

Budget Challenge 2008

Mission Possible

What's the problem?

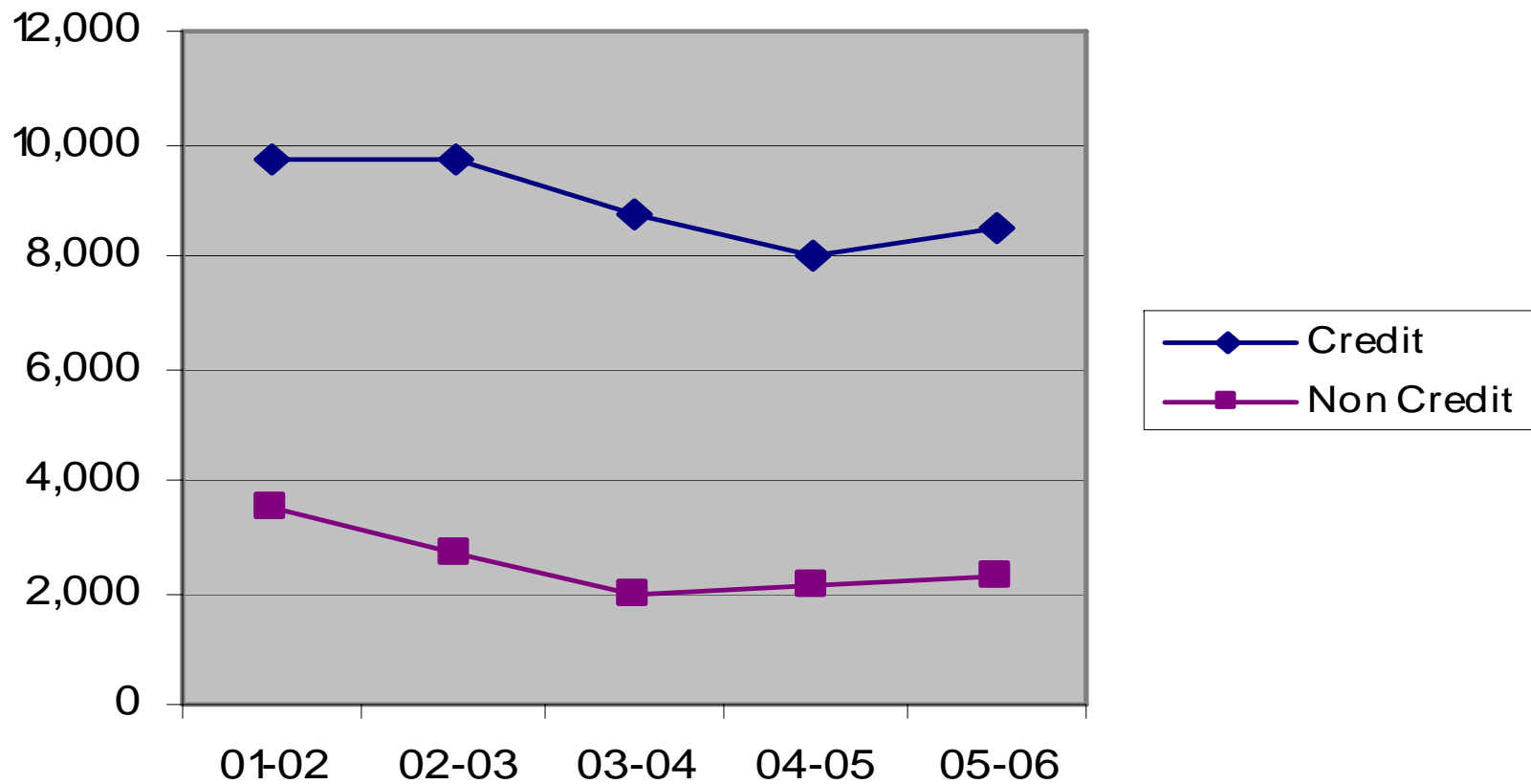
- State law requires submission of a balanced budget by 30 June.
- Our actual results for last year and this year have fallen short. We no longer have cash reserves and must restore the general fund to the legal minimum.
- Current projections are based on the governor's budget for state funding, and we can't be sure that will happen.

Why do we have a problem?

- Trend in public disinvestment in education
- Costs rising faster than revenue
- Enrollment decline
- Need to keep tuition affordable
- Attempt to keep employee compensation insulated from overall decline in resources
 - Nearly 80% of our costs in salaries and benefits

