



**Klamath Community College
Budget Committee Meeting**
7390 South Sixth Street * Klamath Falls, Oregon 97603
Wednesday, May 06, 2020 6:00 PM

MINUTES

I. CALL TO ORDER

Board Chair, Dave Jensen, called the Klamath Community College Fiscal Year 2019-2020 Budget Committee meeting to order at 6:00 pm. The Pledge of Allegiance followed.

II. WELCOME

Dr. Roberto Gutierrez, President, welcomed everyone and thanked everyone for their time and commitment to the College. Introductions were made of attendees.

- A. Dr. Gutierrez introduced Klamath Community College (KCC) staff, Bill Jennings, Interim VP Student Affairs; Tricia Fiscus, VP of Administrative Services; Jamie Jennings, VP of Academic Affairs; Charles Massie, Executive Director External Affairs; Justin Wright, Executive Director of Legal and Human Resources; and Shannon Childs, Secretary to the Board.

Guests included Geoffrey LaHaie, staff; Dana Hovey, staff; Leann Meeds, staff (zoom); Lacey Jarrell, staff; and Kathleen Walker-Henderson (zoom); Dale Severns, staff and Diane Haskins, staff (zoom).

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

KCC Budget Committee

Board of Education Members

Kate Marquez, Zone 1
Kenneth DeCrans, Zone 2
Michael Fitzgerald, Zone 3
Dave Jensen, Zone 4
Al King, Zone 5
Helen Petersen, Zone 6
William Riggs, Zone 7
Jenny Naylor (non-voting Board member) (zoom)

Citizen Members

Ray Holliday
Jeffrey White
Julie Matthews (zoom)
Rhoda Keown
Gayle Yamasaki

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

Second by: Michael Fitzgerald

Motion: To close nominations.

Motion by: Helen Petersen

Second by: Michael Fitzgerald

Discussion: None

Action: Nomination passed. Unanimous approval.

Al King inquired if anyone on the Budget Committee did not feel like they had ample time to review the budget. There were no comments.

IV. PRESIDENT'S UPDATE

Dr. Gutierrez gave an update of the last year at the institution via PowerPoint. Dr. Gutierrez shared the mission statement of the College, the Strategic Plan initiatives, 2019 prosperity and access, excellence, community, planning, and spring enrollment updates.

V. OVERVIEW OF THE BUDGET PROCESS

VP Fiscus handed out and reviewed a PowerPoint. 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 Fiscus continued to review the PowerPoint beginning with the 2020-21 fiscal year budget highlights. The total 2020-2021 budget for Klamath Community College was proposed at \$55,403,233. Also, in the PowerPoint, VP Fiscus addressed the general fund, 25 special revenue funds, 2 enterprise funds, 1 debt service fund, and 3 capital projects funds. The general fund expenditures were reviewed in graph form by percent, object, and activity. Greatest challenges were reviewed in "state funding – COVID-19 response financial impacts". Responses to the greatest challenges were reviewed. The PowerPoint also included a tuition increase proposal. VP Fiscus noted that KCC is proposing to move 1.7 million out of the general fund and into a reserve account, until determination is made by funding of the state.

Al King thanked VP Fiscus and shared that this budget has been reduced by \$3,000,000.

VP Fiscus handed out updated sheets for the packet to the Board of Education and Budget Committee. These sheets should be replaced with those in the binder, and include the Budget Committee for Fiscal Year 20-21 and page numbers 15, 16, 63, 64, 69, 70, 73, 74, 79, 80, 81, 82, 85, 86, 93, 94, 147 and 148.

Tricia shared that last year a 5% tuition had been approved, however with additional funds from the state, that was rescinded by the Board. Dr. Gutierrez noted that Klamath Community College was the only college that did not do a tuition increase. VP Fiscus noted that the Pell eligible students aid went up 2.42%.

Chair Holliday called a seven-minute break at 6:48 pm.

VII. GENERAL FUND

VIII. SPECIAL REVENUE FUNDS

IX. ENTERPRISE FUNDS

X. DEBT SERVICE FUND

XI. CAPITAL PROJECTS FUND

Chair Holliday called the meeting back to order at 6:55 pm.

Chair Holliday opened the floor to questions.

