



**Minutes of the Meeting of the Massachusetts College of Liberal Arts
BOARD OF TRUSTEES FISCAL AFFAIRS COMMITTEE
June 1, 2021
Audio/Video Conference**

Members in attendance

Karen Kowalczyk, Chair
Denise Marshall
Mohan Boodram, Board Chair

Members absent

John Barrett

Others in attendance

Dr. James Birge, President
Lisa Lescarbeau, Board Clerk
Curt Cellana, Director of Fiscal Affairs
Gina Puc, Vice President for Strategic Initiatives

Complying with the provisions of Massachusetts General Laws, and with a quorum present, Trustee Kowalczyk called the meeting to order at 8:32 a.m.

Third Quarter FY21 Financial Report

Mr. Cellana reviewed the third quarter FY21 financial operating report. Through three quarters MCLA is performing \$4.6mm better than budget. This result is impacted by the level funded, state appropriation, open and delayed filling of positions in payroll lines, MSCBA debt relief, and various other expense reductions due to COVID.

Trustee Kowalczyk highlighted that miscellaneous revenue is down \$387k due in part to no summer conferences and rental, and no athletics Blue and Gold Club fundraising.

FY21 Financial Forecast

Mr. Cellana reviewed the financial forecast report for FY 21 which is projected to end with a \$1.2mm surplus. This is due to the same factors noted above for the third quarter reporting.

Projected expenses in the fourth quarter include student refunds, early retirement/separation incentive program of approximately \$700k plus fringe of 38%, travel allowances for newly hired vice presidents, and small projects repairs.

Student Accounts: Receivables and Write-Offs

VP Puc reviewed student accounts receivable and write-offs. HEERF 2 and MASSGRANT plus allocations positively impacted student receivables as students used these funds to pay outstanding balances. The accounts receivable balance at this time is \$2,500 and consists of seven students.

Proposed write-offs of student accounts receivable totals \$38,421. All accounts being written-off have reached the five-year mark, and will remain in the intercept system for recovery.

Upon motion duly made and seconded, following a roll call vote, it was unanimously:

VOTED: to recommend approval by the Board of Trustees to write-off accounts receivable totaling \$38,421, as presented.

President Birge commented on pending legislation that would prohibit institutions from placing holds on student accounts thereby preventing the issuance of student transcripts until the debt is resolved.

Small Repairs Project Program

Eleven of 14 projects in DCAMM's Small Repairs Project Program have been completed. The three remaining are in final stages with completion anticipated by the June 30 deadline.

With regard to the unused portion of funds of \$151k, Mr. Cellana explained the timing restrictions placed on these funds and stated that it has been difficult to get projects processed for approval in time to meet the deadline. As of now, DCAMM has been inflexible on the imposed April deadline to use funds by June 30, and we will likely lose that \$151K. Attempts are being made to apply some of these funds toward the College's five-year plan money expended during the year.

FY22 Budget

Mr. Cellana presented the FY22 budget with assumptions including level funding from the state, recognizing CARES 2 and 3 money of approximately \$3.6mm, and no increase in student fees. This results in FY22 ending with positive \$726k net income.

Trustee Kowalczyk requested additional detail on the line items in the budget presented and will work with President Birge and Mr. Cellana to develop the final report to present to the Trustees at the June 10 meeting.

In response to questions regarding enrollment, VP Puc explained the process used to develop the budget looking at 3, 5 and 7 -year projections to verify accuracy of the model developed. FY22

budget is built with an enrollment of 840 FTE undergraduate students and 64 FTE graduate students.

Through review of financial aid awarding practices, the educational assistance line was reduced without jeopardizing student financial health. A prior year's over-awarding error will be worked out through FY23.

Upon motion duly made and seconded, following a roll call vote, it was:

VOTED: to recommend approval by the Board of Trustees of the fiscal year 2022 budget as presented.

Other Business

President Birge provided an update on the continued \$1mm MSCBA bond, which has been delayed due to the pandemic. MSCBA is still in a holding pattern on bond issuance, so no decision is needed at this time on whether or not to go to market for the \$1mm bond.

Mr. Cellana added that we can continue to express interest in participating in the bond issuance, but he anticipates this offering to happen soon as the other two institutions have larger borrowing plans and are ready to borrow.

President Birge clarified that this bond discussion is separate of the Berkshire Bank discussion related to loan and savings deposit accounts.

President Birge provided a brief update on the Foundation's campaign which is still in the planning stages. A report of interviews to measure the pulse of the community for a campaign is pending.

Adjournment

There being no further business to come before the Committee, the meeting was adjourned at 9:20 a.m.