Enrollment

FTE Reported to State

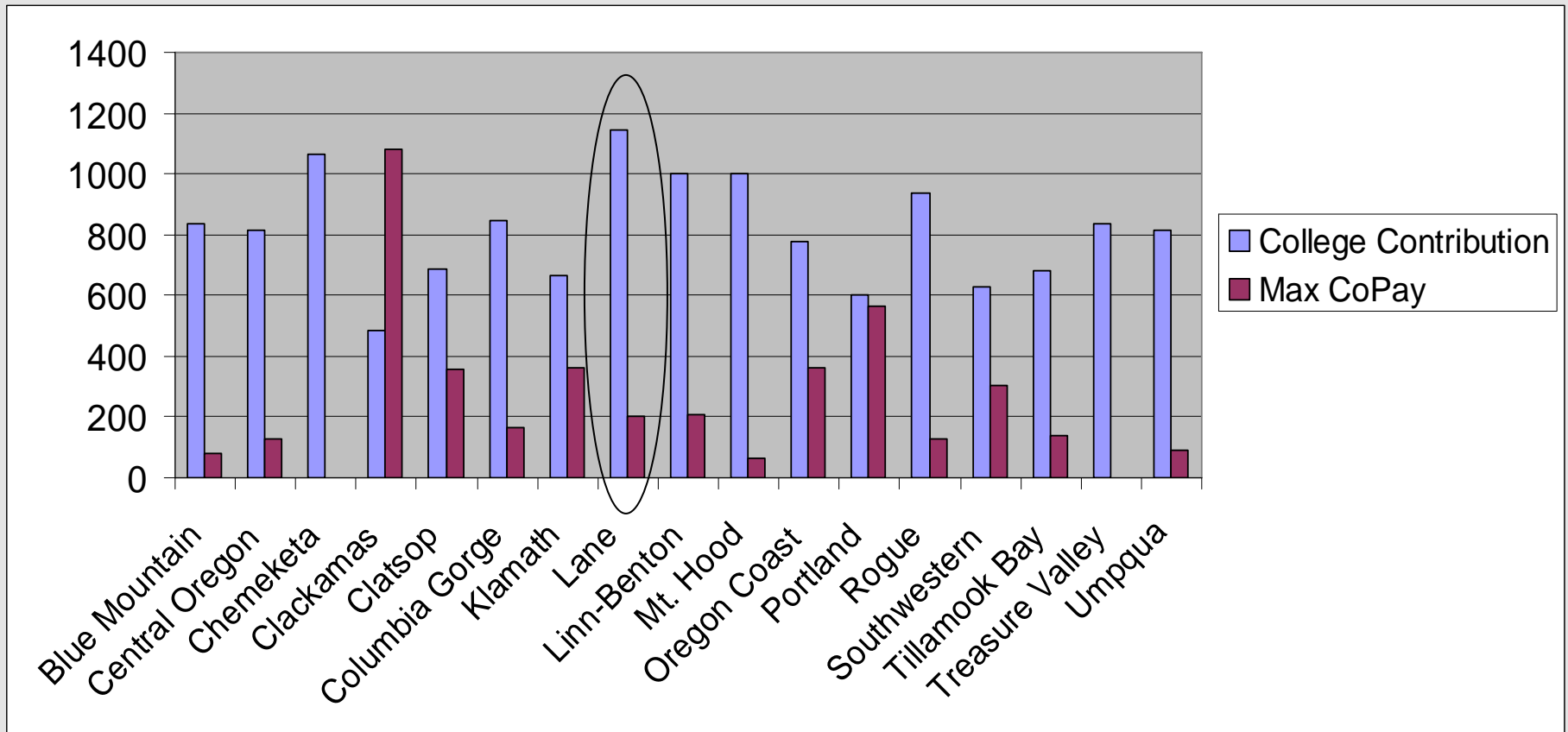


Salary Increases

(Contracted Positions)

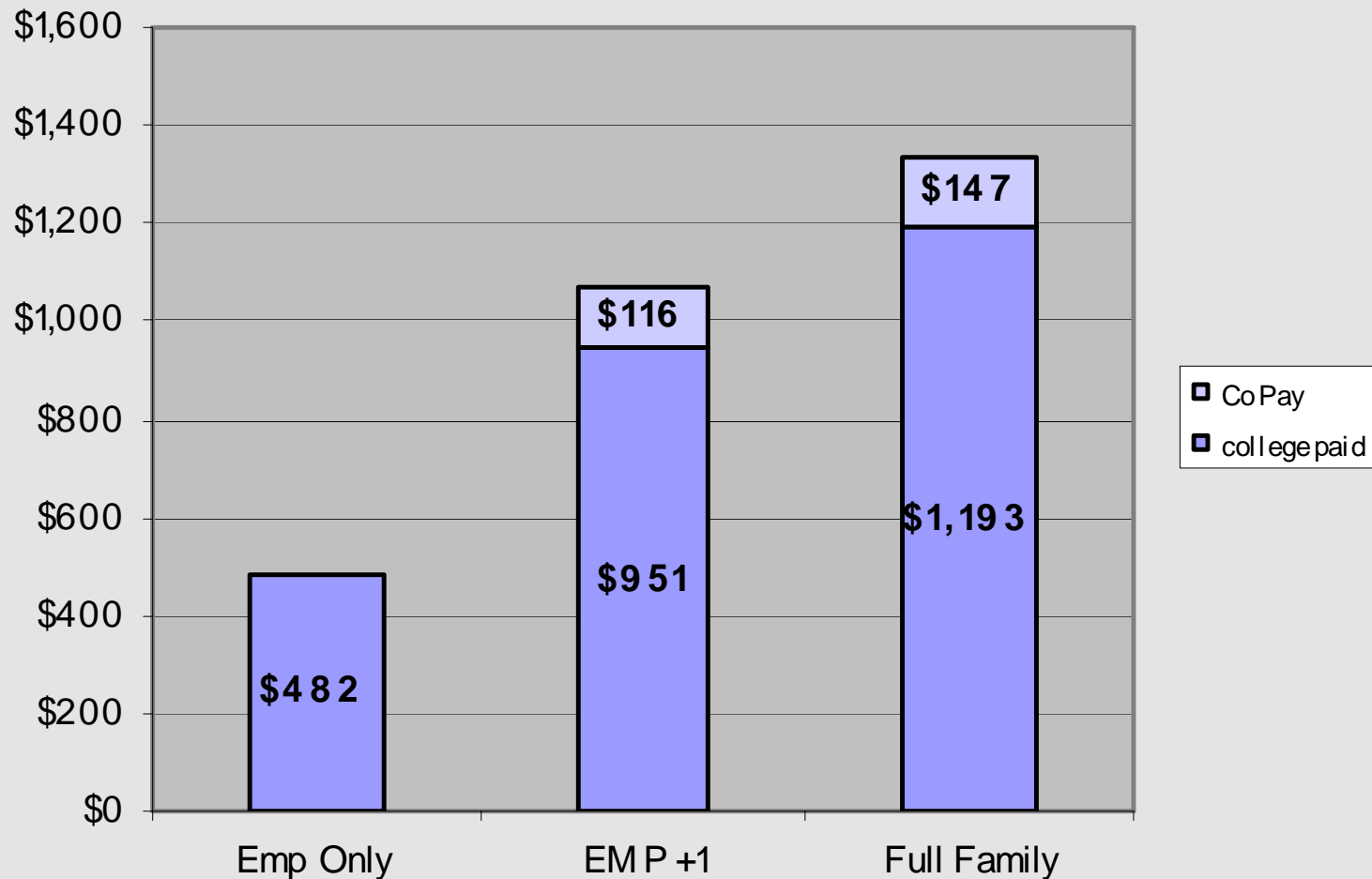
- FY 06
 - Managers \$ 446,653
 - Classified 1,234,404
 - Faculty 2,059,987 **\$ 3,471,044**
- FY07
 - Managers \$ 293,159
 - Classified 1,162,604
 - Faculty 1,549,198 **\$ 3,004,961**
- FY08
 - Managers \$ 291,690
 - Classified 1,215,533
 - Faculty 1,235,451 **\$ 2,742,674**
- **Total** **\$ 9,218,679**

