



## Board of Trustees

### Finance and Capital Assets Committee

11:00 a.m.

December 17, 2020

Virtual Meeting via Zoom

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|---|--------------------------------|
| <b>1. Called to Order</b>                                       | Trustee Sullivan               |
| <b>2. Minutes</b>   |                                |
| a. October 13, 2020   | Trustee Sullivan               |
| <b>3. President's Report</b>                                    | President Saigo                |
| <b>4. Items for Information</b>                                 |                                |
| a. FY21 First Quarter Financials                                | Maria Feuerstein               |
| b. Annual Debt Report and Ratios                                | Lisa Freeman                   |
| <b>5. Items for Discussion</b>                                  |                                |
| a. FY22 Budget Planning Scenarios                               | President Saigo/Stephen Taksar |
| b. UEAAC Update   | Juline Mills                   |
| <b>6. Items for Action</b>                                      |                                |
| a. Motion - Bargain with MSCA for Early Faculty Separation Plan | President Saigo/Stephen Taksar |

#### Attachment(s):

- a. Minutes 10-13-20 (Draft)
- b. First Quarter Financials (Summary)
- c. First Quarter Financials (FY21)
- d. First Quarter Financials (FY20)
- e. Annual Debt Report (Summary)
- f. Annual Debt Report (Ratio Table)
- g. FY22 Budget Planning Scenarios (Summary)
- h. FY22 Budget Planning Scenarios (Models)
- i. FY22 Budget Planning Scenarios (Assumptions and Timeline)
- j. Motion – MSCA Early Separation Plan



**BOARD OF TRUSTEES**

Finance and Capital Assets Committee

**October 13, 2020**

**Minutes**

**Meeting held virtually 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.

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**MEMBERS PARTICIPATING REMOTELY:** Committee Chair Sullivan, Secretary Landrau, Trustees Boudreau, Magovern, Neves, and Queenin

**MEMBERS EXCUSED:** Vice Chair Hagan

**TRUSTEE GUESTS PARTICIPATING REMOTELY:** Trustees Alvarado, Martin, and Williams

Dr. Roy H. Saigo, Interim President of Westfield State University, was also participating remotely.

Committee Chair Sullivan called the meeting to order at 11:10AM

**MOTION** made by Trustee Neves, seconded by Trustee Queenin, to approve the minutes of the June 25, 2020 meeting.

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

Trustee Boudreau	Yes	Trustee Neves	Yes
Trustee Landrau	Yes	Trustee Queenin	Yes
Trustee Magovern	Yes	Trustee Sullivan	Yes

**Motion passed unanimously.**

Travel Expenses of the President and the President’s Direct Reports: July 1, 2019 – June 30, 2020

The FY20 travel expenses were reviewed, showing minimal travel in the second half of the year due to the COVID-19 pandemic.

Fixed Assets Inventory Progress Report

As stipulated by the Fixed Assets policy, a report was provided showing inventory tracking of fixed assets for FY20, which was negatively affected by employees moving to remote work.

Equal Opportunity, Diversity and Affirmative Action Plan Policy (2170)

A policy change was shared with the explanation that in August, 2020, federal regulations were changed regarding Title IX with respect to Title IX coordinator training and adding the opportunity for both the complainant and respondent to participate in hearings. All Massachusetts state universities follow one composite policy, which is provided by the Massachusetts Department of Higher Education (DHE).

- A question was asked if this policy and the Family Educational Rights and Privacy Act (FERPA) determine how the University responds to complaints and concerns from the larger community and how it resolves those concerns by sharing allowed information.
- It was confirmed that due to privacy rights, the University is prohibited from discussing any active or previous cases, and can only continue to educate the campus on how complaints are processed. It is challenging when faced with FERPA laws, but process and policies are followed, working closely with Student Affairs and Student Conduct.

### Capital Project Update

A brief update of ongoing capital projects was given.

- The Parenzo Hall renovation study is now certified after being reviewed and approved by the Division of Capital Asset Management and Maintenance (DCAMM). Construction will begin next summer and moves are being planned into Scanlon Hall in December and January.
- The steam line replacement project and Courtney Hall mass notification installation are substantially complete.
- The Scanlon Hall antenna has been installed and Residential Life received \$24,000 for the first year, with an annual increase in payments of three percent per year over the next four years with various renewal options.
- If we do not complete the scheduled small capital projects this fiscal year, the University will have to return to DCAMM the matching funds received from them. Project manager support is needed and matching funds are allowed to support that cost. There are DCAMM-supported projects totaling \$6.4 million that started three years ago in a five-year capital plan.
- Deferred capital projects for FY21 were shared, totaling approximately \$300,000.
- The capital budget has been revised three times in the last four months, trying to meet competing priorities and complete projects while saving funds. Funding will be rolled over into FY22 to postpone some of these deferred projects.
- The Horace Mann sewer ejection pump project is not connected to the Western Avenue construction project but is internal to our projects and will start in July 2021.
- The Dining Commons floor replacement will be funded from the Dining Commons reserves.
- The Scanlon Hall renovation for the Center for Equity, Diversity and Inclusion submitted to DCAMM is on hold. The Department of Higher Education (DHE) and Secretary of Education have postponed decisions on new capital projects. It is hoped that when Major Capital Project decisions are made, this project will still be considered.

### NECHE COVID-19 Data Collection and Financial Screening

A letter from New England Commission of Higher Education (NECHE), the University's accrediting body, was shared alerting the University that next fall they will be requesting public institutions to provide financial data relative to indexes and calculations on ratios. It is important to start looking at ratios now to guess what they will look like next year. NECHE will be taking a more active interest in the financial structure and stability of all institutions.

### University Efficiency Analysis Advisory Committee (UEAAC) Update

- The 25-member UEAAC has moved aggressively in a very short amount of time, with the underlying part of their work being to minimize furloughs and retrenchment for the campus community. Making cuts across the board does not provide quality to the students. It is imperative to have community engagement. Campus demographics and representatives from each department were used in the makeup of the committee. The strategy of the committee was to implement one-time reductions by looking at pool information and drilling down into expenses.
- The first phase asks what can be done collectively across the board by reducing usage and costs and

- implementing a spending freeze through November 1.
- The phase one recommendation includes \$1.29 million in reductions across all divisions, \$700,000 in savings, a proposal to hire at a lower rate to recoup \$130,000, a six-month hiring delay, College of Graduate and Continuing Education additional contribution of \$750,000, Massachusetts State College Building Authority (MSCBA) debt relief of \$1.14 regarding non-residential capital projects.
- The second phase examines the campus organizational structure and realizes \$6.5 million savings as part of the long-term base. Once a foundation is developed, it can be built upon and adjustments made in next fiscal year.
- There is an extensive amount of knowledge sharing going on and a very dedicated strategy to communicate with campus. There will be monthly town hall meetings and communication being sent weekly from the president’s office showing the progress.

FY21 Operating Budget

Mr. Stephen Taksar, Vice President for Administration and Finance, shared a presentation on the October budget snapshot.

- The state has not finalized appropriations and the budget is based on the current environment.
- A structural deficit needs to be resolved as this is not going away in one year, and cost savings are necessary to incorporate in the FY22 budget.
- From FY20 to FY21, \$24 million was reduced. In FY20, \$11 million was reduced before the end of the fiscal year as well as reductions from MSCBA and the University Efficiency Analysis Advisory Committee.
- Last year, the budgeted enrollment declined 283 students primarily due to lower retention. Enrollment for FY21 is projected to increase by 272 students compared to what was budgeted, although the numbers are still down 9.8% from last year. Budgeted enrollment is the average annual enrollment per semester less non-billed students.
- In June, the campus projected an FY21 loss of \$7.5 million. Due to UEAAC’s work, \$6.5 was realized in one-time savings, leaving a deficit of approximately \$1 million, which is being sought from reserves to close the budget gap.
- Some residential testing costs are assumed in the Residential Life budget. Dining Services are also expected to have a loss this year driven by lower than planned occupancy. The campus closed a \$24 million expense gap, not just \$7.5 million due to the shortfall in FY20.
- It is anticipated to spend \$1.7 million to prepare the campus for COVID-19 impacts for the fall semester. All funding has been identified and set aside with one-time sources through \$300,000 provided by the state in CARES Act funding directly to campuses, and \$975,000 repurposed from the capital projects account because the state is giving an extra relief for matching programs.
- In the FY21 budget, a 10% reduction (\$3 million) is being projected. For FY22, the campus is assuming another 5% reduction on top of that, for a total of 15% over two years, but this is still an unknown until the legislative process approves a final budget.

**MOTION** made by Trustee Sullivan, seconded by Trustee Landrau, to approve the FY21 Operating Budget as presented and to authorize the President to make budget adjustments to these funds; furthermore, to increase the Planned Use of Reserves by \$1,038,188 to support achieving a balanced FY21 Operating Budget.

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

Trustee Boudreau	Yes	Trustee Neves	Yes
Trustee Landrau	Yes	Trustee Queenin	Yes
Trustee Magovern	Yes	Trustee Sullivan	Yes

**Motion passed unanimously.**

FY22 Budget Planning Assumptions and Timeline

Mr. Taksar shared the preliminary planning assumptions for FY22, seeking consensus from the Trustees, as all work going forward will be based on these assumptions. Some are still preliminary. Budget and Financial Planning Office will develop three scenarios based on the planning document.

- Limit cost of attendance increases across the board, if possible.
- The state appropriation will be a reduction or no increase and will be modeled going forward.
- The Dining program is in flux right now, cannot make a contribution, and will have a deficit.
- A key benchmark in the Strategic Plan was to set aside additional funding for financial aid, and that is assumed to continue.
- All assumptions will be reviewed as the three scenarios will be modeled in December.
- It was questioned that although the assumptions acknowledge reality, given what we know about enrollment, is it realistic to develop a budget based on the assumption of the increased enrollment? Mr. Taksar stated there may be a difference between the targeted enrollment and budgeted enrollment and the importance of budgeting more conservatively.
- It was questioned if there was any discussion with the DHE for a voluntary separation incentive. There is no coordinated discussion at the DHE level at this point and it was suggested that it was worth looking into. Trustee Neves stated that although she agreed that a voluntary separation incentive was financially good for the University, as a student it was hard to watch the knowledge, heart and soul of the campus leaving the University.
- The FY22 Budget Timeline was presented, which allows the Board to see the budget twice, as a draft in April and a final in June. Any fee increases or changes need to be done in February so that financial aid packaging can be done sooner and help with recruitment for students. In June, we need to look further out and provide an updated five-year plan.
- Committee Chair Sullivan asked if the presented assumptions were acceptable. There were no questions or comments.

There being no further business, **MOTION** made by Trustee Magovern, seconded by Trustee Boudreau, to adjourn.

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

Trustee Boudreau	Yes	Trustee Neves	Yes
Trustee Landrau	Yes	Trustee Queenin	Yes
Trustee Magovern	Yes	Trustee Sullivan	Yes

**Motion passed unanimously.**

Meeting adjourned at 12:31 PM.

