



Board of Trustees Financial Affairs Committee

April 25, 2024
12:30 p.m.

Loughman Living Room, Scanlon Hall

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

Committee Members Present: Committee Chair George Gilmer, Vice Chair Paul Boudreau, Secretary Chris Montemayor, and members Daniel Currier and Theresa Jasmin.

Also present and participating were Westfield State University President Dr. Linda Thompson; Vice President of Administration & Finance Stephen Taksar; and Associate Vice President of Facilities & Capital Planning Maureen Socha.

Committee Chair Gilmer called the meeting to order at 12:30 p.m., announced committee members, and stated the meeting was being livestreamed and recorded.

MOTION made by Trustee Currier and seconded by Trustee Montemayor, to approve the minutes of the February 8, 2024, Financial Affairs Committee meeting. There being no discussion, **motion passed unanimously.**

Lammers Hall

This summer Lammers Hall will need restoration and this estimated cost of this restoration is \$2.7M. Capital improvements include replacing the hot water system, dryer vents re-designed to meet code, and IT network systems. Noncapital improvements include replacing emergency doors, painting, carpentry, and kitchen floor replacement. The hot water system will take time to replace but a temporary system will be put in place if needed.

The goal is to open Lammers Hall in the fall which will focus on providing premium single rooms for students as they are highly sought after. The monies used are the savings from the MSCBA refinancing. There was discussion on the justification for spending this amount versus future occupancy of the building. Add-on rates for singles are \$1,000/-/semester. Monies not spent on this project will fall to residential life reserves.

MOTION made by Trustee Jasmin and seconded by Trustee Currier

The Financial Affairs Committee recommends approval to the full Board to recommend approval to approve capital project allocation of up to \$800,000 to replace the hot water system in Lammers Hall

over the next two fiscal years. This may involve implementing a temporary solution in FY25, in collaboration with the MSCBA, in planning for a full system replacement in FY25-FY26. The funding source for this project is FY24 residence hall bond refinancing and restructuring. Any unspent capital project funding for this project will be rolled over into the FY25 budget. There being no further discussion, **motion passed unanimously.**

Ely Campus Center Pool

In FY25 renovations of the pool have increased \$1.1M. The improvements to the pool will extend the useful life by 20-years. The renovations have a planned shut-down for 6-9 months causing an impact on the campus community. There is a contingency plan in place for athletics who utilize the pool.

Ongoing Projects

We are into our 5th-year DCAMM critical repair plan and focusing on the following; Trades Building roof, Wilson Hall roof, road and sidewalk repairs, dining common machinery room, and R22 replacement. On May 18th Westfield State University will begin testing and repairs of the electrical systems (switchgear project). Wayfinding & beautification study is currently under way.

MOTION made by Trustee Montemayor and seconded, by Trustee Currier
The Financial Affairs Committee recommends approval to the full Board to approve the recommendation to fully fund pool repairs estimated at \$4,000,000 using the revised funding plan in the 5-Year Critical Repair Plan. This plan already assumes the use of \$1,000,000 in reserves and allocates another \$1,000,000 from campus savings/reserves to fully fund the pool repair project. Further, it is anticipated that most of the repairs will be completed in FY25 but not all, requiring the reserve funds to roll over into the next fiscal year. There being no further discussion, **motion passed unanimously.**

Student Reserves Request

Collective bargaining budget increased, funds needed for this one time and will adjust expenses moving forward.

MOTION made by Trustee Alvarado and seconded by Trustee Williams
The Financial Affairs Committee recommends approval to the full Board to approve the allocation of \$25,160 from Student Activity Reserves as requested in the March 29, 2024, memorandum from the Director of Student Activities, Involvement, and Leadership (SAIL). The student fees generated in this account were accumulated over a period of time and are managed by the Student Government Association (SGA) in conjunction with their advisor. The total fund balance in the Student Activity Reserve account, as of June 30, 2023, is \$381,991.52. There being no further discussion, **motion passed unanimously, Trustee Currier abstained.**

ARPA Funding

Federal and State funding for COVID. Final report was provided on this funding source.

FY24 Third Quarter Financials

Westfield State University spending activity is predictable and is not far off from last year. 75% of actuals are realized. Predictably enrollment is on track. Auxiliary metrics are on the decline (-2%) due to housing and meal plans. Projecting year-end results at \$2-3M.

FY25 Provisional Operating Budget

Not discussed.

Strategic Investments

Summary of where we are and progress to date.

Investment Subcommittee Update

Not discussed.

The annual Charter Review

Not discussed.

There being no further business, **MOTION** made by Trustee Jasmin and seconded by Trustee Montemayor, to adjourn the meeting. There being no discussion, **motion passed unanimously**. Meeting adjourned at 2:02 p.m.

Attachment(s):

- a. Minutes 2-8-24 (Draft)
- b. Motion – Lammers Hall
- c. Lammers Hall
- d. Motion – Ely Campus Center Pool
- e. Ely Campus Center Pool
- f. Ely Campus Center Pool (5-Year Critical Repair Plan)
- g. Motion – Reserves Request (Student Fees)
- h. Reserves Request (Student Fees)
- i. ARPA Funding
- j. Third Quarter Financials (Summary)
- k. Third Quarter Financials (FY24)
- l. Third Quarter Financials (FY23)
- m. Strategic Investments
- n. Annual Charter Review

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 April 25, 2024.

Chris Montemayor, Secretary

Date



Board of Trustees

June 20, 2024

MOTION

The Financial Affairs Committee recommends approval to the full Board:

To approve the revised Outstanding Debts Policy (0150), as presented. The policy was revised due to a U.S. Department of Education regulation prohibiting withholding of transcripts in specific situations.

Westfield State University

Policy concerning:

APPROVED: September 1985

Section	Administrative
number	0150
page	1 of 1
REVIEWED	June 2024

OUTSTANDING DEBTS

PURPOSE

To define the consequences of having an unpaid debt to the University.

POLICY

It is the policy of the Board of Trustees that students who are listed by the Director of Student Accounts of Westfield State University as having unpaid debts for tuition, fees, room, board, medical, or other University related charges where said debts have not been discharged by operation of law or where deferred payment of said debts has not been agreed to by said University, the students will not **(1)** be issued a diploma to which said students might otherwise be entitled; and **(2)** be permitted to register for future terms.

REVIEW

This policy will be reviewed annually by the Associate Vice President for Finance.

Westfield State University

Policy concerning:

section Administrative

number 0150

page 1 of 1

APPROVED: September 1985

REVIEWED: ~~June 2024~~April 2007

OUTSTANDING DEBTS

PURPOSE

To define the consequences of having an unpaid debt to the University.

