CALL TO ORDER/ROLL CALL

Mr. Doug Block, Board Chairperson, called the meeting to order at 8:31 a.m.

**Members Present:** Mrs. Diane Gallagher, Mr. David Shockey, Mr. Rob Urish, 
Mr. Doug Block, Mr. Jim Endress (arrived 10:26 a.m.), Dr. Steve Jennings, 
Ms. Whittney Zumdahl, and Ms. McKenna Reed

**Members Absent:** None

**Guests Present:** Ms. Cindy Scott Day, *The Journal-Standard* (departed 9:59 a.m.; returned 10:44 a.m.; departed 10:54 a.m.); Mr. Dave Swift, Swift Hospitality Group (arrived 10:13 a.m.; departed 10:41 a.m.); Mr. Brice Swift, Swift Hospitality Group (arrived 10:13 a.m.; departed 10:41 a.m.); Mr. Dave Young, Northwest Illinois Development Alliance (arrived 10:13 a.m.; departed 10:41 a.m.)

**Also Present:** Dr. Joe Kanosky, President; Mr. Tim Hood, Executive Vice President; 
Ms. Jill Janssen, Vice President, Administrative Services; Ms. Liz Gerber, 
Vice President, Student Development and Support Services; 
Ms. Rose Ferguson, Associate Vice President, Human Resources; 
Mr. Pete Willging, Director, Marketing and Community Relations (arrived 8:40 a.m.; departed 9:59 a.m.; returned 10:37 a.m.; departed 11:19 a.m.); 
Dr. Michelle Thruman, Director, Institutional Research (arrived 8:59 a.m.; 
departed 9:59 a.m.); and, Ms. Terri Grimes, Board Secretary

PUBLIC COMMENTS

There were no public comments.

OPENING REMARKS

Mr. Block attended a meeting in Freeport with Governor Bruce Rauner, which was also attended by Dr. Kanosky and Mr. Hood. Dr. Kanosky stated that it looks like it will be difficult to get the State budget passed as is. Community colleges as a system finished better in the proposed State budget than four-year institutions. Special funding for veterans was put back into the general pot, as well as the $400,000 Rock Valley College received for a special project. Dr. Kanosky is unsure of what will happen with State funding this fiscal year or next. Twenty-nine of the bills on the legislative agenda are a result of the issue with the president of the College of DuPage. Mr. Block attended a
Northwest Illinois Development Alliance board meeting yesterday and learned that the State budget proposal equates to $1.2 million out of the City of Freeport’s budget. Governor Rauner has appointed Mr. John Sanders, a former Illinois community college trustee, to the Illinois State Board of Education, and an assistant superintendent has been appointed to the Illinois Community College Board.

Mr. Hood reported that he had a brief conversation with Governor Rauner and mentioned the need to recover veterans funding, and thanked him for thinking of community colleges in the first round of budget changes. Mr. Hood commended trustees for sharing with others when they see something bubbling with the State budget.

ADMINISTRATIVE UPDATES

FY’15 and FY’16 Budgets
Ms. Janssen reported that the FY’15 permanent budget had a deficit of just over $500,000. The permanent budget did not include additional funds pledged to the College, which was originally $260,000, but the College will receive around $700,000. Some of this money will support the deficit in the Operating Funds. At this point, most budget managers believe they will spend what was budgeted. The College will not receive about $7,000 for Performance Funding because that money has been cut. The College has been paid by the State through December 2014, and Ms. Janssen has not heard if the College will receive the rest of the State funding. At this point, Ms. Janssen is assuming the College’s deficit at the end of FY’15 will be closer to $250,000 rather than $508,000. Mr. Urish suggested that Ms. Janssen communicate with faculty and staff to let them know that the deficit is currently projected to be less. Ms. Janssen reported that she will also talk about this in the budget manager meetings.

The bookstore is on track to meet their budget, and the athletic teams did not have as much travel this year. Health insurance claims through February are totaling about $76,000 less than should be at this point in time, however, one month’s claims does not project the next.

