

**Springfield Technical Community College
Committee on Ways and Means Report
January 11, 2021**

Present: Trustees MacArthur Starks, Jr., Marikate Murren, Jynai McDonald, Jeffrey Sattler, Vicki Crouse, Maurice Lindsay and Eric Hagopian, Also present: Trustee Elizabeth Oleksak-Sposito, and President Cook.

The meeting of the Committee on Ways & Means was called to order by Trustee Starks at 5:01 p.m.

FY 2021 Budget Detail

Cash Flow Projection

Controller Dorothy Ungerer reported on the College's cash flow status and projection for FY 2021. The College currently has approximately \$5,400,000 available at TD Bank. With benchmarked decline of 15% in enrollment for spring, the projected year-end balance at TD Bank is \$1,200,000. Ms. Ungerer also presented a view on projected cash flow based upon a 20% and 25% decline in enrollment. Mr. Hagopian asked what the lowest cash balance amount is which the College does not normally go below. Ms. Ungerer noted that we generally like to have at least \$500,000 at TD Bank [If STCC enrollment decline in the Spring is 25%, the college projects to fall below this threshold in June].

FY 2021 Revenue & Spending Report through December 2020

Senior Director of Finance and Budgets Jason Cohen reported on the FY 2021 Revenue & Spending Report through December 2020. Mr. Cohen began his presentation by reviewing tuition and fee projections based upon various Spring enrollment forecasts.

Per Trustee Starks request, a column has been added to the Revenue and Spending Report this month. This column shows the actual amount spent at the same time last year for comparison purposes. The state appropriation amount for FY 2021 has been confirmed and will be level to the FY 2020 budget amount of \$27,976,804. The student fee revenue is down 20.6% for the spring semester. To date, we project \$300,000 in savings from the utilities expense line. A portion of the savings realized in the Operational and Other Expenses line were used to fund some long term capital projects for IT. The Facilities Project line, which was reduced earlier this year, was brought back up to its original amount with an additional \$100,000 added for a total of \$3,200,000. Trustee Starks inquired about the process for using savings to fund initiatives; the response noted the role of Cabinet and President to move forward important projects in support of operations, and aligned to strategic and capital plans.

Mr. Cohen presented the Facilities Project Report detailing year-to-date spending through December 31, 2020. Trustee Hagopian asked if the funds remaining have been allocated. Mr. Cohen noted that these funds are part of the five-year Facilities capital plan. Mr. Hagopian also asked if any of these funds were directly attributable to any of the discontinued programs. Deb Avery, Senior Director of Facilities responded funds are for deferred maintenance, not directly related to discontinued programs.

FY 2021 1st Quarter Trust Fund and Vendor Expenditures

Ms. Ungerer presented the FY 2021 First Quarter Trust Fund Reports and Vendor Expenditures over \$20,000. Trustee Starks inquired if there were any oddities in the reports. Ms. Ungerer noted that there were no anomalies.

Follow-up Questions (November Committee Meeting)

Per Trustee Starks request at the November meeting, further detail and description of the costs to reinstate discontinued programs was provided. Trustee Starks thanked everyone for the additional information.

Trustee Crouse inquired about the status of the radio station renovations. Ms. Avery noted that per code needs, and in coordination with DCAMM, the project, and additional requirements will bring the station up to code. Trustee Crouse asked if we could move the station to another part of campus. Denise Hurst, VP of Advancement and External Affairs, explained that the College engaged the station leadership and board about a move to another building. The radio station did not feel the new location was adequate, and has agreed to contribute \$150,000 toward the renovations enabling them to stay in Building 16.

FY 2022 Preliminary Outlook

Andrea Nathanson, VP of Administration/CFO presented a preliminary FY 2022 Budget Outlook based upon a fiscal assumptions and fundamentals. For example, if the state appropriation is level, and if enrollment declines 5%, and if the student fee increase is \$8 per credit, given investments in Capital/Deferred Maintenance, and IT, there is a possible \$4 million working deficit. CFO Nathanson asked the Trustees for how they would like to proceed going forward. Trustee Starks welcomed Ms. Nathanson, and offered that from his perspective, he doesn't see the budget building process this year to be any different than previous years. Trustee Crouse inquired about the \$4,800,000 investment in Facilities and IT Capital Projects. Is this funded by DCAMM? - Clarified that these are not DCAMM funds - Trustee Sattler requested more information on the proposed \$4,800,000 investment in Facilities and IT Capital Projects and Maintenance. Per Mary Kaselouskas, CIO/Assistant Vice President, the \$1.7 million for IT includes needed switches, servers, computers and applications. These funds are catch-up for a lot of the deferred maintenance.

Ad Hoc Committee/Program Discontinuations

Mr. Cohen presented an outlook on the cost of reinstating five discontinued programs in FY 2022 (Biomedical Engineering Technology, Biotechnology, Landscape Design and Management, Dental Assisting, and Civil Engineering Technology). Reinstating programs expenses, both gross costs and net were reviewed, including potential equipment and marketing needs. Discussion by Trustees included, how the relative size of these considerations, how the college would cover costs in light ongoing fiscal conversations, and next steps with voting. Trustee Crouse explained that the Ad Hoc Committee made the recommendation to reinstate based upon the mission of the College and the information they were presented at the time.

Trustee Hagopian called for a motion:

That the Ways & Means Committee recommend to the Board of Trustees the reinstatement of all programs except for Cosmetology and Automotive, which will need an extensive review. Recommendation to reinstate programs in Fiscal Year 2022 with the use of unrestricted funds.

Trustee Sattler seconded the motion. The motion was approved through roll call:

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Voting “yes:” – Trustees Starks, Crouse, Hagopian, Lindsay, Sattler and McDonald

Voting “no:” - none

Abstain – Trustee Murren

President’s Perspective

Dr. Cook welcomed our new Vice President of Administration/CFO Andrea Nathanson.

The President noted the contracting by the Mass Board of Higher Education of EY Parthenon to examine cash flow for all community colleges and state universities in the Commonwealth.

Also discussed state appropriations, and that the college will have difficulty forecasting the amount, even as we will advocate for level funding again in FY 2022. Dr. Cook noted that if the COVID vaccination is wide-spread, we carry hope for returning to campus for the fall semester, which could help our enrollment projections.

Mentioned to Trustees is the NECHE accreditation visit April 12 – 14, and how the team will be very keen to discuss finances and institutional resources with Trustees from the Ways & Means Committee.

NECHE/Accreditation Self Study (Projections)

Christine Atwater and Suzanne Smith presented the Committee with an update on the status of the NECHE accreditation. The Ways & Means Committee received information to start the process of self-assessment back in November, 2020. As part of a discussion of projections related to Trustee roles, review/evaluation of the President was a conversation, and Trustee Murren noted that both she and Trustee McDonald met with Ms. Atwater and Ms. Smith and discussed the projections and opportunities going forward. Trustees McDonald and Murren have a draft which will be distributed to all Board members for review.

Date of the next meeting

February 8, 2021 @ 5:00 p.m.

Adjournment:

A roll call vote was taken to adjourn at 6:23 p.m. Approved by Trustees Murren, Starks, Crouse, Hagopian, Lindsay, Sattler and McDonald

Respectfully submitted by: Carolyn deliefde