

**NORTHWEST COLLEGE BOARD OF TRUSTEES
MINUTES OF REGULAR MEETING
May 9, 2016**

MEMBERS PRESENT:

President MR. JOHN HOUSEL; Vice President/Secretary MS. NADA LARSEN; Treasurer DR. PAUL FEES; and Trustees MS. CAROLYN DANKO, MR. DUSTY SPOMER, MR. MARK WESTERHOLD and DR. MARK WURZEL.

OTHERS PRESENT:

DR. STEFANI HICSWA, President; DR. GERALD GIRAUD, Vice President for Academic Affairs/Interim Vice President for Student Services; MR. MARK KITCHEN, Vice President for College Relations; MS. LISA WATSON, Vice President of Administrative Services; MS. SHELBY WETZEL; MS. JILL ANDERSON; MS. BOBBIE BELL; MS. HOLLY BERRYMAN; MR. DEAN BRUCE; MR. BRAD BOWEN; MR. ROB BREEDING; MR. VERN DOOLEY; MS. ELAINE DEBUHR; DR. RENEE DECHERT; MR. FRED EBERT; MR. DAVID ERICKSON; MS. RACHAEL HANAN; MR. WARREN KRONE; MS. JEAN PETERSON, WYOMING EDUCATION ASSOCIATION (WEA); MR. ANTHONY POLVERE; MR. ROB RUMBOLZ; MR. MARV SHERWOOD; MR. STEVE THULIN; MR. VIN CAPIELLO, *Cody Enterprise*; MS. ILENE OLSON, *Powell Tribune*; and MS. CYNTHIA CICCI, Executive Assistant to the President and Board of Trustees.

CALL TO ORDER:

The regular meeting of the Northwest College Board of Trustees was held on Monday, May 9, 2016, at 3 p.m. in the Yellowstone Building Conference Center.

A APPROVE THE AGENDA:

A motion was made by Trustee Larsen and seconded by Trustee Westerhold to approve the agenda as presented. Motion carried.

A EXECUTIVE SESSION:

A motion was made by Trustee Westerhold and seconded by Trustee Wurzel to move into executive session to conduct contract negotiations with President Hicswa. Motion carried.

The executive session adjourned and after a short break, the business meeting began at 4:09 p.m.

A CONSENT AGENDA:

Trustee Larsen reminded Board members of the upcoming Governance Institute for Student Success (GISS) Board Training on June 2-3, 2016 in Casper and the Wyoming Association of Community College Trustees (WACCT) Annual Policy Summit on October 20-21, 2016 in Laramie.

Trustee Westerhold reported on the Finance Committee meeting at which members reviewed draft information for the 2016 Early Retirement Exception Special Offering approval, the Educational Program Discontinuation, and the Reduction in Force which are action items on today's agenda.

President Hicswa responded to questions on reports in the Board materials after which **a motion was made by Trustee Danko and seconded by Trustee Westerhold to approve the consent agenda as presented. Motion carried and the consent agenda was approved which included the minutes of the regular meeting of April 11, 2016 and the executive session of April 11, 2016.**

A FINANCIAL REPORTS:

A motion was made by Trustee Spomer and seconded by Trustee Larsen to approve the financial reports as presented which included the Third Quarter Budget and Cash Flow Report. Motion carried.

DISCUSSION/INFORMATIONAL ITEMS:

Preliminary FY17 budget review

Revenue projections for Northwest College continue to trend down for fiscal year (FY) 2017. With the economic downturn in mineral production starting to affect tax revenue collections both at the state and local level, community colleges and state agencies are bracing for challenging times ahead.

Last year NWC was at a 20-year low for student enrollment which required unrestricted fund budget reductions of \$227,000. FY 2016 has seen flat enrollment. Going forward, the College will use current FY 2016 enrollment levels as a baseline for budgeting.

The \$6/credit tuition increase approved by the Wyoming Community College Commission (WCCC) in March will generate an additional \$200,000 in revenue for NWC. Student fee revenue has fallen as enrollment has declined. In April, the Board approved a \$4/credit increase up to 15 credit cap in student mandatory fees which is expected to generate \$180,000 in revenue.

