

CHEMEKETA COMMUNITY COLLEGE

**BUDGET COMMITTEE  
MEETING MINUTES**

April 12, 2023

**A. CALL TO ORDER**

Ron Pittman, Board Chair, called the meeting to order at 6:00 pm in the Board Room, Building 2, Room 170, at the Salem Campus and the Pledge of Allegiance was recited.

**B. ROLL CALL**

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

**College Administrators in Attendance:** Jessica Howard, President/Chief Executive Officer; David Hallett, Interim Vice President, Student and Academic Affairs; Alice Sprague, Interim Vice President, Governance and Administration; Aaron Hunter, Associate Vice President/Chief Financial Officer, College Support Services/Finance; and Brian Knowles, Director of Budget and Finance.

**C. WELCOME OF BUDGET COMMITTEE MEMBERS**

Ron Pittman welcomed the Budget Committee members, and thanked them for their time and commitment for serving on the Chemeketa Budget Committee.

**D. ELECTION OF BUDGET COMMITTEE OFFICERS**

Ron Pittman opened nominations for Budget Committee chair. Neva Hutchinson made a motion to nominate Ray Beaty and Ken Hector seconded the motion, and nominations were closed.

A roll call vote was taken and the motion CARRIED unanimously. Ray Beaty was declared chair of the Chemeketa Budget Committee for 2023–2024.

Ron Pittman opened nominations for Budget Committee vice chair. Neva Hutchinson made a motion to nominate Ken Hector and Joe Van Meter seconded the motion, and nominations were closed.

A roll call vote was taken and the motion CARRIED unanimously. Ken Hector was declared vice chair of the Chemeketa Budget Committee for 2023–2024.

Board Chair Ron Pittman turned the meeting over to Budget Committee Chair Ray Beaty. Ray welcomed and thanked the Budget Committee for its service.

**E. DUTIES OF THE BUDGET COMMITTEE**

Aaron Hunter, Associate Vice President/Chief Financial Officer, introduced himself, noted how proud he is of this organization, and thanked the Budget Committee members; the board; and staff from faculty, classified, exempt areas and the executive level for their passion and dedication to the students. Aaron gave a special thanks to Brian Knowles, Director of Budget and Finance and Allison Stewart Hull, Management Analyst for their work on the budget presentation and materials.

Aaron gave a recap of the primary Budget Committee duties and responsibilities, and noted the committee needs to meet publicly to review the proposed budget, there must be a quorum, the budget should not be deliberated outside of the public meetings, and the public will have an opportunity to ask questions or comment on the budget next Wednesday, April 19. A public hearing on the budget will be held on May 17 to hear any additional comments. Aaron reviewed the materials that were mailed to the Budget Committee.

## **F. PRESENTATION OF BUDGET MESSAGE**

President Jessica Howard shared highlights from her budget message, which was contained on pages 9–11 of the spiral-bound Proposed Budget Fiscal Year 2023–2024 book. Jessica thanked the Budget Committee for its work and service, and each and every employee at Chemeketa for their roles in helping the college get through the last three years of challenges beginning with the pandemic, including natural disasters and resulting in a significant enrollment decline with negative budget implications. As of winter term, the college has lost over 25% of its enrollment compared to three years ago. Due to relief funds provided by the federal government, the college was able to maintain prior service levels; however, starting in July these funds will no longer be available and this necessitated a reduction in staffing levels to match the new student enrollment picture.

The budget message touched upon the General Fund Revenue and Expenditures, and Major Initiatives and Efforts. Highlights included the following:

- The assumption that state funding for the coming biennium will remain flat compared to the current biennium. The college will know the funding amount at the conclusion of the 2023 regular session of the Oregon State Legislature.
- For fiscal year 2023-2024, Chemeketa's Board of Education approved a \$2 per credit increase to the tuition rate. The increase in this rate should partially offset the revenue losses due to the enrollment decline.
- In the General Fund, Chemeketa is facing cost increases related to staffing, materials and supplies, and equipment as a result of economic factors, including low unemployment, inflation and supply chain issues. The combination of a higher cost environment and decline in enrollment created the significant budget deficit being addressed in the proposed budget.
- Major initiatives and efforts include developing Oregon's first applied baccalaureate degree by a community college, offered this fall; innovative short-term training with community partners in high-demand fields; helping to lead the state with promising co-requisite teaching approaches in math (a "gateway discipline" that challenges many students); establishing an institute to provide the external community with training related to diversity, equity, and inclusion; and realizing capacity and functionality with new technology to significantly improve the student experience. In addition, the College continues to win grants that reflect well upon existing operations and provide more opportunities to create student success, especially for those in our community who are vulnerable or need additional support.
- Following a successful, year-long process that created a refreshed mission, vision and values, 2022-2023 has seen the development of a new approach to establishing strategic initiative areas for the College, to last through the current accreditation cycle (ending in 2029). College Council, a representative body of the institution, is collectively creating the new initiatives and

