

Colleagues,

Thank you to all who participated in a well-attended campus budget discussion on January 16th. I was grateful for many things that day including; student involvement, some really thoughtful and insightful questions, and for our media services team that made it possible for many of you on and away from campus to engage in this process. Many of the questions asked that day have been answered and are now available on the Lane budget website.

<https://blogs.lanec.edu/budget/qa/>

Next week we will update the Board of Education on our progress and challenges as we embark on balancing the FY14 and FY15 budget.

We continue to experience a leveling off of enrollment. Although the adjustments are difficult, this is a typical pattern: when the economy fails people go to community college and when it improves they go back to work. During the 2008-2011 recession many in our community lost their jobs and returned to college. During this time Lane accommodated an amazing enrollment surge of 43 percent. We were there when students needed us the most.

In addition to enrollment declining to levels comparable to 2008/2009 and the subsequent tuition revenue loss of more than 20 percent, we will receive less state funding in FY14 than in FY08.

As a result, this year (FY14) we are experiencing a deficit of more than \$3 million. We are engaged in the process of balancing this year's budget with a combination of part-time faculty and part-time classified staff reductions, and M&S reductions. We are also looking closely at our vacancy list and limiting overtime and overload expenditures. We will need to continue to engage in the difficult work of aligning the size of our workforce to the current level of enrollment.

We have made great strides in some areas and there is more work to do in several other areas.

There are three decisions we will be implementing immediately:

1. Effective immediately and until further notice, we are planning to fill classified employment vacancies for .50 - 1.0 FTE assignments via the internal posting process. Our commitment is first and foremost to our current employees. In the event that contracted positions will be impacted by budget reductions and because we have a number of grant funded positions ending soon we want to make sure that we limit the impact and this is one concrete way we can do that. There may occasionally be exceptions to the exclusive use of the internal posting process to fill specific .50 - 1.0 FTE classified vacancies, and the Executive Team will identify and approve such exceptions.

HR will send more details on this.

2. Effective immediately we will begin deferring all non-essential M&S expenses and require departments to seek Executive Dean level approval for all expenses over \$500. We will be taking a close look at travel requests and major planned purchases. By realizing an extra 3 percent savings in addition to our current 5 percent reduction, we are planning on realizing \$500,000 in M&S reductions. These controls are being implemented to ensure we meet the reduction target goals we shared with the board and the campus community in September of last year.

3. We will continue to review and reduce class sections and we anticipate an additional 20 percent part-time classified staff reduction in the remainder of this fiscal year. We will be asking departments to continue to look at service levels and hours of availability. Reductions will begin to be implemented in the next two weeks.

Next year (FY15) our challenge is even greater with that deficit currently tracking at \$6 million, assuming no additional enrollment declines. The magnitude of this deficit will require further difficult work to balance the budget. Current discussions include a variety of possibilities including possible program cuts and the loss of full-time positions.

I appreciate the efforts each of you is making. Lane is a great place and we will continue to provide quality education for a well-educated and well skilled workforce, collaborate with business, and contribute to community development. Thank you for all you do to make Lane Community College such a valuable resource in our community.

Brian Kelly
Vice President
College Services