OWENS COMMUNITY COLLEGE
BOARD OF TRUSTEES
FINANCE COMMITTEE MEETING
May 19, 2026

Call to Order – Travis Reiff called the meeting to order at 8:37 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: Travis Reiff, Rich Rowe (remote) and Rita Russell (remote) (3).

Approval of Minutes – The minutes of the April 21, 2026 were sent in advance and hearing no corrections, Mr. Reiff declared the minutes accepted as submitted.

TREASURER'S REPORT

<u>Monthly Financial Report – April ~ Fiscal Year 2026</u> – Mr. Ganues highlighted:

- The net loss in position, ($738,780) improved from the prior monthly financials; however, still short of the budged net gain in position.
- The projected SB 6 composite score at 3.9 will hold, unless there is a positive net income position.
- Cash and investments are down by 6 percent, as compared to April 2025 when there was unearned cash revenue that was not spent down. This is a cash reconciliation difference. Also, as mentioned in the April Finance meeting, the delay in the CCP payment, pending in July.
- Looking ahead to the June monthly financials, the retirement of the bond fund will zero out.

Mr. Ganues also reviewed:

- Financial Walkthrough – Page 5. There was a $90,000 difference from March to April, which included about $50,000 in revenue for fees and $40,000 from other expenditures that was swept back to the bottom line from cost center budgets.

Mr. Ganues commented that as the FY 27 budget is being finalized, he projected there will be a pick up of revenue due to the timing of the union check exchange. He noted there will be less SSI revenue as credit hours consumed were down. He observed that health insurance for April was trending well as compared to the same time period in the prior year, FY 25. In April 2026, the College switched to SmithRX from Optum for prescription coverage.

- Balance Sheet – Page 9. Commented on the Accounts Receivable – Net, included higher spring revenue in 2026 than in 2025. Under Current Liabilities – Salaries/Wages/Benefits, the change from prior year was due to health insurance. Unearned Revenue down due to the decrease in state grant funds.

Mr. Rowe asked about the decline in revenue for the Child Care Center, which Mr. Ganues explained two classrooms were closed as two of four teaching positions were not filled. Child care administrator is developing a staffing plan for FY 27. President Somerville commented that the overall Findlay community has a focus on child care for economic reasons. Mr. Rowe asked about the early childhood program graduates from Owens, and President Somerville commented on the issue in general for child care professionals were wages for sustaining a family and the transportation cost of traveling to Hancock County if they live elsewhere.

Proposed Draft FY 27 Budget Review – Mr. Ganues commented:

- The proposed budget reflects a net gain in position, $104,174. He noted that the proposed budget does not include state/federal grants, which provides an apple-to-apple comparison to FY 26 budget. He noted there will be no Rapids grant funds from Ohio Department of Higher Education for FY 27.
- The budget development process started with running the enrollment targets through the budget model on how credit hours would be consumed. Also looked at other sources of revenue such as leases, investments, non-credit training and auxiliary services. Each cost center manager submitted non-payroll budgets. Also, budgeted for positions (filled and unfilled). The initial budget had a loss of $7 million. ELT met multiple times to close the budget gap and to move it toward a break-even net position, including the following areas:
    - Revised the enrollment projections for the proposed budget based on positive trends in summer and fall enrollment as of the end of April.
    - Aligned lab and course fees as to which could be spent, with budget controls in place.
    - Continued to refine with an exercise for budget reductions at 5%, 10% and 15%, and ELT selected the final areas for reductions by looking at college-wide impacts. Committed to a process to delay filling open positions and reviewed filled positions as to how they add value to the organizational structure and to implementing the strategic plan goals.
- Enrollment and Revenue (page 3). The projected FY 27 enrollment and tuition were compared to the FY 26 actual enrollment and tuition. Blake Renner, Vice President, Enrollment Management and Student Affairs, commented that summer enrollment was trending positive and fall enrollment was trending for year-over-year growth. He commented on proactively aligning application volume and the region. He was optimistic for fall enrollment; it is still early but trending ahead compared to the prior year period for new and continuing students. Mr. Ganues commented that the $10 per credit hour tuition rate increase is included in the tuition revenue projections for summer, fall and spring, FY 27.
- Expenses – All Funds (page 3). Wages and fringes projected to be down by 2 percent. Operating expenses projected to be up by 4.78 percent, which includes the demolition project for Health Tech and Bicentennial Hall, pending as one-time expense. Net gain in position projected, $104,174.
- Financial Walkthrough (page 4).
    - FY 27 SSI preliminary projection down by $1 million. This includes the estimated loss of ($850,000) tied to the change of the award of certificates from general and technical to include only technical certificates in the SSI formula. Significant loss for Owens among all the two-year colleges in Ohio.
    - Credit hour consumption for the trade unions projected to be down.

