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**Klamath Community College  
Budget Committee Meeting**  
7390 South Sixth Street \* Klamath Falls, Oregon 97603

Thursday, May 06, 2021 6:00 PM

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**MINUTES**

**I. CALL TO ORDER**

Board Chair, Kenneth DeCrans, called the Klamath Community College Fiscal Year 2021-2022 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; Maggie Polson, Interim Executive Director of Legal Counsel/Special Projects; and Shannon Childs, Secretary to the Board.

Guests included Geoffrey LaHaie, staff; Lacey Jarrell, staff; Kathleen Walker-Henderson (zoom); and Dale Severns, staff.

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

KCC Budget Committee

Board of Education Members

Kate Marquez, Zone 1  
Kenneth DeCrans, Chair, Zone 2  
Michael Fitzgerald, Zone 3  
Dave Jensen, Zone 4  
Helen Petersen, Zone 6 (not present)  
Jason Flowers, Zone 7 (not present)  
Crystal Rice (non-voting Board member) (not present)

Citizen Members

Ray Holliday  
Jeffrey White (not present)  
Julie Matthews  
Rhoda Keown  
Gayle Yamasaki  
Laura Limb  
Ian Robinson

Quorum confirmed.

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

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

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

Nomination by: Gayle Yamasaki

Second by: Laura Limb

#### **Motion: To close nominations.**

Motion by: Dave Jensen

Second by: Laura Limb

Discussion: None.

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

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

Dr. Gutierrez gave an update of the last year at Klamath Community College via PowerPoint. Dr. Gutierrez highlighted that KCC has had record enrollments at KCC in the past year, amidst an epidemic. Dr. Gutierrez highlighted the mission statement of the College, the Strategic Plan initiatives; prosperity, access, excellence, community, and planning. It was noted that administration is recommending, to the Budget Committee and Board, a no tuition increase for 2021-2022.

Trustee Marquez highlighted the work that the College has done with record enrollment. In consideration of the enrollment drops across the country, KCC has done amazing and has an incredible achievement.

The five apprenticeships were shared by VP Jamie Jennings as carpenter, cement mason, drywall, exterior painter and interior painter programs.

Mr. Robinson, thanked Dr. Gutierrez for the College for staying open. Mr. Robinson inquired on the \$1.5M for the Childcare and if they were startup funds. Dr. Gutierrez responded that it was a match and that it would have startup funds. Dr. Gutierrez highlighted partnerships to help the College run the center. The operational costs will be developed down the road. The Childcare Center will connect to the Early Childhood certificate/degree.

### **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 2021-22 fiscal year budget highlights. The total 2021-2022 budget for Klamath Community College was proposed at \$63,657,858. Also, in the PowerPoint, VP Fiscus addressed the general fund revenue sources. The general fund expenditures were reviewed in graph form by percent, object, and activity. Increase costs/challenges were presented. Other proposed budgeted funds were reviewed. VP Fiscus handed out a department description list for reference.

Mr. Robinson noted that the KCC budget is higher this year than last year, which is partly due to other colleges being low. Mr. Robinson inquired in the college increasing its budget this year, if it will need to consider the budget for next year if other colleges grow. Mr. LaHaie explained the three-year rolling average and how that levels out in the state formula. Full-time equivalency (FTE) is used in the formula. There are caps on growth. The College is protected from large jumps by the three-year average.

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Trustee Jensen shared, that of the \$63M, the College only has much control over the \$26,257,917. Mr. Robinson inquired on the \$63M and where that is going. VP Fiscus shared that it was grants, personnel, financial aid and other areas. Much of these monies come with contracts with instructions on how to spend the funds. The glossary was referred to for reference. There was also an explanation of which monies have a pass through, such as financial aid.

Ms. Yamasaki inquired on where the local sources came from. Mr. LaHaie shared that most of this was from taxes, which also includes the Lake County funds.

VP Fiscus shared that the College will put at least \$1M in the reserve account this year. The current total reserve is \$2,128,571. \$1.7M was added into the reserve last year.

Mr. Robinson noted page 1, year 2018-2019 generated a general fund just under \$21M, now it is \$26M, there is an increase and general fund expenditures have gone up. Mr. Robinson asked what the philosophy of the College was when there are more funds on hand and how does the College decide what to do with it. Chair DeCrans shared that the Board gets a supplemental budget, and if need be, it goes into a rainy-day fund, so that if need be it could be used. The land purchase was used as an example. Trustee Marquez shared that the College has a strategic plan and the College works toward that long-term strategic planning and programming. Spending does not just occur if there is extra money. Dr. Gutierrez shared that the College looks at sustainable programming and meeting needs in the community. Programs that are not meeting the need in the community or not doing well, get shut down through a program review process, even in the midst of not having a budget problem.

