

MINUTES

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT GOVERNING BOARD SPECIAL WORK SESSION

Tuesday, April 14, 2015
Douglas Campus
4:30 p.m.

1. GENERAL FUNCTIONS

1.01 Call to Order

Mr. DiPeso called the meeting to order at 4:32 p.m.

Board Members Present:

Mr. David DiPeso
Dr. John Eaton
Mr. Dennis Nelson
Mrs. Jane Strain (telephonically)

Board Members Absent:

Mr. Don Hudgins

2. New Business

2.01 Presentation and Discussion of the FY16 Budget

Dr. Rottweiler informed the Board Chair he sent the FY '16 Budget Work Session handout and all the documents to be presented at this work session to Mrs. Strain and Mr. Hudgins. The draft budget handout contains literally every line item in the budget.

Dr. Rottweiler began with the slide presentation handout and stated we are mission driven; our budget follows along our mission, which is providing accessible and affordable educational opportunities to diverse communities that lead to three key things – constructive citizenship, meaningful careers, and lifelong learning. We continue to remain mission focused. He stated we also want to make sure the budget is strategic, and this budget encompasses all our strategic priorities. We continue to try to leverage competitive advantages, such as aviation on the Douglas campus and health care on the Sierra Vista campus; excellence, making sure we're doing the very best we can in any program; our continuing emphasis on 'everything speaks'; student completion; and our newest strategic priority – institutional effectiveness, trying to be as effective an institution as we can.

Funding – Dr. Rottweiler stated the first discussion is always on the revenue side. As presented in previous discussions, the three-legged stool of funding for community colleges includes state aid, property taxes, and tuition and fees. He directed the Board's attention to the draft budget handout, and pointed out that they would see each of the areas that relate to the revenue. State aid includes the funding formula established in Arizona statute – M & O (FTSE), Equalization, and Capital Outlay/STEM. Property taxes include the primary tax levy to support Cochise College and constitutionally controlled Prop 301. Dr. Rottweiler stated we are recommending in this budget, and requesting the Board approve, the max increase in tax. Discussion around a 1% cap and taxing in other districts followed.

Revenue – Dr. Rottweiler stated for years we have been in the red in State Aid/M&O and Equalization - in FY '10 we were over \$15.3M. We have decreased in FY '15 to \$9.2M. For the first time since he has been here, we are in the black. He added it's easy to be excited and feel good about that, but overall, we're down about \$5.8M over those five years. The college has worked really hard to continue to balance things and move things forward with decreased revenue.

Capital Outlay and STEM was zeroed out in 2009. In 2014, we were able to get \$450,000, last year we were at formula, and we remain at formula this year. We've been able to bring some resources back to the college to help us balance and do some things. Looking at the \$598,089 property tax, should the Board approve the max, about \$350,000 is the increased 2%, with the remainder being new construction.

Regarding tuition and fees – the Board approved a \$2 per credit increase at last month's meeting; we are at \$2,310 for 30 credits - +\$60 (a 2.7% increase). If you look at the cost of the Board approving 2% on a property tax holder, the students are paying a greater portion than the property tax holder. Our tuition rate puts us 'middle of the pack' in Arizona, and it puts us in the bottom quartile nationwide.

Dr. Rottweiler stated our budget principles are the same as they have previously been; we want our decisions to be student centered, keeping students and student success at the center; employee friendly, in that we want to recognize that our employees are the ones who gets things done; and future focused, we're not trying to hunker down – we want to move the college forward!

What have we done? Dr. Rottweiler reviewed changes/reductions/savings, as follows:

- This year we budgeted based on Actuals for the last 2 years
- Budgeted no Carry-forward, which has freed up some resources
- Associate Faculty Efficiencies
- Non-student Hourly Efficiencies
- Two positions that became open that will not need to be filled

Strategic Initiatives include:

Human Resources

- Salary and Benefits
 - Recommending a 2% increase for all Regular Employees (hired before 2/1/14)
 - Recommending resources for Compensation/Equity Adjustments
 - Employees hired prior to 2013, with more than two years and less than four years of service – review salary to see if they are properly placed (one-on-one basis)
 - Employees hired prior to July 2013, and incumbent has four or more years of service, should be at 90% of mid-point. If they aren't, they will be moved to mid-point.
 - Employees who have been with the college 10 or more years will be moved to mid-point.

Dr. Rottweiler stated he believes this will bring all employees to an equitable base. This is what's happening in the school districts and the cities, and it's what happens when you can't give appropriate raises over years; you try to make

some adjustments, and it has an effect on people new coming in making more than those who have been with the organization for an extended period of time. He added that there will also be some minor adjustments to some in senior administration, based upon market analysis; however, this will be a separate process.

- \$10/credit increase for Associate Faculty (\$685/credit hour)
- Employee Senate and Employee Relations are reviewing all 600-level policies (Human Resources/Personnel level), to adjust primarily Policies 617, 619 and 620, dealing with placement.
- ASRS has a slight decrease of .13%
- Our health insurance rates with the Cochise Combined Trust will remain at the same current rates. A high deductible plan will also be offered, along with a health savings account. Deductibles will move from a calendar year to a fiscal year.
- New Positions

(Mr. Nelson stated that one of the areas discussed at the GISS was the huge push to get developmental education and one college course completed in one year. He inquired if the college is doing anything in anticipation of this. Dr. Rottweiler stated that Dr. Fick has compiled a list of things we need to do. Dr. Fick stated he has already begun conversations with interested people on campus, talking about developmental education and models. We are in a writing process with U of A South on a Title V grant. This plan will be written up and become part of the grant. If the grant comes through, we will have money. If it doesn't come through, there is money in the president's (innovation fund) budget).

Strategic Initiatives (continued)

- Fully Funded Downtown Center
- Microscopes, I.R. Spectrometer, Autoclaves
- Welding Equipment
- Wood Kiln
- Banner Enhancements
- Deferred Maintenance
- Directional Signage (District-wide)
- ITV classroom and Technology upgrade
- Master Facilities Planning (District-wide)
- Innovation Fund

Mr. Nelson inquired about the funding for the automotive center. Dr. Rottweiler stated the center was funded in the current year's budget. Mrs. Strain inquired if the \$10 per credit hour increase for associate faculty still puts us in the 'middle of the pack' within the state. Dr. Rottweiler stated we are clearly below some that are at \$700; however, most of the rurals are in the \$675-\$695 range. Our \$10 probably doesn't bring us up to the full average, but we believe, percentage-wise, it is appropriate with what we are doing with the rest of our employees.

In summary, Dr. Rottweiler stated the FY 2016 budget is based upon the college's mission and strategic priorities. It follows the principles of being student centered and employee friendly – there are no reductions in force, we are providing a raise, and we will try to do some things around equity. It is future focused, looking at where we need to be, not only this next year, but the following year as well. The budget includes conservative projections

for both revenue and expenses, and is based upon the governor's budget. It addresses strategic priorities, employee compensation, and deferred maintenance, and provides for appropriate contingencies, growth, and opportunities. Most importantly, the budget is balanced.

3. ADJOURNMENT

Mr. DiPeso adjourned the meeting at 5:40 p.m.

Respectfully Submitted:

Ms. Loretta Mountjoy, Executive Assistant, Office of the President

Dr. John Eaton, Secretary of the Governing Board