



Board of Trustees

Financial Affairs and Advancement Committee

9:00 a.m.
December 20, 2022

Room 127, Catherine Dower Center for Performing & Fine Arts

A live stream of the meeting for public viewing will also take place on YouTube at the following link: <https://www.westfield.ma.edu/live>

For information about Westfield State's COVID-19 procedures, visit: www.westfield.ma.edu/covid

1. Called to Order Trustee Salehi

2. Minutes
a. October 12, 2022 Trustee Salehi

Financial Affairs

3. Items for Information
a. FY23 First Quarter Financials Maria Feuerstein
b. Annual Debt Report and Ratios Stephen Taksar/Lisa Freeman
c. Parenzo Hall Renovation DCAMM/MDS

4. Items for Discussion
a. FY24 Budget Planning Scenarios Stephen Taksar/Maria Feuerstein
b. Multi-Year Forecast/Projection Update Stephen Taksar/Maria Feuerstein
c. Board of Higher Education (BHE) Strategic Review of Higher Education Financing Stephen Taksar

Advancement

5. Items for Action
a. Motion - Staff Emerita Status Lisa McMahan

6. Items for Information
a. Institutional Advancement Update Lisa McMahan

- b. First Quarter Dashboard
- c. Advancement Fundraising and Engagement Opportunities
- d. Alumni Fundraising and Engagement Opportunities

Lisa McMahon
William Hynes
Ryan Meersman

Attachment(s):

- a. Minutes 10-12-22 (Draft)
- b. FY23 First Quarter Financials (Summary)
- c. FY23 First Quarter Financials
- d. FY22 First Quarter Financials
- e. Annual Debt Report and Ratios (Summary)
- f. Annual Debt Report and Ratios (Ratio Tables)
- g. Parenzo Hall Renovation (Presentation)
- h. FY24 Budget Planning Scenarios (Summary)
- i. FY24 Budget Planning Scenarios (Model)
- j. FY24 Budget Planning Scenarios (Variance)
- k. FY24 Budget Planning Scenarios (Assumptions & Timeline)
- l. BHE Strategic Review of Higher Education Financing (Motion)
- m. Motion – Staff Emerita Status
- n. Staff Emerita Status (Notification Letter)
- o. First Quarter Dashboard
- p. Alumni Fundraising and Engagement Opportunities



BOARD OF TRUSTEES

Finance and Capital Assets Committee

October 12, 2022

Minutes

Arno Maris Gallery, Room 201, Ely Campus Center

And via Zoom, in accordance with Massachusetts Gov. Charlie Baker’s Executive Order Suspending Certain Provisions of the Open Meeting Law, G.L. c. 30A, § 20 dated March 12, 2020.

A live stream of the meeting for public viewing also took place on YouTube.

MEMBERS PRESENT: Committee Chair Ali Salehi, Secretary Chris Montemayor, and Trustees Theresa Jasmin, and Chloe Sanfacon

MEMBERS PARTICIPATING REMOTELY: Trustee Madeline Landrau

MEMBERS EXCUSED: Vice Chair Paul Boudreau

TRUSTEE GUESTS PRESENT: Trustees Melissa Alvarado, Dr. Robert Martin, William Reichelt, and Dr. Gloria Williams [joined at 9:29 AM]

Also present and participating were Westfield State University President Dr. Linda Thompson, Administration and Finance Vice President Stephen Taksar, Associate Vice President Lisa Freeman, Director of Accounting Operations Steven Scibelli; Associate Vice President for Strategic Finance and Institutional Planning Maria Feuerstein; EMT Instructor Christopher Perkins, Dean of Students Maggie Balch; and Executive Director of Communication, Marketing and Branding Dr. Leslie Rice.

Committee Chair Salehi called the meeting to order at 9:02 AM. A roll call was taken of the committee members participating as listed above and it was announced that the meeting was being livestreamed and recorded.

MOTION made by Trustee Jasmin, seconded by Trustee Sanfacon, to approve the minutes of the June 28, 2022, meetings.

There being no discussion, ROLL CALL VOTE taken:

Trustee Jasmin	Yes	Trustee Sanfacon	Yes
Trustee Landrau	Yes	Trustee Salehi	Yes
Trustee Montemayor	Yes		

Motion passed unanimously.

Travel Expenses of the President and the President’s Direct Reports: July 1, 2021 – June 30, 2022. Ms. Freeman referenced the reports provided and stated the total travel expenses for the year were

approximately \$24,000.

Fixed Assets Inventory Progress Report. Mr. Scibelli stated there was an increase in the inventory completion over FY21 and the goal for each year is to finish with improved results. There have been significant improvements to the process over time, but efficiencies will continue to be implemented as discovered. All assets are bar coded and the minimum amount to inventory is \$1,000, together with all computing and some mobile devices. Our capitalization policy is now consistent with the state’s policy of \$50,000.

Vehicle Purchase (Ambulance). Mr. Perkins stated an additional \$4,000 was needed to purchase the ambulance authorized at the April meeting due to an increase in the trade-in price. It will be customized, and funding will come from Academic Affairs. The EMT classes partner with the Nursing and PA programs.

MOTION made by Trustee Jasmin, seconded by Trustee Montemayor, to approve the expenditure of an additional \$4,000 in FY23 to procure an ambulance for the Sports Medicine and Human Performance Department from Specialty Vehicles, Inc. With approval from the Board of Trustees in April 2022 to purchase an ambulance for \$5,000, this will bring the total purchase price of the vehicle to \$9,000 in FY23.

There being no discussion, ROLL CALL VOTE taken:

Trustee Jasmin	Yes	Trustee Sanfacon	Yes
Trustee Landrau	Yes	Trustee Salehi	Yes
Trustee Montemayor	Yes		

Motion passed unanimously.

Student Travel Policy (4040). Mr. Taksar stated this policy is being updated due to changes in requirements. Policies are being revised to remove detailed procedures so that they do not need to come before the Board when a procedure or form changes to streamline the policy. Ms. Balch added that there is a formal process for student travel in place and all procedures are placed in an advisor manual to be taken to all off-campus events. Events are covered by our insurance policies or by the state. Meal allowances are based on collective bargaining limits for all employee travel.

MOTION made by Trustee Jasmin, seconded by Trustee Sanfacon, to approve the changes and accept the newly revised Student Travel Policy (4040), as presented.

There being no discussion, ROLL CALL VOTE taken:

Trustee Jasmin	Yes	Trustee Sanfacon	Yes
Trustee Landrau	Yes	Trustee Salehi	Yes
Trustee Montemayor	Yes		

Motion passed unanimously.

FY23 Operating Budget. Mr. Taksar and Ms. Feuerstein presented the FY23 Operating Budget, giving the following highlights.

- Enrollment has shifted from the projection in the June provisional budget to the final budgeted enrollment.
- The \$1 million gap has been closed in this budget through additional unplanned appropriation and a reduction in the benefit budget.
- There are no HEERF funds budgeted.
- ARPA funds have been budgeted to cover COVID related expenses and deferred maintenance.
- Final budget utilizes year 1 of the glide path strategy, which is a combination of budget reductions, fee increases and use of campus funds, reserves.
- The Massachusetts Department of Higher Education (DHE) has hired EY Parthenon to study how state appropriation funds should be disbursed. That report will be completed this fall to include

- state appropriations based on enrollment, performance, and a baseline allocation.
- Day division enrollment declined 217 students from last year. There is a 35% drop in enrollment since the peak in 2017.
- Auxiliary revenues increased by 7% since the provisional budget helped to offset the deficit. COVID expenses have decreased significantly. [Trustee Williams joined the meeting at 9:29 AM]
- The FY23 final budget summary includes \$3.4 million of additional state funding, but less revenue from lower overall enrollment. Increased financial aid of \$500,000 is being provided through reserves as previously approved. The structural deficit offset of \$2,650,803 was funded from the glide path.
- Utilities and other operational costs will likely continue to increase. The MSCBA will provide a significant release of system debt in four years when the assessment will decrease substantially. Residential Life is working on long- and short-term strategies to close their debt now, which will be included in the five-year forecast.
- At the December meeting, the committee will be provided with the best, middle, and potential worst-case scenarios and assumptions to drive the planning process for FY24.
- The FY23 final budget by trust fund includes innovation and FEMA/ARPA funding. The planned use of reserves was provided as part of the final budget.
- Permanent and temporary adjustments were made to get from the June provisional budget to October's final balanced budget through reserves and campus reductions with no additional cuts to positions. Trustee Salehi said the University cannot continue to rely on reserves.
- Approximately one-third of vacant positions are unfunded. If the president determines to add another position, she can move funding from funded vacant positions to a position created for another reason. The compensation budget is built position by position. Trustees requested to see a list of positions.
- Trustee Salehi added that despite challenging times, the message to campus is that the Board has never discussed furloughs, layoffs, or cutbacks to campus.

MOTION made by Trustee Montemayor, seconded by Trustee Jasmin, to approve the FY23 Operating Budget as presented and to authorize the President to make budget adjustments to these funds.

There being no discussion, ROLL CALL VOTE taken:

Trustee Jasmin	Yes	Trustee Sanfacon	Yes
Trustee Landrau	Yes	Trustee Salehi	Yes
Trustee Montemayor	Yes		

Motion passed unanimously.

FEMA Reserves Request. President Thompson stated there is an opportunity to advance the campus by using the IDEA model to be more innovative and entrepreneurial, to incorporate diversity, and participate in more engagement on and off campus to create opportunities to solve the enrollment problem. Part of the FEMA funds will be used to market and tell the story of the good work being done on campus, to fund innovation like an interdisciplinary new degree on informatics and partnering with businesses to develop a focus on management and water and drainage issues. Mr. Taksar stated that the FEMA funds are a reimbursement for funds already spent. Cash was received in one year, but revenue recognized in another year. Dr. Rice presented five key goals in the Marketing and Communications department to improve marketing over the next few years to build enrollment. The proposed \$600,000 to spend in six strategies was broken down by cost and will be tracked monthly on a dashboard to evaluate the effectiveness in all innovations. It was discussed that engaging students and alumni in marketing would be helpful.

MOTION made by Trustee Jasmin, seconded by Trustee Landrau, to approve the use of reserves totaling \$1,326,406 which is equal to the FEMA reimbursement. The revenue was

recognized in FY22 when the reimbursement was requested and approved; most of the cash reimbursement was received in FY23. Funds will be used for strategic investments as shown in the attached summary, in support of institutional priorities as approved by the President. If funds are not fully spent in FY23, unspent funds will be automatically rolled forward into FY24. A year-end report will be provided to the Finance and Capital Assets Committee.

There being no discussion, ROLL CALL VOTE taken:

Trustee Jasmin	Yes	Trustee Sanfacon	Yes
Trustee Landrau	Yes	Trustee Salehi	Yes
Trustee Montemayor	Yes		

Motion passed unanimously.

FY24 Budget Planning Assumptions and Timeline. Mr. Taksar shared assumptions for FY24 revenues, expenses, and reserves, based on scenarios being presented in December. The full-time, first-year numbers are flat based on the current year, and overall enrollment would assume a decline next year. President Thompson has asked the campus to grow enrollments and look at non-traditional opportunities to help do that. Trustees requested a scenario based on what the president’s request for increased enrollment to understand what is possible financially if this target was realized. The FY24 Budget Timeline was shared, and Mr. Taksar recommended following the provisional budget approach that has been working well the last few years.

Five-Year Financial Forecast Update and Reserves. Mr. Taksar’s office is actively working on a five-year forecast for campus and has created a baseline assessment. Multimillion dollar losses are still projected without detailed strategies and implementation plans. An additional 350 to 500 full-time students are needed to close the budget gap. As available, updated figures will be provided at the December meeting.

There being no further business, **MOTION** made by Trustee Jasmin, seconded by Trustee Sanfacon, to adjourn.

There being no discussion, ROLL CALL VOTE taken:

Trustee Jasmin	Yes	Trustee Sanfacon	Yes
Trustee Landrau	Yes	Trustee Salehi	Yes
Trustee Montemayor	Yes		

Motion passed unanimously.

Meeting adjourned at 10:43 AM.

Attachments presented at this meeting:

- a. Draft Minutes 6-28-22 (Draft)
- b. Travel Expenses of the President and the President’s Direct Reports July 2021 – July 2022
- c. Fixed Assets Inventory Progress Report
- d. Motion – Vehicle Purchase
- e. Vehicle Purchase (Memo)
- f. Vehicle Purchase (Invoice)
- g. Motion – Student Travel Policy
- h. Student Travel Policy (No Track Changes)
- i. Student Travel Policy (Track Changes)
- j. Motion – FY23 Operating Budget
- k. FY23 Operating Budget Presentation
- l. FY23 Operating Budget (Narrative)
- m. FY23 Operating Budget (Final Budget)
- n. FY23 Operating Budget (Detailed Budget)

- o. FY23 Operating Budget (June 2022 Provisional Material)
- p. Motion – FEMA Reserves Request
- q. FEMA Reserves Request
- r. FEMA Reserves Request – An Investment in Our Story
- s. FEMA Reserves Request – Marketing and Communications Annual Report Top Five Goals
- t. FY24 Budget Planning Assumptions and Timeline (Narrative)
- u. Five-Year Financial Forecast Update and Reserves (Narrative)

Secretary's Certificate

I hereby certify that the foregoing is a true and correct copy of the approved minutes of the Westfield State University Board of Trustees Finance and Capital Assets Committee meeting held on October 12, 2022.

Chris Montemayor, Secretary

Date

Westfield State University
Financial Affairs and Advancement Committee

FY23 First Quarter Financials

December 20, 2022

First Quarter (Q1) Ending September 30, 2022

FY23 Quarterly Financial Update and Overview

Tuition and fee revenue are reported at 50% of the actual fall semester revenue for the day division and for summer II and 50% of actual fall semester revenue for CGCE. Expenses are actual expenses incurred through the end of the first quarter (September 30th, 2022). Since the campus does not develop a quarterly budget, the financial report normalizes for the timing of expenditures and calculates a quarterly budget for the purpose of reporting.

The University's net variance to budget is \$1.7M at the end of the quarter with 26.6% of the University's revenues realized and 23.3% of the budget expended. The current variance is mainly due to a high level of vacancies related to the economic labor shortage across all major units on campus coupled with higher-than-normal turnover. As is typical of 1st quarter results, there is also a lag in spending for non-compensation expenses, which has the effect of overstating net financial impact to reflect significant favorability. The financial results reported for the 1st quarter are not expected to be maintained as the year progresses.

Undergraduate enrollment was lower than budget by 15 students or less than 1% as reported for the first quarter. Residential Life experienced a slightly higher than planned occupancy of 24 students or 1.3%. The number of participants in Dining Services is also favorable to the budget by 49 students or 2.4%. CGCE total enrollment, reported in number of credit hours, lower than budget by 238 (Student Credit Hours) SCH, with an unfavorable variance of less than 2%.

Enrollment

Full-time Day Division enrollment was approximately 0.5% below budgeted enrollment for the quarter. This led to a decline in fall semester budgeted revenue by approximately \$175k. Enrollment for the fall was budgeted at 3,157 versus actual enrollment of 3,142, a difference of 15 students.

Revenue

Total revenue is trending slightly below target (-1.0%) for Q1 mainly due to the timing of state appropriation and grant funding along with lower tuition and fee revenue. CGCE is trending slightly favorable with \$127k above budget due to instructional and miscellaneous fees; Dining is trending slightly higher than budgeted, \$79k favorable, due to an increase in internal catering revenue; and Residential Life is trending below budget, (\$128k) unfavorable, due to lower than planned room rent for fall and 2021 summer room rents. This is partially due to a change in compensation for the RA staff during the fall billing cycle to offset the full cost of their room costs. There was also a smaller number

of premium singles on the campus than originally intended further decreasing the revenue ceiling for the year. The decreased revenue will also be offset by not using the allocation in Pool CC for the RA staff given their new compensation arrangement.

Expenses

Overall expenses are trending favorably versus the Q1 projection by \$2.0M or 6.7% with contributions of approximately \$1.1M from university operations, \$0.4M from CGCE, \$0.3M from Residential Life and \$0.1M from Dining Services as follows:

- University – Compensation expense is below budget by \$1.2M or 8.1% due to temporary savings from positions. Other expenses, the largest being construction expense (pool NN) in the amount of \$0.28M, are trending higher than budget due to timing related to progress for starting capital projects.
- CGCE – Compensation expense is below budget by \$0.35M or 15.8% due to vacant positions as well as lower utilization of contract workers and special employees. Other variances are minor and are due to timing issues. Total expenses are trending below budget by \$0.4M or 13.5%.
- Residential Life – Total expenses are below budget by \$0.3M mainly due to vacancy savings of \$0.3M; other variances are minor.
- Dining Services – Total expenses are tracking favorable to budget by \$0.1M mainly due to vacancy savings of \$0.2M offset by minor favorability related to timing issues and higher spending on good costs due to both inflation and higher meal plan participants resulting in spending \$0.1M over budget or 15.3% higher than planned.

Summary for Q1

Shifting demographics coupled with the post-pandemic economic landscape have caused significant challenges in higher education. Enrollment declines, higher inflation, and labor shortages continue to have a significant effect on the campus budget and operations in a myriad of ways. For instance, in Q1, the campus experienced slightly lower overall revenue that was offset by higher than planned vacancy savings, which points to a declining demographic and higher than expected turnover and recruitment challenges. Inflation is expected to result in a significant increase to overall university expenses in FY23 and beyond for both utilities and food costs as well as higher wages which are required to attract potential workers. The University will be closely monitoring the effects of rising costs and utilities on the total budget and will provide financial updates in future quarterly reports. The overall positive financial performance is expected to be temporary as operating activities result in expending financial resources and the melt rate between semesters is captured and accounted for in future quarterly reports. The campus expects to meet its current FY23 budget as approved at the October meeting barring any significant unforeseen event or financial issue.

Note: Credit hour data for CGCE is considered preliminary until verified.

Fiscal Year : July 1st - June 30th

Financial Report (Consolidated)
Quarter Ending September 30, 2022

				Fav/(Unfav)		
	<u>Annual FY23</u>	<u>FY23</u>	<u>FY23</u>	<u>Budget</u>	<u>Percent</u>	<u>Percent</u>
	<u>Budget</u>	<u>1st Qtr. Budget</u>	<u>1st Qtr. Actual</u>	<u>Variance</u>	<u>Variance</u>	<u>Realized/</u>
						<u>Expended</u>
<u>Enrollment</u>						
University (Headcount)	2,997	3,157	3,142	(15)	-0.5%	
CGCE (Credit Hours)	30,132	13,705	13,468	-238	-1.7%	
<u>Auxiliaries</u>						
Meal Plan Participants	1,998	2,067	2,116	49	2.4%	
Housing Occupancy	1,769	1,860	1,884	24	1.3%	
<u>Staffing</u>						
Administrative	475	475	420	(55)	-11.6%	
Full-time Faculty	217	217	206	(11)	-5.1%	
Total	692	692	626	(66)	-9.5%	
<u>Revenue</u>						
University/SGA	\$ 77,740,239	\$ 21,297,364	\$ 20,920,204	\$ (377,160)	-1.8%	26.9%
CGCE	12,140,783	3,035,196	3,162,307	127,112	4.2%	26.0%
Residential Life	15,477,267	4,092,187	3,963,248	(128,939)	-3.2%	25.6%
Dining Services	9,303,938	2,413,274	2,492,303	79,029	3.3%	26.8%
Total Revenue	\$ 114,662,227	\$ 30,838,021	\$ 30,538,063	\$ (299,959)	-1.0%	26.6%
<u>Expenses/Transfers</u>						
University/SGA	\$ 83,789,249	\$ 20,724,617	\$ 19,578,946	\$ 1,145,672	5.5%	23.4%
CGCE	12,215,783	3,209,387	2,777,342	432,044	13.5%	22.7%
Residential Life	16,498,865	4,114,409	3,802,815	311,594	7.6%	23.0%
Dining Services	9,303,938	2,332,471	2,200,439	132,032	5.7%	23.7%
Total Expenses/Transfers	\$ 121,807,835	\$ 30,380,884	\$ 28,359,542	\$ 2,021,342	6.7%	23.3%
<u>Net</u>						
University/SGA	\$ (6,049,010)	\$ 572,747	\$ 1,341,258	\$ 768,511	134.2%	
CGCE	(75,000)	(174,191)	384,965	559,156	-321.0%	
Residential Life	(1,021,598)	(22,222)	160,433	182,655	-822.0%	
Dining Services	-	80,803	291,865	211,062	261.2%	
Total	\$ (7,145,609)	\$ 457,137	\$ 2,178,520	\$ 1,721,384	376.6%	

Notes:

- (1) This report provides an internally compiled summary of the revenues and expenses of Westfield State University for the subject period. This information is unaudited and is for internal management purposes only.
- (2) This report represents an estimate of the expected results based on allocating revenue and expenditures by quarter using a variety of metrics.
- (3) CGCE enrollment represents credit hours.

