Navajo County Community College District  
Governing Board Meeting Minutes  
February 18, 2014 – 10:00 a.m.  
Painted Desert Campus, Tiponi Community Center  
2251 East Navajo Boulevard, Holbrook, Arizona

Governing Board Member Present: Mr. Frank Lucero, Ms. Ginny Handorf, Mr. Daniel Peaches, Mr. James Matteson, Mr. Prescott Winslow

Staff Present: President Jeanne Swarthout; Vice President Blaine Hatch; Vice President Mark Vest; Information Services Director Eric Bishop; Institutional Effectiveness Director Dr. Leslie Wasson; Recording Secretary to the Board Lisa Jayne.

Others Present: Stuart Bishop, Jake Hinton, Everett Robinson, Peggy Belknap, Clay Goodman, Steve Kiefer, Bill Fee, Ann Hess, Margaret White, Peg Erdman, Rickey Jackson, Lauren Sedillo, Cathy Reed, Barry Williams, Terrie Shevat, Cyndi Hutton, Barbara Hicks, Kate Dobler-Allen, Sandra Johnson, Kenny Keith, Beaulah Bob-Pennypacker, Kyle Nowell, Connie Warren, Matt Weber

Agenda Item 1: Call to Order and Pledge of Allegiance
Chair Handorf called the meeting to order at 10:00 a.m. Mr. Lucero led the Pledge of Allegiance.

Agenda Item 2: Adoption of Agenda
Mr. Matteson moved to adopt the agenda as presented. Mr. Peaches seconded the motion. The vote was unanimous in the affirmative.

Agenda Item 3: Call for Public Comment
None

Agenda Item 4: Report

4.A. Financial Position – Vice President Hatch
Vice President Hatch reviewed the Financial Report with the Board. Mr. Winslow asked why capital expenditures are listed under the restricted fund, the unrestricted fund, and also the auxiliary fund. Vice President Hatch stated the major capital expenditures tend to go in the unrestricted plant fund or the capital fund. There are purchases that specifically would be designated as capital but perhaps are being categorized in a different way. Items purchased with grant dollars funnel through the restricted fund. Mr. Winslow asked if there are any other metrics of financial health that do not show up on the reports, specifically the percentage of cash reserve in relation to the current budget. Vice President Hatch stated there is a composite financial index report that is included in information the College provides to the Higher Learning Commission, the College’s accreditor that includes a primary reserve ratio. Vice President Hatch offered to make a presentation to the Board on past standing on those ratios, and the
College’s composite financial index, and also future projections. Vice President Hatch stated that overall the composite financial index shows the College in a very healthy condition. Mr. Winslow stated he would like that to happen. Vice President Hatch stated the Board did recently approve a reserve policy that’s 50% of the College’s operating cost on an annual basis and by policy that is to be evaluated annually by June 30.

4.B. NPC CASO – Margaret White
Margaret White addressed the Board and stated CASO is meeting for the first time this year on Friday where the annual retreat will be discussed, as well as the employee picnic. Margaret White stated that candy sales that fund student scholarships are going well.

4.C. Faculty Association – Cyndi Hutton
Cyndi Hutton introduced Barbara Hicks, Cosmetology Faculty, to the Board. Barbara stated that students from the cosmetology program are competing in Skills USA in Kentucky on April 14, 15, and 16. The first year the College participated in Skills USA a student from LCC took a silver, the second year participating the College had a student take gold and that student went to Kansas City, Missouri in Nationals. That student was Kelsey Moore, she came in 9 out of 25 students. Eight students from WMC will be competing this year, along with students from St. John’s and Winslow. Fire science and welding will also have students participating. President Swarthout stated that the Arizona Skills USA is very rewarding to attend.

Cyndi Hutton addressed the Board and stated one of the Faculty Association’s goals was to increase faculty participation in the association. The association meets twice at the beginning of the month, one at Friday at 11am in the model classroom and then for those who teach on Fridays, a phone meeting is scheduled the first Wednesday at 5:30pm. So far the meeting times have been successful and attendance has improved. The faculty charge from Dr. Swarthout this year included coming up with a recommendation for faculty compensation for the 2014-2015 FY, faculty comments and recommendations on the proposed decrease of the step differential from the 3% to 1.5%, and full faculty participation in the discussion of what it means for NPC to be a year-round College. She also requested a task force be set up to take another look at the 1.33 load factor for teaching internet courses.

Cyndi Hutton reported that Vice President Vest asked faculty to look at how faculty is paid beyond base and overload pay. Cyndi Hutton stated that a lot of payment procedures are not written in any official procedure and can easily be taken away. She also said Vice President Vest asked faculty to discuss and codify payments such as internet load, release time for chairs, and windshield time, which is the driving time from one campus to another.

