



Greenville Technical College Board

MEETING MINUTES

Wednesday, September 15, 2021

Truist Culinary and Hospitality Innovation Center, Rooms 104 and 105

Members Present

Paul Batson
James Blakely
Jo Hackl (Zoom)
Hunter Howard
Dean Jones (Zoom)
Ray Martin
Dr. Burke Royster
Coleman Shouse, Chair
Keith Smith
Kenneth Southerlin
David Stafford

Members Absent

Ray Lattimore

Staff Present

Jacqui DiMaggio
Julie Eddy
Artie Hammond
Dr. Abul Hassan
Susan Jones
Lisa Mangione
Becky Mann
Dr. Keith Miller, President
Dr. Larry Miller
Lauren Simer
Wendy Walden
Ann Wright

Guests

Grant Burns, State Tech Board (Zoom)
Stacy Brandon, Greenville Tech Foundation Board
Chair
Ben Kochenower, Cline Brandt Kochenower & Co.
Keith Munson, Rimon Law

Chair Shouse called the meeting to order at 12:33 p.m. and welcomed board members, staff, and guests. Chair Shouse announced that in accordance with the Freedom of Information Act, the press had been notified of the meeting though no representatives from the media were in attendance. Chair Shouse acknowledged that the agenda was posted on the GTC website, and a quorum of board members was present.

Approval of the Minutes

Mr. Batson made a motion to approve the August 18, 2021, minutes as amended. Ms. Hackl seconded the motion. The motion carried.

Finance Report

Mr. Southerlin asked Ms. DiMaggio to present the financial update for August 31, 2021.

Total revenues are 6% below the year-to-date budget and approximately 4% above the prior year actual.

Student revenues are approximately \$1.9 million or 7% below the year-to-date budget and 1% below the prior year actual. Fall Semester enrollment is trending lower than the anticipated level. Summer Semester 2020 was slightly below the prior year actual and budget. The college is continuing to enroll for Fall Semester and late-start classes. Enrollment is 7.1% below last year, and headcount is 6.5% below FTE compared to last year.

County revenues are above the year-to-date budget and the prior year actual. The majority of county revenues are received in the first three calendar months of the year.

State appropriations are right on budget and slightly above the prior year actual. The System Office will receive additional funding for the salary increases from the legislature; however, the final state allocation is unknown until late September or October 2021. The college expects state appropriations to be above the prior year.

Auxiliary services revenue is below the budget and slightly above the prior year actual. The college is starting to see an upward trend with more students using inclusive access and positive numbers from the new café.

Other revenues are significantly below the budget and the prior year actual because of decreases in interest income that generally occur in July. There have been low sales from the instructional programs including dental, cosmetology, and massage therapy. In addition, the Child Development Center was closed for two weeks due to COVID. The college expects revenue to pick back up.

Total expenses are approximately 7% above the year-to-date budget and 12% above the prior year actual.

Salaries are 31% below the budget and on target with the prior year actual.

Benefits are very close to the budget and slightly ahead of the prior year. The legislature has not required the additional 1% be added to the employer's share this year.

Instructional Support expenditures are below the budget and the prior year actual. There were significant increases across the board in preparation for the upcoming semester with the purchase of greater than average quantities of equipment and supplies.

Academic support is very close to the budget and the prior year actual.

Student support was slightly above the budget and the prior year actual because of an effort to increase the staff directly working with students in the Student Success Center.

Operations and maintenance of plant is right on target with the budget and above the prior year actual.

Administrative and general expenses are above the budget and the prior year actual.

Ms. DiMaggio addressed a request from the August meeting on items included in Administrative and General. These expenses include the professional development, marketing, general institutional (auditing, legal fees, insurance), and compensated absences for the entire college. At the end of the year, the appropriate amounts transfer to the appropriate functional unit. Administrative expenses have remained relatively stable over the last five years. The expenses have constituted between 9.5% and 10.1% of the college operating budget. Higher Education Emergency Relief Funds (HEERF) were not included.

Technology expenses are very close to the budget and significantly above the prior year actual.

Auxiliary services expenses are right on budget and above the prior year actual because the bookstore was stocking up for Fall Semester.

Capital expenditures are slightly below the budget and the prior year actual. The college received significant funds from the state that can be used for capital expenses such as equipment.

A recommendation was made to present the revenues and expenses for the bookstore at the next meeting for tracking purposes. It was noted that it is misleading to look at the bookstore's continued decrease in revenue and expenses as an issue of concern because the store is very much a mission-related expenditure.

Ms. DiMaggio provided a year-end update by function.

The total net position increased 5.8 million from June 2020

Financial statements include liabilities related to post-employment benefits. In reality, the liabilities are for South Carolina, but the college must add to the books, increasing revenue by .7% and decreasing expenses by 3.7%. The change in net position excluding the impact of the post-employment benefits is \$8.8 million.

Current assets increased \$5 million, cash and investments increased \$2.9 million, accounts receivable increased \$3 million, and inventories and other assets decreased \$.9 million.

In non-current assets, long-term investments decreased by \$3 million because the college has not renewed certificates of deposit because of low interest rates.

Capital assets with net depreciation increased by \$4.5 million. There was a \$6.2 million increase in construction in progress related to the new Student Success Center. It will not be capitalized until the building is complete. The Benson Campus amphitheater was capitalized in fiscal year 2021. The college had depreciation expenses of approximately \$6.2 million and the retirement of approximately \$1 million in assets that included the former campus police building demolition and the retirement of some old vehicles and outdated equipment.

