



BOARD OF TRUSTEES FINANCE & BUDGET COMMITTEE MEETING (Tuesday, June 22, 2021)

1.1 CALL TO ORDER:

The meeting was called to order at 12:04 p.m.

1.2 ROLL CALL:

Members present: Bill Withrow, Dyana Polk, Cindi Napoli-Abella Reiss, Adil Ahmed, David M. Johnson & Sasha Amiri-Nair – Minute Taker

Members Absent: Thomas Renbarger

1.3 APPROVAL OF THE AGENDA:

MOTION: M/s: Withrow/Reiss: Approval of the Agenda
VOTE: Ayes: Withrow, Napoli-Abella Reiss, Delfin-Polk, Johnson, Ahmed - ABSENT: Renbarger
Motion passed 5-0-1 Video Time Stamped: .45

1.4 PUBLIC COMMENT:

No public comment.

1.5 APPROVAL OF THE MINUTES:

MOTION: M/s: Withrow/Reiss: Approval of the Minutes
VOTE: Ayes: Withrow, Napoli-Abella Reiss, Delfin-Polk, Johnson, Ahmed - ABSENT: Renbarger
Motion passed 5-0-1 Video Time Stamped: 1.22

2.1 GENERAL FINANCE UPDATE FROM VICE-CHANCELLOR OF FINANCE ADIL AHMED:

- VC Ahmed gave an update on the Task Force
- The Chancellor approved Finance's recommendation to wipe out \$4 million of student debt
- The next step was to work with EdgeRock to figure out an automated system to wipe out the student debt and remove it from accounts receivables.
- We received \$36 million in HEERF 3 funds. \$18 million for institutional portion and \$18 million for student aid.
- His recommendation to the Chancellor was to wipe out both student debt and international student debt.

- The task force will decide and then recommend it to the Chancellor
- President Reiss asked what the total amount of student debt was overall
- VC Ahmed stated there was over \$22 million with \$8.5 million already accrued as bad debt
- Take the \$22 million minus the \$8.5 million, you will have a net of \$14.5 million, minus \$4 million from the CARES Act, which comes to \$10 million of total bad debt
- They started to calculate the bad debt back 2016-2017, and within the first year, there was about \$4 million in bad debt, with another \$2.5 million the following year and another \$880k to \$850k the following years, bringing it to about \$8 million
- Pres. Reiss asked if we had a plan on how to tackle the remaining student debt that cannot be covered by the \$4 million? As we are tackling the past debt, we are still accumulating the current student loan debt, and what is the plan to take care of that?
- VC Ahmed said they have been thinking about working with Conserve and COTOP in the past, will talk to the Chancellor and figure out the plan and come back to the committee with an update
- Trustee Polk asked if there were any other discussions on how to manage this in the future, so it didn't get this bad?
- VC Ahmed suggested that international students pay upfront before starting school because we are not getting any FTES from them. At the next meeting, he will bring them the exact number of the international student debt.
- Trustee Withrow asked if there was a way to not show student debt as an asset but off the side?
- VC Ahmed said by law, we have to show it as an asset in the books
- He reviewed the budget that he planned to present to the Board meeting tonight. He stated that the budget was done manually. With the new upgrade, he hoped that it would now be automated.
- They continue to have a good fund balance because they froze \$4.4 million in positions and recommended to the Chancellor to do the same next year.
- Pres. Reiss suggested something to discuss with the Chancellor. Our expenditures were changing and being groomed to be shaped to reduce our expenditures when they were growing. She said we should look at our current FTES and start right-sizing our expenditures with where we were at and not where we want to be. There needs to be a visible, visual difference in how we were spending. Right now, we were increasing our expenditures and not decreasing them.
- VC Ahmed stated that it was partly due to the PERS & STERS, which was about an increase of \$1.4 million for FY21/22. Health benefits and utilities were all going up. They were thinking about the BAM revision for 22/23 that would be based on FTES and FTF. So the colleges would be responsible for their expenditures based on their own FTES.
- Mr. Johnson stated that the presidents had been tasked to come up with a deficit-reduction strategy to reduce their costs.
- Trustee Withrow said he submitted ten questions to Adil, and he responded in writing and was greatly appreciated for that.

2.2 PBC UPDATE:

- Moved to next meeting

Next meeting date confirmed for July 22 from 12-1 p.m.

3. ADJOURNMENT

Meeting Adjourned at 12:37 p.m.