



**Board of Trustees**  
**Financial Affairs Committee**

December 13, 2023  
12:30 p.m.

Conference Room 107, Parenzo Hall

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

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|---|-----------------------------------|
| <b>1. Call to Order</b>                                 | Committee Chair Gilmer            |
| <b>2. Approval of Minutes</b>                           | Committee Chair Gilmer            |
| a. October 11, 2023                                     |                                   |
| <b>3. Items for Action</b>                              |                                   |
| a. Motion – Chosen Name Policy/Employees (New)          | Trish Bonica                      |
| b. Motion – Keeping the Campus Safe Policy (2210)       | Trish Bonica                      |
| c. Motion – Reallocation of Capital Project Funds       | Maureen Socha                     |
| <b>4. Items for Discussion</b>                          |                                   |
| a. Strategic Investments - \$2M                         | President Thompson/Stephen Taksar |
| <b>5. Items for Information</b>                         |                                   |
| a. FY24 First Quarter Financials                        | Maria Feuerstein                  |
| b. Annual Debt Report and Ratios                        | Stephen Taksar/Lisa Freeman       |
| c. FY25 Budget Planning Scenario                        | Stephen Taksar/Maria Feuerstein   |
| <b>Attachment(s):</b>                                   |                                   |
| a. Minutes 10-11-23 (Draft)                             |                                   |
| b. Motion – Chosen Name Policy                          |                                   |
| c. Chosen Name Policy                                   |                                   |
| d. Motion – Keeping the Campus Safe Policy              |                                   |
| e. Keeping the Campus Safe Policy                       |                                   |
| f. Motion – Reallocation of Capital Project Funds       |                                   |
| g. Reallocation of Capital Project Funds (Narrative)    |                                   |
| h. Reallocation of Capital Project Funds (Presentation) |                                   |
| i. Strategic Investments (Metrics and Outcomes)         |                                   |
| j. Strategic Investments (Funding Plan)                 |                                   |

- k. FY24 First Quarter Financials (Narrative)
- l. FY24 First Quarter Financials
- m. FY23 First Quarter Financials
- n. Annual Debt Report and Ratios (Narrative)
- o. Annual Debt Report and Ratios (Tables)
- p. FY25 Budget Planning Scenario



## BOARD OF TRUSTEES

Financial Affairs Committee

October 11, 2023

### Minutes

President's Boardroom, Horace Mann Center

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

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**MEMBERS PRESENT:** Committee Chair George Gilmer, Secretary Chris Montemayor, Trustees Daniel Currier and Theresa Jasmin, and Board Chair Ali Salehi, ex-officio member

**MEMBERS EXCUSED:** Vice Chair Paul Boudreau

**TRUSTEE GUESTS PRESENT:** Trustees Madeline Landrau, Dr. Robert Martin, and Dr. Gloria Williams

Also present and participating were Westfield State University President Dr. Linda Thompson, Administration and Finance Vice President Stephen Taksar, Associate Vice President Lisa Freeman, Director of Accounting Operations Steven Scibelli, Assistant Vice President for Strategic Finance and Institutional Planning Maria Feuerstein, Associate Vice President of Human Resources Trish Bonica, Associate Vice President for Capital Planning and Facilities Maureen Socha.

Committee Chair Gilmer called the meeting to order at 12:33 PM and announced the committee members.

**MOTION** made by Trustee Montemayor, seconded by Trustee Currier, to approve the minutes of the June 13, 2023, meeting. There being no discussion, **Motion passed unanimously.**

Motion – FY24 Operating Budget. Highlights of the proposed operating budget were shared. The budget shortfall is higher than projected in the provisional budget, but budget balancing strategies have been made to balance the budget. The budgets were balanced in both FY23 and FY24. The glide path use of reserves increased by \$1M but if other savings continue, reserves may not need to be used. The final budget by trust fund is mostly affected by the FEMA reimbursement and losses in Residential Life and Dining Services due to decreased enrollment and inflation. Since the Investment Subcommittee has not met prior to this meeting to formally approve taking \$800,000 of investment income for innovation funding, that has been added to the operating budget motion. The financial aid budget decreased from the provisional budget because while the discount model increased, enrollment affects the variance since it is a percentage of revenue.

**MOTION** made by Trustee Currier, seconded by Trustee Jasmin, to recommend approval to the full Board:

To approve the transfer of \$800,000 from the University's investment accounts with CI Eaton Private Wealth, to the University's operating account at Berkshire Bank, consistent with the University's Investment Policy (0430), FY24 operating budget, and verified with the

financial analysis presented at the Investment Subcommittee meeting on July 28, 2023, which is included in today's material. The Investment Subcommittee supports this allocation which will provide funds for innovation initiatives.

And, to approve the FY24 Operating Budget as presented and to authorize the President to make budget adjustments to these funds.

There being no further discussion, **Motion passed unanimously.**

Five-Year Financial Forecast Update. Enrollment in high school is projected to decrease 15% over the next five years. Available data and assumptions were shared to create a baseline forecast incorporating the enrollment trend. Innovative strategies, which have an impact on the forecast, will be added in future updates.

Motion – Strategic Investments. Cabinet is developing strategies focused on Campus Culture and Health, Enrollment Stabilization/Growth, and Economic Health. Today's request for reserves is a down payment on phase one to immediately invest in marketing, enrollment, retention, and financial aid strategies. In the next three weeks, half of the funding will be invested in marketing and brand identity, followed by specific initiatives to build models for financial aid. Key Performance Indicators (KPI's) for the investments will be brought to the Board in December, together with a list of potential initiatives and returns. Chair Salehi recommended looking at filling some vacant positions to help morale on campus. Committee Chair Gilmer requested an interim report on the planned allocation of funds between now and December's meeting.

**MOTION** made by Trustee Jasmin, seconded by Trustee Montemayor, to recommend approval to the full Board:

To allocate \$2,000,000 from cash reserves to fund the strategic investments as described in the summary presented. Further, the university will provide an update on the status of these investments at the December meeting along with related metrics and potential return on investment. This allocation is above and beyond the final FY24 October budget presented today.

There being no further discussion, **Motion passed unanimously.**

Motion – Financial Affairs Committee Charter. The revisions made to the charter removed the language for the Advancement portion.

**MOTION** made by Trustee Jasmin, seconded by Trustee Montemayor, to recommend approval to the full Board:

To approve revisions to the Westfield State University, Board of Trustees, Financial Affairs Committee Charter, as presented.

There being no discussion, **Motion passed unanimously.**

Motion – Anti-Bullying Policy (1340). Revisions to the policy to enhance institutional culture were highlighted. The spring 2022 climate survey guided the revisions. The policy provides what institutes bullying and harassment, corrective action, and the scope of who it includes. The Dean of Students, JEDI Office, University Police, Academic Affairs, and Cabinet reviewed the changes. It was requested that the policy be reviewed by legal counsel and any suggested revisions be incorporated and brought back to the next meeting for approval.

FY25 Budget Planning Assumptions and Timeline. Assumptions for the new planning cycle were shared with no questions from the committee. A scenario will be provided at the December meeting. Fees will be approved in February, information on the budget provided in April, and approval of a provisional budget in June.

Investment Subcommittee Update. The Investment Subcommittee has been having substantial conversations about the invested asset mix and structure between an index fund model versus an active management model. The investment advisor will be bid out next spring.

Travel Expenses of the President and the President's Direct Reports: July 1, 2022 – June 30, 2023. This travel expense information is required to be reported every year. Chair Salehi believes the president's travel and training for campus personnel should increase.

Parenzo Hall. The project is still on budget but there continues to be supply chain issues for needed products. Eighty people have already been moved into the building. The Banacos Center will open in January as planned.

Fixed Assets Inventory Progress Report. This report is required to be given to the Board annually, and there were minor losses in the year.

