

**WESTERN COMMUNITY COLLEGE AREA
BOARD OF GOVERNORS**

**INFORMAL MEETING
MINUTES**

Wednesday, May 20, 2026

The Western Community College Area Board of Governors held an Informal Board meeting at 11:00 a.m. on Wednesday, May 20, 2026 at Western Nebraska Community College, Coral E. Richards Boardroom, 1601 East 27th Street, in the City of Scottsbluff, in the County of Scotts Bluff, in the State of Nebraska, as per the publicized notice in the Star-Herald Tuesday, May 12, 2026.

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

AREA BOARD

Linda A. Guzman-Gonzales	Present (arrived at 11:08 a.m.)
Joshua R. Hanson	Absent
Mark A Kaufman.....	Present
Allan D. Kreman	Present
Starr Lehl, Vice Chair	Present
Lori J. Liggett	Present (arrived at 11:34 a.m.)
Coral E. Richards.....	Present
R. J. Savely, Jr.....	Absent
Marjorie A. Schmidt	Present
Monica R. Shambaugh	Present
John P. Stinner, Chair.....	Present

QUORUM

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

COMMUNITY COMMENTS

Chair Stinner asked for comments from the community. Pursuant to Board Policy BP-106, Chair Stinner reminded community members who wish to make comments will be limited to a five-minute presentation. There were no comments.

BOARD CHAIRPERSON COMMENTS

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

Chair Stinner announced that the Board reserves the right to enter a closed session if deemed necessary for any item on the agenda per Section 84-1410 of the Nebraska Revised Statutes.

Board Training – Preliminary Budget Review

President Dart shared that following graduation, the institution formally enters budget season, though budget planning is actually a year-round process. Staff members continuously work on budget development, analysis, and adjustments throughout the year.

A significant focus in recent years has been the institution's budget model. During the preparation of the institution's four-year assurance argument for the Higher Learning Commission, leadership reviewed historical budgeting practices and identified a concerning lack of strategic prioritization. Previous processes largely involved collecting budget requests and allocating funds until resources were exhausted, without a clear framework for evaluating competing priorities or aligning expenditures with institutional goals.

That approach has changed significantly under the leadership of the Vice President of Administrative Services, Ms. Koski. Through her leadership and the collaborative efforts of the Budget Advisory Committee, the institution has established a more strategic, transparent, and data-informed budgeting process. This enhanced approach supports sound decision-making, promotes greater accountability, and ensures that financial resources are aligned with institutional priorities and long-term goals.

Over the past two years, the Budget Advisory Committee has been designing a new budget model centered on strategic planning. As part of that effort, all budget managers participated in a zero-based budgeting process, requiring every department and program to justify each dollar requested. This exercise provided valuable insight into how resources are allocated and supported meaningful adjustments to spending priorities. The institution repeated the process this year as part of the ongoing transition to a new budgeting framework.

Budget development for the upcoming fiscal year began shortly after graduation, when budget managers met to review requests and discuss the next phase of implementation. The institution is moving from zero-based budgeting toward a hybrid model that more fully aligns financial decisions with strategic objectives. Full implementation is expected to coincide with the launch of the next strategic plan in 2028.

Leadership recognizes that the institution's future will differ significantly from its past. Changing community needs, rapid technological advancements, and evolving higher education funding realities require careful evaluation of programs, services, and resource allocation. As a result, the institution must continually assess which initiatives are essential, which best support strategic priorities, and where resources can have the greatest impact.

These decisions extend beyond academic programs and affect all areas of institutional operations. While some difficult decisions have already been made, additional evaluations will be necessary to ensure long-term sustainability and effectiveness. Given that institutional resources are finite—and that a substantial portion of funding comes from taxpayers and students—the institution remains committed to ensuring that every dollar is used strategically and responsibly. The extensive work of Ms. Koski and the Budget Advisory Committee, much of which occurs behind the scenes, has been instrumental in advancing this goal and strengthening the institution's financial planning process.

