

OWENS COMMUNITY COLLEGE  
BOARD OF TRUSTEES  
FINANCE COMMITTEE MEETING  
September 27, 2022

A meeting of the Finance Committee was held in accordance with the policies of the Board of Trustees, Ohio Revised Code, Section 121.22 and Chapter 3358, in Administration Hall 224 and by videoconference. A public link to the videoconference was provided on the public meeting notice on the College's website.

**Call to Order** – Rich Rowe called the meeting to order at 9:02 a.m.

**Roll Call** – Roll Call was taken, and the following committee members were present: Sherina Ohanian, Rich Rowe (remote) and Rita Russell (remote). (3) Mary Beth Hammond (remote) was also in attendance.

**Approval of Minutes** – The minutes of the May 24, 2022 meeting were sent in advance and hearing no corrections, Mr. Rowe declared the minutes accepted as submitted.

**TREASURER'S REPORT**

Financial Report – Preliminary June Fiscal Year 2022 – Jeff Ganues, Vice President of Business Affairs, Chief Financial Officer and Treasurer, reviewed the Preliminary June FY 22 financial report, and he noted:

- YTD compared to Budget Dashboard – Page 2.
  - Expense, year-to-date, wages/benefits impacted due to health care benefits; he commented on the year-to-date expenses.
  - Net Gain in Position, year-end at \$8.4 million for FY 22; driven by \$2.1 million in health care expenses.
  - Cash reserve targets in the green and regularly monitored.
  - SB 6 composite score projected at 5.00.
- YTD FY 2022 compared to YTD FY 2023 Dashboard – Page 3.
  - Expenses, YTD wages/fringes nearly the same as prior YTD; health care expenses were high.
  - There was \$8.6 million in federal HEERF student pass-through funds; the actual # is \$65.6 million at 94.6 percent. The net gain was up, year-over-year.
  - Balance sheet indicators were as expected. In FY 2021, almost all of the funds booked as tuition and expenses; this year there was the (WCS) check exchange that were not either a receivable or a payable; shown under total liabilities.
  - Mr. Rowe asked about the health care insurance, which Mr. Ganues commented there were more and larger-sized claims.
- Financial Walkthrough Budget compared to Actuals – Page 5. Mr. Ganues highlighted the items that changed from April's report.
  - Bad debt – decrease was due to HEERF funds, as students were using their student portions to be applied to their tuition balances. He commented that Fall Semester 2022 student drops for non-payment of tuition was higher than Fall Semester 2021, most likely also impacted from no HEERF funds for students this year.

- Revenue – Workforce – down by \$1 million. Corporate/continuing education is trying to rebound; Provost and Dean, WCS are working on a plan for FY 2023. He also commented on Revenue-Workforce-Contracted due to the check exchange. **Mr. Rowe asked about the number of students that WCS-Contracted serves, which Mr. Ganues commented that he can follow up on providing the FTE based on the credit hours consumed; additionally, Mr. Rowe asked for the cost per student.**
- Expenses – Salaries/Benefits – up by \$2.1 million due to health insurance.
- Bottom line – Mr. Ganues commented on unspent, encumbered funds that had an impact. Bottom line is \$8.4 million.
- Non-GASB All Funds – FY 22 YTD to FY 21 YTD – Page 6. Mr. Ganues commented on the “apples to apples” comparison that the exhibit provides. Removed from the comparison were the one-time revenues and expenses, grants and HEERF funding. It is a better picture of the operating financials. The FY 2022 net gain shifted to \$606,651, as compared to the FY 2021 net (loss) of position, (\$3.5 million), without the HEERF funding. This shift is largely the result of having \$3.8 million more in capital appropriations.
- Financial Walkthrough Comparison of Actuals – Page 7. Mr. Ganues highlighted items:
  - SSI
  - Bad debt – swung to the good
  - Revenue-Sales & Services – Child Care stayed near to capacity; commissions increased with a fully operational e-bookstore and vending sales.
  - Revenue-Workforce Contracted – net effect due to more students and related increase in expenses.
  - Expenses-Salaries and Benefits – decreased due to the vacant positions.
  - Expenses-Materials and Supplies & Maintenance Services – decreased in IT hardware, furniture and equipment, which was good for the bottom line. There were investments made in athletics area, theater and tools for Dana Center. Decrease in expenses for maintenance services from prior year.
  - Other-Depreciation – decreased. The FY 21 end-of-year write off and updating useful life on assets moved this forward.
  - Other-Capital Appropriations – increased by \$3.8 million with construction in FY 2022.
- Cash Flow – Page 8. Mr. Ganues commented that the actual was less than the projections due to cash drawdowns for HEERF.
- Balance Sheet – Page 11. Mr. Ganues commented that cash/cash equivalents were up, doing a good job in monitoring between cash and investments. Investment are up, quicker responses in moving funds based on rates. Accounts receivables are down by \$1.5 million due to enrollment, union check exchange, net effect of HEERF funds. Liabilities are down in unclaimed funds, grants payable and union check exchange. Unearned Revenues are down by \$479,000 due to 13 percent decrease in summer enrollment.

