**THE OFFICIAL MINUTES**

The Big Bend Community College Board of Trustees held a Special Board meeting on Tuesday, June 9, 2009, in the ATEC Conference Room in the ATEC Building on the Big Bend Community College campus.

**1. Call to Order**

Board Chair Mike Blakely called the meeting to order at 10:12 a.m.

Present: Mike Blakely

 Katherine Kenison

Angela Pixton

Felix Ramon

Mike Wren

President Bonaudi introduced Ms. Sarah Kehoe. She is the new education reporter for the Columbia Basin Herald.

**1. 2009-2010 State Operating Budget**

President Bonaudi introduced VP of Finance and Administrative Services Gail Hamburg to lead the review of the 2009-2010 proposed State Operating Budget.

VP Hamburg reviewed the process for compiling the revenue portion of the budget. She explained that BBCC receives the initial allocation from SBCTC calculated in four steps. The unrestricted general fund state base budget is retained. This is calculated by removing one-time and variable funding from the prior year’s operating budget allocation and annualizing funds not provided for a full 12 months in FY 2009. Some of those annualized funds include two months of COLA’s for Classified Staff and Administrative Exempt that were effective September 1, 2008, rather than July 1, 2008, and maintenance and operations funding for the new art building. Changes to the base budget are added or subtracted. In 2010 these changes are pension changes, health insurance rates, increase in utilities assessments, workers compensation rates, childcare matching grant and quarterly disability accommodations.

The next step is subtraction of budget reductions and creation of the student achievement pool. One reduction was for revolving funds, like AAG and auditor billings. Some of the Student Achievement funds are withheld by SBCTC to create a pool to be distributed to the community colleges based on momentum points. VP Mike Lang stated the Student Achievement funding we receive is used to work with 143 “trio-like” students who don’t quite meet the Trio eligibility guidelines. Services provided to the students include intakes, evaluations, laptop checkout, and access to a textbook library. These students are more successful and generate better retention rates. Students are also connected to tutors. These students also receive support from the basic skills student staff mentor, Enedelia Nicholson. She helps basic skills students transition to college level classes. Ms. Nicholson is mostly funded by 503 grant funds.

VP Lang shared the majority of the momentum points for BBCC are earned by the progress of the basic skills students. Viking seminars i.e., “Cash for College”, and “Study Smarter” have also been helpful to the students. A staff person from Student Support Services (SSS) moved into the vacant advising position. The SSS Grant couldn’t cover a full time replacement. Student Achievement and Student Persistence money funded the remainder of the position. Math 90 and 95 also offer supplemental instruction. Supplemental instruction is provided by a student tutor who has passed the class and sits in for every session of the class. The student holds instructional sessions or peer tutoring in addition to scheduled class to improve student skills.

VP Hamburg continued on identifying the FY 2010 budget reduction of $774,504. This was the expected amount. Our base allocation was also reduced by the FY 2009 (our current budget year) budget reduction of $475,000. Our total budget reduction then is about $1.25 million ($475,000 + $775,000). The 2010 state board earmarks and provisos are then added. These funds include annual disability accommodations, Opportunity Grant, Students of Color and Worker Retraining funding.

VP Hamburg reviewed the new items for fiscal year 2010 on page 2 next. She said the most notable change is the shift of the earmarks and provisos from their own individual accounts to being placed in the base budget in FY 2010. In the past they were stand-alone and had to be spent for specific purposes. Now they’re all in the same pot and BBCC will decide how to spend them.

VP Hamburg described item two, retaining the FY 2009 pay increase that took effect September 1, 2008. Item three is the remaining 2/12 of the maintenance and operations funding for the new art building.

Item four is the employer-paid health premiums, which increased from $561 to $745 per month per employee. VP Holly Moos briefly described the employee premiums. The employee contribution rate for the Public Employees Retirement System (PERS) and Teachers Employee Retirement System (TERS) is decreasing. Classified Staff are covered under PERS and they will see an increase in the payroll due to the decrease in the retirement contribution rate.

The next item is the utilities assessments. The utility rate charges are increasing and the funding requested has been allocated. New funding for childcare matching fund grant is next. It is based on fiscal year 2007 and 2008 average headcount of students between 18 and 40 years of age with dependents. The amount is $1219.

