

## **Minutes of Budget Committee Meeting May 10, 2023 6:00pm – via Zoom**

### ***Board of Education members in attendance***

Kristin Adams (Chair) (left meeting at 6:45pm), Jeannie Davis (Vice Chair), Dick Running, Sherlyn Dahl, John Sarna, and Jeff Davis

### ***Budget Committee members in attendance***

Pat Malone, Tom Oliver, Lori McKinnon, and Lizdaly Cancel

### ***Staff and Representatives in attendance***

Lisa Avery, Sheldon Flom, Jess Jacobs, Jason Dorsette (joined meeting at 6:30pm), and Elizabeth Droscher

The meeting was called to order by Mr. Malone at 6:03pm

**INTRODUCTIONS** – Introductions of Board of Education, Budget Committee Members, and Linn-Benton Community College staff.

### **ELECTION OF FY 2023-24 PRESIDING OFFICERS** (Mr. Malone)

Mr. Running moved to nominate Pat Malone to be the FY 24 Chair. Mr. Oliver seconded. Motion to approve Pat Malone as Budget Committee Chair was approved unanimously, (10,0)

### **RECOGNITION OF CITIZEN COMMENTS** (Chair Malone)

Chair Malone recognized Jane Sandberg who addressed the Budget Committee and Board of Education regarding Board policies, planned program and staffing reductions.

### **REVIEW OF LOCAL BUDGET LAW AND BUDGET COMMITTEE ROLE** (Mr. Flom)

Mr. Flom reviewed the roles of the Budget Committee noting the ORS reference. The Budget Committee consists of the governing body and equal number of appointed members. Mr. Flom reviewed the responsibility of the Budget Committee. This first meeting is to hear the budget message, receive the budget document, listen to citizen comment, and to review and discuss the proposed budget before them. He reminded everyone that they will be asked to approve the proposed budget at the May 17 meeting, the Board of Education will adopt the approved budget in June following public comment, and the new fiscal year's budget will take effect July 1, 2023. The Budget Committee will be asked to reconvene to conduct adjustments if public funds expended exceed over 10% of the level approved.

### **BUDGET MESSAGE** (President Avery)

President Avery shared that Oregon is in a challenging time for college enrollment. Enrollment continues to be below pre-pandemic numbers. President Avery shared appreciation for emergency funding during COVID and efforts that continue to encourage students to return. President Avery reviewed planned Legislative support which is not at levels that had been hoped for to support community college. The May revenue forecast is expected soon. President Avery discussed proposed 6% tuition increase for next academic year and

conversations being held with student leaders. The hope is to minimize increase in costs pending additional funding received from the State. President Avery shared resources available to students to assist with college affordability. President Avery reported that today is Give Day which is a major fundraising effort on behalf of the college to assist with student emergency funding. Dr. Avery reviewed the difficult budget reductions that were made that impacted programs and staff (reductions realized in the Library, Criminal Justice, and Computer Science) in an effort to maintain the health of the college for generations to come. President Avery shared some downsizing that is being planned for the GED and Adult Basic Skills programs. President Avery shared why decision were made for these programs. In addition to these reductions, there are other positions that will not be filled. Dr. Avery emphasized that the reductions were difficult to make but necessary to meet budget deficits. President Avery concluded with the vision for Linn-Benton Community College with focus on transfer programs/ degree program partnerships, Health programs, and trades/CTE programs. Lastly, President Avery stated that Oregon is going to have to figure out how to fund education more sustainably. President Avery continues, in addition to other LBCC staff, to testify on behalf of the college and stress the importance of State support.

### **REVIEW AND DISCUSSION OF PROPOSED BUDGET DOCUMENTS** (Mr. Flom and Mr. Jacobs)

Mr. Flom reviewed the budget process and planning done. Mr. Flom shared that LBCC has a five-year forecast model.

Mr. Jacobs reviewed areas of presentation which include fund and program review, budget book, non-general funds, budget environment, and budget additions/changes.

