



Board of Trustees

Finance and Capital Assets Committee

11:00 a.m.
June 28, 2022

Loughman Living Room, Scanlon Hall

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: <https://www.westfield.ma.edu/spring-2022covid/faq>.

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| 1. Called to Order | Trustee Salehi |
| 2. Minutes | |
| a. April 27, 2022 | Trustee Salehi |
| 3. President's Remarks | President Thompson |
| 4. Items for Information | |
| a. FY22 Sponsorships | Lisa Freeman |
| b. Vehicle Purchase (Ambulance) Update | Christopher Perkins/Michael Marafuga |
| c. Parenzo Renovation Update | Stephen Taksar/Maureen Socha |
| 5. Items for Discussion | |
| a. Reserves: Rollovers, Unrestricted Net Position, or Cash | Stephen Taksar |
| 6. Items for Action | |
| a. Motion – FY23 Provisional Operating Budget | Stephen Taksar/Maria Feuerstein |
| b. Motion – Capital Budget | Stephen Taksar/Maria Feuerstein/
Maureen Socha |
| d. Motion – Vehicle Lease/Purchase Program | Stephen Taksar/Gary Duggan |
| e. Motion – FY23 Sponsorships | Stephen Taksar |

Attachment(s):

- a. Minutes 4-27-22 (Draft)
- b. FY22 Sponsorships
- c. FY22 Sponsorships (Process Review and Recommendations from 2019)

- d. Reserves (Summary)
- e. Motion – FY23 Provisional Operating Budget
- f. FY23 Provisional Operating Budget (Narrative)
- g. FY23 Provisional Operating Budget
- h. FY23 Provisional Operating Budget (Revised Enrollment Projection)
- i. FY23 Provisional Operating Budget (Approved Fees)
- j. Motion – Capital Budget
- k. Capital Budget
- l. Motion – Vehicle Lease/Purchase Program
- m. Vehicle Lease/Purchase (Memo)
- n. Vehicle Lease/Purchase Program
- o. Motion – FY23 Sponsorships



BOARD OF TRUSTEES

Finance and Capital Assets Committee

April 27, 2022

Minutes

Loughman Living Room, Scanlon Hall

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 Vice Chair Theresa Jasmin and Trustees Chris Montemayor and Chloe Sanfacon

MEMBERS PARTICIPATING REMOTELY: Committee Chair Ali Salehi (joined in person at 11:25 AM), Secretary Paul Boudreau and Trustee Madeline Landrau

TRUSTEE GUESTS PRESENT: Trustee Dr. Robert Martin

Dr. Linda Thompson, President, Lisa Freeman, Associate Vice President and Stephen Taksar, Vice President of Administration and Finance, Maria Feuerstein, Assistant Vice President of Strategic Finance and Institutional Planning, Maggie Balch, Dean of Students, Joshua Hettrick, Interim Director of Residential Life, and Christopher Perkins and Robert Rausch of the Movement Science Department of Westfield State University, were also present.

Since Committee Chair Salehi was initially joining the meeting remotely, Vice Chair Jasmin called the meeting to order at 10:34 AM and announced that the meeting was being livestreamed and recorded.

MOTION made by Trustee Landrau to approve the minutes of the February 17, 2022, meeting.

There being no discussion, ROLL CALL VOTE taken:

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

Motion passed unanimously.

President’s Remarks. President Thompson stated the glide path is still being reviewed and she will share more at the full Board meeting.

FY22 Third Quarter Financials. Ms. Freeman directed the Trustees to the detailed summary in the meeting materials and shared highlights. highlighted that enrollment is on budget with a 0.1% variance. Auxiliaries and CGCE had an average favorability to the budget of 0.6%. Total revenue

was above budget. Expenses were unfavorable due to HEERF grants to students, which was offset by grant revenue increases causing overall financial results to be net neutral. Underspending offset overage due to compensation savings from vacant positions, debt payment savings, and timing of capital projects, causing a surplus at the end of the quarter which will be depleted by next quarter. There is typically a surplus at this time of year due to revenue being captured, but not all expenses. The short-term strategy for FY22 is working as planned to rely on vacancy savings to offset the structural deficit.

Investment Subcommittee Update. Mr. Taksar shared the second quarter results, showing a year-to-date increase. The investment contract was renewed for a one-year extension. The investment income distribution model was shared, showing an analysis based on a four percent threshold as we draw on investment funds using a twelve-quarter moving average calculation. Funds will be integrated into the FY23 budget and will need formal approval of the interest income transfer to fund the innovation fund projects. An update on approved projects will be provided to the board.

Parenzo Hall Renovation Update. Mr. Taksar stated there is a projected overrun of approximately \$500,000 on the project and strategies are being researched to close the gap. The Interdepartmental Service Agreement (ISA) was submitted to the state agreeing to fund our share of the overage. A grant proposal has been submitted for \$1 million, and a small portion of those funds would be dedicated to offset some of the overrun, if possible. We will rely on state ARPA funding to help offset whatever the grant will not cover. The final payment of our \$20 million share of the project is due to the state this summer, which has been factored into the planning. It was requested to add the Parenzo renovation project to future committee agendas.

FY23 Provisional Operating Budget Update. Mr. Taksar and Ms. Feuerstein shared the following:

- Deposits are lagging behind 2019-2020 and the revenue impact for each student choosing not to attend Westfield State is \$11,461 in tuition and fees.
- A \$5.3 million deficit is being projected for FY23. If nothing changes, cost reductions will need to be made.
 - One-time revenue offsets are the HEERF grant funds.
 - Although cost containment strategies have been implemented, there are still escalations in expenses of \$3.2 million in part due to increased utility costs, debt escalation in Residential Life, and increased financial aid using reserves (\$500k previously approved by the Board of Trustees).
- The MSCBA requires residential life to provide five percent of prior year expenses as minimum reserve level. If enrollment and occupancy do not pick up, the University will be looking at long-term financial support of housing operations or other strategies to utilize housing. The MSCBA has the authority to take part of our appropriation if we do not make our debt service payments in the Residential Life budget. The five percent shows as reserve funding in the Residential Life budget. President Thompson would like a calculation prepared among state universities to bring to the next Council of Presidents meeting to create a collective strategy to lobby the state legislators to provide additional relief.
- The updated three-year glide path strategy for budget reductions, use of reserves, and enrollment growth was presented and discussed.
- The FY23 budget planning process was shared. A multi-year budget plan and provisional FY23 budget will be presented at the June meeting.
- The FY23 President's Innovation Fund, funded from investment income, will be rolled out in the new fiscal year with the goal of making investments to grow revenue. [Committee Chair Salehi joined the meeting in person at 11:25 AM]

- FY23 Opportunities were shared for new ideas, grants, collaborations, partnerships, growth for high demand academic programs, web effectiveness, financial aid, and summer programs.

Residential Life Strategy. Ms. Balch stated that attendance at events is increasing since the mask mandate has been lifted and there is a great feel on campus. The most students have signed up for room selections since 2016 and we have started the second year of a flat monthly rate of \$922, which includes parking and laundry. Typically, there are 100-150 students that need to be on campus year-round, and this summer we will have 200-250 here. We are hoping to also offer housing to students with local internships.

Mr. Hettrick stated that current and projected enrollment does not support the University's design capacity and would recommend the University have conversations with MSCBA and DCAMM to have Scanlon Hall transferred to DCAMM. The debt service will come out of MSCBA and address campus needs. This would provide needed administrative space and release 354 beds in the building, leaving 2,799 beds on campus. With 50-65% of students living on campus, we could enroll 4,400 students and house all of them in doubles, singles, and a small number of quads. There is currently a project to convert Welch Hall to 60 graduate housing beds. Most students want single bedrooms so with lower occupancy, we can offer premium singles, providing additional revenue of \$400,000 by meeting student requests. Increased utility costs are affecting the Residential Life budget and grant funding is being explored to expand solar panels. The MSCBA assessment is over 65% of the budget. In FY29 the "system debt" will be paid off, decreasing the annual assessment by approximately \$2 million per year. Mr. Taksar stated that if we cannot close the occupancy gap or shift losses in Residential Life, the University will be funding it with \$2 million each year, likely creating a \$4 million deficit in 2024.

President Thompson asked the committee to think about how we can provide housing for homeless students after graduation and faculty who live far away who are currently staying at bed and breakfasts. Mr. Hettrick stated that Residential Life has been working with FACES to help provide more housing security to students as they graduate and some faculty members have lived in Dickenson Hall. Committee Chair Salehi suggested that instead of selling Scanlon Hall, consider temporarily leasing it in case housing explodes in future years. All property is owned by the state or MSCBA and the process to transfer a building to DCAMM may take up to two years.

Motion – Vehicle Purchase (Ambulance). Mr. Rausch stated that the University cannot buy vehicles without Board approval. The University ambulance does not work and the ambulance being proposed to purchase works and can transport patients to the hospital if needed. It will be a valuable teaching device for EMT, nursing, and health science students. It is a 2011 model, in good working condition, and does not require a special license to drive. Mr. Perkins added that since the University ambulance has not worked, we have been contracting with Westfield and Southwick Fire Departments for training and simulations. Having a working ambulance would allow live simulations with patients. In 2015 there were 56 students in the EMT program. There are currently up to 36 slots available but since COVID there have been less than 30. This semester started with 23 and ended with 15 students. Students come through continuing education in three sections: CGCE noncredit, CGCE credit and credit day students all at same time. The current ambulance will be decommissioned.

