APPROVED

Fitchburg State University

Minutes

Board of Trustees Finance and Administration Committee Meeting

Date and Time
Tuesday April 27, 2021 at 8:00 AM

Location
This will be a remote meeting

The Fitchburg State University Board of Trustees Finance and Administration Committee will meet on Tuesday, April 27 at 8:00 a.m. This meeting will be held via teleconference as approved by Governor Baker.

For public viewing:

Live stream
stream.meet.google.com/stream/c75409f4-030a-4903-995d-57bdcce6fa4e

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

Committee Members Absent
D. Tiernan

Guests Present
A. Cardelle (remote), C. Bullis (remote), C. Canney (remote), C. Estrella (remote), G. Doiron, G. Doiron (remote), J. Wolfman (remote), K. Spinelli (remote), L. Bayless (remote), M. Fiorentino, Jr. (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 Tuesday Apr 27, 2021 at 8:07 AM.

C. Approve Minutes from November 10, 2020 Finance Committee - VOTE (21-20/21)

L. Barrieau made a motion to approve the minutes from Board of Trustees Finance and Administration Committee Meeting with the Foundation Audit Committee on 11-10-20.
M. Nicholson seconded the motion.
The committee **VOTED** to approve the motion.

Roll Call

M. Nicholson	Aye
D. Tiernan	Absent
D. Phillips	Aye
L. Barrieau	Aye

II. FY2022 Budget Discussion

A. FY2022 Budget Narrative

The president opened the meeting with a high-level overview that recapped the activities of FY2021. He stated that 2021 was a challenging year. The university delivered the majority of its classes in a remote format this year due to COVID-19. Approximately 10% of classes were taught face-to-face in a traditional classroom setting. State funding was level as compared to the prior year. In anticipation of declining demographics, the university made conservative estimates with regard to student enrollment. Enrollment in the graduate division was slightly higher then estimated. The university received some debt payment assistance from the Massachusetts State College Building Authority (MSCBA) which helped the budget considerably. The university concluded the academic year with a very low overall COVID-19 positivity rate. He noted that there were three rounds of relief funding with the receipt of some funds yet to come. Planning is underway for FY2022. The university had its 5-Year Strategic Plan unanimously approved by the Board of the Department of Higher Education. The main components of the strategic plan are built on educational justice, a student ready campus and inclusive excellence. Within that context, much of the plan has a focus on student retention. This last academic cycle, the university saw a 3% increase in student retention which was the highest in the system. We believe we are making positive forward progress.

The university continues to push hard in our efforts with enrollment management and the recruitment of new students. To date, there is a significant increase in applications. We have implemented a much more aggressive recruitment approach and have increased our usage of our relationship management software. Students are looking to understand their possibilities earlier and we have

increased our communication with rising juniors and seniors. The data, and our consultants, confirm that if efforts are focused at current high school seniors, it is probably too late. Our online graduate programs continue to do well and we continue to see a shift from traditional to online formats. We have a number of high performing accelerated programs and we are looking to build on our expertise in delivering online programs. Students are looking for programs that better fit their lifestyles given many are working. We are also looking to further diversify our revenue streams. Students in the School of Graduate, Online and Continuing Education program run the continuum from those looking to add education to create career opportunities, to those in the ALFA program that are seniors and retirees looking for lifelong learning opportunities. Efforts have also been undertaken in workforce development and refinement skills with increased emphasis on certificate programs.

The president next talked about staffing. The university's goal is to slowly right size the institution as enrollment declines and student support needs increase. Currently, we are examining options as to how to best address marketplace changes. There was a decline in adjunct faculty as student enrollment declined.

The president reminded the committee that the university launched an early retirement program and that 20 individuals had tentatively taken advantage of the opportunity. At the end of the month, the exact number of individuals retiring will be known. The end result will be some salary savings but, not significant savings. The president emphasized that salaries dominate the budget and financial obligations are compounded by fringe benefits. He noted that collective bargaining will begin in the upcoming year and that all three units will be involved in the negotiation process. To date, no financial parameters have been provided by the administration for this three-year cycle. The president indicated that he would keep the board up-to-date on progress and was hoping to have more information to share by mid-summer.

