



I. Trustee Discussion Items

FY2021 Budget Discussion

(May Update - Attachment)

- The FSU Board of Trustees Finance Committee met on Monday, April 27, 2020 to discuss the status of the university’s FY2021 budget. As there continues to be a number of unresolved issues – including state appropriations, anticipated fall enrollments, and status of fall operations – that will have a significant impact on FY2021 operations, the Finance Committee recommends delay of consideration of the FY2021 budget until June through a special meeting of the FSU Board of Trustees.
- Proposed changes in FY2021 budget parameters from those previously under consideration are noted below:

| Assumption | Budget Plan |
|---------------------------|--|
| Collective Bargaining | Pro Forma Budget assumes MSCA, APA, and AFSCME contract settlements at recent level of annual salary increases (2.0%) and state funding of “state portion” with no salary adjustments (0.0%). |
| State Appropriations | Budget development plans based on prior year’s collective bargaining funding built into the base budget; assumption of level-funded (0.0%) 3.0% base net increase for FY2021 (including collective bargaining and formula reserves allocation). |
| Student Charges | Tuition and Fees increase of \$280 (2.5%); aggregate comprehensive student cost increase (including room and board adjustments) of \$595 (2.5%). |
| Enrollment (Day/DGCE) | Aggregate Day projected enrollment decrease of -3.5% plus an additional 4.0% (or 2.0% annualized) temporary fall enrollment decrease; Aggregate DGCE projected enrollment decrease of -2.1% plus an additional 4.0% (or 2.0% annualized) temporary fall enrollment decrease. |
| Inflation | Inflation adjustments ranging from 1.5%-3.0%; equates to approximately 2.0% adjustments on average. |
| Staffing Levels | Current FY21 budget assumptions based on planned reduction of -2.0 full time faculty position and -1.0 full time staff position (will still result in decreasing student/faculty and student/staff ratios); addition of out-year personnel reductions – through attrition – at -1/-1 faculty/staff per year. |
| Strategic Priorities Fund | Strategic Priorities Initiative Fund allocations to support selective FY21 initiatives have been eliminated. New federal stimulus funds will be allocated to student financial aid (\$1.95M). Potential unallocated funding to be directed based on prioritization considerations. |
| Trust Funds Support | Trust fund managers have submitted FY21 budgets accounting for -2.0% reductions to account for impact of anticipated enrollment reduction. Fall adjustments will be implemented in response to fall revenue impact. |

Franklin Street Parking Lot Property Sale

(Attachment)

- The Commonwealth of Massachusetts is planning to proceed with the “purchase” of 89 Mount Wayte Avenue (through deposit of funding in an escrow account sufficient to pay remaining debt service). This will reduce FSU annual debt service costs (of approximately \$220K per year) and FSU and MBCC will enter into an MOU for lease back of parking and storage. FSU BOT approval will be requested for consideration at the June 15 meeting.