



**MEETING:** Board of Trustees, Georgia Military College, Bulldog Room, Tuesday, June 20, 2023, 4:00 p.m.

**PRESENT:** Mr. George Hogan, Sr., Chairman of the Board; Members: Ms. Doris Renfroe, Mr. Mike Cobb, Mr. Brooks Snider, Elder Alan Hale Wicker, Mayor Mary Parham-Copelan (arrived late), LtGen William B. Caldwell, IV, President of Georgia Military College; Senator Rick Williams and COL Jim Watkins, Advisory Board Members; and other interested parties.

**BUSINESS:**

1. Chairman of the Board, Mr. George Hogan, Sr., having declared a quorum to be present, called the meeting to order.
2. Chairman Hogan asked for a motion for the agenda to be adopted as presented. Mr. Cobb made the motion with Mrs. Renfroe seconding the motion. The agenda was adopted by unanimous vote. Senator Williams and COL Watkins, Advisory members, unanimously approved as well.
3. Chairman Hogan asked for a motion to approve the minutes from the meetings on January 17, 2023, February 8, 2023, March 28, 2023, and May 9, 2023. Mr. Cobb made the motion, with Mrs. Renfroe seconding the motion. The minutes were approved by unanimous vote. Senator Williams and COL Watkins, Advisory members, unanimously approved as well.

4. **CHAIRMAN'S REPORT**

Chairman Hogan welcomed Senator Rick Williams as our newest Advisory Member, appointed by the Lieutenant Governor of Georgia, Burt Jones. Many here are familiar with Senator Williams as someone who has made Milledgeville his home for many years. His family has been engrained in the community and he has been a faithful servant to the City of Milledgeville and the State of Georgia as a member of the House of Representatives since 2016 and represents District 145. We are excited to welcome him aboard in this new capacity.

5. COL Chip Kirby, USA (Ret), GMC Chief Financial Officer, presented a finance committee update. The update included the following topics:
  - FY23 Year End Update
  - FY24 Governor's State Budget
  - FY24 GMC Proposed Budget
  - Inflation - Consumer Price Index (CPI)

A copy of this report is attached and made a part of these minutes.

6. Chairman Hogan asked for a motion for the approval of the FY24 GMC Budget as presented by COL Kirby. Mr. Cobb made the motion, with Mr. Snider seconding the motion. The FY23 GMC Budget was approved by unanimous vote. Senator Williams and COL Watkins, Advisory members, unanimously approved as well.
7. BG Rock Donahue, Senior Vice President and Chief Infrastructure and Sustainability Officer, gave an update on ongoing GMC Capital Projects. His report included an update on the Academic Center of Excellence (ACE), Center for Leadership (CFL), and the Wilder Hall Restoration, Renovation, and Addition. All of these projects are projected to be complete by November 2023.

8. Mr. Jeff Gray, Vice President of Engineering, gave an update on State Funded MR&R Projects, to include:

- OCB HVAC Replacement of Three Units (Complete)
- Boylan Miller Hall Fire Alarm System Replacement (Complete)
- Boylan Roof Repair (In Progress)
- Cafeteria Kitchen Flooring Replacement (In Progress)
- Convocation Center Chiller Replacement (On Order)
- Grant Paver Repairs and Replacement (Working to Expedite Materials)

9. COL Amy Lee, Preparatory School Principal, gave a GMC Preparatory School Milestones Review. Highlights from this review are:

- 100% graduation rate for the Class of 2023
- 98% of the graduating class will enroll in a post-secondary institution, with two student enlisting in the United States Air Force
- Nine seniors signed to play college athletics.
- Received a score of 98.5 on the JROTC Program for Accreditation (JPA) evaluation. This is an almost perfect score and designates GMC Prep School's JROTC program as an Honor Unit with Distinction and Gold Star status.

