

Minutes of FAP Meeting #10 AY2021-22
November 15, 2021
4:00 PM – 5:00 PM
Meeting Held in Faculty Governance SL225 and by ZOOM

Members in Attendance: Joseph Fehribach (FAP Chair), Joseph Sarkis (FBC Co-Chair), David Spanagel (RPC Representative), Tanja Dominko (FAP Secretary), Kris Sullivan (Associate Vice President for Academic Affairs), Mike Horan (Executive Vice President/CFO)

Guest: Olga Klochkova, Director of Financial Planning and Analysis

Agenda

1. Call to Order

The meeting was called to order at 4:01 PM.

2. Modeling 5-year operating budget to accomplish the Strategic Plan goals

CFO Mike Horan and Olga Klochkova presented to the Committee the 5-year model that they are building. This model is being developed to support the efforts that were outlined in the strategic plan from a financial point of view. Horan noted that the model is a “work in progress” and will go in front of the Board for approval at the May 2022 meeting. The 5-year model is a living document and will be updated every year to refresh our thinking on what the next 5 years looks like. The model has been designed to be a fully integrated model which includes the Statement of Activities, Balance Sheet, Capital Plan, Housing plan, Comprehensive Campaign, Debt Amortization schedule, detailed Student Enrollment projection and finally Key Performance Indicators. As Horan went through the model, he noted the following:

1. In building a 5-year model they started out with a “base” case which assumed that none of the strategic initiatives from the strategic plan were implemented. The model then has the ability to lay over the base case all the initiatives and stress test them against the base case to assess their impact.
2. Key Financial Indicators (KPI's) were developed to be measured against our peer average and against a target that will be set by the Board. The KPI's focused on 4 key financial areas (Unrestricted Cash, Size of Endowment, Debt Capacity and Operating Cashflow).
3. Some of the detail noted by Horan was:
 - a. FY23 undergrad enrollment will be targeted at 1350 (this year was 1410). He noted that in order to ensure that our class met our diversity goals that the class would have to be smaller than this year and that the overall scholarship % would grow from 47% to 49.4%. He also noted that he is working with the Provost on a Graduate Enrollment strategy.
 - b. Given our current debt load and the cost of construction, the decision has been made to back off building the new dorm. The cost of the build was originally targeted at \$54 million before COVID and the latest bid we received grew to \$69 million. The University is working with the developer who purchased the Becker College to add additional units for our use next year.
 - c. The Capital Plan presented showed an aggressive spend rate at \$30+million per year which would include the renovations of Stratton, Olin and Washburn.

Horan and Klochkova answered a number of questions from the Committee and agreed to bring it back to the Committee for discussion upon completion.

3. Adjournment

The meeting was adjourned at 5:10 PM.

Respectfully submitted,
Tanja Dominko
FAP Secretary