

OWENS COMMUNITY COLLEGE
BOARD OF TRUSTEES
FINANCE COMMITTEE
October 13, 2014

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

Call to Order – Trustee Ed Nagle called the meeting to order at 3:00 p.m., and directed the record to show the meeting of the Finance Committee was held in accordance with Ohio Revised Code Section 121.22, 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: Ed Nagle and Rich Rowe (2). A quorum was not obtained as committee member Mary Beth Hammond was not present; however, she was on the speaker phone.

Attendees – The following trustees, administrators, staff and guests were in attendance for the meeting: Trustees Tom Uhler, Ronald McMaster. President Mike Bower, Patricia Jezak, Jack Witt, Laurie Sabin and Jennifer Fehnrich.

Treasurer Report – Jack Witt, Vice President, Human Resources/Administration, commented on being afforded the opportunity to share with the Finance Committee members, the financial and FY 2014 audit statuses. He commented that the College is anticipating a “clean” unqualified opinion with no exceptions from the auditors. He commented on the process of the annual fiscal year audit to be timely filed prior to October 30 with the Auditor of State for approval and posting; upon the Auditor of State’s release of the year-end audited financial statements, the Ohio Board of Regents (OBR) calculates the “Senate Bill 6” financial ratios. (<https://www.ohiohighered.org/campus-accountability>) He commented that the Ohio Board of Regents campus accountability guidelines include the submission of quarterly financial reports (revenues, expenses, any reportable events). He stated the common practice for Ohio community colleges financial statements to use a modified, accrual basis, which include general, auxiliary and plant fund revenues and expenses along with allowances for bad debts and depreciation. Due to the accrual basis, tuition and fee revenues from all sources (such as from direct loans, scholarships and Pell federal grant funds) are shown as the revenue is earned.

He commented on a Consolidated Annual Financial Reports (CAFR) trend for FY 2014, FY 2013, FY 2012 and FY 2011 from the base of FY 2010, which reflects consecutive fiscal year losses after depreciation. He relayed the trend to declines in FTE enrollment, State Share of Instruction and the effect of federal Pell grants relative to scholarship allowances.

Mr. Nagle commented on the cumulative four-year FTE enrollment decrease and the FY 2014 decrease in personnel costs, and asked at what point in time might employment costs be closer aligned to FTE enrollment. Mr. Witt commented on the significance of the FY 2014 personnel cost decrease, and that the College continues to reduce personnel expenses in adjunct faculty and part-time staff to more closely relate to enrollment and to review each position that becomes open. Mr. Nagle requested to review ratios such as faculty to student, administration to student and students per square foot of space.

Mr. Rowe commented on tuition being legislatively capped, which restricted the College’s revenue despite the historical growth in enrollment. Ms. Sabin commented on the historic time when revenue from tuition increases offset State Share of Instruction decreases.

In response to a question from Mr. Rowe on starting faculty salaries, Mr. Witt commented Owens is a low-cost operation, and non-tenured faculty have low starting salaries while typically contributing strong technical and teaching skills.

Mr. Nagle commented on how might fiscal strategies positively affect the College. Ms. Sabin commented on the need to develop long range strategies, and Mr. Witt provided some potential solutions with respect

to operational contracts, building utilization and increasing sales in workforce and other auxiliary operations. Mr. Nagle requested that solutions and strategies be expanded and to include operational efficiencies. Mr. Nagle commented that the Board Finance Committee will meet monthly to review and monitor solutions and fiscal strategies.

Statements and Comments – Mr. Nagle commented on the Governor’s Office October 8 press release of the reappointments of Trustees Dee Talmage and Srini Hejeebu.

Adjournment – As there was no further business to discuss, Mr. Nagle declared the meeting adjourned at 4:45 p.m.

ATTEST

Patricia M. Jezak
Secretary to the Board of Trustees

Approved 11-10-2014