



# ACTION

**MT. HOOD COMMUNITY COLLEGE DISTRICT BOARD OF EDUCATION**

**DATE:** *March 20, 2019*

**ITEM TITLE:** **4.1a**

**CONTACT PERSON:** *Laurie Popp, Executive Assistant to the Board of Education*

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**SUBJECT: APPROVAL OF MINUTES – February 6, 2019, Board Work Session #974 Meeting Minutes**

**Session #974**

A meeting of the Mt. Hood Community College District Board of Education was held on February 6, 2019 with a Work Session at 6:00 pm in the Board Room at Mt. Hood Community College.

Members present: Diane McKeel, chair, Jim Zordich, vice chair, Annette Mattson, Kenney Polson, Tamie Arnold, and Teena Ainslie (phone)

Additional Attendees: Dr. Lisa Skari, president, and Jennifer DeMent, chief operations officer, JD Kiggins, instructor – Integrated Media

**1.0 CALL TO ORDER**

Chair Diane McKeel called the meeting to order at 6:02 pm and stated work sessions are to gather information and discuss and review various aspects of matters outlined on the agenda. The board will not be taking any action and no public input will be taken during the work session.

**2.0 PERS UPDATE**

Jennifer DeMent provided an update on PERS with a PowerPoint presentation on the total expenditures towards PERS and a breakdown of liabilities and where funds come from. DeMent shared that the 2017-2019 rate breakdown for Mt. Hood Community College (MHCC)

was composed of several different elements. Of the MHCC employees, 35% are Tier 1 or 2 and 65% are Tier 3/OPSRP. About half of the part-time employees are eligible for PERS. The 2017-2018 total PERS expense for MHCC was \$7.7 million. DeMent discussed the projected net employer rate increases for the next biennium and different budget scenarios. MHCC is budgeted with a blended rate, and the blended rate between Tier 1 and 2 employees and Tier 3/OPSRP employees will increase 7.8%. Based on an estimated subject payroll, this would cost MHCC an additional \$1.5 million per year. DeMent highlighted the general fund PERS expenses as a percentage of total expenditures from the 2011-2012 year through a projected 2019-2020 year. There was a brief discussion with several questions about the PERS information, and DeMent stated she would send a link with additional information on PERS to board members.

### 3.0 BUDGET

DeMent and Dr. Skari presented an update on the 2019-2020 budget. The budget process starts every year with a set of assumptions. They received a lot of feedback from employee groups regarding the expenditure and revenue assumptions.

The 2019-2020 expenditure assumptions include:

- 1) Contractual personnel obligations will be met
- 2) Part-time employee budgets will increase 3% to offset the 7% minimum wage increase
- 3) Healthcare costs will increase 3%
- 4) PERS “blended” employer rate will increase 3.8%
- 5) PERS Bond assessment will increase 1% to meet debt service requirements.

The forecasted 2019-2020 general fund expenditures. Personnel costs are 82% of expenses, so it is difficult to make significant change if we only look at materials, services and capital budgets.

The 2019-2020 budget assumptions – revenue projections:

- 1) Community college support fund amount unknown for next biennium
  - a) Range of \$543 million (Governor’s Budget) to \$647 million (OCCA requested) with an impact of a \$1,360,000 cut to a \$3,877,000 increase
  - b) Current funding level \$570 million
  - c) Projecting budget at \$590 million
- 2) Projection at flat enrollment for 2019-2020, despite current year declines
  - a) A 2% enrollment decline would result in approximately \$480,000 in lost revenue
- 3) With expenditure projections, and these two revenue assumptions, we have an operating deficit of \$6.4 million

What is the plan?

- 1) Increase tuition to make up half of the operating deficit – which would be a \$12 per credit or 11% increase
- 2) Strategy to cover the remaining deficit over biennium:  
For 2019-2020:
  - 1/3 in ongoing expenditure reductions (\$1 million)
  - 1/3 in new revenue (\$1 million)

- 1/3 in reserves (\$1 million)

For 2020-2021:

- 1/2 in ongoing expenditures reductions (\$500 thousand)
- 1/2 in new revenue (\$500 thousand)

The current tuition credit rate is \$107 per credit, so with a \$12 per credit tuition increase, it would bring the tuition rate to \$119 per credit. The enrollment numbers used to be closely tied to unemployment rates, however currently the unemployment rates are at an all-time low and the enrollment numbers are still declining. DeMent responded to several questions from board members regarding tuition and enrollment data, and potential reductions. The tuition increase needs to be approved at the March board meeting, so any further questions should be directed to DeMent or Skari. The budget will be brought to the board in April for review before being sent for approval in June.

