

**NEBRASKA COMMUNITY COLLEGE ASSOCIATION
BOARD OF DIRECTORS
3rd Quarter Meeting Minutes
August 8, 2006**

1. PUBLIC MEETING NOTICE

All NCCA Board of Director's, Area President's, and the general public having been duly notified the third quarterly meeting of the NCCA Board of Directors was held August 8, 2006, at Northeast Community College's South Sioux City Education Center in South Sioux City. President Potter stated that the public meeting notice was published in the Lincoln Journal Star and the Dakota County Star and the rules for the Nebraska Public Meeting Law are available for public viewing. The public meeting notices are attached to these minutes.

2. ATTENDANCE

Directors Present:

President Tim Potter – Metropolitan
Vice President Keith Harvey – Northeast
Secretary Jane Hornung – Mid-Plains
Treasurer Lynn Schluckebier – Southeast
Robert Feit – Southeast
Merlyn Gramberg – Western Nebraska
David Newell – Metropolitan
Don Oelsigle – Northeast
Tom Perkins – Western Nebraska
Tom Pirnie for Harold McClure – Central
William Schneider – Central
Roger Wilson – Mid-Plains

Staff Present:

Dennis Baack – Executive Director
Melanie Williams – Administrative Assistant

Also present were: Larry Glazier – Central, Randy Schmailzl – Metropolitan, Dr. Michael Chipps – Mid-Plains, Dr. Bill Path – Northeast, Dr. Jack Huck – Southeast, Dr. Eileen Ely and Dr. Diana Doyle – Western Nebraska.

3. CALL TO ORDER AND QUORUM DETERMINATION

President Potter called the meeting to order at 10:31 a.m. and asked for roll call and quorum determination. Present and responding were twelve board members representing their respective area governing boards. It was determined that a quorum was present.

4. APPROVAL OF AGENDA

President Potter asked for any additions to the agenda. There were none.

MOTION BY TOM PERKINS AND SECOND BY DAVID NEWELL that the NCCA Board of Directors approves the meeting agenda.

A roll call vote was taken.

Voting Aye: Feit, Gramberg, Harvey, Hornung, Newell, Oelsligle, Perkins, Pirnie, Potter, Schluckebier, Schneider, Wilson

Voting Nay: None

RESULT: Motion carried twelve (12) ayes and no nays.

5. APPROVAL OF MINUTES

President Potter stated that a correction needed to be made on page 11. He then asked for any further corrections. There were none.

MOTION BY DON OELSLIGLE AND SECOND BY ROBERT FEIT that the NCCA Board of Directors approves the meeting minutes as amended.

A roll call vote was taken.

Voting Aye: Feit, Gramberg, Harvey, Hornung, Newell, Oelsligle, Perkins, Pirnie, Potter, Schluckebier, Schneider, Wilson

Voting Nay: None

RESULT: Motion carried twelve (12) ayes and no nays.

6. TEAM 2 / BUDGET AND PERSONNEL COMMITTEE

A. Update on Executive Director's Evaluation

Schluckebier stated that Team 2 met via conference call on August 3 to discuss the Executive Director's evaluation results. The team will meet with Baack prior to the next board meeting to set up two or three specific goals for the upcoming year. Schluckebier then stated that generally speaking it was a good response but numerous comments were concerning the current funding formula issues and not necessarily about Baack. Team 2 will present the evaluation results and contract renewal recommendation to the full board at the fourth quarter meeting.

B. 2007 NCCA Budget Recommendation and Approval

Schluckebier stated that no changes had been made to the 2007 budget since preliminary approval was given by the board at the second quarter board meeting. He then asked for any questions or comments. There were none.

MOTION BY TOM PERKINS AND SECOND BY MERLYN GRAMBERG that the NCCA Board of Directors approves the 2007 NCCA budget as presented.

A roll call vote was taken.

Voting Aye: Feit, Gramberg, Harvey, Hornung, Oelsigle, Perkins, Pirnie, Schluckebier, Schneider, Wilson

Voting Nay: None

Abstain: Newell, Potter

RESULT: Motion carried ten (10) ayes, no nays, and two (2) abstain.

7. ELECTION OF OFFICERS

President Potter stated that the election of officers is based on a rotation schedule and Western will need to nominate a representative to fill the office of Treasurer. Western nominated Gramberg to fill that position. The new executive committee will be as follows:

President Keith Harvey - Northeast
Vice President Jane Hornung – Mid-Plains
Secretary Lynn Schluckebier – Southeast
Treasurer Merlyn Gramberg – Western Nebraska

President Potter then stated that they will assume the duties of their respective offices immediately following the adjournment of the meeting.

