

**PIERPONT COMMUNITY & TECHNICAL COLLEGE
BOARD OF GOVERNORS**

Finance and Administration Committee Meeting

**Tuesday, March 21, 2023
10:30 AM**

**Pierpont's Advanced Technology Center (ATC)
500 Galliher Drive
Fairmont, WV 26554
Room 216A**

MINUTES

Notice of Meeting

A meeting of the Pierpont Community & Technical College (Pierpont) Board of Governors Academic and Student Services Committee was held on March 21, 2023, beginning at 10:30 AM. The meeting was conducted in person at the Advanced Technology Center in Fairmont, WV. Advanced announcement of this meeting was posted on the WV Secretary of State's Meeting Notices Webpage.

***Chairman Hinkle temporarily assigned Thomas Cole and Juanita Nickerson to the committee for purposes of a quorum.**

Committee Members Present: Jeffery Powell – Temporary Chair, Susan Woods Coffindaffer, Thomas Cole, and Juanita Nickerson

Committee Members Absent: Brian Bozarth, Anthony Hinton, and Lisa Lang

Other Board Members Present: Joanne Seasholtz

Others Present: Members of the President's Cabinet, faculty, staff, and others

I. Call to Order

Jeffery Powell, Temporary Chair, called the meeting to order at 10:30 AM.

II. Approval of Minutes – February 21, 2023

Susan Woods Coffindaffer moved to approve the February 21, 2023 meeting minutes. Thomas Cole seconded the motion. All agreed. Motion carried.

III. Enrollment Report

Dale Bradley presented and reviewed the **Enrollment Comparison Summary by Student Type Report** (Attachment A).

IV. Revenue Analysis

Dale Bradley presented and reviewed the **FY 2023 Pierpont Fee Revenue Analysis as of March 13, 2023 Report** (Attachment B).

V. BOG Action Items

Dale Bradley presented the **Rationale for Tuition and Fee Increases for AY 2023-2024 Report** (Attachment C).

A. Approval of Tuition Changes for Academic Year 2023-2024

Susan Woods Coffindaffer moved to accept the recommendation for the tuition increases for AY 2023-2024 and move the recommendation to the full board. Thomas Cole seconded the motion. All agreed. Motion carried.

B. Approval of Special, Program and Course Fee Changes for Academic Year 2023-2024

Susan Woods Coffindaffer moved to accept the recommended fee increases for AY 2023-2024 and move the recommendation to the full board. Thomas Cole seconded the motion. All agreed. Motion carried.

VI. BOG Informational Items

A. February 28, 2023 Finance Report

Dale Bradley presented and reviewed the **Budget/Finance FY 2023 Report as of February 28, 2023** (Attachment D).

B. Capital Projects Update

Dale Bradley presented and reviewed the **FY 2023 Capital Projects Update** (Attachment E).

VII. Pierpont/FSU FY 2021 Separation Agreement Payments

Dale Bradley reviewed separation agreement payments to FSU through February 2023.

VIII. Potential sale of Pierpont's ownership on facility at Mon Tech Center to Mon County BOE

Cabinet is discussing the sale of Pierpont's ownership in facility at Mon Tech Center to Mon County BOE. A formal recommendation regarding the sale of the ownership

IX. FY 24 Budget Planning Update

Dale Bradley announced that we continue to work through the budget planning process.

X. Adjournment

There being no further business, Susan Woods Coffindaffer moved to adjourn the meeting. Juanita Nickerson seconded the motion. All agreed. Motion carried.

Respectfully submitted by Amanda N. Hawkinberry



Mission Statement: To provide accessible, responsive, comprehensive education that works
Vision: Empowering individuals to transform their lives through education
Tagline: Education that works!

