

Strategic Plan Financial Structure Group

Minutes for 6/5/14 (9:30am) Miller Oval

Committee Members:

Present: Sean Goodlett, Cathy Daggett, Tim Hilliard, Michael Nosek, Audrey Pereira

Absent: Shylah Maloney (student rep)

Guests: Jeff McMaster, Paul Weizer (Executive Planning Council), Jane Fiske (EPC), Heidi Swift, Jenn Berg, Jayne Sambeto

I. Call to Order by Sean Goodlett (approximately 9:36am)

II. Approval of Minutes from May 29, 2014

Discussion:

The following changes will be made to minutes:

- Change spelling of Blackboard from Blackboare to Blackboard
- Change "Call to Order" time from 9:05 to 9:35

Motion to Approve: Audrey Pereira:

Second: Michael Nosek

Vote: 5 (in favor); 0 (opposed); 0 (abstention)

III. Updates to Blackboard site

- Sean updated documents in the Blackboard site prior to this meeting. This included demographic data under the "Documents and Websites" section of Blackboard. (Note: This data indicates that a demographic decline in Massachusetts.)
- Sean is planning to attach additional items to the Blackboard site. (See action items listed at end of minutes)

IV. Finalizing Work Group Charge and Questions

- Discussion of the revenues subject to our control.
- Discussion on adding debt obligation, service and burden and providing definitions for service and burden.
- Charge updated as follows:

- This Working Group of the SPC is responsible for addressing the challenges and opportunities related to net revenue increases, cost reductions, and debt obligation, service, and burden. The working group will also identify the resources necessary to maintain and enhance robust university programs consistent with Fitchburg State University's mission and the Massachusetts Department of Higher Education's "Vision Project."

N.B.: "debt service" refers to the annual payments of interest and principal on loans; "debt burden" refers to the effect on the operating budget.

Motion to Approve: Michael Nosek
Second: Tim Hilliard

Vote: 5 (in favor); 0 (opposed); 0 (abstention)

- Discussion on specific questions to be addressed (see action items listed at end of minutes)
 - Questions 1 through 3 address revenue necessary if we do not cut costs
 - Minor tweaks to clarify, including adding fees
 - Questions 5 through 8 address cost cutting
 - Minor tweaks to questions 4 and 5 for clarification, and added 6 and 7 to include non-academic departments to obtain full budgetary understanding.
 - Added general question related to understanding general opportunities for cost reduction. This could include analysis of redundancies and underused facilities.
 - Question 9 relates to the ways in which the current budget process supports achieving strategic goals, at this time it does not. Modified wording to make clearer.
 - Question 10 flows from question 9. Modified to make less vague.
 - Questions 11 and 12 address capital projects
 - Added question between 12 and 13 related to academic program and event development that is critical to achieving strategic goals
 - Questions 14 and 15 relate to debt (now questions 15 and 16)
 - Added questions related to the University Foundation and changes related to the charge (debt burden)

- List of revised questions below:
 1. What growth in net revenue would be necessary to achieve strategic goals without significant cost cutting?
 2. What rates of tuition/fee and financial aid increase does this growth imply?

3. How do these rates of increase relate to family income growth and demographic trends?
4. What were Fitchburg State's net tuition/fee revenues by academic program over the last five years, and what are the net tuition/fee revenue projections by program over the next five years?
5. For which academic programs does net tuition/fee revenue currently fail to exceed direct expenses, and to what extent should they be expected to exceed them?
6. What are the operating costs for non-academic departments?
7. Which non-academic departments generate revenue?
8. What opportunities for cost reduction exist in academic and non-academic departments?
9. Because our planning and budgeting processes must be tied together, what are the costs of our priority recommendations?
10. Similarly, what are the costs of making our priority hiring recommendations?
11. Are there capital expenditures, including spending on deferred maintenance, that are critical to achieving strategic goals?
12. What capital funds are currently available or will become available during the planning period?
13. What academic program and event development is critical to achieving strategic goals?
14. What funding might be available to support new academic program and event development?
15. To what extent is the University Foundation going to assist in the funding capital projects and academic program and event development?
16. What is the total debt obligation the University is forecast to have at the end of five years, and what proportion of the operating budget will debt service (i.e., payments of interest and principal) represent?
17. What debt do similar institutions (i.e., our sister public state colleges and universities and Carnegie equivalents) carry? [N.B.: comparisons to other institutions will have to take into account particular institutional needs and the financial health of the individual institution.]

Motion to recommend Approve of revised questions): Michael Nosek
Second: Audrey Pereira

Discussion: Consultants indicated that new questions will surface during the planning process

Vote: 5 (in favor); 0 (opposed); 0 (abstention): 0

IV. Establishing a Meeting Schedule for June-August

- Next meeting scheduled for Tuesday, July 8 at 2:00p.m.-4:00p.m.

IV. Voted to adjourn – passed unanimously

Action Items:

- Sean will add Jayne Sambito to Blackboard site
- Cathy will check with Jay Bry to determine if there is a list of capital and deferred maintenance that goes beyond 2007 or does not appear within the “Master Planning for State and Community Colleges,” and provide this information to Sean for posting to Blackboard site
- Cathy will provide Sean with scholarship funding information, and Sean post to the Blackboard site
- Cathy will provide Sean with debt ratio analyses spreadsheets, and Sean post to Blackboard site
- Sean will ask Pam McCafferty if there is documentation on predicative factors (students who do and do not enroll) and in house modelling of enrollment forecasts, and Sean post to Blackboard site
- Cathy will ask Jay for descriptions of cost reduction initiatives to date and communicate this information to Sean for posting on Blackboard site
- Sean ask Jay for departmental duties and clients serviced and post them to Blackboard site
- Cathy provide Sean with electronic versions of Debt Policy documents required by BHE, and Sean post to Blackboard site
- Sean will invite Jay Bry to next meeting (July 8)
- Sean will post a thread for each question on Blackboard site

Submitted by Audrey Pereira