Office of Finance Reports:

- **Monthly cash flow and investment status report:** The District’s Treasurer prepared the FY 2007 monthly cash flow report through August 2007 for today’s meeting. No significant changes to report at this month’s meeting.

- Cameron Laird, the District’s investment manager of Robeco, USA (Weiss, Peck & Greer), will be presenting at today’s Finance Committee meeting the status of investments under management and present new benchmark that will be used in monitoring the performance of the portfolio.

- One final treasury item, last month’s Treasurer’s cash flow report on the actual results for fiscal year end for FY 2006 activity resulted in an additional $28 million negative variance is due to the delay in City of Chicago’s capital reimbursements for Malcolm X College and other colleges renovation projects due to the City’s Corporate Counsel legal review of the 1999 bond’s Intergovernmental Agreement governing the flow of funds.
  - Since March 22, 2001, the City of Chicago has reimbursed the District for $78 million of about $130 million in planned District 1999 G.O. bond capital projects.
  - The last payment the District received from the City was in April 2005.
  - About $44 million in requested project advances and reimbursements are being delayed by the City. The Malcolm X College project receivable totals $33.4 million of this amount.

2.1.2 BUDGET/FINANCE UPDATE

Budget Update:

- During August, the Finance Office allocated an additional $3.5 million in approved Student Retention Initiative and $710,888 in Student Success Grant funds to improve student retention. We will be working with the Executive Vice Chancellor and the Presidents in developing a mechanism to monitor the spending and measurable outcomes of this initiative.

- Truman College became the fifth City College to implement the outside student tuition payment plan thru FACTS to help provide students another option and reduce internal staffing requirements.

- On August 23, Business Services and Admin Services are hosting an MBE/WBE Vendor Work Shop at the Parrot Cage Restaurant as a way of reaching out to outside agencies and increasing MBE/WBE participation in CCC’s business.

- Property Taxes: Received the 2005 Agency Tax Report and the 2005 Equalized Assessed Valuation by Split Agency Report from Office of Cook County Clerk.

- SIRS Issue: Worked with General Counsel and Human Resources to resolve how part-time employees time is reported to State pension system.

- Required ICCB Reports: Certified for ICCB the FY 2007 Tuition and Universal Fee rates Per Hour on August 14, 2006. The Finance Office submitted the ICCB Unit Cost Report this week.

- Reduce payroll suspense errors: Last year, the Finance Office and Human Resources worked closely in FY 2006 to improve the assignment of position numbers to new hires to improve accuracy of payroll postings. This year, on August 11, a workshop was held to more efficiently and accurately save hours of reconciling and correcting payroll suspense errors by updating Special Assignment procedure. Additional workshops are planned for other areas of the colleges and the district offices to tighten the manual processing of payroll input.
2.1.2 BUDGET/FINANCE UPDATE-continued

Audit Status:

Executive Audit Committee—

- An Executive Audit Committee meeting took place on August 15 to review the Deloitte & Touche LLP’s external audit FY 2006 audit work plans, Washington, Pittman & McKeever’s status on internal audits and other District audit activity.

External Audit—

- Met with auditors this morning at 8:00 AM. Most of the initial August 3, 2006 “prepared by client” or PBC audit tasks required by Deloitte & Touche LLP are completed.

- Audit kick-off meeting for the Information Technology Systems was held on September 5, 2006.

- The Finance Office closed the books for FY 2006 on August 29, two weeks later than planned August 15 commitment. Struggled with reconciling the new PeopleSoft Student Information System financial aide records. (Note: Last year, the books were not closed until November 2005.)

- Other key audit tasks in progress are:
  1) Final review of August invoices for any major remaining FY 2006 invoices;
  2) Final review of posted payrolls and suspense corrections in Education Fund and Grant Funds;
  3) Physical inventory of all major assets completed. Administrative Services will initiate a detailed property inventory during Fall 2006.
  4) Colleges will continue on-going work to clean Student accounts and to review financial aid. Reconciliation of the MAP award is completed.
  5) Aon’s actuarial calculations for sick pay, Other Post Employment Benefits (OPEB), life insurance, Medicare Part D, and Workers Compensation are completed. (Note: Last year these calculations were completed in January.)

Internal Audit Status—

Washington, Pittman & McKeever is implementing projects detailed in the FY 2007 work plan: (1) continuing the audit of Grant Administration; (2) closed out Administrative Services audit; (3) reviewing and compiling internal controls for District Officers review; (4) completed General Accounting on closing out IDHS reporting requirement for FY 2005; (5) at the colleges, WPM is reviewing continuing education, student financial services, and business office operations. (6) WPM is reviewing the Students Academic Progress (SAP) procedures in conjunction with the Financial Aid Audit by the Department of Education (DOE) and the Illinois Student Assistance Commission (ISAC).

