

# **Institutional Strategic Planning Council**

**November 7, 2018**

**ST 107 (1:00-3:00pm)**

## **Minutes**

Members Present: Kris Anderson (Faculty Accreditation Co-chair), Greg Aycock, Melissa Bader (Faculty Co-Chair), Celia Brockenbrough, Peggy Campo, Michael Collins, Leona Crawford, Monica Esparza, Daniel Landin, Ruth Leal (Staff Co-Chair), Sam Lee, Mark Lewis, Bryan Reece (Administrative Co-Chair), Jim Thomas

Members Absent: Mark DeAsis, Tenisha James, Barbara Moore, Chris Poole, Mitzi Sloniger

Guests Present: Kevin Carlson, Kevin Fleming, Marshall Fulbright, Sgt. Richard Henry, Jennifer Krutsch, Debra Mustain, Maureen Sinclair, Stan Tyler

Call to Order: 1:06pm

### **Approval of Minutes:**

Approval of Minutes for October 17, 2018

MSC (Collins/Anderson)

Approved with revision. 2 Abstentions

### **I. Action Items**

#### **A. Indirect Reinvestment Procedures (Kevin Fleming)**

MSC (Campo/Thomas) Approved with revisions.

Kevin Fleming presented the procedures, which were reviewed by Patrick Pyle, RCCD Foundation and BFPC. Revisions have been made for clarification based on feedback from these entities including ISPC. Dr. Fleming noted a marked increase in grant activities this year and the need for developing a process that incorporates strategic development.

#### **Comments/Questions:**

- Where are we archiving these documents? Suggested a 'How Decisions Are Made' manual that includes decision-making charts, protocols, and safety measures.
- How will this affect operations budget in the long term?
  - The college does not use indirects in the general fund, they are held in a carryover account for one-time needs. There will be a shortfall for one-time allocations that is reinvested in Strategic Development.
  - Increase operating budget if Strategic Development does its job well, expecting 5 years that we will have more money from this investment.
- How will money be used, what is the audit procedure?
  - Noted the need for a Strategic Development Planning Council. Money must be spent on projects that align with our mission as all of our spending does.
- As stated on page 2 bullet 5 addresses state allocations/grants (i.e. CalWorks, and Title V) are excluded this process.

- Gift and grants are different, any gift goes to foundation, state apportionment is a grant, James Irvine Foundation gift is a grant. This has been clarified with the Foundation.
- Suggested to change allocation to a sliding scale. NC may elect to waive or reduce.
- Is there a cap on the indirects?
  - Philosophically no, there is no cap.
- Add a reporting mechanism/accountability statement and include shared governance by changing the order in the last paragraph regarding decision-making. Business Services also provides a report out on the indirects.

B. Third St/STEM Traffic Flow Solution (Sgt. Henry)  
MSC (Thomas/Lewis) Approved.

The proposed solution is to keep the bollards at Windy Way keeping Kennedy Lane blocked. The current bollards will be replaced with taller, water filled, bollards that are semi-permanent but can be moved by draining, police car, or a few strong people. The Safety Committee and BFPC approved this recommendation.

Comments/Questions:

- Has JFK been notified?
  - Yes, Sgt. Henry has worked with Vice Principal Welch and Dr. Reece is in contact with Principal Gonzales.
- Asked for signage on the HAWK signal.
  - This is being discussed and will be presented to BFPC.

II. Committee Reports

A. Grants Committee

Stan Tyler presented the Grants Committee report noting one change that the Grants Committee is under the umbrella of Strategic Development. Dr. Tyler reviewed the report noting discussions on structure and workflow changes needed to accommodate the number of grants and their various timelines. He also asked for assistance with increasing membership.

Comments/Questions

- Question about helping to facilitate a rubric for grants; ISPC would like to see if the process can be clarified.
- Can the grants be divided into categories?
  - Yes, there are certain grants that come through at certain times of the year. CTE grants and foundation grants.

