APPROVED

Fitchburg State University

Minutes

Board of Trustees Finance and Administration Committee Meeting

Date and Time
Wednesday June 24, 2020 at 1:00 PM

Location
This will be a remote meeting.

The Fitchburg State University Board of Trustees Finance and Administration Committee will meet on Wednesday, June 24, 2020 at 1:00 p.m. This meeting will be held via teleconference as approved by Governor Baker.

Public viewing-only access:
https://stream.meet.google.com/stream/9b9ff509-d4e0-4f41-898f-b75291c9240e

Committee Members Present
D. Irving (remote), D. Phillips (remote), D. Tiernan (remote), L. Barrieau (remote), M. Nicholson (remote)

Committee Members Absent
None

Ex Officio Members Present
R. Lapidus (remote)

Guests Present
C. Aneke (remote), G. Doiron (remote), J. Bry (remote), Members of Executive Cabinet (remote)

I. Opening Items

A. Record Attendance and Guests

B. Call the Meeting to Order

D. Phillips called a meeting of the Finance Committee Committee of Fitchburg State University to order on Wednesday Jun 24, 2020 at 1:02 PM.

C. Approve Minutes from November 5, 2019 Finance Committee - VOTE (18-19-20)

D. Irving made a motion to approve the minutes from Board of Trustees Finance and Administration Committee Meeting on 11-05-19.
M. Nicholson seconded the motion.
The committee **VOTED** to approve the motion.

Roll Call	
G. Doiron	Absent
M. Nicholson	Aye
R. Lapidus	Absent
D. Irving	Aye
C. Aneke	Aye
D. Tiernan	Aye
L. Barrieau	Aye
D. Phillips	Aye

II. FY2021 Budget Discussion

A. FY2021 Budget Narrative

The president updated the board on the actions taken at the Massachusetts Board of Higher Education (BHE) meeting that he attended yesterday. The BHE hired a strategy firm, EY-Parthenon to conduct a study to assess the financial impact of COVID-19. He stated that all institutions will find themselves in an increasingly challenging situation. It is a situation that suggests that we need to be extremely prudent.

He next discussed enrollment and the demographics in the state. Early indications are that that if schools are forced to be fully remote, larger numbers of students may opt to take a gap year. He explained the implication for the residence halls, that have already been showing a declining in occupancy over the past few years. He indicated that state appropriations have not been formalized or received by the university. The president summarized these variables primarily used by Parthenon in their study and the largest inputs to the university budget. The university finished FY20 financially better than anticipated. Given the unprecedent rapid spring departure from campus, which required the issuance of refunds for housing, food service and parking that the university was unable to deliver. The university did receive some CARES act money, that was

distributed as soon as it was received. The president stated that we try not to dip too much into our reserves. He commended and thanked Jay Bry, Mary Beth McKenzie, Christian Estrella, and Carin Bullis for their extraordinary work on the budget. There was a discussion on enrollment.

J. Bry noted that the EY-Parthenon study showed that not all institutions across the state university and community college systems are in a good financial position. The university performed better on their analysis than others. He next discussed the summary budget in great detail. He compared the pre-COVID budget to current thinking. A presentation on proposed budget reductions was presented. The university anticipated that housing occupancy would be at approximately 60%, with all rooms considered to be singles. A presentation regarding the Massachusetts State College Building Authority (MSCBA) debt restructuring was presented. He said the dining situation mirrors what happens in the residence halls. He did note that Chartwells provides the services and there are additional fees that students pay that support the university. Assuming that dining services can open, most of the operational costs will be carried by Chartwells.

He next discussed tuition and fees and the enrollment decline amplified by COVID. The freshmen class is relatively flat, but returning and transfer student numbers are down. He discussed tuition for Graduate & Continuing Education (GCE) and accelerated programs. The university is recommending a fee increase for GCE which would keep us competitive with other institutions. He reminded the board that GCE is self-supported and that state funds cannot be used to support their programs.

He discussed some of the smaller revenue sources, such as the McKay School rental. The university agreed to provide Fitchburg Public Schools a deferment on the rent if needed. There was a discussion on investments.

J. Bry next discussed operational expenses. The majority of the university budget supports personnel. He noted that furlough programs are being discussed along with a number of other cost mitigation measures. There will be a hiring freeze and vacant positions, in most cases, would not be filled. He acknowledged and thanked Christian Estrella and Carin Bullis for all the work they did in collaboration with Human Resources by looking at all the positions.

J. Bry discussed the process regarding furloughs. There was a discussion on departmental operating budgets, and debt service.

