



**Minutes of the Meeting of the Massachusetts College of Liberal Arts
BOARD OF TRUSTEES FISCAL AFFAIRS COMMITTEE
March 23, 2021
Audio/Video Conference**

Members in attendance

Karen Kowalczyk, Chair
Denise Marshall
Mohan Boodram, Board Chair
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 8:30 a.m.

Second Quarter FY21 Financial Report

Mr. Cellana reviewed the second quarter FY21 financial operating report. The quarter actuals continue to trend positively compared to FY21 budget, due in large part to level funding in the state appropriation. Various expenses, such as travel, continue to be less than budgeted, also contributing to the positive variance in the budget.

The first round of CARES Act funding of approximately \$700K is reflected in the second quarter financials.

FY21 Financial Forecast

Mr. Cellana reviewed the financial forecast report for FY 21, which as indicated for the quarter, continue to trend ahead of budget. This forecast includes level funding from the state. Additional savings are seen as a result of employment positions that remain open.

The second and third rounds of CARES Act funds are not included in this forecast as we await guidance for use and timing of these funds.

President Birge provided an explanation of the three distinct tranches of funding from the federal government. The first tranche, approximately \$1.5MM, was issued in FY20. In the FY21 budget,

there is approximately \$2.3MM the majority of which is being used for student block grants being distributed at this time. The third tranche is approximately \$3.8MM and is not yet in the budget.

In addition to the above, there is a stabilization reserve fund of \$819,558. These funds place MCLA in strong financial position ending this year.

President Birge provided an overview of the Early Retirement/Separation Incentive Plan (ERIP) being offered to employees with over 20 years of service in the state system. This plan provides eligible employees with a \$25K incentive to retire or separate from the College. The expected to the College in FY21 is anticipated to be \$700K. This sum will be recovered equally in FY22 through payroll and benefits savings. ERIP will presented more fully to the Committee at their meeting in June.

Small Repairs Project Program

Mr. Cellana reviewed the list of projects being completed through funding from DCAMM's Small Repairs Project program. Projects include the repair of the Freel Library roof, updates to Venable theatre, generator purchase for IT equipment located in the Freel Library, patio roof repair at Amsler Campus Center, and TRiO space improvements. It is anticipated that the full \$1.2MM fund will be depleted for this program.

FY22 Budget

Mr. Cellana provided a review of the very early draft of the budget for FY22. Assumptions include tuition and fees, flat payroll which will require further analysis as a result of ERIP, existing education assistance/institutional aid, and known bond payments. This draft does not include Higher Education Emergency Relief Funds (HEERF).

President noted that tuition and fees in this budget are flat year over year as a way to recognize the efforts students have made during the pandemic. The general approach to the budgeting process for FY22 will remain conservative.

The committee discussed the authority and use of surplus funds. A full conversation of the reserve and surplus funds will be placed on the agenda for the June meeting of this committee.

Berkshire Bank Loan

President Birge provided an overview of the College's existing loan and certificates of deposit (CD) with Berkshire Bank. MCLA has a \$500K loan, which is secured with a \$500K CD with a six-month maturity and low interest rate. Discussion followed regarding thoughts on paying off the loan with the CD vs. maintaining the loan and CD.

Vice President Searches

President Birge provided an update on the current searches for three Vice Presidents. Offers have been made and accepted for the VP of Student Affairs and VP for Administration and Finance. The VP of Academic Affairs candidate is scheduled to visit campus on March 24 and an offer is anticipated to be made at that time.

In response to a question regarding diversity, President Birge stated that the candidate pools for two of the three searches had been very diverse. The two offers were accepted by a white male and an African-American female.

President Birge offered his thanks to the Trustees for their involvement in the search process.

Early Retirement/Separation Incentive Plan

As this item was discussed early in the meeting, there was no further detail to provide. More information will become available when the April 30 deadline for employee inclusion has passed.

Adjournment

There being no further business to come before the Committee, the meeting was adjourned at 9:17 a.m.