

**WESTERN COMMUNITY COLLEGE AREA
BOARD OF GOVERNORS
PUBLIC HEARINGS / ADOPTION
PROPOSED BUDGETS**

MINUTES

Wednesday, September 8, 2021
1:00 p.m.

The Western Community College Area Board of Governors held a meeting for the purpose of Public Hearings and Adoption of the Proposed 2021-2022 Western Community College Area Budgets at 1:00 p.m. on Wednesday, September 8, 2021, in the Coral E. Richards Boardroom, at Western Nebraska Community College, Scottsbluff Campus, located at 1601 East 27th Street, in the City of Scottsbluff, in the County of Scotts Bluff, in the State of Nebraska, as per the Notice of Budget Hearing and Budget Summary and Notice of Special Hearing to Set Final Tax Request published in the Star-Herald, on Wednesday, September 1, 2021.

A current agenda was available in the College President's office and the Board Secretary's office on the Scottsbluff Campus at the time of the publicized notice.

AREA BOARD

Karen S. Anderson, Vice Chairperson	Present
Margaret R. Crouse	Present
Linda A. Guzman-Gonzales	Present
F. Lynne Klemke, Chairperson	Present
Allan D. Kreman	Present
Kimberly A. Marcy	Present
William M. Packard	Present
M. Thomas Perkins	Present
Coral E. Richards	Present
R. J. Savely, Jr.	Present
Richard G. Stickney	Present

QUORUM

Chair Klemke declared a quorum was present for the transaction of business.

BOARD CHAIRPERSON COMMENTS

Chair Klemke announced that for public information there is a copy of the Nebraska Open Meetings Act available on the table at the back of the room.

APPROVAL OF AGENDA

Dr. Perkins MOVED the agenda be approved as presented. SECONDED by Ms. Guzman-Gonzales.

The vote was, Yes: Anderson, Crouse, Guzman-Gonzales, Kreman, Marcy, Packard, Perkins, Richards, Savely, Stickney, Klemke. No: None. Abstain: None. Absent: None. Motion carried.

EXCUSE ABSENT BOARD MEMBER(S)

No absent members

PUBLIC HEARINGS / ADOPTION OF 2021-2022 WCCA BUDGETS

Pursuant to Section 13-501 to 13-513, R.R.S. and Section 85-1517, R.R.S., Chair Klemke declared the Public Hearing for the purpose of hearing support, opposition, criticism, suggestions or observations of taxpayers relating to the following budgets and consider amendments relative thereto open at 1:01 p.m.

Presentation of Proposed 2021-2022 Budgets

Chair Klemke asked Ms. Lynne Koski, Vice President of Administrative Services, to present the proposed 2021-2022 Budgets.

Ms. Koski explained that the proposed 2021-2022 WCCA Budget is developed to support the College mission statement to assure learning opportunities for all.

There are two tax-supported budgets at the college; the first is the General Operating Budget. In preparing the budget, levy and budget lids are considered. The levy must not exceed the difference between 11.25 cents and the rate levied for the capital improvement funds per \$100 of taxable property valuation for operating expenditures. The budget lid (State Statute 13-518 through 13-522) limits Restricted Funds revenue, which are generally State Aid and Property Taxes. This sets a base limitation of 2.5% growth over the prior year, plus Full Time Equivalent (FTE) Enrollment exceeding 2.5%. It also allows for 1% additional revenue authority with 75% Board approval.

The following factors affect the Operational Funding.

- Increase in tuition rates per credit hour (approved by the Board in November)
 - \$0 resident and Dual Credit
 - \$2.00 border states (CO, SD, WY)
 - \$3.00 nonresident
- Credit and contact hours projected at 2020-21 budgeted hours (utilized same credit hours as previous years budget)
- 2.12% WNCC area valuation increase
- The funding formula, based on State Statute 85-2234, specifies the following state aid distribution:
 - \$3,086,750 (3% increase) certified community college system aid
 - \$115,997 WNCC certified state aid increase
 - \$66,694 Dual Credit state aid increase (LB1008, 2020)
 - Board approved 1% budget lid override August 18, 2021

The Operating Revenue Budget is summarized by the source of revenue, the prior year budget, the proposed budget and the percent each source is of the total budget. The General Operating 2021-2022 budget has decreased by just under \$200,000 over the previous year.

The factors affecting operational expenditures include new academic programming that includes implementation of Diesel and Heavy Truck Technology and fully implementing and extending Commercial Driver's License Training; the Information Technology Strategic Plan for 2020-2025 includes software and system security; the negotiated total compensation agreement of 3.75%; and property insurance increase of 37%.

