

**Massachusetts Board of Higher Education
Fiscal Affairs and Administrative Policy Committee Meeting
March 16, 2021**

The March 16, 2021 meeting of the Fiscal Affairs and Administrative Policy (FAAP) Committee was held in remotely at 1pm via a webcast pursuant to Massachusetts COVID-19 guidelines.

Committee Members Present: Board Chair Chris Gabrieli; JD LaRock, FAAP Committee Chair; Veronica Conforme,; Paul Mattera.

Other BHE Members Present: None

Committee Members Absent: Mike O'Brien; Secretary Peyser;
Commissioner Carlos Santiago (non-voting member)

Department Staff Present: Thomas Simard; Constantia (Dena) Papanikolaou; Elena Quiroz-Livanis; Joe Wallerstein; Clantha McCurdy

I. CALL TO ORDER

FAAP Committee Chair J.D. LaRock called the meeting to order at 1:04 p.m. Roll call attendance of committee members was taken as follows:

Committee Chair J.D. LaRock- present
Veronica Conforme- absent (*note, Board Member Conforme joined shortly after at 1:16 pm)
Chair Gabrieli- present
Paul Mattera- present

II. ACCEPTANCE OF MINUTES

On a motion duly made and seconded, the minutes from the January 26, 2021 meeting of the Fiscal Affairs and Administrative Policy (FAAP) committee were approved unanimously by all committee members present.

III. COMMITTEE CHAIR'S REMARKS

No remarks were offered by Committee Chair J.D. LaRock.

IV. COMMISSIONER'S REMARKS

Commissioner Santiago was not present.

V. MOTIONS

A. FAAP 21-10 Approval of Fiscal Affairs and Administrative Policy Committee Motions 21-03 through 21-09 on a Consent Agenda

List of Documents Used

FAAP Motions 21-03 through 21-11

[March 2021 FAAP Meeting: Tuition Motions 21-03 to 21-11 Presentation](#)

After Committee Chair LaRock noted that fees set by campus boards of trustees are higher than the tuition set by the Board of Higher Education, he turned the meeting over to Deputy Commissioner for Administration and Finance, Thomas J. Simard, for a presentation on the background of tuition and fees at State University and Community Colleges. Deputy Commissioner Simard provided background on the tuition and fee structure and explained tuition retention and remission for non-state and state supported costs.

He remarked that during COVID pandemic State University and Community College Chief Financial Officers had noted how the pandemic had underscored disparities between student charges and instructional costs and the growing gap between fees and tuition rates.

Committee Member Paul Mattera asked whether the impetus to revisit the Board's tuition and fee setting authority was from the Department staff, or from the campus leadership. Committee Chair LaRock responded that the way tuition and fees are presented to students has always been confusing. Committee Chair La Rock added at that Board has essentially abdicated its responsibility by keeping tuition and fees level for so long, but for understandable reasons in view of state policies that require in-state tuition to be remitted to the General Fund.

Deputy Commissioner Simard added that this year's COVID crisis has highlighted the disconnect between how student charges are set and the costs they cover. He continued to note that as education has shifted to online or hybrid modalities during the pandemic, the chief financial officers at the State Universities and Community Colleges expressed renewed interest in examining how charges are set.

Committee Chair LaRock acknowledged that Committee Member Veronica Conforme joined meeting at approximately 1:16 p.m.

On a floor motion duly made and seconded, FAAP motions 21-03 through 21-09 were bundled for both approval and approved. The motion passed unanimously pursuant to a roll call vote as follows:

Committee Chair J.D. LaRock- yes
Veronica Conforme- yes
Chair Gabrieli- yes
Paul Mattera- yes

Next, a motion was made and duly seconded to place bundled FAAP motions 21-03 through 21-09 on a consent agenda. The motion passed unanimously by all board members pursuant to a roll call vote as follows:

Committee Chair J.D. LaRock- yes
Veronica Conforme- yes
Chair Gabrieli- yes
Paul Mattera- yes

**FAAP 21-10 APPROVAL OF FISCAL AFFAIRS AND ADMINISTRATIVE POLICY
COMMITTEE MOTIONS 21-03 THROUGH 21-09 ON A CONSENT
AGENDA**

