MASSASOIT
COMMUNITY COLLEGE

Fiscal Year 2023

Proposed Spending Plan

July 1, 2022 – June 30, 2023

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June 2022

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INTRODUCTION

The FY2023 Proposed Spending Plan is $46.79 million, as compared to our FY2022 spending plan of $47.55 million. This covers our institutional obligations, invests in our institution's future and provides flexibility to cover emerging institutional priorities

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 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 $48.5B budget proposal on January 26, 2022. The Massasoit line item in the H1 called for an appropriation of $24,952,999 with some expectation of additional funds coming from formula funding. The budget proposal coming out of the House contained a line item for Massasoit slightly higher than that appearing in the Governor's proposal. As historically the Governor's proposal has been a strong indicator of the least amount we would receive in this process, we have used that figure to base our FY23 planning on and can adjust as additional information emerges.

To calculate fringe expenses for FY23, we used the figure of 42.77% in the state Comptroller's multi-year fringe projection. This represents an increase over FY22 when the rate was 39.5%. In March, we received a memo from the Comptroller proposing a lower rate of 41.89% submitted to the US Department of Health and

Human Services (HHS) and we are waiting to learn of HHS' determination before amending our fringe planning calculations. The difference between the two proposals represents a difference of $117,337 in fringe cost avoidance if HHS accepts the Comptroller's proposal. Even at the lower rate of the two, we are still looking at an increase over the FY22 rate. 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.

The ultimate impact of fringe expenses on our budget is determined by the level of state appropriated dollars we ultimately receive. The college uses all state appropriated dollars to cover full-time payroll expenses. In doing so, the college pays the lower payroll tax rate and the state picks up the larger fringe benefits rate. Once we have expended our state appropriated dollars and we need to start using locally generated revenue to cover full-time payroll expenses, the college must pay the full rate (fringe benefits + payroll tax). The state process is ongoing as of the writing of this report. A greater level of state appropriated dollars will drive down our fringe expense as it relates to the full-time payroll expense referred to in this report. Conversely, if our estimates are off and the state delivers a lower level of appropriated dollars, the fringe cost would rise over our current projections.

ALLOCATION PROCESS

Our own college-wide process kicked off earlier than it ever has. The initial budget guidance and timeline for the development process was issued on May 26, 2021. This document laid out the steps required to build our FY23 Proposed Spending plan, some budgetary context describing some of the factors outside the confines of the college with the potential to impact our final numbers, and an azimuth for fiscal managers and planners to aim for as they undertook their own processes and planning.

As in the development process for the two previous spending plans, we requested each line be assigned one of the following prioritized categories:

Contractual – Goods/services that the college has a legal obligation to pay for in the coming fiscal year. Multi-year contracts, debt service and collective bargaining obligations are examples of this type of expense.

Required – Goods/services fill a critical need to meet the college's mission and goals –there is no contractual obligation but the college must cover these expenses. An example of a required expense is our utilities. We are not contractually bound to pay the utilities companies. We could turn off all climate controls and electricity but humid summers and cold winters don't allow for such so we are required to have proper utilities to function. Without these items, there is no work around, you must have them to function. The only difference between required and contractual is that required expenses do not carry a legal obligation.

Preferred – Goods/services are not critical but serve to improve service delivery. A preferred expense could be travel to a conference or a technological upgrade. You area is able to function and provide service to staff and students without a preferred item. That item may improve your level of service or expand your capabilities, but you can still meet the basic demands without it.

Operational – Goods/services we would normally purchase to service staff, faculty and students. This includes office supplies, some furniture, any line item in your budget request that is not specifically tied to an identifiable purchase would be considered "operational". I see a lot of budget requests for "supplies" or "furniture". If you have a placeholder in your budget request, it is an operational item. If your area can function without the item either by deferring, deleting or developing a work-around, it is an operational item.

With a paucity of specifics or details, the Finance Team worked through a trend-based crystal ball exercise in an attempt to determine what our total proposal could be for FY23. The projections were intentionally conservative and stark. We assumed a state appropriation level to the prior year with some degree of confidence. State revenue collections have remained strong and the Baker-Polito administration has been generous in its fiscal support of higher ed, in general, and the community college sector specifically. Our initial enrollment projections, discussed in detail late in this report, represented declines from the prior year. An additional consideration, as discussed in the Q2 presentation in FY22, was to exclude Early College credits from our enrollment-based projections as those credits do not translate into revenue in the same manner that traditional enrollments do. All told, our initial projections had the FY23 Projected Spending Plan at just over $43M. This number evolved over the proceeding months as assumptions were adjusted and more concrete data emerged from various corners. The biggest changes took place in our projected state appropriation. This state appropriated number remains a projection because the state is still going through its own budget development process. However, the House and Senate budget proposals have affirmed many of our amended projections made after the release of the Governor's proposal in January. In some cases, additional state funds appear to be in play that we did not expect.

For example, we have often discussed the state's funding of collective bargaining increases. A number of years ago, the state would fund the annual collective bargaining increases for the first year of a new three year collective bargaining agreement. The second and third years were the responsibility of the institutions to fund. The Baker-Polito administration began funding all three years' increases offering significant support and savings to institutions across the Commonwealth. Throughout this time, Non-Unit Professional (NUP) annual increases were always funded by the college. The current FY23 proposals coming from the state contain funds to cover NUP increases with state dollars. That was not an addition we foresaw. Taking all these moving pieces into account, we settled on the total of $46.79M mentioned in the opening.

The aggregated budget request was, again, sorted by prioritized category. Maintaining the full-time payroll at the college was a first-dollar exercise. The initial aggregated budget request including the payroll forecast, calculated fringe, and requests from across the three divisions totaled $51.3M, a far cry from the projected revenue target of $46.79M. Taking into account the payroll forecast and the four prioritized categories, all but one (Operational) showed an increase over the FY22 submission and all five considerations were above their prior year averages going back to the FY21 process. Most years we face a gap between projected revenue and requested funds from across the college. This annual gap was a driving reason behind changes we made to the budget development process a number of years ago. The changes were intended to result in a more realistic aggregate "ask" when compared to projected revenue. The gap this year was the largest recorded since we made those changes.

The aggregated budget request is assembled with information from across the college's three main divisions. In any given year there are 110-120 individual budgets spread cross these general areas:

PRESIDENT'S DIVISION	ACADEMIC & STUDENT AFFAIRS	ADMINISTRATION & FINANCE
President's Office	Provost Office	VP of Administration/CFO Office
Human Resources	Business & Technology	Finance
Corporate and Community Education	Allied Health	Student Financial Services
Enrollment Management	Humanities / Fine Arts	Information Technology Services
Campus Police	Public Service / Social Science	College Contingency
Institutional Research	Math / Science	Facilities
Advancement	Emergent Technologies	Middleboro
Office of Diversity and Inclusion	Dean of Students	Special Projects
Marketing	Student Services	
Communications	Athletics	

As with most years, the payroll forecast remained in constant flux throughout the development process. As staff come and go, we adjust the forecast to represent these departures and whether or not the function will be replaced or at what point in the year a department may seek to have someone new onboard. These changes drive additional changes in both collective bargaining increase projections and potential fringe expenses. Further impacting this year's process was the increase in projected state revenue over our original numbers. Changes in state appropriated dollars significantly impact our fringe expense calculations as each additional state appropriated dollar represents a cost savings of nearly forty cents on the dollar in fringe. Additional reviews of the aggregated request identified contingency funds and requests that could be eliminated or deferred. Lastly, as we learned some of our covid-related stimulus funds would remain available to us through a no cost extension, we were able to move about $200,000 in information technology related expenses from the projected operating budget and back on to the stimulus funds.

We allocated remaining funds working through the prioritized categories. With a $26.8M payroll figure, $11.8M Contractual total (which includes the projected fringe expense), $7.1M in Required lines and a combined total of $1.1M in Preferred and Operational lines, our plan was fully allocated. The FY23 plan marks this first year since moving to the Zero Based Budget model that the college has significantly funded lines categorized at the lowest priorities.

ENROLLMENT

In a typical year, the budget development process incorporates input from the Enrollment Projection Team (EPT) at three pre-identified points in the year. The EPT is composed of key staff from within Enrollment Management, Institutional Research, and Division of Early College Access. As each semester's enrollment cycle completes and census data is captured, the predictive model is updated to incorporate real-time enrollment changes and trends into the Enrollment Forecast, informing the direction of recruitment and retention activities. The projection for the upcoming fiscal year reflects the persistent impacts of the COVID-19 pandemic and the realities we face.