In the 2016 legislative session, House Bill 80 was successfully passed to eliminate the exception budget request process for Enrollment Growth Funds, which stabilizes that portion of State Aid to the community colleges. It also eliminated the completion footnote whose calculation methodology has provided additional funds to NWC due to strong student completion rates. To address the effects of reduced tax revenue collections, the Governor and Legislators reduced community colleges funding by just over \$2 million plus a three percent reduction for all agencies over the biennium. These cuts will reduce state appropriations by at least \$700,000 for FY 2017. In addition, following the legislative session, the Governor directed all state agencies to prepare for an additional 3% and 5% reduction for FY 2019 and FY 2020.

Local mill levy valuation reductions are expected to affect NWC by as much as \$1,800,000 for FY 2017 but final numbers won't be determined until mid-June.

The Wyoming Community College Commission (WCCC) uses a complex fixed/variable, enrollment, completion, and average weighted credit formula to allocate all state and mill levy appropriations. Overall, NWC was initially projected to lose approximately 12% of its budget or \$2.3 million in the unrestricted operating fund and one mill fund.

Governor Mead issued a letter on April 22nd calling for an additional 8% cuts to all agencies. The cuts to the colleges will be calculated using the funding formula and may require NWC to reduce up to an additional \$1,600,000 from its budget.

NWC started addressing projected budget reductions in February 2015 by implementing a hiring freeze. The positions have remained frozen or filled with temporary staffing and will be rolled forward into planned staffing changes for FY2017. After the legislative session when the initial funding formula projections were complete, President Hicswa tasked budget managers with the creation of a new budget designed to reduce expenditures by \$2.3 million.

Many budget items are still outstanding and the College is waiting to receive allocation information as it relates to health insurance reimbursement, retirement, and local levies. The College will continue to work on reconciling revenues to expenditures as required for the July final budget approval.

Other considerations include the Department of Labor's modification to the Fair Labor Standards Act which may increase the number of positions that will be paid overtime. The auxiliary funds have also seen a reduction in revenue due to decreased enrollment and residence hall occupancy.

Budget managers will continue to review and plan for additional reductions, as the College does not have the ability to address the revenue shortfall through price increases or other funding sources.

President Hicswa emphasized that the other Wyoming colleges are also going through budget cuts. The amount of the additional reduction should be clarified at a meeting with the Governor on May 23rd. All programs are being analyzed including athletics and scholarships.

CITIZENS' OPEN FORUM:

Citizens' Open Forum convened at 5 p.m. and Board President Housel reviewed the protocol for speakers.

After praising the process followed in implementing the Reduction in Force policy, incoming Faculty Organization President Steve Thulin spoke against discontinuing the Journalism and the Film/Radio/TV programs. Both are excellent programs that have been recently repositioned to expand and recruit more students.

Journalism Instructor Rob Breeding read a prepared statement in which he opposed eliminating the Journalism Program. Among the reasons he cited was that the community keystone was not used as a criteria in the analysis to determine which programs to terminate. He added that a club newspaper cannot fill the role of a journalism program and that without a journalism program, a student newspaper is doomed to fail. Mr. Breeding stated that he believes the program and his position were a target because of articles printed in the Northwest *Trail*. Consequently, NWC's administration is becoming a nationally recognized opponent of the First Amendment and he urged the Board to delay its decision until an independent investigation is conducted.

English Instructor Michael Konsmo spoke about the Sherman Alexie Writers Series program and recognized all those who helped make it a huge success.

After a short break, Board President Housel read a letter from a NWC graduate in defense of the Journalism Program.

In summary, President Hicswa explained that Mr. Breeding's passion demonstrates that she is not recommending discontinuation of bad programs and agrees that anytime a program is eliminated, it has a profound effect on the college.

The business meeting resumed at 5:27 p.m.

A UNFINISHED BUSINESS:

NWC Foundation Memorandum of Understanding

The Agreement for Exchange of Services between Northwest College and the NWC Foundation was discussed at last month's Board meeting. President Hicswa recommended approval of the Memorandum of Understanding (MOU) which represents current operating procedures between the NWC Foundation and the College. **A motion was made by Trustee Larsen and seconded by Trustee Danko to approve the NWC Foundation MOU as presented. Motion carried.**

A NEW BUSINESS:

2016 Early Retirement Exception Special Offering approval

The Board approved the Early Retirement Exception Special Offering at its April meeting. This special offering allowed eligible applicants the ability to apply for early retirement by April 22, 2016. Seventeen applications were forwarded for approval. The early retirement special offering will be funded from operating reserves held in the unrestricted operating funds (funds 10 and 11). **A motion was made by Trustee Spomer and seconded by Trustee Wurzel to approve the early retirement exception special offering for 17 faculty and staff.** In further discussion, President Hicswa clarified that analysis of reduction in force and program discontinuation will be ongoing in order to meet the additional budget cuts mandated by the Governor. **Motion carried.**

