REGULAR MEETING

The Board of Trustees of the Stark State College District held its regular monthly meeting at Stark State College at 6200 Frank Avenue NW, North Canton, Ohio 44720 on May 15, 2013.

CALL TO ORDER

Chairman Michael Thomas called the meeting to order at 6:30 p.m.

RECOGNITION OF VISITORS

The following visitors were present: Marcia Addison, Saime Bergman, Deborah Calus-Casey, Erin Castellucci, Lada Gibson-Shreve, Eric Gough, Sara Klink, Gloria Komer, Jonathan Mitchell, Linda Morosko, Irene Motts, Paul Schwitzgebel, Cathy Torgler and Bruce Wyder.

The following administrators were present: Para Jones, Tom Chiappini, Mike Droney, Cheri Rice and John Thornton.

ROLL CALL

The following Board members were present: Kari Groh, Jeffrey Halm, Stanley Jonas, Christopher Maurer, Michael Thomas, Bill Schweizer and Fonda Williams.

PUBLIC REQUESTS

Eric Gough, student and small business owner, asked to speak to the Board on the topic of tuition increases and the impact they have on students. Mr. Gough spoke for five minutes. When he was finished, Chairman Thomas thanked him for taking the time to attend the meeting and express his views.

AGENDA CHANGES

There were no agenda changes.

CONSENT AGENDA

Trustee Maurer moved to discuss the Consent Agenda. Vice Chairman Halm provided the second for the motion. The motion carried.

President Jones and Chief Operating Officer and Treasurer Tom Chiappini provided details regarding several of the items on the agenda.

- The resolution to increase the general fee will result in tuition increasing from $147 per credit hour to $150.30 per credit hour.
- The lease agreement for the incubator space in the Business and Entrepreneurship Center is the second such lease.
- The contract with United Way is to accept funds to continue the Focus on African American Males in Education (FAME) program.
- The modification to the employee contract language resolves some inconsistencies.

Trustee Maurer moved to approve the Consent Agenda. Vice Chairman Halm provided the second for the motion. The motion carried.

Approved on the Consent Agenda were Minutes of Regular Board Meeting of 4/17/13, Minutes of Special Board Meeting 4/26/13, Financial Statements, Personnel Actions, Resolution to Increase the General Fee, Lease Agreement With Kevin Waltermire for Incubator Office, Contract With United Way to Receive Funds for FAME (Focus on African American Males in Education) Grant, Revisions to Employee Contract Section of Policies and Procedures Manual, Revisions to Older Citizens Policy and a New Policy on Mandatory New Student Orientation.

OLD BUSINESS

Feedback on Questions From Discussion on Performance Measures at April Meeting – Para Jones and Mike Droney

During a presentation given at the April meeting, the trustees asked several questions. Vice President Mike Droney was asked to respond to those questions.

The first question asked was if we could provide statistics regarding graduation rates by program. This is not possible at this time, but a program to produce the report is currently being developed.

The next question was how our graduation rates compare to that of other two-year colleges. Stark State went from the 94th percentile of our peer-aspirants with respect to the 3-year graduation rate to the bottom 4th percentile from the 2003 cohort to 2009 cohort. Among other things, tougher Standards of Academic Progress have been put into place to encourage only students with sincere academic goals to enroll at the College.

The last question requiring follow up was regarding the amount of the average financial aid loan over the last three years. Vice President Drony provided the statistics in the table below.

<table>
<thead>
<tr>
<th>FY</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>SSC</td>
<td>$5,532</td>
<td>$6,354</td>
<td>$6,554</td>
</tr>
<tr>
<td>% Pell</td>
<td>54</td>
<td>64</td>
<td>72</td>
</tr>
<tr>
<td>% Loan</td>
<td>64</td>
<td>66</td>
<td>68</td>
</tr>
<tr>
<td>OACC Avg</td>
<td>$4,414</td>
<td>$4,934</td>
<td>$4,922</td>
</tr>
<tr>
<td>Univ Main</td>
<td>$6,370</td>
<td>$6,400</td>
<td>$6,473</td>
</tr>
</tbody>
</table>

