

**NORTHWEST ARKANSAS COMMUNITY COLLEGE
BOARD OF TRUSTEES MEETING
October 14, 2013 4:30 pm - Burns Hall 3rd Floor Board Room**

Call to Order

Page #

<input type="checkbox"/> Action <input checked="" type="checkbox"/> Information	<p>Recognitions, Awards, and Information Items</p> <ul style="list-style-type: none"> • October Student of the Month Golden Eagle Award: Bethany Hollis • Faculty Senate Update: Dr. Diana Nagel 	
<input type="checkbox"/> Action <input checked="" type="checkbox"/> Information	<p>Attendance</p>	
<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information	<p>Approval of Minutes</p> <ul style="list-style-type: none"> • Regular Board Meeting – September 9, 2013 	2
<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information	<p>ENDS Monitoring Report</p> <ul style="list-style-type: none"> • ENDS 101 Learner Community 	5
<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information	<p>Executive Limitations Monitoring Report</p> <ul style="list-style-type: none"> • EL-201 Financial Conditions 	9
<input type="checkbox"/> Action <input checked="" type="checkbox"/> Information	<p>Committee Reports</p> <ul style="list-style-type: none"> • Advocacy Committee 	
<input type="checkbox"/> Action <input checked="" type="checkbox"/> Information	<p>President's Report</p> <ul style="list-style-type: none"> • New/Updated Programs 	
<input type="checkbox"/> Action <input checked="" type="checkbox"/> Information	<p>Chairman's Report</p> <ul style="list-style-type: none"> • Board Manual Update • ACCT Congress Update 	
<input type="checkbox"/> Action <input checked="" type="checkbox"/> Information	<p>Other Board Action Items and Considerations</p> <ul style="list-style-type: none"> • None 	

Adjourn

**NORTHWEST ARKANSAS COMMUNITY COLLEGE
BOARD OF TRUSTEE MEETING
Monday, September 9, 2013**

MINUTES

Chair Ric Clifford called the Board of Trustees of NorthWest Arkansas Community College meeting to order on Monday, September 9, at 4:30 p.m. in the Burns Hall 3rd Floor Conference Room.

Members Present: Ric Clifford (Chair), Joe Spivey, Dan Shewmaker, Amy Forrest, Scott Grigsby, Mauricio Herrera, Geovanny Sarmiento, Todd Schwartz, Mike Shupe

Also in Attendance: Dr. Evelyn Jorgenson and Cyndi Beltran

RECOGNITIONS, AWARDS, AND INFORMATION ITEMS

Welcome Student Trustee: Cyndi Beltran

Ms. Cyndi Beltran introduced herself. She told the Board she was currently in her second year at the College and planned to major in Communications. Ms. Beltran said she is also the President of the Student Government Association. Mr. Clifford congratulated Ms. Beltran and said he appreciates her perspective from the student body.

MINUTES

Board Meeting – August 12, 2013

Mr. Shewmaker moved and Mr. Shupe seconded the motion to approve the minutes of the Board Meeting on August 12, 2013. The motion passed unanimously.

EXECUTIVE LIMITATIONS MONITORING REPORT

EL-202 Treatment of Students

Dr. Todd Kitchen reviewed the EL-202 Treatment of Students report with the group. Dr. Kitchen noted that College Cabinet supports retention efforts. He explained that helping students be successful is what drives retention. Mr. Clifford thanked Dr. Kitchen for including retention in his report. He said retention is an opportunity for the College.

EL-202 Treatment of Students

Mr. Shupe moved and Mr. Grigsby seconded the motion to approve the EL-202 Treatment of Students report. The motion passed unanimously.

COMMITTEE REPORTS

Finance/Audit Committee

Mr. Grigsby reviewed the minutes of the August Finance/Audit Committee meeting. He said at the end of the year the College went into the fund balance \$231,000 which was a positive improvement from

previous estimates. He said revenues were up 3.6% and expenditures were up only about 1%. He explained that M&O expenses had reduced by 6.3% but the benefits increased 4.5%. He said the game plan is to be in the positive and not to go into the fund balance.

Mr. Grigsby said a majority of the difference of the negative balance was made up of bad debts taken off the accounts receivable report. Mr. Herrera asked what was taken off as bad debt. Mr. Grigsby said the College distributes Pell Grants to students. If students do not complete a certain number of classes, the College is responsible to pay back the Pell Grants. He explained that the College is responsible for collecting these funds back from the students. Mr. Grigsby added that unpaid application fees also made up a chunk of the accounts receivable report.

