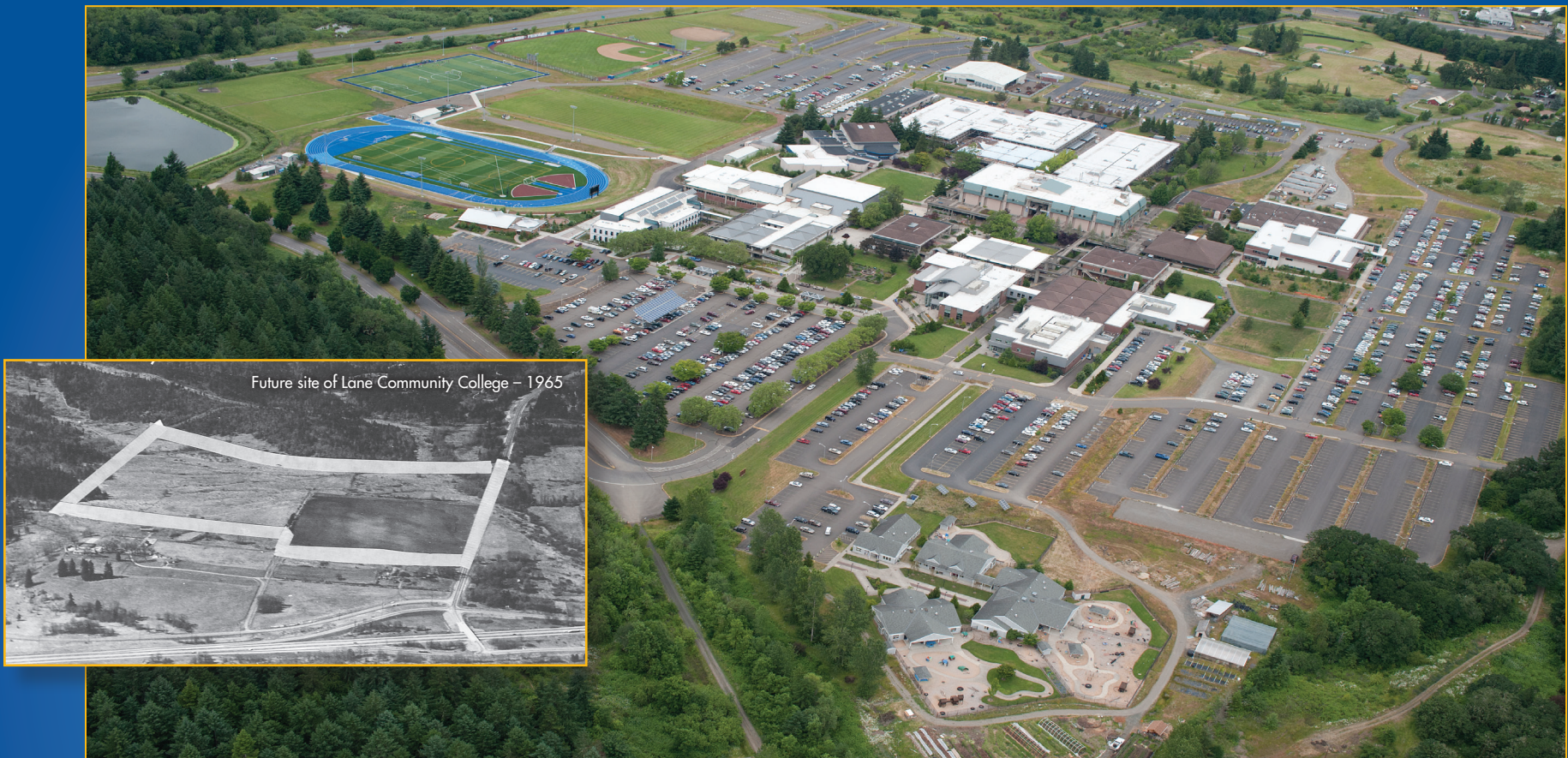


# BUDGET DOCUMENT

## FISCAL YEAR 2014-2015



Lane Community College  
2014-2015 Budget Committee

Robert Ackerman  
Pat Albright  
Jacque Betz  
Amy Callahan  
Phillip Carrasco

Kevin Cronin  
Jennifer Harris  
Matt Keating  
Gary LeClair  
Chris Matson

Tony McCown  
Rosie Pryor  
Sharon Stiles  
Carmen X. Urbina



The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Lane Community College for its annual budget for the fiscal year beginning July 1, 2013. 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.

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## Vision, Mission & Core Themes

### 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 Themes

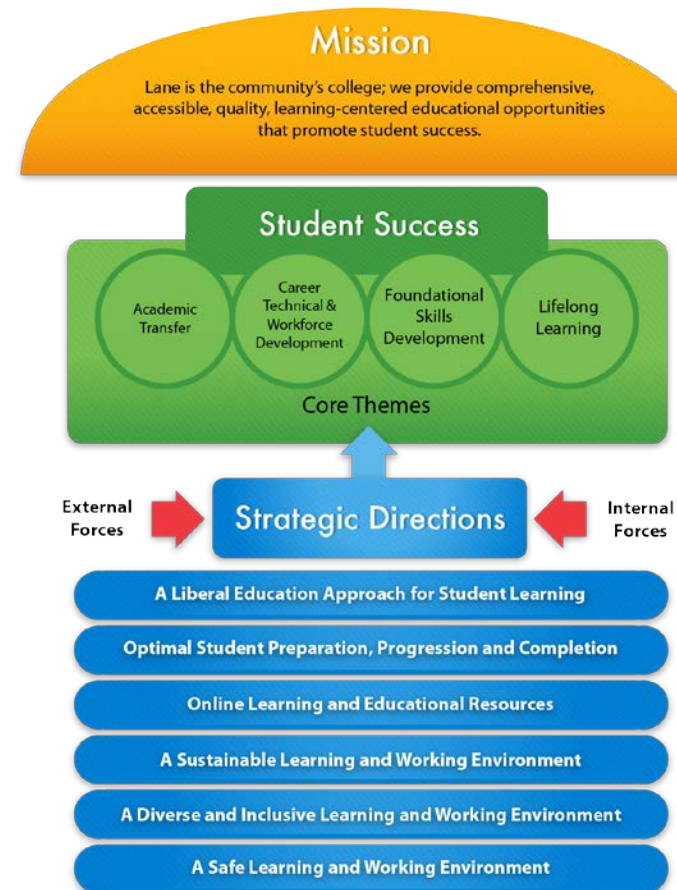
Lane's core themes encompass our mission as a comprehensive community college. They represent the diversity of Lane's educational roles in the community.

**Academic Transfer** engages students desiring a solid foundation for their upper division work leading to a baccalaureate degree at another institution of higher education.

**Career Technical and Workforce Development** refers to Lane's service to the community in providing direct pathways to employment.

**Foundational Skills Development** describes Lane's role in providing students with the necessary skills and abilities to be successful in collegiate level education.

**Lifelong Learning** is Lane's function as a community hub for a variety of educational opportunities not requiring credit toward a degree.



## **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

## **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

## **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, 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, 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

#### Institutional Overview

This year marks the fiftieth anniversary of Lane Community College's founding as a comprehensive community college. Lane has continued the tradition of vocational education begun in 1938 by our precursor, the Eugene Vocational School, while expanding our services and programs to meet the community's needs. Lane students today can select from a wide variety of lower division transfer courses, as well as applied degrees and certificates in over forty-five technical programs, or they may improve foundational study skills, reading, writing and math. Lane's non-credit offerings include Adult Basic and Secondary Education, English as a Second Language and classes designed for lifelong learning such as creative arts, health and wellness and career training in business and health occupations.

Lane Community College's service district represents approximately 300,000 residents, slightly less than 10% of Oregon's population. The district encompasses approximately 5,000 square-miles: most of Lane County from the Pacific Ocean to the Cascade Mountains, as well as individual school districts in Benton, Linn and Douglas counties. Lane's 314-acre campus is located in southeast Eugene and the college offers classes and services at a number of other locations including the Downtown Center in Eugene, centers in Cottage Grove, Florence, the Eugene Airport and outreach sites in the community.

In 2011, Lane broke ground on its new Downtown Center which combined innovative classroom space with Titan Court, Lane's first student housing. Lane received a Community Award from Eugene Mayor Kitty Piercy for its new Downtown Center which she described as an "exemplary model of sustainability in keeping with goals and values held by the city, the college and throughout the region".

During the Great Recession that began in 2007-2008, Lane saw its enrollment begin to surge resulting in a peak of 15,400 FTE in 2010-2011. Since that time, Lane has witnessed a decline in enrollment to pre-recession levels. Lane's 2012-2013 enrollment was 14,008 FTE with a student headcount of 38,000. Approximately 87% of student enrolled in credit courses and 60% of credit students enrolled part-time.

#### Support and Partnerships

Lane has had broad community and state support from its inception in 1964. Today the college continues to enjoy the backing of county residents who approved an \$83 million bond in 2008 to fund improvements to classrooms, labs and infrastructure on the main campus, at the Eugene airport and in Florence. Over the past ten years, the Lane Foundation has received donations that increased annual scholarships to students from \$300,000 to \$750,000. The Foundation has over 1,400 donors that support its goals. These are comprised of businesses and corporations, community members and alumni, staff and retirees. In 2013, Lane made the governor's list of recommended capital

construction projects which will secure \$8 million in matching funds for the Center for Learning and Student Success, an upcoming Center Building renovation.

Community partnerships in the last decade have also enriched Lane's physical spaces and capacity to continue quality programs, events and student support. In December 2010 Lane celebrated the opening of the Longhouse which was the result of partnerships with six Native American tribes and many other friends of Lane. In 2009-10, the college benefited from the generosity of its community in gifts from private donors to its first major gifts campaign "Opening Doors". These funds supported construction in 2010 of a state-of-the-art Health and Wellness Center.

In Fall 2013, Lane expanded its relationship with School District 4J to help 200 high school students successfully transition to college with an Early College and Career Options program on campus as part of our High School Connections. Similar early college high school models nationally indicate that high school students who participate in significant college credit-earning experiences on a college campus are more likely to graduate from high school, enroll in college and succeed in college.

#### **National Affiliations and Projects**

Lane is engaged in a number of national projects and organizations that endeavor to bring outstanding learning experiences to our students.

For more than 35 years, Lane has been a member of the League for Innovation in the Community College, a consortium of leading community colleges organized to stimulate innovation and experimentation in all areas of community college development. Lane is the only Oregon college on the League's board.

Lane is also one of 53 colleges nationwide and the only northwest community college participating in the Democracy Commitment sponsored by the American Association of State Colleges and Universities, an initiative to develop and expand community college programs, projects and curricula to engage students in civic learning and democratic practice. Lane has also been designated a partner in a Next Generation Learning Challenges grant from the Gates Foundation and Educause. The only west coast college partner, Lane will receive several online tools to help developmental students become more successful.

Lane continues to demonstrate a commitment to student achievement that reflects our mission and drives the work of the college. Focusing on learning, quality, progression and completion, Lane participates in multiple national initiatives and project that support and improve student success. Some of these initiatives such as Achieving the Dream and Foundations of Excellence, provide quantitative or qualitative data, informing decisions that improve enrollment patterns and achievement of benchmarks. Other projects such as AAC&U-sponsored Roadmaps and Core Learning Outcomes help us shape advising and implement high impact practices to foster student success.

**Meeting Local Needs**

Some programs and services at Lane are designed to meet specialized needs such as Veterans Services, Honors Program, the Successful Aging Institute and the Lane Child and Family Center. One unique example; Specialized Support Services provides employment training and education to adult students who experience intellectual and/or developmental disabilities. Specialized Support Services serves 85 students with developmental disabilities in a variety of work settings and is the only program of its kind in Oregon.

Founded in 2005 to meet a clear need to teach peace in a world beset by war, racism, poverty and environmental destruction, Lane's Peace Center has brought nationally recognized activists to campus for conferences and symposia that advance its vision "Fostering peace through education". Another Lane tradition is Reading Together in which students, faculty and staff read and discuss a common book. Lane's Institute for Sustainable Practices promotes improvement of sustainability in Lane's educational and operational practices and administers the Learning Garden and Lane's sustainability-focused degrees.

Lane has some unique facilities that serve the community as well as academic programs. The Center for Meeting and Learning is a conference site that also serves as a laboratory for the Culinary and Hospitality programs offering catering and event coordination. The Arts Division offers venues for theatre, music and dance productions in the Performance Hall and the Blue Door Theatre, Eugene's only theatre-in-the-round. The Lane Art Gallery displays student work as well as works of regional, national and international artists.

Finally, Lane's KLCC (89.7 FM) won five awards from the annual Public Radio News Directors, Inc. competition in 2012. Judged in Division C; Small News Staff, KLCC won first place for commentary, both first and second place for spot news, first place for breaking news and second place for writing.

**Accreditation**

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

*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

In Summary, Lane Community College has established productive local and national relationships to provide our community with comprehensive, innovative and unique educational opportunities. All these projects, centers, institutes and services contribute to the health of our community and the success of our students reflecting the identity Lane Community College has forged in the past half century.

***We are the community's college...Transforming lives through learning***

## 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, 2017  
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, 2017  
Zone 3-Marcola and Springfield

**Matt Keating**, Political Consultant, Eugene  
Elected July 1, 2013, term expires June 30, 2017  
Zone 4-Eastern

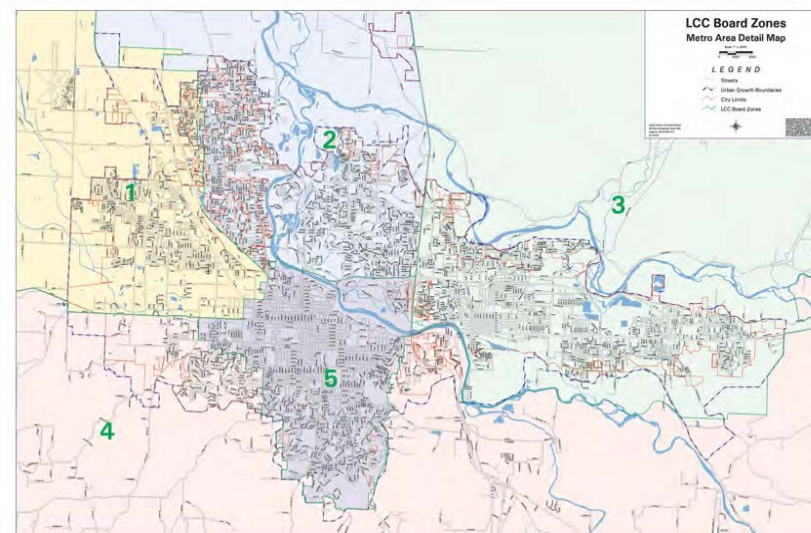
**Pat Albright**, Retired Teacher, Eugene  
Elected May 2007, term expires June 30, 2015  
Zone 5-Central Eugene

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

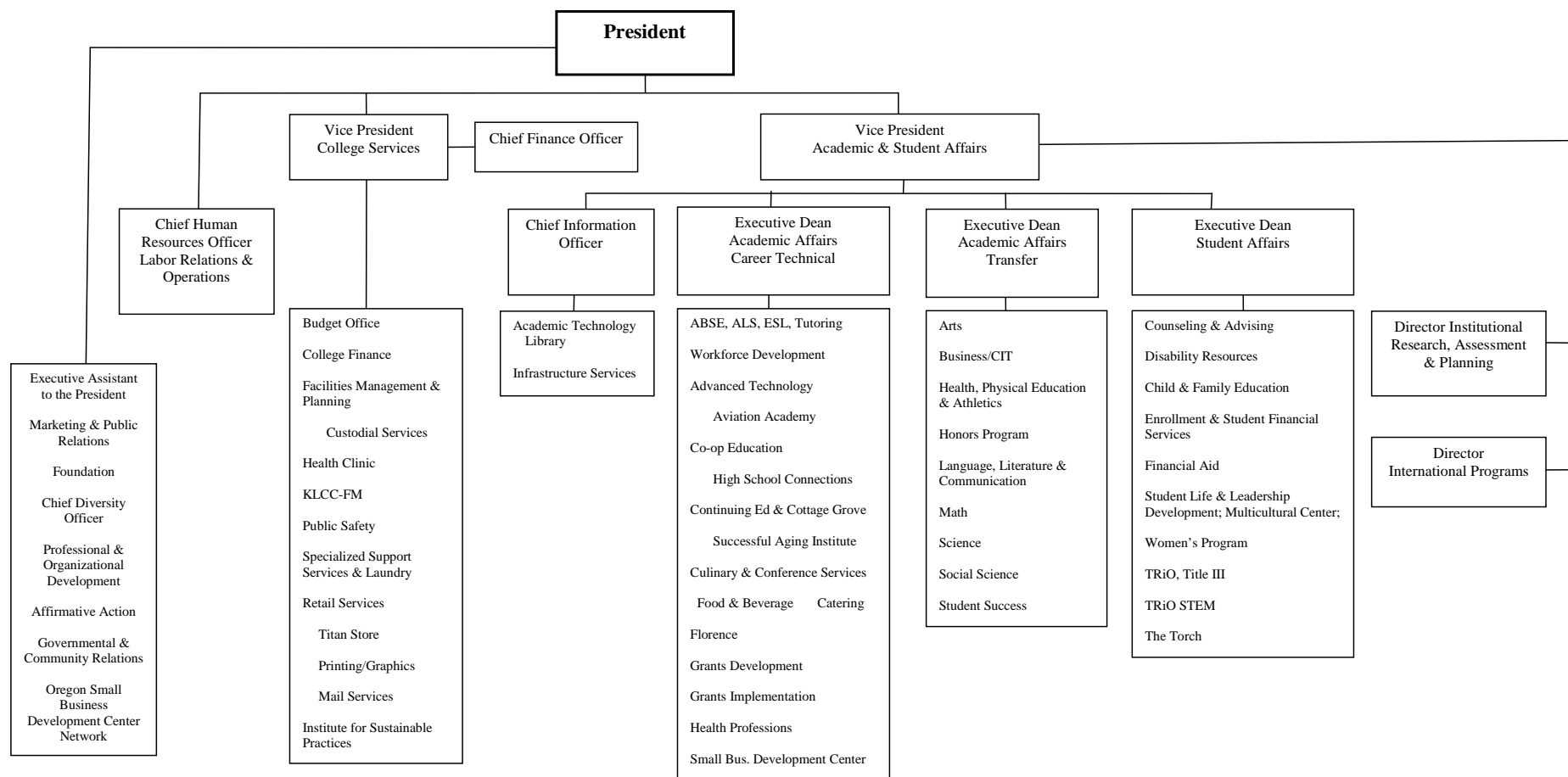
**Tony McCown**, Education Consultant, Springfield  
Elected May 2007, term expires June 30, 2015  
At-Large, Position 7



LCC Board of Directors & 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 Human Resources, Marketing and Public Relations, the Foundation, Diversity, Professional and Organizational Development, Community and Governmental Relations, International Programs and the Oregon Small Business Development Center Network. 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 for Lane students. The Office of Academic and Student Affairs guides the work of Academic and Information Technology, Career and Technical Education, Academic Transfer, Student Affairs, Grants, 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, Facilities Management and Planning, Public Safety, Staff and Student Health Services, Specialized Support Services, the Titan Store, Printing and Graphics, KLCC-FM and the Institute for Sustainable Practices.

### **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.

## **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 a 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

## **Funds**

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. The college's primary budgeting and operation funds are the General Fund (I) and the Special Revenue – Administratively Restricted Fund (IX).

### **Fund I: General Fund**

Includes activities directly associated with operations related to the college's basic educational objectives.

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

Used to account for specific educational 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.

### **Fund II: Internal Service Fund**

Includes functions that exist primarily to provide goods or services to other instructional or administrative units of the college.

### **Fund III: Debt Service Fund**

Accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

### **Fund IV: Capital Projects Fund**

Used for the acquisition of land, new construction, major remodeling projects and major equipment purchases.

### **Fund V: Financial Aid Fund**

Used for the provision of grants, stipends and other aid to enrolled students.

### **Fund VI: Enterprise 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.

### **Fund VIII: Special Revenue Fund**

Accounts for revenue sources that are legally restricted to expenditures for specific purposes.



## **Revenue Sources**

### **Intergovernmental**

Also known as total public resources, 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 assessing 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 variables.

**Administrative Recovery**

Administrative Recovery includes amounts received from college Enterprise funds (such as the Titan Store, Foodservices and Center for Meeting and Learning (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 IX 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, and sale 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.

### **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) to provide for contingencies and unanticipated items or 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.

## **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 includes resource funding 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

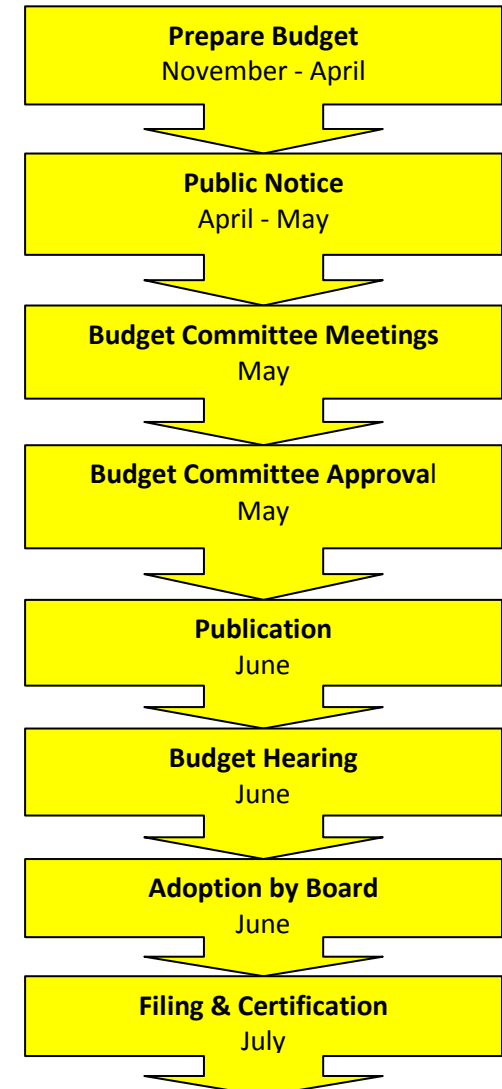
The Budget Officer supervises the preparation of a Proposed Budget, which includes the following actions:

- 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 Public Notice

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

## 2014-2015 Budget Calendar





**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.

**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 2014-15

Presented May 14, 2014

## Budget Message

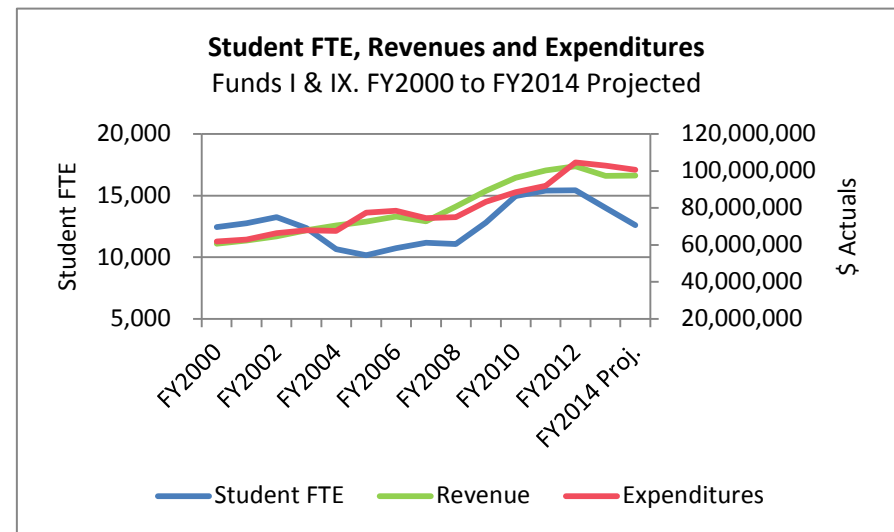
The fiscal year 2014-15 budget reflects a year-long process of analysis, program review, and application of our budget development principles, criteria and data elements as we worked to align budget and expenditures with pre-recession enrollment levels while continuing to further our mission and strategic directions.

During the 2008-11 Great Recession, enrollment at the college grew nearly 40%. The college expanded services, increased class sections and accommodated growth in every corner, serving our community and an unprecedented number of students. As the economy started to improve in fiscal year 2012-13, the college experienced an enrollment decline of approximately 10%. Enrollment is declining more than 12% in the current year and we expect an additional decline of 12% in fiscal year 2014-15 as we level off to pre-recession enrollment. With the continued disinvestment in state funding, the college is increasingly dependent upon tuition revenue to support general fund operations and is financially sensitive to significant changes in enrollment.

During the enrollment surge the college prudently created a financial stabilization reserve, which has been used to support operations during the anticipated enrollment decline. With the reserve now depleted, the fiscal year 2014-15 budget focuses on recurring balancing measures that support long-term fiscal sustainability while minimizing impact on contracted personnel and programs and services.

