

OWENS COMMUNITY COLLEGE
 BOARD OF TRUSTEES
 FINANCE COMMITTEE
 May 14, 2012

A meeting of the Finance Committee was held in the President’s Office conference room, Administration Hall on the Owens Community College Toledo-area Campus.

Call to Order – Trustee Rich Rowe called the meeting to order at 10:30 a.m., and directed the record to show that the Finance Committee meeting was held in accordance with the Ohio Revised Code, Chapter 3358, and the policies of the Board of Trustees.

Roll Call – Roll Call was taken and the following committee members were present: Allan Libbe, Ronald McMaster and Rich Rowe (3). Also in attendance for all or part of the meeting: David Habegger, R J Molter, William Takacs and Diana Talmage (4).

Attendees –The following administrators were in attendance for all or part of the meeting: John Satkowski, Renay Scott, Pat Jezak, Laurie Sabin, Natalie Jackson and Jack Witt. The following visitor(s) were in attendance: Joe Inman.

Approval of Minutes – The minutes of the March 1, 2012 meeting were previously received, and Mr. Rowe declared that the minutes stand approved as submitted.

FY 2013 Budget Presentation – Mr. Satkowski recognized that the budget was developed with the Budget Advisory Council under the direction of Ms. Sabin. Mr. Satkowski presented the higher education funding allocations for the community college sector. He reviewed that the State provided federal stimulus funding to higher education for FY 2010 and FY 2011. The State’s funding per fulltime equivalent (FTE) student has declined every year since FY 2007, and it remains flat for FY 2013 for the community college sector. For Owens Community College, the budget has been developed based on a projected 11,500 FTE at the College with \$3,079 in State Share of Instruction funding per FTE.

The FY 2013 budget that will be recommended in June:

	FY 2013	FY 2012
Revenue	\$94,545,023	\$97,060,991
Expenses	\$93,012,793	\$95,057,337
Transfers	(\$1,064,300)	(\$1,383,021)
Operational Balance	\$467,930	\$620,632

Ms. Sabin reviewed how the Budget Advisory Council developed the budget within the perimeters of the conditions and the constraints of:

- Minimizing the effect on students and fulltime employees while realizing that the part-time employees are flexible work staff
- Recognizing that the State Share of Instruction (SSI) funding has eroded, and it now funds 72.57 percent of the actual five-year average of costs incurred
- Projecting a 13 percent decrease in FTE and utilizing the stop-loss gap of SSI, which protects 96 percent of the College’s funding from the State of Ohio
- Projecting for tuition, which was increased to the cap of \$200 per fulltime student

- Recognizing that three-quarters of the budget is for wages and benefits
- Aligning the budget based on the FTE enrollment target, which was developed by academic administration through the Noel Levitz team effort
- Providing an investment of \$121,875 for baseline classrooms with standards for tables, chairs and white boards
- Reducing the E Learning course fee from \$5.00 per credit hour to \$2.50 per credit hour and increasing the course fee for offerings on the Toledo and Findlay Campuses to \$2.00 per credit hour
- Projecting a non-credit revenue increase of \$300,000 driven by Workforce and Community Services
- Saving \$165,000 due to the expiration of Lake High School lease of the Tracy Road building

Ms. Sabin reviewed the projected increases in FY 2013 operational expenses and adjustments in business/accounting practices. Mr. Satkowski commented that he and Ms. Sabin are available to respond to any of the questions from the Trustees. It will be an interesting budget year, and the College's plans for enrollment are in place. He commented that the other community colleges, as well as Owens, are concerned about summer enrollment, which is not at the level that it had been in prior years. The observation is that the summer enrollment decrease is due to changes in the federal financial aid regulations, and students are planning to attend fall and spring semesters to receive financial aid. In response to a question from Mr. Habegger, Mr. Satkowski commented that about 70 percent of the College's students are eligible for Pell federal financial aid. Ms. Sabin also commented that a contributing factor may also be the overall decrease in the State's direct from high school student population.

Facilities and Capital Planning – Mr. Satkowski distributed the FY 2013 proposed capital projects timelines based on beginning the three projects concurrently for completion in one year or consecutively for completion in multiple years. The priorities are the final renovation of Heritage Hall, which has a State capital appropriation of \$4 million; the renovation of the high bay building and the renovation of Kingsley Hall. He reviewed two financing scenarios based on the timelines. The Finance staff is attempting to put together an attractive financing package of either \$8.2 million or \$7 million with income streams based on making space available for revenue-producing instructional programs. Dr. Scott confirmed that the FTE needed are realistic targets for the programs being planned for Heritage Hall Phase II. Mr. Satkowski commented that the Finance staff will continue to explore financing options and will prepare a request for proposals for banks.

EXECUTIVE SESSION

Mr. Rowe announced an executive session for discussion of property and the personnel contracts of individuals. Dr. McMaster made a motion to adjourn to executive session for the reasons specified. Mr. Libbe seconded the motion. Mr. Rowe called for a roll call vote. Roll Call: David Habegger, yea; Allan Libbe, yea; Ronald McMaster, yea; R J Molter, yea; Rich Rowe, yea; William Takacs, yea; and Dee Talmage, yea (7).

Upon return from executive session, roll call was taken and the following trustees were present: Mr. Habegger, Mr. Libbe, Dr. McMaster, Mr. Rowe, Mr. Takacs and Ms. Talmage (6).

Other – Ms. Jezak commented that the recommendation that was postponed from the May 1 regular meeting of the Board of Trustees will be on the agenda for the June 12 regular meeting of the Board of Trustees.

Mr. Satkowski invited trustees to contact him or Laurie Sabin, if there are any further questions on the FY 2013 budget.

Mr. Rowe shared a fundraising idea from the landscape and turf program at The Ohio State University.

Mr. Habegger recognized Board Chair Talmage for her commitment to veterans and for the College's recognition of the graduates who are veterans at the May 4 Commencement Ceremony.

Adjournment – As there was no further business to discuss, Trustee Rowe declared the meeting adjourned at 1:00 p.m.

ATTEST

Patricia M. Jezak

Secretary to the Board of Trustees

Approved 8-21-12