Call to Order, Introductions, and Approval of Prior Meeting Minutes – After calling the meeting to order at 5:05 p.m., Tom Peisch asked for everyone to introduce him/herself. Robert Flynn from Calare Properties stated that he was attending due to the recent release of the request for proposals for real estate for the downtown Framingham campus. Vice Chair Peisch called for the approval of the June 3, 2014 meeting minutes (Item 1).

MOTION: Trustee Der made the motion to approve the June 3, 2014 meeting minutes; Chair Richardson seconded. The motion passed via the following roll call vote: Tom Peisch – YES; Ken Der – YES; Pam Richardson – YES; Sylvia Beville – YES; Dan Juliani - ABSTAIN; Tom Dretler – ABSTAIN; and Lon Povich – YES.

FINANCE ITEMS

May 2014 Actual to Budget Comparison Report (Item 2) – VP Kirleis presented the report. Revenue from tuition and fees is below budget. At the end of May, 92% of the budgeted revenue had been earned. FY15 tuition and fee revenue has been budgeted at $20.2M, which was already surpassed with May's actual amount of $20.7M. Current enrollment numbers need to improve in order to realize the $7.9M budgeted for the Fall semester. To date, only $4.9M of that amount has been realized, leaving a gap of $3.5M. Close to $1M more in revenue was realized from state funds than originally planned, due to the awarding of various contracts. The budgets for private contracts, commissions and other income have all be fully realized as of May 31.

Under expenses, salaries are outpacing the budget. With 9% of the fiscal year remaining, only 8% is left in the budget. The College will be over budget in salaries when the fiscal year is closed out and all the activity has been recorded. Non-personnel expenses have been trimmed by an additional 5%; 14% of the budget remains with 9% of the year left. As of May, the $1.9M of the performance-based funding money was received.

VP Kirleis did not provide an estimate as to how MassBay will finish the year, except to say that there will be a deficit. The College will have to dip into the reserves to make up for the deficit.

President O'Donnell pointed out that in the past, the auditors had closed out the books. This year, the MassBay financial team will be closing the books and the auditors will conduct the audit.

MOTION: Trustee Dretler made the motion to recommend that the full board accept the May 2014 Actual to Budget Comparison Report as prepared by VP Kirleis; Trustee Der seconded. The motion passed via the
following roll call vote: Tom Peisch – YES; Tom Dretler – YES; Ken Der – YES; Pam Richardson – YES; Sylvia Beville – YES; Dan Juliani – YES; and Lon Povich – YES.

Waiver of Fees for Satellite Campuses (Item 3) – For the Spring 2014 semester, the trustees approved a waiver for the parking and facilities fees for students enrolled exclusively in courses at the Natick Community Center. MassBay has added satellite campuses at Dedham, Maynard and Medway High Schools for the Fall.

Provost Purcell was not able to give enrollment numbers to date for the satellite campuses; the promotion of the course offerings started last week. During the spring semester, four of the six scheduled courses were dropped due to low enrollment. Discussion took place about setting parameters to determine the success of the satellite programs. President O’Donnell stated that a qualitative measure will also determine the success. These programs are part of MassBay’s effort to build relationships with the community. Trustee Juliani supports the satellite campuses and feels they will have a positive impact in the communities, to include encouraging area high school guidance counselors to offer community college as an alternative. VP Sullivan spoke about the positive response received from guidance counselors about the satellite campuses.

MOTION: Chair Richardson made the motion to recommend that the full board approve the waiver of the $30 facility fee and $10 parking and transportation fee for students exclusively enrolled in courses at the satellite campuses. Trustee Juliani seconded. The motion passed via the following roll call vote: Tom Peisch – YES; Tom Dretler – YES; Ken Der – YES; Pam Richardson – YES; Sylvia Beville – YES; Dan Juliani – YES; and Lon Povich – YES.

Contracts Report (Item 4) – VP Kirleis reviewed the report as presented. No comments were made.

June 2014 Student Accounts Receivable Report (Item 5) – Accounts receivable balances from the end of June reflect all summer courses. Receivables will be reviewed as part of the year-end close process currently underway. Seven hundred student accounts from part of Summer 2011 to the Fall 2013 semester have been submitted to Intercept, totaling $835,408. Intercept collected $84,674 in FY14.

None of the $2.1M from the prior balance has been booked for reserves. VP Kirleis provided information on the collection process and spoke of the College’s plan to develop a process to clear up some of the long-standing, uncollected accounts. VP Kirleis stated that procedures are now in place to review and collect on new student account balances.

