

Minutes of the Board of Trustees Meeting  
Washington State Community College District 17  
Special Board Meeting  
June 5, 2013 – 8:30 a.m.  
SIERR Building at McKinstry Station, Round House Rooms 1&2  
850 E. Spokane Falls Blvd.; Spokane, WA

**Present:** Bridget Piper, Greg Bever, Carol Landa-McVicker, Ed Morgan. Also in attendance were Christine Johnson, Janet Gullickson, Scott Morgan, Keith Foster, Greg Stevens, Anne Tucker, and Linda Graham (recorder)

**Guests:** John Huffstutter

**CALL TO ORDER**

Chairwoman Bridget Piper called the meeting to order at 8:05 a.m. and thanked the budget team for their effort in preparing the budget material. Dr. Christine Johnson, chancellor for Community Colleges of Spokane (CCS), announced that Trustee Ben Cabildo recently resigned from the Board due to a family illness. A notice has been sent to the governor's office so the process for his replacement can begin. Board members were encouraged to recommend business and/or community leaders for the position.

**ECONOMIC AND LEGISLATIVE ISSUES**

Dr. Johnson introduced the presentation by discussing the following issues that will have an impact on the budget:

- Compensation for faculty
- Use of reserves
- Generation of revenue
- Recruitment of international students and stricter national security and review
- Loss of non-state tuition under proposed Senate Bill 5893
- New applied bachelor degree programs
- New federal financial laws

Mr. Greg Stevens, chief administration officer, and his team were acknowledged for their work on labor issues. Trustee Carol Landa-McVicker asked if faculty salary is the same throughout the state. Mr. Stevens reported that faculty salary is negotiated locally and that some institutions have incentives for faculty members with doctorate degrees. It was noted that the Association for Higher Education has been a good partner in keeping salaries affordable. Trustee Ed Morgan congratulated the chancellor for the work that is being done to help CCS weather future uncertainties. Trustee Landa-McVicker questioned if salaries at CCS are competitive. Mr. Stevens reported that the State Board for Community and Technical Colleges (SBCTC) collects and analyses data that shows CCS is competitive. Dr. Johnson shared that CCS not

only compares itself to the system's average, but also to Bellevue and Clark colleges (the largest work forces among single college districts) and Seattle (CCS's most comparable peer).

The SBCTC has authorized applied bachelor degree programs at community college locations. Both Spokane Community College (SCC) and Spokane Falls Community College (SFCC) are considering such programs in selected areas based on workforce needs. Instructors teaching these programs will be required to have doctorate degrees. As such, differential salary will be needed to attract professional candidates. This topic is being addressed with the faculty union.

Trustee Greg Bever questioned the impact on CCS if the legislature does not approve an operating budget by June 30. Mr. Keith Foster, chief financial officer, shared that a Continuing Resolution has been drafted since a legislatively-approved budget is not expected. The resolution, if approved by the Board, will authorize CCS to proceed with normal operations on a monthly basis using available tuition and operating funds. If necessary, CCS can continue using operating funds for two or three months. Mr. Huffstutter reported that students will be impacted since tuition levels cannot be established. Financial aid will be difficult to award as a result.

Mr. Foster showed a PowerPoint presentation highlighting the special session, governor/state/house budget proposals, and legislative bills affecting higher education that have passed and are still pending. Trustee Bever questioned what local agreements are being negotiated. Dr. Johnson shared that the faculty agreement is currently being negotiated and noted that Engrossed Substitute Senate Bill (ESSB) 5905 would eliminate state-paid health care coverage for part-time employees in accordance with the Affordable Care Act. While this will save the state money, it will impact part-time employees, including adjunct faculty. The formula for determining benefit eligibility was discussed.

## **ENROLLMENT AND TUITION**

Mr. Foster continued the presentation by discussing enrollment and tuition revenue, enrollment history and target, tuition revenue estimates, waivers and tuition historic comparisons. While revenue is up, enrollment is down. Tuition increases and changes to federal financial aid have had an effect on enrollment. The SBCTC also did not include Adult Basic Education (ABE) in the enrollment figures. It was noted that since 2008-09, the enrollment trend has been softening. As a result of CCS's strategy to welcome all students, and in an effort to raise enrollment, CCS is increasing its marketing efforts to recruit students for the international and American Honors programs. It was noted that the estimated enrollment target for CCS during 2013-14 is 13,756.

