APPROVED

Fitchburg State University

Minutes

Board of Trustees Meeting

Finance Committee Meeting

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

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

Committee Members Absent
M. Morris

Ex Officio Members Present
D. Hodge (remote)

Guests Present
Heidi Swift (remote), K. Lundgren (remote), Michael Cloutier (remote)

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

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.