



Rogue Community College
Budget Advisory Team

January 29, 2018

1:30 p.m.

Redwood Campus, Room H-2



Attendance: **ASGRCC Representatives:** Uriah Barrows, Jennifer Cunningham, Eric Gardner, Amy Grove, Dasha Matt, Thomas Welch, **Staff:** Navarro Chandler, Chelsea Daugherty, Amy Durst, Kori Ebenhack, Jodie Fulton, Sierra Gilkey, Natalie Herklotz, Cathy Kemper-Pelle, Anna Manley, Rene McKenzie, Rose Passione, Teresa Rivenes, Laurie Roe, Terrie Sandlin, Jodie Simons, Teri Smith, Curtis Sommerfeld, Lisa Stanton, Shannon Van Lehn, Cessa Vichi, Linda Wagner, Grant Walker, Jeanie Wood

1. Financial Status and Budget Projection

2016/17 CAFR

The Comprehensive Annual Financial Report (CAFR) for FY16/17 will be on Rogue's budget website soon. BAT minutes and other information will also be posted. The budget audit has concluded positively. Independent auditors noted two inconsequential findings regarding internal controls around 2 federal grants. Both were corrected, one prior to the finding. Thanks again to RCC staff's excellent work in following all of our procedures. The College received a clean audit opinion.

2017/18 Current Year Projections

- A. We are projecting around \$650,000 less in tuition revenue than originally budgeted due to enrollment declines of approximately 1.7%. RCC has 3 major funding sources: 1) tuition & fees, 2) property taxes, and 3) Community College Support Fund (CCSF). CCSF provides funding based on FTE. When FTE goes down, so does funding. Our portion of CCSF funds increased by \$834,000 this biennium due to the increase in the CCSF from \$550 to \$570. However, our overall percent of the CCSF has decreased. We are projecting \$4.3M for an ending fund balance at the end of this FY. However, it is early in winter term and these are just projections.
- B. Ways to keep FTE stable include student retention and access for students. We try to keep class schedules open for students as far and as wide as possible. Executive Team is also talking about disproportional enrollment and is looking at our applications for programs. Enrollment at students' desired full-time level is a challenge.



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- C. When RCC works on budget, we always look ahead two fiscal years, so this time around we will look at 2018-19 and 2019-20. Our two-year projection assumes the ending fund balance will roll into the following year, supporting the expenditures.
- D. Regarding the state's budget, we are in the second year of the biennium, with a shorter legislative session. There are not a lot changes; however, Measure 101 did pass. There could be a bit more money on the table for the state due to the bill's passage. While RCC will not count on any additional funding, we will certainly lobby for additional funding in this biennium. When the legislature goes into full session, for the 2019-21 biennium, the College will lobby aggressively for more money. Lobbying activities include students, and those attending today reported some training and related activities towards their lobbying efforts.
- E. When asked if Rogue is worried about the end of the SOHOPE grant, management replied that it is not too early to begin looking at concerns around that.
- F. The remainder of assumptions are as they have usually been. our assumption assumes a tuition increase for each of the next two years and a continuing decline in enrollment, at around 4%

2. 2018/19-2019/20 Forecast

State Impacts

Students have talked quite a bit about Measure 101, and again, have been learning a lot about how to lobby. Much of the measure pertains to health insurance, but some of it impacts the general fund. Measure 101 is primarily for persons on Medicaid, but it also impacts university students who must verify they have coverage. If they do not, they would be required to purchase the university's plan, and that is taxed.

Proposed Changes

- A. Lisa commented on a recent decision from the Oregon community colleges utilizing Rogue Net to change to a new ERP (Enterprise Resource Planning) system. The ERP will encompass the majority of computerized functions for RCC.
- B. RCC is in the final stages of vendor selection for its ERP. It has budgeted approximately \$500,000 for the new system that should be purchased next year.



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- C. The cost of a new system comes in at a significantly higher price than anticipated, so the \$500,000 budgeted for it will be set aside to help with next year's cost. The cost of implementing the system the first year will cost substantially more than \$500,000. An estimate would be slightly above \$1M.
- D. The ongoing cost after that first year is expected to be significantly lower. Bear in mind we have not yet selected the system and are still in negotiations; therefore, the figures mentioned are estimates only. In order to keep costs down, the hope is to do this as part of a consortium of state community colleges.
- E. Regarding Rogue's budget for the coming fiscal year, we have just begun the process. We begin with a three-year look-back and start with zero-based cost for all district-wide expenses.

