

## **MASSACHUSETTS BAY COMMUNITY COLLEGE BOARD OF TRUSTEES**

Minutes of the March 9, 2023 Board Finance & Administration Committee meeting  
Webex Meeting – Facebook Livestream at massbay.edu

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

**Guests:** Timothy Jarry, and Nathan Reid, and Nicholas Anderson from Prime Buchholz.

### **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 Schmalensee made the motion to approve the minutes of the January 31, 2023, Board of Trustees' Finance & Administration Committee meeting as presented. Trustee Kahn seconded. Motion passed.

### **ROLL CALL:**

Matthew Kahn YES; Diane Schmalensee YES, Tobey Choate ABSTAIN, Ilissa Povich YES, Dune Thorne ABSTAIN.

## **INVESTMENT ITEMS**

### **Prime Buchholz Meeting Materials *(Item 2)***

Meeting materials provided to the Committee included the Market Environment; the January Performance Update; and Diversity, Equity, and Inclusion (DEI) and Environmental, Social, and Governance (ESG) scores.

Tim Jarry reviewed the Market Update, noting 2022 was a difficult year, and MassBay entered the market at an opportune time. There was optimism across a number of markets in January from equities to real estate. Price/earnings ratios increased in January, driven by better performance by equity markets. The market seems to expect the Fed will be successful in curbing inflation within five years.

Nathan Reid reviewed the portfolio as of January 31, 2023. At the end of January, the portfolio market value was right around \$21.3M with returns of 13.4% since inception. Mr. Reid reviewed the Investment Return Detail.

Tim Jarry reviewed the annual survey of Prime Buchholz's recommended managers on their Environmental, Social, and Governance (ESG) and Diversity, Equity, and Inclusion (DEI) policies and practices. The survey is a comprehensive set of questions detailing both ESG and DEI at the firm and strategy level, with documentation required from fund managers to support the responses. Mr. Jarry explained the timeline and methodology of the scoring. Prime Buchholz's rating has increased over the prior year in DEI from 2.75 to 3.21, and in ESG from 2.50 to 2.65 out of a possible 5. It was noted that using data to determine ESG has become best practice throughout the industry. A DEI & ESG Report will be provided by Prime Buchholz annually.

Prime Buchholz will provide a consolidated report for distribution to the full Board.

## **FINANCE ITEMS**

### **FY2023 Budget vs. Actual Comparison Report *(Item 3)***

Vice President Marcus Edward presented the FY2023 Operating Budget Results through January 31, 2023. The College is doing better than budget by approximately \$1.9M.

#### **Revenue**

The positive variance in revenue is driven mainly by tuition and fees. The College budgeted a 5% decline in enrollment, but enrollment numbers are better than budget for both Fall and Spring semesters to date.

The favorable variance in Contracts, Commission, and Other Revenue is partially driven by the generous interest rate of 4.75% at MMDT.

#### **Expenses**

On the expense side, the College is doing better than budget by \$1.5M. There are positive variances in a number of lines, including permanent staff. MCCC Union increases which are budgeted at \$307K have not yet been paid out. Adjunct salaries show an unfavorable variance as a result of enrollment being better than budget, and also salary increases for adjuncts.

Spending in the Capital Budget is low compared to budget. The College anticipates spending the full \$800K budget by year end. Currently the College is concentrating on improvements that are paid for by the State. MassBay received \$5M from the state, to be spent over 5 years, and we are in the final year. The funds must be spent by year end or the State will take back any unspent funds.

**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; Diane Schmalensee YES; Tobey Choate YES; Ilissa Povich YES; Dune Thorne YES.

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

Vice President Edward noted the student receivables report indicates that the College is doing better at the end of January compared to the last few months. This is due to the timing of the start of Spring semester. It is anticipated that February will be back to normal will most likely be lagging.

Vice President Edward reported that Cash and Investments are doing better year over year by approximately \$800K. It was noted that Bank of America is earning .19 basis points. The College gets a commission from Bank of America for using purchasing cards and e-payables.

**Cash & Investment Report by Month (Item 5)**

The report shows monthly cash balances over a five-year period. The line graph is consistent from year to year.

**Contracts Report (Item 6)**

A contract for \$82K for the commencement tent and associated expenses is being paid for with local funds.

**Fee Increase (Item 7)**

President Podell reminded the Committee that the College's revenue comes from two sources: State allocation, and student fees which are set by the Board. The College has been attentive to the economic stressors on our students, and has not increased fees over the past three years. However, fees are how the College adjusts our revenue to accommodate increasing expenses due to inflation, and contracted salary increases, etc. The College is recommending a modest increase in fees to offset increasing expenses.

Governor Healey has proposed an allotment for Mass Reconnect in the FY2024 budget. This program would make community college free for Massachusetts residents 25 years of age or older who do not already have a college degree (a \$20-\$25M expense). Additionally, Senate President Karen Spilka is talking about free community college for all (a \$200M expense). The options will be debated in the coming months, and it is anticipated the final result will be known in July.

