

Provost's Advisory Council
Thursday, February 11, 2021
8:30-10:00 a.m. - Zoom

In attendance:

Sharon Beckman (Chair)	Christian Guma	Gilda Morelli
Anthony Annunziato	Angela Harkins	Karen Muncaster
Michelle Elias Bloomer	Dewin Hernandez	David Quigley
Joseph Carroll	Regine Jean-Charles	Tracy Regan
Mary Ellen Carter	Gregory Kalscheur, S.J.	Ronnie Sadka
Thomas Chiles	William Keane	Akua Sarr
Thomas Crea	Thomas Kohler	David Scanlon
Joseph Du Pont	Jonathan Laurence	Billy Soo
Kristin Flower	Karen Lyons	Thomas Stegman, S.J.
Yonder Gillihan	John Mahoney	Sasha Tomic
Stacy Grooters	Allison Marshall	Thomas Wall

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- 1. The summary of the December 3, 2020 meeting was approved.** It will be sent to the President's Office. All summaries are posted on the Provost's Office website; members are encouraged to share them with colleagues.
 - 2. Annual Budget and Finance Update: Michael Lochhead, Executive Vice President and John Burke, Financial Vice President and Treasurer**

Sharon introduced Michael Lochhead and John Burke to talk about the FY21 budget and financial overview.

John Burke began with an overview of BC enrollment, the University's finances, the Endowment, and Long-Range Financial Planning.

Based on the fall 2020 census, there are currently 9,445 undergraduate and 5,125 graduate students enrolled. The anticipated fall 2021 first-year undergraduate enrollment is 2,400. There are 2,650 employees and 882 Full-time faculty. BC is ranked 35th among National Universities by *US News & World Report*, an improvement of two from last year. The endowment, as of May 2020, was \$2.6 billion.

John went over the FY21 balance sheet, noting that the most significant asset is the endowment, which consists of both quasi (unrestricted) and restricted funds. Unrestricted funds (\$918M) can be used for any purpose, while restricted funds (\$1.6B) have specific terms for their use. Plant assets, totaling \$1.8B, constitute the second the largest asset. Liabilities total \$1.6B, with bonds representing the largest liability at \$1.3B. In October 2019, BC closed on a new bond issuance, borrowing \$300M to build the Schiller Institute. Even with significant deferred revenue due to COVID, BC's net assets ended FY 2020 at \$3.6B.

He continued, discussing operating revenue and expenses. Tuition revenue grew by \$30M due to strong undergraduate enrollment and a tuition price increase. Operating expenses remained steady, and student aid increased by \$10M, consistent with the revenue growth on tuition.

John talked about the impact of COVID. Students were sent home on March 15, 2020 and the University shut down for all nonessential personnel on March 24, 2020. From March through the end of the fiscal year in May, the University experienced a drop in projected revenue of \$44M, including \$24M in room and board credits and refunds back to students. All events were cancelled, further affecting auxiliary income. BC was able to realize \$25M in savings by eliminating most discretionary spending. Because of conservative budgeting, savings, and the ability to continue with classes, BC ended the year with just a modest loss.

John continued, discussing the budget planning process. The FY22 budget, which closely resembles the FY21 budget, will go before the Board of Trustees for approval in early March. BC is highly dependent on tuition, with approximately 61% of its revenue coming from Tuition and Fees. Auxiliary income, which includes Residential Life, Dining Services, Athletics, and smaller services like health services, daycare, parking, event management, and the bookstore, accounts for 19% of revenue. Endowment payout provides 10%, with sponsored activities and gift accounts contributing 5% and 3%, respectively.

The largest expenses come from Salaries and Fringe Benefits (47%), representing BC's commitment to investing in people. Tuition remission accounts for 19% of expenses, with undergraduate aid being 77% of that. Additional expenses include General Operating (17%), Use Allowance (11%), Sponsored Activities (4%), and Utilities (2%). He noted that the Use Allowance, which includes depreciation and interest, fluctuates with major capital projects; more construction leads to higher use allowance.

John then provided an overview of the endowment. The goal is for a 7% return (CPI + 5%) and a payout of 5%. In 1972 the endowment was \$5M. Thanks to successful campaigns and investment returns, it currently is \$2.6B. Among the peer school group, BC's investment portfolio is in the top quartile for returns.

The Advancement team launched a mini-campaign in October of 2020, *Be a Beacon*, to support financial aid. The goal was for \$125M, which has already been exceeded. Since the end of the last major campaign in 2016, over \$780M in new pledges have been secured towards the next campaign.

Compared to the other 18 need-blind and full-need universities, BC has the second lowest total endowment and the third lowest endowment per FTE student. For comparison, Princeton University has the highest endowment per FTE at \$3.2M, while BC's is \$200,000. Schools with over \$500,000 per FTE student are subject to the Endowment Tax.

