

Finance Committee Meeting

April 25, 2019

10:00 a.m.

President's Conference Room

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

The meeting was called to order at 10:00 a.m. by Dennis Wiles

Ryan made a motion to approve the minutes from the May 18, 2018 committee meeting. Ben seconded the motion.

Dr. Dawe briefly discussed the process of developing the budget that was being presented. He commended Tina for her work in developing a balanced budget for the committee's review.

Tina presented the committee with the FY 2020 Budget and discussed each item individually.

- A. Budget Assumptions: The FY 2020 Budget was built with no increases to tuition and mandatory fees. Additionally, revenues were based on conservative estimates for enrollment for the upcoming year.
- B. Classification and Compensation Act: Due to recent legislation regarding the classified employee pay scale, Tina explained that an increase to salaries of \$39,730 was required to bring Ozarka classified staff up to legislatively required pay levels. This increase would be spread out among classified staff currently making less than the legislatively required amounts. Additionally, this legislation required adjustments to career service payments, which resulted in an increase of \$9,900 for the year.
- C. Cost of Living Adjustment – Tina explained that the budget was built with a 1% increase for all eligible faculty, staff and administrative personnel for FY 2020.
- D. General Revenue – Due to the new performance funding measures, general revenue was decreased for the upcoming year by \$31,265.
- E. Fee Changes
  - a. Flight Labs - In an effort to cover the increasing costs of fuel and aircraft maintenance associated with the aviation program, Tina recommended a revision to the existing flight lab practicums for FY 2020. The change would increase the total cost of the program by approximately 3%, but would spread the cost out more evenly over 4 semesters, making it more affordable for students.
  - b. Agriculture – Tina explained that 3 lab courses would be offered in the agriculture program for the upcoming semester. To help cover the cost of the supplies and

materials used in these labs, she proposed a \$50.00 per semester lab fee be added to these classes. This is consistent with the other lab courses offered.

- c. Welding – In an effort to cover the costs of the supplies and materials required by welding students a \$50.00 per semester lab fee was recommended.
  - d. Surgical Technology – The surgical technology program will begin in the spring semester and will operate similar to the LPN program. As such, Tina recommended that Ozarka adopt a fee structure similar to the LPN program to cover costs associated with providing clinical support for the program.
- F. Operating Reserve Requirement – Tina explained that the College maintains an operating reserve balance funded at 5 percent of the annual operating budget, as set each year by the Board. At the current rate, the operating reserve funding for FY 2020 is \$421,280.
- G. Budget Request Adjustments – Tina discussed adjustments made to departmental budget requests in order to present a balanced budget. She explained that linking budget to planning aided in the preparation of the budget by allowing each department to recognize areas that could be cut if necessary. She commended Administrative Council for their overwhelming support and willingness to assist with the budget process.

With no further discussion Dennis Wiles recommended that the budget be presented at the next board meeting. The meeting was adjourned at 11:29 a.m.