CENTRAL OREGON
COMMUNITY COLLEGE
Board of Directors' Meeting – AGENDA
Wednesday, February 14, 2024 – 5:45 PM
BEC Boardroom / YouTube

TIME**	ITEM	ENC.*	ACTION	PRESENTER
5:45 p.m.				
	I. Call to Order			Krenowicz
	II. Native Lands Acknowledgement	2a.1*		Krenowicz
	III. Roll Call			Kovitz
	IV. Agenda Changes			Krenowicz
	V. Public Comment			Krenowicz
	VI. Consent Agenda***		X	Krenowicz
	1. Work Session Minutes (1.10.24)	6a.1–9*		Matthews[A]
	2. Regular Meeting Minutes (1.10.24)	6b.1–15*		Matthews[A]
	VII. Information Items			
	1. Monthly Budget Status	7a.1–4*		LaLonde[A]
	2. New Hire Reports	7b.1–2*		Boehme[A]
	3. Community College Support Fund Changes			LaLonde/ Moore[P]
	4. Guided Pathways Update			Hamlin/Moore[P]
	VIII. Old Business			
	1. Madras Expansion Update	8a.1–2*	X	Boone/Green[A]
	IX. New Business			
	1. Reserve Policy – 1st Reading	9a. 1–3*	X	LaLonde[A]
	2. Banner Hosting and Administration	9b.1–2*	X	Boehme[A]
	X. Board of Directors' Operations			Krenowicz
	1. Board Member Activities			
	XI. President's Report			Moore
	XII. Dates			Krenowicz
	1. Tuesday, February 6 – Black History Month: Drum–Making Class – Redmond Campus Student Commons at 4:00 – 5:30 p.m.			
	2. Friday, February 16 – Black History Month: *Blend* Film Screening – Hitchcock Auditorium at 6:00 – 8:00 p.m.			
	3. Tuesday, February 20 – Season of Non–Violence:			

* Material to be distributed via e-mail & USPS (as necessary)
** Times listed on the agenda are approximate to assist the Chair of the Board.
*** Confirmation of Consent Agenda items submitted by the President. Any item may be moved from the Consent Agenda to Old/New Business by a Board Member asking the Chair to consider the item separately.

P = indicates a Presentation will be provided.

A = indicates the presenter is Available for background information if requested.

Black Joy Author Conversation – Wille Hall at 6:00 – 7:30 p.m.

4. Wednesday, March 6 – Season of Non–Violence: Music as a Tool for Social Justice – Zoom Webinar at 6:00 – 7:30 p.m.
5. Wednesday, March 13 – Board of Directors' Meeting – BEC Boardroom at 5:45 p.m.

XIII. Adjourn **Krenowicz**

* Material to be distributed via e-mail & USPS (as necessary)
** Times listed on the agenda are approximate to assist the Chair of the Board.
*** Confirmation of Consent Agenda items submitted by the President. Any item may be moved from the Consent Agenda to Old/New Business by a Board Member asking the Chair to consider the item separately.

P = indicates a Presentation will be provided.

A = indicates the presenter is Available for background information if requested.

Purpose: To acknowledge someone is to say, “I see you. You are significant.” The purpose of a land acknowledgement is to recognize and pay respect to the original inhabitants of a specific region. It is an opportunity to express gratitude and appreciation to those whose territory you exist in.

COCC Land Acknowledgement

(Condensed Version)

COCC would like to acknowledge that the beautiful land our campuses reside on, are the original homelands of the **Wasq’ú** (Wasco), and the **Wana Łama** (Warm Springs) people. They ceded this land to the US government in the Treaty of 1855. The **Numu** (Paiute) people were forcibly moved to the Warm Springs Indian Reservation starting in 1879. It is also important to note that the Klamath Trail ran north through this region to the great Celilo Falls trading grounds. Descendants of these original people are thriving members of our communities today. We acknowledge and thank the original stewards of this land.

CENTRAL OREGON
COMMUNITY COLLEGE
Board of Directors' Work Session – MINUTES
Wednesday, January 10, 2024 – 4:00 PM
Remote Meeting via Zoom

TIME**	ITEM	PRESENTER

4:00 p.m.

I. Call to Order — **Craska Cooper**

II. Reserve Policy and Financial Planning — **LaLonde**

i. COCC President Laurie Chesley reminded the Board that one of the ideas they discussed during their retreat in October was increasing COCC's reserves in the interest of long-term needs and risk management.

ii. Vice President of Finance and Operations Michael LaLonde explained that, while his presentation was similar to what he presented at the retreat, the information had been updated in light of COCC's annual financial audit that had recently been completed, so he had a better understanding of the college's financial status.

iii. COCC has reserves as a safeguard against risks and ensures flexibility against unforeseen circumstances.

1. General fund reserves are the ending balance of the general fund that reflects the available resources of COCC for operating activities.
2. Capital reserves are the ending balance of the Capital Projects Fund that reflect the available resources for Capital spending, such as IT infrastructure, repairs and real estate development.
3. Capital reserves are valuable for saving from known and unknown future strategic expenditures, including deferred maintenance, construction projects, future Higher Education Coordinating Commission (HECC) capital request matches and other strategic investments.

iv. COCC's current reserve policy can be found in the college's Board Policy, under Board Expectations of the President, item 2: Budgeting. It was passed on December 9, 2015.

1. The policy states that the President must produce (or cause to be produced) budgeting which:
    a. Ensures cash accounts do not fall below a safety reserve of at least $500,000 at any time.
    b. Is derived from long-term planning, including but not limited to a five-year forecast, and reserved based on projected issues.

* Material to be distributed via e-mail & USPS (as necessary)
** Times listed on the agenda are approximate to assist the Chair of the Board.
*** Confirmation of Consent Agenda items submitted by the President. Any item may be moved from the Consent Agenda to Old/New Business by a Board Member asking the Chair to consider the item separately.

P = indicates a Presentation will be provided.

A = indicates the presenter is Available for background information if requested.

i. Projected issues may refer to planned construction or other projects.

c. Ensures working capital at the end of any fiscal year does not fall below 10% of the year's operating (general fund) expenditures.

i. Working capital refers to current assets minus current liabilities. Using this formula, $30 million divided by $46 million is about 65%. According to COCC's fiscal history, the college has never used this formula. Instead, the college has calculated its ending general fund balance divided by general fund expenditures. This is a major reason why COCC needs to change this policy. Every community college LaLonde has researched calculates general fund reserves in this way.

v. The recommended approach from the Government Financial Officers Association (GFOA) is a minimum of two months' reserves (16%) of general fund expenditures, but this is not a "one size fits all" policy.

1. GFOA recommends each political subdivision conducts a risk analysis of liquidity, revenue declines, infrastructure and buildings maintenance, extreme events, and expenditure spikes.
    a. Revenue includes tuition, state funding and property taxes.
    b. Expenditure spikes includes deferred maintenance and new construction projects.

vi. LaLonde shared a liquidity chart from COCC's 2021 and 2022 fiscal years.

1. Cash flow showed that COCC received three installments of state funding in the 2021 FY and five installments in the 2022 FY.
2. Real estate taxes were exceptionally large single payments in each fiscal year.
3. The ending cash balance fluctuated throughout the year, with dramatic increases in November of both years when COCC received property taxes, as well as a noticeable decreases in May 2022 and June 2022. In order for COCC to pay its employees and regular expenses when its balance is negative, the college must have $6.2 million available.
4. Cash Flow Volatility
    a. COCC's cash position fluctuates due to the timing of revenues and expenses.
    b. The college's largest expenditures are personnel related, which are constant throughout the year.
    c. COCC's three largest revenue sources follow a unique schedule leading to cash deficits.
    d. $6.24 million in general fund reserves (13%) are needed to pay regular expenses.

vii. LaLonde examined tuition revenue and state funding from the 2015–2023 fiscal years.

