HACC, CENTRAL PENNSYLVANIA'S COMMUNITY COLLEGE **Board of Trustees Meeting November 1, 2011**

Trustees Present

Frank A. Conte (phone) Randy E. Eckels (phone)

Deep C. Gupta Sally S. Klein Loren H. Kroh William M. Murray **Hector R. Ortiz** Charles R. Pequese Nailah I. Rogers Timothy L. Sandoe Jeffrev A. Shaffer

Vicki R. Shannon (phone)

Toni H. Sharp Peter C. Wambach Mark A. Whitmoyer

Absent

Daniel P. Delaney Robert J. Phillips Thomas B. Richey Cabinet

Dr. John J. "Ski" Sygielski

Ronald Young Dr. Larry Adams Dr. Kathleen Kramer Dr. L. Marshal Washigton

Patrick Early George Franklin **David Morrison Nancy Rockey** Jean Treuthart **Meredith Tulli**

Guests

Donald Schell Al Skudzinskas

Michael Davis, Solicitor **James Grandon** Linda Mussoline, CEO Pamela Watkins, Faculty **Bryell StClair, SGA** William Morgan **Barbara Schell**

Roll Call and Recognition of Visitors: Mr. Sandoe called the meeting to order and acknowledged that a quorum was present.

Recommendations/Reports From The Board of Trustees:

Resolution 49.33: Conferral of Emeritus Status - Donald E. Schell

Mr. Sandoe welcomed Mr. and Mrs. Schell. Trustee Sharp then read the following resolution, which was approved unanimously by the Board and followed by a standing ovation by all present:

BE IT RESOLVED THAT THE BOARD OF TRUSTEES

Approve conferring emeritus status upon Donald E. Schell:

WHEREAS, Donald E. Schell has honorably served HACC, Central Pennsylvania's Community College, for a span of 13 years, having been elected as a member of the Board of Trustees in 1998; and

WHEREAS, Mr. Schell served the Board of Trustees in increasing levels of responsibility, as assistant secretary from 2002 to 2003, as secretary from 2004 to 2006, and as chairman of the Board from 2007 until his retirement from Board service on July 1, 2011; and

WHEREAS, during his service as a Trustee, Mr. Schell was also an especially diligent and effective member of the Board's Finance and Buildings & Grounds Committees, through

which much of the College's unprecedented growth, development and modernization was implemented, including the establishment of the York Campus, the expansion of the Lancaster Campus, comprehensive improvements to the Gettysburg and Lebanon Campuses, the addition of two new buildings on the Harrisburg Campus and the much-acclaimed expansion of HACC-Midtown; and

WHEREAS, throughout the implementation of these projects Mr. Schell was a stalwart advocate for strategic growth based upon a comprehensive facilities master plan, strong business plans and sound strategic planning, all supported by diligent financial management and energetic fund raising, to which he committed a high level of personal engagement and support; and

WHEREAS, through his understanding of public school district governance, having served previously as president of the Board of the West Shore School District, Mr. Schell played a significant role in improving relations and communications between the College and its 22 sponsoring school districts, an accomplishment that proved especially important as the College entered a paradigm shift in its local funding expectations, whose outcome relied extensively on Mr. Schell's personal leadership and diplomacy; and

WHEREAS, over the years of his association with HACC, Mr. Schell and his wife, Barbara, have become highly visible, approachable and affable members of the College family, helping to set a tone of collegiality and good will that extends across our campuses and the communities HACC serves; now,

THEREFORE, BE IT RESOLVED that Donald E. Schell be named trustee emeritus and board chairman emeritus of Harrisburg Area Community College in deep appreciation of his service, and that he be accorded all the privileges and honors appertaining thereto.

Mr. Schell thanked the Trustees, adding "I am very proud of this organization and what it means to Central Pennsylvania," and noting that he was especially proud to have the Trustees as his colleagues. Mr. Sandoe recognized Mr. Schell's "wealth of knowledge and history" of HACC and thanked him for his continuing interest in and support of the College.

Discussion and Action on Any Committee Report Items Removed From Consent Agenda: None

Approval of Consent Agenda:

Moved: Timothy L. Sandoe Seconded: Peter C. Wambach

Motion carried

Recommendations/Reports From The Board of Trustees: Dr. Ortiz thanked the Trustees for the opportunity to represent the College at the Association of Community College Trustees Leadership Congress in Dallas. He reported that best practices for fostering student success were the focus of a special Leadership Congress symposium. National experts discussed innovations and trends with the 1,200 trustees present and stressed an approach based on several key components, including means to ensure: accountability for transfer and completion; transparency; thorough and continuous data collection and analysis; concentration on fostering an appreciation for higher education among students and their families even before students enter high school; identification of local workforce needs and determination of how best to prepare students to meet those needs.

The symposium speakers stressed the need for mandatory orientation to instill in new students a commitment to completion. Dr. Ortiz also reported that while at the Leadership Congress he was elected to represent the northeast region on ACCT's national Diversity Committee.

Staff Presentation: George A. Franklin, Jr., CPA, MBA, Vice President, Finance and College Resources, discussed the College's recent Finance Audit, and Nancy M. Rockey, Vice President, Development, and Interim Vice President, Harrisburg Campus, joined by Cynthia A. Reiner, Dean, Workforce Development, Public Safety, and Community Education, discussed the Noncredit Audit.