Attachments presented at this meeting:

- Minutes (Draft) 6-25-20
- Travel Expenses of the President and the President’s Direct Reports
- Fixed Assets Inventory Progress Report
- Equal Opportunity, Diversity and Affirmative Action Plan Policy (Appendix)
- Capital Project Update (PowerPoint)
- NECHE COVID-19 Data Collection and Financial Screening
- Motion – FY21 Operating Budget
- FY21 October Operating Budget Presentation
- FY21 Operating Budget (Narrative)
- FY21 Operating Budget (Campus Budget)
- FY21 Operating Budget (Trust Fund)

- l. FY21 Operating Budget (UEAAC Narrative)
- m. FY21 Operating Budget (Preliminary)
- n. FY22 Budget Planning Assumptions and Timeline

**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 13, 2020.

\_\_\_\_\_  
Madeline Landrau, Secretary

\_\_\_\_\_  
Date

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# **Westfield State University**

## **Board of Trustees**

### **Finance and Capital Assets Committee**

December 17, 2020

Prepared by:

Steve Taksar, Vice President of Administration and Finance

Maria Feuerstein, Director of Budget and Financial Planning

# Agenda

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- Enrollment Overview FY21 and FY22
- FY21 Financial Update & Auxiliaries
- FY21 Reduction Strategies
- Review FY22 Scenarios & Recommendations



# FY21 - Enrollment

## Original Projection

<b>Fall</b> 3755	<b>Spring</b> 3448	<b>Avg.</b> 3620	<b>Billed</b> 3520
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## Updated Registrations By Term

<b>Fall</b> 3777	<b>Spring</b> 3448*	<b>Actual Reg</b> 3129**	<b>No Reg</b> 648***
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*\*Projected number based on retention rates.*

*\*\* Actual full- and part-time registrations for spring from IR.*

*\*\*\* Total number of students not registered for spring who attended in the fall.*

## Fall Actual and Spring Projections

<b>Fall</b> 3777	<b>Spring</b> 3291	<b>Avg</b> 3534	<b>Billed</b> 3434
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### **Assumptions:**

- 1. Spring semester assumes the total of students registered on 12/4 plus 25% of unregistered students.*
- 2. This is a reduction of 86 students from original projection based on historical persistence.*
- 3. This assumes a new class of 80 FY(30) and TR(50) for spring semester.*

# FY22 Enrollment Projection

## 2021-2022 Projection

### Based on spring '21 projection

	Sp'21	Ret.Rate	Fall'21	Ret. Rate	Sp'21	Average	Billed
<b>Frosh</b>			1050	0.81	851		
<b>Transfers</b>			225	0.85	191.25		
<b>Sophomores</b>	843	0.85	747	0.85	635		
<b>Juniors</b>	860	0.98	873	0.98	856		
<b>Seniors</b>	919	0.92	875	0.92	805		
					0		
<b>New FyFt Spring</b>					125		
<b>New Tr Spring</b>					75		
<b>Total</b>			<b>3770</b>		<b>3537</b>	<b>3654</b>	<b>3554</b>

90 additional returners

### Assumptions

1. This revised projection for 2021-2022 reflects a reductions to new Frosh(50) and TR (25) by 75.
2. Persistence rates remain constant for the Fall '21 class.
3. Returning Fall classes are increased by 30 students each to account for new returning registration from Spring'21

# FY21 Financial Update – Projected Loss

**Key Projection Assumptions B/(W):**

	<b>FY21 Update</b>
<b>Enrollment</b>	<b>\$ (1,208,449)</b>
<b>State Appropriation</b>	<b>5,530,655</b>
<b>Transition to Remote Learning (Nov)</b>	<b>(2,040,910)</b>
<b>Spring Occupancy Cap</b>	<b>(3,983,733)</b>
<b>Other:</b>	<b>(2,169,338)</b>
<b>Total FY21 Projected Deficit</b>	<b>(3,871,776)</b>

# FY21 Impact of Auxiliary Operations

	Residential Life	Dining	Total
FY21 Budget Surplus/(Deficit)	(879,743)	(513,476)	(1,393,219)
Adjusted Losses	(5,105,393)	(1,638,589)	(6,743,982)
Net B/(W)	(5,985,136)	(2,152,065)	(8,137,201)

Most of the campus losses are related to lower occupancy rates.

Includes net impact of debt refinancing and restructure

Testing expenses in primary Operating budget

# FY21 Approved Reserves & Projection

	Operating Budget	Grants	Capital Project Fund	CGCE	Residential Life	Dining Services	Other Trust Funds	FY21 Budget
FY21 Budgeted Use of Reserves	98,095	(68,453)	(1,654,368)	-	(879,743)	(1,915,601)	(440,043)	(4,860,113)
FY21 Projection	2,872,206				(5,105,393)	(1,638,589)		(3,871,776)
<b>Total</b>	<b>2,970,301</b>	<b>(68,453)</b>	<b>(1,654,368)</b>	<b>-</b>	<b>(5,985,136)</b>	<b>(3,554,190)</b>	<b>(440,043)</b>	<b>(8,731,889)</b>

## Summary

Reserves approved to date - \$4.8M (\$3M capital, \$1M shortfall)

Additional Projected Loss - \$3.8M

# FY21 One time reduction strategies - \$3.8M

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- Enroll students not registered-engagement plan
- Expand pathways for part-time students
- Freeze vacant positions and spending
- Reduce unspent travel budget
- Reduce low enrolled courses/adjunct budget
- Freeze trust fund rollovers
- Sabbaticals – voluntary deferral

# FY21 One time reduction actions

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- Engage UEAAC (started)
- Conduct town hall (completed)
- Issue communication on freezing spending
- Analyze opportunities for savings
- Develop engagement plan-enrollment
- Implement strategies

# FY22 Scenario Planning Assumptions

Assumptions:	FY21 Budget	Scenario A Worst Case	Scenario B Mid	Scenario C - Best
<b>Revenue Assumptions</b>				
Billable Students	3,552	3,452	3,552	3,629
% Change YoY	-16%	-3%	0%	2%
Housing Students	1,338	1,900	2,000	2,129
% Change YoY	-43%	42%	49%	59%
In-State Tuition and Fees Incr.	2.7%	1.7%	1.0%	0.0%
General Fee Increase	\$ 290	\$ 184	\$ 92	\$ -
Residential Student COA Incr.	2.6%	1.1%	0.7%	0.0%
State Appropriation as % of Revenue	27%	25%	26%	27%
Investment Earnings	635k	650k	650k	650k
Operating Reserve / Contingency	\$425k	\$450k	\$450k	\$450k
<b>Expense Assumptions</b>				
All Collective Bargaining Units	No COLA Ajd	No CBA increases	No CBA increases	No CBA increases
FY21 Hiring Freeze	Included	25% Restored, \$800k	15% Restored, \$480k	10% Restored, \$320k
Strategic Plan Funding 1-Time	\$107K	\$100k	\$100k	\$100k
Strategic Plan Financial Aid Increase	\$250k	\$200k	\$200k	\$200k
<b>Operating Budget Contributions</b>				
Dining Contribution	0	\$1.4M	\$1.4M	\$1.4M
CGCE Contribution	\$3.2M	\$2.45M	\$2.45M	\$2.45M
<b>CGCE &amp; Auxiliary Surplus / Deficit</b>				
CGCE Surplus	\$0	\$80k	\$80k	\$80k
Residential Housing Deficit	\$879k	\$2.27M	\$1.38M	\$178k
Lansdowne Deficit	\$1.42M	\$0	\$0	\$0
Dining Deficit	\$513k	\$0	\$0	\$0



# FY22 Planning Scenarios: Revenue

FY22 Budget Scenarios	FY22 Budget Planning Scenarios			
	FY21 Budget	Scenario A Worst Case	Scenario B Mid	Scenario C - Best
<b>Revenue:</b>				
State Appropriation	\$ 26,516,934	\$ 26,516,934	\$ 28,554,943	\$ 30,592,953
Total Tuition/Fee Revenue	40,121,046	39,489,004	40,201,721	40,662,002
Other Revenue	2,721,655	2,704,857	2,721,859	2,734,924
CGCE	11,809,587	11,830,091	11,830,091	11,830,091
Residential Life	9,692,044	15,228,330	16,115,147	17,322,822
Dining Services	5,197,401	8,603,468	8,784,593	9,056,282
Foundation	445,000	485,000	485,000	485,000
Grant Revenue	1,591,550	1,591,550	1,591,550	1,591,550
<b>Total Revenue</b>	<b>\$ 98,095,216</b>	<b>\$ 106,449,233</b>	<b>\$ 110,284,904</b>	<b>\$ 114,275,624</b>

# FY22 Planning Scenarios: Expense

FY22 Budget Scenarios	FY22 Budget Planning Scenarios			
	FY21 Budget	Scenario A Worst Case	Scenario B Mid	Scenario C - Best
<b>Expense:</b>				
Compensation	\$ 42,004,728	\$ 45,386,615	\$ 45,065,399	\$ 44,904,792
Fringe	6,618,501	8,097,507	7,226,194	6,417,964
Department Operations	13,910,512	16,369,155	16,369,155	16,369,155
Strategic Investments	370,685	363,097	363,097	363,097
Financial Aid	3,820,771	4,115,753	4,120,771	4,127,221
Debt Service	1,029,231	2,199,939	2,199,939	2,199,939
Contingency	425,000	450,000	450,000	450,000
Capital Investments	2,301,200	2,800,000	2,800,000	2,800,000
CGCE	8,571,068	9,380,091	9,380,091	9,380,091
Residential Life	12,144,594	17,501,037	17,501,037	17,501,037
Dining Services	7,113,002	7,203,468	7,384,593	7,656,282
All Other	4,646,036	4,796,036	4,796,036	4,796,036
<b>Total Expense</b>	<b>\$ 102,955,329</b>	<b>\$ 118,662,696</b>	<b>\$ 117,656,312</b>	<b>\$ 116,965,613</b>
<b>Planned Use of Reserves</b>	<b>\$ 2,167,557</b>	<b>\$ 717,653</b>	<b>\$ 717,653</b>	<b>\$ 717,653</b>
<b>Capital Rollover</b>	<b>\$ 1,654,368</b>	<b>\$ 1,654,368</b>	<b>\$ 1,654,368</b>	<b>\$ 1,654,368</b>
<b>Net Profit/(Loss)</b>	<b>(1,038,188)</b>	<b>(9,841,442)</b>	<b>(4,999,387)</b>	<b>(317,968)</b>

# FY22 Budget Planning Recommendation

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- Consider Scenario B as the primary planning option
- Assume UEAAC recommendations will offset structural deficit
- Target structural deficit at \$7.5M
- Ongoing assessment of scenario B in spring



Q&A?

**Westfield State University**  
Finance and Capital Assets Committee

**FY21 Quarterly Financial Update**

December 17, 2020

**First Quarter (Q1) Ending September 30, 2020**

**I. Covid-19 Impact on Budget Development**

In FY21, the campus developed two budgets at separate points in time; the June Provisional Budget and the October Budget. Developing a Provisional Budget became a necessity given the shifting financial landscape specific to the impact of Covid-19 on key metrics such as enrollment, occupancy, and meal plan participants in addition to lack of consistent information about state appropriation. Therefore, it was developed using the best data at the time in order to support continuity of campus operations and necessary spending.

The October Budget was developed with better information compared to the June Provisional Budget. The October Budget includes early fall refunds of approximately \$1.6M due to a delay in residents returning to campus. It also includes University Efficiency Analysis Advisory Committee (UEAAC) recommendations which included temporary budget reductions as part of phase 1 plan totaling \$6.4M, which primarily offset the campus budget gap, leaving a \$1.0M shortfall. Budgeted enrollment went from 3,280 in the Provisional Budget to 3,552 in the final October Budget, a change that resulted in \$2.56M in additional tuition and fee revenue. The October Budget also represents a significant decline in auxiliary revenue; \$6.3M in Residential Housing and \$4.0M in Dining Operations due to lower occupancy caused by the impact of Covid-19.

**II. FY21 Quarterly Financial Update and Overview**

The Budget Office provides a calculated first quarter comparative financial report. Tuition and fee revenue is 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 30<sup>th</sup>, 2020). While 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 \$0.7M at the end of the quarter with 27.5% of the University's revenues realized and 26.3% of the budget expended. The current variance is the result of vacancy savings as well as a lag in expenses. Given the timing of budget development, having better planning information for the October Budget, large variances were not expected for Q1. The campus reported a deficit in the October Budget Model of \$1.0M, therefore any surplus that is reported does not result in an overall campus surplus, but rather as a lower deficit that previously planned if maintained. The Board of Trustees approved the use of reserves to fund the projected deficit in order to achieve a balanced budget dedicated to spring testing plans.

With the October approval of the annual budget, it allowed the campus to integrate adjusted budgets based on more accurate data after the start of the semester, thereby reducing the overall variances. Undergraduate enrollment was lower than budget by 32 students or less than 1% as reported for the first quarter. Residential Life experienced a lower than planned occupancy of 32 students or 2.3%. The number of

participants in Dining Services is unfavorable to the budget by 78, trailing the decline in occupancy. CGCE total enrollment, reported in number of credit hours increased by 10%, which is the net result of an increase mainly to Graduate enrollment.

