

LANSING COMMUNITY COLLEGE
BOARD OF TRUSTEES
June 11, 2007

Budget Workshop
Adopted Meeting Minutes

Call to Order

The meeting was called to order at 4:09 p.m.

Roll Call

Present: Hollister, Pelleran, Smith, Laverty
Absent: Canady, Proctor, Rasmusson

Trustee Rasmusson arrived at 4:19 p.m.

Limited Public Comment Regarding Agenda Items

There was no public comment.

Fiscal Year 2008 Proposed Budget

Catherine Fisher presented to the Board the revised general operating budget proposal for Fiscal Year 2008, totaling \$119.8 million. The budget proposal is on file with the office Board meeting materials.

Ms. Fishers reported the following information to the Board of Trustees.

With a \$2.5 million cut in state revenue late in the College's 2007 fiscal year and uncertainty over the FY 2008 appropriation, not yet decided by the Legislature, the College is projecting a 3.4% or \$829,290 decrease in state appropriations from the level appropriated at the beginning of FY 2007. Property tax revenue for FY 2008 is estimated to increase by only 3%, compared to an increase of 3.8% in FY 2007 and 5.6% in FY 2006. With the decline in state funding over the last few years and slower growth in property tax revenue, the College has had to rely more heavily than in years past on revenue from tuition and fees, a third major source of funding for community colleges.

Throughout its 50-year history, LCC has taken steps to keep tuition and fees affordable. Historically, LCC tuition has ranked at or below the average tuition charged by other Michigan community colleges. To keep a tuition increase as low

as possible, the College divisions reduced their original operating budget requests presented to the Board in April by more than \$1 million. This reduction is on top of nearly \$3 million that has been cut over the past three years. With the goal of maintaining high quality instruction, cuts have been made in such areas as supplies, travel, professional development, repairs and maintenance, and by delays in filling positions, improvements in course section management, and changes in management controls. College leadership will continue to look at structural cost-saving measures and revenue enhancement options as we begin the planning process for the FY 2009 budget.

To continue the quality and depth of programs offered at LCC next year, the College's proposed FY 2008 budget includes an increase in tuition rates as follows:

- In-district: an 8.96% increase
- Out-of-District; Out-of-State and International: 11.67% increase, to \$134/billable hour

The budget process is always challenging for the College, and it is never easy to propose a tuition increase. However, with the decline in state and property tax revenue, combined with increased labor, benefit, utility and other operational costs, we have no option at this point if we are to meet the increasing demands from our students and the community for quality educational opportunities. Even with the increases, LCC remains an excellent value for the students' educational dollar.

With the proposed increases, LCC's tuition in-district tuition rate continues to be in line with State averages. To qualify as in-district, students must have lived for six months or more within one of the 15 schools districts where residents pay property taxes to support LCC's budget.

The budget includes a fund balance of 8.4% of total general fund revenue. An adequate fund balance provides needed reserves to address unexpected and/or critical needs of the College. The fund balance enables the College to remain fiscally sound in times when major revenue sources and expenditure needs do not coincide.

Discussion followed.

Public Comment

There was no public comment.

Adjournment

MOVED by Trustee Hollister and supported by Trustee Smith for the meeting to adjourn.

Ayes: Hollister, Pelleran, Rasmusson, Smith, Lavery

Nays: None

Absent: Canady, Proctor

Motion carried.

The meeting adjourned at 5:10 p.m.