POLICY

It is the policy of the Board of Trustees that students who are listed by the Director of Student Accounts of Westfield State University as having unpaid debts for tuition, fees, room, board, medical, or other University related charges where said debts have not been discharged by operation of law or where deferred payment of said debts has not been agreed to by said University, the students will not **(1)** be issued a diploma to which said students might otherwise be entitled; and **(2)** be permitted to register for future terms. ~~any program at any state university for which said students might otherwise be eligible; and **(3)** be furnished a certified copy of any state university transcript (unless said transcript is needed to obtain benefits in the United States Armed Forces) although said students will be entitled, upon written request, to inspect and review uncertified copies of transcripts.~~

REVIEW

This policy will be reviewed annually by the Associate Vice President for ~~Administration and~~ Finance.



Board of Trustees

June 20, 2024

MOTION

The Financial Affairs Committee recommends approval to the full Board:

To transfer management of the University's investment funds, held by Charles Schwab, in-kind to Fund Evaluation Group LLC before June 30, 2024. Westfield State University's new investment advisors.



Board of Trustees

June 20, 2024

MOTION

The Financial Affairs Committee recommends approval to the full Board:

To approve the FY25 provisional campus budget, as presented, including, but not limited to the following elements: operating budget, capital budget, vehicle lease/purchase program and sponsorships. Further, to authorize the President and/or the Vice President for Administration and Finance to make budget adjustments to these funds as allowed in the Trust Fund Management Policy (0604).



Westfield State University
Board of Trustees
Financial Affairs Committee

June 20, 2024

Prepared by:

Steve Taksar, Vice President of Administration and Finance

Maria Feuerstein AVP, Strategic Finance & Institutional Planning



Agenda

- Enrollment Overview
- Significant Campus Investments
- Budget and Resource Challenges
- Institutional Priorities
- FY25 Provisional Budget
- FY25 Rollover and Reserve Funding Summary
- FY25 October Budget Planning
- Deferred Maintenance Landscape
- Q and A

FY24 Enrollment Summary

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Full Time UG	2,860	2,868	+8
DGCE(FTE)	1,323	1,306	-17
Total Campus	4,183	4,174	-9

Note: 0.2% variance to budget

Projected FY25 UG Enrollment

Full Time Undergraduate – as of 6/14/24

FY24 Budgeted Enrollment	2,860
FY24 Actual Enrollment	2,868
FY25 Projected Enrollment	2,821*

* Assumes 50 additional FYFT students offset by declining returning students. Will review and update in early July.

Significant Campus Investments

- Innovation Fund Support - \$800,000 (annually)
 - Encourage innovation across campus, multiple projects up to \$25k
- Strategic Investment Fund - \$2,000,000 (one time)
 - Critical Institutional Initiatives focusing on marketing, branding, enrollment, revenue growth and facilities; also known as Economic Progress Fund
- FY24 Reinvestment Strategy - \$2,000,000 (one time)
 - Advance funding of critical needs in data governance, deferred maintenance, enrollment/marketing and IT network infrastructure

Budget and Resource Challenges

- Impact of rollover funding on budget reporting/planning
- Campus underspending
- Align campus resources
- Restructure annual budget/reporting
- Reallocate to highest institutional priorities
- Variability in state funding, late allocations and unresolved collective bargaining contracts
- Impact of low occupancy in campus housing
- Cash reserves are finite
- Critical campus investments vs limited resources
- Increasing deferred maintenance

Institutional Priorities for FY24 & FY25

Enrollment

- Financial Aid
- Yield strategies
- Events
- Software
- Marketing

Financial Sustainability

- Innovation
- Conferences
- Grants
- Investments
- Multi-year planning
- Resource Allocation

Culture and Values

- Programs
- Training
- Staffing

Provisional Budget Balancing Strategy

- Glide path strategy (last year)
- Utilizing cash reserves
- Assumes all vacancy savings for year as temporary measure (will likely change for October budget)
- Allows for rollover funds to support ongoing commitments (capital projects, strategic investments, etc.).
- Assumes larger entering class than prior year

FY25 Provisional Budget Summary

	a			b	b - a	
	FY24 Final October Budget	FY25 Provisional Budget (Excl. Rollovers/Timing)	FY25 Rollovers (Timing, Prior Year Unspent)	FY25 Provisional Budget	Variance B/(W)	% Change
Total Revenue	\$ 118,013,042	\$ 122,869,101	\$ 1,075,167	\$ 123,944,268	\$ 5,931,225	5%
Total Reserve Funding - Rollovers & Timing	\$ 5,228,705		\$ -	\$ 9,158,987	\$ 3,930,282	75%
Total Resources	\$ 123,241,748	\$ 122,869,101	\$ 1,075,167	\$ 133,103,255	\$ 9,861,507	8%
Total Expense	\$ 126,920,081	\$ 128,046,886	\$ 10,234,154	\$ 138,281,040	\$ (11,360,959)	-9%
Net Profit/(Loss)	\$ (3,678,333)	\$ (5,177,785)	\$ (9,158,987)	\$ (5,177,785)	\$ (1,499,452)	41%
Use of Reserves - Cash						
Capital Projects		\$ 2,789,928		\$ 2,789,928	\$ 2,789,928	
Residential Life - Reserves		\$ 1,662,160		\$ 1,662,160	\$ 1,662,160	
Glide Path Use of Reserves	\$ 3,678,333	\$ 725,697		\$ 725,697	\$ (2,952,636)	-80%
Total Use of Reserves - Cash	3,678,333	5,177,785	-	5,177,785	1,499,453	41%
Adjusted Surplus/(Deficit)	-	-	(9,158,987)	-	-	

- Rollovers - \$9.1M (unfinished projects or commitments in prior years)
- Cash Reserves - \$5.2M requested
- Full year vacancy savings is assumed but adjustments will be required
- Cost of living increases are unknown and are excluded (revenue and expenses)

FY25 Provisional Budget – Trust Fund View

	Operating Budget	FEMA Fund	Innovation Fund	Grants	Capital Project Fund	DGCE	Residential Life	Dining Services	Other Trust Funds	FY25 Provisional Budget
Total Revenue	78,480,683		800,000	5,103,333	-	13,410,276	14,701,663	10,373,146	1,075,167	123,944,268
Planned Use of Reserves Capital - Rollover / Timing	3,625,721	430,193	654,117	48,950		200,000	966,497	300,000	619,849	6,845,327
					1,556,755		756,906			2,313,661
Total Rollovers / Timing	3,625,721	430,193	654,117	48,950	1,556,755	200,000	1,723,403	300,000	619,849	9,158,987
Total Resources	82,106,404	430,193	1,454,117	5,152,283	1,556,755	13,610,276	16,425,066	10,673,146	1,695,016	133,103,255
Total Expense and Transfers	79,436,989	430,193	1,454,117	5,152,283	3,346,683	13,610,276	22,482,339	10,673,146	1,695,016	138,281,040
Net Revenue over Expense	2,669,416	-	-	-	(1,789,928)	-	(6,057,273)	-	-	(5,177,785)
Capital - Use of Cash Reserves	1,000,000				1,789,928					2,789,928
Residential Life Reserves							1,662,160			1,662,160
Glide Path - Cash Reserves							725,697			725,697
Total Use of Reserves	1,000,000	-	-	-	1,789,928	-	2,387,857	-	-	5,177,785
Net Surplus/(Loss)	3,669,416	-	-	-	-	-	(3,669,415)	-	-	-