III. **Information Items**

A. Annual Progress Report (Greg Aycock)

This is the last year of the 5-year strategic plan. the report will be posted soon. Dr. Aycock gave the highlights from 17-18, the high points, math pipeline completion increased; degree completion rate increased; students who began basic skills in the first year plateaued; students developing an ed plan has increased, both for new and continuing students; and finally employee participation in inclusiveness events exceeded expectations (i.e. Read to Succeed, Day of Inclusiveness).

Objectives that need attention are those where the trend line is flat or going down: Success & Retention rate; completion rate, all years removed below goal, certification completion rate has declined; and Degree completion for AA has declined.

Overall outcomes, 38 metrics met 5year targets, 21 are within 90% 22 are less than 90%. This was an ambitious Strategic Plan. Greg reviewed lessons learned, recommending we move away with 6 year cohorts and towards results that can be seen sooner. Lessons also include knowing the proportion as we set our goals to achieve a reasonable expectations. Have goals directly related to institutional work and where the work is being done.

Comments/Questions:

- Asked about degree completion rates, if I remember correctly that population is not factored into the results of the SP/EMP goals. Is that the same for the rest of the results?
  - If a student does not show up as a first time college student, JFK get an associate degree, those who continue after Hs graduation, they will be included.
  - In the new plan dual enrollment is one of our goals so that data will be captured.

B. Annual Evaluation Report (Greg Aycock)

Evaluation of our planning and strategic planning process includes surveys, reports, and a memo to answer Standard I.B.XII. We evaluate governance process to assure their effectiveness in supporting academic quality and accomplishment of mission. Greg reviewed key points from the Survey of Effectiveness of the Planning Councils and the Annual Survey of Effectiveness of the Academic Senate and Senate Standings Committees.

Comments/Questions:

- This is a review but not the actual evaluation of the process. Can this be articulated into the verbiage of what we will do differently next time?
- There was a question about the memo from the President and if went out in spring.

C. Mission Statement Draft (Melissa Bader)

The committee reviewed the revised mission statement and recommended putting it forward for the Senates to review. Recommended aligning terms with State and District (i.e. strategic goals vs. core commitments or values).

D. Website Development Update (Debra Mustain)

Debra thanked Jen Krutsch, Denise Hernandez, and Lenny Riley for their work with building the new site. Jen presented the ISPC page; the team worked with departments for feedback, all information from the old page was used to populate the new page. The old site is still accessible and houses all of the original content. The launch date is December 14<sup>th</sup> and changes can be made by the individual departments after the site goes live. Requested that committee members review the committee pages for accuracy.

Comments/Questions:

- Committee council meetings 16-17.
- How are we addressing accessibility, how is that playing into the website.
  - Working with the District to ensure compliance, will run the site through a tool that will show anything that was missed.

- It will not be perfect, be diligent with looking at the information and patient with the process. We will be in problem solving mode.
- What do students say about it?
  - In the process of getting student focus group right after Thanksgiving break.
- Asked about Norco life vs. Norco College Life vs. College Life.
- Apply Now on every page. One that is always there.
- I'm a student with a disability to the FAQ.
- If you cannot find something, the team has created an A-Z directory.

E. Accreditation Update (Kris Anderson)  
Tabled

F. Planning Update (Bryan Reece)  
Tabled

G. Employee Recognition (ISPC Co-Chairs)

Our Higher Ed Survey noted that we need to recognize people more often for their good work. Dr. Reece asked everyone to take out their cell phones and e-mail a thank you note to someone who helped them today, and CC the manager. We will take time to do this each meeting and fellow chairs are encouraged to do this at their respective committee meetings.

