

**Springfield Technical Community College
Committee of Ways & Means Report
February 22, 2016**

Present: Chair Debra Kaylor, Trustees Maria Goncalves, Chris Johnson and MacArthur Starks, Jr. Also present Ira Rubenzahl, Michael Suzor, Joseph DaSilva, Cathy Olson, Jonathan Tudryn, Joan Nadeau and Maureen Socha.

The meeting of the Committee on Ways and Means was called to order by Chair Debra Kaylor at 4:00 p.m.

FY 2016 Revenue & Spending Reports through January 2016

VP/CFO DaSilva presented the revenue and expenditure figures through January 2016. The sources of funds are where they are expected to be at this time of the year at approximately 55% of the budget. The salaries and benefits expenditures are on budget as well. The utilities continue to track under budget due in part to the mild winter.

Cash Flow Projection

Mr. Tudryn provided an overview of the College's Cash Flow Projections. The College currently has approximately \$1,100,000 in the TD Bank account. This amount is projected to fall to approximately \$500,000 by the end of the week. The College expects to receive a large cash inflow as the result of financial aid call downs during the week of March 6, 2016 which should bring the balance up to \$6,000,000. It was noted and discussed that the balance at the end of the fiscal year would be very low. The College has divested funds in the past and then returns the funds to the investment portfolio the following year when the financial aid disbursement occurs in the fall.

Investment Subcommittee Report

Trustee Johnson presented the minutes from the Investment Subcommittee meeting held on February 4, 2016. Please see **attachment 1** for the minutes to the meeting.

FY 2016 2nd Quarter Trust Fund and Vendor Expenditure Report

Mr. DaSilva presented the second quarter FY 2016 Trust Fund Reports and Vendor Expenditures over \$20,000 as required by the Board of Higher Education Trust Fund Guidelines. The revenues and expenditures fell in line with expectations.

House 2 Governor's FY 2017 Budget Update

President Rubenzahl reviewed Governor Baker's proposed budget recommendations. The proposal calls for a 1% increase to each community college with no money for collective bargaining. President Rubenzahl indicated that the community colleges are trying to get the collective bargaining increases built into the budget base and not funded with supplemental increases.

FY 2017 Preliminary Budget

Mr. DaSilva presented three possible FY 2017 budget scenarios. The scenarios included a no fee increase budget; a \$5 per credit fee increase budget and a \$10 per credit fee

increase budget. The three scenarios all result in a shortfall between \$1,081,159 and \$2,172,072.

Other Business

President Rubenzahl shared with the Committee the following proposals from President Obama. The first proposal would allow full-time students the opportunity to earn a third semester of Pell Grants in an academic year, enabling them to finish faster by taking additional courses during the year. The second proposal would create an incentive for students to stay on track or accelerate their progress towards a degree through an increase in the maximum Pell Grant award of \$300 for students who take 15 credits per semester in an academic year. The bonus would encourage students to take the credits needed to finish an associate degree in two years (60 credits) or a bachelor's degree in four years (120 credits). Finishing faster means more students will complete their education at a lower cost and likely with less student debt. This proposal would help an estimated 2.3 million students next year as they work to finish their degrees faster. President Rubenzahl asked for everyone's support of President Obama's proposals.

Adjournment: The meeting was adjourned at 4:55 p.m.

Respectfully submitted by: Carolyn deliefde