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- Let's Take Tomorrow -

**BUTLER COMMUNITY COLLEGE
BOARD OF TRUSTEES
MINUTES OF THE SPECIAL BOARD MEETING
WITH THE BUTLER COUNTY COMMISSION
4:30 p.m., Wednesday, May 23, 2018 – El Dorado Civic Center**

BOARD ATTENDANCE

Eileen Dreiling
Ken Bohon
Greg Joyce
Lance Lechtenberg
JoAnn Craven
Ron Engelbrecht
Absent – Jim Howell

COMMISSIONERS ATTENDANCE

Dan Woydziak
Mike Wheeler
Marc Murphy
Jeff Masterson
Ed Myers

GUESTS

Kim Krull	Will Johnson	Shelley Stultz
Meg McGranaghan	Richard Jones	Mary Martha Good
Colette Flararty	David Dillner	Syndee Scribner
Chelsea Noel	Anita Mills	Amy Chastain
Michael Dionisi	Chris Davis	Caelin Brags
Alice Manette	Jon Craig	Kelly Snedden
Don English	DeAnn Shimp	Jill Dehlinger
Nick Badway	Richard E. Boswell	Mark Jarvis
Mark Day	Esam Mohammad	Ty Masterson
Trent Schnewegs	Lora Jarvis	Patricia Perryn
Ruth Fechter	Lee White	John Cofer
Ryan C	Davis Laughlin	Cheryl Wertheimer
Ben Bunck	Larry Patton	Susan Bradley
Mike Swan	Melody Cantrell	Gregg Lewis
Andrew APack	Eric Grooms	Peggy Krause
Sharon Decker	Shane Scott	Suzanne Scribner
Miles Erpelding	Bill Rinkenbaugh	Kathryn Perez
Kendra Wilkinson	Mason Greene	Tatum Stafford
Jessica Ohman	Stacey Cofer	Kent Williams
Bill Young	Anne Bilson	Kimberly Shultz
Shane Krause	Michelle Ruder	Heather Rinkenbaugh

Roger Perryn
Dennis I. Clary
Ethan Hoyt
Kristey Williams

Rhonda Thomas
James L. Lucas
Sue Barrientos

Diana Burress
Lori Willingham
Mark McCollom

CALL TO ORDER

Chair Dreiling called the meeting to order at 4:30 p.m.

APPROVAL OF THE AGENDA

Trustee Joyce moved to approve the agenda as presented. Trustee Lechtenberg seconded. The motion passed unanimously.

WELCOME

Board Chair Dreiling went through a few housekeeping items:

- Told the crowd that the meeting was being recorded and both boards will share one set of minutes prepared by Lora Jarvis, Executive Assistant to the President and Board of Trustees for Butler
- Asked guests to please sign in on the sheets at the entry of the room.
- Shared an agenda overview

Commission Chair Woydziak thanked the Butler Community College Board of Trustees for the opportunity to discuss this matter. It has been a legislative priority for over 14 years to find fair funding. As commissioners, they often field tax questions and requests to do something about the Community College out of district students inequality. They have had no results to date and are not looking at a reduction in funding, but a reallocation of funds. He also thanked the guests for coming and helping move the discussion to the next phase.

INTRODUCTIONS

The Commission and Board introduced themselves to the crowd.

COMMUNITY COLLEGE PRESENTATION – Dr. Kim Krull

Dr. Krull thanked the Commission for the opportunity to share the great work the college does and show the value it has to not just El Dorado and Butler County, but all of South Central Kansas as well as the chance to discuss concerns from both sides.

Dr. Krull shared the college's mission statement and how the Board helps college employees make sure they are constantly striving to meet the mission. Along with the Mission, the college's strategic plan helps guide all of the work the college does.

She shared that every employee at Butler has a tremendous responsibility to the students to help them meet their educational goals and get them from where they are to where they want to be. She stated community colleges have a very open door, open access policy without admission qualifications.

Students at community colleges have a higher level of developmental education needs than at a university. Comparing statewide, 35% of the students at a community college need developmental education assistance while only 9% do at a university. And at Butler specifically, it was noted that 40% of Butler students are first generation college students and 60% of those are working as well as going to school earning less than \$20,000 a year.

