

**DELAWARE TECHNICAL COMMUNITY COLLEGE  
BOARD FINANCE COMMITTEE  
Terry Campus  
Del-One Conference Center, Room A**

**June 15, 2020**

Attendees: Mark Brainard, Bob Hagerty, Michael Hare, Lolita Lopez, Gerard McNesby, Carol Rhodes, Justina Sapna and Nancy Shevock.

Ms. Lopez called the meeting to order at 3:09 p.m.

**1) REQUEST FOR APPROVAL OF MINUTES**

Ms. Lopez announced that after today's meeting Mike Hare would serve as the new Chair for the Board Finance Committee. She moved to approve the minutes of the October 10, 2019 meeting as submitted. Mr. Hare made a motion and Mr. Hagerty seconded the motion. The motion carried unanimously.

**2) UPDATE REGARDING FISCAL 2021 BUDGET & BOND BILLS**

Dr. Brainard shared that prior to the COVID-19 pandemic the College was pursuing salary enhancements as a top priority for the FY21 budget; however, as a result of the pandemic's fiscal impact there will be no general pay increases for State employees. The State's savings plan allowed the Governor to maintain all programs/agencies through June 30, 2020 (FY20). Moving forward, the State's FY21 budget will be flat. The College leadership asked the legislature to honor their commitment of \$10 million for capital projects from the Bond Bill budget as outlined in the SS 2 to Senate Bill 50. Dr. Brainard noted that the Higher Education Economic Development Fund would not be funded in FY21. In light of the pandemic's overall economic impact, Dr. Brainard, with the support of the senior leadership team, will ask the full Board of Trustees to support no tuition or fee increases for FY21. Ms. Lopez stated that she feels such an action sends a huge message that Delaware Tech is not burdening the students, but safeguarding their ability to maintain their studies and career training. Mr. Hagerty asked if the Coronavirus Aid, Relief and Economic Security Act (CARES Act) was providing any relief to the College. Dr. Brainard noted that Carol Rhodes, Acting Vice President for Fiscal, serves on a committee charged with determining what Federal monies to accept without burdening the College with unintended consequences/responsibilities for using such funds. Ms. Rhodes shared that the State monies from the CARES Act were divided into a State portion and a Higher Education portion. The Higher Education portion totals \$9 million with the first phase (\$4.5 m) being dedicated to emergency student aid. The second phase (\$4.5 m) is set up for recovering and supporting on-going operational and technology needs incurred while conducting distance learning. Dr. Brainard noted that although the CARES Act is helping, the College still needs to examine

costs and programs that may need to be redirected to support students in FY21; the overall message moving into FY21 is that it will be a very lean year.

### **3) REVIEW OF FISCAL 2021 FINANCIAL PLAN**

The committee reviewed the FY21 Financial Plan noting that a formal operating budget would be presented to the Board in October for approval. Mr. Hare asked if the College would consider adding a preliminary budget for review since by October the College is already 3.5 months into a new fiscal year. Ms. Shevock agreed that in future years the committee be provided a preliminary budget in June with a final budget presentation in October. Dr. Brainard agreed that it was a reasonable request from the Committee.

### **4) REVIEW OF FISCAL 2021 CAPITAL PLAN**

The capital plan outlined sixteen (16) critical capital needs projects in various stages of completion with funding from prior fiscal years. Dr. Brainard requested the Committee's support for a proposed budget of \$16.6 m for capital projects in FY21. He noted that this figure will need to be adjusted when the final FY21 capital appropriation is approved. Ms. Lopez asked for a motion to support the approval of the \$16.6 m capital plan and pass it forward for consideration by the full Board of Trustees; the motion carried.

### **5) REVIEW OF FISCAL REPORTS**

Mr. McNesby reviewed the fiscal reports for the eleven months ending May 31, 2020 along with reports on Tuition & Fee financial activity and the 15% Test calculation as follows:

1. General Fund: Expended 91.3% of our \$86.6 m in General Fund support 92% through the fiscal year.
2. Tuition Fund: Credit tuition revenues \$34.3 m are down 14.4% and expenditures are down 10.1% compared to this time last year. As previously noted, miscellaneous receipts, which represent deleting obligations from a previous fiscal year, are up substantially because a number of purchase orders were "closed out" for certain vendors.
3. Carryover: The current carryover figure is \$39.4 m, which exceeds the \$37.4 m projected for the fiscal year
4. 15% Test: The current 35.2% collegewide 15% Test calculation exceeds the projected 34.8% for the fiscal year.

A motion was made by Mr. Hare and seconded by Mr. Hagerty to approve the fiscal reports as submitted. The motion carried unanimously.

### **6) OTHER BUSINESS**

#### Higher Education Procurement Card Performance Audit

Dr. Brainard shared the outstanding results from the recently published Higher Education Procurement Card Performance Audit for FY18 in which Delaware Tech received no

exceptions to all areas audited by the State Auditor's office. Ms. Lopez congratulated the team on such a successful audit and the finance team's attention to detail. Dr. Brainard shared that it reflects the culture of fiscal responsibility that permeates all levels of the fiscal and business services staff, along with the College employees in all frontline areas.

*Support of No Student Increases in FY21*

Dr. Brainard asked the Committee for support in the full Board of Trustees meeting regarding not increasing tuition and fees in FY21. Mr. Hare offered to make a motion to not increase student tuition/fees in FY21 after the President's Report; Mr. Haggerty agreed to second the motion. Overall all members of the Finance Committee expressed their agreement for such action in support of student success.

There being no further business to discuss, Ms. Lopez requested a motion to adjourn which was made by Mr. Haggerty and seconded by Mr. Hare. The meeting adjourned at 3:52 p.m.

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