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 each semester dating back to Spring 2011. With the exception of the impacts realized during FY21 from the COVID-19 crisis, Massasoit's overall retention rate remains fairly consistent and has proven to be accurate for projection modeling. Changes in the unemployment rate have proven to be a strong predictor for changes in our retention 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. This group consists of new students, transfer students, stop-out students, and high school students. The numbers are based on high school data and historical trends. As our fastest growing student population, our Early College students make up a greater percentage of our overall enrollment each year and do not fall into the same enrollment and retention patterns as our post-secondary students. For this reason, we adjusted our projection model to separate the high school student population from our continuing student calculation and to treat them as a specific incoming group for a more accurate calculation based on anticipated contracts.

The projection process for this year was again, atypical in comparison to our historical processes due to the continuing impacts felt by the pandemic and residual factors. The initial run of the base projection model occurred in November to account for enrollment increases gained in the Accelerated Session. Total enrollment in the Fall 2021 Accelerated Session yielded 965 students enrolled in 4,658 credits, or 310.5 full time equivalents (FTE's). Using the initial feed of the model, the EPT took a conservative approach to adjusting the initial overall retention rate (-1% from prior year) as well as new student estimates. This approach considered the additional anticipated challenges presented by a COVID-19 vaccine mandate from the community college presidents effective in the spring semester, while having not yet recovered from the direct impacts of the ongoing pandemic. The rate used to calculate students that move from spring-to-fall was 51.5% and the rate for students moving from fall-to-spring was 64.5% for the December round of the FY23 enrollment projection. The initial predictions of the Enrollment Projection Model indicated a -10.1% decrease for the Fall 2022 semester as compared to the Fall 2021 semester resulting in 43,055 total credit hours. The model predicted a -7.7% decrease for the Spring 2023 semester, ultimately yielding 37,168 credit hours.

The final FY23 projection was calculated in early March to incorporate census data from the Spring 2022 semester in late February. The Spring Accelerated Session was essentially level in comparison to Spring 2021, yielding 986 students registered for 4,622 credits adding the equivalent of 308.1 (FTE's) to overall spring enrollment. With actual spring enrollment (-9.2%) slightly higher than projection (-9.4%), slight adjustments were made to the initial FY23 budget projection.

The final Budget Projection for FY23 indicates a -9.2% decrease for the Fall 2022 semester resulting in 43,481 total credit hours and a -7% decrease for the Spring 2023 semester, resulting in 37,437 credit hours. Actual enrollment trends for summer are extremely consistent year-to-year and continue to be projected at 12,000 credit hours. Accounting for the residual impacts of the pandemic including the effects of the vaccine mandate, a less aggressive return to campus than originally planned to balance the enrollment demand in online and hybrid coursework, the continuing decline in the traditional college-age population and the low unemployment rate trend, the total FY23 enrollment projection is 92,918 credit hours, representing a decrease of -8,335 credit hours or -8.2% as compared to FY22.

PROPOSED FEE INCREASE

No fee increase proposal is considered lightly and the college has demonstrated its commitment to remaining affordable given that we remain at or near the top of the list of best deals in public higher education in the Commonwealth. Our tuition and fees have been amongst the lowest of all the community colleges, state universities, and UMass campuses.

When considering a potential fee increase as part of the spending plan development process, we often discuss the notion of "intergenerational equity" where regular modest fee increases prevent an institution from having to make irregular significant fee increases. In the latter case, future students will bear an undue burden while earlier students receive the benefit of the institution's reluctance to impose increases. Our spending plans have relied on the concept of intergenerational equity and we have requested modest increases over the years while avoiding major increases or the creation of new additional fees.

Early stages of FY2023 planning called for a modest increase to our fee structure. The college has not implemented a fee increase in two fiscal years. As we discussed in the FY2022 Proposed Spending Plan, it would not be prudent for the college to go a third year with no fee increase so we are recommending a 5% or $9 per credit increase to the General College Fee (GCF).

The chart below illustrates where Massasoit would fall compared to the other 14 Massachusetts community colleges, if our proposed fee increase is approved. This chart assumes no changes to the other 14 community colleges' fee structures.

Institution	FY 2022	FY22 Rank
Middlesex Community College	$7,560	1
Roxbury Community College	$7,330	2
Quinsigamond Community College	$7,060	3
Greenfield Community College	$7,022	4
Northern Essex Community College	$7,010	5
Mt. Wachusett Community College	$7,000	6
Springfield Technical Community College	$6,846	7
North Shore Community College	$6,790	8
Berkshire Community College	$6,750	9
Mass Bay Community College	$6,720	10
Cape Cod Community College	$6,690	11
Holyoke Community College	$6,650	12
Bristol Community College	$6,584	13
Massasoit Community College	$6,450	14
Bunker Hill Community College	$6,444	15
Community Colleges Average	$6,819	

5%

The $9 fee increase will result in an $81 increase for students taking 9 credit hours in a semester or $162 for the full academic year. Based on our enrollment projection model, our average student will take 9 credit hours per semester in FY23. We are confident that given the increase of $16 per credit hour in Pell Grants, increases in our Mass State Grant program and the planned increase in our MCC Fee Assistance program, we are be able to cover all tuition and fees for our neediest students. Our neediest students are defined as all students whose expected family contribution (EFC) is between $0 and $6,206. In addition to fully covering their costs for tuition and fees, 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.

	$9 fee increase
Estimated semester bill for **12 credits**	$2,688
Estimated total grant for 0 EFC students	$3,448 - $4,636
Credit balance left over for books/indirect expenses	**$760-1,948**
Total grant target for EFC 0-6206 (13 credit target)	$3,415
Estimated semester bill for **9 credits**	$2,016
Estimated total grant for 0 EFC students ("on time")	$2,586-$2,952
Credit balance left over for books/indirect expenses	**$570-$936**
Total grant target for EFC 0-6206 (10 credit target)	$2,615
Estimated semester bill for **6 credits**	$1,344
Estimated total grant for 0 EFC students ("on time")	$1,724-$2,018
Credit balance left over for books/indirect expenses	**$380-$674**
Total grant target for EFC 0-6206 (7 credit target)	$1,820

The proposed $9 increase to our GCF assessed on each credit hour would bring our cost in tuition and fees to $224 (comprised of: $8 Technology Fee, $24 tuition, $192 GCF) . 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.

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.

STIMULUS FUNDING

The college's use of available stimulus funds as of the end of April 2022 is as follows:

NAME	AWARD	FY20 EXPENDED	FY21 EXPENDED	FY22 EXPENDED	BALANCE	PENDING TRANFER	REMAINING BALANCE
CARES I student	$1,790,687	$1,402,510	$388,177	$0	$0	$0	$0
CARES II inst	$1,790,686	$130,080	$1,660,606	$0	$0	$0	$0
CARES I sup	$178,351	$0	$178,351	$0	$0	$0	$0
HEERF II student	$1,790,687	$0	$1,790,687	$0	$0	$0	$0
HEERF student sup	$322,351	$0	$322,351	$0	$0	$0	$0
HEERF student sup	$587,418	$0	$0	$0	$587,418	$0	$587,418
HEERF II inst	$5,888,470	$0	$5,590,921	$297,549	$0	$0	$0
HEERF III inst	$6,598,446	$0	$681,061	$2,075,101	$3,842,285	$769,140	$3,073,145
HEERF III student	$6,799,843	$0	$4,163	$4,088,857	$2,706,823	$2,706,823	$0
subtotals	**$25,746,939**	**$1,532,590**	**$10,616,317**	**$6,461,507**	**$7,136,526**	**$3,475,963**	**$3,660,563**

The $2.7M pending transfer in HEERF funds will be directed to student emergency grants. Working in conjunction with the Information Technology Services (ITS), Student Financial Services developed a multi-variable report which identified the number of students eligible for these student emergency grants.

That population of 1,946 students was categorized by Expected Family Contribution (EFC) and broke out as:

EFC	Number of Students
0 – 6000	1,328
6001 – 8000	100
8001 – 10000	90
10001+	428

While the statutory requirement was to prioritize grants to students demonstrating exceptional need, the college was certain that there were covid-related impacts on students regardless of EFC. Students with an EFC between 0-6000 were considered to have the most financial need. Those 1,328 students would receive a block grant of $2,000. The 190 students with EFCs ranging from 6001-10000 would receive block grants of $1,250 each.

