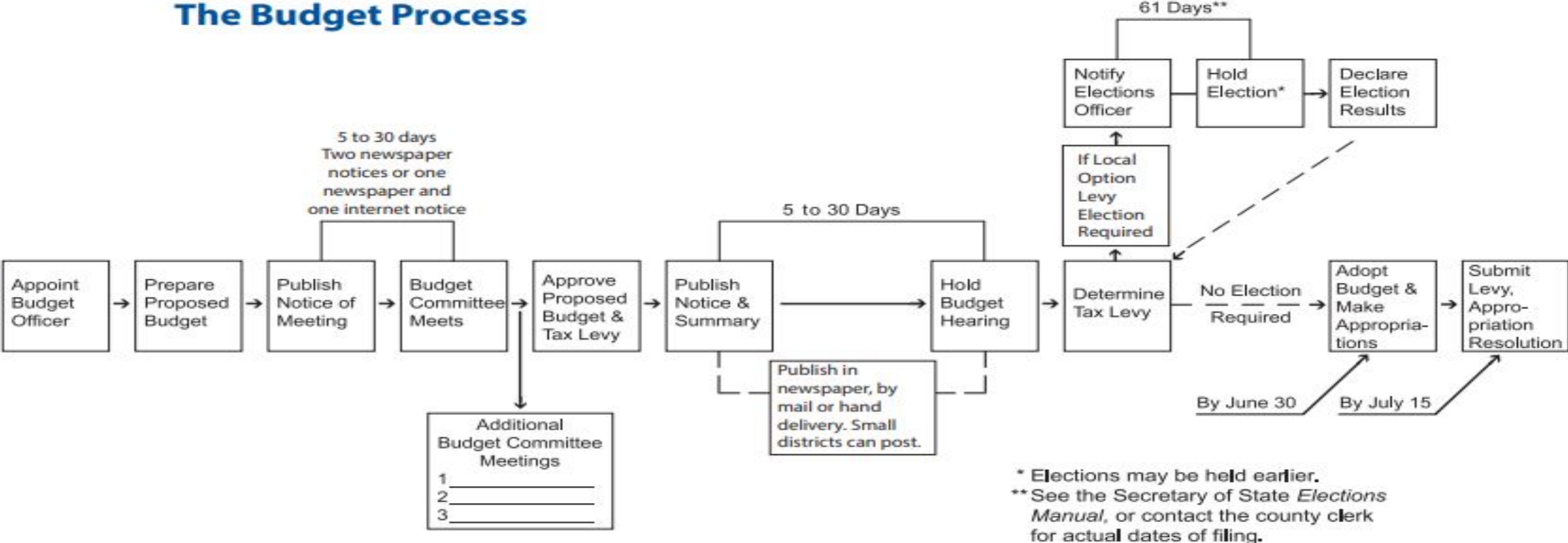
Purpose of the Process

Local Budget Law is designed to:

- **Establish standard procedures** for preparing, presenting, and administering the budgets of Oregon's local governments.
- **Encourage citizen involvement** in the preparation of the budget before its final adoption.
- **Provide a method of estimating** revenues, expenditures, and proposed taxes.
- **Institute a method for control** of revenues and expenditures that promotes efficiency and economy when using public funds.
- **Encourage citizen involvement (!)**. Public policy decisions are to be made openly in public meetings because the people have the right to be there and know what their local government intends to do.

Oregon Budget Law (ORS 294)

