



Fiscal Year 2020
Proposed Spending Plan
July 1, 2019 – June 30, 2020

FY20 Proposed Spending Plan Fact Sheet

- **Total Proposal = \$50,086,097**
 - State Appropriation = \$22,552,374
 - Collective Bargaining = \$350,059
 - Formula Funding = \$212,589
 - Operating Fund = \$25,999,912
 - Revenue split 46% - 54% (State Appropriation to Operating Fund)

- **Transfers In / Out (+/-)**
 - -\$70,000 ACPTF
 - -\$273,710 MCC Fee Assistance (institutional aid)
 - +\$100,000 CEIP
 - +\$850,000 Capital Reserve
 - +\$364,873 Provisional return on investment

- **Enrollment**
 - 120,873 credit hours
 - -6.3% for Fall semester
 - Average credit hours per student = 8.96
 - -9.3% for Spring semester
 - Average credit hours per student = 8.67
 - State-to-Institutional split = 32% to 68%
 - Proposed \$7 per credit hour fee increase
 - \$846,111 gross increase
 - \$42,306 of gross allocated to MCC Fee Assistance
 - Brings annual MCC Fee Assistance allocation to \$273,710

- **Expenses**
 - Collective bargaining projected at 2%
 - Fringe rate increased to 37.99% (+2.3% over FY19 fringe expenses)
 - \$1,273,170 allocated to Special Projects (Cafeteria and TV Studio)
 - Expenses by category:
 - Payroll 72% (\$36,400,656)
 - Benefits 5% (\$2,365,552)
 - Capital Improvements / Equipment 6% (\$2,926,474)
 - Operations 17% (\$8,393,415)

Table of Contents

	Page
Fiscal Year 2020 Proposed Spending Plan Narrative.....	1-13
Budget Expenditure Classifications.....	14-15
Fiscal Year 2020 Proposed Spending Plan.....	16-20
Schedule of Prior Approval Items.....	21
Graphs.....	22-24

FY20 Spending Plan Narrative

May 2019

MASSASOIT COMMUNITY COLLEGE

Fiscal Year 2020 Proposed Spending Plan July 1, 2019 – June 30, 2020

INTRODUCTION

With the presentation of the Proposed FY20 Spending Plan, Massasoit Community College continues the revised budget practice of submitting, for the Board's approval, the next year's proposed spending plan in May. Past practice at the College was to submit for Board approval at the September Board meeting, nearly one full quarter into the fiscal year. The thought process behind this was to wait for the approval of the Commonwealth's General Appropriations Act (GAA) to be approved so we would know exactly what our numbers would be for that year. Delays in the State process at any stage, particularly in Conference Committee, would translate into a lack of available time to plan and implement at the College.

Rather than waiting for the State to complete its process, the FY20 budget is built on a series of projections and forecasts using a combination of current state-level budget information and our analysis of prior year trends in both state appropriations and enrollment. We built the FY19 Spending Plan in the same manner. Inherent to the execution of that plan was the expectation that as figures changed, we would account for those changes during the year. FY19 provided a number of opportunities for us to do just that as we gained state appropriated funds over and above what we forecasted due to a change in practice at State-level. We also adjusted for enrollment projection misses in both the Fall and Spring semesters.

The FY20 Proposed Spending Plan is a \$50.1 million which covers our institutional obligations, invests in our institution's future and provides flexibility to cover emerging institutional priorities arising from the strategic planning process.

REVENUE

STATE APPROPRIATION

To recap the State's appropriation process, it begins in October when the Board of Higher Education (BHE) issues its guidance. In January, the Governor files his initial bill (H1) with the House Ways and Means Committee (HWM). The HWM evaluates the H1 bill and forwards it to the full House of Representatives with a list of recommendations. The House considers the recommendations of the HWM and any other amendments. After deliberation, the House approves an amended version of the bill. The Senate Ways and Means Committee (SWM) follows the same process as the HWM before forwarding its recommendations to the full Senate. The Senate considers amendments to the bill before approving the final amended version. At this point, the bill goes into Conference Committee where selected members of the Administration, House, and Senate reconcile the three budget proposals. An agreed-upon version is sent back to the House and Senate for a final vote by both branches. The final agreed-upon proposal returns to the Governor for a period of

FY20 Spending Plan Narrative

consideration. The Governor has the authority to veto specific lines within the proposed budget, up to and including a veto of the entire proposed budget. With a 2/3 majority vote, the Legislative branches can override the Governor's vetoes. Following any such overrides, the bill is finalized and is referred to as the General Appropriations Act.

Governor Baker released his \$42.7B budget proposal on January 23, 2019. It represented, in terms of gross dollars, a 1.5% increase compared to the prior year's funding. The Massasoit line item in the H1 calls for an appropriation of \$22,552,374. This amount was matched by the House Ways and Means proposal released on April 10, 2019. The Senate Ways and Means proposal has yet to be released. Our initial estimates for the state appropriation were slightly lower at \$22,550,455 (a difference of \$1,919). We have adjusted our estimates to reflect what we saw in both H1 and the HWM submissions. The HWM proposal includes incremental funds dedicated to the formula. The gross amount represents a 1% increase over the FY19 amount. In the interests of being fiscally conservative at this stage of the overall process, we have kept our Formula Funding line static to FY19.

The cost of fringe benefits rose from 37.14% in FY19 to 37.99% in FY20. This modest increase of 0.85 percentage points represents a 2.3% increase in our fringe expenses. The increase from FY18 to FY19 was 2.2% after a period of more significant increases. The cumulative impact of these increases is compounded because we take a hit in both rate (the increase of the rate from year-to-year) and volume (the increase in payroll from year-to-year against which the rate is applied). Collective bargaining increases implemented in one year drive up the total payroll against which the higher fringe rate is applied in the subsequent year.

Working to our favor in this calculation is the State's decision to break with past practice with regard to funding collective bargaining. Typically the Commonwealth would fund the first year of any collective bargaining agreement. Years 2 and 3 of those contracts were funded locally. In our FY19 appropriation, the State included funding for collective bargaining associated with Year 3 of the MCCC contract (FY18) as well as Year 1 and 2 of the AFSCME contract (FY18 and FY19). As previously mentioned, we also received a greater than projected amount in Formula Funding. These increases allow us to put more of our full-time payroll expenses on state appropriated dollars thereby triggering a significantly lower fringe expense. When full-time payroll expenses are charged to state appropriated dollars, the State picks up the fringe benefit expense and we only pay the Employer Payroll Tax. The State Comptroller announced in January 2019 that the fringe benefit rate for FY20 would be 35.55% and the Employer Payroll Tax 2.44%. With more state appropriated dollars in our revenue portfolio, we can cover more of our full-time payroll expense thereby triggering the lower 2.44%. Full-time payroll expense exceeding our appropriation level is paid with locally generated tuition & fees which triggers the full fringe rate of 37.99% (Employer Payroll Tax + Fringe Benefit Rate).

