

Navajo County Community College District Governing Board Study Session Minutes

January 18, 2011

2251 East Navajo Boulevard, Holbrook, Arizona, 86025

Governing Board Members Present: Bill Jeffers, Ginny Handorf and E.L. Parsons.

Staff Present: President, Jeanne Swarthout; Vice President, Blaine Hatch; Vice President, Mark Vest; Director, Eric Bishop; Recording Secretary to the Board, Russell Dickerson.

Reports:

1. Study Session Agenda Item 1.: Shared Governance (Informational) – President Swarthout

Dr. Swarthout presented a new shared governance structure as outlined in college procedure 2125 and explained that the updated procedure provides for a more streamlined committee structure. Dr. Swarthout added that the new governance model increases student, staff and faculty involvement, provides for greater transparency and accountability and more clearly defines communication pathways between shared governance entities. Dr. Swarthout noted that the new governance structure also includes a definition and purpose of shared governance to provide greater understanding of what shared governance means to the institution. Dr. Swarthout explained that the shared governance procedure was disseminated to the faculty and staff organizations and feedback was incorporated into several successive revisions. Responding to a question from Chairman Jeffers, Dr. Swarthout stated that there is strong college-wide consensus that the new shared governance procedure is an improvement and that it will be implemented in fall 2011.

2. Study Session Agenda Item 2.: Distance Education Guidelines (Informational) – Vice President Vest

Mr. Vest presented the latest iteration of the college's Distance Education Guidelines and explained that the document recognizes the emergence of technologies that go beyond the audio, video and Internet based coursework the college has implemented for years. Mr. Vest explained that the guidelines include language and structures for developing web conferencing classes and the creation of hybrid class environments through the introduction of technology into stand alone classes. Mr. Vest noted that the guidelines spell out how the college's Faculty in Educational Technology will provide technical quality control for distance education courses through the use of a nationally recognized quality rubric. Mr. Vest added that an extensive quality review of existing courses will occur for new and existing distance education courses.

3. Study Session Agenda Item 3.: Proposed Revision to Procedure 2720 (Informational) – Vice President Hatch

Mr. Hatch reported that the revised procedure expands upon the reduction in force procedure to include adjustments in work hours and compensation, as well as furloughs, thereby providing increased flexibility to the college in the face of ongoing State funding concerns and the general economic outlook. Mr. Hatch added that the revised procedure allows the college to make employment term adjustments mid-contract in order to address circumstances not controlled by the college. Mr. Hatch explained that should adjustments to terms of employment become necessary, staff will present a recommendation and information to the Board. Mr. Hatch explained that should the Board approve the staff recommendation, changes to terms of employment would take place no sooner than 90 days for an existing contract. Dr. Swarthout added that the 90 day timeframe is of sufficient length so as to allow the affected employee to finish out a semester or see a program to completion prior to changes to employment status. Responding to the concerns of Mr. Parsons, Mr. Hatch explained that through good financial planning and frugality, the college currently has reserves that would allow the college to adjust to virtually any circumstances and clarified that the 90 day timeframe is not a severance, rather a 90 notice requiring Board approval prior to implementation. Chairman Jeffers noted that the 90 day timeframe aligns well with the length of a semester. Dr. Swarthout explained that proposed revisions to procedure have been reviewed by the college attorney and will go out to the college today for a period of review and comment.



4. Study Session Agenda Item 4.: Proposed Revision to Employee Contracts (Informational) – Vice President Hatch

Mr. Hatch presented the revised employee contracts which reference Procedure 2720 and includes language that allows the college to adjust base salaries for all types of employees due to changed circumstances. Mr. Hatch explained that the new contracts come in three versions, faculty, staff and administrators. Mr. Hatch explained that staff members are those employees that are neither faculty nor administrators and added that administrators serve at the pleasure of the college president without entitlement or expectation of a continued contract. Responding to a question to Chairman Jeffers, Dr. Swarthout confirmed that in most cases, a reduction of salary would be the primary course of action as opposed to a reduction in force. Dr. Swarthout added that the new contracts are simpler, more easily understood and that NPC is the last Arizona community college to incorporate this type of language into employee contracts. Board members agreed that the college needs to be in position to take action in a financial worst case scenario. Dr. Swarthout reported that the new contracts will be sent out to the college for a two week period of review and comment and that they will be brought back to the Board by April for formal approval. Mr. Parsons asked staff members to research contract language from other colleges with regard to the 90 day timeframe for employee notification noting that the State tends to make adjustments to funding in January or February which would result in the 90 day timeframe coinciding with the end of the fiscal year. Mr. Hatch reiterated that due to sound financial management, the college has the ability to manage necessary adjustments for the 90 day period without adverse effect to the college. Mr. Parsons suggested that procedure language should read “may give 90 days notice” which would give the college the flexibility to make adjustments in the face of catastrophic financial circumstances.

5. Agenda Item 7.A.: Request to Approve Open Pathway for Accreditation – President Swarthout and Director Bishop

Dr. Swarthout presented the Strategic Planning and Accreditation Steering Committee (SPASC) recommendation to approve the Open Pathway for accreditation from the Higher Learning Commission (HLC). Dr. Swarthout explained that NPC is in the first group of institutions that must choose a pathway due to the timing of the last accreditation visit. Dr. Swarthout reported that SPASC and the college have looked carefully at the two pathway options and even invited Dr. Lynn Priddy of the HLC to the spring 2011 convocation to present more information on the Open Pathway. Responding to a Board question, Dr. Swarthout explained that NPC is scheduled to enter a new accreditation pathway in 2012-2013 as the 10 year model is going away. Responding to a question from Chairman Jeffers, Mr. Bishop explained that the college could be ready for the AQIP pathway in five or six years but currently, the AQIP requirements and formalized processes are outside of the scope of what the college can accomplish. Dr. Swarthout added that the college’s Institutional Research function is not yet ready to work under the AQIP model. Dr. Swarthout explained that Open Pathway gives the college the liberty to choose projects that will improve the institution.

