

Fiscal Year 2006 Amended Budget

Fiscal Year 2006 Amended General Fund Projection

	FY 2006 <u>Adopted</u> Budget	FY2006 <u>Amended</u> Projection	Amended Minus Adopted	% Change From Adopted
<i><u>Revenues</u></i>				
State Appropriations	\$28,097,100	\$28,323,200	\$226,100	0.8%
Property Taxes	\$37,566,449	\$38,359,422	\$792,973	2.1%
Tuition/Fees	\$33,893,895	\$35,504,145	\$1,610,250	4.8%
Other Revenues	\$3,000,000	\$2,319,904	(\$680,096)	-22.7%
Total Revenues	\$102,557,444	\$104,506,671	\$1,949,227	1.9%

See Schedule A

Fiscal Year 2006 Amended General Fund Projection

	FY 2006 <u>Adopted</u> Budget	FY 2006 <u>Amended</u> Budget	Amended Minus Adopted	% Change from Adopted
<i><u>Operating Budget</u></i>				
Salaries & Wages	\$49,611,923	\$51,039,705	\$1,427,782	2.9%
Employee Benefits	\$16,849,038	\$18,091,733	\$1,242,695	7.4%
Total Salaries + Benefits	\$66,460,961	\$69,131,438	\$2,670,477	4.0%
Total Services, Supplies, Grant Match	\$19,796,192	\$19,686,314	(\$109,878)	-0.6%
<i><u>Transfers</u></i>				
Child Care Scholarships	\$279,142	\$279,142	\$0	0.0%
General Institutional Scholarships	\$1,455,500	\$1,455,500	\$0	0.0%
Total Transfers	\$1,734,642	\$1,734,642	\$1,434,642	0.0%
<i><u>Capital Budgets</u></i>				
Major Equipment	\$1,500,000	\$1,500,000	\$0	0.0%
Debt Service, All Issues	\$6,173,768	\$6,304,277	\$130,509	2.1%
Plant Improvement	\$3,000,000	\$3,000,000	\$0	0.0%
Technology Infrastructure	\$3,000,000	\$3,000,000	\$0	0.0%
Total Capital Budgets	\$13,673,768	\$13,804,277	\$130,509	1.0%
Total Expenditures & Transfers	\$101,665,563	\$104,356,671	\$2,691,108	2.6%

Questions?

Fiscal Year 2007 Budget Presentation

Lansing Community College
Budget of Trustees, April 17, 2006



Today's Presentation

- Introduction
- FY 2007 Revenues Projection
- FY 2007 Expenditures Projection
- Fund Balance
- Tuition Increase Scenarios
- Parking Fund Proposal



Planning Process Focal Points

- AQIP Gaps
- Student Support Services
- Fiscal Integrity
- Alignment of staffing and operational plans to address above items

Budget Challenges

- Total revenues expected to increase by 5%
- Total expenditures initially projected to increase by 7%
 - Initial projected deficit approximately \$3,000,000
- Large increases in fixed costs
 - Retirement system contributions, health care, wage increases, energy
- Insufficient Fund Balance
 - Currently 7.00% of total revenues
 - Should be at least 8.33%



Response to The Mercer Group Report

- Budgeted Expenditures grouped by Activity Classification Structure (ACS)
- Full- and Part-time Position Comparisons
- Vacancy Factor — .75% (about 5 Full-time Positions)

