

**Illinois Community College District #511  
Rock Valley College  
3301 North Mulford Road  
Rockford, IL 61114**

**Board of Trustees Special Meeting – Retreat  
Saturday, January 22, 2022, 9:00 a.m.**

**MINUTES**

*On January 7, 2022, Governor Pritzker issued the 25th Gubernatorial Disaster Proclamation for all counties in the State of Illinois. Due to the COVID-19 health pandemic, Howard J. Spearman, Ph.D., president of Rock Valley College, has determined that an in-person meeting is not practical, prudent or feasible based on the Disaster Proclamation. Pursuant to Section 7 (e) (4) of the Open Meetings Act (5 ILCS120/7(e) (4), this meeting will be held without the physical presence of a quorum at the meeting location.*

**Meeting Location:** Building E, Rock Valley College, 3301 N. Mulford Road, Rockford, IL 61114. Howard J. Spearman, Ph.D., president of Rock Valley College, will be physically present at the meeting location. **Trustees/members, citizens, faculty and staff may attend the meeting via teleconference or videoconference.**

Access to the Special Board of Trustees meeting is provided via teleconference online via <https://rockvalleycollege-edu.zoom.us/j/92298684085?pwd=ekNlQ3Y1Z2l1dnUrT29HcUhlLVjdTQT09>; or **by phone at 312-626-6799 using Meeting ID 922 9868 4085; Passcode: 765549**; The meeting will include an opportunity for public comment. *Members of the public who would like to make a public comment may submit their public comment to [RVC-BoardPC@rockvalleycollege.edu](mailto:RVC-BoardPC@rockvalleycollege.edu) by 3:00 p.m. on January 21, 2022. Public comments submitted via email prior to 3:00 p.m. on January 21, 2022 will be announced during the public comment portion of the meeting.*

**Call to Order**

The special meeting of the Board of Trustees of Community College District No. 511, Winnebago, Boone, DeKalb, McHenry, Ogle, and Stephenson Counties, Illinois, convened via remote video conference on Saturday, January 22, 2022. Board Chair Jarid Funderburg called the meeting to order at 9:00 a.m.

**Roll Call**

The following trustees were present:

Mr. Jarid Funderburg

Ms. Gloria Cudia

Student Trustee Evelyn Molina

Mr. Bob Trojan

Ms. Lynn Kearney

Mr. John Nelson arrived at 9:19 a.m.

The following trustees were absent: Ms. Crystal Soltow, Mr. Paul Gorski.

Also in attendance: Dr. Howard Spearman, President; Dr. Amanda Smith, Vice President Liberal Arts and Adult Education/Chief Academic Officer; Mr. Jim Handley, Vice President Human Resources; Ms. Ellen Olson, Vice President Finance/Chief Financial Officer; Ms. Heather Snider, Vice President Institutional Effectiveness and Communications; Dr. Patrick Peyer, Vice President Student Affairs; Mr. Keith Barnes, Vice President Equity and Inclusion; Mr. Rick Jenks, Vice President Operations/Chief Operations Officer; Ms. Ann Kerwitz, Assistant to the President; Ms. Kris Fuchs; Assistant to the President; Attorney Matt Gardner, Robbins Schwartz.

## Communications and Petitions (Public Comment)

No communications or petitions were presented.

### Recognition of Visitors

President Howard Spearman announced that Mr. Jim Reed, executive director of the Illinois Community College Trustees Association, will be joining the meeting later and participating in the closed session discussion.

### Discussion

#### **1. State of the College**

Board Chair Funderburg complimented all on the State of the College video prepared by Vice Presidents Heather Snider and Ellen Olson and noted his appreciation for receiving it in both video and digital format prior to the meeting, which gave trustees an opportunity to submit their questions in advance.

Dr. Spearman welcomed trustees and reviewed the meeting agenda with the goal of discussing key indicators so that everyone is on the same page. Two Town Hall meetings featuring the State of the College in a webinar format will be held next week for employees and another will be held in February for students. The State of the College also has been shared with representatives of Studer Education. Dr. Spearman reviewed the documents included in the meeting packet and explained that questions from trustees received this week will be answered during the presentations.

Ms. Heather Snider, vice president of institutional research and effectiveness, and Ms. Ellen Olson, vice president of finance, reviewed the Executive Summary of the State of the College presentation that was included in the meeting packet.

Ms. Snider then reviewed the questions submitted by trustees prior to the meeting and provided answers. A compilation of all questions and answers submitted by trustees is attached as Exhibit A.

