



BOARD OF TRUSTEES MEETING

June 8, 2023

Murdock Hall, Room 208

375 Church St, North Adams, MA

Trustees in attendance:

Mohan Boodram
John Barrett III
Brenda Burdick

Jean Clarke-Mitchell*
Taylor Hope*
Karen Kowalczyk

Denise Marshall*
Robert Reilly*

Trustees absent:

Frederick Keator
Franklyn Reynolds
Kathleen Therrien

MCLA Staff in attendance:

James F. Birge, President
Lisa Lescarbeau, Clerk
Bernadette Alden, Director of Marketing and Communications
Barbara Chaput, Executive Director of Human Resources
Joseph DaSilva, VP, Administration and Finance
Richard Glejzer, VP, Academic Affairs
Christopher Macdonald-Dennis, Senior Advisor for Institutional Equity and Belonging
Gina Puc, VP, Strategic Initiatives and Enrollment Management
Jeanette Smith, VP of Student Affairs
Robert Ziomek, VP of Institutional Advancement

*Denotes remote participation

As allowed by executive order of the Governor of Massachusetts, in compliance with the provisions of Massachusetts General Laws, Chapter 30 and 15A, Section 9, and with a quorum present in-person and via audio/video-conference, the Board of Trustees of Massachusetts College of Liberal Arts met on June 8, 2023 with Board Chair Burdick presiding.

Chair Burdick called the meeting to order at 5:01 p.m. and reviewed the items in the consent agenda as presented, and asked if there were items in the meeting materials that members wish to be removed and discussed individually.

Trustee Barrett requested the minutes of the April 20, 2023 meeting of the Board of Trustees be removed from the consent agenda.

Chair Burdick then asked for corrections to the minutes as provided from the prior meetings listed on the agenda as item 2a, and other reports listed as item 2b. Trustee Barrett noted that the June 1, 2023, minutes of the Fiscal Affairs Committee incorrectly stated that the Senate and House version of the State's budget were the same, and that this statement is incorrect. The minutes of the June 1 meeting will include an addendum noting the correction.

With regard to the minutes of the April 20, 2023, Board of Trustees meeting, Trustee Barrett stated that there were omissions and incorrect information that should be reviewed. With no specific detail provided, it was agreed to delay approval of the minutes to the June 28, 2023, meeting of this Board.

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

VOTED: to approve the consent agenda with the addendum to the Fiscal Affairs Committee minutes of June 21, 2023, and the tabling of the April 20, 2023 minutes of the Board of Trustees meeting.

Committee Actions

Slate of Officers for FY 2024

Based on the recommendations of the Nominating Committee, Chair Burdick motioned to approve the nominations of Brenda Burdick as Chair and Frederick Keator as Vice-Chair of MCLA's Board of Trustees for one-year terms beginning July 1, 2023. Upon motion duly made and seconded, following a roll call vote, it was unanimously:

VOTED: to approve the nominations of Brenda Burdick as Chair and Frederick Keator as Vice-Chair of MCLA's Board of Trustees for one-year terms beginning July 1, 2023.

The Fiscal Affairs Committee met on June 1, 2023 and recommend the following actions for Board approval.

Student Accounts Receivable Write-Off

Based on the recommendations of the Fiscal Affairs Committee, Chair Burdick motioned to approve the write-off of accounts receivable totaling \$25,136.19, as presented. Upon motion duly made and seconded, following a roll call vote, it was unanimously:

VOTED: to approve the write-off of accounts receivable totaling \$25,136.19.

Investment Policy Amendment

On behalf of Trustee Keator, President Birge presented amendments to the College's investment policy that addresses the following:

1. Language in the existing policy is restrictive and limits the College's investment strategy by preventing investment in vehicles rated below BBB. The document provided with the materials for this meeting show the struck language and recommended replacement language. The recommended change allows the investment in funds rated below BBB consistent with index fund investing.
2. Language in the existing policy regarding investment in international funds is inconsistent. The recommended change allows investment in international holdings.
3. Language in the existing policy regarding asset allocation in fixed income vehicles does not reflect current market trends. The recommended change increases the target allocation and adjusts the allowable range for fixed income investments.

The Fiscal Affairs Committee requested additional information regarding percentages invested in specific funds within the portfolio, which President Birge provided. The recommended percentage for sub-BBB rated investments is a cap of 10% of the College's portfolio, and to allow the investment in funds that are considered international.

