

AGENDA
PIERPONT COMMUNITY & TECHNICAL COLLEGE
EMERGENCY BOARD OF GOVERNORS MEETING
June 26, 2017
11:00 AM
Hardway Hall Room 219
Conference # 304-362-9608

I. Call to Order in Open Session (*Chairman James E. Griffin*)

1. Call for Public Comment Sign Up

II. Committee Reports (*Dale Bradley, CFO for Kyle Hamilton, Chair*)

- a. Approval of the FY 2018 Education and General Budget ***Action Item***

III. Public Comment

IV. Adjournment

The Mission of Pierpont Community & Technical College is to provide opportunities for learning, training, and further education that enrich the lives of individuals and promote the economic growth of our service region and state.

Pierpont Community & Technical College strives to enhance the quality of life for people of north-central West Virginia through accessible, affordable, comprehensive, responsive, workforce-related training, and quality higher education opportunities.

**Pierpont Community and Technical College
Board of Governors
Emergency Meeting of June 26, 2017**

ITEM: FY 2018 Unrestricted Education and General (E&G) Budget Approval

COMMITTEE: Finance Committee

RECOMMENDED RESOLUTION: Resolved that the Pierpont Community & Technical College Board of Governors approve the attached FY 2018 Unrestricted Education & General (E&G) Budget.

STAFF MEMBER: Dale Bradley

BACKGROUND: The Finance Committee has met with Administration and reviewed the changes proposed to the FY 2018 Unrestricted E&G Budget. The Finance Committee's review utilized the attached FY 2018 Budget Planning document.

Also attached is a comparison identifying changes in the FY 2018 Unrestricted E&G Budget to the current May 31, 2017 Unrestricted FY 2017 E&G Budget.

The FY 2018 Unrestricted E&G Budget reflects the following actions/assumptions:

- A 2.6% (\$188,298) reduction in State Appropriation.
- An overall 0.10% reduction in Tuition and Fees Revenue that is the net effect resulting from a 5% Tuition and Fee increase; the establishment of the Tuition Equity Structure; adjustments to Tuition and Fee revenue to address the shortfall in the current year's Tuition and Fee revenues and an estimated enrollment decline of 6%.

The FY 2018 Unrestricted E&G Budget has a zero budget balance with no planned use of cash reserves.

The budget comparison of the current May 31, 2017 Unrestricted FY 2017 E&G Budget to the FY 2018 Unrestricted E&G Budget reflects the differences between the two.

A summary of this comparison identifies the following differences:

- A projected decreased revenue plan of approximately \$565,023.
 - \$500,000 of this decrease in projected revenue is a correction to the projected Faculty Services Revenue. This change reflects more accurately the actual revenue received as teaching services provided by Pierpont to Fairmont State University continue to lessen each year as the institutions become less dependent on the faculty of the other.
- A projected decreased spending plan of approximately \$749,376.
 - \$500,000 of this decrease in projected expenditures is a correction to the projected Assessment for Faculty Services. This change reflects more accurately the actual expenditures paid as teaching services provided by Fairmont State University to Pierpont continue to lessen each year as the institutions become less dependent on the faculty of the other.
 - This decreased spending plan includes decreases in salaries and fringes of approximately \$32,000. This includes a combination of vacant positions eliminated and a number of employees previously covered by various grants.
 - This decreased spending plan includes projected decreases in chargeback service payments to FSU of approximately \$209,000.
- A projected overall reduction in Non-operating Revenue and Expenses of \$62,298.

- \$188,298 of this decrease is reduction to State Appropriations of 2.6% for FY 2018.
- \$96,000 increase in Gifts for FY 2018.
- A \$30,000 decrease in the projected “Assessment for E&G Capital & Debt Services due to enrollment declines.
- A projected increase to Transfers of \$32,994.
 - \$32,994 increase in the project transfers for Financial Aid Match.

In summary, the FY 2018 Unrestricted E&G Budget plans for both reduced revenues and expenditures in FY 2018.