Mr. Franklin reported that for the fiscal year ending June 30, 2011, HACC's financial statements had received an "unqualified opinion," from the auditing firm, the best possible rating of fairness and completeness. He said that since he had been working at HACC, the College had consistently earned an unqualified opinion every year. Audit highlights included:

- An increase in net assets of more than \$6 million from the prior fiscal year, including \$4 million due to an increase in capital assets;
- An increase of more than \$14.6 million in operating revenue, including \$10.4 million attributable to the Federal Direct Lending Program for student loans;
- A decline of \$400,000 in non-operating expenses;

The auditors' management letter identified two "significant deficiencies," which were a lack of electronic enrollment for noncredit courses, and an error in capitalizing fixed assets, both of which College financial management had investigated. Controls were being established to eliminate these concerns in the future. The auditors found no "material weaknesses." Three findings related to compliance issues in financial aid processing and transactions for the KEYS Program were also being addressed by management.

Mr. Franklin also noted positive ratings regarding the College's current ratio, debt ratio, increase/ decrease in net assets, and interest income. Among Pennsylvania community colleges, HACC had the second highest interest income, after Community College of Philadelphia.

Noting that the College's new Strategic Plan included two points related to financial management under Goal 3: Operational Excellence, Mr. Franklin said he and the Finance staff would look at best practices as they worked to accomplish the goal.

Ms. Rockey described the evolution of HACC's noncredit division from a unit operated separately from credit enrollment to a division whose operations were being standardized and integrated College-wide while undergoing an ongoing restructuring for efficiency and cost savings. Ms. Reiner said the noncredit division's first external audit had proven valuable in showing what areas could be most effectively improved to address needs and enhance consistency of noncredit operations across the College. Management staff were taking action on a total of 35 findings, including 25 identified as high-risk and 12 modest- to low-risk. Development of an automated payroll system, given the numerous, varied pay rates for each discipline area, was proving to be a challenge as management continued work to incorporate noncredit operations into the Banner software system.

Ms. Rockey explained that when considering what noncredit courses should continue to be offered, in addition to considering payroll costs, management also closely reviewed the revenue-generating potential of each course, discontinuing those that did not produce income. Other cost-

saving measures included the elimination of WedNET, which had fallen from \$2,000,000 in annual operations to \$300,000. Remaining WedNET activities were redirected into the entrepreneurial and leadership operations areas. In addition, Ms. Reiner said, management had successfully cut \$500,000 from the noncredit budget through further restructuring of the division. The College had also saved \$300,000 by eliminating the printing and mailing of a noncredit tabloid to residents of the service area, and making all course information available on-line instead. Future marketing strategies for noncredit offerings would better portray that HACC was "one college," Ms. Rockey said. Further standardization of operations and additional cost savings were being achieved through development of on-line registration ability, similar to the system used for credit courses, so students would have a "real time" registration process that would avoid the delays associated with registrations conducted in person, by fax, or over the telephone.

Recommendations/Reports From The Chair: Mr. Sandoe reported that he and Trustee Delaney, chair of the Board Personnel Committee, were working with the President to develop his goals and would soon present them to the Personnel Committee for review.

President's Report: Dr. Ski thanked all Trustees who attended his inauguration and noted that he had heard many positive comments in the community. He thanked Provost and Vice President for Academic Affairs Ronald Young for serving as master of ceremonies and Faculty Senate President Pamela Wakins and Student Government President Bryell St Clair for their speeches. Dr. Ski reported that in a continuing effort to ensure that HACC's technology courses were relevant to industry and valuable for the College's agenda for addressing completion, he had met with representatives of TechQuestPA.

Dr. Ski also reported that 95 applications had been received for the position of vice president of human resources which would be filled following Meredith Tulli's retirement in January. Five applications had also been received for the Board of Trustees vacancy created by Mr. Schell's retirement from the Board. Dr. Ski provided an update on the College's discussions with representatives of the sponsoring school districts and with a legislative staff person on issues related to sponsorship. He thanked Trustees Richey and Whitmoyer for attending the recent meeting of the Delegate Body Future Funding Plan Committee. He and Gretchen Ramsey, HACC's director of legislative affairs, had met with Senator Jeffrey Piccola's chief of staff to discuss the possible introduction of legislation to address HACC's specific sponsorship needs. Dr. Ski said the three other Pennsylvania community colleges with similar local-sponsor relationships were anxiously watching for the outcome of HACC's efforts.

Executive Session: At 1:28 p.m. the Board retired to executive session to discuss a real estate matter, moved by Mr. Wambach, seconded by Mr. Peguese. At 2:10 p.m. the Board returned from executive session, moved by Dr. Murray, seconded by Mr. Peguese, and took the following action:

Res. 49.43 – Negotiation for Purchase of York Real Estate

BE IT RESOLVED THAT THE BOARD OF TRUSTEES

Authorize Chris Seitz of Coldwell Banker Commercial Bennett Williams of York, to negotiate on the College's behalf with the owner of the Leader Building for purchase of the building and to return to the Board with a proposal.

Moved: Loren H. Kroh Seconded: Peter C. Wambach

Motion carried

Taking no further business, the Board adjourned at 2:12 p.m.