

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 February 12, 2010, commencing at 7:00 p.m.

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

The chair directed the recording secretary to call the roll:

John Sanders	–	present
Jake Rendleman	–	present
Bill Kilquist	–	present
Michael Hopkins	–	present
Jim Snider	–	present
John O’Keefe	–	present
Rachel Grasher	–	present
David Hancock	–	absent

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; John Huffman, College Legal Counsel; Donna Glodjo, Recording Secretary to the Board of Trustees; and other College personnel.

PUBLIC AUDIENCE FOR COMMENTS/QUESTIONS

None.

OVERVIEW FROM FINANCE COMMITTEE

Acting Chair Mike Hopkins asked trustee Jim Snider to give the Board an overview of the Finance Committee meeting. Mr. Snider reported that the Finance Committee had met with Vice-President Brad McCormick, Vice-President Daugherty, and President Mees earlier that day. He said everyone is aware of the financial condition of the state and the resulting impact on the College, and decisions are going to have to be made. Mr. Snider outlined some options the Board can look at – borrowing from the internal working cash fund; and a possible line of credit. He noted that the only way the College can pursue a line of credit is if the legislation is approved to allow community colleges to do this (the current law only applies to K-12). He said another area that has to be considered is possible raising of taxes, adding this is not an option we want to have to do, but may have to be looked into. He stated that the Sustainable Financial Planning for Budget Cuts at John A. Logan College has been presented to the Board in draft form and will be a topic of discussion. He said all options will be looked at, and the Board will try to do what is best for the College. He stated that a great deal of input has been received and is very much appreciated.

Vice-President for Business Services and College Facilities Brad McCormick distributed a graph to the Board showing projected operating cash balances. He explained that the graph makes an assumption that the 3rd quarter equalization based operating grant is received in August 2010, and a quarterly payment would be received in November 2010. He pointed out that the graph shows a working cash fund transfer (already authorized by the Board) in May of \$1.8 million as an interfund loan. Another interfund loan would also be done from the O&M Restricted Fund in June for \$2 million. Mr. McCormick explained

that by doing both of those things – and with those assumptions – we would be kept above zero. It would keep the fund from dipping below \$1 million and pushes the timeline out until January or February of 2011, before the issuance of debt would be necessary. He said the debt options being looked into are working cash fund bonds. This option would require bringing a Notice of Intent to the next Board meeting to issue up to \$11 million worth of cash fund bonds. This would open the window for a three-year period of time when the College could take action if it chose to do so. Such action would carry an approximate 12% property tax increase impact if the maximum amount were issued. Mr. McCormick said he had talked to the CFO of ICCB right before the meeting, and she had indicated that the issue of including a line of credit into the working cash issuance legislation has been adopted as an amendment to the legislation. It has been picked up by Roger Eddy and is expected to hit the Senate next week, with a possibility of an allowable implementation date of July 1. Mr. McCormick said no resistance is expected to this amendment. He said that while we are hopeful of this, some other options need to be on the table as backups. Mr. McCormick also said that the ICCB CFO had indicated she felt the assumptions made (as represented in the graph) were good assumptions based on current information. She had also said that what happens with the state's FY 2011 budget hinges on pension bonds. If the pension bond issue is not dealt with, only one payment could be anticipated in FY 2011.

Trustee John O'Keefe asked if there is a mandated repayment time frame for internal borrowing. Mr. McCormick said the interfund working cash borrowing must be repaid within one year, and the restricted construction fund would not have that long. He also said the auditor had indicated the Board could act to roll over the working cash fund loan into another year if it became necessary. Trustee Bill Kilquist asked where we would get the money to pay back the loans. Mr. McCormick stated that if the College relied solely on a line of credit (indicating this was not his advice), we would still be borrowing from another source to pay back the line of credit sometime in 2011. This would be in the form of alternate revenue bonds and would basically spread the issue over a longer period of time and would impinge College growth, along with its ability to levy for other projects.

President Mees said that, while people do not want to hear it, it appears the College will have to consider a tax increase. He noted that students certainly did not want the \$8 tuition increase, but when the state does not do their job, the College has no other choice. Jim Snider noted that if the College went with the line of credit, it would just be doing the same thing the state is doing – borrowing money with no means of paying it back. Trustee John O'Keefe asked what would happen if, indeed, the state just gave us one payment next year. Mr. McCormick said if that were the case, the College would max out a line of credit or consume all of the full \$11 million working cash fund. Basically, the College would be \$12 million behind, and the question is – would we get farther beyond \$12 million. Mr. McCormick said he will be proposing recommendations that will deal with the \$12 million, but those recommendations will not deal with the \$12 million worsening and will not provide the capacity for the College to repay the \$12 million in a short period of time.

