



Board of Trustees
Executive Committee

April 24, 2015
President's Boardroom, The Horace Mann Center

MEMBERS IN ATTENDANCE: Trustees Marcus, Queenin, and Scheibel.

MEMBERS EXCUSED: Trustee Hill.

GUESTS PARTICIPATING REMOTELY: Trustee Johnson.

Meeting called to order at 9:09 AM.

Trustee Johnson called in via Skype at 9:10 AM. Trustee Scheibel stated he would be participating remotely due to his geographic distance.

MOTION made by Trustee Queenin, seconded by Trustee Marcus to accept the minutes from the January 15, 2015 Executive Committee meeting.

ROLL CALL VOTE taken:

Steven Marcus	Yes
Kevin Queenin	Yes
Elizabeth Scheibel (Chair)	Yes

Motion passed unanimously.

Committee members reported there will be an approximate \$2.5 million budget gap for Westfield State University in FY16. At a recent Council of Presidents (COP) meeting, Secretary of Education, Jim Peyser, and Commissioner of Higher Education, Richard Freeland, acknowledged higher education is currently insufficiently funded and in a few years there maybe conversations about restructuring the budget to address the inadequate funds, but there are no plans to have this conversation in the foreseeable future.

In addition, the Baker Administration will not be funding the collective bargaining agreements. The Patrick Administration assured individuals involved in the contract negotiations money would be set aside to fund the agreements, but that was not the case.

In 2008, the Great Recession had a significant impact on the university's finances and the university has yet to recover. Difficult decisions await the board and it's important for the campus community to be involved in the process of creating viable short-term and long-term solutions.

The proposed FY16 budget will be presented to the Finance and Capital Assets Committee on May 27 and some trustees have made it clear they will not support an increase in student fees or dipping into the university's reserves as a means to bridging the gap. The Finance and Capital Assets Committee will closely review revenue and expenditures in search for possible solutions.

Dr. Kimberly Tobin, Vice President for Administration and Finance, stated a more accurate account of the gap is \$2.8 million. The commonwealth will disburse \$5.5 million in performance funding and the university conservatively estimates it will receive approximately \$500,000 bringing the gap down to \$2.3 million. In September 2013, trustees voted in support of a \$150 student fee to help pay for the new Science and Innovation Center. The fee was not to be charged until FY17 but the university has already begun incurring the debt service and will ask trustees in June to support charging the fee in FY16. If approved, it would mean approximately \$675,000 in additional revenue bringing the budget gap down to \$1.5 - \$1.7 million.

The campus community was recently asked to complete an expense reduction survey by the Budget Committee in anticipation of today's Executive Committee meeting and there have been over 150 responses to-date. The results show there is considerable support for a retirement incentive. The university would incur an upfront cost, but there would be significant potential in reducing payroll. If all employees who're eligible for retirement took advantage of this offer, it would equate to \$2 million in savings. However, not all employees who're eligible will take advantage of this offer. Vacant positions would not be immediately backfilled. Careful consideration would be given to efficient replacement, if necessary, with a potential for a hiring freeze.

Trustee Johnson was disconnected at 9:41 AM.

Trustee Johnson was reconnected at 9:42 AM.

The results of the expense reduction survey also showed significant support in reviewing the necessity for contract employees, cancelling out underperforming employees, and a reduction in travel and on-campus food expenditures. Trustees have requested quantitative data regarding these proposed expense reductions be provided before the May 27 Finance and Capital Assets Committee meeting. The data for contract employees should encompass adjunct faculty and part-time employees. The breakdown for all employees who're eligible for

retirement should include years of service and their responsibilities. In addition, trustees would also like to see a list of employees whose salaries are \$80,000 or higher and a copy of the expense reduction survey.

Projected enrollment for FY16 is 4,500. In years past projected enrollment was 4,675 but the university was unable to reach this number due to higher graduation rates. More students are graduating in four years instead of five. Typically the budget would have to be adjusted in September to reflect a more accurate account of enrollment. For FY16, it was felt it is best to project enrollment conservatively. If enrollment is higher than 4,500, the additional revenue will be used for one-time yearly expenses. Trustees would like to see up-to-date information regarding projected enrollment numbers before May 27.

As chair of the board, Trustee Scheibel reported she will create an ad hoc committee comprised of trustees, administrators and union representatives to address expense reductions. Trustee Queenin will chair the ad hoc committee. Once again, difficult decisions await the board and it's important for the campus community to be involved in the process of creating viable short-term and long-term solutions to prepare for the future.

Meeting adjourned at 10:38 AM.