College Insurance Costs



- Lane has the highest contribution in Oregon, *without* including:
 - Match to flexible spending accounts
 - Investment in free access to clinic

Lane's Average Monthly Health Insurance Premiums



Base Projection

State Funding \$483M

	2008	2009
REVENUE		
Intergovernmental	41,836,527	43,528,729
Tuition & Fees	29,344,786	30,518,577
Other Revenue Sources	7,158,786	7,223,628
Operating Transfers In	450,000	450,000
	78,790,098	81,720,933
EXPENDITURES		
Personal Services	64,607,072	68,635,112
Other Expenditures	13,440,143	14,133,749
Operating Transfers Out	5,445,602	6,310,294
	83,492,817	89,079,155
REVENUES OVER/UNDER EXPENDITURES	-4,702,719	-7,358,221

Base Projection

State Funding \$529M

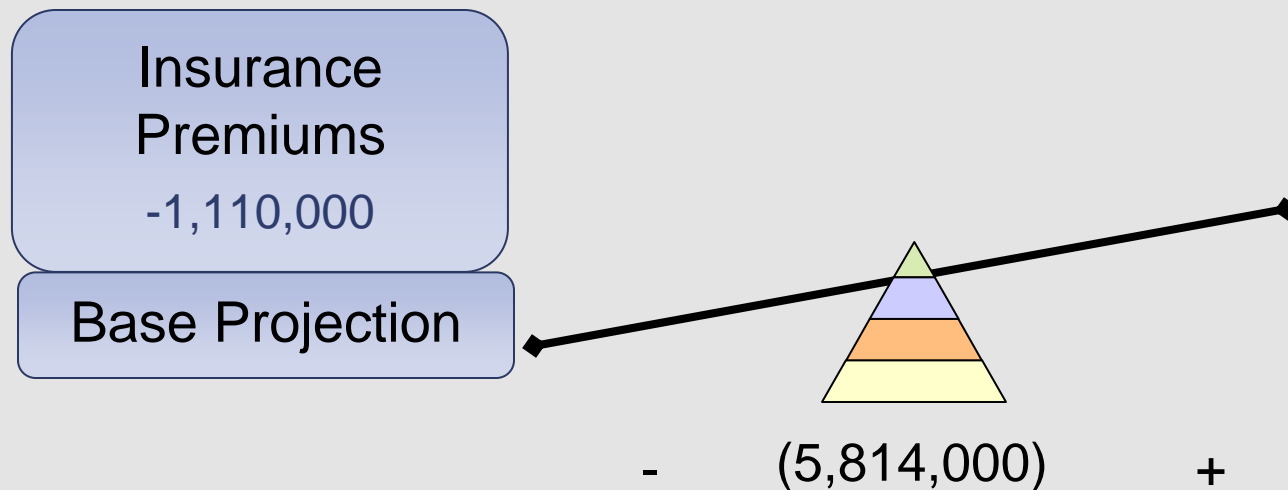
	2008	2009
REVENUE		
Intergovernmental	44,440,320	46,149,720
Tuition & Fees	29,344,786	30,518,577
Other Revenue Sources	7,158,786	7,223,628
Operating Transfers In	450,000	450,000
	81,393,891	84,341,924
EXPENDITURES		
Personal Services	64,607,072	68,635,112
Other Expenditures	13,440,143	14,133,749
Operating Transfers Out	5,445,602	6,310,294
	83,492,817	89,079,155
REVENUES OVER/UNDER EXPENDITURES	-2,098,926	-4,737,230

