

Presented to the LCCC Board of Trustees 5.9.18

FY19 Proposed Budget



Thank You's...

Jayne Myrick

Budget Process Advisory Committee (BPAC)

Jayne Myrick & Kim Bender Co-Chairs

Kim Adams

Sheri Johnson

Karen Reynolds

Lawrence Struempf

Mohamed Chakhad

Chad Marley

Nola Rocha

Monica Wilson

Christie Goertel

Starla Mason

Victoria Steele

Madelyn Wostrel

Budget Resource Allocation Committee (BRAC)

Jayne Myrick & Kim Bender Co-Chairs

Kari Brown-Herbst

Chad Marley

Zac Roehrs

Jan Streeter

Cynthia Henning

Alli McCown

Scott Royce

Janet Webb

Tyler Kjorstad

Talisha Mottinger

Lacey Shandera



KEY DRIVERS OF FY19 BUDGET

Upside

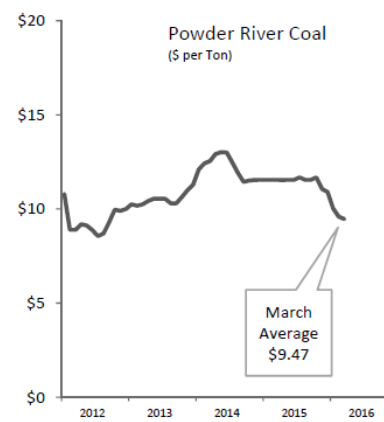
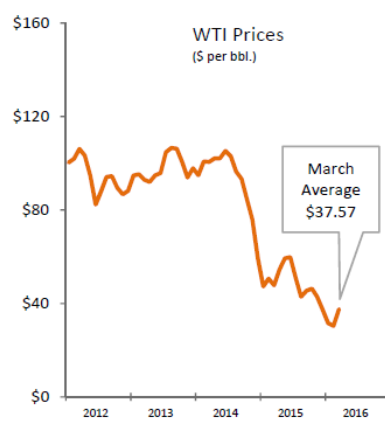
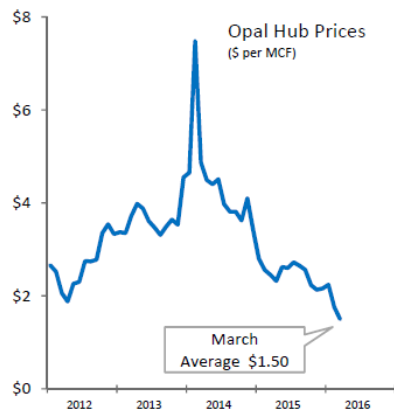
- ✓ Energy Markets
- ✓ Local Economies
- ✓ Legislature

Downside

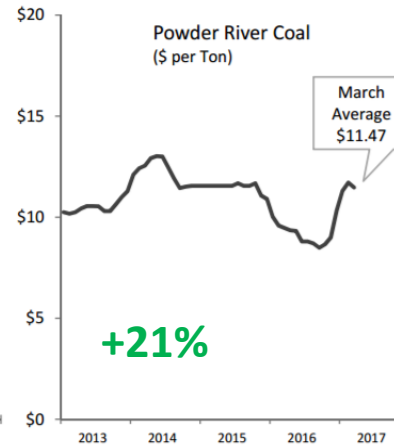
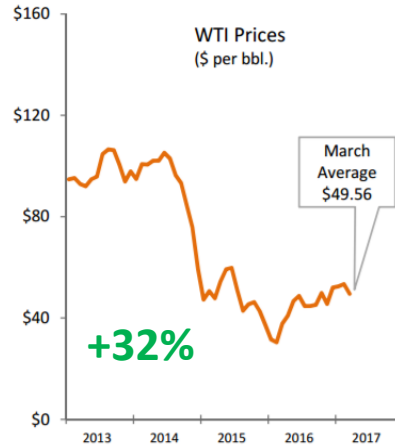
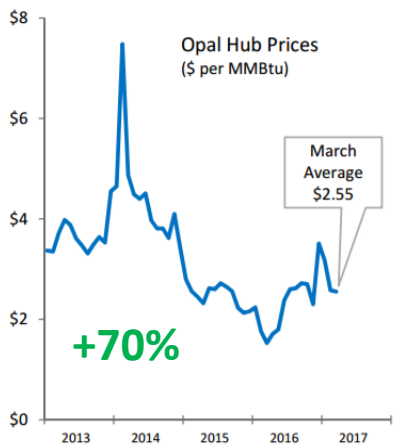
- ✓ Lagging Enrollment Effects



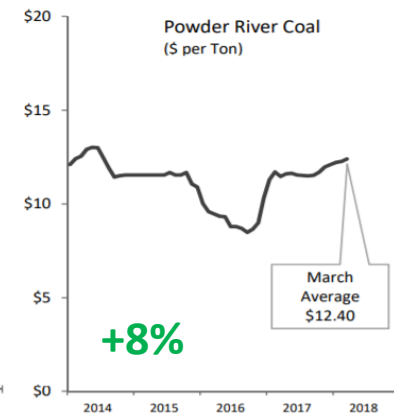
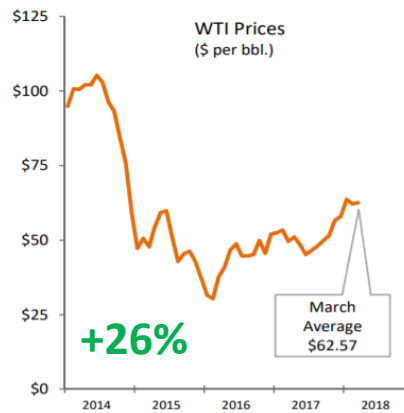
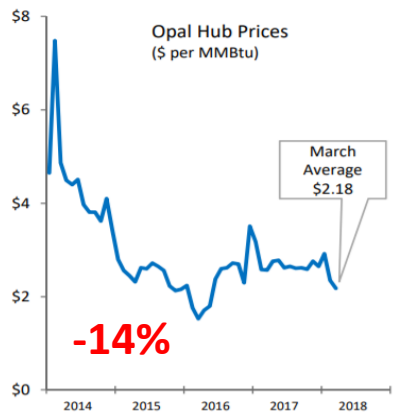
2016