ENROLLMENT

The budget development process incorporates input from the Enrollment Projection Team at three pre-identified points in the year. As each semester's enrollment cycle completes and census data is captured, the predictive model is updated to

FY20 Spending Plan Narrative

incorporate real-time enrollment changes and trends into the Enrollment Forecast, informing the direction of recruitment and retention activities.

The Enrollment Projection Team is composed of key staff from within Enrollment Management, Institutional Research, and this year, the addition of the Division of Early College Access. The creation of the Division of Early College Access has afforded us the opportunity to predict high school student enrollment (individually and through contract courses) with greater accuracy. The need to refine projections surrounding this growing population became evident in the FY19 enrollment cycle.

The headcount enrollment projection for FY19 was proximate to headcount actuals. However, projections for credit hours were significantly different than census data indicated. Historically, the college has been very consistent with the average credit count per student. The model has used this as the benchmark for calculating projected revenue. The enrollment miss in credit hours in FY19 proved the model needed to take a more refined approach. While not the only factor, recent trends revealed that high school students are accounting for a larger proportion of the overall class of new students entering the college. These students are limited in their ability to take more than 6 credits which, to some degree, accounts for the lower average credit count per head seen in FY19. It was apparent that this group of students needed to be reviewed separately, and so became a separate piece of the approach to the FY20 projection model. Including projections from the Division of Early College Access was critical a component in this year's enrollment projection.

The first step in developing an enrollment projection is calculating the institution's retention rate. Currently, the Enrollment Projection Team incorporates retention trend data for specific cohorts dating back to Spring 2011. Massasoit's overall retention rate has been fairly consistent over the last eight years and has proven to be accurate for projection modeling when applied to the class as a whole rather than individually for specific groups. The fluctuation of retention trends is predicated on the unemployment rate. For example, if the unemployment rate drops, the retention rate has also historically dropped. The retention rate is applied to the whole class to calculate the number of continuing students.

The second step is to calculate the number of incoming students. That group has consisted of new students, transfer students, and stop-out students. The numbers are based on high school data and historical trends, respectively. Due to the recent impact of changes in the high school student trends, the Enrollment Projection Team decided to "back out" the high school students and treat them as an individual group. This means a high school group is made up of both continuing and new students without a technical ability to differentiate. Removing the high school students impacted both the continuing group and new student population. Removing them from the continuing group necessitated a change to the overall retention rate used in the calculation. For example, the retention rate of students that move from spring-to-fall was 36.45% and adjusted to 54.9% by removing high school students. Conversely, the rate for students moving from fall-to-spring was 63.08% and adjusted to 68.0%.

Retention rates dating back to Spring 2011, were recalculated sans the high school group. The new retention rate was applied to the Spring 2019 group to return a projection of returning students for the Fall 2019 semester. The same principle was

FY20 Spending Plan Narrative

applied to the incoming cohorts for Fall 2019. This gave the enrollment team the opportunity to plug-in the forecasted enrollment from the Early College Access Director.

With these adjustments made, the Enrollment Projection Model predicts a -6.3% decrease in both credit hours and headcount for the fall semester resulting in 58,744 total credit hours. The model predicts a -9.7% decrease in headcount for the spring 2020 semester, ultimately yielding a -9.3% decrease in credit hours totaling 50,129 credit hours. Our actual enrollment trends for summer continue to be extremely consistent and are expected to remain at 12,000 credit hours over the course of the summer semester. The total FY20 enrollment projection is 120,873 credit hours, representing a decrease of 8,513 credit hours as compared to FY 19.

PROPOSED FEE INCREASE

The FY20 Proposed Spending Plan is based on a roll-forward model where we carried our fiscal plan from FY19 forward. We identified additional considerations that required resources either contractually or because of institutional commitments made in prior planning. To that, we added a series of investments in funding for advancement, marketing, community & corporate education, and infrastructure. Early in the planning process, it became clear we would need to consider the recommendation of a fee increase.

As we do with many fiscal considerations, we turned to our peer institutions to compare ourselves. According to the Department of Higher Education's Data Warehouse, Massasoit had the second most cost-efficient annual tuition and fee structure in FY19 within the community college sector in the Commonwealth. The table below represents tuition and mandatory fees for students at the respective institutions taking 15 credit hours per semester for both semesters.

FY20 Spending Plan Narrative

Tuition and Mandatory Fees at Massachusetts Community Colleges (Based on Fall State-Supported Rates and 15 CH per semester)			
Institution	FY2018	FY2019	1 Yr % Chg
Bunker Hill Community College	\$5,280	\$5,620	6%
Massasoit Community College	\$5,850	\$6,030	3%
Bristol Community College	\$5,894	\$6,044	3%
Holyoke Community College	\$5,760	\$6,060	5%
Springfield Technical Community College	\$6,066	\$6,306	4%
Cape Cod Community College	\$5,672	\$6,330	12%
Mass Bay Community College	\$6,360	\$6,360	0%
Roxbury Community College	\$5,480	\$6,490	18%
North Shore Community College	\$6,280	\$6,550	4%
Northern Essex Community College	\$6,400	\$6,560	2%
Berkshire Community College	\$6,450	\$6,750	5%
Quinsigamond Community College	\$6,720	\$6,780	1%
Greenfield Community College	\$6,782	\$6,932	2%
Mt. Wachusett Community College	\$6,800	\$6,950	2%
Middlesex Community College	\$5,990	\$7,400	24%
Page created 10/11/2018			
Source: Massachusetts Department of Higher Education			
Weighted data calculated based on % Undergraduate FTE of total Segment and overall. (FTE figures used for calculation are one year in arrears due to reporting schedules.)			

In the interest of ensuring we were comparing apples-to-apples, we whittled the list of the 15 community colleges down further. Using the U.S. Census Bureau's "2013 – 2017 American Community Survey Five-year Estimates" report, we identified comparable institutions using the survey's listing of median household income for 350 Massachusetts' cities and towns.

