

**HARRISBURG AREA COMMUNITY COLLEGE
SPECIAL BOARD OF TRUSTEES FINANCE COMMITTEE**

Monday, March 9, 2009, 7:30 A.M.
Boardroom, B106

MINUTES

Present:

Mr. Terry Burrows (via telephone)	Dr. Edna V. Baehre
Mr. Daniel Delaney (via telephone)	Dr. Winnie Black (via telephone)
Mr. Donald Schell	Ms. Eleanor Bosserman
	Ms. Pat Conklin
	Mr. Patrick Early
	Mr. George A. Franklin, Jr.
	Ms. Kathy Green
	Ms. Barbara Hutchinson
	Ms. Kathy Kramer (via telephone)
	Ms. Brenda Krebs
	Ms. Nancy Rockey
	Mr. Stuart Savin (via telephone)
	Ms. Jean Treuthart (via telephone)
	Ms. Meredith Tulli
	Mr. Ronald Young
	Ms. Patricia Verdon (via telephone)

Budget for FY 2009-10

The committee discussed the budget overview and additional positions proposed for FY 2009-10. This overview is in a new format and is still a work in progress. The format is changing so that we are more in line with the one college concept, Mr. Franklin explained. This model is being used at several other community colleges in Arizona, California, and Florida, so we've done many comparisons and have checked with other multi-district colleges that have a central budgeting function, Dr. Baehre explained. This budget is the final culmination of the implementation of the one college concept, Dr. Baehre explained further. We have already practiced it without really calling it the one college concept when it pertains to capital expenditures of the regional campuses and debt service. For years we have been carrying the Lebanon debt service and funding it through the other campuses fund balance, so we have used reserves of the College to address shortages or needs at a particular campus, she explained further. We are proposing that we adopt a collegewide budget, but that we continue to report on a regular basis the operational ins and outs of each individual campus to the Board of Trustees. The proposed Harrisburg credit budget will still be presented to the delegates, superintendents, and business managers. With the school districts' hold harmless clause for the next five years, there shouldn't be as many questions from them. They will still need to vote on it, since the statute requires them to approve the annual operating budget for which they sponsor their residents.

Mr. Franklin reviewed the FY 2009-10 proposed budget with the committee. Mr. Burrows noted that it would be helpful if the Finance Committee could see the impact of the fund balance on the credit operations expenditures by campus budget page and the total college revenue budget page. He suggested adding an additional line that shows the projected ending fund balance so that the Board can compare the components of these operations. We could then pick up the data we need to see on both pages, Mr. Burrows noted.

Mr. Schell felt that we should consider increasing the tuition for nonsponsoring students, even though there is a difference in the rate that nonsponsoring students pay. The tuition increase for sponsored students is \$6.00, which represents about 6.5%. For nonsponsoring its \$6.00, which represents 3.5%. Last year when we implemented the new sponsorship agreement and the school districts were held at the FY 2007-08 tuition rate, the increase to our students at Harrisburg was 12%, Dr. Beahre explained. The statute states that students in

nonsponsoring areas pay double the tuition. They are already paying double the tuition, and unless it has a significant positive impact on our revenue, I would suggest that we stay with what we have proposed because the economic impact on our students is significant, Dr. Baehre explained further.

Mr. Hutchinson explained that the base was \$3.00, but the sponsored students are picking up both the student and the school district's portion and that's why they are paying \$6.00. This is why we are only using \$6.00 for the nonsponsoring and \$9.00 for out-of-state students, she explained further.

We are actually \$1 under from what we proposed to the school districts last year, Mr. Franklin noted. The projected revenue for this year would have been \$99.50, so we are actually \$1 below that for sponsored students. When you take the school district's reimbursement rate and the current rate that we are proposing, it's going to come out to be the same amount as the nonsponsoring student is paying. Mr. Schell was thinking a \$9.00 increase for nonsponsoring instead of \$6.00. We would need to review how close we are to the state system tuition, since we are very close now, Dr. Baehre explained.

I would think the school districts would disagree with a 6.5% increase for the students, Mr. Burrows noted. Dr. Baehre didn't feel the school districts would have a problem with the increase. They are very happy that they don't have to pay more money, and I don't think they will have a problem with the student paying additional money as a result of this new agreement, she explained.

Mr. Schell suggested adding a line as a component of revenue showing how the College is doing with FTE's. The current page shows the dollars, but it would give us a snapshot of how we are doing with credit hours, Mr. Schell suggested. He also felt that we should give the consolidated page to the Board. It's the job of the Finance Committee to see the detail behind it and present a consolidated page to the Board. We provide too much detail to the full Board, he explained further.

On the consolidated page, a starting and ending fund balance line will be added. There will also be a page showing credit hours.

An analysis of what a differential tuition increase would be and how close the tuition gets to the state system tuition on the credit hour side will be done and shared with the committee at the next meeting.