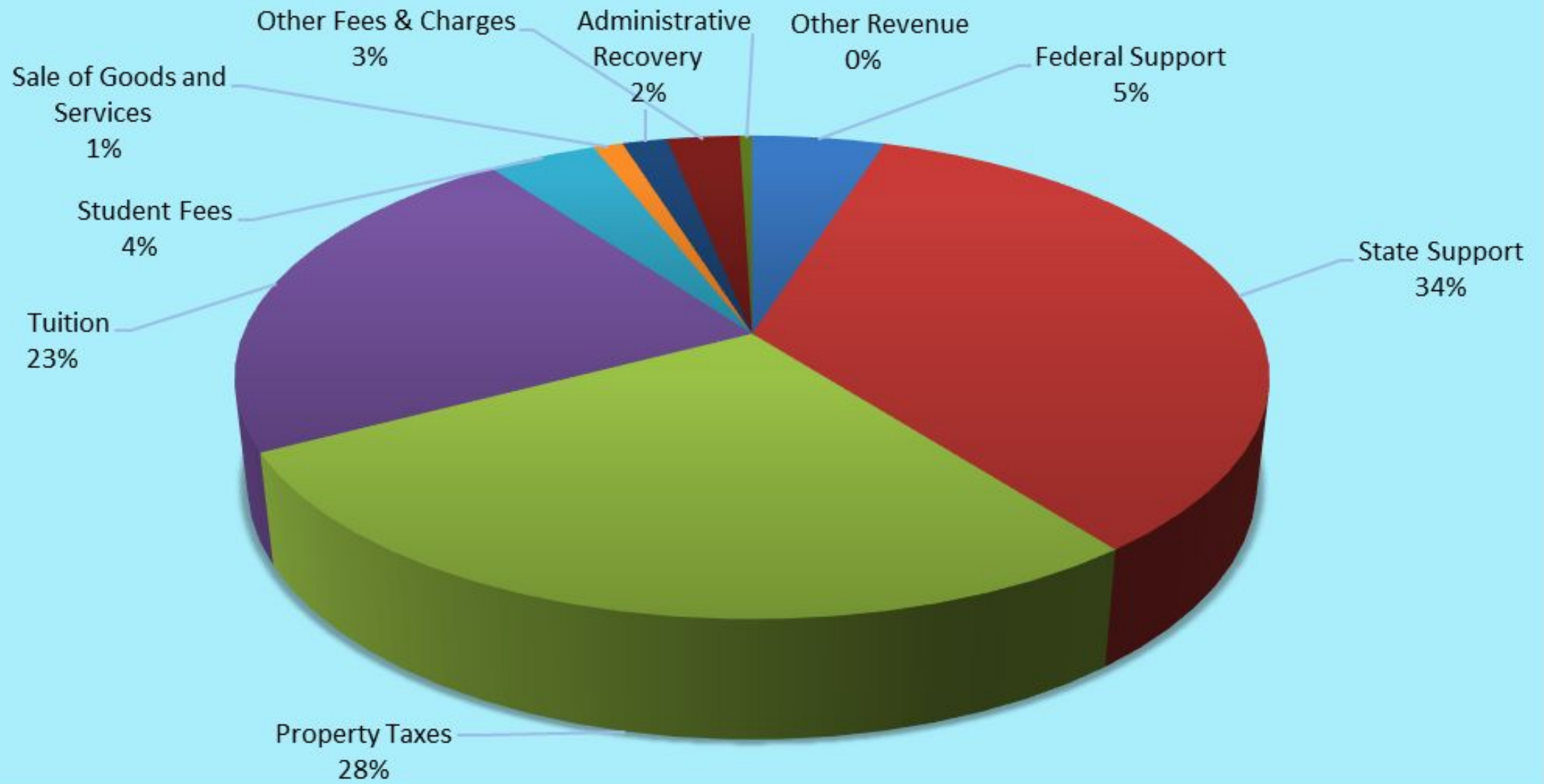
The Budget Process



Source: [Department of Revenue, Local Budgeting in Oregon](#)

The College's Financial Structure

FY24-25 Budget Projection



How is a tuition dollar spent?



