

OWENS COMMUNITY COLLEGE
BOARD OF TRUSTEES
FINANCE COMMITTEE MEETING
April 22, 2024

Then and Now Appropriation Detail for Review – Jeff Ganues, Vice President of Business Affairs, Chief Financial Officer and Treasurer, commented on the listed items as related to the implementation of Workday ERP. With budget authorities being trained and more adept with Workday, the Then and Now activity should lessen and return to a more normal trend.

TREASURER’S REPORT

Monthly Financial Report – March Fiscal Year 2024 – Mr. Ganues reviewed the March financial report, and he commented on the actions that contributed to the bottom line, net gain through March. He noted:

- YTD compared to Budget Dashboard – Page 2.
 - Revenue due to enrollment, positive.
 - Wages, should be at about 104 percent; there were 3 pay periods in March but the budget had included 3 pay periods in April; this will come down.
 - Outlier, health care claims. The period from July to January, claims were down year-over-year by 1.5 percent. The period of February and March, claims were up about 35 percent; \$470,000. Could be timing. April begins the College’s new year for health care. Experienced 20 percent of expected claims.
 - Operating expenses, as expected to keep the bottom line, 94 percent.
 - SB 6 projected score improved, from 3.9 to 4.1
- YTD FY 24 compared to Prior YTD FY 23 Dashboard – Page 3.
 - Spring FTE enrollment variance; changed to a student drop for non-attendance, which is new; 39 FTE.
 - Spring tuition revenue, CCP was up year-over-year and timing in booking; out of state credit hours was an increase of 1.5 percent over prior year.
- Financial Walkthrough – Page 5.
 - Spring tuition revenue reflected CCP and out of state credit hours. Sales volume reflected credit hours down in core students, but up in non-matriculating and CCP students.
 - Investment income due to interest and bond funds.
 - Expenses reflected the vacancy factor not being met in keeping open positions vacant for a longer period of time. Have not been aggressive in maintaining the vacancy factor due to the most turnover of positions in the Student Affairs division that bring in enrollment and help with student retention. This was why the swept-back funds from departmental budgets was done; recouped about \$363,000.
 - Cost of sales reviewed.

- Depreciation and capital appropriation impact due to long lead times for HVAC equipment and delays in the renovations into next fiscal year (FY 25).
- Investments – Page 7.
 - Bond proceeds will continue due to construction spending. Will need to balance with other investments. Mr. Ganues will inquire on opportunities to reinvest CDs at better rates.
 - Debt service transfer from general operating and will grow until payment on principle in December.
 - Bond retirement, paying the interest on the bond; these funds to be paid down in three years, per IRS.
- Balance Sheet – Page 9.
 - Fifth Third Bank matched StarOhio rates – holding these in a Money Market so this is classified as a cash item; not an investment item like StarOhio was considered.
 - Capital assets were up due to Workday implementation, as GASB 96 requires Workday to be a capital asset on the books.
 - Construction in progress was for School of Nursing and Health Professions capital project.
 - Liabilities were reviewed for the Workday subscription cost.

Update on FY 25 Budget Development – Mr. Ganues handed out a draft, work-in-progress, FY 25 Budget, dated April 22, 2024 for review with the Finance Committee. He highlighted:

- Bottom line at this time in the budget development was reflecting a \$4.7 million loss. In the budget review process, Mr. Ganues will meet with Student Affairs for discussion on closing the budget gap; he completed a preliminary review with the budget requests from Academic Affairs. He expects his meeting with Student Affairs will include discussion on refining enrollment projections for summer and fall semesters.
- Blake Renner, Vice President, Enrollment Management and Student Affairs, commented on the positive summer enrollment trend; focusing on new students and projecting for a flat enrollment. He noted that the fall enrollment trend has been impacted by the national FAFSA delay in student admissions/new student enrollment. Student Affairs is focusing on growing new student population, year-over-year. Trustee Reiff asked about the FAFSA, which Dr. Renner replied that the College has not been able to send out award letters to summer and fall registered students, as the expected federal financial aid funding is not known. President Somerville commented on other higher education institutions throughout the nation that are experiencing an overall decline in student admissions. Kelle Pack also commented that the FAFSA delay was also impacting scholarship awards.

Call to Order – Rich Rowe called the meeting to order at 9:48 a.m. The Finance Committee meeting was held in accordance with the policies of the Board of Trustees, and the Ohio Revised Code, Section 121.22 and Chapter 3358. The meeting format was hybrid in Administration Hall 224 and a videoconference public link was provided on the public meeting notice on the College’s website.

