

**MINUTES OF THE MAY 5, 2020
CLATSOP COMMUNITY COLLEGE
BUDGET COMMITTEE**

I. CALL TO ORDER

The meeting was called to order by Robert Duehmig at 6:35 p.m.

Budget Committee Members Present: Robert Duehmig, Rosemary Baker-Monaghan, Karen Burke, Anne Teaford-Cantor, Sara Meyer, Robert Stricklin, Al Arp, Kim Shillinger, David Oser, Rachel Jensen. Absent: Nicole Williams, Dave Zunkel, and Tim Lyman. Others Present: Justin Smith, Rinda Johansen, Doris Jepson, Kevin Leahy, Anne Mabee, Kristen Wilkin, Jade Jaconetti, Tina Hayes, Shaun Martin, Jerad Sorber, Margaret Frimoth, Evon Jacobsen, Stephanie Homer, Julie Kovatch, Teena Toyas, 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.

Rosemary Baker-Monaghan **nominated Robert Duehmig as Chair**. Karen Burke seconded. The motion carried unanimously with Nicole Williams, Dave Zunkel, and Tim Lyman absent.

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

III. ADOPTION OF AGENDA

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

IV. INTRODUCTION OF GUESTS

Audience members introduced themselves.

V. APPROVAL OF MINUTES

Robert Stricklin **moved to approve the May 7, 2019 minutes as presented**. Karen Burke seconded. The motion carried unanimously with Nicole Williams, Dave Zunkel, and Tim Lyman absent and Anne Teaford-Cantor abstaining.

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 budget presented this evening is as if the College is going forward with current funding levels. What the next year will bring is unknown but will likely bring a reduction in State funding. The worst case scenario is a reduction between

\$800,000 and \$900,000. It is not reflected in this budget since it is still unknown. There have been conversations around how the College will meet the needs of students while balancing the budget in the event of cuts. Jerad Sorber, VP of Student Success, and Justin Smith, CCC's contracted Institutional Researcher from Linn-Benton Community College, will go over enrollment numbers. Project Manager Shaun Martin will go over the MERTS project. The College is well positioned in terms of its size to respond to the COVID-19 pandemic.

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

Vice President Zahn presented information on YTD 2019-2020 Revenue and Expenditures, Ending Fund Balance Estimate, and FY2020-2021 Budget Development. VP Zahn acknowledged Evon Jacobsen for all her work to bring the budget together considering the challenges with remote working and doing everything through email.

Some highlights of her presentation from the Budget Message included:

Major FY2019-20 adjustments and milestones:

- Revenue
 - Legislative state support approved at \$641 million for the FY2019-21 biennium with \$4.129 million and \$4.218 million, respectively
 - Tuition and fee estimate reflecting 3% increase based on \$3/credit hour tuition increase in FY2019-20
 - Property taxes increasing nearly 4% annually
- Expenditure added after the start of the fiscal year
 - Vice President of Student Success replaced the Dean of Enrollment Services
 - Director of Disability Services position (reorganization)
 - Patriot Hall Classified position
 - Collective bargaining agreements implemented
 - Completed Pay Equity study with minimal adjustments required
 - Classification and compensation study

Oregon Budget Law requires that the budget be approved by the Budget Committee before it moves to the Board of Education for adoption in June. The budget presented is pre-COVID-19. Before COVID, the College was on track for a very strong year. The budget is based on the \$641 million community college allocation from the State. There is not a tuition fee increase for 2020-2021. A pay equity study was completed in the current year with only minimal adjustments. The pay equity study was a legally required process. A classification and compensation study is underway now. There is a proposal for a rollover agreement with the Full-Time Faculty Association. In the current year 2019-2020, the College did not qualify for a Tax Anticipation Note which reflects its ability in the short-term to cover cash flow.

Student enrollment for the current year is estimated at 1,330 FTE which does not reflect reduced enrollment for spring term 2020. Enrollment projected for 2020-2021 is 1,350 FTE because of the economic downturn.

The 2020-2021 General Fund Budget Assumptions included but were not limited to:

REVENUE

- No change in tuition rate at \$105 per credit
- Removed Admission Fee

- State support appropriations based on a \$641 million community college allocation representing \$4.218 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% representing a 1% increase
- Increases for fixed cost items such as utilities and insurance

FY2020-2021 PROPOSED BUDGET

- \$4.795 million in property taxes
- \$3.218 million in student tuition and fees
- \$4.218 million in state support based on a \$641 million community college funding allocation
- \$450,000 in timber revenue
- \$113,100 in other revenue
- \$1.4 million beginning fund balance

Total general fund revenue anticipated before COVID-19 is \$14.195 million. Expenditures will be reduced as more information becomes available to have a balanced budget and target ending fund balance of 15% at June 30, 2021.

