

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
January 17, 2013

BOARD ATTENDANCE

Board Members Present:

Denise Frisbee, Jim Harper, Deanna Palm, David Squire, Kali Thorne Ladd

EXECUTIVE SESSION

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

CALL TO ORDER

Chair Frisbee called the business meeting to order at 7:47 PM and invited all present to introduce themselves.

APPROVAL OF THE MINUTES

The December 6, 2012 minutes were approved as published. Harper/Squire

APPROVAL OF THE AGENDA

The agenda was approved as published. Squire/Ladd

INFORMATION SESSIONS

Community Colleges and Workforce Development

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

Commissioner Preus started by thanking the Board for time on the agenda. She provided a state-wide update on Oregon's Community Colleges. She provided a handout that covers the issues of some of the changing politics at the State as well as budget and enrollment issues. She opened the floor for questions from the Board Members, because that seems to be the most beneficial. Director Squire asked what is going on with governance and where will CCWD end up? Commissioner Preus responded by noting the Governor's budget proposes a new entity called the Department of Post-Secondary Education. The entity would include OUS, the

CCWD and the Oregon Student Access Commission (OSAC). The primary mission of the OSAC is the distribution of the Oregon Opportunity Grant. OSAC also manages ASPIRE which is at over 100 high schools in the state, inspiring students to attend college. It goes on to say that the new department would support the Higher Education Coordinating Commission (HECC) created in 2011. This is a move to help provide financial and staff support. Additionally, the University System General Education budget would be distributed by this new department, along with OHSU General Funds. The intention is to have a new department that concentrates on post-secondary funding and policy. Senate Bill 1538 provides some clarity about the role of HECC and delineates that it serves as a post-secondary policy board for the larger OEIB. There is not a real sense of what the bill will look like yet. The bill is due late January or early February.

Director Harper asked if the OSAC commission will stay or fold into CCWD. Commissioner Preus understanding is that the OSAC would go away and that HECC would take its place. Some of the current sitting OSAC members would move to HECC. Right now, the Commissioner's major priorities are to make sure Community Colleges and Workforce Development have the same kind of visibility that we currently have. There has been some concerns articulated by the Oregon Community College Association and the members that putting all higher education together that Community Colleges would not be as visible. The other priority is the budget, it is not great, but the increase is good. OCCA's standard line is that it's a good place to start. This is not sufficient funding to hold any board in the state from likely increasing tuition or eliminate programs that might be on the margin.

High priority for the Department right now is the Capital Construction list. The back of the handout lists the current requests in priority order. The Governor's budget did not detail a list for Community Colleges of those projects that would be funded, nor the University System. Instead, the Governor's budget said there was \$244 million available for bonding for post-secondary education. The list needed to be reprioritized to ensure that the projects selected would help the state meet the educational goals of 40-40-20. Not necessarily be serving more students, but serving them better. From the beginning all the colleges provided a due diligence report and a committee of the 5 presidents and CCWD reviewed the proposals with college names lined out, and then the committee rated the projects. . OEIB would be the final arbiter of how the funds are allocated, but the likely scenario is that final decisions will come from the governor's office and policy advisors. There is \$244 million to be distributed for Capital Construction. CCWD request is for only Article XI-G bonds, which requires a dollar for dollar match at the local level. The process is as fair as it can be.

Director Frisbee asked if all the community colleges are feeling the pinch of the Governor's budget. Commissioner Preus stated that it is adequate resources to cover the enrollment increases. Community Colleges lost 21% of funding but increased enrollment statewide by 34% in the last 4 years. Students feel this in the way of tuition increases and decreased services.

Foundation Update

Chris Neilsen, Chair, PCC Foundation Board and Kristin Watkins, Associate Vice-President, College Advancement

A review of what the Foundation accomplished last year included two cohorts of Future Connect, the Gala, Meyer Trust grant, and the largest corporate gift ever from Bank of America. The Annual cash contributions have been on an upward trend, the leveling off was the ending of the Miller Match. The growth in net assets is also a nice trend upward. The scholarship and program distribution shows a one-time opportunity of \$200,000 from WorkSystems, Inc. The scholarships awarded do not meet the need of students who applied.

