

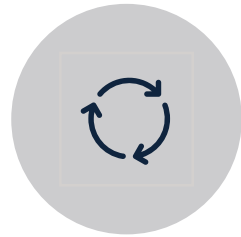
FY 2025-26 Budget Kick-off

Budget Originators, December 11, 2024

Topics for Fiscal Year 2025-26 Development Process and Support for Budget Originators



BUDGET TERMS



**PROCESS OVERVIEW
FOR FISCAL YEAR
2025-26
DEVELOPMENT**



**SUPPORTIVE MATERIALS
FOR DEPARTMENT
PLANNING- USING THE
TEMPLATES**



**WALK-THROUGH OF
DEPARTMENT AND
COURSE FEE TEMPLATES**



**TIME FOR FEEDBACK AND
QUESTIONS**

Additional Information & Presentations on Fall 2024 Forecast

Business Office Website – [Fall 2024 Forecast](#) presentation to Board of Education on November 19, 2024

- **Additional materials will be posted to the [Finance Council Website](#):**
 - **Forecast and budget process information shared at Finance Council on 12/6/2024**
 - **Financial Foundations and overview training**
- [Financial Landscape at CCC](#)**

[Knowledge Base](#) materials for finance support from Business Services Division

- **[Summer Inservice Training & Recordings](#)**

Definitions Used in Budgeting

Budget Terms

Current Financial State

Policy guidance

Budget Terms

Oregon Local Budget Law

Finance Council & Budget
Advisory Sub-Group (new)

Current Service Level (CSL)

- Base Budget components

Fund Accounting

- Restricted
- Unrestricted

Resource Terms

- Ongoing Funds
- One-time Funds

Budget Originator



Sets legal timelines and structure for public involvement and notice



Gives clear expectation for compliance and prioritizes sound financial management



Provides instruction for a Budget Committee to receive the Proposed Budget



Ensures opportunity for community members and students to ask questions and provide comment



The Budget Committee approves the budget, the local rate of tax to levy, and the amount for General Obligation Bonds

Budget Terms

Oregon Local Budget Law Finance Council & Budget Advisory Subgroup (new for 2025-26)

Current Service Level (CSL)

- Base Budget components

Fund Accounting

- Restricted
- Unrestricted

Resource Terms

- Ongoing Funds
- One-time Funds



The Finance Council is a venue for participatory decision-making recommendations related to policies, procedures and the strategic issues related to organizational finance



During development of the annual budget, a Budget Advisory Subgroup provides advice for recommendations to the College Executive Team on impact of financial proposals



Brings more than one department or perspective to decision making process



Provides longitudinal framework in addition to near-term decisions

Budget Terms

**Oregon Local Budget Law
Finance Council & Budget Advisory
Subgroup**

Current Service Level (CSL)

- **Base Budget components**

Fund Accounting

- **Restricted**
- **Unrestricted**

Resource Terms

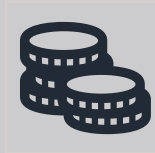
- **Ongoing Funds**
- **One-time Funds**

Budget Originator



**Current Service
Level**

**Central Management
of the General Fund**



**Base Budget
Development**

**Personnel, including
Associate Faculty, is
projected by the
Business Office**



**Materials and
Services**

**Varies by department
Dollar amounts range
in size**

Budget Terms

Oregon Local Budget Law

Finance Council & Budget Advisory Subgroup

Current Service Level (CSL)

- Base Budget components

Fund Accounting

- **Restricted**
- **Unrestricted**

Resource Terms

- Ongoing Funds
- One-time Funds

Budget Originator

Restricted Resources

- Expenditures are dictated by the type of revenue
 - Example: grant funds for specific programs, course-specific fees, or Bond funds for dedicated projects

Unrestricted Resources

- Most flexible resource in use
 - This is the College General Fund
 - Still subject to Oregon Budget Law and applicable College Board or Financial Policies

Budget Terms

Oregon Local Budget Law
Finance Council & Budget Advisory
Subgroup

Current Service Level (CSL)

- Base Budget components

Fund Accounting

- Restricted
- Unrestricted

Resource Terms

- Ongoing Funds
- One-time Funds

Budget Originator

Ongoing Funds

- Ongoing funds are generally more stable and predictable
- Used to fund core General Fund programs that do not have a direct user-based revenues source

One-time Funds

- The resource is more volatile or less predictable
- Lessens financial risk and exposure by using these resources on one-time initiatives or purpose
- Examples: capital investment projects, or resource stabilization/ smoothing.

