

APPROVED MINUTES

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT GOVERNING BOARD WORK SESSION

Tuesday, March 14, 2023

Work Session

3:30 p.m.

1. GENERAL FUNCTIONS

1.01 Call to Order

Mrs. Strain called the meeting to order at 3:30 p.m.

Board Members Present:

Mr. David DiPeso
Mr. Don Hudgins
Mr. Dennis Nelson
Mr. Tim Quinn
Mrs. Jane Strain

2. NEW BUISNESS

2.01 FY204 Proposed Budget

Dr. Rottweiler presented the FY'24 Preliminary Budget; highlights include:

- Budget is tied to the college mission and vision
 - Providing inclusive and assessible educational opportunities that support social responsibility, community engagement, meaningful careers, and lifelong learning.
 - Transforming and empowering community by fostering collaborative relationships and providing innovative educational pathways.
- Strategic Priorities are the budget drivers
 - Equitable access to technology
 - Assess, develop and improve student wellness
 - Data Management
 - Assess, add and/or modify educational programs, which increases support for individuals, communities, and the economy
 - Arizona Reskilling and Recovery network
 - Non-credit programs
 - Micro-credentials
 - 4-year degrees
 - Data tracking industry trends for workforce program development
 - Strengthen university transfer
 - Pathways to enhance career training for high school students
- Budget Principles
 - Base Forward focusing on
 - Student Centered
 - Data Driven
 - Employee Friendly
 - Technologically Enhanced
 - Future Focused

- Anticipated New Revenues (\$2,135,928 - \$3.6M dependent on Governor's approved budget)
 - Increased Tuition - \$2 per credit hour
 - Primary Tax Levy – Requires Truth in Taxation (TNT) (\$1.5M potential with approved 6%)
 - Primary Tax Levy – New construction (no TNT needed)
 - State Aide (M&O) – “Skinny” Budget
 - State Aid (Equalization)
 - State Aid (Rural Aid – Ongoing)
 - State Aid (Rural Aid – Onetime)

Dr. Wendy Davis presented FY'24 Compensation Considerations; highlights include:

- Continued impact from inflation
- Increases in health care costs (10% - 13.6% increase)
- Increases in retirement contributions (increase from 12.03 to 12.17%)
- Other AZ Community Colleges- Average of 6% increase
- Proposed average of 6% salary increase by:
 - Increasing base structures by 3%
 - Providing a 3.5% base adjustment for employees, plus \$1500 added to the base

General Comments/Questions:

Dr. Rottweiler noted issues Cochise College is seeing and recommendations concerning the budget from administration.

- The down side of an across the board percentage salary increase is that it creates compression, which is pushed by minimum wage.
- The administrations recommendation for this year is a 3.5% increase plus \$1500. This is based off comparators in the state and in other Mountain States. However, the classified and professional staff base structures will increase by 6% and all others a 3% base increase in order to stay ahead of minimum wage.

A lengthy discussion was led between administration and board members regarding truth and taxation. Mr. Hudgins questioned what other college district's levies look like. Dr. Rottweiler and Dr. Davis both explained each county is different in the sense that some can live off of new construction only, while others are doing their max levy. Dr. Davis stated that the current truth and taxation (TNT) rate is 2.4297. If the board chose to do nothing, the rate would drop to 2.3649; However, if the board chose to do the full 6% (the max amount), the rate would be 2.5098 (\$14.49 per \$100K). The college president noted that the decision is up to the board, but he strongly believes the college cannot continue without increasing property taxes.

Mr. Quinn discussed how to cover the \$1.5M deficit, and if spending \$100K on a sign for Benson is the best use of resources. In response, Dr. Rottweiler stated the highway located in front of the Benson Center is a prominent marketing location, promoting Cochise College Programs and assured him the initiative will be completed with end of the year funds. Mr. Quinn responded stating the only way the college could correct this deficit is if the board raises property taxes, pull funds from savings, cut programs, or a combination of all, unless the Governor approves a budget that includes her proposal, then the college would be up \$1M.

