



**Massachusetts College of Liberal Arts**  
**BOARD OF TRUSTEES FISCAL AFFAIRS COMMITTEE**  
**Minutes of the Meeting of December 10, 2018**  
**87 Blackinton St., North Adams, MA 01247**

**Members in attendance**

Susan Gold, Chair  
JD Chesloff, via phone  
John Barrett

**Others in attendance**

Denise Marshall, Board Chair  
Dr. James Birge, President  
Larry Behan, Vice President, Administration & Finance  
Lisa Lescarbeau, Clerk

Trustee Gold called the meeting to order at 9:30 a.m.

**First Quarter FY19 Report and Budget FY19 Update**

Vice President Behan began with the first quarter FY19 reporting. He reviewed highlights from the quarter including revenue and expense variances to budget. The variances of note include state revenue above budget of \$101K due to higher state appropriations received. This variance is reflective of this Committee's decision to not adjust the budget to reflect the additional \$500k state appropriation, as that amount was unknown until after the full BOT approved the FY19 budget in May. Tuition revenue is \$40K below budget due to more tuition waivers granted in the fall semester. Tuition waivers are variable depending upon the student profile mix once final enrollment is known in September.

The other revenue variance of note is fee revenue \$368K above budget. This is a reflection of the new accounts receivable policy where bills are issued earlier than in prior years, and payments being made timely. It is not new net revenue but will be offset in the Q2 financials. Future budgeting cycles will be adjusted to reflect more cash collection in Q1 to reflect these positive payment trends.

Grant revenue is \$15K below budget, but is the result of a lower draw than budgeted, as the offsetting grant expense did not occur in Q1. In response to questions regarding grant applications, President Birge stated that decisions have not been made yet on the Mellon and Fitzpatrick grants, and the Washington Mandela grant request was denied.

Mr. Behan next reviewed the expense lines including salaries, which are higher than budget due to payouts for retirees that were not known at the time the budget was approved.

Expenses for the construction line were above budget by \$145K, but are offset by the positive variance in the miscellaneous revenue line. These funds from MSCBA and the MCLA Foundation were used for paving at the athletic complex and renovations to the women's varsity locker room.

The invoice for the first of two semi-annual payments to MSCBA was \$498K below budget, resulting in a positive expense variance. This was an error in billing by MSCBA and will be adjusted in the February payment.

Discussion followed regarding the fund balance and the additional state appropriation of \$500k, where it resides in reporting and usage of the funds.

At the close of Q1, the \$800K positive variance is a result of fees collected faster than budgeted and the below budget payment to MSCBA. These will offset in Q2 and Q3. The draw from reserve balance approved by the BOT of \$265K will be assessed in a forecast for the remaining three quarters. No draw was required in Q1.

### **Accounts Receivable Update**

Mr. Behan provide an update on accounts receivable activity noting that there is a small number of outstanding accounts at \$68k, which accounts for 66 students. The comparison to prior years shows a significant reduction in outstanding balances.

A review of the payment plan was provided, and discussion of potentially changing from five fall payments to four payments followed. The elimination of the November payment helps avoid holds on student accounts at the time of registration. Chair Gold requested more data on the impact of recommended changes on families using the payment plan.

### **Facilities Projects Update**

Mr. Behan announced contractors have been secured for the renovation of the space at MCLA Pittsfield – 66 Allen Street. Work will commence just after the end of the fall semester and will be complete prior to the opening of the spring semester. President Birge noted an early February grand opening event is being planned for the new space, with likely announcements for new programming at this location.

Renovations to the Centennial Room and Campus Center were reviewed. EDM Architecture and Engineering of Pittsfield will manage the renovation projects for both spaces. Construction bids are expected to be complete and sourced within the next month.

Trustee Barrett provided an update on his efforts to have the DHE host a gathering of area high school students in Berkshire County to hear and discuss the merits of an education at MCLA. A location has been secured within MASS MoCA and dates are being determined.

### **Adjournment**

There being no further business to come before the Committee, the meeting was adjourned at 10:24 a.m.