University/SGA Financial Report
Quarter Ending September 30, 2022

Fiscal Year : July 1st - June 30th

Fav/(Unfav)

	Annual FY23 Budget	FY23 1st Qtr. Budget	FY23 1st Qtr. Actual	Budget Variance	Percent Variance
Enrollment					
Total Undergraduate Enrollment (Billable)	2,997	3,157	3,142	(15)	-0.5%
Staffing					
Administrative	348	348	318	(30)	-8.6%
Full-time Faculty	200	200	190	(10)	-5.0%
Total	548	548	508	(40)	-7.3%
Revenue					
State Appropriation	\$ 35,404,927	\$ 8,851,232	\$ 8,584,200	\$ (267,032)	-3.0%
Tuition Retention	2,315,259	578,815	645,578	66,763	11.5%
General Fee	28,584,426	7,528,662	7,488,169	(40,492)	-0.5%
Technology Fee	2,187,737	576,214	573,014	(3,200)	-0.6%
DGCE Fees (technology/capital planning)	250,000	50,000	46,410	(3,590)	-7.2%
Capital Improvement Fee	299,690	78,934	78,520	(414)	-0.5%
Bookstore Commissions	202,253	91,014	46,165	(44,849)	-49.3%
Interest Earnings	115,000	28,750	24,546	(4,204)	-14.6%
Nursing Fee	325,611	81,403	68,621	(12,782)	-15.7%
Parking Decals	198,705	84,450	92,063	7,613	9.0%
Wellness Center	341,527	88,797	113,868	25,070	28.2%
Res Life Dorm Fee	89,400	23,691	-	(23,691)	-100.0%
Dunkin' Donuts & Vending Commissions	108,578	87,145	87,256	112	0.1%
Miscellaneous Fees/Revenue	395,796	98,948	87,728	(11,220)	-11.3%
Student Government Association	419,566	110,507	109,936	(570)	-0.5%
Federal, State and Private Grants	13,199,185	3,299,796	3,061,066	(238,730)	-7.2%
Scholarship Allowance	(11,520,448)	(2,880,112)	(2,665,270)	214,842	-7.5%
Innovation Funds	800,000	-	-	-	0.0%
ARPA Funds	1,908,352	1,908,352	1,908,352	-	0.0%
Other Auxiliary revenues	1,049,175	262,294	221,507	(40,787)	-15.5%
Foundation Support	1,065,500	348,476	348,476	-	0.0%
Total Revenue	\$ 77,740,239	\$ 21,297,364	\$ 20,920,204	\$ (377,160)	-1.8%
Expenses					
AA - Regular Employee Compensation	\$ 44,838,773	\$ 12,197,521	\$ 11,370,781	\$ 826,740	6.8%
CC - Special Employees	3,430,684	857,671	877,291	(19,620)	-2.3%
DD - Pension and Fringe Benefits	4,889,940	1,288,649	932,765	355,884	27.6%
Compensation expense subtotal	53,159,397	14,343,841	13,180,837	1,163,004	8.1%
BB - Employee Related expenses	609,190	67,688	65,913	1,775	2.6%
EE - Administrative Expenses	1,565,964	391,491	511,854	(120,363)	-30.7%
FF - Facility Operations	1,208,797	302,199	294,177	8,022	2.7%
GG - Energy Costs and Space Rental	3,005,576	647,451	621,545	25,906	4.0%
HH - Consultant Services	987,100	246,775	244,907	1,868	0.8%
JJ - Operational Services	1,177,540	294,385	281,512	12,873	4.4%
KK - Equipment Purchases	352,098	88,024	34,687	53,338	60.6%
LL - Equipment Leases and Rental	885,431	221,358	205,575	15,783	7.1%
MM - Purchased Client Services	292,837	32,537	638	31,899	98.0%
NN - Construction and Improvements	3,078,968	769,742	1,052,983	(283,241)	-36.8%
RR - Entitlement Programs (Scholarships)	4,932,263	1,282,388	1,091,857	190,531	14.9%
SS - Debt Payments and Contingency	1,279,064	231,353	231,353	-	0.0%
UU - Information Technology	4,119,233	1,593,110	1,578,072	15,037	0.9%
Student Government	427,478	47,498	53,021	(5,523)	-11.6%
Athletics - Sport Accounts	519,043	57,671	86,559	(28,887)	-50.1%
Academic Educational Services (ESTF)	354,022	39,336	60,472	(21,136)	-53.7%
Grants	1,759,183	439,796	395,796	43,999	10.0%
FEMA Reimbursement	1,269,232	-	-	-	0.0%
Innovation Funds	800,000	15,120	15,120	-	0.0%
ARPA Funds	1,908,352	130,259	130,259	-	0.0%
Other Trust Funds	1,685,182	184,111	143,324	40,787	22.2%
University Hall support payment	150,000	150,000	150,000	-	0.0%
Unallocated	819,058	-	-	-	0.0%
University Contingency	400,300	-	-	-	0.0%
Transfer from Dining	(1,342,184)	(335,546)	(335,546)	-	0.0%
Transfer to Res Life	1,136,603	171,651	171,651	-	0.0%
Transfer from CGCE	(2,750,478)	(687,620)	(687,620)	-	0.0%
Other Expense/Transfers Total	30,629,852	6,380,777	6,398,109	(17,332)	-0.3%
Total Expenses/Transfers	\$ 83,789,249	\$ 20,724,617	\$ 19,578,946	\$ 1,145,672	5.5%
Net	\$ (6,049,010)	\$ 572,747	\$ 1,341,258	\$ 768,511	134.2%

Note:

Net of (\$6.0M) refers to Capital rollover, approved use of reserves, and other trust fund rollovers.

CGCE Financial Report
Quarter Ending September 30, 2022

Fiscal Year : July 1st - June 30th

Fav/(Unfav)

	<u>Annual FY23</u>	<u>FY23</u>	<u>FY23</u>	<u>Budget</u>	<u>Percent</u>	<u>Percent</u>
	<u>Budget</u>	<u>1st Qtr. Budget</u>	<u>1st Qtr. Actual</u>	<u>Variance</u>	<u>Variance</u>	<u>Realized/</u>
						<u>Expended</u>
Enrollment (Number of Credits)						
Graduate	11,010	4,895	5,921	1,026	21.0%	
PA	3,480	1,856	1,181	(675)	-36.4%	
Undergraduate	15,642	6,954	6,366	(589)	-8.5%	
Total	30,132	13,705	13,468	-238	-1.7%	
Staffing						
Administrative	30	30	23	(7)	-23.3%	
Full-time Faculty	17	17	16	(1)	-5.9%	
Total	47	47	39	(8)	-17.0%	
Revenue						
Tuition (Including Educational Services Fee)	\$ 2,548,734	\$ 637,183	\$ 641,959	\$ 4,776	0.7%	25.2%
Instructional Fee	8,984,102	2,246,025	2,324,118	78,092	3.5%	25.9%
Registration Fee	389,956	97,489	83,034	(14,455)	-14.8%	21.3%
Miscellaneous	210,891	52,723	108,262	55,539	105.3%	51.3%
Transcripts	7,100	1,775	4,934	3,159	178.0%	69.5%
Total Revenue	\$ 12,140,783	\$ 3,035,196	\$ 3,162,307	\$ 127,112	4.2%	26.0%
Expenses						
AA - Regular Employee Compensation	\$ 3,587,518	\$ 975,915	\$ 856,900	\$ 119,015	12.2%	23.9%
CC - Special Employees	2,924,697	789,668	666,079	123,589	15.7%	22.8%
DD - Pension and Fringe Benefits	1,558,060	414,047	311,310	102,737	24.8%	20.0%
Compensation expense subtotal	8,070,274	2,179,630	1,834,288	345,342	15.8%	22.7%
BB - Employee Related expenses	95,997	23,999	8,509	15,490	64.5%	8.9%
EE - Administrative Expenses	425,108	106,277	73,161	33,116	31.2%	17.2%
FF - Facility Operations	32,700	8,175	21,552	(13,377)	-163.6%	65.9%
HH - Consultant Services	578,425	144,606	112,173	32,433	22.4%	19.4%
JJ - Operational Services	95,065	23,766	808	22,959	96.6%	0.8%
KK - Equipment Purchases	6,000	1,500	-	1,500	100.0%	0.0%
LL - Equipment Leases and Rental	8,000	2,000	-	2,000	100.0%	0.0%
RR - Entitlement Programs (Scholarships)	75,000	18,750	18,833	(83)	-0.4%	25.1%
UU - Information Technology	52,255	13,064	20,400	(7,336)	-56.2%	39.0%
Unallocated	26,481	-	-	-	-	-
Transfer to the University	2,750,478	687,620	687,620	-	0.0%	25.0%
Other Expense/Transfers Total	4,145,509	1,029,757	943,054	86,703	8.4%	22.7%
Total Expenses/Transfers	\$ 12,215,783	\$ 3,209,387	\$ 2,777,342	\$ 432,044	13.5%	22.7%
Net	\$ (75,000)	\$ (174,191)	\$ 384,965	\$ 559,156	-321.0%	

Fiscal Year : July 1st - June 30th

Fav/(Unfav)

**Residential Life Financial Report
Quarter Ending September 30, 2022**

	<u>Annual FY23 Budget</u>	<u>FY23 1st Qtr. Budget</u>	<u>FY23 1st Qtr. Actual</u>	<u>Budget Variance</u>	<u>Percent Variance</u>	<u>Percent Realized/ Expended</u>
Metrics						
Fall Semester Occupancy	1,860	1,860	1,884	24	1.3%	
Spring Semester Occupancy	1,678			-	0.0%	
Percentage of Capacity	73.6%	38.7%	39.2%			
Staffing						
Administrative	43	43	35	(8)	-18.6%	
Revenue						
Room Rent Fall	\$ 8,019,144	\$ 4,009,572	\$ 3,948,016	\$ (61,556)	-1.5%	49.2%
Room Rent Spring	7,232,661	-	(3,556)	(3,556)	0.0%	0.0%
Room Rent Summer	35,000	35,000	-	(35,000)	-100.0%	0.0%
Commissions	40,000	10,000	1,191	(8,809)	-88.1%	3.0%
Guest Fees/other	110,462	27,615	11,271	(16,345)	-59.2%	10.2%
Deposits Forfeited	15,000	3,750	15,800	12,050	321.3%	105.3%
Room Damages	25,000	6,250	(9,473)	(15,723)	-251.6%	-37.9%
Total Revenue	\$ 15,477,267	\$ 4,092,187	\$ 3,963,248	\$ (128,939)	-3.2%	25.6%
Expenses						
AA Employee Compensation	\$ 2,126,583	\$ 578,496	\$ 511,872	\$ 66,624	11.5%	24.1%
CC Special Employees/Students	777,190	155,438	5,377	150,061	96.5%	0.7%
DD Fringe Benefits, Insurance	890,826	233,355	160,781	72,574	31.1%	18.0%
Compensation expense subtotal	3,794,599	967,289	678,030	289,258	139.2%	17.9%
BB Employee Related Expenses	11,000	2,200	1,265	935	42.5%	11.5%
EE - Administrative Expenses	34,057	6,811	1,985	4,827	70.9%	5.8%
FF - Facility Operations	229,145	45,829	56,204	(10,375)	-22.6%	24.5%
GG - Energy Costs and Space Rental	1,952,470	331,920	295,620	36,299	10.9%	15.1%
HH - Consultant Services	5,000	1,000	-	1,000	100.0%	0.0%
JJ - Operational Services	485,783	97,157	84,039	13,118	13.5%	17.3%
KK - Equipment Purchases	54,428	10,886	16,543	(5,657)	-52.0%	30.4%
LL - Equipment Leases and Rental	162,191	32,438	30,849	1,589	4.9%	19.0%
NN - Construction and Improvements	19,060	3,812	487	3,325	87.2%	2.6%
RR - Entitlement Programs (Scholarships)	585,834	105,680	105,680	-	0.0%	18.0%
SS - Debt Payments and Contingency	10,309,563	2,795,454	2,795,454	-	0.0%	27.1%
UU - Information Technology	142,338	35,584	58,310	(22,725)	-63.9%	41.0%
Transfer from the University	(1,286,603)	(321,651)	(321,651)	-	-	25.0%
Total Expenses/Transfers	\$ 16,498,865	\$ 4,114,409	\$ 3,802,815	\$ 311,594	7.6%	23.0%
Net	\$ (1,021,598)	\$ (22,222)	\$ 160,433	\$ 182,655	-822.0%	

Fiscal Year : July 1st - June 30th

Dining Services Financial Report
Quarter Ending September 30, 2022

	Fiscal Year : July 1st - June 30th			Fav/(Unfav)		
	<u>Annual FY23</u>	<u>FY23</u>	<u>FY23</u>	<u>Budget</u>	<u>Percent</u>	<u>Percent</u>
	<u>Budget</u>	<u>1st Qtr. Budget</u>	<u>1st Qtr. Actual</u>	<u>Variance</u>	<u>Variance</u>	<u>Realized/</u>
						<u>Expended</u>
Metrics						
Meal Plan Participants - Fall	1,998	2,067	2,116	49	2.4%	
% Participation			67%			
Staffing						
Full-time	54	54	44	(10)	-18.5%	
Revenue						
Board Revenue	\$ 8,728,938	\$ 2,269,524	\$ 2,292,377	\$ 22,853	1.0%	26.3%
Catering Sales - Internal	200,000	50,000	128,595	78,595	157.2%	64.3%
Catering Sales - External	50,000	12,500	1,590	(10,910)	-87.3%	3.2%
Retail Sales	325,000	81,250	69,581	(11,669)	-14.4%	21.4%
Miscellaneous Revenue	-	-	160	160	-	-
Total Revenue	\$ 9,303,938	\$ 2,413,274	\$ 2,492,303	\$ 79,029	3.27%	26.8%
Expenses						
AA - Regular Employee Compensation	\$ 2,282,539	\$ 620,921	\$ 497,942	\$ 122,978	19.8%	21.8%
CC - Special Employees	1,064,329	266,082	255,920	10,162	3.8%	24.0%
DD - Pension and Fringe Benefits	925,716	235,501	166,491	69,010	29.3%	18.0%
Compensation expense subtotal	4,272,584	1,122,504	920,354	202,151	18.0%	21.5%
BB - Employee Related expenses	18,271	4,568	900	3,668	80.3%	4.9%
EE - Administrative Expenses	39,400	9,850	6,853	2,997	30.4%	17.4%
FF - Facility Operations	2,860,124	715,031	824,765	(109,734)	-15.3%	28.8%
GG - Energy Costs and Space Rental	800	200	104	96	47.9%	13.0%
HH - Consultant Services	1,800	450	-	450	100.0%	0.0%
JJ - Operational Services	40,556	10,139	233	9,906	97.7%	0.6%
KK - Equipment Purchases	40,500	10,125	2,725	7,400	73.1%	6.7%
LL - Equipment Leases and Rental	81,613	12,242	2,102	10,140	82.8%	2.6%
SS - Debt Payments and Contingency	541,105	95,566	95,566	-	0.0%	17.7%
UU - Information Technology	65,000	16,250	11,291	4,959	30.5%	17.4%
Transfer to the University	1,342,185	335,546	335,546	-	0.0%	-
Other Expense/Transfers Total	5,031,354	1,209,967	1,280,085	(70,118)	-5.8%	25.4%
Total Expenses/Transfers	\$ 9,303,938	\$ 2,332,471	\$ 2,200,439	\$ 132,032	5.7%	23.7%
Net	\$ -	\$ 80,803	\$ 291,865	\$ 211,062	261.2%	

Fiscal Year : July 1st - June 30th

Financial Report (Consolidated)
Quarter Ending September 30, 2021

	Annual FY22		FY22		FY22		Fav/(Unfav)	
	<u>Budget</u>		<u>1st Qtr. Budget</u>		<u>1st Qtr. Actual</u>		<u>Budget</u>	<u>Percent</u>
							<u>Variance</u>	<u>Variance</u>
								<u>Realized/</u>
								<u>Expended</u>
Enrollment								
University (Headcount)	3,215		3,389		3,361		(28)	-0.8%
CGCE (Credit Hours)	31,181		14,182		14,755		573	4.0%
Auxiliaries								
Meal Plan Participants	1,998		2,067		2,116		49	2.4%
Housing Occupancy	1,769		1,860		1,884		24	1.3%
Staffing								
Administrative	451		451		422		(29)	-6.3%
Full-time Faculty	228		228		213		(15)	-6.6%
Total	679		679		635		(44)	-6.4%
Revenue								
University/SGA	\$ 76,777,685	\$	19,560,646	\$	20,926,504	\$	1,365,858	7.0%
CGCE	12,024,757		3,006,189		3,042,275		36,086	1.2%
Residential Life	14,659,945		3,877,330		3,825,221		(52,109)	-1.3%
Dining Services	8,799,412		2,281,597		2,318,850		37,253	1.6%
Total Revenue	\$ 112,261,799	\$	28,725,762	\$	30,112,851	\$	1,387,089	4.8%
Expenses/Transfers								
University/SGA	\$ 77,090,650	\$	18,189,594	\$	17,893,809	\$	295,785	1.6%
CGCE	12,024,757		3,073,131		2,733,570		339,561	11.0%
Residential Life	16,165,966		1,272,720		1,068,718		204,002	16.0%
Dining Services	8,799,412		1,474,506		1,284,886		189,620	12.9%
Total Expenses/Transfers	\$ 114,080,785	\$	24,009,951	\$	22,980,983	\$	1,028,968	4.3%
Net								
University/SGA	\$ (312,965)	\$	1,371,051	\$	3,032,695	\$	1,661,644	121.2%
CGCE	0		(66,941)		308,706		375,647	-561.2%
Residential Life	(1,506,021)		2,604,610		2,756,503		151,893	5.8%
Dining Services	-		807,091		1,033,964		226,873	28.1%
Total	\$ (1,818,986)	\$	4,715,811	\$	7,131,868	\$	2,416,057	51.2%

Notes:

- (1) This report provides an internally compiled summary of the revenues and expenses of Westfield State University for the subject period. This information is unaudited and is for internal management purposes only.
- (2) This report represents an estimate of the expected results based on allocating revenue and expenditures by quarter using a variety of metrics.
- (3) CGCE enrollment represents credit hours.

University/SGA Financial Report
Quarter Ending September 30, 2021

	Annual FY22 Budget	FY22 1st Qtr. Budget	FY22 1st Qtr. Actual	Budget Variance	Percent Variance
Enrollment					
Total Undergraduate Enrollment (Billable)	3,215	3,389	3,361	(28)	-0.8%
Staffing					
Administrative	318	318	304	(14)	-4.4%
Full-time Faculty	211	211	196	(15)	-7.1%
Total	529	529	500	(29)	-5.5%
Revenue					
State Appropriation	\$ 31,988,905	\$ 7,997,226	\$ 7,905,369	\$ (91,857)	-1.1%
Tuition Retention	2,483,753	658,195	629,338	(28,857)	-4.4%
General Fee	29,629,440	7,808,256	7,737,013	(71,243)	-0.9%
Technology Fee	2,346,950	618,493	612,762	(5,731)	-0.9%
DGCE Fees (technology/capital planning)	250,000	62,500	45,364	(17,136)	-27.4%
Capital Improvement Fee	321,500	84,725	83,940	(785)	-0.9%
Bookstore Commissions	216,973	97,638	60,859	(36,779)	-37.7%
Interest Earnings	325,000	81,250	29,455	(51,795)	-63.7%
Nursing Fee	269,100	67,275	62,162	(5,113)	-7.6%
Parking Decals	213,166	90,596	93,346	2,750	3.0%
Wellness Center	386,186	101,258	96,431	(4,827)	-4.8%
Res Life Dorm Fee	88,450	23,439	-	(23,439)	-100.0%
Dunkin' Donuts & Vending Commissions	116,480	89,120	85,939	(3,181)	-3.6%
Miscellaneous Fees/Revenue	929,369	109,842	149,335	39,493	36.0%
Student Government Association	324,715	85,573	84,779	(793)	-0.9%
Federal, State and Private Grants	15,894,351	3,973,588	4,990,235	1,016,648	25.6%
Scholarship Allowance	(10,690,448)	(2,672,612)	(1,978,092)	694,520	-26.0%
Other Auxiliary revenues	844,795	211,199	165,182	(46,017)	-21.8%
Foundation Support	839,000	73,087	73,087	-	0.0%
Total Revenue	\$ 76,777,685	\$ 19,560,646	\$ 20,926,504	\$ 1,365,858	7.0%
Expenses					
AA - Regular Employee Compensation	\$ 41,588,808	\$ 9,879,334	\$ 9,089,892	\$ 789,442	8.0%
CC - Special Employees	3,653,675	730,735	512,701	218,034	29.8%
DD - Pension and Fringe Benefits	4,784,807	1,078,947	821,312	257,635	23.9%
Compensation expense subtotal	50,027,290	11,689,015	10,423,904	1,265,111	10.8%
BB - Employee Related expenses	611,337	67,926	38,265	29,661	43.7%
EE - Administrative Expenses	1,530,905	382,726	427,286	(44,560)	-11.6%
FF - Facility Operations	1,113,346	278,337	254,299	24,037	8.6%
GG - Energy Costs and Space Rental	2,546,695	540,086	534,244	5,842	1.1%
HH - Consultant Services	924,630	231,158	187,515	43,642	18.9%
JJ - Operational Services	1,126,705	281,676	119,348	162,328	57.6%
KK - Equipment Purchases	268,700	67,175	15,138	52,037	77.5%
LL - Equipment Leases and Rental	872,245	218,061	193,448	24,613	11.3%
MM - Purchased Client Services	282,631	31,403	15,945	15,458	49.2%
NN - Construction and Improvements	2,687,297	671,824	45,117	626,707	93.3%
RR - Entitlement Programs (Scholarships)	4,228,299	1,099,358	1,139,909	(40,551)	-3.7%
SS - Debt Payments and Contingency	1,897,007	256,448	256,448	-	0.0%
UU - Information Technology	3,551,443	1,427,504	1,628,427	(200,923)	-14.1%
Student Government	453,115	66,960	86,335	(19,374)	-28.9%
Athletics - Sport Accounts	521,966	57,996	48,330	9,666	16.7%
Academic Educational Services (ESTF)	346,743	48,159	40,918	7,241	15.0%
Grants	5,203,903	1,300,976	3,012,144	(1,711,168)	-131.5%
Other Trust Funds	1,479,658	312,398	266,381	46,017	14.7%
University Hall support payment	150,000	150,000	150,000	-	0.0%
Lansdowne support payment	104,893	104,893	104,893	-	0.0%
Unallocated	1,112,515	-	-	-	-
University Contingency	427,270	-	-	-	-
Transfer from Dining	(1,121,753)	(280,438)	(280,438)	-	0.0%
Transfer from CGCE	(3,256,191)	(814,048)	(814,048)	-	0.0%
Other Expense/Transfers Total	27,063,360	6,500,579	7,469,905	(969,326)	-14.9%
Total Expenses/Transfers	\$ 77,090,650	\$ 18,189,594	\$ 17,893,809	\$ 295,785	1.6%
Net	\$ (312,965)	\$ 1,371,051	\$ 3,032,695	\$ 1,661,644	121.2%

Note:

Net of (\$.3M) refers to Capital rollover, approved use of reserves, and other trust fund rollovers.