Pierpont Community & Technical College
FY 2018
Unrestricted Education and General (E&G) Budget

Pierpont Community & Technical College
Actual Vs. Budget Statement of Revenues and Expenses

	Current Year 18	Prior Year 17	Period Jul	Current Unrestricted LEVEL 2		
			Budgeted Current year	Actual Current Year	Actual To Budgeted Current Year	Prior Actual To Prior Year End
OPERATING REVENUES						
Tuition and Fees			8,099,205.31	0.00	0.00	37.49
Student Activity Support Revenue			53,459.00	0.00	0.00	
Faculty Services Revenue			310,000.00	0.00	0.00	0.00
Operating Costs Revenue			96,283.40	0.00	0.00	0.00
Support Services Revenue			200,748.26	0.00	0.00	0.00
Other Operating Revenues			368,528.00	0.00	0.00	0.00
Subtotal:			9,128,223.97	0.00	0.00	34.27
OPERATING EXPENSES						
Salaries			6,769,482.01	0.00	0.00	6.24
Benefits			1,461,475.00	0.00	0.00	6.77
Student financial aid - scholarships			237,752.16	0.00	0.00	1.53
Utilities			56,838.42	0.00	0.00	1.41
Supplies and Other Services			2,610,732.89	0.00	0.00	4.17
Equipment Expense			96,251.20	0.00	0.00	2.05
Fees retained by the Commission			103,326.00	0.00	0.00	0.00
Assessment for Faculty Services			309,999.68	0.00	0.00	0.00
Assessment for Support Services			1,820,626.44	0.00	0.00	0.00
Assessment for Student Activity Costs			122,001.00	0.00	0.00	0.00
Assessment for Operating Costs			1,542,743.17	0.00	0.00	0.00
Subtotal:			15,131,227.97	0.00	0.00	4.02
NONOPERATING REVENUES (EXPENSES)						
State appropriations			6,989,036.00	0.00	0.00	20.41
Gifts			126,000.00	0.00	0.00	0.00
Investment Income			7,194.00	0.00	0.00	-10.91
Assessment for E&G Capital & Debt Service Costs			-1,058,220.00	0.00	0.00	0.00
Fees assessed by Commission for other			0.00	0.00		0.00
Subtotal:			6,064,010.00	0.00	0.00	23.15
TRANSFERS & OTHER						
Capital Expenditures			0.00	0.00		100.00
Construction Expenditures			0.00	0.00		0.00
Transfers for Financial Aid Match			-61,006.00	0.00	0.00	0.00
Transfers - Other			0.00	0.00		
Subtotal:			-61,006.00	0.00	0.00	11.72
OPERATING INCOME/LOSS			-6,003,004.00	0.00	0.00	-54.75
BALANCE			0.00	0.00	0.00	189.09

FZRPR03

Fund %

JUN-23-17

Pierpont Community & Technical College
Actual Vs. Budget Statement of Revenues and Expenses

	Current Year 18	Prior Year 17	Period Jul	Current Unrestricted Pierpont C and TC - President		
			Budgeted Current year	Actual Current Year	Actual To Budgeted Current Year	Prior Actual To Prior Year End
OPERATING REVENUES						
Tuition and Fees			6,614,751.55	0.00	0.00	39.67
Student Activity Support Revenue			53,459.00	0.00	0.00	
Faculty Services Revenue			310,000.00	0.00	0.00	0.00
Operating Costs Revenue			96,283.40	0.00	0.00	0.00
Support Services Revenue			200,748.26	0.00	0.00	0.00
Other Operating Revenues			48,000.00	0.00	0.00	0.00
Subtotal:			7,323,242.21	0.00	0.00	36.43
OPERATING EXPENSES						
Salaries			6,083,213.01	0.00	0.00	6.43
Benefits			1,346,231.00	0.00	0.00	6.83
Student financial aid - scholarships			226,752.16	0.00	0.00	1.66
Utilities			52,839.00	0.00	0.00	1.26
Supplies and Other Services			1,665,307.61	0.00	0.00	5.44
Equipment Expense			23,207.14	0.00	0.00	2.90
Fees retained by the Commission			103,326.00	0.00	0.00	0.00
Assessment for Faculty Services			309,999.68	0.00	0.00	0.00
Assessment for Support Services			1,820,626.44	0.00	0.00	0.00
Assessment for Student Activity Costs			122,001.00	0.00	0.00	0.00
Assessment for Operating Costs			1,542,743.17	0.00	0.00	0.00
Subtotal:			13,296,246.21	0.00	0.00	4.16
NONOPERATING REVENUES (EXPENSES)						
State appropriations			6,989,036.00	0.00	0.00	20.41
Gifts			96,000.00	0.00	0.00	
Investment Income			7,194.00	0.00	0.00	-10.91
Assessment for E&G Capital & Debt Service Costs			-1,058,220.00	0.00	0.00	0.00
Fees assessed by Commission for other			0.00	0.00		0.00
Subtotal:			6,034,010.00	0.00	0.00	23.23
TRANSFERS & OTHER						
Construction Expenditures			0.00	0.00		0.00
Transfers for Financial Aid Match			-61,006.00	0.00	0.00	0.00
Transfers - Other			0.00	0.00		
Subtotal:			-61,006.00	0.00	0.00	0.00
OPERATING INCOME/LOSS			-5,973,004.00	0.00	0.00	-45.89
BALANCE			0.00	0.00	0.00	194.01

