



General Library Item

Name Minutes 2003-12-10

Content

LANE COMMUNITY COLLEGE
BOARD OF EDUCATION
Minutes - December 10, 2003

1) Attendance

Chair Mike Rose called the meeting of the Lane Community College Board of Education to order at 6:30 p.m. Present were: Board Members Jay Bozievich, Roger Hall, Paul Holman, Larry Romine, Kathleen Shelley, and Dennis Shine. Also present were President Mary Spilde; Vice President Marie Matsen; Executive Assistant to the President Tracy Simms; College Counsel Meg Kieran; Lane Community College Education Association President Jim Salt; and Lane Community College Employees Federation President Bob Baldwin. Vice President Cheryl Roberts and Associated Students of Lane Community College President Rebecca Hill were absent.

2) President's Report

- There is still a lot of uncertainty regarding budget projections depending on whether Ballot Measure 30 passes or fails in February. Even though the legislature has identified where cuts would take place if the tax package were overturned and the Governor has been given authority to make those cuts, the legislature may reconvene and try to hold K-12 more harmless. This could significantly impact Lane's projections.
- Regarding the issue of statewide governance and the idea of one board for higher education and community colleges, President's Council has developed a plan to work with the Governor, the Oregon Business Council, and former governor Neil Goldschmidt. Goldschmidt may be appointed chair of the State Board of Higher Education.
- Progress is being made on Lane's new governance system. Different councils have been identified, and small groups are looking at the purpose and scope of work for the councils. A report will be released to the college community after the first of the year, and feedback will be encouraged.

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3) Board Agenda Review/Changes

4-A, International Students, was moved to 3-A, following the Consent Agenda. 3-A-1, Personnel, B.050, was removed as it had been previously approved in November. Romine suggested changing the Advisory Committee Memberships from Consent Agenda to the President's Report.

4) Statement from the Audience

The following international students presented comments regarding their education and experiences at Lane. Many of the students presented personal and enlightening comments relating to the benefits of being educated at Lane and commented on the enriching relationships gained from interactions with teachers, staff, students, sponsors, and friends. Nathan Gue, Kana Takei, Pema Chhophayl, and Teo Wences. Stan Taylor, faculty and chair of the faculty bargaining committee, advocated for collaborative bargaining that seeks certain basic principles. Two of those basic principles, include maintaining the salary structure and a down payment on compensation principles to make faculty comparable with other peer schools in Oregon.

5) Consent Agenda

Romine moved, seconded by Shelley, to approve the Consent Agenda, consisting of the following:

- Approval of the November 12, 2003, Minutes
- Advisory Committee Memberships
- Tuition Rate, Board Policy D.110
- Oracle Licensing Agreement

Motion passed unanimously.

Policy Review

6) International Students

Shine moved, seconded by Romine, to request that the administration conduct a cost benefit study on the active recruitment of international students. No timeline was indicated.

Motion passed unanimously.

Policy Review

7) Second Readings

Romine moved, seconded by Bozievich, to approve second readings of the following policies. First readings were held at the November meeting.

POLICY NUMBER: B.060

POLICY TYPE: GOVERNANCE PROCESS

POLICY TITLE: BOARD DUTIES AND RESPONSIBILITIES: BUDGET MAKING

The board of education shall:

1. ~~Adopt the annual budget.~~ **Adopt the annual budget before July 1 of the budget year.**
2. Act as the levying board in the budget process.
3. Assist in presenting the needs of the college to the public and assist in the adoption, through the formulated budget process, of a budget that will address these needs.
4. Appoint the seven members with whom they shall serve jointly as the budget committee.
5. ~~Develop budgetary recommendations for complete Budget Committee review.~~
5. Review student tuition rates annually.

ADOPTED: November 9, 1998

POLICY NUMBER: B.080

POLICY TYPE: GOVERNANCE PROCESS

POLICY TITLE: BUDGET OFFICER

The president or designee shall serve as budget officer. The budget officer shall be responsible to the president for preparation and maintenance of the budget document ~~and shall assist in the preparation of the budget message.~~ in compliance with Local Budget Law (ORS 294).

