

Minutes of the Board of Trustees Meeting  
Washington State Community College District 17  
Special Meeting  
April 12, 2011 – 8 a.m.  
Riverpoint 1 Building; 4<sup>th</sup> Floor Conference Room  
501 N. Riverpoint Blvd.; Spokane, WA

**Present:** Carol Landa-McVicker (chair), Greg Bever, Ben Cabildo, Don Cox, and Bridget Piper. Also present were Christine Johnson, Joe Dunlap, Pam Praeger, Scott Morgan, Janet Gullickson, Greg Stevens, John Huffstutter, and Linda Graham (recorder)

**Guests:** Karen Johnson, Bill Sackville-West, Dan Whye, and Anne Tucker

**CALL TO ORDER:**

Chairwoman Landa-McVicker called the meeting to order at 8:10 a.m.

**OVERVIEW: Budget Environment, Assumptions and Legislative Review:**

Dr. Christine Johnson, Chancellor, welcomed the group and acknowledged the fiscal team and their hard work. Dr. Johnson discussed the approach that was used toward budget planning and shared that she met with the presidents/CEO and the management service team numerous times and reviewed the Board's values and goals as they pertain to the future. Dr. Johnson emphasized that Community Colleges of Spokane (CCS) values its employees and stressed the need for professional development – especially as employees are asked to do more in a culture of budget and salary reductions. She also noted that Washington, as with many other states, is shifting from a state-appropriation to a tuition-based funding model; thus putting more responsibility on the students. As a result, colleges will either need to increase fees or reduce services.

Dr. Johnson and Mr. Greg Stevens, Chief Administrative Officer, showed a PowerPoint presentation outlining the budget and policy environment, collective impact anticipated for 2011-12, implications of policy/budget environment, and responding to these challenges in both the long- and short-term. Reductions are expected in many different areas such as state support for operating and capital budgets, federal grants and contracts, state need-based aid, and employee compensation. It was noted that the state-need grant was reduced \$1.3 million dollars this year alone. Rather than impacting student by having them pay this expense, CCS took funds from the reserve account. The state's shift to "performance funding" or other funding redistribution formulas was also discussed.

While the Governor's proposed budget reduction to the current state supported operating budget is 9 percent, The Washington State Board for Community and Technical Colleges (SBCTC) recommended the colleges prepare additional reduction scenarios at the 11 and 13 percent level. The tuition rate authority is also expected to be raised to 10-11 percent. Due to higher tuition/fees and cost of living expenses, it is

anticipated that enrollment will shift to more part-time students. Part-time students typically require more services and place a higher demand on student services yet generate less revenue.

With employee turnovers and new technology being introduced, intensive training and professional development will be needed to improve efficiency. In response to the challenges, employees submitted budget reduction recommendations. The faculty senate also submitted suggestions such as a single district-wide accreditation and moving to a semester approach. Faculty will be tasked to study these suggestions in greater detail. Trustee Cox questioned if CCS has the authority to change to a semester system. Dr. Johnson mentioned that more study will be required, but other schools and universities are interested in a similar change. It was also mentioned that there will be a one-time expense to make the necessary curriculum changes.

Other short-term solutions such as separation incentives and periods of non-operation/employment were discussed. Chairwoman Landa-McVicker stressed the importance of the program review process for establishing efficiencies by combining and/or eliminating low-enrollment programs. It was also mentioned that the fiscal exigency that was declared by the SBCTC in 2010-11 is still currently in place and is expected to be renewed for 2011-12. It was recommended that CCS utilize the exigency and reserve funds to ensure greater flexibility. Chairwoman Landa-McVicker shared the Washington Association of Community and Technical Colleges (WACTC) did not take fiscal exigency lightly. Dr. Johnson stressed that CCS takes this issue seriously and values all employees. In order to manage the budget and support student success in this economic climate, however, both recommendations may be necessary. Chairwoman Landa-McVicker expressed concern that not all students – especially at-risk students - will be able to afford college. Trustee Bever questioned if a hiring freeze will be implemented. Mr. Stevens clarified that the State implemented a hiring freeze in 2010-11 with some exemptions for critical positions. Many vacant positions will not be filled or delayed in hiring. It was noted that the hiring freeze is not expected to be implemented in 2011-12.

