

LANSING COMMUNITY COLLEGE

April 4, 2016

Special Meeting Adopted Meeting Minutes

Call to Order

The meeting was called to order at 6:08 p.m.

The Board, Trustee Robert Proctor made the following comment:

“The Board of Trustees of Lansing Community College is convening this special meeting of the Board, as stated in the notice of the meeting, to “consider all aspects of the operation of the Early Learning Children’s Community, including, but not limited to, scope of the program, costs of operation, and fees”. Proposed fee increases were agenda items for the February and March regular meetings of the board. At both meetings several persons addressed the Board regarding the administration’s recommendations that the board approve an 8% increase in fees for the ELCC for the period July 1, 2016 to June 30, 2017. I believe that the persons who addressed the board under public comment portion of those meetings were unanimous in requesting that the board not adopt or approve the fee increase proposed by the administration. At the March board meeting the board voted not to accept the proposed fee increase.

As unanimous as the speakers were in opposition to a fee increase, they were equally unanimous in their opinion as to the quality of the services provided by the ELCC. I am more than a casual observer of the ELCC. My son was what you might consider as a charter enrollee in the ELCC. My wife and I attended the grand opening of the ELCC and were impressed enough that we decided to apply for admission of our son, who was four-months old at the time. Our application was accepted and approved and our son became the fifth child enrolled in the infant unit of the ELCC; he remained enrolled until he aged out in July of 2015 after completion of the summer camp. The fact that my son “graduated” from ELCC indicates what his parents thought about the program. Neither my wife nor I was a student at LCC at any time while our son was in ELCC. I state that because during one the Fall 2010 meetings of the board, one of my colleagues alleged that enrolling my son in ELCC displaced a child of a LCC student and that I was not paying whatever amount I should have been paying. Neither allegation was true.

I expect that tonight we will have robust and vigorous discussion about (1) what was the intent of the board in approving the establishment of the ELCC, (2) has the operation of the ELCC been consistent with the board’s intent, (3) the extent to which ELCC serves as part of the academic program for Early childhood development students, nursing students, kinesiology students, police academy students etc. and as such should not be viewed or considered as an auxiliary operation, (4) who should be served by the ELCC, (5) what should be the program model. Regardless of the answers to these questions and others that may be raised this evening, the bottom line is that through the ELCC Lansing Community College offers a fee for services program for which the Board must decide to what extent, if any, to underwrite, subsidized, or contribute to the cost of providing the program.

Roll Call

Present: Abood, Azima, Canja, Hidalgo, Meyer, Proctor, Smith
Absent: None

Pledge of Allegiance

Trustee Hidalgo led the Pledge of Allegiance.

Limited Public Comment Regarding Agenda Items

Stephanie Oles: Stephanie Oles addressed the Board regarding the Early Learning Children's Community (Early LCC). Ms. Oles stated that the parents are doing their best to gather information to provide to the Board. She stated that the last 20% tuition increase had a significant impact on her family. She stated that her husband is a veteran with a partial disability and it has taken them a long time to get to where they are financially. She further stated that they chose LCC because of the value of the education and they won't be able to stay if the tuition is increased. Ms. Oles said that although they don't come from money, (1) there is a place at the table for them, (2) that there is value for families of different economic classes existing in the center, and (3) hopes the Board cares enough to consider that when making a decision.

Ashely Richardson: Ashely Richardson addressed the Board regarding the Early LCC and the CCampis grants. Ms. Richardson stated that she has a daughter in the toddler class at the Early LCC. She stated that when the 20% increase came, her CCAMPIS subsidies was not adjusted. Due to this she and her daughters father (Kevin) were expected to pay almost \$300 more per month. She stated that this resulted in her taking on a second job and Kevin to leave his current job to find better employment. Ms. Richardson stated that in spite of the increase they both decided to keep their daughter in the program because they want what is best for her. She noted that she had explored other options but decided the adjustments would be too much for her daughter. She encouraged the Board to ask questions regarding turnover rates of the children at the Early LCC. She stated the board should inquire regarding why families are leaving and noted that there have not been exit interviews and that three families have left due to the fee increases.

Katie Sanders: Katie Sanders addressed the Board regarding the Early LCC. She stated that she had a child that she had to pull from the program last October due to cost

Sarah Schillio: Sarah Schillio addressed the Board regarding the Early LCC. She pointed out the value of the lab portion of the program and the investment it makes to the students using the lab and the community. She stated that she felt there was a discrepancy with the Early LCC now being categorized as an auxiliary program providing a service rather than as a program lab for the Childhood Development

program. She asked why this was considered an auxiliary program and inquired about the dental or nursing lab and massage clinic programs are handled. She urged the Board to consider other options beyond tuition increases and to seek creative solutions to cover the outstanding cost. Ms. Schillio thanked the Board for their commitment to provide future notice of a fee increase, but requested that the Board take more time to gather information and work on a solid solution for long term sustainability before making any increases.

