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**Klamath Community College  
Budget Committee Meeting**  
7390 South Sixth Street \* Klamath Falls, Oregon 97603  
Tuesday, May 07, 2019 6:00 PM

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**MINUTES**

**I. CALL TO ORDER**

Board Chair, Dave Jensen, called the Klamath Community College Fiscal Year 2018-2019 Budget Committee meeting to order at 6:00 pm. The Pledge of Allegiance followed.

**II. WELCOME**

Dr. Roberto Gutierrez, President, welcomed everyone to the 2018-2019 Budget Committee meeting and introduced Cabinet.

- A. Dr. Gutierrez introduced Klamath Community College (KCC) staff, Allison Bryson, VP Student Affairs; Joanna Lyons-Antley, VP of Administrative Services; Jamie Jennings, VP of Academic Affairs; Charles Massie, VP of External Affairs; Michael Blade, Executive Director of Legal and Human Resources; and Shannon Childs, Secretary to the Board.

Guests included Jack Nowak, staff; Charles Bland, staff; Leann Meeds, staff; and Lacey Jarrell, PIO.

- B. The Board of Education and Budget Committee members introduced themselves.

KCC Budget Committee

Board of Education Members

Kate Marquez, Zone 1 (excused)  
Barbara Headden, Zone 2  
Michael Fitzgerald, Zone 3  
Dave Jensen, Zone 4  
Al King, Zone 5  
Kathy King, Zone 6  
William Riggs, Zone 7 (not present)  
Kenneth DeCrans (non-voting Board member)

Citizen Members

Debra Bingham  
Laura Limb  
Ray Holliday  
Rhoda Keown  
Julie Matthews (not present)  
Susan Kirby

Quorum confirmed.

### **III. NOMINATION OF BUDGET COMMITTEE CHAIRPERSON**

#### **A. Changing of the gavel**

**Nomination for Ray Holliday to serve as Chair.**

**Nomination by: Al King**

**Motion: To close nominations.**

Motion by: Kathy King

Second by: Dave Jensen

Discussion: None

**Action: Nomination passed. Unanimous approval.**

### **IV. PRESIDENT'S UPDATE**

Dr. Gutierrez gave an update of the last year at the institution. The 2018-2021 Strategic Plan was shared with the Budget Committee and Board. The Strategic Plan Initiatives were reviewed along with the Student Success Initiatives. Dr. Gutierrez shared significant accomplishment for the 2018-2019 academic year.

1. 61% increase in awarded degrees/certificates
2. 50% increase of 15 or more credits
3. 65 degree and certificate options
4. In distance education, 5% retention increase
5. Draft cohort default rate is now the second lowest in Oregon
6. Klamath Center for Education & Training (K-CET) is now taught by the College, offering General Educational Development (GED) synchronously with Chiloquin and Lakeview, increased the number of clock hours by <200%
7. Started Eagle Ridge High School construction laborer training pilot
8. Northwest Commission on Colleges and Universities (NWCCU) Accreditation received 7 commendations, including linking the budget to strategic planning
9. Partnership with Klamath County Sheriff's Office for a KCC substation
10. Southern Oregon Higher Education Consortium with Southern Oregon University, Oregon Institute of Technology, and Rogue Community College
11. Badger to Owl Connection, allows qualifying KCC graduates to receive tuition waivers for two terms at Oregon Tech
12. KCC and Chemeketa Presidents led the efforts resulting in the likely passage of Senate Bill 3, allowing community colleges to offer applied bachelor degrees
13. Completed construction and opened Founders Hall
14. Raised funding and developed programming for the Apprenticeship Center, the project has raised 58% of the goal
15. Raised \$63,800 in scholarships for 90 students, the annual Gala raised \$25,643, raised \$10,000 for scholarship endowment

### **V. OVERVIEW OF THE BUDGET PROCESS**

VP Lyons-Antley handed out and reviewed a PowerPoint, along with updated pages to the binder which included, page VI, page XIV, and the Consolidation of Accounts. The role of the Budget Committee was reviewed. The overview of the Budget Process was shared, as outlined in the PowerPoint.

