

Minutes
May 18, 2022

CHEMEKETA COMMUNITY COLLEGE

**BUDGET COMMITTEE
MEETING MINUTES**

April 20, 2022

A. CALL TO ORDER AND ROLL CALL

Ray Beaty, Budget Committee Chair, called the meeting to order at 4:00 pm in the Board Room, Building 2, Room 170, at the Salem Campus.

Members in Attendance: Ray Beaty, Chair (via Zoom); Chris Brantley; Ed Dodson; Jackie Franke; Ken Hector; Neva Hutchinson; Jenne Marquez; Scott Muller (via Zoom); Ron Pittman; Mike Stewart; Joe Van Meter; and Diane Watson (via Zoom). Excused Absences: Betsy Earls, Barbara Nelson.

College Administrators in Attendance: Jessica Howard, President/Chief Executive Officer; Mike Vargo, Vice President, Academic Affairs; David Hallett, Vice President, Governance and Administration; Bruce Clemetsen, Vice President, Student Affairs; Michael Kinkade, Associate Vice President, College Support Services/Operations; and Aaron Hunter, Associate Vice President/Chief Financial Officer, College Support Services/Finance.

B. APPROVAL OF MINUTES OF APRIL 6, 2022

Ray noted there was a minor modification to the minutes, and Julie Deuchars confirmed that the change had been made.

Jackie Franke moved and Ken Hector seconded a motion to approve the Budget Committee minutes of April 6, 2022.

The motion CARRIED.

C. QUESTIONS FROM PRIOR MEETING

Chris Brantley submitted the following question in regards to the April 6, 2022 budget meeting referencing the 2% cost of living adjustment (COLA) added to the salary schedule next year: "Since inflation is outpacing the cost of living, how is the number determined and negotiated? Are Chemeketa's salaries comparable to similar jobs in other organizations after a COLA is implemented?" Aaron Hunter responded that the 2% COLA was a faculty-negotiated amount for the period of July 2021 to June 2024. He also stated that, in addition, Chemeketa's goal is to continue to provide a competitive compensation package when compared with other organizations. He added that, for non-faculty positions, negotiations are ongoing with the Classified Employee Association that will determine the salary schedule adjustment level for that group of employees and that an estimated amount to fund the potential cost of these adjustments has been included in the budget.

D. PRESENTATION OF 2022–2023 OTHER FUNDS

Aaron thanked the Budget Committee and staff for their effort and input into this process. Aaron noted that the information in the presentation can be found on pages 169–195 in the spiral-bound Proposed Budget book for FY2022–2023 and on PowerPoint (PP) slides 1-22.

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Aaron referred to PP slide 4, a pie chart of the Summary of All Funds. The chart shows a percentage breakdown of all the Other Funds as well as the General Fund. He noted that the budget has decreased from last year's budget of \$322 million and is approximately \$300 million. The primary decrease was due to reductions within financial aid and special projects. Tonight's discussion will focus on the Other Funds portion which covers approximately \$195 million of the budget.

The Other Funds covered were: Capital Development, Plant Emergency, Special Projects, Self-Supporting Services, Debt Service, Chemeketa Cooperative Regional Library, Auxiliary Enterprise, Intra-College Services, Student Government, Student Clubs and Student Newspaper, Athletics, External Organization Billing, and Financial Aid. Position changes, eliminations, reductions in force and investments are noted on the slides. The following highlights or questions were noted:

Capital Development Fund (pp. 170–171) (PP - Slide 5) (Aaron Hunter)

- The focus of this fund is on maintenance, repair and safety projects.
- The college will begin planning for the long-term redevelopment of existing facilities that may be funded by a general obligation bond.
- The FY2022-2023 proposed budget includes the following number of FTE (subject to funding): Classified 1.50 FTE.

Plant Emergency Fund (pp. 172–173) (PP - Slide 6) (Michael Kinkade)

- This fund is dedicated to emergency repairs of campus facilities and facility-related equipment used during the year as needed, and regular additions to this fund ensure that a balance of \$750,000 is maintained.

