

Budget Development Strategies

FY10

8 January 2009

Strategies to develop the budget must consider the long-term fiscal health of the college as well as meet policies and obligations for the fiscal years 2010

Increase revenue

- Strategically increase enrollment – short and long term, including but not limited to:
 - Increase enrollment in lower cost programs that provide a net contribution to the general fund
 - Grow summer program
 - Grow workforce training and business development programs
 - Support pathways for students from remedial to college level work
 - Increase LCC student market share for high school students (marketing to H.S. students comparing to OUS)
 - Explore alternative scheduling and formats
 - Expand market through on-line learning courses
- Increase fund-raising and business partnerships
- Use differential tuition to contribute to real cost of higher cost programs
 - Seek targeted aid and sponsorship for affected students
- Pursue additional revenue opportunities with enterprise fund activities
- Legislative action to assure adoption of State Board of Education request and pursue other economic stimulus opportunities
- Consider increasing tuition base rate by more than inflation in response to significant shortfalls in state funding and financial aid expansion
- Enhance exposure through KLCC by developing more marketing opportunities

Decrease expenses

- Consider holding vacant positions open when appropriate
- Defer capital investments (short term) when appropriate
- Constrain Materials and Services budgets
- Leverage technology to increase efficiency
- If necessary, eliminate “whole” functions (e.g., program, discipline, service, process, etc.) rather than across-the-board cuts. In appropriate situations redesign to a less expensive format in order to meet community need while being fiscally prudent.
- Improve capacity utilization, efficiencies and productivity

Additional strategies may be adopted by College Council

Recognize that some of the strategies that are included in the “decrease expenses” category may have bargaining implications.

Budget Development
FY09 Strategies w/results
11 December 2008

Strategies to develop the budget must consider the long-term fiscal health of the college as well as meet policies and obligations for FY09.

Increase revenue

- Strategically increase enrollment – short and long term, including but not limited to:
 - Increase enrollment in lower cost programs that provide a net contribution to the general fund
 - Result (FY08) Enrollment has largely been in response to student demand which has been met for most programs. The programs where demand has exceeded availability (i.e. Nursing) has primarily been in high cost programs. (See Note 1)
 - Grow summer program
 - Result (FY08) Summer enrollment up 19% from previous year. However that year represented a 21% decrease from the previous year (See note 2)
 - Grow workforce training and business development programs
 - Result (FY08) Business development programs at the BDC had a robust increase of 17% last year (see note 3)
 - Support pathways for students from remedial to college level work
 - Result (FY08)
 - Increase LCC student market share
 - Result (FY08) (See note 4)
 - Explore alternative scheduling and formats
 - Result (FY08) More efficient scheduling added to capacity
- Increase fund-raising and business partnerships
 - Result (FY08) Began “Fast Track” auto program and exploring similar expansions
- Use differential tuition to contribute to real cost of higher cost programs
 - Result (FY08) Differential tuition continued in FY 08-09 (See Note 5)
 - Seek targeted aid and sponsorship for affected students
 - Result (FY08) Foundation scholarship fundraising continues to increase but is focused on overall need rather than program of student
- Pursue additional revenue opportunities with enterprise fund activities
 - Result (FY08) No significant change in enterprise fund revenue except bookstore which is a declining trend.
- Consider increasing tuition base rate by more than inflation in response to significant shortfalls in state funding
 - Result (FY08/09) Tuition increase held at HEPI level

Decrease expenses

- Hold vacant positions open when appropriate
 - Result (FY08) A significant number of classified, management and faculty positions were left open which contributed to the ending fund balance.
- Defer capital investments (short term) when appropriate
 - Result (FY08) Capital investment constrained significantly below budgeted level and budgeted below board long term sustainability standards.
- Constrain Materials and Services budgets
 - Result (FY08) M&S budgets were constrained below budget levels which contributed to the ending fund balance
- Constrain health care costs
 - Result: College contribution limited to 3% of increased health care costs for FY09
- Leverage technology to increase efficiency
 - Result (FY08) No significant technology increases noted
- If necessary, eliminate “whole” functions (e.g., program, discipline, service, process, etc.) rather than across-the-board cuts. In appropriate situations redesign to a less expensive format in order to meet community need while being fiscally prudent.
 - Result (FY08) No program reductions made.
- Improve capacity utilization, efficiencies and productivity
 - Result (FY08) Significant productivity gains made in the accommodation of FY09 enrollment growth

Notes:

1. - "Direct" Cost-per-FTE; the average across all departments was \$4,716, including grants, for 2007-08

- "Total" Cost-per-FTE" includes college overhead expenses that are assigned to instructional areas; this was \$8,383 including grants across all depts. for 2007-08;
-after reviewing calculations of overhead, I'm not sure if any departments make a "net contribution to the general fund."

see: [T:\Unit\Planning\Costs_Revenue_FacultyFTE\2007-08 data\Cost-per-FTE_Summary_2007-08_V2.xls {RPT_DEPT_InclGr}](#)

Track FTE by department and subject code

-review Cost-per-FTE Report to id low cost areas

see: [T:\Unit\Planning\Costs_Revenue_FacultyFTE\2007-08 data\Cost-per-FTE_Summary_2007-08_V2.xls {DIR-DEPT_InclGr}](#)

Additional issues on FTE comparisons:

1) Reviewers of Cost-per-FTE data need to also consider revenues reported in the Revenue-per-FTE report because departments with high costs often have substantial revenue streams. For example, the direct cost-per-FTE for the Flight Tech Dept. was \$21,441 in 2007-08 and that department also had revenue-per-FTE of \$15,657.

