

Colleagues,

I want to start by thanking you all for the hard work you have invested in realigning class sections and service levels. I am grateful for staff, faculty, and student involvement and the continuation of thoughtful and insightful questions. Questions asked continued to be answered directly and on the Lane budget website. <https://blogs.lanecce.edu/budget/qa/> On Wednesday evening we updated the Board of Education on our progress and challenges as we embark on balancing the FY14 and FY15 budget.

Even as we enter spring term of this year, we continue to experience a leveling off of enrollment. We are moving off a peak enrollment of 15438 FTE in 2011/2012 to levels closer to 12000 FTE in 2013/2014. Early spring enrollment figures are showing an additional decline in enrollment over and above the 13.8% decline in student credits summer through winter term. This means we could see additional declines in revenues this year. Although the adjustments are difficult, this is a typical pattern: we were there when students needed us the most and accommodated an amazing enrollment surge of 43 per cent. Now that they have completed programs and are finding jobs we are returning to the pre-recession enrollment levels comparable to 2008/09. The resulting tuition revenue loss of more than 20% per cent and the fact that we will receive less state funding this year than we did in FY 08 is a challenge but one we are managing with your help.

We are continuing to bridge the budget gap this year by reducing discretionary M&S and reducing part time faculty and classified staff. We have asked divisions and departments to further reduce part time classified staffing by 20% spring term.

We are also engaged in the process of presenting a balanced budget for FY15. The projection we shared earlier in the year did not include additional enrollment loss. The budget and finance sub committee has decided to assume enrollment will continue to decline next year and we will run two projection scenarios with an additional 7% and 12% enrollment reduction. The additional revenue loss of this assumption raises the budget gap to 10 - 12 million dollars.

We are engaged in the process of balancing next year's budget with a combination of part-time faculty and part-time classified staff reductions, and M&S reductions. We are also looking closely at our vacancy list and limiting overtime and overload expenditures.

We will need to continue to engage in the difficult work of aligning the size of our workforce to the current level of enrollment. I want to remind you that realigning our offering of classes and programs is a constant process at Lane. We are consistently engaging with over 50 advisory committees to assess the effectiveness of our programs in relationship to job availability, wages and job placement. We consider program enrollment, cost per FTE and student persistence at the institutional level.

The magnitude of this deficit will require difficult work to balance the budget. Current discussions include proposed program cuts and the loss of full-time positions.

These are difficult times that require hard decisions. As we realign the college to meet community needs it is important that we remember the great things that happen at Lane everyday. I appreciate all of you and your contribution to the community we call home.

Brian Kelly
Vice President
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Lane Community College