

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 6, 2012

BOARD ATTENDANCE

Board Members Present:
Jim Harper, Gene Pitts, David Squire, Kali Thorne Ladd

EXECUTIVE SESSION

The Board of Directors convened an executive session for Real Property Transactions, Information Exempt from Public Disclosure (Attorney-Client Privilege) and Litigation Employment of a Public Officer, Labor Negotiations and Real Property Transactions in accordance with ORS 192.660 (2), (e), (f), and (h) at 6:45 PM, adjourning at 7:10 PM.

CALL TO ORDER

Acting Chair Harper called the business meeting to order at 7:30 PM and invited all present to introduce themselves.

APPROVAL OF THE MINUTES

The November 15, 2012 minutes were approved as published. Squire/Pitts

APPROVAL OF THE AGENDA

The agenda was approved as published. Pitts/Ladd

INFORMATION SESSIONS

Annual External Audit Report

Kenneth Kuhns and Scott Muller, Certified Public Accountants, Kenneth Kuhns and Company

Earlier this evening the report was presented at the Board Audit Committee Meeting.

Page 1 of the report is the independent auditors report and is the opinion on the college's financial statements. The audit was conducted with standards that are generally accepted accounting principles (GAAP) in the USA, and because the college receives federal dollars the audit was also conducted in accordance with governmental auditing standards. In the third paragraph of the opinion letter, it is the opinion of the auditors that the financial statements are fairly presented in all

material respects. This is what is called a clean opinion, and is the best opinion an entity can receive. The opinion of the Government Auditing Standards audit can be found on page 104. During the audit, internal control was reviewed on an entity wide basis. Also, compliance with laws and regulations was reviewed on an entity wide basis, and found no exceptions. On page 106, Federal Programs were audited and there were no exceptions or findings. The final piece of the audit, on page 102, because the college is a local government in the State of Oregon, there is a requirement to test certain state laws and regulations. These tests included deposits of public funds, budgets, outside funding and surplus public funds, and contracting procedures. Based on the tests, no exceptions were found. The college's records are well maintained and staff are doing a good job preparing documents, as well as safeguarding college funds. Stakeholders, bond-holders, credit companies can rely on the information as being accurate. Directors Gene Pitts and Jim Harper thanked all involved in preparing this document.

Textbook Update

Laurie Bales, District Manager, Bookstore and Linda Eden, Director, Auxiliary Services

Ms. Bales gave an overview of what the bookstore is currently doing to serve the students in the most cost effective ways. She stated that this is not a new topic. In the last 7-8 years, the Oregon legislature has also taken an interest in this topic. The bookstore has been working hard to offer choices to students. The strategy is to have a large selection of used books, custom books, and old editions when approved by the instructors. The SAC Committee and the Faculty are the folks making the choices of the content that is being used in the curriculum. The role of the bookstore is to support these community partners and be a resource for them, while being aware of what students' needs & wants. With such a diverse student population at PCC, there is no one-size-fits-all. Custom books amount to about 40% of the books sold. These books have been abbreviated versions of for the full books due to PCC being a quarter schools. The faculty and publisher representatives work together to segment only the chapters that will be covered during the quarter for rebounding at PCC to reduce the costs of the book for the students. In a HECC hearing, PCC was recognized for aggressively working on cost saving incentives with the publishers for students. PCC was also recognized as being the most effective in the Pacific Northwest in these efforts. The Bookstore works with 7 national wholesalers to supply used books for students. We also offer a very robust buyback. In order for this to be a success, we work with the Faculty and departments to get the book needs in a timely manner. These buybacks provide the student more money for the books they are done with, cash in their pockets, used books on the shelf for incoming students and cost savings on shipping for the bookstore. Sometimes new editions are released, but the Faculty wants to continue using the old edition, the bookstore will work with the publishers and wholesalers to secure as many old edition copies as possible. PCC has been a promoter of the E-books and digital books since they were first piloted in 2005. We were part of 12 schools that offered digital versions of textbooks to students on a pilot basis. However, in the Fall term the Bookstore sold over 65,000 books, with less than a dozen digital. That is not to say they are not buying them other places. Our students

