



General Library Item

Name Minutes 2007-02-14

Content

LANE COMMUNITY COLLEGE
BOARD OF EDUCATION
Minutes - February 14, 2007

1. Attendance

Board members present: Roger Hall, Paul Holman, Susie Johnston, Pat Riggs-Henson, and Mike Rose. Board members absent: Jay Bozievich and Larry Romine. Also present were: President Mary Spilde; Vice President Sonya Christian; Associate Vice Presidents Donna Koechig, Patrick Lanning, Greg Morgan; and Stephen Pruch; Executive Assistant to the President Tracy Simms; College Counsel Meg Kieran; Lane Community College Employees Association President Jim Salt; and Lane Community College Employees Federation President Bob Baldwin, and Associated Students of Lane Community College Vice President Steve Mohr.

A. Vice Chair Riggs-Henson called the meeting to order at 6:31 p.m.

B. President's Report

I attended the Oregon Community College Association (OCCA) Legislative Summit a couple of weeks ago. We heard from the Governor and several legislators. Senator Vicki Walker did a wonderful job of talking about how Lane serves the community and about funding for personal enrichment courses. She also committed to the \$529 million figure and will advocate for that, capital construction and the Opportunity Grant. We also heard from Representatives Hunt, Galizio and Berger, all of whom are in key positions to benefit community colleges. We have also had meetings with Senator Morrisette and Representative Nathanson. We have had one hearing with the Education Sub-Committee of Ways and Means – an overview of the community colleges and a hearing on our capital requests. I testified regarding SB 426 which would create an insurance pool. Currently, community colleges have an exemption, but many will be affected. I took the opportunity to talk about our success story at Lane regarding health insurance costs. On Friday I will be testifying on HB 2206 which will provide \$10 million for skilling up the workforce. I have also been appointed to an OCCA committee on state decision making, also known as governance.

It's been a month of community events. We had the Presidents' Dinner hosted by Dave and Lynn Frohnmayer and me that was sold at the Harvest Dinner. Our students did a fabulous job. Thanks to staff Chris Crossthwaite, Robin Johnson and Kathy Thomas for the organization of the event and to the students for volunteering their time. Thanks also to Roger and Liz Hall for purchasing the dinner and contributing to the Foundation. I also attended the Springfield, Eugene Chamber and LCOG events; the baseball and soccer banquet, and the Truffle Dinner. The Shining Star Scholarship event, which is always a tear jerker as students tell their stories, also took place in January. Lane Preview Night was another huge success with about 1300 high school students and their families attending. There was a very large turnout of faculty and staff to speak with students. Special thanks to Karen Edmonds and Dana Halttunen and the rest of the committee for leading the effort.

The percentage of Oregonians who believe the state is doing very well or somewhat well in K-12 education dropped from 64 percent in 2004 to 60 percent in 2006. A slow but steady decline has occurred in perceptions of how Oregon is doing in undergraduate and graduate education at public four-year colleges and universities, falling from 85 percent in 2000 to 80 percent in 2006. Community colleges remain a favorite with Oregonians, holding steady at an 88 percent overall approval rating.

Tomorrow I will be speaking at the launch event for the Oregon Manufacturing Workforce Strategy on behalf of Oregon's community colleges. We view our role as pivotal in supporting the manufacturing workforce strategy and see it integrally linked to economic development.

The Spirit Mountain Community Fund has issued the Foundation a new \$50,000 challenge grant for the Longhouse! We must raise an additional \$50,000, and then we will receive the funds. This is a much needed boost for the Longhouse fundraising effort. I am happy to say that the Lane Foundation Board has approved the Capital Campaign. The campaign includes \$7.5 million for the Health and Wellness building; \$3 million for endowed chairs; \$3 million for scholarships and \$1.5 million for innovation. We will begin the quiet phase of the campaign soon.

I would like to request an addition to the agenda to review the five-year projections and discuss a paper I have written on fiscal sustainability at Lane.

1) January Highlights

January 2007 Highlights at Lane Community College as offered in the board mailing were presented.