Katie Gregory: Katie Gregory addressed the Board regarding the Early LCC. Ms. Gregory read a letter (a copy of which was given to the Board) on behalf of Ashley Fannon a single parent, a part time student and a part time financial aid staff member. The letter spoke of the financial burden the purposed increase would be for her and her daughter. She stated it is ridiculous that the administration continues to raise the cost of day care since LCC has the highest rate for day care in the area. She stated the goal of the College should be to protect and help students and employees. She added that LCC should be protecting students from these outrageous increases. She suggested that if LCC needs to raise more money it should be looking at offering evening care and sick care, as there is currently a need for such care.

Matthias Bell: Matthias Bell addressed the Board regarding the Early LCC. The proposed increase of fee would make it so that he would have to move his two children from Early LCC to an alternate care provider.

Jake VanHorn: Jake VanHorn addressed the Board regarding the Early LCC stating that last fall he transferred his son from one of Early LCC's competitors. He stated that if the proposed increase of fees is approved, he will not be able to keep his son in the program and he feels this will be the same situation with many other parents.

Maria Porter: Maria Porter addressed the Board regarding the Early LCC. It is important to support Early LCC in line with the mission of the college. The return on the investment of the Early LCC on children is great when considering the skills the children are learning for entry into kindergarten and ultimately into the workforce. Ms. Porter shared some the research she has conducted regarding early childhood education.

Trustee Meyer asked how many of the ELCC students enter Lansing schools. Ms. Porter stated she did not know.

Ms. Porter submitted a letter to the Board with figures of comparable child care centers' cost including food provided. Ms. Porter asked that the Board take into consideration the families and children this will be affecting. She provided a handout to the board.

Alden Sigman: Alden Sigman addressed the Board regarding the Early LCC. The last 20% fee increase significantly affected his family. He stated that the Early LCC is a good environment for his daughter but the proposed increase in fees need to be reconsidered. He asked that the Board take into consideration the families and children this will be affecting.

President Report

Overview of the Academic Components of the Early Learning Children's Community

Provost Prystowsky introduced Judy Goth-Owens who is the currently serving as the interim-director of the child development program to do a presentation. Ms. Goth-Owens presented a PowerPoint Presentation to the Board. As part of the presentation, the history of the Early LCC, funding from outside sources and donations, and the impact of the ELCC on students were presented. She distinguished between observations and field experiences of students in the child development program and other programs.

Ms. Owens spoke on the current lack of space to provide learning opportunities for the amount of students that would like to observe at ELCC as part of their curriculum. A list of departments and programs utilizing ELCC was given. 306 current students are participating in using the ELCC as part of their curriculum requirements, and 4,383 hours will be served by students.

Consideration of all aspects of the operation of the Early Learning Children's Community, including, but not limited to, scope of program, costs of operation and fees.

Trustee Proctor shared what he referred to as his preliminary observation stating there were wonderful presentations and wonderful statements by parents with children enrolled in ELCC. He further stated that not one person has stated that he or she is not pleased with the functioning of ELCC, and they have marveled about ELCC. He further stated that what he has not heard was any questioning that Lansing Community College supports the operation of ELCC because the revenue derived does not meet the expenses. He stated that regardless of the model used, the question before the Board is to what extent is the Board of Trustees comfortable with covering the cost.

Trustee Canja stated that she would like to respectfully restate the question before the Board. She asked to have a broader discussion that includes how the ELCC should be considered, i.e., whether it is an academic program or an auxiliary program. She stated that if it is classified as an auxiliary program it is treated differently for purposes of cost analysis. She stated that as an auxiliary program it is made to stand on its own two feet; whereas other programs are innately subsidized by the whole college. She asked if the college serves non-LCC members, how that changes the character of the program.

Trustee Proctor asked if anyone disputed the operation of ELCC as a fee for service program. Trustees Azima and Canja disputed.

Trustee Smith stated what she perceives the matter to be is how many students are being served under the academic portion of the ELCC vs those who are not. She asked the Board to consider how this will affect all families involved. She does not believe this

is an auxiliary program. She expressed concern on high turnover rates for Early LCC children.

Trustee Meyer asked, in relation to the fee increase last year, what the attrition rate was and if we are at capacity.

The administration responded the ELCC is currently at full capacity and there is a waiting list.

