

# LANE COMMUNITY COLLEGE



## **BUDGET DOCUMENT** **FISCAL YEAR 2013-2014**



Lane Community College  
2013 - 2014 Budget Committee

Robert Ackerman  
Pat Albright  
Jacque Betz  
Amy Callahan  
Kevin Cronin

Jennifer Harris  
Susie Johnston  
Matt Keating  
Gary LeClair  
Chris Matson

Tony McCown  
Rosie Pryor  
Sharon Stiles  
Carmen X. Urbina



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Lane Community College  
Oregon**

For the Fiscal Year Beginning

July 1, 2012

*Christopher P. Morrell*      *Jeffrey P. Brown*

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Lane Community College, Oregon for its annual budget for the fiscal year beginning July 1, 2012. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements and we are submitting it to GFOA to determine its eligibility for another award.

## Table of Contents

Vision, Mission & Core Values .....	1	Fund : General Fund.....	34
Strategic Directions.....	3	Resources .....	34
College Policy Statement on Affirmative Action and Equal Employment .....	5	Expenditures and Other Requirements .....	36
General Information .....	6	Requirements by Expenditure Category .....	41
About Lane County.....	6	Fund IX: Special Revenue – Administratively Restricted Fund .....	45
Board of Education.....	8	Resources .....	45
Organizational Chart .....	9	Expenditures and Other Requirements .....	45
Organizational Units.....	10	Fund II: Internal Service Fund .....	49
Budget Structure and Functions .....	11	Fund III: Debt Service Fund .....	51
Basis of Budgeting.....	11	Fund IV: Capital Projects Fund .....	59
Fund Types .....	12	Fund V: Financial Aid Fund.....	62
Revenue Sources.....	14	Fund VI: Enterprise Fund .....	64
Expense Functions.....	16	Fund VIII: Special Revenue Fund .....	67
Expenditure Categories.....	17	Personnel Services .....	70
Budget Development Process.....	18	FTE by Expense Function.....	70
Budget Amendment Process .....	20	Salaries Paid By More Than One Source .....	74
Budget Message.....	21	Appendix .....	
Budget Schedules.....	26	Appendix A: Financial Policies .....	A1
Summary – All Funds.....	26	Appendix B: Debt Policy .....	B1
Consolidated Resources & Requirements – All Funds .....	29	Appendix C: Performance Measures.....	C1
Schedule of Interfund Transfers.....	32	Appendix D: Long Range Financial Plan .....	D1
		Appendix E: Local and Regional Information .....	E1
		Appendix F: Economic Forecast .....	F1
		Appendix G: Legal Notifications .....	G1
		Appendix H: Glossary of Terms .....	H1

## **Vision, Mission & Core Values**

### **Vision**

Transforming lives through learning

### **Mission**

Lane is the community's college:

We provide comprehensive, accessible, quality, learning-centered educational opportunities that promote student success.

### **Core Values**

#### **Learning**

Working together to create a learning-centered environment

Recognizing and respecting the unique needs and potential of each learner

Fostering a culture of achievement in a caring community

#### **Diversity**

Welcoming, valuing and promoting diversity among staff, students and our community

Cultivating a respectful, inclusive and accessible working and learning environment

Working effectively in different cultural contexts to serve the educational and linguistic needs of a diverse community

Developing capacity to understand issues of difference, power and privilege

#### **Innovation**

Supporting creativity, experimentation and institutional transformation

Responding to environmental, technological and demographic changes

Anticipating and responding to internal and external challenges in a timely manner

Acting courageously, deliberately and systematically in relation to change

---

## **Collaboration and Partnership**

Promoting meaningful participation in governance

Encouraging and expanding partnerships with organizations and groups in our community

## **Integrity**

Fostering an environment of respect, fairness, honesty and openness

Promoting responsible stewardship of resources and public trust

## **Accessibility**

Strategically growing learning opportunities

Minimizing financial, geographical, environmental, social, linguistic and cultural barriers to learning

## **Sustainability**

Integrating practices that support and improve the health of systems that sustain life

Providing an interdisciplinary learning environment that builds understanding of sustainable ecological, social, and economic systems, concern for environmental justice, and the competence to act on such knowledge

Equipping and encouraging all students and staff to participate actively in building a socially diverse, just, and sustainable society, while cultivating connections to local, regional and global communities

## **Strategic Directions**

### **Lane Transforms Students' Lives Through Learning**

We acknowledge that students occupy many roles, including those of family members, workers, members of social groups, and citizens of an increasingly interconnected world

We provide educational experiences, support services and institutional structures that enhance student learning and success

In our work in and outside of the classroom, and in our daily interactions with students and one another, we aim to empower all students; we encourage students to grow, to take risks, and to assume responsibility for succeeding in all aspects of their lives

### **A Liberal Education Approach for Student Learning**

Equip students to become global citizens with the broad knowledge and transferable skills characterizing a liberal education approach

Expand application of the liberal education approach throughout the college's programs and services

### **Optimal Student Preparation, Progression and Completion**

Promote students' progression to goal completion by knowing our students and creating needed systems, processes and learning environments

Support academically underprepared students' progression to college-level coursework by providing them with foundational skills, classes and support

### **Online Learning and Educational Resources**

Build capacity in faculty and staff to create high-quality, sustainable and innovative online learning and educational resources

Provide the required tools, infrastructure and professional development to use emerging technologies for expanding online learning and educational resources

Explore the effectiveness of online learning and educational resources

### **A Sustainable Learning and Working Environment**

Build understanding of sustainable ecological, social and economic systems and practices among the college communities

Apply principles of sustainable economics, resource use, and social institutions to Lane's learning and working environments

## **A Diverse and Inclusive Learning and Working Environment**

Create a diverse and inclusive learning college

Develop institutional capacity to respond effectively and respectfully to students, staff, and community members of all cultures, languages, classes, races, genders, ethnic backgrounds, religious beliefs, sexual orientations, and abilities

## **A Safe Learning and Working Environment**

Maintain a safe learning and working environment

Improve practices and resources that secure property

Promote activities, practices and processes that encourage civil discourse and protect college communities from discrimination, harassment, threats, and harm



## **College Policy Statement on Affirmative Action and Equal Employment**

It is the policy of Lane Community College to provide equal employment opportunity to all qualified persons and to prohibit discrimination in employment on the basis of race, color, national origin, sex, marital status, family relationship, sexual orientation, age, pregnancy, mental or physical disability, religion, or veteran status, expunged juvenile record, parental or family medical leave, application for Workers Compensation, whistle blowing, association with a member of a protected class and all other federal, state and local protected classes.

It is also the policy of the college to take affirmative action to recruit and to employ members of protected groups. Under Federal Executive Order 11246 as amended, protected minority groups are defined as African Americans, Asian Americans, Hispanic Americans, and Native Americans. All women are designated a protected group. The protected groups are those groups of persons who have historically been most disadvantaged by discriminatory practices, including practices formerly sanctioned by law.

The affirmative action and equal opportunity clause of this policy requires that applicants be hired and employees be treated during employment without regard to race, color, national origin, sex, marital status, family relationship, sexual orientation, age, pregnancy, mental or physical disability, religion, or veteran status, expunged juvenile record, parental or family medical leave, application for Workers Compensation, whistle blowing, association with a member of a protected class, and all other federal state and local protected classes.

The affirmative action and equal opportunity clause applies to all employment actions including but not limited to recruitment, appointment, reappointment, promotion, transfer, demotion, termination, compensation, benefits, layoff and training. Furthermore, the policy applies to all executive, academic, administrative employees, and to full-time, part-time, temporary, probationary and permanent employees as well as those with appointments in self support programs. This policy conforms to federal and state laws and to the equal employment and affirmative action policy of the Board of Education of Lane Community College.



## **GENERAL INFORMATION**

## General Information

### About Lane Community College

Lane Community College is a comprehensive public community college, established in 1964 by a vote of district residents. The college offers a wide variety of instructional programs including transfer credit programs, professional technical degree and certificate programs, continuing education noncredit courses, programs in English as a Second Language (ESL) and International ESL, GED programs, and customized training for local businesses. Classes are offered at many locations; online classes and telecourses are also available.

During the 2012-2013 academic year, 22,894 students enrolled in credit classes and 14,360 students enrolled in noncredit classes. Lane has the second largest Full Time Equivalent student enrollment of the 17 community colleges in Oregon.

The College District encompasses a 4,620 square mile area which includes most of Lane County from the Pacific Ocean to the Cascade Mountains, Monroe Elementary School District in Benton County, Harrisburg Elementary School District in Linn County, Harrisburg Union High School District in Linn County, and a small area south of Cottage Grove and Florence in Douglas County. The College District includes more than 354,200 residents.

Lane's 301-acre Main Campus is located in the beautiful south hills of Eugene, Oregon at 4000 East 30<sup>th</sup> Avenue. The college has a number of other locations including the Downtown Campus in Eugene, Campus Centers in Cottage Grove and Florence, a Flight Technology Center at the Eugene Airport, and a Small Business Development Center located in the Downtown Campus in Eugene.

Lane is accredited by the Northwest Commission on Colleges and Universities. The Commission is an institutional accrediting body recognized by the Council for Higher Education Accreditation and/or the U.S. Department of Education. Related regional accreditation documents are on reserve in the college library. Individual Lane programs are evaluated for quality by numerous vocational and professional accrediting associations, including:

Automotive Technology, certified by the National Automotive Technicians Education Foundation, a nonprofit foundation within the National Institute for Automotive Service Excellence

Aviation Maintenance, approved and certified under Part 147 of the Federal Aviation Regulations of the Federal Aviation Administration

Culinary Arts, accredited by the American Culinary Federation Education Foundation Accrediting Commission, a specialized accrediting commission recognized by the Council for Higher Education Accreditation

Dental Assisting, accredited by American Dental Association's Commission on Dental Accreditation, a specialized accrediting board recognized by the U.S. Department of Education

Dental Hygiene, accredited by American Dental Association's Commission on Dental Accreditation, a specialized accrediting board recognized by the U.S. Department of Education

Diesel Technology, evaluated and accredited by the Associated Equipment Distributors Foundation

Dietary Manager, approval pending from Dietary Managers Association

Emergency Medical Technology-Paramedic, approved by the Department of Human Services and Trauma Systems, Oregon, meeting requirements of OAR 333-265-0010(2)

Energy Management, awarded Institute for Sustainable Power Quality accreditation credential from the Interstate Renewable Energy Council, International Standard #01021 for accreditation and certification of renewable energy training programs and instructors

Exercise and Movement Science reviewed and endorsed by the American College of Sports Medicine

Flight Technology certification courses, approved by the Federal Aviation Administration

Hospitality Management, accredited by the Commission on Accreditation of Hospitality Management Programs

Medical Office Assistant, accredited by the Commission on Accreditation of Allied Health Education Programs, a specialized accrediting board recognized by the Council for Higher Education Accreditation, on recommendation of the Curriculum Review Board of the American Association of Medical Assistants Endowment

Nursing; RN, evaluated and approved through 2020 by the Oregon State Board of Nursing

Nursing; LPN, evaluated and approved through 2018 by the Oregon State Board of Nursing

Physical Therapist Assistant, accredited by the Commission on Accreditation in Physical Therapy Education of the American Physical Therapy Association

Respiratory Care, accredited by the Commission on Accreditation of Respiratory Care

The college has earned national recognition for many of its instructional programs, services and administrative practices. Lane also is a member of the League for Innovation in the Community College and a Vanguard College. Through the League, Lane exchanges innovative ideas and practices with some of the best community colleges in the United States.

**Board of Education**

Seven elected, unpaid Board members have primary authority to establish policies governing the operation of the college and to adopt its budget. Their charge is to encourage the development of programs and services that will best serve the needs of College District constituents.

**Sharon Stiles**, Retired EEO Officer, Florence  
Elected May 2009, term expires June 30, 2013  
Zone 1-Western

**Robert L. Ackerman**, Retired Attorney, Eugene  
Elected May 2007, term expires June 30, 2015  
Zone 2-Northern

**Gary LeClair**, Physician, Springfield  
Elected May 2009, term expires June 30, 2013  
Zone 3-Marcola and Springfield

**Susie Johnston**, Retired Conference Planner, Pleasant Hill  
Elected May 2009, term expires June 30, 2013  
Zone 4-Eastern

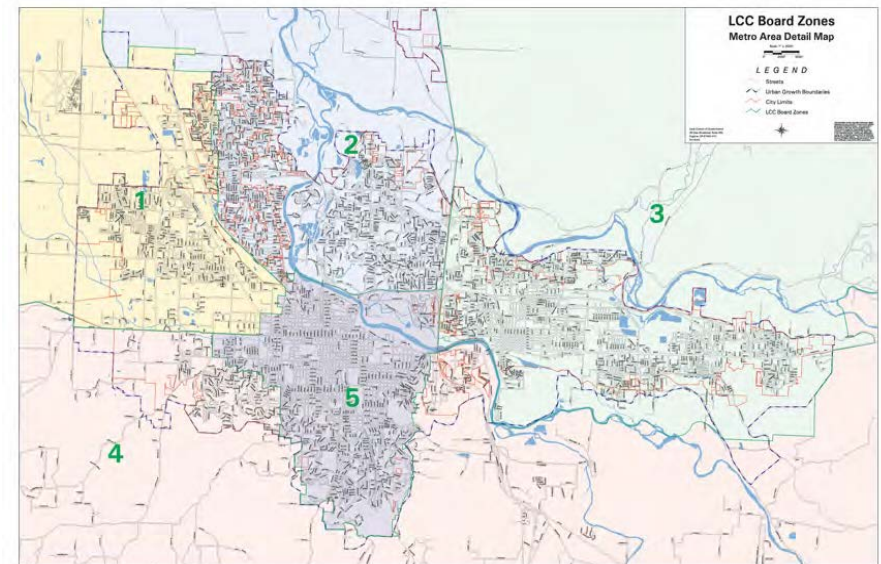
**Pat Albright**, Retired Teacher, Eugene  
Elected May 2007, term expires June 30, 2015  
Zone 5-Central Eugene

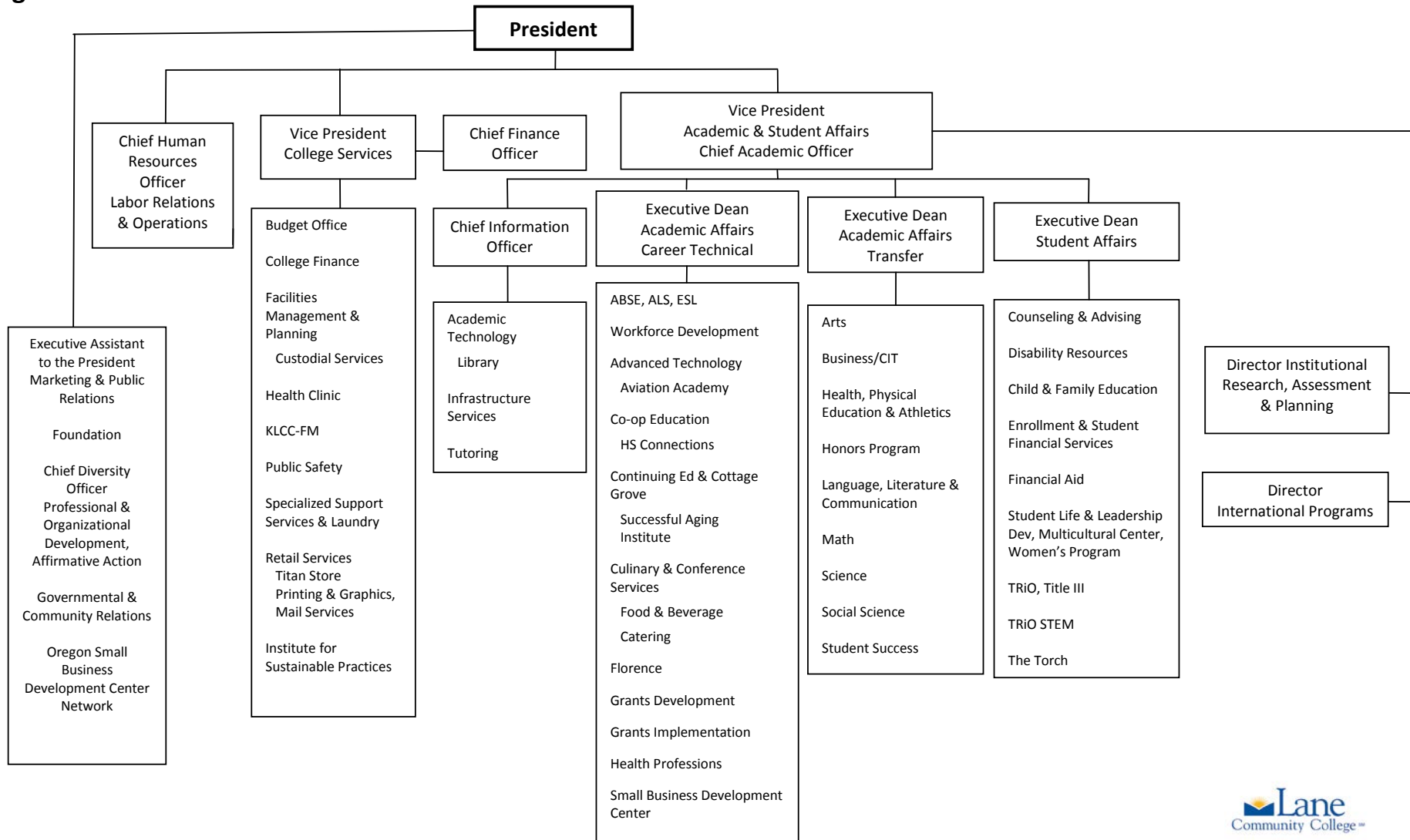
**Rosie Pryor**, Marketing & Strategy Officer, Eugene  
Elected July 2011, term expires June 30, 2015  
At-Large, Position 6

**Tony McCown**, Education Consultant, Springfield  
Elected May 2007, term expires June 30, 2015  
At-Large, Position 7



LCC Board of Directors and College President Mary Spilde



**Organizational Chart**

## **Organizational Units**

Lane Community College is structured into the following organizational units:

### **Office of the President**

The Office of the President stewards the work of the college and directly administers Executive Services functions including Marketing and Public Relations, the Foundation, Diversity, Professional and Organizational Development, Community and Governmental Relations, the Oregon Small Business Development Center Network and the Institute for Sustainability. The Office of the President also provides support to the Board of Education.

### **Office of Academic & Student Affairs**

The Office of Academic and Student Affairs is responsible for student success and quality progression and completion of the college. The Office of Academic and Student Affairs guides the work of Academic and Information Technology, Career and Technical Education, Academic Transfer, Student Affairs, Grants, International Programs, and Institutional Research, Assessment and Planning.

### **Office of College Services**

The Office of College Services provides leadership for operational and enterprise units to include Finance and Budget, Public Safety, Staff and Student Health Services, Specialized Support Services, the Titan Store, Printing and Graphics and KLCC-FM.

### **Office of Human Resources, Labor Relations & Operations**

The Office Human Resources and Labor Relations and Operations provides direction, support and oversight for all aspects of personnel services, labor relations and compliance at the college. The Office Human Resources also provides direction to Facilities Management and Planning, Bond Projects and Housekeeping.

**Additional information, including FY2014 Budget allocations and the various Funds in which these Units are housed, can be found on page 29.**

## Budget Structure and Functions

### Basis of Budgeting

For the budget document, Oregon Budget Law requires that a modified accrual basis of accounting is used, which determines when and how transactions or events are recognized. “Revenues are reported when earned, expenditures are reported when the liability is incurred and taxes are accounted for on a cash basis, i.e. when received. The result is that carryovers of financial obligations from year-to-year are precluded and projections of anticipated revenue are not inflated” (Comprehensive Annual Financial Report).

The college budgets all college funds required to be budgeted, the General Fund and all Auxiliary Funds, in accordance with Oregon Local Budget Law on a Non-GAAP (Generally Accepted Accounting Principles) budgetary basis, whereas GAAP provide the structure for the basis of accounting used for financial statement reporting. The differences between GAAP and the budgetary basis of accounting generally concern timing of recognition of revenues and expenditures. Thus, there are no differences between fund structure in the financial statements and the budget document.

The basic financial statements present the college and its component unit, Lane community College Foundation, for which the college is considered to be financially accountable. The Foundation, a legally separate tax-exempt entity, is discretely presented component unit and is reported in a separate column in the basic financial statements. The budget document presents college information exclusive of Foundation data.

Under GAAP, basic financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenues in the years in which they are levied. Grants and other similar types of revenue are recognized as soon as all eligibility requirements imposed by the grantor have been met.

Material timing differences in expenditures between GAAP and the budgetary basis of accounting include capital expenditures, which under GAAP are allocated to depreciation expense over a specified period of time. In the budget document, capital expenditures are assigned in full to operations expense. With respect to debt service, payments to principal reduce the liability on the financial statements while interest payments are expensed. Under the budgetary basis of accounting, both principal and interest are expensed to operations within the fiscal year.



**Fund Types**

Lane Community College's budget is separated into the following funds, appropriated by the Board of Education. Each fund is independently budgeted, operated and accounted for.

**Fund I: General Fund**

The General Fund is the College's primary budgeting and operating fund. The General Fund includes budgets for the majority of instruction related expenses. The Income Credit Program (ICP) Fund is a sub-fund of the General Fund and accounts for fees charged directly to students for specific class related costs. Also housed within the General Fund are the College's Other Personnel Expense (OPE) account and the majority of salaries for our three employee classes.

**Fund IX: Special Revenue – Administratively Restricted Fund**

Used to account for specific programs where monies are administratively restricted. Activities recorded in this fund generate revenue primarily through specifically assessed, restricted use, tuition and fees, or through other revenue-generating activities.

**Fund II: Internal Service Fund**

Our Internal Service Fund accounts for goods and services that are provided to departments throughout the college by internal college departments. The Internal Service Fund houses the budgets for our Employee Wellness program, the Motor Pool, The Printing & Graphics Department, Telephone Services and the Warehouse.

**Fund III: Debt Service Fund**

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The resources for this fund are derived from levied property taxes and interfund transfers.

**Fund IV: Capital Projects Fund**

The Capital Projects Fund is used to account for the financial resources the college uses to acquire, build and maintain campus facilities. Financial resources in this fund are allocated between College Support Services for the LASR™ project, the College's main data server; and Facilities Maintenance and Planning for project management and planning other types of capital projects.

**Fund V: Financial Aid Fund**

Lane Community College's second largest budgeted fund, the Financial Aid Fund accounts for resources directly related to student financial aid and Workstudy. Part of what constitutes the financial aid is grant funding, stipends and other aid to enrolled students.

**Fund VI: Enterprise Fund**

The College's Enterprise Fund accounts for resources and expenses related to goods and services provided to both the college itself and the general public. Programs within this fund are operated in the same manner as a public business in that they are intended to be self-supporting. Lane Community College's current enterprise programs are the Titan Store – the College's bookstore; Foodservices – our cafeteria; Hospitality and Conference Services – The Center For Meeting and Learning, event management and catering; The International Student Program – assisting international students in navigating both the educational system and community involvement opportunities; the new Downtown Housing Unit – which functions as home for as many as 255 enrolled students; and Laundry services for both internal and external customers.

**Fund VIII: Special Revenue Fund**

This fund accounts for resources that are restricted and designated for specific uses. Resources received in this fund are federal, state and local grants.

## **Revenue Sources**

### **Intergovernmental**

Also designated as Total Public Resources in this document, intergovernmental resources include Lane's allocation of community college funding from the State of Oregon, resources from various unrestricted federal, state and local contracts, and local property tax revenue. State community college funding resources are determined by the state legislature's funding distribution formula and are calculated on a biennial basis. Federal, state and local unrestricted resources are budgeted using statistical trend analysis. Property tax revenue is determined by annual property tax levy and is budgeted using estimates provided by the state and through historical trend analysis.

### **Tuition**

Credit tuition is generated by assessing students' per credit-hour rates, which are annually adjusted for inflation using the Higher Education Price Index (HEPI) per Board of Education policy D.110. Non-credit tuition is generated by charging varying rates per course, based on course costs and market forces. Tuition resources are budgeted taking into consideration enrollment projections developed by the College's Institutional Research and Planning department.

### **Instructional Fees**

Instructional fees are generated by assessing students for course-related expenses such as art supplies. All instructional fees are administratively restricted resources that are tied specifically to instructional expenditures and are not available for general allocation. Departmental instructional fees are established based on estimated materials and services costs and are approved by the Board of Education. Instructional fees are budgeted based on enrollment projections that are developed by the College's Institutional Research and Planning department and historical trend analysis.

### **Interest Income**

Interest income is derived from investment of operating capital in excess of daily requirements.

### **Fees (Non-Instructional)**

Non-instructional fees are generated by assess students for non-instructional expenses such as student body fees, transportation fees, and technology fees. Individual fee amounts are approved by the Board of Education and budgeted based on enrollment projections and historical trend analysis.

### **Sale of Goods and Services**

Sales of Goods and Services are generated primarily through the College's Enterprise and Internal Service activities, including such units as the titan Store, Food Services, Center for Meeting and Learning (CML), and Printing & Graphics. Sale of Goods and Services revenue is budgeted based on historical trends factoring in known variable.

### **Administrative Recovery**

Administrative Recovery includes amounts received from college Enterprise funds (such as the Titan Store, Foodservices and CML), as well as from various federal, state and local grants and contracts as a contribution to the general Fund for administrative and overhead costs.

**Transfers In**

Interfund Transfers In move resources from one fund to another. These transfers are for specific amounts and purposes. An example would be transferring resources from Flight Technology in Fund 9 to the Debt Service Fund to pay the annual debt service on airplane purchase loans.

**Other Resources**

These include resources from various activities such as finance charges, insurance proceeds, sales of equipment, enforcement fees and other nominal, one-time miscellaneous amounts. Budgeting is based on historical trend analysis.

## **Expense Functions**

### **Instruction**

Expenditures are for all activities that are part of the College's instructional programs, including expenditures for departmental administrators and their support.

### **Instructional Support**

Expenditures are for activities carried out primarily to provide support services that are an integral part of the College's instructional programs. This category includes the media and technology employed by these programs for the retention, preservation and display of materials as well as the administrative support operations that function within the various instructional units. It also includes expenditures for chief instructional officers and their support where their primary assignment is administration.

### **Student Services**

Expenditures are for admissions, registration, recordkeeping and other activities when the primary purpose is to contribute to students' well-being and development outside the context of their formal instructional program.

### **Community Services**

Expenditures are for activities established primarily to provide non-instructional services to groups external to the college. One such activity involves making the various resources and unique capabilities that exist within the college available to the public.

### **College Support Services**

Expenditures are for activities whose primary purpose is to provide operational support for the ongoing operation of the college, excluding physical plant operations. Expenses include executive management, fiscal operations, administrative and logistical services and community relations.

### **Plant Operations and Maintenance**

Expenditures are for the operation and maintenance of the physical plant. It includes services related to campus grounds and facilities, utilities and property insurance.

### **Plant Additions**

Expenditures are for land, land improvement, buildings and major remodeling or renovation that is not a part of normal plant operation and maintenance.

### **Financial Aid**

Expenditures are for loans, grants and trainee stipends to enrolled students. Student fee remissions are also included in this expense function.

### **Contingency**

A budget account, not for expenditures, that provides for contingencies and unanticipated items. Contingency accounts are also used to hold funds for future distribution. This function may also be used to provide expenditure authority for obligations created but not expended in previous years.

**FY2014 Budget Allocations, by Fund, can be found on page 29.**

## **Expenditure Categories**

### **Personnel Services**

Personnel Services expenditures include all full-time and part-time payroll plus Other Payroll Expenses (OPE). Payroll is budgeted using actual position lists, and where possible, factors in any anticipated changes in collective bargaining agreements. OPE rates are budgeted using benefits cost projections, including amounts for various employment-related taxes, health and life insurance premiums, retirement fund contributions, employee wellness programs and other direct employee benefits.

### **Materials & Services**

Materials & Services expenditures include items such as office support supplies for instructional and operations departments, non-capitalized equipment, travel and maintenance.

### **Capital Outlay**

Capital Outlay expenditures include all equipment purchases with a single item cost in excess of \$10,000 and with a useful life exceeding two years. Capital Outlay is budgeted and allocated according to the Capital Assets Replacement Plan.

### **Transfers Out**

Interfund transfers-out move resources of specific amounts to another fund for an identified purpose. The majority of transfers out occur in the General Fund and include items such as transfers to the financial Aid Fund to cover institutional scholarships and institutional match obligations, and transfers to the Capital Projects Fund for capital repairs and improvements, special projects, capital reserves and deferred maintenance.

### **Debt Service**

Debt Service includes amounts transferred out to the Debt Service Fund to cover current payment of long-term debt obligations entered into by the college.

### **Contingency**

Contingency is a budget account used to provide for unanticipated items, or to hold funds for future distribution. This category may also be used to provide expenditure authority for obligations created but not expended in previous years.

## Budget Development Process

In the budget development process outlined below, Lane Community College follows Oregon Local Budget Law. In addition to providing a financial plan for fiscal year revenues and expenses, Lane's budget document outlines programs and initiatives and implements controls on spending authority. The budget development process is designed to encourage citizen input and public opinion about college programs and fiscal policies.

### I Establish a Budget Committee

The Budget Committee consists of the seven members of the Board of Education plus seven citizens at large. Each board member appoints one citizen to the committee for a term of three years. Terms are staggered so that about one third of the appointed terms end each year.

### II Appoint a Budget Officer

The Chief financial Officer, Lane's Budget Officer, is appointed by the Board of Education

### III Prepare a Proposed Budget

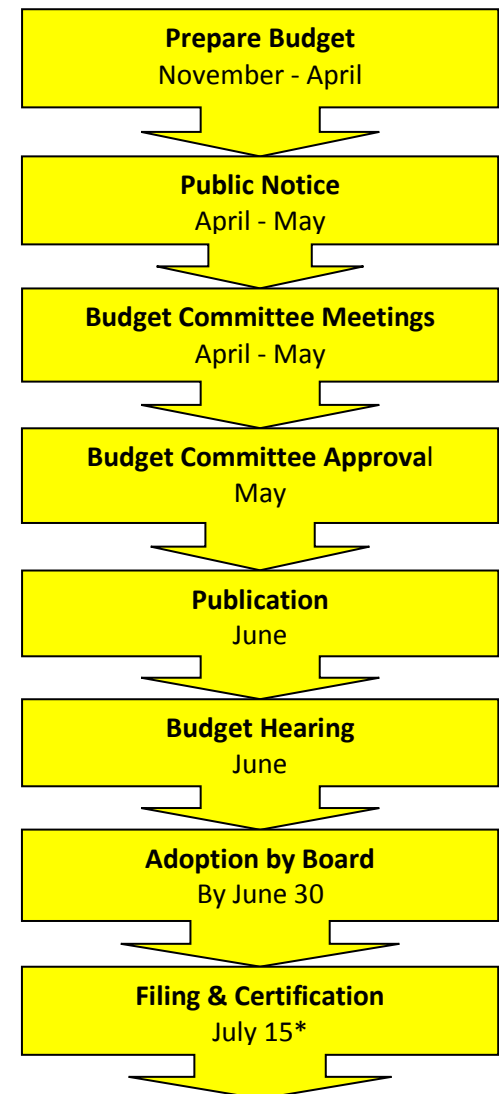
The Budget Officer supervises the preparation of a Proposed Budget, which includes the following actions:

- A. Discuss Budget Assumptions with Budget Committee
- B. Develop resource (revenue) estimates and base expenditures budget
- C. Estimate preliminary surplus/deficit
- D. Determine tuition rate
- E. Develop changes to base and final budgets in accordance with internal planning processes and Board of Education approval
- F. Prepare Budget Message for the Budget Committee, public, employees and other stakeholders

### IV Prepare a Proposed Budget

Lane's Budget Officer publishes a public Notice of Budget Committee Meeting(s).

## 2013-2014 Budget Calendar



\*Oregon Revised Statutes (ORS) section 294: <http://www.leg.state.or.us/ors/294.html>

**V Budget Committee Meeting(s)**

At least one Budget Committee meeting is held to 1) review the budget message and document, 2) hear the public and 3) revise and complete the budget as needed. At the time the proposed budget is distributed to the Budget Committee, it becomes public record and is made available to the public.

**VI Budget Approval**

When the Budget Committee is satisfied with the proposed budget, including any additions to or deletions from the budget prepared by the Budget Officer, the budget is approved. Note: If the budget requires an ad valorem tax to be in balance, the budget committee must approve an amount or rate of total ad valorem property taxes to be certified to the assessor.

**VII Publication**

After the budget is approved, a budget hearing is held by the Board of Education. The Budget Officer publishes a summary of the approved budget and a Notice of Budget Hearing (See Appendix G).

**VIII Budget Hearing**

The Budget Hearing is held to receive citizen testimony on the approved budget.

