

**Springfield Technical Community College
Committee on Ways and Means Report
April 22, 2024**

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

Unable to Attend: Trustee Jeffrey Sattler

Financial Update and Outlook

Cash Flow Projection

Jonathan Tudryn, Assistant VP of Administration and Controller, presented the cash flow projection for FY 2024. The College had approximately \$14.5 million available as of April 6, 2024. The projected fiscal year end cash balance is approximately \$7.9 million. The increase in the cash balance is due to increased enrollment, and more specifically, financial aid that was disbursed in March. The Investment Subcommittee will be meeting with Fiducient next week and will discuss an approach for potentially transferring additional funds to Fiducient.

FY 2024 Revenue and Spending Projection

Jason Cohen, Senior Director of Finance and Budgets, presented the updated FY 24 Revenue and Spending report, noting that net income is projected to be \$2.8 million at year end without needing to use any of the budgeted \$2.5 million revenue from reserves. Significant factors impacting net income are the late addition of formula funding to the state appropriation of \$504K, enrollment favorable to budget for a net impact of \$3 million, and personnel vacancies reducing salary expense by approximately \$1.6 million, offset by contractually obligated salary increases of \$600K in excess of the budget.

FY 2025 Budget

Vice President/CFO Nathanson began the budget discussion by addressing questions raised by Trustees at the previous Committee meeting. She first explained the change in unrestricted net position (reserves) at June 30, 2023 between the July 2023 and March 2024 presentations. She then presented comparative data to illustrate STCC's position among peer institutions with respect to student fees. For both students with no additional program fees and students with nursing program fees, the cost of one semester at STCC is below the median and mean cost of the other Massachusetts community colleges. The proposed increases of \$6 to the general education per-credit fee and \$60 to the per-semester nursing program fee maintain STCC's position relative to other institutions and do not materially impact students' access to financial aid.

VP Nathanson presented Draft #2 of the FY2025 Budget, which is reconciled (balanced) using revenue from reserves of \$1.5M, \$500K less than the original plan to use \$2M. Comparing this draft to the FY24 projection, total revenue is higher by \$2M. In addition to the \$1.5M from reserves, the additional \$500K is due to a combination of increases to the State appropriation and fee increases, offset by the expiration of \$500K from State ARPA funds. Total expenses in this draft are \$4.7 million higher than the FY24 projection, with the largest portion of the increase due to contractually obligated salary increases. The net improvement between Draft #1 and Draft #2 was just over \$1M.

A final budget and fee proposal will be presented at the next Committee meeting for review and vote to recommend for adoption by the full Board of Trustees.

President's Perspective

As a related item, Dr. Cook shared grant details, including the annual amount received in the past three fiscal years, as well as the number of staff positions/FTEs supported by those funds. A goal for STCC is to maintain this avenue of support, including recent fiscal year funds that have exceeded \$5 million. As described: this source of revenue is important; it is sizable; but these dollars do not balance the budget which is why they are not included in the operational budget review. Often serving as value-added, and opportunities to assess impact on practices including student retention, these dollars typically have a more restricted application to how the funds can be used.

Old/New Business

Date of the next meeting

May 13, 2024 at 5:00 p.m.

Adjournment:

A roll call vote was taken to adjourn at 5:49 p.m.

Respectfully submitted by: Dominick Uguccioni