Tuition revenue estimates showing three legislative possibilities – no increase, 3 percent increase, and 3 percent decrease – were reviewed. Tuition components and

rates were discussed. It was clarified that out-of-state students are considered non-resident. It was noted that online fees differ at each campus.

Statutory and SBCTC mandatory waivers and college optional waivers were discussed and reviewed. Tuition and waiver comparisons were highlighted. It was noted that the non-resident tuition waivers are typically issued for Idaho students attending CCS rural centers in/around the Pullman area. Dr. Johnson noted that tuition for Washington State community and technical colleges is higher than the national average. With the drop in state funding and the state's unwillingness to change higher education practices, CCS will need to be more competitive to attract students from bordering states. Online associates degrees, Honors College, and a good athletics program will help draw students.

### **FEE CONSIDERATION**

Mr. John Huffstutter, director of budget and administrative services, continued the presentation by highlighting proposals for the lab and course fees, administrative fees, technology fee spending plan, and the Services and Activities (S&A) fee spending plan. The timeline and guidelines for the lab and course fees were explained. It was noted that increases in lab and course fees must be supported by administration and deemed necessary due to exceptional need and educational benefit to students. Health-related programs often require state and/or national testing. These testing fees are also passed on to the students.

As recommended by the parking taskforce, the parking fee under this proposal will increase. Revenue will be used to install technology in the Kiosk units to accommodate credit/debit cards. The daily parking fee will be frozen for five years until the equipment is paid in full. Mr. Stevens reported that guests are not complaining about the daily parking fee just the inconvenience of not being able to use their credit/debit cards at the Kiosk units. Parking staff will also be paid from parking revenue. It was also noted that one percent of parking revenue goes toward bus pass subsidies, which student government also contributes toward.

Dr. Johnson will review the proposed fees with the presidents. Final recommendations will be presented to the Board in June for final approval. Trustee Landa-McVicker questioned if the online library has helped students. Dr. Johnson shared that the online library has been a huge benefit to students. Thanks to the grants Ms. Mary Carr, executive director for library services, wrote, many text books will also be available in the libraries for students to check out.

Mr. Huffstutter continued the presentation by discussing Technology Fees proposals, which were prepared by college administration with full participation of student government. Last year, the revenue was over estimated, and spending was stopped midyear. This year, spending will be done in phases, with expenditures limited to 70 percent prior to October 31, 2013. Revenue and expenditures will be re-examined at the

end of fall quarter. Mr. Scott Morgan, president for SCC, noted that while administration helps student government manage the accounts, the Technology Fee is determined by students in very a careful and thorough manner. Dr. Johnson thanked the presidents and college administration for providing the necessary guidance. Final action on the Technology Fee proposals will be requested during the regular June Board meeting.

Services and Activities fee requests were also reviewed. It was reported that students voted a 7.5 percent increase, which is 13 percent below the SBCTC maximum. The summary report was reviewed, and it was noted that student government at SFCC voted to use the special fund balance to cover the Technology Fee shortfall. Spokane Community College is requesting \$665,000 be reauthorized for projects previously approved by the board. Trustee Landa-McVicker noted the large carryover balance and questioned if the S&A fees are spent down or if students have a plan for the savings. Dr. Janet Gullickson, president for SFCC, clarified that accounts have been established for dedicated projects, which the students considered very thoughtfully and seriously. The student government at SCC is under new leadership and will be doing more projects than before. Chairwoman Piper noted the importance for student activity directors to help students understand what is being paid by students. Trustee Bever suggested that a future report be provided that shows what CCS students pay in S&A fees compared to what students in four-year institutions pay.

#### **BUDGET RELATED ISSUES**

Mr. Huffstutter continued the presentation by explaining the budget allocation models, ctcLink backfill, travel and training costs, compensation-related adjustments, salary schedules and turnover status, 2013-14 organizational strategies, and possible use of reserves. It was noted that \$500,000 from reserves has been earmarked for ctcLink backfill. Trustee Morgan asked how reserve funds will be recovered. Dr. Johnson clarified that CCS has maintained its reserve target established by the Board. Mr. Foster reported that leftover operating funds will be used to replenish reserve funds. Mr. Stevens and his team were acknowledged for their work in reviewing needs and developing a staffing plan. Community Colleges of Spokane is serving as a model in this endeavor.