The fiscal year 2013-14 budget was built assuming a 2% enrollment decline. In early fall 2013, when it became clear that enrollment would drop in the double-digits in 2013-14, we redoubled our efforts to reduce class sections, reduce part-time classified hours and limit materials and services spending and capital outlay expenditures. Managers, faculty and staff have done an extraordinary job with this mid-year course correction, resulting in section reduction savings of more than \$1.7 million, a 10% reduction in part-time classified staff expenses and almost \$1 million in materials and services savings realized over the fiscal year 2012-13 high.

As we implemented immediate balancing measures last fall we also developed and began work on a series of seven long-term balancing strategies to influence ongoing financial sustainability: strategic enrollment management; growth and retention; enterprise and auxiliary strategic plan; grants, partnerships and leveraged funding; evidence-informed decision making; capital improvement plan; and strategic development of online learning and resources. Work on these strategies will continue into fiscal year 2014-15.



### Economic Environment

In the 2013-2015 biennium the Community College Support Fund (CCSF) includes an additional \$15 million added to the \$450 million base as a result of September 2013 special session legislation. Even with the special session increase, state CCSF funds will be nominally lower in fiscal year 2014-15 than they were six years ago, and state support for Lane now comprises just 35% of general fund resources. Although we are experiencing a decline from enrollment gains at the height of the recession, the need for our services remains strong as we continue to serve more than 11,000 full time equivalent students seeking academic transfer, career technical education, foundational skills and lifelong learning opportunities. State funding is woefully inadequate to support our comprehensive mission. Our goals of providing affordable and accessible educational opportunities, maintaining adequate compensation and benefits for employees, and meeting essential operating requirements of the college are not attainable without significant tradeoffs within those objectives.

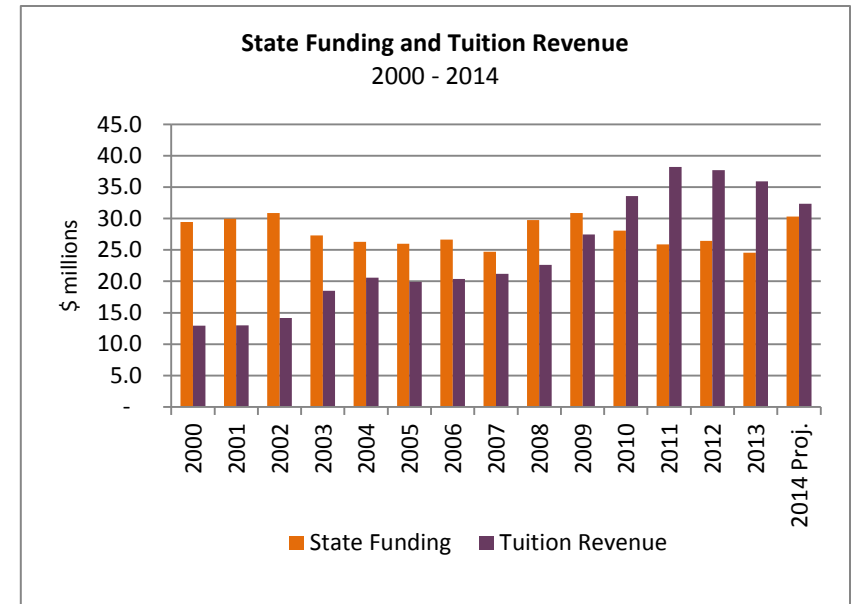
Adjusting to our economic reality requires strategic choices between increasing revenue, maintaining service levels at lower cost, and downsizing the college and student opportunities to match reduced public support, or some combination therein.

Raising revenue through higher tuition and fees shifts the burden of lost public support to our students. Higher prices economically challenge students, are incongruent with our value of an affordable public education as a public good, and can result in additional enrollment declines.

We have experienced some success reducing part-time faculty and classified staff and materials and services expenditures to align with reduced enrollment and plan additional reductions in 2014-15. These part-time reductions are not easy as they directly impact the faculty and staff who stepped in to help during our enrollment surge and now face reduced assignments and hours.

With 69% of our general fund budget in contracted employee compensation and benefits (not including part-time compensation and benefits), we are limited in our ability to reduce expenditures further without layoffs. Employees are the greatest asset of the college and we remain committed to providing competitive salary and benefits but revenue has not kept pace with increasing costs. Fortunately, we have been able to maintain modest increases for employees every year and remain in the top tier amongst our peers in salary and benefits. Additional drivers to increasing personnel costs are health care insurance and increased PERS contribution rates.

Our focus throughout the budget development and planning process is to determine the optimal balance of revenue, expenditures and program and service levels, using evidence to inform our analysis through application of the budget development principles, criteria and data elements.



**Result of 2013-14 Budget Strategies**

For the 2013-14 budget year the college employed a combination of strategies to balance the budget. Employees received modest compensation increases, vacant positions were held open, capital investment and maintenance expenses were reduced, enterprise and auxiliary funds provided additional support to the general fund, and students absorbed an increase in tuition. As mentioned previously, additional mid-year strategies were implemented to significantly reduce part-time and materials and services expenditures. The college planned to use \$2.78 million in fund balance and will likely use closer to \$3.3 million due to the enrollment decline of more than 10% over planned enrollment levels.

**2014-15 Budget Assumptions**

Revenues from total public resources include an estimated \$32,977,000 from the state Community College Support Fund and an estimated \$16,400,000 in property taxes for a total of \$49,377,000. Because the funding distribution formula includes 100% of Lane's property taxes, state and property tax revenues must be considered together in budget development and are shown in the "Total Public Resources" line item.

The proposed budget is based on a tuition rate of \$98.00 per credit hour. This represents a \$5.00 increase over the 2013-14 tuition rate. \$2.00 of this increase was approved by the Board of Education in December 2013 as part of the college's standard indexing to the Higher Education Price Index (HEPI). The additional \$3.00 increase was part of a consensus budget balancing option by the college's Budget and Finance Subcommittee<sup>1</sup> and was included in the proposed budget at the direction of the Board of Education.

Enrollment is estimated to decline another 12% in 2014-15, to pre-recession FTE of 11,000. Tuition, student fees, and part-time staffing budgets have been adjusted to reflect this reduced enrollment level.

**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 2011 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.

**2014-15 Budget Development Process**

The budget development process began in the fall with our annual process of department-level review and unit planning. Planning work has been further enhanced this year by our immersion in our accreditation self-study process and by the development of enhanced analysis and reporting tools for evaluating sections and staffing levels relative to tuition. Unit planning and program and service review has continued through the winter and spring.

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<sup>1</sup> The Budget and Finance Subcommittee is a subcommittee of College Council within the college's Governance System.



Communications have gone out to all staff regularly since fall term, with information about the budget outlook, balancing measures and strategies, timeline and opportunities for information and feedback. All campus budget conversations were held in the Center for Meeting and Learning, in January and April and the budget web site includes a wealth of information, responses to information requests and a blog for suggestions, questions and answers.

The Budget and Finance Subcommittee of College Council conducted its work of developing criteria for budget allocations and receiving and reviewing budget allocation recommendations during February, March and April resulting in a consensus<sup>2</sup> balancing proposal on April 28, 2014.

### General Fund Budget for Fiscal Year 2014-15

This budget reflects the reality of a difficult transition from public funding to a combination of public and private funding sources. Our expenses must be firmly linked to and limited by revenue to provide a financially sustainable model for the reliable and comprehensive access to education that 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, the 2014-15 budget will also continue significant budget reductions from previous years in maintenance, materials and services, and equipment replacement. Investment in each of these areas is already below levels needed for long term sustainability in facilities and equipment.

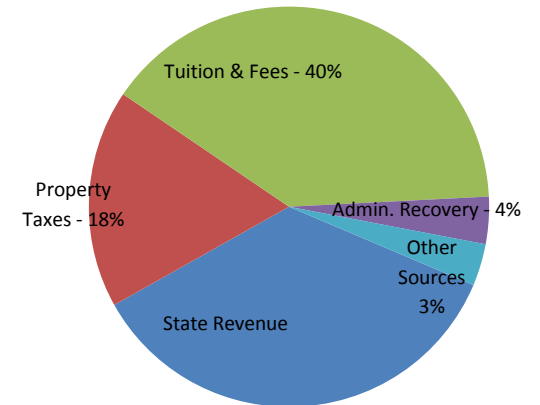
The General Fund and Special Revenue – Administratively Restricted Fund proposed budgets are balanced based upon the administrative balancing options shared with the Board of Education at the April 28, 2014 meeting. These options include one-time withholding of capital outlay and major maintenance allocations, new administrative recovery revenue from bookstore and International Programs enterprise activities, additional reductions in materials and services, holding vacant positions open, additional reductions in part-time faculty and classified staff, enrollment attrition savings, efficiencies and restructuring and closure of the college's laundry.

The proposed General Fund budget for 2014-15 is \$91,859,791, an 8.2% decrease from the 2013-14 budget. Budgeted tuition and fee revenues are \$36.9 million, \$5.6 million or 13% lower than budgeted in 2013-14 even with tuition rate increases. These are partially offset by receipt of both years of the legislative special session funding in 2014-15 and by implementation of new administrative recovery models with enterprise activities.

<sup>2</sup> Not all constituent groups participated in the consensus vote

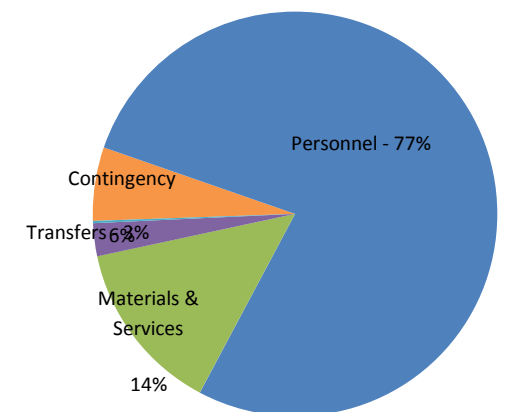
### FY15 Proposed Budget Resources

#### General Fund I



### FY15 Proposed Budget Expenditures

#### General Fund I



Even with the substantial reductions in part-time faculty and staff and savings realized from enrollment attrition adjustments and holding vacant positions open, contracted and part-time compensation and benefits continue to constitute the majority of the general fund budget, approximately 77% as proposed. Capital outlay has been withheld for the second year as a short term balancing measure.

The proposed budget for the Special Revenue Administratively Restricted Fund IX is \$17,651,542, a 1.6% increase over the 2013-14 budget, which reflects efficiencies and restructuring work done with our Flight Technology, Child Development Center, Continuing Education and Business Development Center. Net working capital is fully budgeted in Fund IX.

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 fiscal year 2014-15 in all funds. Significant changes in other funds include an increase in the Debt Service Fund to provide for required principal and interest payments, a decrease in the Financial Aid Fund related to decreased enrollment and awards, and a decrease in the Special Revenue Fund due to reduced grant activity. None of these changes create 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 2014-15 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,

Brian Kelly  
Vice President for College Services

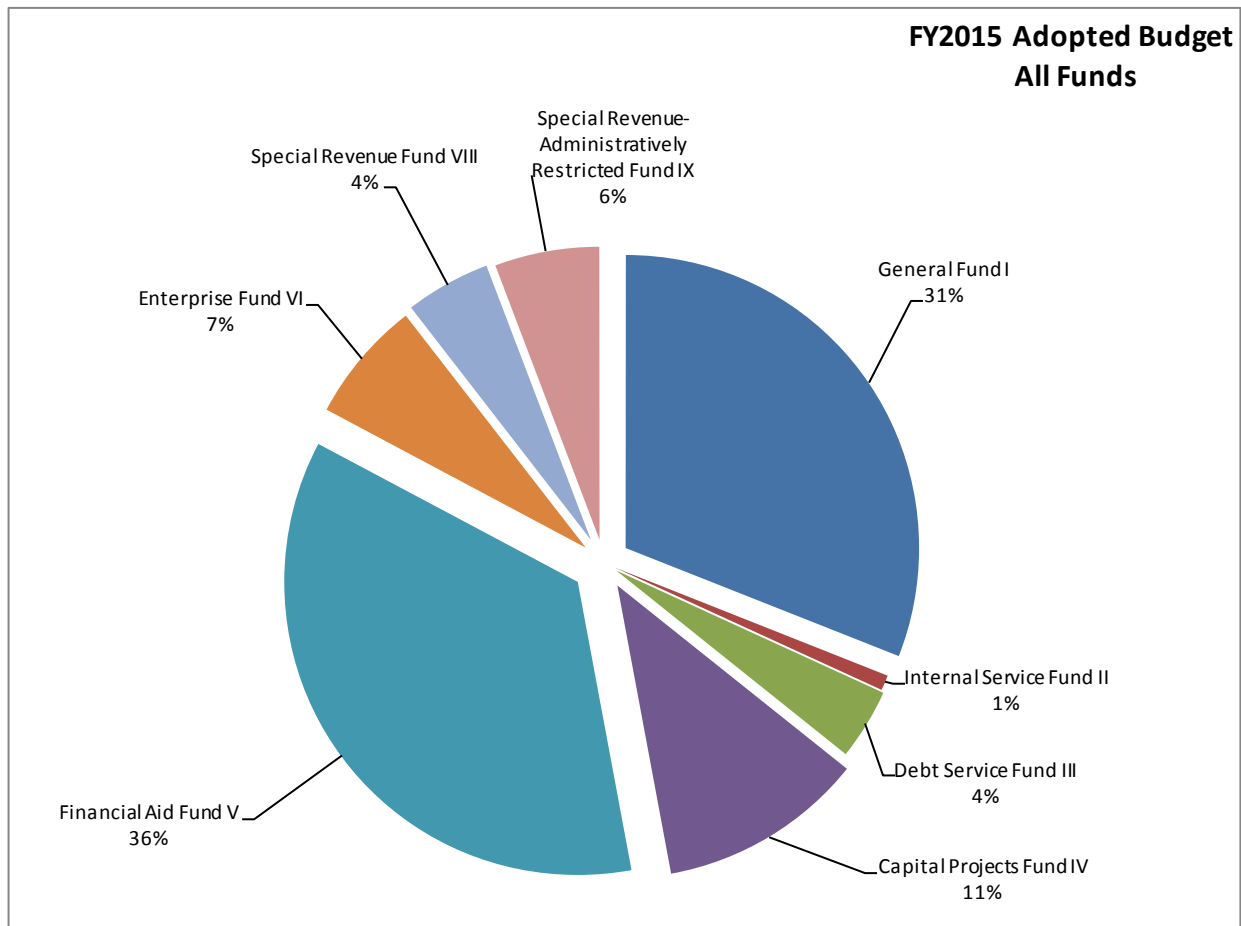
<b>TOTAL BUDGET: ALL FUNDS</b>	
General Fund (I)	\$94,759,791
Internal Services Fund (II)	2,549,000
Debt Service Fund (III)	11,902,379
Capital Projects Fund (IV)	34,590,587
Financial Aid Fund (V)	109,176,191
Enterprise Fund (VI)	20,548,987
Special Revenue Fund (VIII)	14,378,306
Special Revenue: Admin Restricted (IX)	17,651,542
<b>Total All Funds</b>	<b>\$ 305,556,783</b>



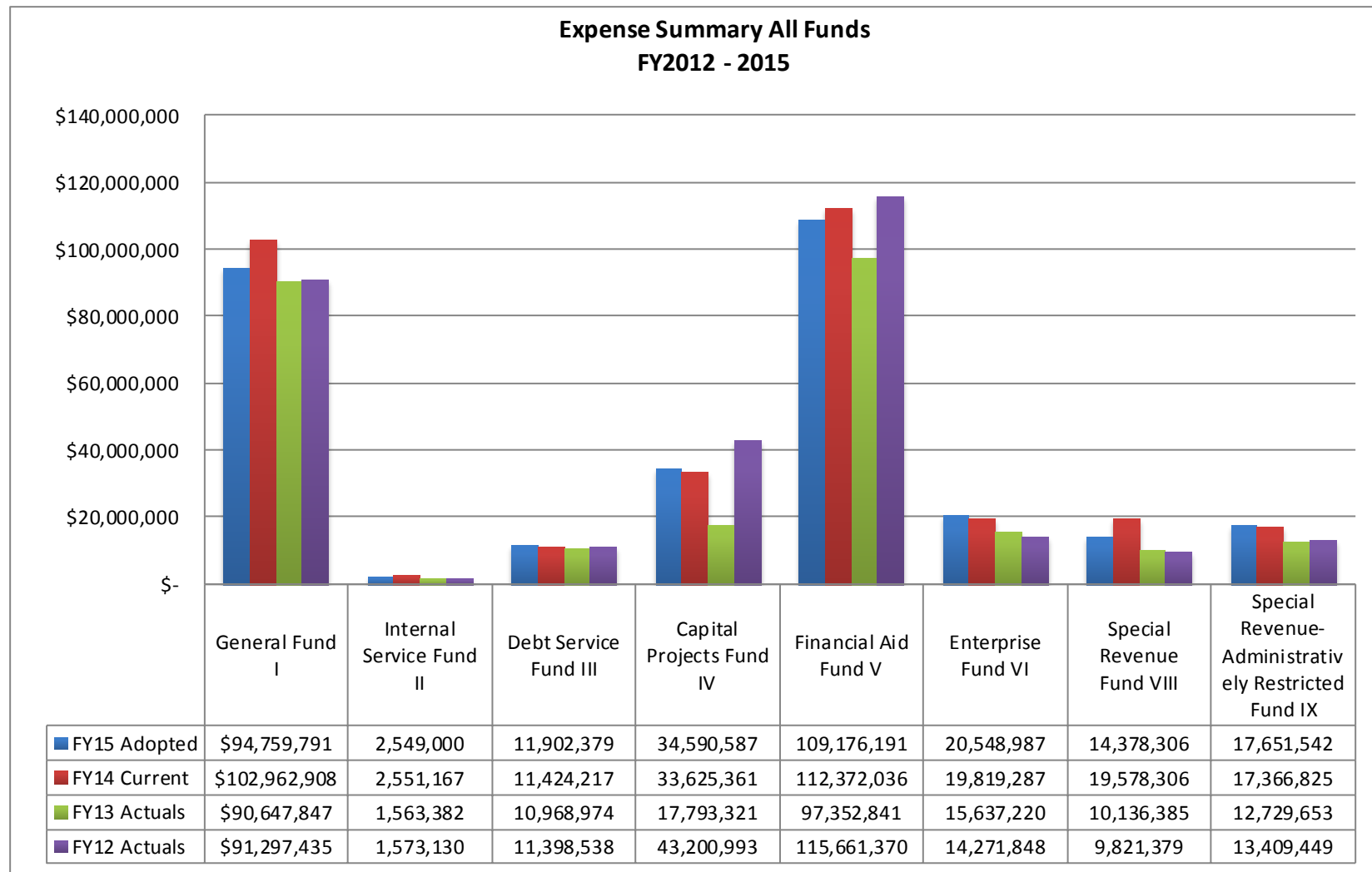
# **BUDGET SCHEDULES**

## Summary All Funds

	<b>Fiscal Year 2014-2015 ADOPTED Budget</b>	Fiscal Year 2014-2015 APPROVED Budget	Fiscal Year 2014-2015 PROPOSED Budget	Fiscal Year 2013-2014 CURRENT Budget	Fiscal Year 2012-2013 ACTUAL Amounts	Fiscal Year 2011-2012 ACTUAL Amounts
General Fund I	<b>\$ 94,759,791</b>	\$ 94,759,791	\$ 94,759,791	\$ 102,962,908	\$ 90,647,847	\$ 91,297,435
Internal Service Fund II	<b>2,549,000</b>	2,549,000	2,549,000	2,551,167	1,563,382	1,573,130
Debt Service Fund III	<b>11,902,379</b>	11,902,379	11,902,379	11,424,217	10,968,974	11,398,538
Capital Projects Fund IV	<b>34,590,587</b>	34,590,587	34,590,587	33,625,361	17,793,321	43,200,993
Financial Aid Fund V	<b>109,176,191</b>	109,176,191	109,176,191	112,372,036	97,352,841	115,661,370
Enterprise Fund VI	<b>20,548,987</b>	20,548,987	20,548,987	19,819,287	15,637,220	14,271,848
Special Revenue Fund VIII	<b>14,378,306</b>	14,378,306	14,378,306	19,578,306	10,136,385	9,821,379
Special Revenue-Administratively Restricted Fund IX	<b>17,651,542</b>	17,651,542	17,651,542	17,366,825	12,729,653	13,409,449
<b>Total</b>	<b>\$ 305,556,783</b>	<b>\$ 305,556,783</b>	<b>\$ 305,556,783</b>	<b>\$ 319,700,107</b>	<b>\$ 256,829,623</b>	<b>\$ 300,634,142</b>



As in years past, the General Fund and the Financial Aid Fund are our two largest budgeted funds comprising 31% and 36% respectively



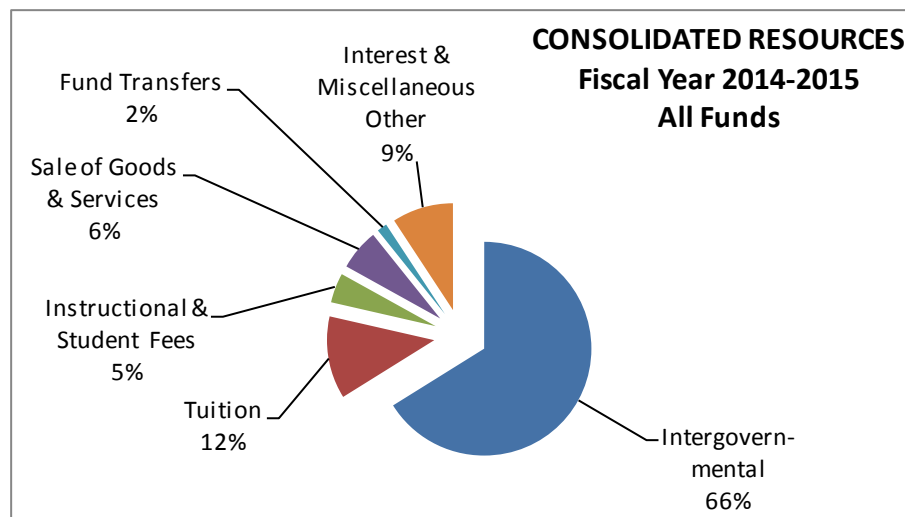
The majority of funds in the College's budget have been decreased significantly for FY2015 as a result of decreased enrollment. .