This strategy will expend nearly 100% of the student grant portion of HEERF I, II, & III but we will still have $587,418 available from the HEERF III SIP grant that will allow us to continue to award emergency and technology grants through AY2022-23.

EXPENSES

COLLECTIVE BARGAINING

The FY23 Proposed Spending Plan includes revenue and expense lines equal to one another for collective bargaining increases associated with both units present on campus. The college has benefited greatly from the state's break with past practice a few years ago when they began including collective bargaining funds for years 2 and 3 of collectively bargained contracts in our appropriations. Previously the state would fund the first year of each new contract. Collective bargaining increases associated with subsequent years on any approved contract came out of institutional funds.

The FY23 Proposed Spending Plan also includes an expense amount associated with collective bargaining increases for Non-Unit Professionals. These increases are not covered by state appropriated dollars.

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 $657,382 – which is just under $100,000 less than FY22's funding. Per a standing Board directive, a minimum of one-eighth of this amount (approximately $82,173) 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 $2.9M allocated from the general fund to include the Media Center allocation.

The majority of the overall ITS budget, or approximately $970k+, is earmarked for hardware support and software licensing contracts and renewals. These contracts allow us to provide resources like the MyMassasoit 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), totaling a little over $300,000.

Major initiatives in FY23 include a replacement of the MyMassasoit portal and mobile app platforms with products designed to improve the user experience and bring new opportunities for engagement with students. Self-service portions of the student information system will also be upgraded to a more modern architecture designed to improve the user experience. Classrooms and computer labs will be refreshed with new computers and audio-visual equipment.

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.

The 5% target is made up of a number of expenses, not just the total expended on projects. We are able to include all funds expending on trades' position salaries, associated fringe for those positions, debt service, and all supplies or services related to the trades. These tend to be the bulk of our 5% every year. The special projects make up the difference and put us over the top of the 5% target.

For the third year in a row, Massasoit will not allocate operational dollars towards any capital projects. Instead we will again look to leverage additional sources of funding to maintain the momentum established by years of steady contributions from the operating budget towards projects on campus. With the Commonwealth's investment in deferred maintenance funds, we have a slate of projects planned throughout FY2023 which will be funded by Massasoit's remaining deferred maintenance funds. FY2023 represents year 5 of a 5 year plan for deferred maintenance funds made available by the state. Having this long-term commitment has been invaluable to the college in affording us the opportunity to plan projects over a period of years to improve college facilities.

The FY2023 projects include:

- Canton Campus Elevator Upgrade
- Administration Building Window Replacement
- Tech Building Window Replacement
- Business Building Window Replacement
- Replace Fuel Tanks at Facilities
- Replace Field House Boilers
- Repair Fine Arts Building Fire Hatches
- Repair Vet Tech Kennels
- Replace 13KV Air Switches
- Humanities Building Window Replacement
- Student Center Building A/C and Lighting Upgrades (Campus Police and Culinary)

All told, the college will be funding nearly $2.2M in projects without utilizing any operating funds which is on par with the $2.4M figure from the FY2022 plan.

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.

With a proposed $9 fee increase requested for the FY2023 Proposed Spending Plan, institutional aid in the form of the MCC Fee Assistance Fund will rise to $345,506 – nearly nine times what it was a decade ago.

CONCLUSION

> "Public money ought to be touched with the most scrupulous consciousness of honour. It is not the produce of riches only, but of the hard earnings of labour and poverty."
>
> -Thomas Paine

The above quote opened the Conclusion of the FY2022 Proposed Spending Plan and it remains in place. Paine's cautionary tone is as relevant to us now as it was last year. In fact, maybe more so as we are a year closer to what may be next for our institution and the field of higher education.

If you were to package the last few years as the "Covid epoch", you could say we are emerging from it in strong financial condition. A host of metrics and analysis would back the assertion. The award of $30M towards our $41.1 million on-campus building project, coupled with the plan of additional college assets, has a seemingly infinite up-side.

Any year-long exercise creating a report such as this will uncover many potential issues and concerns. A number of these have been addressed with cautionary tones in previous proposed spending plans. Peering into the future there are questions about the potential impact of societal and economic issues on the sources of our funding and the prioritization of how we allocate it. The college's sense of self and its understanding of the shared priorities across the institution are essential to navigating any future challenges.

As mentioned in the description of the allocation process, contingency lines in the aggregate request were eliminated. Much of what was needed to close the gap between projected revenue and requested expenses came from the list of vacant positions currently maintained at the college. A number of these payroll lines were funded lines carried as vacant through FY2022. There is still a significant number associated with current vacant positions but the majority of these positions are in some stage of being searched/filled right now. All positions go through a critical needs assessment process with approval by the President's Cabinet. There are several critical vacant positions that will change the shape of the Cabinet including the Vice President for Institutional Advancement, Executive Director of Marketing and Communication, and the Title IX and Compliance Officer to name a few.

We entertain future risk in both our state appropriation and our enrollment-based revenue. With the former, the current state administration has been very fiscally to our sector. Massasoit has benefited from that attention. With a change in administrations on Beacon Hill, there are questions about what that may mean to us fiscally in the year to come. The latter is an issue as we continue a steady march toward the much discussed "demographic cliff". While 2025 has often been cited as the start of that drop off in the traditional college-age population, there is some generous suggestion that the pandemic has accelerated the impact of the cliff and we are seeing it now in our enrollment numbers.

Given these risks, the college has undertaken several strategies to mitigate enrollment trends. They include:

- New partnerships with high schools and businesses aimed at exposing k-12 and businesses to what Massasoit has to offer. It also allows for the development of internship opportunities for our students.

- Training and Workforce Development opportunities as we engage in planning for our Transformation through Renovation $41.1 project. Our new facilities will allow us to become a training hub for healthcare facilities south of Boston.

- We have begun the process of creating an academic plan which will evaluate existing programs and look for opportunities to develop new programs. This plan will assist with recruitment of new students and position them to either transfer to a four-year institution or enter the workforce.

- Development of a strategic enrollment plan for recruitment through retention that will align our academic programs, administrative processes, student facing services, and academic services to the needs of future and current students. This plan will be completed by Fall 2022 with the goal of positively impacting enrollment for fall 2023.

The FY2023 Proposed Spending Plan constructively moves us forward and allows us to support the broadest range of expressed priorities since the start of the pandemic. The FY2024 process will begin immediately after the FY2023 process closes and there is much to weigh looking down the road.

Massasoit Community College
Budget Expenditure Classifications

Category 1

AA **<u>EMPLOYEE COMPENSATION</u> –** This subsidiary includes regular compensation for full-time employees. It also includes overtime pay, shift differential, sick leave buy back, and awards.

CC **<u>SPECIAL EMPLOYEES</u> –** 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 **<u>PENSION / INSURANCE</u> –** 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 **<u>EQUIPMENT</u> –** 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 **<u>EQUIPMENT LEASE / REPAIR</u> –** This subsidiary includes leases, short-term rentals, and the maintenance / repair of equipment not related to Information Technology or infrastructure facilities.

NN **<u>INFRASTRUCTURE</u> –** 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 **<u>EMPLOYEE EXPENSES</u> –** 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 2023 Proposed Spending Plan

	TOTAL COLLEGE REVENUES				
	Prior Fiscal Year Actuals				2023
Revenue Type	2019	2020	2021	2022**	Proposed
State Appropriation	$22,209,446	$23,205,872	$24,474,232	$23,764,288	$25,391,674
Collective Bargaining Funds	$447,050	$0	$0	$358,554	$504,486
Formula Funding Adjustment	$293,171	$435,890	$363,759	$0	$443,062
Deferred Maintenance Reimbursement	$0	$766,300		$0	$0
Operating Fund	$25,822,871	$26,718,327	$25,932,161	$23,402,073	$19,831,259
SUBTOTAL	**$48,772,538**	**$51,126,389**	**$50,770,152**	**$47,524,915**	**$46,170,481**
Carry Over from Prior FY	$0	$0	$0	$0	$0
ACPTF Transfer Out	($28,622)	($70,000)	($130,000)	($30,000)	($30,000)
ACPTF Transfer In (Remaining Balance)	$0	$48,694	$55,914	$0	$0
Fee Assistance Scholarship Transfer Out	($231,404)	($273,710)	($308,527)	($308,527)	($345,506)
One-Time Reserve Transfer In	$0	$0	$0	$0	$0
CEIP Transfer In	$0	$50,000	$0	$0	$0
Capital Reserve Transfer In	$0	$425,000	$0	$0	$0
Realize Gain on Investments	$0	$0	$0	$364,873	$1,000,000
TOTAL	**$48,512,512**	**$51,306,373**	**$50,387,539**	**$47,551,261**	**$46,794,975**