10. Mr. Jody Yearwood, Senior Vice President for the Global Online Leadership College, gave an update on the consolidation of the satellite campuses. Highlights include:

- Satellite campuses that were consolidated had another GMC campus within 30 miles
- Conservatively budgeted credit hour missions at newly consolidated locations at 60% of previous years budgeted goal in anticipation of potential student loss
- Preliminary data already shows that 83% of students at the satellite locations that we consolidated have pre-registered for Quarter 1 at their new satellite campus
- Anticipate that we may beat some of our current revenue projections based on current data

11. Mrs. Jill Robbins, Chief of Staff, briefed the Board on the individuals who have signature authority on behalf of Georgia Military College. The three positions that have signature authority are the President, CFO, and our Executive Vice President. With our EVP position eliminated, our Chief of Staff position, currently held by Mrs. Jill Robbins, will also have signature authority.

## 12. PRESIDENT'S REPORT

General Caldwell gave an update to the Board. Highlights from his report are below:

- Gave an example of community partnership and economic impact on Milledgeville: Just finished hosting three JROTC camps since the beginning of June. These camps brought over 700 high school students, from 52 Georgia high schools, and over 1,000 parents to Milledgeville over the last three weeks. We also partnered with Georgia College for a portion of the camps.
- Over 80 students from across the United States have committed to be a Service Academy Prep Scholar at GMC Junior College for the fall! Ten years ago, there were only seven students in our Academy Prep program. It is amazing to see how much the program has grown and to know that GMC is the top provider of Academy Prep students at several U.S. Service Academies.

## 13. EXECUTIVE SESSION

Chairman Hogan asked for a motion to open an Executive Session. Mr. Cobb made the motion, with Mayor Parham Copelan seconding the motion and an Executive Session was called to order by unanimous vote. Senator Williams and COL Watkins, Advisory members, unanimously approved as well.

- Personnel Discussion (O.C.G.A. § 50-14-3(b)(2))

Chairman Hogan asked for a motion to adjourn Executive Session and reconvene regular session. Mr. Cobb made the motion, with Mr. Snider seconding the motion and regular session reconvened by unanimous vote. Senator Williams and COL Watkins, Advisory members, unanimously approved as well.

14. Chairman Hogan asked for a motion to adopt the contract extension for Lieutenant General (Ret) William B. Caldwell, IV, President of Georgia Military College as presented by Mrs. Jill Robbins. Mr. Cobb made the motion, with Mr. Snider seconding the motion President Caldwell's contract extension was approved by unanimous vote. Senator Williams and COL Watkins, Advisory members, unanimously approved as well.
15. The next meeting of the Board was scheduled for September 19, 2023.
16. There being no further business, the meeting was adjourned.



George Hogan, Sr.  
Chairman



Doris Renfroe  
Secretary-Treasurer

Reviewed by: \_\_\_\_\_

LtGen. William B. Caldwell, IV  
President, Georgia Military College

# **Finance Committee Update for the GMC Board of Trustees**

**June 15, 2023**

## **Agenda**

- **FY23 Year End Update**
- **FY24 Governor's State Budget**
- **FY24 GMC Proposed Budget**
- **Inflation - Consumer Price Index (CPI)**

### **May report**

- In May, The consumer price index increased just 0.1% for the month and 4% from a year ago, the latter being the lowest level in about two years. Excluding food and energy, core CPI rose 0.4% and 5.3%, respectively.
- All the numbers were in line with consensus estimates. Markets priced in a nearly 100% chance that the Federal Reserve will not raise interest rates this week.
- Impacts: over past 12-18 months:
  - January 2022: 4% increase
  - June 2022: 9.1% increase (largest since 1981)
  - May 2023: Georgia Power recently proposed a 12% fuel cost recovery increase to customer bills = increase of approximately \$70K
  - June 2023: Plant Vogtle Impact stmt. Electric rates will rise as the construction cost of Vogtle 3 & 4 are included in our rate base.

