

CENTRAL OREGON
community college

BUDGET COMMITTEE MEETING

AGENDA

Wednesday, May 10, 2017 5:45 PM
Christiansen Board Room, Boyle Education Center

		<u>Exh.</u>	<u>Action</u>	<u>Presenter</u>
I.	Call to Order			Freidman
II.	Introduction of Guests			Freidman
III.	Public Hearing and Testimony			Freidman
IV.	Minutes Approval	4	X	Smith
	Budget Meeting – April 12, 2017			
V.	Proposed 2017-18 Budget up-date	5		Dona
VI.	Resolution for Approval			
	Proposed 2017-18 Budget	6	X	Dona
VII.	Adjourn			



Central Oregon Community College
BUDGET COMMITTEE MEETING
MINUTES
Wednesday, April 12, 2017 – 5:45 PM
Christiansen Board Room-Boyle Education Center

PRESENT: Gayle McConnell, Mark Copeland, Patricia Kearney, Richard Hurd, Vikki Ricks, Laura Craska Cooper, Bruce Abernethy, David Ford, Joe Krenowicz, John Mundy, Ron Bryant-Board Attorney, Dr. Shirley Metcalf-President, Julie Smith-Executive Assistant

ABSENT: Tony Dorsch, Doug Ertner, Lester Friedman

CALL TO ORDER: Chair Vikki Ricks called the meeting to order of the 2017-18, Central Oregon Community College Budget Committee.

INTRODUCTION OF GUESTS:

Betsy Julian, Matt McCoy, Ron Paradis, David Dona, Alicia Moore, Jerry Schulz, Dan Cecchini, Zak Boone, Julie Downing, Lisa Bloyer, Jenni Newby, Michael Fisher, Jerry Schulz, Zak Boone, Eddie Johnson-Faculty Forum President, Kathy Smith, Erica Skatvold, Glenda Lantis, Joe Viola, Mary Ann Asson-Batres, Don Doughty, and others.

PUBLIC HEARING AND TESTIMONY:

All Oregon Academic Team (AOAT)

The Board of Directors were introduced to culinary student Dustin Christean and science student Brittney Freeberg, COCC's two 2017 All Oregon Academic Team honorees. Faculty members Wayne Yeatman and Stacey Donohue who nominated them provided the introductions. The students will be attending a luncheon ceremony on April 17 at the state capitol in Salem and will have an opportunity to meet Governor Kate Brown.

The Oregon Community College Association and Phi Theta Kappa are sponsors of the annual event. The AOAT recognizes community college students for their academic achievement, leadership and service.

MINUTES APPROVAL:

Mr. John Mundy moved to approve the Budget Meeting Minutes of March 8, 2017.

Ms. Patricia Kearney seconded. MCU. Approved. M04/17:1

2017-18 PROPOSED GENERAL FUND BUDGET

Mr. David Dona-Chief Financial Officer provided an update on the latest information affecting the key revenue and expenditure assumptions used in the development of the General Fund Budget.

2017-18 PROPOSED NON-GENERAL FUND BUDGETS (Exhibits: 6, 6.a, 6.b)

Mr. David Dona-Chief Financial Officer described the resources and requirements of the nine non-general funds types and provided a PowerPoint presentation reviewing significant activities and changes for each of the nine non-general funds:

- Debt Service Fund
- Capital Project Fund
- Enterprise Fund
- Internal Service Fund
- Reserve Fund
- Special Revenue Fund
- Auxiliary Fund
- Financial Aid Fund
- Trust & Agency Fund.

Mr. Dona noted that each of the nine funds have a specific purpose as defined by local budget law and governmental accounting standards. The primary budget objective is to ensure adequate appropriation authority and compliance to the funds specific operating parameters. Each program or activity within the non-general funds is required to be self-balancing and expenditures cannot exceed available resources.

The Summary of Interfund Transfers, which summarizes the total transfers by fund, was provided.

BUDGET CALENDAR:

The next Budget Committee Meeting is scheduled for Wednesday, May 10, 2017 at 5:45 PM in the Christiansen Board Room, Boyle Education Center – Central Oregon Community College.

Chair Ricks adjourned the Budget Committee Meeting.