Other Activity:

- Continuing Internal Revenue Service (IRS) audit follow-up meetings took place in August.
- The US Department of Education audit of FY 04, FY05, and FY06 Truman College’s Title IV Student Financial Aid records. Finance Office, OIT and WPM staffs are performing pre-audit readiness review. The kick off meeting with USDOE auditors is Monday, September 11, 2006.

Annual Programs and Services Analysis (APSA): During August, the Finance Office’s worked with the Office of Research and Analysis to complete a data book and presentation materials. We expect to update APSA cost model for FY 2006 by end of September.

Monthly Micro City Purchases: The District’s monthly Micro-City purchases report for the month of July 2006 totaled $1,019,615.

2.1.3 PROCUREMENTS REPORT

Several resolutions before the Board this month pertain to the District’s Finance Office as follows:

Section 1 – Resolutions:

No Finance Office items this month.
2.1.3 PROCUREMENTS REPORT- continued

Section 4 - Agreements

4A- (OFFICE OF HUMAN RESOURCES) – Amendment of Board Report 26922 dated September 8, 2005 to extend current agreement with HIRERIGHT, Irvine, California for two months to continue to provide pre-employment and background investigation services from September 7, 2006 through October 31, 2006 in an amount not to exceed $10,800 in order to allow more time to complete the evaluation of the proposals for these services.

Investigation related to prior payments to HireRight is being conducted. Status will be reported in the future.

4B- (ACADEMIC AFFAIRS) - Agreement with the National Association for the Education of Young Children for an accreditation review, peer site visits, accreditation determination for the period of October 1, 2006 through June 30, 2007 in the amount of $42,000.

4C- (ACADEMIC AFFAIRS) - Agreement with Best Practices Training, Inc. to provide facilitation services for the District’s 2011 Strategic Planning Process from September 7, 2006 through August 31, 2007, at a cost not to exceed $99,000.00.

4D- (ACADEMIC AFFAIRS) - Agreement with Health Education Systems, Inc. (HESI) to deliver the comprehensive examination for the period of September 7, 2006 through September 6, 2007 in an amount not to exceed $17,500 and to provide a review course for Fall 2006, Spring 2007, and Summer 2007, as well as review examinations for the fall, spring and summer semesters, in an amount not to exceed $90,000, for a total cost of $107,500.

4E- (ALL COLLEGES) – Amendment of Board Report 26368 dated September 9, 2004 to extend the agreement with Chicago Area Interpreter Referral Service, 2545 W. Peterson Avenue, Chicago, IL to provide services to hearing-impaired students at all City Colleges on an as-needed basis from September 9, 2006 through September 8, 2007 at a cost of $45.00 per hour for a total contract amount not to exceed $170,000.

4F- (DALEY COLLEGE) – Amendment of Board Report 26976 dated October 5, 2005 to revise the partnership agreement with Aviation Professional Education Center (APEC) to decrease the tuition for the different programs specified in the contract with all other terms and conditions remaining the same for the three year program.

4G-(HAROLD WASHINGTON)- Ratification of the license agreement and payment in the amount of $5,675 for license rights rendered from June 1, 2006 through August 31, 2006 and execution of a license agreement with Dallas Telecourses for the period of September 1, 2006 through August 31, 2007 in the amount of $15,750.

4H- (HAROLD WASHINGTON) - License agreement with Annenberg Media for the license rights to thirteen telecourses for the period September 7, 2006 through August 31, 2007 in the amount of $25,350 plus an enrollment fee of $22 per student.

4I- (TRUMAN COLLEGE) - Agreement with Wilson Yard Development I, LLC to provide parking space for student and staff at 1109 W. Wilson on the portion of the Wilson Yard owned by Wilson Yard Development I, LLC from October 1, 2006 through September 30, 2007 in the annual amount of $12,000 to be paid on a monthly basis at $1,000/month.

4J- (WRIGHT COLLEGE) - Internship agreement between Illinois State University and Wright College for the services of Amanda Hudson from September 8, 2006 to August 8, 2007 in an amount not to exceed $20,790.

4K- (Wright College- Humboldt Park Vocational Education Center for Latino Technology Center) - Agreement with Tilton, Kelly + Bell Architecture, Chicago, for Design-Build Services for the interior renovation at Wright College’s Humboldt Park Vocational Educational Center for the Latino Technology Center beginning September 8 and ending no later than November 1, 2006, for an amount not to exceed $65,000.
2.1.3 PROCUREMENTS REPORT - continued

WALK-ON BOARD REPORT

OLIVE-HARVEY COLLEGE - Agreement with Dynamic Educational Systems Inc. (DESI) to perform case management and job placement services from September 8, 2006 to December 31, 2006 in an amount not to exceed $45,000.