- Residential Life losses projected at \$6M before using reserves
- Primary operating budget is supporting loss in Res Life
- Increasing Capital Project Fund from reserves to fund deferred maintenance
- \$5.2M cash reserves are funding capital projects and Residential Life

FY25 Rollover and Reserve Funding Summary

	Existing Budgeted Funds <i>Smooths Timing Issues</i>	Draw from Cash Reserves <i>Reduces Liquidity</i>	Total
FY25 Preliminary Reserve Assumptions			
Other Trust Fund Rollover	\$ 619,849		\$ 619,849
Operations Rollover: <i>Special Funds - Econmic Progress, Innovation, FEMA, Reinvestment</i>	\$ 3,625,721		\$ 3,625,721
CURCA	\$ 48,950		\$ 48,950
CGCE Marketing Rollover	\$ 200,000		\$ 200,000
FEMA Rollover	\$ 430,193		\$ 430,193
Dining Equipment Replacement	\$ 300,000		\$ 300,000
Innovation Fund Rollover	\$ 654,117		\$ 654,117
Capital Rollover	\$ 2,313,661	\$ 2,789,928	\$ 5,103,589
Residential Life Reserves	\$ 966,497	\$ 1,662,160	
Glide Path Strategy		\$ 725,697	\$ 725,697
Total	\$ 9,158,987	\$ 5,177,785	\$ 14,336,773

- Technically, rollovers are part of reserves as they were generated in prior year
- Rollovers primarily due to timing or underspending (need to rethink process)
- Cash reserves are a use of unrestricted accumulated cash

FY25 October Budget Planning Process

- Assess enrollment and adjust over summer (FAFSA creating delays)
- Finance to determine final funding gap once fall enrollment is known
- Cabinet to make budget balancing decisions over the summer
- President to make funding decisions based on strategic requests
- Final budget presented at October 2024 Board of Trustees meeting for approval.

Deferred Maintenance Landscape

Current total Deferred Maintenance as of FY24 totals approximately **\$143M**.

- DCAMM/WSU Match Allocation is approximately \$9.2M/5 years or \$1.84M on average
- Campus Capital Allocations to Facilities & Operations is approximately \$2.0M per year
- Escalation of costs averages 3% or \$4.26M per year

Current allocations do not keep pace with escalation, **increasing the DM gap by over \$400k annually**.

Inadequate funding results in increased emergency failures of both equipment and infrastructure which can impact operating funds, require the unplanned use of reserve funds and/or under certain scenarios could result in closure of buildings.

State Decarbonization planning will have a major impact on facilities planning/investments.

Currently no new capital funding is assumed in the state budget

*Not all campus allocations are applied to DM needs, they also support code required testing, studies, equipment replacement and other non-DM capital improvements

QUESTIONS & ANSWERS





Thank you

FY25 Residential Life Funding Summary

Residential Life Operations	FY24 October Budget	FY25 Provisional Budget
RHTF Beginning Balance	\$ 4,986,481	
FY24 MSCBA Debt Release - Lammers Opening		\$ 1,723,403
Reserve Run Out of FY24 Balance \$4.9M		\$ 1,662,160
Total Reserve Carried Forward		\$ 3,385,563
Net Gain/Loss (Rev - Exp)	\$ (5,591,693)	\$ (7,780,676)
End of Year Balance	\$ (605,212)	\$ (4,395,112)
<i>5% Minimum Balance Amount Required</i>	\$ 889,511	\$ 1,006,675
<i>Funding to Meet 5% Requirement</i>	\$ (5,591,693)	\$ (5,401,787)
Funding Gap (Includes 5% Min Coverage)	\$ 5,591,693	\$ 5,401,787
Campus Reserves / Glide Path	\$ 4,096,970	\$ 725,697
Operations Funding	\$ 1,494,723	\$ 3,669,415
5% Minimum		\$ 1,006,675
Total Funding Sources	\$ 5,591,693	\$ 5,401,787
Revised End of Year Balance	\$ 4,986,481	\$ 1,006,675
FY24 Advance Reserve Funding Remaining	\$ 4,986,481	\$ 3,324,321

FY25 Provisional Budget – Revenue/Resources

	a			b		b - a	
	FY24 Final October Budget	FY25 Provisional Budget (Excl. Rollovers/Timing)	FY25 Rollovers (Timing, Prior Year Unspent)	FY25 Provisional Budget	Variance B/(W)	% Change	
Revenue:							
State Appropriation	36,610,982	40,430,285		40,430,285	3,819,303	10%	
Total Tuition/Fee Revenue	33,731,605	34,135,815	8,000	34,143,815	412,209	1%	
Foundation	1,195,500	1,213,500		1,213,500	18,000	2%	
Grant Revenue	2,632,937	5,103,333		5,103,333	2,470,396	94%	
Other Revenue	5,347,103	3,501,084	1,067,167	4,568,251	(778,852)	-15%	
DGCE	12,140,783	13,410,276		13,410,276	1,269,493	10%	
Residential Life	14,541,806	14,701,663		14,701,663	159,857	1%	
Dining Services	9,618,608	10,373,146		10,373,146	754,538	8%	
Grants: HEERF/ARPA	2,193,719	-		-	(2,193,719)	-100%	
Total Revenue	\$ 118,013,042	\$ 122,869,101	\$ 1,075,167	\$ 123,944,268	\$ 5,931,225	5%	
Reserve Funding - Rollovers & Timing							
Planned Use of Reserves	3,031,451			6,845,327	3,813,876	126%	
Capital Rollover	1,819,618			2,313,661	494,043	27%	
FEMA Rollover for Capital Projects	377,637				(377,637)	-100%	
Total Reserve Funding - Rollovers & Timing	\$ 5,228,705		\$ -	\$ 9,158,987	\$ 3,930,282	75%	
Total Resources	\$ 123,241,748	\$ 122,869,101	\$ 1,075,167	\$ 133,103,255	\$ 9,861,507	8%	

