Minutes of LBCC Budget Committee Meeting
May 13, 2026 6:00pm – via Zoom

Board of Education members in attendance
Jeff Davis (Chair), Dick Running, Sherlyn Dahl, Ron Edwards, Rachel Biscoe, Brad Longman and Kristin Adams

Budget Committee members in attendance
Ryan Hanson, Lori McKinnon, John Andersen, Shawn Rubesh, Stacie Wyss-Schoenborn, Pat Malone

Staff and Representatives in attendance
Lisa Avery, Sheldon Flom, Jess Jacobs, Julaine Nickels, Chelley Sadowsky and Ann Buchele.

The meeting was called to order by Ryan Hanson at 6:05pm

INTRODUCTIONS – Introductions of Board of Education, Budget Committee Members, and Linn-Benton Community College staff.

ELECTION OF FY 2026-27 PRESIDING OFFICERS (Ryan Hanson)

Dick Running moved to nominate Ryan Hanson to be the FY27 Chair. John Andersen seconded. Motion to approve Ryan Hanson as Budget Committee Chair was approved unanimously.

Stacie Wyss-Schoenborn moved to nominate John Andersen to the FY27 Vice-Chair. Dick Running seconded. Motion to approve John Andersen as Vice Chair was approved unanimously.

RECOGNITION OF PUBLIC COMMENTS (Chair Hanson)

There were no public comments.

REVIEW OF LOCAL BUDGET LAW AND BUDGET COMMITTEE ROLE (Sheldon Flom)

Mr. Flom reviewed the roles of the Budget Committee noting the ORS reference. The Budget Committee consists of the governing body and equal number of appointed members. Mr. Flom reviewed the responsibility of the Budget Committee. This first meeting is to hear the budget message, receive the budget document, listen to public comment, review and discuss the proposed budget, and approve the proposed budget following any revisions from the committee. The Budget Committee approves the spending authority of the college. He reminded the committee that they will be asked to approve the proposed budget at the May 20th meeting, the Board of Education will adopt the approved budget in June following a Budget Hearing, and the new fiscal year's budget will take effect July 1, 2026. The Budget Committee will be asked to reconvene to conduct adjustments if budget expended exceeds over 10% of the level approved.

BUDGET MESSAGE (President Avery)

President Avery thanked the Budget Committee members for attending the meeting. President Avery acknowledged the difficulties of the fiscal year including the difficult cost reductions that were decided via the Budget Taskforce. She noted the potential challenges ahead and then deferred to Jess Jacobs to present further detail on the proposed budget.

REVIEW AND DISCUSSION OF PROPOSED BUDGET DOCUMENTS (Jess Jacobs)

Mr. Jacobs reviewed areas of presentation which include fund and program review, budget book, non-general funds, budget environment, budget additions/changes and tax levies.

Mr. Jacobs shared the LBCC fund types. The primary source is the general fund. Operational sources include auxiliary, restricted and capital fund. Pass-through sources include debt service, financial aid, and agency funds. Mr. Jacobs presented information on program structure. These include student facing (instruction, instructional support, and student services) and operations (college support, plant maintenance, and transfers).

Mr. Jacobs reviewed the budget book structure that will be reviewed. This includes funding comparison of prior two years, budget categories, the current 25-26 budget, and the proposed 26-27 budget.

Mr. Jacobs presented on the auxiliary funds area and highlighted the overall trends and multi-year outlook. These included maintenance of course fee funds, sustainability/stabilization of fee-based funds, and one-time funds. The method for budgeting course fees was reviewed as well as discussion on auxiliary funds that have been stabilized post-covid (ex. Technology Fee, Athletics, etc.) including Customized Training and Professional Development which was part of the budget reductions. Mr. Jacobs also reviewed a list of auxiliary funds totaling nearly $1M that has been pulled out of fund balance and set aside for potential use in the General Fund or other areas of need. Overall, the auxiliary fund type is relatively flat on the expense side when factoring out the budgets related to the nearly $1M fund balance adjustment.

Mr. Jacobs reviewed restricted funds which are primarily designated for grant dollars. The trend and outlook for this fund type focuses on the decline in Federal grants, targeted pursuit of leveraged grant funds, and maximizing indirect revenue to the General Fund. Notable increases are realized in Preschool Promise (childcare) and OER's (Open Educational Resources). Decreases in grants from prior budget year were far more significant including Federal OER, Small Business Development Center, Career Connected Learning. Overall, these grants expirations lead to an overall decrease in budgeted expenses for the restricted fund type. Finally, Mr. Jacobs explained the mechanics behind indirect rates and revenue to the General Fund and how the College is looking to increase that rate wherever possible and responsible.