**** FY22 Revenue figures represent the approved Budget and not Actual receipts.**

Massasoit Community College
Fiscal Year 2023 Proposed Spending Plan

TOTAL COLLEGE PROPOSED EXPENDITURES

Account	Account Description	Prior Fiscal Year Actuals 2019	2020	2021	2022**	2023 Proposed
AA	Overtime/FT Salaries	$26,366,964	$26,948,968	$26,761,174	$27,534,171	$26,883,694
CC	PT Salaries	$8,759,098	$8,236,973	$7,421,224	$8,985,553	$8,686,730
DD	Insurance/Benefits	$1,966,095	$2,042,371	$1,397,307	$2,257,000	$1,492,332
Payroll/Benefits:		**$37,092,157**	**$37,228,312**	**$35,579,705**	**$38,776,724**	**$37,062,757**
KK	Equipment	$278,703	$366,170	$71,354	$116,400	$264,042
LL	Repairs/Leases	$583,635	$442,253	$343,277	$614,540	$744,534
NN	Construction	$1,218,924	$2,658,042	$614,045	$625,640	$689,270
Capital Improvements/Equipment		**$2,081,262**	**$3,466,465**	**$1,028,676**	**$1,356,580**	**$1,697,846**
BB	Employee Expenses	$141,874	$124,510	$33,910	$140,590	$194,685
EE	Administrative/Office Supplies	$1,416,843	$1,115,948	$843,378	$1,198,247	$1,516,115
FF	Facility/Educational Supplies	$949,764	$606,649	$385,122	$581,070	$658,379
GG	Utility Expense/Space Rental	$1,265,512	$1,078,399	$1,012,516	$1,241,803	$1,262,156
HH	Professional Consultant Services	$567,564	$638,478	$475,302	$604,653	$567,555
JJ	Operational Consultant Services	$432,820	$481,324	$223,891	$714,480	$700,060
MM	Tuition/Educational Fees	$8,160	$3,437	$0	$18,000	$12,000
RR	Entitlements	$5,618	$2,000	$4,815	$6,000	$6,000
SS	Debt Service	$825,000	$825,000	$825,000	$825,000	$820,064
TT	Student Insurance/Special Payments	$3,210	$1,937	$295	$4,300	$1,200
UU	Information Technology Expense	$1,996,395	$1,941,151	$1,714,801	$2,083,814	$2,296,159
Operations/Other		**$7,612,760**	**$6,818,833**	**$5,519,030**	**$7,417,957**	**$8,034,373**
TOTAL COLLEGE		**$46,786,179**	**$47,513,610**	**$42,127,411**	**$47,551,261**	**$46,794,975**

**** Expenditure figures in the FY2022 column represent FY22 budget figures and not actual expenditures as this report is being published prior to the end of FY22. Actual expenditures will be included at a later date after year end close.**

Massasoit Community College
Fiscal Year 2023 Proposed Spending Plan

Account	Account Description	President's Division				
		Prior Fiscal Year Actuals				2023
Account	Account Description	2019	2020	2021	2022	Proposed
AA	Overtime/FT Salaries	$3,175,883	$3,710,900	$5,734,122	$6,062,906	$5,623,377
CC	PT Salaries	$36,402	$329,915	$458,621	$548,187	$613,265
DD	Insurance/Benefits	$213,459	$247,379	$303,356	$403,288	285,871
Sub-total	**Payroll/Benefits**	**$3,425,744**	**$4,288,194**	**$6,496,099**	**$7,014,381**	**$6,522,513**
KK	Equipment	$68,860	$76,627	$930	$0	$1,000
LL	Repairs/Leases	$25,322	$50,341	$16,153	$31,120	$31,485
NN	Construction	$28,327	$0	$0	$0	$0
Sub-total	**Capital Improvements/Equipment**	**$122,509**	**$126,968**	**$17,083**	**$31,120**	**$32,485**
BB	Employee Expenses	$56,595	$50,838	$25,208	$69,850	$89,030
EE	Administrative/Office Supplies	$509,469	$611,525	$473,642	$583,673	$772,206
FF	Facility/Educational Supplies	$37,099	$46,843	$45,188	$71,040	$74,491
GG	Utility Expense/Space Rental	$22,500	$0	$0	$500	$0
HH	Professional Consultant Services	$358,312	$471,273	$369,684	$217,920	$285,855
JJ	Operational Consultant Services	$11,418	$131,038	$146,691	$268,600	$235,400
TT	Student Insurance/Special Payments	$0	$0	$0	$0	$0
UU	Information Technology Expenses	$37,204	$95,527	$31,897	$53,515	$70,543
Operations/Other		**$1,032,597**	**$1,407,044**	**$1,092,310**	**$1,265,098**	**$1,527,525**
TOTAL		**$4,580,850**	**$5,822,206**	**$7,605,492**	**$8,310,599**	**$8,082,524**

Massasoit Community College
Fiscal Year 2023 Proposed Spending Plan

		Administration and Finance Division				
		Prior Fiscal Year Actuals				2023
Account	Account Description	2019	2020	2021	2022	Proposed
AA	Overtime/FT Salaries	$8,738,300	$8,422,320	$6,645,162	$7,020,175	$7,438,444
CC	PT Salaries	$649,208	$358,540	$182,390	$334,994	$330,442
DD	Insurance/Benefits	$794,875	$758,212	$368,627	$755,831	331,813
Sub-total	**Payroll/Benefits**	**$10,182,383**	**$9,539,072**	**$7,196,179**	**$8,111,000**	**$8,100,700**
KK	Equipment	$114,950	$215,389	$40,479	$75,000	$155,820
LL	Repairs/Leases	$379,275	$327,951	$277,487	$304,620	$350,585
NN	Construction	$1,164,512	$2,633,062	$601,035	$607,490	$664,870
Sub-total	**Capital Improvements/Equipment**	**$1,658,737**	**$3,176,402**	**$919,001**	**$987,110**	**$1,171,275**
BB	Employee Expenses	$15,418	$27,328	$2,261	$18,630	$12,850
EE	Administrative/Office Supplies	$799,303	$372,123	$285,218	$434,925	$562,883
FF	Facility/Educational Supplies	$403,906	$120,407	$22,090	$31,510	$124,300
GG	Utility Expense/Space Rental	$1,242,164	$1,077,222	$1,012,516	$1,237,853	$1,259,606
HH	Professional Consultant Services	$135,812	$118,536	$80,443	$312,653	$185,300
JJ	Operational Consultant Services	$181,493	$266,369	$34,841	$323,200	$327,000
SS	Debt Service	$825,000	$825,000	$825,000	$825,000	$820,064
TT	Student Insurance/Special Payments	$3,210	$1,937	$295	$2,500	$1,200
UU	Information Technology Expense	$1,641,454	$1,556,414	$1,462,009	$1,697,138	$1,788,567
Sub-total	**Operations/Other**	**$5,247,760**	**$4,365,336**	**$3,724,673**	**$4,883,409**	**$5,081,770**
TOTAL		**$17,088,880**	**$17,080,810**	**$11,839,853**	**$13,981,519**	**$14,353,745**

Massasoit Community College
Fiscal Year 2023 Proposed Spending Plan

Account	Account Description	Academic and Student Affairs Division				
		Prior Fiscal Year Actuals				2023
		2019	2020	2021	2022	Proposed
AA	Overtime/FT Salaries	$14,452,781	$14,815,748	$14,381,890	$14,451,090	$13,821,873
CC	PT Salaries	$8,073,488	$7,548,518	$6,780,213	$8,102,372	$7,743,023
DD	Insurance/Benefits	$957,761	$1,036,780	$725,324	$1,097,881	874,648
Sub-total	**Payroll/Benefits**	**$23,484,030**	**$23,401,046**	**$21,887,427**	**$23,651,343**	**$22,439,544**
KK	Equipment	$94,893	$74,154	$29,945	$41,400	$107,222
LL	Repairs/Leases	$179,038	$63,961	$49,637	$278,800	$362,464
NN	Construction	$26,085	$24,980	$13,010	$18,150	$24,400
Sub-total	**Capital Improvements/Equipment**	**$300,016**	**$163,095**	**$92,592**	**$338,350**	**$494,086**
BB	Employee Expenses	$69,861	$46,344	$6,441	$52,110	$92,805
EE	Administrative/Office Supplies	$108,071	$132,300	$84,518	$179,649	$181,026
FF	Facility/Educational Supplies	$508,759	$439,399	$317,844	$478,520	$459,587
GG	Utility Expense/Space Rental	$848	$1,177	$0	$3,450	$2,550
HH	Professional Consultant Services	$73,440	$48,669	$25,175	$74,080	$96,400
JJ	Operational Consultant Services	$239,909	$83,917	$42,359	$122,680	$137,660
MM	Tuition/Educational Fees	$8,160	$3,437	$0	$18,000	$12,000
RR	Entitlements	$5,618	$2,000	$4,815	$6,000	$6,000
TT	Student Insurance/Special Payments	$0	$0	$0	$1,800	$0
UU	Information Technology Expense	$317,737	$289,210	$220,895	$333,161	$437,049
Sub-total	**Operations/Other**	**$1,332,403**	**$1,046,453**	**$702,047**	**$1,269,450**	**$1,425,077**
TOTAL		**$25,116,449**	**$24,610,594**	**$22,682,066**	**$25,259,143**	**$24,358,707**

MASSASOIT COMMUNITY COLLEGE

FISCAL YEAR 2023 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 2023.

