

COLUMBUS STATE

COMMUNITY COLLEGE

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Board of Trustees Committee of the Whole

Pete Grimes Board Room, Franklin Hall

January 19, 2017

MINUTES

- Present: Michael E. Flowers, Chair
Dianne A. Radigan, Vice-Chair
Jami S. Dewolf, Board
Valoria C. Hoover, Board
Catherine M. Lyttle, Board
Dr. Richard D. Rosen, Board
Poe A. Timmons, Board
Dr. David T. Harrison, President
Dr. Michael Babb, Vice President
Dr. Rebecca Butler, Vice President
- Dr. Jack Cooley, Senior Vice President
Kimberly Hall, Senior Vice President
and General Counsel
Allen Kraus, Vice President
Aletha Shipley, Vice President and
Chief Financial Officer
Adam Keller for Thomas Shanahan
Ex Officio Faculty
Jackie DeGenova, In-House Counsel
- Absent: Robert P. Restrepo, Jr., Board; Kirt A. Walker, Board; Yaizmen Fayne, Ex Officio Staff; and Aissatou Bah, Ex Officio Student
- Guests: David Minich, CPA, Plattenburg & Associates; Ms. Jan Ellis, Director, Office of the Controller; and Ms. Ann Helfrich, Supervisor, Financial Accounting and Reporting

CALL TO ORDER:

The regularly scheduled meeting of the Board of Trustees, Committee of the Whole, was held on Thursday, January 19, 2017, in the Pete Grimes Board Room, Franklin Hall, Columbus State Community College. The meeting was called to order by Chair Michael E. Flowers at 12:00 noon.

ROLL CALL:

- Present: Michael E. Flowers, Chair
Dianne A. Radigan, Vice-Chair
Jami S. Dewolf
Valoria C. Hoover
Catherine M. Lyttle
Dr. Richard D. Rosen
Poe A. Timmons

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.

COLLEGE'S MISSION AND VISION STATEMENTS:

Trustee Cathy M. Lyttle read the College's Mission and Vision Statements.

OPENING REMARKS FROM CHAIR FLOWERS:

Chair Flowers extended a Happy New Year to everyone present, and wished the students, faculty, and staff a great new year.

OPENING REMARKS FROM PRESIDENT HARRISON:

President Harrison welcomed Adam Keller, who was attending the Board meeting on behalf of Tom Shanahan, the faculty ex officio.

APPROVAL OF MINUTES:

Member Hoover moved, Member Lyttle seconded, that the minutes of the regular meeting of the Board of Trustees, Committee of the Whole, held on Thursday, September 15, 2016, be approved as presented.

A vote was taken which resulted in:

AYES: Members Flowers, Radigan, Hoover, Lyttle, Timmons

ABSTAIN: Dewolf, Rosen

NAYS: None

REPORT OF INDEPENDENT AUDITORS ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016:

President Harrison introduced Ms. Aletha Shipley, Vice President and Chief Financial Officer who leads the work of the audit process along with her team: Ms. Jan Ellis, Director, Office of the Controller, and Ms. Ann Helfrich, Supervisor, Financial Accounting and Reporting. Ms. Shipley outlined details of the audit for the fiscal year ending June 30, 2016. The College's audit was conducted by independent auditors, Plattenburg & Associates.

Mr. David Minich, CPA, Plattenburg & Associates, provided an overview of the audit process and their work product for the year ended June 30, 2016. Mr. Minich stated the auditors did not identify any deficiencies in internal control. He reviewed the basic financial statements and the audit opinion. Columbus State received an unmodified opinion, which is the highest rating possible.

Ms. Jan Ellis, reviewed FY16 Comparisons to FY15; FY16 Highlights; and Reserve Spending Analysis.

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

REVISED FISCAL YEAR 2017 OPERATING BUDGET:

Ms. Aletha Shipley explained the revised Operating Budgets for the College's General Fund and the Auxiliary Fund.

In May 2016, the Board of Trustees approved the FY 2017 Operating Budget. Each January, the Board of Trustees reviews the operating budget in the context of enrollment, final state subsidy allocations as approved by the Ohio Department of Higher Education, and other activities that may impact the budget.

General Fund

Revenues. The College's final FY 2017 state subsidy calculation from the Ohio Department of Higher Education is \$23,013 higher than originally budgeted.