## Consolidated Resources & Requirements – All Funds

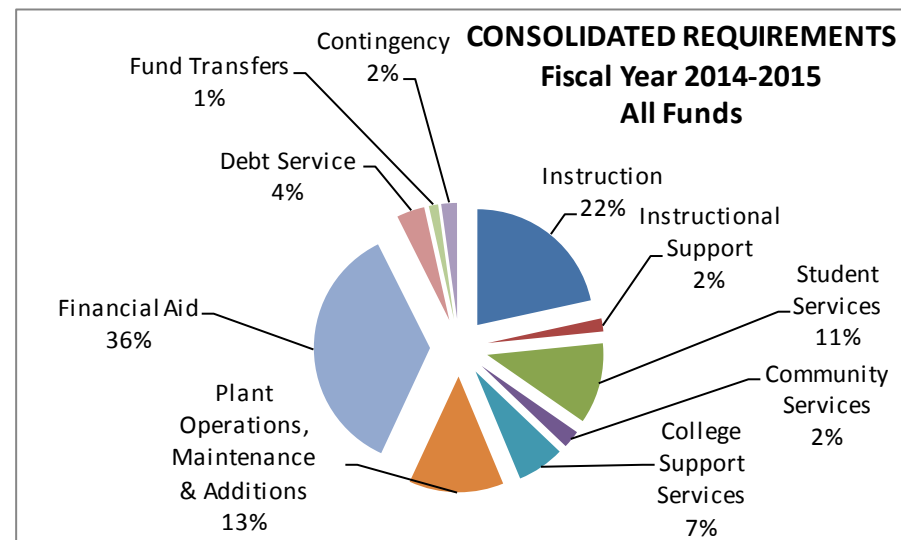
	Fiscal Year 2014-2015 ADOPTED Budget	Fiscal Year 2014-2015 APPROVED Budget	Fiscal Year 2014-2015 PROPOSED Budget	Fiscal Year 2013-2014 CURRENT Budget	Fiscal Year 2012-2013 ACTUAL Amounts	Fiscal Year 2011-2012 ACTUAL Amounts
<b>SUMMARY OF ALL FUNDS</b>						
<b>Resources</b>						
Intergovernmental	\$ 173,141,301	\$ 173,141,301	\$ 173,141,301	\$ 176,806,624	\$ 144,900,049	\$ 180,388,616
Tuition & Fees						
Tuition	32,701,550	32,701,550	32,701,550	38,009,712	35,966,249	37,747,113
Instructional & Student Fees	11,772,269	11,772,269	11,772,269	12,316,676	10,486,225	10,843,143
Other Sources:						
Sale of Goods & Services	16,183,187	16,183,187	16,183,187	15,911,300	14,501,949	15,895,912
Interest Income	434,000	434,000	434,000	284,000	385,803	673,004
Rents, Contracts, Gifts, Donations, Bad Debt Recovery	23,737,736	23,737,736	23,737,736	20,965,591	17,153,138	22,653,970
Proceeds from Sale of Bonds	-	-	-	-	45,760,217	-
Fund Transfers	3,952,507	3,952,507	3,952,507	5,074,416	5,515,052	12,007,687
Total Current Operating Resources	<u>\$ 261,922,550</u>	<u>\$ 261,922,550</u>	<u>\$ 261,922,550</u>	<u>\$ 269,368,319</u>	<u>\$ 274,668,682</u>	<u>\$ 280,209,445</u>
<b>Requirements By Function:</b>						
Instruction	\$ 65,903,378	\$ 65,903,378	\$ 65,903,378	\$ 73,751,905	\$ 61,434,243	\$ 59,193,591
Instructional Support	5,601,228	5,601,228	5,601,228	5,576,433	5,499,565	4,879,736
Student Services	34,471,587	34,471,587	34,471,587	34,043,303	27,315,117	26,790,775
Community Services	7,525,370	7,525,370	7,525,370	9,531,370	6,708,611	6,413,811
College Support Services	20,083,606	20,083,606	20,083,606	20,003,858	18,015,463	16,868,704
Plant Operation & Maintenance	7,050,044	7,050,044	7,050,044	8,239,414	8,095,871	8,257,266
Plant Additions	33,246,087	33,246,087	33,246,087	31,726,768	15,998,518	39,162,664
Financial Aid	109,126,191	109,126,191	109,126,191	112,372,036	97,302,841	115,661,370
Debt Service	11,902,379	11,902,379	11,902,379	11,424,217	10,968,974	11,398,538
Fund Transfers	3,952,507	3,952,508	3,952,508	4,878,787	5,490,420	12,007,687
Contingency	6,694,405	6,694,405	6,694,405	8,152,016	-	-
Total Current Operating Requirements	<u>\$ 305,556,783</u>	<u>\$ 305,556,782</u>	<u>\$ 305,556,782</u>	<u>\$ 319,700,107</u>	<u>\$ 256,829,623</u>	<u>\$ 300,634,142</u>
<b>Excess (deficit) Current Resources</b>	<u>\$ (43,634,233)</u>	<u>\$ (43,634,233)</u>	<u>\$ (43,634,233)</u>	<u>\$ (50,331,788)</u>	<u>\$ 17,839,059</u>	<u>\$ (20,424,697)</u>
<b>Beginning Fund Balance</b>	<u>43,634,233</u>	<u>43,634,233</u>	<u>43,634,233</u>	<u>50,331,788</u>	<u>41,488,259</u>	<u>62,799,717</u>
<b>Ending Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,327,318</u>	<u>\$ 42,375,020</u>

Lane Community College FY2015 Budget and Fund Structure							
Fund I General Fund \$94,759,791	Fund IX Special Revenue Admin Restricted \$17,651,542	Fund II Internal Service Fund \$2,549,000	Fund III Debt Service Fund \$11,902,379	Fund IV Capital Projects Fund \$34,590,587	Fund V Financial Aid Fund \$109,176,191	Fund VI Enterprise Fund \$20,548,987	Fund VIII Special Revenue Fund \$14,378,306
Transfers: \$2,515,514	Transfers: \$269,956	Transfers: \$3,500			Transfers: \$50,000	Transfers: \$1,109,537	Transfers: \$4,000
Instruction \$49,629,873	Instruction \$8,573,505	Employee Wellness Program \$148,300	Flight Service Technology Debt Service \$23,867	Information Technology LASR Project \$434,000	College Workstudy \$826,524	Student Services Bookstore \$10,449,999	Instruction \$7,700,000
Instructional Support \$5,391,610	Instructional Support \$159,618	Motor Pool \$67,500	Qualified Energy Conservation Bonds \$142,370	Plant Operations FM&P \$910,500	Financial Aid \$108,299,667	Student Services Downtown Housing \$992,395	Instructional Support \$50,000
Student Services \$9,234,698	Student Services \$4,422,439	Printing & Graphics \$1,075,000	General Obligation Bonds 2012 \$3,742,375	Bond Project \$33,081,598		Student Services Foodservices \$2,973,755	Student Services \$1,400,000
College Support Services \$15,154,147	Community Services (KLCC) \$2,401,064	Telephone Services \$836,700	Recovery Zone Bonds 2010 \$776,442	Plant Additions FM&P \$90,000		Student Services Hospitality & Conference Services \$923,301	Community Services \$5,124,306
Plant Operation & Maintenance FM&P \$6,139,544	College Support Services \$1,824,960	Warehouse Services \$418,000	General Obligation Bonds 2009 \$2,988,075	Longhouse Project \$74,489		Student Services International Student Program \$4,075,000	College Support Services \$100,000
Contingency \$3,794,405: UEFB \$2,900,000			Pension Obligation Bonds \$4,229,250			College Support Services Laundry \$25,000	
Instruction	Instructional Support	College Support Services	Debt Service	Community Services	Bond Items	Plant Operations	
Student Services							





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 \$109,000,000, Financial Aid continues to be the largest expenditure area in the college budget.

## Schedule of Interfund Transfers

	Revenues	Expenditures	Remarks
<b>GENERAL FUND I</b>			
To Internal Service Fund II	\$	\$ 354,435	Employee Wellness \$145,300; Telecommunications \$209,135
To Debt Service Fund III		142,370	Qualified Energy Conservation Loan
To Capital Projects Fund IV		769,000	Major Maintenance \$750,000; \$19,000 Distance Learning
To Special Revenue-Administratively Restricted Fund IX		1,249,709	Athletics \$285,246; Child & Family Education \$504,249; KLCC \$197,564; Specialized Support Services \$100,000; Torch \$87,650; High School Connections \$15,000; Flight Technology \$60,000
From Internal Service Fund II	3,500		Transfer authority contingency
From Financial Aid Fund V	50,000		Financial Aid transfer
From Enterprise Fund VI	332,095		Center for Meeting & Learning \$95,850; Foodservices \$86,245; Housing Program/Public Safety \$100,000; Titan Store \$50,000
From Special Revenue Fund VIII	4,000		Transfer authority contingency
From Special Revenue-Administratively Restricted Fund IX	21,600		ASLCC cultural programs \$3,600; Open Educational Resources Lead \$18,000
TOTAL	\$ 411,195	\$ 2,515,514	
<b>INTERNAL SERVICE FUND II</b>			
To General Fund I	\$	\$ 3,500	Transfer authority contingency
From General Fund I	354,435		Employee Wellness \$145,300; Telecommunications \$209,135
TOTAL	\$ 354,435	\$ 3,500	
<b>DEBT SERVICE FUND III</b>			
From General Fund I	\$ 142,370		Qualified Energy Conservation Loan
From Enterprise Fund VI	776,442		Recovery Zone Bonds
From Special Revenue-Administratively Restricted Fund IX	23,867		Debt Service for Flight Technology Loan
TOTAL	\$ 942,679	\$ -	

- Continued -

**SCHEDULE OF INTERFUND TRANSFERS**

	<u>Revenues</u>	<u>Expenditures</u>	<u>Remarks</u>
<b>CAPITAL PROJECTS FUND IV</b>			
From General Fund I	\$ 769,000	\$ -	Major maintenance \$750,000; Distance Learning \$19,000
From Special Revenue-Administratively Restricted Fund IX	224,489		Transportation and Parking \$150,000; Longhouse \$74,489
TOTAL	<u>\$ 993,489</u>	<u>\$ -</u>	
<b>FINANCIAL AID FUND V</b>			
To General Fund	\$ -	\$ 50,000	Financial Aid transfer
TOTAL	<u>\$ -</u>	<u>\$ 50,000</u>	
<b>ENTERPRISE FUND VI</b>			
To General Fund I	\$	\$ 332,095	Center for Meeting & Learning \$95,850; Foodservices \$86,245; Housing Program/Public Safety \$100,000; Titan Store \$50,000
To Debt Service Fund III		776,442	Recovery Zone Bonds
To Special Revenue-Administratively Restricted Fund IX		1,000	Foodservices
TOTAL	<u>\$ -</u>	<u>\$ 1,109,537</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	\$	\$ 21,600	ASLCC cultural programs \$3,600; Open Educational Resources Lead \$18,000
To Debt Service Fund III		23,867	Debt Service for Flight Technology Loan
To Capital Projects Fund IV		224,489	Transportation and Parking \$150,000; Longhouse \$74,489
From General Fund I	1,249,709		Athletics \$285,246; Child & Family Education \$504,249; KLCC \$197,564; Specialized Support Services \$100,000; Torch \$87,650; High School Connections \$15,000; Flight Technology \$60,000
From Enterprise Fund VI	1,000		Foodservices
TOTAL	<u>\$ 1,250,709</u>	<u>\$ 269,956</u>	
<b>TOTAL TRANSFERS - ALL FUNDS</b>	<u><b>\$ 3,952,507</b></u>	<u><b>\$ 3,952,507</b></u>	

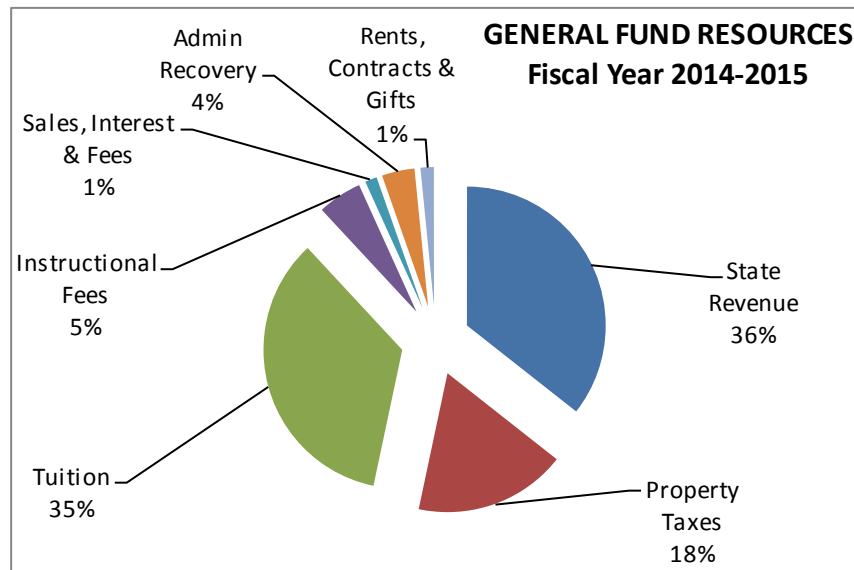


## **GENERAL FUND I**

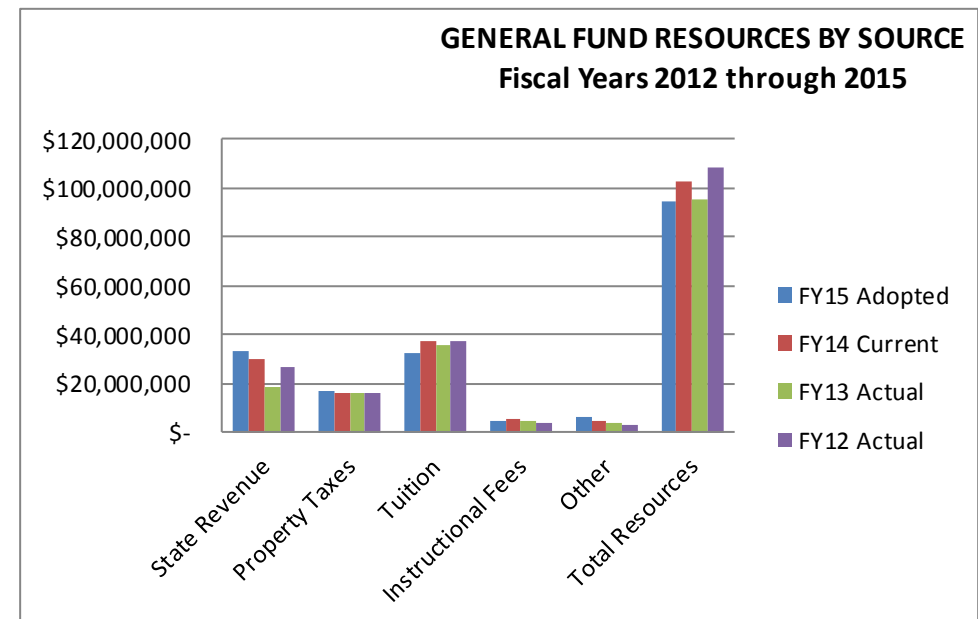
## **SPECIAL REVENUE FUND IX: ADMINISTRATIVELY RESTRICTED**

## General Fund I

	<b>Fiscal Year 2014-2015 ADOPTED Budget</b>	Fiscal Year 2014-2015 APPROVED Budget	Fiscal Year 2014-2015 PROPOSED Budget	Fiscal Year 2013-2014 CURRENT Budget	Fiscal Year 2012-2013 ACTUAL Amounts	Fiscal Year 2011-2012 ACTUAL Amounts
<b>RESOURCES</b>						
Intergovernmental*	<b>\$ 49,377,000</b>	\$ 49,377,000	\$ 49,377,000	\$ 45,695,248	\$ 34,445,243	\$ 42,681,750
Tuition & Fees:						
Tuition	<b>32,164,100</b>	32,164,100	32,164,100	37,248,312	35,483,570	37,190,216
Instructional Fees	<b>4,758,828</b>	4,758,828	4,758,828	5,272,424	4,326,637	4,035,413
Other Sources:						
Sale of Goods & Services	<b>651,916</b>	651,916	651,916	479,350	393,857	455,299
Interest Income	<b>300,000</b>	300,000	300,000	200,000	164,466	385,343
Fees	<b>336,300</b>	336,300	336,300	501,550	825,045	800,852
Administrative Recovery	<b>3,538,682</b>	3,538,682	3,538,682	2,250,000	1,128,390	557,563
Rents, Contracts, Gifts, Bad Debt Recovery, Chargebacks	<b>1,457,064</b>	1,457,064	1,457,064	1,473,478	972,495	752,809
Transfer In Internal Service Fund II	<b>3,500</b>	3,500	3,500	3,500	1,000	3,088
Transfer In Capital Projects Fund IV	-	-	-	-	30,242	-
Transfer In Financial Aid Fund V	<b>50,000</b>	50,000	50,000	-	50,000	148,149
Transfer In Enterprise Fund VI	<b>332,095</b>	332,095	332,095	274,085	910,859	149,559
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>21,600</b>	21,600	21,600	3,600	21,600	23,510
Total Operating Revenues	<b>\$ 92,995,085</b>	\$ 92,995,085	\$ 92,995,085	\$ 93,405,547	\$ 78,753,404	\$ 87,183,551
Beginning Fund Balance	<b>1,764,706</b>	1,764,706	1,764,706	9,557,361	16,447,343	21,398,566
<b>TOTAL RESOURCES</b>	<b>\$ 94,759,791</b>	<b>\$ 94,759,791</b>	<b>\$ 94,759,791</b>	<b>\$102,962,908</b>	<b>\$ 95,200,747</b>	<b>\$108,582,117</b>
* State Revenue	\$ 32,977,000	\$ 32,977,000	\$ 32,977,000	\$ 29,695,248	\$ 18,152,938	\$ 26,935,270
* Property Taxes	16,400,000	16,400,000	16,400,000	16,000,000	16,292,305	15,746,480



With the continuing disinvestment from the state, tuition revenue now comprises the largest General Fund resource.



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

**GENERAL FUND I**

	<b>Fiscal Year 2014-2015 ADOPTED Budget</b>	Fiscal Year 2014-2015 APPROVED Budget	Fiscal Year 2014-2015 PROPOSED Budget	Fiscal Year 2013-2014 CURRENT Budget	Fiscal Year 2012-2013 ACTUAL Amounts	Fiscal Year 2011-2012 ACTUAL Amounts
<b>EXPENDITURES AND REQUIREMENTS</b>						
<b>Instruction</b>						
Academic Learning Skills	\$ 2,069,507	\$ 2,069,507	\$ 2,069,507	\$ 1,837,183	\$ 2,276,242	\$ 2,237,615
Adult Basic and Secondary Education	1,997,102	1,997,102	1,997,102	1,890,911	1,584,000	1,605,975
Advanced Technologies	3,525,757	3,525,757	3,525,757	3,233,719	3,054,917	2,946,977
Art & Applied Design	2,760,655	2,760,655	2,760,655	2,529,070	3,165,119	2,986,325
Business & Computer Information Technology	3,553,911	3,553,911	3,553,911	2,973,862	3,574,508	3,259,644
Community Education^	854,355	854,355	854,355	2,676,375	2,374,608	2,191,121
Cooperative Education	1,705,844	1,705,844	1,705,844	1,989,029	1,862,034	1,722,409
Culinary Arts & Hospitality	782,379	782,379	782,379	744,844	792,973	722,748
English as a Second Language	1,375,553	1,375,553	1,375,553	1,440,943	1,444,365	1,227,334
Health & Physical Education	2,782,637	2,782,637	2,782,637	2,901,331	2,860,648	2,691,654
Health Professions	7,314,080	7,314,080	7,314,080	6,257,400	6,951,239	6,083,235
Lane Community College at Cottage Grove	479,787	479,787	479,787	475,994	632,563	753,581
Lane Community College at Florence	642,180	642,180	642,180	582,795	584,603	620,200
Language, Literature and Communication	6,330,372	6,330,372	6,330,372	5,863,291	6,410,189	6,333,620
Mathematics	3,858,862	3,858,862	3,858,862	3,526,954	3,962,727	3,967,083
Music/Dance/Theatre Arts	2,042,411	2,042,411	2,042,411	1,831,740	2,124,179	2,110,610
Science	4,084,951	4,084,951	4,084,951	3,686,028	4,215,682	4,008,777
Social Science	3,469,528	3,469,528	3,469,528	3,398,369	3,749,566	3,674,871
Special Instructional Projects	-	-	-	8,019,773	97,619	264,570
<b>Total Instruction</b>	<b>\$ 49,629,873</b>	<b>\$ 49,629,873</b>	<b>\$ 49,629,873</b>	<b>\$ 55,859,611</b>	<b>\$ 51,717,781</b>	<b>\$ 49,408,348</b>

^ Business Development Center & Continuing Education combined and renamed Community Education May, 2012

- Continued -

**GENERAL FUND I**

	<b>Fiscal Year 2014-2015 ADOPTED Budget</b>	<b>Fiscal Year 2014-2015 APPROVED Budget</b>	<b>Fiscal Year 2014-2015 PROPOSED Budget</b>	<b>Fiscal Year 2013-2014 CURRENT Budget</b>	<b>Fiscal Year 2012-2013 ACTUAL Amounts</b>	<b>Fiscal Year 2011-2012 ACTUAL Amounts</b>
<b>Instructional Support</b>						
Academic & Student Affairs Office	\$ 1,182,178	\$ 1,182,178	\$ 1,182,178	\$ 1,000,564	\$ 1,697,367	\$ 1,341,719
Academic Technology	1,450,314	1,450,314	1,450,314	1,530,833	1,401,722	1,248,705
Grant Coordination	232,884	232,884	232,884	323,661	234,780	257,912
High School Connections	209,004	209,004	209,004	266,786	287,716	248,202
Library	1,317,432	1,317,432	1,317,432	1,250,917	1,219,194	1,125,004
Professional Development - Faculty	439,613	439,613	439,613	575,827	209,555	264,879
Special Instructional Projects	560,185	560,185	560,185	401,345	333,326	259,881
<b>Total Instructional Support</b>	<b>\$ 5,391,610</b>	<b>\$ 5,391,610</b>	<b>\$ 5,391,610</b>	<b>\$ 5,349,933</b>	<b>\$ 5,383,660</b>	<b>\$ 4,746,303</b>
<b>Student Services</b>						
Conference & Culinary Services	\$ 244,522	\$ 244,522	\$ 244,522	\$ 385,122	\$ 385,949	\$ 357,235
Counseling	3,431,362	3,431,362	3,431,362	3,453,720	3,435,094	3,177,405
Disability Services	844,228	844,228	844,228	810,807	858,711	806,785
Enrollment & Student Financial Services	2,239,165	2,239,165	2,239,165	2,208,602	1,985,950	1,988,085
Financial Aid	1,037,071	1,037,071	1,037,071	1,152,541	1,103,679	967,816
High School Connections	91,130	91,130	91,130	-	-	-
Student Life & Leadership Development	728,242	728,242	728,242	654,336	671,430	616,967
Student Success Projects	120,000	120,000	120,000	-	-	-
Women's Program	498,977	498,977	498,977	479,221	508,694	509,445
<b>Total Student Services</b>	<b>\$ 9,234,698</b>	<b>\$ 9,234,698</b>	<b>\$ 9,234,698</b>	<b>\$ 9,144,349</b>	<b>\$ 8,949,507</b>	<b>\$ 8,423,739</b>

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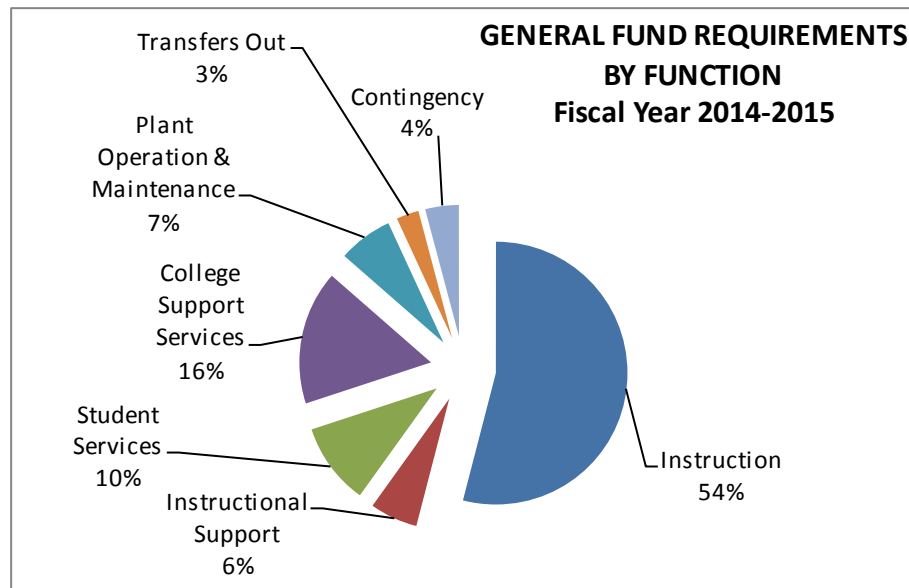
**GENERAL FUND I**

	<b>Fiscal Year 2014-2015 ADOPTED Budget</b>	<b>Fiscal Year 2014-2015 APPROVED Budget</b>	<b>Fiscal Year 2014-2015 PROPOSED Budget</b>	<b>Fiscal Year 2013-2014 CURRENT Budget</b>	<b>Fiscal Year 2012-2013 ACTUAL Amounts</b>	<b>Fiscal Year 2011-2012 ACTUAL Amounts</b>
<b>College Support Services</b>						
Archives & Records Management	\$ 38,182	\$ 38,182	\$ 38,182	\$ 37,041	\$ 44,009	\$ 39,398
Board of Education	20,000	20,000	20,000	20,000	36,229	38,478
College Finance	1,040,532	1,040,532	1,040,532	803,674	877,472	840,409
College Operations Office	1,234,642	1,234,642	1,234,642	1,462,814	1,084,392	692,113
Curriculum & Scheduling	181,007	181,007	181,007	259,198	257,520	239,946
Governance & Administration	384,190	384,190	384,190	394,190	341,105	343,765
Human Resources	1,399,037	1,399,037	1,399,037	1,399,548	1,367,006	1,315,295
Infrastructure Technology	4,303,939	4,303,939	4,303,939	4,026,601	4,292,771	3,962,135
Institutional Research, Assessment & Planning	580,416	580,416	580,416	611,166	769,251	702,489
Institute for Sustainable Practices	405,763	405,763	405,763	158,607	348,584	385,247
Lane Community College Foundation	644,281	644,281	644,281	590,472	570,221	565,205
Legal, Accounting & Administrative	1,624,500	1,624,500	1,624,500	1,664,500	1,299,129	1,713,675
Mail Services	169,148	169,148	169,148	155,767	195,931	184,467
Marketing & Public Relations	596,190	596,190	596,190	585,071	653,812	422,143
President's Office	1,166,278	1,166,278	1,166,278	1,198,642	1,204,024	1,103,042
Public Safety	1,366,041	1,366,041	1,366,041	1,202,003	1,409,504	1,187,925
<b>Total College Support Services</b>	<b>\$ 15,154,147</b>	<b>\$ 15,154,147</b>	<b>\$ 15,154,147</b>	<b>\$ 14,569,294</b>	<b>\$ 14,750,960</b>	<b>\$ 13,735,731</b>
<b>Plant Operation &amp; Maintenance</b>						
Facilities Management & Planning	\$ 6,139,544	\$ 6,139,544	\$ 6,139,544	\$ 6,839,414	\$ 6,356,101	\$ 5,837,196
<b>Total Plant Operation &amp; Maintenance</b>	<b>\$ 6,139,544</b>	<b>\$ 6,139,544</b>	<b>\$ 6,139,544</b>	<b>\$ 6,839,414</b>	<b>\$ 6,356,101</b>	<b>\$ 5,837,196</b>
<b>Financial Aid</b>						
Financial Aid Transfer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 178,500
<b>Total Financial Aid</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 178,500</b>

