

Approved by Board of Trustees October 13, 2020

COMMUNITY COLLEGE DISTRICT NO. 536
BOARD OF TRUSTEES COMMITTEE
Finance

September 3, 2020

MINUTES

The Finance Committee Meeting of the Board of Trustees of Lewis and Clark Community College, District No. 536, was held September 3 online in a virtual format by teleconference via ZOOM <https://lewisclark.zoom.us/j/99921175958?pwd=a2NrTGwxM01ZQ2twSmZxSnVRckw5UT09> or by phone at 312-626-6799 with Meeting ID 999 2117 5958 and Password 085526. The meeting began at 10:00 am.

ROLL CALL

Present

Julie Johnson, Vice Chair
Kevin Rust, Secretary

Also present were Lori Artis, Brett Reinert, Mary Schulte, Nancy Kaiser, George Provenzano, and Sue Keener.

Written Public Comment was submitted by George Provenzano and ready by Sue Keener. See attachment 1.

Effect of COVID-19 on college finances and budget variances

Trustee Rust asked for an enrollment update. Brett Reinert noted it is not as bad as we anticipated. The budget included a 10% decline. The last report was around 11% and final numbers won't be reported until the beginning of October. The new 12-week "late start" option is well received and we expect this to increase enrollment numbers from the current rate. This option is particularly attractive to those University students who were waiting to decide if they would live on campus and still take classes online. This initiative has been so successful, we anticipate similar offerings in spring. Another area affecting enrollment is High School Partnership (HSP). The High Schools have committed to continue with HSP, but enrollment will be delayed due to COVID adjustments at the high school level. Through HSP, LC is also offering early enrollment for those seniors who are only taking the graduation requirements and have time to take college courses directly from LC instructors. Mary Schulte noted the success of the Enrollment Task Force had a great impact on our enrollment numbers. It was noted that the revenue from ICCB is impacted by enrollment, but not immediately as payments are based on previous years. Although tax revenue may be delayed, it is not expected to decrease.

Trustee Rust asked about the institutional CARES Act funding. Mary Schulte responded that the last \$20,000 in student funds was delayed pending required identification of a particular population of students. The student funding was completely distributed and we have full access to the institutional funds. We budgeted 50% of the CARES Act institutional funding in FY20 and 50% in FY21. Between these Federal Grant dollars and the GEERS fund, we are able to offset some of the added expenses related to the pandemic (e.g. laptops, Zoom software, health science simulators, plexiglass installation

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waiving online fees, etc.) Mary estimated the actual amount posted to FY20 was in the range of \$300,000 to \$350,000. The compliance audit supplement has not yet been received. While auxiliary funds have been adversely affected by COVID, these costs aren't as easily tracked for Grants as equipment purchases, etc. However, we are working on the insurance claim where we hope to recover some of these losses. Dining Services was able to use the remainder of the fund balances from Nelson to cover losses experienced at Godfrey.

The classes that are being offered during COVID restrictions meet the standard enrollment break-even requirements.

Review of financial reports

Future Finance Committee meetings will likely be scheduled the Monday or Tuesday of Board meeting week to provide time for review of the financial reports.

Financial reporting benchmarks

Trustee Johnson and Rust referred to the Illinois Central Dashboard report as a way to provide benchmarks and simplify the reports to the Board. Both indicated the current reports are high level and don't provide a clear picture of budget status or financial soundness. In addition, it may be time to change the reporting level from \$5,000.

Mary Schulte noted that higher education runs on an annual budget versus a monthly budget. Our purchasing system prohibits overdrawing budgets through purchases. Although we have internal reports that assist Finance with an overview, the timing of revenue receipt/expenditures/payroll in arrears/and Board meeting dates prohibit an accurate picture through a month-by-month snapshot. While we watch revenue closely and can estimate what we should receive, we don't have much control over amounts or timing.

Trustee Johnson said she wants to be able to see where we are in relation to our plan and if we should pivot or change. What was the effect of previous decisions? Was the previous action a good decision? What should we change next year? It is all about having a level of comfort about where we are and where we are going. We need to have enough data that we can draw our own conclusion.

Lori Artis noted Mr. Heyen recently sent a request for training about budget, tax levy, etc. Perhaps this committee could be focused on that and take a recommendation to the Board.

It was noted that Edwardsville High School is not currently transporting students to the Nelson Center. We currently have an IGA where Edwardsville School District makes the debt service payments, and there is only one payment left. Kevin Rust expressed concern about Edwardsville pulling out of the building and having a big empty space and no tenant, particularly because Edwardsville enrollment is also declining.

IGEN role for LC

Lori Artis reported the plan provided during the President's call two weeks ago. IGEN is not going fast enough for us, but they are concerned about retaining the funding. Lewis and Clark is listed in the bill

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as the fiscal agent. Work has to be done with the lobbyist over the next year to change the legislation to indicate Kaskaskia as the fiscal agent. The agreement arrived from the Illinois EPA for the FY21 \$2 million appropriation. The plan is to change the fiscal agent to Kankakee by July 1, 2021. The Steering Committee wants to focus on getting all of the IGEN employees in one locale. While we have the opportunity to hire an accountant to work on this project, the change in locations and fiscal agent make it difficult to hire someone during this time.

Trustee Rust asked about the exact amount we receive through direct cost for our work as fiscal agent. Mary estimated \$110,000. The highest rate we can collect is 16% on the first \$25,000 per project. Schulte noted that we will continue to receive membership benefits as long as we remain members. We can apply for projects on our campus. Nate Keener is currently the regional coordinator and we receive 50% of his salary. There is also a salary offset for Brett in his liaison role.

There being no further business, the meeting was adjourned at 11:24 am.



Sue Keener, Executive Secretary to the President and Board of Trustees