

## In Attendance

Anthony Annunziato (MCAS)	David Quigley (Provost)
Sharon Beckman (Law, Chair)	Tracy Regan (MCAS)
Kelby Bibler (Student)	Diane Ring (Law)
Joe Carroll (Provost)	Ronnie Sadka (CSOM)
Kirsten Davison (SSW)	Akua Sarr (Provost)
Joe Du Pont (Career Services)	David Scanlon (Lynch)
Michelle Elias-Bloomer (Woods)	Billy Soo (Provost)
Yonder Gillihan (MCAS)	Julia Spagnola (UGBC)
Kate Gregory (CSON)	Samantha Teixeira (SSW)
Stacy Grooters (CTE)	Jean-Baptiste Tristan (MCAS)
Fr. Greg Kalscheur, SJ (MCAS)	Sasha Tomic (Woods)
Tom Kohler (Law)	Tom Wall (Libraries)
Karen Lyons (CSON)	Brian Smith (Budget, guest)
John Mahoney (Provost)	Mike Lochhead (EVP, guest)
Monica O'Reilly-Jacob (CSON)	Adam Krueckeberg (Provost, scribe)

## Unable to Attend:

Mary Ellen Carter (CSOM)	Angela Harkins (STM)
Tom Chiles (Provost)	Jonathan Laurence (MCAS)
Andrew Davis (STM)	Gilda Morelli (Lynch)

## Approval of Minutes

- The minutes from the December 2, 2021 meeting were unanimously approved.

## Presentation: University Financial / EVP Update

Sharon introduced today's guest speakers: Brian Smith, Budget Director and Mike Lochhead, EVP, and thanked them for joining us.

Brian Smith led off, walking through a comprehensive presentation. Some highlights:

- Enrollments at the undergraduate and graduate levels are up, as are applications.
- BC's balance sheet was very much strengthened over the past year: investment results were positive in fiscal 2021 (45% endowment return) as well as significant increases in our physical plant, reflecting our construction investments.
- There were many positive operational factors, including federal relief funding, albeit offset by COVID impacts – lack of in-person fundraising events, lower dining and ticket revenues. Brian

pointed out the tuition-dependent nature of BC's revenues and reviewed auxiliary income in greater detail. Salaries and financial aid remain the two largest expense categories.

- Brian reviewed endowment operations: increases stemming from gifts balanced by reductions from the annual payout to operations, as well as market action which can provide either positive or negative results. Returns have averaged just over 10% annually for the past 20 years, which is better than the majority of our peers. Historically, our progress from \$5M in 1972 to \$3.8B today has been primarily driven by capital campaigns. Although we've done very well, we lag behind many of the other schools that are need blind and meet full need.
- Brian reviewed the University's long-range financial planning framework, and related how our disciplined approach has allowed us to maintain our performance – including maintaining our need-blind policy – even through financial and other crises.
- Noted the relationship between the cost of building new facilities and the long-term impact on the operating budget: the rule of thumb for debt-funded buildings is 10% of the cost of the building added to the annual operating budget. 5% is cost of debt, 3% is depreciation, and 2% is ongoing maintenance.
- Questions from the group:
  - The US is at a higher inflation rate than usual – how will that affect the University, and how will it affect faculty?
    - Brian – we're monitoring inflation indices and forecasts. Given our tuition dependency, we have limited leverage: we're largely constrained by our structure. However, we're committed to ensuring our resources are sufficient to absorb inflationary pressure in operations and construction. HR is surveying peer schools locally and nationally to ensure we're building a budget that is sustainable but also competitive.
    - David: this is a huge question being discussed at schools across the country. Unlike most of our peer (Jesuit) schools, we have not suspended retirement contributions; we're trying to figure out what we can do with limited tuition increase, and how we can use it most effectively. We'll likely try to address it through a multi-year approach to spread out the impact.
  - Given our strong financial returns, will we be investing in IT infrastructure, particularly with regard to IT support (the TC's have large caseloads, and service levels have dropped off in some areas) and grant management infrastructure, which is still very "pencil and paper"?
    - Mike – yes, we have an ongoing ITS investment budget in place, and have a process to evaluate requests as they arise each year. We are actually working on a first-phase of grant management software right now. On the TC question, this is new information, and we'd be happy to have that conversation with ITS and HR, but are also challenged by the very competitive hiring environment for technology professionals right now.
    - David – grant management is at the top of the academic list for additional technology investments. The VPR office has evaluated a number of possible solutions and we hope move forward over the next few semesters.
  - What plans, if any, do we have to become less tuition dependent over time?

- Brian – we’ve made some significant investments in online education, and are thinking about new sources of revenue as well.
- Mike – the best lever we have is our capital campaigns. We’re about a half-century behind our peers in capital growth; however, our approach is yielding benefits (if slowly) – from a stable 10% over the past decade, the endowment is expected to provide 12-14% of our budget over the next few years based on our recent strong returns.

Following the budget questions, Mike Lochhead presented an update on our current capital planning and facility construction projects.

