

**BEAUFORT COUNTY COMMUNITY COLLEGE
BOARD OF TRUSTEES MEETING
April 5, 2011**

The Board of Trustees met Tuesday, April 5, 2011 at 6:00 p.m. for dinner, followed by the Board of Trustees Meeting which began in the Board Room of Building 10 at 6:30 p.m. The Curriculum Standing Committee met prior to the Board meeting.

BOARD MEMBERS PRESENT

Mitchell St. Clair, Chair
Jack Wallace, Vice Chair
Myrtle P. Carowan
Cynthia Davis
J. Shields Harvey
Delores Lee
Frank B. Lewis
Cornell McGill
Betty Randolph
Russell Smith
Milton Cobb, SGA Representative

BOARD MEMBERS ABSENT

Reverend Dr. Robert B. Cayton
Henry C. Humphreys, Jr.

The following staff were in attendance: David McLawhorn, President; Wesley Beddard, Dean of Instruction; Crystal Ange, Dean of Student Services; Chet Jarman, Dean of Continuing Education; Phillip Price, Dean of Administrative Services; Judy Jennette, Director of Public Relations and Foundation; Dorie Richter, Director of Institutional Effectiveness and Planning; Laura Bliley, Faculty Senate President; and Jo Linda Cooper, President Staff Association. Also in attendance were Ranee S. Holbrook, Legal Counsel, with the law firm of Carter, Archie, Hassell & Holbrook and Jennie Singleton recorder.

PRAYER

Chairman St. Clair called the meeting to order and Ms. Betty Randolph continued with prayer.

MISSION STATEMENT/ETHICS AWARENESS

Chairman St. Clair called attention to the Mission Statement of the College. In complying with the NC State Ethics Commission's directive, Chairman St. Clair read the Ethics Awareness & Conflict of Interest Reminder. Hearing no conflict stated, Mr. St. Clair welcomed Milton Cobb, SGA President and Kristen Tork, senior at Beaufort County Educational Center. Mr. St. Clair stated that as part of Kristen's Senior Project requirement, she is job shadowing Jennie Singleton.

INTRODUCTION OF AMBASSADORS

Judy Jennette, Executive Director of the Foundation distributed a brochure, inviting everyone to attend the Eighth Annual Cutthroat Croquet Tournament on May 14, in Bath. The tournament is a fundraising event to continue the Dorothy and John Tankard Memorial Scholarship for a Bath or Belhaven student at Beaufort County Community College and for enhancing Historic Bath, to which the Tankards were dedicated. At this time, Mrs. Jennette introduced the two ambassadors to speak: Candace Howell and Kelli Lozano. Mrs. Jennette noted that Kelli is also Beaufort County Community College's Academic Excellence Awards

winner. Ms. Howell, a nursing student from Plymouth shared comments on why she chose to pursue a degree in nursing. In closing, Ms. Howell thanked the Board of Trustees and Beaufort County Community College for providing her the opportunity to serve as an ambassador. Ms. Lozano, a business student from Washington shared comments on why she chose Beaufort County Community College. In conclusion, Ms. Lozano stated that she has enjoyed serving the college as an ambassador and is looking forward to many new and inspiring events.

MINUTES

Chairman St. Clair called for a motion or corrections to the February 1, 2011 minutes (pgs. 4-10). Cornell McGill made the motion for approval with a second from Jack Wallace. The motion carried with an all ayes vote. Chairman St. Clair called for a motion or corrections to the called meeting minutes of March 30, 2011 (pgs. 11-12). Bo Lewis made the motion for approval with a second from Shields Harvey. The motion carried with an all ayes vote.

Old Business

Chairman St. Clair reported that only one member from the ad hoc committee is present at tonight's meeting. Mr. St. Clair noted at the February Board of Trustees meeting, an ad hoc committee was appointed to study the revised alternative funding formula model and write a letter stating the college's position. Mr. Harvey reported that the committee is working on a letter and a report of the letter will be presented at the June meeting.