FY25 Provisional Budget - Expense

	a			b		b - a
	FY24 Final October Budget	FY25 Provisional Budget (Excl. Rollovers/Timing)	FY25 Rollovers (Timing, Prior Year Unspent)	FY25 Provisional Budget	Variance B/(W)	% Change
Total Revenue	\$ 118,013,042	\$ 122,869,101	\$ 1,075,167	\$ 123,944,268	\$ 5,931,225	5%
Total Reserve Funding - Rollovers & Timing	\$ 5,228,705		\$ -	\$ 9,158,987	\$ 3,930,282	75%
Total Resources	\$ 123,241,748	\$ 122,869,101	\$ 1,075,167	\$ 133,103,255	\$ 9,861,507	8%
Expense:						
Compensation & Fringe	48,658,439	47,917,348	78,754	47,996,103	662,336	1%
Department Operations	14,862,763	15,404,332	3,625,721	19,030,053	(4,167,290)	-28%
Utilities	3,403,383	3,403,383		3,403,383	-	0%
Financial Aid	4,443,151	6,536,203		6,536,203	(2,093,052)	-47%
Debt Service	1,488,098	1,513,984		1,513,984	(25,886)	-2%
Contingency	650,000	650,000		650,000	-	0%
Capital Investments	4,985,965	5,108,022	2,313,661	7,421,683	(2,435,718)	-49%
DGCE	9,590,305	10,659,798	200,000	10,859,798	(1,269,493)	-13%
Residential Life	20,133,499	21,515,842	966,497	22,482,339	(2,348,840)	-12%
Dining Services	9,170,507	9,258,844	300,000	9,558,844	(388,337)	-4%
Strategic Investments	351,581	734,581		734,581	(383,000)	-109%
All Other	6,362,444	4,544,550	1,665,211	6,209,761	152,683	2%
Innovation Fund	1,359,976	800,000	654,117	1,454,117	(94,141)	-7%
FEMA Reimbursement Funds	1,459,972	-	430,193	430,193	1,029,779	71%
Covid Related Expenses	-	-		-	-	
UEAAC Savings	-	-		-	-	
Total Expense	\$ 126,920,081	\$ 128,046,886	\$ 10,234,154	\$ 138,281,040	\$ (11,360,959)	-9%
Net Profit/(Loss)	\$ (3,678,333)	\$ (5,177,785)	\$ (9,158,987)	\$ (5,177,785)	\$ (1,499,452)	41%

3 Year Glide Path Strategy (Final Year)

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

Note: Updated from Nov 2021

Westfield State University
Financial Affairs Committee
FY25 Provisional Operating Budget
June 20, 2024

OVERVIEW

Westfield State University is working diligently to make strategic investments toward the Presidential Goals of Economic Health, Enrollment Stabilization, and Campus Culture through the FY24 established Reinvestment Fund and Economic Progress Funds (\$2M Strategic Investment Allocations) which are expected to be spent across both FY24 and FY25. Through the \$2M Reinvestment Fund, significant efforts are being made to improve academic and student facing interior spaces, provide better signage on campus, expand marketing and branding efforts, and improve access to campus data relative to Institutional Research. The \$2.1M Economic Progress Fund was established to invest in outreach through social media, marketing and advertising, enrollment retention and yield strategies, conference revenue generation, and campus culture events such as Parliament Day and the 185th Anniversary.

The campus is also making significant efforts to reposition its price point in the market by lowering the cost of attendance through a financial aid leveraging model. The University increased financial aid by \$2M with the goal of increasing the first year entering class. Leading indicators are showing early signs of success. Admissions is also seeing a significant increase in attendance at events; and deposits for first year freshman students is currently 8% over the target of 750. Furthermore, the full-time undergraduate enrollment decline reflects signs of slowing, with a year over year decline of 1.4% versus the FY24 decline of approximately 5%. While early enrollment indications are positive, enrollment will continue to be monitored closely as the final October Budget is developed.

PROVISIONAL BUDGET PLAN FY25

- The FY25 Provisional Budget reflects a revenue gap of \$7.2M, mainly driven by \$6M in losses in Residential Life due to lower occupancy and MSCBA debt as well as a necessary deferred maintenance capital projects of \$1M.
- Total use of cash reserves in FY25 is expected to be \$5.2M as follows: 1) \$3.4M to solve the funding gap through a combination of \$1.7M of Residential Life reserves and \$1.7M of Operating Fund reserves, with \$1M dedicated toward progress on deferred maintenance, and 2) \$1.7M for Ely pool repair and switch gear testing and repairs, both previously approved FY24 capital projects.
- The budget also assumes a temporary pause in hiring which will result in projected temporary savings of \$3.8M. Once the FY24 year-end closes, an analysis will be done to reassess this current strategy as some hiring in FY25 will be needed. This is a temporary measure which will establish an operating budget for July 1, 2024. Changes over the summer with the budget balancing strategy will be integrated into the final October budget.
- The campus is planning for enrollment of 2,821 billable students on a full year average basis, which is a reduction of 39 students (or 1.4% fewer) from the FY24 Budget of 2,860.
- Grant revenue is projected to increase by approximately \$2.5M, which almost doubled over last year mainly due to expansion of Mass Grant Plus and Pell Grants.

- Financial challenges are significant in Residential Life, as expected, due to the overall enrollment impact. Occupancy is projected to decline from the FY24 Budget of 1,700 to 1,634 students expected to live on campus, which represents 68% occupancy. Given that most expenses in Residential Life are fixed in the form of MSCBA debt obligations, cost containment strategies are challenging for housing operations, as other expenses are also increasing. Residential Life is currently projecting a total deficit of \$6M and will require the use of \$2.4M in reserve funding and \$3.7M from operations to fully fund the projected loss and MSCBA required reserve balance, which is 5% of prior year expenses. Breakeven occupancy targets are estimated between 90% - 95%. If the campus cannot recover occupancy to its breakeven targets, strategies will be required to ensure financial sustainability and the campus will have to continue financially supporting the residential program.
- Dining Services participation rates follow enrollment and occupancy levels. Currently, it is expected to contribute \$1.1M to the campus to support their overhead costs. Unlike residential life, dining expenses are more variable and based on staffing and food costs.
- DGCE revenue is expected to increase by \$1M over the prior year at \$13.4M primarily due to increases in per credit rates for FY25. DGCE will contribute \$2.75M to the campus, in support of overhead costs which are not allocated directly.

FY25 BUDGET BALANCING STRATEGY

The Glide Path Strategy is in its final year. The campus is requesting the use of \$5.2M of reserves and implementing a hiring pause to temporarily close the funding gap. The funding gap projection will be updated once more accurate enrollment information is available and more defined cost containment strategies are determined. The President's Cabinet anticipates focusing on economic health during the summer planning sessions with a significant emphasis on multi-year strategies to overcome the deficit in residential life, cost containment, and revenue growth. This will result in significant changes from the provisional budget to a balanced October budget.

