

Lane Community College First Quarter Financial Update FY 2025

Goals of this report:

1. Review FY 2019 - FY 2024 Actuals

Reviewing the actual financial performance from FY 2019 to FY 2024 allows for a review of long-term trends and systemic issues. This analysis can identify patterns in revenue sources, expenditure behaviors, and fund balances, helping to highlight recurring deficits or areas of growth. It also provides insight into the impact of external factors, such as enrollment changes or funding shifts, on the college's financial health. This historical context not only serves as a benchmark for evaluating current performance but also can inform policy adjustments and strategic decisions aimed at optimizing resource utilization and addressing structural challenges.

Key Takeaways:

- Allows a review of possible long-term trends and recurring issues in revenues and expenditures.
- Provides a baseline for assessing financial health and effectiveness of past strategies.
- Informs future budgeting and resource allocation to address systemic challenges.

2. FY 2025 Budget to Actuals to Projections

The FY 2025 budget-to-actuals-to-projections review offers an essential quarter one snapshot of financial performance and its alignment with institutional goals. Variances between budgeted and actual figures highlight areas needing immediate attention, such as unanticipated revenue shortfalls or overspending. This process also involves updating projections for the remainder of the fiscal year based on current trends and unforeseen developments. It ensures the institution remains adaptable, allowing for the reallocation of resources to critical areas while staying fiscally responsible.

Key Takeaways:

- Highlights variances to address discrepancies and adjust resources mid-year.
- Improves accuracy of projections and enhances adaptability to emerging challenges.
- Strengthens accountability and stakeholder trust through transparent financial review.

3. FY 2025 - FY 2029 Forecast

The multi-year forecast for FY 2025 through FY 2029 provides a forward-looking perspective on the college's financial trajectory, enabling long-term planning and decision-making. By integrating historical data, current trends, and assumptions about future economic conditions, this forecast helps anticipate key challenges, such as shifts in enrollment, changes in funding, and evolving operational needs. It also identifies opportunities for growth, such as expanding revenue streams or optimizing expenditures. This forward-looking approach equips the Board with the tools to make proactive decisions that align with institutional priorities and ensure financial sustainability over time, while remaining flexible in a dynamic financial environment.

Key Takeaways:

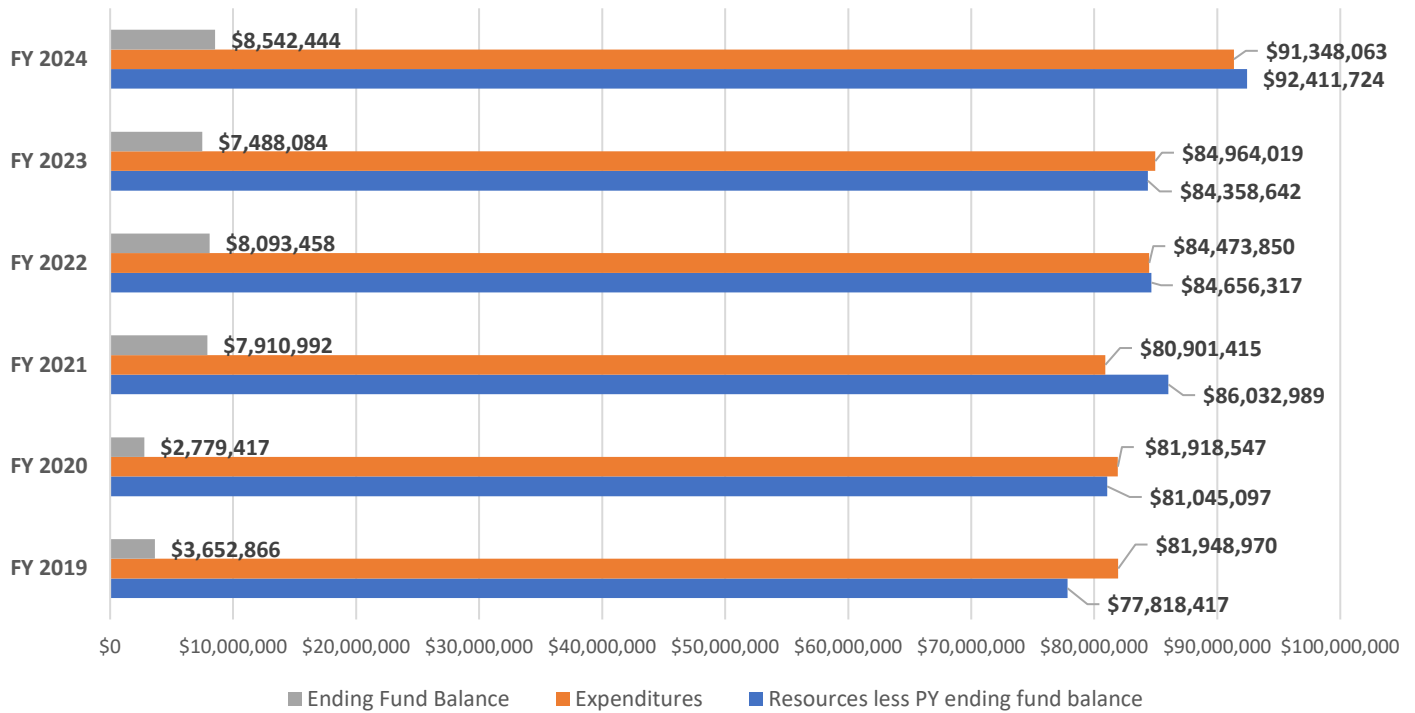
- Anticipates future challenges and opportunities, such as enrollment trends and funding shifts.
- Supports strategic decision-making aligned with institutional priorities.
- Promotes financial sustainability by balancing long-term planning with adaptability.