Educational Program Discontinuation (Policy 1.13.9 and Policy 1.13.9.1)

With the impending imbalance between cost of operation and expected revenue, the College evaluated the sustainability of programs to determine if any were appropriate for discontinuation. Through a process involving the Academic Advisory Council (AAC), Vice President Giraud identified data-informed indicators of program sustainability. On April 14th, the AAC, composed of Division Chairs and other Academic Affairs Office staff members, endorsed academic program discontinuation decision-making criteria. The position of AAC members is that the College administration should apply these criteria in determining which programs might be subject to discontinuation due to expected revenue shortfall.

President Hicswa consulted with the AAC, the Curriculum Committee, and College Council the week of April 25th to discuss the criteria endorsed by AAC. She met a second time on May 3rd with these groups to discuss resulting recommendations for educational program discontinuation.

Based on the *Program Sustainability Analysis*, three programs were identified for discontinuation due to budget constraints:

Farrier Business Management, Journalism and Film/Radio/TV. All three programs have long-term low enrollment and a net loss in cost vs. revenue.

Trustee Fees requested the Board delay its decision on discontinuing these programs as he believes the process of identifying the programs was flawed. He also pointed out that the Board was hearing the proposal to discontinue the programs for the first time, and that the preferred practice is to hear such proposals as discussion items before they become action items the following month. Dr. Fees added that since this is an issue of such importance that it could bear upon the culture of the College, it deserves to be discussed in full. Trustee Danko added her support to defer the decision.

Trustee Westerhold responded that the Finance Committee reviewed the program discontinuation recommendation from a spreadsheet standpoint and he questioned where else the College will come up with additional cuts. All of the programs enhance the educational mission of the College and whether or not the decision is deferred, at some point programs need to be cut. No matter what program is identified to be discontinued, the same passion will be expressed for keeping it.

In response to Trustee Larsen's inquiry about what the ramifications would be of delaying the decision, Board President Housel suggested holding a special meeting if the Board feels more information is required.

President Hicswa responded there is much work to do on the budget in preparation for the June Board meeting. A special meeting can be scheduled, but the timing would depend on the level of additional analysis the Board requests in order for the College to prepare. Dr. Hicswa added that the *Program Sustainability Analysis* includes solid data and regardless of a different process, the results will remain the same. She requested the Board take action on the recommendations at this meeting.

Trustee Spomer remarked that by not taking action, the Board would only be prolonging the budget cutting decision and that members don't fully understand the amount of work the administration has invested in this report.

Trustee Westerhold added that the analysis has been reviewed by appropriate campus committees and is a good example of shared governance. He agreed that program elimination is a big decision but was against delaying the decision any longer.

Trustee Fees made a motion that the recommendation to support discontinuation of the Farrier Business Management Program, the Journalism Program and the Film/Radio/TV Program be postponed for a period of no longer than two weeks until such time as the Board holds a special meeting. The motion was seconded by Trustee Danko.

In further discussion, Trustee Larsen asked when the special meeting would be held. President Hicswa responded that a

special meeting can be scheduled depending on what further data the Board needs to make a decision. Trustee Larsen called for question on the motion after which Trustee Housel stated he had additional comment and observations in support of the motion by Trustee Fees to delay consideration of proposed program discontinuation. He stated that while College administrators and Trustees have known for about a year that state and local mineral revenues would be substantially reduced, it was not until the past three or four months that the amount of reduced revenues became clear. Thus, the administration had a very short time period in which to address the substantial reduction in revenue; and the administration is to be commended for its hard work and diligence in addressing the need for the dramatic budget reduction.

Board Chair Housel praised the administration for the manner in which the campus community was included in the budget reduction review process. In particular, Steve Thulin was appreciated for his involvement in the process and for his public statements that the campus community remain calm and take a comprehensive view of the budget reduction process.

Trustee Housel went on to say that among his favorite college courses were courses on the Bill of Rights and the federal Constitution. In particular, he mentioned the Primacy Doctrine in which constitutional scholars are in general agreement that the framers of the Constitution placed the rights of free press, free speech and free association in the First Amendment of the Constitution as without these rights, the remaining rights would have little force.