ADOPTED: November 9, 1998

POLICY NUMBER: B.090

POLICY TYPE: GOVERNANCE PROCESS

POLICY TITLE: BUDGET PREPARATION AND ADOPTION

At the direction of the board of education, the ~~administration~~ **president** shall study budget needs and prepare recommendations on programs and services for budget committee consideration. The recommendation of advisory committees and interested citizens and organizations within the college district shall be considered by the ~~administration~~ **president** in developing the budget document.

The college budget shall be prepared and adopted in compliance with Oregon Local Budget Law [ORS 294]. ~~If it is necessary to increase the amount of tax levy over the authorized amount, the board shall call an election in compliance with state election law.~~

ADOPTED: November 9, 1998

POLICY NUMBER: B.100
 POLICY TYPE: GOVERNANCE PROCESS
 POLICY TITLE: OFFICERS OF THE BOARD OF EDUCATION

The board of education shall have as officers a chair and a vice chair to be elected by the board at its annual organizational meeting. The board shall then appoint the college president as the clerk of the district. Deputy clerks may also be appointed at this time to perform such duties as recommended by the president.

ADOPTED: November 9, 1998

Motion passed unanimously.

8) First Readings – Existing Policies

As part of the review of all board policies, first readings of the following policies were held. Second readings will be held in January.

POLICY NUMBER: A.040
 POLICY TYPE: EXECUTIVE DIRECTIONS
 POLICY TITLE: FINANCIAL PLANNING AND BUDGETING

Financial planning for any fiscal year or the remaining part of any fiscal year shall reflect the board's ends priorities, avoid fiscal jeopardy, and shall be derived from a multi-year plan.

Accordingly, the president shall assure budgeting that:

- Complies with Oregon Local Budget Law.
- Contains sufficient information to enable credible projections of resources and expenditures as presented in the Budget Document in accordance with Oregon Local Budget Law.
- Discloses planning assumptions.
- Limits expenditures in any fiscal year to conservatively projected resources for that period.
- Maintains current assets at any time to at least twice current liabilities.
- Maintains the estimate of unappropriated ending fund balance at no less than three percent of the general fund operational expenditure budget.

ADOPTED: November 9, 1998

REVISED: April 12, 2000

POLICY NUMBER: A.050
 POLICY TYPE: EXECUTIVE DIRECTIONS
 POLICY TITLE: FINANCIAL CONDITION AND ACTIVITIES

With respect to the actual, on-going financial condition and activities, the president shall avoid fiscal jeopardy and assure that actual expenditures reflect board priorities as established in ends policies.

Accordingly, the president shall:

- Not expend more funds than have been received in the fiscal year to date **except as approved by the Board.**
~~unless the debt guideline is met (see A.070, #8).~~
- Not use any long-term reserves that are not budgeted and appropriated for expenditure.
- Settle payroll and debts in a timely manner.
- Assure that tax payments or other government-ordered payments or filings be on time and accurately filed.
- Make no single purchase or commitment of greater than \$75,000 without board approval, except in extreme emergencies.
- Acquire, encumber, or dispose of real property only with board approval, except in extreme emergencies.
- Pursue receivables aggressively after a reasonable grace period.

ADOPTED: November 9, 1998

REVISED: May 12, 1999

REVISED: April 12, 2000

POLICY NUMBER: A.060
 POLICY TYPE: EXECUTIVE DIRECTIONS
 POLICY TITLE: EMERGENCY PRESIDENT SUCCESSION

In order to protect the board from sudden loss of presidential services, the president shall have at least one other executive familiar with board and presidential issues and processes. The president shall periodically furnish the board with the current name or names of the executive or executives familiar with the board and presidential issues and processes. In the event of a sudden loss of presidential services, the board shall appoint an acting president of the college in accordance with board policy B.050.