**IX Adoption**

The Board of Education enacts a resolution to 1) formally adopt the budget, 2) make appropriations, and, if needed, 3) levy and categorize taxes. The resolution must be adopted no later than June 30 for the fiscal year starting July 1.

**X Budget Filed and Levy Certified**

A copy of the complete budget is sent to the Lane County Clerk. When levying a property tax, Lane's Budget Officer submits notice of levy, categorization certification and resolutions to the County Assessor's office by July 15.



## **Budget Amendment Process**

Budget estimates as shown in the Budget Document may be amended by the Board of Education 1) prior to formal adoption, or 2) after formal adoption if amendments are adopted prior to the commencement of the budget fiscal year *and* the amount of estimated expenditures for each fund is not adjusted by more than 10%, a summary of the proposed changes must be published and another public Budget Hearing must be held.

Total ad valorem property tax amounts or rates may not be increased following formal adoption of the Budget Document unless 1) an amended Budget Document is republished and another public budget hearing is held, and 2) the college obtains written approval and files a supplemental notice of property tax.



# BUDGET MESSAGE

# FISCAL YEAR 2013-2014

Presented May 8, 2013

## **Budget Message**

### **Strategic Directions for FY2013-2014**

The proposed budget for FY2013-2014 was developed to further the approved Strategic Directions of the college listed on page B4 of the proposed budget document.

### **Economic Outlook**

FY2013-2014 is the first year of the biennium and the amount of the Community College Support Fund (CCSF) appropriation is not yet certain but projected to fall short of our hopes and expectations. The proposed budget is based on \$428 million for the CCSF, the current level in both the governor's and co-chairs' budgets. The economic climate continues to be challenging and recovery of tax revenue continues to be slow. Consequently, available public resources fall significantly short of what is necessary to serve students and the community at normal levels of support. In fact, tax revenue from the CCSF appropriation and local property taxes together now comprise less than half of the budget. Our goals of keeping education affordable and accessible, maintaining adequate compensation for employees, and meeting essential operating requirements of Lane Community College are not attainable without significant tradeoffs within those objectives. Although we are experiencing a decline from enrollment gains at the height of the recession, the need for our services has remained strong as unemployed workers return to school to better prepare themselves for changing job market opportunities and new high school graduates realize that a future without education is a bleak prospect. Adjusting to our economic reality requires strategic choices between increasing revenue, maintaining service levels at lower cost, downsizing the college and student opportunities to match the reduced public support, or some combination of all. None of these choices is attractive. Raising revenue through higher tuition and fees shifts the burden of lost public support to the students. Higher prices economically challenge students and violate our value of an affordable public education as a public good. Reducing cost is an objective with which we have had some success with internal efficiency initiatives and holding some positions vacant. However, with 80 percent of our costs in staff compensation, most cost reduction options shift the burden of decreased public support to the employees. Downsizing the college through layoffs is the worst option as it diminishes our ability to efficiently meet student needs. Consequently, our goal throughout this process is to keep employees working and serve as many students as possible.

### **Result of FY2013 Budget Strategies**

For the FY2013 budget year the college employed a combination of strategies to balance the budget. Employees received modest compensation increases, capital investment and maintenance expenses were reduced, and students absorbed an increase in tuition. Unfortunately due to a sharp decline in enrollment near 9% starting with summer term and continuing throughout the year, our tuition and fee revenue projections have also fallen short of budgeted levels. Consequently, the college is using more fund balance than planned to maintain operations and course offerings.

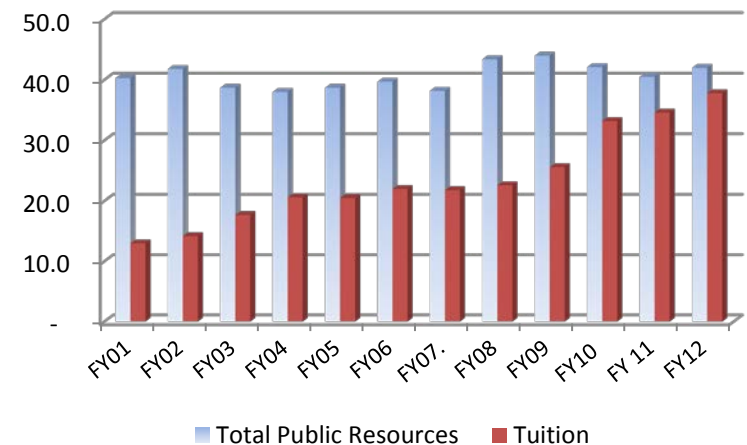
## Budget Assumptions

The public support revenue assumption is based upon the state model projections for Lane Community College at an appropriation level of \$428 million. This model assumes that the College's share of total enrollment relative to other colleges will remain stable, and preliminary indications are consistent with that assumption. It also assumes that the current level of enrollment will continue and includes a two dollar a credit hour tuition increase over FY2013. This increase is tied to the Higher Education Price Index (HEPI).

## Ending Fund Balance

The ending fund balance is essential to maintain the College's credit rating as well as to ensure fiscal stability. Funding the last quarter after the fact is likely a continuing characteristic of our state funding for the long term, and it is more prudent to have the reserves to meet that regular requirement rather than being forced into short term borrowing. The ending fund balance is not idle cash. It is comprised of working capital already allocated and in use throughout the college. One change we were able to make beginning in FY2011 is to budget a higher beginning fund balance than the required unappropriated ending fund balance. The difference will cover contingency balances that are required but are not expected to be expended except in emergencies. That places the fund balance at risk but frees up revenue that would otherwise be required to offset required contingency expense budget authority. For the FY2014 budget we will be using general fund reserves to balance the budget.

**Total Public Resources & Tuition  
Revenues FY01 through FY12**



## **Enrollment Growth**

Plans for FY2013-2014 will continue efforts to increase both enrollment and productivity. In the current year we have experienced a significant enrollment decrease along with other community colleges in the state. As growth is beginning to level off and the employment picture begins to improve we believe enrollment declines are as likely as enrollment growth. The budget assumes current levels of enrollment will continue. Purchasing power of public funds appropriated has been declining for several years, but the dramatic effect of the recession on state revenue combined with the enrollment growth has reduced per student support by almost half. The long-term disinvestment in Oregon public education threatens college values of affordability and accessibility. We will not abandon our commitment to provide an affordable education for the community but we need to be fiscally sustainable to continue our mission.

## **Compensation and Benefits**

Employees are the greatest asset of the college but it is challenging to insulate employees from increases in costs of living as well as we have been able to in the past. We remain committed to providing competitive salary and benefits but revenue has not kept pace with increasing costs. We are still competitive as this situation is not unique to Lane. Across the country education compensation increases have been small where they happened at all. Fortunately, we have been able to maintain very modest increases for employees to this point to help partially mitigate increases in personnel expenses. A major driver in compensation cost has been health care insurance. Another driver of compensation cost for the FY2014-15 biennium is a significant increase in employer PERS contributions. This change in particular is largely responsible for the increase in other personnel expense (OPE) rates.

## **General Fund Budget for FY2013-2014**

This budget reflects the reality of a forced transition from public funding to a combination of public and private funding sources. Our expenses in the future must be firmly linked to and limited by revenue to provide a financially sustainable model for the reliable and comprehensive access to education our community needs. The guidance of the Board of Education and the Budget Committee will be essential as we work toward this mutual goal. As in past years we have limited increases to cover increased costs in mandatory expenditure requirements of the college. We have not been able to fully fund long term plans for equipment replacement and facilities maintenance.

## **Resources**

The proposed General Fund budget for FY2013-2014 is \$103,897,239, a 3.6% increase from the 2012-2013 budget. Revenues from total public resources for FY2012-2013 include an estimated \$28,375,248 from the state Community College Support Fund and an estimated \$16,000,000 in property taxes for a total of \$44,375,248. This state support estimate anticipates that our share of total state enrollment will be stable during the next year.

Because the funding distribution formula includes 100% of Lane's property taxes, state and property tax revenues must be considered together in budget development. Property taxes and state revenues are combined in the "Intergovernmental Resources" line. The 2013-2014 Budget includes a \$2.00 per credit inflationary adjustment in tuition as previously approved by the Board of Education according to Board Policy D.110.

## **Expenditures**

The General Fund personal services budget has increased by \$2.2 million from FY2012–2013 final budget. The increase is due to the provision for bargaining for negotiated compensation increases scheduled for FY2014, and increases noted earlier in OPE. Budgeted capital outlay is unchanged. Transfers out to other funds decreased due to actual expense results in some funds and reductions in general fund support to others. In addition, adjustments – both increases and decreases – have been made for expenditures that are primarily beyond the control of the college. These "mandatory adjustments" include such items as facilities leases, utilities, property/liability insurance premiums, and maintenance contracts.

## **Special Revenue- Administratively Restricted Fund (Fund IX)**

The proposed budget for the Special Revenue Administratively Restricted Fund IX reflects restoration of one-time balancing options from FY2012-2013 and fully budgets projected Net Working Capital. Fund IX is composed of administratively restricted activities of the general fund. Budget projections used for budget development combine the General Fund and Fund IX.

## Additional Important Information

Because budget laws require total resources and expenditures to balance, the budget document includes budget expenditure authority for all reasonably anticipated resources in FY2013-14. There are several changes for next year to increase budget authority for several other funds. The Internal Service fund budget authority is increased for the College's new Print Management System. The Financial Aid fund budget authority is increased for additional federal financial aid expected because of increased entitlement, and need. The Capital Projects budget authority reflects the completion of the Downtown Campus and Phase I bond projects. None of this additional activity creates any new revenue or requirements for the general fund.

This Budget Document is consistent with the budget laws of the State of Oregon and other applicable policies. The budget is prepared on a modified accrual basis of accounting (revenues reported when earned; expenditures reported when the liability is incurred; taxes accounted for on a cash basis). The result is that carryovers of financial obligations from year-to-year are precluded and projections of anticipated revenue are not inflated.

The format and summarization are consistent with the Oregon Accounting Guidelines for Community Colleges. This budget expresses the basic and essential fiscal requirements of Lane Community College as set forth by the Board of Education. The 2013-2014 Budget Document is submitted herewith for your consideration and action. The staff and I are ready to assist you in the important task of reviewing this document.

Respectfully,

Mary F.T. Spilde  
President

### TOTAL BUDGET: ALL FUNDS

General Fund (I)	\$102,962,908
Internal Services Fund (II)	2,251,167
Debt Service Fund (III)	11,424,217
Capital Projects Fund (IV)	33,625,361
Financial Aid Fund (V)	112,372,036
Enterprise Fund (VI)	19,819,287
Special Revenue Fund (VIII)	19,578,306
<u>Special Revenue: Admin Restricted (IX)</u>	<u>17,366,825</u>
<b>Total All Funds</b>	<b>\$319,700,106</b>



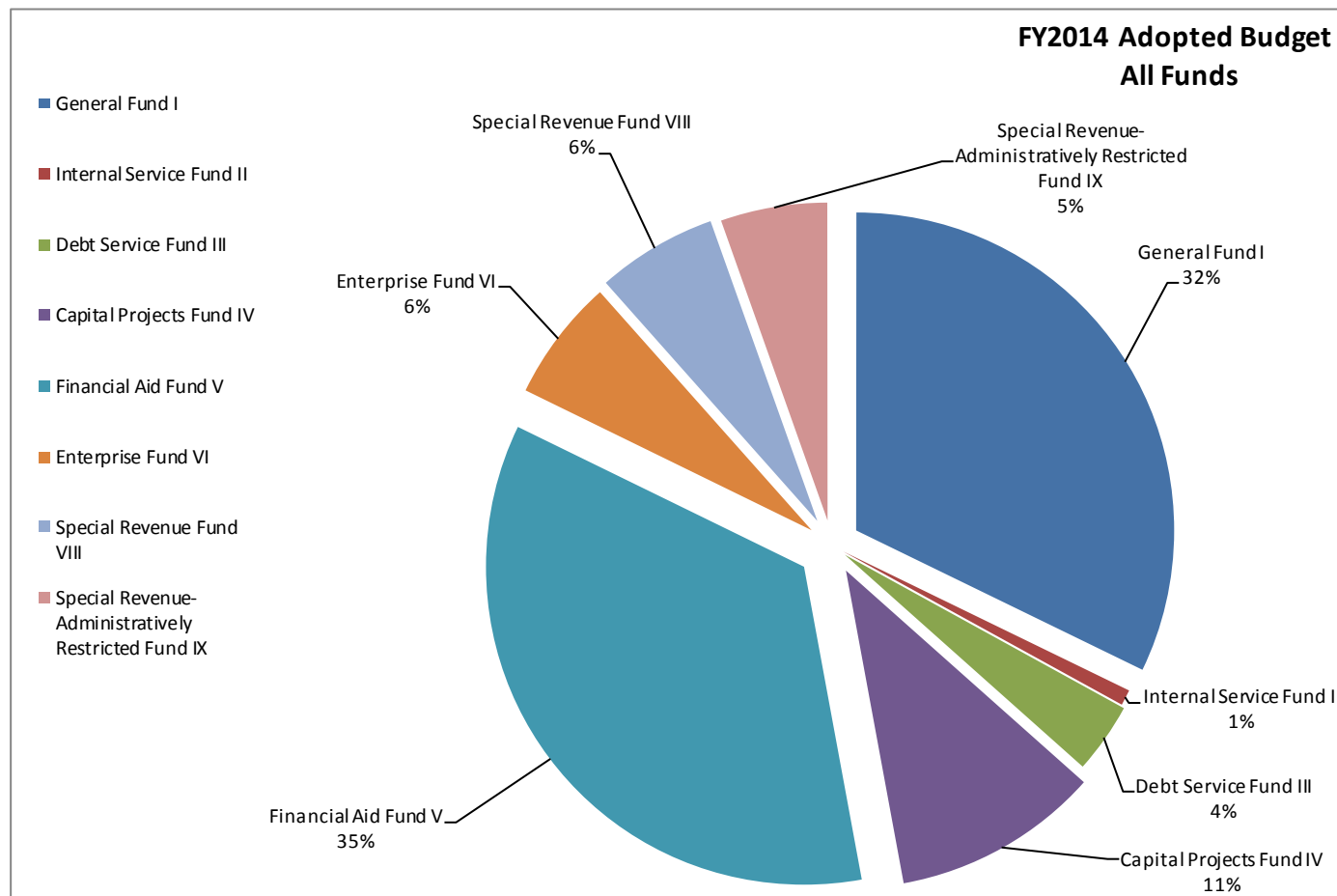
# **BUDGET SCHEDULES**



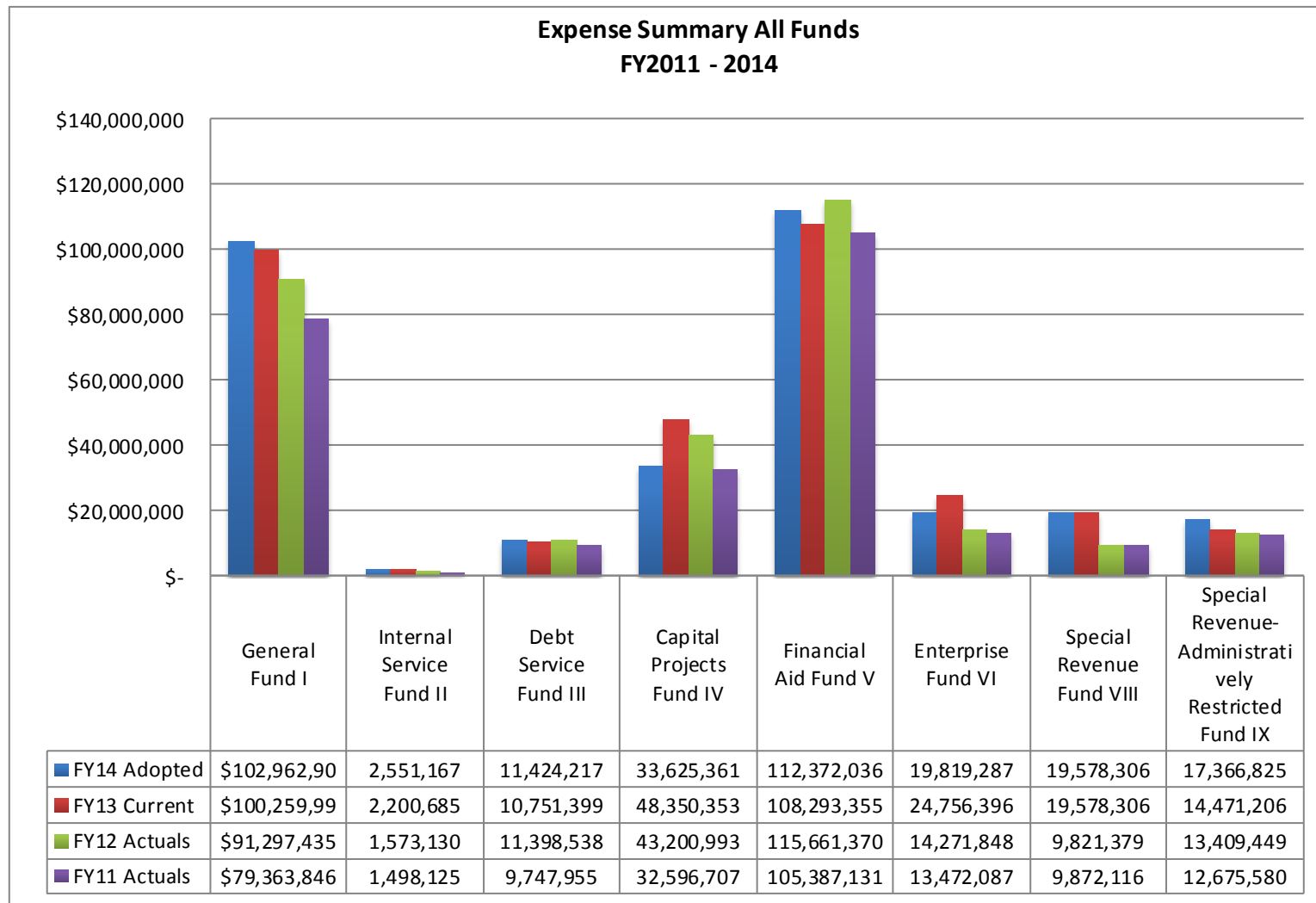
## Budget Schedules

### Summary – All Funds

	<b>Fiscal Year 2013-2014 ADOPTED Budget</b>	Fiscal Year 2013-2014 APPROVED Budget	Fiscal Year 2013-2014 PROPOSED Budget	Fiscal Year 2012-2013 CURRENT Budget	Fiscal Year 2011-2012 ACTUAL Amounts	Fiscal Year 2010-2011 ACTUAL Amounts
General Fund I	<b>\$ 102,962,908</b>	\$ 103,897,239	\$ 103,897,239	\$ 100,259,997	\$ 91,297,435	\$ 79,363,846
Internal Service Fund II	<b>2,551,167</b>	2,551,168	2,551,168	2,200,685	1,573,130	1,498,125
Debt Service Fund III	<b>11,424,217</b>	11,499,217	11,424,217	10,751,399	11,398,538	9,747,955
Capital Projects Fund IV	<b>33,625,361</b>	33,625,361	33,625,361	48,350,353	43,200,993	32,596,707
Financial Aid Fund V	<b>112,372,036</b>	112,372,036	112,372,036	108,293,355	115,661,370	105,387,131
Enterprise Fund VI	<b>19,819,287</b>	20,130,497	19,819,287	24,756,396	14,271,848	13,472,087
Special Revenue Fund VIII	<b>19,578,306</b>	19,578,306	19,578,306	19,578,306	9,821,379	9,872,116
Special Revenue-Administratively Restricted Fund IX	<b>17,366,825</b>	17,701,615	17,366,825	14,471,206	13,409,449	12,675,580
<b>Total</b>	<b>\$ 319,700,106</b>	<b>\$ 321,355,439</b>	<b>\$ 320,634,439</b>	<b>\$ 328,661,697</b>	<b>\$ 300,634,142</b>	<b>\$ 264,613,547</b>



As in years past, the General Fund and the Financial Aid Fund are our two largest budgeted funds comprising 32% and 35% respectively.



The College's General Fund budget has been increasing steadily over the last three years. Financial Aid actuals show an increase in FY2012 and then a slight drop in FY2013 which represents the fluctuation in student enrollment as we continue to experience a steady decline since the enrollment surge of 2009.

**Consolidated Resources & Requirements – All Funds**

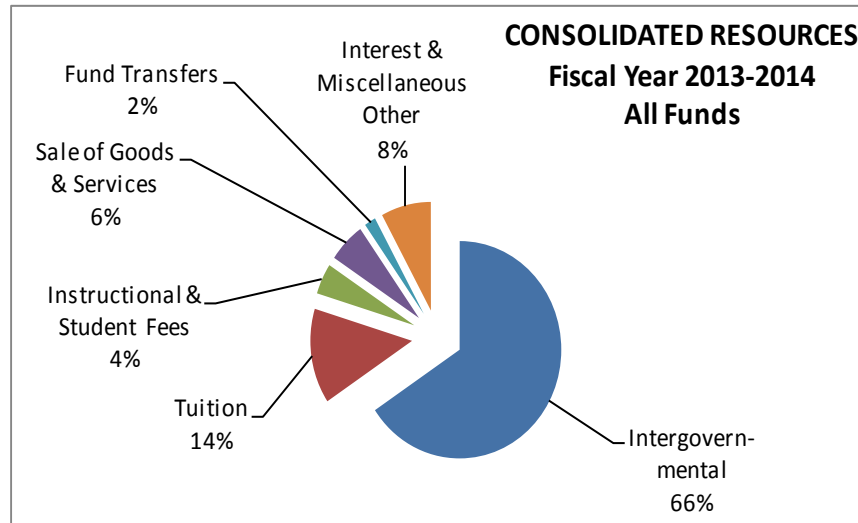
	<b>Fiscal Year 2013-2014 ADOPTED Budget</b>	<b>Fiscal Year 2013-2014 APPROVED Budget</b>	<b>Fiscal Year 2013-2014 PROPOSED Budget</b>	<b>Fiscal Year 2012-2013 CURRENT Budget</b>	<b>Fiscal Year 2011-2012 ACTUAL Amounts</b>	<b>Fiscal Year 2010-2011 ACTUAL Amounts</b>
<b>SUMMARY OF ALL FUNDS</b>						
<b>Resources</b>						
Intergovernmental	\$ 176,806,624	\$ 175,486,624	\$ 175,486,624	\$ 205,306,198	\$ 180,388,616	\$ 159,882,887
Tuition & Fees						
Tuition	38,009,712	37,909,712	37,909,712	40,845,746	37,747,113	38,231,421
Instructional & Student Fees	12,316,676	11,614,626	11,614,626	11,903,035	10,843,143	10,818,097
Other Sources:						
Sale of Goods & Services	15,911,300	15,911,300	15,911,300	16,323,256	15,895,912	15,648,172
Interest Income	284,000	284,000	284,000	454,250	673,004	701,886
Rents, Contracts, Gifts, Donations, Bad Debt Recovery	21,163,259	20,710,309	20,710,309	24,522,517	22,653,970	14,165,601
Proceeds from Sale of Bonds	-	-	-	-	-	19,355,000
Fund Transfers	4,876,748	5,522,748	5,222,748	9,966,375	12,007,687	4,392,617
<b>Total Current Operating Resources</b>	<b>\$ 269,368,319</b>	<b>\$ 267,439,319</b>	<b>\$ 267,139,319</b>	<b>\$ 309,321,377</b>	<b>\$ 280,209,445</b>	<b>\$ 263,195,681</b>
<b>Requirements By Function:</b>						
Instruction	\$ 73,751,905	\$ 73,751,905	\$ 73,751,905	\$ 72,220,565	\$ 59,193,591	\$ 56,653,527
Instructional Support	5,576,433	5,576,432	5,576,432	6,015,469	4,879,736	4,454,941
Student Services	34,045,344	34,380,133	34,380,133	32,232,087	26,790,775	25,518,506
Community Services	9,531,370	9,531,370	9,531,370	9,092,370	6,413,811	5,619,004
College Support Services	20,003,858	20,240,069	20,240,069	18,463,889	16,868,704	14,796,272
Plant Operation & Maintenance	8,239,414	8,239,414	8,239,414	7,984,140	8,257,266	6,895,135
Plant Additions	31,726,768	31,726,768	31,726,768	46,751,698	39,162,664	31,148,459
Financial Aid	112,372,036	112,372,036	112,372,036	108,293,355	115,661,370	105,387,131
Debt Service	11,424,217	11,499,217	11,499,217	10,751,399	11,398,538	9,747,955
Fund Transfers	4,876,748	5,447,748	5,147,748	9,966,375	12,007,687	4,392,617
Contingency*	8,152,016	8,590,350	8,590,350	6,890,350	-	-
<b>Total Current Operating Requirements</b>	<b>\$ 319,700,106</b>	<b>\$ 321,355,439</b>	<b>\$ 321,055,439</b>	<b>\$ 328,661,697</b>	<b>\$ 300,634,142</b>	<b>\$ 264,613,547</b>
<b>Excess (deficit) Current Resources</b>	<b>\$ (50,331,788)</b>	<b>\$ (53,916,120)</b>	<b>\$ (53,916,120)</b>	<b>\$ (19,340,320)</b>	<b>\$ (20,424,697)</b>	<b>\$ (1,417,866)</b>
<b>Beginning Fund Balance</b>	<b>50,331,788</b>	<b>53,916,120</b>	<b>53,916,120</b>	<b>19,340,320</b>	<b>65,223,716</b>	<b>66,641,582</b>
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 44,799,019</b>	<b>\$ 65,223,716</b>

\*FY2014 includes a \$2.46 million contingency for potential increases in personnel costs (all labor groups in contract negotiations at the time of budget adoption).

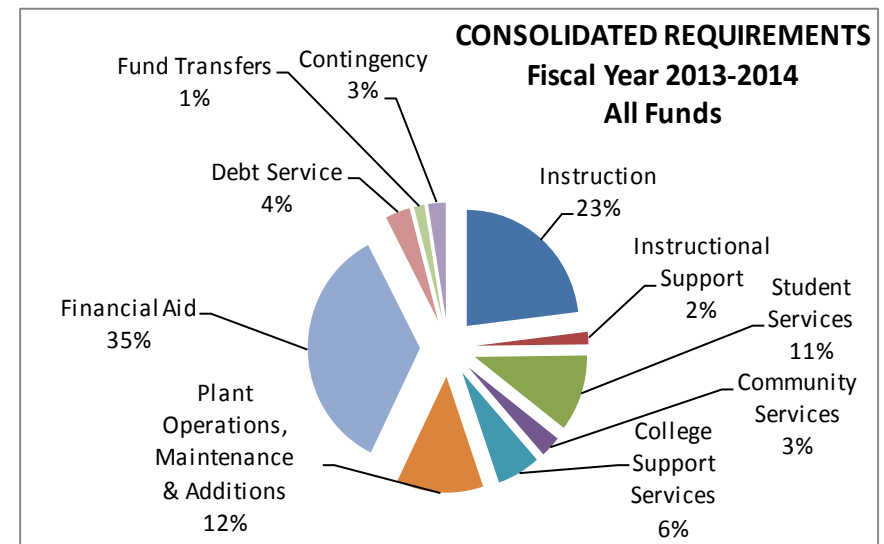
Lane Community College FY2014 Budget and Fund Structure							
Fund I General Fund \$102,962,908	Fund IX Special Revenue Admin Restricted \$17,366,825	Fund II Internal Service Fund \$2,551,167	Fund III Debt Service Fund \$11,424,217	Fund IV Capital Projects Fund \$33,625,361	Fund V Financial Aid Fund \$112,372,036	Fund VI Enterprise Fund \$19,819,287	Fund VIII Special Revenue Fund \$19,578,306
Transfers: \$3,048,293	Transfers: \$768,428	Transfers: \$4,500				Transfers: \$1,051,527	Transfers: \$4,000
Instruction \$55,859,611	Instruction \$7,442,294	Employee Wellness Program \$162,227	Flight Service Technology Debt Service \$25,000	Information Technology LASR Project \$498,593	College Workstudy \$876,524	Student Services Bookstore \$10,500,000	Instruction \$10,450,000
Instructional Support \$5,349,933	Instructional Support \$176,500	Motor Pool \$67,500	Qualified Energy Conservation Bonds \$75,000	Plant Operations FM&P \$1,400,000	Financial Aid \$111,495,512	Student Services Downtown Housing \$1,558,837	Instructional Support \$50,000
Student Services \$9,144,349	Student Services \$4,573,235	Printing & Graphics \$1,039,082	General Obligation Bonds 2012 \$1,566,850	Bond Project \$31,525,000		Student Services Foodservices \$2,905,349	Student Services \$1,850,000
College Support Services \$14,569,294	Community Services (KLCC) \$2,407,064	Telephone Services \$859,858	Recovery Zone Bonds 2010 \$776,442	Plant Additions FM&P \$100,500		Student Services Hospitality & Conference Services \$928,716	Community Services \$7,124,306
Plant Operation & Maintenance FM&P \$6,839,414	College Support Services \$1,999,304	Warehouse Services \$418,000	General Obligation Bonds 2009 \$4,956,675	Longhouse Project \$101,268		Student Services International Student Program \$2,584,858	College Support Services \$100,000
Contingency \$5,252,016: UEFB \$2,900,000			Pension Obligation Bonds \$4,024,250			College Support Services Laundry \$290,000	

Instruction	College Support Services	Debt Service
Instructional Support	Community Services	Bond Items
Student Services	Plant Operations	



As in prior years, Intergovernmental Revenue (property tax revenue and other allocations from various federal, state, and local contracts) remains the major resource for the college.



At over \$112,000,000, Financial Aid continues to be the largest expenditure area in the college budget.

