

**DELAWARE TECHNICAL COMMUNITY COLLEGE**  
**BOARD OF TRUSTEES – FINANCE COMMITTEE**  
**Terry Campus, Corporate Training Center, Room 400 A/B**

**June 14, 2021**

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Attendees: Lynn Beaty, Mark Brainard, Diane Glenn, Bob Hagerty, Michael Hare, Mike Jackson, Lolita Lopez, Justina Sapna, Nancy Shevock, Brian Shirey and General Ernest Talbert.

In-Person Guests:

Bobbi Barends, Janis Beach, Mark DeVore, Daniel Ehmann, Christine Gillan, Kim Holston, Lora Johnson, Bob Jones, Kelly McVeigh, Paul Morris, John Painter, Melissa Rakes, Carol Rhodes, Judi Sciple, and Lisa Strusowski.

Viewing rooms for Delaware Tech staff were provided at each campus; however, specific attendees in each viewing room were not recorded for the minutes.

Mr. Hare called the meeting to order at 3:03 p.m.

**1) REQUEST FOR APPROVAL OF MINUTES**

Mr. Hare moved to approve the minutes of the October 22, 2020 Board Finance Committee meeting as submitted. Ms. Lopez made a motion and Mr. Hagerty seconded the motion. The motion carried unanimously.

**2) REQUEST FOR APPROVAL OF FY22 OPERATING BUDGET**

Dr. Brainard presented the FY22 Operating Budget totaling \$218.9 million in projected revenues and \$217.7 million in forecasted expenditures as well as the FY22 preliminary budget highlights. He stated that the preliminary budget did not include a credit tuition increase. As in the past, funding from the General Fund (42%) and revenues from tuition and fees (19%) generate the majority of the College's operating revenues. These revenues support 1,153 full time and 1,462 part-time employees (including adjunct faculty). In terms of expenditures, he shared that personnel costs (55%) and financial aid (16%) account for 71% of the College's operating budget. Overall, the budget preliminarily forecasts a surplus of \$1.2 million.

The group discussed the Higher Education Emergency Relief Funds (HEERF) anticipated from the Federal government and how the College is managing the oversight of that funding with a focused federal workgroup. The workgroup includes key staff across divisions including legal to ensure procurement and inventory tracking in compliance with federal guidelines.

Mr. Hare asked the Board Finance Committee to recommend the FY22 preliminary budget to the Board of Trustees with the understanding that a firm budget would be presented in October. Mr. Hagerty made a motion and Ms. Lopez seconded the motion; all approved.

### **3) REVIEW OF APRIL 2021 FISCAL REPORT**

Mr. Jackson reviewed the fiscal reports for the nine months ending April 30, 2021 along with reports on Tuition & Fee financial activity and the 15% Test calculation as follows:

1. General Fund: Expended 81.2% of our \$87.1 m in General Fund support 83% through the fiscal year.
2. Tuition Fund: As noted on Page 15, credit tuition revenues of \$30.1m are up 17.7% and expenditures are down 12.8%, compared to April 30, 2020. This significant shift from February 2021 reporting and prior year March-April 2020 status is due to financial aid award timing.
3. Carryover: The carryover figure listed on page 4 is \$45.2 m, which is more than the \$41.9 m projected for the fiscal year based on obligations that are annual and improved temporarily due to financial aid award timing year-over-year.
4. 15% Test: The current 41.2% college-wide 15% Test calculation in Attachment B is more than the projected 38.3% for the fiscal year based on items noted in #3 above, as well as best projections based on trends and expectations at this time, while ensuring critical services and aid to students. It is expected that overall fund balances will continue to trend toward the projected target through year end.

Mr. Jackson reiterated that the General Fund is on track to expend by fiscal year-end. He noted that last year some anomalies on the timing of Financial Aid were experienced; however, tuition and expenditures are balancing out providing a strong fiscal standing for the College.

### **4) REQUEST FOR APPROVAL OF TUITION POLICY AMENDMENT REGARDING TUITION HARDSHIP WAIVERS**

Ms. Sapna reminded the Board members that the College is participating in the Achieving the Dream initiative to better align the student support and academic support efforts. Through this work, one item that arose was the College's lack of a hardship withdrawal policy. The amendment provided would allow a student who is deemed eligible to withdraw from a class and retain his/her GPA in good standing as well as recoup any eligible fees and tuition costs as outlined. Ms. Lopez asked if the policy would help with continuity of education and Mr. Hagerty asked how it differed from the current withdrawal policy. Ms. Sapna explained that the hardship policy would provide an avenue to record the student's hardship in his/her student account and allow for greater ease when he/she is ready to return to school. She further explained that the current policy outlines when a student can withdraw without penalties; however, this hardship amendment allows great flexibility on the timing as well as the number of classes a student may withdraw from with the review and assistance of an academic advisor. Mr. Hare asked if the amendment codifies the College's general historical data regarding withdrawals; Ms. Sapna confirmed that it did. Mr. Hare called for a motion to recommend the hardship withdrawal policy to the Board of Trustees. Ms. Lopez made a motion and Mr. Hagerty seconded it; the motion was approved.

**5) OTHER BUSINESS**

**Higher Education Emergency Relief Fund I & II Update**

Mr. Jackson reiterated that the College created an inter-disciplinary federal workgroup to oversee the funds awarded through the Higher Education Emergency Relief Funds (HEERF) from the Federal government. Two memos were provided to the Board Finance Committee outlining how the College has spent HEERF I & II awards to date. Emergency Student Aid Relief was distributed in compliance with federal regulations. The workgroup provided recommendations to Dr. Brainard for how to assist the College in transitioning to a hybrid learning and work environment utilizing available HEERF I & II as well as the Strengthening Institutions Program under both the CARES Act and the CRRSA Act. Mr. Hare noted that the College appeared to be ahead of other institutions in terms of the proactive management of these funds. Dr. Brainard stated that it was very important that the College keep the Board of Trustees informed along the way on how all federal relief funding was being managed.

**FY22 Preliminary Capital Plan/Budget**

Mr. Hare stated that on June 7, 2021 the Board Facilities Committee, which he chairs, met and reviewed the FY22 Capital Plan. Mr. Hare with Mr. Jackson’s assistance reviewed the key projects for the FY22 Capital Plan. Mr. Hare asked for a motion to support the preliminary FY22 Capital Plan. Mr. Hagerty made the motion and it was seconded by Ms. Lopez; all approved. Mr. Hare stated that this recommendation would be presented at the Board of Trustees meeting.

<b>Project</b>	<b>Fiscal Year 2022</b>	<b>Fiscal Year 2023</b>	<b>Fiscal Year 2024</b>
Asset Preservation/Minor Capital Improvement	\$500,000	\$500,000	\$500,000
Excellence Through Technology	\$300,000	\$300,000	\$300,000
Critical Capital Needs/Deferred Maintenance	\$16,935,700	\$11,301,000	\$12,150,000
Parking Garage Expansion (Wilmington Campus)	-	\$1,000,000	\$3,329,000
Child Development Center (Stanton Campus)	-	\$750,000	\$2,750,000
Culinary Arts Center Renovation (Stanton Campus) – Higher Education Economic Development Investment Fund	\$7,677,190	-	-
<b>TOTAL</b>	<b>\$25,412,890</b>	<b>\$13,851,000</b>	<b>\$19,029,000</b>

There being no further business to discuss, Mr. Hare called for the meeting to be adjourned Ms. Lopez made a motion which was seconded by Mr. Hagerty. The meeting adjourned at 3:51 p.m.

Respectfully submitted,  
*Amy Tucci*  
 Assistant to the Vice President for Finance