ADJOURN: 7:00 PM

APPROVED;

ATTEST TO;

Ms. Vikki Ricks, Chair of Board of Directors

Dr. Shirley I. Metcalf, President



May 2017 Budget Committee Meeting

- Current Year Budget Update
- Revenue/Expenditure Forecast (*REF: 1.1*)
- 2017-18 Proposed Budget Review

General Fund Budget vs. Projected (REF: I.1)

General Fund		Fiscal Year 2016/17				
Budget vs. Projected						
	%	Budget 2016/17	%	Projected 2016/17	Change \$	Change %
Revenue and Support:						
1. State Aid	21%	\$ 9,439,000	22%	\$ 9,463,487	\$ 24,487	0.3%
Property Taxes						
2. Current Year Taxes	34%	15,052,000	34%	14,852,604	(199,396)	-1.3%
3. Prior Year Taxes	1%	577,000	1%	502,000	(75,000)	-13.0%
Total Public Resources (1,2,3)	57%	25,068,000	57%	24,818,091	(249,909)	-1.0%
4. Tuition	33%	14,462,000	35%	15,245,488	783,488	5.4%
5. Fees	5%	2,141,000	5%	2,069,637	(71,363)	-3.3%
Other Revenue & Transfers-in						
6. Interest /Program/ Miscellaneous	0.6%	252,000	0.5%	197,000	(55,000)	-21.8%
7. Transfers-in	5%	2,299,300	2%	951,250	(1,348,050)	-58.6%
8. Subtotal	100%	\$ 44,222,300	100%	\$ 43,281,466	\$ (940,834)	-2.1%
Expenditures:						
9. Salaries	49%	\$ 22,701,038	50%	\$ 21,757,267	\$ (943,771)	-4.2%
10. Payroll Assessments	29%	13,703,400	28%	11,904,018	(1,799,382)	-13.1%
11. Material & Services	16%	7,524,642	16%	6,728,819	(795,823)	-10.6%
12. Capital Outlay	0.3%	160,964	0.4%	163,628	2,664	1.7%
13. Transfers-out	6%	2,659,733	6%	2,659,733	-	0.0%
14. Subtotal	100%	\$ 46,749,777	100%	\$ 43,213,465	\$ (3,536,312)	-7.6%
15. Underutilization				0		
16. Operating Surplus (Deficit)		\$ (2,527,477)		\$ 68,001	\$ 2,595,478	102.7%
17. Transfers-out: Supplemental				0		
18. Surplus (Deficit)		\$ (2,527,477)		\$ 68,001	\$ 2,595,478	102.7%
19. Ending Balance 06/30				\$ 5,944,189	14%	
20. Required 10% Reserve Requirement				\$ 4,321,346	10%	

General Fund Revenue/Expenditure Projection (REF: I.1)

<i>In Thousands (000's)</i>	2011/13 BIENNIUM		2013/15 BIENNIUM		2015/17 BIENNIUM		2017/19 BIENNIUM		2019/21 BIENNIUM	
	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Revenue and Support:										
1. State Aid:	\$ 5,333	\$ 4,819	\$ 6,740	\$ 7,577	\$ 9,411	\$ 9,463	\$ 8,792	\$ 8,336	\$ 8,970	\$ 8,686
Property Taxes										
2. Current Year Taxes	11,651	11,699	12,398	13,381	14,221	14,853	15,573	16,297	17,030	17,797
3. Prior Year Taxes	714	761	517	487	458	502	536	553	569	586
4. Total Public Resources (1,2,3)	17,698	17,279	19,655	21,445	24,090	24,818	24,902	25,186	26,570	27,070
5. Tuition	16,243	17,167	16,958	15,477	14,986	15,245	15,227	15,628	16,189	16,926
6. Fees	1,636	2,063	2,075	1,736	1,778	2,070	2,089	2,152	2,238	2,352
Other Revenue & Transfers-in										
7. Interest / Program / Miscellaneous	129	110	83	11	10	197	202	205	207	210
8. Transfers-in	0	753	305	1,214	0	951	2,280	2,280	1,830	1,830
9. Subtotal	\$ 35,706	\$ 37,373	\$ 39,076	\$ 39,883	\$ 40,864	\$ 43,281	\$ 44,699	\$ 45,450	\$ 47,034	\$ 48,387
Expenditures:										
10. Salaries	\$ 18,208	\$ 19,329	\$ 20,201	\$ 20,738	\$ 21,091	\$ 21,757	\$ 23,326	\$ 23,909	\$ 24,507	\$ 25,120
11. Payroll Assessments	9,121	9,900	10,642	11,106	11,554	11,904	13,081	13,512	14,669	15,178
12. Materials & Services	4,566	4,792	5,259	5,364	5,152	6,729	6,840	7,000	7,165	7,334
13. Capital Outlay	558	319	224	242	186	164	155	155	155	155
14. Transfers-out: Operating	2,860	2,956	2,685	2,355	2,602	2,660	2,145	2,596	2,888	2,932
15. Subtotal	\$ 35,313	\$ 37,296	\$ 39,011	\$ 39,805	\$ 40,585	\$ 43,214	\$ 45,546	\$ 47,173	\$ 49,385	\$ 50,719
16. Underutilization							(869)	(892)	(930)	(956)
17. Operating Surplus (Deficit)	\$ 393	\$ 77	\$ 65	\$ 78	\$ 279	\$ 68	\$ 22	\$ (831)	\$ (1,420)	\$ (1,376)
18. Transfers-out: Supplemental	375	100								
19. Surplus (Deficit)	\$ 18	\$ (23)	\$ 65	\$ 78	\$ 279	\$ 68	\$ 22	\$ (831)	\$ (1,420)	\$ (1,376)
20. Ending Balance 06/30						\$ 5,944	\$ 5,965	\$ 5,134	\$ 3,714	\$ 2,338
21. Reserve Requirement (10%)						\$ 4,321	\$ 4,555	\$ 4,717	\$ 4,938	\$ 5,072

