

Board of Trustees
Administration and Finance Committee
November 8, 2019 --- 11:15am-1:15pm
Alumni Room

MINUTES

Trustees present:

Linda Snyder, Peter Nessen (Co-Chairs). Elisa Hamilton, Karen Keane. Jan Saragoni (Ex-Officio).

Trustees absent: David Nelson (Ex-Officio).

Also participating: Robert Perry (Liaison), Don Arpino, Lucinda Bliss, Dave Carder, Jackie Knight, Margaret Maki, Marjorie O'Malley, Kym Pinder, Elizabeth Reiser, and Susana Segat (Secretary to the Board).

Call to Order

Co-Chairs Snyder and Nessen called the meeting to order at 11:15am.

Consideration of the Minutes: September 13, 2019

On a motion duly made and seconded, it was unanimously

VOTED: To approve the minutes of the September 13, 2019 committee meeting.

Items Requiring a Vote: Acceptance of FY2020 fiscal operations report – 7/1/2019 thru 9/30/2019

Co-Chair Snyder explained that the data included in the report under consideration extends through 9/30/2019, not 10/31/2019 as advertised. She asked VP Perry to present the fiscal operating report. VP Perry said that the current budget numbers are close to projections, although it is early in the first quarter. He said that trustees would hear about the Professional and Continuing Education and Graduate budgets later on the agenda. VP Perry said that there were some disagreements with MSCBA about the debt service but that he was confident that they will get worked out. He said that he is doing research on the impact of the new pay equity law on MassArt's payroll and suggested that the college might have some unanticipated costs. VP Perry said that the new FMLA tax had been implemented, charging employees half the cost and employers the other half. He is also looking at the spring enrollment numbers to determine the implications of potential melts on class size and housing.

Co-Chair Snyder asked trustees to review the one page summary included in the report, which projects a \$500,000 surplus. Trustees discussed the closing out of the South Building/Galleries project, the final items on the punch list, and whether there might be a fix for the museum's front windows. Seeing that there were no further questions, the motion was put to a vote.

On a motion duly made and seconded, it was unanimously

VOTED: To accept the FY2020 (7/1/19 thru 9/30/19) fiscal operations report as presented to the committee.

Items Requiring a Vote: Acceptance of FY2019 Foundation audit

Co-Chair Nessen said auditors O'Connor and Drew assured trustees that the annual MassArt audit showed a clean opinion, included no management letter, and had no material fact that needed to be corrected. Co-Chair Nessen said that upon review with the finance department and the auditors, he would recommend acceptance of the auditor's report as an inclusion to the MassArt audit. He asked trustees to accept the audit and roll it into the school's audit.

On a motion duly made and seconded, it was unanimously

VOTED: To accept inclusion of the FY2019 Foundation audit into the MassArt college audit, approved last month; and for the full board to accept the committee's recommendation.

Items Requiring a Vote: Approval to retain the auditors

Co-Chair Nessen asked trustees to consider retaining O'Connor and Drew for next year's audit. He thanked the finance department for keeping our audits running smoothly. Co-Chair Snyder noted that this firm has been doing a great job and regularly changes their internal personnel so as to maintain independence.

On a motion duly made and seconded, it was unanimously

VOTED: To approve O'Connor and Drew for the FY2020 MassArt audit and to send this recommendation to the full board for their engagement.

Items Requiring a Vote: Approval of Professional and Continuing Education's Art New England, Youth Programs, Teaching for Artistic Behavior, Student Pre-Semester, and cooperating institutions, effective summer 2020

VP Perry asked trustees to disregard the documents previously distributed for Teaching for Artistic Behavior, Student Pre-Semester, and cooperating institutions: the only votes before trustees at this point are for Art New England and Youth Programs. He explained that this revised request is needed now for summer programming because of brochure-printing deadlines. VP Perry said that the college's ultimate goal is for programs to be 100% funded and self-contained. Provost Pinder introduced Liz Reiser, Director of Youth Services, and Jackie Knight, PCE's Records Administrator. She said that Records Administrator Knight has been working on finding a comparably priced location to replace the Bennington site and that until that issue is concluded, the department would not be recommending program cost increases.