The quarterly disability accommodation is based on fiscal year 2007 and 2008 average headcount of students with disabilities. This is normally received in the spring but we are receiving it early for the fiscal year 2010.

The reduction to provide a pool of Student Achievement funds was highlighted. These funds will be distributed back in a future allocation based this time on net gain in student achievement points earned in the fiscal year 2009 compared to the fiscal year 2007 baseline.

The last new item was the work based learning tuition of $29,412 that was moved into the Opportunity Grant program.

VP Hamburg led the Trustees through the revenue budget on page 3. The 2010 unrestricted base budget, which includes the $475,000 fiscal year 2009 reduction, is $10,486,122. The new operating funds, which included a pension rate change decrease, totaled $340,541. Budget reductions including the fiscal year 2010 reduction of $774,504 totaled $797,753. SBCTC earmarked programs, which must be spent for specific purposes, totaled $723,622. These totals equal the 2010 initial GFS operation allocation of $10,752,532. The estimated tuition including the 7 percent increase is $3,108,514. The estimated carryover and indirect cost recovery is $506,627. The Running Start total of $600,000 is the same amount as last year. Lastly, the ABE/ESL grants of $176,557 were added. The grand total of the 2010 operating budget is $15,144,230. This total includes the 2.5 percent operating reserve in the amount of $369,372.

President Bonaudi noted that this is the last year of the $399,000 Opportunity Grant pilot. Dean Garrett indicated that she believes the worker retraining funding will increase because they reached their FTE target for the first time in several years.

VP Hamburg stated she has received numerous questions regarding the tuition increase of 7% and how it will affect BBCC students. She computed the financial impact. If a student takes 15 credits per quarter, after three quarters they will pay an additional $197. For fiscal year 2011 the tuition will increase another 7 percent. A student taking the same 15 credits for three quarters will spend another $211.

VP Hamburg said the proprietary budgets would be prepared for the August board meeting. The carryover amount of $506,627 is an estimate. This actual amount will be known in August. VP Hamburg will update the board with the actual carryover at the August meeting.

The Running Start total of $600,000 is estimated the same as last year. The ABE ESL grant amount is based on applications submitted.

President Bonaudi stated we think we have the same FTE target of 1676. There is no benefit from Running Start legislation that was passed. The SBCTC will handle this as a system and the Running Start FTEs were not added to the FTE target.

VP Hamburg stated page 5 compares the fiscal year 2009 revenue budget to the fiscal year 2010 revenue budget. The FTE target is the same. The unrestricted state budget looks like it was increased by approximately $1 million. She explained the reason for that was that the earmarks and provisos were moved into the base budget for 2010 and the $9,446,768 for fiscal year 2009 was the initial allocation without additional allocations. This year (FY 2009)BBCC has received almost $1 million in 11 separate allocations.

No new COLA’s or increases in compensation were allocated this year. The 2/12 of the 2008 COLA’s for Classified Staff and Administrative Exempt employees that was delayed from July 2008 to September 2008 are included.

VP Hamburg stated the most notable items are in footnote 4 which highlighted the items rolled into the base budget: Transfer High Demand enrollments, Early Childhood Education, Math & Science enrollments, ABE enrollments, I-BEST enrollments, Workforce High Demand enrollments, Workforce Development Base funding, and Childcare. She explained that the health benefits costs increased and pension rates were decreased. These allocations are always adjusted based on projections. Instructional equipment and tuition backfill were not funded this year. The basic skill enhancement should be provided in a future allocation. Childcare money was rolled into the base and it is committed 100% for students with childcare needs.

VP Hamburg highlighted the budget reductions. Last year building maintenance funds of $218,600 were put into capital rather than operating to ensure it would be spent on capital projects. The earmarked programs were detailed. Outcome assessment was moved to the base budget. The work based learning tuition amount was rolled into the Opportunity Grant.

The tuition estimate was increased by 7 percent. The estimated carryover for fiscal year 2010 is $622,212 less than the actual carry over in 2009. Running Start was kept at the same level. VP Hamburg noted that there is an overall decrease of $523,349 in the fiscal 2010 budget as compared to the fiscal year 2009 budget.

VP Hamburg described the pie charts on page 7. For the fiscal year 2009-10 source of operations funds are slightly different. State funding is 71 percent, Tuition is 21% and carryover/recovery is 8%. She noted that the tuition percentage increased from last year due to the 7 percent tuition increase.