Butler Community College has a 91-year history in the community. Since it's opening with 115 students in September of 1927, the college has been recognized as a leader in education not just locally, but nationally as well. Butler was chosen as a pilot college by the Higher Learning Commission for the new accreditation process

Besides receiving local tax support, Butler receives funding from federal agencies, grants, and the state as well.

Butler does an economic impact study through Economic Modeling Specialists International (EMSI) about every 5 years. The study indicates students who attend Butler from out of state and even out of district have a positive economic impact on the county. They spend \$9.5 million on rent, transportation, entertainment, groceries and other goods which generates \$6 million in new income for the area.

It was noted that once students leave Butler they become better contributors to the community. Educated students are more employable as they have fewer health concerns, commit fewer crimes, and require less support. For each tax \$1 contributed to Butler, \$4.80 is returned to the community. For each \$1 students spend, they get \$4.40 in higher wages.

Butler is also the largest employer in Butler County with 1,446 employees.

Butler manages its finances holistically. Micromanaging one aspect of the system can lead to unintended consequences. It was noted that higher tuition will lead to lower enrollment and limiting high school student enrollment may cause future enrollment decreases as well.

Though state funding may have increased 11.5% since 2011, Butler's increase has been approximately 4%. Community colleges as a whole took a 4% cut in state funding last year. The Governor's Career and Tech Ed Initiative (SB 155) Excel in CTE program for high school students to take career and technical classes free of charge is the only new funding that has come to the 2-year sector in past years. The classes are offered and then institutions submit enrollments and seek reimbursement from the state based on a rate set by the state. Last year this program was underfunded by \$3.5 million.

In funding for higher education, 80% of the money goes to universities, leaving only 20% for community and technical colleges even though the 2-year sector has more enrollment than the universities. This forces community colleges to run more lean and mean and yet maintain a cash reserve for those times when no tuition and fees or state aid is coming in, but the college still has regular expenses and payroll to cover.

Dr. Krull noted there was a concern expressed that Butler is leaving money at the state level, but this is misguided. She noted that when the funding formula, SB 345, was approved years ago the state intended to add money each year to fully fund the community and technical colleges but that did not happen. Every community college and technical college was left underfunded so a collective decision was made to support a "hold harmless" position so each institution could be guaranteed the same amount of funding they had the previous year unless there was an across the board rescission. The "hold harmless" clause prevents recentering of the 2-year sector funding. The "hold harmless" clause prevents Butler from receiving about \$1.5 to \$2 million in additional funding from the state. With the current economy, there is discussion among community college presidents to change this.

Between 2009 and 2016, Butler maintained its mill levy at 18 which has been the 3rd or 4th lowest in the state over the past years. This year, Johnson County has the lowest at 9.5 and Colby has the largest at over 46, but the state average is just over 29. If you take out Johnson County, the average is actually 30.42 which is 34% higher than Butler's.

Two years ago, Butler Trustees approved a 2 mill, 5-year Capital Outlay mill levy to allow the college to address very specific digital transformation needs including replacement of end of life technology, wireless access systems, hardware and network switch upgrades, backup systems, hardened data center, digital signage and security lighting. These monies do not support general budget items such as payroll or utilities. They are used for the identified projects and tracked by the Board of Trustees. The digital transformation impacts all visitors to campus, vendors, past students and employees as well as current students and employees.

A chart of Butler Community College, Butler County, Andover USD, Augusta USD, and El Dorado USD mill levies from 2010 to 2017 and their averages was shown.

It was noted that if the college were to drop the mill levy to 5.44 to reflect the credit hours generated by Butler County students, as has been noted a number of times in publications, this would be a great detriment to the college. This would result in a \$10.1 million decrease in funding for Butler. A funding decrease such as this could, for example, result in the elimination of all full-time faculty positions as well as 28 additional positions or other significant cuts including eliminating all academic and student support services or instructional support from \$15,599,047 to \$5,499,047 impacting executive management, fiscal operations, PR, IS and administrative services.

Increases in tuition and fees as a suggested solution could result in decreased student enrollment and thus a decrease in funding coming from student enrollment. Even if tuition were raised to still be less than WSU, the elasticity in Butler's enrollment model would show a decrease in enrollment.

While there aren't inaccuracies in the numbers Representative Williams shared regarding Butler County tax support, they can be calculated in a different way to show Butler County tax support. A chart was presented showing a comparison of local taxes per in-county credit hour for the Kansas Community Colleges. It was also noted that the college receives support in other ways. For example, in the construction of the Hubbard Welcome Center, over \$2 million came from out of Butler County and out of state.