FY20 Spending Plan Narrative

Proposed MCC FY2020 Fees (<i>based on 15 CH per semester</i>) as compared to Economically Similar Institutions' FY19 Fees			
Institution	FY2019	FY2020	
Bunker Hill Community College	\$5,620	\$5,620	
Bristol Community College	\$6,044	\$6,044	
Holyoke Community College	\$6,060	\$6,060	
Springfield Technical Community College	\$6,306	\$6,306	
Massasoit Community College	\$6,030	\$6,380	
Roxbury Community College	\$6,490	\$6,490	
Northern Essex Community College	\$6,560	\$6,560	
Quinsigamond Community College	\$6,780	\$6,780	
Middlesex Community College	\$7,500	\$7,400	
Page created 10/11/2018			
Source: Massachusetts Department of Higher Education			
Weighted data calculated based on % Undergraduate FTE of total Segment and overall. (FTE figures used for calculation are one year in arrears due to reporting schedules.)			
Assumes MCC Fees raised to \$6,380 to match FY19 Community College Sector Weighted Average Fees while all other institutions' fees remain at FY19 levels. Table compares MCC to institutions serving economically similar service areas to Brockton based on median household income as reported by the 2013-2017 American Community Survey.			

An informal poll of the CFOs of the other 14 community colleges revealed one school not planning a fee increase for FY20. Three schools are still investigating the possibility of an increase in either their general college fee or other administrative fees. The remaining ten institutions expressed the intent to raise fees in the range of \$2-\$10 per credit hour. At the time of the poll, some of these institutions had received their Board's approval for these moves while others had not and were working their way through their respective approval processes.

After modeling the potential impact of several levels of increase, we determined a \$7 increase per credit hour would be the most impactful to the operating budget while also having as minimal an impact on our students as possible. The \$7 General College Fee increase will result in a \$63 increase for students taking 9 credit hours in a semester or \$126 for the full academic year. Based on our enrollment projection model, our average student will take slightly less than 9 credit hours per semester in FY20. We are confident that given the increase of \$100 per student in Pell Grant, increases in our Mass State Grant program and increase in our MCC Fee Assistance program, we will be able to cover all tuition and fees for our neediest students. Our neediest student are defined by all students whose expected family contribution (EFC) is between \$0 and \$5,576. In addition, these students will have enough excess financial aid to cover all costs for books and classroom materials. The chart below illustrates a typical Massasoit financial aid recipient and the impact of the proposed fee increase.

FY20 Spending Plan Narrative

For our EFC = 0 population (which represented 66% of our Pell recipient population in 2017-2018), we will be able to cover 100% of tuition, fees and books (assuming books expense is \$125/class) under the current proposed fee structure.

	FY 18-19 Fee Structure at 12 Credit Hours	Proposed \$7 Fee Increase at 12 Credit Hours	FY 18-19 Fee Structure at 9 Credit Hours	Proposed \$7 Fee Increase at 9 Credit Hours
Semester charges for 12 credits	\$2,412	\$2,496	\$1,809	\$1,872
Average estimated total grant (non-loan) for students EFC = 0	\$3,617	\$3,667	\$2,544	\$2,581
Average balance available for indirect expenses (books, transportation, etc.)	\$1,205	\$1,171	\$735	\$709
We will also be able to cover 100% of tuition, fees and books for ALL Pell recipients with EFCs from 1 - 5,576 under the current proposed fee structure.				
Semester charges for 12 credits	\$2,412	\$2,496	\$1,809	\$1,872
Average estimated total grant (non-loan) for students EFC = 1 - 5,576	\$3,552	\$3,619	\$2,495	\$2,558
Average balance available for indirect expenses (books, transportation, etc.)	\$1,140	\$1,123	\$686	\$686

The proposed \$7 increase to our General College Fee assessed on each credit hour would bring our cost in tuition and fees to \$208 (comprised of: \$8 Technology Fee, \$24 tuition, \$176 General College Fee) . The Technology Fee pays for classroom upgrades, student-centric equipment replacement/upgrades, licensing and other IT related expenses that impact the greatest number of students possible. Many schools assess a similar fee. That is our only additional fee assessed on all registered credit hours. We do have some additional fees tied to specific programs like Paramedic, Nursing, or online courses but those fees are only applied against students registered in those offerings. Fees at other community colleges in Massachusetts include registration, parking, facilities, student IDs and transportation. Massasoit has traditionally avoided such a panoply of fees and the College is not investigating anything beyond the current fee structure in this Proposed Spending Plan.

STUDENT HEALTH INSURANCE

Proposing a fee increase is never taken lightly. Significant effort went into evaluating multiple potential courses of action and their ultimate impact on our students. An increase in tuition and fees, known as “direct costs” in financial aid terms, obviously has a direct impact on what we are charging our students so the initial investigation looked into how that would impact our neediest students. It became clear that the direct costs associated with our neediest students would still be covered by Pell and, as you advance through levels of need evinced by students with Expected Family Contributions (EFC) greater than 0, that a combination of Pell and other state or institutional aid would cover those direct costs.

The next level of investigation was to look at indirect costs – or those expenses associated with a student pursuing their education that are not specifically tied to tuition and fees. These projected expenses are factored into a financial aid award

FY20 Spending Plan Narrative

and students are regularly granted money in their award to help cover some of these indirect costs. It was during this investigation that the subject of health insurance premiums for a segment of our student population arose.

Massachusetts State law requires students enrolled in 9 credits, or more, in any Massachusetts institution of higher education to participate in a school-sponsored qualifying student health insurance program ("SHIP") or an alternate health plan with comparable coverage. Massasoit Community College students who do not opt out will be required to purchase insurance.

The insurance offered is through Blue Cross Blue Shield. AY 19-20 rates for student coverage will be \$2,390 - a \$511 increase over the previous year (see chart). The primary factor causing the rate increase is prior year experience. For Community Colleges, there is a medical loss ratio of 233% for SHIP Premium Assistance (PA) Students and 100% for non-PA students. For actuarial purposes, you want that loss ratio to be at a maximum of 100% to keep costs low. Blue Cross/Blue Shield has communicated that based on the medical loss ratio, our community college plan should have seen a rate increase of more than 134%. The rate still remains lower than all public institutions excluding UMass Lowell. Students can opt out if they have health insurance through employment or guardian. Students who have Mass Health have their premiums paid through the PA program and would not be impacted by the increase.

Looking at last year's data, Massasoit has approximately 100 students who be required to purchase the student health insurance. It is our plan to use institutional financial aid funds to assist those students if necessary.

