

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

**PLANNING AND BUSINESS SESSION**

August 21, 2014  
Sylvania Campus, Conference Rooms A and B  
12000 SW 49<sup>th</sup> Avenue, Portland, OR 97127

**MINUTES**

**EXECUTIVE SESSION**

The Board of Directors met at 1:30pm in accordance with ORS 192.660 (2) - in accordance with ORS 192.660 (2), in accordance with ORS 192.660 (2), (a) Employment of a Public Official, (e) Real Property Transactions, (f) Information Exempt from Public Disclosure (Attorney-Client Privilege) and (h) Litigation

**BOARD ATTENDANCE**

Denise Frisbee, Jim Harper, Vice Chair Madden, Chair Deanna Palm, Gene Pitts, Kali Thorne-Ladd, Courtney Wilton

**CALL TO ORDER**

Vice Chair Palm called the business meeting to order at 6:10 pm and invited all present to introduce themselves.

Chair Palm noted that Dr. Brown's contract has been extended for another two years.

**APPROVAL OF THE MINUTES**

The July 17, 2014 Board Meeting minutes were approved as published. Pitts/Harper

**APPROVAL OF THE AGENDA**

The agenda was approved as published. Frisbee/Madden

**SWEARING IN OF OFFICERS**

Dr. Brown swore in Director Madden as Vice Chair for 2014-2015.

**SPECIAL RECOGNITION**

Denise Frisbee was recognized by Chair Palm for her service as PCC Board Chair for 2012-2014.

**INFORMATION SESSIONS**

OCCA

Anderson Henderson, Executive Director, OCCA

Ms. Henderson provided a brief update on the process of how the budget was developed. As of last Thursday the HECC adopted a comprehensive post-secondary education budget that has been sent forward. The budget includes the community college support fund (CCSF) at \$519 million for 2015-17. The Governor will consider the budget and come back with the Governor's recommended budget on or before December 1. Then the process will turn to the legislative arena, where the Governor's budget will be considered and we would likely end up with a higher number.



This year the process has been very different than in the past with the State Board of Education. As part of the process, the Governor gave instructions to the Higher Education Coordinating Commission and that they could take the current budget and exceed it by 20%, letting the HECC choose how to allocate it. This budget is how they allocated the 20% increase. A policy decision was made to continue the tuition buy down that was implemented in the last legislative session. The messaging was letting HECC know that this was not an investment budget; it will not move us toward 40-40-20. It will not allow colleges to radically add new programs. With historically low budgets over the last few biennia, this is a budget that will force many colleges to make further cuts. There will be continue to be tuition increases, and if colleges want to do anything new will have to be through tuition increases or other funding mechanisms. There was a similar increase in the university budget as well and similar messaging from the universities. We need to get to an investment budget if we are all to meet 40-40-20 and increasing outcomes.

The advocacy turns to the Governor's office and the legislature. The Governor has complete discretion in his budget in terms of what investment he will give. Traditionally the Governor's budget has been lower than what was recommended to him. The goal of OCCA is at a minimum is to not have it be lower and look for ways to engage a policy conversation with the Governor to push that to a higher number. This is critical around 40-40-20, that this is not yet an investment budget. If 2015 isn't the session to turnaround the disinvestment of community colleges and the universities and start moving us toward a path of greater outcomes and accomplishments, then OCCA is not sure when it will start. As board members, you can help push that message with the Governor and your legislators.

A joint letter signed by all 17 community colleges and 7 universities presidents asked for the more of an investment in post-secondary education. The number for community colleges is \$650 million as approved by the OCCA board and the universities is at \$755 million, a \$1.4 billion dollar investment in post secondary education. This is the first time a joint effort has been done. As we move into the next legislature session the plan is to use the work with the universities to amplify each other's message. We are also working with the business community to get them on board to talk about the need for post-secondary education.