**IV. Good of the Order**

- Active Shooter Training – Feb 8 for Spring FLEX
- Read to Succeed Author will be here – Nov 15

Meeting adjourned: 3:10pm

Next meeting: November 21, 2018

Minutes respectfully submitted by Denise Terrazas

# NORCO COLLEGE

## INDIRECT REINVESTMENT PROCEDURE

2018

### Preamble

Norco College intends to increase college-going rates and college-completion rates, thus changing the trajectory of our students' lives and the trajectory of our surrounding communities. To expand this effect dramatically, part of our strategy must include intentionally building a college campus that is larger, beautifully constructed to stimulate social interaction, and designed to generate academic success. The Strategic Development staff should be funded by our fundraising efforts as much as possible and fundraising success towards our \$800 million goal will require proportionate growth in the Strategic Development area.

### Definitions: Direct vs Indirect Costs

Every sponsored project has both Direct and Indirect Costs. The direct costs are those that can be specifically and easily identified with a particular project or activity (e.g. instructional equipment or staff) and are allowable under the sponsoring organizations guidelines. Indirect costs<sup>1</sup> are those costs that are incurred for joint objectives across projects, and cannot be specifically and easily identified with a particular sponsored project, an instructional activity, or any institutional activity. These costs, sometimes called "facilities and administrative costs (F&A)" or "overhead," cannot be claimed as direct costs.

Indirect costs are not profit. Instead, they are part of the real costs of securing, reporting, and/or conducting resource generation activities. Indirect costs may include building and equipment depreciation and use allowance; strategic development administration; departmental, sponsored program, and sponsored project administration expenses; interest; endowment growth; reinvestment into college initiatives; and/or operation and maintenance expenses. The terms "indirect" and "administration fee" are used synonymously.

### Pre-Established Indirect Rates

A number of indirect rates already exist throughout the district:

- The Riverside Community College District Foundation has established a 5% administration fee on all private gifts. The only exception is when the funding agency has a written policy that they do not allow/fund indirects.
- Riverside Community College District has negotiated with the Department of Health and Human Services to establish an approved indirect rate to support grants and contracts with the Federal Government. This rate is 37.5% for on-campus programs and is 18% for off-campus programs (e.g. grants within the RCCD Office of Economic Development).
- [BP/AP 3280](#) (Section 1.7) requires a minimum 10% indirect rate to be charged to grants unless alternatively prescribed by the funding agency to be lower (e.g. CA grants at 4%) or larger (e.g. NSF grants at 37.5%).
- District Split: Currently, our district office keeps 17% of all indirects received from state and federal grants (not private donations or appropriations) to support human resources, payroll, purchasing, IT and other district services. The balance (83%) remains with Norco College.

### Norco College Indirect Rate

In compliance with BP/AP 3280 (grants), and as an administrative fee to help cover already subsidized costs and our real expenses associated with executing/implementing project workplans, Norco College establishes a minimum 10% indirect rate on all grants, non-scholarship private gifts directed to a programmatic fund, appropriations, and RCCD Foundation

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<sup>1</sup> According to the federal Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards issued by the Office of Management and Budget (Uniform Guidance)

contributions. This 10% indirect may only be applied on gifts through the RCCD Foundation when provided in the initial gift agreement. Exceptions include:

- Some private foundations do not permit/fund indirect costs. To increase the College's ability to secure gifts/grants from private sources, Strategic Development may waive applying an indirect rate, or may reduce the percentage, on a case-by-case basis (regardless if the RCCD Foundation receives a 5% administrative fee).
- If alternatively prescribed by the funding agency to apply a lower or higher indirect rate.
- Norco College shall not add any additional indirect on scholarship gifts or scholarship endowments on top of the RCCD Foundation's 5% administration fee.
- Allocations from the state that are not coordinated or supported via Strategic Development (e.g. our annual CalWorks allocation) shall not have an indirect rate. All such funds go directly to the unit to support program logistics and expenditures.
- The RCCD Foundation manages accounting functions on nearly all philanthropic money received from private sources. As our district's 501c3 entity, they receive, hold, invest, and manage money from private sources in scholarship, unrestricted, and programmatic accounts. Gifts given to the college not received through the RCCD Foundation shall not incur an indirect from the Foundation and in those instances (e.g. state appropriations) Norco College may charge up to a 10% indirect.

