

**COCONINO COMMUNITY COLLEGE
DISTRICT GOVERNING BOARD**

WORK SESSION

JANUARY 27, 2020



**COCONINO COMMUNITY COLLEGE
MINUTES OF A WORK SESSION
OF THE
DISTRICT GOVERNING BOARD
JANUARY 27, 2020**

A Work Session of the Coconino Community College District Governing Board was held in the Board Room at the Lone Tree Campus at 2800 S. Lone Tree Road, Flagstaff, Arizona 86005. Board Chair, Ms. Patricia Garcia, called the meeting to order at 5:24 pm.

PRESENT: Patricia Garcia
Patrick Hurley
Marie Peoples (attended by conference call)
Joseph R. Smith
Nat White

ABSENT: None

Also Present: Dr. Colleen Smith, CCC President; Dr. Kimberly Batty-Herbert, Mr. Keith Becker, Ms. Sarah Benton, Ms. Colleen Carscallen, Mr. Brian Francis, Ms. Kimmi Grulke, Mr. Brian Harris, Mr. Larry Hendricks, Mr. Jeff Jones, Ms. Kay Leum, Dr. Michael Merica, Mr. Steve Peru, Mr. Anthony Rivera, Ms. Suzzanna Rodriguez, Ms. April Sandoval, Mr. Dietrich Sauer, Mr. Bobby Sedillo, Dr. Nate Southerland, Mr. Kurt Stull, Ms. Jami Van Ess, Mr. Bob Voytek, Mr. Anthony Williams, Mr. Brian Wilson, and Ms. Isabella Zagare.

Reports, summaries, background material, and other documents referred to in these minutes can be found in the January 27, 2020 documents file.

Follow Up

- Mr. Patrick Hurley asked for information on how much money the College uses for emergency loans and how what percentage of those loans are paid back. Mr. Joseph Smith asked if there was a cap on the amount available for emergency loans. Ms. Jami Van Ess will work with Mr. Bob Voytek to gather this information.

DISCUSSION/INFORMATION ITEMS

A. Budget Retreat – Ms. Jami Van Ess

- i. Budget Status Report through December 2019**
- ii. Budget Guiding Principles**
- iii. Background and Trends**
- iv. Budget Assumptions and FY21 Outlook**
- v. Tuition and Fees**
- vi. Compensation**

Ms. Jami Van Ess reviewed the Budget Status Report with the Board and gave a presentation that covered the preceding agenda items. For additional details on the report and presentation, please see the January 27, 2020 documents file.

The Board discussed differential tuition and course fees and the way that additional charges for classes may affect access to those classes for those that cannot afford the additional costs. The College uses differential tuition in place of class fees, and it is only used for those classes that have

higher costs associated with them. For those classes, the College has to account for those costs somewhere in the budget. The current practice passes along some of those expenses to the students that participate in those classes. Many of the students in programs with higher costs have some level of employer subsidy for tuition in addition to financial aid.

Mr. Patrick Hurley asked for information on how much money the College uses for emergency loans and how what percentage of those loans are paid back. Mr. Joseph Smith asked if there was a cap on the amount available for emergency loans. Ms. Jami Van Ess will work with Mr. Bob Voytek to gather this information.

Additional discussion on the presentation and questions asked by the Board included:

- The various tuition, compensation, and benefits options and how they could be combined.
- How any salary adjustments would affect redlined employees who received a one-time payment last year.
- The difficulty the Board has in approving tuition increases knowing that these increases have a financial impact on students.
- The difficulty the Board has in balancing tuition increases with salary and benefits increases.
- A proposed student survey on tuition and ways it could be incentivized to encourage students to participate.
- The differences between the compensation committee recommendation and the assumptions built into this version.
- The level of tuition increase that would be needed to support the compensation committee recommendations and available funds for any budget increases.

vii. Board Direction

Board members discussed their thoughts so far on the budget items. Dr. Nat White expressed difficulty in figuring out how to meet the goals of the College inside the parameters of the College's budget situation. Dr. White would like to meet the various goals of the College, keep student costs as low as possible, and pay the staff in a way that indicates their value to the organization. He was supportive of moving forward with the basic budget assumptions Ms. Van Ess built into her presentation and felt that adding more would place a larger burden on our students. Dr. White is also supportive of an increase in out of county tuition.

Mr. Joseph Smith suggested that the Foundation work to raise funds to assist in covering differential tuition costs and asked how much revenue would be needed to cover the costs being paid for by differential tuition.