appropriate outcome measures, ensuring not only that Chemeketa will continue to be accountable in meeting its mission but that this work and its definition reflect the institution as a whole through a participatory governance process. Those initiatives will shape the College's direction moving forward, and ensure that it is data-informed.

- Another future-oriented planning effort underway focuses on the maintenance and modernization of Chemeketa facilities that could be funded with a bond measure. Architectural concepts are being developed and input from internal and external stakeholders that will shape potential capital construction projects for consideration over the upcoming year. These projects will be designed to create student-focused environments and flexible programming to meet the changing workforce needs of the service district and spur enrollment over the longer term.

Jessica noted her optimism about the future of Chemeketa. Even though there is still uncertainty regarding enrollment, state funding, an inflationary economy, and a rapidly changing world overall, the college has made the hard adjustments necessary to be well-positioned for the future.

#### **G. PRESENTATION OF 2023–2024 PROPOSED BUDGET**

Aaron discussed multiple slides and gave a quick overview of the financial environment and touched upon current and future conditions, enrollment trends and outlook, key budget issues, and the road ahead. Aaron mentioned a number of changes had been made to the budget structure and presentation of certain line items to improve transparency and clarity as it related to the Universal Fee Fund, Capital Development Fund and Contingency/Ending Fund Balance.

Jenne Marquez asked if the college received feedback from students on the tuition increase and if students dropped classes because they couldn't afford tuition. Aaron stated there are numerous reasons students drop courses, and at the student tuition forums there wasn't an outcry concerning the cost. Ken Hector noted that it would be prudent to keep in mind that a catastrophe (i.e. earthquake) could affect the ending fund balance/contingency.

Aaron referred to Slide 23, Summary of All Funds, showing a total of \$298,821,759 for all funds next year, and discussed several of the newer funds. Slide 24, Assumptions and Decisions: Resources assumes flat state funding, flat enrollment, \$2 tuition increase, 3% projected growth for property taxes, and increases to interest revenue and ending fund balances. Slide 25 shows the Chemeketa Student FTE (enrollment) comparison through winter term 2022–2023, and projects flat enrollment going into 2023–2024. Slide 26, Budget Changes—Resources shows the changes to revenue sources resulting in the proposed budget for 2023–2024 of \$104,785,759. Slide 27, FY 2023–2024 General Fund Resources is a chart showing resources by percentage. Slide 28 covers Budget Assumptions and Decisions for Expenditures, which included step increases and salary adjustments for classified, faculty, and exempt; an increase in employer-paid health insurance for classified, faculty, and exempt; an increase in targeted materials and services; and eliminating the \$1.5 million unappropriated ending fund balance. Slide 29, Budget Changes—Expenditures shows the budget changes within the expenditure categories and reductions and investments to both personnel and materials / supplies. Slide 30, 2023–2024 General Fund Expenditures shows expenditure percentages by category.

Jessica noted that in order to address Chemeketa's budget deficit going into the 2023–24 fiscal year, the college reduced its staffing levels to match the student body. Beginning in Fiscal Year 2022–23, the college began eliminating positions that were vacant. In 2023–24, additional vacant positions were eliminated and 23 positions were identified for retrenchment from all employee categories. Due to reductions being taken, certain programs and reporting lines have been changed and other programs will move to different departments to create strategic alignment. Additional changes in Student Affairs will be announced soon. The goal moving into the next fiscal year is that the college will be better positioned to respond to community needs and be fiscally sustainable.

Aaron reviewed acronym definitions on Slide 32 and noted that the term “eliminate” is used to refer to vacant positions going away, and “reduced” is used in relation to filled positions that are being eliminated. Due to the cutoff date for the budget preparation documents, the number of layoffs may be different because of changes in positions that have been recently vacated and then utilized for retrenchments. Aaron stated there may be some minor changes between what is proposed and the final adopted budget.