- Tuition revenue projected to be up due to the tuition rate increase for all three semesters.
- Fee revenue projected to be up, as tied to the enrollment projections.
- Child Care Center program revenue and rentals included a tuition rate increase and staffing for a full operation.
- Other revenue included projected increase for bad debt expense from changes in the allowance for doubtful accounts and collections.
- Expense-Salaries reflect a 9 percent vacancy in positions. The 14 percent vacancy factor budgeted for FY 26 was not achievable, and 9 percent is realistic. Have a better strategy and also a separate budget for other payroll items.
- Expense-Health Benefits projected to increase.
- Expense-Contracted Services reflect a projected savings of $310,000 due to changing to a new vendor for custodial services.
- Expenses for cost of sales, other expenditures reviewed for increases and remaining expenses for other items.
- Depreciation was impacted, as the Controller's Office was proactive and completed a review of assets for FY 26 with those that met full depreciation to not be included for FY 27 and those that were updated for remaining useful life. They found a model to extend useful life on assets that have been well maintained.
- Capital appropriation projected to spend $3 million in year 1 of the two-year state capital appropriation, if no delays.

President Somerville commented on the state legislature waiting to see the implementation and impact in 2026 from SB 1 and HB 96 changes that went into effect in 2025. She also noted that the College submitted state funding requests through the community process with support from local elected officials, but no news at this time for the CEP funding request.

President Somerville commented on the public request for proposals process for custodial services and the award of a contract to a new vendor; she has heard from local legislators and the unionized employees from the former long-time custodial provider for the College. She noted the College's position to be a good steward of public funds and cannot ignore the significant savings of $310,000 from the bid of the selected new vendor. Mr. Reiff commented in support of the College administration's position.

Mr. Rowe asked about the change in the SSI formula from the certificates and were the general certificates eliminated or reduced? President Somerville commented that the ODHE had a change in their interpretation of the certificates. Denise Smith, Vice President, Academic Affairs/Provost, commented that the general certificates were supported in prior legislation but the change in the language was interpreted as an elimination of general certificates from the formula. Mr. Rowe confirmed his understanding that the focus is on technical certificates. Dr. Smith commented that all of the general certificates were reviewed for what could be transitioned to technical certificates and also meet the 30-credit hour threshold. Additionally, the review of the general certificates included factoring in student need, which then led to how to build the general certificate into a degree program.

Mr. Reiff asked about the status of the State's TechCred program? President Somerville responded that the program has been on and off. She commented that at the May 15 CTAM Northwest Ohio Manufacturing Legislative summit, employers had complained about the limited funds and State Representative Josh William had explained the program became unsustainable from overwhelming employer demand. Dr. Smith clarified that the TechCred program funded short-term certificates.

Mr. Reiff commented on the College's administration efforts toward a positive bottom line for the proposed FY 27 budget and the exercise of assessment where reductions could be made. Ms. Russell concurred with the efforts that went into this FY 27 budget proposal.

Mr. Reiff asked for a motion for the Treasurer to finalize the budget recommendation for the June 2 regular meeting of the Board of Trustees, which was moved by Ms. Russell and seconded by Mr. Rowe. **Following a voice vote, the motion was carried to move forward with the budget recommendation to the Board of Trustees, as a whole.**

Adjournment – As there was no further business, Mr. Reiff declared the meeting adjourned at 9:20 a.m.

Accepted 9-22-26/pj