

PORTLAND COMMUNITY COLLEGE - BOARD OF DIRECTORS
12000 S.W. 49th Avenue - Portland, OR 97219

MINUTES
BOARD OF DIRECTORS BUSINESS SESSION
Rock Creek Campus, Building 9, Room 122a/b
January 15, 2009

BOARD ATTENDANCE

Board Members Present:

Denise Frisbee, Jim Harper, Jaime Lim, Bob Palmer, David Squire, Harold Williams

EXECUTIVE SESSION

The Board of Directors convened an executive session for Real Property Transactions and Litigation in accordance with ORS 192.660 (2), (e) (h) at 6:50 PM, adjourning at 7:25 PM.

CALL TO ORDER

Chair Frisbee called the business meeting to order at 7:32 PM and invited all present to introduce themselves.

APPROVAL OF MINUTES

The November 20, 2008 and December 4, 2008 business meeting minutes were approved as published.

APPROVAL OF THE AGENDA

The agenda was approved as published.

INFORMATION SESSIONS

Rock Creek Campus Update

Dr. David Rule, Rock Creek Campus President

Dr. Rule welcomed the Board to Rock Creek Campus and reported that Rock Creek's Fall Term Full Time Equivalent (FTE) enrollment was up 11.5% and headcount up 11%. Winter Term FTE is up 14.2% with headcount up by 14%.

He highlighted three programs: Caterpillar/ThinkBig, Vocational English as a Second Language (ESL), and Undergraduate Catalytic Outreach and Research Experience UCORE. He noted that Caterpillar ranks PCC's ThinkBig program 6th

of 17 similar programs nationwide in student knowledge, program quality and instructor qualifications. He thanked instructors Ish Rivas and Sander Torgeson for their dedication to students in this program. He said the new Vocational ESL pilot program is a collaborative effort between the Computer Application Systems Program (CAS), ESOL and Career Pathways that focuses on providing English language skills tailored to work in specific career technical fields for students simultaneously enrolled in courses for those fields. The Undergraduate Catalytic Outreach and Research Experience (UCORE) is a rigorous, grant funded program for selected students who demonstrate academic achievement in 100-level classes in Physics, Chemistry, Geology and General Science. If selected, students attend a 10-week summer research program at the University of Oregon, mentor other PCC students and must be willing to pursue 200 level classes in these subjects along with Math 95 and 111C. Students will be provided a small stipend for attending the summer research program, hourly pay for mentoring activities in the 2009-2010 academic year and reimbursement for textbooks.

Dr. Rule recognized Mariko Newton and John Smith for being named 2009 Oregon Community College Association (OCCA) Student Leadership Association representatives. Both students demonstrated academic excellence as well as leadership qualities at PCC and in the community.

He said that in recent activities students provided Thanksgiving baskets, conducted a Christmas toy drive, will evaluate the Food Pantry program at Linn-Benton Community College to determine if a similar program can be started at PCC, and are exploring opportunities to bring community agencies and social services to Rock Creek in response to the difficult economic situation. He also reported students in Computer programs will help the Washington County Historical Museum with web design and Landscaping students will help resolve some landscaping issues in an outreach effort.

Dr. Rule said Andrea Pace, an instructor at PCC since 1973, has been awarded the Oregon Business Educators Association award for Post-secondary Teacher of the Year.

He also noted that the federally funded College Assistance for Migrant Program (CAMP) provides financial and mentoring support as well as other services for students of migrant and seasonal farm worker families. In March Nike will begin providing mentors for CAMP alumni students at the Nike campus and on February 7th the annual CAMP Parents' College will be held so parents can see first-hand what their children are experiencing at the College. He noted that 98% of the parents came and participated in last year's Parents' College Day.

Other upcoming events at Rock Creek include the Veteran's Support Day on January 20th; a seminar on canine health certification focused on hip dysplasia for large breed dogs on March 14, and a reception at the Helzer Art Gallery honoring the artists whose work called "Master Potter and Clay" is currently featured. He concluded his report saying Rock Creek continues to be an

extremely vibrant campus with a clear focus on academic excellence, service to students and engaging the wider communities of our service area.

Director Harper commented that in Washington County CAMP is an exceptional, highly valued program. Dr. Rule added that CAMP does a lot of outreach work in the high schools.

Director Squire asked how many students are currently enrolled in the UCORE program. Dr. Rule responded that the program currently has about 12 from Rock Creek Campus.