Changes to 2017-18 Proposed Budget

General Fund

Resources:

- 1) Decrease in tuition and fees \$153,000 reflecting lower enrollment base from 2016-17.
- 2) Decrease in program income \$3,640 due to lower levels of program activity.

Requirements:

- 1) Move CPS position from Regional Services Redmond to Campus Public Safety and increase position from classified part-time (.75 FTE) to classified full-time (1 FTE).
- 2) Increase in other financial aid \$25,000 to reflect increasing levels of tuition waivers.
- 3) Reduce transfers-out to Innovation (Auxiliary Fund) \$50,000 and Repairs & Maintenance (Capital Projects Fund) \$120,000. Innovation will be funded through current year budget savings and Repair & Maintenance will be funded through a transfer from the Bookstore Construction Fund.

Auxiliary Fund

Innovation Fund

Resources:

- 1) Increase in beginning balance \$50,000.
- 2) Decrease in transfers-in \$50,000.

Capital Projects Fund

Bookstore Construction Fund

Requirements:

- 1) Increase in transfers-out to Repair & Maintenance Fund \$120,000.
- 2) Decrease in capital outlay \$120,000.

General Fund Resources Changes

General Fund Resources Summary:				
	March Proposed 2017/18	May Proposed 2017-18	\$ Change	% Change
Property Tax				
Current year	\$ 15,573,000	\$ 15,573,000		
Prior year	536,000	536,000		
Tuition & Fees	17,469,000	17,316,000	(153,000)	-1%
State and Federal Sources				
State Aid for Operations	8,792,000	8,792,000		
Federal Grants				
Other Sources				
Interest Income	5,000	5,000		
Miscellaneous income	110,000	110,000		
Program Income	90,640	87,000	(3,640)	-4%
Transfers from Other Funds				
Interfund Transfers-In	2,280,000	2,280,000		
Total	\$ 44,855,640	\$ 44,699,000	\$ (156,640)	-0.3%
Beginning Fund Balance	5,896,000	5,896,000	-	0.0%
Total Resources	\$ 50,751,640	\$ 50,595,000	\$ (156,640)	-0.3%