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

   There are no planned expenditures in this category for Fiscal Year 2023.

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 2023.

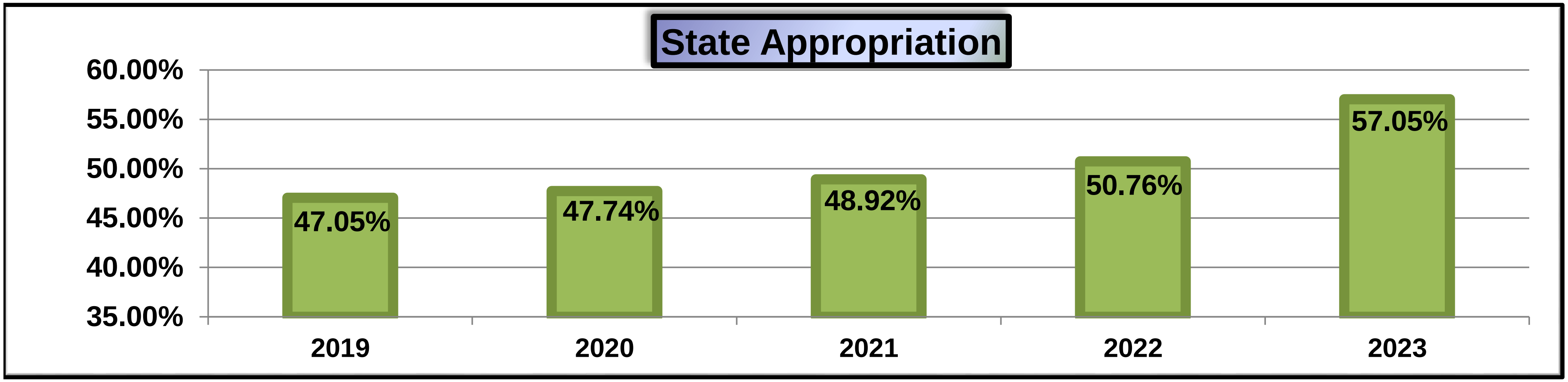
5. Expenditures for Trustees' Travel

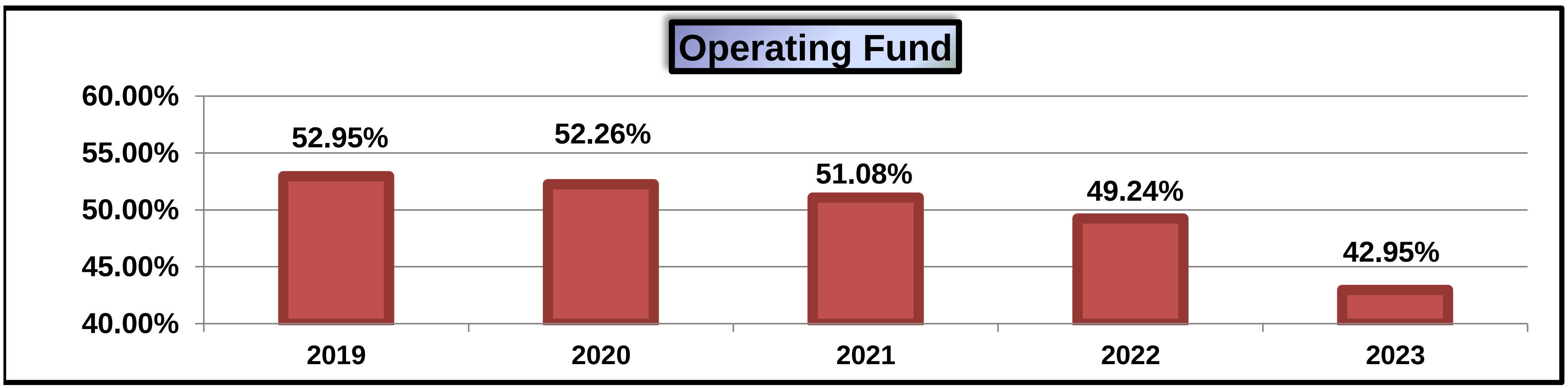
   The College normally provides for Trustees' attendance at conferences for professional development as well as reimbursement for private auto mileage. The cost of Trustees' travel shall not exceed $35,000.

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

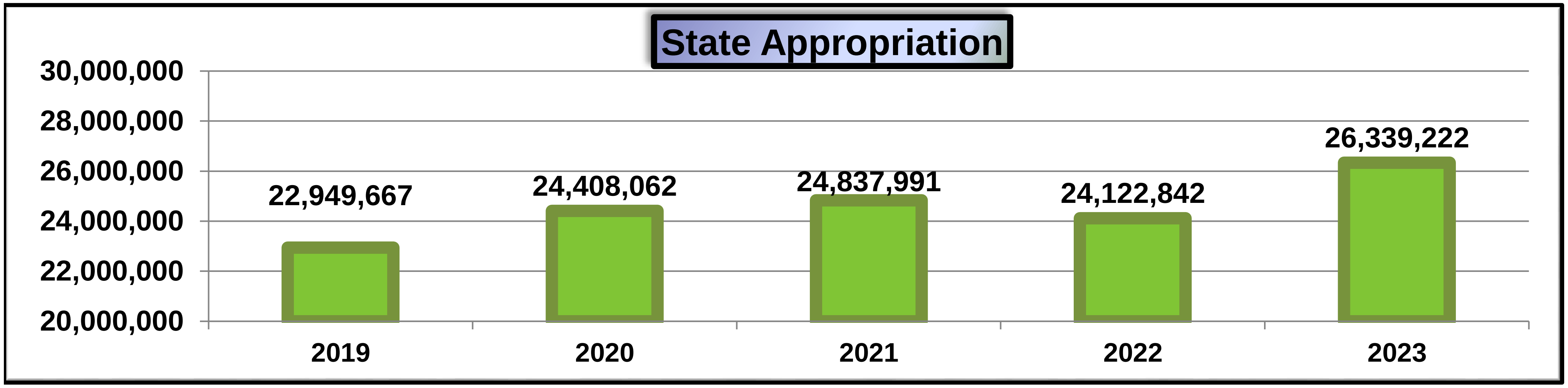
   There are no planned expenditures in this category for Fiscal Year 2023.

