

**32530**  
**APPROVED – BOARD OF TRUSTEES**  
**COMMUNITY COLLEGE DISTRICT NO. 508**  
**JANUARY 8, 2015**

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

**MINUTES**

**FINANCE AND ADMINISTRATIVE SERVICES COMMITTEE MEETING**  
**NOVEMBER 17, 2014**  
**DISTRICT OFFICE – 226 W. JACKSON BOULEVARD, ROOM 300**

Pursuant to provisions of the Illinois Public Community College Act, as amended of the State of Illinois, County of Cook, a Finance and Administrative Services Committee meeting of the Board of Trustees of Community College District No. 508 was held on November 17, 2014 at 1:00 p.m., District Office, 226 W. Jackson Boulevard, Room 300, Chicago, Illinois 60606.

**ATTENDEES**

**TRUSTEES**

Ellen Alberding (present via conference call)  
Clarisol Duque  
Larry Rogers, Sr.  
Paula Wolff, Chair

**CHIEF ADVISOR TO THE BOARD**

Leah Heinecke-Krumhus

**ASSISTANT BOARD SECRETARY**

Candace Montgomery

**CHANCELLOR**

Cheryl L. Hyman

**INSPECTOR GENERAL**

John Gasiorowski

**OFFICERS OF THE DISTRICT**

Joyce Carson, Vice Chancellor Finance/CFO  
Jim Frankenbach, Chief Operating Officer  
Craig Lynch, Chief of Staff  
Jerrold Martin, Vice Chancellor Information Technology  
Diane Minor, Vice Chancellor Procurement and Administrative Services

**OTHER ATTENDEES**

Shawn Burnett-Whitaker	CCC-District Office
Roberto Concepcion	CCC-District Office
Kai Davis	CCC-District Office
J.R. Dempsey	CCC-District Office
Steve Saba	CCC-District Office
Joe Evans	McGladrey
Bryan Hallene	McGladrey
Michelle Horaney	McGladrey
Tara Leja	McGladrey
David Robydek	McGladrey

**I. CALL TO ORDER**

Committee Chair Duque called the November 17, 2014 Finance and Administrative Services Committee meeting to order at 1:06 p.m.

**II. ROLL CALL**

The Assistant Board Secretary called roll:

Ellen Alberding	Present (via conference call)
Clarisol Duque	Present
Larry Rogers, Sr.	Present
Paula Wolff	Present

**III. WELCOME REMARKS**

Committee Chair Duque made remarks regarding her chairmanship and thanked Chair Wolff for the opportunity. She also thanked the administration for briefing her on the financial matters of the District prior to chairing the committee.

**IV. AGENDA ITEMS**

The full presentation of agenda items can be viewed [here](#).

Speakers: Vice Chancellor Joyce Carson, Vice Chancellor Diane Minor, Associate Vice Chancellor Cynthia Grunden, Internal Auditor Roberto Concepcion, Joe Evans-McGladrey and Tara Leja-McGladrey

**1. Review of Committee Schedule**

VC Joyce Carson provided an overview of proposed agenda items for the 2015 Finance and Administrative Services Committee meetings.

**2. McGladrey LLP Presentation of the June 30, 2014 Audit**

Joe Evans and Tara Leja presented on the audit process, required communications and their relationship with the District's Internal Audit team. They also shared information regarding their review of District's IT related systems, internal control matters and federal reporting requirements.

With regard to the internal audit function, Ms. Leja mentioned that in some instances the external audit team is required to re-perform the work of the internal auditor. Trustee Wolff asked what percentage of the work is re-performed. Ms. Leja stated that 20%-30% of the work is re-performed.

**3. Management Response to Audit Findings and FY2015 Financial Update**

VC Joyce Carson presented on the management's response to the FY14 audit findings, management's comments on the FY14 audit results and the FY15 financial update.

Trustee Wolff asked if the issues regarding the Federal Perkins Loan would be resolved with the management response of submitting the audit to DOE. Chancellor Hyman stated that it is her hope that it will be resolved. However, DOE may respond with additional requirements. CCC will work with DOE until the matter is resolved. Trustee Duque asked if there is a timeline. VC Carson stated that there is no timeline.

VC Carson spoke about Executive Order 2014-1 regarding the City Contractor Base Wage. She noted possible ramifications of contractors passing on the cost of increased wages. Chair Wolff asked about the legal process surrounding the increased cost of service for existing contracts. Chancellor Hyman noted that the increased cost would be applied to the contracts that are re-bid upon expiration.

**4. Financial Aid Overview**

AVC Cynthia Grunden provided an overview of student financial services. She outlined key responsibilities, the financial aid process and significant grant programs.

Trustee Wolff asked about programs that would be ineligible for financial aid. AVC Grunden stated that certain certificate programs are ineligible and often students are ineligible if they are taking courses for enrichment or employment but are not seeking a certificate or degree.

Trustee Rogers asked if there are programs to fill the void of the reduced grant funding. AVC Grunden mentioned CCC related scholarships through the foundation. However, students typically seek out loans to fill gaps.

Trustee Alberding asked how much assistance is provided to students in navigating the financial aid process. AVC Grunden stated that the Financial Aid Office provides hands on assistance with FAFSA. In February, there are activities surrounding financial aid awareness and financial literacy. CCC also partners with Ladder-Up to host events

district-wide regarding financial aid and provide assistance in completing FAFSA applications.

Trustee Rogers inquired about out-of-pocket tuition. AVC Grunden stated that most of the students are fully covered with grants and additional financial aid. Trustee Rogers also asked about the average tuition cost. AVC Grunden stated that the average cost of tuition for a full-time student is \$1,400 per semester.

Trustee Wolff asked how many years of data will be reported with regard to the gainful employment regulations. AVC Grunden stated that this information is unknown at this time. However, she assumes three years based on prior practice.

Trustee Rogers asked why there is a projected increase in default rates for Kennedy-King College. Chancellor Hyman noted that Kennedy-King houses the French Pastry programs which are the most expensive programs in the District. Almost all of the students in this program have loans.

## **5. Internal Audit Updates**

Internal Auditor, Roberto Concepcion provided an update on the internal audit.

Trustee Wolff asked if any of the audit activities were special requests. Mr. Concepcion stated that three of the audits were the result of special requests; the veteran affairs education benefit review, the student financial aid verifications files review and the COLA analysis.

## **6. FY2014 District-Wide M/WBE Participation**

VC Diane Minor provided an update on M/WBE participation.

VC Minor noted that participation is credited to either MBE or WBE, not both even if the vendor is certified as both. Trustee Wolff asked if the District makes that determination. VC Minor stated that firms self-identify.

Trustee Duque inquired about outreach efforts used to increase M/WBE participation. VC Minor stated that the District has done more direct outreach to firms, hosted workshops and increased the publications of bids. Trustee Duque also asked about the number of minority business enterprises that are prime vendors versus subcontractors. VC Minor stated that she did not have that information readily available but noted that many of MBE firms are subcontractors

This concluded the review of agenda items.

**V. AJOURNMENT**

Committee Chair Duque asked for a motion to adjourn.

<Motion>Trustee Larry Rogers

<Second>Trustee Paula Wolff

Motion Carried

Meeting Adjourned 2:36 p.m.

**Larry R. Rogers, Sr.  
Secretary,  
Board of Trustees**

**Submitted by - Candace M. Montgomery, Assistant Board Secretary**