

OWENS COMMUNITY COLLEGE  
REGULAR MEETING OF THE BOARD OF TRUSTEES  
MAY 3, 2016 ~ MINUTES

A meeting of the Board of Trustees was held in the Board Room, Administration Hall, on the Owens Community College Toledo Campus.

**Call to Order** – Chair Ed Nagle called the meeting to order at 3:00 p.m. and directed the record to show the meeting was held in accordance with the Ohio Revised Code and the policies of the Board of Trustees.

**Roll Call** – Roll call was taken, and the following members were present: Srinivas Hejeebu, Michael McAlear, Ronald McMaster, Edwin Nagle, Tonya Rider, Rich Rowe, Diana Talmage and Thomas Uhler (8).

**Approval of the Minutes of the Board of Trustees** – The minutes of the April 5, 2016 special and regular meetings were provided. The Chair declared the minutes approved as written.

**Student Life Committee Report** – Ms. Talmage reported the Student Life Committee met on April 5, 2016. She announced the presentation of three student recognitions, as follows.

**RECOGNITION OF STUDENT**

**- Kira Miller**

RESOLUTION 2016-05-03-01

WHEREAS, the Owens Community College Board of Trustees Student Life Committee was chartered to recognize and celebrate students who demonstrate the College's core values of service, learning, innovation, collaboration and excellence through their achievements in academics, community engagement, volunteerism and involvement in student leadership and student life; and

WHEREAS, Baher Hanna, Professor of Mathematics, nominated student Kira Miller for her exemplary academic achievement; and

WHEREAS, Ms. Miller has a strong background in mathematics, applied science and reasoning, and her critical thinking abilities allow her to venture beyond a course requirement to develop her own way of understanding relatively complicated mathematical and science concepts; and

WHEREAS, Ms. Miller, as a member of the Ohio Robotics Team, through 4-H, placed first in the Ohio Robotics competition at the Ohio State Fair, and placed second in the National Youth Engineering Challenge at Purdue University, Indiana (September 2015); and

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Owens Community College Board of Trustees awards Kira Miller with a Certificate of Recognition for Exemplary Academic Achievement;

BE IT FURTHER RESOLVED that it is now appropriate for Ms. Miller to stand and be recognized.

Mr. McAlear read the recognition aloud, and he made a motion to approve the student recognition, which was seconded by Mr. Uhler. Following a voice vote, the motion was adopted. Chair Nagle and President Bower presented a certificate to Ms. Miller.

## **RECOGNITION OF STUDENT**

### **- Stacey Field**

RESOLUTION 2016-05-03-02

WHEREAS, the Owens Community College Board of Trustees Student Life Committee was chartered to recognize and celebrate students who demonstrate the College's core values of service, learning, innovation, collaboration and excellence through their achievements in academics, community engagement, volunteerism and involvement in student leadership and student life; and

WHEREAS, Krista Kiessling, Director, Service Learning and Civic Engagement, nominated student Stacey Field for her extraordinary community engagement and volunteerism; and

WHEREAS, in her role as an experienced Civic Ambassador and as Student Government Vice President, Ms. Field has been an invaluable asset in leading student projects for community engagement and helping with the coordination, marketing and implementation of campus events for students; and

WHEREAS, Ms. Field has taken on the leadership and organization of the Owens Harvest Food Pantry, which averages 250-300 patrons every month, and serves as a role model and mentor for novice Civic Ambassadors; and

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Owens Community College Board of Trustees awards Stacey Field with a Certificate of Recognition for Extraordinary Community Engagement and Volunteerism;

BE IT FURTHER RESOLVED that it is now appropriate for Ms. Field to stand and be recognized.

Dr. Hejeebu read the recognition aloud, and he made a motion to approve the student recognition, which was seconded by Ms. Talmage. Following a voice vote, the motion was adopted. Chair Nagle and President Bower presented a certificate to Ms. Field.

## **RECOGNITION OF STUDENT**

### **- Roger Markley**

RESOLUTION 2016-05-03-03

WHEREAS, the Owens Community College Board of Trustees Student Life Committee was chartered to recognize and celebrate students who demonstrate the College's core values of service, learning, innovation, collaboration and excellence through their achievements in academics, community engagement, volunteerism and involvement in student leadership and student life; and

WHEREAS, Patricia Linehan, Adjunct Faculty, Humanities, nominated student Roger Markley for his exceptional student life involvement; and

WHEREAS, Mr. Markley's research and enthusiasm for his Speech 102, Interpersonal Communications, class assignment on the benefits of complimenting people inspired his classmates

to integrate the act of well-deserved compliments into the culture of Owens Community College; and

WHEREAS, Mr. Markley has become the drive behind the development, launch and maintenance of the Owens Compliments Facebook page, which has received more than 475 “likes” and has grown from the classroom and has the potential to grow and be a positive force for Owens Community College; and

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Owens Community College Board of Trustees awards Roger Markley with a Certificate of Recognition for Exceptional Student Life Involvement;

BE IT FURTHER RESOLVED that it is now appropriate for Mr. Markley to stand and be recognized.