### **VI. BUDGET MESSAGE and POWERPOINT**

VP Lyons-Antley continued to review the PowerPoint beginning with the 2019-20 fiscal year budget highlights. The total 2019-20 budget for Klamath Community College is proposed at \$54,723,237. Also

Klamath Community College is an Equal Opportunity Educator and Employer.

in the PowerPoint, VP Lyons-Antley addressed the general fund, 25 special revenue funds, 2 enterprise funds, 1 debt service funds and 3 capital projects funds.

**VII. GENERAL FUND**

**VIII. SPECIAL REVENUE FUNDS**

**IX. ENTERPRISE FUNDS**

**X. DEBT SERVICE FUND**

**XI. CAPITAL PROJECTS FUND**

VP Lyons-Antley further reviewed the PowerPoint handout with the General Fund Revenue Sources, General Fund Expenditures by Object, and General Fund Expenditures.

Increased costs/challenges were reviewed which included Public Employees Retirement System (PERS), State funding, and sustainability. This year it is proposed to transfer \$198,500 from the Reserve, leaving \$1,147,150.

Estimated state wide tuition costs were presented with an average of \$107.28 per credit, with Klamath Community College being at 108.00. It was proposed by administration of Klamath Community College to raise tuition by \$5 per credit for lecture only (\$108), \$12.50 per credit for combined courses (\$159), and \$17.50 per credit for lab courses (\$232). The Nursing Differential Tuition was reviewed. The proposed tuition and fees for a nursing student entering the program is \$26,700. The Nursing tuition increase was presented. It is proposed by administration of Klamath Community College to raise tuition for Nursing class to \$132 per credit hour for lecture courses and \$337 per credit hour for clinical courses. Klamath Community College fees were reviewed. Administration is recommending rounding up all fees to the next dollar. Proposed fees were discussed. Changes to fees would include the following updated fees; facility fee \$9 per credit, distance education fee \$22 per credit, Lakeview lecture \$15, Lakeview combined format \$22, and Lakeview lab \$32. Administration is recommending adding a 6% fee for course fees in Aviation for overhead costs in adjunct instructor, invoicing and liability.

Chair Holliday shared that KCC has been increasing slightly in tuition in the years he has been Budget Committee Chair and the College is now in the middle of the tuition chart. Dr. Gutierrez shared that there are many new degrees and programs. Trustee Jensen shared that many of the Colleges have higher fees, not tuition, that put them at the bottom on the chart.

Trustee Al King shared his history working with the Budget Committee and thanked Dr. Gutierrez for his vision and transformational behavior. Trustee Al King reviewed his items with the Board and Budget Committee. The first was on the PERS contribution and health insurance, which in almost every category is 50% plus. This is growing every year. This does not include items such as vacation. This is causing bankruptcies, and is being looked at for the elimination of retirement benefits. Trustee Al King wants to protect those employees at Klamath Community College. The second item is in tuition and fees. Enrollment is stagnant, which is good. If the College is increasing tuition and fees, for all students, the College is actually subsidizing the Nursing and Aviation program. Klamath Falls is a poor community, and the College is placing burdens on the lower income student. The third item is that the Board has to approve the building project. This is being brought to the meeting tonight, without having been brought to the Board. The fourth item is that there is an assumption that the College will continue to obtain grants that we have applied for. At the end of the budget binder, there are pages of grants that have been zeroed

out. Trustee Al King asked the Budget Committee to take a hard look at these items, as he will also be bringing them back to the next Board meeting.

Ms. Susan Kirby inquired on what choices the Budget Committee had. Trustee Al King shared information regarding getting PERS down, as he shared with the legislature. Ms. Kirby shared that it seems that PERS needs to be taken care of at the state level. Trustee Al King shared that the College picks up 6% of the employee match of PERS on behalf of the employees. Health insurance is also expensive. Health insurance may be capped for the College, however employees may suffer. There are concerns of the reserve funds being targeted.

Dr. Gutierrez talked about the Apprenticeship Center, it will go to the Board prior to the budget being approved at the next Board Meeting. The largest asset to an institution is its people. The College has the largest reserve amount, which is 90 days. The College employees work very hard and the institution wants to attract good people to the College. The College could look at not paying the 6%, however it is a benefit to which Klamath Community College counts on to attract good employees.

Trustee Headden inquired on the projections of Tier 1 employees. After 3-5 years, this tier output should decrease. The bulk of KCC employees are Tier 2 and 3.