are very savvy shoppers. Prices comparisons are also offered on the website from other competitors. As students look for classes, at the same time they can look up the costs of the books. Trying to remain a good option for students, we have a very viable and e-commerce and web order option for students. Fall term 2012, sold 4,300 books, making this a 19% increase. Students like the convenience of online ordering. There are pilot projects on campus turning to digital options; CIS 179 is a class encouraging this. Only 5 students had purchased the digital option, rather than the printed materials. Student success cannot be evaluated at this time, as the class is still in session. PCC participated in a National Student Watch survey in 2011. PCC was one of 18 participants in the survey, with over 1,100 students responding. It was reported that 71% of the students still preferred their textbooks in printed format. That means just 29% are opting for digital or electronic versions. Some other results from other pilot programs were that students really like the initial savings with buying digital materials and the portability, but less than thrilled with the reading experience and that the instructors failed to use all of the collaborative features built into the platform. We strive to stay abreast of what are students are thinking and feeling. HECC (Higher Education Coordinating Commission) convened a work group of students, faculty, publishers, bookstore managers, and members of the OUS. They held three public hearings in the spring and summer. There is a preliminary draft of the recommendations that will be presented include incentivizing the Higher Education Opportunity Act that was done in 2008. As a reminder, the HECC put forth some guidelines for institutions, publishers, and bookstores so that students can see how much all their costs for school will be, including course materials. The HECC is promoting open source materials, library reserves of the books, and initiatives to address the high cost of text books. PCC will launch a rental program in Winter 2013. If all goes well, we hope to expand the program. Open-source and online content development is getting a lot of attention. Much of it is being done through philanthropic groups like the Gates Foundation. California legislation signed off to development 50 development education courses in time for the academic year. The fundamental problem with all these changes is there is no sustainable model that will continue to fund these movements. One thing to note: open source, doesn't mean that they are free. The industry is not what it used to be and student preferences are changing. There is significant awareness about the high cost of textbooks and that something needs to be done. New business models are emerging that address both cost and content delivery options. The publishers are very concerned about this as well. They want to remain relevant and play a part in helping train faculty. As new content is in development, they are considering all formats, not just print. The bookstore is an integral partner in students achieving success at PCC. As an institutional store, staff takes pride in their role to enhance student success, provide quality service and to provide affordable products. The bookstore contributes to the General Fund and recognizes that a possible decrease in course materials may well reduce the revenues and contributions in the future, but we recognize that we are a partner. Participation in National Buying Groups and attendance at Educational Sessions on the regional and national fronts, and staying informed in what is going on contributes to the success of the Bookstore. The bookstore respects the rights and responsibilities of the SACs, the Faculty, and the Departments to choose the course content and the role of the Bookstore to put the

materials on the shelf. The bookstore is dedicated to continuing to peruse affordable options for the students and want to continue to be included in the conversations.

OEIB Update

Rob Wagner, Manager, Government Relations

Mr. Wagner acknowledged the active involvement and participation from the PCC Board of Directors who have been following the conversations quite closely. The conversations around governance are still at the 10,000 foot level. The OEIB Governance Subcommittee is attempting to link "form and function" of a seamless K-20 education enterprise consistent with SB 909 and the Governor's vision for education reform. The OEIB Governance Committee has met three times; this committee is chaired by Matt Donegan and includes Mary Spilde from Lane.

There is a lot of confusion about what the OEIB is actually adopting. In speaking with Andrea Henderson from OCCA about their position, she stated that they don't feel that the proposal provides enough policy structure for them to feel confident in recommending a position. The biggest changes from the current policy are at the agency level with the creation of a new Department of Postsecondary Education – combining OSAC, CCWD, OUS (newly redefined by allowing "Institutional" Boards for U of O and PSU). The second change is with public oversight and the administrative rule-making for community colleges, will shift from State Board of Education to the Higher Education Coordinating Commission (HECC).

Given the lack of specificity in the proposal, and the lack of clear direction and consensus, the way this is likely going to play out will be with the Governor's Office pulling together a work group consisting of: Representative Michael Dembrow (Chair, House Higher Education Committee), Ben Cannon (Chief Education Policy Advisor), and Senator Mark Hass (Chair, Senate Education and Workforce, who works closely with his former aide, Dana Richardson, who is now the education policy advisor to the Senate President).

There is a lot of time to be actively involved in the process. In meetings this week with legislators, there is great level of respect for community college autonomy as being a model. There is no one in a position of authority advocating for attacking local control, but we'll remain vigilant in defense of our structure; and actively engaged in the development of legislation.

The Governor's Budget on education reflects his changes in the delivery of K-20 education. The budget provides new funding for strategic investments around student retention, best practices around teacher preparation, early childhood education and STEM.

