



Minutes of the Meeting of April 15, 2015

Board Minutes - April 15, 2015

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Board of Trustees 04.15.15.pdf - Page 3

Attachments to the Minutes & Consent Agenda

Attachment FF-15-04 - Page 10

Risk Management Feb 4, 2015

IA, Marketing & Communicating : Feb 4, 2015 - Page 11

Academic Affairs: Feb 4, 2014 - Page 53

Finance & Facilities: Feb 4, 2015 - Page 107

Exec Comm: Feb 4, 2015 - Page 162

Board of Trustees; Feb 11, 2015 - Page 164

Risk Management & Audit: April 1, 2015 - Page 249

Institutional Advancement, Marketing & Communications: April 1, 2015 -
Page 255

Academic Affairs & Student Life; April 1, 2015 - Page 260

Finance & Facilities; April 1, 2015 - Page 262

Executive Committee: April 1, 2015 - Page 325

MEETING OF THE BOARD OF TRUSTEES
April 15, 2015

PRESENT: Trustees Abdoo, Burns, Crawford, Davis, Lutts, Malcolm, Mattera (Vice Chair), Scott (Chair), Segal, Stringer and President Meservey. Advisory Member Zetes and Secretary to the Board Montague were also present.

ABSENT: Trustee Lancome

Individuals also present and participating in the meeting: Vice President of Finance and Business House, Assistant Provost Everitt, General Counsel and Vice President of Administration Keenan, Assistant Vice President for Public Safety and Risk Management Labonte, Vice President for Institutional Advancement McGurren, Provost and Vice President for Academic Affairs Silva, Dean of Students and Student Life Stoll, Vice President for Marketing and Communications Torello.

The provisions of General Laws, Chapter 30A, having been complied with and a quorum of the Board being present, the Board of Trustees of Salem State University held a meeting in Marsh Hall, Room 210, Central Campus, Loring Avenue, Salem, Massachusetts, on April 15, 2015, with Pamela C. Scott, Chair, presiding.

* * *

I. CALL TO ORDER

Call to Order

Chair Scott called the meeting to order at 5:00 p.m. The chair acknowledged that Boston Mayor Walsh had proclaimed today, "One Boston Day" an official way to honor the resilience and goodness among the people in Boston in response to the tragedies of the 2013, Boston Marathon. One Boston Day will inspire all of us to come together as the community we are and share the spirit of Boston by giving back. The chair thanked the trustees for their service and giving back to the community and enriching the educational experience of the university's students. She reminded all present that the day had special significance for the university as Sean Collier, a Salem State alumni, was a victim of the tragedy.

* * *

II. CONSENT AGENDA: APPROVAL OF MINUTES & COMMITTEE REPORTS

Approval of Minutes

Chair Scott read the items contained on the Consent Agenda and asked for any objections or modifications to the minutes. Hearing none, she also asked for a motion to approve the minutes.

Upon a motion duly made by Trustee Davis and seconded by Trustee Lutts, it was unanimously

VOTED: To approve the Minutes (Attachment CA-15-04)

* * *

III. COMMITTEE ACTIONS

Finance & Facilities: Chair Scott invited Trustee Burns to present the motion for the committee. Trustee Burns noted that, at its last meeting the committee approved a motion relative to the Student Government Association "SGA" Trust Budget however the motion did not make clear that the SGA fee applies to day and evening full-time and part-time undergraduate students so a revised motion had been agreed upon by the necessary parties. A brief discussion followed and Trustee Burns then presented the following motion with regard to the Student Government Association Trust Fund 2015-2016 budget.

*Finance
&
Facilities*

Upon a motion duly made by Trustee Burns on behalf of the Finance & Facilities Committee, and seconded by Trustee Lutts it was unanimously

VOTED: **The Board of Trustees of Salem State University hereby approves the Fiscal Year 2015-16 Student Government Association Trust Fund budget as recommended by the president. The Board of Trustees further approves maintaining the current Student Government Fee rates of \$80 per full-time student (day and evening undergraduate) and \$3.33 per credit (for part-time day and evening undergraduate students) for the 2015-16 academic year. (Attachment FF-15-04)**

* * *

IV. REPORT OF THE PRESIDENT

*Report of the
President*

- President Meservey began her report by noting that 1,500 students and family members were on campus for Accepted Students Day which took place on Sunday. 600 accepted students spent the day on campus and received orange wristbands to indicate and celebrate their status as incoming Salem State students. Freshmen numbers are strong. Transfers are still soft as universities are working to retain their students and private universities are working to retain their students as well. Graduate applications are down slightly, acceptances and deposits are up.
- This is Earthweek and it has been a fabulous success. As a result of a number of petitions that were received from students, Vice President of Finance and Business House, General Counsel and Vice President of Administration Keenan and Michael Tyler of Eastern Wealth Management, Professor Noel Healy, and students organized an open forum and panel to discuss the idea of divesting the university from its fossil fuel portfolios. It was a standing room only event and it was wonderful to maintain a respectful discussion regarding a controversial issue in an academic setting. President Meservey thanked Vice Presidents House and Keenan and Dr. Noel Healy for their efforts in organizing the event. The President cautioned the board that this topic will be back again for discussion most likely in the fall.
- The president acknowledged Professor Norbert Tschakert for receiving an honorable mention for the 2013 AICPA Mark Chain Federation of Schools of Accountancy Innovation in Graduate Teaching Award.
- To date, the FY16 budget news is not good. Today, the House released its budget and it is the same as the Governor's budget. We did not rec our collective bargaining increase that we had hoped to receive. We are funded at post 9c levels and working with \$625,000 less than last year and we do have a 3.5% collective bargaining increase across our campus to fund. On a brighter note, there may be performance based funding available however we

have no information on the program. The Senate budget is due in May/June and we will hope for better news then.

-The parking garage project is moving forward quickly and the displacement of parking spaces is going well. 150 employees have volunteered to park at Shetland and are enjoying the one mile walk to campus or are using the shuttle. September will be a challenging month for parking however Vice President Keenan and Assistant Vice President Labonte are seeking alternate parking spaces.

-The comprehensive campaign has now exceeded \$19M and we are well within the \$25M goal within the next year. The president congratulated Vice President of Institutional Advancement McGurran and her team for their continued efforts.

* * *

V. REPORT OF THE CHAIR

Report of the Chair

Chair Scott welcomed Don Irving the state university trustee representative on the Board of Education and thanked him for visiting the campus and joining the board. She said the board would hear more from Mr. Irving shortly.

Chair Scott reported on the many activities she had been involved with and attended since the board's last meeting:

-the New England Board of Higher Education and Association of Governing Boards held luncheon on the role of board and how we might address our financial issues

-the Board of Higher Education held a Vision conference event. There was a strong Salem State presence at the conference. This was Secretary Peyser's first encounter with the higher education world and it was a worthwhile event to attend.

-the BHE held a trustee workshop in Brockton with Trustee Office, Office of the Inspector General, Office of the Attorney General and State Ethics Commission

-the Board of Higher Education's budget seminar in March

-Chair Scott also attended a university spirit of civic engagement hall of fame event and later this week she will meet with board chairs in Worcester with the Council of Presidents, Secretary Peyser and Commissioner Freeland to discuss the higher education state funding formula, the matrix process for trustee candidate review process selection. Don Irving will be there as well.

Chair Scott noted that BHE is looking to have information regarding our board of trustee's composition.

-Later this month Chair Scott will attend the Holocaust and Nuremberg Studies. She will also attend the ALANA graduation.

-With the graduation season upon us, all trustees were encouraged to attend May 14th and 16th commencement ceremonies.

-Finally, the chair congratulated Trustee Stringer as the recipient for the Hope Begins Here award for her leadership of Care Dimensions.

* * *

VI. OLD BUSINESS

Old Business

May offsite follow-up: the chair reminded the group that the offsite meeting will take place on May 29th and to save the date on their calendars. She thanked the board for participating in the survey, and shared that an agenda is being developed by the planning sub-committee that will include a discussion of last year's topics, as well as, a shared understanding of goals going forward. The survey responses suggested several areas for follow-up discussion including the strategic plan. The strategic plan will be reviewed and we will need to recognize the internal and external changes

that affect the plan. We have engaged Ellen Chaffee of AGB to facilitate the day and we are looking forward to a productive meeting.

* * *

VII. NEW BUSINESS

*New
Business*

Don Irving, president of Data Guide Cable Corp. Chair Scott welcomed Don Irving, the state university trustee representative elected by his peers in January of this year. He is also the president and founder of Data Guide Cable Corp. in Gardner, MA. In operation for 32 years, Data Guide is a leading manufacturer of specialty electronic cables for the industrial control, robotic, and plasma-cutting industries. A product of Massachusetts public education, he attended public school in Walpole and went on to Fitchburg State University where he attained a BS in Industrial Education and an MS in Industrial Technology.

After teaching electronics in the public school system for eight years, he transitioned into private industry as an engineering manager for Conduccion Corporation where he developed data transmission products and patented an aspheric lens fiber optic connector. Leaving Conduccion, he then started Data Guide Corp. in the basement of an old furniture factory. After ten years of steady growth he was selected as the SBA Business Person of the Year and honored at the White House by President George H. Bush for job creation and an innovative work program for single mothers.

He has also founded two other successful companies dealing in real estate construction and development.

With a strong commitment to education, he served and chaired the Ashburnham/Westminster Regional School Committee and coached local school ice hockey teams. He was also a trustee at the Applewild School for ten years and served as vice president of the Board at Cushing Academy for 16 years, where he has been granted Trustee Emeritus status. At Fitchburg State University he served on the Foundation Board for three years and has served as a trustee since December 2011.

Don greeted the board and said it was an honor to represent the Commonwealth's universities and now to have an opportunity to visit them. He explained that his job is to report to the Board of Higher Education and give feedback on the vision project. President Meservey and Chair Scott shared the board's feedback on the vision project and expressed their appreciation for Don's willingness to represent the university.

Nominating Committee: Chair Scott explained that with the end of the fiscal year approaching the process for the annual elections and the need to appoint an ad hoc Nominating Committee. Chair Scott then appointed Trustees Segal (Chair), Lutts, Abdoo, and Stringer to the committee and suggested having the necessary nominations communicated to Trustee Segal and the Board Secretary by May 20, which is the next meeting date of the Board's Committees. This will ensure adequate preparation time for the Board meeting on June 3rd. Trustee Segal and Secretary Montague will coordinate any meeting times and communications of the Nominating Committee. Chair Scott noted that the purview of the Nominating Committee's purview is chair and vice chair

only. On June 3rd, the board will have an opportunity to elect 3 trustees to serve on the Executive Committee.