MOTION made by Trustee Salehi, seconded by Trustee Montemayor, to approve the request from the Sports Medicine and Human Performance Department to purchase an ambulance from the Town of Southwick in FY22 for \$5,000. Should the vehicle be unable to

be delivered to the University by June 30, 2022, Academic Affairs will work with Finance to request a rollover of funds to FY23.

There being no further discussion, **ROLL CALL VOTE** taken:

Trustee Boudreau	Not audible	Trustee Montemayor	Yes
Trustee Jasmin	Yes	Trustee Sanfacon	Yes
Trustee Landrau	Yes	Trustee Salehi	Yes

Motion passed unanimously.

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

There being no discussion, **ROLL CALL VOTE** taken:

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

Motion passed unanimously.

Meeting adjourned at 12:10 PM.

Attachments presented at this meeting:

- a. Draft Minutes 2-17-2022 (Draft)
- b. Third Quarter Financials (Summary)
- c. Third Quarter Financials (FY21)
- d. Third Quarter Financials (FY22)
- e. FY23 Provisional Budget (Summary)
- f. FY23 Scenario Summary
- g. FY23 Detail by Trust Fund - Provisional
- h. Residential Life Strategy
- i. Motion – Vehicle Purchase (Ambulance)
- j. Vehicle Purchase Ambulance (Memo from Department)
- k. Vehicle Purchase Ambulance (Memo from Provost)

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 April 27, 2022.

Paul Boudreau, Secretary

Date

UNIVERSITY SPONSORSHIPS AND COMMUNITY EVENTS HISTORY

ACTUAL EXPENSES FY2021 & FY2022

FY2022

(Event presence included)

Bright Nights Ball	\$3,500
Community Music School of Springfield Annual Martin Luther King Day Celebration Sponsorship	\$1,000
Bay Path University President Inauguration	\$500
United Way Of Pioneer Valley Women United Sponsorship	\$250
Foundation Interfaith Breakfast	\$200
Westfield Chamber of Commerce Legislative Luncheon	\$40
Amherst Area Chamber of Commerce Networking Night	\$25
Total	\$5,515
FY2022 Board of Trustees Approved	\$30,000

Examples of Non-Ticketed Sponsorships/Charitable Advertising

CAN DO Nursing Partnership	\$5,000
Springfield Thunderbirds Sponsorship	\$3,000
Stanley Park Silver Sponsorship	\$2,500
Massachusetts Nonprofit Network Sponsorship Advertising	\$500
National Association of Social Workers Advocate Sponsorship	\$350
Albert & Amelia Ferst Cornhole Board Sponsorship	\$350
United Way of the Pioneer Valley Power of the Purse Sponsorship	\$250
Total	\$11,950

FY2021

(Event presence included)

Baystate Health Foundation Annual Noble Ball (Virtual) Bronze Sponsorship	\$2,500
Community Music School of Springfield Annual Martin Luther King Day Celebration	\$1,000
Westfield Chamber of Commerce September Breakfast	\$168
Westfield Chamber of Commerce After 5 Event	\$30
Total	\$3,698
FY2021 Board of Trustees Approved	\$30,000

Examples of Non-Ticketed Sponsorships/Charitable Advertising

CAN DO Nursing Partnership	\$5,000
Massachusetts Nonprofit Network Sponsorship Advertising	\$500
Westfield Chamber of Commerce Golf Tee Sign Sponsorship	\$125
Total	\$5,625

Westfield State University
Finance and Capital Assets Committee

University Sponsorships and Community Events

October 10, 2019

In keeping with the Board's fiscal responsibilities, in June 2019 the Board passed the following FY20 motion: "To authorize the University to spend up to \$30,000 in FY20 on sponsorship and/or attendance at community events, consistent with university guidelines for the expenditure of such funds. The University will report all expenditures made under this umbrella approval no later than the June 2020 meeting of the Board of Trustees."

The Board motion is designed to support standards for attendance at events as outlined in section II(2)E in the Board of Higher Education trust fund standards: "Outright contributions to charitable organizations are prohibited. However, where attendance at a charitable dinner or event will further the public purpose of the institution, expenditure may be permitted subject to prior approval by the board of trustees." In operationalizing this standard the Board of Higher Education recommends that local Boards of Trustees establish a ceiling for such expenditures.

The Westfield State Board has included "sponsorship" (not defined in the BHE guidelines) in its motion for a ceiling. This control measure was implemented to ensure that funds are spent to sponsor or attend events with links to the priorities of the University.

The aim of this document is to clarify the reporting categories relevant to the above motion.

Categories

- *Sponsorships*: Funds expensed to further the University's relationships with entities such as the city of Westfield (e.g., City of Westfield 350), activities to establish deeper relationships for purposes of recruitment or shared workforce development (e.g., Chamber of Commerce) or partnering (e.g., Urban League), and endeavors related to educational partnerships (e.g., Latino Scholarship Fund dinner). Deepening relationships for the purpose of this document and report, is not inclusive of specific area marketing campaigns (e.g., conference advertising).
- *Ticketed events*: Funds used to support sponsorships that also include tickets to attend an event (e.g., reception or dinner or celebration).

Items distinct from sponsorship as applied to the Board motion

- Some solicitations requesting that the University engage in traditional advertising in support of commercial or nonprofit endeavors use the term sponsorship (e.g., CGCE advertises using a plaque at the Mass Mutual Center for Springfield Thunderbirds Corporate Sponsorship). These items are not relevant to the Board motion.
- Sponsorship is distinguished from collaboration or co-hosting: The University may co-host an event with a partner and may expense funds (e.g., signage, coffee) to host the event. Yet some agreement forms may use the term sponsor (e.g., leadership event with Westfield School District). These items are not relevant to the Board motion.
- Sponsorship is a term used interchangeably with advertising in areas like conference programs or signage/plaques at the Mass Mutual Center.

Westfield State University
Finance and Capital Assets Committee
Campus Reserves – Policy, Use and Definitions
6/21/22

Overview

In many organizations, the word “reserves” can be misunderstood or unclear, based on a frame of reference, market segment, or organizational structure of the entity. The goal of this document is to clarify the campus policy on using reserves, how they are generated and to define various types of reserves.

Summary of Reserve Funds Use Policy (0530)

- President has authority to spend \$20,000 in unbudgeted reserve funds and must report to the board at the following meeting.
- For amounts exceeding \$20,000, a 2/3 vote of the board is required to approve the use of reserve funds.
- Requests for the use of reserve funds shall occur during the annual budgeting meeting or otherwise determined by the President.

Definitions of Reserve Funds

Unrestricted Net Position (financial statements) – represents the operating reserves and cumulative earnings over the life of the organization but excludes restricted assets (e.g., capital assets, donor restricted assets, etc.)

- Without Pension/OPEB - \$66,418,882 at June 30, 2022
- With Pension/OPEB – \$(37,194,313) at June 30, 2022

Cash Reserves – available cash without restrictions (immediately available). This can be differentiated from a liquidity calculation which would include short and potentially long-term investments, component units, etc.

Carryforwards/Rollovers – budgeted but unspent funds in one fiscal year, which can be used to fund purchases in the following fiscal year. For example, a facilities project that was fully budgeted in one year but not completed by the end of the fiscal year. The funds needed to complete the project are “carried forward or rolled over” into the following fiscal year. Technically, this is a use of reserves but is more a timing issue vs true use of cash reserves.

How are reserves generated?

Cash reserves can be generated in several ways:

- a. General accumulation of cash year over year.
- b. Underspensing of approved budget allocations.
- c. Unplanned but additional revenues (e.g., HERRF grants, FEMA reimbursements).
- d. Interest income

Why are these distinctions important?

This is important to clarify as using reserves does not necessary mean drawing down on cash reserves. If a rollover or carryforward is requested, this is technically a “use of reserves” but the funding is derived from underspending in a prior year (the year in which the cash was generated). Therefore, over a two year period, draw down on cash will be neutral for a carry forward or rollover.

On the other hand, the Glide Path Model is a true use of reserves as there are no planned offsets to generating the cash needed to support the use of reserves.

If the campus underspends its total budget, then cash would be generated and increase the annual cash reserves. On the other hand, if the campus overspends its budget, it would be drawing down cash reserves and reserves would be decreasing.

What should the University reserves (liquidity) be?

There is not a precise answer to this question, though there are general guideposts. EY Parthenon conducted a liquidity study in FY21 of all state colleges and universities a year ago and provided the following insight. Other state universities or systems (UMASS, PA State System, University of California, Texas A & M System), use a liquidity benchmark between 3 – 6 months of operating expenses. The state universities liquidity ranges from 3 – 9 months, with Westfield falling in this range.

Types of Current Reserves

Type of Cash Reserve Request	Source/Impact on Cash Reserves
Capital Projects (not completed)	Funded in prior year
Financial Aid (Special Allocation)	Use of cash reserves
Supply Chain Request	Funded in prior year
Departmental Rollover Request	Funded in prior year
Glide Path Funding	Use of cash reserves
HEERF/FEMA One Time Needs	Funded in prior year

Reserves funded in a prior year and requested in the following year is primarily a timing issue and not a drawdown of cash reserves per se. New requests for reserves without a prior year funding source would be a drawdown of cash reserves as there is no specific funding source other than prior year cash reserves.

