

College of Eastern Idaho  
Board of Trustees Finance Committee  
Meeting Minutes  
April 20<sup>th</sup>, 2023

**Present:**

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

**Guests:**

Don Bourne, Controller  
Dustin Nielson, Budget Director (Zoom)  
Malcolm Guess, Assistant Controller  
Michell Shropshire, Director of Grants  
Janis Gellings, Staff Account

**Chairman Ozaki called the meeting to order at 3:31 PM.**

**PUBLIC COMMENT**

There was no public comment.

**APPROVAL OF AGENDA**

**M/S Taylor/Goody to approve the April meeting agenda.** *Motion passes unanimously.*

**APPROVAL OF MINUTES**

**M/S Goody/Hartwell to approve the March minutes.** *Motion passes unanimously.*

**DISCUSSION OF MARCH FINANCIALS**

Byron Miles, Vice President of Finance and Administration, presented the March Financials to the Committee. Starting with the *General Fund*, we have received 96% of our projected revenue budget. We have expended 72% of our budget, which is in a reasonable range since we are 75% through the year, as of March. It was pleasantly surprising to discover that the investments have exceeded budget expectations. Additionally, all other aspects and progressions are within the anticipated range for this particular time of the year.

Moving on to the *Other Funds Budget*; Miles focused most of the discussion on the 'Year to Date (YTD) Actual' column, since it provides the funds received and spent so far in the year. We must spend the money first, and then claim back the money. It can be difficult to budget for this fund since we can gain new grants throughout the year. *Fund 35 – Grants*; Miles explained that these are State and Federal Grants (CCR, Job Corp, CTE). *Fund 36 – Unrestricted*; the HEERF funds designated for COVID-related expenses are allocated within this specific area. It is worth noting that the additional expenses incurred for the testing center remodel were billed under this category as well.

There was a discussion regarding the specific grants encompassed under *Fund-36*, including an exploration of the personnel costs associated with this fund. Explanations were provided regarding why the general expenses exceeded the budgeted amounts. Additionally, a brief overview of other accounts categorized under this fund was presented. In response to feedback received from the committee and the Board of Trustees, it was decided that a new report would be generated for the upcoming fiscal year. This report will present each grant individually, aiming to enhance understanding and interpretation of the information for all stakeholders.

Miles reviewed the *WTCE Budget*, with a specific focus on the 'YTD Actual' column. It was highlighted that the key aspect of the WTCE budget is ensuring that the revenue generated is sufficient to cover expenses. Angela Hays, the Executive Director of WTCE, had previously mentioned a significant turnover of employees within their department at the beginning of the fiscal year, which initially impacted programming momentum. However, they have made commendable progress in recovering from this setback. Despite the current budget being prepared by a previous director inaccurately, WTCE continues to thrive and achieve success.

Miles proceeded to review the *EIWTC Budget*, which includes funds left over from the RDA grant when the building was transferred to us. These funds are being used to cover expenses while we are ramping up the building's use. Additionally, we have rental income from the INL, as they currently occupy most of the bays. Although the current budget shows EIWTC in the negative, we plan to transfer funds from the RDA grant to cover the shortfall. It is expected that the overall figures will improve at the next review. It's worth noting that the complete reserve account from the RDA grant is not included in the budget report. We are in the process of hiring for the Chief Partnership Officer (CPO) who will help manage the building; the objective for them is to be able to help generate revenue for the building.

Miles reviewed the traditional Bank Balance Report of where the College currently has its funds. This report shows our current operating funds, the funds in the LGIP, and other accounts. Next, Miles reviewed the Cash Availability Report; he provided a brief explanation of the report. Brief explanation of the Foundation Cash presented in the report, these are funds held by the Foundation for the purpose of different projects on the campus such as Future Tech, lab renovations, and the testing center remodel.

**M/S Taylor/Goody to recommend the Trustees to accept the March Financials.** *Motion passes unanimously.*

#### **GRANT DISCUSSION**

Miles introduced Michell Shropshire, the newly appointed Director of Grants, during the meeting. He briefly mentioned that this is a new position within the College. Michell brings valuable experience from her previous work with Bannock County, and she has wasted no time in efficiently organizing our grants since joining the College. Her proactive approach has been instrumental in streamlining grant management processes.