CGCE Financial Report
Quarter Ending September 30, 2021

Fiscal Year : July 1st - June 30th

Fav/(Unfav)

Enrollment (Number of Credits)

	Annual FY22 Budget	FY22 1st Qtr. Budget	FY22 1st Qtr. Actual	Budget Variance	Percent Variance	Percent Realized/ Expended
Graduate	10,950	4,868	6,004	1,136	23.3%	
PA	3,600	1,920	1,900	(20)	-1.0%	
Undergraduate	16,631	7,394	6,851	(543)	-7.3%	
Total	31,181	14,182	14,755	573	4.0%	

Staffing

Administrative	32	32	28	(4)	-11.1%	
Full-time Faculty	17	17	17	-	0.0%	
Total	49	49	45	(4)	-7.2%	

Revenue

Tuition (Including Educational Services Fee)	\$ 2,511,322	\$ 627,831	\$ 665,398	\$ 37,568	6.0%	26.5%
Instructional Fee	8,861,587	2,215,397	2,213,591	(1,806)	-0.1%	25.0%
Registration Fee	384,790	96,197	81,157	(15,041)	-15.6%	21.1%
Miscellaneous	259,958	64,989	78,759	13,770	21.2%	30.3%
Transcripts	7,100	1,775	3,370	1,595	89.9%	47.5%
Total Revenue	\$ 12,024,757	\$ 3,006,189	\$ 3,042,275	\$ 36,086	1.2%	25.3%

Expenses

AA - Regular Employee Compensation	\$ 3,522,436	\$ 836,747	\$ 743,443	\$ 93,304	11.2%	21.1%
CC - Special Employees	2,578,275	773,482	615,908	157,574	20.4%	23.9%
DD - Pension and Fringe Benefits	1,454,415	345,493	305,384	40,109	11.6%	21.0%
Compensation expense subtotal	7,555,126	1,955,723	1,664,735	290,988	14.9%	22.0%
BB - Employee Related expenses	86,507	21,627	2,233	19,393	89.7%	2.6%
EE - Administrative Expenses	333,363	83,341	64,470	18,870	22.6%	19.3%
FF - Facility Operations	32,240	8,060	22,122	(14,062)	-174.5%	68.6%
HH - Consultant Services	530,360	132,590	114,552	18,038	13.6%	21.6%
JJ - Operational Services	96,615	24,154	142	24,012	99.4%	0.1%
KK - Equipment Purchases	5,000	1,250	-	1,250	100.0%	0.0%
LL - Equipment Leases and Rental	8,000	2,000	-	2,000	100.0%	0.0%
RR - Entitlement Programs (Scholarships)	75,000	18,750	29,582	(10,832)	-57.8%	39.4%
UU - Information Technology	46,355	11,589	21,685	(10,096)	-87.1%	46.8%
Transfer to the University	3,256,191	814,048	814,048	-	0.0%	25.0%
Other Expense/Transfers Total	4,469,631	1,117,408	1,068,834	48,574	4.3%	23.9%
Total Expenses/Transfers	\$ 12,024,757	\$ 3,073,131	\$ 2,733,570	\$ 339,561	11.0%	22.7%

Net

Net	\$ -	\$ (66,941)	\$ 308,706	\$ 375,647	-561.2%	
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Fiscal Year : July 1st - June 30th

Fav/(Unfav)

**Residential Life Financial Report
Quarter Ending September 30, 2021**

Metrics

	Annual FY22 Budget	FY22 1st Qtr. Budget	FY22 1st Qtr. Actual	Budget Variance	Percent Variance	Percent Realized/ Expended
Fall Semester Occupancy	1,860	1,860	1,884	24	1.3%	
Spring Semester Occupancy	1,678	-	-	-	0.0%	
Percentage of Capacity	73.8%	77.6%	78.6%			

Staffing

Administrative	45	45	40	(5)	-11.1%	
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Revenue

Room Rent Fall	\$ 7,589,800	\$ 3,794,900	\$ 3,780,650	\$ (14,250)	-0.4%	49.8%
Room Rent Spring	6,845,425	-	-	-	0.0%	0.0%
Room Rent Summer	35,000	35,000	27	(34,973)	-99.9%	0.1%
Commissions	40,000	10,000	1,442	(8,558)	-85.6%	3.6%
Guest Fees/other	109,720	27,430	27,913	483	1.8%	25.4%
Deposits Forfeited	15,000	3,750	15,200	11,450	305.3%	101.3%
Room Damages	25,000	6,250	(13)	(6,263)	-100.2%	-0.1%

Total Revenue

	\$ 14,659,945	\$ 3,877,330	\$ 3,825,221	\$ (52,109)	-1.3%	26.1%
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Expenses

AA Employee Compensation	\$ 2,202,210	\$ 512,916	\$ 437,374	\$ 75,542	14.7%	19.9%
CC Special Employees/Students	561,800	112,360	111,233	1,127	1.0%	19.8%
DD Fringe Benefits, Insurance	866,605	201,766	162,373	39,392	19.5%	18.7%
Compensation expense subtotal	3,630,615	827,042	710,980	116,062	35.3%	19.6%
BB Employee Related Expenses	6,750	1,350	546	804	59.6%	8.1%
EE - Administrative Expenses	44,550	8,910	6,768	2,142	24.0%	15.2%
FF - Facility Operations	259,458	51,892	42,643	9,248	17.8%	16.4%
GG - Energy Costs and Space Rental	1,790,758	391,489	360,733	30,756	7.9%	20.1%
HH - Consultant Services	5,000	1,000	-	1,000	100.0%	0.0%
JJ - Operational Services	480,680	96,136	73,222	22,914	23.8%	15.2%
KK - Equipment Purchases	38,246	7,649	6,949	701	9.2%	18.2%
LL - Equipment Leases and Rental	234,037	46,807	15,776	31,032	66.3%	6.7%
NN - Construction and Improvements	11,200	2,240	-	2,240	100.0%	0.0%
RR - Entitlement Programs (Scholarships)	485,094	85,673	85,673	-	0.0%	17.7%
SS - Debt Payments and Contingency	9,392,542	-	-	-	-	0.0%
UU - Information Technology	29,700	7,425	20,322	(12,897)	-173.7%	68.4%
Unallocated	12,229	-	-	-	-	0.0%
Transfer from the University	(254,893)	(254,893)	(254,893)	-	0.0%	100%

Total Expenses/Transfers

	\$ 16,165,966	\$ 1,272,720	\$ 1,068,718	\$ 204,002	16.0%	6.6%
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Net

	\$ (1,506,021)	\$ 2,604,610	\$ 2,756,503	\$ 151,893	5.8%	
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Fiscal Year : July 1st - June 30th

**Dining Services Financial Report
Quarter Ending September 30, 2021**

				Fav/(Unfav)		
	<u>Annual FY21 Budget</u>	<u>FY21 1st Qtr. Budget</u>	<u>FY21 1st Qtr. Actual</u>	<u>Budget Variance</u>	<u>Percent Variance</u>	<u>Percent Realized/ Expended</u>
Metrics						
Meal Plan Participants - Fall % Participation	1,998	2,067	2,116 63%	49	2.4%	
Staffing						
Full-time	56	56	50	(6)	-10.7%	
Revenue						
Board Revenue	\$ 8,174,412	\$ 2,125,347	\$ 2,174,507	\$ 49,160	2.3%	26.6%
Catering Sales - Internal	150,000	37,500	94,749	57,249	152.7%	63.2%
Catering Sales - External	50,000	12,500	1,019	(11,481)	-91.8%	2.0%
Retail Sales	425,000	106,250	36,257	(69,993)	-65.9%	8.5%
Miscellaneous Revenue	-	-	12,317	12,317	-	-
Total Revenue	\$ 8,799,412	\$ 2,281,597	\$ 2,318,850	\$ 37,253	1.63%	26.4%
Expenses						
AA - Regular Employee Compensation	\$ 2,350,342	\$ 423,062	\$ 356,702	\$ 66,359	15.7%	15.2%
CC - Special Employees	786,000	157,200	150,028	7,172	4.6%	19.1%
DD - Pension and Fringe Benefits	955,585	164,805	134,624	30,181	18.3%	14.1%
Compensation expense subtotal	4,091,927	745,067	641,355	103,712	13.9%	15.7%
BB - Employee Related expenses	19,000	4,750	1,110	3,640	76.6%	5.8%
EE - Administrative Expenses	36,000	9,000	4,869	4,131	45.9%	13.5%
FF - Facility Operations	2,791,757	335,011	273,923	61,088	18.2%	9.8%
GG - Energy Costs and Space Rental	700	175	57	118	67.5%	8.1%
HH - Consultant Services	2,000	500	-	500	100.0%	0.0%
JJ - Operational Services	28,788	7,197	7,126	71	1.0%	24.8%
KK - Equipment Purchases	42,643	10,661	-	10,661	100.0%	0.0%
LL - Equipment Leases and Rental	64,077	9,612	3,427	6,185	64.3%	5.3%
SS - Debt Payments and Contingency	312,774	55,846	55,846	-	0.0%	17.9%
UU - Information Technology	65,000	16,250	16,736	(486)	-3.0%	25.7%
Unallocated	222,993	-	-	-	-	-
Transfer to the University	1,121,753	280,438	280,438	-	0.0%	-
Other Expense/Transfers Total	4,707,485	729,439	643,531	85,908	11.8%	13.7%
Total Expenses/Transfers	\$ 8,799,412	\$ 1,474,506	\$ 1,284,886	\$ 189,620	12.9%	14.6%
Net	\$ -	\$ 807,091	\$ 1,033,964	\$ 226,873	28.1%	

Westfield State University
Financial Affairs and Advancement Committee

Annual Debt Report and Ratios
December 20, 2022

The information in this report is being provided to comply with the reporting requirement of the University's Debt policy (#0480). The performance ratios and debt information presented below demonstrates that the University is in compliance with the policy. In the past, the University was also required to meet financial covenants associated with the Bank of America debt. As of June 30, 2022, the debt was paid off and the covenants were not required.

The University's future annual debt service payments on bonds payable is as follows:

<u>Fiscal Year</u>	<u>Amount</u>	<u>Fiscal Year</u>	<u>Amount</u>	<u>Fiscal Year</u>	<u>Amount</u>
2023	\$ 1,777,152	2032	\$ 1,293,303	2041	\$ 757,033
2024	\$ 1,928,608	2033	\$ 1,096,291	2042	\$ 753,590
2025	\$ 1,927,420	2034	\$ 1,098,288	2043	\$ 732,394
2026	\$ 1,933,197	2035	\$ 1,079,139	2044	\$ 711,197
2027	\$ 1,936,787	2036	\$ 1,084,556		
2028	\$ 1,723,559	2037	\$ 822,956		
2029	\$ 1,930,499	2038	\$ 803,341		
2030	\$ 1,925,695	2039	\$ 781,711		
2031	\$ 1,643,946	2040	\$ 774,170		
				Total	<u>\$ 28,514,832</u>

The University's bonds payable balance was \$22,432,806 at June 30, 2022 and consisted of the following:

<u>Financing Source</u>	<u>Project</u>	<u>Balance</u>	<u>Maturity</u>
MSCBA	Stevens Science and Innovation Center	\$ 12,529,399	FY 2044
MSCBA	Ely Hall Renovation Project	\$ 5,557,036	FY 2034
Mass Development	Solar Array	\$ 66,490	FY 2027
MSCBA	Dining Hall Renovation Project	\$ 2,857,469	FY 2037
MSCBA	Dining Facility Equipment Replacement	\$ 1,422,412	FY 2032
	Total Bonds Payable at 6/30/22	<u>\$ 22,432,806</u>	

Yellow highlight above represents new debt in FY22.

Lease Liabilities related to MSCBA and equipment leases

The University implemented GASB 87 *Leases* during the fiscal year ended June 30, 2022. As a result of this accounting/reporting change, the University recorded additional debt on our books of \$110,464,139, mostly related to the leasing of the residence halls from the Mass State College Building Authority. The University's lease liability balances at June 30, 2022 are as follows:

<u>Description</u>	<u>Lease Liability</u>
Equipment Leases	\$ 997,879
MSCBA 04A-New Hall	29,483,287
MSCBA 04A-Renewal	681,231
MSCBA 06A-Renewal (2006)	1,024,807
MSCBA 06A-Renewal (2007)	2,157,832
MSCBA 08A-Renewal (20)	506,372
MSCBA 08A-Renewal (30)	2,446,029
MSCBA 09A-Renewal	1,382,431
MSCBA 09C-Renewal	2,801,317
MSCBA 10B-Renewal	1,364,768
MSCBA12A-Renewal	1,485,573
MSCBA 12A-University Hall	48,539,775
MSCBA 12C-Renewal	2,536,423
MSCBA 14A-Davis	1,718,398
MSCBA 14C-Dickinson	5,178,005
MSCBA 15A-Davis	4,635,614
MSCBA 99A-Pooled Debt Service	3,524,398
Total	<u>\$ 110,464,139</u>

Remaining lease terms vary from 7 years to 22 years.

Financial Ratio Calculations (as of 6/30):

All ratios are calculated to include Westfield State University's Foundation as a component unit of the university, unless otherwise noted. The Department of Higher Education requires that each university include the foundation in their reported ratio analysis.

<u>Ratio</u> *	<u>FY 2022 with GASB 68 and GASB 75</u>	<u>FY 2022 without GASB 68 and GASB 75</u>	<u>Adjusted - FY 2022 without GASB 68, 75, 87, Foundation and HEERF/ FEMA Grant Funds</u>	<u>Target</u>
Debt Burden Ratio	7.9%	7.6%	1.7%	< 5%
Viability Ratio	-0.1	0.7	3.2	>1
Primary Reserve Ratio	-13.0%	61.1%	57.0%	25%
Return on Net Assets Ratio	15.4%	3.3%	3.2%	>2%
Net Operating Revenues Ratio	4.4%	0.8%	0.3%	>2%
Composite Financial Index	1.4	2.5	4.5	3.0

*Green shading indicates the ratio is within the target while the red shading indicates the University did not meet the target

GASB 68 and GASB 75 relate to pension and OPEB activity while GASB 87 relates to Leases

The third column in the above chart was added for illustrative purposes to show the impact of significant one-time funding or single-year financial events which skews the standard ratio reporting format. Excluding HEERF grant funds and FEMA reimbursements in the amount of \$15.0M, the GASB adjustments, and the Foundation's financials from our ratio calculations presents a more accurate picture of the University's fiscal health at the end of fiscal year 2022. Without these adjustments, the interpretation of fiscal health may be misleading.

Debt Burden Ratio - This ratio expresses annual debt service payments as a percent of total annual expenses. It measures the University's ability to repay debt service on all outstanding debt and its impact on the University's overall budget. The standard is <5% debt burden of total expenses. The University has been well within the target until the implementation of GASB 87 and the recording of leases on the University's statement of net position. The effect is evidenced by referring to the third column above.

Viability Ratio - This ratio measures the availability of expendable net assets to pay off long-term debt. A ratio of 1.0 or higher indicates the University has sufficient net assets to satisfy debt requirements. The University (excluding GASB 68 and 75 adjustments) was well within the target until fiscal year 2022 when the University implemented GASB 87, leases.

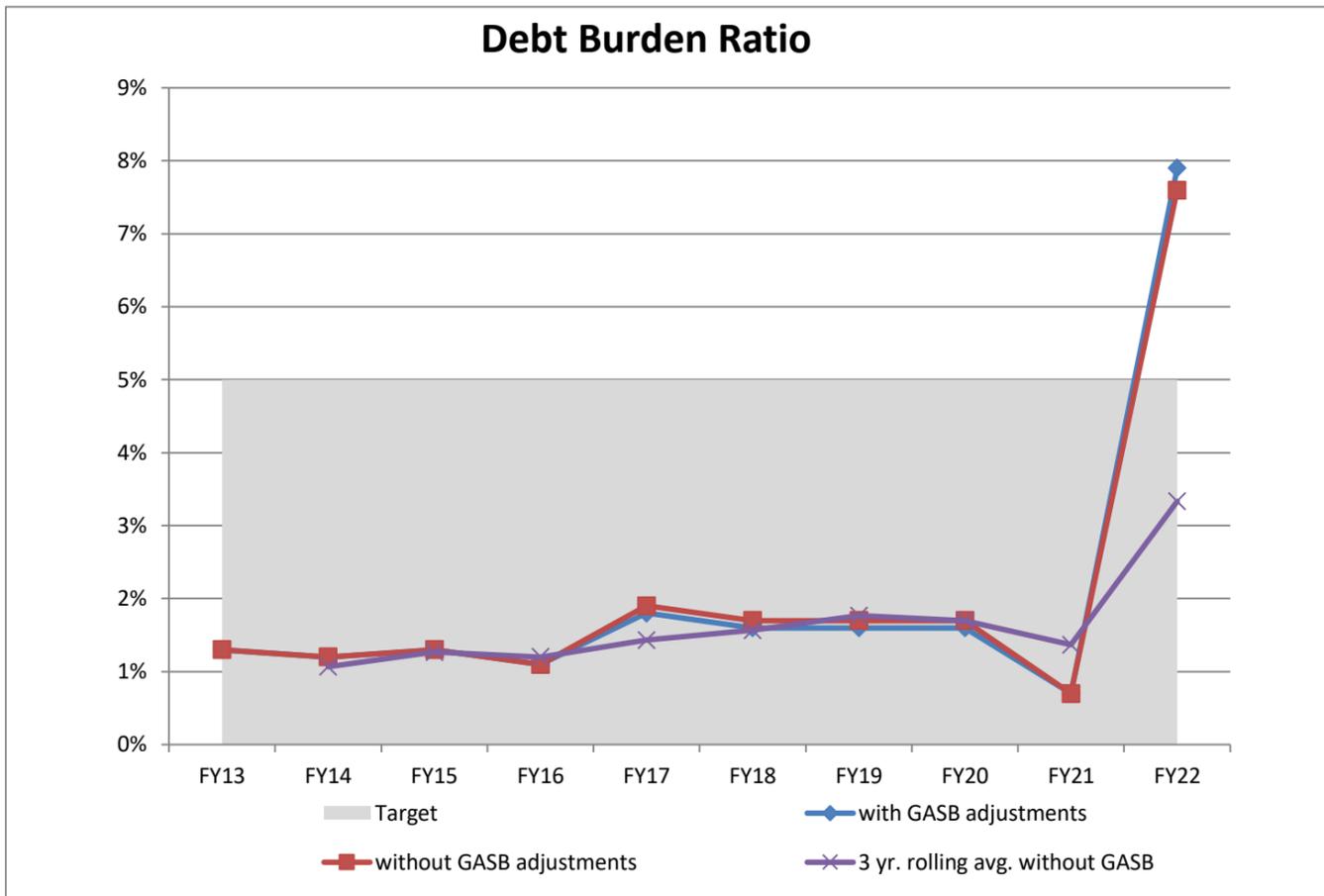
Primary Reserve Ratio - This ratio provides a snapshot of the University's financial strength and flexibility. It indicates how long the University could operate using expendable reserves without relying on additional new assets generated by operations. Trend analysis indicates whether the University has increased its net worth in proportion to its rate of growth. The University has seen a positive trend over the years (excluding GASB 68 and 75 adjustments).

Return on Net Assets Ratio – This ratio reports whether university resources are growing and if it is financially better off than in previous years. A positive trend analysis would indicate an increase in net assets and an increased likelihood that the University is able to set aside financial resources to strengthen future flexibility. Single year events, like a significant state capital appropriation for example, can cause significant year-to-year volatility. The University has historically seen positive trends over the years (exclusive of GASB 68 and 75 adjustments).

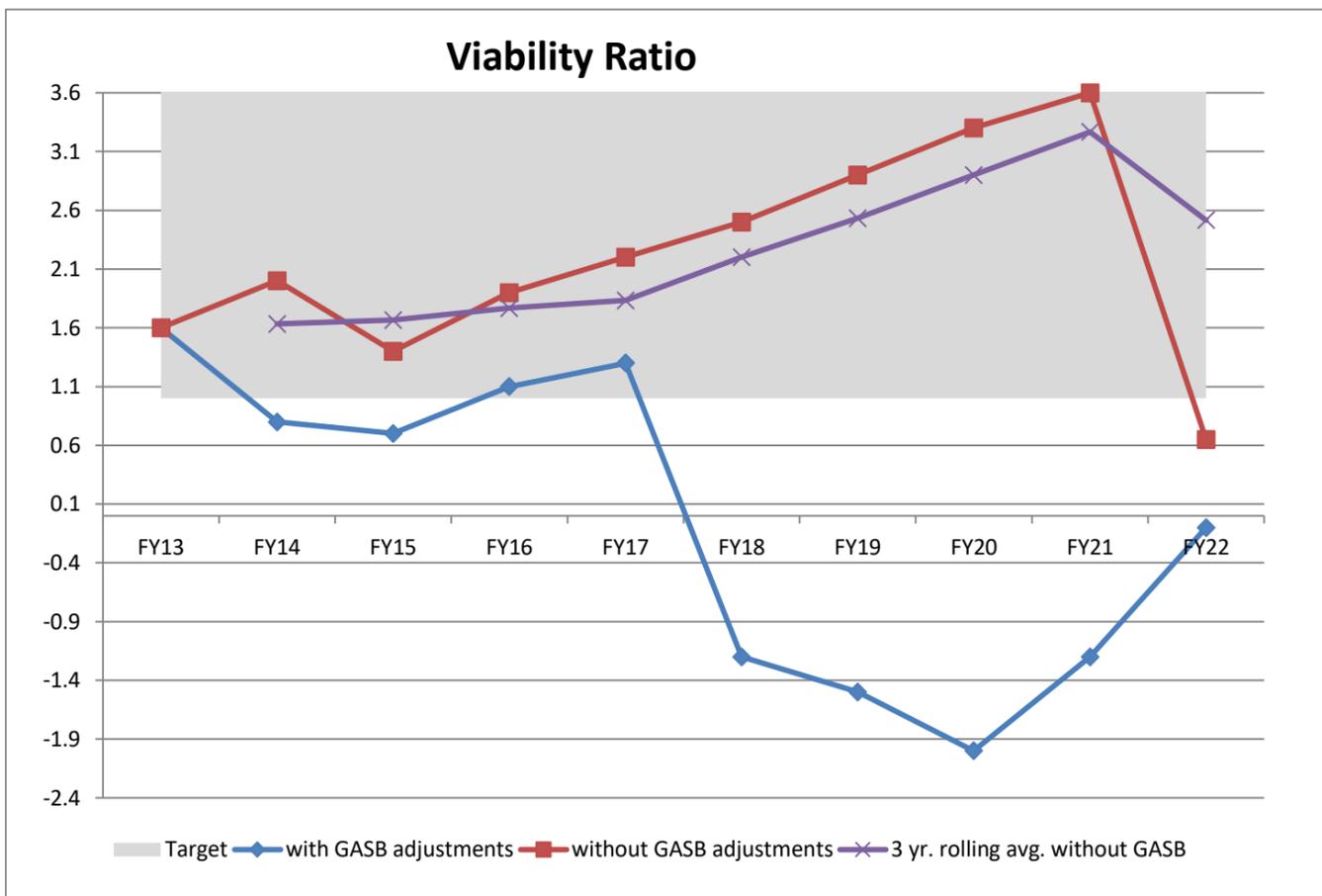
Net Operating Revenues Ratio – This ratio indicates whether operating activities resulted in a surplus or deficit. A positive ratio indicates the University experienced an operating surplus while a continuing decline or pattern of deficits indicates financial problems. The standard is a positive five-year trend. In FY22, the ratio dropped due to the loss in investment income and the implementation of GASB 87, Leases.

