

# Finance Council

Meeting Notes from April 19, 2005

ATTENDANCE:

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

**OUTCOMES:**

1. There were no changes to the 4/19/05 agenda.
2. Terry will send the 4/5/05 draft meeting notes to FC for their review.
3. No action.
4. A Differential Tuition analysis is scheduled to go to the Board in May or June. FC will need to have a discussion based on the data before the Board session.  
  
Bob Baldwin will write a draft proposal of the current Tuition policy and will forward it to FC members for review at the next meeting.  
  
Bob will ensure that the student president and student representatives are consulted for input regarding the proposed draft.

**DISCUSSION:**

- Handouts:  
Tuition-Based Classes/Extra Sections Policy Analysis (Baldwin)  
Budget Projections (Malmberg)
1. **Agenda Review**
  2. **Review notes from prior meeting**
  3. **Update on State Budgeting Situation**  
  
Kay reported that there was no change from the projected \$415-\$419M state funding for community colleges . The funding formula is getting closer to finalization. The college's budget projections show that it will break even in FY06, but this is before any increase in COLA rates have been figured into the budget.  
  
PERS – the college has received final rates for FY06 with an increase of 4.34% to cover the UAL that was created. Some options for PERS Reserve was presented to the Board in April. It included market uncertainties, with figures between fully funding at 3.9% of total salary expenditure to minimally funding at 1.17%. The Board appeared to lean toward fully funding the PERS reserve. Jim Salt reported that College Council also addressed this issue last week and leaned toward funding the reserves at the minimum level. There will be future discussions in FC.
  4. **Review of Tuition Policy (Handout)**  
  
Board policy on tuition (D.110) is scheduled to sunset at the end of 2004-05 academic year. FC reviewed the policy for possible recommendation to the Board, to expand the scope, adopt as it is or reject as it is.  
Comments:
    - There has been no Tuition policy previous to this policy and the result has been changes in tuition after the budget process. There was no clarity as to when (which term) the new rates would be effective.
    - Previous decisions were not tied to any consistent factor such as cost of living, etc.
    - Current policy allows a base that compels Board to consider tuition annually and bring it to alignment with other community colleges. It also has a built-in inflation factor and allows enough structure for budget planning purposes.
    - Current policy does not specify what index to use. Should there be a more specific index cited?

**OUTCOMES:**

The proposed draft may include: removing the “sunset” clause,” include a clause that allows the college to compare their tuition with other similarly-sized community colleges, or make index use more general and remove phrase “two-year public colleges”, and/or add more explicit language that allows the Board to examine the need for revenue.

Kay Malmberg to provide FC with the non-residents study information .

Jim salt to provide Bob Baldwin a copy of his proposed Tuition-Based classes policy statement. Bob to forward both Jim’s and Dave/Marie’s policy analyses for FC review.

5. No Action.

**DISCUSSION:**

- The current tuition policy is “silent” in regard to addressing possible reductions in state revenue and how a decision between cutting costs and raising tuition would be considered.
- It’s important to understand what tuition really is:
  - The tuition concept is usually considered at the Board level.
  - Why are we assuming that all tuition should be the same?
  - How does differential tuition factor into the baseline tuition?
  - The college refers to “differential tuition” now as “differential pricing”
  - Is it better to call the Tuition policy “Tuition Rate Adjustment” policy?
  - Tuition is what everyone pays – then high-cost classes are based on program fees.
  - Differential Tuition (Pricing) basic costs might have to be different by program.
  - FC can participate in the structure.
  - How does the policy affect non-residents?

**5. Review of Budget Financial Projections-April 2005 (handout)**

- The April 6, 2005, budget projections were reviewed and approved by the Board at their April meeting.
- The projections included a tuition increase of \$2.50, a 4% enrollment increase, a 2.3% COLA increase, a 4.2% insurance increase, and an increase in the OPE Rate of 1.4% (54.4%)
- The president has made a commitment for FY06 to not increase tuition beyond the Board policy adjustment and not cut programs or personnel.
- The president wants to begin immediately the budget development and planning process for FY07.
- Property taxes (line 7) will now be included in Public Resources (line 4).
- The April Budget Projections can be viewed on the FY06 Budget Development web site <http://www.lanecc.edu/budget/0506/budget0506.html>

Future agenda items:

1. PERS Reserve data
2. Transparency Goals – Summary of Goals
3. Extra Section
4. Indirect Costs (grants)
5. Other indexes for tuition

**The next Finance Council meeting will be May 3, 2005, 2-4PM, Board Room.**