

Highland Community College
Board Retreat
March 7, 2018
Highland Community College Student/Conference Center
Room H-206
Freeport, Illinois

CALL TO ORDER/ROLL CALL

Mr. Doug Block, Board Chairperson, called the meeting to order at 8:39 a.m.

Members Present: Mrs. Diane Gallagher, Mr. David Shockey, Mr. Doug Block, Mr. Jim Endress, Mr. Blake Musser, Ms. Pennie Groezinger, and Ms. Abby Endress

Members Absent: Dr. Steve Jennings

Guests Present: Ms. Kim Villanueva, Illinois Community College Trustees Association

Also Present: Mr. Tim Hood, President (departed 8:47 a.m.; returned 10:34 a.m.); Ms. Chris Kuberski, Executive Vice President (departed 8:47 a.m.; returned 10:34 a.m.); Ms. Jill Janssen, Vice President, Administrative Services (arrived 10:34 a.m.); Ms. Liz Gerber, Vice President, Student Development & Support Services (arrived 10:34 a.m.); Ms. Rose Ferguson, Associate Vice President, Human Resources (arrived 10:34 a.m.); Ms. Leslie Schmidt, Director, Marketing & Community Relations (arrived 10:34 a.m.; departed 12:26 p.m.; returned 1:02 p.m.); Mr. Jeff Reinke, Executive Director, HCC Foundation (arrived 10:34 a.m.; departed 11:37 a.m.); Mr. Brad Hart, Big Radio (arrived 11:28 a.m.; departed 12:26 p.m.); Mrs. Mary Sue Boerner, Community Member (arrived 11:28 a.m.; departed 12:26 p.m.); and, Ms. Terri Grimes, Board Secretary

PUBLIC COMMENTS

There were no public comments.

OPENING REMARKS

Mr. Block reported that last evening he, Mr. Hood, and Mr. Endress had dinner with Ms. Kim Villanueva to discuss today's self-evaluation. Mr. Hood announced that the men's and women's basketball teams each clinched the Region IV basketball title with packed crowds at both games. This past weekend the men's bowling team won the NJCAA championship and is first in the nation, while the women got third. As they were coming back from New York, there were 22,000 hits or views on Facebook postings put up and Mr. Jeff Johnson, Director of Bowling Operations, received calls from pro bowlers. Representative Brian Stewart will issue a proclamation, and Mr. Hood would like to have a sign erected from the City, similar to what was

done when the men's basketball team got third in the nation. Mr. Hood announced that the Northwest Illinois Development Alliance (NIDA), Freeport Area Chamber of Commerce, Stephenson County Convention & Visitors Bureau, and Freeport Downtown Development are considering consolidating into one organization, and two of the four entities have voted to move forward with consolidation. The new board is referred to as NewCo, and Highland will have a permanent seat on that board. Mr. Hood expressed his belief that this is a good thing and will eliminate some inefficiencies. Mr. Lowell Crow, Freeport City Manager, was instrumental in bringing the proposal forward.

CLOSED SESSION

Mr. Shockey moved and Mr. Musser seconded the motion to move into Closed Session for the purpose of self-evaluation, practices and procedures or professional ethics, when meeting with a representative of a statewide association of which the public body is a member, 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, Block, J. Endress, Musser, Groezinger, Gallagher, A. Endress
NAYS: None

At 8:47 a.m., the Chairperson declared the motion carried and the meeting in Closed Session.

Mr. Endress moved and Ms. Groezinger seconded the motion to end the Closed Session. The roll call on the motion was as follows:

AYES: Block, J. Endress, Musser, Groezinger, Gallagher, Shockey, A. Endress
NAYS: None

At 10:14 a.m., the Chairperson declared the motion carried and the Closed Session ended.

FOUNDATION UPDATE

Mr. Jeff Reinke provided an update on the Foundation. Ms. Lisa La Sala will begin on April 2 as the Foundation's new Director of Fundraising. She is currently the Executive Director for the Red Cross, and also has previous experience with Big Brothers Big Sisters. Currently corporate partnerships are at \$47,000, with four remaining asks of between \$6,000 and \$10,000 each. Mr. Reinke is working closely with Mr. Hood and the Deans to create and identify key message points for the Foundation's Case for Support. The Case for Support will include seven pillars, which are key components for the document, including Athletics; Business and Technology; Health, Social Sciences, and Fine Arts; Lifelong Learning; Nursing and Allied Health; Natural Science and Math; and Student Development and Support Services. The key message is to make Highland the first choice for learning in northwest Illinois. Mr. Hood and Core Cabinet will provide the majority of the information for the Case for Support, tying it

directly to strategic planning and the Community Foundation of Northern Illinois grant. The details will then be ironed out, and quantifiable and measurable outcomes determined. Mr. Reinke is hoping within 45 to 60 days to have information finalized and the needs agreed upon. A Major Gift Cabinet will also be recruited. Mr. Reinke has met with the Deans, and Mr. Hood would like to meet with each person who provided input on the Case for Support to review what they provided. Mr. Hood noted that the Case for Support should be a living document, with no pillar more important than another. He stated that "student development" is an important catch-all category and maybe it should be wordsmithed to include quality of life. Mr. Reinke stressed the importance of tying the Case for Support to the College's strategic plan. He also noted that the majority of gifts will come from individual donors. The Foundation will cosponsor an estate planning workshop on March 14 at the Eagles Club.

