

Board of Trustees
Administration and Finance Committee
November 16, 2018 --- 1:00pm to 3:00pm
Alumni Room

MINUTES

Members (trustees) present: Linda Snyder (Chair), Peter Nessen, Pamela Parisi and David Nelson (Ex-Officio).

Members (trustees) absent: Karen Keane, David Lee, Bill McQuillan,

Other trustees present: Jan Saragoni

Also participating: Bob Perry (Liaison), Don Arpino, Jamie Costello, Maureen Keefe, Howie LaRosee, Danielle Licitra, Peggy Maki, Paul Paturzo, Anne Marie Stein, Chris Wright, and Susana Segat (Secretary to the Board).

Call to Order

Chair Snyder called the meeting to order at 1:40pm.

Consideration of the Minutes: September 14, 2018

A friendly amendment was accepted to edit the minutes as follows:

Page 2: Items for Discussion/Reports: capital projects update.

Replace the fourth sentence with the following sentence:

The cost for the galleries project was predicted to be \$17.2m in August and current data suggests it will be about \$23m: the incremental \$5m comes from new conditions and deferred maintenance costs.

On a motion duly made and seconded, it was unanimously

VOTED: To approve the minutes, as edited, of the September 14, 2018 committee meeting.

Items Requiring a Vote

Acceptance of FY2019 Fiscal Operations Report: 7/1/2018 -10/31/2018

VP Perry provided a summary of FY2019 budget operations. The budget continues to be on target, with the exception of the expanded scope of the South Building deferred maintenance work. He highlighted enrollment numbers and the graduate and continuing education budgets. The housing program had a \$600k deficit last year and is on track to maintain a planned deficit of \$300k this year.

Chair Snyder asked trustees to review the one-page FY2019 monthly program budget summary, projecting an estimated year-end net revenue of \$155k. AVP Arpino said that the gallery project will be projecting a deficit until the expected pledges are received. Chair Snyder added that Page 11 now includes an *FDA-6380 Gallery Project* section: at year-end, this will have a \$1m deficit that will even out in future years. The full year budget will show an \$800k deficit specifically because of the capital budget timeline.

Trustees discussed enrollment strategies. Dean Wright said that 60% of our students have to come from Massachusetts, so our flexibility lies in where the remaining 40% of students come from. This year, we enrolled 72% in-state students and we budgeted for 68%. There is no agreement specific to New England and no strategy to expand our International population.

On a motion duly made and seconded, it was unanimously

VOTED: To accept the FY2019 fiscal operations report for 7/1/2018 through 10/31/2018.

Items Requiring a Vote

Approval of Professional and Continuing Education's Art New England, Youth Programs, Teaching for Artistic Behavior, Studio Pre-semester, and Cooperating Institutions effective Summer 2019

Dean Stein requested approval for pricing for programs beginning summer 2019 for which the department would be publishing materials by the end of this year. She distributed a summary of pricing recommendations, rationale, and supporting details for Art New England, youth programs, Teaching for Artistic Behavior, cooperating institutions, and studio pre-semester. These recommendations include: Art New England's Workshop C from \$1095 to \$1150, room and board increased by \$10, and early registration standardized to \$50 discount; Youth Programs Summer Intensives program increased from \$690 to \$720 and room and board increased from \$1290 to \$1335; Youth Programs Summer Studios room and board increased from \$2610 to \$2700; Teaching for Artistic Behavior's non-credit price increased from \$840 to \$890, single room housing from \$375 to \$420, and shared doubles from \$300 to \$330; Studios Pre-semester's room and board increased from \$1500 to \$1595. Trustees discussed whether these increases were necessary, since the income would only increase by \$5k to \$10k. Chair Snyder noted that the programs are holding steady and that strategic questions could be explored at a later date.

On a motion duly made and seconded, it was unanimously

VOTED: To approve the fees for Professional and Continuing Education's Art New England, youth programs, Teaching for Artistic Behavior, studio pre-semester, and cooperating institutions, effective summer 2019.

Items Requiring a Vote

Approval of Graduate Program Fees for AY2019 for Boston Low Residency MFA

Dean Paturzo proposed maintaining the current tuition and fees at \$390 per credit for tuition and a \$390 per credit fee for a total cost of \$780 per credit. He said that the program has benefitted from several years of stable finances and has saved about \$1m in their fund balance so no increases are warranted. Prospective students appreciate the message that tuition has remained level for six years, even through MassArt is no longer being seen as an affordable option: we are losing students to schools with full tuition scholarships.

He also proposed limiting tuition waivers/tuition remission to a maximum of fifty percent of tuition. Previously, trustees had approved splitting a global cost into two categories: tuition and fees. Some inconsistencies have been discovered with this policy change, so the proposed new language clarifies the policy for waivers. Dean Paturzo proposed raising the MFA Photography Student Ink Fee from \$400 to \$600 per semester. This fee would be cancelled when the photography equipment is linked to the "Paper Cut" copy system. He also proposed the introduction of a new \$750 fee for Art Education Student Teaching Supervisor Fees to consistently cover the cost of running the program. Finally, Dean Paturzo proposed increasing the summer housing fee by 3.1% for single occupancy and 4.5% for double occupancy suites to cover anticipated rate increases.

Chair Snyder thanked Dean Paturzo for his presentation and for his work as dean during the past few years. She wished him well as he returned to the MassArt faculty.

On a motion duly made and seconded, it was unanimously

VOTED: To approve the fees for Graduate Program's AY2019 Boston Low Residency MFA.

Items for Discussion

Enrollment and Housing Occupancy Management for 2020

Chair Snyder directed trustees to the Housing Operations and Residence Life Budget Summary FY20 and the Enrollment and Housing Occupancy Management documents. She said that the committee would be planning a joint committee with the BOT Academic and Student Affairs Committee in February to explore housing issues.

Dean Costello said that the college is working with the MSCBA to propose reasonable costs for Boston and putting our housing programs in a positive balance. She pointed to the five possible scenarios in the attachments and proposed that the second one is best. Trustees discussed the overall housing picture and agreed that while 97% housing occupancy seems likely this year, the goal is closer to 100%. Chair Snyder said that more time would be devoted to this subject at a future meeting.

Reports

Update on Capital Projects

Since trustees had recently received an update at a BOT Special Committee on Tower meeting, Chair Snyder did not ask for a repeat of the presentation. She said that VP Perry had prepared a financial summary page and had assured trustees that \$25.4m would be the backstop amount. The Unbound campaign has raised \$12m, and the college is structurally putting the budget into a deficit to account for pledges. AVP Arpino described the breakdown of the \$25m budget, the debt service payments, and the \$1m structural deficit that will balance out in four to five years.

As for the Tower project, President Nelson noted that this was a once-in-a-lifetime opportunity. Current activities include working on the design process with DCAMM, the Ayers Saint Gross study, and the deliberations being considered by faculty chairs on how space should be used campus-wide.

New Business

There was no new business.

Adjournment

On a motion duly made and seconded at 2:30pm, it was unanimously

VOTED: To adjourn.