

College of Eastern Idaho
Board of Trustees Finance Committee
Meeting Minutes
March 23rd, 2023

Present:

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

Guests:

Park Price, Board of Trustee Chair
Don Bourne, Controller
Dustin Nielson, Budget Director (Zoom)
Malcolm Guess, Assistant Controller
Angela Hays, Executive Director of WTCE

Absent:

Ken Taylor

Chairman Ozaki called the meeting to order at 3:30 PM.

PUBLIC COMMENT

There was no public comment

APPROVAL OF AGENDA

M/S Goody/Holzemer to approve the March meeting agenda. Motion passes unanimously.

APPROVAL OF MINUTES

M/S Holzemer/Goody to approve the February minutes. Motion passes unanimously.

WTCE OVERVIEW

Angela Hays, Executive Director of Workforce Training and Continuing Education (WTCE), provided an overview of the department's history and budget during the Finance Committee meeting. She mentioned that the budget she inherited had some issues due to a high turnover in the department. Additionally, she discussed the startup costs for the two programs that were not budgeted, the Eastern Idaho Workforce Training Center (EWITC) and Healthcare program startup costs. The WTCE department has focused on improving the tracking of budgeting items to avoid similar issues in the future. Hays explained that there are some encumbrances for open purchase orders and paying contract trainers for INL; the INL contract is currently going through an overhaul to help cover some of the costs of hosting training. Brief discussion on the costs of hosting classes, both company/contract training and continuing education training such as rent, marketing, and overhead; numbers have been changed to reflect updated costs for properly covering expenses.

Hays mentioned that, with the new Chief Partnership Officer (CPO) for EIWTC, they would be selling the bays, and WTCE would provide the trainings. She also discussed the efforts to train current WTCE employees, and make their learning outcomes similar to credit programs. Moreover, the department signed a new contract with Vocational Rehabilitation, and they recently hired a dynamic training person who booked \$18k of training last week.

The committee raised some questions, and Hays addressed them. One of the concerns was about the Continuing Ed program budget; Hays explained that the GL accounts weren't quite in line yet, and there were some misunderstandings regarding the phasing out of Continuing Ed. However, now, they are back on track, and there is a focus on coding things properly in future budget years. Regarding marketing for Continuing Ed, they've been relying on the catalog, and there were large spikes of class sign ups after they sent them out, however it would slow significantly after. Starting in April, they've hired Vulpine to test trying more social media outreach to target demographics not currently reached by mailing out catalogs. They've stopped doing catalogs and now only have an online version, and they are doing a postcard mailer to encourage people to look online. They hope to capture some new "blood" through YouTube ads pushing trades and how much people can earn in those industries. Hays noted that the Continuing Ed classes are more lifestyle and hobby classes such as cooking, photography, dancing, and art classes. There are other classes that weren't coded properly within the budget, which they are working on fixing for future budgets.

She provided a brief update in general about EIWTC; the CPO is in the hiring process, and they've been working with the Idaho Clean Up project, the Sheriff department, and Kuwait. Currently, there are only two vacant bays, and they're in the ramp-up process. They have been hosting multiple different classes, such as some construction classes, to help get the community in the building. We should expect the INL to be out of the building by the end of the fiscal year, but we don't quite yet know the dates of when we'll have full access to the rest of the building.

The committee thanked Angela for attending and talking more about her area.

DISCUSSION OF FEBRUARY FINANCIALS

Byron Miles, Vice President of Finance and Administration, presented the February Financials to the Committee. Starting with the *General Fund*, we have received 93% of our projected revenue budget. There has been an unexpected increase in investments and next month we'll see the 5% holdback from the CTE allocation. We have expended 65% of our budget, which is in a reasonable range since we are 67% through the year, as of February. There was a question about the line under revenue 'Net Transfer from Reserves'; this was the way that the funds were able to be budgeted for FY23, we aren't sure whether or not we will have to draw on the reserves yet.

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*; this is where the HEERF funds for COVID are located. A brief overview of other accounts that are also categorized under this fund. In response to feedback from this committee and the Board of Trustees, a new report will be generated for the upcoming fiscal year to display each grant individually. This will facilitate better comprehension and interpretation of the information.

A conversation took place regarding the renovations of the testing center. The expenses section of the report detailed the total cost of the project. Unfortunately, the testing center ended up being more costly than anticipated, and although Maeck provided some financial assistance, the college will be responsible for covering the remaining expenses.

Miles reviewed the *WTCE Budget* and acknowledged its positive performance, although some changes may not be evident until the new fiscal year. Hays was thanked for her discussion about the department. Miles mentioned that there was a considerable turnover of employees at the start of the fiscal year in the WTCE

department, which resulted in a loss of momentum regarding programming. As a result, there may be a decline in numbers in the near future, but it is expected to recover eventually. The current budget was prepared by the previous director, who did not do it accurately. Therefore, the committee is working on managing the actual numbers and developing a budget that will reflect better in the future based on the data they are gathering now.

Miles proceeded to review the *EIWTC Budget*, which includes funds left over from the REDI 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 REDI 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 REDI grant is not included in the budget report.

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.

During the meeting, a concern was raised regarding the FDIC protection at Zions bank in light of recent news. The CEI staff explained that while they try to maintain a minimum balance, large expenses such as payroll can cause the balance to exceed the protected amount of \$250,000. However, they emphasized the importance of banking with a trustworthy and reputable institution with good audit reports.

M/S Goody/Hartwell to recommend the Trustees to accept the February Financials. *Motion passes unanimously.*

BUDGET / LEGISLATIVE UPDATE

President Aman provided a brief update on the recent legislative activities and their potential impact on the College. The College is expecting to receive \$8M for Future Tech, which was at risk due to concerns regarding DPW. However, after contacting the governor's office, it has been confirmed that the funds will be allocated towards Future Tech. The College is now waiting for approvals, and once received, will use the funds to bid on the project. The CTE and general education budgets have been approved, and additional CTE and workforce funds may be received, which could be used to support the EIWTC building. HB24 has passed both houses, and once the governor signs it, it will provide funds for training in-demand jobs. The College anticipates an influx of people seeking training and will work on building up capacity. There are also some funds available for a pay increase for employees (CEC), which may not cover everything but should provide some coverage, around 4% or less.

ADJOURNMENT

The meeting concluded at 4:44PM – The next Committee meeting will be held on April 20th, 2023 at 3:30PM via Zoom Conference Call/in Building 3 room 310A.