On behalf of President Pulliams, Mr. McEwen acknowledged the leadership provided by Dr. Rule, Brigitte Ryslinge, Narce Rodriguez and others at Rock Creek Campus.

Overview for Current Legislative Session

Andrea Henderson, Executive Director of the Oregon Community College Association (OCCA), began her report by recognizing and thanking Director Harper for serving as this year's OCCA Board Chair. She also asked the Board to keep the importance of the 40-40-20 educational attainment goal in mind as a long-term goal for Oregonians because decisions made now will have consequences for years to come.

She said OCCA's three main areas of funding requests for this Legislative Session are the community college support fund, capital construction and financial aid. The community college support fund will likely be OCCA's major focus because in the current economy it is impossible to predict what funding will be available through the State. The message that will be taken to Legislators will be about what community colleges can do to help Oregonians. She feels funding will more quickly be granted for capital construction and deferred maintenance because there will likely be funding for them in a stimulus package. She added that there will be limited funding for seismic retrofitting of buildings to make them more earthquake safe but most of that will go to K-12 and public safety. Ms. Henderson said this year's student financial aid has been discontinued and with the huge increase of students attending community colleges this is a devastating blow. She added that OCCA will continue to petition for funds to help over 2,000 students who want to attend college right now and need financial aid.

She said OCCA has reviewed about 400 bills and she provided highlights on two issues in them that affect community colleges. First is a mandate that community colleges waive tuition for dependents and spouses of fallen soldiers. OCCA feels this mandate would force restrictions on tuition that rightfully are decisions for local college school boards and is asking that changes be made so tuition decisions remain with local Community College boards. She said the other concern is for several bills that center on the structure of the state and local workforce system and how decisions regarding them are made.

Ms. Henderson provided copies of the newly-released proposed Federal stimulus package report and pointed out parts that would impact community colleges: 6 billion for capital construction for universities and community colleges; \$39 billion

to reduce education cuts to K-12, community colleges and universities; and \$500 increase for Pell grants. She expects this package to move very quickly through the Federal process and reminded Board members who will attend the ACCT Legislative Summit in Washington, D.C. to let Oregon's Congressional delegation know how important these funds are to Oregon community colleges.

She concluded her report by thanking Dr. Poppe for her leadership on the nationwide Skills-to-Compete campaign that focuses on the need for more training for middle skill level jobs.

Director Harper complimented Ms. Henderson and her small staff for the work they do in looking out for Oregon's 17 community colleges. He added that OCCA plays a strong role in resolution of issues and problems allowing Oregon community colleges to be a unified group when they go to the Legislature. He also noted that OCCA provides valuable training that prepares Board members to better serve their schools and communities.

Chair Frisbee thanked Ms. Henderson for her work on behalf of Oregon's community colleges and for keeping the Board informed on important issues.

Fiscal 2008 Audit Report

Cherie Chevalier, Associate Vice President Finance, introduced Talbot, Korvola and Warwick representatives, Rob Moody, Angelique Whitlow and Rina Byrne and asked them to present the 2008 audit report. Ms. Whitlow said this year eight new auditing standards, referred to as the suite of SAS's, were required to be performed causing the June 2008 audit to be at a deeper level of detail that resulted in more scrutiny over controls, policies and procedures. She said it is TKW's responsibility to report their findings to the Board for their review and it is the Board's responsibility to make sure work is done to implement and strengthen controls to remedy the concerns.

Ms. Whitlow reviewed the SAS 114 letter, noting that it is TKW's responsibility to perform the audit in accordance with professional standards and to a reasonable assurance that the financial statements are free of material misstatements. She also noted that the emphasis of the audit is the financial statements, not internal controls or detection of fraud.

She listed the following points regarding the "Report to the Board of Directors dated December 15, 2008":

- This year, as required, PCC implemented GASB 45, a Government Accounting Standards Board (GASB) standard related to post employment benefits other than pensions.
- No significant transactions relating to changes in accounting policies or procedures that were made by management were identified nor did TKW discuss any alternative treatments to handle accounting principles that are generally accepted in the United States.

- A summary of the estimates made by management that were contained in the financial report along with the audit adjustments that were made while the audit commenced were included in the report.
- TKW had no disagreements with management throughout the course of the audit.
- TKW was not aware of any consultations management had with other accountants over matters where there may have been disagreement or differing point of view between TKW and the College.

Ms. Whitlow said the report included copies of communications between TKW, PCC management and the Board along with TKW's letter of recommendation communicating control deficiencies noted during the audit. She added that the deficiencies present opportunities for the College to strengthen internal controls while improving operating efficiencies.