President Dart emphasized the importance of the work completed to date, noting that it has positioned the institution to more effectively align its mission with available resources. He observed that future Higher Learning Commission reports will likely reflect a markedly different narrative—one centered on deliberate efforts to ensure that institutional priorities, resource allocation, and decision-making are guided by mission-driven principles.

President Dart outlined the Board's budget education process for the coming months. Beginning in June, Ms. Koski will provide a series of informal presentations focused on different aspects of the budget, including current conditions, key considerations, and ongoing planning efforts. The goal is for board members to develop a comprehensive understanding of the budget by September, enabling them to confidently vote on the budget that will take effect the first of October.

President Dart also highlighted the distinction between the institution's budget year (October 1–September 30) and fiscal year (July 1–June 30). Because many budget decisions must be implemented before July 1 to realize a full year of financial impact, much of the planning and decision-making must occur well in advance. He acknowledged the urgency of those timelines and noted that significant work will take place before the start of the new fiscal year. Board members

can expect budget-focused training sessions in June, July, August, and September, led by Ms. Koski.

A board member sought clarification on whether the preliminary budget reflected a \$1.1 million shortfall and whether the goal was to reach a balanced budget. President Dart confirmed that the objective was to achieve a budget position of zero or better.

The discussion then turned to a \$650,000 accounting change related to equipment funding. President Dart explained that this item would be addressed later in the budget review and noted that some funds previously held in reserves for equipment purchases were now being accounted for differently. Before reviewing specific figures, President Dart emphasized the importance of discussing the broader budget philosophy.

President Dart highlighted that the budget includes revenue projections and potential changes within the general fund. A major focus of the prior year's budget was aligning ongoing expenses with recurring revenue and limiting one-time expenditures to one-time funding sources. In addition, the College used cash reserves to pay down debt, an initiative originally proposed by the Board chair. As a result, approximately \$3.9 million in reserves was appropriated in the 2025–26 budget. The presenter noted that this reserve appropriation accounts for most of the difference between projected revenues in 2025–26 and 2026–27.

When asked about an additional \$1.3 million in revenue, President Dart explained that it included miscellaneous items such as insurance trust dividends, interest earnings, and transfers related to equipment funding. Approximately \$250,000 was attributed to projected interest income. The remaining amount largely reflected transfers from another fund where equipment dollars had been set aside, although equipment purchases are recorded in the general fund.

Reviewing projected revenues for 2026–27, President Dart pointed to a decline of approximately \$382,000 in state aid, representing the institution's share of a statewide \$5 million reduction in community college funding. State support is received through several funding streams, including state aid, dual-credit appropriations, motor vehicle priority tax revenue, and the Future Fund, which provides property tax replacement dollars.

A board member questioned why the Future Fund allocation increased by approximately \$756,000 while state aid declined. President Dart explained that, despite the reduction in state aid, total restricted revenue increased by nearly \$400,000 because of growth in Future Fund revenues. The Future Fund is based on historic property tax collections and grows annually by either 3.5% or the institution's full-time equivalent (FTE) enrollment growth, whichever is greater. Because the College experienced its strongest enrollment growth in more than 20 years, the increase in Future Fund revenue exceeded normal expectations. President Dart noted that without this exceptional enrollment growth, the Future Fund increase would have been roughly half as large. While the growth was a positive development, it also highlighted ongoing budget imbalances that still require attention.

A Board member inquired whether the enrollment-based funding figures were confirmed. President Dart explained that the numbers remain projections until the annual FTE audit is completed in August, with final figures expected between late August and early September. However, projections are historically accurate, typically varying by less than one percent from actual audited results. President Dart further explained that both Future Fund and state aid revenues remain projections because they depend on enrollment and statewide funding formulas. Unlike the Future Fund, which can be significantly affected by a single year of enrollment growth, state aid calculations are based on a three-year enrollment average. In addition, state aid is distributed

relative to enrollment trends across all community colleges, meaning growth at larger institutions can reduce another college's share even if its own enrollment increases.

