

THE OFFICIAL MINUTES

The Big Bend Community College Board of Trustees held a study session October 30, 2014 at 11:00 a.m. in the ATEC Hardin Community Room in Building 1800 on the Big Bend Community College campus.

1. Call to Order

Present: Anna Franz
Jon Lane
Juanita Richards
Mike Villarreal

VP Gail Hamburg introduced Charlene Rios, Director of the Business Services, who assisted with development of the budget and will also be presenting today. VP Hamburg reminded all that the operating budget was reviewed last month. The revenues for the operating budget are the state allocation, tuition, and recovery income. The expenditures are for the day-to-day operations of the college. The remainder of the institutional funds, the proprietary budgets and grants, and the financial statements will be reviewed today.

The budget status summary was reviewed in detail. Half of the board reserves in the amount of \$186,635 are kept in the Instruction Goods & Services account and the other half also in the amount of \$186,635 are kept in the Administration Goods & Services. There was \$1,722,233 or 10.81% of the budget remaining on June 30, 2014. This carryover from 2013-14 was due to sick leave buyout savings not being expended and the salary and benefit expenses of the vacant BBT Director position (BBT Director Rick Sparks started in June). Subsequent allocations added \$624,120. The unspent amount of \$1.7 million was added to the 2014-15 budget, leaving \$336,773 additional revenue from reserve.

VP Hamburg referred the trustees to the next sheet titled "Reserve Balances" as of June 30, 2014. The top box of this page includes the administrative carryover fund, administrative fee and interest earnings as of June 30, 2014, totaling \$4,426,403. These same funds totaled \$4,259,053 as of June 30, 2013. The total has increased by \$167,350; none of these reserves are dedicated to BBCC's operating budget.

VP Hamburg explained that the college maintains operating reserves to fund the college for a minimum of three months, which equals \$3.8 million. There are also reserves for unplanned capital repair and replacement, debt reserve to provide for debt payments on the COP, and after paying off the COP, a planned future operations reserve. BBCC could operate for six months on reserves. The ATEC COP is for 9.5 more years. Director of the Business Office Char Rios presented the proprietary funds budgets beginning with the bookstore. The gross profit margin in 2013-14 was 27.5%, which was close to the previous year. The 2014-15 gross profit margin projection is 29.2%. The operating expenditures are a little higher in 2014-15 due to an increase in equipment to upgrade the bookstore software.

The Administration fee of \$7,000 and the ATEC fee of \$23,000 go toward the COP payment. There is a fine balance between access to books on campus and keeping the bookstore profitable. The BCC Bookstore rents about 400 textbooks per quarter. Trustee Mike Villarreal asked about the impact e-books are having on the bookstore. Rios explained some instructors use e-books, and they are for sale through the bookstore.

Director Rios explained that the athletic budget expense increased in 2012-13 when the legislature restricted any state funds from assisting athletics. Approximately 2% of the athletic expenditures were included in the state operating budget prior to that. Athletic reserve monies supplemented the athletic budget, which is made up of 58% of the 9.6% S&A fees that students pay (the remaining 42% goes to ASB). The Women's Softball Team will have a new announcing booth in the spring of 2015. There are no significant changes to the athletic budgets.

There are also no significant changes to the ASB budget. Several BCC staff members promote athletics by wearing new Viking hats on game days. ASB also provides a welcome pack for new student. There are three new clubs: Gay Straight Alliance, L.I.G.H.T. (Living in God's Holy Light), and Veterans club. The Aviation club has also been revived. Director of Student Activities Kim Jackson managed her budget well and left a balance of \$37,639. ASB will bring more nationally recognized speakers to campus this year.

The residence halls have been profitable under Director Hugh Scholte's leadership. Director Scholte presented information to the board. There was a 50% increase in occupancy in 2013-14. There were also additional expenses such as resident assistants, security cameras, roof repairs, and additional security guard hours. The revisions of the JATP program caused a loss in resident hall revenue. Director Scholte is working with BBT to improve the internet experience in the dorms. The Residence Hall budget loaned money for the for grant-funded remodels and \$400,000 has been paid back. STEM has \$630,000 left to repay, and Title V has \$115,000.

Director Scholte shared that this year that occupancy has increased by 14 residents and is up to 170, including seven international students. The fees are increased by \$30 this year and remain competitive with private sector rates (\$930 sharing a room and \$1,110 single occupancy per quarter). The marketing strategy is focused heavily on safety, security, cleanliness, and affordability. A resident assistant lives on each floor.

