

Board of Director's Finance Committee
Date: 11/1/12
5:30-7:00 p.m.
Edgewood Conference Room E215H

Members Present: Rick Jordan (Chairman); Brent Cooper; Jeff Groob; Ken Paul; Martha Johnson, Chair of the Board and Ex-officio committee member; Staff Present: Ed Hughes; Mike Baker; and Jamie Younger

Chair Jordan called the meeting to order at 5:30 p.m.

Mike Baker, VP of Business Services, reviewed the first quarter Board of Director's finance report. He highlighted the current revenues of \$13,708,407 (consisting of \$7,368,938 non-recurring and \$6,339,469 recurring funds), and expenses totaling \$10,805,622 (consisting of \$4,478,652 non-recurring and \$6,326,969 recurring). He proceeded to explain and show the breakdown of currently budgeted revenues vs. previous years. He shared a schedule of current state appropriation, headcount, FTE, and total square footage for comparison purposes from FY03 to present. He explained that the state appropriation on the schedule reflects the actual amount received and reported in the financial statements; these numbers do not match original budgets. Mr. Baker then shared current budgeted revenues vs. actual revenues and a discussion followed regarding the current shortfall in fall tuition. Chair Jordan asked if there was a direct correlation between unemployment and enrollment. If unemployment continues to improve, can we expect enrollment to continue to decline? Dr. Hughes responded that community colleges are more impacted by unemployment than the regional universities. He also explained that currently, we felt that the lower enrollment was based on new financial aid restrictions and the recent discussions of the value of higher education on the national level. Mr. Baker explained the decline in headcount can be attributed to switching from dual credit to articulated credit as well.

Chair Jordan stated that he didn't see an increase in tax revenue, which would support an increase in state appropriation in the near future.

Mr. Baker proceeded to review the expenditure side of the financial statement with the committee stating that we are within our budgets. He shared current budget as well as budget vs. actuals.

In addition, Mr. Baker then reviewed the expense report comparing Gateway to other KCTCS colleges and national benchmarks. Brent Cooper asked if we had comparative revenue data. Mr. Baker replied we do not have access to the data.

There were no further questions concerning the first quarter Board of Director's finance report.

Chair Jordan opened a discussion regarding a concern that Gateway shouldn't support the Northern Kentucky Chamber of Commerce, due to possible political repercussions against the college. Discussion followed and it was agreed upon by the committee that it was Dr. Hughes' decision which organizations the college supported in order to continue to grow the college.

Dr. Hughes distributed a report showing the last three years of Chamber of Commerce expenses per the committee's request. No questions were asked.

Meeting was adjourned at 6:50 pm.

Respectfully Submitted,

Dr. Ed Hughes, Recorder