

CHEMEKETA COMMUNITY COLLEGE

**BUDGET COMMITTEE
MEETING MINUTES**

April 14, 2021

A. CALL TO ORDER

Ed Dodson, Board Chair, called the meeting to order at 6:01 pm via Zoom.

B. ROLL CALL

Members in Attendance: Ray Beaty; Chris Brantley, Ed Dodson; Betsy Earls; Ken Hector; Neva Hutchinson; Jenne Marquez; Scott Muller; Barbara Nelson; Ron Pittman; Mike Stewart; Joe Van Meter; and Diane Watson (joined at 6:04 pm). Absent: Jackie Franke,

College Administrators in Attendance: Jessica Howard, President/Chief Executive Officer; Jim Eustrom, Vice President, Academic Affairs/Campus President, Yamhill Valley Campus; Bruce Clemetsen, Vice President, Student Affairs; David Hallett, Vice President, Governance and Administration, Michael Kinkade, Interim Vice President, College Support Services; and Rich McDonald, Interim Chief Financial Officer.

C. WELCOME OF BUDGET COMMITTEE MEMBERS

Ed Dodson welcomed the Budget Committee members, and thanked them for their time and commitment for serving on the Chemeketa Budget Committee.

D. ELECTION OF BUDGET COMMITTEE OFFICERS

Ed Dodson opened nominations for Budget Committee chair. Joe Van Meter made a motion to nominate Ray Beaty. Ken Hector seconded the motion, and nominations were closed.

A roll call vote was taken and the motion CARRIED unanimously. Ray Beaty was declared chair of the Chemeketa Budget Committee for 2021–2022.

Ed Dodson opened nominations for Budget Committee vice chair. Joe Van Meter nominated Scott Muller, and Betsy Earls seconded the motion. Diane Watson nominated Ron Pittman and Barbara Nelson seconded the motion, and nominations were closed.

A roll call vote was taken for Scott Muller with three votes in favor, seven against, and two abstentions. A roll call vote was taken for Ron Pittman with nine votes in favor, one against, and two abstentions. Ron Pittman was declared vice chair of the Chemeketa Budget Committee for 2021–2022.

Board Chair Ed Dodson turned the meeting over to Budget Committee Chair Ray Beaty. Ray welcomed and thanked the Budget Committee for their service and instructed committee members who have questions during the presentation to give a visual to indicate they have a question.

E. DUTIES OF THE BUDGET COMMITTEE

Rich McDonald, Interim Chief Financial Officer, reviewed the Budget Committee duties to comply with local budget law. He noted the Budget Committee's role is to receive the budget and budget message, meet publicly to review the proposed budget tonight and on Wednesday, April 21, approve the budget and tax rate, and a quorum must be present with majority approval. The budget should not be deliberated outside of the public meetings, and the public needs to have an opportunity to ask questions or comment on the budget. Rich will send Ray Beaty any public comments prior to Wednesday's meeting. A public hearing on the budget will be held on May 19 to hear any additional comments.

F. PRESENTATION OF BUDGET MESSAGE

President Jessica Howard shared highlights from her budget message, which was contained on pages 8–10 of the spiral-bound Proposed Budget Fiscal Year 2021–2022 book. Jessica emphasized how proud she is of Chemeketa Community College for weathering the storm of the COVID-19 pandemic, social unrest, wildfires, and a debilitating winter ice-storm from mid-March of last year to the present. Through this extraordinary and difficult time, she stated, Chemeketa continues to fulfill its mission and positively impact the lives of students, employees and the community.

