



Central Carolina Technical College Area Commission Meeting Minutes

Zoom

5:30 p.m.

January 20, 2022

MEMBERS PRESENT:

Paul Napper, Chairman
Christopher Lee, Vice Chairman
Bobby Anderson, Secretary
Janice Poplin
Ray Reich
Jennett Towles-Mickens
Thoyd Warren
Angela Witherspoon

COLLEGE STAFF:

Kevin Pollock, President
Lisa Bracken, Vice President for Student Affairs
Jeff Thomas, Vice President for Academic Affairs
Beth Young, Vice President for Business Affairs
Diana Reardon, Administrative Assistant to the President

MEMBERS ABSENT:

Terry Hancock
Andre McBride

The meeting was held in accordance with the *Freedom of Information Act, Chapter 4, Title 30, Code of Laws of South Carolina.*

1. CALL TO ORDER AND WELCOME – Paul Napper

Upon the establishment of a quorum, Chairman Napper welcomed everyone and called the January 20, 2022, Central Carolina Technical College (CCTC) Area Commission meeting to order at 5:30 p.m.

2. INVOCATION – Paul Napper

Chairman Napper delivered the invocation.

3. APPROVAL OF MINUTES – Paul Napper

Chairman Napper entertained a motion to approve the minutes of the November 18, 2021 Area Commission meeting, as submitted. A **motion** was made by Mr. Lee and **seconded** by Ms. Poplin. There was no further discussion. The minutes were **unanimously approved**.

4. CONSENT AGENDA – Paul Napper

4. A. REPORTS AND RECOMMENDATIONS

Chairman Napper entertained a motion to approve, object, or remove for discussion, any of the following items in the Consent Agenda:

4. A. 1. Institutional Advancement Report

4. A. 2. Business Affairs Report

- a) Cash, Deposits and Investments as of 12/31/2021
- b) FY21-22 Operating Financial Report as of 12/31/2021
- c) FY21 Comprehensive Annual Financial Report

4. A. 3. Academic Affairs Report

4. A. 4. Student Affairs Report

Ms. Poplin asked about the college's application conversion rate of 32%. Ms. Bracken shared that we will be able to better track that number now that we have the CRM. The college receives a lot of applications from students who don't really plan to attend. Dr. Pollock shared that on a national level, students are now applying to 8-10 schools instead of 2-3 schools as seen in prior years. Dr. Pollock also shared we will have access to national data from Achieving the Dream to compare ourselves to other institutions. Dr. Pollock and Dr. Thomas shared that the college moved from separate development courses to embedding developmental curriculum into gateway courses. This will help with students not having to take and pay for courses that aren't counted towards their degree. There being no objections, or requests to remove for discussion any of the items in the Consent Agenda, Chairman Napper entertained a motion to **approve** the Consent Agenda as submitted. A **motion** was made by Mr. Anderson and **seconded** by Mr. Reich. The **affirmative vote** was unanimous.

5. FINANCE UPDATE – Beth Young

5. A. THREE YEAR FORECAST

Dr. Pollock shared that one of the items he tasked Ms. Young with when she first started working at the college was putting together a three-year financial forecast. We know that things may change with enrollment and the economy, but it's important for us to not only look at a yearly budget, but to also look at where we are projecting down the road.

Ms. Young shared that page 17 in the commission materials booklet begins the three-year forecast which includes forecasting the rest of this fiscal year (FY22) as well as FY23 and FY24. Page 16 in the commission materials booklet included the different revenue and expense assumptions that was used in the three-year forecast. The revenue assumptions for each year shows a decline in enrollment. We know that this year's decline in enrollment was 9% which equates to \$927,00 loss revenue. The decline in enrollment was lowered to 2% for the following two years based on the assumption that we can continue the no cost tuition initiative. Our Higher Education Emergency Relief Funds (HEERF) funding is included in FY22 and FY23, otherwise, all of the other revenue assumptions remain flat compared to the FY22 budget. Ms. Young shared that she did not include any tuition increases in the forecast because she wanted to illustrate where the college would be in three years if we didn't put in any type of tuition increase. Ms. Young also pointed out that in FY23, \$2M in HEERF funding was included to use as loss revenue, however, that is not certain at this point because those dollars expire at the end of this current fiscal year. We have to request a no-cost extension to carry those funds over for one additional year. Ms. Young will know more at the March meeting if we are able to carry those funds over, but feels pretty confident that it will be extended based on conversations with our program manager.