OCCA and OPC are working on a new model for funding which will incorporate "outcomes based" funding. The work that PCC is doing with CIC is not only on the right track, but with the higher retention and completion rates in the near future we may see some additional weighting. The Governors' Budget funding proposal of \$428 million is a high water mark and is good news as a first measure. If the

Governor is successful with PERS, he's saying it will "spend like" \$460 million given cost assumptions. The strategy we will take is one of active engagement before and during the legislative session. The Legislative Agenda of Community College Support Fund Budget, support PCC's capital request, need-based financial aid, and targeted investments: financing for STEM, CTE, completion, scaling best practices and Governance will do no harm and allow for local control.

We are doing some polling to find out what the general public feels about PCC, and how to message our college. We also plan to launch on a project that will data map students in our Zones. We are currently doing active outreach by holding a series of Legislative Breakfasts focused on the importance of advocacy, especially students and our partners. Messages about the 40/40/20 will go out in Communities Magazine and Diamond Pride E-Newsletter. We're looking at tools for lobbying; this could mean sending a letter to your legislator or coming to our lobby day, March 4 in Salem. For the long term, we are not leaving resources on the table, but also keep in mind we are not burning bridges.

Access and Success Report

Laura Massey, Director, Institutional Effectiveness, Dr. Chris Chairsell, Vice President, Academic and Student Affairs, Heather Lang, Dean, Student Development and Kurt Simonds, Division Dean, Liberal Arts and Sciences

Dr. Chairsell drew attention to the 40-40-20 publication stating what PCC is already doing to reach the goal. Laura Massey reported that almost every aspect of the college has the potential to influence student access and success. From the physical location of facilities, to capacity of classrooms, the courses offered, the availability of financial aid, costs of attending are all factors. This year's Access Goal Report highlights a couple partnerships that contribute to student access and success as well as two areas, distance learning and financial aid, that are playing a larger role with regard to student access. Through our community partnerships with 46 high schools, 4,300 high schools completed college credits while in high school. These are courses that are taught in their high schools, by their high school teacher who is qualified to deliver that college level instruction. There is a listing of the schools on the last page of the report, as well as the number of students that are served through dual credit at each of the high schools. Another partnership that contributes to student access and success is 3rd billing partnerships. In essence, this is when employers or federal and state agencies actually pay the tuition for the students who attend. These cases include employers who pay for their employee to attend and another example may be an individual who has been hurt on the job and can no longer perform that type of work and needs to be retrained. Technology also supports access for 35% of our students who are currently taking distance learning courses. While the majority of these students are also taking courses on campus, there is an increasing number, currently 4,600 students this term took all of their courses through distance learning. That is more than the total students served at seven different community colleges in Oregon. Those are students that do not step foot on our campus. Financial aid number continue to increase, almost 50% of our degree seeking last year received \$186 million in federal and state aid, as well as an additional \$1.9 million were awarded in PCC Foundation and private donor

scholarships. We have never had so many students using financial aid to help pay for their education, but for many of these students they are using these dollars to help pay living expenses. Thus we have the heightened importance of the Student Financial Literacy Program, which is one of the outputs of our Title III, 5-year grant that we received. We are beginning year three of FLAIR. We are currently on track to accomplish the outcomes that are proposed in that grant. Director Harper asked if the percentage of folks using Distance Learning is from underserved areas of the district. The response was that it has not been broken down in the service area, but surprising that 82% of the folks live right here. So we are not seeing folks in remote areas. We surveyed our current students and the number one reason was that it worked best with their work schedules. Also, women had family circumstances, and then transportation followed that. Kali Ladd asked why none of the schools (in her district) in the Dual Credit Program were Portland Schools. Dr. Chairsell responded that they have not been ready to come to the table because of their size.

Heather Lang provided a quick snapshot of some of the activities and initiatives PCC is engaging in with specific attention to students' earliest experiences with PCC. The goal of student access is what makes the community college mission unique in higher education. The focus on access, especially when discussing the most marginalized populations of our community, without also discussing systems of support and engagement of students is incomplete. At PCC we have always been focused on student success and have been concerned about quality progression of our students to goal completion, but the current climate is forcing us to pay even more attention to measurable student outcomes. This climate is offering us an opportunity to reframe some of our institutional discussions so that the goals of access and success are inextricably linked. We are continuing to shift a broader community college culture that, at one point in the past, considered it a student's "right to fail" – that we simply needed to provide access to quality education and some services and students' own work and motivation would dictate the outcome. What we now know to be true is that simply offering the curriculum and student services are not enough. We need to engage in a full partnership with our students, one of shared responsibility for learner outcomes. This means embracing every student's "right to succeed" at PCC and doing so by constructing an experience inside and outside the classroom that is challenging, yet attainable regardless of a student's background or the challenges and barriers they may face. A key strategy to engage the institution in this conversation and to move forward with intentional planning for improved student outcomes is the creation of the Completion Investment Council, charged with serving in an advisory capacity to the college Cabinet. The Council held its first meeting in November, 30 faculty, staff, managers and students representing broad institutional interests and knowledge. The group began by having critical conversations about the PCC student experience that will set the stage for important advisory work and recommendations for action.