See Schedules G, J, and K

Fiscal Year 2007 Revenues

Fiscal Year 2007 General Fund Projection

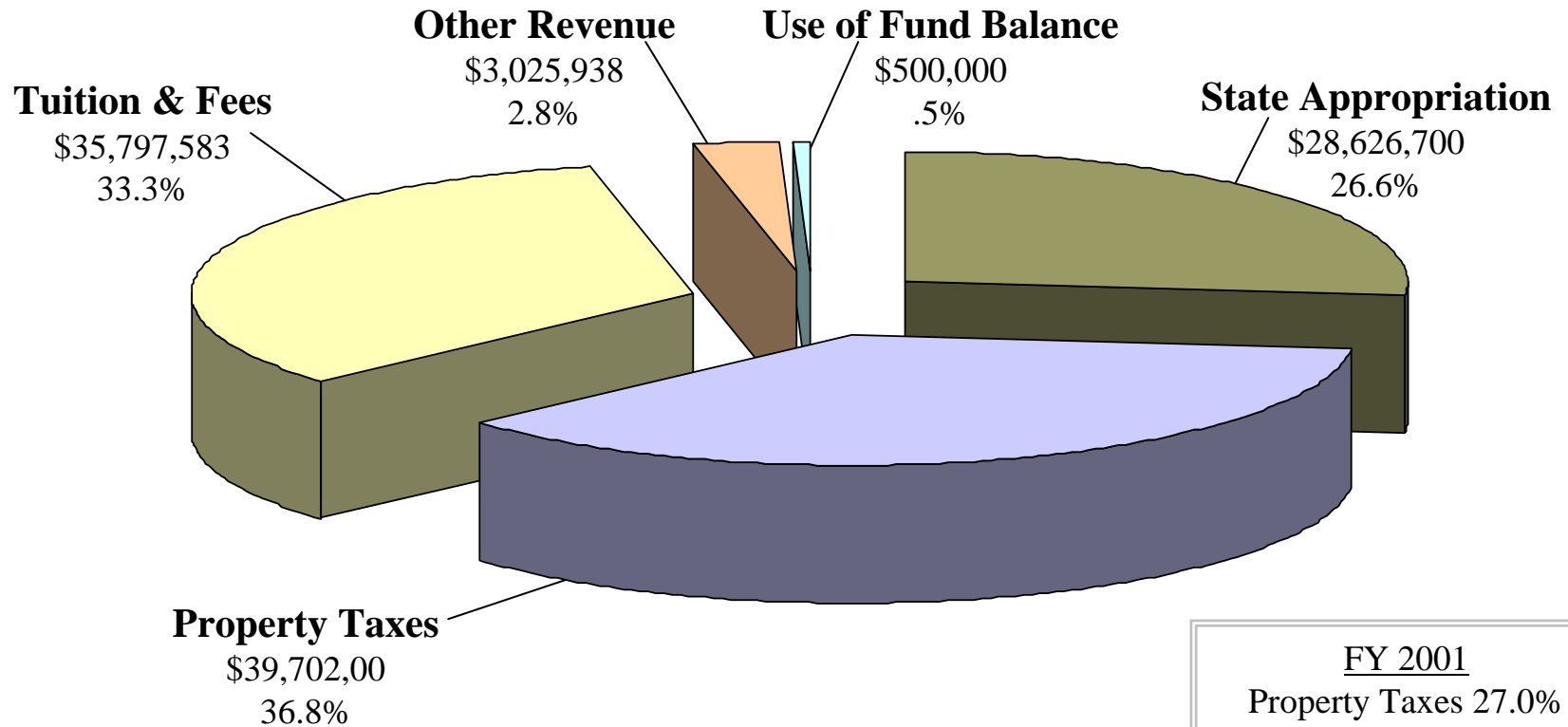
	FY 2006 <u>Adopted</u> Budget	FY 2006 <u>Amended</u> Projection	FY 2007 <u>Projected</u> Budget	% Change From Adopted
<i><u>Revenues</u></i>				
State Appropriations	\$28,097,100	\$28,323,200	\$28,626,700	1.9%
Property Taxes	\$37,566,449	\$38,359,422	\$39,702,000	5.7%
Tuition/Fees	\$33,893,895	\$35,504,145	\$35,797,583	5.6%
Other Revenues	\$3,000,000	\$2,319,904	\$3,025,938	0.9%
Use of Fund Balance			\$500,000	
Total Revenues	\$102,557,444	\$104,506,671	\$107,652,221	5.0%

See Schedule F

Fiscal Year 2007 Revenue

- **FY 2007 State Appropriation:** \$28,626,700 — 1.9% increase
- **Property Taxes:** Increase of \$2,135,5515 — 5.7% increase
- **Tuition and Fees:** Assumes flat enrollment
 - Includes summer course fee increases
- **Other Revenue:** Slight increase over last year
- **Use of Fund Balance:** One-time allocation for contract implementation per Board approval (December 2005)