Budget Terms

**Oregon Local Budget Law
Finance Council & Budget Advisory
Group**

Current Service Level (CSL)

- **Base Budget components**

Fund Accounting

- **Restricted**
- **Unrestricted**

Resource Terms

- **Ongoing Funds**
- **One-time Funds**

Budget Originator

Role of a Budget Originator

- **Point of contact for Base Budget Development**
- **Informs appropriate department leadership of allocation of base budget resources**
- **Includes submission of changes to course fees for upcoming fiscal year**

College Budget Process for FY 2025-26

Initial phases of budget development

Fall Forecast 2024

General Fund Forecast from Fall 2024

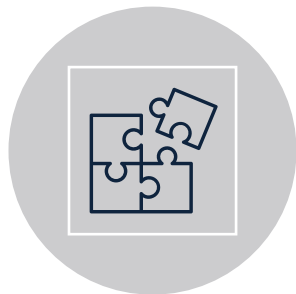
What Happens in a Budget Process



Inputs into the process: College financial picture, Board policy guidance, Executive Team guidance



Legal framework: levy taxes, set appropriation schedule and fees adopted, debt schedule, position authority established

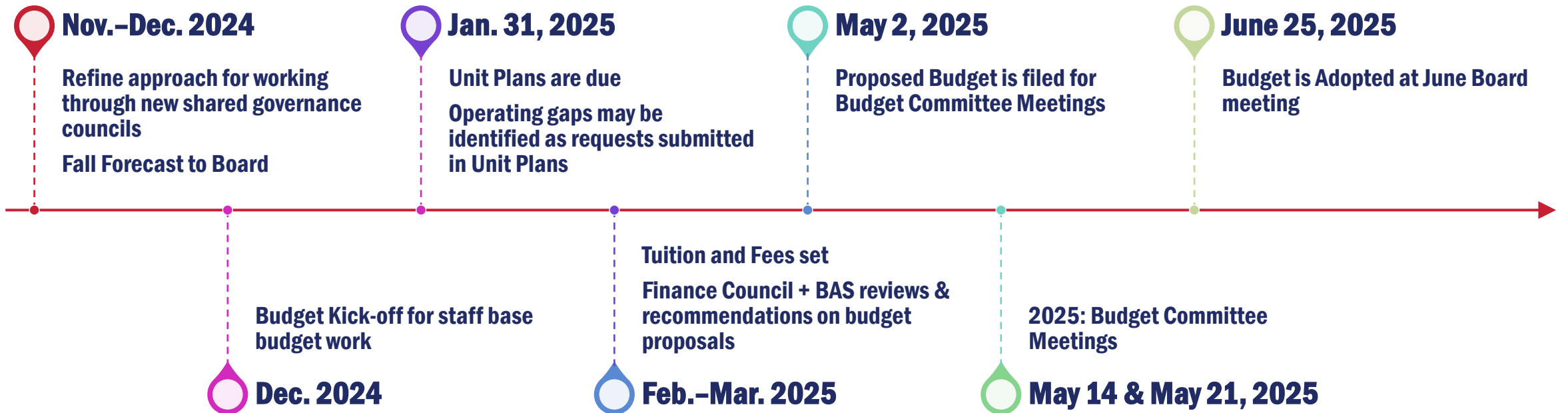


Component Parts from departments come together for the final product- base budget for all funds, plus (or minus) incremental decisions or changes



Opportunity to evaluate and assess outcomes, or make organizational decisions transparent

Overall Process Dates for FY 2025-26 Budget Development



Fall 2024 Forecast: General Fund Resources are Outpaced by Growth in Expenses


General Fund Forecast (Millions)	FY 2023-24 Actual	FY 2024-25 Spring Forecast	FY 2024-25 Revised Forecast	FY 2025-26 Forecast	FY 2026-27 Forecast
Revenues (Ongoing)	\$ 66,556	\$ 68,888	\$ 70,330	\$ 74,065	\$ 76,031
Expenses (on-going)	\$ 69,671	\$ 72,245	\$ 71,866	\$ 76,937	\$ 79,047
Expenses Supported by One-time Funds	\$ 3,115	\$ 3,357	\$ 1,535 *	\$ -	\$ -
Annual Operating Deficit	\$ (3,115)	\$ (3,357)	\$ (1,535)	\$ (2,872)	\$ (3,015)

* Use of 1-time in 2024-25 is mitigated by receipt of resources over Spring 2024 Forecast. Otherwise, would be \$3.0 M for FY 2024-25 Revised Forecast


- **The ability to use one-time funds to support the structural deficit is ending during the next biennium.**
- **The structural operating deficit of approximately \$3.0 million in FY 2026-27**
- **Prior Budget Committee instruction is plan for eventual end of one-time sources in the FY 2025-26 process**

Some Good News in the Revenue Forecast

Current year revenues are “beating” the spring forecast by \$1.5 million, which is 2% above forecasted resources to collect.



