

Committee on Priorities and Resources  
Meeting Minutes – March 30, 2021

In attendance: Professor Javier Corrales; Professor Andrew Dole; Professor Jill Miller, chair; Professor Monica Ringer; Library Administrative Assistant/Bookkeeper Susan Bradley; Director of Compensation, Benefits, and HRIS Chris Casey, *ex officio*; Director of Financial Planning Thomas Dwyer, *ex officio*; Provost and Dean of the Faculty Catherine Epstein, *ex officio*; Chief Financial and Administrative Officer Kevin Weinman, *ex officio*; Brooke Harrington '22, *ex officio*; Allie Ho '24; Sydney Ireland '23; Steven Hegarty, recorder

Not in attendance: Retail Dining Assistant Peter Charron

The meeting came to order at 8:30 am.

Proceedings

1. Kevin and Tom previewed the FY22 operating budget:
  - a. The Board of Trustees will meet next week. The budget meeting will be “table setting”, presenting the assumptions and open questions for FY22. Typically, the board approves the operating budget at the May Commencement meeting. This year, the approval will happen later, likely during the summer.
  - b. The current budget planning assumes a fully residential fall semester, and a rebound in comprehensive fee revenue. On the expense side, projection assumes that most activities will return, including some travel, programming, and athletics.  
The planning also projects that most member of campus will be vaccinated.
  - c. The budget plan will need to incorporate:
    - i. Increasing wage pools for faculty and staff, and, potentially, ending the hiring freeze;
    - ii. The partial restoration of non-salary budgets vs making FY21 cuts permanent;
    - iii. The net impact of voluntary retirement program for staff;
    - iv. FY22 student financial need profile; and
    - v. Potential offsetting federal financial support.
  - d. Open questions with budget impact include:
    - i. Vaccine availability and campus vaccination rates, as well as any ongoing need for quarantine and isolation spaces;
    - ii. Any continuing Massachusetts regulations and limitations;
    - iii. The ability of international students to travel to campus;
    - iv. Study abroad program availability; and
    - v. The impact of the pandemic on college philanthropy.
  - e. To date, the college endowment has performed well. The smoothing formula will limit the distribution increase but preserves future flexibility and ensures the college budget can absorb any pullback, should that be necessary.
2. CPR questions
  - a. Andrew brought up the endowment return and mentioned it seems almost unrealistic. Investments gains are “smoothed” to protect future budgets. The formula is a three-year calculation of quarterly valuations. Prior year spending plus inflation are most important to

the result. It was also noted that the 1.4% excise tax on net investment income for Amherst and similar intuitions is ongoing and not expected to end.

- b. Javier asked about current year giving, if there has been an impact from the pandemic and economic dislocation. Annual fund gifts arrive mostly in June. While that impact is to be determined, the college expects to meet its goal. AC is also working on large gifts for two major projects, the student center and the climate action plan.
  - c. The Comprehensive Fee has been announced for next year with a 1% increase.
  - d. Jill referred to the CPR charter, highlighting that the administration will present priorities to CPR. What are the priorities for the budget cycle and competing claims on resources? For FY22, priorities are around getting back to normal, and a focus on competitive compensation. The college anticipates a slower return to increase non-compensation expenses. For example, there may be less travel, and some of the programming offered by Advancement may continue virtually.  
Other priorities, such as the Climate Action Plan (CAP), are being addressed through fundraising and debt issuance. After the initial investment, the CAP will ultimately save the college money. In general, building maintenance has been well addressed, and the allocation in the annual budget for deferred maintenance has been restored for FY22.
  - e. Javier asked about changes to office requirements and if continued remote work will create an impact on facilities. Kevin answered that AC is trying to figure out how and where people will work based on what was learned during the pandemic. After addressing the college needs first, any changes will follow. HR is collaborating with an outside group to evaluate the possibility of more flexible work policies.
  - f. Sydney asked if remote study be offered next year. Catherine does not expect remote study to continue, since hybrid teaching changes the nature of a class. There may be limited circumstances for medical or accessibility reasons to study remotely, however the college is residential and this is important to its identity and mission.
  - g. Brooke asked how the college will manage increased housing demand in the fall. While this is still being worked out, a full return of on leave student would create a crunch on space. Study away may be possible and desirable, and that would help. The college may need to increase the capacity of some rooms. Sydney asked if the college is considering off campus living as an option. While this may become an option, the need for a “bubble” in the fall is unknown. Housing is a topic to revisit when Karu attends a future meeting.
3. Other business
    - a. Following up on a question from an earlier meeting, Tom passed along word from Jim Brassord that all dorms will have water bottle fill stations at the end of that project.
    - b. Next CPR meeting will be on April 13.

Adjourned 9:30 am.

Respectfully submitted,  
S Hegarty