The following are the goals for the Foundation Board of Directors;

Goal 1 is to strengthen the Foundation Board's fundraising capacity, ability, and results to support scholarship and program needs, other unmet needs, and opportunities. This goal came from the being poised for a capital campaign and then having to back off due to the issue of governance in higher education. To reach this goal the board has restructured development committees, increased events and gatherings, added board members, increased support, and set aggressive board giving goals. The board giving goal is for FY13 is \$150,000; we currently stand at \$108,836. Board members are confident that the goal will be met.

Goal 2 is to increase gifts over \$25,000. Some of the ways this is being done is launching a planned giving effort, continued engagement of President's Posse, and higher-level donor events. There have been several gifts secured at this level.

Goal 3 is the continued growth in the amount of funds raised to support Future Connect to ensure current program continuation and expansion district. The third cohort is fully funded, with only \$157,000 to raise for the 4th cohort in Multnomah County. Some conversations are starting with outlying cities that are interested in being a part of Future Connect. Goal 4 is to ensure that the next President of PCC has a proven successful track record and strong desire to be the college's most visible fundraiser. Ms. Neilsen thanked Chair Frisbee and Director Palm for the opportunity to participate on search advisory committee. The Foundation has also hosted donor forums around the selection of the new President.

Some challenges and opportunities coming up in 2013 for the Foundation are the 2013 Gala, "An Evening for Opportunity: In the Spirit of Motown!", promoting Preston's Campaign for Opportunity, Future Connect expansion, strategically utilize new President's fundraising skills, adding board members, building board capacity, and setting aggressive fundraising goals.

Chair Frisbee and Director Harper thanked Ms. Neilsen for her role as Board Chair for the Foundation.

50th Anniversary Update

Kristin Watkins, Associate Vice President, College Advancement and Russell Banks, Director, Communication

The goals of the 50th Anniversary were to 1) raise awareness of PCC's impact, 2) honor and celebrate our history, 3) connect with alumni, 4) strengthen relationships,

5) share PCC's vision for the future. The highlights of the year were the exhibit at the Oregon History Museum; 75,000 (comment: wasn't this 50,000 to line up with 50th?) hours of Community Service from our Faculty, Staff, Retirees, and students; Founders' Week Picnic at Rock Creek; recognizing 50 Diamond Alums; the 50th Anniversary Gala; and the Declaration of PCC Day by the Governor. We have positioned the college to better compete for resources, which will ultimately help more students succeed and strengthen our entire community. A microsite was created to engage the community in the 50th Anniversary, this will be transitioned over where we will continue to work with people in community. The Marketing office submitted the Anniversary projects for judging at a professional conference. These projects have been awarded 4 Gold, 5 Silver, and 5 Bronze, which will now be entered into the national competition. Mr. Banks expressed his appreciation of the support of the board for the support for the Anniversary, along with the faculty, staff and students. Ms. Watkins thanked the College Board, College Cabinet, faculty and staff, and especially the Anniversary committee, asking them to stand and be recognized.