1. COCC begins its annual budgeting process in February and approves it in May. LaLonde and Fiscal Services can only estimate what a sound budget would be, so when the budget is appropriated, they can appropriate more than their revenue to pay for it if either revenue or state funding decreases.
2. Based on its history, COCC could see reductions in funding in the next nine years.
   a. 13% reduction in tuition and fees – $2 million
   b. 16% reduction in state funding – $1.6 million
   c. Based on GFOA's recommendation of 16% or $7.7 million, LaLonde did not think an additional reserve was necessary for revenue decreases.

viii. Extreme events include wildfires, cyberattacks, pandemics, geo-political incidents and government shutdowns.
1. Campus buildings are insured for $100 million. The replacement value for all of COCC's buildings is about $233 million, but the odds of all of the buildings being damaged are very unlikely.
2. COCC has $5 million coverage for business interruption, which is meant to replace revenue that would not otherwise be received due to an extreme event that closes the campus.
3. The college has $1 million coverage for cyberattacks and $200,000 coverage for ransom.
4. Thanks to government interventions for events such as COVID-19, COCC has no history of losses from extreme events, so LaLonde did not recommend an extreme event reserve, though he acknowledged the need to further examine COCC's cybersecurity coverage.

ix. The college's general fund reserve needs $7.7 million as recommended by GFOA (16% of general fund expenditures) and $6.2 million for cash flow timing (13%), totaling at $13.9 million (29%).
1. LaLonde recommended a reserve range of 29-45% or two months reserve plus liquidity reserve to four months reserve plus liquidity reserve, which totals at $13.9-21.6 million.
2. The current general fund reserve is 24.4% or $11.7 million, the 2024 FY will be different as COCC will receive much more revenue than expected.
   a. The general fund expenditures budget is $56.4 million and he expects the general fund reserve to increase during FY 2024 so that the general fund reserve would reach 48% of general fund expenditures by the end of the fiscal year assuming the College receives the Employee Retention Tax Credit. LaLonde expected COCC to spend $53.5 million in 2024. He did his best to keep the estimates conservative and did not include any calculation for budget savings.

x. COCC's capital fund reserve includes construction projects, deferred maintenance, known and potential strategic expenditures, and future state funding opportunities.

xi. Madras cash flow is estimated to have a net negative impact on the capital reserves in FY 2025 with a cumulative loan of approximately $1.1 million. This could fluctuate based on timing, but LaLonde was confident it would be paid pack in 2026.

xii. Revitalization for the Redmond Manufacturing and Technology Center is estimated to cost $8 million. $4 million from HECC would be received in 2025, which COCC must match from its capital project reserve.

xiii. Critical infrastructure and buildings, focusing on both a risk and future strategic expenditure.

1. COCC hired a consulting firm in 2022 to identify maintenance needs for all of the college's buildings. Campus Services gives LaLonde an annual update.
2. "Priority One" projects require a total of $10.2 million in items that will fail in the next three years.
3. Campus Safety Director Cory Darling estimated a "health and safety" needs budget of $624,000, including updates to fire panels and security systems.
4. The total would be $10.8 million in capital reserves for critical repair and replacement needs. Campus Services Director Josh Clawson has identified projects that need to be completed in 2025, which would cost an estimated $5 million in spending with the Board's approval.

xiv. Potential sources of funding for deferred maintenance and modernization

1. State capital funding
    a. COCC received $4 million in funds from HECC in 2023 and can reapply in 2027. The college could request $8 million, with the requirement to match it, for deferred maintenance and modernization. If approved by HECC, the funds would be given to COCC in 2029, which would also be the deadline to raise the required match. LaLonde recommended $8 million in reserves for this purpose.

xv. In total, the capital reserve fund would need $23.9 million to address COCC's immediate infrastructure needs.

xvi. LaLonde shared a chart of new capital spending requests for 2024–2030 with an estimated total cost of $33 million, which would require the Board's approval.

1. Erin Merz asked how much is currently in the capital reserve. LaLonde said that at the end of 2023, it was $6.1 million. COCC had budgeted to overspend $2.4 million, which reduced it to $3.7 million, but the college received $2 million for selling land on Awbrey Butte and $250,000 for the water line easement from the City of Bend. COCC will also receive funding from their partnership with Neighborly Ventures. LaLonde estimated the college would have an ending balance in the capital projects fund of $6.07 million by the end of the year.
2. LaLonde shared an additional spreadsheet of capital projects fund cash flow.

xvii. Common ways to calculate reserves

* Material to be distributed via e-mail & USPS (as necessary)
** Times listed on the agenda are approximate to assist the Chair of the Board.
*** Confirmation of Consent Agenda items submitted by the President. Any item may be moved from the Consent Agenda to Old/New Business by a Board Member asking the Chair to consider the item separately.

P = indicates a Presentation will be provided.

A = indicates the presenter is Available for background information if requested.

1. Most Oregon community colleges and the GFOA use their general fund balance divided by their general fund expenditures.
2. It has been COCC's policy to use working capital divided by general fund expenditures.
3. LaLonde proposed using the GFOA's recommended formula. While the GFOA recommends maintaining a general fund balance of 16% minimum, other Oregon community colleges have calculated theirs at higher or lower rates, the latter possibly out of necessity.

xviii. LaLonde recommended maintaining a balance of 29–45%.

1. If the balance is ever higher, additional funds would be transferred to the capital projects fund.
2. If the balance is lower, COCC would plan to restore the general fund balance within the range within two years.
3. The general fund balance would be funded from a surplus of revenues over expenditures or transfers from other funds, and it would not be used for regular operating expenditures.
4. The Board must specifically appropriate any reserve funds to be spent, then the Vice President of Finance and Operations (LaLonde) would report on the status of the general and capital projects fund reserves during the budget cycle.
5. LaLonde noted a statement in the policy that said the reserves can be used for many different things, including testing new programs, but these programs could not last longer than two years before being funded by regular revenue.

xix. Erin Foote Morgan asked if excess funds would be transferred to the capital projects fund if the balance exceeded 29%.

1. LaLonde clarified that it would need to exceed 45%, but funds could still be transferred as long as the balance stayed within the range of 29–45%.
2. Foote Morgan asked, if the balance exceeded 45%, would it be mandatory for excess funds to be transferred?
    a. LaLonde confirmed this to be the case.
    b. Foote Morgan asked if LaLonde was confident there would be enough funds coming into the capital reserve for the 45% threshold.
    c. LaLonde clarified that, according to his estimates, COCC should have 48% in the ending general fund balance by the end of the year assuming the Employee Retention Tac Credit is received by the College.
    d. Foote Morgan pointed out that, in the years following 2024 in the spreadsheet, the numbers suggested that additional funds would not be available. Would funds be transferred from the general fund?
    e. LaLonde confirmed this to be his intention.
    f. Foote Morgan asked if the intention would be to create a healthy reserve in the general fund and make transfers each year to the capital fund. And if so, how much would be transferred?

g. LaLonde explained that, during COCC's annual budgeting process, the Board would examine all of the college's funds alongside its current budget and approve appropriations in each fund, so it would ultimately be the Board's decision to make. As they examine COCC's needs, they may decide during some years that the college cannot afford to transfer funds to the capital projects fund.

h. Foote Morgan reiterated that, as long as COCC has a minimum of 29% in reserve, there would be some flexibility for them to approve certain projects.

i. LaLonde confirmed this and explained this to be why he favored this strategy.

xx. Alan Unger asked how COCC compares with other community colleges in terms of property taxes. He understood that COCC has a higher property tax income than most. The tax is an assessed value that increases about 3% every year. The only way the college would not receive this revenue is if property owners did not pay this tax, which would cause the owners to incur a 16% interest rate and require them to start making payments within three years or risk losing their properties. While the State of Oregon might not withhold property tax dollars from COCC, is the college in a better position than other community colleges in its ability to rely on this stream of revenue?

1. LaLonde was confident in COCC's ability to maintain a reliable stream of property tax revenue. He clarified that property taxes for *existing* homeowners could only increase by 3%. New construction, however, could add a significant portion to this revenue, which he believed was happening in the city of Bend. Significant amounts of construction or property sales could increase the assessed values of properties.
2. Unger understood the law to be that a property's assessed value would lead to a 3% annual increase of tax, but schools would receive an additional 2% due to growth. He acknowledged this additional 2% might not be permanent.
3. LaLonde offered to share a comparison with other community colleges, but Unger said he was satisfied as long as LaLonde was confident. LaLonde added that, when community colleges receive state funding, COCC's portion is reduced because of the high amounts it receives from local property taxes.
4. Unger understood that the property taxes and state funding are based on FTE rates.
5. Laura Craska Cooper added that receiving more tax revenue might not be very helpful if it means COCC receives less state funding.
6. Unger concurred and clarified that COCC would be receiving guaranteed property taxes, rather than state funding.
7. LaLonde added that property taxes consistently increase 3–6% annually.

xxi. Craska Cooper asked about a paragraph in the proposed policy regarding decision making authority. The language identified the Board as having the responsibility of any final decisions, but it also stated the purpose of the reserves fund. The Board is bound to make their decisions based on COCC's existing policies until the policies change. Could "acquisition of property" be added to the list of items that the Board would make decisions for? She felt it would be an appropriate option for these funds.

