



OFFICE OF THE PRESIDENT
Dr. Joe Schaffer

To: LCCC Board of Trustees

From: Joe Schaffer, President

Date: October 28, 2020

Subject: Request for Spending Authority for Retirement Incentive Program

As Laramie County Community College (LCCC) grapples with the daunting task of addressing significant cuts in funding from the State of Wyoming, we have attempted to find ways to minimize and mitigate the impacts to those employees who are adversely affected by our decisions. Thus, we have sought out creative solutions that create opportunities for us to reduce our budgets and employee numbers while also reducing the number of employees who have to be involuntarily separated from their job because those positions are being eliminated.

One of these creative solutions originating from campus feedback, and further refined by the intellect of the members of the President's Cabinet, was the offering of a unique retirement incentive programs to eligible employees at LCCC. I know you are familiar with the construct of the program, but in brief this program allows for a one-time retirement incentive for eligible employees who elect to retire from the College by June 1, 2021.

We have had 20 individuals apply for this incentive program and announce their plans to retire before the end of this fiscal year. These retirements will allow us to reduce the number of involuntary separations (reductions in force of occupied positions) by at least five, will save more than \$335,000 with those positions being eliminated after they are vacated, and nearly \$120,000 in savings even for those positions that will be refilled or reconfigured.

I have approved all of these applications. However, this incentive program does require an initial investment by LCCC, and that investment will require your approval to give me spending authority to make this expenditure. Based on the number of applicants, we estimate that this incentive program will require the expenditure of up to \$400,000. I hope that we are able to absorb the majority of this into this fiscal year's budget by utilizing vacancy savings and unexpended budget in areas such as travel. However, it is possible that some of the funding for this program may need to come from the General Fund Balance (our reserves). I will bring you a formal budget amendment near the end of the fiscal year that will detail precisely how this expenditure is funded.

My recommendation, to be considered for your action, is provided below. Thank you for your support and consideration of this request.

Staff Recommendation: That the Board of Trustees authorizes the President to expend up to \$400,000 for a Retirement Incentive program to assist the College with its budget reduction efforts as a result of the withdrawal of State funding. The source of these funds will be a mixture of vacancy savings and unspent budgeted funds from the FY21 budget, and possibly from the Current Fund Balance.