

Southwestern Oregon Community College

Board Clerk: Patty Scott
Campus Contact: Deb Nicholls (541) 888-7400, dnicholls@socc.edu

“Southwestern leads and inspires lifelong learning.”

Board of Education

Budget Committee Meeting

Monday, June 1, 2009, 6:00 p.m.






Southwestern Oregon Community College

Board Clerk: Patty Scott
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“Southwestern leads and inspires lifelong learning” Board of Education Meeting – Budget Committee

Tioga 505, 1988 Newmark Ave., Coos Bay, Oregon
Monday, June 1, 2009
6:00 p.m.

AGENDA

Action Items = 

1. CALL TO ORDER
Chair Gaudette
2. BUDGET COMMITTEE MEMBERS
 - A. 2009-10 Budget Committee Roster, **Exhibit # 2 A**
 - B. Oaths of Office
 1. Kathleen Mickelson, **Exhibit # 2 B 1**
 2. Mike Sickels, **Exhibit # 2 B 2**
 - C. Selection of Officers
 1. Chair
 2. Vice-Chair
3. AGENDA CHANGES
4. CONSENT AGENDA
 - A. Minutes
 1. June 3, 2008 Budget Committee Meeting, **Exhibit # 4 A 1**
5. 2009-2010 RECOMMENDED BUDGET
 - A. 2009-2010 Recommended Budget, **Exhibit # 5 A**
 - B. General Fund Supplemental Documentation, **Exhibit # 5 B**
 - C. Internal Services Fund Supplemental Documentation, **Exhibit # 5 C**
 - D. Enterprise Fund Supplemental Documentation, **Exhibit # 5 D**
6. PUBLIC COMMENT
7. BUDGET COMMITTEE RECOMMENDATION
 - A. Approval of Recommended Budget OR
 - B. Hold a Second Meeting on June 15, 2009
8. ADJOURNMENT



Shaded Exhibit included in meeting materials

* Materials may be distributed at the meeting

Board policy states that requests must be made by contacting the Clerk of the Board at least seven working days prior to the scheduled meeting. Requests for additions by visitors attending a meeting will be allowed by an affirmative vote of the majority of the Board Members. Time allocations will be at the discretion of the Board Chair.

It is the policy of the Board of Education to adjourn the meeting within three hours unless a motion to continue the meeting is made and approved by a majority vote of the members present.

**SOUTHWESTERN OREGON COMMUNITY COLLEGE
BOARD OF EDUCATION
Budget Committee
2009-10**

Kathleen Mickelson
PO Box 1323
Gold Beach, OR 97444
Home: 247-6974
Term Expires: 06/30/11

Doug Fletcher
93412 Sherry Barbie Ln.
North Bend, OR 97459
Home: 759-3967
Work: 269-5616
Term Expires: 06/30/10

Mike Gaudette
440 14th Ave.
Coos Bay, OR 97420
Home: 267-2632
Term Expires: 06/30/10

Kathy Rosencrantz
1520 Barham Terrace
Coos Bay, OR 97420
Home: 269-9024
Term Expires: 06/30/09

Tim Salisbury
2880 14th St.
North Bend, OR 97459
Home: 756-1894
Work: 269-8130
Term Expires: 06/30/09

Mike Sickels
2520 Koosbay Blvd.
Coos Bay, OR 97420
Home: 269-9528
Term Expires: 06/30/11

Timm Slater
1731 14th St.
North Bend, OR 97459
Home: 756-2625
Term Expires: 06/30/10

**Southwestern Oregon Community College District
Budget Committee**

I, **Kathleen Mickelson**, do solemnly swear that I will support the Constitution of the United States, the Constitution of the State of Oregon and the laws thereof, and the policies of the Southwestern Oregon Community College District. During my term, I will faithfully and impartially perform the duties of the Office of College Budget Committee member to the best of my abilities.

Signed: Kathleen Mickelson

State of Oregon
County of Coos

Subscribed and sworn to me this 1st Day of June 2009.

D Nicholls, Notary, State of Oregon
Commission Expires: November 3, 2011

**Southwestern Oregon Community College District
Budget Committee**

I, **Mike Sickels**, do solemnly swear that I will support the Constitution of the United States, the Constitution of the State of Oregon and the laws thereof, and the policies of the Southwestern Oregon Community College District. During my term, I will faithfully and impartially perform the duties of the Office of College Budget Committee member to the best of my abilities.

Signed: Mike Sickels

State of Oregon
County of Coos

Subscribed and sworn to me this 1st Day of June 2009.