Chair Holliday referenced page 8. The budget for materials and services has gone to zero both last year and this year. VP Jamie Jennings shared that the supplies and materials have been pulled into two aggregate accounts, one for Academics and one for Career and Technical Education. VP Jamie Jennings shared that after review of how funds are, or are not spent, it was more efficient to reduce this line item in budgets and to move them into an aggregate. This has created savings to the College and time in the Business Office. VP Fiscus noted that the aggregate accounts were listed on page 67 and 68.

Gayle Yamasaki inquired how much of the funds were at the end of the fiscal, and what happens to them. VP Fiscus referred to the PowerPoint slide referring to the \$654,535 balance and the proposal to move this to a reserve fund. In preparation for the upcoming budget cut, the College works with a biennium budget.

Kate Marquez commented it was a good thing to save money, however the College spends money for the benefit of students. Kate Marquez inquired on why the College is saving so much money. Dr. Gutierrez shared that the money in the account is preparation for the upcoming state budget cut. Dr. Gutierrez further shared that the College is also making strategic investments, such as a 3D printer for the Advance Manufacturing Robotics program.

Chair Holliday referred to page 76. There was a large drop in Title IX. VP Fiscus shared that this was a salary savings from a layoff. The College was able to move Title IX from one individual to other positions.

Chair Holliday referred to page 93. The Foundation support. VP Fiscus shared that was the Foundation moving towards a more self-sustaining entity. Those salaries have been moved to elsewhere, onto grants and etc. Al King shared that the Foundation is starting to work. The College was subsidizing this tremendously. The Foundation is supposed to provide funds for the College, not the other way around. The Foundation is generating money. Al King is impressed with the change and is optimistic that this number has been reduced.

Gayle Yamasaki referred to page 78. First Year experience had a large reduction. VP Fiscus shared that the individual in this position was split between two different funds. VP Fiscus will get information on what budgets this went to.

Gayle Yamasaki referred to page 89. VP Fiscus shared this was for Marketing and there was a re-organization of the Communications division.

Helen Petersen referred to page 81. The printing budget is zero in some areas. VP Fiscus shared that the Ricoh budget is paid through the district budget. This is a catch all that does not belong in one area, so this is in the business office. This has been centralized and has created large efficiencies. Dr. Gutierrez shared that everyone got a pop-up on their computer on how much they were spending on copies, which created awareness and efficiencies.

Gayle Yamasaki referred to pages 80-81. There is quite a large budget on contracted services. VP Fiscus shared that the Business Office increased due to the system called ADP, which is the payroll system that was not in the budget last year. Jack Nowak is on a contract to help if need be. VP Bill Jennings shared that Financial Aid has an outside contract to assist with the loan default rate.

Motion: To resend the 2% tuition for the students and find a place to recover the money in the amount of approximately \$90,000.

Motion by: Al King

Second by: Helen Petersen

Discussion: Al King shared that he feels bricks and mortar may not be the future of education. Going forward, KCC may be competing with non-brick and mortar institutions who do not have the cost and are inexpensive. Al King feels the College should make a statement for \$90,000. Dr. Gutierrez shared that he was proud of this last year. Dr. Gutierrez shared that this does send a strong message across the state, to have no tuition increase 2 years in a row. VP Fiscus shared that the percentage of students receive Pell is 72%. This may go up in the future, as much as 85% as it was before. Chair Holliday shared that there are those that are not fans of distance education. There are learning styles and people react differently. He does not feel that brick and mortar is going away. Gayle Yamasaki shared that online classes may be more expensive. If pell that goes up 85%, these are students who will not be taking classes online, as they do not have the access. Kenneth DeCrans inquired if the College had figures for Veterans who use chapter 33 benefit covering 100% of tuition. VP Bill Jennings said the number was significant. VP Bill Jennings will get the information as he did not currently have it. Kenneth DeCrans inquired how much may have been saved by not having supplies over the summer. VP Jamie Jennings shared there has been a reduction. VP Jamie Jennings shared that the College has laid people off and furloughed employees, and she is not sure of the message the College is sending by not having a nominal tuition increase. Rhoda Keown shared experience with her grandchildren, and shared that this seems nominal, however she does not want to see the College lose good people. Dave Jensen shared that 2% may not seem like a lot now, however over time, it may be a higher percent in the future. He would rather do small increases every couple of years, than one large increase in the future. If this is not increased when we are cutting employees, this is a message also. Dr. Gutierrez shared that he did not anticipate losing students over a tuition increase. Gayle Yamasaki shared that she liked the rationale of keeping a tuition increase under the pell increase of 2.24%. For 75-80% of the students, they would not feel it. She would support a small incremental increase. Helen Petersen asked if the \$90,000 savings could be made through via supplies, utilizes, etc., or does it have to be a staff or employee. Dr. Gutierrez shared that the College is very efficient. He is not sure if this will affect an employee until down the road. Kate Marquez endorsed what Dave Jensen and Gayle Yamasaki shared. \$90,000 could also be contributed to student support through things like computers. Dr. Gutierrez shared computer distribution through the College and grants. Paul Breedlove supplied 50 computers through the College with re-purposed computers that were going to go to surplus. There is not a waiting list for computers. Ms. Childs reread the motion for clarification. Kenneth DeCrans inquired on where the College would get that \$90,000 back and still provide quality education. Dr. Gutierrez shared that this amount would compound over time. Michael Fitzgerald shared that he would not support the motion until he knew where the \$90,000 was coming from, this can be looked at and moved on as a Board. Gayle Yamasaki shared that \$90,000 is part of a sustainability plan. William Riggs is more concerned about what will come down from the state and Governor's office after the vote. Helen Petersen shared that in the course catalog it stated with an Asterix that the course tuition is subject to change. Helen Petersen inquired if there was any way to give students notice, after this is

