

**OWENSBORO COMMUNITY AND TECHNICAL COLLEGE
BOARD OF DIRECTORS MEETING
Tuesday, April 30, 2019**

BOARD MEMBERS PRESENT: Dr. Andrea Borregard, Mr. Jeff Carpenter, Ms. Joan Hayden, Mr. Marty Higdon, Ms. Kaylee Meador, Mr. Will Mounts, Mr. Bill Quisenberry, Mr. Matt Robbins, and Ms. CeCe Robinson

CALL TO ORDER

Chair Jeff Carpenter called the meeting of the Owensboro Community and Technical College Board of Directors to order at 4:30 p.m. (CST), April 30, 2019. The meeting was held in the Administration Board Room, Main Campus.

APPROVAL OF MINUTES

Motion: A motion was made by Mr. Will Mounts to approve the minutes from the March 14, 2019 OCTC Board of Directors' meeting. A second was made by Mr. Matt Robbins.

Vote: The minutes were approved by unanimous consent.

NEW BUSINESS

OCTC President's Evaluation

The majority of the President's evaluations have been received; however, Chair Carpenter reminded the Board of the May 13 deadline.

Approval of the OCTC Strategic Plan with Embedded Annual Plan for 2019-20

Mr. Kevin Beardmore shared the OCTC Strategic Plan with Embedded Annual Plan 2019-20 via PowerPoint presentation. Each of the objectives and action steps, which align with the KCTCS Strategic Plan, were reviewed: *Accessible and Affordable-College for All; Career and College Knowledge-Ready Academically, Ready for Work; Inclusiveness: Diversity of Individuals, Diversity of Ideas; Future Focused-Baccalaureate Connections; Future Focused-Career Connections; Support | Succeed, and Sharing Our Spirit-Advancing Our Alumni and the Community.*

Chair Carpenter asked for discussion. After discussion, Chair Carpenter called for a motion to approve the OCTC Strategic Plan with Embedded Annual Plan for 2019-20 as presented.

MOTION: A motion was made by Mr. Matt Robbins to approve. Mr. Will Mounts seconded the motion.

VOTE: The OCTC Strategic Plan with Embedded Annual Plan for 2019-20 was unanimously approved.

Quarterly Budget Report

Ms. Sarah Price reviewed the Third Quarter Variance Report from fiscal year 2018. She highlighted the following categories of the report.

Revenue

Tuition and Charges- 99.87% was received. The percentage received is consistent with the OCTC enrollment for the Summer 2018, Fall 2018, and Spring 2019. Additionally, the net SEEK budget was incorporated in the Tuition and Charges budget. The second allocation of SEEK revenue will be received in the fourth quarter.

Sales and Services- 93.31% was received. This category has surpassed the third quarter parameter. Testing for business and industry, bookstore commission, indirect or cost revenue and on-line course charge increased the revenue in this category.

Other Sources- 0.14% was received. This item represents the budgeted College fund balance as well as some transfers from KCTCS. KCTCS transferred \$2,000 to OCTC for Project Go program seed funding.

Expenses

Instruction- 64.64% had been expended. The College's budgeted fund balance is in this category causing the percentage to be below the quarterly parameter.

Institutional Support- 58.08% had been expended. This category is below the third quarter parameters. The KERS increase amount was budgeted in Institutional Support. It was not required during fiscal year 2018-19.

Student Financial Aid- 134.83% had been expended. This category has exceeded the standard third quarter parameter. Expenditures reflect the dramatic increase in dual credit waivers. The dual credit rate is one-third of regular in-state tuition. An increase in dual credit students translates in an increase in waivers expense.

Capital Outlay- 23.61% was expended. The expenditures in this category are capital equipment, including library resources. Capital leases are paid

in this category including the ESG guaranteed energy project lease. Note: part of the College's fund balance is budgeted in this category.

Grants in Aid- 134.83% was expended. This category has exceeded the standard third quarter parameter. Expenditures reflect the dramatic increase in dual credit waivers. The dual credit rate is one-third of regular in-state tuition. An increase in dual credit students translates to an increase in waivers expense.

Approval of the 2019-20 Annual Budget

Ms. Sarah Price presented the 2019-20 Annual Budget via PowerPoint presentation.

The total OCTC 2019-20 budget is \$33,110,500. The Source of Funds, Function of Expense, and Object of Expense are groups considered when balancing the budget.

The following budget assumptions were implemented to internally balance the 2019-20 budget:

- A net budgeted state appropriation of \$5,451,500;
- The proposed tuition rate for in-state students was \$174 per credit hour;
- The mandatory student fee was \$8 per credit hour for the BuildSmart initiative;
- The proposed budgeted tuition for Fall 2019, Spring 2020 and Summer 2020 is \$12,041,700.
- SEEK revenue for 2019-20 was budgeted at the same amount as fiscal year 2018-19 of \$310,806; SEEK contra revenue was calculated using actual 2018-19 amounts and increased based on the new tuition rate; and net SEEK revenue was reduced from \$198,100 in 2018-19 to \$160,979 for 2019-20.
- A 1% (\$80,800) base reallocation was reduced from OCTC's state appropriation allocation, performance based funding of \$708,500, and public funds base of state appropriation totaling \$8,374,700 in state appropriation;
- OCTC system-wide contracts for 2019-20 is \$3,022,700.
- Federal and state government grants and contracts increased 1.92%;
- An increase of 16.9% in noncredit tuition due to anticipated growth in business and industry training due to new programming;
- A decrease in private contracts of \$37,100 due to reduced BuildSmart pledge receivables;
- An increase of 5.15% in endowment income;