- Mike introduced the Institutional Master Plan (IMP), which is a City of Boston requirement for any capital work done within city limits. He pointed out some changes from the 2009 plan: for example, the Fish Field House replacing a planned expansion of the Beacon Street garage, as well as changes in scope to the Connell Rec Center. The current extension of our plan will expire in October 2024; we are starting a process to file a new plan that could provide a framework for the rest of this decade.
- The Brookline campus is about 50 acres and over 300,000 square feet of buildings, most of which are in poor condition. We are evaluating construction and remediation work required for the planned Messina College program to be housed there.
- Other projects reviewed:
  - Robsham Student Pavilion – 65-70,000 square feet of space. Three primary tenants include a chapel, a new café (likely replacing the CoRo café,) and a “living room” student study, social, and formation space. It will also house the Pine Manor Institute, the Thea Bowman AHANA and Intercultural Center, the Women’s Center, the Office of Student Involvement, and many student clubs and orgs. Crucially, the building will provide an ADA accessible path from middle to upper campus. We are currently hoping to complete construction by 2024.
  - Robsham Theater Expansion – 30,000+ square foot expansion behind the current structure providing additional offices, study, and arts space.
  - Long term, we’re looking to put a new academic building on the current McElroy site. Demolition of McElroy requires a new dining facility to be built first, which will likely go on the current Carney site. Thus, our current focus is emptying Carney to prepare for this series of exciting projects.
  - Mike also touched briefly on additional projects: Bapst library exterior, O’Neill library 5<sup>th</sup> floor student study spaces, McElroy dining upgrades, 245 Beacon, Hoag basketball pavilion, the Ricci Institute on Brighton.
- Brookline campus
  - The facilities include 516 beds, but in a layout not ideal for community development. We are currently focused on some light renovations to bring them up closer to BC’s typical housing standard, but in parallel we are beginning design of a new 200-bed residence hall to support Messina College’s future needs.
- While the list of projects above will probably consume the majority of our financial capacity over the next decade, we are also considering improvements to housing (Mods and Walsh, possible Brighton campus location, driven primarily by the City of Boston’s mandate), the need for high-

density library storage, a new facility for Catholic Religious Archive holdings, and others. Our ongoing investment in stabilizing, maintaining, and improving Eagle Apps also requires capital investments.

- Questions from the group
  - Will there be a place for faculty to gather socially on campus?
    - Mike – although we don't want to put a lot of money into McElroy (given its limited remaining life) it probably makes sense to make some improvements to the faculty dining room now, then consider how we achieve this need in the planned dining renovation on the current Carney site – the planning team would be happy to collaborate on that.
    - David – we're still a couple of years away from locking down the programming for the new dining on the Carney site – perhaps this would be a good topic for this group to discuss, and we'll want to do some peer research as well to find out what has (and has not) worked elsewhere.
- Can you say a little more about the IMP process? How constraining is the plan, once it's in place, given the way our needs change over time, and the complexity of our situation?
  - Mike – our flexibility within the plan depends heavily on the political leadership environment in Boston. Overall, we have more flexibility in Newton and Brookline, because those cities review each project on an individual basis. The bigger constraint for us is financial – there's only so much capacity we have over the next 10 years. The city is the one pushing us to put residence halls on the top of our list, which is why it's a top priority for the planning process.
  - David – we need to make sure the choices we're making are ones that serve us well for the next ten years, and which don't constrain our flexibility to adapt to changing conditions in 2030-2040 and beyond.

David thanked Brian and Mike for their presentations and candor.

## Provost's Report

- Hiring: we're back to a much more normal hiring cycle, and we're seeing excellent results so far. We are deep in the Law Dean search, with an excellent set of candidates. Tom Stegman will be stepping down as Dean of STM at the end of the year; an interview committee has been formed, and a selection process will be run in collaboration with the Jesuit Conference of Canada and the United States.
- Admissions: at the undergraduate level, we've seen a historically high level of applicants at both the ED and regular levels, with very significant growth (38%) continuing in our ED application pool. Graduate and professional schools have been seeing a bit of fluctuation, but show continuing strength overall, despite the waning pandemic impact.
- COVID: BC has maintained a number of approaches so far this semester: arrival and ongoing testing has continued at a high level using PCR tests despite a more general move across higher education towards rapid antigen tests. We've also continued to isolate students who test positive in separate spaces (on the Brookline campus) as well rather than following the trend among many peers of "in-place" isolation. Our indoor masking mandate has lapsed, but individuals are welcome to continue to mask as they are comfortable. We note that the Boston

area's COVID numbers continue to improve rapidly; although our campus numbers jumped in week two, these were driven by undergraduate social events, and we're continuing to monitor. We will continue to adapt our approach as needed. We are already at 90%+ for faculty/staff booster uploads. The MA state government asked higher ed to move towards "near normal" operations specifically because we have such an excellent vaccination rate.

- Questions from the group:
  - May faculty require masking in the classroom?
    - David: No. Our policy has not changed from prior semesters: faculty are welcome to ask students to mask, and to explain why they are choosing to mask, but may not mandate masking in the classroom now that the mandate period has expired.