

BUDGET WORK SESSION
BOARD OF ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 519
Counties of Stephenson, Ogle, Jo Daviess and Carroll

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 3:03 p.m. on September 18, 2018, 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, Mr. Blake Musser, and Ms. Pennie Groezinger

The following members were absent: Dr. Steve Jennings, and Ms. Erin Schrader

Also present: Mr. Tim Hood, President; Ms. Chris Kuberski, Executive Vice President (arrived 3:05 p.m.); Ms. Jill Janssen, Vice President, Administrative Services; Mr. Scott Anderson, Vice President, Business, Technology and Community Programs; Ms. Liz Gerber, Vice President, Student Development and Support Services (arrived 3:04 p.m.); Ms. Rose Ferguson, Associate Vice President, Human Resources; Ms. Leslie Schmidt, Director, Marketing & Community Relations; Ms. Carol Wilhelms, Faculty (arrived 3:48 p.m.); and, Ms. Terri Grimes, Board Secretary.

FY19 BUDGET

Ms. Janssen provided an overview of the changes to the FY19 permanent budget since the tentative budget was approved by trustees at the July regular meeting. She reported that FY19 revenue is projected to be \$14.8 million, which is \$564,000 more than FY18 revenue and \$154,000 more than FY17. Revenue reached a peak in FY11. Revenue has increased \$137,000 since the tentative budget was approved. Tax revenue accounts for 44 percent of revenue, while tuition and fees revenue is at 37 percent, State funding at nine percent, and Foundation revenue at eight percent. Equalized assessed valuations (EAVs) have increased 2.1 percent from tax year 16 actual to tax year 17, and Ms. Janssen estimates another 1.5 percent increase for tax year 18. Property tax revenue from Jo Daviess County accounts for 41 percent, while Stephenson, Carroll, and Ogle account for 36 percent, 15 percent, and seven percent respectively. The tax rate has remained about the same the last several years. FY19 tuition remained level, while Lifelong Learning revenue is projected at \$40,000, Business Institute revenue at \$241,540, and International Preservation Studies Center revenue at \$218,500. Ms. Janssen reminded trustees that each one percent difference in tuition revenue equates to about \$40,000. State funding includes equalization funding of \$50,000, credit hour grant of \$1.1 million, performance funding of \$8,800, and course and technology fees at \$114,000. The College would need about 150 more full-time students to increase the equalization grant. In FY18, operating gifts from the Foundation were at \$960,411, with the biggest portion being the debt certificate payments. FY19 Foundation revenue is projected at \$1.2 million, with the biggest change being an additional \$350,000 draw down from the Matching Grant.

The Foundation has two payments of the debt certificates in their budget so the College will need to cover the payments after that time. As of March 30, 2018, there is \$7.3 million in the Matching Grant, and \$2.6 million is owed on the debt certificates. If the Matching Grant was used to pay the debt certificates, the balance would last six years. The debt certificates are callable at any time. If a cash payoff was done in 2019 and paid in July 2019, the College would save \$120,000. The debt certificates could be converted to bonds to pay off but the College would forego the use of bonds for other things. This would add another \$100,000 to the cost.

Ms. Janssen reviewed the projected expenses, noting that FY18 expenses were budgeted at \$14.2 million, while FY19 budgeted expenses are \$14.8 million or \$625,000 more than FY18 actual expenses and \$1.2 million more than in FY17, when the College implemented essential only spending. The FY19 budget relies on a transfer in from the health insurance fund of \$325,000, as well as the additional draw down from the Matching Grant. Without these two transfers, the deficit would be \$765,000. In FY18, salaries and benefits comprised 75 percent of expenses, while in FY19, they comprise 78 percent. Instruction accounts for 50 percent of expenditures.

This year an additional step was added to the budget request process to link the requests to strategic plan goals. Ms. Janssen concluded the budget work session by announcing that she will be offering the same budget presentation, which was provided today, to faculty and staff in the near future.

ADJOURNMENT

Mr. Shockey moved and Mr. Endress seconded the motion to adjourn the meeting. At 3:46 p.m., there being no further business, the Chairperson declared the meeting adjourned and the budget work session ended.

Respectfully submitted,



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