Mr. Housel then addressed the *Program Sustainability Analysis* presented by the administration which recommends discontinuation of the Farrier Business Management, Journalism and Film/Radio/TV programs. He expressed his desire that a more detailed cost analysis of each program be provided, including the specific source of funds for each program along with specific expense items and categories. In addition, he expressed concern that while the Community Keystone criterion in the *Program Sustainability Analysis* was subjective, nonetheless the Community Keystone should not be subordinated to the other criteria, especially as it pertains to the print and broadcast journalism programs. He further stated that in addition to the educational aspect, journalism programs also inform both the campus community and the college district community. They offer a forum for the free exchange for expressing ideas and opinion. Therefore, the Community Keystone criterion should have been regarded with equal dignity with the other criteria in the *Program Sustainability Analysis*.

Trustee Housel concluded his remarks by stating that he would only vote in the event of a tie.

Motion failed (2-4) with Trustees Larsen, Spomer, Westerhold and Wurzel opposing.

Board President Housel requested a separate motion on each of the programs.

A motion was made by Trustee Larsen and seconded by Trustee Westerhold to discontinue the Farrier Business Management Program. Motion carried.

A motion was made by Trustee Spomer and seconded by Trustee Westerhold to discontinue the Journalism Program. Motion carried (4-2) with Trustees Danko and Fees opposing.

A motion was made by Trustee Westerhold and seconded by Trustee Wurzel to discontinue the Film/Radio/TV Program. Motion carried (5-1) with Trustee Fees opposing.

After a short break, the meeting resumed.

Reduction in Force (Policy 3.5.4 and Policy 1.13.8)

Due to budget cuts and a revenue shortfall, President Hicswa recommended, according to policy, that the Board invoke a Reduction in Force (RIF) for the following units/areas:

- Two classified/professional staff in Instruction: one in Extended Campus, one in the Life and Health Sciences Division;
- One classified/professional staff in Institutional Support, College Relations;
- One classified/professional staff in Auxiliaries, Residence Life.

No RIFs for faculty or administration are being recommended.

The Board materials contained a list of recommended staffing changes resulting from earlier resignations, retirements and RIFs. Overall, there are 20 positions that will not be filled; this does not include the early retirements.

A motion was made by Trustee Wurzel and seconded by Trustee Larsen to invoke a reduction in force as recommended by the President. Motion carried.

Board of Cooperative Education (BOCES) contract

Trustee Spomer reported that the Park County School District #1 (PCSD#1) Board of Cooperative Education (BOCES) has gone through a great deal of change in the last several months in terms of management. The BOCES Board met April 28, 2016 to discuss having the NWC Center for Training and Development (CTD) take over management of BOCES programming indefinitely.

The BOCES Board will maintain oversight and the programs will be funded as in the past. Board members believe that with the new process, services will be delivered at an equal or enhanced level.

Trustee Wurzel added that the BOCES Board also discussed the bylaws which will need to be reviewed and approved by the BOCES Board and the NWC Board of Trustees. President Hicswa added that this change would actualize efficiencies. She is in favor of this recommendation and asked for Board approval.

In response to Board President Housel's concerns about BOCES

bank accounts and co-mingling of accounts, Trustee Spomer explained that oversight of that would remain the same and that the MOU is only for contracted services. The Board is assessing from a community survey what programs they would like to see continue or enhanced. The NWC Board is asked to approve the concept. Due to current staffing changes, the College is already doing this. Trustee Spomer said it would be an annual contract which would be reviewed and adjusted each year.

A motion was made by Trustee Larsen and seconded by Trustee Westerhold to approve proceeding with this approach to the future management of PCSD#1 BOCES. Motion carried.

President's contract

Trustee Spomer announced that since the Board conducted an annual review of President Hicswa's performance which was favorable, he moved to renew her contract with a three-year rolling provision with other details to be worked out between Board President Housel and the College's legal counsel. Trustee Wurzel seconded the motion. Motion carried. The Board will take action on President Hicswa's contract at its next meeting.

OTHER:

Trustees Danko and Larsen will attend the Wyoming Community College Commission (WCCC) and Wyoming Association of Community College Trustees (WACCT) meetings in Casper on June 1, 2016.

Along with President Hicswa, Trustees Danko, Larsen, Spomer and Wurzel will attend the Governance Institute for Student Success (GISS) in Casper on June 2-3, 2016.

ANNOUNCEMENTS:

The next regular meeting of the Board of Trustees is scheduled for June 13, 2016 at 3 p.m.

A ADJOURNMENT:

On a motion by Trustee Larsen which was seconded by Trustee Spomer, the meeting adjourned at 6:34 p.m.