Attachment A



Enrollment Comparison Summary by Student Type

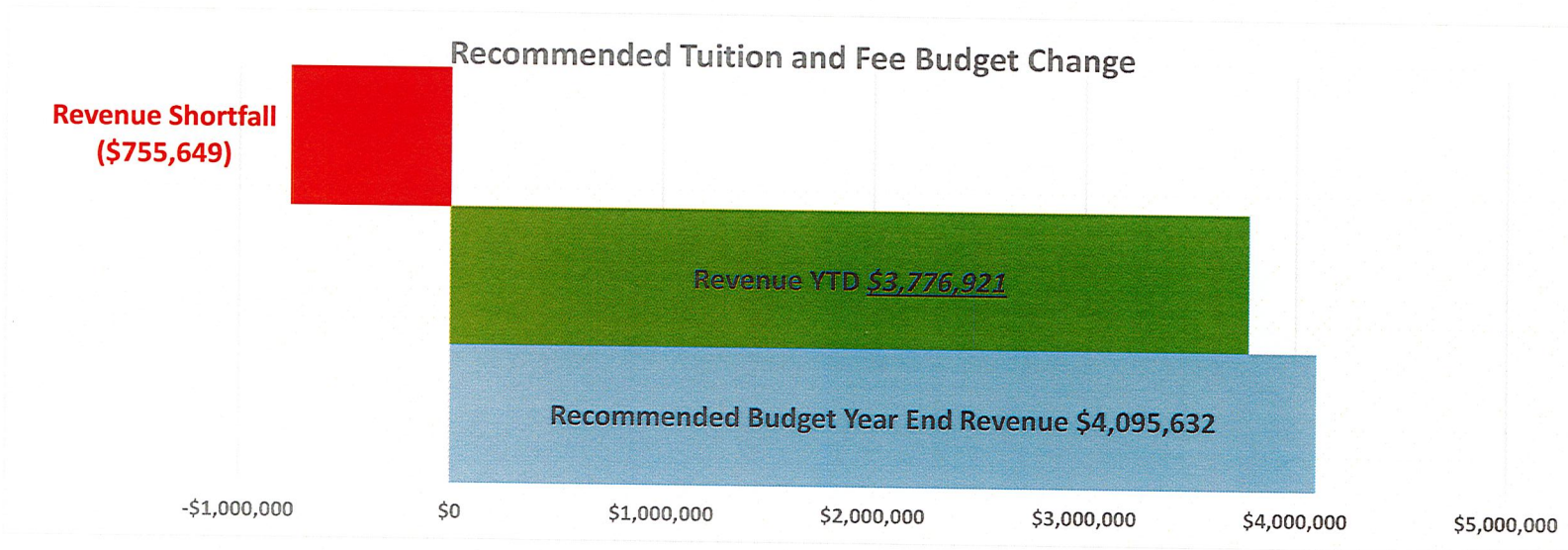
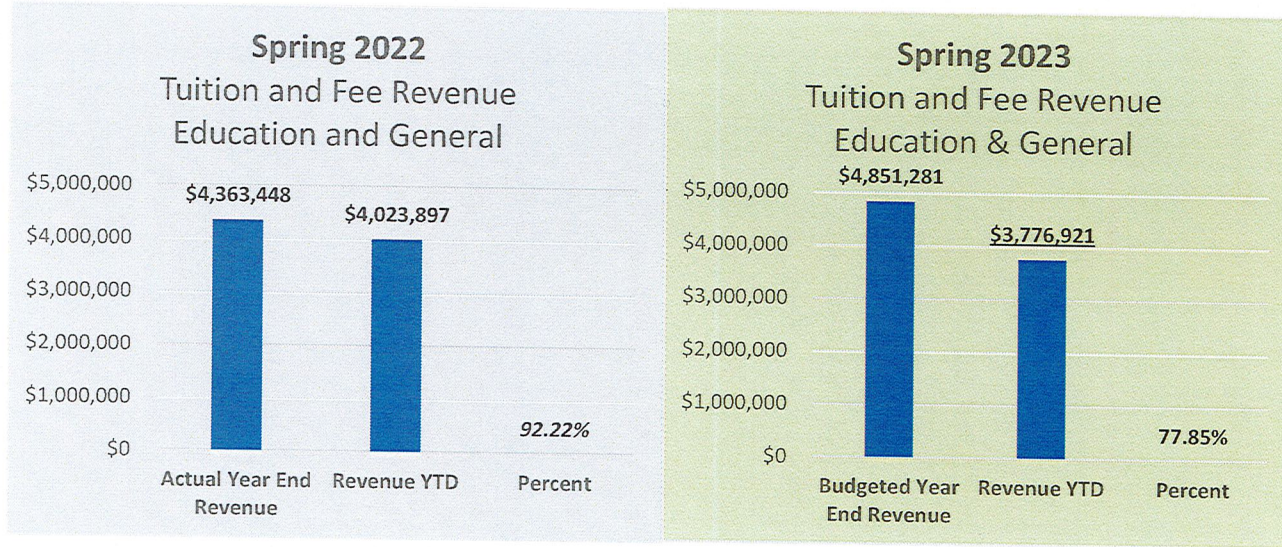
Student Type	Previous Term 202220 - Spring Semester 2022 As of 3/13/2022		Current Term 202320 - Spring Semester 2023 As of 3/13/2023		Differences			
	Count	FTE	Count	FTE	Count	Percent	FTE	Percent
	1 - First-time Freshman	49	41.33	33	28.47	-16	-32.65	-12.87
2 - Returning Student	741	633.60	690	608.80	-51	-6.88	-24.80	-3.91
3 - Readmitted Student	32	26.07	21	13.20	-11	-34.38	-12.87	-49.36
6 - Transfer Student	62	48.47	57	43.40	-5	-8.06	-5.07	-10.45
9 - Other	7	4.40	12	5.13	5	71.43	0.73	16.67
	<u>891</u>	<u>753.87</u>	<u>813</u>	<u>699.00</u>	-78	-8.75	-54.87	-7.28
8 - HS Student Taking College Crs	377	115.33	433	131.87	56	14.85	16.53	14.34
	<u>1,268</u>	<u>869.20</u>	<u>1,246</u>	<u>830.87</u>	<u>-22</u>	<u>-1.74</u>	<u>-38.33</u>	<u>-4.41</u>