These insights and takeaways collectively ensure that Lane Community College remains financially resilient while aligning resources with strategic goals for both the short and long term.

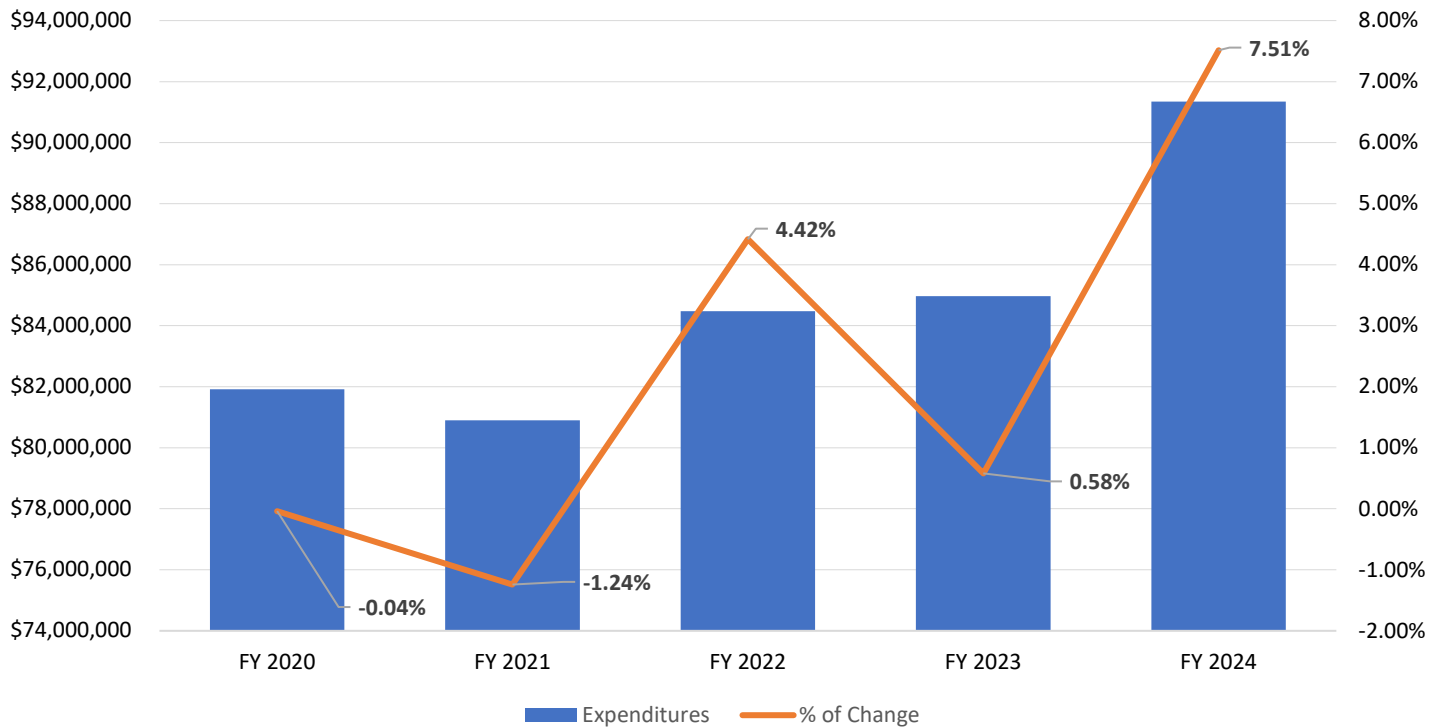
Historical Review:

	FY19 Actuals	FY20 Actuals	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Actuals (unaudited)
Resources						
Beginning Fund Balance	\$7,783,419	\$3,652,867	\$2,779,418	\$7,910,991	\$8,093,461	\$7,478,783
Administrative Recovery	\$4,096,790	\$2,016,402	\$1,997,537	\$1,376,583	\$1,618,996	\$1,356,863
Contra-Revenue - Bad Debt	\$59,028	-\$114,369	-\$39,672	\$733,595	\$230,407	-\$312,857
Federal Revenue	\$0	\$148,835	\$4,804,881	\$4,087,387	\$1,267,789	\$277,412
Gifts & Donations	\$343,330	\$561,179	\$276,573	\$377,358	\$327,348	\$602,227
Interest Income	\$454,845	\$312,616	\$104,894	\$122,158	\$739,279	\$1,057,003
Other Fees & Charges	\$820,933	\$621,770	\$1,057,180	\$1,140,264	\$1,305,562	\$1,260,893
Other Revenue	\$296,359	\$1,226,324	\$427,954	\$259,595	\$686,687	\$2,207,801
Property Taxes	\$21,173,177	\$21,522,026	\$22,335,068	\$23,029,149	\$24,170,351	\$24,655,739
Sale of Goods & Services	\$867,913	\$740,794	\$893,644	\$911,433	\$974,958	\$899,619
State Revenue	\$22,538,681	\$25,644,991	\$25,961,645	\$28,707,387	\$27,737,457	\$32,528,311
Student Fees	\$3,270,279	\$3,111,108	\$4,357,514	\$3,354,179	\$3,713,997	\$4,010,703
Transfers In	\$1,257,752	\$1,317,148	\$865,936	\$1,685,716	\$1,627,310	\$670,000
Tuition	\$22,612,541	\$23,911,567	\$22,976,911	\$18,861,265	\$19,957,831	\$23,197,940
Tuition - Non-Credit	\$26,789	\$24,706	\$12,924	\$10,248	\$670	\$70
Total Resources	\$85,601,836	\$84,697,964	\$88,812,407	\$92,567,308	\$92,452,103	\$99,890,507
Personnel						
Salaries	\$43,654,011	\$45,144,830	\$43,448,077	\$45,067,515	\$45,710,344	\$49,415,630
Benefits	\$24,197,640	\$25,474,051	\$27,868,400	\$25,623,475	\$27,657,640	\$27,781,953
Total Personnel	\$67,851,651	\$70,618,881	\$71,316,477	\$70,690,990	\$73,367,984	\$77,197,583
Other Expenditures						
Materials & Services	\$10,038,478	\$9,457,550	\$8,230,309	\$10,494,422	\$10,045,059	\$13,136,504
Capital Outlay	\$287,436	\$364,283	\$103,015	\$52,436	\$179,169	\$174,880
Goods for Resale	\$112,660	\$18,261	\$12,060	\$5,102	\$10,494	\$12,462
Transfers Out	\$3,658,745	\$1,459,572	\$1,239,554	\$3,230,900	\$1,361,313	\$826,634
Total Other Expenditures	\$14,097,319	\$11,299,666	\$9,584,938	\$13,782,860	\$11,596,035	\$14,150,480
Total Operating Requirements	\$81,948,970	\$81,918,547	\$80,901,415	\$84,473,850	\$84,964,019	\$91,348,063
Net Operating Position	(\$4,130,552)	(\$873,450)	\$5,131,574	\$182,467	(\$605,377)	\$1,063,661
Ending Fund Balance	\$3,652,866	\$2,779,417	\$7,910,992	\$8,093,458	\$7,488,084	\$8,542,444
% of Fund Balance	4.46%	3.39%	9.78%	9.58%	8.81%	9.35%

