

**COCONINO COUNTY COMMUNITY COLLEGE
DISTRICT GOVERNING BOARD**

WORK SESSION

FEBRUARY 25, 2014



**COCONINO COUNTY COMMUNITY COLLEGE
MINUTES OF A WORK SESSION
OF THE
DISTRICT GOVERNING BOARD
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A Work Session of the Coconino County Community College District Governing Board was held at the Lone Tree campus in the Board Room at 2800 S. Lone Tree Road, Flagstaff, Arizona. Board Chair, Mr. Patrick Hurley, called the meeting to order at 4:00 p.m.

PRESENT: Patrick Hurley
Patricia Garcia
Gioia Goodrum
Lloyd Hammonds
Nat White

Also present: Dr. Leah Bornstein, CCC President; Ms. Kellie Peterson, Legal Counsel; Ms. Jami Van Ess, Dr. Russ Rothamer, Ms. Veronica Hipolito, Mr. Scott Talboom, Ms. Gayle Benton, Ms. Suzzanna Rodriguez, Ms. Siri Mullaney, Dr. Monica Baker, Dr. Ingrid Lee, Mr. Joe Traino, Mr. Bob Voytek, Ms. Emily Lizotte, Mr. Michael Merica, Mr. Bob Sedillo, Mr. Mark Easton, Mr. Paul Wilkins, Mr. Dan Begay, Mr. Kevin Mullins, Ms. Ana Novak, Mr. Brian Harris, Ms. Barbara Seckinger, Ms. Pat Nelson, Mr. Don Johnson, Ms. Linda Barker, Ms. Jennifer Jameson, Mr. Paul Holbrook, Ms. Emily Robbie, Mr. Dave Ramos, Ms. Ofelia Gonzalez and Ms. Joan White, staff.
Others present: Mr. Alan Maguire, Mr. Richard Travis, Ms. Annette Zinky, Page Mayor Bill Diak, and Supervisor Lena Fowler.

All lists, reports, summaries, background material, and other documents referred to in these minutes can be found in the February 25, 2014 Documents File.

A. Discussion of Financial Austerity Plan Options – Ms. Jami Van Ess

Ms. Van Ess began by reviewing the General Fund deficits beginning with FY 2015 which indicated a \$533,450 deficit and increasing with each fiscal year thereafter until there's a \$1,778,290 deficit in FY 2021. She noted that the Prop 301 Funds will sunset in 2021 which will add another \$400,000 to the deficit for that year.

About \$1.3 million dollars is what is needed to fill in this gap in the College's General Fund. Ms. Van Ess pointed out in the next slide that a structural deficit exists which means that the Colleges expenses are outpacing its revenues from year to year.

On November 6, 2013, the voters of Coconino County rejected the override that would have provided financial sustainability for the College for the next seven years. What next? The Sustainable Financial Plan was again reviewed for any further cuts or efficiencies but all that remained were the viable programs that provide service to the community.

- A three-year enrollment analysis was done on every section offered by the College
- A three-year financial analysis by organizational detail level was reviewed
- Numerous data and options were presented to the Governing Board for review and consideration

The Board began by establishing the following assumptions and principles to guide their discussions:

Assumptions:

Sustainability of the College is priority
Continue to serve Coconino County District

Principles:

Make decisions related to College mission
CCC can no longer be everything to everyone
Identify time and resources for College to solidify future
Use data to make the best decisions for our students and community
Take long-term vs. short-term view
Communicate frequently and broadly to keep people informed
Attempt to balance reductions/cuts with revenue generation

Recommendations

Revenue Options:

- Increase standard tuition rate by \$2 per credit hour which equals a total of \$140,000. The Pell grant will be increasing by \$85 per year from \$5,645 to \$5,730 so this means that the increase in tuition will be covered by this Pell grant addition for the neediest students.
- Elimination of the tuition plateau from 16 – 18 credit hours which equals \$30,000.
- Implement differential tuition rates – higher tuition rates to higher cost programs in place of fees which is approximately \$148,858. This was recommended by the Citizens' Review Panel. About 56 percent of courses come under the standard tuition rate. The Differential Tuition rates would be \$5, \$10, \$15, \$20, \$25, \$30, \$50, & \$80 and would be added on to the standard rate of \$89 per credit hour. A typical student will have a variation of these rates. For a student in the Nursing Program, the core classes would be at the rate of \$169 per credit hour.
- Implement a credit card convenience fee of 2.75 percent to recover merchant charges which would be approximately \$17,300.
- Implement a \$40 per credit hour "no show" fee for students who register, hold seats in class and do not show which will be approximately \$65,000.
- Increase Parking Fees by \$6 per year, from \$45 to \$51 per year which equals \$25,400.
- Implement an employee Parking Fee of \$10 per year which equals \$4,300.
- The total of these revenue options comes to \$430,000.

