Regular Meeting

of the

Blackhawk Technical College District Board

November 18, 2009

Minutes

The regular meeting of the Blackhawk Technical College Board was held on Wednesday, November 18, 2009, at the BTC Administrative Center, 6004 S. County Road G, Janesville, in the Board Room. The following members were present: Tom Westrick, Chairperson; Chris Olson, Secretary; Jim Munro, Treasurer; Richard Bostwick; Heidi Carvin; Kevin Leavy; and Mary Soddy. Board members absent: Lauri Steeber, Vice Chairperson; and Victor González. Staff present: Dr. Larson; Dr. Kennedy; Edward Robinson; Brian Gohlke; Jackie Pins; Len Walker; Mona Antonelli; Hal Zenisek; Steve Davidson; representatives of the Blackhawk Technical Faculty Federation and the Blackhawk Technical College Educational Support Professionals.

Chairperson Westrick called the meeting to order at 7:00 p.m.

It was moved by Mr. Bostwick and seconded by Mr. Munro to approve the minutes of the Regular Meeting held on October 21, 2009.

Motion carried.

It was moved by Mr. Leavy and seconded by Ms. Soddy to approve the minutes of the Special Meeting held on November 3, 2009.

Motion carried.

Chairperson Westrick called for public comment. Rubina Jan provided “60-second success stories” by recognizing: Culinary Arts faculty and students for participation in the 2009 YWCA Rock County Cookin' for a Cause event; Bob Lee and the Veterans Club for a program and activities on Veterans Day; Diversity Advancement Committee for a successful Diversity Week with activities focusing on Native American culture; Stephanie Hewitt and SNAP for the successful Fall Carnival; Dusty Williams and Agribusiness students for organizing a new student organization, Postsecondary Students in Agriculture; and Dusty Williams for developing a three-credit course, Principles of Sustainability.

Chairperson Westrick indicated the auditor had inquired into the possibility of moving the presentation of the draft Audit Report for Fiscal Year 2008-09 to earlier in the meeting. Chairperson Westrick stated Enclosure #11 would be moved to this point of time on the agenda.
Dan Walker, auditor from Wipfli, LLP, was present to review the activities associated with the fiscal year 2008-09 audit. The independent auditors report reflected a clean, unqualified opinion by the audit firm. Mr. Walker stated it was noted within the report that the District implemented GASB Statements 43 and 45 this year, both of which relate to Other Post Employment Benefits (OPEB). As of the June 30, 2009, actuarial study, the OPEB liability is estimated to be $9,417,090 and is funded in the amount of $496,255. The remaining amount, $8,920,835, would need to be funded in the future. Two new statements are included within the Report for OPEB Trust accounting purposes—Statement of Fiduciary Net Assets and Statement of Changes in Fiduciary Net Assets. Under Internal Control Over Financial Reporting and on Compliance and Other Matters, the audit report stated the District had no significant deficiencies noted in the testing of internal controls over financial reporting. It was noted, however, the auditing firm needed to correct the College's address within the section to reflect the city of Janesville and not Eau Claire. Mr. Walker stated the corrections would be reflected in the final report. Under Compliance with Requirements Applicable to Each Major Federal and State Program and Internal Control Over Compliance, no findings were reported in either type of funding. During that review, a risk-based approach was utilized to determine which programs would be selected for testing. One major area selected for testing was the student financial assistance programs, i.e. Pell Grant program, College Work Study program, Family Education Loan program, and Supplemental Educational Opportunity Grants. Mr. Walker noted the prior year findings must be disclosed within the audit report. Last year, one finding was noted – internal controls over journal entries. During the current audit, the auditors noted processes had been changed to correct the prior deficiency. There were no questions on the audit. Mr. Walker then reviewed the management letter. No difficulties were encountered in the audit. One additional comment was made regarding the usage of P-Cards under Other Matters. While extensive use of P-Cards was noted, no misusage was found. Mr. Shikoski added that the District has changed some processes to strengthen the monitoring of P-Card usage. One change was to reduce purchasing limits to $1,000 when the Purchasing Manager position became full-time. The Purchasing Department is the only department capable of processing purchases larger than $1,000. No problems have been incurred in P-Card usage, and Mr. Shikoski stressed he is confident that adequate processes are in place to monitor the usage of the P-cards. Chairperson Westrick thanked Mr. Walker for his presentation of the audit report. Action to approve the final Audit Report will be taken at the December Board meeting.