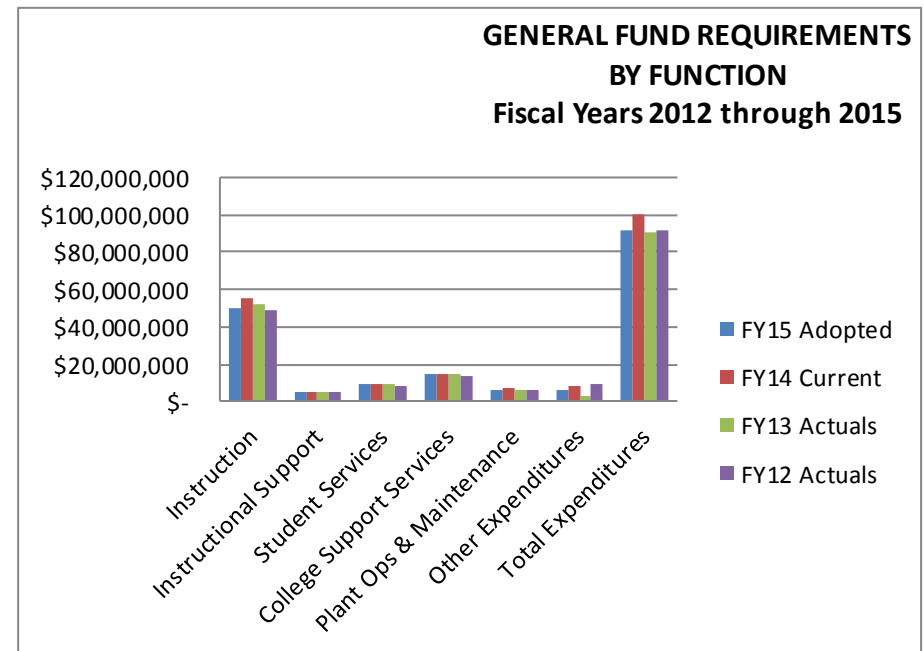
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**GENERAL FUND I**

	<b>Fiscal Year 2014-2015 ADOPTED Budget</b>	Fiscal Year 2014-2015 APPROVED Budget	Fiscal Year 2014-2015 PROPOSED Budget	Fiscal Year 2013-2014 CURRENT Budget	Fiscal Year 2012-2013 ACTUAL Amounts	Fiscal Year 2011-2012 ACTUAL Amounts
<b>Transfer Out To:</b>						
Internal Service Fund II	\$ 354,435	\$ 354,435	\$ 354,435	\$ 374,028	\$ 371,065	\$ 357,968
Debt Service Fund III	\$ 142,370	\$ 142,370	142,370	75,000	-	-
Capital Projects Fund IV	769,000	769,000	769,000	1,083,593	1,512,401	3,900,593
Enterprise Fund VI	-	-	-	-	164,539	214,257
Special Revenue-Administratively Restricted Fund IX	1,249,709	1,249,709	1,249,709	1,515,672	1,441,833	4,494,800
<b>Total Transfer Out</b>	<b>\$ 2,515,514</b>	<b>\$ 2,515,514</b>	<b>\$ 2,515,514</b>	<b>\$ 3,048,293</b>	<b>\$ 3,489,838</b>	<b>\$ 8,967,618</b>
<b>Contingency</b>						
Projects/Provisions	\$ 3,794,405	\$ 3,794,405	\$ 3,794,405	\$ 5,252,016	\$ -	\$ -
<b>Total Contingency</b>	<b>\$ 3,794,405</b>	<b>\$ 3,794,405</b>	<b>\$ 3,794,405</b>	<b>\$ 5,252,016</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Operating Expenditures</b>	<b>\$ 91,859,791</b>	<b>\$ 91,859,791</b>	<b>\$ 91,859,791</b>	<b>\$ 100,062,908</b>	<b>\$ 90,647,847</b>	<b>\$ 91,297,435</b>
Unappropriated Ending Fund Balance (UEFB)	2,900,000	2,900,000	2,900,000	2,900,000	-	-
<b>TOTAL EXPENDITURES AND REQUIREMENTS - GENERAL FUND I</b>	<b>\$ 94,759,791</b>	<b>\$ 94,759,791</b>	<b>\$ 94,759,791</b>	<b>\$ 102,962,908</b>	<b>\$ 90,647,847</b>	<b>\$ 91,297,435</b>
<b>SUMMARY OF GENERAL FUND RESOURCES AND REQUIREMENTS</b>						
Total Operating Revenues	\$ 92,995,085	\$ 92,995,085	\$ 92,995,085	\$ 93,405,547	\$ 78,753,404	\$ 87,183,551
Less: Total Operating Expenditures	(94,759,791)	(94,759,791)	(94,759,791)	(102,962,908)	(90,647,847)	(91,297,435)
Revenues over/under, Expenditures	\$ (1,764,706)	\$ (1,764,706)	\$ (1,764,706)	\$ (9,557,361)	\$ (11,442,794)	\$ (4,113,884)
Beginning Fund Balance	1,764,706	1,764,706	1,764,706	9,557,361	16,447,343	20,888,534
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,004,549</b>	<b>\$ 16,774,650</b>



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



This graph illustrates how funding levels allocated between expense functions have been relatively constant.

## General Fund Requirements By Expense Category

	Fiscal Year 2014-2015 ADOPTED Budget	Personnel Services	Materials & Services	Capital Outlay	Transfers Out	Debt Service	Contingency
<b>Instruction</b>							
Academic Learning Skills	\$ 2,069,507	\$ 2,009,532	\$ 59,975	-	-	-	-
Adult Basic and Secondary Education	1,997,102	1,932,687	64,415	-	-	-	-
Advanced Technologies	3,525,757	3,156,550	369,207	-	-	-	-
Art & Applied Design	2,760,655	2,529,762	230,893	-	-	-	-
Business & Computer Information Technologies	3,553,911	3,361,881	192,030	-	-	-	-
Community Education	854,355	854,355	-	-	-	-	-
Cooperative Education	1,705,844	1,632,469	73,375	-	-	-	-
Culinary Arts & Hospitality	782,379	631,679	150,700	-	-	-	-
English as a Second Language	1,375,553	1,337,107	38,446	-	-	-	-
Health & Physical Education	2,782,637	2,381,036	401,601	-	-	-	-
Health Professions	7,314,080	6,281,027	1,033,053	-	-	-	-
Lane Community College at Cottage Grove	479,787	427,842	51,945	-	-	-	-
Lane Community College at Florence	642,180	593,270	48,910	-	-	-	-
Language, Literature & Communication	6,330,372	6,234,396	95,976	-	-	-	-
Mathematics	3,858,862	3,794,487	64,375	-	-	-	-
Music/Dance/Theatre Arts	2,042,411	1,853,911	188,500	-	-	-	-
Science	4,084,951	3,964,901	120,050	-	-	-	-
Social Science	3,469,528	3,401,178	68,350	-	-	-	-
Special Instructional Projects	-	-	-	-	-	-	-
<b>Total Instruction</b>	<b>\$ 49,629,873</b>	<b>\$ 46,378,072</b>	<b>\$ 3,251,801</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Instructional Support</b>							
Academic & Student Affairs Office	\$ 1,182,178	\$ 1,033,764	\$ 148,415	\$ -	-	-	-
Academic Technology	1,450,314	1,267,159	183,155	-	-	-	-
Grant Coordination	232,884	228,384	4,500	-	-	-	-
High School Connections	209,004	195,727	13,277	-	-	-	-
Library	1,317,432	1,077,735	142,197	97,500	-	-	-
Professional Development - Faculty	439,613	-	439,613	-	-	-	-
Special Instructional Projects	560,185	113,103	447,082	-	-	-	-
<b>Total Instructional Support</b>	<b>\$ 5,391,610</b>	<b>\$ 3,915,872</b>	<b>\$ 1,378,239</b>	<b>\$ 97,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

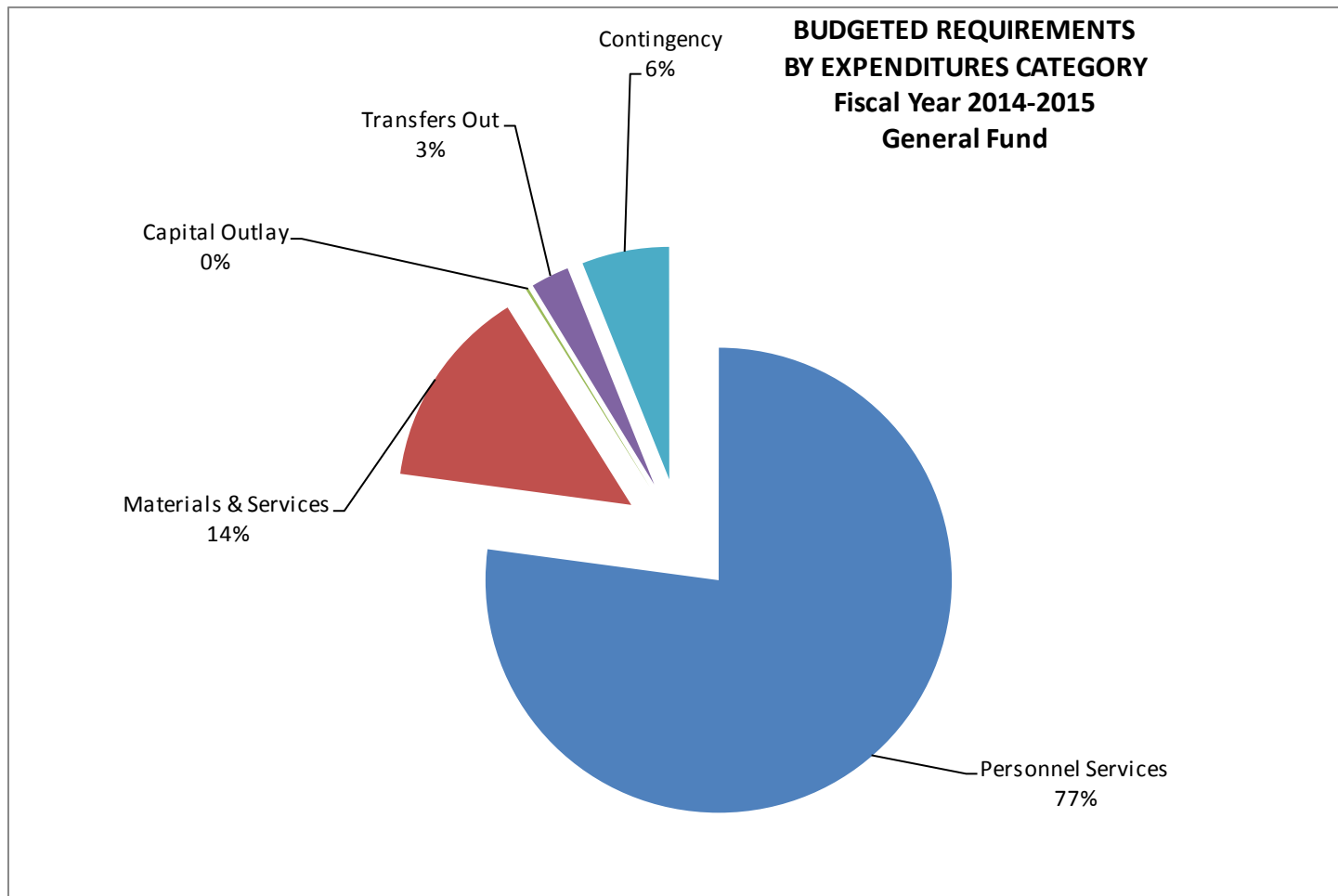
	<b>Fiscal Year 2014-2015 ADOPTED Budget</b>	<b>Personnel Services</b>	<b>Materials &amp; Services</b>	<b>Capital Outlay</b>	<b>Transfers Out</b>	<b>Debt Service</b>	<b>Contingency</b>
<b>Student Services</b>							
Conference & Culinary Services	\$ 244,522	\$ 244,522	\$ -	\$ -	\$ -	\$ -	\$ -
Counseling	3,431,362	3,236,126	195,236	-	-	-	-
Disability Resources	844,228	829,022	15,206	-	-	-	-
Enrollment & Student Financial Services	2,239,165	1,978,859	260,306	-	-	-	-
Financial Aid	1,037,071	979,171	57,900	-	-	-	-
High School Connections	91,130	91,130	-	-	-	-	-
Student Life & Leadership Development	728,242	618,242	110,000	-	-	-	-
Student Success Projects	120,000	-	120,000	-	-	-	-
Women's Program	498,977	487,427	11,550	-	-	-	-
<b>Total Student Services</b>	<b>\$ 9,234,698</b>	<b>\$ 8,464,500</b>	<b>\$ 770,198</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>College Support Services</b>							
Archives & Records Management	\$ 38,182	\$ 33,382	\$ 4,800	\$ -	\$ -	\$ -	\$ -
Board of Education	20,000	-	20,000	-	-	-	-
College Finance	1,040,532	964,669	75,863	-	-	-	-
College Services Office	1,234,642	668,155	566,487	-	-	-	-
Curriculum & Scheduling	181,007	173,632	7,375	-	-	-	-
Governance and Administration	384,190	-	384,190	-	-	-	-
Human Resources	1,399,037	1,067,246	331,791	-	-	-	-
Infrastructure Technology	4,303,939	2,930,927	1,299,512	73,500	-	-	-
Institutional Research, Assessment & Planning	580,416	561,776	18,640	-	-	-	-
Institute for Sustainable Practices*	405,763	303,113	102,650	-	-	-	-
Lane Community College Foundation	644,281	644,281	-	-	-	-	-
Legal, Accounting & Administrative	1,624,500	-	1,624,500	-	-	-	-
Mail Services	169,148	145,548	23,600	-	-	-	-
Marketing & Public Relations	596,190	178,390	417,800	-	-	-	-
President's Office	1,166,278	982,528	183,750	-	-	-	-
Public Safety	1,366,041	1,225,848	140,193	-	-	-	-
<b>Total College Support Services</b>	<b>\$ 15,154,147</b>	<b>\$ 9,879,496</b>	<b>\$ 5,201,151</b>	<b>\$ 73,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

- Continued -

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

	Fiscal Year 2014-2015 ADOPTED Budget	Personnel Services	Materials & Services	Capital Outlay	Transfers Out	Debt Service	Contingency
<b>Plant Operation &amp; Maintenance</b>							
Facilities Management & Planning	\$ 6,139,544	\$ 3,502,661	\$ 2,636,883	\$ -	\$ -	\$ -	\$ -
<b>Total Plant Operation &amp; Maintenance</b>	<b>\$ 6,139,544</b>	<b>\$ 3,502,661</b>	<b>\$ 2,636,883</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Transfer Out:</b>							
To Internal Services Fund II	\$ 354,435	\$ -	\$ -	\$ -	\$ 354,435	\$ -	\$ -
To Debt Service Fund III	142,370	-	-	-	142,370	-	-
To Capital Projects Fund IV	769,000	-	-	-	769,000	-	-
To Enterprise Fund VI	-	-	-	-	-	-	-
To Special Revenue-Administratively Restricted Fund	1,249,709	-	-	-	1,249,709	-	-
<b>Total Transfer Out</b>	<b>\$ 2,515,514</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,515,514</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Contingency</b>							
Projects/Provisions	\$ 3,794,405	\$ 954,055					\$ 2,840,350
Unappropriated Ending Fund Balance (UEFB)	2,900,000	-	-	-	-	-	2,900,000
<b>Total Contingency</b>	<b>6,694,405</b>	<b>\$ 954,055</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,740,350</b>
<b>Total - General Fund Functions</b>	<b>\$ 94,759,791</b>	<b>\$ 73,094,656</b>	<b>\$ 13,238,272</b>	<b>\$ 171,000</b>	<b>\$ 2,515,514</b>	<b>\$ -</b>	<b>\$ 5,740,350</b>
<b><u>SUMMARY OF GENERAL FUND RESOURCES AND REQUIREMENTS</u></b>							
Total Operating Revenues	\$ 92,995,085						
Less: Total Operating Expenditures	(94,759,791)						
Revenues, over/under, Expenditures	\$ (1,764,706)						
Beginning Fund Balance	1,764,706						
<b>Ending Fund Balance</b>	<b>\$ -</b>						



Personnel Services remains the largest expenditure component.

## Special Revenue Fund IX – Administratively Restricted

	<b>Fiscal Year 2014-2015 ADOPTED Budget</b>	Fiscal Year 2014-2015 APPROVED Budget	Fiscal Year 2014-2015 PROPOSED Budget	Fiscal Year 2013-2014 CURRENT Budget	Fiscal Year 2012-2013 ACTUAL Amounts	Fiscal Year 2011-2012 ACTUAL Amounts
<b>RESOURCES</b>						
Intergovernmental	\$ 1,030,000	\$ 1,030,000	\$ 1,030,000	\$ 1,034,000	\$ 226,724	\$ 33,546
Tuition & Fees:						
Tuition	437,450	437,450	437,450	661,400	467,987	538,791
Instructional Fees	2,779,901	2,779,901	2,779,901	1,961,493	1,874,365	2,035,293
Non-Mandatory Fees	582,580	582,580	582,580	1,053,549	570,960	666,655
Other Fees & Charges	723,500	723,500	723,500	769,050	663,421	728,945
Sale of Goods and Services	1,148,771	1,148,771	1,148,771	964,850	1,910,083	2,039,085
Interest Income	9,000	9,000	9,000	9,000	4,430	3,732
Contracts, Gifts, Donations	1,519,147	1,519,147	1,519,147	1,467,553	1,402,524	1,348,959
Fees - Student Health Clinic	500,000	500,000	500,000	500,000	443,928	490,536
Fees - Technology	1,900,000	1,900,000	1,900,000	2,278,250	2,075,930	2,313,920
Fees - Transportation	1,050,960	1,050,960	1,050,960	1,050,960	1,107,328	1,208,739
Transfer In General Fund I	1,249,709	1,249,709	1,249,709	1,515,672	1,441,533	4,494,800
Transfer In Internal Services Fund II	-	-	-	1,000	-	-
Transfer In Enterprise Fund VI	1,000	1,000	1,000	1,000	-	-
Transfer Special Revenue-Administratively Restricted Fund IX	-	-	-	300,000	300	-
Total Operating Revenues	\$ 12,932,018	\$ 12,932,018	\$ 12,932,018	\$ 13,567,777	\$ 12,189,513	\$ 15,903,001
Beginning Fund Balance	4,719,524	4,719,524	4,719,524	3,799,048	10,370,780	7,614,276
<b>TOTAL RESOURCES</b>	<b>\$ 17,651,542</b>	<b>\$ 17,651,542</b>	<b>\$ 17,651,542</b>	<b>\$ 17,366,825</b>	<b>\$ 22,560,293</b>	<b>\$ 23,517,277</b>

- Continued -



**SPECIAL REVENUE FUND IX - ADMINISTRATIVELY RESTRICTED**

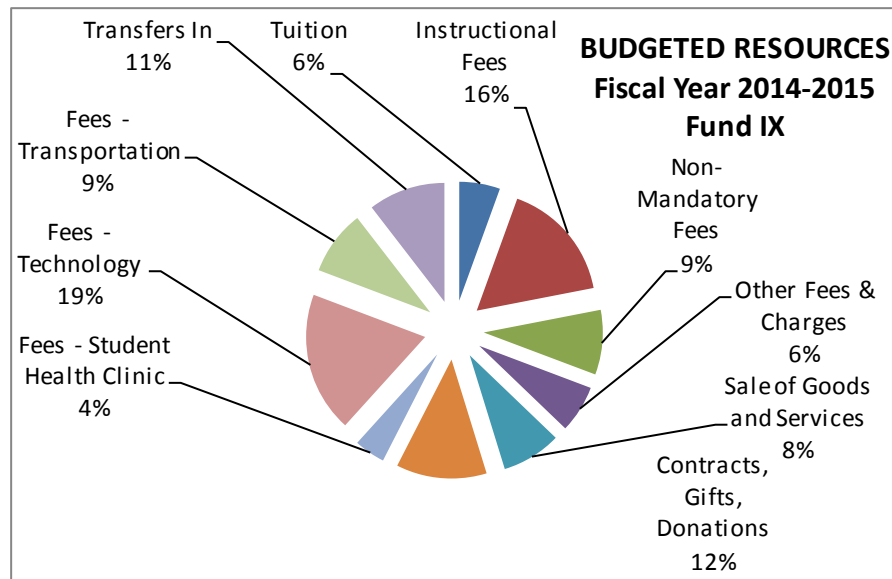
	<b>Fiscal Year 2014-2015 ADOPTED Budget</b>	Fiscal Year 2014-2015 APPROVED Budget	Fiscal Year 2014-2015 PROPOSED Budget	Fiscal Year 2013-2014 CURRENT Budget	Fiscal Year 2012-2013 ACTUAL Amounts	Fiscal Year 2011-2012 ACTUAL Amounts
<b>EXPENDITURES AND REQUIREMENTS</b>						
<b>Instruction</b>						
Advanced Technologies	\$ 4,750	\$ 4,750	\$ 4,750	\$ 6,650	\$ 11,922	\$ 7,749
Child & Family Education	367,203	367,203	367,203	312,064	350,563	306,164
Continuing Education	1,635,000	1,635,000	1,635,000	-	-	-
Contract Training	275,000	275,000	275,000	205,000	97,943	63,859
Flight Technology	1,031,268	1,031,268	1,031,268	1,229,949	1,147,939	1,337,963
Institute for Sustainable Practices*	756,000	756,000	756,000	1,126,577	830,339	765,359
Non-Reimbursed Instruction	64,473	64,473	64,473	331,804	71,873	102,013
Specialized Support Services	1,524,681	1,524,681	1,524,681	1,240,000	1,597,909	1,537,667
Student Restaurant	12,000	12,000	12,000	12,000	11,322	5,654
Technology Fee	2,903,130	2,903,130	2,903,130	2,978,250	1,794,213	2,116,248
<b>Total Instruction</b>	<b>\$ 8,573,505</b>	<b>\$ 8,573,505</b>	<b>\$ 8,573,505</b>	<b>\$ 7,442,294</b>	<b>\$ 5,914,023</b>	<b>\$ 6,242,676</b>
<b>Instructional Support</b>						
Academic & Student Affairs-TRP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 135,000
Academic Technology-TRP	55,618	55,618	55,618	76,500	11,291	39,198
OSBDCN	15,000	15,000	15,000	15,000	-	-
Regional Technical Education Consortium	89,000	89,000	89,000	85,000	100,107	79,678
<b>Total Instructional Support</b>	<b>\$ 159,618</b>	<b>\$ 159,618</b>	<b>\$ 159,618</b>	<b>\$ 176,500</b>	<b>\$ 111,398</b>	<b>\$ 253,876</b>
<b>Student Services</b>						
ASLCC	\$ 803,921	\$ 803,921	\$ 803,921	\$ 885,493	\$ 717,232	\$ 683,114
Athletics	734,028	734,028	734,028	673,165	627,716	740,593
Child & Family Education	849,546	849,546	849,546	860,167	1,031,207	1,142,844
Student Health Services	1,631,000	1,631,000	1,631,000	1,709,519	794,498	766,313
Student Productions Association	47,108	47,108	47,108	62,400	32,716	30,617
The Torch	228,652	228,652	228,652	267,391	209,804	173,539
Women's Programs	128,184	128,184	128,184	115,100	78,134	63,891
<b>Totals Student Services</b>	<b>\$ 4,422,439</b>	<b>\$ 4,422,439</b>	<b>\$ 4,422,439</b>	<b>\$ 4,573,235</b>	<b>\$ 3,491,307</b>	<b>\$ 3,600,911</b>