Mr. Shewmaker said Dr. Jorgenson has mentioned moving the Board Reserve amount to 10%. Dr. Jorgenson said the Board manual refers to a reserve amount of 8-10% and that she recommends the Board move in that direction. Mr. Grigsby explained it would be a gradual move to a larger reserve.

Mr. Schwartz asked if maintenance costs were down due to deferred maintenance. Ms. Buckley said summer savings were part of the reason but mainly the costs were down due to cut backs. She said the College will defer some expenditure to the next fiscal year.

PRESIDENTS REPORT

Dr. Jorgenson told the Board enrollment was down 3.7% from the previous fall semester. She said this is a trend across the state and nation due to an improved economy. Dr. Jorgenson explained that online classes, first time freshmen, and concurrent enrollment numbers all increased. She said the College is looking at ways to make it easier for students to enroll online and improve processes to increase online class enrollment.

Mr. Grigsby asked if it was normal for community college enrollment to decrease as the economy improves. Dr. Jorgenson explained that there is a close correlation between the economy and community college enrollment. She said when the economy is not doing well, people may want to learn a new skill or advance in their current career. Mr. Shupe reminded the Board that the Colleges largest increases in enrollment came when the economy was not doing well.

Mr. Shewmaker said the local high schools enrollment continues to increase. He suggested recruiting the first time freshmen to fill the gap. Mr. Schwartz suggested the College benchmark Colleges that have not had decreased enrollment for best practices. Mr. Sarmiento asked if Latino student enrollment had grown. Dr. Kitchen said there has been an increase, but it was too early to tell for the fall semester. Ms. Beltran told the Board she worked with the LIFE program at the College and it had been a successful program in bringing minority students to the College.

CHAIRMAN'S REPORT

Mr. Clifford wished Ms. Forrest a happy birthday. He also told the group Mr. Schwartz would be traveling with Dr. Jorgenson to the Association of Community College Trustee (ACCT) Conference in

October. He said the ACCT Legislative Conference would be held in February and encouraged the Trustees to attend if available.

OTHER BOARD ACTION ITEMS AND CONSIDERATIONS

iPads for Board Meetings

Mr. Clifford asked the Board to decide if they would rather have a packet emailed for download on their own personal devices or continue to receive the paper copies. Mr. Grigsby, Mr. Sarmiento, Mr. Schwartz, Mr. Shewmaker and Mr. Herrera all indicated they would prefer to have the documents sent electronically.

ADJOURNMENT

The meeting adjourned at 5:06 p.m.

Mr. Ric Clifford, Chairperson

Mr. Dan Shewmaker, Secretary

FY 2014 Goals and Objectives

FY 2014 Strategic Goals:

Goal 1: Improve the College's process for measurement and assessment of student learning (E-101: Learner Community)

Objective 1: Based on the established baseline measures and metrics, monitor the College's progress toward achieving its enrollment and retention goals.

Update:

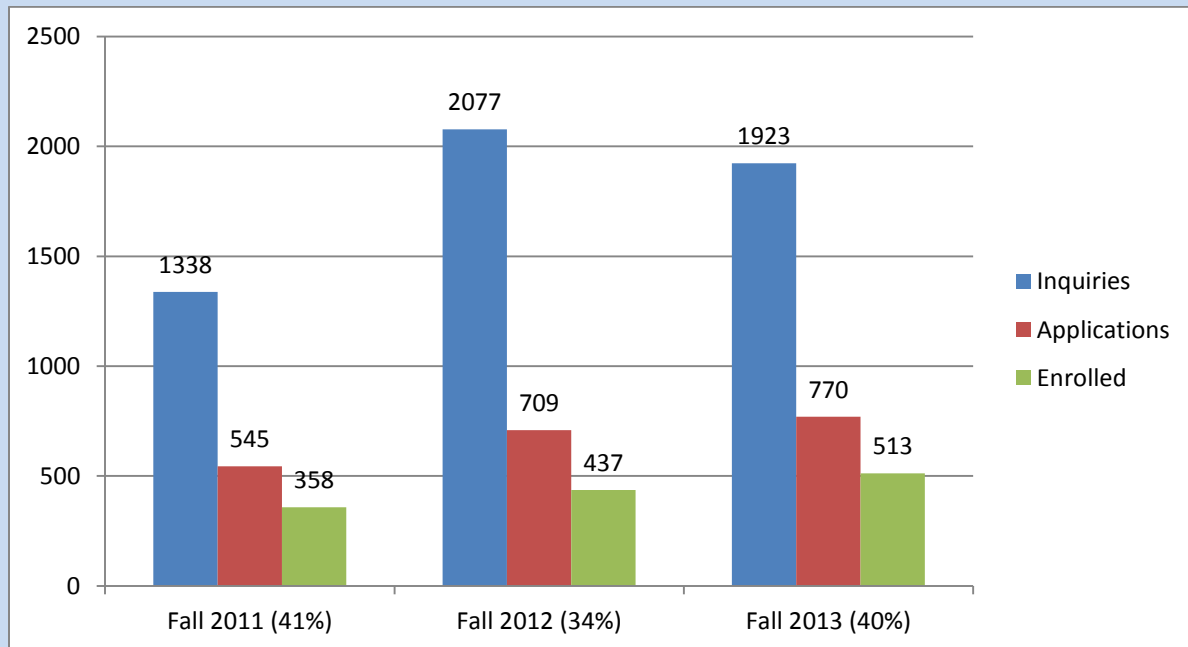
Learner Support Services has established a set of baseline measures and metrics that inform the college's leadership and strategic planning process. The measures are:

