

**MINUTES OF THE MAY 4, 2021
CLATSOP COMMUNITY COLLEGE
BUDGET COMMITTEE**

I. CALL TO ORDER

The meeting was called to order by Robert Duehmig at 6:30 p.m.

Budget Committee Members Present: Robert Duehmig, Rosemary Baker-Monaghan, Karen Burke, Anne Teaford-Cantor, Sara Meyer, Robert Stricklin, Al Arp, David Oser, and Rachel Jensen. Budget Committee Members Absent: Dave Zunkel, Tim Lyman, and Nicole Williams. Others Present: Justin Smith, Jade Jaconetti, Angee Hunt, Desiree Noah, Jake Campbell, Kristen Wilkin, Kurt Donaldson, Teena Toyas, Julie Kovatch, Jerad Sorber, Evon Jacobsen, Siv Serene Barnum, Peter Williams, Stephanie Homer, Deputy Clerk JoAnn Zahn, President Chris Breitmeyer, and Recording Secretary Pat Schulte.

II. ELECTION OF BUDGET COMMITTEE CHAIR AND SECRETARY

Oregon's Local Budget Law requires the election/appointment of a Budget Committee Chair and Secretary.

David Oser **nominated Robert Duehmig as Chair**. Robert Stricklin seconded. The motion carried unanimously with Sara Meyer, Dave Zunkel, Tim Lyman, and Nicole Williams absent.

Karen Burke **nominated David Oser as Secretary**. Rosemary Baker-Monaghan seconded. The motion carried unanimously with Sara Meyer, Dave Zunkel, Tim Lyman, and Nicole Williams absent.

III. ADOPTION OF AGENDA

Anne Teaford-Cantor **moved to approve the agenda as presented**. Rosemary Baker-Monaghan seconded. The motion carried unanimously with Sara Meyer, Dave Zunkel, Tim Lyman, and Nicole Williams absent.

IV. INTRODUCTION OF GUESTS

Audience members introduced themselves.

V. APPROVAL OF MINUTES

Karen Burke **moved to approve the May 5, 2020 minutes as presented.** Rosemary Baker-Monaghan seconded. The motion carried unanimously with Sara Meyer, Dave Zunkel, Tim Lyman, and Nicole Williams absent.

VI. REVIEW OF BUDGET MESSAGE, PRESIDENT'S MESSAGE, AND RELATED MATERIALS

President Chris Breitmeyer welcomed the members of the Budget Committee and acknowledged them for their service. The COVID-19 pandemic and implementation of a new ERP have presented many challenges for the College. Enrollment is down about 37%. However, the College has not seen a significant negative financial impact. The Federal Government has provided three rounds of stimulus funding to institutions of higher education to provide direct support to students as well as institutional funding. The College was able to backfill \$450,000 in lost tuition and fee revenue with these funds. In addition, the College did not experience a reduction in state funding that was originally anticipated. It also reduced spending by about \$1.1 million. A continuation budget with no additions or reductions is being presented.

President Breitmeyer turned the meeting over to Vice President of Finance and Operations JoAnn Zahn.

Vice President Zahn acknowledged Evon Jacobsen for her hard work in putting the budget together in a remote environment. This budget would not happen without Evon. VP Zahn presented information on YTD 2020-2021 Revenue and Expenditures, Ending Fund Balance Estimate, and FY2021-2022 Budget Development.

Highlights of VP Zahn's presentation from the Budget Message included:

Major FY2020-21 adjustments and milestones:

- Revenue
 - Legislative state support approved at \$641 million for the FY2019-21 biennium with \$4.1 million and \$4.2 million, respectively
 - Tuition rates remain at \$105 per credit. A \$3 per credit increase was made in FY2019-20
 - Property taxes increasing nearly 4% annually

Student enrollment for the current year is projected at 950 FTE. Enrollment projected for 2021-2022 is 1,050 FTE.

The 2021-2022 proposed budget includes:

REVENUE

- No change in tuition rate at \$105 per credit
- Estimated 100 SFTE enrollment increase
- State support appropriations based on a \$641 million community college allocation representing \$4.2 million
- Timber revenue at \$450,000 (exceeding debt service requirements)

EXPENDITURES

- Steps for eligible employees
- 5% increase for medical, dental, vision
- PERS rate at 23%
- Increases for fixed cost items such as utilities and insurance

FY2021-2022 PROPOSED BUDGET

The General Fund resources include:

- \$4.9 million in property taxes
- \$3.3 million in student tuition and fees
- \$4.2 million in state support based on a \$641 million community college funding allocation
- \$450,000 in timber revenue
- \$524,000 in other revenue includes former Fund 12 revenue
- \$2.2 million beginning fund balance

Total General Fund revenue anticipated is \$13.4 million with an estimated \$2.2 million beginning fund balance. The former Fund 12 revenue in “other” represents approximately \$400,000 in textbook, clothing, and Forerunner sales and/or rental.