Base Projection

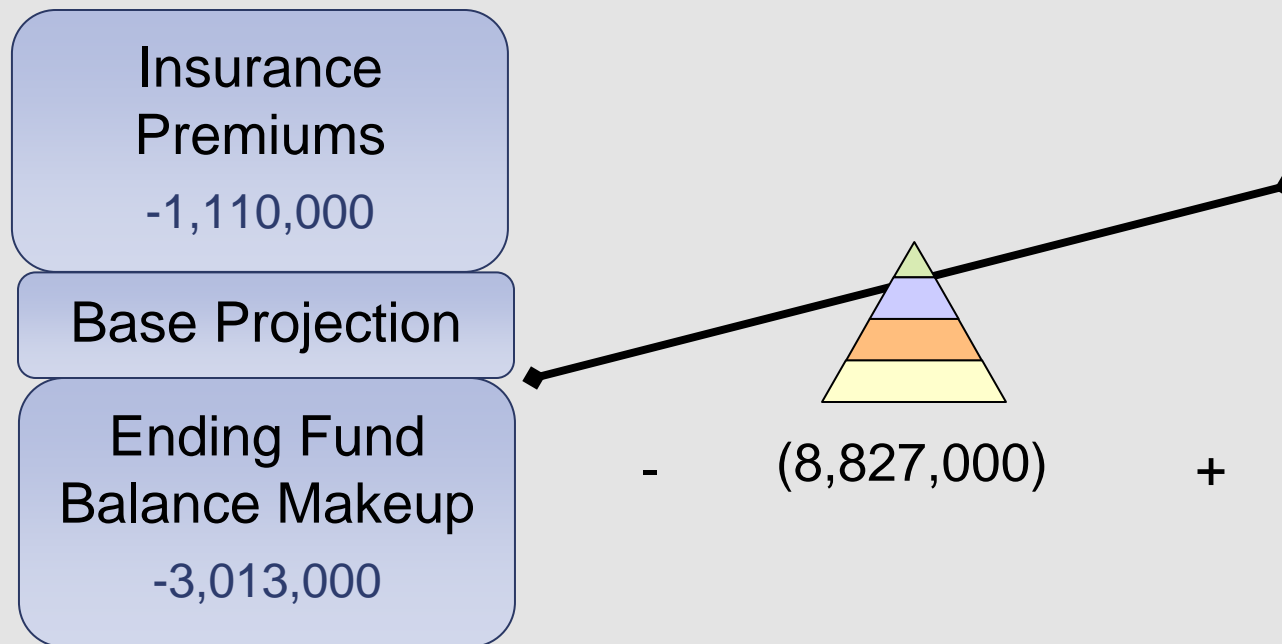
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Updates to Base Projection