Mr. Block suggested perhaps the Foundation could provide money to offset a tuition increase and asked if there are donors willing to give to economically disadvantaged students. Mr. Reinke noted that the Foundation has restricted funds designated for scholarships, and he is sure the Foundation board would be open to discussing how to offset student tuition. The first step would be for Trustees to make a recommendation to the Foundation board to discuss the idea, but Mr. Reinke is open to looking at options. He suggested Mr. Block address the Foundation executive committee at their upcoming meeting. Mrs. Gallagher expressed her belief that it is nice to help low income students but the assistance needs to be tied to effort in the classroom. It was noted that, of the 1,200 scholarship students, less than half actually graduate, however, there is uncertainty regarding whether this includes those who transferred to another institution.

ADMINISTRATIVE UPDATES

Resource Allocation and Management Plan (Handout #1)

Ms. Janssen reported that the campus has had an opportunity to submit items for the Resource Allocation and Management Plan (RAMP) document. The document includes clearly identifiable recommendations for future years and links to the strategic plan. Ms. Janssen provided Trustees with a copy of the document for review.

Budget

Ms. Janssen provided an overview of the budget. The College receives between \$14 and \$14.5 million in Operating Fund revenue, and currently the College is owed about \$300,000 from the State for FY17. Property values are significantly lower than in 2010, which equates to \$3.6 million in lost revenue. Ms. Janssen reported that State reimbursement for health classes is at \$45.41 per credit hour, while other reimbursement rates are in the twenties. The College would need 150 more full-time equivalent (FTE) students in order to qualify for additional Equalization funding from the State. She estimates that equalized assessed valuations (EAVs) will increase 1.5 percent, State funding and enrollment will be flat, and tuition will increase \$5 each year. She reported that there was \$6.9 million remaining in the Matching Grant at the end of June 2017, and currently the College is drawing down \$250,000 each year. Trustees asked for additional information regarding the cost of waivers, including employee waivers, Top Scholars, etc., which Ms. Janssen will

provide. She reported that she plans to transfer in part of the remaining funds in the Health Insurance Fund to cover health insurance. She also noted that the College could issue bonds in 2021. Mr. Endress asked if it would be helpful to look back at the percent of revenue received from tuition, property taxes, and State funding and put together a pie chart for "X" number of years. Mr. Hood reported that the greatest future potential to increase the number of students is the International Preservation Studies Program, which will add as many as 200 new part-time students. Other opportunities include the Linking Talent with Opportunity grant, dual credit, and the part-time Nursing program. He noted that the College will still continue with as many full-time students, but capitalize on opportunities that used to not be here. Trustees discussed how to advocate and apply pressure legislatively and policy-wise to State and Federal legislators to propose changing the funding formula.

Tuition (Handouts #2, #3, and #4)

Ms. Janssen reviewed tuition options and the corresponding fund balance based on each tuition scenario. Mr. Endress expressed his believe that the College will see the FY18 money from the State but there will be close to zero money received in the future for FY17. Ms. Villanueva reported that she does not believe the State money will flow in FY19. Trustees discussed the idea of having a frank discussion with the Foundation about the hole that needs to be filled in the budget. Ms. Janssen also reported that she is looking into implementing a fee for using credit cards, which would help the College recoup \$20,000 to \$30,000 in credit card fees. Mr. Hood reported that Core Cabinet discussed some investments that need to be made in the College, and Mr. Block noted that the College needs to continue to grow.

Ms. Janssen reported that, if Trustees approved a \$4 increase in tuition, early projections show anticipated revenue of \$14,133,000 and expenditures of \$15.6 million, assuming a transfer from the Health Insurance Fund, resulting in a deficit of \$898,000. This would also result in a fund balance of 13 percent, while the Higher Learning Commission and ICCB prefer a fund balance in the 20 to 25 percent range. Ms. Endress expressed her concern that the College's tuition rate ranks near the top of Illinois community colleges. Mr. Shockey reported that at some point there may need a different paradigm. The College may need to go to the voters for a referendum, scale back, or enroll more students. Ms. Endress noted that if the College keeps raising tuition, we will keep losing students, and we may attract more students by keeping tuition the same with no increase. She also noted that Sauk Valley and Parkland are on four-day academic schedules. Ms. Kuberski reported that the College does not have enough labs to manage students with a four-day schedule. Science is also growing so we do not want to hinder potential growth, and the College has been struggling to get part-time instructors, which adds to the issue. It would be more efficient to hire more part-time instructors, which is difficult. Mr. Endress proposed that the College go to the Foundation and ask for the \$355,000 that we will not get from the State plus another \$350,000, and Ms. Groezinger expressed her belief that we look more at expenses and increasing enrollments.