The need for technological efficiencies was expressed. Investments in Enterprise Resource Planning (ERP), online and other IT infrastructures will help with new innovations. Some examples of how HR and online business processes could be improved were shared. Trustee Cabildo questioned if a comprehensive IT audit has been completed. Dr. Johnson clarified that a state-wide IT system is being used and is scheduled to be replaced with the new ERP system. There is a state-wide leadership team working on the replacement project to ensure customer satisfaction. Trustee Piper questioned the number of academic classes being offered comparison to continuing education courses. Dr. Johnson stated that comprehensive colleges have a transfer mission with workforce education and basic skills as the core. Continuing education courses draw additional revenue and will need to be adjusted. Trustee Bever mentioned that program enrollment identifies demand and that the emphasis should be given to essential programs rather to low-enrollment courses. Trustee Bever also suggested that a list of new and deleted programs be provided. Dr. Johnson shared

that the vice presidents and Dr. Gullickson will be reviewing and perfecting the program review process.

### **BUDGET SURVEY TASKFORCE REPORTS**

Dr. Johnson provided background information regarding the budget survey process and shared that 90 suggestions were received, reviewed and considered. Four taskforce groups – New Revenue, Service/Cost Reductions, Redesign/Restructure/Reorganize, and Access and Control – were formed and were tasked to develop budget reduction recommendations. The final recommendations were distributed and are summarized below:

- New Revenue: Mr. Scott Morgan, IEL Chief Executive Officer, presented the following eight recommendations: 1) Support the Parking Taskforce recommendations of increased permit fees for students and employees. 2) Increase administrative fees per the below schedule:

<b>Fee</b>	<b>Current</b>	<b>Proposed</b>
Application	\$ 15	\$ 25
Assessment	\$ 20	\$ 25
Registration	\$ 6	\$ 10
SFCC Graduation	\$ 20	\$ 25
IEL Graduation	\$ 20	\$ 25
Transcripts	\$ 3	\$ 5

3) Work with student leadership at both colleges to develop a standard CCS comprehensive fee. 4) Remove the limitations and restrictions on the types of costs that can be recovered through lab and course fees and allow division deans to evaluate their programs and identify those programs and courses where implementation of higher lab and course fees is most appropriate. 5) Determine if there are opportunities to reduce waivers and generate more tuition income for CCS without materially affecting program viability and service to the various communities. 6) Develop appropriate international student contract(s) that are approved by the State Board and pursue a more aggressive path to build international student enrollment. 7) Appoint a taskforce to reorganize and establish parameters to make CCS Continuing Education responsive to community needs and capable of generating revenues for CCS. 8) Create a rapid response team for grant opportunities in lieu of a large central grants office.

In relation to the parking taskforce recommendation, Trustee Piper asked if CCS has worked with Spokane Transit to ensure adequate routes. Mr. Morgan clarified that many students utilize this form of public transportation and that CCS subsidizes student bus fees. Since parking has been a contract issue, open forums will be held. Conversations with union representatives have also been conducted.

Mr. Morgan noted that the Board and the CCS administration have historically limited lab and course fees to just consumables (supplies). In this new economic environment, however, other expenditures such as lab instructional techs and other associated personnel costs should be considered. It was recommended that restrictions on lab and course fees be removed so deans can better manage their programs. Dr. Johnson shared that the State does not fund high costs that are associated with accreditation standards. The State currently provides less than half the funds needed for high tech, career/technical classes. Students who benefit from these programs should pay more to offset expenditures. Dr. Johnson encouraged the Board to reduce restrictions and to grant authority for the deans to raise fees as needed. A program cost analysis will be completed. A definition for lab fee was also requested. Trustee Cox expressed concern over the management of fees and discussed comprehensive fees and differential tuition rates. Trustee Bever expressed support of the concept but questioned the generation of revenue to offset expenses. Trustee Piper expressed support but encouraged the administration to see how much students are already spending on books, tuition, and fees. Trustee Cox clarified that a textbook rental program was available to students. Trustee Cabildo recommended that international programs include more 2+2 arrangements with universities.

- Service/Cost Reductions: Mr. Stevens share the following two recommendations: 1) Periods of non-operation/non-employment in the absence of a similar state mandate. 2) Eliminate passenger fleet.

