MASSACHUSETTS BAY COMMUNITY COLLEGE BOARD OF TRUSTEES
Minutes of the February 16, 2016 Finance, Compliance, Personnel and Audit Meeting – Wellesley Campus

Board members present: Ken Der, Dan Juliani, Tom Peisch

Staff members present: Yves Salomon-Fernandez, Interim President; Lynn Hunter, Academic Affairs Vice President; Kathleen Kirleis, Vice President for Finance & Administrative Services; Robin Nelson-Bailey, Vice President of Human Resources, Employee Relations and Compliance & Affirmative Action Officer; Eileen Gerenz, Controller; Courtney Jackson, Chief Strategic Planning & Institutional Effectiveness Officer; Karen Britton, Assistant to the President; Deborah Georgopoulos, Staff Associate; Elizabeth Kinsman, Staff Associate.

CALL TO ORDER AND INTRODUCTIONS: After establishing quorum, Vice Chair Der called the meeting to order at 8:00 a.m.

Review and Approval of Minutes – Vice Chair Der asked for the review of the prior meeting minutes for November 17, 2015 (Item 1).

Various addendums were noted. Vice Chair Der asked if low morale was still an issue. Interim President Salomon-Fernandez indicated that it has improved. She is communicating more with the campus by holding regular office hours and Town Halls, sending updates through email, keeping a blog and walking around campus. Being closer to our enrollment goals has also helped. NUP employees have expressed concern that other groups besides them are receiving raises. Chair Peisch will speak with Trustee Price about a message to the Community regarding the Presidential Search. Skype interviews are being held this week.

MOTION: Trustee Juliani made the motion to approve the minutes of the November 27, 2015 meeting as amended and Chair Peisch seconded. The motion passed unanimously.

DASHBOARD REVIEW (Item 2)

Chief Strategic Planning & Institutional Effectiveness Officer Jackson reported that enrollment and FTE are trending in a good direction. Fall to Spring headcount percentage change is down to 6% from 10% last year. Fall to Spring FTE percentage change also down, from 13% last year to 9% this year. Year-to-year percentage change is looking better as well. Fall 2014 to Fall 2015 headcount declined by 10%, whereas Spring 15 to Spring 16 headcount is only down by 6%. Fall 2014 to Fall 2015 FTE declined by 12% while Spring 15 to Spring 16 FTE declined by 7%.

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Personal outreach to unregistered students helped and shows what the College could do if fully staffed. Officer Jackson will provide a summary of students’ reasons for not registering at the next meeting.

FINANCE ITEMS

FY16 Budget vs Actual Comparison Reports with Projection

Vice President Kirleis indicated that the report includes the revised budget adopted in November 2015, with actual results through December 2015. The FY16 projected amounts includes the following:

Revenue

- Tuition and Fees – the college has historically budgeted to receive approximately 75% of its annual tuition and fees revenue by December. Using the revised budget number adopted in November, actual results for December are $136K greater than what was budgeted. Tuition for the remainder of the year is currently projected at last year’s levels through the final six months and will be adjusted once the freeze information for Spring 2016 is available. There was no tuition remitted to the state through December, so the projection includes remitting all funds due the state in the final six months.
- State maintenance appropriation – the state appropriation is projected to be received at the budgeted appropriation amount.
- Financial Aid Pell/Financial Aid – All Other Programs – financial aid is $1.9M below budget through December and is projected to be at $3.5M below budget by the end of the fiscal year. The budgeted amounts for these accounts had not been decreased at the time of the budget revision in November 2015, which in part explains the deficit. Further analysis of these accounts will be completed during the upcoming months prior to the recommendation of the FY17 budget.
- Contracts, Commissions and Other Revenue – this line is down $175K through December 2015, as contracts and commissions are less than prior years. This trend is expected to continue for the remainder of the fiscal year.
- Grant Revenue – this line item is $207K below budget by the end of December, as revenue recognition often lags for reimbursable grants. The remainder of the year is projected to be on budget.

Expenses

- Permanent staff – this account has a surplus of $1.2M as of December 31st, due to planned budgeted vacancies, as well as delays in the hiring process. This projection does not include any of the recent positions that are planned to be filled.
- Adjunct faculty – this account is $412K over budget as of December 31st and is expected to be at FY15 levels at the end of FY16. Further analysis of this account will take place as the Spring semester progresses.
- Part-time/Stipends – this account is over-budget by less than $9K as of December 31st and is expected to operate within budget for the final six months of the fiscal year.
- Overtime, Local Fringe Payments, Administrative Expenses, Facility Operational Supplies and Related, Energy Costs/Facilities Rental, and Consultants – these accounts all show surpluses through the first six months and at this point, are anticipated to end the year within budget.
- Operational Services – this account is $42K over budget as of December 31st, in part due to $65K of unbudgeted temporary services costs that have become necessary due to vacancies of various key positions.
- Furniture, Equipment, Lease/Rent – the account is underbudget by $79K at midyear and is expected to end the year with a $50K surplus, as discretionary purchases are delayed and deferred.
- Student Transportation Services – no surplus is expected in this account due to planned transportation needs that exist for students.
• Maintenance/Construction – this account is expected to end the year at FY15 levels, which would result in a $31K deficit. There are many projects that have come to light in the Facilities area that need to be addressed, including a leaky roof in the bookstore and loose slate tiles on the 1919 Building.
• Information Technology – presently the departments is anticipated to end the year with a deficit of $36K, but that amount may be able to be reduced as the FY17 budget is planned.
• Grant expenses – the grant expenditures are projected to end the year at the same level as grant revenue.