#### **2. 10-Year Financial Projections**

Ms. Ellen Olson, vice president of finance, reviewed the 10-Year Financial Projections document and answered questions submitted by trustees prior to the meeting. A compilation of all questions and answers is attached as Exhibit A.

Trustee Nelson commented that he is not a fan of 10-year plans and asked if administration has or will create a joint faculty/administration committee to analyze what programs would be cut in the event of a budget deficit. Vice President Olson explained that this is the beginning of the discussion and no decisions have been made due to the unknown effects of the Covid-19 pandemic. Dr. Spearman added that the College has strategies in place to maintain financial stability, including unit cost monitoring and annual program reviews that are submitted to ICCB. Dr. Spearman confirmed that the administration is not looking at eliminating any programs at this time.

At 10:30 a.m., Dr. Spearman asked if anyone wanted a break. No one requested a break, and the meeting continued.

### **3. Strategic Plan Review**

Dr. Spearman commented that he attended a retreat of the Illinois Council of Community College Presidents (ICCCP) yesterday, which included a new presidents' orientation, legal advice, enrollment trends and the effects of Covid-19. Discussion among the college presidents indicated that planning cannot be based on pre-Covid numbers, and their focus will be on students who are in college despite the Covid pandemic. Dr. Spearman then introduced Heather Snider who reviewed the draft Strategic Plan 2022-2024.

Vice President Snider reviewed the Strategic Planning Tenets, also known as the Four Pillars: 1) Access; 2) Exceptional Educational Opportunities; 3) Exceptional Training Opportunities; and 4) Diversity, Equity, and Inclusion. She reminded trustees of the division strategic plans that have already been presented to trustees at previous meetings. These include the Information Technology (IT) Plan, the Strategic Enrollment Management Plan and the Academic and Adult Education Plan presented at previous Committee of the Whole meetings. At the request of Trustee Trojan, a list of those division presentations and dates presented will be sent to trustees.

Ms. Snider also reviewed the plan levels and terminology and explained that she would focus on department plans not previously shared with trustees, which included the Professional Development Plan and the Diversity, Equity, and Inclusion (DEI) Plan. Ms. Snider then reviewed those Plans in more detail, explaining the goals and tactics to reach those goals. Snider noted that the Information Technology (IT) goals have not been broken down to show further detail, as IT supports all of the tenets and the entire college.

Trustee Nelson commented that he prefers a summary of progress that has been made rather than a reading of the details of the plans.

Ms. Snider then reviewed the monitoring example showing how proposed quarterly monitoring reports will show a progress summary, a focus area of success, and the Studer Education scorecard.

Dr. Spearman added that administration is following this path as it's important that trustees know and understand the foundation of these strategic priorities. These will be shared with the campus community and Studer Education in the next two weeks, and then updates will be presented to the Board. In response to Trustee Nelson's comments and questions on how to attract diverse faculty and students to the College, Dr. Spearman explained that the College is still looking at its own culture and climate and investing in the talent already on campus. He noted that trustees have already approved the addition of Human Resources personnel to help develop a diversity pipeline for talent acquisition. He also noted that the Illinois Board of Higher Education may require a Diversity, Equity, and Inclusion (DEI) Plan from all community colleges.

In response to a question from Trustee Cudia regarding professional development and consequences if employees do not reach their goals, Ms. Snider explained that a performance evaluation plan is put in place and monitored by Human Resources and the supervisor. Dr. Spearman added that employees are encouraged to participate in professional development

activities, but that is not part of performance goals. The Human Resources Department is working on how to make the professional development plan inclusive and determine what that means.

### **New Business/Unfinished Business**

#### **1. Trustee Training Resources**

Board Chair Funderburg explained that he will send an email to trustees showing various opportunities for them to brush up their skills, learn something new about operating as a board and other beneficial information.

#### **2. Creation of Special Board Committee: “Board Policies and Special Projects”**

Board Chair Funderburg explained that a new ad hoc committee will be formed to focus on updating the board policies, as well as special projects. Trustee Kearney will be the board liaison for that committee.

Trustee Nelson announced that he wants to discuss resurrecting football at RVC either at the February or March Committee of the Whole meeting. Board Chair Funderburg recommended it be placed on the March Committee of the Whole agenda to give administrators sufficient time to gather information. Trustee Nelson indicated he would like to know the cost, what schools the College would play, availability of a coach, what kind of fundraising effort is needed to provide scholarships, what other community colleges do, and if RVC can contact high school students in other community college districts to play at RVC. He believes there’s an untapped source of male students that would help with diversity.

