

All Staff Email Sent November 13, 2006

Colleagues,

The FY 08 budget development process is now underway. I have attached the remarks and power point I shared at the all staff meeting which provides an overview of where we are. The two documents complement each other so you might want to look at them together.

Some of the highlights are:

1. College Council has developed the Principles, Criteria, Data Elements, Process and Calendar, Priorities, Strategies and reviewed the overall budget assumptions. These have been approved by the board of education and have been posted to the web.
2. College Council has also approved a statement on budget targets. Each branch of the college (Instructional and Student Services, College Operations, Executive Services) is developing its own approach to targets in keeping with this statement. This is also on the web.
3. There are several "unknowns" that make it difficult to accurately project our budget for FY 08. One of these we now know- the local option levy - and so we have changed the projections accordingly.
4. I have attached the list of unknowns with estimates of when these will move to the known column. In terms of our projections we are trying to be as accurate as possible with what we know and include those numbers in the projections while recognizing that the projections will change as we go along.
5. The unknown with the most impact is the state appropriation. There are several possibilities and so College Council has recommended the approach of developing three scenarios based on the state wide number:
 - a. 470 million (the number Governor Kulongoski has been using) bad case
 - b. 529 million (the State Board of Education request) best case
 - c. 500 million (a mid case based on a legislative effort to improve on the governor's number) mid case
6. I have attached the assumptions on which the projections are based. Our deficit for each is:
 - a. 1. 470 - 5.5 million
 - b. 2. 500 - 3.5 million
 - c. 3. 529 - 1.7 million

Keep in mind that some of the unknowns may go our way, lessening the deficit, but we need to plan for the worst while working for the best. We need to make a plan for the worst scenario so that we are prepared for that possibility. I don't want to get to spring term and find that we are not prepared to take the steps necessary to balance the budget. I recognize that this results in more anxiety but I think it is important that we make these decisions in as thoughtful a way as possible rather than rushing into decisions next spring because we were not prepared.

At this time we have a number of vacant positions totaling approximately \$2.3 million and we are holding as many of them as possible to give us some flexibility as we move forward.

Aside from participating in your department/division discussions, don't forget the meetings to consider institutional ideas. Also, an interactive website for institutional ideas will be launched this week.

Finally, I have asked that we limit expenditures as much as possible this year to assist us in building back our ending fund balance.

All of the documents I have referenced plus the projections are already posted to the website at www.lanecc.edu/budget/0708 but I have attached the most recent documents below for your convenience.

Thanks.

Mary.