



## MASSACHUSETTS COLLEGE OF ART AND DESIGN

### REQUEST FOR TRUSTEE ACTION

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To: Board of Trustees  
Date: September 22, 2020  
From: Linda Snyder, Co-Chair, Administration and Finance Committee  
Peter Nessen, Co-Chair, Administration and Finance Committee  
Subject: Approval of FY 2021 Budget

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To approve the proposed Fiscal Year 2021 Budget.

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Committee Assigned: Administration and Finance Committee  
Committee Action:  
Date of Action:  
Log #:

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Board of Trustee Action:  
Board of Trustee Approval Date:  
Effective Date:

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**MASSART**

MASSACHUSETTS COLLEGE  
OF ART AND DESIGN

## MEMORANDUM

To: Trustees, Administration and Finance Committee  
From: Robert M. Perry, Vice President, Administration & Finance  
Subject: Fiscal Year 2021 Budget Summary  
Date: September 15, 2020

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For your review and approval A&F presents the Fiscal Year 2021 budget, with anticipated revenues of \$69,084,409 and proposed expenditures of \$71,138,159.

FY 21 Initial budget load was based on Actual FY20 expenditures. Total preliminary adjustments equate to a 14% reduction in planned expenses for FY21 compared to FY20 actuals. Savings in payroll, utilities, legal fees, travel programs, food and various administrative expenses resulted in a lower expense base as many of the FY20 savings continue into FY21 with a hybrid/remote work environment and less faculty, staff and students on campus. Additional adjustments were made to reflect a mostly remote work environment, less use of consultants, few or no public events and minimal travel by faculty, staff & students.

Highlights include:

- MSCBA Debt Refinancing of college & dorm debt - \$-7.5M
- Food service – catering across all college departments - \$993K
- Consultants - \$723K
- Travel – Faculty, staff & student travel - \$600K
- Supplies (office and event related) \$395K
- Savings under review - payroll savings via potential furloughs or retirement programs, restructuring course offerings to reflect enrollment changes.

Each Vice President was also asked to identify savings within their area to ensure that we can stay within the budget being proposed here. The adjustments have not all been fully allocated but are included at the summary level by each VP. The October Fiscal Operations report will show the detail of the final allocations. The Presidential search is included within HR searches under Administration and Finance at \$104,050.

**The savings listed above were necessary to bring expenses more in line with estimated revenue but also to make room for key investments to support students and operate the college for FY21.**

**Academic Investments include: \$300,000**

Purchase of various specialized software, virtual desktops and equipment to support remote/hybrid teaching and learning

Development of student kits sent to student homes – ex: dress form, photo equipment, art supplies, 3-d printers, portable sewing machines, AR/VR equipment

Professional development for faculty to support teaching and learning

**Facilities Investments include: \$100,000**

Purchase of specialized air filters and cleaning machines: backpack sprayers, ultra violet wands for high touch surfaces, Sneeze guards in offices, bookstore and cafeteria

**Public Health Investments include: \$650,000**

Testing of students and staff, software to support symptom monitoring, contact testing, isolation/quarantine space, PPE

**Summary of FY21 Preliminary Budget****Undergraduate Programs**

The Undergraduate Program budget has projected revenues of \$43,813,170 and proposed expenses of \$45,735,109. This represents 64.29% of college expenditures. Included in the total is State funding is estimated at \$17,699,054. Based on the impact of the pandemic on state revenue, this amount is an assumed reduction of 10% from the FY2020 GAA appropriation. The state budget process is expected to resume in late September with a budget passing sometime in October.

- We have budgeted student enrollment at 1552 undergraduate students (1510 FT and 42 PT) with Tuition & Fee revenues of \$26.M, including Financial Aid support of \$7.0 M plus other waiver assistance. The enrollment decline is a change of 181 students or 10%. The mix of students has changed with instate students growing from 73% of the total to 77%. NST and OST dropped by 21% and 37% respectively. Given the differential in student charges, this shift exacerbates the overall revenue decline. The total decrease in the Undergraduate Program overall revenues is \$6.3 M as a result of changes in enrollment due to the pandemic and the reduction in the state appropriation. This loss is partially offset by the college portion of the MSCBA debt refinancing.