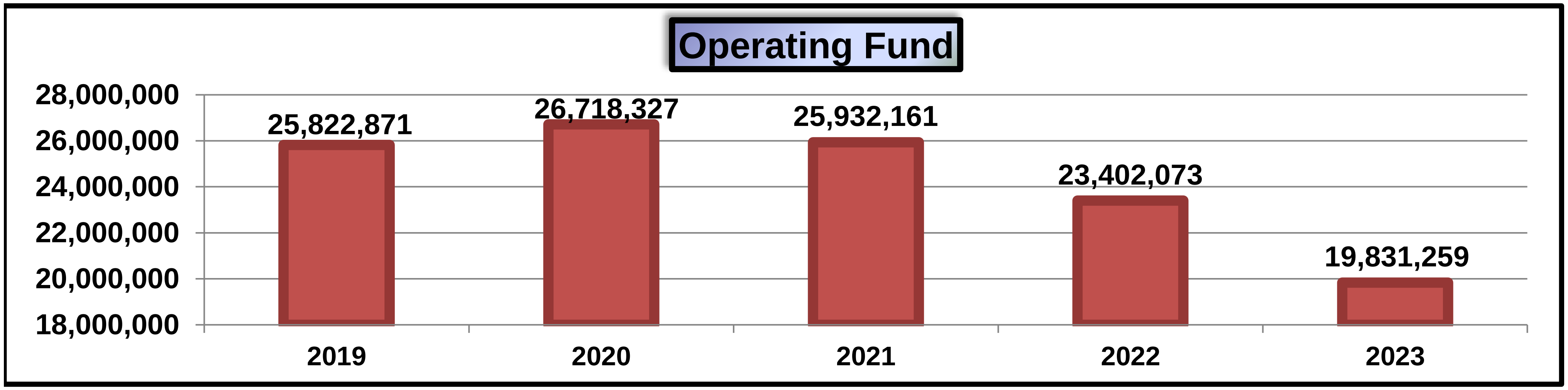
Operating Revenue by Source - Percentage of Total Operating Revenue
FY2019 - FY2023

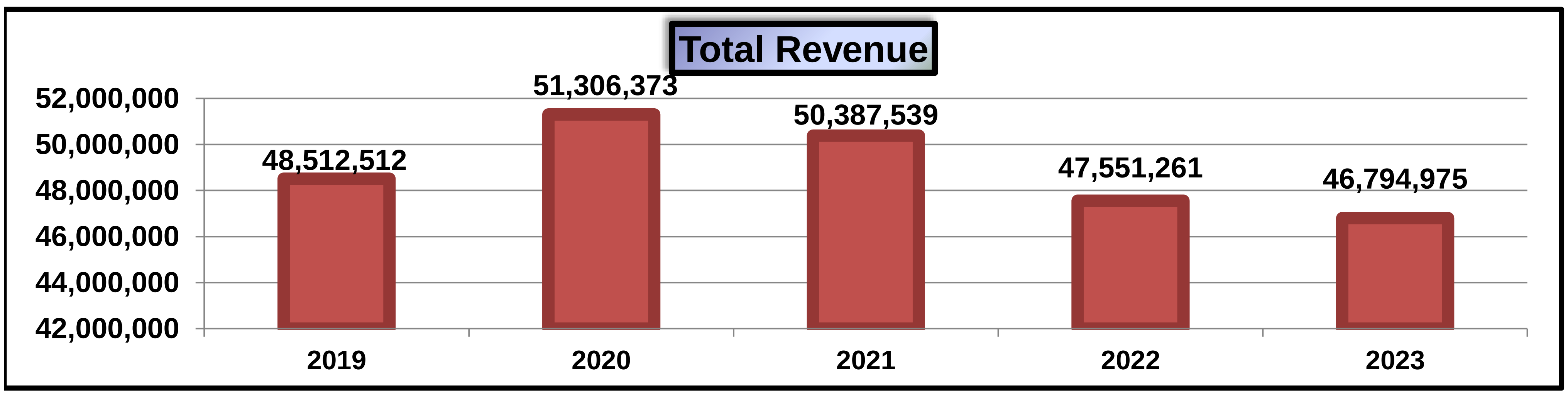


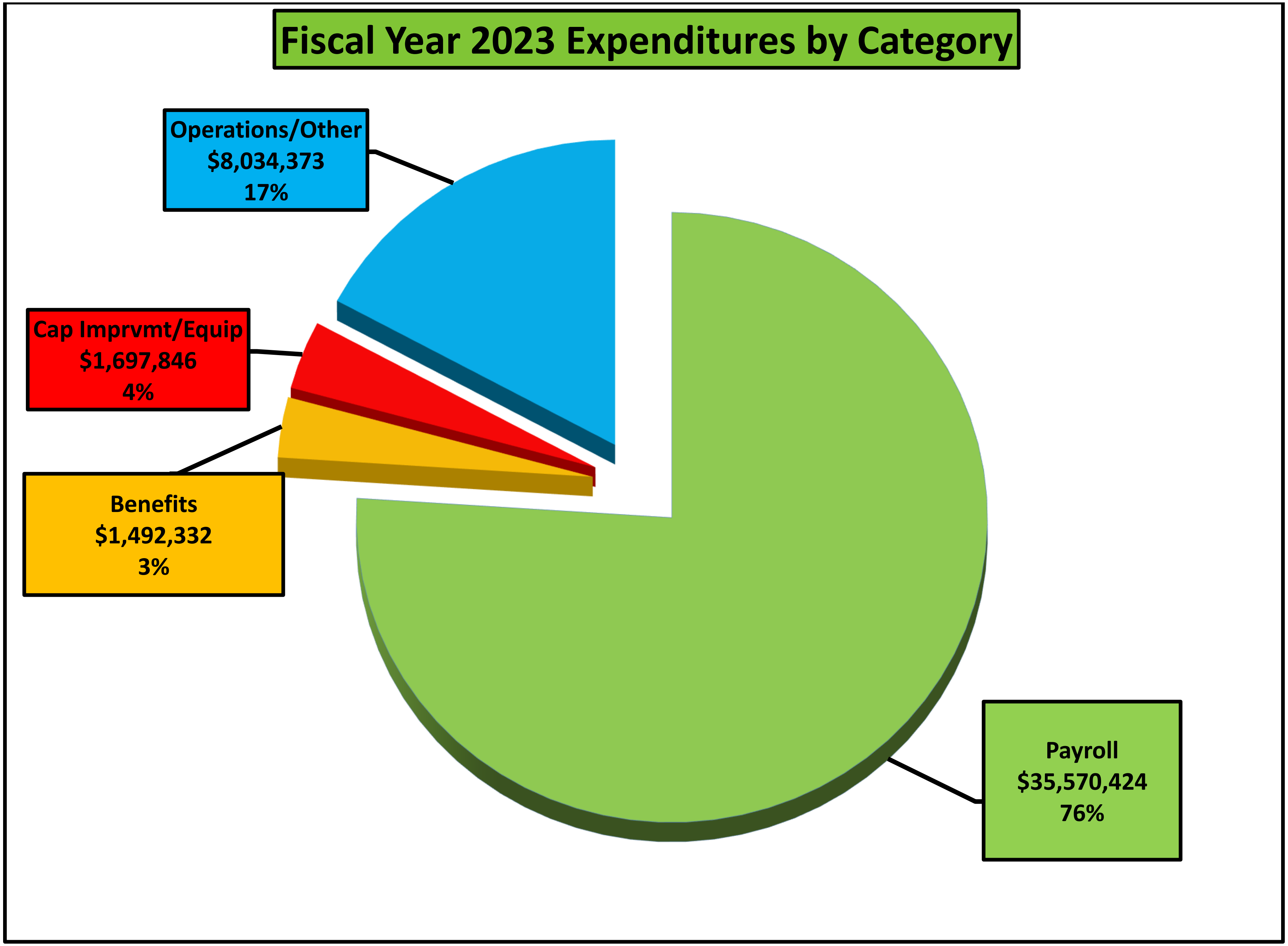


Operating Revenue by Source - Gross Dollar Amount and Total Revenue FY2019 - FY2023