SUMMARY

The FY25 Provisional Budget was developed to support critical operations and opportunities, as several critical planning elements remain uncertain. Key revenue indicators such as enrollment and state appropriation will be better known as we approach the fall, at which time the campus will develop a final budget in October. The campus continues to carefully evaluate the balance between affordability, enrollment, and strategic investments while striving to balance the budget.

Westfield State University
FY25 Provisional Budget

6/11/24

	a			b		b - a	
	FY24 Final October Budget	FY25 Provisional Budget (Excl. Rollovers/Timing)	FY25 Rollovers (Timing, Prior Year Unspent)	FY25 Provisional Budget	Variance B/(W)	% Change	
Revenue:							
State Appropriation	36,610,982	40,430,285		40,430,285	3,819,303	10%	
Total Tuition/Fee Revenue	33,731,605	34,135,815	8,000	34,143,815	412,209	1%	
Foundation	1,195,500	1,213,500		1,213,500	18,000	2%	
Grant Revenue	2,632,937	5,103,333		5,103,333	2,470,396	94%	
Other Revenue	5,347,103	3,501,084	1,067,167	4,568,251	(778,852)	-15%	
DGCE	12,140,783	13,410,276		13,410,276	1,269,493	10%	
Residential Life	14,541,806	14,701,663		14,701,663	159,857	1%	
Dining Services	9,618,608	10,373,146		10,373,146	754,538	8%	
Grants: HEERF/ARPA	2,193,719	-		-	(2,193,719)	-100%	
Total Revenue	\$ 118,013,042	\$ 122,869,101	\$ 1,075,167	\$ 123,944,268	\$ 5,931,225	5%	
Reserve Funding - Rollovers & Timing							
Planned Use of Reserves	3,031,451			6,845,327	3,813,876	126%	
Capital Rollover	1,819,618			2,313,661	494,043	27%	
FEMA Rollover for Capital Projects	377,637				(377,637)	-100%	
Total Reserve Funding - Rollovers & Timing	\$ 5,228,705		\$ -	\$ 9,158,987	\$ 3,930,282	75%	
Total Resources	\$ 123,241,748	\$ 122,869,101	\$ 1,075,167	\$ 133,103,255	\$ 9,861,507	8%	
Expense:							
Compensation & Fringe	48,658,439	47,917,348	78,754	47,996,103	662,336	1%	
Department Operations	14,862,763	15,404,332	3,625,721	19,030,053	(4,167,290)	-28%	
Utilities	3,403,383	3,403,383		3,403,383	-	0%	
Financial Aid	4,443,151	6,536,203		6,536,203	(2,093,052)	-47%	
Debt Service	1,488,098	1,513,984		1,513,984	(25,886)	-2%	
Contingency	650,000	650,000		650,000	-	0%	
Capital Investments	4,985,965	5,108,022	2,313,661	7,421,683	(2,435,718)	-49%	
DGCE	9,590,305	10,659,798	200,000	10,859,798	(1,269,493)	-13%	
Residential Life	20,133,499	21,515,842	966,497	22,482,339	(2,348,840)	-12%	
Dining Services	9,170,507	9,258,844	300,000	9,558,844	(388,337)	-4%	
Strategic Investments	351,581	734,581		734,581	(383,000)	-109%	
All Other	6,362,444	4,544,550	1,665,211	6,209,761	152,683	2%	
Innovation Fund	1,359,976	800,000	654,117	1,454,117	(94,141)	-7%	
FEMA Reimbursement Funds	1,459,972	-	430,193	430,193	1,029,779	71%	
Covid Related Expenses	-	-		-	-		
UEAAC Savings	-	-		-	-		
Total Expense	\$ 126,920,081	\$ 128,046,886	\$ 10,234,154	\$ 138,281,040	\$ (11,360,959)	-9%	
Net Profit/(Loss)	\$ (3,678,333)	\$ (5,177,785)	\$ (9,158,987)	\$ (5,177,785)	\$ (1,499,452)	41%	
Use of Reserves - Cash							
Capital Projects		\$ 2,789,928		\$ 2,789,928	\$ 2,789,928		
Residential Life - Reserves		\$ 1,662,160		\$ 1,662,160	\$ 1,662,160		
Glide Path Use of Reserves	\$ 3,678,333	\$ 725,697		\$ 725,697	\$ (2,952,636)	-80%	
Total Use of Reserves - Cash	3,678,333	5,177,785	-	5,177,785	1,499,453	41%	
Adjusted Surplus/(Deficit)	-	-	(9,158,987)	-	-		

Planning Assumptions:	a		FY25 Rollovers (Timing, Prior Year Unspent)	b		b - a	
	FY24 Final October Budget	FY25 Provisional Budget (Excl. Rollovers/Timing)		FY25 Provisional Budget	Variance B/(W)		
Revenue Assumptions							
Billable Students	2,860	2,821		2,821		(39)	
% Change YoY	-4.6%	-1.4%		-1.4%		3.2%	
Housing Students	1,700	1,634		1,634		(66)	
% Change YoY	-5%	-4%		-4%		1%	
Occupancy Rate	71%	68%		68%		-3%	
In-State Tuition and Fees Incr.	3.5%	3.2%		3.2%		-0.4%	
General Fee Increase	382	298		298		(84)	
Residential COA Incr. (weighted avg.)	4%	3%		3%		0%	
State Appropriation as % of Revenue	31%	33%		33%		2%	
Investment Earnings	\$ 1,915,000	\$ 1,915,000		\$ 1,915,000	\$ -	-	
Operating Reserve / Contingency	\$ 650,000	\$ 650,000		\$ 650,000	\$ -	-	
Expense Assumptions							
Strategic Plan Funding YoY Increase	\$ 351,581	\$ 383,000		\$ 383,000	\$ 31,419		
Financial Aid Incr/(Decr)	\$ (715,470)	\$ 2,093,052		\$ 2,093,052	\$ 2,808,522		
Overhead Contributions							
Dining Contribution	\$ 1,060,654	\$ 1,114,302		\$ 1,114,302	\$ 53,649		
CGCE Contribution	\$ 2,750,478	\$ 2,750,478		\$ 2,750,478	\$ -		
Net Results							
CGCE Surplus		-			-		
Residential Housing Deficit (unadjusted)	(5,591,693)	(6,057,273)		(6,057,273)	(465,579)		
Campus Transfer to Offset the Res Life Deficit	1,494,723	-		-	(1,494,723)		
Dining Deficit	(312,552)	-		-	312,552		

