

# Navajo County Community College District Governing Board Study Session Minutes

April 22, 2009 – 9:30 a.m.

2251 Navajo Boulevard, Holbrook, Arizona, 86025

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**Governing Board Members Present:** Bill Jeffers, Ginny Handorf and Daniel Peaches.

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

## Reports:

### 1. Agenda Item 7.A.: Request to Approve 2009-2010 Preliminary Budget – Vice President Hatch

Board members reviewed preliminary budget analysis materials that were initially presented to the Board in March. Mr. Hatch informed Board members that items 1 through 10 on the budget development calendar have been completed and that items 11 through 14 are scheduled to be completed on April 22, 2009 following the District Governing Board meeting. Mr. Hatch noted that the truth in taxation notification dates, items 15 and 16, must be changed as publication will occur on May 1 and May 8, 2009. Mr. Hatch explained that the notification changes are necessary to comply with state statute publication requirements. Mr. Hatch noted that specific reductions have been made to the 2008-2009 budget in all departments and were reviewed by budget managers as they developed 2009-2010 budgets. Mr. Hatch summarized the proposed 2009-2010 budget that includes a 15% reduction in all line items as well as the elimination of some line items. Mr. Hatch reported that most budget targets were met. Budget discussions were held and departmental rationales for not hitting budget targets were evaluated and in some cases, found to be appropriate.

Mr. Hatch presented a graph to Board members that showed the projected budget gaps, for the current year, as a percentage of general fund budgets, for states across the nation. For the 2008-2009 fiscal year, Arizona was the only state with a budget gap exceeding 15%. Mr. Hatch noted that for fiscal year 2009-2010, Arizona will have a 29.8% budget gap that amounts to roughly \$3.1 billion. Only Nevada has a greater budget gap, 30%, which amount to about \$1 billion. Mr. Hatch also presented unemployment information for Navajo and Apache counties to Board members. As of December 2008, Navajo and Apache counties rank among the highest for unemployment, surpassed only by Yuma County. March unemployment data reveal that Navajo and Apache County unemployment rates are 13% and 13.5%, respectively. Mr. Hatch noted that the high unemployment rates within the NPC service district have implications for job training opportunities for the college. Mr. Hatch informed Board members that the Federal stimulus funds may create additional opportunities for the college with regard to student aid and job training.

Mr. Hatch reported that all Arizona community colleges, except Pinal County, will institute hiring and wage freezes for the 2009-2010 fiscal year. Four community colleges indicated that they will reduce personnel and Maricopa and Cochise counties have offered early retirement options to their employees. Mr. Hatch reported that the college will see a 2009-2010 health insurance cost increase of 6.4%. Increased costs will not be passed on to employees covered by the basic plan. Employees who opt for premium coverage will be responsible for the additional costs above the basic plan which is paid by the college. Mr. Hatch reported that the prescription medication plan has been changed from a two tier plan to a three tier plan that offers discounts on some brand name products.

Mr. Hatch reported that the 2009-2010 proposed budget reflects a 2% reduction in general fund expenditures, a 21.5% reduction in the capital fund and a 100% reduction in the retirement of indebtedness plant fund that will result from making the last two payments, in June, for the general obligation bond. Mr. Hatch noted that the total decrease for the three general and plant funds is approximately 11% and reminded Board members that there are still budget unknowns with regard to State aid. Mr. Hatch reported that general fund expenditures per FTSE are down to \$9,200 and unexpended plant fund expenditures per FTSE are just over \$1,100. The college will propose that the maximum allowable tax be levied that will amount to just over \$11.3 million. Mr. Hatch explained that the maximum tax levy increase is 2% from the prior year after factoring out new construction. Board members



reviewed draft truth in taxation notices and news releases that the college is required to publish. Responding to a Board question, Mr. Hatch explained that the notice and budget must be published twice and will cost approximately \$6,000.

With regard to general fund revenues, Mr. Hatch reported that the amount originally appropriated for 2008-2009 has been used as a placeholder in the 2009-2010 budget and represents a decrease of 2%. Tuition and fee increases are expected to generate \$535,000 in 2009-2010. Investment income is not at anticipated levels and the 2009-2010 budget reflects a 30% decrease. Mr. Hatch reported that overall, the total amount for expenditures in 2009-2010 will decrease by \$500,000, a 2% decrease. Mr. Hatch reported that expenditures for 2009-2010 have been decreased in all categories by 21.5% totaling approximately \$830,000. Mr. Hatch explained to Board members that if approved, the preliminary budget will be published and used in budget hearings. Mr. Hatch reminded Board members that the final budget will be presented for approval in May.