As compared to FY 2023-24, this is a 6% increase in resource collection.



Result is a limited increase in flexibility for expenses during the current fiscal year.

Revenue Forecast: Levers of Impact for Resources

Increase in FTE generating enrollment to continue at an average of 5% over the life of the forecast

- Assessed local economic conditions and prior trends for enrollment
- Consulted with the Institutional Research & Reporting department for additional enrollment trend analysis
- Both datasets consistently forecast growth rates less than 7% over the life of the forecast

Revenue growth associated with enrollment is unchanged from prior forecast planning

- Tuition to increase incrementally at 4%
- General Fees are not assumed to increase

Expense Forecast: Inputs into the Fall forecast

Forecast includes known costs increases in Personnel Services

- Does not include changes to the total position count in the General Fund
- Forecasts a Cost-of-Living Adjustment of 2.5- 3.0%. Final 2025-26 COLA is issued in February
- PERS recently updated the rates for collection of PERS payments to the State
- The increase of 6% is greater than prior forecast estimates of 4% growth

Continues to include underspending as a future resource

- Net Personnel Services underspending of 5% or \$2.2 Million
- Net Materials, Services, and Capital Outlay underspending of 2% or approximately \$250,000

Expense Forecast: Risks

Risks to the Expense Forecast include:

- **Increases to inflation or benefits beyond forecasted levels**
- **Spending more than 95% of the General Fund Personnel Budget during the life of the forecast.**
- **Increased costs for utilities beyond forecast growth**

Usage of one-time funds for operations

- **Reserve level in the forecast is established as a contingency resource for emergent expenses**
- **The forecast does not include dedicated resources to refilling reserve levels if utilized for operations.**