Starting next fiscal year, there will be six funds instead of seven. With the support of the auditors, the College will be providing all the same services in the General Fund that had previously been provided in the Auxiliary Fund (Fund 12). The proposed budget is a continuation budget which is essentially what the College is doing in the current year established for the next year with adjustments for collective bargaining salary steps and cost of living increases. This budget is built on the same biennium number of \$641 million in state support for the 17 community colleges. The actual amount of state support will not be known until after the Board adopts the budget in June. OCCA (Oregon Community College Association) is seeking a current service level budget of \$704 million.

The 37% decline in enrollment at CCC does not equate to a 37% decline in revenue due to the receipt of HEERF funding (Higher Education Emergency Relief Fund) that

will backfill \$450,000 in lost tuition and fee revenue. Institution-wide, CCC has received \$3.5 million in HEERF funding in three allocations, which includes both an allocation for direct support to students as well as institutional funding. The \$1.1 million in spending reductions will be kept in place so that the College can be in a better place moving forward. The proposed budget includes the same level of employees. Full-time faculty negotiations are currently taking place and may or may not be completed before June 30. Any adjustments would be added to the budget after July 1. The ending fund balance is more than 15%, so there will not be any cash flow concerns from July 1 through October payroll.

The student enrollment projection in the proposed budget is very conservative. FY20 enrollment was 1,232; FY21 enrollment is estimated at 950; and FY22 enrollment is projected at 1,050. The state funding formula is based on a three-year weighted average and is meant to mitigate any large swings in enrollment that are outside the norms.

Auxiliary Fund 12 will be eliminated as of June 30, 2021. BP and AP 6900 Bookstore, which states that the Bookstore is accounted for in the Auxiliary Fund, will be rescinded at the June Board of Education meeting, because the bookstore will be in the General Fund rather than the Auxiliary Fund. The Bookstore will be accounted for in the Student Services categories by the current line-items.

The budget decision-making framework includes the Budget Advisory Committee established in 2012. It is part of the College's participatory governance organization structure to include all constituent groups in decision-making about College resources and spending. The Budget Advisory Committee's guiding principles are reviewed annually. Budget discussions are tied to the strategic plan, core themes, values, and strategic initiatives. Budget Advisory Committee membership includes employees from all representative groups. Although the budget process is really a year-round process, the Budget Advisory Committee typically starts meeting in November. The Budget Advisory Committee was presented with information for a General Fund continuation budget with the uncertainty of state funding in the FY 2021-23 biennium limiting new funding investments. The continuation budget included step increases for all eligible employees and increases in fixed cost expenditures, including utilities and insurance to reflect past spending patterns and projected rate increases. There is no tuition increase in the proposed budget. Tuition will remain at \$105 per credit. If HEERF funds are still available at the end of spring 2022, there remains a safety net for enrollment loss because of COVID-19. Timber revenue is estimated to be \$1.6 million.

One of President Breitmeyer's initiatives is the program prioritization process which will be useful in deciding how to allocate scarce resources. College Council was charged with program prioritization which is not yet impacting this budget cycle. There are no program prioritization related results at this point. The program prioritization process will be very important in the future to identify programs that need to be enhanced as well as programs that are no longer viable. Currently, there is a list of proposed new initiatives, new positions, and new services that President Breitmeyer will consider if state funding ends up being higher than the \$641 million.

For budgetary control in 2021-2022 and beyond, specific guidelines for control and expenditure of the budget have been instituted. Budget managers will be charged with the responsibility to make budget decisions that reflect attention to economical and effective operations.

VP Zahn moved into the more detailed parts of the budget starting with a summary by fund and explanation of the types of funds: (11) General, (12) Auxiliary (the Auxiliary Fund will be eliminated as of June 30, 2021 recognizing the impact of the negative fund balance in the General Fund), (21) Grants/Financial Aid which will include HEERF funding, (41) Unexpended Plant, (42) Plant Fund Debt Service, (54) Clubs and Organizations, and (60) Non-Plant Debt Service. VP Zahn went through the budget, breaking it down from the overall General Fund to the expenses in the areas of Instruction, Academic Support, Public Service, Student Service, Institutional Support, Plant Operation and Maintenance, Scholarships, and Reserves.

