

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
December 8, 2011

BOARD ATTENDANCE

Board Members Present:

Denise Frisbee, Deanna Palm, Bob Palmer, Gene Pitts, 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) and (h) at 6:55 PM, adjourning at 7:40 PM.

CALL TO ORDER

Vice Chair Frisbee called the business meeting to order at 7:45 PM and invited all present to introduce themselves.

APPROVAL OF THE MINUTES

The November 17, 2011 minutes were approved as published.

APPROVAL OF THE AGENDA

The agenda was approved as published.

INFORMATION SESSIONS

Fiscal Year 2010-11 Audit Report

Cherie Chevalier, Associate Vice President, Finance and Mr. Kenneth Kuhns and Mr. David Borne from Kenneth Kuhns and Company

Ms. Chevalier introduced Mr. Kuhns and Mr. Borne and asked them to provide the annual audit report to the Board. Mr. Kuhns reported the audit had been conducted and that Financial Services staff were prepared and available throughout the audit of PCC's financial records. He added that in his firm's audit draft financial statements had been prepared and those records were found to be basically a good clean set of audit records and that the College received a clean opinion on its financial statements for the 2010-11 fiscal year. Mr. Kuhns

reviewed details of his firm's findings which are included in the Portland Community College Comprehensive Annual Financial Report (CAFR).

Internal Audit Committee Update

David Terry, Internal Auditor

Mr. Terry reported the first annual risk assessment and internal audit plan was conducted and completed and approved by the Board Audit Committee and that an intranet website was implemented on MyPCC to help educate and communicate audit activities for stakeholders at PCC. He reported that an internal audit of telephone taxes for PCC found the college paying taxes it should have been exempt from netting about \$12,000 a year for the College.

Additionally, internal audits were conducted for Parking and Transportation Services and the Bond Program and that reports and recommendations have been submitted to college management. He said that 2012 internal audits include the ongoing audit of the Financial Aid Department and others that will be proposed to the Board's Audit Committee for approval. He added that with the Board's Audit Committee approval he would again be conducting the annual risk assessment and internal audit.

Supplemental Budget Update

Cherie Chevalier, Associate Vice President Financial Services and Christina Day, Manager, Budget Office

Before reporting on the supplemental budget Ms. Chevalier complimented Jim Crofts and Sally Gregory and the Financial Services team for their diligent work in preparing the financial statements that resulted in the best external audit that the College has received in the past four years.

Ms. Chevalier said the Supplemental Budget, Resolution 12-067, is a routine process that includes changes in the budget including state funding and salaries and benefits resulting from labor negotiations that were not available when the Board adopted the 2011-2012 biennial budget in June.

Foundation Update

Kristin Watkins, Associate Vice President College Advancement and Jeff VanRaden, President, PCC Foundation Board

Mr. VanRaden introduced Foundation Board members in attendance and thanked Chair Harper and Vice Chair Frisbee for serving as liaisons to the Foundation Board.

Ms. Watkins provided highlights of the successful fundraising for the foundation's past year including the three year James and Marion Miller Foundation Miller Challenge that provided funding that allowed the Foundation to award and endow a total of \$2 million for scholarships. She added that Future Connect is a new partnership between the College, the Foundation and the City of Portland that will provide funding to support low-income, first-generation college students in Multnomah County with scholarships and wrap around student support services.

Ms. Watkins also reported that the Title III Department of Education Grant is another new initiative and partnership with the College with the primary purpose of increasing students' access to financial resources by providing the Foundation capacity for improving donor research, donor outreach and cultivation that will result in increased giving for funds for students. Ms. Watkins said that the Foundation awarded \$1.3 million in scholarship and program support to PCC students and departments this past year. Additionally, she reported five new Board Members were added to the Foundation Board and that the Foundation had also received a clean ranking for their annual audit.

Ms. Watkins said in-kind support over the past six years from the College has helped the Foundation to grow from \$1 million in FY 2005 to over \$3.5 million in FY 2011 and that scholarship and program distributions the foundation made during that same time period grew by almost three-fold from about \$560,000 in FY 2005 to \$1.6 million in FY 2010.

