



Finance Committee Meeting

Minutes

March 11, 2016 12:00 – 1:30 p.m.

College of Western Idaho
 President's Conference Room, room 201B
 6056 Birch Lane
 Nampa, Idaho

Present, Community:		Present, CWI:	
Stan Bastian, Chair	CWI Trustee	Cheryl Wright	VPFA
Dave Gadda	Boise Cascade, retired	Tony Meatte	Comptroller
John McDevitt	Skinner Fawcett LLP	Marilyn Griggs	Director, Financial Analysis
Absent:		Mary Jo Hayes	Associate Controller
Chris Larson	Boise, Inc.	Brian Smith	Accounting Manager
Andy Warren	Bank of the Cascades	Elizabeth Conner	Executive Asst. to VPFA
Tom Beitia	Banner Bank, retired		

Call to Order: Chairman Bastian called the meeting to order at 12:15; there was not a quorum present.

No motion was made to approve the minutes due to a lack of a quorum. February minutes will be approved at the April Finance committee minutes.

2017 Budget development –Tony Meatte handed out a summary of the decision by the 2016 Legislature for funding CWI. His handout broke down what CWI asked for, what Governor Otter recommended and then what was approved by Joint Finance Affairs Committee (JFAC) on March 7, 2016.

Chairman Bastian asked what was different in CWI and Governor's recommendation: CWI asked for \$1.8 Million based upon enrollment but Governor Otter recommended \$500 thousand for enrollment. JFAC ended up approving \$400 thousand and gave no reason for their decision.

CWI requested 9 FTE for Student Success; the Governor recommended 6 positions and ultimately JFAC funded \$200 thousand and FTE's (which may be 3 positions);

Additional general funds necessary to fund CEC will be \$659 Thousand.

Ms. Wright pointed out that both CSI and NIC get more money percentage-wise because of CEC than CWI does.

CWI will work with the State Board (SBOE) and the Division of Financial Management (DFM) over this next year to shift funds to personnel so that CWI can get more funding in CEC. Percentage was skewed

because of how CWI was started in 2007. For example: CWI gets \$88 thousand for benefits but CSI gets over \$100 thousand.

CWI's funding issues are an anomaly because of how CWI was set up in a short period of time. The funding formula used by the state to start CWI has not been able to be modified to meet current needs. Mr. Gadda suggested CWI start lobbying efforts after the current Legislative session. Ms. Wright said she agreed but she needs SBOE to agree first to change the formula and then she will work with other entities to fix the formula.

Ms. Wright asked the committee if this report should be taken to the Board of Trustees meeting on March 15. Chairman Bastian agreed that it should be shared.

Mr. Gadda asked if CWI has a lobbyist. The answer was no, there is no registered lobbyist for CWI but that President Glandon and Trustee Mark Dunham currently represent CWI in legislative issues.

Legislative Update Ms. Wright presented a brief overview of the written legislative update provided in the packet. Chairman Bastian about HB 387 (now HB 512) that it will have the most impact on community colleges and there is a belief in the Legislature that there is not currently enough representation throughout the taxing areas. Passage of this bill will impact the current CWI trustees as two of the Trustees will be put into the same zone/district and therefore will not be able to continue to serve.

Ms. Wright spoke to how CWI is handling this issue internally. She has contacted both Ada and Canyon Counties and the State Board of Education to prepare for the passage of this bill. CWI currently owns software that can set the boundaries for these zones and has the faculty to establish these zones. However, both counties want to have a say in the zoning effort. Therefore, the President's Cabinet has directed Ms. Wright to set up meetings to get this done.

Senate Bill 1210 – Chairman Bastian told the committee that Idaho was the only state in the country to use the term “Professional Technical Education”. The rest of the country as uses the term “Career and Technical Education”. This bill changes the name to be consistent across state lines. Ms. Wright said there will be budget impact to change signage and business cards but overall impact will be minor.

Senate Bill 1209 - Chairman Bastian addressed the appraisal before sale bill and the history behind it. This bill does line this up with other state higher education purchase requirements.

Ms. Wright discussed other possible legislative issues including Senator Mortimer wants to partner with businesses for additional support of technical training and his proposal, Senate Bill 1378 is a start for this. However, no funding is allocated at this time.

Financial reports – Marilyn Griggs and Ms. Wright presented the financial reports and offered to answer questions. Mr. Gadda requested additional explanation as to why there can be such financial swings in financial aid and why does it work this way?

Ms. Griggs explained that this a timing issue. After students registered for Spring semester, their direct loans were disbursed to their student accounts in January. This created a huge negative balance on the Statement of Net Position in January. Then in February, CWI drew the money down from the Feds, thus reducing the negative balance. Federal regulations prohibit and penalize drawing down funds too far in advance of disbursing them to the students. CWI chooses to draw down the funds after they are disbursed to the students. The reason this account is not recorded as zero month to month is because it gets trued up at year end and reconciled then.

Ms. Griggs also pointed out that there are a number of issues affecting the accounts (such as satisfactory academic performance on part of the student) that could mean that the Feds take that student's funding

back so that is why the CWI leaves money in the accounts until year end. Also, there are major disbursements that occur at the beginning of each semester.

Public Community Colleges Comparison - Ms. Wright turned the discussion of the analysis over to Ms. Griggs. In January, 2016, Ms. Griggs found a study that contained 10 years' worth of information on community colleges. She pulled out some of the data to do comparison of CWI against other community colleges nationwide. It is just a basic comparative of revenue and expenses. The data is from 2013, the most current available. Mr. Gadda suggested to staff to continue to keep track of this data and Chairman Bastian approved this information to take to the Board of Trustees.

Cash Flow Requirements - Brian Smith highlighted the areas where the drawdown for student loans occurred and also the purchase of property. Next month a \$5 million decrease will be seen because of \$5 million being sent to investment at PFM.

Chairman Bastian explained some of the bond educational effort that will be taking place later this summer and fall.

Ms. Wright explained that bond money cannot be spent on furnishing but as bond passage occurs and buildings are closer to finished, then investment money can be utilized for furnishing.

Next month is the quarterly report and Leslie Murphy of PFM will be at the meeting to report.

Internal Control Assessment – Ms. Wright reported that we are continuing to work on areas that are still in process. The summary report matrix was in the Finance Committee packet for additional review.

There was some discussion around areas still in process regarding employee master file audit trail; social security number security improvements. Training of supervisors in the area of employee time sheet approval is ongoing.

Ms. Wright asked if the intention of the Finance Committee was to call for another internal control assessment. She recommended that if that is the committee's desire then it would be best to wait until after the financial audit. Also, the committee will need to decide whether to use Averti again for the internal control assessment. These issues can be discussed next month (April).

RFP report - only new one is financial aid contract - has been signed yesterday. Ms. Wright said that there will be one RFP coming up which is a report for the library that she will address next month.

Adjournment:

Meeting adjourned at 1:20 PM.