**Schedule of Interfund Transfers**

	<b>Revenues</b>	<b>Expenditures</b>	<b>Remarks</b>
<b>GENERAL FUND I</b>			
To Internal Service Fund II	\$	\$ 374,028	Employee Wellness \$157,127; Telecommunications \$216,901
To Capital Projects Fund IV		1,083,593	Major maintenance \$625,000; Capital repair \$255,000; Deferred maintenance \$120,000; \$83,593 Distance Learning
To Debt Service Fund III		75,000	Qualified Energy Conservation Loan annual debt payment
To Special Revenue-Administratively Restricted Fund IX		1,515,672	Athletics \$210,475; Child & Family Education \$301,255; KLCC \$197,564; Specialized Support Services \$100,000; Staff Health Clinic \$169,344; Student Health \$198,519; Institute for Sustainable Practices \$254,324; Torch \$84,191
From Internal Service Fund II	3,500		Transfer authority contingency
From Enterprise Fund VI	274,085		Center for Meeting & Learning \$90,434; Foodservices \$83,651; Housing Program/Public Safety \$100,000
From Special Revenue Fund VIII	4,000		Transfer authority contingency
From Special Revenue-Administratively Restricted Fund IX	3,600		ASLCC cultural programs \$3,600
TOTAL	\$ 285,185	\$ 3,048,293	
<b>INTERNAL SERVICE FUND II</b>			
To General Fund I	\$	\$ 3,500	Transfer authority contingency
To Special Revenue-Administratively Restricted Fund IX		1,000	Transfer authority contingency
From General Fund I	374,028		Employee Wellness \$157,127; Telecommunications \$216,901
TOTAL	\$ 374,028	\$ 4,500	
<b>DEBT SERVICE FUND III</b>			
From General Fund I	\$ 75,000		Qualified Energy Conservation Loan
From Enterprise Fund VI	776,442		Recovery Zone Bonds
From Special Revenue-Administratively Restricted Fund IX	25,000		
TOTAL	\$ 876,442	\$ -	Debt Service for Flight Technology Loan
<b>CAPITAL PROJECTS FUND IV</b>			
From General Fund I	\$ 1,083,593	\$ -	Major maintenance \$625,000; Capital repair \$255,000; Deferred maintenance \$120,000; Distance Learning \$83,593
From Special Revenue-Administratively Restricted Fund IX	351,268		Transportation and Parking \$250,000; Longhouse \$101,268
TOTAL	\$ 1,434,861	\$ -	

- Continued -

**SCHEDULE OF INTERFUND TRANSFERS**

	<b>Revenues</b>	<b>Expenditures</b>	<b>Remarks</b>
<b>FINANCIAL AID FUND V</b>			
From Special Revenue-Administratively Restricted Fund IX	88,560		Athletic Scholarships
TOTAL	<u>\$ 88,560</u>	<u>\$ -</u>	
<b>ENTERPRISE FUND VI</b>			
To General Fund I	\$	\$ 274,085	Center for Meeting & Learning \$90,434; Foodservices \$83,651; Housing Program/Public Safety \$100,000
To Debt Service Fund III		776,442	Recovery Zone Bonds
To Special Revenue-Administratively Restricted Fund IX		1,000	Foodservices
TOTAL	<u>\$ -</u>	<u>\$ 1,051,527</u>	
<b>SPECIAL REVENUE-G/C FUND VIII</b>			
To General Fund I	\$	\$ 4,000	Transfer authority contingency
TOTAL	<u>\$ -</u>	<u>\$ 4,000</u>	
<b>SPECIAL REVENUE-ADMINISTRATIVELY RESTRICTED FUND IX</b>			
To General Fund I	\$	\$ 3,600	ASLCC cultural programs \$3,600
To Debt Service Fund III		25,000	Debt Service for Flight Technology Loan
To Capital Projects Fund IV		351,268	Transportation and Parking \$250,000; Longhouse \$101,268
To Financial Aid Fund V		88,560	Athletic Scholarships
From General Fund I	1,515,672		Athletics \$210,475; Child & Family Education \$301,255; KLCC \$197,564; Specialized Support Services \$100,000; Staff Health Clinic \$169,344; Student Health \$198,519; Institute for Sustainable Practices \$254,324; Torch \$84,191
To/From KLCC Funds	300,000	300,000	Provide transfer authority between the KLCC Operating and Endowment Funds
From Internal Service Fund II	1,000		Transfer authority contingency
From Enterprise Fund VI	1,000		Foodservices
TOTAL	<u>\$ 1,817,672</u>	<u>\$ 768,428</u>	
<b>TOTAL TRANSFERS - ALL FUNDS</b>	<u><b>\$ 4,876,748</b></u>	<u><b>\$ 4,876,748</b></u>	





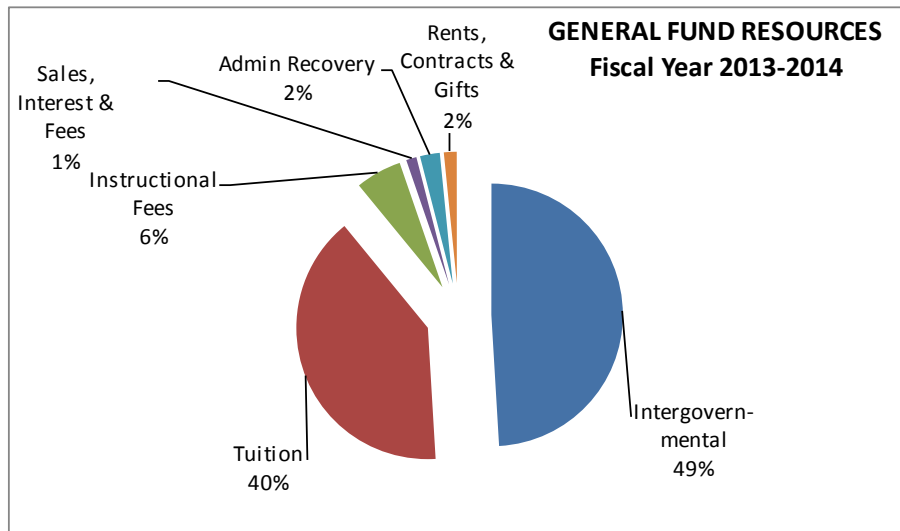
## **GENERAL FUND I**

### **SPECIAL REVENUE FUND IX: ADMINISTRATIVELY RESTRICTED**

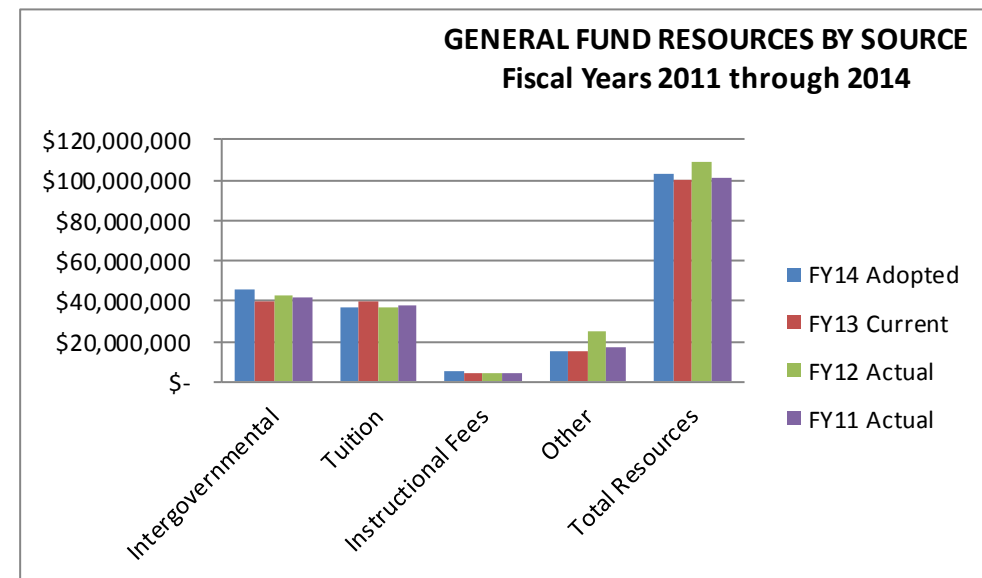
## Fund I: General Fund

### Resources

	<b>Fiscal Year 2013-2014 ADOPTED Budget</b>	Fiscal Year 2013-2014 APPROVED Budget	Fiscal Year 2013-2014 PROPOSED Budget	Fiscal Year 2012-2013 CURRENT Budget	Fiscal Year 2011-2012 ACTUAL Amounts	Fiscal Year 2010-2011 ACTUAL Amounts
<b>RESOURCES</b>						
Intergovernmental*	<b>\$ 45,695,248</b>	\$ 44,375,248	\$ 44,375,248	\$ 40,064,469	\$ 42,681,750	\$ 41,583,747
Tuition & Fees:						
Tuition	<b>37,248,312</b>	37,148,312	37,148,312	40,075,746	37,190,216	37,613,613
Instructional Fees	<b>5,272,424</b>	4,570,374	4,570,374	4,647,500	4,035,413	4,008,622
Other Sources:						
Sale of Goods & Services	<b>479,350</b>	479,350	479,350	509,350	455,299	402,200
Interest Income	<b>200,000</b>	200,000	200,000	200,000	385,343	308,188
Fees	<b>501,550</b>	973,600	973,600	913,870	800,852	803,744
Administrative Recovery	<b>2,250,000</b>	1,250,000	1,250,000	1,400,000	557,563	930,619
Rents, Contracts, Gifts, Bad Debt Recovery, Chargebacks	<b>1,473,478</b>	1,473,478	1,473,478	1,469,034	752,809	1,253,871
Transfer In Internal Service Fund II	<b>3,500</b>	3,500	3,500	3,500	3,088	23,500
Transfer In Debt Service Fund III	-	-	-	-	-	100,000
Transfer In Financial Aid Fund IV	-	-	-	-	148,149	-
Transfer In Enterprise Fund VI	<b>274,085</b>	274,085	274,085	824,916	149,559	160,372
Transfer In Special Revenue Fund VIII	<b>4,000</b>	4,000	4,000	4,000	-	-
Transfer In Special Revenue-Administratively Restricted Fund IX	<b>3,600</b>	3,600	3,600	3,600	23,510	3,600
Total Operating Revenues	<b>\$ 93,405,547</b>	\$ 90,755,547	\$ 90,755,547	\$ 90,115,985	\$ 87,183,551	\$ 87,192,076
Beginning Fund Balance	<b>9,557,361</b>	13,141,692	13,141,692	10,144,012	21,398,566	13,570,336
<b>TOTAL RESOURCES</b>	<b>\$ 102,962,908</b>	<b>\$ 103,897,239</b>	<b>\$ 103,897,239</b>	<b>\$ 100,259,997</b>	<b>\$ 108,582,117</b>	<b>\$ 100,762,412</b>
* State Revenue	\$ 29,695,248	\$ 28,375,248	\$ 28,375,248	\$ 24,064,469	\$ 26,935,270	\$ 25,890,435
* Property Taxes	16,000,000	16,000,000	16,000,000	16,000,000	15,746,480	15,693,312



The vast majority of resources to the General fund are from Intergovernmental Revenue (property taxes and allocations from other agencies) and Tuition Fees.



The percentage shares of the various types of resources has remained relatively static over recent years.

**Expenditures and Other Requirements****GENERAL FUND I**

	<b>Fiscal Year 2013-2014 ADOPTED Budget</b>	<b>Fiscal Year 2013-2014 APPROVED Budget</b>	<b>Fiscal Year 2013-2014 PROPOSED Budget</b>	<b>Fiscal Year 2012-2013 CURRENT Budget</b>	<b>Fiscal Year 2011-2012 ACTUAL Amounts</b>	<b>Fiscal Year 2010-2011 ACTUAL Amounts</b>
<b><u>EXPENDITURES AND OTHER REQUIREMENTS</u></b>						
<b>Instruction</b>						
Academic Learning Skills	\$ 1,837,183	\$ 1,837,183	\$ 1,837,183	\$ 1,824,988	\$ 2,237,615	\$ 2,078,264
Adult Basic and Secondary Education	1,890,911	1,890,911	1,890,911	1,692,548	1,605,975	1,601,507
Advanced Technologies	3,233,719	3,233,719	3,233,719	3,078,331	2,946,977	2,793,713
Art & Applied Design	2,529,070	2,529,070	2,529,070	2,575,644	2,986,325	2,653,705
Business & Computer Information Technology	2,973,862	2,973,862	2,973,862	3,027,351	3,259,644	3,166,085
Community Education <sup>^</sup>	2,676,375	2,676,375	2,676,375	2,781,147	2,191,121	2,275,585
Cooperative Education	1,989,029	1,989,029	1,989,029	1,866,948	1,722,409	1,714,002
Culinary Arts & Hospitality	744,844	744,844	744,844	755,260	722,748	725,735
English as a Second Language	1,440,943	1,440,943	1,440,943	1,301,350	1,227,334	1,149,486
Health & Physical Education	2,901,331	2,897,731	2,897,731	2,671,984	2,691,654	2,658,097
Health Professions	6,257,400	6,257,400	6,257,400	5,995,885	6,083,235	5,814,791
Lane Community College at Cottage Grove	475,994	475,995	475,995	469,529	753,581	693,128
Lane Community College at Florence	582,795	582,796	582,796	595,714	620,200	596,201
Language, Literature and Communication	5,863,291	5,863,291	5,863,291	5,631,335	6,333,620	5,786,415
Mathematics	3,526,954	3,526,954	3,526,954	3,546,905	3,967,083	3,395,685
Music/Dance/Theatre Arts	1,831,740	1,831,740	1,831,740	1,942,246	2,110,610	1,671,088
Science	3,686,028	3,686,028	3,686,028	3,641,029	4,008,777	3,707,753
Social Science	3,398,369	3,398,369	3,398,369	3,565,104	3,674,871	3,526,733
Special Instructional Projects	8,019,773	8,023,371	8,023,371	7,914,359	264,570	2,930
<b>Total Instruction</b>	<b>\$ 55,859,611</b>	<b>\$ 55,859,611</b>	<b>\$ 55,859,611</b>	<b>\$ 54,877,657</b>	<b>\$ 49,408,348</b>	<b>\$ 46,010,903</b>

<sup>^</sup> Business Development Center & Continuing Education combined and renamed Community Education May, 2012

- Continued -

**GENERAL FUND I**

	<b>Fiscal Year 2013-2014 ADOPTED Budget</b>	Fiscal Year 2013-2014 APPROVED Budget	Fiscal Year 2013-2014 PROPOSED Budget	Fiscal Year 2012-2013 CURRENT Budget	Fiscal Year 2011-2012 ACTUAL Amounts	Fiscal Year 2010-2011 ACTUAL Amounts
<b>Instructional Support</b>						
Academic & Student Affairs Office	\$ 1,000,564	\$ 1,227,153	\$ 1,227,153	\$ 1,432,153	\$ 1,341,719	\$ 1,287,654
Academic Technology	1,530,833	1,378,685	1,378,685	1,502,009	1,248,705	1,056,886
Grant Coordination	323,661	323,661	323,661	288,117	257,912	256,596
High School Connections	266,786	266,787	266,787	266,786	248,202	143,174
Library	1,250,917	1,250,917	1,250,917	1,217,843	1,125,004	1,085,342
Professional Development - Faculty	575,827	388,986	388,986	315,382	264,879	161,477
Special Instructional Projects	401,345	513,743	513,743	570,826	259,881	326,911
<b>Total Instructional Support</b>	<b>\$ 5,349,933</b>	<b>\$ 5,349,932</b>	<b>\$ 5,349,932</b>	<b>\$ 5,593,116</b>	<b>\$ 4,746,303</b>	<b>\$ 4,318,040</b>
<b>Student Services</b>						
Conference & Culinary Services	\$ 385,122	\$ 385,120	\$ 385,120	\$ 385,120	\$ 357,235	\$ 345,862
Counseling	3,453,720	3,453,721	3,453,721	3,342,574	3,177,405	2,935,663
Disability Services	810,807	810,807	810,807	810,807	806,785	763,445
Enrollment & Student Financial Services	2,208,602	2,208,601	2,208,601	2,158,968	1,988,085	1,764,953
Financial Aid	1,152,541	1,152,541	1,152,541	1,062,180	967,816	960,080
Student Life & Leadership Development	654,336	654,336	654,336	660,940	616,967	606,261
Women's Program	479,221	479,222	479,222	489,246	509,445	488,390
<b>Total Student Services</b>	<b>\$ 9,144,349</b>	<b>\$ 9,144,348</b>	<b>\$ 9,144,348</b>	<b>\$ 8,909,835</b>	<b>\$ 8,423,739</b>	<b>\$ 7,864,654</b>

- Continued -

**GENERAL FUND I**

	<b>Fiscal Year 2013-2014 ADOPTED Budget</b>	Fiscal Year 2013-2014 APPROVED Budget	Fiscal Year 2013-2014 PROPOSED Budget	Fiscal Year 2012-2013 CURRENT Budget	Fiscal Year 2011-2012 ACTUAL Amounts	Fiscal Year 2010-2011 ACTUAL Amounts
<b>College Support Services</b>						
Archives & Records Management	\$ 37,041	\$ 37,041	\$ 37,041	\$ 40,678	\$ 39,398	\$ 37,180
Board of Education	20,000	20,000	20,000	20,000	38,478	30,071
College Finance	803,674	893,288	893,288	891,234	840,409	718,718
College Operations Office	1,462,814	962,814	962,814	626,328	692,113	538,167
Curriculum & Scheduling	259,198	259,198	259,198	250,726	239,946	223,066
Governance & Administration	394,190	494,190	494,190	529,190	343,765	327,139
Human Resources	1,399,548	1,399,548	1,399,548	1,392,753	1,315,295	1,136,250
Infrastructure Technology	4,026,601	4,279,768	4,279,768	4,045,188	3,962,135	3,866,327
Institutional Research, Assessment & Planning	611,166	611,166	611,166	640,139	702,489	653,928
Institute for Sustainable Practices*	158,607	114,880	114,880	418,287	385,247	335,423
Lane Community College Foundation	590,472	590,472	590,472	590,472	565,205	468,717
Legal, Accounting & Administrative	1,664,500	1,764,500	1,764,500	1,627,500	1,713,675	1,022,518
Mail Services	155,767	155,767	155,767	155,767	184,467	171,365
Marketing & Public Relations	585,071	585,071	585,071	585,071	422,143	327,412
President's Office	1,198,642	1,101,642	1,101,642	1,067,814	1,103,042	1,003,105
Public Safety	1,202,003	1,299,949	1,299,949	1,138,840	1,187,925	959,577
<b>Total College Support Services</b>	<b>\$ 14,569,294</b>	<b>\$ 14,569,294</b>	<b>\$ 14,569,294</b>	<b>\$ 14,019,987</b>	<b>\$ 13,735,731</b>	<b>\$ 11,818,963</b>
<b>Plant Operation &amp; Maintenance</b>						
Facilities Management & Planning	\$ 6,839,414	\$ 6,839,414	\$ 6,839,414	\$ 6,820,486	\$ 5,837,196	\$ 5,599,850
<b>Total Plant Operation &amp; Maintenance</b>	<b>\$ 6,839,414</b>	<b>\$ 6,839,414</b>	<b>\$ 6,839,414</b>	<b>\$ 6,820,486</b>	<b>\$ 5,837,196</b>	<b>\$ 5,599,850</b>
<b>Financial Aid</b>						
Financial Aid Transfer	\$ -	\$ -	\$ -	\$ 193,375	\$ 178,500	\$ 29,062
<b>Total Financial Aid</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 193,375</b>	<b>\$ 178,500</b>	<b>\$ 29,062</b>

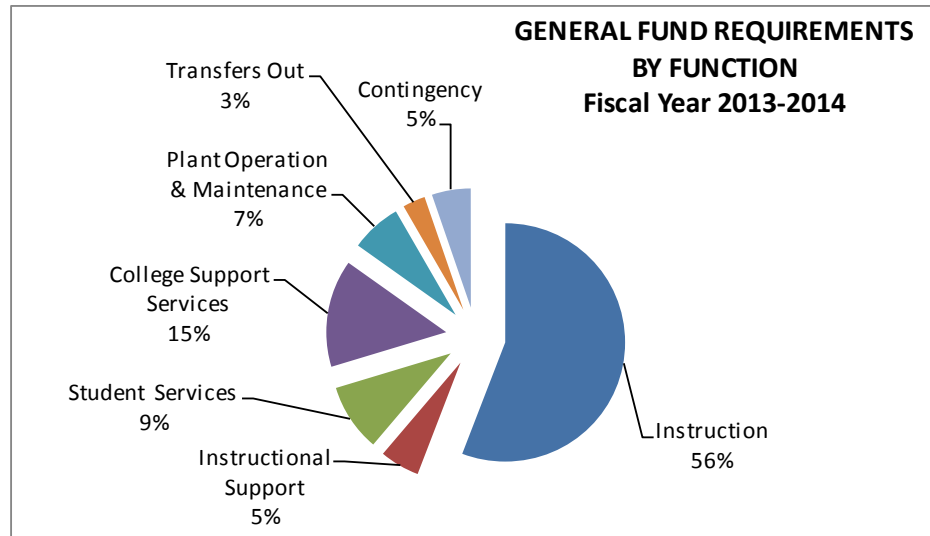
\*Energy Management and Sustainability changed to the Institute for Sustainable Practices in FY2013

- Continued -

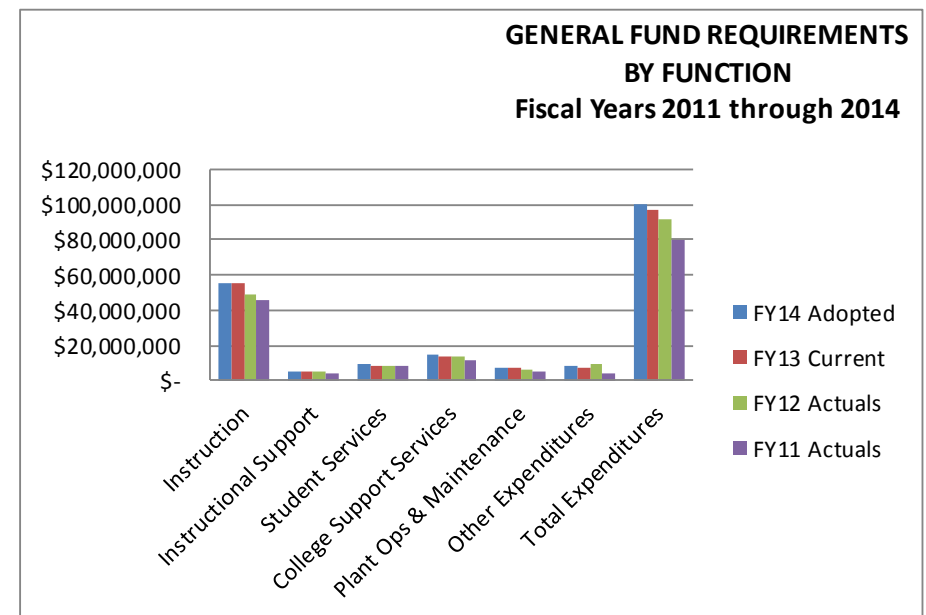
**GENERAL FUND I**

	<b>Fiscal Year 2013-2014 ADOPTED Budget</b>	Fiscal Year 2013-2014 APPROVED Budget	Fiscal Year 2013-2014 PROPOSED Budget	Fiscal Year 2012-2013 CURRENT Budget	Fiscal Year 2011-2012 ACTUAL Amounts	Fiscal Year 2010-2011 ACTUAL Amounts
<b>Transfer Out To:</b>						
Internal Service Fund II	\$ 374,028	\$ 374,028	\$ 374,028	\$ 371,065	\$ 357,968	\$ 378,729
Debt Service Fund III	75,000	-	-	-	-	-
Capital Projects Fund IV	1,083,593	1,083,593	1,083,593	1,000,000	3,900,593	1,142,333
Enterprise Fund VI	-	236,210	236,210	164,396	214,257	162,282
Special Revenue Fund VIII	-	-	-	-	-	300
Special Revenue-Administratively Restricted Fund IX	1,515,672	1,850,462	1,850,462	1,419,730	4,494,800	2,038,730
<b>Total Transfer Out</b>	<b>\$ 3,048,293</b>	<b>\$ 3,544,293</b>	<b>\$ 3,544,293</b>	<b>\$ 2,955,191</b>	<b>\$ 8,967,618</b>	<b>\$ 3,722,374</b>
<b>Contingency*</b>						
Projects/Provisions	\$ 5,252,016	\$ 5,690,350	\$ 5,690,350	\$ 3,990,350	\$ -	\$ -
<b>Total Contingency</b>	<b>\$ 5,252,016</b>	<b>\$ 5,690,350</b>	<b>\$ 5,690,350</b>	<b>\$ 3,990,350</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Operating Expenditures</b>	<b>\$100,062,908</b>	\$ 100,997,242	\$ 100,997,242	\$ 97,359,997	\$ 91,297,435	\$ 79,363,846
Unappropriated Ending Fund Balance (UEFB)	2,900,000	2,900,000	2,900,000	2,900,000		
<b>TOTAL EXPENDITURES AND OTHER REQUIREMENTS - GENERAL FUND I</b>	<b>\$102,962,908</b>	<b>\$ 103,897,239</b>	<b>\$ 103,897,239</b>	<b>\$100,259,997</b>	<b>\$ 91,297,435</b>	<b>\$ 79,363,846</b>
<b>SUMMARY OF GENERAL FUND RESOURCES AND REQUIREMENTS</b>						
Total Operating Revenues	\$ 93,405,547	\$ 90,755,547	\$ 90,755,547	\$ 90,115,985	\$ 87,183,551	\$ 87,192,076
Less: Total Operating Expenditures	(102,962,908)	(103,897,239)	(103,897,239)	(100,259,997)	(91,297,435)	(79,363,846)
Revenues over/under, Expenditures	\$ (9,557,361)	\$ (13,141,692)	\$ (13,141,692)	\$ (10,144,012)	\$ (4,113,884)	\$ 7,828,230
Beginning Fund Balance	9,557,361	13,141,692	13,141,692	10,144,012	21,398,566	13,570,336
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,284,735</b>	<b>\$ 21,398,566</b>

\*FY2014 includes a \$2.46 million contingency for potential increases in personnel costs (all labor groups in contract negotiations at the time of budget adoption).



The budget for Instruction utilizes more than half of the General Fund budget.



This graph illustrates how funding levels have been allocated between areas has been relatively constant.



## Requirements by Expenditures Category

### GENERAL FUND I

	Fiscal Year 2013-2014 ADOPTED Budget	Personnel Services	Materials & Services	Capital Outlay	Transfers Out	Debt Service	Contingency
<b>Instruction</b>							
Academic Learning Skills	\$ 1,837,183	\$ 1,761,208	\$ 75,975	-	-	-	-
Adult Basic and Secondary Education	1,890,911	1,826,496	64,415	-	-	-	-
Advanced Technologies	3,233,719	2,826,512	407,207	-	-	-	-
Art & Applied Design	2,529,070	2,248,663	280,407	-	-	-	-
Business & Computer Information Technologies	2,973,862	2,773,882	199,980	-	-	-	-
Community Education	2,676,375	1,774,018	902,357	-	-	-	-
Cooperative Education	1,989,029	1,895,254	93,775	-	-	-	-
Culinary Arts & Hospitality	744,844	559,144	185,700	-	-	-	-
English as a Second Language	1,440,943	1,390,993	49,950	-	-	-	-
Health & Physical Education	2,901,331	2,285,356	615,975	-	-	-	-
Health Professions	6,257,400	5,299,544	957,856	-	-	-	-
Lane Community College at Cottage Grove	475,994	403,197	72,797	-	-	-	-
Lane Community College at Florence	582,795	532,186	50,609	-	-	-	-
Language, Literature & Communication	5,863,291	5,760,041	103,250	-	-	-	-
Mathematics	3,526,954	3,457,579	69,375	-	-	-	-
Music/Dance/Theatre Arts	1,831,740	1,660,654	171,086	-	-	-	-
Science	3,686,028	3,534,641	151,387	-	-	-	-
Social Science	3,398,369	3,313,919	84,450	-	-	-	-
Special Instructional Projects	8,019,773	8,019,773	-	-	-	-	-
<b>Total Instruction</b>	<b>\$ 55,859,611</b>	<b>\$ 51,323,060</b>	<b>\$ 4,536,551</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Instructional Support</b>							
Academic & Student Affairs Office	\$ 1,000,564	\$ 861,349	\$ 139,215	\$ -	-	-	-
Academic Technology	1,530,833	1,313,258	217,575	-	-	-	-
Grant Coordination	323,661	319,161	4,500	-	-	-	-
High School Connections	266,786	253,509	13,277	-	-	-	-
Library	1,250,917	997,540	253,377	-	-	-	-
Professional Development - Faculty	575,827	156,698	419,129	-	-	-	-
Special Instructional Projects	401,345	305,542	95,803	-	-	-	-
<b>Total Instructional Support</b>	<b>\$ 5,349,933</b>	<b>\$ 4,207,057</b>	<b>\$ 1,142,876</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

- Continued -

**REQUIREMENTS BY EXPENDITURES CATEGORY - GENERAL FUND I**

	Fiscal Year 2013-2014 ADOPTED Budget	Personnel Services	Materials & Services	Capital Outlay	Transfers Out	Debt Service	Contingency
<b>Student Services</b>							
Conference & Culinary Services	\$ 385,122	\$ 385,122	\$ -	\$ -	\$ -	\$ -	\$ -
Counseling	3,453,720	3,200,984	252,736	-	-	-	-
Disability Resources	810,807	795,601	15,206	-	-	-	-
Enrollment & Student Financial Services	2,208,602	1,929,952	278,650	-	-	-	-
Financial Aid	1,152,541	1,094,601	57,940	-	-	-	-
Student Life & Leadership Development	654,336	538,486	115,850	-	-	-	-
Women's Program	479,221	462,984	16,237	-	-	-	-
<b>Total Student Services</b>	<b>\$ 9,144,349</b>	<b>\$ 8,407,730</b>	<b>\$ 736,619</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>College Support Services</b>							
Archives & Records Management	\$ 37,041	\$ 32,241	\$ 4,800	\$ -	\$ -	\$ -	\$ -
Board of Education	20,000	-	20,000	-	-	-	-
College Finance	803,674	760,985	42,689	-	-	-	-
College Services Office	1,462,814	888,314	574,500	-	-	-	-
Curriculum & Scheduling	259,198	251,823	7,375	-	-	-	-
Governance and Administration	394,190	-	394,190	-	-	-	-
Human Resources	1,399,548	1,097,757	301,791	-	-	-	-
Infrastructure Technology	4,026,601	2,653,589	1,373,012	-	-	-	-
Institutional Research, Assessment & Planning	611,166	586,111	25,055	-	-	-	-
Institute for Sustainable Practices*	158,607	38,457	120,150	-	-	-	-
Lane Community College Foundation	590,472	590,472	-	-	-	-	-
Legal, Accounting & Administrative	1,664,500	-	1,664,500	-	-	-	-
Mail Services	155,767	128,107	27,660	-	-	-	-
Marketing & Public Relations	585,071	167,271	417,800	-	-	-	-
President's Office	1,198,642	1,016,642	182,000	-	-	-	-
Public Safety	1,202,003	1,061,810	140,193	-	-	-	-
<b>Total College Support Services</b>	<b>\$ 14,569,294</b>	<b>\$ 9,273,579</b>	<b>\$ 5,295,715</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

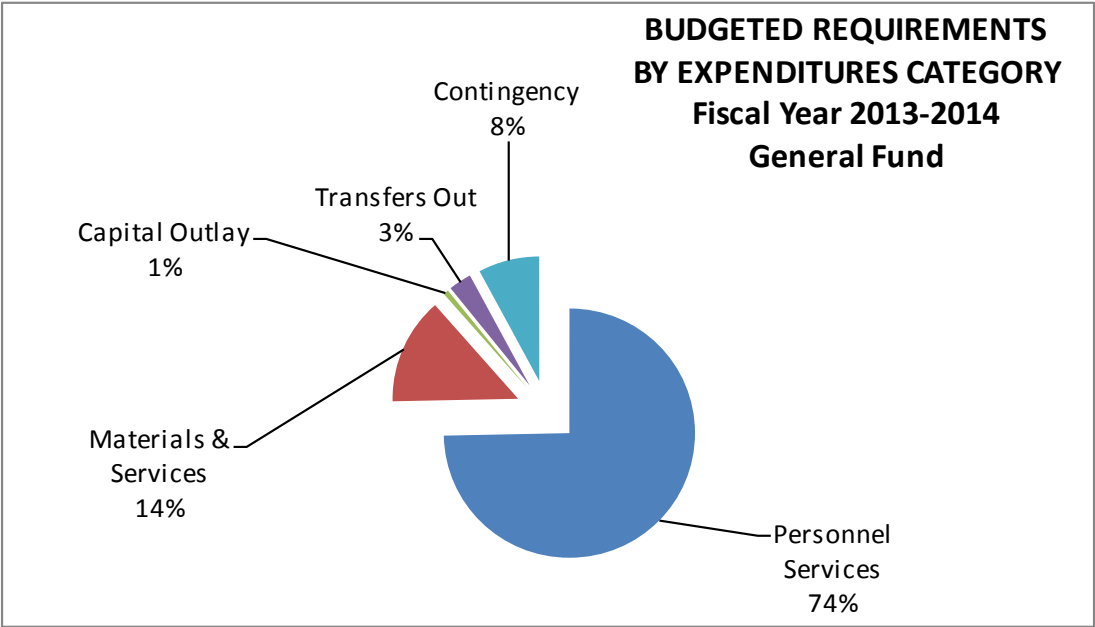
\*Energy Management and Sustainability changed to the Institute for Sustainable Practices in FY2013

- Continued -

**REQUIREMENTS BY EXPENDITURES CATEGORY - GENERAL FUND I**

	Fiscal Year 2013-2014 ADOPTED Budget	Personnel Services	Materials & Services	Capital Outlay	Transfers Out	Debt Service	Contingency
<b>Plant Operation &amp; Maintenance</b>							
Facilities Management & Planning	\$ 6,839,414	\$ 4,192,856	\$ 2,646,558	\$ -	\$ -	\$ -	\$ -
<b>Total Plant Operation &amp; Maintenance</b>	<b>\$ 6,839,414</b>	<b>\$ 4,192,856</b>	<b>\$ 2,646,558</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Transfer Out:</b>							
To Internal Services Fund II	\$ 374,028	\$ -	\$ -	\$ -	\$ 374,028	\$ -	\$ -
To Debt Service Fund V	75,000	-	-	-	75,000	-	-
To Capital Projects Fund IV	1,083,593	-	-	-	1,083,593	-	-
To Enterprise Fund VI	-	-	-	-	-	-	-
To Special Revenue-Administratively Restricted Fund IX	1,515,672	-	-	-	1,515,672	-	-
<b>Total Transfer Out</b>	<b>\$ 3,048,293</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,048,293</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Contingency*</b>							
Projects/Provisions	\$ 5,252,016	\$ 2,152,016	\$ -	\$ 700,000	\$ -	\$ -	\$ 2,400,000
Unappropriated Ending Fund Balance (UEFB)	2,900,000	-	-	-	-	-	2,900,000
<b>Total Contingency</b>	<b>8,152,016</b>	<b>\$ 2,152,016</b>	<b>\$ -</b>	<b>\$ 700,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,300,000</b>
<b>Total - General Fund Functions</b>	<b>\$102,962,908</b>	<b>\$ 79,556,298</b>	<b>\$ 14,358,319</b>	<b>\$ 700,000</b>	<b>\$ 3,048,293</b>	<b>\$ -</b>	<b>\$ 5,300,000</b>
<b><u>SUMMARY OF GENERAL FUND RESOURCES AND REQUIREMENTS</u></b>							
Total Operating Revenues	\$ 93,405,547						
Less: Total Operating Expenditures	(102,962,908)						
Revenues, over/under, Expenditures	\$ (9,557,361)						
Beginning Fund Balance	9,557,361						
<b>Ending Fund Balance</b>	<b>\$ -</b>						

\*FY2014 includes a \$2.46 million contingency for potential increases in personnel costs (all labor groups in contract negotiations at the time of budget adoption).