Historical Resources, Expenditures, Ending Fund Balance



Historical Comparison of Expenditure Change



FY 2025 Budget Projection

	Audit	FY 2025 Budget					
	FY24 Actuals (Unaudited)	FY25 Budget	YTD Total	YTD Burn Rate	FY25 Forecast (Unaudited)	Year to Year Change	Budget Balance
Resources							
Beginning Fund Balance	\$7,478,783	\$8,924,000	\$0		\$8,551,745		(\$372,255)
Administrative Recovery	\$1,356,863	\$1,505,645	\$118,881	7.9%	\$1,645,523	21.3%	\$139,878
Contra-Revenue - Bad Debt	(\$312,857)	\$762,710	\$75,575	9.9%	\$735,288	-335.0%	(\$27,422)
Federal Revenue	\$277,412	\$1,400,000	\$0	0.0%	\$1,400,000	404.7%	\$0
Gifts & Donations	\$602,227	\$550,000	\$5,239	1.0%	\$534,649	-11.2%	(\$15,351)
Interest Income	\$1,057,003	\$750,000	\$238,453	31.8%	\$880,805	-16.7%	\$130,805
Other Fees & Charges	\$1,260,893	\$1,395,403	\$263,133	18.9%	\$1,372,831	8.9%	(\$22,572)
Other Revenue	\$2,207,801	\$1,301,726	\$124,403	9.6%	\$936,389	-57.6%	(\$365,337)
Property Taxes	\$24,655,739	\$26,192,000	\$178,053	0.7%	\$26,088,699	5.8%	(\$103,301)
Sale of Goods & Services	\$899,619	\$1,057,070	\$174,568	16.5%	\$976,291	8.5%	(\$80,779)
State Revenue	\$32,528,311	\$31,824,200	\$8,105,627	25.5%	\$32,822,197	0.9%	\$997,997
Student Fees	\$4,010,703	\$4,544,998	\$1,549,412	34.1%	\$4,562,420	13.8%	\$17,422
Transfers In	\$670,000	\$1,905,938	\$450,000	23.6%	\$2,334,023	248.4%	\$428,085
Tuition	\$23,197,940	\$27,225,706	\$11,215,688	41.2%	\$28,481,938	22.8%	\$1,256,232
Tuition - Non-Credit	\$70	\$5,000	\$0	0.0%	(\$131)	-287.1%	(\$5,131)
Total Resources	\$99,890,507	\$109,344,396	\$22,499,032	20.6%	\$111,322,667	11.4%	\$1,978,271
Personnel							
Salaries	\$49,415,630	\$52,926,957	\$10,686,944	20.2%	\$53,761,563	12.7%	(\$834,606)
Benefits	\$27,781,953	\$31,072,128	\$6,697,707	21.6%	\$31,448,712	13.2%	(\$376,584)
Total Personnel	\$77,197,583	\$83,999,085	\$17,384,651	20.7%	\$85,210,275	9.2%	(\$1,211,190)
Other Expenditures							
Materials & Services	\$13,136,504	\$14,537,182	\$3,683,438	25.3%	\$13,950,934	6.20%	\$586,248
Capital Outlay	\$174,880	\$832,218	\$33,056	4.0%	\$831,374	375.40%	\$844
Goods for Resale	\$12,462	\$18,926	\$9,245	48.8%	\$18,482	48.30%	\$444
Transfers Out	\$826,634	\$2,674,381	\$607,218	22.7%	\$4,281,599	418.00%	(\$1,607,218)
Total Other Expenditures	\$14,150,480	\$18,062,707	\$4,332,957	24.0%	\$19,082,389	34.90%	(\$1,019,682)
Total Operating Requirements	\$91,348,063	\$102,061,792			\$104,292,664		(\$2,230,872)
Net Operating Position (in-year)	\$1,063,661	(\$1,641,396)			(\$1,521,742)		
Ending Fund Balance	\$8,542,444	\$7,282,604			\$7,030,003		
% Ending Fund Balance	9.35%	7.14%			6.74%		