Composite Financial Index – This index provides a more complete picture of the University’s financial health by combining into a single measure the strength of four of the ratios mentioned above. This score offers a stable long-term view of financial performance and it is less susceptible to year-to-year volatility. Generally a CFI score of 3 is the threshold of institutional financial strength. The University’s CFI in FY22 (exclusive of GASB 68 and 75 adjustments) was 2.5 due to the implementation of GASB 87, Leases.

Westfield State University
Ratio Analysis Comparing GASB Impact FY13-22
As of June 30, 2022



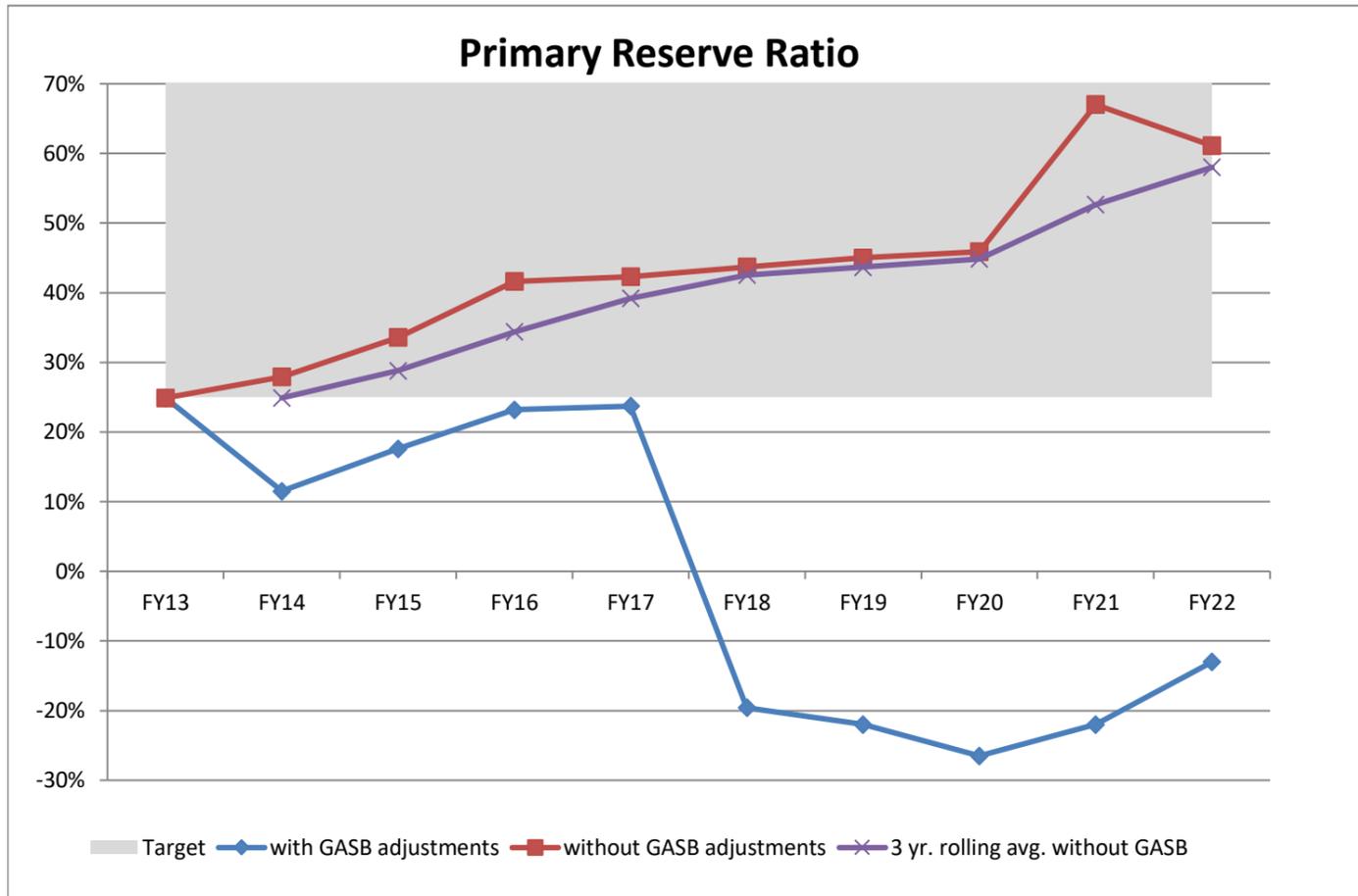
This ratio expresses annual debt service payments as a percent of total annual expenses.
The target for this ratio is less than 5% which means that the lower the number, the better the result.



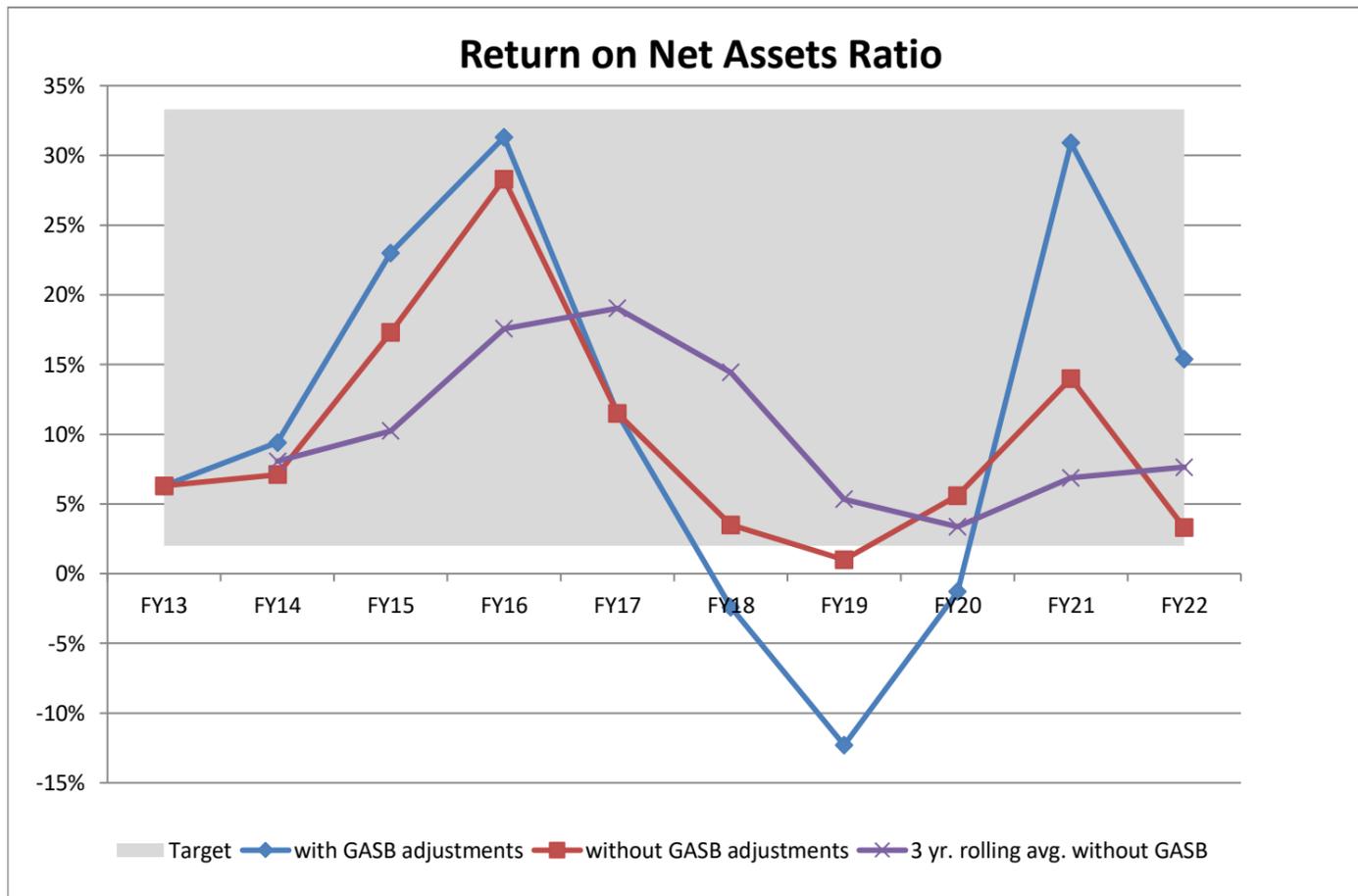
This ratio measures the availability of expendable net assets to pay off long-term debt.
The target for this ratio is 1.0 or higher which means that the higher number, the better the result.

Notes:
 FY17-FY22 ratios include Westfield State Foundation, Inc.
 The Department of Higher Education Metrics will now include Foundations in Ratios

Westfield State University
Ratio Analysis Comparing GASB Impact FY13-22
As of June 30, 2022



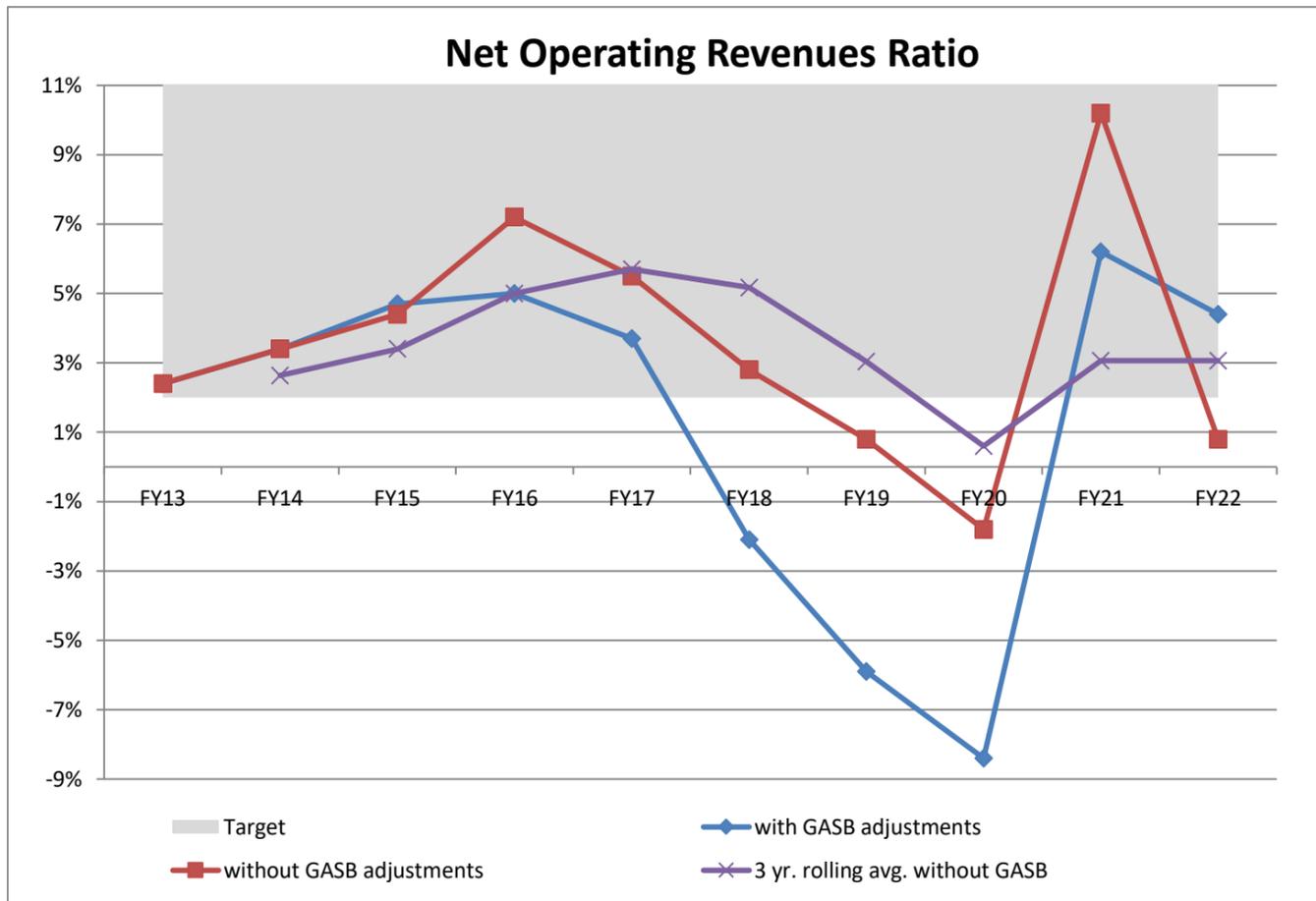
This ratio provides a snapshot of the University's financial strength and flexibility. The target for this ratio is 25% and a positive trend over time, which means that the higher the number, the better the result.



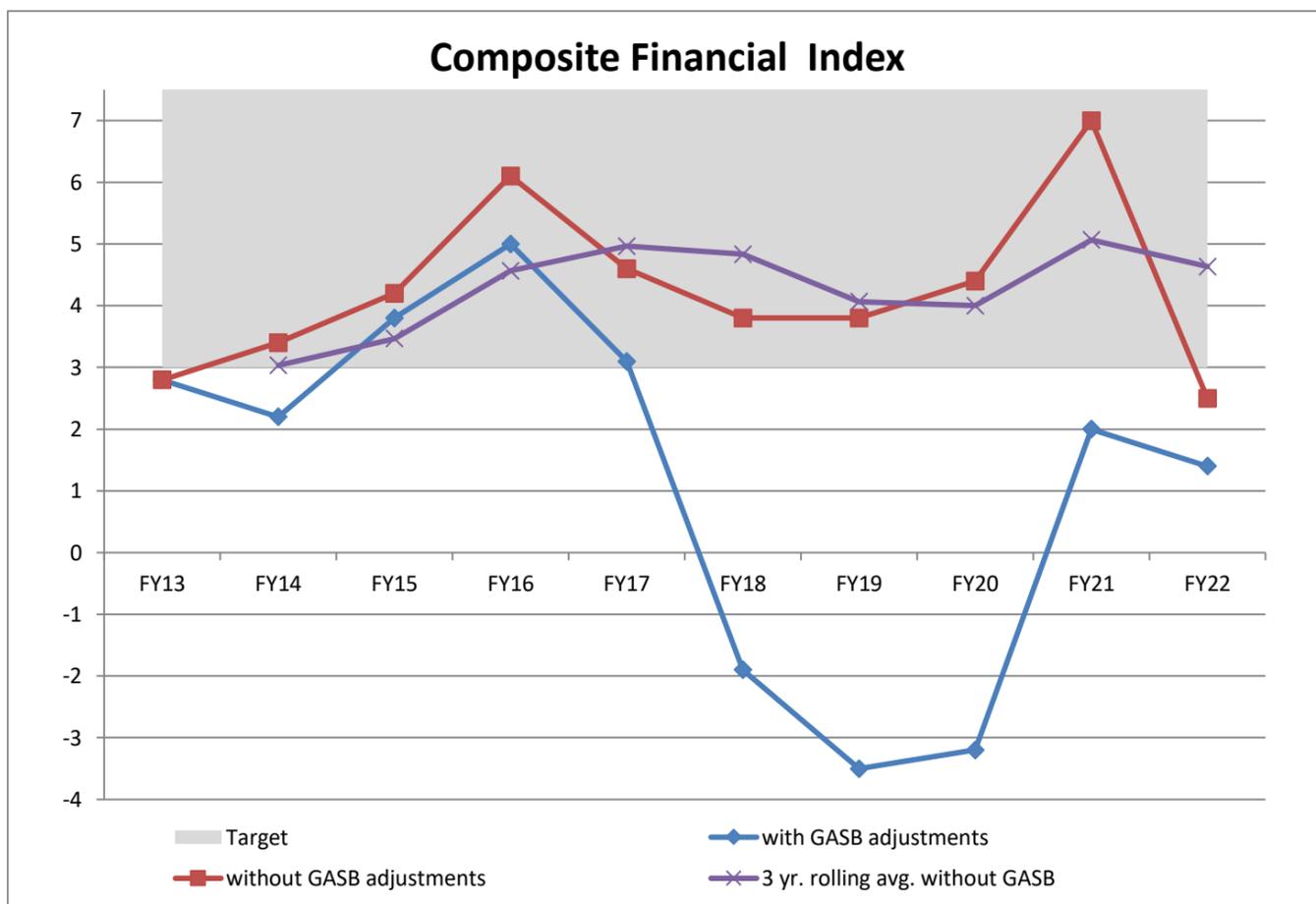
This ratio reports whether university resources are growing and if it is financially better off than in previous years. The target for this ratio is greater than 2% and a positive trend over time, which means that the higher the number, the better the result.

Notes:
 FY17-FY22 ratios include Westfield State Foundation, Inc.
 The Department of Higher Education Metrics will now include Foundations in Ratios

Westfield State University
Ratio Analysis Comparing GASB Impact FY13-22
As of June 30, 2022



This ratio indicates whether operating activities resulted in a surplus or deficit. The target for this ratio is greater than 2% and a positive 5-year trend, which means that the higher the number, the better the result.



This index provides a more complete picture of the University's financial health by combining into a single measure the strength of four of the ratios above. The target for this ratio is greater than 3, which means that the higher the number, the better the result.