1. LaLonde agreed to revise his proposal accordingly.
2. Merz asked if the other items identified in the paragraph were only examples and if the Board could make decisions on other investments not listed in the proposal.
3. LaLonde confirmed that was his intention.
4. Craska Cooper did not interpret the paragraph to allow this type of expenditure.
5. Merz clarified that the proposal references "*potential* utilization" and assumed it was not inclusive of all options, but she did not see any harm in adding additional language. She asked if potential utilization refers to when the reserves fund is between 29 and 45%.
6. LaLonde explained that the college would normally transfer funds from the general fund to the capital projects fund.
7. Foote Morgan clarified this would only be the case if the funds were intended to be used for a capital project, which LaLonde confirmed.
8. Merz asked if funds were *not* intended for a capital project, what would happen? LaLonde said those funds could be transferred to a different fund. The college could also overspend revenue and have higher expenditures, which would decrease the general fund balance, but he advised against going below 29% as it could lead to financial problems if practiced over several years. Merz concurred.
9. Chesley added that when LaLonde showed how COCC's reserve ranges compare to other Oregon community colleges, based on discussions she had with her fellow college presidents, she deduced that some of the colleges do not share COCC's financial strength. Some colleges could struggle to make payroll if they lost a key source of funding. COCC has always maintained their ability to pay its employees and would continue to do so.

xxii. Foote Morgan asked LaLonde, in light of the coming budget season, how much money he was planning on transferring to the capital fund over the next year to three years.

1. Chesley said that questions like these are discussed in weekly meetings with COCC's Senior Leadership Team (SLT) and recommendations are brought to the Board as part of the budget development process. All SLT members under–stand that there is a significant need for capital improvements.

2. LaLonde said that, since the reserve currently has $6.1 million, the college could possibly transfer $3 million without any problems. This would cover IT concerns that Chief Information/HR Officer Laura Boehme has brought forward. Boehme confirmed that this is an ongoing need.

xxiii. Jim Porter asked how COCC is using risk analysis on the cost of its buildings and for ransomware insurance. He felt the numbers LaLonde presented were too low. Were these numbers similar to what other colleges use?

1. Boehme explained that COCC is part of a statewide consortium called PACE, which provides all of Oregon's community colleges with services in this regard. They all receive the same amount of funds from PACE, so they all use the same structure. This includes ransomware and cybersecurity insurance across the consortium. COCC does not have a separate insurance plan as they are expensive and very few companies offer them.
2. Porter asked if this was an umbrella plan for all of Oregon's community colleges. Boehme confirmed this and added that there are "per incident" costs and a pool of funds set up for all 17 colleges. If one college has an incident and uses funds from the pool, it is reduced for the remaining colleges. Boehme acknowledged that this plan is not ideal, but cybersecurity insurance is very difficult to manage.

xxiv. Joe Krenowicz asked if unused reserve funds would affect COCC's ability to receive grants.

1. LaLonde did not think this would be an issue as long as the college has a thorough financial plan. He acknowledged that COCC has several financial needs, but did not see why it would prevent the college from receiving any grants. Chief Advancement Officer/Foundation Executive Director Zak Boone concurred.
2. Unger said he had been hearing the State tell other institutions that they do not need grants as they have healthy reserves, so he suggested this concern is arbitrary.
3. Boone explained that COCC has an annual grants process and SLT approves general priorities for grants. They do their best to make strategic grant requests, as they do with all acquisitions of resources. They are not sending out as many grant applications as they possibly can. They look for programs that would support student success and Strategic Plan goals that the faculty and staff can achieve with enough time and resources. COCC has a strong track record for this in recent years, partially because there are so many needs to be met. SLT has a thorough vetting process to determine what needs could be addressed through grants.

xxv. Chesley asked the Board if they were comfortable with the proposed policy and plan to be brought before them at a future meeting for a first reading.

1. Foote Morgan, Porter and Krenowicz all concurred. Krenowicz felt the proposal was very concise and easy to understand and complimented LaLonde and his staff for putting it together.
2. Chesley echoed Krenowicz' comments on LaLonde's thoroughness. She added that they were initially concerned that COCC had too much money in reserves, but further examination suggested that there was not enough as they would normally view it as a tool to manage risk, rather than a means to support important projects.

xxvi. Foote Morgan asked if LaLonde could send his presentation slides to the Board via email to allow them to examine the numbers further, which he agreed to do.

xxvii. LaLonde credited Chesley and SLT who provided helpful input as he prepared this presentation.

xxviii. Merz asked if the Board could expect a first reading at the February meeting.

1. Chesley was unsure as she had not discussed it with Board Chair Krenowicz and Vice Chair Craska Cooper about the agenda for the February meeting, but suggested it could be ready by then.
2. Krenowicz concurred it would be helpful for the Board to receive the presentation to further examine the proposed plan. He did not think there was very much that needed to be adjusted in the proposed policy and suggested it could be in the February meeting's agenda.

III. Adjourned at 4:52 p.m. **Krenowicz**

* Material to be distributed via e-mail & USPS (as necessary)
** Times listed on the agenda are approximate to assist the Chair of the Board.
*** Confirmation of Consent Agenda items submitted by the President. Any item may be moved from the Consent Agenda to Old/New Business by a Board Member asking the Chair to consider the item separately.

P = indicates a Presentation will be provided.

A = indicates the presenter is Available for background information if requested.

CENTRAL OREGON
COMMUNITY COLLEGE
Board of Directors' Meeting – MINUTES
Wednesday, January 10, 2024 – 5:45 PM
Remote Meeting via Zoom / YouTube

TIME**	ITEM	ENC.*	ACTION	PRESENTER

5:45 p.m.

I. Call to Order			**Krenowicz**
II. Native Lands Acknowledgement	2a.1*		**Krenowicz**
III. Roll Call			**Kovitz**

<u>Board Members and Staff</u>

Joe Krenowicz (Chair), Laura Craska Cooper (Vice Chair), Alan Unger, Erin Merz, Erin Foote Morgan, Jim Porter, Laurie Chesley (COCC President), Laura Boehme, Michael LaLonde, Alicia Moore, Annemarie Hamlin, Zak Boone, Cathleen Knutson, Heather McMeekin, Kyle Matthews, Paul Taylor, Vaughan Briggs, Jenn Kovitz

IV. Agenda Changes — **Krenowicz**

1. Craska Cooper recommended adding a resolution to designate a realtor for the Madras land donation under New Business, and for the Strategic Plan Indicators to be moved from Information Items to New Business in order to be voted on.

V. Public Comment — **Krenowicz**

None.

VI. Consent Agenda***		X	**Krenowicz**
1. Work Session Minutes (12.13.23)	6a.1–4*		**Matthews[A]**
2. Regular Meeting Minutes (12.13.23)	6b.1–12*		**Matthews[A]**

3. Motion to approve consent agenda.
   a. 1st: Laura Craska Cooper
   b. 2nd: Erin Merz
   c. Motion approved unanimously.

VII. Information Items

1. Monthly Budget Status No questions.	7a.1–4*		**Knutson[A]**
2. New Hire Reports No questions.	7b.1–2*		**Boehme[A]**
3. Annual Audit Report	Separate Document		**LaLonde/Knutson/ McMeekin[P]**

* Material to be distributed via e-mail & USPS (as necessary)
** Times listed on the agenda are approximate to assist the Chair of the Board.
*** Confirmation of Consent Agenda items submitted by the President. Any item may be moved from the Consent Agenda to Old/New Business by a Board Member asking the Chair to consider the item separately.

P = indicates a <u>P</u>resentation will be provided.

