



General Library Item

Name Minutes 2007-03-14

Content

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

1. Attendance

Board members present: Jay Bozievich, Roger Hall, Paul Holman, Susie Johnston, and Pat Riggs-Henson. Also present were: President Mary Spilde; Vice President Sonya Christian; Executive Assistant to the President Tracy Simms; College Counsel Meg Kieran; Lane Community College Employees Association President Jim Salt; Lane Community College Employees Federation President Bob Baldwin; and Associated Students of Lane Community College President Happi Matthews.

A. Chair Bozievich called the meeting to order at 6:30 p.m.

B. President's Report

Good evening. This evening I am going to start with good news:

The first thing I would like to do this evening is celebrate with and recognize our stellar women's basketball team and our coach Greg Sheley. Not only were they the NWAAC champions, but they won the NWAAC tournament. I was not able to attend the final game, but I did track it in cyberspace. It was pretty exciting! I would like to introduce Greg and ask the students to introduce themselves. Congratulations. We are very proud of you.

The second piece of very good news is that Weyerhaeuser Corporation is making a gift of \$50,000 to our High School Connections program. This support is appreciated, particularly for the Regional Technical Education Consortium program. You are aware that we have developed this program without any new general funds. We have relied on repurposing funds, grant funds, and such. This gift will really help the college and, more importantly, will help the many high school students who need access to career and technical education.

The third piece of good news is that KLCC has received two significant grants this week. The Meyer Memorial Trust has given us \$250,000 and the James and Marian Miller Foundation has given us \$100,000. We still have a proposal pending with another foundation, but as it stands we are within \$350,000 of our goal. We are very grateful to both of these foundations for their support.

The fourth piece of good news is that this week we are hosting Mr. Mohamed Rashidi, our partner in our endeavors in Egypt and the United Arab Republic. We are honored to have him with us.

That was the good news. Let me move back to the legislative session and the budget.

You may have followed in the newspaper the discussions about the corporate kicker and the corporate minimum. It started with a vote in the House defeating a one-year elimination of the corporate kicker. The following day a comprehensive bi-partisan deal was made regarding the kicker and the minimum. It was announced with great fanfare by the House and Senate leadership. The following week, the deal fell apart. They have agreed to eliminate the corporate kicker for one year to create a rainy day fund. There is no agreement on the corporate minimum, which causes a problem since the Opportunity Grant, Pre-K and the Skill-Up workforce activities were to be funded from this source.

The March revenue forecast was up slightly—\$34 million, but in a \$15 billion budget that is not much.

We are still working very hard with legislators around the \$529 million target for community colleges. I believe that our delegation is on board with that. I have contracted Sandy Cutler to be our legislative liaison. He is working on generating at least one hundred letters from businesses to our delegation and the co-chairs of Ways and Means. However, the failure to deal with the corporate minimum and the lack of additional revenue makes our job very difficult. The co-chairs will publish their budget within the next couple of weeks, but budgets will not move until after the May forecast.

What does this mean for us?

First, I need to tell you that our health insurance rates are not looking good for next year. In spite of our best efforts, we have about 25 people who have had very high claims, and that has put our claims to premiums at 110 percent. This could result in increases anywhere from 13 to 25 percent. We have 6 percent in the projections, so that results in around a \$1 million increase to our deficit.

The Budget Review Group (BRG) is in the last stages of the work, but it looks like we will need to go deeper than the proposals that came from divisions and departments. I will be reviewing the recommendations from the BRG in the next couple of weeks, and we need to be ready to start talking about reductions by the April board meeting. Your

guidance as you discuss the Fiscal Sustainability paper will be invaluable.

In the meantime, I was able to provide an overview of Lane to the Education Subcommittee, met with the director of Oregon Economic and Community Development Department to discuss the Small Business Development Center budget, testified on the Skill-Up bill and attended the Adult Basic Skills Day at the Capitol. I presented state leadership awards to two faculty, who happened to be Lane faculty—Dennis Clark and Mary Faust. The governor helped me present the awards.

Our enrollment figures for fall term look good. We show an increase of 4.2 percent for fall term. Winter is looking flat, but we do not have final figures yet.