General Fund Requirements Changes

General Fund Requirements Summary:				
	March Proposed 2017/18	May Proposed 2017-18	\$ Change	% Change
Administrative Salaries - Full Time	\$ 2,795,797	\$ 2,795,797		
Other Taxable Compensation	39,660	39,660		
Taxable Mileage Allowance	115,514	115,514		
Administrative Salaries - Part Time	42,346	42,346		
Faculty Salaries - Full Time	8,260,625	8,260,625		
Faculty Salaries - Part Time	1,941,138	1,941,138		
Faculty Salaries - Adjunct	1,219,807	1,219,807		
Classified Salaries - Full Time	4,126,198	4,160,759	34,561	0.8%
Classified Salaries - Part Time	392,448	362,514	(29,934)	-7.6%
Irregular Wages	935,080	935,080		
Professional/Non-Managerial	3,119,559	3,119,559		
Professional/Non-Managerial - Part Time	333,435	333,435		
Payroll Assessments	14,094,295	14,100,551	6,256	0.0%
Materials and Supplies	1,448,050	1,448,050		
Outside Services	3,618,160	3,618,160		
Utilities	1,445,228	1,445,228		
Administrative Travel	197,868	197,868		
Professional Travel/Development	273,965	273,965		
Student Field Experience	111,229	111,229		
Repair and Replacement	160,885	160,885		
Insurance	271,333	271,333		
Other Financial Aid	87,897	112,897	25,000	28.4%
Capital Outlay	50,000	50,000		
Library Capital	105,000	105,000		
Transfers Out	2,314,660	2,144,660	(170,000)	-7.3%
Requirements	\$ 47,500,177	\$ 47,366,060	\$ (134,117)	-0.3%
Ending Fund Balance	3,251,463	3,228,940	(22,523)	-0.7%
Total Requirements	\$ 50,751,640	\$ 50,595,000	\$ (156,640)	-0.3%

Auxiliary Fund Changes

Auxiliary Fund:				
	April Proposed 2017/18	May Proposed 2017/18	\$ Change	% Change
Resources				
Beginning Fund Balance	\$ 3,169,981	\$ 3,219,981	50,000	1.6%
Tuition and Fees	293,656	293,656		
Grants and Contracts	5,000	5,000		
Other Income	484,500	484,500		
Sales of Goods and Services	28,000	28,000		
Program Income	780,593	780,593		
Donations	53,772	53,772		
Interest Income	25,279	25,279		
Transfers In	222,687	172,687	(50,000)	-22.5%
Total Resources	\$ 5,063,468	\$ 5,063,468	\$ -	0.0%
Requirements				
Personnel Services	\$ 524,004	\$ 524,004		
Material and Services	1,376,123	1,376,123		
Capital Outlay	265,900	265,900		
Transfers Out	642,872	642,872		
Ending Fund Balance	2,254,569	2,254,569		
Total Requirements	\$ 5,063,468	\$ 5,063,468	\$ -	0.0%

Capital Projects Fund Changes

Capital Projects Fund:				
	April Proposed 2017/18	May Proposed 2017/18	\$ Change	% Change
Resources				
Beginning Fund Balance	\$ 5,979,000	\$ 5,979,000		
Interest Income	57,540	57,540		
Transfers In	1,350,051	1,350,051		
Total Resources	<u>\$ 7,386,591</u>	<u>\$ 7,386,591</u>	<u>\$ -</u>	<u>0.0%</u>
Requirements				
Personnel Services	\$ 85,416	\$ 85,416		
Material and Services	1,967,122	1,967,122		
Capital Outlay	3,532,292	3,412,292	(120,000)	-3.4%
Transfers Out	540,090	660,090	120,000	22.2%
Ending Fund Balance	1,261,671	1,261,671		
Total Requirements	<u>\$ 7,386,591</u>	<u>\$ 7,386,591</u>	<u>\$ -</u>	<u>0.0%</u>

