Call to Order

The Study Session was called to order at 8:20 a.m. by Jim Cunningham, Vice Chair.

Trustees Present

Jim Cunningham, Debbie Ahl, Lisa Woo and Kelly Espinoza.

Bellingham Technical College Staff Present

Patricia McKeown, President; Ronda Laughlin, Assistant to the President; and Melissa Nelson, AAG. Also present were Debra Jones, Carol Lager, Linda Fossen and Sherri Daymon.

Purpose of Meeting

The purpose of the Study Session was to discuss the draft 2014-2015 proposed College budget.

The proposed operating budget plan supports the College’s initiatives and strategically deploys the limited resources available to the College. Highlights include:

Revenue Budget Highlights

- The 2014-2015 budget anticipates serving 2,080 FTE’s:
  - 1,750 State-funded FTE’s including:
    - 90 Basic Ed FTE’s (non-tuition paying)
    - 82 State-funded Worker Retraining funded FTE’s
    - 50 Running Start FTE’s
    - 198 Other Enrollment FTE’s (excess, self-support & contract)

- FTE projections have been estimated with a 2.7% increase from 2013-2014 year levels. We anticipate that the declining enrollment experienced in prior years will curtail as we begin to experience the effect of the implementation of our Strategic Enrollment Plan (SEP) initiatives and the influx of Aerospace and DTA enrollments.

- Overall State base funding has decreased almost 9% from the 2013-2014 level with the loss of the HEET grant and two Workforce Development grants as well as a large reduction in our allocation related to reduced Health Care Rates and an anticipated small “Back of Budget” Efficiency Cut.

- Tuition revenue was increased over 2013-2014 levels commensurate with the assumed enrollment growth with no tuition rate increase. Fees for technical programs and courses will increase by an average of 12% based on program cost analysis and a revision to technology fees related to online, hybrid and general course enrollments.

- BTC continues to contribute a total of 3% of all tuition collections into the SBCTC Innovation Account for funding the new system wide ctcLink computer system.

- The college anticipates receiving additional restricted funds for specific purposes throughout the year which will ultimately affect the final results of the 2014-2015 budget.

- The College continues to focus on alternative sources of revenue with an emphasis on expanding access through existing programs, e-Learning expansion, retention and recruitment strategies, and additional contracted offerings.
Operating Expense Highlights

Salaries
- Once again the legislature did not fund a cost of living increase.
- Some instructional and instructional support salary costs will move into the operating budget, due to the expiration of the Allen Fisheries grant and beginning to institutionalize costs associated with best practices implemented by the Achieving the Dream and Title III grants.
- New or expanded grants (such as I-DEA, DOL Nursing Pathways, ISIS, and National Science Foundation) permit full or supplemental grant funding of salary costs versus additional operating costs.
- Per the applicable Collective Bargaining agreements and equity analysis, salaries reflect a 1.5% increase and slightly adjusted BEST salary schedule steps.
- The 2014-2015 budget plan reflects the annualized salaries of filled positions which were vacant for all or part of the prior year resulting in realized vacancy savings in 2013-2014.

Position Updates/Changes
- Restored positions: Exec. Director of Human Resources and Associate Dean
- Modified positions: Student Services Confidential Administrative Assistant
- Nursing Pathways DOL Grant: supporting the redeployment of some regular nursing faculty and enrollment expansion in the ADN program

Positions on hold
- BCIS Instructor – full time, funded from Operating funds
- Electronics Instructor – full time, funded from Operating funds
- Dean – full time, funded from Operating funds
- E-Learning Designer – full time, funded from Operating funds

Benefits
- State contributions for health care benefits decreased 15% (from $782 to $662) per month per employee. BTC will experience significant reduced costs resulting from this rate decrease however our state allocation was reduced by a 20-25% higher level.
- Legislation continues to require colleges to pay an additional .50% of the salaries of employees in TIAA-CREF to fund supplemental retirement benefits.
- PERS and TRS retirement employer contribution rates have remained steady at 2013-2014 levels (9.19% and 10.37% respectively).

Other Costs
- The budget for Equipment and Projects was reduced to $200,000 from its 2013-2014 level of approximately $730,000. BTC anticipates additional restricted allocations, grants, and/or donations to help fund 2014-2015 equipment needs.
- With the exception of inflationary increases in consumables and repair costs, most non-salary related operating expenses were held at 2013-2014 levels.

Adjournment

Mr. Cunningham officially adjourned the June 19, 2014 Study Session of the Board of Trustees at 9:12 a.m.