D Nicholls, Notary, State of Oregon
Commission Expires: November 3, 2011

Exhibit # 4 A 1
Date June 1, 2009
Approved YES NO
Motion # _____

**SOUTHWESTERN OREGON COMMUNITY COLLEGE
BOARD OF EDUCATION-BUDGET COMMITTEE
MEETING MINUTES**

June 3, 2008

Board Budget Committee Chair Mike Gaudette called the meeting to order at 6:01 p.m. Members of the Budget committee met in Tioga hall, Room 505. Due and Proper public meeting notice was provided.

ATTENDANCE

Board of Education/Staff (Quorum Present)

Lonny Anderson (Board Chair) Deb Nicholls (Recording Secretary)
Harry Abel
David Bridgham
Rick Howell
Marcia Jensen
Cherie Mitchell (via video)
Carol Oelke

Budget Committee (quorum present)

Mike Gaudette (Budget Chair) Tim Salisbury
Kathleen Mickelson Timm Slater
Ron Opitz
Kathy Rosencrantz *Absent:* Doug Fletcher

Staff

Judith Hansen (President) Tom Nicholls
Robin Bunnell Ron Olson
Tim Dailey Rick Osborn
Dora Daniels Brad Parker
Ray Daniels Jamie Peck
Barbara Davey Kristi Rayevich
Karl Easttorp Diana Schab
Bob Fields Mel Schwartz
Kat Flores Patty Scott
James Fritz Barb Shreckengost
Linda Kridelbaugh Sharon Smith
Bruce Locker John Speasl
Mary Loiselle Ryan Spencer
Renee Menkens Kathy Walsh
Eleanor Montagna Bill Yates

Guests

Roger Gould Clara Radcliffe
Drew Jones Alexander Rich

OATH OF OFFICE

Chair Gaudette administered an Oath of Office to Slater.

Timm Slater

Timm Slater promised to support the Constitution of the United States, the Constitution of the State of Oregon and the policies of the Southwestern Oregon Community College District during his term as a member of the Budget Committee.

AGENDA CHANGES No changes were made.

CONSENT AGENDA
Bdgt M06/08-1

Kathy Rosencrantz’ motion to *approve the Consent Agenda, as presented*, was seconded by Harry Abel. Upon call for the vote, the **MOTION PASSED.**

BE IT RESOLVED, that the Board of Education and Budget Committee of Southwestern Oregon Community College District reviewed and approved the Budget Committee meeting minutes dated May 12, 2008.

2008-09
RECOMMENDED
BUDGET

2008-09 Recommended Budget

President Judith Hansen briefed the Budget Committee on the Recommended Budget document stating that the document contained the following:

- An edited Strategic Plan;
- Increased local tax, tuition and fees revenues based on reanalysis of local economy and tuition and fee waivers;
- Increased instructional expenditures for materials and services comparable to 2007-2008 budgets; and
- Increased debt service to accommodate adjustments to Internal Service Fund, Insurance Reserve and Foundation payments.

Copies of a different version of the budget document were distributed at the meeting that included “+ or –“ figures. Hansen noted that adjustments were made to the budget document to reflect the faculty raises. Other items or concerns were mentioned during the review of the budget document:

- 1508 – general supplies was cut to \$2,000 - now restored to \$22,000
- 3101 – Hansen noted that decreases were made to dues and fees in hope that with the new insurance the College would not be paying dues to OSBA and extra dues to OCCA for administration insurance. Board Member David Bridgham informed Hansen that she was mistaken – that OCCA dues alone were \$26,000. Adjustments are needed.
- 3701 – Discussion occurred on the impact the \$76,000 athletic grant reduction would have on athletic recruiting. Athletic Director John Speasl stated that about 30-35 student athletes that would not be at the College next year as a result of reduced waivers. Scott mentioned that the reductions could cause a potential problem as commitments have already been made to athletes through Letters of Intent. Bridgham added that a reduction in the waivers would also have an impact on student housing revenue. Hansen stated that a choice could be made to use unspent waivers in other areas to cover the athletic waivers.

A lengthy discussion occurred on why the College was already almost \$200,000 over-budget in waivers year-to-date as it causes significant problems going forward.

Hansen stated that she believed that a cost benefit analysis of tuition waivers could be conducted to more effectively utilize student waivers. She explained that the President’s Office budget was decreased by \$10,000 in Donations because the President’s Office doesn’t give \$10,000 in donations, but instead requests tuition and fee waivers for events such as the Rotary Auction, Miss Coos County, Miss Curry County.