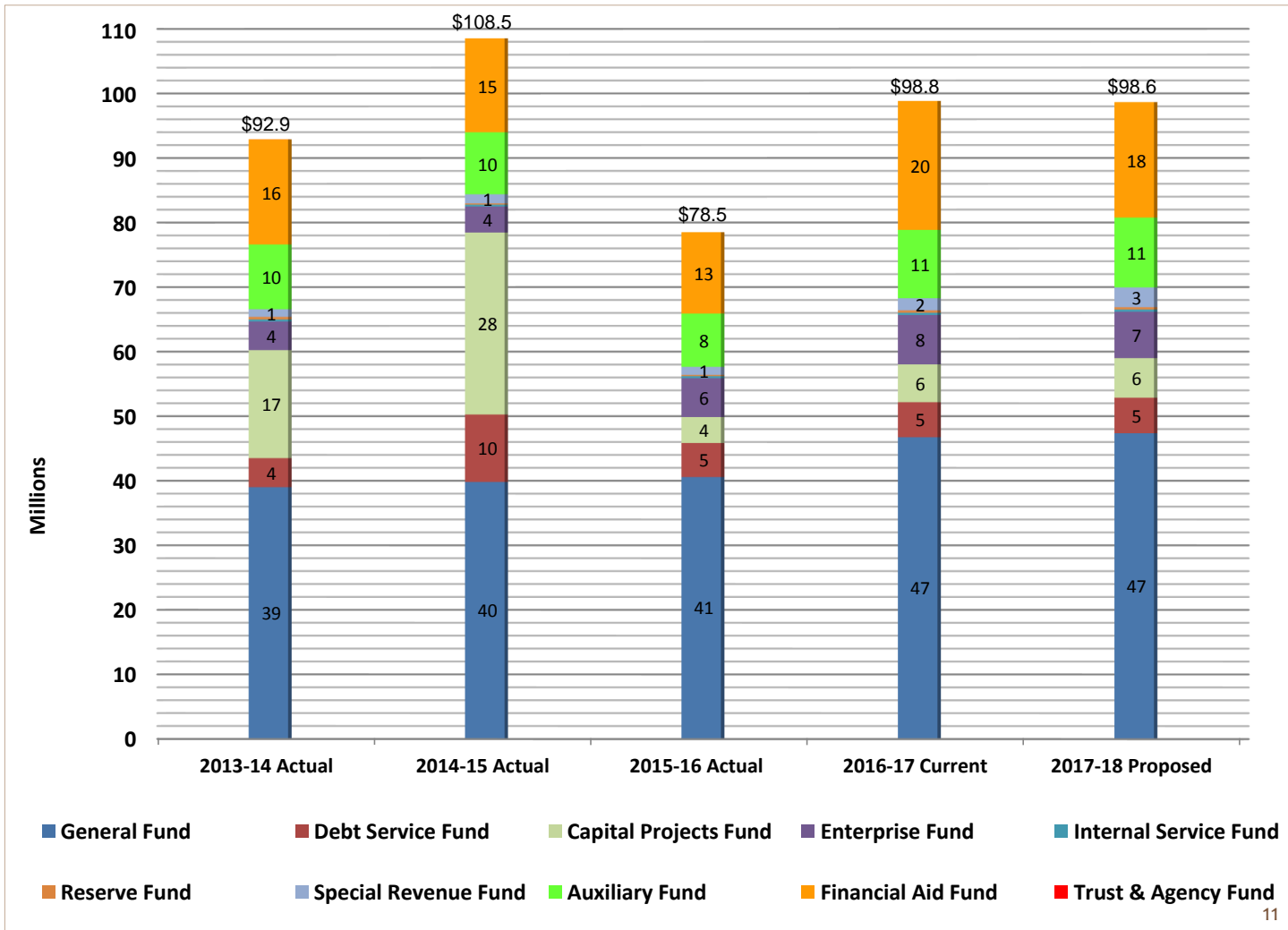
General Fund Department Changes ($\geq 10\%$)

		Fiscal Year	Fiscal Year			
		2016 - 17	2017 - 18			
		Current	Proposed			
#	Department	Budget	Budget	\$ Change	% Change	Key Changes
1	Chemistry	\$ 457,864	\$ 506,984	\$ 49,120	10.7%	Add second adjunct position.
2	Health & Human Performance Office	\$ 175,883	\$ 194,382	\$ 18,499	10.5%	Increase Instructional Coordinator position to full time.
3	Medical Assisting	\$ 130,258	\$ 211,119	\$ 80,861	62.1%	Temporary Instructor of Medical Assisting.
4	Ponderosa Office	\$ 64,414	\$ 104,783	\$ 40,369	62.7%	New classified part time position (.75) to support EMS program.
5	Health Information Technology	\$ 285,928	\$ 254,378	\$ (31,550)	-11.0%	Salary savings due to faculty retirement.
6	Aviation Program	\$ 266,560	\$ 299,129	\$ 32,569	12.2%	Increased part time faculty budget.
7	Regional Credit Instruction-Madras	\$ 66,346	\$ 47,154	\$ (19,192)	-28.9%	Reduced part time faculty budget.
8	Regional Credit Instruction-Prineville	\$ 59,022	\$ 41,718	\$ (17,304)	-29.3%	Reduced part time faculty budget.
9	Regional Credit Instruction-Redmond	\$ 129,965	\$ 92,932	\$ (37,033)	-28.5%	Reduced part time faculty budget.
10	Instructional Deans	\$ 800,274	\$ 627,376	\$ (172,898)	-21.6%	Split part of activities into new department (see number 11)
11	Curriculum and Assessment	\$ -	\$ 216,400	\$ 216,400	100.0%	Establish new department of Curriculum and Assessment (see number 10)
12	Legal, Audit and Professional Services	\$ 73,080	\$ 83,183	\$ 10,103	13.8%	Increases in auditing and actuarial fees.
13	General Institutional Support	\$ 757,119	\$ 510,543	\$ (246,576)	-32.6%	Reduced transfers-out and funds used for classified salary survey pay adjustments.
14	Custodial Services	\$1,205,702	\$1,333,922	\$ 128,220	10.6%	Move two positions from former OSU-Cascades Hall fund to general fund
15	Fire & Boiler Insurance	\$ 115,650	\$ 129,485	\$ 13,835	12.0%	Increase in insurance costs.
16	Maintenance of Grounds	\$ 437,248	\$ 487,542	\$ 50,294	11.5%	Move position from Custodial to Grounds.
17	Plant Additions	\$ 517,920	\$ 208,530	\$ (309,390)	-59.7%	Reduced transfers-out to New Construction and Repair/Replacement.
18	Prineville Campus Infrastructure	\$ 65,280	\$ 39,648	\$ (25,632)	-39.3%	Reduction of operating expense budget.