Westfield State University

Board of Trustees

Finance and Capital Assets Committee

June 28, 2022

Prepared by:

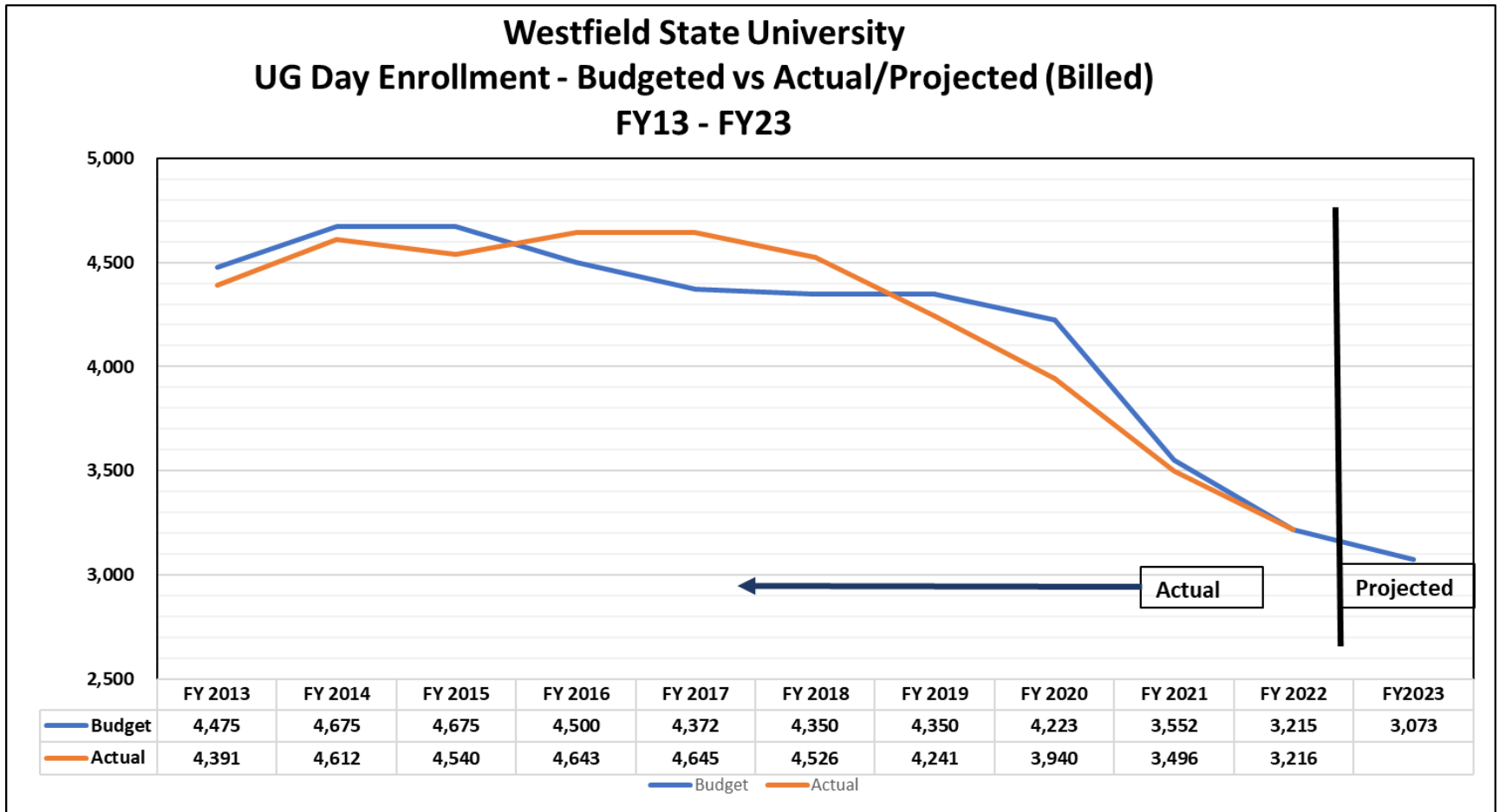
Steve Taksar, Vice President of Administration and Finance

Maria Feuerstein AVP, Strategic Finance & Institutional Planning

Agenda

- Enrollment Overview and Strategies
- FY23 Provisional Budget
- Residential Life Funding
- Supply Chain Issues
- Reserve Funding Summary
- Glidepath Strategy
- FY23 October Budget Planning
- Multi-Year Forecast Update
- Q and A

Historical Enrollment Overview



Enrollment Planning & Strategies

- Develop admission process to admit students more frequently (3X per year)
- Explore competency-based credentials and programs
- Expand online course and degree offerings
- Expand local business and community partnerships
- Invest in recruitment and retention strategies
- Establish recruitment/retention targets at a unit level
- Refine optimal and achievable campus enrollment goals through collaboration of Academic Affairs, Enrollment Management, and Admin & Finance

Enrollment Variance Analysis- FY22 to FY23

<i>Fall</i>	FY22 Budget vs. Actual			FY23 Provisional Budget	FY22 Act vs. FY23 Bud YoY B/(W)
	FY22 Budgeted	FY22 Actual	FY22 BvA Diff B/(W)		
	<i>a</i>	<i>b</i>	<i>= b-a</i>		
				<i>c</i>	<i>= c - b</i>
New Freshman	784	797	13	840	43
Transfers	171	201	30	210	9
Returning	2,534	2,492	(42)	2,247	(245)
Total Fall	3,489	3,490	1	3,297	(193)
Spring Melt Rate 10%	3,140	3,141	1	2,968	(173)
Average Billable	3,315	3,316	1	3,133	(183)
Less: XRG	(100)	(100)	-	(60)	40
Full Year Average Billable Students	3,215	3,216	1	3,073	(143)

<i>Enrollment (Number of Credits)</i>	FY22 Budgeted	FY22 Actual	FY22 BvA Diff B/(W)	FY23 Provisional Budget	FY22 Act vs. FY23 Bud YoY B/(W)
	<i>a</i>	<i>b</i>	<i>= b-a</i>	<i>c</i>	<i>= c - b</i>
	Graduate	10,950	11,864	914	11,010
PA	3,600	4,018	418	3,600	-
Undergraduate	16,631	15,412	(1,219)	15,642	(989)
Total CGCE Student Credit Hours	31,181	31,294	113	30,252	(929)

Data Sources:

- FY22 Actuals – Received from EM eff. 6/23/22
- FY23 Provisional – Combination of 1) EM report on FR & Transfers, 2) Registrar's report on registered student counts as of 5/24/22, & 3) Assumptions on eligible but unregistered students and possible withdrawals
- CGCE SCH provided by CGCE

FY23 Revised Enrollment – Financial Impact

Provisional Budget Model

April Projection	3,247	Previous Enrollment Target
June Projection	3,073	Used in the Provisional Budget Model
Diff B/(W)	(174)	

Financial Impact of Revised Enrollment Projection

Tuition & Fees	\$ (2,004,953)	Tuition & Mandatory Fees \$11,500/Student
Housing Operations	\$ (795,879)	55% of U/G student Count @ \$8,300
Total Additional Deficit	\$ (2,800,832)	

Note:

- 1) Dining Operations are projected to experience revenue declines of \$452,980, but will lower expenses to balance their budget.
- 2) The Enrollment Projection above was developed using a combination of known registration information and assumptions
- 3) A more accurate enrollment projection will be available closer to the fall at which time the October Final Budget will be updated

FY23 Provisional Budget - Revenue

	FY22 Budget	FY23 Provisional Budget		Year-Over-Year Comparison	
		April	June - Final Recommended	\$-Fav / (Unfav)	%-Fav / (Unfav)
Revenue:					
State Appropriation	31,988,905	31,988,905	34,143,763	2,154,857	6.7%
Total Tuition/Fee Revenue	36,100,094	37,705,755	35,675,439	(424,655)	(1.2%)
Other Revenue	5,020,720	4,258,001	5,396,684	375,965	7.5%
CGCE	12,024,757	12,140,783	12,140,783	116,026	1.0%
Residential Life	14,659,945	15,477,267	14,681,387	21,442	0.1%
Dining Services	8,799,412	7,967,013	8,550,425	(248,987)	(2.8%)
Covid Related Grants (HEERF & ARPA)	3,667,966	-	918,352	(2,749,614)	(75.0%)
Total Revenue	\$ 112,261,799	\$ 109,537,724	\$ 111,506,833	\$ (754,965)	(0.7%)

FY23 Provisional Budget - Expense

	FY23 Provisional Budget			Year-Over-Year Comparison	
	FY22 Budget	April	June - Final Recommended	\$-Fav / (Unfav)	%-Fav / (Unfav)
Total Revenue	\$ 112,261,799	\$ 109,537,724	\$ 111,506,833	\$ (754,965)	(0.7%)
Expense:					
Compensation	43,040,061	44,165,017	44,317,517	(1,277,456)	(3.0%)
Fringe	5,043,794	5,742,796	5,041,369	2,425	0.0%
Department Operations	14,542,147	15,047,432	15,243,229	(701,082)	(4.8%)
Strategic Investments	351,581	451,581	372,581	(21,000)	(6.0%)
Financial Aid	4,299,221	5,088,621	5,153,715	(854,494)	(19.9%)
Debt Service	2,099,258	1,481,315	1,481,315	617,943	29.4%
Contingency	650,000	650,000	629,000	21,000	3.2%
Capital Investments	2,575,000	2,575,000	2,575,000	-	0.0%
CGCE	8,768,566	9,349,879	9,363,824	(595,258)	(6.8%)
Residential Life	16,270,859	17,528,733	17,635,468	(1,364,609)	(8.4%)
Dining Services	7,677,659	6,845,260	7,208,240	469,419	6.1%
Utilities	2,370,619	3,195,940	2,833,500	(462,881)	(19.5%)
Innovation Fund Expenditures	-	-	800,000	(800,000)	
All Other	4,610,169	4,979,665	4,982,744	(372,575)	(8.1%)
Covid Related Expenses	3,667,966	1,500,000	918,352	2,749,614	75.0%
UEAAC Savings	(1,886,114)	(1,353,920)	-	(1,886,114)	(100.0%)
Total Expense	\$ 114,080,785	\$ 117,247,318	\$ 118,555,854	\$ (4,475,069)	(3.9%)
Unadjusted Net Profit/(Loss)	\$ (1,818,986)	\$ (7,709,594)	\$ (7,049,020)	\$ (5,230,034)	(287.5%)
Revised Structural Deficit	\$ (2,883,584)	\$ -	\$ -	\$ 2,883,584	100.0%
Net Profit/(Loss)	\$ (4,702,570)	\$ (7,709,594)	\$ (7,049,020)	\$ (2,346,450)	(49.9%)