Trustee Juliani asked for clarification on the new process that will not allow students to remain in classes without paying. VP Kirleis explained the process: Students who are registered for the fall semester and have not paid or made arrangements for payment before the first day of class, will be dropped.

Chair Richardson commented that this process will be a big change for MassBay. While some of the campus community feels that dropping students for nonpayment takes away from the prime value of access, President O’Donnell pointed out that students that are unable to pay, end up in collections. Dr. O’Donnell stated that is not the way MassBay wants to treat students.

May 2014 Local Funds Cash Position Report (Item 6) - The amount has increased by approximately $600K from the previous month because the remaining amount of the state-appropriated monies was received in May. Payroll costs for June will be paid for out of this $7.7M amount.

June 2014 Forecasted Month End Cash Balances Report (Item 7) – At the end of June, the balance was at $5.4M. VP Kirleis stated that the staff is working to prepare a more formalized cash projections report.
**FY15 Budget Actions** - VP Kirleis and the finance staff are in the process of closing out FY14. The auditors started working on the Foundation and A-133 audits on Monday.

The FY15 budget that was adopted in June is now being implemented. The major decision to decrease the personnel line is being realized by staff retirements; not filling positions; and five retrenchments that took place.

President O’Donnell provided some additional perspective on the FY15 budget. MassBay had a history of frequent turnover and layoffs. For the last three years, that has not been the practice. While reviewing the data presented during the process of building an accurate budget, and because of the loss of enrollment, the realization was made that the budget could not be balanced without changes made to the personnel line. The decision was made to reduce the personnel costs by $500K. Restructuring has also taken place. This month’s Personnel Actions Report (*Item 8*) also includes employees that have left the College for positive reasons.

Dr. O’Donnell spoke of the two steps taken recently to address the College community:

First, all College meetings took place at Wellesley Hills and Framingham to discuss the retrenchments and to give staff an opportunity to voice concerns and hopefully reduce the unease that takes place with these situations. During the meetings, Dr. O’Donnell shared that the goal of reducing the personnel line by $500K had been met.

At these meetings, President O’Donnell presented the same message he has been delivering over the last three years to the College community: MassBay is not in the best financial shape; steps needed to be taken to turn that condition around; and the way to turn that condition around was by looking at one primary variable: student enrollment. The State appropriation has been around 35% of MassBay’s budget, making the College responsible for collecting the remaining 65%. Under the performance-funding model, about 15% of the appropriation is based on enrollment, making the enrollment responsible for about 80% of the budget.

During the meetings, Dr. O’Donnell spoke about some of these financial variables that were dealt with over the last three years:

- The Financial Efficiencies group made cuts to the non-operational budget
- Flat and decreasing enrollment
- Two years of increased State appropriation and performance funding
- The costly double booking error about three years ago
- The audit’s long management letter. While great strides have been met, comments are expected to remain for the FY14 audit.
- The steps made to improve accounts receivable
- IT financial reporting has improved over the last five months
- The building of an unrestricted reserve
- Using operational monies to pay for capital costs, i.e. lease, is a bad business model. The RFP for the new campus was recently released. MassBay will be finished with the $1.2M annual cost in FY18 or FY19 when the new campus is complete.
- The Foundation gifts have increased dramatically in terms of number and variety.

Nine of the 14 variables have gone from red to green; four have moved to yellow and one remains red: enrollment.

The second step was to call together all the managers directly involved in enrollment. The group was called together because the College cannot continue with the practice of waiting so late to bring in students to register. Currently, 52% of the students are registered for the Fall semester.
Dr. O'Donnell gave examples of flaws in the current system:

- The IT system is not easy to navigate for something as simple as taking a placement test.
- Areas of the College work in a compartmentalized way.
- The College does not take advantage of bringing in the graduating high school cohort in May.
- MassBay neglects to look at the community college student body as a heterogeneous group.
- The College’s primary method of student engagement is an invitation to attend a 4-5 hour orientation.

Major change is being planned now because the College cannot face another July of this level of unpredictability.

The budget is based on a predicted 4% decrease in enrollment.

Dr. O'Donnell read from a case study of New Hampshire Technical Institute, a community college in Concord, New Hampshire that has eliminated positions due to decreased enrollment.

In the end, President O'Donnell stated that the goal to increase enrollment by 5% equates to 330 students.

Trustee Dretler asked where the College would market the strength of MassBay to the community that is most interested in the College. Dr. O'Donnell answered that the general studies programs have a lot of capacity and MassBay offers a nice range of career, technical and professional programs.

