

MINUTES OF MEETING
WISCONSIN TECHNICAL COLLEGE SYSTEM BOARD
MARCH 25-26, 2014
WESTERN TECHNICAL COLLEGE
400 SEVENTH STREET NORTH
LA CROSSE, WI 54602

Tuesday, March 25, 2014 – 4:30 p.m.

Members Present: Drew Petersen, John Schwantes, Philip Baranowski, Natalie Cruz, Sharon Wendt for Tony Evers, Becky Lezow, Terry McGowan, Johnathan Barry for Reggie Newson, S. Mark Tyler, José Vasquez, Stephen Willett

Members Absent: Mary Quinnette Cuene, Stan Davis

System Office Staff Present: Kathy Cullen, Morna Foy, Dan Scanlon, Conor Smyth, James Zylstra, Nancy Merrill, Layla Merrifield, Willa Panzer, Emily Gleason, Peter Sylva

District/Others Present: Russell Moyer and Paul Gabriel, District Boards Association; Diane Nyhammer, Blackhawk Technical College; Bruce Barker, Chippewa Valley Technical College; Jack Daniels, Madison Area Technical College; Susan May, Fox Valley Technical College; Zina Haywood, Gateway Technical College; Sheila Ruhland, Moraine Park Technical College; Sue Budjac, Mid-State Technical College; Rob Elliot, Northcentral Technical College; Jeff Rafn, Northeast Wisconsin Technical College; Lee Rasch, Patti Balacek, Peg Boudreau, Wade Hackbarth, John Heath, Angie Lawrence, Sally Lister, Ed Lukasek, Joan Sosalla, Amy Thornton, Gary Trulson, and Denise Vujnovich, Western Technical College; Dan Clancy; Jimmy Clarke; Chad Wehrs; Jennifer Shilling

Board President Petersen called the meeting to order at 4:30 p.m.

Emily Gleason read the open meeting statement and roll call indicated that there was a quorum present.

Board President Petersen recognized State Senator Jennifer Shilling's attendance at the meeting. Senator Shilling welcomed all to Western Technical College and stated it was a pleasure serving on the Senate's Higher Education Committee. She applauded Dr. Lee Rasch and Western Technical College faculty and staff for their work. She will continue to be a strong voice and advocate for higher education.

ITEM A: Approval of the Minutes from the January 28, 2014 Meeting

It was moved by Board member Baranowski, seconded by Board member Schwantes, that the January 28, 2014, Board minutes be approved. Motion carried unanimously.

ITEM B: Report of the Board President

Board President Petersen announced that the Governor has appointed Susan Schaumburg as the student member to the WTCS Board. Ms. Schaumburg is a student at Madison College and her attendance is anticipated at the Board's May meeting.

Board President Petersen thanked Natalie Cruz for her service as the student member on the Board and noted that the Board presented a commendation to her last May when her term expired. Ms. Cruz was also recognized for her work on the Tuition Workgroup.

Board President Peterson noted that the colleges have been hosting events and are generating an economic impact as highlighted in the headlines of the last several weeks. The Governor and his administration have participated in many of the events on the campuses.

The Board will take up performance funding tomorrow. Board President Petersen stated that outside experts were used throughout the process and thanked all internal and external stakeholders that were involved.

The Governor signed tax reform legislation this week that shifts \$406 million in System funding from the local property tax to state GPR. It represents an improved state commitment in the way the colleges fund operations.

ITEM C: Western Technical College Presentation

Western Technical College President Dr. Lee Rasch welcomed the Board and provided an update on Western's Vision 2020 projects. He noted that Western is adding short-term training pathways that help alternative high school and returning adults. Western is also providing skills training for businesses and helping people start their own business by providing skills in technical and business management.

President Rasch was joined by Chad Wehrs, a 1997 graduate of Western's Machine Tool program. Mr. Wehrs founded and owns Wehrs Machine and Racing Products, a global distributor of race car components. Mr. Wehrs shared how he transitioned from Western graduate to business owner, including how his company weathered the economic recession.

Board member Vasquez observed that there are many startups, but it is hard to keep them going. He inquired what Western was doing to help startups succeed. Dr. Rasch responded that Western actively assists startups with their business plans.

Board member McGowan applauded Mr. Wehrs for hiring Western graduates. It is a great opportunity for them. Board President Petersen congratulated Mr. Wehrs and expressed gratitude for the employment his company was offering.

