

THE OFFICIAL MINUTES

The Big Bend Community College Board of Trustees held a Board Study Session Thursday, September 20, 2012, at 10:00 a.m. in the ATEC Hardin Community room in Building 1800 on the Big Bend Community College campus.

1. Call to Order

Present: Mike Wren
Mike Blakely
Anna Franz
Jon Lane
Stephen McFadden

VP of Finance and Administrative Services Gail Hamburg presented the Proprietary Funds Budget and Financial Statements presentation. Page two of the budget packet is the budget status summary for the 2011-12 fiscal year budget and details the remaining balances as of June 30, 2012. BBCC had a budget of \$14,449,377 and spent \$13,263,931 leaving \$1,185,446 or 8.2%. Last year's balance was \$1,200,000; however, it was a smaller percentage of a larger budget.

VP Hamburg listed the remaining balance from each program; Instruction had \$389,985 left of its budget or 6.03%, which includes half of the 2.5% Board reserve of \$171,865. None of the reserve was spent. Primary Support to Instruction had \$13,203 or 2.99% remaining. Library left \$14,741 or 3.06%. Student Services left \$92,475 or 5.12%. Administration left \$217,310 or 7.72%. The other half of the 2.5% Board reserve is included here at \$171,865. M&O left \$457,732 or 18.77%.

Allocations are detailed at the bottom of the page totaling \$356,000. Allocations included Basic Skills Enhancement, Aerospace Training (not Air WA grant), Workforce Development Projects, Workers Comp Changes, Hospital Education and Training, Student Achievement Pool (2011-12 points), Revolving Fund Charges, SBCTC Bellevue IT Cost, OFM Risk Management, Unrestricted One-Time Reserves (this is part of the carryover; it comes to BBCC late in the year).

The 2011-12 closing went very well, and the carryover is due to efforts across campus to conserve.

Trustee Stephen McFadden asked for clarification of the grants in the Student Services budget (-\$22,369). VP Hamburg explained that some of the grants were overspent a little and because the efforts were accomplishing goals, the overages were paid out of state money.

Page 3 details the reserve balances as of June 30, 2012. The top box lists the reserve funds which started at \$3,998,240 and ended the year at \$4,114,891. None of this money is dedicated to the budget this year.

The middle box is the European Fund. This fund started at \$2,379,334 and ended at \$2,283,008. The annual \$100,000 COP payment is made from this fund.

The bottom box on page three lists the local dedicated funds. The Running Start balance is \$645,184 at year-end; \$400,000 is dedicated to the 2012-13 budget, leaving an uncommitted balance of \$245,184. The Interest Earnings ending budget is \$222,396 of which none is committed to the 2012-13 Operating Budget. The result of 88 FTEs is \$329,654 added to the excess enrollment fund, leaving a balance of \$1,689,767 and none of that is dedicated to the 2012-13 budget. The tuition ending balance is \$2,080,347 and \$1,524,352 is committed to the 2012-13 Operating Budget, leaving a balance of \$555,995 unobligated.

VP Gail Hamburg reviewed the Board policies (BP1000.2 EL 8 and BP6000), which require 2.5% reserves and two months of operating reserves (\$2,343,000). There is also a debt reserve for COP of \$3,710,000 and two reserves required with no dollar amount specified: unplanned capital repair and future operations. BBCC is in compliance with the reserve requirements; if state funding went away, BBCC could operate for nine months. It is standard practice not to use the funding noted in the top box of reserve funds on page 3.

Trustee Stephen McFadden asked about the tuition balance and the amount of \$1,524,000 dedicated to the 2012-13 budget. VP Hamburg said this is standard. We spend our state allocated budget first and then go to the dedicated tuition fund.

VP Bob Mohrbacher commented on the tuition balance, explaining there have been statewide budget conversations between two-year and four-year institutions about raising tuition and the use of local funds.

Trustee Mike Blakely asked if the reserve withdrawals have been replenished. VP Hamburg responded affirmatively.

President Leas commented that Minnesota State did shut down and the community colleges petitioned to be exempt from the shutdown. With our reserves we could continue a full academic year, and that's an important strategic position.

The operating budget was presented in August. The next seven pages detail the remaining institutional funds. First the proprietary funds, including the bookstore, athletic, ASB, and housing and food budgets, were discussed.

