

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

**CALL TO ORDER/ROLL CALL**

The budget work session of the Board of Trustees of Illinois Community College District No. 519 was called to order by Mr. Jim Endress, Chairperson, at 3:02 p.m. on July 25, 2023, 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.

The following members were physically present: Mr. Jim Endress, Mr. Shawn Boldt, Mr. James Rhyne Jr., and Ms. Mary Kaufman

The following members attended virtually: None

The following members were absent: Mr. Doug Block, Ms. Pennie Groezinger, Ms. Sarah Kuhlemeier, and Ms. Allison Coon

Others physically present: Ms. Chris Kuberski, President; Mr. Pete Fink, Director of IT; and, Ms. Terri Grimes, Board Secretary

Others virtually present: Ms. Jill Janssen, Vice President/CFO, Administrative Services, Board Treasurer; Mr. Sam Agdasi, Vice President/CAO, Academic Services; Ms. Liz Gerber, Vice President/CSSO, Student Development & Support Services; Ms. Mary Lloyd, Manager, Accounting; Mr. Pete Norman, Director, Athletics & Physical Education; and, Dr. Andy Dvorak, Retired Faculty

**APPROVAL OF TRUSTEE(S) ATTENDING MEETING VIA ELECTRONIC MEANS**

There were no trustees who requested to attend the meeting virtually.

**PUBLIC COMMENTS**

There were no public comments.

**OVERVIEW AND DISCUSSION OF FY23 AND FY24 BUDGETS**

Ms. Janssen provided general background on the budget, noting that there will be changes from the tentative budget to the permanent budget in September due to additional information that will be received. She reviewed the budget-building process, noting that the process takes around five months and includes maximum involvement from budget managers, who know the most about the College. She explained that revenue is broken down by source, and expenses are broken down by program and by object. She reviewed operating revenue and the percent change between FY23 and FY24, noting that FY24 total revenue is projected to be up 3.6 percent over FY23. Additional information should be received in late August from the Illinois Community College Board regarding Corporate Personal Property Replacement Tax (CPPRT). In FY23,



property taxes increased due to an increase in property values. CPPRT was at historically high levels in FY22 and FY23, but the State has indicated it was an error and the allocation will be reduced in FY24. CPPRT is currently in the budget at the FY21 level. ICCB unrestricted grants increased by about 12 percent. Allocations have been provided by ICCB; however, a recent issue was uncovered related to how community colleges reported dual credit hours, so the allocation will change. Revenue for tuition and fees is up 11.3 percent. Local revenue makes up about 50 percent of the funding stream, while tuition and fees and funding from the State make up 32 percent and 10 percent, respectively.

Local property tax revenue is the largest source of funding. The College levies taxes in each of the four counties in the district and, due to the timing of the tax levy and collection process, each tax year is split equally between the current fiscal year and the next fiscal year. Based on early indicators, equalized assessed valuation (EAV) is budgeted to increase by six percent from tax year 2022 to 2023. Jo Daviess County makes up about 40 percent of the EAV, with Stephenson County at 36 percent, Carroll County at 16 percent, and Ogle County at eight percent. Farm land makes up about 33 percent of the EAV, while residential makes up about 53 percent. FY24 expenses are projected to be \$16.4 million in FY24, which is an increase of seven percent from FY23. Salaries and benefits include actual FY24 pay rates and medical/life insurance rates, with estimates for open positions. Conference and meeting expenses are expected to resume to more normal levels. Salaries and benefits make up the majority of the Operating Fund expenses at 79 percent of the budget, with tuition and fee revenue the second largest source of revenue. The tentative budget includes an increase of about 11 percent in credit hours, with every one percent change in enrollment equating to between \$25,000 and \$35,000. The FY23 budget was balanced, and it currently appears that revenue will exceed expenses by \$187,000. The FY24 tentative budget includes a \$345,000 deficit, which is lower than the original deficit Ms. Janssen projected, due to the inclusion of a projected 11 percent increase in enrollment and an increase in the State allocation. Adjustments will be made to both the projected and budgeted amounts as more information is available and FY23 is closed out. The rule of thumb for the College's fund balance is to review the fund balance as a percent of expenses for the fiscal year. The Illinois Community College Board recommends having a fund balance of 20 to 25 percent of expenses. The FY24 fund balance included in the FY24 tentative budget is 40 percent, but Ms. Janssen reminded trustees that a deficit budget is not sustainable over time.

Ms. Janssen reviewed the other funds and explained the revenue source for each. She noted that deficits in the Auxiliary, Restricted, and Liability, Protection, and Settlement funds will need to be addressed in the next one to two years. Capital projects funded through bond funds, Protection, Health, and Safety (PH&S) funds, or other capital expenses include replacing the chiller in the Student/Conference Center, improvements in safety and accessibility around the Ferguson Fine Arts Center, an ADA entrance in the Dorothy and RC Clock Technology Center, paving of the softball and baseball parking lot and other ADA upgrades, improving the parking lot and loop road lighting, updating the security camera system, and installing a septic system at the barn. She also reviewed a list of projects to be funded through bonds. Bond-funded projects that were listed included things such as an agriculture research farm building, remodel of the instructional space on the second floor of the Marvin-Burt Liberal Arts Center, biology equipment updates, classroom digital upgrades, replacement of a tractor used by the grounds staff, and a VR simulator for the Criminal Justice program. When looking at the Auxiliary Fund,

Ms. Janssen explained that in FY24, the fund has a budgeted deficit of \$422,000. If the student activity fee were raised to balance the Auxiliary Fund budget, the fee would need to double from \$18 to \$36.

The next step in the budget process is to monitor enrollment and key factors, and work with budget managers and Ms. Kuberski to make adjustments, as needed. A budget work session will precede the September 26, 2023, regular meeting.

Mr. Endress shared an observation about the softball and baseball parking lot and ADA upgrades, suggesting that the College try to account for handicapped parking between the softball and baseball diamonds, and Ms. Kaufman suggested perhaps having a conversation with RAMP regarding this. Mr. Boldt asked about the \$517,000 transfer in the FY24 budget, and Ms. Janssen explained the transfers are from the Health Insurance Fund (\$325,000), Working Cash Fund (\$115,000), and other funds (\$77,000) to help offset the deficit, but there would still be a deficit of \$345,000. Mr. Rhyne asked why the State remedial reimbursement rate is so low, and Ms. Janssen will look into this and report back to trustees. Historically, remediation has been low, and Ms. Kuberski noted that, anecdotally, she believes it is ICCB's "push" to not have remedial students in the classroom. Ms. Janssen explained that, as part of the budget process, requests are required to be linked to the strategic goals, which is a key component within the Higher Learning Commission criteria, and she provided several examples of how some of the projects are linked.

### **OVERVIEW AND DISCUSSION OF 2024 CAPITAL PROJECTS**

This information was included earlier in Ms. Janssen's budget presentation.

### **OLD BUSINESS**

There was no old business.

### **NEW BUSINESS**

There was no new business.

### **ADJOURNMENT**

Ms. Kaufman moved and Mr. Rhyne seconded the motion to adjourn the meeting. The vote being unanimous and there being no further business, at 3:42 p.m., the Chairperson declared the motion carried and the meeting adjourned.

Respectfully submitted,

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