



The Peninsula's Community College

Thomas Nelson Community College Local Board
Budget and Finance Committee
February 10, 2022

Members Present: Michael Kuhns, Dr. Linda Reviea, and Curtis Bethany III
Member Absent: Mary Bunting
Guests Present: Dr. Vince Warren, Chair, and Dr. Joyce Jarrett, Vice Chair
College Staff Present: Steven Carpenter, Vice President for Finance and Administration; Tim Crittenden, Business Office Manager; and Geraldine Mathey, Administrative Assistant

Mr. Kuhns opened the meeting at 3:06 p.m.

1. Review of December 9, 2021, Minutes. The committee reviewed and approved the minutes. Mr. Kuhns will recommend the Local Board approve at the next meeting.
2. FY 2022 Second Quarter Local Funds Report. Mr. Carpenter stated this report is similar to the first quarter; revenue continues to be down due to low enrollment, which impacts food service and vending.
 - a. There was concern about the 18% drop in Bookstore revenue; the drop is the result of lower enrollment and some faculty and students using a program called Included, which does not pay a commission. It might be possible to add a commission to this program.
 - b. A question was raised concerning the effectiveness of the College's marketing campaigns. The committee requested a breakdown on the amount spent and if there is a mechanism in place to ascertain the return on investment. They also asked if there was a strategic plan for marketing. Mr. Carpenter explained the majority of the marketing funds went into social media and that a new marketing plan was being implemented. He offered to have staff from Marketing attend the Board meeting to answer any questions and concerns.
 - c. Significant upgrades are planned in the College's parking lots over the next two years. Estimated costs are \$1M for the first year (milling and paving; replacing surface behind Receiving with concrete; replacing sidewalks; new striping; and replacing pavers) and \$.5M for the second year.
 - d. Concerning Construction funds, although the theater will be rebuilt using insurance and state funds any additional improvements or upgrades will be borne by Thomas Nelson.

The second quarter local funds report was approved by the committee and will be presented to the Local Board at the next meeting.

3. Expenses for College Name Change. Mr. Carpenter stated the System Office has hired KPMJ, a consulting company, to work with those VCCS institutions undergoing a name change. Thomas Nelson plans to utilize the Fund Balance to cover related expenses. He noted that the College's Fund Balance is higher than most; based on the College's size it would normally be \$1.2M. When asked if any of the funds in this account would need to be repaid to the Commonwealth or the localities, he replied no. He explained that expenses for the name change would increase as progress is made.

4. Local Funds Budget FY 2023 Discussion. Historically a proposed budget for the next fiscal year would be presented to the Local Board during this time; however, Mr. Carpenter indicated the College is still reviewing the impact of COVID on revenues and expenses. He was asked if other institutions had been approached regarding their strategy on low enrollment, lower revenue, and the possibility of RIFs; he said that, according to Dr. Brannon, many colleges are looking at RIFs. Should the current enrollment remain steady or increase, Thomas Nelson should be fiscally able to get through to the end of June 2023; however, he stated that if enrollment falls the College would need to consider RIFs sooner. The committee recommended that all academic programs be thoroughly reviewed, including the number of enrollments in each, and eliminate those that are not producing; Mr. Carpenter stated that review is currently ongoing. A question was asked about the optimal institution size (staff and departments), based on enrollment; that is also being reviewed, using organizational charts from institutions matching Thomas Nelson.

There are two options to be considered for the FY 2023 budget:

- a. Move the Public Information Announcements budget from Local Funds to State Funds.
- b. Leave the funds as currently budgeted

The committee requested a thorough review of each line item, determine if a need still exists to retain and fund that line item, and to consolidate like items or reduce the budget as deemed necessary. Mr. Carpenter and Mr. Crittenden will assess the current budget in consideration of the recommendations made.

5. Athletics Funding Update. Dr. Brannon will give a presentation on this project in March. Other VCCS schools and the Newport News Shipyard have offered their support. Thomas Nelson's baseball coach reported that 40 students have enrolled because of the College's sports program.

6. Open Discussion. Questions were asked regarding Workforce Development and State budgets. Workforce Development is responsible for developing its budget and is meant to be self-sustaining. This committee does not have oversight on their budget nor on State funds, and only influences how the College uses local funds.

There being no further business, the meeting adjourned at 4:36 p.m.