

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

MINUTES
BOARD OF DIRECTORS BUSINESS SESSION
Sylvania Campus, Board Rooms A/B
February 19, 2009

BOARD ATTENDANCE

Board Members Present:

Denise Frisbee, Jim Harper, Jaime Lim, Marilyn McGlasson, David Squire,
Harold Williams

EXECUTIVE SESSION

The Board of Directors convened an executive session for Labor Negotiations and Real Property Transactions in accordance with ORS 192.660 (2), (d) and (e) at 6:45 PM, adjourning at 7:40 PM.

Chair Frisbee and President Pulliams presented a plaque of appreciation to Jim Francesconi for his generous support to the College, especially during the recent bond campaign and announced that a scholarship fund in Mr. Francesconi's name has been established.

CALL TO ORDER

Chair Frisbee called the business meeting to order at 7:50 PM and invited all present to introduce themselves.

APPROVAL OF MINUTES

The January 9, 2009 and January 15, 2009 business meeting minutes were approved as published.

APPROVAL OF THE AGENDA

President Pulliams recommended that Resolution 09-052 be tabled until at least the March Board Meeting. The agenda as published was approved with the tabling of Resolution 09-052.

INFORMATION SESSIONS

The State of Community Colleges

Camille Preus, Commissioner, Department of Community Colleges and Workforce Development

Commissioner Preus began her presentation by thanking Portland Community College (PCC) staff, students and Board members for continuous support, participation, keen insight, involvement and engagement in the legislative process.

Commissioner Preus said the Federal Stimulus package signed recently by President Obama will bring needed resources to Oregon from the Education Stabilization Fund. She noted that in January a 1.1% budget reduction for the 2008-2009 school year was proposed for State community college funding. Delaying the eighth quarterly payment from the State until July has resulted in some Oregon community colleges having to consider borrowed funding to keep their doors open through the end of the school year. She expects both the February and May Revenue forecasts to present a progressively dire financial picture for Oregon community colleges. She added that about \$200 million of the \$460 million in Federal stabilization resources coming to Oregon has already been infused into the budget to avoid deeper budget cuts. Additionally the Department of Labor is slated for about \$3.75 billion in stimulus funds with about \$36 million of that coming to Oregon by way of the Workforce Investment Act. Of the \$36 million Oregon will receive, a little over \$15 million will be used to resurrect a Summer Youth Employment Program that will put about 1 million Oregon young people to work over the next five months. An additional \$14.5 million will come to Oregon for dislocated workers.

Commissioner Preus said the increased funding for Pell Grants would help Oregon's community college students, especially after Oregon's financial aid funding cut off in early December because it ran out of money. She said the revamped tax credit for tuition will also provide financial relief for students.

Director Squire asked if the expected stimulus funds are included in the Governor's hold harmless budget for the remainder of the year. Commissioner Preus said it is her understanding the stimulus funds are included but the Governor's budget does not include either the Income Stabilization Fund or the Rainy Day Fund that are Oregon's reserve funds.

President Pulliams said there have already been a number of layoffs in PCC's Workforce programs due to program funding cuts and he asked if the Federal Stimulus might provide funding to reemploy some of those individuals. Commissioner Preus responded that over the past several years Oregon has lost about 25% of its Federal workforce funding and the stimulus funds are expected to bolster funding for providing workforce training and services state-wide. She said there is also enabling legislation in the stimulus package that allows local workforce investment boards to return to contracting directly with eligible post secondary institutions such as community colleges.

Director Harper asked if stimulus funds would go directly to Oregon colleges or be distributed through the WIA organizations. Commissioner Preus said some of the money will go directly to colleges and some will be distributed through

Workforce Investment Boards. Director Williams asked if there would be a way to receive the funding directly without going through Workforce Development. Commissioner Preus said that she has not read the stimulus package and could not respond with absolute confidence but it is her understanding that the majority of the funding is to be distributed through Workforce Development at local workforce boards.

Commissioner Preus reported that all post-secondary education has experienced enrollment growth but community colleges report the largest increases. Fall term 2007 state-wide enrollment experienced growth of 3.5% over the previous year and Fall term 2008 10.3%. The upward enrollment trend has continued into Winter term 2009 of about 5% for community colleges and 1-2% for the University System. Dr. Preus noted that significant increases in lower-division transfer enrollment may be an indicator that more students are seeking to reduce the cost of achieving four-year degrees by enrolling in less expensive community college courses. She also reported an approximately 3% reduction in the number of students enrolled in professional technical programs and enrollment in remedial and pre-college courses remaining at steady levels.