Westfield State University
FY25 Detailed Budget by Trust Fund
FY25 Provisional Budget

	Operating Budget	FEMA Fund	Innovation Fund	Grants	Capital Project Fund	DGCE	Residential Life	Dining Services	Other Trust Funds	FY25 Provisional Budget
Revenue										
Scholarship Allowance				(14,660,448)						(14,660,448)
Tuition and Fees	34,143,815					13,410,276			8,000	47,562,091
Federal Grants and Contracts				10,803,781						10,803,781
State Grants and Contracts				8,565,000						8,565,000
Private Grants and Contracts				395,000					-	395,000
Residence Fees							14,429,937			14,429,937
Dining Fees								10,373,146		10,373,146
Other Operating Revenues	572,151						249,726		1,067,167	1,889,044
Commissions	205,933						22,000			227,933
State General Appropriations	40,430,285									40,430,285
Foundation Support	1,213,500									1,213,500
Innovation Fund			800,000							800,000
Investment Income	1,915,000									1,915,000
Total Revenue	78,480,683		800,000	5,103,333	-	13,410,276	14,701,663	10,373,146	1,075,167	123,944,268
Planned Use of Reserves	3,625,721	430,193	654,117	48,950		200,000	966,497	300,000	619,849	6,845,327
Capital - Rollover / Timing					1,556,755		756,906			2,313,661
Total Rollovers / Timing	3,625,721	430,193	654,117	48,950	1,556,755	200,000	1,723,403	300,000	619,849	9,158,987
Total Resources	82,106,404	430,193	1,454,117	5,152,283	1,556,755	13,610,276	16,425,066	10,673,146	1,695,016	133,103,255
Expenses										
Personnel	45,295,237			336,000		4,496,028	2,674,720	2,530,243	53,466	55,385,693
Fringe Benefits	2,700,865			152,587		1,981,390	1,249,897	1,159,533	25,289	7,269,561
Operations	18,599,860			3,889,746		4,307,379	3,486,204	5,282,392	1,616,261	37,181,843
Strategic Investments	734,581									734,581
Utilities	3,403,383						2,320,729			5,724,112
Debt Payments	1,513,984							540,685		2,054,669
FEMA Reimb. Spending Plan		430,193								430,193
Operating Contingency	650,000							45,991	-	695,991
Capital Projects					7,263,288					7,263,288
Scholarships	6,536,203			725,000		75,000	447,170			7,783,373
Transfers	2,876			48,950	(3,916,605)	2,750,478	-	1,114,302		-
MSCBA Assessment							12,303,619			12,303,619
Innovation Fund Expenditures			1,454,117							1,454,117
Total Expense and Transfers	79,436,989	430,193	1,454,117	5,152,283	3,346,683	13,610,276	22,482,339	10,673,146	1,695,016	138,281,040
Net Revenue over Expense	2,669,416	-	-	-	(1,789,928)	-	(6,057,273)	-	-	(5,177,785)
Capital - Use of Cash Reserves	1,000,000				1,789,928					2,789,928
Residential Life Reserves							1,662,160			1,662,160
Glide Path - Cash Reserves							725,697			725,697
Total Use of Reserves	1,000,000	-	-	-	1,789,928	-	2,387,857	-	-	5,177,785
Net Surplus/(Loss)	3,669,416	-	-	-	-	-	(3,669,415)	-	-	-

Notes:

1. Other Operating Revenues consist of parking, application fees, phone fee, non-credit program revenue and other miscellaneous fees
2. Transfers represent the movement of cash from one trust fund to another

		Deferred Maintenance	Funding Source					Total
			Campus	Rollover Incomplete FY24 Projects	Campus Funded from Use of Reserves	DCAMM	MSCBA Debt Release Funds	
Physical Plant Projects								
1	Deferred Maintenance & Project Mgmt	Y	685,019			4,016,334	T.B.D.	4,701,353
2	Water Main Repairs/Replacement	Y	400,000					400,000
3	Scanlon Hall 3rd Floor Partial Renovation	Y	300,000					300,000
4	Replacement Fire Reporting System / City of Westfield	Y	250,000					250,000
5	Critical Repair Contingency	Y	140,000					140,000
6	Critical Equipment Repair		93,981					93,981
7	Facilities Planned Equipment Replacement	Y	150,000					150,000
8	CODE- Sprinkler Heads & Escutcheon	Y	125,000					125,000
9	Facilities Master Plan	Y	100,000					100,000
10	Emergency Equipment Failure	Y	100,000					100,000
11	Emergency Infrastructure Failure	Y	100,000					100,000
12	CODE- Fire Damper Study & Testing	Y	100,000					100,000
13	Steam Lime Emergency repairs	Y	100,000					100,000
14	Central Feed Water Pump Replacement	Y	100,000					100,000
15	CODE -Storm Water Mgt Plan, Testing & Repair	Y	50,000					50,000
16	Ely Library Certified Study	Y	50,000					50,000
17	Facilities Studies		50,000					50,000
Sub-total			2,894,000	-	-	4,016,334	-	6,910,334
Information Technology								
18	ODA Hardware Replacement		350,000					350,000
19	LMS Upgrade		225,000					225,000
20	Faculty Staff Lifecycle		200,000					200,000
21	Classroom Technology Lifecycle		150,000					150,000
22	Campus Computer Labs Lifecycle		125,000					125,000
23	Science Wing Network Upgrades		76,000					76,000
24	Banner Upgrades		55,000					55,000
Sub-total			-	-	-	-	-	1,181,000
Total			4,075,000	-	-	4,016,334	-	8,091,334
Projects Funded via Rollover								
25	Rollover Facility Projects	Y		942,126				942,126
26	Rollover for DCAMM Projects	Y		535,050				535,050
27	Rollover for IT Projects			79,579				79,579
28	Rollover for Dining Services							-
29	Rollover - Lammers (Hot water, Dryer, IT Network)					756,906		756,906
Subtotal - Rollovers for FY24 Projects			-	1,556,755	-	-	756,906	2,313,661
Other - Use of Cash Reserves								
30	Ely Pool Restoration				1,000,000			1,000,000
31	Switchgear Testing & Repairs				789,928			789,928
Sub-total			-	-	1,789,928	-	-	1,789,928
Grand Total			4,075,000	1,556,755	1,789,928	4,016,334	756,906	12,194,923

Notes:

1) MSCBA Projects are not yet known at the time of planning and may change as final decisions are made

Westfield State University
 FY25 Provisional Capital Budget - Institutional Projects; Facilities & Non-Facilities

