Call to Order

The special meeting of the Board of Trustees of Colby Community College, Thomas County, Kansas was held in the Board room on October 28, 2013 at 5:00 p.m.

Members Present

Arlen Leiker, Audrey Hines, Dale Herschberger, Kenton Krehbiel, Bill Shields, Linda Vaughn, and Dr. Stephen Vacik

Others Present

Dr. Glenda Overstreet, Vice President of Business Affairs; Greg Nichols, Vice President of Academic Affairs; Debbie Schwanke, Public Information Director; Douglass McDowall, Director of Information Technology; Jay Todd; Nick Wells; Suzanne Schielke; Vernon Hurd; Sam Dieter, *Colby Free Press*; and Lisa Failla recorded the minutes of the meeting.

Call Meeting to Order

Board Chairman Arlen Leiker called the meeting of the Colby Community College Board of Trustees to order at 5:00 p.m.

Amend Agenda

Linda Vaughn made a motion to remove executive session for non-elected personnel from the agenda. Audrey Hines seconded; motion passed unanimously.

Fund Raising

Chair Arlen Leiker addressed the Trustees and Endowment Foundation members who were attending the meeting. He said state revenues are down and believes it will take more philanthropy to allow institutions to survive. Arlen said Kansas has the second largest, fastest growing college 100 miles east of Colby (Ft. Hays State University). Arlen indicated there are several reasons for the growth and one of them is discounting tuition.

VP of Academics Greg Nichols explained discounting tuition to those in attendance.

Arlen reviewed an article from the Chronicle of Higher Education regarding small colleges in Iowa and how they are competing for students. Dr. Vacik stated that much of Ft. Hays growth is due to on-line classes and programs.

Tuition costs were discussed by members. Arlen indicated the assets of the Endowment Foundation should be twice the amount of the College debt. He reported that the College debt now is far greater than half of the Endowment Foundation assets. Arlen believes that ratio should have been considered when the College incurred costs associated with the new Residence Hall and the authorization of the Honeywell energy conservation project. Approximately $4.5 million debt remains on the Northeast Residence Hall. Arlen explained that the Kansas colleges rely on 19 percent more from local funding and actually receive 12 percent less than the national average among community colleges.

Arlen emphasized the College needs to work with the Endowment Foundation as a partnership to help CCC.
Arlen also reported that the Kansas legislators are promoting technical education. These programs get the students into the work force two years earlier with less debt. In turn, these graduates are a bigger asset to the economy. Senate Bill 155 has made a very strong effort to promote technical education to students in high school.

Chairman Arlen yielded the floor to Bill Shields. Bill said that per capita in Kansas it seems the state has a very high number of community colleges and other schools…more than the surrounding states. He asked how we (CCC) compare to Nebraska. After being told that the population of Kansas is similar to Nebraska but Kansas has many more community colleges, Bill asked how long without change can the state continue to support all these colleges. He pointed out that Kansas also has a high number of Regent’s schools. Bill said that Kansas has 105 counties. Colby Community College has the largest service area with the least population base. He said that if the State of Kansas wants higher education in this part of the state, they should fund it.

Chairman Arlen Leiker yielded the floor to Audrey Hines. She said the numbers are great, but we need a plan-a one-year plan especially with buildings. She said it all boils down to money. We need to get out and get money. The money is around the area and we can do it. The state will not provide money, we have taxed people enough, and they are tired of being taxed. We need to increase the tuition or cut the programs if they are not working. She said the Board had the option to cut programs worth $100,000, but did not do it. We need to make those hard choices.

Chairman Arlen Leiker yielded the floor to Dale Herschberger. Dale said our money comes from our pupils, our students. Obviously last year was a disaster in something. We are down in kids. Where was that department at? Dr. Vacik stated last year CCC enrollment was up. This year CCC is down about three percent. Dale stated the people who did the recruiting last year were inefficient. Dr. Vacik replied, if you looked across the state, CCC is about on par with the other schools.

Bill Shields took the floor. He said we did have some turmoil and turn over within some departments, and because of that the ball probably got dropped. He thinks we have to get out there and recruit and change some of the offerings CCC has or recruit more heavily. He said that CCC cannot go to the public anymore. We have taxed them enough. We have to go out and focus on getting more students here. We cannot keep relying on donations. The College needs to do more internally to operate as a business. CCC needs to get our customer in the door and take care of them so they are repeat customers. We need to do a better job of fundraising or go down different paths to find different funding. It’s disheartening when we have to repeatedly ask for help. We are at a point where we have to do it differently.

Arlen Leiker agreed with Bill that CCC will have to do things differently. In order to do things differently, it will cost a little bit of money. We are running along with everyone else, but we have to do things better than
everyone else. The only community colleges that are up in enrollment are Barton, 11.3; Coffeyville, 3.13; Neosho, 1.75; and Pratt, 1.92 percent. Some are down as much as 11 percent. In 2010-2011 the high school graduation rate peaked. That is the highest it has been in 20 years. In 2012-2013 it dropped and 2013-2014 it dropped even more. It will not pick back up until 2020 and even then it will not come back to what it was in 2010-2011. One in five kids are from homes that are in poverty.

