OWENS COMMUNITY COLLEGE
BOARD OF TRUSTEES
FINANCE COMMITTEE MEETING
May 20, 2025

Call to Order – Travis Reiff called the meeting to order at 9:07 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: Sherina Ohanian, Travis Reiff, Rich Rowe (remote), and Rita Russell (remote). (4).

Approval of Minutes – The minutes of the April 22, 2025 were sent in advance and hearing no corrections, Mr. Reiff declared the minutes accepted as submitted.

TREASURER'S REPORT

Monthly Financial Report – April Fiscal Year 2025 – Mr. Ganues reviewed the April financial report, and he commented on the projected net gain of position ($185,710).

He noted:

- FY 25: YTD compared to Budget Dashboard – Page 2.
  - Revenue. Is continuing to hold, noted on pages 2 and 3 of the monthly financial report.
  - Expenses/Vacancy Factor. Projection for the vacancy factor is at 14 percent, about $3.7 million and the projection is holding at $1.2 million. The vacancy factor has fallen behind due to the FLSA compensation adjustments (September 2024), which were covered by this line item but was not originally included in the FY 25 budget. There has been less turnover of employees this fiscal year. There is a longer hold on time to fill vacant positions and a freeze in hiring to help manage the vacancy factor.

    President Somerville commented that each position that becomes vacant is evaluated for when to fill and each position replacement request has discussion at the executive leadership team meetings. A hold on filling the position may be a delay of 3 months or 6 months, unless the position supports enrollment.
- FY 25: YTD compared to prior FY 24 YTD Dashboard – Page 3.
  - Wages and Fringes. Mr. Ganues commented that the activity report for March healthcare claims came in down. However, overall, for the fiscal year, the healthcare claims were up by 5.38 percent, compared year over year. He noted that an increase of 15 percent was projected for the FY 25 budget; and this may be an opportunity to assist the bottom line but not certain at this point in time.
  - Operating Gain/(Loss). He noted that it is doing better but the bottom line is down. The capital appropriation revenue is $900,000 less, as compared to last fiscal year (noted on page 5). This was due to the delay in starting the capital projects.
  - Cash and Investments. The bond proceeds are done and this shows that decrease.

- Financial Walkthrough – Page 5.
    - Other Revenue. There is an increase in other revenue, $422,000, due to investment income. At the end of April, there were $600,000 as unrealized gains. He is recognizing $299,000 in the projection.
    - Expenses. Cost of sales reflect savings from pulling back unused funds from the cost centers.

      Mr. Ganues commented that he continues to monitor expenses for adjunct faculty for summer semester class schedule. Purchase orders are being reviewed and there is about $1.4 million encumbered through June 30. Have swept back $110,000 of unspent encumbered funds in March.
- Senate Bill 6 Ratio Projections – Page 8.
    - Plant Debt. Mr. Ganues noted that at the end of March, the Ohio Department of Higher Education was finalizing the FY 24 SB 6 scores. ODHE is recognizing subscription payables as part of the plant fund (such as technology subscriptions). This is a non-cash "visible" liability. Under the viability column, the projected score is 1.2, so no negative impact.
- Balance Sheet – Page 9.
    - Mr. Ganues reviewed the balance sheet and he touched on, Assets-Cash & Cash Equivalents and Investments, both down from prior year as the bond proceeds are done. Noncurrent Assets-Investments, are up by $7 million. Unearned Revenue is $1 million for tuition revenue. Net Position-Net Investment in Capital Assets and Total Net Position changes are due to payout in unrestricted for Healthcare Education Center and Workday implementation.

FY 2026 Budget-Draft Proposed – Mr. Ganues reviewed the draft proposed budget, as follows.

- Net Gain in Position. $165,643.
- Budget Practices. He provided the background of the annual budget practices and controls that were developed from emerging from fiscal watch and compliance with the 3358:11-1-12 Financial Standards Policy. He commented on the 14 percent vacancy factor for unrestricted salaries. Through the budget development process, college administration is working on ideas for some organizational restructuring to reduce overtime and how staff is utilized to maintain the vacancies for a longer length of time. Efforts to monitor the vacancy factor will take a lot of effort with an eye on the bottom line.
- Dashboard. FY 26 revenue is projected for each semester of enrollment; FTE is projected to be slightly up. The budget includes the $5 per credit hour allowance for a tuition rate increase; up by $250,000 in tuition revenue for the Fall.
- Enrollment Status. Blake Renner, Vice President, Enrollment Management and Student Affairs, briefly commented on summer enrollment. Summer, looking strong and surpassed the forecasted enrollment goals for totals in headcount and in FTE for year over year. There are 3 weeks to the 14th census date. He is encouraged by gains in new student growth and the through line from new students from last academic year. Fall, it is early but headcount is trending 28 percent up in core students. Owens is in a better position at this time from the prior year. The May 19 registration event brought 132 attendees to campus.

