**WESTERN COMMUNITY COLLEGE AREA**
**BOARD OF GOVERNORS**

**INFORMAL MEETING**
**MINUTES**

**Wednesday, September 16, 2026**

The Western Community College Area Board of Governors held an Informal Board meeting at 11:00 a.m. on Wednesday, September 16, 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, September 8, 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**

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| Linda A. Guzman-Gonzales | Present |
| Mark A Kaufman | Absent |
| Allan D. Kreman | Present |
| Starr Lehl, Vice Chair | Absent |
| Lori J. Liggett | Present |
| Coral E. Richards | Present |
| R. J. Savely, Jr. | Present |
| Marjorie A. Schmidt | Present |
| Monica R. Shambaugh | Present |
| John P. Stinner, Chair | Present |

*Mr. Kaufman informed the Board secretary he was unable to attend the meeting due to a business commitment. Ms. Lehl informed the Board secretary she was unable to attend the meeting due to personal commitment.*

**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.

**Budget Review – All Funds**
Ms. Lynne Koski, Vice President of Administrative Services reviewed budget information developed over the course of several months. A detailed memo to the Board was included in the meeting materials, along with an overview of the state funding formula, the Community College Future Fund, and related funding considerations.

**Budget Review – All Funds (cont.)**

Two public hearings were scheduled for the Budget hearings: the first to discuss the proposed budget and the second to consider the proposed property tax request. No action would be taken during the hearings. Following the hearings, the Board will take formal action on the budget and tax resolution during the regular meeting.

The proposed General Fund budget reflects both operating and one-time revenues. Operating revenue supports the institution's ongoing day-to-day operations, while one-time revenue primarily consists of appropriated cash reserves. Combined, these sources result in a proposed General Fund operating budget of $30,509,170, representing a decrease of approximately $3.3 million, or 9.79%, from the prior year.

The primary reason for the decrease is the reduction in project reserves that were budgeted in the previous year and used for debt repayment. Those reserves are no longer included in the current year's General Fund budget. The institution continues to contemplate paying off its remaining debt during fiscal year 2026–27, but that repayment will occur through the Capital Improvement Fund rather than the General Fund.

The personnel budget also reflects significant changes. Although the Board approved a 3.75% total compensation increase, the overall personnel budget is approximately $48,499 lower than the prior year. This reduction was achieved through the planning process by leaving certain vacant positions unfilled, reducing positions, and reorganizing responsibilities.

The approximately $2 million decrease in insurance expense is primarily the result of reclassifying cash-in-lieu payments for health insurance. Employees who were grandfathered into the cash-in-lieu arrangement now have those payments reflected as wages rather than benefits. The change therefore represents a shift in classification rather than a comparable reduction in compensation.

Equipment expenditures also shifted between categories. Equipment that was previously supported through outside funding and separated from ongoing operations is now included within the regular operating budget. The final General Fund budget is balanced, with projected revenues equal to expenditures.

The revenue analysis shows the proportion of the budget supported by each funding source. The most significant change is the relationship between state aid and the Community College Future Fund.

Historically, the institution received more state aid than Future Fund revenue. That relationship has changed because of both a reduction in state aid and a substantial increase in enrollment. State aid decreased by approximately $424,000, while Future Fund revenue increased as a result of enrollment growth.

State statute generally allows the Future Fund to increase by 3.5% over the prior year or based on growth in reimbursable education units (REUs). Because the institution experienced approximately 10% enrollment growth in fiscal year 2026, Future Fund revenue increased accordingly. The combined change in state aid and Future Fund revenue resulted in an increase of approximately 3.31% in total state funding.

The institution remains particularly sensitive to reductions in state aid because a larger proportion of its total revenue comes from state aid compared with many other community colleges. The significant enrollment increase was attributed primarily to deliberate strategic enrollment management efforts undertaken over the previous several years. These efforts included recruitment, retention, completion, and targeted enrollment initiatives.

**Budget Review – All Funds (cont.)**
Several factors were identified as major contributors:

- **Dual-credit enrollment:** The institution removed course prerequisites that were not aligned with other institutions, eliminated dual-credit tuition in accordance with state priorities, and established dedicated oversight for dual-credit programming and relationships with school districts and faculty.
- **Online education:** Efforts to streamline and strengthen online course offerings contributed to enrollment growth.
- **Career and technical education:** Enrollment in trades and other career-focused programs has increased substantially.
- **Strategic enrollment management:** The institution has implemented targeted strategies to identify and address enrollment opportunities.

Some enrollment changes, including a significant increase in male students, cannot yet be fully explained. Additional analysis is underway to determine the causes of these trends.

Although economic conditions may have contributed to enrollment growth, Ms. Koski indicated that the increase cannot be attributed solely to the economy. The institution is located in an area that is not experiencing significant population growth, yet it achieved the largest enrollment increase among the state's public higher education sectors.