She reported that although the Governor's budget currently shows community college funding at \$485 million for 2009-2010 and \$500 million for 2010-2011 she expects those numbers to be reduced significantly with the February revenue forecast that is anticipated to be at least \$2 billion less than figures used to create the Governor's budget.

Commissioner Preus reported that PCC was a 2007 recipient of Capital Construction funds and that \$15.9 million is in the current Community College Capital Construction Policy for projects at Treasure Valley, Blue Mountain and Umpqua community colleges. She added that a limiting factor for some community colleges is that to receive Community College Capital Construction funding, matching funds are required from recipient schools.

Director Harper asked if the \$40 million remaining in the capital plan last year is still available. Dr. Preus replied that in the February 2008 Special Legislative Session the Oregon Community College Association (OCCA) and the Co-Chairs of the Ways and Means Committee agreed that community colleges could average about \$40 million for capital construction each Legislative Session but since the Governor and the Office of Community Colleges and Workforce Development were not parties to that agreement and the Co-Chairs of the Ways and Means committee have changed, those funds are not likely to be available.

Chair Frisbee thanked Commissioner Preus for her work in helping Oregon community colleges receive the State funding needed, especially in these difficult financial times.

President's Budget Update

Dr. Preston Pulliams, District President; Wing-Kit Chung, Vice President, Administrative Services; Cherie Chevalier, Associate Vice President Finance
Dr. Pulliams reported that the College would use strategic methods to meet the difficult financial challenges and continue serving the ever-increasing numbers of district residents wishing to enroll in PCC classes. He said that the College is required to produce a balanced budget and in an effort to do so the Cabinet has identified some areas of focus to accomplish that including maintaining and increasing enrollment where that makes sense, maintaining focus on student success and access as much as possible and seeking more business efficiencies and cost reduction opportunities.

Dr. Pulliams has instructed executive staff to reduce the current operating budget by \$3 million immediately. Those reductions are to be included in a report to the Board in March on how that will be accomplished. He added that further cuts to the current budget could require reducing the 7% ending fund balance target if the College is to continue serving students at the current level. If the levels of support reported by Commissioner Preus, hold PCC plans to identify and implement cost saving measures to add an additional \$3 million to the reserve fund in preparation for anticipated more severe budget reductions for the 2009-2011 biennium. President Pulliams said there would not be across-the-board cuts; some strategies to accomplish needed cost reductions include reviewing vacant positions to identify any that are non-critical, reviewing all contract services to see which are eligible for early termination and which need to be continued, and reviewing all travel along with discretionary and capital spending. He added that the current Classified and Faculty Federation contract negotiations could also impact budget planning.

Dr. Pulliams reported that in producing the 2009-2011 biennium budget the College has been working with anticipated Community College Support Fund next year of \$428-\$525 million. He said that assuming the \$428 million, PCC's share would be reduced by about \$10 million the first year and \$8 to \$9 million the second year of the biennium. The President said the College would continue to be very conservative and identify and exercise all cost saving methods and efficiencies possible to balance the budget over the next two years while continuing operations.

Director Squire asked for confirmation of his understanding that Dr. Pulliams' report means that with \$3 million in cost savings for the remainder of the current budget year and no further State funding reductions the College reserves will not have to be reduced this year. Dr. Pulliams responded that barring further State reductions reserves would remain untapped. Director Squire asked what the current reserve balance is. Mr. Chung said that without the eighth quarter State-funding payment the reserve fund is anticipated to be \$8.2 million and adding the \$3 million new spending reductions just discussed the total General Fund ending fund balance is anticipated to be about \$11 million at the end of FY09. Director Squire asked for confirmation of his understanding that the \$3 million saved

would go directly into the reserve fund. Chair Frisbee replied that the \$11 million reserve fund would put the College in a stronger financial position to weather shortfalls for the 2009-2011 biennium.