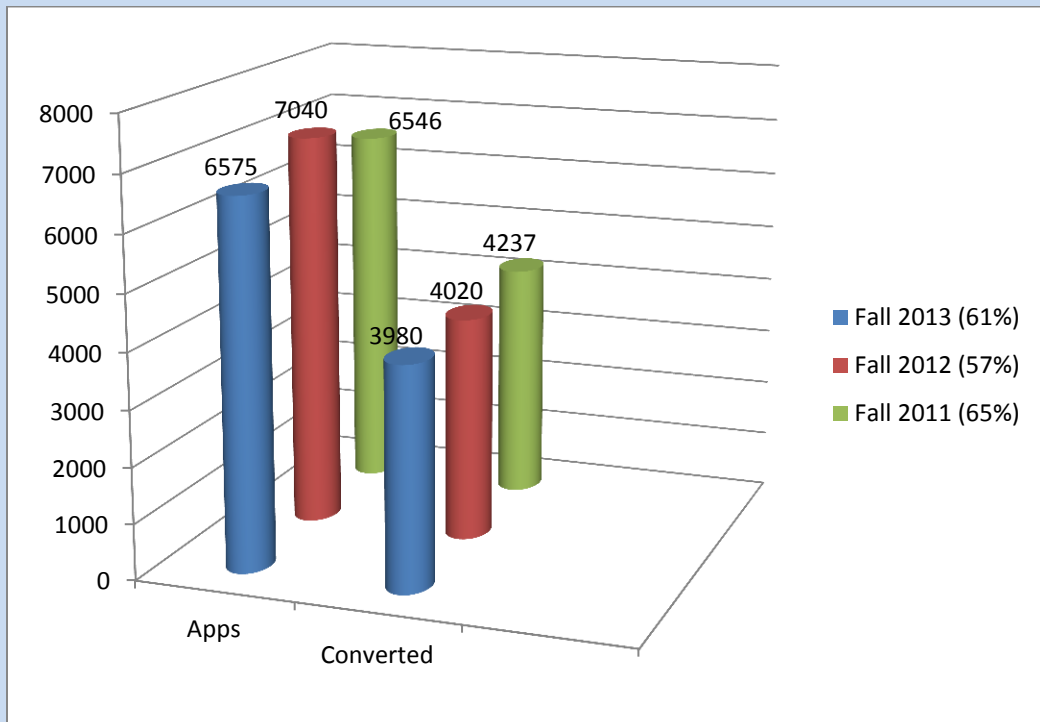
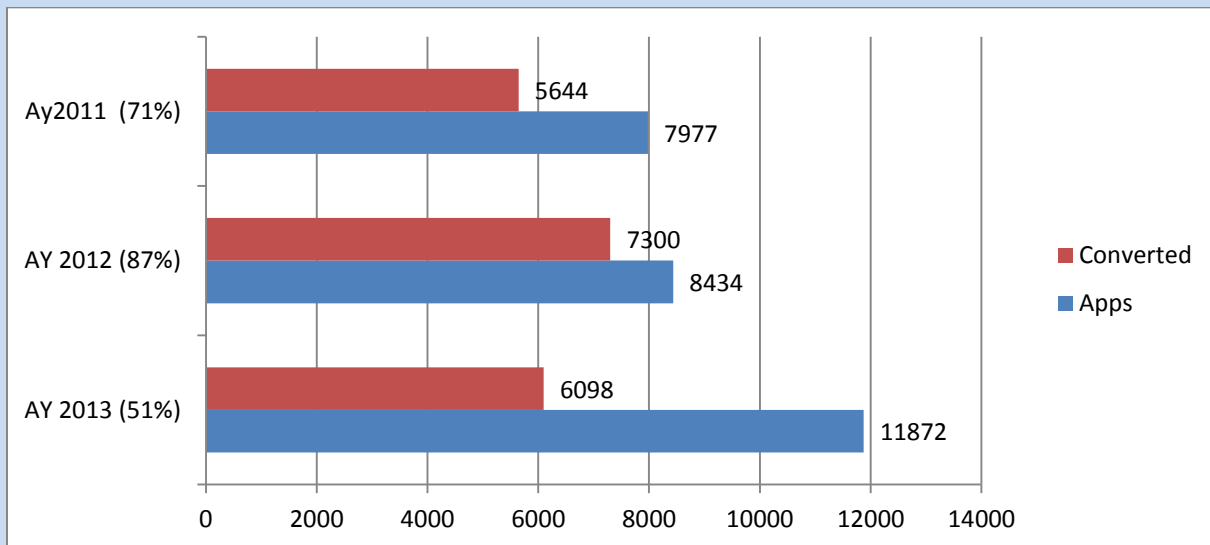
Inquiry to Applicant (Yield) Chart 1 We are still refining the process of determining the origin of leads contacting the college and subsequently submitting an application.

