

**Springfield Technical Community College
Committee on Ways and Means Report
April 10, 2023**

Present: Trustees MacArthur Starks, Jr., Jeffrey Sattler, Samalid Hogan, and Norman Roldan. Also present: President John B. Cook.

Absent:

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

Financial Update and Outlook

Cash Flow Projection

Mr. Jonathan Tudryn, Assistant VP of Administration and Controller, presented the cash flow projection for FY 2023. The College had approximately \$8.7M available at TD Bank on April 1, 2023. The projected year end cash balance is approximately \$5.7M. The timing of facilities projects and when invoices are paid may increase the end of year cash balance. Projections being presented are conservative.

FY 2023 Budget Outlook

Jason Cohen, Senior Director of Finance and Budgets, presented the updated FY23 Revenue and Spending report, noting that there is a projected \$2.8M favorable variance for the fiscal year. Significant factors impacting net income are the addition of formula funding to the State Appropriation of \$454K for FY22 and \$712K for FY23, enrollment favorable to the budget for a favorable revenue variance of \$1.22M, and personnel vacancies reducing salary expense by \$372K.

FY 2024 Budget

Before presenting Draft #2 of the FY24 budget, Vice President/CFO Nathanson responded to Trustees' questions from a prior meeting by explaining how, even with unlikely enrollment growth of up to 38%, which would bring credits to FY20 levels, the current operational infrastructure would be able to absorb such growth. On the instructional side, a fair bit of any needed capacity would come from adjunct faculty.

The FY24 Draft #2 budget is close to being reconciled, with a current net loss of \$120K; the draft includes \$3 million in revenue from Reserves, consistent with the multi-year plan. In response to a request from Trustees, VP Nathanson shared a comparison between the draft budget and the current FY23 projection. The comparison reflects a \$1.1 million reduction in revenues, primarily due to a \$1 million reduction in the use of reserves. Total expenses in the FY24 budget draft are \$1.9 million higher than the FY23 projection, with the largest portion of the increase due to contractually-obligated salary increases.

VP Nathanson also shared a summary of the progress that has been made in reconciling the budget between Draft #1 and Draft #2, outlining the improvement to revenue of \$615K and the improvement to expense of \$755K, totaling \$1.37 million of improvement between the two drafts. Total expense reduction between the baseline FY24 budget and Draft #2 is \$1.1 million.

The third and final draft of the budget will be presented to the Committee for approval at the May meeting. Reconciliation strategies for the final draft will include consideration of program-specific fees and continued analysis of potential salary and operating savings.

President's Perspective

Dr. Cook provided a legislative update, sharing that it is unlikely that there will be finalized funding/appropriate by way of the legislative process for some time. Fee stabilization for example, is an important consideration for community colleges, but legislation will not likely take place prior to the Committee's vote to approve the FY24 budget. A strategy will likely be for Trustees to approve a contingent fee increase (implemented in January 2024), along with approval of the final budget. He also updated the Committee on the extension of virtual Open Meeting Law through 2025, but how the college is no longer recording meetings, but will livestream any that do take place virtually. Trustee Starks stated his intention to continue Ways and Means committee meetings remotely for the foreseeable future.

Date of the next meeting

May 8, 2023 at 5:00 p.m.

Adjournment:

A roll call vote was taken to adjourn at 5:43 p.m.

Respectfully submitted by: Dominick Uguccione