Source: OBR

As a follow up, Dr. Jones reported that after discovering Stark State was lending a higher amount than other institutions, she asked for an explanation. It was determined that Stark State was calculating aid based on a higher cost of living expense than other institutions. This is the figure that provides students with funds over and above tuition, fees and books. Since discovering this situation, Stark State has adjusted the calculation in line with other institutions.
NEW BUSINESS

Proposed 2013-2014 Budget – Para Jones, Tom Chiappini, Bruce Wyder

President Jones introduced the budget discussion by explaining that the proposed budget for 2013-2014 was developed with input from faculty and staff as a result of 21 different meetings and 500 written submissions with suggestions as to how the College could be more efficient. The process was spearheaded by a committee of faculty and staff brought together a year ago to examine efficiencies with consult from Tom Chiappini and Bruce Wyder.

At 7:05 p.m., Vice Chairman Halm moved to go into Executive Session to consider the compensation of a public employee according to R.C. 121.22G(1). Trustee Maurer provided the second for the motion. A roll call vote was taken, and all members voted aye.

At 8:08 p.m., Trustee Schweizer moved to return to Open Session. Trustee Jonas provided the second for the motion. The motion carried.

Upon returning to Open Session, Trustee Groh moved to approve a Resolution to Modify the Salary Administration Program for FY2014. Trustee Jonas provided the second for the motion.

Trustee Groh suggested the following revisions:

- After Therefore Be It Further Resolved, both #1 and #2 required changes from “that” to “who.”
- After Therefore Be It Further Resolved, both #1 and #2 required the addition of “less standard payroll deductions” to the end of each item.

Trustee Schweizer suggested the following revision:

- After Therefore Be It Further Resolved, item #2 included a statement reading “actual base wages” and should read “regular base wages.”

Trustee Groh moved to approve the resolution as revised. Vice Chairman Halm provided the second for the motion. The motion carried with Trustee Maurer abstaining.

The resolution was approved as follows:

Resolution

To Modify the Salary Administration Program for FY2014

Whereas, the Salary Administration Resolution 2011-2014 adopted by the Board of Trustees of the Stark State College in June 2011 stated that it was subject to adequate appropriations and revenues approved or affected by the state legislature; and

Whereas, there is a presumption on the part of this Resolution that the state budget legislation will place a limit on the College’s authority to increase tuition and that the same legislation will provide for a lower amount of funding than would have been provided under the current funding formula; and

Whereas, the projected amount of additional funding available to the Stark State College through tuition and state subsidies will not be adequate to pay the costs for the planned salary, benefits and health care increases while continuing to fund necessary operational expenditures.
Therefore Be It Resolved, that the Salary Administration Program Effective July 1, 2013 through June 30, 2014 shall be modified as follows:

1. Salary increase for full-time employees:
   a. Across the board increase of 0%
   b. Graduated Raise = (Max Compa-Ratio - Current Compa-Ratio) x $0
2. Salary increase for part- time employees:
   a. Across the board increase of 0%
3. Graduated pay scale adjusted by 0% for adjunct faculty and full-time faculty overload.
4. The salary policy line adjusted 0% for all non-executive employees, and 0% for executive employees.
5. Employee retirement (STRS, OPERS) contributions as determined by the applicable retirement system.
6. Items 6 – 9 of the original resolution shall remain unchanged.

Whereas, it is the intention of the Board of Trustees to provide additional compensation effective in FY2013 to its continuing employees who will be working for the college after June 30, 2013 in lieu of granting an increase in base pay.

Therefore Be It Further Resolved, that additional compensation is hereby awarded to each continuing employee as follows:

1. On or before June 30, 2013, those employees who are scheduled to be employed full-time after June 30, 2013 will receive a lump-sum payment equal to 3.5% of their base wage or base contract amount for FY2013, less standard payroll deductions.
2. On or before June 30, 2013, those employees who are scheduled to be employed part-time after June 30, 2013 will receive a lump sum payment equal to 3.5% of their regular base wages paid during the period from June 29, 2012 through and including June 14, 2013, less standard payroll deductions.