Ms. Janssen has received preliminary information on the FY’16 budget from ICCB and at this point it looks like we will receive about $250,000 less than last year because Equalization funding is shrinking. In FY’15, we received money from the Clock fund, which we cannot count on in FY’16. We also took $227,000 from the Matching Grant and we may want to draw down more in FY’16. Ms. Janssen is hoping to take the approach of looking not only at FY’16, but two to three years ahead when budgeting. Mr. Block expressed the need to include the Foundation when doing the strategic plan, and Mr. Hood stated that there has been a request to have someone from the Foundation on the Strategic Planning Council. Historically the Strategic Planning Council has been made up of 40 percent external stakeholders and 60 percent internal, and Mr. Hood and Ms. Gerber have begun thinking about the composition of the group. Ms. Janssen noted that the budget will need to be aligned with the strategic plan by year two of the plan.
Tuition
Ms. Janssen provided information for consideration regarding the second reading on tuition, which will be presented at the March regular meeting. With a $10 per credit hour increase, our tuition and fees would be at $147 for Fall 2015, compared to Sauk Valley at $111, Rock Valley at $105, and Kishwaukee at $131. Kishwaukee also has a $6 per course registration fee, while Rock Valley has a $1 per course fee and a $2 per semester registration fee. Highland has a $15 per semester registration fee. The College does charge course fees that attempt to cover the cost of consumables for the course.

Ms. Janssen reviewed a comparison of FY’15 Equalization funding, noting that Kishwaukee received $2.9 million, Rock Valley received $2.5 million, Sauk Valley received $675,000, and Highland received $265,000. Ms. Janssen is estimating that the College will receive $50,000 in Equalization funding in FY’16. Higher equalized assessed valuations and lower in district students equates to less Equalization funding. Ms. Janssen will talk to the other CFOs about the formula for Equalization funding.

Ms. Gerber noted that many of the nontraditional students that we used to have through Partners for Employment are now going to Rock Valley or Sauk Valley, since we are no longer the administrative agent for the grant. Dr. Jennings asked about the possibility of students interested in Rock Valley’s aeronautics program taking their prerequisites at Highland and then transferring to Rock Valley. Ms. Gerber reported that Mr. Jeremy Bradt, Director of Enrollment and Records, works with students to get them to take their prerequisites here before they go somewhere else.

Ms. Janssen reviewed tuition options, noting that she met with Student Senate again. The students were understanding but realized a $10 per credit hour increase would impact others differently. Mr. Urish suggested a $7 per credit hour increase and taking $100,000 additional from the Matching Grant. Ms. Reed stated she believes $10 is too much when considering there was also a $3 increase in fees that was approved recently. She stated she doesn’t believe the College can expect to keep increasing tuition and still increase enrollments. Mr. Shockey asked if the College should be looking at increasing staff where the growth areas are and decreasing where we are not growing. Mr. Block also asked if we are sharing services that we could share with other taxing bodies. Dr. Jennings questioned if it was time to consider variable tuition for nursing, and Dr. Kanosky stated that some other community colleges, such as Lincoln Land, do so because they have a very large population. It may be time to consider variable tuition so that nursing funds itself. Mrs. Gallagher also asked if we should look at tuition waivers for employees. Following discussion, it was suggested that trustees consider a recommendation at the March regular Board meeting to increase tuition by $5 per credit hour, take additional funds from the Challenge Grant, and challenge administration to find the rest of the money to cover the proposed deficit.

Health Insurance
Due to time constraints, there was no discussion on health insurance.
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PACE Survey Results  
Dr. Michelle (Misty) Thruman presented the results of the Personal Assessment of the College Environment (PACE) survey from the National Initiative for Leadership and Institutional Effectiveness (NILIE). The organizational climate survey was first administered in 2011. Dr. Thruman reviewed the results, noting that there was a significant decrease in the areas of institutional structure and student focus from the 2011 survey. Dr. Thruman has scheduled two opportunities for faculty and staff to review the results, with focus groups scheduled for April. Dr. Thruman encouraged trustees to review the information and contact her with thoughts about the results. She will meet again with trustees after the feedback from the focus groups has been reviewed. Ms. Ferguson noted that, following the focus groups, there will be projects and plans developed to improve on the ratings. The entire report will be available for faculty and staff after the two meetings are held this week.

At 9:59 a.m., the Chairperson declared a recess; the meeting resumed at 10:13 a.m.

Review of Tax Abatement Policy  
Due to time constraints, this will be discussed at the March regular Board meeting.

Swift Hospitality Group’s Request for Tax Abatement  
Dr. Kanosky introduced Mr. Dave Swift and Mr. Brice Swift of Swift Hospitality Group and Mr. Dave Young of NIDA. Mr. Young reported that he was approached by the Swifts about a new product for the senior community, which will require an expansion of the enterprise zone. Mr. Dave Swift stated that his group is pursuing a senior complex with 32 two-bed units for “aging in place”. The second part of the facility would be for memory care, with 21 private rooms. The memory care unit will be staffed by Monroe Clinic. The project will create up to 35 jobs, which might be job opportunities for Highland grads. The request is to abate taxes 100% for the first three years, with the possibility of an additional year at 100 percent, a fifth year at 66 percent, and a sixth year at 33 percent. Mr. Swift anticipates an eight month construction period with construction beginning by early summer. This request will be presented to trustees for approval at next Tuesday’s regular meeting.

