

# **PRESIDENT'S CABINET MEETING**

**June 19, 2012**

## **MINUTES**

### **MEMBERS PRESENT:**

Bob Austin, Terry Berg, Lee M. Colaw, Ellen Robertson Green, Russell Lowery-Hart, Danita McAnally, and Paul Matney

### **OTHERS PRESENT:**

Brenda Sadler and Representative John Smithee

**Core Values: Integrity + Innovation + Teamwork = SUCCESS**

### **Cabinet Roundtable:**

Matney welcomed Representative John Smithee. Cabinet members were introduced. Smithee was the recipient of the 2012 Distinguished Alumnus award. He was a graduate of Tascosa High School and received a partial tennis scholarship when he enrolled at Amarillo College where he served as editor of the student newspaper; he received an associate's degree from AC in 1971 and is a partner in the Templeton, Smithee, Hayes, Heinrich and Russell law firm. Representative Smithee obtained a bachelor's degree at West Texas State University and a law degree from the Texas Tech Law School. Matney told Smithee that AC's fall enrollment for fall 2010 was 11,608 and 10,600 in fall 2011. Sixty percent of AC's students are impoverished. He was told of the student incentives in which AC is involved in to work toward student success and completion. Lowery-Hart told of the opportunities for students in the Honor's Program. Representative Smithee spoke of the past tough legislative sessions and the upcoming 2013 session. Amarillo College revenue enhancements, due to reduction in state appropriation funds, were discussed; future construction projects at the Dumas and Hereford Campuses were discussed. Matney told of the recent collaborative agreement with Amarillo College, Clarendon College, and Frank Phillips College. McAnally spoke of AC competing for public and private grants and partnerships.

### **Discussion:**

**AC INVOLVEMENT WITH UNITED WAY OF AMARILLO/CANYON** – Austin has worked hard on the United Way Campaign for several years; he has named loaned executives from Amarillo College to serve on the campaign. Mike Ward and Cynthia Terry will serve as loaned executives for the 2012 Campaign. Employees can also give money through the AC Foundation. Matney showed Cabinet members the award presented to AC for the amount of money raised for the 2011 Campaign. Amarillo College raised \$40,000; \$19,000 was contributed to the AC Foundation. Austin and Eric Wallace worked diligently on the State Employee Charitable Campaign (SECC).

**SACS UPDATE** – The recent videoconference went well with Marcy Stoll. McAnally said Cabinet has responded to all but ten requests; those should be easy fixes. The deadline for the response submission is in July.

**TOP TWENTY UNDER 40 AWARD** – Matney distributed nomination forms from the Chamber of Commerce to nominate professional employees under the age of 40. These individuals must have demonstrated professional excellence in their industry and career and brought value to Amarillo's community as a volunteer or financial supporter. Nominations must be turned in by June 22. The three individuals to be submitted by Amarillo College are Jennifer Ashcraft, Bruce Moseley, and Melissa Wilson. The Chamber's Business Council selects the recipients. The award recipients will be honored at the Business Excellence Awards held in conjunction with the Chamber's Annual Banquet on October 25.

**TEXAS PUBLIC HIGHER EDUCATION ALMANAC** – A page from the 2012 Texas Public Higher Education Almanac was distributed. The almanac furnishes useful information concerning colleges' enrollment, degrees offered, demographics, graduation and success rates, dual credit measures, and other statistics. McAnally will ask Kara Larkan-Skinner to analyze the data on Amarillo College.

**BOARD BUDGET WORKSHOP** – Berg distributed a handout of the 2012-2013 proposed budget PowerPoint and presentation which he and Matney will discuss at the Board budget workshop later in the day. Matney discussed where we were this time last year and some of the items he will present to the Board include: \$15 - \$27 billion state budget deficit; one challenge is public school financing; no new revenue and no use of the Rainy Day Fund; Texas sales tax collections were significantly lower; 5% appropriation reduction in 2009-2010; 7-1/2% appropriation reduction in 2010-2011; Legislature adjourned on May 31, 2011 without passing a budget bill; and the budget bill passed in special session in June 2011 with significant reductions for higher education. AC State funding reductions for 2012-2013 biennium total \$6 million; an additional \$2.4 million was cut from the AC budget as per the 5% and 7-1/2% reduction from the state; making the total reductions from the original allocation \$8.5 million. In 2011-2012, AC had a tuition and fee increase of 11% in-district and 25% out-of-district; reserves were used to fund a retirement incentive; there was a slight reduction in ad valorem tax rate; no additional construction bonds were sold until May 2012; and a \$600 flat raise was given to all board-appointed AC employees. Revenue enhancements in 2011-2012 included a tuition and fee increase; math course fee increase for Math Outreach Center; course fee increase for supplies and consumables; Continuing Education revenue enhancement; and family housing rental increase. Cost savings measures enacted were food service on Washington Street and West Campuses was eliminated; reduced overtime in some areas; some building closures in the summer; and saved on shipping costs. Cabinet began discussion of 2012-2013 budget priorities in early fall 2011 based on our student success and completion agenda; a budget preparation directive was sent to budget managers on February 14, 2012; budget managers were directed to ensure all budget requests support AC's critical institutional priority of improving student success and completion; budget requests were submitted by March 22, 2012; Cabinet began budget review in early April; and the Board of Regents will have an opportunity to approve the 2012-2013 budget and adopt a tax rate at the Board meeting on August 28, 2012. The 2012-2013 Budget Strategies include: a) tuition and fee increase; b) tax rate increase; c) use of reserves; d) budget realignment to improve student success; e) creating a "New Normal" (e.g., grants, contracts, etc.); and, f) sustainability. 2012-2013 Budget Priorities include: 1) offset State reductions; 2) fund student success initiatives (First Year Seminar Course FYS) – SACS QEP; expand tutoring; developmental education; course redesign; poverty training; and student success contingency); 3) SACS Reaffirmation; 4) employee raises; 5) new positions in growth areas; 6) technology upgrades; 7) Hinkson Memorial Campus in Hereford; and 8) Career & Technical Center at MCC in Dumas. Projected revenues and application of reserves totals \$57,114,459; additional expenses would include a 3-1/2% raise for employees which would cost around \$1 million. Projected alterations and improvements were discussed for each campus. Berg discussed the tax rate comparison going back to 2003; the proposed tax rate increase would raise taxes a little over \$.01. Taxes lost for age and disability exemptions were discussed. TIRZ contributions to AC were also discussed.

**Announcements:**

- Matney referred to an article in the *Hereford Brand*; it addressed Frank Phillips College opening a cosmetology center in Hereford. Classes will begin on August 27, 2012. This offering comes as a result from an agreement signed between Amarillo College, Clarendon College and Frank Phillips College. AC does not offer cosmetology classes.

Next meeting: July 3, 2012

bs