Two resolutions were presented to Dr. Swarthout and were handed out to the Board members. Resolution #1 and Resolution #2 was reviewed for the Board by Cyndi Hutton. Mr. Lucero asked what a faculty work week looked like hour-wise. Cyndi Hutton stated for her it was approximately 60 hours. Mr. Matteson stated that teaching hours are difficult to equate to a 40-hour work week.
4.D. NPC Student Government Association
SGA President Kyle Nowell addressed the Board and stated the Kiwanis Club Quiz Night went well although the SGA team took home the toilet paper. SGA also took a trip to Flagstaff for rock climbing and found it to be a good team building activity. NPC Talent show auditions are on April 4, March 7, 8, 13, and 14. The talent show will have a $500 cash prize; the actual show will be on April 12, and 13. There will also be an SGA road trip to visit U of A, NAU, ASU, and University of NM. SGA is focusing on recruiting new members. Mr. Winslow asked about recruiting students from outlying centers. Kyle stated SGA members travel to the centers for active recruitment. Ms. Handorf commended Kyle for being the highlighted student on the NPC website. President Swarthout stated Kyle will be attending the legislature with her as a representative of NPC’s AZ All-Academic Team.

4.E. Institutional Effectiveness Update
Director Wasson addressed the Board and stated the College has been working on linking the budget to the strategic plan. Right now the Board has approved the current strategic plan which allows the College to move ahead with budget planning. Budget Hearings are to be held on February 25, the SPASC chairs are going to facilitate the budget discussions. Next, SPASC plans to take up the annual timeline.

Data and integrity reporting conversations are taking place to help gather better data and IE has made steps toward cleaning up data, locating needed data, and making sure systems are talking to one another. The Higher Learning Commission asks the College for assurance that the College is doing its job effectively and thoroughly. The College provides HLC evidence of operations. HLC has recently changed its system so the College will be skipping its four year review and will start gathering evidence to have it ready for the new pathways.

Three NPC staff recently attended the first annual Arizona Assessment Conference in Yuma, this conference helped pinpoint where the College needs to step up and also where other schools are not quite up with us, and shared information about best practices. HLC asks Colleges to do a project that involves quality initiative and is College-wide. The goal of the project is to make things better for students in terms of their learning opportunities. Now that there are faculty represented on the committee, training can begin and the project proposal process can commence.

Agenda Item 5: Consent Agenda
   A. January 21, 2014 study session minutes; January 21, 2014, regular meeting minutes.

Mr. Matteson moved to accept the consent agenda. Mr. Peaches seconded the motion. The vote was unanimous in the affirmative.

Agenda Item 6: Old Business
None.

Agenda Item 7: New Business
Chair Handorf moved item 7F up in the agenda.
7.F. First Things First – Kate Dobler-Allen
Kate Dobler-Allen, the Regional Director of Navajo/Apache Regional Partnership Council presented to the Board regarding First Things First program. Chair Handorf asked why the First Things First districts did not include Native American tribes. Ms. Dobler-Allen stated that Arizona statute states each tribal community can decide whether to participate with an adjoining program or can opt to create their own. Mr. Lucero asked if Winslow was in the service area, and Ms. Dobler-Allen stated that Winslow was serviced by the Flagstaff district. Mr. Matteson asked if First Things First legislation has a sunset clause. Ms. Dobler-Allen stated the statute had no sunset clause.

7.A. Review of Budget Development
Vice President Hatch stated that the College is current in the budget development calendar. Budget hearings are scheduled for February 25. Mr. Lucero asked when the College’s budget has to be completed. Vice President Hatch stated by statute it needs to be completed by June. Typically it is done by May.

Vice President Hatch stated that overall revenue trends for the institution are expected to remain relatively flat. State funding is expected to decrease in the general fund by $260,000. This is due to declines in both enrollment and in the gap on net assessed valuation which drives the equalization. Vice President Hatch indicated he included a summary of the JLBC (Joint Legislative Budget Committee) statement on community College funding. The base line indicated in the summary is if formula is followed. Typically the formula is not used and community colleges are funded with a flat dollar amount.

Operating state aid is based on enrollment two years prior, so for 2015 the state looks at 2013 enrollment which was 5.2% lower than the prior year which is why there’s a reduction coming in state aid. STEM funding originally was capital state aid but only $2 million was funded system-wide and the JLBC base line indicates the state will continue that amount instead of following formula. OSPB which is the governor’s budget is proposing funding it to the rural districts, but not to Maricopa and Pima. That would add an additional $250,000 to NPC in STEM funding, which is not in the JLBC base line budget.

$231,000 decline in equalization aid is based on primary assessed valuation compared to the rural average. From 2012 to 2013 there was a decline of 7.3% for Navajo County. When compared to minimum assessed valuation which had a decline of 6.8% one can see why the College’s equalization aid change isn’t as large as some of the other equalization schools. Vice President Hatch stated Table 4 provides estimated community college revenue for 2014 and is the approved budget of each of the districts, so not only does it include the state aid component but property taxes, tuition, fees, and grants for a total and Table 4 gives an idea of where NPC is in relation to other community College budget revenues.