Expense Options: Presented by Dr. Russ Rothamer

- The College has three core missions: Arts and Sciences, Career and Technical Education and Community and Corporate Learning. These three core missions are not sustainable at the current funding level and with an unsuccessful election initiative.
- Eliminate core mission – CCL (Community and Corporate Learning) contract training, business development which comes to \$170,342. There is duplication and competition of these efforts in the market place and CCL has not recovered its full costs.

- The possibility of retaining some of the more successful areas of CCL will be investigated. Those areas are: Prior Learning Assessment, relationships with entities like Good Will Industries, and some of the testing services.
- Eliminate the Small Business Development Center which has a required grant cash match of \$55,000.
- Page Campus – close the campus entirely or change it to an instructional site. There has been a decline in enrollment over the last three years (approximately 35 percent in FTSE as well as 35 percent in headcount). Half of the enrollment in Page is with Dual Enrollment so will be considering retaining this program.
- Closing the Page Campus would save approximately \$426,000 as opposed to changing to an instructional site which would save just over \$245,000.
- Reduce the Nursing Program from 40 to 20 graduates per year for a cost savings of \$95,000. This program has a very high cost per FTE (approximately \$31,000 per student compared to CCC's average cost per student of \$7,000).
- CCC's Nursing Program was rated last year by the Arizona State Board of Nursing as the highest performing program based on student retention as well as first time pass rate on the NCLEX RN examination.
- Eliminate the Dance Degree due to low enrollment which saves \$37,826. The higher enrollment courses would be maintained.
- Eliminate the Early Childhood Education Certificate as well as the Education Degree for a savings of \$34,700. This program has also had a decrease in enrollment and a low number of completers. Northern Arizona University has a strong program in this area
- Eliminate selected vacant positions for a total of \$185,765.
- Other College Initiatives: Reorganization of Academic Affairs for a savings of \$25,000 and changing the CCC tuition waiver benefit to tuition reimbursement with a grade of B or better which saves approximately \$6,000.

Bin Options: Presented by Ms. Jami VanEss

- Additional revenue and expense options reviewed by the Board included, but were not limited to the following:
 - Revenue Bin Options – (1) Charge students from other counties higher tuition rates, (2) Repurpose 20 percent of the Scholarship fee (currently \$2.50) and shift to regular tuition
 - Expense Bin Options – (1) Reduce/eliminate additional high cost academic programs, (2) Increase faculty load from 15 to 18 credit hours per term, (3) Close additional campuses, (4) Cap enrollment and (5) Close College for the summer semesters.

Summary and Next Steps – The Financial Austerity Plan needed to close the \$1.3 million gap to give the college some budget relief until FY 2021. The table below summarizes the Revenue and Expenses Options.

Revenue Options	\$ 430,858	Revenue Options	\$ 430,858
Expense Options with Page Campus closure (3A)	\$ 1,036,419	Expense Options with Page Campus Instruction Site (3B)	\$ 855,455
Total with 3A	\$ 1,467,276	Total with 3B	\$ 1,286,313

Next Steps:

1. College will take the next weeks to plan the necessary implementation of these items together.
2. Focus on Student Success – strengthen recruitment, advising, and career guidance, and improve on our student retention and completion rates.

Mr. Hurley said that the Board has been deeply involved in reviewing and studying facts and figures for the last few years. They have been looking at data to see what programs are productive and which ones are not. The information being reviewed at this meeting is what the Board requested staff to consolidate into the best case scenario of a bad choice which is a very difficult decision for this Board. Making these cuts at one time avoids having to make deep cuts on yearly deficits and allows the College to be sustainable for the next seven years.

Discussion on the Revenue Options:

Increase standard tuition rate by \$2.00 per credit hour

Each Board member expressed his/her opinion on the tuition increase.

Mr. Hammonds' preference was a \$3.00 per credit hour tuition increase over a \$2.00 increase. Although he is concerned about the impact this will have on students, a \$3.00 increase would be a total of \$90.00 per year for a full-time student. If a student really could not afford this, they could take one less class. He feels that the students should take on some of the responsibility due to the fact that the State appropriations continue to shrink, the override did not pass and expenses are ongoing. Compared to the national average tuition, CCC is still reasonable.

