

**Massachusetts Board of Higher Education
Fiscal Affairs and Administrative Policy Committee Meeting
June 12, 2018**

The June 12, 2018 meeting of the Fiscal Affairs and Administrative Policy (FAAP) Committee was held in Large Conference Room on the 14th floor of One Ashburton Place, Boston, Massachusetts.

Committee Members Present: Committee Members Paul Mattera, Paul Toner and Tom Moreau (designee for EOE Secretary James Peyser)

Committee Members Absent: Board Chair Chris Gabrieli; J.D. La Rock

Special Guests: Edward Adelman, Executive Director, MSCBA; Paul O'Keefe, Vice President of Operations at Massachusetts Maritime Academy; Dale Hamel Vice Framingham State University President of Administration and Finance; James C. Mabry, President of Middlesex Community College

Department Staff Present: Deputy Commissioner for Administration and Finance Thomas Simard; Patricia Marshall; Ellen Osborne-Smith; Dena Papanikolaou; Joe Wallerstein; Ashley Wisneski, Clantha McCurdy, Ignacio Chaparro

I. CALL TO ORDER

Acting on behalf of Chairman Hopcroft, Committee Member Paul Toner agreed to serve as acting chair for today's meeting called the meeting to order at 1:09 p.m.

II. ACCEPTANCE OF MINUTES

On a motion duly made and seconded, the minutes from the January 18, 2018 meeting of the Fiscal Affairs and Administrative Policy Committee were unanimously approved.

III. REMARKS

No remarks were offered by Committee Member Toner.

IV. MOTIONS

Committee Member Toner invited Edward Adelman of the Massachusetts State College Building Authority (MSCBA) to present to the Committee.

**A. FAAP 18-19 MSCBA: APPROVAL OF MASSACHUSETTS MARITIME ACADEMY
STUDENT ACTIVITY PROJECT**

Mr. Adelman provided an overview of the motion requesting Board approval of a project to improve a student dining facility at Massachusetts Maritime Academy. Mr. Adelman noted that the project is funded locally, but since MSCBA was administering the project, board approval was needed. He continued to comment on certain the aspects of the project itself, noting that it

was a small expansion of an existing facility, with most funds allocated for renovating the current footprint. Mr. Adelman introduced Paul O’Keefe, Vice President of Operations at Massachusetts Maritime Academy who provided some history of the project including a discussion of the increase in enrollment at Massachusetts Maritime Academy. Mr. O’Keefe explained how the campus acquired its current space but also noted that it currently does not meet their needs. Mr. O’Keefe further discussed other aspects of the project, including moving refrigerators, expanding the bakery, loading dock and waste disposal units. Committee Member Mattera asked what MSCBA’s role is and if their costs are included. Mr. Adelman explained their role and confirmed that their costs they were included in the project.

On a motion duly made and seconded at the conclusion of discussion, the following motion was approved unanimously by all board members present:

FAAP 18-19 APPROVAL OF MASSACHUSETTS STATE COLLEGE BUILDING AUTHORITY STUDENT ACTIVITY PROJECT

MOVED: MASSACHUSETTS STATE COLLEGE BUILDING AUTHORITYFOOD SERVICE EXPANSION MASSACHUSETTS MARITIME ACADEMY

1. The Commissioner of Higher Education (the “Commissioner”) is authorized and directed in the name and on behalf of the Board of Higher Education (the “Board”) to make a written request to the Massachusetts State College Building Authority (the “Authority”) that the Authority initiate the projects described in EXHIBIT A attached hereto.

2. The Commissioner and all other officers of the Board, each acting singly, are authorized to request the Commissioner of Administration to approve in writing the initiation by the Authority of the projects for which a request is hereby authorized, and to do such other things and to take such other action as the officer so acting shall, as conclusively evidenced by the taking of such action, deem necessary or desirable to be done or taken to carry into effect the matters hereby authorized.