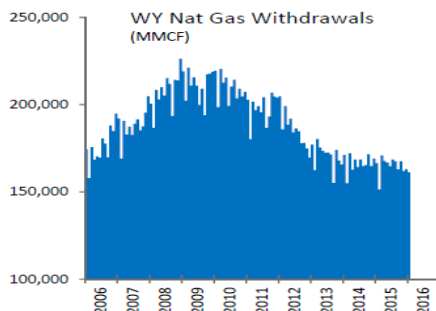
2017



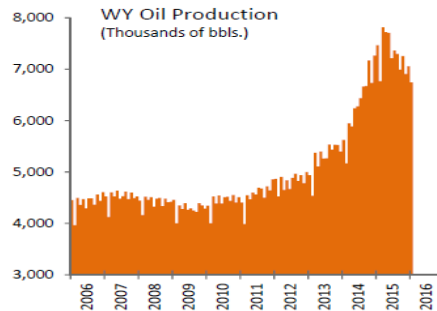
2018



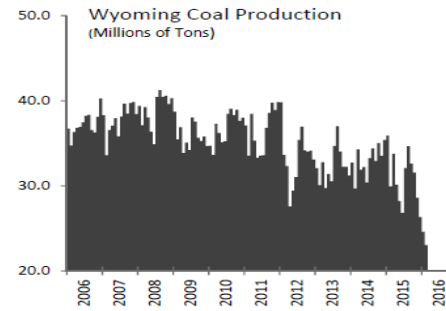
2016



Cumulative Change YTD:
Jan 2016 vs. Jan 2015
-3.1%

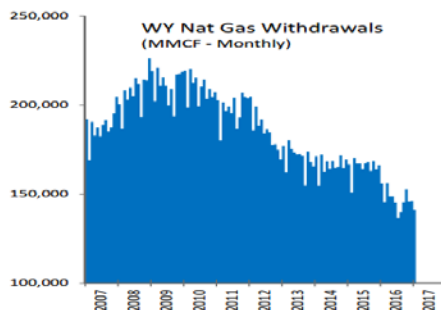


Cumulative Change YTD:
Jan 2016 vs. Jan 2015
-9.7%

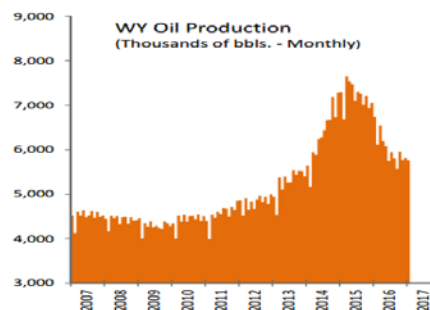


Cumulative Change YTD:
Feb 2016 vs. Feb 2015
-27.7%

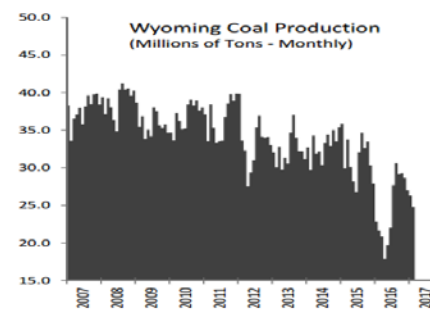
2017



Cumulative Change YTD:
Jan 2017 vs. Jan 2016
-9.5%

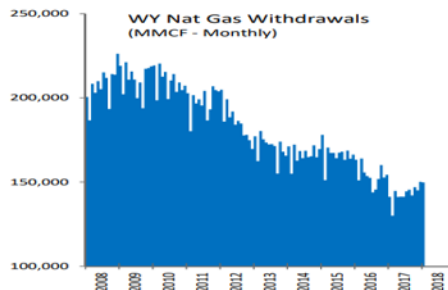


Cumulative Change YTD:
Jan 2017 vs. Jan 2016
-14.5%

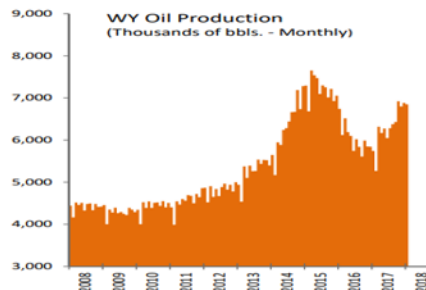


Cumulative Change YTD:
Feb 2017 vs. Feb 2016
+14.9%

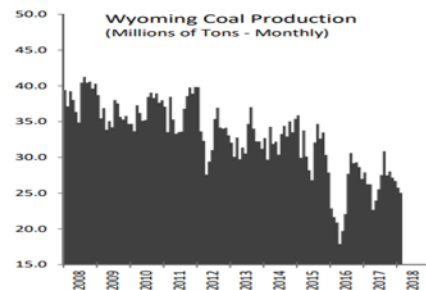
2018



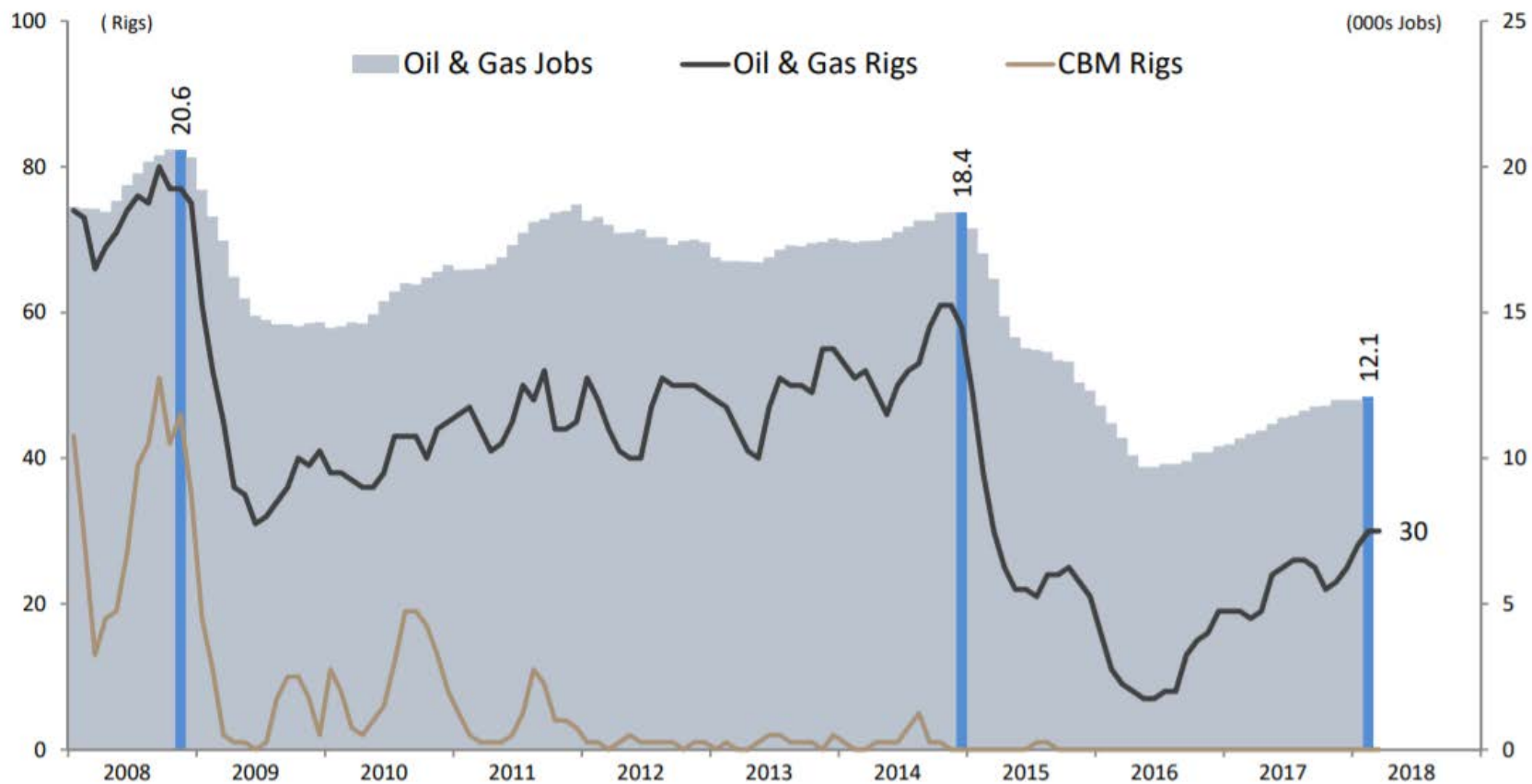
Cumulative Change YTD:
Jan 2018 vs. Jan 2017
+6.1%



Cumulative Change YTD:
Jan 2018 vs. Jan 2017
+19.2%



Cumulative Change YTD:
Feb 2018 vs. Feb 2017
-6.2%



Denver Post, April 27, 2018:

OIL AND GAS

Drillers head to Wyo., saying Colo. too unfriendly

By Aldo Svaldi
The Denver Post

Citing mounting public opposition to oil and gas drilling in the state, a growing number of producers in the Denver-Julesburg Basin are favoring Wyo-

ming, North Dakota and Texas as they look to take advantage of rising oil prices.

Or, in the case of HighPoint Resources, a firm that is going all in on the D-J Basin, they are targeting rural areas in Weld County, hoping to avoid the

backlash that companies such as Crestone Peak Resources and Extraction Oil & Gas have faced as they seek to drill wells in Boulder and Broomfield counties.

"We are contemplating trying to exit the D-J Basin and focus-

ing on the Bakken (in North Dakota)," Brad Holly, the president and CEO of the Denver-based producer, said this week at DUG Rockies, a regional oil and gas conference presented by Hart Energy.

DRILL • 4A

firm, said at the conference.

U.S. oil production this year is on track to beat the record high, set in 1970, but much of the new supply is coming out of the Permian Basin in southwest Texas and eastern New Mexico. And even North Dakota and Wyoming, home to the "hot" Powder River Basin, are seeing more investment.

Colorado had 29 drilling rigs running last week, 29 the same week last April and 17 the same week in April 2016, according to Baker Hughes, North Dako-

ment, said at the conference. eye of Colorado producers, such as Peak Exploration & Production, is the Powder River Basin in Wyoming, which some are comparing to a smaller version of the Permian Basin of Texas in terms of its potential.

Wyoming this year could see a fivefold jump in drilling permits over two years ago.

