

BOARD OF HIGHER EDUCATION

REQUEST FOR BOARD ACTION

NO.: BHE 16-01

BOARD DATE: October 27, 2015

APPROVAL OF THE MASSACHUSETTS COLLEGE OF ART AND DESIGN SPECIAL MISSION PARTNERSHIP RENEWAL PLAN

MOVED:

The Board of Higher Education (Board) hereby approves the attached Massachusetts College of Art and Design special mission partnership renewal plan for 2015-2020 (“the MassArt Special Mission Renewal Plan”).

The Board further authorizes the Commissioner to forward the MassArt Special Mission Renewal Plan to the Secretary of Education for his review and approval pursuant to Section 7 of Chapter 15A of the General Laws.

Authority: Massachusetts General Laws Chapter 15A, Sections 7, 9 and 22

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The Massachusetts College of Art and Design Special Mission Renewal Plan for a Partnership with the Commonwealth

Background Information

Before the Board of Higher Education (BHE) for review and approval is the “*Massachusetts College of Art and Design Renewal Plan for a Partnership with the Commonwealth*” which, if approved, will be effective for 2015 through 2020 (the “Special Mission Renewal Plan”). The MassArt Special Mission Renewal Plan is submitted to the BHE pursuant to Section 7 of Chapter 15A which provides that a board of trustees of a state or community college with the potential to expand its mission, profile, and orientation to a more regional or national focus may submit to the BHE for its approval, a five-year plan embracing an entrepreneurial model that leverages that potential in order to achieve higher levels of excellence. This is the second renewal of a five-year special mission partnership plan with MassArt. The first and second plans were approved by the BHE on April 20, 2004 and December 8, 2009, respectively.

A leadership team from MassArt met several times in 2015 with Department of Higher Education (DHE) staff as the College worked to craft a Special Mission Renewal Plan document that considers its needs and the legislative requirements, and clearly informs Board members and other key stakeholders. The 2015 Special Mission Renewal Plan continues to be built upon a framework that has as its foundation a partnership among the College and its board of trustees, the Board of Higher Education and the State Legislature. The conditions of the Plan continue to require the following:

- Tuition will be set by the MassArt board of trustees and retained by the campus.
- Fringe benefits will be paid by the Commonwealth for College employees paid from MassArt’s retained tuition account (excluding tuition for continuing education courses).
- BHE will remain the employer of record for all employees in collective bargaining units.
- Costs associated with any new tuition waiver programs will be funded by the Commonwealth.
- MassArt will be treated as all other public colleges in funding provided for capital outlay and special funding initiatives.
- MassArt will maintain its commitment to student diversity and to participation in K-12 and community programs.

The motion before the Board asks for approval of the MassArt Special Mission Renewal Plan based on the College’s response to the relevant sections of Chapter 15A, which require that a five-year entrepreneurial plan include:

Budget and enrollment projections (pages 8-10, Appendix III)

Projections for student charges (tuition and fees) are based on several assumptions that are outside of the institution’s control. The assumptions include: a level or increasing appropriation over the next five years, inclusive of new collective bargaining costs and legislatively-mandated waiver programs.

Under the MassArt Special Mission Renewal Plan for 2015 through 2020, Massachusetts resident student charges (tuition and fees) will not increase by more than 4% each year. Should revenues not meet estimated expenditures in a given academic year, MassArt will first evaluate expenditures and implement cost-saving measures where necessary. If student charges need to be adjusted above the 4% annual cap, MassArt will come before the BHE to seek an exception.

Student Charges (pages 12-13)

In-state tuition and fees will rise gradually and be capped by the total amount that is available to a student with 100 percent need through federal, state and campus grants. The limit on the tuition level for Massachusetts residents reflects the partnership between the College and the Commonwealth that recognizes the need for continued state appropriation. The College makes a commitment to use institutional resources to fund gaps in financial aid for Massachusetts residents in need of financial aid.

Out-of-state tuition rates will be set at an amount that will appropriately balance the financial needs of the College with the need to be competitive with peer institutions regionally and nationwide. Out-of-state charges will be market-driven but will always cover 100 percent of the cost of education.

Plans to ensure continuing access to the institution by residents of the Commonwealth (pages 14-15)

The legislative mandate that governs the Plan requires that the proportion of undergraduates who are Massachusetts residents total at least 60 percent of matriculated students. See Section 634 of Chapter 351 of the Acts of 2004. In academic year 2015 Massachusetts students made up 66% of the total BFA enrollment. The Plan projects that the proportion of enrolled Massachusetts undergraduates may decrease slightly in academic year 2016 before leveling off and perhaps increase again as new programs and markets are developed. It will continue to remain above the 60% legislatively-mandated minimum.

