

Finance Committee Meeting

April 28, 2020

10:00 a.m.

Admin Building Conference Room

Present: Dr. Richard Dawe, Ryan Howard, Dennis Wiles, Ben Cooper, Tina Wheelis, and Amber Rush

The meeting was called to order at 10:10 a.m. by Dennis Wiles

Dennis made a motion to approve the minutes from the April 25, 2019 finance committee meeting. Ryan seconded the motion.

Tina discussed the process of developing a budget amid the Covid 19 pandemic. She explained that a number of factors including state budget cuts and uncertainty over future revenues made building the budget more challenging this year.

The following items were presented to the board:

- A. Tina presented the committee with the Revenue Stabilization Act. She explained that in the upcoming year General Revenue, which comprised 40% of the College's revenue, was split into categories A, B, C and D. Tina explained that the 2021 budget was based only on category A revenue. In order to balance the budget without relying on category B-D revenue, which is not guaranteed, she proposed moving \$146,000 from the construction reserve fund. She went on to say that if categories B-D were funded, this amount could be transferred back at that time.
- B. Tina explained that the budget was built on 21,439 credit hours, which was 50 fewer than last year.
- C. Dr. Dawe presented information regarding the increases to the Aviation practicum fees for the upcoming year. He stated that these fees will be increased by 10% to cover the costs of the new hangar that was constructed this year as well as the necessary maintenance required by the College's fleet of airplanes. Additionally, a \$500 per semester program fee was recommended to the committee for aviation students. Dr. Dawe explained that the program was still more affordable than most other aviation programs in the region, and he felt that these increases would not hurt enrollment.
- D. Tina discussed other measures that had been taken in order to present a balanced budget to the committee. Included in these measures was the removal of \$20,000 worth of architectural fees that had originally been included in the budget. These fees were required as part of the construction of a welding lab at the Ash Flat Technical Center. Dr. Dawe explained that this project would be postponed until the administration had more information about the needs of the area. Another measure that was taken to balance the budget was the removal of all out of state travel from the 2021 budget. Tina explained that the state was currently under an out of state travel ban and had not been informed of when the travel ban would be lifted. This resulted in \$27,000 in savings. Out of state travel that was required as part of program accreditation was still included in the budget. Additionally, some open positions were gapped due to the hiring freeze that was in effect.

- E. Tina explained that a COLA was not included in the budget for this year due to uncertainty over general revenue funding. She stated that if category B-D funding flowed the College would like to look at giving a COLA at that time. Ryan asked when the College would have that information and Tina explained that it would be January at the earliest, but most likely April.
- F. Tina informed the committee that Ozarka had received \$798,000 in federal funding through the CARES Act. She stated that 50% of this funding would be given in direct aid to students, per the federal guidelines. Ozarka is still waiting for guidance on the remaining 50% of the funding, but Tina expected to be able to use it on tech related purchases.
- G. Tina presented information regarding the housing fees which will increase \$200 per semester per occupant in the upcoming year. She explained that this increase was necessary to cover the repairs and maintenance on the buildings.
- H. The final item on the list was the operating reserve. Currently board policy is that the operating reserve will be held at 5% of the total budget. There is currently approximately 6% in the reserve. Ben suggested that the reserve balance be held at 6% amid uncertain economic times. The committee agreed.

With no further items to discuss, Dennis recommended that the budget be presented at the next board meeting. The meeting was adjourned at 11:25 a.m.