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

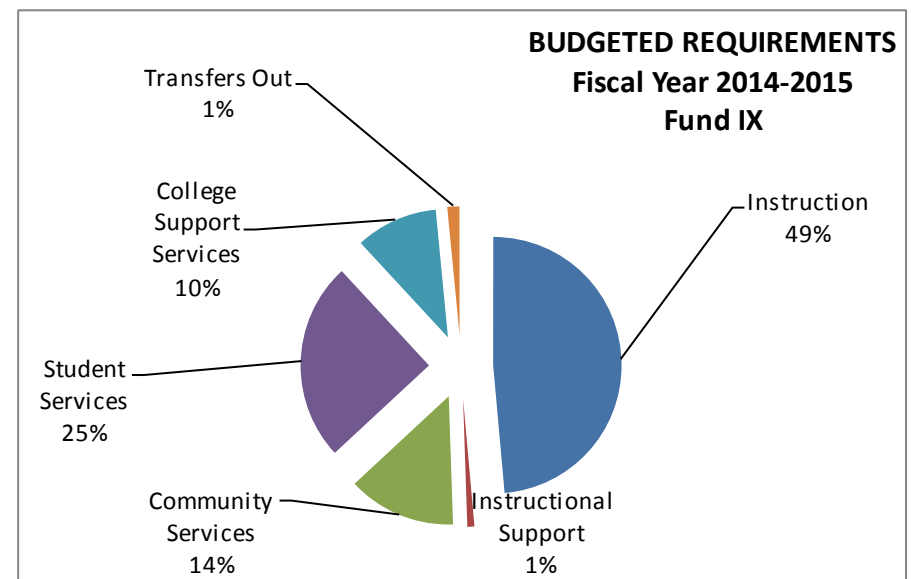
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**SPECIAL REVENUE FUND IX - ADMINISTRATIVELY RESTRICTED**

	<b>Fiscal Year 2014-2015 ADOPTED Budget</b>	Fiscal Year 2014-2015 APPROVED Budget	Fiscal Year 2014-2015 PROPOSED Budget	Fiscal Year 2013-2014 CURRENT Budget	Fiscal Year 2012-2013 ACTUAL Amounts	Fiscal Year 2011-2012 ACTUAL Amounts
<b>Community Services</b>						
KLCC FM Operations	\$ 1,701,064	\$ 1,701,064	\$ 1,701,064	\$ 1,807,064	\$ 1,592,854	\$ 1,548,385
KLCC FM Quasi-Endowment	700,000	700,000	700,000	600,000	-	100,000
<b>Total Community Services</b>	<b>\$ 2,401,064</b>	<b>\$ 2,401,064</b>	<b>\$ 2,401,064</b>	<b>\$ 2,407,064</b>	<b>\$ 1,592,854</b>	<b>\$ 1,648,385</b>
<b>College Support Services</b>						
Staff Health Clinic	\$ 504,000	\$ 504,000	\$ 504,000	\$ 673,344	\$ 265,491	\$ 296,080
Transportation	1,320,960	1,320,960	1,320,960	1,325,960	885,295	894,932
<b>Total College Support Services</b>	<b>\$ 1,824,960</b>	<b>\$ 1,824,960</b>	<b>\$ 1,824,960</b>	<b>\$ 1,999,304</b>	<b>\$ 1,150,786</b>	<b>\$ 1,191,012</b>
<b>Transfers Out:</b>						
To General Fund I	\$ 21,600	\$ 21,600	\$ 21,600	\$ 3,600	\$ 21,600	\$ 23,510
To Debt Service Fund III	23,867	23,867	23,867	25,000	-	-
To Capital Projects Fund IV	224,489	224,489	224,489	351,268	359,125	377,615
To Financial Aid Fund V	-	-	-	88,560	88,560	71,464
To Special Revenue-Admin Restricted Fund IX - KLCC			-	300,000	-	-
<b>Total Transfers Out</b>	<b>\$ 269,956</b>	<b>\$ 269,956</b>	<b>\$ 269,956</b>	<b>\$ 768,428</b>	<b>\$ 469,285</b>	<b>\$ 472,589</b>
<b>TOTAL EXPENDITURES AND REQUIREMENTS</b>	<b>\$ 17,651,542</b>	<b>\$ 17,651,542</b>	<b>\$ 17,651,542</b>	<b>\$ 17,366,825</b>	<b>\$ 12,729,653</b>	<b>\$ 13,409,449</b>
<b>SUMMARY OF SPEC REV-ADM RESTRICTED FUND</b>						
<b>RESOURCES AND REQUIREMENTS</b>						
Total Operating Revenues	\$ 12,932,018	\$ 12,932,018	\$ 12,932,018	\$ 13,567,777	\$ 12,189,513	\$ 15,903,001
Less: Total Operating Expenditures	(17,651,542)	(17,651,542)	(17,651,542)	(17,366,825)	(12,729,653)	(13,409,449)
Revenues, over/under, Expenditures	\$ (4,719,524)	\$ (4,719,524)	\$ (4,719,524)	\$ (3,799,048)	\$ (540,140)	\$ 2,493,552
Beginning Fund Balance	4,719,524	4,719,524	4,719,524	3,799,048	10,370,780	7,614,276
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,830,640</b>	<b>\$ 10,107,828</b>



Tuition and various fees and charges constitute 69% of resources to Fund IX.



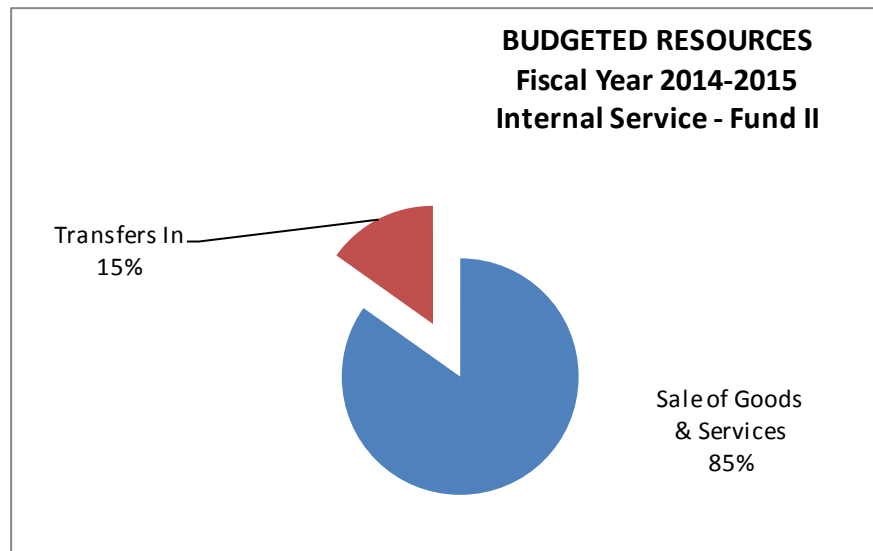
This graph shows that 89% of budgeted requirements, after excluding College Support Services and Transfers Out, are related to student support.



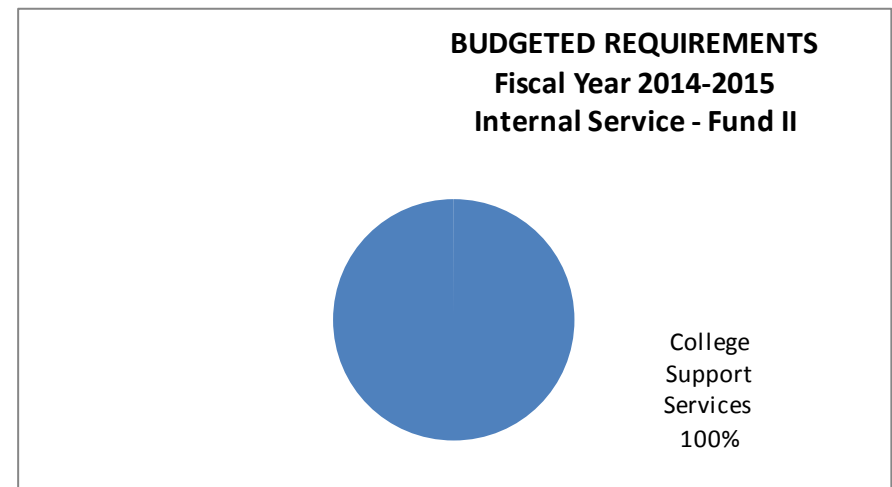
**INTERNAL SERVICE FUND II**  
**DEBT SERVICE FUND III**  
**CAPITAL PROJECTS FUND IV**  
**FINANCIAL AID FUND V**  
**ENTERPRISE FUND VI**  
**SPECIAL REVENUE FUND VIII**

## Internal Service Fund II

	<b>Fiscal Year 2014-2015 ADOPTED Budget</b>	Fiscal Year 2014-2015 APPROVED Budget	Fiscal Year 2014-2015 PROPOSED Budget	Fiscal Year 2013-2014 CURRENT Budget	Fiscal Year 2012-2013 ACTUAL Amounts	Fiscal Year 2011-2012 ACTUAL Amounts
<b>RESOURCES</b>						
Other Sources:						
Sale of Goods & Services	\$ 1,982,500	\$ 1,982,500	\$ 1,982,500	\$ 1,977,100	\$ 1,112,559	\$ 1,177,339
Transfer In General Fund I	354,435	354,435	354,435	374,028	371,065	357,968
Total Operating Revenues	\$ 2,336,935	\$ 2,336,935	\$ 2,336,935	\$ 2,351,128	\$ 1,483,624	\$ 1,535,307
Beginning Fund Balance	212,065	212,065	212,065	200,039	538,670	576,493
<b>TOTAL RESOURCES</b>	<b>\$ 2,549,000</b>	<b>\$ 2,549,000</b>	<b>\$ 2,549,000</b>	<b>\$ 2,551,167</b>	<b>\$ 2,022,294</b>	<b>\$ 2,111,800</b>
<b>EXPENDITURES AND REQUIREMENTS</b>						
<b>College Support Services</b>						
Employee Wellness Program	\$ 148,300	\$ 148,300	\$ 148,300	\$ 162,227	\$ 160,237	\$ 149,927
Motor Pool	67,500	67,500	67,500	67,500	28,547	74,078
Printing & Graphics	1,075,000	1,075,000	1,075,000	1,039,082	791,296	828,410
Telephone Services	836,700	836,700	836,700	859,858	468,745	447,420
Warehouse Services	418,000	418,000	418,000	418,000	113,557	70,207
<b>Transfer Out</b>						
To General Fund I	3,500	3,500	3,500	3,500	1,000	3,088
To Special Revenue-Administratively						
Restricted Fund IX	-	-	-	1,000	-	-
<b>TOTAL EXPENDITURES AND REQUIREMENTS</b>	<b>\$ 2,549,000</b>	<b>\$ 2,549,000</b>	<b>\$ 2,549,000</b>	<b>\$ 2,551,167</b>	<b>\$ 1,563,382</b>	<b>\$ 1,573,130</b>
<b>SUMMARY OF INTERNAL SERVICE FUND</b>						
<b>RESOURCES AND REQUIREMENTS</b>						
Total Operating Revenues	\$ 2,336,935	\$ 2,336,935	\$ 2,336,935	\$ 2,351,128	\$ 1,483,624	\$ 1,535,307
Less: Total Operating Expenditures	(2,549,000)	(2,549,000)	(2,549,000)	(2,551,167)	(1,563,382)	(1,573,130)
Revenues, over/under, Expenditures	\$ (212,065)	\$ (212,065)	\$ (212,065)	\$ (200,039)	\$ (79,758)	\$ (37,823)
Beginning Fund Balance	212,065	212,065	212,065	200,039	538,670	576,493
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 458,912</b>	<b>\$ 538,670</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.

## Debt Service Fund III

	<b>Fiscal Year 2014-2015 ADOPTED Budget</b>	Fiscal Year 2014-2015 APPROVED Budget	Fiscal Year 2014-2015 PROPOSED Budget	Fiscal Year 2013-2014 CURRENT Budget	Fiscal Year 2012-2013 ACTUAL Amounts	Fiscal Year 2011-2012 ACTUAL Amounts
<b><u>FLIGHT SERVICE TECHNOLOGY DEBT SERVICE</u></b>						
Transfer In Special Revenue-Administratively Restricted						
Fund IX	<b>\$ 23,867</b>	\$ 23,867	\$ 23,867	\$ 25,000	\$ -	\$ -
Total Operating Revenues	<b>23,867</b>	23,867	23,867	25,000	-	-
Beginning Fund Balance	-	-	-	-	-	-
<b>TOTAL RESOURCES</b>	<b>\$ 23,867</b>	<b>\$ 23,867</b>	<b>\$ 23,867</b>	<b>\$ 25,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>EXPENDITURES AND REQUIREMENTS</u></b>						
Principal Payments	<b>\$ 17,418</b>	\$ 17,418	\$ 17,418	\$ 25,000	\$ -	\$ -
Interest Expense	<b>6,449</b>	6,449	6,449	-	-	-
<b>TOTAL EXPENDITURES AND REQUIREMENTS</b>	<b>\$ 23,867</b>	<b>\$ 23,867</b>	<b>\$ 23,867</b>	<b>\$ 25,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>SUMMARY OF FLIGHT SERVICE TECHNOLOGY DEBT SERVICE</u></b>						
Total Operating Revenues	<b>\$ 23,867</b>	\$ 23,867	\$ 23,867	\$ 25,000	\$ -	\$ -
Less: Total Operating Expenditures	<b>(23,867)</b>	(23,867)	(23,867)	(25,000)	-	-
Revenues, over/under, Expenditures	<b>\$ -</b>	\$ -	\$ -	\$ -	\$ -	\$ -
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 2014-2015 ADOPTED Budget</b>	<b>Fiscal Year 2014-2015 APPROVED Budget</b>	<b>Fiscal Year 2014-2015 PROPOSED Budget</b>	<b>Fiscal Year 2013-2014 CURRENT Budget</b>	<b>Fiscal Year 2012-2013 ACTUAL Amounts</b>	<b>Fiscal Year 2011-2012 ACTUAL Amounts</b>
<b><u>QUALIFIED ENERGY CONSERVATION BONDS</u></b>						
Transfer In General Fund I	\$ 142,370	\$ 142,370	\$ 142,370	\$ 75,000	\$ -	\$ -
Total Operating Revenues	142,370	142,370	142,370	75,000	-	-
Beginning Fund Balance	-	-	-	-	-	-
<b>TOTAL RESOURCES</b>	<b>\$ 142,370</b>	<b>\$ 142,370</b>	<b>\$ 142,370</b>	<b>\$ 75,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>EXPENDITURES AND REQUIREMENTS</u></b>						
Principal Payments	\$ 80,000	\$ 80,000	\$ 80,000	\$ 75,000	\$ 75,000	\$ -
Interest Expense	62,370	62,370	62,370	-	20,137	-
<b>TOTAL EXPENDITURES AND REQUIREMENTS</b>	<b>\$ 142,370</b>	<b>\$ 142,370</b>	<b>\$ 142,370</b>	<b>\$ 75,000</b>	<b>\$ 95,137</b>	<b>\$ -</b>
<b><u>SUMMARY OF QUALIFIED ENERGY CONSERVATION BONDS</u></b>						
Total Operating Revenues	\$ 142,370	\$ 142,370	\$ 142,370	\$ 75,000	\$ -	\$ -
Less: Total Operating Expenditures	(142,370)	(142,370)	(142,370)	(75,000)	(95,137)	-
Revenues, over/under, Expenditures	\$ -	\$ -	\$ -	\$ -	\$ (95,137)	\$ -
Beginning Fund Balance	-	-	-	-	-	-
<b>Ending Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (95,137)</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 2014-2015 ADOPTED Budget</b>	Fiscal Year 2014-2015 APPROVED Budget	Fiscal Year 2014-2015 PROPOSED Budget	Fiscal Year 2013-2014 CURRENT Budget	Fiscal Year 2012-2013 ACTUAL Amounts	Fiscal Year 2011-2012 ACTUAL Amounts
<b>GENERAL OBLIGATION BONDS, 2012</b>						
<b>RESOURCES</b>						
Intergovernmental (Property Taxes)	<b>\$ 3,742,375</b>	\$ 3,742,375	\$ 3,742,375	\$ 1,566,850	\$ -	\$ -
Total Operating Revenues	<b>3,742,375</b>	3,742,375	3,742,375	1,566,850	-	-
Beginning Fund Balance	-	-	-	-	-	-
<b>TOTAL RESOURCES</b>	<b>\$ 3,742,375</b>	\$ 3,742,375	\$ 3,742,375	\$ 1,566,850	\$ -	\$ -
<b>EXPENDITURES AND REQUIREMENTS</b>						
Principal Payments	<b>\$ 2,220,000</b>	\$ 2,220,000	\$ 2,220,000	\$ 1,566,850	\$ 210,000	\$ -
Interest Expense	<b>1,522,375</b>	1,522,375	1,522,375	-	1,334,097	-
<b>TOTAL EXPENDITURES AND REQUIREMENTS</b>	<b>\$ 3,742,375</b>	\$ 3,742,375	\$ 3,742,375	\$ 1,566,850	\$ 1,544,097	\$ -
<b>SUMMARY OF GENERAL OBLIGATION BONDS, 2012</b>						
Total Operating Revenues	<b>\$ 3,742,375</b>	\$ 3,742,375	\$ 3,742,375	\$ 1,566,850	\$ -	\$ -
Less: Total Operating Expenditures	<b>(3,742,375)</b>	(3,742,375)	(3,742,375)	(1,566,850)	(1,544,097)	-
Revenues, over/under, Expenditures	<b>\$ -</b>	\$ -	\$ -	\$ -	\$ (1,544,097)	\$ -
Beginning Fund Balance	-	-	-	-	-	-
<b>Ending Balance</b>	<b>\$ -</b>	\$ -	\$ -	\$ -	\$ (1,544,097)	\$ -

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 2014-2015 ADOPTED Budget</b>	Fiscal Year 2014-2015 APPROVED Budget	Fiscal Year 2014-2015 PROPOSED Budget	Fiscal Year 2013-2014 CURRENT Budget	Fiscal Year 2012-2013 ACTUAL Amounts	Fiscal Year 2011-2012 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>	776,442	776,442	776,442	539,196	-
Total Operating Revenues	<b>776,442</b>	776,442	776,442	776,442	539,196	1,218,184
Beginning Fund Balance	-	-	-	-	179,742	(319,524)
<b>TOTAL RESOURCES</b>	<b>\$ 776,442</b>	<b>\$ 776,442</b>	<b>\$ 776,442</b>	<b>\$ 776,442</b>	<b>\$ 718,938</b>	<b>\$ 898,660</b>
<b>EXPENDITURES AND REQUIREMENTS</b>						
Principal Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Expense	<b>776,442</b>	776,442	776,442	776,442	744,505	718,918
<b>TOTAL EXPENDITURES AND REQUIREMENTS</b>	<b>\$ 776,442</b>	<b>\$ 776,442</b>	<b>\$ 776,442</b>	<b>\$ 776,442</b>	<b>\$ 744,505</b>	<b>\$ 718,918</b>
<b>SUMMARY OF RECOVERY ZONE BONDS, 2010</b>						
Total Operating Revenues	<b>\$ 776,442</b>	\$ 776,442	\$ 776,442	\$ 776,442	\$ 718,938	\$ 898,660
Less: Total Operating Expenditures	<b>(776,442)</b>	(776,442)	(776,442)	(776,442)	(744,505)	(718,918)
Revenues, over/under, Expenditures	\$ -	\$ -	\$ -	\$ -	\$ (25,567)	\$ 179,742
Beginning Fund Balance	-	-	-	-	-	-
<b>Ending Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (25,567)</b>	<b>\$ 179,742</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 2014-2015 ADOPTED Budget</b>	Fiscal Year 2014-2015 APPROVED Budget	Fiscal Year 2014-2015 PROPOSED Budget	Fiscal Year 2013-2014 CURRENT Budget	Fiscal Year 2012-2013 ACTUAL Amounts	Fiscal Year 2011-2012 ACTUAL Amounts
<b>GENERAL OBLIGATION BONDS, 2009</b>						
<b>RESOURCES</b>						
Intergovernmental (Property Taxes)	\$ 2,988,075	\$ 2,988,075	\$ 2,988,075	\$ 4,956,675	\$ 6,526,131	\$ 6,959,875
Total Operating Revenues	\$ 2,988,075	\$ 2,988,075	\$ 2,988,075	\$ 4,956,675	\$ 6,526,131	\$ 6,959,875
Beginning Fund Balance	-	-	-	-	1,172,983	388,478
<b>TOTAL RESOURCES</b>	<b>\$ 2,988,075</b>	<b>\$ 2,988,075</b>	<b>\$ 2,988,075</b>	<b>\$ 4,956,675</b>	<b>\$ 7,699,114</b>	<b>\$ 7,348,353</b>
<b>EXPENDITURES AND REQUIREMENTS</b>						
Principal Payments	\$ 1,935,000	\$ 1,935,000	\$ 1,935,000	\$ 3,780,000	\$ 3,480,000	\$ 4,745,000
Interest Expense	1,053,075	1,053,075	1,053,075	1,176,675	1,280,985	1,430,370
<b>TOTAL EXPENDITURES AND REQUIREMENTS</b>	<b>\$ 2,988,075</b>	<b>\$ 2,988,075</b>	<b>\$ 2,988,075</b>	<b>\$ 4,956,675</b>	<b>\$ 4,760,985</b>	<b>\$ 6,175,370</b>
<b>SUMMARY OF GENERAL OBLIGATION BONDS, 2009</b>						
Total Operating Revenues	\$ 2,988,075	\$ 2,988,075	\$ 2,988,075	\$ 4,956,675	\$ 7,699,114	\$ 7,348,353
Less: Total Operating Expenditures	(2,988,075)	(2,988,075)	(2,988,075)	(4,956,675)	(4,760,985)	(6,175,370)
Revenues, over/under, Expenditures	\$ -	\$ -	\$ -	\$ -	\$ 2,938,129	\$ 1,172,983
Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Ending Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,938,129</b>	<b>\$ 1,172,983</b>

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**

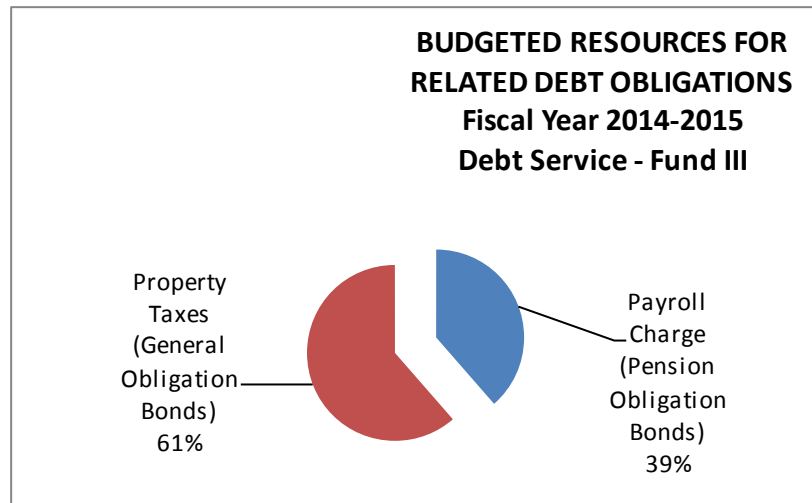
	<b>Fiscal Year 2014-2015 ADOPTED Budget</b>	Fiscal Year 2014-2015 APPROVED Budget	Fiscal Year 2014-2015 PROPOSED Budget	Fiscal Year 2013-2014 CURRENT Budget	Fiscal Year 2012-2013 ACTUAL Amounts	Fiscal Year 2011-2012 ACTUAL Amounts
<b>PENSION OBLIGATION BONDS</b>						
<b>RESOURCES</b>						
Interest Income	\$ -	\$ -	\$ -	\$ -	\$ 220	\$ 248
Revenue Allocation - Employee Fringe	<b>4,229,250</b>	4,229,250	4,229,250	4,024,250	3,824,000	3,634,250
Total Operating Revenues	<b>\$ 4,229,250</b>	<u>\$ 4,229,250</u>	<u>\$ 4,229,250</u>	<u>\$ 4,024,250</u>	<u>\$ 3,824,220</u>	<u>\$ 3,634,498</u>
Beginning Fund Balance	-	-	-	-	450,452	450,204
<b>TOTAL RESOURCES</b>	<b>\$ 4,229,250</b>	<u>\$ 4,229,250</u>	<u>\$ 4,229,250</u>	<u>\$ 4,024,250</u>	<u>\$ 4,274,672</u>	<u>\$ 4,084,702</u>
<b>EXPENDITURES AND REQUIREMENTS</b>						
Principal Payments	<b>\$ 2,700,000</b>	\$ 2,700,000	\$ 2,700,000	\$ 2,495,000	\$ 2,454,318	\$ 2,289,744
Interest Expense	<b>1,529,250</b>	1,529,250	1,529,250	1,529,250	1,369,932	1,344,506
<b>TOTAL EXPENDITURES AND REQUIREMENTS</b>	<b>\$ 4,229,250</b>	<u>\$ 4,229,250</u>	<u>\$ 4,229,250</u>	<u>\$ 4,024,250</u>	<u>\$ 3,824,250</u>	<u>\$ 3,634,250</u>
<b>SUMMARY OF PENSION OBLIGATION BONDS</b>						
Total Operating Revenues	<b>\$ 4,229,250</b>	\$ 4,229,250	\$ 4,229,250	\$ 4,024,250	\$ 4,274,672	\$ 4,084,702
Less: Total Operating Expenditures	<b>(4,229,250)</b>	(4,229,250)	(4,229,250)	(4,024,250)	(3,824,250)	(3,634,250)
Revenues, over/under, Expenditures	<b>\$ -</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 450,422</u>	<u>\$ 450,452</u>
Beginning Fund Balance	-	-	-	-	-	-
<b>Ending Balance</b>	<b>\$ -</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 450,422</u>	<u>\$ 450,452</u>

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.

