

MINUTES

WASHINGTON STATE COMMUNITY COLLEGE DISTRICT 17 BOARD OF TRUSTEES SPECIAL MEETING

Present: Greg Bever (chair), Ben Cabildo, Don Cox, Carol Landa-McVicker, and Patty Shea. Also present were Gary Livingston, Joe Dunlap, Mark Palek, Scott Morgan, Linda McDermott, Greg Stevens, Jim Minkler, Anne Tucker, Pam Praeger, John Huffstutter, Dan Whye, Bill Sackville-West, Karen Johnson, and Judy Jenkinson

CALL TO ORDER

The Board of Trustees of Washington State Community College District 17 held a special meeting in the Institute for Extended Learning Lodge Building, 3305 W. Fort George Wright Drive, Spokane, Washington, on Tuesday, April 20, 2010. Chair Greg Bever called the meeting to order at 9:32 a.m.

Chancellor Gary Livingston advised no new budget details had been received since last week, but the information that would be presented during the meeting was very close to where CCS would land. Chief Financial Officer Linda McDermott said the presentation is comprised of high-level information based on the customary allocation practice of the State Board.

She began by presenting a legislative wrap up, which included taxes, budget cuts, and use of reserves, fund shifts and federal aid. Dr. Livingston said the estimated anticipated shortfall for 2011-13 ranges from \$2 billion to \$5 billion; therefore, CCS strategies for 2010-11 would aim for at least 50 percent permanent cuts. Mrs. McDermott also said the state will have to wean itself from federal stimulus money over a series of years.

Mrs. McDermott reported legislative increases to Washington's community and technical colleges include new worker retraining funds, Opportunity Grants, new state funding for higher employee health insurance costs, and a 7 percent tuition increase. She said reductions include \$44.8 million in cuts (of which \$7 million is furloughs) and a 30 percent cut to work study. The general fund cut is 6.3 percent before the tuition and worker retraining offset. CCS believes the unpaid furlough days taken by all staff and faculty last year will count as its share of the statewide plan.

Dr. Livingston said CCS has no plan to implement systemic furloughs in 2010-11. However, CCS budget units may need to implement division or department specific temporary layoffs.

Included in the budget increases, stated Linda McDermott, is \$17.6 million aimed at getting unemployed people back to work, \$1 million in Opportunity grants, funding to cover cost increases for benefits (employee compensation), and funds preserved for early learning and child care programs. However, she added, the impact on the Early Childhood Education and Assistance Program is unknown at this time.

Also reviewed were reductions to the capital budget, which affect five CCS projects. The reduction to the SCC Technical Education Building was of most concern, Dr. Livingston said, adding the final revised allocation makes it possible to construct the building as originally designed, but did not include the Carpentry department.

Mrs. McDermott summarized significant policy bills – faculty turnover language, the furlough bill, freeze bills (hiring, personal services contracts, equipment purchases, out-of-state travel or training, salary, recognition awards), and the new Opportunity Pathways Account funded by certain Lottery games.

The State Board hasn't taken action yet, but SBCTC staff is recommending system reductions and earmarks be implemented proportionally as they have in the past. It is expected CCS will receive the preliminary allocation next week or in early May, prior to the State Board's May 5 meeting.

Mrs. McDermott shared CCS assumptions – the pro-rata model for allocations, summer school management, no financial exigency request, no systemic furloughs, and using a long-term approach to make budget decisions with at least 50 percent in permanent cuts.

She presented estimated reductions and tuition offset calculations for SCC, SFCC, IEL, District Administration, Campus Support Services and Facilities. Worker retraining assumptions and the utility budget were also presented. She added, enrollment data indicates CCS will exceed its 2009-10 target by an estimated 1,500 FTE, which generates excess enrollment tuition revenue.

BREAK

Chair Greg Bever called for a break at 9:50 a.m. The meeting reconvened at 10:09 a.m. Dr. Livingston introduced the unit budget reports.

SCC President Joe Dunlap showed the college's history of excess enrollment and a 5 percent reserve fund balance as well as actual FTES vs. target vs. budget, demonstrating levels of permanent budget reductions over time. Permanent reductions for 2010-11 total \$515,518. Through an enrollment management process, SCC is considering capping enrollment. Dr. Dunlap said SCC intends to make personnel cuts through non-filled vacancies rather than layoffs and will not implement furloughs.

SFCC President Mark Palek presented the college's 2010-11 budget reduction strategies and impacts including personnel impacts, one-time delay reductions, operating expense reductions and use of fund balances. Permanent reductions are 56 percent of the cuts. Dr. Palek said no furloughs are planned and vacancies are being left unfilled.

IEL CEO Scott Morgan reported the institute's 2010-11 budget reduction strategies include budget tightening (i.e., equipment, travel, security, goods and services, and telecourses), decentralizing marketing responsibility and reducing advertising, shifting some activities from the general fund to self support, trimming instruction budgets (i.e., reducing classroom supplies and support positions, decreasing professional development), reduce budgeted contingency and use of local funds. There have been layoffs. He said the IEL is using student achievement money "to do good things in rural credit programs," supporting the new successful Career Builder program, and budgeting for increased costs of the work-study program.

Chief Human Resources Officer Greg Stevens advised Facilities has formed an operating budget committee comprised of budget managers and representatives from maintenance, SCC operations, SFCC operations, capital and office/administration. Strategies the committee has discussed include reductions in service that have the least impact on safety and security, developing maximum staffing flexibility, use of one-time local funds to provide project positions and to supplement on a short-term basis non-staff budgets that have been reduced.

Mrs. McDermott reported vacant positions that won't be filled make up more than 50 percent of the District Administration reductions.

Next, Mrs. McDermott presented a preview of the SBCTC tuition recommendation, average cost of attendance, financial aid budgets, service and activities fees, and the technology fee.

Given timelines, Dr. Livingston asked the Board if it would be acceptable to provide budget detail prior to the June meeting at which time the Board will be asked to consider approval of a number of CCS budgets. If any surprises arise, the Board would be advised.

Chair Greg Bever called for a motion to adjourn. The motion was made by Carol Landa-McVicker and seconded by Patty Shea.

ADJOURNMENT

The meeting adjourned at 11:04 a.m. No action was taken.

Secretary, Board of Trustees

Chair, Board of Trustees