This report compares a snapshot of student enrollment by student type in the current Term to the student enrollment on the same day in the previous year's Term. When using this report to help understand enrollments impact on institutional revenues, the enrollment for all student types is calculated before including HS (High School) Students. HS Students pay a significantly reduced tuition rate and therefore has a lower impact on overall institutional revenues.

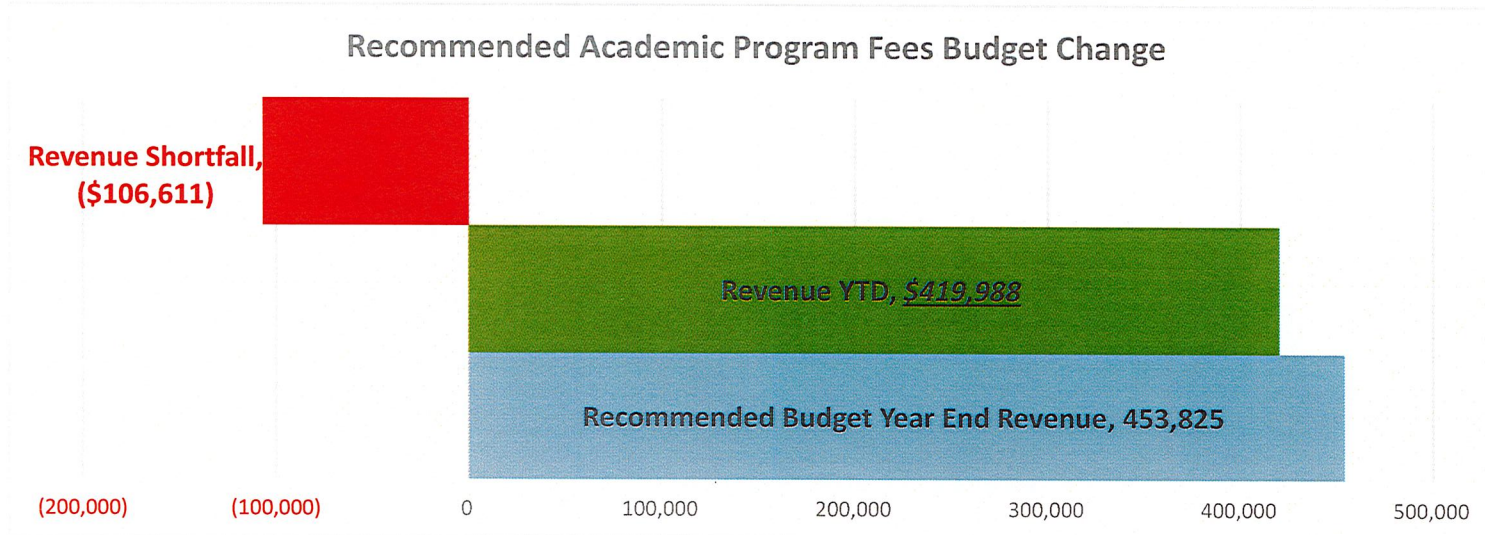
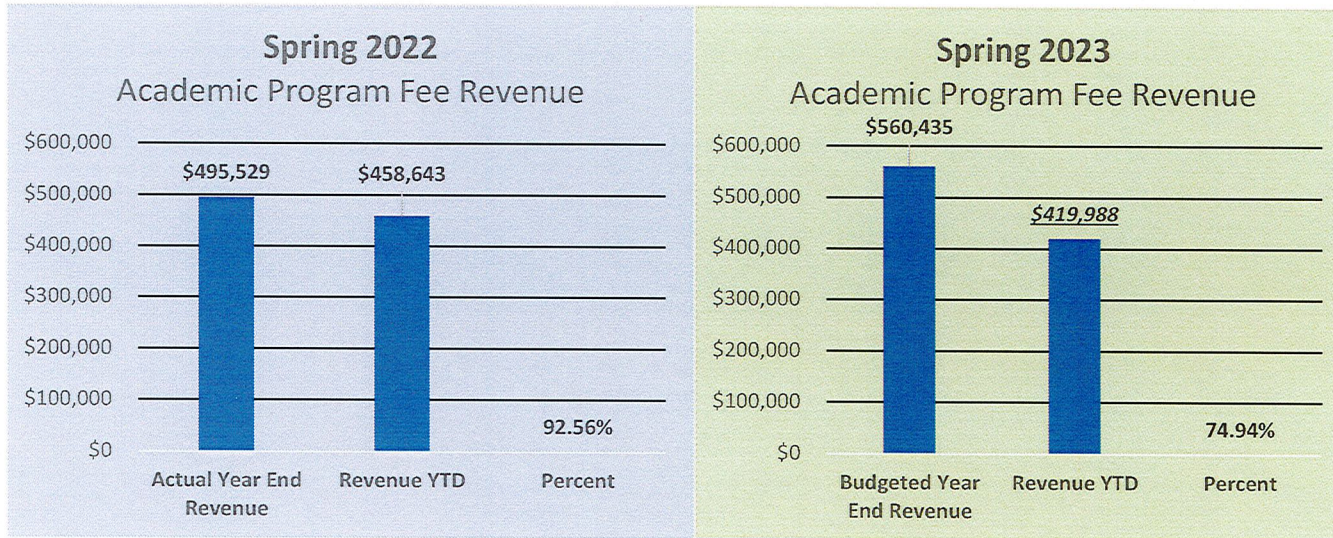
Student enrollment excluding HS Students for Spring 2023 is down 8.75% headcount and 7.28% FTE from Spring 2022 enrollment on March 13.

Note: Due to rounding of FTE and Percentage calculations, there may be slight differences in total amounts.

FY 2023 TUITION AND FEE REVENUE ANALYSIS AS OF MARCH 13, 2023



FY 2023 ACADEMIC PROGRAM FEE ANALYSIS AS OF MARCH 13, 2023



Rationale for Tuition and Fee Increases for AY 2023-24

The Pierpont President's Cabinet is recommending a 10% tuition increase for Academic Year 2023-24. This recommendation is based on a comprehensive review of the factors impacting both the current and next fiscal years.