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@aldosvaldi



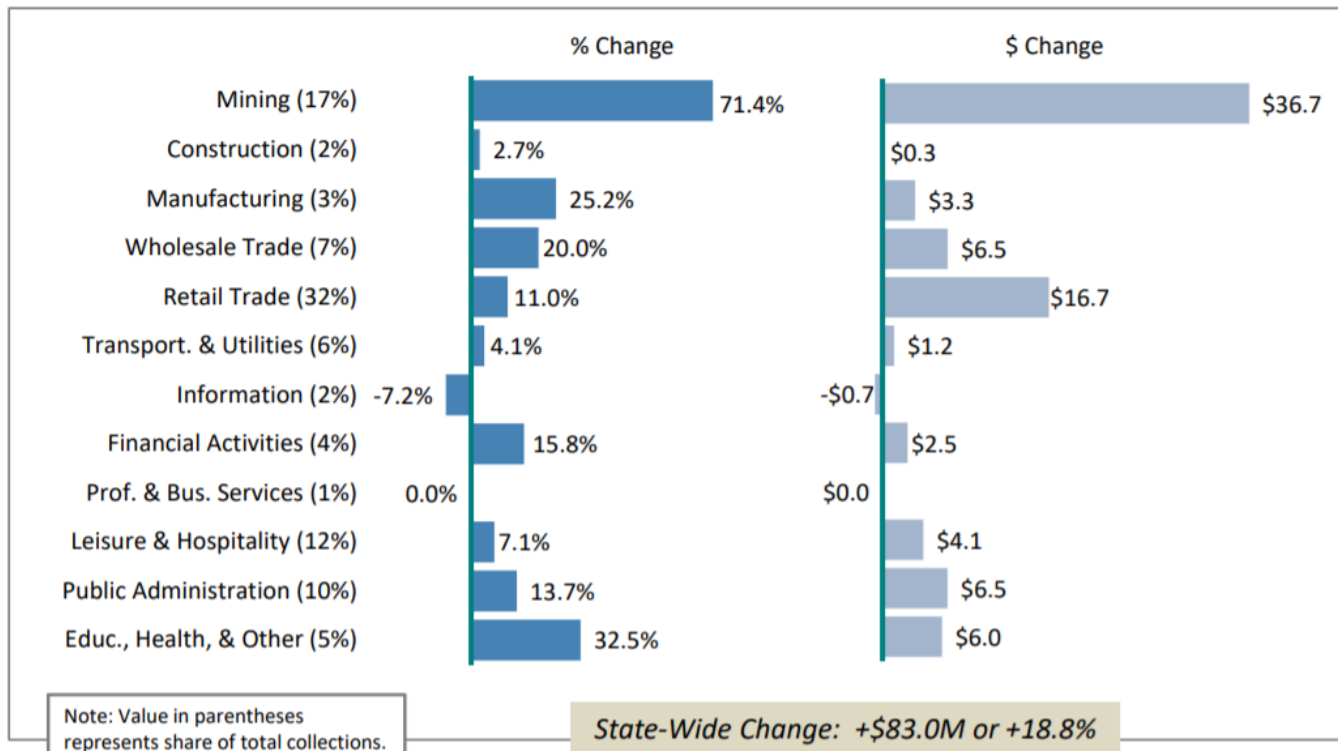
Economy Metrics: Wyoming, Casper, and Cheyenne

| | Wyoming | | | | Casper MSA | | | | Cheyenne MSA | | | |
|--|-------------------|-------------|--------------------|---|-------------------|-------------|--------------------|---|-------------------|-------------|--------------------|---|
| | Current Period | Year Ago | Annual % Change | | Current Period | Year Ago | Annual % Change | | Current Period | Year Ago | Annual % Change | |
| (1) EAD Business-Cycle Indexes | 98.56 | 95.58 | 3.1% | ▲ | 95.78 | 93.62 | 2.3% | ▲ | 106.66 | 103.81 | 2.7% | ▲ |
| (2) Sales and Use Tax Collections (millions) | \$525.3 | \$442.3 | 18.8% | ▲ | \$58.8 | \$52.8 | 11.4% | ▲ | \$68.4 | \$59.9 | 14.2% | ▲ |
| (3) Nonfarm Employment (000s) | 285.3 | 280.6 | 1.7% | ▲ | 38.9 | 38.1 | 2.1% | ▲ | 46.5 | 46.6 | -0.2% | ▼ |
| (4) Labor Force (000s) | 288.1 | 292.6 | -1.5% | ▼ | 39.3 | 40.1 | -2.0% | ▼ | 47.9 | 49.1 | -2.4% | ▼ |
| (5) Private Sector Jobs (000s) | 208.2 | 202.1 | 3.0% | ▲ | 32.3 | 31.6 | 2.2% | ▲ | 32.2 | 31.8 | 1.3% | ▲ |
| (6) Private Sector Weekly Earnings | \$839 | \$781 | 7.4% | ▲ | \$924 | \$893 | 3.5% | ▲ | \$803 | \$701 | 14.6% | ▲ |
| (7) Single Family Building Permits (units) | 169 | 154 | 9.7% | ▲ | 17 | 14 | 21.4% | ▲ | 39 | 63 | -38.1% | ▼ |
| (8) FHFA All-Transactions Home Price Index | 310.6 | 303.2 | 2.4% | ▲ | 276.8 | 270.7 | 2.3% | ▲ | 239.4 | 228.0 | 5.0% | ▲ |
| (9) Personal Income (millions) | \$33,183 | \$32,010 | 3.7% | ▲ | \$5,599 | \$5,921 | -5.4% | ▼ | \$4,884 | \$4,825 | 1.2% | ▲ |
| (10) Gross Domestic Product (millions) | \$41,284 | \$38,268 | 7.9% | ▲ | \$5,859 | \$6,633 | -11.7% | ▼ | \$5,485 | \$5,521 | -0.7% | ▼ |

WY State-Wide 4% Sales and Use Tax Collections by Industry

Change in Percent and Dollars (Millions)

