

# Navajo County Community College District Governing Board Study Session Minutes

February 17, 2009 – 10:00a.m.

2251 North Navajo Boulevard, Holbrook, Arizona, 86025

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

**Staff Present:** President, Dr. Jeanne Swarthout; Vice President, Blaine Hatch; Vice President, Mark Vest; Director of Information Services, John Velat; Recording Secretary to the Board, Russell Dickerson.

## Reports:

### 1. Budget – Vice President Hatch

Vice President Hatch presented an update on the financial position of the College for the remainder of the fiscal year. Mr. Hatch reported that the State Legislature met and approved adjustments to the 08/09 budget. Operating state aid, by state statute, should have been held harmless at \$4.4 million and equalization aid should have been just under \$5.6 million. NPC budget documents reflect an anticipated decrease in equalization to \$5.4 million and operating state aid at \$4.4 million. The actual appropriation, at the beginning of the year, was \$4.25 million for state aid and equalization was reduced to just below \$5.4 million. At that point, the budget shortfall was approximately \$200,000. The latest revision affected only operating State aid and adjusted it downward nearly 8%, or \$329,000. The current impact to the general fund is \$526,200. Including the capital state aid that was previously swept, the total impact to the College is just over \$1 million. Addressing property tax assessment, Mr. Hatch reported that the College received a levy limit worksheet last week. New construction totaled nearly \$43 million dollars for the county and the College expects approximately \$700,000 in additional revenue for the 09/10 fiscal year. Mr. Hatch reported that budget development is on track and a preliminary budget analysis will be presented at the March meeting.

### 2. Facilities Closure – President Swarthout

President Swarthout presented Staff's recommendation to close the Heber/Overgaard center as a result of budget decreases and the cost of operating and maintaining the center. Currently, NPC leases facility space from Mogollon High School and serves a limited number of students primarily through the audio and video systems. Heber center has had declining enrollment for the past four years. Mr. Vest explained that the center's small size, difficulty in locating adjunct faculty, the close proximity of full services campuses at Snowflake and Show Low and availability of web-based courses have contributed to declining enrollment at Heber. Zip code searches of students reveal that a large percentage of Heber students take at least one class at the Show Low campus. Students attending WMC or SCC have more course options than Heber which are largely limited to audio and video offerings.

Mr. Parsons stated that he would not like to see an elimination of service and would like the College to explore all available options before considering closures. Mr. Parsons suggested the College explore the possibility of using facilities at the Navajo County Mogollon Complex. Mr. Velat explained that the relocation of network equipment would result in significant costs including a minimum of \$10,000 to move the equipment with recurring costs of approximately \$1,500 per month. NPC would incur additional costs for network installation and set up at the new location and for the connection of an external client to the internal network. President Swarthout stated that NPC personnel have not seen the Mogollon Complex and exploring the possibility of relocation would require conversations with Navajo County and staff time to survey the facility.



Mr. Hatch noted that due to the proximity of full service locations at WMC and SCC, the College does not anticipate losing all Heber center student enrollments. President Swarthout explained that, for the fall semester, the Deans are developing a plan of stacking course offerings in such a way as to allow students to take sequences of courses on one or two days per week. Mr. Hatch added that the closure of the Heber center, and elimination of associated staff, does not preclude offering classes. In the absence of a center office, Heber students would have to utilize telephone or Internet registration or travel to a near by campus to register for classes.

**3. Tuition and General Fees Recommendation 2008-2009 – Vice President Hatch**

Vice President Hatch outlined a recommendation for a tuition increase to go into effect for the 09/10 academic year. The recommendation proposes a \$4 per credit hour increase for in state tuition, a \$5 per credit hour tuition increase for out of state tuition, as well as the elimination of the credit hour cap on tuition. Most institutions have done away with tuition caps and charge per credit hour, regardless of the number of credits taken. Currently, NPC students do not pay additional tuition for enrollment over 15 credit hours. The elimination of the credit hour tuition cap is not expected to affect a large number of students. The intent of the out of state tuition increase is to cover the cost of services to students who do not pay property taxes and for which no State aid is received. Mr. Hatch added that the recommendation does not include changes to the senior citizen tuition formula or the refund policy. Responding to Board questions, Mr. Hatch estimated that the in state tuition increase will generate \$200,000 as each \$1 increase in tuition generates approximately \$50,000.

The general fee proposal includes a new Media fee that would be charged to NPC students enrolled in three or more credit hours. The proposed media fee amount is \$35 and is charged to students each semester. Implementation of the Media fee corresponds to elimination of the per credit hour technology fee currently assessed to students enrolled in online classes. Mr. Velat explained that the technology cost per student, based on headcount of student enrollment in three or more credit hours, is \$167 per student for one year, not including staff salaries and benefits. NPC has a slightly higher technological overhead compared to other schools due to geographic dispersion. Other proposed fee changes include a \$5 increase to the GED testing fee, a \$5 placement testing fee increase as well as a change in how students are charged for placement testing.