Dr. McMaster read the recognition aloud, and he made a motion to approve the student recognition, which was seconded by Ms. Rider. Following a voice vote, the motion was adopted. Chair Nagle and President Bower presented a certificate to Mr. Markley.

**Finance Committee Report** – Mr. Uhler reported the Finance Committee met on April 21, 2016. He commented that Dave Thompson, representing the Auditor of State Office, attended the April 21, 2016 Finance Committee meeting where Mr. Thompson had expressed his appreciation of the financial recovery progress update. Mr. Uhler noted that in the April meeting, Dave Cannon, Vice President/CFO and Treasurer, presented the financial report for the period ending March 31, 2016. Mr. Uhler commented that there was no significant change from the February financial statements. Mr. Uhler reported the projected net gain was \$1.2 million for the end of the fiscal year, and the projected operating loss after depreciation had improved slightly for the month ending March at a projected loss of (\$1.9 million). He noted that overall the year-to-date Fiscal Year 2016 operating results are much improved when compared to prior year-to-date Fiscal Year 2015. Mr. Uhler noted that Mr. Cannon confirmed the annual year-end audit will include a test of the lab and course fees to ensure proper accounting of the funds. He noted that other updates during the meeting included the development of the Fiscal Year 2017 budget and the five-year budget projections, the on-track progress of the Financial Recovery Plan, a preliminary update of the introduction of the State’s capital appropriation bill and the preliminary calculation of the State Share of Instruction formula for Fiscal Year 2017. He stated that the next scheduled Finance Committee meeting is May 19, 2016.

**President’s Report** – President Mike Bower presented his activity report for April. He commented on meeting with honors program students and attending the John Deere program graduation reception on April 19, 2016, and he participated in a community salute to new recruits entering the military at the Military Family Expo held at Maumee High School on April 28, 2016, which Owens was a major sponsor.

**Vice President of Academic Affairs Report** – Steve Robinson, Vice President of Academic Affairs, provided an update on the first quarter results of a 91.46 percent pass rate of the Owens registered nursing graduates who passed the NCLEX-RN national exam on the first attempt, as compared to the national pass rate of 83.59 percent and the Ohio pass rate of 86.25 percent. He also shared the 100 percent pass rate of the Owens practical nursing graduates who passed the NCLEX-PN national exam, as compared to the national pass rate of 82.59 percent and the Ohio pass rate of 81.7 percent.

Dr. Robinson recognized the School of Nursing and Health Professions Dean, the Chair, Assistant Chair and Faculty of Nursing for their commitment to the program. Dr. Robinson provided information from Institutional Research on the to-date 486 transient students registered for the Summer Semester, which is a 24.3 percent increase over the prior year period. He noted this student population has risen in recent years within the overall headcount for student enrollment in the summer semester. The course completion rate for summer transient students averages between 90 percent for web courses and 95 percent for lecture courses. Dr. Robinson recognized the staff of Institutional Research and Student Services for utilizing data and reaching out to the various student populations for recruitment and retention.

**Financial Report** – Dave Cannon, Vice President/Chief Financial Officer, presented the financial statements for the period ending, March 31, 2016, which was accepted as submitted. He commented that the March financial statements were very consistent with the prior month, which is important with the projections. He said the revenues are stable, expenditures are being controlled, and the projections are on target. Mr. Cannon stated that the year-to-date Fiscal Year 2016 operating results through March 2016 reflect improvement when compared to the prior March year-to-date Fiscal Year 2015. The All Funds operating income (loss) through March 2016 was \$4.6 million as compared to \$592,380 through March 2015. Mr. Cannon commented that the financial improvement was achieved through the hard work of college employees controlling expenditures and the reductions in salaries and wages for employees. He noted that the March 31, 2016 balance sheet reflects improvement in cash and investments at \$9.3 million and the net assets for unrestricted stands at \$3.3 million, which is part of the calculation for Senate Bill 6 composite ratio. He reviewed the reserve requirements on page 15 of the March financial report, and he noted that the Plant Fund will be addressed with the Board Finance Committee. He noted that the anticipated Senate Bill 6 composite ratio for the end of the fiscal year is projected at 1.70.

