



**Minutes of the Meeting of the Massachusetts College of Liberal Arts
BOARD OF TRUSTEES FISCAL AFFAIRS COMMITTEE
Wednesday, May 4, 2016
President's Office Conference Room**

Members in attendance

Denise Marshall, Chair
Will Dudley
Buffy Lord, via teleconference

Others in attendance

Dr. James Birge, President
Larry Behan, Vice President of Administration & Finance
Laura Brown, Director of Fiscal Affairs
Bonnie Howland, Director of Student Accounts
Chuck Kimberling, Director of Facilities
Curt King, Chief Information Officer
Ginger Menard, Clerk

Trustee Marshall called the meeting to order at 9:04 a.m.

3rd Quarter report:

Director of Fiscal Affairs Laurie Brown reviewed the 3rd quarter report. Year-to-date revenue exceeded expenses which is typical for this quarter. The committee discussed the report and the budgeting process. Director Brown reported that some of the additional expenses for the year were the result of payouts for retirees with long term service as well as search expenses. Moving forward the budget will be static and show positive or negative variances.

Page three now includes the addition of projected year-end totals. These numbers are the result of breaking down the budget by revenue types and expenses and then averaging these numbers over the last 2 years. Those percentages were then applied to the current budget to arrive at the projected year-end amounts listed.

State Budget Process

Vice President Behan reviewed the state budget process and shared that the House budget has been released. Representative Mark included an amendment to the House budget to fund Collective Bargaining for Fiscal Years 16 and 17 but it did not pass. Collective Bargaining

represents around \$600K of MCLA's operating budget. The Senate budget is due out in early May. If Collective Bargaining is included then the issue will go into conference. The outcome of this funding will have a large impact on the budget for FY17 and the issue regarding student fees.

MCLA Budget process

Vice President Behan reviewed MCLA's budget, the process of planning for the FY17, and forecasts for the coming year. All administrative departments will remain at level funding which includes the 5% reduction from last year. Academic Departments had been exempt from this reduction in FY16 but will be included in FY17. He has been working with Academic Affairs to align the budget more closely with actual expenses to deliver core academic content.

VP Behan noted that the current budget includes state appropriations and operating funds and not restricted funds. The goal is to develop a comprehensive budget that includes all funds.

However, there are some state regulations that require segregation of certain funds which will need to be considered moving forward.

The Committee discussed the strategies used to employ net assets most beneficially for the College and discussed if the language regarding trust funds needed to be revisited.

Leasing IT equipment

CIO Curt King discussed the plan to begin leasing work stations and computer hardware.

Though this is new to the College, leasing is the most efficient way for all users to have the most current technology and alleviates the burden of purchasing all new equipment every few years which is currently done throughout departments on a rotating basis. Additionally, having out-of-date equipment can pose a security risk and disposal issues will be eliminated as well. The combined budgets for faculty and staff technology upgrades and replacements will absorb the leasing costs.

MSCBA Bond Fund uses

VP Behan reviewed the projects that have been or will be completed with funds from the MSCBA bond. These include the addition of a sprung dance floor in the Campus Center, the addition of lights at the athletic fields, tennis court resurfacing, softball field improvements, and public safety building improvements. Projects to address with the remaining balance is being discussed by Executive Staff.

Facilities Project Updates

Director of Facilities Chuck Kimberling provided an overview of upcoming projects. These include the repair and sealing of the tunnel that connects Venable Hall with the Amsler Campus Center, the installation of the athletic field lights, and adding signage to mark trail heads at the fields, which is being done in conjunction with Environmental Studies. He will also be working with Athletic Director Laura Mooney to develop a master plan for the Athletic Department.

Additionally, Facilities is reviewing the feasibility of moving Human Resources to Murdock Hall and they are working with an architect who is developing scenarios for upgrades and improvements for the public safety building. The Co-Gen project continues to move forward with the arrival of the boiler and steam turbine.

Account Write Offs

Bonnie Howland presented a recommendation to write off student accounts totaling \$13,894.03. These accounts date back to 2010 and the College has completed its due diligence to collect these funds and deemed them uncollectable. While the accounts will be written off, a hold will remain on the records of the students who owe these balances against future collection opportunities. Howland noted that the College works closely with students to address financial needs and establish payment options.

Upon a motion duly made and seconded, it was

VOTED To accept the recommendation to write off the amount of \$13,894.03 related to these specific accounts.

FY17 budget scenarios

VP Behan presented a preliminary budget based on an enrollment model of 1350 students. Based on this model, and without funding for Collective Bargaining to cover mandated salary increases, student fees may need to be increased. As the final budget from the state may not be available by July 1, a motion regarding student fees is being presented to offer a range increase of \$0 to \$500 reflective of the potential budget scenarios.

Upon a motion duly made and seconded, it was

VOTED To recommend to the Board of Trustees that the College increase the campus support fee for the 2016-2017 academic year in a range from \$0-\$500, contingent on the outcome of the state budget process for FY 2017.

The Committee discussed the technology fee for students which has remained static for a number of years while the technology increased and been upgraded. Based on these improvements it was suggested that commuter students should pay a lesser technology fee as commuter students did not previously pay a technology fee. Staff will also assess the current fee for resident students and make a recommendation as to whether or not it should be increased. Pending that recommendation, the committee voted to approve a range for technology fee increases for resident and commuter students.

Upon a motion duly made and seconded, it was

VOTED To recommend to the Board of Trustees that the College increase the technology fee for residential students for the 2016-2017 academic year in a range from \$0-\$100, and to include a technology fee for commuter students for the 2016-2017 academic year in a range from \$0-\$100.

President Birge shared that he would like little to no increase in the campus support fee. However, if the fee remains level, reserves will have to be accessed to cover the budget shortfalls. He asked the committee members to consider approving the accessing of reserves in order to maintain the level of campus support fees, or to allow for a very minimal increase. Funds taken from reserves would be paid back. The committee agreed that campus support fees should remain steady, if possible, and that reserves could be used to make this happen. Based on this feedback the committee was asked to approve the preliminary deficit budget and give approval to access reserves.

Upon a motion duly made and seconded, it was

VOTED To recommend to the Board of Trustees that the College proceed with the preliminary budget, contingent on the outcome of the state budget process, and to approve the accessing of reserves with the condition that any such funds will be repaid.

Adjournment

There being no further business to come before the Committee, the meeting was adjourned at 10:32 a.m.