Jim Groves, Chair
Patricia McKeown, Secretary
Board of Trustees
Board of Trustees

NOTE: Action may be taken during open session of the June 19, 2014 regular meeting as a result of discussions during the Study Session.
Call to Order

Jim Cunningham, Vice Chair, called the regular meeting to order at 9:18 a.m.

Roll Call

Trustees present: Jim Cunningham, Debbie Ahl, Lisa Woo and Kelly Espinoza.

Approval of Minutes of Previous Meeting

3.1 Kelly Espinoza’s motion to approve the minutes of the May 14, 2014 regular meeting as presented, carried unanimously.

Proposed Agenda Changes

None.

Bellingham Technical College Staff Present

Patricia McKeown, President; Ronda Laughlin, Assistant to the President; Melissa Nelson, Assistant Attorney General. Also present were Debra Jones, Carol Lager, Linda Fossen, Dean Fulton, Liz Cunningham and Marni Saling Mayer. Damian Carlson-Prandini was present representing BEST; Marry Curran, Nursing instructor and Hilde Hettegger-Korsmo Culinary Arts/Pastry instructor were present representing BEA.

Introduction of Special Guests

Linda Fossen introduced the EMAC Subcommittee Chairs who were key in developing the BTC Strategic Enrollment Plan and Attainment Report. Members present included: Crystal Bagby, Director of Financial Aid; Peter Horne, Research Associate; Karen Bade, Admissions/Recruiting Director; Rebecca Zender, Admissions Recruiter; Therese Williams, Associate Dean; and Meagan Bryson, Advising/Career Services Director. Trustees expressed their appreciation for the work and time all members took in creating and implementing the Strategic Enrollment Plan (SEP) and Attainment Report.

Recommendation for Action of the Board

6.1 Following discussion, Kelly Espinoza’s motion to approve up to $4000.00 to Brian McDonald, Culinary Instructor, for the 2014-15 Haskell Faculty Excellence Award, was approved unanimously by roll call vote.

6.2 Following the Study Session discussion regarding the proposed 2014-15 College Operating Budget; Debbie Ahl’s motion to approve Resolution 14-02, adopting the 2014-2015 College Budget Plan, carried unanimously by roll call vote.
Communications and President’s Report

BTC recently celebrated Excellence and Longevity among staff; 135 employees – both regular and temporary – were recognized for longevity ranging from 5-35 years. Five employees were awarded Excellence Awards, they included: Valerie Frank; Dan Beeson; Meagan Bryson; Cindy Hollinsworth and Lynnette Bennett. In addition, ten employees retiring this year were acknowledged and celebrated for their contributions to BTC.

Bellingham Technical College's recent proposal requesting Aerospace FTE and an Aerospace Special Projects grant were both recently approved:

- Streaming Aerospace Engineering Pathways: $394,400/50FTES
- Expanding Capacity in Precision Machining: $212,976/27 FTES
- Aerospace Special Projects Grant (equipment): $251,525

These funds must be spent by June 30, 2015. Continued funding will be closely linked to an assessment of progress toward FTE goal attainment during the first year. For proposals that requested funding for capital outlays to initiate or expand programs, there will also be an evaluation during the first year to determine if funding is necessary going forward. There is a possibility that year two funding for this program may change based on that evaluation.

The Governor’s budget office (OFM) has instructed all state agencies to submit 15 percent budget cut scenarios in the fall along with a regular operating budget request; a 15% SBCTC budget cut will equal a reduction of approximately $93 million in annual appropriations. The Governor’s office is asking the system to describe what would be cut and to prioritize the cuts for adding back. Although state revenues are projected to be higher next biennium compared to this biennium, expenditures demands and pressures are projected to outstrip revenues by $1.6 to $3 billion.

System options have included:

- Translate the loss of funds into the number of students that would not be served. Describe the general impact on the colleges’ ability to serve students and move them towards completion. It would take a 24% tuition increase to make up the loss of state funds
- Offer up proviso and earmarked funds for cutting
- Combination of 1 and 2

As a member of the Allocation and Accountability Task Force, President McKeown attended the most recent meeting at the SBCTC on Monday, June 16th. She provided a brief update and background information to Trustees. The taskforce members have developed principles to guide discussion; a formula system has been proposed - Minimum Operating Allowance (MOA) – which is designed to take into consideration the small college factor, over enrolled colleges, high/low cost programs, as well as a number of other issues. How the data is collected and prioritized continues to be reviewed; continued discussion with the task force representatives, BAC members, and system President’s will take place.

