



Office of the President Sunil Ahuja, Ph.D.

Dear Colleagues,

Since assuming presidency at Lakeland six weeks ago, my most immediate and important priority has been to achieve a balanced budget for FY 2025. As I've shared previously, we have been exploring all options over the last few weeks to close a deficit of about \$3 million. This shortfall will not come out of reserves, which means we must make difficult decisions and changes to how we operate the College.

After my organizational scan and consideration of various alternatives, we are nearing a balanced budget for FY 2025 by taking the following major steps: elimination of certain management and staff positions, with reallocation of some resources toward student support services; limits on discretionary spending via internal controls; and addressing the remaining gap via a review of academic operations.

This plan first and foremost places heavy emphasis on expense reduction and right-sizing the organization. This includes reducing the number of college employees in some areas, while investing in key strategic areas to enhance current and future enrollment. It is also geared toward the College's long-term financial sustainability in mind.

In light of these considerations, I note the following actions following last night's Board of Trustees meeting:

Management and Staff Positions

- The College will eliminate a number of management and staff positions, including several vice-presidential positions. These cuts will result in reduction in salaries and benefits by just over \$1.5 million, also addressing the overstaffing concern noted in the Ohio Performance Audit Report. Impacted employees have been notified. The Office of Human Resources will provide information about the timing, vacation pay, health benefits, unemployment benefits, and outplacement services.
- At the same time, we will invest in staff positions in critical areas of need concerning enrollment, retention of students and staff, and student support. The Board approved several staff positions and compensation adjustments primarily for Student Service Center, Learning Support Center, and Teaching & Learning Center. These investments will amount to approximately \$300,000.
- The offices and positions involving Executives in Residence, HIVE, and the Non-Profit Center will be discontinued effective June 30, 2024.

Discretionary Spending

- Effective July 1, 2024, all discretionary spending will be limited to those essential to college strategy and operations. This includes the elimination of all non-essential travel, memberships, subscriptions, sponsorships, and food purchases. These expenses will be evaluated on a case-by-case basis and require prior approval by the Treasurer and President.
- College credit cards will be limited to a handful of employees effective July 1, 2024. Most credit cards will be deactivated. Expenses previously purchased using credit cards must be pre-approved via the purchasing requisition process.
- All existing college contracts will be reviewed carefully to determine if they should be continued, discontinued, or renegotiated.
- It is expected that these measures will reduce discretionary spending by at least \$500,000. The Treasurer's Office will track actuals very closely and be cognizant that additional discretionary reductions could be necessary within the fiscal year.

The changes outlined above will result in a remaining deficit of approximately \$1.2 million for FY 2025. That gap will need to be made up quickly within the new fiscal year to achieve a balanced budget in FY 2025 and with added measures begin adding to reserves in FY 2026, as noted by the Ohio Performance Audit Report. It is my expectation that, barring unforeseen circumstances, these changes will allow us to stabilize the College's administrative and staff workforce moving forward. Finally, I understand that these changes will undoubtedly create anxiety, but I am committed to being transparent about the College's financial situation and strategic direction.

Again, these are extremely difficult decisions that must be made to ensure a strong financial future for Lakeland. Thank you for all you do for the students, the College, and the community.

Very best regards,

Sunil Ahuja, Ph.D.

President