Updates to Base Projection



We must be
fiscally sustainable

Balancing Options

Vacancies

Reductions

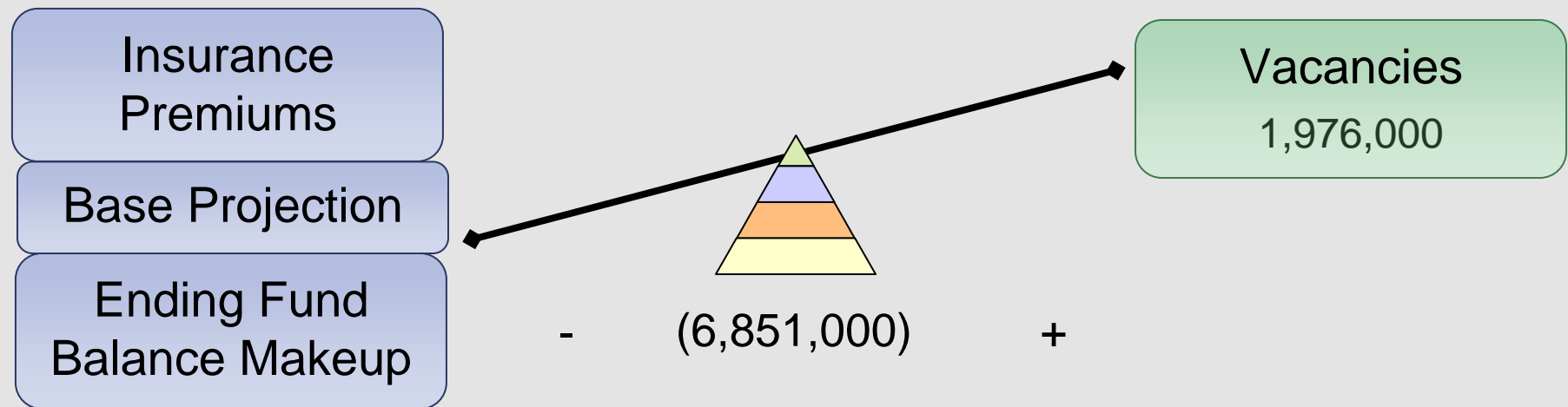
Revenues

Benefits

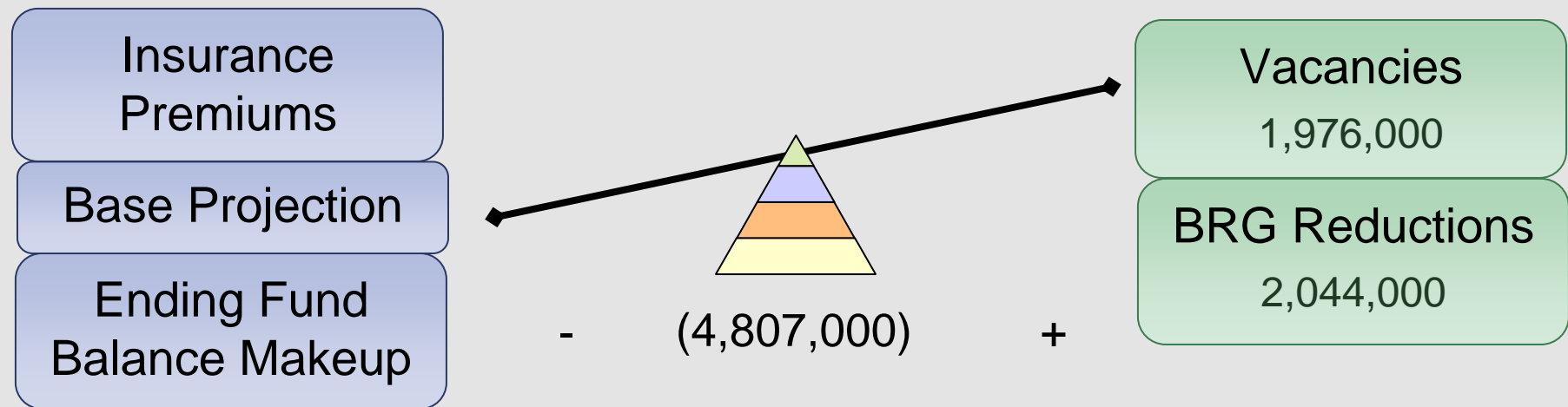
Salaries