In addition to Mass Reconnect, the Governor has included in her budget coverage of any fee increases that Boards of Trustees might have approved. The fee increase may have no effect on students if this proposal within Governor's budget is approved

A brief discussion regarding the investments explained that the investment draw would be dedicated to initiatives that promoted enrollment through (1) new or growing academic programs, (2) improved retention, and (3) preparation for the new campus. The fee increase is meant to address factors such as inflation on our costs.

MassBay is the second least expensive of the fifteen community colleges. Vice President Edward noted that of the fifteen community colleges eight raised fees in the last three years and seven (including MassBay) did not. It is expected that most of the community colleges will propose fee increases for FY24. A modest fee increase would unlikely to affect significantly MassBay's ranking as one of the least expensive community colleges.

The Vice President reviewed the Statement of Expenses which shows a breakdown of the expenses and helps to clarify how a fee increase would benefit the students.

It was noted that the Statement of Expenses from the FY2022 Audited Financial Statements indicate total operating expenses of the College are budgeted at \$48M. It was noted this year's Operating Budget is \$37M. Vice President Edward explained the difference was that benefits which the State covers (in excess of \$6M), depreciation, and grant expenses are not included in the Operating Budget.

The College recommends combining the current All College Fee (\$170 per credit) and the Technology Fee (\$30 per credit) into a combined All College Fee which would make the students' bills easier to understand. With a \$10 fee increase, a \$210 All College Fee would be charged per credit.

The Vice President reviewed the calculations which explained how the fee increase would result in a minor \$60 increase to the 38% of our students who take six or fewer credits per year. Based on 30 credits per year, Tuition and Mandatory Fees would be \$7,020. It was also noted that the maximum Pell Grant would be increasing for FY2024 to \$7,395. Pell would cover the full expenses of a student taking 30 credits.

It is anticipated that the increase will bring in approximately \$700K for the year. The increase is 4.5% which is below inflation. Massachusetts inflation is over 6%.

The College is also proposing a programmatic fee increase for course and lab fees of either \$5 or \$10. Course fees have not increased in at least ten years. These are for courses where there are costs involved such as equipment, supplies, maintenance of equipment, etc. Course fees would bring in an additional \$150K.

An \$80 fee for the Fundamentals of Composition course is being eliminated. This will be noted in the Board Binder.

**MOTION:** Trustee Kahn moved to approve an increase of \$10 per credit in mandatory fees and an increase in course fees and recommend approval to the Full Board. Trustee Choate seconded. Motion passed unanimously.

**ROLL CALL:**

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

**Purchasing Cards** *(Item 7)*

Vice President Edward reported that the Purchasing Card program at MassBay is working very well. Compared to other community colleges, MassBay is very conservative with the number of cards, and documentation is very strict. The program was favorably reported on in the previous state audit. The College receives a rebate from Bank of America for using the Purchasing Card program, earning approximately \$36K last year.

## **PERSONNEL ITEMS**

### **Personnel Actions Report** *(Item 9)*

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

- Gabriella Cuddy, Senior Admissions Counselor in the Admissions Office, who reports to the Senior Associate Director of Admissions.
- Stephan Hodel, Assistant Director of Facilities, who reports to the Director of Facilities.
- Felix Arroyo, Administrative Assistant I in the Office of Public Safety, who reports to the Chief of Police and Director of Public Safety.

Retiree Orland Fernandes has returned part-time as a Science Learning Specialist.  
One employee has left the College

### **Recruitment Report** *(Item 10)*

- The start date for the Assistant Dean of Nursing has been delayed to June 2023.
- An Instructor of Automotive Technology position has been posted.

### **Sabbatical Requests** *(Item 11)*

Vice President Courtney Jackson presented sabbatical requests for Professor John Donato and Professor Ruma Mishra.

Professor Donato of the English Department is requesting a sabbatical to research the effectiveness of faculty generated commentary on student papers. He will conduct a cost benefit analysis of feedback to align feedback practices with student success. Professor Donato will share what he learns about the efficacy of the feedback with his colleagues when he returns from sabbatical. Professor Donato has been at the College for twelve years and this would be his first sabbatical.

Professor Mishra, in Psychology, is requesting a sabbatical to research, evaluate, and create assignments for two psychology courses: Child Development and Human Growth, which will focus on promoting diversity, equity and inclusion (DEI) content in those courses. Professor Mishra plans to develop open educational resources (OER), which are free learning materials as she develops these resources for her classes. DEI and OER are aligned with strategic initiatives. Professor Mishra has been with the College for 16 years, and this would be her first sabbatical.

A third application for sabbatical was withdrawn by the applicant.

**MOTION:** Trustee Kahn moved to approve the sabbatical requests for Professor John Donato and for Professor Ruma Mishra, and recommend approval to the Full Board. Trustee Thorne seconded the motion. Motion passed unanimously.

### **ROLL CALL:**

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

**ADJOURNMENT**

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

**ROLL CALL:**

Matthew Kahn YES; Diane Schmalensee YES; Tobey Choate YES; Ilissa Povich YES; Dune Thorne YES.  
Chair Kahn adjourned the meeting at 9:32 a.m.

 4/6/23  
\_\_\_\_\_  
Date

Matthew Kahn  
Committee Chair  
Board of Trustees



4/6/2023

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David Podell  
President  
Massachusetts Bay Community College