### **Enrollment**

- Full-time Day Division enrollment was approximately 1% below budgeted enrollment for the quarter. This decline affected total fall semester budgeted revenue by approximately \$0.46M. Enrollment for the fall was budgeted at 3,739 versus actual enrollment of 3,707, a difference of approximately 39 students.

### **Revenue**

- Total revenue is trending on target for Q1 mainly due to the timing of CARES Act grant funding offset by lower tuition and fee revenue. Losses in revenue Residential Life of \$0.1M were due to lower occupancy. Dining revenue was \$0.2M lower than budget due to lower meal plan and catering revenue. CGCE is trending on target in Q1 with no major revenue variances to report.

### **Expenses**

- Overall expenses are trending favorably versus the Q1 projection by \$0.6M or 2.3% with contribution of approximately \$0.1M each from university operating, Residential Life, and CGCE, with the largest contributing factor due to lack of spending in dining catering and maintenance expenses. Several capital projects are underway which is resulting in earlier spending in order to complete them by the end of the year. Consultant services are tracking higher than planned due to the temporary staffing needs related to Covid-19 in residential life, health services and facilities. There were no significant variances to report, mainly because the October budget model was constructed at a time when more information about spending needs became available.

### **Summary for Q1**

- The impact of Covid-19 on the Q1 Financial Report is reflected in significantly lower budgeted revenue in the October Budget when compared to the Provisional Budget, specifically related to room and board fees totaling a reduction of \$10.3M.
- The UEAAC has completed task 1 by providing \$6.4M of temporary budget reductions which were built into the FY21 October Budget. In finalizing the detailed temporary reductions, a duplicate reduction entry was discovered totaling \$1.1M thereby overstating the savings by this amount. The campus will continue to work on closing this gap to minimize the year-end impact. The UEAAC continues to compile critical data in preparation of a restructuring recommendation in order to maximize campus efficiency and assist in closing the financial gap for FY22.

### **III. FY21 Projection Overview**

It is important to provide a preliminary view of the university's finances in addition to the quarterly report. While we do not yet have a formal projection process in place, the following insights will help to understand potential financial issues as we move through the rest of the current fiscal year. As indicated previously, this is an extremely challenging operational and fiscal environment as circumstances are changing daily in response to the current pandemic.

#### **FY21 Financial Insights and Estimates (in addition to October Budget)**

- The impact of the Covid-19 pandemic is offset by additional state appropriation which results in a projected deficit of \$4.8M on top of the October budget. Key highlights of the year end projection are listed below:
- It appears that state appropriation will not be reduced as assumed, but as of this writing, is not finalized. Current estimates compared to the October budget, including the gain from benefits, is approximately \$ 5.5M including the fringe benefit offset.
- Revenue: Projected revenue losses are \$7.1M due to November refunds, lower projected average annual enrollment and lower residential occupancy with new single room configuration in spring. Revenue losses will be partially offset by gains in state appropriation of \$4.1M, resulting in a net loss of revenue totaling \$3.0M.
- Expense: \$0.9M of additional expense versus FY21 Budget mainly due to Covid Testing \$1.0M, additional labor costs \$0.8M, MSCBA Insurance costs \$1.3M offset by lower campus fringe obligation of \$1.45M related to additional state appropriation and \$0.7M of Covid testing in Residential Life.
- Residential Life is anticipating an overall additional deficit of \$5.1M mainly due to the impact of Covid-19 on occupancy for both late fall and spring. Residential Life is expected to partially offset the deficit through the use of reserve funds of \$2.7M which would result in reserves falling below the 5% minimum threshold. The campus is expecting to offset the remaining deficit of \$2.4M as well as an additional \$0.9M to replenish reserves.
- Dining is projecting a FY21 net loss of \$1.6M mainly due to refunds totaling \$0.5M and occupancy declines in the spring impacting meal plan participation of \$1.1M.
- Reserves - It is important to note that the FY21 Budget included an approved use of reserves of \$1.0M. Current projections indicate that it is unlikely to be enough to offset lost revenue which may result in an additional impact on reserves projected to be \$4.8M as the campus will be required to offset losses in Residential Life and fund the required MSCA reserve minimum of \$900k.

## **Projection Summary**

FY21 presents significant financial challenges mainly due to the impact of the COVID-19 pandemic affecting auxiliary operations in residential life and dining. Additionally, the University has had to invest in additional temporary staffing, testing and other expenses to support campus operations during the pandemic. The University will continue to monitor revenues and expenses as well as operational impacts and will provide ongoing financial updates as needed.



Fiscal Year : July 1st - June 30th

**Financial Report (Consolidated)**  
**Quarter Ending September 30, 2020**

				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>
<b>Enrollment</b>						
University (Headcount)	3,552	3,739	3,707	(32)	-0.9%	
<b>Enrollment</b>						
CGCE (Credit Hours)	31,026	14,113	15,540	1,426	10.1%	
<b>Staffing</b>						
Administrative	456	456	431	25	5.5%	
Full-time Faculty	238	238	234	4	1.7%	
Part-time Dining Services	0	0	0	0	0.0%	
Adjuncts (University Only) FTE	146	146	146	-	0.0%	
<b>Total</b>	<b>840</b>	<b>840</b>	<b>811</b>	<b>29</b>	<b>3.5%</b>	
<b>Revenue</b>						
University/SGA	\$ 71,396,184	\$ 20,602,110	\$ 20,830,768	\$ 228,658	1.1%	29.2%
CGCE	12,222,687	3,055,672	3,073,583	17,912	0.6%	25.1%
Residential Life	9,692,044	2,224,819	2,146,809	(78,010)	-3.5%	22.2%
Dining Services	5,197,401	1,231,034	1,070,171	(160,863)	-13.1%	20.6%
<b>Total Revenue</b>	<b>\$ 98,508,316</b>	<b>\$ 27,113,635</b>	<b>\$ 27,121,332</b>	<b>\$ 7,697</b>	<b>0.0%</b>	<b>27.5%</b>
<b>Expenses/Transfers</b>						
University/SGA	\$ 73,460,953	\$ 21,255,855	\$ 21,118,183	\$ 137,672	0.6%	28.7%
CGCE	12,222,687	3,428,570	3,305,394	123,176	3.6%	27.0%
Residential Life	10,571,787	1,737,414	1,601,061	136,353	7.8%	15.1%
Dining Services	7,113,002	1,401,918	1,149,998	251,920	18.0%	16.2%
<b>Total Expenses/Transfers</b>	<b>\$ 103,368,429</b>	<b>\$ 27,823,757</b>	<b>\$ 27,174,635</b>	<b>\$ 649,122</b>	<b>2.3%</b>	<b>26.3%</b>
<b>Net</b>						
University/SGA	\$ (2,064,769)	\$ (653,745)	(287,415)	\$ 366,330	-56.0%	
CGCE	-	(372,899)	(231,811)	141,088	-37.8%	
Residential Life	(879,743)	487,405	545,748	58,343	12.0%	
Dining Services	(1,915,601)	(170,884)	(79,827)	91,058	-53.3%	
<b>Total</b>	<b>\$ (4,860,113)</b>	<b>\$ (710,123)</b>	<b>(53,304)</b>	<b>\$ 656,819</b>	<b>-92.5%</b>	

**Notes:**

- (1) This report provides a 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, 2020**

	Annual FY21 Budget	FY21 1st Qtr. Budget	FY21 1st Qtr. Actual	Budget Variance	Percent Variance
<b>Enrollment</b>					
Total Undergraduate Enrollment (Billable)	3,552	3,739	3,707	(32)	-0.9%
<b>Staffing</b>					
Administrative	323	323	305	18	5.6%
Full-time Faculty	222	222	216	6	2.7%
Adjuncts (FTE)	146	146	146	-	0.0%
<b>Total</b>	<b>691</b>	<b>691</b>	<b>667</b>	<b>24</b>	<b>3.5%</b>
<b>Revenue</b>					
State Appropriation	\$ 26,516,934	\$ 8,750,588	8,750,588	\$ -	0.0%
Tuition Retention	2,658,593	704,527	757,591	53,064	7.5%
General Fee	32,732,527	8,614,656	8,542,456	(72,200)	-0.8%
Technology Fee	2,592,719	682,368	676,455	(5,913)	-0.9%
DGCE Fees (technology/capital planning)	250,000	111,111	96,412	(14,699)	-13.2%
Capital Improvement Fee	355,167	93,475	92,665	(810)	-0.9%
Bookstore Commissions	239,694	107,862	44,348	(63,515)	-58.9%
Interest Earnings	635,188	158,797	91,725	(67,072)	-42.2%
Nursing Fee	269,100	67,275	58,305	(8,970)	-13.3%
Parking Decals	235,488	100,082	57,503	(42,579)	-42.5%
Wellness Center	426,627	111,862	65,761	(46,101)	-41.2%
Cable TV	227,447	58,863	44,852	(14,011)	-23.8%
Res Life Dorm Fee	133,793	34,625	26,384	(8,242)	-23.8%
Phone Service	133,793	34,625	26,384	(8,242)	-23.8%
Dunkin' Donuts & Vending Commissions	128,677	92,169	80,365	(11,804)	-12.8%
Miscellaneous Fees/Revenue	522,532	107,831	108,943	1,112	1.0%
Student Government Association	341,280	89,057	93,592	4,535	5.1%
Federal, State and Private Grants	11,876,998	2,969,250	3,363,478	394,228	13.3%
Scholarship Allowance	(10,285,448)	(2,571,362)	(2,330,481)	240,881	-9.4%
Other Auxiliary revenues	960,075	240,019	139,013	(101,005)	-42.1%
Foundation Support	445,000	44,431	44,431	-	0.0%
<b>Total Revenue</b>	<b>\$ 71,396,184</b>	<b>\$ 20,602,110</b>	<b>\$ 20,830,768</b>	<b>\$ 228,658</b>	<b>1.1%</b>
<b>Expenses</b>					
AA - Regular Employee Compensation	\$ 41,955,909	\$ 13,393,617	\$ 13,032,555	\$ 361,062	2.7%
CC - Special Employees	3,257,230	912,024	1,085,544	(173,520)	-19.0%
DD - Pension and Fringe Benefits	6,803,704	1,629,829	1,148,313	481,516	29.5%
<b>Compensation expense subtotal</b>	<b>52,016,843</b>	<b>15,935,471</b>	<b>15,266,413</b>	<b>669,058</b>	<b>4.2%</b>
BB - Employee Related expenses	305,188	33,910	39,703	(5,793)	-17.1%
EE - Administrative Expenses	1,249,782	312,445	303,388	9,058	2.9%
FF - Facility Operations	914,753	228,688	288,366	(59,678)	-26.1%
GG - Energy Costs and Space Rental	2,308,595	501,085	406,340	94,746	18.9%
HH - Consultant Services	732,992	183,248	318,219	(134,970)	-73.7%
JJ - Operational Services	835,668	208,917	128,540	80,377	38.5%
KK - Equipment Purchases	164,398	41,100	35,201	5,898	14.4%
LL - Equipment Leases and Rental	763,332	190,833	180,163	10,670	5.6%
MM - Purchased Client Services	211,537	23,504	-	23,504	100.0%
NN - Construction and Improvements	2,680,064	670,016	852,297	(182,281)	-27.2%
RR - Entitlement Programs (Scholarships)	3,753,553	975,924	779,476	196,448	20.1%
SS - Debt Payments and Contingency	800,098	8,640	8,640	-	-
UU - Information Technology	3,419,958	1,473,083	1,509,045	(35,962)	-2.4%
Student Government	421,780	62,330	62,194	136	0.2%
Athletics - Sport Accounts	443,474	49,275	40,021	9,254	18.8%
Academic Educational Services (ESTF)	257,771	35,801	61,604	(25,802)	-72.1%
Grants	1,660,003	415,001	1,032,996	(617,996)	-148.9%
Other Trust Funds	1,400,118	210,512	109,506	101,005	48.0%
University Hall support payment	150,000	150,000	150,000	-	0.0%
Lansdowne support payment	1,422,807	355,702	355,702	-	0.0%
Unallocated	381,491	-	-	-	-
University Contingency	405,267	-	-	-	-
Transfer from Dining	-	-	-	-	-
Transfer from CGCE	(3,238,519)	(809,630)	(809,630)	-	0.0%
<b>Other Expense/Transfers Total</b>	<b>21,444,110</b>	<b>5,320,384</b>	<b>5,851,770</b>	<b>(531,386)</b>	<b>-10.0%</b>
<b>Total Expenses/Transfers</b>	<b>\$ 73,460,953</b>	<b>\$ 21,255,855</b>	<b>\$ 21,118,183</b>	<b>\$ 137,672</b>	<b>0.6%</b>
<b>Net</b>	<b>\$ (2,064,769)</b>	<b>\$ (653,745)</b>	<b>\$ (287,415)</b>	<b>\$ 366,330</b>	<b>-56.0%</b>

**Notes:**

- 1) Adjunct FTE Calculation represents term FTE Calc
- 2) Net of (\$2.06M) refers to Capital rollover, approved use of reserves, and other trust fund rollovers.

