

CENTRAL OREGON
community college

BUDGET COMMITTEE MEETING

AGENDA

Wednesday, May 13, 2015 6:00 PM
Christiansen Board Room, Boyle Education Center

		<u>Exh.</u>	<u>Action</u>	<u>Presenter</u>
I.	Call to Order			Friedman
II.	Introduction of Guests			Friedman
III.	Public Hearing and Testimony			Friedman
IV.	Minutes Approval	4.a	X	Smith
	a. Budget Meeting – April 8, 2015			
V.	Proposed 2015-16 Budget up-date	5.a		Dona
VI.	Resolution for Approval			
	Proposed 2015-16 Budget	6	X	Dona
VII.	Adjourn			



Central Oregon Community College
BUDGET COMMITTEE MEETING
MINUTES
Wednesday, April 8, 2015 - 6:00 PM
Christiansen Board Room-Boyle Education Center

PRESENT: Lester Friedman, Steve Curran, Gayle McConnell, Doug Ertner, Mark Copeland, Patricia Kearney, Al Jamison, Charley Miller, Laura Craska Cooper, Bruce Abernethy, David Ford, Vikki Ricks, Anthony Dorsch, Joe Krenowicz, Ron Bryant-Board Attorney, Shirley Metcalf-President, Julie Smith-Executive Assistant

CALL TO ORDER: Chair Lester Friedman called the meeting to order of the 2015-16, Central Oregon Community College Budget Committee.

INTRODUCTION OF GUESTS:

Matt McCoy, Diana Glenn, Ron Paradis, Kevin Kimball, David Dona, Alicia Moore, Sally Sorenson, Dan Cecchini, Lisa Bloyer, Jenni Newby, Michael Fisher, Jerry Schulz, Carol Higginbotham-Faculty Forum President, John Fernelius, Lisa Mathis, Rebecca Plassmann, Cady-Mae Hunt, Renee Brazeau-Asher, Amy Howell, Chad Harris, Kathy Smith, Sharla Andresen, Glenda Lantis, Abby Spelman-The Bulletin and others.

PUBLIC HEARING AND TESTIMONY:

All Oregon Academic Team

Ms. Alicia Moore-Dean of Student and Enrollment Services introduced COCC's 2015 All-Oregon Academic Team Scholars – Ms. Lisa D. Mathis and Mr. John Fernelius.

Ms. Lisa Mathis, mother of five and a state-registered childcare provider for 23 years, started back to school taking one class at a time. Lisa shared how scholarships have helped her go to school full time as she works towards her associate's degree in Early Childhood Education at COCC and then transferring to OSU-Cascades to get her bachelor's degree in social services.

Mr. John Fernelius, as John learned more about history, he became enamored with the prospect of teaching it. It was then that he decided higher education was the right path for him. He enrolled at COCC and as an additional benefit, discovered his potential for leadership. He is presently serving as president of the COCC Historical Club.

Lisa and John were chosen to represent COCC for the 2015 All Oregon Academic Team, which recognizes community college students for their academic achievement, leadership and service.

ACHIEVEMENT COMPACT:

Ms. Brynn Pierce-Director of Institutional Effectiveness and Mr. Matt McCoy-Vice President for Administration reviewed that State law has mandated that the Achievement Compacts parallel the process used for budget approval. A draft version of the 2015-16 Achievement Compact (Handout: 3) was presented that included the development calendar, a summary version that will be provided to the State and the internal version that includes a rationale for each outcome measure. This is the fourth round of State Achievement Compacts and, to date,

the State has not provided any feedback. Matt and Brynn shared that a final version “first reading” will be provided to the Board of Directors at their May 13 meeting.