Personnel Services remains the largest expenditure component.

## Fund IX: Special Revenue – Administratively Restricted Fund

### Resources

	<b>Fiscal Year 2013-2014 ADOPTED Budget</b>	Fiscal Year 2013-2014 APPROVED Budget	Fiscal Year 2013-2014 PROPOSED Budget	Fiscal Year 2012-2013 CURRENT Budget	Fiscal Year 2011-2012 ACTUAL Amounts	Fiscal Year 2010-2011 ACTUAL Amounts
<b>RESOURCES</b>						
Intergovernmental	\$ 1,034,000	\$ 1,034,000	\$ 1,034,000	\$ 1,025,000	\$ 33,546	\$ 454,711
Tuition & Fees:						
Tuition	661,400	661,400	661,400	670,000	538,791	602,456
Instructional Fees	1,961,493	1,961,493	1,961,493	2,072,125	2,035,293	2,031,009
Non-Mandatory Fees	1,053,549	1,053,549	1,053,549	1,134,300	666,655	760,682
Other Fees & Charges	769,050	769,050	769,050	608,600	728,945	818,157
Sale of Goods and Services	964,850	964,850	964,850	1,081,306	2,039,085	1,489,095
Interest Income	9,000	9,000	9,000	14,000	3,732	3,463
Contracts, Gifts, Donations	1,467,553	1,467,553	1,467,553	1,317,207	1,348,959	1,097,679
Fees - Student Health Clinic	500,000	500,000	500,000	438,360	490,536	474,096
Fees - Technology	2,278,250	2,278,250	2,278,250	2,278,250	2,313,920	2,269,657
Fees - Transportation	1,050,960	1,050,960	1,050,960	1,132,500	1,208,739	1,167,428
Transfer In General Fund I	1,515,672	1,850,462	1,850,462	1,419,730	4,494,800	2,038,730
Transfer In Internal Services Fund II	1,000	1,000	1,000	1,000	-	1,000
Transfer In Enterprise Fund VI	1,000	1,000	1,000	1,000	-	1,000
Transfer Special Revenue-Administratively Restricted Fund IX - KLCC	300,000	300,000	-	-	-	-
Total Operating Revenues	\$ 13,567,777	\$ 13,902,567	\$ 13,602,567	\$ 13,193,378	\$ 15,903,001	\$ 13,209,163
Beginning Fund Balance	3,799,048	3,799,048	3,799,048	1,277,828	7,614,276	7,080,693
<b>TOTAL RESOURCES</b>	<b>\$ 17,366,825</b>	<b>\$ 17,701,615</b>	<b>\$ 17,401,615</b>	<b>\$ 14,471,206</b>	<b>\$ 23,517,277</b>	<b>\$ 20,289,856</b>

- Continued -

**Expenditures and Other Requirements****SPECIAL REVENUE FUND IX - ADMINISTRATIVELY RESTRICTED**

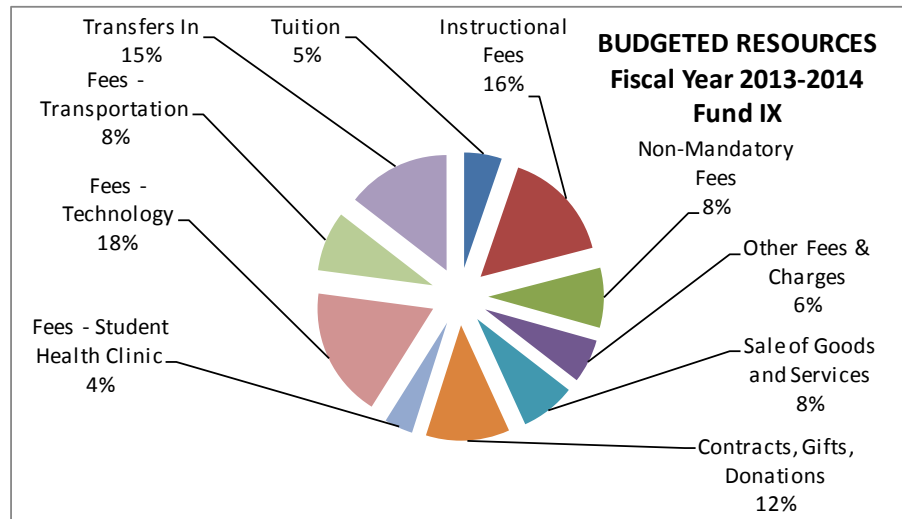
	<b>Fiscal Year 2013-2014 ADOPTED Budget</b>	Fiscal Year 2013-2014 APPROVED Budget	Fiscal Year 2013-2014 PROPOSED Budget	Fiscal Year 2012-2013 CURRENT Budget	Fiscal Year 2011-2012 ACTUAL Amounts	Fiscal Year 2010-2011 ACTUAL Amounts
<b>EXPENDITURES AND OTHER REQUIREMENTS</b>						
<b>Instruction</b>						
Advanced Technologies	\$ 6,650	\$ 6,650	\$ 6,650	\$ 33,154	\$ 7,749	\$ 18,477
Child & Family Education	312,064	312,064	312,064	293,300	306,164	295,932
Contract Training	205,000	205,000	205,000	80,000	63,859	34,704
Flight Technology	1,229,949	1,229,949	1,229,949	1,368,200	1,337,963	1,223,193
Institute for Sustainable Practices*	1,126,577	1,126,577	1,126,577	780,253	765,359	813,127
Non-Reimbursed Instruction	331,804	331,804	331,804	290,001	102,013	122,899
Specialized Support Services	1,240,000	1,240,000	1,240,000	1,240,000	1,537,667	1,386,339
Student Restaurant	12,000	12,000	12,000	30,000	5,654	27,188
Technology Fee	2,978,250	2,978,250	2,978,250	2,778,000	2,116,248	2,305,605
<b>Total Instruction</b>	<b>\$ 7,442,294</b>	<b>\$ 7,442,294</b>	<b>\$ 7,442,294</b>	<b>\$ 6,892,908</b>	<b>\$ 6,242,676</b>	<b>\$ 6,227,464</b>
<b>Instructional Support</b>						
Academic & Student Affairs-TRP	\$ -	\$ -	\$ -	\$ 140,000	\$ 135,000	\$ 47,647
Academic Technology-TRP	76,500	76,500	76,500	132,353	39,198	\$ -
OSBDCN	15,000	15,000	15,000	15,000	-	2,170
Regional Technical Education Consortium	85,000	85,000	85,000	85,000	79,678	86,370
<b>Total Instructional Support</b>	<b>\$ 176,500</b>	<b>\$ 176,500</b>	<b>\$ 176,500</b>	<b>\$ 372,353</b>	<b>\$ 253,876</b>	<b>\$ 136,187</b>
<b>Student Services</b>						
ASLCC	\$ 885,493	\$ 885,493	\$ 885,493	\$ 889,872	\$ 683,114	\$ 537,445
Athletics	673,165	673,165	673,165	690,869	740,593	756,773
Child & Family Education	860,167	1,000,812	1,000,812	908,067	1,142,844	999,985
Student Health Services	1,709,519	1,903,664	1,903,664	862,624	766,313	772,309
Student Productions Association	62,400	62,400	62,400	33,750	30,617	30,129
The Torch	267,391	267,391	267,391	149,682	173,539	174,947
Women's Programs	115,100	115,100	115,100	75,500	63,891	86,314
<b>Totals Student Services</b>	<b>\$ 4,573,235</b>	<b>\$ 4,908,025</b>	<b>\$ 4,908,025</b>	<b>\$ 3,610,364</b>	<b>\$ 3,600,911</b>	<b>\$ 3,357,902</b>

\*Energy Management and Sustainability changed to the Institute for Sustainable Practices in FY2013

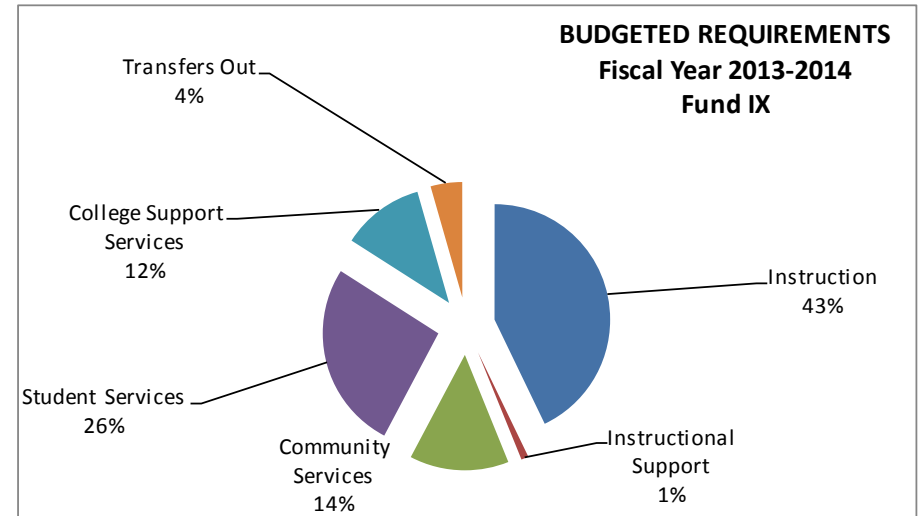
- Continued -

**SPECIAL REVENUE FUND IX - ADMINISTRATIVELY RESTRICTED**

	<b>Fiscal Year 2013-2014 ADOPTED Budget</b>	<b>Fiscal Year 2013-2014 APPROVED Budget</b>	<b>Fiscal Year 2013-2014 PROPOSED Budget</b>	<b>Fiscal Year 2012-2013 CURRENT Budget</b>	<b>Fiscal Year 2011-2012 ACTUAL Amounts</b>	<b>Fiscal Year 2010-2011 ACTUAL Amounts</b>
<b>Community Services</b>						
KLCC FM Operations	\$ 1,807,064	\$ 1,807,064	\$ 1,807,064	\$ 1,673,064	\$ 1,548,385	\$ 1,516,423
KLCC FM Quasi-Endowment	600,000	600,000	600,000	295,000	100,000	-
<b>Total Community Services</b>	<b>\$ 2,407,064</b>	<b>\$ 2,407,064</b>	<b>\$ 2,407,064</b>	<b>\$ 1,968,064</b>	<b>\$ 1,648,385</b>	<b>\$ 1,516,423</b>
<b>College Support Services</b>						
Staff Health Clinic	\$ 673,344	\$ 673,344	\$ 673,344	\$ 300,821	\$ 296,080	\$ 248,727
Transportation	1,325,960	1,325,960	1,325,960	882,500	894,932	833,569
<b>Total College Support Services</b>	<b>\$ 1,999,304</b>	<b>\$ 1,999,304</b>	<b>\$ 1,999,304</b>	<b>\$ 1,183,321</b>	<b>\$ 1,191,012</b>	<b>\$ 1,082,296</b>
<b>Transfers Out:</b>						
To General Fund I	\$ 3,600	\$ 3,600	\$ 3,600	\$ 3,600	\$ 23,510	\$ 3,600
To Debt Service Fund III	25,000	25,000	25,000	-	-	-
To Capital Projects Fund IV	351,268	351,268	351,268	359,125	377,615	270,245
To Financial Aid Fund V	88,560	88,560	88,560	81,472	71,464	71,464
To Enterprise Fund VI	-	-	-	-	-	10,000
To Special Revenue-Admin Restricted Fund IX - KLCC	300,000	300,000	-	-	-	-
<b>Total Transfers Out</b>	<b>\$ 768,428</b>	<b>\$ 768,428</b>	<b>\$ 468,428</b>	<b>\$ 444,197</b>	<b>\$ 472,589</b>	<b>\$ 355,309</b>
<b>TOTAL EXPENDITURES AND OTHER REQUIREMENTS</b>	<b>\$ 17,366,825</b>	<b>\$ 17,701,615</b>	<b>\$ 17,401,615</b>	<b>\$ 14,471,206</b>	<b>\$ 13,409,449</b>	<b>\$ 12,675,580</b>
<b><u>SUMMARY OF SPEC REV-ADM RESTRICTED FUND</u></b>						
<b><u>RESOURCES AND REQUIREMENTS</u></b>						
Total Operating Revenues	\$ 13,567,777	\$ 13,902,567	\$ 13,602,567	\$ 13,193,378	\$ 15,903,001	\$ 13,209,163
Less: Total Operating Expenditures	(17,366,825)	(17,701,615)	(17,401,615)	(14,471,206)	(13,409,449)	(12,675,580)
Revenues, over/under, Expenditures	\$ (3,799,048)	\$ (3,799,048)	\$ (3,799,048)	\$ (1,277,828)	\$ 2,493,552	\$ 533,583
Beginning Fund Balance	3,799,048	3,799,048	3,799,048	1,277,828	7,614,276	7,080,693
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,107,828</b>	<b>\$ 7,614,276</b>



Tuition and various fees and charges constitute 65% of resources to Fund IX.



This graph shows that 84% of budgeted requirements, excluding College Support Services and Transfers Out, are related to student support.

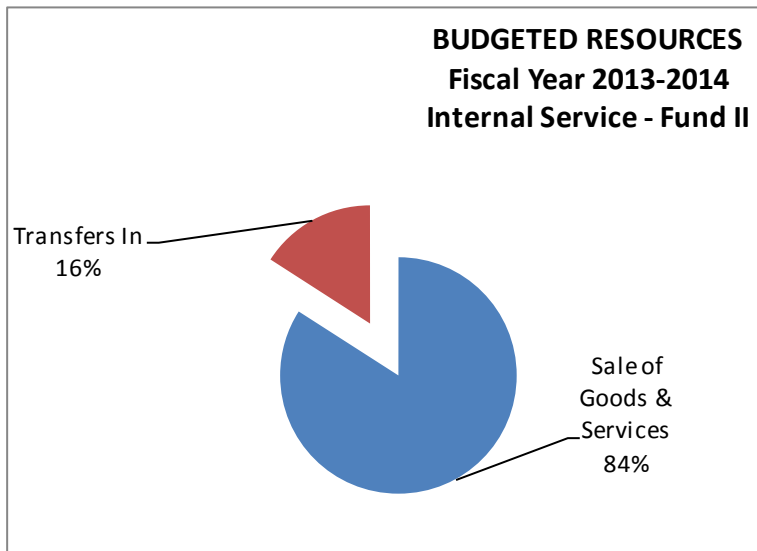




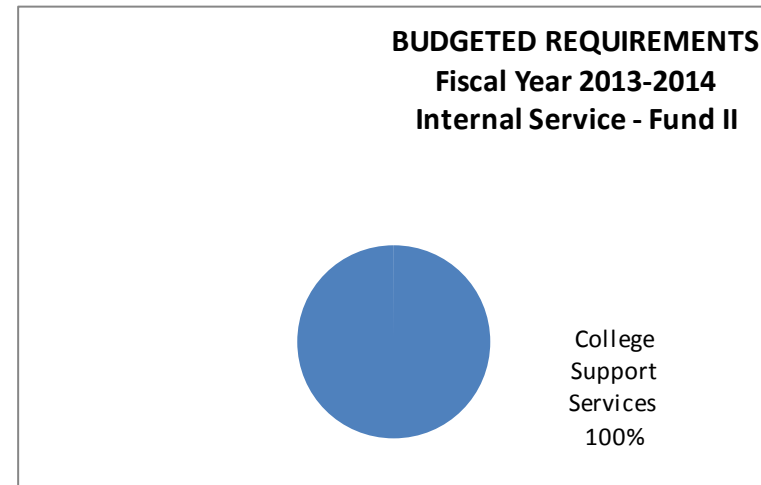
**INTERNAL SERVICE FUND II**  
**DEBT SERVICE FUND III**  
**CAPITAL PROJECTS FUND IV**  
**FINANCIAL AID FUND V**  
**ENTERPRISE FUND VI**  
**SPECIAL REVENUE FUND VIII**

**Fund II Internal Service Fund**

	<b>Fiscal Year 2013-2014 ADOPTED Budget</b>	Fiscal Year 2013-2014 APPROVED Budget	Fiscal Year 2013-2014 PROPOSED Budget	Fiscal Year 2012-2013 CURRENT Budget	Fiscal Year 2011-2012 ACTUAL Amounts	Fiscal Year 2010-2011 ACTUAL Amounts
<b>RESOURCES</b>						
Other Sources:						
Sale of Goods & Services	\$ 1,977,100	\$ 1,977,100	\$ 1,977,100	\$ 1,582,100	\$ 1,177,339	\$ 1,195,889
Transfer In General Fund I	374,028	374,028	374,028	371,065	357,968	378,729
Total Operating Revenues	\$ 2,351,128	\$ 2,351,128	\$ 2,351,128	\$ 1,953,165	\$ 1,535,307	\$ 1,574,618
Beginning Fund Balance	200,039	200,040	200,040	247,520	576,493	500,000
<b>TOTAL RESOURCES</b>	<b>\$ 2,551,167</b>	<b>\$ 2,551,168</b>	<b>\$ 2,551,168</b>	<b>\$ 2,200,685</b>	<b>\$ 2,111,800</b>	<b>\$ 2,074,618</b>
<b>EXPENDITURES AND OTHER REQUIREMENTS</b>						
<b>College Support Services</b>						
Employee Wellness Program	\$ 162,227	\$ 162,227	\$ 162,227	\$ 158,835	\$ 149,927	\$ 140,981
Motor Pool	67,500	67,500	67,500	67,500	74,078	94,874
Printing & Graphics	1,039,082	1,039,083	1,039,083	1,090,020	828,410	780,551
Telephone Services	859,858	859,858	859,858	854,830	447,420	382,900
Warehouse Services	418,000	418,000	418,000	25,000	70,207	74,319
<b>Transfer Out</b>						
To General Fund I	3,500	3,500	3,500	3,500	3,088	23,500
To Special Revenue-Administratively Restricted Fund IX	1,000	1,000	1,000	1,000	-	1,000
<b>TOTAL EXPENDITURES AND OTHER REQUIREMENTS</b>	<b>\$ 2,551,167</b>	<b>\$ 2,551,168</b>	<b>\$ 2,551,168</b>	<b>\$ 2,200,685</b>	<b>\$ 1,573,130</b>	<b>\$ 1,498,125</b>
<b>SUMMARY OF INTERNAL SERVICE FUND</b>						
<b>RESOURCES AND REQUIREMENTS</b>						
Total Operating Revenues	\$ 2,351,128	\$ 2,351,128	\$ 2,351,128	\$ 1,953,165	\$ 1,535,307	\$ 1,574,618
Less: Total Operating Expenditures	(2,551,167)	(2,551,168)	(2,551,168)	(2,200,685)	(1,573,130)	(1,498,125)
Revenues, over/under, Expenditures	\$ (200,039)	\$ (200,040)	\$ (200,040)	\$ (247,520)	\$ (37,823)	\$ 76,493
Beginning Fund Balance	200,039	200,040	200,040	247,520	576,493	500,000
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 538,670</b>	<b>\$ 576,493</b>



The Internal Service Fund II includes functions that exist primarily to provide goods or services to other instructional or administrative units of the college.



Services provided out of this fund include the Employee Wellness Program, Motor Pool, Printing & Graphics, Telephone and Warehouse Services.

## Fund III Debt Service Fund

	<b>Fiscal Year 2013-2014 ADOPTED Budget</b>	Fiscal Year 2013-2014 APPROVED Budget	Fiscal Year 2013-2014 PROPOSED Budget	Fiscal Year 2012-2013 CURRENT Budget	Fiscal Year 2011-2012 ACTUAL Amounts	Fiscal Year 2010-2011 ACTUAL Amounts
<b><u>FLIGHT SERVICE TECHNOLOGY DEBT SERVICE</u></b>						
Transfer In Special Revenue-Administratively Restricted Fund IX	\$ 25,000	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ -
Total Operating Revenues	25,000	25,000	25,000	-	-	-
Beginning Fund Balance	-	-	-	-	-	-
<b>TOTAL RESOURCES</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>EXPENDITURES AND OTHER REQUIREMENTS</u></b>						
Principal Payments	\$ 25,000	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ -
Interest Expense	-	-	-	-	-	-
<b>TOTAL EXPENDITURES AND OTHER REQUIREMENTS</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>SUMMARY OF FLIGHT SERVICE TECHNOLOGY DEBT SERVICE</u></b>						
Total Operating Revenues	\$ 25,000	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ -
Less: Total Operating Expenditures	(25,000)	(25,000)	(25,000)	-	-	-
Revenues, over/under, Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance	-	-	-	-	-	-
<b>Ending Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

In September 2013, Lane Community College financed two new airplanes for our Flight Technology Program. The expected benefits of these airplanes are lower fuel costs, high reliability, low down-time and industry standard equipment that will better prepare students for the equipment they will be using after graduation.

The debt service for this loan is to be paid by an interfund transfer from Fund IX so there is no impact on the General Fund. It is expected that the planes will pay for themselves within 5 years. The loan will be fully paid September 15, 2023.

- Continued -

**DEBT SERVICE FUND III**

	<b>Fiscal Year 2013-2014 ADOPTED Budget</b>	Fiscal Year 2013-2014 APPROVED Budget	Fiscal Year 2013-2014 PROPOSED Budget	Fiscal Year 2012-2013 CURRENT Budget	Fiscal Year 2011-2012 ACTUAL Amounts	Fiscal Year 2010-2011 ACTUAL Amounts
<b><u>QUALIFIED ENERGY CONSERVATION BONDS</u></b>						
Transfer In General Fund I	\$ 75,000	\$ 75,000	\$ 75,000	\$ -	\$ -	\$ -
Total Operating Revenues	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Beginning Fund Balance	-	-	-	-	-	-
<b>TOTAL RESOURCES</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>EXPENDITURES AND OTHER REQUIREMENTS</u></b>						
Principal Payments	\$ 75,000	\$ 75,000	\$ 75,000	\$ -	\$ -	\$ -
Interest Expense	-	-	-	-	-	-
<b>TOTAL EXPENDITURES AND OTHER REQUIREMENTS</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>SUMMARY OF QUALIFIED ENERGY CONSERVATION BONDS</u></b>						
Total Operating Revenues	\$ 75,000	\$ 75,000	\$ 75,000	\$ -	\$ -	\$ -
Less: Total Operating Expenditures	<u>(75,000)</u>	<u>(75,000)</u>	<u>(75,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, over/under, Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Beginning Fund Balance	-	-	-	-	-	-
<b>Ending Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

On June 13, 2012 the Board of Directors adopted resolution #577 approving Lane Community College to enter into a financing agreement with the State of Oregon in the amount of \$1,500,000. The purpose of this loan is to finance a solar hot water system, a geothermal mechanical system, geothermal drilling, passive ventilation and related architectural permit and design costs for our new Downtown Center. This note will be fully paid in 2027.

- Continued -

**DEBT SERVICE FUND III**

	<b>Fiscal Year 2013-2014 ADOPTED Budget</b>	Fiscal Year 2013-2014 APPROVED Budget	Fiscal Year 2013-2014 PROPOSED Budget	Fiscal Year 2012-2013 CURRENT Budget	Fiscal Year 2011-2012 ACTUAL Amounts	Fiscal Year 2010-2011 ACTUAL Amounts
<b><u>GENERAL OBLIGATION BONDS, 2012</u></b>						
<b><u>RESOURCES</u></b>						
Intergovernmental (Property Taxes)	<b>\$ 1,566,850</b>	\$ 1,566,850	\$ 1,566,850	\$ 1,447,146	\$ -	\$ -
Total Operating Revenues	<b>1,566,850</b>	1,566,850	1,566,850	1,447,146	-	-
Beginning Fund Balance	-	-	-	-	-	-
<b>TOTAL RESOURCES</b>	<b>\$ 1,566,850</b>	<b>\$ 1,566,850</b>	<b>\$ 1,566,850</b>	<b>\$ 1,447,146</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>EXPENDITURES AND OTHER REQUIREMENTS</u></b>						
Principal Payments	<b>\$ 1,566,850</b>	\$ 1,566,850	\$ 1,566,850	\$ 1,447,146	\$ -	\$ -
Interest Expense	-	-	-	-	-	-
<b>TOTAL EXPENDITURES AND OTHER REQUIREMENTS</b>	<b>\$ 1,566,850</b>	<b>\$ 1,566,850</b>	<b>\$ 1,566,850</b>	<b>\$ 1,447,146</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>SUMMARY OF GENERAL OBLIGATION BONDS, 2012</u></b>						
Total Operating Revenues	<b>\$ 1,566,850</b>	\$ 1,566,850	\$ 1,566,850	\$ 1,447,146	\$ -	\$ -
Less: Total Operating Expenditures	<b>(1,566,850)</b>	(1,566,850)	(1,566,850)	(1,447,146)	-	-
Revenues, over/under, Expenditures	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Beginning Fund Balance	-	-	-	-	-	-
<b>Ending Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

In FY2012 Lane Community College completed the 2nd issue of our 2009 \$85,000,000 voter approved bonds. The second bond issue is in the amount of \$38,000,000. It is expected that these bonds will be retired in 2024.

- Continued -

**DEBT SERVICE FUND III**

	<b>Fiscal Year 2013-2014 ADOPTED Budget</b>	Fiscal Year 2013-2014 APPROVED Budget	Fiscal Year 2013-2014 PROPOSED Budget	Fiscal Year 2012-2013 CURRENT Budget	Fiscal Year 2011-2012 ACTUAL Amounts	Fiscal Year 2010-2011 ACTUAL Amounts
<b>RECOVERY ZONE BONDS, 2010</b>						
<b>RESOURCES</b>						
Transfer In Capital Projects Fund IV	\$ -	\$ -	\$ -	\$ -	\$ 1,218,184	\$ -
Transfer In Enterprise Fund VI	<b>776,442</b>	851,442	851,442	539,196	-	-
Total Operating Revenues	<b>776,442</b>	851,442	851,442	539,196	1,218,184	-
Beginning Fund Balance	-	-	-	179,732	(319,524)	-
<b>TOTAL RESOURCES</b>	<b>\$ 776,442</b>	<b>\$ 851,442</b>	<b>\$ 851,442</b>	<b>\$ 718,928</b>	<b>\$ 898,660</b>	<b>\$ -</b>
<b>EXPENDITURES AND OTHER REQUIREMENTS</b>						
Principal Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Expense	<b>776,442</b>	851,442	851,442	718,928	718,918	319,524
<b>TOTAL EXPENDITURES AND OTHER REQUIREMENTS</b>	<b>\$ 776,442</b>	<b>\$ 851,442</b>	<b>\$ 851,442</b>	<b>\$ 718,928</b>	<b>\$ 718,918</b>	<b>\$ 319,524</b>
<b>SUMMARY OF RECOVERY ZONE BONDS, 2010</b>						
Total Operating Revenues	<b>\$ 776,442</b>	\$ 851,442	\$ 851,442	\$ 539,196	\$ 898,660	\$ -
Less: Total Operating Expenditures	<b>(776,442)</b>	(851,442)	(851,442)	(718,928)	(718,918)	(319,524)
Revenues, over/under, Expenditures	<b>\$ -</b>	\$ -	\$ -	<b>\$ (179,732)</b>	<b>\$ 179,742</b>	<b>\$ (319,524)</b>
Beginning Fund Balance	-	-	-	179,732	-	-
<b>Ending Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 179,742</b>	<b>\$ (319,524)</b>

On December 2010, the College issued \$19,355,000 of Full Faith and Credit Obligations, Series 2010. The College irrevocably elected to designate the Obligations as "Recovery Zone Economic Development Bonds" under the provisions of the American Recovery and Reinvestment Act of 2009. These bonds were issued to finance the costs of capital improvements for the College's student housing project, to pay capitalized interest and to pay the costs of issuance of the bonds.

- Continued -

**DEBT SERVICE FUND III**

	<b>Fiscal Year 2013-2014 ADOPTED Budget</b>	Fiscal Year 2013-2014 APPROVED Budget	Fiscal Year 2013-2014 PROPOSED Budget	Fiscal Year 2012-2013 CURRENT Budget	Fiscal Year 2011-2012 ACTUAL Amounts	Fiscal Year 2010-2011 ACTUAL Amounts
<b><u>GENERAL OBLIGATION BONDS, 2009</u></b>						
<b><u>RESOURCES</u></b>						
Intergovernmental (Property Taxes)	<b>\$ 4,956,675</b>	\$ 4,956,675	\$ 4,956,675	\$ 4,761,075	\$ 6,959,875	\$ 6,156,285
Total Operating Revenues	<b>\$ 4,956,675</b>	\$ 4,956,675	\$ 4,956,675	\$ 4,761,075	\$ 6,959,875	\$ 6,156,285
Beginning Fund Balance	-	-	-	-	388,478	106,375
<b>TOTAL RESOURCES</b>	<b>\$ 4,956,675</b>	\$ 4,956,675	\$ 4,956,675	\$ 4,761,075	\$ 7,348,353	\$ 6,262,660
<b><u>EXPENDITURES AND OTHER REQUIREMENTS</u></b>						
Principal Payments	<b>\$ 3,780,000</b>	\$ 3,780,000	\$ 3,780,000	\$ 3,480,000	\$ 4,745,000	\$ 4,360,000
Interest Expense	<b>1,176,675</b>	1,176,675	1,176,675	1,281,075	1,430,370	1,514,182
<b>TOTAL EXPENDITURES AND OTHER REQUIREMENTS</b>	<b>\$ 4,956,675</b>	\$ 4,956,675	\$ 4,956,675	\$ 4,761,075	\$ 6,175,370	\$ 5,874,182
<b><u>SUMMARY OF GENERAL OBLIGATION BONDS, 2009</u></b>						
Total Operating Revenues	<b>\$ 4,956,675</b>	\$ 4,956,675	\$ 4,956,675	\$ 4,761,075	\$ 7,348,353	\$ 6,262,660
Less: Total Operating Expenditures	<b>(4,956,675)</b>	(4,956,675)	(4,956,675)	(4,761,075)	(6,175,370)	(5,874,182)
Revenues, over/under, Expenditures	<b>\$ -</b>	\$ -	\$ -	\$ -	\$ 1,172,983	\$ 388,478
Beginning Balance	<b>\$ -</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Ending Balance</b>	<b>\$ -</b>	\$ -	\$ -	\$ -	\$ 1,172,983	\$ 388,478

On November 4, 2008 voters approved authority for the College to issue \$83,000,000 in general obligation bonds to be used to renovate outdated infrastructure and instructional technology. In June 2009, the College issued Series 2009 General Obligation Bonds in the original amount of \$45,000,000 to finance the costs of capital construction and improvements to college facilities and to pay the costs of issuance of the bonds. It is expected these bonds will be retired in FY2023-2024.

- Continued -



**DEBT SERVICE FUND III**

	<b>Fiscal Year 2013-2014 ADOPTED Budget</b>	Fiscal Year 2013-2014 APPROVED Budget	Fiscal Year 2013-2014 PROPOSED Budget	Fiscal Year 2012-2013 CURRENT Budget	Fiscal Year 2011-2012 ACTUAL Amounts	Fiscal Year 2010-2011 ACTUAL Amounts
<b><u>PENSION OBLIGATION BONDS</u></b>						
<b><u>RESOURCES</u></b>						
Interest Income	\$ -	\$ -	\$ -	\$ 250	\$ 248	\$ 5,141
Revenue Allocation - Employee Fringe	<b>4,024,250</b>	4,024,250	4,024,250	3,824,000	3,634,250	3,454,250
Total Operating Revenues	<b>\$ 4,024,250</b>	<b>\$ 4,024,250</b>	<b>\$ 4,024,250</b>	<b>\$ 3,824,250</b>	<b>\$ 3,634,498</b>	<b>\$ 3,459,391</b>
Beginning Fund Balance	-	-	-	-	450,204	445,063
<b>TOTAL RESOURCES</b>	<b>\$ 4,024,250</b>	<b>\$ 4,024,250</b>	<b>\$ 4,024,250</b>	<b>\$ 3,824,250</b>	<b>\$ 4,084,702</b>	<b>\$ 3,904,454</b>
<b><u>EXPENDITURES AND OTHER REQUIREMENTS</u></b>						
Principal Payments	<b>\$ 2,495,000</b>	\$ 2,495,000	\$ 2,495,000	\$ 2,295,000	\$ 2,289,744	\$ 1,377,795
Interest Expense	<b>1,529,250</b>	1,529,250	1,529,250	1,529,250	1,344,506	2,076,455
<b>TOTAL EXPENDITURES AND OTHER REQUIREMENTS</b>	<b>\$ 4,024,250</b>	<b>\$ 4,024,250</b>	<b>\$ 4,024,250</b>	<b>\$ 3,824,250</b>	<b>\$ 3,634,250</b>	<b>\$ 3,454,250</b>
<b><u>SUMMARY OF PENSION OBLIGATION BONDS</u></b>						
Total Operating Revenues	<b>\$ 4,024,250</b>	\$ 4,024,250	\$ 4,024,250	\$ 3,824,250	\$ 4,084,702	\$ 3,459,391
Less: Total Operating Expenditures	<b>(4,024,250)</b>	(4,024,250)	(4,024,250)	(3,824,250)	(3,634,250)	(3,454,250)
Revenues, over/under, Expenditures	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 450,452</b>	<b>\$ 5,141</b>
Beginning Fund Balance	-	-	-	-	-	445,063
<b>Ending Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 450,452</b>	<b>\$ 450,204</b>

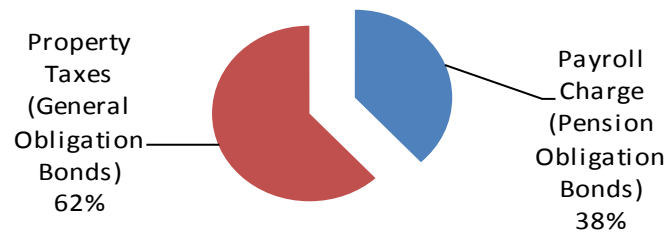
Pension Obligation Bonds include the State of Oregon Public Employees Retirement System requirements, the College's single-employer defined benefit public employee early retirement supplement plan and the College's single-employer defined benefit postemployment health care benefits plan.