Executive Committee

Chairman St. Clair directed attention to minutes of the February 1, 2011 meeting found on page 13 of the packet. He stated that the minutes are for information only.

Chairman St. Clair reported on the 2011-2012 Nominating Committee's recommendations. The list of nominees for 2011-2012 are as follows: Mitch St. Clair, Chair; Jack Wallace, Vice Chair and David McLawhorn, Secretary. Chairman St. Clair stated that all Trustees are eligible to be chair and all remaining Trustees are eligible to be vice chair. St. Clair called for nominations from the floor. Bo Lewis moved that the Nominating Committee recommendations be accepted as presented. Chairman St. Clair noted that the recommendation comes from a standing committee as a motion and does not require a second. There was no discussion. The motion passed with unanimous consent.

Property Committee

Chairman St. Clair called on Property Committee Chairman, Mr. Shields Harvey to present the Property Committee report. Chairman Harvey noted that the Property Committee met on February 1, 2011 and the minutes of that meeting were located on pages 14-15 of the packet and are for information only. Action from the February 1 Property Committee meeting was voted on at the full board meeting February 1.

Mr. Harvey stated that the Property Committee met on March 30, 2011 and directed attention to the agenda found on page 16 of the packet. Property Chairman Harvey stated that the committee reviewed and recommends approval of the 2011-2012 Capital Projects list found on page 17 of the packet. Chairman St. Clair noted that the recommendation comes from a standing committee as a motion and does not require a second. There was no discussion. The motion passed with unanimous consent.

Continuing, Mr. Harvey stated that the Property Committee recommends that the full board recommend approval to the County Commissioners for the contract for the new Allied Health & Nursing Building to the low bidder, Centurion Construction Company, Inc. Chairman St. Clair noted that the recommendation comes from a standing committee as a motion and does not require a second. There was no discussion. The motion passed with unanimous consent. Chairman St. Clair reported that he, Dr. McLawhorn, Dr. Price and John Farkas met last night with the County Commissioners regarding the contract and everything went very well. The commissioner's vote passed 7-0.

Curriculum Committee

Chairman St. Clair called on Curriculum Committee Chairman, Cornell McGill to present the Curriculum Committee report. Committee Chair McGill stated that the Curriculum Committee met prior to tonight's meeting and directed attention to the agenda found on page 57 located in the board packet. Mr. McGill noted that the Regionally Increasing Baccalaureate Nurses (RIBN) Program was discussed previously as a potential opportunity for BCCC. Mr. McGill called on Wesley Beddard, Dean of Instruction to provide an update. Mr. Beddard stated that Beaufort, Pitt and Lenoir Community Colleges are partnering with East Carolina University and possibly Roanoke-Chowan. Mr. Beddard explained that the agreement allows students to take specific courses to earn both an Associate Degree in Nursing from BCCC and a Bachelor of Science Degree in Nursing from East Carolina University. Students will earn the degrees in ten semesters through dual admission and continued enrollment. He directed attention to page 63 of the packet and noted that plan is mapped out for each student. Mr. Beddard emphasized that this will save the students a lot of money as they will be paying community college tuition instead of university tuition. Mr. McGill called for questions or discussion. Hearing none, he stated that approval of the Regionally Increasing Baccalaureate Nurses (RIBN) Program comes as a recommendation from the Curriculum Committee. Chairman St. Clair noted that the recommendation comes from a standing committee as a motion and does not require a second. The motion passed with unanimous consent.

Finance Committee

In the absence of Finance Committee Chairman Reverend Robert Cayton, Chairman St. Clair called on Dr. Price to present the Finance Committee report. Dr. Price stated that the Finance Committee met on February 1, 2011 and stated that the minutes of that meeting are located on page 64 of the board packet. Action from the February 1 Finance Committee meeting was voted on at the full board meeting February 1.