The bookstore budget information details three years of actual income, expenses, and net income and the projection for next year. The gross profit percentage last year was 31.7%; this is within the industry standard range. Total bookstore net income from operations last year was \$52,217. The bookstore pays \$30,000 toward the COP for the ATEC building; \$7,000 from the operating fees and \$23,000 from the net income. This year the bookstore had a \$29,217 increase in the fund balance, and it is projected to increase another \$25,200 in 2012-13.

Director of the Bookstore, Caren Courtright, anticipates future equipment needs like new cash registers within five years as noted on page 5. Director Courtright shared with the Board how the Bookstore is accommodating students financially by renting some of the books. Last fall six titles were rented, this fall 15 titles are available for renting. Psychology Instructor Dr. Ryann Leonard has discovered a new kind of text; a downloadable.pdf, that includes audio and an online reader. Students can also order the book from Flat World Knowledge. Students were surveyed, and they liked the downloadable.pdf. The downloadable.pdf combination costs \$34.95; the last textbook for that class cost approximately \$65. Some e-books are available for rent, but this is a text students can buy and keep forever. Director Courtright announced there are great BBCC t-shirts on sale for \$6.99 at the bookstore.

Trustee Mike Blakely asked about the average price students pay for textbooks. Director Courtright stated nursing students' textbooks cost over \$1,000 the first two quarters, and they continue to use them throughout the other quarters so the cost is spread out. The new emporium math book is \$23 for math 95, 96, 98. Faculty try to choose texts that cost less and in some cases can be used multiple years, which sometimes allows the opportunity to rent the texts. Trustee Blakely commented the students appreciate how the bookstore accommodates them.

The athletic budget is listed on page 6. The Services & Activities (S&A) account is funded by 9.7% of the tuition paid. The S&A account is divided between athletics and activities. It is projected that the athletic budget will receive \$236,500 from S&A and \$60,271 from fund raisers and camps for 2012-13. Expenditures are projected at \$310,000, resulting in a net loss of \$13,229. This is mostly due to a new state law forbidding state money funding athletics. BBCC athletics were funded by less than 2% of state funds last year.

Athletic Director Preston Wilks shared news from athletics. Athletics are a critical part of the BBCC campus and mission. There are three new coaches in volleyball, baseball, and softball. Financially, athletics have taken the biggest hit. Publicity around some of the four-year institutions coaching salaries influenced the approval of the state budget along with a bill mandating no more state money to athletics. BBCC has 85-90 athletes, and they must be full-time students to play. Each athlete is a student worth \$4,500 in FTE funding. Some big colleges have revenue generating sports programs, BBCC sports are not self-supporting.

AD Wilks explained that more information has been received, and the athletic budget projected shortfall is \$80,000. When tuition goes up, the S&A account also increases. VP Hamburg and VP Mohrbacher have talked about this, and they are working on a new funding model for athletics. Athletics also have reserves. If the funding model does not change, there will be drastic changes in the BBCC athletics programs. Every team fundraises; however, it is difficult to ask the community to give to BBCC rather than their youth and high school sports teams. AD Wilks stated VP Mohrbacher and VP Hamburg are both great supporters of athletics.

Trustee Mike Blakely asked about students paying for ASB cards. The S&A fees paid by the students pay for the ASB card.

Trustees Stephen McFadden asked about the sale of season passes for the team sports. VP Hamburg stated BBCC receives very little revenue from ticket sales. All students and employees attend sports events at no charge to encourage attendance.

AD Wilks asked the Trustees to share the plight of the athletic budget with legislators. He opined that athletes do not receive the full benefits of paying their tuition. VP Mohrbacher clarified that the student athletes do receive their education.

Trustee Mike Blakely stated student athletes are important on campus, and coaches are good for students.

AD Wilks announced that Coach Doumit's son, Ryan Doumit, professional baseball player from the Minnesota Twins and BJ Garbe will participate in the BBCC Booster Clubs Golf Tournament October 5.

The ASB budget is detailed on pages 7-8. When a student pays tuition, 9.7% goes to S&A fees, 3.5% goes to a financial aid fund, 9.5% goes to a statewide capital building fund, and BBCC keeps 77.3% for operations. The projected total ASB budget for 2012-13 is \$247,100.

