

APPROVED



## Fitchburg State University

# Minutes

## Board of Trustees Meeting

### Finance Committee Meeting

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#### Date and Time

Friday February 14, 2025 at 8:30 AM

#### Location

This meeting will be held remotely and will be livestreamed.

#### Public Live Stream:

<https://www.fitchburgstate.edu/live>

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#### Committee Members Present

D. Tiernan (remote), E. Gregoire (remote), K. Spinelli (remote), M. Fiorentino, Jr. (remote)

#### Committee Members Absent

M. Morris

#### Guests Present

D. Hodge (remote), Heidi Swift (remote), K. Lundgren (remote), Michael Cloutier (remote)

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### I. Opening Items

#### A. Record Attendance

#### B. Call the Meeting to Order

K. Spinelli called a meeting of the Finance Committee Committee of Fitchburg State University to order on Friday Feb 14, 2025 at 8:32 AM.

### C. Approve Minutes from the April 25, 2024 meeting - VOTE (09.2024/2025)

D. Tiernan made a motion to approve the minutes from Board of Trustees Budget, Finance, and Facilities on 04-25-24.

K. Spinelli seconded the motion.

The committee **VOTED** to approve the motion.

#### Roll Call

E. Gregoire	Aye
M. Morris	Absent
D. Tiernan	Aye
K. Spinelli	Aye
M. Fiorentino, Jr.	Aye

## II. Finance Updates

### A. Overview of Finance

#### Introduction of Heidi Swift:

- President Hodge introduced Heidi Swift to the meeting.
- President Hodge highlighted Heidi Swift's extensive experience, including:
  - Years of service to the campus in various financial roles (Budget Director, Controller).
  - Experience working for the state.
  - Recent retirement from Mount Wachusett Community College.
- President Hodge expressed gratitude for Heidi Swift's willingness to return to assist the finance team.
- President Hodge emphasized the need for additional financial expertise and noted that Heidi has effectively streamlined the finance department.

#### 2. Heidi's Impact and Contributions:

- President Hodge acknowledged Heidi as a valuable single point of contact.
- Heidi has successfully focused the finance team's attention on critical financial matters.
- Heidi's presence has allowed President Hodge to allocate time to other pressing campus issues.
- President Hodge emphasized Heidi's institutional knowledge, state expertise, and overall financial oversight.
- President Hodge thanked Heidi for vetting and validating existing financial information.
- The financial validation confirmed the accuracy of previous projections.

#### 3. Future Priorities:

- Heidi will focus on managing cash flow and the investment portfolio.
- President Hodge and Heidi recognized the need for attention in these areas.
- Cash flow and investment portfolio management will remain priorities through fiscal year 2026.

#### **4. Fiscal Year 25 and 26 Budget Preview and Campus Message:**

- The meeting's purpose was to preview the Fiscal Year 25 budget and the Fiscal Year 26 campus message.
- The campus message will be distributed to the university after committee review and Board of Trustees preview, approximately 20-30 minutes before campus-wide distribution.
- A fifth Board of Trustees meeting is required to approve the Fiscal Year 26 budget.
- The timeline is similar to previous years, but with fewer preliminary meetings.
- Additional committee meetings are anticipated for Fiscal Year 26 planning due to a different approach and the need to maintain campus stability.

#### **5. Introduction and Update from Heidi Swift:**

- Heidi Swift provided an overview of her first 45 days with the finance team.
- She expressed excitement about returning to Fitchburg State and noted the campus's "rejuvenation."
- She highlighted the need for definition and the resilience and commitment of staff and stakeholders.
- She emphasized the importance of honest and open conversations regarding finances and budget impacts.
- She noted that the current economic climate is forcing all government entities to transition.
- She stressed the importance of aligning financial and academic processes to support enrollment and the campus's future.

#### **6. Budget Document Discussion:**

- The budget document for Fiscal Year 25, including quarter two actuals, was distributed via email and BoardDocs.
- Quarter two is considered a key benchmarking period for assessing annual financial activity.
- The financial state of the university is stable.