## **RECOMMENDATIONS OF THE PRESIDENT TO THE BOARD OF TRUSTEES**

### **Employment of Personnel:**

#### RESOLUTION 2016-05-03-04

BE IT HEREBY RESOLVED that the recommendation of the President to employ the following person(s), in compliance with Affirmative Action Guidelines established by the College, be approved by the Board of Trustees:

NAME: Gary Stewart  
ADDRESS: Toledo, OH  
EDUCATION: Ohio Police Officer Training Academy Certificate from Owens Community College  
EXPERIENCE: Three years of patrolman experience  
ASSIGNMENT: Police Officer

NAME: Laurie Orzechowski  
ADDRESS: Perrysburg, OH  
EDUCATION: Master Business Administration, with a major in Business Administration, from the University of Findlay; Bachelor of Science, with a major in Systems Analysis with Business Administration, from the University of Findlay; Associate in Applied Business with a major in Computer Programming, from Owens Community College  
EXPERIENCE: Fifteen years of experience in application enhancement initiatives and leadership experience  
ASSIGNMENT: Director, Enterprise Application Systems

RESOLUTION 2016-05-03-05

BE IT HEREBY RESOLVED that the recommendation of the President to revise the assignment on the basis indicated below, be approved by the Board of Trustees:

<u>NAME</u>	<u>ASSIGNMENT</u>
Martha Morrissey	Manager, Course Inventory and Registration
Kimberly Lawson-Miesmer	Advisor, Lead
Stacy Cupps-Alexander	Senior Representative, Upward Bound (Grant-Funded)
Jennifer Feehan	Apprenticeship Program Administrator

Mr. Rowe made a motion to approve the employment recommendations, which was seconded by Ms. Talmage. Following a voice vote, the motion was adopted.

**Individual Personnel Action – Owens Faculty Association:**

RESOLUTION 2016-05-03-13

BE IT HEREBY RESOLVED that the recommendation of the President to award one-year contracts commencing either on July 1 or on the first day of the academic year 2016-2017 to the non-tenured bargaining unit members listed in Appendix III be approved by the Board of Trustees.

BE IT HEREBY RESOLVED that the recommendation of the President to award one-year contracts for the academic year 2016-2017 to the non-tenured members of the faculty listed in Appendix IV be approved by the Board of Trustees.

Dr. Hejeebu made a motion to approve the resolution, which was seconded by Dr. McMaster. Following a voice vote, the motion was adopted.

**Trustees Academic Excellence Scholarship Awards:**

RESOLUTION 2016-05-03-06

BE IT HEREBY RESOLVED that the recommendation of the President to award the two-year Trustees Academic Excellence Scholarship to the first-year students, who meet the criteria and who register no later than June 30, 2016 for the Fall Semester, be approved by the Board of Trustees.

Mr. Uhler made a motion to approve the resolution, which was seconded by Ms. Rider. Following a voice vote, the motion was adopted.

**Candidates for Graduation:**

RESOLUTION 2016-05-03-07

WHEREAS, pursuant to paragraph (G) of Ohio Revised Code 3358.08, the Owens Community College Board of Trustees has the power and duty to grant appropriate associate degrees and certificates of achievement to students successfully completing programs of the state community college; and

WHEREAS, pursuant to 3358:11-2-51 Graduation Requirements Policy, a student is eligible to become a candidate for an associate degree or a certificate when the student has completed all requirements; and

WHEREAS, the Board of Trustees has delegated and vested the President/Chief Executive Officer with the ability to confer associate degrees and certificates to candidates who meet all necessary requirements for graduation; and

WHEREAS, there are an estimated 743 candidates for associate degrees who may participate in the Commencement Ceremony on Friday, May 6, 2016;

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Owens Community College Board of Trustees approves candidates who have completed the requirements for their respective degrees and certificates, effective Spring Semester 2016 and Summer Semester 2016.

Dr. McMaster made a motion to approve the resolution, which was seconded by Ms. Talmage. Following a voice vote, the motion was adopted.

**Conferral of Honorary Degree:**

RESOLUTION 2016-05-03-08

WHEREAS, Randy Oostra, President and Chief Executive Officer of ProMedica, has graciously agreed to be the keynote speaker of the 50<sup>th</sup> Spring Commencement Ceremony of Owens Community College; and

WHEREAS, Mr. Oostra, a leader in health care, is committed to a mission of improving health and the well-being of those who live in our communities;

NOW, THEREFORE, BE IT HEREBY RESOLVED that the recommendation of the President to confer an Honorary Associate of Applied Science, Health Information Technology, to Randy Oostra at the May 3, 2016, Commencement Ceremony as an expression of the College's appreciation, be approved by the Board of Trustees.

Mr. McAlear made a motion to approve the resolution, which was seconded by Dr. McMaster. Following a voice vote, the motion was adopted.