Finally, you need to know that there is a controversy about a proposal to disburse financial aid differently—through the use of a debit card. Students have raised concerns about this approach. Sonya and Greg have been meeting with the students, and we are committed to reviewing where we are and the concerns and hopefully reach a mutually beneficial conclusion.

1) February Highlights

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

C. Board Agenda Review/Changes

One item was added to the agenda: Item 4C, Budget Committee Appointment for Zone 6.

D. Statements from Audience

Harvey Birdseye, Flight Technology Director, introduced the following speakers who spoke of the impact Lane's aviation programs have on their businesses.

Bob Noble, Eugene Airport Manager and Aviation Advisory Committee member, said that the Eugene Airport has had a long-standing relationship with Lane's aviation programs. The program needs are an important factor in airport decisions. He urged the board to support Flight Technology.

Derek Burge, Flight Technology graduate and manager of Flightcraft, stated that the Flight Technology program is vital to Flightcraft's business. The two operations have a symbiotic relationship. The program is highly regarded all across the west.

Robert Melroe, a University of Oregon professor, has been working on aviation safety issues for the last ten years. The Flight Technology program has been developing connections with the university system and can now compete with college flight schools such as Embry Riddle and the University of North Dakota and could potentially compete at an international level. The program is contributing in dramatic ways to the local economy and nationally for a safer aviation system.

Bob Barber, CIT Instructor, addressed the full-time/part-time faculty ratio. He shared a study with the board which showed that increases in part-time faculty have a highly significant impact on graduation rates.

Caryle Tylerkays, student, shared her concerns about the new student debit card. Students may not know that a check is their first option for financial aid, and fees will be assessed if they are not careful.

Cody Anderson, ASLCC Senator, also raised issues with the student debit card. He shared a letter from student government opposing the program.

Leif Brecke, ASLCC Senator, informed the board about a student meeting today in which students argued against the issuance of debit cards.

Rob Dow, ASLCC Senator, was not convinced that issuing debit cards is proper stewardship of the students' money.

2. Consent Agenda

A. Approval of the February 14, 2007, minutes

Riggs-Henson moved, seconded by Johnston, to approve the Consent Agenda consisting of:

- The approval of the February 14, 2007 minutes

Motion passed unanimously.

3. Policy Review

A. Second Reading

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

Riggs-Henson moved, seconded by Johnston, to approve the second reading of board policy E.060, Budgeting of Non-Recurring Resources.

Motion passed unanimously.

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

REVIEWED: March 14, 2007

B. First Reading

1. E.070, General Fund Contingency

No changes were recommended to this policy. A second reading will be held in April.

POLICY NUMBER: E.070

POLICY TYPE: BUDGET AND FINANCIAL

POLICY TITLE: GENERAL FUND CONTINGENCY

Board Contingency:

The annual budget shall set aside 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.

ADOPTED: January 14, 2004

2. E.080, Interfund Transfers

No changes were recommended to this policy. A second reading will be held in April.

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.

ADOPTED: January 14, 2004

4. Discussion/Action Items

A. Fiscal Sustainability Paper

Spilde's paper on Fiscal Sustainability at Lane was distributed at the last board meeting for board review and come back for discussion at the March meeting. Spilde sought direction from the board regarding the options provided in the paper.

The board believed that everyone in the college community should read the report as it will help to understand the significance of the problems Lane is facing. It was understood that every decision made will be detrimental to the college and community to some extent.

The board looked at the possibility of growing programs in order to raise the revenue side, but problems such as funding allocation and student demand need to be considered. Many issues raised involved union bargaining, and unless there is agreement to start discussions early the college must wait until the bargaining cycle to address those issues. The college cannot afford to come up with short term solutions year after year.

The board took a ten-minute break at 7:55 p.m.

The board went through the paper one section at a time to let Mary know which suggested solutions could be considered. Some were not feasible, and others could be pursued to determine the impact of implementation. Spilde informed the board that there has been some progress on instructional and work process redesign, but development takes time. Work in those areas will be presented at a future board meeting.