Chairman Arlen Leiker yielded the floor to Linda Vaughn. She said she feels like the college is a business, but there is also a balance. She hopes programs can be reviewed and either eliminate programs or raise tuition to make those programs more profitable and still available to the kids who want to come. She reported that when she first started she spoke to Jay Todd to see how the Endowment worked and she hopes we can work together to raise donations. The people who have passed and left money, some of those are the ones who started this college. Then you look at the younger people and the younger people in the community don’t understand the importance of the College economically. Maybe we need to educate them more so they will help support us. There is a balance in everything, and we need to look at fund raising, programs, and ways to get the students to come and stay. If we can do some or all of it then we will be better.

Chairman Arlen Leiker yielded the floor to Kenton Krehbiel. He asked, is there any hope for change in the legislature on funding? Dr. Vacik stated no. The budget that is now in place, which is a two-year budget, will result in a 1.5 percent decrease for CCC. Dr. Vacik spoke with Ward Cassidy last week, who has been a supporter of this college. He has some limitations as to what he can do and Dr. Vacik feels he will be hard pressed to get that money back to us. There is a case pending with K-12 adequate funding and if that comes through, that will be $400,000,000 plus dollars that will have to come from somewhere. Kenton asked how we want to proceed with fund raising. Are we going to develop a plan of action and how are we going to go about it? Linda Vaughn said, I thought that is why we were here. Bill Shields stated, there has been give and take and we have butted heads, but we have the same common goal and one doesn’t exist without the other. We need to work together as a strong two units and eliminate the animosity between us.

Audrey Hines asked do we hire our own fund raising director or does the Endowment Foundation? Kenton Krehbiel stated we need a plan that is agreeable and it has to work. We have a situation, we have a task, we have action and we have a result. We need to define all four of those and figure out which way we are going to go with it. Kenton said he would welcome any thoughts from the Endowment before we proceed.

Chairman Arlen Leiker yielded the floor to Jay Todd. He said we need a plan so Jay can go back to the Endowment Board and talk as a group. Jay indicated the Endowment is looking for short, medium and long-term goals and how both Boards can come together. He said they cannot spend all the money in the Endowment. CCC in a leadership capacity needs to put together a list of priorities. The Endowment Board will review those.
Charts and statistics don’t do a lot of good, because in the end we have gap that needs to be filled. Jay said I’ve only had one meeting as the President of the Endowment, but we are not here to trip the college up by any means. We all have a vested interest.

Arlen Leiker pointed out the level of the Endowment funds vs the College debt. Arlen said the Endowment helped CCC out this year, and we’ll make it through this year, and I want to thank the Endowment Foundation for that. The point is we cannot do that every year. It hurts us. When we lower the Endowment Foundation’s net asset value that much, it hurts us. We have to look at that ratio. The Endowment Foundation net assets need to be tied to CCC’s debt level.

Kenton Krehbiel addressed Jay Todd. He asked, does the Endowment Foundation have a procedure or plan of action in place for fund raising whether they are encumbered funds or non-encumbered funds to be used for scholarships or whatever it might be? Jay Todd stated, yes they are going out trying to find funds. Kenton asked Jay if they have a specific group of individuals they talk to like alumni or county residents? Jay indicated the Endowment would like a list of short, medium and long-term priorities. The Endowment will come back and say this is how we can help.

Bill Shields asked Nick Wells if people are more willing to donate to specific areas rather than general. Nick said, most definitely. In the 10 years Nick has been Director of the Foundation of Colby Community College, if there is one thing he has learned, it is that nobody wants to give away money, but everyone is willing to help if there is a need. Nick talked with the head of the Foundation at Kansas State University. When KSU asked for an additional $20 million a year, they added 20 more people to accomplish that. Nick told him his situation and the KSU representative responded saying there is no way that one man can do what you are trying to do. You need to divide your Foundation into three parts. You need someone working with large gifts (legacy), alumni and annual giving. That is the only way you will make it work. That is hard to do with a volunteer group because they have full time jobs.

Audrey Hines stated the Board needs to get together and put a plan together. Jay Todd said the first step needs to come from the CCC Trustees. The Endowment Board will review the plan and see how they can help. Another group Board meeting will be held to discuss how the Endowment Board can help. The alumni list is not in good shape. Can we hire someone to help get it back in shape? Linda Vaughn asked whose payroll would this person be on? Would they be paid by CCC or the Foundation? Audrey asked if the Endowment had extra money so they can do things like that? The College doesn’t, and Nick stated the Endowment does not either now. Jay stated it is going to take a leap of faith on everyone’s part to reap rewards later.
Arlen Leiker stated, everyone needs skin in the game. We need to raise more money. This is going to take more time, more money and more effort to fund that. The two Boards need to step up and see what we can donate to get the ball rolling and see what we can raise between the Board members. The College and the Endowment need to recognize people who help the college, whether it’s a wall or a board, but we need to recognize the donors like other institutions. Arlen said he would like to leave that up to the Endowment Board.

