



**Minutes of Board of Education Meeting
January 19, 2022
Zoom**

Board of Education members in attendance

Kristin Adams (Chair), Jeannie Davis (Vice Chair), Dick Running, Tony Lapiz, Jim Merryman, John Sarna, Sherlyn Dahl, all via Zoom

Staff and Representatives in attendance

Ann Buchele, Jennifer Boehmer, Sheldon Flom, Karelia Stetz-Waters (*Faculty*), Kimberly Kopplein, (*Classified*), Hathai Sangsupan, (*PTFA*), Hannah Briggs (*SLC*), Lisa Avery, Scott Rolen, Justin Smith, Jess Jacobs, and Amanda Kliever, all via Zoom

Guests in attendance

Ben Patinkin, Jeremy Wright, Patinkin Research Group, Jason Dorsette, Executive Director, Institutional Equity, Diversity & Inclusion, and Budget Committee members: Pat Malone, Lori McKinnon, Jack Lehman, Shane James, Tom Oliver, all via Zoom

REGULAR MEETING

The regular meeting was called to order at 6:01pm

CHANGES TO THE AGENDA – Chair Adams clarified that Ms. Davis will be giving the LBCC Foundation reports, Mr. Running will be the back-up.

CITIZEN COMMENTS – Chair Adams read citizen comments submitted by Mashelle Painter, Occupational Therapy Assistant Faculty and Jess Jacobs, Director of Budget & Finance. Both in opposition of a vaccine mandate at LBCC.

INTRODUCTIONS – Dr. Avery introduced LBCC’s new Executive Director of Institutional Equity, Diversity & Inclusion, Jason Dorsette. Citizen Budget Committee members, Tom Oliver, Jack Lehman, Pat Malone, Lori McKinnon, and Shane James all introduced themselves. They are present at this meeting to hear the budget presentation.

BOARD CHAIR COMMENTS - None

BOND PRESENTATION – Ben Patinkin and Jeremy Wright from the Patinkin Research Group presented the overall results of the recent survey conducted regarding support for a bond measure that would allow the college to realize the matching \$8m in state funds that would build a new Agricultural Center and allow for other campus improvements.

Overall results of the survey show that LBCC is in an excellent position to go out for a bond on the May ballot. It will however, require extensive education efforts and advocacy groups to be sure the communities understand how this will fulfill the community needs for Agriculture jobs.

A resolution will come before the board in February asking for approval for a general obligation bond measure to be on the May ballot. This bond will ask Linn and Benton county voters for approval of \$16m to build a new Agricultural Center and to make improvements to aging Albany campus facilities.

GENERATIVE ACTIVITY – Sheldon Flom and Jess Jacobs presented the initial budget for the 22-23 fiscal year to the board and budget committee. They are asking the board for parameters to go forward building out the budget for approval in May. Updated budget information will be posted on the Budget Update Center, which is found on the President’s Office page.

The original projection for the current (21-22) year predicted a \$1.1m surplus based on the following: enrollment being down 2%, a tuition increase of 3.5%, state funding increase of 7.11%, and PERS increase of 8.4%. Updated projections have enrollment down more than expected and we are now anticipating a structural deficit for the current year of about \$1.4m. HEERF funds (Higher Education Emergency Relief Funds), which encompasses all federal COVID relief funding: CARES, CRRSA, and ARP, are available this year to help offset that loss in revenue, bringing the final deficit for 21-22 to \$196K. 21-22 is the last year HEERF funds will be available so we need to move forward with the \$1.4m structural deficit.

Building the 22-23 budget with that deficit in mind, the team has built the initial budget based on these key variables: PERS rates, state funding, contractual increases, enrollment, tuition, and operational efficiencies.

Current projections have PERS rates and state funding flat from 21-22. Enrollment is a major factor in this budget. Uncertainty about the COVID situation, an unusual economic recovery, and the current job market are impacting enrollment. In the current year, we were down 16% in the fall term but enrollment has improved for winter term, down 7% from last winter. Going forward to 22-23, we are expecting a continued enrollment decline of 5%. A budget model that includes a 7% tuition increase will be further developed and, depending on shifting projections, potentially presented for Board approval in March. Reducing the proposed tuition increase will be of primary emphasis as the budget moves forward in development. This 7% increase, though higher than the average of recent years, is within the target strategy of the last several years; avoiding drastic swings in tuition while recognizing the reality of the College’s funding situation. An increase of 7% will likely keep LBCC’s place in the middle of the pack for community college tuition and fees state wide. The budget includes budget enhancements (formerly called Performance Packages) of \$300,000 and Strategic Investments of \$300,000.