6. Agenda Item 7.B.: Request to Approve Budget Development Calendar – Vice President Hatch

Mr. Hatch presented the staff recommendation to approve the proposed 2011-2012 Budget Development Calendar and reported that beyond the updating of dates for 2011, not much has changed from the previous year calendar sequences. Mr. Hatch reported that budget estimates are being generated and departmental budget information is being collected. Mr. Hatch summarized the calendar which included the following: initial review of a proposed tuition and fee schedule in February with final adoption scheduled for March; presentation of the preliminary budget analysis and wage and salary schedules in March; review of the proposed budget and salary schedules in April with final budget adoption scheduled for May 2011 following budget and truth in taxation hearings. Responding to a Board question, Mr. Hatch acknowledged that the college does not always have all financial information from external entities prior to the beginning of the budget adoption process and in the past has received adjustments to financial information from State and County entities after the budget process has begun. Mr. Hatch recommended that the college continue to formulate a budget based upon the best information available, noting that a budget can, at any time, be adjusted downward following adoption.

Mr. Hatch reported a proposed budget has been unveiled by the Governor’s Office. With regard to NPC, Mr. Hatch reported that the Governor’s budget calls for a cut to State operating aid of about \$2 million, or 47%, and a small reduction to equalization funding. Mr. Hatch reported that over the last decade, the college has become more reliant on State equalization funding as operating aid has continued to be reduced. Mr. Hatch noted that the reference in the



narrative section to 2007 is beneficial as it captures the height of State funding of community colleges. Mr. Hatch added that State assertion that community college funding is being cut by only 6% is based upon outdated estimates by college chief financial officers with regard to property tax and tuition revenues. Mr. Hatch added that Navajo County tax assessments are estimated to be down by about 3% resulting in a tax levy amount, assuming the maximum 2% increase, decrease of about \$150,000 for the college. Mr. Hatch anticipates that all college revenue amounts will fall well short of the figures contained in the budget proposal. Mr. Hatch reported that currently, tuition and fee revenues are lagging behind budget expectations with about \$400,000 collected for the first half of January 2011. Mr. Hatch reported that NPC is the only community college currently experiencing an enrollment decline and added that historically, NPC, due to its demographics, tends to be a leading indicator of enrollment for the state. Mr. Hatch reported that overall, Arizona community colleges will see a two-thirds reduction, approximately \$73 million, in operating aid as well as a small reduction to equalization aid.

7. Agenda Item 7.C.: Request to Approve Acceptance of Nursing Grant – Vice President Vest

Mr. Vest presented the staff recommendation to approve acceptance of a \$30,000 direct grant to the college to provide scholarships to Nursing students. Mr. Vest reported that the college has administered the HRSA grant several times in the past, most recently in 2009. Mr. Vest reported that historically, availability of the grant funds has positively affected Nursing program completion as well as performance on Nursing examinations. Mr. Vest reported that scholarship funds are based upon a set of established objective criteria.

8. Agenda Item 7.D.: Request to Approve Intergovernmental Agreement with Navajo County – Director Bishop

Mr. Bishop presented the staff recommendation to approve a network sharing agreement between Navajo County and NPC that will allow both taxpayer supported entities to work together to save money. Mr. Bishop reported that there are several current Navajo County projects that could utilize the college's expanded network resources for substantial cost savings and added that he anticipates that future college projects will realize cost savings through the network sharing relationship. Mr. Bishop reported that the agreement was drafted by the college attorney and that there is no detriment or negative financial impact to the college.

9. Agenda Item 7.E.: Request to Approve Land Lease with the White Mountain Apache Tribe – Director Bishop

Mr. Bishop reported that the college had a land lease that lapsed in 2009 and the college has since continued the relationship on a month to month basis. Mr. Bishop explained that the college wanted to have a current land lease in place prior to making improvements at McKay's Peak and Whiteriver Point. Mr. Bishop reported that the new lease agreement starts at a rate of \$7,200 per year with 2.5% increases each year for an initial term of seven years, with an option to extend for an additional 5 years.

10. Agenda Item 7.E.: Request to Grant Sewer Easement – Vice President Hatch

Mr. Hatch explained that the Town of Snowflake has approved the extension of a sewer line north of the Silver Creek Campus running along the ADOT right of way which needs to join up with a manhole that is inside the campus property, just south of an entrance to the parking lot. Mr. Hatch explained that instead of having to cut through the entryway, the line can be run into an existing sewer line that is already below the entryway. Mr. Hatch reported that developer Kelly Willis is amenable to the installation of a backflow prevention device that would prevent sewer problems at the Learning Center building. Mr. Hatch recommended that the Board approve a sewer easement with the Town of Snowflake and that Dr. Swarthout be authorized to sign the document. Snowflake Town Manager Paul Watson and engineer Doug Brimhall addressed Board member concerns over a 90 degree turn in the proposed sewer line and Mr. Willis made assurances that college landscaping would be returned to its current state upon completion of the sewer line work.

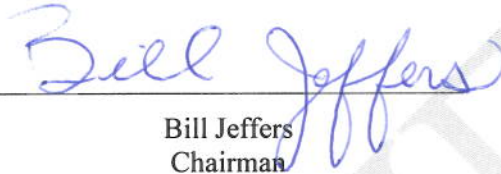
Study session ended at 11:00 a.m.



Respectfully submitted,



Russell Dickerson
Recording Secretary to the Board



Bill Jeffers
Chairman



Ginny Handorf
Secretary to the Board

APPROVED