Two other topics around the budget are deferred maintenance and the Opportunity Grant. Deferred maintenance, the HECC is submitting a request on behalf of the 17 colleges. The request will be for \$100 million, the details are still being worked out on how much each college would get and what is allowable in the deferred maintenance. The request is for lottery backed bonds. If this is successful, there would be no need to provide a match because they are lottery backed bonds. This is intended to be helpful on the bottom line of the colleges to free up operations dollars. . There are some significant proposed changes to the Opportunity grant and it would be good to get board member discussion on and an OCCA position on this. The current grant is approximately \$118 million and is severely underfunded. A small percentage of students who actually qualify to get the Opportunity Grant receive it in any given year. It is a matter of whoever files first. If you don't file by the end of January, your chances of getting it are slim. The estimated amount that it would take to fully fund the Oregon Opportunity Grant as it is now for all eligible students is upwards of \$700 million. There was grim recognition that the funding isn't available to fully fund it. The recommendation from the HECC is to put another \$60 million into the Opportunity Grant. This is a significantly higher investment than it is into the operating budgets. The way the money



would be spent is that it would go into effect the second year of the biennium. That is a way to reach more students. The money would be targeted to just the first two years of college. The amount of the grant would be higher to fully fund the unmet need. It would be limited to those who are 24 or younger. It is really targeted to those coming right out of high school to fully fund their first two years at college. The understanding is that the existing Opportunity Grant would continue as is for the older students or beyond; their first two years would have access to that limited pot of money, still on a first come/first serve basis. The investment into the Oregon Opportunity Grant is greater than the CC support fund and so students may be able to come to the community college, but our ability to serve them in a stronger capacity isn't being limited by this budget. It doesn't allow the ability to open programs or to add student services programs, or provide wrap around services. It isn't really in the best interest of the student to have the ability to go to college without the support to complete.

Director Ladd asked why it is an either-or proposition with the Oregon Opportunity Grant and funds to support students that come. There definitely needs to be a better mechanism than the current first come/first serve system. Andrea Henderson responded by clarifying that the position coming from OCCA is that we should never take funds from the Opportunity Grant to give to a support fund, but it has to be balanced. In this given scenario, because it was a zero sum game, the conversation did become an either-or conversation, unfortunately. OCCA indicated strong support for the Opportunity Grant without getting into the details of how it is being allocated. Increased funding to the Opportunity Grant is critical to our students because of how few of them that qualify for it actually receive it. Once we get into the legislative arena, it is not an either-or conversation. There needs to be funding for financial aid, operations, and the building in order for student to succeed. Another point to mention regarding undocumented students is the concern brought up last week to the HECC. Undocumented students currently receive the Opportunity Grant. With the scenario where there is more money going into the Opportunity Grant, without investments into the colleges, one of the fears is that as colleges have to raise tuition, it puts the dream of a college education further out of reach for undocumented students. This needs to be addressed on a policy level.

Director Frisbee commented regarding the stipulation that students need to be 24 or younger in the first two years. The average age of PCC students is not 24, which is a huge problem for PCC. She also inquired how the universities are accepting this. Ms. Henderson commented that in her feedback to the Commission was that 60% of our students are 25 or older. The universities also have concerns around this, first for those students who typically transfer from a community college to a university, it is a transition time. Not only are they losing their financial aid, but their tuition is also increasing. The question is how we ensure that it works for students.

Director Wilton asked how the overall debt service at 20% compares to K-12. She has not seen the K-12 number yet, so has no answer. He also commented that one thing that everyone struggles with is tuition, in tough times it generally takes a large increase because state support declines while trying to keep programs together. These are better times, even though this number isn't terrific, it is still better than it has been historically. He would really like to avoid increasing tuition. If a budget can be created at this number, which doesn't increase tuition, does that undercut your measure to the legislature? She responded that the message is really around investment in 40-40-20. This is not an investment budget, as we get closer to the year 2025 when we are supposed to be there, it means the step of



investment we would need in 2017 is that much more.