There being no further business,

**MOTION** made by Trustee Jasmin, seconded by Trustee Montemayor, to adjourn. There being no discussion, **Motion passed unanimously.**

Meeting adjourned at 1:56 PM.

Attachments presented at this meeting:

- a. Draft Minutes of 6-13-23
- b. Motion – FY24 Operating Budget
- c. FY24 Operating Budget (Investment Subcommittee Analysis)
- d. FY24 Operating Budget (Narrative)
- e. FY24 Operating Budget (Fund Review)
- f. Motion – Strategic Investments
- g. Strategic Investments
- h. Motion – Financial Affairs Committee Charter
- i. Financial Affairs Committee Charter (Revised)
- j. Financial Affairs Committee Charter (Clean)
- k. Motion – Anti-Bullying Policy
- l. Anti-Bullying Policy (Revised)
- m. Anti-Bullying Policy (Clean)
- n. FY25 Budget Planning Assumptions and Timeline
- o. Five-Year Financial Forecast Update (Narrative)
- p. Five-Year Financial Forecast Update
- q. Travel Expenses of the President and the President's Direct Reports
- r. Fixed Assets Inventory Progress Report

#### **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 Financial Affairs Committee meeting held on October 11, 2023.

\_\_\_\_\_  
Chris Montemayor, Secretary

\_\_\_\_\_  
Date



## **Board of Trustees**

December 13, 2023

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### **MOTION**

The Financial Affairs Committee recommends approval to the full Board:

To adopt the Chosen Name Policy for employees, as presented.

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## CHOSEN NAME POLICY

### PURPOSE

This policy serves employees who choose to use a first name that is different from their legal name. This policy is limited to first names as opposed to surnames or family names.

### INTRODUCTION

Westfield State promotes an institutional culture of belonging in which identity and self-expression are celebrated. Accordingly, we will strive to use an employee's chosen name whenever a legal name is not required for business, legal, or state reporting purposes. Toward this goal, the University will make efforts to update forms, documents, and systems to allow for the capture and display of employees' chosen names. Such efforts represent a multiyear effort, the pace of which will be largely determined by the state's initiative to modernize its Human Resources/Customer Management System (HR/CMS) database which serves as the central repository for employee data. Effective May 1, 2023, the HR/CMS will feature voluntary, self-identity options for first name, gender identity / expression, and disability.

### DEFINITIONS

- **Chosen Name:** The name of a person's choosing that they would like to appear in the University's systems and have others use when addressing them instead of their legal name.
  - **Nickname:** The name that a person prefers for informal communications and conversations.
  - **Professional Name:** The name an individual is known by in a professional capacity.
- **Legal Name:** The name that an individual is given at birth and which appears on a birth certificate or other government-issued identification recognized by a legal entity.
- **Dead Name:** The birth name or previous name of someone who has changed their name, especially the pre-transition name of a transgender person.

### OPPORTUNITIES FOR USE OF CHOSEN NAME

Employees are entitled to choose a name that reflects their identity, personal, or professional preferences. Westfield State will strive to use an employee's chosen name when possible including in the course of campus operations, as long as the use of this name is not intended for the purposes of avoiding legal obligations or misrepresentation.

# Westfield State University

Policy concerning:

Section Administrative

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APPROVED: December 2023

REVIEWED:

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Opportunities for use of a chosen name include, but are not limited to, the following:

- Job applications.
- New employee onboarding materials:
- Appointment letters
- Performance evaluations
- Westfield State identification cards
- Interoffice mail
- Routine communications

## REQUESTS

Employees may request to use a chosen name by submitting an Employee Contact Information Form for review by Human Resources, Title IX, and Equal Opportunity. Upon receipt of an employee's request, HR will provide the information to Payroll so that an update may be made to the employee record.

## LIMITATIONS

The University is obliged to use an employee's legal name for legal and select business reasons including, but not limited to, the following:

- Pre-employment: Criminal records checks, transcripts, employment verifications and immigration records.
- Employment and payroll records.
- Health insurance records.
- Disability and workers compensation claims.
- Financial documents and reimbursements.
- Other documents or systems that require the use of one's legal name.

## EMPLOYER RIGHTS

As campus needs dictate, the University reserves the right to do the following:

- Ask employees to confirm their legal name and provide identification when necessary.
- Refuse a chosen name that contains numbers, symbols, or inappropriate language or otherwise runs counter to the spirit of the policy.

## FURTHER INFORMATION

For questions, additional information, or to provide feedback related to this policy, please contact Human Resources, Title IX, and Equal Opportunity at [hr@westfield.ma.edu](mailto:hr@westfield.ma.edu).

For questions regarding students' chosen names, please contact the Office of the Registrar at [registrar@westfield.ma.edu](mailto:registrar@westfield.ma.edu).



# Westfield State University

Policy concerning:

APPROVED: December 2023

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For resources regarding gender diversity, please contact the Division of Justice, Equity, Diversity, and Inclusion (JEDI) at [jedi@westfield.ma.edu](mailto:jedi@westfield.ma.edu).

## REVIEW

This policy will be reviewed every three years by the Associate Vice President of Human Resources.



## **Board of Trustees**

December 13, 2023

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### **MOTION**

The Financial Affairs Committee recommends approval to the full Board:

To eliminate Keeping the Campus Safe Policy (2210), as it is no longer needed.

# Westfield State University

Policy concerning:

APPROVED: August 21, 2020

Section: Personnel

Number: 2210

Page: 1 of 1

REVIEWED: September 2021

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## ***KEEPING THE CAMPUS SAFE POLICY*** **(DURING THE COVID-19 PANDEMIC)**

### **PURPOSE**

The purpose of the *Keeping the Campus Safe* policy is to protect the health of the campus and the broader community, while enabling students to progress toward their educational goals. Internal guidelines are fluid and may be subject to change as conditions evolve, in alignment with further guidance from federal and/or state health officials. Adherence to this policy is essential to maintain a safe return to the campus workplace for employees and students during the COVID-19 pandemic.

### **POLICY**

Employees are expected to abide by all federal and state regulations, as well as University-issued requirements implemented to mitigate the spread of the COVID-19 pandemic. So that we may create a culture of safety and accountability throughout the Westfield State University community, every member of our community is expected to adhere to the following:

1. *Keeping the Campus Safe: Expectations and Guidelines/ September 2021*
2. Protect the Nest Pledge.
3. CDC General Guidelines: <https://www.cdc.gov/coronavirus/2019-ncov/index.html>
4. MA Public Health Guidance and Directives: <https://www.mass.gov/info-details/covid-19-public-health-guidance-and-directives>

Employees who fail to comply with the requirements of this policy may be subject to disciplinary action.

This policy will remain in effect until further notice.

### **REVIEW**

This policy will be reviewed by the Associate Vice President of Human Resources and updated as required, but not less than annually.



## **Board of Trustees**

December 13, 2023

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### **MOTION**

The Financial Affairs Committee recommends approval to the full Board:

To approve the allocation of \$1,000,000 in cash reserves to fund the revised FY24 capital project plan, as presented. Unspent funds from this allocation will automatically roll forward to the next fiscal year to fund the project(s) listed in the updated spending plans.

To further approve the revised five-year capital spending plan allocations for new and existing projects, as presented.

**Westfield State University**  
Financial Affairs Committee

**Reallocation of Capital Project Funds**

December 13, 2023

**Introduction**

While Facilities & Operations always works to provide the most accurate projections possible when creating a five-year plan, we are, at times, met with circumstances that were unable to predict during plan development.

With lessons learned from the previous five-year plan, we included an annual allotment for Facility Emergencies after having to trim a number of projects in FY19-23. To date, we have experienced more emergencies than anticipated as well as estimated project costs that well exceed the approved FY24 budgeted requests.

**Projects and Funding Needs**

Recent emergencies include:

- Underground steam and condensate leaks in the areas of Davis Hall and from Wilson Hall to the Interfaith Center, risking heat to our buildings. We are estimating the cost to make all necessary repairs will be approximately \$160,000.
- The Dining Commons beverage station has a considerable drain leak that will require extensive repair and reconstruction of the beverage station. This project is projected to cost approximately \$300,000 with \$100,000 to be applied to the DCAMM five-year plan.

