

**NEBRASKA COMMUNITY COLLEGE ASSOCIATION
BOARD OF DIRECTORS
Special Meeting Minutes
January 25, 2010**

1. PUBLIC MEETING NOTICE

All NCCA Board of Directors, Area Presidents, and the general public having been duly notified a special meeting of the NCCA Board of Directors was held January 25, 2010, at Southeast Community College's Continuing Education Center in Lincoln. President Merlyn Gramberg stated that a public meeting notice was published in the Lincoln Journal Star. He also stated that the rules for the Nebraska Public Meeting Laws were available for public viewing. The public meeting notice is attached to these minutes.

2. ATTENDANCE

Directors Present:

President Merlyn Gramberg – Western Nebraska
Vice President Diane Keller – Central
Secretary Roger Wilson – Mid-Plains
Treasurer Don Oelsigle – Northeast
Sandra Borden – Central
Jane Hornung – Mid-Plains
Tom Perkins – Western Nebraska
Lynn Schluckebier – Southeast
Gene Willers for Larry Poessnecker – Northeast

Staff Present:

Dennis Baack – Executive Director
Melanie Williams – Administrative Assistant

Also present: Dr. Greg Smith – Central, Dr. Michael Chipps – Mid-Plains, Dr. Bill Path – Northeast, and Dr. Jack Huck – Southeast.

3. CALL TO ORDER AND QUORUM DETERMINATION

President Gramberg called the meeting to order at 10:04 a.m. and asked for roll call and quorum determination. Present and responding were nine board members representing their respective area governing boards. It was determined that a quorum was present.

4. APPROVAL OF AGENDA

President Gramberg asked for any additions or changes to the agenda. There were none.

MOTION BY DON OELSLIGLE AND SECOND BY LYNN SCHLUCKEBIER that the NCCA Board of Directors approve the agenda as presented.

President Gramberg asked for any objections or discussion. There were none.

A roll call vote was taken.

Voting Aye: Borden, Gramberg, Hornung, Keller, Oelsligle, Perkins, Schluckebier, Willers, Wilson

Voting Nay: None

Absent: Feit

RESULT: Motion carried nine (9) ayes, no nays, and one (1) absent.

5. APPROVAL OF MINUTES

President Gramberg asked for any corrections to the November 4, 2009, meeting minutes. There were none.

MOTION BY TOM PERKINS AND SECOND BY LYNN SCHLUCKEBIER that the NCCA Board of Directors approve the November 4, 2009, meeting minutes as presented.

President Gramberg asked for any discussion. There was none.

A roll call vote was taken.

Voting Aye: Borden, Gramberg, Hornung, Keller, Perkins, Schluckebier, Wilson, Willers

Voting Nay: None

Abstaining: Oelsligle

Absent: Feit

RESULT: Motion carried eight (8) ayes, no nays, one (1) abstain, and one (1) absent.

6. 2010 LEGISLATIVE AGENDA

(Feit arrived at 10:07 a.m.)

Baack began by stating that he hoped everyone was able to review the legislative bills which were emailed to each board member prior to the board meeting. He then stated that he will give a brief overview of each bill and answer any questions the Board may have prior to a position being taken.

LB 716 was introduced by Senator Avery and would prohibit community college board members from holding any other elected office. Dr. Path gave a brief history as to the origin of this bill. Baack stated that the only restriction now for board members is that a community college board member cannot serve on another education board. Baack recommended that the Board take a neutral position on this bill. Feit asked if this would take effect immediately. Baack replied that he believes board members would be able to finish their terms but when one comes up for reelection, a choice would have to be made as to which board or office the board member would like to run for. The Board concurred with Baack.

LB 745 was introduced by Senator Avery and deals with scholarships provided by the state for need-based aid and would rule out the for-profit institutions from getting any of the funds. Baack explained that Kaplan University, which is headquartered in Des Moines and has campuses in Lincoln and Omaha, gets more aid for students than Creighton, Wesleyan, Hastings, and Doane combined and that is why the public not-for-profit institutions were behind the introduction of this bill. Baack went on to explain that the argument will be that the aid is not for the institutions but for the students and they have the choice as to what institution they would like to attend. Oelsigle asked if the tuition rates are higher at these institutions and Baack replied that they are but that they do have a cap which is the same as the University of Nebraska – Lincoln's rates. Perkins asked how Kaplan is able to get more funds than other institutions. Baack replied that they recruit heavily those students who fit into the demographic of the scholarship which is pell grant eligible students. Perkins then asked if those students are then eligible for pell grants and Baack replied in the affirmative. Additional discussion was had regarding the pros and cons of this bill. Perkins recommended taking a neutral position and letting the other institutions debate this issue. The Board agreed with Perkins.

