

## **Dr. Johnette McKown**

Johnette Edwards McKown, Ed. D., was named the third president of McLennan Community College in February 2009 and assumed the office of President on September 1. During her 20-year tenure at MCC, McKown has provided leadership for the campus, first as Vice President of Business Services and then as Executive Vice President.

Her many accomplishments at McLennan Community College include providing leadership in commitment to student scholarships, leading the sustainability movement on campus and nationally, bringing innovative financing to the campus to add more than \$117 million in improvements and new construction, successful master planning, and enhancing campus safety with upgraded technology.

For ten years, she served as an adjunct instructor in the School of Education at Baylor University where she taught Business and Finance in Higher Education in their Scholars of Practice doctoral program. She periodically teaches English at McLennan Community College.

Active in the community, McKown serves on the Board of Waco Family Practice Foundation and the MCC Foundation and volunteers with Gospel Cafe, Christian Women's Job Corp, and the Talitha Koum Institute. She has served as President of Waco Sunrise Rotary and the Heart of Texas Business Resource Center and is a past board member of the Waco Chamber of Commerce and the Salvation Army.

McKown was recognized as a Bluebonnet Girl Scout Council Woman of Distinction, as a Pathfinder in a Non-Traditional Role by the Waco YWCA, and as the recipient of the Nelson Award for Community College Administrative Leadership from the Texas Association of Community Colleges. Additionally, she recently received the Distinguished Alumni Citation from Texas A&M University—Commerce, one of 111 to receive such an award in the history of the university.

She has been actively engaged in professional organizations, including Community College Business Officers and National Association of College and University Business Officers, and has served on numerous accreditation teams for the Southern Association of Colleges and Schools.

McKown received a BA in English from Louisiana College, a M.Ed. in reading and community college education from Texas A&M University-Commerce, an AA from Paris (Texas) Junior College, and an Ed. D. in secondary and higher education in curriculum and instruction from Texas A&M University-Commerce.

A much sought after speaker, Dr. McKown has made presentations on the local, state, and national level on such topics as "Winning a Bond Election—The Second Time Around," "Tragedy on Campus—Lessons Learned," and "Data-Driven Decision Making." One of her most recent achievements is development of a training program in business and finance as part of the Future Leaders Institute for the American Association of Community Colleges.

McKown and her husband, Dr. Stan McKown, have been Waco residents since 1989.

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## **Examination of Cost Drivers in Higher Education**

Before addressing the issue of cost drivers in higher education, it is important to establish that the **current financial crisis** facing Texas community colleges is not the result of increasing operational costs. Rather, the current crisis is due to the **current funding model** which is unable to support massive enrollment growth. The current environment of **high course demand** and **strong enrollment growth** is ideal for a funding mechanism that maximizes revenue tied to enrollment. State funding that does not keep pace with enrollment growth will need to be replaced with increases in tuition and fees or ad valorem taxes in order for community colleges to maintain financial stability. Poor economic conditions have also made it very difficult for community colleges to increase local taxes in an attempt to cover additional costs associated with enrollment growth. Students may perceive the increases in tuition and fees to be the result of additional costs. However, much of the increase is the result of a necessary realignment of revenue streams to allow colleges to continue to expand programs and services while maintaining quality.

- **Personnel Costs**

- Increased enrollment has resulted in the need for **additional faculty, advisors, laboratory assistants, financial aid and other support staff** able to provide **specialized services**. Response has lagged behind available revenue, so services are always in the catch-up stage—with some areas falling far behind. For instance, at McLennan Community College, some students waited in line several hours to receive assistance at the Financial Aid Office where staff hiring had not kept up with student growth. When our enrollment was at 5,000 students, there was 1 financial aid specialist to 500 students. With the current growth to nearly 10,000 students, there are approximately 1 financial specialist to 1,100 students. This was compounded by the increased verification requirements of the Federal Government. We are required to verify a minimum of 30% of financial applications. To date for 2010-11, out of 10,323 applications for financial aid, 52.8%

(or 5,451) of students have been selected for verification, and the total numbers are expected to increase in 2011-12 based upon proposed federal regulation changes.