Capital Planning (local funds only)

Several projects that remain in the capital budget for FY16 will be completed during the final part of FY16, so it is projected that the expenditures will equal budget by the end of the fiscal year. Examples of such projects are the planning/design of the Wellness Center roof, ADA work in the auditorium, and new exterior doors to the Framingham gymnasium.

Principal Payment on Debt

This account is expected to end the year on budget.

MOTION: Trustee Juliani made a motion to recommend the Committee accept the Budget vs Actual Comparison Report dated December, 2015 as submitted by Vice President Kirleis and transmit to the Full Board for consideration at the next Board meeting. Trustee Peisch seconded and the motion passed unanimously.

Contracts Report (Item 3b)

Vice President Kirleis reported that there were no contacts issued since the last Board report in January 2016. This report will be updated to reflect the new contractual limit of $35,000 in future months. Interim President Salomon-Fernandez pointed out that full time faculty have higher expenses over time (ie, benefits). It was noted that the Projected Variance column should say 0. The Interim President also noted that furniture in Framingham is in bad shape and being looked at. Vice Chair Der suggested it was risky to forecast? He also commended the report.

Framework for program cost draft document to be submitted for Board consideration

Vice President of Academic Affairs reviewed the Computing Revenue document, including Relationships among Courses, Programs, Students and Faculty. She looked at historical data and in People Soft to see what currently exists on the program and cost/pricing side (which varies). Faculty are assigned to departments, not programs, and to courses within departments. The College need to develop way to look at fringe benefits and direct costs in each department/division costs (ie, costs of accreditations, including conferences). Vice President Hunter and Kirleis will work together to complete this analysis. They will be looking to see if MassBay is serving the needs of our service areas as well as allocating our resources appropriately. Vice Chair Der asked what the results of this will be. Vice President Hunter indicated 1) efficiency/productivity of program compared to costs and 2) which programs are bringing in most money. Vice Chair commended the report and also noted its challenges.

QUARTERLY REPORTS

Ten Year Cash Balances Report as of December, 2015

Vice President Kirleis reported that the College’s cash balances as of December 31st were $9.8M, the highest amount in ten years. The increase is attributed to delayed spending in several expense accounts, including $1.2M in the permanent staff line, that resulted in $2M net income at the end of December. It is expected to be reduced to $40K by the end of the fiscal year, as positions are filled and non-personnel activity increases.
Cash Projection Report as of December, 2015

Vice President Kirleis indicated that this report projects the next 12 weeks of cash activity, starting with the week of February 5th. It is forecast that the state appropriation will continue to pay for all permanent employee salary costs through this time period. Spring tuition amounts will continue to be collected and for the most part, will offset the expenditures being paid by the college. Financial Aid is coming in for the Spring term. As a result, it is anticipated that there will be similar levels of cash available in 12 weeks, with a decrease of only $200K. At $9 million, this is the best position the College has been in in ten years.

Vice Chair Der commended the report for its clarity as well as positive content. Interim President Salomon-Fernandez commended Vice President’s area for their work, including much completed manually.

Vice Chair Der commented on the IPED report recently shared with the Board, showing MassBay is short staffed compared to other colleges. Interim President Salomon-Fernandez confirmed that this is true, especially in Enrollment and Student Affairs.

COMPLIANCE ITEMS

Ethics and Affirmative Action Training

Interim President Salomon-Fernandez indicated that, due to the report by the Inspector General’s Office, Ethics and Affirmative Action training will be taking place on campus. Vice President Nelson-Bailey reported that the training did not occur on February 5 as planned since Professional Day was canceled because of snow. Human Resources is working on rescheduling, likely multiple sessions. Vice President Nelson-Bailey has been the primary contact for Affirmative Action. Given a number of recent cases, a more aggressive approach to this training is necessary so employees are clearer on the pathways. For example, managers have a responsibility to report breaches of affirmative action. People do want to learn/do the right thing. She is looking into mandated training for everyone, despite the union, and is also getting other HR staff more involved. Vice Chair inquired about leverage with other Community Colleges. It has been suggested HR Vice Presidents rotate around colleges with the message. A more comprehensive Compliance Report is due within the annual audit submission on March 31.

PERSONNEL ITEMS

Personnel Actions Report

Interim President Salomon-Fernandez highlighted a new report on Personnel Actions as requested by the Trustees at the December retreat. Vice President Nelson-Bailey reviewed the report, pointing out that the posting for Director of Facilities is being worked on. The Assistant Director of Athletics was also re-added. Vice President Nelson-Bailey will provide regular reports on this topic.

Recruitment Report

Vice Chair Der asked why it seems to take such a long time to hire someone. Vice President Nelson-Bailey explained that there are many steps: various reviews and approvals, the creation and meetings of the Search Committee, interviews, offers (which are sometimes rejected) and finally hiring. Interim President Salomon-Fernandez indicated that the process is often expedited depending on the position.

AUDIT ITEMS

State Audit Report

There is nothing new to report regarding the audit. The auditors found that MBCC provided access and transparency. The College is waiting on the final report. There were two findings: 1) an inventory system for our assets/property is needed and is being worked on; 2) Chapter 647 of the Acts of 1989 which requires that “all unaccounted for variances, losses, shortages or thefts of funds or property be immediately reported to the state auditor’s office.” MassBay can comment on the report before it goes to press and is working on a press release. For future audits, any firm can bid and we can also ask for bids.
ADJOURNMENT

MOTION: Trustee Juliani motioned to adjourn the meeting and Chair Peisch seconded. The Motion passed unanimously.

The meeting adjourned at 9:20 a.m.

Ken Der
Committee Chair
Board of Trustees

Date

Yves Salomon Fernandez
Interim President
Massachusetts Bay Community College

Date

4/21/16