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**APPROVED – BOARD OF TRUSTEES COMMUNITY
COLLEGE DISTRICT NO. 508
JULY 12, 2012**

**BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508
COUNTY OF COOK AND STATE OF ILLINOIS**

MINUTES

**FINANCE COMMITTEE MEETING
AND PUBLIC HEARING/FY2013 BUDGET
THURSDAY – JUNE 28, 2012
KENNEDY-KING COLLEGE, GREAT HALL, 6301 S. HALSTED,
CHICAGO, ILLINOIS 60621**

Pursuant to provisions of the Public Community College Act, as amended, of the State of Illinois, County of Cook, a meeting of the Finance Committee of the Board of Trustees of Community College District No. 508 and Public Hearing on the FY2013 Budget was held on Thursday, June 28, 2012 at 6:00 p.m. at Kennedy-King College, Great Hall, 6301 S. Halsted, Chicago, Illinois 60621

ATTENDEES

TRUSTEES

***Chair, Paula Wolff
Vice Chairperson, Ellen Alberding
Trustee Marisela Lawson***

CHANCELLOR

Cheryl L. Hyman

CHIEF ADVISOR TO THE BOARD

Jaime Guzman

GENERAL COUNSEL

James Reilly

ASSISTANT BOARD SECRETARY

Regina M. Hawkins

OFFICERS OF THE DISTRICT

***Craig Lynch, Chief of Staff and Enterprise Services
Jim Frankenbach, Chief Operating Officer
Kenneth Gotsch, Chief Finance Officer
Alvin Bisarya, Vice Chancellor, Strategy and Institutional
Intelligence
Joyce Carson, Vice Chancellor, Business Enterprise
Diane Minor, Vice Chancellor, Administrative Services***

OTHER ATTENDEES

<u>NAME</u>	<u>DEPARTMENT</u>
<i>Shawn Burnett-Whitaker</i>	<i>Senior Staff Attorney – Office of the General Counsel</i>
<i>J R Dempsey</i>	<i>Interim Vice Chancellor/Chief Financial Officer</i>
<i>Rebecca Ford</i>	<i>Associate General Counsel</i>
<i>Various District Personnel</i>	
<i>Members of the Public</i>	

I. CALL TO ORDER

Vice Chairperson, Trustee Ellen Alberding called the meeting to order at 6:00 p.m. and asked that everyone rise for the pledge of allegiance.

II. ROLL CALL

Vice Chairperson Alberding asked the Assistant Board Secretary to call roll:

Chair Paula Wolff	Present
Vice Chair Ellen Alberding	Present
Trustee Marisela Lawson	Present
Trustee Everett Rand	Absent
Trustee Larry Rogers	Absent

III. REMARKS/VICE CHAIRPERSON

Vice Chairperson Alberding opened the meeting by thanking, President, Dr. Joyce Ester and the school community at Kennedy-King College for hosting the meeting of the finance committee and the public budget hearing. Vice Chairperson also thanked the Chancellor and the District’s senior leadership for their hard work on the FY13 budget.

Vice Chairperson addressed the agenda of the meeting. First Chancellor Hyman will make introductory remarks. Then, members of the senior team will follow with an

overview of the budget planning process and highlights of the FY13 budget. The final portion of the meeting will be open for questions from the public about the budget.

The communications team set up an interactive town hall format and accepted questions via social media, conference call and from members of the public who were present and filled out comment cards. Vice Chair Alberding introduced the Chancellor

IV. WELCOME REMARKS – CHANCELLOR CHERYL HYMAN

Chancellor Hyman thanked Vice Chair Alberding and welcomed everyone to City Colleges 2013 interactive budget town hall meeting. The Chancellor reiterated that the budget hearing was opened up to a wide audience by broadcasting live and accepting public comments via Facebook, Twitter and a conference call line in addition to questions from the public who joined at Kennedy-King.

The Chancellor stated that the budget being presented reflects an effort to deliver the highest quality, most affordable education for students, all the while remaining a responsible steward of taxpayer dollars. The Chancellor noted that the budget is balanced without any increase to tuition or property taxes and reflects careful strategic planning.

Every dollar proposed is tied directly to one of the academic or health goals that all roll up to helping City Colleges achieve its overarching vision of student success. This means that every dollar spent, and everything done at City Colleges, will be focused on preparing students to either move on to further education or head directly into a career in a growing field. City Colleges will be able to measure progress towards those goals. The budget came together through months of hard work and departments started at zero. The Chancellor asked college faculty and department heads what they needed to succeed, and budgets were built from there.

The Chancellor commended the finance department and the Reinvention team for leading this effort. This budget builds upon the strong foundation that has been set over the last two years. Listed below are just a few of City College's achievements.

- Through the elimination of redundancies and increased efficiency, the city colleges have saved \$41 million that has freed up resources to bolster instruction and student supports.
- Reduced benefits liability by more than \$1 million a year with reforms that include: ending sick day payouts for new non-union hires, freezing them for current non-union employees, increasing health insurance co-pays and deductibles, and ending premium-free lifetime retiree health care for senior CCC leaders.