Several Open Record Requests have been made recently. It was noted that the college has withdrawn from the culinary arts project in downtown Wichita. The college sites outside of Butler County all generate revenues above expenses except McConnell Air Force Base. All the school districts served show more revenues contributed than they cost taxpayers (expenses). A number of concerns were noted and discussed as well. Butler's service area is designated by KBOR. The new auto tech program in Peabody is being supported by that school districts and community by providing equipment and faculty. The elimination of out-of-county marketing would be difficult as the college's marketing is purchased in packages. It was suggested that the college's unencumbered cash should be reduced to 7.5%. Dr. Krull explained the BOT's requirement to have 11.5% in reserve to make sure there are funds to cover college expenses and payroll in months when student tuition and fees and state aid are not coming in. Additional cash reserves are being committed to make the needed changes to move from Andover High School without raising the mill levy.

Typically, enrollment decreases when the economy strengthens so the college needs to look at innovative ways to maintain enrollment. Butler's new math redesign is an example and is being recognized nationally as an innovative design for student success. It was suggested efficiencies could be gained by cutting positions. All open positions are reviewed prior to filling them. An example was give that after cutting a Dean's position two years ago, the number of faculty being supervised by each of the other Deans increased. Community college presidents are in discussion currently about funding from a state wide mill levy to reinstating out-district tuition because every community college in the state is in the same situation with restricted finances.

A number of examples were given about Butler's success as a proven community college leader.

Dr. Krull once again expressed appreciation for the time to speak and for the value for the commissioners' and taxpayers' support. The presentation ended with Dr. Krull expressing the college is working hard to be good stewards of not just the taxpayer and student monies but also those from the state and federal level. With a combined 272 years in higher education and 229 at a community college on Butler's executive council and over 38 years of experience on the Board of Trustees, the college is well equipped to make the best decisions.

Dr. Krull asked that the Commission not support the specific resolution that brought the two boards together for this meeting. The Trustees are aware of the challenges that create a needed balance between their funding streams, enrollment, access for students and their success.

COMMENTS & CONCERNS FROM COUNTY COMMISSION

Chair Woydziak expressed that he has always been supportive and complimentary of Butler – an advocate for years, but constituents have been telling the Commission that they like to support Butler to a point, but feel the local mill is excessive. He also understands that \$10 million is tremendous to cut. He questioned if raising out of district tuition could help offset the cut and help to lower the proper mill.

He also recognized that the Board of Trustees are elected officials as well, but they need to understand that the mill is felt differently for homeowners and business owners in the Rose Hill and western edge of the county. He noted more conversation would be good related to making the mill more equitable for taxpayers.

The Commission isn't trying to take the mill to zero, jut make it more fair and equitable.

Commissioner Myers said that they aren't trying to reduce the Butler mill levy or tax money to the college, but just asking for an assessment to make it more equitable among the customers of Butler County. It's about basic fairness when 80% of the students are from out of county.

He is a firm believer in Butler, though, as five of his kids have gone through Butler and three of them are graduates, but the Butler mill is 60% over the county budget which seems highly inequitable.

It's also difficult when real estate agents are telling individuals to buy their homes on this side of the line so they can pay Sedgwick County taxes, but get the benefits of the Butler County schools. With the resolution, the Commission is asking the Board to come along beside them not denying their accomplishments.

This is the first time the Commission has made a resolution, but it has been an item on the agenda for over 10 years and seems they have pushed the button further with the resolution and he is happy with the response to it.

Commissioner Masterson said that the Commission is not trying to devalue Butler in any way. He lives in Andover on the 21st street corridor and everyday he sees the advertising for the real estate promoting the Andover schools with the Sedgwick County tax rates. He understands that Butler is not 100% responsible for this and the county has some responsibility, too.

Changes on Butler's part could help and he appreciated the fact that we are having this conversation.

Commissioner Murphy is from Augusta and indicated that since there is no Butler presence there, the town sees no return to them. He also commented on how he is a graduate of Butler back when it was Butler County Community College. Dr. Krull said that is still the official, legal name of the college, but they moved away from the county piece for all community colleges when their regions were expanded. Commissioner Murphy said that he didn't want to take away all of the funding for Butler, but wants to look at better uses of it.