Mr. Reiff asked if the College has the ability to track students from educational partnerships. President Somerville said to an extent; there is some rough correlation from her visits with superintendents and CCP; Marketing tracks leads, web-based and online, and social media. The increases are from multiple factors of process improvement, marketing and direct outreach initiatives. Tasha Hussain Black, Vice President, Strategic Initiatives, Marketing and Communications, commented on tracking open house invitation mailers by QR codes and following up with social media to encourage event attendance.

Dr. Renner commented on the relationship with Penta Career Center and that Institutional Research is analyzing the data, before and after the Express agreement signing with Penta.

President Somerville commented on the monitoring the cost of attendance when a tuition increase is recommended to the Board of Trustees. College administration looks at what is needed to operate and the students' ability to pay and how it positions the College in the marketplace.

- Wages and Benefits. Mr. Rowe commented that wages and benefits look to be at 66 percent of the total budget and he asked how did it compare to other colleges. Mr. Ganues commented that this subject came up with the HLC visit last year and at that time, Owens was in line with other institutions. Two to three years ago, the ratio was 65 to 70 percent. The difficulty is GASB 65 (pensions). **Jeff Ganues offered to look into the wages/benefits ratio to budget for FY 26.**
- Financial Walkthrough.
    - SSI. Mr. Ganues noted that the College usually receives a preliminary projection in April for ODHE. Currently, budget language has a set aside of $100 million for the workforce. It is uncertain what that set aside impact will be on the SSI formula. Have heard that $491 million is in the SSI formula for the 22 community colleges. The Eastern Gateway College SSI funds will be returned into the pool for the two-year college sector. Mr. Ganues is using the FY 25 SSI formula for a preliminary projection of a $1.3 million increase – this is considered a conservative projection for the College. Owens is performing well in the current SSI formula.
    - State Support. Mr. Ganues projects that state support revenue is going down due to the decline in the State's Super Rapids funds.
    - Workforce. Mr. Ganues projected Workforce revenue at $600,000 with an increase of noncredit training. The CDL program has been operating for a full year and it has new equipment to train the workforce. There is also Talent Ready and Work Rady state funding that was used for WCS corporate training – it has a year over year increase in its projection. WCS staff is working and technology is assisting to improve reporting and tracking. Charlene Page, Executive Director, Workforce and Economic Development, commented on implementing protocols for consistent outreach and using a standard formula on pricing for training. She commented on WCS partnering with the Marketing Collective for data on competitors, prospects and stakeholder feedback. Phase 2 will kick off a rebrand for WCS with messaging.
    - Other Revenue. Mr. Ganues commented on a decrease projected in interest income. The College does not budget for unrealized or realized gains. He is working with Fifth Third Bank on cash flow and position.

- Expense-Salaries. Mr. Ganues is projecting a decrease in salaries due to the vacancy factor. The difference is the compensation increases for unions and non-bargaining unit employees.
- Expense-Benefits. Projected to be up almost $1.18 million, due to the healthcare renewal.
- Expense-Utilities. Projected increase in electricity. Business Affairs is working with an energy broker.
- Expense-Cost of Sales. There is a strong process for this projection. Overall, projecting $4.1 million in revenue and $3 million in expenses due to enrollment. All Healthcare Education Center equipment is new and will be in a "saving" mode but consumables' costs are going up in the science labs and other labs due to the projected increase in enrollment.
- Other Expenditures. He has allocated $350,000 in contingency funds but plans to use $200,000 in contingencies.
- Other-Depreciation. Increase includes Workday Student; once it is fully live, then depreciation will begin.
- Other-Capital Appropriation. Increase for rolling over funds not spent in FY 25 to FY 26.

Mr. Ganues noted that page 6 of the budget shows the line-item detail. There were no further comments or questions from the finance members. **Mr. Reiff asked for a motion to move the budget proposal as a recommendation to the full Board of Trustees at the June 3 regular meeting, which was moved by Ms. Russell and seconded by Ms. Ohanian**. **Following a voice vote, the motion was carried.**

Adjournment – As there was no further business, Mr. Reiff declared the meeting adjourned at 10:03 a.m.

Accepted 9-23-25/pj