Future enrollment strategies will focus on adult and post-traditional learners and on converting dual-credit students into degree-seeking students. Dual-credit students are nearly twice as likely to enroll at the institution after high school as students who do not participate in dual credit. Leadership therefore identified an opportunity to increase the percentage of students from the service area who ultimately enroll, with a goal of moving from approximately 18% to 22%.

The expenditure budget was presented using two classification methods. The first uses the national program classification structure, which categorizes expenditures among instruction, academic support, student services, institutional support, and other functions.

Instruction and academic support together represent approximately 40% of the proposed budget. Changes in the institutional support category are influenced in part by the reduction in project reserves. Leadership also noted that certain positions and functions associated with student services and academic areas are classified as institutional support, making direct comparisons between the categories less intuitive.

The second expenditure analysis categorizes spending by object, including personnel, operating expenses, materials, travel, and equipment. Personnel expenditures historically represent approximately 65%–67% of the total budget.

These classifications are useful for benchmarking the institution against other colleges and universities. Leadership noted that instructional spending would generally be expected to represent a significant portion of a higher education institution's budget, while student services are also important for retention and student success. Property and liability insurance is another significant component of institutional support.

Ms. Koski also reviewed the Capital Improvement Fund, which had previously been presented in August. The updated information incorporated final evaluation figures and beginning balances.

**Budget Review – All Funds (cont.)**
The Capital Improvement Fund begins with approximately $2,336,308 in fund balance and approximately $1.8 million in student facility fees, for a combined beginning balance of more than $4 million. Anticipated property tax and miscellaneous tax revenue totals approximately $3,821,083. Additional anticipated revenue includes a $312,414 payment from the Foundation related to the Welcome Center and approximately $91,500 in facility fee revenue. Total anticipated Capital Improvement Fund revenue is approximately $8,417,583.

The proposed expenditures include carryover projects from the prior year as well as new building and renovation projects. Approximately $1,495,000 is budgeted for maintenance, renewal, repair, and utilities. Planned projects include concrete repairs to sidewalks and parking areas, a potential chiller replacement, and replacement of deteriorating utility enclosures at the Harms Center. Contingency funds are also included to address unforeseen project costs.

The budget also includes funding to begin building reserves for the institution's next major capital construction project. Because significant capital projects require several years of advance funding, establishing these reserves is an important component of long-term capital planning.

The Capital Improvement Fund also provides for the institution's remaining debt obligations. In addition to the required annual debt payments, the proposed budget includes approximately $1.8 million in additional debt repayment.

This payment is expected to make the institution debt-free by approximately the end of December. Paying the debt early is projected to save more than $560,000 in interest that otherwise would have been paid over the remaining term of the debt.

The remaining debt is associated with the Welcome Center renovation. Two loans were originally involved: one was paid off during the prior year, while the remaining bridge loan was used to cover pledged contributions that were scheduled to be received over multiple years. With the final Foundation payment anticipated, the institution is recommending payoff of approximately $1.6 million on that obligation.

Facility fee revenues will also be used for debt repayment, with approximately $431,034 allocated for that purpose. An additional $1.5 million will be reserved for future capital projects and institutional needs.

Because student centers and residence halls cannot be funded with property tax revenue, maintaining these reserves within the Capital Improvement Fund will provide resources for future facility needs.

The capital budget also includes funding for campus wayfinding signage. The project includes larger exterior directional signs at campus entrances and identification signs for individual buildings. The signage was included in the design work associated with the Welcome Center renovation but had not yet been completed. Ms. Koski indicated that completing the project before the conclusion of the institution's Centennial celebration would be desirable.

The discussion began with the college's debt-payoff strategy. The $1,838,498 payoff of the WNCC/ESU bonds would free up approximately $386,000 annually, save slightly more than $560,000 in interest, and shorten the repayment period by ten years. Combined with the savings from the first debt payoff, the college would realize nearly $800,000 in annual savings.

**Budget Review – All Funds (cont.)**
Ms. Koski explained that several pages of the budget information packet were taken directly from the state budget documents and were presented to demonstrate compliance with state-imposed limits. The first calculation addressed the restricted-funds lid, which primarily applies to property taxes and state aid. Certain exemptions, including interlocal agreements with entities such as the City of Scottsbluff, ESU, and the City of Alliance, are included in the calculation. The college's restricted funds amount was slightly more than $16 million, demonstrating that it remained within the applicable limit.

Regarding budget authority, the college carries forward the prior year's authority, receives a permitted 2.5% increase, and may receive additional authority based on growth in full-time equivalent enrollment. With approximately 10% enrollment growth, the college gained an additional 7.72% in authority. Combined with the additional 1% approved by the Board in July, the college's budget authority increased by 11.22%.

The budget authority applies to revenue rather than expenditures and establishes the amount the college is authorized to receive through property taxes and state funding. The calculation resulted in restricted-funds authority of $43,710,625. After accounting for the amount calculated, the college had approximately $27.5 million in unused restricted-funds authority, providing additional capacity to receive funds collected.