LB 815 was introduced by Senator Haar and would require the colleges to disclose in their budget statements a listing of each private donation received by the college for the last two fiscal years. This list would include the source and allocation of expenditure of such money in increments of \$1,000 or more. Baack stated that he could see the foundations having difficulty with this bill. He continued to state that as the bill is currently written, there is no provision for any donor to remain anonymous. Baack recommended that the Board oppose this bill as currently written. The Board concurred with Baack.

LB 850 was introduced by Senator Avery and states that the Secretary of State would provide information to the colleges regarding early voting and the colleges in turn would distribute that information to students. The goal for this bill is to get more young

people to vote. Baack recommended that the Board support this bill. The Board concurred with Baack.

LB 956 was introduced by Senator Adams and would expand the state scholarship program to include students who are slightly over the pell grant eligibility limit. The qualifying maximum would be \$6,000 a year for a family contribution while the pell grant contribution is approximately \$5,000. This bill would not add any additional dollars to the program but would just expand who would be eligible for it and also rename it. Baack continued to state that with the 'pool' being expanded to include additional students, some pell grant eligible students could be denied because the money has already been depleted. Perkins suggested that the Board support this bill. Discussion was then had regarding the pell grant program and the state scholarship program. Feit suggested that the Board take a neutral position on this bill due to the confusion some board members are having. Baack stated that he could attend the hearing and listen to the testimony and make a decision at that time if the Board agrees. The Board agreed.

LB 1001 was introduced by Senator Jenssen and would repeal the Nebraska Dream Act which states that if an illegal immigrant has a high school diploma, has lived in Nebraska for three years, and fills out an affidavit that they will apply for citizenship, that individual can receive resident tuition rates at a public postsecondary institution. The Nebraska Dream Act was passed three years ago after the Legislature over-rode a veto by Governor Heinemann. Baack distributed a letter he has been asked to sign on behalf of the community colleges which would show our opposition to this bill. Baack then stated that he feels the Board should support the letter and does understand that this issue is controversial. Wilson asked for the number of students in the community college system this would actually have an effect on. Baack replied that it would affect eight students and thirty-three in the university system. Wilson stated that even though he feels sorry for these students and understand that they have graduated from high school, he feels that if they are not citizens then we should not give them benefits of a citizen. Perkins stated that if these students have been here for at least three years, their parents would have paid state income tax and/or property tax, should they be made ineligible for in-state tuition. Borden then voiced that she believes the board should remain neutral on this bill. Oelsligle stated that he feels the number is so small it would not affect the colleges. Baack stated that he felt the Board should vote on this bill separately due to the varying opinions.

Dr. Huck commented that this issue may be a mute point due to the fact that Peru State College has begun offering one flat-rate for tuition and he can see all colleges moving to that option in the future. Baack then stated that some colleges do currently offer in-state tuition to neighboring states.

MOTION BY TOM PERKINS AND SECOND BY LYNN SCHLUCKEBIER for the NCCA Board of Directors oppose LB 1001 and support the signing of the letter by the Executive Director.

President Gramberg asked for any further discussion. There was none.

A roll call vote was taken.

Voting Aye: Feit, Gramberg, Hornung, Keller, Oelsgle, Perkins, Schluckebier, Willers

Voting Nay: Borden, Wilson

RESULT: Motion carried eight (8) ayes and two (2) nays.

LB 957 was introduced by Senator Adams and would allow for a better tracking and data collection system for students all the way through their postsecondary education. The Department of Education will meet with each individual board asking for a memorandum of support. Perkins recommended support of this bill. The Board concurred.

LB 961 was introduced by Senator Council and would require the Nebraska Job Training Program to move money to support smaller businesses, not just big businesses, to come to the state. Interest taken from the fund would be moved to target rural and low-income areas of the state to get small businesses or 25 employees or less to come to that area. Baack recommended support of this bill. The Board concurred.