- The prolonged downturn in the U.S. economy has **altered the employment environment** which has led to additional costs. Faculty who were planning to retire are choosing to delay or cancel planned retirements. This eliminates opportunities to replace retirees with newly credentialed faculty who would have starting salaries at much lower rates. At McLennan Community College, the average length of service for full-time faculty is 19.12 years.
  - Lack of **comprehensive state-wide articulation** agreements from public community colleges to universities creates a need for repeated courses to be offered by colleges and universities and to be taken by students.
  - Increase in the numbers of students translates to a demand for more services of professionals with the ability to address **mental health issues and ADA requirements**. Interpreter services costs have escalated as has personnel time dedicated to students with mental challenges. Costs for interpreters and note takers in the past were paid by the Texas Rehabilitation Commission (now DARS) but as their funding was cut, we were forced to absorb costs. As an example, in FY2006, \$67,845 was expended, and in FY2010, \$169,369 was expended.
  - Along with new personnel has come the additional **cost of health insurance** benefits to the colleges. In FY2006, our cost for health insurance (unfunded state-eligible employees) was \$267, 231. Today, it is \$1,225,081.
- **Exemptions**
    - There is a significant financial impact as a result of compliance with **state required exemptions and remissions**. In FY2006, the total amount of exemptions and remissions was \$308,681. In FY2010, the total amount was \$681,516. Examples driving the increase are: (1) dual credit enrollment since McLennan exempts tuition and fees for students with demonstrated financial need, (2) Hazlewood exemptions and military, (3) blind and deaf exemptions, and (4) children from foster care. This lost revenue is replaced with either increased ad valorem taxes or student tuition.

- **Lack of Student Preparation**
  - Students coming to college prepared for college level work would be a huge cost saver for everyone. We anticipate an increased trend not only in deficiencies in reading, writing, and math, but also in **technology skills because of that requirement being dropped from the high school curriculum.**
  - With more focus locally, state-wide, and nationally on course completion, there is an expansion in **comprehensive tutoring services.**
  
- **On-Line Delivery**
  - On-line education that yields high rates of completers typically calls for more resources in **student support for technology** use as well as faculty support, oversight, and testing. Delivering online courses requires extensive faculty training on course management software, operation of a center dedicated to online course design, and dedicated database administrators to monitor the servers supporting course delivery. It costs more for the institution to yield a completer in an on-line program than it does in a face to face program. The number of enrollments in on-line courses was 5,910 in FY2006. In FY2010, the number of enrollments in on-line courses was 11,779. The number of students enrolled in at least one on-line course increased from 3,616 to 6,242 during the same time frame.
  
- **Technology in Classrooms and Administratively**
  - **Enhancing the technology** students expect in the classroom and delivering in a way that supports more completion and student learning has come with additional costs. McLennan Community College spends at least \$1,500,000 a year on technology. Twenty year ago, this was non-existent. Technology costs involve annual maintenance agreements which are increasing exponentially, replacement of computers, and new technology.
  
- **Dual Enrollment**
  - McLennan, like many other community colleges, offers dual enrollment courses to local high school districts. These course offerings are accompanied by other services such as **testing, advising, and a Connections program to help transition students** into college. At McLennan, tuition and fees are exempted for those with financial need. The result is about 50% of tuition and fees are

exempted. While the cost of support services continues to rise, the exemptions are also increasing, thus not producing revenue to keep up with supporting the growth.

- **Building Operation**

- Additional students results in **additional needed space**. Through the generosity of local tax payers with approval of a \$74,000,000 tax bond, McLennan added three new instructional buildings totaling approximately 250,000 square feet to accommodate student access to education, and there were associated costs with personnel and building supplies as well as utilities and insurance of \$1,400,000 annually.

- **Cost of Textbooks**

- On the student side, the **cost of textbooks** continues to grow. Digital texts do not meet needs of students with disabilities. The new book rental program at McLennan is predicted to offset additional tuition costs. As an example, a student taking 12 hours and utilizing the new book rental program could potentially save \$368 over the new book price for Fall 2010 vs. Fall 2009.