

JOHN A. LOGAN COLLEGE

Carterville, IL 62918

Minutes of the special meeting of the Board of Trustees of Community College District No. 530, Counties of Williamson, Jackson, Franklin, Perry, and Randolph, State of Illinois, held at Carterville, Illinois, on December 14, 2010, commencing at 6:30 p.m.

The meeting was called to order by Board Chair Mike Hopkins.

The chair directed the recording secretary to call the roll:

Jaclyn Hancock	-- present
Cheryl Graff	-- present
John Sanders	-- present
Jim Snider	-- absent
John O'Keefe	-- present
Jake Rendleman	-- present
Mandy Little	-- present
Michael Hopkins	-- present

Also present were: Robert L. Mees, President; Brad McCormick, Vice-President for Business Services and College Facilities; Tim Daugherty, Vice-President for Administration; Julia Schroeder, Vice-President for Instruction; Rhett Barke, College Legal Counsel; Steve O'Keefe, Director of Community Relations and Marketing; Donna Glodjo, Recording Secretary to the Board of Trustees; and other College personnel.

Board Chair Hopkins led the Pledge of Allegiance to the Flag.

Mr. Hopkins reminded the Board that this special meeting is for discussion purposes only, and that no action will be taken on the discussion items.

PUBLIC AUDIENCE FOR COMMENTS/QUESTIONS

None.

DISCUSSION OF SUSTAINABLE FINANCIAL PLAN FOR BUDGET CUTS AT JOHN A. LOGAN COLLEGE AND FUTURE PLANNING

Board Chair Hopkins addressed an article in the *Southern Illinoisan* that had created some questions from trustees. He asked President Mees and Vice-President for Instruction Julia Schroeder to comment on this.

President Mees stated the article in the paper revolved around what they called the "four-day school week". He said the headline was somewhat misleading because this is a four-day instructional calendar which is a pilot program being tried out by the Instructional Division of the College as a result of approval of the Sustainable Financial Plan for Budget Cuts earlier this year. He emphasized that any major initiatives in the plan have and will be brought before the Board for either formal approval or consensus. Dr. Mees said planning for the four-day instructional calendar must be done far in advance

and is very time-consuming. He asked Vice-President Schroeder to explain to the Board how this process took place. Dr. Schroeder stressed the amount of lead time involved in going to the four-day instructional calendar. She read excerpts from Board minutes of a February 12, 2010, special Board meeting where she and Dr. Daugherty addressed this issue at length. She noted that the Board was informed that the plan calls for some instructional programs being offered Monday through Thursday in hopes of shutting down some areas of the campus on Friday, Saturday, and Sunday. She had also informed the Board at that meeting that she was working with department chairs to put all business department courses on a Monday-Thursday schedule for fall semester 2010 (which did take place) and that many career programs at the College have been on a four-day calendar for a long time.