FY23 Provisional Budget – Reserve Funding

	FY23 Provisional Budget			Year-Over-Year Comparison	
	FY22 Budget	April	June - Final Recommended	\$-Fav / (Unfav)	%-Fav / (Unfav)
Total Revenue	\$ 112,261,799	\$ 109,537,724	\$ 111,506,833	\$ (754,965)	(0.7%)
Total Expense	\$ 114,080,785	\$ 117,247,318	\$ 118,555,854	\$ (4,475,069)	(3.9%)
Unadjusted Net Profit/(Loss)	\$ (1,818,986)	\$ (7,709,594)	\$ (7,049,020)	\$ (5,230,034)	(287.5%)
Revised Structural Deficit	\$ (2,883,584)	\$ -	\$ -	\$ 2,883,584	100.0%
Net Profit/(Loss)	\$ (4,702,570)	\$ (7,709,594)	\$ (7,049,020)	\$ (2,346,450)	(49.9%)
Reserve Funding:					
Planned Use of Reserves	950,958	1,450,958	1,801,047	(850,089)	(89.4%)
Capital Rollover	868,028	868,028	1,537,156	(669,128)	77.1%
Glide Path Strategy			2,650,803	(2,650,803)	
Total Use of Reserves	\$ 1,818,986	\$ 2,318,986	\$ 5,989,006	\$ (4,170,020)	(229.2%)
Temporary Structural Deficit Offset	\$ 2,883,584	-	-	\$ (2,883,584)	(100.0%)
Adjusted Surplus/(Deficit)	-	(5,390,609)	(1,060,014)	(1,060,014)	(100.0%)

FY23 Provisional Budget – Trust Fund View

	Operating Budget	Innovation Fund	ARPA Funding Covid	Grants	Capital Project Fund	CGCE	Residential Life	Dining Services	Other Trust Funds	FY23 Budget
Total Revenue	71,917,974	800,000	918,352	1,678,737	-	12,140,783	14,681,387	8,550,425	819,175	111,506,833
Total Expense and transfers	75,530,117	800,000	918,352	1,759,183	1,537,156	12,140,783	15,702,986	8,550,425	1,616,851	118,555,853
Net Revenue over Expense	(3,612,143)	-	-	(80,446)	(1,537,156)	-	(1,021,598)	-	(797,676)	(7,049,020)
Planned Use of Reserves	922,925			80,446					797,676	1,801,047
Capital Rollover					1,537,156					1,537,156
Glide Path	2,650,803									2,650,803
Total Use of Reserves	3,573,728	-	-	80,446	1,537,156	-	-	-	797,676	5,989,006
Net Surplus/(Loss)	(38,416)	-	-	-	-	-	(1,021,598)	-	-	(1,060,014)

Note:

1. The \$1.9M Transfer from Operating Budget to Residential Life is included.
2. Other intradepartmental transfers are reflected in the Total Expense/Transfer line (e.g., Dining, CGCE).

FY23 Residential Life Funding Summary

Item	FY23 Proposed
RHTF Beginning Balance	\$ 1,845,794
Net Gain/Loss	\$ (2,954,080)
RHTF Ending Balance	\$ (1,108,286)

5% of previous FY expenses is minimum required	\$ 824,196
	FY23 Budget Scenario Update
Net Deficit Coverage	\$ 1,108,286
Reserve Balance Coverage	\$ 824,196
HEERF Funding Offset Refunds	
Total Funding Required	1,932,482 University Transfer

- Residential Life requires an ongoing funding commitment to balance its budget and maintain the 5% reserve balance requirement.
- The FY22 Projection includes \$860k of HEERF funding to cover early fall refunds.
- The FY23 Provisional Budget is a revised estimate that reflects the ongoing need for campus funding.

Addressing Delays in the Supply Chain

- As of May 31, 2022, there was roughly \$450k in open purchase orders, many related to goods ordered in FY22, not yet received.
- A reserve funding request of \$250k was submitted on behalf of the campus operating fund to ease financial strain caused by supply chain issues.
- The Use of Reserves has no impact on new cash, and represents funding already budgeted in FY22.
- A simple process was implemented to support departments in requesting funds related to supply chain issues over \$5,000.

FY23 Reserve Funding Summary

FY23 Provisional Budget	Existing Budgeted Funds <i>Smooths Timing Issues</i>	Draw from Cash Reserves <i>Reduces Liquidity</i>	Total
Capital Rollover	\$ 1,537,156		\$ 1,537,156
Other Trust Fund Rollover	\$ 797,676		\$ 797,676
Operations Rollover <i>ESTF and Other</i>	\$ 172,925		\$ 172,925
Supply Chain Funding	\$ 250,000		\$ 250,000
CURCA	\$ 80,446		\$ 80,446
Financial Aid		\$ 500,000	\$ 500,000
Glide Path Strategy 50% Split		\$ 2,650,803	\$ 2,650,803
Total	\$ 2,838,203	\$ 3,150,803	\$ 5,989,006

3 Year Glide Path Strategy

Category	FY23	FY24	FY25
Budget Reductions	Moderate (50%)	Moderate	Low
Use of Reserves	Moderate (50%)	Low	None
Enrollment Growth	Low	Moderate	Moderate

Note: Updated from Nov 2021

Glide Path Strategy – FY23 (Year 1)

Adjustment	Amount	Notes
Beginning Adjusted Deficit	(5,301,605)	<i>Adjusted based on revised enrollment</i>
RHTF Transfer	(1,932,482)	<i>Funds required to offset deficit and replenish 5% reserve requirement</i>
Structural Deficit	(7,234,087)	
Less:		
RHTF Transfer	(1,932,482)	<i>Transfer represents movement from one fund to another and is neutral to the bottom line</i>
Remaining Deficit	(5,301,605)	
Glide Path:		
50% Board Reserves	(2,650,803)	<i>Included in the FY23 Provisional Budget</i>
50% Campus	(2,650,803)	
Glide Path Positions	(1,590,788)	<i>Vacant Position Funding included in FY23 Provisional Budget</i>
Campus Remaining to Solve	(1,060,014)	<i>Equal to FY23 Provisional Budget Remaining Deficit</i>

FY23 October Budget Planning Process

- Monitor enrollment regularly to incorporate into final October Budget.
- President/Cabinet will develop a strategy to close the \$1.0M remaining deficit, if necessary, over the summer months.
- Final adjustment of State Appropriation will be updated once the State Budget has been finalized.
- Final budget presented at October 2022 Board of Trustees meeting for approval.

Multi-Year Forecast Planning Update

Method	Bottoms-Up analytical, aligns to the goal of a data-informed planning environment where each component is considered from a more detailed analytical lense
Focus	Business activities that affect financial performance; Market data on inflation, demographics, and internal WSU trends
Campus Engagement	Major planning units including Auxilaries, subject matter experts on key metrics and supporting data
Construct of the Model	Roll forward method through FY28 which includes calculations, assumptions, and analytical backup
Remaining Elements	<ol style="list-style-type: none">1) Academic Affairs Master Plan2) ROI - Innovation Fund & President's Strategic Vision3) Updated Enrollment Target4) Facilities Master Plan5) Non-Traditional Program Plans for CGCE

Next Steps:

- 1) President's Cabinet to be engaged over the Summer
- 2) Presentation to the Board of Trustees in the Fall

Multi-Year Forecast View - Example

	FY22 Final Budget	FY23 Provisional Budget 6/10/2022	Forecast FY24	Forecast FY25	Forecast FY26	Forecast FY27	Forecast FY28
Revenue:							
State Appropriation	31,988,905	34,143,763					
Total Tuition/Fee Revenue	36,100,094	35,675,439					
Other Revenue	5,020,720	5,396,684					
CGCE	12,024,757	12,140,783					
Residential Life	14,659,945	14,681,387					
Dining Services	8,799,412	8,550,425					
Covid Related Grants (HEERF / ARPA)	3,667,966	918,352					
Total Revenue	\$ 112,261,799	\$ 111,506,833					

- Forecast view will be similar to existing Board reports
- Use the existing campus budget model, developed as rolling forecast
- “Bottoms Up Method”, based on key metrics, analysis, assumptions based on historical trends, inputs based on campus decisions having both short term and long-term impact
- Scenarios to be prepared and progress to be tracked for a budget vs. actual view

Multi-Year Forecast – Progress to Date

Major Components Updated with planning assumptions:

- Enrollment (UG day)
- Housing Student Counts
- Dining Participation Rates
- Inflationary expenses such as contractual obligations, compensation allocations, fringe rate assumptions, utilities
- New Financial Aid discount model

Multi- Year Forecast - Next Steps

- Include Return on Investment Initiatives
 - Summer conferences
 - Innovation Fund
 - President's Strategic Vision
- Incorporate the Academic Affairs & Facilities Master Plans
- Forecast impact of new opportunities.
- Engage the Cabinet on Assumptions, Key Metrics, and forecast outcomes
- Explore automation through Questica Budget Software

Q&A?