ITEM D: WTC District Boards Association Report

Russ Moyer, President of the Association reported that the national Ag Day event at Southwest Wisconsin Technical College that morning was a success. The next WTC District Boards Association meeting will be held at Moraine Park Technical College and the Heidel House in Green Lake. The in-service will focus on open meetings and public records. Regular business will include discussion on local boards and local control.

Paul Gabriel, Executive Director of the Association, welcomed the property tax relief signed into law. Representatives John Nygren and Tom Larson have requested a study committee by the Legislative Council to review System funding and governance, which it appears will be approved. The System is well-balanced with state accountability and a strong local governance model. Mr. Gabriel asked the board to support the System's current governance and funding structure.

Board President Petersen noted the importance of local control. This is an opportunity to participate and actively educate the legislative committee. Board Member Willett stressed the importance of communicating with the committee. President Foy agreed and stated that the likely co-chairs of the committee will be Representative John Nygren and Senator Sheila Harsdorf.

ITEM E: WTCS Presidents' Association Report

Susan May, President of the WTCS Presidents' Association and President of Fox Valley Technical College, reported on recent activities of the Association. The Association has received the final report from Gallagher of phase two of the health insurance co-op. Interest from the colleges varies. The earliest possible effective date is April 15.

College staff spent a great deal of time and energy preparing and writing GPR grant applications. The Association looks forward to receiving feedback on the process and results. In addition, the Association will meet with DWD tomorrow to discuss Blueprint for Prosperity program funding.

Institutions are actively engaged in an advocacy campaign to support local funding and local control.

Board President Petersen recognized the hard work of the districts in communicating with business leaders and working with DWD.

ITEM F: Consent Agenda Items

Board President Peterson offered the consent agenda items for Board discussion. Receiving no questions, he called for a motion to approve the consent agenda items.

It was moved by Board member Tyler, seconded by Board member Barry, that the Wisconsin Technical College System Board approve the program and facilities development requests, as presented. Motion carried unanimously.

ITEM G: Teaching and Learning – Fire Service

WTCS Education Director for Fire Service Pete Silva provided the Board with an overview of the WTCS Fire Service Program, which has provided fire service education and training since 1977. The System Office, on behalf of the WTCS Board, coordinates and oversees the program. Instruction in fire prevention and protection is available to members of volunteer and paid fire departments in cities, villages, and towns throughout Wisconsin. The majority of departments are volunteer.

The WTCS offers fire fighter, driver/operator, fire officer, emergency services instructor, fire inspector and hazardous materials certifications. The curriculum meets national standards and specializes in areas such as silos and grain elevator fires. Wisconsin has less line of duty deaths than other states. The main goal is to operate safely.

Board member Vasquez expressed concern whether WTCS is able to provide the best possible training with relatively limited funds.

It was moved by Board member Willett, seconded by Board member Vasquez, to adjourn the Board meeting. Motion carried unanimously.

The meeting was adjourned at 6:19 p.m.

Wednesday, March 26, 2014 – 8:30 a.m.

Members Present: Phil Baranowski, Natalie Cruz, Sharon Wendt for Tony Evers, Becky Lezow, Terry McGowan, Jonathan Barry for Reggie Newson, Drew Petersen, John Schwantes, S. Mark Tyler and Stephen Willett, Jose Vasquez

Members Absent: Mary Quinnette Cuene, Stan Davis

System Office Staff Present: Kathy Cullen, Morna Foy, Dan Scanlon, Conor Smyth, Nancy Merrill, James Zylstra, Layla Merrifield, Willa Panzer, Emily Gleason, Kyle Schwarm

District/Others Present: Paul Gabriel, District Boards Association; Diane Nyhammer, Blackhawk Technical College; Bruce Barker, Chippewa Valley Technical College; Susan May, Fox Valley Technical College; Bryan Albrecht and Zina Haywood, Gateway Technical College; Michael Lanser, Lakeshore Technical College; Jack Daniels, Madison Area Technical College; Sue Budjac, Mid-State Technical College; Sheila Ruhland, Moraine Park Technical College; Jeff Rafn, Northeast Wisconsin Technical College; Duane Ford, Southwest Wisconsin Technical

College; Lee Rasch, Wade Hackbarth, John Heath, Angie Lawrence, Ed Lukasek, Joan Sosalla, Amy Thornton, Western Technical College District Board; Dan Clancy; Jimmy Clarke

Board members toured Western Technical College's Passive House at 8:30 a.m.

Board President Petersen called the meeting to order at 9:32 a.m.

