

# Finance Council

Meeting Notes from February 15, 2005

**ATTENDANCE:**

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> BOB BALDWIN  | <input checked="" type="checkbox"/> MARIE MATSEN        |
| <input checked="" type="checkbox"/> STAN BARKER  | <input type="checkbox"/> JEREMY RIEL                    |
| <input type="checkbox"/> DENNIS CARR             | <input checked="" type="checkbox"/> JIM SALT            |
| <input type="checkbox"/> SONYA CHRISTIAN         | <input checked="" type="checkbox"/> KIRSA WHEDON        |
| <input type="checkbox"/> CHRIS CULVER            | <input checked="" type="checkbox"/> <b>Kay Malmberg</b> |
| <input checked="" type="checkbox"/> DAVE KEEBLER | NOTETAKER: TERRY CARON                                  |
| <input checked="" type="checkbox"/> RYAN KOCH    |   |

**OUTCOMES:**

**DISCUSSION:**

1. No changes to the agenda.
2. The 2/01/05 meeting notes were approved.
3. No action.
4. Kay will present next year's ending fund balance projection to Council at next meeting.  
  
Stan will provide Council with a copy of the financial reports (actual cash flow position) in April.

Handouts: 1) Budget Projections FY04 Through FY08, 2) State and Local Revenue Sources, 3) May 04 Projections v. Actual, 4) Projected Increases in Personal Services, 5) Capital Assets Replacement Forecast (Summary), 6) Proposed Facilities Maintenance and Improvement Funding, 7) FY05 Investments, 8) Summary FY04 Activity (Fund I and Fund IX), 9) Enrollment Information, 10) Tuition Calculations, 11) OPE Estimate Summary

1. **Review of 215/05 Agenda**
2. **Review notes from prior meeting.**
3. **Update on State Budgeting Situation**  
  
Marie Matsen provided the following information:
  - The governor is now reviewing a proposal for an additional \$3.9M to be placed in the budget for community colleges. The proposed amount would be covered by the increase in property tax receipts.
  - The State Board of Education will meet again this week to review the funding formula proposal and give community college's some direction for their budget planning.
  - There is no info on PERS situation at this time.
  - The new State economic forecast should be available in March
4. **Financial Projections/Reserves/Ending Fund Balance**  
Marie suggested this be a two-meeting discussion – today discuss the basics and next meeting will provide opportunity for more details and Q&As. Kay reviewed the budget projections (same projections that were presented to the Board in January.)
  - The FY06 projections included a \$2.50 tuition increase; 4% increase in enrollment and COLA of 2.3%, insurance increases of 10% and OPE rate increase to 58.4%.
  - The capital replacement plan allows for adding an additional \$200,000 recurring to the budget each year. This includes the computer replacement schedule for staff. Student computer replacement will be covered by the technology fee.
  - Ending Fund Balance (EFB)– The ending fund balance includes a portion that is restricted (cannot be spent other than for that which is mandated by Board policy.)
  - The EFB provides a cushion for the following year's beginning expenditures and allows the college to meet its obligations after June 30. and before the college receives its first allocation from the state.

<b>OUTCOMES:</b>	<b>DISCUSSION:</b>
<p>5. Council can continue to expand on the ideas and send them to other Council members and they will be added to the list.</p> <p>6. No action taken.</p>	<p>5. <b>Ideas for Cost Savings, FY'05</b> All ideas were captured and will be sent to Council by Terry independent of these notes.</p> <p>6. <b>Draft Enrollment Forecast with Craig Taylor</b></p> <ul style="list-style-type: none"><li>• Craig discussed the problems with the draft forecast and explain some of the reasons for the tuition decline.</li><li>• Although some statistics shown a correlation between increase in tuition and decrease enrollment, the economic slump contributes greatly to the decline. But we are also pricing many of the part-time students out of the market. The model does predict that enrollment will be up a bit this year but falling off again.. The model does not explain the UO increases in tuition with no repercussion in enrollment.</li><li>• There may be some value for Lane to consider marketing UO freshman students.</li></ul> <p>The meeting adjourned at 4PM.</p> <p>The next Council meeting will be March 1, 2005, Boardroom.</p> <p>Proposed Agenda:</p> <ul style="list-style-type: none"><li>• Continuation of Long-Range Plan discussion</li><li>• Continuation of Financial Projections discussion</li></ul>