

**DELAWARE TECHNICAL COMMUNITY COLLEGE  
BOARD FINANCE COMMITTEE  
Stanton Campus - Conference Room A112**

**April 9, 2019**

Attendees: Mark Brainard, Amber Bradley, Mary Chen, Mark DeVore, Jeanne DiAmico, Daniel Ehmann, Scott Green, Patti Grimes, Michael Hare, Kathy Janvier, Cornelia Johnson, Lolita Lopez, Gerard McNesby, Paul Morris, Melissa Rakes, George Robinson, Justina Sapna, Judi Sciple, Noelle Sugalski and Amy Tucci.

Ms. Lopez called the meeting to order at 1:00 p.m.

**1) REQUEST FOR APPROVAL OF MINUTES**

Ms. Lopez asked for a motion to approve the minutes from the October 25, 2018 Board Finance Committee meeting as submitted. Mr. Hare made a motion and Mr. Green seconded the motion. The motion carried unanimously.

**2) REVIEW OF GOVERNOR'S RECOMMENDED FY20 BUDGET & BOND BILLS**

Mr. McNesby stated that the Governor continues to be very supportive of the College's efforts. Among the items included in the Governor's recommended FY20 budget were:

- A \$1,000 annual increase for Plan B employees and a 2% salary increase for those in Salary Plans A and D;
- Expand the College's BSN Program with two (2) new instructor positions;
- Enhance instructional support for the expansion of the College's automotive program (1 position);
- Strengthen K-12 partnerships and enrollment management (2 positions);
- Continue funding for 25 Health Fund positions to support the College's nursing program;
- Provide partial support to address compensation levels versus the school districts;
- Increase funding (\$620.7) to support the 14<sup>th</sup> year of the SEED Scholarship Program;
- Authorize \$7.0 million in capital support for critical capital needs; and
- Provide access to additional capital funding as part of the Governor's effort to support workforce development across the state. (Received \$3.3M in Fiscal 2019)

### **3) REVIEW OF DRAFT FY20 FINANCIAL PLAN**

Mr. McNesby reviewed the FY20 Financial Plan and a projected need between \$1.0 and \$2.0 million that would:

- Support increased personnel costs associated with FY 2020 salary policy for tuition funded positions in instruction, student services, technology, public safety and facilities management;
- Provide financial aid to needy students;
- Review the competitiveness of all compensation levels versus the school districts;
- Expand the RN to BSN Program;
- Maintain and expand support services to target student populations such as veterans, homeless students and those experiencing food insecurity; and
- Fund increase cost of operations for contractual services, insurance, communication, staff development, grounds repair, capital improvements, etc.

### **4) REVIEW OF FISCAL REPORTS**

Mr. McNesby reviewed the fiscal reports for the three months ending 9/30/18 along with reports on Tuition & Fee financial activity and the 15% Test calculation for the first three months of Fiscal 2019 as follows:

- General Fund: Expended 25.8% of our \$81.3 m in General Fund support 25% through the fiscal year.
- Tuition Fund: Credit tuition revenues of \$6.5 m are up 17%. This is artificially high again this month due to timing changes made to the installment payment plans this year. The second installment payment is now received earlier than in prior years.
- Carryover: The carryover figure is \$23.8 m, which is less than the \$31.2 m projected for the fiscal year.
- 15% Test: The current 23.1% collegewide 15% Test calculation is less than the projected 29.2% for the fiscal year.

Mr. McNesby also presented budget modifications that are recommended and approved by himself, the Vice President/Campus Directors and the Directors of Business Services. A motion was made by Mr. Hare and seconded by Mr. Green to approve the budget modifications as submitted. The motion carried unanimously.

### **5) LEGISLATIVE UPDATE**

President Brainard shared that the College's efforts to secure legislation for the aging infrastructure of the facilities has had much positive movement since 2006. Initially, Senator McDowell suggested a bill structured similarly to the votech model which collected a modest property tax. After opposition from K-12 organizations, the College revised the legislation

removing the tax. The revised legislation, SS 2 for SB 50, sets a minimum annual bond bill appropriation dedicated to address maintenance issues on all four campuses. The Community College Infrastructure Fund would receive a minimum of \$10 million annually over the next five years, at which time the College will report on its progress. The bill also expresses an intent to fully fund the College's annual capital improvement request for critical needs and deferred maintenance if additional funds are available. This legislation was passed by the state Senate and is now in the House of Representatives for consideration. The College is cautiously optimistic that the House will approve the bill and is grateful to everyone who supported these efforts and served as a positive voice in their communities. Mr. Hare complimented President Brainard and the College's leadership team for their dedication over the last year and a half, and hopes the state government will see how much the College can do with \$10M to improve our students' experiences. Ms. Lopez asked how the use of the \$10M is reported and President Brainard shared that all projects are reported on annually at the Bond Bill hearing.

## **6) FINANCIAL AID PROGRAM REVIEW**

The U.S. Department of Education conducted a program review at Delaware Tech from February 25 to February 28, 2019. The Department conducts periodic general assessment reviews at all institutions that offer federal financial aid.

Two institutional review specialists spent four days on site reviewing multiple student files and College policies and procedures to determine Delaware Tech's compliance with the federal regulations related to the administration of Title IV federal student aid programs. Three findings were identified; no findings have monetary implications. A summary of the initial findings is below:

Finding 1: Inaccurate and/or Late National Student Loan Data (NSLDS) Reporting: Enrollment changes for a small number of students were not reported accurately or in a timely manner. *Corrective Action: In progress. The College is updating its procedures for NSLDS reporting.*

Finding 2: Late Delivery of Federal Direct Loan Exit Counseling Requirements: Some students were not notified of exit counseling requirement in a timely manner. *Corrective Action: Resolved. This issue was identified and resolved in advance of the program review.*

Finding 3: Incorrect Date of Determination used for Return to Title IV Calculation: College reported the date of determination as the date the student unofficially withdrew rather than the later date of when the Financial Aid Office received notification. *Corrective Action: Resolved. The Financial Aid Office updated its procedures.*

Delaware Tech's Financial Aid program administers millions of dollars and serves approximately 15,000 student per year. Receiving only three findings, none of which have financial penalties, is a testimony to the excellent work done by the Fiscal and Financial Aid departments.

## **7) REQUEST FOR APPROVAL OF REVISIONS TO THE RESIDENCY POLICY**

Mr. McNesby shared that the Board of Trustees would be presented with a revision to the residency policy, which he wanted to review with the Board Finance Committee beforehand. The current residency policy requires an individual to live or work in Delaware for six months before the individual is eligible for in-state tuition. The College has exceptions to this requirement for active duty military personnel and their dependents, veterans living in Delaware who receive certain types of educational assistance administered by the Veterans Administration. Recently, federal law was amended to require educational institutions to provide in-state tuition to veterans utilizing vocational rehabilitation and employment assistance. In addition to complying with the new federal law, the College would like to provide in-state tuition to all veterans who live in Delaware, regardless of their period of residency in keeping with Delaware Tech's veteran-friendly philosophy. Mr. McNesby added that this policy change would have a minimal financial impact on the College and asks for this committee's support. Ms. Lopez stated it was the right thing to do for our veterans and asked for a motion. Mr. Hare made a motion and Mr. Green and Ms. Grimes both seconded the motion. The Board Finance Committee will share their full support of this policy change at the Board of Trustees meeting.

There being no further business to discuss, motion was made by Mr. Hare and seconded by Mr. Green to adjourn the meeting at 1:52 p.m.

Respectfully submitted,

*Amy Tucci*

Assistant to the Vice President for Finance