* *

VIII. OPEN FORUM

Chair Scott opened the meeting to questions and comments from the floor. There being none Chair Scott then announced that the Board would go into Executive Session to discuss a real estate acquisition and that there being no further business the Board would not reconvene following Executive Session. Chair Scott then asked for a motion for the Board to go into Executive Session.

Upon a motion duly made by Trustee Mattera and seconded by Trustee Singer it was unanimously

VOTED: To adjourn to Executive Session at 5:55 pm.

Voting in the affirmative: Abdoo, Burns, Crawford, Davis, Lutts, Malcolm, Mattera, Scott, Segal, and Stringer.

Voting against: None

When the Board had completed its discussion, it voted to come out of Executive Session at 6:50 pm.

* * *

IX. ADJOURNMENT

There being no further business to come before the Board and on a motion duly made by Trustee Davis and seconded by Trustee Mattera it was unanimously

VOTED: To adjourn the meeting at 6:50 p.m.

Respectfully submitted,



Patricia Maguire Meservey
President



Lynne Montague
Secretary to the Board of Trustees

*Open
Forum*

MEETING OF THE BOARD OF TRUSTEES

April 15, 2015

*Marsh Hall, Room 210, Central Campus, Loring Avenue
Salem State University
Salem, Massachusetts*

Items for Inclusion on the Consent Agenda:

Approval of the following Meeting Minutes and Committee Reports:

Risk Management & Audit: February 4, 2015

Institutional Advancement, Marketing & Communications: February 4, 2015

Academic Affairs and Student Life: February 4, 2015

Finance & Facilities: February 4, 2015

Executive Committee: February 4, 2015

Executive Committee Executive Session: February 4, 2015

Board of Trustees Meeting: February 11, 2015

Board of Trustees Executive Session: February 11, 2015

Risk Management and Audit: April 1, 2015

Institutional Advancement, Marketing & Communications: April 1, 2015

Academic Affairs and Student Life: April 1, 2015

Finance & Facilities: April 1, 2015

Executive Committee: April 1, 2015

Executive Committee Executive Session: April 1, 2015

MEETING OF THE BOARD OF TRUSTEES

April 15, 2015

Marsh Hall, Room 210, Central Campus, Loring Avenue

Salem State University

Salem, Massachusetts Committee

Motions for Consideration

Finance and Facilities Committee:

Motion: The Finance and Facilities Committee hereby recommends that the Board of Trustees approve the attached motion pertaining to the Student Government Association Trust Fund FY2015-16 budget as described in Attachment A.

The Board of Trustees of Salem State University hereby approves the Fiscal Year 2015-16 Student Government Association Trust Fund budget as recommended by the president. The Board of Trustees, further, approves maintaining the Student Government Fee rate of \$80 per full-time student for the 2015-16 academic year.

REVISED MOTION (revised 4/13/15)*

The Board of Trustees of Salem State University hereby approves the Fiscal Year 2015-16 Student Government Association Trust Fund budget as recommended by the president. The Board of Trustees further approves maintaining the current Student Government Fee rates of \$80 per full-time student (day and evening undergraduate) and \$3.33 per credit (for part-time day and evening undergraduate students) for the 2015-16 academic year.

The president and other officers of the university are hereby authorized to do all things and take all actions necessary to implement this motion.

Committee Action: *Original Motion was Approved, but did not make clear that the SGA fee applies to day and evening full-time and part-time undergraduate students so a revised motion is presented to the full Board of Trustees

Date of Action: April 1, 2015

MEETING OF THE BOARD OF TRUSTEES

April 15, 2015

Marsh Hall, Room 210, Central Campus, Loring Avenue

Salem State University

Salem, Massachusetts Committee

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The president and other officers of the university are hereby authorized to do all things and take all actions necessary to implement this motion.

Committee Action: *Original Motion was Approved, but did not make clear that the SGA fee applies to day and evening full-time and part-time undergraduate students so a revised motion is presented to the full Board of Trustees

Date of Action: April 1, 2015

SUBJECT: Institutional Advancement/Marketing & Communications Committee Meeting Report for February 4, 2015

The Institutional Advancement/Marketing & Communications Committee of the Board of Trustees met on Wednesday, February 4 in the Sullivan conference room located in the Enterprise Center on the Central Campus of Salem State University.

Present for the Committee: Trustees Burns, Lutts, Malcolm and Scott; President Meservey (ex-officio), Vice President McGurren (committee liaison) Vice President Torello (committee liaison), Staff Assistant Shahin. Also present and participating: Trustees Crawford, Davis, and Segal

Trustee chair Pamela Scott called the meeting to order at 4:50 pm.

Campaign Update (Attachment A)

Vice President McGurren reviewed the status of the campaign. Our goal is to raise \$25M by June 30, 2016. As of December 31, 2014 we have raised \$18,608,801 (74% of goal), with a balance to be raised by June 30, 2016 of \$6,391,919. Our benchmark goal for FY15 is \$20,768,998 leaving us to raise an additional \$2,160,917 by June 30, 2015. We have 58 pending asks totaling \$1,205,500; \$5,000 in scheduled visits and 53 visits to be scheduled totaling \$2,069,250. Our planned gifts to date total \$2,345,000; which is 47% of our maximum allowable planned gifts of \$5M.

Trustee Malcolm inquired if there is a specific reason the campaign report is stamped as "confidential". He indicated that this information is contained on the university's website. President Meservey pointed out that since the university is a public institution, and our trustee meetings are "open" meetings, we post this information on our website. However, at the campaign steering committee meetings, which are under the auspices of the Foundation, we share additional pages that contain more private donor information that is confidential and is not posted on our website. After some additional discussion, it was agreed that the "confidential" stamp would be removed from the monthly campaign progress report.

Vice President McGurren then discussed the financial progress of various funding priorities. Our percentage to goal for our annual fund unrestricted is 86.20% and the annual fund restricted is at 94.30% Vice president McGurren reported we encourage individuals to donate to the annual fund to insure we will have funding going forward at the end of the campaign.

President Meservey congratulated Vice President McGurren and her team for the three recognition awards at the recent CASE conference. The Campus Community Campaign efforts recognized at the Gold level for "Best Practices in Fundraising Campaigns". She was pleased to report we had 82% of our full-time faculty and staff contributing to the Campaign. We also received a Bronze Award in the category "Fundraising Publications" for the 10,000 Reasons

campaign case statement, and Bernard H'85 and Sophia Gordon were also recognized with the Distinguished Friend of Education Award.

Memorandum of Agreement (Attachment B)

Vice President McGurren then discussed the Memorandum of Agreement between the Salem State University and the Salem State University Foundation, Inc. The version with the track changes had been prepared by the university's legal counsel, Attorney Cox, and it also contained recommendations and comments previously discussed by the trustees and the foundation board of directors. Vice President McGurren reviewed the revisions made to paragraph 4(c). Trustee Segal recommended a change from "acceptance of gifts of real property" to "acceptance of gifts of tangible property." There was further discussion about this distinction between real estate and tangible property and it was agreed that it would be changed. Regarding paragraph 4(d), it was agreed to add at the end of the paragraph "or a gift in any way binds the university to a particular action." Regarding paragraph 4(g), it was agreed to eliminate "or other foundations" from the paragraph. There was additional discussion relative to paragraph 3b which states twice that the University's chief development officer (or such other employee of the University as the University may designate) "may" serve as the executive director of the Foundation rather than "shall". President Meservey stated we will discuss this further with our legal counsel before making the change.

Trustee Burns made the following motion, seconded by Trustee Lutts

MOTION

With modifications discussed at today's meeting, the final version of the Memorandum of Agreement will be recommended to the full Board of Trustees at their meeting, scheduled to be held on February 11, 2015.

Web redesign update

Vice President Tom Torello discussed the web redesign status. The RFP has gone out and we expect to have our responses back by March 5. He reported we are moving forward with the development of the portal. The programmer contractor has been hired and the project manager position has been advertised. The content specialist position will not be filled immediately, but will be in the near future.

Web redesign best practices (Attachment C)

Vice President Tom Torello then discussed a conference he recently attended hosted by Columbia College, whose demographics are very similar to Salem State University. He reviewed with the trustees what their website originally looked like, which is very similar to Salem State University's website. He then reviewed the changes developed in the architecture and content of the website resulting in a 97% reduction in total content pages; a 600% increase in the duration of time spent on the new site; and a 27% reduction in the "bounce" factor, which is a person leaving the site in a short period of time.

Trustee Malcolm inquired if there is information which a public institution is required to have on their website which a private institution is not required to have. Vice President Torello answered

in the affirmative; one example would be the minutes from the trustee meetings are required to be posted to our website, because we are a public institution.

There being no further business to come before the committee and on a motion duly made by Trustee Burns and seconded by Trustee Lutts, it was unanimously

VOTED: To adjourn the meeting at 4:30 pm.

Prepared by: Diane Shahin, staff assistant, Institutional Advancement

Salem State University Foundation
 Campaign Snapshot
 July 1, 2010 - December 31, 2014

ATT. A

CONFIDENTIAL

To: Institutional Advancement/Marketing and Communications Committee of the Board of Trustees

From: Cheryl Crouse, Assistant Vice President and Campaign Manager

Date: February 4, 2015

RE: Campaign financial update – as of 12/31/2014

This is a report of giving for the 10,000 Reasons campaign for gifts received between July 1, 2010 through December 31, 2014. These totals include pledges, cash received, and new planned gifts from any person who reaches to the age of 60 within the timeframe of the campaign.

I. STATISTICAL REVIEW

Campaign Snapshot - Year Three

\$25,000,000 Campaign Goal
\$18,608,081 Raised 7/1/2010 through 12/31/2014
 \$6,391,919 Balance to be raised by 6/30/16

\$1,205,500 Pending (58)
 \$5,000 Visits scheduled (1)
\$2,069,250 Visits to be scheduled (83)

TIMELINE TO CAMPAIGN GOAL

Date	FY11	FY12	FY13	FY14	FY15	FY16
Cumulative goal	\$2,050,000	\$9,250,000	\$11,418,466	\$16,000,000	\$20,768,998	\$25,000,000
Dollars raised	\$2,185,493	\$9,118,466	\$12,051,456	\$15,731,002	\$18,608,081	
Balance to be raised					\$2,160,917	
Actual % to goal	9%	36%	48%	63%	74%	
Benchmark % to goal					90%	100%
Benchmark as of					Dec. 31, 2014	

PLANNED GIFTS TO DATE

Total amount to report*	\$5,000,000
Actual reported	\$2,345,000
Percentage to max. allowable	47%
Total number	16

*Reports on total allowable dollars that can be counted toward our \$25,000,000 goal.