Audrey Hines suggested a building plan. Solicit someone to pay off Bedker, someone to pay to refurbish the residence halls. We need new signs on campus. That wouldn’t be much money to get that done. All the other colleges have that. CCC needs signs that show where you are going, signs that show the activities for the week. As a Board we need to start with maintenance. Jay Todd asked how we can be worried about maintenance when we are worried about making payroll. Kenton Krehbiel said we need to get the reserve back up. With the accreditation coming in 11 months, that is going to be critical. We need to start with the reserve and general funds then work on the other projects.

Dale Herschberger said the accreditation agency doesn’t care what the residence halls look like. Kenton Krehbiel stated this will be his fourth accreditation he has been through. The HLC comes on campus and looks at everything and will sit down with the Board and have a session with us and tell us what they think. Their job is to make sure we are doing our job. We need to work on our reserves to get them to an adequate status. Dr. Vacik said the minimum needs to be 20 percent of the budget. That would be about $3 million. The recommendation from the last visit in 2004 was at least 20 percent as a minimum. Currently in reserve we have approximately $900,000. Dr. Vacik said this year if things hold, I don’t see we will have to take an early draw from the county, but we will not pay off all our bills in December. We will still have some bills that will be 60-90 days in arrears. Most can be paid off in January when we get our draw, but we never get ahead. We stay at even. Dr. Overstreet stated to make it through December/January the College will need at least $1 million. That will get us to the point where we are paying off our accounts payable and all of our priorities. Then in January we will start over again. She also indicated that there should be balance between getting funds for operation and setting up reserve funds.

Audrey stated like Nick Wells said, if you have a purpose like a building, people will give to certain things. The reserve is going to be a lot harder to raise money for to basically pay bills. Kenton Krehbiel said people will ask what is it for and are you going to ask us again in three months for more money? Kenton believes the college has the staff to make sure we stay within the budget concerns. It will be hard to ask someone for $5 or $5,000 and tell them it is going for the daily operating expenses.

Audrey asked the question again, do we need to hire someone ourselves to help raise the money? Kenton said we need someone who can dedicate a majority of time to this project. Kenton doesn’t believe the College or
Endowment has the funds to pay this individual. Audrey said they should be paid on commission from the money they raise. Audrey stated she knows people who could be interested. Audrey asked what the next step is because as Nick said, he cannot do this by himself. Dr. Vacik said if this person is paid on commission, it really needs to be run through the Endowment Foundation. Once money is gifted to the college, it then becomes a state fund. Jay Todd stated again he wants the college to give the Endowment Board a list of priorities. He also wants a list of ideas and time frame when each is needed.

Arlen Leiker said regarding fund raising Dr. Vacik with adequate time could do a very good job. The problem is travel time to and from Topeka for state meetings regarding higher education issues and Kansas Board of Regents meetings and the large service area of the College. Jay Todd stated you need to prioritize what the problems are, and if you don’t have enough money, going to Topeka is not the most important. Audrey Hines said Dr. Vacik has done a good job, but he has other things he needs to be doing. Kenton Krehbiel stated Dr. Vacik also has a new staff that is working to get their feet wet and on the ground and they are doing a great job, which will help Dr. Vacik in future years.

Arlen said this board needs to put “skin in the game” as Nick said. The Endowment needs to lead with the ball and the College will support it. We all need to recognize the people who have donated. Both budgets are public knowledge.

Vernon Hurd said because of the different regulations the College does not have legal obligations to share who doates, unlike the Foundation that provides 990’s.

Dr. Vacik said he can report who has given to Campaign for Change, but cannot reveal who has donated to individual programs or clubs or organizations.

Linda Vaughn confirmed with Jay Todd that the Endowment Board is asking for a written plan. Jay Todd said they just want a list so they can review the priorities.

Dr. Vacik reminded everyone the College bottom line has improved significantly. The first three months after he was hired the College had $176,000 in the bank. Last year CCC finished with $1.1 million. We have made progress. Another concern is if the state comes back and cuts not 1.5 percent but 12 percent.

Dr. Vacik suggested that he and the administrative staff compile a list and bring it back to the Board. Dr. Vacik said he believes we have cut all the people we can. There are not enough maintenance, custodial and office personnel.
Audrey Hines asked about programs. She asked if there is a way we can see income vs expense? Dr. Vacik assured the Board they will have the information by the December meeting. More discussion regarding the reserve cash ensued.

Dr. Vacik stated that the residence halls need work, the parking lot needs work, and there are technology needs. The students have expectations of standards for Wi-Fi. It is difficult to prioritize these items. However, increasing the reserve fund must take priority.

Jay Todd reported the next Endowment meeting is November 14. He would like a list before their board meeting to get it on the agenda.

Audrey Hines asked about the breezeway and possibly remodeling/updating the area. She will find a way to fund the remodeling. When she has a plan put together, she will bring it to a Board meeting.

Dr. Vacik will meet with his administrative staff and get back to the Board with a list.

Adjournment

Audrey Hines made a motion to adjourn. Bill Shields seconded the motion; motion carried unanimously. The meeting was adjourned at 6:32 p.m.