### **Adjourn to Closed Session**

At 11:15 a.m., a motion was made by Trustee Trojan, seconded by Trustee Kearney, to adjourn to closed session to discuss: 1) Self-evaluation, practices and procedures or professional ethics, when meeting with a representative of a statewide association of which the public body is a member per Section 2 (c) (16); and/or 2) The appointment, employment, compensation, discipline, performance, or dismissal of specific employees per Section 2 (c) (1), all in accordance with the Illinois Open Meetings Act.

The motion was approved by majority roll call vote. Trustees Cudia, Kearney, Funderburg and Trojan voted yes. Trustee Nelson voted no. Student Trustee Molina voted yes (advisory).

### **Reconvene Open Session**

At 12:58 p.m., a motion was made by Trustee Nelson, seconded by Trustee Cudia, to reconvene to open session. The motion was approved by unanimous roll call vote. No action was taken as a result of closed session.

### Next Meeting

The next Committee of the Whole meeting will be held February 8, 2022 at 5:15 p.m. Remote meeting to be held via teleconference.

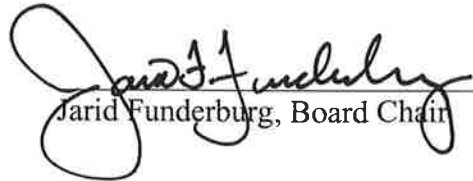
The next Regular meeting of the Board of Trustees will be held February 22, 2022 at 5:15 p.m. Remote meeting to be held via teleconference.

### Adjournment

There being no further business to come before the Board, at 12:58 p.m., a motion to adjourn was made by Trustee Nelson, seconded by Trustee Cudia. The motion was approved by unanimous roll call vote.

Submitted by Ann Kerwitz

  
Robert Trojan, Secretary

  
Jarid Funderburg, Board Chair



**EXHIBIT A**  
**Minutes of the Rock Valley College**  
**Board of Trustees Retreat**  
**January 22, 2022**

## Mission, Vision & Core Values

***Vision Statement: Rock Valley College empowers the community to grow as a society of learners through well-designed educational pathways, leading to further education, rewarding careers, cultural enrichment, and economic-technological development.***

- **I believe this to be true. (Gorski)**
- **How do we market or illustrate this vision? (Gorski)**

The College's Mission and Vision are used to guide marketing. We use our mission, vision, and values as our keywords. What does that mean? When we edit the content on the website, write stories/blogs, create videos, etc., we infuse those keywords into all our work. This is important as it provides a consistent message regarding who we are as a college. Committing to these keywords really helps shape the voice and tone of the college, enhances our Search Engine Optimization (SEO) performance, and provides a consistent foundation for how we talk about the College.

Currently, we do capture the mission, vision, and values on different platforms, such as our business cards, our homepage, the college catalog, handbooks, etc.

- **Do we have any materials or videos outlining these pathways? If not, do we have plans to create such materials? (Gorski)**

The Marketing and Communications team is working with Academic Affairs and Student Affairs to create pathways documents. Now that our multimedia content creator is on board, we will be working to create more videos that highlight our students, employees, and alumni. As we tell those stories, we will highlight our pathways.

***Core Value: Learner-centered Community – Rock Valley College is dedicated to providing affordable lifelong opportunities that foster student success.***

- **Affordable I understand. Very affordable indeed. (Gorski)**
- **How is our curriculum marketed as “lifelong learning opportunities?” (Gorski)**

In the past, we have focused our marketing efforts on credit-seeking student enrollment. Recently, we have changed the purpose statement of the Communications and Marketing Department. Our focus is expanding to prioritize areas of the college that generate enrollment and/or revenue. This includes Continuing Education and Community Education (e.g., Whiz Kids and Center for Learning in Retirement). The College launched digital ads to promote CCE enrollment, we have incorporated those areas into our social content plans to promote classes for all ages, and we are currently working with both of those areas to revamp their web pages.

- **What is the measure of “foster student success?” (Gorski)**

Student success is measured by course completion, persistence, retention, and completion. The College also assesses course, program, and institutional student learning outcomes. We are working on additional success metrics for noncredit programs, including completion and job placement.