Following further questions regarding the makeup of the portfolio, how the investment market operates, risk of investing in the current market as opposed to holding capital in a money market account, the role of the investment manager, and how the College's peers manage their investment portfolios, it was:

Upon motion duly made and seconded

VOTED: to table action on the investment policy amendments until the June 28, 2023 meeting of this Board.

Vote on the FY 24 Budget

Chair Burdick provided an overview presentation of the College's fiscal position. Despite the pandemic and demographic challenges to enrollment, MCLA has strengthened its financial position in the last seven years. Student net price has decreased 7% since and the College's reserves have increased by 55% since FY17. As of April 30, 2023, the reserve fund balance is \$20.2m.

The College has availed itself of \$11.85m in grants from FY17-FY23. These include TRiO, EOHHS Human Services Workforce Development (nursing), skills capital, Mellon Foundation, Title III, MA Life Sciences, and Volunteer Income Tax Assistance (VITA).

Administration has responded to challenges and report an increase in new student enrollment over the last two years. Health sciences enrollment has grown 41%. The new hockey program has resulted in 116 applications, and the new nursing program, 42 applications.

Investments have been made in the College's physical plant and infrastructure with \$16m in upgrades between FY19 and FY24.

The FY24 proposed budget was provided to all Trustees in advance of this meeting. Based on the recommendations of the Fiscal Affairs Committee, Chair Burdick motioned to approve the fiscal year 2024 budget, including a 3% increase to student fees, and authority to access up to \$2,500,000 in College reserve funds, as presented. The motion was seconded, and discussion followed.

Debate regarding the budget as presented included the following highlights:

- The absence of \$300k in revenue as amended to the budget by the State House and Senate. It was noted that this amount was not approved at the time the budget was developed, and as of this date, was still not approved. If this amount is approved, the \$300k would be reduced from the reserve ask.
- Additional reference to funds not yet appropriated and not included in the College's FY24 budget proposal.
- Student fees continuing to increase. The net cost, after financial aid, has decreased 7% on average for the overall student population. Full pay students constitute less than 10% of the College's enrollment in any academic year. State aid including grants from Massachusetts touches the largest population of the College's student body and continues to keep student costs down.
- Revenue to expense ratio, and how the budget was balanced with use of reserve funds. Efforts made to reduce expenses without severely impacting operations. Fixed vs. variable costs, and how some costs remain the same regardless of the number of enrolled students.
- Student enrollment – undergraduate and graduate – and how these numbers have changed from budget year to budget year. Student deposits are up 17% over the same period last year (242 up from 217). The decrease in graduate students was anticipated as the pandemic saw the biggest disruption in adult learners and education delivery methods (on-line vs. in-person). Administration has revised the continuing education division to adjust for these changes. One full-time student is equivalent to five part-time graduate students depending on the student's credit load.
- Cost of the hockey program. Hockey equipment is estimated at \$70k and ice time is \$88k. \$700k was removed from the hockey budget for FY24.
- College administration is working progressively toward a balanced budget. Revenue funds not approved by the State as of this budget presentation, will not be included in this budget. Any funds received in excess of what is in the FY24 revenue will be applied to reduce the reserve fund use.
- Massachusetts 9C budget cuts

- Municipal budgeting as compared to public college budgeting practices. Implementing a reserve expense line in the budget to allow transfer of funds to cover overspending. Recommendation to overstate anticipated revenue in the FY24 budget.
- FY23 year-end budget surplus of \$1.8m forecasted vs. belief that the College would end the year with a \$1m deficit. The FY23 budget included the use of up to \$500k in reserves, which will not be used.
- Focus during FY24 and into future years should be on the trajectory of enrollment, fundraising and state appropriation/aid.
- Impact of student fee increase on students. The fee increase is proposed to cover the rising costs associated with operating the College. These fees are not directly related to athletic program costs, which typically have additional student fees for players.

Trustee Reilly moved the question.

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

VOTED: to approve the College's fiscal year 2024 budget, including a 3% increase to student fees and authority to access up to \$2,500,000 in College reserve funds.

Student Financial Services Primer

VP Puc presented a primer on student financial services. She reviewed the evolution of student financial aid beginning with the Higher Education Act of 1965, Federal Supplemental Educational Opportunity Grant, Basic Education Opportunity Grant (renamed Pell Grant in 1980), Middle Income Student Assistance Act of 1978, PLUS loans, tax credits and unsubsidized loans of the 1990s, the conversations on reforms in the 200s.