The October financial statement was reviewed.

Chairperson Westrick called for special reports.

In honor of International Education Week, Mr. Robinson provided information on international students attending BTC. BTC currently has three international students, from three countries, enrolled in Business Management, Electro-Mechanical Technology, and Heating, Ventilation, and Air Conditioning (HVAC) programs. Ms. Carvin suggested a possible recruitment activity could be inviting area high school foreign exchange students to tour the College.
Student Representative to the Board David Jones reported on attendance of the ASGA Conference in October and the WSG Conference last week. The Fall Carnival was attended by over 750 children, with total attendance estimated at 1,200. The Carnival raised $2,821 for the Rock County Humane Society and collected over 450 food items for the food drive. Questions have been raised as to whether the event has outgrown the Commons area. SNAP hosted an alcohol awareness speaker/comedian which was highly attended by students. The Winter Social is scheduled for December 10 with hypnotist Frederick Winters providing entertainment at the event. SGA is working on putting together a ride share board to help alleviate parking/traffic issues at Central Campus. The Veterans Day activities were a success. The activities included holding a wreath laying ceremony and inviting the Save-A-Vet organization on campus for the day. The Veterans Club is working with SGA on having future Veterans Day activities sponsored and organized by SNAP. Other campus events/activities included: the Veterans Club is holding a food drive at Central Campus through November 20; the Outdoor Club is planning a trip to the Museum of Science & Industry in December; HOSA is selling first aid kits as a holiday fundraiser; the Center for Transportation Studies is holding a clothing, toy, and food drive; Campus Crusade has organized a gospel choir and will be performing in December at the Central Campus; and Phi Theta Kappa inducted 33 members in November and is now a fully chartered chapter. Lastly, Mr. Jones reported SGA has been doing student surveys and asked permission to survey three Board members—Mary Soddy, Kevin Leavy, and Tom Westrick. Board members agreed to participate in survey.

Dr. Larson presented the President’s monthly report and circulated correspondence and other information received by the District since the last meeting. Enrollment continues to be strong with an increase from one year ago reported at 21.3% for headcount and 31.92% for FTEs. The two-year growth reflects a 66.6% increase in FTEs as of November 16, 2009. An appreciation activity has been planned for Tuesday, November 24, 2009, as a thank you for the continued efforts of staff to meet the needs of students. The WTCS State Board held their meeting in the BTC District yesterday and today. The State Board presented the Futuremakers Partner Award to Welders Supply Company of Beloit. The award recognized the company for its long-standing relationship with the College in promotion of technical education and the Welding program. A copy of the AQIP Systems Portfolio document was provided to Board members. Mr. Munro stated he was very proud of BTC hosting the State Board and their acknowledgement of what BTC has done to assist dislocated workers.

Chairperson Westrick called for Unfinished Business. There was none.

Chairperson Westrick called for the Consent Agenda. Chairperson Westrick requested Enclosure #8, Approval of Cisco SmartNet Contract, be pulled from the Consent Agenda.

It was moved by Mr. Olson and seconded by Ms. Soddy to approve the consent agenda, which included current bills from the month of October – Voucher #00184424 to and including #00185511 and direct deposit expense reimbursements in the total amount of $1,701,525.54 (includes student related payments), a payroll total for the month of October of $952,136.27, payroll tax wire transfers for the month of October of $403,379.37, other wire transfers for the
month of October of $72,667.79, WRS wire transfers for the month of October of $119,096.04, P-card disbursements for the month of October of $280,640.20, and a bond payment for the month of October of $41,407.50, and a health insurance wire transfer for the month of October of $253,989.30, for a grand total of $3,824,842.01; and business and industry contracts negotiated since the last meeting—ANGI Energy Systems, $804.00; Hedberg Library, $1,610.00; Kerry Ingredients & Flavours, $888.00; MATC Madison, $634.00; Mercy Health System, $1,165.00; Nowlan & Mouat LLP, $1,201.00; School District of Beloit, $682.00; School District of Janesville, $672.00; School District of Monroe, $1,599.00; Small World Child Care, $257.00; and the following contract which does not meet LAB criteria (cost listed in parentheses) which would have resulted in additional contract charges—CESA 2, $1,610.00 ($1,898.00).