LB 1034 was introduced by Senator Cook and would define tuition and fees for the purpose of the funding formula as being the previous definition which was listed in the audit guidelines prior to being updated in August of last year. Baack added that this bill was introduced on behalf of Metro. Baack continued to state that the definition provided by the Association is cut and dry with no leeway being allowed. Baack recommended opposing this bill. The Board concurred.

LB 1058 was introduced by Senator Howard on behalf of Metro and would change the use of REU's in the funding formula to FTE's. Baack stated that this bill gives the message that the colleges should offer less expensive courses such as academic transfer instead of the technical programs which are mentioned in our role and mission statement. Baack then stated that he believes Marshall Hill from the Coordinating Commission will be at the hearing to testify in opposition to this bill. Baack recommended opposing this bill. The Board concurred.

The Board took a break from 11:27 a.m. to 11:33 a.m. Keigher, lobbyist for the Association, arrived at 11:27 a.m.

LB 1061 was introduced by Senator Janssen and is the Tuition Equalization Grant Program Act which would be specifically for the public not for profit institution students. Discussion was had regarding what students would be eligible for this grant. Baack recommended being neutral on this bill. The Board concurred.

LB 1082 was introduced by Senator Cornett and would redistribute the funds Metro and Southeast receive from the current and next fiscal year equally amongst the two areas. Metro would receive an additional \$5 million dollars and Southeast would lose \$5 million dollars this year if this bill were to pass. After the next fiscal year, funds would then be distributed based on the census with 20% being distributed equally amongst all the areas while the remaining 80% would be distributed based on population of the community college area. Perkins asked for a projection from Baack as to what that would do to the community colleges. Baack replied that Southeast and Metro would do quite well with Central and Northeast doing okay for a while and Western and Mid-Plains would be crippled financially. Baack recommended opposing this bill. The Board concurred.

LR 299 CA, which is a constitutional amendment, was introduced by Senator Ashford and would alter the community college areas to reflect the three congressional districts so that there would only be three community college areas. Schluckebier asked if the areas would get changed every time a census was performed just like the congressional districts. Baack replied that he does believe they would get changed each time. Dr. Huck stated that after reading the bill, he did not notice any language which states that the three community college areas would have to be the same as the congressional districts. Baack did agree with Huck that the bill did not specifically state congressional districts. Perkins asked Baack for his opinion on where this bill stood in the legislature. Baack replied that he does not believe this bill will make any progress in the Legislature. Keller asked for another way the state could be divided if not by congressional districts. Dr. Huck replied geographically could be one option. Dr. Huck continued to state that the real danger of this bill is the restructuring of higher education because of our vulnerability right now due to the conflict between Metro and the Association. Baack recommended opposing this bill. The Board concurred.

LB 1072 was introduced by Senator Adams and has a number of provisions which have been identified by the CEO's as follows:

1. Membership in the Association as being voluntary. The CEO's do not agree with membership being voluntary and believe it should be mandatory with a provision that not belonging would result in the loss of all state aid until membership is retained again. Perkins stated that he felt that this portion of the bill would make the Association inconsequential. Dr. Chipps also stated that if membership is voluntary, what would make the other areas stay in the long run. Especially when areas who do pay a larger portion of dues can in turn use that money to hire their own lobbyist to argue for their area in the Legislature. Borden also pointed out that if there was no Association and each area hired their own lobbyist, the message in the Legislature would be so diluted that the community colleges would never be heard. Oelsigle stated that the Association does provide many other benefits such as coordination amongst the areas and a feeling of community which would not be had without the Association. Keller stated that she feels that Senator Adams put voluntary in the bill so that the Coordinating Commission would be given the power and therefore make the

Board irrelevant. Baack replied that Senator Adams has made it very clear that he is willing to work and compromise with the colleges. He continued to state that he feels Senator Adams is trying to make sure there is someone at the state level who can evaluate and check data which is submitted by the colleges. However, care must be taken to ensure that they are not given too much authority or the risk of violating the Duis Amendment may present itself. Baack also disclosed that the hearings for the major community college bills will be February 22 and asked the Board to begin thinking about who would like to testify. Dr. Huck then stated to the Board that he believes it would be a good idea for board members to lobby their individual area education committee members on these issues before the Board today. Baack continued by stating that once this bill leaves committee, it will be just as important for board members to speak to their area senators on behalf of the Association. Dr. Huck stated that an underlining factor of this bill is equalization and that Senator Adams is a firm believer in equalization as well as a number of committee members and Senators. This Board is on the correct side of the issue and does understand the importance of equalization for the community colleges and other entities in Nebraska. Baack asked if any board members would like to testify on the subject of governance. Perkins replied that he would testify on the Association's behalf regarding governance. Borden stated that she would testify if she was given some bullet points to refer to. Baack replied that he could provide that for Borden and asked that testimonies be shared with him.