Dr. Webb-Sharpe stated that last year there was a steep increase of 20%, the rate for the first four years for infant and toddler rates were constant mostly, there was only a \$5 increase one year.

Trustee Meyer asked what the policy reason for that was?

Ms. Rooker stated that a minor increase was to capture all grants. She stated that fiscal year by year rates increases were disclosed.

Trustee Smith stated there was not a Board policy there would not be a fee increase.

Trustee Canja asked if there are people who have left Early LCC because of tuition increases. She stated that she was not seeking to see if the college currently at capacity, but the amount of children not enrolled now due to fee increases.

Lydia Saldivar stated there has been a lot of turn over at the Center. Even though they have been able to keep the Center full, there has not been the consistency for children. She stated that the past year has been the most challenging in maintaining enrollment.

Trustee Abood commended Ms. Saldivar on the work she is doing.

Trustee Proctor stated that while his son was attending there was a high turnover of children and staff. He stated that he did not observe a notable change in his son due to children leaving ELCC.

Dr. Webb-Sharpe asked for Pam Atkins, who works with enrollment for the Early LCC, to weigh in.

Ms. Atkins stated there are many reasons people leave the Early LCC. She stated since we increased the 20% she knows of one family who left within two weeks because of the increase.

Trustee Azima stated the bottom line is how the college going to fund this so the program continues and doesn't go broke. He believes that the center is for our students for observation and is an exceptional program. He stated that an increase is unavoidable, but the Board needs to weigh in the balance the academic and service benefits. Trustee Azima questioned the \$70,000 building operation cost and whether there was a need for a full-time financial coordinator.

Don Wilske stated the pure operation of the center as a child care facility is an auxiliary enterprise. He stated that an auxiliary enterprise is to be treated as a business. He further stated that there is an academic and fee for service aspect to it. Mr. Wilske explained the accounting of the academic programs being charged for utilizing the center vs the fees associated with the care provided.

Dr. Webb-Sharpe addressed the concern of the \$70,000 operating cost being accurate for operating the center. She stated there is a \$6.50 per square foot cost to operate all of our facilities. Dr. Webb-Sharpe explained that Ms. Aitkin is the full time financial coordinator and spoke of the responsibility given to that position and how it relates to the funding of the program.

Ms. Aitkin explained her position and how it directly effects the Early LCC receiving grants and other funding.

Trustee Canja stated that she is looking at GAAP (generally accepted accounting principles), on page 11 and 12 and sees there was a question asked about the facility fee due to the facility being an auxiliary program. She stated that if the Board determines the primary business changes, how does the college account for the cost associated with developmental education?

Trustee Proctor stated that the Board will not discuss whose job it is to make certain judgment calls.

Trustee Meyer stated in this matter the broader discussion is what will be laid on the student in tuition, because we will not see more than an incremental increase in property taxes or state appropriations.

Trustee Smith stated that it is her understanding this Board is working on the Early LCC having to be self-sufficient and she would like to know if that was because of a previous Board policy. She state she is looking at the issue from a cost of living standpoint.

Trustee Abood stated that he would defer to the financial people we would follow GAAP to the best of our ability. He stated that the \$6.50 per square foot building cost is reasonable. He further stated that everyone is considering this issue carefully and told the parents that their voice is being heard.

President Knight stated that the college wants to avoid fraud in all it's the financial dealings. He stated that a standard practice for accounting with ELCC is to assign it as an auxiliary expense. He further stated that in the conception of the Early LCC, careful consideration was taken to manage the finances. President Knight stated that to him ELCC is a lab school and a model program. Dr. Knight stated that LCC at large is starving for revenue. He stated that LCC's tuition is tied for the lowest in the state and revenue is an increasing problem for us as an institution. Dr. Knight stated that the college is currently engaging in practices he does not agree with including: not filling vacant positions, cutting back on travel and other smaller things such as the college

quitting buying coffee. He further stated that the financial people are trying to balance the books so the college finishes the budget year not in the red. Dr. Knight said that the founding Board members knew that ELCC was deficit prone. President Knight stated that the Early LCC should be subsidized by the college and he has always supported that.

Trustee Canja stated that to her it is an academic program and a student success initiative. She asked how the developmental education is accounted for and how is that different?

Mr. Wilske stated the difference is that with developmental education there is not a fee for service component. He stated those programs are eligible to receive financial aid.

Trustee Canja asked if there was a way to consider this an academic general fund program.

Mr. Wilske stated “not in an operational sense” in response to Trustee Canja.

Dr. Webb-Sharpe stated that the college must establish a budget. She stated that if the Board decides there is a hold harmless component to this particular function, then the tuition will cover that or the college will make a cut somewhere to cover that cost. She stated that whether the program is considered academic or not, the cost will remain. Dr. Sharpe state that the question is the service that private parties are receiving and how much do they pay for that and how much our students pay in increased tuition to cover that service for private parties.