Application to Registration (Yield) Chart 2

Financial Aid Application to Award/Registration (Yield) Chart 3

(Inquiry to Application) Chart 1



(Application to Registration) Chart 2**Chart 3 (Financial Aid Application to Award)**

Goal 2: Continue to enhance our strategic enrollment process and increase retention through improvements in advising and intervention strategies (E-101: Learner Community)

Objective 1: Pilot the Faculty Advisor Coordinator model within the Division of Communication and Arts, focusing on 500 AA and AGS students for the Spring 2014 semester.

Update:

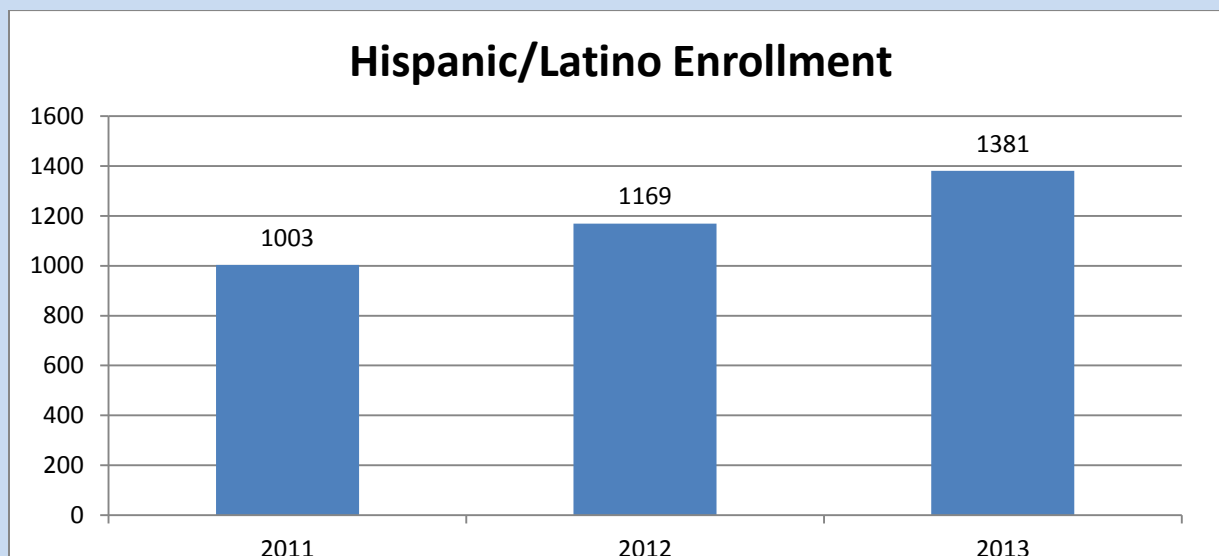
The faculty member within Communication and Arts has been selected and hired on a Temporary Full Time Faculty status. Data will be collected throughout the semester to determine retention and successful completion of coursework within the 15 to 30 hour completion timeframe.