Roll Call – Roll Call was taken, as follows: Rich Rowe, Travis Reiff and Rita Russell (remote). (3).

Approval of Minutes – The minutes of the November 28, 2023 were sent in advance and hearing no corrections, Mr. Rowe declared the minutes accepted as submitted.

Then and Now Appropriation Detail – Mr. Rowe asked if there were any questions on the listing, and hearing no comments or questions, **Mr. Rowe directed to move the Then and Now Certification Listing forward to the next regular meeting agenda of the Board of Trustees.**

Monthly Financial Report – March - Mr. Rowe asked if there were any comments on the March monthly financials; and there were no comments.

TREASURER’S REPORT

Update on FY 25 Budget Development – Mr. Ganues continued on his overview with the financial walkthrough.

- With respect to the State Share of Instruction projected funding, Mr. Ganues commented on recent news of Eastern Gateway Community College suspension of enrollment; EGCC state share of instruction was about \$23 million, which the Ohio Department of Higher Education confirmed that EGCC will be using SSI funds for winding down their operations. He noted that it was uncertain at this time about what the State may do with any EGCC remaining SSI balance; the hope was that it may be redistributed among the rest of the two-year colleges. President Somerville commented on EGCC and federal financial aid funds to EGCC students. Trustee Russell asked if there may be a potential re-start of EGCC after its pause. President Somerville replied that EGCC has withdrawn from the accreditation process with the Higher Learning Commission, which may be an indicator; however, there has been no public announcement of a closure. Denise Smith, Vice President, Academic Affairs, commented that Owens has partnered with EGCC to help them teach out their students, especially those students who reside in Michigan and Indiana. Trustee Russell asked about EGCC students continuing by remote learning, which Dr. Smith commented, possible based on the program; all under discussion with developing a teach-out process. Dr. Smith noted that EGCC students who would be in the teach out at Owens, would be paying Owens tuition and fees.
- Mr. Ganues commented on the executive review of positions, vacancies and potential opportunities for redeployment of positions, if needed.
- Mr. Ganues commented on benefits. United Healthcare has an expected claim guarantee of 25 percent; Owens hit the max of the guarantee last year, which UHC had reimbursed \$1 million to the College. For FY 24 budget, the projection of claims is at the maximum. For FY 25 budget, would like to base the projection on the FY 24 claim trends. He noted that premiums were adjusted for employees who are on the PPO-Low to cover more of their fair share. Trustee Reiff asked about orienting employees toward the consumer-driven health care plan and HSA, which President Somerville replied that Human Resources held meetings with employees during the open enrolment period to help them understand the plans and their financial impact to their paycheck and how to mitigate risk with an HSA. Owens contribution to the HSA, \$1,000 for family; \$500 for single. Mr. Ganues confirmed that the healthcare consultant MB is in their third year of the flat-rate contract; same timing as UHC. Mr. Ganues noted that a request for proposals may be issued before the fourth year.

- FY 24 vs FY 25 dashboard was reviewed by Mr. Ganues. He noted that revenue reflected the increase in tuition rates; expenses reflected the trends for inflation, software, service contracts, as noted in the financial walkthrough. He commented on software costs, usually project a 5 percent to 10 percent increase, however one software is pushing at a 11 percent increase. In response to a question of contract term renegotiation, Mr. Ganues replied that if contracts are between their second and fifth year, but few vendors would agree to an escalator. They are looking at the contract with the learning management system with a higher rate to start for year 1 and an 8 percent increase for following years.
- Financial walkthrough was reviewed by Mr. Ganues for all items.
- SB 6 projected score has not been finalized, and Mr. Ganues expects that it may be, 3.7 or 3.9; depending on how the bottom line may end.

President Somerville commented that with improvements to enrollment management and intentional review of open positions and the vacancy factor, along with diversifying revenue with more grants and donations, the work on the FY 25 budget will continue to be refined. Trustee Rowe commented on a new truck driving outfit in Findlay. President Somerville commented on the funding request for the Findlay CDL program and networking with trucking and logistics companies for truck and trailer equipment. Charlene Page, Executive Director, Workforce and Economic Development, commented on her goal of increasing outreach across the board for outcomes to impact revenue. She noted that the CDL program is being reviewed as a whole and will assess further need; reviewing course sections based on student need. Trustee Rowe asked about the CEP plane, which Dr. Smith commented on its low utilization. Dr. Smith noted that Bill Taylor, Dean, School of Business, Hospitality Management, Public Safety is also reviewing the CEP operation.

Adjournment – As there was no further business, Mr. Rowe declared the meeting adjourned at 10:31 a.m.

Accepted 5-21-24/pj