6/12/2024

Item	Type	Project	Estimated Construction Cost / Match	Description
1	F&O	Ely Pool Restoration (DCAMM)	3,701,097	General pool renovations, safety & code upgrades and HVAC replacement
2	F&O	Facility Emergencies (DCAMM)	250,000	Match placeholder for emergency projects added to the DCAMM plan
3	F&O	R22 Replacement (DCAMM)	1,421,609	Replacement of equipment and coolant
4	F&O	Match Relief (DCAMM)	158,395	Match relief allowed by DCAMM. Funds the Project manager
5	F&O	Parenzo Paving & Banacos Offset (DCAMM)	350,000	Paving done as change order to project that WSU reimburses for
6	F&O	Water Main Repairs/Replacement	400,000	Water main is failing, funds to repair and replace. Multi year plan
7	F&O	Scanlon Hall 3rd Floor Partial Renovation	300,000	Refresh for the occupants of Mod Hall closure
8	F&O	Replacement Fire Reporting System / City of Westfield	250,000	City is no longer supporting the existing fire monitoring on campus
9	F&O	Critical Repair Contingency	140,000	
10	F&O	Critical Equipment Repair	93,981	
11	F&O	Facilities Planned Equipment Replacement	150,000	Planned replacement of failing/obsolete equipment
12	F&O	CODE- Sprinkler Heads & Escutcheon	125,000	Code - replacement of the fire system sprinkler heads and escutcheons
13	F&O	Facilities Master Plan	100,000	Additional funds needed to complete the Facilities Master Plan
14	F&O	Emergency Equipment Failure	100,000	Emergency repairs to equipment interior and exterior
15	F&O	Emergency Infrastructure Failure	100,000	Emergency Infrastructure repair
16	F&O	CODE- Fire Damper Study & Testing	100,000	Code required testing on the Fire system
17	F&O	Steam Lime Emergency repairs	100,000	Continued Steam line repairs (multi year)
18	F&O	Central Feed Water Pump Replacement	100,000	Feed Water pump for the boiler room needs to be replaced
19	F&O	CODE-Storm Water Mgt Plan, Testing & Repair	50,000	Code required testing and repair
20	F&O	Ely Library Certified Study	50,000	Study to look at dehumidification in the Library
21	F&O	Facilities Studies	50,000	House Doctor studies
22	F&O	Switchgear Testing & Repairs	789,928	Study of Electrical Systems and Testing
Total Facilities Projects			\$ 8,880,009	

1	Non F&O	ODA Hardware Replacement	350,000	Hardware Banner Suite resides on is end of life/end of support (EOL/EOS)
2	Non F&O	LMS Upgrade	225,000	Migrating to a new LMS as the curretn version is EOL/EOS before end of FY25
3	Non F&O	Faculty Staff Lifecycle	200,000	Lifecycle Computers for Faculty and Staff
4	Non F&O	Classroom Technology Lifecycle	150,000	Lifecycle for Class Technology Replacements
5	Non F&O	Campus Computer Labs Lifecycle	125,000	Lifecycle for Computer Lab Replacements
6	Non F&O	Science Wing Network Upgrades	76,000	Wired/Wireless netwrok gear is EOL/EOS
7	Non F&O	Banner Upgrades	55,000	Degree Works Upgrade, Oracle Patching (security updates for Banner database), Argos Prof Services (report development and migration)
Total Non-Facilities Projects			\$ 1,181,000	

Total FY25 Project Cost		10,061,009
Less: DCAMM Funding		-4,016,334
Less: FY24 Rollover for DCAMM Funding		-179,747
Total Campus Funding	\$	5,864,928
Less: FY24 Approved Reserve Funding	\$	(1,789,928)
<i>Ely Pool & SwitchGear</i>		
FY25 Net Campus Funding	\$	4,075,000

Note:

1. Funding may be from multiple sources; DCAMM, rollover funding from prior year, FY25 Campus Capital Budget
2. Amounts represented above are estimates
3. FY24 Reserve Funding of \$1.78M was approved for Ely Pool Repair and Switch Gear Upgrades

Westfield State University
FY25 Lease and Motor Vehicle Schedule

6/11/2024

Existing Vehicle Summary	Quantity	Cost/ Month	Annual Cost
Existing Lease Commitments:			
Facilities, Public Safety, Media Services, Mail Services, Catering, Information Technology	25	\$ 14,200	\$ 170,400
5% Escalation			\$ 8,520
Program Service fee			\$ 8,082
Vehicle Lease Contingency			\$ 27,621
FY25 Lease Schedule			\$ 214,623






FY24 Vehicle Lease Schedule	\$ 214,623
FY25 Vehicle Lease Schedule	\$ 214,623
Difference	\$ -

Notes:

1. The annual budget amount for leased vehicles is \$225k.
2. The Reduction in leased vehicle costs is a result of a 1-time offer from Ford to replace 15 of the vehicles that we lease at a lower cost. As of June 2024, we have received 12 of the 15 vehicles that we ordered through this program.

Westfield State University
Strategic Investment Dashboard - \$2M Plan

As of: 6/11/2024

Category	Goal	Expected Outcomes	Quarterly Progress	KPI	Status	% Complete
Integrated Marketing	Increase Awareness and visibility of Westfield State University programs and activities.	Improve visibility and value to prospective students, families, and public; support enrollment efforts.	Completed several marketing initiatives for enrollment and campus; billboards, buses, TV ads, digital geofencing, etc.; pause branding until fall.	Earned Media in print; increased attendance at university events; increased awareness for students/families.		31%
Enrollment	Stabilize and grow enrollment.	Increase first year first time entering students over prior year; increase financial aid awards, improve recruitment and retention, streamline processes, increase admissions visits.	New financial aid leverage program in place, yield strategies developed, new marketing materials generated, purchased software programs, new admission events in development.	Increased deposits/yield, increase applications and acceptances, use satisfaction surveys and attendance rates.		85%
Facilities/Capital Planning	Develop plan to improve grounds and wayfinding signage on campus	Improved quality of outdoor spaces; implement new campus signage plan	RFP issued and consultant hired; study expected completion date by June 2024 with recommendations on investments.	Completion of Study 75% complete; Funding next phase		90%
Institutional Advancement	Increase non-tuition revenue by establishing a new Conference and Events Services Office.	Increase conference business, develop staffing infrastructure, operational policies, and implement new scheduling software.	Hired one new staff member (second in process), consultant hired to generate new policies, RFP completed for new scheduling software, marketing new groups for summer 2026.	Revenue growth; contribution to overhead costs.		12%
Enhancing Community and Culture	Celebrating 185 years will increase our exposure and benefit the University's initiatives around access and removing barriers for our students...a chance to highlight our founding mission of a learning institution open to all regardless of race, gender and economic status	Support for campus, improved community engagement and value, connections with key leaders, strengthen culture on campus...create a space where people feel a sense of belonging	Hosted two Signature Events leading up to the 185th Blue Diamond Ball during Homecoming 2024. In honor of Black History month we hosted the "Keeper of the Dream" dinner. For Women's History month we hosted our Inaugural Dora Robinson speaker Series with the topic "Supporting Our Superwomen" . We are now preparing for our third Signature Event, Going Global" to increase student support to "Internationalize the Westfield State Experience".	Increasing the visibility of the University; increased opportunities for our students, faculty and staff.		57%

Status:
Green - Completed
Yellow - Progressing toward goal
Red - Not progressing or delayed

Note:
1. % complete = spent or encumbered as % allocation.