Mr. McCormick stated that he has been talking to the Board of Trustees for a couple of years about the working cash fund balance situation. He said the College's \$2 million aggregate working cash fund was fine up until this situation, noting that no one could have seen this situation coming far enough in advance. He noted that the ICCB CFO had indicated they were unable to see the magnitude of the problem. Mr. McCormick said that the borrowing (approximate \$12 million) would be about 1 year's worth of funding for the College, but if we go into the next year and not get four payments, it is almost too much to imagine. Trustee Jim Snider pointed out that when 41% of the College's money comes from the state, and the state is broke, drastic measures have to be taken. Mr. McCormick said John A. Logan is the third most dependent college in the state on state funding. Trustees Rendleman and Snider both expressed that the College may have to eventually develop a budget that does not depend upon a state that has no money.

Trustee John Sanders said we are jumping ahead by talking about a tax increase. He asked if this is being looked at as a possibility without doing any cuts or borrowing. Vice-President McCormick said that if the state condition continues in the way we have been told it will go, there is no way to not incur debt at some point. He stressed that the College's problem is that the lead time with many of these debt instruments is such that we can't wait until what happens with the state is known. He said he feels that the opportunity must be initiated and on the table, so the College can be prepared to conduct a transaction to issue the debt within a shorter time. He noted that if action is taken in February, money would not be received until June. He explained that the College could hold a public hearing, but not take action, and this would open up a three-year period within which we could be ready to take action if necessary. He added that this would still require additional Board action to proceed, and no action has to be taken at all if not needed.

President Mees noted this discussion is dealing strictly with the revenue side of the issue, and said that the budget cutting side of the issue will be presented in the Sustainable Financial Planning for Budget Cuts at John A. Logan College. He said this document will be gone through thoroughly at tonight's meeting for the Board's input. Dr. Mees said input has been received from all campus groups and more meetings are still scheduled. He noted that some letters received from the various bargaining units and one department chair had been distributed to the Board.

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

In looking at the Sustainable Financial Planning for Budget Cuts document, Dr. O'Keefe commented that it appears the College has already gone through the Efficiency Mode and is in the Critical Mode. Vice-President McCormick agreed that many of the items in the Efficiency Mode are already implemented or in the process of being implemented.

President Mees clarified for the Board of Trustees that the purpose of this meeting was not to take action, but to discuss each of the proposed budget cuts and get the Board's input. He stressed that the specific personnel issues would be discussed in closed session.

Vice-President for Administration Tim Daugherty stated that many items have been submitted to the Board for their input, and the administration hopes to cover all these. He noted that most of the items in the Efficiency Mode are already in progress, but invited questions from the Board. He stressed that the planning committee is looking for guidance from the Board as this document is put into its final form. Dr. Daugherty said the document will be brought to the Board for action at the regular Board meeting later in February. Jim Snider asked if there are any items in the Efficiency Mode that the Board should know more about. Dr. Daugherty called attention to Item No. 11 in the Efficiency Mode which limits travel expenditures. He said that while everyone is aware of the need to do this, the faculty agreement has language that would require some cooperative effort. Dr. Schroeder stated that the College obviously has to honor the faculty contract language as it relates to professional development, adding that she has notified non-teaching professional staff in her area not to travel unless the trip is paid for by grant funds. Item # 18 was briefly addressed, with Vice-President McCormick explaining that the Health Life Committee has expressed willingness to explore ideas for saving money including creation of a major medical plan to offer employees as a choice. He said it isn't possible to anticipate exactly how much savings this could result in. Mr. McCormick also informed the Board that the Board Policy Committee is looking at the Travel Policy to see if any changes can be made. One possibility would be getting advance permission on all travel which would allow for closer monitoring. In response to questions from Trustee Rendleman, Dr. Daugherty said that employees are currently being asked to limit travel to absolutely necessary in-state or grant-funded travel. Vice-President McCormick said there are still meetings

scheduled with some of the union groups, and there will be discussions at those meetings on what they might be willing to do to help the College.

Trustee Jim Snider stated his feeling that everything in the Efficiency Mode needs to be done as soon as possible. There was a brief discussion on the minimum and maximum amount of savings listed on each item.

