



# ACTION

## MT. HOOD COMMUNITY COLLEGE DISTRICT BOARD OF EDUCATION

DATE: *May 20, 2020*

ITEM TITLE: **4.1a**

CONTACT PERSON: *Laurie Popp, Executive Assistant to the Board of Education*

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SUBJECT: APPROVAL OF MINUTES – April 1, 2020

### Session 1002

A meeting of the Mt. Hood Community College District Board of Education was held on April 1, 2020, with a Budget Committee meeting at 6:00 pm held via a Zoom Meeting.

#### 1.0 CALL TO ORDER

Members present: Diane McKeel, board chair, Jim Zordich, board vice chair, Annette Mattson, Andrew Speer, LaVerne Lewis, Kenney Polson, Diane Noriega

Additional Attendees: Dr. Lisa Skari, president, Jennifer DeMent, chief operations officer, Ben Rowe, director of Financial and Auxiliary Services

Diane McKeel, board chair, called the Budget Committee meeting to order at 6:04 p.m.

#### 2.0 CONVENE AS BUDGET COMMITTEE

##### 2.1 Selection of Budget Committee Chair

McKeel opened up nominations for selection of the budget committee chair. Mattson motioned to nominate Andrew Speer. Zordich seconded the motion. There was a roll call vote and the nomination of Andrew Speer as budget committee chair passed unanimously.

##### 2.2 Presentation of Proposed Budget for 2020-2021

#### ***President's Budget Message***

Dr. Skari presented her budget message as outlined in the 2020-2021 Proposed Budget (posted to the website at: <https://www.mhcc.edu/BudgetOffice/>). A PowerPoint presentation



was provided of highlights from the proposed budget, positions impacted, and general fund balance forecast. A summary of the president's budget message follows.

Dr. Skari thanked all employees from across college operations who worked to close the \$2.8 million budget gap. The college has faced an operational deficit due to expenditure growth outpacing revenue growth for more than a decade, and a plan has been developed to balance revenue generation with expenditure reductions, and strategic use of reserves to implement the plan.

Dr. Skari referenced the board vote last March that increased tuition by \$8 per credit hour for the 2019-2020 academic year, and stated the board also directed the college to prioritize higher enrollment, high completion academic programs and those that are financially sustainable with business partnerships, and to include an evaluation of non-academic programs. These priorities also include equity and access for all students, especially those who are historically disadvantaged, affordability for low-income students, and evaluating demographics of those we serve, and identifying non-tuition revenue, focusing on fees for non-student uses of programs and facilities. The management team used these guiding principles to both mitigate the budget deficit and allocate resources to address the board's priorities.

Dr. Skari reviewed the revenue and expenditure trends over the last three biennium. She provided a brief overview of an economic forecast from two State economic leaders, with one scenario stating we would likely operate at a quasi-depressed level for some extended period. She stated the proposed budget is an extension of the operational changes the college has recently implemented due to the pandemic, and the college is prepared and well positioned to meet the immediate challenges ahead.

Dr. Skari directed a team to track and leverage the federal stimulus grants earmarked for community colleges to advantage our students and staff as much as possible during these challenging times. We will continue to track how the current and immediate future economic environment may have a lasting impact on our operations and our enrollments. Looking forward to the next three biennium, if community colleges have enrollment stabilization and the college continues to align staffing levels with enrollment, the general fund balance is forecasted to remain stable.

Dr. Skari stated our students and community are at the center of our work, and drive us to innovate, advance, and evolve as an institution. She concluded her budget message by stating the budget reflects the commitment of our college faculty and staff who are determined to provide exceptional programs and services, despite the current economic uncertainty we face, and that we will continue to fulfill our mission of transforming lives and building communities.



### ***Summary of the General Fund***

Ben Rowe, director of Finance and Auxiliary Services, presented a summary of the general fund, (pages 13 and 14 of the 2020–2021 Proposed Budget). Over the last three biennium, our State support on average has increased about \$1.4 million a year, and the tuition and fee revenues have seen a decrease of 3.5%, which is approximately \$1.2 million per year. The proposed budget has forecasted a further decrease in tuition revenue of about \$500,000 over the prior year adopted budget. He stated there has been an increase over the last three biennium of just over 5% in property tax revenue, and the same trend has been forecast going forward over the next two years.

Rowe stated our current year fund balance is approximately \$9 million, and the College is planning to use approximately \$1.5 million of that in the current fiscal year. Our fund balance is forecast to drop to just over \$7.5 million, which will provide the College about 30 to 35 days of operating expenditures if we do not make any significant changes. Those revenues combined comprise the general fund of just over \$80 million for next fiscal year. He reviewed the expenditures in the proposed budget, and stated that personnel expenditures are approximately 80% of the general fund, and the proposed budget reflects a decrease of about 2% in personnel expenditures.

He provided an overview of the general fund resources as shown on page 13 in the proposed budget, and the general fund expenditures by object code as shown on page 14. He stated the general fund was divided into categories for six main areas, and transitioned the presentation to each division leader to present the proposed budget recommendations.

### ***Proposed Budget Recommendations***

The proposed budget recommendations for each of six main areas of the general fund were presented:

- President's Office (*includes Board, Analytics and Institutional Research, and Diversity, Equity and Inclusion*) – Dr. Lisa Skari highlighted key budget recommendations for a total budget amount of \$1,992,334.
- Student Development – John Hamblin highlighted key budget recommendations for a total budget amount of \$6,779,399.
- Instruction and Instructional Support – Al McQuarters highlighted key budget recommendations for a total budget amount of \$41,571,709.
- Administrative Services (*includes Human Resources, Finance, Information Technology, Facilities, Risk Management, and Public Safety, and Child Development & Family Support Programs*) – Jennifer DeMent highlighted key budget recommendations for a total budget amount of \$16,629,119.
- Development and District Communications – Al Sigala highlighted the key budget recommendations for a total budget amount of \$1,300,854.



- Institutional Items (*includes debt service, tuition waivers, elections, title IV match, and contract requirements*) – Jennifer DeMent highlighted key budget recommendations for a total budget amount of \$11,755,671.

Jennifer DeMent provided a brief overview of the other funds: 03, 06, 07, 08, 10, 16, 40, 42, 50, 51, and 52. John Hamblin stated that a revised ASG budget would be presented to the board at a date prior to the April 15 meeting.

DeMent responded to several questions regarding the proposed budget, that included the pension bond debt service fund, general obligation bond debt, fund balance charts in each section, what material fund impacts our revenue, fund for trust funds (51), and the forecast on enrollments. She indicated she would follow up on a question about whether we could refinance our outstanding debt for a lower interest rate. She stated she would mail a printed copy of the budget book and email the budget narrative for each division to board members for their review.

### 3.0 ADJOURN BUDGET COMMITTEE

Speer motioned to adjourn. Polson seconded the motion and it passed unanimously. The meeting was adjourned at 7:16 p.m.

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Clerk

Board Chair

*Minutes recorded by Laurie Popp, Executive Assistant to the Board of Education.*