APPROVED

Fitchburg State University

Minutes

Board of Trustees

Fitchburg State University Board of Trustees Meeting

Date and Time
Monday May 19, 2025 at 10:00 AM

Location
This is a virtual only meeting. It will be streamed and recorded.

Notice of a meeting of the Fitchburg State University Board of Trustees on Monday, May 19, 2025 at 10:00 a.m.

The meeting will be virtual, livestreamed and recorded.

Public Live Stream:
https://www.fitchburgstate.edu/live

Trustees Present
C. Stimpson (remote), E. Gregoire (remote), J. Flanagan (remote), K. Spinelli (remote), L. Barrieau (remote), M. Fiorentino, Jr. (remote), M. Gill (remote), S. Rodriguez (remote)

Trustees Absent
D. Tiernan, M. Morris, S. King-Goodwin

Ex Officio Members Present
D. Hodge (remote)

Guests Present
David Niemi (remote), K. Lundgren (remote), M. Bruun (remote), stacey Luster (remote)

I. Opening Items

A. Record Attendance and Guests

B. Call the Meeting to Order

M. Fiorentino, Jr. called a meeting of the board of trustees of Fitchburg State University to order on Monday May 19, 2025 at 10:05 AM.
Chairman Michael Fiorentino extended congratulations to all graduates and undergraduates who participated in the week's commencement exercises, highlighting the exciting and energizing nature of the events. He commended the entire campus staff for their successful efforts in organizing the ceremonies, noting the smooth adjustments made for Saturday's event, which resulted in wonderful graduate and undergraduate ceremonies.

II. Board Chair's Report

A. Approval of Minutes, April 17, 2025 VOTE (21.2024-2025)

J. Flanagan made a motion to approve the minutes from Board of Trustees on 04-17-25.
E. Gregoire seconded the motion.
The board **VOTED** to approve the motion.

Roll Call

D. Tiernan	Absent
C. Stimpson	Aye
M. Fiorentino, Jr.	Aye
S. Rodriguez	Aye
K. Spinelli	Aye
J. Flanagan	Aye
M. Gill	Aye
E. Gregoire	Aye
S. King-Goodwin	Absent
M. Morris	Absent
L. Barrieau	Aye

B. Letter of Support for President Hodge - VOTE (22-2024/2025)

C. Stimpson made a motion to Approve Letter of support to the commissioner for Dr. Hodge.
E. Gregoire seconded the motion.
The board **VOTED** to approve the motion.

Roll Call

M. Morris	Absent
C. Stimpson	Aye
S. King-Goodwin	Absent
L. Barrieau	Aye
D. Tiernan	Absent
K. Spinelli	Aye
S. Rodriguez	Aye
J. Flanagan	Aye
M. Fiorentino, Jr.	Aye
E. Gregoire	Aye
M. Gill	Aye

III. Finance Committee Update

A. Update from Karen Spinelli, Chair of the Finance Committee

Karen Spinelli, Chair of the Finance Committee, provided an update on the May 13th meeting, where the proposed FY26 budget was discussed.
Key points from her report included:

- **Budget Overview:** President Hodge and Heidi Swift presented the budget, which largely mirrors the FY25 working budget but incorporates internal adjustments and clarifies priorities. Key assumptions include flat enrollment, alignment with the Governor's proposed state budget figures, and a potential fee increase to sustain student support.
- **Budget Details:** Discussions covered the university's former "Extraordinary Budget Request" (EBRQ) process. Unfunded requests remain in areas such as athletics and adjunct faculty compensation, which will be closely monitored. Personnel costs reflect fully funded faculty lines and anticipated hires, with a strategic decision not to refill the Vice President of Student Affairs position to redirect resources towards enrollment management and student success.
- **Revenue and Expense Trends:** The committee discussed a decrease in the transfer fee from the School of Graduate, Online, and Continuing Education (SGOCE) to the main institution and rising utility costs.
- **Thin Reserve:** The budget projects a thin reserve, highlighting the need for careful financial management and consideration of a fee increase. Concerns were raised about the reliance on trust fund transfers for cash flow, emphasizing the necessity of a long-term sustainability plan.
- **Q&A:** The committee engaged in a detailed Q&A session regarding grant funding, personnel costs, and reserve balances. President Hodge addressed cash flow concerns and emphasized balancing fiscal responsibility with investing in people and the student experience, reiterating the long-term goal of enrollment growth and differentiation.

