

COLUMBUS STATE

COMMUNITY COLLEGE

COLUMBUS STATE COMMUNITY COLLEGE

Board of Trustees Committee of the Whole

Pete Grimes Board Room

May 21, 2015

MINUTES

Present: Michael E. Flowers, Chair
Dianne A. Radigan, Vice-Chair
A. Lynne Bowman, Board
Jami S. Dewolf, Board
Valoria C. Hoover, Board
Anne Lopez-Walton, Board
Richard D. Rosen, Board
Poe A. Timmons, Board
Kirt A. Walker, Board
Dr. David T. Harrison, President
Dr. Jack Cooley, Senior Vice President

Terri Gehr, Senior Vice President
and Chief Financial Officer
Kimberly Hall, Vice President and
General Counsel
Allen Kraus, Vice President
Carol Thomas, Vice President
Dr. Diane Walleser, Vice President
Jackie DeGenova, In-House Counsel
Doug Rellick, Ex Officio, Staff
Kevin James, Ex Officio, Faculty

Absent: Matthew Schultz, Ex Officio, Student

CALL TO ORDER:

The regularly scheduled meeting of the Board of Trustees, Committee of the Whole, was held on Thursday, May 21, 2015, in the Pete Grimes Board Room of Franklin Hall at Columbus State Community College. The meeting was called to order by Chair Michael E. Flowers at 12:24 p.m.

ROLL CALL:

Present: Michael E. Flowers, Chair
Dianne A. Radigan, Vice Chair
A. Lynne Bowman
Jami S. Dewolf
Valoria C. Hoover
Anne Lopez-Walton
Richard D. Rosen
Poe A. Timmons
Kirt A. Walker

DAVID T. HARRISON Ph.D. **PRESIDENT**

CERTIFICATION OF COMPLIANCE:

President Harrison advised that the record should show that notice of this meeting has been given in accordance with Section 121.22(F) of the Ohio Revised Code.

OPENING REMARKS FROM CHAIR FLOWERS:

Chair Flowers thanked the Trustees who attended the Cameron Mitchell event and everyone who attended commencement on May 8, 2015. Chair Flowers encouraged the Trustees to attend the upcoming OACC Annual Conference in Cleveland.

APPROVAL OF MINUTES:

Member Hoover moved, Member Bowman seconded, that the minutes of the regular meeting of the Board of Trustees, Committee of the Whole held on Thursday, March 12, 2015, be approved as presented.

A vote was taken which resulted in:

AYES: Members Flowers, Radigan, Bowman, Dewolf, Hoover,
Lopez-Walton, Timmons, Walker

NAYS: None

ABSTAIN: Rosen

(1) Operating Budget for Fiscal Year 2016

Mrs. Gehr introduced and thanked Ms. Kelly Weir, Director of Budget and Financial Planning and her team for leading the College through the recent budget planning process.

Mrs. Gehr gave a presentation highlighting the proposed FY16 budget as it related to the College's district and the auxiliary enterprises. The proposed FY16 operating budget was based on a number of assumptions that could change, since the State's FY16-17 biennial budget legislation, HB 64, is still under consideration in the Ohio General Assembly. The assumptions/planning context were:

- State's FY16-17 budget in the midst of deliberations
- Projected enrollment decline
- Reallocations to align the strategic priorities
- Use State Capital Funds to meet technology, deferred maintenance needs
- Use FY15 positive net operational revenue for strategic investments

Following are the specific assumptions supporting the FY16 budget summarized in Exhibit A. Additionally, the one-time investments of monies due to underspending in FY15 are outlined below:

Revenue

- *Tuition Revenue.* Tuition revenue is driven by two primary drivers – enrollment and the tuition rate. Enrollment is budgeted at 5% lower than the current year. The current year includes a portion of Summer 2015, the enrollment for which is trending lower than Summer 2014. The FY16 budget assumes a tuition rate increase of \$100 for a full-time student taking 30 hours during the 2015-16 Academic Year. Most Columbus State students carry a part-time schedule of classes making their annual tuition increase approximately \$65.

For budget planning purposes, tuition revenue assumes the \$100 tuition cap in FY16-17 budget legislation (HB 64) as passed by the Ohio House of Representatives. The bill is currently under review by the Ohio Senate. The tuition rate for 2015-2016 will be adjusted by the cap allowed by HB 64 as enacted.

- *State Share of Instruction.* The budget legislation as passed by the Ohio House of Representatives in late April includes a 2% per year increase in the State Share of Instruction (SSI). As of FY15, the SSI formula is entirely based on performance metrics including course completions, transfers, degrees and other success metrics. Initial FY16 projections provided by the Ohio Board of Regents for Columbus State indicate the College's SSI will increase by 1.4%.
- *Other Revenue.* Other revenue, which consists of revenue streams in the categories of special courses, fees, contract services, partnership revenue, and miscellaneous, are projected to be 11.6% lower in FY16, primarily the result of projected enrollment declines.

Expenditures

- *Student Success.* Promising student success initiatives are a priority in this budget recommendation, including new student orientation, a redesigned academic advising program that began in FY15 and embeds advisors within the academic departments so that students receive the appropriate advice and interventions necessary to complete their degree or credential and graduate, and continued tutoring and supplemental instruction services.
- *Reallocations.* Reallocations that include consolidating the Gahanna regional learning center into the Reynoldsburg regional learning center, and continuing to tightly budget payroll and non-payroll expenses make it possible to continue academic and student support programs at levels necessary to advance the strategic

priorities of student success, workforce development and civic engagement, and to improve administrative and business processes.