UNIVERSITY SPONSORSHIPS AND COMMUNITY EVENTS HISTORY

ACTUAL EXPENSES FY2023 & FY2024

FY2024	
<i>(Event presence included)</i>	
Bright Nights Ball Sponsorship	\$7,000
Baystate Noble Ball Silver Sponsorship (plus 6 additional tickets)	\$6,200
Latino Scholarship Fund Banquet (2 tables)	\$2,000
Springfield Pride Parade You Ball Fundraising Gala-Emerald Table Sponsorship	\$1,800
Western Mass Black Nurses Association Celebrating 30 Years of Nursing	\$760
Westfield Women's Club Garden Tea (plus 8 additional tickets)	\$415
Westfield State Foundation Keeper of the Dream Event	\$400
Business West The Difference Makers of 2024	\$190
Westfield Chamber of Commerce Sponsorship Events	\$130
Retirement Celebration for Henry M Thomas from Urban League of Springfield	\$82
Total	\$18,977
FY2024 Board of Trustees Approved	\$30,000
Examples of Non-Ticketed Sponsorships/Charitable Advertising	
CAN DO Nursing Partnership	\$5,000
Massachusetts Technology Park 2023 MassMakes Innovation Challenge	\$5,000
Springfield Thunderbirds Sponsorship	\$3,000
Girls Inc. of the Valley Spirit of Girls Awesome Advocate	\$2,500
Massachusetts HPERD	\$850
Naples St. Patrick's Day Parade	\$400
Mass School Counselors Assoc Scholarship for one MASCA camper	\$375
Town of West Springfield	\$200
Hampshire Pride Parade	\$200
	\$17,525
FY24 GRAND TOTAL	\$36,502

FY2023	
<i>(Event presence included)</i>	
Noble Ball Silver Sponsorship (plus 7 additional tickets)	\$6,400
Bright Nights Ball Sponsorship	\$3,500
The Ireland Funds 31st National Gala	\$1,000
Detroit Riverfront Conservancy Shimmer on the River*	\$500
Foundation Interfaith Breakfast	\$200
Greater Westfield Chamber of Commerce September Breakfast	\$70
Total	\$11,670
FY2023 Board of Trustees Approved	\$30,000
Examples of Non-Ticketed Sponsorships/Charitable Advertising	
CAN DO Nursing Partnership	\$5,000
Springfield Thunderbirds Sponsorship	\$3,000
WWLP LGBTQ History Ad	\$1,500
Community Music School of Springfield Annual Martin Luther King Day Celebration Sponsorship	\$1,000
Longmeadow Pride Alliance Event Sponsorship	\$250
Northeast Regional Honors Council Sponsorship ad for NRHC Conference*	\$250
Town of West Springfield Mayoral Ball Terrier Sponsorship	\$200
	\$11,200
FY23 GRAND TOTAL	\$22,870



**BOARD OF TRUSTEES
FINANCIAL AFFAIRS COMMITTEE
CHARTER**

I. Mission

The Financial Affairs Committee shall oversee all of Westfield State University's (WSU) finances, including financial controls and accounting systems in a transparent manner. It shall oversee the financial, legal and ethical integrity of WSU's financial records and financial reporting processes for WSU's operating accounts, reserves, capital assets/projects and all other financial matters consistent with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting and Standards Board (GASB) as well as Massachusetts General Laws.

II. Authority and Responsibilities

Policies

Establish, review, and update financial and investment policies for approval by the Board.

Oversight of Implementation

The Committee shall review the development of annual/multi-year all funds operating budgets prepared under the direction of the University President and Vice President for Administration & Finance and make recommendations to the Board of Trustees regarding their approval. The Committee shall review and monitor quarterly operating reports of income and expenditures and monitor compliance with WSU's investment policy. Major budget variances, significant trends or financial concerns shall be communicated to the WSU Board of Trustees in a timely manner.

The Financial Affairs Committee shall review proposed major financial transactions that are not included within Board-approved budgets. Proposed variances with recommendations shall be submitted to the Board of Trustees for approval.

The Committee shall also make recommendations to the Board in selecting the financial advisor for University investments and shall oversee the advisor in coordination with the Investment Subcommittee.

The Committee has the authority to establish subcommittees and/or working groups to monitor or focus on a specific topic or activity as deemed appropriate. A committee charge, membership, duration, and outcomes will be established if/or when such working groups are established and will report back to the Financial Affairs Committee on a regular basis.

Evaluate Performance

Review overall investment performance, asset allocation, and risk tolerance for short and long-term investments. It shall cause to be prepared and submitted to the Board of Trustees at least once a year an audited financial statement of WSU's financial condition.

Educate the Board

Board motions should contain enough background data to make an informed decision to properly carry out the Committee's fiduciary oversight responsibility. Further, Board materials should be sent in advance of all meetings. Adequate time should be allowed for discussion on substantive issues presented to the Committee.

III. Organization

Review of Charter

This charter shall be reviewed and reassessed by the Committee annually, and any proposed changes shall be submitted to the Board for approval.

Membership/Structure/Quorum

The Committee shall consist of at least five members. The Committee chair shall be appointed by the Board chair. Committee members should ideally have financial, investment, or business expertise. Committee membership shall not exceed the maximum term(s) as identified in the current bylaws.

Staff Liaison

The president shall designate a member of the University's senior administration to serve as a liaison to the Committee.

Meetings

The Committee shall meet in advance of each Board of Trustees meeting unless the Committee chair and Board chair determine that a meeting is not necessary. A quorum of any meeting of the Committee shall consist of a majority of its voting members. Committee members may participate by teleconference as permitted by state laws. All meetings will conform to Massachusetts open meeting laws.

Agenda, Minutes and Reports

The Committee chair, in collaboration with the staff liaison, shall be responsible for establishing the agendas for meetings. An agenda, together with relevant materials, shall be provided to Committee members at least five days in advance of the meeting. Minutes for all meetings shall be drafted by the staff liaison or designee, reviewed by the Committee chair, and approved by Committee members at the following meeting. All meeting materials will be posted on the University's website within 14 days after each Committee meeting, to ensure transparency of Board actions and oversight of the University.