OWENS COMMUNITY COLLEGE
BOARD OF TRUSTEES
FINANCE COMMITTEE MEETING
September 23, 2025

Call to Order – Travis Reiff called the meeting to order at 8:32 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 (remote), Travis Reiff, Rich Rowe (remote), and Rita Russell. (4).

Approval of Minutes – The minutes of the May 20, 2025 were sent in advance and hearing no corrections, Mr. Reiff declared the minutes accepted as submitted.

Jeff Ganues provided a follow up for Trustee Rowe from the May meeting discussion of, "What is the ratio of the wages/benefits as compared to the total budget for Owens and is Owens in line with comparable institutions." Mr. Ganues noted that for FY 24, Owens ratio for wages/benefits was 65% of the budget; he also noted that it seemed that Belmont was at 60% and University of Toledo was at 45%, but it was uncertain if other institutions were reporting data in the same way.

2026 Meeting Schedule Update – Trustee Reiff requested a meeting schedule change, as he would not be able to chair/attend on February 17. The committee members supported to have a meeting on Tuesday, January 27 at 8:30 a.m., and to remove the date of February 17. The Board Secretary will adjust the Outlook calendar postings.

TREASURER'S REPORT

Monthly Financial Report – Preliminary June ~ Fiscal Year 2025 – Mr. Ganues reviewed the preliminary June financial report, with an emphasis on its preliminary status, non-GASB for an apple-to-apple comparison with the prior fiscal year. He noted that in prior monthly financial reports, a negative bottom line was projected; however, the June preliminary shows a positive net gain in position due to a one-time adjustment for healthcare accruals. The new auditor asked the College to follow a best practice of using an actuary for the estimate of the accrual for outstanding claims, and the outcome was that the actuary's estimate was not as high as the College's original projection.

He noted:

- FY 25: YTD compared to Budget Dashboard – Page 2.
    - Total FTE enrollment year-to-date was up by 10 percent over budgeted projection.
    - Net gain in enrollment was short of the budgeted projection.
- FY 25: YTD compared to prior FY 24 YTD Dashboard – Page 3.
    - Wages and fringes were up due to increases in compensation for FY 25 over FY 24 YTD.
    - Operating costs were up due to an increase in grant revenue.

- Financial Walkthrough – Page 5.
    - Revenue for state and federal support was over the budget by $1.5 million but there were related expenses that were not budgeted, such as for grants (Super Rapids, Rapids). Revenue for child care was down some.
    - Revenue for workforce had three major areas that went well (truck driving, continuing education and CPR training). There was a shortfall of revenue in corporate training and the Executive Director and the CFO are continuing to monitor it. Workforce year-over-year is up by $513,000, but it was shy of the budgeted goal. Charlene Page, Executive Director, commented on offerings of additional trainings and the summer camps, and the onboarding of new staff to help without reach for contract training, including other counties and also working with Marketing. In response to a question from Trustee Rita Russell, Ms. Page commented on a trend of some companies cutting back on workforce training as there is overall downward pressure on the economy but WCS is focused on volume, as there are companies who have reduced, but not stopped training.
    - Vacancy factor did not meet the budgeted 14 percent amount. Also, the budget for salaries, also included the FLSA wages increases (July 2024), overtime, stipends, and there was overall lower staff turnover. He noted that the vacancy factor is budgeted by length of time to fill an open position.
    - Mr. Ganues noted that the actuary's estimate for FY 26 health care accrual is at $630,000. This is a change from prior years where the College accrued two months of claims. This resulted in a one-time reduction in benefits from change in accrual of $900,000.
    - Mr. Ganues noted that depreciation was over budget due to the Healthcare Education Center early opening in August (not January) and it was capitalized; also, Workday Student went live earlier in March (not June).
    - About $1 million in capital appropriation was not spent before June 30 due to the wet season for the parking lot and HVAC renovations and longer lead times for the electrical project. It will be spent in Fiscal Year 2026.
- Senate Bill 6 Ratio Projections – Page 8 was reviewed.
- Preliminary Balance Sheet – Page 9 was reviewed and it was noted that cash was down due to bond funds for the Healthcare Education Center; accounts payable was down due to construction payable; summer revenue was up; and unrestricted net position was down due to an increase in capital assets. Mr. Rowe asked about the debt and depreciation, which Mr. Ganues commented on the FY 26 capital projection.

Leslie Erwin, Vice President, Human Resources, commented that 65 percent of labor expenses is normal for higher education. President Somerville supported Dr. Erwin's observation, and noted that some research institutions have grant funds or other community colleges have tax levies. Ms. Russell commented on the challenge of comparing apples to apples, as funding mixes are different for each college.

Monthly Financial Report – August ~ Fiscal Year 2026 – Mr. Ganues commented that the August financials were starting out with a negative bottom line due to the projected vacancy factor at 7 percent; however, the vacancy factor is budgeted at 14 percent.

He noted:

- FY 26: YTD compared to Budget Dashboard – Page 2.
    - As of 8-31-25, summer FTE enrollment was up by almost 11 percent, which is reflected in summer tuition.
    - Fall FTE enrollment does not include the 14th day census but the fall tuition revenue projections are as of mid-September due to the administrative drops for nonattendance, removing about $360,000 in revenue. President Somerville commented on the administrative drop process, which helps with fraud detection, especially with federal financial aid applications. Mr. Ganues commented on OACC CIO & CAO groups having discussion on fraudulent student applications. At Owens, the system has detected 100,000 fraudulent "bots". Blake Renner, Vice President, Enrollment Management and Student Affairs, commented that Owens staff meets with every applicant and confirm their student identification. He noted that one Ohio college had 20 percent of fraudulent applications.
- FY 26: YTD compared to prior FY 25 YTD Dashboard – Page 3.
    - Summer and fall FTE and revenue are up. Fall will look cleaner with the September monthly financials.
    - Wages and fringes are projected up and will monitor.
    - Balance sheet for August has some bond proceeds and those will be paid down in October. Total liabilities are down, due to continuing to pay off the bond and subscription payables. Unrestricted net position will adjust with the bond pay off.
- Financial Walkthrough – Page 5.
    - State Share of Instruction revenue projection is down due to the SSI formula change and a decreased pool for the two-year sector with Eastern Gateway payables. The workforce funding will be less in the new model. President Somerville commented on the state funding change for certificates, which were not communicated so an exception was made. Mr. Ganues commented that moving forward this will be a big change for state funding for technical certificates and employment outcomes—these are new categories and will rely on projections from Ohio Department of Higher Education (ODHE).
    - Summer and fall tuition were up as FTE enrollment for each semester was up.
    - Fees are up but they are monitoring; the book fees are a pay out to E Campus (online bookstore); contingency funds may be used if needed.
    - Salaries and benefits expenses are at a loss of $2.02 million due to the unmet vacancy factor. Executive leadership team are aware.
- Senate Bill 6 Ratios – Page 8, were reviewed due to the negative bottom line.
- Balance Sheet – Page 9.
    - Cash was down due to the spend down of the bond proceeds; same with accounts payable. The net position was reviewed.

Adjournment – Mr. Reiff and Ms. Russell commented on the good dialog during the meeting. As there was no further business, Mr. Reiff declared the meeting adjourned at 9:27 a.m.

Accepted 11-18-25/pj