VOTED: The Board of Higher Education approves the following motions on a consent agenda:

- FAAP 21-03 Community Colleges Resident Tuition Rates for FY2022
- FAAP 21-04 Community Colleges Non-Resident Tuition Rates for FY2022
- FAAP 21-05 State Universities Resident Undergraduate Tuition Rates for FY2022
- FAAP 21-06 State Universities Non-Resident Undergraduate Tuition Rates for FY2022
- FAAP 21-07 State Universities Resident Graduate Tuition Rates for FY2022
- FAAP 21-08 State Universities Non-Resident Graduate Tuition Rates for FY2022
- FAAP 21-09 Berkshire Community College and Massachusetts College of Liberal Arts Alternative Non-Resident Undergraduate Tuition Rates for FY2022

Authority: Massachusetts General Laws Chapter 15A, Section 6

Contact: Thomas J. Simard, Deputy Commissioner for Administration and Finance

B. FAAP 21-11 Community College and State University Tuition Retention Feasibility Study

List of Documents Used

[March 2021 FAAP Meeting: Tuition Motions 21-03 to 21-11 Presentation](#)

Committee Chair LaRock began the discussion by mentioning first that there ought to be appropriate representation (CFOs) and second that any transition towards tuition retention would not include additional administrative costs for the campuses. Deputy Commissioner Simard noted that the motion calls for no fewer than three representatives from each segment, adding that he hoped that there would be at least three CFOs from each segment.

Committee Member Mattera asked Committee Chair LaRock for clarification of the administrative costs. Committee Chair LaRock said that the campuses felt there could be unexpected costs transitioning to a different rate setting structure. Deputy Commissioner Simard noted that the administrative requirements related to tuition setting could be different, adding that campuses annually set fees as part of their annual budgeting process.

Board Chair Gabrieli asked about the timeline for the tuition remission report, noting that the Board pledged in January 2020 to review financing in public higher education. Chair Gabrieli remarked that the last time the Board took a position on financing was seven years ago and only few of those proposals have progressed. He noted that public higher education has no comparable approach to the 25-year old funding formula model for K-12 for subsidizing the cost of instruction at public colleges and universities.

Chair Gabrieli acknowledged the merit of the effort but advocated for a broader funding agenda beyond tuition retention. Committee Member Mattera asked about the implications for this as it relates to the current national discussion around debt forgiveness. Chair Gabrieli replied that Massachusetts students take out approximately the same amount of debt to attend public colleges as they do to attend private colleges.

Committee Member Mattera asked Committee Chair LaRock whether the purpose of the study was on the mechanics of implementing tuition retention or whether it is more of a larger policy discussion around funding.

Deputy Commissioner Simard noted that prior the COVID-19 pandemic, the Board had agreed upon a strategic approach to resourcing public higher education. He expressed the consensus view from the chief financial officers that a working group should examine the tuition and fee setting issue in the context of a broader conversation concerning sustainable resourcing of public higher education.

Chair Gabrieli remarked that the Board should act strategically in the coming year. He added that the Board might no longer approve tuition and fees, if it can get us to a point where we reach the strategic goals around solving larger problems equity and affordability. Committee Member Mattera noted that the short-term possibility of tuition retention could be worth

pursuing alone without a larger strategic goal. Committee Member Conforme agreed that while there is a broader, important issue regarding equity as it relates to students' cost to attend colleges, she expressed support for the motion indicating that this larger issue should not preclude the board from taking focused, targeted action on identifiable issues..

Committee Chair LaRock noted that working through the singular issue of tuition retention would allow the Board to establish a higher level of trust with the campuses which could be used to further some of the longer strategic goals. He added his frustration around previous attempts to reform state scholarships.

Committee Chair LaRock requested a committee member to make a motion in support of the resolution. Committee Member Mattera replied that he wished to make the motion, adding that he felt responsible to the state university presidents to move this item forward. Committee Chair LaRock requested a seconding of the motion. Committee Member Conforme seconded the motion. Committee Chair LaRock asked if there was further discussion on the motion.

Before the vote, Chair Gabrieli asked the Committee to consider the composition of tuition retention feasibly study committee. He said that including the Secretary of Education along with three State University and Community College presidents seemed reasonable but questioned why the Executive Director of the Massachusetts State College Building Authority was included. He added his surprise that the committee did not include participants from the Board of Higher Education or outside members.