Vice President Hatch reviewed property valuation with the Board stating there is a 7% decline in property valuation from last year, and that the tax rate then needs to increase in order to keep the same level of levy previously received.
Mr. Winslow stated that it would be helpful to him at some point in the process to see a sample hypothetical Navajo County property tax bill in order to see how it actually looks for a tax payer. Mr. Lucero asked if there was a clear idea about what the mill closure in Snowflake has done to property valuation. Vice President Hatch stated that assessed valuation declined 7.5%. 2013-2014 had a higher drop rate than previous years. Vice President Hatch stated it’s hard to know how much is specifically attributable to the mill closure but it did make a larger increase. Mr. Lucero asked if it is relevant what is happening to other areas that are financially better off. Vice President Hatch stated it matters when it comes to equalization because the differential between the average changes for the rural counties compared to what the College is doing. Mr. Lucero stated he meant in relation to taxes. Vice President Hatch stated only in regards to seeing trends that we may be following.

There are no significant changes anticipated in other revenue funds. Nearly three-quarters of College expenditures are wages and benefits. Staff recommends a 2% increase for wage increases that will cost approximately $250,000. Benefit cost increases are expected to be 3% for the College, which is approximately $40,000. The State Retirement System increase is very small this year, the match is going from 11.54% to 11.6% and will be around $5,000. In total, there is approximately $295,000 of additional costs related to wage and benefit increases. As far as other expenditures, the majority of the College’s departments are requesting flat or slight declines in expenditures. A few departments are asking for increases.

Mr. Winslow asked if there were any significant pending grant applications that might be pending over the next 4-6 months. Vice President Vest stated that the Department of Education might move forward with a Trio Grant program and the College will be submitting an application for GEAR UP which is a program intended to significantly increase the percentage of students that go to post-secondary institutions. The College would partner with possibly eight reservation schools to run the program. If the College receives the grant it is a 7-year grant and would provide $650,000 a year for 7 years or $4-4.5 million over the 7 years. A good portion of the money would go to the partner schools for their role in the program.

7.B. First Read: Wage and Salary Schedule
Vice President Hatch stated that the staff is recommending a 2% wage and salary increase. Vice President Hatch reviewed the wage and salary schedule with the Board. He stated the Employee Relations Committee received wage and salary recommendations from CASO and moved forward a 3.5% proposal to College Council. The Faculty Association decided not to go through the shared-governance process and made their recommendation directly to Dr. Swarthout at 3.5% plus an additional 3.5% if retirement and health insurance costs increased. College Council ultimately made a recommendation for a 2% increase. The proposed schedule based on a 2% increase includes a step for employees who are eligible to receive a step and on the faculty schedule, moving from a 3% differential in step to a 1.5% differential in step. As was mentioned in the Faculty Association report, the Employee Relations Committee is working on moving a recommendation forward regarding the step. If the College chose to stay at a 3% differential on step, then a step would not be possible at a 2% wage increase so the entire base schedule would need to be changed by 2% in order to accomplish a 2% schedule change.
Mr. Lucero asked what the benefit is to moving the differential from 3% to 1.5%. Vice President Hatch stated the advantage is to minimize salary compression.

Last year’s salary increase at 3% was just 0.1% below the average increase at other institutions. On average, slightly larger increases in faculty at 2.3%, 1.9% in classified staff, 1.2% for administrative staff, with several institutions stating they’re not planning to give any increases in any of the categories in the upcoming year.

Vice President Hatch reviewed upcoming proposed changes to healthcare expenses for employees as well as inflation rates.

7.C. First Read: Tuition and Fees Schedule
Vice President Hatch reviewed the tuition and fees schedules with the Board, stating staff recommends tuition rates be set for the next three years, 2014-15, 2015-16, 2016-17, at a $2 incremental increase in each of those years. Apache County and out-of-state tuition would increase at the same rate which is $10 per year. WICHE WUE rate is a compact with a number of member organizations at 150% of the in-state rate for students whose residency is in an adjoining state.

Mr. Peaches asked since Monument Valley is in Utah, what the tuition rate was for students there. Vice President Vest stated Navajo students, regardless of their state of residency, receive in-state tuition rates under Arizona state law.

Vice President Hatch stated there are four tuition proposals that were discussed at the last Board retreat. The first two are scholarship type proposals. The first is no tuition for the last 12 credits of a degree. Students would have to apply for this. It is proposed that the College budget this as a scholarship not to exceed $150,000 in the first year. The second proposal is to give seven general education credits each semester with no tuition to junior and senior high school students. This also would have an application process along with GPA requirements not to exceed $150,000 in the first year. The other two proposals are discounts in tuition. The first is to reduce tuition for all summer session courses by 50%. Secondly, establish a 50% tuition reduction for all adult basic education courses.