Board of Trustees

June 28, 2022

MOTION

To approve the FY23 provisional operating budget as presented and to authorize the President to make budget adjustments to these funds.

Robert A. Martin, Ph.D., Chair

Date

Westfield State University
Finance and Capital Assets Committee

FY23 Provisional Operating Budget

June 22, 2022

OVERVIEW

The past few years have presented several challenges for our campus, and higher education in general, that have had a direct impact on the financial operations of the university. The impact of the Covid-19 pandemic still lingers but has improved significantly. The current enrollment climate is challenging due to the demographic impact, ability to increase retention and shifting demands for new programs and certificates. This has created a highly competitive higher education landscape not only in Western Massachusetts, but many parts of the country. Certain key economic factors such as inflation, supply chain issues, and a labor shortage have placed significant financial pressure on the campus, having the greatest impact on Facilities and Dining Operations who more heavily rely on labor and the delivery of goods/services. While the Dining Services program can scale more easily, Residential Life has a higher degree of fixed costs making it harder to scale the program.

The work of the UEAAC Committee saw progress in FY22, with the Academic Affairs Restructure plan complete, the Office of Strategic Finance and Institutional Planning established, integration of AIS and IT Operations, and the hiring of a JEDI Officer to name a few. Total savings of approximately \$1.4M has been fully integrated into the Provisional Budget Model. The campus is hoping to receive additional state appropriation of \$751k above what was budgeted in FY22 as well as appropriation to cover a majority of collective bargaining increases. FY21 and FY22 compensation and related appropriation are now included in the Provisional Budget. Final FY23 collective bargaining agreements (CBAs) and related appropriation funding will be included in the October Final Budget after increases are completed and the Commonwealth passes a FY23 budget this summer.

A critical element to partially closing the structural deficit is the Glide Path Strategy, which relies on a 50/50 split for a draw on use of cash reserves as well as the equivalent in campus budget reductions. The campus has held back funding on several vacant positions in order to partially meet its obligation for the Glide Path Strategy. To date, the campus has solved approximately \$1.6M. The structural deficit is currently projected at \$5.3M. The current projection indicates there would be an additional enrollment decline of 174 students, which is factored into the Provisional Budget. The most recent projection is based on a point in time data on registered students, transfers, and first year freshman deposits. It's important to note that the Glide Path Strategy relies on a multi-year improvement to enrollment, retention and other revenue gains in order to lower cash reserve draw downs in future years.

The Provisional Budget reflects that the campus has solved a portion of its structural deficit, in FY23, with \$1.0M remaining unsolved, based on more current enrollment data. This was accomplished by holding back funding from vacant position lines. Campus leadership will

undertake a further review of budget alternatives to bring the budget back into balance over the summer months.

PROVISIONAL BUDGET PLAN FY23

Developing a FY23 Provisional Budget was determined to be necessary since many key planning elements such as enrollment and state appropriation are still shifting and not certain. Furthermore, while it seems we are moving past the most difficult phases of the Covid-19 pandemic, enrollment still remains challenging and continues to decline. The glide path will allow the university more time to plan for and implement marketing, branding and offer new programs and educational opportunities.

- The FY23 Provisional Budget reflects a total remaining deficit of \$1.06M which is comprised of a \$0.04M operating deficit and a \$1.02M deficit in Residential Life following a campus transfer of \$1.9M to ensure proper MSCBA required reserve funding. UEAAC permanent reductions of \$1.4M (20% of the projected \$6.9M) have now been fully realized in order to close part of the structural deficit. Further UEAAC savings are unknown at this time.
- Enrollment continues to trend downward resulting in a continuation of a structural deficit. The campus is planning for enrollment of 3,073 billable students on a full year average basis, which is a reduction of 174 students from the April Planning Scenario of 3,250 and 142 students (or 4.4% fewer) from the FY22 Budget of 3,215. This will have a compounding affect as smaller cohorts of incoming classes progress toward graduation. The FY23 Provisional Budget Model reflects year over year net Tuition and Fee decline in revenue of \$.04M mainly due to significantly lower enrollment which is partially offset by an increase mandatory in-state tuition and fees of 3.2%.
- Federal Funding - HEERF II funds of \$2.8M are expected to convert to reserves (a combination of unspent HEERF funds and final HEERF payments in FY22). The campus is also anticipating \$1.6M of reimbursement for prior year Covid-19 related expenses through the FEMA program, an undertaking which took over a year of effort by several departments in Division of Administration and Finance. If the FEMA reimbursement is received in FY23, the campus will place those funds in a contingency account for utilization to be determined by the President. Federal funding will not offset the ongoing structural deficit as funds are considered one-time only whereas the structural deficit reflects the ongoing result of lower enrollment and increasing expenses over time.
- American Rescue Plan Act (ARPA) - State funding of \$3.5M is expected to be received by the campus as follows: FY23 \$1.9M to be utilized to offset Covid-19 related expenses and for maintenance projects, (which are the required uses of those funds by law) and \$1.6M in FY24 for same purposes.
- Financial challenges are significant in Residential Life and Dining Services, as expected, due to the overall enrollment impact. Occupancy is projected to be only 70%, with 1,690

students expected to live on campus, versus design occupancy of 2,397. Given that a majority of expenses in Residential Life are fixed in the form of MSCBA debt obligations, cost containment strategies are challenging for housing operations. Residential Life is currently projecting a total deficit of \$2.9M and will require an additional \$1.9M in funding from the campus operations in order to fully fund the projected loss and MSCBA required reserve balance, which is 5% of prior year expenses. Breakeven occupancy targets are estimated between 90% - 95%. The flat room pricing structure was implemented and is considered successful as housing prices on campus are now competitive with rental markets. If the campus cannot recover occupancy to its breakeven targets, strategies will be required to ensure financial stability and the campus will have to continue financially supporting the residential program.

- As of the timing of this writing, the campus made a decision to close Dickenson Hall this fall in order to achieve financial savings with regards to staffing by way of not filling vacant positions, and cleaning and utility costs. This decision was triggered by lower occupancy in residential students and does not affect returning students. A financial assessment of cost avoidance is being developed, but is not yet finalized.
- The President's Innovation Fund offered the campus an opportunity to submit ideas that support return on investment, cross-functional collaboration, and alignment to the campus mission statement. The Innovation Fund Work Group received 12 applications and was able to approve 4 of those applications. Return on Investment (ROI) has not been integrated into the Provisional Budget Model as the timing of decisions did not coincide with planning, however, ROI is expected to be integrated into the October Final Budget for those initiatives that anticipate ROI within FY23.
- Dining Services participation rates follow enrollment and occupancy levels. Currently, it is expected to contribute \$1.3M to the campus to support their overhead costs. All residential students are required to participate in one of several dining options. Unlike residential life, dining expenses are more variable and based on staffing and food costs which has experienced significant pressure due to high inflation and significant labor shortages. A stable level of staffing is required to properly service the projected residential population.
- The campus is anticipating approximately \$0.9M in COVID related expenses, such as the need for temporary staff, PPE, academic technology, COVID-19 testing, and sanitization supplies still remain necessary. The campus is expecting to utilize ARPA funding to offset covid related costs, which will result in a budget neutral impact to the Provisional Budget.
- CGCE has merged certain some administrative positions with the Day Division as part of the UEAAC recommendation, however, for planning purposes, the FY23 Provisional Budget assumes steady state in alignment with fiscal treatment as in previous years, since the merge of financials has not been completed. Revenue is expected to be relatively flat year over year at \$12.1M, which represents a minor increase of \$0.1M, mainly due to graduate

credits. It is assumed that CGCE will contribute \$2.78M to the campus, in support of overhead costs, which includes \$300k related to UEAAC savings on APRs.

FY23 BUDGET BALANCING STRATEGY

When factoring the most recent enrollment projection, the campus has only partially reduced the \$5.3M structural deficit, with \$1.06M remaining. Significant progress has been made, but the Cabinet will be evaluating potential strategies to balance the FY23 structural deficit over the summer months and heading into the fall. The structural deficit projection will be updated once more accurate enrollment and state appropriation amounts are known.

SUMMARY

The FY23 Provisional Budget was developed in order to support critical operations and opportunities, as several critical planning elements still remain uncertain. Key revenue indicators such as enrollment and state appropriation will be better known as we approach the fall, at which time the campus will develop a final budget in October. The campus continues to carefully evaluate the balance between affordability, enrollment, and strategic investments while striving to balance the budget, however, the sharp and continued declines in enrollment continue to present a significant financial challenge for the campus. The campus will continue to work toward meeting its obligation for the Glide Path strategy to close the structural deficit in the Final October FY23 budget.

MULTI-YEAR FINANCIAL FORECAST FY24-FY28 - UPDATE

In the spring, the campus began updating the multi-year financial forecast, FY24 – FY28, with key units across campus. The goal is to develop a longer-term financial plan to coincide with market conditions, academic program offerings, resource allocation and campus growth strategies.

