



## SEWARD COUNTY COMMUNITY COLLEGE

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### Lower valuations, stagnant state aid increase mill levy

Seward County Community College/Area Technical School's board of trustees voted Monday to approve a 3.99 mill levy increase for the upcoming year. The funds will enable the college to stay on course in the aftermath of stagnant state aid and declining property values.

"I'm not real excited about increasing taxes, because I have to pay them, too," said SCCC/ATS president Duane Dunn. However, he added, to keep the college thriving as a significant force for education and economic development in Seward County and the region, "it's what we have to do."

Dean of Finance and Operations Dennis Sander presented a detailed report to the board that showed cost-cutting measures taken over the past few years.

"We haven't added any debt," he said. "We've worked to keep spending level at or below revenue, but have had to use fund balances to offset expenditures where we lost funding."

The new budget presented Monday night reflects a \$200,000 total increase, due to rising utility fees and rates, personnel compensation and inflation. Total General Fund budget for the college comes in at \$14.44 million.

Like his fellow board members, trustee Dustin Ormiston voiced concern about how county residents will receive news of a higher mill levy.

"People may ask, 'taxes are going up; why are you spending more?'" he said, when in fact the college is absorbing long-term effects of cutbacks and a national and state recession that hasn't completely ended.

Ormiston, who serves on the Board's finance committee, indicated that nearly 2 mills of the proposed budget are needed to offset a decline in assessed valuation and potential reduction in state aid due to declining state revenue. Additionally, nearly 1.5 mills would be needed to offset the deficit from previous years' projected revenue. That essentially results in less than 1 mill required to address increasing operating costs.

Among the challenges:

- \* Funds promised by the state of Kansas as an incentive and for assistance in the merger of the area technical school never materialized to offset the expenses resulting during the merger.

- \* While costs and enrollment increased, a freeze on state funding meant the college had to provide more services with the same state funding levels used in previous years.

- \* Due to lower than anticipated state revenues, there is a potential for reduction of state-aid which might cost the college \$150,000 in the upcoming year.

- \* Tax valuations decreased in Seward County by \$13.13 million for the 2014 fiscal year and county valuations slid another \$11 million for next year.

"It's either cut something more, or find an additional source of revenue," Ormiston said. "We've used about \$600,000 in fund balances over the past three years. I'm not comfortable with more."

“We have already cut things,” said board member Marvin Chance Jr., noting that it would be counterproductive to cut more if the college aims to continue to increase enrollment and provide services to the region.

Board counsel Kerry McQueen said the board has worked hard to fulfill the obligation to be good stewards.

“A lot of this has to do with fiscal circumstances in the state and locally; we’re not out of the recession yet,” McQueen said. “Part of being a good steward was not increasing the mill levy in the past, because we understood it was too hard on the local economy.”

Over the past nine years, the college board of trustees fought hard to prevent mill levy increases.

“We wanted to hold steady,” said Dunn. In fact, for four subsequent years from 2006 to 2010, the board succeeded in reducing the mill levy.

In his report to the board, Sander pointed out that state operating allocations are approximately \$600,000 less, than five years ago (when the college and technical school merged), “yet our primarily enrollment growth is in career and technical education.”

Sander also said the college has consistently trimmed expenses wherever possible.

“The previous year was really tight,” he said, “which caused us to defer a number of key expenditures.”

Intermittent expenses, like the recent recoating and sealing of the college parking lots, were delayed as long as prudence allowed. Software and telephone upgrades stretched to the maximum length of time before systems became unsupportable.

Financially, fiscal year 2014 was a successful one for SCCC/ATS, with year-end unencumbered cash exceeding projections. The operating budget, compared to the published budget, was under spent.

Looking forward, Sander plans to follow the same frugal approach.

“The administrative team is prepared to work with departments and divisions in reducing expenditures as necessary,” he said.

The board of trustees voted 5-0 to approve the budget as presented; board chair Ron Oliver was absent.

In other business, the board:

\* Welcomed new coaches Molly Lentini (assistant, women’s tennis) and Kelli Willingham (assistant, women’s basketball) and new welding instructor John Massey.

\* Voted 5-0 to retain the same slate of officers and committee assignments as the previous year, specifically Oliver as chairman, Marvin Chance Jr. as vice-chair, Dunn as board clerk/secretary, Tina Call as treasurer and Mike Brond as vice-treasurer and Kerry McQueen as attorney.

\* Voted 5-0 to designate the Leader & Times as the official newspaper of the college; it is the only local paper that meets statutory requirements regarding publication frequency and deadlines for legal notices.

\* Designated Dennis Sander as Title IX compliance officer.

\* Heard a report from Dean of Academic Affairs Cynthia Rapp. She provided schedules for the semester, final exams and professional development sessions. The college’s new writing lab, funded through a partnership grant with Kansas State University, is nearly up and running, she said.

\* Heard a report from dean of career and technical education Janese Thatcher. Progress on the Liberal Learning Jet will take off once students return to SCCC/ATS and Liberal High School. “We want the students to be part of the process,” she said.

\* Heard a report from Dean of Student Services Celeste Donovan, who looks forward to welcoming students back to campus in August.

\* Heard a report from Dean Sander, who said the summer cleaning of campus facilities is 90 percent complete. Renovations in the technical building are underway. Additionally, a phone outage that occurred a week ago appears to have been resolved following work by AT&T.

The next board of trustees meeting, including a public hearing of the budget as presented, will be Aug. 4. The following month’s meeting was moved to Sept. 4 (a Thursday) because of Labor Day.