

MASSACHUSETTS BAY COMMUNITY COLLEGE BOARD OF TRUSTEES

Minutes of the February 25, 2020, Finance, Compliance, Personnel, & Audit Committee meeting – Alumni Board Room, Wellesley Hills Campus

Committee members present: Diane Schmalensee, Tom Peisch, Matthew Kahn;
on the phone: Tim Clifford

Staff members present: David Podell, President; Lynn Hunter, Provost; Marcus Edward, Assistant Vice President for Finance & Administration; Debbie Georgopoulos, Executive Assistant for Finance & Administration; Samaria Stallings, Executive Director for Human Resources.

Call to Order and Approval of Prior Meeting Minutes –Committee Chair Schmalensee confirmed quorum and called the meeting to order at 7:58 am. Ms. Schmalensee asked for the review of the prior committee meeting (*Item 1*).

MOTION: Trustee Kahn made the motion to approve the minutes of the October 29, 2019, Committee meeting. Trustee Clifford seconded. Edit to minutes requested to indicate land owned by MSCBA may cost \$3.3M.

Roll call vote:

Diane Schmalensee, YES; Tom Peisch, YES; Matthew Kahn, YES; Tim Clifford, YES.

Minutes were approved as amended.

Trustee Peisch reported that, per discussion with College Counsel Ken Tashjy, since a quorum was not physically present on January 28, 2019, “a meeting should not have been conducted and the committee should have disbanded in the absence of a quorum... To remedy this situation, at its next scheduled meeting, the Committee shall deliberate over the same ‘various matter’ with a quorum present.”

FINANCE ITEMS

President Podell reported that Vice President Buckley is on vacation, and Assistant Vice President Edward would present the finance items to the Committee.

- **FY2020 Budget vs Actual Comparison Report (*Item 2*)**

Assistant Vice President Edward presented the report as of January 31, 2020. The January budget- to-actual report shows a favorable variance of approximately \$738,000. This is due to better performance on expenses when compared to the projected budget.

Revenue

The projected overall revenue budget compared to actual revenue results shows an unfavorable variance of approximately \$34,000.

The College budgeted at a 5.5% decline in enrollment for FY2020. Fall enrollment came in within budget. Currently, the decline for spring semester is 4.2%. The Spring 2020 “six week 2”

semester and Summer 2020 enrollment are yet to be determined. Tuition and fees revenue shows an unfavorable variance of approximately \$33,000.

The actual State Maintenance Appropriation revenue of \$11,852,000 included an allotment of \$442,000 to fund MCCC collective bargaining increases dating back to July 1, 2018.

The College has seen an increase in waivers, resulting in an unfavorable variance of approximately \$41,000 in the Contracts, Commission and Other Revenue line

Expense

The projected expense budget compared to actual results shows a favorable variance of approximately \$772,000.

The College is under budget in the permanent staff line. Consequently, the College is over budget in overtime, part-time stipends, and operational services (where temporary help is budgeted). Nonetheless, the College remains under budget when the variances for these four expense lines are netted.

The Administrative Expenses line includes the College's contingency. Actual spending of \$801,000 in this expense line is comparable with spending for the last three years.

As of January 31, the Capital Budget expense was \$172,000. As of February 24, 2020, the Capital Budget expense was \$283,000 (approximately 33% of the total budget for this line).

MOTION: Trustee Kahn moved to accept the FY2020 Budget vs. Actual Report and recommend approval to the Full Board. Trustee Peisch seconded the motion.

Roll call vote:

Diane Schmalensee, YES; Tom Peisch, YES; Matthew Kahn, YES, Tim Clifford, YES.

Motion unanimously approved.

• **Student Accounts Receivable and Cash Report (Item 3)**

Assistant Vice President Edward presented the report as of January 31, 2020. Total accounts receivable is down 9% when compared to January 31, 2019. The College has been doing a better job with collections. The report reflects an increase of \$1.3 million in cash. MMDT pays 1.81% and Bank of America pays 0.90% in interest. At any given time, the College needs to have approximately \$1 million on hand to cover imminent expenses, and these accessible funds are kept with Bank of America. The College transfers approximately \$350,000 bi-weekly to fund local payroll.

Cash Position by Month (Item 4) Assistant Vice President Edward presented the report. The predictable trend continues through the month of January. This week the College should receive \$ 2.7 million of financial aid, and February will reach peak cash position.

- **Massachusetts Public Higher Ed Tuition & Fees and Enrollment Report (Item 5)**

President Podell presented the report. In comparing state and community colleges for the current year, President Podell noted that tuition and fees for MassBay are less than half of the UMass tuition and fees. MassBay had a 3% increase in fees for last year. Other colleges range from 0% to 12%. AVP Edward noted the 3% was lower than the weighted average of 4%. In fiscal year 2019 Middlesex raised rates by 24%. President Podell reminded that it is less painful to students to have gradual fee increases.