Fiscal 2018 vs. Fiscal 2017 — Nine Months of Collections

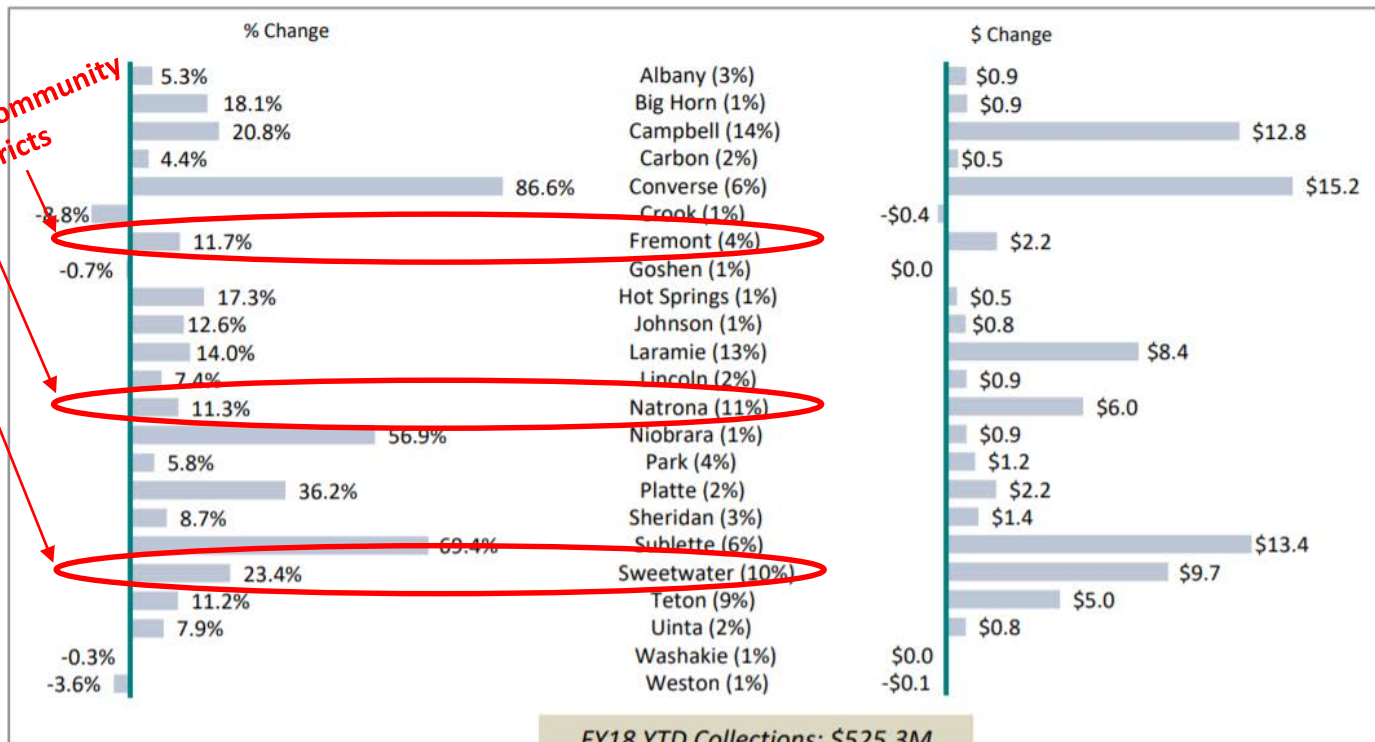


WY State-Wide 4% Sales and Use Tax Collections by County

Change in Percent and Dollars (Millions)

Fiscal 2018 vs. Fiscal 2017 — Nine Months of Collections

Energy Producing, Community
College Districts



FY18 YTD Collections: \$525.3M

FY17 YTD Collections: \$442.3M



Wyoming's energy economy is bouncing back

Local economies look strong

**Likely see a funding increase with Commission's
"Recapture/Redistribution Process" in August**



LEGISLATURE

Funding Result Largely Flat – No Big Surprises

Major Maintenance

Biennial funding increasing \$1.8M (from \$2.8M to \$4.6M)

Changes in Wyoming Retirement – HB109

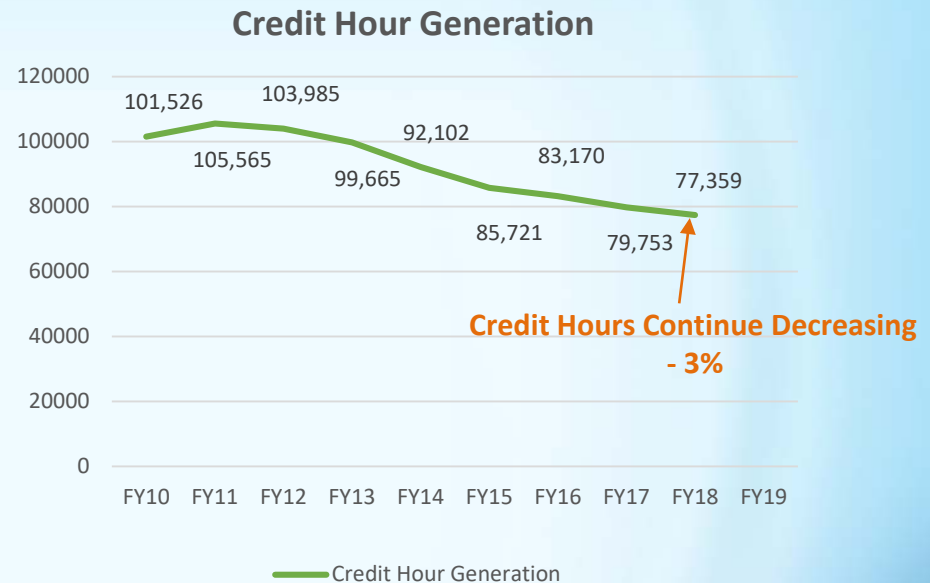
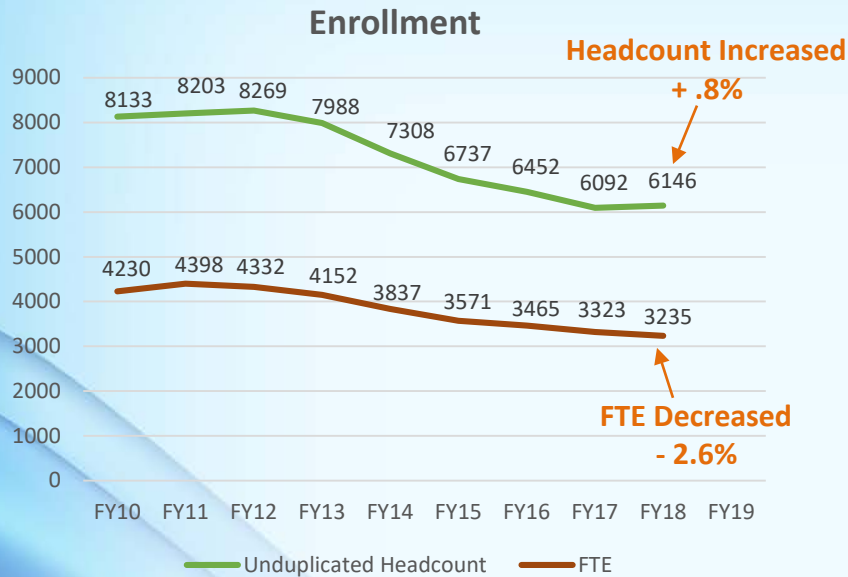
Modifies the structure of the Wyoming Retirement System for two biennium's

| | Current | FY19 | FY20 | FY21 | FY22 |
|--|---------|--------|--------|--------|--------|
| Employee Contribution as a % of Salary | 1.805 | 2.055 | 2.305 | 2.555 | 2.805 |
| Employer's Share of Employee's Contribution as % of Salary | 6.445 | 6.445 | 6.445 | 6.445 | 6.445 |
| Employer Contribution as % of Salary | 14.815 | 15.065 | 15.315 | 15.565 | 15.815 |
| Total | 16.62 | 17.12 | 17.62 | 18.12 | 18.62 |
| | | | | | |
| | | | | | |