A = indicates the presenter is <u>A</u>vailable for background information <u>if requested.</u>

a. LaLonde said that Price Fronk & Co. were able to conduct COCC's annual audit after the college was unable to find an alternate vendor within its price range. Price Fronk has been able to provide this service to COCC for several years.
b. McMeekin said it had been an interesting year, but Knutson and her Fiscal Services staff are always helpful during the audit process.
c. McMeekin had given a more detailed explanation of the audit report to COCC's Audit and Finance Committee on January 3, so her presentation for the January 10 Board meeting focused on items that LaLonde and Knutson felt were most important to explain.
d. McMeekin explained that a major part of the audit is testing COCC's controls during the summer. This includes confirming a random sample of employees to be real people on payroll who are being paid the correct rates, testing accounts payable disbursements, and checking department head approval of all payments. The firm also does a walkthrough of COCC's bank reconciliations, journal entries, and cash receipts to ensure they understand how everything works. Other procedures the firm conducts include cutoff testing for accounts receivable, accounts payable, fixed asset additions, old and new leases, revenues, and payroll reconciliations.
e. McMeekin said that, overall, Price Fronk gave COCC a clean opinion in the audit with no large issues or concerns found.
f. McMeekin explained that the audit is a government-wide financial statement. The firm consolidated all of COCC's funds into one, adding its debt, fixed assets, leases, etc. to have a government-wide basis. This is why the numbers in the audit were different than what they normally see in COCC's monthly financial reports. The statement of net worth increased $4.3 million. Total assets decreased $606,000. The main difference was an increase in current assets (primarily accounts receivable) and a decrease in cash due to a delayed payment from the Higher Education Coordinating Commission (HECC).
g. Merz asked if these numbers in the report were annually based, which McMeekin confirmed.
h. McMeekin said that COCC's total liabilities increased $4 million, however, $8 million of that is net pension liability. There was also a decrease in non-pension liabilities of $4.5 million. The pension liability net difference decreased

$2 million in total. The total net position increased $4.3 million. Operating revenues increased $1.3 million, which was mostly grants and contracts. Non–operating revenues, which are mainly federal appropriations or government grants awarded from previous years, decreased due to fluctuation of timing of payments received.

i. For COCC's general fund, McMeekin reported an increase of $2.5 million with a total balance of $11.7 million. Revenues were under budget by $760,000, half of which was due to tuition and fees, as well as a $1.4 million reduction in interfund transfers. Unfavorable variances were offset by state appropriations.
j. For COCC's budget savings, in relation to expenditures, McMeekin reported a total of $5 million. This was mostly instruction for $2.7 million and student services for $925,000. Salaries across all appropriations were under budget by $2.6 million. This is a correlation with COCC's decrease in federal and state funding, so while there was a decrease in grants received, there was also a decrease in funds awarded this year.
k. For all of COCC's expenditures and appropriations, two areas were found to be overbudget, which is common. Contracts and local grants will be reported to the State as overbudget by law, but no follow–up action from the college is needed.
l. Knutson pointed out that COCC's overall grant appropriations were underbudget. The Fiscal Services department normally conducts an appropriation review in May or June, which often leads to seeking additional appropriation for certain funds if they anticipate going over. While they *did* issue additional appropriating, they did not include local grants or contracts, but will examine them more closely in the future. In terms of grants, Knutson reminded the Board that they are expenditure based; spending money leads to being awarded money, so impact to the college is minimal.
m. The firm also conducted a compliance (or single) audit. This is done simultaneously with the regular audit, but it is a separate report. McMeekin reported that the firm found the same results as the regular audit. They gave a clean opinion and did not find any issues. The programs tested were the student financial assistance cluster and the education stabilization fund (related to the Higher Education Emergency Relief Fund, or HEERF). As part of this audit, the firm looked at eligibility, cash management and reporting for special tests. They tested separate controls for these programs to ensure funds were being used appropriately

and all requirements were met. A schedule of expenditures of federal awards, a list of federal awards that were spent during the fiscal year, was included in the audit.

n. McMeekin also reported that Price Fronk had officially merged with KDP Certified Public Accountants on January 1. Price Fronk had been unable to place a bid in 2023 to continue its contract with COCC due to capacity issues at their firm. KDP is a firm similar to Price Fronk and is based out of Medford. While Price Fronk's staff and leadership will remain the same, there will be more personnel in their Bend office to help meet capacity needs, including a municipal audit department that specializes in working with institutions like COCC. This will allow Price Fronk to retain COCC as a client if the Board decides to continue this contract.
    i. LaLonde added that, since COCC had an un-successful RFP last year, COCC and Price Fronk were able to extend their contract for an additional year. The Board may elect to continue this contract for another four years.
o. Unger thanked McMeekin for her in-depth presentation to the Audit and Finance Committee during the prior week and Knutson for assisting Price Fronk with the audit in light of their capacity issues.
    i. Knutson credited her Fiscal Services team for their support with the audit, despite their own capacity issues during the summer, as well as HR and payroll for their support in testing controls and Financial Aid and cashiering for their support with the audit.
    ii. Krenwoicz explained to the Board that the Audit and Finance Committee consists of himself, Unger and two members of the Budget Committee. McMeekin gave them an extended presentation of the report and spent about two hours answering their questions. He also thanked Knutson and LaLonde for their work. In July, the Committee will meet with COCC's auditors to discuss any specific areas the Board would like examined for the college's next audit.
p. Motion to accept the audit report from Price Fronk & Co.
    i. 1st: Alan Unger
    ii. 2nd: Jim Porter
    iii. Motion approved unanimously.

4. Residence Hall Update **Moore**^{P}
    a. Moore explained the history of Wickiup Hall, starting with the construction of Juniper Hall in 1967. In the mid-90s, COCC recognized the need for improved student housing. Three housing feasibility studies were

* Material to be distributed via e-mail & USPS (as necessary)
** Times listed on the agenda are approximate to assist the Chair of the Board.
*** Confirmation of Consent Agenda items submitted by the President. Any item may be moved from the Consent Agenda to Old/New Business by a Board Member asking the Chair to consider the item separately.

P = indicates a Presentation will be provided.

A = indicates the presenter is Available for background information if requested.

conducted between 2000 and 2011, and student housing was included in the college's master plan for 2002–2012. COCC consulted with counterparts at OSU to learn about their approaches to student housing and dining services. Wickiup Hall opened in 2015 and began generating a profit in the 2020–2021 academic year.

    i. On–campus housing was initially intended for in–district students and has always been an uncommon feature for community colleges.

b. COCC reviewed a variety of housing models, including outside contracting models, traditional student housing, and family housing. A strong demand was seen from traditional–age, out–of–district students. COCC determined an in–house managed traditional student housing model was the best approach as the college's reputation would be reflected in student housing. The design of the building aligned with COCC's goals of increasing student recruitment and meeting students' needs.

c. COCC's student housing financial model was initially designed to be self–sustaining.

    i. Room and board rates were set to cover the costs of maintaining the building and paying its staff, as well as extending hours for on–campus services such as the library and the gymnasium.
    ii. This self–sustaining model had an annual budget of $2.2 million (adjusted for inflation).
    iii. Student Affairs also created a 30–year financial model that suggested student housing could generate revenue in 14–30 years. This made on–campus housing a primary driver for college revenue at the time.
    iv. Construction for Wickiup Hall cost $16 million and was funded through a full–faith and credit obligation bond.
    v. During this time, whenever another department had to work in Wickiup Hall, such as Campus Services performing maintenance, they would invoice the Student Housing department. This created a financial strain on the housing budget. This model also caused a lack of support for student housing from other college departments, which lead to Student Housing adopting its current financial model.

d. Wickiup Hall provides housing for 320 residents and has ten additional rooms for community assistanst. There are 3.5 FTE staff members, including summer conference coordination. The building is about 90,000 square feet.

e. Building occupancy has been consistently strong since the 2018–19 academic year, with 88–99% in the Fall term and 70–83% in the Spring, with the exception of Spring 2020 in the early months of the COVID–19 pandemic.

i. 22% of residents are from in–district areas.
ii. 22% of residents are students of color.
iii. The average resident age is 19.
iv. Residents are 53% male, 42% female, 5% declined to state, which is opposite of students currently perusing higher education nationally, including COCC.
v. 33% of residents are Pell Grant eligible.
vi. 37% of residents are Oregon Promise Grant students.

f. Wickiup Hall residents aged 18–24 have seen a course completion rate of 74% in the past five years. Students are required to take at least 12 credits of classes each term in pursuit of a certificate or degree in order to live on campus.

g. The Student Housing budget now aligns with the institutional budgeting model, rather than a self–sustaining model.

i. College departments now treat Wickiup Hall the same way they would any other department that requests their assistance. Student tech support and wi–fi are now provided in–house.
ii. Wickiup Hall's bond has been refinanced, saving the college $150,000 per year.
iii. Room rates now cover all operational expenses, including bond payments, and Wickiup Hall is now operating with a positive cash flow well before it was predicted. The 2022–23 fiscal year saw $499,402 generated by on–campus housing.
iv. Cash flow can partially be credited to transfers of funds from the Residence Hall Capital Fund, the Juniper Hall Fund, the Food Service Fund and HEERF. Student Housing expects to repay all of these funds within the next three years.

h. Merz asked what Moore would attribute residence hall population attrition to and whether COCC may begin charging less than market rate in order to address housing issues students are facing, especially now that Wickiup Hall is generating revenue for the college.

