



COLUMBUS STATE COMMUNITY COLLEGE
Board of Trustees Committee of the Whole
Pete Grimes Board Room
January 20, 2011

550 East Spring Street
P.O. Box 1609
Columbus, Ohio 43216-1609
614/287-2400

MINUTES

Present:

William J. Dolan, Chair
Poe A. Timmons, Vice-Chair
Lynne Bowman, Board
Michael E. Flowers, Board
Richard Owens, Board
Dianne A. Radigan, Board
Richard D. Rosen, Board
Valentine Cabell, Board
Dr. David T. Harrison, President
Dr. Deborah Coleman, V.P.

Hamid Danesh, V.P.
Terri Gehr, Sr. V.P. & CFO
Will Kopp, V.P.
Dr. Janet Rogers, V.P.
Tim Wagner, V.P.
Jackie DeGenova, In-house Counsel
Valentine Cabell, Ex Officio Staff
Kevin James, Ex Officio Faculty
Korie Jenkins, Ex Officio Student

Absent: Anne Lopez-Walton, Board

Guests: Tim Grant and John Parms, Auditors, Parms & Company, LLC
Ms. Aletha Shipley and Ms. Ann Helfrich, Business and Administrative Services

Mr. William Dolan, Board Chair, called the meeting to order at 12:04 p.m. The Chair then turned the meeting over to Dr. Harrison who requested that Ms. Gehr begin discussion on the first item on the agenda.

Ms. Terri Gehr, Sr. V.P. for Business and Administrative Services and CFO, introduced Ms. Aletha Shipley, Director of Business Services and Controller, and Ms. Ann Helfrich, Sr. Accountant and thanked them for their work on the audit. Ms. Shipley reviewed financial highlights that illuminated the College's growth and solid financial standing, and then introduced John Parms and Tim Grant, representatives from the auditing firm Parms & Company, LLC.

(1) Auditor's Report

The audit for the fiscal year ending June 30, 2010 was conducted by the College's independent auditors, Parms & Company, LLC. Official copies of the audited financial statements were distributed to the Committee of the Whole in advance of the meeting for review. Messrs. Grant and Parms reported on the audit as required by generally accepted audit standards. Tim Grant, the engagement audit partner, gave an overview of the audit process and the work product which included the audit of the June 30, 2010 and 2009 Financial Statements of the College and the Development Foundation as a component unit for which a separate report was issued. Parms & Company, LLC filed the audit electronically with the Auditor of the State in mid-October as required and the audit was formally approved by the Auditor of State on January 11, 2011. The auditors rendered an

unqualified opinion on the financial statements of both the College and the Foundation. The Auditors engaged the Board in a discussion about the importance of an internal audit function and related best practices, sharing an informal survey they had completed with other Ohio colleges and universities. Ms. Gehr and Ms. Shipley gave a brief overview of the various aspects of the College's internal audit activities and the auditors affirmed that if Columbus State was added to their informal survey, that they would indicate the College does have an internal audit function.

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

(2) Allocation of Net Income for the Fiscal Year Ending June 30, 2010

Dr. Harrison stated that each year Columbus State does not budget for enrollment growth but Columbus State did have higher-than-budgeted enrollment growth and lower-than-budgeted spending which yielded net income of \$10,836,488 for the period ending June 30, 2010. Dr. Harrison outlined the proposed allocation of the net income, and emphasized that \$5.0 million of the proposed allocation would support student scholarships. Over the past couple of years the *Think Again* Scholarship program not only allowed adult learners to attend college but it demonstrated that the students who did attend college using these scholarships showed significant academic progress. The additional funds will provide for two additional years for the program and will yield more data that will inform how the potential adaptation of the program to other student populations.

In addition to the *Think Again* Scholarship, \$1.5 million will be allocated to the Semester Conversion project, and the balance to the Budget/Tuition Stabilization account.

New Allocations

Semester Conversion	\$ 1,500,000
Scholarships and Student Support	5,000,000
Budget/Tuition Stabilization	<u>4,336,488</u>
Total	\$10,836,488

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

(3) Revised Fiscal Year 2011 Operating Budget

Ms. Gehr noted that FY11 revenues have been adjusted to reflect the planned lapse of \$4.1 million in state subsidy that will not be received by the College in this fiscal year. Revenues from higher-than-budgeted enrollment growth offset this reduction in state subsidy essentially keeping budgeted revenues approximately equal to the revenues budgeted initially for FY11.

Ms. Shipley explained the College's bad debt expense is increasing, resulting from a variety of factors, including the timing of releasing financial aid funds to students after the start of the quarter but before their schedules are final. If students drop classes after they have received their excess financial aid, it becomes the College's responsibility to pay back the federal funds and then try to collect the funds from the students. The College is reviewing the matter to consider ways in which the processes can be reconfigured to minimize bad debt expenses.