Instructional Productivity

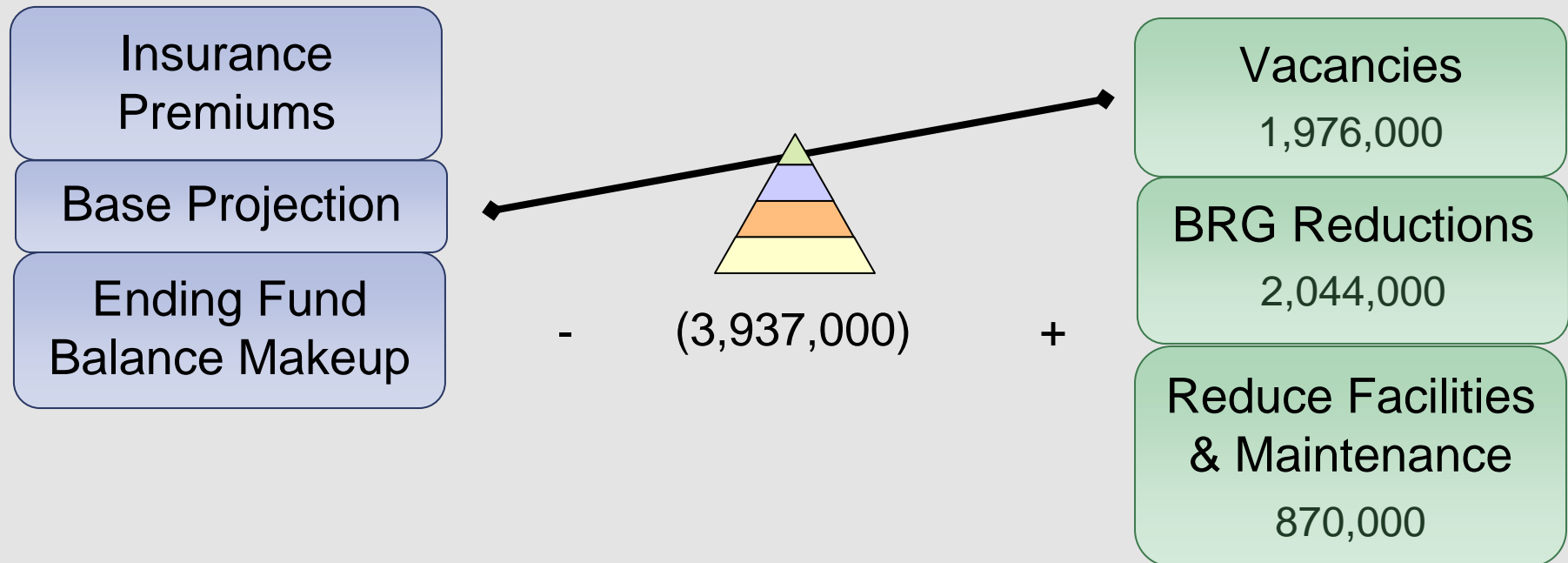
Balancing Options



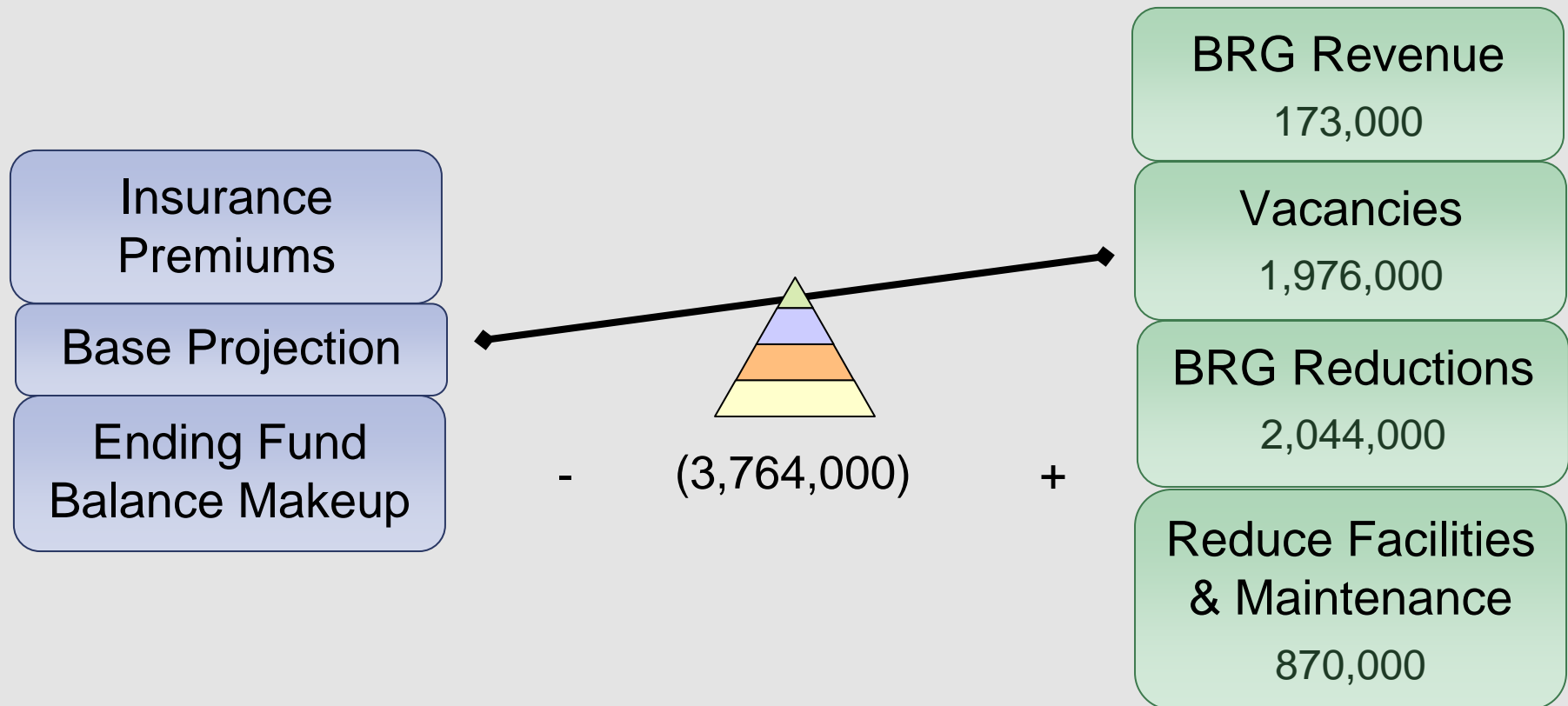
Balancing Options



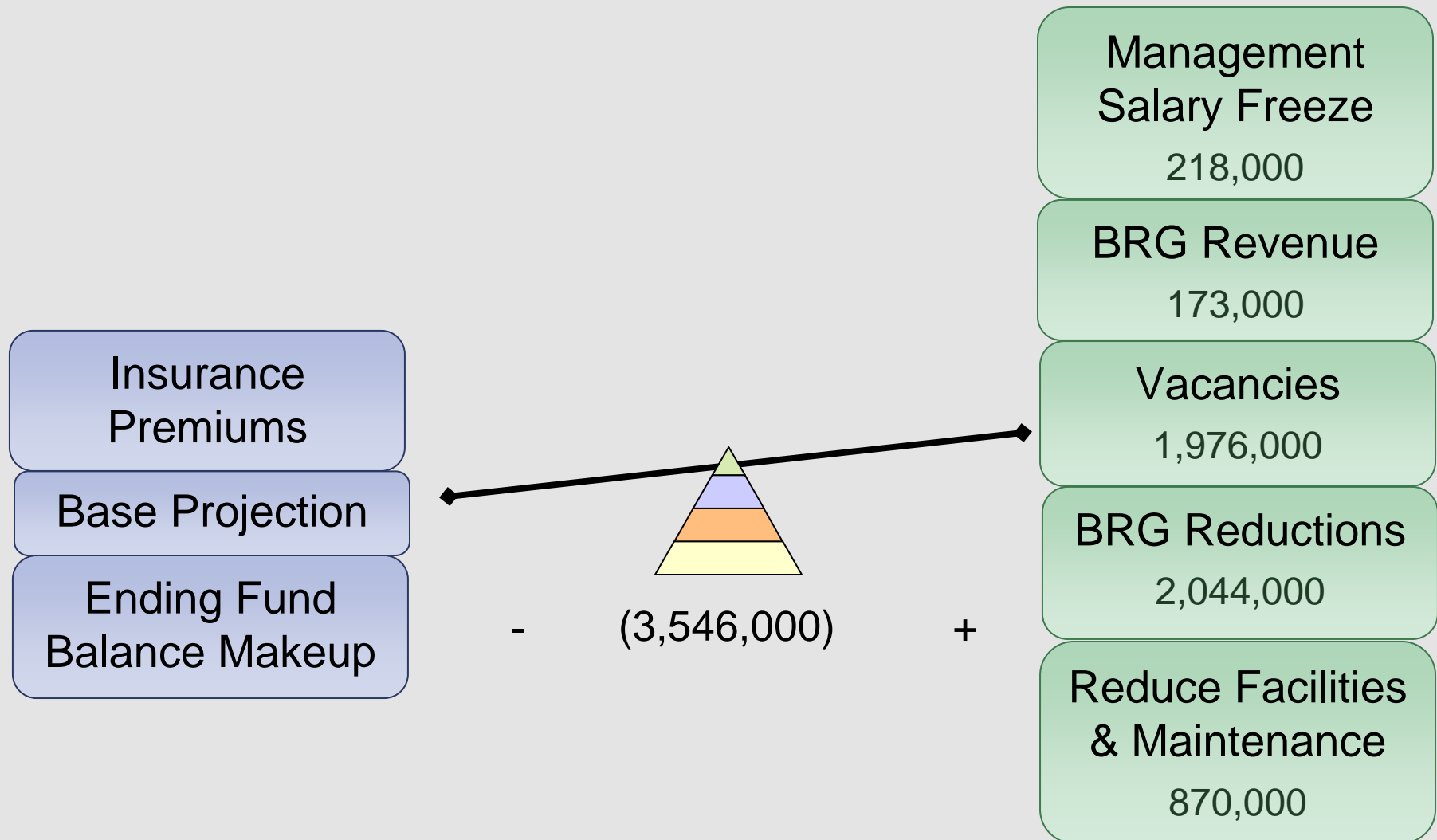
Balancing Options