i. Moore said the attrition rate mirrors what student housing programs are seeing nationally. Residence hall populations begin their academic years in the high 90% and end the year in the mid–70%. In the 2019–20 academic year when Student Affairs most recently examined these rates, about 60% of students who left on–campus housing remained enrolled at COCC, which was close to what was observed in other student populations.

ii. In terms of charging market rates for room and board, "market rates" refers to a comparison to how other colleges and universities are charging their students. It is difficult to find comparisons as only two other community colleges in Oregon offer student housing. One college offers off–campus housing that is operated by private contractors while the other only subsidizes housing for student athletes. This is why Student Affairs proposed a lower than usual rate to the Board during their previous meeting. While they normally would propose a 3–4% increase, they proposed a 1.5% increase in December 2023. This would still meet their goal of generating revenue for COCC while keeping tuition rates low.

iii. Chesley added that part of the funds generated from Wickiup Hall were intended to be used for unexpected circumstances such as repairs.

iv. Merz acknowledged that costs of maintenance would continue to increase as Wickiup Hall ages.

v. Moore added that Wickiup Hall is COCC's largest building in terms of square feet, so costs for maintenance and repairs tend to be significantly higher than that of other buildings.

i. Foote Morgan asked if revenues generated by Wickiup Hall are kept in a reserve fund.

   i. Moore confirmed that COCC has a residence hall reserve fund. One item of discussion among the Senior Leadership Team (SLT) is whether any of the college's reserve funds can be consolidated. They hope to have an answer for the Board in the coming months.

   ii. Foote Morgan asked if Moore had an estimate of how much from this revenue would be dedicated to paying back other funds that were used to support student housing and how much would be left over.

   iii. Moore said, over the past two years, $320,000 was generated, and over $500,000 in the most recent academic year.

j. Chesley mentioned that Craska Cooper had requested this report both last year and this year and asked if she had any questions for Moore.

   i. Craska Cooper was satisfied with the information Moore had provided. After seeing the challenges Wickiup Hall faced in its early years to populate the building, she was glad to the that COCC's recruitment campaign was a success and the building was generating revenue for the college while also meeting students' needs for housing.

k. Porter asked Moore if she knew the "break even" percentage for Wickiup Hall's occupancy is. Moore did not know, but said she would find it for the Board at a later date.

l. Krenowicz understood and appreciated Student Housing's reasoning for bringing their services in–house to better serve residence in a cost–effective means. Regarding the reserve funds, while he understood the desire for consolidation, he encouraged SLT to proceed with caution and consider reducing contributions to the residence hall reserve fund if necessary.

   i. Chesley asked LaLonde to mention what funds were currently under consideration for consolidation because they have found that some items that had been in COCC's non–general fund should have been in its general fund all along. Too many programs decided they needed a non–general fund when they might not have.

   ii. LaLonde said he had recommended Adult Basic Education and the summer tuition fund be rolled over into the general fund. Knutson confirmed they were approved to be consolidated in last year's budget process. LaLonde and Knutson will continue to examine each fund to determine whether it would be more sensible to allow them to continue as separate funds or be consolidated. LaLonde concurred that each fund should be tracked, but they would be easier to manage if consolidated into the general fund, which would allow the Board to transfer funds during the budget process to finance capital projects or other expenses. He acknowledged that owners of non–general funds can be very protective.

5. Meeting Students' Non–Academic Needs **Moore**[P]

   a. Moore explained that members of the Board had expressed desire to know more about how COCC can support student success. Their main focus was helping students meet their basic needs and maintaining their wellbeing. In her research, Moore found that there has been a national shift in higher education, predominately at community colleges, in supporting these needs.

   b. Moore gave high level overviews of programs at the college including the ASCOCC Food Bank, the Clothing Connection, SNAP, Thrive, Cascades East Transit, the Technology Lending Program, student relief funds, the childcare fund, the dental clinic, personal counseling through St. Charles Health System, and the Deschutes County Health Mobile Clinic.

      i. Chesley encouraged the Board to visit the Clothing Connection on the Bend campus if they are able and credited the volunteers for helping students find clothing for job interviews and other functions. Boone added that there is a Clothing Connection site on all four of COCC's campuses. Volunteers in Bend can send clothing to other campuses if students request them. Moore also encouraged the Board to attend the annual Clothing Connection Fashion Show.

ii. Foote Morgan asked how students use the STEP program. Moore said that there is a list of programs on COCC's website that can help students who are in need. Students can reach out to STEP and be recommended to the program that would best fit their needs.

iii. Chesley mentioned that COCC funded their Thrive resources through the Keyes Foundation fund. This was initially a pilot program that the State now funds for the college. Moore echoes Chesley's appreciation for the Keyes Foundation and the COCC Foundation for their support.

iv. Foote Morgan asked whether students working at the dental clinic are meeting Volunteers in Medicine (VIMs) requirements. Moore did not know, but explained that the clinic partners with VIMs because the clinic must be supervised by a licensed dentist. She assumed that the students are VIMs certified, but would check to make sure.

v. Moore noted that ten years ago, the only three of the services mentioned in this presentation were available at COCC.

vi. During a recent Student Success Committee meeting, members asked how COCC measures the success of these programs. Moore acknowledged that objective success is difficult to track for most of these programs, partially due to the need to protect students' identities from the stigma of seeking help. However, the college is able to track who uses programs funded by federal grants: STEP, the Inclusive Career Advancement Program and the CCAMPIS grant.

c. While COCC did not qualify for a Title III federal grant this year, Moore was optimistic the college would receive a grant next year. She and her colleagues at Student Affairs intend to use these funds to help centralize all of the programs she discussed earlier into central locations on all of COCC's campuses and hire a coordinator to oversee the continuity of these programs.

i. Foote Morgan asked how much the Title III grant would be for.

ii. Moore recalled it would be $450,000 per year, but the main focuses were on construction costs and the cost of the position. Other elements were included in the grant besides students' non–academic needs.

d. TRIO is a federal program from the Department of Education. COCC formed a committee a number of years ago to discuss which of TRIO's seven programs the college should apply for. Moore noted TRIO's model is highly favorable for all community colleges. They offer a wide variety of services at a small student–to–employee ratio and have a strong student success rate, specifically targeting underrepresented, low income populations.

   i. In examining their program, the committee decided to first apply for TRIO's Student Support Services (SSS) grant because it would offer support to students as soon as they are enrolled in an institution. COCC's deadline to apply is December 2024. A team is working to have an application finished by April in order to receive coaching at TRIO's statewide conference.

   ii. Another program the committee is interested in is Upward Bound where high school students can engage with many of COCC's culturally–based programs, prepare for college and get connected with the SSS program. The committee is considering applying for this grant within the next two years during one of TRIO's future application cycles.

   iii. Foote Morgan asked whether TRIO's programs could only be funded through grants or if COCC could pay for the support.

      1. Moore explained that it is only funded through the Department of Education. Their programs are designated for specific services and their funds are to be used accordingly. While COCC *could* fund a similar program, it would be very expensive. Moore said TRIO's programs are excellent and easy to renew every five years.

      2. Chesley added that if a school funded their own program similar to TRIO's, it would not have the same low student–to–staff ratio. Maintaining long–term personnel is expensive and TRIO's programs are full of activities that add up to high prices. She recalled Moore pitching TRIO to her as the "gold standard" of what they do. The

Title III grant would also help pay for several projects over a five–year period, totaling at $2.5 million.

iv. Foote Morgan asked if the TRIO program would be housed in COCC's student resources department or academic advising.
   1. Moore said they would discuss it later in the presentation and explained that the most predominant models are Academic Advising and Student Life, noting that Student Life is the bridge that connects enrollment and student success.
   2. Chesley said it would generally be found in Student Affairs and she has not seen it housed anywhere else.

v. Foote Morgan asked if the many sources of student support program funding from COCC's various department budgets could eventually combine into a single budget, or would they remain stand–alone programs with a shared goal?
   1. Moore explained that many of COCC's programs she highlighted earlier in the presentation rely on community partnerships, including the dental clinic, the food bank and counseling with St. Charles. They are housed in places that made sense when they started, but as they've grown, Student Affairs is considering how they can be strategically partnered to work better together, hence the idea for a basic needs and wellness center. SLT is still in early stages of those conversations.
   2. Chesley hoped that SLT would be able to discuss how to better coordinate COCC's student support programs more cohesively within the coming months. She added that, since these programs are grant funded during their initial phases, they would eventually need to fit into COCC's regular budget if the college decides to retain any of them. Once of the reasons COCC maintains financial reserves is to be able to create new programs as needed.
   3. Boone added that many of the programs that have been discussed have ties to the COCC Foundation. He offered to answer any questions the Board may have and mentioned that

Merz would be learning more soon as their liaison to the Foundation. He also noted that many of these programs were "donor driven" by members of the community, some of whom were the initial supporters of a program. The student relief fund was initially known as the Luminary Fund after a local couple who used a spend–down endowment who recognized the need for emergency funds being made available for students.