FY 2025-26 Budget Policies and Timelines

Board Guidance & Calendar

Update on Unit Plan submissions

Board Guidance FY 2025-26



Planning for Loss of One-time Resources

Reduce the structural operating deficit

Sunsetting of one-time funds in the General Fund



Strategic Approach

Not utilizing a “soup thinning” approach

Do not negatively impact DEI goals

Are Financially responsible and viable

Focus on maintaining work that is most core to the mission of the college



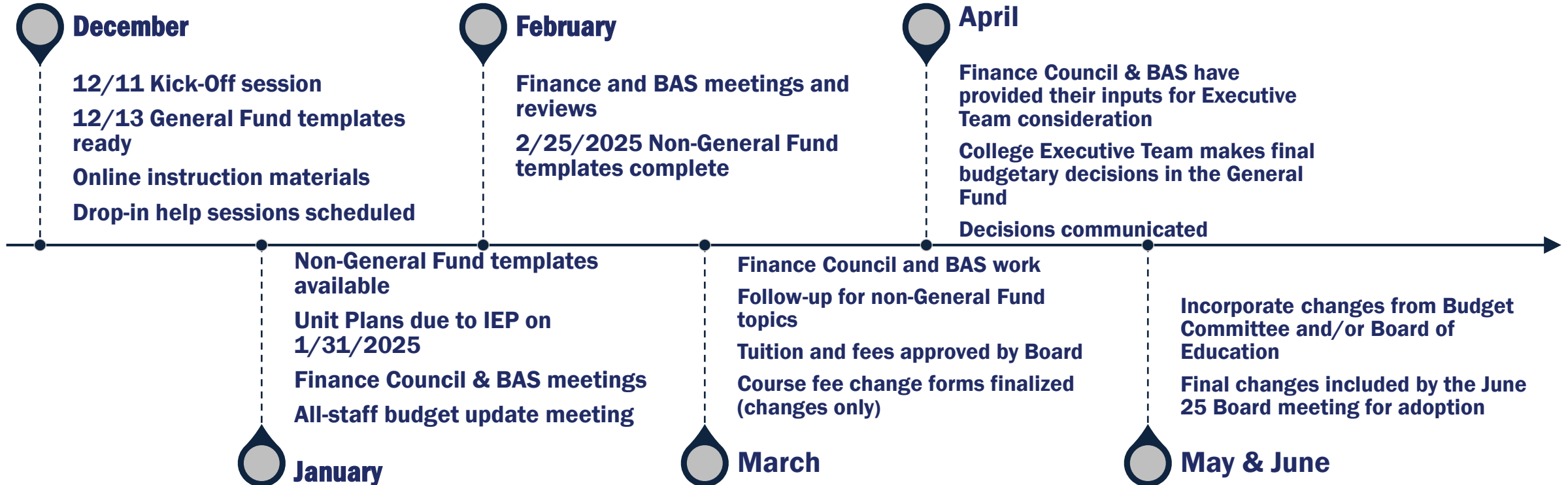
Mitigate impact over time

All reductions do not need to start on July 1, 2025

Depends on type of reduction

May take 3-9 months to implement

Base Budget Components Calendar for FY 2025-26



Update on Unit Plans



Provide opportunity to incorporate service area assessments, base budget information, and future planning to provide options for addressing service gaps



Gaps may be one-time or ongoing. May include requests for life-cycle replacement of equipment & furnishings or requests for new enhancements



Support for preparing Unit Plans includes drop-in sessions scheduled December through January



Reviews and prioritization occur through the process with Subject Matter Experts, Finance Council, and BAS as applicable to the type of request.

Base Budget For FY 2025-26

Development Materials

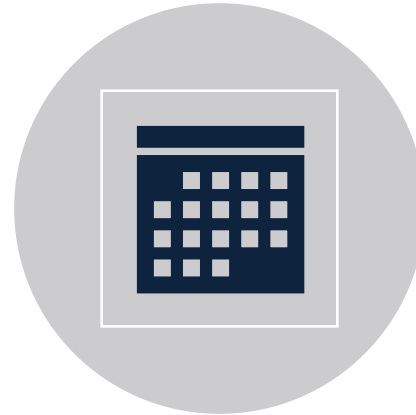
Checklists along the way

Information for filling out General Fund templates

Budget Development Materials



**CENTRALIZED INFORMATION:
BUDGET MANUAL, TRAINING VIDEO,
CHECKLISTS & STATUS ON F:DRIVE
RESOURCES AND RECORDINGS ONLINE**



**DEDICATED DROP-IN SUPPORT
DATES + AVAILABILITY OF
BUSINESS OFFICE STAFF FOR 1X1
MEETINGS NOW-FEBRUARY**



**PLEASE STAY IN CONTACT W IF YOU HAVE
QUESTIONS ALONG THE WAY**

Team Supporting Budget Process Components

Business Office

- **Christy Owen (overall coordination)**
- **Lisa Shaw (budget analysis)**
- **Elizabeth Cole (General Ledger administration & costing support)**
- **Sheila Baack (technical accounting support)**

Unit Plan Support

- **Information Technology estimating & support- Dejuan Tanner & Jack Delsman-Herman**
- **Human Resources position classifications & compensation estimating- Laura Thede & Alex Lam**
- **Institutional Effectiveness & Planning (IEP) support- Ashley Sears**

Schedule for Optional Drop-In Sessions (Zoom)

December 2024 Dates

- December 19 9:00-10:00am
- December 20 2:00-3:00pm

January 2025 Dates

- January 9 10:00-11:00am
- January 13 9:30am- 10:30am
- January 15 11:00am-12:00pm

February 2025 Dates

- February 6 10:00-11:00am
- February 11 10:00-11:00am

Assistance on all types of templates
Help with costing proposals
Technical Assistance with Prophix reports

We are also available for one-on-one appointments, (Zoom, Teams, or onsite)

Check Points for Base Budget Component Parts

Position management verification

- Deans review and verify allocations, classification, and Full-time Staff FTE count by **1/10/2025**

General Fund Materials & Services

- General Fund templates available **12/13/2024** & due **1/24/2025**

Course Fees and Fee-Funds

- Templates available **1/31/2025**
- Due back on **2/26/2025**
- Course Fee Changes due **3/15/2025**

Calculation for Base Materials and Services



*Inflation is included in the base materials and services at 2.5% above current year. FY 2024-25 was increased by 5% to recognize the inflation that occurred during the “frozen” period between 2020-2023.