VP Puc reviewed the types of student aid available at the federal, state, institutional, and foundation levels, and if these are need based or merit based. She discussed specialized funding streams including the Commonwealth Commitment, Moving to College, and Early College and Dual Enrollment programs.

VP Puc presented IPEDS (Integrated Postsecondary Education Data System) data showing MCLA's net price from aid years 2016/17 through 2021/22. Net price has decreased during this time from \$16,553 to \$15,377 per student.

With the simplification of the FAFSA (Free Application for Federal Student Aid) filing process, anticipated changes include:

- 15% increase in Pell eligibility
- incarcerated students will have access to federal aid
- selective service and drug related information will be removed from questioning

- number of questions will reduce significantly to improve the ease of filing
- tax information will be automatically provided by the IRS
- COA (cost of attendance) as opposed to EFC (expected family contribution)
- Expansion of rules for professional judgement

In response to questions regarding Pell grants and the impact of the FASFA changes on student aid, VP Puc explained that the increase in Pell eligibility is what has contributed to the continued reduction in net price.

A deeper dive into understanding student financial aid will be presented at a future Trustee education retreat session.

Fiscal Reporting – FY23

FY23 Year to Date

VP DaSilva provided an overview of the FY23 fiscal period year to date including revenue and expenses.

- Overall net revenue is \$1.3m year to date
- Line AA: \$14.9m
- Line DD: \$401k
- Line EE: \$1.35m - result of timing on departmental spending
- Line NN: \$980k
- Line UU: \$1.18m – includes Title 3 funding for software/cloud

FY23 Forecast

VP DaSilva presented the financial forecast for FY23 and highlighted the following revenue and expenses:

- State revenue: \$208k for the period as a result of formula funding
- Miscellaneous revenue: (\$241k) - Foundation quarterly billing timing
- Scholarships: (\$300k) – This will be returned to the state based on restricted use of the funds
- Use of reserves: (\$500k) - these funds will not be accessed
- Total revenue projected: \$800k
- Line JJ: \$428k
- Line NN: (\$140k) underspending in facilities across the board
- Line UU: \$146k – Costs associated with the end of Title III grant, cybersecurity

Overall net revenue is projected to be a positive variance of \$1.8m at the end of FY23.

In response to questions regarding miscellaneous revenue and timing of billing, VP DaSilva explained that invoices and payments from the Foundation may be received and processed in July, but are still accounted for in the FY23 financial period. It was further clarified that the College continues to operate on a cash basis, not accrual.

President's Report

DCAMM Projects

President Birge reviewed the numerous capital projects that continue to take place on campus. Of the \$16m in improvements funded through DCAMM, the College is responsible for \$1.1m. Projects completed or in process include the repair and/or replacement of roofs on the Mark Hopkins, Church St. Center and Amsler Campus Center buildings, window replacement in the Freel Library, and steam line replacements.

Executive Staff Changes

President Birge reviewed changes that will be occurring in the executive staff in the coming weeks. Dr. Macdonald-Dennis submitted his resignation from as Senior Advisor for Institutional Equity and Inclusion effective August 4, 2023, and Ms. Puc will assume the role of Chief of Staff to the President.

Before posting for hire, the position left vacant by Dr. Macdonald-Dennis will be evaluated to determine the best way to continue building on the DEI foundation he has built.

With the role change for Ms. Puc, some areas of responsibility will be redistributed. She will retain responsibility for Institutional Research, and Marketing and Communications, while Enrollment Management and the Registrar's office will report to Dr. Glejzer in Academic Affairs.

Pathways Campaign

The Pathways Campaign continues to progress well. As of May 31, 2023, pledges and contributions for the year are \$6.26m, which is slightly higher than the previous year. The total campaign to date is \$12.5m and remains ahead of projections. Meetings with large donors continue, with an anticipated transition soon to mid and smaller sized donor meetings.

Recent Storm Damage

A recent weather incident produced heavy rain and hail, and caused damage to some campus facilities. Resulting cleanup and repairs are estimated to be \$20k.

Chairperson's Report

Trustees Retreat

Chair Burdick discussed holding a retreat for Trustees in Fall 2023. Two areas for discussion include a deeper dive into student financial aid, and fundraising. Suggested dates will follow.

Trustee Roles and Responsibilities

Chair Burdick expressed her appreciation to Trustees who have made time to volunteer in service to the College on this Board. She stressed the importance of the role of a trustee and their attendance at meetings.

Adjournment

With no other business being brought before the meeting, upon a motion duly made and seconded, it was unanimously:

VOTED: to adjourn the meeting at 6:50 p.m.