At 12:26 p.m., the Chairperson declared a recess for lunch; the meeting resumed at 12:58 p.m.

Trustees discussed the need to modify the cost structure and the possibility of a zero-based budget. Mr. Block noted that the College may need to pull money from the Foundation. He has also been talking with Mr. Hood about low enrolled programs, new enrollment opportunities, and getting students to come to Highland. The College must also bring in new programs.

The College needs to get the message out to the community so they know the current budget situation and why we are in it. We need to educate the community now if it is decided to go for a referendum in the future. Ms. Groezinger raised a concern about what faculty will say about raising tuition after giving a big increase in administrative contracts.

ACTION, IF NECESSARY

Second Reading: Tuition

Mrs. Gallagher moved and Mr. Shockey seconded the motion to consider for the second reading an increase in the in-district tuition rate from \$141.00 per credit hour to \$145.00 per credit hour effective Fall semester of 2018. In addition, it is recommended that the Board of Trustees considers for the second reading an increase in the senior citizen rate from \$106.00 to \$109.00 per credit hour effective Fall semester 2018. The formulas for figuring out-of-district and out-of-state tuition remain unchanged. These rates will be calculated after Fall 2018 tuition rates at community colleges contiguous to Highland have been determined. The roll call on the motion was as follows:

AYES: J. Endress, Gallagher, Shockey, Block
NAYS: Musser, Groezinger, A. Endress

The vote being four ayes and three nays, the motion carried.

ADMINISTRATIVE UPDATES (Continued)

Digital Signs at College Entrances

A question was raised as to whether anyone had approached the Foundation about finding a donor for the signs. The original cost for two signs was \$99,495 with funding coming from the bond funds. The YMCA and Columbia College had agreed to sponsor a certain portion of the signs. Ms. Schmidt reported that Monroe Clinic has 11 branch locations and five digital signs, and there is maintenance that goes with the signs. They are excellent for emergency communication and informing the public of upcoming events, however, Monroe Clinic also received requests from the public to use the signs so guidelines would need to be put in place. Mr. Musser suggested someone contact St. John's United Church of Christ and Faith United Methodist Church, as they both installed digital signs in the last few years. Mr. Endress reported that he is a big proponent of the signs but he has concerns about the Kiwanis Drive sign due to the trees. In light of tuition, what message are we sending if we install the digital signs at this time? Following discussion, it was determined that this project will be put on hold and not be brought back to Trustees in the foreseeable future.

BOARD UPDATES

Report on ACCT's National Legislative Summit

Trustees who attended ACCT's National Legislative Summit in February provided an update. Mr. Endress met with Parkland representatives to discuss their solar project and learned that they signed a contract with a company that is based in Washington, DC. Mr. Endress contacted the company, and he and Ms. Groezinger were able to meet company officials and learn about the project. The solar project at Parkland will not cost Parkland any money, and energy generated will be purchased at about a 50 percent savings in utility costs. In addition, the company will be responsible for maintenance and upkeep. Mr. Endress will provide information to Ms. Janssen.

Mr. Endress and Ms. Endress reported on a session they attended on serving remedial students. Ms. Gerber reported that the College piloted a project to test students earlier at Freeport High School, and the College is making a significant investment in that one school as a pilot project. Ms. Groezinger attended a session on how to prepare for meetings on Capitol Hill and also learned that other colleges also utilize time in DC to meet with other companies and departments or agencies. There were very good speakers at the conference, including the head of the Department of Labor, who spoke about the need for skilled, talented labor. Mrs. Gallagher also discussed a meeting she attended with Mr. Tom Downs, who helps find funding opportunities for community colleges. Ms. Groezinger noted that, although grant research takes time, perhaps we could work with another community college on hiring a grant writer or collaborate with other community colleges. Mr. Hood noted that a big step in that direction is the Linking Talent with Opportunity grant.

CLOSD SESSION

Due to the Audit & Finance Committee meeting immediately following the retreat, items that were to be discussed in Closed Session will be discussed during Closed Session at the March regular meeting.

OLD BUSINESS

April 2018 Regular Board Meeting Date

Ms. Grimes reported that, due to a work conflict, Dr. Steve Jennings would prefer the April regular Board meeting not be scheduled on April 19, which had been discussed at the February regular meeting. Following discussion, it was suggested that the April regular meeting be moved to April 11 at 8:00 a.m. The recommendation will be presented to trustees for approval at the March regular meeting.

Other Old Business

Trustees discussed the new Faculty Senate report that was provided last month by Ms. Kate Perkins, Faculty Senate President. Since the report is not an administrative report, Trustees suggested that the Faculty Senate report be placed under "Old Business" on the agenda.

ADJOURNMENT

Mr. Endress moved and Mr. Musser seconded the motion to adjourn the meeting. At 1:59 p.m., there being no further business, the Chairperson declared the motion carried and the meeting adjourned.

Respectfully submitted,



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