MINUTES APPROVAL:

Ms. Gayle McConnell moved to approve the Budget Meeting Minutes of March 17, 2015. Ms. Laura Craska Cooper seconded. MCU. Approved. M04/15:1

2015-16 PROPOSED NON-GENERAL FUND BUDGET: (Exhibits: 7, 7.a, 7.b)

Mr. David Dona-Associate Chief Financial Officer reviewed the Resources and Requirements of the nine Non-General Funds and Summary of Interfund Transfers. He then provided a PowerPoint presentation reviewing key activities 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 and activity 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 in the non-general funds is required to be self-balancing and expenditures cannot exceed available resources.

Discussion:

The budget committee discussed the benefits of retiring the Series 2001 FFC debt (Cascades Hall) early, leaving only four remaining types of long-term debt outstanding. Discussion continued on the impacts of the projected enrollment declines, tuition increases, state funding, and the future costs of PERS and health insurance.

BUDGET CALENDAR:

The next Budget Committee Meeting is scheduled for Wednesday, May 13, 2015 at 6:00 PM in the Christiansen Board Room, Boyle Education Center – Central Oregon Community College.

Chair Friedman adjourned the Budget Committee Meeting.

ADJOURN: 7:15 PM

APPROVED;

ATTEST TO;

Mr. Lester Friedman, Chair
Budget Committee

Dr. Shirley I. Metcalf, President



CENTRAL OREGON
community college

Exhibit: 5.a

May 13, 2015

May 2015 Budget Committee Meeting

- Current Year Budget Update
- Revenue/Expenditure Forecast (*REF: G.1*)
- 2015-16 Proposed Budget Review

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

General Fund Budget vs. Projected		Fiscal Year 2014/15					
		%	Budget 2014/15	%	Projected 2014/15	Change \$	Change %
Revenue and Support:							
1.	State Aid	19%	\$ 7,783,000	19%	\$ 7,575,397	\$ (207,603)	-2.7%
	Property Taxes						
2.	Current Year Taxes	32%	13,022,000	33%	13,319,044	297,044	2.3%
3.	Prior Year Taxes	2%	773,000	1%	550,000	(223,000)	-28.8%
	Total Public Resources (1,2,3)	53%	21,578,000	53%	21,444,441	(133,559)	-0.6%
4.	Tuition	37%	15,168,000	38%	15,500,722	332,722	2.2%
5.	Fees	4%	1,812,000	4%	1,765,000	(47,000)	-2.6%
	Other Revenue & Transfers-in						
6.	Interest / Miscellaneous	0.2%	75,000	0.1%	60,000	(15,000)	-20.0%
7.	Transfers-in	5%	2,104,000	5%	1,879,000	(225,000)	-10.7%
8.	Subtotal	100%	\$40,737,000	100%	\$ 40,649,163	\$ (87,837)	-0.2%
Expenditures:							
9.	Salaries	49%	\$21,131,893	51%	\$ 20,585,333	\$ (546,560)	-2.6%
10.	Payroll Assessments	28%	11,957,457	28%	11,295,849	(661,608)	-5.5%
11.	Material & Services	17%	7,143,487	15%	6,014,821	(1,128,666)	-15.8%
12.	Capital Outlay	0%	154,434	1%	275,764	121,330	78.6%
13.	Transfers-out	5%	2,345,615	6%	2,354,620	9,005	0.4%
14.	Subtotal	100%	\$42,732,886	100%	\$ 40,526,387	\$ (2,206,499)	-5.2%
15.	Underutilization						
16.	Operating Surplus (Deficit)		\$ (1,995,886)		\$ 122,776	\$ 2,118,662	106.2%
17.	Transfers-out: Supplemental						
18.	Surplus (Deficit)		\$ (1,995,886)		\$ 122,776	\$ 2,118,662	106.2%
19.	Ending Balance 06/30				\$ 5,633,579	14%	
20.	Required 10% Reserve Requirement				\$ 4,052,639	10%	