2. Weighting of courses. Baack stated that discussion has already taken place with Senator Adams regarding our recommendations to course weighting. The bill as it is currently written matches the Coordinating Commission study exactly which does not include any incentives. The recommendation included incentives which he was very open to. The course weighting would be increased to six categories and would be based on programs rather than courses which would be simpler. Baack stated that Dr. Huck or Dr. Smith would be good testifiers on this portion due to their expertise on this issue. The question was asked if any sort of language was included to make it mandatory for a review to take place on the weighting system. Baack replied that language was included which would make the Coordinating Commission responsible for undertaking a review every four years to include new programs and change the weighting of already existing programs. Baack would also like to note that the additional authority which may be given to the Coordinating Commission in the bill is used with the term 'in collaboration with the community colleges'. Wilson suggested that a business officer be at the hearing in case the need for their expertise is warranted. Baack stated that Senator Adams has already been given a weighting recommendation with the first category beginning at 1.0 and the last category being 3.5. Keller asked if we are aiming high concerning the categories in order to meet somewhere in the middle. Baack replied in the affirmative.
3. Reducing the growth factor from 3% to 1%. Baack stated that he has spoken to Senator Adams regarding the system's concerns for the rural community

colleges if the growth rate were to decrease. The rationale for this change is to keep the LER down in part due to the tremendous student growth the colleges have seen recently. If it were to stay at 3%, the LER would increase quickly. Senator Adams has stated that he would be willing to review this every year to ensure that it does not have a negative impact on the rural colleges. Perkins asked if this was included in the bill as it is currently written. Baack replied that it is not but that it could be. It was asked if Senator Adams would be willing to go down to 2% instead of 1% and Baack replied that he is still considering that. Southeast is currently preparing a model showing the effect on every college if the growth factor were to be lowered to 1% and will be sharing that model with Senator Adams once it is completed. Perkins asked for that model to be sent to the NCCA Board. It was decided that the model would go to the business officers and CEO's of each college and they will in turn sit down with the board member and explain it to them.

The Board took a break from 12:41 p.m. to 12:47 p.m.

A spreadsheet was distributed and reviewed by Baack in response to a spreadsheet which will be distributed by Metro. The spreadsheet provided explains the funding formula in detail and gives the entire picture instead of the snapshot Metro will be providing. Dr. Smith pointed out to the Board that any victory for Metro would also be a victory for Central but Central supports the system as a whole and would not jeopardize anything for their own benefit. Baack stated that it would be important for Borden to testify on this subject during the hearing. Dr. Smith stated that he would help her with her testimony. Additional discussion and explanation was had regarding the spreadsheet.

4. Definition of tuition and fees. Baack stated that he would like to push Senator Adams to use our definition of tuition and fees due the fact that it is inflexible. The definition the system proposed matches the definition in the current audit guidelines which was approved by the Board on August 28 and would read that tuition would be the number of full time students times the advertised tuition rate and fees would be the number of full time students times the advertised fee rate. Baack stated that Senator Adams may want to include a subtraction of refunds but that would not have a large impact on the overall number.

Discussion was then had regarding Metro's public meeting information request to the Association office.

Baack recommended that the Board support LB 1072 with modifications. The Board concurred.

MOTION BY ROBERT FEIT AND SECOND BY SANDRA BORDEN that the NCCA Board of Directors discussed and modified in certain cases the 2010 legislative bill agenda as presented to the Board. The NCCA Board of Directors then asks

the Executive Director to follow the directions of the Board in terms of positions on neutrality, opposition, and support of those bills.

President Gramberg asked for any further discussion. There was none.

A roll call vote was taken.

Voting Aye: Borden, Feit, Gramberg, Hornung, Keller, Oelsigle, Perkins, Schluckebier, Willers, Wilson

Voting Nay: None

RESULT: Motion carried by ten (10) ayes and no nays.

There being no further business, the meeting adjourned at 1:15 p.m.

Dr. Merlyn Gramberg, President

Roger Wilson, Secretary