**Graduate Programs**

The Graduate Programs budget has anticipated revenues of \$2,344,100 and proposed expenses of \$2,245,592 based on an enrollment of 113. This is a reduction in enrollment of 2 students or 1.7%.

**Programs of Continuing Education**

The budget for CE Programs anticipates revenues of \$2,313,588 with proposed expenses of \$2,105,509. Summer programs were delayed and special programs are being reconfigured to reflect the updated operating environment.

### **Housing Programs**

The budget for Housing Programs has anticipated revenues of \$9,992,270 with proposed expense of \$9,992,270. The Housing activity includes reductions in occupancy to reflect CDC and state guidelines. The de-densified occupancy includes 414 MCA beds and 259 MCPHS beds. This is a reduction from normal occupancy of 34 -48% depending on the building. The housing programs budget will benefit from the MSCBA debt refinancing which dramatically reduces the debt service payable in FY21 by \$5.4M. Operating expenses are also being reduced.

### **Other Programs & Accounts**

With the budgets for Other Programs, we are anticipating revenues of \$10,866,051 and proposed expenses of \$11,044,838. This lower amount reflects reductions in planned financial activity from FY2020 including less college events and capital activity. This includes the balance of \$190,000 in CARES act funds for direct support to students and the institutional allocation of \$755,133 available to cover the investments noted above to re-open the campus within the public health guidelines of the state, DPH and the CDC. It is anticipated that these costs will exceed the money allocated to the college from the CARES act and that contingency funds will be utilized to ensure and maintain public health and safety. College funded Financial Aid & Support Accounts are estimated at an overall level of \$ \$7.0 million.

### **In summary - FY21 - FY22 impact:**

1. 10% decrease in enrollment from 2019 - **(\$4.0M)**
2. Estimated reduction in state appropriation - **(\$ 2.7M)**
3. Unexpected housing loss due to Spring refunds and 51% Fall occupancy: **(\$5.0M)** off set by debt refinancing **(\$5.4M)**
4. Fall opening costs due to COVID (testing, facilities needs, testing, tracing and staffing, student kits and investments in technology etc.): **(\$1.0M)**

This caused \$2.0M deficit spend of reserves/fund balance leaving \$17.4M for FY22 and beyond.

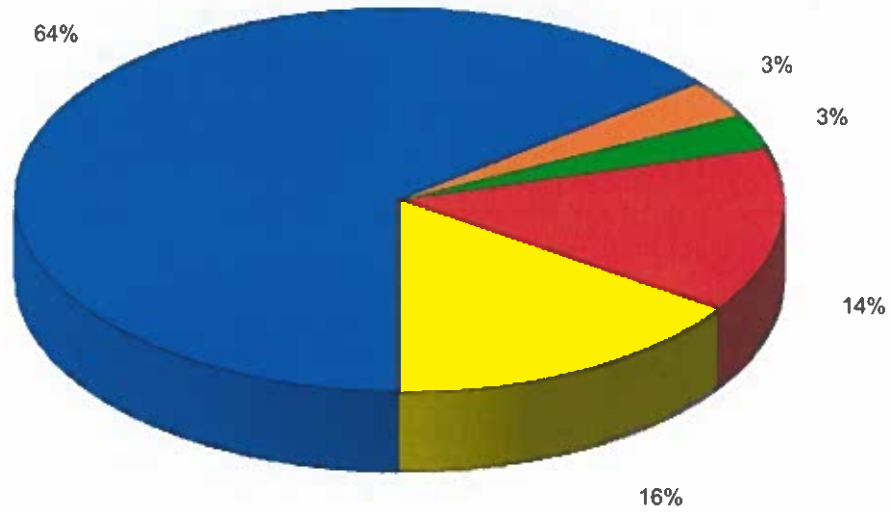
The College leadership team, faculty and staff has taken extraordinary measures to ensure the health and safety of the entire college community. Everyone is working, teaching and engaging in collaborating in new and cost effective ways. The steps we take this year to stabilize the financial ramifications of the pandemic will serve us well in the years to come.