2) Reviewers of Cost-per-FTE data need to be cautious about drawing conclusions about department performance based on CpFTE data only. The financial accounting practices of some departments result in a cost-per-FTE calculation that needs more detailed examination to fully understand this summary ratio. For example, the BDC pays for many of its instructors through one or more outside contracts which are accounted for through Materials & Services rather than through direct personnel costs. This cost accounting practice results in many student FTE being excluded from the cost-per-FTE calculation because there is no corresponding instructor salary expense directly attributed to course sections. This results in all of the BDC's instructional expenses for the year being included in calculations (because all M&S expenses are included) but only 85.98 of the department's total student FTE of 335.29 for the year were used to calculate the CpFTE ratio against those costs. The partial student FTE used in the denominator results in the large Cost-per-FTE ratio.

Track FTE in those areas (departments and subjects)

see: [T:\Unit Planning\Enrollment_FTE\Comparisons\5Annual_Compare_to_2007-08_RevisedFinal.xls](#)

-worksheets in this file present annual summaries of the number of: sections offered, student registrations, student credits, and student FTE

2. Track FTE by department and subject code for summer terms

Total Reported FTE for Summer terms:

	summer
2003-04	1,036.12
2004-05	855.36
2005-06	862.44
2006-07	1,032.81
2007-08 *	809.00

see: T: \ Unit Planning \ Enrollment_FTE \ 2007-08 \ 200810_FTE_E_revised.xls

3. Increase continuing education and workforce development

Total Reported FTE by Department

	03-04	04-05	05-06	06-07	07-08	%Chg 07 to 08
Continuing Education	851.3	798.6	1,192.7	1,303.2	683.3	-47.6%
Florence (total FTE)	100.7	95.3	92.2	100.2	97.0	-3.2%
Cottage Grove (total FTE)	138.1	117.0	105.7	117.3	131.6	12.2%
Business Development Center	207.6	179.3	166.7	284.8	335.3	17.7%
ESL/IESL	305.2	272.3	292.1	305.4	291.5	-4.5%
Ad Basic & Secondary Ed	445.5	376.4	466.5	536.1	540.2	0.8%

NOTES: Non-credit FTE for the Florence Ctr. in 2007-08 was 44.0 (45% of the department's total annual FTE);

- Non-credit FTE for Cottage Grove in 2007-08 was 83.3 (63% of the department's total annual FTE)

4. see: <http://www.lanecce.edu/research/ir/benchmarks07-08.html>

College Now Enrollment

High School Aged Students Attending Lane

5. See Revenue- per-FTE Report for Unit Planning for 2007-08 "Differential Fees"
revenue for: Advanced Tech (~ \$131,000),
Culinary Arts (~ \$130,000),
Health Professions (~ \$490,000).

Budget Development Priorities
FY10
8 Jan 2009

It is recommended that the following priorities be considered by College Council for use in the budget development process for FY10:

1. Enrollment Management
 - High School connections (College Now, RTEC)
 - Recruitment and Retention
 - Workforce Development
 - International Education
 - Increase Credit Enrollment Level, particularly for academically prepared students.
 - Partnerships with 4-year Colleges and Universities
 - Strategic development of online courses and programs
2. Mandates
 - Assessment
3. Efficiencies and productivity
 - Instructional Redesign
 - Work Processes
 - Leveraging Technology
 - External Revenue Generation
 - Grants
 - State Funding
 - Local Funding
4. Other Institutional initiatives
 - Innovation linked to fiscal sustainability
 - Enhancing Smart Classroom expansion and maintenance

Note: Institutional priorities are aligned with the strategic directions of the college as well as the learning directions and will be revised as directions are revised.

Budget Development

FY10 Principles and Criteria

8 January 2009

The allocation of resources will balance the overall offerings of the college in accordance with the prioritized mission of the college. Allocation will be guided by the college strategic plan, other planning efforts – unit plans and council plans – that align with the strategic directions, and our focus on learning. It must also meet the legal, contractual, and accreditation obligations, and board policies of the college.

PRINCIPLES

The allocation of resources and budget reductions will:

- Maximize revenue generation balanced with accessibility and affordability
- Invest in new activities that maximize future revenue
- Support student enrollment, retention, success, and learning, while minimizing negative impact of budget constraints on quality of student services, instruction and college infrastructure
- Maximize investments in systems development that will save resources and streamline work processes that result in savings in the long run
- Maintain ability to respond to community needs
- Strategically preserve programs and course offerings
- Minimize or prevent layoffs

CRITERIA AND DATA ELEMENTS
(For Unit planning and budgeting purposes)
Instructional Programs

CRITERIA	DATA ELEMENT
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 PT programs)	Employment Department data
Wages (for PT programs)	Employment Department data
Job Placement (for PT programs)	Employment Department data

Student Services

CRITERIA	DATA ELEMENT
Enhances Student Engagement	Number of service contacts 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
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

CRITERIA	DATA ELEMENT
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, # 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
Note: Because college services are so diverse, it is difficult or impossible to use a standard set of data elements for every service.	