

**MASSACHUSETTS BAY COMMUNITY COLLEGE BOARD OF TRUSTEES**

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

Webex Meeting

**Committee members participating:** Diane Schmalensee, Tom Peisch, Matthew Kahn, Dune Thorne.

**Staff members participating:** David Podell, President; Neil Buckley, Vice President for Finance & Administration; Marcus Edward, Assistant Vice President for Finance & Administration; Steve Baccari, Controller; Lynn Hunter, Vice President for Academic Affairs and Provost; Samaria Stallings, Executive Director for Human Resources; Courtney Jackson, Vice President for Institutional Effectiveness and Strategic Initiatives; Lauren Curley, Director of Business Operations; Deborah Georgopoulos, Executive Assistant for Finance & Administration.

**Call to Order and Approval of Prior Meeting Minutes** –Committee Chair Diane Schmalensee confirmed quorum and called the meeting to order at 8:05 a.m. Ms. Schmalensee asked for the review of the prior committee meeting minutes. *(Item 1)*.

**MOTION:** Trustee Thorne made the motion to approve the minutes of the June 9, 2020, Committee meeting as presented. Trustee Kahn seconded. Motion passed unanimously.

**ROLL CALL:**

Matthew Kahn: YES, Diane Schmalensee: YES, Dune Thorne: YES

**FINANCE ITEMS**

- **FY2020 Budget vs. Actual Comparison Report** *(Item 2)*  
Vice President Neil Buckley presented the report.

The budget-to-actual report shows a favorable variance of approximately \$2,939,000. This is due to better performance on revenues and expenses when compared to budget.

The College budgeted for a 5.5% decline in enrollment. Fall enrollment came in on budget, Spring enrollment was down 3.5%, and Summer enrollment was up 5.7%.

The state maintenance appropriation reflected a 1% increase to fund the MCCC collective bargaining increases.

The Vice President noted a dramatic decline in expenses, at \$2.4 million under what was budgeted. Administrative expenses have plummeted as a result of the pandemic. Most expenses are under budget. Adjunct Faculty is over budget. This can be attributed to positive enrollment numbers. The part-time employees expense line is over budget due to increased part time help to help fill the void left by vacant full-time positions, and Covid related costs of \$164,000. These increases compensate for savings recognized in other areas.

It was noted the contingency budget is slightly higher in FY2021 compared to FY2020 in anticipation of Covid-related expenses. The budget for FY2021 is based on the fact the College is remote for the Fall and anticipates we will be back to normal in the Spring.

Capital expenses paid with local funds also came in under budget. DCAMM is funding expenses for the roadway and roofing projects which are currently underway

**MOTION:** Trustee Kahn made the motion to accept the FY2020 Budget vs. Actual Report and recommend approval to the Full Board. Trustee Thorne seconded. Motion passed unanimously

**ROLL CALL:**

Matthew Kahn: YES, Tom Peisch: YES, Diane Schmalensee: YES, Dune Thorne: YES

- **Fiscal Year 2021 Budget Update and Discussion**

President Podell noted that the Board approved the budget based on a 10% decrease in the state appropriation and a 15% decline in enrollment with the understanding that the budget would be subject to revision. While things are still in flux, it is anticipated an adjusted budget should be available in the fall after enrollment is confirmed.

Initial reports suggest that there may not be a decrease in the state appropriation. Vice President Buckley noted the state has funded the appropriation through October 31, 2020, at the same level as last year's beginning appropriation. Fall semester enrollment is steadily increasing from being down 30-40%. As of today, enrollment is down 14% FTE; 12% in headcount. E.Y. Parthenon had predicted students would be late decision makers in this environment. The Vice President is cautiously optimistic enrollments will continue to increase.

Most community colleges are in same enrollment position with double digit declines. It was noted two of them have not dropped students for non-payment. This appears to be a problematic and inefficient practice.

A brief discussion regarding fee adjustments ensued. The Board may wish to continue the discussion if remote learning becomes a long-term proposition, however a change in previously agreed upon fees is not warranted at this time.

