

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. Doug Block, Senior Trustee, at 3:02 p.m. on September 26, 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. Doug Block, Mr. Shawn Boldt, Mr. James Rhyne Jr., and Ms. Mary Kaufman

The following members attended virtually: None

The following members were absent: Mr. Jim Endress, Ms. Pennie Groezinger, Ms. Sarah Kuhlemeier, and Ms. Alison 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; Dr. Brendan Dutmer, Dean, Natural Science & Mathematics; Ms. Jeniece Smith, Director, Marketing & Community Relations; Mr. Dan Dick, Executive Director, HCC Foundation; Mr. Pete Norman, Director, Athletics & Physical Education; and, Dr. Andy Dvorak, Retired Faculty

APPOINTMENT OF CHAIR PRO TEM

Ms. Kaufman moved and Mr. Rhyne seconded the motion to appoint Mr. Doug Block, Senior Trustee, Chair Pro Tem. The roll call on the motion was as follows:

AYES: Boldt, Rhyne, Kaufman, Block
NAYS: None

Whereupon the Chair Pro Tem declared the motion carried.

APPROVAL OF COMMITTEE MEMBER(S) ATTENDING MEETING VIA ELECTRONIC MEANS

No trustees requested to attend the meeting virtually.

PUBLIC COMMENTS

There were no public comments.

OVERVIEW AND DISCUSSION OF FY24 BUDGET

Ms. Janssen noted that the FY24 tentative budget was approved in July, and it has been available for public inspection. A public hearing on the budget will be held during the regular meeting. She explained that the budget is tied to the Higher Learning Commission criteria for accreditation. There are around 30 budget managers who fill out budget worksheets, and the budget is about a five-month process. Revenues are broken out by source, with expenses broken out by program and by object. Ms. Janssen reviewed changes since the tentative budget explaining that revenues increased due to the estimate of Corporate Personal Property Replacement Tax (CPPRT) being higher than estimated earlier, and expenses decreased about \$97,000 primarily due to the salaries line item for Summer and some expenses charged to grants. Revenues are estimated to be \$16.3 million or 5.2 percent more than FY23. She has estimated that equalized assessed valuations (EAVs) will increase by about six percent. In addition, all colleges had to resubmit their credit hours to the Illinois Community College Board (ICCB) for dual credit the last three years, and Ms. Janssen should know our actual allocation by the end of October. Currently, ICCB is paying according to the original allocation. Overall, local sources make up 54 percent of revenue, with tuition at 31 percent and State funding at 10 percent. Ms. Janssen noted that 89 percent of local funding comes from property taxes, while 11 percent comes from CPPRT. She anticipates that there will be adjustments in taxes for this fiscal year. Highland's tax rate has been around 55 or 56 cents for several years. Unrestricted certified credit hours are anticipated to increase by 8.7 percent. Tuition revenue is comprised of tuition and certified credit hours. State funding is determined by several formulas, plus the Small College grant of \$27,000. FY24 expenses are estimated to increase by 6.8 percent. Salaries and benefits make up 78 percent of expenses. In FY23, the College had a balanced budget, and Ms. Janssen anticipates FY23 will end the year with a surplus of around \$461,000, largely due to truck driving. The FY24 budget is balanced due in part to an increase in property taxes, enrollment, interest, grants, transfers, and the medical insurance premium not increasing significantly. ICCB's rule of thumb is that the fund balance as a percent of expenses should be between 20 to 25 percent, with Highland's fund balance currently around 42 percent; however, Ms. Janssen noted that some items that balance the budget this year will not be available long-term. Currently, she projects the fund balance to be around 23 percent by FY27, which does not include any other measures the College may take. Ms. Janssen reviewed changes in the other funds, noting that work will be done in this fiscal year to reduce the Auxiliary Fund deficit.

Many examples were provided of the linkage between the College's key results, strategic themes, and goals to items funded within the budget. Ms. Janssen gave a focused recognition for the cultural belief of One Highland to those who are involved in inclusive access (IA) and the new laptop system for students. This project, led by Ms. Madonna Keeney, Bookstore Manager, was a trial run during the Summer semester. There were 18 course sections adopting IA, with 294 IA texts purchased. Only two students opted out, and the program saved a total of \$18,000. As of mid-August, there are 136 course sections participating in the program, with 1,248 texts purchased with a total savings of over \$138,000 so far this Fall semester.

Ms. Janssen reported that there are several next steps for the budget. The Board will approve the tax levy in November, which is due to County Clerks in December. She will also look at a process for a systematic way to look at budget stabilization. The Resource Allocation & Management Plan (RAMP) will be done in late Fall or early Spring. Mr. Block asked about the CPPRT, and Ms. Janssen explained that it is calculated based on taxes paid by corporations. All taxing bodies received a letter from the State that the 2022-2023 estimates were high, so the State will reduce payments going forward, but they did not elaborate on how long the plan will be. Mr. Block noted that Ms. Janssen has gotten a good handle on EAVs, but CPPRT seems to be a “wild card.” Ms. Janssen reported that the information has been shared with the CFOs and over the last three years, the CFOs have been leery of relying on it.

Mr. Block congratulated those involved in the inclusive access and laptop program, noting that one of the main talking points for Highland is tuition, and he said that when you have the savings (with inclusive access and laptops) and our tuition not going up for several years, it is a great statement for Highland. He asked if this would be made public, and Ms. Janssen stated that now that the Fall semester is underway and we have more definite numbers, it would be good to get that word out.

OLD BUSINESS

There was no old business.

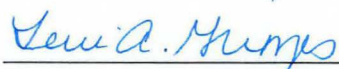
NEW BUSINESS

There was no new business.

ADJOURNMENT

Mr. Boldt moved and Ms. Kaufman seconded the motion to adjourn the meeting. The vote being unanimous and there being no further business, at 3:37 p.m., the Chair Pro Tem declared the motion carried and the meeting adjourned.

Respectfully submitted,



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