proposed, that there might be a proposed 2% increase and just tell the students that it will be 2 dollars, or provide the slide. Dr. Gutierrez shared the this can be done, maybe stating it is up to the Board at the next meeting, however the administration is proposing a 2% increase. Dr. Gutierrez and VP Bill Jennings will talk about this and how it may be done.

Call for question: Dave Jensen

Action: Al King, yay; Helen Petersen, Abstain; all other voted nay. Motion fails.

Al King thanked VP Fiscus for her corrections and work on the document. There were conflicts, and there was hard work at the last minute to make corrections. Al King shared that he has voted nay for the budget last year in the Budget Committee meeting and at the Board of Education meeting, which was involving Public Employees Retirement System (PERS). There has big a large growth in PERS and health care. There are programs that exceed 100% of the salaries. There is a tremendous amount of growth in these areas. Al King shared his concerns involving this information. Dr. Gutierrez shared that 1.3 million is in PERS reserve account. Al King shared that it will not begin to cover 100% benefits. There are other things the College provides, such as vacation, holiday and sick leave. Dr. Gutierrez shared there is a fine line in attracting and keeping good people with paying the appropriate compensation amounts.

VP Fiscus shared an example on page 148. This is a grant. There are areas where the monies for salaries are disbursed between many grants, while 50% of the benefits hit the budget in reference.

Al King shared that he was told that is was a Board policy and would like to see it. There are individuals not working full time, however are getting full time benefits. The College is laying people off or furloughing and paying benefits package while employees are out. Al King is not against this as some salaries are very low. VP Fiscus clarified that the Board policy follows if you are 20-29 hours, you get 50% benefits; if you are 30-39 hours you get 75% benefits; 40 hours are 100%. If this is a Board policy, the Board needs to address it. Al King asked to review this.

Helen Petersen referred page 8. VP Fiscus shared that this is for adjunct faculty and supplies for the teach out of the program.

XII. PUBLIC COMMENT

None.

XIII. APPROVAL OF BUDGET or DATE FOR NEXT COMMITTEE MEETING

A. Motion to Accept Budget as Set Forth for Fiscal Year 2020-21.

Motion by: Michael Fitzgerald

Second by: Dave Jensen

Discussion: Helen Petersen verified this was a recommendation to go to the Board.

Action: 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, including tuition. He will be working with VP Fiscus for questions.

Action: Motion passed.

B. Motion to Approve Taxes for Fiscal Year 2020-21 at the Permanent Tax Rate of \$0.4117 per \$1,000 of Assessed Value for Operating Purposes

Motion by: Al King

Second by: William Riggs

Discussion. None.

Action: Motion passed. Unanimous approval.

XIV. ADJOURNMENT

Motion: To adjourn

Motion by: Kenneth DeCrans

Second by: Dave Jensen

Discussion: None

Action: Motion passed. Unanimous approval

Chair Holliday adjourned the meeting of the Klamath Community College Budget Committee at 7:52 pm.

Respectfully submitted by:

Shannon Childs

Klamath Community College

Board of Education Secretary