

News From Lane Community College  
For release April 14, 2014

### **Budget announcement from Lane Community College**

EUGENE, Ore. Lane Community College faces a budget deficit in the range of \$10.9 million to \$12.6 million if expected enrollment declines continue. The Board of Education has been reviewing budget projections since September and will begin discussing specific options for closing the gap at an April 28th meeting.

An enrollment decline typical of an improved economy, combined with the long-term disinvestment in state community college funding, points to a significant budget deficit for 2014/15 at Lane Community College. The classic economic cycle for a community college is that during an economic downturn when people lose their jobs, enrollment rises as people come to college to upgrade their skills or train for a new career, which increases tuition revenue. When the economy improves, people leave college and return to work, which decreases tuition revenue.

During the last recession, Lane responded to an enrollment surge of 39 percent with a full-time equivalent (FTE) student enrollment peak of 15,438 in 2011/12. During this time the college increased faculty and staff to serve all of the new students. As the economy improved, students completed their programs and found jobs. Now enrollment is leveling off to pre-recession levels of about 11,000 FTE, causing a tuition revenue loss of more than 20 percent.

At the same time, the disinvestment of state funding has continued. This year, Lane will receive less state funding than in 2009, five years ago.

FTE enrollment fell 8.8 percent in 2012/13. This year, FTE enrollment is projected to be down 12.2 percent.

The college is projecting two budget scenarios for FY15: a deficit of \$10.9 million assuming an additional 7 percent enrollment decline, or \$12.6 million assuming an enrollment decline of 12 percent.

To address the deficit, including a \$2 million shortfall this year, Lane has limited materials and supplies spending, canceled low-enrollment class sections, reduced some part-time classified and faculty assignments, and restricted classified vacancies to internal hiring to protect employees as much as possible.

For FY 15 the college will continue to reduce part time staffing that was increased to meet higher demand and is considering closing the gap through faculty and staff attrition, reductions in materials and services. However, the magnitude of the FY15 deficit means the college likely will have to make reductions to some full-time positions and some programs and services.

Administration will present reduction proposals to the Board of Education at a special meeting on April 28. Employees whose jobs may be impacted will be notified by May 1 in accordance with employee agreements. The Budget Committee begins meeting May 14. Law requires the board to adopt a balanced budget by the end of June.

The fundamental challenge facing Lane is how to provide education and training to meet community needs, within diminishing resources.

Budget information is available at: <http://www.lanecc.edu/budget>

###