The approved FY24 portion of the DCAMM spending plan allocated \$250,000 for Facility Emergencies in combination with the DCAMM Match Fund. Our current emergencies exceed that spending cap with seven months remaining in this fiscal year. DCAMM now requires campuses to fund their own emergencies with the critical repair funds and campus match. As such, we wish to increase the FY24 match allocation in this area.

As the construction environment continues to be unpredictable, we have also received estimates on several projects that are in excess of our best previous estimates.

- The remaining Ely Pool repairs have been estimated at **\$2,629,269** versus the \$400,000 that was approved for FY24. During the investigation into the pool conditions, many code issues were discovered as well as major issues with the HVAC system. While we had been hopeful that we would be able to divide this project to address the code concerns while putting the HVAC system on hold, it has become apparent that this will not be possible with a number of reporting HVAC issues over the past month in this area. It is also important to note that the study determined that even with these critical repairs, there are only approximately 5-10 years

of service life remaining before we will see significant declines and additional investments will be necessary.

- As we have previously discussed, many of our HVAC units operate with R22 refrigerant and will need to be replaced to be in compliance with EPA mandates. The estimated cost for this work over the next five years will be **\$2,574,574**. While the majority of work will not begin until FY25, it will be necessary to begin construction documents and the bidding process before the conclusion of FY24 for this phased project.

### **Recommendations**

In working to balance the budget, we are recommending that the Wilson Roof Repair be put on hold. There is currently a comprehensive de-carbonization study that is currently underway with the state that we hope will address the necessary roof replacement. While this presents some risk, we are confident that temporary repairs could be implemented as needed in the interim. We are also recommending that the minimal Additional Projects funding be allocated, completing the classrooms and labs in Parenzo Hall which were not addressed as part of the initial project scope.

Finally, Switchgear Testing and Repairs are required by code to ensure our electrical systems are properly functioning and in compliance. We estimate that this expense will be approximately \$1,000,000 spread between FY24 and FY25. As this testing is critical and can no longer be delayed, we request that cash reserves funding be allocated for this project.



# Financial Affairs Committee

**Capital Project Update**  
FY24 and 5-Year Critical Repair Plan

*December 13, 2023*



# Changes to 5-Year Spending Plan





# CHANGES TO 5-YEAR SPENDING PLAN

## (Including DCAMM Match)

### Multi-Year Project Cost Projections

Project	June 2023 Current Costs		(Over)/Under	Notes
	Estimated Original Budget	Adjusted Budget		
Trades Building Roof	318,214	166,500	151,714	30 yrs old out of warranty, high priority
<i>Ely Pool Restoration Study (only pool repair)</i>	409,545	2,629,269	(2,219,724)	<i>critical code issues, failing HVAC system</i>
<i>Wilson Hall Roof</i>	3,000,000	-	3,000,000	<i>estimated TPC \$4.25 million; on hold pending decarb study</i>
Facility Emergencies	1,250,000	1,217,569	32,431	not budgeted but must be completed
<i>DC Beverage Station Repairs (partial)</i>		100,000	(100,000)	TPC \$300k, \$200k reallocated from other capital sources
<i>Steam Emergencies FY24 (DAV)</i>		60,000	(60,000)	emergency repairs to Davis Hall Steam Lines
<i>Steam Emergencies FY24 (WIL/INT)</i>		100,000	(100,000)	emergency repairs to Wilson/Interfaith Steam Lines
Road & Sidewalk Repairs	1,250,000	1,250,000	-	carryover from FY19-23 plan, high priority
<i>R22 Replacement</i>	1,159,691	2,424,574	(1,264,883)	<i>refrigerant no longer compliant and difficult to procure</i>
Dining Machinery Room	300,000	300,000	-	code required upgrades
Match Relief	851,538	851,538	-	Project Management
Additional Projects TBD	710,462	150,000	560,462	Parenzo unmet need
Switchgear Testing & Repairs	-	1,000,000	(1,000,000)	code required testing & repairs
<b>Total</b>	<b>9,249,450</b>	<b>10,249,450</b>	<b>(1,000,000)</b>	
<b>Variance</b>	<b>-</b>	<b>(1,000,000)</b>		

# CHANGES TO 5-YEAR SPENDING PLAN

- ✓ Reduction in scope for the Trades Building Roof Replacement.
- ✓ Slight increase in funding held for Facilities Emergencies that may continue to arise in FY24.
  - FY24 emergency funding has already been allocated to DC Beverage Station Repairs and Steam Emergencies.
- ✓ Wilson Hall Roof project put on hold pending the outcome of DAMM's Decarbonization Study.
- ✓ Reduction of Additional Projects to be determined in the latter years of the spending plan.
- ✓ Switchgear testing and related repairs are required by code.

# FY24 CHANGES TO CAPITAL BUDGET

(Adjusted project costs/project)

Item	Type	Project	Estimated Construction Cost / Match	Updated FY24 Cost/Match	(Over)/Under	Description
1	F&O	Road & Sidewalk Repairs (DCAMM)	600,000	650,000	(50,000)	Phased repair of campus roads and sidewalks to improve accessibility of campus roads and grounds
2	F&O	Ely Pool Restoration Study (DCAMM)	400,000	2,629,269	(2,229,269)	During previous work, additional pool area restoration needs were identified including pool deck HVAC equipment and physical pool repair to mitigate leaks; project may extend into FY25, reducing FY24 spending
3	F&O	Dining Machinery Room (DCAMM)	300,000	300,000	-	Project to bring basement machinery room up to current code
4	F&O	Trades Building Roof (DCAMM)	276,714	166,500	110,214	Replacement of Trades Roof; project delayed from FY19-23 plan
5	F&O	Facility Emergencies (DCAMM)	250,000	477,569	(227,569)	DCAMM spending plan funds reserved for emergency repairs to prevent the need to remove projects from DCAMM spending plan
6	F&O	Facilities Project Manager (DCAMM)	160,391	160,391	-	Cost avoidance of hiring part-time outside project managers. In-house PM services provide improved, full-time oversight with WSU's interests at the forefront.
	F&O	R22 Repairs		150,000	(150,000)	Replacement of R22 Refrigerant-Construction Documents & Bidding
	F&O	Switchgear Testing & Repairs		500,000	(500,000)	Code required Testing & Repairs
		<b>Total</b>	<b>1,987,105</b>	<b>5,033,729</b>	<b>(3,046,624)</b>	

# CHANGES TO FY24 CAPITAL BUDGET

- ✓ R22 Replacement Construction Documents & Bidding now to being in FY24
- ✓ Increase in funding for FY24 Facility Emergencies
- ✓ Increase project costs require additional FY24 DCAMM and WSU Match funding
  - DCAMM Funding increases by \$1,745,215
  - WSU Match Funding increases by \$801,409
- ✓ \$500,000 for first phase of Switchgear Testing & Repairs requested as a new University Capital Allocation (total of \$1,000,000)

*\*final construction schedules cannot be determined until projects are bid; some funding may roll into FY25 as necessary*

# ELY CAMPUS CENTER POOL SUMMARY

- ✓ Repair work completed in 2022 revealed that additional work would be needed to address deteriorating pool conditions, code deficiencies and HVAC and electrical needs.
- ✓ An additional study was commissioned for FY24 to provide a thorough evaluation of pool conditions including compliance with codes and regulations, HVAC and electrical infrastructure, and building envelope issues.
- ✓ Installed in 1972, with over 50 years of service, it has been determined that the pool has a number of deficiencies and the study identified that even with repairs, there are approximately 5-10 years of service life remaining before significant declines and additional investments will be necessary (e.g., replacement).