Current Fiscal Year Factors

- The current fiscal year (FY 23) as of March 2023 has an Education and General Tuition revenue shortfall of approximately \$750,000.
 - Approximately one-half (1/2) of this shortfall is related to enrollment declines.
 - Approximately one-half (1/2) of this shortfall is related to final separation from Fairmont State University and anticipated revenues that did not materialize.
- The current fiscal year (FY 23) as of March 2023 has Program Fee revenue shortfalls of approximately \$100,000 experienced in FY 23.
 - This shortfall is related to enrollment declines.
- These factors combine for a current fiscal year (FY 23) as of March 2023 revenue shortfall of approximately \$850,000.

FY 24 Fiscal Year Factors

- The WV Public Employees Insurance Agency (PEIA) which is the health insurance provider for WV State Employees is experiencing financial issues and WV State Employees and State Agencies have been told to anticipate significant cost increases to both the employee's individual insurance costs and the agencies portion of the employee's insurance costs.
- The most recent communications received identified a possible increase of 26% to the employee's individual insurance costs and an increase of 25% to the agencies' portion of the employee's insurance costs.
- A 25% increase to the agencies' portion of the employee's insurance costs results in increases costs for Pierpont of approximately \$129,000.

General Factors

- Pierpont has not had a tuition increase in three years. In the below chart, which tracks tuition increase of all the WV Community and Technical Colleges since 2017-18 through the current academic year 2022-23, Pierpont's average tuition increase over the past five years is 0.67%. This is the second lowest among all WV Community and Technical Colleges while the average for the WV Community and Technical College System is 2.25%.

**WV Council for Community and Technical College Education
Five-Year Tuition Increases from 2017-18 through 2022-23**

Institution	2018-19	2019-20	2020-21	2021-22	2022-23	Average Increase / (Decrease) 5 Year %
Blue Ridge CTC						
Resident	2.38%	0.00%	0.00%	0.00%	0.00%	0.47%
BridgeValley CTC						
Resident	1.02%	1.01%	1.99%	0.00%	4.00%	1.59%
Eastern WV CTC						
Resident	0.00%	0.00%	9.79%	0.00%	1.91%	2.27%
Mountwest CTC						
Resident	7.21%	4.19%	6.74%	5.11%	2.69%	5.17%
New River CTC						
Resident	0.99%	2.01%	0.00%	4.99%	5.01%	2.58%
Pierpont CTC						
Resident	0.41%	0.00%	3.00%	0.00%	0.00%	0.67%
Southern WV CTC						
Resident	4.79%	5.23%	0.00%	0.00%	4.97%	2.97%
WV Northern CC						
Resident	0.00%	3.26%	1.90%	1.86%	2.39%	1.88%
WVU at Parkersburg						
Resident	6.19%	4.45%	0.00%	0.00%	4.87%	3.07%
System Average						
Resident	2.43%	2.14%	2.50%	1.36%	2.82%	2.25%

- During the past three years Pierpont has experienced increased costs in a variety of areas. The below chart identifies the U.S. Inflation Rate over the last five (5) years with an average inflation rate of 6.6% for the last three (3) years.

U.S. Inflation Rate	
Year	Annual Inflation Rate Percentage
2023	6.4%
2022	6.5%
2021	7.0%
2020	1.4%
2019	2.3%
Cumulative Inflation Since 2019	24%
Average Inflation Last Three Years	6.6%

Plans for FY 24 Budget

The plan to address the above factors and keep the institution on a sound financial footing involves adjustments to revenues, a strategic enrollment plan, and cost reductions. Below are the actions planned for FY 24 to address the above factors.