FY 2007 Proposed Revenues



FY 2001	
Property Taxes	27.0%
Tuition & Fees	26.2%
State Appropriation	41.2%
Other Revenue	5.6%

Fiscal Year 2007 Expenditures

Fiscal Year 2007 Operating, Transfers, and Capital Budgets

	FY 2006 <u>Adopted</u> Budget	FY 2006 <u>Amended</u> Budget	FY 2007 <u>Proposed</u> Budget	% Change from Adopted
<i><u>Operating Budget</u></i>				
Salaries & Wages	\$49,611,923	\$51,039,705	\$54,469,179	9.8%
Employee Benefits	\$16,849,038	\$18,091,733	\$20,514,935	21.8%
Total Salaries + Benefits	\$66,460,961	\$69,131,438	\$74,984,114	12.8%
Total Services, Supplies, Grant Match	\$19,796,192	\$19,686,314	\$19,075,552	-3.6%
<i><u>Transfers</u></i>				
Child Care Scholarship	\$279,142	\$279,142	\$279,142	0.0%
General Institutional Scholarships	\$1,455,500	\$1,455,500	\$1,155,500	-20.6%
Total Transfers	\$1,734,642	\$1,734,642	\$1,434,642	-17.3%
<i><u>Capital Budgets</u></i>				
Major Equipment	\$1,500,000	\$1,500,000	\$1,380,000	-8.0%
Debt Service, all Issues	\$6,173,768	\$6,304,277	\$6,402,674	3.7%
Plant Improvement	\$3,000,000	\$3,000,000	\$3,000,000	0.0%
Technology Infrastructure	\$3,000,000	\$3,000,000	\$1,800,000	-40.0%
Total Capital Budgets	\$13,673,768	\$13,804,277	\$12,582,674	-8.0%
Total Expenditures & Transfers	\$101,665,563	\$104,356,671	\$108,076,982	6.3%



Costs Driving Expenditure Increases

- Salaries
- Benefits
- Utilities
- Industrial Materials & Supplies for Instruction
- Fuel & Petroleum-Based Supplies for Operations and Instruction

Projected Benefit Detail for All Funds

Employee Benefit Employer Costs	FY 2006 Projected	FY 2007 Projected	Percent Increase
FICA	\$3,962,108	\$4,175,230	5%
Health Benefits	\$5,650,232	\$6,119,545	8%
MPSERS	\$7,512,567	\$8,617,760	15%
Optional Retirement	\$704,027	\$720,000	2%
Unemployment	\$103,779	\$120,000	16%
Life & Disability	\$235,701	\$310,000	32%
Tuition Benefits	\$703,045	\$784,590	12%
Workers Compensation	\$191,255	\$210,385	10%
Total	\$19,062,714	\$21,057,510	10%

Transfers and Capital Budgets

Student Scholarships & Aid Usage

	FY03	FY04	FY05
Foundation	\$ 194,406	\$ 533,889	\$ 578,899
Federal	19,628,438	22,782,940	24,881,888
LCC General Fund	874,971	851,254	914,165
State of Michigan	3,851,486	3,012,727	3,943,771
Other	352,391	207,001	292,122
	\$ 24,901,692	\$ 27,387,811	\$ 30,610,845

- LCC General Fund Scholarships FY 2006 adopted budget is \$1,455,500
- LCC General Fund Scholarships FY 2007 proposed budget is \$1,155,000