COMPREHENSIVE CAMPAIGN FINANCIAL PROGRESS

Area	Goal	Documented	Verbal	Total Raised (Verbal & Documented)	Balance	% to Goal	Cash Received as of 12/14
Annual Fund Unrestricted	\$2,800,000	\$2,413,508		\$2,413,508	\$386,492	86.20%	\$1,646,015
Annual Fund Restricted	\$4,200,000	\$3,960,533		\$3,960,533	\$239,467	94.30%	\$3,428,925
Faculty*	\$3,000,000	\$89,928		\$89,928	\$2,910,072	3.00%	\$96,260
Students	\$4,000,000	\$2,163,511		\$2,163,511	\$1,836,489	54.09%	\$2,153,510
Financial Assistance	\$4,000,000	\$4,225,650		\$4,225,650	-\$225,650	105.64%	\$2,859,407
Academic Programs	\$2,000,000	\$2,723,174		\$2,723,174	-\$723,174	136.16%	\$833,924
Unrestricted Endowment	\$125,000	\$125,000		\$125,000	\$0	100.00%	\$100,000
Gordon Center Campaign	\$3,400,000	\$1,230,962		\$1,230,962	\$2,169,038	36.20%	\$857,725
Comprehensive Campaign Unrestricted	\$1,475,000	\$1,175,815		\$1,175,815	\$299,185	79.72%	\$808,557
Designation to be determined	n/a	\$0	\$500,000	\$500,000		n/a	n/a
Campaign totals	\$25,000,000	\$18,108,081	\$500,000	\$18,608,081	\$6,391,919	74.43%	\$12,784,323

Note:

1. The \$1.2 million Bertolon Goal was attained 3/1/12. Those funds are now included in Annual Fund Restricted, Faculty, Students, and Financial Aid.
2. In total, Salem State raised \$6,023,788 in a prior capital campaign for the Sophia Gordon Creative and Performing Arts Center.
3. The column titled area reports dollars raised by for each of our campaign priorities and does not report dollars raised for endowment vs. current use.

ANNUAL FUND PROGRESS

Area	Goal	Documented	Total Raised (Verbal & Documented)	Balance	% to Goal
Annual Unrestricted FY11	\$250,000	\$362,883	\$362,883	\$0	145.15%
Annual Unrestricted FY12	\$475,000	\$925,929	\$925,929	\$0	194.93%
Annual Unrestricted FY13	\$475,000	\$502,561	\$502,561	-\$27,561	105.80%
Annual Unrestricted FY14	\$517,200	\$354,128	\$354,128	\$163,072	68.47%
Annual Unrestricted FY15	\$541,400	\$268,006	\$268,006	\$273,394	49.50%
Annual Unrestricted FY16	\$541,400	\$0	\$0	\$541,400	
Annual Unrestricted Total	\$2,800,000	\$2,413,508	\$2,413,508	\$386,492	86.20%
Annual Restricted FY11	\$800,000	\$638,180	\$638,180	\$0	79.77%
Annual Restricted FY12	\$500,000	\$985,919	\$985,919	\$0	197.18%
Annual Restricted FY13	\$480,000	\$749,783	\$749,783	\$269,783	156.20%
Annual Restricted FY14	\$670,800	\$1,095,904	\$1,095,904	\$425,104	163.37%
Annual Restricted FY15	\$874,600	\$490,746	\$490,746	\$383,854	56.11%
Annual Restricted FY16	\$874,600	\$0	\$0	\$874,600	
Annual Restricted Total	\$4,200,000	\$3,960,533	\$3,960,533	\$239,467	94.30%
Annual Unrestricted + Restricted	\$7,000,000	\$6,374,041	\$6,374,041	\$625,960	91.06%

**FY12 Annual Unrestricted total: \$925,929

This includes \$350,000 in multi-year \$25,000 or greater campaign commitments that are not expected to be replicated in FY13 totals (\$575,929 without \$25k+ multi-year campaign commitments)

*FY12 Annual Restricted total: \$985,919 this includes \$275,000 in multi-year \$25,000 or greater campaign commitments that are not expected to be replicated in FY13 totals (\$707,919 without \$25k+ multi-year campaign commitments)

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**MODEL
MEMORANDUM OF AGREEMENT
Between ___ and ___ Foundation, Inc.**

This Memorandum of Agreement is made as of the ___ day of _____, 201_, by and between _____ (the "University"), an agency of the Commonwealth of Massachusetts, and _____ Foundation, Inc. (the "Foundation"), a not-for-profit charitable corporation organized and operating as such pursuant to chapters 15A, §37, and 180 of the General Laws of said Commonwealth.

WHEREAS the Foundation is organized and operated exclusively for the benefit of the University and consistently with the policies and goals of the University; and

WHEREAS the Foundation plays a significant role in securing, holding, managing and disbursing moneys and other assets dedicated to the support of the University; and

WHEREAS the University and the Foundation are desirous of recording certain understandings concerning the manner in which the Foundation and the University will coordinate, and otherwise cooperate in, efforts to raise moneys and secure other assets from private donors for the support and benefit of the University;

NOW, THEREFORE, in consideration of the foregoing premises and of the mutual covenants herein contained, the University and the Foundation hereby agree as follows.

1. Use of Name. The University and the Foundation acknowledge and agree that the University, in accordance with and subject to the provisions of chapter 15A, section 37, of the General Laws of Massachusetts, has accorded to the Foundation the right and authority to use the name of the University both in the Foundation's own name and for the purpose of its fund-raising activities.
2. Foundation's Mission and Purpose. The Foundation's mission and purpose are to raise and manage private resources in support of the mission and priorities of the University as the University may determine those to be from time to time. It is the University's and the Foundation's expectation, therefore, that the Foundation will, consistently with the terms of this Memorandum of Agreement, support the University's fund-raising activities and, in accordance with University policy and applicable provisions of law, play an active and prominent role in in the management of privately raised moneys and other assets.
3. University's Support and Assistance.
 - a) At the Foundation's request, the University may, at no cost to the Foundation, provide the Foundation with such space and facilities of the University, including suitably equipped office and meeting space, as, in University's judgment, are reasonably necessary to

permit the Foundation to fulfill its obligations under this Memorandum of Agreement. In connection therewith, the University may also provide the Foundation with appropriate telephone and computer connectivity through the University's own telephone and computer networks.

- b) The University's chief development officer (or such other employee of the University as the University may designate from time to time) shall serve as the executive director of the Foundation. At the request of the Foundation, the University may, in the person of one or more other of its own employees, assign to the Foundation such additional personal services, including clerical services, as the Foundation may reasonably require from time to time in connection with the fulfillment of its obligations hereunder. Every such employee (including the chief development officer) shall be and remain an employee of the University for all purposes and shall be assigned to assist the Foundation at the University's sole cost and expense. The University shall establish the assignments and responsibilities of each such employee from time to time after consultation with the Foundation. The rendering of all such personal services (including those of the chief development officer) to the Foundation shall be subject to applicable provisions of law, including those contained in chapter 15A, section 37, of the General Laws of Massachusetts.
 - c) The University shall from time to time communicate to the Foundation the University's priorities and long-term plans together with such other information as the University thinks necessary or appropriate to assist the Foundation in the fulfillment of its obligations hereunder. To the extent and in the manner that the University thinks it necessary or appropriate, it shall involve the Foundation in the University's strategic planning.
 - d) The University shall work with the Foundation to identify, cultivate and solicit prospective donors of private gifts.
 - e) The University shall from time to time give to the Foundation such additional support and assistance as (but subject always to University policies, University budgets and applicable provisions of law) the University deems necessary or appropriate to facilitate the Foundation's activities and to assist it in the accomplishment of its purposes and the fulfillment of its mission.
 - f) Any and all support and assistance provided by the University to the Foundation shall at all times remain subordinate and subject to appropriation, University policy and applicable provisions of law.
4. Foundation's Responsibilities.
- a) The University reserves to itself the right, at any time and from time to time, to play any such role and assume any such responsibility, whether to the exclusion of the Foundation or otherwise, as it may think appropriate in connection with any fund-raising activity or any donor relationship. In consultation with the University and consistently with its

policies and prescriptions as they are from time to time, the Foundation shall assume principal responsibility for managing such assets entrusted to it for the support of the University.

- b) In its solicitation and receipt of gifts, the Foundation shall adhere to the provisions of chapter 15A, section 37(e), of the Massachusetts General Laws and to all other applicable provisions of law.
- c) The Foundation shall receive, hold, manage, invest, and disburse contributions of cash, securities, patents, copyrights and other forms of property, including immediately vesting gifts and deferred gifts that are contributed in the form of planned and deferred-gift instruments. The Foundation shall not accept a gift of or otherwise acquire real property or any interest therein without in each case the prior approval of the University.
- d) The Foundation shall establish, adhere to and periodically assess policies governing its acceptance and management of gifts. All such policies, including policies pertaining to restrictions placed on gifts, shall conform to any applicable policies of the University and shall make provision for protecting the anonymity of donors who choose to make gifts anonymously. No such policy shall permit the Foundation to obligate the University to confer any benefit or honorific on any donor or prospective donor without in each case the prior approval of the University and any and all naming rights of any kind whatever shall be exercisable solely by the University and at its sole discretion.
- e) The Foundation shall adhere to the University's Procedures for Implementing the Public Higher Education Endowment Incentive Program as they are in force for the time being.
- f) The Foundation shall not accept grants from state or federal agencies or other foundations without in each case the prior approval of the University.
- g) The Foundation shall establish asset-allocation, disbursement and spending policies that conform to applicable provisions of law, including the Uniform Prudent Management of Funds Act (c. 180A of the General Laws of Massachusetts) as the same is in force for the time being. In connection therewith, the Foundation shall develop an annual budget and spending plan and (but subject to applicable restrictions) may annually expend a reasonable percentage of its funds for the support of its programs, services and operations.
- h) In consultation with the University, the Foundation shall, no later than _____ (date) of each year establish a plan of disbursements to the University for the University's fiscal year next ensuing. When disbursing funds or other assets to the University, the Foundation shall disclose to the University any terms, conditions or limitations to which any such funds or assets are subject.
- i) The Foundation shall annually cause a complete audited financial statement of its accounts to be prepared in sufficient time to permit the University to complete, and its Board of Trustees to accept, the University's and Foundation's audit and transmit it to the

state comptroller. The audit will be prepared in accordance with such generally accepted accounting principles and reporting practices as may be prescribed from time to time by the American Institute of Certified Public Accountants (or any successor organization), and the same shall be examined by an independent certified public accountant in accordance with generally accepted auditing standards for the purpose of expressing an opinion thereon. A copy of such statement shall be transmitted to the University upon its completion. The Foundation and the University, by agreements made from time to time hereafter, may arrange to have such audit conducted in conjunction with the annual audit the University causes to be conducted of its own accounts.