Five Year Forecast:

Out-years Forecast					
	FY25 Forecast	FY26 Forecast	FY27 Forecast	FY28 Forecast	FY29 Forecast
Resources					
Beginning Fund Balance	\$8,551,745	\$7,030,005	\$7,412,545	\$6,555,911	\$5,390,941
Administrative Recovery	\$1,645,523	\$1,703,116	\$1,762,725	\$1,824,421	\$1,888,275
Contra-Revenue - Bad Debt	\$735,288	\$761,023	\$787,658	\$815,226	\$843,759
Federal Revenue	\$1,400,000	\$0	\$0	\$0	\$0
Gifts & Donations	\$534,649	\$553,362	\$572,730	\$592,775	\$613,522
Interest Income	\$880,805	\$911,633	\$943,540	\$976,564	\$1,010,744
Other Fees & Charges	\$1,372,831	\$1,420,880	\$1,470,611	\$1,522,082	\$1,575,355
Other Revenue	\$936,389	\$969,162	\$1,003,083	\$1,038,191	\$1,074,528
Property Taxes	\$26,088,699	\$27,001,804	\$27,946,867	\$28,925,007	\$29,937,383
Sale of Goods & Services	\$976,291	\$1,010,461	\$1,045,827	\$1,082,431	\$1,120,316
State Revenue	\$32,822,197	\$33,415,433	\$33,415,433	\$35,086,204	\$35,086,204
Student Fees	\$4,562,420	\$4,722,105	\$4,887,378	\$5,058,436	\$5,235,482
Transfers In	\$2,334,023	\$2,415,714	\$2,500,264	\$2,587,774	\$2,678,346
Tuition	\$28,481,938	\$30,642,637	\$32,613,980	\$34,507,695	\$36,696,777
Tuition - Non-Credit	(\$131)	(\$135)	(\$140)	(\$145)	(\$150)
Total Resources	\$111,322,667	\$112,557,200	\$116,362,501	\$120,572,572	\$123,151,482
Personnel					
Salaries	\$53,761,563	\$52,502,788	\$54,340,386	\$56,242,299	\$58,210,781
Benefits	\$31,448,712	\$32,549,417	\$33,688,647	\$34,867,749	\$36,088,120
Total Personnel	\$85,210,275	\$85,052,205	\$88,029,033	\$91,110,048	\$94,298,901
Other Expenditures					
Materials & Services	\$13,950,934	\$14,299,707	\$14,657,200	\$15,023,630	\$15,399,221
Capital Outlay	\$831,374	\$1,363,454	\$2,236,064	\$3,667,145	\$6,014,119
Goods for Resale	\$18,482	\$25,505	\$35,197	\$48,572	\$67,030
Transfers Out	\$4,281,599	\$4,709,759	\$5,180,735	\$5,698,808	\$6,268,689
Under-utilization Savings		(\$305,976)	(\$331,638)	(\$366,572)	(\$416,236)
Total Other Expenditures	\$19,082,389	\$20,092,449	\$21,777,558	\$24,071,583	\$27,332,823
Total Operating Requirements	\$104,292,664	\$105,144,654	\$109,806,591	\$115,181,631	\$121,631,724
Net Operating Position	(\$1,521,742)	\$382,541	(\$856,635)	(\$1,164,970)	(\$3,871,183)
Ending Fund Balance	\$7,030,003	\$7,412,546	\$6,555,910	\$5,390,941	\$1,519,758
Ending Fund Balance in %	6.74%	7.05%	5.97%	4.68%	1.25%