The levy-limit calculation demonstrated that the college remained in compliance with the applicable levy lid. Bond payments exempt from the lid were identified, the newly certified property valuation was entered, and the resulting calculation confirmed that the college had not exceeded the two-cent levy limit.

The discussion also addressed the college's remaining levy authority should the state fail to fully fund the Future Fund or state-aid formula. Based on the State Auditor's interpretation of the applicable statutes, the Board would have authority to levy taxes to make up certain state-funding shortfalls, provided there are no statutory changes. The timing and applicability of that authority could depend on how state appropriations are ultimately defined.

Certified property valuations for the college's service area showed a total increase of 4.95%, or $863,332,294. The increase varied significantly among counties, with questions raised regarding substantial changes in Sioux County and adjustments in Morrill and Box Butte counties.

The tax levy summary showed a total tax request increase of $175,995, or 4.8%, while the overall levy rate was slightly lower than the previous year. This information would be reviewed further during the required public hearing.

For fiscal year 2026-27, the college's general operating fund budget request was $30,509,170, the capital improvement budget was $8,417,583, and the remaining amounts represented self-supporting funds. The total budget request was $56,233,255, a 7.23% decrease from the prior year, primarily due to reduced use of project reserves and completion of major capital projects, including the Harms Health Science facility.

Ms. Koski discussed the timing of state aid certification and the potential need to levy taxes if state funding is reduced. Community college aid and Future Fund amounts are certified by the Coordinating Commission for Postsecondary Education before September 1 and incorporated into the college's budget calculations. Because the funding formulas rely on historical enrollment data, the college can generally estimate the amounts in advance, although significant last-minute reductions could affect the final figures.

**Budget Review – All Funds (cont.)**
The timing of any levy to offset a state funding shortfall was identified as a significant concern. Although the college could potentially amend its budget or conduct an additional hearing before the end of October, the Board's formal action on a levy would need to occur at a regular Board meeting rather than during the budget hearing itself.

Ms. Koski concluded with concern over the potential for an additional 5% state funding reduction. Such a reduction could occur after the college's levy opportunity had passed, leaving the college with limited ability to recover the lost revenue through property taxes. The Board acknowledged the uncertainty surrounding the state budget and the potential impact on the college's financial planning.

## Board Training – Strategic Plan

The institution's strategic plan, adopted several years ago, includes seventy-seven initiatives and provides a comprehensive framework for institutional priorities. As the plan enters its fourth year, the Board is being asked to assess progress and provide a "report card" on each initiative.

The Year Four assessment uses a red, yellow, and green system: green indicates an initiative that has been completed, yellow indicates it remains in progress, and red indicates the initiative has been deleted, modified, or replaced due to a change in direction. The color coding is intended to show the current status of an initiative rather than serve as a direct measure of success.

Some initiatives represent ongoing work and will never have a definitive completion point. For example, "meeting students where they are" and simplifying and automating enrollment, business, and service processes are continuous efforts that will remain priorities even after significant progress is made.

Other initiatives have been completed or intentionally changed. For example, the Regional Health Care Education Center originally envisioned in partnership with UNMC and other organizations did not move forward as initially planned. The institution instead pivoted to a different approach. The initiative is therefore marked red, not because it was unsuccessful, but because the original strategy is no longer being pursued.

Conversely, some initiatives have reached clear milestones. The classification and compensation study and establishment of a salary matrix, for example, were completed as originally envisioned. Although compensation remains an ongoing institutional concern, including the impact of minimum wage increases and salary compression—the specific strategic plan initiative can be considered complete.

The report also provides updated narrative for each strategic priority, highlighting progress and current circumstances. For example, enhanced high school partnerships and the growth of dual-credit enrollment have produced significant results and broader impacts throughout the service region.

Board members are being asked to provide an A–F grade for each strategic-plan initiative based on how they believe the institution is performing in 2026. Members may also provide comments, questions, or designate an initiative as incomplete if they do not feel they have received enough information to assess it. This feedback will help identify areas that may require additional discussion or reporting.

The institution will use the Board's grades to develop an overall strategic plan report card, including a potential institutional GPA, similar to the process used the previous year.

**Board Training – Strategic Plan (cont.)**
The report card will be accompanied by an update on key performance indicators and other measures of institutional progress.

Board members are asked to return their assessments within the next two to three weeks. Responses may be submitted by email, phone, text, or other convenient means. The goal is to compile the results and provide the Board with an updated strategic-plan report card in October.

**Next Regular Meeting:** Wednesday, September 16, following the budget hearings (approximately 1:20 p.m.), Coral E. Richards Boardroom, WNCC Scottsbluff Campus, 1601 East 27th Street, Scottsbluff, NE.

**Adjournment**
The meeting was adjourned by unanimous consent at 12:03 p.m.

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John P. Stinner, Chair Susan L. Verbeck, Secretary