

Ozarka College  
Board of Trustees  
Finance Committee Meeting  
Tuesday, May 6, 2014  
President's Conference Room – Administration Building  
3:30 p.m.

Item No.

1. Call to Order
2. Approval of Minutes from December 17, 2013
3. Discussion Items
  - A. Tuition and Fee Structure
    1. Ozarka College
    2. Ozarka Kids Academy
  - B. Library Fee
  - C. Academic Excellence Fee
  - D. Program Fees
  - E. Employee Benefits
    3. Tuition Wavier for Employees, Spouses, and Dependents
    4. Employee Tuition Reimbursement
    5. Employee Health Insurance
  - F. Cafeteria Closing
  - G. Cost of Living Adjustment
  - H. Operating Reserve Needs
  - I. 2014 -2015 Operating Budget
4. Adjournment

Ozarka College  
Board of Trustees  
Finance Committee Meeting  
Discussion Item A.1 – Tuition and Fee Structure/Ozarka College

Rationale:

Ozarka College has seen significant changes over the past few years and has many other exciting events either underway or that will be implemented in the next couple of years. During the last five years we have seen an enrollment growth of over 30%, the largest of any two-year college in the state. We have increased our full-time workforce 13% by creating new positions and adding 16 new faculty and staff members. In addition we have either enhanced, added or will be starting new academic programs – including Health Information Technology, Criminal Justice, Early Childhood Development, Nursing, Culinary, Hospitality, Information Technology and Aviation. We have also added a new student services/classroom building and amphitheater on the Mtn. View campus and have entered the construction phase of a new student services center on the Melbourne campus. Although these changes were much needed and have benefited our students and communities, the “growth” has also led to greater financial obligations for the institution. All of these accomplishments have been made during a time when we have experienced level funding from the state, and is one of the higher education institutions below 75% of adequate state funding.

A tuition increase of \$5.00 per credit for both in-state and out-of-state tuition is being recommended. Also, a \$25.00 per semester increase to the existing technology fee is being proposed. In addition, a \$10.00 increase to the existing web fee is also being requested. The web fee is a course specific fee that only applies to courses being delivered via Internet. The fees will be effective July 1, 2014 and the income generated from the increases in tuition fees will be used for operating expenses.

Ozarka College  
Board of Trustees  
Finance Committee Meeting  
Discussion Item A.2 – Tuition and Fee Structure/Ozarka Kids Academy

Rationale:

In 2011, The City of Melbourne obtained a grant from the Arkansas Economic Development Commission to expand the Ozarka Kids Academy. The expansion provided the space and the capability for the facility to expand and provide services to a maximum of 83 children. To comply with licensing regulations and provide quality child care additional staff was hired. Increases in operating costs associated with food, classroom equipment, supplies and other day-to-day costs have occurred over the past few years. To help offset the increased personnel and operating expenses, a fee increase of \$10.00 per week per child is necessary.

Child care rates have not been increased since January 2012. The current rates for the Ozarka Kids Academy are \$95.00 per week for infants and toddlers and \$80.00 per week for preschool children. Average rates for child care facilities in the surrounding counties are \$104.00 per week for infants and toddlers and \$94.00 per week for preschool children.

A fee increase for the Ozarka Kids Academy of \$10.00 per week per child is being requested. This change in the fee structure would be effective July 1, 2014 and increase the weekly rates to \$105.00 for infants and toddlers and \$90.00 for preschool children.

Ozarka College  
Board of Trustees  
Finance Committee Meeting  
Discussion Item B – Library Fee

Rationale:

The Ozarka College Library directly supports student accomplishment of two of the Ozarka College General Education Outcomes: Critical Thinking and Communication. Under Critical Thinking, students investigate new ideas and concepts through traditional and electronic library resources, seek forms of credible information through print and electronic means, and subsequently analyze and appraise this information to construct ideas. In support of the Communication outcome, students then express these ideas, often through written expression. Both outcomes require traditional library resources, electronic library resources, and printer access.

To help offset the costs of providing numerous electronic databases and on-line periodical subscriptions to facilitate research for student assignments and papers, a new Library Fee of \$2.00 per credit hours is being requested. This fee will be effective July 1, 2014.

Ozarka College  
Board of Trustees  
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Discussion Item C – Academic Excellence Fee

Rationale:

Ozarka College currently provides inventory/skills assessment services, placement testing, tutoring, resume workshops and other services to promote student success. Many of these services are provided to students who meet specific criteria and are funded via federal or state grants. Students who do not meet the grant guidelines receive the same services provided by institutional personnel and funding. Due to recent decreases in grant funding and budgetary constraints imposed by level state funding, it is necessary to seek funding to continue offering these services to our students.

To help offset the costs of providing the needed testing and other services needed to promote student success, a new Academic Excellence fee of \$2.00 per credit hours is being requested. This fee will be effective July 1, 2014.

Ozarka College  
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Discussion Item D – Program Fees

Rationale:

Technical programs use a variety of consumable supplies during the course of a semester for educational purposes.

To help offset the growing costs of the supplies needed for classroom and laboratory instruction additional or new program fees need to be assessed.

A \$10.00 per semester increase to the existing Automotive and Culinary Program Fees is being requested. This increase would bring the current program fees to \$60.00 per semester. In addition, to provide consistency across the technical programs, a new fee of \$60.00 per semester is proposed for each of the following technical programs: Health Information, Hospitality, and Information Systems Technology.