**CGCE Financial Report**  
**Quarter Ending September 30, 2020**

Fiscal Year : July 1st - June 30th

Fav/(Unfav)

	<u>Annual FY21</u>	<u>FY21</u>	<u>FY21</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>
<b>Enrollment (Number of Credits)</b>						
Graduate	10,781	4,793	6,007	1,214	25.3%	
PA	3,600	1,919.88	1,932	12	0.6%	
Undergraduate	16,645	7,400	7,601	200	2.7%	
<b>Total</b>	<b>31,026</b>	<b>14,113</b>	<b>15,540</b>	<b>1,426</b>	<b>10.1%</b>	
<b>Staffing</b>						
Administrative	32	32	30	2	6.3%	
Full-time Faculty	16	16	18	(2)	-12.5%	
<b>Total</b>	<b>48</b>	<b>48</b>	<b>48</b>	<b>-</b>	<b>0.0%</b>	
<b>Revenue</b>						
Tuition (Including Educational Services Fee)	\$ 2,874,390	\$ 718,597	\$ 706,316	\$ (12,281)	-1.7%	24.6%
Instructional Fee	8,700,741	2,175,185	2,216,624	41,438	1.9%	25.5%
Registration Fee	377,880	94,470	85,345	(9,125)	-9.7%	22.6%
Miscellaneous	262,576	65,644	60,924	(4,720)	-7.2%	23.2%
Transcripts	7,100	1,775	4,375	2,600	146.5%	61.6%
<b>Total Revenue</b>	<b>\$ 12,222,687</b>	<b>\$ 3,055,672</b>	<b>\$ 3,073,583</b>	<b>\$ 17,912</b>	<b>0.6%</b>	<b>25.1%</b>
<b>Expenses</b>						
AA - Regular Employee Compensation	\$ 3,416,692	\$ 1,090,713	\$ 1,016,949	\$ 73,764	6.8%	29.8%
CC - Special Employees	2,944,741	883,422	926,301	(42,879)	-4.9%	31.5%
DD - Pension and Fringe Benefits	1,414,220	342,676	303,914	38,762	11.3%	21.5%
<b>Compensation expense subtotal</b>	<b>7,775,652</b>	<b>2,316,812</b>	<b>2,247,165</b>	<b>69,647</b>	<b>3.0%</b>	<b>28.9%</b>
BB - Employee Related expenses	78,157	19,539	2,908	16,631	85.1%	3.7%
EE - Administrative Expenses	394,071	98,518	93,519	4,999	5.1%	23.7%
FF - Facility Operations	30,428	7,607	24,140	(16,533)	-217.3%	79.3%
HH - Consultant Services	494,310	123,578	101,937	21,641	17.5%	20.6%
JJ - Operational Services	88,712	22,178	-	22,178	100.0%	0.0%
KK - Equipment Purchases	7,700	1,925	-	1,925	100.0%	0.0%
LL - Equipment Leases and Rental	2,000	500	-	500	100.0%	0.0%
RR - Entitlement Programs (Scholarships)	75,000	18,750	15,935	2,816	15.0%	21.2%
UU - Information Technology	37,455	9,364	10,161	(797)	-8.5%	27.1%
Unallocated	683	171	-	171	100.0%	-
Transfer to the University	3,238,519	809,630	809,630	-	0.0%	25.0%
<b>Other Expense/Transfers Total</b>	<b>4,447,035</b>	<b>1,111,759</b>	<b>1,058,229</b>	<b>53,530</b>	<b>4.8%</b>	<b>23.8%</b>
<b>Total Expenses/Transfers</b>	<b>\$ 12,222,687</b>	<b>\$ 3,428,570</b>	<b>\$ 3,305,394</b>	<b>\$ 123,176</b>	<b>3.6%</b>	<b>27.0%</b>
<b>Net</b>	<b>\$ -</b>	<b>\$ (372,899)</b>	<b>\$ (231,811)</b>	<b>\$ 141,088</b>	<b>-37.8%</b>	

Fiscal Year : July 1st - June 30th

Fav/(Unfav)

**Residential Life Financial Report  
Quarter Ending September 30, 2020**

	<b>Annual FY21 Budget</b>	<b>FY21 1st Qtr. Budget</b>	<b>FY21 1st Qtr. Actual</b>	<b>Budget Variance</b>	<b>Percent Variance</b>	<b>Percent Realized/ Expended</b>
<b>Metrics</b>						
Fall Semester Occupancy (Excludes Lansdowne)	1,385	1,385	1,353	(32)	-2.3%	
Spring Semester Occupancy (Excludes Lansdowne)	1,291			-	0.0%	
Percentage of Capacity	48.6%	50.3%	49.2%	-1.2%	-2.3%	
<b>Staffing</b>						
Administrative	46	46	41	5	10.9%	
<b>Revenue</b>						
Room Rent Fall	\$ 4,267,637	\$ 2,133,819	\$ 2,107,792	\$ (26,027)	-1.2%	49.4%
Room Rent Spring	5,165,407	-	(1,713)	(1,713)	0.0%	0.0%
Room Rent Summer	35,000	35,000	-	(35,000)	-100.0%	0.0%
Commissions	90,000	22,500	1,119	(21,381)	-95.0%	1.2%
Guest Fees/other	94,000	23,500	39,725	16,225	69.0%	42.3%
Deposits Forfeited	15,000	3,750	8,150	4,400	117.3%	54.3%
Room Damages	25,000	6,250	(8,265)	(14,515)	-232.2%	-33.1%
<b>Total Revenue</b>	<b>\$ 9,692,044</b>	<b>\$ 2,224,819</b>	<b>\$ 2,146,809</b>	<b>\$ (78,010)</b>	<b>-3.5%</b>	<b>22.2%</b>
<b>Expenses</b>						
AA Employee Compensation	\$ 2,068,591	\$ 660,358	\$ 643,709	\$ 16,649	2.5%	31.1%
CC Special Employees/Students	872,187	104,662	63,713	40,949	39.1%	7.3%
DD Fringe Benefits, Insurance	742,868	180,003	173,975	6,028	3.3%	23.4%
<b>Compensation expense subtotal</b>	<b>3,683,646</b>	<b>945,023</b>	<b>881,397</b>	<b>63,626</b>	<b>45.0%</b>	<b>23.9%</b>
BB Employee Related Expenses	14,000	3,500	1,851	1,649	47.1%	13.2%
EE - Administrative Expenses	30,000	7,500	1,084	6,416	85.5%	3.6%
FF - Facility Operations	580,400	145,100	158,133	(13,033)	-9.0%	27.2%
GG - Energy Costs and Space Rental	2,895,111	796,118	747,738	48,381	6.1%	25.8%
HH - Consultant Services	447,168	111,792	116,791	(4,999)	-4.5%	26.1%
JJ - Operational Services	358,080	89,520	95,408	(5,888)	-6.6%	26.6%
KK - Equipment Purchases	29,000	7,250	-	7,250	100.0%	0.0%
LL - Equipment Leases and Rental	110,000	27,500	26,215	1,285	4.7%	23.8%
NN - Construction and Improvements	2,500	625	236	389	62.3%	9.4%
RR - Entitlement Programs (Scholarships)	386,704	96,676	65,472	31,205	32.3%	16.9%
SS - Debt Payments and Contingency	3,557,940	-	-	-	-	0.0%
UU - Information Technology	35,045	8,761	12,439	(3,677)	-42.0%	35.5%
Unallocated	15,000	3,750	-	3,750	100.0%	0.0%
Transfer from the University	(1,572,807)	(505,702)	(505,702)	-	0.0%	32%
<b>Total Expenses/Transfers</b>	<b>\$ 10,571,787</b>	<b>\$ 1,737,414</b>	<b>\$ 1,601,061</b>	<b>\$ 136,353</b>	<b>7.8%</b>	<b>32.2%</b>
<b>Net</b>	<b>\$ (879,743)</b>	<b>\$ 487,405</b>	<b>\$ 545,748</b>	<b>\$ 58,343</b>	<b>12.0%</b>	

Fiscal Year : July 1st - June 30th

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**Dining Services Financial Report  
Quarter Ending September 30, 2020**

	<u>Annual FY21 Budget</u>	<u>FY 11 1st Qtr. Budget</u>	<u>FY21 1st Qtr. Actual</u>	<u>Budget Variance</u>	<u>Percent Variance</u>	<u>Percent Realized/ Expended</u>
<b>Metrics</b>						
Meal Plan Participants - Fall	1,432	1,508	1,430	(78)	-5.2%	
% Participation			40%			
<b>Staffing</b>						
Full-time	55	55	55	-	0.0%	
Part-time (including students)				-	0.0%	
<b>Total</b>	<b>55</b>	<b>55</b>	<b>55</b>	<b>-</b>	<b>0.0%</b>	
<b>Revenue</b>						
Board Revenue	\$ 4,707,401	\$ 1,108,534	\$ 1,048,186	\$ (60,348)	-5.4%	22.3%
Catering Sales - Internal	200,000	50,000	-	(50,000)	-100.0%	0.0%
Catering Sales - External	-	-	9	9	-	-
Retail Sales	290,000	72,500	21,318	(51,182)	-70.6%	7.4%
Miscellaneous Revenue	-	-	659	659	-	-
<b>Total Revenue</b>	<b>\$ 5,197,401</b>	<b>\$ 1,231,034</b>	<b>\$ 1,070,171</b>	<b>\$ (160,863)</b>	<b>-13.07%</b>	<b>20.6%</b>
<b>Expenses</b>						
AA - Regular Employee Compensation	\$ 1,982,294	\$ 495,574	526,191	\$ (30,618)	-6.2%	26.5%
CC - Special Employees	704,760	176,190	69,945	106,245	60.3%	9.9%
DD - Pension and Fringe Benefits	737,773	184,443	133,760	50,683	27.5%	18.1%
<b>Compensation expense subtotal</b>	<b>3,424,827</b>	<b>856,207</b>	<b>729,896</b>	<b>126,311</b>	<b>14.8%</b>	<b>21.3%</b>
BB - Employee Related expenses	20,740	5,185	1,680	3,505	67.6%	8.1%
EE - Administrative Expenses	36,000	9,000	6,576	2,424	26.9%	18.3%
FF - Facility Operations	1,868,863	467,216	363,982	103,234	22.1%	19.5%
GG - Energy Costs and Space Rental	700	175	-	175	100.0%	0.0%
HH - Consultant Services	2,000	500	-	500	100.0%	0.0%
JJ - Operational Services	31,400	7,850	1,488	6,363	81.1%	4.7%
KK - Equipment Purchases	51,000	12,750	17,552	(4,802)	-37.7%	34.4%
LL - Equipment Leases and Rental	64,077	16,019	5,105	10,915	68.1%	8.0%
NN - Construction and Improvements	1,402,125	-	-	-	-	0.0%
RR - Entitlement Programs (Scholarships)	4,000	1,000	-	1,000	100.0%	0.0%
SS - Debt Payments and Contingency	103,204	-	-	-	-	0.0%
UU - Information Technology	50,500	12,625	23,720	(11,095)	-87.9%	47.0%
Unallocated	53,566	13,392	-	13,392	100.0%	-
Transfer to the University	-	-	-	-	-	-
<b>Other Expense/Transfers Total</b>	<b>3,688,175</b>	<b>545,712</b>	<b>420,102</b>	<b>125,610</b>	<b>23.0%</b>	<b>11.4%</b>
<b>Total Expenses/Transfers</b>	<b>\$ 7,113,002</b>	<b>\$ 1,401,918</b>	<b>\$ 1,149,998</b>	<b>\$ 251,920</b>	<b>18.0%</b>	<b>16.2%</b>
<b>Net</b>	<b>\$ (1,915,601)</b>	<b>\$ (170,884)</b>	<b>\$ (79,827)</b>	<b>\$ 91,058</b>	<b>-53.3%</b>	