Trustee Cabildo questioned the possibility of outsourcing. Mr. Stevens provided background information on the Personnel System Reform Act and stated that CCS has a restricted ability to contract out.

- Redesign/Restructure/Reorganize: Dr. Joe Dunlap, SCC President, shared the following four major recommendations: 1) Maintain a decentralized Distance Learning model and common delivery platform within the district but adopt a quality management system that provides faculty support and training and adopt an assessment tool to determine if students are prepared for distance learning. 2) Centralize and standardize Continuing Education so it becomes a revenue center. Appoint a CCS taskforce and invest in a consultant to lead the reorganization. Adapt a district-wide (not district-based) business model to address decision-making, financial model, and effective and efficient collaboration. 3) Review and restructure Building Improvement Requests (BIRs) and charge back processes. 4) Change international programs back to a self-support operation.

Trustee Cox questioned if the entire Redesign/Restructuring/Reorganize report will be posted on the web site to show resolutions to recommendations. Dr. Johnson confirmed that the information will be posted and that focus groups have been held to give people an opportunity to hear and to ask questions.

In relation to distance learning, Trustee Piper verified that students have access to computer labs. Trustee Cox shared that tenure reports indicate that some faculty have a tendency to be slow in responding to students in online classes. Dr. Johnson shared that standards and expectations will need to be incorporated into the distance learning taskforce recommendation. Trustee Cox questioned when recommendations would go into affect. Dr. Johnson clarified that recommendations will be developed over the course of next year, but many will not be fully implemented until next fall. All recommendations will flow into the strategic plan with priority action items identified.

- Access and Quality: Ms. Pam Praeger, SFCC President, shared the following two recommendations: 1) Develop and implement a model for the coordination of low enrollment classes. 2) Sustain and enhance existing initiatives in support of student achievement, continuous improvement and greater cost effective endeavors. Dr. Johnson suggested that veterans' affairs be considered in this category. Dr. Johnson also shared that the HECB's transfer report came out and showed inconsistency in reporting. The superintendents asked CCS to convene a meeting with the area superintendents and higher education partners to review and share data. Dr. Gullickson is working with the presidents and vice presidents to ensure data files are tracked consistently.

#### **DISCUSSION/DIRECTION: PRO-RATA DISTRIBUTION MODEL**

Mr. Stevens discussed the methodology and philosophy of the allocation models and shared that the Board adopted a pro-rata model in 2002-03. Except for salary increase adjustments, the model is being used to distribute all increases and decreases in operating budget resources to SCC, SFCC, IEL, district office and facilities. A copy of the Prorate Model Illustration was provided and reviewed.

#### **REVIEW 2011-2012 SBCTC BUDGET ACTIONS**

Mr. John Huffstutter, District Director of Budget and Administrative Services, provided a review of the 2011-2012 SBCTC budget actions and highlighted operating budget allocations, tuition authority, capital allocations, and the 2011-12 enrollment budget.

#### **2011-2012 OPERATING BUDGET PROPOSAL**

Mr. Huffstutter provided a review of the CCS budget development process, budget assumptions and timeline, budget build-up, reductions, operating allocations adjustments, rent and utility update, excess enrollment revenue, and unit budget planning.

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

Trustee Bever noted the state and federal emphasis on veterans' affairs and recommended that CCS look for opportunities to better serve veterans and to help them secure employment.

Dr. Johnson credited Dr. Livingston and the previous administration for their prudent leadership. Trustee Bever stated how pleased he was with CCS employees and the way they have handled the current challenges and stated the district is moving in the right direction to sustain cuts. Dr. Johnson stated that she couldn't be more pleased with how employees are operating as a district. While change is not always easy, she is impressed with the progress and acknowledged the CCS team and the clear direction from the Board.

Board members reviewed the Budget Development Principles and Values document. Trustee Cox mentioned that principles and values may need to be discussed once the legislative budget is passed.

### **EXECUTIVE SESSION**

An executive session was not held. Dr. Johnson was asked to provide the Board her list of accomplishments and goals for review during the Board's summer retreat.

### **ADJOURNMENT**

The special board workshop adjourned at 12:05 p.m. No action was taken.