FAQ Questions and Responses to Budget Discussion

THE SHORT RUN: FISCAL YEAR 2017 BUDGET

Q: We have not received any state funding this year (FY 2016). How does this impact CLC?

If we continue to receive no state FY 2016 funding, we will need to fill $3 to $5 million dollar budget gap by drawing from our reserves. However, we cannot do this for FY 2017 because our reserves would fall below the Board Policy amount, which is based on our auditor’s recommendation. That is why we will include language in Administrator, Professional, and Specialist contracts regarding potential layoffs and furloughs if the state fails to provide funding. Note: We will only act on this if we move into the next fiscal year and do not receive our budgeted state funding for FY 2017. We would need to have a plan in place before fall to mitigate the impact of the lack of state funding.

You have probably already seen the media coverage regarding public universities. Only about 8% of our revenues come from the state. Since public universities are more dependent on state funding than us, some of them are already starting layoffs and furloughs.

Q: Will we have any additional position cuts in FY 2017?

If we receive our appropriate funding from the state in the next fiscal year, we plan to avoid additional personnel reductions. To balance the budget for FY 2017, we will build the budget on an expectation of receiving a certain level of state funding.

For FY 2017, we are achieving the largest share of savings through eliminating vacant positions and not filling some positions until our financial situation is more predictable and stable. However, there might be positions, even new positions, which we may need to add. These will include mission critical positions that will drive enrollment growth, whether faculty or staff.

Q: Will we have a hiring freeze and spending freeze?

Even in these times of uncertainty, we must continue to support the key priorities of the institution – student success, enrollment, diversity, sustainability, and wellness. We need to keep the College moving forward. Therefore, some positions may be approved for limited hiring.
THE LONG RUN: FISCAL 2017 AND BEYOND

Q: What can we expect in the future?

In the next few months, the new VP of Administrative Affairs, Ken Gotsch, will convene a budget committee that will be charged to find continuous savings in college processes. This committee will need to examine operational costs across all areas. While we do not know how long this committee’s work will be needed, as the committee develops we will share information on its structure and work.

Into this next fiscal year and beyond, we will need to be cautious – even with the assumption of receiving state funding. Why? Because our revenues (local taxes, state grants, and tuition and fees) are not growing as rapidly as our expenditures. In addition, a major factor in revenue stagnation is the drop in enrollment so we need to continue to work on growth.

We cannot succeed in managing the growth of costs and expenditures without controlling the healthcare costs. The Health Care Benefits Committee has been reviewing and examining how to design new benefit plans to hold down costs. This Committee will continue to review the plan design in order to make incremental changes needed to sustain a viable benefits plan. However, almost assuredly, you can expect that all employees will eventually be making contributions to their health care programs. This is the case with all our peers and almost all health insurance programs, both public and private, in Illinois.

As we continue to look for cost savings, we need to keep in mind that 75% of our budget is salary and benefits. Therefore, we need to examine positions, and in many cases not replace positions when someone leaves or retires. Instead, we will need to reorganize duties and responsibilities to save costs. As we have less staff over time, you may think that eventually everyone will be doing the work of multiple people, but we can let some things go and run some processes more efficiently. All of us will all need to find innovative ways to be more efficient.

Q: How can I help?

Through the governance system, reporting lines, and the new Budget Committee, we will be asking everyone’s input and ideas on cost savings.

We all can be “marketers” – please promote CLC to your friends, neighbors and acquaintances.

Finally, you can help most by continuing to focus on providing quality instruction and services so that we fully meet the needs of our students. Even in these times of uncertain resources, we must continue to support the key priorities of the institution – student success, enrollment, diversity, sustainability, and wellness. We need to keep the College moving forward as best we can.