51¢
Instruction

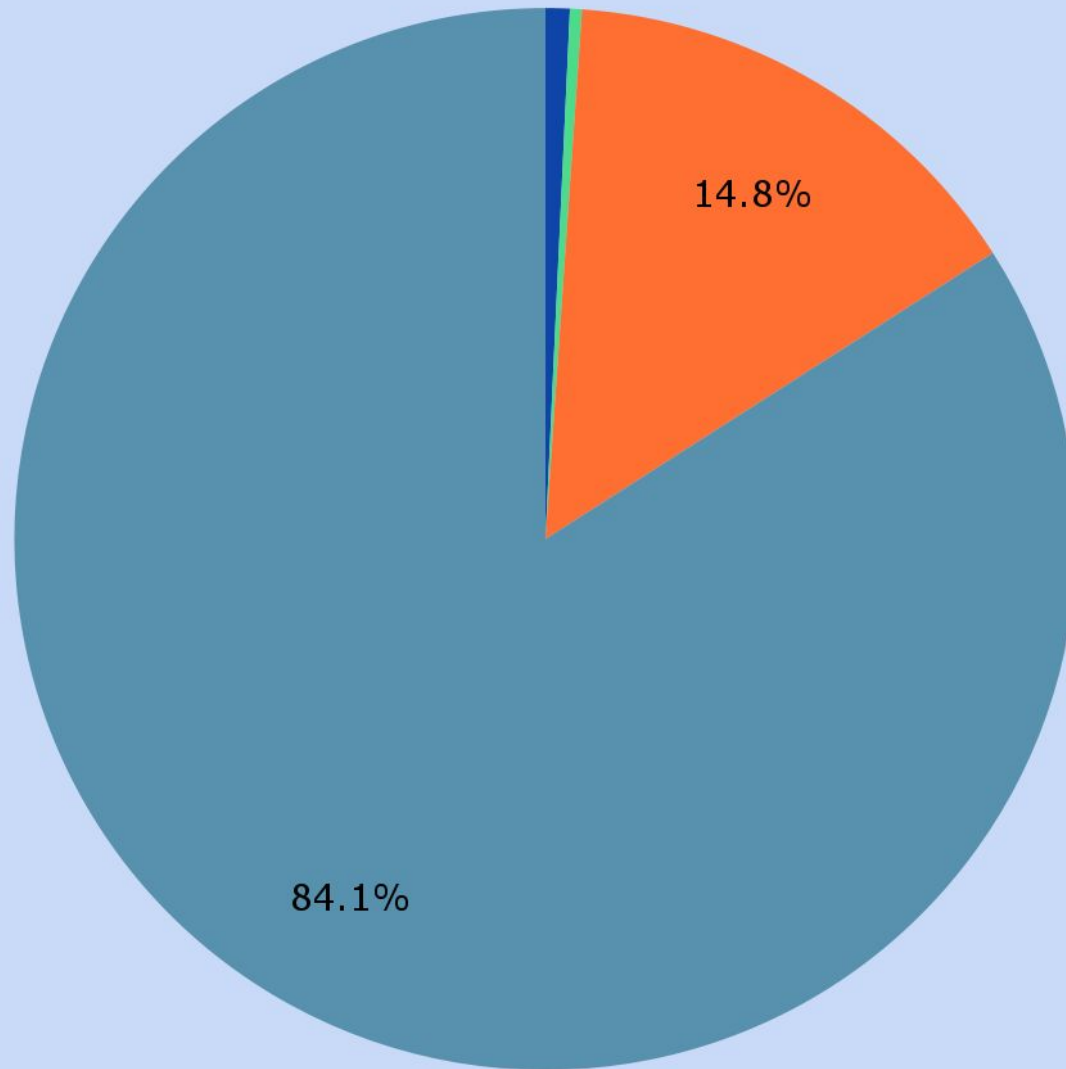
22¢
College
Support
Services

11¢
Student
Services

7¢
Plant
Oper.
& Maint.

7¢
Inst.
Sup.

2¢
Other
Uses



● Transfers Out ● Capital Outlay ● Materials and Services ● Personnel Services

Four Planning Levels and Operational Components

1) Major Funds

- Fund I - General Funds (Primary Operations)
- Fund II - Internal Services (Printing and Graphics)
- Fund III - Debt Service (Bonds and Property payments)
- Fund IV - Capital Projects (Bonds)
- Fund V - Financial Aid
- Fund VI - Enterprise (Student Housing)
- Fund VII - Early Retirement (PERS expense)
- Fund VIII - Special Revenues (Grants and Contracts)
- Fund IX - Administratively Restricted (KLCC, Flight Academy and International Programs)

Four Planning Levels and Operational Components

2) Primary Organizational Units

- **Academic Affairs** - includes activities related to faculty, curriculum development, and institutional effectiveness and planning. This also includes academic disciplines and programs, such as Health Professions, the Sciences, Arts and Humanities, and many others.
- **College Finance and Administration** - includes all functions related to financial controls of the College, such as accounting, budgeting, and procurement.
- **Facilities and Maintenance Planning** - administers all operations related to the physical campus, including grounds keep, custodial services, and repairs. Also, administers all Bond related projects.
- **Human Resources** - oversees all activities related to the people of the College. The primary functions include payroll, benefits, and professional development.
- **Information Technology** - administers the technology across the College, including both physical and non-physical hardware and software.
- **Student Affairs** - includes all activities related to students, such as student groups, mental and health programs, enrollment, financial aid, and all other student support services.
- **Marketing and Public Relations** - Engages in outreach and communication internally and externally from the College community.
- **The Office of the President** - oversees all activities across campus as the primary responsible administrative function. The Office of the President reports directly to the Board of Education and works with all governance components of the College, such as College Council, Faculty Council, and Labor Union representatives.

Four Planning Levels and Operational Components

3) Programmatic Areas

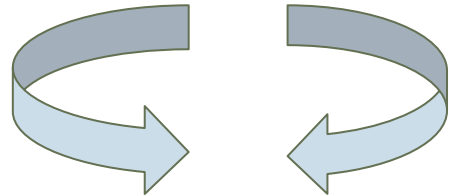
- Instruction
- Instructional Support
- Student Services
- Community Services
- College Support Services
- Plant Operations & Maintenance
- Plant Additions
- Financial Aid
- Debt Services
- Contingency & Reserves

Four Planning Levels and Operational Components

4) Functional Accounting Categories

Resources vs Requirements

- State Funding
- Tuition
- Property Taxes
- Other Revenue



- Salary and Benefits
- Operational Expenses
- Travel
- Contracts and Procurement
- Capital Outlay and Projects
- Contingencies and Reserves
- Transfers Out

Oregon and Higher Education Overview

Oregon and Higher Education

Community College Trends



New America

<http://newamerica.org> › [education-policy](#) › [edcentral](#) › e... ⋮

Enrollment at Community Colleges Might Improve, but ...

<https://www.newamerica.org/education-policy/edcentral/enrollment-improve-but-challenges-remain/#:~:text=In%20fact%2C%20the%20latest%20fall,students%20fewer%20than%20fall%202019.>



Inside Higher Ed

<https://www.insidehighered.com> › [retention](#) › 2024/01/24 ⋮

Enrollment rising for the first time since the pandemic

Jan 24, 2024 — The report, released today, found that **undergraduate enrollment grew 1.2 percent in fall 2023 compared to the prior year**, adding roughly 176,000 ...



