

**Springfield Technical Community College  
Committee on Ways and Means Report  
January 9, 2023**

**Present:** Trustees MacArthur Starks, Jr., Marikate Murren, Jeffrey Sattler, and Norman Roldan. Also present: President John B. Cook.

**Absent:** Trustee Samalid Hogan

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

**FY 2022 Single Audit**

Jonathan Tudryn, Assistant VP of Administration and Controller, presented the FY 2022 single audit report. It was noted that as discussed at the October 13, 2022 Ways and Means meeting, there were no current or prior year findings. Mr. Tudryn updated the committee that O'Connor & Drew PC has merged with the firm Withum, Smith, and Brown; notice of this merger was provided to management in mid-December. STCC will continue to work with the current team led by Michael Cosgrove and Lisa DiGiusto.

**[Motion] FY 2022 Single Audit & Agreed Upon Procedures**

Trustee Murren moved that the Springfield Technical Community College Board of Trustees Committee on Ways and Means, pursuant to the provision of Section 22, Chapter 15A, moves to recommend to the Board of Trustees the approval of the FY2022 Single Audit & Agreed Upon Procedures as presented (see attached). The motion was seconded by Trustee Sattler and approved unanimously via roll call.

**FY 2023 1<sup>st</sup> Quarter Trust Fund Report**

Mr. Tudryn presented the report in accordance with trust fund guidelines. The revenue and expenses for all three trust funds fell in line with expectations for the 1<sup>st</sup> quarter. Tuition and fee revenue are slightly higher due to fall 2022 enrollment coming in above budget. The college will not recognize the use of reserves until the funds are needed, likely later in the year. The vendor expenditure report was also presented.

**Financial Update and Outlook**

**Cash Flow Projection**

Mr. Tudryn presented the cash flow projection for FY 2023. The College had approximately \$6.5M available at TD Bank on December 31, 2022. The projected year end cash balance is approximately \$5.3 M. The College has transferred \$6M from operating cash to the investment portfolio, as planned and discussed at the November 14, 2022 Ways and Means Committee meeting.

**FY 2023 Enrollment Update**

Andrea Nathanson, VP of Administration and CFO, updated the Committee on possible scenarios for Spring 2023 credits as they relate to financial performance. While it is still early to predict Spring credits, it appears that, even if enrollment is at budget, at -8% down from last year, the net financial impact for the year will be favorable to budget due to Fall credits having been significantly favorable.

**FY 2023 Budget Outlook**

Jason Cohen, Senior Director of Finance and Budgets, presented the FY 2023 Revenue and Spending report, noting that there is a projected \$1.2M favorable variance for the fiscal year. The most significant factors impacting the net income are the addition of FY22 formula funding of \$454K to the State

Appropriation, Fall enrollment being favorable to budget for a net impact of \$353K, and personnel vacancies contributing \$372K to the bottom line.

**President's Perspective**

Dr. Cook provided context for the upcoming FY24 budget process with an overview of the budget process timeline and a discussion of key budget drivers. He reminded the Committee of the College's structural deficit due to significant enrollment declines, as well as the need to identify various types of strategies to balance the budget. Such strategies include consideration of personnel costs, levels of investment in infrastructure, operational expenses, student aid, and STCC Foundation support. The first draft of the FY24 budget will be presented to the Committee at the March meeting where budget reconciliation strategies will be discussed.

Dr. Cook also noted that the concept of "Free Community College" has been mentioned by the incoming State Administration, however the impact (if any) on the STCC budget planning process is not clear at this time.

**Old/New Business**

Trustee Starks stated the intention for Ways and Means Committee meetings to remain virtual through March, 2023, in accordance with the option provided under current MA Open Meeting Law. If no changes are made to the Open Meeting Law, meetings from April, 2023 moving forward will need to be held in person to establish a quorum.

**Date of the next meeting**

February 13, 2023 at 5:00 p.m.

**Adjournment:**

A roll call vote was taken to adjourn at 5:45 p.m.

Respectfully submitted by: Dominick Uguccioni