FY20 Spending Plan Narrative

AY 2019/20 Renewal Rate Proposals

BCBS's renewal rate proposals for the upcoming academic year are included below.

	Current (AY 18/19)	Proposed Renewal (AY 19/20)	\$ Change	% Change
State Universities	\$2,985	\$3,445	\$460	15.4%
Community Colleges	\$1,879	\$2,390	\$511	27.2%
UMass Boston	\$2,178	\$2,554	\$376	17.3%
UMass Dartmouth	\$2,168	\$2,513	\$345	15.9%
UMass Worcester	\$4,358	\$4,050	-\$308	-7.1%
UMass Lowell	\$1,614	\$1,901	\$287	17.8%



5

OTHER REVENUE

In addition to enrollment and the State appropriation, our revenue streams include fees (General College Fee, Tech Fee, program fees, misc.) and revenue-generating activities on-campus such as the bookstore, transcript requests, etc. Many of these separate revenue streams are based on enrollment. Planning for these revenue streams corresponds directly to that projected enrollment increase or decrease. Revenue for these activities is projected based on a combination of the prior year's actual revenue and any new additional factors that may impact the given activity in the coming fiscal year.

Per the College Investment Policy, we will allocate an amount not to exceed the policy spending rate of 5% of the average of the previous three fiscal years' beginning-period endowment values in our operating budget to help fund operating commitments and strategic priorities.

FY20 Spending Plan Narrative

EXPENSES

COLLECTIVE BARGAINING

Past practice has been for the Commonwealth to allocate funds to the community college sector to cover costs associated with Year 1 of any new collective bargaining agreement. Collective bargaining costs associated with Years 2 and 3 of each contract were the responsibility of each institution to cover from locally generated tuition and fees. We have often described this as a latent budget cut as it has forced us to cover significant expenses in salary and fringe (at the full fringe rate) for 2/3 of each contract. With the FY19 GAA, the Commonwealth broke with past practice and allocated funds for prior year collective bargaining expenses. We received funds associated with Year 3 of the last MCCC contract as well as funds associated with Years 1 and 2 for the current AFSCME contract. These funds were a welcome surprise emerging from the Conference Committee stage of the Commonwealth's state-wide budget process.

Looking forward to FY20, we do not have a firm indication if the Commonwealth will resort to past practice or will continue funding additional years as they did in the FY19 GAA. We are entering Year 3 of the current AFSCME contract and what would be Year 2 of the MCCC contract – which is still being negotiated. For our planning purposes, we have included projected collective bargaining amounts in both expense and budget for the FY20 Proposed Spending Plan. We are expecting amendments pertaining to the Commonwealth's intent to fund these subsequent expenses will likely not come until amendments from the Senate or Conference Committee are made public. The Senate will consider the Governor's H1 budget and the House budget proposal in May. Generally speaking, Conference Committee will put forth their proposal in June.

INFORMATION TECHNOLOGY

A major source of ITS funding is from the Technology Fee of \$8/credit assessed to students. Based on current credit hour projections, the fee-based portion of the ITS budget will be approximately \$937,000. Per a standing Board directive, a minimum of one-eighth of this amount (approximately \$117,125) will be spent on instructional media in classrooms and computer labs on items such as student computers, projectors, document cameras, and monitors. In addition to the Technology Fee fund, the ITS budget includes \$2.1M allocated from the general fund.

The majority of the overall ITS budget, or approximately \$1.04M, is earmarked for hardware support and software licensing contracts. These contracts allow us to provide resources like the College portal, external website, computer classroom software, Microsoft license, security, email, data storage, phone service, enterprise applications, and network infrastructure. The largest component is for our student information system (e.g. Banner, BDM, DegreeWorks, Argos, Oracle, and eVisions), which amounts to more than \$340,000.

The next largest expense is for our annual workstation refresh program. This item is discretionary but is usually between \$125,000 and \$175,000 annually. Staff, faculty, and classroom machines are refreshed every four to six years based on need,

FY20 Spending Plan Narrative

condition, and funding. Older machines may be re-allocated for other uses for an additional two to three years, also based on need, condition, and funding.

Project work that is planned for FY20 includes:

- Infrastructure renewal initiatives will include network switches, classroom media equipment, wireless access points, and computing resources for students and employees.
- Upgrades to the degree audit, student self-service, and document imaging systems
- Upgrades to the MyMassasoit portal and mobile app, including cross-platform integration
- Cybersecurity is a dominant theme across all projects and will also include more data loss prevention and information security training tools
- Establishing formal project management practices for IT-centric College projects
- Implementation of an event management application, with goals of optimizing classroom utilization and improving efficiencies within event organization

CAPITAL EXPENDITURES

The Board of Higher Education requires the College dedicate 5% of the total operating revenues to Capital Adaptation and Renewal projects to ensure our facilities and infrastructure are capable of supporting our mission. Committing funds to these projects is imperative as it enables us to put our best institutional-self forward thereby helping us to recruit and retain the best students, faculty and staff to the Massasoit community, a practice very much in keeping with Massasoit's tradition of excellence. The College continues to invest significant funds in each year's operating budget dedicated to asset preservation of our existing facilities as well as improvements in conservation, energy efficiency, public safety, cost containment and public interface.

FY19 proved to be a very active year with respect to capital projects. Anyone on campus in the last few months has been able to witness the multitude of concurrent projects ongoing. The FY20 Proposed Spending Plan intends to continue the momentum imparted by those FY19 projects with the aim of continuing to improve our students' experience by re-vitalizing our facilities with the allocation of nearly \$1.3M, including a one-time \$850,000 infusion from the Board-designated Plant Fund Reserve and redirecting \$100,000 of clean energy credits coming to us under the Clean Energy Incentive Program (CEIP), to our Special Projects line. The bulk of this funding will support the complete renovation of our student dining hall. Taken in tandem with the introduction of our new food service partner, Lessing's Hospitality Group as well as the creation of our new Student Central enrollment center, we will have completely transformed our de facto main entrance and the hub

FY20 Spending Plan Narrative

of student life on campus. The other major project associated with this funding has to do with improving accessibility in the TV Studio.

The aforementioned projects will be funded with allocations from our operating budget. The College will receive additional funding from the Commonwealth to address deferred maintenance projects. The College will replace the Field House roof and replace two parking lots with these funds. The parking lot projects will also address ADA accessibility considerations in those areas.