Mr. VanRaden reported that the Foundation Board approved moving forward with a comprehensive fund raising campaign but after consulting with the District Board Chair and Vice Chair the Foundation decided to postpone the feasibility study until additional details of the educational reform undertaken by the state are worked out.

Mr. VanRaden added that private philanthropy will become more important to the College's future and that even with increased amounts of student scholarship support the foundation can't keep up with the demand. He also said the negative impact of student loans on students' futures makes providing scholarships even more significant. Mr. VanRaden said achievements the Foundation has already reached in 2011-2012 include; securing a \$150,000 grant from Ann and Bill Swindell's Charitable Trust, nearing conclusion of a \$50,000 grant for Career Pass from the Bank of America, a net of \$150,000 from the annual Foundation Golf Tournament and a donation of \$12,500 from the Working Waterfront Coalition art auction for a welding scholarship. He thanked the PCC District Board of Directors for their support.

Diversity Goal

Dr. Christine Chairsell, Vice President, Academic and Student Affairs and Laura Massey, Director, Institutional Effectiveness

Ms. Massey reported in this challenging time not only first-time students but degreed students are coming to PCC and that those students come from all age groups, genders, race, and ethnicities. She added the PCC student population reflects the community except the Hispanic population and that non-credit students are even more diverse than credit students. She said PCC meets, and has met for the past four years, the Oregon Legislature's key performance standard that the student population reflects the community served.

Ms. Massey added that about 21% of the Colleges full-time employees are persons of color and about 23.5% of the 217 people hired since in the last year are minorities. She said an in-depth report will be provided by the Office of Affirmative Action and Equity at a later date.

Director Williams asked if faculty diversity reflects the student population, if educational opportunities are being aggressively being pursued for migrant workers at Rock Creek Campus, if there are adequate ESOL faculty to meet student demand and if cultural differences at each of the campuses are being recognized.

Ms. Massey responded that while growth in the Washington County, Hillsboro area is much more diverse the College is also seeing an increase among the other campuses with regard to the migrant workers. Dr. Chairsell said HEP grants provide funding to help high school students transition into college and the CAMP provides supplies and counseling for migrant worker who are students.

Regarding the question of adequate ESOL faculty; Dr. Chairsell said while there never seem to be enough ESOL faculty campuses across the district continue significant hiring of not only Spanish but also Russian, Vietnamese and Chinese ESOL faculty to address student needs.

In response to the question regarding recognition of cultural uniqueness of each campus Dr. Chairsell said in addition to hiring faculty that reflects that uniqueness celebrations of those cultures are conducted to commemorate those student populations.

**ADJOURNED THE BUSINESS SESSION AND CONVENED AS LOCAL
CONTRACT REVIEW BOARD FOR A PUBLIC HEARING ON PROPOSALS
FOR EXEMPTION FROM COMPETITIVE BIDDING IN ACCORDANCE WITH
ORS 279C.330 AND ORS 279C.335**

Staff Report

Mr. McEwen reminded the Board that Oregon contracting law requires that competitive processes be used unless the Board sitting as the Local Contract Review Board approves an authorized alternate such as the Construction Manager/General Contractor (CM/GC) approach to be used. He asked Ms. Degman to present staff findings and suggestions regarding the proposal.

Ms. Degman provided a chronological report of the Cascade Campus capital improvements that would be done between 2010 and 2017. Significant projects include renovation of the Student Services Building, renovation of a classroom in the Student Center, construction of a new Academic Building, construction of new Student Center, renovation of Technology Education Building classrooms, demolition of the old Student Center, renovation of the library and construction of an above-ground parking garage. She said considerable cost and savings could

be achieved in light of the complexity and cost savings that would be achieved by using the CM/GC approach.

PUBLIC COMMENT

None

Director Squire proposed approval of Resolution 12-060. The motion passed unanimously.