There are several forecasting methods commonly used in multi-year financial planning: Straight line, which applies constant growth rates, moving average, which relies on patterns in financial results to predict future revenues and expenses, and bottoms up, which relies on analytically based financial and metric inputs. The Office of Strategic Finance and Institutional Planning has initiated the development of a bottoms up, analytically based multi-year financial forecast for the campus by integrating projections on key metrics such as inflation, enrollment, occupancy, and meal plan participation rates. SFIP also involved several units on campus to participate by providing operational business intelligence about key plans for future spending, debt service, and known escalations or savings on key budget line items. Several assumptions were also made based on reliable historical data and are subject to change.

The campus will be shifting its financial aid model to a discount rate strategy vs fixed budget strategy in order to remain competitive. A multi-year financial aid strategy is being developed by Enrollment Management to implement this new approach which will become a part of the Multi-Year Financial Forecast starting with FY24.

At the present time, the campus Financial Model is designed as a roll forward with the ability to develop a forecast through FY28 with several components being formula driven by metrics and related rates and other inputs being backed by analysis. To complete the multi-year forecast, the Academic Affairs Master Plan, return on investment from the Innovation Fund, financial outcomes from the President's Strategic Vision & Marketing plan, and more accurate enrollment counts on average billable students must be integrated. Once those key pieces of information are made available, the forecast will be updated and is expected to be finalized to coincide with the October Final Budget presentation. Campus goal will be to utilize a rolling multi-year forecast approach and integrate this process into the overall campus planning structure so that an updated forecast is developed annually.

**Westfield State University
FY23 Provisional Budget**

			FY23 Provisional Budget		Year-Over-Year Comparison	
	FY21 Budget	FY22 Budget	April	June - Final Recommended	\$-Fav / (Unfav)	%-Fav / (Unfav)
Revenue:						
State Appropriation	26,516,934	31,988,905	31,988,905	34,143,763	2,154,857	6.7%
Total Tuition/Fee Revenue	40,121,046	36,100,094	37,705,755	35,675,439	(424,655)	(1.2%)
Foundation	445,000	839,000	839,000	1,065,500	226,500	27.0%
Grant Revenue	1,591,550	1,535,937	1,535,937	1,678,737	142,800	9.3%
Other Revenue	2,721,655	2,645,783	1,883,064	2,652,447	6,665	0.3%
CGCE	11,809,587	12,024,757	12,140,783	12,140,783	116,026	1.0%
Residential Life	9,692,044	14,659,945	15,477,267	14,681,387	21,442	0.1%
Dining Services	5,197,401	8,799,412	7,967,013	8,550,425	(248,987)	(2.8%)
Covid Related Grants (HEERF & ARPA)		3,667,966	-	918,352	(2,749,614)	(75.0%)
Total Revenue	\$ 98,095,216	\$ 112,261,799	\$ 109,537,724	\$ 111,506,833	\$ (754,965)	(0.7%)
Expense:						
Compensation	42,004,728	43,040,061	44,165,017	44,317,517	(1,277,456)	(3.0%)
Fringe	6,618,501	5,043,794	5,742,796	5,041,369	2,425	0.0%
Department Operations	11,769,893	14,542,147	15,047,432	15,243,229	(701,082)	(4.8%)
Strategic Investments	370,685	351,581	451,581	372,581	(21,000)	(6.0%)
Financial Aid	3,820,771	4,299,221	5,088,621	5,153,715	(854,494)	(19.9%)
Debt Service	1,029,231	2,099,258	1,481,315	1,481,315	617,943	29.4%
Contingency	425,000	650,000	650,000	629,000	21,000	3.2%
Capital Investments	2,301,200	2,575,000	2,575,000	2,575,000	-	0.0%
CGCE	8,571,068	8,768,566	9,349,879	9,363,824	(595,258)	(6.8%)
Residential Life	12,144,594	16,270,859	17,528,733	17,635,468	(1,364,609)	(8.4%)
Dining Services	7,113,002	7,677,659	6,845,260	7,208,240	469,419	6.1%
Utilities	2,140,619	2,370,619	3,195,940	2,833,500	(462,881)	(19.5%)
Innovation Fund Expenditures		-	-	800,000	(800,000)	
All Other	4,646,036	4,610,169	4,979,665	4,982,744	(372,575)	(8.1%)
Covid Related Expenses		3,667,966	1,500,000	918,352	2,749,614	75.0%
UEAAC Savings		(1,886,114)	(1,353,920)	-	(1,886,114)	(100.0%)
Total Expense	\$ 102,955,329	\$ 114,080,785	\$ 117,247,318	\$ 118,555,854	\$ (4,475,069)	(3.9%)
Unadjusted Net Profit/(Loss)	\$ (4,860,113)	\$ (1,818,986)	\$ (7,709,594)	\$ (7,049,020)	\$ (5,230,034)	(287.5%)
Revised Structural Deficit		\$ (2,883,584)	\$ -	\$ -	\$ 2,883,584	100.0%
Net Profit/(Loss)	\$ (4,860,113)	\$ (4,702,570)	\$ (7,709,594)	\$ (7,049,020)	\$ (2,346,450)	(49.9%)
Reserve Funding:						
Planned Use of Reserves	3,205,745	950,958	1,450,958	1,801,047	(850,089)	(89.4%)
Capital Rollover	1,654,368	868,028	868,028	1,537,156	(669,128)	77.1%
Glide Path Strategy				2,650,803	(2,650,803)	
Total Use of Reserves	\$ 4,860,113	\$ 1,818,986	\$ 2,318,986	\$ 5,989,006	\$ (4,170,020)	(229.2%)
Temporary Structural Deficit Offset	\$ -	\$ 2,883,584	\$ -	\$ -	\$ (2,883,584)	(100.0%)
Adjusted Surplus/(Deficit)	-	-	(5,390,609)	(1,060,014)	(1,060,014)	(100.0%)

**Westfield State University
FY23 Provisional Budget**

	FY21 Budget	FY22 Final Budget	April	June - Final Recommended	YoY Change B/(W)
Revenue Assumptions					
Billable Students	3,552	3,215	3,250	3,073	142
% Change YoY	-15.9%	-9.5%	-5.6%	-4.4%	
Housing Students	1,338	1,769	1,788	1,690	79
% Change YoY	-43%	32%	1%	-5%	
Occupancy Rate	55%	73%	78%	70%	
In-State Tuition and Fees Incr.	3%	0%	3.2%	3.2%	3.2%
General Fee Increase	290	-	361	361	361
Residential COA Incr. (weighted avg.)	2.6%	2.6%	3.4%	3.4%	-0.8%
State Appropriation as % of Revenue	27%	28%	29%	31%	-3%
Investment Earnings	\$635k	\$325K	\$115K	\$115K	-\$210K
Operating Reserve / Contingency	\$425k	\$650K	\$650K	\$629K	-\$21K
Expense Assumptions					
Strategic Plan Funding 1-Time	\$107K	\$100k	\$100k	\$121K	\$21k
Financial Aid Increase	\$250k	\$200k	\$700k	\$700k	\$500k
UEAAC Savings	-	\$1.7M	\$1.3M	\$1.4M	-\$300k
Overhead Contributions					
Dining Contribution	-	\$1.1M	\$1.1M	\$1.3M	\$200k
CGCE Contribution	\$3.2M	\$3.2M	\$2.75M	\$2.78M	-\$420k
Net Results					
CGCE Surplus	-	-	\$41k	-	-
Residential Housing Deficit	\$879k	\$1.6M	\$2.0M	\$2.95M	-\$1.35M
Lansdowne Deficit	\$1.4M	\$100k	-	-	\$100k
Dining Deficit	\$513k	-	-	-	-

Notes:

1) A portion of the overall Utility expense increase is included in the Residential Life expense budget of \$1.8M. Campus wide, Utilities are expected to increase by 25.4% or \$1M.

Westfield State University
FY23 Detailed Budget by Trust Fund
Provisional Budget

	Operating Budget	Innovation Fund	ARPA Funding Covid	Grants	Capital Project Fund	CGCE	Residential Life	Dining Services	Other Trust Funds	FY23 Budget
Revenue										
Scholarship Allowance				(11,520,448)						(11,520,448)
Tuition and Fees	35,675,439					12,140,783			120,000	47,936,222
Federal Grants and Contracts			918,352	8,161,185						9,079,537
State Grants and Contracts				4,885,000						4,885,000
Private Grants and Contracts				153,000					-	153,000
Residence Fees							14,455,926			14,455,926
Dining Fees								8,550,425		8,550,425
Other Operating Revenues	599,548						185,462		699,175	1,484,184
Commissions	318,725						40,000			358,725
State General Appropriations	34,143,763									34,143,763
Foundation Support	1,065,500									1,065,500
Innovation Fund		800,000								800,000
Investment Income	115,000									115,000
Total Revenue	71,917,974	800,000	918,352	1,678,737	-	12,140,783	14,681,387	8,550,425	819,175	111,506,833
Expenses										
Personnel	44,317,517			309,500		3,578,268	2,194,132	2,116,117	54,166	52,569,700
Fringe Benefits	5,041,369			126,324		1,554,185	919,122	805,627	23,266	8,469,892
Operations	15,243,229			974,913		4,156,371	2,320,785	3,759,864	1,498,541	27,953,704
Strategic Investments	372,581									372,581
Utilities	2,833,500						1,952,470			4,785,970
Debt Payments	1,481,315							312,774		1,794,089
Operating Contingency	629,000							208,858	878	838,736
Capital Projects					4,112,156			-		4,112,156
Scholarships	5,153,715			268,000		75,000	89,395	5,000	40,000	5,631,110
Transfers	457,892			80,446	(2,575,000)	2,776,959	(2,082,482)	1,342,185		-
MSCBA Assessment							10,309,563			10,309,563
Innovation Fund Expenditures		800,000								800,000
ARPA Grant for Covid Expenses			918,352							918,352
Total Expense and transfers	75,530,117	800,000	918,352	1,759,183	1,537,156	12,140,783	15,702,986	8,550,425	1,616,851	118,555,853
Net Revenue over Expense	(3,612,143)	-	-	(80,446)	(1,537,156)	-	(1,021,598)	-	(797,676)	(7,049,020)
Planned Use of Reserves	922,925			80,446				-	797,676	1,801,047
Capital Rollover					1,537,156					1,537,156
Glide Path	2,650,803									2,650,803
Total Use of Reserves	3,573,728	-	-	80,446	1,537,156	-	-	-	797,676	5,989,006
Net Surplus/(Loss)	(38,416)	-	-	-	-	-	(1,021,598)	-	-	(1,060,014)

