

OWENS COMMUNITY COLLEGE
BOARD OF TRUSTEES
FINANCE COMMITTEE MEETING
November 19, 2015

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

Call to Order – Trustee Ed Nagle called the meeting to order at 3:00 p.m., and directed the record to show the meeting of the Finance Committee was held in accordance with the Ohio Revised Code and the policies of the Board of Trustees.

Roll Call – Roll Call was taken, and the following committee members were present: Mary Beth Hammond, Ed Nagle, Rich Rowe, Dee Talmage and Tom Uhler (5).

Attendees – The following administrators, staff or guests were in attendance for all or part of the meeting: President Mike Bower, Patricia Jezak, David Cannon, Steve Robinson, Betsy Johnson, Laurie Sabin, Pam Beck, Connie Schaffer, Jennifer Fehnrich and Jared Meade.

Approval of Minutes – The minutes of the September 17, 2015 meeting were previously distributed, and hearing no corrections, Trustee Nagle declared the minutes approved as submitted.

REPORT OF THE TREASURER

Monthly Finance Report and Statements – Dave Cannon, Vice President/CFO/Treasurer, presented the financial report for the period ending October 31, 2015. He commented on the operating gain/(loss) after depreciation at (\$2,850,661) in the FY 2016 All Funds budget; and, he noted the projected figures do not include pending revenue: Bookstore inventory, faculty retirement savings or proposed departmental budget reductions; these will be included in the period when realized. He noted the projected SB 6 composite score of 1.4 for the period. He commented that the budget is tight and limited; a recommendation for departmental budget reductions may total: \$288,050. When the revenue, savings, reductions are realized, he commented that the College will be on target toward the SB 6 composite score goal of 2.0. Mr. Cannon commented that the workforce revenue trend is not meeting the anticipated target, and he is also anticipating an offset of expenditures to align with the decrease of revenue – the hope is still to break-even. Mr. Cannon noted that the October 31, 2015 financial report and statements will be presented to the Board of Trustees at the December 1, 2015 regular meeting.

Chancellor's Letter - President Bower and Mr. Cannon commented on a November 9, 2015 letter received from Chancellor John Carey in response to the College's September 4, 2015 request for an exceptional circumstance of implementing Board-adopted tuition (reference: resolution 2015-03-13-01), of which tuition revenue has been projected in the Board-adopted Financial Recovery Plan (reference: resolution 2015-07-15-05) that was submitted prior to receiving the Chancellor's July 31, 2015 tuition cap guidance interpretation of Section 369.170 of Amended Substitute House Bill 64. Chancellor Carey documented his final decision of non-support "under the current tuition freeze environment enacted in HB64." The letter also guided the College to "make the necessary budgetary planning adjustments at the institution to incorporate the outcome of this final decision."

Fees Proposal - Mr. Cannon stated that a \$2 million offset needs to be addressed, and he referenced Ohio Revised Code 3345.39 language for auxiliary fees (charges assessed to students for various educational expenses) that are not uniformly applied to all students. Auxiliary fees do not include instructional or general fees that are uniformly assessed to all students. Mr. Cannon proposed separating

such fees from the general fee, as follows: academic technology fee, administrative technology fee, student activities fee, computer usage fee and e-learning fee, as auxiliary non-general fees to students who take six and more credit hours.

Mr. Cannon provided handouts of the Current Fee and Draft-Proposed Fee Revenue and Costs. Trustee Nagle commented that at this time, the proposal only addresses the lowest fees, which have not been changed since inception. Mr. Cannon commented that the proposal does not cover all of the College's costs; however, the target now is to have the fees cover more than what is being covered right now. He shared his question if these are all the costs that the fees should cover. The Finance staff will continue to review and analyze as the next fiscal year budget is under development.

Mr. Cannon commented on the projected losses of \$3.3 million to \$2.8 million, as to the technology-related fees, which do not cover the costs of all the technology being provided to students (mainframe and program development are not included.) Based on the analysis provided, he estimated that an \$18.00/credit hour fee may cover the technology cost. Trustee Nagle inquired as to how a template for technology fees/costs may be applied to all aspects of the budget and costs. Mr. Cannon replied that if the technology fees/costs are aligned then a budget adjustment would be recommended. Trustee Nagle commented that it is a strategy to consider in the future, as the College reviews how it subsidizes any part of such student-related costs. Mr. Cannon provided handouts of tuition and fee comparisons with other Ohio public institutions. Trustee Nagle asked if there are any projected technology investments over the next three years, which Connie Schaffer, Associate Vice President, Technology, responded that some servers are coming to end of life in next two years and other replacements. Trustee Nagle requested an updated analysis based on a template for all technology fees/costs.

