

FITCHBURG STATE UNIVERSITY BOARD OF TRUSTEES
Finance and Administration Committee Meeting

President's Conference Room
300 Highland Avenue, Fitchburg, MA 01420

Committee Members Present: David Mullaney, Carol Vittorioso, Gregg Lisciotti, ex-officio

Committee Members Absent: None

Trustees Present: Matthew Costello, Anthony Mercadante

Also Present: Robert V. Antonucci, Gail Doiron, Sheila Sykes, Michael Fiorentino, Jr., Michael Shanley, Jay Bry, Sean Goodlett

Upon a motion duly noted by Mr. Mullaney and seconded by Ms. Vittorioso it was

Voted: to approve the Finance and Administration minutes of the meeting held on
(3-0) February 1, 2011 as presented.

President Antonucci explained that Mr. Martin F. Connors, Jr. had officially resigned as a member of the Finance & Administration Committee and also its Chairmanship in order to avoid any appearance of a conflict of interest and to avoid any potential issues.

President Antonucci welcomed Mr. Anthony Mercadante to the Board. He said it was a long ordeal and he thanked Mr. Mercadante for remaining patient during the process.

Mr. Lisciotti explained that Mr. Mercadante could participate in the discussion but would not be eligible to vote until he was sworn in on May 2, 2011.

Mr. Mercadante asked about the potential conflict. President Antonucci responded that we do business with Rollstone Bank & Trust and we are getting a ruling from the ethics commission.

President Antonucci next explained the budget and the four distinct pools of funding sources. The House is debating on the state appropriation that is usually finalized at the end of June. He would get back to the Board in the fall with any changes to the budget. We need to send out the student bills and fees need to be set. He referenced page three and said we will be able to retain any out-of-state tuition. We are not sure if it will be part of the Senate budget. We currently send tuition back to the state.

There was a discussion on in-state and out-of-state tuition.

President Antonucci explained about the reserves and recommended using the reserves. He said we were trying to hold off on our fee increases as much as possible.

There was a discussion on enrollment.

Mr. Mullaney asked about any DCAM funds. President Antonucci responded that we always have a project ready should any DCAM funds become available. Mr. Mercadante asked if the money had to be used for capital projects. President Antonucci responded yes.

President Antonucci discussed page seven and the projected fee increases that other Universities are considering. We have an obligation to fund collective bargaining contracts where the governor has not guaranteed the funding. We have to honor the contracts. We have to fund the faculty contracts if the state does not give us the funds.

President Antonucci referenced page eight that explained revenue sources and the operating budget. Mr. Lisciotti noted that we will not be receiving any stimulus dollars which we did receive last year.

President Antonucci said we are going to take \$3.3 million out of reserves based upon 3,400 students. This is an estimated budget based on what we know right now.

Mr. Costello commented on scholarships. President Antonucci said that we will try to take some of the fee increase funds and use for scholarships. This would be something we would look at next fall.

There was a discussion on scholarships.

Mr. Mercadante asked about the state maintenance funds. President Antonucci said we are doing okay but without stimulus funds it is challenging. He said at this point there will be no layoffs.

Mr. Mercadante asked if the institutions fight each other for funding. President Antonucci said we lobby as a system. He does not really know how they come up with the numbers. Ms. Sykes commented that a lot of it is history.

President Antonucci discussed tuition waivers. There is a whole category of waivers that we must provide tuition.

Mr. Mullaney said that going forward if significant revenue sources don't come along its going to be very tough.

President Antonucci said we already know that we have a collective bargaining cost, along with energy costs and not knowing the state appropriation is difficult.

Mr. Lisciotti said the only way to offset the fee increases is by fundraising. Our Development Office is short two senior people. He expressed his hope that we invest in the Development Office to have it grow. He thought it was the only way to get some money and we have one of the smallest development offices in the state university system.

President Antonucci commented by sending out a simple mailer, we were able to raise money. That initiative alone did not take a great deal of effort. He said it is more than just hiring staff. He also commented that our students need even more support whereas they are not able to get the jobs that were available in the past because of the economy.

There was a discussion.

Mr. Mullaney asked if it hurts us by having good reserves. Ms. Sykes said we are healthier than others. President Antonucci said we could get penalized for doing well and we also want funds for the future. We have to keep a set amount of reserves should we need to payout salaries should the institution ever close. This is a required amount.

Mr. Goodlett said small classes are valuable and we need to keep them. He suggested slowing down on the capital projects.

President Antonucci said we normally would have higher capital projects. We still have a great deal of work to do on this old campus. If we don't continue capital improvements it affects our admissions.

Mr. Costello said students are concerned with the fee increases even if it's only \$200.00. He said part of their efforts at the recent State House Day was lobbying for more scholarships. He expressed his concerns that some students may not be able to continue school if there is a fee increase. Ms. Sykes responded that the Foundation assists a number of students each year.

Mr. Lisciotti said if we approve a \$550 fee increase we will be at the top and we have been aggressive the past few years.

President Antonucci suggested we set a fee increase of \$500 and see what enrollment is in the second semester.

President Antonucci provided background on the two failed searches in the Development Office. We are going to utilize the services of a search firm.

There was a discussion.

Mr. Lisciotti expressed the concern of making sure there was funding for more staff in the Development Office.

Mr. Mercadante asked about Financial Aid. Ms. Sykes said the in- and out-of-state Financial Aid is based upon need. President Antonucci explained the different types of aid and loans available to students.

The consensus was to approve a \$500 fee increase effective with the 2011 fall semester. The new student fee will be distributed with \$250 devoted to repaying the debt service on the \$16 million bond for the Hammond building and \$250 allocated to the general university fee.

Upon a motion duly noted by Ms. Vittorioso and seconded by Mr. Mullaney it was

Voted: to increase the following annual student fee, effective for the fall semester 2011.
(3-0)

Day School Student Fee Increase

University Fee: \$500.00 for FY2012
(06-10/11)

President Antonucci said we would come back to the Board in the fall with any adjustments.

Upon a motion duly noted by Ms. Vittorioso and seconded by Mr. Mullaney it was

Voted: to approve the FY2012 Budget as presented by the President. (07-10/11)
(3-0)

Upon a motion duly noted by Mr. Mullaney and seconded by Ms. Vittorioso it was

Voted: to approve that on-going capital projects roll forward into the FY2012 University
(3-0) Budget. (08-10/11)

With no further business before the Committee, the meeting was adjourned at
3:50 p.m.

Respectfully submitted,



Gregg P. Lisciotti, ex-officio
Chairman, Finance & Administration
Board of Trustees