- Continued -

**DEBT SERVICE FUND III**

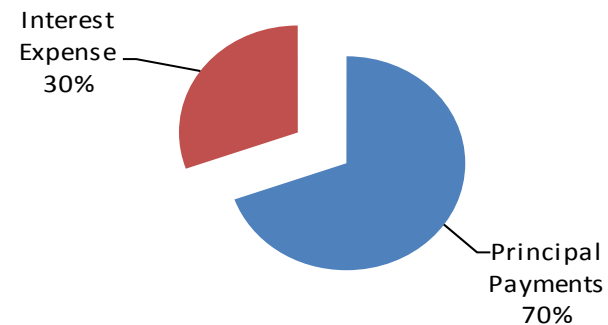
	<b>Fiscal Year 2013-2014 ADOPTED Budget</b>	Fiscal Year 2013-2014 APPROVED Budget	Fiscal Year 2013-2014 PROPOSED Budget	Fiscal Year 2012-2013 CURRENT Budget	Fiscal Year 2011-2012 ACTUAL Amounts	Fiscal Year 2010-2011 ACTUAL Amounts
<b><u>GENERAL OBLIGATION BONDS, 1995*</u></b>						
<b><u>RESOURCES</u></b>						
Intergovernmental (Property Taxes)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Revenues	-	-	-	-	-	-
Beginning Fund Balance	-	-	-	-	870,000	653,277
<b>TOTAL RESOURCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 870,000</b>	<b>\$ 653,277</b>
<b><u>EXPENDITURES AND OTHER REQUIREMENTS</u></b>						
Principal Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Expense	-	-	-	-	-	-
Transfer Out Capital Projects Fund IV	-	-	-	-	870,000	100,000
<b>TOTAL EXPENDITURES AND OTHER REQUIREMENTS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 870,000</b>	<b>\$ 100,000</b>
<b><u>SUMMARY OF GENERAL OBLIGATION BONDS, 1995</u></b>						
Total Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Total Operating Expenditures	-	-	-	-	(870,000)	(100,000)
Revenues, over/under, Expenditures	\$ -	\$ -	\$ -	\$ -	\$ (870,000)	\$ (100,000)
Beginning Fund Balance	-	-	-	-	870,000	653,277
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 553,277</b>
*Fully retired in FY2008-09						
<b><u>SUMMARY OF DEBT SERVICE FUND</u></b>						
<b><u>RESOURCES AND REQUIREMENTS</u></b>						
Total Operating Revenues	<b>\$ 11,424,217</b>	\$ 11,499,217	\$ 11,499,217	\$ 10,571,667	\$ 11,812,557	\$ 9,615,676
Less: Total Operating Expenditures	<b>(11,424,217)</b>	(11,499,217)	(11,499,217)	(10,751,399)	(11,398,538)	(9,747,955)
Revenues, over/under, Expenditures	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (179,732)</b>	<b>\$ 414,019</b>	<b>\$ (132,279)</b>
Beginning Fund Balance	-	-	-	179,732	1,061,775	1,194,054
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,475,794</b>	<b>\$ 1,061,775</b>

**BUDGETED RESOURCES FOR  
RELATED DEBT OBLIGATIONS  
Fiscal Year 2013-2014  
Debt Service - Fund III**



This fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest as well as potential future pension obligations.

**BUDGETED REQUIREMENTS  
Fiscal Year 2013-2014  
Debt Service Fund III**



Requirements for FY2013 –2014:

- Flight Service Technology
- Qualified Energy Conservation Bonds
- General Obligation Bonds 2009 & 2012
- Recovery Zone Bonds
- Pension Obligation Bonds

## Fund IV: Capital Projects Fund

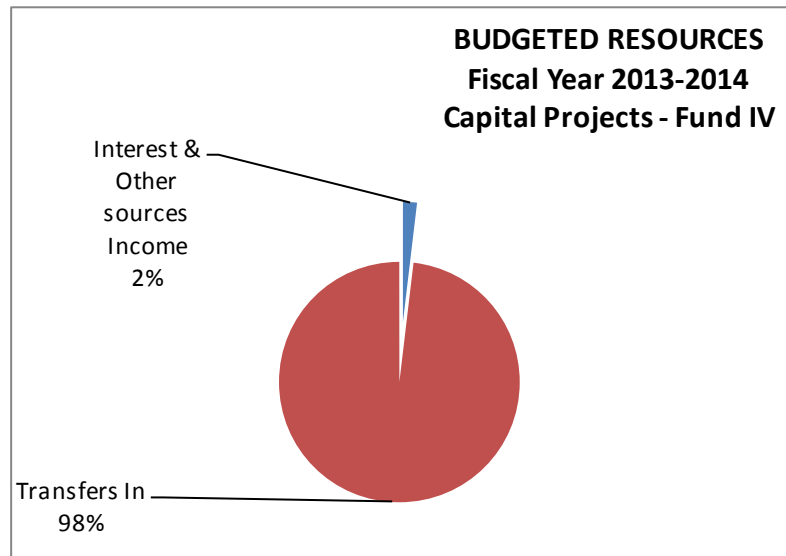
	Fiscal Year 2013-2014 ADOPTED Budget	Fiscal Year 2013-2014 APPROVED Budget	Fiscal Year 2013-2014 PROPOSED Budget	Fiscal Year 2012-2013 CURRENT Budget	Fiscal Year 2011-2012 ACTUAL Amounts	Fiscal Year 2010-2011 ACTUAL Amounts
<b>RESOURCES</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ 38,000,000	\$ 8,522,958	\$ -
Other Sources:						
Interest Income	25,000	25,000	25,000	165,000	233,059	352,136
Donations, Special Allocations, Refunds	2,500	2,500	2,500	5,500,000	9,098,831	523,074
Proceeds from Sale of Bonds	-	-	-	-	-	19,355,000
Transfer In General Fund I	1,083,593	1,083,593	1,083,593	1,000,000	3,900,593	1,142,333
Transfer In Debt Service Fund III	-	-	-	-	870,000	-
Transfer in Capital Projects Fund IV	-	-	-	-	-	-
Transfer In Enterprise Fund VI	-	-	-	2,500,000	-	-
Transfer In Special Revenue-Administratively Restricted Fund IX	351,268	351,268	351,268	359,125	377,615	270,245
Total Operating Revenues	<u>\$ 1,462,361</u>	<u>\$ 1,462,361</u>	<u>\$ 1,462,361</u>	<u>\$ 47,524,125</u>	<u>\$ 23,003,056</u>	<u>\$ 21,642,788</u>
Beginning Fund Balance	<u>32,163,000</u>	<u>32,163,000</u>	<u>32,163,000</u>	<u>826,228</u>	<u>23,287,778</u>	<u>34,241,697</u>
<b>TOTAL RESOURCES</b>	<u>\$ 33,625,361</u>	<u>\$ 33,625,361</u>	<u>\$ 33,625,361</u>	<u>\$ 48,350,353</u>	<u>\$ 46,290,834</u>	<u>\$ 55,884,485</u>
<b>EXPENDITURES AND OTHER REQUIREMENTS</b>						
<b>College Support Services</b>						
Information Technology (LASR Project)	\$ 498,593	\$ 498,593	\$ 498,593	\$ 435,000	\$ 3,353	\$ 124,389
<b>Plant Operation &amp; Maintenance</b>						
Facilities Management & Planning	1,400,000	1,400,000	1,400,000	1,163,654	2,544,356	1,306,959
GoOregon-State Deferred Maintenance	-	-	-	-	-	2,613
<b>Plant Additions</b>						
*Bond Project	31,525,000	31,525,000	31,525,000	45,574,999	38,282,259	28,704,305
Facilities Management & Planning	100,500	100,500	100,500	567,574	1,004,691	536,759
Health & Wellness Building	-	-	-	500,000	-	1,921,682
Longhouse Project	101,268	101,268	101,268	109,125	-	-
<b>Transfer Out:</b>						
To Debt Service Fund III	-	-	-	-	1,218,184	-
To Capital Projects Fund IV	-	-	-	-	148,149	-
<b>TOTAL EXPENDITURES AND OTHER REQUIREMENTS</b>	<u>\$ 33,625,361</u>	<u>\$ 33,625,361</u>	<u>\$ 33,625,361</u>	<u>\$ 48,350,353</u>	<u>\$ 43,200,993</u>	<u>\$ 32,596,707</u>

\*Fluctuations are related to the timing of the issuances of General Obligation Bonds

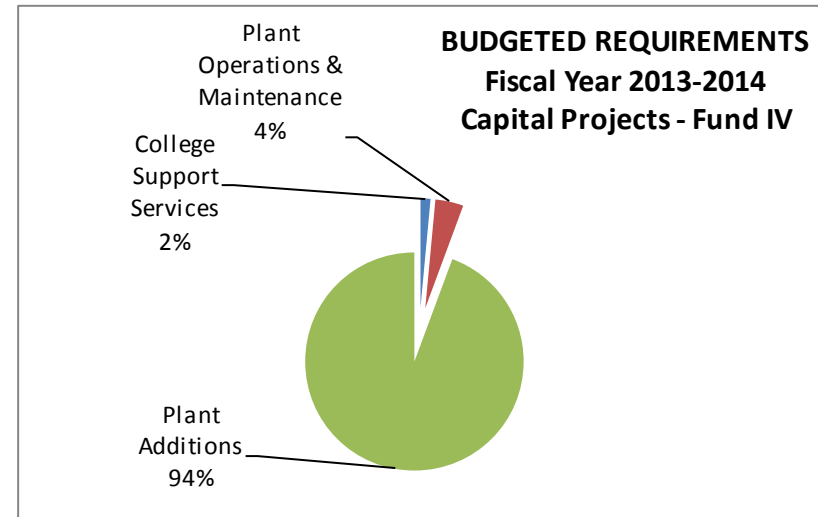
- Continued -

**CAPITAL PROJECTS FUND IV**

	<b>Fiscal Year 2013-2014 ADOPTED Budget</b>	Fiscal Year 2013-2014 APPROVED Budget	Fiscal Year 2013-2014 PROPOSED Budget	Fiscal Year 2012-2013 CURRENT Budget	Fiscal Year 2011-2012 ACTUAL Amounts	Fiscal Year 2009-2010 ACTUAL Amounts
<b><u>SUMMARY OF CAPITAL PROJECTS FUND</u></b>						
<b><u>RESOURCES AND REQUIREMENTS</u></b>						
Total Operating Revenues	<b>\$ 1,462,361</b>	\$ 1,462,361	\$ 1,462,361	\$ 47,524,125	\$ 23,003,056	\$ 21,642,788
Less: Total Operating Expenditures	<b>(33,625,361)</b>	(33,625,361)	(33,625,361)	(48,350,353)	(43,200,993)	(32,596,707)
Revenues, over/under, Expenditures	<b><u>\$ (32,163,000)</u></b>	<u>\$ (32,163,000)</u>	<u>\$ (32,163,000)</u>	<u>\$ (826,228)</u>	<u>\$ (20,197,937)</u>	<u>\$ (10,953,919)</u>
Beginning Fund Balance	<b>32,163,000</b>	32,163,000	32,163,000	826,228	23,287,778	34,241,697
Ending Fund Balance	<b><u>\$ -</u></b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,089,841</u>	<u>\$ 23,287,778</u>



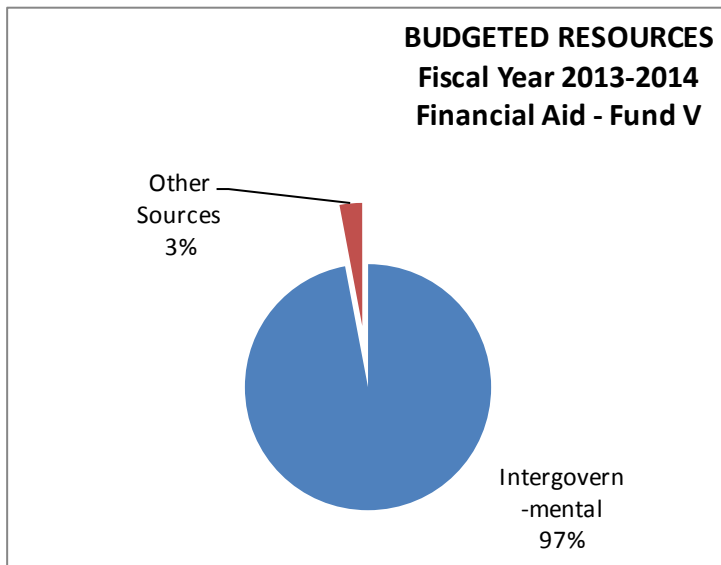
Resources are used for the acquisition of land, new construction, and major equipment purchases.



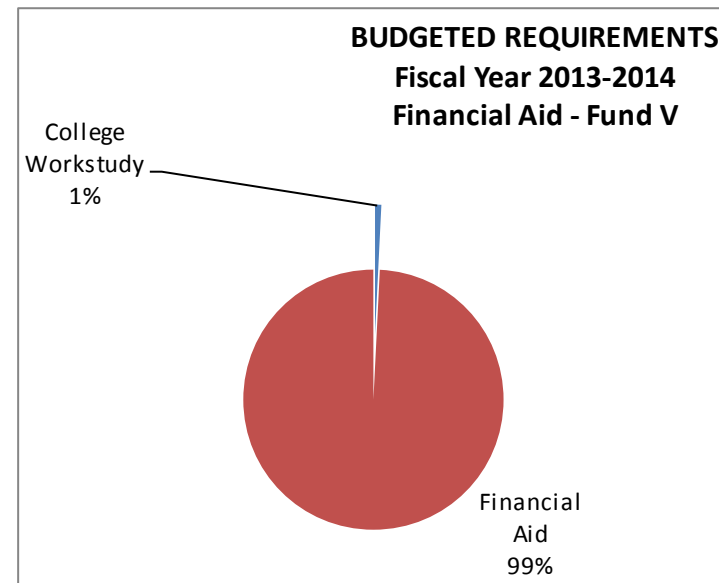
Requirements are allocated to cover the managing and expenses of purchases and construction/remodel costs.

## Fund V: Financial Aid Fund

	<b>Fiscal Year 2013-2014 ADOPTED Budget</b>	Fiscal Year 2013-2014 APPROVED Budget	Fiscal Year 2013-2014 PROPOSED Budget	Fiscal Year 2012-2013 CURRENT Budget	Fiscal Year 2011-2012 ACTUAL Amounts	Fiscal Year 2010-2011 ACTUAL Amounts
<b>RESOURCES</b>						
Intergovernmental	<b>\$107,953,851</b>	\$ 107,953,851	\$107,953,851	\$104,408,508	\$113,034,127	\$102,746,722
Other Sources:						
Interest Income	<b>50,000</b>	50,000	50,000	75,000	50,622	32,958
Local Grants, Donations, etc.	<b>3,059,617</b>	3,059,617	3,059,617	2,535,000	2,628,477	2,473,589
Institutional Scholarships	<b>197,668</b>	197,668	197,668	-	-	-
Transfer In General Fund I	-	-	-	193,375	178,500	29,062
Transfer In Special Revenue-Administratively Restricted Fund IX	<b>88,560</b>	88,560	88,560	81,472	71,464	71,464
Total Operating Revenues	<b>\$111,349,696</b>	\$ 111,349,696	\$111,349,696	\$107,293,355	\$115,963,190	\$105,353,795
Beginning Fund Balance	<b>1,022,340</b>	1,022,340	1,022,340	1,000,000	3,790,707	3,824,043
<b>TOTAL RESOURCES</b>	<b>\$112,372,036</b>	\$ 112,372,036	\$112,372,036	\$108,293,355	\$119,753,897	\$109,177,838
<b>EXPENDITURES AND OTHER REQUIREMENTS</b>						
<b>Financial Aid</b>						
College Workstudy	<b>\$ 876,524</b>	\$ 876,524	\$ 876,524	\$ 493,652	\$ 563,390	\$ 401,840
Financial Aid	<b>111,495,512</b>	111,495,512	111,495,512	107,799,703	115,097,980	104,985,291
<b>TOTAL EXPENDITURES AND OTHER REQUIREMENTS</b>	<b>\$112,372,036</b>	\$ 112,372,036	\$112,372,036	\$108,293,355	\$115,661,370	\$105,387,131
<b>SUMMARY OF FINANCIAL AID FUND RESOURCES AND REQUIREMENTS</b>						
Total Operating Resources	<b>\$111,349,696</b>	\$ 111,349,696	\$111,349,696	\$107,293,355	\$115,963,190	\$105,353,795
Less: Total Operating Expenditures	<b>(112,372,036)</b>	(112,372,036)	(112,372,036)	(108,293,355)	(115,661,370)	(105,387,131)
Revenues, over/under, Expenditures	<b>\$ (1,022,340)</b>	\$ (1,022,340)	\$ (1,022,340)	\$ (1,000,000)	\$ 301,820	\$ (33,336)
Beginning Fund Balance	<b>1,022,340</b>	1,022,340	1,022,340	1,000,000	3,790,707	3,824,043
<b>Ending Fund Balance</b>	<b>\$ -</b>	\$ -	\$ -	\$ -	\$ 4,092,527	\$ 3,790,707



Resources for this fund are from Intergovernmental, including transfers from other LCC funds, interest income, scholarships and local grants.



This fund is used for the provision of grants, stipends and other aid to enrolled students.



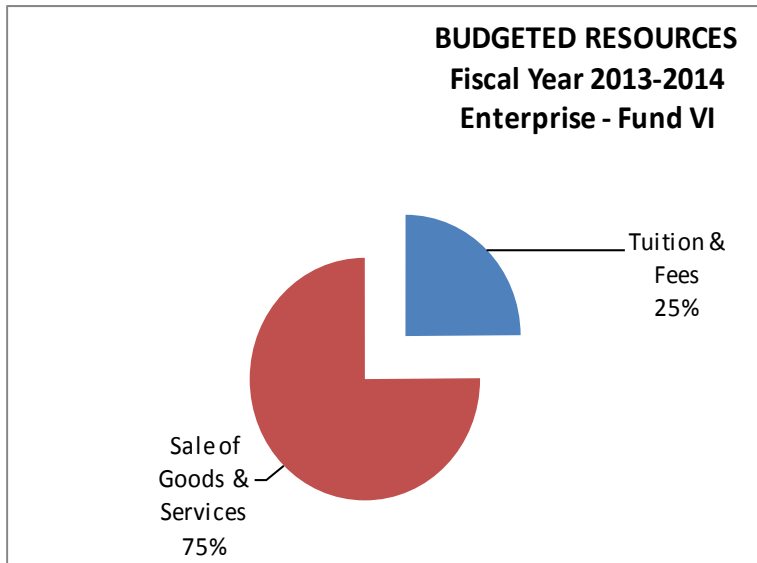
## Fund VI Enterprise Fund

	<b>Fiscal Year 2013-2014 ADOPTED Budget</b>	Fiscal Year 2013-2014 APPROVED Budget	Fiscal Year 2013-2014 PROPOSED Budget	Fiscal Year 2012-2013 CURRENT Budget	Fiscal Year 2011-2012 ACTUAL Amounts	Fiscal Year 2010-2011 ACTUAL Amounts
<b>RESOURCES</b>						
Sale of Goods & Services	\$ 12,490,000	\$ 12,490,000	\$ 12,490,000	\$ 13,150,500	\$ 12,224,189	\$ 12,560,988
Fees	4,139,287	4,214,287	4,214,287	3,676,500	2,339,048	2,221,799
Transfer In General Fund I	-	236,210	236,210	164,396	214,257	162,282
Transfer In Enterprise Fund VI	-	-	-	2,500,000	-	-
Transfer In Special Revenue-Administratively Restricted Fund IX	-	-	-	-	-	10,000
Total Operating Revenues	<u>\$ 16,629,287</u>	<u>\$ 16,940,497</u>	<u>\$ 16,940,497</u>	<u>\$ 19,491,396</u>	<u>\$ 14,777,494</u>	<u>\$ 14,955,069</u>
Beginning Fund Balance	<u>3,190,000</u>	<u>3,190,000</u>	<u>3,190,000</u>	<u>5,265,000</u>	<u>7,458,909</u>	<u>5,975,927</u>
<b>TOTAL RESOURCES</b>	<u><b>\$ 19,819,287</b></u>	<u><b>\$ 20,130,497</b></u>	<u><b>\$ 20,130,497</b></u>	<u><b>\$ 24,756,396</b></u>	<u><b>\$ 22,236,403</b></u>	<u><b>\$ 20,930,996</b></u>
<b>EXPENDITURES AND OTHER REQUIREMENTS</b>						
<b>Instruction</b>						
Performance Season	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 174
<b>Student Services</b>						
Bookstore	10,500,000	10,500,000	10,500,000	10,660,500	9,392,521	9,161,048
Downtown Housing	1,558,837	1,558,837	1,558,837	1,600,000	28,820	-
Foodservices	2,905,349	2,905,349	2,905,349	2,854,805	2,431,154	2,321,883
Hospitality & Conference Services	928,716	928,716	928,716	909,279	858,273	849,600
International Student Program	2,584,858	2,584,858	2,584,858	1,837,304	1,011,053	746,284
<b>College Support Services</b>						
Laundry	290,000	526,210	526,210	529,396	400,468	231,726
<b>Transfer Out:</b>						
To General Fund I	274,085	274,085	274,085	824,916	149,559	160,372
To Debt Service Fund III	776,442	851,442	851,442	539,196	-	-
To Capital Projects Fund IV	-	-	-	2,500,000	-	-
To Enterprise Fund VI	-	-	-	2,500,000	-	-
To Special Revenue-Administratively Restricted Fund IX	1,000	1,000	1,000	1,000	-	1,000
<b>TOTAL EXPENDITURES AND OTHER REQUIREMENTS</b>	<u><b>\$ 19,819,287</b></u>	<u><b>\$ 20,130,497</b></u>	<u><b>\$ 20,130,497</b></u>	<u><b>\$ 24,756,396</b></u>	<u><b>\$ 14,271,848</b></u>	<u><b>\$ 13,472,087</b></u>

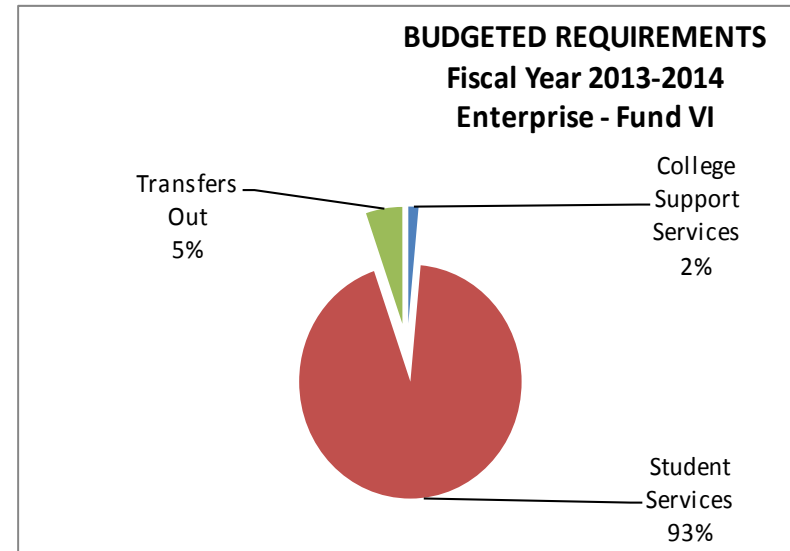
- Continued -

**ENTERPRISE FUND VI****SUMMARY OF ENTERPRISE FUND****RESOURCES AND REQUIREMENTS**

	<b>Fiscal Year 2013-2014 ADOPTED Budget</b>	Fiscal Year 2013-2014 APPROVED Budget	Fiscal Year 2013-2014 PROPOSED Budget	Fiscal Year 2012-2013 CURRENT Budget	Fiscal Year 2011-2012 ACTUAL Amounts	Fiscal Year 2010-2011 ACTUAL Amounts
Total Operating Revenues	<b>\$ 16,629,287</b>	\$ 16,940,497	\$ 16,940,497	\$ 19,491,396	\$ 14,777,494	\$ 14,955,069
Less: Total Operating Expenditures	<b>(19,819,287)</b>	(20,130,497)	(20,130,497)	(24,756,396)	(14,271,848)	(13,472,087)
Revenues, over/under, Expenditures	<b>\$ (3,190,000)</b>	<u>\$ (3,190,000)</u>	<u>\$ (3,190,000)</u>	<u>\$ (5,265,000)</u>	<u>\$ 505,646</u>	<u>\$ 1,482,982</u>
Beginning Fund Balance	<b>3,190,000</b>	3,190,000	3,190,000	5,265,000	7,458,909	5,975,927
Ending Fund Balance	<b>\$ -</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,964,555</u>	<u>\$ 7,458,909</u>



This fund includes activities that furnish goods or services to students, staff, or the public, for which charges or fees are assessed that are directly related to the cost of the good or service provided.



Services provided out of this fund include the Bookstore, Foodservices, Hospitality & Conference Services the International Student Program and Laundry Services.

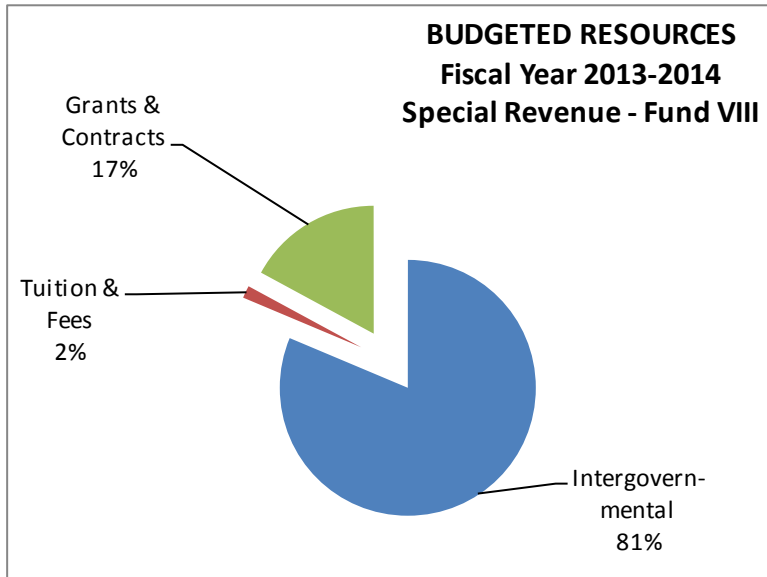
**Fund VIII: Special Revenue Fund**

	<b>Fiscal Year 2013-2014 ADOPTED Budget</b>	Fiscal Year 2013-2014 APPROVED Budget	Fiscal Year 2013-2014 PROPOSED Budget	Fiscal Year 2012-2013 CURRENT Budget	Fiscal Year 2011-2012 ACTUAL Amounts	Fiscal Year 2010-2011 ACTUAL Amounts
<b>RESOURCES</b>						
Intergovernmental	<b>\$ 15,600,000</b>	\$ 15,600,000	\$ 15,600,000	\$ 15,600,000	\$ 9,156,360	\$ 8,941,422
Tuition & Fees						
Tuition	<b>100,000</b>	100,000	100,000	100,000	18,106	15,352
Instructional Fees	<b>200,000</b>	200,000	200,000	200,000	92,587	106,603
Grants & Contracts	<b>3,278,306</b>	3,278,306	3,278,306	3,278,306	764,236	588,819
Transfer In General Fund I	-	-	-	-	-	300
Transfer In Enterprise Fund VI	-	-	-	-	-	-
Total Operating Revenues	<b>\$ 19,178,306</b>	<u>\$ 19,178,306</u>	<u>\$ 19,178,306</u>	<u>\$ 19,178,306</u>	<u>\$ 10,031,289</u>	<u>\$ 9,652,496</u>
Beginning Fund Balance	<b>400,000</b>	400,000	400,000	400,000	35,212	254,832
<b>TOTAL RESOURCES</b>	<b>\$ 19,578,306</b>	<u>\$ 19,578,306</u>	<u>\$ 19,578,306</u>	<u>\$ 19,578,306</u>	<u>\$ 10,066,501</u>	<u>\$ 9,907,328</u>
<b>EXPENDITURES AND OTHER REQUIREMENTS</b>						
<b>Instruction</b>						
Funded Projects	<b>\$ 10,450,000</b>	\$ 10,450,000	\$ 10,450,000	\$ 10,450,000	\$ 3,666,852	\$ 4,429,271
<b>Instructional Support</b>						
Funded Projects	<b>50,000</b>	50,000	50,000	50,000	3,843	15,000
<b>Student Services</b>						
Funded Projects	<b>1,850,000</b>	1,850,000	1,850,000	1,850,000	1,168,589	1,231,420
<b>Community Services</b>						
Funded Projects	<b>7,124,306</b>	7,124,306	7,124,306	7,124,306	4,889,712	4,116,867
<b>College Support Services</b>						
Funded Projects	<b>100,000</b>	100,000	100,000	100,000	92,383	79,558
<b>Transfer Out:</b>						
To General Fund I	<b>4,000</b>	4,000	4,000	4,000	-	-
<b>TOTAL EXPENDITURES AND OTHER REQUIREMENTS</b>	<b>\$ 19,578,306</b>	<u>\$ 19,578,306</u>	<u>\$ 19,578,306</u>	<u>\$ 19,578,306</u>	<u>\$ 9,821,379</u>	<u>\$ 9,872,116</u>

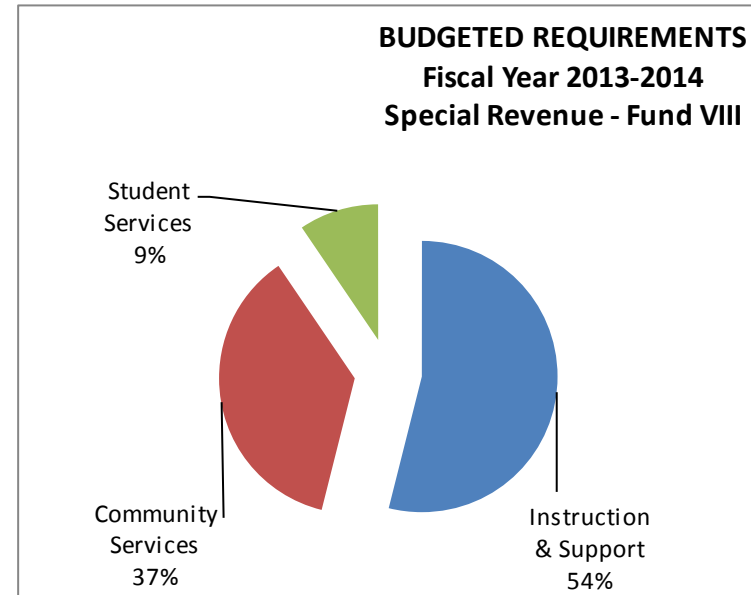
- Continued -

**SPECIAL REVENUE FUND VIII****SUMMARY OF SPECIAL REVENUE FUND****RESOURCES AND REQUIREMENTS**

	<b>Fiscal Year 2013-2014 ADOPTED Budget</b>	<b>Fiscal Year 2013-2014 APPROVED Budget</b>	<b>Fiscal Year 2013-2014 PROPOSED Budget</b>	<b>Fiscal Year 2012-2013 CURRENT Budget</b>	<b>Fiscal Year 2011-2012 ACTUAL Amounts</b>	<b>Fiscal Year 2010-2011 ACTUAL Amounts</b>
Total Operating Revenues	<b>\$ 19,178,306</b>	\$ 19,178,306	\$ 19,178,306	\$ 19,178,306	\$ 10,031,289	\$ 9,652,496
Less: Total Operating Expenditures	<b>(19,578,306)</b>	(19,578,306)	(19,578,306)	(19,578,306)	(9,821,379)	(9,872,116)
Revenues, over/under, Expenditures	<b>\$ (400,000)</b>	\$ (400,000)	\$ (400,000)	\$ (400,000)	\$ 209,910	\$ (219,620)
Beginning Fund Balance	<b>400,000</b>	400,000	400,000	400,000	35,212	254,832
Ending Fund Balance	<b>\$ -</b>	\$ -	\$ -	\$ -	\$ 245,122	\$ 35,212



This fund accounts for revenue sources from granting agencies (Federal, State, Local, etc) that are legally restricted to expenditures for specific purposes.



