



Rogue Community College

Budget Advisory Team

November 29, 2016

1:30 – 2:30 p.m.

Redwood Campus, Room H-2



Attendance: Amy Durst, John Duarte, Kori Ebenhack, Kirk Gibson, Natalie Herklotz, Kevin Hoff, Bill Jiron, Rose Passione, Cathy Kemper-Pelle, Michael Lawrence, Brooke McDermid, Sara Moye, Jodi Simons, Curtis Sommerfeld, Lisa Stanton, Grant Walker, Jeanie Wood - Recorder

- A.** Today is the first official Budget Advisory Team (BAT) meeting of the season. In honor of BAT(woman), Lisa's mother-in-law made her a BAT-cape and Rose offered to assume the mantle for the meeting. Thank you, Rose!
- B.** BAT is an advisory group responsible for collecting feedback from the College community regarding RCC's budget. This team collects, vets and forwards these ideas to Executive Team, thus helping the College fulfill its mission.
- C.** BAT has three (3) subcommittees: 1) BAT-Revenue is responsible for investigating, discussing and recommending revenue ideas in relation to budget. revenue and revenue ideas; 2) BAT-Enterprise looks at ideas for enterprise; BAT-Forum organizes forums throughout the year to be held at each campus in order to share knowledge and solicit ideas on budget. These subcommittees allow BAT to collect and vet multiple ideas at one time.
- D.** BAT-R's membership is full, but BAT-E and BAT-F subcommittees need volunteers to fill out their membership. Communication is very important, so we especially need help with getting the word out, not only about budget, but about the forums themselves. The forum notes are posted on the blog.
- E.** The subcommittees have liaisons to BAT. Lisa serves that role for BAT-R, Amy for BAT-F, and we currently need a liaison for BAT-E. While BAT-R's membership is full, we also currently need more members for BAT-F and –E.
- F.** BAT itself gets together to take in information from the outside world, the College, and sends it back out to the College community. This year is the first one in which the BAT website is completely up and running. There is a budget website, a BAT website, and a BAT blog. Please feel free to make comments, and/or leave ideas or suggestions on the blog. The entries cannot



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be anonymous, but if one wishes, comments can be sent to Lisa anonymously via intercampus mail. Anyone with a user name and password can look at and/or use the blog. Website contents contain nothing that is not already accessible to the public. The blog is based on Sharepoint. Lisa gave a huge shout-out to Al Sheldon, who put the blog together quickly and professionally.

- G.** Budget information on the website includes projection updates, questions that Board and Budget committees ask us, as well as credit and FTE trends from 2010 to 2015, and what those changes are. There is more information in the back of our Comprehensive Annual Financial Reports (CAFRs), which are also on our website. Please feel welcome to call Lisa, Natalie or Curtis, and/or look through our documents.
- H.** Dr. Kemper-Pelle is impressed with how open and visible Rogue's budget process is. She has never encountered a process that is as open; we have obviously done a lot of work on making the process so transparent.
- I.** BAT takes recommendations and ideas, and researches what type of data may be needed whether it be accounting or enrollment levels from various areas, etc. Data is brought forward to BAT to determine if it should continue on to E-Team for further review. If that group recommends it, the item goes into the proposed budget and then on to the Budget Committee. If they approve, it then goes on to the Board. If they like it, it is finally approved and becomes part of the adopted budget.
- J.** BAT forums were held recently, and among the ideas emerging from them came an excellent cost-saving idea from Andrew Childress. He suggested that the College consider using digital signature pads. Doing so could significantly reduce our printing costs and contribute to our continuing goal of sustainability at RCC.
- K.** Andrew added that the testing centers have historically had a high volume of documents to print and scan, and are now using digital signature pads to dramatically reduce the cost of printing. Additional cost-savings can be realized by using email instead of fax for these documents. Word documents can be converted to PDFs and transferred directly into Application Extender (AE).



