

Navajo County Community College District Governing Board Study Session Minutes

February 16, 2010

2251 Navajo Boulevard, Holbrook, Arizona, 86025

Governing Board Members Present: Bill Jeffers, Ginny Handorf, E.L. Parsons and Daniel Peaches.

Staff Present: President, Dr. Jeanne Swarouth; Vice President, Blaine Hatch; Vice President, Mark Vest; Director of Information Services, Eric Bishop; Recording Secretary to the Board, Russell Dickerson.

Reports:

1. Request for Direction Regarding Modular Buildings at Former PDC-Hermosa Campus – Vice President Hatch

Mr. Hatch requested additional direction with regard to the modular buildings located on the former NPC campus located on Hermosa Drive. The request is primarily related to the City of Holbrook request to remove buildings owned by the college. Mr. Hatch reported that the contract with the City of Holbrook, signed two years ago, has been reviewed by staff and the language indicates that the college has up to ten years to relocate college buildings from the Hermosa property.

Given current budget concerns, staff does not recommend that any of the modular units be retained by the college. Mr. Hatch reported that some partners, including Apache County, have indicated that there may be an interest in using the modular buildings and potentially, the college could dispose of the buildings by allocating them to college partners. Mr. Hatch added that there could be private interest in the facilities and one option would be to initiate a public auction process to identify potential buyers. Board members were presented with information on the nine modular units retained by the college, a copy of the contract between the college and the City of Holbrook, as well as a map of the Hermosa property. Mr. Hatch added that there are a number of facilities that the college did not retain and are now owned by the City. Referencing the map, Mr. Hatch reviewed which modular units are owned by the college. Mr. Hatch offered to answer any Board questions and explained that the primary purpose of presenting this item is to get Board direction with regard to the modular buildings.

Responding to a Board question, Mr. Hatch explained that at this time, primarily related to budget concerns, the college has not prioritized expanding facilities and spending the money to place modular units back on campuses. Mr. Hatch explained that the college has made initial contact with partners that may be interested in the facilities and that the college would work with partners to accommodate identified facility needs. Mr. Hatch explained that the college has looked at the associated environmental issues and that there are no significant issues associated with the modular buildings that could not be addressed very simply by those who acquire them. Responding to a question from Chairman Jeffers, Dr. Swarouth reported that there has been no further contact with the City of Holbrook following the meeting last month. Responding to a Board question, Mr. Hatch explained that a public auction process would allow for opportunities to participate and once buyers were identified, the college would require, as part of the sale, that the buyer remove the building in a 90 to 120 day period. Should public partners want to acquire the facilities, the college would forego the auction process and as with a private sale, would require a specified timeframe for removal of the buildings from the Hermosa property. Hearing no concerns from Board members, Chairman Jeffers indicated that staff may proceed as it sees fit to dispose of the modular buildings.

2. 2010-2011 Tuition and Fees (First Read) – Vice President Hatch

Mr. Hatch presented the staff recommendation for 2010-2011 tuition and fees as a first read to Board members. Mr. Hatch noted that the college is on target for budget development and added that the tuition and fees will be presented to the Board in March for action. Mr. Hatch reported that the college has received 2010 primary property tax levy information and that assessed valuation information is very positive with an overall increase of 3.2%. Mr. Hatch explained that the increase is primarily related to a nearly 10% increase in centrally assessed properties. Mr. Hatch added that local real property assessed valuation increased 1.5%. Mr. Hatch explained that as a result of these increases, along with moving to the maximum allowable levy of 2%, the levy will generate about \$600,000. Mr.



Hatch added that neither property tax nor potential State aid outcomes will do much to minimize concerns about total revenues for next year. Mr. Hatch recommended that the college continue to maintain steady tuition revenue growth as it is an important factor that affects the financing of college services.

Staff is proposing a \$4 increase in tuition bringing the in-state tuition rate to \$56 per credit hour, an increase of 7.7%, as well as elimination of the tuition plateau. Staff is proposing that out of state tuition for 1 to 6 credit hours be set at \$95 per credit hour; for 7 credit hours and beyond, out of state tuition increases to \$270 per credit hour. Mr. Hatch noted that the college has the option of keeping tuition rates lower for 1 to 6 credit hours to benefit new arrivals to the area that would like to take some courses, but could not afford to at the \$270 per credit hour tuition rate. Mr. Hatch explained that the \$4 tuition increase and the elimination of the tuition plateau effects students enrolled in 3.5 to 7.5 credit hours the most. Responding to a Board question, Mr. Hatch explained that Eastern Arizona College also has a tuition plateau, though it differs greatly from the current NPC plateau; Coconino Community College had a tuition plateau up until this year. Mr. Hatch reviewed comparative tuition information for the Board members and noted that with the proposed tuition increase, NPC would remain in the bottom quarter as compared to other Arizona community colleges. Mr. Hatch reported that the \$4 tuition increase is expected to bring in about \$200,000 in revenue. Mr. Hatch added that the elimination of the tuition plateau may bring in as much as \$50,000 in revenue, or some lower amount as he anticipates that some students will elect not to take a second course without the plateau. Mr. Hatch explained that the elimination of the plateau will result in increased administrative efficiency and allow for easier and more accurate course cost analyses.