Notes:
 FY17-FY22 ratios include Westfield State Foundation, Inc.
 The Department of Higher Education Metrics will now include Foundations in Ratios

WESTFIELD STATE UNIVERSITY

RENOVATION OF PARENZO HALL

Board Meeting

December 20, 2022



AGENDA

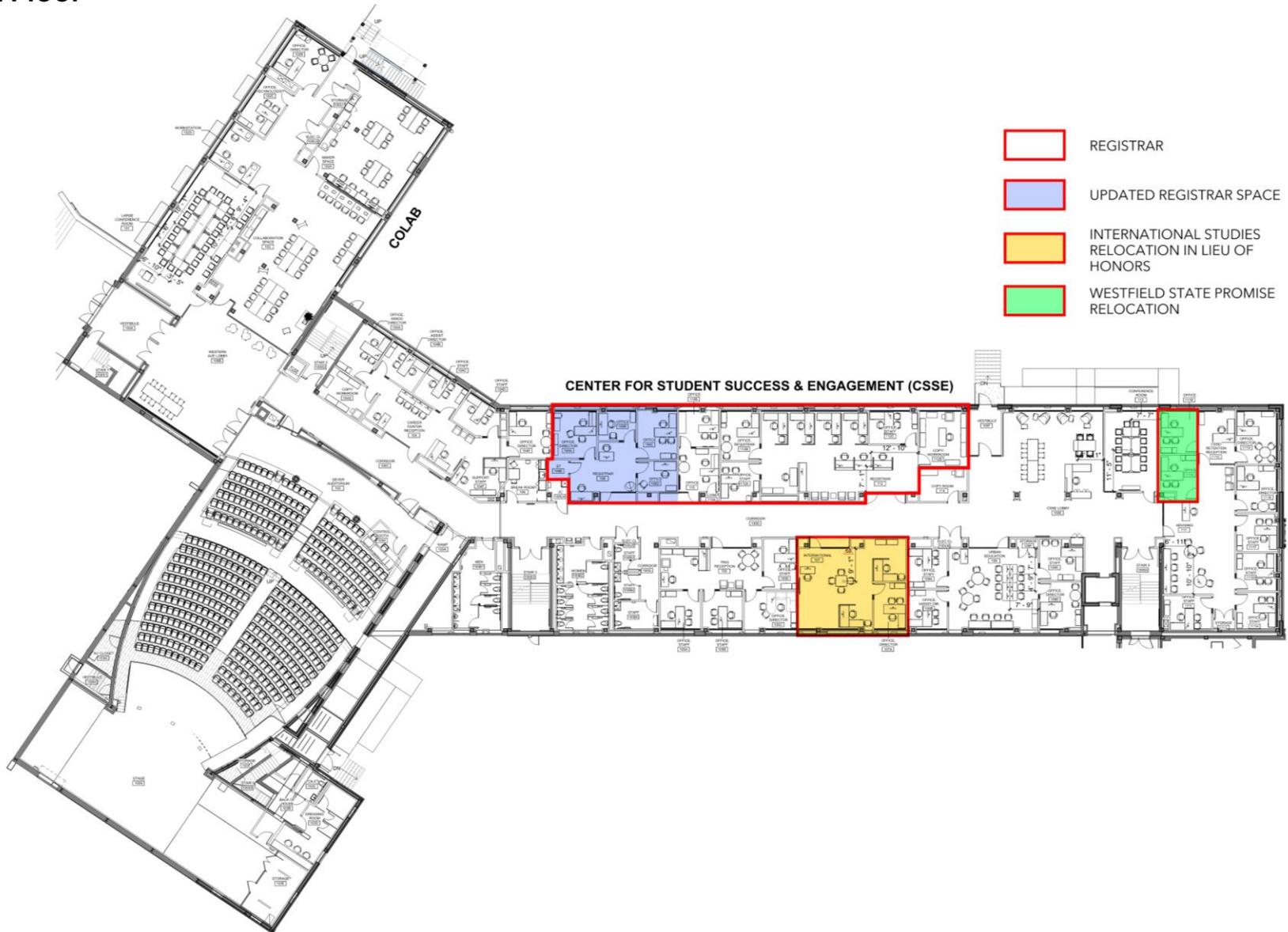
- Construction Update
- Schedule/Project Supply Chain Challenges
- Budget Update
- Progress Images
- Question and Answers

PROJECT OVERVIEW



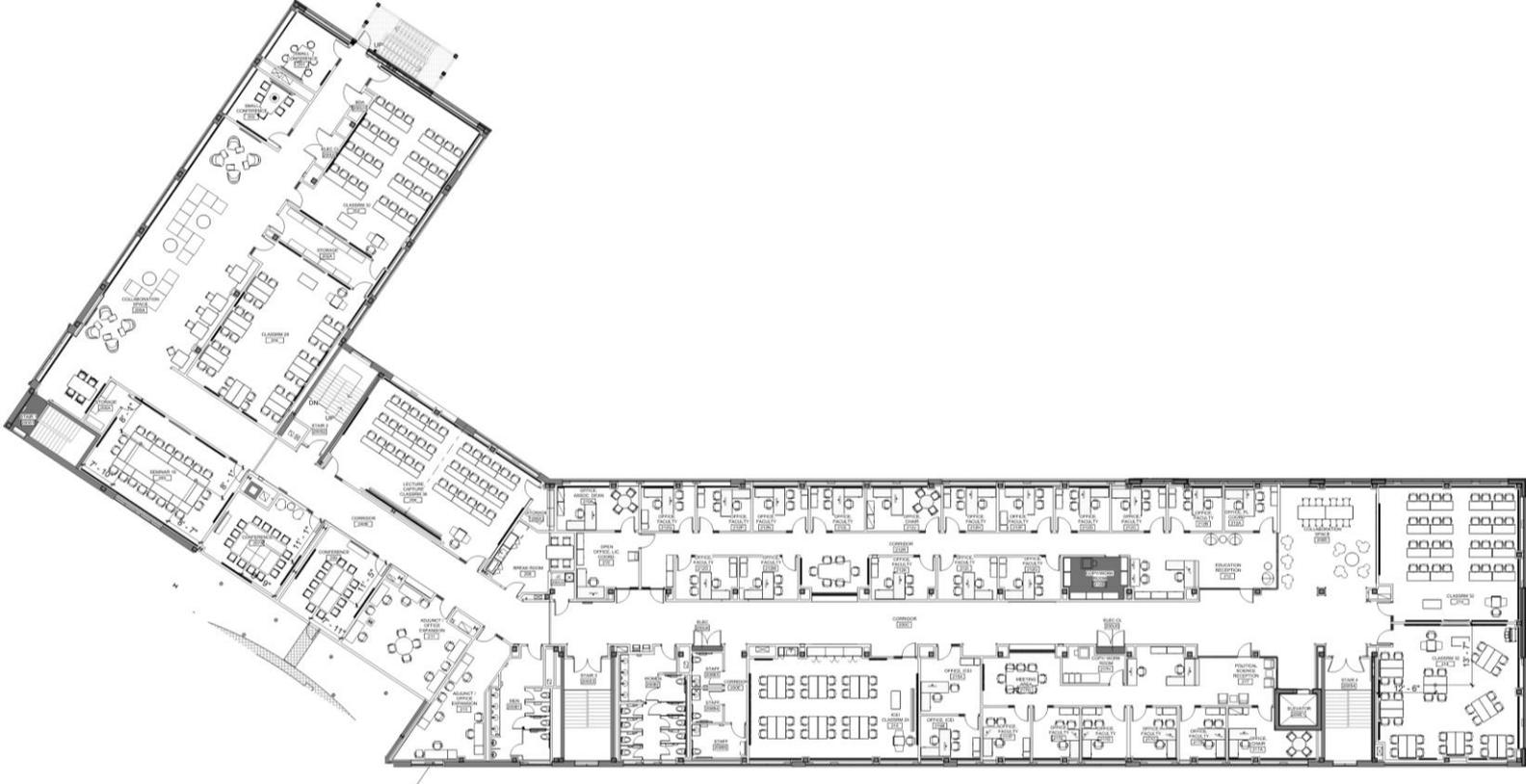
FLOOR PLAN UPDATES

First Floor



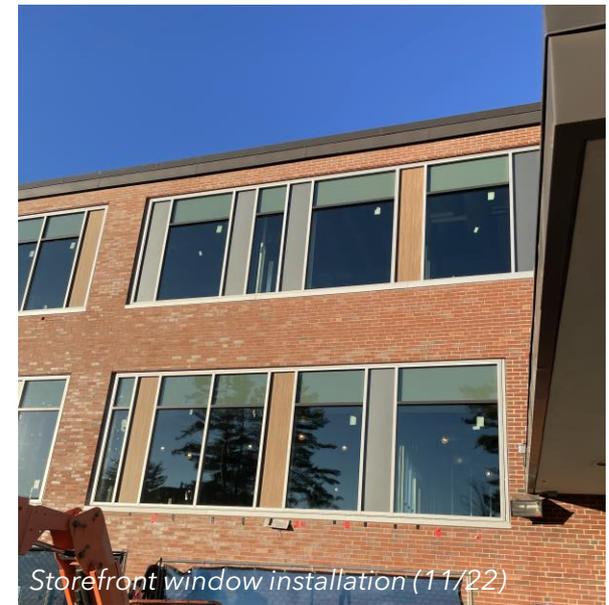
FLOOR PLAN UPDATES

Second Floor

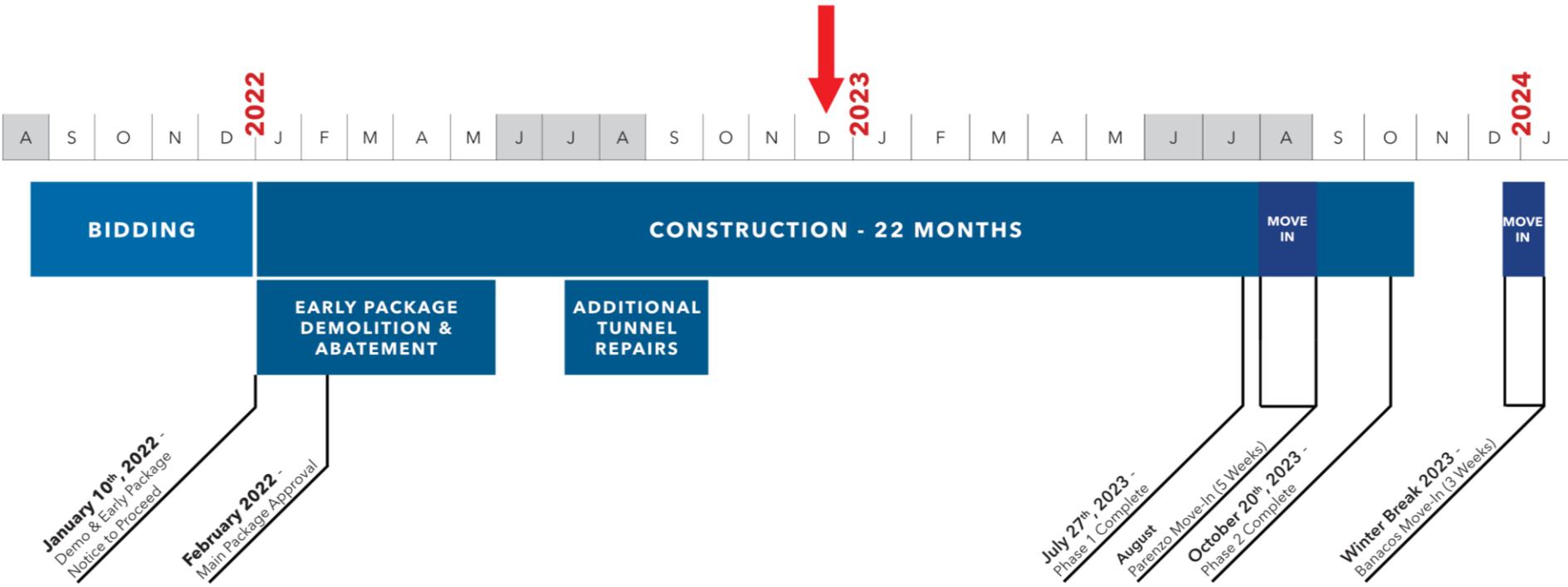


CONSTRUCTION UPDATE

- Demolition & abatement completed
- New exterior storefront and curtainwall nearing completion
- Interior wall framing and door frame installation nearing completion and drywall beginning
- Mechanical, electrical, and plumbing rough-in work approximately 60% completed
- Finishes to begin in late winter/early Spring



PROJECT CONSTRUCTION SCHEDULE UPDATE



SCHEDULE/PROJECT SUPPLY CHAIN CHALLENGES

- IT Equipment
- Audio Visual Equipment
- Security
- Mechanical Rooftop Units - delivery in January & March 2023
- IT/Data Room CRAC Cooling Units - delayed until September 2023, temporary cooling will be provided to the rooms

BUDGET UPDATE

- Project is tracking on budget with a total project cost of **\$43,429,788**
- The value management process completed in the Winter/Spring 2022 resulted in **\$293,600** in project savings
- **30%** of the contingency has been used to date (12/2)
- Additional work has been done as part of the project including tunnel repairs and Davis Hall steam leak repair which have been funded separately.

CONSTRUCTION PROGRESS



West Side Elevation window replacement (11/22)

CONSTRUCTION PROGRESS



West side new stair and ramp entrance (11/22)

CONSTRUCTION PROGRESS



East Side Elevation window replacement (11/22)

CONSTRUCTION PROGRESS

1st Floor Collaboration Space adjacent building entry (11/22)



Classroom (11/22)



2nd Floor Main Corridor (11/22)

An architectural rendering of a modern university hallway. The ceiling is a complex, grid-like structure with recessed linear lighting. The walls are a light blue color. On the right wall, the text "DEVER AUDITORIUM" is visible in white. On the left wall, the text "CSSE" is visible vertically. In the foreground, a man in a light green polo shirt is sitting on a white cylindrical stool, smiling. In the background, several people are engaged in various activities: some are sitting at tables, some are standing and talking, and one person is walking. The floor is a speckled grey tile.

QUESTIONS & ANSWERS

Westfield State University

Board of Trustees

Financial Affairs and Advancement Committee

December 20, 2022

Prepared by:

Steve Taksar, Vice President of Administration and Finance

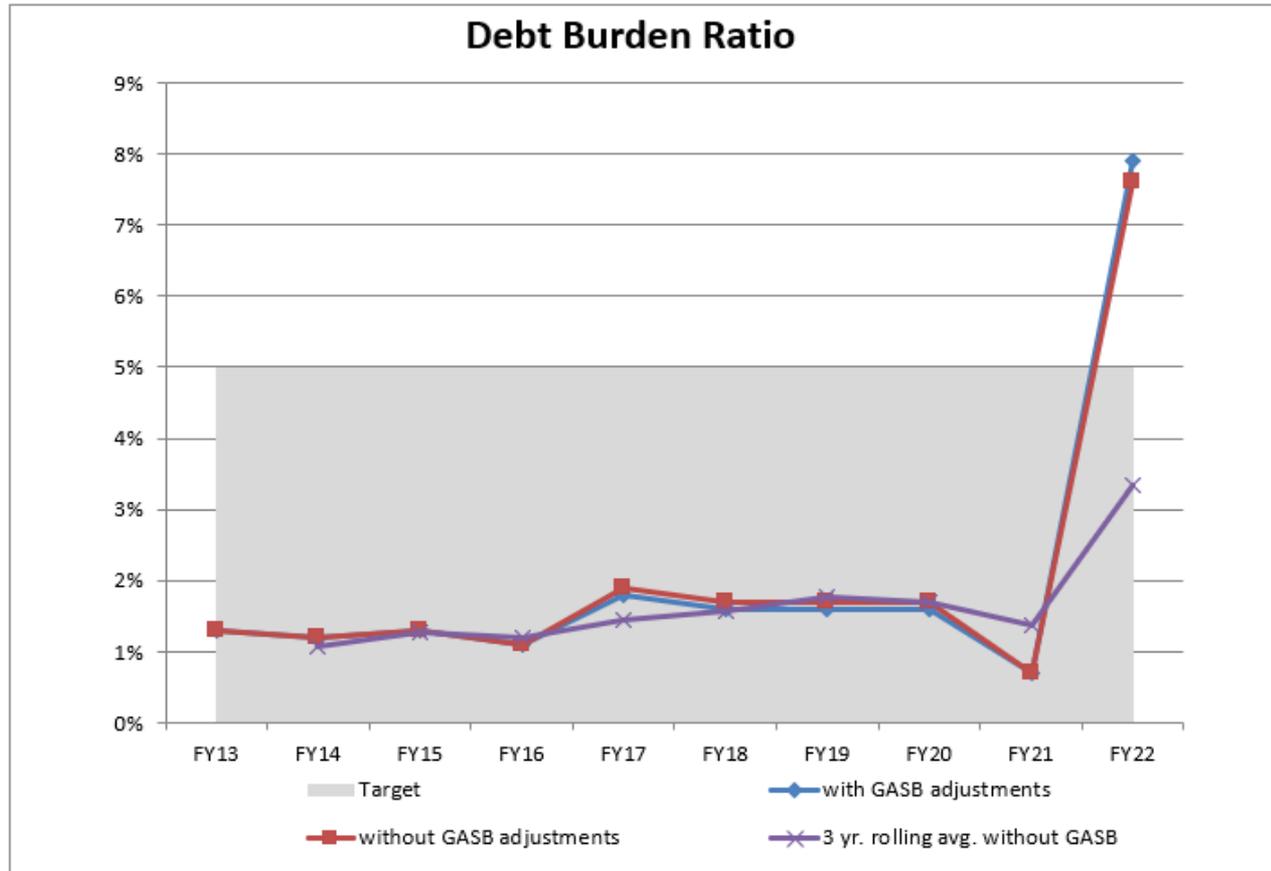
Maria Feuerstein, AVP, Strategic Finance and Institutional Planning

Agenda

- Annual Debt Report and Ratios
- FY24 Budget Planning Scenarios
- External Market Impact on Services
- Board of Higher Education (BHE) Strategic Review of Higher Education Financing Summary

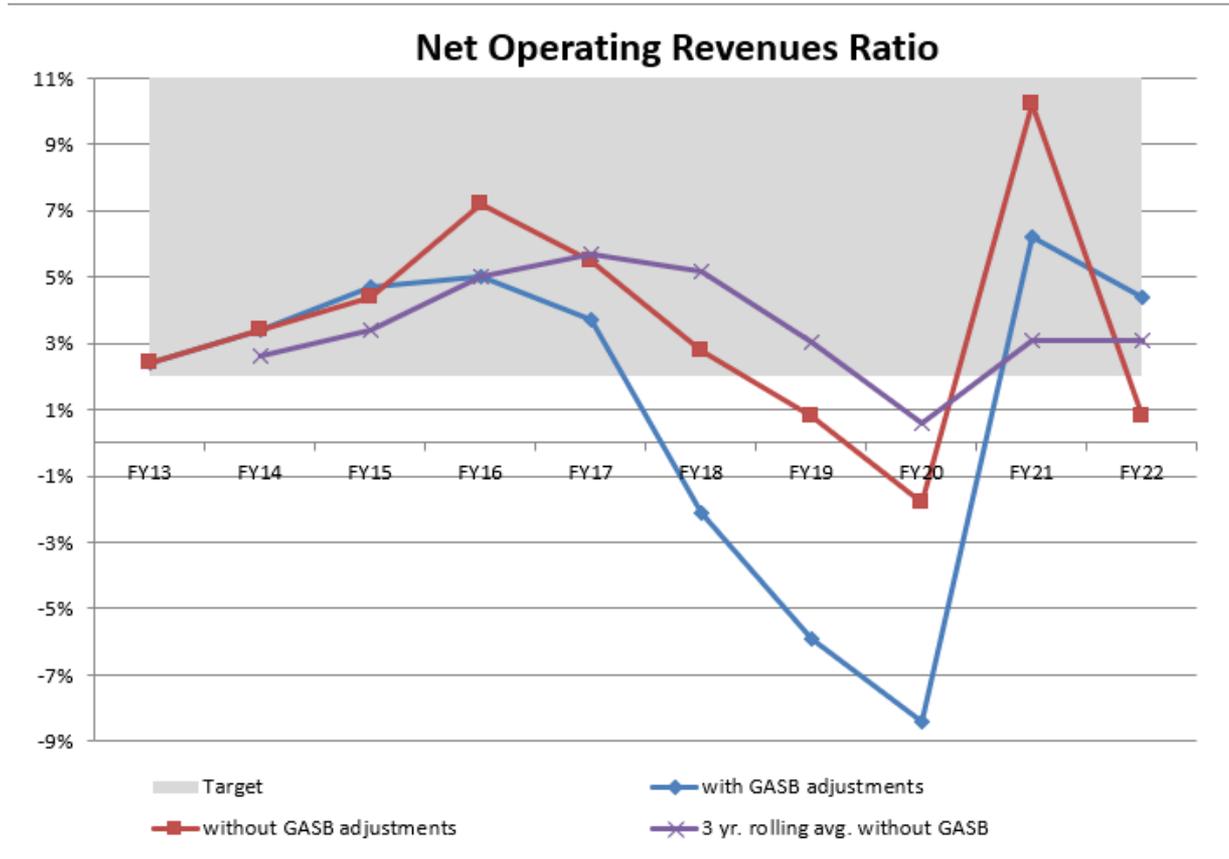
Debt and Ratio Analysis

Annual Debt Report and Ratios



**This ratio expresses annual debt service payments as a percent of total annual expenses.
The target for this ratio is less than 5% which means that the lower the number, the better the result.**

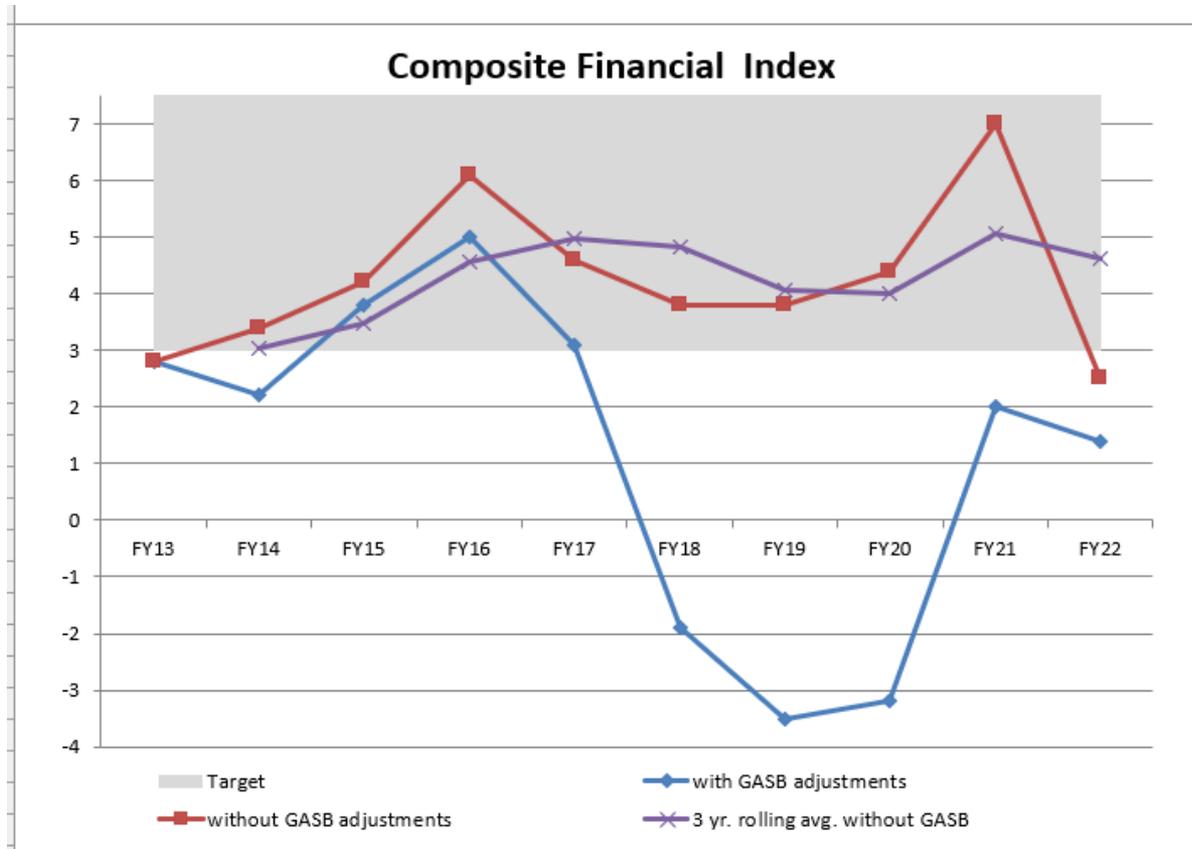
Annual Debt Report and Ratios



This ratio indicates whether operating activities resulted in a surplus or deficit.

The target for this ratio is greater than 2% and a positive 5-year trend, which means that the higher the number, the better the result.

