



Northern Essex Community College
Board of Trustees Audit and Finance Sub-Committee Minutes
Zoom Meeting ID: 977 3480 9201, Passcode: 594303
Wednesday, April 6, 2022

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

The meeting was called to order at 4:02 pm by Chairwoman Jennifer Borislow.

The minutes of the Feb. 2, 2022 meeting were approved with a motion presented by Trustee Linehan and seconded by Trustee O’Rorke.

With a motion presented by Trustee O’Rorke and seconded by Trustee Linehan, the following two motions were unanimously approved:

- 1) **AFC-22-05:** The Audit and Finance Sub-Committee recommended that the Board of Trustees approve the FY2023 College Fee for regular courses to be \$199 per credit, which is an increase of \$3.00 per credit over the existing fee of \$196. The College Fee – Regular is projected to generate \$9,984,228 in revenue, an increase of approximately \$150,516. The state appropriation is budgeted to stay constant over the prior year. The initial planned appropriation is not sufficient to cover all of the collective bargaining costs, public safety and facility updates, and other expenses.
- 2) **AFC-22-06:** The Audit and Finance Sub-Committee recommended that the Board of Trustees approve the FY2023 College Fee for Allied Health courses to be \$2.79 per credit, which is an increase of \$3.00 per credit over the existing fee of \$276. This increase is necessary due to the expenses associated with offering these courses.

The following FY22 Qt. 3 key assumptions were presented by Chief Financial and Operating Officer, Michael McCarthy.:

- Tuition & Fees revenue includes the BOT’s approved fee increases; a \$3.00 per credit fee for College Regular and Allied Health, and a \$5.00 per credit fee for early college; which is projected to result in \$257,450 of additional revenue for the FY.
- Enrollment Credits: based on YTD Enrollments Credits increase of (1,132 or 1.97%); related YE projected Tuition & Fees revenue is \$19.1m, a decrease of \$1.2m--primarily driven by a projected 7% enrollment melt for Spring semester.

- SFA, using a discount rate of 42%, was consistent with prior years.
- Grants & Other Revenues projections decreased by \$1.9m, decrease primarily driven by the timing of receiving projected grant awards.
- Salaries & Benefits projections were updated for all current YTD approved changes and the FY21 2.5%, & FY22 2.0% NUPS retroactive increases and the FY22 one-time 1.5% bonuses; projected positive variance of \$3m, plus benefits, driven primarily by the current open 26 FT non-grant positions YTD impact.
- Other Operating Expenses increased by \$2.56m, primary driven by the projected increase in CARES/HEERF Institutional spend for FY22 \$4.4m, and other expense categories low spend through FY22 YTD QT. 3 of \$1.84m for security and janitorial services, travel and conferences.
- CARES/HEERF Funding Components: SFA plan spend \$6.4m; Institutional YTD-committed to plan spend \$3.6m; Recognized Lost Revenue & Indirect Cost Reimbursement early projection totals \$1.5m. We had received approval for a no cost expiration extension for CARES/HEERF III to May, 2023; subsequently, the federal government granted an expiration date of June, 2023 for all CARES/HEERF funds.
- Depreciation expense increased \$1.1m to reflect the YE FY21 completed facilities projects' capitalization.
- FY22 State Appropriations Funding remains the same, \$30.8m.
- FY22 Capital Appropriations Funding Schedule increased by \$200K to \$2.1m.
- **Results in a revised projected FY2022 yearend gain in Net Position of \$4.4m.**

With no further issues, the meeting was adjourned at 4:36 pm.

Respectfully submitted by Linda Buckley.

April 12, 2022