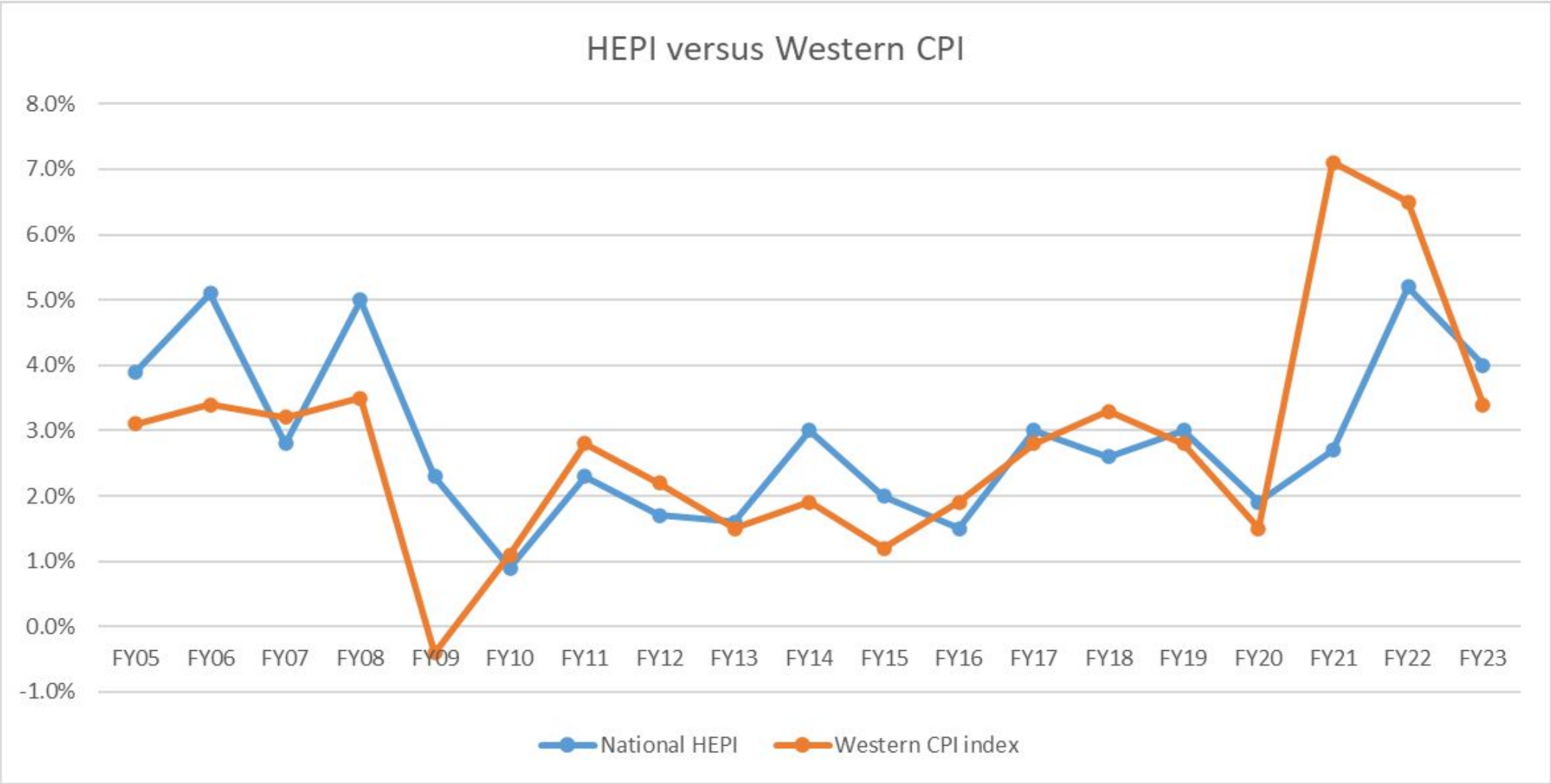
Community College Daily

<https://www.ccdaily.com> › 2023 › October ⋮

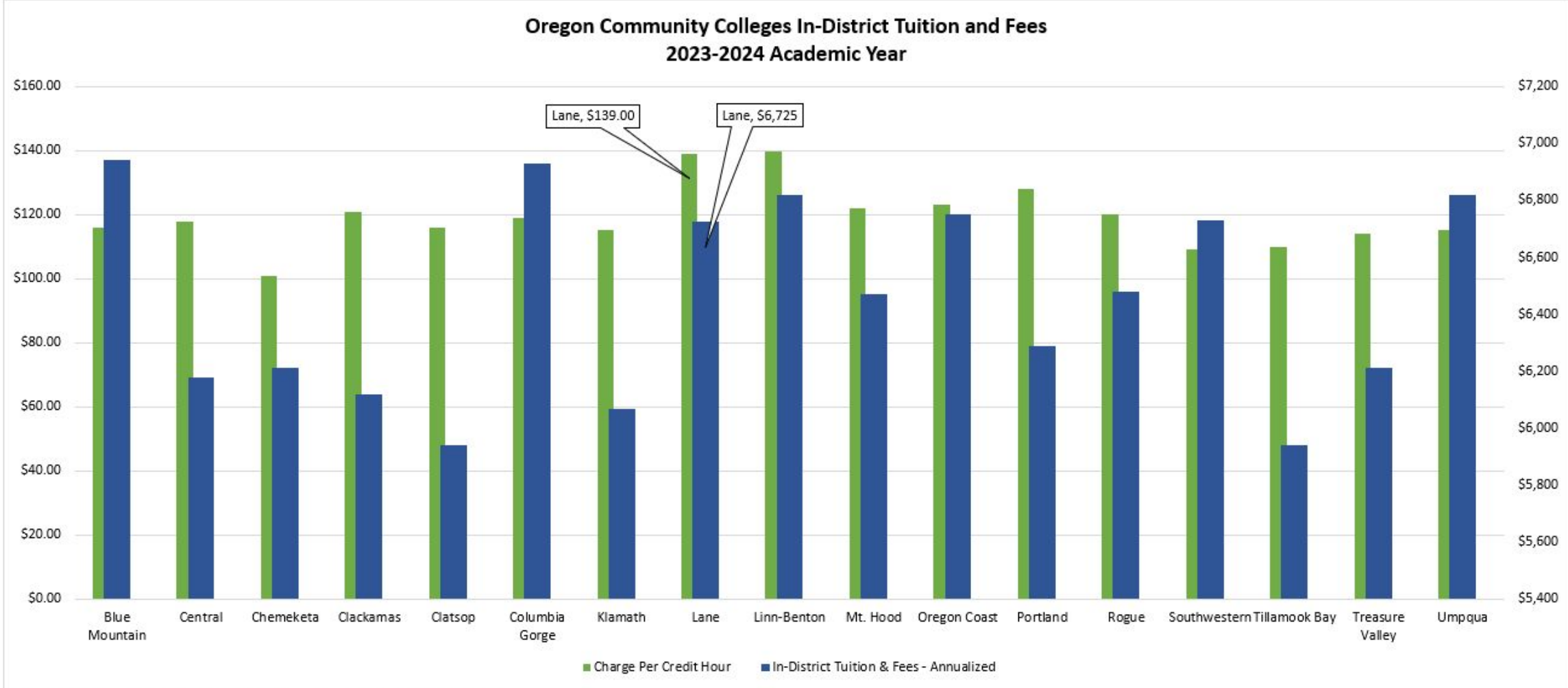
Community colleges lead the way in enrollment gains

Oct 26, 2023 — **Full-time enrollment among community college freshmen dipped -2.2%, following a 6.5% increase in fall 2022.** Meanwhile, part-time enrollment ...