A board member observed that the College was facing a "double hit" from both the statewide \$5 million reduction and the stronger enrollment growth occurring at larger institutions such as Metro and Southeast Community Colleges. President Dart agreed and noted that these factors had contributed to the reduction in state aid. The discussion concluded with an explanation that community colleges receive funding through different combinations of state aid and Future Fund revenues. For example, approximately 80% of Central Community College's state support comes through the Future Fund, reflecting historical differences in how colleges were funded when the property tax replacement system was established.

Discussion highlighted how a recent \$5 million funding issue exposed significant differences in how Nebraska's community colleges are funded. For example, approximately 80% of Central Community College's state appropriations come through the Future Fund. Because of that structure, Central not only avoided funding reductions but also benefited from a built-in increase of at least 3.5%.

In contrast, only about 48% of Mid-Plains Community College's state funding comes from the Future Fund. As a result, reductions to traditional state aid have a much greater impact on Mid-Plains than on institutions that receive a larger share of their funding through the Future Fund. The College sits at one end of the funding spectrum, while Central sits at the other.

If current trends continue, the funding gap is expected to widen over time. State aid allocations are heavily influenced by enrollment growth, and rural institutions face greater challenges in growing at the same pace as colleges located in metropolitan areas.

President Dart emphasized that enrollment growth is critical not only for institutional financial stability but also for the region's economic development. More students mean a stronger workforce pipeline, greater community impact, and improved long-term financial sustainability for the College.

The conversation also addressed ongoing discussions among community college presidents regarding the state aid formula. Efforts to create a more balanced funding structure have historically stalled because any redistribution of existing funds would likely benefit some colleges at the expense of others. However, growing disparities have created renewed interest in exploring possible adjustments.

One concept under discussion would separate larger metropolitan institutions from smaller rural colleges, reducing the extent to which enrollment growth in urban areas affects funding allocations for colleges such as Mid-Plains and Western Nebraska Community College. These discussions remain in the early stages.

Legislators have indicated a willingness to consider proposals if the community colleges can reach consensus on a workable solution. However, leaders cautioned that reopening the funding formula carries risks. During the most recent legislative session, a proposed amendment would have eliminated the colleges' ability to offset state funding shortfalls through property tax levies. The proposal was discovered only because of a warning from a member of the Appropriations Committee. Such experiences underscore the potential downside of revisiting funding formulas, as changes intended to help one area can create new vulnerabilities elsewhere.

Participants noted that previous efforts to establish a more equitable baseline funding structure received little support, despite estimates that relatively modest additional appropriations could have created greater long-term stability. Looking back, college leaders acknowledged that stronger support for those proposals could have left institutions in a much better position today.

The discussion concluded with concerns about the state's overall fiscal outlook. Declining revenue projections and budget pressures have raised questions about the long-term sustainability of the Future Fund and other state funding sources. Given these uncertainties, college leaders stressed the importance of continued enrollment growth, advocacy, and careful planning to ensure financial stability in the years ahead.

President Dart reviewed the proposed budget changes and highlighted several key expenditure adjustments. The largest increase reflects salary and benefit settlements associated with the recently negotiated faculty agreement and the corresponding staff agreement under consideration. Other expenditure increases are primarily tied to previously unfilled positions now being filled and staffing adjustments resulting from program changes, including an English faculty position connected to Collegenow modifications.

A significant budget item is the annual equipment allocation. Institutional policy establishes a target of approximately 3% for equipment replacement and upgrades, supporting needs ranging from computer replacement cycles to maintaining modern instructional equipment across academic programs. While the allocation target remains consistent, funding sources may vary. In some years, equipment costs may be covered through external funding streams, such as Perkins grants, while in other years they may require general fund support. As a result, portions of the budget remain subject to adjustment as funding strategies are finalized.