Budget Update

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

Since the December meeting, there is a clearer picture as the proposed budget is developed. Jim Langstraat reported that the recommended funding level was established in December of \$428M for community colleges, up from the current biennium of \$395M. The PCC share increases from \$109.7M to \$120.6M for the 13-15 biennium, roughly an \$11M increase over the biennium. However this increase will not be sufficient to cover the increase PERS cost for the biennium. The legal proposed budget is being built for the 2013-15 biennium on the \$428M funding level, but will also have contingency plans in place in case of national recession or others factors that may cause the state to reduce our level of funding. Just a brief reminder on PERS, we are booking a net rate increase of 8% for the 2013-15 biennium even after some relief from PERS Debt Service Fund. It is interesting to note that Governor Kitzhaber has made some proposals for changes to the PERS system to potentially reduce costs. PCC or other community colleges are not factoring in those savings as budgets are developed. It is uncertain how the proposal would withstand any potential legal challenges from the various unions and federations. The budget is also being developed around an enrollment target of 28,000 student FTE (SFTE), up from a target of 22,506 SFTE that was used in FY12. This number is closer to the actual credit enrollment in FY12, which was a little over 30,000 SFTE. State funding is calculated on a capped enrollment of 26,687 SFTE. We were over 34,000 SFTE last year for credit and non-credit. There is quite a gap in the number of students we serve and the funds we get from the state. This will create a focus within the college, as a base budget and less on margin budget. This should help improve our accountability within departments. Now that enrollment numbers are being increased to reflect actual students enrolled, we will need to monitor enrollment very carefully and make any needed budget adjustments as the biennium rolls along. Preliminary conversations with other community colleges, is that most will raise

tuition between \$5 -\$10. Our tuition rate increase will need board action at the February board meeting in order to meet the financial aid packaging timelines.

Some key risk factors that we are dealing with is the chance of a national recession, state revenue forecast, salary and benefits negotiations, and the completion agenda and any changes to the funding formula. Depending on the outcome of our internal tuition rate increases and the salary and benefit negotiations the annual shortfall will be in the \$5 million-\$10 million range per year. If we continue on that path the fund balance will fall below the board's minimum target of 7%. Cabinet is having ongoing discussions on possible ways achieve savings, there are 3 tracks being discussed. 1. any potential compensation and benefits savings, 2. individual campuses/divisions have been instructed to reduce their budgets by up to 4%, and 3. college-wide ideas on potential costs savings including recommendations from BPAC. Director Squire asked how much budget preparation will be done before the February decision can be made on tuition increases. Mr. Chung responded that there may be a solid number from the Ways and Means Committee and more detail on the budget numbers. Chair Frisbee asked regarding the college-wide 4% cut request and if there were guidelines for these cuts. Mr. Chung commented that there was a framework established for these cuts and reductions. Before anything is cut, staff will review demand of programs and how jobs and support services will be affected including reviewing vacant positions. The board members would like to have this information for budget review coming up. Cost benefit, along with the Goals and Mission of the college were considered in these decisions.

Dr. Pulliams reminded the board and staff that we have done everything we can to provide access. We have come to a point that we have to face reality and the situation from the state requires us to make some tough calls. These discussions will relate to our comprehensive mission, our need to look at our programs as far as what is meeting our mission and what is not.

PUBLIC COMMENT ON AGENDA ITEMS

None

PUBLIC COMMENT ON NON-AGENDA ITEMS

None

BUSINESS MEETING

Chair Frisbee proposed approval of Resolutions 13-055 through 13-061. The motion passed unanimously. Harper/Palm

Other Reports:

Frank Goulard, President, Faculty and AP Federation

The idea that every student matters is sometimes lost in the business discussion of the budgets. That we work together and support each other is a key to keep helping

our students. A few key events coming up are PCC Lobby Day, AFT Conference in San Diego, and Winter School hosted by AFT Oregon. The Winter School hosts workshops and lecturers about issues affecting faculty and staff. It would be a good idea to assure the PCC community that we have a safe community, because this is weighing on minds and needs to be talked about.

Jonathan Mena, ASPCC, Student Representative

Student Leaders are focused on being students first. A few events for the beginning of term were Student Book Sales and Club Fairs. Currently the group is making sure that the budget recommendations are completed before the deadline arrives. On February 13, ASPCC plans to take a group of students to Salem to visit the House, when they will be hearing the Tuition Equity Bill.