Discussion continued on the reduction in athletic waivers. Hansen stated that if in fact there were waivers in other areas that were not spent that they would be moved to areas that need them. When Abel inquired as to what the process for that movement was Hansen stated that the process had not yet been developed, but assured Speas that his athletic needs would be addressed to provide waivers for the student athletes that commitments were made to. Discussion occurred on the assumption that the stated 'rollover' from last year's budget to this year's in the waivers did not occur as changes were made within categories without Speas's knowledge or input. Hansen stated that it would fixed to what it was last year – every single line item, that this was where the additional equipment funds, materials and supplies for instruction came from, and that the hope was not to diminish the number of students that were given waivers, but more effectively utilize the dollars.

Discussion occurred on how tuition waivers were managed and that a large increase in waivers was due administration's decision to provide tuition waivers to various dislocated worker groups and other agencies (e.g., Community Action). Nicholls also stated that the College had experienced an increase in the number of high caliber students attending Southwestern due to the grants that are awarded to eligible high school students with GPAs of 3.75 or higher. The award is for three terms their first year and extended to a second year if they maintain a certain level of GPA. Nicholls informed the Board that the average number of credits taken per student had increased as well and that the additional amount reflected in the budget the actual usage. He added that the intent was to leave the object codes as they were in the previous year's budget – with no changes. Hansen reiterated that the discrepancies would be fixed internally to restore the waiver amounts in each category to last year's amounts.

Chair Anderson requested that a running subtotal be tracked for all waiver subaccounts on a term-to-term basis. The issue of waivers will be re-evaluated.

- 3901 – Hansen stated that the Contingency budget contained staff raises. Board Member Rick Howell inquired if the line items 59990 Contingency and 59995 Unappropriated Funds were 'real money.' Hansen assured him that they were indeed both 'real money.'
- 4005-4009 – Scott informed the Board that several accounts were moved from Auxiliary to General Fund and it was intended for them to be straight rollovers. However, reductions were made without her knowledge (\$4,770 in 4005 and \$7,050 in 4009). It was noted that large student activities expenditures occur in the spring each year so making adjustments on a year-to-date left over before the end of the year was inappropriate.
- 4147-4161- Hansen informed the Board that the athletic budgets had been reduced by over \$30,000. It was noted that Speas too had no knowledge of the adjustments made to the athletic accounts. Speas distributed copies of the proposed budget cuts for Athletics and Related Accounts and reiterated Hansen's statement that the \$76,276 talent grant adjustment would be fixed, and clarified that the additional reductions were higher than stated by Hansen as it totals approximately \$68,000.
- 23-4801 – It was noted that this account was zeroed out and should not have been as it's a pass through account – it's the outside scholarship money that students bring with them.
- 29-8701 – Hansen noted that the account was zeroed out without notice and committed to the Board to restoring the PERS reserve account.
- 29-8808 – Hansen noted that the College used to charge parking fees, but now had a security fee.
- 57-8541 – Conference Services Director Mary Loiselle brought it to the Board's attention that one of the classified positions had disappeared from the budget being presented tonight. Hansen stated that it would be found and re-entered.
- 57- 8551 – Instructional Director Linda Kridelbaugh distributed a memo on OCCI Revenue and Profits. She expressed concerned that if the OCCI tuition revenue was not realized, as projected in the Recommended Budget, it would need to be covered by the General Fund or another fund. She noted that a projection of this magnitude was not realistic (6-7 cohorts). FTE reimbursement from OCCI goes directly into the General Fund – not the OCCI account. She respectfully requested that the OCCI tuition revenue be returned to the amount she submitted with the original budget (\$1,560,000) and that the bottom line be zeroed out.

Bridgham questioned the projected revenue in the online culinary program. Hansen stated that there was revenue projected outside the FTE that was not included in this budget. She disagreed with Kridelbaugh's projection that it would take 6-7 cohorts to meet the projected revenue, but noted that it would require more students than were currently enrolled in the program.

Hansen provided clarification on the total Enterprise Fund being balanced, noting that a fund could not spend more than it brought in.

Budget Committee member Tim Salisbury inquired on the philosophy of the budget reductions. Hansen stated that reductions were made depending on the budget. She added that the \$174,000 of projected revenue in OCCI could be found among the other Enterprise Funds after the budget was adopted.

OTHER QUESTIONS

21-4161 – Hansen noted that NWAACC championships expenditures were not budgeted for, but found in other appropriated dollars in the past.

Hansen briefed the Board on the Special Projects Fund, stating that it was initially expanded so that a number of special initiatives/purchases were not lost. She added that the Special Projects capacity would remain at \$10,465,447. It was noted that anything that was not part of this budget document would need to come before the Board for approval.