Expenditures are restricted to uses outlined in each specific grant. Examples including purchasing of instructional equipment such as GIS systems or funding for Lane Workforce partnership.



## **PERSONNEL SERVICES**

**Personnel Services****FTE by Expense Function**

	FY14	FY13	FY12
<b>INSTRUCTION</b>			
Academic Learning Skills	9.45	9.24	10.90
Adult Basic and Secondary Education	15.80	12.28	14.20
Advanced Technologies	23.43	22.22	21.40
Art and Applied Design	13.78	13.93	14.90
Business & Computer Information Technologies	19.42	17.63	18.30
Child & Family Education	2.71	2.56	2.60
Community Education	13.90	13.10	14.90
Cooperative Education	13.21	12.41	12.70
Culinary Arts & Hospitality	4.80	4.80	4.80
Energy Management Program	3.17	3.77	3.80
English as a Second Language	8.50	7.50	6.50
Flight Technology	6.00	5.07	7.00
Health & Physical Education	15.78	14.66	14.10
Health Professions	39.85	39.11	39.40
Lane Community College at Cottage Grove	1.72	1.72	1.70
Lane Community College at Florence	3.73	3.47	4.20
Language, Literature & Communications	33.83	30.33	32.50
Mathematics	24.78	23.97	23.60
Music/Dance/Theatre Arts	10.98	9.76	10.80
Science	23.42	23.21	22.40
Social Science	22.40	23.57	24.30
Specialized Support Services	11.05	11.29	10.40
<b>TOTAL INSTRUCTION</b>	<b>321.71</b>	<b>305.60</b>	<b>315.40</b>

- Continued -



**FTE BY EXPENSE FUNCTION**

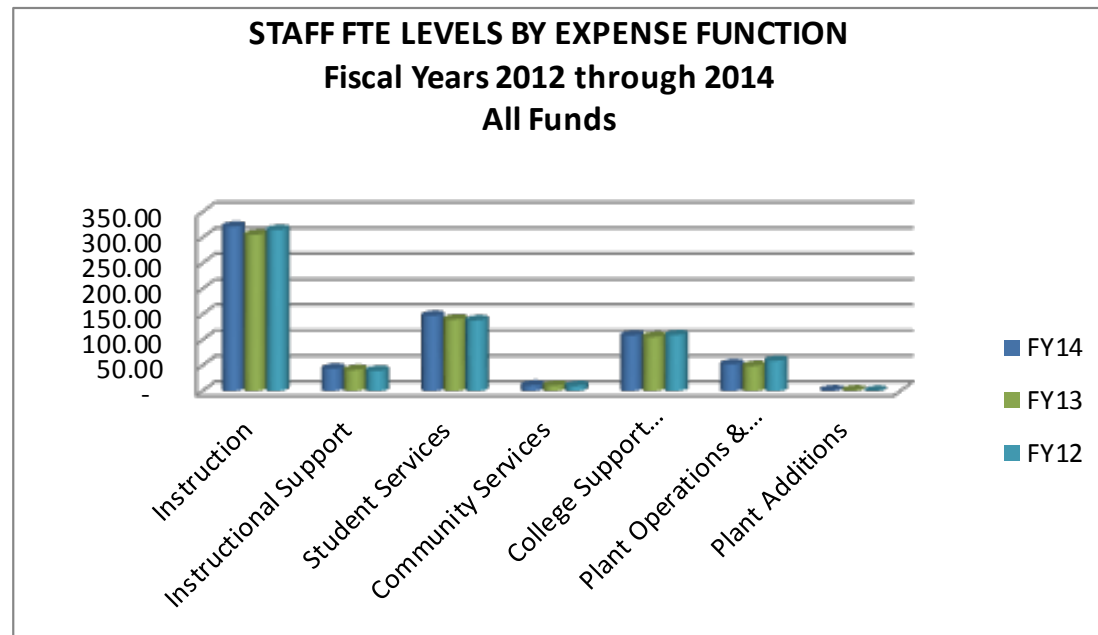
	FY14	FY13	FY12
<b>INSTRUCTIONAL SUPPORT</b>			
Academic & Student Affairs Office	10.28	9.15	7.00
Academic Technology	16.02	15.14	14.92
Grant Coordination	3.00	3.00	3.00
High School Connections	2.21	1.91	1.83
Library	12.31	12.32	12.37
Professional Development - Faculty	-	-	0.25
Special Instructional Projects	0.25	0.25	0.75
<b>TOTAL INSTRUCTIONAL SUPPORT</b>	<b>44.07</b>	<b>41.77</b>	<b>40.12</b>
<b>STUDENT SERVICES</b>			
ASLCC Legal Services	1.25	0.81	1.25
Athletics	2.70	2.70	2.89
Child & Family Education	10.54	10.13	10.53
Conference & Culinary Services	11.78	11.82	12.77
Counseling	30.05	28.26	29.02
Disability Services	6.00	6.00	5.50
Enrollment Services	24.25	23.23	25.00
Foodservices	8.72	8.35	8.36
International Student Program	8.00	7.16	4.00
Student Financial Services	12.75	12.75	11.70
Student Health	7.47	6.22	5.16
Student Life & Leadership	5.00	5.00	4.75
Titan Store	12.80	11.84	12.00
The Torch	0.67	0.67	0.67
Women's Program	5.48	5.36	4.88
<b>TOTAL STUDENT SERVICES</b>	<b>147.46</b>	<b>140.30</b>	<b>138.48</b>
<b>COMMUNITY SERVICES</b>			
KLCC Administration	11.54	10.95	10.50
<b>TOTAL COMMUNITY SERVICES</b>	<b>11.54</b>	<b>10.95</b>	<b>10.50</b>

- Continued -

**FTE BY EXPENSE FUNCTION**

	FY14	FY13	FY12
<b>COLLEGE SUPPORT SERVICES</b>			
College Finance	11.63	10.63	11.63
College Services Office	4.75	4.75	3.63
Curriculum & Scheduling	3.25	3.25	3.25
Employee Wellness Program	1.00	1.00	1.00
Human Resources	10.75	10.75	11.25
Infrastructure Technology	29.28	28.33	29.26
Institute for Sustainable Practices*	3.83	3.77	3.00
Institutional Research, Assessment & Planning	5.50	5.50	5.50
Lane Community College Foundation	6.00	5.38	6.00
Laundry	3.45	3.91	3.43
Library	0.50	0.50	0.50
Mail Services	2.00	2.00	3.00
Marketing & Public Relations	1.40	1.40	1.91
President's Office	6.50	6.50	6.50
Printing & Graphics	7.20	7.19	7.00
Public Safety	10.00	9.47	10.00
Staff Health Clinic	2.00	2.00	3.00
<b>TOTAL COLLEGE SUPPORT SERVICES</b>	<b>109.04</b>	<b>106.33</b>	<b>109.86</b>
<b>PLANT OPERATIONS &amp; MAINTENANCE</b>			
Facilities Administration	52.75	49.42	59.44
<b>TOTAL PLANT OPERATIONS &amp; MAINTENANCE</b>	<b>52.75</b>	<b>49.42</b>	<b>59.44</b>
<b>PLANT ADDITIONS</b>			
Project Management & Planning	2.00	2.00	0.81
<b>TOTAL PLANT ADDITIONS</b>	<b>2.00</b>	<b>2.00</b>	<b>0.81</b>
<b>TOTAL FTE BY EXPENSE FUNCTION</b>	<b>688.57</b>	<b>656.37</b>	<b>674.61</b>

\*Sustainability changed to the Institute for Sustainable Practices in FY2013



The majority of the College's personnel expense is in Instruction followed by Student Services and College Support Services.

In FY2013 Lane Community College completed most of the Capital Bond work which resulted in a large decrease of project related workers.

## Salaries Paid By More Than One Source

Position Title		Fund Division/Department		Expense Function	FY14 Budget Salary Split	Total
1.	Faculty Instructor	1	Institutional Research, Assessment & Planning	College Support Services	38,164	\$ 76,328
	Faculty Instructor	1	Curriculum & Scheduling	College Support Services	<u>38,164</u>	
2.	Faculty Instructor	1	Health Professions	Instruction	61,062	\$ 76,327
	Faculty Instructor	1	Cooperative Education	Instruction	<u>15,265</u>	
3.	Faculty Instructor	1	Cooperative Education	Instruction	38,164	\$ 76,328
	Faculty Instructor	1	Social Science	Instruction	<u>38,164</u>	
4.	Faculty Instructor	1	Social Science	Instruction	45,796	\$ 76,327
	Faculty Instructor	1	Cooperative Education	Instruction	<u>30,531</u>	
5.	Faculty Instructor	1	Cooperative Education	Instruction	38,210	\$ 74,922
	Faculty Instructor	1	Art & Applied Design	Instruction	<u>36,712</u>	
6.	Faculty Instructor	1	Instructional Technology Support Service	Instructional Support	29,810	\$ 64,728
	Faculty Instructor	1	Art & Applied Design	Instruction	17,459	
	Faculty Instructor	1	Art & Applied Design	Instruction	<u>17,459</u>	
7.	Department Coordinator	1	Student Life & Leadership Development	Student Services	23,397	\$ 46,794
	Department Coordinator	9	Student Life & Leadership Development	Student Services	11,698	
	Department Coordinator	9	ASLCC	Student Services	<u>11,699</u>	
8.	Director -ALS, ESL, Tutoring	1	English as a Second Language	Instruction	45,327	\$ 90,654
	Director -ESL & Int Programs	1	Academic Learning Skills	Instruction	<u>45,327</u>	
9.	Administrative Specialist	9	Specialized Support Services	Instruction	26,226	\$ 32,783
	Administrative Specialist	6	Laundry	College Support Services	<u>6,557</u>	

- Continued -

**SALARIES PAID FROM MORE THAN ONE SOURCE**

<b>Position Title</b>	<b>Fund</b>	<b>Division/Department</b>	<b>Expense Function</b>	<b>FY14 Budget Salary Split</b>	<b>Total</b>
10. Faculty Instructor	1	Culinary Arts & Hospitality	Instruction	59,938	
Faculty Instructor	1	Cooperative Education	Instruction	<u>14,984</u>	\$ 74,922
11. Faculty Instructor	1	Health & Physical Education	Instruction	29,969	
Faculty Instructor	9	Athletics	Student Services	<u>44,953</u>	\$ 74,922
12. Faculty Instructor	1	Social Science	Instruction	30,531	
Faculty Instructor	1	Cooperative Education	Instruction	<u>45,796</u>	\$ 76,327
13. Faculty Instructor	1	Cooperative Education	Instruction	18,731	
Faculty Instructor	1	Health Professions	Instruction	<u>56,192</u>	\$ 74,923
14. Network Administration Spc-I	1	Science	Instruction	56,267	
Network Administration Spc-I	1	Information Technology	Instructional Support	<u>4,893</u>	\$ 61,160
15. Exec Asst to the President	1	Marketing & Public Relations	College Support Services	41,597	
Exec Asst to the President	1	President's Office	College Support Services	<u>41,597</u>	\$ 83,194
16. Faculty Instructor	1	Cooperative Education	Instruction	13,669	
Faculty Instructor	1	Health Professions	Instruction	<u>54,676</u>	\$ 68,345
17. Dev Disabilities Specialist 1	9	Specialized Support Services	Instruction	16,508	
Administrative Specialist	1	Cooperative Education	Instructional Support	<u>16,508</u>	\$ 33,016
18. Technology Equipment SysTech	6	Conference & Culinary Services	Student Services	23,310	
Technology Equipment SysTech	9	Information Technology	College Support Services	<u>23,310</u>	\$ 46,620
19. Faculty Instructor	9	Athletics	Student Services	7,492	
Faculty Instructor	1	Health & Physical Education	Instruction	<u>67,430</u>	\$ 74,922
20. Director of Retail Sales	6	Titan Store	Student Services	55,382	
Director of Retail Sales	2	Printing & Graphics	College Support Services	<u>13,846</u>	\$ 69,228

- Continued -

**SALARIES PAID FROM MORE THAN ONE SOURCE**

<b>Position Title</b>	<b>Fund</b>	<b>Division/Department</b>	<b>Expense Function</b>	<b>FY14 Budget Salary Split</b>	<b>Total</b>
21. Faculty Instructor	1	Cooperative Education	Instruction	7,633	
Faculty Instructor	1	Social Science	Instruction	<u>68,694</u>	\$ 76,327
22. Faculty Instructor	1	Cooperative Education	Instruction	25,865	
Faculty Instructor	1	Health Professions	Instruction	<u>41,837</u>	\$ 67,702
23. Director - SSS	9	Specialized Support Services	Instruction	55,085	
Director - SSS	6	Laundry	College Support Services	<u>18,362</u>	\$ 73,447
24. Faculty Instructor	1	Instructional Technology Support Svs	Instructional Support	30,037	
Faculty Instructor	1	Art & Applied Design	Instruction	<u>15,019</u>	\$ 45,056
25. Administrative Specialist	9	Student Life & Leadership Development	Student Services	10,329	
Administrative Specialist	1	Enrollment Services	Student Services	<u>10,329</u>	\$ 20,658
26. Dev Disabilities Specialist 1	1	Institute for Sustainable Practices	College Support Services	4,566	
Dev Disabilities Specialist 1	9	Specialized Support Services	Instruction	<u>31,959</u>	\$ 36,525
27. Administrative Coordinator	1	Human Resources	College Support Services	37,392	
Administrative Coordinator	1	Special Instructional Projects	Instructional Support	<u>12,464</u>	\$ 49,856



## **Appendix**

- A: FINANCIAL POLICIES**
- B: DEBT POLICY**
- C: PERFORMANCE MEASURES**
- D: LONG RANGE FINANCIAL PLAN**
- E: LOCAL & REGIONAL INFORMATION**
- F: ECONOMIC FORECAST**
- G: LEGAL NOTIFICATIONS**
- H: GLOSSARY OF TERMS**

**Appendix A: Financial Policies**

Lane Community College Board of Education

***Policy A.040: Financial Planning and Budgeting******Adopted 11.09.98; Last Reviewed 3.17.10***

Financial planning for any fiscal year or the remaining part of any fiscal year shall reflect the board's end priorities, avoid fiscal jeopardy, and shall be derived from a multi-year plan.

Accordingly, the president shall assure budgeting that:

Complies with Oregon Local Budget Law.

Contains sufficient information to enable credible projections of resources and expenditures as presented in the Budget Document in accordance with Oregon Local Budget Law.

Discloses planning assumptions.

Limits expenditures in any fiscal year to conservatively projected resources for that period.

Maintains current assets at any time to at least twice current liabilities.

Complies with budget and financial policies contained in Section E.

***Policy A.050: Financial Condition and Activities******Adopted 11.09.98; Last Reviewed 3.17.10***

With respect to the actual, on-going financial condition and activities, the president shall avoid fiscal jeopardy and assure that actual expenditures reflect board priorities as established in ends policies.

Accordingly, the president shall:

Not expend more funds than have been received in the fiscal year to date, except as approved by the board.

Not use any long-term reserves that are not budgeted and appropriated for expenditure.

Settle payroll and debts in a timely manner.

Assure that tax payments or other government-ordered payments or filings be on time and accurately filed.

Make no single purchase or commitment of greater than \$100,000 for goods and services contracts, or \$150,000 for public improvements contracts, without board approval, except in extreme emergencies.

Acquire, encumber, or dispose of real property only with board approval, except in extreme emergencies.

Pursue receivables aggressively after a reasonable grace period. Comply with budget and financial policies contained in Section E.

Not contract with the College's independent auditors for non-audit services without prior approval of the Board.

Provide the following annual certifications, by the president and by the vice president for college operations, to the Board upon receipt of the audited financial statements:



He/she has reviewed the annual audit report;

Based on his/her knowledge, the report does not contain any untrue statement of a material fact or omission of a material fact that makes the financial statements misleading;

Based on his/her knowledge, the financial statements present in all material respects the financial condition and results of operations.

Establish and maintain an adequate internal control structure and procedures for financial operations and reporting.

***Policy A.070: Asset Protection***

***Adopted 11.09.98; Last Reviewed 5.12.10***

The president shall assure that assets are protected, adequately maintained, and not placed at risk.

Accordingly, the president shall:

Insure against theft and casualty losses and against liability losses to board members, staff, and the organization itself in an amount similar to the average for comparable organizations.

Prevent uninsured personnel from access to material amounts of funds.

Assure that plant and equipment are not subjected to improper wear and tear or insufficient maintenance.

Assure that the organization, its board, or staff, are not unnecessarily exposed to claims of liability.

Assure that every purchase:

Includes normally prudent protection against conflict of interest; and

Of over \$100,000 for goods and services contracts or \$150,000 for public improvements contracts includes a stringent method of assuring the balance of long-term quality and cost.

Protect intellectual property, information, and files from loss or significant damage.

Receive, process, or disburse funds under sufficient controls to meet the board-appointed auditor's standards.

Invest or hold operating capital in excess of daily requirements in accordance with ORS 294.035.

Not endanger the organization's public image or credibility, particularly in ways that would hinder the accomplishment of its mission.

Not name a building, substantial parts of buildings, or significant landscape features of Lane Community College without prior approval of the board; and, when a building has substantial support from a donor, without prior involvement of the Foundation.

***Policy B.060: Board Duties and Responsibilities: Budget Making***

***Adopted 11.09.98; Last Reviewed 10.30.10***

The board of education has the responsibility to:

Adopt the annual budget before July 1 of the budget year.

Act as the levying board in the budget process.

Assist in presenting the needs of the college to the public and assist in the adoption, through the formulated budget process, of a budget that will address these needs.

Appoint the seven members with whom they shall serve jointly as the budget committee.

Review student tuition rates annually.

***Policy B.080: Budget Officer******Adopted 11.09.98; Last Reviewed 11.17.10***

The president or designee shall serve as budget officer. The budget officer shall be responsible for preparation and maintenance of the budget document in compliance with Local budget Law [ORS 294].

***Policy B.090: Budget Preparation and Adoption******Adopted 11.09.98; Last Reviewed 1.9.08***

At the direction of the board of education, the president shall study budget needs and prepare recommendations on programs and services for budget committee consideration. The recommendation of advisory committees and interested citizens and organizations within the college district shall be considered by the president in developing the budget document. The college budget shall be prepared and adopted in compliance with Oregon Local Budget Law [ORS 294].

***Policy C.030: Contractual Authority******Adopted 11.09.98; Last Reviewed 11.5.11***

Only the president, or formally designated representatives, may commit the college to financial obligations or contractual agreements. No obligation may be incurred unless it first has been authorized by the budget or by the budget change process. Any contract entered into in violation of this policy is void as to the college.

All contracts of \$100,000 for goods and services contracts, or \$150,000 for public improvements contracts or greater shall be approved for award by the board of education. The president is authorized by the board to enter into contractual agreements on behalf of the college up to a total dollar value not exceeding \$100,000 for goods and services contracts, or \$150,000 for public improvements contracts. The president may delegate this authority to college staff.

The Lane Community College Board of Education shall be the College's Local Contract Review Board as defined in ORS 279A.060.

***Policy C.040: Borrowing******Adopted 11.09.98; Last Reviewed 11.5.08***

The board may authorize borrowing for the college, in compliance with state laws, by resolution stating the upper limit to be obligated at any one time. The president or designee may initiate emergency borrowing prior to board approval should a quorum of the board not be available to authorize borrowing.

***Policy C.050: Purchasing Procedure******Adopted 11.09.98; Last Reviewed 11.16.11***

All procurement on behalf of the college shall be executed in accordance with the requirements of Oregon Revised Statute Chapters 279A, 279B and 279C, the Oregon Community College Rules of Procurement ("CCRP"), and Oregon Administrative Rules 125 (OAR 125) and Lane Community College on-line Policies and Procedures ("COPPS").

Where federal procurement regulations apply and are more restrictive than the state regulations, the federal regulations shall prevail.

Pursuant to ORS 279A.065(5), the Oregon Attorney General's Model Rules (OAR 137) do not apply to Lane Community College except those portions of the Oregon Attorney General's Model Rules that have been expressly identified in Section 300 , Appendix A, of the CCRP.

The CCRP shall prevail over the provisions in OAR 125 where topics are not addressed in the CCRP, the rules OAR 125 shall remain in force.

***Policy C.060: Monitoring President's Performance***

***Adopted 11.09.98; Last Reviewed 12.14.11***

Any evaluation of the president's performance, formal or informal, may be derived only from the criteria established within board Ends and Executive Directions.

Accordingly,

The purpose of monitoring is to determine the degree to which board policies are being fulfilled. Information which does not do this will not be considered to be monitoring.

The board will acquire monitoring data by one or more of three methods: (a) by internal report, in which the president discloses compliance information to the board, (b) by external report, in which an external, disinterested third party selected by the board assesses compliance with board policies, and (c) by direct board inspection, in which a designated member or members of the board assess compliance with the appropriate policy criteria.

The standard for compliance shall be any reasonable presidential interpretation of the board policy being monitored.

All policies that instruct the president will be monitored at a frequency and by a method chosen by the board. The board can monitor any policy at any time by any method, but will ordinarily depend on a routine schedule.

<b><u>Policy</u></b>	<b><u>Method</u></b>	<b><u>Frequency</u></b>
Treatment of Learners, A.020	Internal	Annually
Treatment of Staff, A.030	Internal/External	Annually
Financial Planning and Budgeting, A.040	Internal	Semi-annual
Financial Condition and Activities, A.050	Internal	Quarterly
	External	Annually
Emergency President Succession, A.060	Internal	Annually
Asset Protection, A.070	Internal	Annually
Compensation and Benefits, A.080	Internal	Annually
Communication and Support to the Board, A.090	Internal/Direct Inspection	Annually
Governance Process Policies, B.010-B.200	Direct Inspection	Annually

**Policy D.110: Tuition*****Adopted 11.13.02; Last Reviewed 6.10.09***

In order to maintain a constant tuition rate relative to inflation, each December, the board will adjust the per credit tuition rate to reflect changes in an appropriate index for two-year public colleges since the last tuition adjustment. The rate will be rounded to the nearest half-dollar and become effective the following academic year (Summer Term).

Periodically and as needed, the board will review Lane's tuition rates to ensure: a) that tuition revenues are appropriate for the needs of the district and, b) that Lane's tuition is comparable with other Oregon community colleges that are similar to Lane in terms of student FTE and instructional programs. Prior to approval of the tuition increase, the board will review the index options, affordability and access for students, and the revenue requirements of the college.

**Policy E.010: Definition of a Balanced Budget*****Adopted 1.14.04; Last Reviewed 9.15.09***

The board directs the president to develop annual budget recommendations that are in accordance with the College's strategic plan and conform to the requirements of Local Budget Law [ORS 294.326]. The budget shall provide for:

Annual operating expenditures not to exceed projected revenues (Expenditures shall be budgeted according to the College's strategic priorities.)

Debt service, both current (due in less than 12 months) and long term.

Reserves for maintenance and repairs to its existing facilities.

Reserves for acquisition, maintenance and replacement of capital equipment.

Reserves for strategic capital projects.

Funding levels to fulfill future terms and conditions of employment, including early retirement benefits.

Allocations for special projects related to the strategic directions of the college.

Allocations for contingencies (unforeseen events requiring expenditures of current resources.)

Ending Fund Balances (according to policies set specifically for that purpose.)

Lane has a further responsibility to:

Plan how it will spend any "onetime" unanticipated revenue, allocating it strategically and prudently between:

The restoration of any shortfall to targeted ending fund balances,

Currently unfunded projects in the strategic plan, and/or

Holding some of all of it in reserve during financially volatile periods.

Permanently stabilize its finances in their entirety (operating budget, reserves, contingencies and ending fund balances) when it perceives a long term change (increase or decrease) to its available future recurring resources.

**Policy E.020: Unappropriated Ending Fund Balance****Adopted 1.14.04; Last Reviewed 9.15.09**

The president shall assure budgeting that maintains the estimate of unappropriated ending fund balance at no less than three percent of the general fund operational expenditure budget.

**Policy E.030: Ending Fund Balance****Adopted 1.14.04; Last Reviewed 10.19.09**

Lane Community College shall maintain an unrestricted General Fund Ending Fund Balance equal to or greater than 5% of total budgeted expenditures.

The Ending Fund Balance target shall include the Unappropriated Ending Fund Balance (UEFB) as set by board policy E.020. When the Ending Fund Balance falls to 4% or less, the college shall adopt a plan to replenish the Ending Fund Balance to 55 within two years. When the Ending Fund Balance exceeds 6%, 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.

**Policy E.040: Stabilization Reserve Fund****Adopted 1.14.04; Last Reviewed 10.19.09**

The board may require the president to establish a separate reserve fund (as described in ORS 341.321 and ORS 294.525) for the purpose of providing short-term stabilization in anticipation of possible shortfalls in revenue.

A stabilization reserve fund may be established under one or more of the following circumstances:

State budget appropriations for community colleges are not approved by the time the college budget is approved and adopted.

A situation exists where significant changes in enrollment are possible but not reasonably predictable.

When any major revenue source has a reasonable possibility of decreasing after the college budget is approved and adopted.

When any operating expenditure that is beyond the control of the college could reasonably be expected to increase after the college budget is approved and adopted.

Any other situation in which the board determines that there is a reasonable expectation that major shifts in revenue or expenditures could occur during the budget year.

Stabilization reserve levels:

Minimum reserve levels shall be at the discretion of the board under advice from the president.

Maximum reserve levels shall be no more than the maximum reasonably estimated shortfall at the time of the adoption of the budget.

Stabilization reserves will be reviewed annually as part of the budget development process. The stabilization reserve fund shall be closed out when the board determines that the precipitating threat to revenues and/or expenditures no longer exists. As long as the conditions exist that caused the fund to be established, the funds shall be kept in reserve for the purpose intended. If and when the fund is closed out, any remaining balance shall be released for use as a resource in the General Fund.

***Policy E.050: Capital Reserve Funds******Adopted 1.14.04; Last Reviewed 10.19.09***

The college shall establish and maintain separate reserve funds (as described in ORS 341.321 and ORS 294.525) in Capital Projects Fund IV for the following purposes:

To replace capital equipment that is broken or beyond its useful life as determined by the Capital Assets Replacement Forecast;

To maintain and repair college facilities according to the Major Maintenance Schedule;

To maintain and upgrade the College's information/telecommunications system according to planning schedules maintained by Information Technology;

To build new instructional facilities and/or to purchase property that facilitate planned long-term growth of the college.

Appropriate levels of funding for reserves will be determined using existing college decision-making structures. The president will make recommendations to the Board of Education for approval to establish and fund these reserves.

Optimal funding levels will be determined using benchmarks, professional standards and best practices from other colleges and adapting these to Lane's specific situation. It is expected that full funding of these reserves will take place over a number of years and that annual transfers to these reserves will be budgeted from the General Fund and other sources as appropriate.

As required in ORS 294.525, the board shall periodically review the reserve fund "and determine whether the fund will be continued or abolished." While ORS 294 allows review to take place every 10 years, reserve funds established under these policies shall be reviewed (a) annually by the president; and (b) at least every three years or more frequently as determined by the board.

As allowed in ORS 294.525, the board may determine at any time that a reserve fund is no longer necessary or that some or all of the reserves may be transferred to the General Fund.

***Policy E.060: Budgeting of Non-Recurring Resources******Adopted 1.14.04; Last Reviewed 11.4.09***

Non-recurring resources are resources that are not part of an annual revenue stream. Non-recurring resources include but are not limited to such categories as:

Fund balances (i.e., "carryover")

Reserves

One-time grants or awards of money

Funds withheld from annual budget allocations e.g., funds held back from annual General Fund transfer to Capital Repair & Improvement)

Special allocations from the state (e.g., allocations from the Emergency Board)

Other special allocations (e.g., “seed money” for a project)

Non-recurring resources shall not be budgeted for ongoing recurring expenditures.

Non-recurring resources maybe allocated or one-time expenditures including but not limited to the following:

Capital equipment

Capital construction

Investment in a new program or service that will move to recurring funding sources after a specified trial period

Projects related to strategic directions of the college

However, the college shall not rely on non-recurring resources for funding ongoing needs such as major maintenance and equipment replacement.

***Policy E.070: General Fund Contingency***

***Adopted 1.14.04; Last Reviewed 11.4.09***

**Board Contingency:**

The annual budget shall set aside approximately one-half percent (0.5%) of the budgeted revenues each year for Board Contingency. Use of Board Contingency shall be at the discretion of the Board of Education and shall be allocated by formal approval of the board according to its policies.

**Administrative Contingency:**

Administrative Contingency shall be approximately one percent (1%) of the budgeted revenues each year. Administrative Contingency shall be allocated by approval of the president.

***Policy E.080: Interfund Transfers***

***Adopted 1.14.04; Last Reviewed 2.3.10***

All transfers between funds shall be in conformance with ORS 294.361. The Budget Document shall clearly show for each fund the amounts, origin and destination of each transfer. Accompanying documentation shall list the specific purposes for each transfer and will be submitted to the board for approval in initial budget or subsequent resolution.

Transfers from the General fund to other funds shall be for the following purposes:

Debt service on an obligation incurred as a part of normal operations of the college;

Goods and services provided to General Fund units by units in other funds;

Construction, maintenance and acquisition of facilities and/or real property used by the college in support of its mission;

Acquisition of capital equipment for use by the college in support of its mission;

Matching funds for grants and contracts;

Operation of certain financial aid functions and matching funds required for financial aid grants;

Contractual and legal obligations to employees and retirees for compensation and benefits;

Other needs as deemed appropriate and necessary to the board for fulfilling the obligations of the college.

**Policy E.090: Interfund Loans****Adopted 6.9.04; Last Reviewed 12.2.09**

Loans from one fund to another shall conform to the requirements of ORS 294.460 and be authorized by the Board of Education. Interfund loans may not be from: a Debt Service fund, a Financial Aid fund, employee/retiree benefit funds, or funds legally restricted to specific uses. Repayment of the loan must be budgeted according to an approved schedule and at a stated rate of interest.

The full repayment of interfund loans shall occur no later than:

Five years from the date of the loan, if the funds are to be used to acquire or improve real or personal property, or  
June 30 of the fiscal year following the year in which the loan was authorized, if the funds are to be used for operating purposes.

**Policy E.100: Debt Issuance and Management****Adopted 6.9.04; Last Reviewed 12.2.09**

The president shall ensure that sufficient funds are available to meet current and future debt service requirements on all indebtedness, while adequately providing for recurring operating requirements. The issuance of debt limits the College's flexibility to respond to future learning priorities; consequently, the college shall issue and manage debt in a manner which maintains a sound fiscal position, protects its creditworthiness and complies with ORS 341.675 and ORS 341.715.

To meet the objectives of this policy the president shall ensure that the college incurs and services all debts in a manner that will:

Maintain a balanced relationship between debt service requirements and current operating needs.

Maintain and enhance the College's ability to obtain access to credit markets, at favorable interest rates, in amounts needed for capital improvements and to provide essential learning services.

Prudently incur and manage debt to minimize costs to the taxpayers and ensure that current decisions do not adversely affect future generations.

Preserve the College's flexibility in capital financing by maintaining an adequate margin of statutory debt capacity.

The board shall approve borrowing as described in Board Policy C.040. Long-term debt (due more than a year in the future) shall not be issued to fund normal operating needs.

**Policy E.110: Financial Reporting****Adopted 3.9.05; Last Reviewed 1.10.10**

Lane's annual audited financial statements shall conform to generally accepted accounting principles. Applicable professional accounting standards and guidance shall be incorporated into Lane's financial statements.



## Appendix B: Debt Policy

The current debt obligations were entered into following policies and procedures as prescribed by Oregon Revised Statutes, and the Lane Community College Board of Education Policy E.100. ORS 341.675 establishes the authority to incur bonded indebtedness for certain uses such as to acquire, construct, reconstruct, improve, repair, equip or furnish a college building or buildings or additions thereto, and sets the legal debt limit. The legal debt limit is computed in compliance with ORS 308.207, according to which the taxing or bonding power of any governmental unit is limited to a percentage of the real market value of the taxable property. ORS 341-675 sets the percentage at 1.5% of real property value in the community college service district. Additionally, section 341.715 requires that the proceeds from the issuance of any short-term promissory notes are specifically used for the purpose of meeting current expenses, retiring outstanding bonds or warrants, or paying the interest thereon.

The Board of Education Policy E.100: Debt Issuance and Management is presented in its entirety on the previous pages of this appendix.