President Pulliams asked Ms. Chevalier to report on the legal parameters of the budget process required to have a legal operating budget in place on July 1, 2009. Ms. Chevalier said a completed 2009-2011 budget would be provided to the Board for their approval at the April 16th Board meeting; the approved budget would be reviewed by the Tax Supervising and Conservation Commission on May 27th, and at the June 18th Board meeting the complete 2009-2011 budget would be brought to the Board for adoption. She said each step would be required to have a legal operating budget in place on July 1. Mr. Chung added that adopting the budget would not prevent needed changes from occurring after Board adoption.

Legislative Update

Dana Haynes, Manager, Public Affairs

Mr. Haynes reported that in addition to Commissioner Preus' report there will likely be pressure to overturn the Co-Chairs' effort to keep community colleges whole since K-12 schools may be facing five days of closure to balance their budgets.

Mr. Haynes also reported that James Sager, Chief Education Advisor to Governor Kulongoski, says that the Governor is prepared to veto any bill tapping the Rainy Day Fund, also known as the School Stabilization Fund, because future needs for these funds could be even greater. He added that the time span and depth of the recession will be a deciding factor as to how and when the Rainy Day Fund is used. Mr. Haynes said that the February 20 Oregon Revenue forecast will provide new information needed for budget decision making.

Mr. Haynes said he expects no additional Legislative action on capital construction until May or June and that the capital construction agreement Commissioner Preus mentioned in her report may still provide funding.

Mr Haynes also reported that PCC expects about \$6.4 million in matching funds from the State Job Stimulus Act to provide funding for deferred maintenance projects such as ADA compliance, upgrading phone systems, a new energy management system, replacing flooring, and a new emergency notification system. With PCC's match the \$6.4 million becomes \$12.8 million in projects that in turn will boost the economy.

He concluded by reporting that many bills are currently being tracked but the one in particular that would change the Oregon Opportunity Grant from a "needs based" to a "merit based" grant would be particularly detrimental and work is being done to overturn it. He added that the Governor's advisor reported that the Governor is prepared to veto this bill if it comes to him.

Workforce Analysis Report

Sylvia Welch, Director, Affirmative Action

Ms. Welch said the annual Workforce Analysis Report is a mandated assessment of the College's workforce that reflects workforce and utilization changes used to adjust PCC's workforce parity goals and assist in developing affirmative action activities in the areas where minorities and women are underrepresented. The current report, dated November 2008, represents full-time and part-time employees organized by job category, gender, ethnic identity, funding categories and funding sources. The report takes into account the availability of minorities and females from a relevant labor area having the requisite skills for specific positions PCC recruits as well as the percentage of promotable, transferable and trainable minorities and women within a specified labor area. She reported that of 1,373 employees 253 or 18.4% are people of color and that over the past five years the administrative/manager category has increased from 19 to 23 people or from 15% to 17%, the professional/non-faculty category has grown from 12 to 27 or from 16% to 25%, faculty have increased from 36 to 48 or 9.6% to 11.6%. She said this is a clear indication of the College's commitment to reaching workforce parity.

Ms. Welch said each campus diversity committee has a sub-committee focused on hiring that seeks out ways campuses and departments can reach workforce parity. Additionally, these committees research diversity initiatives and other institutions' practices that may be effective at PCC. She thanked Human Resources for their involvement and commitment throughout the hiring process to help the College reach parity.

Ms. Welch reported that a faculty intern program was started last year in an effort to increase the number of minority and women part-time and full-time faculty at the College. She noted that interns come from a variety of backgrounds and each of last year's intern group has or is teaching part-time classes for PCC.

She concluded her report by commending the commitment of PCC leadership for encouraging employees to challenge the status quo and for their understanding of the importance of steady perseverance toward the goal of inclusion and each person's role in constructing ongoing solutions to diversifying the workforce. She said a great deal of work has been done but a great deal of work remains to be done for the College's to reach its parity goals.

Director Harper complimented Ms. Welch on the informative, well-presented report and for the on-going work she does.

Director Squire asked for a definition of the term "under represented" used in the summary report. Ms. Welch said the term "under represented" indicates goals to parity the College is working to meet.

President Pulliams complimented Ms. Welch for her work and noted that workforce parity is a team effort by the executive cabinet, a number of diversity committees throughout the College, faculty, and staff.