### **B. Review of planned February Board of Trustees budget presentation, FY25**

#### **1. Budget Review and Enrollment Update:**

- The budget review showed results close to budgeted actuals and aligned with FY24 activities.
- Fall FTE student numbers increased by 57, exceeding the budgeted figure.
- Spring FTE student numbers are projected to slightly increase.
- Out-of-state student numbers are 6% lower, but overall year-over-year numbers are on target.
- The campus community's collaborative effort in enrollment was noted, especially the outreach that occurred in the late summer.
- The increase of 57 students resulted in approximately \$350,000 in additional revenue for the fall.
- The importance of monitoring fall-to-spring student retention was emphasized.
- The discussion was clarified to be about day school undergraduate enrollment.
- The transfer of students from graduate and online programs was discussed.
- The partnership with Rise Point for graduate and online programs was noted, along with its associated costs and benefits.
- Fitchburg State's online enrollment represents one-third of the state's public graduate and online enrollment.
- The strong collaboration between tenured and tenure-track faculty and SGOCE was highlighted as a key factor in the program's success.
- The importance of graduate and online program revenue to the operational budget was acknowledged.
- The need to explore new graduate programs and certificates, including online and in-person options, was discussed.
- The financial benefits of recruiting international and out-of-state students were highlighted.

## **2. Expense Review:**

- Personnel expenses are 2.5% higher than expected.
- Utility expenses are 4% higher due to contractual rate increases.
- Capital expenditures are lower than the prior year by \$1 million, but are expected to increase in quarter three.
- The renegotiation of electrical costs in December 2025 was mentioned.
- The involvement of the capital planning and management team in these negotiations was emphasized.
- Collective bargaining agreements will impact future expense numbers.
- The budget document was described as a good benchmark, and ongoing analysis of the actuals is taking place.
- The importance of separate budget presentations to the Board of Trustees was stressed.

## **3. Grant Funding:**

- Grant spending is at 102% of the budget.

- There have been no impacts from federal executive orders on grant funding.
- Massachusetts is currently exempt from certain executive order restrictions.
- The state is prepared to backfill potential funding gaps.
- State dollars for commitments, including the \$29 million success grant, are still pending.
- The state university presidents are advocating for additional state funding.

#### **4. Questions and Discussion:**

- Questions regarding the grant line item and potential impacts from executive orders were addressed.
- General discussion on the budget and the financial health of the university.

### **C. Preview of FY26 Campus Message and Timeline**

#### **1. Enrollment and Fiscal Year 26 Budget Planning Message:**

- Enrollment is a key factor in budget discussions and cannot be separated from the overall financial picture.
- A campus message regarding Fiscal Year 26 budget planning will be sent out after Board of Trustees review.
- The message is being sent out about two weeks later than usual, but the timeline is not a concern.
- The goal is to return to the standard budget submission timeline by March 14th.
- The message aims to shift the campus from a scarcity mindset to one of strategic growth and investment.
- The importance of enrollment for fulfilling the academic mission was emphasized.
- The enrollment management team will present a stretch goal for increased enrollment in Fall 2025 at the next meeting.
- The message outlines strategic growth priorities, including prioritizing people, investing in smart change for enrollment growth, and maximizing assets.
- The use of campus properties will be reviewed for alignment with the institution's mission.
- The practice of "extraordinary budget requests" will be eliminated.
- Budgets will be built based on actual spending and operational needs, rather than perceived needs.
- This process will be more complex in the first year and is expected to be fully implemented by Fiscal Year 27.
- Academic innovation funds will be shifted to the Provost's control to allow for more strategic allocation.
- The need to address critical life safety issues, such as updating law enforcement officers' equipment, was highlighted.
- Budget submission guidelines will require baseline budgeting, with cabinet-level supervisors working with Heidi Swift on strategic planning.
- The budget submission deadline is Friday, March 14th.

- A budget webpage with resources is available.
- Cost center managers are familiar with the process, and the new approach is expected to be welcomed.
- The Board of Trustees will receive a preview of the campus message before it is distributed.

#### **D. Setting 5th BOT meeting (May 12, proposed)**

##### **1. Scheduling Fifth Board of Trustees Meeting:**

- The final agenda item was to schedule a fifth Board of Trustees meeting for budget confirmation.
- May 12th was proposed as the date for the meeting.
- Attendees Karen Spinelli, David Tiernan, and Michael Fiorentino indicated the proposed date worked for their schedules.
- It was agreed that a message would be sent to the trustees, informing them of the discussed meeting date.
- President Hodge and Heidi Swift will present the proposed date during the budget presentation at the next meeting.
- The advanced notice of the meeting date was deemed beneficial for planning.
- The goal is to provide the Board of Trustees with a near-final budget before the summer.

### **III. New Business**

#### **A. New Business**

No new business was discussed.

### **IV. 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 9:13 AM.

Respectfully Submitted,  
M. Fiorentino, Jr.