→ .25% = ~ \$18K (cost to LCCC)



Enrollment Effects



More students, but less hours!
Revenue Impact

Estimated Funds Available

New Funds

| | |
|--|--------------------|
| State Aid (August 2017 Recapture/Redistribution) <i>Actual</i> | (\$157,410) |
| Local Appropriation (August 2017 Recapture/Redistribution) <i>Actual</i> | \$191,410 |
| State Aid (FY2019) <i>Actual</i> | (\$11,078) |
| Tuition (Declining Enrollment) <i>(Estimate)</i> | (\$343,000) |
| Business Training <i>(Estimate)</i> | \$10,000 |
| Course Fee (Approved Increases and Declining Enrollment) <i>(Estimate)</i> | (\$9,587) |
| Discontinue Graduation Fee <i>(Estimate)</i> | (\$9,000) |
| Athletic Fees (Declining Enrollment) <i>(Estimate)</i> | (\$18,282) |
| Net Losses | (\$346,947) |

Internal Funds (Positions include Salary and Benefits)

| | |
|---|-----------|
| IT Technicians and IT Operating Expenses (Move from Current Fund to One Mill) | \$571,880 |
| College Insurance (Move from Current Fund to One Mill) | \$444,450 |
| Retiree Health Insurance (FY2019 Rate Holiday) | \$108,181 |

Vacant Positions

| | |
|---|--------------------|
| Instructor, English | \$62,408 |
| Instructor, Communication | \$60,094 |
| Instructor, Industrial/Process Technology | \$76,963 |
| Instructor, CIS | \$66,231 |
| Technician, Financial Aid | \$38,157 |
| Net Gains | \$1,428,364 |

Total Estimated Funds Available for Distribution \$1,081,417

Proposed Distribution

Compensation Package:

| | | |
|--|-----------|--------------------|
| Compensation Study (Phase I Annual Cost less FY18 Budgeted Amount) (Salaries and Benefits) | \$192,945 | |
| Compensation Study (First Year of Two Years of Phase II) (Salaries and Benefits) | 632,005 | |
| Market Adjustments (Salaries and Benefits) | 108,882 | |
| Performance Incentives | 30,000 | |
| Employer Retirement Contribution | 18,206 | |
| Educational Advancements | 45,000 | |
| Subtotal | | \$1,027,038 |

Academic Affairs

New Position:

| | |
|---|----------|
| Clinical Coordinator, EMS (Salary and Benefits) | \$61,684 |
|---|----------|

Continuation of Services:

| | | |
|-------------------------------------|---------|-----------------|
| Operating Budget | -51,125 | |
| Course Fees (Net Increase/Decrease) | -9,587 | |
| Business Training | 10,000 | |
| Subtotal | | \$10,972 |

Student Services

New Position:

| | |
|---|----------|
| Advisor, Employer Relations (Salary and Benefits) | \$56,077 |
|---|----------|

Continuation of Services:

| | | |
|--|--------|------------------|
| Operating Budget (Includes -\$18,282 Athletic Reduction) | 24,240 | |
| Scholarships | 47,000 | |
| Subtotal | | \$127,317 |

President

Continuation of Services:

| | | |
|------------------|----------|-----------------|
| Operating Budget | \$36,241 | |
| Subtotal | | \$36,241 |

Proposed Distribution Cont.

(Board Book Pg's 14 & 15)

Albany County Campus

Continuation of Services:

| | | |
|------------------|----------------|----------------|
| Operating Budget | <u>-50,620</u> | |
| Subtotal | | -50,620 |

Institutional Effectiveness

New Positions:

| | | |
|---|----------|--|
| Specialist, Reporting and Support (Salary and Benefits) | \$49,846 | |
| Specialist, Sponsored Awards (Salary and Benefits) | 41,123 | |

Continuation of Services:

| | | |
|------------------|-------------|-----------------|
| Operating Budget | <u>-163</u> | |
| Subtotal | | \$90,806 |

Institutional Advancement

Continuation of Services:

| | | |
|---|----------------|----------------|
| Operating Budget (Sponsorships moved from President's Department) | <u>\$6,000</u> | |
| Subtotal | | \$6,000 |

Administration and Finance

Continuation of Services:

| | | |
|------------------|-------------------|-------------------|
| Operating Budget | <u>-\$365,401</u> | |
| Subtotal | | -\$365,401 |

Reserve for Future Academic Program Additions/Expansions

New Positions/Services:

| | | |
|-----------------------------|------------------|------------------|
| Three Anticipated Positions | <u>\$199,064</u> | |
| Subtotal | | \$199,064 |

Total Proposed Distribution

\$1,081,417

One Mill Fund

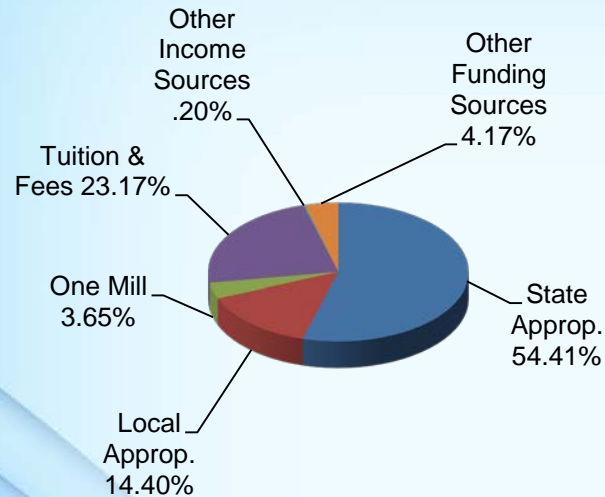
(Board Book Pg 23)