Vice President Hatch summarized the proposed course fees for the 09/10 academic year. The proposal calls for course fee increases in only 9% of the courses listed. The proposed fees would generate an estimated \$35,000 in revenue. NPC Deans were asked to provide an updated assessment of materials used and the intent of the course fee increases is to cover the cost of course materials expended. Chairman Jeffers and Mr. Sinquah noted the increases in course fees for Emergency Medical Technician and Firefighter courses. Responding to Board questions, Peggy Belknap, Dean of Work Force Development, explained that six EMT courses have been combined to create EMT 244 and EMT 245. Course fees for the six EMT courses totaled \$920. The course fees for the two new courses now total \$1200. The \$280 difference represents increased costs for national testing and medical supplies used in required hands-on components. Ms. Belknap also explained that the increases in Firefighter course fees are a result of \$500 charges for live burn exercises which are required components of Firefighter I and II. Mr. Parsons expressed his concern over raising tuition and trade related course fees given the current economic climate. Ms. Belknap added that despite course fee increases, EMT and Firefighting courses are competitively priced and are still excellent education values.

**4. ADEQ Update – Vice President Hatch**

Mr. Hatch reported that NPC has received additional correspondence from ADEQ that includes consent order negotiation guidelines and timeframes. NPC has sought advice from the architect and contractor on approaches for site clean up and will present that information to ADEQ. According to ADEQ, the failure of NPC to obtain an aquifer protection permit is a violation and the material must be removed. The pit to be excavated measures approximately 44 wide, 250 feet long and 10 feet deep. The initial cost estimate to remove the 4,000 tons of material is \$250,000. Mr. Parsons commented that ADEQ may have funds available for this purpose.



Mr. Hatch explained that because NPC has been charged with a violation, such funds are not available. Chairman Jeffers asked if the issuance of a permit to bury the building, but not an aquifer protection permit, was an oversight on the part of ADEQ. Mr. Hatch explained that, according to ADEQ, NPC is fully responsible for knowing ADEQ rules and applicable State law. NPC will continue to negotiate with ADEQ and will determine who is ultimately liable to reimburse the College for material removal costs. The Board will receive regular updates on this matter.

**5. NATC Update – President Swarthout**

Dr. Swarthout reported that at the last NATC board meeting, it was proposed that the Town of Taylor assume the assets and liability of NATC, with day to day activities to be administered through the Executive Board which would remain in place. Various entities and NPC's attorneys are examining a draft MOU that would be signed by the Town of Taylor. Vice President Hatch reported that NPC has received a NATC change order. Mr. Hatch explained that the change order calls for the deletion of the construction of a draft pit in the current contract and addition of procurement and installation of a 30,000 gallon fiberglass draft tank. As the project moved forward, it was determined that the draft pit configuration would not work. All project participants feel that the draft tank is a good solution. The original contract was for \$273,500 and with deletion of the current configuration and addition of the draft tank, the net change is a \$35,000 increase in the contract. Approval of the change order will result in a new contract amount of \$308,651.04. Mr. Hatch reported that to date, all work has been completed, with the exception of the draft tank and payments made so far total \$188,000.

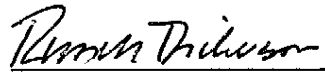
**6. Instructional Council Responses on HLC Change Request and Placement – President Swarthout**

Dr. Swarthout provided Board members background on the Higher Learning Commission change request. The initial goal was to incorporate requirements of a joint Title III partnership with Coconino Community College into NPC's scheduled HLC accreditation visit. Dr. Swarthout explained that the change request is required because the goal of the project is to have online degrees by the end of Title III. A 100% online degree must have approval by the HLC. NPC did ask for a change request for the October HLC visit. Dr. Swarthout informed Board members that she is considering pulling the change request due to the current position of the College with regard to online course offerings. NPC is not, except in a few rare cases, currently in a position to offer a degree online. Furthermore, NPC is without a current set of standards and procedures for online courses or degrees. Vice President Vest reported that Instructional Council asked the Learning Technologies subcommittee to review this issue in the fall semester. Last month, the subcommittee brought forth a recommendation to Instructional Council that NPC delay the change request. NPC must continue to move toward online degrees but is not, at this time, able to make a change request to the HLC in the fall and demonstrate to them that NPC has quality online degrees. Mr. Vest added that the Learning Technologies subcommittee was asked to return a set of processes and quality controls for online course and program development, as well as any associated compensation issues that arise, to Instructional Council in April. Dr. Swarthout stated that once NPC has a clear set of processes and guidelines to follow, progress will be made quickly.

Study session ended at 11:26 a.m.



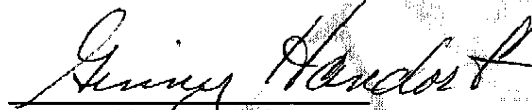
Respectfully submitted,



Russell Dickerson  
Recording Secretary to the Board



Bill Jeffers  
Chairman



Ginny Handorf  
Secretary to the Board

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