In order to put things in perspective, Spilde stated that, unless employee groups are willing to engage, the college will have no choice but to cut employees and programs. There is no easy way to solve the college's structural problems without devastating the college.

B. Flight Technology

The board reviewed a report regarding the financial situation of the Flight Technology program, bearing in mind that in March 2002 the board directed that the program be self supporting.

Morgan and Christian shared their perspective with the board. In other flight training programs, trainers are not paid in salary—the benefit comes from gaining flight hours. However, to move to that model would mean taking instructors out of the bargaining unit, which is problematic for the union.

In spite of the complexities, the board agreed that the program is valuable to the college. The board directed the college to further redesign the program to make it self supporting.

C. Budget Committee Appointment for Zone 6

Hall moved, seconded by Riggs-Henson, to approve the appointment of Carmen Urbina, Zone 6, to the Lane Community College Budget Committee to complete the three-year term vacated by John Hamilton, who resigned earlier this year. Urbina's appointment ends June 30, 2007.

Motion passed unanimously.

5. Accountability/Reports

A. Benchmarks

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

- Change in Employee Headcount: Number of Employees by Group—Fall Term

6. Reports

ASLCC President Happi Matthews thanked Spilde and Christian for sending students to the legislative conference in Washington, D.C. and the student rally in Salem. He expressed concern about the student debit card; ASLCC hopes to work with the administration to resolve the issues.

LCCEF President Bob Baldwin stated that the FTE equivalency of timesheet staff is 75 FTE--down from 100 last year and 150 five years ago. The loss of staff productivity creates a workload issue for the remaining employees. Regarding outsourcing, the classified union does not have a problem with the college's current practices. However, to increase the number of jobs which are outsourced would be detrimental to the college by way of taking family wage jobs and making them minimum wage, and long term impacts would not save the money promised. The classified union is questioning why Lane is spending more in instructional costs than any other community college. Baldwin stated that, while we do have an unsustainable trend line, we should be able to solve the college's financial problems by restructuring and increasing revenue.

LCCEA President Jim Salt reported that Senate Bill 426 passed today. He reminded that board that class size is a condition of faculty workload and referenced the faculty contract. The Flight Technology program is one of the most independent programs at Lane and should be looked at comprehensively. He questioned the appropriateness of moving toward more part-time faculty when there is no talk of doing the same in the classified and management units. Faculty have been participating in processes to improve the budget situation—such as Instructional Redesign and the Budget Review Group.

Vice President Sonya Christian responded to Salt's comment about management vacancies. In Instruction and Student Services when there is a vacancy, another manager picks up the work rather than hiring a part-time employee. She responded to Baldwin's comment about instruction, stating that it has taken a cut in the way of faculty and management vacancies not being filled and reductions in office support and materials and services budgets. She commented that the college is doing extraordinary work during these difficult times. She thanked the faculty for their work on Instructional Redesign.

Associate Vice President Morgan reported that KLCC had a great week with grants, and a group of volunteers have worked on the new downtown building. Bids will be out next week on the contract for remodeling the new building. The Budget Review Group has finished their work and passed recommendations on to President Spilde. Morgan apologized for the disputes over the debit card, as he had advocated for it to give the students more options.

Board Reports

Riggs-Henson asked that we not lose track of the fact that we are considered one of the best community colleges in the nation as we deal with our financial crisis.

Johnston reported that Lane's debate team has four students going to the national competition.

Hall acknowledged that it had been a difficult meeting.

Holman reported that he joined Spilde at the League for Innovation in Community Colleges Board Retreat in San Diego. It was a good experience.

Bozievich reported that discussions were had at the last Lane Economic Committee meeting about the states needs and issues program, and the economic impact study. He stressed that the board wants to work collaboratively with everyone to deal with the recurring structural deficit.

Spilde reiterated the fact that Lane's current practice is not a sustainable situation. Unless all employee groups step up collectively, we will not be able to save this college. This is no future for Lane if we cannot think long term.

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

Wednesday, April 23, 2007, Boardroom, Building 3, Lane Community College

8. The board meeting unanimously adjourned at 10:30 p.m.

Mary Spilde, President/District Clerk

Jay Bozievich, Chair