- An increase of over 4.6% in sales/services in educational activity due to workforce testing, new AMTEC revenue and bookstore commissions;
- Other sources increased 32.6% due to budgeting strategic programming such as Tech X, success coaches, employee tuition reimbursement, OCTC recognition professional development awards and KERS benefits;
- The Board of Regents Budget Reserve is based on 3% of the public funds and increased to \$529,600;
- OCTC faculty promotions including benefits were \$75,446.56;
- Increases of \$144,035 for adjunct faculty salaries and benefits;
- New faculty position and vacant faculty positions to replace faculty who have retired or resigned;
- Realignment of positions within Workforce Solutions, two-full-time positions were added; additional budget for AMTEC expenses;
- An increase of \$19,100 for summer part-time faculty expenses;
- Additional positions were added to the budget including two academic dean positions, a new position in Student Affairs and Business Affairs;
- Reflection of KERS Benefit decreases;
- Increase in academic program budgets including welding, vet tech, advanced manufacturing, machine tool and electrical technology;
- Decreases in Workforce Solutions operating budget are reflected in increased AMTEC budgets;
- Increases in KCTCS recharges and bad student debt;
- Additional funding increases for M&O maintenance contract and custodial contract budgets;
- KCTCS Student Waiver budget increase of \$694,800;
- State mandated waiver budget decreased to \$101,300;
- The new 15-to-Finish scholarship/waiver was added at \$84,000;
- Faculty/staff and dependent waivers are budgeted at \$40,000;
- The College Carry Forward Funds budget includes:
 - \$2,500 for Construction Technology operating;
 - \$191,273 for the Tech X program;
 - \$33,140 for personnel expenditures;
 - \$148,282 for Success Coach personnel expenditures;
 - \$13,000 for OCTC PD Awards program;
 - \$101,200 for nursing and faculty and staff tuition reimbursement programs; \$250,000 performance funding volatility; \$700,000 for college non-recurring projects; and
 - \$529,626 Board of Regents Reserve.

Ms. Price noted that each area of the College was asked to submit budget requests. These requests were reviewed and prioritized by the

Executive Team. The following requests for increases were addressed for 2019-20:

- Increase of 1.5 FTE faculty positions for math;
- Increase of \$144,035 for adjunct faculty compensation;
- Fill a vacant nursing faculty position;
- Increase operating budgets for several academic programs;
- Add two Academic Dean positions;
- Fund Tech X personnel and operating budget
- Additional funds for first aid kits and batteries;
- Additional funds for custodial contract and operating supplies and M&O maintenance contracts;
- Additional funding for a new Success Coach, Business Office, and Student Affairs positions; and
- Funding for tuition reimbursement programs for nursing faculty and OCTC faculty and staff to complete degrees.

Chair Carpenter opened the floor for questions.

MOTION: Mr. Will Mounts moved to approve the 2019-20 Annual Budget. Mr. Matt Robbins seconded the motion.

VOTE: The 2019-20 Annual Budget was approved by unanimous consent.

PRESIDENT'S REPORT

Dr. Scott Williams provided the following report:

- Dr. Williams met with congressional leaders in Washington, DC to discuss the Higher Education and Jobs Act.
- Dr. Williams has been appointed to the Marketable Degrees and Credentials Committee. The Committee has been charged with aligning education and workforce needs.
- The 32nd Annual Grant G. Talbott Memorial Road Race took place on April 13.
- Lt. Governor Hampton was in Owensboro April 23. She visited campus and toured the Industry Innovation Center.
- OCTC attended and was a sponsor of the annual McLean County Chamber dinner meeting on April 24.
- OCTC hosted the regional KYPitch competition on March 26. Prem Patel (OCTC) and Krishna Patel placed second with their business model, Electra Pops; they moved to the state competition and earned second place.
- Two OCTC teams competed in the NASA Rover Challenge with more than 100 teams competing. Team One earned fourth place, as well as earned the "Most Improved" award and Team Two placed ninth in the Challenge.

- The Paramedic Program had a successful site visit. Thank you to the faculty, staff and administration for the hard work and dedication to ensure this successful outcome.
- Ms. Zara Basham and Dr. Andrea Borregard were elected by their peers as faculty and staff representatives to the Board.
- A KCTCS-Trains grant has been awarded to fund a work and learn model in the automotive sector. This grant, in addition to local partnerships, will allow the program to begin in August.
- OCTC students can ride the city bus/trolley free of charge due to a MOU between the City of Owensboro and OCTC.
- The following upcoming events were highlighted:
 - The OCTC Spring Chorus—May 6, 7:00 p.m. at First Christian Church
 - Food Pantry Feast—May 24 from 8:30 – 10:30 a.m.
 - OCTC Graduation—May 15 and 16, 6:30 p.m. at RiverPark Center
 - GED Graduation—June 13 at 6:00 p.m. in Blandford Lecture Hall

ADJOURNMENT

The meeting adjourned at 5:58 p.m.

Approved:

Signature on File

Scott Williams, Ph.D.
President

Signature on File

Mr. Jeff B. Carpenter
Chair