Monthly Financial Report – August Fiscal Year 2023 – Mr. Ganues reviewed the August financial report, and he noted:

- YTD compared to Budget Dashboard – Page 2.
  - Enrollment and timing for the August financials. He noted that total enrollment, actual for the budget, is down by 13 percent. He said the summer FTE shows an increase due to a 20% summer decrease made in May for the FY23 budget. The summer enrollment rebounded after revising the projections. The fall FTE budget projected enrollment up, 3 percent year over year; however, the fall enrollment is down by 8 percent to budget. The timing difference is in this monthly report. Total revenue through August for all funds shows an increase but it is misleading due to deferred revenue for summer and fall; the dollars will smooth out by the December monthly report; the budget will be caught up.
  - Expenses, down by 11 percent due to vacant positions. As the College fills positions, this will adjust. The YTD operating expenses were up by 25 percent; \$530,000, for Workday expenses that were paid. He commented that there was nothing that would lead him to believe that the College would be over budget.
  - YTD net gain, less than prior year, attributed to fall and summer enrollment, as reviewed earlier in the meeting.
- Financial Walkthrough – Page 5.
  - Revenue-Tuition Summer was better than projected.
  - Revenue-Tuition Fall was down due to credit hours and students dropped for non-payment of tuition and fees. Ms. Russell asked about how was the fall tuition down based on the headcount, which Mr. Shaffer replied, about 167 students, not included CCP (College Credit Plus). The total enrollment, to-date, 6,632 for both campuses.
- Reserve Requirements – Page 6.
  - Plant funds – were in the yellow, \$4,155,785, compared to reserve requirement of \$4,110,664, which Mr. Ganues commented that a journal entry to transfer from general cash fund to the plant fund will be done.
- Investments – Page 7. In response to a question from Mr. Rowe about commercial paper, Mr. Ganues commented that the College purchased two in August due to better rates, and the College is working out a strategy for reinvestment when there is an opportunity based on rates.
- SB 6 Ratios – Page 8. Mr. Ganues commented on the current projections; the net income ratio is driven by the change in total assets at about \$423,000; it pushed the composite score down but still a strong score at 4.4.
- Balance Sheet – Page 9. Mr. Ganues commented that accounts receivables were down by \$2.3 million due to enrollment, union check exchange, and less in grants receivables. Accounts payables were down by \$1.3 million due to the union check exchange. Unearned revenue was down due to fall enrollment.
- Mr. Ganues commented on the removal of non-federal student loans from the FY 2022 books. Mr. Rowe asked if any effect from the federal student loan forgiveness program, which Mr. Ganues replied there will be no benefit to the College from the program; just to eligible students. President Somerville also commented that the federal forgiveness was on the student level; no relief on the College side.

Facilities – Deferred Maintenance Update – Mr. Ganues commented on exhibit 4, update on deferred maintenance phase I. The Board had approved a total spend of \$2.8 million on deferred maintenance items based on the conditions of life safety, structural, mechanical and electrical (resolution 2021-02-02-06). Total spent to-date, \$2.7 million with \$83,909.19 remaining for projects. He noted that additional items that need to be addressed were brought up during the completion of some of the projects, such as the primary switch project. Ms. Russell asked about the additional projects, which Mr. Ganues commented that the new projects were added and replaced other projects from the budget; no change to the budget. He provided an example of one project that was removed, fire suppression for the Welding Center, which became deprioritized as his staff talked with the architects and those who worked in the area that there was a level of fire exits that enabled the project to be de-prioritized and moved into other renovation projects. He also commented on contingency estimates built into the deferred maintenance project budget. Mr. Ganues commented that if other projects come to the surface to be added to the deferred maintenance list for phase I that he would review at a future Finance Committee meeting.

Mr. Rowe asked about a re-rating of property and casualty insurance for the College due to the deferred maintenance improvements, which Mr. Ganues replied that the renewal of the property and casualty insurance accounted for the improvements, and the rates still went up.