**2. Agenda Item 7.B.: Request to Approve 2009-2010 Salary Schedules – Vice President Hatch**

Mr. Hatch presented the proposed 2009-2010 salary schedules which represent no change from 2008-2009. Mr. Hatch noted that some positions on the exempt schedule and wage comparison documents have been updated. Mr. Hatch commented that most Arizona colleges will freeze wages in 2009-2010. Only Pinal County has proposed a wage increase for staff.

**3. Agenda Item 7.C.: Request to Approve FY 2007-2008 Budget Adjustments – Vice President Hatch**

Mr. Hatch explained that budget adjustments will allow the college to maximize the benefit of expenditure limitation laws by allowing funds to be carried forward and requested the Board adjust the 2007-2008 budget to match actual expenditures. Budget documentation showed that the college was \$684,000 below the expenditure limit and will allow \$2.8 million to be carried forward into future expenditure limit years. Mr. Hatch explained that in the event the college exceeds the expenditure limit, carried over funds could be used to meet statutory requirements.

**4. Agenda Item 8.A.1.: Request to Approve SCC Parking Lot Renovations – Vice President Hatch**

Mr. Hatch requested that the Board approve SCC parking lot renovations. Mr. Hatch explained that the college received bids and Hatch Construction came in the lowest at \$156,950. Responding to Board questions, Mr. Hatch explained that the parking lot is old and in need of repair and that the overall design of the parking lot will not change. Mr. Hatch added that David Huish, Director of Facilities, is ultimately responsible for quality control and that testing services, a work completion time limit and warranty are included in the contract. Work will begin in May once the spring 2009 semester has concluded.

**5. Agenda Item 8.B.1.: Curriculum – Therapeutic Massage Program Changes – Vice President Vest**

Mr. Vest explained that when the Therapeutic Massage program was moved into the Nursing and Allied Health division, the curriculum was reviewed and it was decided that TMP students needed more practitioner hours. Instructional Council approved the creation of a student observation clinic, an increase in the TMP core requirements from 32 to 35 credit hours and the elimination of two Small Business Administration courses as required electives.

**6. Agenda Item 8.B.2.: Curriculum – Administrative Information Services Program Changes – Vice President Vest**

Mr. Vest explained that expansion of AIS certificate opportunities will serve to help Lifeline Scholarship students receive training to become job-ready and allow NAVIT to demonstrate that State requirements are being met. Mr. Vest thanked Don Richie, Dean of Career and Technical Education and CTE faculty for their hard work. Program changes include two new Certificates of Proficiency in Administrative Information Services and General Office Management as well as revisions to existing AIS certificates.



**7. Agenda Item 8.B.3.: Curriculum – Business Program Changes – Vice President Vest**

Mr. Vest explained that the Business program has been expanded to include two new Certificates of Proficiency in General Business Management and Small Business Management. Program changes approved by Instructional Council also include revisions to Certificates of Proficiency in Accounting and Public Administration.

**8. Agenda Item 8.B.4.: Curriculum – Computer Information Systems Program Changes –Vice President Vest**

Mr. Vest explained that the CIS program has been expanded to include two new areas of specialization in Web Design and Web Development as well as a new Certificate of Proficiency in Software Quality Assurance. English 102 has been added as an option to meet the communications requirement and will increase opportunities for transfer students. Mr. Vest noted that English 101 and English 102 fulfill the freshman English requirements at all three state universities. Additionally, Instructional Council approved several new CIS courses, CIS course revisions and deletions. Mr. Vest concluded by stating that the CIS program changes will give students new and updated options in CIS and will broaden the range of short-term training opportunities.

**9. Agenda Item 8.B.5.: Curriculum – Programs/Degrees Affected by CIS Course Revisions (Informational) – Vice President Vest**

Mr. Vest informed Board members that multiple programs and degrees have been affected by the revision of CIS 100.

**10. President’s Review Procedure (First Read) – President Swarthout**

Dr. Swarthout presented materials to be used in the Board’s evaluation of presidential performance in May and requested that Board members offer any comments or concern about the proposed review process. Dr. Swarthout announced that presidential review by the college will be done on alternating years. The proposed review procedure will require the president to report to the Board on past year accomplishments. Dr. Swarthout requested that Executive Team members be allowed to provide input on presidential performance at the executive session for presidential performance review. Following Board approval, the procedure will be numbered and inserted into the NPC Policy and Procedure Manual.

Responding to a Board question, Dr. Swarthout explained that she and Vice President Vest visit all NPC center locations to attend community outreach events. Dr. Swarthout will notify Board members of future community outreach event dates in the event Board members can attend.



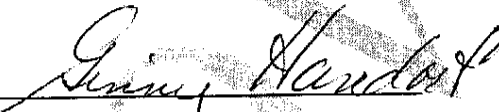
Respectfully submitted,



Russell Dickerson  
Recording Secretary to the Board



Bill Jeffers  
Chairman



Ginny Handorf  
Secretary to the Board