McKeel attended a town hall with House Speaker Kotek, Representative Sanchez, and Senator Frederickson and recommended keeping up our advocacy with our legislators. McKeel stated a resolution will be brought forward for review and approval at the next board meeting regarding funding for community colleges.

#### 4.0 KMHD UPDATE

There was a brief discussion regarding KMHD programming costs and staffing needs. McKeel commented on the large number of emails received advocating to leave KMHD at OPB. Several questions were discussed:

- What will the programming look like?
- What are the costs to bring it back to campus?
- Can it be brought back to campus at no cost (just flip a switch)?
- What are the staffing needs?

McKeel learned from OPB that they have three dedicated people in the budget for KMHD, a programming manager and two deejays. The rest of the KMHD budget is for programming and purchasing music, and the remaining expenses associated with KMHD are absorbed by OPB (legal, membership, accounting, etc.). McKeel reiterated her desire to see a work plan, and opened up the discussion for further comments.

Skari received a letter from OPB indicating they are remodeling the space where KMHD is located, so KMHD will have to move out of the current space by April 1. She will send a copy of the letter to all board members. She shared that one of the challenges is due to the remodel, as they were planning to move the station and amortize the costs over five years. Two years will be difficult for fundraising, especially for something that is going away. There was a brief discussion about the life-expectancy and maintenance of the transmitter, and fundraising options. Arnold asked questions regarding the ability to fundraise for a new transmitter.

There was a discussion regarding the internships at KMHD and advertising. Dr. Skari shared that a committee was formed of campus leaders that include faculty, student services,

foundation, district communications, small business development center, to look at a business plan to make this work, including staffing, budget, operations, etc. The first meeting was on Monday of this week and there is another meeting scheduled next week. JD Kiggins indicated he would be happy to provide a report to the board if Dr. Skari would like. They are looking at a 2-year plan and also if the station comes back in August.

Kiggins shared some history of how the station operated in the past and the number of employees, including community and student volunteers. There was a discussion about when KMHD was on campus before and what the costs would be to operate the station today. Dr. Skari stated the committee will continue working on the plan and prepare some cost estimate figures to present at the next board work session. There was a request to have a communication plan regarding the plans for the station. There has been a large number of emails received by board members with questions about what the plans are for KMHD. Kiggins shared that Lauren Griswold, director of marketing and communications, is drafting a communication piece that should be done by next week.

#### 5.0 REVIEW BY-LAWS

The board reviewed by-laws 9061, 9062, 9080. There was an initial review of 9081, but it was put on hold for further examination and review at the next work session. Skari will pull the current regulations regarding conflicts of interest.

#### 6.0 MISCELLANEOUS

There was a recommendation to start the board retreat on February 23 at 9 a.m.

Dr. Skari distributed a draft resolution for funding community colleges. The resolution will be on the agenda for action at the next board meeting. Mattson shared that Oregon Community College Association (OCCA) is advocating board members to attend town halls to advocate for funding. There is a town hall at 9:30 am this Saturday, February 9, at the Asian Health & Service Center at 90<sup>th</sup> & Foster Road. Zordich plans to attend a town hall at the Boring Grange at 7pm. Arnold met with one of our city counselors and shared the OCCA document regarding the resolution. She asked him if he would work with his city administrator to create a resolution. She is also meeting with the mayor of Sandy in two weeks.

Ainslie mentioned an article about the Guardians of the Network, a team of technology experts that sell defenses against the growing threat of cybercrime. She thought it might be a good partner with our cyber training program.

#### 7.0 ADJOURNMENT

The meeting was adjourned at 8:05 pm.

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Clerk

Board Chair

*Minutes recorded by Laurie Popp, Executive Assistant to the Board of Education.*