Ms. Young then shared some highlights from the expense assumptions. For FY22, current year trends were carried over throughout the rest of 2022. For FY23 and FY24, a 2.5% increase in wages as well as a 5% increase in benefits was included. Insurance costs continue to rise year after year and the college doesn't always receive enough reimbursement from the state in our portion to cover the increase in benefit costs. Also, a 1% increase in all other expenses from FY22 was included in FY23 and FY24. Mr. Anderson asked how our salaries are compared to other institutions. Ms. Young shared that Dr. Pollock tasked her with completing a review of the overall compensation package for all our employees and how it compares to other technical colleges and peer groups. Ms. Young shared that when an

employee leaves the college they complete an exit interview and lack of compensation is the number one reason given for leaving. Also, faculty teaching load is being reviewed. Faculty are teaching 18 credit hours, but the average across the state is 15 credit hours for the same salary.

When looking at the forecast for FY24, it shows a loss revenue of \$1.5M. Ms. Young shared we are looking at several ways to decrease that amount. Some examples that could help would be a tuition increase, increase revenue through other means, steps to take to increase enrollment, and looking at reducing our spending expenditures. Dr. Pollock shared that he attended the Governor's State of the State Address and the governor stated in his address that he doesn't want to see a tuition increase at any of the public institutions this year. This would have been a good year to include a small tuition increase if we plan to continue the no cost tuition initiative. Dr. Pollock also shared that there are ramifications if we want to cut programs or lower the number of employees. There are rules that the state has put in place that make it difficult. When 77% of our budget is invested in people we are very limited in how we adjust to help with a potential loss revenue of \$1.5M. Dr. Pollock shared the reason we are looking at this three-year forecast now is to think of ways we can make small changes over the next few years before seeing a high loss revenue in FY24. Mr. Lee mentioned adding an item to the forecast that shows at what point with enrollment would we break even with the budget. Ms. Young will look into adding that information.

5. B. F.E. DUBOSE FY22 BUDGET AMENDMENT

Ms. Young referenced pages 18-22 in the commission material booklet. F.E. DuBose is requesting an adjustment for an overall increase of \$255,470 in both revenue and expenditures to maintain a balanced budget. This is primarily due to an increase in their HEERF funding and Restricted Grants. However, these increases in revenue are offset by a decrease in tuition. For the Adult Education budget there is an overall decrease of \$892 which is directly related to a reduction of Restricted Grants and a slight increase in State funding.

Mr. Lee asked the status of moving operations back to the local school district. Dr. Pollock shared that we have run into a few issues. We recently submitted a proposal to the State Technical College System for review. There are two takeaways that we recently learned. The first is the school district is not fully considered consolidated until July 1st. There are questions about the timing of funding request until they are officially consolidated. The second issue we learned is that if we move these sixteen employees to the school district it would be considered a Reduction in Force (RIF) and the president of the college is required to take a one-week unpaid leave of absence. This law still applies even though all sixteen employees would still keep their jobs, salaries, benefits, etc. They would just be reporting to the school district and not the college. The same thing would happen if we decided we needed to close a program. We are trying to work with the technical college system to see if there is a way to move these employees without it being considered a RIF. Dr. Pollock will keep commission members informed of the situation as things progress.

Mr. Anderson asked about the status of the Student Services building project. Ms. Young shared that we have chosen to go through the process of using a construction manager at risk. An architect has been selected and we are working on the contract details. We recently put out a Request for Quote (RFQ) for the construction manager firm and interviews are scheduled in February with the top three firms. Ms. Young will provide more details at the March commission meeting.

Chairman Napper entertained a motion to **approve** the F.E. DuBose FY22 Budget Amendment as submitted. A **motion** was made by Mr. Hancock, and **seconded** by Mr. Anderson. Following discussion, the affirmative vote was unanimous.