# DINING COMMONS EMERGENCY REPAIRS

- ✓ Ongoing issues with the drains at the DC beverage station have deteriorated to a point that they require immediate attention.
- ✓ Total Project Costs are estimated at \$300,000; funding sources are as follows:
  - \$100,000 applied to DCAMM 5-year plan.
  - \$100,000 allocated from Capital Contingency.
  - \$50,000 allocated from Power Plant DA unused contingency.
  - \$50,000 allocated from Facilities Emergency Infrastructure Repairs.

# QUESTIONS & ANSWERS





Thank you





# Financial Affairs Committee

FY24 Strategic Investments: Metrics & Outcomes

*December 13, 2023*



# Major Strategic Investment Categories

- ✓ Marketing - \$1,000,000
- ✓ Enrollment/Recruitment - \$272,655
- ✓ Conferences and Event Services - \$401,000
- ✓ Facilities (Wayfinding/Beautification) - \$150,000
- ✓ Enhancing Community and Culture - \$176,345



# Marketing

## METRICS

- Total impressions, website visit sessions, time on webpage, web traffic source, click-through rates, social media following growth.

## OUTCOMES

- Internal and external clarity of mission and value.
- Targeted and frequent communication to external markets.
- Improvement in undergraduate recruitment effectiveness.
- Enhanced brand awareness for influencers.



# Enrollment/Recruitment

## **METRICS**

- Increase student/parent campus visits and on-site applications by 5%.
- Create financial aid leveraging model for first-time, full-time, and transfer students.
- Increase application rates by 1%.

## **OUTCOMES**

- Increase in completed applications.
- New communication with prospective and current families.
- Strengthen pride in the University.



# Conferences and Event Services

## METRICS

- Generate 20% ROI.
- Increase revenue by 30% for the next three years.
- Implement new campus-wide scheduling system.

## OUTCOMES

- Develop foundation and staffing structure to facilitate growth.
- Develop policies and procedures.
- Expand services to plan/execute institutional events/programs.
- Re-invest surplus into services and facilities.

# Facilities (Wayfinding/Beautification)

## **METRICS**

- Evaluate success of navigating on campus.
- Completion of approved plans.
- Inventory campus improvements, compared to current state.

## **OUTCOMES**

- Improved navigation for students and visitors.
- Standardize signage based on new branding criteria.
- Increase quality of campus grounds and target areas of opportunity.
- Support recruitment/retention through quality campus improvements.



# Enhancing Community and Culture

## METRICS

- Participation rate in programs/campus celebrations.
- Assessment of acquired knowledge before and after training.
- Progress to increase campus diversity.
- Track and evaluate bias/discrimination to develop improvements.

## OUTCOMES

- Improved understanding of justice, equity, diversity, and inclusion.
- Expand skills/training to foster an inclusive campus environment.
- Promote respectful and empathetic interactions.



# QUESTIONS & ANSWERS







Thank you

**Westfield State University**  
Financial Affairs Committee

**FY24 Strategic Investment: Metrics and Outcomes**

December 13, 2023

**Introduction**

This document summarizes the key metrics and projected outcomes for the campus strategic investment plan this year. While there may be several initiatives supporting each major category, a consolidated summary of metrics and outcomes has been aligned accordingly. It is expected that most of the funds will be expended in the current fiscal year with the exception of the multi-year investment in the Conferences and Events Office. Tangible benefits for some of the investment initiatives may have a trailing impact over time. Periodic reporting of the metrics will be provided.

**Marketing Investments**

Metrics

1. Total Impressions (digital and OOH).
2. Website Visit Sessions and Time on Page, Total Users (Active and New), Engagement Rate, Bounce Rate.
3. Web Traffic Source (Direct, Referral, Organic Search, Campaign Traffic).
4. Click-Through Rate and Cost-per-Click (digital advertising).
5. Organic Social Media Follower Growth.
6. Brand Mentions (hashtag, direct tag, social listening).
7. QR code referrals.

Outcomes

- a. Improved internal and external clarity of mission and value of Westfield State using enhanced and new advertising channels.
- b. Allow for more targeted and frequent communications to external markets including print and digital marketing, development of website content, targeted marketing for enrollment.
- c. Immediate improvement in undergraduate recruitment effectiveness.
- d. Enhanced brand awareness for influencers.

**Enrollment/Recruitment**

Metrics

1. Increase in number of student/parent visits to campus by 5% by 6/1/24.
2. Increase in the number of on-site applications by 5% by 6/1/24.

3. Increase the number of students visiting campus on sponsored transportation to campus by 5% by 6/1/24.
4. Outperform existing industry benchmarks by at least 1% as they relate to open and click through rates during monthly assessments of the enhanced communication plan for prospective students administered through our CRM.
5. Creation of a financial aid leveraging model by 2/1/24 for first-time, full-time students (1T/FT).
6. Creation of a financial aid leveraging model by 2/1/24 for transfer students.
7. Implementation of an improved Net Price Calculator by 2/1/24 to assist families with understanding and evaluating costs associated with attendance.
8. Enroll 5 transfer honors students as a result of the new pilot PTK (National Honors Society) award.
9. Increase in application completion rates by 1% by 6/1/24.
10. Create two new, campus-wide programming events in the spring of 2024 in order to build a stronger sense of campus spirit and tradition.

### Outcomes

- a. Improvements in communication administered through our CRM with help with applications completion.
- b. An increase in completed applications will help stabilize rates at the later stages of the admissions funnel, including acceptances, deposits, and enrollment.
- c. New communications with prospective families will help build brand awareness and affinity, while also addressing critical questions they have regarding enrollment.
- d. New communications with the families of current students will help with brand affinity and retention, while also addressing strategic campus issues and programs related to enrollment.
- e. A financial aid leveraging model, for both 1T/FT and transfer students will help us assess the impact and cost of institutional aid on enrollment, supporting admissions and retention.
- f. A strong sense of pride in the university will impact enrollment, both admission and retention.

## **Conference and Event Services (CES)**

### Metrics

1. Generate 20% ROI (surplus as percent of gross revenues).
2. Increase revenue by 30% for next 3 years (limitations on available space until FY27).
3. Implement new campuswide scheduling system for non-classroom spaces.

### Outcomes

- a. Develop foundation and staffing structure to facilitate growth in non-tuition revenue.
- b. Develop full set of policies and procedures for FY25.

- c. Expand services offered by the events office to support planning and execution for institutional events and programs.
- d. Merge summer conferences with the new events office.
- e. Reinvest surpluses in services and facilities.
- f. Centralize all conferences and non-academic events into master calendar and centralized clearinghouse.

### **Facilities (Wayfinding/Beautification)**

#### Metrics

- 1. Evaluate success of navigating on campus.
- 2. Completion of the approved plans.
- 3. Inventory campus improvements compared to current state.
- 4. Funding allocated as a percent of the overall plan.

#### Outcomes

- a. Improved navigation for students, visitors and general traffic on campus.
- b. Develop standardized signage program which improves uniformity and “look and feel” based on new branding criteria.
- c. Increase quality of campus grounds and target areas of opportunity.
- d. Development and funding of multi-year plans.
- e. Collaborate with students on increasing quality of outdoor spaces.
- f. Supports recruitment and retention goals through quality campus improvements.

### **Enhancing Community and Culture**

#### Metrics

- 1. Participation rates in programs.
- 2. Pre and Post assessment of acquired knowledge before and after training.
- 3. Progress to increase diversity on campus.
- 4. Track and evaluate incidents of bias and discrimination to develop improvements in campus environment.
- 5. Attendance for the 185 campus celebration.

#### Outcomes

- a. Improved understanding of justice, equity, diversity and inclusion within the campus community.
- b. Expand skills and training to foster a more inclusive campus environment.
- c. Promote respectful and empathetic interactions among students and peers.
- d. Increased awareness, recognition and brand awareness of Westfield State.