C. Board Agenda Review/Changes

Item 4D, Budget Projections, was added to discussion/action items.

D. Statements from the Audience

Pat Albright, retired educator, announced his intent to run for the Zone 5 position on the board.

Justin Blakely, student, spoke about his dissatisfaction with Lane and Disabled Student Services.

Brendan Lynch, energy management student, invited Lane to join the Campus Climate Challenge.

2. Consent Agenda

Rose moved, seconded by Holman, to approve the consent agenda consisting of:

- The approval of the January 10, 2007 Minutes
- Tuition Rate, Board Policy D.110

Motion passed unanimously.

3. Policy Review

A. Second Reading

1. Capital Reserve Funds, E.050

Meg Kieran provided further information regarding the statutory support for this policy.

Johnston moved, seconded by Rose, to approve the second reading of board policy E.050, Capital Reserve Funds.

Motion passed unanimously.

POLICY NUMBER: E.050

POLICY TYPE: BUDGET AND FINANCIAL

POLICY TITLE: CAPITAL RESERVE FUNDS

The college shall 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:

1. To replace capital equipment that is broken or beyond its useful life as determined by the Capital Assets Replacement Forecast;
2. To maintain and repair college facilities according to the Major Maintenance Schedule;
3. To maintain and upgrade the college's information/telecommunications system according to planning schedules maintained by Information Technology;
4. 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.

ADOPTED: January 14, 2004

REVIEWED: February 14, 2007

2. Ending Fund Balance, E.030

Johnston moved, seconded by Rose, to approve the second reading of board policy E.030, Ending Fund Balance.

Motion passed unanimously.

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.

ADOPTED: January 14, 2004

REVIEWED: February 14, 2007

B. First Reading

1. Budgeting of Non-Recurring Resources, E.060

No changes were recommended to this policy; a second reading will be held in March.

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.

ADOPTED: January 14, 2004

4. Discussion/Action Items**A. Differential Pricing**

Christian distributed information regarding the differential pricing for nursing and dental hygiene students. The administration had developed three options for increasing the differential fee for these programs. The board reviewed the options, discussing average salaries and job demand for graduates. The change in fee will be applied to students entering the program in the fall.

Johnston moved to accept Option I, which calls for students to pay a differential fee of \$4,518 per year. Holman seconded.

Motion passed unanimously.**B. Marketing/Aspire Update**

Simms provided an update of the strategies resulting from the board's one-time strategic investment of \$100,000 authorized in October 2005. One of the strategies funded by this investment was the development of Aspire magazine, Lane's new quarterly schedule publication. It was noted that although Aspire received a Medallion award from the National Council of Marketing and Public Relations, transition to the new format continues to be challenging for some current and prospective students.

C. President's Goals Update

Spilde updated the board regarding the status of the president's goals set during the 2005-06 evaluation process and the budget priorities approved in September.

D. Budget Projections

Morgan distributed the five-year budget projections showing that Lane's budget problems are long term.

Spilde explained a paper she wrote entitled "Fiscal Sustainability at Lane." She clarified that she is not making any recommendations, but she did go through solutions to the budget problems that have been suggested and an analysis of those suggestions. The paper also proposes ways to increase revenue. Spilde emphasized that we need to come to terms with the fact that Lane has a long-term problem.

It was suggested that the board have a deeper discussion regarding the issues raised in the fiscal sustainability paper at the next board meeting after more careful review.

The board took a ten minute break at 8:22 p.m.