Vice-President McCormick brought the Board's attention to Item No. 4 which restricts weekend scheduling to designated areas (F wing, H building, and the vocational building) in order to be more cost efficient, stating this would mean that many events currently being held on our campus will not be able to be held here anymore. He explained this would mean the Board of Trustees would probably be getting calls of complaint if this is implemented and gave some examples of groups that would be affected and their likely reactions. Dr. Daugherty said this is a huge decision and will require a lot of communication as to the reasons the College must do this. It was noted that most of these things do not directly benefit the College, but have been very important for years as a service to the community. Trustee John Sanders commented on how great it is to be able to provide community service, but stated that the principle goal of the Board has to be education.

Acting Chair Hopkins asked if it was the Board's consensus that all the Efficiency Mode items should be implemented. The Board was in agreement. Trustee Bill Kilquist stated he feels that these items should be implemented with at least the minimum savings figure. He also said the Board needs a regular report on where we are with all the items in each mode in order to determine if the actions are being successful. Mr. Kilquist suggested the Board be given a quarterly report showing where we are as compared to where we need to be on each item. Vice-President McCormick noted that in the Guiding Principles of the document, the planning committee asks for accountability as part of the process. It was agreed that the first quarterly report would be due at the May 2010 Board meeting, and every 90 days after that.

Vice-President Daugherty moved into the Critical Mode of the document and each item was explained individually as follows:

Item No. 1 – Vice-President Schroeder addressed the suggestion in this item that the CHEC operations will be aligned with the College's traditional instructional calendar. Dr. Schroeder explained that if the CHEC schedule was truly aligned with the instructional calendar, the complex would be shut down about a month between fall and spring semester. She noted this was not realistic because credit hours were generated during this time. She said that a plan is necessary and suggested that Town Hall meetings be held at the CHEC before the next Board meeting to get input from those who use the complex regularly. She said that she and Brad McCormick would be happy to conduct those meetings. This would give Vice-President McCormick an opportunity to explain the situation to the students, and the students would have an opportunity to make suggestions as to when hours might be reduced or other cost saving measures. There was discussion on the best dates and times for these meetings. Trustee Jim Snider had questions as to how many of the users of that facility were students pursuing degrees and how many were senior citizens. Vice-President McCormick said that he is working on a data analysis of that operation and will have some figures in a few days. Trustee Sanders stressed the importance of knowing how much money we would save by reducing hours. There was discussion on how important this facility is to non-traditional students. President Mees noted that most of these senior users have tuition waivers and only pay a \$35 lab fee. Trustee Sanders said this needs to be looked into. Dr. Daugherty concluded discussion on this item by noting that Vice-President McCormick will complete the statistical evaluation of all the data and bring back to the Board for a solid recommendation. It was also the consensus of the Board that the Town Hall meetings were a good idea and should be held. The dates of February 18 at 6:00 p.m. and February 22 at 6:00 a.m. were established for those meetings.

Item No. 2 – Vice-President Daugherty said the College is currently an ACT Testing Center, and is in the process of working its way out of that contract, except for the Teacher Certification Test and the ACT weekend test. Dean for Student Services Terry Crain explained the ACT Testing Center is upstairs in the main building and, as part of the contractual agreement with ACT, tests are given at the College two times a week and on Saturdays. Mr. Crain said the contract only runs through April and plans call for getting out of the contract at that time. Dr. Daugherty said this will alleviate many of the weekend conflicts we have had. Mr. McCormick said that the schedulers of the Teacher Certification testing which is in jeopardy (because of the restricted weekend scheduling discussed in Efficiency Mode) have requested that they be allowed to use the College through the summer because it will be difficult for them to find another testing facility. The Board was in agreement with Item No. 2.

Item No. 3 – Dr. Daugherty explained that Item No. 3 addresses events that have been very important to the College for some time such as the Civil War Lecture Series, Autumnfest, and the health conferences. He noted these events cost the College a great deal of money. Trustee John Sanders suggested using the word “suspend” when addressing these cuts, indicating that if at all possible, they will be re-instated. Dr. Daugherty said he will change the wording of this item to include the word “suspend” and bring back to the Board a complete list of all events that are being looked at for suspension. Trustee Sanders asked about the possibility of sponsorships or even charging fees to enable the College to break even on some of these events. Dr. Daugherty said the committee is costing out each of these events and will use whether or not an event breaks even or makes money as one of the criteria in making their list of events to bring to the Board for suspension. He also noted that many of these events are weekend activities and that will impact whether they are on the list.