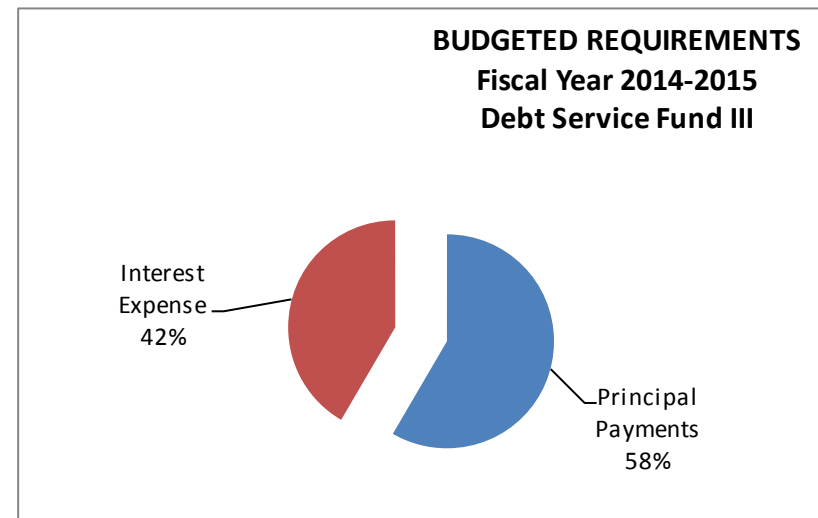
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**DEBT SERVICE FUND III**

	<b>Fiscal Year 2014-2015 ADOPTED Budget</b>	Fiscal Year 2014-2015 APPROVED Budget	Fiscal Year 2014-2015 PROPOSED Budget	Fiscal Year 2013-2014 CURRENT Budget	Fiscal Year 2012-2013 ACTUAL Amounts	Fiscal Year 2011-2012 ACTUAL Amounts
<b>GENERAL OBLIGATION BONDS, 1995*</b>						
<b>RESOURCES</b>						
Intergovernmental (Property Taxes)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Revenues	-	-	-	-	-	-
Beginning Fund Balance	-	-	-	-	-	870,000
<b>TOTAL RESOURCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 870,000</b>
<b>EXPENDITURES AND REQUIREMENTS</b>						
Principal Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Expense	-	-	-	-	-	-
Transfer Out Capital Projects Fund IV	-	-	-	-	-	870,000
<b>TOTAL EXPENDITURES AND REQUIREMENTS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 870,000</b>
<b>SUMMARY OF GENERAL OBLIGATION BONDS, 1995</b>						
Total Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Total Operating Expenditures	-	-	-	-	-	(870,000)
Revenues, over/under, Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (870,000)
Beginning Fund Balance	-	-	-	-	-	870,000
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
*Fully retired in FY2008-09						
<b>SUMMARY OF DEBT SERVICE FUND RESOURCES AND REQUIREMENTS</b>						
Total Operating Revenues	<b>\$ 11,902,379</b>	\$ 11,902,379	\$ 11,902,379	\$ 11,424,217	\$ 10,889,547	\$ 11,812,557
Less: Total Operating Expenditures	<b>(11,902,379)</b>	(11,902,379)	(11,902,379)	(11,424,217)	(10,968,974)	(11,398,538)
Revenues, over/under, Expenditures	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (79,427)</b>	<b>\$ 414,019</b>
Beginning Fund Balance	-	-	-	-	1,475,794	1,061,775
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,396,367</b>	<b>\$ 1,475,794</b>



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.



Requirements for FY2014-2015:

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

## Capital Projects Fund IV

	<b>Fiscal Year 2014-2015 ADOPTED Budget</b>	<b>Fiscal Year 2014-2015 APPROVED Budget</b>	<b>Fiscal Year 2014-2015 PROPOSED Budget</b>	<b>Fiscal Year 2013-2014 CURRENT Budget</b>	<b>Fiscal Year 2012-2013 ACTUAL Amounts</b>	<b>Fiscal Year 2011-2012 ACTUAL Amounts</b>
<b>RESOURCES</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,522,958
Other Sources:						
Interest Income	75,000	75,000	75,000	25,000	122,026	233,059
Donations, Special Allocations, Refunds	2,500	2,500	2,500	2,500	765,293	9,098,831
Proceeds from Sale of Bonds	-	-	-	-	45,760,217	-
Transfer In General Fund I	769,000	769,000	769,000	1,083,593	1,512,401	3,900,593
Transfer In Debt Service Fund III	-	-	-	-	-	870,000
Transfer In Special Revenue-Administratively	224,489	224,489	224,489	351,268	359,125	377,615
Total Operating Revenues	<u>\$ 1,070,989</u>	<u>\$ 1,070,989</u>	<u>\$ 1,070,989</u>	<u>\$ 1,462,361</u>	<u>\$ 48,519,062</u>	<u>\$ 23,003,056</u>
Beginning Fund Balance	<u>33,519,598</u>	<u>33,519,598</u>	<u>33,519,598</u>	<u>32,163,000</u>	<u>2,777,467</u>	<u>23,287,778</u>
<b>TOTAL RESOURCES</b>	<u><b>\$ 34,590,587</b></u>	<u><b>\$ 34,590,587</b></u>	<u><b>\$ 34,590,587</b></u>	<u><b>\$ 33,625,361</b></u>	<u><b>\$ 51,296,529</b></u>	<u><b>\$ 46,290,834</b></u>
<b>EXPENDITURES AND REQUIREMENTS</b>						
<b>College Support Services</b>						
Information Technology (LASR Project)	\$ 434,000	\$ 434,000	\$ 434,000	\$ 498,593	\$ 24,791	\$ 3,353
<b>Plant Operation &amp; Maintenance</b>						
Facilities Management & Planning	910,500	910,500	910,500	1,400,000	1,739,770	2,544,356
<b>Plant Additions</b>						
Bond Project*	33,081,598	33,081,598	33,081,598	31,525,000	15,980,045	38,282,259
Facilities Management & Planning	90,000	90,000	90,000	100,500	14,934	1,004,691
Health & Wellness Building	-	-	-	-	3,539	-
Longhouse Project	74,489	74,489	74,489	101,268	-	-
<b>Transfer Out:</b>						
To General Fund I	-	-	-	-	30,242	-
To Debt Service Fund III	-	-	-	-	-	1,218,184
To Capital Projects Fund IV	-	-	-	-	-	148,149
<b>TOTAL EXPENDITURES AND REQUIREMENTS</b>	<u><b>\$ 34,590,587</b></u>	<u><b>\$ 34,590,587</b></u>	<u><b>\$ 34,590,587</b></u>	<u><b>\$ 33,625,361</b></u>	<u><b>\$ 17,793,321</b></u>	<u><b>\$ 43,200,993</b></u>

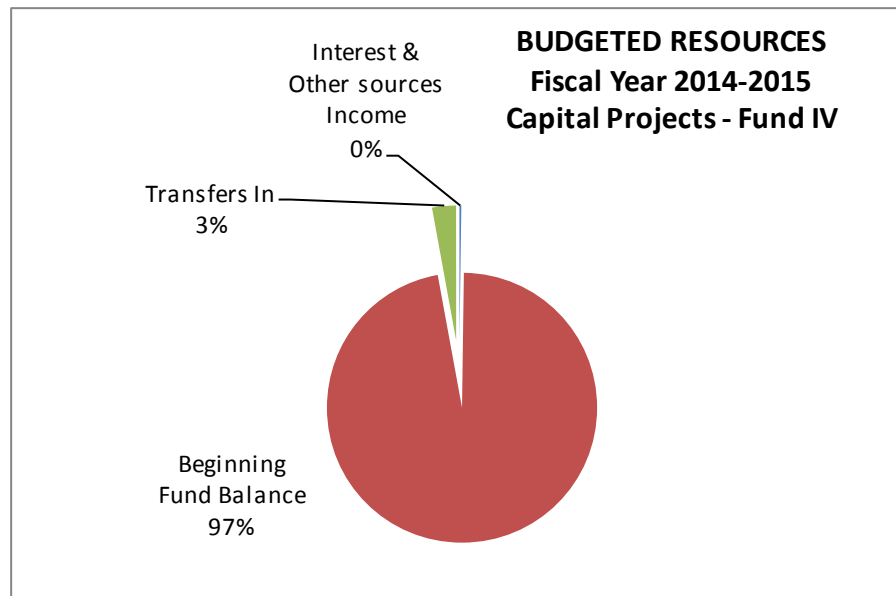
\*Fluctuations are related to the timing of the issuances of General Obligation Bonds

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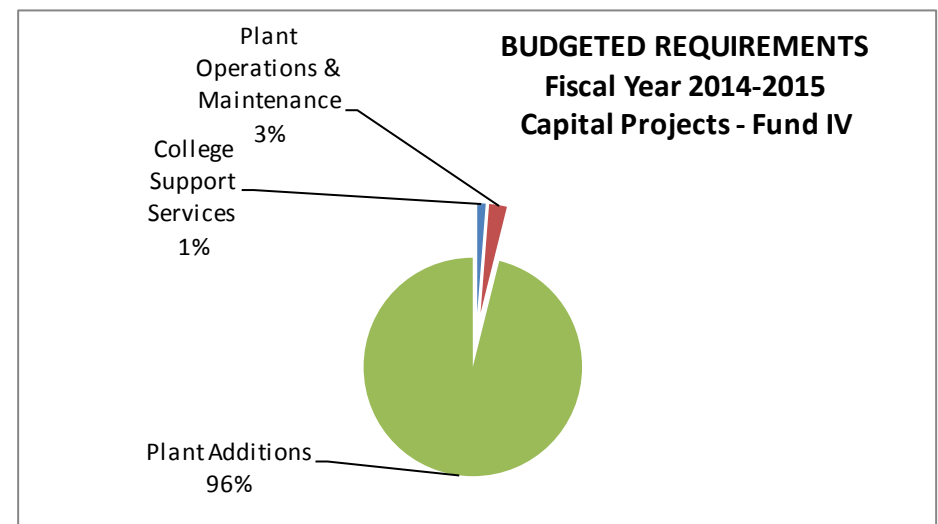
**CAPITAL PROJECTS FUND IV**

	<b>Fiscal Year 2014-2015 ADOPTED Budget</b>	Fiscal Year 2014-2015 APPROVED Budget	Fiscal Year 2014-2015 PROPOSED Budget	Fiscal Year 2013-2014 CURRENT Budget	Fiscal Year 2012-2013 ACTUAL Amounts	Fiscal Year 2011-2012 ACTUAL Amounts
<b><u>SUMMARY OF CAPITAL PROJECTS FUND</u></b>						
<b><u>RESOURCES AND REQUIREMENTS</u></b>						
Total Operating Revenues	<b>\$ 1,070,989</b>	\$ 1,070,989	\$ 1,070,989	\$ 1,462,361	\$ 48,519,062	\$ 23,003,056
Less: Total Operating Expenditures	<b>(34,590,587)</b>	(34,590,587)	(34,590,587)	(33,625,361)	(17,793,321)	(43,200,993)
Revenues, over/under, Expenditures	<b><u>\$ (33,519,598)</u></b>	<u>\$ (33,519,598)</u>	<u>\$ (33,519,598)</u>	<u>\$ (32,163,000)</u>	<u>\$ 30,725,741</u>	<u>\$ (20,197,937)</u>
Beginning Fund Balance	<b>33,519,598</b>	33,519,598	33,519,598	32,163,000	2,777,467	23,287,778
Ending Fund Balance	<b><u>\$ -</u></b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,503,208</u>	<u>\$ 3,089,841</u>





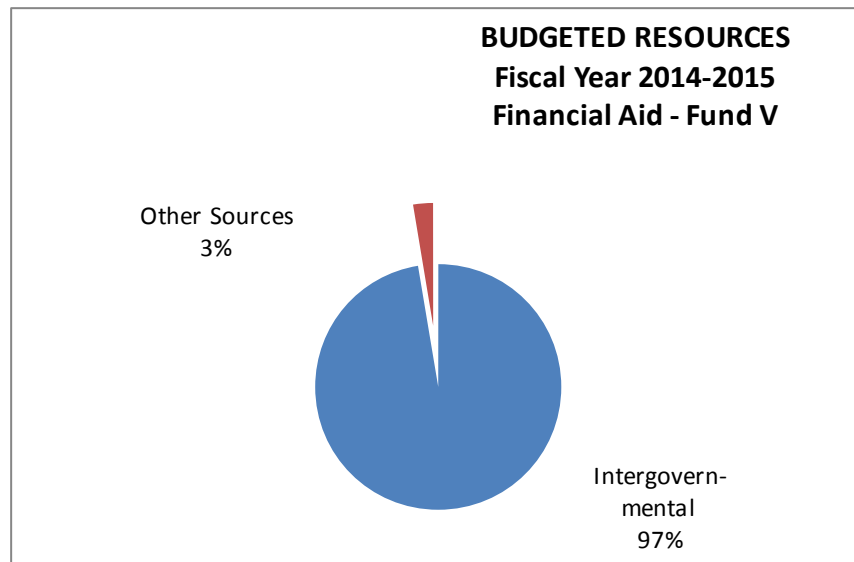
Resources are used for the acquisition of land, new construction and major equipment purchases.



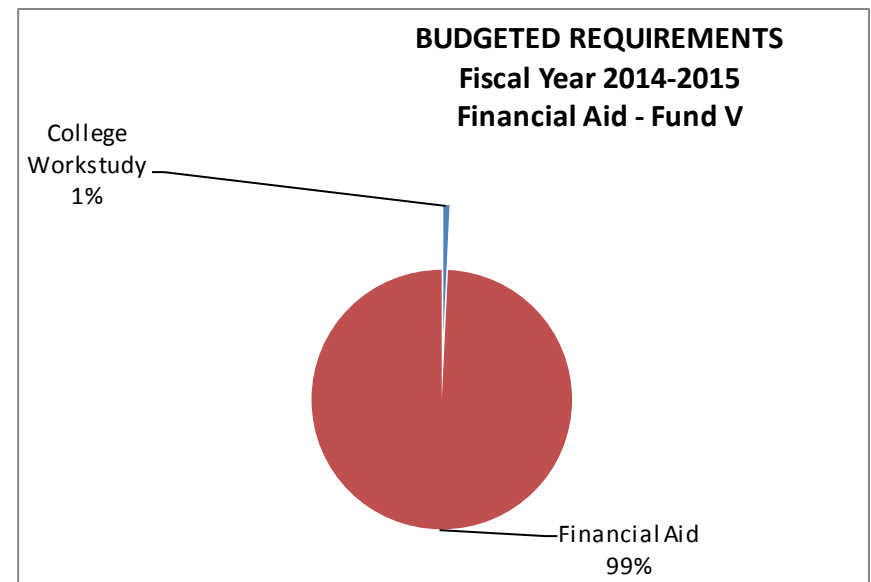
Requirements are allocated to cover the managing and expenses of purchases and construction and remodel costs.

## Financial Aid Fund V

	<b>Fiscal Year 2014-2015 ADOPTED Budget</b>	Fiscal Year 2014-2015 APPROVED Budget	Fiscal Year 2014-2015 PROPOSED Budget	Fiscal Year 2013-2014 CURRENT Budget	Fiscal Year 2012-2013 ACTUAL Amounts	Fiscal Year 2011-2012 ACTUAL Amounts
<b>RESOURCES</b>						
Intergovernmental	<b>\$105,603,851</b>	\$ 105,603,851	\$105,603,851	\$107,953,851	\$ 94,580,968	\$113,034,127
Other Sources:						
Interest Income	<b>50,000</b>	50,000	50,000	50,000	94,661	50,622
Local Grants, Donations, etc.	<b>2,800,000</b>	2,800,000	2,800,000	3,059,617	2,777,564	2,628,477
Transfer In General Fund I	-	-	-	197,668	-	178,500
Transfer In Special Revenue-Administratively Restricted Fund IX	-	-	-	88,560	113,192	71,464
Total Operating Revenues	<b>\$108,453,851</b>	<u>\$ 108,453,851</u>	<u>\$108,453,851</u>	<u>\$111,349,696</u>	<u>\$ 97,566,385</u>	<u>\$115,963,190</u>
Beginning Fund Balance	<b>722,340</b>	<u>722,340</u>	<u>722,340</u>	<u>1,022,340</u>	<u>1,668,528</u>	<u>1,366,708</u>
<b>TOTAL RESOURCES</b>	<b>\$109,176,191</b>	<u>\$ 109,176,191</u>	<u>\$109,176,191</u>	<u>\$112,372,036</u>	<u>\$ 99,234,913</u>	<u>\$117,329,898</u>
<b>EXPENDITURES AND REQUIREMENTS</b>						
<b>Financial Aid</b>						
College Workstudy	<b>\$ 826,524</b>	\$ 826,524	\$ 826,524	\$ 876,524	\$ 537,503	\$ 563,390
Financial Aid	<b>108,299,667</b>	108,299,667	108,299,667	111,495,512	96,765,338	115,097,980
Transfer Out to General Fund I	<b>50,000</b>	50,000	50,000	-	50,000	-
<b>TOTAL EXPENDITURES AND REQUIREMENTS</b>	<b>\$109,176,191</b>	<u>\$ 109,176,191</u>	<u>\$109,176,191</u>	<u>\$112,372,036</u>	<u>\$ 97,352,841</u>	<u>\$115,661,370</u>
<b>SUMMARY OF FINANCIAL AID FUND RESOURCES AND REQUIREMENTS</b>						
Total Operating Resources	<b>\$108,453,851</b>	\$ 108,453,851	\$108,453,851	\$111,349,696	\$ 97,566,385	\$115,963,190
Less: Total Operating Expenditures	<b>(109,176,191)</b>	<u>(109,176,191)</u>	<u>(109,176,191)</u>	<u>(112,372,036)</u>	<u>(97,352,841)</u>	<u>(115,661,370)</u>
Revenues, over/under, Expenditures	<b>\$ (722,340)</b>	<u>\$ (722,340)</u>	<u>\$ (722,340)</u>	<u>\$ (1,022,340)</u>	<u>\$ 213,544</u>	<u>\$ 301,820</u>
Beginning Fund Balance	<b>722,340</b>	<u>722,340</u>	<u>722,340</u>	<u>1,022,340</u>	<u>1,668,528</u>	<u>1,366,708</u>
<b>Ending Fund Balance</b>	<b>\$ -</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,882,072</u>	<u>\$ 1,668,528</u>



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



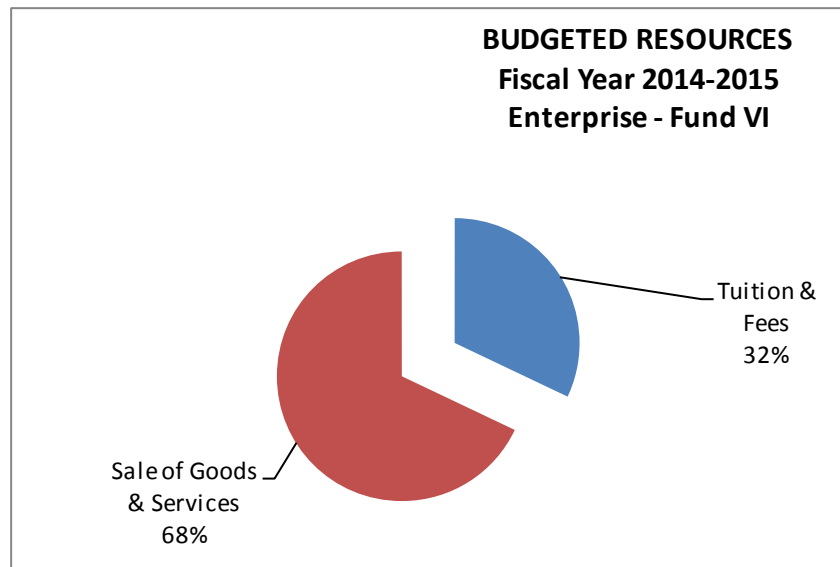
This fund is used for the provision of grants, stipends and other aid to enrolled students.

## Enterprise Fund VI

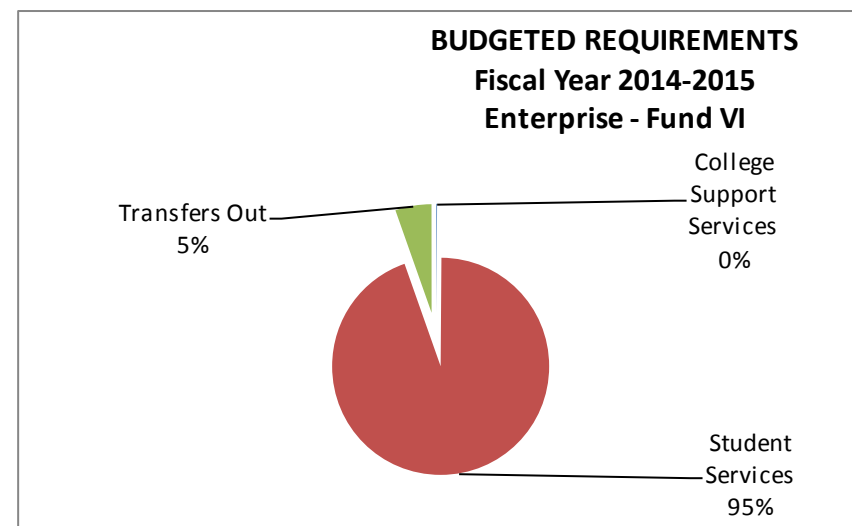
	Fiscal Year 2014-2015 ADOPTED Budget	Fiscal Year 2014-2015 APPROVED Budget	Fiscal Year 2014-2015 PROPOSED Budget	Fiscal Year 2013-2014 CURRENT Budget	Fiscal Year 2012-2013 ACTUAL Amounts	Fiscal Year 2011-2012 ACTUAL Amounts
<b>RESOURCES</b>						
Sale of Goods & Services	\$ 12,400,000	\$ 12,400,000	\$ 12,400,000	\$ 12,490,000	\$ 11,085,450	\$ 12,224,189
Fees	5,852,987	5,852,987	5,852,987	4,139,287	3,817,007	2,339,048
Transfer In General Fund I	-	-	-	-	164,539	214,257
Total Operating Revenues	<u>\$ 18,252,987</u>	<u>\$ 18,252,987</u>	<u>\$ 18,252,987</u>	<u>\$ 16,629,287</u>	<u>\$ 15,066,996</u>	<u>\$ 14,777,494</u>
Beginning Fund Balance	<u>2,296,000</u>	<u>2,296,000</u>	<u>2,296,000</u>	<u>3,190,000</u>	<u>7,964,555</u>	<u>7,458,909</u>
<b>TOTAL RESOURCES</b>	<u><b>\$ 20,548,987</b></u>	<u><b>\$ 20,548,987</b></u>	<u><b>\$ 20,548,987</b></u>	<u><b>\$ 19,819,287</b></u>	<u><b>\$ 23,031,551</b></u>	<u><b>\$ 22,236,403</b></u>
<b>EXPENDITURES AND REQUIREMENTS</b>						
<b>Student Services</b>						
Bookstore	\$ 10,449,999	\$ 10,449,999	\$ 10,449,999	\$ 10,499,999	\$ 8,489,782	\$ 9,392,521
Downtown Housing	992,395	992,395	992,395	1,558,837	775,761	28,820
Foodservices	2,973,755	2,973,755	2,973,755	2,905,208	2,420,794	2,431,154
Hospitality & Conference Services	923,301	923,301	923,301	926,818	949,272	858,273
International Student Program	4,075,000	4,075,000	4,075,000	2,584,857	1,218,116	1,011,053
<b>College Support Services</b>						
Laundry	25,000	25,000	25,000	290,000	333,440	400,468
<b>Transfer Out:</b>						
To General Fund I	332,095	332,095	332,095	276,124	910,859	149,559
To Debt Service Fund III	776,442	776,442	776,442	776,442	539,196	-
To Special Revenue-Administratively						
Restricted Fund IX	1,000	1,000	1,000	1,000	-	-
<b>TOTAL EXPENDITURES AND REQUIREMENTS</b>	<u><b>\$ 20,548,987</b></u>	<u><b>\$ 20,548,987</b></u>	<u><b>\$ 20,548,987</b></u>	<u><b>\$ 19,819,287</b></u>	<u><b>\$ 15,637,220</b></u>	<u><b>\$ 14,271,848</b></u>

- Continued -

	<b>Fiscal Year 2014-2015 ADOPTED Budget</b>	Fiscal Year 2014-2015 APPROVED Budget	Fiscal Year 2014-2015 PROPOSED Budget	Fiscal Year 2013-2014 CURRENT Budget	Fiscal Year 2012-2013 ACTUAL Amounts	Fiscal Year 2011-2012 ACTUAL Amounts
<b><u>SUMMARY OF ENTERPRISE FUND RESOURCES AND REQUIREMENTS</u></b>						
Total Operating Revenues	<b>\$ 18,252,987</b>	\$ 18,252,987	\$ 18,252,987	\$ 16,629,287	\$ 15,066,996	\$ 14,777,494
Less: Total Operating Expenditures	<b>(20,548,987)</b>	(20,548,987)	(20,548,987)	(19,819,287)	(15,637,220)	(14,271,848)
Revenues, over/under, Expenditures	<b>\$ (2,296,000)</b>	\$ (2,296,000)	\$ (2,296,000)	\$ (3,190,000)	\$ (570,224)	\$ 505,646
Beginning Fund Balance	<b>2,296,000</b>	2,296,000	2,296,000	3,190,000	7,964,555	7,458,909
<b>Ending Fund Balance</b>	<b>\$ -</b>	\$ -	\$ -	\$ -	\$ 7,394,331	\$ 7,964,555



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 Titan Store (bookstore), Foodservices, Hospitality & Conference Services, the International Student Program and Laundry Services.