Committee Chair LaRock answered that the committee would presumably be directed by and report back to the Board. Chief Counsel Dena Papanikolaou further clarified that the committee is pulled together by the Commissioner not the board. She added that the committee would be advising the Commissioner not reporting to the Board. She added that the Board was not precluded through amendment or otherwise from recommending that the Commissioner include additional members to this working group.

Chair Gabrieli responded that the committee should have representatives that are students, outside experts, and one to two FAAP committee members. Committee Member Mattera suggested segmental representation. Chair Gabrieli recommended Committee Chair LaRock and Committee Member Mattera to serve on the committee.

Committee Chair LaRock expressed agreement and asked whether adopting this proposal as a friendly amendment was possible or whether this could be reflected in the minutes. Chief Counsel Papanikolaou confirmed that the meeting minutes would reflect the discussion and the Board's recommendation that the composition of the committee should include representatives of the student or consumer view, one researcher position, and segmental representation.

Chair Gabrieli expressed his wish to amend the motion to specify that the two current Board representatives from the State University and Community Colleges from the segments impacted by the committee participate. t.

On a motion duly made and seconded a motion was advanced to pass FAAP 21-11, subject to including amended language which recommended that the Commissioner's working group include the Board's two current segmental representatives from the State Universities and Community Colleges. FAAP motion 21-11, as amended, passed unanimously by all board members present, pursuant to a roll call vote as follows

Committee Chair J.D. LaRock- yes

Veronica Conforme- yes

Chair Gabrieli- yes

Paul Mattera- yes

FAAP 21-11 COMMUNITY COLLEGE AND STATE UNIVERSITY TUITION RETENTION FEASIBILITY STUDY

VOTED: The Board of Higher Education (the Board) hereby directs the Commissioner to examine and make recommendations on tuition and fee setting authority, including tuition retention, related to the Community Colleges and State Universities.

To that end, the Commissioner is authorized and advised to convene a working group consisting of stakeholders to help examine and identify the steps necessary, including any proposed statutory changes aimed at improving tuition and fee setting processes, and tuition retention authority for State Universities and Community Colleges for the start of fiscal year 2023. At a minimum, the Board advises that the working group should include the following members, or their designees: 3 Community College presidents; 3 State University presidents; the Secretary of Education; current community college and state university segmental BHE representation; and the Executive Director of the Massachusetts State College Building Authority.

The Commissioner shall report findings and recommendations to the Fiscal Affairs and Administrative Policy Committee no later than October 2021. The Commissioner's report shall include findings and recommendations on the following matters:

(a) the costs and benefits associated with implementing tuition retention in a manner that transparently and succinctly presents total student charges;

(b) the implications of authorizing State Universities and Community Colleges to set their own student charges, within parameters established under multi-year strategic plans required pursuant to M.G.L. c. 15A, section 22(l) and subject to approval of the Secretary of Education in consultation with the Board;

(c) the manner in which campuses and the Board currently define "state supported" versus "non state-supported" for the purposes of establishing remittance amounts, allocating collective bargaining costs, determining state and campus fringe costs, and determining the applicability of tuition waivers within and across the public higher education system, and recommendations, including any necessary statutory changes, for establishing a consistent set of standards by which campuses and the Board may define "state supported" versus "non state-supported" courses and activities for said purposes;

(d) potential methodologies for establishing a revenue neutral implementation plan, including the mitigation of revenue variability due to future fluctuations in enrollments;

(e) calculations and recommendations relative to the value of all tuition waivers currently in effect, and authorized under section 19 of chapter 15A of the General Laws, any other general or special law or otherwise collectively bargained, along with recommendations for procedures and approval mechanisms to recognize the value of such tuition waivers as tuition credits;

(f) the possibility of alternative implementation timelines, including phasing in tuition retention or implementing it on separate timelines for the State University and Community College segments; and

(g) any Commonwealth financial obligations, such as collective bargaining and fringe costs, that may be affected by the implementation of tuition retention.