Annual Debt Report and Ratios



This index provides a more complete picture of the University's financial health by combining into a single measure the strength of four of the ratios above.

The target for this ratio is greater than 3, which means that the higher the number, the better the result.



FY24 Planning Scenarios

FY24 Planning Scenarios: Financial Aid

Highlights:

- FY23 Reserve Funding \$500k was one-time only
- FY24 Financial Aid represents base funding
- The Foundation Scholarships are assumed to be \$655k
- The Campus has shifted to a tuition discount model with year one at 13%, increasing 1% year over year until institutional aid levels off at 15%
- Board of Higher Ed is supporting significant investments in state financial aid in their planning

FY24 Planning Scenarios: Financial Aid

Illustrative Tuition Discount Model for Planning Purposes
 (Operating Funded Component)

Description	FY24 Scenario A (Mid)	FY25	FY26
Avg Billed Students	2,944	2,944	2,944
Revenue			
Tuition and Fees	11,845	12,200	12,566
Avg Billed Students	2,944	2,944	2,944
Tuition and Fee Revenue	34,871,680	35,917,830	36,995,365
Financial Aid			
Tuition and Fee Revenue	34,871,680	35,917,830	36,995,365
Discount Rate	13.0%	14.0%	15.0%
<i>Disc Rate Increase</i>	<i>0.8%</i>	<i>1.0%</i>	<i>1.0%</i>
Financial Aid Budget	4,533,318	5,028,496	5,549,305
Net Revenue	30,338,362	30,889,334	31,446,061

FY24 Scenario Planning Assumptions

	FY23 Final Budget	FY24 Scenario A	FY24 Scenario B	FY24 Scenario C
Revenue Assumptions				
Billable Students	2,997	2,944	3,045	2,727
% Change YoY	-6.8%	-1.7%	1.6%	-9.0%
Housing Students	1,788	1,776	1,776	1,776
% Change YoY	1%	-1%	-1%	-1%
Occupancy Rate	60%	60%	58%	65%
In-State Tuition and Fees Incr.	3.5%	4.0%	3.0%	4.5%
General Fee Increase	322	382	286	429
Residential COA Incr. (weighted avg)	3.4%	3.5%	3.1%	3.7%
State Appropriation as % of Revenue	31%	31%	31%	32%
Investment Earnings	115,000	115,000	115,000	115,000
Operating Reserve / Contingency	629,000	629,000	629,000	629,000
Expense Assumptions				
Strategic Plan Funding 1-Time	121,000	100,000	100,000	100,000
Financial Aid Increase	700,000	(49,553)	64,446	(361,354)
Overhead Contributions				
Dining Contribution	1,300,000	1,168,806	1,168,806	1,168,806
CGCE Contribution	2,750,478	2,750,478	2,750,478	2,750,478
Net Results				
CGCE	-	-	-	-
Residential Housing Deficit	2,160,000	4,087,507	4,087,507	4,087,507
Dining	-	-	-	-

FY24 Planning Scenarios: Revenue

		Mid	Best	Worst
	FY23 Final Budget	FY24 Scenario A	FY24 Scenario B	FY24 Scenario C
Revenue:				
State Appropriation	35,404,926	35,904,926	36,154,926	35,654,926
Total Tuition/Fee Revenue	34,813,216	35,282,189	36,173,148	32,853,299
Other Revenue	5,613,746	5,497,910	5,528,216	5,432,266
CGCE	12,140,783	12,140,783	12,140,783	12,140,783
Residential Life	15,477,267	16,017,479	16,017,479	16,017,479
Dining Services	9,303,938	9,580,806	9,580,806	9,580,806
Covid Related Grants (HEERF & ARPA)	1,908,352	1,114,729	1,114,729	1,114,729
Total Revenue	\$ 114,662,227	\$ 115,538,823	\$ 116,710,088	\$ 112,794,288

FY24 Planning Scenarios: Expense

		Mid	Best	Worst
	FY23 Final Budget	FY24 Scenario A	FY24 Scenario B	FY24 Scenario C
Total Revenue	\$ 114,662,227	\$ 115,538,823	\$ 116,710,088	\$ 112,794,288
Expense:				
Compensation & Fringe	49,487,120	50,556,939	50,458,080	50,655,799
Department Operations	15,205,475	15,557,150	15,571,195	15,526,728
Strategic Investments	372,581	372,581	372,581	372,581
Financial Aid	5,158,621	5,109,068	5,223,067	4,797,267
Debt Service	1,481,315	1,481,315	1,481,315	1,481,315
FEMA Reimb. Spending Plan	1,269,232	-	-	-
Contingency	629,000	629,000	629,000	629,000
Capital Investments	3,575,000	3,689,729	3,689,729	3,689,729
CGCE	9,465,305	9,390,305	9,390,305	9,390,305
Residential Life	17,635,468	20,104,986	20,104,986	20,104,986
Dining Services	7,961,754	8,412,000	8,412,000	8,412,000
Utilities	2,833,500	3,403,383	3,403,383	3,403,383
Innovation Fund Expenditures	800,000	700,000	700,000	700,000
All Other	8,416,363	7,358,011	7,358,011	7,358,011
Covid Related Expenses	908,352	-	-	-
Total Expense	\$ 121,807,837	\$ 124,281,571	\$ 124,310,755	\$ 124,038,208
Net Profit/(Loss)	\$ (7,145,609)	\$ (8,742,748)	\$ (7,600,668)	\$ (11,243,920)

FY24 Budget Planning Recommendation

	Mid		FY23 Budget vs. FY24 Scenario A	
	FY23 Final Budget	FY24 Scenario A	\$-Fav / (Unfav)	%-Fav / (Unfav)
Total Revenue	\$ 114,662,227	\$ 115,538,823	\$ 876,596	0.8%
Total Expense	\$ 121,807,837	\$ 124,281,571	\$ (2,473,735)	(2.0%)
Net Profit/(Loss)	\$ (7,145,609)	\$ (8,742,748)	\$ (1,597,139)	22.4%
Reserve Funding:				
Planned Use of Reserves	1,714,378	1,139,378	(575,000)	(33.5%)
Capital Rollover	1,511,196	1,511,196	-	0.0%
FEMA Reimbursement	1,269,232	-	(1,269,232)	(100.0%)
Glide Path Strategy	2,650,803	-	(2,650,803)	(100.0%)
Total Use of Reserves	\$ 7,145,609	\$ 2,650,575	\$ (4,495,035)	(62.9%)
Adjusted Surplus/(Deficit)	-	(6,092,173)	(6,092,173)	

Main Drivers	YoY Impact B/(W)
Structural Deficit Carry Forward from FY23	\$ (2,650,803)
Enrollment Decline / General Fee	\$ (500,000)
In-State Tuition and Fees Incr.	\$ 1,123,378
Compensaton - Contractual	\$ (1,069,819)
Residential Life Debt Service	\$ (1,893,634)
Utilities (Incl. Aux.)	\$ (569,883)

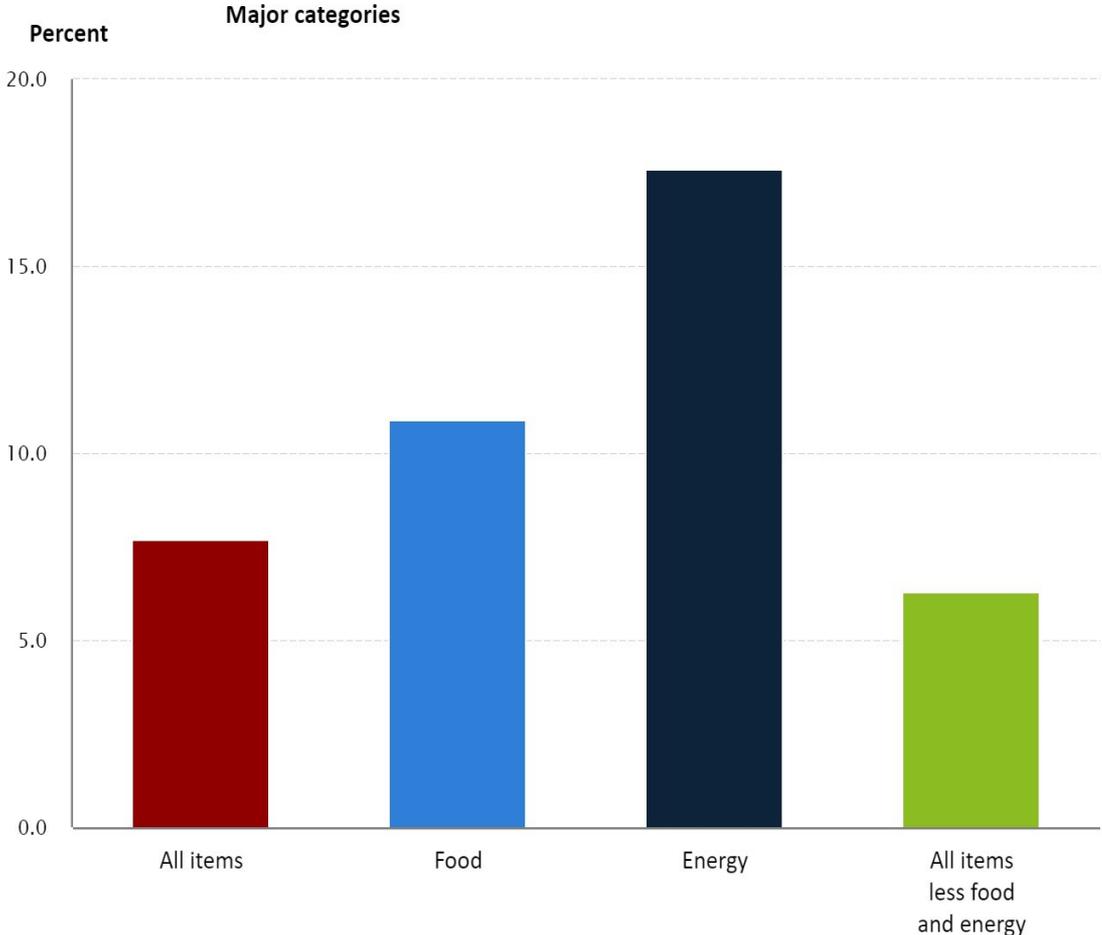


External Market Impact on Services

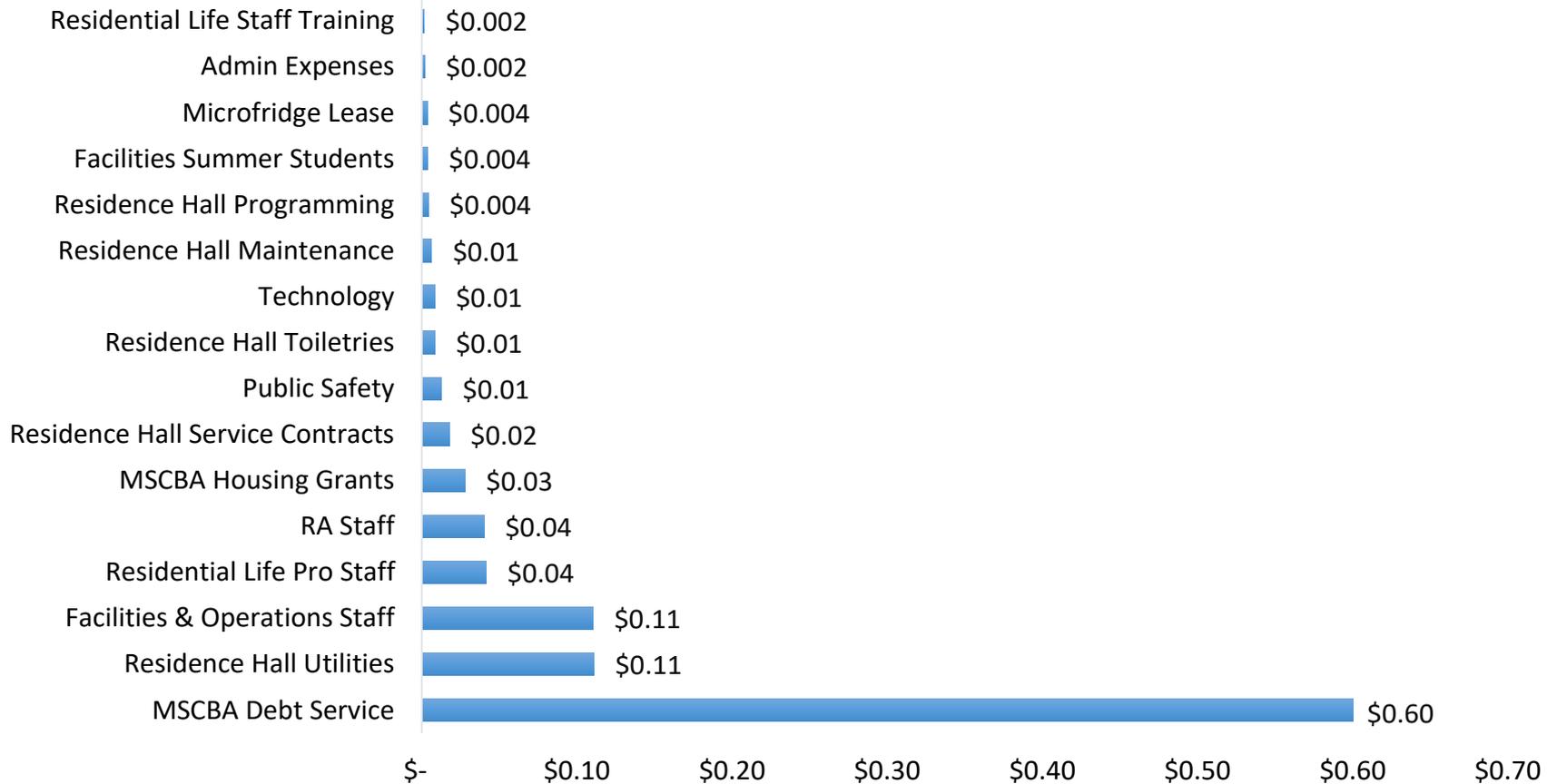
CPI 12 Month percent change

12-month percentage change, Consumer Price Index, selected categories, October 2022, not seasonally adjusted

Click on columns to drill down



Residential Life Expenses – Cents per \$1.00



Dining Expenses: Where does a dollar go?



BHE: Strategic Review Higher Ed Financing

BHE: Strategic Review Higher Ed Financing

Introduction and background

Draft for discussion

Why undertake a strategic review of public higher education financing now?



Shifting demographics and increased competition for students

- ▶ Student enrollment has been flat to declining in the past decade and is projected to continue declining
- ▶ Online and non-degree alternative education offerings have been taking share from in-person campuses
- ▶ COVID-19 placed significant, additional downward pressure on enrollment



Persisting equity gaps

- ▶ The needs of students are changing, with some students requiring more support
- ▶ Equity gaps in outcomes persist among student groups (i.e., based on race & ethnicity or income status)



Rising cost of education

- ▶ The total cost of attendance at higher education institutions has steadily risen, outpacing household income growth
- ▶ The average debt burden for students taking out loans has also grown over the past decade



The approach to state funding of public higher education in MA has not kept pace with the tremendous changes experienced by both institutions and students across the MA higher education landscape

Higher education funding policy choices are in the national spotlight; MA has an opportunity to consider funding policy choices that meet the moment and the challenges and goals for students and institutions

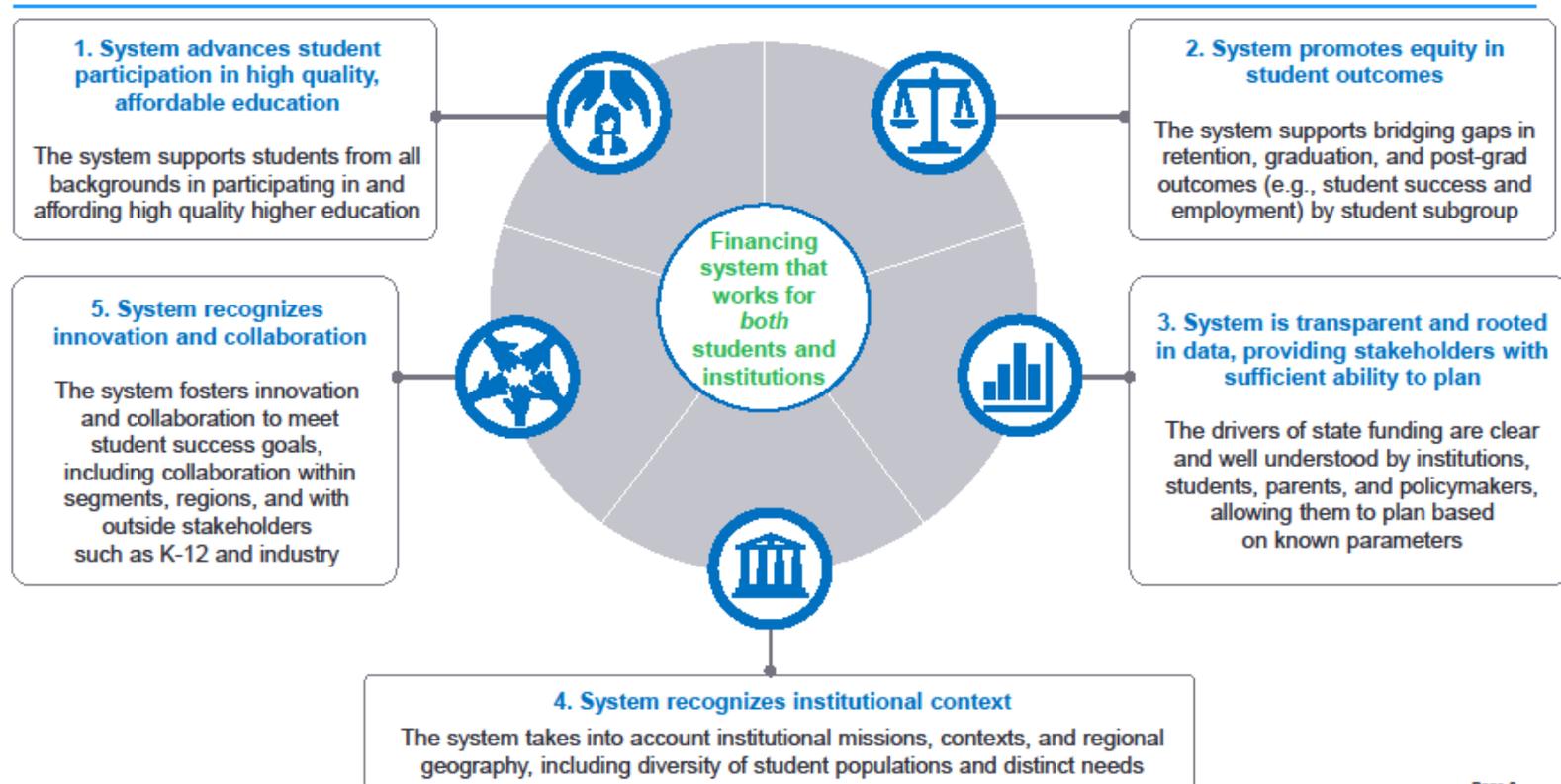
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BHE: Strategic Review Higher Ed Financing

Introduction and background

Draft for discussion

What principles have guided the analysis and discussion to date?



