

Committee on Priorities and Resources
Meeting Minutes – September 15, 2020

In attendance: Professor Javier Corrales; Professor Andrew Dole; Professor Jill Miller, *chair*; Professor Monica Ringer; Library Administrative Assistant/Bookkeeper Susan Bradley; Assistant Director of Athletics Kelly Mannix; Director of Financial Planning Thomas Dwyer, *ex officio*; Provost and Dean of the Faculty Catherine Epstein, *ex officio*; Chief Human Resources Officer Maria-Judith Rodriguez, *ex officio*; Chief Financial and Administrative Officer Kevin Weinman, *ex officio*; Brooke Harrington '22, *ex officio*; Sydney Ireland '23; Steven Hegarty, recorder

The meeting came to order at 8:30 am.

Proceedings

1. Budget update (Kevin)

- a. Kevin sent a memo to Faculty and Staff on Monday afternoon with an update on the college finances and the budget plan for the 2020-21 fiscal year. The [memo is posted on the college COVID-19 website](#).
- b. The Trustees have been meeting over the summer to review college opening plans and the operating budget. On August 29, the trustees approved the budget for FY21.
- c. The FY21 budget is not balanced, even after recognized savings and cost cutting. This reflects decreased revenues, primarily from lower student fees, combined with the added costs for the COVID 19 response. These costs include increased student support staffing and other operating expenses.
- d. The memo details the overall response and use of the college endowment along with other financial resources. It includes a \$12 million “de-cap” of the endowment to cover the one-time expenses. The remaining budget gap is projected at \$6 million.
- e. The academic plans for Spring semester will affect the financial picture. If health and safety allow, for example, more students may be studying on campus.

2. Discussion

- a. In response to a question on staffing, it was noted there have been no layoffs or furloughs of staff members. While there has been a hiring freeze put in place, the college has needed to hire additional employees to support extra cleaning as well as food prep and distribution. Hires have also been made to support residential and health services. PCRC is reviewing all open positions and allowing some to go forward.
- b. In response to Javier’s question about funding operations with additional debt, Kevin noted that the college has issued debt in recent years to take advantage of recent decreases in interest rates. Further, AC will continue to evaluate doing so in the future depending on interest rates and the ability of the College to afford repaying debt over time.
- c. Javier further asked if the college would offer a bonus program for faculty and staff, considering the extra effort everyone has made this year. Kevin responded that the college will continue to evaluate ways to recognize and reward staff and faculty, including

assessing where one-time compensation might factor, especially once the financial effects of the pandemic on the college and higher education overall become clearer.

- d. An early retirement option for staff is still in the planning stage. There will need to be decisions made within divisions to replace some of the positions and continue the work. Additional planning around staggered retirement and departure dates. (Note that there is an existing phased retirement plan for Faculty, starting as early as age 60.)
- e. AC will offer flu shots this year. The state has mandated flu shots for students. Staff and Faculty will be expected to get a flu shot as well, including staff working off campus. Details will follow from HR.
- f. Regarding planning for Spring semester, a formal announcement is expected at the end of October. The initial plan was to bring back Juniors and Seniors, and that is still in effect, however it is too early to know. Sydney shared the uncertainty students are feeling about the next semester, and recommended more communication.
- g. In FY21, 60% of the annual budget will be funded by endowment spending. While the increased percentage is outside of the regular spending formula, the hope is that this is a temporary, one-time solution to a unique emergency. It will be important to restore the endowment spending rate in future years. The financial effects are expected to linger for a few years, with perhaps a gradual return to normal. The college will need to slow the rate of expense growth, while at the same time looking to increase revenue.
- h. Javier requested more consultation for future decision making. Kevin will engage CPR in the upcoming discussions and planning, and the working group from the spring will return. Kevin welcomes questions and ideas from all.
- i. Jill asked how the CPR can be most helpful in the process. CPR will brainstorm, consider the timeline and planning for the next fiscal year budget, and request more detailed information, as needed.

Adjourned 9:35 am.

Respectfully submitted,
S Hegarty