- Pierpont's current FY 23 Budget as of March 2023 has a positive balance of \$238,873. Approximately \$88,000 of this positive balance resulted from the administrative restructuring completed during the Fall of 2022. With the goal of having a balanced budget for FY 24, this positive balance will be used to address a portion of the identified revenue shortfall.
- As of March 2023, planning for the FY 24 budget has identified approximately \$385,000 in budget reductions to address a portion of the identified revenue shortfall.
- A Tuition increase of 7% is projected to generate approximately \$286,694 in additional Education and General revenues, while the increases requested in Program Fees are projected to generate approximately \$45,000 in additional Program Fee revenues.

The above combined actions result in a balanced budget for FY 24 if it were not for the potential PEIA 25% increase in the agencies portion of the employee's insurance costs. An additional 3% increase to Tuition is needed to address these potential additional costs in FY 24 in order to maintain a balanced operational budget.

Therefore, in order to balance the budget for FY 24 without significant addition budget reductions beyond the \$385,000 identified to date, the President's Cabinet is recommending a 10% tuition increase for FY 24.

As detailed in the chart below 91% of current Pierpont students receive some form of financial aid with Pierpont students receiving the most in WV Invest Grants statewide. All proposed tuition and program fee increases would be eligible for WV Invests Grant funding.

Student Financial Aid, 2020-21 Source Integrated Postsecondary Education Data System (IPEDS)

	Percent receiving aid	Average amount of aid received
All undergraduate students		
Any student financial aid	91%	
Any grant or scholarship aid	59%	\$6,484.00
Pell grants	34%	\$4,184.00
Federal student loans	30%	\$5,869.00
Full-time, first-time, degree/certificate-seeking undergraduate students	90%	

Grants or scholarship aid	88%	\$6,551.00
Federal grants	64%	\$4,656.00
Pell grants	50%	\$4,378.00
Other federal grants	42%	\$1,905.00
State or local grants and scholarships	70%	\$3,647.00
Institutional grants and scholarships	23%	\$992.00
Student loan aid	31%	\$5,009.00
Federal student loans	31%	\$4,907.00
Other student loans	1%	\$4,935.00

Student Financial Aid Other, 20-21
Source WV Higher Education
Policy Commission (WV HEPC)

Source of Aid	Total awarded in 21 aid year
WV Invests Grant	\$1,229,072.00
Promise	\$151,251.00
HEGP	\$851,715.00
PELL	\$2,211,935.00
Federal Loans	\$2,530,283.00

The below chart is a review of Pierpont Students who needed to take out loans to cover tuition costs in Aid Year 21-22. In Aid Year 21-22 76% of full and part time students had 100% of their tuition covered without the need to take out loans.

Tuition Covered by Other than Loans		
21-22 Aid Year	Total	Percent
100 % of Tuition Covered	914	76%
75% of Tuition Covered	70	6%
50% of Tuition Covered	113	9%
25% of Tuition Covered	61	5%
Less than 25% of Tuition Covered	40	3%
Total Students (Full and Part Time)	1199	