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Fund %

JUN-23-17

Pierpont Community & Technical College
Actual Vs. Budget Statement of Revenues and Expenses

		Current Year 18	Prior Year 17	Period Jul	Current Unrestricted Pierpont C and TC Fund Managers		
		Budgeted Current year			Actual Current Year	Actual To Budgeted Current Year	Prior Actual To Prior Year End
OPERATING REVENUES	Tuition and Fees	1,484,453.76			0.00	0.00	26.33
	Other Operating Revenues	320,528.00			0.00	0.00	0.00
	Subtotal:	1,804,981.76			0.00	0.00	23.52
OPERATING EXPENSES	Salaries	686,269.00			0.00	0.00	4.02
	Benefits	115,244.00			0.00	0.00	5.76
	Student financial aid - scholarships	11,000.00			0.00	0.00	0.00
	Utilities	3,999.42			0.00	0.00	9.15
	Supplies and Other Services	945,425.28			0.00	0.00	1.77
	Equipment Expense	73,044.06			0.00	0.00	1.32
	Subtotal:	1,834,981.76			0.00	0.00	2.75
NONOPERATING REVENUES (EXPENSES)	Gifts	30,000.00			0.00	0.00	0.00
	Subtotal:	30,000.00			0.00	0.00	0.00
TRANSFERS & OTHER	Capital Expenditures			0.00			100.00
	Transfers - Other			0.00			
	Subtotal:			0.00	0.00	0.00	100.00
OPERATING INCOME/LOSS		-30,000.00			0.00	0.00	158.91
BALANCE				0.00	0.00	0.00	144.21

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Fund %

JUN-23-17

**FY 2018 BUDGET PLANNING DOCUMENT
PIERPONT COMMUNITY & TECHNICAL COLLEGE
EDUCATION & GENERAL FUNDS**

PERMANENT BUDGET ADJUSTMENTS:

Revenue Adjustments:

State Appropriation - 2.6% Reduction (Current St App \$7,177,334)	(188,298)
Additional Revenue Estimated Based on E&G Tuition Increase - 5% less \$11 Auxiliary Inc	237,834
Additional Revenue Estimated Based on Tuition Equity - Instructional Fee Increase - Full Implementation	68,000
FirstEnergy Gift	96,000
Enrollment Growth/(Decline) - 6%	(285,401)
Revenue Adjustments Sub-total:	(71,865)

SWEEP Budget: Increase Existing Sweep for Total FY 2018 Sweep of \$367,694	<u>116,512</u>
SWEEP Budget Sub-total:	116,512

Mandatory Pay Raise Costs

Move to minimum under new salary structure	(19,721)
- Chargeback Revenue - Mandatory Pay Raise Costs-Mercer Scale/Mandated Raise	3,000
- Chargeback Expense - Mandatory Pay Raise Costs-Mercer Scale/Mandated Raise	(13,700)
Mandatory Pay Raise Costs Sub-total:	(30,421)

Annual Increment (\$60.00 per pay after 3 yrs of service)

Increment Increase	(7,608)
-Chargeback Revenue - Increment Increase	496
-Chargeback Expense - Increment Increase	<u>(2,230)</u>
Annual Increment Sub-total:	(9,342)

Faculty:

New Pos Energy Faculty	(65,000)
Pos# 000936 - Salary & Fringe Increase Costs - Interim Dean School of Workforce	(28,475)
Pos# 000546 - Salary & Fringe Savings - B Floyd Transfer to Provost Pos# 315	114,154
Pos# 000315 - Net Additional Salary & Fringe Budget Costs - B Floyd	(5,439)
Pos# 000633 - Salary & Fringe Increase Costs - Acting Dean School of Human Services	(28,502)
Pos# T00675 - Salary & Fringe Budget Savings - Liberal Studies Program Coordinator	3,605
Pos# 000865 - Salary & Fringe Increase Costs - New Dean School of Health Careers	(18,328)
New Pos - Replace Program Coordinator MLT & Lab Assistant	(60,454)
Pos# 000217 - Salary & Fringe Budget Savings - Dean School of Health Careers	122,234
Pos# C10217 - Salary & Fringe Budget Savings - School of Health Careers Dean Stipend	13,668
Pos# 000755 - Salary & Fringe Budget Savings - Not Refilling Vacancy in Sign Language	52,608
Additional Sign Language Adjunct Faculty	(15,000)
Pos# 000831 - Salary & Fringe Budget Savings - Early Childhood Inst & Director	10,952
Pos# 000080 - Salary & Fringe Budget Savings - Early Childhood Prof & Coord	13,930
Pos# 000873 - Salary & Fringe Increase Costs - Instructor & Program Coordinator Practicum Coordinator (Pastry/Baking)	(1,996)
Pos# 000958 - Salary & Fringe Increase Costs - Accreditation & Internship Coordinator/Instructor	<u>(11,390)</u>
Faculty Sub-total:	96,567

Staff:

Pos# P201 Part-Time IT Help Desk Elimination	5,576
Pos # 000892 - Elimination - Dual Credit Coordinator (Net Savings After Loss of Chargeback Revenue)	15,942
Pos # 000961 - Director Financial Aid - Non-funding for FY 18	84,353
Add New Temp Appt - Faculty Advisors (Org 7203XX)	(11,365)
Pos # 000941 - Elimination - Academic Advisor	50,721
Pos # 000721 - Program Assistant - Full Time to Part Time (\$12.56 Per Hr)	12,904
Pos# T00092 - Judicial Officer Salary & Fringe	(13,668)
Pos# P00205 - Convert from PT to FT Financial Aid Counselor	(35,149)
Pos# 000559 - Loss of Chargeback Revenue - Funding Shifted to New VA Rep Pos	(11,921)
Pos# P00193 - Savings From L Huffman Funding Source Change	4,855
New Pos - VA Certifying Rep (Additional Funding Needed - Net of Savings from CB Pos# 779, L Huffman & Pos # 559)	(8,666)
Pos # 000953 - Funding Source Change to Economic Development (Fund 3161XX)	56,390
Pos # 000494 - Funding Source Change to Economic Development (Fund 3161XX)	<u>37,557</u>
Staff Sub-total:	187,529

Funding Changes in Labor (Move Positions from Grant Funding):		
Pos# 893 D Furr		(58,332)
Pos# 956 H Garletts		(30,789)
Pos# 857 S Leach		(66,872)
Pos# 955 S Santilli		(32,823)
Pos# 787 B Sellers		(25,467)
Pos# 787 B Sellers - Workforce ED Portion 16%		(10,865)
Pos# 890 P Buckhalter		(6,765)
Pos# 979 M Jouvenal		(28,708)
Pos# 569 M Demaria		(43,199)
Pos# 932 M Jordan		(39,908)
Pos# 975 S Clemens		(36,080)
Pos# 911 S Carnes		<u>(22,446)</u>
	Funding Changes in Labor Sub-total:	(402,254)
Budget Cut(Increases) Initiatives:		
Reduction to Budget Reserve Org 7405 General Institutional		12,328
Reduction to Faculty Services Revenue		(500,000)
Reduction to Assessment for Faculty Services		<u>500,000</u>
	Operating Budget Cuts Sub-total:	12,328
Academic Program Cuts/(Increases):		
Radiological Technology - UHC/Ruby		<u>(6,500)</u>
	Academic Program Cuts (Increases) Sub-total:	(6,500)
Financial Statement Audit Costs (Org 7411XX)		<u>(15,000)</u>
	Audit Contract Costs Sub-total:	(15,000)
Annual BRIM Premium:		
FY 2018 Brim Premium Increase (Org 7411XX)		(9,930)
-Chargeback Expense - Brim Premium		0
	Annual BRIM Premium Sub-total:	(9,930)
HERA Assessment:		
Annual HERA Assessment		<u>35,584</u>
	HERF Assessment Sub-total:	35,584
Collection Costs:		
Student Debt Collection Costs (Org 7411XX)		<u>(15,000)</u>
	Collection Costs Sub-total:	(15,000)
Tuition Waivers & Scholarships Costs:		
Full Ride Scholarships (Montgomery)		(1,792)
Combined Ability Scholarship		0
Waivers Due to Increase of Fee		(8,783)
Yellow Ribbon Waiver		0
Francis Pierpont Waiver		0
	Tuition Waiver Costs Sub-total:	(10,575)
Pierpont's Proposed Agreement		
-Chargeback Expense		<u>209,000</u>
	Pierpont's Proposed Agreement Sub-total:	209,000
FY 2018 Net Budget After Projections and Reserve Spending:		0