VP Zahn turned the meeting over to Jerad Sorber, the VP of Student Success, and Justin Smith, the contracted Institutional Researcher from Linn-Benton Community College, to present a PowerPoint on enrollment projections. Programs unique to CCC include the U.S. Coast Guard National Motor Lifeboat School, Tongue Point Job Corps, Department of Public Safety Service Training Academy (DPSST), Patriot Hall Community Fitness Program, and Maritime/Fire Training Program. These programs accounted for 62.2% of the net loss in enrollment since spring 2020. Impacts to these programs over which the College had no control included a temporary halt to training at the Motor Lifeboat School due to COVID-19 (per U.S. Coast Guard), all Tongue Point Job Corps students sent offsite due to COVID-19 (per U.S. Department of Labor), Patriot Hall closed to public due to COVID-19 (per Oregon Health Authority), DPSST temporarily halted due to COVID-19 (per the Department of Public Safety and Oregon Health Authority), and employers and agencies no longer sending crews to Maritime and Fire trainings due to CDC travel restrictions and COVID-19. The good news is that these programs should rebound on their own. Excluding the areas unique to CCC accounted for 37.8% of the net enrollment loss since spring 2020. The impact of the CampusNexus Student (CNS) implementation

was calculated using Spring Term 2020 as the control (the term before the CNS “go live”), utilizing an average growth/decline rate based on the previous three years and removing curriculum areas where student do not interact with CNS (Coast Guard, DPSST, etc.). The impact was estimated to be about 20%.

Efforts to adapt include expanding admissions outreach efforts beyond high schools (community-based, volunteer, faith-based organizations, etc.), simplifying admissions processes (completed admissions applications are up about 30% over last year even though total application volume is remaining roughly the same), eliminating the admissions application fee, building more support systems through connecting with community resources (food pantry on campus, STEP program, Career Pathways, workforce, working with Anthology to make Campus Nexus more user friendly for students, shifting financial aid disbursement date to beginning of term, restructuring Advising, Guided Pathways work, enhancing marketing efforts, financial leveraging, offering graduated seniors and rising juniors a free class up to four credits with all tuition, fees, and books paid for (paid through federal HEERF funding), improving online class experience for students, and moving the registration time period earlier so that every student who failed to reenroll from the previous quarter can be contacted. Faculty have put in a lot of effort to encourage their advisees who haven't registered to reenroll.

Financial aid applications in Clatsop County are down over 40%, which includes students going to four-year institutions. There is a labor shortage on the North Coast and wages are rising, so going to work or going to college is a different calculation than in the past.

In response to questions from the Budget Committee, VP Zahn clarified: Requests to the College Foundation for equipment are not included in this budget. It is a separate ask. The purpose of those requests is to enhance existing programs. Anything that is critical for the operation of the program is included in this budget. The Bookstore has moved from under Finance and Operations to Student Services. There is a list of new expenditures that are not included in this budget. If expenditures are added after the budget is adopted, they will be included next year. Funding deferred maintenance will be a challenge. There is a large increase in the Grants/Financial Aid Fund due to the federal HEERF funds. This increase will be seen for the next three years. The College is in a strong financial position. When it comes to HEERF funding, the College has used it to make investments that will really benefit it in the long term, such as faster internet and other technology upgrades.

Chair Duehmig thanked everyone for all the work put into preparing the budget.

VII. BUDGET COMMITTEE DELIBERATIONS

There were no other comments aside from the discussions during the presentation.

VIII. PUBLIC COMMENTS/CITIZENS TESTIMONY

None.

IX. FUTURE MEETING DATE

There were no future meeting dates needed.

X. OTHER

Robert Stricklin **moved that the 2021-22 Clatsop Community College budget in the aggregate of amount of \$45,725,562 for all funds be approved as proposed and that the permanent tax rate of \$.7785 per \$1,000 of assessed value be assessed in support of the General Fund.** Karen Burke seconded. The motion carried unanimously with Dave Zunkel, Tim Lyman, and Nicole Williams absent.

Chair Duehmig asked Vice-President of Finance and Operations JoAnn Zahn for clarification that this budget does not include a tuition increase, COVID surcharge fee, or proposed reduction in faculty. It was just brought to his attention that there is a website called SaveCCC.com which states that the only plan to save the College is to cut faculty, raise tuition, and have a COVID surcharge in fees. VP Zahn confirmed that these statements are not accurate.

XI. ADJOURNMENT

Without further business, the Budget Committee Meeting was adjourned at approximately 9:13 p.m.

Robert Duehmig, Chair

David Oser, Secretary

Pat Schulte, Recording Secretary