Authority: Massachusetts General Laws Chapter 15A, Section 6

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

B. FAAP 18-20 Non-Unit Professionals Leave Accruals Effective Date

Following the approval of FAAP 18-19, Committee Member Toner turned the meeting over to Deputy Commissioner for Administration and Finance Thomas J. Simard. Deputy Commissioner Simard explained that the intent of the motion is to clarify the Non-Unit Professional (NUP) leave accrual change adopted in FY16 by changing it from a mid-academic/fiscal year cut off to the end of the academic and fiscal years. He noted that the new July 2019 deadline allowed additional time for NUP staff to use leave ahead of the cutoff. Assistant Secretary for Policy and Planning Tom Moreau asked if there were other aspects of the guidelines that were implemented without issue. Deputy Commissioner Simard explained that the accrual rates were

implemented successfully. Deputy Commissioner Simard asked Framingham State University Vice President for Administration and Finance, Dale Hamel to comment. Vice President Hamel remarked that for most staff it was easier to take vacation time in June than in December. He remarked that without the change many campus employees would likely be unable to use their accrued leave. Committee Member Mattera observed that this action was consistent with the policy shift that was already approved. Committee Member Mattera continued on that vacation days ought not to be hoarded and felt that this motion was a step in the right direction.

On a motion duly made and seconded, the following motion was approved unanimously by all board members present:

FAAP 18-20 AMENDED LEAVE POLICIES FOR NON-UNIT PROFESSIONALS AT COMMUNITY COLLEGES AND STATE UNIVERSITIES

MOVED: FAAP 16-32 is hereby amended to establish July 1, 2019 as the effective date that employees will forfeit any days in their balance above the limit of 50 vacation days. The Board further delegates to the Commissioner the authority to ensure that all applicable policies and agreements are consistent with this amendment.

Authority: M.G.L. c. 15A, § 6 and 9; FAAP 16-32

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

C. FAAP 18-21 Middlesex Community College Building Naming

Deputy Commissioner Simard was asked by Committee Member Toner to continue the discussion into FAAP 12-21. Deputy Commissioner Simard introduced Middlesex Community College (MCC) President James Mabry to present to the committee a proposed building naming at the campus. President Mabry discussed the building project and noted that the MCC had worked with the donor and the Board at the beginning of the naming campaign. President Mabry said he expected that this campaign would bring in a significant amount of funding to the campus. Committee Member Mattera asked whether funding had been secured, to which President Mabry replied that it had been and that he expected it to generate additional donations. General Counsel Papanikolaou added for the record that Commissioner Santiago is supportive of the proposal and is appreciative that President Mabry reached out to the Department ahead of time regarding the proposal.

On a motion duly made and seconded, the following motion was approved unanimously by all board members present:

FAAP 18-21 NAMING OF MIDDLESEX COMMUNITY COLLEGE'S ACADEMIC ARTS CENTER IN HONOR OF NANCY DONAHUE

MOVED: The Board of Higher Education hereby approves the request of the Middlesex Community College Board of Trustees to name the college's Academic Arts Center in honor of Nancy Donahue.

Authority: Section 9(m) of Chapter 15A of the Massachusetts General Laws

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

V. OTHER BUSINESS

Briefing on the Status of Collective Bargaining Agreements

Following the conclusion of discussion on FAAP 18-21, Deputy Commissioner Simard briefed the committee on three areas beginning with an update on the collective bargaining agreement negotiations.

Deputy Commissioner Simard began by noting that both APA and MSCA had signed agreements and that the terms were consistent with other collective bargaining agreements negotiated by the state. These agreements would include a one percent (1%) raise effective July 1, 2017, with an additional one percent (1%) raise retroactive to July 1, 2017 if the state met certain revenue benchmarks. Deputy Commissioner Simard said he expected that the additional one percent would be triggered based on the current revenue received to date and projections for June 2018 revenue. He added that the agreements also include two percent raises (2%) in FY19 and FY20. Committee Member Toner asked if this was the first time contract increases were contingent on meeting revenue targets. Deputy Commissioner Simard replied that it was based on his recollection. Others in the room generally agreed.

Deputy Commissioner Simard commented on both the AFCME and MCCC contracts noting that AFCME went to mediation and that he expected that the terms will be ratified soon, and that MCCC was currently in mediation. With no additional comments or questions, Deputy Commissioner Simard continued to brief the committee on the status of the FY19 DHE budget.