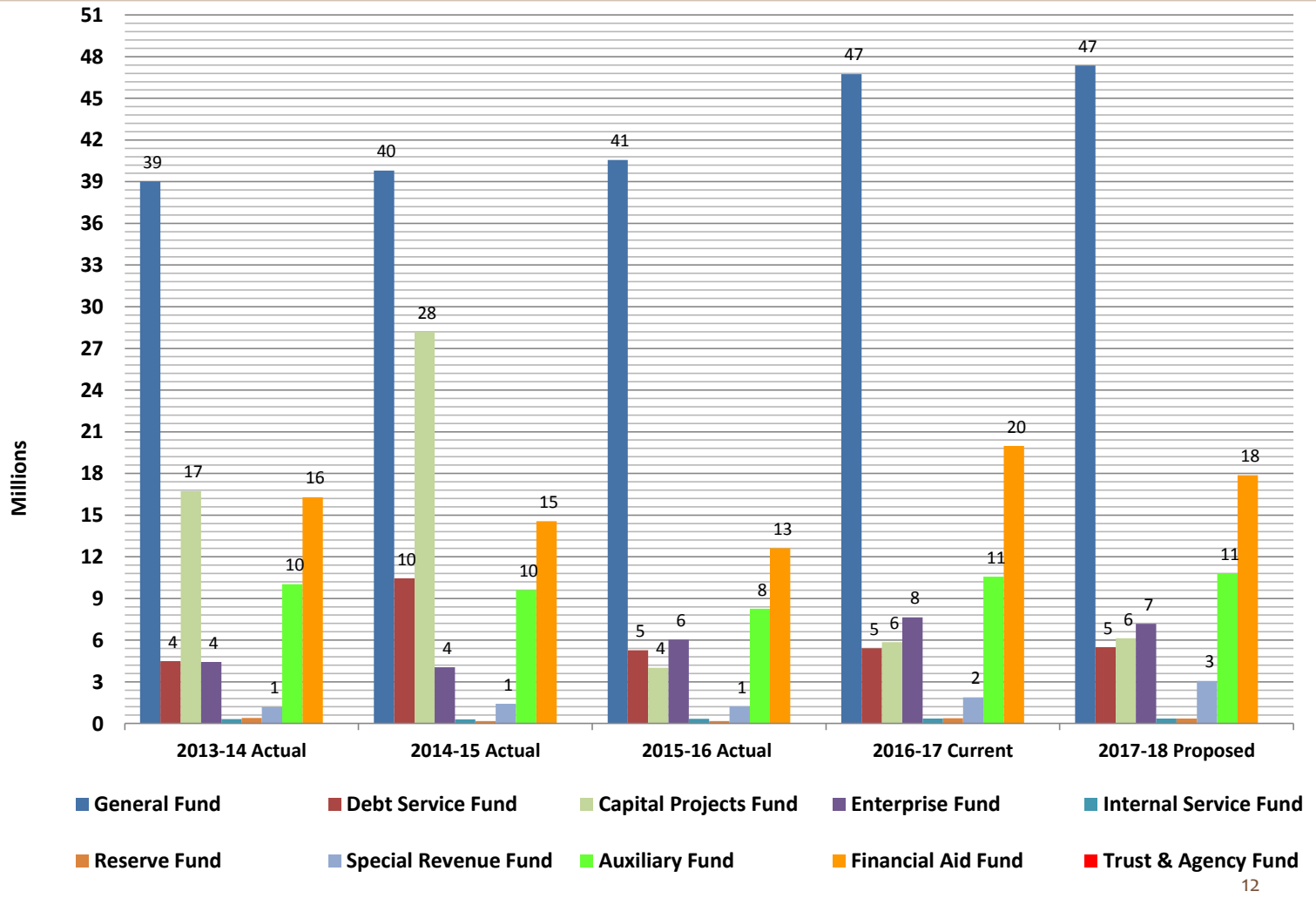
Comparison of Proposed to Current Year Budget Expenditures