Special Projects Funds (pp. 174–175) (PP - Slide 7) (Aaron Hunter)

- These are accounts for proceeds of revenue used specifically for grants and contracts.
- Current major grants include: Carl Perkins Vocational Education, TRIO (Student), College Assistance Migrant Program (CAMP), High School Equivalency Program (HEP), and Chemeketa Accelerated Pathways to Success (CAPS – HSI) grants.
- The college is submitting several renewal and new grant proposals which may be awarded in FY2022-2023.
- The college received a combined total of approximately \$42.8 million of federal funding (CARES, CRRSAA and ARPA) from spring term 2020 through FY 2022-2023. Currently approximately \$14.7 million remains to be spent from institutional and Minority Serving Institution (MSI) funds.
- Funding will be moved for five 0.25 FTE (1.25 FTE total) from the Chemeketa Accelerated Pathways to Success Grant to the General Fund as required by the grant.
- The FY2022-2023 proposed budget includes the following number of FTE (subject to funding): Exempt 9.05, Classified 35.18, and Faculty 1.00 for a total of 45.23 FTE.

Self-Supporting Funds (pp. 176–177) (PP - Slide 8–9) (Aaron Hunter and Mike Vargo)

- This fund accounts for activities that supplement General Fund programming and is self-supporting in nature. Some of the bigger programs include: Center for Business & Industry (CCBI) and High School Partnerships.

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- This fund includes the majority of the personnel changes in the Other Funds.
- The FY2022-2023 proposed budget includes the following number of FTE (subject to funding): Exempt 6.25, Classified 44.03, and Faculty 11.50 for a total 61.78 FTE.
- Positions moved from the General Fund:
 - High School Programs - 1.00 FTE vacant classified Student Services Specialist
 - Woodburn Early College - 0.50 FTE vacant Student Services Specialist (now 50% General Fund / 50% Self-Support)
 - Yamhill Valley Campus - 0.50 FTE classified Department Technician
- Positions moved to the General Fund:
 - Apprenticeship - 0.70 FTE temp. vacant Director Apprenticeship (now 100% General Fund)
- Position eliminations:
 - CCBI - eliminate vacant 1.00 FTE exempt director of CCBI
 - Human Resources – eliminate vacant 0.50 FTE Department Specialist (other 50% in General Fund also eliminated)

Debt Service Fund (pp. 178–179) (PP - Slide 10) (Aaron Hunter)

- This fund accounts for the repayment of obligations for general obligation bonds, certificates of participation, and the PERS bonds. This fund also includes a PERS reserve to help smooth rate increases.
- This fund includes additional budget authority for debt payments in anticipation of issuing Certificates of Participation.
- This fund shows an increase to the PERS Adjustment Revenue to pay for the debt service on the recently issued PERS bonds.
- A table showing the type of debt, remaining amounts, maturity date, and number of series for each obligation was shared.

Chemeketa Cooperative Regional Library Service (CCRLS) and CCRLS Reserve Funds (pp. 180–183) (PP - Slide 11) (Bruce Clemetsen)

- These funds account for the CCRLS budget and the reserve fund for CCRLS.
- There is a planned purchase of a new courier delivery van and an automated materials handling system.
- The FY2022-2023 proposed budget for CCRLS includes the following number of FTE (subject to funding): Classified 8.25 and Exempt 1.00 for a total of 9.25 FTE.

Auxiliary Enterprise Fund (Bookstore) (pp. 184–185) (PP - Slide 12) (Michael Kinkade)

- This fund primarily funds the Bookstore.
- This fund builds on the digital course materials program to support student affordability and day-one access for students.
- The FY2022-2023 proposed budget includes the following number of FTE (subject to funding): Exempt 1.37 and Classified 6.25 for a total of 7.62 FTE.

Intra-College Services Fund (pp. 186–187) (PP - Slide 13) (Aaron Hunter)

- This fund accounts for revenue and expenses related to activities in which departments are charged back for services provided (i.e., telephone, copy machine, and printing).

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- A contingency amount of \$5.5 million is included for reserves.
- The FY2022-2023 proposed budget includes the following number of FTE (subject to funding): Exempt 2.18 and Classified 16.05 for a total of 18.23 FTE.

**Student Government, Student Clubs and Student Newspaper Fund (pp. 188–189)
(PP - Slide 14) (Mike Vargo)**

- This fund accounts for student activities.
- The historical transfer from the General Fund used to support clubs is no longer needed due to the creation of the Student Initiated Fee last year.
- Neva Hutchinson requested that staff explain the new Student Initiated Fee to the Budget Committee. Bruce Clemetsen discussed how the fee came about.

Athletics Fund (pp. 190–191) (PP - Slide 15) (Mike Vargo)

- This fund accounts for men's and women's intercollegiate athletics programs.
- The college will continue to work on a strategic fundraising plan for athletics.
- The college will build on partnerships with several of the surrounding community organizations that support the department, for example the Boys & Girls Club and the YMCA.