## Sections, Fill Rates & Unit Cost

### **To what extent does # Sections offered affect the Normal Time for Graduation? (Trojan)**

Slides 6, 7, 8, and 9 show the decrease in sections run since FY2017. Slide 26 shows that 11% of the Fall 2016 first-time, full-time cohort graduated within normal time. While the number of sections offered has decreased, careful consideration is made to include courses needed for graduation when the schedule is built. The College also uses discretion when cancelling classes due to low enrollment. The faculty contract states that “the minimum number of students required for a class to ‘make’ shall generally be forty percent (40%) of the established maximum student capacity of the course, with provision for extenuating circumstances, i.e. program needs and/or graduation requirements.” Every effort is made to run classes needed for students to meet graduation requirements.

### **While # sections have decreased, so has # of Credit Hours; would the decrease in # sections partially caused the decrease in Credit hours? (Trojan)**

The decrease in sections offered may have partially caused the decrease in credit hours. In FY2018, the College intentionally decreased the number of credits offered to reduce the negative differential between unit revenue and unit cost. The intent was to build back the schedule after the initial reduction. Since then, COVID has had an unpredictable impact on enrollment. Each semester we offer more sections than we can fill, and some are ultimately canceled. Now it seems that the decrease in enrollment may be impacting the number of sections run.

## Enrollment

### **Is the administration concerned about the historical decline in enrollment? If so, what are those concerns? (Gorski)**

Yes, we are concerned about the impact of population decline in the region, especially for traditional college-age students and recent high school graduates. This is one reason we are focused on growing our adult student population. We are also concerned about the low college-going rate as compared to the State and Nation.

Current enrollment is comparable to the early 2000s, and the enrollment peak in 2011 was driven by the 2008 recession. We are still trying to determine the right size for enrollment, which is especially difficult to predict as we continue to navigate the covid-19 pandemic. Prior to the emergency shift to online learning in Spring 2020, we experienced one year of enrollment growth. In FY2021, the College conservatively budgeted for 100,000 credit hours and reached 117,000. In FY2020, the College conservatively budgeted for 115,000 credit hours.

Recent changes in organizational structure were designed to impact enrollment and retention. The Strategic Plan, Strategic Enrollment Management Plan, and Academic Plan all emphasize enrollment through retention and completion.

### **How are other similar institutions regionally dealing with declining enrollment? (Gorski)**

Colleges are using a variety of methods to combat declining enrollment. We have heard from McHenry College that their enrollment success is due to emphasis on dual credit. RVC's Early College Department is already working to increase dual enrollment.



A recent article, published in [Inside Higher Ed](#) and distributed by ICCTA, attributes the recent decline in male enrollment at community colleges to the pandemic-related shift to online course delivery. Online delivery is difficult for male-dominated programs such as automotive repair and welding. RVC has attempted to offer as much face-to-face delivery as possible to continue these programs. We are also evaluating course offerings and modalities in other programs, some of which have shown success online.

Another article published in [Inside Higher Ed](#), noted the use of covid-relief funds to combat declined in enrollment. Some schools are clearing student account balances. Other enrollment incentives funded by HEERF include cash payments, laptop and hotspot loans, free courses and textbooks, and tuition discounts. RVC has implemented some of these same incentives.

**Danville Area Community College recently reported an 18% increase in enrollment. Is there something we could learn from them? (Nelson)**

DACC is up 18% in headcount enrollment for spring. When credits are considered, the increase is only 2%, and enrollment is flat compared to pre-pandemic. The increase is partly attributed to fewer pandemic-related barriers.

**What factors or trends might cause enrollment to continue to decline? (Gorski)**

A recent report from Emsi ([The Demographic Drought](#)) confirms what we have predicted about continued enrollment decline. Nationally, the primary factor for enrollment decline is low birth rates, which have resulted in fewer high school graduates in recent years.

The COVID-19 pandemic and increased wages for jobs that do not require a degree or certificate also contribute to enrollment decline.

**Credit Hour Enrollment by Category - The credit hour trend seems to be in a steady decline. Do we expect this to flatten out? Or do we expect the same steady decline? (This speaks to enrollment and finance) (Gorski)**

Based on population projections for high school and college-age students, we could expect additional declined in enrollment (with or without the unpredictable impact of COVID-19). For this reason, the College is focused on enrolling adult students (aged 25 and older) in credit programs. We are also focused on increasing enrollment in noncredit programs designed to meet industry needs for a skilled workforce.