ASB Advisor Kim Jackson reviewed the breakdown of S&A fees for the clubs. She explained that the ASB lunchfests are great for bringing students together and for the past ten years, they have steadily increased in popularity. Usually a live performer is featured. Due to rising costs, the lunchfest price will increase from \$3 to \$5. This is not to make a profit, however it is important to cover costs. The Back-to-School BBQ and Spring Fling Student Awards are the two largest ASB activities. Students are encouraged to bring family members to plant seeds for future students.

The ASB budget pays for the announcer at athletic events and publishing the student handbooks, which includes a planner with all events noted. ASB also fills welcome bags for the dorm students, including Sodexo, bookstore, and Lake Bowl coupons.

ASB's fundraising events include holiday bazaar, couch potato during basketball games, Killian Korn sales, and water sales during graduation. From the Foundation account, ASB donated money for the Eagle Scout Memorial BBCC sign account, picnic tables, and firework igniter system for outdoor ball games and the national anthem.

Next year ASB hopes to purchase used spinning cycles for the triathlon club. There are also 500 chairs for upcoming graduations and a solar-powered spotlight for the Eagle Scout Memorial project.

ASB surveyed students and based on the results, the couch TV room was remodeled into a club resource room.

This will foster good communication between club members. Two motivational speakers will be sponsored by ASB. ASB will fund \$400 for faculty members to bring speakers on campus. ASB officers are attending educational conferences. All clubs funded by ASB are making good money choices.

Trustee Mike Blakely asked for student club representatives to present information at future Board meetings. He also commended Advisor Kim Jackson for her dedication. VP Hamburg stated M&O staff remodeled the club room in 1400, and it is really nice.

The Housing and Food budget is detailed on page 9. The contract with the Fairchild Air Force Base allowed for some buildup of reserves in the food budget. We hope to break even with the food budget; if Sodexo does not break even, BBCC pays the difference. Fairchild also funded dorm improvements such as new AC, painting, fixtures, and appliances. This fall about 100 students will reside in the dorms. Capacity is 175. We are allowing students to have single rooms and saving rooms for special groups.

The spreadsheet on Page 10 shows the grants, contracts, internal service, and proprietary funds budgets for 2012-13. These totals have been fine-tuned since the Operating Budget presentation. In June the 2012-13 Grants, Contracts, and Proprietary funds were 55% of the total institutional funds; now they are 54%.

BBCC Grant activities were listed on pages 12-14. Sixty-two (62%) of the grants are for financial aid. Dean Clyde Rasmussen talked about the Department of Labor Aerospace grant. This is funding for training students to become employed in the aerospace industry. An additional instructor was hired to increase the enrollment in the AMT class. Rebecca Milligan shared more details about this grant. Spokane Community College is the fiscal agent for all community colleges involved in the grant. A lab assistant was hired for .75 time to free up instructors. A part-time navigator was hired to help with recruiting and retention. Resources were needed to keep students in the program. Computers were purchased, and FAA manuals will be loaded in to the computer rather than stacked on shelves. Six hangar computers and six lobby computers will be upgraded. A three-week pre-AMT class is starting soon to give students an idea of what it is like to work in the aerospace industry. The students will experience 18 hours of hands-on work with aerospace projects.

Ms. Milligan reported she is working on attracting students to the Aerospace field. Aviation Technical Services will be present for the fall hiring event. She also reached out to the Port of Moses Lake to gather information on bridging the gaps. The Aviation website is being reworked. Students' relocating is an issue, and BBCC's dorms are a good resource. Ms. Milligan attended the "Stand Down" at McCosh Park and an Air Show at McChord Air Force Base. She hopes to increase AMT enrollment from the current 16 students to 25 and an additional 20 for winter quarter.

Trustee Mike Wren said he recently toured the AMT program. The other Board members indicated interest in touring the AMT program.

Trustee Mike Blakely asked about adding fire suppression and control tower training to the curriculum. VP Mohrbacher reported Spokane Community College offers a fire/science program. Dean Rasmussen reported Green River Community College offers an air traffic controller program. He is working with the Washington State Patrol at their North Bend facility to expand the BBCC program.

Director of WorkFirst, Heidi Summers, talked about the Basic Food Employment and Training (BFET) program. BFET provides financial assistance and support services to recipients of Basic Food, also known as food stamps or food benefits. The goal of the program is to provide short-term education and training—professional-technical programs—in order to help recipients obtain higher wage jobs and more sustainable employment to lessen reliance on food benefits. This program started at Big Bend in July 2011.