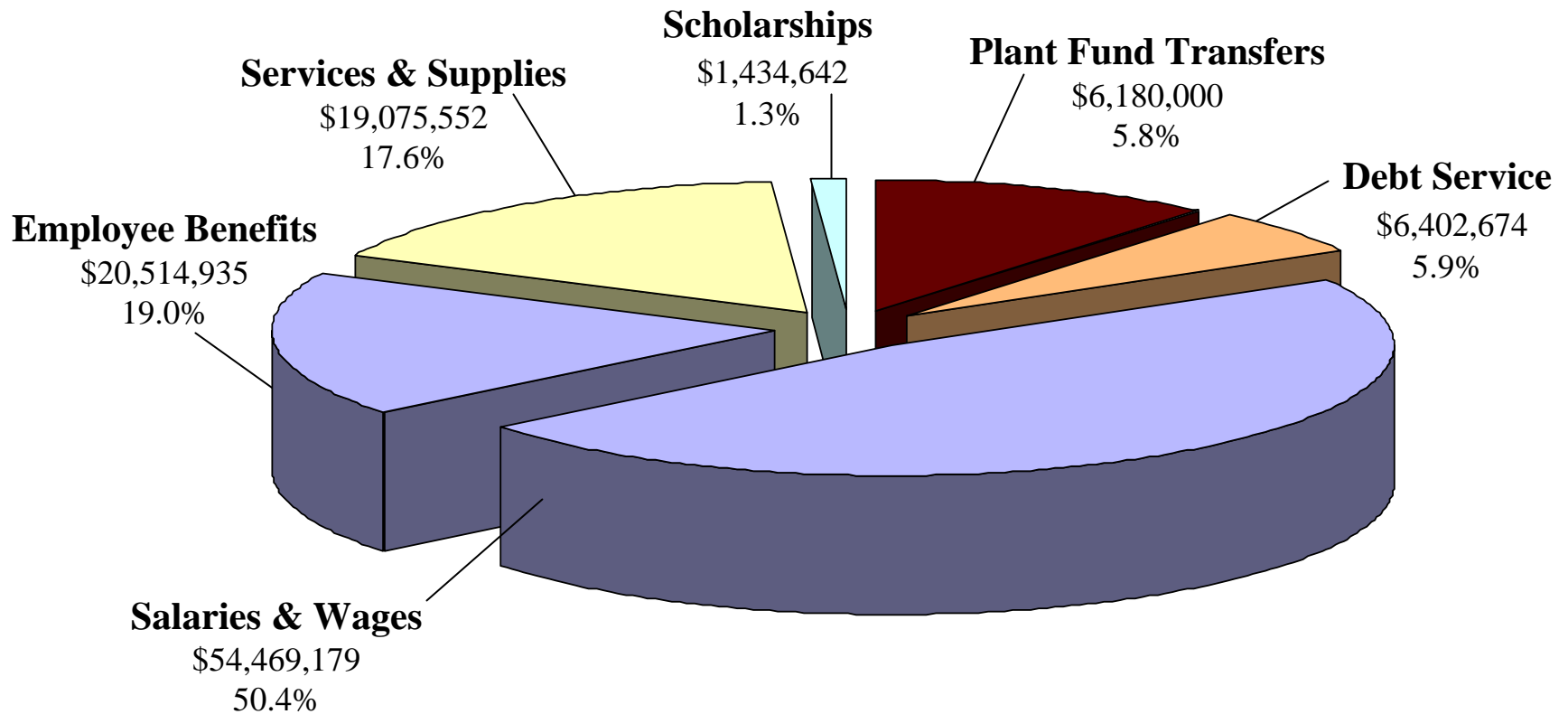


Transfers to Plant Fund

- Major Equipment Fund
 - \$1,380,000
- Maintenance & Replacement Fund
 - \$3,000,000
- Technology Infrastructure Fund
 - \$1,800,000

See Schedules M, O, and P

FY 2007 Proposed Expenditures



Bottom Line for FY 2007

Projected Revenues	➔	\$107,652,221
Projected Needs	➔	\$108,076,982
Projected Balance	➔	(\$424,761)

Fund Balances

Unallocated Fund Balances

Fund Balances	FY 03	FY 04	FY 05
General Fund Unallocated	\$6,698,719	\$6,757,998	\$6,933,657
Designated Fund Unallocated	\$453,322	\$255,708	\$47,207
Total Unallocated Fund Balances	\$7,152,041	\$7,013,706	\$6,980,864
Total General Fund Revenues	\$93,534,837	\$91,852,707	\$99,163,813
Unallocated FB as a percentage of GF Revenues	7.65%	7.64%	7.04%

See Schedule Q



Board Considerations

- Closing projected deficit gap of \$425,000
 - Increase Spring 2007 course fees
 - Increase tuition

- Establish \$5 per billable hour facilities/parking fee
 - For credit courses taught at the West Campus, LCC East, Livingston Center, and St. Johns Center

