Call to Order and Approval of Prior Meeting Minutes – Tom Peisch called the meeting to order at 5:03 p.m. without a quorum. Vice Chair Peisch then called for the review of the October 7, 2014 meeting minutes (Item 1).

Vice Chair Peisch requested that minutes be sent to the committee members as close to the meeting as possible.

Trustee Juliani joined the meeting at 5:12 p.m.

Once quorum was established, Vice Chair Peisch called for approval of the minutes.

**MOTION**: Vice Chair Peisch presented the following change to the last sentence in the Student Accounts Receivable Report section on page 3 of the minutes: “The College is currently attempting to collect $773K from 652 present or former students via Intercept.” Chair Richardson made the motion, Trustee Der seconded. The motion passed unanimously.

**MOTION**: Trustee Beville made the motion to accept the minutes as amended; Ken Der seconded and the motion passed unanimously.

**FINANCE ITEMS**

**Financial Aid Disbursement** – Financial aid checks are being disbursed later than usual to the students. President O’Donnell said it is an internal systemic problem. Financial aid is not disbursing checks to students by the published dates. Dr. O’Donnell estimates it will take a year to rectify the problem.

Trustee Der questioned why the auditors had not disclosed the issue in the past. VP Kirleis stated that some of these issues are related to the single audit that will be presented to the Board of Trustees in January 2015.

The federal government allows schools the flexibility to disburse funds, but VP Kirleis spoke about how students rely on these funds and when the College is late in disbursing them it becomes a student services issue. The issue will become apparent during the presentation of other financial reports.

Improvements are being made in the department with the hiring of a consultant and other staff members. All financial aid packets have been reviewed.
Trustee Der asked if the issue has impacted the revenue. VP Kirleis affirmed, adding that she would speak on that during the Actual to Budget Report.

The Foundation has $25K set aside to award emergency grants to students. Two students have received grants recently. President O'Donnell added that the preference is to use those funds for emergencies, not caused by systems.

Discussion took place about internal changes being made to the current disbursement schedule and process to communicate information to the students.

Students that qualified for financial aid whose funds were not disbursed by the beginning of the fall semester were given a waiver that allowed them to attend classes. The College may be at risk if any of those waived accounts are not related to late processing of financial aid awards, but outstanding student accounts instead.

**FY15 Actual to Budget Comparison Report for October 2014 (Item 2)** – Overall revenue is $250K higher and expenses are $1.1M less than budgeted for this period. MassBay received a 5.5% increase in the state appropriation for this fiscal year and 52% of that amount has been made available.

The announcement was recently made that the governor intends to make a 1.5% cut on the appropriated line. The proposal needs to be approved by the legislature first. The cut will amount to $232K less for MassBay. When the state’s budget is not balanced, legislation allow the governor to make midyear cuts. Direct appropriation funds from the Department of Higher Education, e.g. Workforce Incentive, PIF, and the STEM Starter Academy grants, may also be cut. The decision to make those cuts do not require legislative approval.

The impact of late disbursement becomes evident in the state and federal funding lines of the report. The only major program that was disbursed by the end of October 2014 was PELL, which makes up $2.2M of the $3M in revenue. Direct loans and the state financial aid programs had not been disbursed by the end of October and not reflected in this revenue line, meaning the students had not received the funds from those programs.

Since the end of October, an additional $650K has been disbursed with another $450K scheduled to be sent out in the next two weeks.

Salary savings are reflected under expenses because of position vacancies and cancelling of under enrolled courses that affected the adjunct faculty line. The budget will need to be adjusted to account for the increase in part-time positions needed to support some of the grant programs. Other areas over budget were due to the hiring of the financial aid consultant and to paying the Ashland lease early.

VP Kirleis expects some of the salary savings to become real; some positions have taken a while to fill. Trustee Der was hoping the $1.1M in savings could translate into a reserve.

**MOTION:** Chair Richardson made the motion to have the Committee recommend that Board of Trustees approve and accept the FY15 Actual to Budget Report for October 2014 at the meeting on November 25, 2014. Trustee Der seconded and the motion passed unanimously.

**Contracts (Item 3)** – All contracts are within the budget. The wheelchair lift will be installed during the winter break. The University of Massachusetts is a vendor that provides internet services to MassBay.

The College submitted a request to DCAMM for deferred maintenance funding to install air conditioning at the Wellesley Hills campus.
**Student Accounts Receivable Report** *(Item 4)* – The balance is at $5.8M, with Fall 2014 semester accounting for $3M of that amount – a result of the late disbursement of financial aid funds. A total of $219K was sent to collections. Intercept is attempting to collect from 813 student accounts for a total of $965K. That amount reflects accounts from 2011 and spring 2014.