After reviewing compensation-related adjustments, Trustee Landa-McVicker noted the number of retirees and the shrinking job pool and encouraged CCS to review turnovers, stay competitive and retain employees. Dr. Johnson reported that CCS has a mature workforce. Employees who leave CCS are invited to participate in an exit interview. Dr. Johnson has received honest feedback from management personnel who recently left CCS. Trustee Landa-McVicker questioned the salary for deans. Dr. Johnson reported that all deans currently earn the same salary irrespective of scope of responsibility or credentials; however, Spokane Falls Community College instituted an assistant dean model to help grow leadership.

Organizational strategies were reviewed. Mr. Morgan shared that SCC is discussing student achievement, balancing the budget, and new initiatives based on available funding. Accreditation core themes have been established. Challenges pertaining to the budget and spending accountability were shared. It was noted that the college is underfunded for what it wants to do and can be affected if state funding is not restored. Mr. Morgan shared that it will take SCC approximately three years to address budget issues and to become fiscally stable.

Dr. Gullickson shared that departments at SFCC have been operating without goods and services budgets. As a result, fees have been used in the past to cover needs. This practice, however, will be addressed under the new leadership. While SFCC has been fortunate the last few years to have higher enrollment and lower expenses due to the program mix, enrollment trends are declining. As a result, deans are being asked to find new revenue sources and to focus on enrollment and student retention. The vice presidents and deans will have two performance goals that include enrollment and retention. Dr. Johnson noted the culture change as deans are now conducting program reviews and are being given budget responsibility.

Trustee Landa-McVicker asked about strategies for professional technical and skills centers. Mr. Morgan shared that he will be holding an all-faculty meeting to discuss reorganizing support staff to give faculty more help so they can market programs. Dr. Johnson also noted that the Center for Workforce and Continuing Education will soon be launching the Start Next Quarter, an online eligibility tool that gives students quick, easy and more certain access to workforce education funds. Dr. Johnson shared that it has been challenging times but change is not always comfortable or popular. Employees were credited for undergoing and handling change well. Trustee Bever applauded CCS for making the necessary changes.

## **BREAK**

The meeting recessed at 10:05 a.m. and reconvened 10:15 a.m.

## **BOARD DISCUSSION, CLARIFICATION AND DIRECTION**

Mr. Foster continued the presentation and reported that the 2013-15 operating budget is still uncertain at this point and noted that reserve funds may need to be reduced from 5 percent to 4 percent depending on the outcome. Dr. Johnson stated that the Strategic Plan is used for making all investment decisions. Mr. Foster shared that future considerations include applied baccalaureate degrees and expanded online degrees and student services. Differential tuition would be needed for upper level applied baccalaureate degrees, and rates would be kept consistent with Eastern Washington University.

Trustee Landa-McVicker questioned if CCS would be offering applied baccalaureate degrees that area universities do not have available or are not currently developing. Mr. Morgan noted that some industry standards in fields such as nursing are now

encouraging or requiring baccalaureate degrees. Dr. Gullickson shared that the applied baccalaureate degrees will increase educational pathways for professional and technical associate graduates who have been limited in their ability to apply credits toward a bachelor degree. Trustee Greg Bever applauded the direction in which CCS is going; however, cautioned CCS about going beyond its mission (mission creep). Dr. Johnson reported that market analysis, student demand, and employment needs will be considered.

Chairwoman Piper questioned the process for establishing applied baccalaureate programs. Dr. Gullickson shared that CCS needs to notify the SBCTC of its intent to offer applied bachelor degree programs, develop the programs over the next year, and submit extensive documentation to the SBCTC for final approval. Programs currently being considered include the following:

#### SFCC

Graphic design  
Interior design  
Computer technology  
Library technology or E-learning technology  
Management (online)

#### SCC

Nursing  
Respiratory therapist

It was noted that faculty members and deans in certain medical programs are expected to have a doctorate degree. Dr. Johnson noted the need to stay current with industry standards and practice. A presenter from the annual AACC meeting will be invited to CCS to discuss the future of health care.

Budget action items are expected to be addressed during a regular board meeting in July, July or August – depending on when the legislature approves the 2013-15 operating budget.

#### **ADJOURNMENT**

Being no other business, the meeting was adjourned at Noon.