Capital Planning – Update on the School of Nursing and Health Professions Renovations Project Presentation – Mr. Ganues provided an update since the July kick off on pre-construction, schematic design and the project time line. He noted the following next steps:

- Architect, Engineer, and CMR to provide cost estimates for construction in November
  - Plan to present these estimates to Finance Committee November 29<sup>th</sup> meeting
- Finalize plan for Financing
  - Cash Reserves
  - Debt
  - Fundraising
  - Grants

Mr. Ganues commented on returning this agenda item to the November Finance Committee meeting for the construct cost estimates and a financing plan for the project.

There was discussion that the future deferred maintenance items will be offset from the two older buildings going offline (Health Tech and Bicentennial Hall), due to the renovation project of moving the School of Nursing and Health Professions into the buildings formerly occupied by the Library and AVCC classrooms. President Somerville commented that condensing the campus footprint was in alignment with the State’s priorities for facilities. Mr. Ganues commented that he is exploring the SB6 composite score projection based on cash/debt, etc. and goals for potential fundraising and other grant opportunities. He also noted that the State’s time line for HEERF funding opportunities was also extended.

Enterprise Resource Planning (ERP) Update Presentation – Mr. Ganues provided an update since the Board provided prior authorization for the agreements for an ERP. He noted that the contracts were finalized, and he provided an update on the ERP cost estimates, including the software training budget will be spent in fiscal years 2023/2024 for the staff as they implement the system. The implementation cost went up as AVAAP did a scope review on the implementation portions on processes, such as employment and payroll; this is expected to limit potential change orders during the project. Staff contingency is at 20 percent for stipends and over time for additional

work and any change orders from AVAAP that may occur. Mr. Ganues commented that the Workday contract is for 10 years. The license is based on the College's number of employees and students; he had Workday factor in a growth option for years 8, 9, 10 with a 10 percent increase to student enrollment and all position vacancies filled. We are paying ahead of time instead of paying for overages per year that may have happened; this impact will be in year 8. He commented on the work in progress that AVAAP team has noted that the Controller's and Human Resources staff are engaged, timely and responsive. Mr. Rowe extended his thanks to the entire team working on the ERP.

**Other** – Mr. Rowe asked about low enrollment and duplication report that was approved by the Board on September 13, if it had included the cost of tuition (without costs such as utilities). **President Somerville commented that the College can gather that information that was not part of the report to the State, and will follow up.** Mr. Rowe commented on the break-even point of running the classes and realizing that students have to complete.

Mr. Rowe also commented on his recent discussion with the Governor's Boards and Commissions office that most families do not seem to be aware that the College Credit Plus (CCP) program can save tuition money due to college credit earned while students are in middle school and high school; this message needs to be shared with families. **President Somerville commented that at the next regular meeting of the Board in November, there will be a presentation on what Owens does for CCP students, what Admissions does at the high schools and also fold in what is happening at the State level.** Mr. Rowe agreed with President Somerville, and he noted that the State needs to invest into an ongoing media push on the program. President Somerville also commented on the K-12 lobbying efforts seeking to change the weighting of AP and CCP courses, which may disadvantage students. There is a long-standing perception of the prestige of AP courses. She noted that CCP was envisioned to help create more equity and inclusion, as K-12 schools fund the CCP. She also noted that some school districts use CCP and AP interchangeably when referring to high-performing students. There are a lot of pieces in place to work more broadly on a systemic level, including the rights of students and parents.

Chair Hammond thanked Mr. Rowe for chairing the Finance committee.

**Adjournment** – As there was no further business, Mr. Rowe declared the meeting adjourned at 10:16 a.m.

*Accepted 11-29-22*

Attachments to the Minutes:

1. 9-27-22 School of Nursing and Health Professions Renovations Project Update – Work in Progress Presentation
2. 9-27-22 Enterprise Resource Planning (ERP) Update – Work in Progress Presentation

Attachment 1 – Work in Progress Presentation (5 pages)

# School of Nursing and Health Profession Renovation

September 27, 2022

*Your Success Starts Here.*



OWENS  
COMMUNITY COLLEGE

# Pre-Construction Update

- Programming kicked off on 7/20/22
- Meetings have occurred bi-weekly with core team and Chairs and Faculty from each health program
- Completed walk-through of all labs with Architect and Engineer Firms
- Equipment inventory is being completed for each Health Program
- Site Survey has been completed
- Building Assessment has been completed