Director Ladd asked why the HECC operations budget such a step increase? Ms. Henderson answered that a large part of that was that they were funded for only a few positions going into this biennium, and some of those positions started late in the year. There were high rollup costs for what was created and also some movement of personnel from other agencies into the HECC.

Director Wilton noted the Opportunity Grant increases are large, and that is nice to see. He asked for more clarification on the ballot measure that Treasurer Wheeler is promoting. He wanted to know if it passes and it moves more to an endowment system, does it effectively nullify it? Ms. Henderson commented that with the ballot measure, it essentially sets up a structure for the legislature to decide how much to fund the structure and how the money would be spent. It will be helpful that the structure is in place, but there is still quite a bit of policy and advocacy at the legislature. We need to ensure that it doesn't become a replacement for existing general fund dollars and that it is added on to help students.

Chair Palm asked about the process of the \$100 million dollar deferred maintenance details. Ms. Henderson stated that because this hasn't really been done before, the process was being made up as they go. The conversations that have been had with the President's Council of CCWD is to basically proposing a tiered set amount that the colleges can access depending on their size. A similar arrangement was done when we had access to \$10 million of lottery money for CTE equipment about 3-4 years ago. At the bottom level, it is enough money for the smallest schools. A proposal will be presented to the Presidents at a meeting on September 5.

#### Budget: Compensation

Lisa Bledsoe, Director, Human Resources

Ms. Bledsoe presented two recommendations regarding annual compensation adjustments. The Management/Confidential compensation is the recommendation from the PACMACC, the President's Advisory Committee on Management and Confidential Compensation. It is based on an annual review of data from several established salary surveys that we have use every year consistently. The sources cover a large group of comparable employers. In looking at the data, we compare our salary structure increases in the market and how is individual pay increasing based on the data. That review for this year, salary structures are increasing by 2.1% and individual pay is increasing by 2.3%. In addition to that, to address concerns with movement through the pay range, in 2012 the PACMACC recommended and the board approved "a bring to midpoint pay component". This was done to address concerns about progression to the midpoint. For the last two years, there has been a supplemental midpoint adjustment. The rational for doing this is to attract and retain qualified and experienced management staff by having competitive pay structures and mechanisms is a way to do that.

The next resolution is on Executive Compensation. The same data was looked at, and it showed much the same information. The data showed that the structures are moving again by 2.1%, individual pay for executives is moving by 2.3%. Then in addition to these trends for the upcoming year, we also looked at where we are compared to the market. Executive compensation is substantially below the market. As an additional component for executive, it is recommended that Dr. Brown be given the authority to make a market adjustment to help



deal with the differential. This would affect four executives, because the others were hired after the fiscal year ends so they are not entitled to this adjustment. The rationale for these increases is the same as for the management and confidential employees is to attract and retain the best executive staff. There is also a recommendation to increase the auto allowance. It has not adjusted since 2008. Finally, we are recommending that the health benefit cap be increased consistent with the cap for represented employees. Funds for these increases are in the budget. Conversations have been happening about developing a pay for performance compensation component for the future, and as part of that having a component that would give employees who are topped out a lump sum increase. Currently they are not eligible for an individual increase and we want to reward good performance, even if employees are topped out. We intend to have recommendations about these items to the board in time for the June board meeting, so that if anything was approved it could be implemented for the next fiscal year.

### **PUBLIC COMMENT ON AGENDA ITEMS**

Michael Sonnelitner made public comment Resolution 15-027 and the reference to "extraordinary service" in Exhibit D, noting that this tends to lead to only monetary gifts being recognized.

### **BUSINESS MEETING**

Vice Chair Palm proposed approval of Resolutions 15-015 through 15-029. The motion passed unanimously. Pitts/Madden

Roll Call vote taken on the following resolutions that were on the Non Consent Agenda:

Resolution 15-030: Delegate Authority to College President to Negotiate Terms and Conditions for Purchase of Real Property Near Southeast Campus  
(Yes: Denise Frisbee, Jim Harper, Ken Madden, Deanna Palm, Gene Pitts, Kali Thorne-Ladd; No: Courtney Wilton)

Comments: Director Wilton commented that as he is concerned about having the funds to provide infrastructure needs to existing facilities. Director Ladd agreed with Director Wilton and thanked him for raising his concerns.