- **Proposed Fee Increase:** President Hodge presented four options, including no increase, highlighting Fitchburg State's current position with the lowest fees among its peers. Three potential increases (approximately 3.9%, 4.8%, and 6.8%) were outlined, detailing their impact on student fees and reserve reliance. Communication of any fee increase to students was also discussed.
- **Recommendation:** A consensus emerged to recommend the middle option of a 4.8% fee increase to the full board for further discussion.

Chairman Michael Fiorentino opened the floor for questions or discussion regarding the Finance Committee report. No questions were raised.

IV. President's Report

A. From the President

- **Investiture Celebration:** President Hodge expressed gratitude to Chairman Fiorentino and the board for their support during her formal investiture celebration. The accompanying gala successfully raised close to $400,000, indicating strong community support.
- **Commencement Week:** The President highlighted the success of commencement week, which included a nursing pinning ceremony for 35 new nurses, a graduate ceremony for almost 300 students, and the main commencement ceremony for 430 graduates. Despite initial weather concerns, the team's preparations allowed for a successful outdoor event.
- **Police Academy:** The 8th Police Academy class has begun, with completion scheduled for September 12th.
- **Personnel Updates:**
  - **Matt Brunn** has accepted the offer to serve as Chief of Staff, while continuing his duties as Executive Director of Communications and Public Affairs.
  - **Dr. Laura Bayless** announced her retirement, effective July 1st.
  - **Dean of Students, Tim St. John** will continue leading student affairs. The university does not intend to replace the Vice President of Student Affairs position, instead redirecting funding to an enrollment and student success role.
  - **Matt Lechter** has stepped in as Interim AVP for Capital Planning and Maintenance following JD Head's departure. President Hodge acknowledged Matt Lechter and Chief Michael Cloutier for their leadership during this transition, highlighting the university's commitment to leveraging internal expertise.

Chairman Michael Fiorentino opened the floor for questions for the President. No questions were raised.

V. FY26 Proposed Budget

A. Proposed FY26 Budget Presentation

Chairman Michael Fiorentino opened the budget review, emphasizing the inclusive campus-wide effort in preparing the budget. He noted that he and President Hodge would have extensive conversations over the summer regarding the budget process and future multi-year fee increase reviews, with a detailed report to follow in the fall.
President Donna Hodge provided further details on the budget:

- **Long-term Planning:** The campus is working towards a clearer five-year financial plan to enhance transparency and engagement.
- **Finance Team Structure:** The President acknowledged the unique structure of the finance team, with no single sitting director and key contracted employees like Heidi Swift and Bob Labonte providing crucial support.
- **Culture Shift:** A key goal is to change the financial culture on campus, promoting transparency and clear communication.
- **Level-Setting Budgets:** The process began by asking departments to level-set their budgets based on historical spending and true operational needs, moving away from the "Extraordinary Budget Request" (EBRQ) process.
- **EBRQ Reallocation:** The roughly $700,000 in EBRQ funds were reallocated to cover core, previously unfunded operational needs (e.g., vehicle repairs, HVAC), building these directly into departmental budgets.
- **Trust Fund Transfers:** The budget clearly reflects a $3.5 million transfer from trust fund reserves to manage cash flow. This amount is higher than formally approved in past years but reflects historical transfer practices. The intent is to maintain this transfer and provide updates on actual needs.
- **Flat Enrollment (Up from Budgeted):** The budget assumes flat enrollment based on actual final census data (2295 in fall, 2032 in spring, or 2164 annualized FTE), which is an increase from previous budgeted numbers. This would represent a true level enrollment for the first time in many years.
- **Enrollment Goals:** While the budget is conservative, President Hodge continues to push enrollment and student success teams to set more audacious long-term growth goals.
- **Fee Increase Scenarios:** Four fee increase scenarios were presented, with the **4.8% increase** (Option 2) being the finance team's and committee's recommendation, as it still positions Fitchburg State's fees relatively low compared to peers.
- **State Appropriation Baseline:** The budget uses the Senate's draft budget as the baseline for state appropriation planning.
- **Specific Budget Notes:**
    - The $700,000 in EBRQ funds was the only flexible pool for non-level funded budget requests.
    - An unfunded gap of about $650,000 exists between new budget requests and what could be covered. This includes $67,000 for one-time academic affairs needs and $118,000 for athletic needs (e.g., preseason meals, travel,