**Policy Recommendations:**

- **Adoption of 3358:11-2-58 Program of Study Policy**
- **Rescission of 3358:11-2-53 Adding a Major Policy**

RESOLUTION 2016-05-03-09

WHEREAS, the Academic Standards Committee provides five-year reviews of academic policies and recommends:

- Adoption of 3358:11-2-58 Program of Study Policy
- Rescission of 3358:11-2-53 Adding a Major Policy

WHEREAS, the President concurs with the Academic Standards Committee and recommends the action of said policies;

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Board of Trustees adopts the 3358:11-2-58 Program of Study Policy (Appendix I); and rescinds the 3358:11-2-53 Adding a Major Policy (Appendix II);

BE IT FURTHER RESOLVED that the Board of Trustees authorizes the Secretary to the Board of Trustees to file said policies with the Ohio Legislative Service Commission.

Ms. Talmage made a motion to approve the resolution, which was seconded by Ms. Rider. In response to a question from Mr. Rowe, Amy Giordano, Interim Vice President, Student Services, commented that the new policy recommendation meets federal compliance and supports degree-tracking, which will assist with efforts toward completion. Following a voice vote, the motion was adopted.

**Financial Recovery Plan – Annual Report:**

RESOLUTION 2016-05-03-10

NOW, THEREFORE, BE IT HEREBY RESOLVED in compliance with Ohio Administrative Rule 126:3-1-01, paragraph E (2), the Owens Community College Board of Trustees approves the annual report of the financial recovery plan. (Appendix)

Mr. Uhler made a motion to approve the resolution, which was seconded by Ms. Rider. Mr. Cannon commented that the Financial Recovery Plan is a roadmap, which has helped to guide the improvement of the financial condition. Mr. Cannon noted the importance of the matrix of the Financial Recovery Plan, which summarizes the savings for all areas of the College. Mr. Cannon commented on overcoming three immediate challenges last July as Fiscal Year 2016 began, which included 1) the negative net assets for unrestricted on the Fiscal Year 2015 balance sheet, which contributed to the calculation of the .7 Senate Bill 6 score for Fiscal Year 2015; 2) the interpretation of the Board-approved tiered tuition schedule from the Ohio Department of Higher Education, which had to be addressed; 3) the advance request of the monthly State Share of Instruction to help with the low cash position. Mr. Cannon stated that the annual report of the Financial Recovery Plan reflects significant improvements, and with continued guidance and prudence, the College is on track to make continued progress to exit from fiscal watch, anticipated for 2017. The matrix, which is regularly updated every quarter reflects 12 completed action items. He noted through the hard work of faculty and staff, Owens students continue to be dedicated toward completing associate degrees. Following a voice vote, the motion was adopted.

Mr. Rowe congratulated the faculty and staff, and he noted in the world of higher education that a financial turn-around takes time. Mr. Nagle commented on his time at the College and this past year under Mr. Cannon's tenure has seen the best, consistent financial reporting that provides meaningful information in an understandable format. He commented on Mr. Cannon's tenacity and the support of college administration.

**Report of Monthly Budget Transfers for Board Approval:**

RESOLUTION 2016-05-03-11

BE IT HEREBY RESOLVED that the report of monthly budget transfers, be approved by the Board of Trustees.

Mr. McAlear made a motion to approve the resolution, which was seconded by Ms. Talmage. Following a voice vote, the motion was adopted.

**Report of Purchase Requisitions, Orders, Bids and Expenditures Requiring Board Approval:**

RESOLUTION 2016-05-03-12

BE IT HEREBY RESOLVED that the report(s) of purchase requisitions, orders, bids or expenditures, \$50,000 or more, in accordance with the 3358;11-1-12 Financial Standards Policy, be approved by the Board of Trustees.

Dr. McMaster made a motion to approve the resolution, which was seconded by Dr. Hejeebu. Following a voice vote, the motion was adopted.

**EXECUTIVE SESSION**

Chair Nagle announced an executive session for discussion of collective bargaining matters and for a status report for the sale of property. Mr. Rowe made a motion to adjourn to executive session as specified. Ms. Talmage seconded the motion, and the Chair called for a roll call vote. Roll Call: Srinivas Hejeebu, yea; Michael McAlear, yea; Ronald McMaster, yea; Edwin Nagle, yea; Tonya Rider, yea; Rich Rowe, yea; Diana Talmage, yea; and, Thomas Uhler, yea (8).

Upon return from executive session, roll call was taken and the following members were present: Srinivas Hejeebu, Michael McAlear, Ronald McMaster, Edwin Nagle, Tonya Rider, Rich Rowe, Diana Talmage and Thomas Uhler (8).

**Statements and Comments by Members of the Board of Trustees** – Chair Nagle provided a reminder of the evening Trustees Academic Excellence Scholarship Awards Reception and Ceremony, upon adjournment of the regular meeting.