Resolution 15-031: Board Resolution for Management and Confidential Salary and Benefit Adjustments for FY 2014-15

(Yes: Denise Frisbee, Jim Harper, Ken Madden, Deanna Palm, Gene Pitts, Kali Thorne-Ladd, Courtney Wilton)

Comments: Director Wilton commented that he was concerned that this group was going to get more than the other groups, but Dr. Brown explained that it wasn't the case. This seems to have a consistency and fairness to this approach.

Resolution 15-032: Board Resolution for Executive Officer Compensation and Benefit Adjustments for FY 2014-15

Motion to table resolutions made by Director Harper and was seconded by Director Wilton. Motion passed.

### **PUBLIC COMMENT ON NON-AGENDA ITEMS**

Michael Sonnelitner made comment on Strategic Planning. He spent 20 hours on the document provided to the Board. Theme 5 on Diversity, Equity and Inclusion where the

recommendations were cut back from 6 to 3 in previous versions.

## REPORTS

Classified

Deborah Hall, President, Classified Union

Classified Union Picnic is at Oak Parks on September 1, all are welcome.

Faculty

Frank Goulard, President, AP and Faculty Federation

Mr. Goulard has been attending various HECC meetings. He and others met with the Governor talking about the need for higher education funding. The Governor mentioned two things, Department of Corrections and Health Care and finding savings. Those are two priorities he wants to work on. In the end it is up to our friends in the legislature to approve the Higher Education budget. We all need to be in Salem to lobby.

Board Members

Director Frisbee noted that she attended the goodbye party for Kristin Watkins. She will be missed at PCC.

President

He thanked the Board for the presidential review process. He acknowledged and thanked Board members for the various meetings and events they attend on behalf of PCC. He had a meeting with our accreditation leaders along with Dr. Chairsell. We were featured in the Oregonian which PCC is the first community college nationwide to offer courses that count toward the Accrediting Organizational and Professional Development Certificate Program. We were mentioned on the national scale again at a joint press conference when President Obama and Vice President Biden signed the Workforce Innovation Opportunity Act and named PCC's Career Pathways Program as one of the 30 programs nationwide that are making a difference in job training; we are two clicks away from whitehouse.gov. With the other 16 colleges, we submitted a \$2.6 million dollar tax grant, trade adjustment assistance for community college and career training for the Department of Labor.

## ADJOURNMENT

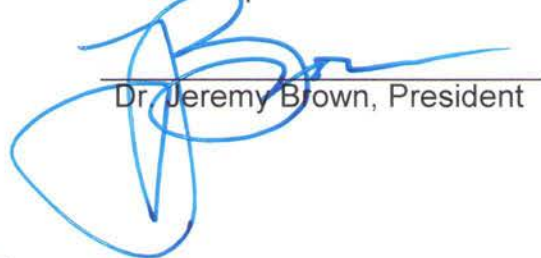
There being no further business, the meeting adjourned at 7:35 pm.

## NEXT MEETING

The next business meeting of the Portland Community College Board of Directors will be held on September 18, 2014 at 7:30 PM at the Rock Creek Campus.

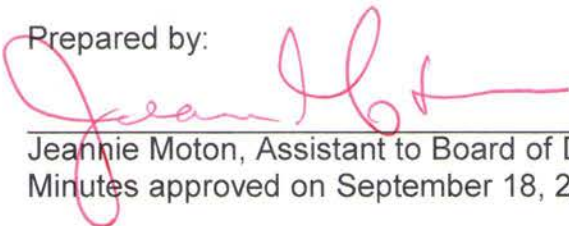


Deanna Palm, Chair



Dr. Jeremy Brown, President

Prepared by:



Jeannie Moton, Assistant to Board of Directors  
Minutes approved on September 18, 2014