Fiscal Year : July 1st - June 30th

**Financial Report (Consolidated)**  
**Quarter Ending September 30, 2019**

				Fav/(Unfav)		
	<u>Annual FY20 Budget</u>	<u>FY20 1st Qtr. Budget</u>	<u>FY20 1st Qtr. Actual</u>	<u>Budget Variance</u>	<u>Percent Variance</u>	<u>Percent Realized/ Expended</u>
<b>Enrollment</b>						
University (Headcount)	4,223	4,310	4,110	(200)	-4.6%	
<b>Enrollment</b>						
CGCE (Credit Hours)	32,917	14,937	15,353	416	2.8%	
<b>Staffing</b>						
Administrative	499	499	464	35	7.0%	
Full-time Faculty	251	251	241	10	4.0%	
Adjuncts (University Only) FTE	203	101	102	(1)	-0.6%	
Total	953	851	807	44	5.2%	
<b>Revenue</b>						
University/SGA	\$ 81,524,351	\$ 21,094,499	\$ 20,846,590	\$ (247,910)	-1.2%	25.6%
CGCE	12,142,126	3,069,593	3,077,151	7,558	0.2%	25.3%
Residential Life	19,848,659	5,306,281	4,960,087	(346,194)	-6.5%	25.0%
Dining Services	10,636,124	2,779,553	2,780,038	484	0.0%	26.1%
<b>Total Revenue</b>	<b>\$ 124,151,260</b>	<b>\$ 32,249,926</b>	<b>\$ 31,663,865</b>	<b>\$ (586,061)</b>	<b>-1.8%</b>	<b>25.5%</b>
<b>Expenses/Transfers</b>						
University/SGA	\$ 83,511,976	\$ 20,476,751	\$ 18,303,763	\$ 2,172,988	10.6%	21.9%
CGCE	12,142,126	3,035,532	2,476,062	559,470	18.4%	20.4%
Residential Life	20,645,612	4,653,969	4,154,314	499,655	10.7%	20.1%
Dining Services	10,636,124	2,659,031	2,417,074	241,957	9.1%	22.7%
<b>Total Expenses/Transfers</b>	<b>\$ 126,935,838</b>	<b>\$ 30,825,282</b>	<b>\$ 27,351,213</b>	<b>\$ 3,474,069</b>	<b>11.3%</b>	<b>21.5%</b>
<b>Net</b>						
University/SGA	\$ (1,987,625)	\$ 617,748	\$ 2,542,826	\$ 1,925,078	311.6%	
CGCE	-	34,061	601,089	567,027	1664.7%	
Residential Life	(796,953)	652,312	805,774	153,461	23.5%	
Dining Services	-	120,522	362,963	242,441	201.2%	
<b>Total</b>	<b>\$ (2,784,578)</b>	<b>\$ 1,424,644</b>	<b>\$ 4,312,652</b>	<b>\$ 2,888,008</b>	<b>202.7%</b>	

**Notes:**

- (1) This report provides a 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) The "FY20 1st Qtr. Budget" represents an estimate of the expected results based on allocating revenue and expenditures by quarter using a variety of metrics.
- (3) The budget anticipated an average enrollment of 4,223 including a limited number of exchange students and cross-registrants with CGCE.
- (4) CGCE enrollment represents credit hours.
- (5) Fall tuition, fee, room and board revenue has been recognized at 50% of actual. Expenses such as scholarships and MSCBA assessment have also been adjusted to 50% of actual.

Fiscal Year : July 1st - June 30th

Fav/(Unfav)

**University/SGA Financial Report  
Quarter Ending September 30, 2019**

	<b>Annual FY20 Budget</b>	<b>FY20 1st Qtr. Budget</b>	<b>FY20 1st Qtr. Actual</b>	<b>Budget Variance</b>	<b>Percent Variance</b>	<b>Percent Realized/ Expended</b>
<b>Enrollment</b>						
Total Undergraduate Enrollment (Billable)	4,223	4,310	4,110	(200)	-4.6%	
<b>Staffing</b>						
Administrative	349	349	334	15	4.3%	
Full-time Faculty	236	236	227	9	3.8%	
Adjuncts (FTE)	203	101	102	(1)	-0.6%	
<b>Total</b>	<b>788</b>	<b>686</b>	<b>663</b>	<b>23</b>	<b>3.4%</b>	
<b>Revenue</b>						
State Appropriation	\$ 29,463,260	\$ 7,365,815	\$ 7,378,890	\$ 13,075	0.2%	25.0%
Tuition Retention	3,203,000	848,795	865,957	17,162	2.0%	27.0%
General Fee	37,694,498	9,617,765	9,173,250	(444,515)	-4.6%	24.3%
Technology Fee	3,082,790	786,575	750,002	(36,573)	-4.6%	24.3%
DGCE Fees (technology/capital planning)	250,000	111,111	101,432	(9,679)	-8.7%	40.6%
Capital Improvement Fee	422,300	107,750	102,740	(5,010)	-4.6%	24.3%
Bookstore Commissions	285,000	128,250	91,427	(36,824)	-28.7%	32.1%
Interest Earnings	677,400	169,350	116,623	(52,727)	-31.1%	17.2%
Nursing Fee	179,100	44,775	39,422	(5,353)	-12.0%	22.0%
Parking Decals	280,000	119,000	120,146	1,146	1.0%	42.9%
Wellness Center	530,000	138,966	123,811	(15,155)	-10.9%	23.4%
Cable TV	396,270	102,510	100,470	(2,040)	-2.0%	25.4%
Res Life Dorm Fee	233,100	60,300	59,100	(1,200)	-2.0%	25.4%
Phone Service	233,100	60,300	59,100	(1,200)	-2.0%	25.4%
Dunkin' Donuts & Vending Commissions	153,000	98,250	89,317	(8,933)	-9.1%	58.4%
Miscellaneous Fees/Revenue	672,760	168,190	144,077	(24,113)	-14.3%	21.4%
Student Government Association	436,523	108,828	103,767	(5,060)	-4.6%	23.8%
Federal, State and Private Grants	12,056,568	3,014,142	2,621,921	(392,221)	-13.0%	21.7%
Scholarship Allowance	(10,610,448)	(2,732,190)	(2,243,059)	489,132	-17.9%	21.1%
Other Auxiliary revenues	1,456,130	728,065	1,000,244	272,179	37.4%	68.7%
Foundation Support	430,000	47,953	47,953	-	0.0%	11.2%
<b>Total Revenue</b>	<b>\$ 81,524,351</b>	<b>\$ 21,094,499</b>	<b>\$ 20,846,590</b>	<b>\$ (247,910)</b>	<b>-1.2%</b>	<b>25.6%</b>
<b>Expenses</b>						
AA - Regular Employee Compensation	46,626,843	\$ 11,656,711	10,817,228	\$ 839,483	7.2%	23.2%
CC - Special Employees	5,700,041	1,080,010	1,171,054	(91,044)	-8.4%	20.5%
DD - Pension and Fringe Benefits	7,639,559	1,909,890	1,277,325	632,565	33.1%	16.7%
<b>Compensation expense subtotal</b>	<b>59,966,443</b>	<b>14,646,611</b>	<b>13,265,607</b>	<b>1,381,004</b>	<b>9.4%</b>	<b>22.1%</b>
BB - Employee Related expenses	603,302	67,034	78,129	(11,096)	-16.6%	13.0%
EE - Administrative Expenses	1,693,644	423,411	364,886	58,525	13.8%	21.5%
FF - Facility Operations	1,108,490	277,123	284,628	(7,505)	-2.7%	25.7%
GG - Energy Costs and Space Rental	2,802,902	593,890	423,087	170,803	28.8%	15.1%
HH - Consultant Services	1,012,443	253,111	237,321	15,790	6.2%	23.4%
JJ - Operational Services	1,110,088	277,522	151,489	126,033	45.4%	13.6%
KK - Equipment Purchases	442,523	49,169	23,077	26,092	53.1%	5.2%
LL - Equipment Leases and Rental	915,230	228,807	199,043	29,765	13.0%	21.7%
MM - Purchased Client Services	288,762	32,085	39,091	(7,007)	-21.8%	13.5%
NN - Construction and Improvements	2,878,970	719,743	43,334	676,408	94.0%	1.5%
RR - Entitlement Programs (Scholarships)	3,304,017	859,044	757,442	101,602	11.8%	22.9%
SS - Debt Payments and Contingency	1,923,298	390,043	390,043	-	-	20.3%
UU - Information Technology	4,354,039	1,745,523	1,841,577	(96,053)	-5.5%	42.3%
Student Government	416,114	61,492	87,997	(26,505)	-43.1%	21.1%
Athletics - Sport Accounts	527,956	87,993	92,328	(4,335)	-4.9%	17.5%
Academic Educational Services (ESTF)	387,150	53,771	58,186	(4,415)	-8.2%	15.0%
Grants	1,579,693	394,923	378,862	16,061	4.1%	24.0%
Other Trust Funds	1,876,184	382,270	654,449	(272,179)	-71.2%	34.9%
University Hall support payment	150,000	150,000	150,000	-	-	100.0%
Unallocated	401,034	-	-	-	-	-
University Contingency	636,943	-	-	-	-	-
Transfer from Dining	(2,400,808)	(600,202)	(600,202)	-	-	25.0%
Transfer from CGCE	(2,466,441)	(616,610)	(616,610)	-	-	25.0%
<b>Other Expense/Transfers Total</b>	<b>23,545,533</b>	<b>5,830,141</b>	<b>5,038,157</b>	<b>791,984</b>	<b>13.6%</b>	<b>21.4%</b>
<b>Total Expenses/Transfers</b>	<b>\$ 83,511,976</b>	<b>\$ 20,476,751</b>	<b>\$ 18,303,763</b>	<b>\$ 2,172,988</b>	<b>10.6%</b>	<b>21.9%</b>
<b>Net</b>	<b>\$ (1,987,625)</b>	<b>\$ 617,748</b>	<b>\$ 2,542,826</b>	<b>\$ 1,925,078</b>	<b>311.6%</b>	

Fiscal Year : July 1st - June 30th

Fav/(Unfav)