President Bonaudi said this is an important piece of the budget to understand. BBCC’s direct appropriation from the state is the $10,752,532. Adding tuition and recovery increases the state operating budget to $15,144,230. The proprietary budget, which includes grants and contracts, will increase the total budget to approximately $28 million. The proprietary budget will be discussed in August.

Trustee Mike Wren asked if the Running Start amount of $600,000 is credit based? VP Hamburg responded that the dollar amount is based on enrollment (credits taken). BBCC bills the school district at the rate prescribed by the state. This rate decreased slightly this year.

President Bonaudi stated the largest group of Running Start students will graduate during the BBCC Commencement on Friday. He explained that the Running Start legislation funded a study that hopefully will address the challenges of the Running Start program. Trustee Wren predicted that more students will enroll in the Running Start program as college tuition increases.

VP Hamburg described the pie chart on page 8 which illustrated the expenditures by program for fiscal year 2009-10. Instruction is the largest expense at $7,262,593, that’s 48 percent, last year it was 50 percent. The latest system average available was from fiscal year 2008 and it was 52 percent. Academic administration is $460,849 that’s 3 percent, last year it was 2 percent, and the 2008 system average was 4 percent. Library expenditures are $478,621, which is 3 percent, last year was 3 percent and the 2008 system average was 3 percent. Student Services expenditures are $1,878,901 that’s 12 percent, last year it was 14 percent, the 2008 system average was 12 percent. Administration expenses are $2,728,941 that’s 18 percent, last year it was 18 percent and the 2008 system average was 17 percent. Lastly the Maintenance and Operations expenses are $2,334,325 that’s 16 percent, last year it was 13 percent and the 2008 system average was 12 percent. She explained that the Maintenance & Operations expenses are elevated due to the Art building funding. Our buildings are old and they require more maintenance.

VP Hamburg said page 9 is a trend sheet. The program allocations for the past four years are listed. She highlighted that student services account 060 consistently increased in each area from 06/07. This is due to Student Achievement/Persistence Initiatives.

VP Hamburg described each program beginning with Instruction. The program includes classroom activities, laboratory activities, community service instruction and AGE/GED activities. The principle changes and focus are the continuation of the Opportunity Grant and the 7 percent tuition increase. Page 11 and 12 break out the expenses by academic, vocational, credit classes, workforce, outcome assessment and developmental programs. She noted some of the budget reductions. One vacant fulltime faculty position (physical education) was given up in academics. The photojournalism funding was given up as well. It had not been offered recently, and there was no faculty involved. Half of a vacant BBT administrative position was also given up.

VP Hamburg noted that the 2.5 percent reserve funding is split between instruction and administration. Half of the total reserve is in instruction ($184,686) and that is divided equally between academic ($92,343) and vocational ($92,343) supplies funds.

VP Hamburg stated several vacant faculty positions were also given up in the vocational area: aviation instructor, child and family education instructor, and a computer science instructor.

Seventeen hours of course work in the child and family life education program was reduced. CDL instructors’ overloads were moved from a part time account to a lab account, which led to a reduction. Credit classes include ITV and offsite classes and their budgets are zero for fiscal year 2010. Those expenses were rolled into the WAOL or online classes account. More part time salaries and benefits are coming from that as BBCC instructors are teaching. This led to a budget savings of $64,180.

The outcome assessment budget was moved into the academic administration budget. Total expenditures for instruction are $7,262,593 and that is 48 percent of the operating budget.

VP Hamburg highlighted changes in the academic administration program. Dean Clyde Rasmussen’s salary and benefits expense was reduced by $7,000 because the Perkins Grant will fund that portion. Dean Anderson’s position will not be filled this year that will save $95,860. Dean Kara Garrett’s position will receive 35 percent funding from grants. The Dean of Research and Planning and Special Asst to the President position was moved to academic administration. The principle changes and focus of academic administration include enrollment management, student retention, student recruitment, assessment, accreditation, and marketing. The total of the academic administration budget is $460,849, that is 3 percent of the operating budget.

VP Hamburg discussed the Library budget. This budget includes the Dean of Information Resources, library and information literacy instruction, reference services, collection development, interlibrary loans and media equipment services. The principle changes and focus are collections of online and multi-format based resources, instruction and assistance in the research process and support of lifelong learning and personal discovery.