## Special Revenue Fund VIII

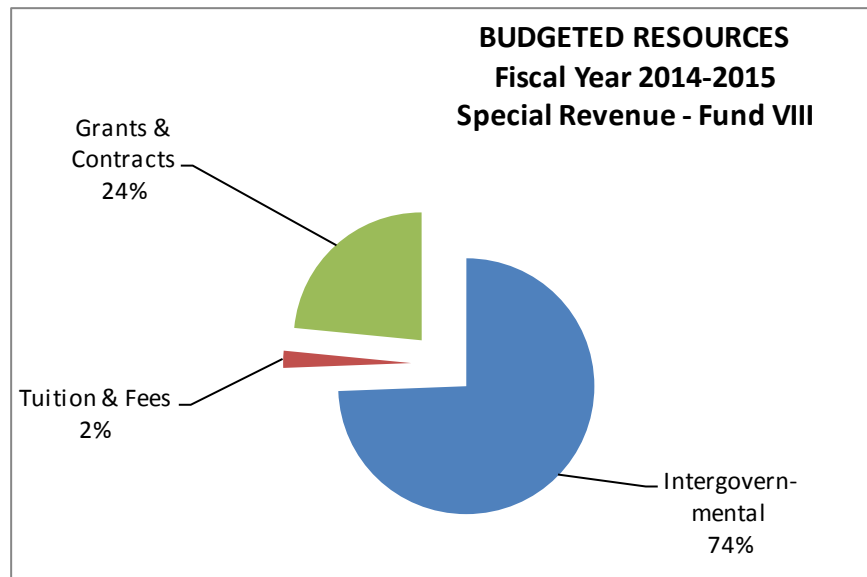
	<b>Fiscal Year 2014-2015 ADOPTED Budget</b>	Fiscal Year 2014-2015 APPROVED Budget	Fiscal Year 2014-2015 PROPOSED Budget	Fiscal Year 2013-2014 CURRENT Budget	Fiscal Year 2012-2013 ACTUAL Amounts	Fiscal Year 2011-2012 ACTUAL Amounts
<b><u>RESOURCES</u></b>						
Intergovernmental	<b>\$ 10,400,000</b>	\$ 10,400,000	\$ 10,400,000	\$ 15,600,000	\$ 9,120,983	\$ 9,156,360
Tuition & Fees						
Tuition	<b>100,000</b>	100,000	100,000	100,000	14,692	18,106
Instructional Fees	<b>200,000</b>	200,000	200,000	200,000	87,077	92,587
Grants & Contracts	<b>3,278,306</b>	3,278,306	3,278,306	3,278,306	977,399	764,236
Total Operating Revenues	<b>\$ 13,978,306</b>	\$ 13,978,306	\$ 13,978,306	\$ 19,178,306	\$ 10,200,151	\$ 10,031,289
Beginning Fund Balance	<b>400,000</b>	400,000	400,000	400,000	245,122	35,212
<b>TOTAL RESOURCES</b>	<b>\$ 14,378,306</b>	\$ 14,378,306	\$ 14,378,306	\$ 19,578,306	\$ 10,445,273	\$ 10,066,501
<b><u>EXPENDITURES AND REQUIREMENTS</u></b>						
<b>Instruction</b>						
Funded Projects	<b>\$ 7,700,000</b>	\$ 7,700,000	\$ 7,700,000	\$ 10,450,000	\$ 3,802,439	\$ 3,666,852
<b>Instructional Support</b>						
Funded Projects	<b>50,000</b>	50,000	50,000	50,000	4,507	3,843
<b>Student Services</b>						
Funded Projects	<b>1,400,000</b>	1,400,000	1,400,000	1,850,000	1,020,578	1,168,589
<b>Community Services</b>						
Funded Projects	<b>5,124,306</b>	5,124,306	5,124,306	7,124,306	5,115,757	4,889,712
<b>College Support Services</b>						
Funded Projects	<b>100,000</b>	100,000	100,000	100,000	193,104	92,383
<b>Transfer Out:</b>						
To General Fund I	<b>4,000</b>	4,000	4,000	4,000	-	-
<b>TOTAL EXPENDITURES AND REQUIREMENTS</b>	<b>\$ 14,378,306</b>	\$ 14,378,306	\$ 14,378,306	\$ 19,578,306	\$ 10,136,385	\$ 9,821,379

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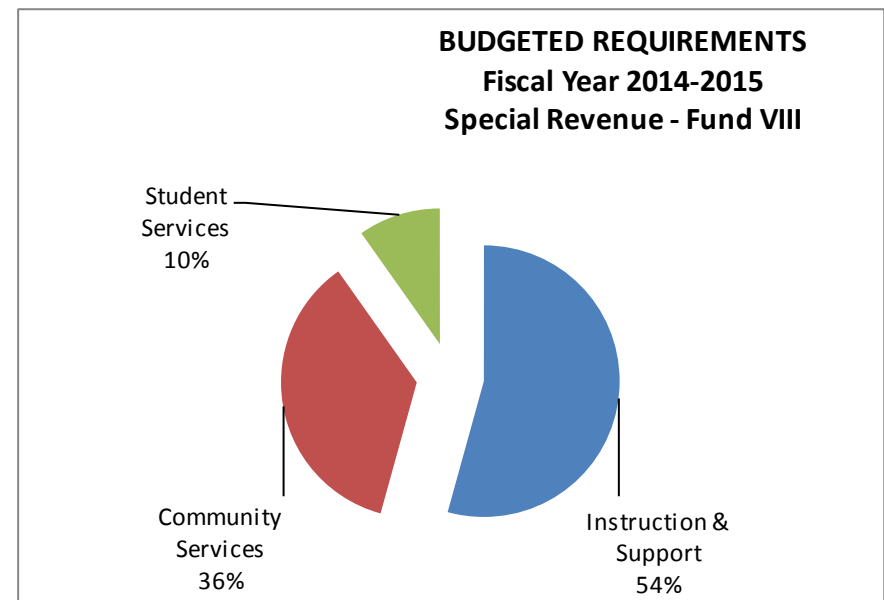
**SPECIAL REVENUE FUND VIII**

	<b>Fiscal Year 2014-2015 ADOPTED Budget</b>	Fiscal Year 2014-2015 APPROVED Budget	Fiscal Year 2014-2015 PROPOSED Budget	Fiscal Year 2013-2014 CURRENT Budget	Fiscal Year 2012-2013 ACTUAL Amounts	Fiscal Year 2011-2012 ACTUAL Amounts
<b><u>SUMMARY OF SPECIAL REVENUE FUND RESOURCES AND REQUIREMENTS</u></b>						
Total Operating Revenues	<b>\$ 13,978,306</b>	\$ 13,978,306	\$ 13,978,306	\$ 19,178,306	\$ 10,200,151	\$ 10,031,289
Less: Total Operating Expenditures	<b>(14,378,306)</b>	(14,378,306)	(14,378,306)	(19,578,306)	(10,136,385)	(9,821,379)
Revenues, over/under, Expenditures	<b>\$ (400,000)</b>	\$ (400,000)	\$ (400,000)	\$ (400,000)	\$ 63,766	\$ 209,910
Beginning Fund Balance	<b>400,000</b>	400,000	400,000	400,000	245,122	35,212
<b>Ending Fund Balance</b>	<b>\$ -</b>	\$ -	\$ -	\$ -	\$ 308,888	\$ 245,122





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 Lane Workforce partnership.



# **PERSONNEL SERVICES**

## Budgeted FTE By Expense Function

	FY15	FY14	FY13
<b>INSTRUCTION</b>			
Academic Learning Skills	8.25	9.45	9.24
Adult Basic and Secondary Education	14.80	15.80	12.28
Advanced Technologies	24.90	23.43	22.22
Art and Applied Design	14.58	13.78	13.93
Business & Computer Information Technologies	17.00	19.42	17.63
Child & Family Education	2.71	2.71	2.56
Community Education	13.23	13.90	13.10
Cooperative Education	13.31	13.21	12.41
Culinary Arts & Hospitality	4.80	4.80	4.80
Energy Management Program	3.17	3.17	3.77
English as a Second Language	8.50	8.50	7.50
Flight Technology	3.50	6.00	5.07
Health & Physical Education	15.03	15.78	14.66
Health Professions	39.14	39.85	39.11
Lane Community College at Cottage Grove	1.72	1.72	1.72
Lane Community College at Florence	4.13	3.73	3.47
Language, Literature & Communications	31.99	33.83	30.33
Mathematics	23.64	24.78	23.97
Music/Dance/Theatre Arts	9.98	10.98	9.76
Science	23.80	23.42	23.21
Social Science	22.40	22.40	23.57
Specialized Support Services	11.20	11.05	11.29
<b>TOTAL INSTRUCTION</b>	<b>311.78</b>	<b>321.71</b>	<b>305.60</b>

- Continued -

**BUDGETED FTE BY EXPENSE FUNCTION**

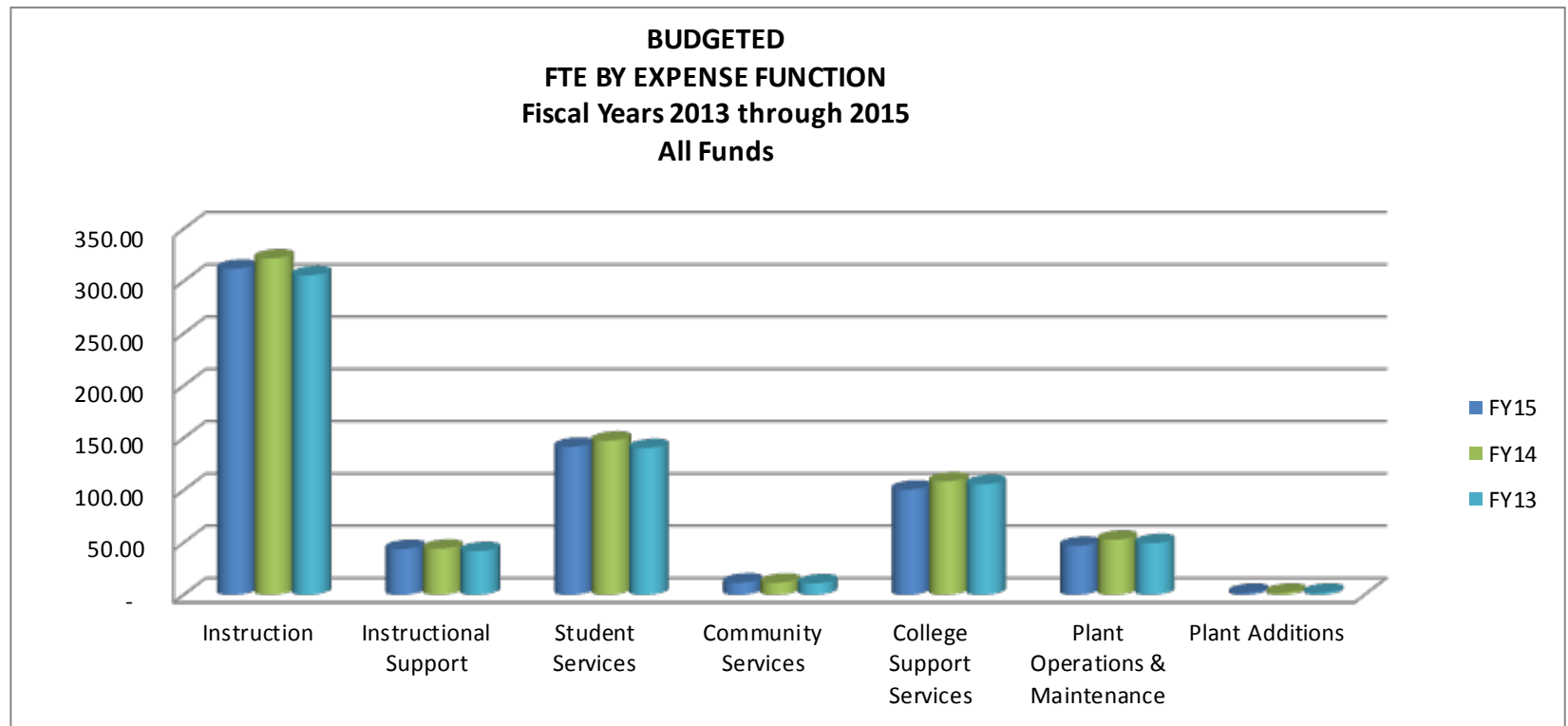
	FY15	FY14	FY13
<b>INSTRUCTIONAL SUPPORT</b>			
Academic & Student Affairs Office	10.50	10.28	9.15
Academic Technology	15.89	16.02	15.14
Grant Coordination	2.00	3.00	3.00
High School Connections	1.83	2.21	1.91
Library	12.36	12.31	12.32
Professional Development - Faculty	-	-	-
Special Instructional Projects	1.25	0.25	0.25
<b>TOTAL INSTRUCTIONAL SUPPORT</b>	<b>43.83</b>	<b>44.07</b>	<b>41.77</b>
<b>STUDENT SERVICES</b>			
ASLCC Legal Services	0.25	1.25	0.81
Athletics	2.70	2.70	2.70
Child & Family Education	9.36	10.54	10.13
Conference & Culinary Services	10.18	11.78	11.82
Counseling	28.80	30.05	28.26
Disability Services	6.00	6.00	6.00
Enrollment Services	21.75	24.25	23.23
Foodservices	9.07	8.72	8.35
High School Connections	1.00	-	-
International Student Program	9.00	8.00	7.16
Student Financial Services	11.75	12.75	12.75
Student Health	6.97	7.47	6.22
Student Life & Leadership	5.70	5.00	5.00
Titan Store	12.80	12.80	11.84
The Torch	0.67	0.67	0.67
Women's Program	5.48	5.48	5.36
<b>TOTAL STUDENT SERVICES</b>	<b>141.48</b>	<b>147.46</b>	<b>140.30</b>
<b>COMMUNITY SERVICES</b>			
KLCC Administration	11.63	11.54	10.95
<b>TOTAL COMMUNITY SERVICES</b>	<b>11.63</b>	<b>11.54</b>	<b>10.95</b>

- Continued -

**BUDGETED FTE BY EXPENSE FUNCTION**

	FY15	FY14	FY13
<b>COLLEGE SUPPORT SERVICES</b>			
Archives & Records Management	0.50	0.50	0.50
College Finance	10.63	11.63	10.63
College Services Office	4.75	4.75	4.75
Curriculum & Scheduling	2.00	3.25	3.25
Employee Wellness Program	1.00	1.00	1.00
Human Resources	9.75	10.75	10.75
Infrastructure Technology	27.28	27.28	26.33
Institute for Sustainable Practices	3.13	3.83	3.77
Institutional Research, Assessment & Planning	5.00	5.50	5.50
Lane Community College Foundation	7.00	6.00	5.38
Laundry	-	3.45	3.91
Mail Services	2.00	2.00	2.00
Marketing & Public Relations	1.40	1.40	1.40
President's Office	5.50	6.50	6.50
Printing & Graphics	7.20	7.20	7.19
Public Safety	10.00	10.00	9.47
Staff Health Clinic	2.00	2.00	2.00
Telephone Services	2.00	2.00	2.00
<b>TOTAL COLLEGE SUPPORT SERVICES</b>	<b>100.64</b>	<b>108.54</b>	<b>105.83</b>
<b>PLANT OPERATIONS &amp; MAINTENANCE</b>			
Facilities Administration	46.75	52.75	49.42
<b>TOTAL PLANT OPERATIONS &amp; MAINTENANCE</b>	<b>46.75</b>	<b>52.75</b>	<b>49.42</b>
<b>PLANT ADDITIONS</b>			
Project Management & Planning	2.00	2.00	2.00
<b>TOTAL PLANT ADDITIONS</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>
<b>TOTAL BUDGETED FTE BY EXPENSE FUNCTION</b>	<b>658.11 *</b>	<b>688.07</b>	<b>655.87</b>

\*The reduction in FTE is in response to decreased student enrollment



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

## Salaries Budgeted From More Than One Source

Position Title	Fund	Division/Department	Expense Function	FY15 Budget	Total
				Salary Split	
1. Director	1	Advanced Technologies	Instruction	36,586	\$ 73,172
Director	9	Flight Technology	Instruction	36,586	
2. Faculty Instructor	1	Cooperative Education	Instruction	15,418	\$ 77,090
Faculty Instructor	1	Health Professions	Instruction	61,672	
3. Faculty Instructor	1	Cooperative Education	Instruction	38,546	\$ 77,092
Faculty Instructor	1	Social Science	Instruction	38,546	
4. Faculty Instructor	1	Social Science	Instruction	45,796	\$ 76,327
Faculty Instructor	1	Cooperative Education	Instruction	30,531	
5. Admin. Support Specialist	1	Advanced Technologies	Instruction	19,777	\$ 39,554
Admin. Support Specialist	9	Flight Technology	Instruction	19,777	
6. Technology Tech A	9	Information Technology	College Support Services	24,739	\$ 49,478
Technology Tech A	6	Conference & Culinary Services	Student Services	24,739	
7. Faculty Instructor	1	Social Science	Instruction	46,254	\$ 77,090
Faculty Instructor	1	Cooperative Education	Instruction	30,836	
8. Faculty Instructor	1	Cooperative Education	Instruction	14,324	\$ 71,619
Faculty Instructor	1	Health Professions	Instruction	57,295	
9. Administrative Specialist	1	Enrollment Services	Student Services	10,962	\$ 21,924
Administrative Specialist	9	Student Life & Leadership Development	Student Services	10,962	
10. Faculty Instructor	1	Cooperative Education	Instruction	39,316	\$ 77,090
Faculty Instructor	1	Art & Applied Design	Instruction	37,774	
11. Faculty Instructor	1	Academic Technology	Instructional Support	31,475	\$ 62,949
Faculty Instructor	1	Art & Applied Design	Instruction	31,474	
12. Faculty Instructor	1	Academic Technology	Instructional Support	29,470	\$ 71,528
Faculty Instructor	1	Art & Applied Design	Instruction	42,058	
13. Department Coordinator	1	Student Life & Leadership Development	Student Services	24,829	\$ 49,659
Department Coordinator	9	Student Life & Leadership Development	Student Services	12,415	
Department Coordinator	9	ASLCC	Student Services	12,415	

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**SALARIES BUDGETED FROM MORE THAN ONE SOURCE**

<b>Position Title</b>	<b>Fund</b>	<b>Division/Department</b>	<b>Expense Function</b>	<b>Salary Split</b>	<b>Total</b>
14. Faculty Instructor	1	Culinary Arts & Hospitality	Instruction	61,673	
Faculty Instructor	1	Cooperative Education	Instruction	15,418	\$ 77,091
15. Administrative Coordinator	4	Bond Projects	Plant Additions	25,364	
Administrative Specialist	1	Art & Applied Design	Instruction	25,364	\$ 50,728
16. Faculty Instructor	9	Athletics	Student Services	7,709	
Faculty Instructor	1	Health & Physical Education	Instruction	69,381	\$ 77,090
17. Faculty Instructor	1	Cooperative Education	Instruction	19,273	
Faculty Instructor	1	Health Professions	Instruction	57,817	\$ 77,090
18. Director	2	Printing & Graphics	College Support Services	14,337	
Director	6	Titan Store	Student Services	57,349	\$ 71,686
19. Faculty Instructor	9	Athletics	Student Services	46,254	
Faculty Instructor	1	Health & Physical Education	Instruction	30,836	\$ 77,090
20. Administrative Coordinator	1	Advanced Technologies	Instruction	25,364	
Administrative Coordinator	9	Flight Technology	Instruction	25,364	\$ 50,728
21. Executive Assistant	1	Marketing & Public Relations	College Support Services	43,073	
Executive Assistant	9	President's Office	College Support Services	43,073	\$ 86,146
22. Faculty Instructor	1	Cooperative Education	Instruction	7,709	
Faculty Instructor	1	Social Science	Instruction	69,381	\$ 77,090
22. Faculty Instructor	1	Cooperative Education	Instruction	27,103	
Faculty Instructor	1	Health Professions	Instruction	43,839	\$ 70,942
23. Dev. Disabilities Specialist	9	Specialized Support Services	Instruction	34,609	
Dev. Disabilities Specialist	1	Institute for Sustainable Practices	College Support Services	4,944	\$ 39,553
24. Admin. Support Specialist	1	Facilities Management & Planning	Plant Operations	19,777	
Admin. Support Specialist	4	Bond Projects	Plant Additions	19,777	\$ 39,554
25. Administrative Coordinator	1	Human Resources	College Support Services	38,046	
Administrative Coordinator	1	Special Instructional Projects	Instructional Support	12,682	\$ 50,728





## **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/Revised 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:

1. Complies with Oregon Local Budget Law.
2. Contains sufficient information to enable credible projections of resources and expenditures as presented in the Budget Document in accordance with Oregon Local Budget Law.
3. Discloses planning assumptions.
4. Limits expenditures in any fiscal year to conservatively projected resources for that period.
5. Maintains current assets at any time to at least twice current liabilities.
6. Complies with budget and financial policies contained in Section E.

#### ***Policy A.050: Financial Condition and Activities***

***Adopted 11.09.98; Last Reviewed/Revised 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:

1. Not expend more funds than have been received in the fiscal year to date, except as approved by the board.
2. Not use any long-term reserves that are not budgeted and appropriated for expenditure.
3. Settle payroll and debts in a timely manner.
4. Assure that tax payments or other government-ordered payments or filings be on time and accurately filed.
5. 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.
6. Acquire, encumber, or dispose of real property only with board approval, except in extreme emergencies.
7. Pursue receivables aggressively after a reasonable grace period.

8. Comply with budget and financial policies contained in Section E.
9. Not contract with the College's independent auditors for non-audit services without prior approval of the Board.
10. 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:
  - a. He/she has reviewed the annual audit report;
  - b. 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;
  - c. Based on his/her knowledge, the financial statements present in all material respects the financial condition and results of operations.
11. 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/Revised 3.12.10***

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

Accordingly, the president shall:

1. 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.
2. Prevent uninsured personnel from access to material amounts of funds.
3. Assure that plant and equipment are not subjected to improper wear and tear or insufficient maintenance.
4. Assure that the organization, its board, or staff, are not unnecessarily exposed to claims of liability.
5. Assure that every purchase:
  - a. Includes normally prudent protection against conflict of interest; and
  - b. 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.
6. Protect intellectual property, information, and files from loss or significant damage.
7. Receive, process, or disburse funds under sufficient controls to meet the board-appointed auditor's standards.
8. Invest or hold operating capital in excess of daily requirements in accordance with ORS 294.035.
9. Not endanger the organization's public image or credibility, particularly in ways that would hinder the accomplishment of its mission.

10. 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/Revised 10.13.10***

The board of education has the responsibility to:

1. Adopt the annual budget before July 1 of the budget year.
2. Act as the levying board in the budget process.
3. 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.
4. Appoint the seven members with whom they shall serve jointly as the budget committee.
5. Review student tuition rates annually.

