

MINUTES
Bluegrass Community and Technical College
Board of Directors
Leestown Campus – Building M, Room 128
March 2, 2016

Members Present: Pamela Brough; Annessa Franklin, Chair; Joshua Hoekstra; Robert McNulty; Luv’Tasha Robertson, Vice Chair; S. Dudley Taylor; Ron Walker, Jr.

Absent: Florence Huffman; Katlyn Jefferson; Robert Rowland

Others Present: Ren Bates, Lisa Bell, Dr. Gregory Feeney, Mary Forbes, Dr. Augusta Julian, Mark Manuel, Dr. Laurel Martin, Dr. Palisa Williams Rushin

I. Welcome / Introductions

Board of Directors Chair Annessa Franklin called the meeting to order at 6:01 p.m. and welcomed those in attendance.

II. Business Meeting

A. Approval of Minutes, December 2, 2015

Minutes from the December 2, 2015, Board of Directors meeting were presented for approval. A motion was made by Pamela Brough to approve the minutes. Joshua Hoekstra seconded, and the motion carried.

III. Information / Discussion

A. 2015 - 2016 Budget Update

Lisa Bell referenced the 2015 – 2016 budget status narrative that was provided in the board packet and asked if there were any questions.

Chair Franklin asked for a clarification about the revenue short-fall estimated at \$2 million for this fiscal year. Lisa Bell confirmed this information and explained that this amount will be offset by savings generated by leaving vacant a number of open positions. She noted that the college has already saved \$1.2 million this year in unfilled vacancies. Another savings amount of around \$360,000 is expected.

Ms. Bell reminded the board that fund balance of \$1 million was included as a bridge if needed for the current year. The fall revenue actual-to-budget deficit was \$1,052,592. The spring revenue actual-to-budget deficit, as of today, is \$1,020,099. The summer session is also anticipated to result in a tuition deficit of another \$500,000. Ms. Bell reported that the college can normally reduce expenses by about \$1 million annually if necessary by expenditure freezes such as was instituted this year. She hopes for additional savings this year in areas such as bad debt expense.

Robert McNulty asked if Governor Bevin's requested cut of 4.5% in the current budget year is to occur. Ms. Bell said we do not have a definite answer at this point, but we will work to do whatever they ask us to do once confirmed.

Mr. Hoekstra noted that he is concerned that the Kentucky Community and Technical College System (KCTCS) colleges are asked to continue to cut when BCTC is already very lean and wondered if there is any talk about how to implement this action. Dr. Julian acknowledged that BCTC gets the lowest percentage of state allocation in the KCTCS allocated budget. She reported that there is discussion at the system level about this, and she believes that KCTCS leadership understands this situation. She noted that we have been dealing with this for a long time because of the declining state allocation overall, and once enrollments started to fall, the budget challenge was exacerbated.

Dr. Julian said all colleges now have very serious budget issues. Some have asked their faculty to increase workloads to save money and are instituting other strategies and budget cuts. With the governor's proposed cuts, all colleges are affected. They will have to make cuts now and going forward. Our goal was to keep our fund balance healthy and manage the downturn in revenue each year. Dr. Julian remarked that the Council on Postsecondary Education has allowed research universities to increase tuition to support the loss in state aid at a higher level than KCTCS has been allowed. This has caused the gap to widen among the universities and KCTCS. The rationale is to keep access open and for the colleges to stay low cost, but there is now quite a differential.

Dr. Julian noted that the 4.5% cut this year is significant, and we will struggle to absorb it. If the recurring cut remains in the biennial budget, we will make adjustments. Starting July 1, the cut is proposed as 9% annually. She said that many are waiting for the result of the March election for vacant House seats. Dr. Julian said she has made a number of visits to Frankfort, and legislators are generally supportive of the college and realize this will be difficult. She said we can be proud of our work and continue to focus on student success.

Mr. McNulty said he was happy to attend the KCTCS *Fuel the Force* Business Council day. He noted that a senior leader from Baptist Health said they need 82 pharmacists and 12 surgical technicians right now. They get many staff who graduate from BCTC, but they still need more. Dr. Julian mentioned that she told a legislator from Scott County that we have a new building that we have to open. The estimate for utilities, maintenance, and staffing is \$300,000 that has to be added to our budget next year.