3. BAT-R

- A. There was a request last year to implement an energy conservation fee. The suggestion was a fee anywhere from 50 cents to \$5 per term. After consideration, BAT-R denied the request. This was because the College already has an Energy Program in place.
- B. Regarding the distance education fee, we now charge \$10 per credit, up to \$40 per class. We realize that a majority of courses at Rogue will have a component of Blackboard built in, with continued costs for this resource. BAT-R is recommending a \$2 increase to the technology fee for all students. The distance education fee would remain the same.
- C. BAT-R will discuss in-district tuition soon. Two Oregon community colleges have already made decisions to increase their tuition to \$111. The other schools are still under discussion.
- D. Rogue is positioned in the top one-third in terms of tuition cost as of now. Where our standing will be next year remains to be seen. It is useful to know that many colleges charging lower tuition have higher fees course fees. These fees remain uncounted in the comparison, and are thus effectively hidden from view.



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- E.** In answer to the question of whether enrollments decrease when tuition costs increase, we have not seen any statistical correlation to that effect. As to what that threshold might be for students, we hope never to find out. We always want to find that point where our tuition level does not make it any harder than is necessary for students to handle.
- F.** Our budget calendar has tuition and fees resolutions going to the Board for a first reading on February 27th. BAT-R will be meeting prior to that to discuss tuition and fee levels for the coming fiscal year. After meeting, it will take its recommendations to BAT, then to E-Team (Executive Team), and then on to the Board. We will also hold BAT-Forums and meet with ASGRCC prior to the February board meeting.
- G.** Budget Advisory Team exists to allow Lisa to communicate to the group, and for the group to communicate out to the community. The forums also serve that purpose along with hearing suggestions about expenditure-cutting and other things that people can do to help. Meanwhile, we will continue posting BAT minutes on the website through the budget process that goes to the end of June. Keep checking back on our website, and blog.
- H.** In addition to BAT-R, there are two more subcommittees of BAT: BAT-E (Expenses); and BAT-F (Forums). Forums will be scheduled soon on all three campuses. Please attend if you can. If you are interested in serving on either BAT-E or BAT-F, please let Lisa know.

4. Other

- A.** There was a discussion about open educational resources (OERs) that help reduce the cost of textbooks. Rogue is continuing to work on improving this project to help reduce students' costs. Curt and Lisa are tracking how this project is doing by looking at the bookstores. We have a long way to go, but one example of progress is that with some new OER math books, the math labs are free. We have more rentals and used books now as well.
- B.** Students have been contacting other community colleges about the ERP. Students are hosting events in coordination with OCCA and will have other community college representatives present at Rogue on March 3 and 4. OSLAP (Oregon Student Leadership and Activities Professionals) is also participating. This is a group that includes advisors and academicians who report to OCCA.



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Students mentioned House Bill 2666, Gives community college recognized student government authority to establish process and allocate mandatory student-initiated fees, subject to refusal under certain circumstances by board of education of community college district or president of community college. The funds would go for student activities, but students are still learning exactly what it's all about. The topic will come up again as it gets closer to next year.

- C. Students talked about how they cope with the costs of textbooks. One buys them exclusively on Amazon, while another takes advantage of the library resource room. The room has been a huge help. Used books have also been a great help. Students taking upper level courses cannot currently take advantage of the OERs now being offered. Students strongly encourage implementation of more OERs.
- D. Let's start discussing what other classes can be included in this project. Kori added that the counseling department runs the CGT100 class which is free, but the book starts at \$125. It's a hugely popular book, and we are working on an OER for that.
- E. OER books may be different from the standard books, with different problems to solve, but they still contain the same concepts and information. One challenge with OERs is that we must avoid copyright infringement.
- F. The world of free and reduced-price textbooks is improving dramatically every year. We need to advertise our book buybacks to students more effectively because they are a great help.

5. Next meeting

The next meeting will be scheduled in the next couple of weeks, and Outlook invitations will be sent as soon as possible.