Dr. Price directed attention to the agenda of the March 30 meeting located on page 65 of the packet. He addressed the first item on the agenda - 2012 County Budget Request located on pages 66-69 in the board packet. Dr. Price stated that we are requesting a 3.2% increase or \$68,704 more than our previous year's budget. He noted the increase requested in salaries is mainly attributable to the projected increase in health insurance premiums and retirement contributions for college employees as included in last year's budget bill approved by the general assembly. A detailed breakdown of the current and capital expense budget request is found on pages 68 and 69. Dr. Price stated that he would be glad to answer any questions or concerns. Hearing none, Shields Harvey made the recommendation from the Finance Committee to approve the 2012 County Budget Request as presented. No second was required. Chairman St. Clair called for a vote. The motion was approved with an all ayes vote.

Continuing Dr. Price briefly reviewed state budget revisions #13-15 found on pages 70-72 of the packet. Betty Randolph made the recommendation to approve budget revisions #13-15 as presented. Chairman St. Clair stated that approval comes as a recommendation from a standing committee and does not require a second. There was no discussion. The motion was approved with an all ayes vote.

Dr. Price directed attention to the BCCC Foundation Financial Statements & Independent Auditor's Report dated June 30, 2010. Copies of the report are located on pages 73-90 of the board packet. Dr. Price stated that the report is for information only and does not require action. There was no discussion.

Dr. McLawhorn proceeded with the last item on the agenda - Update on the State Budget. He then addressed the following:

General Concerns:

- Tuition will most likely increase for our students by at least \$5.50 per credit hour. It is possible that tuition will increase by \$10.00 per credit hour. We have seen substantial increases in the tuition rates for our students.
- The Alternative Funding Formula still appears to be in play by both the Governor and the General Assembly. This formula has the potential to redistribute funding from smaller colleges to larger colleges.
- It appears enrollment growth may not be fully funded. Although we did not grow, this item will still have an impact on us because the total funding for the colleges will be divided by a larger number of FTE.
- It appears likely we will see some type of reduction to institutional and academic support. Staff positions at the college are already limited and most of the funding for this item is tied into full-time positions.
- Overall BCCC could see a potential 10% reduction in our state budget next fiscal year.

Employee Concerns:

- Pay increases are not being discussed. The last pay increases our faculty and staff received was on July 1, 2008.
- Pay decreases have been discussed. It is somewhat unlikely this will be instituted, but there are several legislators who have discussed this idea.
- It is extremely likely that employees will be required to pay some portion of their health insurance premiums. The amounts being discussed are in the \$11 to \$22 amount per month.
- A retirement incentive was included in the Governor's budget. It appears unlikely this incentive will be included in the final budget bill. It appears more likely other means will be used to entice employees to retire (a salary decrease, reduction to the retirement formula, etc.)

Local Plan:

- Senior staff has meet several times to discuss the budget outlook for BCCC.
- It is currently estimated that approximately \$700 thousand will need to be cut from our budget.
- Each dean has been given a target to look for various reduction options. The budget cuts will be spread across each division to lessen the creation of major hardships in any one area.
- We are attempting to implement these reductions without non-renewing employees; however, vacant positions will most likely stay vacant, supplies will be reduced, travel will be almost non-existent, and other items will be cut as much as possible.

Dr. McLawhorn stated that the legislator's staff came up with 20+ possible budget cuts and they could be found on pages 92-103. He stated that a big debate right now is multi-campus funding and noted that it does not apply to our campus.

Chairman St. Clair stated that the personnel committee update will be moved to the end of the agenda following the president's update so staff could be dismissed. He then called on Dr. McLawhorn for his update.