Emily Gleason read the open meeting statement and roll call indicated that there was a quorum present.

ITEM: I: Report of the System President

System President Foy expressed her appreciation for the the Ag Day celebration at Southwest Tech the previous morning. Attendees included Governor Walker, Lieutenant Governor Kleefisch, Department of Agriculture Secretary Brancel and Alice in Dairyland. President Foy thanked Board Member Levzow for emceeding the event. Ms. Levzow thanked President Ford for hosting and noted that there has been positive feedback from media.

President Foy reported that the Governor had visited many WTCS campuses in the past few weeks, and noted that the Lt. Governor has been equally engaged.

The Student Showcase was held at the State Capitol Rotunda on February 18. It was a fantastic Showcase of technical college student leadership and service learning. February was also Career and Technical Education (CTE) month. President Foy's visits included Kaukana with Superintendent Evers and Wausau West with Secretary Newson, and she noted that it was very encouraging to hear about the partnerships between the technical colleges and their K-12 partners, which make meaningful CTE opportunities available to more and more students.

President Foy acknowledged two important pieces of legislation that were signed this month: Blueprint for Prosperity and tax reform, and congratulated President Meyer of Wisconsin Indianhead Technical College, who was named CTE Executive in Residence at UW-Stout.

President Foy also noted that she interviewed with Wisconsin Eye earlier this month for their Newsmakers series. She also encouraged Board members to view a new WisconsinEye series called *Trade Secrets, CEO to CEO*. The program pairs Wisconsin CEOs for behind-the-scenes company tours and candid conversations on issues relating to the intersection of business and community.

ITEM J: 2014-15 Tuition Recommendation

WTCS Senior Policy Advisor and Federal Relations Officer Nancy Merrill provided Board members with an overview of the 2014-15 tuition recommendation. A Tuition Working Group

consisting of Board members Tyler, Cruz, Baranowski and Schwantes was established to present the System President with a recommendation regarding tuition.

The Working Group considered many factors, including: WTCS tuition history, postsecondary tuition trends for other systems, the effect of tuition increases on students, student financial assistance, district cost and FTE projections and the effect of changes in the State Budget. The Working Group also considered the results of a survey of WTCS college Presidents.

Based on guidance provided by the Working Group, as well as a review of relevant data and information, the System President recommended a 3.0% increase over the 2013-14 rates for both postsecondary/vocational adult tuition rates and the collegiate transfer rate.

Board Vice President Schwantes noted that consideration of the UW tuition trend was a point of emphasis for the working group. Ms. Merrill added that WTCS tuition is less than UW Colleges tuition.

Board Member Tyler supported a lower increase and emphasized the need for affordability. WTCS is taking the lead in many areas, such as performance funding, providing tremendous outcomes, continuous improvement and efficiency.

Board President Petersen highlighted the importance of maintaining the technology fee. Ms. Merrill noted that in addition to the technology fee for on-line courses, many other courses use technology and that course management software alone is very costly.

Board Member Levzow asked what percentage of courses are offered on-line. President Foy replied that approximately 15% of classes are on-line; however, the number is greater if you consider "blended" courses. Many courses have some on-line component, which results in costs that are not captured with a technology fee.

Board member Tyler noted that initially he supported ending the technology fee, but transitioned to support the fee after learning more. The fee is similar to lab fees for other types of courses.

Mr. Jonathan Barry stated that lower tuition is better and will be viewed as relative to state investment. Board Secretary Baranowski said that it is difficult to strike a balance between the cost of excellence for a college and affordability for students.

It was moved by Board member Baranowski, seconded by Board member Willett, that the Wisconsin Technical College System per credit tuition rates for 2014-15 shall be as follows:

Postsecondary/Vocational Adult	\$125.85 per credit
Postsecondary/Vocational Adult non-resident addition	\$ 62.95 per credit
Collegiate Transfer	\$170.35 per credit
Collegiate Transfer non-resident addition	\$ 85.20 per credit

Motion carried unanimously.

ITEM K: Performance Funding Model

System President Foy stated that action taken on the funding formula is historic and groundbreaking for the State of Wisconsin. She thanked the Board for its bold stance and thanked those involved in the process for their time, input and expertise.

Since the January 28 meeting, President Foy and System Office staff met with the college presidents and chief financial officers, as well as members of the Joint Committee on Finance, to discuss the proposed formula.