5. Accountability/Reports**A. Benchmarks**

Craig Taylor, Director of Institutional Research, Assessment and Planning, responded to questions and comments on the following Benchmarks:

- Student Retention and Success Rates in Credit, College-Level Course
- Student Retention and Success Rates in Credit, Developmental/Remedial Courses
- Student Retention and Success Rates: From Credit, Developmental/Remedial Courses to First College-Level Courses

Morgan responded to questions and comments from the board on the following monitoring reports:

B. Financial Condition and Activities Quarterly Report**C. Financial Condition and Activities, A.050, Monitoring Report****D. Asset Protection, A.070, Monitoring Report**

Spilde responded to questions and comments from the board on the following monitoring reports:

E. Emergency President Succession, A.060**F. Communication and Support to the Board, A.090**

6. Reports

ASLCC Vice President Steve Mohr reported that ASLCC will be sending students to the State Rally Day for Oregon Student Association on February 22. In the beginning of March, they will be sending students to Washington, D.C. for a legislative conference put on by the U.S. Student Association. Two weeks ago, ASLCC sent twelve students to the Oregon Students of Color conference. Lane was one of just two community colleges to attend.

LCCEF President Baldwin reported that he met with Representatives Terry Beyer and Nancy Nathanson recently on behalf of community colleges. He had the opportunity to go to Salem to testify on SB 426. He distributed a benchmark report comparing the classified wage scale to food stamp eligibility for a family of four, in which 49.6 percent of budgeted classified staff meet the eligibility of food stamps. In terms of Maslow's hierarchy of needs, most of Lane's internal systems talk in language of the top two tiers despite the fact that financial realities keep Lane's classified members operating mostly in the bottom two tiers. Therefore, when we design systems that assume participation in the top two tiers, we lose most classified members.

LCCEA President Salt reported that the Oregon Education Association (OEA) has a new executive director. OEA is strongly supporting SB 426. They believe there are significant protections built into the bill that would save Lane money. He reported that LCCEA has some challenging issues in labor relations with administration. Regarding Aspire, many faculty members are concerned about a schedule in which course registration numbers are not listed. Salt responded to the section of Spilde's paper regarding shifting from full time to part time faculty, which would mean pay and benefit cuts for faculty.

Vice President Christian reported that the Office of Instruction and Student Services (OISS) has been busy with assessment work, and the report will be available at a future board meeting. She thanked the assessment team for their hard work. There will be an interim accreditation visit in April. OISS has been reviewing Lane's class scheduling pattern. A new pattern will be implemented starting fall term. The difficult work of instruction redesign is progressing; a report will go to President Spilde in April.

Associate Vice President Morgan reported that, for the second consecutive year, the Lane Community College Budget Office received the Distinguished Budget Presentation Award from the Government Finance Officers Association, the highest award in governmental budgeting. Morgan distributed a report which showed that KLCC has an impact with tens of thousands of people every week. The station raised \$68,000 at the microbrew event. Proposals are being looked at for a bank or credit union to be established in the Center building. This will be great addition and will generate rent revenue. Morgan is facilitating the Budget Review Group, and it is going well. The group is on track to deliver results in early March.

Hall reported that he and Johnston visited Senator Floyd Prozanski, who committed to \$529 million for community colleges. He informed the board that President Spilde received LCOG's Outstanding Public Employee award and Oregon Women in Higher Education's (OWHE) Service Leaders award.

Holman spoke of an event at Lane's Florence campus for students who wanted scholarships; thirty students attended. Rose encouraged everyone to visit with legislators. He stated that he would not seek re-election to his At-Large Position 6 seat on the board.

Johnston attended Lane Preview Night, and the gym was full of prospective students and parents. She thanked everyone who put it on and the faculty and staff that were there. She attended the LCOG awards dinner, where one of the award recipients attributed his business success to Lane. She expressed her disappointment that Rose will not be running for the board.

Riggs-Henson stated that it will be difficult to not to have Rose on the board. She thanked staff and board for taking time away from their spouses and significant others on Valentine's Day. She recently met with Representative Nancy Nathanson. She also saw Baldwin and Spilde testify on SB 426. She noted that Spilde is the first community college president to win the OWHE award.

7. Date, Place, and Proposed Agenda Items for the Next Regular Meeting

Wednesday, March 14, 2007, Boardroom, Building 3, Lane Community College

8. The board meeting adjourned at 9:21 p.m.

Mary Spilde, President/District Clerk Pat Riggs-Henson, Vice-Chair