

## **Statement from Lane Community College Board of Education**

Tuesday, September 20, 2016

To the Lane Community College Family and Community,

The Lane Community College Board of Education wants our community to have facts and accurate information about current negotiations with our classified staff, and to know the board's commitment to fulfilling its mission to the community, our students and employees.

Our objective must be to ensure balance and fairness for employees, for students, and for taxpayers.

We strongly believe it is in everyone's best interest to resolve this impasse quickly. The college is in the midst of bargaining, working under parameters set by this board, as we do for every contract negotiation.

The key issue at the heart of this situation is the long history of disinvestment in public education in Oregon. This affects not just Lane but all 17 community colleges in Oregon. This is the fiscal environment in which we must balance the needs of employees, maintain affordable tuition for students, and be financially accountable to taxpayers.

It must be noted that despite funding challenges, Lane has found a way to offer increases in compensation and benefits every year since 2001. Too many times we have had to increase tuition to achieve this, and at \$100 per credit, higher education is increasingly out of reach for students.

The union leadership's proposal calls for a 5% salary adjustment, a full step of 4.3% for step eligible employees and a new step of 4.3% for employees at the top step. This translates to a 9.3% increase for every classified employee. In addition, union leadership has proposed that the college pick up the entire 8.9% increase in health insurance benefits. The total cost of this, without including other language issues that have cost implications, is \$2.3 million. This is more than the board parameter for all employee groups. By any measure this is a radical departure from the kinds of settlements we have seen over the past 15 years.

The college's proposal is a 1.25% salary adjustment for all classified employees plus a half step (2.15%) on July 1 and half step on January 1 for those step-eligible and a stipend of \$500 for those on the top step. This is a reasonable proposal, consistent with the 15-year average settlement with LCCEF.

The cost of health insurance is a concern facing families all across America. Lane has outperformed other public and private employers in the state for years by offering generous compensation and insurance packages despite our dwindling financial resources. But with the escalating cost of health insurance, this is not sustainable. We have comparisons with other public and private organizations that show that the college is very competitive in its insurance contributions. For example, for full family coverage the college pays \$2209 per month for each employee plus \$1100 per year for Section 125 for a total of \$27,608 per year. Most organizations have had to engage in plan design changes to keep insurance costs within reach of the organization and the employee. Faculty and managers at Lane have been faced with the same issue and changes have been made. It's time for the classified union leadership to engage in substantive conversations about health insurance plan design. Plan design changes could be made that would provide employees with a low to no increase in out of paycheck premiums. The college would still have the best, competitive health insurance plans in the region. Salary increases empower employees to make their own choices about what is best for their family.

The board encouraged college administration to reach out to staff early in the year about increased insurance costs. The administration sent numerous e-mails and held numerous information sessions and meetings to ensure that employees were well informed. In an additional act of good faith, the college picked up premium rate increases for classified employees for the months of July, August and September.

Lane makes the highest employer contribution we can document to employee flexible Section 125 accounts of \$450 to \$1100 per year to assist employees with deductibles and out of pocket expenses. The college premium and Section 125 contributions cover all employees working half time or more and are not pro-rated.

Classified union representatives have not modified their initial economic proposals since March. They have refused to discuss health insurance plan design changes in any substantive way with the college bargaining team. After the first mediation session, both teams had succeeded in narrowing the gap, but at the second session, union leaders reverted to their first proposal instead of moving forward. Good faith negotiations would require union leadership to build on the momentum established in the mediation. The union leadership also has demanded contract language changes that would affect student workers. This would have a financial impact on students in terms of paying union dues, something that needs to be discussed with students. They also proposed to increase the number of union stewards thereby reducing our workforce capacity. Union representatives want to increase paid leave, when Lane already provides the highest level of paid leave – 338-428 hours per year –among Oregon’s community colleges. The union wants guaranteed employment for all current contracted classified employees until 2023 regardless of what might happen to college funding or expenses in that time.

This is not a fiscally sustainable proposal. Nonetheless, we are optimistic that we can work together to resolve this issue as we always have done.

Union leadership has participated in budget development for years; they know the financial limits of the college. Therefore, we believe it’s detrimental for union leadership to be sowing the idea of a strike. That is creating unnecessary fear in our employees and students. They deserve better.

Tonight we have gathered data to share so that people can see for themselves what Lane offers employees. The board set a parameter of \$2 million for bargaining with all employee groups. This includes \$840,000 which represents the classified share of payroll. If the college were to agree to the union’s economic proposals, we would be forced into layoffs and substantial tuition increases. People can also access budget information online at [www.lanecc.edu/budget](http://www.lanecc.edu/budget) .

This board looks forward to timely resolution of this impasse. We need to be directing our valuable energy and resources to serving students and the community and fulfilling our mission of education and training.

We have a responsibility to every member of the Lane family: students, employees, our community, our unions, taxpayers, donors, elected and government officials. Lane is the community's college and the board and college continue to consider the needs of all stakeholders.

Classes begin next week and we encourage students to get ready for fall at Lane, one of the best community colleges in the nation.