MOTION BY DAVID NEWELL AND SECOND BY ROBERT FEIT that the NCCA Board of Directors approves the election of officers as presented.

A roll call vote was taken.

Voting Aye: Feit, Gramberg, Harvey, Hornung, Newell, Oelsigle, Perkins, Pirnie, Potter, Schluckebier, Schneider, Wilson

Voting Nay: None

RESULT: Motion carried twelve (12) ayes and no nays.

8. APPROVAL OF STRATEGIC PLAN

President Potter stated that at the May 9 board retreat, changes were made to the Strategic Plan and the board must approve those changes.

MOTION BY MERLYN GRAMBERG AND SECOND BY LYNN SCHLUCKEBIER that the NCCA Board of Directors approves the revised Strategic Plan.

A roll call vote was taken.

Voting Aye: Feit, Gramberg, Harvey, Hornung, Newell, Oelsigle, Perkins, Pirnie, Potter, Schluckebier, Schneider, Wilson

Voting Nay: None

RESULT: Motion carried twelve (12) ayes and no nays.

9. COUNCIL OF CHIEF EXECUTIVE OFFICER'S REPORT

A. Funding Formula Presentation and Approval

Before Dr. Chipps began his presentation, he commended the Business Officers and CEO's for handling the process with the utmost professionalism, diplomacy, collaborative effort, and the desire to come to some kind of general consensus.

Dr. Chipps stated that his presentation would be a quick overview of the report which was included in the board packet. He then reviewed the seven guiding principles which were developed to provide a foundation for the formula discussions. They are as follows:

1. Maintain a state wide Community College system that preserves local control.
2. State aid, property taxes and tuition should continue as the main sources of funding.
3. Provide equity in property tax levies across the state.
4. Reward growth in student enrollments.
5. Provide an inflation adjustment factor.
6. Include vocational education as a factor in state aid distribution.
7. Provide a mechanism for dollar for dollar property tax relief.

Dr. Chipps then reviewed the thirteen topics or factors that were considered in reviewing the funding formula and they are as follows:

1. Vocational education pool
2. Additional levy authority when there is deficit funding
3. Equity in property tax levies across the state
4. State aid per FTE disparity

5. Evaluate formula budget revenue
6. Inflation adjustment
7. Enrollment growth
8. Dollar for dollar property tax relief
9. Removal of minimum levy requirement when an Area can raise more than 40% of formula budget revenue
10. Treatment of non-resident students
11. Population sparsity factor
12. Formula complexity
13. Future review of the formula

Dr. Chipps then stated that at the last CEO meeting a motion was made and seconded that the CEO's forward to the NCCA Board of Director's the recommendations on the development of a new state aid formula including the exceptions. The motion carried on a vote of 4 – 2. Dr. Chipps continued to state that it is disheartening that they were unable to come to a uniform, widely accepted process. Again, he assured the board that the process has been professional and each President had to come to some difficult conclusions which would best represent their boards.

Dr. Path and Dr. Schmailzl then briefly discussed Northeast's and Metro's concerns and reservations regarding the proposed funding formula changes which were outlined in the minority report and they are as follows:

1. Equity in property tax rates and levies across the State
2. State-aid per FTE disparity
3. Evaluate formula budget revenue (base year revenue)
4. Treatment of non-resident students

Also included in the minority report were two additional exceptions to items other than the thirteen topics and factors in the recommendation and they are: levy setting authority and the disparity between state-aid and property tax per FTE.

Newell stated that this process has been positive based on two aspects: area boards, area presidents, and other interested parties have become more knowledgeable about the funding formula; and based on the recommendation, more but in his opinion not enough importance is being placed on vocational education. He then stated that the biggest problem he has with the proposed formula is that it is still dependent on a base revenue year which he says cannot be justified by educational activities and cannot be explained. As it is now, two camps will be going to the Legislature next year to inform them of what must be done. Newell continued to state that the Legislature is willing to accept the agreement the system may reach regarding a possible solution to the problem and may not look at the solution very hard or thoroughly. However this time there will be an educational process that's going to affect legislators and the system will not be able to preserve the non-connected nature of the base to the educational outcomes. He stated that the Legislature will want and demand that the system explain what we do, why we do it, and how much it costs once they become involved in this process. Newell then went on to state that he believes the

funding formula recommendations are constitutionally suspect because the Supreme Court has said that a base year that can't be quantified or evaluated is unconstitutional. Another major flaw that he sees in the majority proposal is that it's about local control but it is not local control if the decisions that the Metro board needs to make are made by intimidation or the loss of funding. Metro will argue most effectively for local control or tying the whole formula back to education and showing the Legislature what they get for their money.