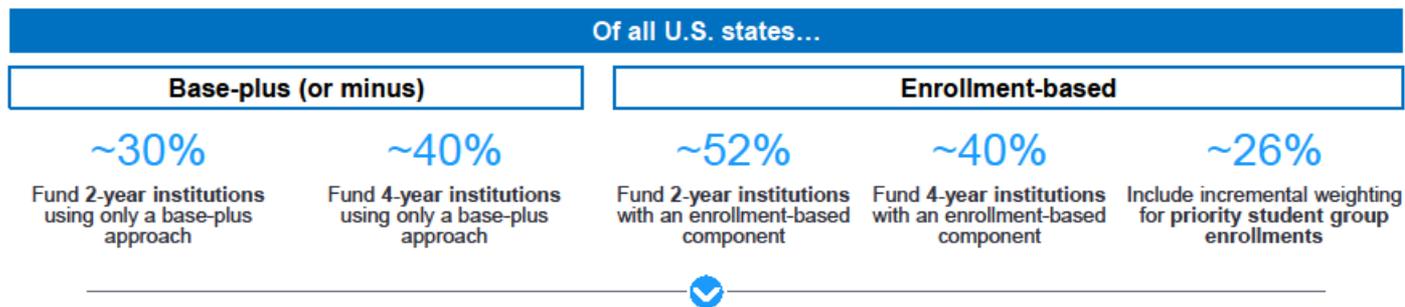
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BHE: Strategic Review Higher Ed Financing

Bolstering institutional funding to support student success

Draft for discussion

Case for Change: Institutional support could be restructured to improve transparency and provide more resources to students who require support



Goals of the Commonwealth's institutional support design

<p>Institutions need base funding</p> <ul style="list-style-type: none"> ▶ Many states provide significant base funding ▶ Campuses should be able to count on this funding to grow with underlying drivers in future years (e.g., inflation, CBA agreement increases) 	<p>Colleges should receive a significant share of funding tied to enrollment</p> <ul style="list-style-type: none"> ▶ About half of all states include an enrollment-based funding component ▶ Provides transparency as to why the state funds campuses at their respective levels above base ▶ Rewards campuses for recruiting and sustaining enrollment 	<p>Weighting of enrollment should provide more resources for students who need more support</p> <ul style="list-style-type: none"> ▶ ~26% of states include incremental weighting for students with the greatest needs and disadvantages ▶ Consistent approach with how MA funds K-12 districts (e.g., as high as 2x for certain student groups) and the State's commitment to the Equity Agenda
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Source: Education Commission of the States; Third Way; State Departments of Higher Education

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BHE: Strategic Review Higher Ed Financing

Bolstering institutional funding to support student success

Draft for discussion

Policy Options/Scenarios: The proposed methodology combines base and enrollment funding, with added funds for higher need students and perhaps for equity performance

Proposed allocation methodology

Base

- ▶ Each institution would receive **50% of their FY23 institutional allocation** as a base allocation to support its core operational needs

Unweighted enrollment

- ▶ Each institution **would receive funding tied to enrollment** to reflect commitments they must make
 - This approach aligns institutions, taxpayers, and students within the system of public higher education funding
 - Including an enrollment component **rewards schools that serve the most students and grow their enrollments**
- ▶ Each institution would be **“held harmless” for at least a multi-year transition period** so that it receives at least as much funding as it would have under the current system (e.g., FY23)

Additive weighted enrollment

- ▶ Students with higher needs, such as **Pell-eligible students**, **would receive additive funding** to allow schools to invest more in their support
 - This approach is consistent with MA's K-12 funding formula, MA's SUCCESS Fund (~\$14m fund to provide student support services to community college students, particularly those from underrepresented groups, in order to improve outcomes), and national best practice
 - Additive funds align with the Commonwealth's equity goals

Additive performance funds

- ▶ MA may consider **performance funding in addition to base and enrollment funding** to reward equity / outcome gains for underrepresented groups

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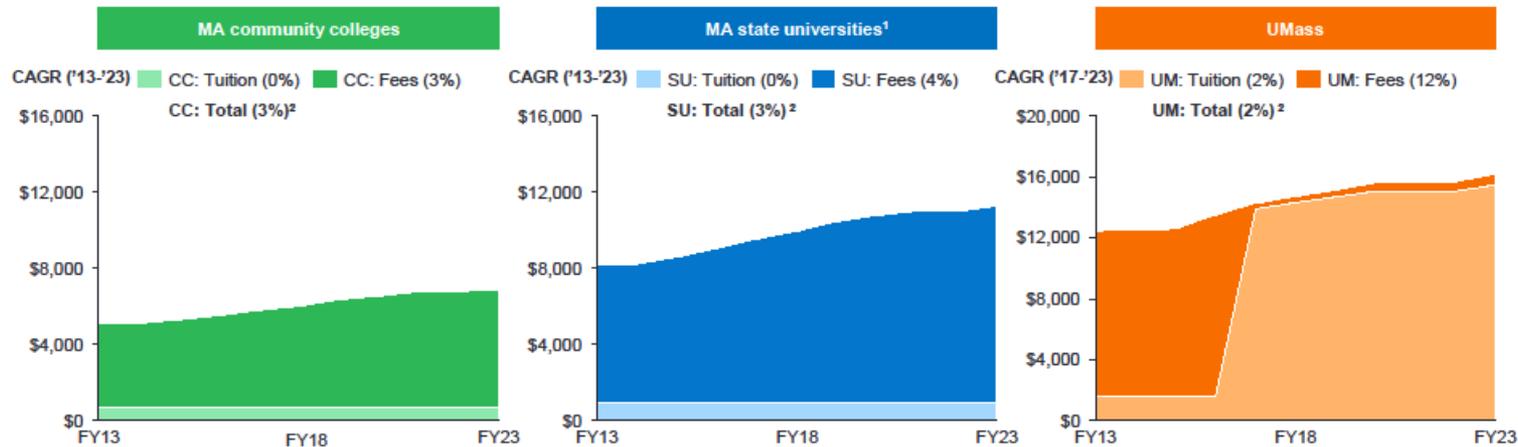
BHE: Strategic Review Higher Ed Financing

Increase simplicity, transparency, and predictability for all

Draft for discussion

Case for Change: Tuition and fee-setting authority is inconsistent across segments; the BHE has authority over CC and SU tuition while segments have authority over fees; UMass has authority over both

Weighted average tuition vs. fees over time, by segment and year, Nominal dollars, FY13-FY23



- ▶ **SUs and CCs:** The BHE has authority over tuition levels and institutions have authority to set all other fees. These institutions remit the tuition revenue from "state-supported" credits to the State's General Fund
 - While the **State has frozen tuition**, institutions have continued to **increase "mandatory fees"**
- ▶ **UMass:** In FY17, UMass gained full authority over setting **both tuition and fees**. Since the policy change, UMass recalibrated its student changes from primarily fees-based to **primarily tuition-based**

1. Excludes MassArt and Mass Maritime, the state universities that have full authority over both their tuition & fees
Source: MA DHE

2. Figures in parentheses () reflect the CAGR from FY17-23

BHE: Strategic Review Higher Ed Financing

KEY TAKE AWAYS

- BHE Framework/Principles establishes a direction
- Details on Design Elements yet to be developed
- Funding to higher education/students will likely change; strong support for increasing student financial aid
- Cost drivers for universities need to be better understood
- Massachusetts has lagged funding for public higher education
- Fair share amendment funding and process is unclear
- Role of BOT to establish fees; consolidation of tuition/fees structure discussed

Q&A?

Westfield State University
Financial Affairs and Advancement Committee

FY24 Budget Planning Scenarios

December 20, 2022

Overview

The campus has prepared three budget planning scenarios based on the preliminary assumptions shared with the Finance and Capital Assets Committee at the October meeting (see attached). Planning Scenarios A, mid-case, B, best-case, and C, worst case were constructed similarly using various assumptions based on the highest and best information known at the time of planning. Updated models will be presented in February and during the spring semester when the spring enrollment melt rate and projected retention rates are better known.

The University is still struggling with declining retention of continuing students as it appears the incoming class has stabilized at about 1,000 students. Expenses are still increasing given historically high CPI impact on energy, food, and construction related projects. A significant projected impact next year will be the substantial increase in residence hall debt service of \$2M over current budgeted debt due to the debt structure.

An evaluation of year two of the three year glide path strategy should occur in the early spring as budget projections are refined to assess the initial assumptions and strategies to balance the budget.

Key Planning Assumptions:

- FY23 enrollment (Billable Students) was budgeted at 2,997. The FY24 scenario models assume a range of enrollment factoring a slight 1.6% improvement from FY23 in the best-case scenario; a slight 1.7% decline from FY23 in the middle case scenario; and a 9% decline in the worst-case scenario, with enrollment assumed within a range of 2,727 to 2,944. While other revenue strategies are being pursued, full day time students enrollment supports the majority of the campus revenue budget.
- A general fee increase is expected to be between 3% - 4.5%, Dining Services 5.0%, and Residential Life 3.0% which would result in the overall cost of attendance for residential students within a range of 3.5% to 3.7%. The fee setting process has not yet been completed but is underway. A preliminary presentation has been made to SGA on December 6, 2022, to discuss financial issues and fees.
- Residential Life fees are assumed to increase 3% using a weighted average model. The campus has submitted these rates to the MSCBA for review/approval. This approach has been carried forward from FY23 and is part of a long-term strategy to flatten the fee structure to attract upper class students and compete with the local housing market. All models assume the same fee increase, but occupancy rates vary based on projected enrollment. For example, all scenarios assume occupancy at 1,776, which represents a range of 58% to 65% occupancy depending on full year average billable student enrollment. Break even occupancy remains at 94%, which would require 2,254 housing

students compared to design capacity of 2,397. This indicates that an additional 478 housing students at the weighted average rate of \$8,550 are needed to close the anticipated deficit of \$4.1M. Significant cost drivers for FY24 are utility increases and debt service increases for a combined total of \$2.2M over FY23.

- Dining fees are projected to increase 4.5% - 5.5% due to unusually high Consumer Price Index (CPI) trends, currently running over 7.7% from last year (CPI food is higher at 11%). Dining contribution is based on a percent of revenue to support indirect expenses not charged directly to the program (e.g., building systems, deferred maintenance, utilities, etc.).
- State appropriation is projected to be slightly higher in all three scenarios from the FY23 budgeted amount of \$35.4M, remaining at a range of 31% – 32% of total campus revenue. There is discussion at the state level pertaining to the formula for distributing state appropriation to campuses, however there is no indication of the amount of funding the campus will receive in FY24. As such, a conservative approach, similar to last year, is being taken with regards to planning, including a range of increases between \$0.25M to \$0.75M for formula funding resulting in \$35.6M to \$36.1M in the FY24 scenario models.
- Collective bargaining salary increases are not assumed in the scenario models for the general fund, nor are the expenses related to state funding of those agreements given the uncertainty of the collective bargaining outcomes and legislative appropriation allocations. Salary increases for NUP's and the unfunded collective bargaining expense commitments (e.g., promotions, salary minimums, etc.) are included in all scenarios as this is funded by the campus.
- Fringe benefit rates including payroll taxes are expected to increase to (until new union contracts are completed), and a fringe/tax benefit rate from 41.35% in FY23 to 42.1% in FY24.
- The strategic plan is funded at \$100k. This is a decline of \$200k from FY23, since in the past, this portion of strategic plan funds were used to support financial aid. The campus has now moved to a discount model for financial aid. The impact to students is a higher amount of financial aid availability and a shift away from utilizing strategic plan funds. The University has increased financial aid by \$500k this year based on the new discount model.
- ARPA funding does not assume any ongoing support for Covid funding next year as pandemic funding needs have dissipated. Remaining ARPA funding is committed to deferred maintenance projects and totals \$1.1M in FY24.
- CGCE is expected to maintain their subsidy to the university at \$2.75M.
- The capital project budget is expected to remain flat at \$2.57M but the ARPA funds identified above will temporarily increase capital spending in FY24.
- Final Parenzo payment of \$500,000 out of campus commitment of \$20M will be made in FY24 from cash reserves.

Conclusions:

Overall enrollment is projected to continue to decline, in two of three scenarios, with a limited trajectory for short term improvement. Enrollment Management is coordinating efforts to establish a relationship with a vendor in order to improve the yield rate, though final details are not yet available. It is understood that the entering class must be larger to offset the impact of retention of continuing students. Strategies to improve enrollment/retention issues need to continue to be developed in order to minimize further declines, however, those strategies will take time to develop and to begin seeing tangible results.

Scenario planning indicates that enrollment will most likely still decline, and only 50 additional billable students are planned in the best-case scenario. This is insufficient to close the structural deficit, which is now projected to be within a range of \$5M to \$8.5M due to declining enrollment, pressure on the housing program by way of lower occupancy and increased debt service, and operational costs subject to inflation.

Currently, the middle case scenario, assuming a 1.7% decline in enrollment from FY23 yields an overall deficit of \$6.1M is the most likely model to utilize going forward, barring any major shifts in planning.

The glide path strategy that was introduced in FY23 was based on the premise that enrollment would increase, relieving pressure on reserves by improving general fee revenue. It remains unlikely that enrollment will substantially improve in the short term, and therefore, the assumptions of glide path strategy should be revisited. As a result, FY24 Budget Planning will remain focused on closing the campus deficit by utilizing similar strategies as in FY23 through permanent vacancy savings, fee increases, and some level of reserves to balance the budget.

The university will recommend FY24 fees at the February Trustee meeting. The campus budget model will be reviewed and updated regularly at each quarterly board of trustee meeting leading to developing a draft budget for June meeting with final budget approval at the October board meeting. This new timeline appears to serve the campus well as final enrollments are confirmed before the annual budget is finalized.

Westfield State University
FY24 Scenario Model

		Mid	Best	Worst
	FY23 Final Budget	FY24 Scenario A	FY24 Scenario B	FY24 Scenario C
Revenue:				
State Appropriation	35,404,926	35,904,926	36,154,926	35,654,926
Total Tuition/Fee Revenue	34,813,216	35,282,189	36,173,148	32,853,299
Foundation	1,065,500	1,065,500	1,065,500	1,065,500
Grant Revenue	1,678,737	1,678,737	1,678,737	1,678,737
Other Revenue	2,869,509	2,753,673	2,783,979	2,688,029
CGCE	12,140,783	12,140,783	12,140,783	12,140,783
Residential Life	15,477,267	16,017,479	16,017,479	16,017,479
Dining Services	9,303,938	9,580,806	9,580,806	9,580,806
Covid Related Grants (HEERF & ARPA)	1,908,352	1,114,729	1,114,729	1,114,729
Total Revenue	\$ 114,662,227	\$ 115,538,823	\$ 116,710,088	\$ 112,794,288
Expense:				
Compensation	44,804,892	45,631,191	45,631,191	45,631,191
Fringe	4,682,228	4,925,748	4,826,889	5,024,608
Department Operations	15,205,475	15,557,150	15,571,195	15,526,728
Strategic Investments	372,581	372,581	372,581	372,581
Financial Aid	5,158,621	5,109,068	5,223,067	4,797,267
Debt Service	1,481,315	1,481,315	1,481,315	1,481,315
FEMA Reimb. Spending Plan	1,269,232	-	-	-
Contingency	629,000	629,000	629,000	629,000
Capital Investments	3,575,000	3,689,729	3,689,729	3,689,729
CGCE	9,465,305	9,390,305	9,390,305	9,390,305
Residential Life	17,635,468	20,104,986	20,104,986	20,104,986
Dining Services	7,961,754	8,412,000	8,412,000	8,412,000
Utilities	2,833,500	3,403,383	3,403,383	3,403,383
Innovation Fund Expenditures	800,000	700,000	700,000	700,000
All Other	5,025,116	4,875,116	4,875,116	4,875,116
Covid Related Expenses	908,352	-	-	-
UEAAC Savings	-	-	-	-
Total Expense	\$ 121,807,837	\$ 124,281,571	\$ 124,310,755	\$ 124,038,208
Net Profit/(Loss)	\$ (7,145,609)	\$ (8,742,748)	\$ (7,600,668)	\$ (11,243,920)
Reserve Funding:				
Planned Use of Reserves	1,714,378	1,139,378	1,139,378	1,139,378
Capital Rollover	1,511,196	1,511,196	1,511,196	1,511,196
FEMA Reimbursement	1,269,232	-	-	-
Glide Path Strategy	2,650,803	-	-	-
Total Use of Reserves	\$ 7,145,609	\$ 2,650,575	\$ 2,650,575	\$ 2,650,575
Adjusted Surplus/(Deficit)	-	(6,092,173)	(4,950,093)	(8,593,345)

Westfield State University
FY24 Scenario Model

		Mid	Best	Worst
	FY23 Final Budget	FY24 Scenario A	FY24 Scenario B	FY24 Scenario C
Revenue Assumptions				
Billable Students	2,997	2,944	3,045	2,727
% Change YoY	-6.8%	-1.7%	1.6%	-9.0%
Housing Students	1,788	1,776	1,776	1,776
% Change YoY	1%	-1%	-1%	-1%
Occupancy Rate	60%	60%	58%	65%
In-State Tuition and Fees Incr.	3.5%	4.0%	3.0%	4.5%
General Fee Increase	322	382	286	429
Residential COA Incr. (weighted avg.)	3.4%	3.5%	3.1%	3.7%
State Appropriation as % of Revenue	31%	31%	31%	32%
Investment Earnings	115,000	115,000	115,000	115,000
Operating Reserve / Contingency	629,000	629,000	629,000	629,000
Expense Assumptions				
Strategic Plan Funding 1-Time	121,000	100,000	100,000	100,000
Financial Aid Increase	700,000	(49,553)	64,446	(361,354)
Overhead Contributions				
Dining Contribution	1,300,000	1,168,806	1,168,806	1,168,806
CGCE Contribution	2,750,478	2,750,478	2,750,478	2,750,478
Net Results				
CGCE	-	-	-	-
Residential Housing Deficit	2,160,000	4,087,507	4,087,507	4,087,507
Dining	-	-	-	-

Westfield State University
FY24 Scenario Model

12/8/2022

	Mid		FY23 Budget vs. FY24 Scenario A	
	FY23 Final Budget	FY24 Scenario A	\$-Fav / (Unfav)	%-Fav / (Unfav)
Revenue:				
State Appropriation	35,404,926	35,904,926	500,000	1.4%
Total Tuition/Fee Revenue	34,813,216	35,282,189	468,974	1.3%
Foundation	1,065,500	1,065,500	-	0.0%
Grant Revenue	1,678,737	1,678,737	-	0.0%
Other Revenue	2,869,509	2,753,673	(115,835)	(4.0%)
CGCE	12,140,783	12,140,783	-	0.0%
Residential Life	15,477,267	16,017,479	540,213	3.5%
Dining Services	9,303,938	9,580,806	276,868	3.0%
Covid Related Grants (HEERF & ARPA)	1,908,352	1,114,729	(793,623)	(41.6%)
Total Revenue	\$ 114,662,227	\$ 115,538,823	\$ 876,596	0.8%
Expense:				
Compensation	44,804,892	45,631,191	(826,299)	(1.8%)
Fringe	4,682,228	4,925,748	(243,520)	(5.2%)
Department Operations	15,205,475	15,557,150	(351,675)	(2.3%)
Strategic Investments	372,581	372,581	-	0.0%
Financial Aid	5,158,621	5,109,068	49,553	1.0%
Debt Service	1,481,315	1,481,315	-	0.0%
FEMA Reimb. Spending Plan	1,269,232	-	1,269,232	100.0%
Contingency	629,000	629,000	-	0.0%
Capital Investments	3,575,000	3,689,729	(114,729)	(3.2%)
CGCE	9,465,305	9,390,305	75,000	0.8%
Residential Life	17,635,468	20,104,986	(2,469,519)	(14.0%)
Dining Services	7,961,754	8,412,000	(450,246)	(5.7%)
Utilities	2,833,500	3,403,383	(569,883)	(20.1%)
Innovation Fund Expenditures	800,000	700,000	100,000	12.5%
All Other	5,025,116	4,875,116	150,000	3.0%
Covid Related Expenses	908,352	-	908,352	100.0%
UEAAC Savings	-	-	-	0.0%
Total Expense	\$ 121,807,837	\$ 124,281,571	\$ (2,473,735)	(2.0%)
Net Profit/(Loss)	\$ (7,145,609)	\$ (8,742,748)	\$ (1,597,139)	22.4%
Reserve Funding:				
Planned Use of Reserves	1,714,378	1,139,378	(575,000)	(33.5%)
Capital Rollover	1,511,196	1,511,196	-	0.0%
FEMA Reimbursement	1,269,232	-	(1,269,232)	(100.0%)
Glide Path Strategy	2,650,803	-	(2,650,803)	(100.0%)
Total Use of Reserves	\$ 7,145,609	\$ 2,650,575	\$ (4,495,035)	(62.9%)
Adjusted Surplus/(Deficit)	-	(6,092,173)	(6,092,173)	

Westfield State University
FY24 Scenario Model

	Mid		
	FY23 Final Budget	FY24 Scenario A	YoY Change B/(W)
Revenue Assumptions			
Billable Students	2,997	2,944	(52)
% Change YoY	-6.8%	-1.7%	
Housing Students	1,788	1,776	(12)
% Change YoY	1%	-1%	
Occupancy Rate	60%	60%	
In-State Tuition and Fees Incr.	3.5%	4.0%	0.5%
General Fee Increase	322	382	60
Residential COA Incr. (weighted avg.)	3.4%	3.5%	0.1%
State Appropriation as % of Revenue	31%	31%	0.2%
Investment Earnings	115,000	115,000	-
Operating Reserve / Contingency	629,000	629,000	-
Expense Assumptions			
Strategic Plan Funding 1-Time	121,000	100,000	(21,000)
Financial Aid Increase	700,000	(49,553)	(749,553)
Overhead Contributions			
Dining Contribution	1,300,000	1,168,806	(131,194)
CGCE Contribution	2,750,478	2,750,478	-
Net Results			
CGCE	-	-	-
Residential Housing Deficit	2,160,000	4,087,507	(1,927,507)
Dining	-	-	-

Westfield State University
Finance and Capital Assets Committee

FY24 Budget Planning Assumptions and Timeline

The development of a campus budget for FY24 will follow a process similar to prior years for Trustee input, review and final approval. Discussion on preliminary planning assumptions is necessary to prepare and evaluate multiple budget scenarios for selection as the basis for the FY24 Budget. The campus will begin the planning process in the fall to work towards developing financial models for the next budget cycle. While much is still unknown at this point, the process must begin soon to lay the foundation to support an effective resource allocation model.

FY24 Planning Assumptions and Timeline:

FY24 Major Planning Assumptions

Revenues

- Enrollment – still under discussion but assuming flat first time first year, expanded graduate and CGCE.
- Cost of attendance with a range of 3.0% - 4.5% (CPI for last 12 months through August is 8.3%).
 - Consider differential fee structure for high demand programs
 - Assumes limited academic/lab fee increases for specific courses/degrees
 - Reviewing potential of Technology and Capital Fee Increases
- State Appropriation – flat, except for FY23 supplemental appropriation.
- CGCE contribution funding to remain fixed at \$2.75M.
- Investment income – align budget to actual and adjust for policy allocation (FY23 - \$700k).
- Dining program contribution to remain at 13% of meal plan revenue.

Expenses

- Limited strategic plan investment funding.
- Fund Innovation Budget - \$700k estimated.
- Shift financial aid funding to discount rate model; increase to a within a range of 13% - 14% next year.
- Department Operating Budgets – assume no across the board increase.
- Fund mandatory contractual increases for services, facilities and technology contracts.
- Salary Increases – assume non-collective bargaining expense increases (NUP's, CBA shortfall, auxiliaries, CGCE).
- Benefit Rate - assume historical average annual increase over prior year or Comptrollers projection.
- Residence life – Expect continued deficit (\$3.0M-\$4.0M) due to an increase in MSCBA assessments and occupancy challenges.

Reserves

- Capital Projects – Rollover funding for capital projects not finished by year end.
- Assume Glide Path Strategy and Limited use of reserves to support operations.

Board of Trustees - FY24 Budget Planning Timeline

October 2022	<ul style="list-style-type: none">• Preliminary Planning Assumptions – General Consensus• Budget Planning Calendar Distributed
December 2022	<ul style="list-style-type: none">• Review Preliminary Financial Scenarios• Review Enrollment Projection• Discuss Strategy for Efficiencies and Restructuring• Update Five-Year Forecast
February 2023	<ul style="list-style-type: none">• Approve Fee Recommendations (based on parameters)
April 2023	<ul style="list-style-type: none">• FY24 Budget Update
June 2023	<ul style="list-style-type: none">• FY24 Provisional Budget Approved• FY24 Capital Budget Approved
October 2023	<ul style="list-style-type: none">• FY24 Final Budget Approved

BOARD OF HIGHER EDUCATION

REQUEST FOR BOARD ACTION

NO.: BHE 23-23

BOARD DATE: December 13, 2022

Strategic Review of Public Higher Education Financing: Endorsement of a Policy Framework and Charge to the Commissioner

MOVED: The Board of Higher Education (BHE) receives the research, analyses, and policy options prepared by the Finance and Administrative (FAAP) Advisory Council with the assistance of EY-Parthenon in furtherance of the Board of Higher Education's *Strategic Review of Public Higher Education Financing*. The documents that comprise the FAAP Advisory Council's research, analyses, and policy options are referenced and linked in the Background Statement and attached to this motion as "Attachment A." The BHE expresses its appreciation to the FAAP Advisory Council and EY-Parthenon for their work.