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, (21) Grants/Financial Aid which will include CARES Act funding, (41) Unexpended Plant, (42) Plant Fund Debt, (54) Clubs and Organizations, and (60) Non Plant Debt Service. The Auxiliary Fund has a negative fund balance, and there continues to be a budget transfer from the general fund to the auxiliary fund so the balance can be taken care of over the next four to six years. 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.

The College has already received \$422,000 in federal stimulus money. Half is for students and half is for the College. Because the College received less than 500,000, there is an opportunity to receive an additional \$60,000 to \$70,000.

The 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 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. One of President Breitmeyer's initiatives is the program prioritization process which will be useful in deciding how to allocate scarce resources.

A continuation budget is being presented. There are no new positions proposed. The Part-Time Faculty and Classified Association agreements expire in 2023. A rollover of the Full-Time Faculty agreement is under consideration. The admission fee was eliminated which represents about \$12,000 in budget. The application fee was also eliminated which has allowed students to submit their applications and see what kind of financial aid package they

can get. Timber revenue is estimated to be \$1.1 million. Debt service is at \$450,000. The PERS rate has been increased to 23%. The estimated ending fund balance is \$1.4 million. Tuition and fees are on target at this point. Property taxes are at about 100% of budget. Employees have been instructed to not buy anything that is not essential. In a very short period of time, spending has been reduced. For other revenue, the expectation is that the PAC and Josie Peper will sell in the next year.

The coming year will not be normal. The College will need to be flexible whether it's in a remote environment or a combination of remote and in-person instruction. The College is in a strong fiscal position as well as in a strong leadership position with shared governance.

Jerad Sorber, the VP of Student Success, and Justin Smith, the contracted Institutional Researcher from Linn-Benton Community College, presented a PowerPoint on enrollment projections. Prior to COVID, the College was trending to beat 2018-19 enrollment. As of last week, enrollment was down 24% compared to spring of last year. Classes for the Department of Public Safety and Coast Guard were canceled for spring term. They generate FTE but don't generate tuition. There was an aggressive effort at the beginning of the last term for students to register and stay registered. The best guess estimate for enrollment is a decline of 25% per term based on the spring term impact. Factors include remote classes, unemployment rate, reduction in classroom capacity because of social distancing, institutional adaptation, and attitudes toward community college. Summer term will be primarily online. Fall term will be based on what happens with COVID. Until COVID happened, enrollment looked really good. The precipitous drop is in spring term. Otherwise, it would be a really positive year.

Shaun Martin presented an overview of two significant projects underway at the College. The first project is the new Maritime facility on the MERTS campus. The design and specifications are complete. Due to the pandemic, the project is in a pause. Construction was intended to begin in April 2021. It will still proceed if the College has the funding. There are three shovel ready projects – soil stabilization, renovation of the Living Machine, and the Maritime building. The College will not go out for permits until it has the money to proceed. The second project is electric vehicle charging. The College received a grant of \$58,000 to build the charging stations which have two pedestals – one for a rapid charger and one for a slow charger. The stations will be located in the upper parking lot behind Columbia Hall.

VP Zahn continued her presentation. The continuation budget does not reflect anticipated reductions. Potential reductions in state funding won't be known until mid-June. The College will be monitoring all sources of revenue closely, including tuition and fees and property taxes. The College will make adjustments as needed. The goal is still to have a 15% ending fund balance. The budget includes the MERTS project as if it will go forward. Currently, the funds are not in hand. However, if the funds become available the College can't move forward unless it is included in the budget.

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

None.

X. OTHER

Rosemary Baker-Monaghan **moved that the 2020-21 Clatsop Community College budget in the aggregate of amount of \$44,088,135 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.** Anne Teaford-Cantor seconded. The motion carried unanimously with Nicole Williams, Dave Zunkel, and Tim Lyman absent.

XI. ADJOURNMENT

Without further business, the Budget Committee Meeting was adjourned at approximately 8:53 p.m.

Robert Duehmig, Chair

David Oser, Secretary

Pat Schulte, Recording Secretary