HILLSBOROUGH COMMUNITY COLLEGE
DISTRICT BOARD OF TRUSTEES
BOARD WORKSHOP
WEDNESDAY, JUNE 23, 2021 – 2:30 P.M.
DR. GWENDOLYN W. STEPHENSON DISTRICT ADMINISTRATION CENTER – BOARD ROOM
39 COLUMBIA DRIVE
MINUTES

The Board Workshop commenced at 2:35 p.m.

The following Trustees were in attendance:

Chip Diehl
Nancy Watkins
Greg Celestan
Brian Lametto
Aakash Patel
Bruce Wills

Dr. Atwater advised that the purpose of the workshop was to provide a final overview of the Fiscal Year (FY) 2021-2022 Budget. Mr. Erdman, Chief Financial Officer, and Ms. Kimberly McMillon, Controller, presented and reviewed the FY 2021-2022 Budget presentation with the Board of Trustees.

Trustee Watkins stated that the budget showed an additional five percent (5%) in tuition revenue and asked if the College is anticipating a five percent (5%) increase in Full Time Enrollment (FTE). Dr. Atwater advised no and that the increase represents the workforce development program. Dr. Atwater advised that beginning in August, lost revenue will be covered by HEERF funding.

Dr. Atwater advised that last year was the first time that the Distance Learning Fee was implemented prior to the pandemic. Trustee Watkins asked if the fee was class specific. Dr. Atwater advised the fee is only applied to Distance Learning classes. He added that HCC was one (1) of only four (4) colleges not charging a distance learning fee.

Trustee Celestan asked how the fee structure would change if in the middle of the academic year, if the College were to have a shift to distance learning again and how those fees would be implemented. Dr. Atwater advised that the fee structure would not change. In 2020, the distance learning fee revenue was projected at 30% but because of the pandemic, it shifted to 70%. Trustee Diehl asked what percentage is projected for distance learning in 2022. Rich Senker, Vice President of Academic Fairs, advised just under 50%.

Trustee Watkins asked if dual enrollment was still in person. Mr. Senker advised no. She asked if K-12 faculty was instructing HCC's online classes. Mr. Senker advised no and that online courses are taught by HCC faculty. Mr. Erdman added that other current expenses are anticipated to increase between $2M-$3M plus $1.5M in Distance Learning expenses.

Mr. Erdman explained actual and anticipated fund balance prior to Governmental Accounting Standards Board (GASB) adjustments. GASB 68 and GASB 75 are required adjustments for mandated retirement costs. The College's Fund Balance is currently well over seven percent (7%). Last year, $20M was transferred from General Fund to Unexpended Plant Fund. He added that once the 2020-2021 FY books are closed, they will look at our Fund Balance and Cash position to see if another transfer is needed.

Dr. Atwater reminded the Board that funds were transferred in 2020 to avoid a situation where the state felt the College had an abundance of Fund Balance; the state had previously taken back $1.4M due to excessive Fund Balance. Current fund balance funds will be used to purchase a new ERP system with an expected cost of $10M, with the remaining balance set aside for deferred maintenance in case the state chooses not to fund it. Additionally, the Allied Health Building loan was paid off early with a debt savings of just over $700K in interest. This is the first time the College has been debt-free in several years.

Trustee Diehl asked if there was something the College was not spending money on that these excess funds could be used for. Dr. Atwater advised there are no funds in the budget for professional development or salary increases. He added that the Administrator Salary Study Phase III and step-increases for faculty and staff are not in the budget. There is no new money to cover these costs.

Dr. Atwater gave a brief overview on what the HEERF Funds can be used for. He explained that nearly $50M has gone to student grants and almost $4.3M in student debt will be written off. The expenditure of the HEERF Funds will go through the normal process of Board approval.

The meeting adjourned at 3:55 p.m.