Work continues on the “no grade” accounts for a total of $400K. Students are now asked to sign a disclaimer acknowledging their responsibility for all debts.

**Local Funds Cash Position Report** *(Item 5)* - The cash position at the end of October was higher than usual, but could have been better if disbursements had been sent out.

Chair Richardson commented that the report reflects how much stronger the College is now financially. President O’Donnell recalls seeing that the most MassBay had in cash in the last 10 years was $8.8M. The College needs to return to that level and sustain it. Not spending the increased amount in the state appropriation helped the College reach the current $6.8M position.

Trustee Der asked what the expectation is for spring enrollment. The President was not able to quantify the percentage, but the College is still behind. Spring registration started two weeks ago and the College is falling behind on goals, i.e. that processes are still not optimal.

The community college system lost 2,200 students in head count this semester. President O’Donnell compared that amount to losing a small community college. Bunker Hill grew by 1.8%, the only college to do so. MassBay only lost a small number in headcount. Dr O’Donnell referred to the current situation as having stopped the bleeding. The 3% loss in FTEs hurts the College financially, but the goal was to grow by 3%. MassBay did better than some of the other colleges that had an 8% loss.

The loss in enrollment in the nursing program due to the change in entrance exam scores was mentioned. Trustee Beville asked if the other health sciences programs are at capacity. President O’Donnell affirmed and pointed out that some programs, like Rad Tech, vary their capacity.

Dr. O’Donnell stated that the College needs to have a real enrollment management plan, not just have global concepts. President O’Donnell posed the following question: How does adding 750 students, a 10% increase, translate programmatically?

**COMPLIANCE ITEMS**

**Update on the Report of the Clery Program Review** – MassBay received the program review report from the U.S. Department of Education in mid-October the review conducted in November 2010. The report includes two findings by the Clery Act Compliance Team related to the lack of reporting and not meeting requirements for drug and alcohol abuse prevention program.

VP Kirleis reported that the Clery Act and Public Safety (CAPS) Committee is preparing the response that documents the progress MassBay has made in those two areas. The Clery Act requires training and education for faculty and staff regarding drug and alcohol. After the audit was conducted in 2010, the College starting working on the annual security report and providing the drug and alcohol abuse prevention program.

The College will submit the response and wait to see if any penalties will be assessed. President O’Donnell feels that the College should appeal if any fines are imposed.
**Update on the Nursing Program** – In 2007, the Massachusetts Board of Registration in Nursing (BoRN) limited the number of admissions into the nursing program. In 2010, BoRN limited the number of students in the day program and in 2011 did the same for the evening option.

President O’Donnell, Provost Purcell, Health Sciences Dean Lynne Davis and Patti-Ann Collins, the Director of Nursing attended the BoRN meeting on November 12. The Board voted to continue the full approval status of the Associate Degree in nursing program with the following directives:

- Maintain the admissions cap on both the day and evening programs until BoRN sees demonstration of programmatic stability;
- Update BoRN on faculty resignations and terminations; and,
- Submit a report within 30 days of the conclusion of the Fall 2015 semester addressing programmatic stability.

BoRN pointed out that:

- The nursing program has not demonstrated sustained programmatic stability;
- No evidence exists that the program knowingly provided false or misleading information to the Board about administrator or faculty appointments;
- An experienced administrator has been appointed as the Director of Nursing; and,
- It encourages faculty and administration to work together to resolve conflict and workplace safety concerns.

Dr. O’Donnell met with the nursing faculty where the commitment was made to support the program with the adequate number of faculty and staff members. Discussion took place about what can be done to help the program. Dr. O’Donnell is confident that the right management team is now in place. The addition of and improved communication with faculty will also help the program.

This hearing was not the result of the complaint sent by Dr. Pansé, MassBay’s chapter president of the Massachusetts Community College Council to BoRN in April 2014. The hearing was the culmination of issues in the nursing program for some time. Members of the Board commended the President for the results. Dr. O’Donnell credited Academic Affairs for all their efforts.

Trustee Beville asked if MassBay has experienced difficulty in hiring faculty members due to the shortage in nursing faculty. President O’Donnell answered that the College has had difficulty due to the tension that has existed in the program.

**PERSONNEL ITEM**

**Personnel Item Report (Item 6)** – In VP Nelson Bailey’s absence, Dr. O’Donnell reviewed the report.

**ADJOURNMENT**

**MOTION:** Chair Richardson made the motion to adjourn the meeting; Trustee Der seconded. The motion passed unanimously.

The meeting was adjourned at 6:06 p.m.