- j) The Foundation shall maintain accurate records of all gifts received by it, including any restrictions or other terms that are of application to each, together with accurate records of all other matters that are relevant to the fulfillment of its obligations under this Memorandum of Agreement.
5. Direct Assistance to the University. In order to provide direct assistance to the University in its development activities, the Foundation shall, subject to sections 4(h) and 5(c) of this Agreement, reimburse the University for certain costs and expenses it incurs.
- a) The Foundation may reimburse to the University the costs and expenses that the University incurs from time to time in connection with its efforts to raise moneys and secure other assets from private donors, and it may do so whether such efforts of the University are made for or in the name of the University itself or for or in the name of the Foundation. Costs and expenses that the University incurs in connection with such efforts shall, for the purposes of this Memorandum of Agreement, be deemed to include any of the following costs and expenses when incurred in connection with the University's efforts to raise moneys and secure other assets from private donors: the costs that any of the University's employees (including any employee described in section 3(b) of this Agreement) reasonably incur for travel, lodging and related expenses (but not including the cost of any such employee's compensation), the costs of entertainment, meals, receptions and like events, the costs of publications, exhibits and other forms of publicity, the costs of software and other development tools, and the costs of any like items, events and activities (but not including any component of the University's general overhead) that support or relate to such efforts.
 - b) No more frequently than monthly, the University shall submit to the Foundation, in the form of an invoice or like statement, a request for reimbursement of any costs and expenses (within the meaning of the preceding clause (a)) that it has incurred (whether paid or payable) and that the Foundation has not theretofore reimbursed to it. Every such request shall include a description of all such costs and expenses (or the categories thereof) and the purposes therefor as they relate to the above-described efforts to raise moneys and secure other assets from private donors. The University shall provide to the Foundation any more particular information that the Foundation may reasonably require with respect to any such request. As promptly as is practicable following its receipt of any such request from the University (but in no event more than thirty (30) days thereafter), the Foundation shall pay to the University the amount so requested.

Nothing in this clause (b) shall be deemed to obligate the Foundation to reimburse to the University in any fiscal year any sum or sums that in the aggregate exceed the maximum sum the Foundation shall have fixed for such purpose in accordance with the following clause (c).

- c) In accordance with section 4(h) of this Agreement, the Foundation and the University shall confer concerning the maximum sum the Foundation will commit, for the fiscal year next ensuing, for the purposes described in the preceding clause (b). In doing so they will have regard both to the Foundation's then available financial resources and the University's anticipated expenditures for development. Thereafter, but no later than at the commencement of such fiscal year, the Foundation shall fix and encumber the sum aforesaid.

6. Interpretation. This Memorandum of Agreement shall be liberally construed to the end that the Foundation might broadly and effectively promote and support the University's efforts to raise moneys and secure other assets from private donors.

7. Authorities of the University; Authorities of the Foundation. Nothing in this Memorandum of Agreement shall impair or limit the authority of the University to determine, in its sole discretion, by whom and by what activities it shall or may pursue its efforts to raise moneys and secure other assets from private donors, and no such authority shall be deemed to be vested hereby in the Foundation.

In the exercise of its authorities and the discharge of its obligations under this Agreement, the University shall act by its Board of Trustees or by any such person or body (whether one or more or in combination) as the Board of Trustees may from time to time appoint or designate for the purpose of exercising any such authority or discharging any such obligation.

In the exercise of its authorities and the discharge of its obligations under this Agreement, the Foundation shall act by its Board of Directors or by any such person or body (whether one or more or in combination) as the Board of Directors may from time to time appoint or designate for the purpose of exercising any such authority or discharging any such obligation.

8. Amendment; Termination. The parties may at any time amend this Memorandum of Agreement by an instrument in writing executed with the same formalities as those that attended the making of this instrument. The University may terminate this Memorandum of Agreement at any time by giving to the Foundation not less than thirty (30) days' advance written notice of its election so to do.

WHEREFORE the University and the Foundation, acting by persons duly authorized therein, hereunder set their signs and seals on the dates subscribed below.

_____ STATE UNIVERSITY

_____ FOUNDATION, INC.

By: _____

By: _____

Name:

Name:

Title:

Title:

Date:

Date:

reimagining the higher education website

the art of engaging prospectives



Columbia

COLLEGE CHICAGO

INNOVATION IN THE VISUAL, PERFORMING, MEDIA, AND COMMUNICATION ARTS

- ABOUT COLUMBIA
- ADMISSIONS
- ACADEMICS
- STUDENT LIFE
- NEWS
- EVENTS
- GIVING TO COLUMBIA

Live What You Love
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Columbia takes a practical approach to arts and media education. Our programs, rooted in a rigorous liberal arts and sciences curriculum, encourage students to practice their craft, develop their voice, and prepare to spend their career doing what they love.

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create. change.



Columbia Honors 2011 Alumni of the Year
Columbia College honored outstanding alumni whose work embodies the college's ideal and spirit at the 2011 graduation ceremonies.
[read more](#)



Columbia Bestows Honorary Degrees
Columbia College presented honorary degrees to three outstanding individuals at the 2011 graduation ceremonies on May 14 and 15.
[read more](#)



School of Media Arts Dean Announced

- MAJORS & PROGRAMS
- APPLY ONLINE
- RSVP FOR ORIENTATION

EVENTS AT COLUMBIA

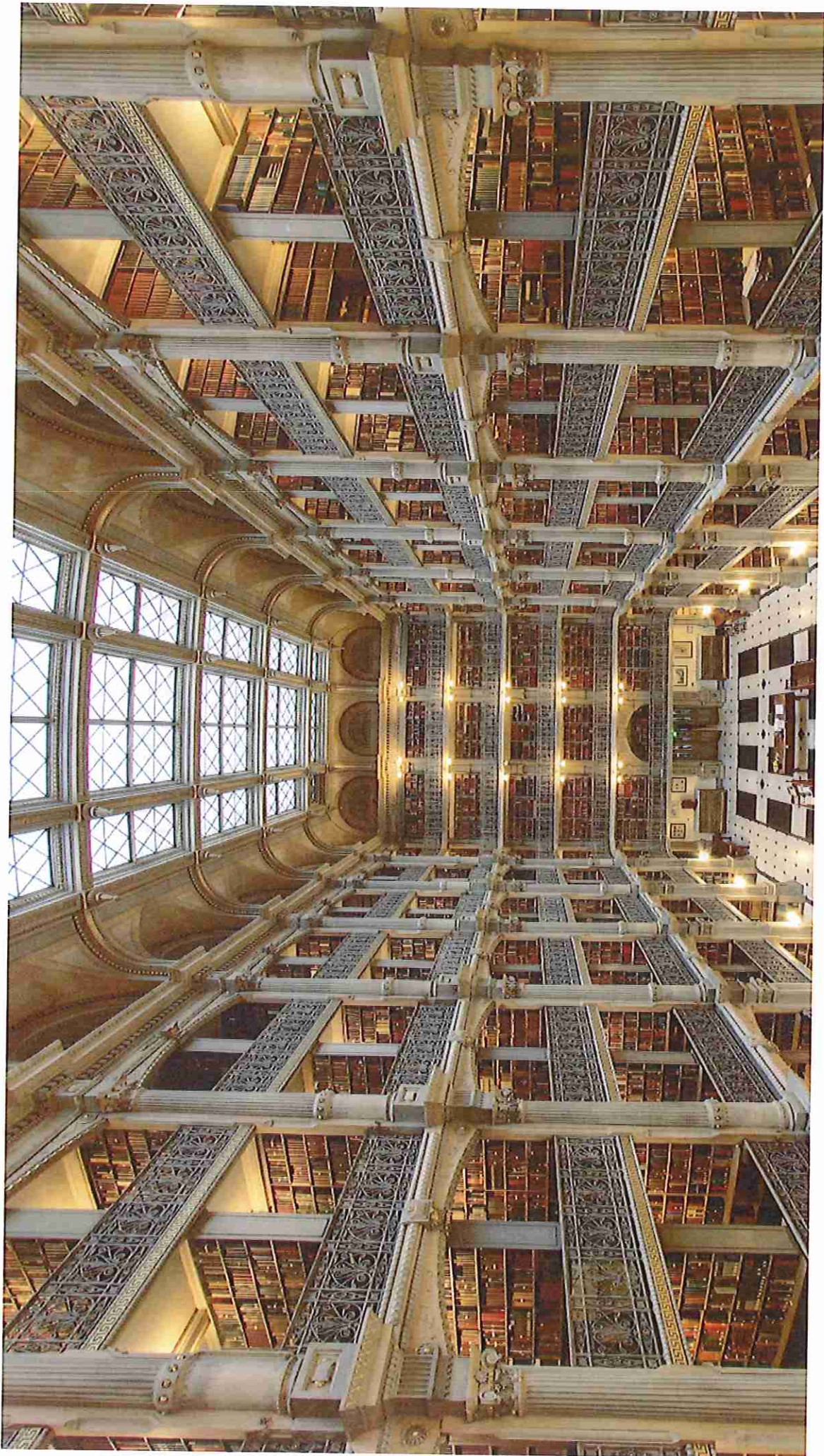
June 2, 2011
The Living History of Type Panel Discussion
6:30 pm
Presented as part of the Center for Book and Paper Arts Typography Symposium. Panel Discussion THE LIVING HISTORY OF TYPE Thursday, June 2, 2011 6:30 pm

not a pretty picture

- rising costs
- low retention, graduation
- lack of clear transfer paths

misconceptions

- 17-year olds imagine their future in terms of academic programs and course offerings
- they know what they want to do with their lives and the 30-year impact of decisions
- if we can get them to apply, the “fit” doesn’t matter; they’ll learn to love us





issues

- “*my content*” mentality
- no content strategy (no strategy period)
- lack of workflow
- lack of editorial planning & oversight

artful ideas

- use data to fight subjectivity
- talk in terms of personas (“would patrick?”)
- content strategy to inspire and aspire
- assume mobile

research (2011, n=182)

user priorities*

- programs
- admissions
- financial aid

* hardest to find

discovery

- stakeholder interviews (aka, psychoanalysis)
- strategy articulation
- town hall

architecture

- user personas
- card sorting
- sitemap
- wireframes

Columbia University



Patrick: Prospective Student (Undergraduate)

"I want a college that is just right for me, where I can learn what it takes to be a writer. I want to have an amazing school experience and get a good job when I graduate."

