

MASSACHUSETTS BAY COMMUNITY COLLEGE BOARD OF TRUSTEES

Minutes of the June 10, 2025, Board Finance & Administration Committee meeting
Webex Meeting – <https://www.youtube.com/@MassBayCommCollege/streams>

Committee members participating: Matthew Kahn, Chair; Ilissa Povich, Ex-officio; Tobey Choate, Trustee; Diane Schmalensee, Trustee.
Trustee Prado was unable to attend.

Staff members participating: David Podell, President; Marcus Edward, Vice President for Finance & Administration; Courtney Jackson, Vice President for Academic Affairs and Provost; Mike Lyons, Assistant Vice President for Information Technology and Chief Information Officer; and Deborah Grady, Executive Assistant for Finance & Administration.

Call to Order and Introductions

Committee Chair Matthew Kahn called the meeting to order at 8:02 a.m.

Approval of Prior Meeting Minutes (Item 1).

The Chair asked for a review of the prior committee meeting minutes and called for a motion.

MOTION: Trustee Choate made the motion to approve the minutes of the May 20, 2025, Board of Trustees' Finance & Administration Committee meeting as presented. Trustee Povich seconded. Motion passed.

ROLL CALL:

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

FINANCE ITEMS

President Podell noted that because the state allocation and enrollment for Fall 2025 are unknown, a provisional college budget is being presented for approval. A revised budget will be presented in the Fall when that information is confirmed.

Vice President Marcus Edward presented the Finance Items to the Committee.

Investments, Cash, & Student Accounts Receivable Comparison Reports (Item 2)

As of May 31, 2025:

- Total investments were \$30,355,494. The investments gained 4.1% in the month of May. The current balance is \$30,721,000, an increase of \$366,000 or 1.2% in the month of June. Total cash was \$8,654,119, a decrease of \$250,000 compared to the prior month. The current cash balance is \$7,724,000.
- Student receivables were \$4,674,568. Receivables decreased by \$664,000 when compared to the prior month.

Cash & Investment Comparison by Month *(Item 3)*

A chart showing the monthly cash balances over the last 5 years was provided to the Committee.

Kitchen Renovation Updates *(Item 4)*

Vice President Edward provided an update on the Kitchen Renovation Project, reporting that approximately \$216,000 has been expended to date on the design phase.

Due to ambiguities in the architectural drawings provided by the House Doctor, the initial bid required clarification. Consequently, the original Invitation for Bid (IFB) was withdrawn, revised, and reissued. The updated IFB package is now out for solicitation, with submissions due by the end of June. This has resulted in a revised project timeline, with completion now anticipated in March 2026.

In the interim, the current food service arrangements continue to meet the needs of the community effectively.

Vice President Edward also noted that the Board had approved the allocation of \$5 million from reserve funds to support this initiative. As such, the project is not included in the FY2026 operating budget.

FY2026 Fee Increase Proposal *(Item 6)*

Proposed Fee Adjustment

- The College is proposing a modest increase of \$5 per credit hour to the current mandatory general fee, raising it from \$220 to \$225 per credit—a 2.05% increase.
- No changes are proposed to lab fees, which apply only to select courses.
- The overall adjustment represents a 1.91% increase in total student fees (general and lab combined), remaining within the 1.93% cap established by the state for FY2026.

Financial Context and Justification

- **Affordability:**
- MassBay remains one of the most affordable community colleges in Massachusetts, currently ranked 5th in affordability. Our mandatory tuition and fees are below the state's weighted average.
- **Shifting Funding Sources:**
- The state appropriation has declined from a high of 51% of the College's budget to 43% in the current fiscal year.
- In contrast, the share of tuition and fees has increased from 49% to 57%, reflecting a growing reliance on student-generated revenue, some of which is provided by the state through MassReconnect and MassEducate.
- **Payroll Trends:**
- Payroll expenses have risen from 66% to 71% of the College's budget over the past five years.
- For the past four years, the state allocation fully covered payroll, including fringe benefits, relieving the College of that financial burden.

- Looking Ahead:
- A 1% increase in state appropriation is expected for FY2026.
- However, it is anticipated that the state allocation will be exhausted by year-end, requiring the College to cover payroll costs, including an additional 37% in fringe benefits.

Chairman Kahn called for a motion.