FY2021  
Budget






- FY2021 Budget Chart Page 2
- FY2021 Estimated Program Summary Page 3
- FY2021 Estimated Revenue & Funding Pages 4 - 7
- FY2021 Proposed Expenditure Budget Pages 8 - 10
- FY2021 Estimated Account Summary Recap Page 11

# MASSART

## MASSACHUSETTS COLLEGE OF ART AND DESIGN



### FY2021 Budget

Account Categories	Revenue Budget	Expenditure Budget	Expenditure Percentage
 I Undergraduate Day Program	43,813,170	45,735,970	64.29%
 II Graduate Programs	2,344,100	2,245,592	3.16%
 III CE Programs	2,068,818	2,119,492	2.98%
 IV Housing Programs	9,992,270	9,992,270	14.05%
 V Other Programs & Accounts	10,866,051	11,044,835	15.53%
	<u>69,084,409</u>	<u>71,138,159</u>	<u>100.00%</u>

**MASSART** MASSACHUSETTS COLLEGE  
OF ART AND DESIGN  
FISCAL YEAR 2021  
ESTIMATED PROGRAM SUMMARY

September 14, 2020

FY2020-SUM

FISCAL YEAR 2021		I	II	III	IV	V	TOTAL
ACCOUNT CATEGORIES :		UNDERGRADUATE DAY PROGRAM	GRADUATE PROGRAMS	CE PROGRAMS	HOUSING PROGRAMS	OTHER PROGRAMS & ACCOUNTS	
<b>A</b>	<b>FUND BALANCE</b>						
	<b>ESTIMATED CARRY FORWARD INTO FY2021</b>	13,391,468	1,057,156	-1,090,591	1,186,903	4,915,176	19,460,112
	<b>FY2021 ESTIMATED REVENUE &amp; FUNDING</b>						
	STATE APPROPRIATIONS	17,699,054					17,699,054
	MASSART REVENUE	26,114,116	2,344,100	2,068,818	9,992,270	10,866,051	51,385,355
<b>B</b>	<b>TOTAL ESTIMATED REVENUE</b>	43,813,170	2,344,100	2,068,818	9,992,270	10,866,051	69,084,409
<b>C</b>	<b>TOTAL ESTIMATED EXPENSES</b>	45,735,970	2,245,592	2,119,492	9,992,270	11,044,835	71,138,159
<b>D</b>	<b>FY2021 EST REVENUE LESS FY2021 EST EXPENSES</b>	-1,922,800	98,508	-50,674	0	-178,784	-2,053,750
<b>E</b>	<b>ESTIMATED FUND BALANCE INTO FY2021</b>	11,468,668	1,155,664	-1,141,265	1,186,903	4,736,392	17,406,362

# MASS COLLEGE OF ART & DESIGN - REVENUE & FUNDING

September 15, 2020

FY2021Rev1

	A FY2021 ESTIMATED	B FY2020 FINAL BUDGET	C (A - B) FY2021 Estimated - FY2020 Budget
<b>I Undergraduate Day Program Revenue</b>			
s State Maintenance Funding	17,699,054	20,412,641	-2,713,587
s State #2 Formula Funding	0	0	0
s State CB Funding	17,699,054	20,412,641	-2,713,587
<b>Tuition Retention</b>			
Tuition	9,275,175	12,177,050	-2,901,875
Tuition Waivers	-80,000	-120,000	40,000
Tuition Waivers - Adams Year 3	-210,000	-300,000	90,000
Tuition - Transfer to Financial Aid Fund	-700,000	-1,000,000	300,000
	8,285,175	10,757,050	-2,471,875
<b>Campus Support Trust - Revenue</b>			
Student Fee - Campus Support	19,917,425	21,080,250	-1,162,825
MassArt Capital Fee	629,400	694,000	-64,600
Student Fee - Transfer to Financial Aid Fund	-6,000,324	-6,940,000	939,676
Sub Total	<u>14,546,501</u>	<u>14,834,250</u>	<u>-287,749</u>
<b>Application Fees</b>	180,000	180,000	0
<b>Commissions (Bookstore &amp; Cafe)</b>	656,250	755,000	-98,750
<b>Housing - Technology Access</b>	270,000	465,400	-195,400
<b>MCPHS</b>	240,000	240,000	0
<b>Other Revenue - Misc</b>	163,190	364,000	-200,810
<b>Printing - PaperCut</b>	33,000	100,000	-67,000
<b>Student Fee - Travel</b>	0	149,083	-149,083
Sub Total	<u>1,542,440</u>	<u>2,253,483</u>	<u>-711,043</u>
<b>Support &amp; Transfers to MassArt</b>			
Foundation Support	650,000	650,000	0
Grad Program Academic Transfer	550,000	300,000	250,000
Grad Program Support	440,000	440,000	0
CE Program Support	100,000	500,000	-400,000
Sub Total	<u>1,740,000</u>	<u>1,890,000</u>	<u>-150,000</u>
<b>CST - MassArt Fees &amp; Revenue</b>	17,828,941	18,977,733	-1,148,792
<b>I ESTIMATED REVENUE</b>	<b>43,813,170</b>	<b>50,147,424</b>	<b>-6,334,254</b>



