

MASSACHUSETTS BAY COMMUNITY COLLEGE BOARD OF TRUSTEES

Minutes of the January 31, 2023, Board Finance & Administration Committee meeting
Webex Meeting – Facebook Livestream at massbay.edu

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

Not Participating: Dune Thorne, Trustee

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

Call to Order and Introductions

Committee Chair Matthew Kahn called the meeting to order at 8:01 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 December 6, 2022, Board of Trustees' Finance & Administration Committee meeting as presented. Trustee Povich seconded. Motion passed unanimously.

ROLL CALL:

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

FINANCE ITEMS

FY2023 Budget vs. Actual Comparison Report *(Item 4)*

President Podell reported a positive trend in enrollment. As of this morning, headcount is up 3.8%, and full-time equivalent (FTE) is up 2.0%. The College budgeted 5% down, so this is good news.

Vice President Marcus Edward presented the report, noting the College is operating within budget.

Revenue

- Tuition & Fees is driven by enrollment. The budget for this revenue line assumes a 5% decline in enrollment over the prior year. Enrollment for Fall semester was down 2.4%, for Spring, enrollment is up 2%.

- The Vice President reviewed the State Maintenance appropriation.
- Contracts, Commission and Other Revenue shows a positive variance due mostly to interest income from MMDT (current rate of 4.55%). This line also includes the Transitional Scholars coaching fee, rebates the College receives from Bank of America, commissions from the bookstore, food sales, cell tower payments, and revenue from space rentals.

Expenses

- The majority of variances are due to timing.

Vice President Marcus Edward addressed some questions from the Trustees.

- Vice President Edward reviewed the reserves from:
 - *The Coronavirus Aid, Relief, and Economic Security (CARES) Act*
Awarded \$6.4M at the start of FY23 - budgeted \$1.1M for FY2023
 - *American Rescue Plan Act (ARPA)*
Awarded \$962K (over 2 years) - budgeted \$700K for FY2023
 - *Federal Emergency Management Agency (FEMA)*
Conservatively budgeted at half, \$239K of the reimbursement amount requested from FEMA.

These funds have all been earned and can be used at the College's discretion.

- The Local Fringe Payments include fringe and payroll tax. It was noted that the State appropriation covers salaries for full-time employees and the State absorbs the fringe. However, some years the appropriation does not cover the whole year, in which case, the College must cover the fringe for the portion of the year that remains. For this fiscal year, the variance has been positively impacted by MCCC increases which have not been paid.
- Savings in the energy cost line - The projected December budget for this line is 50% of the annual budget. Actual expense is lagging due to the timing.
- Operating funds are held at Bank of America. All incoming funds, including students' tuition payments and receipt of Financial Aid payments come to Bank of America.
- The College recognized \$350,000 of the annual investment draw of \$700,000. The \$350,000 drawdown was processed and transferred to Bank of America in January. In preparing the FY2023 budget, the College considered how to maximize the impact on enrollment of the new revenue likely to come from investing the College's reserve. Estimating the amount to be \$700,000 (3.5% of the \$20M invested), we prioritized initiatives that promoted enrollment through (1) new or growing academic programs, (2) improved retention, and (3) preparation for the new campus.
- Fluctuations in enrollment numbers require flexibility in scheduling. The College strives to have the most economical set of course offerings and yet meet the student needs. One third of the registration happens in the month before classes begin. Classes can be added if necessary and under enrolled classes are sometimes cancelled.

MOTION: Trustee Kahn made the motion to accept the FY2023 Budget vs Actual Comparison Report and recommend approval to the Full Board. Trustee Povich seconded. Motion passed unanimously.

ROLL CALL:

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

Student Accounts Receivable Report and Cash & Investment Report *(Item 5)*

Vice President Edward reported that Student Accounts Receivable is up \$152K (3%). Factors that affect this increase include:

- No federal funds were available to help students to pay their balance this year (CARES or Higher Education Emergency Relief Fund (HEERF))
- Less Financial Aid was disbursed.
- Transcripts are no longer withheld for students owing a balance.
- The minimum balance owed before a hold is placed on a student's account increased from \$50 to \$150.

The College utilizes a collection agency to try to collect receivables, also Intercept – whereby the State will withhold a tax refund if someone owes a bill to the College.

Cash & Investment Report by Month *(Item 6)*

The College has a balance of \$30M which is a decrease of approximately \$1.8M. The large fluctuations in cash are primarily due to timing of financial aid draw downs and grant receipts year-to-year. In September the College received about \$750,000 for capital campaign money from the Foundation, bringing up our balance from prior year. The large swing between October and November was due to timing of financial aid draw downs. December's drop was due to not receiving HEERF funding in the current year.

INVESTMENT UPDATE *(Item 7)*

At the end of December, the College had a balance of \$20.4M compared to a balance of \$21.1M at the end of November which represented an unrealized loss of \$697 for the month. It is anticipated that the College will make up a lot of that lost value in January.

The Monthly Executive Summary from Prime Buchholz includes a *Portfolio Overview as of December 31, 2022*. A breakdown by fund of the *Market Value by Asset Class* can be found on the pages titled Investment Return Detail.

PERSONNEL ITEMS

Personnel Actions Report *(Item 8)*

Vice President Samaria Stallings presented the report to the Committee. New hires include:

- Mary Barton, Administrative Assistant II in the Office of Financial Aid, reports to the Associate Director of Financial Aid.

- Denise Grant, Associate Professor of Biology in the Division of Science, Technology, Engineering, and Mathematics, reports to the Dean of STEM.

Employees in A New Role

- Rebecca Aldrich, Police Captain, Office of Public Safety, November 22, 2022.
- Rhian Waterberg, Senior Associate Director of Admissions, Admissions Office, December 5, 2022.
- Mary Katie Cronmiller, Academic and Transfer Counselor, Center of Academic Advising, Coaching, & Transfer, January 23, 2023.

One employee left the College. President Podell explained that one of our Campus Police Officers left to work for a municipality. The Boston Police academy is hiring at a competitive rate, consequently, MassBay is attempting to make adjustments in the salaries of Campus Police Officers.

Recruitment Report (Item 9)

- The Assistant Dean of Nursing postponed their start date to June for personal reasons. Interim Director Jean Dyer will continue to serve until that time.
- The Assistant Director for Facilities will begin on February 6, 2023.

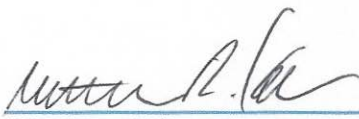
ADJOURNMENT

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

ROLL CALL:


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

Chair Kahn adjourned the meeting at 8:41 a.m.

 3/16/23

 Date

Matthew Kahn
 Committee Chair
 Board of Trustees

 3/16/2023

 Date

David Podell
 President
 Massachusetts Bay Community College