Item No. 4 – Vice-President Daugherty stated that No. 4 would require non-teaching professionals to teach one class for which they are qualified as part of their regular work load and/or assume advising duties. Vice-President Schroeder said the Human Resources Office has provided her with the credentials of all non-teaching professionals on campus, noting that no one would be placed in a classroom unless they have the appropriate credentials to teach. She stated that the supervisors of these people will be involved to be sure there is no unnecessary burden on an office, and there will be flexibility in schedules to avoid an unfair work load. The Board was in agreement with this item.

Term Faculty Representative John Montacue asked to make a comment to the Board. He stated that Board Policy places term faculty in competition with each other for scarce sections of courses. He stated that this action (Item No. 4) would place term faculty in competition with people who would do their jobs for nothing. He asked that the Board think this over carefully, adding that this will be a topic of discussion when their group meets with the administration next week.

Item No. 5 – Dr. Daugherty said this item would eliminate the Christmas luncheon. President Mees noted that this past year, the College had made some cuts and had already reduced the cost by \$5,000. He recommended that this be completely eliminated this year and save the remaining \$5,000 or \$6,000. The Board was in agreement.

Item No. 6 – Dr. Daugherty said it is suggested that meals served for meetings that are less than two hours in length be reduced or eliminated. Dr. Mees said this is already being done.

Item No. 7 – Dr. Daugherty explained that one recommendation in Item No. 7 – evaluating and modifying student assessed fees – is to charge a fee (\$5.00) for students requesting a transcript (there is currently no charge), which would result in an additional \$20,000 income. Another area being looked at is raising the ticket charge of Performance Series events from \$10.00 to \$15.00 per ticket which would result in another approximate \$12,000 income. He said that students are now going to purchase their commencement regalia through the bookstore, noting that the College has handled this in the past. Graduation fees will be

reduced from \$20 to \$10, since the students will now be buying the regalia. Dr. Daugherty said that a fee for parking was initially suggested, but the committee determined this would be unmanageable and is not recommended. Dr. Daugherty said a list of items of this nature will be brought to the Board.

Item No. 8 – Dr. Daugherty explained to the Board that the College has two sources of funding for student workers. One is the Federal Work Study program (need-based) which paid the College \$144,826 this year. To supplement this, the College budgeted \$566,972 for student work. Dr. Daugherty said the recommendation is to reduce the institution’s commitment to student work study by \$100,000. He noted this will impact student hours (drop from 20 hours per week to 15 hours per week), but said this should not affect productivity. The Board was in agreement with this.

Trustee Kilquist asked if consideration should be given to putting elimination of all student work study in the Crisis Mode of this plan. There was agreement that this would be added in the Crisis Mode as “suspension” of all student work study.

Item No. 9 – Vice-President Daugherty asked Dr. Schoeder to explain the suggested elimination of tuition waivers for dually-enrolled high school students and reduction of tuition waivers for dual credit. Dr. Schroeder explained the difference between “dually enrolled” and “dual credit”. Dually enrolled students are juniors and seniors in high school who may take a JALC course online or in the evening, but they don’t also get high school credit. Dual credit students take courses from JALC and also get credit from their high school. Dr. Schroeder said that previously both tuition and fees had been waived for all these students. Starting this year, a fee is now collected and only the tuition is waived. She said this Item No. 9 recommendation would eliminate the tuition waiver for those who are dually enrolled, and reduce the tuition waiver for the dual credit students. She noted there is a contract in place with the eleven feeder high schools which would have to be honored until fall of 2010. President Mees stated that several years ago the College received a grant for dual credit tuition, but has not received that grant for quite some time. The College has absorbed the cost because they felt this program was so important. Trustee Sanders said that if we are going to reduce the amount of tuition waivers for dual credit students, he feels that tuition waivers should perhaps be reduced across the board. Dr. Daugherty noted that tuition for senior citizens has to be waived by law. Dr. Schroeder said this is a two-edged sword because many of the students may just not participate in the dual credit programs. It was stressed that the purpose of the Item No. 9 recommended was NOT to do away with the dual credit programs. In response to Mr. Sanders’ comment about the tuition waivers being reduced for everyone, Dr. Daugherty said that this is actually addressed in Item Nos. 14 and 15 of the planning document. Trustee Kilquist said that he would have no problem with tuition waivers being reduced by half. It was the consensus of the Board that the dual credit tuition waiver recommendation be reviewed along with Item Nos. 14 and 15 in order to come up with a comprehensive recommendation on all tuition waivers.