	Fiscal Year 2016/17	Fiscal Year 2017/18		
	Current	Proposed		
Funds	Budget	Budget	\$ Change	Key Changes
General Fund	\$ 46,749,777	\$ 47,366,060	\$ 616,283	<i>Increases in personnel services (\$1.0M) and materials & services (\$115K), net of decreases in transfers-out (\$515K)</i>
Debt Service Fund	5,418,775	5,498,184	79,409	<i>Increase in principal payments (\$91K), net of decrease in interest payments (\$12K).</i>
Capital Projects Fund	5,861,000	6,124,920	263,920	<i>Increases in Bookstore Construction (\$161K), New Construction (\$15K), and Higher Ed. Building Maintenance (\$275K), net of reductions to Cascades Hall (\$156K) and Repair and Replacement (\$31K).</i>
Enterprise Fund	7,635,132	7,184,486	(450,646)	<i>Increases in Wickiup RH (\$6K), RH Summer Programs (\$24K), RH Technology Reserve (\$20K), Food Services (\$13K) and Juniper Hall (\$1K), net of decrease in Bookstore (\$514K).</i>
Internal Service Fund	360,208	350,196	(10,012)	<i>Decreases in Centralized Services (\$6.5K) and Copier Activities (\$3.5K).</i>
Reserve Fund	371,500	360,000	(11,500)	<i>Decrease in materials and services (\$11.5K).</i>
Special Revenue Fund	1,875,816	3,062,375	1,186,559	<i>Increase in Federal Grants (\$567K), State Grants (\$30K), Other Grants(\$5K), Contracts (\$84K), and New Programs (\$500K).</i>
Auxiliary Fund	10,578,270	10,817,917	239,647	<i>increases in Non-General Fund Instruction (\$321K) and Contractual & Administrative Provisions (\$65K), net of decreases in Self-Sustaining Activities (\$25K) and Revolving Activities (\$122K).</i>
Financial Aid Fund	19,976,606	17,880,190	(2,096,416)	<i>Increase in State Aid (\$1.7M), Institutional Aid (\$150K), net of decrease to Federal Aid (\$3.9M).</i>
Trust & Agency Fund	3,000	7,000	4,000	<i>Increase to material and services (\$4K) for scholarships.</i>
Total of All Funds	\$ 98,830,084	\$ 98,651,328	\$ (178,756)	

Budget History Graph



Budget History Graph By Fund Type



Fiscal Safety Measures, Contingencies and Compliance

- | |
|---|
| ✓ Retain the General Fund's reserve as required 10% (~13%) |
| ✓ Manage fiscal years 2016-17 and 2017-18 to balanced operating positions |
| ✓ General Fund budget includes \$800K operating contingency |
| ✓ Conservative revenue projections (tuition, state aid and net property tax) |
| ✓ Conservative expenditure projections (health insurance, PERS, personnel services, and operating) |
| ✓ All long-term obligations are in full compliance with debt covenants and continuing disclosure requirements |
| ✓ Adequate spending appropriation for financial aid, grants and contracts |
| ✓ Adequate reserves for facilities maintenance, repairs and information technology |

Budget Committee Budget Approval

- ✓ Are there any questions about the assumptions and implementation of the 2017-18 Proposed Budget?

If not, the Budget Committee is now asked to approve the 2017-18 Fiscal Year Budget including the property tax rate and general obligation bonds property tax levy.