Further, employees who have notified the College that they will be severing their employment with the college are not eligible for additional compensation.

Further, any employee will not be eligible for this additional compensation if their earnings multiplied by 3.5% is less than twenty-five dollars ($25.00).

Management shall make adjustments to individual contracts and pay rates within this payroll year as necessary to correct errors.

This resolution is being enacted on this 15th day of May in the year two thousand thirteen.

Chairman Thomas thanked the faculty and staff for their input into the well-thought-out-decisions made with regard to the salary and wage package.

Continuation of budget discussion -

Director of Budget Bruce Wyder provided a presentation that reviewed assumptions leading to the proposed 2013-14 budget as well as projections through 2017-2018. He reported that budget assumptions for 2013-2014 include a -5 percent enrollment projection and only a 1.2 percent increase in state funding for 2013-2014. Mr. Wyder pointed out that of all the colleges and universities in Ohio, Stark State’s cost per FTE is the second lowest. He also discussed tuition projections, bad debt, the impact of the modification to the salary and wage package and projections for salary and wages over the next several years. He explained how retirements are expected to bring the salary and wage portion of expenses in line with market comparisons.

The proposed 2013-2014 budget shows revenues of $70,380,175 (.08% increase) and expenditures of $69,283,857 (.04% increase). The amount projected for transfer to the fund balance is $1,096,318.

Trustee Jonas moved to approve the 2013-2014 College operating budget as presented. Trustee Williams provided the second for the motion. The motion carried.
Retreat Follow-up Meeting

The trustees were scheduled for a retreat on May 24 but decided to postpone until a later date.

PRESIDENT’S REPORT

President Jones noted that her report to the trustees had gone out via e-mail earlier in the week. The only thing she added was that there would be 700 students graduating this May and 598 would be participating in the commencement ceremony on Sunday.

EXECUTIVE SESSION

At 8:32 p.m., Trustee Williams moved to go into Executive Session....

To discuss the employment of a public employee according to R.C. 121.22G(1); and

To consider the purchase of property for public purposes according to R.C. 121.22G(2).

Vice Chairman Halm provided the second for the motion. A roll call vote was taken, and all members voted aye.

At 9:15 p.m., Trustee Schweizer moved to return to Open Session. Trustee Jonas provided the second for the motion. The motion carried.

Upon returning to Open Session, Trustee Schweizer moved to approve a Resolution to Proceed with the Purchase of the Cornerstone II Building in Downtown Canton. Trustee Jonas provided the second for the motion. The motion carried.

The resolution was approved as follows:

**Stark State College**
**Board of Trustees**

**Resolution**
**to Proceed With Purchase of**
**Cornerstone II Building in Downtown Canton**

Whereas, Stark State College is an institution of higher education in the University System of Ohio striving to provide economic growth and community prosperity by providing affordable and accessible educational opportunities to citizens of the region; and

Whereas, the College was awarded a $10 million State of Ohio capital appropriation to establish a downtown campus with a focus on energy training; and

Whereas, the region is experiencing a significant need for trained individuals to work in the oil and gas industries; and

Whereas, there is an opportunity to consolidate several current downtown operations.

Therefore Be It Resolved that the Board of Trustees of Stark State College acknowledges that the property at 400 Third Street SE (known as Cornerstone II) would be an appropriate site on which to accomplish the aforementioned goals.

Therefore Be It Further Resolved that the Board of Trustees of Stark State College approves the attached purchase agreement for the Cornerstone II property.
Therefore Be It Further Resolved that the Board of Trustees of Stark State College approves moving forward within the guidelines established by the State of Ohio to purchase Cornerstone II at a cost of $4.9 million.

Signed this 15th day of May 2013.

COMMUNICATIONS

Items of communication were provided in the packet for this meeting.

BOARD ACTIVITY DATES

Board members were asked to review the activity chart and notify the President’s Office of events they plan to attend.

ADJOURNMENT

The meeting adjourned at 9:05 p.m.

_________________________________________  _______________________________________
Michael Thomas, DDS                                Para M. Jones, Ph.D.
Chairman                                              President
June 19, 2013                                       June 19, 2013