**Westfield State University**  
**FY24 Strategic Investment Funding Plan**  
**November 30, 2023**

At the October Board of Trustees meeting, the board voted to approve the University's request for strategic investments totaling \$2,000,000 from cash reserves. The Board of Trustees also requested a brief report on the plans to spend this strategic investment with a more detailed report at the December board meeting. This intermediate report outlines the major initiatives moving forward as they align to the institutional priorities of Enrollment Stability/Growth, Economic Health, and Healing Campus.

**Major Strategic Investment Categories**

**Marketing - \$1,000,000**

- Multiple advertising initiatives including digital, billboards, radio/TV, mail, and Spanish-language campaigns; brand placement in high schools; content marketing and website development; and reputational investments to drive organic social media reach and public perception of brand value.

**Enrollment/Recruitment - \$272,655**

- Leverage financial aid, outreach to schools, expand communication program for prospective students, pilot programs using grants for transfer students, counselor support for target markets, increase campus programming for retention.

**Events and Conferences Office - \$401,000**

- Expand staffing, replace scheduling system, develop policies and procedures, identify ideal groups to fit campus space, expand revenue and generate return on investment in three years.

**Facilities (Wayfinding/Beautification) - \$150,000**

- Improve campus navigation and signage standards across campus, develop landscaping plan to improve overall green space and reimagine how outdoor space can be adapted to student needs.

**Enhancing Community and Culture - \$176,345**

- Campus assessment, training, survey and programs; seed funding for campus 185 celebration in 2024.

**Total Investment**                      **\$2,000,000**

**Westfield State University**  
Financial Affairs Committee

**FY24 First Quarter Financials**

December 13, 2023

**First Quarter (Q1) Ending September 30, 2023**

**FY24 Quarterly Financial Update and Overview**

The University's net variance to budget is \$2.6M at the end of the quarter with 25.2% of the University's revenues realized and 21.1% of the budget expended.

**Enrollment**

- Undergraduate enrollment was lower than budget by 63 students or 2.1% as reported for the first quarter.
- Residential Life experienced a lower than planned occupancy of 45 students or 2.5%.
- Dining Services is also unfavorable to budget by 45 meal plan participants or 2.3%.
- CGCE total enrollment, reported in number of credit hours, is higher than budget by 432 (Student Credit Hours) SCH., with a favorable variance of less than 3.1% due to an increase in graduate enrollment.

**Revenue – Variances Over/(Under) \$0.2M**

- Total revenue is trending slightly below target \$0.5M or (-1.5%) for Q1 mainly due to the timing of state appropriation and grant funding along with lower tuition and fee revenue.
- CGCE is trending slightly favorable with \$0.5M above budget due to fee increases not being reflected in the budget. The CGCE budget was held static with no overall changes in FY24 pending strategic direction and aligning resources accordingly.
- Residential Life is trending below budget, (\$0.3M) unfavorable, due to lower than planned room rent for fall and higher than expected room RD waivers.

**Expenses – Variances Over/(Under) \$0.2M**

Overall expenses are trending favorably versus the Q1 projection by \$3.0M or 10.2% with contributions of approximately \$2.2M from university operations, \$0.2M from CGCE, \$0.6M from Residential Life and \$0.3M from Dining Services as follows:

- University – Compensation expense is below budget by \$.07M or 5.5% due to temporary savings from positions. Capital Projects including ARPA funded projects are below budget by \$0.9M due to timing.
- CGCE – Compensation expense is below budget by \$0.1M or 7.2% due to vacant positions as well as lower utilization of contract workers and special employees. Other operating expenses are immaterial, but in total contribute favorability of \$0.1M.
- Residential Life – \$0.6M favorability as follows: Vacancy savings of \$0.2M; Utility costs \$0.2M; IT spend \$0.1M.
- Dining Services – Total expenses are tracking favorable to budget by \$0.3M mainly due to vacancy savings of \$0.2M offset by minor favorability of \$0.1M related to a capital project delay.

Fiscal Year : July 1st - June 30th

**Financial Report (Consolidated)**  
**Quarter Ending September 30, 2023**

				Fav/(Unfav)		
	<u>Annual FY24</u>	<u>FY24</u>	<u>FY24</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><u>Enrollment</u></b>						
University (Headcount)	2,860	3,032	2,969	(63)	-2.1%	
CGCE (Credit Hours)	30,132	13,705	26,416	432	3.1%	
<b><u>Auxiliaries</u></b>						
Meal Plan Participants	1,902	1,989	1,944	(45)	-2.3%	
Housing Occupancy	1,700	1,787	1,742	(45)	-2.5%	
<b><u>Staffing</u></b>						
Administrative	478	478	436	(42)	-8.8%	
Full-time Faculty	215	215	204	(11)	-5.1%	
<b>Total</b>	<b>693</b>	<b>693</b>	<b>640</b>	<b>(53)</b>	<b>-7.6%</b>	
<b><u>Revenue</u></b>						
University/SGA	\$ 81,711,846	\$ 20,131,840	\$ 19,535,670	\$ (596,170)	-3.0%	23.9%
CGCE	12,140,783	3,641,880	4,144,489	502,609	13.8%	34.1%
Residential Life	14,541,806	3,924,360	3,610,142	(314,218)	-8.0%	24.8%
Dining Services	9,618,607	2,491,547	2,451,524	(40,024)	-1.6%	25.5%
<b>Total Revenue</b>	<b>\$ 118,013,042</b>	<b>\$ 30,189,627</b>	<b>\$ 29,741,824</b>	<b>\$ (447,803)</b>	<b>-1.5%</b>	<b>25.2%</b>
<b><u>Expenses/Transfers</u></b>						
University/SGA	\$ 85,709,362	\$ 20,117,873	\$ 18,166,090	\$ 1,951,782	9.7%	21.2%
CGCE	12,340,783	2,956,331	2,714,001	242,331	8.2%	22.0%
Residential Life	18,638,776	4,419,200	3,856,285	562,915	12.7%	20.7%
Dining Services	10,231,159	2,396,733	2,099,390	297,342	12.4%	20.5%
<b>Total Expenses/Transfers</b>	<b>\$ 126,920,081</b>	<b>\$ 29,890,137</b>	<b>\$ 26,835,766</b>	<b>\$ 3,054,371</b>	<b>10.2%</b>	<b>21.1%</b>
<b><u>Net</u></b>						
University/SGA	\$ (3,997,516)	\$ 13,967	\$ 1,369,579	\$ 1,355,612	9705.8%	
CGCE	(200,000)	685,549	1,430,488	744,940	108.7%	
Residential Life	(4,096,970)	(494,840)	(246,143)	248,697	-50.3%	
Dining Services	(612,552)	94,815	352,133	257,319	271.4%	
<b>Total</b>	<b>\$ (8,907,038)</b>	<b>\$ 299,490</b>	<b>\$ 2,906,058</b>	<b>\$ 2,606,568</b>	<b>870.3%</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.

Fiscal Year : July 1st - June 30th

**Financial Report (Consolidated)**  
**Quarter Ending September 30, 2022**

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



**Westfield State University**  
**Financial Affairs Committee**

**Annual Debt Report and Ratios**  
December 13, 2023

The information in this report is being provided to comply with the reporting requirement of the University’s Debt policy (#0480). The performance ratios and debt information presented below demonstrates that the University is in compliance with the policy. The University does not currently have any debt covenants on our outstanding debt.