Commissioner Wheeler is a real estate agent and has seen the same as the other commissioners regarding the advertising for lower taxes, but better schools on the county line.

He also reiterated that this item has been on the legislative agenda for several years, but there was no response until this year. He said the resolution is basically "toothless," but is happy to be having the conversations and looking at solutions together. The Board and Commission used to have annual meetings and he would like to see that come back to being. He is a community college grad as well as his kids and did not see this as an attack from the county against Butler.

OPEN DISCUSSION FROM BOTH BOARDS

Trustee Joyce said that the Board is not ignoring comments and that lots of work lays ahead of the Board. He also pointed out that the Board is forced to make tuition and fee assignments in March because that is when students start enrolling in classes for the fall. At that meeting, the Board expressed their concern with the fee structure and asked the college to look at increasing the scholarship for in county students. He also pointed out that things can't just happen instantly and that by setting the fees in March, they are acting before the legislation is complete and the county evaluation is done. He would love to see the legislation fix this, but it all started when the state passed the bill that ended the out of district fee payments.

Trustee Engelbrecht said that he has been on the Board for 10 years and has always worked for fairness in the difference of tuition rates and wishes they could find legislation to fix the inequality. There are basically 19 counties paying for the community colleges. He understands that citizens think Butler is the outlier with the 20/80 split in enrollment, but there are other community colleges with as little as 5% in county students. He appreciated the Commission's input and giving the Board directions to change the county rates. He noted that Butler is also competing with several other community colleges including Cowley, Hutch, and Pratt in our area as well as Wichita State.

Commissioner Masterson said that this does put us in a unique position where others are the hubs, we are immediately adjacent to an 800-pound gorilla.

Chair Woydziak pointed out that the Commission understood the restraints on a budget, but they are simply reacting to their constituents' requests. Butler is a great asset and he reiterated that he was excited to have this meeting and appreciated the information in addition to the information that Representative Kristey Williams has provided to them.

Commissioner Masterson requested to allow the legislators in attendance a chance to speak.

COMMENTS AND DISCUSSION FROM ATTENDEES

Chair Dreiling read the Public Comment Rules and opened the floor for the audience to speak.

Representative Kristey Williams from Augusta expressed that the mission of Butler is great and they are not arguing with it. She said that it is about the percent value, fairness and proximity that they are looking at as tax payers in Butler County. Enrollment at Butler is highest in Andover, then online, and 3rd in El Dorado. Fairness in funding is what is needed. The mill should be 5.44 based on the state formula.

She expressed that she is the one who proposed the resolution not the commission and that the 5 mill would save \$3.5 million. She also suggested looking at the activities that Butler has including the \$6 million in student activities that is spent each year. She recommended looking at recentering the funds because it is unfair to the residence of Butler County to pay the 20 mill differential and it is not good for builders or the economy on a whole.

Senator Ty Masterson represents the 16th district in the State Senate. He said that this is a very emotional conversation from both sides and that no one on either board has mal intent. He noted that Commissioners are just trying to show the disproportion for the tax payers and business people in the county and be thoughtful of the others perspectives like the employees of Butler.

This item has been on his agenda in the State Senate since his election in 2005. He was the Budget Chair and had taken the Success Act all the way to conference before he was taken off the committee and replaced by the Senate President. The problem is that it is 87 counties without community colleges against the 18 with.

He expressed that no one would question the El Dorado public schools because their students are all Butler County residents. He hopes that this conversation will institute other conversations with other counties.

SETTING OF NEXT MEETING

Chair Woydziak recommended that Dr. Krull and Will Johnson work together to set the next meeting for the two boards.

ADJOURNMENT

Trustee Bohon moved that the Special meeting of the Butler Community College Board of Trustees and Butler County Commission be adjourned. Trustee Lechtenberg seconded. The motion passed unanimously.

Commissioner Wheeler moved that the special meeting of the Butler County Commission and the Butler Community College Board of Trustees be adjourned. Commissioner Murphy seconded. The motion passed unanimously.

The Special meeting of May 23, 2018 was adjourned at 5:57 p.m.

Dr. Greg Joyce – Secretary
Butler Community College
Board of Trustees

Dan Woydziak, Butler County Commission

Mike Wheeler, Butler County Commission

Marc Murphy, Butler County Commission

Jeff Masterson, Butler County Commission

Ed Myers, Butler County Commission