Bond Update

Randy McEwen, District Vice President

Mr. McEwen said a tentative organization has been created to review with the President for how the bond effort will be managed. A chart of accounts that will provide financial structure has been developed to track how the detail budgets will be built as well as how funds will be categorized in terms of spending.

He reported that property acquisition is well underway and about three-dozen contracted services that would be needed to complete bond projects have been identified. The intention is to hire providers in the surrounding community to provide the services so the financial benefits of the bond program can have wide impact over the course of time it takes to complete the projects.

Mr. McEwen reported that the RFP for professional services for the Newberg site has been issued and a robust response is expected.

ADJOURN BUSINESS SESSION AND CONVENE AS LOCAL CONTRACT REVIEW BOARD

PUBLIC HEARING ON EXEMPTION FROM COMPETITIVE BIDDING IN ACCORDANCE WITH ORS 279C.335

Staff Report

Randy McEwen, District Vice President and Wing-Kit Chung, Vice President, Administration

Mr. McEwen explained that an exemption to competitive bidding naming Fortis Construction Co as the Construction Manager/General Contractor (CM/GC) for renovations and seismic upgrade of the Willamette Building project is needed to address the move out of the Capital Center of Financial Services by the end of this year. He said that when the Willamette Building was acquired in November approximately 13 months remained on the space lease for the Capital Center and that expediting the 40,000 sq. ft renovation project for the Willamette Building will reduce overall cost as well as disruption to the Financial Services Department by eliminating an interim move between the Capital Center and the Willamette Building.

Director Squire asked how the College would determine that a fair price was being charged without a competitive bid. Mr. McEwen replied there are many industry barometers in terms of cost per sq. ft., that qualifications have been assessed, and due diligence consultants without a stake in the work are available to advise PCC independently. Mr. Chung added that Fortis Construction will submit a guaranteed maximum price (GMP) based in part on competitive subcontractor bids that will assure getting the intended work done at a competitive price.

Director Williams asked if it had been determined that Fortis Construction has a strong history of hiring minority workers. Mr. McEwen replied that Fortis Construction had provided documentation about their past achievements in the area of minority hiring that indicates significant contract projects that have exceeded 35% utilization in some cases.

Chair Frisbee asked for an approximate price for the work Fortis Construction would do. Mr. McEwen replied that direct costs plus indirect costs for construction would be about \$7 million.

PUBLIC COMMENT ON EXEMPTION FROM COMPETITIVE BIDDING

None

Director Harper proposed approval of Resolution 09-053. The motion passed unanimously.

THE LOCAL CONTRACT REVIEW BOARD WAS ADJOURNED AND THE BUSINESS MEETING WAS RECONVENED

PUBLIC COMMENT ON AGENDA ITEMS

None

PUBLIC COMMENT ON NON-AGENDA ITEMS

Jason Barbour, PCC student, reported that he and other students are forming organizations to address their transportation concerns regarding how PCC's overflowing parking lots and shuttles affect their getting to classes on various campuses. Additionally, he reported that possible reductions in TriMet bus service is a concern. He said transportation is key to student access and student access increases student success and satisfaction. The Chair thanked him for his comments.

BUSINESS MEETING

Director McGlasson proposed approval of Resolutions 09-050 and 09-051 and 09-054 through 09-056. The motion passed unanimously.

Other Reports:

Eddie Lincoln, Faculty Federation President, reported that Faculty Federation contract negotiations are underway and assured the Board that the Federation would be mindful of the tough economic situation as they negotiate for contract salary and benefit packages.

Mr. Lincoln reported that in response to wide-spread hunger that includes PCC students, the Faculty Federation will partner with the Oregon Food Bank for a district-wide food drive. Additionally the Federation is looking at the possibility of developing a food closet to alleviate the hunger crisis that some students face daily.

He said he recently testified before the Ways and Means Committee that community colleges are the first responders to downturns in the economy and without necessary funding for programs and classes some students are left with little choice and not much opportunity.

He also reported that a PCC nursing department faculty member has written a proposal for developing a cabinet position titled the Office of the National Nurse and is in Washington, D.C. presenting testimony to the Senate Committee on creation of that position. He also noted the Federation is in support of this effort.