6. COLLEGE REPORT – Kevin Pollock

Dr. Pollock shared that he attended a congressional visit at SKF at the beginning of January. We have been working very closely with SKF as they try to grow their workforce. We have been in discussion with them about an apprenticeship program and continue to build a positive relationship.

Dr. Pollock shared that he had a positive lunch meeting with Foundation Chairman Bob Edwards in December. The Foundation has decided to postpone the Major Gifts Campaign based on the college receiving extra funding due to COVID-19. They will revisit the idea of the campaign in a couple years. Dr. Pollock reminded commission members of the All Boards on Board social with Foundation members on February 16th from 5 p.m. – 6 p.m. at the Revolutionary War Visitor's Center in Camden, SC.

Dr. Pollock shared that he recently attended the Ways and Means Subcommittee meeting where South Carolina Technical College System (SCTCS) President Dr. Tim Hardee presented the budget request on behalf of the technical colleges. Among the ask was \$124M to continue the no cost tuition for technical programs for the next two years. Governor Henry McMaster also shared his support of this effort during his State of the State Address. Dr. Pollock shared that the two-year institutions have to put up 20% of a new building cost while four-year institutions are 100% covered by the state. Dr. Hardee included a request in the budget presentation to have the two-year intuitions be covered 100% as well. Dr. Pollock shared the college's budget request that was sent to Representative Murrell Smith. The college requested \$18M for a variety of items including: fire suppression system, elevator upgrades, comprehensive security upgrades, lighting upgrades, miscellaneous deferred maintenance projects, demolition of M100 once the Student Services Building is complete, Main Campus renovations including furniture, fixtures and equipment, HVAC upgrades, roof replacement of M300A&B, M700, and M900, and furniture, fixtures and equipment for the new Student Services building. Also, we put in a request for \$18M for an academic building which is the next step of our Facilities Master Plan, as well as \$1M for site preparation and demolition of M200. The total, if we received all the funding we requested, would be approximately \$37M. We aren't sure if we will receive all of the request, but we should still receive a decent amount this year.

Dr. Pollock shared that McLeod Health has requested to name the Iris Room at the Health Sciences Center. Currently, the requirement to name a room is \$100K and McLeod to date has given \$75K over the past three years. McLeod Health has been one of top donors of the past few years. Dr. Pollock shared that naming rooms is a good fundraising opportunity and maybe it will spur others on to give and be able to name rooms.

In closing, Dr. Pollock suggested starting the March commission meeting a little earlier. The college will be hosting a Sumter Chamber Business After Hours event at our Advanced Manufacturing Technology Training Center at 5:30 p.m. We would like the commission meeting to begin prior to the business after hours event. This allows time for commission members and staff to attend if they would like.

7. CHAIRMAN'S REPORT – Paul Napper

Chairman Napper thanked Dr. Pollock for his attendance to the Governor's State of the State Address and expressed his appreciation for all the work he is doing.

a) Distribution of CCTC Area Commission Bylaws:

Copies of the current CCTC Area Commission Bylaws were emailed to Area Commission members for their annual review.

b) Distribution of SC Ethics Commission Rules of Conduct:

Copies of the SC Ethics Commission Rules of Conduct were emailed to Area Commission members for their annual review.

c) 2022 Conflict of Interest Statements:

Area Commission members were asked to review the Conflict of Interest Statements and sign these for inclusion in the Commission records. A second form was provided to the Area Commission members if there is ever a need to disclose a potential conflict of interest. The completed/signed forms will be available in the President's Office.

8. EXECUTIVE SESSION – Paul Napper

There was no need for an executive session.

9. OTHER MATTERS – Paul Napper

There were no other matters to discuss.

10. ADJOURNMENT – Paul Napper

There being no further business, Chairman Napper entertained a **motion** to adjourn the Central Carolina Technical College Area Commission meeting at 6:46 p.m.

Respectfully submitted,

Bobby Anderson, Secretary

Diana Reardon, Recording Secretary