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>
2024	\$ 1,928,608	2033	\$ 1,096,292	2042	\$ 753,590
2025	\$ 1,927,420	2034	\$ 1,098,288	2043	\$ 732,394
2026	\$ 1,933,197	2035	\$ 1,079,139	2044	\$ 711,197
2027	\$ 1,936,787	2036	\$ 1,084,556		
2028	\$ 1,723,559	2037	\$ 822,956		
2029	\$ 1,930,499	2038	\$ 803,341		
2030	\$ 1,925,695	2039	\$ 781,711		
2031	\$ 1,643,946	2040	\$ 774,170		
2032	\$ 1,293,303	2041	\$ 757,033		
				Total	<u>\$ 26,737,681</u>

The University’s bonds payable balance was \$21,273,115 at June 30, 2023 and consisted of the following:

<u>Financing Source</u>	<u>Project</u>	<u>Balance</u>	<u>Maturity</u>
MSCBA	Stevens Science and Innovation Center	\$ 12,255,977	FY 2044
MSCBA	Ely Hall Renovation Project	\$ 5,055,888	FY 2034
Mass Development	Solar Array	\$ 53,192	FY 2027
MSCBA	Dining Hall Renovation Project	\$ 2,616,163	FY 2037
MSCBA	Dining Facility Equipment Replacement	\$ 1,291,895	FY 2032
	Total Bonds Payable at 6/30/23	<u>\$ 21,273,115</u>	

**Lease Liabilities related to MSCBA and equipment leases**

The University implemented GASB 87 *Leases* during the fiscal year ended June 30, 2022. As a result of this accounting/reporting change, the University recorded additional debt on our books, mostly related to the leasing of the residence halls from the Mass State College Building Authority. The University's lease liability balances at June 30, 2023 are as follows:

<u>Description</u>	<u>Lease Liability</u>
Equipment Leases	\$ 794,866
MSCBA 04A-New Hall	28,498,199
MSCBA 04A-Renewal	366,418
MSCBA 06A-Renewal (2006)	888,406
MSCBA 06A-Renewal (2007)	1,894,575
MSCBA 08A-Renewal (20)	442,032
MSCBA 08A-Renewal (30)	2,314,283
MSCBA 09A-Renewal	1,230,691
MSCBA 09C-Renewal	2,530,247
MSCBA 10B-Renewal	1,239,975
MSCBA12A-Renewal	1,349,653
MSCBA 12A-University Hall	46,863,645
MSCBA 12C-Renewal	2,379,028
MSCBA 14A-Davis	1,546,787
MSCBA 14C-Dickinson	4,880,420
MSCBA 15A-Davis	4,441,949
MSCBA 99A-Pooled Debt Service	3,343,729
Total	<u>\$ 105,004,903</u>

Remaining lease terms vary from 6 years to 21 years.

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

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

<u>Ratio</u> *	FY 2023 with GASB 68 and GASB 75	FY 2023 without GASB 68 and GASB 75	Adjusted - FY 2023 without GASB 68, 75, 87, and Foundation	<u>Target</u>
Debt Burden Ratio	9.2%	8.5%	1.5%	< 5%
Viability Ratio	-0.1	0.6	3.1	>1
Primary Reserve Ratio	-12.8%	56.3%	50.4%	25%
Return on Net Assets Ratio	30.9%	8.8%	8.3%	>2%
Net Operating Revenues Ratio	9.8%	3.4%	2.3%	>2%
Composite Financial Index	3.4	3.1	5.0	3.0

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

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

The third column in the above chart was added for illustrative purposes to show the impact of significant one-time funding or single-year financial events which skews the standard ratio reporting format. Excluding all of the GASB adjustments and the Foundation's financials from our ratio calculations presents a more accurate picture of the University's fiscal health at the end of fiscal year 2023. Without these adjustments, the interpretation of fiscal health may be misleading.

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

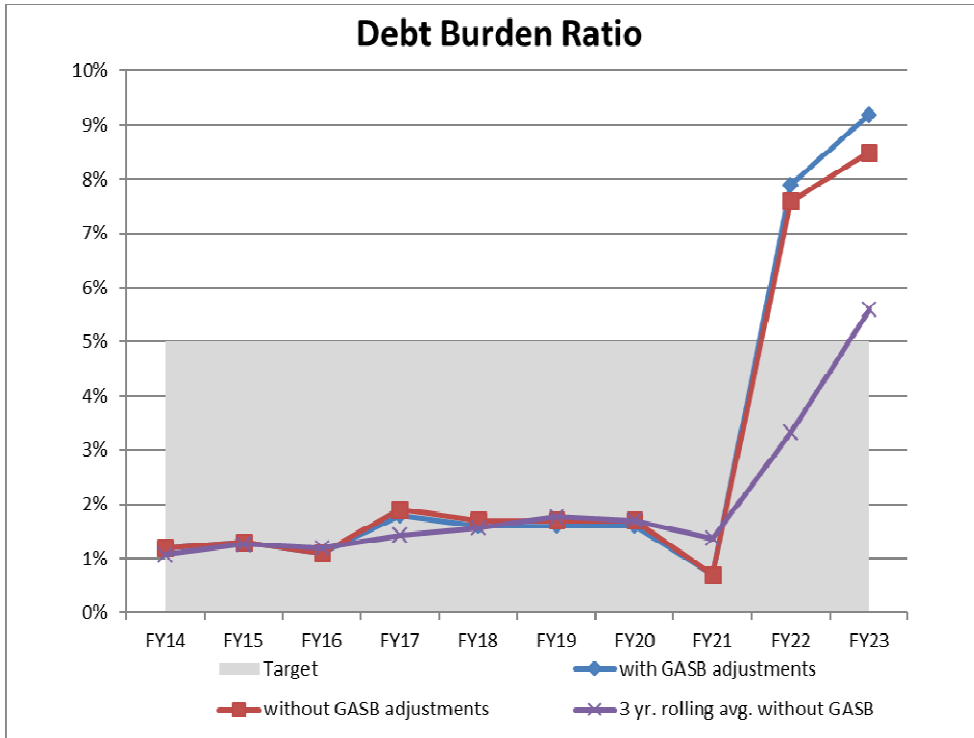
**Viability Ratio** - This ratio measures the availability of expendable net assets to pay off long-term debt. A ratio of 1.0 or higher indicates the University has sufficient net assets to satisfy debt requirements. The University (excluding GASB 68 and 75 adjustments) was well within the target until fiscal year 2022 when the University implemented GASB 87, leases. The effect is ongoing in fiscal year 2023 and is evidenced by referring to the third column above.

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

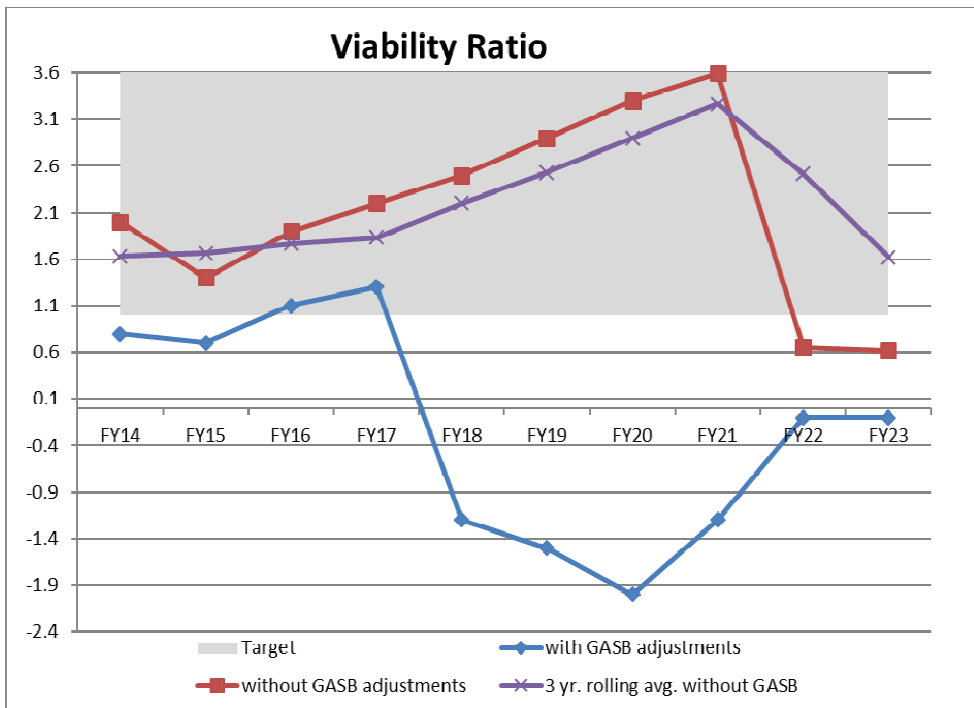
**Return on Net Assets Ratio** – This ratio reports whether university resources are growing and if it is financially better off than in previous years. A positive trend analysis would indicate an increase in net assets and an increased likelihood that the University is able to set aside financial resources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

**Net Operating Revenues Ratio** – This ratio indicates whether operating activities resulted in a surplus or deficit. A positive ratio indicates the University experienced an operating surplus while a continuing decline or pattern of deficits indicates financial problems. The standard is a positive five-year trend. In FY22, the ratio dropped due to the loss in investment income and the implementation of GASB 87, Leases. The University has seen a positive improvement in FY23.