**Credit Hour Enrollment: LAS and CTE - The credit hour trend appears to be in a steady decline, but with a few positive upward ticks. Can we learn anything from these upward ticks and grow them, improve the trend? (Gorski)**

Since FY2011, the only year we experienced an increase in credit hour enrollment was from FY2019 to FY2020. Factors that may have impacted this increase include:

- Additional staff in recruitment and retention
- Improvements in online support (e.g., online tutoring, instructional design improvements and staffing in this area)
- Improvements and enhancements in late start course scheduling options
- Improvements and adjustments in marketing strategies

- Early College Dual Credit Linking Talent to Opportunity and Pathways initiatives

**What are some of the reasons that Enrollment in the Rockford Region has decreased so dramatically over the past years? This is 50% of the market. (Trojan)**

Slide 14 illustrates headcount enrollment by region. Enrollment in the Rockford region has declined by 50.6% over the last 10 years. Several factors impact enrollment, including population decline (slide 17). The high school age and traditional college age populations are expected to continue declining (slide 18). Populations by age depends, in some part, on the birth rates during different decades. District residents also have moved out of the region. We do not have data to identify the reasons for these moves.

**Headcount Enrollment by District Region – The Central region appears to be in steady decline since 2010, at a much higher rate than the other regions. Do we know why this is? Simple population changes? Or are they choosing other educational opportunities? (Gorski)**

The Central region consists of Rockford zip codes. Part of the decline in enrollment is related to population decline in Winnebago County. It is possible that the county's decline is driven by movement out of Rockford. This would require some additional research to validate. It is possible that prospective students are choosing other schools or choosing not to attend college. We currently do not have a metric for prospective student choice. This is further explained in another response in this section.

**For Market Distribution, what is the population base of the different quadrant? What is the percentage of actual students of the total population attending RVC in each quadrant? (Nelson)**

This information is obtainable but not readily available. We will provide an update at the January Board Meeting or the February Committee of the Whole.

**Of existing RVC programs, which are experiencing growth and what can we learn from the successes in the programs to head off declines in other programs? (Gorski)**

This will be addressed at the February Committee of the Whole, so we can present with data.

**What programs and/or initiatives are we putting in place to slow or reverse enrollment declines? Please rank these initiatives in order of their likelihood to significantly increase enrollment. (Gorski)**

The Strategic Enrollment Management Plan presented to the Board last fall and the College Strategic Plan, which will be discussed during the retreat, both include programs and initiatives to slow or reverse enrollment decline. The Scorecard being developed with Student Education will include enrollment metrics. Examples of focus areas include dual credit, online delivery, adult students, and flexible pathways.

Strategies for "territory" recruitment have already changed to improve outreach. A Spanish-speaking recruiter has been assigned a territory designed to work with the adult student population. Another recruiter has been assigned to focus on minority male recruitment.

**A certain percentage of potential RVC students choose other educational paths. (Example, not real stats, for illustration only, 10% of our potential student population chooses RVC and 90% other educational opportunities.) Has that percentage changed substantially during this 10-year period of decline? Are more students choosing RVC or are they choosing other options? (Gorski)**

We do not have a metric for prospective student choice. Admitted student questionnaires typically have low response rates for individuals who choose not to enroll. An ideal solution would be for feeder high schools to submit graduate lists to the National Student Clearinghouse and share their subsequent enrollment data with us. Even then, we would know where prospective students choose to attend, but we still wouldn't know what influenced their college choice. Our main competitors tend to be the same institutions to which RVC students transfer (Northern Illinois University, Rockford University, Illinois State University, and the University of Illinois).

**Please identify and rank in order of importance the barriers potential students have in enrolling in and attending classes at RVC. (Gorski)**

Ranking barriers is difficult because barriers are often as unique as our students. Many of these barriers can be classified as financial. Use of financial aid is low and scholarship opportunities are limited. Students who utilize financial aid still stop out due to life circumstances (e.g., family care and work). Students who pay as they go stop out when they cannot pay. Other barriers include transportation, textbook costs, and placement. All these barriers are addressed in the Strategic Enrollment Management Plan and/or the Academic Plan.

Covid has also presented a variety of barriers to enrollment.

Once students are enrolled, feelings of safety and sense of belonging are important for retention. We monitor these factors with the Community College Survey of Student Engagement and Diverse Learning Environment surveys.