OWENS  
COMMUNITY COLLEGE

# Schematic Design Update

- We have submitted the design and administration fees for the project to the Controlling Board
  - This will be covered by the \$1.5M SNHP State Capital Appropriations budget
- We have submitted the RFQ for the Construction Manager at Risk (CMR) and have shortlisted 3 firms
  - Building walkthroughs with these firms has been completed
  - Submitted Proposals from firms are due 10/3/22
  - Interviews with the firms will be held 10/4/22



**OWENS**  
COMMUNITY COLLEGE

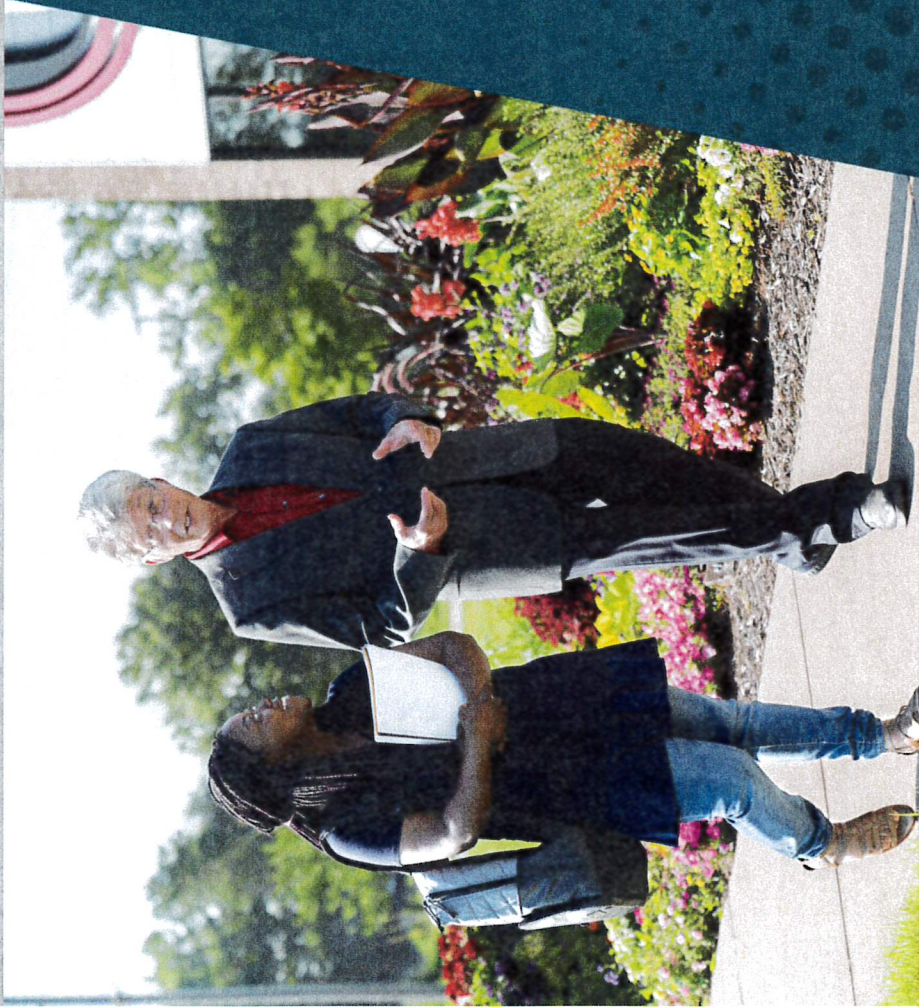




# Next Steps

- Architect, Engineer, and CMR to provide cost estimates for construction in November
  - Plan to present these estimates to Finance Committee November 29<sup>th</sup> meeting
- Finalize plan for Financing
  - Cash Reserves
  - Debt
  - Fundraising
  - Grants





# ERP Update

.....

September 27, 2022

*Your Success Starts Here.*



OWENS  
COMMUNITY COLLEGE

# ERP Cost Update

ERP Expenses	Type	Original	Updated	Change
Software Training	Expense	\$433,975.00	\$371,923.00	(\$62,052.00)
- Training Credits			\$116,160.00	
- OnDemand Training Libraries (subscription)			\$34,000.00	
- Training Adoption Kit (subscription)			\$11,500.00	
- Delivery Assurance			\$196,763.00	
- Travel Expense for Delivery Assurance			\$13,500.00	
Implementation (AVAAP)	Capital	\$5,790,213.00	\$5,852,241.00	\$62,028.00
Staffing and Contingency (20%)	Capital	\$1,158,042.60	\$1,170,448.20	\$12,405.60
Strategic Sourcing	Capital	\$0.00	\$85,000.00	\$85,000.00
Annual Workday Subscription Cost	Expense	\$8,987,961.00	\$9,113,704.00	\$125,743.00
<b>Total Cost</b>		<b>\$16,370,191.60</b>	<b>\$16,593,316.20</b>	<b>\$223,124.60</b>