**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 FY23 (exclusive of GASB 68 and 75 adjustments) was just over the threshold at 3.1.



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



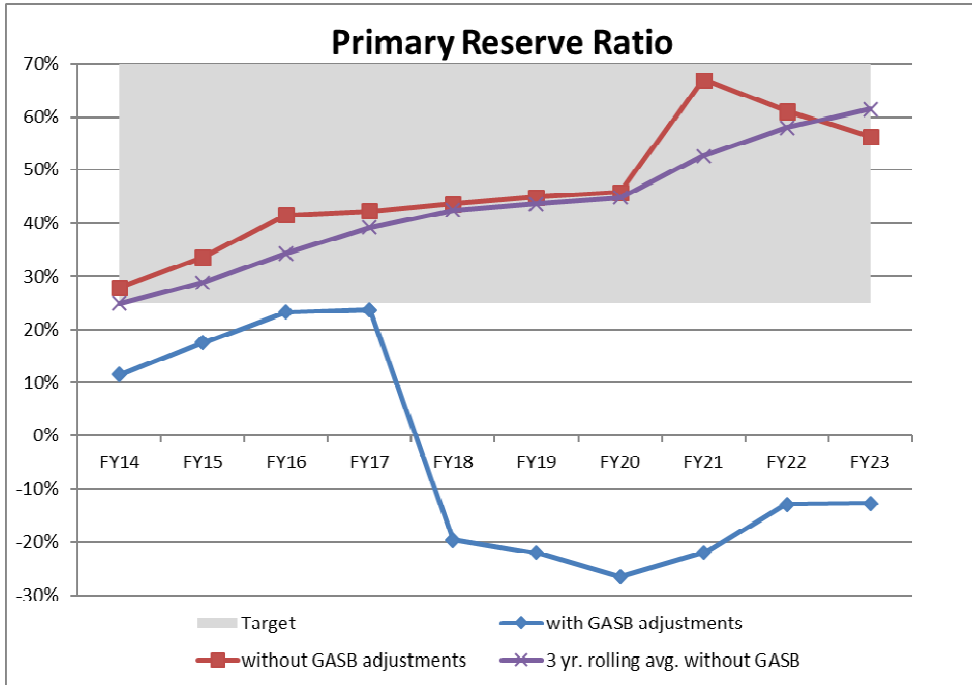
This ratio measures the availability of expendable net assets to pay off long-term debt. The target for this ratio is 1.0 or higher which means that the higher number, the better the result.

Notes:

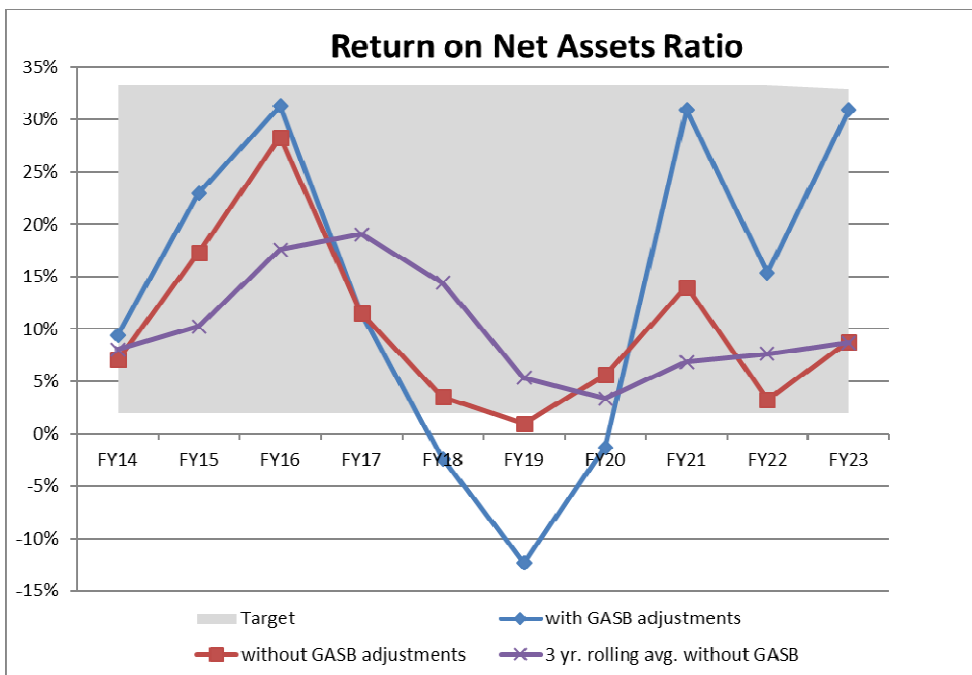
FY17-FY23 ratios include Westfield State Foundation, Inc.

The Department of Higher Education Metrics will now include Foundations in Ratios

**Westfield State University**  
**Ratio Analysis Comparing GASB Impact FY14-23**  
**As of June 30, 2023**



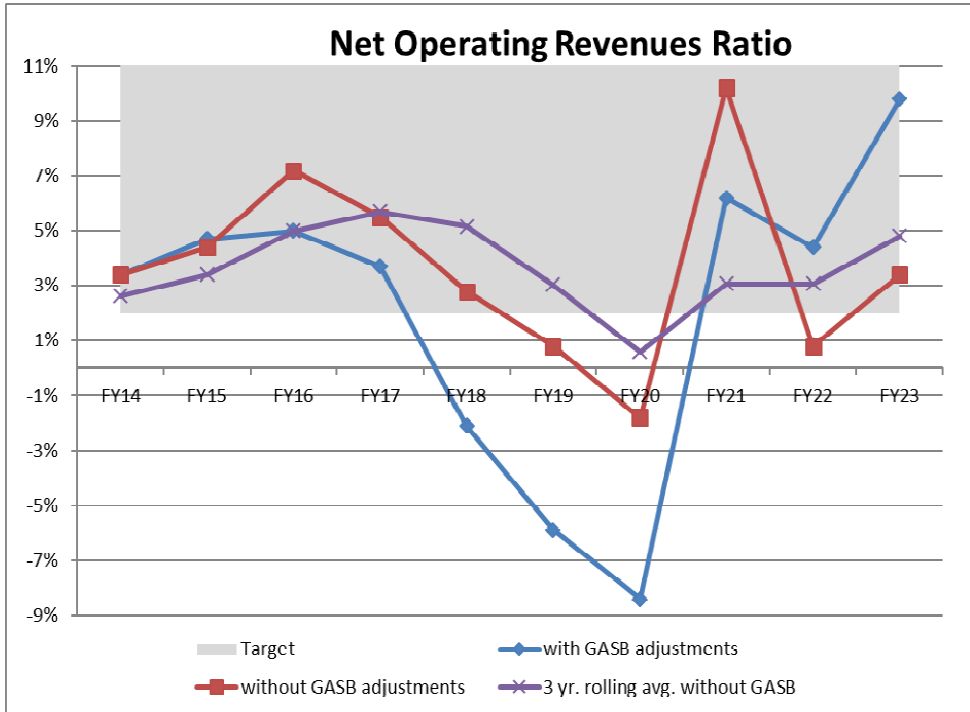
**This ratio provides a snapshot of the University's financial strength and flexibility. The target for this ratio is 25% and a positive trend over time, which means that the higher the number, the better the result.**



