



**Minutes of the Meeting of the Massachusetts College of Liberal Arts  
BOARD OF TRUSTEES FISCAL AFFAIRS COMMITTEE  
Wednesday, April 29, 2015  
President's Office Conference Room**

**Trustees in attendance:**

Denise Marshall, Chair  
Jim Clemmer (via phone)  
Tyler Fairbank  
Buffy Lord

**Others present:**

Cynthia Brown, Interim President  
Denise Richardello, Executive Vice President  
James Stakenas, Vice President, Administration & Finance  
Laura Brown, Director of Fiscal Affairs  
Chuck Kimberling, Director of Facilities  
Curt King, Chief Information Officer  
Jennifer Macksey, Director of Student Accounts  
Ginger Menard, Clerk

Trustee Marshall called the meeting to order at 9:10 a.m.

**FY 2015 Budget Process and Student Fees**

Vice President Stakenas provided an update on the budget for the upcoming year and the likely need for an increase to student fees.

As a result of 9c cuts from the Governor's office continuing into FY2016, and the lack of funding provided in the state budget for collective bargaining, we will not have sufficient funds to avoid a fee increase.

The College is obligated to pay collective bargaining increases as these were negotiated between the state and the unions. In past years resources have been allocated by the state to cover these costs but none is included for the coming year.

There are three potential scenarios at this time. If the Senate's budget does not include collective bargaining the maximum increase will be needed, \$500. If a portion of collective bargaining is

included in the budget the increase might be reduced to \$350. If collective bargaining were fully funded a fee increase might not be needed. It is highly likely that some increase will be necessary.

There has also been some discussion of reevaluating the technology and/or capital fees.

Interim President Brown noted that we are trying to keep any increases moderate and in line with the other state universities.

Decisions on fees must be made by July 1 for billing purposes.

There is some additional performance-based funding available through the Board of Higher Education and VP Stakenas is serving on the committee to establish a distribution formula among the nine state universities.

It is important to note that MCLA has the largest percentage of Pell eligible students in the state university system.

VP Stakenas reviewed MCLA's debt ratio noting the current debt load is around 2% with a goal of keeping this below 5%. The Co Generator projector will be functional next winter and will be monitored to assess energy production and savings. There is no debt service payment for the first year and we will not have to begin payment until we are benefitting via savings on energy costs.

A document prepared by O'Connor & Drew comparing various financial ratios regarding the nine state universities was distributed. The final chart, Composite Financial Index, shows MCLA with the top ranking and in a strong financial position.

### **FY 2015 Account write offs**

Jennifer Macksey presented a recommendation to write off student accounts totaling \$11,347.00. 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. Macksey noted that the College works closely with students to address financial needs and establish payment options. The committee noted that this amount represents a very small percentage of the College's receivables, and represents a reduction from the FY 2014 write off of \$26,441.54

Upon a motion duly made and seconded, it was

**VOTED** To accept the recommendation to write off the amount of \$11,347.00 related to these specific accounts.

## **FY 2016 MCLA Student Fees**

Due to the Senate budget not yet being available, VP Stakenas suggested that the vote on the FY2016 budget be deferred until the numbers are definitive. The Committee will meet again in the summer to vote on the proposed budget. The motion regarding student fees is being presented to offer a range 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 2015-2016 academic year in a range from \$0-\$500, contingent on the outcome of the state budget process for FY 2016.

## **2015 Master Plan**

Vice President Stakenas and Director of Facilities Chuck Kimberling presented the final Master Plan inclusive of the Sightlines Report and cost sheets. The Master Plan was developed to prioritize the major capital projects for future state bond funding. In addition, the plan includes deferred maintenance and short and middle term projects that are essential to campus operations and program development.

The Sightlines Report is being used by all nine state universities and the Department of Higher Education to evaluate the needs of campus facilities. The report covers statistics related to the age and construction of buildings, physical uses of space, and energy efficiency. It also recommends capital investments including the need to increase annual stewardship to keep up with physical needs before full replacement is necessary.

The costing sheets included in the report were prepared by the Division of Capital Asset Management and Maintenance (DCAMM) beginning with the top eight priorities as identified in the report.

This plan is essential to securing funding from state resources/bonds as only items included will be eligible for such funds.

Following approval by the Fiscal Affairs Committee, the Master Plan will be sent to the full Board and then to DCAMM. They will then send it to the Board of Higher Education for final approval and sign-off.

Trustee Marshall commended the team involved in Master Plan as it required very detailed and has been a long term process.

Upon a motion duly made and seconded, it was

**VOTED** To accept the MCLA 2015 Campus Facilities Mater Plan and recommend its approval to the full Board of Trustees.

### **3<sup>rd</sup> Quarter Report**

Finance Director Brown shared highlights from the 3rd quarter report. Year to date revenue exceeded expenses which is typical of past years. Revenue remained within expected levels with expenses slightly lower. Overall budgeted expenses exceeded revenue due in part to the 9c budget cut and planned spending of restricted reserves which includes funding for the Wireless Upgrade, Phase III from the Technology Fee Trust. Additionally, the furniture order for Bowman will be placed soon.

### **Other**

Vice President Stakenas shared the 2015/2016 project list which lists projects along with funding sources. There is a plan to borrow funds from the MSCBA for various projects and more detail on this will be shared at the next Fiscal Affairs meeting.

### **Adjournment**

There being no further business to come before the Committee, the meeting was adjourned at 10:23 a.m.