

## School of Graphic Arts Board Report

Reporting Period: 1<sup>st</sup> Quarter 2026

The first quarter of 2026 has been a period of transition and evaluation for the School of Graphic Arts (SGA), as we continue balancing program growth, equipment planning, and shifts in our revenue streams.

Participation in the Kid\$earn Program remains steady, with three direct care residents actively working within SGA, alongside two students from J.F. Webb High School. Additionally, two ILP residents are currently engaged in the program while preparing for off-campus employment. These opportunities continue to provide meaningful, hands-on experience while reinforcing workplace readiness and skill development.

From a production standpoint, SGA has begun the process of evaluating upgrades to our copier production units. Two proposals have been received to date, with a third expected in the near future. Our current contract is set to expire at the end of June, prompting a strategic review of our next steps. Notably, one proposal includes an additional used production unit under contract, and the pending proposal is expected to offer a similar configuration. This evaluation will play a key role in determining how we modernize and maintain efficiency in our production capabilities.

SGA successfully completed its first personalized mailing project for MHCO during this quarter. While the project presented several challenges, it provided valuable insight into our operational capabilities and areas for improvement, positioning us for greater efficiency in future mailings. In addition, the team is actively working on laser engraving projects for the upcoming Gala and will be contributing donated items to support MHCO's auction efforts.

Equipment reliability continues to be a growing concern. Much of SGA's current equipment is over 30 years old, creating ongoing challenges in sourcing replacement parts, many of which are no longer manufactured. As breakdowns occur, decisions will need to be made regarding whether to replace equipment, outsource services, or discontinue certain offerings altogether. Additionally, a two-color press is currently idle due to a non-functioning plate writer. Given its limited historical usage—approximately once per month—and an estimated resale value of \$15,000, SGA is evaluating the potential sale of this asset.

Financially, SGA is experiencing a continued shift in revenue sources. Masonic printing income has declined significantly as more Lodges adopt digital tools such as Grandview and as Shrine Temples and publications like the NC Mason continue transitioning to digital formats. As of the end of March, General Public printing revenue has increased approximately 24.5% compared to the same period last year, while Masonic revenue has decreased by approximately 32.5%. This trend reinforces the need for SGA to continue expanding its services and identifying new revenue opportunities to offset the decline in traditional Masonic printing.

Overall, the quarter reflects both progress and ongoing challenges, with a clear need to adapt operationally and strategically to ensure long-term sustainability while continuing to support the mission of MHCO

-SGA Manager, Thomas Boyd