**Legal Debt Limit:** The Lane County Assessor's Office most recent certified assessment roll has recorded a Total Real Market Value of Taxable Property in the service district in the amount of \$43,038,475,753. 1.5% of that figure is the maximum legal bonded indebtedness available to Lane Community College, or \$645,577,136. Lane's total bonded debt subject to the limitation is \$41,316,937 which is approximately 6.4% of the legal limit.

The Debt Service Fund (Fund III) accounts for the funds collected to pay the debt service requirements on bonds, debt obligations and pension bonds payable.

Following is a summary of current year debt obligations:

Obligation	Purpose	Issued Date	Interest Rate	Maturity Date	Balance July 1, 2013	Principle Due In Current Year	Interest Due In Current Year
General Obligation Bonds Payable	Facilities Construction and Improvements	2009	1.25% - 5.00%	2024	\$31,910,000	\$3,480,000	\$1,281,075
General Obligation Bonds Payable	Downtown Center	2012	2.00% – 4.65%	2024	\$38,000,000	\$210,000	\$1,334,129
Pension Bonds Payable	PERS Contribution: Cost Sharing	2003	2.73% - 6.25%	2028	\$51,309,987	\$2,295,000	\$1,529,250
Recovery Zone	Student Housing	2011	4.324% - 7.197%	2035	\$19,355,000	0	\$1,307,142
Energy Conservation Bonds	Downtown Campus	2012	4.62%	2027	\$1,500,000	\$75,000	0
Flight Technology	2 Airplanes	2013	3.101%	2023	\$230,000	25,000	0

**Appendix C: Performance Measures**

Oregon Community Colleges  
Costs per FTE  
2010-11

College	Total All FTE	General Fund Expenditures	Special Revenue Expenditures	All Other Fund Expenditures	Cost per FTE
Blue Mountain	2,987	\$13,300,710	\$4,728,611	\$1,504,390	\$6,540
Central Oregon	6,987	\$33,470,219	\$1,462,677	\$4,997,679	\$5,715
Chemeketa	14,311	\$57,420,121	\$34,441,193	\$7,673,777	\$6,955
Clackamas	8,942	\$37,914,818	\$11,572,920	\$3,311,648	\$5,905
Clatsop	1,550	\$10,131,836	\$1,421,597	\$667,247	\$7,884
Columbia Gorge	1,262	\$7,999,505	\$1,525,035	\$574,423	\$8,002
Klamath	2,005	\$8,082,066	\$729,054	\$526,645	\$4,657
Lane	15,822	\$87,729,089	\$10,054,277	\$15,895,170	\$7,185
Linn-Benton	8,303	\$40,745,067	\$9,102,320	\$5,998,408	\$6,726
Mt. Hood	10,716	\$54,078,683	\$29,154,231	\$5,049,221	\$8,238
Oregon Coast	519	\$3,919,983	\$724,585	\$184,021	\$9,304
Portland	32,768	\$171,696,165	\$32,417,825	\$23,173,069	\$6,936
Rogue	6,358	\$30,442,438	\$6,167,668	\$3,837,758	\$6,362
Southwestern Or	3,390	\$16,871,013	\$4,775,822	\$7,180,897	\$8,504
Tillamook Bay	519	\$3,129,980	\$398,445	\$213,809	\$7,210
Treasure Valley	3,627	\$13,718,461	\$11,363,521	\$6,881,409	\$8,813
Umpqua	4,925	\$18,421,818	\$6,859,276	\$2,792,041	\$5,700
Total	124,991	\$609,071,970	\$166,899,057	\$90,461,612	\$6,932

Source: CCFIS and OCCUR: <http://www.oregon.gov/ccwd/pdf/Profile/10-11ProfileData.pdf>

(This is the most up-to-date profile on the CCWD website as of the time of printing of this document).

Note: Starting 2000-01, all expenditures are reported except for plant additions, financial aid and debt service. New PERS bonding also excepted when it started in 2002-03.

In previous years only FTE-generating funds were reported in this table.

Oregon Community Colleges  
General Funds Operating Expenditures  
Percent of Total Expenditures by Category  
2010-11

College	Instruction	Instructional Support	Student Services	Community Services	College Support	Plant Operations and Maintenance	Total
Blue Mountain	45.561%	14.407%	11.293%	0.017%	17.588%	11.134%	\$13,300,710
Central Oregon	53.159%	7.183%	10.62%	0.054%	20.075%	8.908%	\$33,470,219
Chemeketa	45.983%	13.738%	10.382%	0.00%	21.231%	8.666%	\$57,420,121
Clackamas	53.166%	6.46%	8.594%	0.00%	21.204%	10.575%	\$37,914,818
Clatsop	41.70%	13.111%	10.562%	0.518%	23.752%	10.357%	\$10,131,836
Columbia Gorge	39.004%	10.748%	9.863%	0.00%	28.583%	11.803%	\$7,999,505
Klamath	48.508%	9.143%	9.191%	0.00%	27.222%	5.936%	\$8,082,066
Lane	59.684%	6.264%	12.18%	1.737%	13.657%	6.477%	\$87,729,089
Linn-Benton	50.268%	13.904%	8.836%	0.029%	19.748%	7.214%	\$40,745,067
Mt. Hood	49.197%	11.265%	9.773%	0.108%	21.34%	8.317%	\$54,078,683
Oregon Coast	45.406%	13.963%	11.493%	0.00%	22.967%	6.17%	\$3,919,983
Portland	53.155%	9.448%	10.451%	0.00%	15.526%	11.42%	\$171,696,165
Rogue	48.512%	10.123%	14.594%	0.519%	18.576%	7.676%	\$30,442,438
Southwestern Or	39.291%	6.284%	15.731%	0.00%	30.973%	7.721%	\$16,871,016
Tillamook Bay	37.765%	11.132%	8.407%	0.00%	33.376%	9.32%	\$3,129,980
Treasure Valley	46.243%	4.263%	13.935%	0.255%	22.689%	12.615%	\$13,718,461
Umpqua	46.776%	8.112%	8.785%	0.207%	24.756%	11.363%	\$18,421,818
Total	51.178%	9.552%	10.793%	0.312%	18.866%	9.30%	\$609,071,970

Note: Transfers-out and PERS bonds not included.

Source: CCFIS Database <http://www.oregon.gov/ccwd/pdf/Profile/10-11ProfileData.pdf>

(This is the most up-to-date profile on the CCWD website as of the time of printing of this document).

Note: Starting 2000-01, all expenditures are reported except for plant additions, financial aid and debt service. In previous years only FTE-generating funds were reported in this table.

**Appendix D: Long Range Financial Plan****Long Range Financial Plan**

2013-2017

The current tough economic times we are facing as a nation, state and college, require strong fiscal leadership and fiscal stewardship. The goals of the Long Range Financial Plan encompass a set of strategies around sustainable growth rates in operating income and expense, reinvestment in physical plant to maintain its' value over time, further development of all of our assets to create revenue for the college as well as setting the context for annual budgeting. These financial concepts, however, must be grounded in and inextricably linked to the mission and values of the college.

The Lane Community College board of education has recently approved a new mission statement, affirmed our values and approved new strategic directions. The board has also clearly articulated financial policies that guide financial planning and budgeting. The Long Range Financial Plan developed in 2004 requires updating to reflect the new realities faced by the college as well as assure that it supports the college strategic directions.

The objective of this financial plan is ultimately to achieve the mission of the college through strategic, long term thinking so that, as required by Board Policy A.040, the annual budget is developed in the context of multi-year financial planning that is a reflection of the board's priorities and other finance and budget policies of the board.

**Issues Impacting Fiscal Sustainability**

Lane Community College is clearly facing a challenging period in the next five years. Many issues impact the College's fiscal sustainability.

**Tax Revenues**

In 1990, 65% of our funding was provided by public resources – 24% from the state and 41% from local property tax. In FY2012, 40% of our funding is from public sources. The State is providing \$24 million which is 24% of general fund revenue and local property taxes will add \$16 million or 16%. Today state and property tax revenues are allocated on the College's share of total FTE through the state distribution formula. In the future, performance measures of student success are expected to play a role in the distribution of public resources. The measures to be used and influence on funding are yet to be determined. However, future strategies will need to address student success and educational quality to maintain funding levels. State aid has remained relatively flat since 1997 in real terms and is on a declining trend in terms of purchasing power.

These trends are a continuation of the last 10-15 years but the current and future economic environment is much more volatile than we have experienced in the past. State appropriations dropped 10% from the previous biennium in FY2009-2011. Support has been further reduced for the current biennium (FY2012-2013) by another 9% as the State of Oregon's largest revenue source, income tax, has been severely impacted by national and global economic conditions. This continues a long term trend of reduced public funding and increased reliance on tuition as represented in the graph to the right.

The college has no assurance that state aid will increase as much as inflation in the foreseeable future. State revenue for years after FY2013 is uncertain and if the trend of past years continues, it will not rise as quickly as expenses. The upcoming state revenue forecasts for the current biennium are predicted to continue the decline. Therefore, Lane should not rely on substantial increases in state revenue to meet the needs of future budgets. Furthermore, the weakness of the housing market and the increase in foreclosures has the potential to affect property tax income as well. While we are able to increase property 1-3% each year, market problems may impact collection rates which would cancel out that increase in revenue.

#### **Tuition Rates – High Student Demand and Increasing Reliance on Tuition and Fees**

The College's highest priority is to enable our students to have successful learning experiences. The failure of state aid since 2000 to increase sufficiently to cover Lane's increasing operating costs has resulted in rising tuition costs. In 2002 tuition was \$38 per credit, but for FY2013 this has more than doubled to \$90 per credit. In past years Lane's board has heard from students that maintaining current service levels is their highest priority and has acted accordingly by raising tuition. However, increases in tuition directly impact accessibility of education which is also a core value of the institution. On the other hand, long class "waiting lists", state funding for credit classes declining rapidly, the "defunding" of self-improvement classes, and the inherently high costs of professional/technical programs, all indicate that higher tuition rates may be warranted in the future. Board Policy D.110 state that "the board will adjust the per credit tuition rate to reflect changes in an appropriate index for two-year public colleges since the last tuition adjustment". It also states that other adjustments may be made "periodically and as needed.....to ensure: a) that tuition revenues are appropriate for the needs of the district and, b) that Lane's tuition is comparable with other Oregon community colleges that are similar to Lane in terms of student FTE and instructional programs.

From 2004 to 2009 the board held tuition increases to the rise in inflation indexed to the Higher Education Price Index (HEPI) provided by the Common Fund Foundation. In 2009 a temporary surcharge became necessary to offset declines in state funding. Tuition now exceeds state support as the College's largest revenue source.

#### **Ending Fund Balances**

Long term institutional viability requires that expenditures not exceed revenues and maintenance of an appropriate level of fund balance to accommodate unknown challenges. To accomplish this end, Board Policy E.030 requires that the college maintain an unrestricted General Fund Ending Fund Balance of approximately 5% of budgeted expenditures and Board Policy E.020 specifies that 3% of general fund expenditures be budgeted as an unappropriated ending fund balance. While the college is currently meeting these requirements, this level is lower than

recommended by professional associations and by comparison to peer institutions. The fact that the board has insisted on developing an adequate ending fund balance as well as setting aside money in the Financial Stabilization Fund allowed the college to move through additional state reductions in 2009-10 and avoid major reductions or increase tuition beyond inflation and the surcharge in the current year. Increasing uncertainty in the economic environment and the volatility of Oregon tax sources create a compelling need for a larger ending fund balance. Future financial planning should work toward that goal.

### **Investing in our People**

The delivery of high quality learning services is, by its very nature, labor-intensive. For FY2013 Lane projects spending \$76 million, out of a total general fund budget of over \$100 million, on personnel services and related fringe benefits. Since three fourths of the College's financial resources are devoted to employee compensation, compensation levels are clearly a primary "driver" of expenses. Faculty and staff have worked collaboratively with the college to limit additional costs in the past and it is likely that there will continue to be pressure on the college and employees as public resources diminish. Our enrollment increase of over 35% has tested our faculty and staff capacity resulting in more part time faculty, increased workloads, fewer managers and faculty and staff that are stretched too thin. Lane has become a very "lean" organization with little or no capacity available. Attention will need to be paid to sustainable staffing patterns that align with the "new normal" in which we find ourselves.

### **Costs of Health Care Insurance for Employees**

The Consumer Price Index indicates that medical costs have increased dramatically in recent years, nearly double the rate of increase for all goods and services. National and state efforts to limit the cost of health insurance have had minimal impact to date. The college has taken steps to reduce its future rate increases: negotiating with employees to increase their share in the payment of the insurance premiums, reduction in benefits, establishing a Section 125 plan, instituting the LIFE employee wellness program; and implementing an on-site employee medical clinic. There are few signals that there will be relief from significant increases in the near future.

### **Retirement Liability – PERS and Early Retirement**

Due to high investment losses and the benefit structure, the Oregon Public Employees Retirement system (PERS) accrued a substantial Unfunded Actuarial Liability (UAL). In December 2003 Lane was informed by PERS that our share of the UAL exceeded \$69 million—more than the College's entire General Fund annual operating budget at the time. This amount was required to be paid (in addition to current employer contributions) to PERS at an 8% interest rate over 26 years. To minimize this annual obligation, Lane issued taxable pension bonds during April 2003 at an average interest rate of 5.8%. To the extent that PERS investment earnings average more than 8% through 2028, the college will have preserved financial resources for use in the General Fund. The payments on these pension bonds are funded annually by an increase in the College's fringe benefit (OPE) rates. Positive arbitrage on the bonds issued reduced the remaining UAL for a time but market declines in the past year have erased those gains and added to future liability. Increases in PERS costs are expected to meet those obligations going forward. This assessment is delayed due to a lag between actuarial analysis and implementation. One of the areas of rapidly increasing cost to the college has been funding post retirement benefits for faculty and a few eligible managers. These benefits include a small post retirement stipend and medical benefits. The college must set

aside funding for the actuarial value of those future benefits which has jumped dramatically in recent years. For example, the most recent actuarial report states that an additional \$300,000 must be added to the fund.

### **Capital and Deferred Maintenance Requirements**

The physical condition of many of our facilities is badly in need of major renovation or repair. The situation dramatically improved with the approval of \$83 million in bonding authority for renovations in the November 2008 election and the appropriation early in the 2009 legislative session of an additional \$8 million for deferred maintenance projects. Not every need will be met but there has been huge improvement despite the declines in general fund revenues. This improvement is short term and does not replace the need for a more sustainable level of capital and major maintenance funding to protect the public investment in facilities. In addition, as the college develops its' master plan for the campus and surrounding land assets to generate revenue for the general fund, it is likely that investment will be required. The board recognized the need to properly maintain our facilities by adopting Policy E.050, Capital Reserve Funds, which requires that Lane reserve funds to adequately maintain and repair college facilities. The policy states that "It is expected that full funding of these reserves will take place over a number of years and that annual transfers to these reserves will be budgeted from the General Fund and other sources as appropriate". Recent budgets have not been able to make transfers to this fund and requirements continued to be deferred. Therefore, careful consideration needs to be given to creating adequate reserves for this purpose.

### **Underfunding of Equipment Replacement**

Similarly, as a result of stagnation in public resources, instructional and support services equipment has not been replaced at the end of its economic life. We have been "making do" with outdated equipment in our efforts to commit the maximum financial resources to direct instruction. The result is that equipment needs continue to grow as replacement needs outstrip available funding for capital equipment. This shortfall has been mitigated in part by federal Carl Perkins grants and replacement related to bond projects. Both Board Policy E.050 and E.010 address this issue. Reserves ensure that funds are available for emergencies and for needs in years where capital expenditures are expected to be higher than average.

### **Policy Environment**

The apparent intractability of these issues, and the fact that some of them are not within the College's control to solve, present unprecedented challenges for the college going forward. The board has had many policies in place for a number of years that should guide the future. Board Policy E.010: Definition of a Balanced Budget is already in place and must provide the backdrop for our long term financial plan and fiscal sustainability. It requires that the college "permanently stabilize its finances in their entirety (operating budget, reserves, contingencies and ending fund balance) when it perceives a long term change (increase or decrease) to its available recurring resources". Unfortunately, the most likely scenario for the college in terms of public funding is a decline in investment for the foreseeable future. This means that some of the strategies that the college has employed, anticipating shorter term decreases in public resources, may no longer be viable and more attention needs to be paid to longer term strategies and implementing the components of Board Policy E.010 as described below:

- Annual operating expenditures not to exceed projected revenues (Expenditures shall be budgeted according to the College's strategic priorities.)
- Debt service, both current (due in less than 12 months) and long term
- Reserves for maintenance and repairs to its existing facilities
- Reserves for acquisition, maintenance and replacement of capital equipment
- Reserves for strategic capital projects
- Funding levels to fulfill future terms and conditions of employment, including early retirement benefits
- Allocations for special projects related to the strategic directions of the college
- Allocations for contingencies (unforeseen events requiring expenditures of current resources)
- Ending Fund Balances (according to policies set specifically for that purpose)

### **Strategies to Reduce Cost or Improve Revenue**

The college has responded to this turbulent economic environment by focusing institutional practices to enhance the long term fiscal sustainability while continuing to focus on the quality of student learning and success. The core values of *Sustainability, Collaboration and Partnership*, and *Innovation* as well as board policies form the scaffolding on which the principles and operational strategies are derived.

To assure a balanced budget in the face of declining tax revenue the college will adopt the following strategies:

#### **Fiscal Sustainability**

1. Enrollment Management
  - a. Achieve modest growth through targeted initiatives
  - b. Increase tuition only as necessary and appropriate to the needs of the district
  - c. Examine the need/potential for online services and fees to enhance capacity, cost effectiveness and student choice
  - d. Use differential fees to offset the cost of high cost programs to ensure equity in public support
  - e. Pursue quality progression and completion initiatives to ensure stable enrollment levels and student success
2. Cost Control
  - a. Review all positions for alignment with strategic priorities before filling
  - b. Redesign to drive instruction and service efficiencies
  - c. Implement innovations that are fiscally sustainable
  - d. Fund new recurring activities through reallocation of current resources or new revenues created by those activities



### 3. Ending Fund Balance and Reserve Management

Board Policy E.030 defines a minimum ending fund balance of 5%. The practical minimum however is an average quarterly state payment as the college is required to cash flow the last quarter of each biennium, when the state payment is deferred. Ending Fund Balances in excess of the minimum 5% may be allocated for one-time expenditures or reserves. Board Policy E.040 provides for a Stabilization Reserve Fund which the board funded in the previous biennium to cushion anticipated contingencies in the FY2012-13 biennium. Currently \$1.5 million of the \$3.5 million administratively reserved balance is anticipated to be used during FY2012. Board Policy E.050 provides for a Capital Reserve Fund which is essential for providing security for unanticipated capital emergencies and strategic opportunities. This fund has not yet been established.

### 4. Strategies for Extraordinary Reductions

In the event of a significant reduction in budget resources that are beyond the capability of normal cost controls or enrollment management, the college will pursue the following strategies:

- a. Review all future commitments for elimination. Contracts or positions where a hiring commitment has not yet been extended should be considered for deferral when possible
- b. Review opportunities to reduce existing commitments. Explore in partnership with bargaining units the possibility of deferring agreed to compensation increases or benefit adjustments. Explore opportunities to reduce level of service on existing contracts.
- c. If the shortfall is expected to be temporary review availability of reserves to close the gap. If the change is expected to be long term all reserves should be retained to for expected costs of transition to lower levels of service.
- d. Consider what the college could stop doing. Candidates for elimination will be evaluated according to objective criteria contained in Appendix B. Identity of academic disciplines, service functions, or names of individuals potentially affected will be strictly confidential. Access to such information will be limited to those with a requirement to know such as those conducting the evaluation.

### **Educational Sustainability**

As fiscal pressure from declining public revenue and increasing costs mount, there will be a need to both decrease costs and increase productivity. These are worthwhile objectives but both carry the risk of decreasing the quality of education. For example, the uncertainty surrounding enrollment increases requires that additional staffing be part time and temporary in order to avoid long term personnel commitments that may not be sustainable in the future if enrollment recedes to historical averages. Capital investments necessary to update technology are challenging when basic operating needs remain unmet. In addition, the need to reduce costs may cause students to fear that their desired courses may not always be available and inhibit their embarking on an educational path for fear of being unable to finish. With greater emphasis on student success outcomes the need for quality education is greater than ever and may have a fiscal impact as funding becomes linked to performance.

**Collaboration and Partnership:***Expand fiscal effectiveness through partnership*

1. Partner with 2 and 4-year colleges and universities to implement quality progression and completion initiatives
2. Nurture connection with high schools through College Now, RTEC and other programs
3. Expand workforce development programs and activities such as the Small Business Development Center
4. Build capacity in Lane's foundation to increase partnerships, grants and external fundraising

**Innovation:***Create revenue through entrepreneurial activities*

1. Develop entrepreneurial activities such as the International Programs and Downtown Campus Housing and reinvest income in further revenue generation and mission fulfillment
2. Cultivate enterprise activities such as laundry, printing and graphics
3. Facility rental and programming
4. Long Range Facility Planning to generate revenue through real estate resources
5. Leverage Web 2.0 and other technologies to drive operational efficiencies and student success
6. Pursue grants and external resources to fund research and development

**Annual Budget**

The annual budget for the college is developed in the context of the Long Range Financial Plan. The annual budget starts from today's allocation of resources and projects forward making assumptions about the economy and Lane's plans and choices (Appendix A). The model relies upon information provided by many departments and programs that feed updated information on costs and priorities each year as well as information from the external environment. There are key principles (Appendix B) that translate mission into decisions about the allocation of resources. For example, we value retaining all of our employees (no lay-offs). There are also external factors such as state funding and capital market changes that impact the budget. It is the assessment and balancing of these factors that lead to the development of projections and ultimately the annual budget. The annual budget reflects college priorities and new2 initiatives and assesses the viability of these plans against the principle of long term fiscal sustainability and the constraints of the external environment. The annual budget is built on the following principles and using a board approved set of assumptions as described in the appendices. Also, it should be noted, units use a set of criteria and data elements (Appendix B) in guiding their planning at the unit level.

**Appendix A: Budget Assumptions and Projections**

The following assumptions are being reviewed to determine budget requirements and available resources for the annual budget.

**Revenue Assumptions****Total Public Resources:**

Public resources budgets are obtained from a distribution model produced by the state Community College and Workforce Development Department (CCWD) which projects the College's share of the Community College Support Fund (CCSF) and an estimate of local property taxes. The largest variable in the distribution model is the amount of the state appropriation to the CCSF. For example, the amount appropriated for the FY2012-13 biennium is \$395 million. FY2012 disbursements will be based on funding at \$410 million and the FY2013 projection will also assume that level but there is a risk in FY2013 of not receiving the amount currently held back. Property taxes normally increase slightly each year; however due to rapidly declining tax collectability, property values, and loss of local business properties it is most likely that property tax revenues in the next biennium will continue at the current level of \$15.5 million a year.

**Tuition:**

The tuition assumption is based on prior year's collections plus growth assumptions and price increases. The enrollment growth factor is determined each year and tuition increases will be an estimated 2.3% increase based on the Higher Education Price Index (HEPI) for FY2012.

**Student Fees:**

These are mandatory curriculum related fees such as the student government fees, transportation and technology fees, student health clinic, athletics and required fees for certain courses. Most fee revenue is offset by a direct expense such as the LTD pass. All instructional fees are treated as administratively restricted revenue.

**Non Mandatory Fees:**

These are fees that are associated with a course but not mandatory due to registration such as flight technology flying time, health professions equipment and optional class supplies. These will be based on growth assumptions.

**Other Fees and Charges:**

These are child care fees, collection fees, conference fees, facility rental, Library fees, traffic fines etc., typically projected at the current level.

**Administrative Recovery**

Bookstore minimum contribution of \$250,000 a year and administrative fees from grant and financial aid support. Projected at current levels.

**Gifts and Donations:**

Most gifts and donations to the college go to the Foundation. This is mostly KLCC fundraising accounted for in Fund 9. Projected at current levels.

**Grants/Contracts:**

Most grant revenue is accounted for in Fund 8. This category accounts for minor exceptions that may need to come directly to offset a general fund expense. Projected at current levels.

**Interest Income:**

This is primarily interest from general fund cash invested in the Local Government Investment Pool (LGIP). Projected at current levels, but will likely be lower due to low short term rates in the current market.

**Other Revenue:**

While the title implies a wide variety of revenue, this comes almost entirely from two sources. These are the foundation reimbursement for Foundation payroll, and PeachHealth contribution for nursing faculty. Projected at current levels.

**Sale of Goods and Services:**

This is KLCC underwriting, sales of student materials by departments, culinary sales and Business Development Center contracts. Projected at current levels.

**Transfers In:**

These are transfers from the Center for Meeting and Learning and Food Services portion of the Enterprise Fund (Fund 6) to support general fund faculty expense in culinary arts. Projected at current levels.

**Expense Assumptions****Personnel Services:**

This is tied to funded contracted positions budgeted for the prior year. Projection scenarios will vary with assumptions regarding unfunded vacancies, steps or COLA depending on whether contracts are settled with employee groups. OPE rate is recalculated each year and is currently 63% for full time and 36% for part time.

**Personnel Services – P/T**

Compensation for part time faculty based on the college enrollment model and historic requirements for part time staff expense.

**Materials and Services:**

Includes all operating costs such as interest expense, supplies, contracts, utilities, repairs, etc. Projected but underfunded at current levels as there is annual erosion in purchasing power due to supply and utility increases.

**Capital Outlay:**

Funds capital investments such as library books and classroom equipment. Requirement tied to the Capital Asset Replacement schedule. Projected at current levels. Normally driven by the Capital Assets Replacement Forecast (CARF) but that has remained underfunded in recent years.

**Goods for Resale:**

This is the cost of goods for the revenue recorded in the Sales of Goods and Services category.

**Transfers Out:**

These are transfers from the general fund to fund requirements in other funds for capital improvements and major maintenance projects.

**Transfers Out – Financial Aid**

This is a transfer from the general fund to the Financial Aid Fund (Fund 5) to provide matching funds for Federal Work Study and funds the college Learn and Earn program for student workers. It also funds athletic scholarships. It is projected to increase at the HEPI rate.

**Fund IX – Administratively Restricted**

Fund IX was created in the FY2003 budget to separate from the General Fund those units that rely entirely or primarily on resources other than state revenues, local property taxes and other general use revenues. For the purposes of maintaining historical trends and in order to properly monitor these units, Fund IX revenues and expenditures are included in budget projections.

**Appendix B: Principles, Criteria and Data Elements for Unit Planning**

These budget principles, criteria and data elements are used regularly by units to inform planning and budgeting at the unit level. In addition, they are used by committees allocating sources such as student tech fee and Perkins Grants. In the event of budget or program reductions these elements will inform those decisions.

Budget planning at Lane will be guided by the following principles:

1. Budget planning will be guided by the college strategic plan, unit plans, council plans and other planning efforts.
2. Budgets will focus on furthering the college mission.
3. Budgets must meet legal, contractual and accreditation obligations.
4. Budgets must meet board policies and involve as much input from the college community as possible
5. Maximize revenue generation balanced with accessibility and affordability.
6. Invest in new activities that maximize future revenue.
7. Support student enrollment, retention, success and learning while minimizing negative impact of budget constraints on quality of student services, instruction and college infrastructure.
8. Maximize investment in technology or streamlined work processes that will save resources.
9. Maintain ability to respond to community needs.
10. Avoid involuntary layoffs of permanent employees
11. Maintain existing facilities and equipment well and upgrade as needed.
12. Benchmark to best practices while recognizing intentional variations between Lane and national norms.
13. Using data and objective criteria in planning and resource allocation.

**INSTRUCTIONAL PROGRAMS**

<b>Criteria</b>	<b>Data Element</b>
Enrollment – demand	5-year Enrollment History; future trends
Program – Discipline cost	Cost per FTE; revenue; comparisons with selected Oregon colleges
Retention	Student Persistence at the institutional level; course completion
Capacity – Utilization	Capacity Analysis – class fill rate; student: faculty FTE
Essential courses required for degree/certificate	Student enrollment in required courses
Availability of jobs (for CT programs)	Employment Department data
Wages (for CT programs)	Employment Department data
Job Placement (for CT programs)	Employment Department data

**STUDENT SERVICES**

<b>Criteria</b>	<b>Data Element</b>
Enhances Student Engagement	Number of service contracts Number of unduplicated participants Demographics of individuals served Other evidence of enhancing engagement
Enhances Student Learning	Enhanced student persistence Enhances one of five benchmarks from the Community College Survey of Student Engagement (Active & Collaborative Learning, Student Effort, Faculty/Staff and Student Interactions, Academic Challenge, Support for Learners) Other evidence of enhancing learning
Enhances Student Satisfaction	ACT Satisfaction data CCSSE satisfaction data Other evidence of enhancing satisfaction

**STUDENT SERVICES (continued)**

<b>Criteria</b>	<b>Data Element</b>
Requirement for Service	Essential to completing a business process with students Essential to an effective educational experience Legally mandated
Uses resources efficiently	Comparison of faculty/staff to student ratios to national association standards and best practices. Develop appropriate institutional benchmarks Demand/capacity analysis (i.e., waitlists, complaints about access, etc.) Total general fund budget Budget from other sources (i.e., student fees, grants, etc.) Other evidence of efficient use of resources
Note: Because Student Services are so diverse, it is difficult or impossible to use a standard set of data elements for every service	

**College Services**

<b>Criteria</b>	<b>Data Element</b>
Service is essential to operation of the institution	Consequences of not having service Citation(s) for legal requirements (e.g. governing ORS, federal code, IRS and audit requirements)
Cost of service	Total General Fund support for service (offset by service charges) Service charges and other revenue that offset GF support Revenue directly provided to GF by service
Service is cost effective	Comparison to industry standards (e.g. housekeeping sq. ft./staff FTE, # of desktops/IT technician). Develop appropriate institutional benchmarks Cost comparisons with similar outside services Cost savings for college compared to cost of service
Service is utilized	Customer counts Service logs Number of transactions



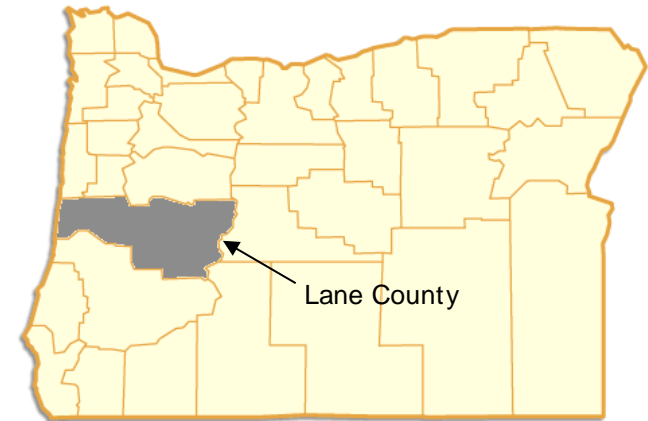
## Appendix E: Local and Regional Information

### Lane County, Oregon

Lane County was established in 1851. Covering 4,722 square miles from the Pacific Ocean to the Cascade Mountains, the county has three unique climate zones: the Willamette Valley, the Coast, and the Cascade Mountains. Although 90 percent of Lane County is forest land, Eugene and Springfield comprise the second largest urban area in the state (second to Portland). Lane County is renowned for its beautiful topography and climate and outdoor recreational opportunities.

#### Lane County Fast Facts:

- County Seat: Eugene, Oregon
- Average Temperatures: January: 40° , July: 67°
- Annual Precipitation: 40"
- Population: 354,542
- Median Age: 39 years
- Assessed Value: \$27,224,318,409
- Real Market Value: \$43,038,475,753
- Principle Industries: Lumber & wood manufacturing, Health care, Government, Agriculture, Tourism, and Retail Trade
- Top 10 Employers: PeaceHealth, University of Oregon, Eugene School District, Lane County Government, City of Eugene, Springfield School District, Lane Community College, Wal-Mart, Symantec Corp and Safeway.
- Top 10 Taxpayers: IP Eat Three LLC, Comcast, Hynix, Valley River Center, Qwest, PeaceHealth, NW Natural Gas, Symantec, Weyerhaeuser and Verizon



#### Economic Indicators:

Indicator	Lane County	Oregon
Labor Force	144,800	1,666,700
Median Home Value	\$230,900	\$252,600
Median Household Income	\$42,621	\$49,850
Per Capita Personal Income	\$24,105	\$26,561
Population	354,542	3,899,353
Unemployment Rate	7.9%	7.9%

Sources: [www.quickfacts.census.gov](http://www.quickfacts.census.gov) [www.qualityinfo.org](http://www.qualityinfo.org) [www.lanecounty.org](http://www.lanecounty.org) [www.laneworkforce.org](http://www.laneworkforce.org) Lane County Dept of Assessment & Taxation [www.lanecounty.org/departments/cao/budget/documents\(2012-2013\)](http://www.lanecounty.org/departments/cao/budget/documents(2012-2013))

## Appendix F: Economic Forecast

State of Oregon Office of Economic Analysis

May 2013

### EXECUTIVE SUMMARY

#### *Oregon Economic Forecast Current Conditions and Outlook*

Oregon's economy continues to improve with each passing month and quarter, although the pace of improvement remains slow from a historical point of view. However, the rate of growth may now finally be picking up. Some of the major drags that have been weighing on Oregon's economic recovery are now being lifted, setting the stage for faster growth. Sentiment has improved among both businesses and households, with economic forecasters beginning to highlight upside risks to the outlook. With firms and workers having repaired much of the damage done to their balance sheets, many are in a position to spend should they remain confident about their future prospects.