Oregon and Higher Education



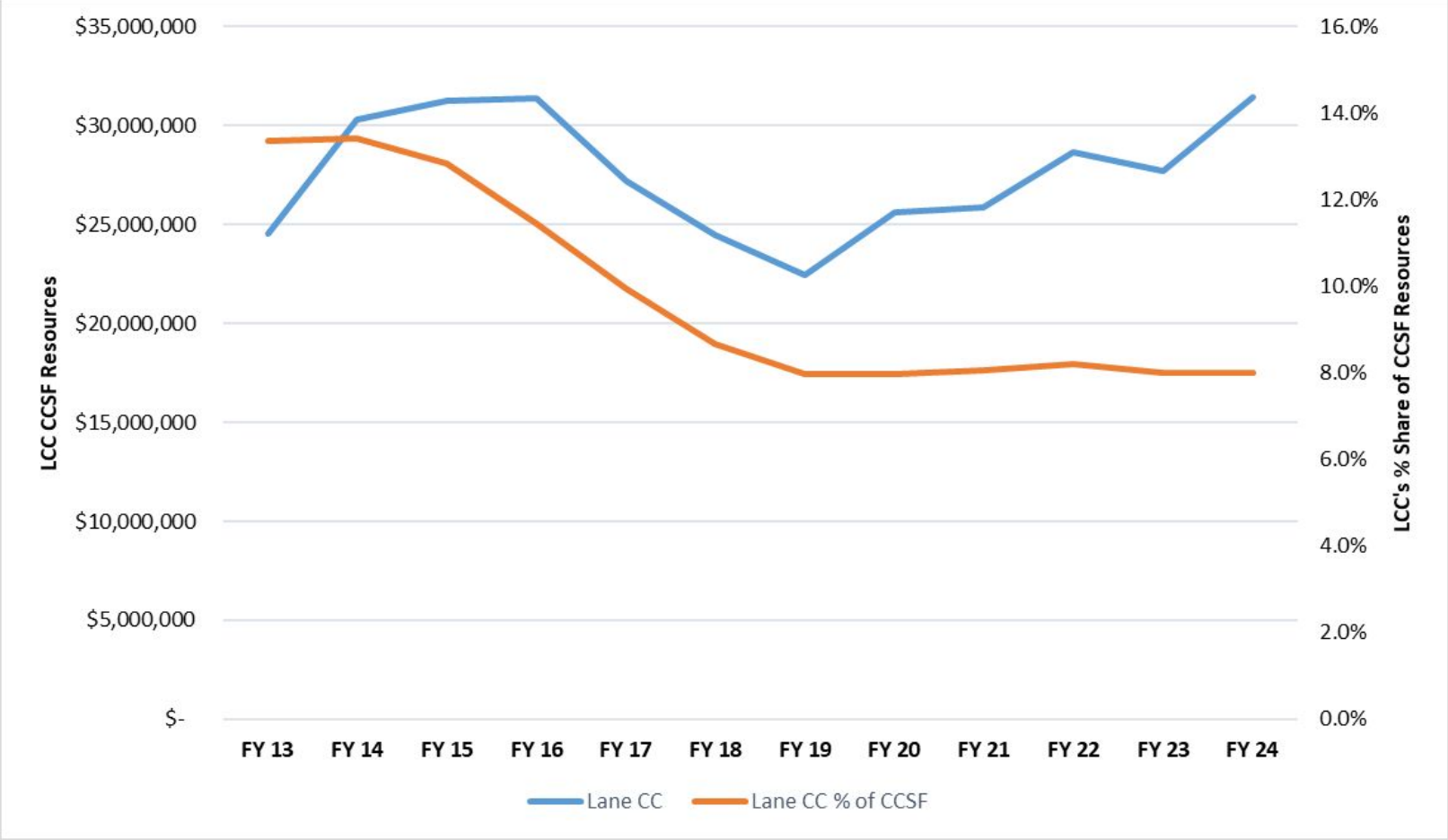
Oregon and Higher Education



Source: Oregon Department of Community Colleges and Workforce Development

Oregon and Higher Education

LCC's Allocation of State Funding vs Actual Resources



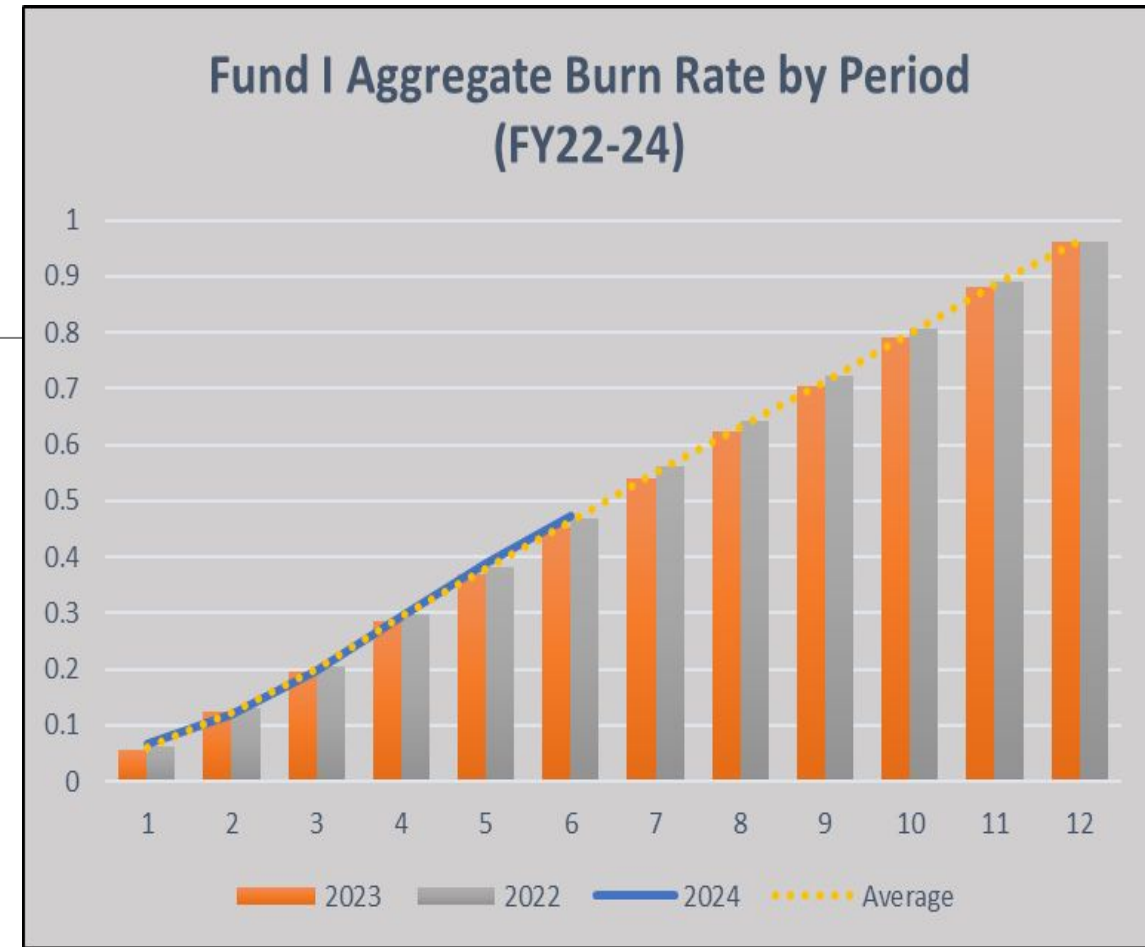
FY24 Budget Update

LCC FY23-24 Budget Update

- Enrollment has provided additional tuition revenue over budget by \$373K.
- State support has provided \$1.35M additional revenue above budget.
- The community achieved \$2.8M in operating expense reductions as directed by the Board.