## Population

**Are the educational attainment percentages more or less than in years past? (Trojan)**

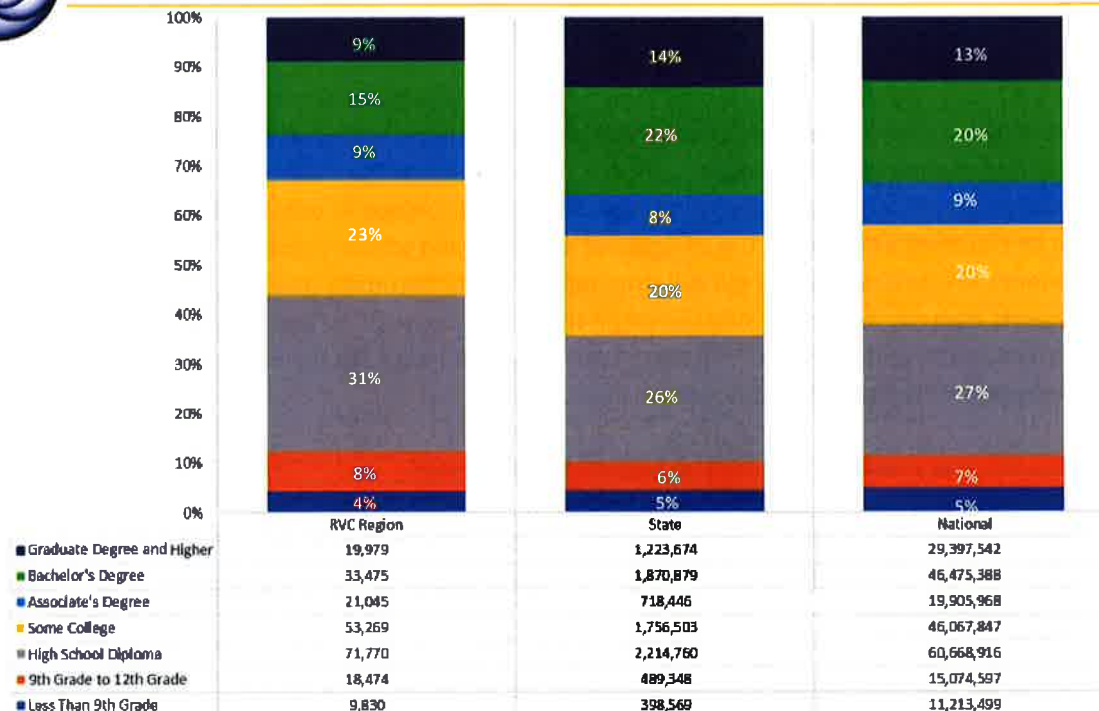
Overall, if you compare 2015 data to 2020 data, educational attainment is slightly higher.

**In the Educational Attainment Chart, it would be helpful to know how many students are in each category. (Trojan)**

Of the nearly 230,000 adults in the RVC Region who are 25 and older, 71,770 have a high school diploma as their highest level of education and 53,269 have "some college" as the highest level. These are individuals who may benefit from completing a certificate or degree program at RVC, depending on their career goals. In addition, 28,304 have less than high school as their highest level of education. These community members may benefit from our GED and Adult Education programs. (See revised figure on next page.)



# Population by Educational Attainment



Source: Emsi Educational Attainment Overview, Q4 2021 Data Set  
 Note: Percentages do not add to 100% due to rounding.

## Does the educational attainment by race/ethnicity correspond with the racial/ethnic population of the district? (Nelson)

When we consider the entire RVC Region, 12% of adults aged 25 and older have less than a high school diploma. The rate is much higher for the Hispanic population at 37%. Thirty-three percent (33%) of the overall adult population has a college degree. The rates are lower for the Black/African American population (29%) and Hispanic population (14%).

Race/Ethnicity	2021 Population		2021 Less Than High School		2021 High School Diploma		2021 College Degree	
	#	%	#	%	#	%	#	%
White	168,342		13,394	8%	95,464	57%	59,484	35%
Black/African American	23,619		3,587	15%	13,093	55%	6,940	29%
Hispanic	26,824		10,010	37%	12,977	48%	3,837	14%
American Indian or Alaskan Native	467		62	13%	306	66%	99	21%
Asian	5,726		786	14%	1,598	28%	3,343	58%
Native Hawaiian or Pacific Islander	74		5	7%	37	50%	32	44%
Two or More Races	2,789		460	17%	1,565	56%	764	27%
<b>Total</b>	<b>227,841</b>		<b>28,304</b>	<b>12%</b>	<b>125,038</b>	<b>55%</b>	<b>74,499</b>	<b>33%</b>

## Labor Market

**Unemployment Rate – How does the unemployment rate effect enrollment and finances? (Gorski)**

Community college enrollments generally decline when unemployment is low (i.e., people are working). When unemployment rates increase, some people choose to reskill or upskill by going back to school. As enrollments increase, tuition revenue increases.