Perkins stated that the board has heard both sides and everyone has done their homework on the topic. He believes that the board will not be able to come to a consensus during this meeting and would like to propose the board go to mediation with the CEO's selecting the mediator and a deadline of October 1. President Potter asked Perkins if he was referring to the policy which refers to binding mediation. Perkins replied that he is referring to the process of using of a professional mediator to help the board come to a consensus. Feit asked if the statement could state preferably by October 1 but no later than November 1. Perkins agreed to this modification. Oelsligle asked Perkins if he was thinking about a three person mediator where both sides pick a mediator and those two then pick a third person who will do the work. Perkins replied that as long as everyone feels as though the mediator is absolutely neutral which ever process is acceptable.

MOTION BY TOM PERKINS AND SECOND BY MERLYN GRAMBERG that the NCCA Board of Director's authorizes the hiring of a professional mediator to be chosen by the Council of CEO's to help the board reach a consensus on the funding formula with a preferable deadline of October 1 but no later than November 1.

Baack stated that he will talk to Senator Raikes, chair of the Education Committee, to inform him of the deadline and make sure the proposed timetable will work with him in regard to the interim study. Newell asked if the association had enough funds to cover the cost of mediation. Baack replied that in the past, the association office would equally bill the areas the cost of a special project.

Perkins amended his motion to include that the cost of mediation be equally shared by each area.

A roll call vote was taken.

Voting Aye: Feit, Gramberg, Harvey, Hornung, Newell, Oelsligle, Perkins, Pirnie, Potter, Schluckebier, Schneider, Wilson

Voting Nay: None

RESULT: Motion carried by twelve (12) ayes and no nays.

A recess was taken from 11:37 a.m. to 12:06 p.m. for lunch.

10. TEAM 1 / LEGISLATIVE COMMITTEE

A. Update of Interim Studies

Baack reiterated that he will continue to work with Senator Raikes on LR 345.

11. BYLAW AND POLICY COMMITTEE

A. Discussion regarding Policy Amendments

Gramberg stated that President Potter submitted the following amendments to Policy 3020 and Policy 7300 and those changes are as follows: (changes are shaded and underlined)

3020. NCCA BOARD RESPONSIBILITY FOR CONFLICT RESOLUTION

The NCCA board shall be responsible for conflict resolution when areas find themselves in the minority and feel that an issue or principle is strong enough to require open opposition to stated association policy. Before an issue rises to the Board level, the Executive Director shall use his or her best efforts to resolve the conflict through discussion among and between the areas in conflict. If the Executive Director is unable to resolve the conflict, the NCCA board shall ask individual area boards to receive representatives from the NCCA to attempt to resolve the conflict. If necessary, the NCCA and the affected areas shall identify an objective third party as a mediator, and abide by that party's decision. In cases where third party mediation is necessary, the decision shall be regarded as binding on both the NCCA and the areas involved.
(Adopted August 10, 1991)

7300. NCCA EXECUTIVE DIRECTOR (Revised August 9, 2005)

A. LEADERSHIP AND PUBLIC RELATIONS

1. Has an in-depth understanding of the philosophy and operation of the comprehensive community college and its place in higher education in the educational community of today
2. Accepts and promotes the philosophy that a leader's primary function is to serve as a facilitator
3. Is highly motivated and professional
4. Works well with all constituencies within and outside the higher education arena

B. ADMINISTRATION

1. Acts as chief administrative officer
2. Initiates and manages board functions and policies

3. Employs, supervises, and evaluates staff
1. Assures that all information, publications, and reports are professional, well-documented, and timely
2. Prepares various reports to the Coordinating Commission, legislature, governor's office, and state agencies
3. Annually updates enrollment and financial historical records of the system
4. Association and System Strategic Planning: Monitors implementation of current association/system strategic plan and prepares quarterly reports
5. Reviews NCCA bylaws and policies at least annually or as circumstances require. Identifies possible changes for Bylaw & Policy Review Committee as circumstances arise
6. Monitors association expenditures on a monthly basis and signs all checks

C. PLANNING

1. Recommends association goals and objectives and strategic planning
2. Recommends basic policies and programs to achieve goals and objectives and evaluates effectiveness of goals and objectives
3. Recommends the association budget for upcoming year