Patrick is 17 years old and a junior in high school in St. Louis. He knows he wants to study writing, possibly journalism, but he could also envision himself as a graphic designer. He gets above-average grades in high school and is looking for an environment where he will really be challenged to excel, both academically and creatively. Patrick is trying to decide if he is ready to move to Chicago and would like to know if it's possible for him to attend Columbia in a year or two.

End Goals

- Ensure myself I am attending the right college for me
- Know what I need to do to apply
- Figure out how much school will cost and figure out if my family can afford it

Demographics

Information Sources

Deciding Which College to Attend

- School website
- Current students
- Campus visits
- Information sessions
- Friends
- Student blogs

Decision Influencers

- Creative culture/environment
- Career opportunities
- Great faculty
- Project-based courses
- Liberal-arts courses
- Likelihood of acceptance
- Financial aid & scholarships offered

content

- storytelling
- 100% new academic content
- purpose of key pages (gathercontent)

design

- agile, iterative process
- (design > content > prototype > design)



ABOUT COLUMBIA

INFO FOR



COLUMBIA NOW

CAMPUS LIFE

ADMISSIONS & FINANCIAL AID

ACADEMICS

Columbia
COLLEGE CHICAGO

KINETIC INTELLECT

Our instructors are working professionals, shaping their disciplines and bringing the most contemporary, innovative thinking to the classroom.

MEET OUR FACULTY



SITE MAP CONTACT US VISIT US DIRECTORY ABOUT COLUMBIA

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Explore by

INTERESTS

- Advertise
- Animate
- Broadcast
- Build
- Capture
- Choreograph
- Converse
- Create
- Curate
- Dance ✓
- Design
- Direct
- Engage
- Entertain
- Exhibit
- Fundraise
- Install
- Interpret
- Lead
- Make
- Manage
- Market
- Perform
- Produce
- Program
- Record
- Report
- Tell
- Write

We think you might be interested in these programs:



0 matching programs



Columbia College Chicago

Academics

Explore by

CAREERS

Explore by

INTERESTS

- Advertise
- Broadcast
- Capture
- Converse
- Curate
- Animate
- Build
- Choreograph ✓
- Create
- Dance

14 matching programs Direct

Columbia College Chicago

Admissions & Financial Aid

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The best way to get to know Columbia is to visit us! We offer general walking tours of campus and facilities Monday through Friday and select Saturdays.

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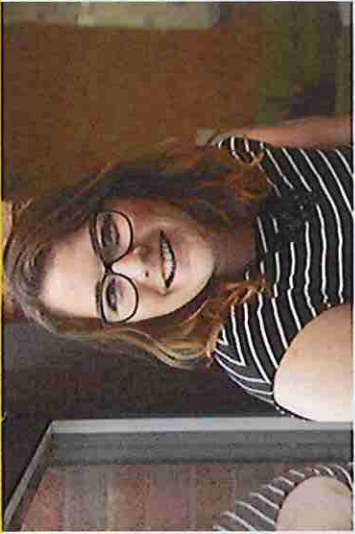
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Columbia College Chicago is a creative liberal arts college focused on rigorous academics, hands-on learning, collaboration and career preparation. We offer an inclusive learning environment where students

Columbia College Chicago


Student Spotlights



Jennifer Boylen ('15)
Business & Entrepreneurship

Business & Entrepreneurship major Jennifer Boylen ('15) gains valuable music industry experience through internships and regular writing gigs.

[READ MORE](#)



Alice Perez ('17)
Theater/Dance

outcomes (total content pages)

36,000 (2013)

944 (2014 - new site)

= **97% reduction**

outcomes (duration)

2.7 minutes (2013)

16.25 minutes (2014 - new site)

= **600% increase**

outcomes (pages/session)

2.4 (2013)

3.5 (2014 - new site)

= 46% increase

outcomes (bounce)

56% (2013)

41% (2014 - new site)

= 27% reduction

outcomes (inquiries/month)

470 (2013)

855 (new site)

= 82% increase

hindsight

- conventional wisdom leads to uninspired work
- creativity and data aren't mutually exclusive
- listen to stakeholders and talk to them
- content strategy is not content migration
- centralize governance, decentralize contribution

SUBJECT: Academic Affairs and Student Life Committee Meeting Report for February 4, 2015

The Academic Affairs and Student Life Committee of the Board of Trustees met on Wednesday, February 4, 2015, in room 106 of the Enterprise Center on the Central Campus of Salem State University.

Present for the Committee were Trustees Davis (chair), Segal and Crawford; Chair Scott (ex-officio); President Meservey (ex-officio); Assistant Provost Everitt (interim committee liaison) and staff assistant Longo, academic affairs. Also in attendance and participating in the meeting were Trustees Lutts and Malcolm; Assistant Vice President Galinski; Assistant Dean Perry; Associate Provost and Dean DeChillo; interim Associate Dean Morrison; Professor Parker-Kent; and Assistant Dean Crane.

Trustee Davis called the meeting to order at 4:45 pm. She welcomed the Committee, noted the full agenda and turned the meeting over to Assistant Vice President Galinski to discuss the first agenda item: enrollment update (Attachment A).

Assistant Vice President Galinski opened by stating that spring enrollments are on the upswing compared to last year. She attributes this to a number of factors, including: strong retention efforts by units such as MAP-Works, Center for Academic Excellence and the Student Navigation Center; as well as increased outreach and admissions efforts. She noted that the continuing education/evening division has shown a slight decline in enrollments which is largely due to increased competition in the local area. Dean Mary Churchill is looking at off-campus completion opportunities, new certificate programs as well as online opportunities in efforts to reverse this trend.

She continued by stating that fall admission numbers look good. There has been an increase in applications and the number of admitted students is up 20%. The undergraduate admission deadline for fall 2015 was February 1 so there are still many applications to process. Trustee Segal asked what measurement is being used to assess the quality of applications. Assistant Vice President Galinski responded that while early admissions are up, admission standards remain the same – GPA, SAT scores, interviews, etc. She noted that research indicates that the earlier an institution admits a prospective student, the more likely it is that the prospective student will commit to going there.

Assistant Vice President Galinski stated that transfer numbers also look good. The total number of applications are up and it is still early in the process. The transfer deadline is July. She noted that this uptick can be attributed to several factors, most significantly: strengthened relationships and outreach to community colleges; assisting transfer students with the financial aid process; and Salem State's friendly and flexible campaign.

Trustee Malcom inquired about the difference between evening, part-time and certificate enrollments. Assistant Dean Crane reviewed the historic difference and recent changes where formerly evening students were nearly exclusively part-time whereas now there is more of a blending of types of students across divisions. He further explained that we are working to "align" the divisions. President Meservey further clarified that we are offering more "cross-listed" courses which allows our full-time undergraduates students to choose to take courses in either the day or evening without additional cost. This has created an artifact in enrollment numbers that has lowered the apparent number of students taking courses in the evening.

Trustee Davis asked for the percentage of transfer students that are coming from community colleges. Assistant Vice President Galinski responded that over 70% of transfer applications come from community colleges. She then concluded by reporting that graduate admissions are also increasing and that fall enrollment looks encouraging.

Assistant Provost Everitt thanked Assistant Vice President Galinski and then turned the meeting over to Associate Provost and Dean Neal DeChillo to discuss the next agenda item: Learning Outcomes Scorecard (Attachment B).

Associate Provost and Dean DeChillo provided a brief overview of the Learning Outcomes Scorecard. He explained that on the top column are indicators of student learning for each program area: licensure, national tests, capstone experiences, etc. He noted that on the last page of the document some data for health and human services is not currently available and that he is working with faculty on getting more assessment work done.

Trustee Davis asked if the data that is being collected shows whether or not students pass licensure tests. Associate Provost and Dean DeChillo responded yes, but that we would not be able to determine how pass rates compare to national standards as we do for ETS tests in areas such as Business or Chemistry.

Trustee Scott asked if there is anything else related to student learning outcomes that is not included on the scorecard that he thinks the Board should be aware of. Associate Provost and Dean DeChillo responded that he would like to see departments collaborate more on outcomes since many are looking at the same things. He stated that it would be good to go beyond traditional boundaries like we did when we developed the new general education curriculum.

President Meservey asked Associate Provost and Dean DeChillo for an update on the student learning outcomes for the new general education curriculum. Associate Provost and Dean DeChillo

responded that he is currently running a pilot with faculty who are teaching in the general education curriculum. He has asked faculty to apply LEAP rubrics – e.g. reading rubric, integrative learning rubric, global learning rubric, etc. – to standardize scoring formats for pieces of student work and track the results in Canvas. The pilot ran in the fall and 30 faculty participated. In January, faculty came together to talk about their experience and discuss how they are looking at assessment. Quantitative reasoning and critical thinking will be the focus for the spring term. He stated that the three biggest learning outcomes that are being prioritized nationally are quantitative reasoning, critical thinking and written communication.

Trustee Davis asked how the Learning Outcomes Scorecard will be used by faculty and staff. Associate Provost and Dean DeChillo responded that there are three faculty fellows working with him and departments to pull together learning outcome standards. For instance, in Criminal Justice the focus is on written communication. Faculty in this discipline had a retreat where they discussed how to build written communication into the curriculum and raise the bar academically. He noted that this format will also be useful for NEASC.

Assistant Provost Everitt thanked Associate Provost and Dean DeChillo and then turned the meeting over to Assistant Dean Bruce Perry to discuss the next agenda item: Co-Curricular Outcomes.

Assistant Dean Perry opened by stating that co-curricular outcomes is an effort by Enrollment Management and Student Life (EMSL) to build a culture of assessment for the purpose of meeting two general goals: continuous improvement and effectiveness. He remarked that building capacity through professional development of all unit members is the cornerstone of these efforts. In EMSL each department has a “lead person” for assessment. He stated that each department identified two outcomes to assess last year and this year to foster continuous improvement. All departments are engaged in collecting and analyzing learning outcomes data to inform future practice. This work resulted in 24 individual assessment reports by 14 departments with 104 outcomes assessed. Of the outcomes assessed, 25 were operational (processes and functionality), 63 were learning outcomes (skills) and 16 were program outcomes (overall assessment). Departments then used goal mapping to match learning outcomes with the areas in which they were identified. Assistant Dean Perry then described the specific learning, operational and program outcome findings (See Attachment A).

Trustee Davis asked if MAP-Works efforts are separate from this process. Assistant Dean Perry responded that MAP-Works efforts are separate and undertaken by surveys and individual outreach. Trustee Scott asked for clarification as to when MAP-Works surveys are conducted. Assistant Dean Perry responded that MAP-Works surveys are conducted each semester. The 990 number cited in the operational outcome findings, for example, reflects the MAP-Works surveys that were conducted in AY2014.