Mr. Jacobs reviewed the capital fund. Construction activity included roof replacement, major maintenance and bond projects of which only one remains; the Agricultural Center. Funding for these projects is through closeout of debt proceeds, state matching grant (Ag Center), and transfers from general fund. Mr. Jacobs reviewed the transfers from the general fund. These include roof reserve, major maintenance, technology reserve, and general equipment for a total of $1,085,000. The transfer amounts are consistent with the 25-26 budget.

Mr. Jacobs reviewed the agency fund and described the significant change tied to the general fund reductions and the shift of personnel costs into the Student Government fund areas which is part of the agency fund.

Mr. Jacobs also reviewed the debt service fund and confirmed the budget is based on established debt payment schedules. He also reviewed the financial aid fund and the primary award/grant programs running funds through the College.

Mr. Jacobs briefly shared the major variables and considerations for the General Fund budget environment. This included PERS rates, State funding for the biennium, enrollment projections, tuition rates, reductions effective in 2026-27 and fund balance levels. He discussed how each of these impact both the Budget Projection Model and the Proposed Budget itself. He then offered a recap of state aid and how the potential mid-biennium reduction did not come to fruition. However, that news was accompanied with a warning about flat, or potentially, reduced state aid in the coming biennium.

Mr. Jacobs then reviewed the budget projection model and the mechanics of the spreadsheet. reviewed the five-year projection model. The current 2025-26 year is projected to end with an underlying budget deficit of $800K+. However, applying $2M in ERC (Federal covid relief funds) would result in a net increase to fund balance. The 2026-27 year would see realized budget reduction savings and is projected to realize a surplus of over $900K. These combined surpluses would move the fund balance in the General Fund closer to the designated 10% Board target level. However, with the assumption of flat state funding in the coming biennium the budget model reverts to a close-to-break-even status.

Mr. Jacobs then reviewed the categories and items included in the proposed budget including contractual step and COLA increases, healthcare premium increases, and inflationary and contractual increases in Materials and Services (M&S) relating primarily to insurance, software, and utilities. Mr. Jacobs also discussed the nearly $1.4M in cost reductions being built into the proposed budget. It was noted that two significant items that were not part of the budget included the nearly $1M in auxiliary fund balances as they were not expected to be spent and proceeds from the potential sale of the Lebanon Center as it was unknown if/when the sale would occur.

Mr. Jacobs shared Investment Categories (Budget Enhancements and Strategic Initiatives). Specific Budget Enhancements were reviewed. Strategic Initiatives, which are funded at $400,000 for 2026-27 serve as research and development to encourage LBCC to pursue potential breakthroughs and/or potentially successful teaching or operational efficiencies.

In total, the General Fund proposed budget represents a 3.4% increase over prior year while the budget projection model (which projects actual spending…not budget) estimates a 2.2% increase in spending.

Mr. Jacobs shared a diagram of general fund by program which includes instruction, instructional support, student services, college support services, plant operations/maintenance, and transfers. Of this the Instruction, Instructional Support, and Students Services are 68.7% of direct student spending. While this percentage was slightly down versus prior year it was noted that the instruction category increased largely due to cost reductions not affecting academic programs.

Mr. Jacobs reviewed required approval steps that the Committee will be asked to take regarding tax levies. The College must approve an operating levy at the permanent tax rate of $.5019 per $1,000 of assessed value. Additionally, flat-dollar tax levies to pay down general obligation bonds must be approved in the amount of $1,643,077 for the 2022 bond and $3,720,254 for the 2015 bond.

The Budget Committee will meet again on May 20 to formally approve the budget and the budget will be submitted for Board adoption at their June meeting.

Jeff Davis asked about the OER (Open Educational Resources) grant area and if a drop-off in Federal funding was expected to put the program in jeopardy. Ann Buchele confirmed that state funding was still in place for continued operations and Jess Jacobs confirmed additional private funding was expected to bolster the state backbone funding.

Pat Malone provided positive comments on several aspects of the budget and presentation including support for continued Strategic Initiatives and support for the budget being proposed in the context of potential funding concerns in the coming biennium.

Budget Committee members were asked to direct any questions between tonight's meeting and May 20, to Chelley Sadowsky and she will pass them along to Jess and Sheldon for reply.

The college will ask the Budget Committee to approve the full $148,515,656 budget as presented at the May 20, 2026 meeting along with the tax levies for the 2026-27 year.

Chair Hanson adjourned the meeting.