Ozarka College  
Board of Trustees  
Finance Committee Meeting  
Discussion Item E.1 – Employee Benefits/Tuition Waiver for Employees, Spouses, and Dependents

Rationale:

Ozarka College has a very generous benefit package and currently offers an employee tuition waiver for employees, their spouses and dependent children. A comparison of other higher education institutions revealed that changes should be made to our existing practice to more closely align with other colleges. The following changes are recommended to be effective on July 1, 2014, and apply to current employees and spouses and dependent children of an employee who has not previously been in a degree seeking program or who is enrolling as a first-time full-time student:

- (1) Employees are not eligible for a tuition waiver for themselves, their spouse or dependent child until they have been employed for a minimum of six months.
- (2) Employees who have completed a 6 month probationary period will be eligible for a **100% tuition only** waiver for a maximum of 6 hours per semester. The employee will be responsible for all additional fees. Additional hours may be taken at the employee's expense. All courses must be scheduled outside of the employee's normal working hours. This differs from the current practice of waiving both the tuition and infrastructure fees for a maximum of 6 hours per semester.
- (3) The spouse and/or dependent child of an employee who has completed a 6 month probationary period (as verified by the most recent tax return) will be eligible for a **50% tuition only** waiver. The employee will be responsible for the remaining tuition and all additional fees. This differs from the current practice of waiving both the tuition and infrastructure fees for spouses and dependent children.
- (4) Spouses and dependent children of employees who have not previously been in a degree seeking program or who are enrolling as a first-time full time student after July 1, 2014 will be eligible for a 50% tuition only waiver. All applicable fees will be the responsibility of the student.
- (5) Spouses and dependent children of employees are enrolled in a degree seeking program during the 2014 fiscal year will be "grandfathered in" under the employee tuition waiver guidelines in effect as of June 30, 2014 and will have a period two (2) years to complete their program or degree. Should the program or degree they are enrolled in as of July 1, 2014, not be completed by June 30, 2016, the 50% tuition only waiver detailed in item 3 above will become effective.

Ozarka College  
Board of Trustees  
Finance Committee Meeting  
Discussion Item E.2 – Employee Benefits/Employee Tuition Reimbursement

Rationale:

Ozarka College has a very generous benefit package and currently offers an employee tuition reimbursement for employees to continue their education by pursuing degrees for either “personal and professional enrichment” or “institutional need.” A comparison of other higher education institutions revealed that changes should be made to our existing practice to more closely align with other colleges. The following changes are recommended to be effective on July 1, 2014:

- (1) Employees who are not enrolled or have been receiving a tuition reimbursement will be permitted to request a tuition reimbursement for “professional and personal enrichment” purposes for the 2015 fiscal year.
- (2) Employees who have been approved and are actively pursuing a degree for “professional and personal enrichment” as of June 30, 2014, will receive employee tuition reimbursements for a period of one year. If a degree has not been awarded as of June 30, 2015, additional courses taken to complete the degree program will be the sole responsibility of the individual.
- (3) Employees who are approved for degree programs qualifying as “institutional need” will continue to receive tuition reimbursements as provided for in the policy effective June 30, 2014.
- (4) All employees receiving employee tuition reimbursements during the 2015 fiscal year will adhere to the commitment to continue working stipulations provided in BP 2.62.
- (5) The employee tuition reimbursement policy will be reviewed yearly to determine if it can be supported by the annual operating budget.



Ozarka College  
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Discussion Item E.3 – Employee Benefits/Health Insurance  
Rationale:

Ozarka College has a very generous benefit package and currently pays over 85% of the total premium for employees enrolled in either the single or family coverage plan. A comparison of other higher education institutions revealed that changes should be made to our existing practice to more closely align with other colleges. The following changes are recommended to be effective on July 1, 2014:

- (1) For employees hired on or after July 1, 2014, depending upon the health insurance coverage selected, Ozarka College will pay \$5,184 per year for employee only coverage (either PPO or indemnity) and \$7,255 per year for employees selecting family coverage (either PPO or indemnity).
- (2) Employees receiving health insurance benefits as of June 30, 2014, will continue to receive the same benefit that was in effect for the fiscal year 2014.
- (3) Any increases in the total insurance premium effective July 1, 2014 or after that **cannot** be absorbed by the institution will be the responsibility of the employee regardless of their hire date.

Board of Trustees  
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Discussion Item F – Cafeteria Closing

Rationale:

The Ozarka College Cafeteria was originally set up on the same model as a high school cafeteria where students were bussed to campus and stayed at that location for the entire day. This method worked in those early years; however, the College has transitioned from a technical school and that model no longer is functional. Although the cafeteria has provided a service to students, employees and the community, it has continuously operated at a loss.

With the construction of the new student services center on the Melbourne campus and the anticipated role that the Culinary Department will play in the Café located within the facility, we will be closing the Ozarka College Cafeteria effective June 30, 2014 and reassigning the cafeteria staff to other positions within the College.

Board of Trustees  
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Discussion Item G – Cost of Living Adjustment

Rationale:

Ozarka College is fortunate to have such a dedicated and conscientious workforce. In recognition of this, the Administration recommends that a one percent (1%) cost of living adjustment be effective July 1, 2014 for all eligible faculty, staff, and administrative personnel.

Board of Trustees  
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Discussion Item H – Operating Reserve Needs

Rationale:

With the construction of a new student services center underway it is estimated that a minimum of \$350,000 will be needed to equip and furnish the facility. Bond proceeds and plant fund reserves were designated for the construction of the building. Ozarka's Foundation Board is conducting a capital campaign and the proceeds raised will be used to equip and furnish the student services center.

Thru the capital campaign and other efforts, approximately \$150,000 has been received to date. To ensure that the building is properly furnished and equipped when opened, it is being recommended that the Board approve the release of up to \$200,000 of the operating reserve funds for this purpose.

Board of Trustees  
Finance Committee Meeting  
Discussion Item I –2015 Operating Budget

Rationale:

The 2015 Operating Budget has been completed and is being presented for your consideration and review.