Dr. Schroeder said that some people have apparently misperceived what is actually taking place with the four-day calendar. She distributed charts to the Board showing comparisons of classes with Friday sessions for fall 2009 and spring 2010. She stressed to the Board that this is a pilot program that will be tested for a year. She said that some classes will still have to meet on Fridays, but some that previously met on Monday, Wednesday, Friday will now just meet on Monday and Wednesday. This change only represents about 19% of the classes offered on campus. If it is found that this is not serving the students, it will not be continued. Dr. Schroeder said that students will be surveyed in the spring, summer, and fall to get their input. President Mees stressed that the whole point of trying to get as many classes as possible meeting Monday-Thursday is to be able to cut back on heating/cooling in some areas of campus. He said the confusion has occurred by people mistakenly saying the College is going completely to a four-day calendar or a four-day work week. Trustee Sanders said this was the biggest concern of the Board – that it not be perceived that the College was only going to be open four days. Trustee Rendleman said he felt this was a communication problem between the administration and the Board, or they would not have had any misperceptions. President Mees stressed the number of times this matter had been presented and discussed at Board meetings and the fact that the Board approved the Sustainable Plan and did not raise any objections when this item was presented to them. He stressed the amount of time involved in putting together the plan and that it is a living document which can always be adjusted as needed. Dr. Mees said this is an excellent, award-winning plan, but it is very difficult to avoid some miscommunication. Dr. O’Keefe said that the Board doesn’t have a problem with the plan at all, but has a problem with how it was perceived by the public and the negative feedback that was received from the public on the four-day calendar issue. He said he feels the story needs to be set straight, perhaps by putting out a story to clarify what is really happening. Director of Community Relations and Marketing Steve O’Keefe said that he and Dr. Mees did several interviews on this issue and stressed the fact that there was no change in the hours the College would be open for business, but noted that he was not contacted before the *Southern Illinoisan* reporter did the story in question. Mr. O’Keefe said he monitors the blogs every day, and other than a couple of silly statements, the comments on the article were positive. He said he understands how things can get misperceived in coffee shops, etc., but feels the vast majority of people have no misconceptions. He noted instances where he had received comments applauding the College for their action, and no misconceptions were present. He stated his feeling that there does not need to be any further public comment on this. President Mees said the body of the article did a good job explaining the situation correctly – it was the headline that some people must have read quickly and misconstrued without actually reading the article. He said that both he and Dr. Schroeder have only received positive comments on this topic.

Board Chair Hopkins stated that he and Dr. Mees try to talk often and communicate, but he will attempt to make himself more available to communicate with Dr. Mees and the other trustees. President Mees asked how many of the Board members were contacted by someone thinking the College was going to a four-day work week. Three Board members said they had been. Trustee Cheryl Graff said she had been

questioned by someone who was confused at the discrepancy between the newspaper headline and what the article actually said. President Mees stressed that while the College takes a great deal of pride in the news releases and information it puts out, it is impossible to control what is actually printed and what the headlines say. He said that he also takes a great deal of pride in the amount of effort he puts in to communicating with the Board of Trustees, stressing that he tries to keep the trustees informed on everything he possibly can. He said he is sorry if the Board feels the administration has not communicated enough with them. Dr. Mees said he and the vice-presidents are working 105% of the time to try to implement this plan and the necessary budget cuts as smoothly as possible. He said he communicates with the Board chair a great deal – many times more than once a day. Mr. Rendleman said he guessed it didn't make it on down to the Board members. Dr. Mees said he feels he communicates with Mr. Rendleman more than anyone, and goes the extra mile to communicate. He asked the Board to do the same for him and give him a heads-up when things happen, stressing that it is a two-way street.

Vice-President for Administration Tim Daugherty had distributed binders to the Board members containing Sustainable Financial Plan documents, and he went over the contents. He drew the Board's attention to the report distributed at the last Board meeting, which lists all the initiatives and action steps in the Sustainable Plan, and progress reports. He said this was given to the Board at the last meeting to give them time to review this document and bring forth any questions they would like to have answered. Dr. Daugherty asked the Board for questions or comments.

