

**Massachusetts Board of Higher Education  
Fiscal Affairs and Administrative Policy Committee Meeting  
May 2, 2017**

The May 2, 2017 meeting of the Fiscal Affairs and Administrative Policy (FAAP) Committee was held in Conference Room 3 on the 21<sup>st</sup> floor of One Ashburton Place, Boston, Massachusetts.

**Committee Members Present:** Committee Chair Tom Hopcroft; J.D. LaRock; Paul Mattera

**Committee Members Absent:** Dani Monroe; Board Chair Chris Gabrieli; EOE Secretary James Peyser; Paul Toner

**Special Guests** Framingham State University President Javier Cevallos  
Dr. Bridget Terry Long, Academic Dean and the Saris Professor of Education and Economics at the Harvard Graduate School of Education; Monnica Chan, PhD Student, Harvard Graduate School of Education; Susan Lane, NEBHE

**Department Staff Present:** Deputy Commissioner for Administration and Finance Sean Nelson; David Cedrone; Mario Delci; Nate Mackinnon; Patricia Marshall; Clantha McCurdy; Ellen Osborne-Smith; General Counsel Dena Papanikolaou; Joe Wallerstein; Ashley Wisneski

**I. CALL TO ORDER**

Committee Chair Hopcroft called the meeting to order at 1:15 p.m.

**II. ACCEPTANCE OF MINUTES**

Committee Member Paul Mattera noted that two changes needed to be made to the January 17, 2017 meeting minutes. First, Don Irving is no longer a member of the BHE and should not be listed as an absent committee member. Second, Committee Member Mattera's name was misspelled.

On a motion duly made and seconded, the minutes of the January 17, 2017 meeting of the Fiscal Affairs and Administrative Policy Committee were unanimously approved, subject to the amendments discussed.

**III. COMMITTEE CHAIR'S REMARKS**

Committee Chair Hopcroft offered no remarks but extended his gratitude to Deputy Commissioner Sean Nelson for his service before Deputy Commissioner Nelson leaves the DHE. Chair Hopcroft requested that that the order of the meeting be changed to allow the presentation on Financial Aid to begin the meeting.

#### **IV. COMMISSIONER'S REMARKS**

Commissioner Santiago was not present.

#### **V. PRESENTATION**

##### **A. Reimagining Financial Aid**

Committee Chair Hopcroft turned the meeting over Senior Deputy Commissioner Clantha McCurdy, who introduced Dr. Bridget Terry Long, Academic Dean and the Saris Professor of Education and Economics at the Harvard School of Education, and Monnica Chan, a PhD student at the Harvard School of Education. Following their introductions, Dr. Long and Ms. Chan presented the findings of their report on state-supported financial aid for Massachusetts students enrolled in higher education. Dr. Long provided an overview of the many smaller and overlapping financial aid programs that make up the financial aid landscape in Massachusetts and concluded that, in order to simplify the process of obtaining financial assistance for students and their families, as well as to ensure that students are receiving all of the aid for which they are eligible, Massachusetts ought to streamline its financial aid offerings by consolidating some aid programs, including tuition waivers. Dr. McCurdy noted that the findings of Dr. Long's report would be shared with the campuses and that she would return in the fall with recommendations for the board.

Committee Member Mattera remarked on the complexity of financial aid in Massachusetts. Dr. Long responded that this complexity often creates barriers for students. Committee Member J.D. LaRock noted that the complexity of the financial aid system in Massachusetts was shameful and asked for some data on unused aid and waivers. Committee Member Mattera asked if there had been any prior effort to streamline financial aid in Massachusetts. Dr. McCurdy responded that this was the first time the Office of Student Financial Assistance (OSFA) had considered consolidating financial aid programs. Committee Chair Hopcroft noted that the number of targeted financial aid programs in Massachusetts indicated a lack of a coherent overall strategy. Dr. Long added that the complexity of the system added barriers, noting that students may not be aware they are eligible for certain programs.

Committee Member LaRock asked Dr. McCurdy to remind the committee who can make decisions regarding the allocation of financial aid. Dr. McCurdy replied that the Commissioner has the authority.

Deputy Commissioner Nelson noted that the ratio of public to private aid needs further study and was not included in this study. Dr. Long responded that the data is available and that she could offer proposals based upon that data.

Committee Member LaRock asked for an example of a state that stood out as exemplary in terms of its management of state financial aid. Dr. Long replied that Georgia was a good example of a state that had simplified its financial aid awarding process. Committee Chair Hopcroft thanked Dr. Long and Ms. Chan for their presentation.