General Fund Departmental Templates

- ❖ Located on the F:drive by organized by Division on 12/13/2024
- ❖ Provides prior two years of spending by materials and services account.
- ❖ Only one column requires budget data for FY 2025-26
 - ❖ All Accounts may be changed in General Fund
- ✓ The Form is complete when it is balanced with planned expenses totaling available resources to support Unit Materials and Services
- ✓ **New for FY 2025-26!** The Business Office has pre-balanced the General Fund forms based on historical spending patterns in each department.
 - ✓ If you'd like to rebalance and make changes, you may do so until January 24, 2025.
 - ✓ If the pre-populated template will work for your department, you may leave the template as-is in the F:drive.

Example of a General Fund template

Account	Name	2025-26 Budget
EXPENDITURE DETAIL		
60001	Supplies, office	800.00
60007	Supplies, instructional	1,500.00
60090	Supplies, other	6,912.00
61000	Travel, general	500.00
61020	Travel, vehicle fuel and mileage	100.00
61021	Travel, lodging	200.00
61024	Travel, airfare	500.00
61100	Conference registration	400.00
61190	Other training and staff development	1,000.00
62010	Recognitions and gifts	1,000.00
62100	Printing, departmental	3,000.00
62190	Printing and publications, Lewelling & other	800.00
63208	Shredding	200.00
64030	Memberships and dues	1,000.00
64090	Other fees and dues	500.00
64320	Catered and purchased food	500.00
67400	Student support	1,500.00
<i>Materials and Services</i>		
Total Expenditure		20,412
CHECK TOTAL		
Total expenditures detailed above		20,412.00
Budget available		20,412.00
99900	Add (reduce) this amount in detail above	-

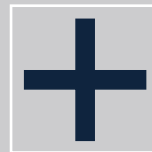


Sum of these expense accounts should total the available budget in the yellow cell



Allowable changes may increase or decrease specific line items

No pennies please!



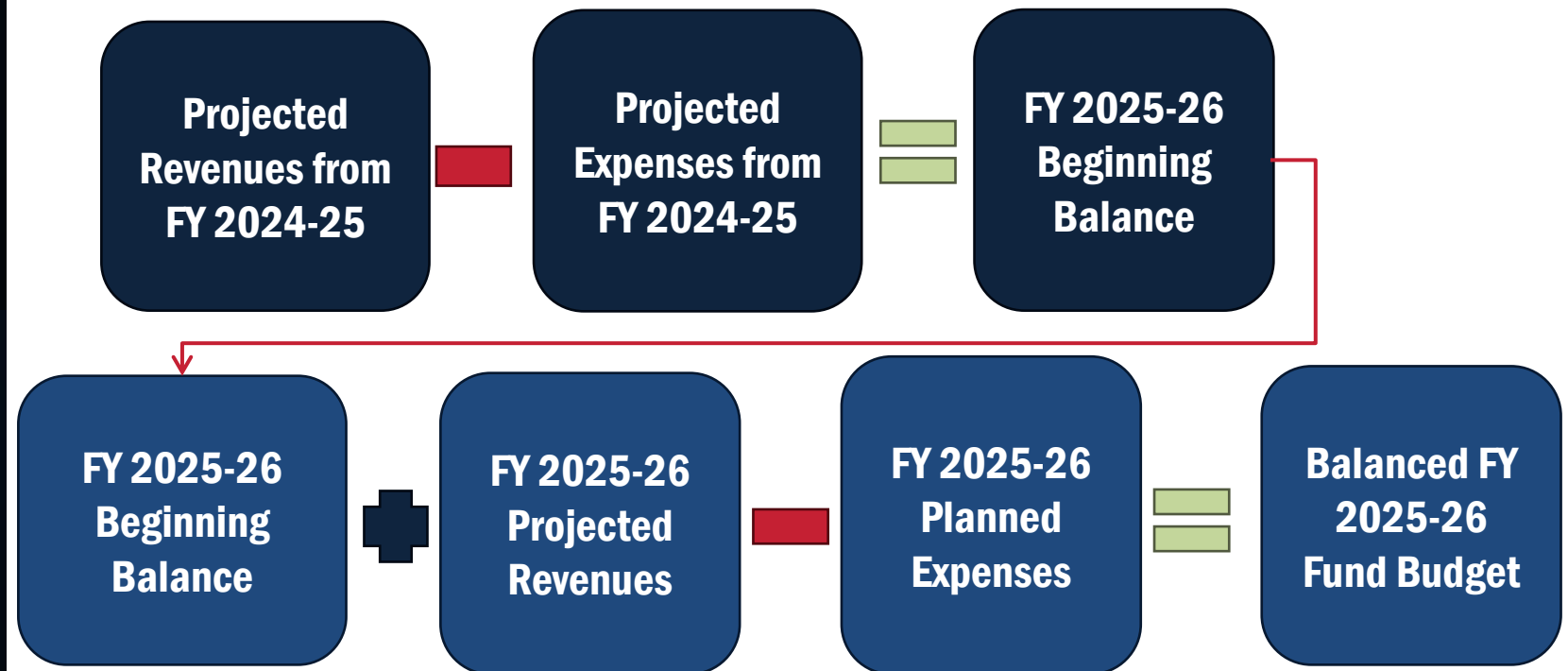
Adding new line-item accounts: reach out to the Business Office if you want to add a new line items. It's preferred to add these during the Requested Budget phase than during the fiscal year.