official costs), for which alternative funding sources like foundation or donor support will be sought.
    - The largest unfunded request was a $490,000 increase for adjunct budget/rates, which was not included in the current budget but will be closely monitored.
    - Utilities are up by nearly $1 million across the board.
    - No performance or formula funding is currently included, though a state allocation is expected.
    - SGOCE's transfer to the university has decreased by almost $2 million since FY23, reaching $5.8 million this year, which is unsustainable long-term. The SGOCE and foundation budgets have been conservatively pulled back to FY24 levels due to revenue declines.
- SGOCE Transfer: Anticipating a transfer of $5.8 million for fiscal year 2024, a decrease from $7.7 million in fiscal year 2023. The current reliance on these transfers is deemed unsustainable due to university costs in supporting SGOCE operations. The administration is exploring creative solutions for SGOCE funding, including an upcoming meeting to discuss the "rise point contract" crucial for enrollment.
- President's Budget Reduction: The budget includes a $12,000 reduction to the president's budget without impacting operational needs or managed events.
- Personnel Funding: All full-time faculty and tenure-track line requests submitted by the provost and academic leadership have been fully funded. Priorities include critical faculty backfills in growth areas and minimizing institutional risk from key staff departures. The university is focusing on leveraging existing campus expertise and rethinking positions to meet student needs while being fiscally conservative.
- CFO Search: The campus is actively engaged in a CFO search. Deadlines for inquiries/nominations ended April 30th, with applications closing June 15th. A robust pool of candidates has been identified, and additional support from partners like Academic Search is being considered to expand the national candidate pool.
- Future Budget Monitoring: Key variables for future budget updates include SGOCE performance, fall undergraduate day enrollment trends, final state allocations, housing trends (which are positive), and collective bargaining obligations/state contract funding.
- Benefits Cost Reduction: For the first time in many years, fiscal year 2026 is projected to see a decrease in benefit costs, from 45% in FY25 to an anticipated 35% in FY26, resulting in significant savings.
- Trust Fund Transfer: The current intent is to keep the transfer from trust funds in the budget, with updates provided as changes related to proposed fee increases occur, allowing for board counsel. Final FY26 budget approval will occur during a virtual business meeting before the annual board retreat.
- FY25 vs. FY26 Budget Comparison: The budget proposal presents FY25 approved budgets alongside the FY26 proposal for comparison.

