



ACTION

MT. HOOD COMMUNITY COLLEGE DISTRICT BOARD OF EDUCATION

DATE: *February 20, 2019*

ITEM TITLE: 4.1a

CONTACT PERSON: *Laurie Popp, Executive Assistant to the Board of Education*

SUBJECT: APPROVAL OF MINUTES – January 9, 2019 Special Work Session #972 Meeting Minutes

Session #972

A meeting of the Mt. Hood Community College District Board of Education was held on January 9, 2019 with a Work Session at 6:00 p.m. in the Board Conference Room at Mt. Hood Community College.

Members present: Jim Zordich, vice chair, Annette Mattson, Kenney Polson, Tamie Arnold, and Teena Ainslie (by phone)

Additional Attendees: Lisa Skari, president, Jennifer DeMent, chief operations officer

1.0 CALL TO ORDER

Vice Chair Jim Zordich called the meeting to order at 6:08 pm and stated work sessions are to gather information and discuss and review various aspects of matters outlined on the agenda. The board will not take any action and no public input will be taken during the work session.

2.0 BOARD BY-LAWS REVIEW PROCESS

Skari shared that 30 minutes of every work session will be dedicated to working on reviewing the board by-laws. Each board member received a notebook with copies of the board by-laws.

3.0 REVIEW BY-LAWS

The board reviewed bylaws 9020, 9040, and 9060 and made proposed edits to policy 9020 and 9040. It was proposed to delete policy 9060 as the information is already listed in board policy 9040.

Zordich stated board members will continue reviewing by-laws at the next work session and recommended they read the next three policies before the next session. A written copy of the proposed changes to the by-laws discussed tonight will be sent to board members for review.

4.0 KMHD

Skari distributed a handout and her recommendation regarding KMHD to the board as follows:

Handout: Summary of Information Provided to the Board Regarding KMHD

May 2, 2018 Board Workshop

- KMHD Station History, financial history, overview of management agreement with OPB and FCC requirements

June 6, 2018 Board Workshop

- KMHD Decision Tree

August 2018

- KMHD Cost Update

September 5, 2018 Board Workshop

- Board prioritization of KMHD factors

October 3, 2018 Board Workshop

- KMHD-FM Situation Assessment and Recommendation
- Burning Glass reports on Broadcasting, Mechatronics and Medical Assistant Occupations
- 2018/18 Enrollment Information for Integrated Media Program
- KMHD Annual Financial Reports for fiscal years ended 2004, 2005, 2006, 2007, 2009
- Responses to board questions regarding KMHD/OPB agreement from October 7, 2013
- OPB Direct Revenue and Expenses for KMHD for fiscal years 2015, 2016 and 2017
- OPB Underwriting/Corporate Support Revenue for KMHD, fiscal year 2017
- OPB Trade Invoices for June and July 2018
- Oregon Public Broadcasting Independent Auditor Report and Financial Statements for June 30, 2017 and 2016
- MHCC Cost Estimate for KMHD Option 3 (Returning to College Operations)
- Public Radio Operating Agreement between MHCC and Oregon Public Broadcasting

October 17, 2018 Additional Requested Information Provided by Email

- KMHD current listener demographics – Age, Location, Gender
- MHCC student demographics for the same time period (Spring 2018)
- KMHD membership counts over life of contract

- OPB response regarding sharing specific member data
- MHCC sponsorship credit reach through OPB

December 12, 2018 Board Workshop

- Board Responsibilities and Questions to Consider regarding KMHD contract
- KMHD Quick Facts

Recommendation:

Currently the board has two options under consideration regarding KMHD:

- 1) Return the operation of KMHD to the college, or
- 2) Maintain the contractual relationship with OPB to operate station.

At the last board work session, you asked for my recommendation. I would like to start by handing out a summary of the information you have received since last May for your reference. I would also like to acknowledge the work, thought, discourse, and passion put forth by students, faculty, staff and community. I have read every Advocate article, spoke with stakeholders, and gone over the numbers with Jennifer DeMent. I have done my best to listen, weigh the competing demands, and offer my analysis based on what I feel is best for the institution as a whole. Jazz music put Gresham on the map through the Mt. Hood Festival of Jazz, bringing visitors and major artists to our area. KMHD has long been a part of this community, and is woven into the college's history. It emanates a great deal of pride from people, both on campus and off campus. The prospect of having a college radio station on campus provides a unique way to share the student and college voice with the broader community, in addition to creating a unique learning lab. I fully acknowledge, agree with, and support these truths.

