

**Board of Trustees – Special and Regular Board Meeting
Board Room (I-202) and Blencoe Auditorium (C-101)**

March 20, 2019

MINUTES

SPECIAL MEETING – ROBERTS CAMPUS CENTER BOARD ROOM (I-202)

1:30 P.M.

1. CALL TO ORDER

The meeting was called to order at 1:33 p.m.

2. EXECUTIVE SESSION

Board Chair Entenman called for the executive session to review the performance of a public employee, to begin at 1:35 p.m., for 1 hour and 25 minutes. The Executive Session ended at 3:00 p.m.

REGULAR MEETING – ROBERTS CAMPUS CENTER BOARD ROOM (I-202)

3:00 P.M.

1. CALL TO ORDER

The meeting was called to order at 3:00 p.m. by Board Chair Entenman.

2. ADJOURNMENT

The meeting was immediately adjourned at 3:03 p.m. to be reconvened in the Technology Resource Center (C-101) at 3:15 p.m. to accommodate the larger expected audience.

REGULAR MEETING – TECHNOLOGY RESOURCE CENTER (TRC) C-101

3:15 P.M.

1. CALL TO ORDER

The meeting was called to order at 3:15 p.m. by Board Chair Entenman. A notation of quorum was made, and Trustee Page led the flag salute.

2. ADOPTION OF MINUTES

Board Chair Entenman asked for corrections and/or additions to the following minutes:

February 20, 2018 regular meeting

*Trustee Palmer introduced a motion to approve the meeting minutes for the regular meeting held on February 20, 2019 as presented. Trustee Unti seconded, and the **motion carried**.*

3. ACTION ITEM

A. Tenure Candidate Advancements and Tenure

1. Candidates Advancing from Third Year to Tenure:

*After giving reasonable consideration to the recommendation of the tenure review committee and all other recommendations, Trustee Entenman moved that **Elizabeth Demong** be awarded tenure. Trustee Page seconded, and the **motion carried**.*

*After giving reasonable consideration to the recommendation of the tenure review committee and all other recommendations, Trustee Entenman moved that **Warren Takata** be awarded tenure. Trustee Palmer seconded, and the **motion carried**.*

*After giving reasonable consideration to the recommendation of the tenure review committee and all other recommendations, Trustee Entenman moved that **Jessica Ganska** be awarded tenure. Trustee Unti seconded, and the **motion carried**.*

2. Candidates Advancing from Second to Third Year:

*After giving reasonable consideration to the recommendations of the tenure review committees and all other recommendations, Trustee Takamura moved that **Ryan Hoaglin, Lea Hoffman, Melvin Hortman, Batholomew Kimani, James Klein, and David Schoenmakers** be promoted from the second to the third year of candidate status. Trustee Unti seconded, and the **motion carried**.*

3. Candidates Advancing from First to Second Year:

*After giving reasonable consideration to the recommendations of the tenure review committees and all other recommendations, Trustee Unti moved that **Nizar Ali, Colleen Day, Beatrice Favre, Megan Graham, Kayla Jang, Raquel Poteet and Michael Stokes** be promoted from the first to the second year of candidate status. Trustee Palmer seconded, and the **motion carried**.*

RFT President May-Farley shared her pleasure, and thanked the board for the approval of the three tenured candidates and the advancements of the first and second year candidates. Trustee Unti added his thanks to the candidates and committee members for their effort in the strenuous tenure process.

4. COMMUNICATIONS

A. General Information/Introductions

There were no introductions.

B. Correspondence

News stories and correspondence were shared electronically.

C. Public Comments from the Audience

Brenda Hartman, former student, shared her concerns about fewer instructors. If students don't get a good education, she is worried the school will fail. One instructor cannot teach 30 credits by themselves. Students will move to another college before sitting on a waiting list. Please do not cut support instructors from programs. Ms. Hartman graduated from RTC in 2014 with an AAS in Medical Coding.

Accounting Instructor Martha Chamberlain shared handouts. She noted that she is the only tenured faculty being eliminated in the current cuts. She does not understand that since the accounting department is profitable and has good viability, why that isn't good enough. She has submitted multiple proposals for program changes, which have been denied. With FTE up, and allocation up, how is the college still losing money? Realizing that much of our overspending is salary costs, she is of the understanding that over one half is due to administrators, and most came from the over 45 percent increase in administrative positions. She asked that if these are not the correct numbers, what are they and where is the money going? The college is in the same position as we were before, affecting our staff, students and community at large.