So far during Oregon's recovery, private sector employment has expanded at approximately a 2 percent annualized rate, far below the 3.0-3.5 percent growth experienced in past expansions. Two primary reasons for this slower rate of growth have been large cutbacks among housing-related industries and government. As the housing rebound continues, and state and local governments stabilize, these two weights are being lifted. Furthermore, as these two sectors continue to improve, medium sized cities and rural areas of the state are beginning to take part in the expansion. With the housing market and public sector no longer holding us back, the baseline outlook calls for a pickup in job growth to 2.6 percent on an annualized basis over the next two years.

The housing rebound is now in full swing with sales, starts and prices all increasing at strong rates. New residential investment positively contributed to GDP growth in 2012 and in the first quarter of 2013, following 6 years of decline. Given the depth of the housing bust, the industry has at least two more years of strong growth before reaching even average levels of new construction. Moody's Analytics' chief economist, Mark Zandi, estimates that each new housing start supports 4.5 to 5 jobs in the economy from construction workers and real estate agents to concrete and cabinet makers. In Oregon, benefits also flow to wood product firms who gain from additional demand for building products.

Balance sheets for corporations remain very strong, particularly so for large businesses, but credit conditions are improving for small businesses as well. Household liabilities continue to decline and asset holdings continue to grow, putting consumers on a more solid footing. Stock markets are reaching all-time highs and home prices are rising briskly from recessionary lows. Even so, homeowners' equity remains a fraction of pre-recession levels, making a mortgage-financed spending boom unlikely. Given strong fundamentals, all signs point toward continued expansion. The Federal Reserve Bank of Philadelphia's Survey of Professional Forecasters places the probability of a negative economic quarter at 15%. The Wall Street Journal's Economic Forecasting Survey similarly places the risk of recession over the next year at 15%. Survey respondents estimate the upside risks outweigh the downside risks 57% to 43%. One year ago, in May 2012, the same WSJ survey estimated the downside risks outweighed the upside risks by a 70% to 30% margin. While the average economic growth rate for 2013 has remained stable among forecasters, the risks have clearly shifted. Should the economy strengthen further than expected, job growth in Oregon will likewise exceed expectations.

***Oregon's Employment Trends***

Getting a handle on the health of Oregon's labor market is being somewhat complicated by technical issues within the underlying payroll jobs data. Technical issues aside, employment in Oregon continued to increase through the end of 2012 and into 2013, approximately in line with the gains seen at the U.S. level. While the gains continue to be slower than in previous expansions, they are gathering a little bit of steam and growth has picked up somewhat when compared with a year ago. In the past three quarters in Oregon, year-over-year employment has increased by 1.3 percent in the third quarter of 2012, 1.5 percent in the fourth quarter and 1.6 percent in the first quarter of 2013. Gains in the private sector are even stronger with the corresponding growth rates being 1.7 percent, 2.1 percent and 2.2 percent. Even with this pickup it still is not strong enough to bring the unemployment rate down quickly – at least not yet. The unemployment rate in the first quarter of the year was 8.3 percent, down 0.1 percentage points from the fourth quarter of 2012 and lower than the 8.9 percent unemployment rate in early 2012.

In terms of Oregon's regional labor markets, job growth is spreading beyond the Portland Metro in the past year, for the first time since the onset of recession. Even as the statewide numbers began to improve in early 2010, all counties outside the Portland metropolitan area lost jobs on net, however that has changed since the summer of 2012. In particular, Bend and Medford – the dual epicenter of the housing bubble in the state, and among the largest in the country – are both seeing strong employment gains in the past year. Based on the latest covered employment data (QCEW), jobs have rebounded nearly 5 percent in Medford and 5.5 percent in Bend. These employment gains are across nearly all industries and can be at least partially attributable to a pickup in construction activity and tourism. Additional jobs are being created in the Willamette Valley, Northern Coast and Northeast Oregon. Only the Southern Coast and Southeastern counties have yet to see sustained job gains. Even though there remains a long way to go before these local economies become healthy or approach what they once were in terms of job counts, the increasing geographic diversity of job creation is an encouraging sign.

***Demographic Forecast***

Oregon's population count on April 1, 2010 was 3,831,074. Oregon gained 409,550 persons between the years 2000 and 2010. The population growth during the decade of 2000 to 2010 was 12.0 percent, down from 20.4 percent growth from the previous decade. Oregon's rankings in terms of decennial growth rate dropped from 11th between 1990-2000 to 18th between 2000 and 2010. Slow population growth during the most recent decade due to double recessions probably cost Oregon one additional seat in the U.S. House of Representatives. Actually, Oregon's decennial population growth rate during the most recent decade was the second lowest since 1900. The slowest, actually negative, was during the 1980s when Oregon was hit hard by another recession. As a result of recent economic downturn and sluggish recovery, Oregon's population is expected to continue a slow pace of growth in the near future. Based on the current forecast, Oregon's population will reach 4.25 million in the year 2020 with an annual rate of growth of 1.03 percent between 2010 and 2020. Oregon's economic condition heavily influences the state's population growth. Its economy determines the ability to retain local work force as well as attract job seekers from national and international labor market. As Oregon's total fertility rate remains below the replacement level and deaths continue to rise due to ageing population, long-term growth comes mainly from net in-migration. Working-age adults come to Oregon as long as we have favorable economic and employment environments. During the 1980s, which included a major recession and a net loss of population, net migration contributed to 22 percent of the population change. On the other extreme, net migration accounted for 73 percent of the population change during the booming economy of 1990s. This share of migration to population change declined to 56 percent in 2002 and it was further down to 32 percent in 2010. As a sign of slow to modest economic gain, the ratio of net migration-to-population change will increase gradually and will reach 73 percent by the end of the forecast horizon.

Although economy and employment situation in Oregon look stagnant at this time, migration situation is not expected to replicate the early 1980s pattern of negative net migration. Potential Oregon out-migrants have no better place to go since other states are also in the same boat in terms of economy and employment.

Age structure and its change affect employment, state revenue, and expenditure. Demographics are the major budget drivers, which are modified by policy choices on service coverage and delivery. Growth in many age groups will show the effects of the baby-boom and their echo generations during the period of 2010-2020. It will also reflect demographics impacted by the depression era birth cohort combined with diminished migration of the working age population and elderly retirees. After a period of slow growth during the 1990s and early 2000s, the elderly population (65+) has picked up a faster pace of growth and will surge as the baby-boom generation continue to enter this age group. The average annual growth of the elderly population will be 3.9 percent during the forecast period as the boomers continue to enter retirement age. However, the youngest elderly (aged 65-74) will grow at an extremely fast pace during the forecast period, averaging 5.0 percent annual rate of growth due to the direct impact of the baby-boom generation entering the retirement age. Reversing several years of shrinking population, the elderly aged 75-84 will start a positive growth as the effect of depression era birth-cohort will dissipate. A faster pace of growth of population in this age group will begin once the baby-boom generation starts to mature. The oldest elderly (aged 85+) will continue to grow at a moderately but steady rate due to the combination of cohort change, continued positive net migration, and improving longevity. The average annual rate of growth for this oldest elderly over the forecast horizon will be 1.4 percent.

As the baby-boom generation matures out of oldest working-age cohort combined with slowing net migration, the once fast-paced growth of population aged 45-64 will gradually taper off to below zero percent rate of growth by 2012 and will remain at slow or below zero growth phase for several years. The size of this older working-age population will remain virtually unchanged at the beginning to the end of the decade. The 25-44 age group population is recovering from several years of declining and slow growing trend. The decline was mainly due to the exiting baby-boom cohort. This age group has seen positive growth starting in the year 2004 and will increase by 1.2 percent annual average rate during the forecast horizon. The young adult population (aged 18-24) will change only a little over the forecast period and remain virtually unchanged for most of the years into the future. Although the slow or stagnant growth of college-age population (age 18-24), in general, tend to ease the pressure on public spending on higher education, college enrollment typically goes up during the time of high unemployment and scarcity of well-paying jobs when even the older people flock back to college to better position themselves in a tough job market. The growth in K-12 population (aged 5-17) will remain low which will translate into slow growth in school enrollments. This school-age population has actually declined in size in recent years and will grow in the future at well below the state average. The growth rate for children under the age of five will remain below zero percent in the near future and will see positive growth only after 2013. Although the number of children under the age of five will decline slightly in the near future, the demand for child care services and pre- Kindergarten program will be additionally determined by the labor force participation and poverty rates of the parents. Overall, elderly population over age 65 will increase rapidly whereas population groups under age 65 will experience slow growth in the coming decade. Hence, based solely on demographics of Oregon, demand for public services geared towards children and young adults will likely to increase at a slower pace, whereas demand for elderly care and services will increase rapidly.

### ***Revenue Forecast***

Expectations for near-term General Fund revenue growth have become somewhat stronger since the last forecast. In recent months, both personal and corporate income tax collections have been coming in larger than was expected. In particular, the April tax filing season brought with it a big jump in personal

income tax payments relative to last year. Although the revenue forecast has become somewhat stronger in the near term, the overall flavor of the outlook has not changed. Along with underlying job growth, personal income taxes paid out of wages and salaries are expected to accelerate during the 2013-15 biennium.

Despite an improving economy, overall revenue growth will remain modest from an historical perspective. Underlying job gains, while improved, will not match the pace seen during previous periods of economic expansion. Also, personal income taxes based on investment income will grow slowly in the near term since many Oregonians cashed out gains in 2012 in anticipation of a scheduled federal tax rate increase. Tax revenue growth is expected to fall in between the rates Oregon has become accustomed to during past periods of economic expansion, and the slow gains we have seen in recent years.

Although the baseline revenue forecast has not changed significantly, risks to the forecast are becoming skewed to the upside. Despite a relatively weak long-term outlook, a year or two of strong growth remains possible. In particular, if Oregon's traditionally strong migration trends and labor force gains reappear, additional jobs and tax revenue can be expected.

The primary downside risk facing the near-term revenue forecast is the uncertain future of the nationwide economic expansion. Should federal government austerity or economic weakness abroad derail the U.S. economy, the expected growth in Oregon's tax collections will not materialize.

Revenue growth in Oregon and other states will face considerable downward pressure over the 10-year extended forecast horizon. As the baby boom population cohort works less and spends less, traditional state tax instruments such as personal income taxes and general sales taxes will become less effective, and revenue growth will fail to match the pace seen in the past.

### ***2011-2013 General Fund Revenue***

A strong 2013 season of income tax collections has put General fund revenues somewhat ahead of the Close of Session's relatively optimistic outlook. Both personal and corporate income tax collections are closely matching expectations. If not for large one-time deposits and changes to the tax system, revenue growth would have been indistinguishable from the Close of Session outlook.

The revenue outlook for the 2011-13 biennium has improved somewhat relative to the March 2013 forecast. The forecast for General Fund revenues for 2011-2013 is now \$14,248 million. This represents an increase of \$126 million (+0.9%) from the March 2013 forecast.

The forecast for the 2011-13 biennium is now \$216 million (+1.7%) above the Close of Session forecast. Most of the additional revenue can be traced to legislative actions taken during the February 2012 session.

Source: <http://www.oregon.gov/DAS/oea/docs/economic/executive.pdf>

## Appendix G: Legal Notifications

## GUARD PUBLISHING COMPANY

3500 CHAD DRIVE PHONE (541) 485-1234  
EUGENE, OREGON 97408

Legal 5634423  
Notice

## Legal Notice Advertising

LCC  
CATHY NOLAN  
4000 E 30TH AVENUE  
EUGENE, OR 97405-0640

#

## AFFIDAVIT OF PUBLICATION

STATE OF OREGON, }  
COUNTY OF LANE, } ss.

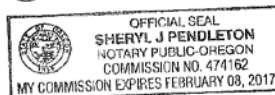
I, **Wendy Raz**, being first duly affirmed, depose and say that I am the Advertising Manager, or his principal clerk, of The Register-Guard, a newspaper of general circulation as defined in ORS 193.010 and 193.020; published at Eugene in the aforesaid county and state; that the **Notice of Budget Committee Meeting** printed copy of which is hereto annexed, is publishing in the entire issue of said newspaper for **two** successive and consecutive **Week(s)** in the following issues:

April 25, April 29, 2013

**NOTICE OF BUDGET COMMITTEE MEETING**  
A public meeting of the Budget Committee of the Lane Community College District, Lane County, State of Oregon, to discuss the budget for the fiscal year July 1, 2013 to June 30, 2014, will be held at Lane Community College Main Campus 4000 East 30th Ave, Eugene, Oregon 97405, May 8, 9am-12pm. The meeting will take place on May 8th, 2013 at 9:00am.  
The purpose of the meeting is to receive the budget messages. This is a public meeting where deliberation of the Budget Committee will take place.  
An additional, separate meeting of the Budget Committee will be held to take public comment. Any person may appear at that meeting and discuss the proposed programs with the Budget Committee. The evening for public comment will be on: Date: May 15th, 2013 Time: 5:00pm Location: Lane Community College Main Campus.  
A copy of the budget document may be inspected or obtained on or after May 8th, 2013 at the College Services Office, 4000 East 30th Ave, Eugene, Oregon 97405, 8:00 a.m. to 5:00 p.m., between the hours of 8:00am and 5:00pm.  
[http://www.lanecc.edu/sites/default/files/Budget/Budget\\_Calendar\\_2013\\_14.pdf](http://www.lanecc.edu/sites/default/files/Budget/Budget_Calendar_2013_14.pdf)  
No. 5634423 - April 25, 2013

*Wendy Raz*  
Subscribed and affirmed to before me this April 29, 2013  
*Sheryl J Pendleton*  
Notary Public of Oregon

Account #: 1000275  
INVOICE 5634423  
Case: May 8, 2013  
Ad Price: \$90.00



# GUARD PUBLISHING COMPANY

3500 CHAD DRIVE PHONE (541) 485-1234  
EUGENE, OREGON 97408

Legal  
Notice 5674262

## Legal Notice Advertising

LCC BUDGET OFFICE  
CATHY NOLAN  
4000 E. 30TH AVENUE  
EUGENE, OR 97405

## AFFIDAVIT OF PUBLICATION

STATE OF OREGON, )  
COUNTY OF LANE, ) ss.

I, **Wendy Raz**, being first duly affirmed, depose and say that I am the Advertising Manager, or his principal clerk, of The Register-Guard, a newspaper of general circulation as defined in ORS 193.010 and 193.020; published at Eugene in the aforesaid county and state; that the **Notice of Budget Hearing** printed copy of which is hereto annexed, is publishing in the entire issue of said newspaper for **one** successive and consecutive **Day(s)** in the following issues:

June 07, 2013

*Wendy Raz*

Subscribed and affirmed to before me this June 10, 2013

*Sheryl J. Pen*  
Notary Public of Oregon

Account #: 16788617  
INVOICE 5674262  
Case: June 12, 2013  
Ad Price: \$465.00

OFFICIAL  
SHERYL J. PEN  
NOTARY PUBLIC  
COMMISSION NO. 474152  
MY COMMISSION EXPIRES FEBRUARY 08, 2017

FORM CC-1 NOTICE OF BUDGET HEARING  
A public meeting of the Lane Community College Board of Education will be held on June 12, 2013 at 6:00 pm at Lane Community College, 4000 E. 30th Avenue, Administration Building (3), Room 216, Eugene, Oregon. The purpose of this meeting is to discuss the budget for the fiscal year beginning July 1, 2013 as approved by the Lane Community College Budget Committee. A summary of the budget is presented below. A copy of the budget may be inspected or obtained at College Services Office, 4000 E 30th Avenue, Eugene, Oregon between the hours of 8:00 a.m. and 5:00 p.m., or online at [www.lanec.edu](http://www.lanec.edu). This Budget is for an annual budget period. This budget was prepared on a basis of accounting that is the same as the basis of accounting used during the preceding year.  
Contact: Rose Ellis, Budget Director, Lane Community College Telephone: 541-443-3005 Email: [REllis@lanec.edu](mailto:REllis@lanec.edu)

## FINANCIAL SUMMARY - RESOURCES

	Actual Amount Last Year	Adopted Budget This Year	Approved Budget Next Year
<b>TOTAL OF ALL FUNDS</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
Beginning Fund Balance	\$18,324,955	\$19,346,320	\$50,331,790
Current Year Property Taxes, other than	\$22,704,067	\$22,208,221	\$22,523,525
Local Option Taxes	\$0	\$0	\$0
Current Year Local Option Property Taxes	\$0	\$0	\$0
Tuition and Fees	\$50,183,213	\$55,828,581	\$54,637,675
Other Revenue from Local Sources	\$0	\$0	\$0
Revenue from State Sources	\$34,296,599	\$34,784,469	\$38,415,248
Revenue from Federal Sources	\$108,687,298	\$110,313,508	\$115,867,851
Interfund Transfers	\$12,008,387	\$9,966,375	\$4,876,748
All Other Budget Resources	\$55,908,020	\$76,220,303	\$33,047,272
<b>Total Resources</b>	<b>\$302,111,619</b>	<b>\$328,661,657</b>	<b>\$319,700,166</b>
<b>FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION</b>			
Personnel Services	\$20,362,584	\$20,998,064	\$20,067,610
Materials & Services	\$196,638,627	\$208,061,046	\$193,589,352
Capital Outlay	\$1,981,493	\$1,437,021	\$2,376,164
Debt Service	\$18,528,518	\$6,788,221	\$11,424,217
Interfund Transfers	\$12,008,387	\$9,966,375	\$4,876,748
Operating Contingency	\$0	\$3,996,350	\$6,452,016
All Other Requirements	\$0	\$0	\$0
Unappropriated Ending Fund Balance & Reserves	\$0	\$2,900,000	\$2,900,000
<b>Total Requirements</b>	<b>\$302,111,619</b>	<b>\$328,661,657</b>	<b>\$319,700,166</b>
<b>FINANCIAL SUMMARY - REQUIREMENTS AND FULL TIME EQUIVALENT EMPLOYEES (FTE) BY FUNCTION</b>			
Instruction	\$59,621,088	\$72,189,893	\$73,511,259
FTE	315.4	305.6	321.71
Instructional Support	\$5,952,963	\$5,782,154	\$5,576,432
FTE	40.12	41.77	44.87
Student Services other than Student Loans and Financial Aid	\$26,638,155	\$32,342,062	\$34,143,923
FTE	126.78	127.55	134.71
Student Loans and Financial Aid	\$115,681,369	\$108,293,355	\$112,372,056
FTE	11.7	12.75	12.75
Community Services	\$7,618,875	\$9,692,370	\$9,531,369
FTE	18.5	10.55	11.54
Support Serv. other than Facilities Acquisition and Construction	\$16,187,979	\$18,590,365	\$28,285,328
FTE	109.36	146.33	189.64
Facilities Acquisition and Construction	\$47,907,265	\$54,772,394	\$31,726,768
FTE	60.25	51.42	54.75
Interfund Transfers	\$12,008,387	\$9,966,375	\$4,876,748
Debt Service	\$18,528,518	\$10,761,399	\$11,424,217
Operating Contingency	\$0	\$3,996,350	\$5,252,016
Unappropriated Ending Fund Balance and Reserves	\$0	\$2,900,000	\$2,900,000
<b>Total Requirements</b>	<b>\$302,111,619</b>	<b>\$328,661,657</b>	<b>\$319,700,166</b>
<b>Total FTE</b>	<b>674.61</b>	<b>656.37</b>	<b>688.57</b>

STATEMENT OF CHANGES IN ACTIVITIES AND SOURCES OF FINANCING  
On July 25, 2012 the second issue of GO Bonds took place, in the amount of \$38 million. This was the final issue of the \$85 million voter approved GO Bonds. The college has issued \$1.5 million in Energy Conservation bonds and secured a \$230,000 loan for two airplanes; payments for these two items will begin in FY14.

PROPERTY TAX LEVIES			
	Rate or Amount Imposed	Rate or Amount Imposed	Rate or Amount Approved
Permanent Rate Levy (Rate Limit 0.6191 per \$1,000)	0.6191	0.6191	0.6191
Levy For General Obligation Bonds	6,998,987	6,748,066	6,940,000

STATEMENT OF INDEBTEDNESS			
LONG TERM DEBT			
	Estimated Outstanding July 1	Estimated Debt Authorized, But Not Incurred July 1	
General Obligation Bonds	\$66,228,000	\$0	\$0
Other Bonds	\$89,911,117	\$1,500,000	\$1,500,000
Other Borrowings	\$0	\$230,000	\$230,000
<b>Total</b>	<b>\$156,139,117</b>	<b>\$1,730,000</b>	<b>\$1,730,000</b>

No. 5674262 - June 7, 2013

## Appendix H: Glossary of Terms

**Accrual Basis Accounting:** A system of accounting based on the accrual principal, under which revenue is recognized when earned, and expenses are recognized when incurred.

**Ad Valorem Tax:** A property tax computed as a percentage of the value of taxable property.

**Administrative Contingency:** General Fund contingency, consisting of approximately one percent of budgeted revenues, to be used at the discretion of the president and Executive Team.

**Administrative Recovery:** Revenue generated from college enterprise funds, grants and contracts to cover General Fund administrative and overhead costs.

**Adopted Budget:** The total spending level for the year, based on estimates that have been set by the Board of Education.

**Appropriation:** Based on the adopted budget, an authorization from the Board of Education to make expenditures and incur obligations for specific purposes. The appropriation is limited to a single fiscal year.

**Approved Budget:** The budget that has been approved by the Budget Committee and sent to the Board of Education for adoption.

**Assessed Value:** Valuation set on real estate or personal property by the Property Appraiser as a basis for levying taxes.

**Balanced Budget:** A budget whereby operating expenditures equal resources in every fund. See Board Policy E.010 in Appendix A.

**Beginning Fund Balance:** The amount remaining after accounting for the previous year's revenues less the previous year's expenditures.

**Biennium:** A two-year [budget] period.

**Board Contingency:** General Fund contingency, consisting of approximately one-half percent of budgeted revenues, to be used at the discretion of the Board of Education.

**Board of Education:** Committee of seven elected, unpaid citizens whose primary authority is to establish policies governing the operation of the college and to adopt the college budget.

**Bond:** A debt investment with which the investor loans money to an entity (company or government) that borrows the funds for a defined period of time at a specified interest rate.



**Budget:** A written report showing the College's comprehensive financial plan for one fiscal year. The report includes a balanced statement of actual revenues and expenditures during each of the last two years, and estimated revenues and expenditures for the current and upcoming year.

**Budget Committee:** The fiscal planning board, consisting of the Board of Education plus an equal number of citizens at large from the College District.

**Budget Message:** An explanation of the budget and financial priorities, presented in writing by the Budget Officer as part of the budget document.

**Budget Officer:** Person appointed by the Board of Education to oversee the budget process.

**Budget Transfer:** Amounts moved from one fund to finance activities in another fund. They are shown as expenditures in the originating fund and revenues in the receiving fund.

**Capital Assets Replacement Plan:** Revolving seven year plan established by the Board of Education in FY2004 to schedule the replacement of capital assets, based upon the Capital Asset Acquisition Schedule.

**Capital Expenditure:** An expenditure for a single item with cost exceeding \$10,000 and an estimated useful life of three or more years.

**Capital Outlay:** An expenditure category that includes acquisition of land, buildings, improvements, machinery, and equipment.

**Capital Projects Fund (IV):** Budget fund used for the acquisition of land, new construction, major remodeling projects, and major equipment purchases.

**Capital Reserve Fund:** A separate fund within the Capital Projects Fund IV used for planned and unplanned maintenance, repair and replacement of capital and technological equipment.

**Cash Basis:** System of accounting under which revenues are accounted for only when received in cash, and expenditures are accounted for only when paid.

**College Council:** The College's main planning and policy body.

**College District:** The College's service area, which encompasses a 5,000 square mile area in Lane County and parts of Linn, Douglas and Benton Counties.

**College Support Services:** Expense function covering activities that support the ongoing operations of the college, excluding physical plant operations.

**Community Services:** Expense function covering non-instructional activities provided to external groups.

**Consumer Price Index:** A measure estimating the average price of consumer goods and services purchased by households.

**Current Budget:** In financial tables, the “Current Budget” is the current year adopted budget plus any additional supplemental budgets.

**Debt Service:** An expenditure category for repayment of principle and interest on bonds, interest-bearing warrants, and short-term loans.

**Debt Service Fund (III):** Budget fund for accounting for general long-term debt, principal, and interest.

**Deferred Maintenance:** The practice of postponing maintenance activities such as repairs on both real property (i.e. infrastructure) and personal property (i.e. machinery) in order to save costs, meet budget funding levels, or realign available budget monies.

**Differential Pricing:** Additional fees based on class clock hours for certain Career and Technical courses.

**Ending Fund Balance:** The beginning fund balance plus current year revenues, less current year expenditures.

**Enterprise Fund (VI):** Budget fund for activities that furnish goods or services to students, staff or the public, for which charges or fees are assessed that are directly related to the cost of the good or service provided.

**Executive Team:** The College’s administrative leadership team comprised of the president, vice president(s), chief officers and deans.

**Expenditure:** An amount of money, cash or checks actually paid or obligated for payment due to the purchase of goods and services, the payment of salaries and benefits, and the payment of debt service.

**Fees (Non-Instructional):** Revenue generated from assessing students for non-instructional expenses.

**Financial Aid:** Expense function for student loans, grants and stipends.

**Financial Aid Fund (V):** Budget fund used for the provision of grants, stipends, and other aid to enrolled students.

**Fiscal Year:** The twelve-month financial period used by the college this begins July 1 and ends June 30.

**Full-Time Equivalent (FTE):** The equivalent of a full-time employee or student. For example, two half-time employees equal one FTE employee.

**Fund:** A division in the budget segregating independent fiscal and accounting requirements.

**Fund Balance:** The excess of a fund’s revenues over expenditures.

**Fund Type:** One of nine fund types: General, special revenue, debt service, capital projects, special assessment, enterprise, internal service, trust and agency, and reserve.

**General Fund (I):** The primary operating fund of the college that includes activities directly related to the College's basic educational objectives.

**Generally Accepted Accounting Principles (GAAP):** A widely accepted set of rules, conventions, standards, and procedures for reporting financial information, as established by the Financial Accounting Standards Board.

**Government Finance Officers Association (GFOA):** The professional association of state/provincial and local finance officers in the United States and Canada.

**Governmental Funds:** Funds generally used to account for tax-supported activities. There are five different types of governmental funds. LCC's governmental funds include the General, Special Revenue, Debt Service, and Capital Projects Funds.

**Grant:** A donation or contribution in cash by one governmental unit to another unit which may be made to support a specified purpose or function, or general purpose.

**Higher Education Price Index (HEPI):** Inflation index designed specifically for higher education. A more accurate economic indicator for colleges and universities than the Consumer Price Index.

**Instruction:** Expense function covering all activities related to instructional programs.

**Instructional Fees:** Revenue generated by assessing students for course-related expenses.

**Instructional Support:** Expense function covering activities that provide integral support services to instructional programs.

**Interest Income:** Revenue generated from investment of operating capital in excess of daily requirements.

**Interfund Transfer:** An amount to be given as a resource to another fund in the budget.

**Intergovernmental [Resource]:** Total public resources that include State and Federal funds and local property taxes.

**Internal Service Fund (II):** Budget fund for functions that exist primarily to provide goods and services to other instructional and administrative units of the college.

**Local Option Tax:** Voter-approved taxing authority that is in addition to the taxes generated by the permanent tax rate. Local option taxes can be for general operations, a specific purpose or capital projects. It is limited to five years unless it is for a capital project, then it is limited to the useful life of the project or 10 years, whichever is less.

**Mandatory Adjustments:** Adjustments for expenditures that are primarily beyond the control of the college, such as facilities leases, utilities, insurance premiums and maintenance contracts.

**Material and Services (M&S):** An expenditure category that includes contractual and other services, materials, supplies, and other charges.

**Measure 5:** A constitutional amendment (Art. XI, section 11b) passed in 1990 that limits the amount of operating tax that can be imposed on a property to \$5 per \$1,000 of real market value for education and \$10 per 1,000 for general government.

**Measure 50:** A constitutional amendment (Art. XI, section 11) passed in 1997 that limits the growth in a property's assessed value to 3% per year. It also limits a local government's taxing authority by creating permanent rate limits.

**Modified Accrual Basis:** Basis of accounting under which revenues are recorded when they become measurable and available. Expenditures are recorded when the liability is incurred, except for interest on general long-term obligations, which is recorded when due.

**Net Working Capital:** The sum of the cash balance, accounts receivable expected to be realized during the ensuing year, inventories, supplies, prepaid expenses less current liabilities and, if encumbrance method of accounting is used, reserve for encumbrances.

**Non-Recurring Resources:** Resources (revenues) that are not part of an annual revenue stream to include: fund balances, reserves, one-time grants and awards, and special allocations.

**Object Classification:** A grouping of expenditures, such as personnel services, materials and services, capital outlay, debt services, and other types of requirements.

**Operating Rate:** The rate determined by dividing the local government's operating tax amount by the estimated assessed value of the local government. This rate is needed when a local government wants to impose less tax than its permanent rate will raise.

**Oregon Administrative Rules (OAR):** A compilation of rules and regulations that apply, in the same manner as a law, to state agencies in Oregon.

**Oregon Public Employees Retirement System (PERS):** Retirement system provided by the State of Oregon for all public employees.

**Oregon Revised Statutes (ORS):** The codified laws of the State of Oregon. The ORS is published every two years to incorporate each legislative session's new laws.

**Other Payroll Expenses (OPE):** An expense classification that includes the costs of payroll taxes, PERS, medical insurance, and other fringe benefits and payroll-related items accruing to an employee.

**Other Resources:** Revenue generated from various activities such as finance charges, sale of equipment, enforcement fees and other nominal, one-time miscellaneous amounts.

**Personnel Services Expenses:** Expenses related to the compensation of employees, such as, health and accident insurance premiums, Social Security and retirement contributions, civil service assessments.

**Plant Additions:** Expense function for land, land improvement, buildings, and major remodeling and renovation that is not a part of normal plant operation and maintenance.

**Plant Operations and Maintenance:** Expense function covering the operation and maintenance of the physical plant, including grounds, facilities, utilities and property insurance.

**Proposed Budget:** Financial and operating plan prepared by the Budget Officer, submitted to the public and Budget Committee for review.

**Requirement:** A use of funds or expenditure.

**Resolution:** An order of the Board of Education.

**Resources:** Estimated beginning fund balances on hand plus all anticipated revenues and transfers.

**Revenue:** Monies received or anticipated.

**Salary Provision Budget:** A contingency budget used to cover employee compensation increases during the year.

**Sale of Goods and Services:** Revenue generated from the College's enterprise and special revenue activities.

**Special Revenue Fund (VIII):** Budget fund that accounts for revenues that are legally restricted to expenditures for specific purposes, such as federal grants and contracts.

**Special Revenue – Administratively Restricted Fund (IX):** Budget fund for programs where monies are administratively restricted. Activities recorded in this fund generate revenue primarily through specifically-assessed tuition and fees, or through other revenue-generating activities.

**Stabilization Reserve Fund:** A separate fund, established at the request of the Board of Education, for the purpose of providing short-term stabilization in anticipation of possible shortfalls in revenue.

**Student Services:** Expense function covering activities to support students' success and development.

**Supplemental Budget:** Most often required when new appropriation authority is needed, a supplemental budget is usually associated with the expenditure of new appropriations and increased revenues. It cannot be used to authorize a tax.

**Tax Rate:** The amount of tax stated in terms of a unit of tax for each \$1,000 of assessed value of taxable property.

**Tax Year:** The fiscal year from July 1 through June 30.

**Total Public Resources:** Revenue received from State funding as appropriated by the legislature and local property taxes as assessed by the counties.

**Transfers Out:** An expenditure category that includes resource funding for specific purposes.

**Tuition:** Revenue generated by assessing students per-credit-hour rates.

**Unappropriated Ending Fund Balance (UEFB):** Amount set aside in the budget to be carried over to the next year's budget. It provides the college with cash until tax money or other revenues are received later in the year. This amount cannot be transferred by resolution or used through a supplemental budget, unless necessitated by a qualifying emergency.

**Unfunded Actuarial Liability (UAL):** Amount PERS has determined to be owed by participating governments to fully fund the retirement system.

**Unit Plan:** In the development of short and long-term plans for the college, unit plans serve to provide details on the Strategic Plan at the unit level.

Lane Community College  
College Services  
Budget Office  
4000 East 30<sup>th</sup> Avenue  
Eugene, Oregon 97405  
541.463.5604