- Setting vacancy factor for overall salaries and wages

- FY07 operational and capital budgets

Tuition Increase Considerations

Tuition Scenarios

Current Comparison

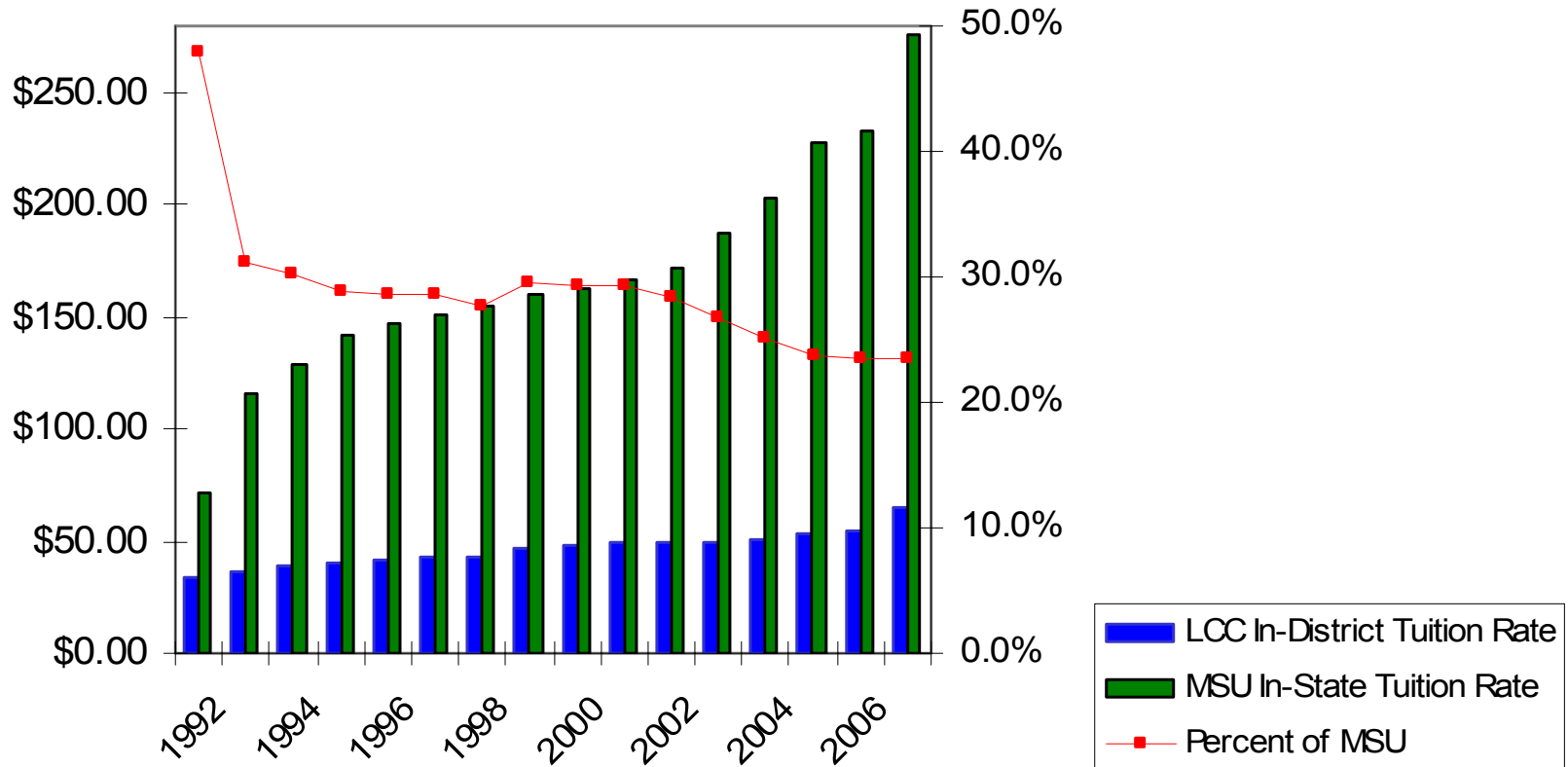
	LCC Current	Current State Average	State Average Projected FY2007
In-District	\$65.00	\$65.25	\$67.44
Out-of-District	\$105.00	\$101.49	\$105.42
Out-of-State	\$145.00	\$135.52	\$140.05
International	\$145.00	\$135.52	\$140.72