Trustee John Sanders asked about the possibility of having to raise tuition. There was some discussion on projected payments from the state. Mr. Rendleman said the College got the fourth quarter 2010 equalization money, and special pops money – amounting to approximately \$2.6 million. Vice-President McCormick said the sale of the tobacco bonds produced enough revenue for the state to pay some of what was owed. He said projections now say that colleges should not anticipate that any more than 25 percent of their FY 2011 funding would be received during the FY 2011 fiscal year. He stated that all the community colleges will be looking at raising tuition. A state law limits community colleges to charging no more than 1/3 the per capita cost to generate a credit hour. Mr. McCormick said that number per our last audit is \$277.99. One third of that number would be \$92.63. He said an \$8.00 tuition increase would bring the College's tuition to \$92.00, and that is his recommendation to Dr. Mees and the Board. He said a \$10 increase would be more financially appropriate, but we cannot violate the state law. Mr. McCormick said that because of the College's cost efficiency, it is costing less today to produce a credit hour than it was two years ago. He said there are efforts being made to get that law suspended or removed, because colleges cannot operate under a rule that limits them to 1/3 (on tuition) when 40 percent of their revenue is not being received from the state. Mr. McCormick said an \$8.00 tuition increase would still leave John A. Logan College near the lowest in the region. Mr. Rendleman distributed some tuition information he had recently received from ICCB. There was some discussion on the law that requires a community college to charge 85 percent of the statewide average for tuition. Mr. McCormick said ICCB and ICCTA are supporting a motion to temporarily reduce that percentage down to 70 or 75 percent because of the current problems. He said this has a fairly good chance of happening, but noted that support does not seem to be there in the legislature for lifting the law on the 1/3 per capita cost limit on tuition. President Mees commented that the equalization formula is also a matter of great concern. Vice-President McCormick said he feels all the College can do now is take the actions it has the capacity to do within the law, and should the laws change, there can be consideration for other actions. Trustee Sanders asked about designating charges as fees instead of tuition. Vice-President McCormick said that in order to do this, the Board would have to decide how much of the \$8.00 tuition raise it wanted to allocate to a defined purpose (fee). He said this would cause the loss of

flexibility to manage revenues. Mr. McCormick said the closest thing the College has to this is the funding system that has been in place for years to fund Information Technology hardware – the rule of thumb says that \$3.00 per credit hour produced at the College is used for technology. He said it would be good if this could be raised to \$4.00. He stated that many schools would call this a technology fee, but then the flexibility to use the dollars somewhere else is not there. Dr. Daugherty added that the College has to be careful what it calls fees because of Financial Aid stipulations. Board Chair Hopkins asked if there is a certain date by which the tuition raise must be acted on by the Board. There was a consensus that it should be done at the January Board meeting in order to implement in summer of 2011.

President Mees brought up an issue on behalf of Trustee Jim Snider who was unable to attend the meeting. Mr. Snider had asked for a summary of travel expenditures. Vice-President McCormick distributed information on travel expenditures and reductions. He noted that travel was one of the top five areas of savings in the Sustainable Plan to date with a savings of \$78,000. He explained each of the categories in the travel expenditure report and the breakdown of the areas of savings. Of the savings achieved, Mr. McCormick noted that the Board of Trustees travel savings made up 45 percent of the savings in the institutional support category, and the President's Office made up 20 percent of the savings in institutional support. Trustee Sanders said he is very happy to see the savings, but is also concerned that the Board may be missing out on some good training by not attending conferences. Trustee Rendleman echoed that. There was some discussion on use of teleconferences and the pros and cons. President Mees stressed that the Board and upper administration had cut travel expenses 60 percent from the past year. Vice-President McCormick said that per Mr. Snider's request, this travel expense report will be presented and illustrated with every quarterly report to the Board on the Sustainable Financial Plan. Mr. McCormick asked the Board to let him know if there are other areas they want a breakdown on in each quarterly report. Trustee Sanders asked if the new travel policy recently implemented is saving the College money. Mr. McCormick said he would have to do some research to give exact figures, but does know that people are getting reimbursed lesser amounts than they were prior to the new policy. Mr. McCormick stated that the new travel policy was not actually written to mandatorily include the Board – it is specifically employee travel. However, he commented that to date the Board has held itself to the same restrictions as the employees. He said it must be recognized that the Board members are not paid employees, and if there are situations that need to be re-evaluated, that should be done.