Trustee Hidalgo stated he was ready to come to a resolution. He stated that he thought the college could do some subsidizing on this program like the cost of the building, fulltime financial coordinator and phone. He stated that currently those cost are about \$180,000 a year and felt as a Board the college could cover that cost. He stated that Mr. Wilske could take the actual cost to run ELCC and subtract the \$180,000 and tell the Board what the percentage would be to make up the difference. He further stated that he was ok with adopting a registration fee.

President Knight suggest that accounting questions be sent to the Audit Committee. He stated that the Audit Committee can then ask questions it might have. He further suggested that the college follow uniform standards of accounting.

Trustee Canja stated that the massage clinic and the dental clinic are both pay for service and asked how that is accounted for.

Mr. Wilske stated because the students are operating the massage and dental clinics and providing the service. He stated that Early LCC non–students are providing the service.

Dean Clark stated that the staffing has to stay at regulation. She stated that the students that observe or help at Early LCC are in addition to the employees.

IT WAS MOVED BY Trustee Proctor and supported by Trustee Meyer that the fee increase for ELCC commencing July 1, 2016 be 4% for one year.

Trustee Abood stated that it is a \$9.40 increase a week about \$40 a month.

Trustee Smith stated that she is more comfortable with a 2% increase and keeping the registration fee.

Trustee Proctor said that the registration fee was \$50.

IT WAS MOVED BY Trustee Smith and supported by Trustee Azima that an amendment be made to the main motion to state the fee increase for ELCC commencing July 1, 2016 be a 2% increase for one year and there be a \$50 dollar registration fee.

Trustee Canja asked if the registration fee is an annual fee or a semester fee.

Dr. Webb-Sharpe stated that it is an annual fee.

Trustee Canja stated that parents don't register, but they sign a contract and asked how the fee worked?

Dr. Webb-Sharpe stated it is more of an enrollment fee not a registration fee.

Trustee Abood stated that it is \$4.70 a week; \$4.70 per 80 students would be a \$21,250 increased revenue. He stated that with the \$50 registration fee, all Board has done is raise \$25,000. Trustee Abood asked Dr. Webb-Sharpe of what significance would this revenue increase be for a \$122 million budget.

Dr. Webb-Sharpe asked for permission to refrain from answering.

Chair Proctor called for a roll call vote on the amendment moved by Trustee Smith and supported by Trustee Azima to the main motion:

Roll call vote:

Ayes: Azima, Hidalgo, Canja, Meyer, Smith

Nays: Proctor

Abstain: Abood

The motion was carried.

Chair Proctor called for a roll call vote on the motion that the fee increase for ELCC commencing July 1, 2016 be 2% for one year and there be a \$50 dollar registration fee.

Roll call vote:

Ayes: Azima, Hidalgo, Meyer, Smith

Nays: Proctor, Canja

Abstain: Abood

The motion was carried as amended.

Public Comment

Stephanie Oles: Stephanie Oles stated that the parents must sign a waiver to allow the students to be a part of their children's lives. She stated the parents have started to organize and there is talk amongst the parents to pull the waivers and limit the access due to the fee increase.

Sarah Schillio: Sarah Schillio stated that she agreed with Trustee Abood that this is a lot of work for not a lot of money. She stated this does not solve the bottom line of whether the college will support the program.

Maria Porter: Maria Porter stated that she believes mistakes have been made in looking at the numbers and doing an increase evenly. She believes that infant care could have been raised more to be competitive and that the college will lose money long term in how they are handling the increase. Ms. Porter stated that the Gretchen House has no incentive to care about revenues.

Stephanie Beeler: Stephanie Beeler addressed the Board and expressed concern that the main issue was not addressed.

Trustee Proctor asked Mr. Wilske with the 2% increase, how much revenue does a 2% increase generate and what the fee increase would cost a parent on average.

Mr. Wilske stated in total it is about \$21,000 in revenue. He stated that the infant/toddler rate would increase \$6, pre-school would increase \$5 and the summer program \$4.

Trustee Proctor stated that does not fix the problem and at some point the cost may not be absorbed by the college and the center may close.

Adjournment

IT WAS MOVED by Trustee Abood and supported by Trustee Smith that the meeting be adjourned.

Ayes: Abood, Azima, Canja, Hidalgo, Proctor, Smith, Meyer

Nays: None

The motion carried.

The meeting adjourned at 7:59 p.m.

Submitted,



Executive Assistant to the Board
Benita Duncan