**REGULAR REPORTS**

**Monthly Reports to the Board of Trustees** – Members of the Board of Trustees were issued monthly reports from Academic Affairs, Business Affairs, Student Services and other reports to the President, including the Foundation, Alumni Relations and Marketing/Communications.

**Adjournment** – As there was no further business to come before the Board of Trustees, Chair Nagle declared the meeting adjourned.



## APPENDIX I

### Adoption of Program of Study Policy

#### **3358:11-2-58 Program of study policy.**

- (A) Purpose. A degree-seeking and certificate-seeking student must declare a program of study. A student may declare no more than two programs of study for a degree or certificate.
- (B) Implementation. The chief academic officer will implement procedures, guidelines and forms, which are consistent with the provisions of this rule.

Promulgated under: 111.15  
Statutory authority: 3358.08  
Rule amplifies: 3358.08  
Prior effective dates: NA

## APPENDIX II

### Rescission of Adding a Major Policy

#### **TO BE RESCINDED**

- (A) Purpose. Students may declare more than one program of study for their degree or certificate and must meet all requirements for all programs and majors.
- (B) Implementation. The office of the provost will implement procedures, guidelines and forms, which are consistent with the provisions of this rule.

Promulgated under: 111.15  
Statutory authority: 3358.08  
Rule amplifies: 3358.08  
Prior effective dates: 3/5/2002, 5/14/2011

APPENDIX III  
Individual Personnel Action ~ Owens Faculty Association

NAME	TITLE	CONTRACT LENGTH	SPECIAL TERMS
<b>Michael Aked</b>	Librarian, Acquisitions	2016-2017	260 Days
<b>Eileen Alexander</b>	Clinical Teaching Faculty, Nursing	2016-2017	173 Days
<b>April Andrews</b>	Academic Lab Technician, Science	2016-2017	173 Days
<b>Debra Baumgartner</b>	Laboratory Faculty, Nursing (Findlay)	2016-2017	180 Days
<b>Jacqueline Blonigen</b>	Cataloger	2016-2017	260 Days
<b>Laura Bollman</b>	Librarian (Findlay)	2016-2017	260 Days
<b>Cheryl Busdeker</b>	Teacher, Child Care Center (Findlay)	2016-2017	190 Days
<b>Tara Carter</b>	Academic Lab Technician, Science (Findlay)	2016-2017	173 Days
<b>Lacey Davis</b>	Clinical Teaching Faculty, Nursing (Findlay)	2016-2017	173 Days
<b>Matthew Farthing</b>	Librarian, Serials	2016-2017	260 Days
<b>Robin Foster</b>	Coordinator, Nursing Skills Lab (Findlay)	2016-2017	180 Days
<b>Glenn Franks</b>	Lab Technician (Findlay)	2016-2017	210 Days
<b>Benjamin Frazier</b>	Lab Technician, Welding	2016-2017	210 Days
<b>Marcia Grizzard</b>	Clinical Teaching Faculty, Nursing	2016-2017	173 Days
<b>Daniel Gross</b>	Lab Technician, Transportation Technologies Program	2016-2017	210 Days
<b>Cynthia Hohman</b>	Clinical Teaching Faculty, Nursing (Findlay)	2016-2017	173 Days
<b>Kimberly Holman</b>	Clinical Teaching Faculty, Nursing	2016-2017	173 Days
<b>Peter Johns</b>	Lab Technician, Advanced Computer Aided Machining	2016-2017	210 Days
<b>Lynn Kendall</b>	Lab Technician, Electronics Lab	2016-2017	210 Days
<b>Christine Kettinger</b>	Laboratory Faculty, Skills and Human Patient Simulator (HPS)	2016-2017	180 Days
<b>Charat Khattapan</b>	Instructional Designer	2016-2017	260 Days