Vice-President Daugherty said that questions arose and there was considerable discussion at the last Board meeting concerning the athletics program reductions in the Sustainable Financial Plan. He shared a more recent report that went through the end of November and noted that the athletic department has expended 44.3 percent of its budget (with 42 percent of the fiscal year completed). Dr. Daugherty said that, as anticipated, the expenditures are starting to level out and they are pretty much on target. He noted that two sports are completely done. Vice-President Daugherty said the Sustainable Financial Plan provides that if the College goes into crisis mode, additional changes may have to be made. President Mees said this will be coming up and will be fully discussed with the Board. Dr. Daugherty said these discussions cannot be too far in the future, because coaches will have to be making commitments to potential or continuing students. Dr. Daugherty said he has asked Athletic Director Jerry Halstead to work with the golf coaches and delay any signings until the financial situation for next year is better known. He said the Athletic Advisory Committee is scheduled for a meeting before the January Board meeting and will hopefully bring forth some items for consideration by the whole Board. Trustee Sanders asked where the savings are coming from in athletics. Vice-President Daugherty said the main reduction is in scholarships/housing. He noted there are six fewer apartments renewed and six fewer

athletes on full scholarships (basketball and baseball). Softball and volleyball gave partial housing scholarships instead of full scholarships. Travel was also considerably reduced for fall programs. Board Chair Mike Hopkins said he is in agreement that the major decisions in the Sustainable Financial Plan need to continue to be brought to the Board of Trustees.

Vice-President for Instruction Julia Schroeder shared some information on dual credit/dual enrollment. She noted that one of the items in the plan was to continue waiving tuition for dual credit, but not for dual enrollment. Dr. Schroeder reported that it didn't appear to be making a difference at first, but it actually has made a difference. Students were signing up for dual enrollment classes, but when they found out they had to pay, they were dropping. She explained that dual enrollment classes are those that the student can't use in high school, but are taking for college credit while still in high school. Dual credit means they get both high school credit and college credit at the same time. She said that a year ago, 973 credit hours (about 350 classes) were generated in the fall by dual enrollment. This fall, that has dropped to 132 credit hours (45 classes). Dr. Schroeder noted this is a substantial decrease, adding that if the College were receiving its funding properly, it might want to change this. However, that is not the case right now.

Vice-President Daugherty said if the College moves from critical mode into the next phase of the plan (crisis mode), some of the issues have been purposely left somewhat vague to leave room for discussion and implementation if needed. He said this will involve some very difficult decisions. President Mees said the College is rapidly moving toward the crisis mode and those items will involve a great deal more discussion with the Board before moving ahead. He said it is possible that more crisis mode items may have to be added.

Trustee John O'Keefe asked Vice-President McCormick when he thinks the College will hit the crisis mode. Mr. McCormick distributed a handout to the Board showing cash flow projections. He said he has always told the Board that the College must have \$4 million in operating funds to keep out of a crisis situation (not necessarily the "crisis mode" in the plan, but borrowing of some type). Looking at the cash flow report projections through September 2011, Mr. McCormick said the College should not be forced into a working cash fund bond issue. However he said this doesn't mean it shouldn't be considered. Mr. McCormick said the assumptions are based on the College only receiving one quarter of its money in the fiscal year (before June 30); and beginning July 1, 2011, assumptions are that money may start flowing, but it will take four months to get three months worth of funding. Built on those assumptions, by the end of another fiscal year, another quarter of revenue would be lost. At the end of June 2011, the College will be \$10.2 million in the hole (from moneys owed by the state); by the end of the next year, the College would be \$10.2 million in the hole plus another quarter's worth of revenue. Vice-President McCormick said he does not feel this is the worst case scenario. The worst case scenario would be that the College would only receive 50 percent of its money next year -- and a year and a half from now, the College would be essentially 1 ¼ to 1 ½ years behind in state revenue. He said the timing is so unpredictable, it makes it necessary to make general assumptions. He said it appears the College will be able to avoid a line of credit or working cash bonds through September of 2011; however, interest rates have risen a full point in the bond market recently and will possibly go up more. Mr. McCormick said the Board needs to consider if we want to wait until we are forced into the working cash fund bonds from a capital perspective and deal with the interest rate increase. President Mees said several colleges are going with the working cash fund bonds while the rates are low to protect the future. Mr. McCormick said he is not suggesting we do this at this time, but it is something that should be contemplated. He said it is not in the taxpayers' best interest -- if the College thinks the working cash fund bonds will be necessary -- to wait until the rates increase and cost the taxpayers more. He said