Tuition Increase Budget Impact - FY 2024

Current Adjusted T & F Revenue Budgeted Amount: \$4,095,632

Current In-State Tuition Per Semester: \$2,543

Increase Amount	Additional Annual Revenue	Revenue Difference	Impact on In-State Students		New Per Semester Rate	New Annual Rate
			Additional Costs Per Semester	Additional Annual Costs		
10.75%	\$440,280	\$10,239	\$273	\$547	\$2,816	\$5,633
10.50%	\$430,041	\$10,239	\$267	\$534	\$2,810	\$5,620
10.25%	\$419,802	\$10,239	\$261	\$521	\$2,804	\$5,607
10.00%	\$409,563	\$20,478	\$254	\$509	\$2,797	\$5,595
9.50%	\$389,085	\$20,478	\$242	\$483	\$2,785	\$5,569
9.00%	\$368,607	\$20,478	\$229	\$458	\$2,772	\$5,544
8.50%	\$348,129	\$20,478	\$216	\$432	\$2,759	\$5,518
8.00%	\$327,651	\$20,478	\$203	\$407	\$2,746	\$5,493
7.50%	\$307,172	\$20,478	\$191	\$381	\$2,734	\$5,467
7.00%	\$286,694	\$20,478	\$178	\$356	\$2,721	\$5,442
6.50%	\$266,216	\$20,478	\$165	\$331	\$2,708	\$5,417
6.00%	\$245,738	\$20,478	\$153	\$305	\$2,696	\$5,391
5.50%	\$225,260	\$20,478	\$140	\$280	\$2,683	\$5,366
5.00%	\$204,782	\$20,478	\$127	\$254	\$2,670	\$5,340
4.50%	\$184,303	\$20,478	\$114	\$229	\$2,657	\$5,315
4.00%	\$163,825	\$20,478	\$102	\$203	\$2,645	\$5,289
3.50%	\$143,347	\$20,478	\$89	\$178	\$2,632	\$5,264
3.00%	\$122,869	\$20,478	\$76	\$153	\$2,619	\$5,239
2.50%	\$102,391	\$20,478	\$64	\$127	\$2,607	\$5,213
2.00%	\$81,913		\$51	\$102	\$2,594	\$5,188

Board of Governors
Budget/Finance Report FY 2023
Pierpont Community & Technical College
as of February 28, 2023

Pierpont's overall financial structure consists of four primary fund types; unrestricted, auxiliary, restricted, and plant/capital funds.

Unrestricted Funds – Includes those economic resources of the institution which are expendable for any purpose in performing the primary objectives of the institution, i.e, instruction, research, extension, and public service, and which have not been designated by the governing board for other purposes. These funds consist of State Appropriations, not designated for a specific purpose, and general tuition and fees revenues. For fiscal management purposes Pierpont segregates Unrestricted funds into two subgroups; President Controlled Funds and Fund Manager Controlled Funds.

- President Controlled Funds consist of State Appropriations, and general tuition and fees revenues.
- Fund Manager Controlled Funds consist primarily of program fees and lab/course fee funds that are used to cover program specific operational costs.

Auxiliary Funds – Auxiliary funds are a subsection of unrestricted funds. Auxiliary enterprises are activities conducted primarily to provide facilities or services to students, faculty, and staff. Such activities could include residence halls, food services, bookstore, parking, etc. At Pierpont these activities are reported as a separate fund type for fiscal management. Currently parking is the only Auxiliary fund activity and is used to support maintaining parking resources and campus security.

Restricted Funds - The restricted fund group consists of those funds expendable for operating purposes but restricted by donors or other outside agencies as to the specific purpose for which they may be expended. Restricted funds primarily consist of contracts and grants received from federal or state governments for financial aid, research, public service or other restricted purposes.

Plant/Capital Funds – Plant/Capital Funds are a subsection of unrestricted funds used for debt service, capital projects, facilities maintenance and renewal.

SUMMARY UNRESTRICTED FUNDS:

As of the January 31, 2023 Budget/Finance Report, the Unrestricted Budget Balance is \$238,872. This is a decline of \$117 from the previous Unrestricted Budget Balance reported in the January 31, 2023 Budget/Finance Report. This decline was the result of an adjustment to the Salaries expense budget in the President Controlled Funds.

As of this report date, the YTD Actuals for Unrestricted Funds reflect the following:

- The institution has realized approximately 74% of projected operating revenue.
- The institution has incurred approximately 58% of operating expenses.
- The institution has realized approximately 66% of nonoperating revenues.
- The Year-To-Date Actual Budget Balance is \$3,215,981 (Includes \$837,379 captured in lost revenues from HEERF (CARES ACT) Funds).

SUMMARY RESTRICTED FUNDS:

As of this report date, the YTD Actuals for Restricted Funds reflect the following:

- The institution has realized approximately 63% of projected operating revenue.
- The institution has incurred approximately 35% of operating expenses.
- The institution has realized approximately 51% of nonoperating revenues.
- The Year-To-Date Actual Budget Balance is \$676,504.