Trustee Lutts asked for a brief description of the social change model of leadership. Assistant Dean Perry responded that the social change model of leadership is based on research that was conducted in UCLA in the mid-90s. The purpose of the model is to help students to understand how they can

make a positive change through leadership. The social change model examines leadership development from the perspective of the individual, the group (institution, organization, etc.) and the community/society at large.

Assistant Provost Everitt thanked Assistant Dean Perry and then moved on to discuss the final agenda item: two new program approvals: B.S. in Healthcare Studies and B.A. in Dance. She explained that approval of new programs must come from the Board of Trustees before the institution can bring them before the Board of Higher Education. The BHE new program application deadline for fall 2015 is in April. She then proceeded to discuss the proposal for a new B.S. in Healthcare Studies (Attachment C).

Assistant Provost Everitt stated that the goal of the Bachelors in Healthcare Studies is to provide a foundation in healthcare for students interested in careers in non-licensed, non-clinical healthcare. It is also intended to prepare students for graduate education in related fields and as a B.S. completion degree for a healthcare related associate's degree or certificate.

Trustee Davis asked if there is a vertical articulation agreement with community colleges with respect to this program. Associate Provost and Dean DeChillo responded that currently there is no articulation agreement in place. President Meservey remarked that the transfer compact would apply and that we could work with community colleges for the rest.

Assistant Provost Everitt continued by stating that there are many types of jobs available for those with a B.S. in Healthcare Studies. These jobs are primarily in management, support, marketing and sales. Healthcare employment is projected to grow 21% by 2016, with national growth anticipated at a rate of 2.6% per year. This translates to over 5 million jobs or over 1/3 of all employment growth in the U.S. In terms of competition, there are currently no four year healthcare studies degrees in Massachusetts public institutions. In addition, only four private institutions offer a B.S. in Health Sciences, but the focus of these programs is on science. She remarked that if this program moves forward Salem State would be the leader. She then provided an overview of the curriculum, highlighting its flexibility and interdisciplinary nature. She concluded by outlining the resources that would be needed for the program. The primary resources needed would be in staffing (program director/chair and additional faculty) but that would be a couple of years out and contingent on program growth. Also, because the degree is not science heavy regular classroom space would work well. Lab space would not be needed.

Trustee Davis asked if students might come from Social Work or Nursing programs. Assistant Provost Everitt responded that students could come from either. In addition they could come from Sport and Movement Science, Psychology or a number of other programs.

Trustee Segal asked for the estimated number of students that would need to be enrolled in order to hire a program director. Associate Provost and Dean DeChillo responded that an estimated number is hard to get at. All signs point to a growing job market in the field of healthcare. If approved, we anticipate offering one course in fall 2015 and one care in fall 2016 and having

approximately 30 students registered. This assumes no marketing. In fall 2016, we are targeting a first cohort of 30 first year students as well as 30 transfer students with associate degrees. If demand is greater than we would increase in scope.

Trustee Lutts asked if the business school is involved with this program given its focus on management. Associate Provost and Dean DeChillo responded that students need to choose a minor as part of the degree. Business is an option. In addition, an advisory board will be utilized as the program is built and will include representation from the Bertolon School of Business. Trustee Lutts followed up by asking if courses could be taught at the Bertolon School, to which Associate Provost and Dean DeChillo responded yes. The interdisciplinary nature of the program lends itself to cross-listed courses.

Trustee Scott questioned what the impact on career services might be given the strong demand in the marketplace. Specifically, could relationships with potential employers be leveraged. Professor Judith Parker-Kent responded that there is a service learning component built into the curriculum and that students identify which direction they want to go. In addition, a capstone course could be with a prospective employer. She stated that one of the goals of the degree program is to expose students to the healthcare industry and to give them potential places where they can see themselves. Trustee Scott remarked that the outreach opportunity is also good. President Meservy added that the program had received a very strong letter of support from the North Shore Workforce Investment Board reflecting high demand for individuals prepared in this area.

Upon a motion made duly by Trustee Segal and seconded by Trustee Crawford, it was unanimously:

VOTED: to recommend to the full board the approval of a B.S. program in Healthcare Studies.

Assistant Provost Everitt then proceeded to discuss the proposed Bachelor of Arts in Dance. She opened by stating that dance is currently offered as a concentration within the department of Sport and Movement Science. Current students are extremely active on campus. In addition, there are two student performance groups, the Salem State Dance Ensemble and the Repertory Dance Theater, which combined involve over 100 students. Administrative support for the dance major is strong. In 2011 former Provost Esterberg recommended that the university explore transitioning dance from a concentration to a major. Dance is currently the only arts program that is not affiliated with an arts related program or degree and is one of only two arts disciplines in the CCPA arena that is not a stand-alone major. Career opportunities in dance include performance, arts or non-profit administration, teaching and dance therapy. If approved, Salem State would be the only North Shore institution to offer a B.A. in Dance and would be only one of two state institutions to offer the degree program.

Trustee Segal asked if public school systems still offer dance programs as part of their curriculum. Assistant Provost Everitt responded affirmatively.

Trustee Davis asked if there might be a minor in dance, too. Assistant Provost Everitt responded yes, and commented that it could make a nice complement for those majoring in Music. Trustee Davis followed up by asking if there would be additional grant opportunities for faculty as a result of this program. Assistant Provost Everitt replied that it would be likely, yes.

Assistant Provost Everitt continued by stating that based on trends in the dance concentration, it is anticipated that enrollment in a major would double within the first two years. She explained that dance reaches beyond those who have declared a concentration or minor in dance. Over 100 students perform in dance events every semester. In addition, over 1,000 audience members experience dance each semester. Salem State dance and other CCPA events are having an impact on the North Shore which will help the program tremendously in terms of visibility. She then described a number of five year program strategies, including a concentration in Hip Hop which is a growing area and currently not offered at any institution in the U.S. and developing an audition process that will help to increase talent and program awareness.

Trustee Davis asked if a portfolio might be an option in the absence of an audition. Assistant Provost Everitt responded that this is still in discussion and that the CCPA could likely provide guidance.

Assistant Provost Everitt concluded by providing an overview of the resources that would be needed to develop and maintain a Bachelors program in dance. She stated that since there are already dance faculty teaching under the Sport and Movement Science umbrella the budget would be neutral. Performance space is an issue but many of the assets needed (dance studio, completion of the Sophia Gordon Center for the Creative and Performing Arts) area already in the process. The greatest needs would be updated audience seating and having technical staff to manage dance events.

Trustee Scott asked what the expectations are regarding the Board of Higher Education's input on five year strategies. President Meservey responded that she did not think that the Board of Higher Education gets involved in this level of detail. For program purposes they are interested in student demand, market competition, marketing strategies, etc. They interested in program costs, the use of state resources and anticipated revenue.

Trustee Davis remarked that the opportunity sounds exciting.

Upon a motion made duly by Trustee Segal and seconded by Trustee Crawford, it was unanimously:

VOTED: to recommend to the full board the approval of a B.A. program in Dance.

President Meservey thanked both the department of Sport and Movement Science and the department of Music for being agreeable to this proposed programmatic change.

There being no further business to come before the Committee on a motion made duly by Trustee Segal and seconded by Trustee Crawford, it was unanimously:

VOTED: to adjourn the meeting at 5:40 pm.

Prepared by: D. Longo, staff assistant, academic affairs

The Board of Trustees

Academic Affairs and
Student Life Committee

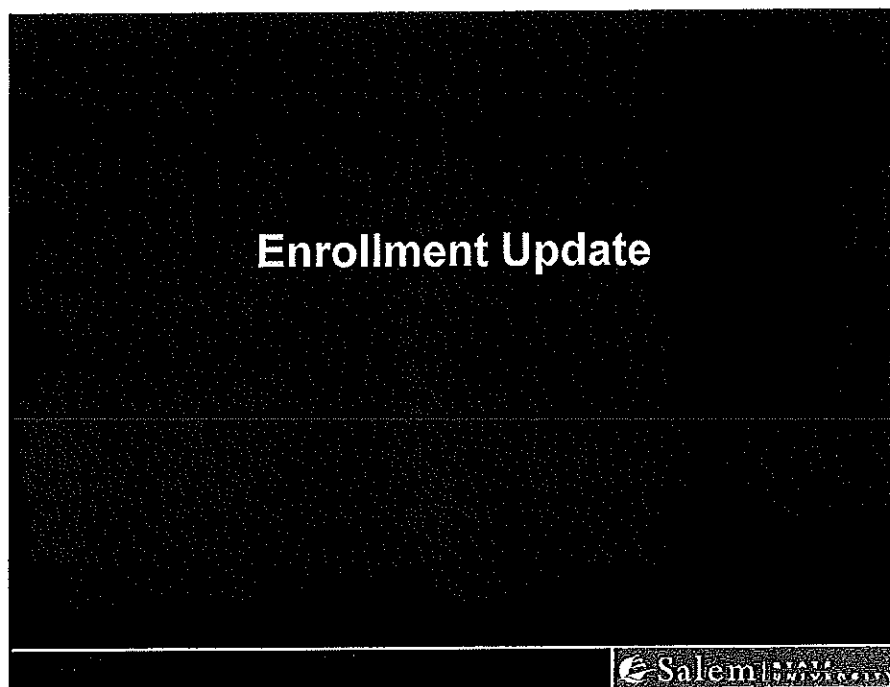
February 4, 2015



Agenda

- I. Enrollment Update (Discussion)
- II. Learning Outcomes Scorecard (Discussion)
- III. Co-Curricular Outcomes (Discussion)
- IV. New Program Approval: B.S. in Healthcare Studies, B.A. in Dance (Action Needed)






Headcount Comparison as of Jan 21

	<u>SPRING 2014</u>	<u>SPRING 2015</u>	<u>DIFFERENCE</u>
UNDERGRADUATE DAY	5,932	6,047	115
CONTINUING ED/EVENING	1,313	1,144	-169
GRADUATE	1,572	1,592	20
TOTAL	8,817	8,783	-34

Salem State University


Credit Count Comparison as of Jan 21

	<u>SPRING 2014</u>	<u>SPRING 2015</u>	<u>DIFFERENCE</u>
UNDERGRADUATE DAY	78,839	81,558	2,719
CONTINUING ED/EVENING	10,184	9,137	-1,047
GRADUATE	9,606	10,369	763
TOTAL	98,629	10,1064	2,435




FA15 Freshman Admissions as of Feb 2


	<u>Fall 2014</u>	<u>Fall 2015</u>
TOTAL APPLICATIONS	4,590	4,707
ADMITS	1,646	1,977
DEPOSITS	43	52