John then talked about the long-range financial planning framework and key drivers. BC's philosophy for long range planning began with Frank Campanella and has served the

university well through major financial turmoil. Planning is done with a view of maintaining and improving the academic position and profile of the University through investments in academics, student formation, and infrastructure. The commitment to meeting full demonstrated financial need of undergraduate students remains a priority. The goal is to build a competitive and stable base, through disciplined planning and careful stewardship of resources, and to pass along a healthy financial outlook for future generations.

The key drivers include tuition growth, endowment return, new debt/capital, fundraising, and operational efficiencies and cost management. For new buildings, there is an assumed 10% (of project cost) operational impact once the building opens.

The University maintains a strong financial position and will continue to invest in initiatives identified in the Strategic Plan, most notably the Schiller Institute for Integrated Science and Society. The goal is to advance priorities and align investments with current and anticipated resources.

A council member asked how other local schools have experienced the pandemic, and how they are planning for the future.

John responded that many schools, like BC, are looking to create capacity in the operating budget for more strategic use of funds, and for opportunities to redirect funds. Travel budgets, for example, which are mostly not being used due to the pandemic, provide a good opportunity for moving resources to strategic reserves.

Michael Lochhead provided updates on recently completed, existing, and upcoming Major Capital Projects. When the pandemic hit, the University paused \$45M in spending for capital projects. Many of the paused projects will be phased back in for FY22 or beyond.

Completed construction projects include:

- Bapst Library Phase 1: This was primarily repair and restoration of the south elevation, focusing on masonry repairs, terra cotta roof replacement, and stained glass repair and restoration. Phase 2 will cover the west and north elevations.
- Lower Campus Lawn: The space, which is the site of the former Flynn Recreation Complex, is being targeted, long term, for an administrative or university center. In the interim, the goal was to create a space that would benefit the campus. The space includes a large lawn, new tennis and basketball courts, and parking. There are large storm water retention tanks under the parking lot to help with flooding issues on lower campus.
- Harrington Athletics Village, Phase II – Pete Frates Center: Construction on the athletic fields was completed two years ago. Additional funding was provided by the Yawkey Foundation for the Pete Frates Center, a 31k square foot facility within the confines of the Harrington Athletics Village, which will be used primarily for baseball and softball. The building includes an indoor turf field, locker rooms, team lounges, sports medicine facilities, a small hospitality suite, batting cages, and an outdoor seating area. The project was completed in the late fall of 2020, about seven

weeks behind schedule due to a nine-week construction shut down because of Covid last spring.

Projects under construction include:

- The Schiller Institute for Integrated Science and Society: The Schiller Institute, a 157k square foot facility, is the largest project currently under construction. The building will include space for 22 PIs, classrooms to replace those previously housed in Cushing Hall, maker space, a clean room, a café, as well as the Shea Center for Entrepreneurship and the Computer Science Department. Construction started in 2019 and is expected to be completed by the end of 2021 with the building ready for occupancy by January 2022. The project was deemed essential construction and as such was not impacted by COVID.
- Pine Manor Campus: The Pine Manor campus facilities include academic buildings, residence halls, a campus center, and some recreational fields. BC has been leasing all of the beds on campus, using the East Village for isolation housing and the West Village for quarantine housing. BC has been heavily involved in helping Pine Manor open for on-campus instruction for the spring semester.

Future projects include:

- Pine Manor Campus: There will be a focus on capital renewal to bring facilities up to speed for full utilization. The Capital Plan will include annual investment in the campus.
- Lower Campus Planning, including undergraduate housing, academic and student support space, and University Center projects.
- Other projects for discussion include library storage, student formation space, campus renewals, and athletics spaces.

3. Updates from Student Affairs: Michael Lochhead, Executive Vice President and Acting Vice President for Student Affairs

Mike provided updates on Residential Life, Health and Wellness, Student Engagement and Support, and the Pine Manor Integration.

Residential Life

There have been recent incidents in Xavier Hall within the Multicultural Living and Learning Community. In speaking with students, there were similar incidents in the past that went unreported. The focus is on student safety, and staff from residential life, campus ministry, and the Bowman AHANA and Intercultural Center have been in touch, offering support and solidarity. Conduct violations are being pursued for those who are responsible.

BC continues to maintain quarantine and isolation facilities at Hotel Boston in Brighton as well as at Pine Manor College and the Newton Four Points Sheraton. Short-term quarantine space is available in the Cabaret Room in Vanderslice Hall for symptomatic students

awaiting test results. Students who are in quarantine or isolation housing receive support from a number of departments on campus. Due to revised federal guidance, the quarantine period has been shortened and students can be released within eight days if they have a negative test result on day five or six of quarantine.

Health and Wellness

Testing for returning students and the full BC community started on January 19, 2021 and pivoted to ongoing surveillance testing starting February 1, 2021. Symptomatic testing will continue throughout the semester through the Higgins lab and Health Services. At the start of the semester, there was an increased number of cases that was likely the result of a lack of adherence to mask wearing and social distancing. Students have been reminded of conduct expectations and will be required to attend mandatory conduct conversations.