- Revenue - State Maintenance: Projections are based on Senate numbers, with strong support for higher education anticipated in various versions of the state budget.
- Fringe Benefits (Local Funds): A significant savings of approximately $200,000 is anticipated for local trust funds due to the fringe benefit reduction.
- Tuition - Undergrad Day Division Fees: Budgeted with an approximate $500,000 increase based on actuals for the current year.
- ED Service Transfer Fee: This fee has declined by almost $2 million over the past few years, despite consistent or increased service levels.
- Operating Revenue Reserves: A $3.5 million reserve from the T65 fund is shown for transparency and will be continuously monitored.
- Graduate & Continuing Education: The School of Graduate and Continuing Education, accelerated programs, and Center for Professional Studies are being level-set on both revenue and expense sides and will continue to be monitored.
- Reliance on Trust Funds: Approximately half of the total campus reserve is restricted, indicating that long-term reliance on trust fund transfers is unsustainable. While an outsized reliance on trust funds exists (common among campuses), the campus does not have a structural deficit. The issue is that expenses have grown, while enrollment as a revenue source has thinned.
- Student Support Needs: The changing needs of students, particularly an increase in care referrals (from less than 300 last year to over 750 this year), highlight the need for increased person-power and expertise in student support systems. This is an area where the campus cannot afford to make cuts.
- Personnel Costs: $53 million budgeted for personnel costs, including faculty and projected FY26 salaries. While savings may be realized (e.g., from search timelines or reallocating VP of Student Affairs salary to an Enrollment Management VP), the full picture is presented.
- Fixed Costs: A change to fixed costs, around $1 million due to contractual obligations, contributed to an increase in expenses.
- Net Positive: A net positive of $344,000 for FY25 is positive but offers little wiggle room for unexpected issues or unfunded programs.
- Federal Award Pulled Back: The campus received notification of a federal award (NEH grant for theater block) being pulled back due to an executive order. No monies had been spent or built into the budget, so it does not impact current finances but will be discussed at the board retreat.
- Capital Budget: Capital is budgeted at $5.2 million versus $4.7 million. This is considered minimal for the campus, but the commonwealth's commitment to deferred maintenance and infrastructure needs is appreciated. Historical spending has often exceeded the budgeted amount due to matching fund requirements for state gifts.
- Projects: The Conlan window replacement is scheduled to begin this summer.

Michael Fiorentino opened the floor for questions and emphasized that the budget is a work in progress, with trustees to be notified of changes. An official budget review will occur at the board retreat.
The President expressed appreciation for board members attending finance committee meetings and one-on-one conversations, which helped clarify thinking.

B. FY26 Proposed Budget - VOTE (23.2024/2025)

K. Spinelli made a motion to Approve the proposed FY26 budget.
C. Stimpson seconded the motion.
The board **VOTED** to approve the motion.

Roll Call	
K. Spinelli	Aye
M. Morris	Absent
M. Gill	Aye
M. Fiorentino, Jr.	Aye
C. Stimpson	Aye
D. Tiernan	Absent
E. Gregoire	Aye
S. Rodriguez	Aye
J. Flanagan	Absent
S. King-Goodwin	Absent
L. Barrieau	Aye

C. Proposed Fee Increase - VOTE (24-2024/2025)

K. Spinelli made a motion to Approve the Proposed fee increase of 4.8%.
E. Gregoire seconded the motion.
The board **VOTED** to approve the motion.

Roll Call	
M. Morris	Absent
M. Gill	No
E. Gregoire	Aye
L. Barrieau	Aye
C. Stimpson	Aye
K. Spinelli	Aye
S. Rodriguez	Aye
J. Flanagan	Absent
D. Tiernan	Absent
M. Fiorentino, Jr.	Aye
S. King-Goodwin	Absent

- **Context:** The President emphasized the importance of examining tuition and fees relative to other state public institutions. Fitchburg State has the lowest fees among its state public colleagues (excluding unique institutions like Mass Maritime, MCLA, and Mass Art).

- **Peer Comparison:** Other state public institutions are anticipated to have at least a 3% fee increase, with some expecting higher.
- **Options Presented:**
  - **Option 1:** 3.9% increase, still placing Fitchburg State at the bottom of its peers (excluding Mass Maritime). Total annual impact to students: $438.
  - **Option 2:** 4.8% increase, considered a better long-term plan to avoid dramatic increases in future years. Still places Fitchburg State at the bottom of the state public rankings. Total annual impact to students: $540.
  - **Option 3:** 6.8% increase, a bolder option that would likely result in a lower necessary fee increase next year. Even with this, Fitchburg State would remain in the lower third of peer institutions (assuming peers only raise by 3%). Total annual impact to students: $768.
- **Rationale for Increase:** The campus has been conservative with fee increases, falling behind inflation. Fee increases provide a stable budget and ensure the continuation of excellent student services. Cutting services is deemed more difficult than implementing fee increases.
- **Student/Faculty Communication:** While large group discussions haven't occurred, individual and small group conversations with students and faculty indicate that while no one desires fee increases, there's an understanding of its necessity given the increased student needs and the campus's historical conservatism.
- **Five-Year Plan:** Michael Fiorentino stressed the importance of developing a substantial five-year plan for budget and fee increases, based on good data, to avoid year-to-year reactive decisions. He applauded the team for their efforts in planning for the upcoming year.