- Reached a seminal new labor agreement with AFSCME, which

represents adult educators. For the first time at City Colleges and Illinois, up to 8 percent of adult education instructors' compensation will be tied to progress toward state achievement goals.

- Reached a new contract with Local 1708, the Federation of College Clerical and Technical Workers, which will save taxpayers an estimated \$3.5 million.
- City Colleges has streamlined its business enterprise operations – that includes TV and radio stations, catering, daycare centers and bookstores, enhancing revenue to generate nearly \$1.2 million dollars improvement in operating results.
- Academically, the graduation rate has increased from 7 percent to 10 percent, and is the highest in more than decade. With more than 3,000 graduates, CCC's Class of 2012 was the largest in a decade. While leadership is not yet satisfied with these figures, it is an indication that the reforms are beginning to bear fruit.
- Under the leadership of Mayor Emanuel, CCC launched the College to Careers initiative to revamp occupational programs, beginning in three industry areas – healthcare at Malcolm X College, Transportation, Distribution & Logistics at Olive-Harvey College, and a newly-announced Business, Entrepreneurship and Professional Services focus at Harold Washington College. College to Careers will allow CCC to better prepare students for high-growth careers and help the region fight unemployment by addressing the area's skill gap.

This success is guided by a new leadership team. The organizational structure has been rethought – and, for the first time, documented – to emphasize responsibility and accountability.

With the support of the Mayor and the Board of Trustees and the commitment of CCC faculty and staff, CCC is on its way to becoming a best in class urban community college system.

V. INTRODUCTION/FY13 BUDGET/OVERVIEW

Vice Chancellor of Strategy, Research and Organizational Effectiveness, Alvin Bisarya walked the committee through a power point presentation which addressed District goals and objectives and budget highlights, [[http://apps.ccc.edu/brpublic/2012/june/FY13 Budget Presentation 2012-06-28.pptx](http://apps.ccc.edu/brpublic/2012/june/FY13%20Budget%20Presentation%2012-06-28.pptx), pages 4-10.]

- Plans and Budgets are Focused on Four Performance and Four Health Goals
- Reinvention Performance Goals
- Four Organizational Health Goals

Vice Chancellor Bisarya also informed the committee that Interim Vice Chancellor, JR Dempsey would address the numbers pertaining to the budget.

VI. BUDGET HIGHLIGHTS

Interim Vice Chancellor of Finance and Chief Financial Officer, JR Dempsey addressed the highlights of the budget, through the same power point presentation, Pages [[http://apps.ccc.edu/brpublic/2012/june/FY13 Budget Presentation 2012-06-28.pptx](http://apps.ccc.edu/brpublic/2012/june/FY13%20Budget%20Presentation%2012-06-28.pptx), pages 12- 41.]

- Major Steps of the Unrestricted FY 1013 Budget Planning Process
- CCC Applies a Zero- Based Budgeting Approach
- FY 2013 Budget Legal Notice Steps
- Civic Federation Recommendations from FY 2012 Budget Analysis
- Distinguished Government Finance Office Budget Presentation Award

BUDGET OVERVIEW

- Integration of Annual Plan and Budget Processes
- FY 2013 Budget Status
- Unrestricted Operating Funds
- Where CCC Funding will come from in FY 2013
- CCC's Sources of Funding
- Other Sources of Funds
- Tuition and Fees
- No Property Tax Increase for Calendar Year 2012
- Unrestricted State Funding – FY 2012 vs. FY 2013
- Plan on Less State Funding

- Where does the money go?
- Expenditure by Object – Changes
- Expenditures by Program

- Restricted Grant Funds
- Grant Funding FY 2013
- Enterprise Funds
- Enterprise Fund by Department FY 2013
- Capital Project Funds
- Capital Improvement Plan Sources and Uses
- FY 2013 Capital Plan \$144.2 million
- Performance and Health Highlights
- Operating Budget Allocation Across the Four Performance and Four Health Goals
- Academic and Student Support Highlights
- Operations Highlights

[[http://apps.ccc.edu/brpublic/2012/june/FY13 Budget Presentation 2012-06-28.pptx](http://apps.ccc.edu/brpublic/2012/june/FY13_Budget_Presentation_2012-06-28.pptx)] which he detailed the process.

Interim Vice Chancellor also informed the committee that there will be another public hearing, at the July 12th board meeting.

VII. FINANCE COMMITTEE Q&A SESSION

Vice Chair Alberding asked the Finance Committee to pose any questions or comments they may have regarding the FY13 budget, then the public would be allowed to pose their questions.

Question: Expenditures by Program, Page 45 – Are their benchmarks that are standard in the industry that we should know about and how does the expenditures compare to other community colleges nationally? [Alberding]

Interim Vice Chancellor JR Dempsey responded by informing Vice Chair Alberding that the team did benchmark against other community colleges nationally and that the Finance Department will be able to provide this information.

Question: CCC's Sources of Funding, Page 22 - How does the 15 cents of every dollar received that comes directly from the students compare to other schools nationally? [Lawson]

Interim Vice Chancellor JR Dempsey responded that they he would be able to research some of the numbers nationally in order to benchmark the City Colleges against those institutions.