Motion carried.

Chairperson Westrick called for discussion on Enclosure #8, Approval of Cisco SmartNet Contract. Chairperson Westrick stated Board members have been told state bids provide the lowest prices, yet, many times this has not been the case. The prices negotiated for the Cisco SmartNet contract validate the state contract vendors do not always provide the lowest prices. Dr. Larson responded that the expansion of the College's procurement staff person to full-time status has allowed the College to research all avenues in order to obtain the best price. The College has been afforded savings in recent purchases because of this ability. He concurred the state contract has not always provided the best price, especially during these economic times. Steve Davidson stated the ability to access regional and national contracts has also been beneficial. Value-added vendors have alliances with their manufacturers, which afford us better pricing due to thinner profit margins. The Cisco contract is an example of one of those cases where a vendor specializes in providing the services we sought. Paragon Development System is the premier vendor for the service, but the company is not a state contract vendor. Dr. Larson added that if a state contract price is the recommended purchase, staff have done the research to support the decision. This will be an interest-free finance arrangement through Key Government Finance.

It was moved by Mr. Munro and seconded by Ms. Soddy to approve a three-year contract with Paragon Development System, Madison, in the amount of $112,951.51 to provide Cisco SmartNet support, with the interest-free financing arrangement.

Motion carried.

Chairperson Westrick called for New Business/Committee Reports.

Mona Antonelli and Hal Zenisek provided Learning Operations Reports on their divisions: the Academic Support Division and the Business & Information Technology Division respectively. Information shared included an overview of the divisions, highlights of accomplishments/initiatives, challenges, and future plans. In addition, Ms. Antonelli reported grant funding cuts totaling $40,000 are anticipated for FY 2010-11 and would impact services to students who are most in need. Mr. Leavy stated if the College loses funding for those particular
services, alternative funding sources need to be sought for the continuation of those services. Mr. Munro stated the College has historically had grants that were reduced or cut. Budget requests then reflect costs that must be absorbed into the regular operational budget. The Board has tried to support student success efforts. If funding totally disappears for specific services, and those services are determined to be a priority, the College would need to find the funding to support the initiatives. Chairperson Westrick noted there seems to be a growing number of students transitioning into credit/degree areas. Those students could be a large market for the College in future years. Ms. Antonelli stated her staff are establishing procedures and processes to address the transitioning of students into credit programs. Ms. Carvin added the transitioning of students into credit/degree areas could transfer into economic development. She stressed the importance of documenting and tracking the data. Mr. Zenisek's presentation also provided an enrollment analysis showing when students registered in BIT classes. Over the last three years, for the fall term, over 25% of the students registered after August 1. He reported no program waiting lists exist in the BIT area because of added sections and budgetary support. Additional information shared included a flowchart for basic computer literacy courses, which includes a sequence of classes from basic computer knowledge to proficiency in Microsoft Office. These classes have been offered for over 400 students. Chairperson Westrick commented that both divisions are providing the tools that will assist students to be successful.

Len Walker shared information on proposed marketing promotions and budgets for upcoming statewide events. Documents created by DreamWorld Studios in support of these initiatives were provided through electronic links within the Board agenda materials. Mr. Walker stated funding for these marketing initiatives was available within the Institutional Advancement operational budget. Board approval was requested to proceed with DreamWorld Studios' proposal for producing Student Success Videos and broadcast spots for radio and television at a cost not to exceed $45,000 and for development of promotions for Future Fest and the WTCS Centennial at a cost not to exceed $70,000. A video developed for one of the student success stories and a prototype of the anticipated web page were reviewed. In addition, Board members were shown how a virtual campus tour would work. Mr. Walker stated the dollars represented in these promotions were very competitive prices. All of the links within the website would be monitored and analytics can be provided. The cost of the campaigns can be monitored with the campaign results shared once the campaign has completed. Mr. Robinson added the marketing promotions being presented would provide the College with a greater shelf life than previous marketing efforts. Board members shared positive reactions to the proposed marketing promotions.