4. Chesley credited Brittany Nichols, Director of Foundation Programs and Scholarship Coordinator, for her role in creating a culture of student support and success in the Foundation and managing its funds accordingly.

VIII. Old Business

1. Investment Policy and Internal Controls Document – 2nd Reading 8a.1–17* X **LaLonde**[A]
   a. LaLonde explained two small changes he made to the language of the proposed policy.
   b. Motion to approve second reading and adoption of the Proposed policy.
      i. 1st: Laura Craska Cooper
      ii. 2nd: Erin Merz
      iii. Motion approved unanimously.

IX. New Business

1. Mileage Rate and Meal Per Diem Rates 9a.1* X **Knutson**[A]
   a. Knutson explained that this resolution is following federal guidance for gas milage reimbursement rates and that no changes would be made to per diem rates.
   b. Motion to approve the resolution.
      i. 1st: Jim Porter
      ii. 2nd: Laura Craska Cooper
      iii. Motion approved unanimously.
2. Adult Basic Skills (ABS) Contract 9b.1–2* X **Boehme**[A]
   a. Boehme explained that ABS had made full negotiations for their upcoming contract. This was an economic increase that would go into effect on July 1, 2024 if approved. This would be the same increase that COCC provided to ABS in the previous fiscal year.
   b. Chesley added that both ABS' faculty and COCC agreed that this would help make room for negotiations with other employee groups to make a more efficient workload for the negotiators.
   c. Boehme concurred, recalling it had been four or five years of ongoing negotiations and expressed gratitude for ABS' willingness to accept these terms.

d. Motion to approve the economic contract extension.
   i. 1st: Erin Foote Morgan
   ii. 2nd: Laura Craska Cooper
   iii. Motion approved unanimously.

3. Madras Lots Surplus Declaration and Selection of Realtor 9c.1–2* X **LaLonde[A]**
   a. LaLonde reminded the Board that Charley Miller offered to donate property to COCC in December 2023, which the Board approved at their previous meeting. The intent of this donation was to sell the property and dedicate the proceeds to the Madras campus expansion fund. Boone had been introduced to realtor Joe McDonald of Dreams Realty Group in Madras who has agreed to sell the property for $1.00 commission. LaLonde noted that the $1.00 fee would be for the seller's side of the transaction, so there is still the possibility of a buyer's realtor requiring compensation of approximately 2.5% of the transaction. Since the property has been appraised to be worth $410,000, it is likely that a realtor's commission would cost far less than what it would cost for COCC to put the property up for a bid. McDonald would also market the property as widely as possible in order to find the highest bidder. He also understands that the Board would prefer this property to be sold as soon as possible and their concern for potential negative use of the property. The resolution also states that the property would not be used for the public interest of the college, which is mandated by Oregon law.
   b. Krenowicz was familiar with the location and was confident it would sell quickly for a favorable price. He expressed gratitude for the Miller family's continued support for COCC.
   c. Motion to approve the declaration of surplus, waiver of competitive selection and hiring of the realtor.
      i. 1st: Erin Merz
      ii. 2nd: Alan Unger
      iii. Motion approved unanimously.

4. Strategic Plan Indicators 7c.1–2* X **Moore/Briggs[P]**
   a. Moore introduced Associate Professor Briggs to the Board and explained how he helped garner all of the college's feedback to form the Strategic Plan. He also volunteered to co–chair the Strategic Plan Implementation Team alongside Moore.
   b. Moore reminded the Board that, during their December work session, she explained the strategic indicators in COCC's new Strategic Plan. This resolution is based on discussion that took place during that work session.
   c. Foote Morgan asked if the goal that focused on in–district headcount of underrepresented students included students

who live in rural areas and whether that specific demographic would be tracked.

   i. Moore confirmed that they would be able to track multiple factors, one of which would be students who live rurally. She pointed out that, since many students are taking classes at multiple campuses, the data aggregated cannot be campus-based. However, COCC can track this data by a student's zip code or city of residence.

d. Foote Morgan asked about the community engagement goal and participation in community-based stakeholder groups. Would COCC be showing up in every community, specifically rural areas? Members of her distract have expressed desire for a greater college presence there. How well does COCC track this?
   i. Chesley said this is a great reminder for when COCC meets with members of rural communities. While the college participates in events in these areas and leadership from the branch campuses may be serving on local boards and initiatives, COCC could still be more involved with rural communities.
   ii. Moore added that this is a carryover from COCC's previous Strategic Plan and asked Boone to explain further. Boone reminded the Board that they had explained during their December work session how they gathered data for strategic indicators, which is largely through advisory boards. He has considered how COCC can be more intentional with these boards, such as active recruitment through the Foundation's networks. He noted there is also underrepresentation in Sisters, as well as southern Deschutes county.

e. Motion to approve the Strategic Plan indicators.
   i. 1st: Alan Unger
   ii. 2nd: Erin Merz
   iii. Motion approved unanimously.

X. Board of Directors' Operations **Krenowicz**

Board Member Activities:

1. Erin Foote Morgan
   a. January 5: Student Success Committee meeting.
2. Erin Merz
   a. January 5: Student Success Committee meeting.
3. Alan Unger
   a. January 3: Audit and Finance Committee meeting.
   b. January 10: Oregon Community College Association's Diversity, Equity and Inclusion Committee meeting.

4. Laura Craska Cooper
    a. January 2: Real Estate Committee meeting.
    b. January 5: Zoom call with Laurie Chesley and Joe Krenowicz.
    c. January 8: Call with Joe Krenowicz.
    d. January 9: Zoom call with Laurie Chesley, Joe Krenowicz, Zak Boone and Michael LaLonde.
5. Joe Krenowicz
    a. January 2: Real Estate Committee meeting.
    b. January 3: Audit and Finance Committee meeting.
    c. January 5: Zoom call with Laurie Chesley and Laura Craska Cooper.
    d. January 8: Call with Laura Craska Cooper.
    e. January 9: Zoom call with Laurie Chesley, Laura Craska Cooper, Zak Boone and Michael LaLonde.

XI. President's Report **Chesley**

1. The first week of classes for the Winter Term were underway, despite weather disruptions. As of January 8, FTE enrollment increased 9% and headcount increased 2.6% compared to that point-in-time last year. Chesley saw this as heading in the right direction as COCC continues to recover from the pandemic years.
2. On January 23, as part of the Season of Nonviolence, Jodi Patterson would be speaking in Wille Hall on Allyship, Genderless Mothering and Self-Transformation.

XII. Dates **Krenowicz**

1. Monday, January 15 – Closed for Martin Luther King Jr. Day
2. Wednesday, January 24 – State of the College Address – Wille Hall at 9:30 a.m.
3. Tuesday, January 30 – Real Estate Committee Meeting – Remote via Zoom at 4:00 p.m.
4. Wednesday, February 14 – Board of Directors' Meeting – BEC Boardroom at 5:45 p.m.
5. Saturday, April 13 at 5:30 p.m. – COCC Foundation's Meal of the Year – Mazama Gymnasium

XIII. Adjourned at 8:04 p.m. **Krenowicz**

* Material to be distributed via e-mail & USPS (as necessary)
** Times listed on the agenda are approximate to assist the Chair of the Board.
*** Confirmation of Consent Agenda items submitted by the President. Any item may be moved from the Consent Agenda to Old/New Business by a Board Member asking the Chair to consider the item separately.

P = indicates a Presentation will be provided.

A = indicates the presenter is Available for background information if requested.

Central Oregon Community College
Monthly Budget Status
Highlights of December 2023 Financial Statements

Cash and Investments

The College's operating cash balances currently total $54.1 million. The December average yield for the Local Government Investment Pool remained 5 percent.

General Fund Revenues

Winter term registration continues, resulting in an increase in tuition and fee revenues of $2.6 million over the prior month.

General Fund Expenses

The expenses through December 2023 include the required budgeted inter-fund transfers-out for the fiscal year.

Budget Compliance

All general fund appropriation categories are within budget.