ADOPTED: November 9, 1998

REVISED: April 12, 2000

POLICY NUMBER: A.070

POLICY TYPE: EXECUTIVE DIRECTIONS

POLICY TITLE: ASSET PROTECTION

The president shall assure that assets are protected, adequately maintained, and not placed at risk.

Accordingly, the president shall:

- Insure against theft and casualty losses and against liability losses to board members, staff, and the organization itself in an amount similar to the average for comparable organizations.
- Prevent uninsured personnel from access to material amounts of funds.
- Assure that plant and equipment are not subjected to improper wear and tear or insufficient maintenance. Assure that the organization, its board, or staff, are not unnecessarily exposed to claims of liability.
- Assure that every purchase (A) includes normally prudent protection against conflict of interest; and (B) of over \$75,000 includes a stringent method of assuring the balance of long-term quality and cost.
- Protect intellectual property, information, and files from loss or significant damage.
- Receive, process, or disburse funds under sufficient controls to meet the board-appointed auditor's standards.
- Invest or hold operating capital in **excess of daily requirements in accordance with ORS 294.035.** ~~secure instruments, including insured checking accounts and bonds of at least AA rating, or in interest-bearing accounts except where necessary to facilitate ease in operational transactions.~~
- Not endanger the organization's public image or credibility, particularly in ways that would hinder the accomplishment of its mission.
- Not name a building, substantial parts of buildings, or significant landscape features of Lane Community College without prior approval of the board; and, when a building has substantial support from a donor, without prior involvement of the Foundation.

ADOPTED: November 9, 1998

REVISED: April 12, 2000

REVISED: December 13, 2000

REVISED: September 10, 2003

POLICY NUMBER: A.090

POLICY TYPE: EXECUTIVE DIRECTIONS

POLICY TITLE: COMMUNICATION AND SUPPORT TO THE BOARD

The president shall assure that the board is informed and supported in its work.

Accordingly, the president shall:

- Submit monitoring data required by the board (see policy on Monitoring Presidential Performance) in a timely, accurate, and understandable fashion, directly addressing provisions of board policies being monitored.
- Keep the board aware of relevant trends, anticipated adverse media coverage, or material external and internal changes, particularly changes in the assumptions upon which any board policy has previously been established.
- Advise the board if, in the president's opinion, the board is not in compliance with its own policies on Governance Process and Board-President Linkage, particularly in the case of board behavior that is detrimental to the working relationship between the board and the president.
- Marshal for the board as many staff and external points of view, issues, and options as needed for fully informed board choices.
- Provide a mechanism for official board, officer, or committee communications.
- Deal with the board as a whole except when (a) fulfilling individual requests for inconsequential information; **or providing information**; or (b) responding to officers or committees duly charged by the board.
- Report in a timely manner known noncompliance with any policy of the board.
- Supply for the consent agenda all items delegated to the president yet required by law or contract to be board-approved, along with the monitoring assurance pertaining thereto.
- Provide semiannual budget planning information.

ADOPTED: November 9, 1998

REVISED: April 12, 2000

9) First Readings – Proposed Policies

First readings of the following policies were held. The policies were developed by the Budget Advisory Group for long-range fiscal planning and to provide evidence of meeting accreditation standards and to enhance transparency for budget development and fiscal planning. Recommended revisions are noted below.

POLICY NUMBER: E.010

POLICY TYPE: BUDGET AND FINANCIAL

POLICY TITLE: DEFINITION OF A BALANCED BUDGET

~~Budget decisions shall be made~~ **The board directs the president to develop annual budget recommendations that are** in accordance with the college's strategic plan and ~~shall~~ conform to the requirements of Local Budget Law (ORS 294.326). The budget shall provide for:

Annual operating expenditures not to exceed projected revenues (Expenditures shall be budgeted according to the college's strategic priorities.)