Chair Franklin thanked Ms. Bell for the narrative, as it helps her understand the financial situation. She thanked the college leaders for staying on top of the budget issues, tracking where revenues are going, and formulating plans to address needs that may arise in the future.

B. 2016 – 2017 Budget Priorities and Planning

Ms. Bell reported that in planning for next year, we will try to budget for a continuing decrease in enrollment at 5% below current year actual. Once that is factored in, there is a \$5 million tuition revenue decrease to build a budget around. Any state mandated budget cuts could amount to an additional \$850,000 over the biennium. Some plans to adjust to revenue declines are already in place, such as maintaining salary savings in the current fiscal year.

At the June board meeting, the Budget Committee will present the plan for the 2016-2017 budget, which will be recommended to KCTCS by the board of directors. The proposed budget is due to KCTCS on May 6. At that time, it will be loaded into PeopleSoft, and KCTCS will work to combine our information with the other colleges. Once the board approves the budget, Chair Franklin will sign a letter to KCTCS to say that our budget has been approved for submission. The entire KCTCS budget will be sent to the Board of Regents for approval at their June meeting.

Dr. Julian noted that leadership goes through a process within the functional areas to identify needs and make a case for additional funding each year. In the past, many positions and initiatives were funded through this process with recurring funds, but this was not the case last year as the college did not have funds to fill those positions identified. She remarked that we have continued to meet operational needs through temporary hiring, and a number of initiatives were funded using nonrecurring funds. She stated that there are some areas that we need to look at as investments, including outreach, recruiting, developmental education, and faculty education and training. These are important to our core mission, and we need to continue to support them. Faculty and staff work very hard to maintain services, and they deserve recognition.

Dudley Taylor and Ron Walker asked if there was a possibility about selling or leasing land. Dr. Julian remarked that we could look into it but she hesitates to let go of any of the land we have as we are landlocked at all Lexington locations. Ms. Bell reminded the members that we have leased the Megowan Building to the Lexington-Fayette Urban County Government for \$89,000, including utilities, each year. It is a good partnership and revenue stream that goes toward the investment that the college made in the building. Mr. Taylor asked if there are plans to move off of the Cooper Campus, and Dr. Julian responded that while there are no immediate plans, we would at some point in the future.

Chair Franklin thanked Ms. Bell for her report.

C. Strategic Plan Progress Report, Year Five

Dr. Julian remarked that this report is typically brought to the board in December, but staffing issues have delayed the compilation of this information until now. Mary Forbes noted that this is the report for year-five activities related to the strategic plan. The report covers July 1, 2014 through June 30, 2015. Ms. Forbes made comments on a few items that are interesting or concerning and invited questions by the board. She noted:

- Objective 1.1.1: High wage, high demand completions: Ms. Forbes noted that it is difficult to do well on this measure as we do not control it. A small increase is seen as wages go up in the area.
- Objective 1.1.1: Licensure pass rates are up to 93%, which is excellent. The average for KCTCS colleges recently is 85%.
- Objective 1.1.3: Developmental education success rates are still lower in math, although there was an improvement this year. The three-year completion rates for students enrolled in at least one developmental class show a gain this year, up to 14.3%, which is notable. There was a large decline in GEDs earned at BCTC and across the state, due to a change in tests and methods.
- Objective 1.2.2: Ratios between full-time and part-time faculty have shown improvement. We have fewer adjunct faculty teaching classes.
- Objective 2.1.1: We have declining enrollment across the board.
- Objective 2.1.3: This year, 73% of our graduates were satisfied with the quality of employment assistance they received. Real efforts were made this past year to improve in that area. Mr. Walker asked about the percentage of students who were satisfied with Disability Support Services going down. Dr. Julian said it may relate to the loss of three interpreters within six weeks, which impacts our ability to provide good service. Two interpreters have since been hired.
- Object 2.3.1: The number of students transferring is difficult to report as different groups use different definitions and timeframes.
- Objective 3.1.1: BCTC's diversity employment rate has gone down; it is hard to change when we are doing little hiring. Dr. Julian noted that we have just started a quick action committee on diversity hiring. That group is tasked with identifying ways to improve.
- Objective 3.2.1: The student diversity rate has increased steadily. BCTC's rate is significantly higher than KCTCS as a whole. There is a slight decline in the overall diversity persistence rate, but there are increases for African American students. We hope this trend continues.
- Objective 4.1.2: There is a decline in workforce credit. Dr. Feeney noted that this is consistent across the state, as companies have been spending less on training. Workforce Solutions is doing more training with the companies they work with, so the revenue has been consistent. Dr. Julian remarked that the funding formula from the state to support company training has changed, which may be a factor in the decline.
- Objective 5.2.1: Ms. Forbes noted that several building projects were completed or started during this time period, as well as the opening of the First Year Center at the Cooper Campus.
- Objective 5.3.2: Ms. Forbes remarked that her department made good progress in creating customized dashboard settings, which is a big step in making data available across the college.