Discussion on Proposed Fee Increase:

- The President clarified the university's approach to financial planning, stating that the fiscal year 2026 budget was challenging due to the recent arrival of the new administration and the ongoing unraveling of prior fiscal years. For fiscal year 2027, the goal is to present three versions of the proposed budget to the board, each with different fee increase scenarios
- A significant long-term opportunity for the campus will be a radical debt restructure in fiscal year 2027. Discussions are ongoing with the Council of Presidents regarding state assistance for public institutions' debt. The President acknowledged the uncertainty of federal funding, referencing a recent federal award (NEH grant for the theater block) that was pulled back. While this specific instance had a small impact as the funds were not yet budgeted, it signals trends at the federal level that the university is monitoring.
- The President reiterated the commitment to transparent budgeting, presenting proposals that include fee increases and potential transfers from trust funds, seeking the board's comfort level with these strategies.

Discussion and Vote on Fee Increase Proposal:

- Michael Fiorentino opened the floor for discussion on the proposed fee increases, emphasizing the importance of a five-year plan for budgeting and fee projections. He stressed that this planning should occur earlier in the year, allowing for serious conversation with the board and the college community. He applauded the team for their efforts in putting together the current proposal.
- Eric Gregoire thanked the President for the presentation and the forward-looking approach. He advocated for bringing the fee conversation earlier in the calendar to better inform students and families about the value proposition of Fitchburg State, given its position at the lower end of the state university system. He supported the committee's recommendation, acknowledging it as a difficult but necessary strategic step. He also suggested future discussions focus more deeply on student financial aid, including sources, funding, and the impact of federal and state aid on students' ability to manage cost increases.
- The President agreed, adding that the university needs to improve its approach to financial aid packaging. Historically, financial aid was used as a retention strategy, but moving forward, it should be a recruitment strategy, with aid offers presented upfront to new students. This aligns with modern student expectations and is a practice used by sister campuses, offering a competitive advantage.
- Matthew Gill questioned the methodology for determining the fee increase numbers and raised concerns about the lack of student input and whether students could afford the increase. He noted that many students would not anticipate any increase.

The President responded by explaining that the numbers were derived from:

- **Historical increases:** Analyzing past fee increases and the resulting deficits due to rising utilities and fixed costs.
- **Inflation:** Fees need to increase to cover basic inflationary pressures.
- **Financial Aid Coverage:** The President acknowledged the impact of increases on students but noted that a large majority of students rely on financial aid, federal, or state support (like Pell Grants), which often cover such increases.
- **Offsetting Costs:** The university is committed to decreasing other costs for students, such as ensuring no additional fees for counseling or tutoring services. Efforts are also being made to manage and reduce the rising cost of textbooks through a new campus bookstore partner and by faculty utilizing open educational resources.

The President emphasized that while no one desires fee increases, they are sometimes necessary to maintain quality services. She highlighted the importance of board members, as student representatives, in making these tough decisions while considering the student impact. She also mentioned a potential future discussion point: using any enrollment increases beyond the budgeted amount to increase institutional aid for students, thereby reducing their overall cost of attendance.

VI. Closing Items

A. Adjourn Meeting

E. Gregoire made a motion to Adjourn Meeting.
L. Barrieau seconded the motion.
The board **VOTED** to approve the motion.

Roll Call

M. Morris	Absent
C. Stimpson	Aye
L. Barrieau	Aye
D. Tiernan	Absent
S. King-Goodwin	Absent
M. Fiorentino, Jr.	Aye
J. Flanagan	Absent
M. Gill	Aye
E. Gregoire	Aye
S. Rodriguez	Aye
K. Spinelli	Aye

Michael Fiorentino thanked the board members, university administrators, and staff for their work on the budget and fee proposal. He assured the trustees that any future changes or updates would be communicated, and a special meeting would be called if necessary.
There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 11:19 AM.

Respectfully Submitted,
M. Fiorentino, Jr.