| | FY2018 | FY2019 |
|--|--------------------|--------------------|
| REVENUES | | |
| Mill Levy | \$1,391,788 | \$1,391,788 |
| Motor Vehicle Fees | 299,267 | 299,267 |
| NEW FUNDS | | |
| Mill Levy | 0 | 66,000 |
| Motor Vehicle Fees | 0 | 6,900 |
| Subtotal | \$1,691,055 | \$1,763,955 |
| Carryover | 497,458 | 0 |
| Total | \$2,188,513 | \$1,763,955 |
| EXPENSES | | |
| Eastern Laramie County | \$57,696 | \$96,646 |
| Professional Development | 67,050 | 50,000 |
| Equipment Repairs and Replacement | 100,000 | 100,000 |
| Subtotal | \$224,746 | \$246,646 |
| Remaining Amount to Budget | \$1,963,767 | \$1,517,309 |
| Facilities Planning | 75,000 | 0 |
| Small Maintenance Projects | 868,551 | 250,000 |
| One-Time Requests/Innovation Fund Requests | 0 | 203,500 |
| Operating Reserve | 258,359 | 0 |
| Renovation/Remodel Expenses | 250,000 | 0 |
| Institutional Obligations/Enhancements | 55,000 | 0 |
| Risk Mitigation | 100,000 | 0 |
| Recruitment Scholarships | 200,000 | 0 |
| AACC Pathways | 45,000 | 47,479 |
| Compensation Study | 60,250 | 0 |
| Image Now, Balance of Strategic Reserve | 51,607 | 0 |
| IT Technicians and IT Operating Expenses | 0 | 571,880 |
| College Insurance | 0 | 444,450 |
| Subtotal | \$1,963,767 | \$1,517,309 |
| Total | \$2,188,513 | \$1,763,955 |

Moved to One Mill to allow for compensation inc.'s on Current Fund

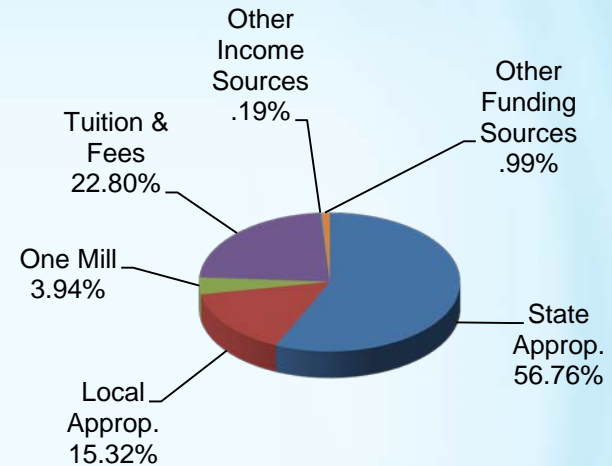
Revenue Comparison

FY2017-2018 REVENUES



| | | |
|-----------------------|----------------------|----------------|
| State Appropriations | \$ 25,203,594 | 54.41% |
| Local Appropriations | 6,671,976 | 14.40% |
| One Mill | 1,691,055 | 3.65% |
| Tuition & Fees | 10,735,232 | 23.17% |
| Other Income Sources | 91,996 | 0.20% |
| Other Funding Sources | 1,929,587 | 4.17% |
| Total Revenues | \$ 46,323,440 | 100.00% |

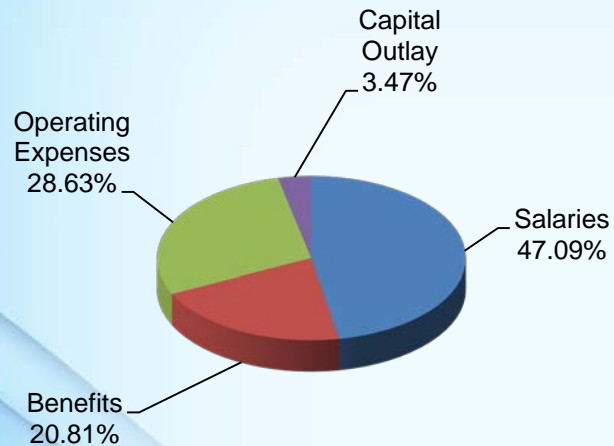
FY2018-2019 REVENUES



| | | |
|-----------------------|----------------------|----------------|
| State Appropriations | \$ 25,435,234 | 56.76% |
| Local Appropriations | 6,863,386 | 15.32% |
| One Mill | 1,763,955 | 3.94% |
| Tuition & Fees | 10,216,091 | 22.80% |
| Other Income Sources | 82,996 | 0.19% |
| Other Funding Sources | 450,000 | 0.99% |
| Total Revenues | \$ 44,811,662 | 100.00% |

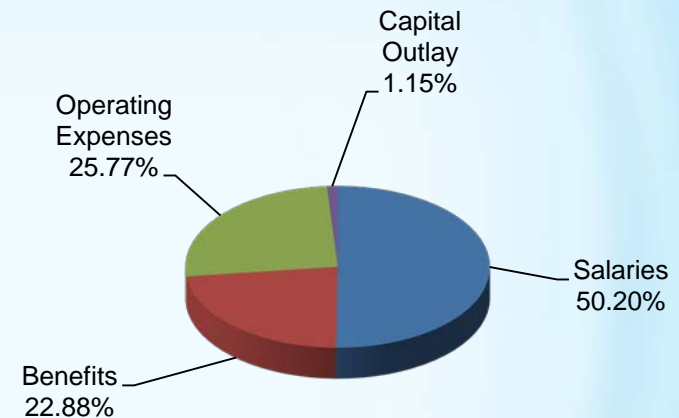
Expenditure Comparison By Series

FY2017-2018 EXPENDITURES



| | | |
|-------------------------------------|----------------------|----------------|
| Salaries | \$ 21,812,976 | 47.09% |
| Benefits | 9,638,092 | 20.81% |
| Operating Expenses | 13,262,361 | 28.63% |
| Capital Outlay | 1,610,011 | 3.47% |
| Total Expenditures by Series | \$ 46,323,440 | 100.00% |