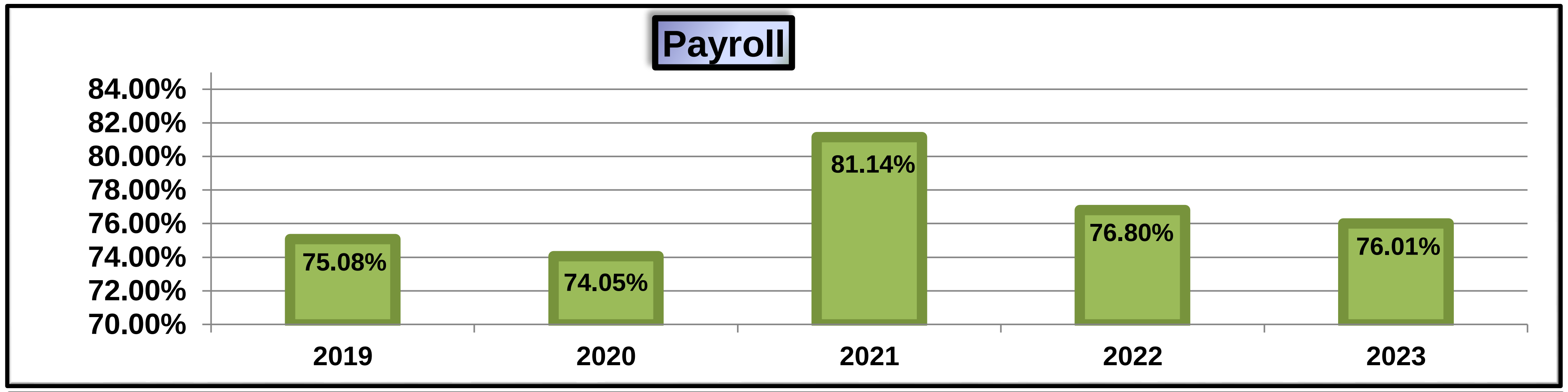


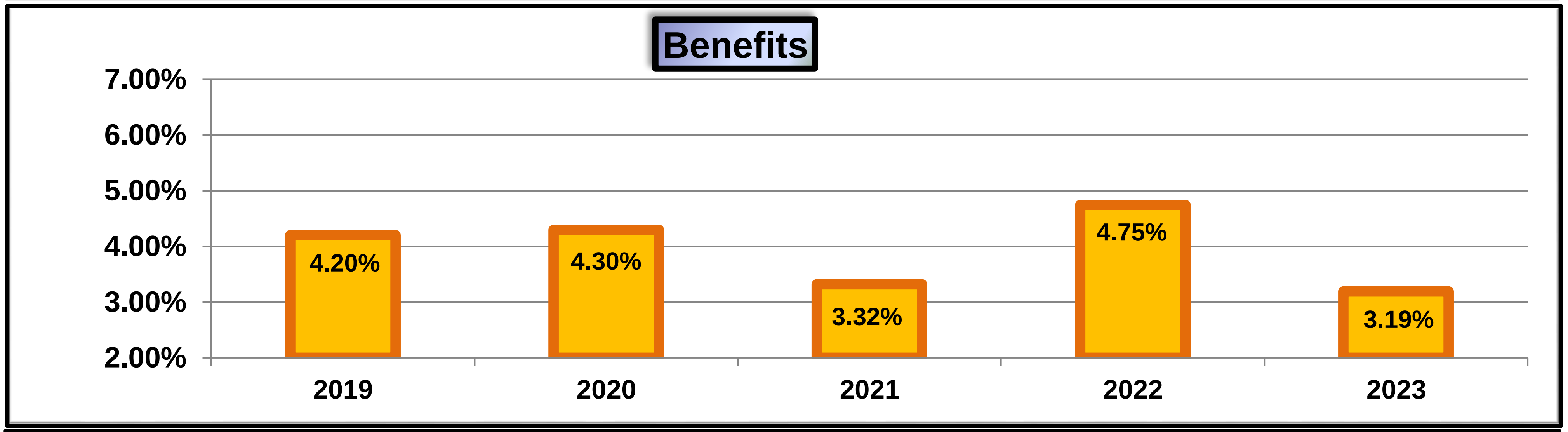


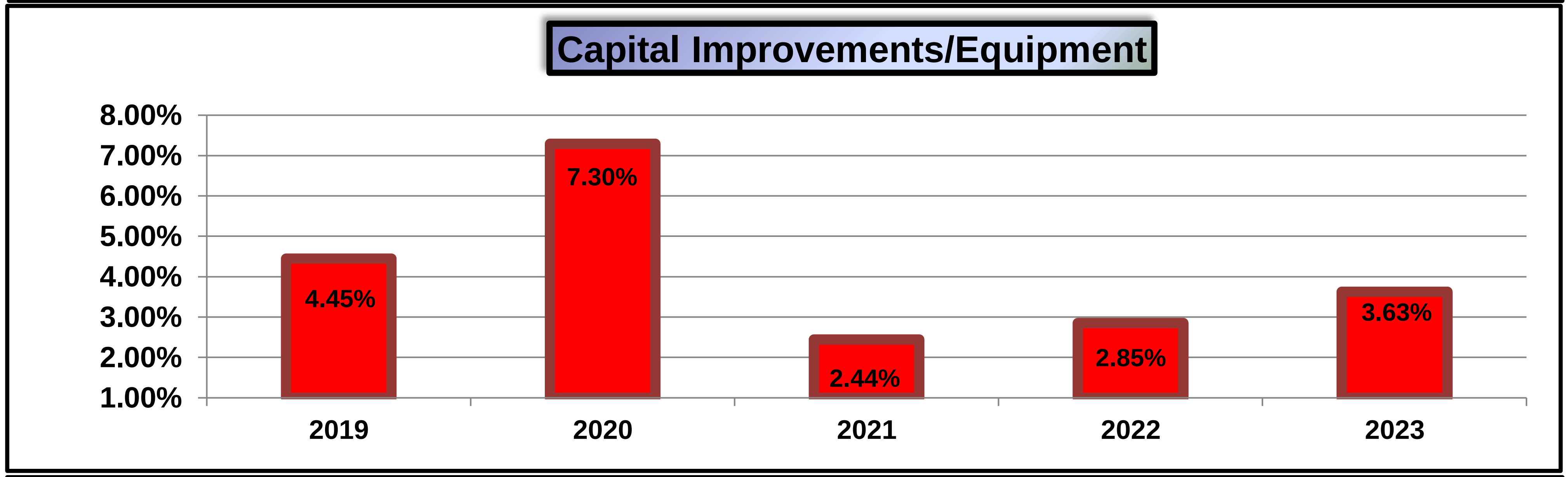


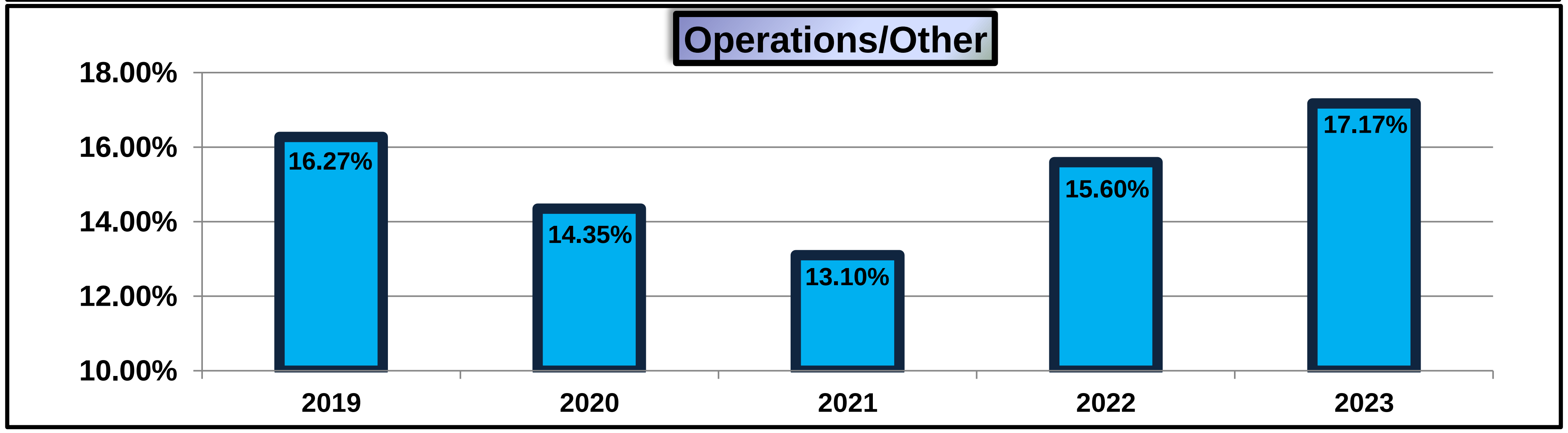

Fiscal Year 2023 Expenditures by Category
Operations/Other
$8,034,373
17%
Cap Imprvmt/Equip
$1,697,846
4%
Benefits
$1,492,332
3%
Payroll
$35,570,424
76%

