

HARFORD COMMUNITY COLLEGE

Board of Trustees Work Session

November 20, 2015

The Board of Trustees of Harford Community College met on Friday, November 20, 2015, at 8:30 a.m. in the Chesapeake Center Board Room.

Trustees present: Mrs. Doris Carey; Mr. John F. Haggerty; Mrs. Laura L. Henninger; Rev. Cordell E. Hunter, Sr.; Dr. James W. McCauley; Mr. Richard D. Norling; Mrs. Jan P. Stinchcomb; Dr. Richard P. Streett, III; Dr. James J. Valdes; and, Dr. Dennis Golladay as Secretary-Treasurer

Staff present: K. Callan, D. Cruise, C. Fisk, A. Haggray, R. Johnson, B. Morrison, Z. Parker, S. Phillips, and C. Sherman,

Call to Order. J. Valdes called the work session to order.

Roll Call. Carol Sherman called the roll; quorum was present.

FY 2016 Budget. Budget process and timeline was reviewed. Financial information and budget modeling information available through a secured site within the College's website were viewed. Budget history was reviewed.

- Beginning in FY 2008, economic pressures at both the State and County level resulted in public funding reductions for HCC. During the period FY 2010 – 2015, local county support of Maryland community colleges increased by 9.3% on average statewide, but HCC's local funding from Harford County actually declined 6.1% during this same period.
- During the period FY 2008 through FY 2015, HCC budgeted a significant "transfer-in" of fund balance that ranged from \$1.5 to \$3.2M each year. Rapid enrollment growth "masked" this deficit during FY 2009 and 2010 as actual tuition and fees revenue far exceeded budget projections. As enrollment began to decline in subsequent years, the College experienced operating losses ranging from \$0.5 to \$1.9M during the period FY 2011 through FY 2014.
- To offset the lack of public funding and anticipated decline in enrollment, the College chose to increase tuition at a higher rate in FY 2015 and 2016. This resulted in favorable performance in FY 2015, and the submission of a balanced budget in FY 2016.
- As there are no indications that public funding will increase significantly in the near future, HCC will continue with the strategy of maintaining a balanced budget to ensure that adequate reserves are available. Given the anticipated public funding revenues for FY 2017, it will be necessary to increase tuition \$8 per credit hour to maintain a balanced budget. This increase would set the in-county tuition rate at \$124 per credit hour. The consolidated fee assessed on this in-county tuition rate will remain at 20% for FY 2017.

The FY 2017 operating budget is framed around several broad revenue-related assumptions:

- A balanced budget that features no transfers-in
- 4% increase in county funding
- Flat state funding
- 1% decline in billable in-county credit hours
- Flat out-of-county and out-of-state billable credit hours
- \$8 per credit hour increase in tuition
- 1% increase in noncredit revenue compared to the FY 2016 budget
- Minimal growth of cash balances due to interest rates continuing at historic lows

During discussion on tuition, it was noted that for several years tuition remained unchanged which resulted in significant tuition increases over the last two years. In the future, more modulated increases are anticipated. With the proposed tuition increase, Harford's tuition remains affordable. Suggestion was made to include a chart in the budget document comparing Harford's tuition to Towson, University System of Maryland and Johns Hopkins University.

Other discussion highlights:

- If tuition is held flat the budget will have a deficit of about \$389,000. Further, if there is no additional support from the County, the deficit could reach \$1M.
- The budget as currently presented creates a small surplus which would address some deferred maintenance. There are no state or county funding sources to address deferred maintenance.
- This budget reverses past practice of using reserves to balance the budget.
- Other tuition scenarios were suggested, i.e., \$6 increase, apply a percentage increase rather than flat amount for each category of tuition (in-county, out-of-county, out-of-state).

Beverage Permit Options for Arena. Board policy permits alcoholic beverages at receptions and other occasions generally associated with cultural events and corporate sponsorships. Possession or consumption of alcoholic beverages is prohibited at student events on or off campus. For events where alcohol may be served, the Foundation applies to the Liquor Board for a one-day permit with the agreement that a donation from the proceeds goes to the Foundation.

More recently, groups have approached the College regarding rental of the APGFCU Arena for an events, i.e. bull roast, fundraising dinners, at which the "renter" would like to offer alcohol. Options to accommodate the request are for the College to pursue the one-day permit, use a caterer who holds a liquor license, or seek legislation allowing alcohol sales at events. The legislation could specify the number of events per year. If supported by the local delegation, the legislation would likely be approved by the Maryland General Assembly.

There was no objection to exploring the matter further and pursuing legislation.

Hiring/Firing Employees with Contracts – Review Practice. Currently the Board of Trustees has the authority to hire and terminate certain contracted employees (all administrators and

tenured/tenure-track faculty). Securing Board approval for hiring and terminating contracted employees can be both administratively challenging and financially disadvantageous. With hiring, employee start dates may be delayed awaiting Board approval and candidates may accept another position. In the last ten years the Board has approved all candidates recommended by the President.

Regarding terminations, often voluntary resignations are brought to the Board for approval/acceptance after the employee has already worked his/her last day. The challenge with involuntary terminations is timing. There is a need for immediate action which does not necessarily coincide with a Board meeting. The employee is most likely removed from campus and asked to no longer perform work for the College until the Board can act on the President's recommendation. During this time, the employee is on paid administrative leave until the Board can act.

According to legal counsel, the Board has the authority to delegate authority for hiring and terminating contract employees to the President as long as the Board holds authority to withdraw the delegation at any time. Currently, a terminated employee has the right of appeal to the Board; the provision would remain in place should the Board decide to delegate authority to the president for hiring and terminating. Additionally, the Board would continue to receive the monthly personal update as an information item.

In discussing the termination practice, the Board suggested that upon termination the employee be placed on unpaid leave. If in the appeal process the termination decision is not upheld, the employee would be paid retroactive from the date of termination. J. McCauley suggested that termination of a tenured faculty member continue to require Board action.

Any change to delegate authority for hiring and terminating administrative contract personnel and tenure/tenure-track faculty would require a change in the Board Manual for Bylaws and Policies. Board Bylaws may be amended through a motion that provides substitute wording or specific deletion of wording and is agreed to by two-thirds vote of the total membership at any regular or special meeting. Written notice of the proposed change must be submitted to trustees no less than ten days prior to Board action..

Staff will draft wording to effect the change; draft will be provided to the Trustees in December or January for action the succeeding month.

Early Retirement Incentive. Twenty-five employees were eligible for the early retirement incentive. Four staff, three administrators, one tenured faculty and one term faculty accepted the offer.

Strategic Planning 2018-2022. Timeline for the preparation for the 2018-2022 Strategic Plan was reviewed. Prep work would begin in May 2016 using findings from periodic review report teams, market research findings and other information/data. The strategic planning committee

would begin work in August 2016; plan would be submitted to the Board for approval in April 2017. Periodic updates would be provided to the Board prior to the April 2017 meeting.

Legislative Agenda. Materials on Harford Community College's legislative agenda were distributed. The legislative agenda supports the Maryland Association of Community Colleges legislative agenda and includes:

- 2017 operating budget request
- Capital budget request
- Financial aid for workforce training program
- Statewide and health workforce shortage grant programs
- Tuition waivers
- Affordability study
- Dually enrolled student campaign.

The work session adjourned at 10:45 a.m.

Dennis Golladay
Secretary-Treasurer

James J. Valdes
Chair