**Undergraduate Day Program Student Enrollment**

	FY2021 Projection	FY2020 Budget	Actual # FY2020	Actual # FY2019	Actual # FY2018
Full Year Average	1,211	1,235	1,266	1,215	1,147
In-State	158	255	250	246	269
Non-Resident	204	245	216	240	274
New-England	1,573	1,735	1,732	1,701	1,690
Total					

Rates per semester	FY2021		FY2020	
	Tuition	CST Fee	Tuition	CST Fee
In-State	\$515.00	\$6,325.00	\$515.00	\$6,075.00
Non-Resident	\$13,315.00	\$6,325.00	\$12,865.00	\$6,075.00
New-England	\$9,315.00	\$6,325.00	\$8,865.00	\$6,075.00

**Student Charge - Tuition & Fees (includes \$60 Student Government Fee per semester )**

Semester	FY2021	FY2020
In-State	\$6,870.00	\$6,650.00
Non-Resident	\$19,670.00	\$19,000.00
New-England	\$15,670.00	\$15,000.00
Full Year	FY2021	FY2020
In-State	\$13,740.00	\$13,300.00
Non-Resident	\$39,340.00	\$38,000.00
New-England	\$31,340.00	\$30,000.00

MassArt Capital Fee - Full Year	FY2021	FY2020
	\$400.00	\$400.00
Change in Budget Revenue		-64,600

MASS COLLEGE OF ART & DESIGN - REVENUE & FUNDING

	A	B	C (A - B)
	FY2021	FY2020	FY2021 Estimated
	ESTIMATED	BUDGET	- FY2020 Budget
<b>II Graduate Programs Revenue</b>			
PCG Graduate Tuition Revenue	2,344,100	2,825,916	-481,816
<b>II ESTIMATED REVENUE</b>	<b>2,344,100</b>	<b>2,825,916</b>	<b>-481,816</b>
<b>III CE Programs Revenue</b>			
PCE CE & Certificate Tuition & Program Revenue	2,068,818	3,004,655	-935,837
PCO Special Programs & Other Revenue	<u>A</u>	<u>A</u>	
<b>III ESTIMATED REVENUE</b>	<b>2,068,818</b>	<b>3,004,655</b>	<b>-935,837</b>
<b>IV Housing Programs Revenue</b>			
DOB Dorm Dining Charge	950,000	1,958,652	-1,008,652
DOF Dorm Activity Fee	5,500	14,320	-8,820
DOR Dorm Smith Revenue	1,406,484	2,470,050	-1,063,566
DRT Dorm Artist Residence Charges & Misc	2,494,340	4,365,649	-1,871,309
DTH Dorm Trust - Tree House Charges & Misc	5,135,946	6,585,982	-1,450,036
Total Rev Budget for 3 Dorms	13,421,681		
<b>IV ESTIMATED REVENUE</b>	<b>9,992,270</b>	<b>15,394,653</b>	<b>-5,402,383</b>

