

Finance Committee Meeting

May 9, 2017

10:00 a.m.

President's Conference Room

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

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

The minutes from the last meeting were approved as presented.

- A. Budget: Ben Cooper asked about the budget that was presented for the committee's review. He noted that over the past several years the budget had been steadily decreasing, and wanted to know if this was due to enrollment numbers. Tina responded that the trend in recent years was declining enrollment, which led to the changes seen in the budget. Each year the budgeted revenue is based on the previous year's enrollment. She pointed out that there had been a 2% increase in enrollment over the past year however. Dr. Dawe added that the current trend has been favorable for growth.
- B. Tina explained that the budget included a \$2.00 per hour tuition increase, as well as a new student activity fee, an increase to the public safety fee and changes to the nursing fees. The budget also included a 2% COLA.

Dennis Wiles asked how much additional revenue the tuition increase would produce. Tina responded that, based on projected enrollment, the \$2.00 increase would create approximately \$44,600 in additional revenue.

Dr. Dawe explained that the student activity fee was being proposed to help off-set the costs of several events Ozarka hosted throughout the year such as the Spring Fling and the End of the Year event. He also explained that there was a need to increase the public safety fee due to the unknown costs of the new campus carry laws that are going into effect next year.

Dr. McClanahan explained that the RN program fee would increase by \$155.00 due to changes within the ARNEC nursing consortium. He stated that over the past year the nursing consortium had experienced turnover with the program director. The ARNEC board voted to increase the salary of the director to bring it to industry standards. The board also elected to add an additional ARNEC instructor. These costs were then passed on to each of the 8 schools within the consortium, necessitating the need for an increase in the program fee to cover these costs.

Dr. McClanahan went on to explain that the LPN clinical fee of \$75.00 per semester was a new fee that was being proposed as a result of the need to bring clinical instructor pay to industry standards.

- C. Tina explained that in 2018 there would be a new organizational structure for classified staff. She stated that in the past, classified personnel were under the jurisdiction of the Office of Personnel Management, while non-classified staff were governed by ADHE. In 2018, the legislature voted to allow Institutions of Higher Education to go under the governance of ADHE. One of the benefits of this, Tina explained, was that Ozarka could now dictate COLA increases for classified staff in the same way that they did for non-classified staff. She informed the committee that the budget did include a 2% COLA for all eligible employees.
- D. Tina presented the budget to the committee for their review. She noted that the unrestricted budget as presented was \$8,239,000, and was the result of much work of each of the various departments on campus.
- E. The committee then discussed the operating reserve requirement. Board policy currently states that a balance of 5% of the annual operating budget is required for the operating reserve. Based on the current budget that requirement for 2018 is \$411,961.

With no further discussion from the committee, Dennis Wiles suggested that the budget and discussion items be recommended for approval to the full board at the next board meeting. Ben made the motion to approve, and Ryan seconded. The meeting was adjourned at 11:15.