Additionally, the College is in the beginning stages of planning a solar canopy / energy conservation project. Funded by a grant from the Commonwealth's Leading By Example (LBE) Program, the College will work with SunPower Corporation and PowerOptions, Inc. to install a series of solar array canopies on both the Brockton and Canton campuses. Funding for this project will come entirely from the LBE grant and will result in decreased utility expenses for the College on both campuses.

MCC FEE ASSISTANCE FUND

MCC Fee Assistance fund is the primary source of institutional financial aid and is primarily used to equitably supplement federal and state grant aid so that financially needy students with an estimated family contribution (EFC) greater than 0 may be awarded enough grant assistance to cover 100% of an average student's direct educational costs (specifically, tuition, fees and books). This approach is consistent with Massasoit's institutional commitment to student success, access and affordability, and allows students from low and moderate income families access to a Massasoit education while minimizing student indebtedness.

While not a formal policy, it has become standard practice at Massasoit to allocate operating funds to this resource each fiscal year. Including this amount in our annual spending plan allows the Financial Aid staff to consider this amount available in their planning for, and packaging of, financial aid awards for students throughout the coming fiscal year. In fiscal years during which we increase student fees, 5% of the projected gross increase is then added to the existing allocation to the MCC Fee Assistance fund. That increased amount is carried forward in subsequent spending plans to be supplemented with any new increases. The FY19 Spending Plan allocated \$231,404 for the MCC Fee Assistance fund. With the proposed fee increase in the FY20 Spending Plan, the College is forecasting a gross revenue increase of \$846,111. Adjusted for waivers and uncollectibles, that amount drops to \$778,422. We intend to add \$42,306 to the MCC Fee Assistance fund bringing the current (and future) allocation to no less than \$273,710.

CONCLUSION

Already armed with information from the EMSI report on both Massasoit's regional economic impact and an analysis of our program demand gaps, this Proposed Spending Plan further strengthens the College's standing as it embarks on the Strategic Planning Process. The plan on these pages covers our obligations and

FY20 Spending Plan Narrative

makes key investments in line with expressed institutional goals. It provides flexibility to adjust to emerging priorities and places the institution in a strong operational position looking forward to FY21 and beyond. Integrating supplemental state funds (such as the deferred maintenance project money) with creative opportunities (like the LBE grant funded solar canopy project) into our operating plan gives us the unique opportunity to leap forward in transforming this campus in a physical sense. This spending plan supports the people, projects and services that will serve as the backdrop for what emerges from the strategic planning process

Massasoit Community College Budget Expenditure Classifications

Category 1

- AA** **EMPLOYEE COMPENSATION** – This subsidiary includes regular compensation for full-time employees. It also includes overtime pay, shift differential, sick leave buy back, and awards.
- CC** **SPECIAL EMPLOYEES** – This subsidiary includes payments to individuals who are employed on a temporary basis through contracts. This includes Adjunct Faculty and seasonal employees. In addition, this category includes payments to students who are eligible for work-study.
- DD** **PENSION / INSURANCE** – This subsidiary includes pension and insurance related expenditures associated with departmental operations, such as fringe benefits, unemployment compensation, Medicare, worker's compensation, surety of employees and health and welfare trust fund.

Category 2

- KK** **EQUIPMENT** – This subsidiary includes the purchase and installation of a variety of equipment. For example, ADP equipment, educational equipment, motor vehicles, office equipment, telecommunications equipment, heavy equipment (e.g., front-end loaders, back hoes), photocopiers and duplicators are purchased from this category.
- LL** **EQUIPMENT LEASE / REPAIR** – This subsidiary includes leases, short-term rentals, and the maintenance / repair of equipment not related to Information Technology or infrastructure facilities.
- NN** **INFRASTRUCTURE** – This subsidiary includes expenditures for projects that construct and/or maintain real property assets of the Commonwealth. For example, building and land maintenance and improvement projects, hazardous waste removal, maintenance of roadways (salt, sand, patch), and maintenance supplies that are project-specific are purchased or paid in this category.

Category 3

- BB** **EMPLOYEE EXPENSES** – This subsidiary includes reimbursement to employees and payments on behalf of employees such as hotels, meals, fares and tolls, private auto mileage, conference and registration fees, in-state and out-of-state travel, reimbursement or payment to police officers for the purchase or cleaning of work-related clothing, and overtime meals.

- EE** **ADMINISTRATIVE EXPENSES** – This subsidiary includes administrative expenses associated with departmental operations. For example, office and administrative supplies, postage, printing expenses and supplies, periodical subscriptions, departmental memberships, advertising expenses, professional development registration fees, bottled water (including incidental rental costs of the equipment), fees, fines, licenses & permits, meeting incidentals and state single audit charges are purchased or paid in this category.
- FF** **FACILITY OPERATIONS** – This subsidiary includes the cost of operating state facilities. For example, food and beverages, kitchen and dining supplies, drugs, laboratory supplies, medical supplies, live animal supplies, clothing and footwear, facility furnishings, laundry supplies, cleaning supplies, gardening supplies, grounds keeping tools, library supplies and materials, teaching supplies and materials, recreational and social supplies, maintenance and repair supplies (stock only, hardware, plumbing, electrical supplies and motor vehicle parts), hand tools for maintenance and repair, floor coverings, and law enforcement supplies are purchased or paid in this category.
- GG** **ENERGY COSTS** – This subsidiary includes expenditures for plant operations, space rentals, electricity and natural gas, vehicle fuel, fuel for buildings, water, sewage disposal and payments to energy management services.
- HH** **PROFESSIONAL SERVICES** – This subsidiary includes expenditures for specialized external professional services for specific projects over defined time periods. For example, accountants, ADP professionals, arbitrators, attorneys, honoraria for visiting speakers and lecturers, medical consultants, and program coordinators are paid in this category.
- JJ** **OPERATIONAL SERVICES** – This subsidiary includes compensation expenditures for the routine functioning of departments as part of a department's daily programmatic activities. Services are provided by non-employees, generally by contractual arrangement. For example, accreditation review costs, art models, performers, athletic services (coaches, officials, lifeguards), financial and data processing services, examiners/monitors/graders, exterminators, non-hazardous waste removal, laundry, messenger and security services, interpreters for the deaf, external snow removal and grounds keeping services, tutorial services, and licensed professional trade persons are paid in this category.
- MM** **TUITION / EDUCATIONAL FEES** – This subsidiary is used only for payments of tuition or fees such as malpractice insurance on behalf of students.
- RR** **SCHOLARSHIPS** – This subsidiary is used only for the disbursement of educational assistance (Financial Aid).
- SS** **DEBT PAYMENTS** – This subsidiary is used for serving any accrued debt taken on by the College.
- TT** **STUDENT INSURANCE PAYMENTS** – This subsidiary is used only for payment of insurance policies on behalf of students at the College.
- UU** **INFORMATION TECHNOLOGY EXPENSES** – This subsidiary is used for telecommunications expenditures.

