In Attendance (participating remotely): Olivia Beverlie, Nancy Budwig, Beth Casavant, Kevin Foley, Michael Grilli, Brian Herr, Anthony Hubbard, Richard C. Logan

Call to Order: The meeting was called to order at 5:00 p.m.
Chair Foley welcomed the Trustees and guests to this special June session.

Due to the remote format, and in conformance with the amended Massachusetts Public Meeting law, all votes will be taken by roll call. Secretary to the Board of Trustees, Ann McDonald will initiate a roll call of attendees on each voting item presented.

1.0 Chair’s Report
Chair Foley asked for a motion to approve the consent agenda that included the following:

- Minutes (May 13, 2020)
- Personnel Actions Report

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On a motion duly made and seconded, it was voted to approve the consent agenda including the minutes from the May 13, 2020 Board of Trustees meeting and the personnel actions report.

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2.0 President’s Report
President Javier Cevallos remarked on the items below:

- These issues of race and racism have been foremost on our minds as a nation, and it seems to have awoken the country and the world with these recent events. The President thanked Dr. Constanza Cabello with her assistance in helping him and the University understand that diversity is not enough, and that the emphasis should be placed on anti-racism. We truly must change and make a difference. This important issue will need to be included in our strategic plan.
- The faculty union has indicated its willingness to review general education requirements to include anti-racism content.
- There continues to be a lot of planning on campus for repopulation and the necessary requirements to be fulfilled. Discussions such as how many courses will be taught and what the campus will look like in fall have been discussed by committees. The teams on campus have been exceptional.
Trustee Foley asked if the plan for the University repopulation would be a hybrid approach for the fall 2021.

President Cevallos responded that it is looking like it will be, but that there are still many things to be reviewed. It would be impossible to have everyone back on campus as usual; residence halls will have to reduce occupants, in order to de-densify the population. The President expects to have an announcement released by the end of the week, specifically for faculty with considerations given to their teaching modalities.

3.0 Administration, Finance and Technology Committee (Trustee Grilli)
Trustee Michael Grilli presented the following items for discussion and approval by the Board of Trustees.

- Land transfer of the Franklin Street parking lot: Dr. Dale Hamel provided background and information surrounding this motion.
- A resolution vote taken by the MA State College Building Authority provides the authority to enter into an agreement with the Commonwealth, to sell the identified property to the Commonwealth for the value of outstanding debt and additional costs.

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On a motion duly made and seconded, it was voted to consent to the disposition of property from Framingham State University (FSU) to Massachusetts Bay Community College (MBCC), duly authorized by the Massachusetts State College Building Authority (per attached motion as approved by the Authority on May 19, 2020) for the property currently utilized as the FSU Franklin Street parking lot. A separate Memorandum of Understanding between FSU and MBCC provides for the lease back of specific areas for continued FSU use.

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Dr. Hamel presented information on the proposed FY21 Budget.

Slides outlining the current status of FY20 were displayed and discussed.

- Review of projected closeout of FY20 noted that there were a few trust funds with projected deficits. Deficits are associated with the elimination of certain campus services due to COVID19
and associated reimbursements, i.e. dorms and dining. A portion of these noted deficits will be covered from additional funds that were identified, such as $550K from the Building Authority from release of debt service reserve funds. There are also certain reserves available to help mitigate some of these losses.

- Federal CARES Act received just under $4.0 M total; $1.95M were made available to institutional aid. We anticipate further deficits in the residence hall trust fund in FY21 due to the fact that we cannot achieve maximum occupancy in the residence halls.
- Other trust fund accounts were reviewed with projected deficits including the General Purpose Food Service account (-$700K), this loss will be partially mitigated by proceeds of the sale of the Franklin Street land sale.
- The final account with a projected FY20 deficit is the Warren Center (-$100K) due to cancellation of conferences since March.
- A number of trust funds have projected positive net income for FY20 because of reduction or elimination of activities. At the conclusion of FY20 these excesses will be swept to utilize positive net income savings for later COVID associated costs.

Dr. Hamel presented the FY21 Scenario A

- This assumption has different components for each of the different scenarios:
  - based on repopulation of campus
  - online/remote course offerings for the fall and hybrid approaches
  - increase in commuter students
  - smaller class sizes
  - reduced residence halls occupancy

A graph projecting enrollment anticipates a drop of 10.5% for Fall 2020; a forecast of the next 4-5 years of enrollment provided an assumption of an aggregate reduction of -12.8%.

Dr. Hamel continued with the Strategic Priorities, highlighting the highest priority items.

Proposed debt restructuring will result in positive net income in some trust funds that could be made available to support the University’s strategic priorities and/or COVID-associated costs that have not been identified to date/budgeted.

Trustee Hubbard asked Dr. Hamel to confirm, according to the information presented that there is no initial reduction of principal with the debt restructuring. Dr. Hamel confirmed that was correct.
The All-Funds budgets included in the BOT packet were addressed, noting revenues and expenditures by trust fund account. The bottom graph (page 28 of the BOT Materials) includes total figures, with the projected -$9.7M deficit.

Debt restructuring will address a portion of the projected FY21 deficit. In aggregate, accounting for noted adjustments, a -$3.5M net deficit is projected FY21. Thus, the Board is being asked to pass a budget with -$3.5M deficit.

Trustee Casavant asked whether the Board would be able to move forward with a vote on a budget with a deficit. Dr. Hamel responded that they could, as long there was indication of how the deficit would be addressed.

