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APPROVED-BOARD OF TRUSTEES
COMMUNITY COLLEGE DISTRICT NO. 508
AUGUST 4, 2016

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

MINUTES

FINANCE AND ADMINISTRATIVE SERVICES COMMITTEE MEETING
THURSDAY, JUNE 23, 2016
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 Thursday, June 23, 2016 at 11:00 a.m., District Office, 226 W. Jackson Boulevard, Room 301, Chicago, Illinois 60606.

ATTENDEES

TRUSTEES

Clarisol Duque, Committee Chair
Isaac S. Goldman

ASSISTANT BOARD SECRETARY

Bethany Myles

CHIEF ADVISOR TO THE BOARD

Tracey B. Fleming

CHANCELLOR

Cheryl L. Hyman

GENERAL COUNSEL

Eugene Munin

OFFICERS OF THE DISTRICT

Joyce Carson – *Vice Chancellor, Finance and CFO*

Jim Frankenbach – *Chief Operating Officer*

Craig Lynch – *Chief of Staff and Enterprise Services*

Kai Love Davis – *Deputy Chief of Staff*

Rasmus Lynnerup – *Executive Vice Chancellor and Chief Strategy Officer*

Diane Minor – *Vice Chancellor, Administrative and Procurement Services*

Laurent Pernot – *Executive Vice Chancellor and Senior Adviser*

Stephanie Tomino – *Vice Chancellor, Human Resources and Staff Development*

OTHER ATTENDEES

Roberto Concepcion	CCC – District Office
Daniel Karez	CCC – District Office
Katheryn Hayes	CCC – District Office
Connie Kravitz	CCC – District Office
John Gasiorowski	CCC – District Office
Kim Knutson	Wright College
Emily Besinger	Civic Federation
Mark Patoska	Civic Federation

I. CALL TO ORDER

Committee Chair Duque called the June 23, 2016 Finance and Administrative Services Committee meeting to order at 11:01 a.m.

II. ROLL CALL

The Assistant Board Secretary called roll:

Clarisol Duque	Present
Isaac S. Goldman	Present

III. COMMITTEE CHAIR REMARKS

Committee Chair Duque thanked Trustee Goldman for attending and Vice Chancellor and Chief Financial Officer Carson and team for all their work in preparing the FY 2017 draft budget.

IV. CHANCELLOR REMARKS

Chancellor Hyman discussed the financial impact of the Illinois budget impasse on the District and introduced Vice Chancellor and CFO, Joyce Carson, to present the preliminary FY 2017 Budget.

V. AGENDA ITEMS

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

Speakers: Joyce Carson, Vice Chancellor and Chief Financial Officer.

• **Review of Preliminary FY2017 Budget**

CFO Carson provided a brief outline of her presentation then discussed the effects of the state budget impasse in detail. CFO Carson described varying financial outcomes under different possible state funding scenarios. CFO Carson stated that at present, the District is tracking towards to a break-even budget if the state funding promised for FY 2016 is received.

CFO Carson discussed the state funding anticipated for FY 2017, totaling \$52 million. CFO Carson stated that the “hiring freeze” implemented by the District should remain in effect to achieve a balanced budget. CFO Carson reminded the Board that faculty positions are exempt from the “freeze” and that those roles continue to be filled.

CFO Carson discussed the YTD tuition deficit and decreased enrollment figures due to a lack of MAP grant funding. CFO Carson discussed the positive impact of the new tuition structure on the overall tuition revenue.

CFO Carson briefed the Committee on the proposed FY 2017 Operating Budget and noted the proposal included no property tax or tuition increases.

Chair Duque asked about outcomes for MAP-eligible students that decided not to enroll because of the uncertainty of funding.

Executive Vice Chancellor Pernot stated that efforts are underway to track these students to encourage their re-enrollment but that the situation continues to be bleak because of continued MAP funding issues.

Trustee Goldman asked how many students were lost because of the tuition increase.

Chancellor Hyman stated no students were lost as a result of the tuition increase.

Chair Duque commended Chancellor Hyman and her staff for proposing the tuition increase and credited it with strengthening the District’s overall financial position during this difficult time.

CFO Carson discussed projected fall enrollment figures and some of the nuances of the new tuition structure.

Chair Duque asked about how the international students transitioned to the new tuition structure.

CFO Carson replied that international students were allowed to enroll at state resident rates for the spring semester, therefore the true transition for these students will occur this summer and fall when the tuition transition caps are no longer in effect.

CFO Carson discussed cost savings measures undertaken by the District with the aim of achieving a balanced budget.

Chair Duque asked if there was a specific department that bore the brunt of the budget cuts.

CFO Carson responded that the Vice Chancellors in the areas of Finance, Strategy and Academic Governance, Administrative and Procurement Services and Security have experienced the most significant cuts.

Trustee Goldman stated that when considering cuts, the District should look to areas with the largest budgets and begin cutting there instead of making significant cuts in offices with smaller operating budgets.

Trustee Goldman stated he would like to see a second proposed budget for FY 2017 that contemplates several more months without state funding.

Chair Duque asked about the date of the next Finance and Administrative Services Committee meeting.

CFO Carson said the next meeting is planned for October.

Chair Duque said the District would be a few months into the new Fiscal Year at the time of the next Committee meeting and that would be a great opportunity to present a contingency plan.

CFO Carson discussed District salary expenses, scholarship and waiver costs and contractual service costs for FY 2017.

Chair Duque asked about shuttle service expenses for FY 2017.

Vice Chancellor Minor answered that there were some significant schedule changes made to this service to make it more efficient both in its routes and its cost structure.

Chair Duque asked about the potential impact of the planned technology budget cuts for FY 2017.

Chief of Staff Lynch responded that while essential services would remain available at all campuses, significant cuts have been made in the area of capital expenditures.

Trustee Goldman asked that the District begin to examine contingency plans now as opposed to a few months from now.

CFO Carson stated that various state funding scenarios were explored.

The Committee expressed gratitude to staff for their hard work and their continued concerns about using the District's reserves for funding of operations.

CFO Carson discussed the Capital Plan for FY 2017.

CFO Carson stated the public hearing for the FY 2017 Budget would be held June 27, 2016 at Malcom X College and a Budget Resolution would go before the Board at the July 7, 2016 Board meeting.

Trustee Goldman expressed interest in seeing operational costs per student as well as costs by office with programming expenses emphasized.

VI. AJOURNMENT

Committee Chair Duque asked for a motion to adjourn.

<Motion> Trustee Isaac S. Goldman

<Second> Chair Clarisol Duque

Motion Carried.

Meeting Adjourned 12:02 p.m.

**Clarisol Duque
Secretary
Board of Trustees**

Submitted by – Bethany Myles, Assistant Board Secretary