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**MASS COLLEGE OF ART & DESIGN - REVENUE & FUNDING**

	<b>A</b>	<b>B</b>	<b>C (A - B)</b>
	FY2021	FY2020	FY2021 Estimated
	ESTIMATED	BUDGET	- FY2020 Budget
<b>V Other Programs &amp; Accounts Revenue</b>			
s BRF State Building Repairs Fund	975,000	80,575	894,425
s BRS State Building Repairs - South Hall	0	0	0
s EDR State Energy Demand	0	2,246	-2,246
s MRA State Mass Rehab - ADA	80,000	80,000	0
ASA Art School Investment Income	2,000	2,000	0
BND Bond - FF&E Acquisitions #	0	349,421	-349,421
ECS Events & College Space Activity	125,000	250,000	-125,000
EMS Educ Materials & Supplies Revenue	50,000	50,000	0
INS Health Insurance Charge	660,000	750,000	-90,000
RES Reserve Account - Investment Revenue	120,000	120,000	0
SAA Student Activity Account Revenue	100,000	151,569	-51,569
SGA Student Government Fee & Misc	188,940	220,000	-31,060
CFG Cares Federal Funding	1,045,266	755,133	290,133
FDA Gallery Project	135,275	800,000	-664,725
RF28 + Academic Fund Raising & Misc Grants Revenue	145,246	670,000	-524,754
RF56 + Awards, Endowments & Scholarships	400,000	400,000	0
MSF MassArt Scholarships & Student Assistance	6,839,324	7,100,000	-260,676
<b>V ESTIMATED REVENUE</b>	<b>10,866,051</b>	<b>11,780,944</b>	<b>-914,893</b>
+ Summary of multiple acct/dept			
<b>GRAND TOTAL ESTIMATED REVENUE</b>	<b>69,084,409</b>	<b>83,153,592</b>	<b>-14,069,183</b>

September 15, 2020

Massachusetts College of Art & Design  
Fiscal Year 2021 Budget Recommendation

FY2021-BUDSUM  
September 15, 2020

A

B

D (A-B)

Final 6/30/2020

Dept #	Department Name	FY2021 Recommendation	FY2020 Current Budget	Change in Budget 2021-2020
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I Undergraduate Day Program\*

					% CHG
Daniel Serig	Academic Affairs - Instructional Depts	4,226,968	4,962,167	-735,199	-14.8%
Maureen Keefe	Student Development Departments	1,039,609	1,688,961	-649,352	-38.4%
Kym Pinder	President's Departments	1,244,911	1,803,958	-559,047	-31.0%
Marjorie O'Malley	Institutional Advancement Departments	132,145	228,239	-96,094	-42.1%
Robert Perry	Administration & Finance Departments	7,034,980	9,176,534	-2,141,554	-23.3%
	Payroll & Other Departments	30,967,062	32,239,122	-1,272,060	-4.1%
%%%	Reserve/Contingency	1,090,295	30,000	1,060,295	

<u>Total Undergraduate Programs</u>	<u>45,735,970</u>	<u>50,128,981</u>	<u>-4,393,011</u>
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\*Additional departmental funding detail will be provided at Board Meeting

II Graduate Programs

Programs				
PCG	Graduate Programs	2,245,592	2,746,849	-501,257

Total Graduate Programs                      2,245,592                      2,746,849                      -501,257

III CE Programs

Programs				
PCE	Continuing Education & Certificate Program	2,119,492	2,999,655	-880,163
PCO	Other CE Programs	^	^	

Total CE Programs                                      2,119,492                                      2,999,655                                      -880,163

## IV

Housing Programs

Programs				
DOB	Dorm Dining	950,000	1,958,652	-1,008,652
DOF	Dorm Activity	5,500	14,320	-8,820
DOR	Dorm Trust 1 - Smith Hall	1,406,484	2,447,433	-1,040,949
DRT	Dorm Trust 2 - Artist Residence	2,494,340	4,335,789	-1,841,449
DTH	Dorm Trust 3 - Tree House	5,135,946	6,540,572	-1,404,626
	Total Exp Bud for 3 Dorms	13,323,794		

Total Housing Programs                      9,992,270              15,296,766              -5,304,496

## V

Other Programs & Accounts

Programs				
BRF	Building Repairs - State Grant	975,000	80,575	894,425
BRS	Building Repairs - State Grant	0	0	0
EDR	Energy Demand - State Grant	0	2,246	-2,246
MRA	Mass Rehab ADA - State Grant	80,000	80,000	0

ASA	Art School Associates	2,000	2,000	0
BND	Bond - FF&E Acquisitions #	0	349,421	-349,421
ECS	Events & College Space Activity	124,220	250,000	-125,780
EMS	Educ Materials & Supplies	50,000	50,000	0
INS	Health Insurance - Student Coverage	660,000	750,000	-90,000
RES	Reserve Account	0	0	0
SAA	Student Activities Account	100,000	151,569	-51,569

