
Rogue Community College Budget Committee Meeting Minutes
April 21, 2015

1. **Call to Order** – Pat Ashley, Chair, Rogue Community College (RCC) Board of Education, called the meeting to order at 3:00 p.m. on Tuesday, April 21, 2015, at the RCC/SOU Higher Education Center, 101 S. Bartlett, rooms 127 and 129, Medford. Due notice was given.

2. **Determine Presence of Quorum** – A quorum was confirmed with the following committee members in attendance: Pat Ashley, Darlene Dart, Ron Fox, James Patterson, Midge Renton, Dick Rudisile, Kevin Talbert, Dawn Welch, Dean Wendle and Joseph Zagorski

Absent: John Anhorn, Brett Johnson, Tim Johnson, Sharon Work and Jerry Work

3. **Introduction of Guests** – RCC District employees: Peter Angstadt, Kori Ebenhack-Bieber, Linda Renfro, Curtis Sommerfeld, Lisa Stanton and Denise Nelson.

4. **Appoint Budget Committee Chair for Budget Process**

Budget Committee member Dawn Welch was appointed to serve as the 2014/15 Committee Chair. Ms. Welch accepted the appointment.

5. **Review Budget [Oregon Budget Law, Chapter 294 (Oregon Revised Statutes)]**

A. Review 2015/16 Budget Process

President Angstadt indicated, as in previous years, a key item to the 2015/16 budget includes the amount of community college support funding from the State of Oregon. We are anticipating \$535 million for Oregon community colleges but are trying for \$550 million. The Ways and Means Committee will be holding a public hearing in Grants Pass on Saturday, April 25. In regard to enrollments, actual student full-time equivalency (FTE) at RCC is declining. Student headcount has increased, however, FTE has declined. More students are attending RCC but are taking fewer courses. We are projecting an 8% loss in student FTE which equates to an approximate \$1.1 million decline in revenues. Peter would like to set a targeted goal to cut this decline in half. To do this, he is discussing placing a hold on open positions. (Note: This is not an elimination of positions.) A reduction in student FTE is unfortunately a current statewide community college trend.

Curtis Sommerfeld, Chief Information Officer/Vice President of College Services welcomed everyone to the meeting and indicated the 2015/16 Budget information will be accessible via RCC's website at https://www.roguecc.edu/Budget/2015_16/Proposed/ upon conclusion of the meeting. Mr. Sommerfeld introduced Lisa Stanton, Chief Financial Officer (CFO), and thanked the Budget & Financial Services Team for their work in preparing the proposed budget.

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Ms. Stanton described the role of the Budget Committee:

April Meeting

- Receive the Budget Message
- Review the Proposed Budget
- Provide input
- Provide opportunity for citizen input

May Meeting

- Review the Approved Budget
- Provide opportunity for citizen input
- Approve tax rate
- Approve budget, recommending it to the Board for Adoption

B. Budget Message

The introduction of the 2015/16 Budget Document contains the Budget Message from the College President and the Budget Officer/Chief Financial Officer. It states that a balanced budget is being presented in accordance with Oregon State Budget Law and that the Proposed Budget is aligned with the College's Strategic Plan, Achievement Compact and operational needs. College-wide participation has been instrumental in the budget process.

C. Review Proposed Budget 2015/16

Lisa Stanton presented the proposed budget to the committee utilizing an electronic presentation (see hard copy on file) in addition to the 2015/16 Proposed Budget document. She reviewed the document titled "RCC General Fund Projections – Proposed Budget, Community College Support Fund (CCSF) - \$535 Million" dated April 21, 2015. The amount of community college support funding from the State of Oregon will not be known until after the State's Revenue Forecast is released in May. Ms. Stanton reviewed page 10 (of the 2014-15 Proposed Budget book) titled "RCC General Fund Summary of Resources and Requirements."

General Fund – Revenue Assumptions

State Operations

- \$535 million Community College Support Fund

Property Taxes

- 3% increase

Tuition

- 8% decrease in enrollment from 2014/15
- \$4/credit tuition increase

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Transfers In

- \$1.2 million from College Services Fund

As the General Fund Revenue as a % of Total from Fiscal Year (FY) 2007 to FY2016 graph was reviewed, it was noted the green (All Other Revenue) and blue (Beginning Fund Balance) categories were accidentally flipped. Staff will update to reflect the correct color/category.

General Fund – Expenditure Assumptions

Personnel

- Exempt and Classified increased by 3.5%, pending final bargaining outcome
- FT Faculty salary schedule increased by 2.08% to state wide average, plus one step
- Positions held unfilled but budgeted at approximately \$744,000
- PT Faculty decrease of 4% for enrollment decline; increased 2.08% for faculty salary adjustments
- Student employment budget increases 3% from 2014/15 current budget

Other Personnel Expenditures

- Health Insurance – 6% increase
- PERS – approximately 8.8%

Materials & Services and Capital

- 11% decrease in District M&S
- 1% increase in Department M&S & Capital

Transfers Out – Page 69 of the 2015-16 budget book. \$250,000 has been set aside for the Entrepreneurial Fund. Although modest, this would allow for entrepreneurial focuses, possibly around athletics (since the college has recently joined the Northwest Athletic Conference). Another possible focus is with the RCC Illinois Valley Business Entrepreneurial Center (IVBEC). Many people in the Illinois Valley are food growers. This would be a possible way to get a production-level, FDA certified kitchen in the Illinois Valley area. Dr. Talbert commented, although he is grateful to see funds dedicated to the Entrepreneurial Fund, he is disappointed in the dollar amount allocated. He would prefer to be bolder and less conservative in this area. He recommended placing an increased amount as a placeholder in the event the State of Oregon increases support funding to \$550 million. It was noticed a contingency budget line item does not require supplemental budget approval.

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Future Year Assumptions

- Enrollments are expected to continue to decline
- The Community College Support Fund formula may change in the second year of the biennium
- PERS is expected to increase 3-6% in the 2017/19 biennium

The Affordable Care Act was discussed. Staff will check to see if “multiple employers” is an issue.

Questions regarding this presentation can be addressed to Curtis Sommerfeld or Lisa Stanton:

Mr. Sommerfeld – (541) 956-7238; curt@roguecc.edu

Ms. Stanton – (541) 956-7024; lstanton@roguecc.edu

6. **Public Comment** – None
7. **New Business** – None
8. **Adjournment** – Ms. Welch adjourned the meeting at 4:00 p.m.

Meeting minutes submitted by Denise Nelson, Assistant to the President and Board of Education