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

2015/16 Approved Budget											
In Thousands (000's)		2009/11 BIENNIUM		2011/13 BIENNIUM		2013/15 BIENNIUM		2015/17 BIENNIUM		2017/19 BIENNIUM	
		Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Revenue and Support:											
1.	State Aid:	\$ 4,204	\$ 4,493	\$ 5,333	\$ 4,819	\$ 6,740	\$ 7,575	\$ 9,110	\$ 9,489	\$ 10,279	\$ 10,292
	Property Taxes										
2.	Current Year Taxes	11,838	11,695	11,651	11,699	12,398	13,319	14,180	15,062	16,003	16,963
3.	Prior Year Taxes	805	765	714	761	517	550	623	642	661	681
4.	Total Public Resources (1,2,3)	16,847	16,953	17,698	17,279	19,655	21,444	23,913	25,192	26,943	27,936
5.	Tuition	13,151	15,141	16,243	17,167	16,958	15,501	14,923	14,792	15,260	16,043
6.	Fees	1,165	1,382	1,636	2,063	2,075	1,765	1,756	1,718	1,770	1,859
	Other Revenue & Transfers-in										
7.	Interest / Miscellaneous	47	74	129	110	83	60	70	75	80	85
8.	Transfers-in	0	0	0	753	305	1,879	1,875	1,835	1,803	1,800
9.	Subtotal	\$ 31,210	\$ 33,550	\$ 35,706	\$ 37,373	\$ 39,076	\$ 40,649	\$ 42,537	\$ 43,612	\$ 45,856	\$ 47,722
Expenditures:											
10.	Salaries	\$ 15,486	\$ 17,090	\$ 18,208	\$ 19,329	\$ 20,201	\$ 20,585	\$ 21,842	\$ 22,630	\$ 23,242	\$ 23,864
11.	Payroll Assessments	6,545	7,383	9,117	9,900	10,642	11,296	12,758	13,677	15,314	16,196
12.	Materials & Services	3,821	4,234	4,566	4,792	5,259	6,015	6,197	6,346	6,499	6,657
13.	Capital Outlay	377	560	558	319	224	276	155	155	155	155
14.	Transfers-out: Operating	2,385	2,781	2,860	2,956	2,685	2,355	2,603	2,638	2,665	2,707
15.	Subtotal	\$ 28,614	\$ 32,048	\$ 35,309	\$ 37,296	\$ 39,011	\$ 40,526	\$ 43,555	\$ 45,446	\$ 47,875	\$ 49,578
16.	Underutilization							(1,024)	(1,070)	(1,130)	(1,172)
17.	Operating Surplus (Deficit)	\$ 2,596	\$ 1,502	\$ 397	\$ 77	\$ 65	\$ 123	\$ 6	\$ (764)	\$ (889)	\$ (684)
18.	Transfers-out: Supplemental	2,000	1,000	375	100						
19.	Surplus (Deficit)	\$ 596	\$ 502	\$ 22	\$ (23)	\$ 65	\$ 123	\$ 6	\$ (764)	\$ (889)	\$ (684)
20.	Ending Balance 06/30						\$ 5,634	\$ 5,639	\$ 4,876	\$ 3,987	\$ 3,303
21.	Reserve Requirement (10%)						\$ 4,053	\$ 4,356	\$ 4,545	\$ 4,787	\$ 4,958

Changes to 2015-16 Proposed Budget

General Fund

Resources:

- 1) Increase current year property tax revenue (\$71,000) due to higher imposed tax growth rates.
- 2) Decrease prior year property tax revenue (-\$124,000) due to lower prior year collection rates.
- 3) Increase tuition and Fees (\$71,000) reflecting stronger annualized enrollment for 2014-15.
- 4) Decrease miscellaneous income (-\$10,000) due to lower anticipated levels of activity.
- 5) Increase beginning fund balance (\$118,000) to reflect updated projected beginning fund balance.

Requirements:

- 1) The changes in requirements (\$25,310 net change) reflect numerous adjustments in the instructional area to more closely align requirements with anticipated program needs and increase to health insurance to reflect updated rate of 8.05%.
- 2) Increase ending fund balance (\$100,690) to reflect updated projected ending fund balance.