Massasoit Community College

Fiscal Year 2020 Proposed Spending Plan

TOTAL COLLEGE REVENUES					
Revenue Type	Prior Fiscal Year Actuals				2020
	2016	2017	2018*	2019*	Proposed
State Appropriation	\$20,236,391	\$20,966,140	\$21,174,138	\$21,174,138	\$22,552,374
Collective Bargaining Funds	\$0	\$224,063	\$218,994	\$411,774	\$350,059
Formula Funding Adjustment	\$505,684	\$207,998	\$0	\$75,000	\$212,589
Operating Fund	\$28,976,198	\$29,165,471	\$28,407,106	\$27,948,285	\$25,999,912
SUBTOTAL	\$49,718,273	\$50,563,672	\$49,800,238	\$49,609,197	\$49,114,934
Carry Over from Prior FY	\$214,011	\$0	\$0	\$0	\$0
ACPTF Transfer Out	(\$204,000)	(\$89,583)	(\$120,000)	(\$120,000)	(\$70,000)
ACPTF Transfer In (Remaining Balance)	\$48,629	\$0	\$0	\$0	\$0
Fee Assistance Scholarship Transfer Out	(\$135,387)	(\$192,637)	(\$192,637)	(\$231,404)	(\$273,710)
Payout Reserve Transfer In	\$275,253	\$0	\$0	\$0	\$0
CEIP Transfer In	\$0	\$0	\$0	\$0	\$100,000
Capital Reserve Transfer In	\$0	\$0	\$0	\$0	\$850,000
Realize Gain on Investments	(\$45,724)	\$0	\$364,873	\$364,873	\$364,873
TOTAL	\$49,871,055	\$50,281,452	\$49,852,474	\$49,622,666	\$50,086,097
* - Represents Budget figure and not Actual. When originally published and approved, Actual TBD.					

Massasoit Community College

Fiscal Year 2020 Proposed Spending Plan

		TOTAL COLLEGE PROPOSED EXPENDITURES				
		Prior Fiscal Year Actuals				2020
Account	Account Description	2016	2017	2018*	2019**	Proposed
AA	Overtime/FT Salaries	\$26,352,571	\$28,078,547	\$26,975,521	\$27,091,241	\$27,318,811
CC	PT Salaries	\$9,652,120	\$9,088,642	\$9,269,048	\$9,064,667	\$9,081,844
DD	Insurance/Benefits	\$2,440,977	\$2,511,715	\$2,955,816	\$2,593,305	\$2,365,552
Payroll/Benefits:		\$38,445,668	\$39,678,904	\$39,200,385	\$38,749,213	\$38,766,208
KK	Equipment	\$645,553	\$390,292	\$206,244	\$452,199	\$336,203
LL	Repairs/Leases	\$501,068	\$550,037	\$647,285	\$718,243	\$668,030
NN	Construction	\$2,248,608	\$2,102,451	\$1,421,763	\$1,255,385	\$1,946,341
Capital Improvements/Equipment		\$3,395,229	\$3,042,780	\$2,275,292	\$2,425,827	\$2,950,574
BB	Employee Expenses	\$119,835	\$99,123	\$164,811	\$207,719	\$321,034
EE	Administrative/Office Supplies	\$1,840,527	\$1,491,305	\$1,785,798	\$1,751,670	\$1,697,676
FF	Facility/Educational Supplies	\$1,343,113	\$1,310,866	\$1,277,547	\$1,326,052	\$1,160,153
GG	Utility Expense/Space Rental	\$1,486,922	\$1,523,656	\$1,480,782	\$1,409,883	\$1,095,930
HH	Professional Consultant Services	\$275,538	\$343,174	\$487,168	\$440,655	\$703,601
JJ	Operational Consultant Services	\$279,824	\$402,818	\$401,323	\$426,380	\$356,350
MM	Tuition/Educational Fees	\$0	\$0	\$0	\$0	\$0
RR	Entitlements	\$6,750	\$6,500	\$10,000	\$11,250	\$11,250
SS	Debt Service	\$825,134	\$827,375	\$825,000	\$825,000	\$825,000
TT	Student Insurance/Special Payments	\$9,247	\$8,128	\$10,000	\$10,000	\$10,000
UU	Information Technology Expense	\$1,627,766	\$1,894,023	\$1,934,368	\$2,039,017	\$2,188,321
Operations/Other		\$7,814,656	\$7,906,968	\$8,376,797	\$8,447,626	\$8,369,315
TOTAL COLLEGE		\$49,655,553	\$50,628,652	\$49,852,474	\$49,622,666	\$50,086,097
* - Represents Budget figure and not Actual. When originally published and approved, Actual TBD.						

Massasoit Community College

Fiscal Year 2020 Proposed Spending Plan

		Office of the President				
		Prior Fiscal Year Budget				2020
Account	Account Description			2018	2019	Proposed
AA	Overtime/FT Salaries			\$3,619,891	\$3,401,577	\$3,715,223
CC	PT Salaries			\$210,133	\$207,957	\$292,874
DD	Insurance/Benefits			\$260,587	\$267,575	302,142
Sub-total	Payroll/Benefits			\$4,090,611	\$3,877,109	\$4,310,238
KK	Equipment			\$13,194	\$29,885	\$59,474
LL	Repairs/Leases			\$59,612	\$83,067	\$27,547
NN	Construction			\$0	\$0	\$0
Sub-total	Capital Improvements/Equipment			\$72,806	\$112,952	\$87,021
BB	Employee Expenses			\$66,108	\$70,316	\$170,948
EE	Administrative/Office Supplies			\$867,178	\$795,922	\$934,577
FF	Facility/Educational Supplies			\$62,479	\$104,467	\$88,477
GG	Utility Expense/Space Rental			\$31,127	\$30,000	\$500
HH	Professional Consultant Services			\$278,204	\$207,000	\$428,966
JJ	Operational Consultant Services			\$178,980	\$188,900	\$206,400
TT	Student Insurance/Special Payments			\$0	\$0	\$0
UU	Information Technology Expenses			\$43,490	\$34,106	\$45,227
Operations/Other				\$1,527,566	\$1,430,711	\$1,875,095
TOTAL				\$5,690,983	\$5,420,772	\$6,272,353