VP Lyons-Antley shared a chart of various Oregon colleges reserve policies.

Ms. Debra Bingham recommended not using up the reserves, they are more difficult to build back.

Ms. Bingham inquired on what model would be used for the Nursing and Aviation tuitions according to Trustee Al Kings assessment of putting the balance on all students. Trustee Al King recommended the tuition as it is in law schools. A discussion was held on tuition and fees for Nursing and Aviation. Ms. Laura Limb shared her perspective on Nursing jobs, salaries, and employment locations. Dr. Gutierrez shared what is being proposed for the Nursing and Aviation tuition/fees is starting to address some of the issues discussed. Nursing, Diesel/Auto, and Agriculture are the highest subsidized programs. Dr. Gutierrez shared that KCC is hiring its first Nursing Director, which Lakeview Hospital is assisting with subsidizing the program.

It was shared that businesses around Klamath Falls are beginning to contribute less to benefits due to the economy and cost. It may be possible to look at Klamath Community College's benefits in the future and what this may look like if considering implementation. It was shared that KCC has an employee match and not everyone is covered 100%, they do need to pay the difference out of pocket, namingly for families.

Page 1; The details for the 173,000 in other revenue were referred to on page 26. VP Lyons-Antley reviewed these details and each of the fees listed. It was confirmed that the Fines Income on page 26 should be in the K-CET Fee line on the same page. This was noted to be corrected. A fee was established this year, hence the fee being in place for the entire year.

Page 1; The decrease in tuition and fees was addressed. On page 26, there is 15 to Finish which is "-160,925". Students who take 12-15 credits per term are proven to do better and are more successful. This is a program for students that take 12-15 credits per term. The College will give those students, after making thru the third week, a credit for 3 lecture credits.

Page 3; What is different in Marketing. An error was explained. The Webmaster was transferred to the Marketing area and should not have been. This was noted to be corrected.

Page 76; There is an expenditure of 325,000, which will be decreased by 66,000. The personnel item is going from two employees to one. 66,000 will be transferred back to Information Services. This was noted to be corrected.

Chair Holliday inquired if the success of Marketing is being tracked. It was noted that Marketing is being tracked through the web and it shows an increase. It is hard to track if the students are actually signing up. VP Massie shared what is going on with Marketing and what is being tracked. The Webmaster and Marketing are working very close together.

Ms. Kirby asked if there was a goal of enrollment, as the budget is set on the institution being flat. Dr. Gutierrez shared that the College is marketing for high school students and programs.

Page 37; The GED/ESL has a \$200,000 dollar increase. Another provider used to provide these services. KCC has taken over this area and its employees. The area is growing as it has higher quality and success.

Chair Holliday shared that the Budget Committee can look at the details at the bottom of the page for more information, which may eliminate some of the questions, as they are very valuable details. Chair Holliday shared that moving materials to one budget, made it more difficult to look at the budget this year compared to last. VP Lyons-Antley explained that a spreadsheet was created to reflect efficiencies in combining the materials budget, which she highlighted and explained. Chair Holliday asked for significant changes in budget from year to year be added in the notes at the bottom of the page to help with clarity and less questions.

Page 41; There are two full-time nine month faculty which does reflect reality the Nursing Director.

It was shared that adjunct faculty is currently working more than 599 hours for a PERS covered employer, the College is required to pay the employer portion of PERS.

Full-time administrative staff were defined as overtime exempt. Full-time support staff were defined as not being overtime exempt.

Page 66; The College is utilizing Federal Work Study funds for advising.

Page 69; The administrative salary reflects where the College is saving on the Vice President position.

Page 70; The salaries in this area reflect the College transitioning from a Dean of Enrollment a year ago, to a Registrar and assistant in the area. Trustee Al King inquired on the Administrative Assistants for Vice President's and/or Directors and Deans. It was shared that it is common that each division has an administrative assistant. Not every department has an administrative assistant. Trustee Al King shared concern for a department that has few direct reports, however has an administrative assistant. Dr. Gutierrez shared the example of Academic Affairs having many faculty. Dr. Gutierrez shared that the College looks for and finds inefficiencies if they are present.

Page 74; This is the First Year Experience Coordinator and there has been a significant increase in retention due to this. The College does have a return on investment here.

