

**Springfield Technical Community College
Committee on Ways and Means Report
February 20, 2025**

Present: Trustees Laurie Martin, William Johnson, and Norman Roldan. Also present: President John B. Cook.

Trustee Martin called the meeting of the Committee on Ways and Means to order at 5:02 p.m.

Audit Committee Report

Michael Cosgrove, Partner from WithumSmith & Brown, reviewed the FY 2024 Single Audit as required by the Uniform Guidance and Government Auditing Standards and the Massachusetts Office of Student Financial Assistance (MOSFA) Report.

The major programs audited as part of the Single Audit included the Student Financial Assistance Cluster, the Hispanic Serving Institutions – STEM, and the Fund for Improvement of Postsecondary Education (FIPSE).

There were no current year findings in the FY 2024 Single Audit, nor the FY 2024 Massachusetts Office of Student Financial Assistance (MOSFA) audit. Mr. Cosgrove noted that the MOSFA report will not be required for another three years due to no current year findings.

[Motion] FY 2024 Single Audit

Trustee Roldan moved that the Springfield Technical Community College Board of Trustees Committee on Ways and Means, pursuant to the provision of Section 22, Chapter 15A approves the FY 2024 Single Audit as presented. The motion was seconded by trustee Johnson and approved unanimously.

[Motion] FY 2024 MOSFA Report and Audit

Trustee Roldan moved that the Springfield Technical Community College Board of Trustees Committee on Ways and Means, pursuant to the provision of Section 22, Chapter 15A approves the FY 2024 Massachusetts Office of Student Financial Assistance (MOSFA) Report and audit as presented. The motion was seconded by trustee Johnson and approved unanimously.

FY 2025 1st and 2nd Quarter Trust Fund Reports

Jonathan Tudryn, Assistant VP of Administration and Controller, presented the reports in accordance with trust fund guidelines. Revenues were up for the 1st and 2nd quarters of FY 2025 due to enrollment coming in above budget. The use of reserves was not needed during the first two quarters and it is anticipated that reserves will not be needed this fiscal year. The Facilities Projects and IT Capital Projects lines aren't showing any expenses through the 2nd quarter as carry over funds are spent first. Mr. Tudryn also presented the related vendor expenditure reports.

Financial Update and Outlook

Cash Flow Projection

Mr. Tudryn presented the cash flow projection. The College had approximately \$5.5M available at TD Bank as of February 7, 2025. The projected fiscal year end cash balance will be approximately \$11.8M. It is projected that the College will continue to maintain a healthy cash position into FY 2026. As follow up to a request from the previous meeting related to cash on hand, Mr. Tudryn reported that the College has 80 days of cash and cash equivalents on hand, and 297 days of cash and investments.

FY 2025 Budget Outlook

Jason Cohen, Senior Director of Finance and Budgets, presented the FY 2025 Revenue and Spending report, noting that net income is projected to be favorable to budget by \$2.9M. Revenue is projected to be favorable by \$4.5M due to the state appropriation projected at \$1.9M favorable to budget, and tuition & fees favorable by \$2.7M due to Fall enrollment being up 17% over last year, and Spring 2025 enrollment projected to be up 13%. Expenses are projected to be \$1.75M higher than budget mainly due to an increase in adjunct faculty expense related to higher enrollment. Also notable is the elimination of the annual debt payment of \$232K due to the College's early pay-off of its only debt. Given the positive financial outlook for the year, the College will not need to access the \$1.5M in reserves that was included in the budget.

FY 2026 Budget Process and Perspective

Andrea Nathanson, VP of Administration and Chief Financial Officer, provided the Committee with a preliminary outlook on the FY26 budget process, including a multi-year scenario analysis to be used as the baseline model for the first draft of the budget and a summary of key budget drivers.

Multi-Year Scenario & Analysis

The multi-year scenario analysis models a 5-year financial projection and assumes status quo operations, with no changes in enrollment, fees, or staffing, and then adds inflation on expenses. While these assumptions result in a projected net income of close to \$1.2M for FY26, a small deficit develops in FY27 and grows to a loss of -\$6M by FY30. This reinforces that need to be mindful of short-term investments that could have a longer-term impact on the budget.

VP Nathanson also shared an overview of key drivers that will impact the FY26 budget, including student enrollment/credits, student tuition and fees, alignment of expenses with enrollment/revenue, and infrastructure/capital spending (facilities and IT/cyber security). She emphasized that balancing the budget will require alignment of expenses with revenue, recognizing that salary-related expense is approximately 69% of the total expense budget. Given the favorable short-term outlook, the FY 2026 budget will not include the use of revenue from reserves, which means that the college will not have used any of the \$10M from reserves that was approved by Trustees in FY23 to support operations from FY23-FY26.

Summary/Outlook

Dr. Cook emphasized the College is currently in a healthy overall financial position, and will continue to look for opportunity to improve financial security. Dr. Cook noted that when all factors are considered, the College is in its strongest financial position in a decade.

Old/New Business**Date of the next meeting**

April 16, 2025 at 5:00 p.m.

Adjournment:

A roll call vote was taken to adjourn at 5:53 p.m.

Respectfully submitted by: Dominick Uguccione