

**Springfield Technical Community College
Committee on Ways and Means Report
January 10, 2022**

Present: Trustees MacArthur Starks, Jr., Jeffrey Sattler, Norman Roldan and Maurice Lindsay.
Also present: President Cook.

Trustee Starks called the meeting of the Committee on Ways and Means to order at 5:00 p.m.

FY 2022 1st Quarter Trust Fund and Vendor Expenditure Reports

Jonathan Tudryn, Controller presented the first quarter FY 2022 Trust Fund Reports and Vendor Expenditures over \$20,000 as required by the Board of Higher Education Trust Fund Guidelines. The College has three trust funds – General Education, Health Trust and Capital Improvements. All revenues and expenditures are where we would expect them to be at this time of the year for all funds. Per Dr. Cook’s request, Mr. Tudryn gave some background information on the trust funds for the new Trustees. The vendor expenditures exceeding \$20,000 report was also presented.

FY 2021 MOSFA Report and Audit

Mr. Tudryn presented the 2021 Massachusetts Office of Student Financial Assistance (MOSFA) report and audit. This is an audit of our state aid that is awarded through our Student Financial Services department to our students. There were no audit findings and the College was issued a clean report.

A motion was made by Trustee Sattler that the Springfield Technical Community College Committee on Ways and Means, pursuant to the provision of Section 22, Chapter 15A, recommends to the Board of Trustees the approval of the FY 2021 Massachusetts Office of Student Financial Assistance (MOFSA) Report and Audit as presented. The motion was seconded by Trustee Roldan. A roll call was taken with all Trustees approving the motion.

FY 2022 Financial Update & Outlook

Vice President/CFO Andrea Nathanson began the Financial Update by informing the Trustees that, while the financial projections presented assume Spring enrollment down 15% from last year, this is an early estimate that will be more refined next month after the semester starts. The original budget assumed a 5% reduction in enrollment for spring.

Cash Flow Projection

Mr. Tudryn presented the cash flow projection for FY 2022. The College currently has approximately \$5M available at TD Bank. The projected year end cash balance is approximately \$3M.

FY 2022 Revenue & Spending and Projection

Jason Cohen, Senior Director of Finance and Budgets presented the FY 2022 Revenue and Spending Report as of December 31, 2021, including three enrollment scenarios. Assuming Spring enrollment down 15% from last year (10% less than the budgeted 5% decline), there is a projected net loss of \$44K at year end. In response to Trustee questions regarding unfavorable expense variances, Mr. Cohen pointed out explanations regarding higher than expected expenses for cyber insurance, temporary staff, and workforce development expenses. Trustee Roldan

requested that future presentations provide additional visual clarity regarding budget variances. Trustee Sattler asked if there are key areas that need to be filled that will affect this budget going forward. Dr. Cook also explained that every vacancy is reviewed to determine if there is a need for this position at this time. Vice President/CFO Nathanson also explained that a month from now more will be known regarding actual spring enrollment numbers. If necessary, adjustments to spending will be made at that point. Trustee Starks asked what leverage we have to offset a decline. Vice President/CFO Nathanson noted that specific items such as certain supplies and equipment can be put on hold if needed.

FY 2023 Budget Timeline & Stakeholder Engagement/Process

Vice President/CFO Nathanson presented an FY 2023 budget process/timeline that maps out the budget-related presentations to this Committee over the next 4 meetings, and also described the internal stakeholder effort with employees to engage and build-out the budget. A first draft of the budget will be presented at the March Ways & Means meeting, with a final draft budget planned for the May meeting. Ms. Nathanson pointed out that the Committee may choose to consider using reserves to bridge budget gaps due to the expected deficits that will no longer be covered by HEERF funding. .

Facilities Update

Trustee Sattler, Trustee liaison to Infrastructure/Facilities/Maintenance, shared an outlook and assessment. He shared how he has been working, and meeting, with Ms. Nathanson and Deb Avery, Senior Director of Facilities, over the past several months. Trustee Sattler validated the extensive list of both STCC-funded, and DCAMM funded, projects, and described how the process is navigated to plan, fund, and project manage the many moving parts. Trustee Sattler confirmed that there are no concerns regarding prioritization, process, costs, including the requirement of certified studies, and associated elements previously considered by the Ways & Means Committee. Trustee Starks and President Cook thanked Trustee Sattler and the team for all their work and diligence. Again, Trustee Sattler offered that planning is realistic given the many challenges and dynamics, including historical considerations, and that the focus is correct.

President's Perspective

Outlook on Massachusetts ARPA Funding

Dr. Cook noted that the federal (ARPA) funding via Massachusetts will flow to STCC through broader funding initiatives that are being provided to the 15 community colleges. This includes support for hunger initiatives, Foundation matching, and others, that total approximately \$43 million. All to say, that there will not be a windfall for STCC anticipating that would be a consideration from Trustees. Related, the DCAMM budget for major capital/infrastructure projects has not been increased using ARPA. As one of 20 proposal submissions, STCC will know in May/June about the Building 20/School of Health proposal, but again, those awards are not part of the broader use of ARPA funds by Massachusetts. To a follow-up question about looking to the Massachusetts Historical Commission for assistance, President Cook indicated there are not large amounts of funding to be found using that door. Finally, as for local (City of Springfield) ARPA funding support, STCC is engaged with area colleges, and a possible collaboration request is being considered.

Equity Agenda & Relationship to Funding (see DHE presentation)

In advance of a visit at the January Board meeting by the Commissioner of Higher Education, Dr. Cook shared details about the Equity Agenda, including what the current per-pupil spending in Massachusetts is across public K-12 education, community colleges, state universities and UMass, as well as private colleges/universities. Unfortunately, community colleges have the least amount of per-pupil spending, even less than the average by Vocational/Technical high schools. Data was provided by the Massachusetts Department of Higher Education, and a related initiative “SUCCESS” was described, including how an increase of approximately \$1,500 in per pupil spending (which equates to about \$6.4 million at STCC), would make a significant difference with retention and graduation. The bulk of these funds would be used to hire personnel, particular in areas of student support, tutoring, etc.

Date of the next meeting

February 14, 2022 at 5:00 p.m.

Adjournment:

A roll call vote was taken to adjourn at 6:10 p.m. Approved by Trustees Starks, Lindsay, Roldan and Sattler.

Respectfully submitted by: Carolyn deLiefde