The total Operating Expenditure Budget is \$28,333,702.00, which balances with Operating Revenue. This represents a decrease of .70% over the prior year's budget.

The Operating Expenditures are summarized in two ways - by program classification and by expense object. The Summary by Program shows that Instruction and Academic Support categories represent approximately 45% of the budget, which is expected in a higher education institution.

The Summary by Object of Expenditures include personnel, operating expenses, travel expenses, and capital outlay. As a service orientated entity, the highest percentage of expenses is personnel, which is 64.82%.

The second tax supported fund is the Building Improvement and Bond Sinking Fund. Ms. Koski discussed the Building Improvement Levy Lid. State Statute 85-1517 authorizes property tax levy up to 2 cents per \$100 valuation for fiscal years beginning July 1, 2013.

The proposed Building Improvement/Bond Fund budget is \$8,802,139.00. Buildings/renovations include:

- Prior Year Carry-over Projects:
 - Main Building B Pod Reno Phase I, \$1,760,224
 - Main Building Fire Sprinkler System, \$321,000
 - Security Camera System, \$301,000
 - Diesel Technology Facility Code Updates, \$500,000

- 2021-2022 Building and Renovation Projects:
 - Debt Service/Lease Purchase, \$1,037,935
 - Facility Fee Expenditures, \$2,288,273 (associated with fees collected from students)
 - External/Internal Improvements, \$2,593,707

The Building Improvement/Bond Fund Budget is funded by Property Tax Revenue, \$2,813,278, other revenue, which are funds transferred into this fund to cover the debt service, \$319,075, student facility fees, \$261,800, and a carry forward balance of \$5,407,986. The facility fee is important because there are certain statutes that do not allow the use of tax dollars for certain facilities like student centers, etc., so the additional funds support those types of facilities.

To summarize, the Tax Supported 2020-2021 Operating Budget was \$28,533,038, compared to the 2021-2022 proposed budget of \$28,333,702; the 2020-2021 Building Improvement Budget was \$7,603,653, compared to the 2021-2022 proposed budget of \$8,802,139. The 2020-2021 Tax Supported Budgets total was \$36,136,691, compared to 2021-2022 proposed budgets total of \$37,135,841.

Additional budgets presented for approval include the Self - Supporting Funds Budget. This includes the Designated Funds which are auxiliary enterprise accounts such as food service, bookstore, and residence halls as well as some educational areas \$6,278,453; the Restricted Funds are items where the funds are restricted to a specific purpose by an external party that include federal student aid, grants, and federal loans, \$6,427,730; the Agency Funds include student clubs and organizations, \$196,902. The total self-supporting fund proposed budget is \$12,903,085. The self-supporting funds budget is funded by sales and fee revenue and state and

federal financial aid. Projected revenue is \$10,506,500 with a carry forward balance of \$3,225,567.

Ms. Koski added that tax supported budgets advance the 2017-2022 Strategic Master Plan. Focus areas include:

- engaged teaching and active learning
- student recruitment, retention and completion
- diversity, equity and Inclusion
- seamless academic and career pathways
- community and employer responsiveness
- operational efficiency and effectiveness

Chair Klemke asked if there were any Public Comments. In the absence of public comments, Chair Klemke declared the Public Hearing for the Adoption of 2021-2022 WCCA Budgets closed at 1:18 p.m.

Adoption of 2021-2022 Budgets

Chair Klemke entertained a motion for the adoption of the 2021-2022 budget funds.

Karen Anderson MOVED the Board adopt the 2021-22 Western Nebraska Community College Area budgets as follows:

General Fund	\$28,333,702	Ad valorem property tax	\$10,658,464.35
Capital Improvement/Bond	\$ 8,802,139	Ad valorem property tax	\$ 2,832,522.78
Designated Fund	\$ 6,278,453		
Restricted Fund	\$ 6,427,730		
Agency Fund	\$ 196,902		
Total Operating Budget	\$50,038,926		

SECONDED by Ms. Guzman-Gonzales

The vote was, Yes: Crouse, Guzman-Gonzales, Kreman, Marcy, Packard, Perkins, Richards, Savely, Stickney, Anderson, Klemke. No: None. Abstain: None. Absent: None. Motion carried.

Special Hearing to Set Final Tax Request

Chair Klemke reported that this is a Public Hearing Pursuant to Section 77-1601.02, for the purpose of hearing support, opposition, criticism, suggestions or observations of taxpayers relating to setting the tax request at a different amount than the prior year tax request.

Chair Klemke declared the Special Hearing to Set the Final Tax Request Open at 1:20 p.m. and asked Ms. Koski to share information concerning this item.