Item No. 10 – Vice-President Daugherty stated that this item addresses increasing 2010/2011 tuition by \$5 to \$10 per credit hour. Dr. Daugherty said the question is whether the Board would consider raising tuition mid-year if absolutely necessary. He noted that each dollar tuition is raised means approximately \$70,000 in revenue for the College. Vice-President McCormick said that if the Board were to consider this, action would have to be taken in September or October in order to implement the increase for spring semester. He said the question for the Board now is whether to leave this item in the plan as a possibility, or do they want to completely take it off the table. Trustee Kilquist said that as long as he can see some of the other measures are working, he can go along with a possible tuition increase. Trustee Snider said that the quarterly reports will show the progress being made, adding that he is not opposed to considering the tuition increase as long as we are also doing everything else we can.

Item No. 11 – Vice-President Daugherty asked Vice-President McCormick to address the recommended reduction of department operational budgets to five percent below the FY 2009 level. Mr. McCormick

stated this is not an easy recommendation, noting that budget officers have already been asked to go back to actual FY 2009 spending, and have submitted their budgets using this guideline. Under this Item No. 11 recommendation, Mr. McCormick said we would be indiscriminately going back into these budgets, taking out five percent (from an already reduced level), and leaving budget officers or vice-presidents with the task of allocating. In answer to a question from Trustee Sanders, Mr. McCormick clarified that this does not include salaries or benefits. Mr. McCormick said this doesn't mean that if things don't turn out to be as severe as anticipated, we can't put some of this money back in. (This would require Board action as a budget amendment.) He stated that prior to the Board receiving the FY 2010 budget for approval, this recommendation would call for taking the proposed budget that has been presented at this point and taking another five percent out.

Item No. 12 – Dr. Daugherty explained that Item No. 12 would offer voluntary reduction of working hours and compensation subject to supervisor approval. The employee's salary would be pro-rated and they would be allowed to maintain their benefits. Mr. McCormick noted that in the past, the administration has actually had employees ask to do this, and they were denied because there was no mechanism in place. He stated that this would create a mechanism whereby requests to do this could be evaluated on a case-by-case basis. He stressed this would be strictly voluntary on the employee's part and approval would depend upon the work flow of the office involved. Trustee Sanders asked if employee furloughs similar to what some of the universities are doing has been considered. Vice-President McCormick said he does not support this idea because of all the contractual issues involved that can impact retirement pensions among other things.

Item No. 13 – Vice-President Daugherty said this item is funded through grant dollars, so closing the Marion Family Learning Center would not result in any savings to the College. He said as long as there are grant dollars, this facility will remain open and this item is being removed from the planning document.

Item Nos. 14 and 15 – Dr. Daugherty said these items regarding tuition waivers were discussed earlier in connection with Item No. 9 and a comprehensive evaluation will be done on all three items.

Item No. 16 – Dr. Daugherty asked Vice-President McCormick to address the recommendation to evaluate all off-campus facility leases. Mr. McCormick said the leases on off-campus facilities such as the Child Care Resource and Referral Center and the West Frankfort Extension Center are being carefully reviewed to be sure we are aware of all the clauses and nuances of the out provisions and maturity dates.

Item No. 17 – Vice-President Daugherty said this item calls for review of all intercollegiate athletic programs to determine the appropriateness of participating at a Division II classification. Dr. Daugherty reported the Athletic Advisory Committee has discussed this issue and has recommended a phased-in move to Division II. He explained that because of obligations and letters of intent that have been signed for students already here, the committee recommends we honor the obligation to these students, but that the Athletic Department operate with a 15% reduction in their budget for FY 2011. Then, in FY 2012, the move to Division II would take place. Dr. Daugherty said the total savings for the institution would be \$200,000 the first year (brought about by the 15% reduction) and an additional \$200,000 the second year with the move to Division II. Dr. O'Keefe asked if we have spoken with other schools in our conference about this issue, and also asked who our teams would play if they move to Division II. Dr. Daugherty said that currently the JALC golf teams are Division II. He said that Rend Lake College and Shawnee Community College are already Division II, and Southeastern Illinois College has indicated it will become a Division II. Dr. Daugherty said that many of the other schools are looking at John A. Logan to see what we are going to do. Dr. Daugherty said some schools have some sports in both Division I and Division II. President Mees said our athletic director will be attending a meeting where this will be discussed on February 16, and another Athletic Advisory Committee meeting is scheduled for February