Director Reiser then made a presentation on the youth programs recommendations. She presented her research on comparable schools and noted the benefits of getting young students ready to succeed in college. She described the Summer Intensives program and the proposed rates and enrollment and financial implications. Trustees discussed the proposed fee increases, the steady grant from the Civil Society for Saturday Studios, and the importance of the data showing that 15% of the students who participated in these youth program enroll at MassArt. VP Perry said that he is recommending the increased fees because the contribution to indirect costs has to be fair: all programs need to stand alone, be financially sustainable, and ensure that undergraduate revenue and expenses remain within the undergraduate budget. Trustees discussed the need to make up for the lack of fee increases in the past, the possibility of not making such a large jump at one time, and the scholarships available for applicants. Director Reiser discussed the current scholarship structures and how recruitment has changed through time so as to attract students who are able to pay the fees. She noted that Youth Programs also subsidizes Artward Bound for about \$55,000 a year so those students may participate in Youth Programs for free. Trustees discussed the number of students enrolled and seats available for each program.

Co-Chair Nessen asked for confirmation that this proposed \$118,000 increase in fees cover the overhead. VP Perry confirmed this and explained that this increase would not be seen in this year's budget and was not part of the projected \$500,000 budget surplus: it would impact the FY2021 budget because the revenue would be collected during the summer 2020. On questions about the necessity of increasing these fees, AVP Arpino explained that PCE has lost \$300,000 so the college needs to increase our revenue. Trustees discussed the differences in the increased room and board charges for the two programs, the impact of fee increases on enrollment, and MassArt's ability to stay competitive. Director Reiser noted that if Artward Bound could pay for their seats in these programs, the funding problem would be solved.

Co-Chair Snyder asked VP O'Malley to consider charitable fundraising for these programs. VP O'Malley said that her top goal was to raise money for Artward Bound's \$500,000 operating budget: half of that amount is now raised annually through grants and individual donations. VP Perry added that the college also pays for Artward Bound, and that his goal is to get that program to stand on its own. VP Pinder added that another grant writer on staff would be beneficial.

Trustees asked whether the room and board charges needed to be increased. VP Perry said that he didn't know the Capstone or Chartwells summer rates yet: the increases are about saving and growing Youth Programs.

Trustees discussed the possibility of increasing fundraising to provide more scholarships for these students in particular. VP O'Malley said that her department is down several positions and that there are many programs in need.

Co-Chair Snyder noted that trustees have to vote on these recommended rates and that the benefits to these programs are well documented. She asked trustees to consider approving these rates and asking the administration to consider providing more financial aid. She asked trustees to express support for these programs, regardless of the proposed complicated recommendations and not knowing the agenda for the Foundation's development plan. Trustees discussed the independence of the Foundation and the board's ability to make a request for targeted funding. Co-Chair Snyder and Provost Pinder agreed that Provost Pinder would be following up with more information about funding these programs at a future meeting.

On a motion duly made and seconded, it was unanimously

VOTED: To approve the recommended rates and to make a request to the president, provost, and advancement department to consider fundraising for financial aid to address the needs of these programs.

Items Requiring a Vote: *Approval of Graduate Program AY2021 fees for Boston Low Residency MFA*

VP Perry said that the college has not raised graduate fees in five years: the recommendation this year is to increase summer residencies by 3%. Dean Bliss described the low residency program and her goal for giving it more attention and refinement.

Co-Chair Nessen asked for confirmation that this \$20,000 increase captures the indirect costs. VP Perry said that the college needs to make corrections: He wanted a 5% increase but was willing to recommend just 3% this year. Trustees discussed the number of students in the program and expressed their support of the new administrative leadership. Dean Bliss thanked trustees for giving her department the time to do the cultural work necessary to communicate these changes. Provost Pinder said that the recommendation should be for a 5% increase but more time is needed to implement that amount.

On a motion duly made and seconded, it was unanimously

VOTED: To approve the graduate program Ay2021 fees for Boston Low Residency MFA as presented.

Items Requiring a Vote: *Approval of FY2021 housing fees*

VP Perry presented a 5% across the board increase in housing fees to address the FY2021 changing debt service schedule. VP Perry confirmed that this recommendation covers all our covenants. This would be a recommendation to the MSCBA Board, since it is not within our board's purview to mandate these type of fees. Trustees discussed the number of students housed on campus.

On a motion duly made and seconded, it was unanimously

VOTED: To approve the FY2021 housing fees.

New Business:

Co-Chair Snyder reported on the work of the Special Committee on Campus Development. She said that there had been a change in direction in strategic capital project. The college is now looking at a scaled-back request to stave off critical failures of the building holding our academic spaces instead of creating a new building. Co-Chair Nessen thanked Committee Chair Snyder and the committee members for their leadership throughout this process.

Adjournment

On a motion duly made and seconded at 1:00pm, it was unanimously

VOTED: To adjourn.