Addressing general fees, Mr. Hatch reported that no change is proposed for the \$35 media fee. Responding to a question from Chairman Jeffers, Mr. Hatch reported that there was not really any vocal complaints regarding the media fee and that the college communicated to students the purpose of the fee and why it was being implemented. Mr. Hatch reviewed proposed increases to graduation and transcript fees and a new late registration fee of \$25 that would not generate large amounts of revenue, but would serve to encourage early registration. Mr. Vest reported that late registration has declined over the last four years; especially most recently and may be an indication that students understand that enrollment increases and budget decreases result in classes filling sooner. Mr. Hatch anticipates that increased graduation, transcript and the implementation of a late registration fee will generate about \$60,000 in revenue.

Addressing course fees, Mr. Hatch reported that out of approximately 1,300 courses listed in the catalog, about one-third have course fees. As a result of a comprehensive review of course fees by instructional staff, whose purpose was to ensure that course fees covered the cost of consumables, staff is proposing increases to 121 course fees. Mr. Hatch reviewed the proposed course fee increases breaking them down by divisions and departments. Responding to a question from Chairman Jeffers, Mr. Hatch explained that the purpose of the increased course fee for ECD 233 is to offset associated online costs, as the two-credit hour course is not subject to the media fee. Mr. Vest added that the fee will affect approximately ten students per semester. Mr. Vest explained that similarly, the \$50 course fee for EDU 281 is to offset online costs, much like POS courses also offered for certification. Dr. Sandra Johnson reported that the course fee will affect about 120 students per semester. Mr. Hatch reported that the college has not yet assessed the amount of revenue that will be generated from increased course fees but will present that information at the next Board meeting. Mr. Hatch reported that the increase in tuition and elimination of the tuition plateau are expected to generate approximately \$250,000 in revenue.

Claude Endfield reported that she reviewed fall and spring ECD registration noting that residential childcare students typically take two-credit hour courses. Ms. Endfield suggested that the elimination of the plateau would do away with the student incentive to take 2 two-credit hour courses instead of only one. Ms. Endfield reported that she researched changes as a result of the media fee--in the fall, 45 students registered for only two credit hours due to, as she believes, the media fee. Ms. Endfield added that of the 45 students, 28 were on scholarships that would not pay for the media fee. Ms. Endfield reported that spring enrollment numbers were similar with 43 total students enrolled in only two credit hours. Ms. Endfield added that of the 43 students, 21 students are on D.E.S scholarships. Ms. Endfield stated that the scholarship students limited enrollment to two credit hours to avoid the media fee. Ms. Endfield added that despite the willingness of the agency offering the D.E.S. scholarship to cover the media fee, 21 scholarship students elected to enroll in only two credit hours of courses.



Rickey Jackson, Director of Developmental Services, reported that 3,300 students were served last fiscal year and that student enrollment averaged 4.4 credit hours of enrollment. Mr. Jackson explained that the program receives a grant from the Department of Education, which is currently in jeopardy. This grant allows NPC to offer tuition in-kind serving approximately 600 students per year, tuition free for up to six credit hours. Mr. Jackson stated that the proposed elimination of the tuition plateau would increase the amount of institutional in-kind assistance. Mr. Jackson is concerned that should the program not receive State funding, the in-kind tuition will also go away. Mr. Jackson added that the program would have to be restructured so that students would be limited to three credit hours. Mr. Vest added that a certain segment of developmental services students are more greatly affected as they do not have their G.E.D, or are taking adult basic education courses. In both instances, the students are not eligible for Pell grants.

Responding to a Board question, Mr. Vest explained that the ECD, AIS and BUS programs have the greatest potential to be affected by the elimination of the plateau as they have a large number of one and two-credit hour courses. Mr. Vest added that other college programs are built around 3 or 4 credit hour courses. Mr. Vest explained that the tuition plateau does not generate tuition revenue or State aid based upon FTSE. Mr. Vest explained that while total enrollment is down, on-campus enrollment is up by 9% over last year. Mr. Vest defined on-campus enrollment to be any enrollment that is not NAVIT, dual enrollment or Department of Corrections.