## FY23 Financial Status

➤ Revenue and expenses:

- Revenue lower than budgeted due to reduced credit hours, changes in state Dual Enrollment program, USG decision to waive test scores, and the COVID-19 pandemic.
- Expense reductions to include idling/closing Satellite Campuses, cancellation of contract services, limited travel, as well as an organization self-examination to improve efficiencies.
- Overall Junior College headcount reduction of nearly 40 positions at our satellites.
- Governor's Amended FY23 State Budget: \$9.79M (increased from \$8.44M)
  - ❖ Junior College: \$4.7M (increased from \$3.7M) (+\$1M MRR Funds = one time event)
  - ❖ Prep School: \$5.06M (increased from \$4.70M) (+\$305k SHBP Teacher premiums)
- -\$978,000 operating loss without HEERF \$s

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## FY23 Operations Summary

(through 5/31/23)

	FY22 Actual	FY23 Approved Budget	FY23 Revised Budget	FY23 Projected Year-End
Revenue	75,865,235	75,325,565	75,325,565	74,690,174
Salaries & Benefits	44,498,409	46,278,435	45,725,241	42,457,372
Travel	402,807	584,611	572,354	383,103
Operating Expenses	23,412,478	23,188,871	22,286,392	24,572,997
Depreciation	4,665,836	4,855,000	4,855,000	4,855,000
Total Expenditures	72,979,530	74,906,917	73,438,987	72,268,472
Net	2,885,705	418,648	1,886,578	2,421,702
				<u>-3,400,000</u>

If you remove HEERF \$ (978,298)

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## Fiscal Year (FY) 2024 Budget Update

- State guidance held agency operational budget amounts equivalent to previous year's budget = no increase for inflation (5% over past 12 months)
- Governor's FY24 Budget did not reflect GMCs Capital Fund requests, these are major repair & sustainment of GMC Main Campus facilities (State Property)
- Employer share State Health Benefit Program per-member/per-month rate increase effective 1 January 2023 (from \$11K to \$15K annual increase per member) and will increase annually over next two years.
- No additional CARES Act & HEERF funding in FY24 (COVID funding)
- What does this mean to GMC; GMC will need to cover an additional unfunded requirement ranging from \$2.0M – \$3.0M

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## Governor's Budget AFY23 and FY24 Budget

	<u>FY 2023</u>	<u>FY 2023 Amended</u>	<u>FY 2024</u>
Prep School	4,705,135	5,060,985	5,631,535
Junior College	<u>3,732,827</u>	<u>4,732,827</u>	<u>3,849,591</u>
Total	8,437,962	9,793,812	9,481,126

Covered in detail on next two slides

## FY24 Governor's Budget

### Junior College

(+ \$116,764 to fund \$1.2M rqmt = -\$1,083,236 additional cost to GMC)

+ **\$118,677** for a \$2,000 cost-of-living adjustment for all full-time, benefit-eligible state employees effective July 1, 2023.

- This will burden GMC with an additional \$814k to cover all employees and employer contributions (TRS/FICA)

Or

- Enough funding for a \$300 C.O.L.A. per GMC full-time employee
- **(\$1,913)** to reflect an adjustment to agency premiums for DOAA administered insurance programs.
- **\$0** to fund the share of employer increases on certified educators who participate in SHBP (uniquely impacts GMC, were all of our JC employees are considered non-exempt. Our SHBP increase analysis (with 3-year phase in plan)
  - FY24: \$474,000 increase
  - FY25: \$1,422,000 increase
  - FY26: \$2,151,000 increase

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## FY24 Governor's Budget

### PREP School

(+ \$926,400 to fund \$1.8 M rqmt = \$870,000 additional costs to GMC)

+ \$419,298 for enrollment growth and training and experience to recognize an 8.5 percent increase in FTE students at the Georgia Military College Preparatory School. State funding only provides ~40% of the total Faculty, Staff and operations per student cost.

+ \$396,240 to fund the state share of employer increases on certified educators who participate in SHBP. Does not provide any funding/\$ for non-certificated faculty and staff. *(State phasing increase in over 3-year period)*

+ \$110,862 in funds to adjust the state base salary schedule to increase salaries for certified teachers and certified employees by \$2,000 effective September 1, 2023.