FA15 Transfer Admissions as of Feb 2		
	Fall 2014	Fall 2015
TOTAL APPLICATIONS	507	476
ADMITS	88	124
DEPOSITS	10	29




FA15 Graduate Admissions as of Feb 2		
	Fall 2014	Fall 2015
TOTAL APPLICATIONS	245	363
ADMITS	39	57
DEPOSITS	17	14




SU15 Graduate Admissions as of Feb 2

	Summer 2014	Summer 2015
TOTAL APPLICATIONS	319	291
ADMITS	27	45
DEPOSITS	10	16



Learning Outcomes Scorecard



Co-Curricular Outcomes



Assessment Goals

- Continuous Improvement
- Effectiveness
- Building a culture of assessment

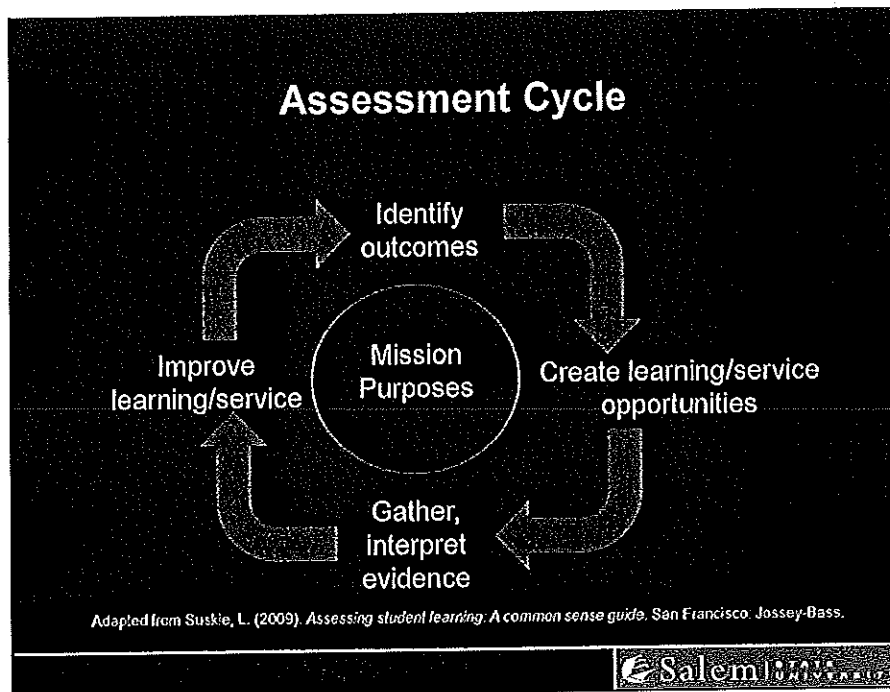


Building Capacity

- Half Day Workshop with Assessment professional
- Assessment Working Group
- Common readings
- Creation of my position
- Programs and workshop series begun
- Toolkit developed in share drive
- ACPA's ASK (Assessment Skills and Knowledge) Survey completed by divisional administrators
- Workshops and webinars continue
- Decision to create a "lead person" for each department/area
- New assessment team meets monthly


EMSL Outcomes Assessment

- Each department identified two outcomes to assess last year and this year to foster continuous improvement
- Subsequent assessment workshops offered to build greater capacity for assessment activities
- All departments engaged in collecting and analyzing learning outcomes data to inform future practice



SMART Outcomes

- Specific
- Measurable
- Aspirational (but achievable)
- Relevant
- Results-Oriented
- Time bound



Salem University

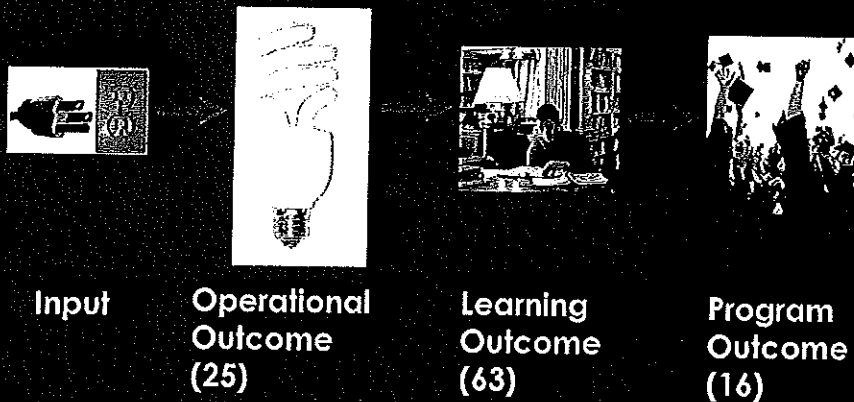
Assessment Reports 2014

- Departments went well beyond the goal of assessing 2 outcomes each
- 24 individual assessment reports
- 14 departments
- 104 outcomes assessed



Salem State University


104 Outcomes Assessed!




Salem State University

Outcomes and Goals Mapping

Outcome	Goal 1	Goal 2	Goal 3	Goal 4	Goal 5	Goal 6	Goal 7	Goal 8	Goal 9	Goal 10
As a result of the leadership activities, students will be able to remember the name of six of the students in their group.	X	X				X	X	X		
As a result of participating in this session, students will be able to name one strength of their leadership style that they learned through the True Colors activity.	X	X				X	X	X		
Students will be able to identify three goals for them to achieve in the fall semester.	X	X					X	X		X
Students will be able to identify two offices/services available on North campus.	X	X					X	X		X
Students will be able to identify two offices/services available on Coe Hill campus.	X	X					X	X		X
Students will be able to identify two offices/services available on South campus.	X	X					X	X		X
Students will be able to name three items they may encounter at a live event and that is another that they learned about during Orientation.	X	X					X	X	X	X



- ### Learning Outcome Findings
- 99% agreed or strongly agreed that any form of sexual harassment, relationship violence or sexual assault will be addressed at SSU
 - 94% said that the social change model of leadership helped them better understand their roles
 - 73% learned one or more strategies to solve or cope with a problem through counseling services
- 

Operational Outcome Findings

- 88% satisfied or very satisfied with care from health services
- 97% thought their career services administrator was knowledgeable and professional
- 87% of residents feel safe and secure living on campus
- 88% satisfied or very satisfied with their counseling experience

Operational Outcome Findings

- Over 5,100 students attended events planned by the Student Involvement Office
- Over 3,400 members accessed new recreational programming at Gassett
- 2,328 student participated in Intramurals
- 1,227 personal connections were made by Diversity and Multicultural Affairs
- 990 students personally contacted by staff based on MAP-Works survey reporting
- Over 200 students said that they would use a food bank on campus

Program Outcome Findings

- 76% of student-athletes graduate
- 81.3% of first year students became sophomores last year



Departmental Assessment Project Examples

- Counseling & Health Services – comprehensive local survey of clients, tracking usage
- Residence Life – focus groups by building, comprehensive national survey, tracking of programs, attendance, operational data
- Athletics – interviews with senior athletes, tracking grades, retention, graduation rates, winning percentage, participation, attendance

New Program Approval: B.S. in Healthcare Studies

Why a Bachelors in Healthcare Studies?

Provide a foundation in healthcare for those students interested in:

- Non-licensed, non-clinical healthcare career
- Preparation for graduate education
- BS completion for a healthcare related Associate Degree or Certificate

Types of Jobs

- Medical and Health Service Managers
- Department Managers
- Pharmaceutical Marketing and Sales
- Medical Equipment Marketing and Sales
- Health Care Advocate or Lobbyist
- Insurance Sales or Claim Reviewer
- Case Manager



- 21 % growth in healthcare employment by 2016 in Massachusetts
- Nationally, BLS projects growth in healthcare related employment at 2.6% per year (2012-2022)
 - According to the Bureau Labor Statistics
 - 1/3 of all employment growth is in healthcare
 - Over 5 million jobs



Bureau of Labor Statistics Projected Growth -2022

- Healthcare Support – 28.1%
- Personal Care & Service – 20.9%
- Sales – 7.3%
- Community & Social Service – 7.2%
- Management – 7.2%

- No 4 year undergraduate programs in Massachusetts public higher education*
- The following private schools offer a BS in Health Sciences (with science focus)
 - MCPHS (the most similar to BHS)
 - Boston University
 - Merrimack College
 - Northeastern

Program Overview*

- 120 credit hours required for graduation
 - 34-35 credits general education
 - Includes 2 sciences
 - 12 credits support courses
 - 32 credits BHS major courses
 - 12 credits BHS electives
 - 15-18 credits for mandatory minor such as
 - Business, Public Relations, Computer Science, Social Work
 - 11-15 credits free electives

*See program flowsheet



- Interdisciplinary healthcare design– faculty from various university departments teach major and elective courses
- Several courses cross listed
- Flexibility with approved major electives
- Students choose a minor of interest for BHS degree
- Offer a minor in Healthcare Studies to other Salem State students



Resources Needed

- Program Director/Chair
 - 3 credit release each semester for 2 years for program management and advising
 - Full time position starting year 3
 - 6 credit release each semester for program management and advising
 - 6 credits teaching each semester
- Additional 1 FTE faculty year 4
- 0.5 FTE staff assistance for 2 years then 1 FTE
- Library support materials
- Marketing

New Program Approval: B.A. in Dance

Current Dance Program at SSU

- Dance Program offers a Bachelors of Science degree housed in the Sport and Movement Science Department.
- By 2001, 81% of dance programs in the US were housed among the fine and performing arts disciplines while 19% remained in the physical education, health, and recreation departments.
- BS in SMS Dance Concentration: Began Fall 2008, Fall 2014 student enrollment: 15
- Dance Minor: long history with the SMS department, currently 5 minors
- Members of the Center for the Creative and Performing Arts (CCPA) producing dance events on campus including professional guest, faculty, and student events



Current Student Involvement

- Two performance groups: Salem State Dance Ensemble and the Repertory Dance Theater under SGA; Each group is open to all SSU students interested in performance and choreography; 100 plus student involvement of combined groups
- Attend the American College Dance Association festival; received recognition for student choreography
- National Society for Dance Arts: honoring exceptional students in artistic merit, leadership, and academic achievement



Administrative Support for Dance Major

- Former Provost Kristin Esterberg in the 2011 Salem State University Academic Planning Response Report recommended that SSU "explore transitioning dance from a concentration to a major."
- Since the report, the program has experienced administrative support and development:
 - third full-time tenure track position (Fall 14)
 - will acquire a new dance studio located in the O'Keefe Center (under construction)
 - renovations to the O'Keefe Multipurpose Gym for informal dance performances (constructed in 2013)
 - Sophia Gordon Center for Creative and Performing Arts includes accommodations for dance performances (under construction)



Need for Dance Major

- In order to further sustain and develop the dance program a Bachelors of Arts Dance Major is necessary.
- The proposed dance major will significantly increase the quality, quantity, and awareness of the dance program and creative work on campus. Student talent will increase.
- CCPA:
 - Only program that is not aligned with an arts related department or BA degree
 - Dance program is one of two arts disciplines among the CCPA that is not a stand-alone major (creative writing being the second)
 - Alignment with the other arts programs on campus will foster artistic dialogue, collaboration, and visibility for the program.



