

MASSACHUSETTS BAY COMMUNITY COLLEGE BOARD OF TRUSTEES

Minutes of the April 4, 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.

Call to Order and Introductions

Committee Chair Matthew Kahn called the meeting to order at 8:02 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 March 9, 2023, Board of Trustees' Finance & Administration Committee meeting as presented. Trustee Schmalensee seconded.
Motion passed unanimously.

ROLL CALL:

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

FINANCE ITEMS

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

Vice President Marcus Edward presented the FY2023 Operating Budget results through February 28, 2023, noting the College is doing better overall all by \$2.3M.

Revenue

The revised budgeted yearly net revenue is \$38,243,000. Actual revenue through February 28 is \$31,530,000 compared to a projected budget of \$30,985,000 resulting in a favorable variance of approximately \$544,000. Factors that influenced the positive variance include:

- Enrollment came in better than the 5% decline budgeted.
- The College has received \$15.6M out of the \$19.6M budgeted state allocation. The College will receive the last allocation from the state in the final quarter of FY2023.
- The College budgeted just over \$300K for reimbursement for Massachusetts Community College Council (MCCC) increases and we are unsure when we will receive those increases.

- Contracts and Commission shows \$255K better than budget, driven by 4.93% interest rate from Massachusetts Municipal Depository Trust (MMDT).

Expenses

The revised budgeted yearly expense is \$38,243,000. Actual expense through February 28 is \$22,183,000, compared to a projected budget of \$23,929,000, resulting in a favorable variance of approximately \$1,746,000.

Positive variances are recognized on all lines except Adjunct Faculty and Overtime and Payroll Buyouts. The unfavorable variance in the Adjunct Faculty line is a result of better enrollment, and salary increases to Adjunct Faculty.

Vice President Edward reported that \$307K was budgeted on the Permanent Staff line for MCCC employees. The College expects the payout will actually be \$534K. Vice President Edward explained that the College budgeted a 4.5% increase for MCCC employees. The MCCC Contract calls for 2.5% for FY2022, 2% for FY2023, and a 1.5% COVID bonus. Unfortunately, the College did not have this information at the time the budget was prepared.

President Podell reported on an issue pertaining to the recently agreed upon MCCC full-time day contract.

Faculty have been working without a contract for the past two years. The negotiation of a new two-year contract was recently completed, although the funds have not yet been given to the Colleges from the State. Unknown to the faculty union (MCCC) and the Community College Presidents was that a third year would also necessarily be 2% following parameters set by Governor Baker's administration. The current State Administration avers that the third year 2% would be applicable to the first year of a new contract; however, it was understood during the negotiations that new parameters would come into effect in upcoming negotiations for the next contract. Additionally, the union was told that payouts may not take place until August or September, while the union was under the impression that the payout would be immediate.

The faculty are justifiably upset both at the surprise that 2% is the maximum increase they can receive in a year when inflation is far greater than 2%, and in the delay in receiving their retroactive pay for the past two years. The College is investigating whether we might pay out the retroactive pay sooner and be reimbursed when the funds are released. However, not all colleges may be in a financial position to afford that option.

President Podell reported that MassBay faculty, who have been on work to rule for several months, have been extremely generous and willing to participate in important committee work. It is anticipated that faculty will remain on work to rule until all matters are resolved. The Presidents will try to persuade Governor Healey's administration to ask that the third year parameter established by Governor Baker be put aside. The Presidents and the union expect to join in this effort together. The Trustees expressed how much they value the faculty and are supportive of any option to make things right for them.

Vice President Edward reviewed factors that influenced the positive variances which include:

- A reduction in the Part-time Employee line as a result of fewer required than anticipated.
- Because of the many positive variances on the personnel line, a favorable variance was recognized in the fringe line of approximately \$42K.
- Fewer employee related payments as a result of less travel and reimbursement to employees.
- Operational expenses as a result of using fewer temporary employees.
- Maintenance Construction is being paid with state funds that need to be used this fiscal year. Payment by local MassBay funds will resume when state funds are expended.
- The College spent \$158K of the \$800K capital budget. It is anticipated the budget will be fully expended this fiscal year.

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 explained that the report shows a \$3 million year-over-year positive change in receivables as a result of timing issues. The start of the semester was not in line with the start of spring semester last year, and the College distributed Financial Aid in February as opposed to March last year.

The Cash Comparison Report shows a decrease in cash of approximately \$480K year over year as of February 28.

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

This report shows the comparison for a five-year period.

Investment Update *(Item 5)*

Vice President Edward reported that the market value of investments at the end of February was \$20.7M. There was an unrealized loss of \$607K, or a decline of 2.9% month over month. The portfolio has gained 10.2 % since inception.

Contracts Report *(Item 6)*

Vice President Marcus Edward presented the report of Contracts >\$50K. A three-year contract for \$70K for recruiting software for the Admissions Department is being paid for with local MassBay funds.

Fee Increase Modification *(Item 7)*

In regards to the fee increase the Trustee's approved at their previous meeting, President Podell explained the Governor proposes that the state pay for any fee increases that

Community Colleges implement for FY2024. However, President Podell pointed out that the Governor's Budget is not final until it goes through the Senate and the House and that process could take until July.

The Community College General Counsel, Gina Yarbrough, has advised the Colleges' Boards that have passed resolutions to increase fees should pass another resolution that indicates that the College will not apply the fee increase if the state budget ultimately does subsume the fee increase.

It was noted this language pertains only to the general fee, and not the course fees that were approved at the previous meeting.

MOTION: Trustee Kahn made the motion to approve and recommend approval to the Full Board of the following action:

Board Action: Should the final General Appropriations Act for Fiscal Year 2024 contain appropriations for Massachusetts Bay Community College at or above the levels recommended in the Governor's House 1 budget filed on March 1, 2023, and these appropriations are not otherwise reduced mid-year, the Board shall not implement the increases for per-credit mandatory (general support or college fees through FY24 previously approved by the Board on March 14, 2023. This Board action does not apply to increases in other fees that are specific to courses, programs, labs, technology or facilities.

Trustee Schmalensee seconded the motion. Motion passed unanimously.

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

PERSONNEL ITEMS

Personnel Actions Report (Item 8)

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

- Maria Fitzpatrick, Administrative Assistant II; reports to the Dean of Health Sciences.
- Francine Alger, Senior Technical Admissions Coordinator; reports to the Senior Associate Director of Admissions.
- Simone Kerr, Administrative Assistant II; reports to the Assistant Dean of Nursing.
- One Employee in a new role:
Sean Fortney, Senior Assistant Director of Academic Advising, Coaching, and Transfer.
- One Employee left the College.

Recruitment Report (Item 9)

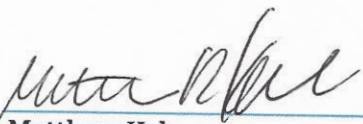
- Assistant Dean of Nursing is due to begin in the Summer
- Assistant Professor of Cybersecurity is scheduled to begin in the Fall
- Posted 5 full time faculty members for the fall.

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 8:34 a.m.

 5/19/23

Matthew Kahn
Committee Chair
Board of Trustees
Date

 5/19/2023

David Podell
President
Massachusetts Bay Community College
Date