

College Council

October 31, 2006 (Rescheduled from October 26 Regular Meeting)

Present: Siv Serene Barnum, Bob Baldwin, Sheila Broderick, Sonya Christian, Happi Matthews, Greg Morgan, Andrea Newton, Jim Salt, Mary Spilde, Dan Timberlake

Unable to attend: Dan Dawson, Craig Taylor

Meeting notes from October 12 were approved.

Reports

Management Senate has met and is working to fill committee and council vacancies.

LCCEF – Classified staff members are concerned about budget lay-offs.

LCCEA has appointed Philip Martinez to the Finance Council, replacing Chris Culver.

ASLCC – LCC and UO students will hold a rally in the cafeteria today at 11:30 to promote a 'prescription' for postsecondary education. The plan calls for legislators to increase funding for colleges and universities.

Budget Development – Approach to Budget

College Council approved a tiered approach to the budget whereby the college develops options for three scenarios – bad, mid, and best case:

State allocation of \$470 M plus the local option (Bad)

State allocation of \$500 M plus the local option (Mid)

State allocation of \$529 M plus the local option (Best)

Using the targets, divisions/departments will develop options for each of the scenarios. These options will be forwarded to the Budget Review Group.

Budget Development – Budget Targets

College Council approved the following language on Budget Targets: "Identify across the board percentage adjustments, taking into account the budget adjustments that occurred in FY07, based on the best case, mid case, and bad or worst case scenarios. To provide flexibility, departments will submit proposals working with their Vice Presidents to account for variations and differences among departments."

Budget Development – Assumptions

On October 17, the Board of Education reviewed the **Budget Projection Assumptions for FY07 and Beyond** – this document is posted to the Budget

Development website. Today, College Council discussed the following six budget assumptions:

- Tuition increase according to HEPI
- All contractual obligations included
- All current budgeted vacant positions included
- No enrollment increase
- 10% increase in insurance premiums
- PERS Employer Rate

Discussion Points –

Some council members are in favor of including an enrollment increase to emphasize the importance of maintaining or adding to LCC's share of the state funding formula. Others believe it is premature to assume any increase in enrollment as that may project artificial revenue. The Council agreed to maintain the no enrollment growth assumption but to incorporate into the budget development process proposals based on the previously approved strategy to increase enrollment.

Some members argued in favor of staying with a ten percent increase in insurance premiums, since it has been used in previous years. Others favored setting it at the recent national projection of six percent. Agreement was reached to maintain the ten percent rate for now, but to revisit this as data become available allowing us to better project the FY08 renewal rate.

The PERS board will meet next on November 17 and is expected to reduce the previously projected rate hike. PERS staff will then calculate LCC's contribution rate; in past years that notification has arrived in January or February. The PERS Employer Rate assumption will be replaced with the actual rate at that time.

Budget Development – FY08 Adjustments

Sonya Christian introduced two sets of budget targets, both based on the bad case, mid case, and best case scenarios: an across the board model and a second model with varying rates of reduction. She plans to provide these targets to OISS departments to use in developing budget options.

Discussion Points –

- How does the model work?
- Why were 06 actual rather than 06 budget numbers used to show the change from 06 to 07?
- Program costs drive the model.
- Adjustments include judgments – support is not possible without an explanation of those judgments.

Blind faith in the model will not work. The college needs to see the calculations and assumptions.

Departments must finalize budget proposals in three weeks. This model provides a guide.

The model moves the active party from departments to the administration, which is not what was agreed to by the College Council in the language on targets.

This model is not being presented for college council approval. Program cost is one factor of many used to develop the model.

Christian will schedule a work session to clarify the model.

Meeting adjourned: 11:20am

Recorder: Mary Bolton