Massasoit Community College Fiscal Year 2020 Proposed Spending Plan

		Vice President of Administration & Finance				
		Prior Fiscal Year Budget				2020
Account	Account Description			2018	2019	Proposed
AA	Overtime/FT Salaries			\$9,134,392	\$9,363,986	\$9,498,023
CC	PT Salaries			\$1,090,883	\$933,067	\$408,075
DD	Insurance/Benefits			\$1,503,743	\$840,766	750,659
Sub-total	Payroll/Benefits			\$11,729,018	\$11,137,819	\$10,656,756
KK	Equipment			\$44,514	\$179,900	\$79,550
LL	Repairs/Leases			\$425,074	\$404,013	\$393,407
NN	Construction			\$1,393,607	\$1,189,993	\$1,920,862
Sub-total	Capital Improvements/Equipment			\$1,863,195	\$1,773,906	\$2,393,819
BB	Employee Expenses			\$39,694	\$48,020	\$47,051
EE	Administrative/Office Supplies			\$777,726	\$791,359	\$543,881
FF	Facility/Educational Supplies			\$699,567	\$678,143	\$455,421
GG	Utility Expense/Space Rental			\$1,448,650	\$1,378,503	\$1,093,000
HH	Professional Consultant Services			\$153,450	\$160,805	\$180,305
JJ	Operational Consultant Services			\$93,000	\$106,000	\$22,000
SS	Debt Service			\$825,000	\$825,000	\$825,000
TT	Student Insurance/Special Payments			\$10,000	\$10,000	\$10,000
UU	Information Technology Expense			\$1,621,155	\$1,695,399	\$1,664,828
Sub-total	Operations/Other			\$5,668,242	\$5,693,229	\$4,841,487
TOTAL				\$19,260,455	\$18,604,954	\$17,892,062

Massasoit Community College

Fiscal Year 2020 Proposed Spending Plan

		Vice President of Academic Affairs				
		Prior Fiscal Year Budget				2020
Account	Account Description			2018	2019	Proposed
AA	Overtime/FT Salaries			\$14,221,238	\$14,325,678	\$14,105,566
CC	PT Salaries			\$7,968,032	\$7,923,643	\$8,380,896
DD	Insurance/Benefits			\$1,191,486	\$1,484,964	1,312,751
Sub-total	Payroll/Benefits			\$23,380,756	\$23,734,285	\$23,799,213
KK	Equipment			\$148,536	\$242,414	\$197,180
LL	Repairs/Leases			\$162,599	\$231,163	\$247,076
NN	Construction			\$28,156	\$65,392	\$25,479
Sub-total	Capital Improvements/Equipment			\$339,291	\$538,969	\$469,734
BB	Employee Expenses			\$59,009	\$89,383	\$103,035
EE	Administrative/Office Supplies			\$140,894	\$164,389	\$219,218
FF	Facility/Educational Supplies			\$515,501	\$543,442	\$616,255
GG	Utility Expense/Space Rental			\$1,005	\$1,380	\$2,430
HH	Professional Consultant Services			\$55,514	\$72,850	\$94,330
JJ	Operational Consultant Services			\$129,343	\$131,480	\$127,950
MM	Tuition/Educational Fees			\$0	\$0	\$0
RR	Entitlements			\$10,000	\$11,250	\$11,250
TT	Student Insurance/Special Payments			\$0	\$0	\$0
UU	Information Technology Expense			\$269,723	\$309,512	\$478,266
Sub-total	Operations/Other			\$1,180,989	\$1,323,686	\$1,652,733
TOTAL				\$24,901,036	\$25,596,940	\$25,921,681

MASSASOIT COMMUNITY COLLEGE
FISCAL YEAR 2020 BUDGET
SCHEDULE OF PRIOR APPROVAL ITEMS

Trust Fund guidelines as adopted by the Massasoit Community College Board of Trustees require prior approval of the following items:

1. Expenditures which personally benefit the President

There are no planned expenditures in this category for Fiscal Year 2020.

2. Expenditures for renovations or repairs of the President's office or home

There are no planned expenditures in this category for Fiscal Year 2020.

3. Expenditures for membership dues

Expenditures for approved institutional memberships are provided for in Operations/Other of the President's Office budget.

4. Expenditures for attendance at charitable dinners or events

Participation in community charitable dinners or events is planned not to exceed a total of \$7,500 in Fiscal Year 2020.