Dr. White felt that the \$2.00 per credit hour tuition increase should be the maximum amount. In order to generate the \$1.3 million dollars, thirty-three percent of it is coming from the students and he's not comfortable with anything greater.

Ms. Patty Garcia and Ms. Gioia Goodrum agreed with Dr. White. They are in favor of the \$2.00 tuition increase.

Elimination of the tuition plateau (from 16 – 18 credit hours)

Data was not available to know whether students who take the additional credit hours have higher retention rates but Mr. Merica, CCC's Institutional Research Director, said that in general, full-time students taking 12 and above credit hours tend to persist and be retained at a higher rate than part-time students.

Implementation of differential tuition rates

Course fees would be eliminated with implementation of differential tuition rates. Fifty-six percent of students come under the standard tuition rate and would not be impacted by the differential rates. Ms. Van Ess consulted with Yavapai College who implemented the differential tuition rates about three years ago. More and more institutions are looking at this type of tuition to cover the expenses associated with the higher cost programs. The Board members were in favor of this.

Implementation of a 2.75 percent credit card convenience fee to recover merchant charges

All Board members were in favor of this.

Implement a \$40.00 per credit hour "no show" fee for students who register, hold seats in class and then do not show up. This is a behavior modification effort and probably will not be ongoing for too long of a timeframe. All Board members were in favor of this.

Increase Parking Fees by \$6 per year, from \$45 to \$51 per year
All Board members were in favor of this.

Implement an Employee Parking Fee of \$10 per year.
All Board members were in favor of this.

Discussion of Expense Options:

Eliminate core mission – CCL Community & Corporate Learning, contract training, business development and eliminate Small Business Development Center

The Board members had great difficulty even considering the elimination of this core mission as it is so closely tied to workforce development. However, there is duplication and competition in the market place in providing these services. CCC may be able to retain Prior Learning Assessment, Goodwill partnership and Testing and this will require more conversation.

The Board members agreed on this elimination although reluctantly.

The Page Campus – Close the campus or convert it to an Instructional Site

Mr. Hammonds reminded the Board that the College was created to serve the entire Coconino County, not just Flagstaff. If the Page Campus closes, many people on the reservations will not be able to attend college and many of them will not be able to relocate, so accessibility would be removed. Mr. Hurley agreed that closing the Page Campus would underserve the County. It is possible to provide service through distance delivery means, however many students on the reservations might not have this access. If there is a way to save the Page Campus, Mr. Hurley is in favor of that. Ms. Goodrum agreed. Dr. White agreed but wants to know more about what an instructional site will look like. He sees the Page Campus as a source of pride and doesn't want that to go away.

Dr. Rothamer explained that instructional sites do not have the full student services and there would be a reduction in the courses offered. If this option is chosen by the Board, the next three weeks would be spent determining what this instructional site will look like. Dr. Bornstein added that it could be a very technologically supported site. Mr. Hammonds sees the opportunity for growth as long as the facility stays open but views the instructional site option as a reasonable compromise.

Reduction of the Nursing Program from 40 graduates per year to 20

Mr. Hurley expressed how difficult this is because he sees this program as the College's "shining star" and it is regarded as a highly successful program. He hopes that eventually it can be expanded. Dr. White agreed. Dr. Rothamer commented that the savings is in the cost of the instructors since the State Board of Nursing requires a certain instructor/student ratio. Ms. Goodrum agreed that it makes sense to cut the program in half.

Eliminate Dance Degree

This is due to low enrollment and graduates, however, some of the courses may be retained.

Eliminate the Early Childhood Education Certificate and Education Degree

Due to decreasing enrollment and low number of completers, elimination is recommended. Dr. White commented that there are other options with NAU here in Flagstaff.

Eliminate selected vacant positions – There are currently three vacant positions that would not be filled.

Bin Options – these are not being considered at this point but could be in the future.

Mr. Hurley asked Mr. Hammonds if he would consider going with the \$2.00 tuition increase option and he said that he would since that was the preference of the other Board members. The consensus on the Page Campus seemed to be to change the Campus to an instructional site.

Motion was made by Dr. White and seconded by Ms. Garcia to adjourn the Work Session at 5:12 p.m.

MINUTES PREPARED BY:

Joan White
Board Recorder

ATTEST:

Nathaniel White
Vice Chair/Secretary of the Board

APPROVED:

Patrick Hurley
Board Chair