The Board is being asked to review and approve the Revised FY 2011 Operating Budget for the College's general fund and auxiliary fund programs as presented in Exhibit A and Exhibit B respectively.

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

(4) Full-time Temporary Positions Converted to Full-time Positions

Request that the following Full-time Temporary positions be converted to Full-time positions:

- 9 Faculty Positions – Academic Affairs
- 2 Advisors – Student Affairs
- 1 Administrative Assistant – Student Affairs
- 2 Communication Technicians (Dispatchers) – Public Safety
- 1 Safety and Security Specialist – Public Safety
- 2 Campus Police Officers – Public Safety
- 1 Administrative Assistant – Human Resources

Dr. Owens questioned the medical benefits for the above mentioned positions. Ms. Gehr will include the medical benefits and present the total amount for each position in a revised board action that will be included in the packet for the Board meeting.

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

Columbus State Community College
Columbus Campus Operational Budget Comparison
Proposed RFY11 Budget Compared to FY11 Budget

	(1) FY11 Budget	(2) RFY11 Proposed	(3) Difference	(4) Percent Increase/(Decrease)
Revenues				
Appropriations				
(a) Subsidy (1)	\$ 64,173,300	\$ 59,591,744	\$ (4,581,556)	-7.1%
(b) Subsidy (Federal Stimulus) (1)				
(c) Access Challenge				
(c) Jobs Challenge				
	<u>64,173,300</u>	<u>59,591,744</u>	(4,581,556)	-7.1%
Student				
(d) Tuition (2)	80,717,823	84,753,714	4,035,891	5.0%
(e) Fees (3)	5,506,079	5,667,515	161,436	2.9%
(f) Special courses	500,000	1,551,758	1,051,758	210.4%
	<u>86,723,902</u>	<u>91,972,987</u>	5,249,085	6.1%
Contracted Services				
(g) Net	255,585	255,585	-	0.0%
	<u>255,585</u>	<u>255,585</u>	-	0.0%
Other				
(h) Miscellaneous	250,000	250,000	-	0.0%
	<u>250,000</u>	<u>250,000</u>	-	0.0%
(i) Total Revenues	<u>151,402,787</u>	<u>152,070,316</u>	667,529	0.4%
Expenditures (4)				
(j) Educational & General	83,212,125	83,014,097	(198,028)	-0.2%
(k) (Instructional)	1,945,366	1,865,359	(80,007)	-4.1%
(l) Library	11,609,084	12,038,661	429,577	3.7%
(m) General (5)	12,458,033	11,928,728	(529,305)	-4.2%
(n) Information Technology	11,524,566	11,395,414	(129,152)	-1.1%
(o) Student Services	13,385,375	13,210,693	(174,682)	-1.3%
(p) Operation and Maintenance of Plant	7,834,945	7,902,152	67,207	0.9%
(q) Administration (6)				
(s) Operational Expenses	<u>141,969,494</u>	<u>141,355,105</u>	(614,389)	-0.4%
(t) Transfer for equip. and replacement	3,300,000	3,600,000	300,000	9.1%
(u) Transfer for debt service	1,548,819	1,548,819	-	0.0%
(v) Transfer for capital improvements				
(w) Total expenditures & transfers	146,818,313	146,503,924	(314,389)	-0.2%
(x) Operational Revenues	<u>\$ 4,584,474</u>	<u>\$ 5,566,392</u>	981,918	21.4%

Notes

- (1) Subsidy reflects most recent OBOR projection as of April 30, 2010.
- (2) Proposed RFY11 tuition revenue projected to increase by 5% over FY11 Budget adopted in May.
- (3) Fee revenue includes Lab Fee Income and other student based fees.
- (4) General includes Planning & Construction, Human Resources, Print Shop, Office Services, Institutional Adv., KRP, Diversity & Inclusion, and Development Office.
- (5) Administration includes VP BAS, President's Office, & Business Office. Key expense increase is Bad Debt Expense

Columbus State Community College
Delaware Campus Operational Budget Comparison
Proposed RFY11 Budget Compared to FY11 Budget