Chair Holliday opened the floor to questions.

Ms. Yamasaki inquired on the is a reduction in contracted services. VP Fiscus shared it is situations like making room for contracting with individuals, even if it is not totally used. Chair DeCrans added that the Foundation books are being done internally, as they got their own system. If services are not being used, they get decreased.

Ms. Matthews reflected on the jobs created and it looked like the college netted 9 jobs. Excitement was expressed with this growth.

Ms. Limb referred to page 40 under the miscellaneous fund of \$100K. Mr. LaHaie shared it was budgeted the same as last year.

Chair Holliday referred to page 40 under 15 to finish being -\$164,000. Dr. Gutierrez shared that is being taken on as an institution to help with completion, as an investment to the students. Additional credits are shown in research, to assist a student complete. Trustee Marquez shared that completion is an issue, so when more credits are taken, there is greater likelihood of completion. It is beneficial to the students. Mr. Robinson shared that it is excellent as it helps students who do not have the financial aid.

Ms. Limb referred to page 42 under adjunct faculty credit. VP Fiscus shared this is the difference between teaching credit and non-credit classes. Mr. LaHaie shared that there was an error and one faculty was accounted for in the wrong account. This will be corrected between page 41 and 42.

Mr. Robinson referred to page 4 and asked for a review of a few of the 2018-19 versus this year. Mr. LaHaie shared there was an error and they should be positives, not negatives in the fund balances. This year is not there, as it has not been closed out. It is showing negative as it shows as a carry over, and is a manual fix.

Ms. Limb referred to page 59 under adjunct faculty for aviation. VP Fiscus shared that a full-time faculty went to an administrative position. This is also a pass-through to Precision Aviation.

Chair Holliday inquired on the cost margin analysis (CMA) and that they trend negative and asked how they are looked at. Dr. Gutierrez referred to the Culinary program and explained program review, even though tough decisions. The research showed that students were going to a dead-end industry. The program was shut down. Mr. Robinson inquired if the culinary would come back. It was noted that this was done before COVID. The college will be keeping the kitchen. Trustee DeCrans shared there are still classes, however they do not go towards a degree. It was noted that students were not getting good paying jobs. VP Fiscus shared that some revenues and FTE (full-time equivalency) generations are looked at along with the CMA, as it is not inclusive of everything.

Chair Holliday referred to page 53 under the paragraph at the bottom. The CMA is positive. Dr. Gutierrez shared that to be more viable the College is partnering with Rogue Community College. VP Fiscus shared that as of now, KCC has been borrowing equipment. This year KCC is looking at grants and ways to purchase equipment with the Apprenticeship Center coming in. There is a long-term plan to have a regional training center to bring people into Klamath Falls.

Ms. Limb referred to page 55 under the full-time faculty shift, nursing. Mr. LaHaie shared a faculty was moved from a 12 month to a 9 month. There are 3 full-time faculty in the program, plus a dean. Ms. Limb added that part-time support staff was up 50%.

Chair Holliday called a ten-minute break at 7:26 pm.

Chair Holliday called the meeting back to order at 7:36 pm.

VP Fiscus reviewed that there is additional help in nursing for cumbersome application processes and placement test, additional help was needed.

Ms. Limb referred to page 73 under academic administration and inquired on the change of 11K in dues and memberships. VP Jamie Jennings shared that this is for Commission on Accreditation for Health Informatics and Information Management (CAHIIM), a National Accreditation the College is seeking.

Mr. Robinson referred to page 73 under the increases to administrative salaries. VP Jamie Jennings shared the change in administrative salary was a shift from non-exempt to exempt in that line.

VP Fiscus shared information on correcting coding of jobs in the budget and that it is an ongoing process to try to correct this so that positions show up in the correct area on the budget. It was explained that a coding error referred to correcting where employees are accounted for in the budget. VP Fiscus shared that these corrections will be completed by the Board meeting.

Chair Holliday referred to page 41 under the salary changes being higher. VP Fiscus shared that this is noted in the corrected form. This was an error.

Ms. Limb referred to page 85 under Title IX funds. VP Fiscus shared there has been quite a bit of change. There used to be an employee dedicated to this. The Human Resource Manager is working on this now. There have been efficiencies made. Ms. Limb noted contracted services being down 50%. VP Fiscus shared there were many changes. Last year the College purchased OCCA (Oregon Community College Association) policies and procedures. Acquiring this changed how KCC became compliant with Title IX.