17. Dr. Daugherty said three options were looked into to save the dollars – (1) going to Division II which would preserve all the current teams and employees; (2) cutting \$400,000 out of the budget doing the best they can; and (3) reducing the number of athletic programs – particularly golf and volleyball; leaving four sports at Division I, and asking them to still take a 15 percent cut in their budget. Trustee Sanders commented that since a move to Division II would eliminate the College paying for athletes’ housing and meals, this could result in recruitment of more local athletes. Dr. Daugherty stated that when the guiding principles of education are considered, athletics is not there and that must be taken into consideration. Trustee Rendleman pointed out that a move to Division II would make it much more difficult to recruit athletes. Trustee Snider said that he would like to see a breakdown of each sport in the quarterly report showing where the savings will be coming from. Dr. Daugherty said that if we go to Division II, it will be across the board. Vice-President McCormick stated that the Board should know there are northern Illinois colleges that are asking how southern Illinois colleges are funding athletics. Because we are asking for the state to give us our money faster, there is more attention coming our way. Mr. McCormick said that his concern as a chief financial officer over a non-division change, is – will the reduction sustain itself.

Item No. 18 – Vice-President Julia Schroeder addressed the issue of raising minimum class size. She said the College has always had a minimum class size of 10, noting that this has sometimes varied for particular classes, but for the most part, has been maintained. Dr. Schroeder recommended that at the beginning of summer semester, the minimum class size be increased to 12 (except in those cases where 12 is already the minimum class size). She said this means if a class doesn’t have 12 enrolled, the class will either be cancelled, or, if the instructor is willing, be taught modified. She noted that this spring, classes were not taught modified since students usually had other options including online classes. Trustee Snider asked Dr. Schroeder to explain modified. Dr. Schroeder said there is a different rate of pay for the faculty member if they teach modified versus teaching a full class.

Item No. 19 – Vice-President Daugherty stated that this item addresses evaluation of non-instructional programs and support services for maximum financial efficiency. He reported that the Administrative Services area is considering some modifications to the extensions centers, including reduction of hours and some restructuring. He said the workforce development area is also being evaluated for some possible changes, since they have lost some of the larger employers. Vice-President Brad McCormick said the Business Services area is looking at four categories. He said that if we change the way we use our facilities, this will affect the work required to maintain them and could result in reduction of janitorial staff. He said the Word Processing Center and the Copy Center are being evaluated to see if any adjustments can be made and still meet the needs of the faculty and the institution. Mr. McCormick said the Scheduling Office is also being evaluated.

Dr. Daugherty reported the College will be receiving two additional grants. One is the Highway Construction Careers Training Program (IDOT) and the other is a sustainability grant which would provide for a coordinator. Dr. Daugherty said that some employees currently on institutional money could perhaps be moved into these grants.

Item No. 20 – Dr. Daugherty noted that a smart freeze on hiring is proposed, and would mean not filling any positions that are vacated. President Mees said the College is already doing this with some positions.

Item No. 21 – Vice-President Daugherty said this item addresses elimination (suspension would now be the word) of low enrollment offerings and limiting high cost programs that we value but may no longer be able to offer. It was determined that this item would be discussed further in closed session since it involves specific personnel.

Dr. Daugherty then moved the discussion to the Crisis Mode of the planning document.

Trustee Jake Rendleman suggested that Item No. 5 in the Crisis Mode be moved into the Critical Mode. This item establishes variable tuition. Mr. Rendleman said he had spoken with another college for whom this has been effective. Vice-President McCormick stated that establishment of variable tuition is not simply the College just deciding to do it. There is a process we have to go through to ascertain the differences in the cost that might require more than can be accomplished to set it for the summer semester. Dr. Schroeder noted that most of the College's high cost programs do not occur in the baccalaureate programs, but in career areas. She said the College currently has higher fees on the more expensive programs, and that is where we would be looking at the variable tuition. It was the consensus of the Board that this be considered for possible action by the Board in time to implement the variable tuition by summer semester 2011. The Board also agreed this should be moved into the Critical Mode.

Trustee Bill Kilquist asked who makes the decision as to whether we are in Critical or Crisis Mode. Dr. O'Keefe pointed out that one decision was made this evening by the overall consensus that the College had moved from Efficiency Mode into Critical Mode. Dr. Daugherty said that the document basically provides for President Mees, working with the Board, to make the decision as to when we move into Crisis Mode.