It was moved by Mr. Olson and seconded by Mr. Munro to approve marketing expenditures with DreamWorld Studios for the development of a series of student success videos and broadcast spots for radio and television at a cost not to exceed $45,000 and for the development of promotions for Future Fest and the WTCS Centennial at a cost not to exceed $70,000.

Motion carried.
Mr. Shikoski reviewed the proposed modifications to the fiscal year 2009-10 budget. He noted the majority of the modifications resulted from the Board's approval to utilize the $1.8 million fiscal year 2008-09 balance and to meet additional needs resulting from increased enrollment.

It was moved by Mr. Munro and seconded by Ms. Soddy to approve the attached modifications to the fiscal year 2009-10 budget as presented.

Motion carried.

Dr. Larson distributed budget themes and budget assumptions for Fiscal Year 2010-11. Five (5) themes have been developed: 1) Prepared Learner – ongoing effort to provide support services promoting student success; 2) Enrollment Management – increase market share through transition services for GED graduates, enhanced recruiting efforts, and retention programs targeting at-risk students; 3) Revenue Sources – seek alternative revenue sources through additional grant funding opportunities, including private foundations which support workforce and economic development, student success, and career pathways; 4) Green Programming/Alternative Delivery of Programs – move forward with the exploration of a "green manufacturing" curriculum and additional ways to deliver courses in different places, at different times, and to outreach beyond our present capacity; and 5) Professional Development Initiatives – development of professional development systems—management development, part-time faculty orientation/inservice, and faculty mentorship—to enhance the transition and support of new members to the College. Budget assumptions prepared for FY 2010-11 included: a 1% decrease in equalized values; a 4% increase in tuition rates; capital borrowing is projected to be $2 million; salaries for established contracts are known and reflect an increase of 3.125%; and non-payroll costs have been cut over the last several years and will now need to increase approximately 2% to meet the needs that exist. The assumption that is continuing to be discussed is enrollment. Discussions have taken place with our incoming Vice President of Finance & College Operations to strategize the normalization of enrollments. Data now being looked at includes the number of students in 1-year and 2-year programs and the anticipated exit dates of those students. Administration does anticipate that normalization of enrollment will result in higher levels of enrollment than experiences prior to two years ago. The FY 2010-11 budget may be created with several scenarios – a flat percentage, a small decrease, and a greater decrease—with adjustments made as the situation becomes better known. Funding sources for students will be a large deciding factor of whether individuals will return to school. Mr. Munro stated Terry Ludeman's presentation at the DBA meeting predicted a four-year period of time would be required for an economic recovery. This may result in the attraction of our programs to students immediately out of high school. Dr. Larson responded that Ed Robinson is making new connections with area high schools and working at recruitment of those individuals into the College. These components would all factor in on the final budget assumptions created. Work will continue in finalizing the budget assumptions for presentation at the December meeting.

As the auditor had provided additional explanation on the OPEB liability, the consensus of the Board was to postpone the scheduled presentation on the OPEB liability until a later date.
Mr. Gohlke stated he anticipated scheduling a presentation to the full Board in January or February to discuss options for funding the OPEB liability.

Chairperson Westrick called for Wisconsin Technical College District Boards Association items. Brief reports were provided on attendance at the Association’s Fall Meeting held in Waukesha on November 4-6. A sign-up sheet was routed for the Association’s Winter Meeting being held in Milwaukee on January 20-22.

Chairperson Westrick called for other items. A sign-up sheet was routed for the Winter Graduation Ceremony on December 18, 2009. Emerging issues included Mr. Leavy’s request for a report on high school recruiting and tracking the success of staff assigned to the various high schools. Dr. Larson reported Ed Robinson is working on the establishment of benchmarks for recruitment. Chairperson Westrick reminded Board members of the bid opening for presidential search service proposals on November 30 at 4:05 PM, and the special Board meeting scheduled for December 1 at 4:30 PM to evaluate the proposals received.

It was moved by Mr. Olson and seconded by Mr. Bostwick to adjourn the meeting at 9:30 p.m.

Motion carried.

Christopher J. Olson
Secretary