

Navajo County Community College District Governing Board Study Session Minutes

August 17, 2010

2251 East Navajo Boulevard, Holbrook, Arizona, 86025

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

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

Reports:

1. **Agenda Item 7.A.: Request to Approve Intergovernmental Agreement with NAVIT – Vice President Hatch**

Mr. Hatch explained that staff will present two intergovernmental agreements (IGA) with NAVIT to the Board for approval in the regular meeting. Mr. Hatch began his presentation by first reviewing the central programs agreement for courses taught at NPC facilities. Mr. Hatch explained that the term of the IGA is for five years with annual review and rolling approval for an additional five year term. Mr. Hatch pointed out that the agreement contains financial and accountability provisions as well as lists of JTED and college responsibilities, as outlined in state statute. Mr. Hatch reported that legal counsel for NAVIT and the college have reviewed the agreement. Mr. Hatch directed Board members to Exhibit A which lists itemized services and amounts allocated for services, by program, as required by state statute. Mr. Hatch explained that the estimated NAVIT instructional costs for the upcoming year total approximately \$650,000 and the estimated tuition to be paid by NAVIT totals about \$400,000 representing a \$1 million relationship for the college. Mr. Hatch directed Board members to Exhibit C and pointed out that fall course scheduling lists reflect what is actually scheduled; spring course scheduling lists include an estimate based upon the previous spring semester and may require some adjustment as the spring semester begins. Mr. Hatch explained that the college and NAVIT essentially share the cost of program delivery and tuition cost. Responding to a question from Mr. Parsons, Mr. Hatch explained that NAVIT related program costs are calculated by first determining the percentage of NAVIT students to non-NAVIT students within a particular program; once the percentage is calculated, it is multiplied by the total program cost to determine NAVIT related program cost; NAVIT is then billed for half of the NAVIT related program cost. Mr. Hatch reviewed the second NAVIT IGA and explained that it provides for college course delivery, through NAVIT, at high schools. Mr. Hatch noted that the NAVIT dual enrollment agreement has been presented to the Board for the last three years, but implemented only in the last two years.

2. **Agenda Item 7.B.: Request to Approve Intergovernmental Agreement with Apache County – Vice President Hatch**

Mr. Hatch presented the staff recommendation for approval of the intergovernmental agreement with Apache County that the Board will be asked to take action on in the regular meeting. Mr. Hatch explained that the college has had an on-going relationship with Apache County and added that the cost of program delivery to Apache County creates no financial burden for the taxpayers of Navajo County. Mr. Hatch pointed out that the IGA being presented will be for a two year term; the college and Apache County entered into a one year agreement in 2009-2010, primarily due to economic and budget unknowns. Mr. Hatch noted that a new feature of the proposed IGA is the connection to the strategic plans of the college and the Apache County Higher Education Committee. Mr. Hatch reported that in 2009-2010, Apache County students represented approximately 11.5% of total college enrollment. Mr. Hatch explained how the Apache County enrollment is used to calculate costs for offering services to Apache County. Mr. Hatch explained that the estimated cost to Apache County for 2010-2011 and 2011-2012, as written into the IGA, is \$530,000 per year and reflects cost cutting measures implemented by the college and Apache County. Mr. Hatch commented that the agreement is beneficial to both parties as the college is able to allocate 11.5% of costs to Apache County and Apache County greatly benefits from educational program delivery. Mr. Hatch highlighted some new features of the IGA that included: a request from Apache County for the college to provide coursework over a two year period that results in the completion of the AGEC-B; new language regarding training courses as a response to the shift to non-credit courses; and the request by Apache County to include a member of the Apache County Higher Education Committee, in an advisory capacity, on hiring committees for



positions in Apache County. Tom Hansen of the Apache County Higher Education Committee was present and thanked Dr. Swarthout and Mr. Hatch for their hard work in developing the IGA as well as college staff involved in educating Apache County students. Mr. Hansen expects to have Apache County Board of Supervisor approval of the IGA shortly. Mr. Hansen, speaking for Apache County Higher Education, requested that the NPC Apache County Coordinator be given some latitude with regard to workforce development outside Apache County so that information and potential economic opportunities may be transmitted back to Apache County. Chairman Jeffers stated that he appreciates the Apache County partnership and commented that IGA development discussions raised some necessary issues that, having been worked through, have strengthened the relationship.

3. **Study Session Agenda Item 3: 2009 Expenditure Limitation Report (Informational) – Vice President Hatch**
Mr. Hatch explained that the expenditure limitation is a constitutional requirement within the state of Arizona that limits the expenditure of local revenues by school and community college districts. Mr. Hatch added that the constitution provides for exclusions in twelve different categories of revenues and generally, the expenditure limitation attempts to hold expenditures at 1979-1980 levels while allowing some change based upon inflation and population factors. Mr. Hatch explained that the college submits an enrollment estimate each year and expenditures are audited, by the same firm that performs the college's financial audit service, following preparation of the expenditure limitation report. Mr. Hatch reported that the independent audit found that the college's expenditure limitation report fairly presents required information. Responding to a question from Mr. Parsons, Mr. Hatch explained that the college can carry forward some of the limitation and revenue generated from tuition and fees is excludable. Mr. Hatch added that the expenditure limitation should not become an issue for the college given the amount of carry over and the long term growth expectations for the college. Mr. Hatch explained that the budget limitation is based upon budgeted, not actual expenditure, amounts. Mr. Hatch added that the use of budgeted amounts is the reason the college requests annual budget adjustments to reflect actual expenditures. Mr. Hatch reported that for the first time, the college had to call into use the statutory ability to exclude bookstore revenues this year but expects there will be no future bookstore revenue to exclude as the college moves to an online bookstore.

Study session ended at 10:50 a.m.

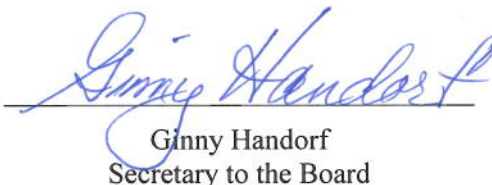
Respectfully submitted,



Russell Dickerson
Recording Secretary to the Board



Bill Jeffers
Chairman



Ginny Handorf
Secretary to the Board

