TERRA STATE COMMUNITY COLLEGE
Fremont, OH 43420
BOARD OF TRUSTEES SPECIAL MEETING MINUTES
Thursday, March 26, 2026
3:30 p.m. Boardroom B206

The Terra State Community College Board of Trustees met for a special meeting at 3:30 p.m. on Thursday, March 26, 2026, in the Boardroom in the General Technologies Building on the Terra State Community College campus.

Board Members Present: Tim Ellenberger, Nick Gerber, Derek Gerstenberger Mircea Handru, Dr. Jim Lahoski, Jodi Rucker, and Luke Sutter

Others Present: Dr. Ronald Schumacher, Lisa Shuey, Dr. Cory Stine, Dr. Doug Mead, Wayne Yerdon, Kelli Gilbert, Jan Jazwiecki, Regina Mendicino-Dwyer (virtually), Jacob Oetama-Paul (virtually), Veronica Miller, Mike Holewinski, Melissa Ramirez, Amy Beam, Melinda Yerdon, Jim Webber, Krista Weirich, Rob Townsend, and Roger LaPointe

Call to Order

Chair Handru called the meeting to order at 3:30 p.m. Those in attendance recited the *Pledge of Allegiance*. The Mission, Vision, and Values were reviewed.

Roll Call

Roll call was taken.

Changes or Additions to the Agenda

There were no changes or additions to the agenda.

Fiscal Watch

Overview

On March 23, 2026, Chancellor Mike Duffey of the Ohio Department of Education formally declared Terra State Community College in Fiscal Watch.

- What is Fiscal Watch?
  Fiscal Watch was created by the State of Ohio under Senate Bill (SB) 6 in 1997 in order to identify a standard set of measures to monitor the fiscal health of Ohio's colleges and universities.
- Why was Terra State placed on Fiscal Watch?
  Each state university and college in Ohio is required to submit annual fiscal year financial statements for the fiscal year ending the preceding June 30 to the Auditor of State. Ohio Administrative Code (OAC) 126:3-1-01 sets forth criteria that may trigger Fiscal Watch based on the audit of these financial statements. Based on the audit of the financial statements submitted by Terra State for Fiscal Year 2024, the following items were identified including:
  - Failure to obtain an audited year-end report for Fiscal Year 2024 by the state established deadline of October 31, 2024.
  - A reported negative variance between the adopted annual budget for Fiscal Year 2024 and the actual revenues and expenditures at the end of the 2024 fiscal year.
  - Failure to timely pay vendors due to payment processing issues.
  - Further, as of March 23, 2026 Terra State had not yet submitted audited financial statements for Fiscal Year 2025 (however those financials have since been submitted to the Auditor of State).

- What are the Next Steps?
  Within 90 days of the declaration of Fiscal Watch, Terra State must adopt a Financial Recovery Plan with the purpose of ending fiscal watch within three years, which also requires approval by the Chancellor. The Recovery Plan must include (among other items):
  - An analysis of the financial difficulty of the college and the specific items identified in the Chancellor's notice that triggered fiscal watch.
  - A description and analysis of the efforts undertaken by Terra State to resolve these items
  - A financial forecast for three years, including key assumptions that will correct all fiscal conditions at the end of the three-year period.

  Terra State will also be required to consult with the Auditor of State in order to bring the existing financial accounting and reporting systems into compliance.

- What Reporting Requirements must the College and Board of Trustees Satisfy as Part of Fiscal Watch?
  OAC 126:3-1-01 indicates the following reporting requirements:
  - Monthly financial reports approved by the Board of Trustees (or designated committee) of revenues, expenditures and encumbrances consistent with those indicated in the College's Recovery Plan.
  - Quarterly financial reports approved by both the Board of Trustees and Chancellor.
  - Annual financial reports provided by the Board of Trustees to the Chancellor, Governor, and Auditor of State (among others).

- What Steps Have Already Been Taken to Address Fiscal Watch?
  Terra State has already taken important steps to address the items identified in the Chancellor's notice including:
  - Establishing a Board Finance Committee
  - Enhancing process controls within the Finance Department
  - Launching cost saving measures, such as the solar field installation and changes to our healthcare insurance provider
  - Implementing new technologies and systems, including ADP for HR services, the TouchNet Payment Solutions portal, and the migration to Ellucian Colleague

- How can Terra State Exit Fiscal Watch?
  The Chancellor shall terminate fiscal watch when:
  - The College achieves a SB6 composite ratio of at least 2.40 for the fiscal year.
  - The College has successfully addressed and remediated all the conditions that led to the fiscal watch.
  - No other conditions exist that could result in a declaration of fiscal watch.

  Note that the Chancellor reserves the right to terminate Fiscal Watch prior to the 3-year Recovery Plan timeframe if they deem the criteria above has been met.