Summary of liabilities:

Current liabilities increased \$.5 million primarily because of accrued payroll liabilities and unearned income.

Non-current liabilities increased \$13.9 million.

Long-term debt decreased \$3 million. Compensated absences increased \$0.1 million.

Net liability for post-retirement benefits increased \$16.8 million.

Operating revenues increased \$4.2 million.

Tuition and fees decreased \$2.8 million.

Federal and state grants and contracts increased \$4.7 million.

Auxiliary services increased \$1.5 million because the college took some lost revenue funds from HEERF.

Other revenue increased \$.8 million because of the indirect revenues received from HEERF.

Operating expenses increased \$4.5 million.

The college had a \$.3 increase in salaries versus a \$1.2 million increase in benefits.

Scholarships increased \$0.4 million.

Supplies and other services increased \$2.6 million primarily because of COVID-related items.

Depreciation expenses increased \$0.1 million.

Non-operating revenues decreased \$0.6 million

State appropriations decreased \$0.1 million.

Federal and state grants and contracts decreased \$0.7 million, primarily due to Pell.

County appropriations increased \$0.7 million.

Interest income decreased \$0.7 million.

Non operating expenses decreased \$0.1 million related to a decrease in interest expense.

Summary of cash flow:

Cash decreased \$2.2 million.

Cash used by operations decreased \$1.6 million.

Cash provided by non-capital financing activities decreased \$1 million.

Cash used by capital and related financing activities remained stable.

Cash used by investing activities increased \$5.3 million.

The college is holding more cash and short-term investments as expenditures, including the new Student Success Center, so the college would not have to withdraw funds from long-term investments. Interest rates on long-term investments continue to be very low, so the college is generally keeping investments in shorter-term instruments at this point until interest rates are more favorable.

Audit Committee Report

Mr. Howard introduced Mr. Kochenower to present the external audit findings. The college received an unmodified opinion; however, the federal government has now required the college to complete a report of every federal dollar transaction to ensure the college complies. Upon completing the information, the external auditor will review and submit to the committee for approval. On behalf of the committee, Mr. Howard made a motion to accept the report subject to board or committee final approval. The motion carried.

Mr. Kochenower stated there would be new requirements for lease accounting next year.

Mr. Howard announced that the Audit Committee had retained Mr. Kochenower for another four-year term.

President's Report

President Miller introduced Ms. Brandon to provide an exciting announcement about student housing.

- Ms. Brandon reported that the Greenville Tech Foundation board has worked with the college to sell student housing. The Foundation posted the property through the state procurement process. The request closed on August 31, 2021, with one offer that met the requirements. The winning bid was for \$16 million from Grace Community Church in Greenville. The Foundation board met earlier today in a special session to approve the offer and move forward with selling the property to Grace. Grace has a strong interest in providing low-income housing

to people as part of its ministry to those returning to society for a variety of reasons. Ms. Brandon gave a big shout-out to Ms. Ginger Mauney, Ms. Ann Wright, and Ms. Jacqui DiMaggio for helping navigate the required processes. The Foundation board is working on rezoning the land and anticipates closing in early 2022. Grace will work with the Foundation to allow students to remain in housing through May 2022.

- Dr. Larry Miller reported that Amazon Career Choice had asked the college to join its approved education provider network. After one year of service, Amazon associates are eligible for a 95% tuition benefit for courses in over 20 academic programs offered at the college. In the college's service area, 731 Amazon associates are eligible to participate in Amazon Career Choice. The college is in separate talks with Guild, an education benefits company representing several large employers including Wal-Mart and Target.
- Ms. Eddy provided a COVID update. The college is working with DHEC to expand COVID testing for both the community and the college. The college is operating testing sites on each campus, which are open seven days a week from 9:00 a.m. to 6:00 p.m. DHEC has provided 4,437 tests since September 1, 2021, with results received in 30 hours on average. The college saw 40 more positive cases the week of September 5, 2021, but the numbers should decrease from that high, which followed Labor Day weekend.

State Technical College Board Update

Mr. Grant provided the following highlights:

- The State Tech board has three vacant seats. Governor McMaster will fill the seats soon.
- To address a recent building naming matter, the board will re-examine the naming process to help provide guidelines for the technical college system.
- State Tech has a partnership with the Heritage Classic in Hilton Head. The Heritage Classic Foundation has provided \$100,000 a year in recent years to State Tech. The Heritage Classic Foundation hosts an annual fundraising golf tournament, the Congressional Cup, every December.
- The next State Tech board meeting is on September 28, 2021.

South Carolina Association for Technical College Commissioners (SCATCC) Update

Chair Shouse provided a brief SCATCC update. The association is developing a new work plan engaging a commissioner's specific interest or role that will help improve the overall effectiveness of the association for roll-out at the May retreat/workshop.

Commission of Higher Education (CHE) Update

Mr. Batson provided a brief CHE update. The board met on September 2, 2021. President Miller and Ms. DiMaggio were in attendance to discuss funding for the new Arts and Health Sciences building. The college received a unanimous vote to approve the financing.

Old and New Business

There being no old or new business, Mr. Blakely made a motion to adjourn. Mr. Smith seconded the motion. The motion carried.

The meeting adjourned at 1:45 p.m.