## **VI. DISCUSSION**

### **A. FY18 Budget**

Deputy Commissioner Nelson reviewed the FY18 line item language, noting that it included increases for the State University Internship Incentive along with a one percent increase to the state university and community college funding formulas. He also remarked on his pending departure from the DHE and Budget Director Ellen Osborne-Smith's upcoming parental leave, noting that Senior Budget Analyst Joe Wallerstein would be the point person on budget issues during her absence.

### **B. Collective Bargaining Update**

Deputy Commissioner Nelson noted that the DHE had not received the economic parameters from the Office of Employee Relations, which are used in the negotiations for the three expiring collective bargaining agreements: Association of Professional Administrators (APA); American Federation of State, County, and Municipal Employees (AFSCME); and Massachusetts State College Association (MSCA). He said that the numbers would be available in the coming weeks, but the expectation was that the numbers would be low. He noted that the DHE's Director of Employee and Labor Relations Michael Murray would provide further information to the BHE in fall 2017.

### **C. Institution/Foundation Memoranda of Understanding**

General Counsel Papanikolaou stated that she is providing the committee with an update on work underway by Department staff and seeking to lay the foundation for possible future board action in the area of foundations. Specifically, under consideration is the development of best practice recommendations, or an endorsement of one or more model Memoranda of Understanding (MOUs), for use by the state universities and community colleges as they work with their respective foundations. She added that institutionally related foundations are important partners in the system of public higher education. As public colleges, universities and systems respond to a shifting landscape, related foundations have become increasingly important to their financial sustainability, commitment to academic success and educational excellence and institutional integrity. However, a foundation's value and success is very much dependent on whether there is a solid, healthy well-functioning relationship between a host institution and its foundation. To that end, a well crafted MOU between the parties which outlines the respective roles and responsibilities of the parties regarding development, fundraising activities, managing assets and generally providing stewardship to donors is recommended, best practice.

General Counsel Dena Papanikolaou explained that an MOU between an institution of higher education and its supporting foundation would define boundaries, improve planning and transparency, and create a shared commitment to common values. General Counsel Papanikolaou offered some remarks on the background of MOUs by noting a 2014 recommendation from the Office of the Inspector General (OIG) that public higher education institutions use an MOU to define the boundaries between a foundation and an institution. She acknowledged that in response to the OIG recommendations all of the state universities and a few of the community colleges did review existing or execute new MOUs, but that a comprehensive review was warranted. General Counsel Papanikolaou concluded her

presentation by noting that the DHE staff would examine best practices and report with a full recommendation either at the BHE retreat or in a subsequent meeting in the fall of 2017.

Committee Member LaRock asked if conceptually foundations could become the locus of innovation given the unraveling of the higher education model and whether the BHE could offer best practice recommendations in the area of fundraising. General Counsel Papanikolaou acknowledged and agreed that with declining state and federal investments foundations are uniquely positioned to be innovative since they can act in both a public and private role. She added that in addition to recommending best practice in the area over governance, the BHE could issue broader guidelines, and referenced the BHE's existing trust fund guidelines as precedent.

Committee Member Paul Toner asked about the force of the guidelines for a trust and asked about the range of authority of the BHE over institutional practices. General Counsel Papanikolaou noted that the BHE generally has broad authority to establish coordination between and among institutions and resolve conflicts of policies or operations, but suggested that that guiding principles, rather than restrictive documents, might be more appropriate given the BHE's limited statutory authority over foundations, which are independent, non-profit corporations. Committee Member Toner added that accounting practices would create specific requirements. Committee Member Mattera noted that any guidelines needed to acknowledge the differences between institutions. Chair Hopcroft asked whether a best-practice document would be used as a process for review. General Counsel Papanikolaou replied that the DHE was examining a best-practice model and not seeking to impose procedural mandates.

#### **D. Performance Measurement Update**

Deputy Commissioner Nelson introduced Mario Delci, Assistant Commissioner for Evaluation and Policy Analysis, for an update on the performance measurement initiative. Assistant Commissioner Delci discussed the group's focus on specific areas of performance measurement. He mentioned that a sub-group on fiscal affairs would be created and that it would include campus Chief Financial Officers and comptrollers to examine fiscal accountability. He added that they would be searching for an outside consultant to guide the group.

### **VII. ADDITIONAL BUSINESS**

No additional business was brought before the board.

### **VIII. ADJOURNMENT**

Having no further business, Committee Chair Hopcroft called for a motion to adjourn, which was seconded. The meeting adjourned at 2:18pm.