Ms. Koski explained that state statute requires a separate hearing to set the tax rate different than the prior year. The Notice of the Public Hearing to set the Final Tax Request was published in the Star Herald on September 1, 2021. The Notice includes the prior year information related to our operating budget, property tax request, valuation, and tax rate, as well as the proposed budget and additional information. The change in the operating budget is reflected at a 3.42 percent decrease, the property tax request at a 2.01 percent increase; valuation at a 2.12 percent increase and a slight decrease in the tax rate of 0.11 percent.

The Tax Levy summary includes the dollar change in valuation, \$276, 087,016, which is the 2.12 percent increase. The tax request for the 2021-2022 year is an additional \$265,708.13 and the Tax Rate change is 0.101768 to 0.101653.

In summary, Ms. Koski explained that the investment in WNCC is expressed in terms of economic benefit to the student. The average WNCC associate degree completer will see an increase in earnings of \$7,700 each year compared to someone with a high school diploma. An associate degree earner compared to someone with a high school diploma over the working lifetime will earn \$315,700 with an average rate of return of 20.4% for the students.

Taxpayer benefits include added taxes from WNCC students' career earnings. Taxpayer savings are a result of students' improved lifestyles: 1) health, 2) crime and 3) unemployment. Educational investment is a great value for three of WNCC's major stakeholder groups: 1) society, 2) student, and 3) the tax payer. Society benefits from an increased economic base due to higher earnings and social savings over the working lifetime of FY-2015-16 WNCC student population. For every dollar invested, the taxpayer receives cumulative value of \$1.40.

The economic impacts created by WNCC FY2015-16 presented based on 2018 present information include:

Added Income	Jobs Supported
Operations spending impact: \$20.5 million	396
Construction spending impact: \$101.1 thousand	2
Student spending impact: \$8.2 million	144
Alumni impact \$116.3 million	2, 074
Total Impact \$145.1 million	2,616

Chair Klemke asked if there were any Public Comments. Ms. Marcy reported that she received a phone call from a Grant County resident regarding their taxes. Following discussion, Ms. Koski agreed to forward information relevant to her concerns.

Chair Klemke declared the Special Hearing to Set the Final Tax Request closed at 1:26 p.m.

Adoption of Resolution Setting the Final 2021-2022 Property Tax Request and Rate

Chair Klemke stated the next item on the agenda is a resolution setting the property tax request. Chair Klemke entertained a motion for adoption of the Resolution Setting the Property Tax Request.

Mr. Savely MOVED WHEREAS, Nebraska Revised Statute 77-1601.02 provides that the Governing Body of the Western Nebraska Community College passes by a majority vote a resolution or ordinance setting the tax request; and

WHEREAS, a special public hearing was held as required by law to hear and consider comments concerning the property tax request.

NOW, THEREFORE, the Governing Body of Western Nebraska Community College resolves that the 2021-2022 property tax request be set at:

General Fund: \$10,658,464.35
Capital Improvement/Bond Fund: \$2,832,522.78

Total Tax Request: \$13,490,987.13

Western Nebraska Community College proposes to adopt a property tax request that will cause its tax rate to be 0.101653 per \$100 of assessed value.

General Fund: \$0.080310
Capital Improvement/Bond Fund: \$0.021343

Total Tax Rate: \$0.101653

The total assessed value of property differs from last year's total assessed value by 2.12 percent.

The tax rate which would levy the same amount of property taxes as last year, when multiplied by the new total assessed value of property would be 0.099651 per \$100 of assessed value.

Based on the proposed property tax request and changes in other revenue, the total operating budget of Western Nebraska Community College will decrease last year's budget by -3.42 percent.

A copy of this resolution be certified and forwarded to the County Clerk on or before October 13, 2021.

SECONDED by Ms. Anderson.

The vote was, Yes: Guzman-Gonzales, Kreman, Marcy, Packard, Perkins, Richards, Savely, Stickney, Anderson, Crouse, Klemke. No: None. Abstain: None. Absent: None. Motion carried.

NEXT REGULAR MEETING

Chair Klemke reported the next Regular Meeting of the Board is Wednesday, September 8, 2021 at the conclusion of the Budget Hearing and no earlier than 1:30 p.m., Coral E. Richards Boardroom, at Western Nebraska Community College, Scottsbluff Campus, located at 1601 East 27th Street, Scottsbluff, NE.

ADJOURNMENT

Ms. Klemke declared the meeting for the purpose of the Public Hearings and Adoption of the Proposed 2021-2022 Western Community College Area Budgets adjourned at 1:34 p.m.



F. Lynne Klemke, Chairperson



Susan L. Verbeck, Secretary