Notes:

1. Other Operating Revenues consist of parking, application fees, phone fee, non-credit program revenue and other miscellaneous fees
2. Transfers represent the movement of cash from one trust fund to another
3. Planned Use of Reserves may require minor adjustments following year end accounting validation
4. UEAAC Savings of \$1.4M is integrated into the Provisional Budget

Westfield State University
FY23 Undergraduate Enrollment Projection

6/21/2022

Comprehensive U/G Enrollment Data for Summer and Fall 2022

New Student Registration Projection	
First Year First Time	840
Transfers	210
Total New Students	1,050 a.

Returning Student Registration	Eligible	Projection - Registered	%
Seniors	827	717	87%
Juniors	679	680	100%
Sophomores	791	690	87%
First Years	136	159	
ReEnrolling		34	
Visiting		5	
Total Eligible/Registered	2,433	2,285	94%
Estimated Registered W/D's		(50)	
Holds to come back		70	
Total Registered		2,305	
2.5% Melt Rate		(58)	
Total U/G Registered Students	2,433	2,247	92% b.

Full Year Average Billable Student Calculation				
	Apply Spring	Average		
Fall Enrollment	Melt 9%	Billable	Less XRG	FYA Billable
a. + b.				
Total Undergraduate Billable Students	3,297	2,968	3,133	(60) 3,073

Provisional Budget Model

April Projection	3,247	Previous Enrollment Target
Revised Projection	3,073	Used in the Provisional Budget Model
Diff B/(W)	(174)	

Financial Impact of Revised Enrollment Projection

Tuition & Fees	\$ (2,004,953)	General Fee \$11,500/Student
Housing Operations	\$ (795,879)	55% of U/G student Count @ \$8,300
Total Additional Deficit	\$ (2,800,832)	

Note:

- 1) Dining Operations are projected to experience revenue declines of \$452,980, but will lower expenses to balance their budget.
- 2) The Enrollment Projection above was developed using a combination of known registration information and assumptions
- 3) A more accurate enrollment projection will be available closer to the fall at which time the October Final Budget will be updated

WESTFIELD STATE UNIVERSITY
Schedule of Annual Tuition and Fees
FY22 - FY23 Comparison
FY23 Approved - 2/17/2022
Updated 5.10.22 - SHIP Rate Finalized

	FY22 Approved	FY23 Approved	\$ Change	% Change
TUITION:				
√ Resident	970	970	0	0.0%
Proximity	1,455	1,455	0	0.0%
Non-Resident & Foreign	7,050	7,050	0	0.0%
MANDATORY FEES:				
Student Activity	123	162	39	31.7%
General Fee	9,216	9,538	322	3.5%
Capital Improvement Fee	100	100	0	0.0%
Technology Fee	730	730	0	0.0%
√ Total Mandatory Fees	10,169	10,530	361	3.6%
Total In-State Tuition/Fees	11,139	11,500	361	3.2%
ROOM RATES:				
√ Estimated and Adjusted Weighted Average Room Rate	8,068	8,300	232	2.9%
MEAL PLAN RATES:				
Unlimited Meal Plan	4,500	4,724	224	5.0%
On the Go Dining Plan	1,500	1,546	46	3.1%
Blue 15	4,300	4,516	216	5.0%
Gold 10	4,100	4,306	206	5.0%
Hoot 5	2,500	2,576	76	3.0%
Commuter 5	2,500	2,576	76	3.0%
Total Recommended Change in Mandatory Fees ⁽²⁾	23,707	24,524	817	3.4%
OTHER FEES:				
Study Abroad Fee	40	50	10	25.0%
Practical Exam, Equipment and Clinical Fee	140	240	100	71.4%
Student Teaching (practicum) Fee	250	250	0	0.0%
Nursing Fee ⁽¹⁾	1,794	1,794	0	0.0%
Late Registration Fee	25	25	0	0.0%
Late Payment Fee	100	100	0	0.0%
Bad Check Fee	25	25	0	0.0%
Reinstatement Fee	50	50	0	0.0%
ID Card Replacement Fee	40	40	0	0.0%
Parking	100	100	0	0.0%
Parking - CGCE	60	60	0	0.0%
WAIVABLE FEES:				
Student Health Insurance (see note below)	3,504	3,663	159	4.5%
Wellness Center	185	185	0	0.0%
Lifetime Owls (opt in fee)	75	75	0	0.0%

√ Average student annual change in fees is calculated using the gray shaded areas.

√ Student Health Insurance Plan rate decided 5.10.22. Plan changes were made to minimize increase in cost.

Note:

1. The Nursing Fee includes coverage for clinical requirements by healthcare facilities and payment for Assessment Technology Institutes (ATI).
2. Actual cost of attendance is determined by financial aid and may vary from the weighted average estimated cost of attendance.



Board of Trustees

June 28, 2022

MOTION

To approve the FY23 proposed capital budget as presented in the FY23 Major Capital Projects for Facilities Plan.

Robert A. Martin, Ph.D., Chair

Date

	Deferred Maintenance	Funding Source				Total	Comment
		Campus	DCAMM	MSCBA	ARPA		
Physical Plant Projects							
1. Deferred Maintenance	Y	514,278	1,472,735	1,589,323		3,576,336	DCAMM Matching Funds
2. Infrastructure Repairs/Maintenance	Y	150,000				150,000	
3. MEP/F Master Plan Phase II	Y	200,000				200,000	Utilization Study
4. Emergency Equipment Failure	Y	150,000				150,000	
5. Critical repair contingency	Y	100,000				100,000	
6. Roof Tie Downs-Ely & Bates		50,000				50,000	
7. Opacity Monitoring System for Power Plant	Y	25,000				25,000	
8. University Fuel Pumps Controls System	Y	20,749				20,749	
9. Wilson Gender Inclusive Studies & Work		20,000				20,000	Part of multi-year commitment
10. Salt spreader for sidewalks		11,100				11,100	
Sub-total		1,241,127	1,472,735	1,589,323		4,303,185	
Information Technology							
1. Data Center Routers		332,000				332,000	End of Life
2. Faculty / Staff LifeCycle		200,000				200,000	Replacement Schedule
3. Classroom Technology		125,000				125,000	
4. Computer Lab Replacement		125,000				125,000	
5. VM Storage Switches		88,000				88,000	
6. ODA Patching		18,500				18,500	
7. Automic Automation Upgrade EOL		12,000				12,000	
8. Ellucian Experience		25,000				25,000	Banner System
Sub-total		925,500	-	-		925,500	
Other Projects							
1. Miscellaneous moves & studies		200,000				200,000	To fund DCAMM Studies
2. Furniture upgrades and equipment replacement	Y	23,000				23,000	
3. Fitness center upgrades	Y	48,282				48,282	Replace Equipment
4. Academic Space Upgrades	Y	137,091				137,091	Multiple programmatic projects
Sub-total		408,373	-	-		408,373	
Total		2,575,000	1,472,735	1,589,323		5,637,058	
Projects Funded via Rollover							
1. Rollover Facility Projects	Y	241,107				241,107	
2. Rollover for DCAMM Projects	Y	1,222,675				1,222,675	
3. Rollover for IT Projects		73,375				73,375	
4. Rollover for Dining Services						-	
Sub-total		1,537,156	-	-		1,537,156	
Grand Total		4,112,156	1,472,735	1,589,323		7,174,215	

Notes:

- 1) MSCBA Project may change as final decisions are made
- 2) The estimates noted above are construction estimates not project cost estimates. Once studies have been completed and bids received, total project costs will be determined.

