

ST. JOHNS RIVER STATE COLLEGE  
DISTRICT BOARD OF TRUSTEES  
Palatka, Florida

Organizational Process Review and Budget Workshop  
May 6, 2015

MEMBERS PRESENT:

Ms. Mary Ellen Hancock, St. Johns Co., Chairperson  
Mr. Wendell Davis, Clay County, Vice-Chairperson  
Ms. Denise M. Bramlitt, Putnam County  
Mr. Brian Keith, Putnam County  
Ms. Marlene Lagassé, Putnam County

MEMBERS ABSENT:

Mr. Ronald Coleman, Clay County  
Col. Mickey Duren, St. Johns County

OTHERS PRESENT:

Joe H. Pickens, J.D., Executive Secretary  
Mr. Ron Brown, Attorney for the Board

The Organizational Process Review and Budget Workshop was held in the Board Room at the Palatka Campus and began at 2:00 p.m.

Chairperson Hancock opened the workshop and recognized Dr. Lynn Powers, Vice President for Finance and Administration/CFO.

V.P. Powers presented workshop materials to the Board and overviewed the information. She explained that Board input is needed on whether to increase tuition and the use of reserve funds to balance the budget. The proposed use of reserves is for student success initiatives and other services/software increase, both of which would contribute 100% to student success. Other uses are health insurance increases and FRS pension increases. Also, the College has not done a salary equity study for non-faculty staff in many years. The need to do this arose from the Dr. Holcombe and Dr. Cleary studies.

V.P. Powers explained the three options regarding any tuition changes. The College has the flexibility to raise tuition by up to 5%. Option A is to raise tuition 2.5% which would result in new revenue of \$260K and the use of \$330K reserves. Option B is to raise tuition 5% which would result in new revenue of \$518K and the use of \$72K reserves. Option C is to not raise tuition which would result in the use of \$590K reserves.

President Pickens reiterated that this is a bare bones budget. The student success initiatives are implementing year two of the QEP, so these expenditures are not optional. The only proposed use of reserves that is optional is the salary equity study. Until we know the amount of the state appropriation, we are looking at using \$590K from reserves, and this is without any raises across the board and no merit increases.

Trustee Hancock asked if health insurance is paid 100% and it is for employees. President Pickens discussed that it is a high priority for him that the College pays all health insurance costs for full time employees. Discussion followed.

Trustee Hancock asked in regards to the salary equity study is the \$25K just for the consultant. President Pickens explained that over the years the disparity in the salary ranges is huge and the ranges individually are huge. The College has been waiting on the resources to conduct a study. It was suggested scheduling the study later in the year in order to support any recommendations with the following year's budget. President Pickens said that salary adjustments could be implemented in January. He then discussed possible compression funding which would take the tuition issue off the table.

Trustee Davis stated that the faculty is underpaid and asked if the College has a sick leave pool. Discussion followed on how many days of vacation and sick leave are paid out at retirement. President Pickens explained how the College chooses each year between giving employees a pay raise or continuing to pay the full cost of health insurance.

Trustee Bramlitt asked how the salary equity study would be conducted. V.P. Powers stated that we can go out for RFP and will need to decide whether to study internal or market-wide. Ms. Bramlitt asked for a report of salaries data from the 28 colleges.

Ms. Hancock stated that the equity study will also have value by being used as a tool for attracting talent to the college as well as retention. President Pickens stated that the College needs to look internally at the lack of balance within ourselves and the need to create equity. The College also needs to look at its geographical peers and peers of our size.

Trustee Davis remarked that other incentives can be important as people are motivated by things other than money.

Trustee Keith asked about types of health programs that could lower our rate. President Pickens stated that the College makes the decision on which plan to give employees.

President Pickens discussed that the Trustees will not have enough information to make an intelligent decision until later. He stated that we could advertise for a special board meeting on June 24 or July 1 in order to adopt the budget.

Trustee Davis requested that the minutes reflect adding discussion of the salary equity study at the June Board meeting. It was the consensus of the Board to do this.

President Pickens asked V.P. Powers if any other colleges are considering tuition increases. She replied that no one is talking about that or salary increases.

Trustee Hancock welcomed Dr. Holcombe who discussed the Organizational Process Review report. Dr. Holcombe commented that looking at the report from a Trustee

perspective, there are policy issues and there are specific recommendations. There are three (3) important areas, the first being the issue of centralization versus decentralization. The direction is moving to decentralized, but controls have to be maintained at the college level. Decentralization is in the delivery of services - communities are different and campuses have to develop their own identity, while retaining accountability as one college. The second area is the management team approach, which holds one college decentralized together. The third area is student affairs where there are a lot of improvements to be made and a number of specific recommendations have been made. Dr. Holcombe explained that the management of the institution will decide which recommendations to bring as action items to the Board for approval.

Trustee Hancock remarked that the College needs to have IT staff on every campus. She discussed decentralization versus being centralized. Dr. Holcombe stated that each campus has to have the same accounting, cashiering rules, etc. in the financial area, but each of the campuses' business offices could operate with flexibility in the day-to-day operations. The College needs to use technology to make everything more accessible for students. IT is overly centralized.

Dr. Holcombe stated that registration is not friendly enough at any campus. The College needs to make the process easier for students. However, this might look different at each campus physically, but the technology should be the same. The College needs to improve access online also.

Discussion followed regarding the clientele at each campus is not the same and campuses have to establish their identity based on what they offer. This is already being done in that different programs are already at each campus. It is very important for the campuses to connect to their service area. However, curriculum control is important; for example, the same ENC1101 class needs to be offered at all three campuses. Dr. Holcombe stated that the initiative is to focus on improvements during this time of institutional change. It does affect people, but the College serves the students and communities.

Trustee Lagassé asked President Pickens if he has made any changes in response to the report. He replied no, but stated that he has considered it a lot. He discussed the timeline. He received and disseminated the report and had conversations last month. Dr. Cleary conducted a site visit the last week in April for a different purpose. The two exercises will overlap in some way as there are common themes. He expects that report in several weeks.

Dr. Cleary's report is a strategic plan and there are areas identified that need more work than others. President Pickens wanted the benefit of this exercise to get the Board's input. He also met with Dr. McLendon to obtain background history on why he did things a certain way. He now has meetings scheduled with each member of the senior management team to get their individual perspective on ways that we can interact better. He discussed the need for more communication among the silos. The communication within each silo is exemplary.

President Pickens stated that after gathering all the information, he will come up with a

course of recommendation for action to begin July 1<sup>st</sup>. He stated that one item will be retention. The College already started reacting last fall when we applied for the big grant. The College started working then on student interface being friendlier. He will develop the list of what we are going to do immediately that will affect change at the policy level. Dr. Cleary met with faculty and told them that he was hard on the administration and that there are challenges at registration and other places in the process. However, in regards to retention, those students have already navigated the process and are in the faculty's class, so it is a whole college exercise. We will work with faculty to implement things that help with retention.

Trustee Bramlitt shared a personal experience with registration that was not positive. President Pickens stated that we need to work on customer service.

President Pickens reiterated that administration will bring recommendations to the Board for approval. Dr. Holcombe stated that things done throughout the year will lead to growth of the organization and some expenses will lead to investments.

President Pickens stated it would have been easier not to go through this process, but he does not regret doing it. It has created tension and friction, strained relationships that are decades old, and caused concern and insecurity. We did not take the easy way out.

Chairperson Hancock adjourned the Workshop at 3:35 p.m.