<b>Christopher Kinkade</b>	Lab Technician, Diesel Technology	2016-2017	210 Days
<b>Robert Klein</b>	Coordinator, Science Lab	2016-2017	190 Days
<b>Kathy Lauwers</b>	Teacher, Child Care Center (Findlay)	2016-2017	260 Days
<b>Tiffany Ludwig</b>	Clinical Teaching Faculty, Nursing	2016-2017	173 Days
<b>Margaret Ludwikoski</b>	Laboratory Faculty, Skills and Human Patient Simulator (HPS)	2016-2017	180 Days
<b>Julie Maier</b>	Academic Lab Technician, Science	2016-2017	173 Days
<b>Jason Marialke</b>	Teacher, Child Care Center (Findlay)	2016-2017	260 Days
<b>Julie McLaughlin</b>	Clinical Teaching Faculty, Nursing (Findlay)	2016-2017	173 Days
<b>Curtis Mezger</b>	Academic Support Specialist	2016-2017	260 Days
<b>Jennifer Mier</b>	Clinical Teaching Faculty, Nursing	2016-2017	173 Days
<b>Shelley Pomerson</b>	Teacher, Child Care Center (Findlay)	2016-2017	260 Days
<b>Amy Richcreek</b>	Coordinator, Human Patient Simulator Lab	2016-2017	173 Days
<b>Michelle Shephard</b>	Clinical Coordinator, Nursing	2016-2017	180 Days
<b>Deborah Sullivan</b>	Laboratory Faculty, Skills and Human Patient Simulator (HPS)	2016-2017	180 Days
<b>Lesa Swimmer</b>	Academic Lab Technician, Science	2016-2017	173 Days
<b>Julie Tinsman</b>	Teacher, Child Care Center (Findlay)	2016-2017	260 Days
<b>Lou Whitaker</b>	Clinical Teaching Faculty, Nursing	2016-2017	173 Days
<b>Mark Wilkerson</b>	Instructional Systems Support Coordinator	2016-2017	260 Days
<b>Beth Williams</b>	Clinical Teaching Faculty, Dietetics	2016-2017	173 Days
<b>Darlene Wise</b>	Clinical Teaching Faculty, Nursing (Findlay)	2016-2017	173 Days
<b>Patricia Zenner</b>	Coordinator, Nursing Skills Lab	2016-2017	180 Days

APPENDIX IV  
Individual Personnel Action ~ Owens Faculty Association

NAME	RANK	CONTRACT LENGTH	SPECIAL TERMS
<b>Veronica Burgert</b>	Instructor	2016-2017	173 Days
<b>Stacie Gessler</b>	Instructor	2016-2017	173 Days
<b>Drew Grover</b>	Instructor	2016-2017	173 Days
<b>Cheryl Paeth</b>	Instructor	2016-2017	173 Days
<b>Robert Ticherich</b>	Instructor	2016-2017	173 Days

APPENDIX  
Financial Recovery Plan ~ Annual Report

**To:** Governor  
Speaker of the House of Representatives  
President of the Senate  
Chancellor  
Auditor of State  
Legislative Service Commission  
Director of Budget and Management

**From:** President Mike Bower and Board of Trustees

**Date:** May 3, 2016

**Subject:** Financial Recovery Plan Annual Report

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For your consideration, Owens Community College (the College) is submitting the Financial Recovery Plan - Annual Report. While there were some initial obstacles at the beginning of the financial recovery process, those challenges have been resolved and the College has made significant progress toward full financial recovery.

Attachments with the annual report are: the most recent, March 2016, monthly financial report, budget narrative, and updated recovery plan matrix. The financial information has been reviewed with the Board of Trustees' Finance Committee (April 21, 2016) and is being recommended to the full Board for approval (May 3, 2016). In addition, this information is shared on a monthly basis with the Department of Higher Education, Auditor of State Office, and the Office of Budget and Management. We have appreciated the assistance and cooperation of those Offices.

Owens has worked extremely hard on improving the financial condition of the College and with input and contributions from many sources. Those sources have assisted in developing the Financial Recovery Plan (Plan). This Plan has been the road map toward the recovery and stabilization of the financial condition of the College. The Plan, which lists detailed action items for a successful recovery, has been tracked, monitored, and reported through the matrix.

The information within and provided in the attachments will detail the improvement of the financial condition Owens Community College has made toward the end goal of coming out of Fiscal Watch designation.

As demonstrated in the March financial statements, the College is making significant progress in the financial condition. The monthly financial statements provide year-to-date information and a year-end projection. While it is important to know and understand the current financial status, it is even more important to know where the College is headed. This year-end look-ahead allows the College administration to use trends and historical information for analysis and projections. It should be noted that the financial statements are reported excluding the impact of GASB 68.

**The March financial statements indicate a current net gain of \$1,973,012. However, more importantly, year-end projections reflect a year-end net gain of \$1,207,825 for the fiscal year. This is critical, as this is the first step in rebuilding cash reserves, which will improve the financial ratios (Senate Bill 6). This positive net gain is a major milestone for the College, as it will be the first time since FY 2010 of ending the fiscal year with a positive net gain.**

As stated above, the cash reserve position is stabilizing. The cash position as of the March financial report stood at \$9.3 million. Again, while the current cash position is important to ensure timely payment of payroll and vendors, it is critical to improve the cash reserves. **The cash flow projections indicate ending the fiscal year with approximately \$7.8 million in cash. This is also an improvement over the last fiscal year and we will have fewer liabilities against that cash.**