The Viking Dining Hall budget is getting closer to breaking even.

All of the proprietary budgets are listed in the spreadsheet on page nine. Page ten highlights the proportion of institution funds sources for 2014-15; \$15,325,305 or 50% comes from the operating budget and \$15,520,621 or 50% comes from grants & contracts, and proprietary budgets. The split in 2013-14 was 53% and 47% respectively.

The grants activity information is contained on pages 11-14. The grants listed on pages 11-13 total \$11,534,762, with 58.1% being for Financial Aid. The total of the grants listed on page 14, which are part of the state operating budget is \$1,117,321.

STEM Director Andre Guzman presented information regarding the STEM center remodel. The STEM center houses auto cad, digital logic, and emporium model math classes. STEM support specialist Rafael Villalobos shared about the STEM lab's transition from math support to math, science, and engineering support. Students and tutors use glass as whiteboards. The culture is changing. The old math lab required students to wait in line to access the math experts; in the center, tutors roam to offer assistance to students, and there are lights students can switch on if they require help. The STEM lab also provides help with physics, chemistry, and A&P. Many faculty members also visit the lab to assist students. Last year the data showed 28 students were in the STEM center during any given 15 minutes; that data is up 50% this year. The data for technology usage in the lab is up 300%. Staff and Faculty advisors have worked with Specialist Villalobos as he develops an updated and automated education work plan. He is also working on engineering education pathways and additional materials for inverted STEM classes.

BBCC graduate and Engineer Curriculum Specialist James Saucedo has received good feedback on his new project-based, 3-credit class ENGR110. Students research engineering programs, including locations and requirements, and they receive one-on-one advising with Specialist Saucedo. This class is a result of feedback from the restructured STEM advisory committee, which identified project-based curriculum and soft-skills development as important. Specialist Saucedo is also co-advising the new engineering club, which is working on a remote-controlled submarine.

Director Guzman highlighted STEM partnerships such as CBTech and engineers, and teamwork between administration, staff and faculty, which make STEM sustainable. Board Chair Jon Lane asked about adopting AVID strategies in the STEM area. Guzman explained that STEM programs are beginning to connect with AVID strategies and already use Cornell note-taking.

Dean Clyde Rasmussen talked about the annual \$170,000 Carl D. Perkins grant for preparing students to enter the workforce. This grant funds BBCC's Outreach Coordinator Rita Ramirez and industry-related professional development. Perkins is well used, and Dean Rasmussen ensures the funding is distributed equitably among the eligible programs.

VP Hamburg reviewed the Consolidated Balance Sheet on page 15-16, which summarizes the assets, liabilities, and fund balance. The pooled cash is \$21,491,819 and is listed as an asset and a current liability. The Local Government Investment Pool (LGIP) had a total of \$4,227,705 June 30, 2014. The interest rates are very dismal at .087% June of 2014 and .1236% June of 2013. The bond investments total \$13,466,526 June 30, 2014, and the interest rates have also decreased from an

average of 1.3% last year to .96% this year. The ATEC COP interest rate is 1.967%, and it will be paid off June 2024.

The aging of accounts receivable report is on page 17. The \$651,140 amount on long-term receivables is Perkins loans. VP Hamburg complimented the business office under Director Rios' leadership for managing the receivables well. She stated the cohort default rate for Perkins loans was 4.76% last year and this year it is 3.84% as a result of Barbara Riegel's many phone calls to keep students' payments current.

Pages 19-20 detail the consolidated balance sheet by fund. VP Hamburg explained that the consolidated source and application of funds from page 21 is as close as BBCC comes to an income statement. It lists the revenues and expenses for the year ending June 30, 2014.

The detail by fund of the consolidated source and application of funds is found on pages 22-23. Per the financial indicators from the SBCTC, BBCC is aligned well with operating, reserve and debt ratios. Director Rios' has been investing some funds with a new company. This has resulted in an increase of almost \$9,000 in 2013-14 from the prior year.

Trustee Juanita Richards complimented VP Hamburg for thoroughly explaining the budget.

The meeting adjourned at 12:20 p.m.

Jon Lane, Chair

ATTEST:

Dr. Terrence Leas, Secretary