Chair Franklin thanked Ms. Forbes for providing this information, which gives a real sense of how much activity is happening at the college.

D. 2016 – 2022 Strategic Plan Development

Dr. Julian reminded members that at the last board meeting, she presented the previously approved KCTCS goals. Subsequently, KCTCS President Jay Box conducted a set of Innovation Roundtables at each college during which employers and community partners shared their vision for the region. She noted that several board members participated in BCTC's meeting for the greater Lexington area. A regional summary and a state summary are being provided to the board. Based on this input, KCTCS has revised their goals.

Dr. Julian explained that the other documents in the packet show how BCTC's initiatives fit within the new KCTCS goals. The proposed performance indicators are also shown. She stated that Governor Matt Bevin has proposed that in FY18 one-third of funding for higher education will need to be earned by meeting performance indicators. The KCTCS indicators for the strategic plan will undergo additional changes as data are examined and clarity is gained on indicators that will be related to performance funding.

Members were asked to discuss the current draft of the BCTC strategic plan. A small group exercise was conducted to provide feedback. Upon completion, Dr. Julian thanked everyone for their input and hard work. Information will be discussed with the Strategic Planning Committee and returned as a final document in June with a request for approval.

E. Functional Area Updates

Vice President Mark Manuel presented an update for Advancement and Organizational Development. He noted that while enrollment is down at the regional campuses, they continue to develop ways to stay integrated in their communities. They are all hosting Super Someday outreach events. Lawrenceburg is working with the Anderson County Early Childhood Council to offer educational opportunities to families with young children. They are also very close to completing the Adult Education agreement with Anderson County.

Mr. Manuel reported that Governor Bevin and Hal Heiner, Secretary of the Education and Workforce Development Cabinet, recently visited the Danville Campus. They were very excited about the AMT program. The second cohort is currently underway, although it will never be as large as Georgetown's program due to the industrial population. The Danville Campus will also host an Earth Day Festival on April 23. Many people from the community attend this event, and they are working to keep bringing people to campus, especially children and students.

The Winchester-Clark County Campus has a new partnership with Clark Regional Medical Center to provide a work-and-learn program for students. Many of those students are getting a full scholarship, which is exciting. Movie nights will start back up in July. This is a good program that the community supports extensively.

Mr. Manuel introduced Dr. Laurel Martin, Associate Vice President for Advancement, who was in attendance, and noted that she has worked to send out endowment reports to all of our donors and included thank you notes from the student scholarship recipients. This communication means a lot to donors. Also, the Foundation Board is working to update their strategic plan. Their goal is to raise \$1.4 million this year. They are currently about \$200,000 short, although \$125,000 in proposals are outstanding.

Mr. Manuel distributed a handout with information about the marketing plan for the college, including many talking points used in our advertising this year and a sample of advertisements and media outlets. He noted that we plan to advertise with the Lexington Legends and Kentucky Sports Radio this year. The marketing staff is talking to the city about placing banners at each of the public pools this summer, and they are working to wrap the college vans so they are moving billboards. Mr. Taylor asked if the marketing department had explored advertising on the bus service in Winchester. Dr. Julian responded that she thinks Bruce Manley has looked into it as a marketing opportunity.