**CGCE Financial Report**  
**Quarter Ending September 30, 2019**

	<b>Annual FY20 Budget</b>	<b>FY20 1st Qtr. Budget</b>	<b>FY20 1st Qtr. Actual</b>	<b>Budget Variance</b>	<b>Percent Variance</b>	<b>Percent Realized/ Expended</b>
<b>Enrollment (Number of Credits)</b>						
Graduate	11,622	5,167	5,476	309	6.0%	
PA	3,408	1,817	1,684	(133)	-7.3%	
Undergraduate	17,887	7,953	8,193	240	3.0%	
<b>Total</b>	<b>32,917</b>	<b>14,937</b>	<b>15,353</b>	<b>416</b>	<b>2.8%</b>	
<b>Staffing</b>						
Administrative	34	34	30	4	11.8%	
Full-time Faculty	15	15	14	1	6.7%	
<b>Total</b>	<b>49</b>	<b>49</b>	<b>44</b>	<b>5</b>	<b>10.2%</b>	
<b>Revenue</b>						
Tuition (Including Educational Services Fee)	\$ 3,124,744	\$ 785,864	\$ 720,558	\$ (65,306)	-8.3%	23.1%
Instructional Fee	8,381,757	2,107,987	2,068,746	(39,241)	-1.9%	24.7%
Registration Fee	441,525	111,042	177,807	66,765	60.1%	40.3%
Miscellaneous	187,000	62,333	107,540	45,207	72.5%	57.5%
Transcripts	7,100	2,367	2,500	133	5.6%	35.2%
<b>Total Revenue</b>	<b>\$ 12,142,126</b>	<b>\$ 3,069,593</b>	<b>\$ 3,077,151</b>	<b>\$ 7,558</b>	<b>0.2%</b>	<b>25.3%</b>
<b>Expenses</b>						
AA - Regular Employee Compensation	\$ 3,425,727	\$ 856,432	\$ 725,855	\$ 130,577	15.2%	21.2%
CC - Special Employees	\$ 3,081,986	770,497	\$ 627,875	142,622	18.5%	20.4%
DD - Pension and Fringe Benefits	\$ 1,373,379	343,345	\$ 237,720	105,624	30.8%	17.3%
<b>Compensation expense subtotal</b>	<b>7,881,092</b>	<b>1,970,273</b>	<b>1,591,450</b>	<b>378,823</b>	<b>19.2%</b>	<b>20.2%</b>
BB - Employee Related expenses	\$ 105,429	26,357	\$ 6,525	19,833	75.2%	6.2%
EE - Administrative Expenses	\$ 443,902	110,976	\$ 124,543	(13,567)	-12.2%	28.1%
FF - Facility Operations	\$ 25,360	6,340	\$ 18,412	(12,072)	-190.4%	72.6%
HH - Consultant Services	\$ 471,200	117,800	\$ 76,230	41,570	35.3%	16.2%
JJ - Operational Services	\$ 63,860	15,965	\$ 9,362	6,603	41.4%	14.7%
KK - Equipment Purchases	\$ 26,000	6,500	\$ 1,836	4,664	71.8%	7.1%
LL - Equipment Leases and Rental	\$ 8,000	2,000	\$ -	2,000	100.0%	-
RR - Entitlement Programs (Scholarships)	\$ 65,000	16,250	\$ 16,256	(6)		25.0%
UU - Information Technology	\$ 56,219	14,055	\$ 18,949	(4,895)	-34.8%	33.7%
Unallocated	529,623	132,406	\$ -	132,406	-	-
Transfer to the University	2,466,441	616,610	\$ 612,500	4,110	0.7%	24.8%
<b>Other Expense/Transfers Total</b>	<b>4,261,034</b>	<b>1,065,258</b>	<b>884,612</b>	<b>180,646</b>	<b>17.0%</b>	<b>20.8%</b>
<b>Total Expenses/Transfers</b>	<b>\$ 12,142,126</b>	<b>\$ 3,035,532</b>	<b>\$ 2,476,062</b>	<b>\$ 559,470</b>	<b>18.4%</b>	<b>20.4%</b>
<b>Net</b>	<b>\$ -</b>	<b>\$ 34,061</b>	<b>\$ 601,089</b>	<b>\$ 567,027</b>	<b>1664.7%</b>	



Fiscal Year : July 1st - June 30th

Fav/(Unfav)

**Residential Life Financial Report**  
**Quarter Ending September 30, 2019**

	<u>Annual FY20 Budget</u>	<u>FY20 1st Qtr. Budget</u>	<u>FY20 1st Qtr. Actual</u>	<u>Budget Variance</u>	<u>Percent Variance</u>	<u>Percent Realized/ Expended</u>
<b>Metrics</b>						
Fall Semester Occupancy (Excludes Lansdowne)	2,478	2,478	2,340	(138)	-5.6%	
Spring Semester Occupancy (Excludes Lansdowne)	2,355	-	-	-	0.0%	
Percentage of Capacity	87.8%	90.0%	85.0%	-5.0%	-5.6%	
<b>Staffing</b>						
Administrative	51	51	44	7	13.7%	
<b>Revenue</b>						
Room Rent Fall	\$ 10,094,062	\$ 5,047,031	\$ 4,684,458	\$ (362,573)	-7.2%	46.4%
Room Rent Spring	9,317,597	-	-	-	-	-
Room Rent Summer	200,000	200,000	206,502	6,502	3.3%	103.3%
Commissions	112,000	28,000	6,429	(21,571)	-77.0%	5.7%
Guest Fees/other	52,500	13,125	(376)	(13,501)	-102.9%	-0.7%
Deposits Forfeited	22,500	5,625	64,225	58,600	1041.8%	285.4%
Room Damages	50,000	12,500	(1,151)	(13,651)	-109.2%	-2.3%
<b>Total Revenue</b>	<b>\$ 19,848,659</b>	<b>\$ 5,306,281</b>	<b>\$ 4,960,087</b>	<b>\$ (346,194)</b>	<b>-6.5%</b>	<b>25.0%</b>
<b>Expenses</b>						
AA Employee Compensation	\$ 2,324,842	\$ 581,211	\$ 515,562	\$ 65,649	11.3%	22.2%
CC Special Employees/Students	676,500	169,125	118,929	50,196	29.7%	17.6%
DD Fringe Benefits, Insurance	808,928	202,232	149,603	52,629	26.0%	18.5%
<b>Compensation expense subtotal</b>	<b>3,810,270</b>	<b>952,568</b>	<b>784,093</b>	<b>168,474</b>	<b>67%</b>	<b>21%</b>
BB Employee Related Expenses	17,000	4,250	1,641	2,609	61.4%	9.7%
EE - Administrative Expenses	42,145	10,536	3,399	7,137	67.7%	8.1%
FF - Facility Operations	302,500	75,625	80,214	(4,589)	-6.1%	26.5%
GG - Energy Costs and Space Rental	2,999,358	690,406	515,333	175,073	25.4%	17.2%
HH - Consultant Services	112,120	28,030	7,585	20,445	72.9%	6.8%
JJ - Operational Services	364,255	91,064	94,938	(3,874)	-4.3%	26.1%
KK - Equipment Purchases	60,600	15,150	9,096	6,054	40.0%	15.0%
LL - Equipment Leases and Rental	36,500	9,125	2,539	6,586	72.2%	7.0%
MM - Purchased Client Services	2,600	650	970	(320)	-49.2%	37.3%
NN - Construction and Improvements	25,000	6,250	-	6,250	100.0%	-
RR - Entitlement Programs (Scholarships)	350,169	87,542	84,664	2,879	3.3%	24.2%
SS - Debt Payments and Contingency	12,897,864	3,095,487	2,982,556	112,931	3.6%	23.1%
UU - Information Technology	19,550	8,634	8,634	-	-	44.2%
Unallocated	27,030	-	-	-	-	-
Transfer from the University	(421,349)	(421,349)	(421,349)	-	-	100%
<b>Total Expenses/Transfers</b>	<b>20,645,612</b>	<b>4,653,969</b>	<b>4,154,314</b>	<b>499,655</b>	<b>10.7%</b>	<b>100%</b>
<b>Net</b>	<b>(796,953)</b>	<b>652,312</b>	<b>805,774</b>	<b>153,461</b>	<b>10.7%</b>	

Fiscal Year : July 1st - June 30th

Fav/(Unfav)

**Dining Services Financial Report**  
**Quarter Ending September 30, 2019**

	<b>Annual FY20 Budget</b>	<b>FY20 1st Qtr. Budget</b>	<b>FY20 1st Qtr. Actual</b>	<b>Budget Variance</b>	<b>Percent Variance</b>	<b>Percent Realized/ Expended</b>
<b>Metrics</b>						
Meal Plan Participants - Fall	2,771	2,771	2,701	(70)	-2.5%	
% Participation			64%			
Meal Plan Participants - Spring	2,520	-		-	-	
% Participation			0%			
<b>Staffing</b>						
Full-time	65	65	56	9	13.8%	
<b>Revenue</b>						
Board Revenue	\$ 9,452,860	\$ 2,483,737	\$ 2,399,319	\$ (84,418)	-3.4%	25.4%
Catering Sales - Internal	493,925	123,481	167,095	43,614	35.3%	33.8%
Catering Sales - External	79,884	19,971	17,627	(2,344)	-11.7%	22.1%
Retail Sales	609,455	152,364	173,785	21,421	14.1%	28.5%
Miscellaneous Revenue	-	-	22,211	22,211	-	
<b>Total Revenue</b>	<b>\$ 10,636,124</b>	<b>\$ 2,779,553</b>	<b>\$ 2,780,038</b>	<b>\$ 484</b>	<b>0.02%</b>	<b>26.1%</b>
<b>Expenses</b>						
AA - Regular Employee Compensation	2,230,751	\$ 557,688	\$ 529,611	\$ 28,077	5.0%	23.7%
CC - Special Employees	1,160,898	290,225	186,901	103,323	35.6%	16.1%
DD - Pension and Fringe Benefits	835,089	208,772	152,637	56,136	26.9%	18.3%
<b>Compensation expense subtotal</b>	<b>4,226,738</b>	<b>1,056,685</b>	<b>869,149</b>	<b>187,536</b>	<b>17.7%</b>	<b>20.6%</b>
BB - Employee Related expenses	164,860	41,215	11,736	29,479	71.5%	7.1%
EE - Administrative Expenses	39,354	9,839	5,458	4,380	44.5%	13.9%
FF - Facility Operations	3,183,924	795,981	814,786	(18,805)	-2.4%	25.6%
GG - Energy Costs and Space Rental	479	120	-	120	100.0%	-
HH - Consultant Services	27,654	6,914	-	6,914	100.0%	-
JJ - Operational Services	33,357	8,339	3,806	4,533	54.4%	11.4%
KK - Equipment Purchases	24,463	6,116	14,289	(8,173)	-133.6%	58.4%
LL - Equipment Leases and Rental	67,259	16,815	13,051	3,764	22.4%	19.4%
RR - Entitlement Programs (Scholarships)	26,590	6,648	10,928	(4,280)	-64.4%	41.1%
SS - Debt Payments and Contingency	313,004	78,251	51,957	26,294	33.6%	16.6%
UU - Information Technology	47,863	11,966	21,713	(9,747)	-81.5%	45.4%
Unallocated	79,771	19,943	-	19,943	100.0%	-
Transfer to the University	2,400,808	600,202	600,202	-	-	25.0%
<b>Other Expense/Transfers Total</b>	<b>6,409,386</b>	<b>1,602,347</b>	<b>1,547,926</b>	<b>54,421</b>	<b>3.4%</b>	<b>24.2%</b>
<b>Total Expenses/Transfers</b>	<b>10,636,124</b>	<b>\$ 2,659,031</b>	<b>\$ 2,417,074</b>	<b>\$ 241,957</b>	<b>9.1%</b>	<b>22.7%</b>
<b>Net</b>	<b>0</b>	<b>\$ 120,522</b>	<b>\$ 362,963</b>	<b>264,168</b>		

**Westfield State University**  
Finance and Capital Assets Committee

**Annual Debt Report and Ratios**  
December 17, 2020

This information 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. The University is also required to meet financial covenants associated with the Bank of America debt. As of June 30, 2020, the University met all Bank of America covenants.

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>
2021	\$ 2,152,985	2030	\$ 1,664,113	2039	\$ 706,594
2022	\$ 2,171,137	2031	\$ 1,346,853	2040	\$ 701,956
2023	\$ 1,697,676	2032	\$ 732,963	2041	\$ 695,851
2024	\$ 1,697,193	2033	\$ 726,835	2042	\$ 693,280
2025	\$ 1,690,735	2034	\$ 724,827	2043	\$ 688,947
2026	\$ 1,691,713	2035	\$ 721,645	2044	\$ 682,854
2027	\$ 1,686,655	2036	\$ 717,290		
2028	\$ 1,670,366	2037	\$ 716,760		
2029	\$ 1,666,499	2038	\$ 709,764		
				Total	<u>\$ 28,355,491</u>

The University's bonds payable balance was \$20,045,084 at June 30, 2020 and consisted of the following:

<u>Financing Source</u>	<u>Project</u>	<u>Balance</u>	<u>Maturity</u>
MSCBA	Stevens Science and Innovation Center	\$ 10,534,220	FY 2044
MSCBA	Ely Hall Renovation Project	\$ 5,915,120	FY 2031
Mass Development	Solar Array	\$ 93,086	FY 2027
MSCBA	Dining Hall Renovation Project	\$ 2,657,962	FY 2030
Mass HEFA	Woodward Center	\$ 844,696	FY 2022
	Total Bonds Payable at 6/30/20	<u>\$ 20,045,084</u>	

**MSCBA Debt for Westfield State Residence Halls and Bond Refinancing**

The University is also responsible for bond debt issued to the MSCBA for the debt associated with the residence halls and residence hall improvements. This debt is included in the MSCBA's financial statements since the buildings are owned by them. The current outstanding balance on Westfield State-specific debt and the University's portion of the MSCBA's system debt is \$113.5 million with the final debt obligation maturing during fiscal year 2044. Total debt service payments on this debt through fiscal year 2044 amounts to \$171.2 million. On July 1, 2020 the MSCBA closed on refunding revenue bonds series 2020A for the purpose of providing budgetary relief to the University. The refunding will result in no principal payments due for fiscal year 2021 and an additional reduction in principal payments for fiscal year 2022. These payments will be pushed out into future years with the goal of having the debt service be approximately level from 2023 to 2028. The net impact on this refunding was an overall debt service savings of \$.4 million on our MSCBA debt. The University pays the debt service along with other state-wide assessments semi-annually from student rents collected. The fiscal year 2020 payments totaled \$12.7 million.