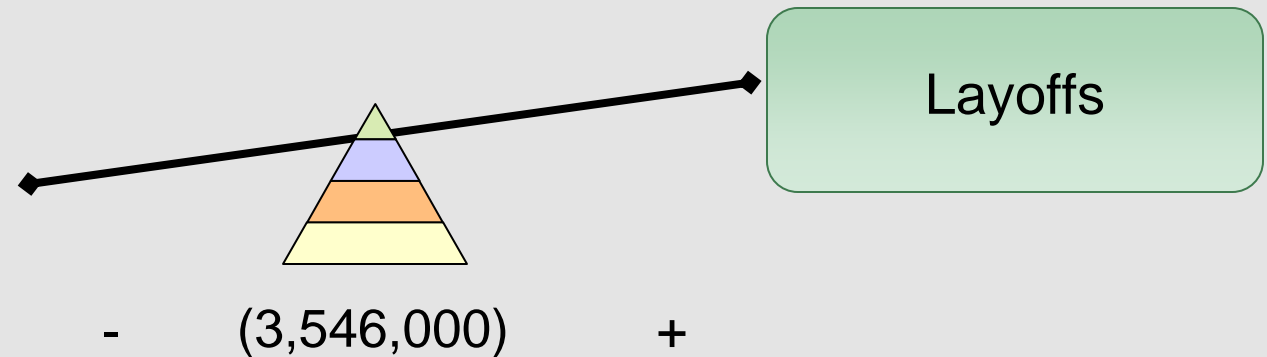
Balancing Options



Balancing Options



Additional Options Available



Additional Options Available

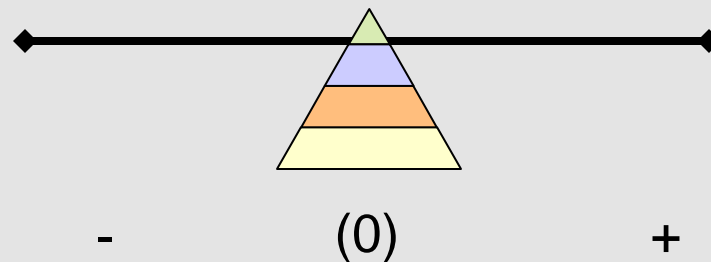
48 Contracted Faculty positions (20% of faculty)