Goal 4: Cultivate an atmosphere of diversity and inclusion throughout the college community

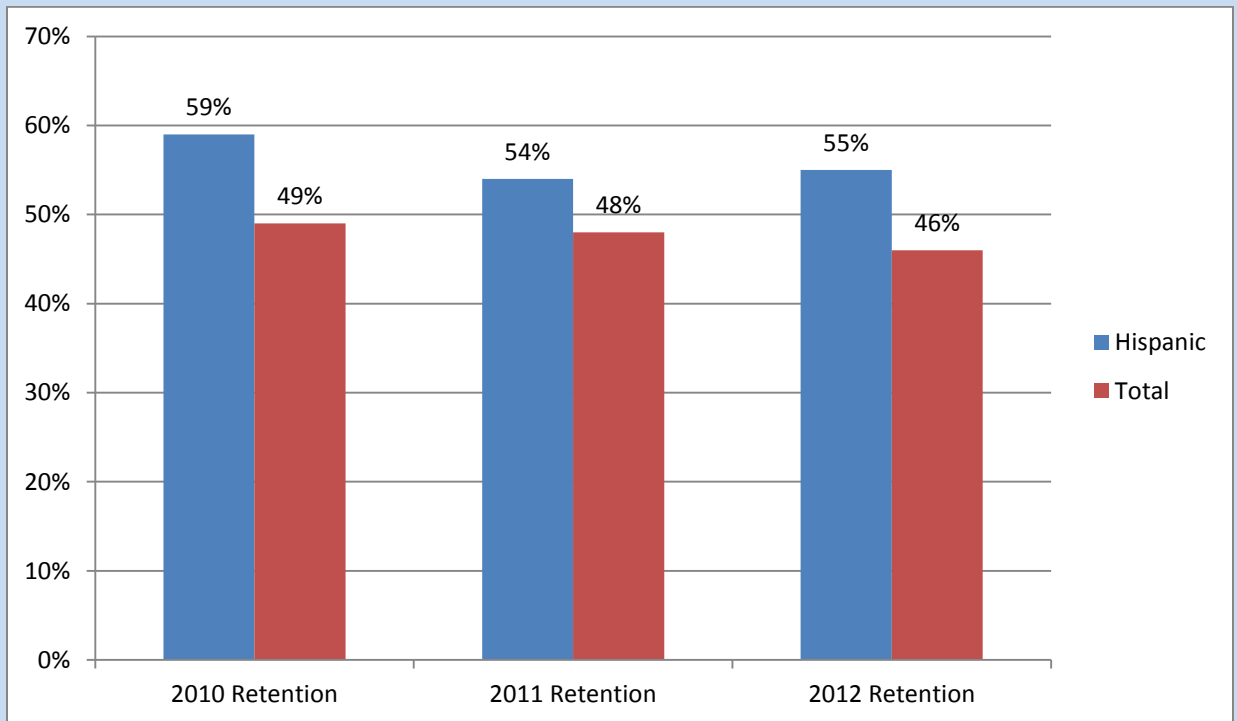
Objective 1: Improve diversity and inclusion in the student body through direct student recruitment and retention efforts and establish benchmarks for measurement. (E-101: Learner Community, E-104: Pre-Kindergarten through 16 Community)

Update:

Since consolidating the Global Communities Center's efforts in July of 2011, the college has realized an increase of 3%, specifically in its Hispanic/Latino student populations while other groups have seen some slight decline in their representation.



Targeted efforts towards retention have also proven beneficial with the current minority fall to fall retention and degree/credential rates being the highest on campus. Our Hispanic/Latino Fall to Fall Retention Rate is currently 55%.



POLICY TYPE: EXECUTIVE LIMITATIONS

EL-201

POLICY TITLE: FINANCIAL CONDITION

Policy 201: With respect to the actual, ongoing financial condition and activities, the President shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from Board priorities established in Ends policies.

Definition: Fiscal jeopardy refers to unrestricted cash reserves in the amount of less than 8-10% payroll and operating expenses held in the unrestricted operating and investment accounts of the College. Material deviation of actual expenditures refers to a plus or minus 10% difference from Board priorities.

Narrative: The Board of Trustees approved the FY2014 budget and continued the previously agreed upon 7.5% reserve which amounts to \$2,860,897 of the budgeted general and educational revenues of \$38,145,288.

Available unrestricted cash reserves as of June 30, 2013 were \$6,327,833 or 15.22% of actual June 30, 2013 expenses of \$41,761,167. Therefore, the President maintained adequate cash reserves and did not materially deviate from the priorities established in the Board of Trustees approved FY2013 budget.