Trustee Juliani asked if enrollment data exists by service areas as well as the large number of students from Boston. MassBay has not focused on the service areas outside of Wellesley and Framingham. The President spoke about looking at other groups when he made reference to a recent article in The Boston Globe that showed that military veterans fare better at the private schools than community colleges. MassBay has a great program to support veterans, but a small number of enrolled veterans.

VP Kirleis agreed to have the financial reports for the next meeting include comparisons for FY14 as requested by Trustee Der. Presenting the reports in a new format is still a work in progress, especially due to the recent upgrades to the financial system and not being fully staffed. President O'Donnell added that with enrollment becoming an overall College priority and having the auditors on site, the reformatted reports will not be available in September. Upon Trustee Der’s recommendation, Vice Chairperson Peisch agreed to bring the topic for discussion to the full board next week.

**COMPLIANCE ITEMS**

**Update on the Nursing Program** – As an introduction, President O'Donnell spoke about the qualities of the MassBay nursing program. He acknowledged that there continue to be problems within the program but pledged commitment to supporting the program and referred to the nursing program as one of MassBay’s vanguard programs.

Provost Purcell provided a follow up to a complaint letter written by Professor Chandra Pansé, the chapter president of the faculty union to the Board of Trustees. In the letter, Dr. Pansé outlines alleged violations in the nursing program. The MA Board of Registration of Nursing (BoRN) and the Accreditation Commission for Education in Nursing (ACEN) have asked the College to respond to the allegations. The response was sent to BoRN in late June and the College is now working on the response to ACEN.

Dr. Purcell read from a letter sent to BoRN by Joe LeBlanc, the statewide chapter president indicating that Dr. Pansé was not authorized to use Massachusetts Community College Council’s (the faculty union) letterhead to make the complaint and the MCCC board has not been briefed or endorse the complaint. Dr. Purcell acknowledged that Dr. Pansé was copied on the letter written by Mr. LeBlanc.
Provost Purcell highlighted the following improvements/changes made in the nursing department:

- The process of hiring a full-time Director of Nursing (DoN) is near completion. In the past, the faculty voted to eliminate the DoN position and follow a model of self-governance. The decision has been made to return to the administrative model. Both BoRN and ACEN require a program administrator.
- The hiring of a program chair for the day and evening program will follow.
- A special programs coordinator was recently hired to oversee the management of the lab.
- A part-time project assistant has been hired to help in writing the ACEN report due in February 2015.
- Professor Judi Rolph worked during the summer to address the ACEN's Standard 6, the one that MassBay was cited during the accreditation visit in September 2012.
- A phone has been placed outside the nursing faculty offices to address a safety concern.
- Faculty members will post their office hours in a common area.
- Faculty members have taken advantage of professional development opportunities.

Trustee Der asked at what percentage of capacity the program is currently. Dr. Purcell stated that 24 students have been admitted for the day program for the Fall semester, in comparison to 57 in Fall 2013 in the day and evening programs. That number is down due to the recent decision by MassBay to increase the required acceptance score on the Health Educational Systems, Inc. (HESI) nursing entrance exam. Dr. Purcell added that the required immunizations and other health-related requirements may attribute to the decrease. The College is also working to bring back the evening program as well.

Dr. O'Donnell stated that most community college nursing programs are running at their target enrollment rates. The President supported Provost Purcell’s comments: the nursing program needs to rebuild, become stable, clear up any accreditation issues and bring back the evening program. The new campus will have both the student and faculty capacity as well. Dr. O'Donnell supported the faculty’s decision to raise the standard by changing the HESI exam score. By raising the HESI score, MassBay is now in alignment with the other colleges.

**PERSONNEL ITEM** – In VP Nelson-Bailey's absence, President O'Donnell reviewed the Personnel Actions Report (Item 8).

*Guest William Manley joined the meeting at 6:08 p.m.*

**UPDATE ON THE 2015 NEASC COMPREHENSIVE REPORT & EVALUATION** - Vice President Salomon-Fernandez presented an update via PowerPoint on the evaluation process of the New England Association of Schools and Colleges (NEASC). NEASC is the accrediting body of all educational institutions in the region. The peer-review evaluation visit is scheduled for March 29-April 1, 2015.

**ADJOURNMENT**

**MOTION**: Trustee Dretler made the motion to adjourn the meeting; Trustee Juliani seconded. The motion passed via the following roll call vote: Tom Peisch – YES; Tom Dretler – YES; Ken Der – YES; Pam Richardson – YES; Sylvia Beville – YES; Dan Juliani – YES; and Lon Povich – YES.

The meeting was adjourned at 6:29 p.m.