Pierpont Community & Technical College
Actual vs Budget Statement of Revenues and Expenses
Current Unrestricted (Including Depreciation)

February 28, 2023

		Current	Actual	YTD Actual to
		Budget	YTD	Current Budget
OPERATING REVENUE				
Total:		7,648,704	5,656,078	73.95%
OPERATING EXPENSE				
Total:		15,150,656	8,759,893	57.82%
OPERATING INCOME / (LOSS)		(7,501,951)	(3,103,815)	
NONOPERATING REVENUE (EXPENSE)				
Total:		8,291,698	5,497,060	66.30%
TRANSFERS & OTHER				
Total:		(150,875)	822,737	-545.31%
BUDGET BALANCE UNRESTRICTED		638,872	3,215,981	
Less Depreciation (Net of Capitalized Assets)		(400,000)		
BUDGET BALANCE LESS DEPRECIATION		238,872	3,215,981	

Pierpont Community & Technical College
Actual vs Budget Statement of Revenues and Expenses
Current Restricted
February 28, 2023

		Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE				
Total:		8,005,228	5,069,128	63.32%
OPERATING EXPENSE				
Total:		12,446,732	6,395,236	51.38%
OPERATING INOCME / (LOSS)		(4,441,504)	(1,326,108)	
NONOPERATING REVENUE (EXPENSE)				
Total:		4,716,431	3,244,126	68.78%
TRANSFERS & OTHERS				
Total:		(274,927)	(1,241,514)	451.58%
BUDGET BALANCE		0	676,504	

**Pierpont Community and Technical College
Board of Governors
Meeting of March 21, 2023**

ITEM: FY 2023 Capital Projects Update.

COMMITTEE: Finance/Audit and Administration Committee

INFORMATION ITEM: FY 2023 Capital Project Budgets, Expenditures, and Cash Balances as of February 28, 2023.

STAFF MEMBER: Dale Bradley

Pierpont Community & Technical College
 Project Summary
Capital Plant Funds
 As of February 28, 2023

Projects			
Projects - Funds Transferred	Approved Budget	Actual Expenditures to Date	Unexpended Budget Balance
Caperton Center Expansion - Vet Tech	2,094,326	1,683,134	411,192
Master Facilities Plan	151,700	151,700	0
Early Childhood Architect Design	25,000	24,688	313
Early Childhood Remodel	229,687	191,894	37,793
Vet Tech Relocatoin	10,000	11,377	(1,377)
Small Capital Projects	150,000	133,105	16,895
Culinary Relocation	400,000	249,080	150,920
TOTALS	<u>3,060,713</u>	<u>2,444,978</u>	<u>615,736</u>

Plant Funds Cash Balances at February 28, 2023		
Fund Title	Fund	Cash Balance
Caperton Center Expansion-Vet Tech	3510	411,191.92
Master Facility Plan	3511	-
Early Childhood Architect Design	3513	312.50
Culinary Relocation	3514	150,919.34
Vet Tech Relocation	3515	(1,377.47)
Early Childhood Remodel	3516	37,793.01
Pierpont Small Capital Projects	3570	52,910.94
HEPC Debt Service	3573	132,561.00
Pierpont - E&G Cap & Infrastructure*	3575	866,773.79
Total Cash in Plant Funds on February 28, 2023		1,651,085.03

Cash Balances Available For Capital Projects as of February 28, 2023		
Fund Name	Fund	Cash Balance
Pierpont - E&G Cap & Infrastructure*	3575	866,773.79
Pierpont Facilities Fee	3170	-
Total Cash Balances Available For Capital Projects		\$ 866,773.79

Unrestricted Facilities Fee Fund Projected Cash Balance at June 30, 2023		
Fund 3170		Cash Balance
Beginning Balance		-
Estimated Revenues		570,000.00
NAEC Lease -FY2023 Budget	(full year)	(450,000.00)
Projected Cash in Unrestricted Facilities Fee Fund at June 30		\$ 120,000.00

**For fiscal year 2023, the NAEC lease payments are budgeted from Facilities Fee in the amount of \$450,000. Tuition and fees in excess of the lease payments will be transferred to Capital Reserves at year end.*