Auxiliary Fund

Self-Sustaining Activities

Tutor/Testing Fund

Requirements:

- 1) Increase classified salaries full time (\$17,500).
- 2) Increase payroll assessments (\$15,046).

Prineville Operations Fund (new)

Resources:

- 1) Increase other income (\$200,000).

Requirements:

- 1) Increase materials and services (\$150,000).
- 2) Increase purchased capital (\$50,000).

General Fund Resources Changes

General Fund Resources Summary:				
	March Proposed 2015/16	May Proposed 2015/16	\$ Change	% Change
Property Tax				
Current year	\$ 14,109,000	\$ 14,180,000	71,000	0.5%
Prior year	747,000	623,000	(124,000)	-16.6%
Tuition & Fees	16,608,000	16,679,000	71,000	0.4%
State and Federal Sources				
State Aid for Operations	9,110,000	9,110,000		
Federal Grants				
Other Sources				
Interest Income	5,000	5,000		
Miscellaneous income	75,000	65,000	(10,000)	-13.3%
Transfers from Other Funds				
Interfund Transfers-In	1,875,000	1,875,000		
Total	\$ 42,529,000	\$ 42,537,000	\$ 8,000	0.0%
Beginning Fund Balance	5,516,000	5,634,000	118,000	2.1%
Total Resources	<u>\$ 48,045,000</u>	<u>\$ 48,171,000</u>	<u>\$ 126,000</u>	<u>0.3%</u>

General Fund Requirement Changes

General Fund Requirement Summary:				
	March Proposed 2015/16	May Proposed 2015/16	\$ Change	% Change
Administrative Salaries - Full Time	\$ 2,335,637	\$ 2,359,637	24,000	1.0%
Other Taxable Compensation	31,900	31,900		
Taxable Mileage Allowance	149,699	102,349	(47,350)	-31.6%
Administrative Salaries - Part Time	38,291	38,291		
Faculty Salaries - Full Time	7,539,714	7,575,335	35,621	0.5%
Faculty Salaries - Part Time	2,021,277	1,927,911	(93,366)	-4.6%
Faculty Salaries - Adjunct	1,043,322	1,100,972	57,650	5.5%
Classified Salaries - Full Time	3,748,807	3,791,251	42,444	1.1%
Classified Salaries - Part Time	479,157	463,209	(15,948)	-3.3%
Irregular Wages	953,400	914,267	(39,133)	-4.1%
Professional/Non-Managerial	3,322,363	3,274,139	(48,224)	-1.5%
Professional/Non-Managerial - Part Time	262,862	262,862		
Payroll Assessments	13,008,007	13,128,058	120,051	0.9%
Materials and Supplies	1,272,391	1,242,669	(29,722)	-2.3%
Outside Services	3,324,510	3,323,588	(922)	0.0%
Utilities	1,389,761	1,389,761		
Administrative Travel	201,597	196,251	(5,346)	-2.7%
Professional Travel/Development	268,924	272,382	3,458	1.3%
Student Field Experience	123,445	115,542	(7,903)	-6.4%
Repair and Replacement	158,622	158,622		
Insurance	245,500	245,500		
Other Financial Aid	52,897	52,897		
Capital Outlay	50,000	50,000		
Library Capital	75,000	105,000	30,000	40.0%
Transfers Out	2,602,618	2,602,618		
Requirements	\$ 44,699,701	\$ 44,725,011	\$ 25,310	0.1%
Ending Fund Balance	3,345,299	3,445,989	100,690	3.0%
Total Requirements	\$ 48,045,000	\$ 48,171,000	\$ 126,000	0.3%