In addition to receiving food benefits, students can get childcare assistance through this program—both of these benefits are not normally provided to full-time students, but they are to students in the BFET program. Funding is also available for tuition, textbooks, bus passes, emergency assistance with rent and childcare, and interview clothes. During the 2011-12 academic year, this program served more than 170 students. The BFET program provides a 50% reimbursement to the college on non-federal dollars spent on tuition and books. This means we co-enroll students in the BFET program along with Opportunity Grant, Worker Retraining, students receiving BBCC Foundation Scholarships, and students receiving State Need Grant. By the end of Federal fiscal year 12, this program will have returned more than \$218,000 in reimbursement to the college. The plans for this revenue include adding funds to State Work Study, additional tuition and emergency support dollars, textbooks added to the collection in the Student Success Center, additional innovation funds, one-time upgrades, and possibly funding a portion of an advising position for professional-technical students. The grants total \$11,169,568. There is also an additional \$962,179 in grants that are included in the State Operating Budget (ABE, ESL, Opportunity Grant and Worker Retraining).

The balance sheet on page 16 shows a snapshot as of June 30, 2012. All cash, except petty cash, and undeposited cash is pooled. The investment pool has had dismal performance. BBCC assets total \$ 69,064,071. The ATEC COP started at over \$5 million and is now down to \$3.7 million with a 4.1% interest rate. BBCC liabilities total \$26,149,136. The balance sheet reflects that BBCC is in a good financial place with a total fund balance of \$42,914,935.

The Business office is staying current on accounts receivable with only \$2,089 past due over 90 days.

VP Hamburg explained that page 19 provides detail on cash balances by fund by month, and page 22 shows the sources and applications of funds.

Trustee Mike Wren commended VP Hamburg on her budget presentation. He said the health in the budget has a lot to do with initiative and wise decision making over the past few years.

Board Chair Mike Wren announced a ten-minute break. The meeting reconvened 11:40 a.m. with no action taken.

Trustee Wren referred to the Board self-evaluation. Melinda will send the policy governance evaluation sheets for Trustees to complete, and the results will be discussed at the next meeting.

Trustee Jon Lane stated it is difficult to complete the evaluation sheets as there is always room for improvement; however he noted the value in discussing the evaluation sheets. Trustee Mike Wren commented each Trustee may rate the accomplishments differently, but there are trends that will emerge from the summary of the evaluation sheets. Trustee Lane also stated completing the evaluation is a good reminder of the Trustees' role in policy governance.

Trustee Lane asked about the Student Achievement Ends Statement. He indicated "new interventions" and "innovative" teaching and learning techniques could be added. He understands the Trustees' role in policy governance is to encourage the college in the right direction. VP Mohrbacher indicated the Academic Master Plan is more specific and addresses Trustee Lane's comments. BCC wants to be state of the art in learning styles and innovation and learning techniques. Where is this written in the Board goals? Trustee McFadden talked about funding the goals that are set. Trustee Mike Blakely stated being more prescriptive is not policy. He indicated the data gathering has been very helpful.

Trustee Lane discussed the goal of good learning and good teaching. He would like to explore new methods of teaching. Student achievement is the goal and innovative teaching is a subset of that goal.

President Leas suggested a policy statement to encourage instructors to employ innovative, creative strategies to enhance learning is appropriate. Trustee Wren and Trustee McFadden added staff should be authorized and encouraged but not mandated to explore innovative teach strategies. Trustee Lane commented a criticism of tenure is that once tenure is granted, instructors do not have to work to become better. Trustee Lane wants to encourage instructors to continually strive to employ new ways of teaching.

President Leas stated he had reviewed a few instructors' tenured portfolio binders, and the instructors were committed to professional development. The three-year tenure review is the mechanism by which the instructors are evaluated. Trustee Blakely stated he noticed a tremendous improvement trend among instructors in the probationary tenure review process as a result of feedback by their students and peers.

Trustee Mike Wren asked the Trustees to return the policy governance evaluation sheets to Melinda in the next week. He also asked the Trustees to share their 2011-12 self-evaluation comments at the next meeting to derive a combined Board statement. There may also be discussion regarding revising Board Ends Statements.

The meeting adjourned at 12:00 p.m.

Mike Wren Chair

ATTEST:

Terrence Leas, Secretary