

LMC offering early retirement plan

College seeks to trim labor costs as state funding remains flat

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BENTON TOWNSHIP — Looking to cut labor costs, Lake Michigan College is offering an early exit plan for employees who have been on the payroll for 10 years or more.

LMC board members approved the plan on a 5-2 vote Tuesday, with board Chairwoman Mary Jo Tomasini, Treasurer Judy Truesdell and Trustees Paul Bergan, David Maysick and Stephen Small supporting it, while Vice Chairman Michael Lindley and Secretary Debra Johnson dissented.

Employees who qualify have until June 26 to decide whether to accept three basic options, which include a percentage of their current salaries, and one to two years of health benefits.

LMC President Bob Harrison cited several rationales for offering the plan, including changes

in instructional programs and the opportunity to boost efficiency.

In addition, it's a response to the decreased enrollment colleges have seen nationally as the economy improves and more people return to work.

"The financial challenges we're facing are not unique to LMC, but it was important for us to find a solution that gives employees choices while maintaining our high standards for services provided to students," Harrison said.

Other factors include a state funding picture that's stayed flat over 15 years and isn't expected to improve, he said.

"We are fortunate to have many loyal and dedicated people here. Some happen to be near retirement and others may embrace the opportunity to further their education or change careers," he said.

Qualifying employees who accept the Voluntary

Separation Incentive Plan, as it's called, would go off the payroll by the end of June, according to the college's news release.

Adjunct faculty, grant-funded employees and facilities bargaining unit members aren't eligible.

Options include 45 percent of an employee's current salary; 35 percent of current salary, plus a year of health care; or 25 percent of current salary, and two years of health care, said Anne Erdman, vice president of administrative services.

"It gives us an opportunity to reduce costs, and it also gives us an opportunity to be a flexible organization. We can look at our needs now, and make adjustments now, without negatively impacting anyone," she said.

Sixty-six faculty members and staff would qualify for the plan, of whom half are 55 and older, the college's release

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said. LMC expected to release details to employees Wednesday.

College administrators aren't speculating on how much money LMC will save. The figure depends on how many employees participate, how they're classified and staffing plans.

However, some positions will either be restructured, remain

open or be filled by new hires at entry-level salaries, the release said.

For all those reasons, the college doesn't foresee an ideal demographic of who might accept the plan because employees leave for different reasons, Erdman said.

"It's all over the ball game. It's younger employees going after that degree or have decided that they're ready to start a family. Or it could be somebody who is ready to retire," she said.