Discussion

For the duration of fiscal watch, the board has to give approval to the College for any expenditures outside the approved budget.

- *Can the board give authority to the Finance Committee to give this approval?*
  Attorney Mendicino-Dwyer advised that it would have to be action by the full board (so the board could not delegate authority to the Finance Committee). ODHE has the final word on this, and it is defined in Ohio Administrative Code (OAC) Rule 126:3-1-01, paragraphs (D)(1)(d) and (D)(1)(e).

- (D)(1)(d): Establish a process by which the board of trustees or a committee thereof will undertake monthly reviews of revenues, expenditures, and encumbrances consistent with the financial recovery plan required by paragraph (D)(1)(a) of this this rule.
- (D)(1)(e): Approve and monitor the monthly levels of expenditures and encumbrances and require supporting documentation to substantiate any departure from any approved level.

Attorney Mendicino-Dwyer at first noted that because the "or a committee thereof" was mentioned in (D)(1)(d) but not in (D)(1)(e), it means that (e) cannot be delegated to a committee. She advised that it would be worth checking with the Chancellor (or the Auditor of State, as that office will be regulating and making sure that Terra is following the letter of the law) to see if it could be allowed to be delegated to a committee – but as the statute reads, it cannot.

After further review of the statutes, the attorneys advised that the Finance Committee is able to review the finances and expenditures each month.

- *Can the Finance Committee meet virtually rather than in-person for these meetings and follow all of the public meeting regulations?*
  Attorney Mendicino-Dwyer answered in the affirmative, as long as our board is following its own approved policies. Chair Handru reminded the board that our virtual meeting policy follows the State's mandates, so that the board is not able to change the requirements to suit the board.

Chair Handru recommended that the board consider a motion to give authority to the Finance Committee authority to the Finance Committee to approve expenditures of the College pending clarification and approval in writing that the committee is able to approve those expenditures. He noted that if the answer is that the Finance Committee is not able to do so, we will have to call a full board meeting to approve expenditures.

- *Could the board approve a committee of four trustees dedicated to approving expenditures?*
  Attorney Mendicino Dwyer advised that this could theoretically be done; however, it would be considered a public meeting and therefore subject to all mandates of the Open Meetings Act.

  She suggested that the board consider holding a special meeting of the board each month with a narrower agenda of considering and approving expenditures.

Executive Session* **R-2026-13**

Trustee Rucker made a motion pursuant to Ohio Revised Code Section 121.22 to enter into Executive Session to consider: Personnel, specifically, appointment/employment, dismissal, discipline, promotion, demotion, compensation, and investigation of charges or complaints against, a public employee. Trustee Sutter seconded the motion. Roll call was taken. Voting *aye* were Trustees Ellenberger, Gerber, Gerstenberger, Lahoski, Rucker, Sutter, and Chair Handru. The Board Chair declared the motion passed at 4:27 p.m.

Return to Public Session* **R-2026-14**

Trustee Rucker made a motion to return to Public Session with a second by Trustee Gerber. Roll call was taken. Voting *aye* were Trustees Ellenberger, Gerber, Gerstenberger, Lahoski, Rucker, Sutter, and Chair Handru. The Board Chair declared the motion passed at 5:59 p.m.

Revisiting Agenda Item No. 5:

- *Does this requirement to approve all expenditures outside of the approved budget begin now, or after the approval of the recovery plan?*
  The board review and approval of all expenditures outside of the approved budget will start after

the recovery plan is adopted, according to the Attorney General's Office counsel. Terra State can have the full board meet, but if it chooses to delegate that authority to the Finance Committee, it is able to do so.

As this approval is not needed until after the 90 days (when the recovery plan is submitted), the recommendation to make and consider the originally proposed motion was paused.

- *If, in 90 days, the board delegates authority to approve expenditures outside the College's approved budget to the Finance Committee, are there restrictions on the Finance Committee member who made the motion to approve in committee regarding making the motion or voting on the motion during the full board meeting?*
  This would be a question to verify with ODHE, according to the Attorney General's Office counsel.
- *There is a contract not included in our budget to complete a function of Stark County that needs approved by March 31st. Can this be approved by the board today?*
  It is not necessary, as the recovery plan has not been accepted yet, according to the Attorney General's Office counsel.

Adjournment* **R-2026-15**

Trustee Sutter made a motion to adjourn, and Trustee Lahoski seconded the motion. Roll call was taken. Voting *aye* were Trustees Ellenberger, Gerber, Gerstenberger, Lahoski, Rucker, Sutter, and Chair Handru. The Board Chair declared the meeting adjourned at 6:05 p.m.

**Indicates agenda items requiring a motion and a vote*