***Policy B.080: Budget Officer******Adopted 11.09.98; Last Reviewed/Revised 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/Revised 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/Revised 10.5.11***

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/Revised 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/Revised 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/Revised 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,

1. 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.
2. 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.
3. The standard for compliance shall be any reasonable presidential interpretation of the board policy being monitored.
4. 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/Revised 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/Revised 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/Revised 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/Revised 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/Revised 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/Revised 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:

1. To replace capital equipment that is broken or beyond its useful life as determined by the Capital Assets Replacement Forecast;
2. To maintain and repair college facilities according to the Major Maintenance Schedule;
3. To maintain and upgrade the college's information/telecommunications system according to planning schedules maintained by Information Technology;
4. 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/Revised 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/Revised 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/Revised 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/Revised 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/Revised 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/Revised 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 \$45,621,547,006. 1.5% of that figure is the maximum legal bonded indebtedness available to Lane Community College, or \$684,323,205. Lane's total bonded debt subject to the limitation is \$43,796,685 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	\$28,430,000	\$1,935,000	\$1,053,075
General Obligation Bonds Payable	Downtown Center	2012	2.00% – 4.65%	2024	\$37,790,000	\$2,220,000	\$1,522,375
Pension Bonds Payable	PERS Contribution: Cost Sharing	2003	2.73% - 6.25%	2028	\$52,082,695	\$2,700,000	\$1,529,250
Recovery Zone	Student Housing	2011	4.324% - 7.197%	2035	\$19,355,000	\$0	\$776,442
Energy Conservation Bonds	Downtown Campus	2012	4.62%	2027	\$1,425,000	\$80,000	\$62,370
Flight Technology	2 Airplanes	2013	3.101%	2023	\$230,000	\$17,418	\$6,449

## Appendix C: Performance Measures

### Certificates and Degrees Granted

Fiscal Years 2004 through 2013

#### Lower Division Transfer

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
AAOT/ASOT	573	474	418	407	319	291	302	294	356	400
Associate of General Studies	150	97	86	42	42	40	48	27	40	38
Associate of Science	61	90	54	47	38	18	21	12	23	27
Total Transfer Awards	<u>784</u>	<u>661</u>	<u>558</u>	<u>496</u>	<u>399</u>	<u>349</u>	<u>371</u>	<u>333</u>	<u>419</u>	<u>465</u>

#### Technical

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Associate of Applied Science	548	558	418	320	307	287	307	316	351	355
Career Pathway Certificate	526	434	390	243	158	102	170	141	183	163
Apprentice: Associate of Applied Science	-	-	-	-	1	-	-	-	1	-
Total Technical Awards	<u>1,074</u>	<u>992</u>	<u>808</u>	<u>563</u>	<u>466</u>	<u>389</u>	<u>477</u>	<u>457</u>	<u>535</u>	<u>518</u>

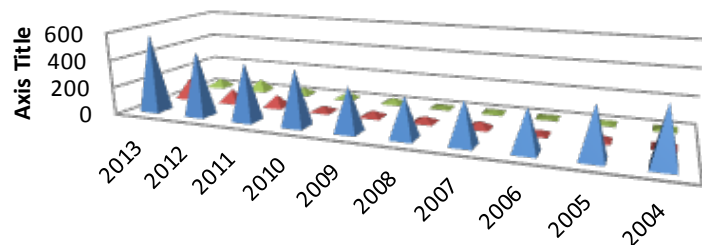
#### Total Awards

<u>1,858</u>	<u>1,653</u>	<u>1,366</u>	<u>1,059</u>	<u>865</u>	<u>738</u>	<u>848</u>	<u>790</u>	<u>954</u>	<u>983</u>
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#### % of Degree-Seeking Students

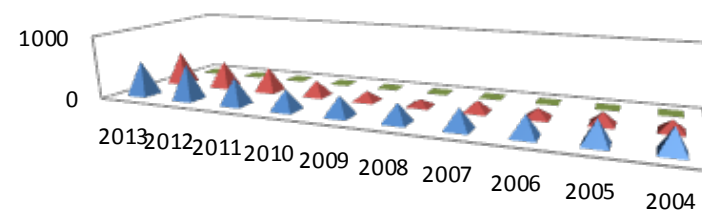
<u>20.0%</u>	<u>14.0%</u>	<u>13.0%</u>	<u>10.0%</u>	<u>9.1%</u>	<u>9.5%</u>	<u>10.7%</u>	<u>10.2%</u>	<u>12.6%</u>	<u>13.1%</u>
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### Lower Division



	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
■ AAOT/ASOT	573	474	418	407	319	291	302	294	356	400
■ Associate of General Studies	150	97	86	42	42	40	48	27	40	38
■ Associate of Science	61	90	54	47	38	18	21	12	23	27

### Technical



	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
■ Associate of Applied Science	548	558	418	320	307	287	307	316	351	355
■ Career Pathway Certificate	526	434	390	243	158	102	170	141	183	163
■ Apprentice: Associate of Applied Science	0	0	0	0	1	0	0	0	1	0



## **Appendix D: 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 FY12, 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 fiscal years 2009-2011. Support has been further reduced for the current biennium (fiscal years 2012-2013) 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 FY13 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 FY13 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 states 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 FY13 Lane projects spending \$76 million, out of a total general fund budget of over \$100 million, on personal 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 FY12-13 biennium. Currently \$1.5 million of the \$3.5 million administratively reserved balance is anticipated to be used during FY12. 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 new 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 FY12-13 biennium is \$395 million. FY12 disbursements will be based on funding at \$410 million and the FY13 projection will also assume that level but there is a risk in FY13 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 FY12.

**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 PeaceHealth 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****Personal 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 59% for full time and 35% for part time.

**Personal 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 FY03 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

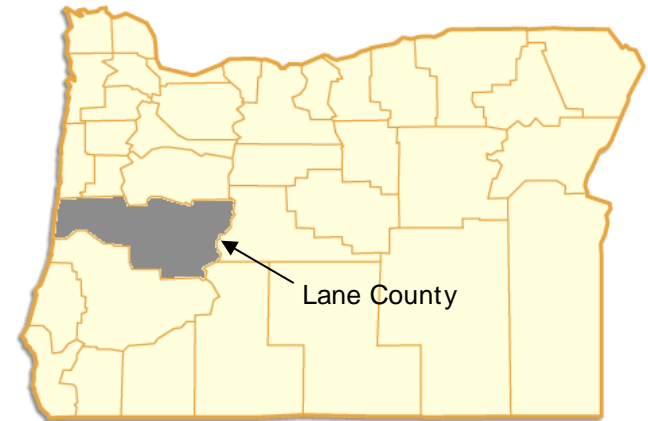
## Appendix E: Local & Regional Information

### 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: \$27,926,190,650
- Real Market Value: \$45,621,547,006
- Principle Industries: Lumber & wood manufacturing, Health care, Government, Agriculture, Tourism, Retail Trade and Education
- Top 10 Employers: PeaceHealth, University of Oregon, Eugene School District, Lane County Government, State of Oregon, US Government, City of Eugene, Springfield School District, Lane Community College and Wal-Mart.
- Top 10 Taxpayers: IP Eat Three, Comcast, Valley River Center, Symantec, Shepard Investment Group, NW Natural, Century Link, Verizon, Gateway Mall Partners and Weyerhaeuser.



#### Economic Indicators:

Indicator	Lane County	Oregon
Labor Force	139,800	1,363,523
Median Home Value	\$226,200	\$246,100
Median Household Income	\$42,628	\$50,036
Per Capita Personal Income	\$24,127	\$26,702
Population	354,542	3,899,353
Unemployment Rate	7.9%	7.8%

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/13-14](http://www.lanecounty.org/departments/cao/budget/documents/13-14)

## **Appendix F: Economic Forecast**

State of Oregon Office of Economic Analysis

May 2014

### **EXECUTIVE SUMMARY**

A broad consensus of economic forecasters and industry leaders both in Oregon and elsewhere in the U.S. has become increasingly optimistic about the pace of the recovery. Oregon is once again a leader in terms of job gains, with the pace of statewide growth now matching the best years of the housing boom.

U.S. job growth thus far in 2014 is on pace to be the strongest since 2000 and the major weights on the recovery have been lifted. To borrow a phrase from Federal Reserve Chairwoman Janet Yellen, the U.S. economy paused in early 2014, due in part to bad winter weather. However, most economic indicators have thankfully picked back up in the spring. Household balance sheets are largely back in the black, housing is poised to reaccelerate and corporations' financial positions remain quite strong. As the nationwide expansion continues to pick up momentum over the next two to three years, the feel good nature of the recovery may finally appear.

In Oregon, the economic acceleration the state experienced in 2013 has continued into early 2014. Oregon was spared some of the weather-related problems seen elsewhere in the U.S. Statewide job growth is currently at the strongest pace since 2006. This improvement was largely expected as the two major weights on the economy lifted: housing and government. Growth statewide picked up primarily due to regions outside of the Portland Metropolitan Area joining in the recovery. In the first quarter of 2014, 4 out of 5 Oregon counties saw job gains over the year, marking the same share as during the mid-2000s expansion. Although the rate of growth for many counties remains below previous expansions, most regions of the state are experiencing gains today. As the recovery continues, the housing market regains its footing and the net in-migration the state is accustomed to picks up, economic conditions should improve across much of Oregon.

The additional job growth assumed in the June 2014 forecast will bring with it additional state tax collections in fiscal year 2015 and beyond. As such, although recent tax collections have mirrored the outlook, the revenue forecast has been revised upward somewhat as well.

The April 2014 tax filing season was not a good one for states like Oregon that depend heavily on personal income tax revenues. Year-end tax payments fell sharply across the U.S., with the typical state seeing collections fall on the order of 25% during the peak processing season. Oregon's personal income tax collections were not immune to this weakness. Sharp declines in late April and May have fully erased early gains posted during what began as a strong 2014 season for Oregon's tax collections.

Despite declining year-end tax collections, the outlook for personal income tax revenues in Oregon remains on track for now, with collections closely matching the Close of Session forecast that was used by the legislature when crafting the 2013-15 budget. Unlike the case in many other states that depend on personal income taxes, no large emergency budget adjustments are called for at this time.

Despite increased optimism, the 2013-15 biennium is still young, and therefore significant uncertainty remains. One more income tax filing season remains between now and the end of the biennium. As such, many risks to the outlook remain. On the upside, if asset markets continue to boom or if Oregon's traditionally strong migration trends and labor force growth reappear, a short-term spike in revenues remains possible during the coming months. Although the bar is set high in fiscal year 2015 with strong revenue growth expected, it would only take about \$70 million in unanticipated revenue to trigger the kicker law at this point.

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.

### ***Oregon Labor Market***

The Office of Economic Analysis examines four main sources for jobs data: the monthly payroll employment survey, the monthly household survey, monthly withholding tax receipts and the quarterly census of employment and wages. Right now all four measures of the labor market are showing steady improvements with jobs being added, wages increasing and the unemployment rate declining, albeit at slower rates than customarily occurring at similar points in previous business cycles. Currently, wages in Oregon are increasing at nearly 6 percent per year, which is largely on par with the mid-2000s expansion but below the 1990s gains of 8 percent per year. Average wages per worker are currently increasing at 2-3 percent per year, which is effectively the rate of inflation, holding real wages flat for much of the past 15 years.

The most recent job growth rankings, published by Arizona State University's W.P. Carey School of Business, places Oregon 3rd in the nation for job growth in April. Over the past year the state has added 46,300 jobs, or an increase of 2.8 percent. A year ago, Oregon ranked 12th fastest with growth of 2.0 percent.

Overall, getting a handle of the health of Oregon's labor market is being somewhat complicated by technical issues within the underlying payroll jobs data. For this reason the employment data in our office's forecast is adjusted for two important technical purposes: seasonality at the detailed industry level and the upcoming benchmark revisions.

In the first quarter, total nonfarm employment increased 2.6 percent over the past year with the private sector growing at 3.0 percent and the public sector at 0.7 percent. This marks the largest public sector gains since the Census-induced bump in 2010; however the increase is due to the

reclassification of some home health care workers, which had previously been classified as independent contractors. Excluding this technical change, public sector employment in Oregon continues to fall, albeit at a slower pace than in recent years.

As has been the case in the recovery to date, the professional and business services and leisure and hospitality industries have led growth in terms of outright job gains and have generally posted above average growth rates. These industries have gained 9,400 and 5,800 jobs respectively in the past year and account for 35 percent of all job gains across the state. The good news is this represents the smallest share these industries have contributed so far since employment began growing, as other industries continue to strengthen. Mining and logging and construction are both growing at rates significantly faster than average. Construction employment's gains of nearly 8,500 jobs over the past year – 11.9 percent – are the largest and strongest gains seen since early 2006. Mining and logging employment has regained nearly half of its recessionary losses and is growing quickly in the past 24 months.

Currently, five major industries, which account for 39 percent of statewide jobs, are at all-time highs. Private sector education, health, and food manufacturing never really suffered recessionary losses – although growth did slow during the Great Recession. Professional and business services and leisure and hospitality have each regained all their recessionary losses and are leading growth today.

With the Great Recession being a financial crisis and housing bubble, it is no surprise to see wood products, construction, mining and logging and financial services (losses are mostly real estate agents) among the hardest hit industries. These housing and related sectors are now beginning to recover, and while they have much ground to makeup during the recovery, over the past year they are growing nearly three times as fast as the average industry. Transportation equipment manufacturing suffered the worst and is likely a structural decline due to the RV industry's collapse. With that being said, the subsectors tied to aerospace are doing well and the ship and boat building subsector is growing again. Metals and machinery manufacturing, along with mining and logging, have shown the largest improvements since the depths of the recession.

All told, each of Oregon's major industries has experienced some growth in recovery, albeit uneven. As the economy continues to recover there will be net winners and net losers when it comes to jobs, income and sales as business cycles have a way of restructuring the economy. With that being said, coming off such a deep recession, and with a strong manufacturing cycle today, the goods-producing industries have and will exhibit stronger growth than in past cycles.

### ***Population and Demographic Outlook***

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, growth 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 1.16 percent between 2013 and 2020.

Oregon's economic condition heavily influences the state's population growth. Its economy determines the ability to retain existing 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 number of 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 include a major recession and a net loss of population during the early years, 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, lowest in 23 years. As a sign of slow to modest economic gain, the ratio of net migration-to-population change will increase gradually and will reach 75 percent by the end of the forecast horizon. Although economy and employment situation in Oregon looked stagnant in the recent past, migration situation was not similar to the early 1980s pattern of negative net migration. Potential Oregon out-migrants had no better place to go since other states were 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 2012-2020. 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 to the record high levels as the baby-boom generation continue to enter this age group. The average annual growth of the elderly population will be 4.1 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 4.7 percent annual rate of growth due to the direct impact of the baby-boom generation entering the retirement age and smaller pre-baby boom cohort exiting the 65-74 age group. Reversing several years of shrinking population, the elderly aged 75-84 started to show 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 into 65-74 age group. 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 1.5 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 has gradually tapered 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 forecast period. 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 1.4 percent annual average rate during the forecast horizon. The young adult population (aged 18-24) will remain nearly unchanged over the forecast period. 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 colleges 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 overall state average. The growth rate for children under the age of five will remain below or near zero percent in the near future due to sharp decline in the number of births and will see positive growth only after 2014. 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 programs 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 years. 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 Outlook***

The April 2014 tax filing season was not a good one for states like Oregon that depend heavily on personal income tax revenues. Year-end tax payments fell sharply across the U.S., with the typical state seeing collections fall on the order of 25% during the peak processing season. Oregon's personal income tax collections were not immune to this weakness. Sharp declines in late April and May have fully erased early gains posted during what began as a strong 2014 season for Oregon's tax collections.

Despite declining year-end tax collections, the outlook for personal income tax revenues in Oregon remains on track for now, with collections closely matching the Close of Session forecast that was used by the legislature when crafting the 2013-15 budget. Unlike the case in many other states that depend on personal income taxes, no large emergency budget adjustments are called for at this time.

Much of the recent weakness in year-end personal income tax payments can be traced to investment earnings and other nonwage forms of taxable income. Many Oregonians cashed out capital gains and other investments in 2012 in anticipation of upcoming federal tax rate increases, leaving fewer gains to be realized for tax purposes in 2013 and beyond. Although the response of taxpayers to rising federal tax rates turned out to be larger than expected, the decline in tax payments on the part of Oregon's wealthy households was fully offset by smaller than expected refund payments returned to wage earning households. Overall, personal income tax collections continue to closely match the forecast.

Although recent tax collections mirror the forecast, expectations for near-term job gains and income growth have become rosier. A broad consensus of economic forecasters and industry leaders both in Oregon and elsewhere in the U.S. has become increasingly optimistic about the pace of the recovery. Oregon is once again a leader in terms of job gains, with the pace of statewide growth now matching the best years of the housing boom. The additional job growth assumed in the June 2014 forecast will bring with it additional state tax collections in fiscal year 2015 and beyond.

Despite increased optimism, the 2013-15 biennium is still young, and therefore significant uncertainty remains. One more income tax filing season remains between now and the end of the biennium. As such, many risks to the outlook remain. On the upside, if asset markets continue to boom or if Oregon's traditionally strong migration trends and labor force growth reappear, a short-term spike in revenues remains possible during the coming months. Although the bar is set high in fiscal year 2015 with strong revenue growth expected, it would only take about \$70 million in unanticipated revenue to trigger the kicker law at this point.

The primary downside risk facing the near-term revenue forecast is the uncertain future of the nationwide economic expansion. Should contractionary monetary policy or economic weakness among our trading partners derail the U.S. economy, the strong expected growth in Oregon's tax collections will not come to pass.

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.

### ***2013-2015 General Fund Revenue***

Personal income tax collections have closely matched expectations thus far during the 2013-15 biennium. Excluding the impact of tax law changes enacted during the 2011 special legislative session, the outlook for personal income tax collections is only one percent higher than the Close of Session estimate. This increase can be traced to a somewhat brighter labor market outlook. The additional personal income tax revenues that are now in the forecast have been fully offset by a weaker outlook for other revenue instruments. Aside from tax law changes, the outlook for net General Fund and Lottery resources is currently only around \$30 million above the Close of Session forecast.

General Fund revenue growth is expected to accelerate during the second half of the current biennium. Personal income taxes flowing from labor income have picked up in 2014, and growth in taxable nonwage forms of income will bounce back next year if equity markets hold on to their recent gains. Corporate income tax collections are likely to accelerate as well should growth in sales and consumer spending persist.

The forecast for gross General Fund revenues for 2013-15 is now \$15,815 million. This represents an increase of \$33 million (+0.2%) from the March 2014 forecast. The May 2014 forecast for the 2013-15 biennium is \$172 million (1.1%) above the Close of Session forecast.

Source: [http://www.oregon.gov/DAS/oea/docs/economic\\_forecast0614.pdf](http://www.oregon.gov/DAS/oea/docs/economic_forecast0614.pdf)

## Appendix G: Legal Notifications

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#### Legal Notice Advertising

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BUDGET OFFICE-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 30, May 07, 2014**

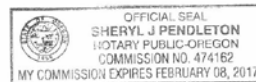
**NOTICE OF  
BUDGET COMMITTEE MEETING**  
A public meeting of the Budget Committee of the Lane Community College, Lane County, State of Oregon, on the budget for the fiscal year July 1, 2014 to June 30, 2015, will be held at Lane Community College Main Campus, 4000 E 30th Ave., Eugene, Oregon 97405, Bldg. 3, Rm. 215. The meeting will take place on May 14, 2014 at 5:00 pm.  
The purpose of the meeting is to receive the budget message. 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 the meeting and discuss the proposed programs with the Budget Committee. The meeting for public comment will be on: Date: May 21, 2014 Time: 5:30 pm Location: LCC Main Campus, 4000 E 30th Ave., Eugene Oregon 97405, Bldg. 3, Rm. 215.  
A copy of the budget document may be inspected or obtained on or after May 14, 2014 at Lane Community College, 4000 E 30th Ave., Eugene, Oregon 97405, Bldg. 3, between the hours of 8:00am and 5:00pm.  
A copy of the budget document may also be viewed online at:  
[www.lanecc.edu/Budget/budget-documents-and-development](http://www.lanecc.edu/Budget/budget-documents-and-development)  
after 5:00 pm May 15, 2014.  
No. 5949398 - May 7, 2014

*Wendy Raz*

Subscribed and affirmed to before me this **May 7, 2014**

*Sheryl J. Pendleton*  
Notary Public of Oregon

Account #: **1000275**  
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## GUARD PUBLISHING COMPANY

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

I, **Wendy Raz**, being first duly affirmed, depose and say that I am the Advertising Manager, or his principal clerk, or 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 06, 2014

Subscribed and affirmed to before me this June 6, 2014

*Sheryl J. Peni*  
Notary Public of Oregon



Account #: 1000275  
INVOICE 5984293  
Case: June 11, 2014  
Ad Price: \$460.0

FORM CC-1

NOTICE OF BUDGET HEARING

A public meeting of the Lane Community College Board of Education will be held on June 11, 2014 at 6:30 p.m. at Lane Community College, 4000 E 30th Ave, Administration Building (3) Room 216, Eugene, Oregon. The purpose of this meeting is to discuss the budget for the fiscal year beginning July 1, 2014 as approved by the Lane Community College Budget Committee. A public hearing will be held at this meeting. A summary of the budget is presented below. A copy of the budget may be inspected or obtained at the College Services Office, 4000 E 30th Ave, Eugene, Oregon between the hours of 8:00 a.m. and 5:00 p.m. or online at [www.lanecollege.edu/budget/budget-documents-and-development](http://www.lanecollege.edu/budget/budget-documents-and-development). 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 Telephone: 541-463-3992 Email: [ellisor@lanecollege.edu](mailto:ellisor@lanecollege.edu)

FINANCIAL SUMMARY - RESOURCES

	TOTAL OF ALL FUNDS		
	Actual Last Year 2012-2013	Adopted Budget This Year 2013-2014	Approved Budget Next Year 2014-2015
Beginning Fund Balance	\$41,488,259	\$50,331,790	\$43,634,233
Current Year Property Taxes, other than Local Option Taxes	\$21,831,397	\$22,523,525	\$23,150,460
Tuition and Fees	\$48,857,291	\$54,637,675	\$44,473,819
Other Revenue from Local Sources	\$15,043	\$0	\$0
Revenue from State Sources	\$24,971,137	\$38,415,244	\$32,977,000
Revenue from Federal Sources	\$71,104,177	\$18,862,851	\$11,633,861
Interfund Transfers	\$5,486,429	\$4,876,744	\$3,952,287
All Other Budget Resources	\$77,531,004	\$33,047,269	\$40,134,923
Total Resources	\$317,435,219	\$319,706,106	\$305,556,783
FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION			
Personnel Services	\$62,707,659	\$66,062,612	\$62,846,124
Materials & Services	\$48,607,744	\$61,237,216	\$79,254,126
Financial Aid	\$97,302,841	\$112,372,636	\$109,126,191
Capital Outlay	\$1,556,575	\$2,376,164	\$1,470,649
Debt Service	\$18,968,914	\$11,424,217	\$11,902,379
Interfund Transfers	\$5,486,429	\$4,876,744	\$3,952,287
Operating Contingency	\$0	\$4,452,215	\$3,754,405
Unappropriated Ending Fund Balance & Reserves	\$0	\$2,900,000	\$2,900,000
Total Requirements	\$257,684,810	\$319,706,106	\$305,556,783
FINANCIAL SUMMARY - REQUIREMENTS AND FULL-TIME EQUIVALENT EMPLOYEES (FTE) BY FUNCTION			
Instruction	\$41,969,150	\$73,611,289	\$65,903,378
FTE	395.60	521.71	511.18
Instructional Support	\$6,197,508	\$5,576,432	\$5,631,228
FTE	41.77	44.97	43.83
Student Services other than Student Loans and Financial Aid	\$27,175,067	\$34,143,923	\$34,471,587
FTE	140.30	147.46	141.48
Student Loans and Financial Aid	\$97,302,841	\$112,372,636	\$109,126,191
FTE	0.00	0.00	0.00
Community Services	\$7,473,332	\$9,531,359	\$7,535,219
FTE	10.95	11.54	11.63
Support Serv. other than Facilities Acquisition and Construction	\$24,296,786	\$28,285,338	\$20,083,406
FTE	185.83	188.54	169.64
Facilities Acquisition and Construction	\$17,709,312	\$31,726,758	\$40,256,132
FTE	51.42	54.75	48.75
Interfund Transfers	\$5,486,429	\$4,876,744	\$3,952,287
Debt Service	\$10,968,914	\$11,424,217	\$11,902,379
Operating Contingency	\$0	\$5,552,016	\$3,754,405
Unappropriated Ending Fund Balance and Reserves	\$0	\$2,900,000	\$2,900,000
Total Requirements	\$257,684,810	\$319,706,106	\$305,556,783
Total FTE	655.87	688.07	658.11
STATEMENT OF CHANGES IN ACTIVITIES AND SOURCES OF FINANCING			
The overall decrease in the FY2014-2015 Budget is related to current and projected decreases in enrollment.			
PROPERTY TAX LEVIES			
	Rate or Amount Imposed Last Year 2012-2013	Rate or Amount Imposed This Year 2013-2014	Rate or Amount Imposed Next Year 2014-2015
Permanent Rate Levy (Rate Limit 0.001 per \$1.00)	0.001 per \$1.000	0.001 per \$1.000	0.001 per \$1.000
Levy For General Obligation Bonds	6.748,066	6,940,000	7,160,953
STATEMENT OF INDEBTEDNESS			
LONG TERM DEBT		Estimated Debt Outstanding July 1, 2014	Estimated Debt Authorized, But Not Incurred July 1, 2014
General Obligation Bonds		\$52,290,000	\$0
Other Bonds		\$70,292,695	\$0
Total		\$122,582,695	\$0

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## 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.

**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 local government'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 fiscal year 2004 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 that 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 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 personal 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 and 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 and 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 local government 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:** Unit plans serve to provide details on the Strategic Plan at the unit level in the development of short and long-term plans for the college.

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