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## **FY24 Budget Assumptions (1 of 3)**

- **Fact: State funding guidance holds agency operational budget amounts equivalent to prior year (*GMC will be less due to one-time funding*) & no adjustments for inflation**
- **Governor's FY24 Budget did not reflect our three (3) Capital Fund requests**
  - \$817,000 – Wilder Hall FF&E
  - \$2.00M – Governor Vetoed the additional ACE Bldg funds (request to help offset \$2.45M GMC funded, Project total \$4.9M, State provided \$2.5M in 2021)
  - \$930,000 – Major Repair & Renovations, total of 9 projects (FY24 update)
- **Governor's FY24 Budget proposal did not reflect the \$860,000 request to stand-up Georgia Public Safety Leadership Program**
  - GMC will proceed forward with Proof of Principle
- **No additional CARES Act & HEERF funding in FY24**

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## **FY24 Budget Assumptions (2 of 3)**

- **GMC JC credit hour goals reduced from FY23 = less revenue; and therefore, not as many faculty/staff required.**
  - FY23 Credit Hours were 6% below budget estimates
  - GMC continues to seek additional opportunities to offset CH production
  - Board approved 'one' GMC JC tuition rate = \$169 per CH (increased at all sites)
  - Conducted an organization self-examination to right-size JC Satellite operations
    - ❖ Reduced leased space by 50,000 square feet at an initial savings of \$629,000.
    - ❖ Employed various strategies: renegotiating lease agreements, sub-leasing space where able, and reducing the number of buildings across our footprint. These efforts in turn saved unnecessary utilities, security and maintenance costs or a total annual savings/expense reduction of \$956,000.
- **Prep School: SY23-24 add one each 1<sup>st</sup> & 2<sup>nd</sup> grade classes with approx. 20 students/class = add'l 40 students, and faculty support.**
  - Wilder Hall to open by School Year 2024; if we receive FF&E
  - Request Amended FY23 Budget FFE Funding: ~March 2024 determination

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## FY24 Budget Assumptions (3 of 3)

GMC identified \$1.25M in FY24 Capital Projects Funds for nine projects in Milledgeville. Governor’s Budget proposal did not reflect funding for our Major Repair & Renovation (MRR) Funding request

<u>Proposed Projects if approved for State MRR Funds</u>	<u>Dollars</u>
Replace Cadet Dorm Room Access System	\$280,000
Renovations to the Convocation Center (Phase 2)	\$430,000
Clean OCB Exterior and other Stucco buildings	\$100,000
Repair of Library Exterior Walls	\$108,000
Repairs on the Stucco for the North Gate	\$ 82,000
Facility Automation System Upgrade	\$250,000

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## FY24 Budget Guidance

FY24 Budget Guidance provides the framework for Directors and Department Heads to develop their annual operating budget. FY24 budget formulation is synchronized with the Prep School, Community College Campuses, GOLC and Main Campus Strategic Planning timeline.

### Key Guidance:

- Funds efforts supporting our pathways of opportunities: (Main Campus, Community College, Global Online Leadership College and the Prep School) and supports our strategic objectives (Contribute to Student Success, Create Pathways of Opportunities, Think and Act as One Institution, and Invest in the Future of GMC)
- Recognizes decreases with in-seat credit hours and increases with on-line credit hours
- Board already approved Prep School and Junior College tuition increases
- Provides for the approved employee pay raise of 3%
  - Includes already implemented targeted pay raises for various Engineering staff
- Holds operating expenses and travel expenses at FY23 levels wherever possible

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## FY24 GMC Proposed Budget

### Highlights

- Conservative revenue estimates based on prior two-year trends 6%-8% decline in credit hours, our primary source (95%) of revenue
- **Limited State funding** for Junior College pay raises (~\$700,000 shortfall)
- GMC self-funded a 3% pay raise
- **No** State funding for Health Benefit Plan Premium increase for non-certificated employees (~ \$486,000 shortfall)
- Community College operations reflects a reduction to only eight (8) Satellite Campus locations.
- No additional Junior College Federal CARES or HEERF funding in FY24

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## FY24 GMC Proposed Budget

- GMC's proposed budget is presented in summary below.
- GMC requests Board of Trustee approval of the proposed FY24 budget.