Mr. Jacobs shared the LBCC fund structure. The primary source is the general fund. Operational sources include auxiliary, restricted (special projects) and capital fund. Lastly, the pass-through sources include debt service, financial aid, and agency funds. Mr. Jacobs then shared information on program structure. These include student facing (instruction, instructional support, and student services) and operations (college support, plant maintenance, and transfers).

Mr. Jacobs reviewed the budget book structure that will be reviewed in tonight's presentation.

Mr. Jacobs presented current and proposed budget for auxiliary funds (personnel services, materials and services, capital outlay, transfers out, and contingency). The overall change between current and proposed budget for this fund is -8.0%. Mr. Jacobs shared combined net for food service, campus store, and printing services and the losses incurred in each program. Most losses realized due to COVID impact. Mr. Flom shared adjustments being made to improve cost models. Revenue increases also realized by students and staff returning to campus.

Mr. Jacobs reviewed Capital Fund projects. Construction projects include roof replacement and bond projects (Ag Center, Childcare Center, and Benton Center). Funding for these projects is through closeout of debt proceeds, state matching grants, transfer from general fund, and ERC funds. Funding for the 23-24 FY include roof reserve, major maintenance, technology reserve, and general equipment. Mr. Jacobs shared that the instructional equipment funding line has been eliminated from the budget model for this FY.

Mr. Jacobs reviewed notable increases and decreases in restricted funds. Increases were realized in OER, GEER Computer Science, IGNITE-OCT, and Electric Vehicle grants. Notable decreases were seen in the OER GREER II Grant, Career Pathways (Future Ready Oregon), and Equity & Open Ed Faculty Cohort grants.

Lastly, Mr. Jacobs shared an update on passthrough funds which include debt service, financial aid, and agency funds.

Mr. Jacobs shared the General Fund budget environment which reviewed variables of PERS (expected rate decrease for 23-24), State Aid (7% increase for 23-24), Enrollment (projecting flat enrollment for 23-34), and Tuition (6% increase for 23-24). Mr. Jacobs also reviewed reductions (estimated cost reductions of \$1,393.790) and availability of Federal funds. The Employee Retention Credit (ERC) fund plans were presented for college program reinvestment. Mr. Jacobs shared programs supported by the General Fund (instruction, instruction support, student services, college support services, plant operations/maintenance, and transfers). 71.5% of General Fund support of Program is direct student spending.

Mr. Jacobs shared growth assumptions in revenue and expenses. These categories includes revenue projections from tuition, enrollment, State aid, and property tax. Expenses projections included personnel expenses, PERS, Health Insurance, and materials/services.

Mr. Jacobs reviewed the five-year projection model. The 23-25 biennium is estimated to have a net loss of \$45,067.

Mr. Jacobs presented the current budget vs. the proposed budget and projected percentage change. Personnel Services is estimated to increase 2.9%, Materials & Services is estimated to increase 4.4%, Capital Outlay – no expected change, Transfers Out estimated at a decrease of .7%. Overall total requirements estimated at 2.9%.

Mr. Jacobs reviewed personnel expenses included contractual/non-contractual increases, healthcare increase, and PERS (which is estimated to decrease this year).

Mr. Jacobs reviewed the list of approved Budget Enhancements which are targeted, permanent increases to the General Fund based on a campus-wide budget request approval process.

Mr. Jacobs presented information on Strategic Initiatives which is funded at \$400,000 to serve as research and development to encourage LBCC to pursue potential improvements to successful teaching or operational efficiencies.

Mr. Jacobs presented a summary and next steps that highlight projected increases, projects, use of ERC funds, budget enhancements, and first year cost reductions. The Budget Committee will meet again on May 17 to formally approve the budget and the budget will be submitted for Board adoption at their June meeting.

Budget Committee members asked questions and Mr. Flom and Mr. Jacobs provided the inquired information in response.

If there are any other questions between tonight's meeting and May 17, please send them to Elizabeth at [drosche@linnbenton.edu](mailto:drosche@linnbenton.edu) and she will pass them along to Jess and Sheldon for answers.

The college will ask the Budget Committee to approve the full \$159m budget as presented at the May 17, 2023 meeting.

**Adjourned 7:48pm**