Foundation Fundraising Update  
Dr. Kanosky reported that he and Ms. Kim Rampenthal are trying to stir up support for the ag program and have received support from one bank for post-secondary ag. He and Ms. Rampenthal traveled to Gavilon earlier this week to meet with a representative there. A donor has provided money for accreditation of the nursing program at $20,000 per year for three years. Dr. Kanosky suggested that the Board can continue to support him by providing names of ag supporters that he and Ms. Rampenthal should contact. Lunch with the President events are scheduled for this Spring, and an ag program dinner is scheduled for April 2. There are over 80 people who have signed up for the evening financial planning workshop co-sponsored by the Foundation and Stephenson County Farm Bureau, with an additional 20 signed up for the morning workshop.
BOARD UPDATES

Applied Baccalaureate Degrees
Mr. Endress provided an update on the applied baccalaureate degrees, noting that a vote on the item is on the agenda for the ICCTA board meeting. There will be two speakers on the topic Friday afternoon during an educational session, and the ICCTA leadership is prepared to table the issue and not call for a vote if trustees are not ready to act on Saturday. If the proposal is approved by ICCTA, then the issue will move to ICCB, IBHE, and the State legislature. If applied baccalaureate degrees are approved, this would not obligate any of the community colleges to offer them. Trustees discussed that it is perhaps better to be able to keep the option open to offer applied baccalaureate degrees. Mr. Hood reported that Ms. Donna Kauke, Dean of Health, Natural Science and Math, believes that the College should do everything they can to be in the running in order to serve BSN students, since it could reduce the number of two-year students if the College could not offer a BSN.

Report on National Legislative Summit
Mr. Hood reported that connections were made at the National Legislative Summit for workforce and business and industry training. There were many Illinois people at the Summit who pointed out that President Obama’s initiative for free tuition for community college students will take Illinois out of the running because of the match requirement. There was also a lot of talk about K-12 eventually becoming K-14 but Mr. Hood believes we are a long way from that. There was a lot of energy at the Summit and Mr. Hood is very glad he attended.

CLOSED SESSION

Mr. Endress moved and Dr. Jennings seconded the motion to move into Closed Session for the purposes of discussing the appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body or legal counsel for the public body, including hearing testimony on a complaint lodged by an employee of the public body to determine its validity; and, collective negotiating matters between the public body and its employees or their representatives, or deliberations concerning salary schedules for one or more classes of employees, pursuant to the Open Meetings Act, and to return to Open Session for possible action. The roll call on the motion was as follows:

    AYES:    Shockey, Urish, Block, Endress, Jennings, Zumdahl, Gallagher, Reed
    NAYS:    None

At 11:19 a.m., the Chairperson declared the motion carried and the meeting in Closed Session.

Mr. Shockey moved and Mr. Endress seconded the motion to end the Closed Session. The roll call on the motion was as follows:
AYES: Urish, Block, Endress, Jennings, Zumdahl, Gallagher, Shockey, Reed
NAYS: None

At 11:46 a.m., the Chairperson declared the motion carried and the Closed Session ended.

ACTION, IF NECESSARY

No action was necessary following the Closed Session.

OLD BUSINESS

There was no old business.

NEW BUSINESS

Dr. Kanosky reported that the College will need to send a team to the AQIP Strategy Forum this Fall or in Spring 2016. The College will have a campus visit in 2016 – 2017 with the next portfolio due in 2019 – 2020.

Records were requested by the office of Senator Bill Cunningham in response to the issue at College of DuPage. Dr. Kanosky received an email from Attorney Giovanni Randazzo thanking the College for being cooperative in sending the information.

The Illinois Student Assistance Commission has proposed rules that they would have more of a role in dictating student support oversight.

Dr. Kanosky encouraged trustees to read the legislative updates. Currently there is legislation that would separate ICCB from IBHE.

ADJOURNMENT

Mr. Urish moved and Dr. Jennings seconded the motion to adjourn the meeting. At 11:51 a.m., there being no further business, the Chairperson declared the motion carried and the meeting adjourned.

Respectfully submitted,

[Signature]
Terri A. Grimes, Board Secretary
Illinois Community College District No. 519