- Debt service, both current (due in less than 12 months) and long term
 - ~~Adequate~~ Reserves for maintenance and repairs to its existing facilities
 - ~~Adequate~~ Reserves for acquisition, maintenance and replacement of capital equipment.
 - ~~Adequate~~ Reserves for strategic capital projects
 - ~~Adequate~~ Funding levels to fulfill future terms and conditions of employment, including early retirement benefits
 - ~~Adequate~~ Allocations for special projects related to the strategic directions of the college.
 - ~~Appropriate~~ Allocations for contingencies (unforeseen events requiring expenditures of current resources)
- Ending Fund Balances (according to policies set specifically for that purpose)

Lane has a further responsibility to:

- Plan how it will spend any "onetime" unanticipated revenue, allocating it strategically and prudently between:
 - The restoration of any shortfall to targeted ending fund balances,
 - Currently unfunded projects in the strategic plan, and/or
 - Holding some or all of it in reserve during financially volatile periods.
- Permanently stabilize its finances in their entirety (operating budget, reserves, contingencies and ending fund balances) when it perceives a long term change (increase or decrease) to its available future recurring resources

POLICY NUMBER: E.030

POLICY TYPE: BUDGET AND FINANCIAL

POLICY TITLE: ENDING FUND BALANCE

Lane Community College shall maintain an "unrestricted" General Fund Ending Fund Balance equal to approximately 5% of total budgeted expenditures. This amount shall be considered a "target" and the target range may fluctuate up to 1% above or below the target from year to year depending on financial conditions and the needs of the college.

The Ending Fund Balance target shall include the Unappropriated Ending Fund Balance (UEFB) as set by board policy E.020. When the Ending Fund Balance falls to 4% or less, the college shall adopt a plan to replenish the Ending Fund Balance to 5% within two years. When the Ending Fund Balance exceeds 6%, the excess shall be set aside for investment in one-time expenditures.

If the total Ending Fund Balance (including restricted) falls to levels that require short-term borrowing, the levels set by this policy shall be automatically reviewed and adjusted as necessary.

The board took a 10-min break at 8:03 p.m.

POLICY NUMBER: E.040

POLICY TYPE: BUDGET AND FINANCIAL

POLICY TITLE: STABILIZATION RESERVE FUND

The college may establish a separate "reserve fund" (as described in ORS 341.321 and ORS 294.525) for the purpose of providing short-term stabilization in anticipation of possible shortfalls in revenue.

A stabilization reserve fund may be established under one or more of the following circumstances:

- State budget appropriations for community colleges are not approved by the time the college budget is approved and adopted.
- A situation exists where significant changes in enrollment are possible but not reasonably predictable.
- When any major revenue source has a reasonable possibility of decreasing after the college budget is approved and adopted.
- When any operating expenditure that is beyond the control of the college could reasonably be expected to increase after the college budget is approved and adopted.
- Any other situation in which the board determines that there is a reasonable expectation that major shifts in revenue or expenditures could occur during the budget year.

Stabilization reserve levels:

- Minimum reserve levels shall be at the discretion of the board under advice from the budget committee and the president.
- Maximum reserve levels shall be no more than the maximum reasonably estimated shortfall at the time of the adoption of the budget.

Stabilization reserves will be reviewed annually as part of the budget development process. The stabilization reserve fund shall be closed out when the board determines that the precipitating threat to revenues and/or expenditures no longer exists. As long as the conditions exist that caused the fund to be established, the funds shall be kept in reserve for the purpose intended. If and when the fund is closed out, any remaining balance shall be ~~returned to operating funds~~ **released for use as a resource in the General Fund.**

POLICY NUMBER: E.050
 POLICY TYPE: BUDGET AND FINANCIAL
 POLICY TITLE: CAPITAL RESERVE FUNDS

The ~~college board~~ shall **require the president to** establish and maintain separate "reserve funds" (as described in ORS 341.321 and ORS 294.525) in Capital Projects Fund IV for the following purposes:

- To replace capital equipment that is broken or beyond its useful life as determined by the Capital Assets Replacement Forecast;
- To maintain and repair college facilities according to the Major Maintenance Schedule;
- To maintain and upgrade the college's information/telecommunications system according to planning schedules maintained by Information Technology;
- To build new instructional facilities and/or to purchase property that facilitate planned long-term growth of the college.

