

LANE COMMUNITY COLLEGE
BUDGET COMMITTEE MEETING
April 9, 2008

The meeting was called to order at 5:15 p.m. by Stefan Ostrach.

1. Introduction of Committee Members

Committee members in attendance included Bob Ackerman, Pat Albright, Roger Hall, Paul Holman, Susie Johnston, Tony McCown, Chris Matson, Marston Morgan, Stefan Ostrach, Pat Riggs-Henson, Dennis Shine, Chris Turek, Carmen Urbina, and Rick Yecny.

Also in attendance were President Mary Spilde, Vice President Sonya Christian, and Associate Vice President Greg Morgan.

2. Election of Officers

Holman moved to nominate Rick Yecny as Budget Committee Chair.

Motion to elect Rick Yecny as Chair passed unanimously.

Hall moved to nominate Marston Morgan as Vice Chair. Morgan respectfully declined.

Riggs-Henson nominated Stefan Ostrach as Vice Chair.

Motion to elect Stefan Ostrach as Vice Chair passed unanimously.

3. Budget Message

Greg Morgan distributed copies of the proposed Budget Document and read the 2008-09 Budget Message.

4. Fiscal Year 2008-09 Budget Development Process

Spilde provided some background on the budget development process, explaining that the board approved the following budget documents, as prepared by College Council, last November: Principles and Criteria; Budget Assumptions; Budget Development Strategies; Budget Groups; and the Budget Planning Calendar. Initial projections had shown all vacancies fully funded, which resulted in a pretty substantial deficit. The Budget Planning Group had looked at the projections and reduced the deficit by proposing to hold positions open, not increasing materials and services, and deferring maintenance. This reduced the gap to \$1.25 million plus the amount needed to restore the ending fund balance. The Budget Balancing Group has been reviewing the projected shortfall to determine how to balance the budget and submit a proposal to the Budget Committee; they concluded today that many of the options have bargaining implications and therefore further discussion by this group would not be fruitful.

5. Presentation of the Proposed Budget

Greg Morgan presented the proposed budget, briefly explaining its components. He encouraged members to call or e-mail the budget office with questions in the next week as they read through the document.

Ackerman had some concerns about the tuition projections, which remain flat. He requested information on what the college intends to do to increase enrollment.

Funding for the Foundation was discussed. Spilde informed the committee that only three Foundation positions are funded by the college, one of which will be reimbursed.

Marston Morgan raised a concern about deferring maintenance for another year. Spilde explained that the board is considering going out for a bond in November. If the bond does not pass, the college can not continue to defer maintenance. Greg Morgan informed the committee that all maintenance projects which are funded are safety or health issues.

6. Presentation of Budget Options

Spilde explained that there are still some elements of the budget that are not yet known. Current budget options do not project state reductions for next year, as the state is not anticipating making reductions in the second year of the biennium. Other unknown factors include bargaining negotiations and insurance rates. Insurance rates are predicted to increase by 7 to 10 percent.

The budget committee will be involved in reduction discussions. Basically, there are three choices:

1. To fully restore the ending fund balance and give a step increase and COLA to employees, which comes to approximately a \$3 million reduction;
2. To partially restore the ending fund balance and include \$1 million for salary and benefit increases, which would mean minimal staff and program reductions; or
3. Some combination of the above.

Spilde said that she is reluctant to make recommendations for layoffs in the current economic state. The college could propose a budget that does not fully comply with the ending fund balance policy if it could be fully restored in the 2010 budget.

7. Discussion

Board members explained that the board needs to be responsible for complying with the ending fund balance policy, particularly when going out for a bond. One option is to restore another 2.4 percent to the ending fund balance, with the recommendation that it be fully restored in 2010. The budget committee needs to understand that this is not in compliance with board policy. However, a complete restoration would mean cuts to programs and employees. Greg Morgan explained that Lane has the lowest ending fund balance policy of all Oregon community colleges.

A discussion was held regarding the tuition policy and the decision to adjust tuition rates according to an appropriate inflation index. Spilde explained that the board would be discussing the tuition policy later that evening.

8. Requests for Information and Agenda for Next Meeting

The administration anticipated bringing back a contingency plan of reductions at the next budget meeting. Two options will be sent out to committee members.

A status update on enrollment endeavors will be provided, including international student enrollment.

9. Next Meeting

5:30 – 7:30 p.m., April 22, 2008, Lane Community College Boardroom