Based on and building upon the FAAP Advisory Council's work the BHE accepts and endorses the strategic public higher education financing *Framework*, including the criteria, the goals, and the design elements, as set forth in Section III of the attached Background Statement.

The BHE affirms the Framework as guidance intended to inform the development of a fair, equitable, and rational approach to financing and supporting the Commonwealth's system of public higher education institutions. The BHE commits to incorporating the *Framework* in all aspects of budget and policy development.

The BHE charges the Commissioner to work with stakeholders, including institutional leaders, policy makers, the legislature, and others to advance the implementation of the framework through necessary legislative, executive and budgetary actions.

The BHE further directs the Commissioner to continue to work with the FAAP Advisory Council and to provide regular updates to Board on the Department's progress in this regard.

VOTED:

[The action taken by the BHE on December 13, 2022 will be noted here]

Authority: M.G.L. c. 15A, §1, 9, 15B, 16 and 19

Contact: Joe Wallerstein, Interim Deputy Commissioner for Administration and Finance

BACKGROUND

I. Board of Higher Education Authority

The Board of Higher Education (Board or BHE) is the Commonwealth's state higher education authority with specific coordination, advocacy, and accountability responsibilities over the Commonwealth's entire public higher education system. Section 5 of the BHE's enabling legislation in particular, defines the public higher education system as including all three segments and all of the institutions within each segment (i.e., 15 Community Colleges, 9 State Universities, and 5 University of Massachusetts campuses), and states that the Board shall:

coordinate activities among the public institutions of higher education and shall engage in advocacy on their behalf, which advocacy shall include a sustained program to inform the public of the needs, importance, and accomplishments of the public institution of higher education in the commonwealth.

M.G.L. c. 15A, § 5. The Board is also statutorily required to work "in conjunction with boards of trustees to hold the system accountable for achieving its goals and establishing a comprehensive system to measure quality by defining educational achievement and success with the use of standards and measurements." M.G.L. c. 15A, § 1.

Further included within the Boards' coordination responsibilities, are the Board's statutory mandates to:

- Define the mission of and coordinate the Commonwealth's system of public higher education and its institutions, M.G.L. c. 15A, § 1;
- Analyze the present and future needs and requirements of public higher education and establish goals to achieve a well-coordinated quality system, M.G.L. c. 15A, § 9(c);
- foster coordination between and among public and private institutions; , M.G.L. c. 15A, § 1;
- develop a "rational and equitable statewide tuition plan" for the state universities and the community colleges in the commonwealth, M.G.L. c. 15A, §9(i)
- work with campus financial officers on modeling, budgeting, financing, and capital planning, M.G.L. c. 15A, §§ 9. and 15B; and
- administer state financial aid and provide financial aid services and information to students, M.G.L. c. 15A, §§ 16 and 19.

It is within this legal context that the Board recognizes that the overall funding strategy for public higher education in the Commonwealth is inherently a systemic property, and the Board is not only well positioned to bring forth system-wide recommendations, but is also legally responsible for doing so. In order for the Board to be able to responsibly

execute its general authority related to system coordination, advocacy and accountability-- as well as its specific administrative, statutory authority related to fiscal and budgeting matters-- the Board therefore seeks to develop a coordinated, rational, and empirical funding strategy on behalf of the public higher education system as a whole, the individual institutions within the system, and the students and families that we serve.

II. Engagement of the FAAP Advisory Council, EY-Parthenon, and the Process

Shifting demographics, enrollment declines, and increased competition for students have resulted in significant strains of the public higher education system. Student enrollment has been declining in the past decade and is projected to continue to decline. In addition, the Commonwealth has experienced persistent equity gaps, with rising concerns about the cost of education and the increase in debt burdens on students and families. For these reasons, during its December 11, 2018 meeting the Board made a commitment to review whether and how the Board could address these issues with “the development of an integrated financial planning process to ensure long term sustainability for the campuses and the system and affordability for the students.” *BHE 19-03*.

In addition, in December 2019 the Board enhanced its customary budget approval process by adding a preface to the budget narrative to specifically highlight the Board’s role in the budgetary process, stating as follows:

Consistent with the Board’s annual budgetary duty, and also in accordance with the Board’s responsibility for policy direction and strategic planning for the system of public higher education, the budget recommendation for FY21 is prefaced by this Statement from the Board that reflects our views, values, and preliminary discussions concerning the immediate and longer-term strategic considerations for the state’s fiscal commitments to public higher education.

FAAP 20-10, Budget Narrative at 3. In a subsequent section entitled “Strategic Plan for Funding for Higher Education in Massachusetts,” the Board continued, calling for a more comprehensive review of how the Commonwealth finances public higher education, and expressed a commitment to advance a strategic framework:

Over time, Massachusetts’s support for higher education has slipped – cuts imposed more than a decade ago still resonate today. Our system is old-fashioned compared to many states with most of the money “block granted” to individual institutions rather than following the student or providing incentives and rewards for performance. When compared to our nation-leading approach on K12, we have a lot to do to ensure our postsecondary funding matches our values and our creativity. Therefore, we commit, as the BHE and DHE, to advance

a strategic framework and will develop a range of proposals during calendar year 2020 that aligns with our values and vision for the future of higher education in Massachusetts.

FAAP 20-10, Budget Narrative at 5 (emphasis added).

During its September 22, 2021 Annual Meeting the BHE established the Finance and Administrative Policy (FAAP) Advisory Council and charged it with the responsibility to “consider, report and make recommendations to the Board of Higher Education on policy and strategic matters regarding fiscal, operational, administrative matters.” Within that context, the BHE asked the FAAP Council to conduct a strategic review of public higher education finance.

To assist the FAAP Advisory Council with this work, consultant services were procured through the Executive Office of Education with a request for proposals (RFP) issued in September 2021; consulting firm, EY-Parthenon, was selected in late November 2021. The scope of EY-Parthenon’s engagement included five phases of work: conducting an assessment of the current state of public higher education financing; conducting a nationwide comparative analysis on public financing of higher education; developing and assessing potential funding scenarios; conducting a student impact analysis; and developing alternative financing approaches that align with the Board’s Equity Agenda.

Following the engagement of EY-Parthenon, in FY2022 and FY 2023 the FAAP Advisory Council met six times to review, guide, and advance the strategic public higher education finance work with the assistance of EY-Parthenon. All BHE members were invited to participated in FAAP Advisory Council meetings, and the full BHE was engaged at least twice with formal updates during BHE meetings in FY2023 (October 18 and 27).

During its November 3, 2022 meeting, members of the FAAP Advisory Council’ presented its research, which included guiding principles and goals for evaluating the Commonwealth’s public higher education financing system, and a series of policy options and the implications for funding. The November 3, 2022 presentation was a culmination of and based on four reports prepared by EY-Parthenon, including the October 18, 2022 presentation to the BHE entitled [Strategic Review of Public Higher Education Finance](#) and the following three reports issued in August 2022 and used during the August-September 2022 Stakeholder vetting process on the following topics:

- [Strategic Review of Public Higher Education Finance: Establishing a Baseline;](#) (laying out how the Commonwealth currently fund public higher education)
- [Strategic Review of Public Higher Education: Comparative State Analysis;](#) (a comparative analysis around funding priorities); and
- [Strategic Review of Public Higher Education Finance: Student Outcome Analysis.](#)

After further stakeholder vetting, EY-Parthenon provided supplementary materials to the FAAP Advisory Council during the Council's November 16, 2022 meeting. The full EY-Parthenon and FAAP Advisory Council November 3, 2022 presentation, along with the supplementary information provided on November 16, 2022, are accessible through the following links:

- [FAAP AC Strategic Review of Public Higher Education Financing: First Discussion of Policy Options, November 3, 2022](#)
- [FAAP AC Strategic Review of Public Higher Education Financing: Supplemental Analysis of Policy Options, November 16, 2022](#)

Based on the research and work produced by the FAAP Advisory Council and EY-Parthenon, Board Chair Chris Gabrieli, in consultation with the FAAP Advisory Council co-chairs, developed a proposed Framework for BHE consideration. The proposed Framework is set forth in Section III, below.

III. Framework for Strategic Public Higher Education Financing

The proposed Framework for Strategic Public Higher Education (the "Framework") before the BHE for approval includes the following elements:

- Six key principles;
- An acknowledgement of a sense of urgency to act due to the limitations of the current financing system;
- Five key goals; and
- Five key design elements.

Key Principles

The system for financing public higher education in the Commonwealth must fully support the following six¹ key principles:

1. *The System works for both students and institutions*
2. *The System advances student participation in high quality, affordable education.*
 - The system supports students from all backgrounds in participating in and affording high quality higher education
3. *The System promotes equity in student outcomes.*
 - The system supports bridging gaps in retention, graduation, and post-graduate outcomes (e.g., student success and employment) by student subgroup

¹ FAAP AC Strategic Review of Public Higher Education Financing: First Discussion of Policy Options, November 3, 2022, Slide 8.

4. *The System is transparent and rooted in providing stakeholders with sufficient ability to plan.*
 - The drivers of state funding are clear and well understood by institutions, students, parents and policymakers, allowing them to plan based on known parameters.
5. *The System recognizes institutional context.*
 - The System takes into account institutional mission, contexts, and regional geography, including diversity of student populations and district needs.
6. *The System recognizes and invests in innovation and collaboration.*
 - The System fosters innovation and collaboration to meet student success goals, including collaboration within segments, regions, and with outside stakeholders such as K-12 and industry

Sense of Urgency

The BHE concludes that the current system for financing public higher education in the Commonwealth does not sufficiently fully support the six key principles, and that it is time to move beyond the current system.² The current system should be significantly changed, modernized and strengthened to better serve students and align with our systemic values.

Key Goals

The system for financing public higher education in the Commonwealth must address the following five³ high-level goals:

1. *Make college more accessible and affordable for students.*
 - i. Address barriers to participation for low-income and part-time students, including adult students.
 - ii. Address burdensome debt levels for low- and middle-income students and families.
2. *Bolster institution funding to support student success.*
3. *Ensure system-level capacity to foster innovation and collaboration.*
4. *Align incentives on cost sharing between the state and campuses.*
5. *Increase simplicity, transparency, and predictability for all.*

Key Design Elements

² FAAP AC Strategic Review of Public Higher Education Financing: First Discussion of Policy Options, November 3, 2022, Slide 9.

³ FAAP AC Strategic Review of Public Higher Education Financing: First Discussion of Policy Options, November 3, 2022, Slide 13.

Building on the policy options, rationales, and impacts presented at the November 3, 2022 FAAP Advisory Council, along with extensive feedback offered during the meeting and since then from various stakeholders, and recognizing that the BHE seeks to inform policy makers and stakeholders for the discussions and actions in the time ahead, the BHE endorses five key design elements for the future of public higher education financing in the Commonwealth:

1. Increase financial aid, by at least doubling the current annual budgetary financial aid level, in ways that: make college truly accessible for our lowest-income students; require less debt for our moderate- and middle-income students; and draw back working adults to gain credentials they need.
2. Make and sustain a major new investment into our institutions' annual state appropriations focused on providing institutions with more resources to support low-income students through a weighted-enrollment approach that provides additional funding for each of their low-income students.
3. Significantly expand of the Department's funding capacity to catalyze innovation and collaboration in partnership with our institutions through the Higher Education Innovation Fund.
4. Codify the commitment to funding all three years of salary increases for each new collective bargaining agreement (CBA) and develop a fair and workable plan to better align incentives and cost-sharing between the Commonwealth and public higher education institutions on fringe benefit costs.
5. Provide more transparency, predictability and balanced guardrails on total charges to students by both allowing all campuses to retain all tuition and fees, while also requiring that tuition be the primary component of student charges.

IV. Charge to the Commissioner

The BHE charges the Commissioner to work with institutional leaders, policy makers, the legislature, and other stakeholders to advance the implementation of the framework through necessary legislative, executive and budgetary actions. The BHE further directs the Commissioner to continue to work with the FAAP Advisory Council and to provide regular updates to the Board on the Department's progress in this regard.



Board of Trustees

December 20, 2022

MOTION

To approve the granting of staff emerita status, effective December 20, 2022, to the following individual:

1. Terri Haven

Robert A. Martin, Ph.D., Chair

Date

Nov 22, 2022

Terri Haven
41 Crescent Street
West Hartford, CT 06119

RE: Emeriti Status

Dear Terri,

Congratulations! I am pleased to share the great news, you were nominated for emeriti status!

A staff advisory committee, consisting of two APA members, two AFSCME members, and myself have reviewed your nomination and the emeriti committee has voted to forward your nomination to the Board of Trustees for their consideration and approval.

The enclosed bio will be shared with the President of the University and the Board of Trustees as part of this process. The Staff Emeriti policy includes the option of providing additional information regarding your nomination before sending to the Board of Trustees. The policy is available, for your reference, on the Human Resources page of the University's website.

Please review your enclosed bio carefully and forward any corrections and/or additional information you would like included to Meagan Woodruff at mwoodruff@westfield.ma.edu no later than December 5, 2022.

I look forward to reviewing your candidacy with the trustees at their December 20, 2022 board meeting.

Again, Congratulations and please don't hesitate to let me know if you have questions.

Sincerely,

Lisa G. McMahon
Interim Vice President, Institutional Advancement and
Executive Director, Westfield State Foundation

Terri Haven: Terri Haven came to WSU when the university began the launch of the Masters in Social Work (MSW) program to oversee the student field education requirements. The MSW program started in 2010 and graduated the first class of 30 MSW students in 2012, currently 266 MSW students are enrolled; an impressive number. Recently, an additional degree track has been developed to assist students in earning this degree; the University offers students the option of an online MSW program. Every student in social work is required to complete a foundation practicum of 400 hours and an advanced practicum of 500 hours.

Throughout the development and changes of the program, Terri created an impressive infrastructure that allowed students to meet their academic needs for applying their course content in the field, and thus fulfilling all the accreditation standards required in field education. Terri oversaw all aspects of field education and balanced the geographical location needs of the student with agency needs, simultaneously developing internship opportunities to ensure all students met the required standards.

Her service to the University was demonstrated through her active role in bringing in two Health Resources and Services Administration (HRSA) grants totaling \$2.8M, which provides over a million dollars in student training stipends. Terri provided a service to her community, partner agencies and field supervisors that is best summed up with a quote we hear over and over again from our partnering agencies: *“I love social work students from Westfield, they are so prepared and you are all so organized and supportive”*; this opinion of the MSW program at WSU was largely formed due to the tireless work Terri performed to ensure *that our students entering the field and their field supervisors were prepared and had the resources needed for success.*

There are over 150 community partners and each field supervisor, across different settings, needs to be oriented and mentored on our accreditation standards. Terri provided this level of support to agencies as a whole, which includes frontline field supervisors and agency CEO's. Building a workforce pipeline from our social work programs to agencies across Western MA was one of her specialties. The value of her commitment to the development of this pipeline that will continue to benefit our students for years to come cannot be understated. Terri has, without a doubt, put a mark on the development of the MSW program here at WSU and ensured its continued success. She and her work will be greatly missed.

Dates confirmed below

(Start 05/29/12 – end 06/17/22)

Executive Summary

\$647,467 TOTAL GIFTS AND GRANTS

\$170,495 Gifts

\$476,972 Grants

439 DONORS

260 Alums & Students

88 Employees

114 Friends

\$208.94 Average Gift

Highlights

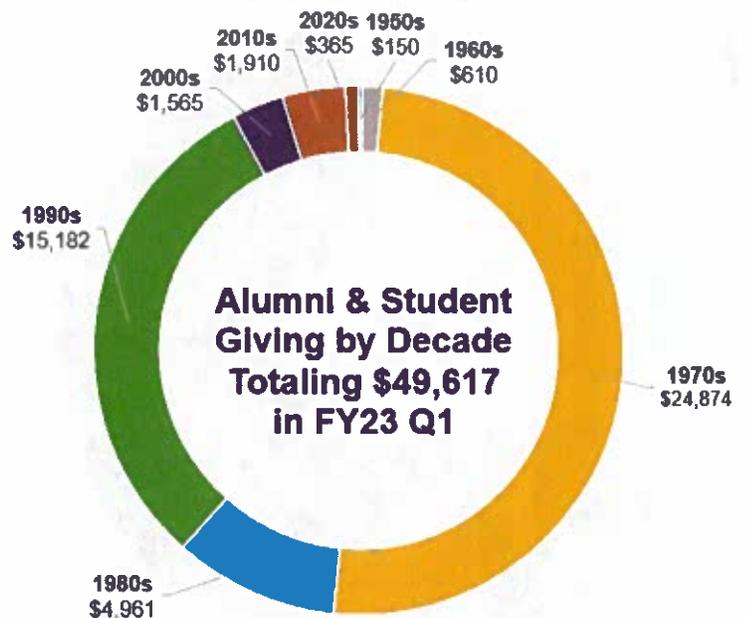
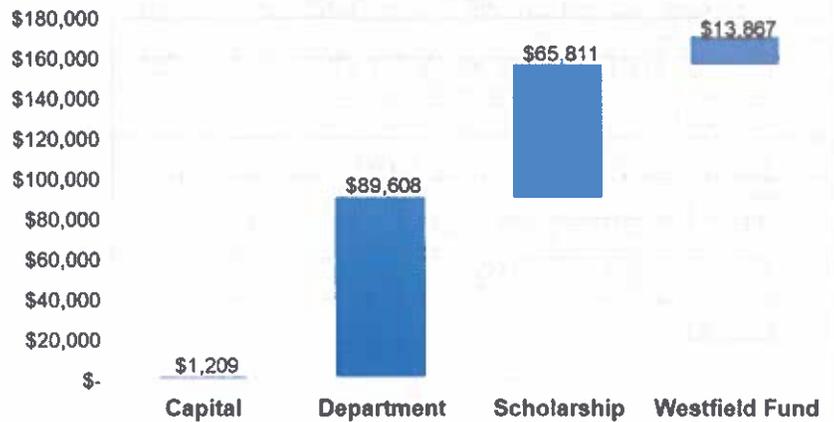
- **66% increase** of alumni donors (260 in Q1 FY23 vs. 157 in FY22)
- Over **68 Class years** of alumni giving, ranging from donors in Class of 1952 through 2026
- **11% increase** in overall gifts (\$170,495 vs. \$153,631 Q1 FY22)
- **38% increase** in overall donors (439 vs. 317 in Q1 FY22)

Welcome to

Averie Bye-Dickerson,

Graduate Assistant
for Alumni Relations!

FY23 Gifts by Giving Area
(as of 9/30/2022)

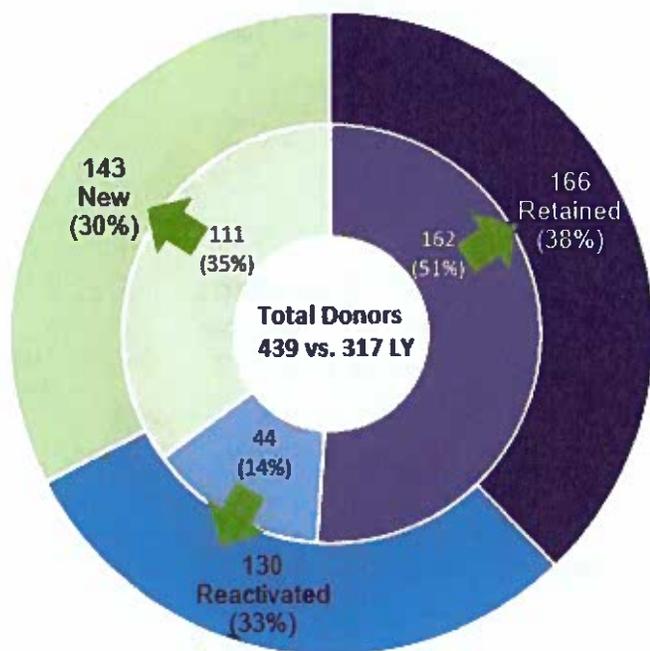


Q1 Gifts increased for the 2nd consecutive year
nearing pre-pandemic levels



Giving Societies	Donors	Dollars
President's Circle (\$25,000 or higher)	1	\$25,000
Davis-Bates Circle (\$10,000-\$24,999)	3	\$36,881
Scanlon Circle (\$5,000 - \$9,999)	5	\$33,247
Dickinson Circle (\$2,500 - \$4,999)	6	\$19,435
1839 Society (\$1,000 - \$2,499)	14	\$18,005
Donor (\$1 - \$999)	410	\$37,926
Total	439	\$170,495

Donor Retention



RETAINED DONOR:

A donor who gave last year and gave again this year.

Increased in Q1: 166 vs. 162 retained Q1 last year

REACTIVATED DONOR:

A donor who gave sometime in the past, but not last year, and gave again this year.

Increased in Q1: 130 vs. 44 reactivated Q1 last year

NEW DONOR:

A donor who had given a gift for the first time.

Increased in Q1: 143 vs. 111 New in Q1 last year.

Fundraising Areas



ATHLETICS OWL CLUB
DONORS: 168
DOLLARS: \$33,722



THE WESTFIELD FUND
DONORS: 265
DOLLARS: \$13,867

GROWTH TO THE WESTFIELD FUND

- **65% increase in donors** (265 vs 161 in Q1 FY22)
- **126% increase in gifts** (\$13,867 vs. \$6,147 in Q1 FY22)

Alumni Update