ADJOURNED THE PUBLIC HEARING AND RECONVENED BUSINESS MEETING

PUBLIC COMMENT ON AGENDA ITEMS

None

PUBLIC COMMENT ON NON-AGENDA ITEMS

None

BUSINESS MEETING

Director Squire commented that while he did not see anything negative in Resolution 12-066 nor did he want to remove it from the consent agenda there were some things that seen to possibly impact how students interact financially and asked for a future report on what that system is going to do.

Director Pitts proposed approval of Resolutions 12-061 through 12-067. The motion passed unanimously.

Other Reports:

Michael Morrow, Faculty Federation President, invited, along with the Classified Federation President, the Board to the upcoming combined Federations' holiday party for federation members and their families.

Mr. Morrow reported that he proposed to Dr. Pulliams preparation of a short statement that would be jointly signed by the Federations, the PCC Board of Directors and President Pulliams and then published on MyPCC to students regarding the importance of participation in the electoral system.

Mr. Morrow complimented Kristin Watkins for her inclusive manner in the hiring of a PCC Governmental Relations Manager. He commented that in matters of advocacy with elected officials the college has traditionally operated in silos and that his hope is that this new position can elicit a more inclusive approach to matters of advocacy.

Mr. Morrow said that a five-day AFT Executive Leadership Training in Washington, D.C. that focused on the 40 year, well-orchestrated, well-funded campaign, to cripple the union movement. He said this has resulted in significant reductions in union density and that AFT and other unions will launch community engagement campaigns to discover what local communities need. He added that being in Washington, D.C. provided the opportunity to meet with several congressional delegates' staffers and Senator Merkley.

Mr. Morrow concluded his report by thanking Cheryl Belt and other Human Resources staff for their successful efforts to transfer two of the three ESOL faculty from the MAP Program that is closing down to other PCC campuses.

Phil Gilmore, Classified Federation President, reiterated the invitation to the Federation holiday party. He also reported that the Members Helping Members Program for the Classified Federation will sponsor five or six Classified Federation families in need this holiday season.

Mr. Gilmore reported he has been conducting campus meetings to identify issues the membership want addressed. He said that repeatedly the biggest complaint the change from paper towels to the hand blow dryers and the request is that paper towels be put back in the restrooms. He added that while the hand dryers are sustainable they are useless for spills and other things.

Liliana Luna Olalde, Chair, District Student Council, Student Representative, reported several student events and initiatives including helping over 160 families in need with their Thanksgiving baskets in November; the January launch of a District Student Council (DSC) and ASPCC Communication project website with the elements of a student newspaper to deliver campus news to students; an upcoming holiday gift bazaar; finals week distressing activities throughout the district; Winter term student book exchanges at all campuses; and participation in Portland Education Committee (PEC) rallies in support of public education on February 21 in collaboration with PSU, Mount Hood Community College (MHCC) and PCC.

Board Reports:

Director Williams said that it had been brought to his attention that his remarks to Ms. Henderson, OCCA Executive Director, during her presentation at the November Board Meeting were perceived by some to be overly harsh. He said that while it is never his intent to hurt her feelings he stands by the need to have his concerns addressed in the interest of PCC as he perceives them. He wished everyone a happy holiday season and asked that everyone take the time to remember those who are less fortunate.

Director Pitts presented his concerns regarding the Fall Term technology outage that PCC experienced and offered suggestions about preventive measures that are aligned with the best industry standards to avoid future issues.

Dr. Pulliams asked that the Board determine the path forward they wish the College to follow. He added that the College is going forward with their strategic plan as presented at the November Board meeting including an audit of the technology infrastructure.

Director Pitts responded that his understanding is to make sure the network is solid and then, maybe as long as a year from now, have an audit conducted that will essentially do what he proposed. Additionally he asked if policies could be instituted that decision and the frequency of future audits because of ever changing technology.

Dr. Pulliams asked Leslie Riester, Associate Vice President, Technology, to respond to Director Pitts' concerns regarding the technology audit.

Ms. Riester responded that Director Pitts' is correct that the current audit is simply to verify that the network design is adequate but the College is going forward with the Enterprise Architecture endeavor for all of the services TSS provides and analysis of all of those elements could take as long as a year. She also said she agreed with his comments regarding the need to respond effectively to the constant change of technology. She also recommended the creation of guidelines and benchmarks as opposed to policy that might not meet ever changing nature of technology.

