

MASSACHUSETTS BAY COMMUNITY COLLEGE BOARD OF TRUSTEES

Minutes of the June 7, 2022, Finance & Administration Committee meeting
Webex Meeting – Facebook Livestream at massbay.edu

Committee members participating: Matthew Kahn, Chair; Diane Schmalensee, Ex-officio; Dune Thorne, Trustee; Ilissa Povich, Trustee.

Staff members participating: David Podell, President; Marcus Edward, Vice President for Finance & Administration; Steve Baccari, Controller; Lynn Hunter, Vice President for Academic Affairs and Provost; Courtney Jackson, Vice President for Institutional Effectiveness and Strategic Initiatives; Samaria Stallings, Assistant Vice President of Human Resources & Payroll; Jeremy Solomon, Assistant Vice President for Institutional Advancement, Marketing, and Communications; Deborah Georgopoulos, Executive Assistant for Finance & Administration.

Guests: David Dilluis (Principal) from O'Connor & Drew

Call to Order and Introductions

Committee Chair Matthew Kahn confirmed quorum and called the meeting to order at 8:09 a.m.

Approval of Prior Meeting Minutes *(Item 1)*.

The Chair asked for the review of the prior committee meeting minutes.

MOTION: Trustee Kahn made the motion to approve the minutes of the May 10, 2022, Committee meeting as presented. Trustee Povich seconded. Motion passed.

ROLL CALL:

Matthew Kahn YES; Diane Schmalensee (technical issue); Dune Thorne YES; Ilissa Povich YES.

Approval of the FY2021 Uniform Guidance Audit Report *(Item 2)*

Vice President Marcus Edward introduced David DiIulis, O'Connor & Drew.

Vice President Edward explained that the Uniform Guidance Audit (UG Audit) was formerly known as A133 Audit. This is an audit of MassBay's spending of federal funds. Due to provisions surrounding COVID relief funds, the deadline for filing was automatically extended from March 30, 2022, to September 30, 2022. Typically, financial aid is the largest federal expense, however, for fiscal year 2021 the largest federal expense was COVID relief funds.

Mr. DiIulis reported the audit will be submitted to the federal clearinghouse as soon as it is approved by the Board, well in advance of the September 30 deadline. The 2022 UG audit has already begun.

There were no internal control findings related to the financial statements, an unmodified opinion was issued.

Major programs requiring an audit were the Higher Education Emergency Relief Fund (HEERF) and the National Endowment for the Humanities (NEH). These programs had no issues.

MassBay was considered a low-risk auditee this year and the Financial Aid component of the audit was not required to be tested. The College elected to have the audit done to ensure compliance and accuracy. Mr. DiIulis explained that there is no materiality threshold on the UG audit.

The Auditor's Report on Compliance identifies two significant, but immaterial deficiencies.

Finding 2021-001 – Enrollment changes of two students out of forty were not reported to the National Student Loan Data System (NSLDS) within the required timeframe of 60 days. It was noted this is a common finding across the Community College system.

Finding 2021-002 – Unclaimed federal funds for one student out of 25 were not returned within 240 days.

While these were repeat findings, the magnitude of the issues was reduced from last year. Mr. DiIulis reiterated that there is zero threshold for findings with the UG audit. Management has submitted a corrective action plan for the two findings.

MOTION: Trustee Kahn made the motion to accept the FY2021 Uniform Guidance Audit, and recommend approval to the full Board. Trustee Povich seconded. Motion passed unanimously.

ROLL CALL:

Matthew Kahn YES; Diane Schmalensee YES; Dune Thorne YES; Ilissa Povich YES.

FINANCE ITEMS

FY2022 Budget vs. Actual Comparison Report. *(Item 3)*

Vice President Marcus Edward reviewed the report.

The April budget to actual report shows a favorable variance of approximately \$2,497,000.

The variance is due to better performance on revenue and expenses when compared to budget.

The positive variance on revenue is mainly a result of doing better on enrollment than budgeted. The College budgeted for a 10% decline and averaged roughly 6% down.

The Vice President reported the College received \$304K from the state to reimburse collective bargaining increases for AFSCME and a special increase for Non-Unit Professional employees. This amount will be reflected on the May budget-to-actual report. As of April 30, the State Maintenance Appropriation budget was exceeded by approximately \$29K. The Tuition and Fees budgeted amount through the end of April was also surpassed.

Nothing has changed significantly with expenses. Large expenses will be seen when the collective bargaining increases for AFSCME and the special increases for NUPS are paid out. In May the College paid out approximately \$469K in salary increases to adjuncts.

MOTION: Trustee Kahn made the motion to accept the FY2022 Budget vs. Actual Report and recommend approval to the Full Board. Trustee Povich seconded. Motion passed unanimously

ROLL CALL:

Matthew Kahn YES; Diane Schmalensee YES; Dune Thorne YES; Ilissa Povich YES.

Student Accounts Receivable and Cash Report *(Item 4)*

Marcus Edward presented the report.

The College is doing better than a year ago at this time with receivables down 7% or \$219K. Director of Student Accounts Sheila Donlon is doing a good job making sure students are paying their bills.

The Cash Report shows the College is doing better than at this point last year, by \$8.3M.