There was discussion about the amount of savings in the various modes. Mr. McCormick said a forecast is being developed by his staff on a compounded one percent operating expenditure reduction every month. He explained that all of these items cannot be accumulated on the front end, but if that is taken and compounded over the course of a year it will result in more than 12 percent. He said that expenditures will keep reducing on a monthly basis in the forecasting model, and that will give a more realistic picture of what is happening with the reductions.

Vice-President McCormick stated that, going back to the Critical Mode, the item he is the most uneasy with because of its do-ability is Item No. 11 which involves the 5 percent additional indiscriminate cut. He said that things have been pulled back so far already, this will be a tough task. This will be studied further.

Acting Chair Mike Hopkins said the Board of Trustees would take a ten-minute break. The Board took a break beginning at 9:00 p.m. and reconvened at 9:10 p.m.

When the Board reconvened, President Mees gave a brief update on the health condition of Board Chair David Hancock.

Acting Chair Mike Hopkins asked President Mees to address further Item No. 21 in the Critical Mode. Dr. Mees stated that constant evaluation takes place on how the College delivers its programs. He gave a brief summary of the programs the College offers, and noted that the College is fortunate to be able to deliver those programs through a high percentage of full-time faculty members and a great resource of term faculty members. Dr. Mees said the College also has a responsibility to make adjustments in programs when the numbers are not there. He said this could involve not having as many full-time faculty teach these classes and using more term faculty if available. He noted that the availability of term faculty varies by area, with math and science areas being difficult to fill. He stated that in English and social science there are many term faculty members available. Dr. Mees said the College has a responsibility to balance all of this out. He said that specific individuals will have to be discussed and this will need to take place in closed session. Dr. Mees said that every effort will be made to not hinder programs. President Mees reiterated that just because a suspension or cut back may occur at this time doesn't mean that it is permanent. Dr. Mees stated that people on campus know what we are dealing with and are appreciative of having input into the situation. He said the Board and administration are

responsible for doing their best to keep the College on the cutting edge and operating to serve the people of southern Illinois.

Mr. Hopkins asked Vice-President Daugherty to go back to addressing the items in the Crisis Mode.

Item No. 1 -- Dr. Daugherty said that Item No. 1 in the Crisis Mode suggests that the College operate on a 4-day work week during the 10-week summer semester. He said the institution would be locked down for the 3-day weekend, and employees would have the option of working four 10-hour days or taking five vacation days. He said the overall purpose would be to save money on utilities. Dr. Daugherty added that the only exception to the weekend lock-down would be areas needed for training for Business and Industry. Vice-President McCormick commented that the \$15,000 maximum savings figure presented in the draft of the plan is probably conservative – he believes we would actually save more. He said this would be an easy figure to monitor and report back to the Board as time goes by. Dr. Daugherty added that it has been suggested to move this item from the Crisis Mode to the Critical Mode and consider starting this summer. There was some discussion on the pros and cons of employees taking vacation days versus working longer hours. There was a consensus of the Board that this item can be moved into Critical Mode and considered for implementation this summer.

Item No. 2 -- Vice-President Daugherty said that Item No. 2 suggests that during the traditional academic year, all instructional offerings will be on a 4-day schedule. Isolated instructional areas of the campus could be locked down Friday thru Sunday. Consideration of revamping the non-teaching staff Friday schedule to close campus at 2 p.m. was also included in the item. Dr. Schroeder said this would be easier to do when the new Communication Wing is opened. She indicated she has already asked some department chairs to start doing this, and the Business Department will go to a four-day week in the fall. She noted that many of the career areas are already pretty much on a four-day week. Dr. Schroeder said this will be little more difficult to do in the baccalaureate transfer areas, but it is possible – especially after the added space opens up in the Communication Wing.

Item No. 3 -- Dr. Daugherty said that if the Board elects to make the move to Division II for athletics as discussed in the Critical Mode, and the budget situation does not improve, the Crisis Mode suggests the suspension of volleyball, men's golf, and women's golf sports programs. He noted this would leave the College with just four athletic programs. He said some resulting issues would include Title IX compliance. Dr. Daugherty said the savings for suspending the volleyball and golf programs would be about \$182,000.

Item No. 4 -- Dr. Daugherty said this item suggests suspension of low enrollment offerings and limiting high cost programs that we value but may no longer be able to offer. He said this item was put in the plan in case additional programs need to be suspended in addition to those already addressed in the Critical Mode. Dr. Schroeder said we would be likely to look at programs that are on some type of cyclical rotation where the program could be offered for two years – then pulled off for two years. This off and on process could result in a healthier enrollment for such courses.

Item No. 5 was discussed earlier and moved into Critical Mode.