A conversation ensued that included the following points:

- The Board would have to make decisions in the coming years on whether/how to replenish reserves.
- At the conclusion of this discussion there will be a delegation to the Finance Committee in the event that adjustments to the budget are required, but the Board must make a decision on the budget tonight, because fees for students need to be set for billing and financial aid purposes.

Trustee Hubbard asked, what portion of the total reserves does the $3.5M represent? Dr. Hamel responded that it would be 6% if all investment funds are included. As a percent of cash reserves and liquidity funds, the projected deficit represents 26% of identified liquid reserves.

Dr. Hamel continued with his presentation of the 5-year Pro Forma Key parameters:

- The five-year proforma showing budgeted personnel adjustments
- Restructuring impacts
- Projected annual income
- A structural deficit of $1.5M beginning in FY22 that will need to be addressed
- Two key components highlighted:
  - Net deficit each year
  - Remaining structural deficit to be consider in FY22

Trustee Herr voiced concern about potentially delaying personnel changes to address current shortfalls and that to put off such decisions may be more difficult if they need to be made later when the “crisis” is over.
This led to a larger conversation including:

- President Cevallos stating that we are trying to be very conservative while limiting the impact on personnel at this time. However, we are being realistic about the current situation.
- Dr. Hamel agreed that he shares Trustee Herr’s concerns. Stating it’s a good point, but we have had a lot of conversations about what enrollment will be like in the future and there may be the possibility that current projections are overly conservative. Historically public higher education has increased during recessions.

Returning to his presentation, Dr. Hamel reviewed the Student Cost Comparisons. We are about average compared to sister universities for comprehensive costs. This year’s budget is premised on:

- 2.5% increase in tuition and fees
- Net price (after institutional financial aid) - we are below the segment average

In review of the FY20 and FY21 Aggregate Liability chart: aggregate liability as a result of the COVID situation is -$15M; the chart displays the percentages of coverage of these costs through debt restructuring, additional CARES funding, MSCBA funding, use of reserves and operational responses.

In conclusion Dr. Hamel reviewed the FY21 Budget Development Process and where we are in the budget plan schedule. Approval of this budget fee schedule was requested so that fees can be set and financial aid packaged with the understanding that the final State Budget Recommendation will not be presented until late in the summer.

Trustee Grilli commented that there may have to be further adjustments in response to the level of state appropriations for FY21. As we will not meet in July or August; adjustments may be made in the Fall, in September.

Chair Foley asked if there was any further questions or comments from the Board:

Trustee Beverlie voiced concern with no additional funding for counseling services as endorsed by the Student Government Association (SGA) during the past She continued by stating that she did not think the issue of mental health has been addressed sufficiently with the current resources.

Trustee Hubbard followed up in asking if there was additional funding for counseling in this budget.

Dr. Hamel responded by noting the budget does include additional contractor support for health services. However, it does not include a full-time position, as requested by the SGA. While we are reducing
positions, we would likely have to reduce another position elsewhere if we wanted to add An additional full-time counseling position. In the long-run we are going to have to address personnel to better match the lower level of enrollment. We have been able to deal with it through attrition to date.

Trustee Herr asked if there has been a hiring freeze?

President Cevallos stated that there has not been a hiring freeze. The Executive Staff thoroughly reviews every position prior to approval of rehiring.

Trustee Logan asked for an update on the enrollment figures as of today.

Dr. Lorretta Holloway noted the transfer student numbers were very low; returning students have access to fall schedules but many are waiting to learn what the ration between online and in-person classes will be. This will effect residence hall occupancy also, as well as the budget as a whole.

Dr. Zimmerman provided an update of rough percentages of classes that will be partially or fully on-campus within the various disciplines. These decisions were made based on numerous factors and by involving teaching faculty.

Trustee Budwig noted that she was interested in how these decisions were made and was glad to hear that it was a collaborative decision, which can have a strong influence on the students.

Trustee Grilli asked for a motion to approve the FY21 budget.

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The Framingham State University Board of Trustees (the “Trustees”) hereby approves the attached Framingham State University Fiscal Year 2021 Trust Fund Budgets and associated fees schedules. Further, the Framingham State University Board of Trustees (the “Trustees”) hereby approves delegation to the Board of Trustees Finance Committee (the “Finance Committee”) authority to review and approve any adjustments to the College Operations Trust Fund and its associated student fee schedule resulting from changes in anticipated FY2021 state funding support, potential federal relief funding, plans for debt restructuring, and/or unanticipated enrollment reductions. Notice of any changes in the College Operations Trust Fund and associated student fee schedule will be provided to the full Board of Trustees at its next regularly scheduled meeting.

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Chair Foley thanked Dr. Hamel for all his efforts.

**New Business:** There was no new business to discuss.

**Comments:**

Trustee Anthony Hubbard verified that the necessary delegation of authority had been completed by the Board to allow President Cevallos to continue to manage during the summer months. It was verified that this action had been previously approved.

Trustee Hubbard continued with a suggestion that if employees and students resume on campus operations that the Trustees should consider resuming their meetings on campus to the extent permitted under any then existing public health requirements.

**Adjourn Open Meeting**

The open meeting adjourned at 6:36 p.m.

Respectfully Submitted,

Kevin Foley
Chair
Framingham State University, Board of Trustees

Dr. F. Javier Cevallos
President
Framingham State University