Cash Position by Month *(Item 5)*

Vice President Marcus Edward presented the report which is a monthly cash comparison report over 5 years.

Contracts Report *(Item 6)*

Vice President Edward presented the report on contracts greater than \$50,000.

- \$750K maximum over 4 years for House Doctor. Paid 80% State (DCAMM), 20% Local.
- \$856K Restroom renovations, paid by the State
- \$72K for Network Administrative support, paid with local funds.

FY2023 Provisional College Operating Budget *(Item 7)*

President Podell noted the Provisional Budget was based on unknown state allocation and unknown enrollment which are the two sources of revenue. The budget will be revised in September when those numbers are known. This budget also does not include a fee increase for the students for the third year in a row. The budget is balanced, relying on \$1.4 M from the former CARES money, and is based on being entirely on campus. It was noted the FY2022 budget included \$2.8M of former CARES funds, most of which was not used. Approximately \$700K anticipated from the investment of the reserve has been allocated toward increasing enrollment through new programs.

Vice President Marcus Edward presented the provisional budget for FY2023 of \$37.7M, approximately \$500K higher than the FY2022 revised budget.

Revenue:

Tuition & Fees are budgeted at a 5% decrease over what was budgeted for FY2022.

Although it is very early, the College is currently showing positive Fall enrollment of about 13%.

The Contracts, Commissions, and Other Revenue line shows a budget of just over \$1M which includes the aforementioned \$700K draw down from investments.

Additionally, the State has set aside a special State Allocation of \$15M to be divided among the 15 Community Colleges. MassBay will receive approximately \$960K, of which \$700K is included in the FY2023 Budget, and the remaining \$260K will be spent in FY2024.

A discussion regarding the status of the contract with Prime Buchholz followed. The contract required some revisions and is currently with the Prime Buchholz attorneys. It is expected that the contract will be signed sometime this month.

Vice President Edward reminded the Committee it was decided that based on a cash projection for the next five years, a drawdown of approximately 3.5% would be taken annually from the \$20K endowment, which would equal \$700K.

Prime Buchholz will be attending the Finance & Administration Meeting at the end of August, and the full Board Meeting in September.

A discussion followed regarding the current rates and options for managing the funds for the immediate future. Vice President Edward will reach out to Prime Buchholz to determine when the contract will be signed and how soon they can begin to invest.

Trustee Thorne left the meeting due to technical issues.

The state appropriation is budgeted at \$19.2M, which is \$466K higher than we've received to date in the current fiscal year.

Expenses:

Permanent Staff is the largest expense. This line has been reduced by 2% (almost \$400K) based on anticipated vacancies.

The Adjunct Faculty line has been decreased by 5%, consistent with the anticipated enrollment decline.

It was noted that several budget initiatives were set aside for review in the Fall when we revise the budget.

The FY2023 budget will result in less money being contributed to reserves at the end of the fiscal year.

MOTION: Trustee Kahn made the motion to accept the FY2023 Provisional Operating Budget and recommend approval to the Full Board. Trustee Povich seconded. Motion passed unanimously

ROLL CALL:

Matthew Kahn YES; Diane Schmalensee YES; Ilissa Povich YES.

PERSONNEL ITEMS

Personnel Actions Report (Item 8)

Assistant Vice President Samaria Stallings presented the new hires. The report will be revised to include a description of the position and who they are reporting to, rather than their background.

Michelle Biscotti, Assistant Director of Development, Office of Institutional Advancement; reporting to Mishawn Davis-Eyene.

Evan O'Brien, Academic and Transfer Counselor, Academic Advising, Coaching & Transfer; reporting to Sarah Salerno.

Valerie Amaral, Enrollment Specialist, Office of Student Accounts – Framingham Campus; reporting to Sheila Donlon.

Susan Hamilton, Assistant Director for Math and Science, Academic Achievement Center.

Employees in new roles:

Kathryn Basch, Assistant Director of Career Services, Student Development Office (Correction)

Ming Ju, Director of Data Administration, Office of Institutional Effectiveness & Strategic Initiatives

Jean Supel, Assistant Director of Institutional Research, Office of Institutional Effectiveness & Strategic Initiatives

Fielding Vaughn, Associate Director of Athletics, Recreation & Wellness Center

One employee left the College

Agostinha Depina, STEM Starter Academy Project Coordinator

Recruitment Report (Item 9)

Samaria Stallings presented the report.

Assistant Professor, Emergency Medical Services; Assistant Professor Sociology; and Vice President of Academic Affairs & Provost positions have been filled.

The recruitment market remains very competitive; however, applications have been received for all open positions: Assistant Professor, Cybersecurity; Instructor/Assistant Professor, Automotive Technology; Assistant Dean of Nursing; Assistant Professor, Associate Degree Nursing.

ADJOURNMENT

MOTION: Trustee Kahn moved to adjourn the meeting, seconded by Trustee Povich.

ROLL CALL:

Matthew Kahn YES; Diane Schmalensee YES; Ilissa Povich YES.

Chair Kahn adjourned the meeting at 9:17 a.m.


Matthew Kahn
Committee Chair
Board of Trustees

9/18/22
Date


David Podell
President
Massachusetts Bay Community College

9/19/2022

Date