He next reported on the facility projects and technology updates. He said that all projects could be considered to be in the realm of deferred maintenance. Work will continue on McKay and the final phase should conclude sometime in the fall semester. The next renovation project to begin will be in Thompson Hall. He mentioned the DCAMM electrical project is underway and fully funded. This project is scheduled to conclude in the spring semester of 2022. At its conclusion, the university will have modern electrical delivery systems much improved from their current state. He stressed the importance of continued technology upgrades and the challenges keeping up with both technology and cost. Most recently a number of student labs and classrooms have been upgraded. He reported that last year, on the recommendation of the Chief Information Officer, a switch was made to the Google platform. The transition was a huge benefit when the campus was forced to go to remote learning due to the pandemic. Operations for the coming year were next discussed. The president indicated that it is the university's intention to be back on campus face-to-face in the fall to the greatest extent possible. To date, no guidance on this has been provided from the state. Academic Affairs has built class schedules to get students back in the classroom. Faculty opted to build face-to-face courses which is consistent with what students

indicated was their preference. The university will await state guidelines. With the intention to be back in person in the fall and the realization that COVID- 19 is not going away, planning will take into account a broad range of contingencies. It is anticipated that COVID-19 testing will continue. The university sent out a message yesterday to the campus that the state university system will require vaccinations for the fall semester assuming final FDA approval. Under this scenario, it is hoped that vaccination requirements will reduce some of the burden associated with testing and tracing side. Early estimates are to put another $1.5 million into the budget for COVID-19 expenses.

L. Barrieau asked if there was any sense of enrollment plus or minus due to the vaccine requirement.

D. Irving joined at 8:38 a.m.

The president responded that our data, and the national data, is suggesting that there is a significant lag in college enrollment commitment. There is an uncertainty about the future and he believed vaccinations would contribute to the uncertainty. Admissions has received calls regarding the decision and similar to the what is happening on the national stage, some are upset and others are supportive. This was the same situation encountered with testing last year. It's very difficult to figure out. Anecdotally, it is believed that more people have expressed a positive reaction to the decision than those that were negative.
The president noted the undergraduate recruitment dates and explained the traditional cutoff date is May 1. This year however, the university will be accepting deposits well beyond that date. Currently, enrollment performance is ahead of where it was last year but behind compared to prior years. The university remains cautiously optimistic. He went on to indicate occupancy in residence halls is down.
Whether occupancy is up or down, there is an obligation to make the bond payments. Currently a $1.5-million-dollar loss is estimated. Overall, a $4.5 million loss is estimated this year. This is due to reduced enrollment, housing losses and the impact of COVID-19.

J. Bry next discussed a PowerPoint presentation. He indicated that we are on a downward trend due to low birth rates and that community college enrollments are significantly down. This is a considerable challenge given that the community colleges are important feeders for our institution. He indicated that our day program contributes approximately 50% of the revenue coming into the campus. He noted significant growth in accelerated online programs. He said that for
budgeting purposed, we will be assuming approximately 2700 fulltime day students.

He discussed the new presentation format to more easily identify how the different units are doing.

He discussed the FY2022 revenue increases from the FY2021 budget projection. He discussed the revenue sources and where they come from in detail. (Power Point attached)

He discussed the revenue sources compared to prior years and the projected revenue sources. He next discussed FY2022 expense increases from FY21 budget projections. He indicated that the bond payments to the MSCBA were restructured to FY23.

He discussed that the biggest expense is personnel and the longest to adjust. The auxiliary services are the second. At this point, we don't expect housing to break even given we have 60% occupancy.

He next discussed FY2022 budget expenses by fund. Looking at the formal budget, you can see where these increases are by the different units.

A discussion ensued about the debt service regarding the buildings.

He next discussed the future projected budget shortfalls. The university anticipates using $4.5 million from reserves to make up the difference of the budget shortfall.

There was a discussion.

J. Bry formally recognized and commended the finance team of Carin Bullis, Christian Estrella, and Sheila Boudreau for their hard work.

B. Budget Summary Revenue

C. Budget Summary Expenses

D. Summary of Operating Funds FY2022

III. FY2022 Budget VOTES

A. FY2022 Budget - VOTE (22-20/21)

L. Barrieau made a motion to approve.
M. Nicholson seconded the motion.
A discussion ensued regarding work force development, first year experience, accelerated programs and piloted programs.

The president thanked the budget team.
The committee **VOTED** to approve the motion.

Roll Call
L. Barrieau Aye

Roll Call

D. Phillips	Aye
D. Tiernan	Absent
M. Nicholson	Aye

B. Roll Forward of Funds to FY2022 Budget - VOTE (23-20/21)

L. Barrieau made a motion to approve.
M. Nicholson seconded the motion.
The committee **VOTED** to approve the motion.

Roll Call

D. Phillips	Aye
D. Tiernan	Absent
M. Nicholson	Aye
L. Barrieau	Aye

IV. Notifications

A. Financial Statements (N07-20/21)

The financial statements were submitted for informational purposes.

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 9:37 AM.

Respectfully Submitted,
D. Phillips

Documents used during the meeting

- VOTE minutes November 10, 2020.pdf
- Budget Narrative FY2022 Final RSL.pdf
- BOT Budget Summary Revenue 4.13.21.pdf
- BOT Budget Summary Expenses 4.13.21.pdf
- Summary of Operating Funds FY22.pdf
- VOTE Budget FY2022.pdf
- VOTE Roll forward of funds to FY2022 budget (1).pdf
- Mar 21 Executive Summary (2).pdf

- FSU_ Mar 2021 Quarterly Financial statement.pdf