Authority: Massachusetts General Laws, Chapter 15A, Section 9(i)

Contact: Thomas J. Simard, Deputy Commissioner for Administration and Finance

VI. Other Business

Following the vote on FAAP 21-11, Committee Chair LaRock requested that the Committee return to the broader discussion about the FAAP committee's work on public funding of higher education, student financial aid, the DHE's budget and developing fiscal key performance indicators (KPI) for public and private institutions.

Committee Member Mattera said he felt that the committee had to address how the State funds public higher education either through the Governor's Office or the Legislature. Chair Gabrieli agreed, adding that the Board should commit to take a position on State funding by the latter half of 2022, within the Board's limited authority. He added that potential increases in federal funding from an expanded Pell grant could have positive impacts, but that Massachusetts had not to his knowledge begun preparing any strategic path to reform. This would require a serious commitment of time and resources beyond what's currently available to the Department and the Board.

Committee Member Conforme added that reforming public funding in higher education should involve outside experts to address equity among students. She added that she expected there would be opportunities for Federal and State partnerships around loan forgiveness and free tuition.

Committee Chair LaRock suggested that FAAP committee might have greater influence using its current statutory and regulatory authority to consolidate the State scholarship programs. Deputy Commissioner Simard noted that FAAP committee could consider the proposal from the FY21 Board budget narrative which called for funding model of public higher education comparable to approach used to reform K-12. Chief Counsel Papanikolaou noted that the Board's legal authority around strategic planning, performance measurement and presidential evaluations were to the three primary levers the Board had to influence policy. She added there have been series of higher education financing studies and the FAAP committee should examine the proposals, as well as the reasons why they were not implemented.

Committee Chair LaRock noted that other New England states are consolidating their systems and expressed his concern that unless action was taken Massachusetts could be in a similar position. Chair Gabrieli that the healthcare reform law under Governor Romney might be a model for how the state managed to solve a seemingly intractable problem. Chair Gabrieli said we do a poor job of as a Board highlighting the equity gap in public higher education and there is a shortage for vision.

Committee Chair LaRock asked Assistant Commissioner for Academic Policy & Student Success Elena Quiroz-Livanis for an update the work being done on the financial side to address equity gaps. She noted that the Deputy Commissioner Clantha McCurdy is auditing the State's financial aid programs, the Department is developing an inclusive approach around the SUCCESS funding and extending the MassGrant Plus scholarship program to the State Universities. Assistant Commissioner for Academic Policy & Student Success Elena Quiroz-Livanis explained that through the policy audit the Department was working to ensure that its policies worked together as opposed to operating in a silo.

Committee Chair LaRock asked for an update on the decline in FAFSA completion rates. Assistant Commissioner for Academic Policy & Student Success Elena Quiroz-Livanis described some of the Department's efforts to boost FAFSA completions including guidance counselor

webinars, and an advertising campaign in partnership with DESE. Chair Gabrieli that Massachusetts has significantly improved its FAFSA completion for high school seniors from November 2020. Deputy Commissioner McCurdy agreed that FAFSA completion numbers were up in February 2021, adding that OSFA had sent mass email to students and was hosting online FAFSA completion dates on weekends.

Committee Chair LaRock suggested legislative advocacy was an important approach and offered to develop an multi month agenda. Chair Gabrieli suggested that completing the policy around monitoring the fiscal health of public higher education campuses be a priority. Committee Member Mattera remarked that one-time additional COVID-19 related funding would delay the fundamental structural changes that need to occur at campuses.

Committee Chair LaRock requested comments on Becker College's announced closure. Chief Counsel Papanikolaou acknowledged confidentiality considerations would limit their comments. She confirmed that Becker, along with all other private higher education institutions, were screened and assessed as required under the new law this past fall through December. She noted that r facts were recently brought the Commissioner's attention which indicated that the college had more significant financial challenges and called into question whether it had sufficient resources to meet the Board's regulatory 18-month rule. She added that the Department has been and continues to work with Becker College to advance contingency closure plans as required by law in the event Becker College is unable to substantially fulfill its obligations to its students.

VII. ADJOURNMENT

Following the conclusion of discussion, Committee Chair LaRock called for a motion to adjourn. Once called, the motion to adjourn, which was seconded, was approved unanimously. The meeting adjourned at 3:00 p.m.