**OWENS**  
COMMUNITY COLLEGE

# Implementation Dashboard

Owens Community College – Workday Platform

## Vision Statement or Objective

The Owens Community College Workday deployment will create opportunities for transformed and efficient processes, secure access to integrated systems and data, and improved user experiences.

## Phase 1 – Platform

Phase Start: 07/14/2022  
Phase End: 08/15/2023  
Days to Go-Live: 284

## Architect & Configure Stage

Stage Start: 09/12/2022  
Stage End: 03/10/2023  
Days Remaining: 172

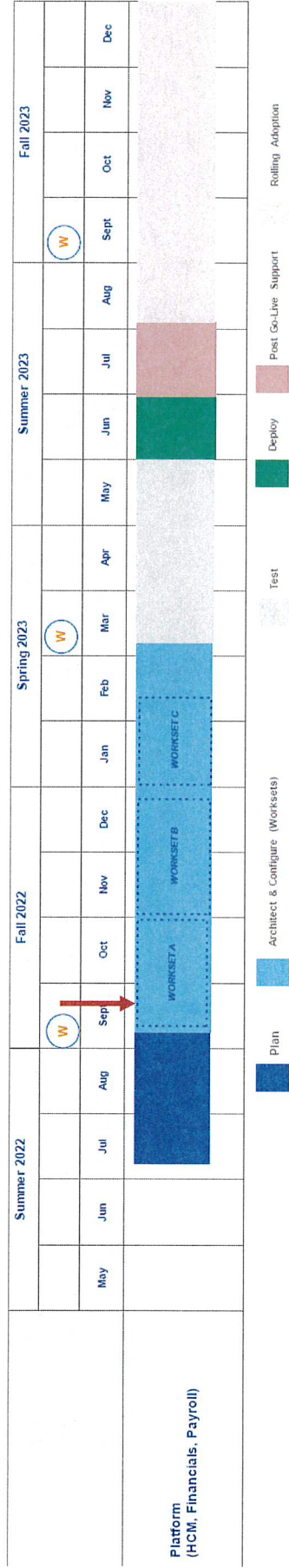
Overall Status



Project Milestones	Status	Baseline Completion Date	Forecasted Date
Plan: Foundation Data Modeling (FDM) and initial Configuration Tenant	Complete	09/05/2022	10/31/2022
Architect & Configure: Workset A	In progress	10/31/2022	12/21/2022
Architect & Configure: Workset B		12/21/2022	02/10/2023
Architect & Configure: Workset C		02/24/2023	02/24/2023
Architect & Configure: Customer Confirmation Sessions (CCS)		04/21/2023	04/21/2023
Test: End-to-End testing		05/12/2023	05/12/2023
Test: Payroll Parallel testing		05/15/2023	05/15/2023
Test: Complete Delivery Assurance checkpoints		06/23/2023	06/23/2023
Go-Live (soft)		06/30/2023	06/30/2023
Go-Live (public)			

# Project Timeline

Owens Community College – Workday Platform



## Workstreams (Parallel Sub-Projects)

- Banking & Settlement
- Budgets
- Business Assets
- Customer Accounts
- Expenses
- Financial Accounting
- Grants
- Procurement
- Supplier Accounts
- HCM
- Benefits
- Compensation
- Recruiting
- Payroll
- Absence
- Time Tracking
- Integrations
- Data Conversion

# Key Accomplishments & Activities

Owens Community College – *Workday Platform*

## KEY IMPLEMENTATION ACCOMPLISHMENTS

- Completed foundational activities
  - Financial account structure (worktags)
  - Employee data extracted
  - Configuration Tenant with Owens data built
- Owens beginning Workday training
- Owens team is engaged, focused, and ready

## PROJECT ACTIVITIES

- Architect and Configure project stage: Workstreams started Workset A last week or this week, continuing through 10/31/2022
  - Foundation Alignment Sessions – align Owens practices with Workday best-practices
  - Key configuration decision-making time
  - Testing begins 10/10/2022
  - Owens team will feel much busier
- Preparation for system testing begins this week