Pierpont Community & Technical College
Actual vs Budget Statement of Revenues and Expenses

Comparison of the May 31, 2017 to the FY 2018 Initial Budget

Current Unrestricted

		Budget FY 2017 May 31, 2017	Budget FY 2018 Proposed	Difference	% Change
OPERATING REVENUE					
	Tuition and Fees	8,107,137	8,099,205	(7,932)	-0.10%
	Student Activity Support Revenue	53,459	53,459	0	0.00%
	Faculty Services Revenue	810,000	310,000	(500,000)	-61.73%
	State/Local Grants and Contracts	0	0	0	0.00%
	Operating Costs Revenue	96,283	96,283	(0)	0.00%
	Support Services Revenue	235,310	200,748	(34,562)	-14.69%
	Other Operating Revenues	391,056	368,528	(22,528)	-5.76%
	Total:	9,693,246	9,128,223	(565,023)	-5.83%
OPERATING EXPENSE					
	Salaries	6,668,002	6,769,482	101,480	1.52%
	Benefits	1,595,469	1,461,475	(133,994)	-8.40%
	Student financial aid-scholarships	227,178	237,752	10,574	4.65%
	Utilities	56,838	56,838	0	0.00%
	Supplies and Other Services	2,592,982	2,610,733	17,751	0.68%
	Equipment Expense	96,251	96,251	(0)	0.00%
	Loan cancellations and write-offs	0	0	0	0.00%
	Fees retained by the Commission	138,910	103,326	(35,584)	-25.62%
	Assessment for Faculty Services	810,000	310,000	(500,000)	-61.73%
	Assessment for Support Services	1,968,871	1,820,626	(148,245)	-7.53%
	Assessment for Student Activity Costs	122,001	122,001	0	0.00%
	Assessment for Operating Costs	1,604,102	1,542,743	(61,359)	-3.83%
	Total:	15,880,604	15,131,227	(749,376)	-4.72%
OPERATING INCOME / (LOSS)		(6,187,358)	(6,003,004)	184,354	-2.98%
NONOPERATING REVENUE (EXPENSE)					
	State Appropriations	7,177,334	6,989,036	(188,298)	-2.62%
	Gifts	30,000	126,000	96,000	320.00%
	Investment Income	7,194	7,194	0	0.00%
	Assessment for E&G Capital & Debt Service Costs	(1,088,220)	(1,058,220)	30,000	-2.76%
	Fees assessed by Commission for other	0	0	0	0.00%
	Total:	6,126,308	6,064,010	(62,298)	-1.02%
TRANSFERS & OTHER					
	Capital Expenditures	0	0	0	0.00%
	Construction Expenditures	0	0	0	0.00%
	Transfers for Fin Aid Match	(28,012)	(61,006)	(32,994)	117.79%
	Transfers - Other	0	0	0	0.00%
	One-time use of reserve	0	0	0	0.00%
	Total:	(28,012)	(61,006)	(32,994)	117.79%
BUDGET BALANCE		(89,062)	(0)	89,062	-100.00%