The Chancellor added that on page 24 Interim Vice Chancellor Dempsey benchmarked against local community colleges, since many of CCC's students are local, and that City Colleges compares favorably against them. The Chancellor added that the team would look at national trends.

Question: In regards to the Level Up Program it was mentioned that there were 800 applicants for spots in Level Up verses 100 that participated last year. Are there enough slots for all of the applicants? Also, since there are 800 new students coming in, what percentage of new students does that make up? [Alberding]

Vice Chancellor Bisarya informed Vice Chair Alberding that CCC has slots for more than 800 students, and that the initial goal of 700 has been exceeded. Vice Chancellor Bisarya added that the total number of new students was approximately 13,000 students. Level Up has been scaled significantly from last year, but still only makes up a small number of new students coming in. While it will continue to be a key part of the bridge for new students that opt in, CCC is also putting resources into working with CPS to get a fully scalable model

The Chancellor also responded that the number is still far below from our total population, but there has been a significant increase being just one year, we will keep building every year.

Question: What is the source of the \$134 million that is available for capital purposes? Page 36 [Wolff]

Interim Vice Chancellor Dempsey informed the Chair that the money comes from salary salvage (if a position has already been budgeted and is vacant for part of the year, the funds become available for us to transfer.

Question: Is it cost effective to update the strategic plan monthly, is there a system? [Wolff]

Interim Vice Chancellor Dempsey addressed the question by informing Chair Wolff the way the interim financials are set up they it automatically recalculates the financials when monthly updates are made. Chancellor Hyman added that this is both inexpensive and effective.

Question: Grant Funding, Page 32 – How do the grant trends compare to previous years: 2010, 2011 and 2012. In which direction are we going in terms of grants? [Wolff]

Vice Chancellor Laurent Pernet responded that the grants department could provide the committee with a five year plan. Vice Chair Alberding wanted to note that in future years we should not look at the grant process as a trend line.

VIII. PUBLIC Q&A SESSION

Vice Chair Alberding began the public participation session by inviting Vice Chancellor Laurent Pernet to begin to read questions that had been collected from the comment cards, social media and the conference call line.

Ms. Melinda Kelly from the Chatham Business Association, filled out a comment card: The Chatham Business Association is a strong partner to Olive Harvey College. Will the Board fully support the budget of Olive-Harvey College?

Vice Chair Alberding, Chair Wolff and Trustee Lawson all responded yes.

Mr. Stephen Dejoie, Program Director filled out a comment card and added further comment in person: Asset Illinois, part of the Illinois Department of Human Services, supports individuals receiving grants at various City Colleges. As resources become scarce, Mr. Dejoie wanted to explore the possibility of partnering with the City Colleges on leveraging some of the district's grant budget to support those individuals. Mr Dejoie asked if there would be opportunities to discuss partnering on the CCC grant budget.

Vice Chancellor Pernet agreed to have a member of his team meet with Mr. Dejoie regarding this possibility. Mr Dejoie added that he is a product of the City Colleges at Malcolm X and that his father was a faculty member at Kennedy King College.

Stacey Bailey, CPS parent asked a question online: Does the City Colleges of Chicago have any programs that guarantee jobs within 6 months, as is promised by some other universities such as Westwood College?

Vice Chancellor Bisarya addressed the question by explaining College to Careers, [<http://www.ccc.edu/menu/pages/college-to-careers.aspx>]. In industry areas with large numbers of unfilled jobs due to a skills gap, the City Colleges is partnering with industry to fill those jobs. We have already begun to focus on healthcare, manufacturing, transportation and logistics. This means that students coming to the City Colleges will be pursuing career paths in areas with strong job prospects.

Chancellor Hyman added that CCC cannot give a false promise on guaranteeing a job after graduation. What CCC can guarantee, is a quality, low cost education with relevant skills. CCC can guarantee that it has strong industry partnerships such as

Allscripts, Rush University and others working with faculty on curriculum that is relevant to their skills needs. This has already resulted in Allscripts hiring 49 CCC graduates. CCC can guarantee that Mayor Emanuel, who is a supporter of City Colleges, has put \$2 million into paying up to the first six weeks of salary for students that are hired by some of CCC's industry partners. As long as the industry partners are confident that the skills CCC is teaching here are relevant, Chancellor Hyman is confident that students will be able to get jobs, and those are the types of things that CCC will be placing its efforts on.

IX. ADJOURNMENT

Vice Chair Alberding thanked the Chancellor's team, college presidents, staff and members of the public present.

Vice Chair Alberding asked for a motion to recommend the proposed tentative budget to the full board at the July 12th board meeting.

<Motion> Trustee Lawson <Second> Chair Paula Wolff

The motion passed unanimously.

Vice Chair Alberding called for a motion to adjourn the meeting

<Motion> Trustee Lawson <Second> Chair Paula Wolff

The motion passed unanimously.

Vice Chair Alberding adjourned the meeting at 7:18 p.m.

Submitted by: Regina Hawkins