Item No. 6 – Dr. Daugherty said that Item No. 6 involves suspending activities at the West Frankfort and Alongi Du Quoin Extension Centers. He said we really do not want to suspend this, but we are finding that with online enrollment, people in these areas do have access to educational opportunities without having to travel to the College. Dr. Daugherty said that a Monday-Thursday schedule with reduced evening hours is currently being looked into for these facilities. Mr. Kilquist asked about the savings from suspending activities at the extension centers. Vice-President Daugherty said the College owns the Du Quoin building and rents the facilities in West Frankfort. He said our obligations under the lease are

being looked into. Dr. Daugherty said there is also staffing money involved at the extension centers. He noted that instructors at the extension centers are paid mileage. He added that even cutting back the schedule by one day and in the evenings would result in some savings on travel, along with savings on utilities.

Item No. 7 – Vice-President Daugherty said this item calls for reduction or suspension of the outside performing arts series events at the College. All John A. Logan College performance productions would remain. Dr. Daugherty addressed some of the other special events being looked at, such as the high school competitions that cost the College approximately \$3,000 each to host. He said these bring in a lot of students to our campus which is great for recruitment, but, at the same time, they are costly. There was some discussion on the importance of recruitment. Dr. Daugherty said that is why this item is in crisis mode – it is something that would be very difficult to do. Trustee Rendleman asked how much an outside performance series event cost. Director of Student Activities and Cultural Events Adrienne Barkley responded that the show held earlier that evening cost \$4,000 (net). Dr. Daugherty said it would be much easier to suspend these outside touring performance events and try to keep the other special events intact. It was the consensus of the Board that suspension of the outside touring performance series events be moved into the Critical Mode. Trustee Sanders suggested that if sponsorships could be acquired, these events would not have to be suspended.

It was noted that the suspension of the student work study program discussed earlier is to be added to the Crisis Mode.

Trustee O’Keefe asked if there is any speculation as to what the governor’s budget will be. President Mees said it is too early to tell, noting that once his budget comes out, it will help in evaluating where we are. Dr. Mees said he doesn’t anticipate that anything will happen with a tax increase until after the November elections. Dr. O’Keefe asked if the MAP grants the governor approved have been funded. President Mees replied they had not been funded. Vice-President McCormick said that the College is not advancing the MAP money to the students until the state pays. If the state does not pay by the end of the semester, we will let the students carry the balance. He noted that some students may graduate, leave the area, and the College may never get its money; however, McCormick said this would not amount to anything compared to the exposure the College would have if we had gone ahead and advanced the money and wait for the state to pay us back.

Trustee Sanders shared some information he had gained while at the ACCT Summit in Washington regarding President Obama’s American Graduation Initiative program. He noted that when he asked what the funding source for this initiative will be, the answer was that the federal government will take over the student loan program. He briefly discussed the problems with this, stating that he doesn’t know if the AGI funds will become a reality. It was stressed that these funds, if available, are not intended to replace the state’s funding.

There was further discussion about the upcoming problems for colleges if the state only makes one payment next year. Trustee Jim Snider said he feels the College’s goal should be to try to work away from relying on the state for 41% of our funding. Trustee O’Keefe said this could be a double-edged sword – if the state senses we will go elsewhere for funding, they won’t ever pay.

CLOSED SESSION

Acting Chair Hopkins stated that it was desirable to go into closed session to discuss the appointment, employment, and compensation of specific individuals; and that he would appreciate Board action and a roll call vote to that effect.

Jim Snider and John O'Keefe moved and seconded that the regular meeting of the John A. Logan College Board of Trustees be declared in closed session.

Upon roll call, the trustees voted as follows: Jake Rendleman-no; Jim Snider-yes; John O'Keefe-yes; Rachel Grasher-yes; Bill Kilquist-no; John Sanders-no; and Mike Hopkins-yes. Motion carried. (Resolution #16-2427)

The meeting was declared in closed session at 9:50 p.m.

The meeting was declared back in regular session at 10:55 p.m.

ANNOUNCEMENTS

Trustee John Sanders expressed his appreciation to President Mees and the three vice-presidents for putting together a document that was easy to understand and well put-together.

ADJOURNMENT

John Sanders and Jim Snider moved and seconded that the regular meeting of the John A. Logan College Board of Trustees be adjourned.

A voice vote showed all in favor. Motion carried. (Resolution #16-2428)

The meeting was duly adjourned.

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

Mike Hopkins, Acting Chair

Jim Snider, Secretary