The budget message touched upon the General Fund Revenue and Expenditures; Federal Funding; Guided Pathways; Academic, Facilities, and Strategic Planning; Accreditation; and continued long-term planning for the college's financial future. Highlights included the following:

- The college experienced an immediate and significant enrollment decline last year between winter and spring terms while shifting to a remote modality. This was consistent with other community colleges across the state and the nation. The decreased revenue impact was mitigated by reducing expenses.
- The proposed budget assumes community college funding from the state for the upcoming biennial will be \$673.1 million, as calculated by the state's Legislative Fiscal Office. The Oregon Community College Association continues to advocate for \$702 million, which it considers to be the true continuing service level for community colleges.
- Chemeketa's efforts to align tuition and fee rates with a comparator group of community colleges, resulted in the Board of Education approving a tuition and fee increase for the upcoming year based on the level of state funding the college receives.
- The assumption of enrollment to build next year's budget is five percent less than the 2019-20 enrollment. It is hoped that the pandemic-induced enrollment loss will constitute a one-year anomaly.
- The ongoing strategy for balancing the budget includes focusing on elimination of vacant positions whenever possible and creating target investments in areas that will support the college's mission and ongoing initiatives.
- Primary focus for this budget involves rebalancing funding college-wide, including moving some positions from the Self-Supporting Services Fund to the General Fund.
- Chemeketa has received several rounds of stimulus funding from the federal government. This includes grants, direct support to students and funds to reimburse institutions for direct costs associated with safe educational delivery and moving to remote operations.

- In the upcoming year, the college will be engaged in academic, facilities and strategic planning, and the seven-year accreditation visit from the Northwest Commission on Colleges and Universities is scheduled for the spring.

Moving forward there are unknowns, such as rate of public health and economic recovery, college enrollment and the level of state funding for Oregon's community colleges; however, the proposed budget incorporates flexibility to allow the college to quickly adapt as needed. In addition, it includes an overriding financial reorganization and key investments to position the college well for the future. Emerging from the pandemic and into these forward leaning considerations will allow us to continue to hone our strategic direction and be ever more impactful in helping our students and communities from this difficult time and into renewed prosperity.

G. PRESENTATION OF 2021–2021 PROPOSED BUDGET

Rich introduced Jim Eustrom, Vice President of Academic Affairs/Campus President of the Yamhill Valley Campus and stated they would each be presenting a section of the budget. Rich reviewed the materials with the Budget Committee that were mailed out.

Rich referred to Slide 7 of the PowerPoint, Summary of All Funds, showing a total of \$321,942,000 for all funds next year, and mentioned several of the larger funds. Slide 8 referenced the College Financial Responses to Date to COVID-19 Pandemic. Slide 9, 2021-22 Resources Based on FTE (full-time equivalent), shows that 85.3 percent of the funding is based on FTE, resources from the state funding and property taxes account for 59.2 percent, and tuition and fees from students amount to 26.1 percent. Slide 10 shows the Chemeketa student FTE (enrollment) comparison for the past 15 years. For next year, a five percent decline from the 2019-20 year is projected, equating to 8,210 FTE.

Rich McDonald reviewed Slide 11 which identified the Budget Assumptions and Decisions: Resources. He noted the following: the proposed budget is based on the state Legislative Fiscal Office's continuing service level calculation of \$673.1 million; a decrease in tuition revenue is anticipated based on a 5 percent enrollment decline from 2 years prior; tuition and fee increases reflect a tiered approach; Chemeketa Center for Academic Innovation will be moved to the General Fund for a \$2.5 million revenue increase; property taxes are projected to grow by 3 percent; indirect, interest and miscellaneous budget will be reduced by \$1.5 million; and there will be an increase of the beginning fund balance of \$1 million as compared to the 2019-20 ending fund balance. Slide 12, Budget Changes—Resources shows the net changes to revenue sources resulting in the proposed budget for 2021–22 of \$102,930,000. Slide 13, FY2021–2022 General Fund Resources is a chart showing resources by category.

Rich referred to Slide 14 and reviewed the Budget Assumptions and Decisions for Expenditures, which included step increases and salary adjustments for classified and exempt staff, an estimated amount to fund the cost of faculty negotiations, an increase in employer-paid health insurance for classified and exempt; targeted increases in materials and services and capital budgets; a decrease in non-mandatory transfers; an increase in contingency of \$1.5 million; and moving almost the entirety of Center for Academic Innovation to the General Fund. Slide 15, Budget Changes—Expenditures shows the net changes from this year's budget to next year's proposed budget. Slide 16, 2020–2021 General Fund Expenditures shows expenditures by category.