With those factors in place, operational efficiencies of \$750,000 are being recommended for the 22-23 year. With these efficiencies in place, we will still end the 22-23 year with a projected \$2.2m deficit. In order to maintain the Board directed 10% Ending Fund Balance, the two years following 22-23 will also include \$1.5m in operational efficiencies until an operational break-even is achieved. EFB will be spent down to the 10% target over that three year period.

Given the current budget situation, the college will have to be reshaped and be very strategic and transparent in budget decisions. Mr. Flom announced that budget forums will be starting soon, these are great opportunities for faculty, staff, and students to get their questions about the budget answered.

Mr. Merryman asked how the passage of the bond would impact the budget with the additional costs of another building. President Avery said that any new programs at the Agricultural Center would be cost-recovery model, so self-supporting. In addition, the arena and horse boarding will be sources of revenue

for the programs and the current facility will be sold to help offset costs. The Ag Center will be an area of growth for the college that may help balance the areas of decline.

Mr. Lapiz appreciates the budget forums and hopes that Jason Dorsette will be involved to solicit input from our underserved communities on enrollment strategies. He also noted that he would like to see as little tuition increase as possible.

Mr. Jacobs reminded the board that higher education typically doesn't see enrollment drop solely based on tuition rates. We do need to be responsible with our increases and we also have a big affordability push to assist students with other expenses to help offset tuition increases.

Budget Committee member Lori McKinnon observed that enrollment seems to mirror unemployment so she isn't confident enrollment will rebound soon and understands the importance of programs meeting our communities business needs in the future.

Mr. Merryman stated that the board has been very fiscally prudent in the past and built a healthy Ending Fund Balance, which is allowing us to deficit spend now. However, we have to be very careful and offset spending the EFB with reductions so we don't use up the entire EFB or drastically increase tuition.

President Avery said that COVID has exacerbated already declining enrollment numbers so we need to do a good job of highlighting the high-wage CTE programs we offer. Chair Adams shared that she has heard from business leaders that right now, they simply want a stable employee and they will provide on the job training. That is another possible factor hurting our enrollment numbers.

The Board members agreed with parameters presented for the 22-23 budget, increasing tuition by 7%, using about \$2.2m in reserves, and decreasing expenses by \$750,000 - with the caveat that the tuition increase should be lowered if the budget projections allow.

Ms. Davis lost her internet connection at 6:40pm and was unable to re-establish a connection.

Mr. Lapiz had to unexpectedly exit the meeting after the budget presentation, at 7:48pm.

STRATEGIC ACTIVITY

1) Board Representative Reports:

- a) **OCCA** – Chair Adams had nothing to report from OCCA.
- b) **ACCT** – Mr. Sarna reported the National Leadership Congress will be held in New York City in October 2022.
- c) **Foundation** – In Ms. Davis' absence, Ms. Boehmer provided during her administrative report.

2) Campus Representative Reports:

- a) **Classified** – Kimberly had nothing to add to her report. Mr. Running commented that Linnea Everts was an outstanding choice for the AAWCC Community College Excellence Award!
- b) **Faculty** – Karelia had nothing to add to her report. Mr. Sarna said he is sorry to read of the recent deaths of three Welding students and wondered if anything can be done to identify struggling students. Karelia reported that there are areas in Aviso where faculty and staff can report students that may be in immediate danger so counselors can reach out. Mr. Merryman commented that it's good to see Intel now involved in the Mechatronics program. It's nice that they're recognizing how great the Mechatronics and Non-Destructive Testing programs are and hopes local businesses will also get the graduates they need. President Avery thanked Karelia for including the news of the Welding students.
- c) **PTFA** – Chair Adams loved reading about the underwear experiment! Hathai added teaching online is not a cost-saving strategy for Part-Time Faculty members for a variety of reasons. She appreciates the efforts of students for doing all they can to participate in-person while keeping each other safe.