3. Agenda Item 6.A.: Request to Approve Closure of the Heber Center – Vice President Hatch

Mr. Hatch presented the staff recommendation for the closure of the Heber Center, as discussed at the last Board meeting. Mr. Hatch explained that the proposed closure is based upon a number of factors including: State aid funding concerns; an increase in the cost of operating and maintaining the center; continued downward enrollment trends; the college leases the facility from the high school; the difficulty in locating adjunct faculty; and the close proximity of full service campuses in Snowflake and Show Low. Mr. Hatch explained that many Heber-Overgaard area students take at least one class at the Show Low campus. Mr. Hatch noted that facilities will still be available for certain course offerings and that staff is not proposing elimination of all courses in Heber, rather to eliminate availability of a center office. Mr. Hatch reported that the Heber Center costs approximately \$90,000 per year to operate. The closure of the Heber Center would be effective at the end of the current academic year.

4. Agenda Item 7.A.: Request to Approve Closure of the Fitness Center at PDC – Vice President Hatch

Mr. Hatch presented the staff recommendation for the closure of the Fitness Center on the Painted Desert Campus. Mr. Hatch reported that the proposed closure is related to the relocation of district-wide services to PDC. Mr. Hatch explained that the college does not provide a fitness center at any other location. Mr. Hatch added that a variety of operational models have been used since 1998, none of which generated revenues in excess of expenditures. Mr. Hatch reported that current expenditures have outpaced revenues by just over \$13,000 and added that last year, revenues were just over \$28,000 and expenditures totaled over \$54,000. Mr. Hatch acknowledged community support for the retention of a fitness facility. Should the closure be approved, the college will work to transfer the equipment to a local entity that is interested in operating a fitness facility with reasonable terms to continue to offer fitness services.

5. Agenda Item 7.B.: Request to Approve Vacation of Facility – Vice President Hatch

Mr. Hatch presented the staff recommendation to vacate the district office in downtown Holbrook. Mr. Hatch reported that currently, the district office building is owned by the NPC Foundation and leased to the college. Mr. Hatch added that in lieu of rental fees, the college provides a full time Executive Director for the Foundation. Mr. Hatch reported that he expects an annual utility savings of approximately \$25,000 as well as future savings as the facility needs additional facility upgrades that have been put on hold. Additional savings will come from the elimination of one infrastructure point for the college's information services. Mr. Hatch added that the relocation will benefit students as they will be able to access more college services at a single campus location. Mr. Hatch outlined the specific office relocations and added that from a facilities perspective, no physical changes will need to be made. Mr. Hatch reported that there will be some cost associated with relocating Information Services equipment. Director Bishop reported that the one-time relocation cost is estimated to be approximately \$3,000 as equipment from the Heber Center and the District Office can be redeployed at PDC. Additionally, the college will see a recurring annual savings of approximately \$21,000 by eliminating the T1 line to the District Office. Dr. Swarhout reported the President's Office will be one of the first to move. Dr. Swarhout reported that the college is



in discussion with the Foundation as to the possibility of assisting the community by operating a fitness center at another location.

6. **Agenda Item 7.C.: Request to Approve Closure of the Therapeutic Massage Program – Vice President Vest**
Mr. Vest presented the request to approve closure of the TMP program that would result in a savings of approximately \$65,000 annually. Mr. Vest reported that the faculty line in TMP is vacant; the 11 students currently in the program will be able to take a summer capstone course and be ready for certification; while a priority for enrolled students, TMP is not as community or mission critical as other programs in the division such as Emergency Medical Technician and Nursing; and the dean is exploring the possibility of offering certification courses even if the program is discontinued.
7. **Agenda Item 7.D.: Request to Approve Virtual Bookstore Partnership – Vice President Hatch**
Mr. Hatch presented the request to approve a virtual bookstore partnership as discussed in the January study session. Mr. Hatch explained that the virtual bookstore will be beneficial to the college from a cash flow perspective. Students will be able to get textbooks more quickly by purchasing them directly. Mr. Hatch added that the college is aware that some students may need assistance transitioning to the proposed approach and the college is ready to assist such students. Mr. Hatch reported that the agreement with E-Campus virtual bookstore has been reviewed by legal council and the college is ready to move forward.
8. **Agenda Item 7.E.: Request to Approve the 2010-2011 Academic Calendar – Vice President Vest**
Due to a lack of time remaining in study session, Chairman Jeffers requested that staff save presentation of the 2010-2011 Academic Calendar for the regular meeting. Chairman Jeffers notified the Board, staff and the audience that the order of the regular meeting agenda will need to be altered to accommodate a legislative update via speakerphone.

Study session ended at 11:00 a.m.

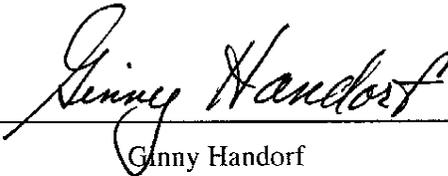
Respectfully submitted,



Russell Dickerson
Recording Secretary to the Board



Bill Jeffers
Chairman



Ginny Handorf
Secretary to the Board

