CALL TO ORDER

The Budget Work Session of the Board of Illinois Community College District No. 519 was called to order by Mr. Doug Block, Chairperson, at 3:02 p.m. on September 17, 2013 in the Robert J. Rimington Board Room (room H-228) in the Highland Community College Student/Conference Center, 2998 West Pearl City Road, Freeport, Illinois in said district.

ROLL CALL

The following members were present: Mrs. Diane Gallagher, Mr. David Shockey, Mr. Doug Block, Mr. Jim Endress, Dr. Steve Jennings

The following members were absent: Mr. Rob Urish, Ms. Whittney Zumdahl, and Mr. Matt Bordner

Also present: Dr. Joe Kanosky, President; Mr. Tim Hood, Vice President, Academic Services; Ms. Jill Janssen, Vice President, Administrative Services; Ms. Rose Ferguson, Associate Vice President, Human Resources; Ms. Liz Gerber, Associate Vice President, Student Services; Mr. Pete Willging, Director, Marketing & Community Relations; Mr. Steve Mihina, Faculty; Ms. Marcelle Jones, Coordinator, ADA; and, Ms. Terri Grimes, Board Secretary

REVIEW OF FY’14 BUDGET

Ms. Janssen reviewed the FY’14 permanent budget that will be presented to trustees for approval during the regular meeting. She noted that property values are estimated to decrease by two percent in the second half of FY’14, while the first half of FY’14 saw a 3.4 percent decrease. Equalized assessed valuations (EAVs) for farm land are projected to increase by 10 percent, however, overall, EAVs are projected to continue to decline for the third straight year. Stephenson County projects a 2.7 percent decrease, Carroll County a 1.5 percent decrease, Jo Daviess County a two percent decrease, and Ogle County a decrease of between one and five percent. While the College is anticipating an increase of $147,000 in funding from the Illinois Community College Board over FY’13 funding levels, overall funding from ICCB has declined by $567,951 over the last five years. Ms. Janssen also reminded trustees that we are required by the State to cover the Illinois Veterans’ Grants (IVG) but the State does not provide funding for IVG.

Ms. Janssen reviewed the proposed FY’14 permanent budget, noting that instruction continues to account for 47 percent of the budget, while salaries and benefits are a major portion of the operating budget. The Salaries line item includes 162 full-time and regular part-time employees. Employee Benefits include the health insurance increase of 15 percent, which became effective July 1, 2013 and $60,000 for the State’s College Insurance Program (CIP).
Ms. Janssen reported that there was an error on page 26 of the budget. The budgeted expenditures should be $13,167,975 resulting in a budgeted ending balance of $3,214,785. Overall, the FY’14 permanent budget shows a projected deficit of $291,000, which would be covered by the fund balance. She reminded trustees that the tentative budget she presented to trustees in July included a $900,000 projected deficit. While there are many opportunities to increase revenue, there are also challenges including enrollments returning to more “normal” levels, EAVs continuing to decline, and less funding from the State.

Ms. Janssen answered questions from trustees and the audience. Ms. Marcelle Jones, ADA Coordinator, asked what areas were reviewed for potential cuts. Ms. Janssen reported that budget managers looked at their respective budget centers and were asked to identify expenditures that could be cut equal to five percent of each budget center. Items were then selected from the list developed by the budget managers that hopefully did not have an impact on students.

Mr. Block inquired as to how much capital infrastructure we are putting on hold, and Ms. Janssen reported that the next time we do a bond, we will need to include building items on the list, however, she noted that the decision of which items to fund through the bonds goes through College Council. Current needs include fleet vehicles, replacement of the bleachers in the Sports Center, and upgrades of many of the restrooms on campus. Trustees inquired as to how much flexibility or opportunity we have to enhance the tax rate, and Ms. Janssen reported that we levy at the maximum for the Operations and Education fund. The Protection, Health or Safety fund levy is balanced with the Bond levy. The Tort fund has no maximum but it has restricted use. There is no maximum for the Social Security and Medicare levy.

**ADJOURNMENT**

Mr. Endress moved and Mrs. Gallagher seconded the motion to adjourn the meeting. At 3:48 p.m., there being no further business, the Chairperson declared the motion carried and the meeting adjourned.

Respectfully submitted,


Terri A. Grimes, Board Secretary
Illinois Community College District No. 519