Miles distributed a proposed document during the meeting, which serves the purpose of aiding in the investigation of grant spending. This comprehensive report is designed to provide a clear overview of the grants, including information on required expenditures and any potential overspending. By utilizing this document, the College can enhance comprehension and effectively investigate the status of grants. It acts as a valuable tool to identify potential issues such as miscoding or unbilled expenses. Additionally, the report highlights the distinction between grants that provide upfront funding and those that require expenditures before requesting reimbursement.

During the meeting, there was a discussion about the difference in the types of grants received by the college, as well as efforts being made to secure additional grants. The conversation also revolved around the layout of the proposed report, with requests for certain changes to improve clarity. Suggestions included adding details such as the amount awarded and the timeframe of each grant. There was further discussion about the handling of grants that span multiple fiscal years, grants that have concluded or become inactive, and the overall total of grants received by the college. It was noted that this document would replace the current fund balance graph within the budget. It was also mentioned that while the document is a work in progress, it would not be officially implemented until the new fiscal year. Additionally, it was agreed that the Trustees do

not require such a detailed discussion or review of the document monthly, but the Finance Committee would like to see the details every month.

There was a discussion regarding the handling of indirect costs for grants. It was noted that while some grants include provisions for indirect costs, not every grant accounts for them. The college is currently undergoing a process to obtain an indirect cost rate, which is expected to be beneficial. This rate would help generate additional revenue to offset expenses incurred by the college, such as supplies and personnel costs.

The committee expressed their satisfaction with the newly proposed report and regarded it as a positive step in the right direction. They acknowledged the valuable contribution of Shropshire, who, as the Director of Grants, brings a fresh perspective to the tracking and reporting of grants. The committee appreciates the improvements being made in grant management and reporting processes.

### **BUDGET / LEGISLATIVE UPDATE**

Miles provided an update during the meeting on various topics. Regarding the Future Tech project, all the necessary funds have been identified for the construction bid, with Anderson Construction providing an estimated cost and DPW including their costs in the project. The College received \$8 million from the legislature, which helped fulfill the project cost. However, there are still financial considerations to address, such as commitments from reserves and matching funds from the state, as well as the need for additional funds for FF&E (Furniture, Fixtures, and Equipment), landscaping, parking, and roadways. The bidding process is currently underway, and subcontractors are preparing their estimates. The total cost for the building is currently projected to be \$43 million, with \$9.4 million coming from the College and \$33 million from state and federal agencies. If the bid exceeds the funds raised, additional fundraising efforts will be necessary.

In terms of the legislative session report, the College received funding for CEC (Change in Employee Compensation) and OER (Open Educational Resources) capital. The College's strategy for the new fiscal year is to request more ongoing general fund funds, as there is a significant disparity compared to peer institutions. Enrollment is not directly factored into funding allocation, although the cost per student is considered. Efforts will be made to approach the legislature and the governor to increase the base general allocation to be on par with sister institutions.

Regarding the Launch program, the College aims to track the funds received and their allocation to report to the finance committee and trustees. The \$8 million provided for Future Tech is also intended to support the preparation for the influx of students through Launch. The College wants to ensure it has the capacity to handle the increase in students. The current funding structure involves subsidizing students' attendance at the College. There is a 12–18-month timeframe before Launch will commence, as the state needs to establish the program.

Miles discussed the legislature's generosity toward education, highlighting the importance of community support beyond property taxes and student tuition. The state's focus on lowering property taxes while also aiming to increase revenue creates mixed messaging. Community colleges often receive less funding compared to K-12 education.

An update was given on the new trustee, Ethan Huffman, who will be officially sworn in on May 25th.

### **ADJOURNMENT**

The meeting concluded at 4:52PM – The next Committee meeting will be held on May 18<sup>th</sup>, 2023, at 3:30PM via Zoom Conference Call/in Building 3 room 310A.