D. LEGISLATIVE RELATIONS

1. Understands community college funding issues, including state aid distribution formula and major policy issues at the local, state, and national levels
2. Facilitates the consensus development process in deciding upon a legislative agenda and assists the individual areas to better understand it
3. Analyzes proposed legislation and develops timely and appropriate responses
4. Prepares the annual community college state aid budget request documents, including rationale and collection and analysis of data used to support request
5. Prepares position papers, support documents, reports and other publications in support of lobbying activities
6. Monitors legislation affecting community college throughout legislative session and prepares legislative newsletters for governing board members and administrators
7. Acts as liaison with legislature and governor and develops an effective working relationship with other key state government officials
8. Monitors federal legislation affecting the community colleges

E. AREA/STATE COORDINATION

1. Maintains contact and communication with all area boards and administrators
2. Facilitates a cooperative relationship among the six areas
3. In the case of a conflict between areas, proactively seeks to resolve the conflict prior to it reaching the NCCA Board for resolution.
4. Serves as community college representative on various councils, committees, boards, and taskforces.

5. Maintains close relationship with Coordinating Commission for Postsecondary Education and other sectors of education to develop better communication and common objectives
6. Identifies and coordinates opportunities for increased statewide program coordination

Gramberg asked the board to review the proposed policy changes. He then stated that any action would be taken at the fourth quarter board meeting.

President Potter then explained the reason behind the proposed policy amendments. In regard to Policy 3020, he would like the Executive Director to take an early leadership role in trying to resolve any conflict that may arise. The amendment to Policy 7300 is to conform his job description to Policy 3020. Baack stated that he does not object to the proposed policy changes.

12. TREASURER'S REPORT

A. Year-to-Date Financial Report

Schluckebier asked for any questions or comments regarding the financial statements. There were none.

13. EXECUTIVE DIRECTOR'S REPORT

A. Coordinating Commission Activities

Baack stated that if Governor Heinemann is elected Governor, he will most likely have some proposals on dealing with the reorganization of higher education. In looking at his past activities or proposals, the Coordinating Commission is not a high priority for him and any reorganization of higher education that he may propose could call for the elimination of the Coordinating Commission. Baack then stated that the Coordinating Commission has been very good and fair to the community college system.

B. Area Board Visits

Baack stated that he will be attending area board meetings in November or December.

C. Other

Baack stated that the CEO Council has already taken a position against the proposed spending lid and assumed the NCCA board would like to do the same. He has been attending meetings which were set up by a coalition to oppose the lid. The proposal states that state spending can only increase by the amount of the consumer price index, which is approximately 2%, plus population growth, which in Nebraska is

.1% for this year. Baack continued to explain that according to the proposal, Nebraska's budget could increase by 2.1% and the reality of that means that everyone who receives money from the state would need to take cuts because Medicaid and Special Education will consume the entire 2.1%. To suspend the lid would require a 2/3 majority vote of the Legislature and then a majority vote of the citizens of Nebraska.

By general consensus, the NCCA board agreed that the Executive Director should actively oppose the proposed spending lid. It was also suggested that each board member take this to their individual boards for a resolution opposing the lid after each area's budget is approved.

14. ACCT STATE CHAIR REPORT

Feit stated that he has nothing to report but everyone should have received the ACCT newsletter in the mail.

15. NET COMMISSION REPORT

Baack stated that Dennis Miller from Western is the new community college representative on the NET Commission. Baack will contact Miller and perhaps get a short written report for the November board meeting.

16. COMMENTS AND CONCERNS OF GOVERNING BOARD MEMBERS

Hornung suggested that the fourth quarter board meeting should be face-to-face meeting instead of a video conference. Discussion was had regarding the changing of the meeting. It was decided to leave it as a video conference but will be reevaluated prior to the meeting.

17. ANNOUNCEMENTS

- A. ACCT Annual Conference – October 11-14, 2006 – Orland, FL
- B. NCCA Fourth Quarter Meeting – November 14, 2006 – Video Conference
- C. National Legislative Seminar – February 12-14, 2007 – Washington, D.C.
- D. NCCA Annual Meeting – March 6-7, 2007 – Embassy Suites – Lincoln
- E. AACC Annual Convention – April 14-17, 2007 – Tampa, FL
- F. National Legislative Seminar – February 11-13, 2008 – Washington, D.C.
- G. AACC Annual Convention – April 5-8, 2008 – Philadelphia, PA
- H. National Legislative Seminar – February 9-11, 2009 – Washington, D.C.

There being not further business, the meeting was adjourned at 12:33 p.m.

Tim Potter, President

Jane Hornung, Secretary