While cash balance and building a cash reserve is critical for the College, there is another key indicator that is a critical component of our financial improvement, the Unrestricted Net Assets. Unrestricted Net Assets or Expendable Net Assets is an indicator of the non-committed funds of an organization. It is also an indicator of available cash reserves. While the College ended FY 2015 with a (\$494,565) Unrestricted Net Asset, **the College has improved to \$3,367,805 as of the March 31, 2016 balance sheet.**

While these financial components indicate financial improvement, Fiscal Watch is measured against the Senate Bill 6 (SB6) score. The SB6 score is a compilation of three financial ratios that are factored into a composite score. A score of 2.4 is necessary to be removed from fiscal watch. In developing the Financial Recovery Plan, the goal was to achieve a 2.4 score in FY 2017. At this time, the projected FY 2016 year-end SB6 score is 1.7. This score puts us on track with meeting the required 2.4 in FY 2017. We feel this is a conservative estimate, as we build in a cushion for any unforeseen year-end adjusting entries.

In addition to the current year projected score, we provide a three-year financial forecast that updates the forecast based on current financial information. This forecast, which takes the updated monthly financials and projects future years, given certain conservative assumptions. This forecast is then used to calculate a projected SB6 score to ensure the College stays on course for a 2.4 score in FY 2017.

The financial improvements, as noted, could not be accomplished without the hard work of many individuals who assisted in developing the Financial Recovery Plan. This blue print to financial recovery has provided the necessary action items to improve the financial situation. Due to the financial situation, the College has already implemented many of the recommended items in the Chancellor Efficiency Report.

Again, as reflected in the March financial statements, the College has significantly reduced operating expenditures. **Expenditures have decreased from \$63.3 million in FY 2015 down to \$49.6 million in FY 2016. This is a year-over-year reduction of \$13.7 million.** Every expenditure category is well below FY 2015 expenditures through March. Some examples of operating reductions include payroll and benefits, which have decreased by \$5.0 million from FY 2015; cost of sales is down \$3.7 million due to outsourcing bookstore operations; and more than \$2.0 million in other expenditures.

These savings are a direct result of items identified in the Financial Recovery Plan matrix. The matrix is divided into four operational components: Financial Stability, Human Resources, Academics, and Enrollment/Marketing. Each of these components is led by a Vice-President responsible for meeting each of the action items listed in the matrix.

## **Financial Stability**

The financial stability section of the matrix lists 15 action steps toward improving the College's financial situation. All except two of the action steps involve making reductions to operating costs or improving revenue streams for the College. The two items that do not impact this section in terms of savings or revenues, involve improved financial reporting and developing a long-term forecast of the financial condition.

We continue to provide the Board of Trustees a monthly narrative and financial report of revenues, expenditures, balance sheet, cash position and projected SB 6 ratios. This report not only provides the Board of Trustees current financial information, it also includes a projection on where we anticipate ending the fiscal year. This is very important as we monitor the results of financial activity. We also continue to share this monthly financial information with the Department of Higher Education, Office of Budget and Management and the Auditor of State's Office to keep them all apprised of the current financial condition.

The action items for operational savings would provide \$1,180,561 in savings and add \$495,000 in additional revenue for FY 2016. Through March, the College has realized \$1,011,638 in savings and \$498,224 in revenues. The majority of savings have been generated from the decrease in the allowance for bad debt expense.

The Financial Stabilization section provides more details as to the status of the remaining matrix action items.

## **Human Resources**

The Human Resources (HR) section features five action steps to monitor costs from personnel. These action items will measure the savings in personnel costs from reductions in pay and benefit changes, as well as the savings from positions eliminated or changed. The primary HR savings will be generated from changes in compensation and position management.

The projected salary and benefit savings in the recovery plan is \$3,500,657. Through March, we have seen a decrease of \$5,067,705 in payroll and benefits from this time in FY 2015. We expect to see increased savings through the end of the fiscal year.

## **Enrollment/Marketing**

While much of this section focuses on Strategic Enrollment Management (SEM), student success is also a component. The College is working toward improving student completion and to enhance revenues from State Share of Instruction (SSI) by increasing College Credit Plus students (CCP), as well as improving recruitment and retention practices.

For the first semester of CCP, there were 1,072 students enrolled. This has generated 158 FTE, which exceeded the estimated 74 FTE. There are 1,386 student enrolled (216 FTE) in CCP for Spring Semester 2016. This will generate \$451,512 in revenue from the program. Improving CCP enrollment not only benefits the College, by getting more students to attend Owens, but is beneficial to the students as a way of accumulating college credits. The College will continue to work very hard to help more students earn more credits for college while still in high school.