The library comprises 3 percent of the operating budget at $478,621. VP Hamburg introduced Dean Fuhrman to explain a reduction in the equipment account of $34,000. The over 100 computers in the library are on a three year rotation for replacement. This year no new computers were purchased and he also chose not to purchase additional media equipment. He stated next year BBT will install thin clients. Thin clients are monitors with the “brains” of the computer stored in the server. Converting to thin clients will save equipment money right away and they are expected to last 10 years rather than 3 years.

Trustee Wren asked if the thin clients could accommodate students who bring their own media in on a thumb drive or CD. Dean Fuhrman replied that individual documents will work fine. They’re working on how to accommodate CD’s, etc.

Student services was discussed on page 17-19. VP Hamburg listed the student services responsibilities: Associate Vice President of Student Services, admissions/registration, financial aid, counseling, multicultural services, disability services, GED testing services, career placement services and student activities. The principle changes and focus are enrollment management, student retention, student recruitment, advisor training/improving advising, customer service and marketing.

A portion of Associate VP Candy Lacher’s salary and benefits funding in the amount of $7,000 will come from Achieving the Dream funds. VP Hamburg said the student services was broken out in several accounts: counseling, financial aid, student employment, running start, and workforce training. Budget savings include the GED fees funding for part of the GED tester’s salary, a reduction in supplies and travel. The Job Service Center funding and summer counselors’ salaries were moved to grant funding. The budget for sign language staff and tutors was decreased. The vacant VP of Instruction saves $131,000. The total student services budget is $1,878,901 or 12 percent of the operating budget.

The next program discussed by VP Hamburg was Institutional Support or Administration. Those responsibilities include central administration, President and Vice Presidents, community relations, Foundation, fiscal services, telephone/communications, word services and administrative computing. The principle changes and focus include: enrollment management, student recruitment and retention, marketing, new website, Academic Master Plan and Facility Master Plan, National Incident Management Systems.

VP Hamburg pointed out that the remaining half of the 2.5 percent reserves are held in the administrative supplies account. The reserve amount is $184,600.

Savings in this area include the other half of a vacant assistant BBT director position, vacant HR office assistant 2, vacated word services and shipping receiving office assistant 2 position. JATP indirect funds will pay $7,000 of VP Mike Lang’s salary. The grand total of administration expenses is $2,728,941, which is 18 percent of the operating budget. It was also noted that Trustees’ expenses come from the President’s office budget.

Plant Operations, which we usually refer to as M&O was the last program to review. Their responsibilities include custodial services, maintenance trades, vehicle maintenance, grounds maintenance, utilities, safety and security and theatre and activity center management. The principle changes and focus in that area are repairs and minor improvements, building maintenance and energy costs and collaborating with the Safety Committee on goals for improvements to campus.

This year there was a reduction in equipment, supplies and travel. VP Hamburg pointed out the red $218,600 amount. This was operating money that was moved into capital last year. This explains the significant increase in the building supplies expenditures between fiscal year 2009 and 2010. The Art building allocation of $141,000 was also in this account.

The grand totals of all programs were detailed on page 24. VP Hamburg noted it is interesting to note that our salaries and benefits are 79 percent of our expenses. The system average is between 77 and 81 percent.

Total institutional funds including the proprietary budgets were illustrated on page 25. State operating funds are 53 percent of the total budget. This is a one percent decrease from the 2009 fiscal year. VP Hamburg stated more details of the proprietary budget will be presented to the Board August. Page 26 contained a projection of grants, contracts, and proprietary funds. The total projected budget is $13,414,264. She noted that the Title V grant could increase significantly.

Trustee Mike Wren complimented the great job of compiling and presenting the budget. He asked if there were programmatical impacts as a result of the reductions. President Bonaudi responded that the major impact is in computer science, due to the early retirement of the full time instructor. The savings from not filling the position was noted earlier in the budget discussion. A recent program audit of computer science indicated the program needed significant restructuring. President Bonaudi stated the vacated position would not be filled this year. A consultant will be hired to help produce an updated new curriculum. BBCC won’t admit new computer science majors as of this fall. The current computer science students will finish their classes.