## Student Success: Retention & Graduation Rates

**Has any analysis been made about why the Normal Graduation Rate is so low by comparison with Peer, State and National? What impact of # sections being offered? (Trojan)**

As described earlier, the College cancels some sections each term for low enrollment. Whether a course is needed for graduation is considered before sections are cancelled. We will investigate why the rate is lower than the Peer, State, and National rates and report out at a future Committee of the Whole.

**It seems like Unit Cost, Fill Rate, # Sections, Normal Graduation Rate are somewhat in conflict, we should identify the priority, what is most important? (Trojan)**

In FY2018, the schedule was intentionally reduced to address budget concerns. When we began to build back the schedule, COVID made enrollment patterns unpredictable. Now that we are more financially stable, the College can focus on enrollment and retention in a different way. One of the SEM goals is to move to case management advising and degree mapping to help students complete on time.

## Staffing

**Seems like a big increase in FT Staff while credit hours decreasing. (Trojan)**

The College is building back staffing and infrastructure to support student success. Wrap-around services impact retention and completion. Additional staff also have been added to support the Advanced Technology Center programs and services.

## Expenses and Revenues

**State Revenue – Operating Funds – State revenue looks reasonably sound, with some hiccups. But it appears to be flattening out, do we expect the revenues to rise more than 1% a year? (Gorski)**

At this time we have no reason to assume that they will rise more or less than 1% per year.

## Per Capita Cost and Tuition

See questions under Financial Forecast

## Financial Forecast

**Interesting 10-year look, but no mention of college having to fund SURS or the potential refinancing of bonds, both topics having been discussed. So, depending on 10 Assumptions, we could vary them and see what impacts different assumptions have. To me, what would be more useful would be a good 3–5-year forecast where I think the assumptions can be more realistic. (Trojan)**

Good question – The 10 Year Forecast was just a look at the Operation Funds, which are Funds 01 and 02. The potential refinancing of the bonds is in Fund 09 and is paid for directly by the tax levy assessed. The potential funding of SURS is definitely up for discussion. It is a challenge to factor it into the 10-Year forecast. One we would have to make an assumption on when the State may take such action and then what the assumptions would be since SURS is calculated using actuarial assumptions.

### **Revenue Assumptions**

- **Do we expect property tax increases of 1.5% per year for FY 2024-2032? (Gorski)**  
The 1.5% increase is based on an increase of 1.5% in EAV. That may be considered conservative, but the housing market is very “hot” right now as a seller’s market. Home prices have increased, and I am cautious due to the housing bubble we may be sitting on right now.
- **Do we expect enrollment to remain flat 110,000 credit hours for FY 2024-2032? (Gorski)**  
We certainly hope not. As we come out of this COVID pandemic, we are not sure what is on the other side. Right now, we feel it was a realistic projection.

### **Is the administration concerned about the future projected deficit mentioned in the video? If so, what are those concerns? (Gorski)**

RVC has worked through a difficult period and now have demonstrated financial stability and are trying to be good stewards of the taxpayer dollars. Just as we are looking forward at the opportunity to refund bonds, potentially saving taxpayers \$7 to \$8 million, it is fiscally diligent to look at a 10-year forecast using some basic assumptions. Based on this forecast, we have the opportunity develop different strategies and monitor it year over year.

### **How are other similar institutions regionally and nationally dealing with deficits? (Gorski)**

Some Illinois Community Colleges right now are projecting deficits in the immediate future due to declines in credit hours. The pending question is the decline in credit hours due to COVID or is this a trend due to negative demographics changes.

Currently, several Community Colleges are reliant on HEERF Funding to maintain a balanced budget for FY22 and possibly into FY23. They are also looking at cost reductions, particularly in the area of compensation, however they are highly restricted by their CBA’s.

Others are contemplating if the future will include consolidation of Community College districts in order to reduce additional overhead salaries and gain cost efficiencies.

This is why the credit hour goal is so important. Currently RVC is using 110,000 credit hours as a realistic goal due to the instability of COVID.

### **What factors or trends might cause deficits to continue to increase? (Gorski)**

Factors that could contribute to deficit increases would include a continued declining enrollment and changes in the overall population. It is becoming more important to focus on the adult students returning for higher education opportunities.

On the revenue side, the following factors could cause deficits to increase:

- Property Tax EAV decline
- Continued decline in the number of credit hours
- State Apportionments do not keep pace with increasing costs or apportionments decline.

