

To: Board of Education Members and Budget Committee Members  
 From: LCCEA, LCCEF and ASLCC  
 Re: Open Letter to the Lane Community: FY24 Proposed Budget Drains Ending Fund Balance  
 CC: Stephanie Bulger

Esteemed Members of the Board of Education and Budget Committee,

We are writing and speaking on a matter of public concern. We urge you to not approve the [proposed 2023-2024 budget](#) and to ask the Administration to present a new, fiscally responsible plan instead.

Unless there is an unanticipated, dramatic increase in student enrollment, the proposed budget will propel LCC into a serious fiscal crisis next year and necessitate major program and service eliminations.

The proposed budget document balances the budget by using \$4,398,890 of the General Fund Ending Fund balance – well over half of the General Fund Ending Fund Balance. (See p. 38 of printed budget document/ p. 44 of [electronic proposed budget document](#).) According to the proposed budget, the General Fund Ending Fund balance will only have \$3,435,560 at the end of FY24.

**Table 12: FY23-FY24 Estimated Beginning and Ending Fund Balance**

Fund Description	July 1, 2023	June 30, 2024	Dollar Change	Percent Change	Explanation
General Fund I	7,834,450	3,435,560	(4,398,890)	-128%	Projected
Administratively Restricted Fund IX	5,155,013	4,630,076	(524,937)	-10%	Projected
Capital Projects Fund IV**	111,190,000	51,190,000	(60,000,000)	-54%	FY24 es
Enterprise Fund VI	186,154	186,154	-	0%	
Internal Service Fund II	100,000	100,000	-	0%	
Special Revenue Fund VIII	300,000	300,000	-	0%	
Financial Aid Fund V	767,500	717,500	(50,000)	-7%	
Debt Service Fund III	250,000	250,000	-	0%	
Early Retirement Fund VII	5,490,000	4,990,000	(500,000)	-9%	
	131,273,117	65,799,290	(65,473,827)	-49.9%	

This plan is not consistent with Board Policy 245\*, which requires a 10% reserve in the General Fund (i.e., Fund I). While on rare occasions, some of the ending fund balance has been used to balance the budget, the amounts have been considerably more conservative and only used when there are also sufficient reserves across all funds.

LCC just restored the General Fund Ending fund balance through careful, responsible budget planning over a three year period in accordance with BP 245. The proposed budget would not only wipe away the majority of the ending fund balance in Fund I, it would also take total

reserves across all funds (not including Bond funds restricted for construction projects) down to a total of \$9.6M – an amount lower than any year since 2007.

Other options *are* possible. For example, the Budget Development Subcommittee (BDS) passed budget balancing scenarios that would reduce the budgeted amounts for M & S (Materials & Services) by up to \$1.7 Million from the projected FY24 amounts based on a thorough review of actual spending this year. Instead, the proposed budget increases M & S allocations for Funds I & IX by \$1.4 Million to a total of more than \$19 Million for M & S in these two funds. The BDS also passed budget balancing scenarios that would hold some of the 44 vacant positions from all employee categories open for next year, a typical strategy used to balance the budget.

In addition, LCCEA proposed the postponement of extra faculty positions that are *not* required by the contract to 2024-2025 to ensure more stability across years. The Administration declined this proposal, stating a preference to maintain management rights to add positions one year in order to make layoffs the next year noting that, “retrenchments allow the College to make structural adjustments in response to student needs.”

Instead of implementing reasonable cost containment measures, it appears that the Administration has created a proposed budget that entirely balances the budget by draining reserves at the alarming rate of more than half of the General Fund Ending Fund balance. While state funding will not reach what we collectively would like for the legislature to allocate, state funding *is* increasing by approximately 6% for the next biennium; tuition has been increased by 5% by the Board of Education, and property tax revenue will increase as well.

For all of these reasons, we have no confidence in the budget planned for FY24.

We urge you to *not* approve the [proposed 2023-2024 budget](#) and to ask the Administration to present a new, fiscally responsible plan instead. There is time for a new plan to be developed and approved before the end of June in accordance with Oregon Public Budget Law.

Voting to approve the proposed budget would thrust LCC into a serious fiscal crisis next year unless there is unanticipated, dramatic enrollment growth.

Our campus community and the people of Lane County whom you represent are counting on you to make fiscally responsible decisions.

Sincerely,

LCCEF Representatives:

Frankie Cocanour, LCCEF President and Classified Professional

Buck Potter, LCCEF Vice President of Labor Relations, Classified Professional & BDS Member

Dawn Rupp, LCCEF Grievance Officer, Classified Professional

Colin Vurek, LCCEF Vice President of Organizing

Fiora Starchild-Wolf, LCCEF COPE Officer and Classified Professional

Marleena Pearson, LCCEF Communications Officer, Classified Professional  
Skye Nguyen, Membership Officer Classified Professional  
Mark Jordan, Chief Labor Delegate  
Katie Neall, LCCEF Officer at Large, 1039 Classified Professional

**LCCEA Representatives:**

Adrienne Mitchell, LCCEA President and BDS member  
Aryn Bartley, LCCEA Secretary  
Marge Helzer, LCCEA Treasurer  
Christina Howard, LCCEA Vice President for Career Technical Faculty  
Peggy Oberstaller, LCCEA Vice President for Part-time Faculty  
Rosa Lopez, LCCEA Vice President At-Large  
Wendy Simmons, LCCEA Vice President for Learning Advancement  
Kate Sullivan, LCCEA Vice President for Transfer Faculty  
Gary Mort, faculty member & BDS Member

**ASLCC Representatives:**

Nikhar Ramlakhan, Lane SGA President  
Amaya Carricaburu, Lane SGA Vice-President  
Shoichiro Kamata, Lane SGA Senator  
Hina Tamura, Lane SGA Senator  
Ilhan Haniff, Lane SGA Senator  
Mussango Moneyang, Lane SGA Senator  
Ryuto Susumu, Lane SGA Senator  
Sawyer Smith, Lane SGA Senator  
Owen Robles, Lane SGA Senator

**\*Policy Number** BP 245

**Policy Category** Budget and Finance

**Policy Name** Ending Fund Balance

Lane Community College shall maintain an unrestricted General Fund Ending Fund Balance equal to or greater than 10% of total expenditures and transfers.

The Ending Fund Balance target shall include the Unappropriated Ending Fund Balance (UEFB) as set by board policy BP 295. When the Ending Fund Balance falls to 9% or less, the college shall adopt a plan to replenish the Ending Fund Balance to 10% within three years. When the Ending Fund Balance exceeds 11%, balances in excess may be set aside for reserves or investment in one time expenditures.

If the total Ending Fund Balance (including restricted) falls to levels that require short-term borrowing, the levels set by this policy shall be automatically reviewed and adjusted as necessary.