Chair Holliday referred to page 186 under appropriated funds and if it was part of the carry over. VP Fiscus shared this should be titled Rainy Day fund.

Ms. Limb referred to page 93 under Lake County administrative salary and part-time being zero. Dr. Gutierrez shared KCC was serving a non-taxing district, which was the right thing to do at the time. Then looking at possible budget cuts, priorities were in the Klamath County taxing district. Some non taxing district employees were laid off. Ms. Limb noted that health insurance went up in some accounts. Mr. LaHaie shared it goes up every year.

Ms. Limb referred to Page 94 under contracted services that were doubled. VP Fiscus shared this was with the OCCA policies and procedures. KCC has contracted out an individual to assist KCC is aligning KCC policies and procedures over the next year.

Ms. Limb referred to page 94 under equipment estimates and inquired on what was being bought. VP Fiscus shared that the College is utilizing a CARES fund. A lot of the equipment in here would have been technology. The College is utilizing the CARES fund and this is reduced. VP Fiscus shared that money saved over the next three years will work toward recycling this technology. Ms. Limb inquired on the land purchase. Chair DeCrans explained this payment is spread over three years.

Ms. Limb referred to page 97 and inquired on what changed. VP Fiscus shared that Peter Lawson got an assistant and a lot of work is being done internally.

Ms. Limb referred to page 98 under administrative salaries. VP Fiscus shared that last year Bill Jennings became the Interim VP of Student Affairs, so there was administrator salary savings.

Ms. Limb referred to page 99 under communications. VP Fiscus explained that the college is getting a new phone system. CARES money will be used. This more than likely will be a voice over IP.

Ms. Limb referred to page 109 under CARES act. VP Fiscus shared that the college is not banking on that money going forward. This is the flow through, it will come in and go out.

Ms. Limb referred to page 110 under student wages. VP Fiscus shared this was an error and there was a supplemental budget completed on this.

Ms. Limb referred to page 112 under technology. VP Fiscus shared that this is a plan to use student fees. This is not an amount that will be the same all the time. Mr. LaHaie shared that the budget gives authority to spend. There will be carryover in the course fees, so to spend it, it got placed in this fund. VP Fiscus shared that this will be used toward software, maintenance and licensing fees in the amount of \$84K.

Ms. Limb referred to page 130 and inquired on what supplies are being bought for physical education. Mr. LaHaie shared it was manikins for classroom training.

Ms. Limb referred to page 154 under Small Business Development Center (SBDC) return on investment (ROI). Dr. Gutierrez shared that money was added to this, for the work that is going out to small business survival right now. Executive Director Massie shared that the SBDC has a large variety of funds. The ROI is a one-time grant. This is utilized for specific projects.

Ms. Yamasaki referred to page 133. VP Fiscus shared that this is used for smaller grants when the college does not want to open up a whole new fund. These are non-permanent funds. Executive Director Massie shared that Governor's Emergency Education Relief Fund (GEER) was the states answer to the Cares

funds not supporting non-credit adult learning. GEER was opened up to any student enrolled in the school. Apprenticeship, non-credit, General Educational Development and English as a Second Language programs were not available for the CARES funds.

Ms. Limb referred to page 214 under small capital projects. VP Fiscus shared this is an anticipation of the Apprenticeship Center. The College is trying to do some of the work itself.

Ms. Limb referred to page 215 and the time of the grant. Dr. Gutierrez shared it was there until spent.

**VII. GENERAL FUND**

**VIII. SPECIAL REVENUE FUNDS**

**IX. ENTERPRISE FUNDS**

**X. DEBT SERVICE FUND**

**XI. CAPITAL PROJECTS FUND**

**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 2021-22.**

Motion by: Dave Jensen

Second by: Kenny DeCrans

Discussion: None.

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

**B. Motion to Approve Taxes for Fiscal Year 2021-22 at the Permanent Tax Rate of \$0.4117 per \$1,000 of Assessed Value for Operating Purposes.**

Motion by: Dave Jensen

Second by: Kenny DeCrans

Discussion. None.

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

**XIV. ADJOURNMENT**

**Motion: To adjourn**

Motion by: Kenny DeCrans

Second by: Laura Limb

Discussion: None

**Action: Motion passed. Unanimous approval**

Chair Holliday adjourned the meeting of the Klamath Community College Budget Committee at 8:28 pm.

Respectfully submitted by:

Shannon Childs

Klamath Community College

Board of Education Secretary