Appropriate levels of funding for reserves will be determined using existing college decision-making structures. The president will make recommendations to the Board of Education for approval to establish and fund these reserves.

Optimal funding levels will be determined using benchmarks, professional standards and best practices from other colleges and adapting these to Lane's specific situation. It is expected that full funding of these reserves will take place over a number of years and that annual transfers to these reserves will be budgeted from the General Fund and other sources as appropriate.

As required in ORS 294.525, the board shall periodically review the reserve fund "and determine whether the fund will be continued or abolished." While ORS 294 allows review to take place every 10 years, reserve funds established under these policies shall be reviewed (a) annually by the president; and (b) at least every three years or more frequently as determined by the board.

As allowed in ORS 294.525, the Board may determine at any time that a reserve fund is no longer necessary or that some or all of the reserves may be transferred to the General Fund.

POLICY NUMBER: E.060
 POLICY TYPE: BUDGET AND FINANCIAL
 POLICY TITLE: BUDGETING OF NON-RECURRING RESOURCES

Non-recurring resources are resources that are not part of an annual revenue stream. Non-recurring resources include but are not limited to such categories as:

- Fund balances (i.e., "carryover")
- Reserves
- One-time grants or awards of money
- Funds withheld from annual budget allocations (e.g., funds held back from annual General Fund transfer to Capital Repair & Improvement)
- Special allocations from the state (e.g., allocations from the Emergency Board)
- Other special allocations (e.g., "seed money" for a project)

Non-recurring resources shall not be budgeted for ongoing recurring expenditures.

Non-recurring resources may be allocated for one-time expenditures including but not limited to the following:

- Capital equipment
- Capital construction
- Investment in a new program or service that will move to recurring funding sources after a specified trial period
- Projects related to the strategic directions of the college.

However, the college shall not rely on non-recurring resources for funding ongoing needs such as major maintenance and equipment replacement.

POLICY NUMBER: E.070
 POLICY TYPE: BUDGET AND FINANCIAL
 POLICY TITLE: GENERAL FUND CONTINGENCY

Board Contingency:

The annual budget shall set aside ~~\$250,000~~ **approximately one-half percent (0.5%) of the budgeted revenues**

each year for Board Contingency. Use of Board Contingency shall be at the discretion of the Board of Education and shall be allocated by formal approval of the board according to its policies.

Administrative Contingency:

Administrative Contingency shall be approximately one percent (1%) of the budgeted revenues each year. Administrative Contingency shall be allocated by approval of the president.

POLICY NUMBER: E.080
POLICY TYPE: BUDGET AND FINANCIAL
POLICY TITLE: INTERFUND TRANSFERS

All transfers between funds shall be in conformance with ORS 294.361. The Budget Document shall clearly show for each fund the amounts, origin and destination of each transfer. Accompanying documentation shall list the specific purposes for each transfer.

Transfers from the General Fund to other funds (except Fund IX-Special Revenue Admin Restricted) shall be for the following purposes:

- Debt service on an obligation incurred as a part of normal operations of the college;
- Goods and services provided to General Fund units by units in other funds;
- Construction, maintenance and acquisition of facilities and/or real property used by the college in support of its mission;
- Acquisition of capital equipment for use by the college in support of its mission;
- Matching funds for grants and contracts;
- Operation of certain financial aid functions and matching funds required for financial aid grants;
- Contractual and legal obligations to employees and retirees for compensation and benefits;
- Other needs as deemed appropriate and necessary by the board for fulfilling the obligations of the college.

Since Fund IX contains units that could be considered general operations of the college, the boundary between the General Fund and Fund IX is more "permeable." While units in Fund IX primarily rely on designated revenues, transfers from the General Fund may be used to augment the resources for any or all of these units. The level of funding through General Fund transfers to Fund IX is at the discretion of the Board under advice from the Budget Committee and the president.

10) 2004-05 Academic Calendar

Romine moved, seconded by Shelley, to approve the 2004-05 Academic Calendar as presented.