For my analysis of the options, I looked at the totality of the college enterprise and:

- 1) How a decision would advance the community college mission,
- 2) How the decision would impact students, and
- 3) How the decision would affect the college financially.

With regard to mission – community colleges exist to create access to higher education, be responsive to community needs, and to advance equity. Both options presented positively impact this mission, but do so in a manner that is peripheral to our core mission. Ultimately, we are providers of post-secondary education.

With regard to student impact – whether we maintain the contract with OPB, or bring the station back to campus, neither option will significantly increase enrollments or completions at the college.

Finally, with regard to financial impact – when you look at our current decline in enrollment, the certainty of the PERS liability and the uncertainty over the state funding, it is possible we will be facing a deficit of \$4 million, at best, over the next biennium. It is our responsibility to be fiscally responsible and judicious in decisions we make that will impact future financial obligations.

Both options have a cost to the college. If we are to maintain the contract with OPB, our financial obligation will be minimal (<\$25,000). If we cancel the contract with OPB, I see no feasible path where we can afford to return to a full-staffed operation at this time. A minimal operation of a student lab, like KMHD2 would still require a financial obligation in excess of \$100,000. Our historical ever-expanding comprehensive mission is beginning to take its toll. Our facilities are in need of repair, our labs are in need of updated equipment, and we have safety issues that require attention. Every dollar spent on KMHD is a dollar we can't spend somewhere else. Our current forecast suggests a revenue deficit, not a revenue surplus, is on the horizon, meaning we will not be able to afford what we have today.

Therefore, based on the current financial context, I feel it would be irresponsible of me to recommend the board anything else than continue the contract with OPB at this time. To address some of the contractual concerns, the board can direct me to work with OPB on better outcomes for students.

Zordich read Board Policy 3240 related to fiscal management of college business activities. There was a discussion regarding the options for KMHD and several questions were raised regarding the contract. If a decision was made to renew the contract, would the board direct the terms of that contract at the meeting on January 16? Skari stated negotiations have generally been done by the president with regards to contracts. The board can direct some specific considerations they would like the president to request.

Another concern was regarding the board wanting more student involvement at KMHD and whether the college had done their part in supporting student involvement at KMHD. Skari stated there were members of the college that did everything they could to hold OPB accountable but she is not sure if more could have been done by her office to ensure those outcomes were met.

Polson shared he feels the radio station should come back to the college and there are other financial ways for funding. The station itself is an educational component of the college and we are here to educate. He does not know how an educational program got away from the college and feels it should come back and serve the original purpose so students can benefit from it.

Arnold asked Polson what the revenue aspects might be and what he would propose to make the numbers work. Polson stated he believes the original donors would come to MHCC if the station came back to the college, but it may take a year or more. In the past, it has been totally supported by those who donated to the station.

Arnold asked for clarification about whether OPB had interest in negotiating a shorter contract. DeMent stated the contract has an automatic 5-year extension and if we do not want the automatic 5-year extension we have to notify OPB by February 11. At that time we can either renegotiate a new contract or do something different. In discussions, OPB was not interested

in anything less than 5 years. There was a brief discussion on the terms of the contract and providing notice by February 11, which is the 180-day period prior to the end of the initial contract term.

Mattson was concerned about the financial costs as the college is looking at a \$4 million dollar deficit. Our current programs will already have to be cut. Taking KMHD back would increase the budget cuts needed. In regards to the Governor's budget, if a revenue package is referred to voters by the legislature, it would be on the ballot at the earliest this fall, and then would not kick in for a period of time, so there will be a gap before any new funding is available to us.

Skari stated the board will be meeting to pass a budget and part of the budget equation is looking at tuition. She is not in support in raising tuition for students to cover this and remains committed to keeping tuition rates as low as possible for students. Zordich is concerned about an \$18 increase in tuition (approx. 15%) which could have adverse effects on subsequent enrollment, and there is a predicted enrollment decline.

5.0 ADJOURNMENT

There was no further discussion and Zordich adjourned the meeting at 7:17 pm.

Clerk

Board Chair

Minutes recorded by Laurie Popp, Executive Assistant to the Board of Education.