Expenses:

- Salaries and Benefits represents over 70% of the expenses, moving to nearly 80% projected for FY2032. Increasing compensation due to marketplace pressures and future CBA negotiations along with accelerating healthcare cost if revenues do not keep pace with the increase. If revenues do not increase, may need to consider reducing faculty/staff.
- Inflationary pressures resulting in increasing costs of materials and utilities
- The other item to keep in the back of your mind is the additional expense if SURS is passed down to the College.

**What initiatives and or financial controls are we putting in place to minimize the impact of future expected financial deficits? (Gorski)**

The College annually presents a balanced budget to the Board for approval. We utilize Ellucian Colleague system features that will not allow expense accounts to exceed budget for purchase orders or when invoices are vouchered automatically. It requires review and encumbrance adjustments or budget transfers by the responsible department from their department budget.

The Board approved the Operating Fund Balance Policy which establishes an operating fund balance of 35%-50% of the following year's budgeted expenses, which provides a cushion in the case of a temporary deficit.

The Cash & Investment Report is provided to the Board monthly to monitor the operating cash balance and the percentage coverage of the current fiscal year operating budget. This demonstrates the liquidity that the College has to immediately pay operating costs.

Regarding initiatives, we can consider increasing revenue, reducing expenses or some combination of the two.

Increase revenues:

- Increase tuition
- Increase credit hours – What programs can we offer? Is there a population we should focus on?
- Alternate revenue streams

Reduce expenses:

- Become more variable rate in cost structure
- Right size facilities – create a Facilities Master Plan
- Review faculty/staff levels

The College would need to develop a nimble plan if negative revenue trends continue without a reduction in expense.

**Do we expect local properties taxes to play a larger or smaller part in future college finances? (Gorski)**

The College levies at its maximum rate for the operating funds (the fund discussed in the 10-Year Forecast, Funds 01 & 02) at \$0.27. Local property tax increase would be based on sustained increase in EAV. Local property taxes are expected to play a smaller role, based on the 10-Year Forecast, property taxes for FY2023 represents 38.53% of the revenues (excluding transfers) to 37.12% in FY 2032

**Do we expect state contributions to play a larger or smaller part in future college finances? (Gorski)**

In the current environment, we expect the state contributions to remain about the same. Often there is talk of increased financial support from the state, and then again, just a year ago, we were asked to provide numbers to ICCB assuming a 5% reduction. Community College funding is highly decisive based on the political environment in Springfield along with the status of the state's fiscal budget. Based on an assumption of 1% annual increase, the State Apportionment will decrease from 19.12% of revenues in FY 2023 to 17.62% in FY2032.

**What can we do as a college or as board to work with the state on legislation favorable to college finances? (Gorski)**

The most important thing is to stay in front of the State Representatives and Senators to highlight the opportunities that community colleges provide, not only in our district, but throughout the state. Also, to lobby for Community College financial support.

**We are restricted by formula on tuition increases. Remind me what that formula is. Note though, I'm not a fan of tuition increases. (Gorski)**

Tuition is restricted to 1/3 of the Per Capita Cost. Per Capital Cost includes Total Non-Capital Expenditures plus depreciation (defined percentage, not actual) divided by total certified semester credit hours.

**How might projected deficits affect for-credit educational programming? (Gorski)**

We would have to consider a reduction in the number of programs offered to students. We would also need to look at unit costs to determine if improvements could be made.

**How might projected deficits affect non-credit programming? (Gorski)**

Reduce offering or find creative ways to offer allowing more flexibility while not increasing costs.

**How might projected deficits affect day-to-day operations and maintenance? (Gorski)**

The reality is that when there are deficits, typically the first action is to look to day-to-day operations and maintenance for expense reductions. When those reductions occur, maintenance is unable to keep up with building/facility maintenance and maintenance projects are deferred and become costlier in the long run which is where we are right now. This contributes to the importance of having a Facilities Master Plan.

Reductions in non-student support staff does not decrease the workload shared by fewer individuals. It would result in a reduction in services for some of those support areas. In other areas it would



challenge the ability to execute projects to improve the student experience or create efficiencies to improve controls.

**How might projected deficits affect capital projects? (Gorski)**

Capital projects would no longer be funded by excess revenues over expenditures from Operations. Capital Projects would require funding from Bond issuance, where they would be repaid by tax levy.

New facilities also create additional expense in the Operations budget, and with deficits, it would become increasingly difficult to properly maintain those facilities over time.

**Please identify any initiatives to maximize the revenues outside tuition, local property taxes and state contributions. (Gorski)**

Some initiatives may include to grow the non-credit areas and increase customized training. Also, would seek additional funding through grant dollars.