President Bonaudi also said the library has been closed on Sundays. He stated they tried to squeeze money into the part time budgets. He thinks BBCC can continue to support instruction in that way. Trustee Wren stated he was surprised not to hear about hacking and slashing. President Bonaudi stated the Deans worked well as part of the team and they advocated for their programs. He also indicated that the economy could continue to deteriorate. It is expected that the June revenue forecast will not be good. If the September revenue forecast is not good the Governor may call for a special session. This could have a direct program impact on BBCC programs.

Trustee Ramon asked about the impact on the child development program. President Bonaudi stated they tried to maintain the enrollment with part time instructors but it was not the best choice. The new Title V grant we are applying for with Heritage University will strengthen that area if available. Heritage has a bachelor degree program in child development. If BBCC received the Title V Grant it will provide funding for a full time instructor we would share with Heritage. Twenty students are needed to restructure the program. Trustee Ramon stated VP Hamburg gave a good presentation and he was grateful for the work put in to maintain services for the students. President Bonaudi stated the impact of the rise in tuition is the great unknown. How many students will continue? Will the tuition increase slow down enrollment. He stated if the enrollment drops below the budgeted estimate it will impact the college.

President Bonaudi noted that the President’s office program is responsible for the Board of Trustees, the President, the President’s Executive Assistant and the Director of Public Information. While this budget shows an increase it is a result of an increase in salary to hire a Director of Public Information and an increase of $15,000 in supplies for her budget. The only other increase in salary was the 2/12 COLA for President Bonaudi and Melinda Dourte. The President’s Office has saved $10,000 and the Trustees have saved $9,000 in travel costs.

Trustee Mike Blakely reported that he watched the Budget Review Task Force (BRTF) on Mediasite. He commended staff for putting together the budget with input from faculty and support staff. He stated the most important thing is that we saved jobs. If we have instructors we can serve the kids. He said people question why the reserve is not being spent. He stated the reserves are needed for a serious rainy day and they are needed for start up as BBCC can’t start up without funds each fall. The reserve gives us flexibility. Trustee Blakely went on to say involving faculty on the task force has had major benefits. He said he was very proud of how it was handled. It’s been a team effort, with all employee groups and students. President Bonaudi complimented VP Hamburg and Director Rios for putting together the new budget during this very busy time. They spent many extra hours working on the budget.

MOTION 09-26 Trustee Mike Wren moved to accept the 2009-10 proposed State Operating Budget as presented. Trustee Felix Ramon seconded the motion and the motion passed.

Trustee Ramon stated this budget is a living document and subject to change. President Bonaudi stated he is optimistic about the start to the new year. BBCC is open for business and we should be the first choice of many new students. Trustee Ramon stated he attended the Moses Lake Christian Academy graduation and 20 percent of their graduates will be attending BBCC.

**2. Soil Conservation District Property**

President Bonaudi reminded the Trustees about a presentation from MACC regarding acquiring three acres of the Soil Conservation District property. They wanted the property to build a tower and a building for office space. The property was attractive due to the close proximity to Grant County 5 and the radio reception.

MACC was advised to check back with the college due to the lack of a recent appraisal. The appraisal has been completed. A Grant County Commissioner called to inquire about a purchase or lease of a 10,000 sq ft piece of the same property. MACC is interested in a 100 x 100 ft piece of property. They would build the same tower and a much smaller building.

Trustee Ramon was concerned about the location of the small piece of property. Trustee Blakely shared his concern about access to the property, would they need to build an access road? If so, it could limit or divide the property for other uses. Trustee Kenison inquired about the length of the lease. President Bonaudi stated he only knew that MACC was interested in a smaller footprint. Trustee Wren stated the impact of a smaller footprint could be the same as a larger piece with less benefits. Trustee Kenison asked if other uses would be limited to minimize radio interference. Marketing other property could be affected. Trustee Blakely indicated the Board would be willing to talk with MACC to get further details of their proposal.

President Bonaudi emphasized that the Commissioner was only inquiring about the Board’s position on a smaller proposal. The President said we share good communication with the Commissioners. He asked what message he should return to the Commissioner? Trustee Wren stated he would like more information regarding location, impacts and land use restrictions. Trustee Kenison stated more information is needed regarding duration of the lease, location, land use restrictions, etc. The Board indicated they would be willing to meet to discuss the property.

The meeting adjourned at 11:23 a.m.

Mike Blakely, Chair

ATTEST:

William C. Bonaudi, Secretary