

OWENS COMMUNITY COLLEGE  
BOARD OF TRUSTEES  
FINANCE COMMITTEE  
March 22, 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 4:05 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 and Mr. Rich Rowe (2).

**Attendees** – The following trustees were also in attendance: Ms. Dee Talmage. The following administrators were in attendance: Dr. Larry McDougle, Mr. John Satkowski, Dr. Renay Scott, Ms. Pat Jezak, Mr. Brian Paskvan, Ms. Laurie Sabin, Ms. Ann Savage.

**Approval of Minutes** – The minutes of the January 20, 2010 meeting were previously received, and Trustee Rowe declared that the minutes stand approved as submitted.

**General Fee Review** – Mr. Satkowski reviewed the plant fund balances over the past two years from general fee revenue allocated toward computer usage (.50), academic technology fees (\$1.75), administrative technology fees (\$1.25) and homeland security (\$2.00). He stated that the general fee increase with an earmark for homeland security was implemented in 2004. Mr. Satkowski reviewed the balances in the homeland security plant fund noting that pay outs for the Operations Center are scheduled for three years, FY 10, FY 11 and FY 12. The current pay out for the Operations Center is \$2.1 million.

Mr. Rowe asked if the Center for Emergency Preparedness programs are generating revenue. Mr. Satkowski responded that the CEP target is to generate \$30,000 in revenue monthly for non-credit related operations. He stated that new Director Cornell has begun to strategically utilize the facility and is working toward the revenue target. Mr. Satkowski stated that the facility could break/even at the end of the fiscal year. Ms. Sabin commented on the local economy impact on the training facility and stated that federal grant funding is beginning to dry up and municipalities are doing minimal training at this time. Mr. Satkowski advised that the CEP should continue and expects it to break/even by the end of the fiscal year. He stated that the CEP needs to be used for credit classes. If credit training is on the CEP schedule, then Finance can identify tuition from those scheduled courses to be entered as revenue. Mr. Satkowski stated that the CEP should be an instructional training facility for our students and a resource for the community. Mr. Rowe commented that it seems to be in a catch-22 in this economy. Mr. Rowe stated that the Board Finance Committee will continue to review the general fee earmarks, as old business on future agendas.

**State Funding Update** – Mr. Satkowski reported that State revenues are slightly up and tracking budget-wise. Mr. Satkowski does not expect there to be executive order reductions prior to June 30. President McDougle commented on the discussions held during the March 19 OACC presidents' meeting. He stated that the State is looking at a \$5 billion to \$7 billion hole for the

FY 2012 State budget. The message to higher education is to prepare because State funding won't be available.

Mr. Satkowski stated that in planning the Owens budget for next fiscal year, they are targeting for a \$4 million surplus to be built into the budget as a cushion. Mr. Rowe asked President McDougle if there had been discussion of limiting student admissions in Ohio. President McDougle replied no, the University System of Ohio is focused on its Strategic Plan for enrollment growth and completion. President McDougle explained how higher education is both a public benefit subsidized by the State while also being a private benefit and supported by student tuition. When the time comes that the State can no longer support higher education as desired, then they will be pressured to allow the institutions to increase student tuition. He stated that Ohio State University and Miami University, while being public institutions receive the majority of their revenue from private sources – this is how they can have selective admissions.

*Efficiency Reporting* – Mr. Satkowski explained that the College is in its third year of reporting efficiency savings to the Ohio Board of Regents. The College has met the targets for each year and is now carrying a \$550,106 surplus of efficiency savings. Mr. Satkowski noted that the Chancellor's Efficiency Council has requested that colleges present their innovative efficiency initiatives to share best practices.

Owens Community College	FY 2008	FY 2009	FY 2010
Efficiency Submittals	\$1,918,394	\$1,257,402	\$1,381,476

The following were the areas of efficiencies for FY 10:

- Self-insured Workers Compensation
- Retirement Incentives
- Outsourcing Custodial Services
- Joint Purchasing Card Rebates

*Success Point Model Concept* – Mr. Satkowski presented the Chancellor's funding model proposal to fund institutions based on a series of student completion measures. Mr. Satkowski distributed an analysis of proposed success point earnings using FY 07, 08 and 09 data. He stated that the model will begin in FY 2011 with the SSI being based on enrollment growth (95 percent) and success points for student completion measurements (5 percent.) The Success Point model will be phased in and in about five years, the success point factor will be weighted at 30 percent. The success points are for:

- Student enrollment or graduation
- Students completing 15 credit hours; 30 credit hours
- Students earning a degree
- Students completing developmental education, with attempts at subsequent English and math.
- Students transferring to a four-year college

Mr. Satkowski stated that the Chancellor wants to move this performance-based funding model forward. The impact on Owens is neutral. Some of the larger community colleges are losing funding because their enrollments are larger and students are more at-risk and underprepared. Laurie Sabin, who served on the State's committee to develop the plan, stated that the success measurements align with the Owens mission, AQIP initiatives and various student retention initiatives. If a student is retained and successful, every measurement point on the chart will reflect it. She stated that the taskforce fought very hard to balance the measurements. Brian

Paskvan stated that the success measurements need to be incorporated into the College's retention initiatives and processes, especially for advising and developmental education.

