

MINUTES

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT GOVERNING BOARD SPECIAL BUDGET STUDY SESSION

Tuesday, April 10, 2012
Cochise College Sierra Vista Campus
4:30 p.m.

1. GENERAL FUNCTIONS

1.01 Call to Order

The meeting was called to order by Mrs. Jan Guy, Board Chair, at 4:35 a.m.

Board Members Present:

Mrs. Jan Guy
Mrs. Jane Strain
Mr. David DiPeso
Dr. John Eaton
Mr. Donald Hudgins

2. NEW BUSINESS

2.01 Discussion of FY13 Budget

Dr. Rottweiler thanked the Board for coming in early for the study session. He stated this is an opportunity for him to walk through and present the budget and for the Board to provide feedback and ask detailed questions. He then provided the Board with a handout that corresponded with his PowerPoint presentation.

Dr. Rottweiler stated that everything we do at Cochise College is mission driven; therefore, we're basing everything off of the Cochise College mission which centers around providing educational opportunities, recognizing diverse populations across our district, and tying into constructive citizenship, meaningful careers, and lifelong learning. Driving all of this are the strategic priorities of competitive advantages, excellence, "everything speaks", and new this year is student completion, which is part of a national initiative to assist in student completion.

Dr. Rottweiler began with Revenue so the Board could have an understanding of where the college stands relating to revenue. He stated we are taking a substantial hit in state aid, comprised of M & O (FTSE) and Equalization, providing for a slight increase in M & O this year. For the first time in three years, the state has said they are going to follow formula. It has been recalibrated to where each new FTSE is worth \$229, compared to 1964, when the college was founded, the state legislature said for a college under 1100 FTSE, a FTSE was worth \$1,100. As close as five years ago, it was around \$800 per FTSE. Now, we have a slight increase based upon our growing enrollment. However, at the same time, our equalization has taken a significant hit, and we are taking a \$2.2M decrease in state aid this year. Dr. Rottweiler provided comparisons between FY 11, FY 12, and FY 13. He then reviewed Capital Outlay, which is a separate formula that has not been funded since 2008, and showed what those amounts would have been for each year beginning 2009 through 2013. He added that over those five fiscal years, the college has lost \$6.3M. That capital outlay was not for construction, but for soft capital – refurbishing, desks, computers, etc., therefore, he will be asking for resources to be put into deferred maintenance.

Dr. Rottweiler then reviewed Property Taxes for FY 11 (\$16,558,225) and FY 12 (\$17,406,390), and projected FY 13 (\$17,993,170 – pending Board approval) property tax amounts.

Regarding tuition, Dr. Rottweiler stated that for every dollar that tuition is raised, it brings in approximately \$90,000. In 2011 – 2012, the Board approved a \$9/credit increase, which was a high rate. For 2012 – 2013, the recommendation to not increase tuition was brought to the Board, based on what is happening in the state as well as in the country. However, some strategic adjustments related to the completion agenda were made – student fees were rolled into tuition (per credit calculation), with a \$1 increase in fees for technology maintenance. Therefore, tuition has increased from \$63 to \$70 (tuition and fees combined), placing Cochise College's tuition average in the state. Senior administration believes if we're going to continue to ask the state to fund equalization, we need to be asking our local residents, through taxing authority, to pay their share, as well as students. Discussion and clarification followed around equalization.

Based on revenue, Dr. Rottweiler stated we needed to find approximately \$2.5M in this year's budget, by following budget principles of being student centered, employee friendly, and future focused. Therefore, significant reductions were made in: Budget Line Items (\$272,128); Contingency Lines (765,422); Governing Board Reserves (\$625,000); and Human Resources (\$1,073,122). As a result of this process, the college was able to cut \$2,735,672. Dr. Rottweiler then reviewed the reductions/restructure in Human Resources, which included associate faculty (\$315,896), non-student hourly (\$198,562), Spanish Instructor (\$78,426), Computer Science Instructor (\$44,853), two .49 Art Instructors (\$69,724 and \$67,638), Reading Instructor (\$70,417), Director, Professional Development (\$65,956), Coordinator, Construction (\$78,433), .5 FTE Administrative Assistant (\$18,984), Offset Press Operator (\$46,954), and a part-time Office Specialist (\$17,279). In addition, bus service on the Douglas campus will now be contracted with the City of Douglas, which will come as a substantial savings to the college.

In being future focused, there are some strategic initiatives. Clearly, the largest ones are in Human Resources; therefore, the recommendations to the Board as we move forward are:

Salary and Benefits:

- a) Request a 3% salary increase for all regular employees (pending ASRS findings). Dr. Rottweiler reminded the Board that the college has not provided substantial employee increases for a number of years. He added that, during the Human Resources Report coming up later on the agenda, Ms. Davis will provide an age break-down of college employees, and the Board needs to be aware that the college will lose an abundance of employees over the next five to ten years. This is important because, if we don't continue to move our salary models forward, when those people leave we will not be able to replace them.
- b) A \$10/credit increase on associate faculty schedule.
- c) Provide an Employee Assistance Program (EAP).
- d) Separate insurance rates for active employees and retirees.
- e) Short Term Disability through the Trust.

Job Analysis and Salary Study

Dr. Rottweiler stated there is a request in this budget to allocate approximately \$50,000 to perform a job analysis and salary study to look at our model and ensure people are

positioned properly. Currently, the college has a salary model comprised of 76 grades, with people placed all across those grades; however, there is not a lot of documentation about how people are placed in each area, which has created a substantial amount of salary compression. The salary study will allow the college to do a comparison to the region and the nation.

Positions

- a) K-12 Outreach Bridge (3 positions)
- b) Respiratory Therapy Coordinator (.5 FTE)
- c) Instructor, Biology
- d) Instructor, Agriculture
- e) Instructor, Nursing

Other strategic initiatives include:

Deferred Maintenance

- a) Douglas Campus
 - Roofs, lighting (phase 3, 4, and 5), fire alarms (Buildings 100 & 200), HVAC upgrade, restroom upgrade (Building 600), east parking lot, Student Union kitchen, gym (showers and toilets)
- b) Sierra Vista Campus
 - Parking lots (Buildings 300 & 700), restroom upgrade (Building 700), classroom(s) renovation (Building 800)
- c) Extended Learning
 - Smith Middle School repurpose/utilities (if available)

Phone Systems Upgrade – Douglas Campus

Mediated Classroom/ITV Maintenance

Metal Working Machine – Douglas Campus

Electrical Equipment (Spider Boxes) – Douglas Campus

Dr. Rottweiler then provided the Board with an overview of the entire budget, including everything that was discussed during this budget study session. In summary, he stated that this budget is based upon the college's mission, vision, and strategic priorities; it follows budget principles of being student centered, employee friendly, and future focused; it contains conservative projections, both for revenues and expenditures; it addresses employee compensation and deferred maintenance; and it provides for contingencies, growth, and opportunities. Dr. Rottweiler added that, related to this, it appears with the passing of some legislation, beginning with next year's budget (FY 14), a full budgeting of all fund reserves will be required – his recommendation was to begin doing that now. In closing, Dr. Rottweiler stated that, most importantly, the budget being presented to the Board, based upon these assumptions, is balanced.

NO BOARD ACTIONS WERE TAKEN DURING THIS STUDY SESSION.

3 ADJOURNMENT

Mrs. Guy adjourned the Special Budget Study Session at 5:42 p.m.

Respectfully Submitted:

Ms. Loretta Mountjoy, Executive Administration Assistant, Office of the President

Mrs. Jane Strain, Secretary of the Governing Board