

**Springfield Technical Community College
Committee of Ways and Means Report
October 14, 2021**

Present: Trustees Marikate Murren, MacArthur Starks, Vicki Crouse, Jeffrey Sattler, Norman Roldan and Samalid Hogan. Also present Michael Cosgrove and Lisa DiGiusto from O'Connor & Drew PC; Karen Smith from CohnReznick; Dr. John Cook, STCC President.

Trustee Starks called the meeting of the Committee on Ways and Means to order at 5:04 p.m.

Fiscal Year 2021 Audit Update

The Audit Committee met prior to the Ways & Means Committee meeting at 4:00 pm. Michael Cosgrove, Principal and Lisa DiGiusto, Supervisor from O'Connor & Drew PC and Karen Smith, Partner from CohnReznick presented STCC financial statements, the STCC Foundation financial statements and the STCCAC financial statements to the Audit Committee at that time. All three audits were clean with no material weaknesses, significant deficiencies or findings. Please see *attachment 1* for the minutes to the meeting. President Cook asked about liabilities specific to pension and OPEB (Other Post Employment Benefits) given past conversations about both during the audit process. Also discussed with the STCC campus green/lead issue, and the mitigation process would be a note included in the audit.

[Motion] FY 2021 Financial Statements and Audit

Trustee Murren moved that the Springfield Technical Community College Board of Trustees Committee on Ways & Means, pursuant to the provision of Section 22, Chapter 15A, approve the FY 2021 financial statements and audit as presented. The motion was seconded by Trustee Roldan and unanimously approved through roll call.

FY 2022 Financial Update

Cash Flow Projection

Jonathan Tudryn, Controller reported on the College's cash flow projections for FY 2022. The College currently has approximately \$8,400,000 available at TD Bank. He noted two large spikes in cash in FY 2022. One will occur in February, 2022 when the spring financial aid disbursement is received and the other in May, 2022 when the HEERF lost revenue is called down. The projected year-end cash balance is approximately \$3,200,000.

Fall Enrollment Update

Andrea Nathanson, Vice President/CFO presented a fall enrollment update. The Summer 2 and Fall credits are very close to the budgeted amount (approximately – 10%). While it is too early to predict Spring enrollment, Ms. Nathanson noted that we should be prepared for enrollment to be below budget due (forecast was – 5%) to the unexpected persistence of COVID and the lasting impact of the delta variant. She presented how various enrollment scenarios would negatively impact revenue. Trustee Crouse noted the importance of trying to reverse the downward trend in enrollment; discussed was how the Internal/External Committee focuses on this very issue, including the significant number of interventions and activities in place for both recruitment and student retention.

FY 2022 Revenue & Spending Report through September 2021

Jason Cohen, Senior Director of Finance and Budgets, presented the revenue and expenditures figures through September 2021. Noting that it is too early in the fiscal year to predict year-end

results, Mr. Cohen did share updates on factors known to be impacting the budget, the projected net income amount for FY 2022 at this time is \$421,116. Revenue increases include higher than budgeted out-of-state enrollment and an increase in the State Appropriation. Utilities expense is projected to come in approximately \$64,000 over budget.

President's Perspective

Dr. Cook thanked the Finance team for a successful audit. He acknowledged all the hard work, and that despite fiscal challenges and COVID uncertainty, there is much for Trustees to be proud of given the navigation with core management practices ensuring this solid outcome.

Major Capital Project Proposal (Building 20/School of Health relocation)

An update on the Building 20 relocation process was presented; a revised submission is being prepped for the next DCAMM/Major Capital Project proposal deadline of December 23, 2021. A final decision from DCAMM on awards is expected in May/June 2022 for FY 2023 funding. The submission includes relocating SHPS programs from Building 20 to the Technology Park, Building 2, Building 27 and Building 13 (total of approx.. \$41.5M). In addition to DCAMM funding, the submission includes a funding stack with \$30M from DCAMM; \$5M earmark from the January Economic Development Bill; proposed Trustee support from STCC reserves of \$6M, and a contribution of \$500K from the STCC Foundation. A brief discussion of which programs would move to the which locations was part of the presentation. A Trustee asked about the amount of \$6M, and the rationale for that figure given the recent example of Building 19 and the Trustee contribution of \$3M for a \$50M project. President Cook described some of the changes from 2016 to 2021, including the increased cost of infrastructure projects given materials and labor expenses; the continued trend of public higher education defunding resulting in local contributions increasing; and how this project was not predicated on enrollment growth, but is in fact an effort to stabilize the School of Health, and avoid the risks involved with a building that currently carries \$70 million in deferred maintenance (Building 20).

Non-Unit Salary Increases

It was shared with the Committee that the Commissioner of Higher Education has provided enabling for Non-Unit Professional employees at the College to receive a retroactive salary increase for FY 2021 (back to July 2020) and FY 2022 (back to July 2021). The amounts are 2.5% and 2.0% respectively, and as described, these effectively amount to Cost of Living Adjustments (COLA), given that Non-Units do not have automatic raises, and the FY 2021 dollars will be paid from the FY 2021 budget. There was further discussion about the impact on the FY 2023 budget.

Student Support/Aid – Fall Semester (use of HEERF funds)

Ms. Nathanson presented an update on the use of the HEERF/AFPA Student Aid funds.

Date of the next meeting

November 8 @ 5:00 p.m.

Adjournment:

A roll call vote was taken to adjourn at 6:01 p.m. Approved by Trustees Starks, Murren, Sattler, Crouse, Hogan and Roldan.

Respectfully submitted by: Carolyn deliefde