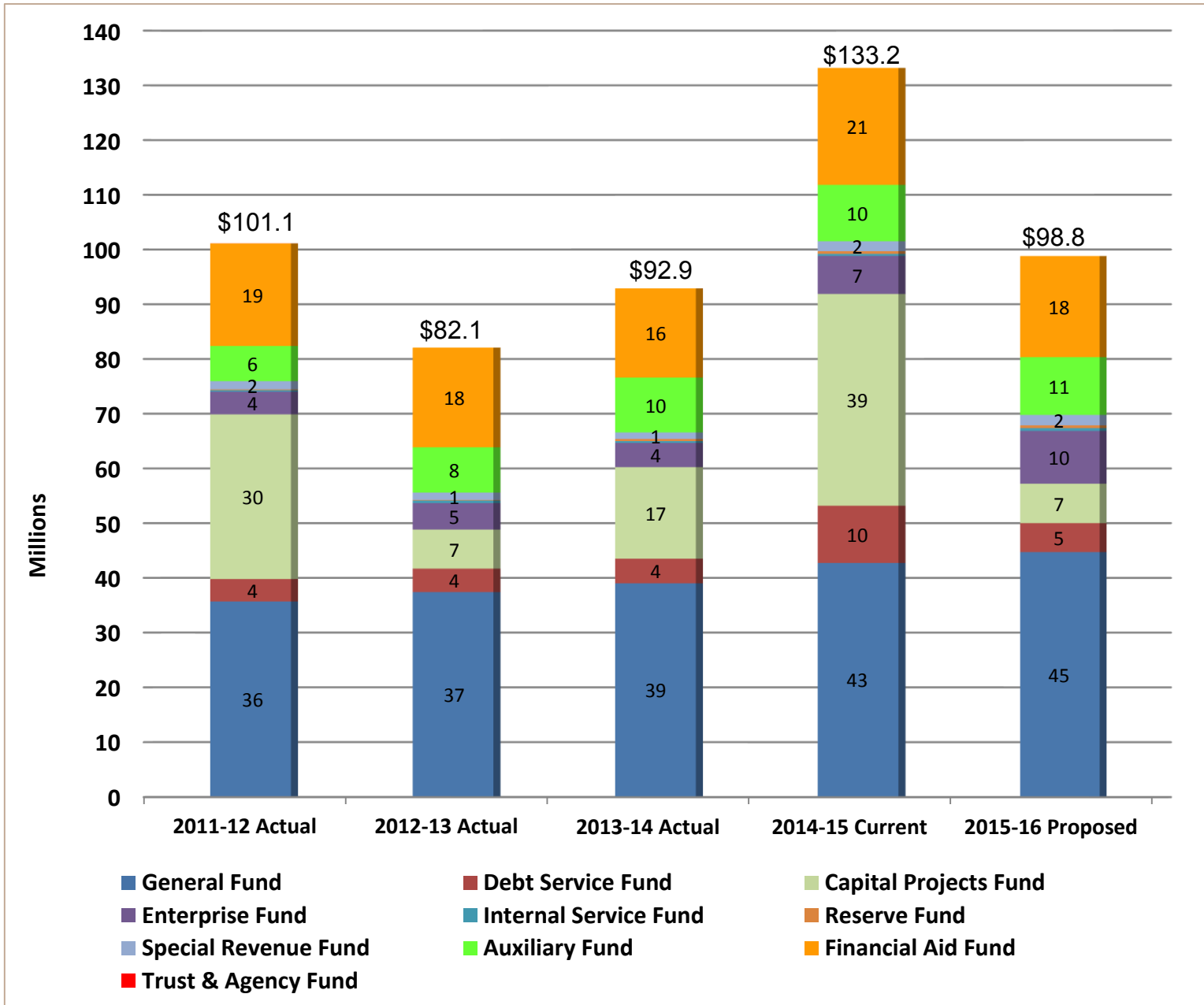
Auxiliary Fund Changes

Auxiliary Fund:					
	April Proposed 2015/16	May Proposed 2015/16	\$ Change	% Change	
Self-Sustaining Activities					
Resources					
Beginning Fund Balance	\$ 2,195,000	\$ 2,195,000	\$		
Tuition and Fees	326,123	326,123			
Grants and Contracts	11,000	11,000			
Other Income	675,100	875,100	200,000	29.6%	
Sales of Goods and Services	28,000	28,000			
Program Income	597,312	597,312			
Donations	53,772	53,772			
Interest Income	10,683	10,683			
Transfers In	686,977	686,977			
Total Resources	\$ 4,583,967	\$ 4,783,967	\$ 200,000	4.4%	
Requirements					
Personnel Services	\$ 507,681	\$ 540,227	\$ 32,546	6.4%	
Material and Services	1,232,852	1,382,852	150,000	12.2%	
Capital Outlay	227,900	277,900	50,000	21.9%	
Transfers Out	308,120	308,120			
Ending Fund Balance	2,307,414	2,274,868	(32,546)	-1.4%	
Total Requirements	\$ 4,583,967	\$ 4,783,967	\$ 200,000	4.4%	

Comparison of Proposed to Current Year Budget Expenditures

	Fiscal Year	Fiscal Year		
	2014/15	2015/16		
	Current	Proposed		
Funds	Budget	Budget	\$ Change	Key Changes
General Fund	\$ 42,732,886	\$ 44,725,011	\$ 1,992,125	<i>Increases in personnel services (\$1.88M), transfers-out (\$257K) and capital outlay (\$566), net of decreases in materials & services (-\$146K).</i>
Debt Service Fund	10,459,337	5,279,505	(5,179,832)	<i>Increase in interest expense (\$591K), net of decrease in principal payments (-\$5.77M) related to long-term debt.</i>
Capital Projects Fund	38,683,419	7,215,300	(31,468,119)	<i>Increases in Chandler Hall (\$231K), IT server/Infrastructure (\$250K), Capital Equipment (\$100K), and Culinary (\$25K), net of reductions in New Construction & Renovation (-\$5.9M), HE building (-\$5.5M), Redmond Campus (-\$752K), GO bond projects (-\$4.0M), Life Cycle Tech. (-\$50K), Campus Ctr. (-\$9K) and Residence Hall construction (-\$15.8M)</i>