Page 83; Executive Director Blade shared the issues with the Veterans Association and the reflection of this in the increased figures in the budget. This is set aside to cover any legal fees that may be incurred. There is work towards a resolution, however it has not yet occurred. KCC is not the only College with this issue.

Page 83; There is all employee pay allocated across different cost centers, that cost is reflected in this budget. Dr. Gutierrez shared the merit performance process as was approved by the Board.

Page 84; The contracted services are for on-going licenses. There is a special revenue fund with technology fees that accounts for the 89,000 for technology replacement. This was noted to be corrected.

Page 85; “Grand” needs to be corrected to “Grant” in the notes. VP Massie shared how much grant funding the dollars supported. In 2018-2019 year, which is not yet finished and does not touch every grant, 2M is reflected across the entire resource department. The anticipated goal going forward this future year is 6M in asks, which does not include the Apprenticeship Center at approximately 3.5M. VP Massie will look at zeroed out grant funds. Dr. Gutierrez shared that all grant applications are filtered through the Colleges strategic plan and direction. KCC is selective.

Page 93; Utilities dropped \$25,000, which has to do with the efficiency in LED lighting.

Page 100; VP Lyons-Antley shared that the comments will be corrected to reflect the amount of equipment.

Page 97; A Plus Loan was defined as a loan for an individual that is not federally guaranteed. An Alt Loan is a loan for parents.

Page 111; The substantial increase is for the auto alignment machine.

Page 151; VP Massie shared that the GED Wrap Around is a one-time grant that was brought in for additional services in the K-CET program.

Roman numeral 15-16; It was inquired how assumptions go into the financial forecast beyond the current budget year. VP Lyons-Antley shared that tuition increase or decreases are not included. The assumptions give the worst case scenario. In the next few years the College will be looking on how they do business, such as looking at the reserves. It was asked to show more information in the forecast.

Trustee Headden left the meeting.

Page 133-134; There is an increase in materials and services. The College wants to leverage monies as well as they can. Joanna shared an explanation of each fund of the SBDC Overmatch. The Small Business Development Center’s across the nation exist because of collaborative funding. Core funds (which a Center cannot exist without) include a \$33,000 annual Federal grant from the U.S. Small Business Administration; approximately \$79,500 per year of State funding (Oregon lottery dollars administered by Business Oregon), and local match (which we choose to break into two piles). Dr. Gutierrez shared that this is a commitment to our community. This is utilized quite a bit. There is a return on investment. The fund explained included:

1505 – Federal

1307 – Match

1505 – State

1320 – Programs

1327 – Over-Match

2518 – Foundation

2522 – Foundation

Page 25; There is a steady increase in distance education. There is an access issue, people use distance education in rural areas and it is highly needed. The College has many online programs.

Page 110; This provides experience for the Culinary Department to do lunches and dinners. Food services from the Badger Burrow have been eliminated.

## **PUBLIC COMMENT**

Susan Kirby thanked the College and staff for her first year.

## **XII. APPROVAL OF BUDGET or DATE FOR NEXT COMMITTEE MEETING**

### **A. Motion to Accept Budget as Set Forth for Fiscal Year 2019-2020.**

Motion by: Dave Jensen

Second by: Debra Bingham

Discussion: Trustee Al King noted that there were corrections in the document that needed to be made.

**Motion to Amend: To Accept Budget as Set Forth for Fiscal Year 2019-2020 including corrections as discussed in meeting.**

Motion by: Dave Jensen

Second by: Debra Bingham

Discussion: None.

All in vote of yay, with the exception of one nay by Al King. For the record, Al King voted nay for reasons he already stated in the meeting.

**Action: Motion passed.**

### **B. Motion to Approve Taxes for Fiscal Year 2019-20 at the Permanent Tax Rate of \$0.4117 per \$1,000 of Assessed Value for Operating Purposes**

Motion by: Al King

Second by: Debra Bingham

Discussion. None.

**Action: Motion passed. Unanimous approval.**

## **XIII. ADJOURNMENT**

Chair Holliday adjourned the meeting of the Klamath Community College Budget Committee at 9:00 pm.

Respectfully submitted by:

Shannon Childs

Klamath Community College

Board of Education Secretary