AGENDA ITEM II.B

MINUTES OF THE SPECIAL MEETING
OF THE BOARD OF TRUSTEES
LINCOLN LAND COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE DISTRICT #526

FY2015 BUDGET WORKSHOP

The special meeting of the Board of Trustees of Lincoln Land Community College, Illinois Community College District #526 was held on Wednesday, June 25, 2014 at 6:15 p.m. in the Robert H. Stephens Room on the main college campus with Chairman Reichert presiding.

I. Preliminary Matters

A. Roll Call

Members present were Mr. Gray, Mr. Findley, Mr. Rosenthal, Mr. Wesley, Mr. Fulgenzi and Mr. Reichert. Mr. Gentry and Mr. Shackelford were absent.

II. FY 2015 Tentative Budget

Ms. Karie Longhta, Associate Vice President, Finance, and Mr. Todd McDonald, Vice President, Administrative Services, provided a handout and PowerPoint presentation including; LLCC Fund Summaries, FY2014 Projected Expenditures and Revenues, FY2015 Operating Budget Projections, Budget Challenges, and Capital Projects.

Ms. Longtha reviewed FY2014 Projected Expenditures which include:

- Salaries
- Employee Benefits
- Contractual Services
- Materials & Supplies
- Conference & Meeting
- Fixed Charges
- Utilities
- Capital Outlay
- Other Expenditures
- Transfers to Other Funds

Ms. Longhta next reviewed FY 2014 Projected Revenues which include:

- Current Taxes
- ICCB Grants
- CTE Funding
- CPP Replacement Tax
- Federal Administration Fees
- Tuition & Fees
- Interest on Investments
- Miscellaneous and Indirect
- Transfer From Other Funds

Ms. Longtha explained the FY2014 Projected Operating Fund indicates Year End total Projected Revenues of $41,936,820 and Year End total Projected Expenditures of $41,914,023, resulting in an estimated Return to Fund Balance of $22,797.

Next, Ms. Longhta discussed FY2015 Operating Projections, including the Expenditure Assumptions listed below:

- Salary projection includes current Board approved increases offset by position eliminations and attrition
- Benefits are estimated at current approved rates for FY2015
- Contractual Services, Materials and Supplies, Fixed Charges and Capital Outlay changes reflect minor departmental adjustments and lease payments
- Utilities have been adjusted based on the FY2014 estimated costs
- The Other Expenditure line has been increased due to the increase in waivers and tuition write-offs
- Transfers to other funds have been adjusted to match revenue projections for infrastructure fee and include the energy transfer
- FY2015 Planning Initiatives targeted for funding are included

The FY2015 Projected Operating Expenditures total $43,011,640 which is a $614,928 increase over the FY2014 Operating Budget.

Ms. Longhta explained the FY2015 Revenue Assumptions listed below indicating a Projected Revenue total of $43,011,640, which is an increase of $614,928 over the FY2014 Operating Budget:

- District EAV estimated to increase 2% from CY2013 to CY2014
- State funding is budgeted at the FY2014 appropriation for Credit Hour and Equalization funding
- Appropriation for Illinois Veteran’s Grant has been added for $68,000

- CTE Funding is budgeted at FY2014 levels
- CPPRT is budgeted at FY2014 estimated receipts
- Tuition is at the board approved rate of $103.50
- Fees have been held constant
- FY2015 enrollment is projected at an 8% decrease from FY2014 credit hours
- Variable Rate Tuition has been increased for FY2015 to reflect rate increases beginning Fall 2014
- Interest revenue has been increased based on FY2014 estimated receipts
- Miscellaneous revenues are based on FY2014 estimated receipts
- Transfers from other funds were reduced to eliminate the Special Initiative Transfer, Operating Sustainability Transfer, and a reduction in the Working Cash Transfer.

In summary, Projected FY2015 Operating Revenues total $43,011,640 and Projected FY2015 Operating Expenditures total $43,011,640, thus presenting a balanced FY2015 Operating Budget.

Mr. McDonald reviewed the FY2015 Planning Initiatives listed below which came forward during the FY2015 Strategic Planning Process:

Goal One – Student Access and Success

- Expand Workforce Short term training programs to include Dialysis Technician and others
- Market redesigned Massage Therapy Program
- Implement new curriculum in Auto Body Repair, Automotive Technician and Welding
- Review Bookstore operational layout and replace carpeting
- Continue to provide resources for CTE program
- Produce skills videos for the Nursing Program
- Pilot Evidence Based Reading Instruction (EBRI) initiative
- Utilize strategies and education tools to aid Adult Secondary education students in successfully passing the new version of GED tests
- Continue to develop adult career pathways / bridge programming for Adult Education students
- Expand Virtual Desktop technology
- Acquire new truck and trailer for Truck Driver Training Program

Goal Two – Financial Strength

- CCTC will develop one series of classes that focus on Leadership and a second that focus on utilizing social media in business/industry
- Deploy web conference equipment

Goal Four – Community Engagement

- Form partnerships with advisory groups, teachers and counselors to provide services to link CTE at the secondary and postsecondary level

Goal Six – Operational Strength

- Complete EMS accreditation Self-Study Report
- Investigate the need for lab staff personnel with increased enrollment in NDT Program
- Hold PCN initial accreditation site visit
- Assess Colleague use and workflow of Admissions Module and Degree Audit
- Integrate Voice to LLCC Unified Communications System
- Complete the Disaster Recovery Plan and deploy solution

Next, Mr. McDonald discussed LLCC's financial future including the challenges identified below:

- Level state credit hour and equalization funding.
- Minimal funding for Veteran's Grants ($763K waived FY'14)
- Management of Health Care Reform (Affordable Care Act)
- Management of SURS Return to Work Rules
- Current litigation and implications surrounding pension reform
- Slow growth in property values/EAV (about 2% per year)
- Declining enrollment
- Limited funding for new initiatives/programs

He then reviewed the challenges that LLCC has identified to fund in the FY2015 Budget, followed by a review of projected cost and expenditures for FY2015 Capital Projects.

III. Adjournment

MOTION NO. 06-25-14-1A:

Mr. Gray made a motion to adjourn the meeting at 7:04 p.m. Mr. Findley seconded.

AGENDA ITEM II.B

Those members voting aye were Mr. Gray, Mr. Findley, Mr. Rosenthal, Mr. Wesley, Mr. Fulgenzi and Mr. Reichert. PASSED

Chairman Reichert

Secretary Wesley