Several students voiced their concerns about an Instructor, the teaching style and classroom practices.

- D. Student Leadership** Student leader Connor Moore shared information about student projects on campus. They are organizing the Spring Unity Festival and also an HIV testing day for the end of May. They are working on the ASG budget and new student orientation on April fool's day.
- E. Renton Federation of Teachers** RFT President Sheila May-Farley thanked the Board for their support to our community. It's been tumultuous the last few months. She stated that she did not want to taint the day of celebration for tenure, but in the vein of celebration they need to make sure that the faculty voice is heard for students and programs. The last few months have been difficult in dividing attentions. They find it difficult to make sure they are taking care of the future changes being asked, while cuts are happening to support adjuncts and counselors. The actions of the Board affect their daily lives and those of students. The financials are not a part of the faculty's responsibility, the checkbook is held by the administrators. She thanked the Board as they go forward with their decisions.
- F. Written Communication Reports** There were no comments or questions. The Board expressed their appreciation for the work that goes into these.

5. ACTION ITEMS

- A. Program Reductions** Dr. McCarthy reminded everyone of the resolution approved last month to declare a Financial Emergency. The presentation that follows will lay out the information that led to our financial status and proposed solutions. There has been a significant change to revenue projections to discuss.

Vice President Rodriguez shared a presentation which included a recap of the mid-year FY19 budget adjustments, along with a summary overview of next year's baseline budget. The baseline budget is based on revenue forecasts, proposed reductions, projected impacts from COLAs, contracts, buyouts, and other budgetary factors.

The mid-year recap included a \$143,860 reduction in allocation, a \$1,073,305 reduction in tuition revenue, a \$455,908 increase in fee revenue, and an increase of \$75,000 in Running Start revenue for a net decrease in revenues of \$686,257. The mid-year recap also included \$872,830 of additional or unbudgeted payroll expenditures and a reduction of \$268,073 in goods and services budgets for a net increase in expenditures of \$604,757. The revenue and expenditure changes create a deficit of \$1,254,648 for FY19.

The FY20 baseline budget included a potential \$657,393 in additional allocation, a decrease of \$476,368 in tuition revenue, a \$135,788 decrease in fee revenue, a \$86,829 increase in State grant revenue, and a \$100,000 increase in Running Start revenue for a net revenue increase of \$232,066. It also included a net reduction in salaries and benefits of \$1,083,363 and a net reduction in goods and services of \$30,520 for a total net reduction in expenditures of \$1,113,883. The revenue and expenditure forecasts create a surplus of \$91,302 for FY20.

A chart projecting the surpluses and deficits for the next five years was also presented. Remaining in status quo with revenues and expenditures will eventually lead us to deficits. Assumptions that were made for the chart were that revenues and expenditures would remain the same, and that reductions in allocation due to lower FTE would begin in FY21.

Dr. McCarthy expanded the explanation of the \$657,393 in new state allocation based on numbers from the SBCTC sent on February 19, just before the last board meeting. The increase is a consequence of the implementation of the current allocation model that began in FY16. At that time, the system determined to place compensation increases (salary and benefits) into “safe harbor” for four years and distribute those dollars under the old model as a percentage of payroll rather than through the new—and now current—model which privileged weighted enrollments. These salary and benefit dollars will start to roll out of safe harbor and be distributed by the new formula in FY20—to RTC’s benefit because of our weighted CCP and high demand workforce FTEs. In addition, the four-year “stop loss/gain” period ends, again to the benefit of the College. The additional allocation funds confirmed during the last four weeks had significant impact on the College’s decisions, allowing fewer position reductions.

Nevertheless, Dr. McCarthy noted that the reductions still amount to a big number, \$1.65M and twenty one (21) positions, or 5.3 percent of our operating budget. The net reductions, however, will only be about a \$1.1M change in salaries and benefits, in part because of the bow wave of changes in the faculty contract. Most clearly, these reductions affect those people losing positions. Indirect effects are significant as well, affecting co-worker’s duties and morale in an already lean institution.