- d) **SLC** – Hannah reported that elections just opened the day before and they have already reached the number of votes needed to make the election official, so a great turnout so far. She hopes to be able to announce a new SLC President at the February meeting.
- 3) Presidential Equity Report – Ms. Dahl asked if there are targets set that may influence enrollment, specifically in healthcare. Dr. Buchele stated there are not at that level, but the MERIT report cards have general targets in those areas.

FIDUCIARY ACTIVITY

- 1) Consent Agenda – Mr. Running requested to remove RES 16-22 Retirement of Margi Dusek from the Consent Agenda. He felt Ms. Dusek should be recognized in a separate motion. **Mr. Merryman moved to pull RES 16-22 Retirement of Margi Dusek and approve the remainder of the Consent Agenda. Mr. Running seconded. Motion to accept the Consent Agenda without RES 16-22 Retirement of Margi Dusek was approved unanimously. (5,0)**
- 2) RES 16-22 Retirement of Margi Dusek – Mr. Running commented that Ms. Dusek has been an incredible resource for LBCC since she has been here! The whole board appreciates the hard work and contributions she has made in her 35 years at the college. **Mr. Running moved to approve RES 16-22 Retirement of Margi Dusek. Mr. Merryman seconded. Motion to approve RES 16-22 Retirement of Margi Dusek was approved unanimously. (5,0)**
- 3) RES 15-22 Strengthening Oregon Families with Parenting Education. **Mr. Merryman moved to approve RES 15-22 Strengthening Oregon Families with Parenting Education. Mr. Running seconded. Motion to approve RES 15-22 Strengthening Oregon Families with Parenting Education was approved unanimously. (5,0)**
- 4) RES 17-22 Student ID System. **Mr. Running moved to approve RES 17-22 Student ID System. Chair Adams seconded. Motion to approve RES 17-22 Student ID System was approved unanimously. (5,0)**
- 5) Second Read of 3rd Set of 6000 Series Board Policies – Mr. Rolan reminded the Board that these have been through College Council and they come to the board with the approval of that council. Mr. Sarna thanked Mr. Rolan for incorporating his suggested clarifying language into the policies. **Mr. Merryman moved to approve Board Policies 6115-6145 as presented. Mr. Running seconded. Motion to approve Board Policies 6115-6145 as presented was approved unanimously.**
- 6) Administrative Reports
- a) **President's Report** – President Avery had nothing to add to her report. She thanked Amanda Kliever as this is her last Board of Education meeting and wished her well.
- b) **Academic & Student Affairs** – Mr. Merryman commented that it was great to read about us helping Umpqua Community College students continue their education in Engineering, enrolling them in classes at LB that were not available at UCC. Also great to see LBCC with national recognition, as one of four community colleges nationwide to receive a grant for the Cornerstone Project.
- c) **Institutional Advancement** – Ms. Boehmer provided a few highlights including the Foundation wrapped up their year (runs on a calendar year) with a 28% increase in revenue and a 52% increase in donors! She also wanted to emphasize that in light of the budget presentation earlier in the meeting, the state is still offering \$8m in capital construction with our match, so she asked the board to consider that as they think about the February resolution asking to move forward with the bond measure. During the bond presentation, they ran out of time to share the comprehensive strategy to increase enrollment, she will send that presentation to the board for their review.

- d) **Finance & Operations** – Mr. Flom provided an update on COVID cases at the college and notified the board that we are now implementing the updated CDC guidelines for quarantine. He also said there will be a vaccine clinic on campus in mid-February.

BOARD COMMENTS

Mr. Merryman thanked Amanda and wished her the best.

Mr. Running said goodbye to Amanda.

Ms. Dahl mentioned that hearing the budget presentation made her first full meeting and interesting one. Strategic planning is her strength so is looking forward to being a part of this challenge.

Mr. Sarna also thanked Amanda.

Chair Adams also wished Amanda the best of luck. She thanked everyone for being here tonight, the budget news isn't great, but we are here to make the best decisions for LBCC.

Adjourned Regular Session at 8:30pm

Board Chair

Clerk of the Board