Several expenditure reductions were also identified. Utility costs for residence halls, which were previously supported by the general fund, can now be covered through residence hall revenues as a result of changes in debt obligations. Additional savings will be realized due to the discontinuation of the Collision Repair program, administrative restructuring that eliminates a dean position, temporary staffing adjustments, and forthcoming revisions to faculty overload procedures that are expected to reduce personnel costs.

President Dart emphasized that the budget remains a working document and will continue to evolve through multiple iterations. Strategic budget requests submitted by departments have not yet been incorporated into the current projections. These requests may involve initiatives designed to generate future revenue or address emerging community needs. As the institution moves toward a new budget model, leadership intends to establish annual strategic funding pools that can be allocated to new priorities and opportunities.

The current budget projection reflects an estimated deficit of approximately \$1.148 million. While the institution enters the budget process in a stronger position than the previous year, structural challenges remain. Despite significant reductions and efforts to align one-time revenues with one-time expenditures and recurring revenues with recurring expenses, an ongoing imbalance persists.

President Dart noted that sustainable financial stability will require consistent revenue growth of roughly 3% annually to keep pace with inflation and rising operating costs. Current revenue trends—including modest growth in Future Fund revenues, declining state support, and variable tuition revenue—make achieving that target increasingly difficult. This challenge is not unique to the institution but reflects broader trends affecting higher education across the state and nation.

Because personnel expenses account for approximately 67% of the institution's budget and many remaining expenses are fixed costs such as utilities, opportunities for meaningful reductions outside of staffing are limited. Many discretionary expenses, including travel and operational spending, have already been reduced substantially. As a result, future financial planning will require careful evaluation of institutional priorities, distinguishing essential functions from activities that, while valuable, may no longer be sustainable under current financial conditions.

President Dart stated that overall, this presentation was intended to provide the Board with a clear understanding of the institution's starting position as the budget development process moves forward and to frame the difficult decisions that will likely be necessary in the coming years.

President Dart stressed that the institution faces a changing financial landscape driven by evolving community needs, technological advancements, and constrained higher education funding. As a result, the College must continuously evaluate programs, services, and expenditures to ensure resources are directed toward its highest priorities. While difficult decisions—such as the recent closure of the Collision Repair program—may be necessary, they reflect a commitment to investing in programs that demonstrate strong student demand and workforce impact.

Preliminary budget projections for FY 2026–27 show a projected shortfall of approximately \$1.1 million. Revenue challenges include a reduction in state aid resulting from statewide community college funding cuts, partially offset by increased Future Fund revenues tied to enrollment growth. Enrollment growth remains critical, both for fulfilling the institution's mission and for strengthening its financial position.

Expenditure increases are primarily driven by salary and benefit settlements, equipment replacement needs, and selected position adjustments. At the same time, savings have been realized through debt reduction efforts, organizational restructuring, and program changes. Additional budget adjustments will continue throughout the summer as leadership works to close the projected deficit.

President Dart stated that long-term financial sustainability would require both revenue growth and strategic prioritization. Because personnel costs account for the majority of institutional expenditures, future budget decisions must focus not only on reducing costs but also on determining which programs and services are essential to advancing the College's mission.

The President concluded by highlighting the importance of grants and external funding opportunities, particularly for workforce development and new program initiatives. Recent successes, including strong early enrollment in the new Construction Trades associate degree program demonstrate the value of aligning academic offerings with regional workforce needs. Budget updates and detailed financial reviews will continue throughout the summer, with the goal of preparing the Board for budget approval in September.

Next Regular Meeting: Wednesday, May 20, 2026, 1:00 p.m., Coral E. Richards Boardroom, WNCC Scottsbluff Campus, 1601 East 27th Street, Scottsbluff, NE.

Adjournment

The meeting was adjourned by unanimous consent at 11:58 a.m.