GLOSSARY

Forecast Assumptions:

Variable	FY26 Forecast	FY27 Forecast	FY28 Forecast	FY29 Forecast
<i>State Funding (CCSF Total Allocation)</i>	\$417,692,910	\$417,692,910	\$438,577,556	\$438,577,556
<i>CCSF Change% (Biennium)</i>	5.00%		5.00%	
<i>LCC Allocation (estimated)</i>	8.00%	8.00%	8.00%	8.00%
<i>Credit Enrollment Change %</i>	4.00%	3.00%	2.50%	2.50%
<i>Total Student Credits</i>	204,284	210,413	215,673	221,065
<i>Tuition Rate Change %</i>	3.50%	3.50%	3.50%	3.50%
<i>Tuition Rate (rounded to nearest \$0.50)</i>	\$150.00	\$155.00	\$160.00	\$166.00
<i>Tuition Rate (before rounding)</i>	\$150.08	\$155.25	\$160.43	\$165.60
<i>Revenue Factor %</i>	3.50%	3.50%	3.50%	3.50%
<i>Salary COLA</i>	3.50%	3.50%	3.50%	3.50%
<i>Non-Salary CPI</i>	2.50%	2.50%	2.50%	2.50%
<i>F/T OPE Rate</i>	64.00%	64.00%	64.00%	64.00%
<i>P/T OPE Rate</i>	38.00%	38.00%	38.00%	38.00%
<i>Student OPE Rate</i>	10.00%	10.00%	10.00%	10.00%
<i>Personnel Vacancy Rate</i>	2.50%	2.50%	2.50%	2.50%
<i>Under-utilization rate</i>	1.50%	1.50%	1.50%	1.50%

Major Revenues:

State Support includes funds received through the Community College Support Fund allocated to each of the 17 community colleges in Oregon. Funding allocations are based on student full-time equivalent (SFTE) and a growth management component.

Property Taxes include current and prior year taxes assessed at a permanent rate of \$0.6191 per \$1,000 of assessed value for Lane, Douglas, Linn, and Benton Counties. Current year property taxes are a component in the community college revenue allocation formula for State Support.

Tuition and Fees include all tuition, course fees, and instructional service fees. Tuition for 2024/25 is \$144.50 per credit hour recorded in the General Fund. A technology fee of \$14 per credit hour, \$27 transportation fee per term, student activity fee of \$63.07 per term, and a student health fee of \$60 per term. This does not include class specific fees.

Federal Grants includes federally designated funds in general fund. This primarily includes federal forest fees distributed through Lane County.

Expenditures:

Salaries consist of the wages and salaries paid to all employees from all employee groups. Health Care consists of the employer-paid portion of medical, dental, and vision insurance premiums. Fringe/Taxes are all other employer-paid fringe costs and include PERS, Social Security (6.2%), Medicare (1.45%) and Long-term disability, life, workers compensation, unemployment insurance, statewide transit tax and health reimbursement accounts.

Materials & Supplies consists of all non-personnel costs such as supplies, repair of equipment, printing and photocopying, contracted services, travel, and capital outlays.

Capital Outlay includes expenditures made to acquire, improve, or maintain long-term assets, such as infrastructure, buildings, equipment, or land.

Goods for Resale refers to products that a business purchases with the primary intention of selling them to customers without significant alteration.

Transfers to Other Funds represents the amounts transferred to other funds to cover debt, program costs, and other college costs.

Ending Fund Balance:

Board Policy 245 states "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 three 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."