The third quarter of Strategic Enrollment Management (SEM) saw progress in developing a number of programs to improve recruitment, retention, and completion. Among other projects, recruitment efforts included more campus visit events this spring and summer. Admissions' is also working on improving communications with prospective

students. SEM recruiting tactics included increasing delivery of workshops to promote online career resources; developing partnerships with academic leadership and faculty in health-related areas; and communications with students not selected for health programs to keep them engaged in college.

Student success is a major component of the financial recovery. Enrollment and marketing are improving early intervention to students with college-wide notifications of grades. The College is reaching out to students early to provide assistance. To that effort, with the assistance from the State's Capital Funding department, the College has been able to utilize Institutional Data Processing funds available to Owens to purchase DegreeWorks, a degree audit planning system that will provide the necessary data. Advisor outreach continues to encourage timely degree and certificate completion. Past campaigns focused on students with 50 to 60 credit hours. Recent campaigns have focused on students with 20 credit hours completed, which allows students an earlier opportunity to focus on degree and graduation planning.

Work continues on the student mapping process to document the experiences of students who test into multiple developmental education courses. Student Services staff have documented the responses to several questions related to this student population to allow the College to contact those students and assist with guiding them into the correct career path. Next steps will include involving Academic Services in the process to benefit students.

### **Academics**

The savings in academics will come from efficiency in scheduling classes and monitoring class size. The College made great strides in managing class size for Fall Semester 2015. In fact, more than 200 sections that had low enrollment were eliminated. By eliminating or combining sections, the College saved \$691,058 in adjunct faculty costs.

Additional action steps for Academics include: submission of certificates for DHE approval to expand our certificate offerings; phase out unnecessary, unproductive, and unaffordable programs; develop new College partnerships; and increased gross margin for our Workforce programs.

During the third quarter, the massage therapy program was eliminated, which terminated a full-time faculty position. The Systems Security Program was eliminated last semester. We continue to review programs for efficiency.

We also continue to make great strides with post-secondary partners, high school partners and business partners. During the second quarter, the College announced the launching of Falcon Express, a dual enrollment partnership with Bowling Green State University, to allow Owens' students' admission to BGSU, utilizing real-time transcribing between institutions. We are now close to a similar dual enrollment agreement with the University of Toledo.

We continue to improve and develop partnership programs with the Toledo Public Schools (TPS) to increase College Credit Plus (CCP) offerings. In addition, the TPS Avionics curriculum work is nearly complete. We are also working with TPS Jones Leadership Academy to apply for a \$250,000 innovation grant to support career and advising services for the TPS students at the Jones Leadership Academy with Cisco Telepresence technology.

We also are working very closely with local business partners, such as the potential to expand the programs with Caterpillar and John Deere. In the introduced Capital Bill, the College is seeking \$1.4 million to expand the Caterpillar and John Deere training programs. These programs offer training to dealerships in the midwest and the companies are looking to expand the number of students in the program.



In summary, the College has successfully implemented the Financial Recovery Plan action items. Since 2013, the College has made dramatic improvements to operational efficiencies. Due to the gravity of the fiscal condition and addressing budget shortfalls since FY 2013, the College has made historical cuts in all operational areas of the institution.

Some examples of organizational restructuring and operational reductions included:

- A 34 percent reduction of Administrator employment from 80 to 53.
- A 26 percent reduction of Support Staff employment from 84 to 62.
- An 8 percent reduction of full-time faculty from 207 to 190.
- Subleasing space for a savings of over \$500,000 per year.
- Eliminating modules of campus-wide IT software for annual savings of \$68,740.
- Outsourcing Bookstore operations, which provides a \$150,000 start-up payment and \$1,000,000 guaranteed annual income for a three-year period.
- Cost savings from the Findlay Campus Child Care facility of \$107,700.
- Health care administration savings of \$600,000.
- Group purchasing arrangements for prescription drug savings of approximately \$630,000.
- Across-the-board wage reductions.
- Voluntary furlough.
- Course management schedule savings.
- Phasing-out unviable academic programs

While we have made significant progress on the Financial Recovery Plan, we know we have more work to do. The preliminary FY 2017 budget is slated to continue the trend to end the year with a positive Net Gain. This improvement in Net Gain, year-over-year, will assist in building the needed reserves. We also have developed a five-year budget projection that will guide the College, as we monitor the financial condition and allow us to plan and make decisions before encountering any financial difficulties. Combining the FY 2017 budget, a five-year projected budget and updating the Financial Recovery Matrix to reflect additional action steps help guide the College toward financial recovery. Owens Community College anticipates the combination of savings and improved efficiencies in FY 2017 will assist in achieving a SB 6 score above 2.4, a criteria for the termination of fiscal watch.

*Board Secretary's note for including in the meeting minutes: Slight formatting and the correction of minor typographical errors were made to the first page of this report. Reference to attachments in the body of the annual report was for the actual submission to the addressees as listed on the first page of this report.*