Enrollment was budgeted for FY 2017 at flat to the prior year. Autumn 2016 enrollment is estimated to be 0.2% higher than last year, and the College awaits final autumn term figures from the Ohio Department of Higher Education. Spring 2017 is currently trending around 5% below last year. Summer 2017 enrollment, part of which is accounted for in this fiscal year, remains budgeted comparable to Summer 2016. Based on these actual and updated enrollment assumptions, tuition revenue in the revised FY 2017 budget is projected to be \$329,063 below the operating budget approved by the Board in May.

Coupling revised tuition revenue with adjustments to fees, partnership, and miscellaneous revenue as well as state subsidy, total revenues in the proposed revised FY 2017 budget total \$143,143,234 (line 1) or \$22,977 (0.0%) more than originally budgeted.

Expenses. FY 2017 expense priorities continue to include enhancing strategic enrollment recruitment and management; including 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; and strengthening advising services to assist students in planning their academic pathways from entry to completion, which includes updated systems that allow the College to more easily communicate with students. Compensation adjustments were also a priority in the FY 2017 budget and were implemented as planned.

FY 2017 budgeted expenses are reduced by \$6.3 million (or 4.5%) due primarily to expected decreases in bad debt, savings realized and projected from vacant positions, and the pace of spending for multi-year projects. Underspending is difficult to project half way through the fiscal year, \$1.3 million of this amount will be placed into a contingency within the Budget/Tuition Stabilization fund to allow costs to be addressed that were not anticipated.

Strategic Allocations: With revenue essentially flat to what was originally budgeted by the Board for FY17, the expected underspending outlined above will be used for the following:

Student Success and Innovation: \$4,300,000

- *Strategic Success Investments:* The Student Success and Innovation Fund was established by the Board to advance the College's goals through strategic investments in projects requiring start-up funds with potential to have large-scale impact. To that end, this allocation will be used to invest in opportunities for faculty to: develop curriculum; participate in professional development opportunities; participate in administrative leadership roles; and participate in the work of grants and other projects. The funds will also be used to progress students onto 2+2 and other affordable pathways with such supports as career counseling, transfer advising, and placement services as well as support professional development of staff to effectively deliver these student supports. This allocation will enable support for multi-year projects in these and other areas.

- *Diversity and Cultural Inclusion:* Columbus State is committed to cultivating a diverse and inclusive environment at the College and in our region as demonstrated by its facilitation of *Courageous Conversations*, a series of community conversations on diversity, and the Board's recent update to its Employment Policy to include proactive recruitment efforts to reach diverse candidates, ensure fair recruitment and selection practices, and retain and advance employees from underrepresented populations. This allocation will be used to further the College's student success mission by establishing dedicated leadership and professional development for employees, expanding recruitment and retention efforts, and cultivating deeper community engagement.

Campus Safety: \$700,000. Columbus State is entering its second year of a 911 project that will upgrade the College's telecommunications systems so that appropriate alerts and locations are sent to emergency responders as they address campus emergencies. This allocation will be used for the second phase of this project as well as other safety and emergency response training for staff, faculty and students.

Budget/Tuition Stabilization: \$1,318,956. A contingency will be established within this reserve fund to allow for flexibility to address unforeseen needs of the College. Any remaining contingency will be evaluated at year-end to either be reallocated to strategic purposes or left in the Budget/Tuition Stabilization fund to better position us should the State's FY18-19 biennial budget provide less resources for the College given the recent signals of a slowing economy or enrollment at the College declines.

Auxiliary Fund

Total revenues for auxiliary enterprises are projected to be \$219,943 or 7.7% lower than originally budgeted. This is the result of higher costs associated with the mix of new and used textbooks and numerous textbook affordability initiatives. Expenses are projected to decrease by \$28,634 or 1.4% compared to the original budget. The auxiliary fund is expected to balance within the revenues the enterprises are projected to generate.

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

FINANCIAL STATEMENTS AS OF, AND FOR THE SIX MONTHS ENDED DECEMBER 31, 2016:

Ms. Aletha Shipley reported on the College's financial statements as of, and for the six months ended December 31, 2016. Ms. Shipley stated the College is on target with the budget at this time.

Foundation contributions through December were \$275,733 compared to \$194,521 for the same period last year. Taste the Future increased the revenues for the year with more pledges and contributions being made in general to the Foundation. Much of the losses incurred last year were due to the stock market swings and the beginning of the repositioning of the Foundation’s investments by new investment advisors.