A review of Annual FTE Enrollment noted that only Bunker Hill Community College had a net positive change among the community colleges. It was also noted that Bunker Hill Community College raises their rates in the spring semester.

From fiscal year 2010 to 2019, MassBay is down 23% in enrollment, but remains a relatively stable financial situation.

The patterns of fee changes show that Bunker Hill raised fees by 14% from FY11-FY16, but over the last 5 years (FY16-FY20) raised them by 41%.

MassBay consistently ranked 10th in Annual Full-Time Equivalent Enrollment. We have changed rank in tuition fees, where we currently rank 10th. Our rank in tuition and fees has declined from 8th to 10th over the past decade.

- **MassBay Tuition & Fee Waivers (Item 6)**

Assistant Vice President Edward presented the report. Seventy-three unduplicated employees and family members had fees waived during the period of Spring 2017 through Fall 2019 for a total of \$195,990. It was noted that this is not a loss to MassBay, but a benefit to the employees.

The Committee was provided a handout that showed the variety of tuition and fees waivers that are offered to different populations. MassBay employees/family members receive 100% waivers for day and evening tuition and fees. Most of the other categories offer 100% Day and 50% Evening Tuition waivers. It was noted that evening courses are taught by adjuncts, hence only 50% of the evening tuition is waived. Day and evening courses are dramatically separated and are governed by 2 different labor contracts.

PERSONNEL ITEMS

- **Personnel Actions Report (Item 7)**

Executive Director Stallings presented the report for informational purposes. An Academic & Transfer Counselor and an Administrative Assistant 1 in Division of Health Sciences have been hired.

- **Recruitment Report (Item 8)**

Executive Director Stallings presented the report for informational purposes. We are recruiting faculty in Nursing (2), Computer Science, and Emergency Medical Services faculty. A Special Assistant to the President/Capital Campaign Director will be funded by a grant. We are also recruiting a Dean of Humanities and Social Sciences.

A discussion ensued regarding the challenges associated with filling Nursing positions. Conversations regarding this situation are going on state wide.

OTHER (including various items discussed at the January 29, 2020 meeting)

Update on Framingham Campus. Discussion are ongoing regarding the land owned by MSCBA where we plan to build. It has been suggested the land be subdivided, and MassBay purchase a section of the lot for \$1.6 million, allowing Framingham State University (FSU) to continue to pay MSCBA for the west side of the lot. This would eliminate the need for a tenancy. The sheds erected on the lot could be combined into one larger storage space on FSU property.

The parking arrangement at Cushing Park has been very successful. The lot is a one-minute drive or a 20 minute walk from the location of the new campus.

The City of Framingham is considering purchasing the Perini Building which is across from the new campus lot. Parking could be rented from this facility. If the City is able to purchase the building, an education hub for Framingham could be created with the school offices housed in the Perini Building. This would allow MassBay to continue occupying the Farley School until the building is completed. Discussions are in progress. President Podell will meet with the Superintendent to encourage purchase of the Perini Building.

JP Morgan invited Neil Buckley, Mary Shia, and President Podell to lunch for a discussion on investments. They are looking to increase their presence in Massachusetts, and would like to make a contribution to the community through MassBay. The MassBay leadership team is developing options. They are not currently investing in capital projects, but it is hoped they will reconsider capital investment for the new building.

Bank of America wants to create a pathway for our students to work at their company. We are also hoping for a contribution to the capital campaign. The Large Gift Committee is chaired by Michele Drolet. She has a list of potential donors and has begun making contacts.

A parlor event will be held Thursday night at Becky Kannam's house. Becky is a Wellesley resident and new member of the Foundation Board. President Podell will make a presentation on MassBay and have an opportunity to develop contacts.

FSU Housing has been offered to two homeless students. The state pays for the housing and MassBay pays for boarding. This initiative will make a difference in the lives of these students.

The Jacobs Foundation is funding a two-year position for a *Special Assistant to the President/ Capital Campaign Director* to assist with fundraising efforts.

We have submitted a grant proposal for \$100K to the Cummings Foundation to teach ESL in Health Professions. There is a requirement to apply for the \$100K grant before applying for larger grants. This will be a great benefit to the health care professions as well as to students who do not have English as a first language.

Sierra Cedar/Oracle costs – O'Connor & Drew did an IT audit and made that recommendation to train MassBay employees to use PeopleSoft more efficiently rather than bringing in consultants.

Adjournment

Matt Kahn moved to adjourn, Tom Peisch seconded the motion.

Roll call vote:

Diane Schmalensee, YES; Tom Peisch, YES; Matthew Kahn, YES; Tim Clifford, YES.

Chair Schmalensee adjourned the meeting at 9:19 a.m.

Diane H Schmalensee 11/30/20
Diane Schmalensee Date
Committee Chair
Board of Trustees

David Podell 12/11/2020
David Podell Date
President
Massachusetts Bay Community College