

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

Minutes of the May 16, 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.

Absent: 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 a review of the prior committee meeting minutes.

**MOTION:** Trustee Kahn made the motion to approve the minutes of the April 4, 2023, Board of Trustees' Finance & Administration Committee meeting as presented. Trustee Choate seconded. Motion passed unanimously.

### **ROLL CALL:**

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

## **FINANCE ITEMS**

President Podell reported the following:

- Enrollment for Summer is looking very good. Currently the College is 18.5% ahead in headcount and 15.8% in FTE compared to this time last year.
- While it is still early and most of Fall enrollment happens in the months just before the term begins, currently the Fall enrollment is ahead 9.0% in headcount and 14.9% in FTE compared to this time last year.
- The state is still working on the budget. The Governor, the House and the Senate have submitted their budgets and reconciliation is expected in late July. Next month the College will present a very conservative 2024 tentative budget to the Board. The final budget will be presented in September/October when student enrollment and the state appropriation are known.
- The College had kept fees constant for three years before the Board approved a fee increase for fiscal year 2024. The proposal by the Governor to cover the student fee increase was not included in the House or Senate budgets. It is unlikely to be included in the final state budget.

- MassReconnect does appear in the Governor's, the House, and the Senate budgets. This proposal to cover tuition and fees for Massachusetts residents, 25 years old or over who have completed a FAFSA (*Free Application for Federal Student Aid*) and do not already have a college degree will likely be funded. President Podell noted that MassBay uses a third-party service (UAspire) which assists students with completing the very complicated FAFSA paperwork. This program is funded by a grant.
- Senate President Karen Spilka has advocated for free Community College for all. Funds for a study on how to operationalize that concept for Fall 2024 were included in the Senate's budget.
- The Senate budget also includes free tuition for nursing students in Community College credit bearing degree programs who do not already have a degree. This will not solve the nursing shortage which is fueled by a lack of clinical placements and lack of College resources (faculty, space, equipment), but will cut back on student debt.

### **FY2023 Budget vs. Actual Comparison Report (*Item 2*)**

Vice President Marcus Edward presented the FY2023 Operating Budget Results through March 31, 2023. The March budget to actual report shows a favorable variance of approximately \$3,036,000. The variance is due to better performance on revenues and expenses when compared to budget.

#### Revenue

The College is doing better than budget by \$824K, mainly due to tuition and fees revenue doing better by than budget by approximately \$410K.

Enrollment was budgeted at 5% down for the year. In the Fall enrollment was down 2.4%; in the Spring, enrollment was up 3.2%; and in the Summer, enrollment is currently up 15.8%. For fiscal year 2023 overall, enrollment is positive at approximately 2%.

A positive variance is also recognized on the Contracts, Commission, and Other Revenue line of approximately \$339K. This is mainly driven by unanticipated interest revenue from MMDT of approximately \$154K. MMDT is currently earning over 5%.

#### Expenses

The College is doing better than budget by approximately \$2.2M.

There is a positive variance on the permanent staff line of approximately \$547K due to unpaid increases to full-time faculty and MCCC Professional Staff. The College budgeted \$307K for the increases. The contract negotiations are at a stand-still right now, and the College is unsure how much will be received from the state or in which fiscal year the increases will be paid. Increases are likely to be in excess of \$500K.

An unfavorable variance in the Adjunct Faculty line is due to better enrollment and salary increases for adjunct faculty.

A positive variance in the Employee Related Expenses line resulted from less employee travel (more conferences taking place via zoom). Additionally, the College now pays for expenses associated with conferences with a college credit card in order to maximize the rebate received from Bank of America. These expenses are tracked in the Administrative Expenses line.

Operational Services shows a positive variance due to fewer temporary workers.

A positive variance is shown on the Maintenance/Construction line. The College spends state dollars which must be spent by the end of the fiscal year before spending local 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.

**Student Accounts Receivable Report and Cash & Investment Report** *(Item 3)*

As of March 31, 2023, the report shows an increase in receivables of approximately \$130K or 5%, which is where we expect to be.

**Cash & Investment Report by Month** *(Item 4)*

As of March 31, 2023, the College has \$32.9M in cash and investments which is a decrease of \$260K year over year.

MMDT is earning 5%, and Bank of America is earning 3%.

A discussion regarding anticipated cash at year end followed. Vice President Edward reported that at this time it would be difficult to predict how much cash the College will have at year end because there is too much volatility in cash inflows and outflows. At the end of the year a cash flow statement will be prepared as part of the audit that will show the ins and outs of cash for the fiscal year.

President Podell noted there will likely be unanticipated expenses associated with the new Health Science Center in Framingham. It is expected that the Capital Campaign will cover MassBay's share of the cost of the building, however, there may be other expenses associated with starting a new campus that are not covered by the state. At that point, it may be necessary to turn to the reserve.

**Investment Update** *(Item 5)*

The market value as of March 31, 2023 was \$20.9M, an increase of \$255K for the month despite taking a quarter of the annual draw of \$175K. At the end of March, the portfolio had gained 12.5% since inception. The April report shows the market value is \$21.1M, an increase of \$153K during the month. Through the end of April, the portfolio has gained 13.4% since inception.

Vice President Edward noted the quarterly draw goes to items focused on growing enrollment. The quarterly draw is 3.5% on a rolling 12 quarter average. For this fiscal year, since there is no history, 3.5% of the \$20M investment was \$700K. The draw amount will vary from year to year.

**Contracts Report** *(Item 6)*

Vice President Edward presented the report of Contracts >\$50K.

The Vice President reported a contract for \$190K for ArcticWolf software, a Managed Detection and Response (MDR) solution which provides 24/7 monitoring of networks, endpoints, and cloud environments to help detect, respond, and recover from modern cyber-attacks. While this expense was not in the initial budget, the Community College Council of IT Directors collectively advised the Community Colleges to invest in this software which will provide a higher level of cyber protection.

## **PERSONNEL ITEMS**

Assistant Vice President Samaria Stallings presented the reports to the Committee.

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

- Susan Ros, Enrollment Services Specialist for the Student Accounts Office; reports to the Director of Student Accounts.
- One Employee left the College.

### **Recruitment Report (Item 8)**

The Assistant Dean of Nursing position has been filled. The candidate who was scheduled to begin in June 2023 withdrew, and a second finalist was identified.

The College is recruiting for six faculty positions.

It was noted that Nursing faculty positions are difficult to fill. The College is looking to open an evening Licensed Practical Nurse program when the new campus opens. That effort will require more faculty.

## **UPDATES**

President Podell reported that the College received \$500K toward the Capital Campaign from an anonymous foundation. This donation is eligible for the state match which equates to a total of \$750K. With \$300K to reach the goal of \$5.7 million, the Capital Campaign is in good shape.

The success of the Capital Campaign has encouraged consideration of another Capital Campaign for the Cyber Center/Student Center. President Podell will share floor plans and visual renderings at a future meeting.

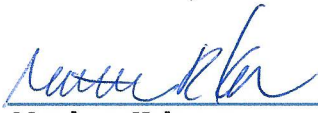
## **ADJOURNMENT**

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

### **ROLL CALL:**

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

Chair Kahn adjourned the meeting at 8:54 a.m.

  
Matthew Kahn  
Committee Chair  
Board of Trustees

9/14/23  
Date

  
David Podell  
President  
Massachusetts Bay Community College

9/14/2023  
Date