Geomatics (formally Surveying/Mapping) has been placed on a Program Probation Plan to remedy low enrollment. The program was placed on probation October of 2012 and has remained on probation until the present; enrollment in the Geomatics program has been below 75% capacity for the last 3 years. Job demand is low and surveying and Geomatics programs across the state are facing similar issues.

The rank of Bellingham’s Capital Projects proposal for major renovation to J Building was not correct. The building age and condition scores were placed in the Replacement section of their score sheet instead of the Renovation section and thus not included in their total score. With the corrected scoring, BTC ranking
of this major project proposal was changed from 18th to 14th, which is still below the cut off for the funded ten projects. The next capital project competition will not be until the 2017-19 budget; during the August Board Retreat, alternative funding options to bridge this time frame and address concerns will be discussed.

The Operating Funds Budget Status Report, as of May 31, 2014, reflects the approved revised 2013-14 budget. Tuition revenue continues to be lower as a percent year to date due to lower enrollment. Currently (as of June 6, 2014) State FTE is down by 5.9%; all FTE is down 4.4%; program headcount is up 1.9%; and all headcount down 7.0%. Salary expenditures are lower YTD due to vacant positions, less adjunct faculty and retirements. The College is expected to end the year with resources from the reserve, but less than the budgeted amount ($320,184). The end of the year report will be provided at the August retreat. Due to the previous budget discussion during the Study Session no further budget updates were given (see Study Session minutes).

In addition to the Foundation Board update included in the packets, Dean Fulton reported that in the past three years, the BTC Foundation has:

- Added 7 new board members
- Conducted 7 special events (3 Scholarship breakfasts, 2 Gala Auctions, Campus Center Grand Opening, Perry Center Grand Opening)
- Raised their managed assets from $2,235,000 to $2,635,000
- Increased scholarships awarded from $208,000 to $290,000 (estimated)
- Distributed $32,000 in emergency student aid last fall (2013)
- Established 7 new Endowed Scholarships
- Raised $1.3 million for the new Perry Center

Department updates included in the Board packet were briefly reviewed, no additional clarification was needed.

BEST update:

- Alisen Outlaw, Financial Aid Assistant, is graduating from BTC with her AA in accounting.
- Alongside Exempt staff, B.E.S.T members participated in this year’s BTC Ski to Sea team.
- Susan Furler, Registration/Enrollment clerk, will sing the national anthem at BTC’s commencement ceremony on June 24th.
- B.E.S.T donated 22.5 pounds of peanut butter to Whatcom/Skagit county food banks.

Faculty/BEA update:

- The first Associate Degree Registered Nursing Pinning will take place on Monday, June 23rd at 5:00 p.m. in Settlemyer Hall; all Trustees were invited to attend.
- A Simulation Lab open house is anticipated when the lab is complete; future SimMan on the Road educational events are also being considered.
- Representatives from the BTC nursing department recently visited a Dedicated Education Unit (DEU) in Portland, OR. The DEU is a clinical setting developed into an optimal teaching/learning environment through the collaborative efforts of nurses, health care team members, management and faculty. It is designed to provide students with a positive clinical learning environment that maximizes the achievement of student learning outcomes by using proven teaching/learning strategies and by capitalizing on the expertise of both clinicians and faculty. Students are integrated into the workplace in a way that allows them to be an integral part of the workflow and culture so
they experience a realistic picture of nursing practice. At the same time the DEU provides an opportunity for clinicians to stay fresh and motivated in their roles as mentors and role models, and a way for faculty to remain grounded in current clinical reality.

Comments from Individual Members of the Board of Trustees

Trustees expressed their appreciation – and congratulations – to Debra Jones, Carol Lager and Liz Cunningham on their upcoming retirements.

Commencement will take place at the Mount Baker Theatre on Tuesday, June 24th; all Trustees were asked to be in attendance by 6:30 p.m. Debbie Ahl will be speaking on behalf of the Trustees.

Comments from the Audience

None.

Unscheduled Business

None.

Date of Next Regular Board Meeting

The next regular Board of Trustees meeting for Bellingham Technical College is scheduled for Thursday, August 21, 2014 meeting is cancelled; a Board Retreat has been scheduled for Wednesday August 27, 2014.

Executive Session

In keeping with RCW 42.30.110, the Board recessed into executive session at 11:01 a.m. for approximately one hour to discuss personnel issues (RCW 42.30.110(1)(g)). No action was taken. The Executive Session adjourned at 11:59 a.m.

Adjournment

Mr. Cunningham officially adjourned the June 19, 2014 meeting of the Bellingham Technical College Board of Trustees at 12:00 p.m.

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Jim Groves, Chair                                       Patricia McKeown, Secretary
Board of Trustees                                      Board of Trustees