Mr. Cannon commented on a recommendation of tuition and non-general fees to apply to Fall Semester 2015, and implementation would include student tuition and fees adjustments with the intent of either providing student refunds or no additional billings for Fall Semester balances; and, adjustments of tuition balances for students who are registered for Spring Semester 2016.

Trustee Nagle requested the Finance Committee to meet at 11:00 a.m., prior to the regular meeting, December 1, 2015, to continue the review of non-general fees; specifically, for an updated analysis for all technology fees/costs, review of a break-even point and to recommend proposed fees.

Departmental Budget Reductions Proposal – Mr. Cannon presented proposed departmental budget reductions totaling, \$288,050; workforce budget reduction, \$21,000; and, to include the capital funding in the budget, \$445,865. He commented on bringing a recommendation to the Board of Trustees at the December 1, 2015 regular meeting.

Monthly Budget Transfers Report – Mr. Cannon presented a listing of budget transfers for the month of October 2015, which net out to zero. He noted that grants have been entered for increases and align with the budget. He said that in the future, increases for grants will be recommended for the Board's approval. **Trustee Rowe made a motion, which was seconded by Trustee Uhler to present the monthly budget transfers to the Board of Trustees at the December 1, 2015 regular meeting. Following a voice vote, the motion was adopted.**

Cash and Investments – Mr. Cannon presented cash and investments for the periods of September and October 2015.

Proposed Cash Transfers – Mr. Cannon presented proposed cash transfers of accounting funds. The intent is to move toward the objectives of the Financial Standards Policy. Over the years, there were surpluses and depletions and this will allocate the cash toward the proper funds of unrestricted, auxiliary or plant. **Trustee Rowe made a motion, which was seconded by Trustee Nagle to present the proposed cash transfers to the Board of Trustees at the December 1, 2015 regular meeting. Following a voice vote, the motion was adopted.**

First Quarter Report – Mr. Cannon commented on the quarterly report for the period of September 30, 2015, which was submitted to the Ohio Department of Higher Education. Three questions were checked “yes.” He commented that next quarter, it is not anticipated that any subsidy advances may be requested as there is alignment with cash flow. He commented on collaborative meetings between the staff of Finance and Financial Aid offices.

Draft Investment Policy Review – Mr. Cannon presented a new draft policy to be recommended in the future for the Board’s adoption. He stated that the draft language aligns and meets state compliance. The draft policy will go through the normal policy review process with faculty and staff.

College Credit Plus Program (CCP) – Betsy Johnson, Vice President, Enrollment Management, Student Services and Marketing, commented on two pending recommendations related to the College Credit Plus program. The first recommendation is for a tuition waiver for CCP students (non-public high school or home-schooled students) who do not receive CCP funding for Spring Semester 2016 classes. An outreach will be done, and she estimated this may affect about 20 prospective students. The second recommendation is to request Board of Trustees approval for the costs of the CCP program for 2016-2017, per the state’s requirements. The CCP agreements are due to be signed by February. The recommended costs will be the default floor rate and defray 25 percent of textbook expenses. In response to question from Trustee Rowe, Dr. Johnson commented that the program cost will be determined at the end of the term after the passing rates are completed.

Course Evaluations (ORC 3345.35) – Steve Robinson, Vice President, Academic Affairs, provided background and an update on the state requirement of course evaluations. He commented on the College’s course section management that is documented in the Financial Recovery Plan. A report template has been provided that seems to be geared toward universities. The recent Ohio Association of Community Colleges’ Chief Academic Officer meeting with representatives of Ohio Department of Higher Education noted that it will be permissible to submit a draft report pending Board approval by the January due date. For planning purposes, a recommendation will be made for the February 2, 2016 regular meeting of the Board of Trustees.

Good of the Order – Trustee Uhler commented on student recruitment for Spring Semester 2016, and Dr. Johnson commented on efforts of registration-ready events and walk-in advising for current students.

Adjournment – As there was no further business to discuss, Trustee Nagle declared the meeting adjourned at 4:40 p.m.

ATTEST

Patricia Jezak

Secretary to the Board of Trustees

Approved 12-03-15