See Schedule R

Latest Information on Tuition Rate Changes

Community College	Current In-District	<u>FY 07</u> In-District	In-District Percent Change	Current Out-District	<u>FY 07</u> Out-District	Out-District Percent Change	Current Out-State	<u>FY 07</u> Out-State	Out-State Percent Change
West Shore	\$ 65	\$ 67	3.1%	\$ 106	\$ 110	3.8%	\$ 141	\$ 146	3.5%
Monroe	\$ 58	\$ 60	3.4%	\$ 98	\$ 104	6.1%	\$ 108	\$ 115	6.5%
GRCC	\$ 69.50	\$ 73.50	5.8%	\$ 125	\$ 142	13.6%	\$ 175	\$ 202	15.4%
Glen Oaks	\$ 64	\$ 68	6.3%	\$ 95	\$ 101	6.3%	\$ 125	\$ 133	6.4%
Kzoo Valley	\$ 55	\$ 61	10.9%	\$ 94	\$ 100	6.4%	\$ 128	\$ 136	6.3%
Average Percent Change			5.8%			7.5%			8.1%

LCC Tuition Rates as Percentage of MSU Tuition Rates have Dropped



Scenario 1

Residency	Billable Hours	Current Rate	Potential Increase	Percent Increase	Revenue Effective Fall 2006
In-District	208,200	\$65	\$0	0.0%	\$0
Out-of-District	130,490	\$105	\$3	2.9%	\$373,995
Out-of-State	3,600	\$145	\$5	3.4%	\$17,500
International	9,230	\$145	\$5	3.4%	\$42,750
Total	351,520				\$434,245

Scenario 2

Residency	Billable Hours	Current Rate	Potential Increase	Percent Increase	Revenue Effective Fall 2006
In-District	208,200	\$65	\$1	1.5%	\$196,940
Out-of-District	130,490	\$105	\$2	1.9%	\$249,330
Out-of-State	3,600	\$145	\$5	3.4%	\$17,500
International	9,230	\$145	\$5	3.4%	\$42,750
Total	351,520				\$506,520

Scenario 3

Residency	Billable Hours	Current Rate	Potential Increase	Percent Increase	Revenue Effective Fall 2006
In-District	208,200	\$65	\$2	3.1%	\$393,880
Out-of-District	130,490	\$105	\$4	3.8%	\$498,660
Out-of-State	3,600	\$145	\$6	4.1%	\$21,000
International	9,230	\$145	\$6	4.1%	\$51,300
Total	351,520				\$964,840

Scenario 4

Residency	Billable Hours	Current Rate	Potential Increase	Percent Increase	Revenue Effective Fall 2006
In-District	208,200	\$65	\$1	1.5%	\$196,940
Out-of-District	130,490	\$105	\$15	14.3%	\$1,869,974
Out-of-State	3,600	\$145	\$25	17.2%	\$87,500
International	9,230	\$145	\$25	17.2%	\$213,750
Total	351,520				\$2,368,165

Parking Fund Proposal

Parking Fund Proposal

- West Campus, LCC East and other sites offer expanded parking options for students
- College must maintain or pay for parking facilities at all locations
- Only students taking classes at the downtown campus are charged a parking fee
- Propose a \$5 per billable hour facilities/parking fee
 - For credit courses taught at the West Campus, LCC East, Livingston Center, and St. Johns Center

Parking Fund Proposal

Billable Hours	\$5 Facility Parking Fee Per Semester	Approx. Cost for Downtown Parking *
3	\$15	\$51
6	\$30	\$38
9	\$45	\$154
12	\$60	\$205
15	\$75	\$256

* Assumes students will park 10 to 30 minutes before class and will exit 10 to 30 minutes after class, and that all classes would be taken Monday through Thursday, 8:00 a.m. to 5:00 p.m.

See Schedule I



Parking Fund Proposal

- Revenue from fee would support on-going parking operations and maintenance of facilities at West Campus and other College learning centers
- Based on current billable hours, this fee would raise approximately \$300,000 per year

Questions?