There was a discussion on training for faculty in regard to online learning, technology investments, enrollment with the social distancing factor, and low-income students being able to access technology to learn.

There was a discussion on residential suites, singles, and double occupancy.

B.

Annual Operating Budgets FY18-FY21

J. Bry reported that budget planning worked to balance the budget with an eye toward not making significant reductions to university reserves. 2 million dollars are being placed in the for anticipated expenses derived from COVID.

C. Summary of Operating Funds FY2021

J. Bry presented and discussed the various operating funds behind the overall operating budget.

D. Budget Narrative Appendix

J. Bry discussed the 6-Year net pricing sheet and the CARES Act.

D. Irving commended J. Bry and his team for putting together the budget with so many variables. He explained the difference between tuition and fees and noted that tuition is fixed. He indicated that voting might result in the need to raise fees. He noted that this budget required the university to take the most money out of the reserves in the school's history and we must remain strong, not only for next year, but the future years ahead.

J. Bry said historically, we don't know what are sister schools are doing in regards to fee increases, but that if proposed fees were to be approved, the university would still on the lower end of the overall cost spectrum relative to sister institutions.

III. FY2021 Fees Discussion

A. University Fee Increase - VOTE (22-19/20)

D. Irving made a motion to to recommend the following technology fee increase, effective for the fall semester 2020: Technology Fee Day Undergraduate Technology Fee: $75.00 per semester increase for FY2021. The new annual total will be $500.00. GCE Undergraduate and Graduate Technology Fee: $2.00 per credit increase for FY2021 for a total fee of $9.00 per credit.
L. Barrieau seconded the motion.
The committee **VOTED** to approve the motion.

Roll Call

M. Nicholson	Aye
C. Aneke	No
D. Phillips	Aye
D. Irving	Aye
L. Barrieau	Aye
D. Tiernan	Aye

B. GCE Student Fee - VOTE (21-19/20)

D. Irving made a motion to to recommend the following Graduate and Continuing Education fee increases, effective fall semester 2020: • An increase of $11.00 per credit for the GCE undergraduate program for FY2021; the new total per credit fee will be $319.00. • An increase of $13.00 per credit for the GCE graduate program for FY2021; the new total per credit fee will be $332.00.
L. Barrieau seconded the motion.
There was a discussion on the students that would be impacted by this vote.
The committee **VOTED** to approve the motion.

Roll Call

D. Irving	Aye
C. Aneke	Abstain
D. Tiernan	Aye
L. Barrieau	Aye
M. Nicholson	Aye
D. Phillips	Aye

C. ALFA Fee - VOTE (19-19/20)

D. Irving made a motion to to recommend the following fee increase, effective for the fall semester 2020: ALFA Program ALFA Program: an increase of $10.00 per course for FY2021; the new per course fee will be $40.00.
L. Barrieau seconded the motion.
The committee **VOTED** to approve the motion.

Roll Call

D. Phillips	Aye
M. Nicholson	Aye
D. Irving	Aye
L. Barrieau	Aye
D. Tiernan	Aye
C. Aneke	Aye

IV. FY2021 Budget VOTES

A. FY2021 Budget - VOTE (23-19/20)

D. Irving made a motion to to recommend the FY2021 Budget as presented by the President.
L. Barrieau seconded the motion.
The committee **VOTED** to approve the motion.

Roll Call

D. Irving	Aye
M. Nicholson	Aye
D. Phillips	Aye
C. Aneke	No
D. Tiernan	Aye

Roll Call

L. Barrieau	Aye

B. Roll Forward of Funds to FY2021 Budget - VOTE (24-19/20)

D. Irving made a motion to to recommend that ongoing capital projects roll forward into the FY2021 University Budget.
L. Barrieau seconded the motion.
It was noted that this was only for projects already fully funded.
The committee **VOTED** to approve the motion.

Roll Call

D. Phillips	Aye
D. Irving	Aye
L. Barrieau	Aye
M. Nicholson	Aye
D. Tiernan	Aye
C. Aneke	Abstain

V. Closing Items

A. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 2:52 PM.

Respectfully Submitted,
D. Phillips

Documents used during the meeting

- VOTE Minutes.pdf
- Budget Narrative FY2021 .pdf
- Summary Budget FY21.pdf
- Summary of Operating Funds FY21.pdf
- 6 Year Net Price_Disount Rate.pdf
- Note on CARES Act aid to Fitchburg State Students in FY2020.pdf
- VOTE Technology Fee Increase.pdf
- VOTE GCE Fee Increase.pdf
- VOTE ALFA Fee Increase.pdf
- VOTE Budget FY2021.pdf
- VOTE Roll forward of funds to FY2021 budget.pdf