

Esteemed Board and Budget Committee members,

I'm writing to share some questions and recommendations about the FY24 budget.

1. Communications and figures related to the budget have varied substantially. For instance, please see table below. We ask you to continue seek clarification and verification about these figures so that they can be confirmed definitively. The amount of funding available in Fund I at the end of June, which is only about five weeks away is a critical data point that informs the budget process.

	May 3, 2023 FY 24 proposed budget document on Board Docs	May 3, 2023 FY 24 projection s document on Board Docs	8 a.m. May 10, 2023 FY24 projection s document Board Docs	4:55 p.m. May 10, 2023 FY24 projections document on Board Docs	May 17, 2023	May 24,2023
Fund I beginning balance for FY24 (i.e., projection for June 30, 2023)	\$7,834,450	\$3,688,667	\$5,064,266	\$2,524,266 (or \$5,064,266 including contingency)	2,524,266 (plus 1,398,300 contingency)	\$3,646,566, plus 1,398,300 contingency
Fund I ending balance for FY24 (i.e. projection for June 30, 2024)	\$3,435,560	-\$710,000	\$7,971,576	\$3,033,276 (or \$5,431,576 including contingency)		<i>Documents now removed from BoardDocs</i>
Other corrections				unknown \$2.1M had been built into M&S	clerical error \$1.7M	

2. We ask the Board and Budget Committee to review and seek amendments to Fund IX. Fund IX has a projected contingency of \$3.1M (see p. 34 & 49 of proposed budget document) **which is more than double the contingency for Fund I even though Fund I is five times as large.**

Fund IX also has a projected ending fund balance at the end of FY24 of \$4,630,076 (see p. 38 of proposed budget document). In addition, Fund IX has a full \$6,119,946, excluding contingency, budgeted for M & S, which is an increase of 9.61% from FY23. In addition, Fund IX includes a PERS reserve, from which \$860,000 is normally transferred to Fund I each year. However, this transfer is not built into the FY24 proposed budget nor amendments, increasing pressure on the general fund.

Recommendations include a complete review of Fund IX with a reduction of M&S and transfer to Fund I to shore up the Fund I ending fund balance.

3. The response to information requests posted for today's meeting cites a 6% salary increase for faculty as one reason for total salary increases next year despite what is reported in the information request as a reduction in positions. This information is incomplete, inaccurate, and could lead to misinterpretation.

First, the vast majority of faculty are not eligible for steps and will receive only a 2.25% cost-of-living adjustment for next year, which is well below inflation. In addition, the budget has many positions built in that the College is not required to hire. If the Administration were to fund the positions that are required for next year, total contracted salaries for faculty would **decrease by \$900,000**. If the Administration were to fund all the positions required by a grievance settlement for next year, total contracted faculty salaries would **increase by only \$400,000**. However, if the Administration were to accept the offer to postpone five of those positions, the **savings would be \$684,282**. This means that if the Administration accepted the faculty salary givebacks, that total contracted faculty salary expenses **would have decreased for next year by approximately \$284,000** even after salary increases are applied and not including any additional savings from newly hired faculty at lower salaries who replace retirees.

Instead, the Administration has proposed (according to the May 10 information response) to fund numerous positions in excess of the contractual requirements. The data provided indicate the Administration has built into the budget either 196.139 contracted faculty FTE (according to the May 10 information response) or 208.705 contracted FTE according to the May 3 proposed budget document. See table below for details.

These are choices. These choices will have significant implications for our campus and community. Given the proposed amendments that will make substantial cuts to personnel, there is simply no mechanism to reduce personnel costs without holding vacancies open or conducting layoffs.

For contracted faculty positions, LCC conducts nationwide searches, which is common for higher education faculty jobs. This means that new faculty frequently move across the country often with their families to relocate for a faculty position at LCC. Increasing

staffing levels according to the plans outlined in the formal documents posted on BoardDocs while knowingly planning reductions is a serious concern for our campus and our community whom you represent.

In addition, while the recently released amendments suggest substantial personnel reductions, it is frequently impossible to achieve savings, especially significant savings through contracted faculty layoffs. What typically happens is that most faculty will transfer to another discipline for which they are qualified, displacing part-time faculty whose salaries are substantially lower thereby increasing the cost-per-FTE of the program where they transfer. At the same time the original program that was reduced no longer has enrollment, resulting in lost tuition revenue and state funding. It's a lose-lose scenario.

Better choices are possible, and faculty have presented options that would obviate draconian measures.

	Total Contracted faculty Salaries FY23	Contracted Faculty required by contract for FY24	With additional eight positions required by a grievance (five of which LCCEA had proposed to postpone)	Built into FY24 Budget according to May 10 Information Response to Budget Committee	Built into FY24 budget according to May 3 proposed budget document
FTE	196.02	184.705	192.705	196.139	208.705
Salary for FY24 will be*	\$17,808,637	\$16,901,511	\$18,232,056	\$18,700,926	\$19,564,000

* Total Salary is calculated based on current faculty employees with already negotiated salary adjustments applied. (The parties are not in bargaining.) The amount will be slightly less due to turnover (e.g. retirements & separations replaced by new faculty at lower salary rates)

Finally, we ask you to allow for sufficient time for the public to be informed of budget amendments and proposals. As of 3:45 p.m., these are not posted on BoardDocs, we ask you to allow more time for additional information to be presented and considered before formally voting to recommend amendments.

Thank you for your consideration and commitment to this year's process. Your role has been crucial and greatly appreciated.

On behalf of the faculty,
Adrienne

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