	FY22 Actual	FY23 Approved Budget	FY24 Proposed Budget
<b>Revenue</b>	75,865,235	75,325,565	<b>73,955,013</b>
<b>Salaries &amp; Benefits</b>	44,498,409	46,278,435	<b>45,645,277</b>
<b>Travel</b>	402,807	584,611	<b>471,745</b>
<b>Operating Expenses</b>	23,412,478	23,188,871	<b>23,011,243</b>
<b>Depreciation</b>	4,665,836	4,855,000	<b>4,139,127</b>
<b>Total Expenditures</b>	72,979,530	74,906,917	<b>73,267,392</b>
<b>Net</b>	2,885,705	418,648	<b>687,621</b>

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## Capital Projects

- GMC has been debt-free since March 2021 when GMC paid off the Corps of Cadets Baugh Barracks loan to BB&T. The loan was scheduled to be renewed in June 2022 or paid off at that time. GMC elected to pay the loan off early and save approximately \$100,000 in interest costs over the ensuing year.
- In the absence of State Bond Project funds and through fiscal-conservative resource management and Donor Capital funding support; **GMC is able to fund the Center for Leadership construction debt-free.**
- The Academic Center for Excellence was funded with a mixture of State Bond funding and GMC funds. Project is managed by GSFIC with an estimated completion of August 2023.
  - \$2.50M State Bond (Construction)
  - \$2.49M GMC Funds (Construction) ...Governor vetoed the \$2M in the budget
  - \$990,000 State Funds for FFE
- **Request of for the Board of Trustees -- Need Assistance to Secure** Amended Fiscal Year 2023 State funding of \$817K for Wilder Hall Furniture, Fixtures and Equipment (FFE).

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## Legislative Agenda Items

- Capital Project --#1 Priority
  - \$817,000 Wilder Hall FY25 FFE (if not supported during Amended FY24 process)
- Annual Major Repair & Renovation (MRR) Budget for Milledgeville, State Owned / Board of Trustee Facilities -- #2 Priority
  - Request Board of Trustee assistance to secure an additional \$1.25M MRR Funding for several main campus projects
  - Annual GMC State Budget: \$0 for MRR
  - Amended FY23 Budget - House added \$1M MRR (one time funding) for 10 Projects (Milledgeville), remaining projects = \$1.25M
  - FY25. Request Board of Trustee assistance to establish an annual GMC MRR Budget line, similar to how Board of Regents calculates = 1% of Bldg Replacement Value
- Bachelor Degree, BA & BS, for the Leadership College/GOLC -- #3 Priority

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CLOSED MEETING AFFIDAVIT

[A copy of the affidavit must be filed with the minutes of the meeting]

STATE OF GEORGIA  
COUNTY OF BALDWIN  
AFFIDAVIT OF PRESIDING OFFICER

Mr. George Hogan, Presiding Officer of the Georgia Military College Board of Trustees, states under oath that the following is true and accurate to the best of his/her knowledge and belief:

1.

The Georgia Military College Board of Trustees met in a duly advertised meeting on June 20, 2023.

2.

During such meeting, the Board voted to go into closed session.

3.

The executive session was called to order at \_\_\_\_\_ a.m./p.m.

4.

The subject matter of the closed portion of the meeting was devoted to the following matter(s) within the exceptions provided in the open meetings law:

\_\_\_\_ Consultation with the board attorney or other legal counsel to discuss pending or potential litigation, settlement, claims, administrative proceedings, or other judicial actions brought or to be brought by or against the county or any officer or employee or in which the county or any officer or employee may be directly involved as provided in O.C.G.A. § 50-14-2(1);

\_\_\_\_ Discussion of tax matters made confidential by state law as provided by O.C.G.A. § 50-14-2(2) and (insert the citation to the legal authority making the tax matter confidential) \_\_\_\_\_;

\_\_\_\_ Discussion of the future acquisition of real estate as provided by O.C.G.A. § 50-14-3(b)(1);

X Discussion or deliberation on the appointment, employment, compensation, hiring, disciplinary action or dismissal, or periodic evaluation or rating of a public officer or employee as provided in O.C.G.A. § 50-14-3(b)(2);

\_\_\_\_ Other (describe the exemption to the open meetings law):

Signature: *George Hogan Sr*

Mr. George Hogan, Presiding Officer, Georgia Military College Board of Trustees

Sworn to and subscribed Before me this 20<sup>th</sup> day of June, 2023.

Notary Public

Signature: *Joelle Trumbo*

My commission expires: 2/2/24