OLIVE-HARVEY COLLEGE - Agreement with Employment and Employer Service to perform case management and job placement services from September 8, 2006 to December 31, 2006 in an amount not to exceed $45,000.

Section 6 – Purchases

6A- (WYCC-TV20) - Public Broadcasting Service, Alexandria, VA in the total amount of $270,000 for WYCC TV20’s participation in the Program Differentiation Plan (PDP).

6B- (WYCC-TV20) - E2V Technologies Inc. Elmsford, NY in the total amount of $36,000.00 for the purchase of a transmitter tube for WYCC TV20.

6C-(ALL COLLEGE) – McGraw Hill Inc in an amount not to exceed $250,000 for the purchases of required testing materials through June 30, 2007.

6D-(KENNEDY-KING) - Amendment of the funding information for the purchase of three 4x4 Ford Escape from Sutton Ford, Matteson, IL for $83,025.

6E - (KENNEDY KING) - Amendment of the funding information for the purchase of a Clarus 500 Gas Chromatograph Spectrometer from PerkinElmer for $31,000.

Section 7- Informational Reports

7D- Monthly Utility, Postage and Other Expenditures Report for June 2006:

• AT & T.................................................................$11,768.90

• Krueger International (Wright College).........................$14,830.85
  o Purchase of furniture though the Illinois Community College Purchasing Consortium

Office of Administrative Services Reports:

• Board Reports:
  - 4K Construction Design Build Services for Wright College’s Humboldt Park Vocational Education Center to design and build out the space to accommodate the Latino Technology Center, awarded to Tilton, Kelly + Bell Architecture of Chicago, Illinois for an amount not to exceed $65,000 for a period beginning September 8, 2006 and ending no later than November 1, 2006.

• Construction Update of the New Kennedy-King College Campus:
  - As of August 30, 2006, construction for the new Kennedy-King College Campus is 33% complete.
  - The Public Building Commission (PBC) and McClier have hired 14 City College students for the NKK Project, with a contractor interview session for additional qualified students tentatively planned for the third week of September.
  - At this time, Minority Businesses have received approximately 38% of the dollars paid out by McClier while Women-Owned Businesses received 4%, totaling for the project overall 19% and 1.2% respectively.
  - Community hires comprise 18% of the project and 55% are City residents.
• Several other issues of note have arisen in the last month. It appears that funds for the Furniture, Fixture and Equipment (FF&E) budget are being utilized to cover building costs that should have been covered in the original construction projections of McCluer and the PBC. City Colleges originally proposed a $35 million FF&E budget in 2002 but finds it was reduced by the PBC to $29 million for Kennedy-King and $3.5 million for McCluer's fees, necessitating the reallocation of resources to meet the College's educational needs. Administrative Services maintains that revisions and additions to the base building should be taken from the construction costs provided in the PBC's GMP Agreement, or the contingency fund agreed upon by the PBC and McCluer, or seek payment through errors and omissions insurance coverage rather than reduce the resources for the academic, administrative and student services that directly impact the Kennedy-King students.

• Hard hit in the reallocation of funds has been the Media Education Center for WYCC and WKKC. The budget is impacted by covering the higher labor cost due to the use of electricians from Local 134 when broadcast electricians from Local 1220 have a lower wage rate and are more qualified to perform the installation. To address this situation, City Colleges will seek a waiver from Local 134 once the installer has been identified as a means to manage costs and redirect the funds to equip the studio.

• City Colleges has also requested that Resolute Consulting be removed as a sub-contractor to McCluer since their actions exceeded their original scope of disseminating information about construction site progress to the community and involved job placement with the contractors.

• Assist Agency Outreach
  - Administrative Services hosted with Procurement Services a luncheon meeting at the Parrot Cage for over 40 Minority and Women Business Enterprise Assist Agencies on August 23, 2006 to provide information on our contracting opportunities. Other certifying agencies also attended. We plan on hosting such events on an annual basis, following up with the businesses during the year.

Office of Information Technology:

The Office of Information Technology reports that:

• The registration process was very successful with good response time during our peak period. We registered in the credit career over 32,000 students of which over 5,000 registered via self service. The help desk tickets decline an average of 60% compared to last fall. The majority of tickets were resolved same day and the rest was resolved the next day. I must congratulate the Colleges on the hard work, knowledge of the system, dedication and determination to provide service to our students.

• Blackboard usage is up 30% compared to last fall. We have to date over 1200 on-campus courses using the system. We also started the design of an on-line new employee's orientation. We will work with HR to develop this initiative.

• IT is working with Kennedy-King and Administrative service on the review of technology bids for the new college

• IT has started the upgrade of our financial system from the technical perspective, installing the new version 8.9. We will compare our current version to determine new/changes of functions and will begin to schedule meeting late September to review the changes and new functionally.

• IT is working with the Colleges, Finance and Academic affairs departments to resolve student's financial aid issues from last fiscal year.