*Capital Plan Recommendation* – Mr. Satkowski presented the six-year capital improvements request, which was submitted to the Ohio Board of Regents. The focus is on campus restoration and renovating space for instructional use. The State is emphasizing renovations over new construction.

Owens Community College Six-Year Request for Capital Improvements	
PROJECT	STATE FUNDING REQUEST
<b>FY 2011-2012</b>	
Heritage Hall Renovations – Phase II	\$3,804,800
College Hall Renovations/Cafeteria Addition	2,399,016
<b>BIENNIUM SUBTOTAL</b>	<b>\$6,203,816</b>
<b>FY 2013-2014</b>	
High Bay South Renovation	\$3,315,000
Findlay Classroom Addition	1,847,232
Kingsley Hall Renovation	901,628
<b>BIENNIUM SUBTOTAL</b>	<b>\$6,063,860</b>
<b>FY 2015-2016</b>	
Campus Mall and Site Renovation	\$2,560,000
Alumni Hall Demolition/Parking Lot Addition	600,000
Transportation Technologies Renovation	1,436,148
<b>BIENNIUM SUBTOTAL</b>	<b>\$4,596,148</b>
<b>SIX-YEAR TOTAL</b>	<b>\$16,863,824</b>

**Senate Bill 6 Financial Ratios** – Mr. Satkowski distributed the S.B. 6 explanation and the state-wide analysis for FY 2009. He said that Owens is holding its own. The College's composite score is 3.40, which is slightly down from FY 2008, 3.60. The decrease was due to the viability ratio, which was based on the timing of the construction and renovations. The ratio does not reflect construction in progress, which was Center for Emergency Preparedness, parking lot B and Founders Hall. Those were booked for FY 2010. The average composite score for all two-year colleges is 3.77 and for four-year colleges, it is 3.08. The majority of the universities decreased due to debt. Mr. Satkowski stated that the College's ratio will rebound for FY 2010.

**Open Positions Report** – Dr. Scott advised the Board of Trustees that the open positions report for Tuesday, March 30, will reflect six new Clinical Teaching Associates positions. She stated that the School of Nursing has a four point plan that addresses student job placement, competitive salaries and benefits, efficient usage of staff and supervision for teaching and clinicals. Mr. Satkowski stated that the cost to implement the plan is about \$400,000, and it is being budgeted for FY 2011. Dr. Scott stated that the School of Nursing goal is to submit the candidacy presentation to NLNAC at the end of April.

**Academic Achievement Scholarship Proposal** – Ann Savage presented a scholarship proposal on behalf of a Student Services and Business Affairs team. The scholarship targets the top ten percent of the legal district’s high school graduates. This could be a very important recruitment and retention tool for the College. Dr. Scott stated that if the College is able to recruit top achievers, it enhances a diverse learning environment and these students become role models and informal peer-tutors for other students. The proposal will also strengthen the College’s honors program and articulation agreements with the University of Toledo and Bowling Green State University’s honors programs. Dr. Scott noted that these students graduate at a higher rate, which will assist in the success point measurements. Ms. Savage stated that the proposal is for granting full tuition waivers for students in the top one percent to five percent of their graduating classes; and, half tuition waivers for students in the six percent to ten percent of their graduating classes. The recipients will also have to meet other criteria such as completing FAFSA, achieve ACT/testing scores, maintain a 3.0 grade point average, enroll in the honors program/leadership symposium and submit a graduation plan. President McDougale suggested that the criteria include guidelines for home schooled students. Ms. Savage noted that the criteria addresses students coming from career centers. Ms. Savage stated that the cost for the College is expected to be low. The analysis using FY 2009 data showed a waiver of \$72,382 for about 43 students. Ms. Savage stated that the scholarship would be built up over time. Mr. Satkowski stated that the College would actually break-even because of revenue from SSI and Success Point measurements. Mr. Satkowski stated that the scholarship recommendation would be placed on the March 30 Board of Trustees agenda.

**Financial Statements** – Mr. Satkowski reviewed the financial statements for the period ending February 28, 2010. He stated that the revenue is tracking very well.

**Other**

*Health Care Plan Confirmation* – Mr. Satkowski remarked that his office recently requested a legal review of how the College implements health care plan changes. The Attorney General’s education section representative reviewed the College’s practice of making changes to the health care plan program for non-bargaining staff. Due to the ambiguous wording with respect to approval of benefits in the Board’s Constitution, the attorney advised it would be prudent for health care plan changes for non-bargaining staff to be adopted by the Board of Trustees. Mr. Satkowski stated that a recommendation will be presented to the Board to confirm past and present health care plan changes for non-bargaining staff. He noted that health care plan changes made for bargaining members are approved by the Board of Trustees and the bargaining units through the bargaining agreement process.

*Restatement/Amendment of Alternative Retirement Plan* – Mr. Satkowski commented that every six years, the College needs to restate and amend the alternative retirement plan to be in compliance with the IRS. He noted that a recommendation for same will be made to the Board on March 30.

*The Bad Day Story of the Sparrow* – At Trustee Rowe’s request, President McDougale shared an entertaining story with two morals.

**Adjournment** – As there was no further business to discuss, Trustee Rowe declared the meeting adjourned at 5:40 p.m.

ATTEST

*Patricia Jezak*

Secretary to the Board of Trustees

APPROVED 5-17-2010