## College Allocation

From either a) the remaining 83% of indirects that we may internally allocate after the district split from state and federal grants, b) the entire indirect amount received from legislative appropriations, or c) the entire indirect amount received from private/foundation gifts above the RCCD Foundation's administrative fee, Norco College shall reinvest 50% of indirects back into raising additional funds via the Strategic Development unit to increase our college-wide capacity for external revenue generation. The Executive Cabinet, through our participatory governance process, as appropriate, will allocate the other 50% to college-wide needs/priorities as permissible and outlined above. Thus, the total indirect split for state and federal grant revenue would be 17% District, 41.5% College, and 41.5% Strategic Development, and the total indirect split for all other revenue would be 50% College, and 50% Strategic Development.

The college shall avoid accounting for, or spending, indirects that may need to be returned to the funding agency or may never be realized due to the unspent grant funds by the sponsoring department. Therefore, the process for allocating Norco College's shared indirect will be as follows: At such time the Norco College Business Services Office receives the college's portion of indirect, only then shall the share due Strategic Development and the share due to the college's holding account be transferred into the budget account established for those specific purposes, but not before.

## Indirect Expenditures & Personnel

Norco College's current program review, resource allocation, and participatory governance processes are designed for general fund expenditures. Historically, all categorical and/or one-time funded positions and expenditures are executed expeditiously requiring only Executive Cabinet approval. To facilitate ongoing and robust fundraising efforts in support of college programs and initiatives, Strategic Development will raise money in big spurts and this will require personnel decision-making that does not fit into our general-funded allocation processes. Thus, personnel decisions utilizing categorical or indirect revenue may be executed swiftly in accordance with this procedure, with Executive Cabinet approval. Transitioning Strategic Development personnel onto the general fund in the future shall occur through the college's program review and resource allocation process.

# NORCO COLLEGE INDIRECT RATES

## INDIRECT REVENUE EXAMPLES BY SOURCE

5%

### Scholarship gifts via RCCD Foundation

E.g. \$1 Million gift yields \$950,000 into endowment. \$0 indirect to Norco College (NC)

5-10%

### Programmatic gifts via RCCD Foundation

E.g. \$1 Million gift yields \$50,000 indirect to the RCCD Foundation and up to \$50,000 indirect to NC. Allocation split: 50% of indirect to Strategic Development (SD) (\$25,000). 50% of indirect to NC operations (\$25,000).

37.5%

### Federal grants requiring max indirect rate\*

E.g. \$1 Million grant yields 37.5% (\$375,000). 17% of indirect to district (\$63,750). 83% of indirect to NC (\$311,250). 50% to SD (\$155,625). 50% to NC operations (\$155,625)

10%

### Legislative Appropriations

E.g. \$1 Million allocation yields up to \$100,000 indirect to NC. 50% of indirect to SD (\$50,000). 50% of indirect to NC operations (\$50,000).

83% of X

### State/Federal grants with variable indirect rates\*

E.g. \$1 Million grant with 4% indirect (\$40,000). 17% of indirect to district (\$6,800). 83% of indirect to NC (\$33,200). 50% to SD (\$16,600). 50% to NC operations (\$16,600).

X = ALLOWABLE INDIRECT RATE AS STATED BY THE FUNDING AGENCY

\* EXAMPLES ARE FOR ILLUSTRATIVE PURPOSES ONLY AND DO NOT FULLY ACCOUNT FOR REDUCTIONS IN RECEIVED INDIRECT DUE TO UNDERSPENT AWARDS, DRAWDOWNS, RESTRICTIONS WRITTEN INTO GRANT AGREEMENTS, NOR SUB AWARD AGREEMENTS. DISTRICT OFFICE RECEIVES 17% OF STATE/FEDERAL GRANT INDIRECT REVENUE.