Jim shared the investments and reductions in the General Fund. Starting with Slide 18, Jim reviewed acronym definitions referring to divisions that are used in the slides. Slide 19, President's Office and Governance Personnel Changes, showed that funding for the Director of Chemeketa Press and General Counsel moved to the General Fund, the HR Financial Specialist position increased to 1.0 FTE, and the Grants Education Assessment Coordinator position was reduced, all totaling \$66,112. Slide 20, Materials and Services Investments, included Board of Education election costs and additional funding for association dues, totaling \$30,000.

Jim reviewed Slide 21, College Support Services Personnel Investments. CSSD moved the Director of Business Services, Network Systems Manager, and 50 percent of two Public Safety Officers to the General Fund, and added a new Public Safety Officer for a total of \$240,897. Slide 22, Materials and Services Investments, included moving contracted security to the General Fund and the funding of existing software licenses, LEDS access, and cost of higher insurance premiums, all totaling \$500,000. Slide 23, Non-Mandatory Transfer Changes, totaled -\$450,000.

Jim Eustrom referred to Slides 24–27, Academic Affairs Personnel Investments/Reductions. Twelve positions were eliminated, four positions were added, four moved to the General Fund, and two positions were reduced for a total of -\$807,405. Slide 28, Materials and Services Investments, included part-time hourly increases across several departments, increased licensing agreements for the learning management system, and several M&S adjustments across several departments for a total of \$233,672.

Jim discussed Slides 29–30, Student Affairs Personnel Investments/Reduction, and there are seven positions being moved to the General Fund and one position being eliminated, for a total of \$313,782. Slide 31, Materials and Services Investments, included student hourly increases for additional online tutoring and an increase in licensing agreements funding for a new student platform, for a total of \$210,000. Slides 32–33, dealing with the Center for Academic Innovation Self-Supporting Service to the General Fund/Adjunct/Hourly/M&S, showed that the entire program is being moved to the General Fund for a total of \$2,846,255.

The total amount of college-wide Investments/Reductions (including the Center for Academic Innovation) amounted to \$3,183,283. Jim reviewed Slides 35–36, General Fund/Detail of Proposed FTE Changes FY 2020–2021 to FY 2021–2022, in the classified, exempt and faculty categories. The total change from this year to next year is a gain of 7.63 FTE.

H. QUESTIONS

Betsy Earls referred to Slide 11, Budget Assumptions & Decisions: Resources, and asked why the timber tax revenue was considered to be down. Rich indicated that this refers to a tax on the harvest of timber and, with changing policies on the federal level, fewer timber taxes will be harvested than in past years. Ray Beaty noted the Beginning Fund Balance of \$13 million on Slide 13, FY2021-22 General Fund Resources, and inquired if the standard is to keep that between \$10 million and \$15 million. Rich stated that, yes, 10 or 15 percent is the target for the fund balance, meaning that \$13 million is in the center of what the college is hoping to achieve through this guideline. Scott Muller asked about the transfers from the Self-Support Services Fund to the General Fund, and whether there was a balance remaining in that fund from previous years. Rich indicated there is still a fair amount of activity in that fund; however, due to lower

enrollment, the college is trying to reduce reliance on self-support. Scott wondered if there was a balance coming to the general fund from the transferred programs. Jim stated the balance would be at break-even as programs are moved over.

I. SUMMARY FOR NEXT MEETING

Rich reminded the Budget Committee that the next meeting is Wednesday, April 21, at 4:30 pm via Zoom. He stated that any questions should be submitted to Rich or Jim prior to Wednesday's meeting.


J. ADJOURNMENT

The meeting adjourned at 7:23 pm.

Respectfully submitted,



Board Secretary



President/Chief Executive Officer



Budget Committee Chair

April 21, 2021

Date