Counseling services have seen fewer students engage in traditional therapy, and counselors have been able to see students needing support more frequently and with higher intensity of care. Hospitalizations have decreased by 43%. BC has engaged with a company called *UWill*, a leading mental health platform available to BC students residing outside of Massachusetts. There have been increased virtual support groups for students dealing with anxiety, students of color, LGBTQ students, and students studying remotely. There has been a 40% increase in student accommodation requests.

Student Engagement and Support

There has been a focus on increased engagement opportunities for students on campus, given the ongoing COVID constraints. The Office of Student Involvement, UGBC, and the Campus Activities Board have been working to identify outdoor activities and virtual alternatives to keep engagement high. A “Winter Fest” with fire pits, music, and other outdoor activities is being considered and is pending city permitting.

The Career Center’s Endeavor Program went fully online this year and was very successful with 275 students participating. There will be a virtual internship fair in the spring. Students can avail of virtual career coaching, career education meetings, and workshops.

The Bowman AHANA and Intercultural Center continues to provide support for underrepresented students, offering a number of virtual programs and peer discussions this year on issues of race, identity, and racial justice. The center provides summer tuition remission grants for students who need to improve their academic standing.

Pine Manor Integration

BC has been working closely with Pine Manor to upgrade their IT infrastructure, replace and standardize furniture, and setting up dining and security services. BC has mostly taken over

security and management of residence halls and dining services, and provided support in establishing return to campus protocols. Pine Manor has a small group of students studying on campus this spring, with the majority of their students studying remotely for the semester.

Mike concluded, opening the discussion to questions from the group.

A council member asked what impacts BC may see over the next five to ten years with a decreasing population of high school graduates and a less hospitable environment for foreign students.

John Mahoney responded that the domestic high school graduate demographics are mostly flat, with the latest data suggesting the drop off will be closer to the end of the decade. International applications are flat from prior years. BC has expanded its exposure in the world and has made an effort to cultivate those markets. BC's student body is currently approximately 8% international and the strategy is to continue to recruit excellent students and to strive for diversity within the group.

A council member asked for suggestions in responding to students seeking support on the Xavier Hall incidents and asked if the University had sent a general letter advising students on racial harassment. A council member asked that communications be sent directly to faculty, as they are not always passed along through various levels of administration in a timely fashion.

Mike suggested that faculty be aware of the support services available to students through counseling services, mission and ministry, and the BAIC, and to direct students to those resources. He added that the administration needs to make sure that faculty are aware of incidents and communications that are sent to students.

A council member noted that a number of students in Xavier Hall had expressed being overwhelmed by the amount of time given to discussing the incidents. There is conversation fatigue.

A council member suggested that graduate students need more programming on campus as well. Graduate students face significant restrictions on campus also and opportunities for engagement would be welcome.

Mike responded that a more holistic approach to student communications and programming was needed, noting that graduate students are an important part of University life.

4. Proposed Policy on Faculty Top-offs: Billy Soo, Vice Provost for Faculties

Billy Soo opened a discussion on the proposed Policy on Faculty Top-Offs.

Historically, when a faculty member received an external scholarship or fellowship that paid a stipend that did not cover the faculty member's full salary and benefits, BC would cover the difference. The number of these requests has grown over the years and as the University does not have an official policy, they are often handled in an ad hoc manner. The policy would put in place standard guidelines and allow for increased transparency.

In reviewing how peer schools handle these situations, many schools have a list of specific fellowships or scholarships that are eligible for a salary top-off. Faculty are generally encouraged to coordinate the leave with a planned sabbatical and are required to return for at least a year of service following the leave. Additionally, most policies have a financial cap on the top-off.

The proposed BC policy serves to encourage faculty to apply for and accept prestigious awards. Faculty are encouraged to time the required leave with a planned sabbatical or faculty fellowship. This maximizes the likelihood of maintaining their full salary and benefits over the period. Additional conditions of the policy include:

- The fellowship or scholarship must be prestigious, competitive, and awarded through a rigorous selection process. A sample list of the types of awards will be provided, and if uncertain, a faculty member should discuss the award with their department chair and dean.
- The amount of the top-off is limited to the *smaller* of (i) \$50,000 or (ii) the amount that would top-off the award to equal 100% of the faculty member's salary during the period of the fellowship or scholarship.
- Faculty may avail of top-offs only once every four years of service.
- Faculty are expected to return for at least one year of service following the top-off.

Billy explained that the top-off should not exceed 50% of the faculty member's salary and the cap of \$50,000 is generous in comparison with many peer schools who impose a cap of 1/9 or 2/9 of their annual salary.

In order to minimize disruption to the faculty member's salary and benefits, the fellowship payment is generally paid directly to BC and the faculty salary is adjusted to meet the top-off. Faculty members may also take an unpaid leave and receive the fellowship payment directly, however they will not be eligible for BC benefits for the period of their leave. If the amount of the fellowship exceeds the faculty member's salary, BC will pay the additional amount directly to the faculty member.

5. Provost's Report

David discussed lingering questions and challenges surrounding the roll out of the vaccine in Massachusetts.