



## General Library Item

Name Minutes 2014-04-28

### Content

Lane Community College  
Special Meeting of the Board of Education Minutes  
April 28, 2014

#### 1. Attendance

Board members present: Bob Ackerman, Pat Albright, Matt Keating, Gary LeClair, Tony McCown, and Rosie Pryor. Sharon Stiles participated by telephone. Also present were: President Mary Spilde; Vice President Brian Kelly; LCCEA President Jim Salt; LCCEF President Bob Baldwin; ASLCC President Paul Zito; and Legal Counsel Meg Kieran.

A. Chair Pryor called the meeting to order at 5:30 p.m.

#### 2. Discussion/Action Items

##### A. Budget Proposals

President Spilde introduced the new Chief Financial Officer, Greg Holmes. Greg comes to us from Oregon Coast Community College.

Spilde explained that the two drivers on the budget are 1) enrollment has declined 20% in the last two years after an historic 40% increase and 2) the continuing state disinvestment in public education. Oregon is now 47th in higher education funding in the nation. Oregon spends \$3,875 in state money on each higher education student, which amounts to 63% of the national average, but community colleges do not receive that much per student.

The recession was brutal on higher education spending, but as usual Oregon fell faster at 27.7% cut in constant dollars. Oregon was 11th in the country in higher education cuts in the last five years. Enrollment grew in Oregon at the second highest rate in the nation.

During the recession, Lane served 40% additional students, even though it was with the lowest level of state funding in over a decade. Faculty and staff all stepped up to help accommodate that growth, and we are very thankful for that. During the recession, there were no contracted faculty and staff layoffs, and the college has taken dollars to the bargaining table every single year, including about \$3 million in this current year. Perhaps it is not what people want or deserve, but at least Lane is making some progress while many other local public agencies were giving zero across the board. Health insurance costs have increased from a college contribution of \$9 million in 2008 to \$15 million in the current year, and PERS rates have gone up even with the changes. Lane is one of two colleges who provides health insurance for part-time faculty, and we just agreed to enhance that benefit for part-time faculty for employee plus one and full family. Lane's pay rates are the highest in the state for part-time faculty, and the health insurance package for contracted faculty is one of the best and highest in the state, and we are proud of that.

Lane's board and administration has planned prudently, built reserves to see us through the worst of the recession, which was used to help balance the budget. Unfortunately, the financial stabilization fund was used up last year, and this year almost \$3 million of the ending fund balance will be used, and the ending fund balance is almost half what it was a year ago June. It will be about \$8 million. It can't go any lower than that to assure there are enough resources to make payroll in the early part of the year while waiting for our tax income to arrive, and also to avoid borrowing in the year that the state delays the fourth quarter payment, which is every other year.

Spilde explained that the board has been working with the administration since September, and information has been shared each and every month in public board meetings and on the website. There have been over 30 information requests, and each has been answered and is available on the website. So now is the point at which a balanced budget needs to be delivered. The board had asked for a budget without a tuition increase above the HEPI, and that is what is brought to the meeting tonight. With a \$12.6 million deficit in the event that enrollment continues to go down, what has been accomplished with the proposals is pretty remarkable. It's not that these cuts don't hurt, but \$11.86 million of the budget is balanced without laying off a contracted permanent employee. It took very tough decisions to get to that \$11.6 million without impacting contracted permanent faculty and staff. We recognize that there is a huge impact on part-time faculty and staff, which is related to the enrollment decline. That 11.86 million may look like easy cuts, things like vacancies and part-time people, but for every line on these proposals we recognize that there is a name, a face, and a family behind it.

Brian Kelly distributed a handout and explained the balancing options for FY 14-15. In keeping with budget principles of supporting student success, furthering our mission, maintaining the required services and our infrastructure, our legal and contractual obligations, maintaining our ability to respond to community needs, and benchmarking best practices and using data and evidence to inform our decisions. Something that was important was to avoid involuntary layoffs of contracted employees as the administration engaged in this process.

One revenue option is to increase the amount of differential fees. Reductions include adjusting administrative recovery and transfers, materials and services, holding vacancies, reassigning staff, and OPE savings, part-time reductions, enrollment efficiency, and efficiencies and restructuring in selected departments, and the elimination of Laundry Services.

