

Lane Community College 2006/07 Budget Proposals Q&A

Revised April 17, 2006

Following are key messages and 19 questions/answers regarding Lane Community College budget proposals for 2006/07, presented by President Mary Spilde. The president is the official college spokesperson.

Key messages

- A public disinvestment in higher education is taking a toll on Lane Community College and across the nation. At the same time employers increasingly need an educated workforce, funding for higher education continues to decline. The more funding declines, the more students have to pay directly.
- Budget proposals are to address the 2006/07 deficit primarily through layoffs. No program reductions and no tuition increases beyond the annual inflationary adjustments are proposed.
- The loss of critical positions will have a practical and personal impact on students, staff and the community. There will be fewer people to do the work. Students will experience reduced levels of service outside the classroom.
- Lane will embark on a fundamental redesign of its work processes and the way it delivers instruction to ensure the long-term sustainability of the college. If we were building Lane Community College today, what would it look like?

Q&A

1. How much is the current budget (2005/06)?
 - \$82 million
2. How much is the deficit (2006/07)?
 - \$5.9 million, or 7 percent of the current budget.
3. Why is there a deficit? How did the college get into this position?
 - A public disinvestment in higher education is taking a toll on Lane Community College and across the nation. At the same time employers increasingly need an educated workforce, funding for higher education continues to decline. The more funding declines, the more students have to pay directly.
 - Some people are dissatisfied with education but won't fund it. Educators can't stay afloat or make changes without adequate funding. We're at a standoff.
 - The college receives very little federal support. Most of that is student financial aid, which was reduced in the last federal budget reconciliation.
 - The state allocates \$28 million less to Oregon's 17 community colleges than it did five years ago.
 - The state allocated \$30.9 million to Lane in 2002; by 2005, the allocation had fallen to \$26.3 million.
 - The state is no longer funding personal enrichment and lifelong learning courses. Those courses were an important financial resource that we used to fund more expensive training programs such as nursing and dental hygiene.
 - Labor costs have increased and account for approximately 82 percent of Lane's budget.
 - Lane has dealt with a number of "unknowns" while developing projections and the budget:
 - PERS liability, which we cannot control;

- Health insurance costs, which we have reduced to some extent by consolidating insurance plans, extending Health Clinic services to employees, and offering an employee wellness program;
 - The state funding distribution formula will begin to benefit Lane over the next six years, after years of adverse impact.
 - Since budget reductions in 2001-2003, Lane had three years of stability during which we used a bridging strategy of one-time reductions and revenue growth to avoid program and service reductions that would directly impact students.
4. How will you address the deficit and prevent future deficits?
- Proposals include layoffs but no program reductions or tuition increases beyond an annual inflationary adjustment.
 - Service hours will be reduced because there will be fewer people to do the work.
 - No facilities will be closed; however, Community Learning Centers at area high schools will not be staffed on a regular basis but will be used for classes.
 - Materials and services expenditures will be reduced.
 - Cost containment measures will continue: limit travel, delay purchases, conserve energy, defer maintenance.
 - The college's Board of Education has decided to seek voter approval of a five-year local option levy in November. If passed, the levy would raise about \$1 million beginning July 2007.
 - Enrollment strategies will continue. Fall enrollment is up 4.6 percent and winter enrollment preliminary reports show a 3.5 percent increase.
 - We will work to qualify more trainings conducted in partnership with community groups for state reimbursable FTE.
 - The state funding distribution formula will begin to benefit Lane over the next six years, after years of adverse impact.
 - The governor has a plan to allocate 61 percent of funds to K-20 education; that will help but it will not solve the problem.
 - We will continue to educate state officials and legislators.
 - Unless there is a reversal of the disinvestment in education, Lane probably will face another \$5 or \$6 million deficit in 2007/08.
5. Why aren't you cutting something else?
- We have preserved instructional and workforce training programs. Students will have the same variety of courses and programs.
 - Every program the college offers is needed in the community or by students.
 - Lane spends as much as or more than other Oregon community colleges on instruction, delivering the highest possible return on student tuition and taxpayer investment.
6. Do the proposals fundamentally change the college?
- Lane's comprehensive mission will not change: to provide affordable, quality, lifelong educational opportunities.
 - Lane will embark on a fundamental redesign of its work processes and the way it delivers instruction to ensure the long-term sustainability of the college. If we were building Lane Community College today, what would it look like?
7. Can't you do more fundraising to prevent reliance on government funding?
- Lane's Foundation is very strong and is supported by an active board of community members.
 - In the last four years, Foundation assets have grown from \$6.5 million to \$10.5 million, a 62 percent increase.
 - The Foundation has made additional significant advances such as establishing the first endowed teaching chair at any Oregon community college.

