

BOARD OF HIGHER EDUCATION
REQUEST FOR COMMITTEE AND BOARD ACTION

COMMITTEE: Assessment and Accountability

NO.: AAC 08-05

COMMITTEE DATE: November 8, 2007

BOARD DATE: November 16, 2007

CHANGE IN FISCAL INDICATOR FOR PERFORMANCE MEASUREMENT

MOVED: The Board of Higher Education approves the attached set of enhanced performance indicators regarding fiscal health, effective resource utilization and efficiency. The proposed new indicators will replace the existing Board-approved measures for capital adaptation and renewal, private funds and the “fiscal ratios.”

Authority: Massachusetts General Laws Chapter 15A, Section 7a

Contact: Jonathan Keller, Associate Vice Chancellor for Research and Planning

CHANGE IN FISCAL INDICATOR FOR PERFORMANCE MEASUREMENT

BACKGROUND INFORMATION

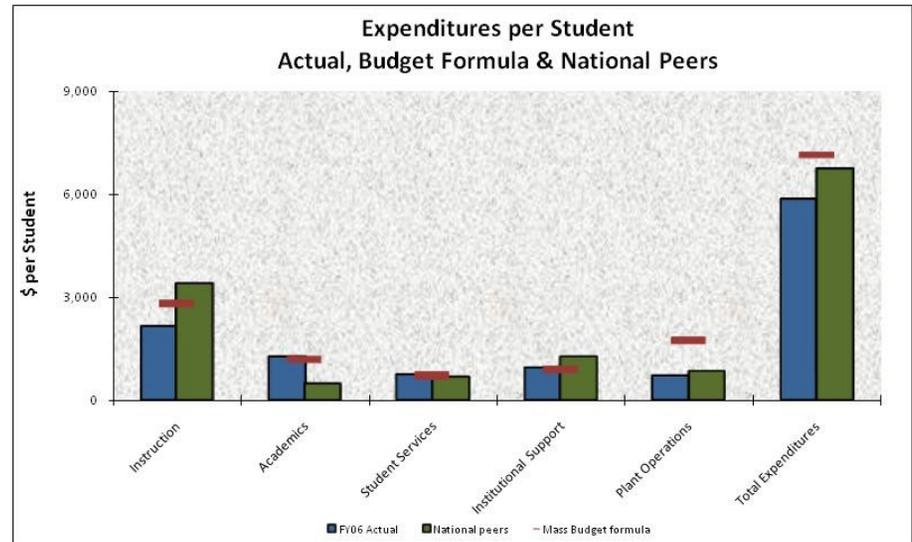
The new proposed fiscal indicators were developed by the Performance Measurement Task Force, which has a membership that includes representatives from the state and community colleges. In a Task Force meeting in May 2007, it was determined that the Board-approved "fiscal ratio" indicators of the Performance Measurement System needed to be revised and enhanced in order to provide greater clarity and usefulness. The Task Force established an advisory team, led by Associate Vice Chancellor Sue Wolfe, to investigate alternative measures and make recommendations for a new approach to the measurement of fiscal efficiency and effectiveness. These recommendations were presented to the Task Force in October and, after minor modifications, it was unanimously agreed that they should be submitted to the Board for approval. They were also presented to and endorsed by the Chief Fiscal Officer Councils of both the state and community colleges. Please see the attachment for a mockup of the new proposed fiscal indicators.

Massachusetts College

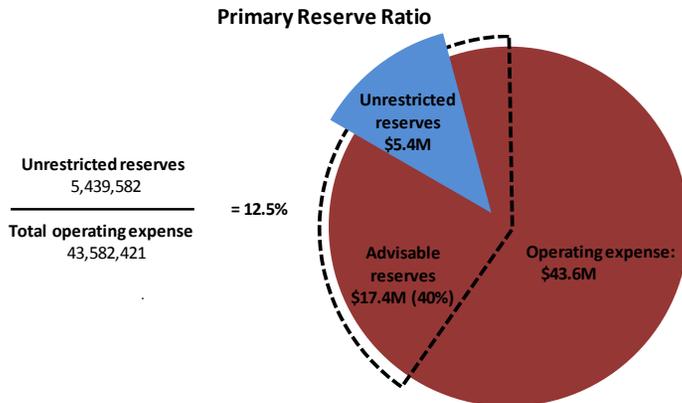
Efficiency and Innovation

- Partnered with three colleges in a shared professional services contract for audit services.
- Privatized campus security, resulting in expanded security coverage and cost avoidance.
- Completed campus-wide window replacement project; project based on energy savings of no less than \$200,000 annually.
- Secured Title III grant of \$2M, enabling college to expand student counseling services.
- Raised \$3M in private funds to supplement state capital towards new Health Science facility.

Resource Allocation



Financial Health Indicator



- Unrestricted reserves declined in FY07 due to expenditures related to student center renovation.
- Board of Trustees has designated \$2.6M toward additional campus repairs in future years.

Compliance

No material weaknesses ^{/1}

- 2007
- 2006
- 2005
- 2004
- 2003

/ 1 Based on annual external independent financial audit.