SGA	Student Government Association	188,940	220,000	-31,060
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CFG		1,336,348	755,133	
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FDA	Gallery Project	171,327	533,000	-361,673
RF28+	Special Activities Accounts & Grants	217,532	670,000	-452,468

RF56+	Awards, Endowments & Scholarships	300,144	400,000	-99,856
MSF	MassArt Scholarships & Student Assistance	6,839,324	7,100,000	-260,676

Total Other Programs                      11,044,835              11,393,944              -930,324

**GRAND TOTAL**                      **71,138,159**              **82,566,195**              **-14,735,904**

Massachusetts College of Art & Design  
 Fiscal Year 2021 Fund Balances  
 July 1, 2020 - June 30, 2021

ESTIMATED-FULL YEAR

	A	B	C	D	E
				(B - C)	(A + D)
	Beginning Balance	Year To Date Revenue	Year To Date Expenditures	Current Year	Fund Balance
		FY 2021 Budget	FY 2021 Budget		
<b><u>I. Undergraduate Day Program</u></b>					
SMA - State Maintenance Appropriation	N/A	17,699,054	17,699,054	0	N/A
TUI - Tuition Retention	0	8,285,175	8,285,175	0	0
CST - Campus Support Trust	13,391,468	17,828,941	19,751,741	-1,922,800	11,468,668
	13,391,468	43,813,170	45,735,970	-1,922,800	11,468,668
<b><u>II. Graduate Programs</u></b>					
PCG - Master's Programs	1,057,156	2,344,100	2,245,592	98,508	1,155,664
Adjustment for Student Receivables	Λ	0	0	0	Λ
	1,057,156	2,344,100	2,245,592	98,508	1,155,664
<b><u>III. CE Programs</u></b>					
PCE - Programs of Continuing Education	-1,090,591	2,068,818	2,119,492	-50,674	-1,141,265
Adjustment for Student Receivables	Λ	0	0	0	Λ
	-1,090,591	2,068,818	2,119,492	-50,674	-1,141,265
<b><u>IV. Housing Programs</u></b>					
DOB - Dorm Dining	0	950,000	950,000	0	0
DOF - Dorm Activity	40,602	5,500	5,500	0	40,602
DOR - Dormitory	-44,871	1,406,484	1,406,484	0	-44,871
DRT - Dorm - Artist Residence	1,090,052	2,494,340	2,494,340	0	1,090,052
DTH - Dorm - Tree House	101,120	5,135,946	5,135,946	0	101,120
	1,186,903	9,992,270	9,992,270	0	1,186,903
<b><u>V. Other Programs &amp; Accounts</u></b>					
BRF - State - Building Repair Fund	0	975,000	975,000	0	0
EDR - State - Energy Demand Program	0	0	0	0	0
MRA - State - Mass Rehab ADA Assistance	0	80,000	80,000	0	0
ASA - Art School Associates	262,061	2,000	2,000	0	262,061
BND - Bonds FF&E Acquisitions	0	0	0	0	0
ECS - Events & College Space Activities	44,395	125,000	124,220	780	45,175
EMS - Educational Materials & Supplies	0	50,000	50,000	0	0
INS - Student Health Insurance	0	660,000	660,000	0	0
PAS - MassArt Made	-328,493	0	0	0	-328,493
RES - Contingency Reserve Trust	4,377,216	120,000	0	120,000	4,497,216
SAA - Student Activities Account	-58,126	100,000	100,000	0	-58,126
SGA - Student Government	178,787	188,940	188,940	0	178,787
CFG - Cares Federal Grant	0	1,045,266	1,336,348	-291,082	-291,082
FDA - Gallery Project **	-381,880	135,275	171,327	-36,052	-417,932
RF28 - Academic Activities, Grants & Projects **	402,336	145,246	217,532	-72,286	330,050
RF56 - Scholarship Accounts **	418,880	7,239,324	7,139,468	99,856	518,736
	4,915,176	10,866,051	11,044,835	-178,784	4,736,392

<b><u>Fund Balance Total</u></b>	<b>19,460,112</b>	<b>69,084,409</b>	<b>71,138,159</b>	<b>-2,053,750</b>	<b>17,406,362</b>
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