	(1) FY11 Budget	(2) RFY11 Proposed	(3) Difference	(4) Percent Increase/(Decrease)
Revenues				
Appropriations				
Transfer-In Delaware Campus Operations Initiative Account	2,683,002	2,647,157	(35,845)	-1.3%
(a) Subsidy (1)	<u>2,683,002</u>	<u>2,647,157</u>	(35,845)	-1.3%
Student				
(d) Tuition (2)	1,847,810	1,847,810	-	0.0%
(e) Fees (3)	73,912	73,912	-	0.0%
(f) Special courses	<u>1,921,722</u>	<u>1,921,722</u>	-	0.0%
(i) Total Revenues	<u>4,604,724</u>	<u>4,568,879</u>	(35,846)	-0.8%
Expenditures (4)				
(j) Educational & General	1,661,362	1,706,174	44,813	2.7%
(k) (Instructional)	182,547	217,220	34,673	19.0%
(l) Library	166,854	172,407	5,553	3.3%
(m) General (5)	495,620	572,554	76,934	15.5%
(n) Information Technology	354,701	299,182	(55,519)	-15.7%
(o) Student Services	1,156,304	1,110,746	(45,558)	-3.9%
(p) Operation and Maintenance of Plant	337,337	490,596	153,259	45.4%
(q) Administration (6)	250,000			
(s) Contingency				
(t) Operational Expenses	<u>4,604,724</u>	<u>4,568,879</u>	(35,846)	-0.8%
(u) Transfer for equip. and replacement				
(v) Transfer for debt service				
(w) Transfer for capital improvements				
(x) Total expenditures & transfers	4,604,724	4,568,879	(35,846)	-0.8%
(y) Operational Revenues	<u>\$ -</u>	<u>\$ -</u>	-	

Notes

- (1) State subsidy is paid in arrears so first year has no subsidy revenue.
- (2) Proposed RFY11 tuition revenue projected to increase by 5% over FY11 Budget adopted in May.
- (3) Fee revenue includes Lab Fee Income and other student based fees.
- (4) General includes Planning & Construction, Human Resources, Print Shop, Office Services, Institutional Adv., KRP, Diversity & Inclusion and Development Office.
- (5) Administration includes VP BAS, President's Office, & Business Office. Key expense increase is Bad Debt Expense

Columbus State Community College
Auxiliary Services Budget Comparison
Proposed RFY11 Budget Compared to FY11 Budget

	FY11	RFY11	Increase	Percent
<u>Revenues</u>	Budget	Proposed	(Decrease)	Change
Bookstore*	\$ 3,024,341	\$ 3,451,808	\$ 427,467	14.1%
Child Development Center	965,895	907,493	(58,402)	-6.0%
Food Services	345,343	347,071	1,728	0.5%
Bridgeview*	475,131	449,800	(25,331)	-5.3%
Total	4,810,710	5,156,172	345,462	7.2%
<u>Expenses</u>				
Bookstore	2,245,306	2,250,577	5,271	0.2%
Child Development Center	1,233,023	1,166,681	(66,342)	-5.4%
Food Services	77,588	83,695	6,107	7.9%
Bridgeview	529,825	530,680	855	0.2%
Total	4,085,742	4,031,633	(54,109)	-1.3%
<u>Net Income/(Loss)</u>				
Bookstore	779,035	1,201,231	422,196	54.2%
Child Development Center	(267,128)	(259,188)	7,940	-3.0%
Food Services	267,755	263,376	(4,379)	-1.6%
Bridgeview	(54,694)	(80,880)	(26,186)	47.9%
Total	724,968	1,124,539	399,571	55.1%
<u>Miscellaneous</u>				
Administrative Office**	464,190	554,783	90,594	19.5%
Marketing	150,412	152,465	2,052	0.0%
Administrative Salaries	-	-	-	0.0%
Add'l Payroll Items	98,654	-	(98,654)	0.0%
	713,256	707,248	(6,008)	0.0%
Total Auxiliary Net Income	\$ 11,712	\$ 417,291	\$ 405,579	3463.1%

* Bookstore sales are budgeted at \$13,975,969 and Bridgeview sales are budgeted at \$474,310

** Administrative Office contains expenses related to overseeing all Auxiliary

(5) **Full-Time Position (1)**

The Board is being asked to approve an additional budget/financial analyst to expand the College's capacity for financial planning and analysis.

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

(6) **Property Acquisition – 145-149 Cleveland Avenue**

A property at 145-149 Cleveland Avenue that sits at a gateway to the College's Columbus Campus is available for purchase. Securing it will provide an important location for the College and will provide for space to meet office and/or other needs.

The 0.45 acre site includes a 2,786 square foot one story commercial building built in 1988, with a partial 1,393 square foot unfinished basement, and approximately 30 parking spots.

The property was appraised twice, the first valuing it at \$550,000 and the second at between \$825,000 and \$987,000.

Request that the Board of Trustees approve the purchase of property at 145-149 Cleveland Avenue in the amount of \$550,000 from the Capital Improvements and Land Acquisition account.

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

(7) **Disposition of Real Property**

The City of Columbus has requested that the College deed to it a small parcel of land near the intersection of Spring Street and Eleventh Avenue. This request is to allow the City to construct improvements that will provide a safer exit onto Spring Street.

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

(8) **Financial Statements as of December 31, 2010**

Ms. Gehr reported on the College's financial statements as of and for the six months ended, December 31, 2010, a copy of which was distributed in advance to the Committee for review.

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

(9) **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.

There being no further items to come before the Committee, the meeting was adjourned at 1:20 p.m.