

Luna Community College

Expenditure Reduction Strategy

The accompanying schedules depict three scenarios:

1. FY20 without State reductions. It includes actual expenditures through April and estimates for May and June
2. FY20 with \$138,458 proposed State reduction and other anticipated revenue shortfalls
3. FY21 depicts the effects of a State reduction of an additional \$ 810,990 and similar other anticipated revenue short falls.

Noted is that in FY21 the College would need to implement the strategies in the Narrative below and other identified reduction strategies to the extent feasible, however, even with those strategies the College would likely be forced to implement layoffs or furloughs forward looking.

Reduction of Expenditures Narrative and Rational

Supplemental narrative information provided by President Dr. Rolando Rael and Vice-President of Academics and Student Services, Dr. Kenneth Patterson

Human Resources:

Based on Luna's low number of FT Faculty (23) and high percentage of Adjunct Faculty, reduction of instructional personnel would be dependent on suspension of programs and/or reduction of class offerings mainly for Fall term of AY20-21. Possible staff reductions would start with the reduction in Adjunct Faculty number and increasing teaching load for FT Faculty with overload compensations. Enrollment numbers will determine much of what will happen with course and program offerings. We have yet to release a Fall 20 schedule until we see what our summer enrollment looks like and will serve as a comparative indicator of Fall term enrollment. Reductions could also affect support staff. If enrollment drops by a yet to be determined number, certain staff positions may be furloughed, reduced to a part-time status, or eliminated in non-essential areas if reduction in revenue is deemed critical. Any foreseen reduction in staffing would require work schedule modifications such as rotation of Faculty, other staff, or administrators to cover (necessary) office functions in the reduction and/or absence of those full-time positions. Under a dire situation the institution would consider combining job functions of various offices with linked responsibilities into one office.

Given that the institution already operates very efficiently (i. e. minimal staff), any reduction of Faculty/Staff would likely create an insufficiency in services/level of service. The institution would have to assess what specific services or level of service it is willing to reduce. Expectations for employees assuming additional responsibilities in light of reduction of personnel would need to be established contractually and within the financial means of the college.

Programming:

A reduction in the number of classes and class sections is feasible if the institution deems it necessary to reduce expenditures. Reduction in course offerings would be guided by a priority listing. For example, the classes listed below may serve as electives in a vocational degree program, with most students enrolled being hobbyists and pay \$15 for an entire semester of classes. At this tuition rate, the institution only recovers 10% to 15% of the cost of each class. As a continual loss of revenue to the institution, these are reductions which should be considered first level in priority reduction and last level in priority in our offerings:

- Quilting (main campus and Springer Satellite)
- Yoga
- Ornamental Welding (main campus)
- Furniture and Cabinet Making 100, 118, 130 (main campus three classes, Springer and Santa Rosa one class each)

Reduction in course offerings from the regular academic schedule is possible by increasing populations in established sections and eliminating sections of classes considered non-essential electives towards a certificate and/or degree. However, physical classroom size will determine the number of enrollees given that social distancing will most likely continue into the Fall term. Looking forward to the Fall 2020 term, reductions will most likely affect face-to-face classes, especially with those that cannot transition to online or distance learning. This would mostly affect Vocational/CTE classes such as Welding, CDL, Furniture and Cabinet Making, some Cosmetology, and some Automotive classes. As indicated above, Luna's Fall 2020 list of course offerings is still in-process, best estimates are that we can facilitate a reduction of 15% (28) of the planned class sections due to social distancing and other public health requirements. If the current crisis would pose extreme circumstances, excessive reduction in course offerings would generate a negative effect on programs and student program completions.

Reduction of complete programs, while a drastic step, would result in significant savings, but damaging to the institution's reputation. The reduction of instructional personnel and ancillary budgetary program needs would be a reduction of expenditures; however, the institution needs to be aware of the loss of tuition/credit hour production and program completion revenues from students who would have otherwise enrolled in those programs. Dollar estimates will vary by expense of program, number of students, and FT/PT status of faculty and program staff.

Programs currently flagged as having low performance and under considering for suspension if exigent financial hardship matters prevail:

- **Media Arts and Film Technology** (One FT Faculty position. There is low student enrollment in this program. The institution has to consider that the program has received external funding over the past two years and it is in the process of receiving a \$20,000 donation to this program.)
- **Culinary Arts** (One PT/Adjunct Faculty position. There is low student enrollment in this program.)
- **General Business** (Part of one FT Faculty position. Ability to suspend this program would depend on willingness of ACBSP to suspend this program and maintain accreditation for the AA in Business Administration program. All three programs are currently required for accreditation.

Students in this program could possibly be retained and moved to the AA in Business Administration program.)

- **Accounting** (Part of one FT Faculty position. There is low student enrollment in this program. Ability to suspend this program would depend on willingness of ACBSP to suspend this program and maintain accreditation for the AA in Business Administration program. All three programs are currently required for accreditation.)
- **Early Childhood Education** (Two-three PT/Adjunct Faculty positions. There is low student enrollment in this program.)