Dr. Pulliams proposed that the Board to work out language for a policy that it is comfortable with and then he and staff would work with the Board to finalize it. Director Pitts suggested staff write up proposed language and present it to the Board. Director Squire suggested that this would be a good topic for discussion at the January Board work session. Following a brief discussion it was agreed to be addressed at the January work session.

District President Report:

President Pulliams asked Kristin Watkins to update the Board on the Governor's Oregon Education Investment Board (OEIB).

Ms. Watkins reported that the job description for the Chief Education Officer for the OEIB has been approved, recruiting is in progress and the position is expected to be filled in the spring. She said the decision had been made that the Chancellor of the OUS System and the Commissioner for Community Colleges and Workforce Development would report to the Chief Education Officer. She added that work continues on design of the Achievement Compacts and legislation authorizing the Achievement Compacts is expected to be included in the 2012 legislative session.

Ms. Watkins said that key OEIB recommendations relating to governance will be proposed in the 2013 legislative session including how many state boards there will be and what their roles will be. She said that another matter the OEIB and the Chief Education Officer will be working on during this coming year is the idea of independent boards for universities in the university system. She said the governor has pledged his commitment to consider them and those recommendations are also expected to be taken forward to the 2013 legislature. Ms. Watkins said the governor continues to state that he is not interested in interfering with local governance and the fact that he expresses interest in the possible creation of locally controlled boards for universities indicates his interest in governance is primarily at the state level.

Ms. Watkins reminded the Board that appointments with legislators continue and she requested Board members attend as many of them as they can.

Dr. Pulliams said that when decisions are made regarding the OEIB; particularly local governance, it will be important for the College to oppose them before they reach the Legislature. He noted the Commissioner of Community Colleges and Workforce Development will report to the Chief Education Officer who will therefore have a great deal of influence over community college funding streams. Ms. Watkins added that although it was acknowledged in the draft report that funding is inadequate, funding streams were not addressed. She said it appears that as Tim Nesbitt reported at the summer work session, the governor anticipates savings from health care reforms being redirected to education but that will be a slow process.

Dr. Pulliams said in previous commitments the governor agreed to keep community college funding flat until the economy improves and then funding will be based on what is needed to achieve the Achievement Compacts. He said budgeting measures will be discussed at the January 27 work session. He added that any anticipated budget increases are not likely to occur and with continued increases in enrollment the College is in a deficit financial position.

Director Pitts asked who determines the level of incremental funding to accomplish the Achievement Compacts. Dr. Pulliams said that is an unknown at this point but he anticipates that will be determined by the OEIB. Dr. Pulliams reiterated the importance of being up front with the governor when the College is uncomfortable with decisions made regarding this.

Director Frisbee asked if a model has been developed for state universities that wish to have local governance. Dr. Pulliams said the current plan is for a hybrid system where U of O and PSU will likely have their own boards but will share their power with the state board because the state board hasn't determined what those individual boards are going to do and the other five state universities will remain in the university system.

Dr. Pulliams concluded his report by thanking Chair Harper for hosting the annual holiday reception in Dr. Pulliams absence and he thanked all who attended. He also thanked Directors Harper and Squire for attending the recent community appreciation breakfast hosted at Rock Creek which the Mayors of Beaverton, Hillsboro and Forest Grove attended. He also invited the Board to attend the upcoming campus meetings with district legislators over the next few weeks. Dr. Pulliams reminded the Board their work session will be Friday, January 27th that will be facilitated by Vicki Willis. He extended to everyone his wishes for the very best of holidays and a Happy New Year.

ADJOURNMENT

There being no further business, the meeting adjourned at 9:45 PM.

NEXT MEETING

The next business meeting of the Portland Community College Board of Directors will be held on January 19, 2012 at 7:30 PM in the Board Rooms at the Sylvania Campus.

Jim Harper, Board Chair

Dr. Preston Pulliams, District President

Prepared by:

Lorna J. O'Guinn
Assistant to Board of Directors

Minutes approved on January 19, 2012