Item	Type	Project	Estimated Construction Cost / Match	Description
1	F&O	Roof Tie Downs-Ely & Bates	50,000	Life safety issue. Currently as roof work, drain work etc is being completed, there are no tie off areas available. This is a code issues as well as a severe risk for falling off the roof.
2	F&O	Opacity Monitoring System for Power Plant	25,000	Mandated to run the steam system
3	F&O	University Fuel Pumps Controls System	20,749	Needed to be able to get fuel for the Facilities, Police and other University vehicles
4	F&O	Wilson Gender Inclusive Studies & Work	20,000	Students were told we would work on creating GI restrooms every year
5	F&O	Salt spreader for side walks	11,100	Need replacement for unrepairable spreader. This spreader does all the sidewalk on campus
6	F&O	Wilson Roof Replacement	50,000	Replacement of the roof on Wilson Hall. Roof Warranty expired in 2014.
7	F&O	Wilson Fire Systems	1,365,450	This is the second year of a 2 year project to install fire sprinkler system in Wilson Hall.
8	F&O	Ely Hall HW Storage Tank & Circulator Pumps	241,380	Replace the HVAC Pumps, Heat exchangers and Domestic Hot water storage tank in Ely.
9	F&O	Power Plant Deaerator & Condensate Rec Tank	303,415	Replace the Steam Deaerator and Condensate Receiver tank in the Power plant that services the University
10	F&O	Trades Roof	20,000	Replace the roof on the Trades building. The roof warranty expired in 2004
11	F&O	Ely Pool Repair	6,769	Repair the pool in Ely. Original project was to repair existing concrete, cleaning, treating and replacing rebar and cathodic protection and concrete coating. During that project further damage was found, we are currently working on defining the new scope of work needed for the repair.
Total Facilities Projects			2,113,863	

12	Non F&O	Data Center Routers (91357)	332,000	Data center router and components are 5 years past EOL - we have had one failure already. If these routers fail, we lose connectivity to 80% of the campus and the internet.
13	Non F&O	Miscellaneous Moves & Studies	200,000	Required for unforeseen and unbudgeted projects that require House Doctor studies and/or moves
14	Non F&O	Utilization Review	200,000	Phase II of the Master Plan Process.
15	Non F&O	Faculty Staff Lifecycle (91354)	200,000	Impact on delivery of education
16	Non F&O	Emergency HVAC Equipment Failure	150,000	Campus is required to fund all emergencies for HVAC building equipment failures.
17	Non F&O	Infrastructure Repairs/Maintenance	150,000	Required for unforeseen Infrastructure failures that risk occupancy of a buildings (e.g., steam lines, power grid, road repairs, etc.)
18	Non F&O	Classroom Technology Replacement (91355)	125,000	Impact on delivery of education
19	Non F&O	Computer Lab Replacement (91356)	125,000	There were zero dollars allocated to this last year and our labs are critical for student success
20	Non F&O	Contingency	100,000	Contingency for critical unfunded campus needs that may arise during the fiscal year
21	Non F&O	VM Storage Switches (91357)	88,000	These switches are critical the servers that are housed on them and the vendor is desupporting this version in FY23. All servers internally (with a few exceptions) are housed in the environment these switches service.
22	Non F&O	ODA Patching (91225)	18,500	Patching the Banner database is critical to our cybersecurity efforts as all of our PII is housed there. This is also a compliance requires for PCI-DSS which is assessed annually.
23	Non F&O	Automic Automation Upgrade EOL (91225)	12,000	Software is EOL and will no longer function at the end of the term in FY23 - this software is the job scheduling software that automates all our background jobs that provide data, reports, account creations etc. to the campus.
Total Non-Facilities Projects			1,700,500	

Total FY23 Project Cost	3,814,363
<i>Less: DCAMM Funding</i>	<i>1,472,735</i>
Campus Funding	2,341,627

Note:

1. Funding may be from multiple sources; DCAMM, rollover funding from prior year, FY21 Campus Capital Budget
2. Amounts represented above are estimates

**Westfield State University
FY23 Capital Rollover Requests**

6/17/2022

1) University Funded								University Funded
Submitted by	Project Name	Justification (2-3 Words)	Request Type	Capital Category	FY22 Approved Funding Amount	Amount Spent by June 30th FY22	Remaining \$ / Unspent	FY23 Rollover Request
Facilities & Operations	Academic Space Renovations	renovations to academic spaces	Other Project	Other Project	43,069	-	43,069	43,069
Facilities & Operations	Scanlon-Window AC/dumpsters	Parenzo relocation costs	Other Project	Other Project	43,943	1,170	42,773	42,773
Facilities & Operations	UEACC Moves	moves related to UEACC	Other Project	Other Project	125,000	50,457	71,265	71,265
Facilities & Operations	Common area furniture upgrades	upgrades for furniture	Other Project	Other Project	20,000	-	20,000	20,000
Facilities & Operations	MEPF Master Plan	extension needed	Other Project	Other Project	200,000	140,000	60,000	60,000
Facilities & Operations	Wilson Gender Neutral Restroom	extension needed			9,000	5,000	4,000	4,000
Alan Blair	Recruit Upgrade to Slate	pushed back (91225/7100)		IT Rollover				25,000
Alan Blair	DegreeWorks Upgrade	scribing (91225/7100)		IT Rollover				10,000
Alan Blair	Campus Labs (Software)	pay year 2 of 3 (transfer to 91442/xxxx)		IT Rollover				38,375
Total University Funded								314,482

2) DCAMM Funded Projects WSU Match							DCAMM MATCH
FUND DESCRIPTION	ORG DESCRIPTION	NOTES	FUND	ORG			FY23 Rollover Request
Power Plant DA & Condensate Tanks DCAMM Match	Capital Planning	Project delayed to FY23	91418	1141			125,050
Ely Hot Water Tanks & Circulator Pumps DCAMM Match	Capital Planning	Project delayed to FY23	91417	1141			57,960
Wilson Sprinklers DCAMM Match	Capital Planning	Rollover	91415	1141			585,332
HMC AC	Capital Planning	Project completion delayed	91059	1141			200,738
Unallocated Match	Capital Planning	OPM/project contingency	91222	1141			204,323
Ely Pool	Capital Planning	Additional repairs needed	91425	1141			4,593
Dower Boiler	Capital Planning	Final completion	91426				44,679
Total Capital Rollover Requests							1,222,675

Total Capital Rollover Requests 1,537,156



Board of Trustees

June 28, 2022

MOTION

To approve FY23 expenditures for the vehicle lease/purchase program, as presented.

Robert A. Martin, Ph.D., Chair

Date

June 20, 2022

To: Steve Taksar

From: Gary Duggan

Subject: Ford Limited Sale of 2022 Transit Vehicles

Hi Steve,

Our Account Manager at Enterprise recently made me aware of a sale that Ford was having on 2022 Transit vehicles. She recommended that we apply for this sale and replace eight of the 2017 and seven of the 2018 Ford Transits that we currently lease through Enterprise with these 2022 models. In addition to replacing our older Transit vehicles with new 2022 models, this sale would also reduce our monthly rental costs for these vehicles.

We did apply to replace these fifteen Transit vehicles through this sale but I don't know yet if Ford accepted our application. I will stay in contact with our Account Manager at Enterprise and give you an update when she is able to determine if we will get these vehicles through this limited sale. I have listed the fifteen vehicles below and highlighted them in yellow on the FY21 Fleet Summary tab in the FY23 Budget Lease Purchase Vehicle file.

	Vehicle	VIN	Year	Make	Model
1	228R3C	1FTYR1ZM9HKA25399	2017	Ford	Transit-250
2	228R43	1FTYR3XM2HKA22746	2017	Ford	Transit-250
3	228R2Z	1FTYR1ZM1HKA25400	2017	Ford	Transit-250
4	228R36	1FTYR1ZM3HKA25401	2017	Ford	Transit-250
5	22BK3K	1FTYR2CM5HKA15399	2017	Ford	Transit-250
6	228R5J	1FTYR2CM6HKA15542	2017	Ford	Transit-250
7	22DBRH	1FTYR1ZMXHKA33141	2017	Ford	Transit-250
8	22JQQ2	1FTYR1ZM3JKA14145	2018	Ford	Transit-250
9	22JQRQ	1FTYR1ZM5JKA14146	2018	Ford	Transit-250
10	22JR9L	1FTYR1ZM7JKA14147	2018	Ford	Transit-250
11	22JRFV	1FTYR1ZM9JKA14148	2018	Ford	Transit-250
12	22JRGW	1FTYE2CMXHKB05336	2017	Ford	Transit-150
13	22JRGH	1FTYR1ZM0JKA14149	2018	Ford	Transit-250
14	22N8KF	1FTYR2CM4JKA11821	2018	Ford	Transit-250
15	22N8LF	1FTYR2CM6JKA11819	2018	Ford	Transit-250

Regards,

Gary

Gary Duggan
Director of Procurement and Administrative Services
Westfield State University

Westfield State University
 FY23 Lease and Motor Vehicle Schedule

6/17/2022

FY23 New Vehicle Purchase	Quantity	Cost/ Month	Total Cost
EMT Ambulance	1		\$ 5,000

Existing Vehicle Summary	Quantity	Cost/ Month	Annual Cost
Existing Lease Commitments:			
Facilities, Public Safety, Media Services, Mail Services, Catering	22	\$ 14,250	\$ 171,000
5% Escalation			\$ 8,550
Program Service fee			\$ 8,082
2020 Transit F250 Cargo (Van)	1	\$ 537	\$ 6,448
2020 F-350 Chassis (Truck)	1	\$ 688	\$ 8,260
FY23 Lease Schedule			\$ 202,341

FY22 Vehicle Lease Schedule	\$ 202,341
FY23 Vehicle Lease Schedule	\$ 202,341
Difference B/(W)	\$ -

Notes:

- 1) Monthly Lease Agreements Include Maintenance Charges
- 2) It's possible that the monthly lease payments may be lowered due to a 1-time program offered by FORD to move inventory



Board of Trustees

June 28, 2022

MOTION

To authorize the University to spend up to \$30,000 in FY23 on sponsorship and/or attendance at community events, consistent with University guidelines for the expenditure of such funds. The University will report all expenditures made under this umbrella approval no later than the June 2023 meeting of the Board of Trustees.

Robert A. Martin, Ph.D., Chair

Date