- *Partnerships.* The proposed FY16 budget includes operating expenses for an enhanced 2+2 partnership between Columbus State and Ohio University at our new Dublin Campus, and between Columbus State and over 60 high schools across seven counties throughout the Central Ohio region that are making higher education even more affordable through the *College Credit Plus* program (CCP). CCP gives high school students the opportunity to take courses that meet high school academic requirements as well as earn college credit. Columbus State proposes to allocate \$1.0 million in auxiliary fund reserves to offset textbook costs for these students in the first year of the program.

These and other budget measures will allow the College in FY16 to:

- attract students through active and strategic enrollment recruitment and management, including the introduction of activities designed to enroll high school students in *College Credit Plus* classes as full-time students upon high school graduation, increasing awareness of Columbus State as the high quality, affordable pathway in the region;
- maintain annual contracted faculty;
- maintain and upgrade the College's technology infrastructure while maintaining affordability for students;
- maintain a sufficient level of funding for professional development for faculty to sustain quality teaching and learning, student support services, and administrative best practices; and
- provide for contractual obligations, tenure/promotion, performance bonuses, and a compensation adjustment that is made possible through challenging trade-offs and reallocations. This is in addition to a one-time compensation adjustment outlined in the next section.

One-Time Strategic Investments from FY15 Net Operating Resources

The opportunity to allocate projected unspent current year operating resources is made possible by careful planning and resource management. The following represents strategic investments in the College's priorities and can be found in Exhibit A, column 3, rows (v), (z) and (aa).

- *One-time Compensation:* \$1.1 million. The College recognizes that its greatest asset is its employees and proposes a one-time payment of \$1,000 for eligible full-time employees and \$500 for eligible part-time employees.
- *Student Success and Innovation:* \$1.1 million. The College will continue to utilize technology to improve and expand student learning. Through our Digital

Pathways initiative, faculty are developing technology-enabled learning objects to advance student learning. These learning objects become building blocks for high quality online courses. These funds will be released as project and sustainability plans are finalized.

- *Capital Equipment*: \$1.1 million. Using FY15 funds to acquire capital equipment necessary in FY16 allows the College to forego budgeting for this expense in FY16, minimizing the impact should enrollment or subsidy revenues fall short of projections.

Budget Planning Context: Auxiliary Fund (Exhibit B)

The auxiliary enterprises each face growing challenges to remain financially self-sustaining, provide quality services typical of an institution of our size to students, faculty, staff and visitors, and support initiatives that advance the College's strategic priorities.

Bookstore. The Bookstore team is actively engaged in partnerships that advance student success and textbook affordability. The combined efforts of bookstore representatives, faculty and administrators on the *Textbook Affordability Committee* resulted in savings to students of \$1.3 million over the past 18 months through more rental and used textbook offerings, price reductions negotiated with publishers, and choosing lower cost options.

As initiatives progress with digitization of texts and course materials in FY16, consideration will be given to expanded offerings of supporting technology products while monitoring the longer-term impact of such measures on the enterprise.

The Bookstore team is also leading the efforts for the acquisition of textbooks for the first year of *College Credit Plus*, which will be funded from auxiliary reserves.

Food Services. Options to update food service facilities and to provide greater variety, particularly on the Columbus Campus, will be actively explored in FY16.

Auxiliary Reserves. The implementation rules and costs associated with *College Credit Plus* have been uncertain leading up to the first year of implementation. One of the key points of uncertainty is the cost of textbooks. In order to ensure that each *College Credit Plus* student has access to the textbooks needed for the courses they are taking, it is recommended that \$1 million in Auxiliary Reserves be allocated to cover the costs of textbooks for at least the first year of implementation.

Exhibits A and B reflect the proposed FY16 budget compared to FY15 projected year-end and FY14 and FY13 actual for the College district and the proposed FY16 budget compared to FY15 projected year-end and FY14 actual for the auxiliary services budget.

The Committee of the Whole agreed to refer this item to the Board of Trustees for approval.

(2) **Tuition**

Ms. Gehr requested the Board allow Columbus State to develop a schedule that sets tuition at the rate permitted by the legislature in HB 64 for FY16. At the July Board meeting the details from the final legislation will be reviewed.

The Committee of the Whole agreed to refer this item to the Board of Trustees for approval.

(3) **FINANCIAL STATEMENTS AS OF, AND FOR THE TEN MONTHS ENDED
APRIL 30, 2015:**

Ms. Terri Gehr reported on the College's financial statements as of, and for the ten months ended April 30, 2015.

The Committee of the Whole agreed to refer this item to the Board of Trustees for approval.

(4) **DISCUSSION OF CURRENT ISSUES – Dr. David Harrison:**

- **Risk Management** – Dr. Harrison requested that Ms. Kim Hall provide an update on her continuing work around developing an Enterprise Risk Management (ERM) Program at the College. Ms. Hall reported that after extensive research with other colleges/universities, and executives at Nationwide and Cardinal Health, she has determined that Columbus State is capable of conducting its own risk assessment as an initial step in the process rather than utilizing an outside consultant. The FY16 objective would be to launch a formal ERM program that would be governed by a College Risk Management Advisory Committee and would include Board members who would like to be involved.

The first step would be leadership engagement and bringing together all the key stakeholders to establish the Risk Management Advisory Committee. The Committee would identify risks; prioritize them; and develop recommendations for the Board regarding the framework for the evaluation of priority risks. The ongoing process would involve development of mitigation plans, measuring progress, and providing monitoring, and support. The Risk Management Advisory Committee will report to the Board in the Fall and seek feedback on priorities.

- **Legislative Update** – The budget has advanced from the House to the Senate. Dr. Harrison is working closely with Mr. Jack Hershey, President of OACC in his role on the Legislative Committee. Dr. Harrison testified before the Higher Education Subcommittee on Tuesday.

There being no further items to come before the Committee, the meeting was adjourned at 1:34 p.m.



David T. Harrison, Ph.D.
Secretary, Board of Trustees