



Northern Essex Community College
Board of Trustees Audit and Finance Sub-Committee Minutes
Zoom Meeting ID: 985 9330 7990, Passcode: 834781
Wednesday, May 4, 2022

Attendees: Trustees Jennifer Borislow, Sally Cerasuolo-O'Rorke, Jeffrey Linehan, Anita Worden, President Lane Glenn, Michael McCarthy, Anthony DeGregorio, and Linda Buckley, Note-taker

The meeting was called to order at 4:01 pm by Chairwoman Borislow. The minutes of the April 6, 2022 meeting were approved with a motion presented by Trustee Worden and seconded by Trustee O'Rorke.

With a **motion** presented by Trustee O'Rorke and seconded by Trustee Linehan, the Audit and Finance Sub-committee recommended that the Board of Trustees approve the FY2023 Operating Budget of \$69,968,539, based upon the following: estimated state appropriation support, the college's Enrollment Plan, the college's staff and faculty salaries & benefits plan, grants support, and the \$3.00 increase in the College Fee- Regular, and the \$3.00 increase in the College Fee – Allied Health.

Michael McCarthy, Chief Financial and Operations Officer, noted the following:

Key Assumptions:

- Tuition & Fees revenue includes the BOT's approved fee increases; a \$3.00 per credit fee for College Regular and Allied Health; which is projected to result in \$175,000 of additional revenue for the FY; proposed gross Tuition & Fees total, \$20.7m
- Enrollment Credits: based on the FY22 Budget an increase of 1% for credits is included in the FY23 financial plan, results in \$155,000 of additional tuition and fees revenue
- SFA using a discount rate of 42%--consistent with prior years
- Grants & Other Revenues projections similar to FY22 yearend projections for a total of \$17.7m
- Salaries & Benefits include all current positions fully funded--utilizing new benefits (40%) and tax (1.89%) rates for FY23. We have included projections for the multi-year salary increases for DCE (FY21-2.5%, FY22-2.0 & FY23-2.0%--including step increases). We included a 2% increase for NUPs and other positions
- Other Operating Expenses represent a decrease of \$2.9m from the FY22 Budget, primary driven by the projected decrease in CARES/HEERF Institutional spend for FY23
- CARES/HEERF Funding Components: the Federal government granted an expiration date of June, 2023 for all CARES/HEERF funds. The financial plan includes the projected FY23 available funds balance of \$6.7m. The president and vice presidents are developing a planned FY23 spend plan on how best to utilize these funds
- FY23 State Appropriations Funding has not been finalized, based on early communications this budget includes \$31.5m an increase over the FY22 appropriation of \$30.8m
- FY23 Capital Appropriations Funding Schedule increased by \$100,000 to \$2.2m; waiting for final approved amount and timing of the receipt of funds--\$10m plus award to be received over multiple years--FY23 to FY25
- **Results in a projected FY2023 yearend gain in Net Position of \$235,624**

With no further issues, the meeting was adjourned at 4:41 pm.

Respectfully submitted by Linda Buckley.

May 11, 2022