

CARL SANDBURG COLLEGE

Board of Trustees Meeting

Regular Meeting – June 28, 2007

Item 14 Sandburg Initiates Life-changing Opportunities – (SILO) Fund

Institutional Focal Points/Goals

I-A & B, II-D, III-A & B, V-B

Background

At its regular meeting held May 18, 2000, the Board of Trustees unanimously approved the recommendation of the Administration to implement Phase III of the SMART Initiative (Strategic Management and Resources Together). This led in part, to the establishment of the College's permanent \$5M Strategic Technology Endowment Fund (STEF), with its' resulting interest income being pledged/restricted to refresh our strategic technologies.

This unique transaction was structured in accordance with guidance provided within the Fiscal Management Manual (FMM) of the Illinois Community College Board and accomplished by the Board of Trustees adopting a resolution to establish what is referred to as a "Quasi-Endowment" Fund effective July 27, 2000.

The existence of this STEF Fund is largely responsible for Carl Sandburg College now being ranked eighth in the nation when it comes to tech-savvy community colleges (Center for Digital Education and the American Association of Community Colleges – AACC, April 2007).

The Administration now seeks to employ this same investment strategy to establish a permanent \$1M **SILO** Fund (**S**andburg **I**nitiates **L**ife-changing **O**pportunities). The interest income generated therefrom will be placed under the tutelage of the Vice President of Academic Services, who will in turn work with the College's Instructional Team to prioritize its' pledged/restricted use to launch new "Silos of Opportunity", and continue the process of reshaping Carl Sandburg College. Because these funds will always be limited/finite, it is anticipated and intended that these funds be used to finance "start-up" costs, and not be used to fund fixed or on-going operating costs.

This new \$1M "Quasi-Endowment" investment will be financed/funded by:

1. Initially transferring \$500,000 from the combined fund balances of the College Education Fund and Operations and Maintenance Fund (\$909,080 and \$408,116 respectively as of June 30, 2006, audit).

NOTE: The Administration anticipates completing the operation of the current (FY-2007) budget year on a balanced basis.

2. Initially transferring \$100,000 of accumulated interest income from the College's Working Cash Fund.

Both of these transactions were anticipated and built in the tentative FY-2008 operating budget approved by the Board of Trustees at its' regular meeting held May 15, 2007.

3. Future budget year transfers of Working Cash Fund interest income will be accomplished to complete the accumulation and establishment of the \$1M Quasi-Endowment **SILO** Fund.

Recommended Action

At this time, the Administration recommends the Board of Trustees approve the following four (4) actions effective July 1, 2007:

1. Adopt a resolution authorizing establishment of the Sandburg Initiatives Life-changing Opportunities, or **SILO** Fund.
2. Transfer \$400,000 from the Education Fund equity into the **SILO** Fund.
3. Transfer \$100,000 from the Operations and Maintenance Fund equity into the **SILO** Fund.
4. Transfer \$100,000 from the Working Cash Fund accumulated interest income into the **SILO** Fund.