Course Fee Change Request Forms

- ❖ **Located on the F:drive**
- ❖ **Forms are only required if the course fee is going to change**
- ❖ **Narrative as to what is changing and why**
- ❖ **Signature block for Instructional Dean digital signature for planned Course Fee changes**
 - ❖ **The Business Office is available to assist with analysis of course fees upon request**
 - ❖ **The Business Office will work through Fee Fund (12 Fund) to validate assumptions as part of balancing revenues to expenses**
- ❖ **The Board Adopts All Fees with the Adopted Budget in June**
 - ❖ **Mid-year adjustments rarely occur, generally when a brand-new course is offered mid-fiscal year**

Fee Fund & Other Non- General Fund Templates

- ❖ Located on the F:drive by Unit by 1/31/2025; due by 2/26/2025
- ❖ Requires additional work on revenue and expense projections
 - ❖ Business Office is your Financial consultants to assist in preparations



Example of a Fee Fund template

		Budget
30000	FUND BALANCE at start of fiscal year	59,954.00
REVENUE DETAIL		
44125	Course fees	63,622.00
Total Revenue		63,622.00
EXPENDITURE DETAIL		
50204	Faculty, full time - overload	1,000.00
50240	Faculty, part time	15,000.00
50265	Faculty, part time - substitutes	
50340	Classified, part time	17,000.00
50410	Student, not federal work study	33,000.00
51000	FICA	5,049.00
51010	PEERS	201.00
51014	PEERS, self-assessed reserves	3,432.00
51020	Life and AD&D insurance	22.00
51021	Disability insurance	2.00
51023	Health insurance	933.00
51024	Dental insurance	131.00
51100	Workers comp	165.00
51120	Unemployment insurance	46.00
51130	Paid Leave Oregon	264.00
	<i>Personnel Services</i>	76,245.00
60007	Supplies, instructional	7,500.00
60020	Supplies, maintenance	500.00
60021	Supplies, custodial	
60040	Supplies, furniture & equipment < \$5,000	6,200.00
61190	Other training and staff development	
62000	Advertising	500.00
62010	Recognitions and gifts	
62190	Printing and publications, Lewelling & other	5,000.00
67400	Student support	2,500.00
67402	Student awards	1,000.00
69900	Other materials and services	
	<i>Materials and Services</i>	23,200.00
Total Expenditure		99,445.00



Cells that may be changed will be highlighted in yellow.
- Calculated cells for wage-driven benefits should not be changed. The math is already there 😊.



Estimate where fund ends current year is just this, and estimate. As part of year-end projections the Business Office will take one final pass at BFB projections in April



Materials and Services estimates are the same as the general fund template. The primary goal is to balance revenues to expenses by the department/fund combination.

Department Change Request Form

- ❖ **Rebranding happens over the course of time**
- ❖ **Name changes, options for GL structure requests**
- ❖ **If there are new changes, there are forms in the F:drive to submit to the Business Office by March 1, 2025**



Communication plan



Use of College Intranet Site

Budget Manual

Training materials

Checklists

Decisions will be documented, shared, and archived in central location

Encourage detailed notes in these off-line but publicly available documents

Approved equipment, maintenance, and specific projects & GL Structure centrally located



Email communications

Instructions, with links to supportive materials

Communicate final decisions

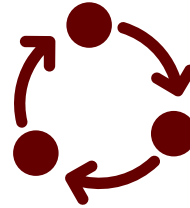
Expect information to be shared at Finance Council, Shared Governance Oversight Group

End-user survey post process to learn for next go-around

Feedback and questions?



Are there other opportunities for sharing information?



Planned follow-up with Finance Council before next Fiscal Year



Additional questions?

[Video Recording from 12/11/2024](#)