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

RESOLUTION TO APPROVE COLLEGE CREDIT PLUS ALTERNATIVE PAYMENT STRUCTURE:

Ms. Shipley explained that Ohio Revised Code §3365.07 outlines a standard default payment structure for tuition, textbooks, and fees applicable to secondary schools and institutions of higher education. This default payment structure is determined from the “Formula Amount” which is a per-pupil amount provided by the State within the secondary school districts’ school funding allocations. The chart below explains Columbus State’s alternative payment structure.

	Default Payment Structure for 2017-18 School Year	Alternative Payment Structure
Participant enrolled in a college course delivered on the college campus, at another location operated by the college, or online	“Formula Amount” X 83% divided by 30 (In the 2016-17 school year this equated to an amount of \$166.00 per credit hour)	Columbus State’s tuition rate per credit for Ohio residents for each term (currently \$135.93 per credit hour)
Participant enrolled in a college course delivered at the participant's secondary school but taught by college faculty	50% of “Formula Amount” X 83% divided by 30 (In the 2016-17 school year this equated to an amount of \$83.00 per credit hour)	No change to default amount
Participant enrolled in a college course delivered at the participant's secondary school and taught by a high school teacher who has met the credential requirements established for purposes of the program	25% of “Formula Amount” X 83% divided by 30 (In the 2016-17 school year this equated to an amount of \$41.50 per credit hour)	No change to default amount
Cost of Fees	Postsecondary institution waives	No change to default
Cost of Textbooks	Secondary school pays	Columbus State will determine whether funds remain from the 2015-16 textbook allocation. If funds do remain, Columbus State will pay textbook shipping costs for all partnering Districts and possibly provide additional discounts on textbook costs until that amount is exhausted.

President Harrison explained that, if an institution of higher education uses an alternative payment structure, its Board of Trustees must authorize the terms of the alternative payment structure.

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

**TUITION WAIVER FOR COLLEGE CREDIT PLUS STUDENTS ATTENDING
NONPUBLIC HIGH SCHOOLS:**

Ms. Shipley explained there are some students who attend nonpublic high schools, who would otherwise be eligible to participate in College Credit Plus, but due to State budget restraints, are not awarded State funds to subsidize all or some of the college course tuition costs under the program.

With Columbus State's commitment to making college more affordable, the College seeks to provide the same rates of tuition for all courses taken by nonpublic school students not subsidized through College Credit Plus as those who are. Home school and nonpublic students, who are not awarded State funds for College Credit Plus courses taken on campus or on-line, are not in need of a waiver because they will be charged Columbus State's standard in-state tuition rate of \$135.93 per credit hour.

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

CONSTRUCTION CONTRACT: CULINARY BUILDING PROJECT:

Ms. Terri Gehr explained that for the culinary project, Columbus State is using a construction manager at risk (CMR) delivery method. The CMR construction method offers construction contractor input throughout the design process - the pre-construction phase - with the goal of minimizing unforeseen costs and circumstances to the extent possible once construction begins. The College has selected Gilbane Building Company, Inc. as its Best Value Construction Manager at Risk, after a thorough vetting process.

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

LOCAL ADMINISTRATION OF CAPITAL FACILITIES PROJECTS:

Ms. Kimberly Hall presented the recommendation for the Board to approve a Resolution that would allow Columbus State to locally administer capital facilities projects. This enables the College to manage projects without the approval of the Ohio Facilities Construction Commission (OFCC) for any capital facilities project that exceeds four million dollars. There are four requirements:

- 1) Successful completion of the OFCC certification training program.
- 2) Notification to the Ohio Department of Higher Education of the intent to locally administer capital facilities projects.

- 3) The Board of Trustees adopts a resolution stating its intent to comply with ORC §153.13 and the guidelines established in accordance with ORC §153.16.
- 4) The College maintains adequate staffing levels and expertise consistent with the number of capital projects being administered.

Ms. Hall stated Columbus State has met, or will be meeting the requirements set forth to administer capital facilities projects.

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

PERSONNEL INFORMATION ITEMS:

The Personnel Information Items are presented to the Board for informational purposes only.

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

EXECUTIVE SESSION:

Member Radigan moved, Member Hoover seconded, that the Board of Trustees adjourn to Executive Session according to Ohio Revised Code §121.22 to consider the purchase of property for public purposes.

A vote was taken which resulted in:

AYES: Members Flowers, Radigan, Dewolf, Hoover, Lyttle, Rosen,
Timmons

NAYS: None

The regular meeting of the Board of Trustees reconvened from Executive Session at 1:27 p.m.

There being no further items to come before the Committee, the meeting was adjourned at 1:29 p.m.



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