A key charge of the Completion Investment Council is to refine and roll out an institutional student success framework. The current draft is being called the Panther Path. The framework depicts students' journey through our institution, identifying key stages of progress towards completion of their goal, with an

associated intended outcome at each stage. We believe the Panther Path will serve as a powerful organizing tool for the institution, one that will support our clear communication and expectations to students, as well as assist faculty and staff with planning instruction and services that support our stated outcomes. These types of student success models are being adopted at other community colleges across the country and have been labeled "visible and integrated roadmaps for the core business of the college". One of the benefits of the framework is that it can help us focus our efforts on interventions and initiatives without losing sight of the bigger picture. We have determined through institutional evidence that the stage we need to first focus efforts on is the Prepare phase. Based on evidence, both within our institution and from national studies, we know that students who start classes after the term starts are less likely to succeed. We know that students who are not financially prepared to be a student are less likely to succeed and more likely to end up in debt. We know that students who don't know what they want to do and lack the knowledge or skills to plan a career and the curriculum path to get them to that career are less likely to stay motivated and persist in higher education.

A focus on learner outcomes has become central to conversations of higher education reform and change efforts. In way of illustrating how the Panther Path may be used to articulate learner outcomes for both communicating outcomes to students and help organize

Over the past 5 years or so, we have developed numerous interventions based on knowledge of our own students and national research. The enrollment policy changes are clear and aggressive payment deadlines, enrollment deadlines, prerequisite screening, and other enrollment related policy changes are serving to define for students what we mean by "prepared" for the first day of class. The Orientation Centers have over the past 3 years established Orientation Centers at all four main campuses and the Newberg Center. These are physical spaces that blend high touch with high tech where students can go through new student orientations, learn how to use MyPCC student portal. Establishing Answer Centers & Bond planning, with related high touch, high tech support is rolling out with student services Bond related renovations. Campuses will house "Answer Centers" with physical locations where students can access enrollment and financial aid related information at computer kiosks, with the support of staff and student mentors. The Advising District Council, based on recommendations stemming from a recent Program Review, a district Advising Council has formed and will take a look at our advising model with an eye toward maximizing availability of quality academic advising tools available to our students. Among these is our degree audit system – GRAD Plan – and we are in the process of maximizing its utility to benefit students.

Dr. Chairsell added that a snapshot of the Deletion for Nonpayment that was implemented in the summer, we are holding steady, with enrollment decreasing 2.4%, or 850 students. More important, we have a 118% increase in payment plans for students that have committed to payment. Past due payment plans were -5%. We are hoping that will get better. Holds are students for financial reason has gone down 46%, and late fees are down to -70%.

Kurt Simonds reported that many of the items listed have been implemented over the past several years, including the prerequisite implementation for reading, writing and math. As we focus on prerequisite and outcomes assessment, we also have the opportunity to align our curriculum more effectively for the students when students move from a level in reading, writing and math are more confident at the next level. With Adult Basic Education and English as a Second Language learners, faculty are working to align all the course sequences so that when students complete their pre-college work, we are confident that they can go into college level English, reading, writing courses and be successful. This has been a long process of working with the Faculty around outcomes assessment, and alignment around the District. A number of initiatives are taking place within math, including an intensive one week, pre-semester math review with students. This is a 15-hour intensive review that would then let students retake the placement test and perhaps start at a higher level with less time in development education non-credit classes. A second initiative is that we are looking at a math sequence that is geared toward our career technical programs. This will support students entering into career technical programs they may not necessarily need to go through Algebra sequence, depending upon career goals. Third, we are aligning our curriculum with the high schools to make sure students are prepared for college math. Some of this work is taking place at the Cascade Campus between the collaboration between the Math faculty and the Jefferson High School faculty, with Middle College. Dr. Chairsell added that this has been a collective focus at PCC for the last 5 years, moving away from open access with the right to fail to guided-access towards completion. In this new world of outcomes we have to focus on answers that will determine student success. We really believe and can't forget that access and success needs thoughtful input, not just outcomes. It is a quality education, outstanding teaching and learning, student development services that go beyond the academic experience and the student being prepared on the first day of class both academically and financially to take classes. As we look at our first glimpse of retention here at PCC we have had the highest number of returning students ever, at 70% this is returning term to term. This will move them toward completion.

