

Good Afternoon,

As you well know we have a board meeting tonight to review the proposed budget balancing options including program reductions. I recognize how difficult both developing and making decisions on these proposals are. We have not come to these proposals easily.

Since 2005-06 we have been committed to keeping all programs and services and our regular contracted faculty and staff. However, this has not come without negative impacts. Each year we have had to deal with a budget deficit; each year more work has been taken on by each one of our faculty and staff; each year we have not been able to invest in necessary maintenance and equipment to provide the best learning environment. You are weary of this constant situation due to the ongoing state disinvestment—so am I. Most community colleges in the state have been struggling with the same issues though we are all on a different cycle. Many colleges have eliminated programs and services and I have observed that those who have done this are now turning the corner in achieving a sustainable budget.

The reality is that other than an annual story about Lane having a budget deficit we have kept our situation pretty invisible to the community. We have managed our budget without major impacts to the community; the people who have sacrificed most are our students and the people who work here. Oregon is 46th in the country in the funding of higher education. We are doing ourselves a disservice if we continue to do everything without the necessary investments. We cannot do more with less; we cannot do the same with less; we must align our programs and services with the investment the state is willing to make and preclude the erosion of quality that will result if we keep thinning the soup.

The administration's numbers have been challenged by the faculty union leadership. In addition, they have alleged that we have not responded. This is simply not true. We have met with the union leadership; we just disagree with the union's numbers. The fact is, aside from the one assumption regarding how many students will continue to come to Lane if the two programs recommended for reduction are eliminated, the administration's numbers have been developed by a team of experienced staff and are grounded in real data: actual expenditures from payroll of faculty, staff and M&S associated with the program, and actual revenue generated by the students enrolled in classes; not assumptions about the number of classes students take or the number of students taking these classes. Association calculations assume that students enrolled in a program complete required courses within a one- or two- year time period. Looking at actual course by course enrollment and student progression and completion rates, we know this is a significant overstatement. We have had the same system of calculating cost per FTE and revenue per program for many years. It treats every program in the same way; revenue and costs are aligned. You can't use only the revenue numbers to support the case you are trying to make without also taking into account the costs.

Aside from the budget numbers we also applied many board-approved criteria to each program. The fact is that the labor demand for the two programs recommended for reduction is not sufficient for the number of students that we need to operate cost effectively. When we ask students to pay almost \$100 a credit and potentially go into debt, we need to consider whether they will be able to find a family wage job at the end. The employment department has a rigorous process for labor market projections

that fall within 1-2% accuracy. These are the data we are required to use when starting new programs. The sad fact is that if we were to apply to the state for approval to start these programs today, the regional labor market data would not support approval.

It has been asserted that we plan to redesign the MOA curriculum without faculty involvement. That is not true. We expect that faculty will engage in an ongoing review and update of their programs. The viability of any program depends on that. However, if, and when, that does not happen, the administration will take steps to assure that employers, advisory committee members and faculty are involved in redesigning a program to meet employer needs thus assuring that our students have the best chance of being hired.

Finally, we did consider moving the board meeting. However, there are two board members that require accommodations relating to disabilities which are best dealt with in the board room. At the same time the board wanted to assure that everyone had the opportunity to speak to the board and observe the proceedings. That is why we have set up the "feed" to a classroom close by.

Thank you.

Mary.