Central Oregon Community College

Monthly Budget Status

December 2023

14-Feb-24

General Fund	Adopted Budget	Year to Date Activity	Variance Favorable (Unfavorable)	Percent of Budget Current Year	Percent of Budget Prior Year
Revenues					
District Property Taxes:					
Current Taxes	$ 21,842,000	$ 20,516,210	$ (1,325,790)	93.9%	93.6%
Prior Taxes	460,000	178,371	(281,629)	38.8%	66.7%
Tuition and fees	17,374,000	13,238,528	(4,135,472)	76.2%	67.6%
State Aid	9,793,000	6,107,275	(3,685,725)	62.4%	50.9%
Program and Fee Income	40,000	15,958	(24,042)	39.9%	28.8%
Interest & Misc. Income	244,000	41,250	(202,750)	16.9%	18.0%
Transfers-In	4,860,000	1,924,262	(2,935,738)	39.6%	48.6%
Total Revenues	**$ 54,613,000**	**$ 42,021,854**	**$ (12,591,146)**		
Expenses by Function					
Instruction	$ 24,617,100	$ 9,591,405	$ 15,025,695	39.0%	38.1%
Instructional Support	5,270,297	2,301,438	2,968,859	43.7%	44.9%
Student Services	6,465,663	2,543,437	3,922,226	39.3%	38.6%
College Support	5,847,565	2,042,841	3,804,724	34.9%	41.6%
Plant Operations and Maintenance	4,966,239	2,253,149	2,713,090	45.4%	39.1%
Information Technology	5,738,544	2,510,205	3,228,339	43.7%	45.7%
Financial Aid	100,000	53,144	46,856	53.1%	25.8%
Contingency	1,000,000	-	1,000,000	0.0%	0.0%
Transfers-Out	2,410,938	2,389,138	21,800	99.1%	98.3%
Total Expenses	**$ 56,416,346**	**$ 23,684,757**	**$ 32,731,589**		
Revenues Over/(Under) Expenses	**$ (1,803,346)**	**$ 18,337,097**	**$ 20,140,443**		

Central Oregon Community College
Monthly Budget Status
December 2023

14-Feb-24

	Adopted Budget	Year to Date Activity	Variance Favorable (Unfavorable)	Percent of Budget Current Year	Percent of Budget Prior Year
Non General Funds					
Debt Service Fund					
Revenues	$ 5,803,797	$ 4,658,065	$ (1,145,732)	80.3%	81.4%
Expenses	5,750,447	1,615,876	4,134,571	28.1%	29.3%
Revenues Over/(Under) Expenses	$ 53,350	$ 3,042,189	$ 2,988,839		
Grants and Contracts Fund					
Revenues	$ 4,643,524	$ 939,991	$ (3,703,533)	20.2%	14.7%
Expenses	4,711,428	1,826,642	2,884,786	38.8%	25.3%
Revenues Over/(Under) Expenses	$ (67,904)	$ (886,651)	$ (818,747)		
Capital Projects Fund					
Revenues	$ 13,832,724	$ 3,669,306	$ (10,163,418)	26.5%	25.8%
Expenses	17,714,240	2,105,572	15,608,668	11.9%	5.8%
Revenues Over/(Under) Expenses	$ (3,881,516)	$ 1,563,734	$ 5,445,250		
Enterprise Fund					
Revenues	$ 4,877,843	$ 3,044,016	$ (1,833,827)	62.4%	61.7%
Expenses	5,305,817	2,493,035	2,812,782	47.0%	57.0%
Revenues Over/(Under) Expenses	$ (427,974)	$ 550,981	$ 978,955		
Auxiliary Fund					
Revenues	$ 5,973,779	$ 4,093,794	$ (1,879,985)	68.5%	65.9%
Expenses	12,402,620	6,153,744	6,248,876	49.6%	42.8%
Revenues Over/(Under) Expenses	$ (6,428,841)	$ (2,059,950)	$ 4,368,891		
Reserve Fund					
Revenues	$ 5,316	$ -	$ (5,316)	0.0%	0.0%
Expenses	455,000	16,478	438,522	3.6%	95.6%
Revenues Over/(Under) Expenses	$ (449,684)	$ (16,478)	$ 433,206		
Financial Aid Fund					
Revenues	$ 15,259,071	$ 5,683,930	$ (9,575,141)	37.2%	31.6%
Expenses	15,523,065	5,238,874	10,284,191	33.7%	27.3%
Revenues Over/(Under) Expenses	$ (263,994)	$ 445,056	$ 709,050		
Internal Service Fund					
Revenues	$ 85,000	$ 38,031	$ (46,969)	44.7%	33.4%
Expenses	161,000	21,121	139,879	13.1%	40.9%
Revenues Over/(Under) Expenses	$ (76,000)	$ 16,910	$ 92,910		
Trust and Agency Fund					
Revenues	$ 9,332	$ 9,088	$ (244)	97.4%	42.2%
Expenses	23,500	5,640	17,860	24.0%	15.1%
Revenues Over/(Under) Expenses	$ (14,168)	$ 3,448	$ 17,616		

14-Feb-24

Central Oregon Community College

Cash and Investments Report

As of November 30, 2023

College Portfolio	**Operating Funds**	**Trust/Other Funds**
Cash in State Investment Pool		
4089 - General operating fund	$ 52,627,111	
3624 - Robert Clark Trust		$ 391,021
November Average Yield 5.00%		
Cash in USNB	$ 1,515,086	
Cash on Hand	$ 4,600	
Total Cash	$ 54,146,797	$ 391,021

Board Meeting Date: Wednesday, February 14, 2024
Exhibit: 7b.1

Central Oregon Community College
Board of Directors
Faculty and Administrators New Hire Report

Administrator Full-Time		
Kelly Ruebush	Assistant Director Campus Services - Maintenance	January 5, 2024

Board Meeting Date: February 14, 2024
Exhibit: 7b.2

Central Oregon Community College
Board of Directors
New Hires Report
Date of Hire: January 1-31, 2024

Name	Hire Date	Job Description	Department
Classified Full-Time			
Leas, Daniel Ashby	1/22/2024	Grounds/Landscape Specialist	Maintenance of Grounds
Moussa-Hale, Sarah	1/1/2024	Enrollment Specialist Senior	Admissions
Wilder, Joan E	1/2/2024	Temporary Test Proctor	Tutoring and Testing
Temporary Hourly			
Altamirano, Johanna	1/5/2024	Madras Office and Classroom	Regional Credit Instruction-Madras
Appleton Gaines, Kiyomi	1/2/2024	Writing Tutor II	Tutoring and Testing
Bow ker, Kimberly	1/2/2024	Writing Tutor II	Tutoring and Testing
Ebert, Daniel Ryan	1/15/2024	Temporary Facilities Specialist	Maintenance of Buildings
Long, David Rockney	1/8/2024	EMT Lab Assistant	Emergency Medical Services
Putnam, Joseph J	1/2/2024	Writing Tutor II	Tutoring and Testing
Witmeyer, Donna Marie	1/8/2024	Dental Assisting Instructional	Dental Assisting

Board Meeting Date: February 14, 2024
Exhibit No.: 8a.1-2

Central Oregon Community College
Board of Directors: Board Resolution

Subject	COCC Contribution to Madras Construction
Strategic Plan Initiative	Goals supported via this resolution: Student-Ready College, Access, Community Engagement and Workforce Development
Prepared By	Zak Boone

A. Background

As one of the top priorities for COCC and the COCC Foundation, the Madras expansion will usher in a new era of educational offerings and community support in Jefferson County. For the first time, students will be able to take and complete degree and certificate programs solely at the Madras campus in Nursing, Nursing Assisting, Medical Assisting and Early Childhood Education. Further, via a unique partnership with The Children's Learning Center, we will be able to offer approximately 100 childcare openings on the expanded campus, helping address what is currently a three-year waitlist for those services in that community, as well as providing an additional revenue stream to the college for the leased space.

The overall projected cost for the expansion has risen from our 2022 projections. We are hopeful that COCC, via funds from our real estate activities, can continue to support the expansion with an additional funding. As stated in the past, investments from the college itself toward planning and construction shows significant commitment to the project from COCC for all affected stakeholders; demonstrates needed "matching" funds for foundation grants; and us continue to move closer to the threshold of funds committed required by some funders (e.g., 70% required to be committed for Maybelle Clark MacDonald Fund before they'll consider our application.) We hope to have the final, guaranteed maximum price finalized by April 30, 2024.

In the meantime, during a recent site visit from the MJ Murdock Charitable Trust, a number of follow up items were requested in support of our $1M request from the Trust for the project. One of the follow up items requested was a statement of Board intent ensuring the Madras Expansion remains a top priority for the Board via a formal notice of intent to complete the project, using additional institutional funds as needed.