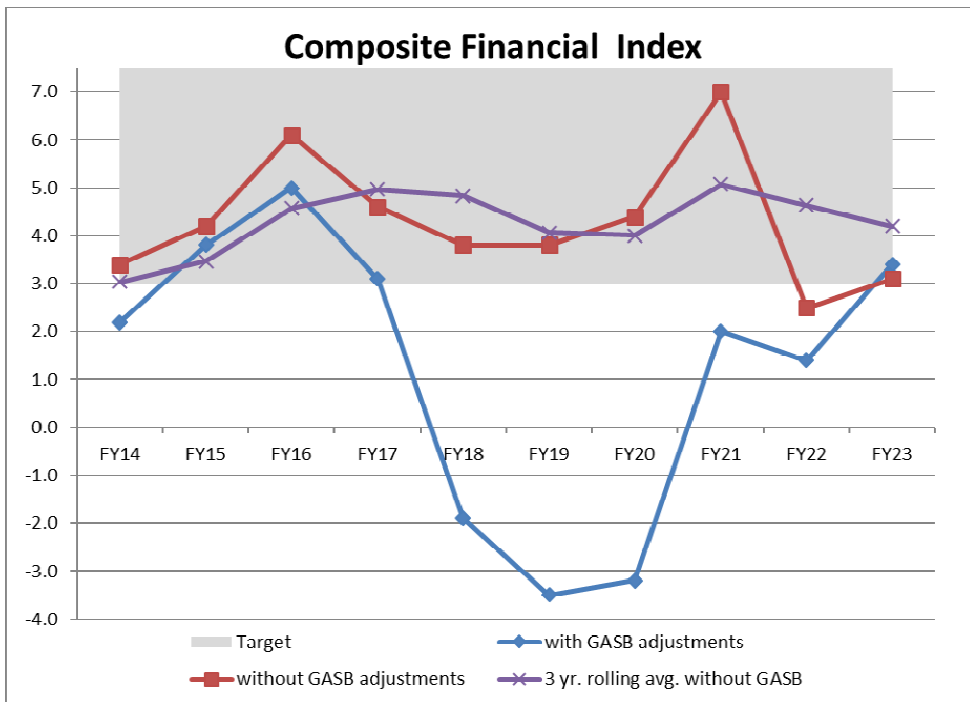
**This ratio reports whether university resources are growing and if it is financially better off than in previous years. The target for this ratio is greater than 2% and a positive trend over time, which means that the higher the number, the better the result.**

Notes:  
 FY17-FY23 ratios include Westfield State Foundation, Inc.  
 The Department of Higher Education Metrics will now include Foundations in Ratios

**Westfield State University**  
**Ratio Analysis Comparing GASB Impact FY14-23**  
**As of June 30, 2023**



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



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

Notes:  
 FY17-FY23 ratios include Westfield State Foundation, Inc.  
 The Department of Higher Education Metrics will now include Foundations in Ratios

**Westfield State University**  
Financial Affairs Committee

**FY25 Budget Planning Scenario**

December 13, 2023

**FY25 Budget Scenario**

The crosswalk below reflects the year-over-year change to the campus deficit and contributing factors. The FY24 structural deficit of \$3.7M is carried forward, as the FY24 budget was balanced with the temporary use of reserves in the 2<sup>nd</sup> year of the Glide Path strategy.

**Revenue**

The FY25 budget model reflects an enrollment decline of 85 students on a full-year-average billable basis resulting in a revenue decline of \$1.0M. State appropriation is a placeholder as the Finance Office is awaiting current information from the state. The recommended general fee increase of approximately 3.0% should result in additional revenue of \$0.8M, which is insufficient to offset the impact multi-year of enrollment declines.

**Expenses**

Compensation includes a \$1.5M topside reduction as was also built into the FY24 October Budget. Therefore, the year-over-year impact is mainly due to contractual increases and uncovered collective bargaining impacts. Residential Life losses remain significant and in FY25, the loss is expected to increase by \$0.7M from the FY24 loss of \$5.6M mainly due to CBA impacts, utilities, and additional maintenance expenses. The campus is committed to investing in strategic progress, as such it is expected that a permanent increase in strategic plan funding of \$0.4M will be added to the FY25 budget. Department Operations and Utilities are expected to have inflationary increases totaling \$0.6M combined. The financial aid discount rate is expected to increase from 12% to 13% resulting in an additional expense of \$0.3M (this is preliminary pending the financial aid leveraging strategy).

**Key Assumptions**

A year-over-year comparison of planning assumptions is provided below for reference. FY25 assumptions are preliminary and will change as the budget planning model is updated.

**Summary**

Enrollment declines continue to place financial pressure on the campus. The campus has deployed several strategies over the past 4 years to balance the budget. The glide path strategy will be in its final year in FY25 with minimal progress made on enrollment stabilization. As the campus looks toward investing in strategies related to economic health, culture, and enrollment, a more strategic budget process was developed and is being implemented for the FY25 planning cycle to prioritize strategies that support progress. While the preliminary budget model reflects a continued downward trend, there are many campus activities in progress that could have positive impacts to the financials which will be incorporated into the budget model when they are quantifiable and expected to have material results.



## FY25 Budget Scenario – Key Changes from Prior Year

FY25 Scenario - Main Drivers	YoY Impact B/(W)	Notes
FY24 Structural Deficit Carry Forward	\$ (3,678,333)	Represents Glide Path Use of Reserves
Enrollment Decline	\$ (1,020,396)	Enrollment Decline of 85 students
State Appropriation	\$ 1,000,000	Placeholder, pending further information from the state
In-State Tuition and Fees Incr.	\$ 825,800	
Compensaton - Contractual	\$ (712,223)	
Residential Life	\$ (733,021)	Net Loss
Strategic Investments	\$ (400,000)	Added Strategic Investments, permanent funding increase
Department Operations	\$ (362,190)	Contracts
Utilities (Incl. Aux.)	\$ (340,338)	10% YoY Increase
Financial Aid Increase	\$ (309,759)	Increased discount rate from 12% to 13%
Misc. Revenue Decline	\$ (93,206)	
Minor adjustments	\$ (14,827)	
<b>Total Surplus/(Deficit)</b>	<b>\$ (5,838,493)</b>	<i>&lt; Ties to FY25 Preliminary Scenario Model</i>

## FY25 Budget Scenario Assumptions

Planning Assumptions:	FY24 Final October Budget	FY25 Scenario	YoY Variance Incr/(Decr)
<b>Revenue Assumptions</b>			
Billable Students	2,860	2,775	(85)
% Change YoY	-5%	-3%	2%
Housing Students	1,700	1,634	(66)
% Change YoY	-5%	-4%	1%
Occupancy Rate	63%	61%	-2%
In-State Tuition and Fees Incr.	4%	3%	0%
General Fee Increase	382	298	(84)
Residential COA Incr. (weighted avg.)	4%	3%	0%
State Appropriation as % of Revenue	31%	32%	1%
Investment Earnings	1,915,000	1,915,000	-
Operating Reserve / Contingency	650,000	650,000	-
<b>Expense Assumptions</b>			
Strategic Plan Funding YoY Increase	351,581	751,581	400,000
Financial Aid Incr/(Decr)	(715,470)	158,491	873,961
<b>Overhead Contributions</b>			
Dining Contribution	1,060,654	1,110,600	49,947
CGCE Contribution	2,750,478	2,750,478	-
<b>Net Results</b>			
Residential Housing Deficit (unadjus	(5,591,693)	(6,324,715)	(733,021)
Dining Deficit	(312,552)	(390,701)	(78,149)