

OWENS COMMUNITY COLLEGE  
 BOARD OF TRUSTEES  
 FINANCE COMMITTEE  
 June 2, 2011

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** – Finance Chair Ron McMaster called the meeting to order at 2:00 p.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: Mr. Allan Libbe, Dr. Ronald McMaster and Ms. Dee Talmage (3). Trustee David Habegger was also in attendance.

**Attendees** –The following administrators were in attendance for all or part of the meeting: Mr. John Satkowski, Dr. Renay Scott, Ms. Pat Jezak, Dr. Brian Paskvan, Ms. Pamela Beck, Ms. Laurie Sabin, Dr. Natalie Jackson and Mr. Gene Lapko.

**Approval of Minutes** – The minutes of the April 19, 2011 meeting were previously received, and Dr. McMaster declared that the minutes stand approved as submitted.

**Budget Presentation** – Mr. Satkowski presented the proposed FY 2012 unrestricted current fund budget. He reviewed the FY 2007 to FY 2013 higher education actual and projected funding allocations for community colleges, which included funding per student based on fulltime equivalent enrollment. He noted that while the community college sector FTE enrollment is projected to increase by 44 percent during the period of FY 2007 to FY 2013, while the funding per student will decrease by 27 percent. For Owens Community College, the FTE enrollment is projected to increase by 16 percent during that same period while the funding per student will decrease by 23 percent. He also reported that the revenue base for the community college sector will be reduced by 4.5 percent, as compared to the university sector reduction of 3.6 percent. This is significant because the 3.5 percent tuition increase will only make up 1.8 percent of the revenue for the community college sector due to lower tuition rates, while the universities will recover 2.6 percent of their revenue through tuition. He summarized that the cut in State Share of Instruction (SSI) is far more significant in its impact to the community college sector. This message needs to be shared with the legislators.

Mr. Satkowski continued with the budget presentation, and he reviewed that for the period of FY 2008 to FY 2012, a total of \$9.9 million has been saved in total efficiencies at the College. This is an annual savings impact on the College budget.

The proposed FY 2012 budget will see decreases in revenue, expenses, transfers and provide for a minimal operational balance, as compared to FY 2011:

	FY 2012	FY 2011	Change
<b>Revenue</b>	\$97,060,991	\$103,863,952	↓ \$6.8 million
<b>Expenses</b>	\$95,057,337	\$97,683,553	↓ \$2.6 million
<b>Transfers</b>	(\$1,383,021)	(\$2,666,309)	↓ \$1.3 million
<b>Operational Balance</b>	\$620,632	\$3,514,090	↓ \$2.8 million

Mr. Satkowski reviewed the budget assumptions of revenue: 12.3 percent reduction in SSI, 3.5 percent increase in tuition, 0 percent increase in enrollment; and the assumptions for expenses: 4 new full-time faculty positions, 0 percent increase in salaries, 6 percent increase in healthcare/retirement and a 3 percent decrease in part-time and overload. Laurie Sabin clarified that a revenue reduction contingency of \$2.3 million is planned, which could result from a combination of declines such as the economy, funding, investments. Mr. Satkowski reviewed the operational reductions in travel, food, professional development, overtime and the elimination of the course supply rollover. The salaries and benefits will be lower for FY 2012.

Mr. Satkowski recognized the work of the Budget Advisory Council on their charge to minimize impact on personnel and students. He commented that the FY 2012 operational balance of \$620,632 is the smallest balance that the College has budgeted for in five fiscal years. Mr. Satkowski responded to an inquiry from Mr. Habegger as to the Treasurer's comfort level for the operational balance: \$1 million to \$1.5 million. Mr. Habegger commented on the positive aspect of the budget, which supports instruction including new and replacement faculty positions. Mr. Satkowski agreed and commented that the budget still meets the College's objectives. President McDougle commented that over a two-year period, the College has added 19 fulltime faculty positions. President McDougle commended John Satkowski, staff and the Budget Advisory Council for providing an operational balance in the black and sustaining quality of instruction and services.

Dr. McMaster inquired about the twelfth SSI payment for FY 2011, and Mr. Satkowski replied that the payment is scheduled in June and state revenue is ahead of projections.

Mr. Satkowski distributed the proposed FY 2012 budget and the revised FY 2011 budget that will be recommended on June 14. He commented that the revised FY 2011 budget reflects a change in the operational balance due to the one-time pay-out for the voluntary cash separation program and a decrease in tuition revenue. Dr. Scott commented on the partnership with Noel Levitz on targeting strategies for enrollment and retention, which has begun to positively impacted enrollment for summer and fall semesters.

### **EXECUTIVE SESSION**

Dr. McMaster announced an executive session for matters of collective bargaining. Mr. Libbe made a motion to adjourn to executive session as specified. Ms. Talmage seconded the motion, and the Chair called for a roll call vote. Roll Call: Allan Libbe, yea; Ronald McMaster, yea; and Diana Talmage, yea (3).

Upon return from executive session, roll call was taken, and the following committee members were present: Allan Libbe, Ronald McMaster and Diana Talmage (3).

**Adjournment** – As there was no further business to discuss, Trustee McMaster declared the meeting adjourned at 3:30 p.m.

ATTEST

*Patricia Jezak*

Secretary to the Board of Trustees

Approved 11 30 11