Spilde informed the board that the Budget and Finance Subcommittee had met that day and provided a different set of proposals which included an additional \$3 per credit in tuition. Spilde asked the board to focus on the tuition issue and to provide their thoughts on an additional increase to prevent program reductions.

Keating thanked everyone at Lane for all that they do. When he campaigned for his seat on the board he promised to keep tuition affordable, advocate for legislative reinvestment, and preserve vital programs. In his opinion, every program is vital. He stated that he was open to a conversation about an additional tuition increase if it meant maintaining programs and student services.

LeClair noted that faculty had requested cost of living and step increases but did not want any program cuts. It can't be both ways. LeClair stated that programs that are not efficient need to be eliminated, and that he was against raising tuition.

Albright cautioned faculty and staff to direct their anger where it is most appropriate—not at the administration and board, but this is a result of a public disinvestment in higher education. He was disturbed that faculty will need to accept increased classroom enrollment. The faculty do deserve salary increases, and they also deserve better public investment in education. He expressed appreciation that the Lane County voters approved the \$83 million bond in 2008 since those repairs to the infrastructure would have made the budget challenges worse if the funding had come from the general fund. There needs to be a comprehensive reform to provide revenues for programs and community college goals, and until then the board is forced to do things he finds distasteful.

Ackerman did not support a tuition increase. He felt the board needed to step up on the issue and take a stand on tuition. Once the budget is presented in May, he will go through each line item and hopes to generate savings and buybacks.

McCown stated that he initially wanted to see an increase in the tuition at the HEPI rate because he was a student himself and has gone through the high cost of education only to find that students are now paying even more than he did. He stated that he would consider what needs to be done to keep the campus operating even if that meant a tuition increase above the HEPI. He would also like to see what can be done to make programs more efficient.

Stiles thanked everyone who worked hard to try to reach some kind of consensus on the proposals. She had been on the side of no tuition increases for the last few years but needed to take into consideration what she heard at tonight's meeting. Increasing tuition rather than reducing programs seemed like a double edged sword and asked for more information before she weighed in on either side.

Pryor was not enthusiastic about further tuition hikes. She believed students have borne the brunt of the budget challenges over the last few years. She also respected the participants of the Budget and Finance Subcommittee who worked hard to reach consensus. She asked if the board was comfortable with asking the president to draft a budget which showed an additional \$3 in tuition which would preclude layoffs of permanent contracted employees. If so, the board can pick up the work at the May meeting. However, if the net effect is that the budget cannot be balanced with no layoffs, such layoffs couldn't occur until January because of contract stipulations.

Zito stated that he had agreed in the Budget and Finance Subcommittee meeting to consider an additional \$3 increase in tuition, but that he had to get it approved by the student body, and they may not agree.

Chair Pryor requested that president bring back another set of proposals from administration at the May meeting showing an additional \$3 per credit tuition increase and no layoffs.

Spilde stated that the administration is recommending the elimination of Laundry Services. It would require working with the federation to place employees elsewhere in the institution. Of all of Lane's services, the Laundry is less central to Lane's mission. Other program reduction recommendations will not be identified until a final proposal is approved by the board. If maintained, management will work with those programs to redesign them to be more efficient and meet the needs of the workforce so they will be less vulnerable in the future.

One of the items in the Budget and Finance Subcommittee proposal was the closing of the Cottage Grove Center. The board requested more information regarding that recommendation.

The board took a five-minute break at 6:35 p.m.

### 3. Statements from the Audience

Justin Blakely, former student, expressed dissatisfaction with services he received from Disability Resources.

Adrienne Mitchell, Academic Learning Skills instructor, faculty bargaining team member, and faculty representative on the Budget and Finance Subcommittee, stated that she had never seen the level of collaboration between the union and the college as she saw during last week's mediation. She also was amazed by everyone's ability to overcome challenges and come to agreement on the Budget and Finance Subcommittee. She asked that the board join in on the collaboration to step forward for students and the community.

Jim Salt, Sociology instructor, Budget and Finance Subcommittee Chair, and LCCEA president, asked the board to support the work done by the subcommittee to save programs and minimize the hit on students to balance the budget in ways that will be helpful to the college. He thanked the members of the subcommittee that have worked so hard.