Aaron reviewed Slides 33–36, College Support Services Personnel Changes and Non-Salaried Personnel and Materials and Services. There are 4.23 total reductions/eliminations in positions, eliminations for contracted custodial services at YVC, movement of multiple materials and services to the Universal Fee Fund, increases for utilities and insurance, and a move/increase of funding for the annual audit, for a total of -\$1,278,829. Slide 36, Non-Mandatory Transfer Changes, totaled \$265,000.

Alice Sprague noted over the last several months that work has been done to find efficiencies, collaboratively support each other, eliminate vacant positions, and in some areas add slight increases to the budget. Alice reviewed Slides 37–39, President's Office and Governance Personnel Changes and Non-Salaried Personnel and M&S, showing 7.35 total reductions/eliminations in positions, reductions in multiple accounts, a move to the Universal Fee fund, and an increase in legal. The total for the President's Office and Governance is - \$2,287,015.

Ed Dodson asked if there was a plan in case there were to be a large enrollment increase. Alice said there would be strategic conversations and funding would be reviewed.

David Hallett thanked the Budget Committee members for their time and commitment and noted that Academic Affairs has a wide and diverse group of programs and course offerings and the highest percentage of personnel of all college divisions. David noted that the drop in enrollments, coupled with uncertainty in state funding, required Academic Affairs to look at the work they do, determine ways to restructure academic offerings and operations, and discuss the budget strategy and review process used to continue providing maximum access and opportunity to students. David referred to Slides 40–47, Academic Affairs Personnel Changes and Non-Salaried Personnel and Materials and Services. There were 31.40 reductions/eliminations in positions, multiple material and services reductions, and a move to Universal Fee fund, for a total reduction of -\$5,077,444.

Ken asked for clarification on what “reduction” means. David and Aaron responded that it refers to the layoff of a person, and the position is being removed as well. Jenne asked if the positions being reduced were spread across different campuses. David said yes. Joe Van Meter asked about the coverage of the psychology position, and David responded that it will be covered in a variety of modalities. Chris Brantley asked if there were programs that were scaled back or cut. David said the Developmental Education program saw the most significant restructure with the number of faculty being eliminated. This was due to moving forward with a co-requisite model where the students will be serviced in a new and different way. Joe asked what was the number of positions that were vacant or retired in the total number. Aaron said that would be referenced later on Slide 51. Chris asked if there were resources to assist those instructors who will integrate teaching math, reading and writing within their courses. David said absolutely. There are tutors going into the classroom, and any support that is needed is being added. Jenne asked if these personnel changes won’t have to happen again. Aaron said that if enrollment and State funding do not decrease further, the reductions this year should right-size the College and was hopeful that further reductions would not be needed next year.

David Hallett said the process and strategy used for budget and review was similar to Academic Affairs. David discussed Slides 48–50, Student Affairs Personnel Changes/Non-Salaried Personnel and Materials and Services. There were 9.3 reductions/terminations of personnel, reductions in multiple accounts, and a move to Universal Fee Fund for a total of -\$1,654,848.

Aaron discussed Slide 51, Detail of Proposed FTE Changes FY 2023–2024, and noted this slide is a summarized version of personnel/FTE changes by employee category. Slide 52, General Fund FTE Changes FY 2022–2023 to FY 2023–2024 in the classified, exempt and faculty categories, showed a total change from this year to next year of a 10.33 percent reduction.

Jenne asked if not enough was eliminated as enrollment was decreasing over the years. Aaron said there were smaller reductions over the years, but nothing to this extent. Jackie Franke asked if the loss of federal funding played a big part. Aaron stated the federal funds postponed the need for reductions, but the higher level of reductions needed to be made at this time.

## **H. QUESTIONS**

No further questions.

## **I. SUMMARY FOR NEXT MEETING**

Aaron reminded the Budget Committee that the next meeting is Wednesday, April 19, at 4:00 pm to discuss the Other Funds, this will be a hybrid meeting, and any questions should be submitted to [budget@chemeketa.edu](mailto:budget@chemeketa.edu) prior to 5 pm on April 18, or in-person prior to the start of the Budget Committee meeting on April 19.

Ken Hector reminded everyone that testimony is only three minutes. Ray said there were great questions asked during the meeting.

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**J. ADJOURNMENT**

The meeting adjourned at 7:42 pm.

Respectfully submitted,

***Julie Deuchars***  
Executive Coordinator

***Jessica Howard***  
President/Chief Executive Officer

***Ray Beaty***  
Budget Committee Chair

***April 19, 2023***  
Date

