

Committee on Priorities and Resources
Meeting Minutes – September 21, 2021

In attendance: Professor Nusrat Chowdhury; Professor Andrew Dole, chair; Professor Jill Miller; Professor Monica Ringer; Interim Director of Human Resources Chris Casey, *ex officio*; Retail Dining Supervisor Peter Charron; Interim Chief Financial Officer Thomas Dwyer, *ex officio*; Provost and Dean of the Faculty Catherine Epstein, *ex officio*; Interim Director of Financial Planning, Ashley Travis, *ex officio*; Assistant Director of Family Giving, Emily Ziomek; Jae Yun Ham '22, *ex officio*; Allie Ho '24; Steven Hegarty, recorder

The meeting came to order at 8:30 am.

Proceedings

1. CPR welcomed the new employee council member, Emily Ziomek.
2. Budget and financial update (Tom)
 - a. Overview of the traditional trustee budget and finance committee schedule of four budget meetings per year: In October, there is a review of the prior fiscal year; January is the preliminary planning meeting for the next fiscal year; in April, more detailed information is presented on the budget process and divisional requests; and, finally, at the commencement meeting in May, a balanced budget is presented for approval.
 - b. The COVID-19 pandemic and Workday transition have interrupted the regular cycle. Today, CPR is seeing the June board materials, which are more typical of a May meeting.
 - c. The operating budget proposal for FY22 is based on a stronger than expected recovery in revenues, both from endowment returns and increased enrollment. At the same time, there is growing pressure on expenses from salary and wage increases and competition for labor, plus general inflation.
 - d. The budget notably incorporates a 3.5% base wage pool increase, as well as a larger increase for front line staff. There is also funding for targeted staff growth.
The college is continuing to increase the grant-in-aid benefit for faculty and staff. The long-term target is 30% of Amherst tuition and there is still about 5% left to go.
 - e. The budget also includes investments in student mental health, student social experiences, campus safety, and the Center for Restorative Practices, as well as meeting IT staffing requirements and solutions to address cybersecurity and network reliability.
 - f. In FY22, there will be continuing COVID-19 response costs, including testing and the indirect costs due to higher enrollment.
 - g. Tom shared a multi-year comparison of investment returns. The market value of the college endowment has increased significantly over one year.
The FY21 return is comparable to FY00, which was followed by two years of negative returns. That history may not repeat. However, in the event of flat or modest returns, the impact will be offset by the college smoothing formula on spending.
 - h. Regarding health and safety planning for future budgets, the college is accumulating reserves, and investing to prepare for any future events.

- i. There is a proposal to use a small portion of the FY21 investment return and to re-designate accumulated reserves to set aside permanent funding to cover some of the operating costs associated with the new student center. The construction costs will be funded by philanthropy and a new debt issuance.
 - j. Capital Campaign fundraising is ahead of schedule, though there are additional professorships available for donors.
 - k. Long Range Capital Project Funding/Financial Plan relies on philanthropy and incremental operating budget growth; as well as other reserve, endowment, and debt initiatives.
3. Other business:
- a. Next time President Martin will join the meeting to offer her thoughts on the college budgetary priorities moving forward.
 - b. Reminder that CPR will vote on an 8:00 start time after the final student member has joined.
 - c. CPR approved the September 14 meeting minutes.

Adjourned 9:30 am.

Respectfully submitted,
S Hegarty