

Finance Council draft

Meeting Notes from March 1, 2005

ATTENDANCE:

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| <input type="checkbox"/> BOB BALDWIN | <input checked="" type="checkbox"/> MARIE MATSEN |
| <input 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 checked="" type="checkbox"/> CHRIS CULVER | <input checked="" type="checkbox"/> Kay Malmberg |
| <input type="checkbox"/> DAVE KEEBLER | NOTETAKER: TERRY CARON |
| <input type="checkbox"/> RYAN KOCH | |

OUTCOMES:

1. **Addition to agenda: Formal review of college committees by Governance Councils. Table agenda item: Draft Long Range Financial Plan and Related Policies.**
2. The 2/15/05 meeting notes were approved.
3. There was agreement that the only college committee that fell under the responsibility of the Finance Council was the Budget Advisory Group. This committee is no longer active and it's charter has been integrated into the Finance Council's charge.
4. No action.
5. Marie will provide a summary of this information to FC student representatives

DISCUSSION:

Handouts:

- A. Community College Funding Distribution Formula (Matsen)
- B. Projected Ending Fund Balance, 3/1/05 (Malmberg)
- C. Governance Council Review of College Committees (Salt)

1. **Review of 3/1/05 agenda.**
2. **Review meeting notes from 2/15/05.**
3. **Formal Review of College Committees by Finance Council**
Salt provided a committee list to FC for review to identify any college committees that are represented by the FC stakeholders.
4. **Update on State Budget Situation**
Matsen provided information from the President Council meetings she has attended in Salem over the past few weeks. The community college presidents and the Legislative Financial Office (LFO) have been discussing "essential budget level" and what would be needed for each college to reach the level needed to operate as the current organization. With the "essential budget level" model, it may mean that individual college's would not necessarily receive the same amount from the state as in the past.
5. **Funding Formula (Handout)**
Matsen said that the community college presidents have agreed to a pledge of "unity" in their proposals for a new formula rather than being antagonistic or competitive. A new group within the Council has formed to balance the extremes that have evolved from previous formula models and the new formula and come up with a tolerable transition period while moving toward full equalization. The agreed-upon maximum loss per college would be 5%. If the state allocation to community colleges is \$405M, the floor would be 3%. For Lane to sustain no loss, the community college budget would need to be approx. \$420M (and would still be dependent on the formula).

OUTCOMES:	DISCUSSION:
<p>6. Kay and Marie will write a description of the ending fund balance projections and send it to FC first and then to other Governance Councils. Marie will present it to the College Council Budget Subcommittee.</p> <p>7. Jim Salt will collect the cost saving ideas that are sent to College Council from all other Councils and forward them to Finance Council.</p> <p>8. Council meeting adjourned at 3PM.</p>	<p>6. Ending Fund Balance – Handout Malmberg reviewed the data from the handout, “Projected Ending Fund Balance, Funds I and IX for FY2004-05.” The projected committed (restricted funds) amounts to \$5,980,000. The projected uncommitted (unrestricted funds) would be \$3,038,000. The Board Policy targets 5% of budgeted expenditures = \$4.2M. The projections show approximately a balance of \$1M over the target. The policy also states that anything over 6% of the target could be spent on one-time investments. Anything under 5% would require Board approval. Matsen proposed saving the unappropriated and uncommitted ending fund balance for the uncertainties of the 2nd year of the biennium, and as a buffer for the potential revenue shortfall and the normal increases such as CPI, COLA, faculty negotiations and insurance. FC members in attendance agreed to this proposal. Marie will discuss the proposal with the College Council Budget Subcommittee. Marie also mentioned that the recalculation of ABSE FTE may have an impact on projections this year and next as well.</p> <p>7. Cost Saving Ideas The Executive Team has reviewed two of the Councils’ cost savings ideas and the responses from affected departments.</p> <p>8. Adjournment.</p>