

**DELAWARE TECHNICAL COMMUNITY COLLEGE
BOARD FINANCE COMMITTEE
Stanton Campus
Room 226**

April 11, 2017

Attendees: Bobbi Barends, Mark T. Brainard, Mary Chen, Dan Ehmann, Scott Green, Norman D. Griffiths, Esq., Patti Grimes, Darlene S. Johnston, John M. Maiorano, Gerard M. McNesby, David Morris, Justina Sapna, Judi Sciple, Brian Shirey, Esq., Noelle Sugalski and June Turansky.

The meeting was called to order at 1:05 p.m. by Mr. Maiorano.

1) REQUEST FOR APPROVAL OF MINUTES

Mr. Griffiths moved to approve the minutes of the February 10, 2017 Finance Committee meeting as submitted. Mr. Maiorano seconded the motion. Motion carried unanimously.

2) REVIEW OF GOVERNOR'S RECOMMENDED FY 18 BUDGET AND BOND BILLS

Mr. McNesby stated that Governor Carney has not released a detailed recommended budget but the narrative below combines the recommended budgets of Governors Markell and Carney (changes is red).

1. Total of 785 General Fund (GF) and 359 non-GF positions were recommended for Fiscal 2018 which is the same level as FY 2017.
2. General Fund Operating Budget proposed of **\$80,765.5** which reflects a **\$ 198.0 reduction** Fiscal 2017. Reduced funding will be in the Environmental Training Center (**\$125.0k**) and Associate in Arts Program (**\$ 73.0k**).
3. Twenty-five (25) Nursing Expansion Program positions and \$2,611.1 in funding was recommended to be funded by the Health Fund, **an increase of \$465.6. We anticipate this number to be returned to \$2,145.5 in FY 2018.**
4. Anticipate reduced funding of **\$175.0 k** in the statewide Paramedic Program which was funded for \$350.0 k in the Health Fund in FY 2017.
5. Funding for the 12th year of the SEED Scholarship Program has been recommended for \$ 5,656.6. **No Change.**

6. Capital support of \$5.5 million for:

- Enhancements to technology and minor capital improvements College-wide (\$ 4.75 m); and
- Library renovation at Owens (\$ 750.0k).

The College's presentation before the Joint Finance Committee is scheduled to take place on May 11, 2017 at Legislative Hall.

3) REVIEW OF FISCAL 2018 DRAFT FINANCIAL PLAN

Mr. McNesby discussed the FY 2018 financial plan and a projected need between \$1.8 and \$4.0 million that would be used to:

- Support increased personnel costs of non-general funded positions in instruction, student services, technology, and administrative services;
- Maintain and expand support services to veterans;
- Expanding the RN to BSN Program;
- Provide financial aid to needy students;
- Fund increase cost of operations for contractual services, insurance, communication, staff development, grounds repair, capital improvements, etc., and
- Responding to the Office of Management and Budget's request to reduce General Fund support during Fiscal 2018.

He explained that this is a DRAFT of the FY 2018 Financial Plan and further discussion will take place at the June meetings of the Finance Committee and Board of Trustees.

4) REVIEW OF FISCAL REPORTS

Mr. McNesby reviewed the fiscal reports for the 8 months ending 2/28/17 along with reports on Tuition & Fee financial activity and the 15% Test calculation as follows:

1. General Fund: Spending in the General Fund is 61.5% of the annual budget 67% through the fiscal year. As noted last month, personnel costs currently charged to the Tuition Fund will be "recoded" and charged to the General Fund which will close this gap and increase the Tuition Fund carryover figure to be referenced later. This is a normal adjustment that takes place during this time of the fiscal year.
2. Tuition Fund: Credit tuition revenues of \$23.1m are up 5.8% compared to the same time period last year. Spending obligations (funds encumbered under Purchase Orders) are down 12.2% with reduced obligations in contractual services and minor capital outlays. Overall financial activity is tracking according to plan in this Fund.
3. Carryover: The carryover figure of \$20.4 million is less than the target figure of \$23.6 million but is expected to improve during the next 4 months; and
4. The 23.7% Collegewide 15% Test calculation is slightly higher than the target level of \$24.6% projected for the Fiscal 2017 Budget.

He presented budget changes that have been recommended and approved by the Vice President/Campus Directors and Directors of Business Services. A motion was made by Mr. Griffiths and seconded by Ms. Grimes to approve the budgets as submitted. Motion carried unanimously.

There being no further business to discuss, motion was made by Ms. Grimes and seconded by Mr. Griffiths to adjourn the meeting at 1:54 p.m.

Respectfully submitted,

Darlene S. Johnston

Assistant to the Vice President for Finance