

## **Finance Committee meeting**

**May 5, 2022**

**10:00 a.m.**

### **President's Conference Room**

Present: Dr. Richard Dawe, Ryan Howard, Pam Setzer, Gayle Cooper, Tina Wheelis and Amber Rush

Pam Setzer made the motion to approve the minutes from the May 4, 2021 finance committee meeting. Gayle Cooper seconded the motion.

### **Tuition Increase**

The FY23 budget was presented with a \$3.00 per credit hour increase in tuition. The current tuition rate of \$90 has not been increased since FY18. Tina explained that currently Ozarka has the third lowest tuition and fee structure in the state among the independent two-year institutions. The tuition increase will generate \$56,000 in additional revenue that will go toward offsetting the rising costs of supplies and services for new technical programs.

### **Flight Practicum Increase**

Tina presented information regarding the proposed increase in flight practicums for the upcoming year. She explained that the practicums did not currently cover the cost of mandatory additional testing, instrument kits and check rides for the students in the aviation program. Because these expenses are a necessary part of the curriculum, students were required to pay for this out of pocket. The new fee structure would include these costs, therefore allowing financial aid to cover them.

Dr. Dawe explained that rising fuel costs and a significant increase in insurance premiums also drove the decision to increase the flight practicums. He explained that most of the students enrolled in the aviation program had the Arkansas Futures Grant which allowed the students to attend the program at little or no cost to them. Even with the \$16,094 total increase for all four practicums, Ozarka will still be the lowest cost aviation program in the nation.

### **COLA**

Included in the FY23 budget was a 3% cost of living increase for all eligible employees. Tina explained that the minimum wage increase had created wage compression at the lowest salary levels. This, coupled with the rising costs of groceries, gas, and living expenses had created the need to increase salaries in order to retain employees. The increase in salary and benefits would be offset in part from savings created from downsizing in several departments and the elimination of some part-time positions.

Ryan requested additional information regarding the overall budget impact of raising classified salaries. Tina explained that she could provide that information for him prior to the full board meeting.

### **Operating Reserve**

Tina explained that, per board policy, the operating reserve was required to be funded at 6% of the annual budget. For FY23 this would require an additional amount of \$11,440. This would increase the operating reserve balance to \$535,740 which equates to approximately 30 days of covered payroll costs.

### **FY23 Operating Budget**

Tina presented the operating budget for FY23 for the finance committee's review. She explained that the overall budget was \$8.9 million, a 2% increase over last year. When the initial departmental budgets were submitted, there were approximately \$340,000 in expenses that needed to be cut in order to balance the budget. She went through the list of items cut from this year's budget and explained that these expenses would be reviewed at mid-year budget review to see if they could be included at that time.

### **Discussion**

Gayle commended Tina on her work in preparing a very detailed and thorough packet for the committee's review. Ryan asked if the committee was prepared to recommend the budget to the full board at the next meeting. Gayle agreed that as long as the additional information regarding salary was provided, he was prepared to recommend it at the May board meeting. With no other discussion, Gayle made the motion to adjourn the meeting. Pam seconded.

The meeting was adjourned at 11:36 p.m.