

College of Eastern Idaho
Board of Trustees Finance Committee
Meeting Minutes
May 19th, 2022

Present:

Cal Ozaki, Board of Trustees Treasurer, Chair
Mary Lynn Hartwell
Ken Taylor
Becky Holzemer
Byron Miles, ex-officio, VP of Finance & Admin

Guests:

Rick Aman, President
Don Bourne, Controller
Malcolm Guess, Assistant Controller
Dustin Nielson, Budget Director
Park Price, Board of Trustees Chairman

Absent:

Lyndsay Goody
Aaron Johnson

Chairman Ozaki called the meeting to order at 3:32 PM.

PUBLIC COMMENT

There was no public comment

APPROVAL OF AGENDA

M/S Holzemer/Hartwell to approve the May meeting agenda as amended. *Motion passes unanimously.*

APPROVAL OF MINUTES

M/S Taylor/Hartwell to approve the April minutes as amended. *Motion passes unanimously.*

DISCUSSION OF TUITION AND FEES

Byron Miles, Vice President of Finance and Administration, presented the proposal for a fee increase to the Committee. Miles noted this is in response to the five-year plan that was discussed in the previous meeting; he restated that our current funding sources for revenue do not create a sustainable budget for the future. The recommendation brought to the Committee is a fee increase of \$25 per credit hour, effective Fall 2022. This will be a yield of \$733,000 annually; only an additional \$450 for students annually. This would not be a change in tuition, just an increase in the fees attached to tuition. This fee will go into a general operations account.

After doing an analysis of the fee structures of our sister institutions, CEI is the only institution without a fee for general operations; this change will put us on par with them. We have met with our different senates on campus (student senate, staff senate, and faculty senate) about this proposal; after listening to our explanation and answering their questions, they were all in favor of this increase. Student senate remarked that they do not want their education quality to suffer because there is not enough money for the institution to maintain the current offerings and future offerings.

The Committee asked questions regarding the start time of the fee increase, the implementation plan, and how financial aid and Pell Grants work into this. Further discussion on restrictions of tuition.

The Committee agreed that this should be presented to the Board of Trustees for review and approval.

NOTE: On Friday June 3rd, the Board of Trustees met to discuss this fee increase in a special meeting. It was decided to only increase fees by \$11 starting the Fall 2022 semester.

CEC INCREASE

Due to the timing of applying Change of Employee Compensation (CEC), we need to discuss and approve pay increases for staff before the end of the fiscal year. In January, when the Governor spoke at the State of the State, he recommended an increase for all employees. The Joint Finance-Appropriations Committee (JFAC) created a formula for how much of a CEC increase employees would receive based on their annual evaluations; this is a percentage increase to the base pay, and a \$500 flat amount added to their total compensation. This awards a larger percentage to lower paid employees. To note, the money for CEC increases comes from the State.

Miles went over a spreadsheet noting the increases funded by the State. These increases would start on July 1st, so this affects the FY 2023 budget. The Committee agreed that CEC increases were appropriate, and should be presented to the Board of Trustees for review and approval.

OVERVIEW OF PRELIMINARY FY23 BUDGET

Miles introduced the prepared draft of the preliminary budget for FY 2023. He explained the differences between tuition, fees, and tuition and fees; specifically, where these different funds go in the revenue portion of the budget. He noted this is an important distinction, especially for what these funds can be used for, referring to the conversation earlier in the meeting about the proposed general operations fee.

There was a lengthy discussion about the budget, including the layout of the budget, the wording of how it was presented, and when the final numbers will be completed. Miles reminded them that this is just a preliminary draft of the budget, and that the CEI team is still waiting for information from other departments to complete some portions of the budget. The budget that could be presented for this meeting was the *General Funds Budget* for FY 2023; the other budgets will be presented at the June meeting.

Further discussion of why the Committee is reviewing a preliminary budget when it is not complete. It was explained that it was thought to be beneficial to have an insight into the process of the progress made so far; it is important to have discussion and answer any potential questions now on the drafted budget instead of waiting till it's complete, and potentially having questions and/or being unable to finalize the budget by the end of June.

Miles then turned the time over to Dustin Nielson, Budget Director of CEI, to fully go over the budget with the Committee. Nielson went through the preliminary budget, line by line, providing explanation of how these projected numbers were calculated. There was spattered discussion from the Committee as they progressed through the document. He noted that expenses have gone up; personnel costs have increased due to health insurance costs increasing, and additional positions being added to the campus. Miles noted on the increased expenses that when forecasting the numbers for the budget, inflation is considered. Increases are not applied across the board, either. Increases are only implemented where they are necessary.

The Committee complimented the extensive footnotes, and the explanations they provided. They were understandable and comprehensive. They look forward to seeing a final draft of the budget in June.

DISCUSSION OF APRIL FINANCIALS

Miles presented the April Financials to the Committee. As he briefly went over the numbers, there were some questions on how close the projected budget will be to the actual numbers. Miles explained that we may have a general fund surplus caused by vacant positions, which will/would create salary savings. We cannot trim our budget to anticipate salary savings, since we need to anticipate that the position will eventually be filled; if all the positions were full, there would not be a surplus.

Miles explained the differences between *Fund 15- Course Fees* and *Fund 92 – Allocated Student Fees*. *Fund 15* consists of the fees dedicated and attached to specific courses, and the consumables those courses need, such as chemicals in the labs. *Fund 92* are the ‘fees’ part of ‘Tuition and Fees’ for our students. These fees are allocated to different activities on campus such as IT, student government, parking, and would include the proposed general operations fee.

Miles noted that it is difficult to budget some of the funds shown, such as *Fund 35- Grants*, since these are dependent on the actual grants the school receives; the school does not have any control on the amount that will be granted to the College. All the expenses related to this fund are related to grant too; we must accrue the expense first before billing it back to the grant, where it should all zero out. We can estimate and project what we may receive, but there are no guarantees that number will be accurate.

Miles then reviewed the *WTCE Budget*, which continues to be in good condition. We have been pleasantly surprised, since the C.N.A. programs were unable to run this year due to staffing shortages; nevertheless, WTCE managed the budget well, and spent less than they brought in. There were some questions about the expense of the Yellowstone Training Center (YTC) building cost; the College is currently paying the lease out of general funds. The College helps subsidize this cost until WTCE can create enough revenue to cover the full cost.

UPDATE ON FUTURE TECH

We are still fundraising for the \$9 million needed to fund the project. We are waiting for multiple opportunities to come through, such as multiple grant submissions, and partnerships with local large corporations. We are working on a new market tax credit, but we will not know those results until later this year. There has been a rework in the timeline of the construction of the building; it will go up, but the “when” is in flux. Ann Marie Peters is constantly working on this. From starting from scratch on this project, overall, we are doing well, it is just taking some time to reach the finish line.

ADJOURNMENT

The meeting concluded at 5:08PM – The next Committee meeting will be held on June 23rd, 2022, at 3:30 PM via Zoom Conference Call/ in Building 3 room 310A.