

LANE COMMUNITY COLLEGE
BUDGET COMMITTEE MEETING
April 22, 2008

Budget 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, and Rick Yecny. Budget Committee members absent: Carmen Urbina.

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

1. Call to Order

The meeting was called to order at 5:34 p.m. by Chair Rick Yecny.

1a. Agenda Review

No changes were made to the agenda.

1b. Approval of April 9, 2008 Minutes

Hall moved to approve the minutes from the April 9, 2008, meeting. Riggs-Henson seconded.

Motion passed unanimously.

2. Statements from the Public

Jim Salt, Sociology instructor and LCCEA President, informed the committee that there are budget options available besides layoffs. He distributed a handout with budget recalculations.

Dean Bergen, Advanced Technology instructor and LCCEA Bargaining Chair, expressed concern about the College's bargaining proposal, stating that it is basically a nonstarter and would be a deduction in faculty pay in the long run.

Joe McCully, Culinary Arts and Hospitality Management instructor, stated that he is worried about the erosion of morale due to lower pay and increased workloads.

Steve McQuiddy, Academic Learning Skills instructor and former Lane Community College student, expressed concern about the community's perception of the college and encouraged working together collaboratively to address budget issues.

Adrienne Mews, Academic Learning Skills instructor, reminded the budget committee that the faculty have worked really hard to increase funding for community colleges and can work towards the passing of a bond measure unless we are unable to resolve issues at the College. Dennis Gilbert, Physics instructor, asked the committee to hold themselves responsible for the fiscal situation of the college.

Deanna Murphy, Mathematics instructor, encouraged the committee to research what other Oregon community colleges are doing about budget deficits to tap into anything we haven't thought of yet.

3. Responses to Information Requests

Greg Morgan distributed information in response to requests made since the last meeting. Information included:

- Current revenues and expenses compared to last year's third quarter (Ostrach reminded Morgan that he had requested a detailed budget, which Morgan stated he would generate and distribute to the committee.)
- Enterprise fund information
- Food service costs
- Clarification on "Special Instructional Projects"
- Foundation funding
- Ending Fund Balance schedule
- Increases in various materials and services expenses
- Funding from private sources
- Savings from management and other vacancies

Christian informed the committee on Lane's efforts to increase enrollment, such as:

- College Now program
- Partnering with business
- New initiatives
- Senior programming
- International partnerships
- Partnering with other colleges
- Retention efforts

Spilde explained that the budget does not include an enrollment increase for next year because enrollment for winter is down, and the efforts we are making in this coming year won't pay off until the following year.

Questions arose regarding marketing efforts. Spilde explained that the Marketing and Public Relations budget allows for 1.9 employee FTE, and the bulk of the rest of the budget is for the college catalog and the quarterly schedule.

Matson asked to see a breakdown of what is being spent on the bond measure. Spilde responded that a report is planned for the May board meeting.

Hall explained that a public information campaign is integral to the current budget. If the bond does not pass in November, general fund costs for deferred maintenance and urgency to restore the ending fund balance will increase dramatically.

4. Update from President Spilde

Spilde described that in years past when the college has had a budget deficit, staff have gone through a process to identify cuts, the board reviews the reductions, makes decisions, and then the information goes to the budget committee. That was not the process this year. The FY09 budget is proposed without cuts at this point, but since it needs to be balanced, we are putting forth a budget that shows no cuts but less available for compensation increases.

The proposed budget includes \$1 million for increases in salary and benefits. Restoring the ending fund balance fully and budgeting more money beyond the \$1 million for salary increases will most likely result in reductions, and there is not much more to cut. Everyone is working at full capacity, and further reductions at this time will affect enrollment and lead the college in a downward spiral financially.

5. Review of Future year Projections

Spilde and Morgan showed projections of two state funding scenarios and another showing the cycle of continually making reductions to fund expense increases. Spilde noted that the college has tried to insulate employee compensation increases from budget reductions up until last year, but if we stay in the cycle of cutting to fund compensation increases the college's financial picture it will never get any better.

Spilde stated that a list of reductions had been prepared, but before presenting it, she asked the committee for direction.

6. Budget Committee Discussion

Yecny asked the committee if it would support the board's decision to restore \$1 million to the ending fund balance.

The committee discussed the consequences of putting less than \$1 million toward the ending fund balance. Two committee members were concerned that efforts to restore the ending fund balance would cause problems with the employee groups, and the college may have trouble passing the bond if employees don't feel like they got a fair deal. Spilde pointed out that failure to pass the bond would result in moving \$2 - 4 million per year from operations to facilities just to repair the infrastructure. This would adversely impact all employee groups. Others felt that showing progress with compliance with board policy would make the college more likely to get a higher bond rating and showing fiscal responsibility will also positively impact our ability to pass a bond measure.

Ackerman suggested a budget guaranteeing no lay-offs next year. This was discussed by the committee. Spilde commented that the proposed budget does precisely that. The college could work toward restoring the ending fund balance and give employees job security for next year and provide \$1 million for compensation increases. There may be additional funds available beyond the \$1 million if the Oregon Educators Benefit Board insurance plans are priced lower than current insurance and the board decides to change carriers, but there are still decisions to be made regarding insurance.

6a. Direction to Administration

McCown moved to reaffirm the board's direction to restore \$1 million to the ending fund balance. Matson seconded.

Motion passed 11-2. Marston Morgan and Stefan Ostrach dissented.

Matson moved that the budget committee support a budget process and a budget that supports a "no layoff" policy. Riggs-Henson seconded.

Spilde reiterated that if there are no cuts, there is only about \$1 million for compensation and benefits next year. The "no layoff" policy would not apply to those employees who are in grant-funded, special appointment, or other temporary positions which are scheduled to end this year or those whose positions are not funded by the general fund.

There was a discussion regarding how savings on insurance or other redirection of funds might be directed toward collective bargaining. It was stated that bargaining units may prefer layoffs over less compensation and may not be in favor of this motion and that preference would preclude this motion.

Spilde explained that the budget included an anticipated 10 percent insurance increase, and the actual increase will be 6 percent with a possible buy down to 4 ½ percent, which will come from the \$1 million allowed for compensation and benefits. Bargaining is a bilateral process, and we will go through that process. In the event that we don't reach a settlement, by contract, employees need to be given notice of layoff according to a period specified in the contract agreement.

Shine called for the question.

Eleven committee members agreed to call for the question. Albright and Riggs-Henson opposed.

Motion passed unanimously.

Shine moved that the budget committee advise the board and administration that they seek to pursue things such as College Now and international student enrollment and any other thing they can think of to increase the enrollment at the college. Morgan seconded.

Albright underscored that the board and administration should also solicit ideas from classified and faculty.

Motion passed unanimously.

Spilde stated that the direction of the budget committee allows much of the discussion to move to the bargaining table and leaves only the more technical discussions to the budget committee.

6b. New Information Requests

- Ostrach asked for documentation on enrollment increases during other economic downturns
- McCown asked for Greg Morgan's view of Salt's recalculations
- Albright asked for comparisons with other Oregon community colleges as suggested by Deanna Murphy
- Marston Morgan asked to see a yearly retention rate

7. Next Meeting

The next meeting of the Budget Committee will be held at 5:30 p.m. on Wednesday, May 7, 2008.

The meeting adjourned at 8:08 p.m.

Recorded by Donna Zmolek
Assistant to the President/Board