WTCS Vice President Jim Zylstra provided the Board with an update of the performance funding formula, noting two minor changes since January. First, the following language was added to the section, *Allocation of Funds Among the Nine Criteria*: “If a criterion is not selected, the base allocation will be redistributed among the other criteria.” Second, Mr. Zylstra noted that for Criteria #7, Workforce Training, FTEs was changed to credits.

Mr. Zylstra explained that to project the amount of funding for each college, it was necessary to make an assumption of which 7 of the 9 criteria each college would select. The projections are based on existing data.

Following Board approval, the formula will be submitted to the Legislature’s Joint Committee on Finance for passive review. In addition, the System Office will conduct ongoing assessment to ensure the formula continues to meet key goals and objectives.

Consultant Jimmy Clarke highlighted that the goals set forth by President Foy were achieved, and that the process has been transparent and inclusive. He noted that Illinois is also creating a framework for ongoing assessment, which may inform discussion in Wisconsin related to whether to “cap” the amount of funding distributed based on performance.

Board President Petersen inquired how a percentage cap would be reconciled with performance gains. Mr. Clarke responded that he is unaware of a direct correlation.

Board Member Tyler expressed that he is a strong advocate for the direction the Board has taken. The presumption is that strong performance will result in additional funding. He also stated that it is important to ensure that the formula is sound going forward so that it does not result in a punitive environment and adverse results.

Mr. Zylstra remarked that the funding formula is already driving focus at colleges.

Board Member Tyler stressed that funding changes are important to the colleges and are not inconsequential, and noted that funding uncertainty and variability negatively affect how the colleges respond to employers.

Board Member Petersen confirmed that striking a balance is pivotal in order to avoid dramatic swings that can reduce effectiveness.

Board Member Vasquez departed the meeting at 11:04 a.m., prior to the vote.

It was moved by Board Member Tyler, seconded by Board Member McGowan, that the Wisconsin Technical College System Board approve the performance funding formula as presented. Motion carried unanimously.

ITEM L: 2014-15 General Purpose Revenue, Carl Perkins Act, Adult Education & Family Literacy Act, and Indian Gaming Receipts Projects

WTCS Provost and Vice President for Student Success Kathy Cullen and Associate Vice President of the Office of Student Development and Assessment Willa Panzer provided an overview of federal and state grant funding recommendations.

The colleges submitted competitive grant applications to the System Office in January and February. The grants are reviewed by teams of four – two WTCS Education Directors and two external reviewers with subject matter expertise. It is the goal of the team to rank the submissions and score them, aligning them with the Board's goals and strategic directions.

Ms. Panzer highlighted grant recipients in each competitive category.

Mr. Barry asked if Student Support Services were sustainable with the grant funding. Ms. Panzer replied that while grants provide initial funding, colleges will be responsible for funding programs going forward.

The Perkins Career and Tech Education federal grant funds are distributed to the colleges primarily based on a formula allocation.

Ms. Cullen stated that, pending Board approval, colleges will be notified of the Grant Awards. Grant activities will begin July 1, followed by periodic reporting beginning in November. Initial discussions on potential changes to the Grant Guidelines will occur at the July Board meeting.

Board President Petersen emphasized the importance of providing feedback to grant writers, noting the importance of sharing best practices and not simply competing for scarce grant dollars. Ms. Cullen responded that her team is working hard to ensure the grant writers receive feedback.

President Foy noted an increasing emphasis on seeking outside funding, and assured continued collaboration in managing the process.

It was moved by Mr. Barry, seconded by Ms. Wendt, that the Wisconsin Technical College System Board approve the FY 2014-15 General Purpose Revenue, Carl Perkins Act, Adult Education and Family Literacy Act and Indian Gaming Receipts projects as presented. Motion carried unanimously.

ITEM M: Legislative Update

Mr. Zylstra elaborated on the recently-enacted property tax reform measure. The bill replaces a little over half of current tax levy revenues, based on January 1, 2014 property values.

Ms. Merrill provided an update on federal policy issues. President Obama has proposed additional funding for higher education in his education budget. She also noted that the emphasis on accountability continues to be a focus nationally, and that student indebtedness will be the defining issue with a national default rate of 29.9%.

ITEM N: Announcements/Adjourn

The next regularly scheduled meeting of the Board will be held on Tuesday, May 6, 2014, at the WTCS Office in Madison.

It was moved by Board member Schwantes, seconded by Board member Baranowski, to adjourn the March 25-26, 2014, Board meeting. Motion carried unanimously.

The meeting adjourned at 12:05 p.m.

Respectfully submitted,

Emily Gleason
Recording Secretary