Expenditures by Category - Percentage of Total Budget
FY2019 - FY2023



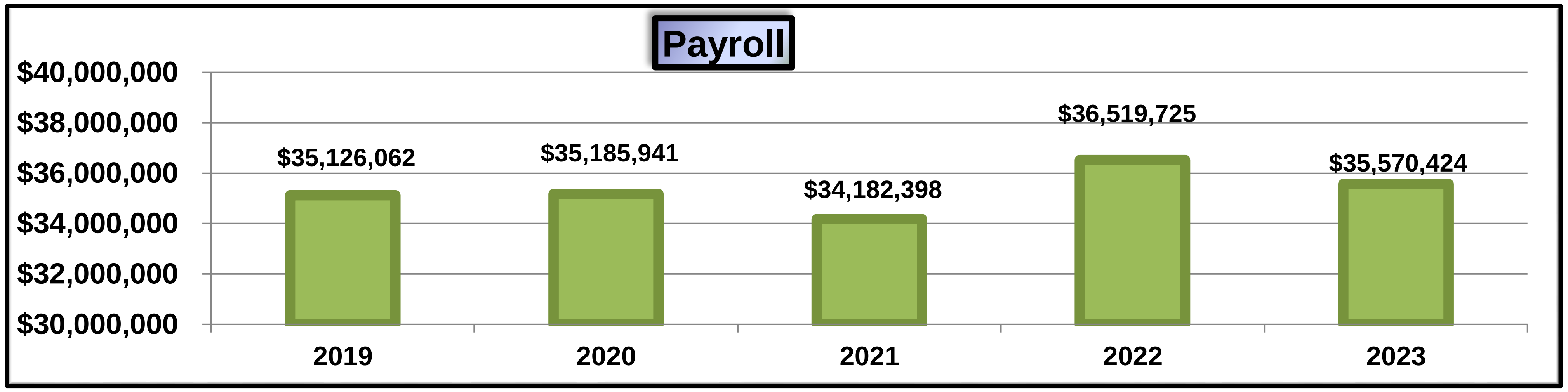


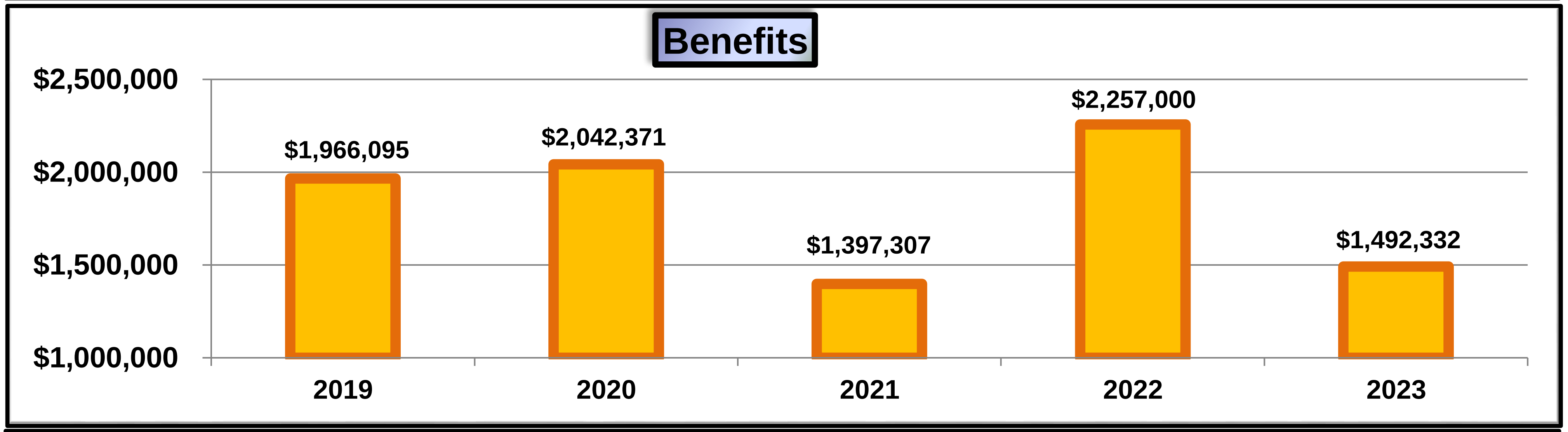


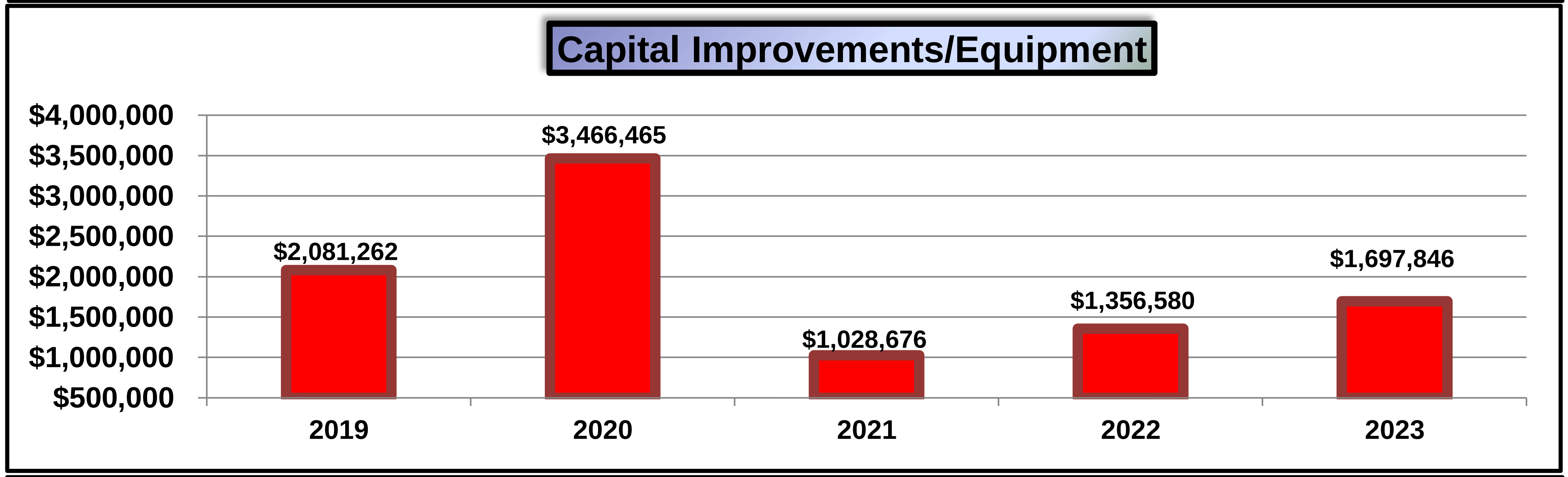


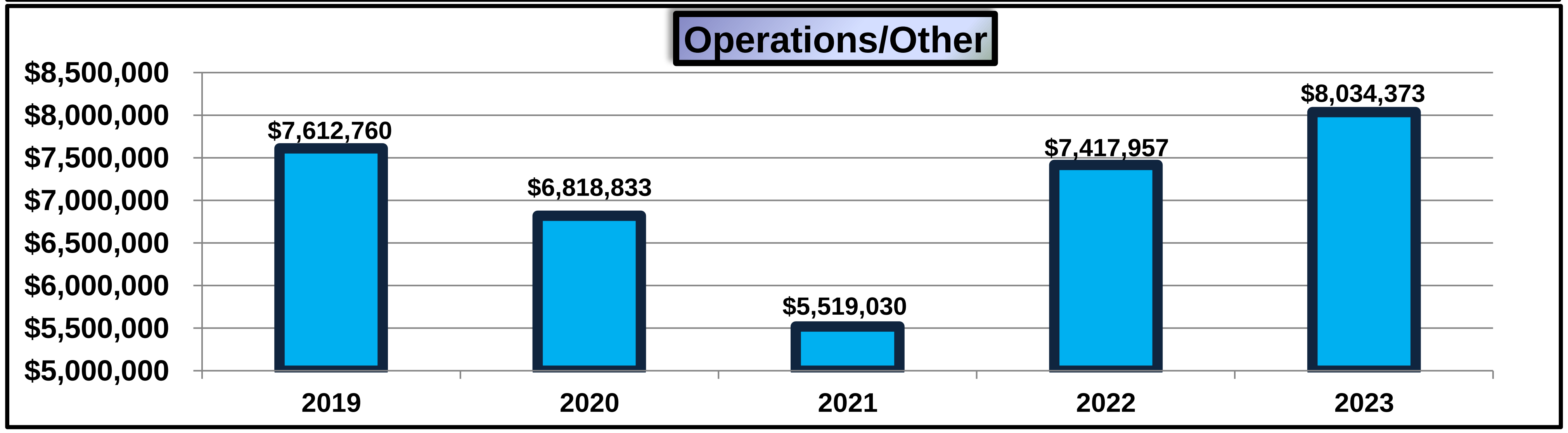
Note: Data for FY19 - 21 represents end of year Actuals. FY22 and 23 are Budget dollars.

Expenditures by Category - Gross Dollar Amounts
FY2019 - FY2023









Note: Data for FY19 - 21 represents end of year Actuals. FY22 and 23 are Budget dollars.