MOTION: Trustee Choate made the motion to accept the FY2026 Fee Increase and recommend approval to the full Board of Trustees.

Trustee Povich seconded. Motion passed.

ROLL CALL:

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

FY2026 Provisional College Operating Budget (*Item 5*)

President Podell opened the presentation, noting that the FY2026 Provisional Budget is based on a proposed 1.9% fee increase which equates to a \$5 per credit increase. This proposed increase will help the College address rising operational costs, including those driven by inflation. For students receiving federal financial aid through the Pell program, this increase will be fully covered by their financial aid.

Vice President Marcus Edward presented the FY2026 Provisional College Operating Budget.

The fiscal year 2026 budget is \$54,249,000, an increase of \$3,162,000 or 6% when compared to the FY2025 revised budget.

Revenue

For FY2026, tuition and fees revenue is conservatively budgeted at approximately \$29.9 million. This reflects a \$7.6 million increase compared to FY2024 actuals and a \$1.5 million increase over the FY2025 projected actual. Tuition and fees now make up 55% of the College's total revenue, with a projected 5% increase in enrollment year over year. Revenue from non-credit courses is expected to decline slightly due to anticipated grant funding from the state and philanthropy. As more funding is secured through grants, we expect a decrease in the number of students paying directly. The College recently secured a three-year Cummings Grant to support ESL programs and received a significant state grant for a new HVAC program.

The state appropriation is currently estimated at \$23.4 million for FY2026, based on the more conservative Senate version of the state budget, which has not yet been finalized. If state revenues fall short, potential 9C mid-year budget cuts could impact funding. Other revenue sources, such as contracts and commissions, are budgeted lower than in previous years. This is due in part to the end of funding from Mass Rehab reimbursements for interpreter services and a decrease in interest revenue because of a reduction in the College's cash balance following a \$25 million investment of reserves. Investment spending is projected to increase by \$85,000 compared to FY2025, in line with the growth in the investment portfolio.

Expenses

Permanent staff salaries represent the largest expense in the FY2026 budget, totaling approximately \$27.1 million—an increase of nearly \$2 million compared to the previous year's revised budget. This figure is based on current staffing levels and includes a planned 2% salary increase, as well as

funding for ten new full-time faculty positions. Vice President Edward reviewed the list of open positions and provided an update on hiring progress.

In response to a question about increasing the College's share of employee health insurance instead of offering salary increases, it was clarified that the College does not have the authority to make changes to this benefit. Employees hired before July 1, 2023, pay 20% of their health insurance premiums, while those hired after that date pay 25%. The remaining cost is covered by the state, and the College may not alter this arrangement.

In the current budget year, the contingency budget has been fully utilized, covering expenses such as new classroom furniture in Ashland, food subsidies for the Wellesley and Framingham campuses, support for the diminished STEM Starter Grant, and part-time expenses in the division of Health Sciences. The consultant budget will be used to maintain PeopleSoft support. Although Sierra-Cedar initially won the bid, they attempted to renegotiate terms post-award. The College is now seeking a three-month extension while preparing a new Invitation for Bid.

Lastly, debt service costs have decreased due to the payoff of several technology leases last year. The College returns the equipment at the end of each lease term.

Chairman Kahn called for a motion.

MOTION: Trustee Povich made the motion to accept the FY2025 Provisional College Operating Budget and recommend approval to the full Board of Trustees.
Trustee Choate seconded. Motion passed.

ROLL CALL:

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

PERSONNEL ITEMS

Personnel Actions Report (*Item 7*)

Vice President Edward presented the report to the Committee, noting two new employees, and two employees who have moved into new roles.

Recruitment Report (*Item 8*)

The recruitment report showed 19 open positions (10 staff, 9 faculty), reflecting growth in hiring in response to increased enrollment. Faculty and staff retention remains a challenge due to lower salaries compared to four-year institutions, exacerbated by union contract constraints.

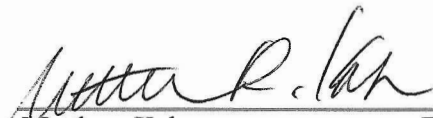
ADJOURNMENT

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


ROLL CALL:

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

Chair Kahn adjourned the meeting at 8:52 a.m.



Matthew Kahn Date
Committee Chair 9/18/25
Board of Trustees



David Podell 9/18/2025 Date
President
Massachusetts Bay Community College