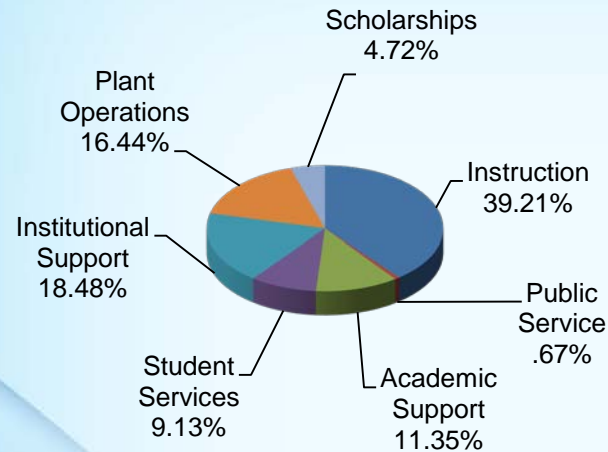
FY2018-2019 EXPENDITURES



| | | |
|-------------------------------------|----------------------|----------------|
| Salaries | \$ 22,493,389 | 50.20% |
| Benefits | 10,254,017 | 22.88% |
| Operating Expenses | 11,548,306 | 25.77% |
| Capital Outlay | 515,950 | 1.15% |
| Total Expenditures by Series | \$ 44,811,662 | 100.00% |

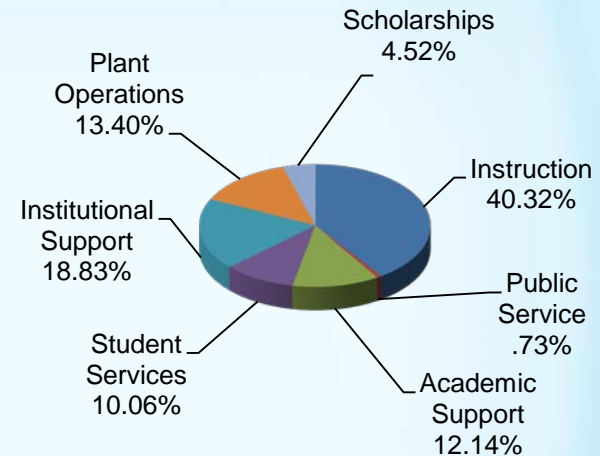
Expenditure Comparison By Program

FY2017-2018 EXPENDITURES BY PROGRAM



| | | |
|-------------------------------|---------------|---------|
| Instruction | \$ 18,163,451 | 39.21% |
| Public Service | 310,514 | 0.67% |
| Academic Support | 5,255,629 | 11.35% |
| <hr/> | | |
| Total Instructional Programs | \$ 23,729,594 | 51.23% |
| <hr/> | | |
| Student Services | \$ 4,230,371 | 9.13% |
| Institutional Support | 8,561,860 | 18.48% |
| Plant Operations | 7,617,206 | 16.44% |
| Scholarships | 2,184,409 | 4.72% |
| <hr/> | | |
| Total Expenditures by Program | \$ 46,323,440 | 100.00% |

FY2018-2019 EXPENDITURES BY PROGRAM



| | | |
|-------------------------------|---------------|---------|
| Instruction | \$ 18,070,000 | 40.32% |
| Public Service | 325,336 | 0.73% |
| Academic Support | 5,439,355 | 12.14% |
| <hr/> | | |
| Total Instructional Programs | \$ 23,834,691 | 53.19% |
| <hr/> | | |
| Student Services | \$ 4,506,223 | 10.06% |
| Institutional Support | 8,435,981 | 18.83% |
| Plant Operations | 6,003,358 | 13.40% |
| Scholarships | 2,031,409 | 4.52% |
| <hr/> | | |
| Total Expenditures by Program | \$ 44,811,662 | 100.00% |

Auxiliary Fund Tab

Incidental operations to the College, intended to be self-sustaining operations

(Res Halls, Facilities, Copy Center, Food Service, CDC, Bookstore)

Budget Is Up \$144K

Room rates up 1% (integrated into our viability model)

Board rates up 3% (estimated Sodexo increase)

Facility rental rates up 8%



Restricted Fund Tab

Funds which are restricted to purposes specified by sources external to the College

(Federal, State, Local & Private Grants)

Budget is down \$1.9M

Declining enrollment has driven down spend on Pell Grants

All other grants roughly even, w/ slight variations

(listing of all grants on page 27)



Endowment Fund Tab

Funds received from a donor with restrictions on the principal

Anticipating spend of \$500K for Scholarships

LCCC's portion of the state match specifically directed to scholarships

To Reduce Any Confusion...

Planned support by the Foundation will be nearly \$1.2M



Plant Fund Tab

Funds for long term assets, renewal or replacement of campus properties, debt service payments, or to account for the cost of long-lived assets

Budget is up \$784K

Due to major maintenance increase from the legislature



Fund Budget Summary

| | 2016 - 2017 | 2017 - 2018 | Tentative 2018 - 2019 |
|------------------------------|-------------------------|-------------------------|--------------------------|
| | Actuals | Budget | Budget |
| Unrestricted Operating Fund | \$41,732,992 | \$44,134,927 | \$43,047,707 |
| One Mill Fund | \$1,583,528 | \$2,188,513 | \$1,763,955 |
| Total Operating Fund | \$43,316,520 | \$46,323,440 | \$44,811,662 |
| Auxiliary Fund | \$3,315,366 | \$3,433,989 | \$3,578,120 |
| Restricted Fund | \$14,536,190 | \$18,988,974 | \$17,027,509 |
| Total Current Fund | \$61,168,076 | \$68,746,403 | \$65,417,291 |
| Endowment Fund | \$428,568 | \$228,000 | \$500,000 |
| Plant Fund | \$16,793,324 | \$10,893,344 | \$11,678,013 |
| | \$17,221,892 | \$11,121,344 | \$12,178,013 |
| Total LCCC Budget | \$78,389,968 | \$79,867,747 | \$77,595,304 |