President's Office – Information Items

Item 1 - Write-off bad debts (Pg. 105)

Dr. McLawhorn called on Dr. Price to address the write off of delinquent accounts/bad debts. Dr. Price noted that normally this action would go before the Finance Committee, but we were waiting for updated information from the Department of Revenue. Dr. Price stated that writing off delinquent accounts/bad debts is a standard process the college goes through each year. Dr. Price provided a handout showing the accounts to be written off and discussed how the accounts were created. Dr. Price then discussed the collection procedures used by the college. Chairman St. Clair called for questions. Hearing none, Bo Lewis made the motion to write off delinquent accounts/bad debts as presented. Russell Smith seconded the motion. There was no discussion. The motion passed with an all ayes vote.

Item 2 - Motion to approve Resolution in Support of Golden Leaf Foundation (pg. 106)

Dr. McLawhorn directed attention to the resolution found on page 106 of the packet. Chairman St. Clair asked members of the board to read the resolution if they had not had the chance prior to tonight's meeting. After review, Bo Lewis made the motion to approve the Resolution in Support of Golden Leaf Foundation as presented. Cornell McGill seconded the motion. There was no discussion. The motion passed with a unanimous vote.

Item 3 - Update on Student Loans

Dr. McLawhorn called on Mrs. Crystal Ange and Dr. Phillip Price for an update on student loans. Mrs. Ange reported that House Bill 7 is now on the governor's desk awaiting action. House Bill 7 is an act to provide that constituent institutions of the North Carolina Community College System may opt out of participation in the William D. Ford Federal Direct Loan Program. Mrs. Ange distributed copies of House Bill 7 for trustees to review. Mrs. Ange then explained a scenario involving the financial aid and general loan process. Mrs. Ange explained that loans are for everyone, regardless of whether you receive or do not receive financial aid. She also explained that there is not a required credit check for loan applicants. Mrs. Ange then discussed the options for students that do not qualify for financial aid (loans, scholarships, third party sponsor -JobLink, pay out of pocket, or a payment plan with an outside company). Currently BCCC does not offer the last option. Mrs. Ange discussed the chart below and noted how the federal loan amount increased once we were not allowed to do credit checks.

BCCC Federal Loan amounts

2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
120,486.89	154,562.00	159,389.00	169,898.00	697,748.00

Mrs. Ange explained that a problem arises when students fail to pay their loans back. She then shared information on school default rates from seven community colleges in our area. She explained that once community colleges hit a 30% default rate, they lose all of their

federal funding. In conclusion, Mrs. Ange stated that the governor has a couple of options; she can either veto House Bill 7 or it can sit on her desk for 10 days, in which it then becomes law.

Mrs. Ange reflected on the decision of the Board of Trustees in 2008 to discontinue participation in the Federal Student Loan Program effective Fall Semester of 2008. She explained that last fall, the General Assembly decided to start the loan process again effective July 1, 2011. Now the law could potentially change again. She referred to House Bill 7- All community colleges shall participate in the William D. Ford Federal Direct Loan Program, unless the board of trustees of an institution adopts a resolution declining to participate in the Program. She explained that even though the Board of Trustees made a decision in 2008, they will have to revisit this issue and make another decision. Mrs. Ange then asked for questions or comments. Hearing none, Dr. McLawhorn called on Dr. Phillip Price for his update.

Dr. Price discussed the issue of credit checks. He pointed out that when credit checks ended the number of people applying for loans did not increase but the number of students that received loans increased. Dr. Price felt that if the Department of Education had not made the decision that colleges could not have a preferred lender, then every college in North Carolina would still be offering loans. He explained that the BCCC Board of Trustees would have to take some type of action if they decide to opt out. Dr. McLawhorn stated that we are not sure what will happen to House Bill 7, but it does require the board to take some type of action. Dr. McLawhorn explained that once a board decides to get into the Loan Program they cannot later get out. However, if a board opts out of the Loan Program they can opt in to the Loan Program. After discussion, Cornell McGill made the motion that the BCCC Board of Trustees opt out of participation in the William D. Ford Direct Loan Program, if the law is enacted. Shields Harvey seconded the motion. The motion passed with an all ayes vote.