<u>Campus Debt &amp; Obligations</u>	<u>Amount</u>	<u>%</u>
*University Debt	\$ 20,045,084	15.0%
*Residence Halls Obligations	113,500,000	85.0%
Total	<u>\$ 133,545,084</u>	<u>100.0%</u>

\*Includes refinancing that occurred in FY20 and FY21.

**Financial Ratio Calculations (as of 6/30):**

<u>Ratio *</u>	<u>FY 2020 with GASB 68 and GASB 75</u>	<u>FY 2020 without GASB 68 and GASB 75</u>	<u>Target</u>
Debt Burden Ratio	1.6%	1.7%	< 5%
Viability Ratio	-2.0	3.3	>1
Primary Reserve Ratio	-26.5%	45.9%	25%
Return on Net Assets Ratio	-1.3%	5.6%	>2%
Net Operating Revenues Ratio	-8.4%	-1.8%	>2%
Composite Financial Index	-3.2	4.4	3.0

\* Excludes MSCBA debt

\*\*Green shading indicates the ratio in within the target while the red shading indicates the university did not meet the target.

**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 is well within the target.

**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 adjustments) is well within the target.

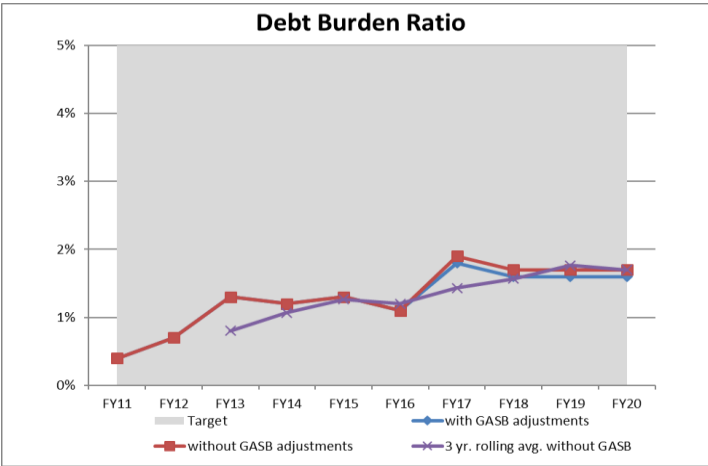
**Primary Reserve Ratio** – This ratio provides a snapshot of the University's financial strength and flexibility. It indicates how long the University could operate using expendable reserves without relying on additional new assets generated by operations. Trend analysis indicates whether the University has increased its net worth in proportion to its rate of growth. The University has seen a positive trend over the years (excluding GASB 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 adjustments), although in FY19 this ratio dropped to 1.0% and in FY20 the ratio increased to 5.6% due primarily to the receipt of state capital appropriation revenue. If not for this single year event in FY20, the ratio would have fallen to -2.0% due to the revenue loss from lower enrollment and the financial effects of the pandemic.

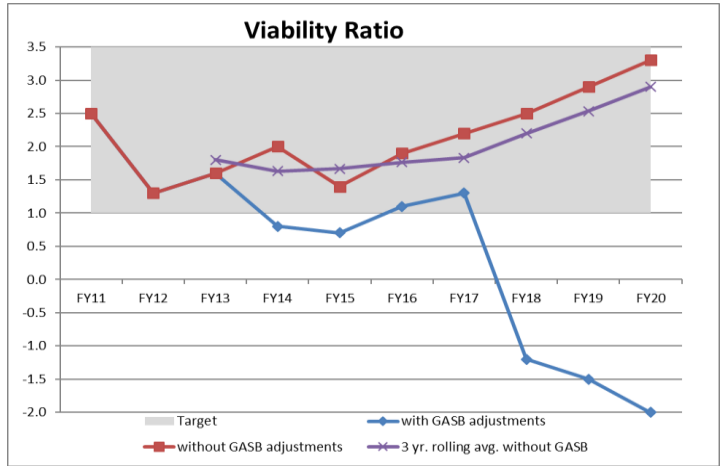
**Net Operating Revenues Ratio** – This ratio indicates whether operating activities resulted in a surplus or deficit. A positive ratio indicates the University experienced an operating surplus while a continuing decline or pattern of deficits indicates financial problems. The standard is a positive five-year trend which the University had met (exclusive of GASB adjustments) until FY20. In FY20, without the GASB adjustments, the University experienced a loss of \$2.7M before capital appropriation revenue causing the ratio to fall to -1.8%. If not for the loss of revenue in FY20 due to the closure of the residence halls, this ratio would have been calculated at 1.5% and the positive trend would have continued.

**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 FY20 (exclusive of GASB adjustments) was 4.4.

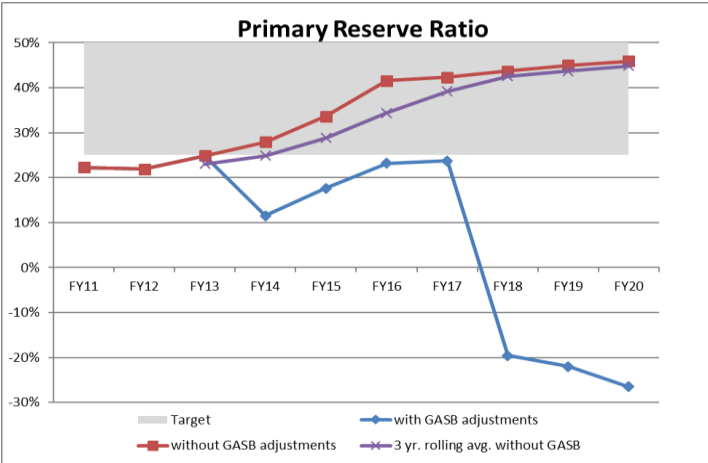
**Westfield State University**  
**FY20 Ratio Analysis Comparing GASB Impact**  
**As of June 30, 2020**



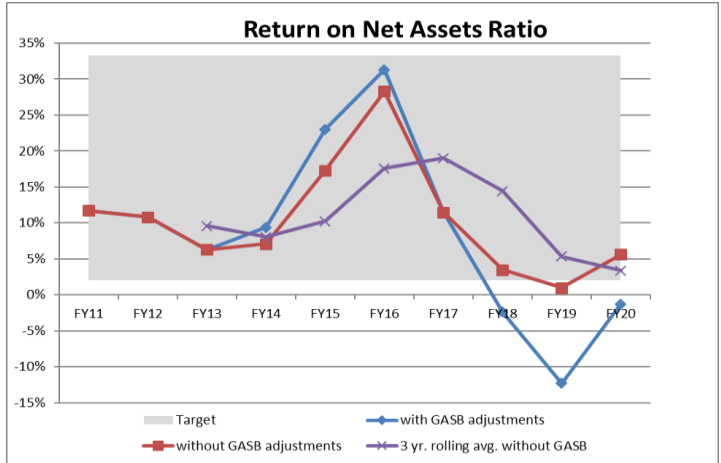
This ratio expresses annual debt service payments as a percent of total annual expenses.



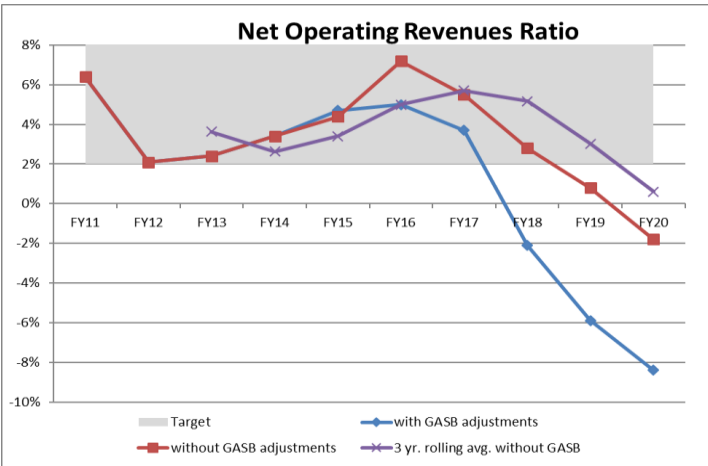
This ratio measures the availability of expendable net assets to pay off long-term debt.



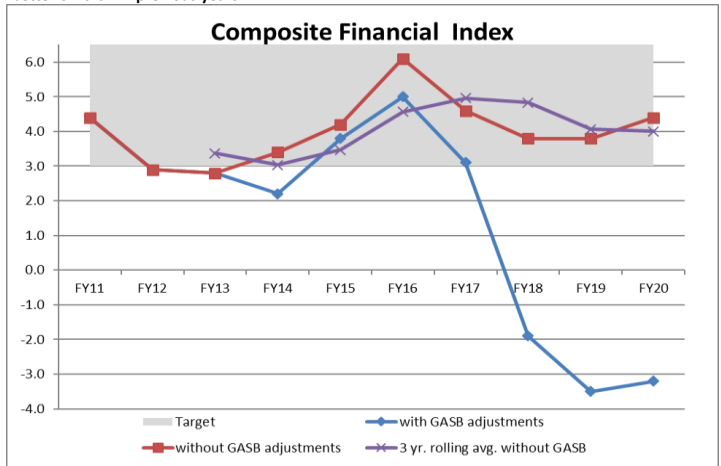
This ratio provides a snapshot of the University's financial strength and flexibility.



This ratio reports whether university resources are growing and if it is financially better off than in previous years.



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



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.

Notes: Ratios exclude MSCBA debt  
 FY17-FY20 ratios include Westfield State Foundation, Inc.  
 The Department of Higher Education Metrics will now include Foundations in Ratios

**Westfield State University**  
Finance and Capital Assets Committee

**FY22 Budget Planning Scenarios**

December 17, 2020

**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, worst case, B, mid-case, and C, best case were constructed similarly using various assumptions based on the highest and best information known at the time of planning. An updated model is expected to be presented in February when the spring enrollment melt rate and projected retention rates are better known.

**Key Planning Assumptions:**

- FY21 enrollment was budgeted at 3,552. The FY22 scenario models assume a range of enrollment factoring a 3% decline in the worst case scenario, to a 2% increase in the best case scenario with enrollment assumed within a range of 3,452 to 3,629.
- The UEAAC is developing recommendations for a restructuring and efficiencies plan that is expected to address the structural deficit related to enrollment declines, however, additional cost reductions may be necessary for balancing the FY22 Budget.
- Residential Cost of Attendance fee increase will be within a range of 0% in the best case scenario to 1.1% in the worst case scenario, which is below the FY21 level of 2.6% and within established FY22 planning parameters. It is expected that Dining will have fee increased within a range of 0% - 2% and housing rates will move toward a flatter fee structure with a weighted average increase of 0%.
- State appropriation is expected to be flat in the worst case scenario from FY21 at \$26.5M, which is 10% lower than FY20, or reach an increase of \$4.1M at best case scenario. The mid-range increase is assumed to be \$2.0M. Any increase in state appropriation, from the FY21 budget assumption, would assist in closing the structural deficit.
- Collective bargaining increases are not assumed in the scenario models (until new union contracts are completed), and a fringe/tax benefit rate of 39.28%, an increase of 2% over FY21 Budget. Campus did assume the potential impact of salary increases for non-union personnel if approved by the Department of Higher Education. It is expected that certain positions on the FY21 Hiring Freeze list will need to be filled in FY22, therefore the model assumes restoring funding for some positions within a range of 10% to 25%, approximately \$0.3M to \$0.8M of salary replenishment.
- The strategic plan is funded at \$0.3M in order to advance critical initiatives at the university. It is assumed that \$0.2M would be used to increase financial aid and \$0.1M would be available to fund one-time initiatives.