The Board discussed what differential tuition is used for and how similar it is to lab fees charged by other colleges. If the College did not charge these fees, choices made by students to participate in these classes would be subsidized by other students. The Board discussed how differential tuition would be applied to new programs and that it would not affect every class proposed for these programs, just those with higher costs to offer. Dr. Nate Southerland and Ms. Jami Van Ess discussed how differential tuition is calculated and that it is not intended to cover all costs related to the course. The College and other revenue sources make up the additional costs. To provide good instructional experience in some areas, offering classes requires additional materials, field trips, etc. Those costs

either have to be passed along to students participating in these classes or the College has to reduce expenditures in other areas to cover these costs.

The Board discussed how the assumptions affect the budget amounts presented today and where there may be places to absorb changes without exceeding revenues. Some of the items presented today are also preliminary numbers and could affect the amount of revenue available.

The Board discussed the possibility of not charging differential tuition for the new programs for a trial period and reconsidering this decision when funds are not available to support these expenses. This would be a pilot program to encourage enrollment in the programs, and there are concerns with equity between students in existing, high-cost programs.

Ms. Van Ess estimated that somewhere around 75% of courses do not have differential tuition rates. Differential tuition applies to certain, high-cost courses.

Mr. Patrick Hurley expressed his support for Dr. Nat White's earlier comments related to support of the budget assumptions and increases in out of county tuition. Mr. Hurley is finding it difficult to suggest raises to employees to help with the high cost of living in our County and how increases in benefits costs could negate that raise.

Ms. Jami Van Ess suggested considering using the one-time funding approved by the legislature to cover any costs for differential tuition. She also suggested modifying the budget assumptions and moving funds to cover these expenses.

Ms. Patricia Garcia expressed concern that adding course fees to new programs will make them inaccessible to lower-income individuals. Ms. Garcia sees nursing programs as exclusive, and adding course fees like the ones proposed for geology classes make it difficult for lower-income students to access those classes. Ms. Garcia is also uncomfortable spending any budget capacity because a drop in enrollment could affect revenues. Overall, Ms. Garcia is comfortable funding the assumptions presented in the budget but is not comfortable moving forward with all of the compensation committee recommendations.

Mr. Joseph Smith is comfortable with using one-time money to cover the expenses that would be charged as differential tuition for new programs.

Ms. Van Ess reviewed the budget timeline and when the District Governing Board would need to make decisions to meet the timeline required by the state. She will have a better idea of the amount the College will receive from property taxes on February 10, 2020, but may not know about any increases in state funding until after June 30, 2020. Enrollment is another uncertain area. The College has been working on strategies to increase enrollment and retention, but the economy is good, which traditionally means enrollment will go down.

Ms. Van Ess summarized the Board's direction so far. The Board supports the budget assumptions presented in this budget model, has some issues with the differential tuition recommendations, and has issues with some of the Compensation Committee recommendations. The Board is also supportive of using one-time funding to provide enough revenue to remove differential tuition rates for three new programs: Cyber Security, Veterinary Technician, and Marine Maintenance.

Dr. Nate Southerland asked the Board for guidance on what would assist the Board in deciding on the proposed differential tuition rates for geology classes. The goal of the increased tuition revenue would be to provide learning opportunities for students in these classes, similar to what other institutions are offering.

Dr. Marie Peoples expressed her struggle with this conversation and not considering how tuition increases impact students. For her, this conversation doesn't align with the College Mission and Guiding Principles. She does think the Board could do better and is having trouble moving forward with a decision that she feels is not good for students.

The overall Board direction is to follow up with alternative solutions for the differential tuition rates proposed for geology classes; attempt to fund differential tuition for new programs out of one-time money; use the budget assumptions presented tonight; leave room for the Board to have options when deciding on compensation and benefit recommendations.

The Board asked Ms. Van Ess to fine-tune the budget options based on the conversation tonight and the impact some of the suggested decisions would make.

Mr. Patrick Hurley asked for clarification on the bottom-line impact of the changes suggested to the steps on the faculty salary schedule. Ms. Van Ess reviewed various options for changes to the faculty salary schedule.

The Board would need more information to consider the entire recommendation from the Compensation Committee.

ADJOURNMENT: The Work Session Adjourned at 8:24 pm.

MINUTES PREPARED BY:

Ms. April Sandoval
Board Recorder

Dr. Marie Peoples
Vice Chair/Secretary of the Board

Ms. Patricia Garcia
Board Chair