- **Student Accounts Receivable and Cash Report**

- Vice President Neil Buckley presented the report as of June 30, 2020. (Item 3a) Accounts receivable went up in late Spring because the College could not do collections and the state intercept system was shut down stemming from the pandemic.
- The report as of July 31, 2020 (Item 3b) painted a better picture of receivables.

- **Cash Position by Month (Item 4)**

- Vice President Neil Buckley presented the report as of June 30, 2020, which indicates that at year end the cash position was \$2.4 million better than last year.
- The report as of July 31, 2020 (Item 4b) showed the College was up by \$2.3 million over last year.
- Interest rate from MMDT has gone down several basis points. The current rate is .27%.

- **Contracts Report (Item 5)**

Vice President Neil Buckley presented the report of contracts greater than \$35,000.

1. Wissen – Grant writing service, \$55,000 paid with local funds;
2. Snowden – To replace the HVAC, \$127,000 paid for by DCAMM;
3. BlackBoard – \$518,000 over 3 years, paid with local funds;
4. Anderson - \$49,700 for curriculum design, from an NEH grant;
5. Sierra Cedar – PeopleSoft consulting services. \$255k over 3 years, from local funds;
6. Studio Enée –\$96,500 for renovation of WH Computer Lab (Rm. 242).  
\$80,00 will come from Title III.

Committee Chair Schmalensee commended the team on the Covid expense report. A little over \$700,000 was spent on Covid-related expenses. It was impressive to see how much was spent and how much was saved through the end of the fiscal year. President Podell responded that the team had to adapt quickly and did what needed to be done. The Emergency Response Team (ERT) was created to address MassBay’s response to the crisis. The ERT met every morning during the first months of the pandemic (it now meets three times a week) and was key to the crisis management at the worst part of the epidemic.

## **PERSONNEL ITEMS**

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

Samaria Stallings presented the report for informational purposes.

- Two new hires include: Elisabeth Borg, Special Assistant to the President/Capital Campaign Director, and Jeremy Solomon, Interim Director of Marketing and Communications.
- Phara Boyer has assumed the position of Director of Corporate Partnerships and Workforce Development.
- Departures consist of four resignations and three retrenchments.

- **Recruitment Report (Item 8)**

Samaria Stallings presented the report for informational purposes.

Positions have been filled and most will begin in the new semester.

## **AUDIT & COMPLIANCE**

- **Audit Update**

- Vice President Buckley reported that five audits are currently ongoing at the College. The regular College Audit, Foundation Audit, Federal Funds (Financial Aid/Title III) formerly known as A133 audit, Massachusetts Office of Student Financial Aid (MOSFA), and the State Audit focused on inventory control and use of purchasing cards. All audits are being done remotely. It is expected that audit reports will be reported to this committee sometime in early October.

- **Report from Compliance Committee**

- Controller Steve Baccari reported that the Compliance Committee has been meeting with major departments to review their reporting requirements to determine if they have any risks they need to address or process changes or resources they may require.
- So far, the Committee has met with: HR, Registrar, Financial Aid, and Campus Safety. Two more meetings are coming up in early September.
- When done, the Committee will look at resources needed and bring to the attention of management.
- In terms of reporting requirements, there were eight through the first two months of the new fiscal year. All requirements seem to be met or are in process to be completed by the end of August.
- No major problems have been identified.
- Request for more notification and training on FERPA to faculty, particularly Adjunct faculty.
- The requirement to notify the Registrar when a student stops attending has become part of adjunct orientation. President Podell noted this requirement has become part of a culture shift at the College. Pressure was put on faculty to submit rosters and very few faculty now need to be reminded.

**OTHER**

In response to an inquiry, President Podell reported that all sports are cancelled for the fall semester, with the exception of “e-sports”. The two employees in Athletics have taken over coordinating the Veterans Program. The College will absolutely schedule a Veterans Day program, though not in-person.

**Adjournment**

**ROLL CALL:**

Matthew Kahn: YES, Tom Peisch: YES, Diane Schmalensee: YES, Dune Thorne: YES

Chair Schmalensee adjourned the meeting at 9:04 a.m.

Board Meeting on September 15.

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