- Residential Life is expecting a deficit within a range of \$0.2M to \$2.3M mainly due to the impact of declining enrollment on occupancy rates. The Lansdowne lease agreement will have ended in FY21 and as a consequence, it is no longer factored into the scenario models. Residential life is also proposing a new rate structure in hopes of increasing upper level students in on campus housing. Some rates will increase while several rates for the most expensive units will decrease.
- Dining Services will experience a significant revenue increase from FY21 as the campus is expected to begin recovery from the impact of Covid-19 on operations. Dining services revenue is expected to increase from the FY21 Budget of \$5.1M to a range of \$8.6M to \$9.1M in FY22 and is projected to break-even through cost containment. It is anticipated that Dining Services will be able to contribute \$1.4M to the campus in FY22.
- CGCE is expected to maintain their subsidy to the university at \$2.45M.
- Capital budget is expected to remain flat at \$2.8M.

### **Conclusions:**

It's expected that the campus will start to recover from the impact of Covid-19 on financial resources, particularly in auxiliaries, which experienced significant revenue losses due to change in modality and decisions to limit occupancy in order to prioritize student safety. However, declining enrollment is expected due to shifting regional demographics and will continue to put pressure on the university to reduce its cost structure. While the UEAAC is addressing campus efficiencies and organizational restructure to address the structural deficit, if the UEAAC recommendation is unable to resolve the structural deficit, further reductions may be inevitable. Additional state appropriation is anticipated in FY22 which would help resolve some of the structural deficit.

A renewed focus on growing enrollment is important as well as improved retention rates for continuing students. While tuition and general fees may not increase, there is an interest to differentiate cost of providing more expensive educational services through course or lab fees to directly support those academic priorities. Recommendations may be coming forward from UEAAC on this issue.

Lastly, a presentation will be made to SGA to review and provide feedback on the current FY22 planning assumptions, the new pricing plan for residence life and proposed modifications to the meal plans.



Westfield State University  
 FY22 Scenario Model

12/5/2020

FY22 Budget Scenarios	FY22 Budget Planning		
	FY20 Budget	FY21 Budget	Scenario B Mid
<b>Revenue:</b>			
State Appropriation	\$ 29,463,260	\$ 26,516,934	\$ 28,554,943
Total Tuition/Fee Revenue	46,660,681	40,121,046	40,201,721
Other Revenue	3,524,290	2,721,655	2,721,859
CGCE	12,142,126	11,809,587	11,830,091
Residential Life	19,848,659	9,692,044	16,115,147
Dining Services	10,636,124	5,197,401	8,784,593
Foundation	430,000	445,000	485,000
Grant Revenue	1,446,120	1,591,550	1,591,550
<b>Total Revenue</b>	<b>\$124,151,260</b>	<b>\$ 98,095,216</b>	<b>\$ 110,284,904</b>
<b>Expense:</b>			
Compensation	\$ 46,458,638	\$ 42,004,728	\$ 45,065,399
Fringe	7,380,589	6,618,501	7,226,194
Department Operations	19,739,946	13,910,512	16,369,155
Strategic Investments	500,000	370,685	363,097
Financial Aid	3,438,875	3,820,771	4,120,771
Debt Service	2,152,431	1,029,231	2,199,939
Contingency	650,000	425,000	450,000
Capital Investments	2,900,000	2,301,200	2,800,000
CGCE	9,675,685	8,571,068	9,380,091
Residential Life	20,645,612	12,144,594	17,501,037
Dining Services	8,395,317	7,113,002	7,384,593
All Other	5,275,746	4,646,036	4,796,036
<b>Total Expense</b>	<b>\$127,212,838</b>	<b>\$102,955,329</b>	<b>\$ 117,656,312</b>
<b>Planned Use of Reserves</b>	<b>\$ 1,529,486</b>	<b>\$ 2,167,557</b>	<b>\$ 717,653</b>
<b>Capital Rollover</b>	<b>\$ 1,532,092</b>	<b>\$ 1,654,368</b>	<b>\$ 1,654,368</b>
<b>Net Profit/(Loss)</b>	<b>0</b>	<b>(1,038,188)</b>	<b>(4,999,387)</b>

FY22 Budget Scenarios	FY22 Budget Planning Scenarios			
	FY21 Budget	Scenario A Worst Case	Scenario B Mid	Scenario C - Best
<b>Revenue:</b>				
State Appropriation	\$ 26,516,934	\$ 26,516,934	\$ 28,554,943	\$ 30,592,953
Total Tuition/Fee Revenue	40,121,046	39,489,004	40,201,721	40,662,002
Other Revenue	2,721,655	2,704,857	2,721,859	2,734,924
CGCE	11,809,587	11,830,091	11,830,091	11,830,091
Residential Life	9,692,044	15,228,330	16,115,147	17,322,822
Dining Services	5,197,401	8,603,468	8,784,593	9,056,282
Foundation	445,000	485,000	485,000	485,000
Grant Revenue	1,591,550	1,591,550	1,591,550	1,591,550
<b>Total Revenue</b>	<b>\$ 98,095,216</b>	<b>\$ 106,449,233</b>	<b>\$ 110,284,904</b>	<b>\$ 114,275,624</b>
<b>Expense:</b>				
Compensation	\$ 42,004,728	\$ 45,386,615	\$ 45,065,399	\$ 44,904,792
Fringe	6,618,501	8,097,507	7,226,194	6,417,964
Department Operations	13,910,512	16,369,155	16,369,155	16,369,155
Strategic Investments	370,685	363,097	363,097	363,097
Financial Aid	3,820,771	4,115,753	4,120,771	4,127,221
Debt Service	1,029,231	2,199,939	2,199,939	2,199,939
Contingency	425,000	450,000	450,000	450,000
Capital Investments	2,301,200	2,800,000	2,800,000	2,800,000
CGCE	8,571,068	9,380,091	9,380,091	9,380,091
Residential Life	12,144,594	17,501,037	17,501,037	17,501,037
Dining Services	7,113,002	7,203,468	7,384,593	7,656,282
All Other	4,646,036	4,796,036	4,796,036	4,796,036
<b>Total Expense</b>	<b>\$ 102,955,329</b>	<b>\$ 118,662,696</b>	<b>\$ 117,656,312</b>	<b>\$ 116,965,613</b>
<b>Planned Use of Reserves</b>	<b>\$ 2,167,557</b>	<b>\$ 717,653</b>	<b>\$ 717,653</b>	<b>\$ 717,653</b>
<b>Capital Rollover</b>	<b>\$ 1,654,368</b>	<b>\$ 1,654,368</b>	<b>\$ 1,654,368</b>	<b>\$ 1,654,368</b>
<b>Net Profit/(Loss)</b>	<b>(1,038,188)</b>	<b>(9,841,442)</b>	<b>(4,999,387)</b>	<b>(317,968)</b>

Assumptions:	FY21 Budget	Scenario A Worst Case	Scenario B Mid	Scenario C - Best
<b>Revenue Assumptions</b>				
Billable Students	3,552	3,452	3,552	3,629
% Change YoY	-16%	-3%	0%	2%
Housing Students	1,338	1,900	2,000	2,129
% Change YoY	-43%	42%	49%	59%
In-State Tuition and Fees Incr.	2.7%	1.7%	1.0%	0.0%
General Fee Increase	\$ 290	\$ 184	\$ 92	\$ -
Residential Student COA Incr.	2.6%	1.1%	0.7%	0.0%
State Appropriation as % of Revenue	27%	25%	26%	27%
Investment Earnings	635k	650k	650k	650k
Operating Reserve / Contingency	\$425k	\$450k	\$450k	\$450k
<b>Expense Assumptions</b>				
All Collective Bargaining Units	No COLA Ajd	No CBA increases	No CBA increases	No CBA increases
FY21 Hiring Freeze	Included	25% Restored, \$800k	15% Restored; \$480k	10% Restored, \$320k
Strategic Plan Funding 1-Time	\$107K	\$100k	\$100k	\$100k
Strategic Plan Financial Aid Increase	\$250k	\$200k	\$200k	\$200k
<b>Operating Budget Contributions</b>				
Dining Contribution	0	\$1.4M	\$1.4M	\$1.4M
CGCE Contribution	\$3.2M	\$2.45M	\$2.45M	\$2.45M
<b>CGCE &amp; Auxiliary Surplus / Deficit</b>				
CGCE Surplus	\$0	\$80k	\$80k	\$80k
Residential Housing Deficit	\$879k	\$2.27M	\$1.38M	\$178k
Lansdowne Deficit	\$1.42M	\$0	\$0	\$0
Dining Deficit	\$513k	\$0	\$0	\$0

**Note:**

- 1) Scenarios A-C assume \$175k for unfunded CBA Increases
- 2) The cost of attendance calculation reflects a change in methodology for room rates by moving to a flat rate structure and weighted average increase vs using the double room rate

**Westfield State University**  
Finance and Capital Assets Committee

**FY22 Budget Planning Assumptions and Timeline**

October 13, 2020

The development of a campus budget for FY22 will follow a process similar to prior years for Trustee input, review and approval. Discussion on preliminary planning assumptions are necessary to prepare and evaluate multiple budget scenarios for selection as the basis for the FY22 Budget. It is anticipated that there will be significant restructuring occurring for FY22 as a result of reducing the FY21 structural budget deficit by \$7.5M. Nonetheless, 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.

**FY22 Planning Assumptions and Timeline:**

**FY22 Major Planning Assumptions**

**Revenue**

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- Enrollment is expected to increase over FY21 by 3.5% or 122 students.
- Cost of attendance with a range of 0.0% - 2.0%; Including CGCE, Dining and Res Life.
- State Appropriation – decreasing or no increase; assume range of -5.0% - 0.0%.
- CGCE contribution funding to remain fixed at \$2.45M.
- Investment income – flat, no change from FY21.
- Dining program contribution in flux; revise contribution plan. Unlikely to achieve \$2M contribution. Assume more realistic assessment.

**Expense**

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- Limited strategic plan investment funding; at a minimum, allocate support for financial aid.
- Department Operating Budgets – no increases
- Fund mandatory contractual increases for services, facilities and technology contracts.
- Salary Increases – assume no collective bargaining increases in budget other than potential costs for salary increases not funded through state appropriation or collective bargaining.
- Benefit Rate - assume historical average annual increase over prior year.
- Residence life – assume continued relief from debt restructuring in FY20 of \$4M; expect balanced budget for FY22.

## Board of Trustees Budget Planning Timeline FY22

October 2020	<ul style="list-style-type: none"><li>• Preliminary Planning Assumptions Agreed Upon</li><li>• Annual Planning Calendar Distributed</li></ul>
December 2020	<ul style="list-style-type: none"><li>• Review Preliminary Financial Scenarios</li><li>• Review Enrollment Projection</li><li>• Discuss Strategy for Efficiencies and Restructuring</li></ul>
February 2021	<ul style="list-style-type: none"><li>• Approve Fee Recommendations (based on parameters)</li></ul>
April 2021	<ul style="list-style-type: none"><li>• Draft Operating Budget Presented</li><li>• Draft CGCE Budget presented</li><li>• Draft Capital Budget Presented</li></ul>
June 2021	<ul style="list-style-type: none"><li>• Final Budget Review and Approval</li><li>• Update 5-year plan</li></ul>



## **Board of Trustees**

December 17, 2020

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The Board hereby authorizes the University to participate in the development of a Department of Education faculty separation plan for Massachusetts State College Association (MSCA) union employees. If such a plan is successfully negotiated between the Department of Education, who is the employer of record, and MSCA, the University will seek formal approval from the Board to participate in the approved plan.

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Kevin R. Queenin, Chair

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Date