Dr. McCarthy also referred back to VP Rodriguez’s graph projecting future surpluses/deficits assuming status quo revenues and expenditure. The current allocation model is designed to redistribute FTE allocation dollars from colleges not meeting their targets to colleges exceeding theirs over time. The College’s loss of apprenticeship FTE when the pipefitters moved to Bates Technical College, along with FTE reductions that follow from program reductions, will theoretically start taking effect in FY22 and we are planning accordingly. At this point, however, most colleges are not meeting target because of the strong economy, so a reallocation might be delayed. Growth will be required to offset those reductions. A guiding principal in our decision making has been to walk the fine line so as not to cut so far that we hurt the infrastructure that we need to grow. This is why we are looking at reducing versus closing programs. Growth will be our collective challenge.

With this financial background, Dr. McCarthy explained the Board’s role regarding budget reductions. Though the Board will need to approve the FY20 budget when formally presented, its role today is to take action on a more limited scope. Following from its authority to award tenure status to faculty members, the Board is also the authority to take away that status in the case of a reduction in force. In this case, it is an Accounting position. Personnel decisions of others that are

not tenured/tenure-track faculty are the president's responsibility. Article 14 of the RFT contract lays out the specific process to follow and Dr. McCarthy reviewed the details and the process the College has followed up to this date, including notifying all employees affected by the reductions on March 6. Dr. McCarthy also mentioned three instructional programs needing further investigation and why it was prudent to continue review. Additional advisory board meetings have been scheduled. Dr. McCarthy will make recommendations for further reductions if necessary. We have tried to make reductions by using vacant positions first. Not all vacancies can be left unfilled, however, as that might be counterproductive to fulfilling the College's mission. All prof-tech instructional programs were involved in program viability process starting in late fall quarter. Many of these programs have similar situations as accounting: declining enrollments, low fill-rates, completion rates, placement rates, cost per FTE, and low wages coming out of the program. In all, the College identified seven instructional programs for reduction at this time. For all programs, we cannot be complacent. Changes must occur so that programs are efficient, relevant, and serve our students. Some of our past practices have not been efficient. We work with our students so they can adapt to the future. We have to take our own teaching. How do we become the technical college of the future that will thrive?

Trustee Palmer inquired about the source of the change from FY19 adopted to FY19 adjusted. Dr. McCarthy restated some of the main points. Trustee Palmer noted that as a Board they have looked at the declining reserve and attempts to manage that. Some spending was intentional to improve programs and the college. She added that the Board has been keeping their eyes on the reserves for many years, even before Dr. McCarthy's arrival. She asked Dr. McCarthy if there is any possibility that this can limp along for the remainder of this fiscal year. Dr. McCarthy responded that we have to keep the \$5M minimum in reserves. Last month we were down to \$6.5M, and if we kept the same budget rolled into next year, then we begin to risk not making payroll, and keeping the college afloat. If we were gambling, we could likely survive going down to \$4M, but that would make the matter worse. We will continue to hope there will be changes in the legislature, and the state won't reallocate funding for not reaching target.

Trustee Entenman introduced a motion to accept the recommendation by Dr. McCarthy to reduce the Accounting program by one full-time tenured faculty. Trustee Unti seconded and the motion carried.

6. DISCUSSION/REPORTS

A. President

Goals – This year, Dr. McCarthy's goals are *Equity, Advocacy, Trust and Finance*. He thanked Representative (and Board Chair) Entenman for juggling her schedule to attend today's meeting. This is both a difficult time in the legislature and at the college.

Equity – The Men of Merit leadership team met on Saturday, February 23 to develop a framework that is in alignment with the Mission, and Strategic Plan of DEIC. DEIC met on March 11 and discussed funding, Guided Pathway alignment and end of year celebration. The Faculty and Staff of Color Network coffee hour was held March 19. Women of Merit met on March 13 and Men of Merit met on March 19. We all know now that Vice President Reyna has been selected as the new president elect at Madera Community College Center. We will post the position of Vice President of Instruction. An important part of Vice President Reyna's time at RTC has been his leadership of DEIC. With his departure, Aaron Reader, Dean of Student Success will take over the leadership of

the council. He has been deeply involved in this work at RTC and in his career. He is currently serving as a “Change Facilitator” at the Guided Pathways statewide convening’s. We are fortunate to have Aaron step into this role as a worthy successor.