Affirmative Action policies and programs (pages 15-16)

MassArt increased the ethnic and cultural diversity of the College's student population to 24.6% by the fall semester of 2014. MassArt expects to continue increasing ethnic and racial minority student enrollment through dual enrollment programs with Boston and Lawrence high schools, Artward Bound, Northeastern University's Boot Camp for high school students, several area mentoring programs, and cross registration agreements with Bunker Hill and Roxbury Community Colleges and the University of Massachusetts Boston. MassArt also intends to achieve parity in graduation rates among students of diverse ethnic groups.

Admission standards (page 17, Appendix IV)

MassArt adopted new admission standards at the time the original partnership was approved. These standards exceed those established by the BHE for the state universities and are designed to assist the institution's admissions staff in selecting students who present credentials that MassArt's research has demonstrated to be

indicators for success in the BFA program. It is anticipated that a revision to the S.A.T. sliding scale will reflect planned changes in that test's structure and scoring metrics.

Performance agreement (pages 19-23)

MassArt has proposed performance standards and objectives that are similar to those developed by the BHE for all state public institutions, and are adapted to the specific mission of MassArt. MassArt will report to the BHE and the Legislature by April 1 of each year on its performance for the prior year based on these objectives.

The BHE-approved (March 2010) peer institutions will be used as benchmarks for key indicators in MassArt's annual performance report. MassArt recognizes the importance of system-level data and will also continue to submit to the Board annual HEIRS instructional activity and degree files, as well as fall student and applicant files.

The MassArt Special Mission Renewal Plan also includes a section on *Performance Indicators* (page 20). Items in this section set forth goals and objectives and measures of success. In recognition of the important features of the MassArt Special Mission Renewal Plan and the potential for the results to influence further Board of Higher Education policy and as was true for the original Plan, the College will continue to respond to reasonable requests from the Board for any information related to the Special Mission Renewal Plan.

ATTACHMENT: STATUTORY LANGUAGE

Chapter 15A: Section 7. Mission statements, development, approval and adoption

Paragraph 4 (Language effective March 10, 2008)

“The board of trustees of a state or community college with the potential to expand its mission, profile, and orientation to a more regional or national focus may submit to the secretary and the board of higher education a five-year plan embracing an entrepreneurial model which leverages that potential in order to achieve higher levels of excellence. Such plans shall include, but not be limited to, budget and enrollment projections for each year, projections for total student charges for each year, projections for in-state and out-of-state enrollments for each year, and plans to insure continuing access to the institution by residents of the commonwealth and affirmative action policies and programs that affirm the need for and a commitment to maintaining and increasing access for economically disadvantaged and minority students. Said proposal, upon its receipt, shall be transmitted to the secretary of administration and finance, the chairs of the house and senate committees on ways and means, and the house and senate chairs of the joint committee on higher education. The secretary, in consultation with the council, shall have the authority to approve, reject, or propose amendments to said plan. Proposed amendments shall be returned to the institution's board of trustees. If the board of trustees approves said amendments, the plan shall be considered adopted. If the institution's board of trustees rejects the proposed changes, it may submit a redrafted plan, which will be treated as a new plan under the provisions of this section.”

FY2004 Budget Outside Sections appearing in Chapter 25 of the Acts of 2003:

Section 634: The Massachusetts College of Art shall submit to the board of higher education, and said board shall consider, a proposal under clause (p) of section 22 of chapter 15A of the General Laws, as amended by section 63 of this act. The proposal shall establish tuition rates and admission standards for the college, and shall assure that the number of undergraduate degree candidates who are Massachusetts residents enrolled on October 1 of 2003 and each subsequent year thereafter shall be no less than 60 per cent of the total number of undergraduate degree candidates enrolled, or the number of Massachusetts residents enrolled on October 1, 2002, whichever is greater. In-state tuition rates for the college shall preserve affordability for Massachusetts residents. Out-of-state tuition rates shall appropriately balance the financial needs of the college with the need to be competitive with peer institutions regionally and nationwide. The proposal shall include provisions for performance standards specific to the mission of said college to be used in place of the performance measurements system otherwise in effect. Within 90 days of the submission of a proposal, the board shall formally approve the proposal, or shall return it to said college with suggested changes. If the board takes no action within 90 days of receipt of said proposal, it shall be considered approved.

Section 633: Notwithstanding any general or special law to the contrary, for fiscal years 2004 to 2008, inclusive, all tuition and fees received by a board of trustees of the Massachusetts College of Art shall be retained by the board of trustees of that institution in a revolving trust fund or funds and shall be expended as the board of the institution

may direct. Any balance in the trust funds at the close of a fiscal year shall be available for expenditure in subsequent fiscal years and shall not revert to the General Fund....

Notwithstanding any general or special law to the contrary, for employees of public higher education institutions who are paid from tuition retained pursuant to this section, fringe benefits shall be funded as if those employees' salaries were supported by state appropriations. This section shall apply only to fringe benefits associated with salaries paid from tuition retained by the boards of trustees of public higher education institutions as a direct result of the implementation of this section. This section shall apply only in fiscal year 2004.