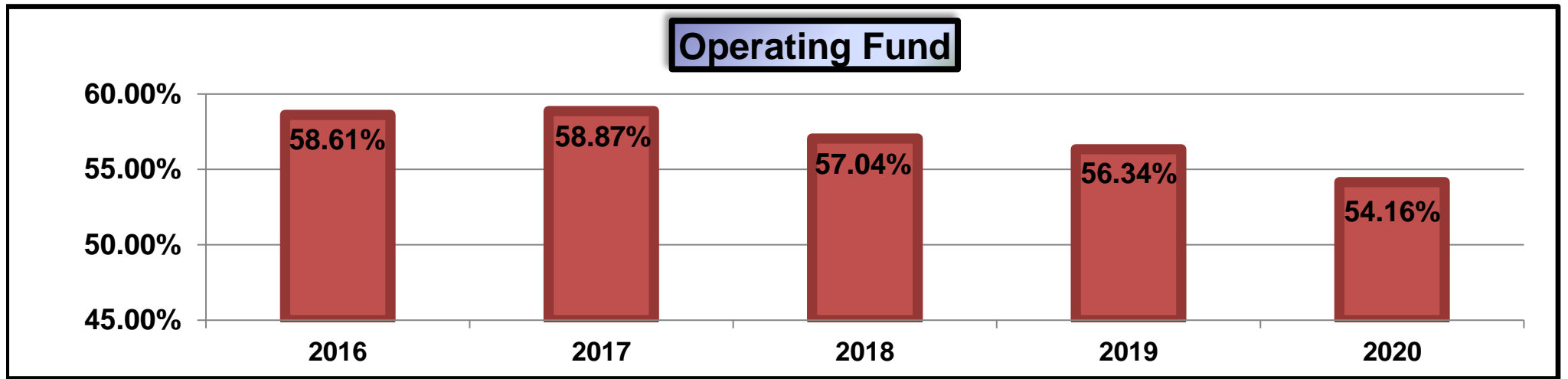
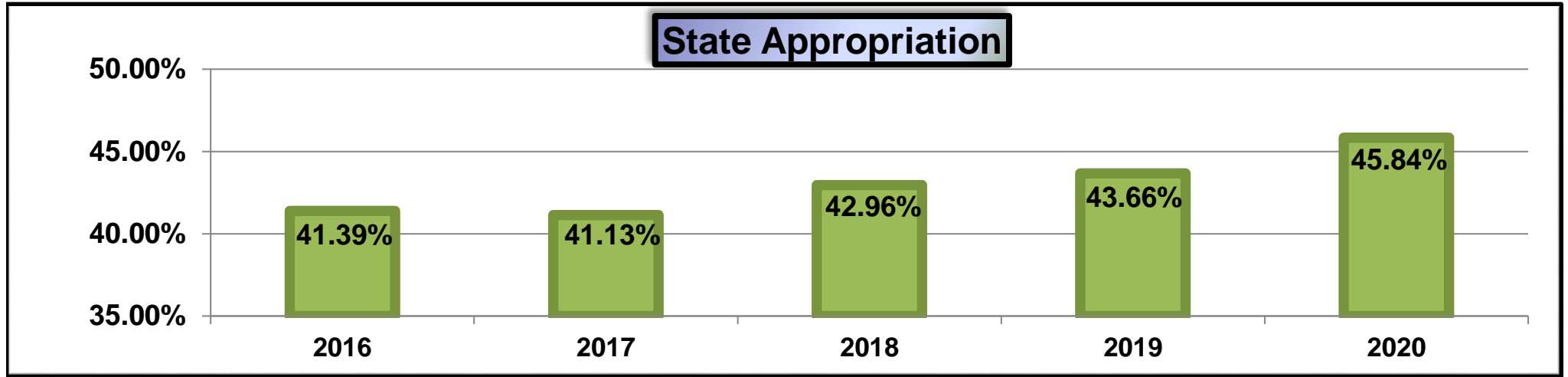
5. Expenditures for Trustees' Travel

The College normally provides for Trustees' attendance at conferences for professional development as well as reimbursement for private auto mileage. The cost of Trustees' travel shall not exceed \$35,000.

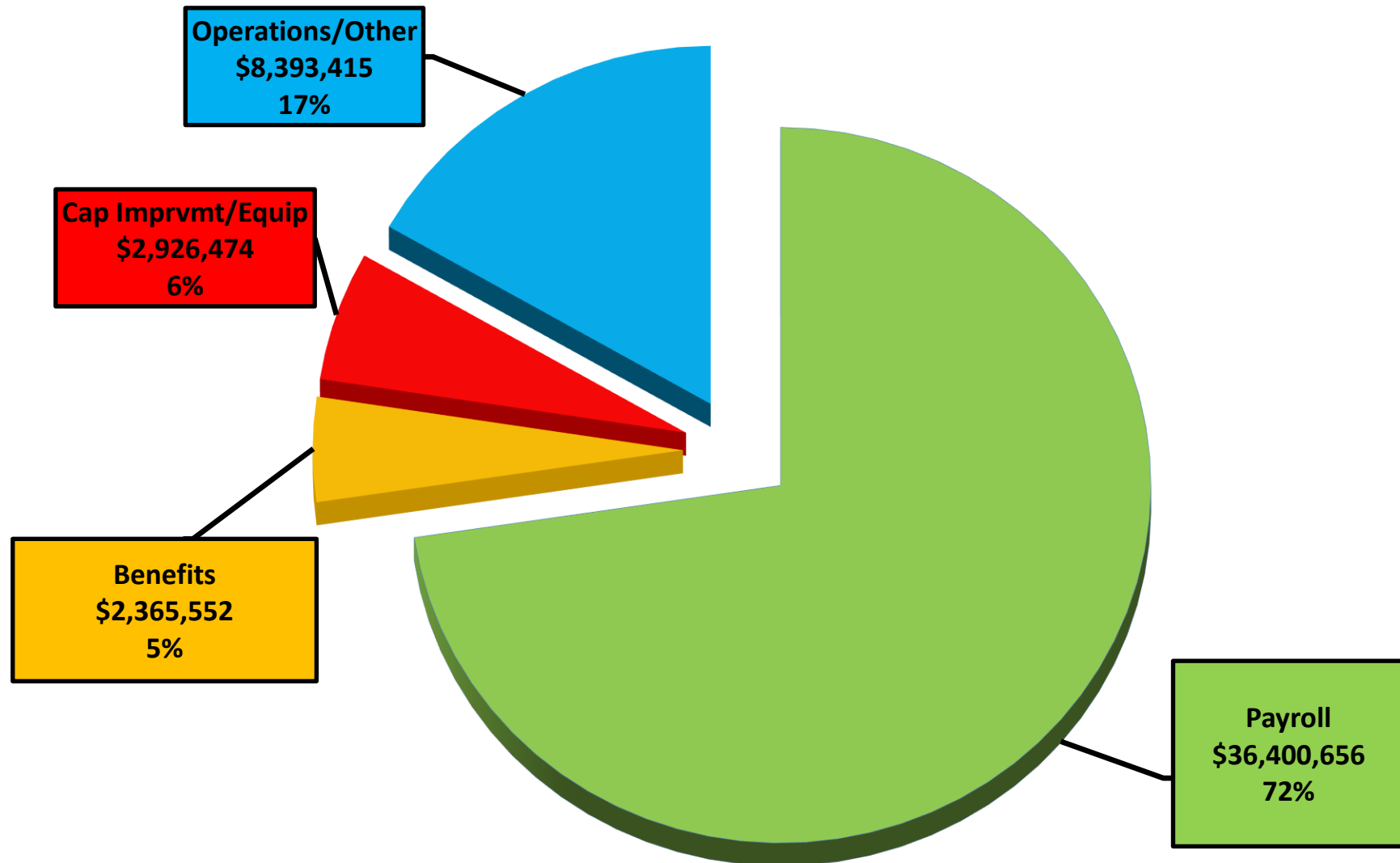
6. Expenditures for entertainment of guests in the President's home

There are no planned expenditures in this category for Fiscal Year 2020.

Revenue by Category - Percentage of Total Budget FY2016 - FY2020



Fiscal Year 2020 Expenditures by Category



Expenditures by Category - Percentage of Total Budget FY2016 - FY2020

