

Committee on Priorities and Resources
Meeting Minutes – October 19, 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; Jaden Richards '25; Steven Hegarty, recorder

Not in attendance: Jae Yun Ham '22, *ex officio*; Allie Ho '24

The meeting came to order at 8:00 am.

Proceedings

1. Review of schedule of upcoming CPR meetings. The calendar for semester is set and available in the CPR Dropbox.
2. Review of the presentation to Budget and Finance Committee of the Board of Trustees (Tom)
 - a. The Board of Trustees met last weekend. Board meeting was less focused on operational details than the bigger picture of a presidential transition.
 - b. During FY21, the college endowment returned 52%, an historic gain, and the operating budget returned a modest surplus of \$1.6M. The surplus was \$3.7M after COVID expenses and prior to reserve transfers.
Contributing factors were higher than anticipated revenue and additional endowed gifts, along with lower expenses, and discretionary transfers such as the presidential search and antiracism efforts. These advantages were partially offset by higher than anticipated COVID-19 response expenses, unspent gifts, and the faculty/staff bonus from January.
 - c. The endowment return is a strategic advantage, noting that the benefits will be spread over three years by the smoothing curve on revenue distributions.
 - d. Tom also reviewed the past three fiscal years, plus an updated projection for FY22.
3. FY22 budget outlook:
 - a. Positive news includes the higher than anticipated endowment distribution, higher than budgeted FY21 annual fund returns (used in FY22), and potential FEMA reimbursement for COVID testing costs.
 - b. On the other hand, there will be higher than anticipated one-time COVID related costs, including tent rentals and testing. For the Spring semester, there is potentially higher than anticipated study away participation.
The college is experiencing inflationary pressure on salaries and wages, including higher starting salaries and retention bonuses for front line staff in several areas. The college is currently relying on consulting firms, contractors, and temp agencies to fill staffing gaps.
 - c. HR is reviewing compensation strategy for front line employees. College has over 60 open positions, with smaller applicant pools.

- d. The difficulties in attracting good candidates are position-dependent, and COVID has changed where people choose to work. The remote work pilot program is helping. It is unknown if this may be a short- or long-term challenge.
 - e. For the college general reserve, the target is six months of expenses, and the balance is being grown when possible. The current balance is about 2.7 months of operating expense and this level allows the college to reduce the contingency in the annual budget.
4. Capital planning is the 10-year planning process for major renovations and new projects, separate from the annual renewal process (\$10M)
 - a. Most significant projects are the Student Center/Dining Commons and the Climate Action Plan. Others projects include Workday, and the Lyceum on South Pleasant Street.
 - b. Funded through the college debt issuances plus existing gifts and pledges. There is still an opportunity and a need for significant new gifts. The Student Center was not originally part of the current capital campaign and will require additional fundraising.
 - c. The college is building operating capacity now, through set asides from FY21 endowment gains in reserves or invested in LTIP.
LTIP is the long-term investment pool. This primarily includes the college endowment, plus reserves and other funds invested alongside the endowment.
5. Update of the Folger Library status. Folger is currently in the midst of a fundraising campaign and building renovation for a 2023 reopening. FY21 endowment returns and financial actions were similar to the college. Folger will create a new strategic reserve to address unanticipated costs once the renovated facility has been opened.
6. There was limited board feedback given the general focus on the presidential transition.

Adjourned 9:00 am.

Respectfully submitted,
S Hegarty