

Ozarka College
Board of Trustees
Finance Committee Meeting
Tuesday, May 15, 2018
President's Conference Room – Administration Building
10:00 a.m.

Item No.

1. Call to Order
2. Approval of Minutes from May 19, 2017
3. Discussion Items
 - A. Fee Structure
 - Infrastructure Fee
 - LPN Assessment Fee
 - RN Assessment Fee
 - B. New Fees
 - Aviation Practicum Fee
 - Private Pilot Practicum I
 - Private Pilot Practicum II
 - Professional Pilot Practicum III
 - Professional Pilot Practicum IV
 - Welding Course Fee
 - C. Cost of Living Adjustment
 - D. Operating Reserve Requirement
 - E. 2018 – 2019 Operating Budget
4. Adjournment

Ozarka College
Board of Trustees
Finance Committee Meeting
Discussion Item A – Fee Structure

Rationale:

Ozarka College has experienced flat funding from the state for more than a decade. In order to balance previous budgets several maintenance and renovation projects have been delayed. To help offset the costs of some much needed maintenance and renovation projects an additional revenue source is required.

To be in compliance with state regulations concerning sales and use tax, the vendor providing the testing services for our nursing students has started charging sales tax. The LPN and RN Assessment Fees are assessed to the nursing students each semester to cover the costs of the assessment tests.

To cover the increasing maintenance costs of the College and the additional expenses associated with the testing services for the nursing students, effective July 1, 2018, the following changes to the fee structure will be implemented:

1. An increase of \$2 per credit hour to the Infrastructure Fee
2. An increase of \$15 to the LPN Assessment Fee
3. An increase of \$20 to the RN Assessment Fee

Ozarka College
Board of Trustees
Finance Committee Meeting
Discussion Item B – New Fees

Rationale:

Ozarka College is committed to student success in each of our programs.

In order to provide quality instruction for technical programs students are required to engage in hands-on laboratory instruction. The consumable supplies used in the laboratory setting can be expensive.

The aviation program is expanding to include the Professional Pilot Program and has restructured the courses related to the associated flight lab for the Private Pilot curriculum. Students in each program must complete one practicum each semester and obtain a minimum number of flight hours in each practicum. Costs associated with each hour of flight time included one-on-one instruction with a faculty member, fuel and maintenance costs associated with the upkeep of the aircraft.

Ozarka will be offering a welding program beginning in fiscal year 2019. A new laboratory complete with equipment and consumable supplies will be required. Labs are planned to be furnished by K-12 partners and equipped largely by the state.

To offset the costs associated with consumable supplies needed for practicum and laboratory instruction the following fees will be effective on July 1, 2018:

1. Private Pilot Practicum I Fee of \$2,483
2. Private Pilot Practicum II Fee of \$4,957
3. Professional Pilot Practicum III Fee of \$17,880
4. Professional Pilot Practicum IV Fee of \$17,805
5. Welding Fee of \$75 per course

Ozarka College
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Discussion Item C – Cost of Living Adjustment

Rationale:

Ozarka College is maintains a dedicated and conscientious workforce. In recognition of this, the Administration recommends that a two percent (2%) cost of living adjustment be effective July 1, 2018 for all eligible faculty, staff, and administrative personnel. This has been authorized by the Department of Higher Education.

Ozarka College
Board of Trustees
Finance Committee Meeting
Discussion Item D – 2018 Operating Reserve Requirement

Rationale:

Ozarka College maintains an operating reserve balance funded at 5% of the annual operating budget. Board approval is required to increase or decrease the operating reserve and/or access the funds for operating purposes. At the current rate, the operating reserve funding for the 2019 fiscal year is \$415,042. Keeping the present rate of 5% is the recommendation of the Administration.

Ozarka College
Board of Trustees
Finance Committee Meeting
Discussion Item E – 2019 Operating Budget

Rationale:

The 2019 Operating Budget has been completed and is being presented for your review.