OR

75 Classified positions (24% of classified staff)

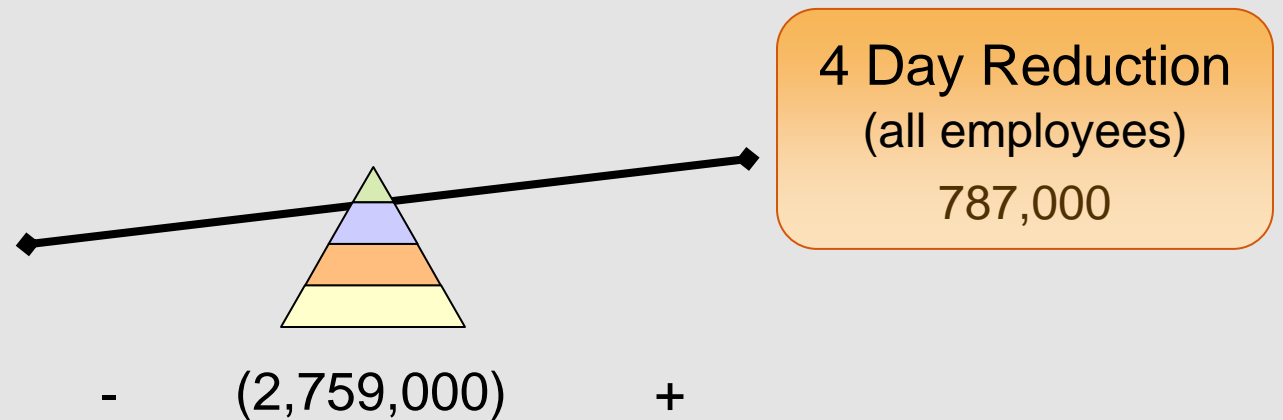
OR

38 Management positions (72% of managers)

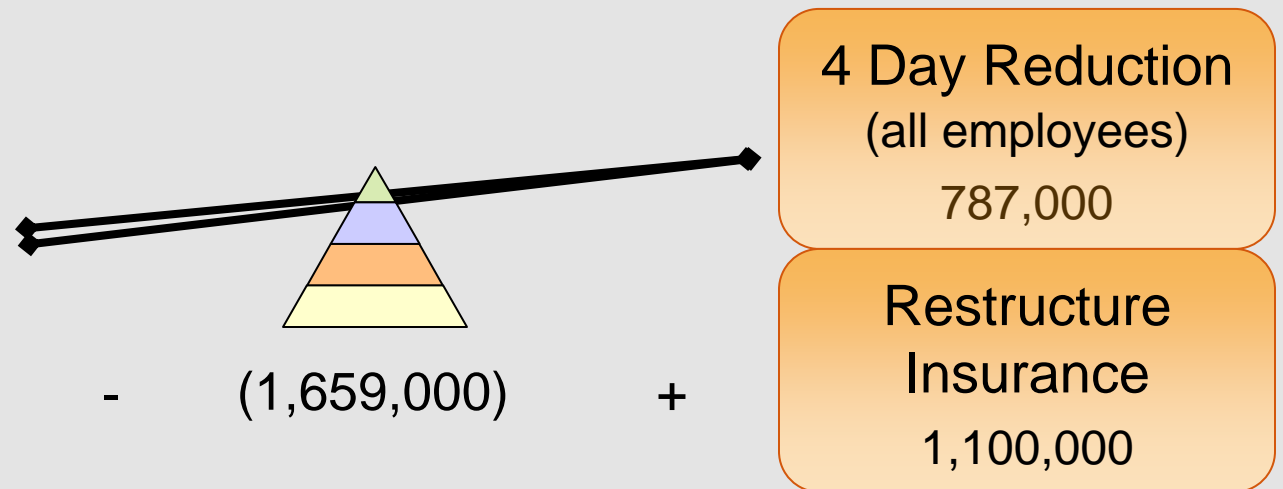


Layoffs
3,546,000

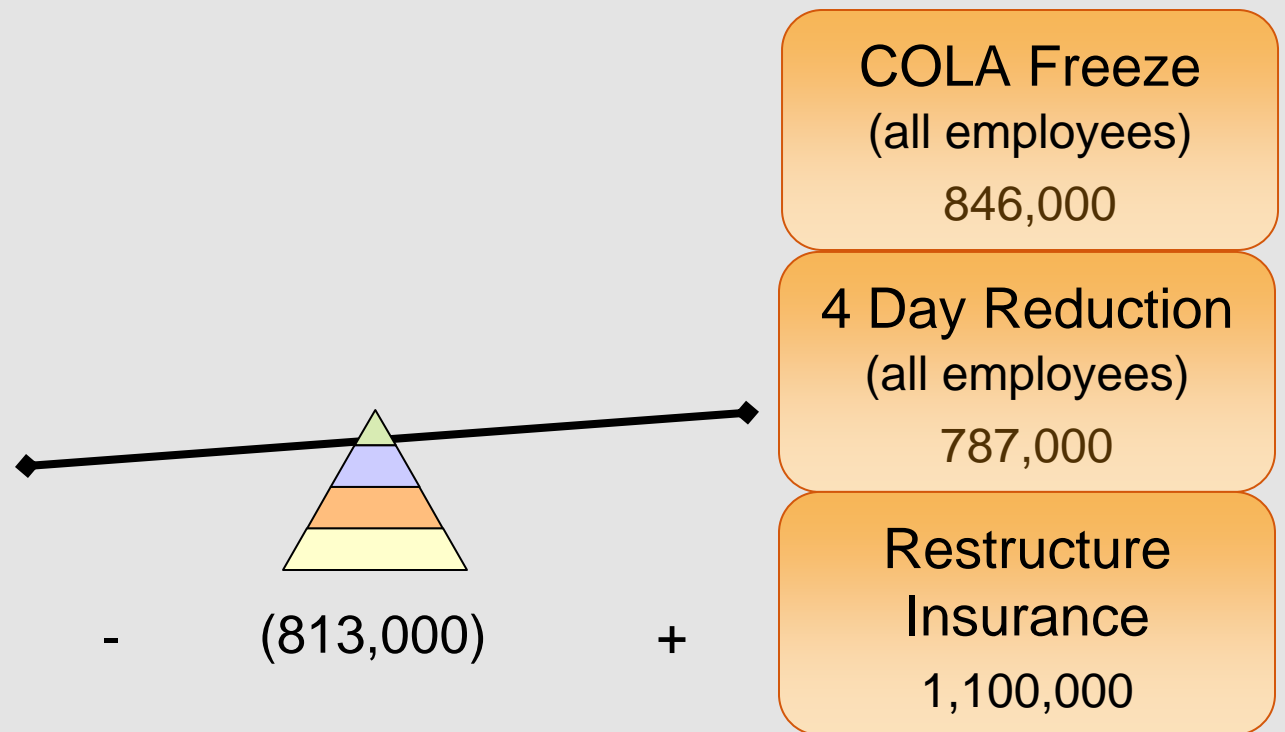
Other Options



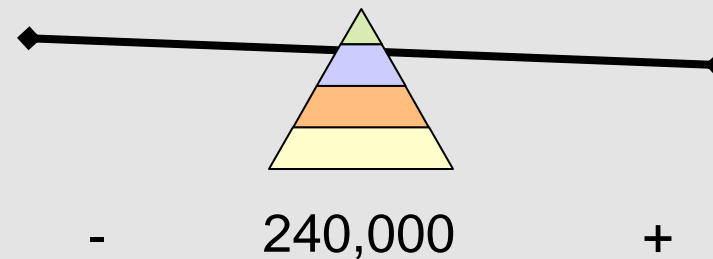
Other Options



Other Options



Other Options



Step Freeze
(all employees)

1,053,000

COLA Freeze
(all employees)

846,000

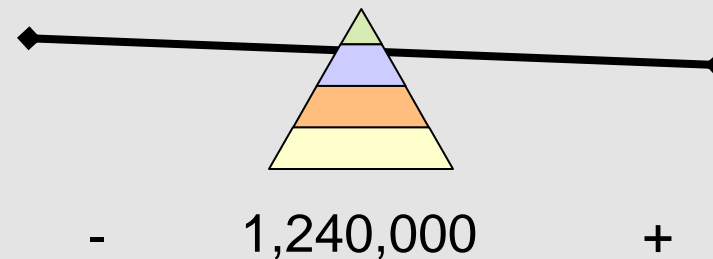
4 Day Reduction
(all employees)

787,000

Restructure
Insurance

1,100,000

Other Options



Step Freeze
(all employees)

1,053,000

COLA Freeze
(all employees)

846,000

4 Day Reduction
(all employees)

787,000

Restructure
Insurance

1,100,000

Instructional
Productivity

1,000,000

Summary

Knowns

	<u>\$483M</u>	<u>\$529M</u>
Base FY08 Projection	(\$4.7M)	(\$2.1M)
Updates to Base	(4.1M)	(4.1M)
Vacancies	2.0M	2.0M
BRG Recommendations	2.2M	2.2M
Other Current Options	<u>1.1M</u>	<u>1.1M</u>
	(\$3.5M)	(\$.9M)

Unknowns

Range of State Support
OPE Costs and Rate

We must be
fiscally sustainable

We have to live
within our means

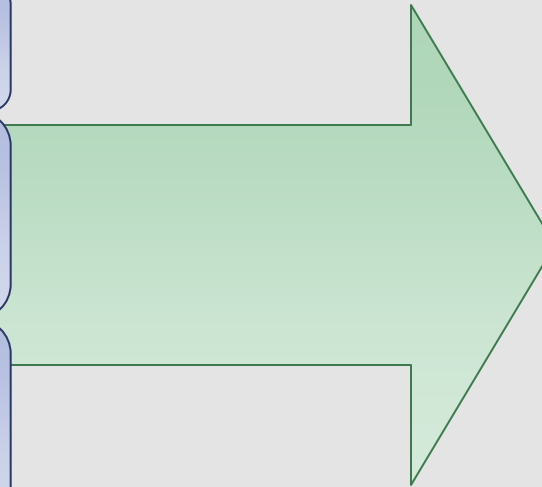
The Road Ahead

Stabilization

Cola, Step, Benefits

Instructional
Productivity

Additional
Reductions



Fiscal Stability

Compensation
Linked to Revenue
Growth

Redesign
(Process & Instruction)

External Revenues
(Beyond the State)

What we are going
to do is up to us