- Fundraising is an essential tool but isn't enough by itself to overcome the disinvestment in public education.
8. How are students affected?
 - Students will have the same variety of courses and programs.
 - Tuition will not be increased beyond the annual inflationary adjustment.
 - The loss of critical positions will have a practical and personal impact. There will be fewer people to do the work. Students will experience reduced levels of service outside of the classroom.
 9. Are you raising tuition?
 - Tuition will not be increased beyond the annual inflationary adjustment (\$2.50 for 2006/07).
 - 2005/06 tuition rates are \$67 per credit hour for resident students; \$230 per credit hour for nonresident and international students; and \$3.64 per contact hour for noncredit students.
 - 2006/07 tuition rates (beginning summer term 2006) will be \$69.50 per credit hour for resident students, \$239 per credit hour for nonresident and international students, and \$3.79 per contact hour for noncredit students.
 10. How is enrollment affected?
 - Budget projections include 2 percent enrollment growth in 2006/07.
 - Enrollment decline following program reductions and tuition increases in 2001-2003 has stopped. Fall enrollment is up 4.6 percent and winter enrollment preliminary reports show a 3.5 percent increase.
 - Lane served nearly 30,000 individuals in 2004/05.
 11. Will there be layoffs?
 - Yes. More positions would be affected than the actual number of people, due in part to close collaboration between college and union leadership to minimize impact and provide support services to affected individuals.
 - In total, 64 classified support staff have received notice that their position may be eliminated or reduced effective July 1, 2006: 37 classified support positions are proposed for elimination, 11 positions are proposed for reduction, and 16 vacancies are proposed for elimination. In addition, 25 classified support employees are subject to the union bumping process. The college currently has 452 classified staff at half-time to full-time.
 - Five management positions are affected and will be held open for FY 07 while reorganizing now through fall. The college currently has 63 managers.
 - No faculty positions will be eliminated or reduced but 18 faculty vacancies will be held open for future consideration. The college currently has 266 contracted faculty at half-time to full-time.
 12. Will compensation or severance be offered to laid off staff?
 - No.
 13. How will the work get done if there are layoffs?
 - Work may get done more slowly.
 - Work processes will be streamlined where possible.
 - Improved use of technology will be applied where possible.
 - Work and instruction must be fundamentally redesigned.
 - Service hours will be reduced.

14. Are you going to freeze wages?
 - Proposals do not include wage freezes.
 - Wage freezes would require the involvement and consent of the employee unions.
15. What about the faculty contract?
 - Lane must be competitive in attracting and retaining faculty. Our current average faculty salary is \$48,000, 5 to 6 percent behind the larger Oregon community colleges.
 - Many new faculty members at Lane can't afford to buy a house in Eugene.
16. What's left at Lane?
 - Lane's comprehensive mission remains strong with more than 50 different academic transfer courses and nearly 40 professional technical degree programs. We continue to provide excellent job skill upgrading, business development and career enhancement, foundational academic courses, personal development and enrichment, and cultural and community services.
 - Lane plays a key role in the local economy as the leading provider of workforce training.
17. What can people do?
 - Contact your elected officials to express your concerns about community college funding.
 - Vote for candidates or ballot measures that support your view.
 - Donate to the Foundation.
 - Enroll in a class!
 - Stay informed. Visit Lane's home page at lanecc.edu and look up budget development.
 - Share your ideas about budget proposals or redesigning college work processes and instruction to by sending an e-mail to collegebudget@lanecc.edu
18. When will reductions take effect?
 - July 1.
19. What happens next?
 - Counseling and displaced worker services will be provided to employees whose positions are eliminated. We also will help remaining employees transition into new responsibilities and a rapidly changing workplace.
 - Counseling is available through the Employee Assistance Program at 344-6929 or www.reliantbh.com.
 - Employment and career development services are available through The Workforce Network located in Lane's Workforce Development Department, 463-5223.
 - College Council, an internal governance committee including managers, classified staff, faculty, and students, will review proposals and present recommendations to the president.
 - The Budget Committee will review proposals and approve a budget for board adoption. Committee work sessions are scheduled for April 26 and May 3; and official committee meetings are scheduled for May 10, 17, 24, and 31. Public comment is invited at the May 17 Budget Committee meeting.
 - The Lane Community College Budget Committee will hold work sessions on April 26 and May 3, and official meetings have been scheduled for May 10, 17, 24 and 31, all at 5:30 p.m., to review the 2006/07 budget proposals and forward the budget to the Board of Education for adoption. Public comment will be accepted at the May 17 meeting.
 - In addition, the Lane Community College Board of Education will meet May 10 and June 14 at 6:30 p.m. The board is expected to make final budget decisions in May. The board is required to adopt the budget in June.

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