Item 4 - Vending Sales (Pg. 107)

Dr. McLawhorn shared the vending machine sales through January and noted that our commission continues to grow.

Item 5 - BCCC Foundation Minutes September 30, 2011(Pgs. 108-112)

Dr. McLawhorn noted that the Foundation minutes are presented as an item of information.

Item 6 - Draft BCCC Summer Work Schedule (Pg. 113)

Dr. McLawhorn noted the summer work schedule for the college will begin May 16 and continue through August 4. The college will be closed on Fridays.

Item 7 - NCACCT Law Conference April 6-8

Dr. McLawhorn stated that he and Reverend Cayton will be attending the NCACCT Law Conference in Durham.

Item 8 - Joint Trustee Breakfast Meeting with the County Commissioners

The joint meeting between the Board of Trustees and County Commissioners is scheduled for April 11 @ 9:00 a.m. in Building 10. We will present the local budget to the commissioners. Also, Wesley Adams will give a presentation on utility savings. Dr. McLawhorn noted that we cut the utility bill by approximately \$60,000. We hope to explain

the importance of keeping the money we save on utilities and reinvest the savings into another project that will continue to save the college money. Also, a presentation on the Career Readiness Certificate (CRC) will be provided. Mr. Chris Toppin, Potash Director of Human Resources will speak on how CRC has benefited Potash Corp.

Item 9 - Service Awards Luncheon

The fourteenth annual service awards program and luncheon is scheduled for May 12, 2011 from 12:00 noon - 1:30 p.m. in the Multipurpose Room of Building 10.

Item 10 - Graduation

Graduation is scheduled for Friday May 13, 2011 at 7:00 p.m. in the auditorium of Washington High School. He reminded everyone that the time has been moved up to 7:00 p.m. Dr. Karen Thomas will be the guest speaker. Dr. Thomas is a BCCC graduate that went on to obtain her medical degree. Chairman St. Clair encouraged all trustees to attend the special evening. He stated that he would like to have all trustees attend graduation.

The ADN Pinning Ceremony is scheduled for 10:30 a.m. on Saturday, May 14, 2011 in the auditorium of Washington High School. Trustees were encouraged to attend.

Item 11 - Joint Trustee Meeting with Beaufort County Board of Education

The joint meeting between the Board of Trustees and the Beaufort County Board of Education is scheduled to meet on Tuesday, June 7, 2011. More information will follow at a later date.

Item 12 - NCACCT Calendar

A copy of the NCACCT Board of Trustee calendar was shared for information only.

A copy of the April 2011 grant activity report was distributed for information only.

Before continuing with the Personnel Committee report, Chairman St. Clair again thanked Kristen Tork and Milton Cobb for attending the meeting and wished them well. He then thanked Laura Bliley, her staff, and students on an outstanding tour of the Nursing Simulation Lab prior to tonight's meeting.

Personnel Committee

Chairman St. Clair called on Personnel Committee Chairman Cynthia Davis to provide the Personnel Committee update. Mrs. Davis stated that the committee met on March 30 to discuss the president's evaluation. Ms. Davis made the motion to go into Closed Session pursuant to N.C.G.S. 143-318(a)(1) to prevent the disclosure of information that is privileged or confidential, (a)(3) to consult with Boards Attorney, and (a)(6) personnel item. Bo Lewis seconded the motion. The Board voted to go to closed session at 7:45 p.m. Chairman St. Clair dismissed all staff and thanked them for attending.

Upon returning to open session at 8:00 p.m., Chairman St. Clair stated that no action was taken during closed session. Hearing no other requests for business, Chairman St. Clair called for a motion to adjourn. Jack Wallace made the motion to adjourn with a second from Bo Lewis. The meeting adjourned at 8:01 p.m.

Next Board Meeting

The next Board of Trustees meeting will be held Tuesday, June 7, 2011.

Respectfully Submitted,

David McLawhorn
Secretary

Mitchell St. Clair
Chairman

Date