Advocacy and Finance – Dr. McCarthy went to Olympia on February 22. He met with Representatives Sullivan and Orwall about potential for Running Start in the trades. He was again in Olympia on March 4. He was not able to schedule appointments due to voting and caucuses. He met with Arlen Harris and several members of the House in the hallway (Representatives Bergquist, Leavitt, Paul, and Pettigrew) regarding 100% funded compensation. Will be in Olympia again at the end of this week. PSTAA funds from taxes on light rail projects are earmarked to go to education. They are looking at a generation of about \$550M. Looking for \$380M to go to King County and Dr. McCarthy and others are advocating for a King County Promise program that emphasizes student support. Dr. McCarthy also met with Council members Balducci and Dunn this past week regarding the PSTAA funds. The WACTC presidents meet every month. One major committee is the legislative committee to promote legislative items and Dr. McCarthy was asked to chair this for two-years, but declined so as to be on campus more.

Trust – Clearly this has been a trying time. There have been questions about the cuts: are they enough and why were there not more cuts? Dr. McCarthy reiterated that 5.3 percent is a very large cut and we need to balance that with having the infrastructure necessary for future growth. A process that includes voice and participation is also important. We continue to meet with advisory boards, send emails, make phone calls, schedule meetings and listening sessions, including two sessions for students, and an additional meeting with the student executive board.

Finance – Looking forward, cuts are only part of the long-term solution. We cannot continue to cut our way to success; we need to have growth. Macro-economic trends have an effect. How can we work with industry to collaborate in more of a partnership? A clear way for growth is to retain the students we do have. Programs have been doing great work to re envision. How do we adapt ourselves from where we are to have continuous improvement? Grow in communities that we haven’t served well in the past? We have a structural barrier to Running Start, having no transfer degrees; comprehensive colleges have a better track. The high schools say they don’t want to lose students to Running Start as they lose FTE. If we want to bring in more, we have to keep our mind on success. New growth and retention is our focus. We will be scheduling Strategic Growth forums on campus on April 10. We will have about five different opportunities for participation in the day and evening to build on work we have started. We will run this as we did the strategic planning forums. The work is happening and is collaborative, but we need to keep working on it. In some ways we have had to jump into FY20 budget process to forecast. We will begin the standard process to prepare a budget for approval for FY20. Trustee Page noted that in all of this, ultimately the Board has to believe that the institution has the brains to do this stuff. The Board’s job is to watch from above and to keep the heat on moving forward. He feels confident that when you do the numbers, there has to be change. When 80 percent of our budget is people, of course people will take a hit. Now we have a space where we are grounded in reality and not making assumptions. The Board has great confidence in the president to move forward.

- B. Administration/Finance** Board Chair Entenman called for a shortened financial report from Vice President Rodriguez. He indicated there are some positives and we are on the right path for the future. The auditors are about to wrap up the audit, with an exit meeting scheduled April 1.

7. BOARD OF TRUSTEES

- A. ACT Board of Directors Nominators for Elections** Trustee Page noted that this is an important part of our connection to the state system, and encourages anyone interested to nominate themselves to the committee.

B. Board Liaison Reports

- 1) RTC Foundation Attendance at the Student Success Breakfast was light, but was a wonderful event. An early indication shows we are closing in on \$100,000.00
- 2) RTC Advisory Board Trustee Takamura will attend the April 3rd meeting. Need to send information to her.

- 8. MEETINGS** The next regular meeting of the Board of Trustees will be scheduled on April 17, 2019.

Trustee Palmer noted her appreciation for everyone who spoke at today's meeting. She is from labor and believes in labor, and it does weigh heavily on members of the Board when these decisions have to be made.

- 9. EXECUTIVE SESSION** No executive session was held.

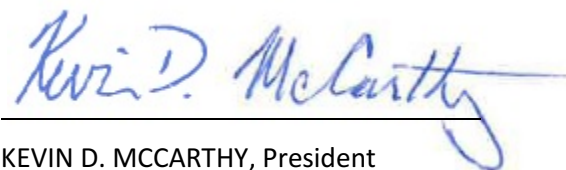
- 10. EXECUTIVE SESSION ACTION** No action was taken.

11. ADJOURNMENT

There being no further business, *it was moved by Board Chair Entenman to adjourn the Board of Trustees' meeting at 5:29 p.m. Motion carried.*



DEBRA ENTENMAN, Board Chair
Board of Trustees



KEVIN D. MCCARTHY, President
Renton Technical College