Speasl asked if the '– is the + budget' distributed at tonight's meeting replaced the bound Recommended Budget sent previously. Hansen indicated that it did not. Discussion occurred on the discrepancies between the two documents. She repeated that the athletic budget was cut because it was an area that was not central to instructional and student support operations. Speasl disagreed stating that if the budget was based on a 5% student increase and the people that were responsible for recruiting those students were cut - then it was central.

Timm Slater inquired on the Athletic insurance. Hansen stated that it was not real money, but rather budgeted money.

It was reiterated that the NWAACC expenditures would come from under expended areas.

PUBLIC COMMENT

Executive Director of Enrollment Management Tom Nicholls expressed the following facts or concerns:

- Enterprise Fund started with 62 students in OCCI; the presented budget originally was built on 80 students ; the \$174,000 being budgeted in the Recommended Budget represents an 88% increase in enrollment for OCCI (114 students)
- He expressed concern over the loss of students in housing:
 - The decision was made not to rehire the full-time women's soccer coach – last year there were 17 women's soccer athletes in student housing – as of today none have been signed for next year
 - Two years ago there were 13 Cheer/Dance athletes in student housing – this year there were none and now the recruiting and travel budget is being totally eliminated
 - Two years ago there were 50 international students living in student housing, yet the decision was made not to fill the coordinator position – now only 20 international students live on campus
- Internally there is a disconnect of how everything fits together

Hansen clarified that the choice was made to make the soccer coach part-time and have a full-time student activities director. It was discussed to have an international student recruiting position that did not exist before, but because of budget the decision was made not to move forward with that position but that the expectation was that the full-time ELI instructor would coordinate with ALSP to recruit international students.

APPROVAL OF
RECOMMENDED
BUDGET

Approval of 2008-09 Budget Document

The Budget Committee is required by the Oregon Revised Statutes, OAR 294.406 to approve a budget for the College. The Committee must allow time for the required publications and the Board of Education to hold required public hearings before adopting the budget. The Board of Education must adopt the budget prior to July 1.

Ron Opitz' motion to *accept and approve the Recommended FY 2008-09 General, Auxiliary, Financial Aid, Trust and Agency, Special Projects, Plant, Enterprise, Insurance Reserve, Debt Service Fund, and Internal Service Fund budgets at a tax rate of \$.7017 per \$1,000 assessed valuation, as presented by the Budget Officer*, was seconded by Rick Howell.

Concerns continued to be expressed by Board Members and others. Hansen requested that the Budget Committee trust that the College faculty and staff can find ways to resolve the concerns internally given the projected revenues.

Discussion occurred on a friendly amendment due to the amendments discussed throughout the budget review.

Howell withdrew his second.

Bdgt M06/08-2

Ron Opitz' restated motion to *accept and approve the Recommended FY 2008-09 General, Auxiliary, Financial Aid, Trust and Agency, Special Projects, Plant, Enterprise, Insurance Reserve, Debt Service Fund, and Internal Service Fund budgets at a tax rate of \$.7017 per \$1,000 assessed valuation, as presented by the Budget Officer and amended to include the considerations and discussions discussed tonight, and to continue to try to improve our position to find funding for needed areas*, was seconded by Kathy Rosencrantz.

Art Faculty Melanie Schwartz asked Abel if there was there a long range plan to look at what was needed in terms of enrollments to fill the new housing units. Abel stated that budgets were built based on projected enrollments for various projects, not just housing and that the Board acted based on staff recommendations. Nicholls added that long range plans are always considered.

Mitchell stated that it was unfortunate that the athletic budget and other budgets were reduced, but hard choices had to be made. She called for the question.

Debate ensued on whether Mitchell's call for the question was to end the discussion or to move forward with action on the motion on the table to approve the budget as amended. College Attorney Roger Gould indicated that it was to move forward to action on the motion. Faculty Senate Chair Bob Fields disagreed explained that calling a question meant that the Board would vote to end the discussions, if the vote succeeded debate would be ended and action could be taken on the motion on the table. Hansen urged the Board to listen to the College Attorney.

Budget Chair Gaudette proceeded with the vote on the motion to approve the budget document. Upon call for the vote, the **MOTION PASSED** with one opposition from Harry Abel and two abstentions from David Bridgham and Mike Gaudette.

Discussion continued on the procedure of meeting order.

A vote Mitchell's call for the question to end the debate passed unanimously.

The Board proceeded with the vote on the motion on the floor to approve the amended budget. Upon call for the vote, the **MOTION PASSED**, with one opposition from Abel.

ADJOURNMENT

No further business was presented and the meeting was adjourned at 8:35 p.m.

Respectfully submitted,

Mike Gaudette, Budget Committee Chair

Judith ML Hansen, Clerk

Deb Nicholls, Recording Secretary

DRAFT