B. Options/Analysis

1. Approve a formal statement of intent to ensure completion of the Madras Expansion to send to the MJ Murdock Trust and other funders, as necessary.
2. Do not approve a formal statement.

C. Timing

A detailed package of follow up items was sent to the Trust on February 8th, 2024, and ideally this resolution would be sent after passage by the Board.

D. Budget Impact

The resolution itself has no real budget impact, but does indicate that additional institutional funds will be requested as needed in the future.

E. Proposed Resolution

Be it resolved that the Central Oregon Community College Board of Directors hereby formally declares its intent to ensure completion of a new facility in Madras, Oregon, adjacent to its existing building, using additional institutional resources as necessary.

General Fund Reserve Policy

Establishing and Managing General Fund Unrestricted Fund Balances

The General Fund's unrestricted fund balance, often referred to as a reserve, plays a pivotal role in ensuring the consistent provision of services, addressing emergencies, acting as a safeguard against enrollment fluctuations, buffering against uncertainties in State funding, mitigating temporary revenue shortfalls, and maintaining stability during economic cycles. We aim to strategically manage these reserve funds to guarantee robust cash flow, stabilize interest rates, and ensure the seamless continuity of service delivery.

Defining "Unrestricted Fund Balance"

For the purposes of this policy, "unrestricted fund balance" specifically refers to the portion of the General Fund balance that remains unreserved, meaning it is not earmarked for existing college obligations.

Aspirational Reserve Levels

Central Oregon Community College endeavors to maintain an unrestricted fund balance within the range of 29% to 45% of general fund expenditures. This commitment is driven by our dedication to institutional stability and the long-term financial health of the College. In the event that the unrestricted fund balance of the General Fund falls below 29%, the College will promptly adopt a comprehensive plan to restore it to the 29% threshold within a two-year timeframe. In cases where the unrestricted fund balance exceeds 45% of annual general fund expenditures, the excess will be transferred to the Capital Fund for future capital projects including deferred maintenance, equipment replacement and new construction.

Funding of the Unrestricted Fund Balance

The funding of the General Fund's unrestricted fund balance will primarily stem from the surplus of General Fund revenues over expenditures.

Decision-Making Authority

The Board of Directors is vested with the authority to make decisions regarding the utilization of the General Fund's unrestricted fund balance. These decisions will be made in consultation with the President and the appropriate personnel within the Office of Finance and Operations. Potential utilization avenues encompass capital equipment acquisitions, acquisition of real property, matching funds for construction projects, capital construction initiatives, IT infrastructure, deferred maintenance, investments in new programs or services that will transition to recurring funding sources following a defined trial period, and projects aligned with the College's strategic direction, among others. It is important to note that the General Fund's unrestricted fund balance shall not be allocated to support regular or annual operating expenditures.

Monitoring and Oversight

The Vice President of Finance and Operations, or their designated representative, will assume responsibility for the management and vigilant monitoring of the General Fund's unrestricted fund balance. Regular reports will be provided to the Board and the Budget Committee, detailing the current status and projected trajectory of the unrestricted fund balance during each budgeting cycle.

Board Meeting Date: February 14, 2024
Exhibit No.: 9a.3
Approval:_____
Motion:_____

Central Oregon Community College
Board of Directors: Resolution

Subject:	Reserve Policy
Strategic Plan Connection:	Institutional Efficiency
Prepared by:	Michael LaLonde, VP of Finance and Operations

A. Background

The current Reserve Policy does not follow the Government Financial Officers Association calculation methodology or that of other Oregon community colleges. The current policy calculates reserves using working capital divided by general fund expenditures and the recommended calculation uses ending general fund balance divided by general fund expenditures. In addition, the recommended policy adds a general fund reserve range from 29% - 45% of general fund expenditures. The recommended policy also states that if the general fund reserve falls below the range, the college will put in place a plan to bring the general fund reserve back within the range within two years. If the general fund reserve is above the range, the excess funds will be transferred to the Capital Projects fund to be used for capital equipment acquisitions, acquisition of real property, matching funds for construction projects, capital construction initiatives, IT infrastructure, deferred maintenance, investments in new programs or services that will transition to recurring funding sources following a defined trial period, and projects aligned with the College's strategic direction, among others. The funding of the General Fund's unrestricted fund balance will primarily stem from the surplus of General Fund revenues over expenditures.

B. Options

1) Approve proposed Reserve Policy.
2) Do not approve and keep the current Reserve Policy.

C. Timing

Approval of this resolution will immediately implement the new Reserve Policy.

D. Budget Impact

The proposed Reserve policy will increase the reserve requirement to 29% - 45%.

E. Proposed Resolution

Be it resolved that the Central Oregon Community College Board of Directors hereby approves the proposed Reserve Policy.

Exhibit: 9b.1
Date: February 14, 2024
Approval ____Yes ____No
Motion:

Central Oregon Community College
Board of Directors

RESOLUTION

Prepared by: Laura Boehme, Sharla Andresen, Darren McCrea

A. Action Under Consideration

Award Bid #1603-23 for the hosting and administration of Ellucian's Banner Student Information System and DegreeWorks Advising and Degree Audit applications.

B. Discussion/History

In September 2017, the COCC Board of Directors approved a seven-year contract with Ellucian at an annual cost of approximately $402,000 dollars for the migration, hosting and administration of our Banner and DegreeWorks systems from here on COCC's Bend campus to the Ellucian Cloud. Over the last several years, Ellucian has moved towards a Software as a Service (SaaS) model and slowly phased out the services and support that we originally contracted with them to provide in 2017.

In October 2023, COCC opened RFP #1603-23 to solicit bids from qualified Managed Services Providers to assist with the migration, hosting and administration of Banner, DegreeWorks and several associated applications. The work described includes the migration of these very complex systems from Ellucian's cloud environment to a third-party cloud environment and then require that partner to provide hosting and assist with database and application administration.

We received four detailed proposals from qualified Managed Services Providers. The evaluation committee scored each proposal, and subsequently interviewed the top three candidates. At the conclusion, the evaluation committee ranked Tharseo IT out of Washington, DC as the most responsive proposal and best qualified managed services provider.

C. Options/Analysis

1. Approve COCC entering into a multi-year contract with Tharseo IT for Banner Hosting and Administration.

2. Do not approve COCC entering into a multi-year contract with Tharseo IT for Banner Hosting and Administration.

D. Timing

Approval at this time will enable Tharseo IT to begin evaluating our current environment, obtain licensing, and begin migration and configuration as soon as possible in order to adhere to our goal of an August 2024 cut-over. Work on this project will be substantial and should begin immediately following the negotiation of the contract.

E. Budget Impact

While typical software contracts have an annual increase or “escalator” of anywhere from 3% to 7% (or greater), COCC negotiated a “flat” seven-year contract in 2017, without any annual increase. Had we not negotiated this freeze, we could expect licensing, administration and hosting costs to easily be in excess of $520,000 dollars in 2024, when we went through renewal negotiations.

The hosting of our Banner Student Information System and DegreeWorks Advising and Degree Audit applications are complex and require underlying software, database and supporting application purchases and licensing. As per our request, Tharseo IT has provided an estimated cost of $59,435.38 for evaluation and preparation and $189,850.77 for the work to obtain licensing, build a new environment and migrate our existing environment. Annual costs thereafter are estimated to begin at $396,424.62 and, by year four, have decreased to $304,572.92 dollars. The total dollar value of this five-year contract is estimated to be approximately $1,756,302 dollars with an average annual cost of $351,260 dollars (approximately $50,000 less than we are currently paying).

Cost Analysis:

Phase 1 - Evaluate & Prep – 2024	$59,435.38
Phase 2 – Implementation – 2024	$189,850.77
Year 1 - April thru December – 2024	$147,538.46
Year 2 - Hosting & Admin – 2025	$396,824.62
Year 3 - Hosting & Admin – 2026	$337,476.92
Year 4 - Hosting & Admin – 2027	$320,603.08
Year 5 - Hosting & Admin – 2028	$304,572.92
Total Cost for Five Years	**$1,756,302.15**

Estimated annual contract cost of $402,000 will be funded from resources available within the General Fund’s ITS Operations budget and the Auxiliary Fund’s IT Server/Infrastructure budget.

F. Proposed Resolution

Be it resolved that the Central Oregon Community College Board of Directors hereby approve entering into a multi-year contract with Tharseo IT for Banner Hosting and Administration.