External Organization Billing Fund (pp. 192–193) (PP - Slide 16) (Aaron Hunter)

- This fund contains accounts for direct billing service for external organizations that lease space from the college, and professional organizations to which employees belong.

Financial Aid Fund (pp. 194–195) (PP - Slide 17) (Bruce Clemetsen)

- This is the second largest fund in the Summary of All Funds, representing 17.3 percent of the total budget. This fund includes the Federal Pell Grant, Supplemental Educational Opportunity Grant, Federal College Work Study, the Oregon Opportunity Grant, the Oregon Promise Grant, private scholarships, and college-paid tuition scholarships like the Chemeketa Scholars program.
- The college added a transfer out to the General Fund to be able to move recovered Perkins funds to the Chemeketa Foundation to establish an endowment.
- The FY2022-2023 proposed budget includes the following number of FTE (subject to funding): Classified 0.60 FTE.

PP slide 18 is a Summary of All Funds FTE broken down by employee category, thus: 207.5 Faculty; 351.05 Classified; and 113.8 Exempt for a total of 672.35 FTE salaried positions. Ken Hector asked what the FTE changes were from this fiscal year to the upcoming fiscal year. Aaron said there were 681 FTE last year and there are 672 FTE this year, but that there was a significant reduction of 25 positions on the General Fund side, and additions on the Self-Support side due to a number of grant programs requiring staff.

E. PUBLIC TESTIMONY REGARDING PROPOSED BUDGET

Kevin Furey sent an email asking how much revenue during the 2022-23 academic year will be from rental income, and what funds will receive the revenue. Aaron said the approximate gross anticipated rental income is \$4,340,000 and that it goes to the following funds: Intra-College Services Fund, \$615,000; Capital Development Fund, \$3,725,000; and General Fund, \$0.

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F. PRESENTATION OF BUDGET RECOMMENDATION—ACTION REQUIRED

Aaron articulated the process for the budget recommendation. Ray Beaty referred to the Motion for Approval in the budget packet, listing the figures for the motion and noting that the total of all funds is \$300,507,000. He also listed the property tax rates and amounts to be imposed. The following budget recommendation for the FY2022–2023 proposed budget was submitted for approval, including the following totals by fund:

General Fund	106,560,000
Capital Development Fund	21,900,000
Plant Emergency Fund	750,000
Special Projects Fund	32,600,000
Self-Supporting Services Fund	24,630,000
Debt Service Fund	36,100,000
Chemeketa Cooperative Regional Library Service Fund	4,565,000
Chemeketa Cooperative Regional Library Reserve Funds	440,000
Auxiliary Enterprise Fund	6,000,000
Intra-College Services Fund	13,900,000
Student Government, Clubs, and Newspaper Funds	367,000
Athletics Fund	285,000
External Organization Billing Fund	510,000
Financial Aid Fund	51,900,000
Total All Funds	\$300,507,000

and the following property tax rates and amounts to be imposed:

Chemeketa Community College	\$0.6259/\$1,000
CCRLS	\$0.0818/\$1,000
General Obligation Bonds	\$11,800,000

G. DISCUSSION OF RECOMMENDED BUDGET

No discussion.

H. ACTION ON RECOMMENDED BUDGET

Jackie Franke moved and Joe VanMeter seconded a motion that the FY2022–2023 proposed budget of \$300,507,000 be approved and that the property tax rates for Chemeketa Community College at \$0.6259/\$1,000, CCRLS at \$0.0818/\$1,000, and General Obligation Bonds of \$11,800,000 be imposed.

The motion CARRIED unanimously.

Aaron noted that the public hearing on the budget will be May 18, 2022 at 6:00 pm and that public comments need to be sent to budget@chemeketa.edu by May 17, 2022 at 5:00 pm. Ken Hector stated that the budget that the college recommends to the Budget Committee for approval will then go to the Board of Education for consideration and adoption.

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Ray Beaty thanked the Budget Committee and the college staff for their hard work and dedication. Budget Committee members thanked Ray for his work as Chair.

I. ADJOURNMENT

The meeting adjourned at 4:35 pm.

Respectfully submitted,

Julie Deuchars
Board Secretary

Jessica Howard
President/Chief Executive Officer

Ray Beaty
Budget Committee Chair

May 18, 2022
Date