Ms. Whitlow then reviewed the contents of the Comprehensive Annual Financial Report (CAFR). She referred the Board to the Financial Section for TKW's "Independent Auditor's Report" that outlines TKW's responsibility to express an opinion on the College's financial statements, that they're reasonably free of material misstatements and TKW has provided an unqualified opinion again this year to the College which is the highest level of assurance they could give. She said the last section in the CAFR is the audit section that began with the audit comments and disclosures as required by state regulations and TKW's comments. TKW did not note any issues they would be required to communicate to the Board. She described the remainder of the reports in the audit section as being the Government Auditing Standards required to be used for auditing community colleges, compliance standards in OMB Circular A133 (also known as the single audit), the College's schedule of Federal awards and expenditures for administering them, the schedule of findings and questioned costs, and concluded with the summary schedule of prior audit findings. She noted that page 112 of the audit report section in the CAFR included control deficiencies that TKW reported as material weaknesses in financial statement reporting. She added that TKW reviewed the noted weaknesses with Chair Frisbee and Directors Harper and Squire and asked that College management seek resolution to the noted weaknesses.

Rina Byrne explained the Federal Financial Assistance single audit focus was compliance and that anything discovered during the audit process that was more than trivial was required to be included in the report. She noted that page 116 of the CAFR listed four findings and that the College had provided corrective plans for each of the items listed.

Mr. Moody concluded the report by saying that the material weaknesses cited in relation to errors in the financial statements or potential for errors have been corrected and the report was representative of what the College has done financially.

Chair Frisbee thanked TKW for the report and for their willingness to provide herself and Directors Harper and Squire the information needed to understand the process and be in a better position to fulfill their obligation as overseers of the financial soundness of the College. She also commended PCC management for quickly addressing the noted problems.

Goal 3: Diversity

Dr. Christine Chairsell, Vice President, Academic and Student Affairs, said Goal 3 states "We will enrich the educational experience by committing to the development of diversity in our student body, faculty and staff." She introduced Laura Massey, Director of Institutional Effectiveness, to report on how the College is accomplishing that goal.

Ms. Massey reported continued increases to PCC's student body diversity with 25% of the current credit students and an even higher percentage of the non-credit students from minority groups. She added that the combined credit and non-credit student body meets the Legislature's key performance measure target for minority student enrollment. She reported that diversity in full-time employees is not as strong as the student body but that 28% of last year's employee hires and 26% of the faculty were minority. Dr. Chairsell said efforts to increase the College's diversity community outreach and high school student outreach are being continually expanded and that the youngest of Portland's population is the most diverse group in the city's history. She noted that a pilot program for mentoring men will begin soon at Sylvania Campus to address the national issue of the loss of men on college and university campuses and added the approach has been especially effective for males of color. She said the UCORE grant and grants from the National Science Foundation and the National Institutes of Health provide funding for recruiting students of color into Science, Technology, Engineering and Math. Students graduating from these programs at PCC are eligible for scholarships at Oregon Institute of Technology (OIT) to work toward a bachelors degree or they might transfer into Oregon Health and Sciences University (OHSU) health professions courses.

Dr. Chairsell said that work to increase faculty and workforce diversity will continue to be a District-wide focus.

Director Williams complimented the report and suggested that the method for finding faculty from diverse populations may be too systematic and ordered to be completely effective and maybe refining the search method so that it is more tailored to the intended populations would be more successful.

Dr. Chairsell replied that national searches are advertised in the *Chronicle of Higher Ed* as well as papers and journals targeted for people of color, occasionally recruiters are used, networking is done with contacts in national education associations, and selection from PCC's ranks is done when possible. Director Williams thanked her for the information.

Chair Frisbee complimented Dr. Chairsell and Ms. Massey's report.

Budget Development Update

Wing-Kit Chung, Vice President, Administrative Services, said the 2009-2011 biennial budget discussion starting assumption for community college funding will be Governor Kulongoski's proposed \$485 million. He then asked Cherie Chevalier, Associate Vice President, Finance, to describe the process and report on the Cabinet's planning progress.

Ms. Chevalier said the Cabinet has been meeting and discussing various budget scenarios and options along with budget decisions that need to be made and brought forward. The Cabinet has also begun looking at district-wide new initiative proposals to be prepared should funding become available for them. She also said the Budget Planning Advisory Committee (BPAC) has been meeting, has been kept informed on developments and has reviewed all materials to date. Budgets will be released to staff for their input the week of January 19 and will be due back to her office about a month later.

