

Minutes

Budget and Finance Committee Minutes

Wednesday, January 15, 2014

Trustees Present:

Reginald Felton, Chair
Alejandra Castillo (Budget and Finance)
Errol Schwartz (Budget and Finance)
James Lyons, Acting President, ex-officio
Jerome Shelton, Trustee

Trustees Absent:

George Vradenburg (Budget and Finance)
Kenneth Isaacs (Budget and Finance)

Staff Participants:

Donald Rickford, Acting Chief Financial Officer
David Franklin, Budget Director
Stacie Mills, Office of the General Counsel
Beverly Franklin, Executive Secretary, Board of Trustees

Call to Order and Roll Call

Chair Felton called the meeting to order at 6:24 p.m. He made a revision to the agenda, removing Item II (Approval of the Minutes) and Item VII (Discussion - Use of the Fund Balance).

Discussion – FY13 Actuals (Unaudited) – Attachment I

Mr. Rickford reviewed the preliminary unaudited FY13 financial highlights. Some of the highlights included total operating expenses (\$141 million), investment income (\$2.7 million), and non-operating revenues (\$88 million). Unrestricted net position (\$17.1 million) included funds owed to the early childhood program (\$850,000).

Trustee Castillo requested a clarification of some of the entries. Mr. Rickford reported that other assets included accrued interest and some receivables from other units. Nonexpendable restricted net position consisted of amounts owed to the District government. Expendable restricted net position included grants and contracts.

There was a detailed discussion regarding the frequency of financial reports. Dr. Lyons mentioned Mr. Rickford's commitment to more frequent reports. Mr. Rickford briefly discussed a couple of issues that have significantly impacted the Finance Office's ability to provide frequent reports including the lack of staff and some problems that were created with the implementation of Banner.

Discussion – FY14 Budget vs. Actuals – Attachment II

Mr. Rickford reviewed the FY14 Budget vs. Actuals. He noted tuition revenue was overestimated. When the budget was done, it was anticipated that the board would approve a tuition increase which did not happen. Reductions in PS and NPS have been implemented. There was a four percent across the board cut and a cap on expenditures to meet the shortfall.

Discussion – FY15 Budget Submission – Attachment III

Mr. Rickford briefly reviewed the FY15 Budget Submission. He discussed the unrestricted revenue (local subsidy, postsecondary, endowment, tuition and indirect costs). There was a brief discussion regarding the federal Pell Grant. Due to misinformation given to the City Council, the Pell Grant budget was removed for FY14. The council will need to reinstate the budget.

Discussion – Tuition and Fees

Dr. Lyons discussed the proposals developed during the strategic plan process which include the Board's tuition increase policy and its implementation over the next five years. A new fee is being proposed to support career and professional development. Fee increases are proposed for athletics and the student center.

A motion was made and unanimously approved to enter executive session. Chair Felton stated the following:

"The Budget and Finance Committee of the Board of Trustees voted to enter executive session in accordance with Section 2-575 (A) (b) of the D.C. Code for the purpose of discussing the appointment, employment, assignment, promotion, performance, evaluation, compensation, discipline, demotion, removal or resignation of government appointees, employees or officials."

The Board entered executive session at 7:24 p.m.

DRAFT