Responding to Mr. Hudgins, Dr. Davis noted the current fund balance is \$28M with \$14M coming out for capital construction projects and the other \$12M being saved to run operations for three months, leaving \$2M for the board to use. Mr. Hudgins suggested taking out \$1M from the fund balance and raising property taxes by 2% to correct the \$1.5M deficit, leaving

\$250K to be ahead of the game. Dr. Rottweiler agreed stating that the fund balance could be used for the ERP implementation, or to help fund facilities projects. After much deliberation, the board would like administration to bring back data on raising property tax to 1%, 2%, and 3% for further consideration.

Food Service for a Profit Center

Dr. Rottweiler led a discussion noting that Cochise College has become the go to for all things catering; the college can continue as is, which includes turning down many organizations, or turn it into a profit center and hire the appropriate staff to fulfil the requested need. This situation could give the college a chance to solicit new opportunities.

General Comments/Questions:

Mr. Quinn expressed that he does not think the college should expand the catering services. He stated it is not in the college's mission or vision statement. The goal of the organization is to educate not to provide a catering service to outside organizations. Dr. Rottweiler responded noting that "community engagement" is part of the college's mission statement and providing event location and catering is filling a current need in the community.

Mr. Hudgins, Mrs. Strain, and Mr. Nelson feel that the college could fulfill the need in the community until there is other options in the community. Mrs. Strain stated there is an issue with saying no to the needs of the community. While Mr. Hudgins and Mr. Nelson agreed there needs to be a balance, but it could also provide employment opportunities for students.

Mr. DiPeso noted that he does not mind providing catering services, but the students should be involved and he agreed with Mr. Quinn on not expanding but keeping it going as best as possible.

Aviation:

Dr. Rottweiler began a discussion in regards to the Aviation Program stating in July of 2019, the College implemented the QS2 initiative (Quality, Stability and Sustainability) in order to save the program, and in July 2021 the program was restructured. As of March 2023, the institution is down to one full time faculty and no Chief Flight Instructor (CFI).

However, hiring Chief Flight Instructors under part 141 has been an ongoing challenge for Cochise College. In order to operate as a part 141 flight school, the institution has until April 6th to designate a CFI. Although, the college has found a temporary assistant CFI, it is looking at four major options when it comes to continuing the aviation program which are as follows:

1. Hire part time CFI(s)
2. Contract for third party provider for flight instruction
3. Move program to Tucson/Marana or Phoenix with Douglas as Satellite
4. Sunset the current program.

Director, Belinda Burnett noted her biggest fear is that the Federal Aviation Administration show up and say the college cannot recruit adequate staff to run a 141 program therefore, the operation certificate is suspended, leading to permanently losing the certificate or being placed on a probationary status. With that being said, Ms. Burnett's recommendation would be to sunset the program, giving Cochise College the opportunity to run the narrative and to redesign the program later.

General Comments/Questions:

Mr. DiPeso expressed concerns with sunsetting the program out of fear it would not ever come back. He and Mr. Nelson would like to have more data on option number two, contracting a third-party provider for flight instruction.

Mrs. Strain stated her concern with option three, moving the program to another city and having Cochise College's name attached to a third party.

Mr. Hudgins, Mrs. Strain, Mr. Nelson, and Mr. Quinn expressed their consideration with option four, sunset the current program. Mr. Quinn noted that if it was decided to sunset the aviation program, the program money could be invested into other programs with more students and could lead to possibly not pulling money from the fund balance. Mr. DiPeso stated if the board decided on option four, the college would turn around and try to do something with the airport so essentially the option of sunsetting the program would give the institution the option to do number two, contract for third-party flight instruction.

2.02 Construction Updates

No updates were provided as the meeting time allotment was concluded.

NO BOARD ACTION WAS TAKEN DURING THIS WORK SESSION.

3. ADJOURNMENT

Mrs. Strain adjourned the meeting at 5:28 p.m.

Respectfully Submitted:

Crystal Wheeler, Executive Assistant Office of the President

Mr. Don Hudgins, Secretary of the Governing Board