Budget Update

Jim Langstraat, Associate Vice President, Financial Services and Wing-Kit Chung, Vice President, Administrative Services

The reasons why we are facing the deficit are from a number of factors including state funding changes, rising PERS, enrollment increases with no increase from state funding or little increase in property taxes, moderate tuition increase, and dwindling reserves. The economic forecast highlights were presented by Mr. Langstraat. The key risk we are dealing with is that some of the Governors financial planning counts on the PERS adjustment; it is hard to know if these changes will happen. The \$428 million that the Governor has proposed gives us about \$5.5 million more dollars per year, than the \$395 funding level that was first discussed. A caution for folks is that this is "almost" enough money to cover the projected PERS cost for the next biennium. These uncertainties have us moving forward with a dual budget funding model in case funding comes in lower. The budget needs to be

approved in April 2013 before all of the key data points are known. Notable upcoming factors are that Dr. Pulliams will be hosting Budget Forums across the campuses; the February board meeting will be looking for action on tuition increases, in Spring legislators will be meeting on the funding level for community colleges, and negotiations with the Federations open up then also. On March 17 and April 21 the board will be having public hearings on the proposed budget.

PUBLIC COMMENT ON AGENDA ITEMS

None

PUBLIC COMMENT ON NON-AGENDA ITEMS

None

BUSINESS MEETING

Director Harper proposed approval of Resolutions 13-053 through 13-054. The motion passed unanimously. Squire/Pitts

Other Reports:

Frank Goulard, Faculty and AP Federation President

Mr. Goulard reported that the holiday party went well this past Saturday. About 300 people attended with their families. Some highlights that made the event a success were Santa, games and activities, and presents for the children. He commented on the work of Rob Wagner and the great week of breakfasts with legislators. Finals week is coming up next week, the grind is tiring, but the really neat thing is that everyone is in it for the tireless in the pursuit to learn.

ASPCC Student Representative, Jonathan Mena

In the 2 ½ weeks since the board has met the DSC has been addressing the initiative The Bridge, for the potential online school newspaper that hopes to bridge the communication between students, faculty, staff and administration. Hopefully, a decision will be made at the upcoming DSC meeting. The DSC has funded and is in full support of the legislation internships for Winter term. We are excited to see the results and impact that these internships will have down in Salem. We want to leave a PCC footprint. The Cascade Campus leadership is sponsoring a benefit for a local business that has been a victim of a hate crime. Campus leadership is preparing survival kits to help students during finals weeks. Mr. Mena thanked the board for the understanding expressed with discussions over tuition and appreciate that ASPCC is included.

Board Reports:

Kali Ladd and Jim Harper commented on how great the student intern program in Salem is going to be. It will have a larger than normal size footprint on Salem and the student voice is the most persuasive voice we have. They thanked him for his leadership to the program.

District President Report:

Dr. Pulliams closed with thanking the board members for their time at the breakfasts over the past few weeks. He called Neal Naigus forward to give an update on the Presidential search. Mr. Naigus noted that the committee met last week and put together an evaluation matrix for scoring of applications. Once the search closes application will then be reviewed. Dr. Pulliams called Dr. David Rule forward to address the board. Dr. Rule commented that moving from Rock Creek was one of the most difficult decisions in his career. He thanked everyone for their support. He will start at Bellevue College on January 3, 2013.

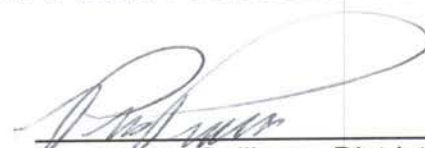
ADJOURNMENT

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

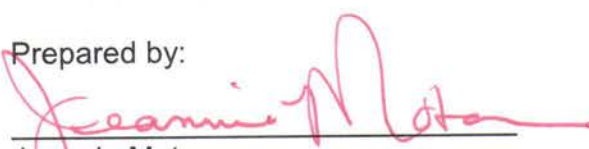
NEXT MEETING

The next business meeting of the Portland Community College Board of Directors will be held on January 17, 2012 at 7:30 PM in Board's Conference Room at the Sylvania Campus.


Denise Frisbee, Board Chair


Dr. Preston Pulliams, District President

Prepared by:


Jeannie Moton
Assistant to Board of Directors

Minutes approved on January 17, 2013