Further, without limiting the scope of the foregoing by this enumeration, he or she shall not:

- 1. Expend more funds than available from fiscal year receipts plus 10% of available reserves.**

Definition: Available reserves refer to the balance of all unrestricted bank or investment accounts as of the date being reported.

Narrative:

	As of June 30, 2013	As of June 30, 2012
Unrestricted Balance as of 6-30	\$ 6,327,833	\$ 5,689,974
FY BOT Reserve	\$ (2,860,897)	\$ (3,211,404)
Unrestricted Balance over BOT Reserve	<u>\$ 3,466,936</u>	<u>\$ 2,478,570</u>

**Unrestricted funds include unrestricted designated, auxiliary, educational and general funds.*

Available unrestricted cash balance over BOT Reserve as of June 30, 2013 was \$3,466,936. Therefore, the President did not expend more funds than available from revenue receipts.

2. Indebt the organization beyond trade payables in the normal course of business.

Definition: Trade payables refer to unsecured accounts payable debt incurred to purchase maintenance and operating materials and services in the normal course of College activity.

Narrative: The College's only indebtedness at this time is normal trade payables, normal payroll liabilities and Board authorized construction bond issues.

3. Fail to maintain adequate reserves.

Definition: Adequate reserves refer to a budgeted 8-10% carryover of funds in the College unrestricted bank and investment accounts.

Narrative: Unrestricted cash reserves as of June 30, 2013 were \$6,327,833, approximately 16.1% of the FY13 current unrestricted budgeted operating expenditures of \$39,377,268. A 7.5% reserve was approved by the Board for FY2013. Therefore, the President maintained adequate reserves consistent with the Board approved budget.

4. Conduct inter-fund transfers inconsistent with the fund accounting principles and Governmental Accounting Standards Board (GASB) standard.

Definition: Inconsistent refers to not following the Generally Accepted Accounting Principles (GAAP) and GASB standards in all accounting procedures and practices.

Narrative: No inter-fund transfers inconsistent with GAAP and GASB standards have been made.

5. Fail to settle payroll and obligations in timely manner.

Definition: A timely manner in payroll matters refers to paying each payroll on time and meeting all payroll tax obligations according to applicable federal and state laws. A timely manner in other obligations refers to paying all payables obligations on the due date or no later than 10 days past the due date if valid reasons exist and paying all other obligations on or before the due date.

Narrative: NWACC administration strives to settle all payroll and other obligations in a timely manner. During the 2013 fiscal year there have been no material instances of failure to settle payroll obligations in a timely manner.

6. Allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed.

Definition: No governmental ordered payment or filing will be made past the due date or contain information that is known to be incorrect or inaccurate.

Narrative: The College has experienced no material interest or penalty charges for late or deficient payments or filings during this period; however the College has recently received Internal Revenue Service (IRS) Notice 972CG proposing penalties for missing or incorrect taxpayer identification numbers (TIN) on Form 1098-T, the information return relating to higher education tuition and related expenses for 2011. According to an NACUBO advisory report many colleges and universities have received this notice. NACUBO believes the IRS' use of financial penalties for missing or incorrect TINs on Form 1098-T is inappropriate and is engaging IRS leadership to encourage them to revise their procedures and is therefore confident that few if any colleges and universities will be levied fines when all is said and done. Due to this notice, the College has reviewed and is implementing measures to collect and properly report TINs.

7. Fail to aggressively pursue receivables after a reasonable grace period.

Definition: Aggressively pursue refers to using an in-house collection program followed, if necessary, by the use of a professional collection agency. Reasonable grace period refers to immediate contact by in-house collection personnel when the obligation is past due, and, if not successful, referral to professional collection agency within 10 days of the last contact by in-house collection personnel.

Narrative: Current and past-due student billings other than third-party are mailed monthly. Past-due student accounts are mailed past-due notices. Receivables from credit course students are routinely turned over to a collection agency after nonpayment following three contacts by in-house personnel.

I am reporting compliance with Policy #201 during the period of January 1, 2013 through June 30, 2013.

Evelyn Jorgenson, Ph.D.

President

October 14, 2013

Recommendation: *It is the recommendation of the College Administration that the Board of Trustees approve Dr. Jorgenson's compliance report for EL-201 Financial Conditions.*

MONITORING:

Methods: Written report with verbal explanation of variances

Frequency: Twice a year – April and October

Date Monitoring Method Approved: September 11, 2006

Frequency Dates Amended and Approved: September 10, 2007