Mr. Winslow asked if Director Rickey Jackson could address the issue of TLC as a pipeline to College level courses. Director Rickey Jackson stated there’s a wait list of 400-500 students for adult basic education. Many students are waiting for available scholarship money, in which $126,000 has been put aside for ABE scholarships. About 50% of students test into a TLC class. If students could get through TLC classes quicker than they could move on to general education courses sooner. Vice President Vest stated that he believes that if TLC pipelines are expanded by offering discounted tuition, then in one or two years there will be an increase in students enrolling in general education classes.

7.D. First Read: Future Capital Reserve Policy
Vice President Hatch stated at the last DGB meeting the concept of a Future Capital Reserve Policy was discussed. Vice President Hatch reviewed the proposed policy with the Board. Mr.
Matteson suggested the word “identify” be added to strengthen the wording. This will be voted on by the Board at the March DGB.

7.E. Request to Accept Expenditure Limitation Report

Mr. Lucero moved to accept the Expenditure Limitation Report. Mr. Matteson seconded the motion. The vote was unanimous in the affirmative.

7.G. Review of Affordable Care Act Information.

Item 7.G. was moved to end of agenda by Chair Handorf.

7.H. Request to Approve Deletion of the Human Services certificate of Proficiency in Substance Abuse in Counseling

Vice President Vest stated the substance abuse counseling program has been on the books since 2008. At that time the program was run on a contract basis with several external agencies. These agencies have not requested this program in the last five years. The courses will be retained but the program will be removed from the catalog.

Mr. Matteson moved to approve deletion of the Human Services Certificate of Proficiency in Substance Abuse in Counseling. Mr. Lucero seconded the motion. The vote was unanimous in the affirmative.

7.I. Request to Approve Modification for Computer Information Systems Program

Vice President Vest stated this modification for Computer Information Systems Program is merely a curriculum clean up change. There are currently two math options in this program and would like to request Math 121 be dropped and also that AIS 170 be changed to BUS 170. Also, would like to drop digital photography as a requirement since it often has low enrollment.

Mr. Matteson moved to approve the modification to the Computer Information Systems Program. Mr. Lucero seconded the motion. The vote was unanimous in the affirmative.

7.J. Request to Approve Modification for fire Science Program

Vice President Vest stated the revision to the fire science program are based on recommendations to move the fire science program to match the national fire academy/fire and emergency services higher education model which means restructuring the curriculum. The advantage to students is that the number of required course is significantly reduced which gives students a lot more flexibility in regards to electives.

Mr. Matteson moved to approve the modification to the Fire Science Program. Mr. Peaches seconded the motion. The vote was unanimous in the affirmative.
7.K. Request to Approve Program Modification for Nursing, Associate of Applied Science in Paramedic to RN
Vice President Vest stated that the Board approved the Paramedic to RN program this time last year. When Dean Erdman approached the State Nursing Board about Paramedic to RN program she received some initial advice from the Board on a direction, that curriculum was brought to the Board, but the State Nursing Board strongly requested further changes. Vice President Vest stated there is enough demand to run the program both in fall and spring next year and then as students demand.

Mr. Matteson moved to approve program modification to the Fire Science Program. Mr. Lucero seconded the motion. Mr. Peaches was absent for the vote. The vote passed with a majority vote.

7.G. Review of Affordable Care Act Information.
Mr. Matteson made a motion to table item 7.G. until the next meeting. Mr. Lucero seconded. The vote was unanimous in the affirmative.

Agenda Item 9: Standing Business

8.A. Strategic Planning and Accreditation Steering Committee Report
None.

8.B. Human Resources Update – Vice President Hatch
Vice President Hatch summarized the human resources report with the Board.

8.C. President’s Report – President Swarthout
President Swarthout introduced Dr. Clay Goodman, Vice President of Occupational Education at Estrella Mountain Community College and Consortium Director of Get into Energy, and Steve Keifer who is the Project Director of Arizona Get into Energy Consortium. The ACCT conference was held recently and discussion took place about organizing a ten community College president’s retreat around topics that have been recommended, including completion agendas and success agendas, as well as data discussions. The Board will be updated as this develops. Senator Carlyle Begay has requested a mini-economic town hall at the Holbrook campus in April, and the Board will be updated as details are solidified.

Agenda Item 9: Board Report/Summary of Current Event

Agenda Item 10: Announcement of Next Regular Meeting: March 18, 2014.
Agenda Item 11: Adjournment

The meeting was adjourned at 12:40 p.m. upon a motion by Mr. Matteson, a second by Mr. Lucero and a unanimous affirmative vote.

Respectfully submitted,

Lisa Jayne
Recording Secretary to the Boar