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- L.** The cost for the pads would be fairly inexpensive, somewhere around \$120 per pad. The testing centers are using four pads in total. The College district could realize significant cost-savings with integrated e-docs, especially on the student side. Curt has asked Josh Ogle to investigate this idea for potential utilization College-wide.
- M.** We are now cleaning up the last fiscal year, finishing the audit review and have gone through quality assurance. We should receive good, clean opinions, tomorrow and will start putting the book together. We do have one finding within the audit having to do with financial aid and how we report dates of attendance and withdrawal. A second finding was going over budget in one appropriation category. The Board appropriates at different levels, such as College Services, maintenance, construction reserves, et cetera. While the auditors wrote up a funding for us, we are not actually over budget. These two findings are small, technical violations. Overall, we have done very well. Please get the information out to staff members about how everyone, at every level, helps us to receive that clean budget.
- N.** Lisa reported that we do budget adjustments each quarter. The reason for the “overbudget” last year was that we had to account for something correctly, thus the technical violation. Normally, we would not have had that. We reported it appropriately, and it is not too uncommon.
- O.** There are also occasions where we need to do a supplemental budget, to increase or decrease the budget, due to a grant for example. Another example would be perhaps we had additional tuition suddenly and we needed to increase our expenses. We would need a supplemental budget to spend those funds. There are many laws regarding budget.
- P.** Our ending fund balance is currently \$4.8M, which is better than the anticipated \$4.3M. Regarding general funds, other funds are looking good also. The CAFR will be available next month, and goes for approval to the December 20 Board meeting. Once approved, the monthly financial statements will be posted on the BAT website.
- Q.** Our revenue is flat for this year, and were anticipating it to be down 6%, so we are doing well overall. One caveat is that the entrepreneurial funds, Allied Health, are also doing very well, but tuition revenue is down by around 3%.



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- R.** The state budgets on a biennial basis, and the coming year is the start of the next state biennium. The current budget for the community colleges is \$550M in addition to the \$15M extra that was received. The surprising news for the upcoming budget is that the governor has suggested a budget of \$550M whereas we were anticipating a funding level of somewhere around \$585M for the community colleges. Normally, the governor's suggested budget comes in higher than we expect and the legislature works from there, usually downward. We will begin to look at our projections and see what the smaller funding does to our general fund.
- S.** Curt discussed current service level (CSL). If you take \$550M at our CSL, the colleges would come out at around \$636M. The word we are getting is that we should decrease that by 8-10%, which would be \$572M. There is some hope that the number will come in higher, but we will have to wait and see.
- T.** It is interesting that the state's approach is that we have alternative income sources when compared to other state agencies. One could say the additional needed funding can be obtained through increasing tuition rates. But that puts an added burden on our students, which we do not want to do. Ironically, there is also talk at the state level about community colleges being the lifeblood of our economy while concurrently vowing the need for affordable education.
- U.** Cathy anticipates that the state will ask for a lot of data to support our need for a funding level of \$636M. There are certain things the state wants us to do, such as Pathways, but that does not happen for no cost. We have much more to do in our work to improve college completion.
- V.** The funding formula is quite complex, with a great variety of factors involved, including FTE, property taxes, other data, and the political climate. There is always concern that Rogue's ending fund balance will not be returned to us by the state.
- W.** It is still too early to talk about actual numbers. For the first year of the biennium things should be okay, but the second year we could see a real problem. This is why we really need to get out there, see what the questions are, and get people on the blog. We do not want people to sit in fear, worrying without knowing the facts.



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- X.** Fun fact: RCC's electric bill for one month for all three campuses is \$28,000. Visit the BAT website for more fun facts.
- Y.** The more "green" we are the more energy trust incentives Rogue can receive. We are going to install more and more LEDs as we can, which is an energy trust project. Additionally, as HVACs age, they will be replaced with more energy-efficient units. At this stage, we are not ready for solar, but it is not so far in the future for some kind of solar plant. We may not necessarily qualify for LEED Platinum, but certainly for LEED certification on some level.
- Z.** In answer to a question about how to gain access to entrepreneurial funds, Cathy responded that after winter break, something should be in place to allow people to submit proposals to use those funds. We do want to avoid very small projects that will not have significant impact and help us, theoretically, to be less susceptible to the fluctuation of the state legislature in terms of having income streams that are ours. We want something that helps stabilize budget and survive the ups and downs of Salem.
- AA.** Kirk added that the SBDC can help us with structuring the application process, with metrics and how to do an ROI (return-on-investment). We think in terms of enrollment, state guidelines, etc. SBDC can serve as consultants for us by providing some more thoughtful background training. Their looks are typically outside of education and more akin to business plans.
- BB.** Lisa concluded the meeting by noting that we were not able to have any faculty members attend today due to class schedules. We will work to see when our BAT faculty members are available so they might attend the next meeting, date and time to be determined. We will also work with ASG to garner more student attendance.
- CC.** The meeting adjourned at 2:40 p.m.