since the Board has already authorized the potential use of the bonds if necessary, they can act on this very quickly if they choose. The cash could be received within approximately two weeks after a decision by the Board. He also noted that the Board does not have to do the maximum amount – it can be done in smaller increments as needed during the remaining 2 ½ year time frame. Mr. McCormick said this is a lot to absorb, but it is something we need to be thinking about for the future.

There was a discussion about the different levels of dependency on the state of the various community colleges and also the potential problems with the equalization formula.

Vice-President McCormick reported that at a recent statewide CFO meeting, the Illinois Green Economy Network (IGEN) made a presentation indicating the cost per square foot for energy use for each community college. Only three colleges had a lower cost of energy use per square foot than John A. Logan College. Our cost was \$1.62 per sq. ft., and the lowest was Lakeland College at \$1.42 per sq. ft. He noted that Lakeland has an 8 inch geothermal water line all around their campus and is adding wind energy. He said many of our College's improvements didn't show up in this report, and he feels John A. Logan College could very easily be the second lowest energy cost institution in the state.

Updates from President Mees

President Mees reported that he attended the IBHE meeting in Chicago the previous week, noting it was a very lengthy meeting. The IBHE interviewed candidates for the chief executive officer and narrowed it down to one person they will be negotiating with. Dr. Mees was disappointed that Interim Director Don Severer was not one of the finalists. President Mees reported the ISAC bond sale for MAP funding was discussed, and ICCB and ICCTA presented their case in opposition to the bond sale. The IBHE chair appointed an ad hoc committee to come up with a feasible plan for selling the bonds to increase MAP funding.

Dr. Mees reported he attended a meeting on Generations Serving Generations in Chicago. Reports were given to the Governor from all the discussion groups held recently around the state in hope of getting a plan in motion to utilize retirees as volunteers or part-time employees in schools, community colleges, and universities.

President Mees distributed a letter to the Board from the Dean of the Community College Business Officials Leadership Academy praising Stacy Buckingham for the great job she has done in the academy. He commented on the excellent job Stacy does at the College.

Dr. Mees asked the Board for input on a date and time to hold a dedication ceremony for the Carol J. Farner Room (B53). There was a consensus that 6:30 p.m. prior to the January 25, 2011 Board meeting would be a good time. President Mees said he will contact the Farner family and make sure the date and time will work for them.

Trustee Rendleman further explained the reasoning behind the ICCB and ICCTA opposition to the selling of bonds by ISAC for MAP grant funding.

CLOSED SESSION

Board Chair Mike Hopkins said it was desirable to hold a closed session to discuss the appointment, employment, and compensation of specific individuals; purchase of real property; and pending litigation; and that he would appreciate Board action and a roll call vote to that effect.

John O'Keefe and Cheryl Graff moved and seconded that the special meeting of the John A. Logan College Board of Trustees be declared in closed session.

Upon roll call, all members voted yes. Motion carried.
(Resolution #16-2557)

The meeting was declared in closed session at 8:15 p.m.

The meeting was declared back in regular session at 9:05 p.m.

ANNOUNCEMENTS

None.

ADJOURNMENT

John Sanders and Mandy Little moved and seconded that the special meeting of the John A. Logan College Board of Trustees be adjourned.

A voice vote showed all in favor. Motion carried.
(Resolution #16-2558)

The meeting was duly adjourned.

Respectfully submitted: Donna Glodjo, Recording Secretary to the Board of Trustees

Mike Hopkins, Chair

John O'Keefe, Secretary