Enterprise Fund	6,940,222	9,627,759	2,687,537	<i>Increases in personnel services (\$222K), materials & services (\$1.3M) and transfers-out (\$1.3M), net of decreases in capital outlay (-\$145K).</i>
Internal Service Fund	393,516	516,989	123,473	<i>Increases in personnel services (\$4K), materials & services (\$4K) and transfers-out (\$115K).</i>
Reserve Fund	480,000	510,000	30,000	<i>Increase in transfers out (\$100K), net of decrease in materials and services (-\$70K).</i>
Special Revenue Fund	1,815,260	1,904,487	89,227	<i>Increases in materials & services (\$133K) and capital outlay (\$13K), net of reductions in transfers-out (-\$24K) and personnel services (-\$33K).</i>
Auxiliary Fund	10,299,434	10,553,349	253,915	<i>Increase in materials & services (\$347K), capital outlay (\$195K) and personnel services (\$16K), net of decreases in transfers-out (-\$305K).</i>
Financial Aid Fund	21,369,235	18,472,306	(2,896,929)	<i>Increase in personnel services (\$71), net of decreases in materials & services (-\$2.89M).</i>
Trust & Agency Fund	3,500	3,000	(500)	<i>Decrease in materials and services (-\$500).</i>
Total of All Funds	\$133,176,809	\$ 98,807,706	\$ (34,369,103)	

Budget History Graph By Fund Type



Fiscal Safety Measures, Contingencies and Compliance

✓	Retain the General Fund's reserve as required 10% (~14%)
✓	Manage fiscal years 2014-15 and 2015-16 to a balanced operating position
✓	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 questions about the implementation of the 2015-16 Proposed Budget assumptions and priorities?