Bozievich moved, seconded by Holman, to change "Holiday" to "Christmas Break."

Motion failed 2-5. (No – Hall, Romine, Rose, Shelley, and Shine)

Original motion passed unanimously.

11) 2003-04 Management Employees Working Conditions

President Spilde requested authority to finalize compensation for the management employees and approve a settlement not to exceed that awarded to classified staff.

Shine moved, approved by Holman, to authorize the president to award the management group a settlement for 2003-04 not to exceed that which was settled with classified staff.

Motion passed unanimously.

12) Benchmarks

Craig Taylor responded to board questions/comments on the following Benchmarks:

- Goal Accomplishment of Former Students
- Employment of Professional Technical Students in Jobs Related to Their Training
- Professional Technical Students' Satisfaction
- Transfer Students' Satisfaction with Lane Preparation

13) Reports

LCCEF President – Bob Baldwin

Baldwin plans to run for reelection as LCCEF president during the upcoming election of officers. Governance discussions continue to take place, and it is hoped that the new system will lead to meaningful participation.

LCCEA President – Jim Salt

The board was commended for pursuing a cost-benefit study to determine how best to use resources to attract international students to Lane. Work is proceeding well on constructing a new, more effective, college governance

system. It is very important that all bargaining parties make a choice to commit to a rationalized process in bargaining as much as possible.

Vice Presidents

In Cheryl Robert's absence, associate vice president Donna Koechig reported that an Oregon Peacemaker Conference was held in November for over 300 staff, students, and volunteers; a recent powwow at Lane was well attended; and over 80 instructors participated in a College Now Workshop.

Marie Matsen

Lane is considering an offer from the City of Eugene for a 12,000 square foot hangar. Phase 2 for Aviation Maintenance plans to move from main campus to the Airport, and the hangar would greatly enhance the probability to do that. Staff are examining the facility and considering what it would do for the Aviation Maintenance Program. A recommendation will be prepared in the next couple of months.

Board Members

Jay Bozievich reported that the Lane Economic Committee will be focusing on fund distribution this year and setting a high priority on job creation. Bozievich attended the Shining Star Reception for Foundation donors and recipients of scholarships. He emphasized the importance of maintaining an ending fund balance.

Roger Hall pointed out the significance of the college going from a projected deficit of \$7 million to a position of reasonable financial security over the next couple years. The journey created a lot of pain and required an equal amount of effort and struggle on behalf of faculty, staff, students, and unions. Hall publicly congratulated the college as a whole for that accomplishment.

Paul Holman reported that Florence director Bob Purscelley was recovering from surgery. Recent groundbreaking for the Three Rivers Casino took place.

Dennis Shine, staff, and students attended the following: A Freedom Fund Dinner, sponsored by the National Association for the Advancement of Colored People, an international student event, a dialogue with the president and several board members along with State Board of Education members and commissioner Cam Preus-Braly of the Oregon Community College and Workforce Development Department. Shine will forward information from the Lane Council of Governments regarding the impact ballot measure 30 will have should it fail in February.

Kathleen Shelley urged staff and students to study the issues regarding ballot measure 30 and to talk to friends and neighbors and then vote your conscience.

Mike Rose attended a meeting with Cam Preus-Braly and State Board of Education members. He said the board is in full support of the bargaining team for the college and believes the college is making every effort to balance the budget while operating within particular constraints and treating everyone equally. Not reaching agreement with LCCEA by the end of the week will have a significant impact on the college as a whole.

Mary Spilde noted that David Joyce, retired arts instructor, passed away on December 3. Services are being planned in the Center for Meeting and Learning on December 19.

14) Date, Place, and Proposed Agenda Items for Next Regular Meeting

Wednesday, January 14, 2004, Boardroom, Building 3, Lane Community College.

15) Adjournment

The board meeting unanimously adjourned at 9:30 p.m.

Mike Rose, Chair

Mary Spilde, President/District Clerk
Lane Community College