Mr. Lincoln concluded his report by saying the Faculty Federation is in support of District Student Council's Green Initiative Fund that would create a pool of about \$75,000 to be granted to students, faculty, and staff to use for sustainability projects.

Deborah Hall, Classified Federation President, thanked the College and Sylvia Welch for making the Cornell West presentation in January possible.

She noted that this is very busy time for the Classified Federation with ongoing contract negotiations and other activities including meetings with Senator Jeff Merkley and his chief aide to discuss the proposed stimulus package and other community college issues, and testifying before the Oregon Joint Ways and Means Committee regarding college issues and also to request a loosening of some of the funds from the Education Stability Fund. Upcoming events include workshops with the AFT Oregon and Oregon School Employees Association on March 8th followed by participation in lobby day in Salem on March 9th, and mid March PCC's annual general membership meeting.

ASPCC Student Representative, Amber Hastings said the District Student Council has taken on a number of legislative efforts and are affiliated with the Oregon Community College Students Association (OCCSA). She said they recently began a post card campaign to petition Legislators about the issues around access to education and will participate in the lobby day in Salem on March 5th.

She said the District Student Council met recently to discuss The Green Initiative Fund (TGIF) and will continue collecting information and feedback from students on the project.

Chair Frisbee thanked the students for their efforts.

Board Reports:

Director Williams thanked Sylvia Welch for her Workforce Analysis Report.

District President Report:

President Pulliams thanked the students and the Federations for their lobbying efforts and support of PCC's ideals. He reminded them that the Ways and Means Committee decision not to further reduce funds to the College indicates their support and that the decision could have easily been to reduce funding for community colleges.

He thanked Board members who went to Washington, DC to lobby for the Federal Stimulus Package as well as those who did not make the trip but wrote letters and made phone calls.

Dr. Pulliams asked Dr. Gatewood for a brief report on the African Film Festival at Cascade Campus. Dr. Gatewood said this is the 19th year for the African Film Festival and he believes this year's attendance will exceed last year's record of 4,800. He invited Board members to attend the showings that are held at various locations.

Dr. Pulliams invited Dr. Gerber to give a report on recent events at Sylvania Campus. Dr. Gerber reported that on January 24 the 10th annual Pow-Wow called Wacipi was held. Over 1,000 participated in the Pow-Wow including approximately 20 drum circles from various Oregon, Washington, and Canadian tribes and many Native American vendors sold craft and food items. She said the highlight of the event was an Aztec dance group from California.

Dr. Gerber reported the Vagina Monologues production played to sold-out houses for all three performances in its 9th year at Sylvania. She said the performances would provide about \$5,000 to support the Illumination Project and about 10% of the proceeds would go to a group supporting women rape victims in the Democratic Republic of Congo.

She reported that an agreement with the Oregon Consortium for Nursing Education (OCNE) was signed that will allow PCC nursing graduates to go directly into the workplace after earning a two-year degree and passing the exam to become registered nurses or with one additional year of education at OHSU they will earn their baccalaureate degree from OHSU.

Dr. Gerber reported that the Early Childhood Development program will offer a seminar on the Early Child and the Developing Brain that will provide a professional development opportunity for Portland's child care workers.

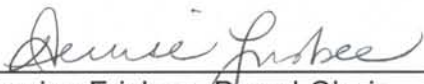
Dr. Pulliams thanked the Board for their leadership in these challenging but exciting times.

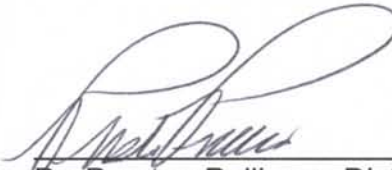
ADJOURNMENT

There being no further business, the meeting adjourned at 9:20 PM.

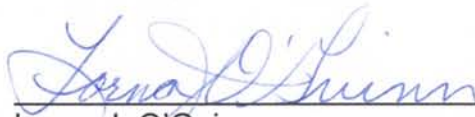
NEXT MEETING

The next business meeting of the Portland Community College Board of Directors will be held on March 19, 2009 at 7:30 PM at Rock Creek Campus, Building 9, room 122 a/b.


Denise Frisbee, Board Chair


Dr. Preston Pulliams, District President

Prepared by:


Lorna J. O'Guinn
Assistant to Board of Directors

Minutes approved on March 19, 2009