- LCC began the fiscal year with a \$4M reserve for revenue shortfall in the Board approved budget.
- Challenges still remain in structural deficits for FY24-25 and beyond. Ongoing development of a 3-year financial forecast.

FY24 Updates

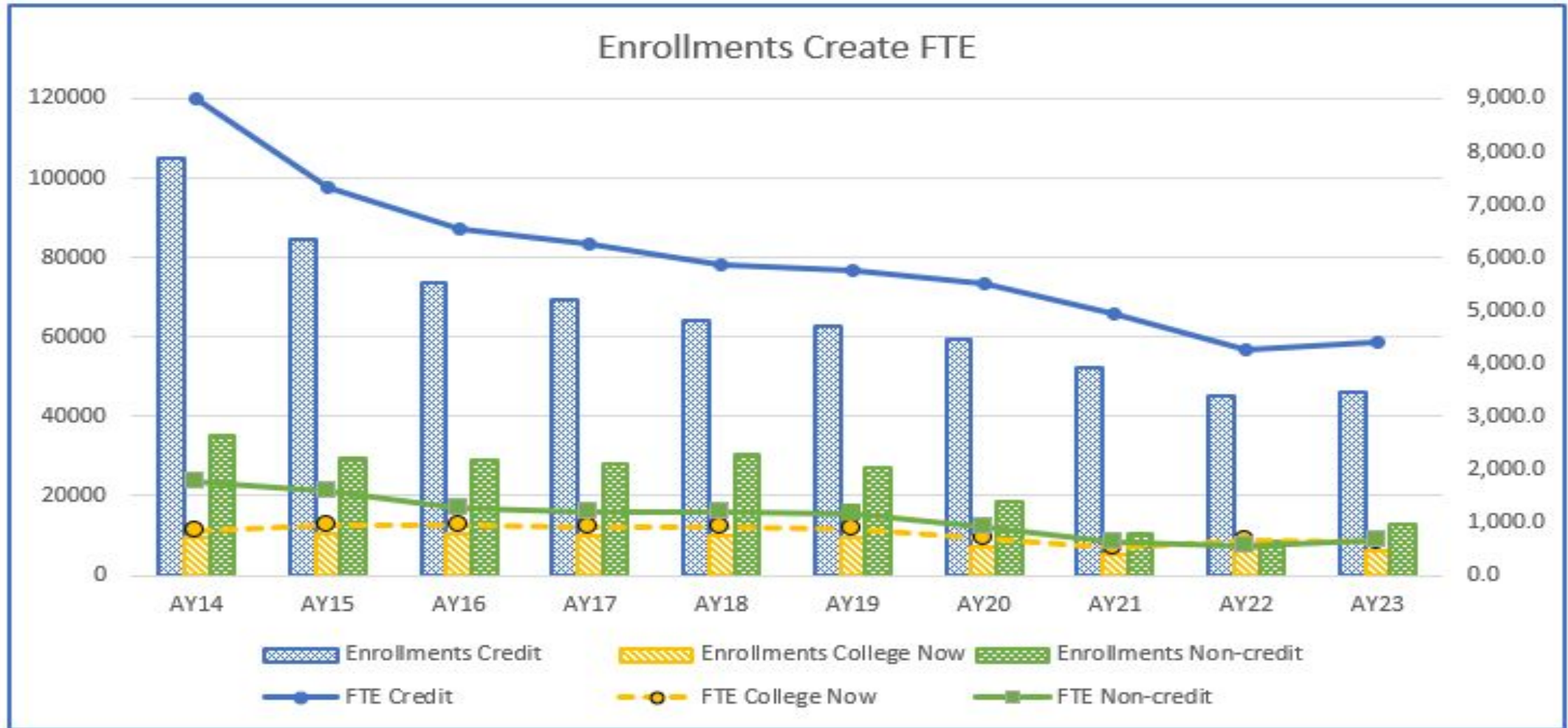
- ▶ FY24 totals is slightly higher overall, simply due to increased activity on-campus
 - ▶ Increased Enrollment
 - ▶ Increased Personnel Costs
 - ▶ Increased Revenue



Burn Metrics to watch in the last half of the year...