Briefing on the FY19 Operating and Capital Budgets

Beginning with the Department's operating budget, Deputy Commissioner Simard briefly discussed the FY19 DHE budget proposals from Governor, House, and Senate, and highlighted the funding for the one year start up costs for the State Authorization Reciprocity Agreement (SARA), the Performance Management Set Aside (PIF), and the Commonwealth Dual Enrollment Program. He also commented on the increases the Governor proposed to the State Scholarship line item. He continued to briefly describe the budget proposals for Community College Workforce Grants, STEM Starter Academy, and funding for the Tufts Veterinary School. He concluded by noting that the budget is currently in conference committee and that DHE will report to the committee via email on the outcome of the budget negotiations between the House and Senate.

Hearing no questions from those present, Deputy Commissioner Simard proceeded to discuss the new approach being taken towards capital planning in higher education using standardized data and system wide approaches with a focus on existing projects. Deputy Commissioner Simard described the four major types of project categories stemming from this new framework

- critical repairs (deferred maintenance), major projects, critical infrastructure, and readiness determination. He added that more detailed information on how projects were evaluated would be presented to the Board in fall 2018

Briefing on the Status of the State Auditor's Review of Financial Aid Programs

Following the conclusion of Deputy Commissioner Simard's remarks, Committee Member Toner asked General Counsel Papanikolaou to brief the committee on the status of the State Audit of the DHE's financial aid programs. General Counsel Papanikolaou began her remarks by noting that there have been no material changes to the scope or nature of the audit findings, but noted total number of anticipated findings had been reduced from four to three.

General Counsel Papanikolaou then proceeded to outline the three findings beginning with the first finding regarding the DHE's failure to measure the efficacy of its No Interest Loan, Foster and Adopted Fee Waiver and Foster Child Grant scholarship programs. General Counsel Papanikolaou remarked that the State Auditor Suzanne Bump's office has been shifting its focus from assessing compliance to examining whether departments measure the effectiveness or performance of their programs. General Counsel Papanikolaou noted that the auditor's finding remains but that it does not cite any particular law or data that would suggest any wrongdoing on the part of the Department.

Committee Member Mattera asked if there was a true finding, and if so, what was the recommendation? General Counsel Papanikolaou answered that while it was not a finding of a violation of law or policy, it was recommendation to "look at what other states are doing" or to "work with legislature to develop outcome metrics." Deputy Commissioner Simard added that the in the case of the Foster and Adopted Fee Waiver program, metrics and outcomes were not established by the legislature; the intent of the program was to support the fostering and adoption of DCF involved youth and expand their educational opportunities at the post-secondary level. Committee Member Toner asked if we keep the data on the outcomes for foster children. General Counsel Papanikolaou replied that we do, but that there are challenges in drawing conclusions about the causality between inputs and outcomes, including how to measure success.

General Counsel Papanikolaou added that one response to the finding could be to note that there is no requirement to develop these metrics and that any outcome metric would be difficult to implement without sufficient program audit staff resources. Committee Member Mattera commented that the rules should either be self determined by the agency or by the legislature, but that it was unfair to ask the agency to create measures without adequate resources. General Counsel Papanikolaou added that this should also take place within the context of BHE priorities. Committee Member Toner asked if we expected any media response. General Counsel Papanikolaou said she thought it was less likely given that there is no outcome data to cite.

General Counsel Papanikolaou continued to discuss the second finding regarding inadequate internal controls over financial reconciliations and program monitoring. She noted that DHE staff have spent a lot time and resources during the year since the audit was initiated to address this issue. Deputy Commissioner Simard agreed with General Counsel Papanikolaou's comments and added that the issue regarding the cost of the DHE's financial aid software system already had been addressed by including the cost of system in The Executive Office of Education's

Secretariat-wide FY19 IT budget. General Counsel Papanikolaou added that many of the misclassified expenditures were identified and corrected by DHE ahead of the start of the audit.

Finally, Deputy Commissioner Simard discussed the third finding regarding the DHE's not fully compliant Internal Control Plan (ICP), noting that the DHE Fiscal Affairs staff is working with the business units to update the ICP. There were no additional questions or comments from those present.

VI. ADJOURNMENT

Having no further business, Committee Member Toner called for a motion to adjourn, which was seconded. The meeting adjourned at 1:57 p.m.