Preliminary Assumptions for Base Budget Projections FY10
8 January 2009

Revenues

1. Total Public Resources (TPR)

a. Community College Support Fund (CCSF) for fiscal years FY10 will be set during the 2009 legislative session. The state funding distribution includes 100% of property tax revenues as a component in the formula; therefore TPR represents revenue previously reported separately as state resources and property tax resources.

2. Tuition

a. Tuition revenues based on FY09 enrollment

b. Tuition revenue projections are based on total tuition assessed. Tuition waivers and uncollected tuition are reported as expenditures.

c. Tuition revenues include tuition generated by Fund IX instructional units.

d. Assumption of FY10 tuition revenue uses rates adjusted for inflation using the Higher Education Price Index (HEPI) for 2008 (per Board Policy D.110).

3. Instructional Fees

a. Projections for instructional fees use predicted expenditures based on historical trend analysis.

b. Projections assume that all fees are collected at 100%. Uncollected fees are reported as expenditures.

c. All instructional fees are administratively restricted revenue. That is, fees are tied to specific expenditures and are not available for general allocation.

d. Technology Fee revenue is a restricted revenue in Fund IX.

4. Investment Income

Income estimate is based on current returns available in the Local Government Investment Pool (LGIP). The average amount invested is estimated using historical cash flow trends and changes in the Ending Fund Balance. Estimates will be adjusted as appropriate if there are material changes in market conditions.

5. Sale of Goods and Services, Administrative Recovery, all Other Sources of Revenue

These revenues are projected based on analysis of actual results from the most recent year within each category.

Expenditures

1. Personal Services
a. Personal Services expenditures assumptions for FY10 will be based upon the existing position list and vacancies as constituted in FY09
b. Part-time compensation is based on historical use for classified employees and enrollment planning projections for faculty.
c. OPE rate is recalculated every year using projected actual costs of benefits. Calculated rate for FY09 is 50.4% for full-time and <u>30.3%</u> for part-time employees. Calculated rates for future years will vary with changes such as PERS rates and health insurance increases.

2. Materials & Services
a. Projections use analysis of actual results from the most recent two years to predict M&S expenditures for FY10 and beyond.

3. Capital Outlay
a. Projections use historical trend analysis as the starting point for projections. Projected expenditures for Capital Outlay are then adjusted for budgeted increases for the general-use Capital Outlay fund.
b. Capital Outlay needs are documented by the Capital Assets Replacement Forecast and department/division unit plans.

4. Unappropriated Ending Fund Balance:
a. By Board Policy, the Unappropriated Ending Fund Balance UEFB is set at 3% of budgeted General Fund expenditures.
b. According to Oregon Budget Law, the UEFB budgeted for the current year may not be spent except under extraordinary circumstances and therefore will be part of the total Ending Fund Balance and a resource for the ensuing year (Net Working Capital Unrestricted and part of the Beginning Fund Balance).
c. Board policies E.020 and E.030 set parameters for the General Fund Ending Fund Balance and require a total unrestricted Ending Fund Balance target of approximately 5% (including the Unappropriated Ending Fund Balance)