Dr. Julian pointed the board members to a brochure that was recently developed by the marketing staff that has many college highlights that we are using in discussions with the legislators. In addition, members were provided a copy of the 75th Anniversary booklet, produced with faculty support, including author Dr. Stephen White and designer Daniel Livingston, as well as the Public Information and Marketing staff. The booklet will be on the website soon as a flipbook.

Dr. Palisa Williams Rushin, Vice President for Student Development and Enrollment Management, announced that the Department of Education has released the 2013 cohort default rates. She was pleased to report that BCTC has the second lowest default rate of the KCTCS colleges at 22.4%.

BCTC's rate has dropped 1.6% since 2012 with a decline over each of the past three years. She attributes the decline to the work of faculty and staff, including changes in the orientation program where students and parents are taught about loans and an increase in information efforts on each campus. Students enrolled in First-Year-Experience classes have seen presentations about financial aid, and pre- and post-loan counseling has increased. Dr. Rushin noted that a default management committee, comprised of faculty and staff, is also in place. She is very pleased with all of these efforts. BCTC has the largest loan volume compared to the other KCTCS colleges, so this is a significant accomplishment.

Dr. Rushin remarked that the college is working with a consultant from KCTCS on a Strategic Enrollment Management (SEM) plan. Approximately 30 faculty and staff are working to develop six goals that focus on recruitment and retention. A five-year plan will be completed by the end of the semester with implementation in Fall 2016.

Vice President for Information Technology Services (ITS) Ren Bates noted that staff have been very busy. ITS staff has installed Windows 10 on 1,800 workstations and is working with facilities staff to install an emergency management control system. He said they are working to make sure machines are powered off at night, which should generate a substantial amount in energy savings over the holiday break.

He remarked that a new website tool allows advisors to go online and check class availability. ITS is trying to determine a way to gain access to real time data, which will save advisors a great deal of time and effort. ITS has implemented Phase 1 of an online budget requests system. In Phase 2, requests can be ranked and the system auto-generates the numbers. This will be a good resource for budget planning.

Mr. Bates noted that a refresh was completed with minimal user impact and downtime. Two engineers and a development team worked at night and on weekends. In addition, they changed out switch routers and telephone hardware at all six sites. They replaced 88 network switches in 14 buildings. These new switches will increase network speed significantly.

Chair Franklin thanked everyone for their informative reports.

IV. Announcements

Dr. Julian noted that Charlene Walker created the MOSAIIC conference and has planned for the past several years. Last year, she created a consortium of colleges that are sharing responsibilities for the conference. This year's event will be held April 4 – 6 at Berea College. The MOSAIIC will be held in conjunction with other activities around topics of diversity.

Dr. Julian reported that we are planning a groundbreaking ceremony for the Newtown Campus Science Education Center. The event will take place on Wednesday, April 20 at 2:00 p.m. An invitation will be send closer to the date.

Dr. Julian announced that the 2016 Commencement and Graduate Achievement Recognition reception are planned for Sunday, May 8, in Frankfort. Dr. Julian invited everyone to attend.

Dr. Julian reported that she was in Frankfort today for an announcement about a new initiative called Work Ready Kentucky. House leadership has proposed this plan, which is similar to the Tennessee Promise, granting scholarships to recent high school graduates to cover any gaps in tuition. All financial aid, KEES money, and any other scholarships would be applied first, and this scholarship will cover the remainder of the cost for any KCTCS college. She noted they are estimating about 3,500 students might benefit from this program. It is estimated to cost \$13 million this year and \$20 million the next. Dr. Julian was encouraged that some legislative leaders were making this proposal to make community college affordable to the people of Kentucky.

V. Adjourn

A motion to adjourn was proposed by Mr. McNulty, seconded by Ms. Brough, and the motion carried. At 8:05 p.m., with no further business to come before the board, the meeting was adjourned.

The next regularly scheduled meeting of the board will be June 1, 2016. The location is to be determined.

Respectfully submitted,

Tammi O’Neill
Office of the President

Augusta A. Julian, Ed.D.
President