Mr. McEwen added that the Board will meet as the Budget Committee at the March 19 Board meeting, the April 16 Board meeting will include a public hearing on the budget, on May 27 the Tax Supervising and Conservation Commission (TSCC) will hold a public hearing on the 2009-2011 biennial budget, and the Board will adopt the budget at the June 18 Board meeting.

Chair Frisbee thanked Mr. Chung and Ms. Chevalier for the update and agreed that using the \$485 million amount is prudent for budget planning.

PUBLIC COMMENT ON AGENDA ITEMS

None

PUBLIC COMMENT ON NON-AGENDA ITEMS

None

BUSINESS MEETING

Director Williams proposed approval of Resolutions 09-043 through 09-049. The motion passed unanimously.

Other Reports:

Eddie Lincoln, Faculty Federation President, reported that Faculty contract negotiations with the College will begin on January 29th and he will keep the Board updated on contract negotiation progress. He also said he hopes the anticipated stimulus package helps re-fund positions for the 55-60 Federation members that have lost their jobs in this economic downturn.

Deborah Hall, Classified Federation President, said contract negotiation for Classified staff is beginning soon and that every-other-week sessions with management are scheduled to begin February 3rd. She said in preparation for

contract negotiations the Classified Federation has sent out a survey to its membership and is also conducting meetings with the membership.

Ms. Hall said the Classified Federation will be working with others at both the State and Federal levels in requesting increased funding for education. She noted that Classified too have been affected by layoffs and layoff notices.

ASPCC Student Representative, Melissa Rico, said December and January have been busy for PCC District Student Council (DSC). She listed the following:

Funding was approved for providing \$1,000 to the PCC Foundation Faculty, Staff and Retiree Campaign;

Recommendations from the Climate Energy Task Force to President Pulliams regarding an Office of Sustainability will be supported;

The student and community education campaign called "Take Back the Tap" supporting eliminating bottled water on campuses was adopted;

Students participated in Lobby 101 training provided by Dana Haynes.

Ms. Rico concluded her report by inviting Board members to attend the end of the year celebration, "Crash Bash", on May 15 at the Melody Ballroom.

Board Reports:

Chair Frisbee welcomed Dr. Gatewood back and thanked Dana Haynes for his preparation of upcoming Legislative visits during the OCCA Legislative Summit.

District President Report:

Mr. McEwen asked Ms. Watkins to provide a brief Legislative update.

Ms. Watkins reported that she, Dr. Pulliams and Dana Haynes attended the January 12th opening Legislative session and were able to meet with several lawmakers regarding issues important to the College including the statewide Oregon Community College deferred maintenance request of \$51 million. She noted that PCC's part of that request is \$10 million and that a significant portion of the projects included in the \$51 million must be ready to start in April and will require matching funds.

She also noted that Dana Haynes has set up ten appointments with Legislators for the Oregon OCCA Legislative Summit on January 28th. At the Federal Level conversations are continuing with the College's Congressional delegation about a possible appropriations request to increase the number of trained workers in green energy, green building, the maintenance of energy efficient buildings and more. She noted that she recently had a meeting with Senator Wyden's staff and that President Pulliams will meet with Senator Wyden on January 16th. She thanked Chair Frisbee for her leadership in discussing "green" topics with Congressman Blumenauer.

Director Squire asked if a schedule for the OCCA Legislative Summit and Legislative visits has been prepared. Ms. Watkins said PCC has not yet received

one but she will provide it to Board members as soon as it is available. Director Harper provided an oral summary of the timeline adding that attending the January 27 reception for Legislators would be beneficial to the College.

Mr. McEwen concluded the District President's report by expressing appreciation to Administrative Services and Classified Federation employees for their work during multiple instances of snow closure and snow removal through the December and January period.

Mr. McEwen expressed staff's appreciation to the Board not only for their work at the January 9 work session but for all the time they provide without compensation and for sharing their insight and leadership that is so crucial to the success of the College.

ADJOURNMENT

There being no further business, the meeting adjourned at 8:50 PM.

NEXT MEETING

The next business meeting of the Portland Community College Board of Directors will be held on February 19, 2009 at 7:30 PM in Board's Conference Room at the Sylvania Campus.

Denise Frisbee, Board Chair

Dr. Preston Pulliams, District President

Prepared by:

Lorna J. O'Guinn
Assistant to Board of Directors

Minutes approved on February 19, 2009