- Spring and summer enrollment
- Vacancy fillings
- Later than usual expenditures (e.g. contracts, maintenance costs, insurance, etc.)
- Transfers out to other funds (e.g. Fund IX)
- Large one-time expenditures

Enrollment



FY25 Budget Planning

LCC Budget Guiding Principles

- Continue to invest in the [College's 2022-2027 Strategic Plan](#) that includes student success, access, equity, inclusion and improved financial stability and sustainability.
- Assure **responsible use of taxpayer and tuition dollars** to achieve mission.
- Reflect the **current economic environment**
- Developed to support current **operational needs** and long term **fiscal stability**
- [FY24 Adopted Budget Document](#)

The “internal” LCC process

Partners:

- Governance - College Council via the Budget Development Subcommittee, which is a representative group of Faculty, Classified Staff, Management Staff, and Students
- Deans and Directors of all Divisions
- Program managers and Program/Budget coordinators
- Cabinet - VPs and AVPs
- Stakeholders from operational areas, such as Payroll and the Bonds Office
- Board of Education

2024-2025 LCC Budget Development Calendar

Fall

November

- Budget Cycle Begins
- Resource Allocations & Prioritizations Requests Process Initiated
- College Council & Budget Development Subcommittee (BDS) Convened

December

- Budget Update & Five-year Budget Forecast to BOE
- Initial tuition and fee cost overview
- Deadline for budget change requests – deadline December 15th

For questions, please email:
BudgetOffice@lanecc.edu

Or visit our [website](#).

Updated 12/05/23

Winter

January

- Community Training for Campus Budgeting Partners (i.e., budget managers and divisional leadership)
- Tuition and fees recommendations from SGA & Student Affairs
- BOE review of budget parameters

- Budget Update to Cabinet

February

- Student Forum
- Budget Update to Cabinet
- Categorical funding discussions
- Board Approval: Budget Parameters & Tuition Rates and Fees
- Positions Approvals (i.e., faculty search and approvals)
- BDS Balancing Proposals deadlines to College Council – deadline Feb. 28

March

- Campus Budget Partners meetings with Budget Office for budget input planning and planning
- Year-end Closing Planning
- Budget college-wide spring business forum and budget update
- All funds review by College Finance
- College Council Balancing Proposals submitted to the President for BOE meeting.
- Board initial budget discussion

Spring

April

- Deadline for Budget Partners to Return Budget Proposal Templates for Review
- Finalize Administrative Balancing Options (if needed)
- Distribution of proposed budget documents to budget committee

May

- Board Budget Committee Meetings

June

- Board Budget Hearing and Approval of budget

July-September

- Submit and publish all final budget documents to required entities
- Budget Cycle ends



FY25 Budget Planning Parameters

FY25 Projected Revenue Parameters

- CCSF – State Funding flat (2nd year of biennium)
- FY25 Tuition increases (4%) consistent with peers & Board Approved
- Enrollment increases projected at 3.5%
- Property Taxes at 3.2%
- Student Fees, Admin Recovery, Other Revenue (incl. ERTC), Sales G&S

FY25 Projected Expense Parameter Variances

- Salaries
 - FY25 Compensation increases
 - Classified Staff - new agreement included
 - Management @4%
 - Faculty @ continuing contract rates (COLA and Step Increases)
- FY24 Position Vacancies of \$1.6M held in FY24 to be filled for specific positions

FY25 Budget Planning Parameters

Materials & Supply @ ~3% increase

- Deferred Maintenance (+\$550K, from \$0)
- Enrollment Investment (+\$200K to Marketing)
- Lane Forward (+\$50K, from \$250K)
- IT Investments (+\$550k from \$0)
- Spread Fund 9 Deficit Recovery over five years (24-28)
- Reduce Reserve for Revenue Shortfall to \$350 thousand (covers ~1.5% growth)

Next Steps

- Budget Committee Meetings Schedule
 - May 1st at 5pm - Budget Message and FY25 Budget will be delivered with public viewing and comments available. In-depth review of the budget with the Budget Director.
 - Committee Chair will be voted on at the beginning of this meeting
 - May 8th at 5pm - Budget review and discussion to continue with public viewing and comments available
 - May 15th and May 22nd also scheduled as optional additional meetings as needed.
- Standard Board of Education meetings are scheduled to follow each Budget Committee meeting at 6pm.
- The Board and Budget Committee vote to adopt the budget during regular Board meeting time following wrap-up of the Budget Committee meetings.

Resources: Select Board of Education Budget & Finance Policies

- BP 210: Board Duties and Responsibilities: Budget Making
- BP 215: Budget Officer
- BP 220 Budget Preparation and Adoption
- BP 225: Budgeting of Non-Recurring Resources
- BP 230: Capital Reserve Funds
- BP 240: Definition of a Balance Budget
- BP 245: Ending Fund Balance
- BP 260: Financial Planning and Budgeting
- BP 290: Stabilization Reserve Fund
- (NEW) [Oregon Department of Revenue Budget Law Training, including overview of Budget Committee](#)

Budget Website & Contact Information

- www.lanecc.edu/budget
- Jonathon Campbell, Director of Budget and Resource Planning
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 - BudgetOffice@lanecc.edu

Thank you for your time!

Questions and Discussion

