MASSACHUSETTS BAY COMMUNITY COLLEGE BOARD OF TRUSTEES
Minutes of the May 12, 2015 Finance, Compliance, Personnel & Audit Committee meeting – Wellesley Hills Campus

Committee members present: Tom Peisch, Ken Der, and Dan Juliani
Board member present: Pam Richardson

Staff members present: John O’Donnell, President; Lynne Davis, Dean for Health Sciences; Eileen Gerenz, Controller, Kathleen Kirleis, Vice President for Finance & Administrative Services; Robin Nelson-Bailey, Vice President of Human Resources, Labor Relations, Compliance and Affirmative Action Officer; Francesca Purcell, Provost and Chief Academic Officer; Yves Salomon Fernandez, Vice President for Strategic Planning, Institutional Effectiveness & Grants Development; Steve Sullivan, Vice President for Enrollment Management and Student Services; and Meridith Phillips, Executive Assistant to the President; Debbie Georgopoulou, Staff Associate for Finance & Administrative Services.

Call to Order and Approval of Prior Meeting Minutes – Committee Chair Tom Peisch called the meeting to order at 4:58 p.m. p.m. After introductions, Mr. Peisch asked for the review of the prior committee meeting minutes (Item 1).

MOTION: Dan Juliani made the motion to approve the minutes of the April 21, 2015 Committee meeting as presented. Ken Der seconded and the motion passed unanimously.

FINANCE ITEMS

April 2015 Student Accounts Receivable Report (Item 2) –

Vice President Kirleis reported that there is no new Budget v Actual Report this month because of the timing of the Committee’s meetings. The Budget v Actual report as of March 31, 2015 was presented at the last meeting and April payroll had yet to be posted so that an April report could be completed. An updated budget report with April payroll information will be presented at the next Committee meeting on June 2nd.

Accounts Receivable balance stands at $3.7M as of April 30, 2015. The College has begun to realize the benefits of participation in the state Intercept program, with $30K more received in April, bringing the FY15 total to $146K. 816 students remain placed with the program, with a dollar value of $935K. The College continues to feel the effect of having to bypass those students who were in the financial aid process in Fall 2014 from the financial drop process due to Peoplesoft financial aid implementation that was underway at the time, with $726K still outstanding. The majority of these students have had their fourth and final notice sent and will now be placed with the collection agency on May 26th. It was noted that transcripts are not provided to students until their account is clear. Sheila Donlon has been appointed the new Director of Student Accounts

April 2015 Local Funds Ten-Year Cash Position Report (Item 3) –

There is no updated Local Funds Cash Position report for this meeting, as the College is still in the process of receiving April bank statements and reconciling account activity. Instead, a report of Month End Cash Balances for the past 10 years is being presented, to give the Committee perspective on where the College’s current cash balances stand in comparison to several prior years.
Vice President Kirleis presented a Cash Management Forecast Report. This is a weekly report that shows accounts receivable activity collected from Student Accounts, and expenditures for payroll and accounts payable. The Vice President noted that once we reach June, the College will have fully depleted its FY15 state appropriation and will be required to pay for salary and benefits out of local funds. This will cause a nearly $3.4M drop in cash in just over a month’s time.

Fee Increase (Item 4) –

Referencing the May 7, 2015 correspondence to the Board of Trustees, President O’Donnell explained the need to request a 7.5% increase to the All College Fee. The steps that have been put in place to ensure fiscal stability are in jeopardy as a result of the enrollment decline and unanticipated expenses, such as the extraordinary snow removal expenses that were incurred this winter. The 7.5% increase would provide some leeway, yet would not exceed the maximum Pell award. Review of proposed increases and planned enrollment levels at other state community colleges range from fee increases of $3/credit to $17/credit and enrollment levels of -7% to level. The decision to raise fees rests with the Board of Trustees.

The Committee acknowledges all other options have been expended and the need is real if the College is to maintain a balanced budget.

**MOTION:** Trustee Ken Der made a motion to recommend the Board of Trustees approve a $10 per credit increase in the All College Fee to $140 per credit. Trustee Dan Juliani seconded and the motion passed unanimously.

Draft Revenue Budget (Item 5) –

**Vice President Kirleis explained the formula for developing the Revenue Budget.**

The recommended FY16 revenue budget is $259K more than the current FY15 revenue budget. It was constructed as follows:

1. A query of FY15 tuition and fees to date, plus projected remaining fiscal year activity related to summer courses was used to set the baseline amount for tuition and fees. Then three major adjustments were made:
   a. A drop in enrollment of 4% was added
   b. The proposed tuition increase of 7.5% to the All College Fee, or $10/credit, was added
   c. Noncredit tuition and fees was added to the budget. Historically this had been budgeted as Other Revenue.
2. State Maintenance Appropriation – this is the latest projected amount from the Department of Higher Education, based on where the budget is in the state budget approval process
3. Financial Aid – Pell – this line item was established to budget for and track Pell revenue separately, since at $5,968,000, it is 49% of the overall anticipated Financial Aid revenue.
4. Financial Aid – Other – this line item includes other federal programs as well as all the state programs. Together with Pell, these two lines are approximately 60% of overall tuition and fee revenue.
5. Contracts, Commission and Other Revenue – this line item includes such items contracted classes, book store and food service revenue and all other miscellaneous sources of revenue.
6. Grants revenue – this figure is based on the anticipated revenue from existing grants only.
7. State appropriation – capital – this line item is new for this year. Historically, it has not been formally part of the College budget.

The College is close to finalizing a Bookstore proposal with PACE (Partnership for Collaboration & Efficiencies). The collaboration with the state colleges will result in a 5-year contract, capital improvements and potentially a sign-on bonus. Agreement will be finalized by the June Meeting.

The College is receiving funds from DCAMM for various capital improvements, such as the Annex Building roof and elevator improvements at the Wellesley Hills campus. The Draft Revenue Budget presents a full budget including capital funds. Trustee Der recommended separating out Capital and Revenue in order to provide a more stable budget. Capital projects that are not funded will not be undertaken.

**MOTION:** Trustee Ken Der made a motion to recommend the Board of Trustees approve the revenue plan as approved with the adjustment of the Capital funds, and use as a basis for FY16 Budget. Trustee Dan Juliani seconded and the motion passed unanimously.

**COMPLIANCE ITEM**

**Surgical Technology Update**

Provost Purcell has been in contact with 10 hospitals, with more scheduled. Three are willing to take our students. Seven students still need to be placed. Dean Lynn Davis is working on reestablishing relationships, and the College has contracted with the former Chair of the Department to assist with contacts. A job offer to a faculty candidate for the department was declined.

Dean Davis has been in contact with the affected students, three have chosen to withdraw due to scheduling issues. These students will be refunded appropriately. Internships typically last 2 semesters. Students need a specific number of cases completed in rotation over 2 semesters. Completion in one rotation is possible if enough cases are available.

Fall enrollment has been deferred to Spring of 2016. We want to be able to guarantee the students will be placed.

**PERSONNEL ITEMS**

**May 2015 Personnel Actions Report (Item 6)**

Vice President Nelson-Bailey reviewed the Personnel Actions Report, noting that N/A will be added to future reports to indicate no information is applicable.

**ADJOURNMENT**

**MOTION:** Dan Juliani made the motion to adjourn the meeting; Trustee Ken Der seconded. The motion passed unanimously.

The meeting was adjourned at 5:36 p.m.
Respectfully Submitted,

Thomas Peisch
Vice Chairman
Board of Trustees

John O'Donnell, Ph.D.
President
MassBay Community College