APPROVED

Fitchburg State University

Minutes

Board of Trustees Finance Committee

Board of Trustees Finance Committee

Date and Time
Friday April 11, 2025 at 4:45 PM

Location
This is a virtual meeting and it will be live streamed and recorded.

Notice of a meeting of the Fitchburg State University Budget, Finance and Facilities Committee on Friday, April 11, 2025 at 4:45 p.m. This is a virtual meeting.

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

Committee Members Absent
K. Spinelli, M. Morris

Ex Officio Members Present
D. Hodge (remote)

Guests Present
Heidi Swift (remote), K. Lundgren (remote), M. Bruun (remote), Matt Lechter (remote), Robert Labonte (remote), S. King-Goodwin (remote), S. Rodriguez (remote)

I. Opening Items

A. Record Attendance

B. Call the Meeting to Order

M. Fiorentino, Jr. called a meeting of the Finance Committee Committee of Fitchburg State University to order on Friday Apr 11, 2025 at 4:31 PM.

C. Approve Minutes from the February 14, 2025 meeting - VOTE (17.2024-2025)

M. Fiorentino, Jr. made a motion to approve the minutes from Board of Trustees Meeting on 02-14-25.
D. Tiernan seconded the motion.
The committee **VOTED** to approve the motion.

Roll Call

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

II. Budget Discussions

A. FY25 Budget Updates

Fiscal Year 25 Budget Update:

- Heidi Swift presented the Fiscal Year 25 budget update, stating they are currently reviewing the February numbers and remain stable, with ongoing realignments.
- Enrollment numbers for both fall and spring were trending higher, resulting in an adjustment of approximately $562,000. Overall percentages are tracking as in prior years.
- The document is available in the board book.

Salary Adjustments:

- Heidi Swift noted that collective bargaining is starting to impact the budget, with AFSCME having received funding.
- President Hodge announced agreements reached with APA and DGCE, with salary adjustments for non-unit professionals increases to follow soon, coordinated by the Council of Presidents. MSCA agreement is pending.
- Salary increases are factored into the budget.
- Michael Fiorentino inquired about the implementation dates for salary increases after January.

- President Hodge indicated the increases would be retroactive to January and that the funds are available. Pending final confirmation from state legal counsel, the goal is for employees to see the increases in May.

B. Preview of FY26 Planning

- President Hodge and Heidi Swift discussed the Fiscal Year 26 budget planning process, emphasizing transparent conversations with campus stakeholders about budgets, needs, and spending.
- Heidi Swift noted they are in the initial stages of data gathering and high-level conversations to prepare a draft for the committee before the May 12th board meeting (anticipated to be virtual, focused solely on the budget).
- The new budgeting approach involves critically examining operational needs, previously often treated as extraordinary requests. The goal is to prioritize employee retention.
- Heidi Swift has been meeting with cabinet members to review budgeted amounts versus actual spending and operational needs beyond the existing budget.
- Unfulfilled requests currently exceed available funds by several million dollars, necessitating prioritization. Enrollment and student retention are key controllable variables.
- Further budget discussions are planned before the committee convenes again around May 7th or 8th.

Contract for Services Information:

- Michael Fiorentino requested more detailed information on contracts for services be included in future budget reviews to better understand who the university works with and their contributions.
- President Hodge acknowledged the request, noting past challenges in consolidating this information due to decentralized contracting. This practice has been stopped, with all contracts now reviewed and signed by the President and General Counsel. A list of contracts will be compiled for the board.

Further Discussion on FY26 Process:

- Eric Gregoire sought clarification on the current stage of the FY26 budget process.
- Heidi Swift explained that initial reviews are complete, and they are now segmenting the data and analyzing university-wide interdependencies. Core analytics are underway to ensure comprehensive and reasonable projections. They have a good understanding of anticipated revenues, expenses, and necessary conversations.
- Heidi Swift clarified the expense categorization into "need to have," "should have," and "would like to have" to facilitate prioritization with the President and Cabinet.
- Appropriation levels and the second year of collective bargaining agreements are being monitored.

- While the timeline for FY26 budget finalization is tight, the approach aims for long-term transformation, acknowledging current triage efforts related to past financial decisions.
- President Hodge estimated a truly transformed FY26 budget is three months away, with initial outlines expected within three weeks. Transparency will be maintained regarding ongoing changes due to various factors.
- The Commonwealth typically funds the first year of labor contracts, making timely MSEA agreement crucial for full funding in FY26.
- A critical point was made regarding the need to align enrollment strategy with the budget, balancing ambitious enrollment goals with fiscal pragmatism in a critical moment for the university.

C. Cash Flow Discussion

- President Hodge introduced a preliminary cash flow report, aiming to provide a snapshot without overwhelming detail. A past concern was the dispersion of university funds across numerous accounts.
- Heidi Swift highlighted the report as an exciting development, representing the initial effort to track cash inflows, outflows, and spending patterns (high and low points) to improve financial planning. Bob Labonte was credited with its rapid initial development. Refinements are ongoing to create a robust management tool.
- Mr. Labonte explained the report analyzes the main checking account transactions (approximately 4,000 year-to-date), categorizing receipts (student payments, grants, aid) and outflows (refunds, accounts payable, salaries). The report shows actual data from July to March with projections in blue for the remainder of the year.
- A concern was highlighted regarding the projected need to draw from the MMDT investment account to maintain sufficient cash, as was necessary in January. While financial aid inflow in March allowed for replenishment, a similar draw is projected for April. The report provides a one-to-two-month outlook for proactive cash management.
- President Hodge emphasized that while cash flow management has occurred historically, its consistent communication across leadership was lacking. The current report signifies progress in transparency.
- Heidi Swift noted that drawing down during peak/valley periods is not unusual and is being monitored. Large payroll account funding to the state treasury also impacts cash flow. Careful management and future awareness of these activities are crucial.
- President Hodge highlighted the report's importance in assessing the university's financial risk in the context of potential federal funding changes, noting the university's greater reliance on these funds compared to some UMass institutions.

- The increasing importance of the investment portfolio to the university's overall fiscal health was emphasized, with awareness of recent market fluctuations and ongoing communication with portfolio managers.

Appreciation and Questions:

- Lynn Barrieau, on behalf of the Board, thanked Heidi Swift and Bob Labonte for their work and transparency, which has been a sought-after element.
- Trustees were invited to ask questions about cash flow or previous discussions. There were no immediate questions.
- President Hodge encouraged trustees to reach out with any subsequent questions. The budgeting process, especially during a period of transformation, is acknowledged as complex.
- Ms. Barrieau echoed thanks to Heidi and Bob and the entire finance team for their diligence.

III. Closing Items

A. Adjourn Meeting

D. Tiernan made a motion to Adjourn.
E. Gregoire seconded the motion.
The committee **VOTED** to approve the motion.

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

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 5:02 PM.

Respectfully Submitted,
M. Fiorentino, Jr.