

OWENS COMMUNITY COLLEGE
BOARD OF TRUSTEES
FINANCE COMMITTEE
May 17, 2010

A meeting of the Finance Committee was held in the President's Office conference room #215, Administration Hall on the Owens Community College Toledo-area Campus.

Call to Order – Finance Chair Rich Rowe called the meeting to order at 3 p.m., and directed the record to show that the Finance Committee meeting was held in accordance with the Ohio Revised Code, Chapter 3358, and the policies of the Board of Trustees.

Roll Call – Roll Call was taken and the following committee members were present: Mr. Allan Libbe, Dr. Ronald McMaster and Mr. Rich Rowe (3).

Attendees –The following administrators were in attendance: Dr. Larry McDougale, Mr. John Satkowski, Dr. Renay Scott, Ms. Pat Jezak, Mr. Brian Paskvan and Ms. Laurie Sabin. Owens Faculty Association officers, Mr. Dave Matheny and Mr. Paul Adams arrived at 4:10 p.m.

Approval of Minutes – The minutes of the March 22, 2010 meeting were previously received, and Trustee Rowe declared that the minutes stand approved as submitted.

Adjustment of Proposed Agenda – Mr. Rowe noted that there will be an executive session and there would be no presentation of the current financial statements.

Budget Review – Mr. Satkowski distributed the Revised FY 2010 Budget. The total operational balance is adjusted to \$3 million. Increases to the budget were attributed to tuition and health care savings.

Mr. Satkowski distributed the Proposed FY 2011 Budget and presented the assumptions, estimates and forecast. He stated that an operational balance of \$3.5 million is being recommended for FY 2011. He reviewed the assumptions of increases in tuition, enrollment growth of 2 percent and a reduction of State Share of Instruction (SSI) of (\$945,021).

Mr. Satkowski reviewed the State funding issue of the College's FTE enrollment growth of 14.8 percent, which resulted in a SSI loss of (\$850,000), due to not meeting the community college sector growth rate of 16 percent. He compared this to the university sector model, which had an expected growth rate of 3 percent; the universities that exceeded the growth rate will receive a significant increase in SSI funding. The funding disparity can be attributed to the funding formula separation for each sector. Owens' 1668 FTE growth exceeds the growth experienced at most of the public community colleges, yet Owens will be losing State funding. Had the College experienced no growth at all, then even more SSI funding would have been lost. Kent State University was the only university that grew. The Board of Regents set the growth bar at 3 percent for universities and 16 percent for community colleges. The other issue is that there is no longer Access Challenge funding, which the College received in the past. Last year, Access Challenge was rolled into the SSI formula. This calculates to a loss of \$4.3 million in former Access Challenge funding to the College. President McDougale stated the bottom line: the four largest community colleges with enrollments of more than 20,000 students lost SSI funding,

even though each institution experienced significant growth for their size. Community colleges are losing State funding, which is counter to the USO Strategic Plan goal for enrollment.

Mr. Satkowski continued with the presentation and reviewed the FY 2011 budget assumptions including increases in expenses of salaries/wages/benefits of 16 percent; adjunct faculty/faculty overload of 15 percent; and 11 new full time faculty positions. Dr. Scott spoke on program accreditation standards and full-time faculty ratios.

Mr. Satkowski reviewed a proposal for a late registration fee of \$25 for students registering after the semester begins. Other colleges' charge from \$15 to \$100 per semester. It was confirmed that since this is not a mandatory, college-wide fee, and Board action is not required. Mr. Satkowski stated that the late registration fee will be implemented for at a later date.

Mr. Satkowski concluded his presentation with a comparison of the FY 2011 and FY 2010 proposed budgets:

	FY 2011 Proposed	FY 2010 (Original/Approved)
Revenue	\$103,863,952	\$89,071,831
Expenses	97,683,553	85,131,907
Transfers	(2,666,309)	(2,630,600)
Operational Balance	\$3,514,090	\$1,309,324

State Funding Update – *Ohio Community Colleges' Revenue and Expense per FTE Comparisons*

- Owens Ten-Year Comparison of Student and Faculty Growth, FY 99-FY 09 – Aligned
- Allocated Total Cost per Student FTE – Owens is a low cost provider in the State, \$7,230
- Allocated Instructor Compensation Cost per FTE – Owens is in the mid-range, \$2,806
- Allocated Fund Unit Support Cost per FTE – Owens is in the mid-range, \$931
- Allocated Student Services Cost per FTE – Owens is in the low range, \$626
- Institutional Support Cost per FTE – Owens is in the low range, \$1,398
- Academic Support Cost per FTE – Owens is in the low to mid range, \$279
- Campus Unallocated Cost per FTE – Owens is in the high range, \$231
- Library Cost per FTE – Owens is in the low range, \$103
- Plant, Operations and Maintenance Cost per FTE – Owens is in the mid range, \$855

Old Business

General Fee Review – Mr. Satkowski stated that an update would be provided at the next Finance Committee meeting.

Other

Mr. Rowe asked if Mr. Matheny or Mr. Adams had any comments to make. Mr. Matheny commented on the nursing program size in relation to achieving accreditation. Dr. Scott commented that the waiting list has been eliminated.

Mr. Matheny, Mr. Adams and Dr. McDougle left the meeting.

EXECUTIVE SESSION

Mr. Rowe announced an executive session to discuss property. Mr. Libbe made a motion to adjourn to executive session for the reason specified. Dr. McMaster seconded the motion. Mr. Rowe called for a roll call vote. Roll Call: Allan Libbe, yea; Ronald McMaster, yea; and Rich Rowe, yea (3).

Upon return from executive session, roll call was taken and the following members were present: Mr. Libbe, Dr. McMaster and Mr. Rowe (3).

Adjournment – As there was no further business to discuss, Trustee Rowe declared the meeting adjourned at 4:30 p.m.

ATTEST

Patricia Jezak

Secretary to the Board of Trustees

Approved 9-21-10