Lee Imonen, Art instructor, provided feedback on financial planning at Lane. He believed that everyone is united and wants to make best use of resources. There are three issues that need attention: 1) how can we move beyond fear, 2) how can we avoid a downward spiral, and 3) how can we work together to secure adequate long-term funding.

Jane Benjamin, Geography instructor, has taught at Lane for 24 years and has heard many times that employees need to give more to help save the college. It has been the administration's practice to withhold the budget until halfway through the school year. The college community deserves a transparent budget and guidance.

Jay Frasier, Communication instructor, warned that there would be a financial danger in cutting programs, not only in tuition but in state reimbursement and urged the board to avoid that downward spiral.

Dennis Gilbert, Physics instructor, stated that cuts and reductions are not an efficient plan to move forward. Statewide disinvestment in education has resulted in increased student loans as part of the effort to privatize education. The college community needs to be more proactive at the state level and lobby effectively.

Rodger Gamblin, IT Technician and LCCEF representative, asked if Lane would be paying more by closing the Laundry and sending out for those services. He stated that employees should be paid at a level that if they had gotten their education through loans they could pay those back. He thanked the budget office for working all weekend on the budget.

Anna Petrick, student, stated that Lane has an amazing school and did not care for the way it is marketed as if it is a cheap alternative. She said she would be willing to pay more money if it meant maintaining every program.

Aimee Stewart, student, stated that it is because of Lane's sociology and communication classes that she has the courage and information about the issues to address the board. She asked that the faculty get the treatment they deserve.

Sara Shepard, ASLCC State Affairs Director and OSA board member, stated that OSA has taken a stance against tuition increases across the state. It is unfortunate that layoffs have become part of the conversation, but urged the board not to ask the students to solve the problem.

Jim O'Brien, ABSE instructor, stated that cutting programs would not solve the problem. Lane is not a for-profit college and should not act like one.

Jim Langbert, Fire Chief of Siuslaw Fire and Rescue, had heard that there is a possibility that the EMT program could be cut. He advocated for keeping the program, as it is crucial to the people who will experience a medical emergency. Cutting the program would have a negative impact on the community.

Helen Faith, Financial Aid Director, has spent the last 14 years committed to affordable education. She informed the board that the only increase in financial aid next year is for those receiving a Pell grant, but that increase would only cover part of the additional \$3 per credit if tuition is raised.

Josie Skeers, Disabilities Specialist from Specialized Support Services, invited the board to visit the S3 program in order to make a more informed decision before closing Laundry Services. It is a special part of S3.

Rebecca Ellis, ASLCC Vice President and OSA board member, stated that OSA has taken a stance against tuition increases across the state. Tuition affordability is the number one priority.

Christina Howard, Physical Therapist Assistant Program, was impressed with the firefighting and health professions colleagues who attended the meeting. Those in the workforce are the ones capable of assessing Lane's program success. She encouraged the board to listen to our valued community partners who know what is needed in the workplace.

#### 4. Discussion/Action Items

LeClair moved, seconded by McCown, to close the Lane Community College Laundry Service and realize a budget savings for the FY15 budget.

Spilde clarified that this initiated the conversation regarding the impact that the administration needs to have with the federation regarding this matter.

McCown did not want this action to be seen as turning out the students that are working for the Laundry but redirecting them to other programs. He stated that he was proud of the Specialized Support Services program and the impact it has on those students' lives and in the community.

LeClair stated that the program appears to have lost money every year since 2009. Lane can't keep programs that are losing money and ask students to pay more. It would be fiscally irresponsible.

Albright stated that Lane's programs are not intended to make money but rather to educate. He would respect the planning of the administrative forces, knowing that they have put a lot of time and effort into finding the best ways to preserve the jobs of those working here.

Keating echoed Albright's respect for the work that has been done to stave off cuts to permanent contracted staff. However, if making money is the goal, the program he spent the most time in here at Lane would not exist, Theatre Arts. The Laundry program may be the one thing going for some students. Clearly there are issues with the delivery model and the costs associated with it. He was in favor of redesigning and altering it for the better.

Motion passed 6 – 1. Keating dissented.

Meeting adjourned at 7:43 p.m.

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Mary Spilde, President/District Clerk Rosemary Pryor, Board Chair

Prepared by:

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