



**Minutes of the Meeting of the Massachusetts College of Liberal Arts  
BOARD OF TRUSTEES FISCAL AFFAIRS COMMITTEE  
April 4, 2019  
87 Blackinton St., North Adams, MA 01247**

**Members in attendance**

Susan Gold, Chair  
JD Chesloff  
John Barrett  
Denise Marshall, Board chair

**Others in attendance**

Dr. James Birge, President  
Larry Behan, Vice President, Administration & Finance  
Curt Cellana, Accounting Manager  
Lisa Lescarbeau, Clerk

Trustee Gold called the meeting to order at 3:30 p.m.

Mr. Cellana presented the financial reports beginning with the six months ending December 31, 2018. He reviewed highlights from the period including revenue and expense variances to budget. Trustees discussed retroactive pay increases as reflected in the reporting.

With regard to student applications from SVC, VP Behan noted that these students would not be reflected in the current fiscal year's reporting, as they will be enrolled in the next academic year.

Trustees discussed the impact of lower conference rentals and lower enrollment.

VP Behan presented the Q2 FY19 fund report summary and detail, and reviewed the FY19 rolling forecast update. The impact of lower enrollment and lower retention in the current academic year is estimated to result in a revenue loss of \$1.5MM. The financial aid expense line will be \$700,000 over budget as a result of over awarding. MSCBA housing rental assessments are above budget due to lower occupancy levels. The current deficit from budget as of March 11 is \$1,050,030. Management has committed to address spending to reduce the deficit including slowing hiring and assessing open positions. Other revenue generating programs are being explored such as providing housing during MASS MoCA's Solid Sound Festival and hosting conferences during the summer.

Trustees discussed student enrollment budget and stretch goals.

Ms. Howland reported on accounts receivable activity. At this time, outstanding A/R is at \$72,000, which is up slightly from the same time last year. Analysis shows that defaults in monthly payment plans are higher than past years. Ms. Howland noted that five students make up 30% of the receivables.

Write-offs will be presented at the next meeting of this Committee.

Dean Puc presented a credit overload fee proposal. Based on peer evaluation and benchmarking, a \$200 per credit fee is proposed for students enrolled in more than 18 credits beginning with students entering in fall 2019. Students will have the ability to appeal the fee and exceptions would be reviewed on a case-by-case basis.

The basis for the proposal is to reduce the time to degree to four years and minimize student loan debt.

Upon motion duly made and seconded, it was unanimously **VOTED** to recommend to the Board of Trustees approval of the credit overload fee as presented.

President Birge presented an update on costs associated with the fitness center and Centennial Room renovations. Costs from the final bids received for the project have resulted in a review of the plans and a reduction of scope has been discussed. The athletic offices would not be renovated and the elevated track would be eliminated as part of the reduced scope renovation plans.

An additional \$1.5MM incentive payment upon execution of a two-year contract extension has been offered by ARAMARK and could be used for the renovation project, eliminating the need for a reduction in scope on the project.

It is proposed that this committee approve the borrowing of at minimum \$383,000 to complete project without the athletic offices.

Trustees discussed the borrowing ability of MCLA, and financial opportunities given the low rate environment and other debt service that will be retired in the coming year.

Upon motion duly made and seconded, it was unanimously **VOTED** to recommend approval of borrowing authority of an additional \$1MM from MSCBA.

## **Adjournment**

There being no further business to come before the Committee, the meeting was adjourned at 4:28 p.m.