



MASSACHUSETTS COLLEGE OF LIBERAL ARTS
BOARD OF TRUSTEES
FISCAL AFFAIRS COMMITTEE MEETING

87 Blackinton Street, North Adams, MA and Audio/Video Conference
June 5, 2026

MINUTES

Members in Attendance: Darlene Rodowicz, Chair; Buffy Lord; Yina Moore*; David Halbert*

MCLA staff in Attendance; Dr. James Birge, President; Joseph DaSilva, Vice President of Administration and Finance; Curt Cellana; Kelli Kozak; Jen Dix*; Kellie Coody*; VP Jeannette Smith*; Laura Mooney*

*Denotes remote participation

As allowed by the Governor's Executive Orders and Chapter 30A of the Massachusetts General Laws, and in accordance with Chapter 15A, Section 9, and with a quorum present in-person and via audio/video conference, the meeting of the Fiscal Affairs Committee of the Massachusetts College of Liberal Arts Board of Trustees, with Chair Rodowicz presiding, was called to order at 10:01 a.m.

FY26 Third Quarter Report

Vice President DaSilva presented the Fiscal Year 2026 third quarter financial report.

Overall revenue is approximately \$1.7 million below budget, largely attributable to reductions in state funding, including a \$615,000 decrease resulting from changes to the state funding formula after the College finalized its budget. Enrollment is below projections, resulting in reduced tuition revenue, and grant revenue is also lower due primarily to timing. Scholarship funding, including MassGrant Plus, had been temporarily withheld by the Commonwealth, but has since been received. Interest earnings have fluctuated due to market conditions.

On the expense side, the College is underspent by approximately \$60,000, due in part to the timing of hiring. Adjunct faculty costs are slightly higher than anticipated. Administration and Finance implemented a pause on discretionary purchasing in preparation for fiscal year-end closing. Energy expenses are favorable due to net metering credits.

Unbudgeted expenses include costs associated with the Goody Clancy engagement, the presidential search, and a financial aid consultant. An offer has been extended for the position of Director of Student Financial Services. Additional costs related to Atlantic Hockey food services have been incurred; the College has filed a

claim for reimbursement and established a payment plan supported by a promissory note. Expenses were also incurred in connection with the Trombley-Westall Center build out.

The quarter reflects a net revenue loss of approximately \$1.6 million, driven by unanticipated revenue shortfalls and extraordinary expenses. The Committee discussed the impact of these unplanned items on the current fiscal year.

FY26 Forecast

Vice President DaSilva then reviewed the FY26 forecast based on nine months of actual results. The projected year-end deficit is expected to improve to approximately \$1.0 million.

The state funding reduction of \$615,000 and grant timing issues continue to impact projections. Expense savings from vacant positions, along with favorable solar credits, are offsetting increased adjunct costs and approximately \$200,000 in departmental spending. There was discussion that ACA-related payments are expected to be realized in FY27 rather than FY26.

The Committee discussed the plan to cover the projected deficit through reserves. Investment performance has been strong, and growth in investment accounts continues to support the College's overall financial position.

FY27 Draft Budget

Vice President DaSilva and President Birge presented the proposed FY27 budget. President Birge noted that the budget is balanced; however, it relies in part on Board-designated funding to support the College's strategic plan.

The budget includes approximately \$944,500 in strategic plan investments. Planned ice rink renovations have been removed from the FY27 budget due to increasing costs and ongoing conversations with the city regarding final construction details; the project may be deferred to FY28 or funded through reserves at the Board's discretion.

Revenue assumptions include modest enrollment growth of approximately 20 additional students, with the possibility of additional transfers from Hampshire College. Tuition and fee revenue reflects these assumptions as well as a continued reduction in out-of-state students. The administration is recommending a 4% increase in fees, consistent with trends across state universities. The Committee also discussed program-specific fees, including Nursing and potential Radiologic Technology fees.

Grant revenue is projected to decrease by approximately \$700,000 due to the conclusion of a Nursing grant. Scholarship funding reflects a slight increase. Miscellaneous revenue is expected to decline due to reduced Foundation support and lower bookstore commission revenue. The budget assumes approximately \$790,000 in support from investment returns, which was discussed as an area of potential risk.

Expense increases include collective bargaining and cost-of-living adjustments, adjunct and part-time staffing, payroll taxes, and energy costs. Software maintenance costs continue to rise due to external factors. Planned

capital needs include replacement of the CSI boiler. Departmental catering expenses have been reduced, and facilities costs are projected to decrease as a result of ongoing preventative maintenance. The Committee discussed additional enrollment upside potential, particularly from increased transfer activity associated with free community college programs, though this has not been fully incorporated into the budget assumptions.

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

VOTED: To recommend the FY27 budget to the full Board, including a 4% fee increase.

President Birge thanked the Executive Staff for their extensive work in developing the proposed budget.

Investment Update

Vice President DaSilva provided an investment update, noting that LPL investment accounts have surpassed \$15 million, with an additional \$2 million held in a money market account. The Adams Community Investment Fund has increased to approximately \$7 million, up from \$6 million. The current investment strategy continues to perform well.

The Committee discussed a proposal from a local business requesting a \$500,000 investment over a five-year term. The proposal demonstrates positive projected cash flow but offers lower returns than traditional investments. The Committee discussed potential benefits to the college and local economy, opportunities for portfolio diversification, and associated risks and mitigants, including considerations related to public entity investment in a private organization and the risks of participation of other investors.

President Birge and Vice President DaSilva will conduct further due diligence and the administration will provide additional information to the full Board at a future meeting.

There being no further business, Chair Rodowicz adjourned the meeting at 11:08 a.m.

Respectfully Submitted,
Kelli Kozak
Clerk