Deborah Hall, President, Classified Federation

Ms. Hall commented on her gratefulness for the efforts of Dr. Ryslinge, regarding the Rock Creek President. From the time of Dr. Rule tenure, the college has improved it's processed by 100%. The Federation is preparing for campus meetings for the wage openers, Salem happenings and other items regarding the college. There is a new member from PCC on the OEBC Board; Cherie Maas is now serving in this capacity. She will serve us well as she is very active at the college. The annual membership meeting is in February and will be nominating delegates for the AFT Convention in Sun River and also Oregon AFL-CIO Convention is in September/October. In March we will be sending folks to participate in the AFT Peer Professional for Development conference. For the first time in the history of the college, Classified Staff will be recognized the first week of March. March 4 is PCC Lobby Day and the Classified Federation will be there in force.

Board Reports:

Director Harper commented on the Governor Strategic Plan and the Regional Achievement Compacts and that we need to be aware of and sensitive to what that really means. It seems Dr. Crew is looking for a couple pilots to do the Regional Compacts. January 29 is the OCCA Board Meeting, which will have OSBA representatives coming in to talk about relationship with K-12 and community colleges. This was being talked about even before 40-40-20 came about. We need to continue to work on this relationship.

Chair Frisbee reminded the board members of the board work session next Friday. She stated that the board will be discussing the mid-year tracking of our goals, budget, the completion agenda, our mission as it relates to 40-40-20, and technology. Chair Frisbee encouraged members to reread the Goals of the Board. We will have several board members going to the ACCT Conference in Washington DC for lobbying in February. Also, the Presidential Search Committee should receive applications next Tuesday and then the screening will begin.

District President Report:

Dr. Pulliams called Dr. Gatewood forward to report that the 23rd African American Festival of Films will be dedicated to Director Harold Williams. On March 4th of the

festival his family and friends are invited and to hear special recognition for him. State Representative Michael Dembrow has leveraged a deal that the legislation will adopt a resolution in honor of Director Williams at PCC Lobby Day, which is March 4th, time is planned for mid-morning.

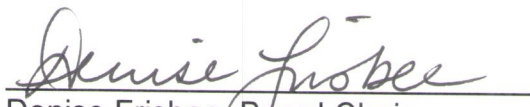
Black History Month is being kicked off with an event OMSI on January 31st at 8:00 am. Dr. Pulliams commented on of Frank's mention of public service; he commend the Federations and students for the Campaign for Opportunity. The legislative breakfast attendees commented on the number of voters that ASPCC registered. Dr. Pulliams called forward Kristin Watkins regarding a proposal from Senator Shields. He has approached the Foundation and expressed interest in getting folks back to work in welding jobs on Swan Island. A number of folks across the college have been working to try to come up with options that will work for PCC and the business community. He is not interested in expanding credit welding training, there are over 100 people on a wait list for the credit program. There was exploration of a non-credit program out on the Gulf coast, a ship-fitter boot camp. There is more interest in a general manufacturing boot camp, boosting the manufacturing economy for folks to get these skills. At this point we just want to ensure that we have a program that employers have a high demand for that meet the interest of all parties involved. Dr. Pulliams commended Dr. Howard for sending staff down to the Gulf Coast to explore this model.

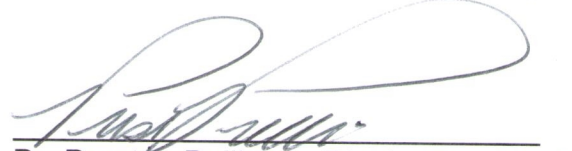
ADJOURNMENT

There being no further business, the meeting adjourned at 9:21 PM.

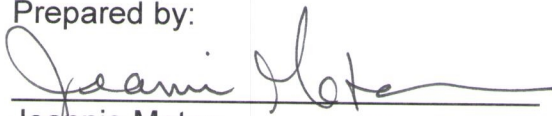
NEXT MEETING

The next business meeting of the Portland Community College Board of Directors will be held on February 21, 2013 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 February 21, 2013.