The BA Dance Major will Prepare Students

- For careers in the field of dance including performance, dance making, arts or non-profit administration, teaching, dance therapy, and dance writer/scholar/historian.



- Dance students gain numerous skills and abilities that are applicable to many employment situations including:

- a physical awareness and mind-body connection
- creative thinking and critical reasoning skills
- detailed observation, listening, and introspective skills
- problem solving skills with a creative outlook
- ability to work individually and in a group
- empathy, compassion, and social skills
- self-discipline through consistent training
- ability to work under pressure
- understanding the importance of meeting deadlines and multitasking
- the ability to perform and communicate in front of a group of people



Program Distinction

- Location: Only BA Dance Major on the North Shore and State University System
- Affordability: Public institution offers an education at an affordable cost
- Curriculum Design: within the BA Dance Major the Hip Hop Concentration will be the FIRST and ONLY program offered in the US
- Other Massachusetts Dance Major BA Programs:
 - Dean College, Springfield College, and Five College Dance Department, Tuition ranging from \$33,500 to \$42,000
 - Bridgewater State University: South Shore, BA in Communication Arts and Sciences with a Concentration in Dance Education, a Certificate License to teach dance in public schools, Tuition and Fees \$8,353



Need for Graduates

- A degree specifically in the arts can lead to a profitable and sustainable career in the cultural sector that includes employment as artists, producers, and administrators.
- A study conducted by the Americans for the Arts found that, "nationally, the nonprofit arts and culture industry generates \$135.2 billion in economic activity every year. The impact of this activity is significant, supporting 4.1 million U.S. jobs and generating \$22.3 billion in government revenue."



Student Demand

- The dance concentration, first offered in Fall 2008, has experienced substantial growth. The program has steadily increased enrollment each year from 2 students in 2009 to 15 students in 2014.
- The move to the Music and Dance Department will increase program visibility therefore increasing student enrollment by double within the first 3 to 5 years.
- Dance program reaches beyond the declared dance concentration and minor student.
 - 100 plus students perform in dance events per semester
 - 1,000 plus audience members experience dance per semester
- The dance student is a highly motivated and involved individual.
 - 90% of dance students engage in extra curricular activities on campus through Residential Life and the Student Government Association's groups and clubs programs.
 - A number of students graduate with a double major, minor, or additional licensure outside of dance.
 - 85% of dance students are working within the discipline while in school through employment or internships at local dance studios or arts organizations.



5 Year Program Strategies

- Within the BA Dance Major the Development of the Hip Hop (only program offered in US) and Contemporary Dance Concentration
- Develop a Dance Teachers Certificate Program for studio and K-12 teachers
- Develop Audition process for incoming students in order to increase talent and program awareness
- Accreditation from the National Association for School of Dance



Resources Needed

- Completion of 3rd Floor Dance Studio in O'Keefe (in progress)
- Completion of Sophia Gordon Center for the Creative and Performing Arts (in progress)
- Update O'Keefe Multipurpose Gym (audience seating)
- Technical Staff available to Dance Events
- Marketing/Launch of the Program

Student Learning Outcome Scorecard

Program	Professional Accreditation	Licensure	National Test	Other
Bertolon School of Business	AACSB in process		ETS-MFT for Business	Rubric based assessments within Canvas
College of Arts & Sciences				
Art + Design	NASAD; CAEPE for teacher candidates	MTEL for teacher candidates		Capstone course for Interactive Media, student award exhibition
Biology	JRC-NMT; CAEPE for teacher candidates	MTEL for teacher candidates		BIO415 Seminar
Chemistry & Physics	ACS	MTEL for teacher candidates	ETS-MFT for Chemistry	CHE 560 Senior Seminar
Communications	NA	NA		COM 503 - Portfolios reviewed by panel of professionals on Portfolio Night & internship feedback
Computer Science	ABET-CAC	NA		Capstone Project: CSC520/CSC521 - Spring departmental presentations graded with rubric
Economics	NA	NA		Seniors complete an independent research project & presentation SSU Undergraduate Research Symposium
English	CAEPE for teacher candidates	MTEL for teacher candidates		All majors must take 1 of the following: ENL500 - directed study; ENL508- Internship; ENL510-Portfolio Seminar; ENL530-Seminar I; ENL531-Seminar II; ENL601H- Honors Essay in English
Geography	WTO	NA		

Student Learning Outcome Scorecard

Program	Professional Accreditation	Licensure	National Test	Other
Geological Sciences	CAEPE for teacher candidates	MTEL for teacher candidates		Senior Research Theses presented at national or international forums such as GSA or AGU; Mineralogy Poster Session - students evaluated by departmental faculty
History	CAEPE for teacher candidates	MTEL for teacher candidates		Capstone (HIS 505)
Interdisciplinary Studies	NA	NA		Capstone courses (IDS 461, 465, 470, 489)
Mathematics	CAEPE for teacher candidates	MTEL for teacher candidates		Capstone seminar (MAT 490) graded with faculty developed rubric
Music	NASM	NA		Applied Music Program Benchmarks** with Student Jury Assessment - required performance by faculty panel; Sophomore Review (Seminar I MUS 111N) wherein each major reviewed by faculty panel on wide range of parameters; MUS 511N (Senior Seminar)
Philosophy	NA	NA		PHL 490 (final paper reviewed by the whole faculty) Also rubric for the major as a whole to assess value

Student Learning Outcome Scorecard

Program	Professional Accreditation	Licensure	National Test	Other
Political Science	NA	NA	NA	Capstone (POL 400 - (graded by faculty w/rubric done every 5 years) - POL 101 - pre & post-test and student satisfaction survey (also every 5 years)
Psychology	MS Counseling Psych (MPCAC); MEd School Counseling (CAEPE)	MS counseling Psych - LMHC	NA	Faculty graded papers from capstone using a rubric (PSY Level 4), Seminar or Advanced Research class
Sociology	NA	NA		Capstone course (570) + either internship (SOC 520) or directed study (SOC 530)
Sport & Movement Science	JRC-AT; CAATE (Athletic Training); CAEPE for teacher candidates	MTEL for teacher candidates; COSMA for Sport Mgt (in process AY14-15)		Capstone courses include: Athletic Training: ATR 479 & IDS 375 - research project, Dance: SMS 459, Physical Ed: EDU 462P or 472P, Health Ed: EDU 473B, Ex Sci: SMS 478 or SMS 479 and 590, Rec Mgt: SMS 570A or SMS 520, Sport Mgt: SMS 590
Theatre & Speech Communication	NAST, CAEPE for teacher candidates	MTEL for teacher candidates		BFA - THE 505 & THE 501

Student Learning Outcome Scorecard

Program	Professional Accreditation	Licensure	National Test	Other
World Languages and Cultures	CAEPE for teacher candidates	MTEL for teacher candidates	OP C* - online test given to teacher candidates before practicum - must pass to proceed to practicum	AAPPL - given twice - in 3rd & Senior years; STAMP (for Italian only) online exam
College of Health & Human Services				
Criminal Justice	NA	NA		Approval by BHE/Quinn Bill Certification
Nursing	CCNE	2013 NCLEX Pass Rate: 83%		
Occupational Therapy	ACOTE	2013 Pass Rate 100%	NA	Portfolios, Student Conference
Social Work	CSWE	2013 Pass Rates: LSW 83% (nat'l 71%); LCSW 94% (nat'l 71%); LICSW 88% (nat'l 67%)	NA	
School of Education				
Childhood Education and Care	CAEPE for teacher candidates	MTEL for teacher candidates	NA	
Secondary and Higher Education	CAEPE for teacher candidates	MTEL for teacher candidates	NA	
* - Oral Proficiency By computer				
** private music lessons				

Bachelor of Healthcare Studies Proposal

The BHS program aligns with the Salem State University Strategic Plan by:

Goal 1 (B) Offer new programs that address expanding career opportunities and community needs.

Goal 1 (D) Transform students' learning experiences through high impact practices and teaching innovation.

Goal,2 (B) Build robust programs in leadership, career preparedness, civic engagement, and other critical life skills.

Goal 3 (B) Develop and support educational opportunities for civic engagement.

Goal 3 (D) Extend the public good of the university to the benefit of the region.

GENERAL EDUCATION REQUIREMENTS

Competencies

<input type="checkbox"/>	Basic College Math
<input type="checkbox"/>	Reading Comprehension
<input type="checkbox"/>	Computer Literacy

General Education Categories - 34-35 credits

FYS	First Year Seminar			3	
W-I	Written Communication - Level I			3	
OOC	Oral Communication			3	
PGR	Personal Growth & Responsibility			3	
CEA	Creative Expression & Appreciation			3	
WC	World Cultures			3	
HP	The Human Past			3	
CS	Contemporary Society			3	
SR	Scientific Reasoning:	# Any SR course		3-4	
		# SR Lab course		4	
QR	Quantitative Reasoning			3	

Written Communication (Level II and Level III)

W-II	Written Communication - Level II	BHS	301	<input type="checkbox"/>
W-III	Written Communication - Level III	BHS	495	<input type="checkbox"/>

Free Electives (11-15 credits)

Additional free elective credits beyond the credits listed may be required based on the use of support courses to satisfy General Education Category requirements

Minor (Optional)

COURSES IN MAJOR (32 credits)

Required (32 credits)

BHS	101	Introduction to Healthcare	3
BHS	102	Academic & Professional Writing in Healthcare	3
BHS	203	Healthcare Seminar	2
BHS/OCT	247	Statistics for the Health Professional	3
BHS/SWK	270	Understanding Diversity and Cultural Competence in Human Services	3
BHS	301	Introduction to Health Care Research	3
BHS/POL	302	Health Policy	3
BHS	303	Technology in Healthcare	3
BHS	401	Health and Disability Across the Lifespan	3
BHS	402	Principles of Leadership and Management in Healthcare	3
BHS	495	Capstone Project with or without Service Learning	3

Electives (12 credits) †

Required Support Courses (12 credits)

IDS	290	Intro to Medical Humanities	3
ITC	100	Computer and their Uses	3
	Or		
ITC	117	Computers and the Professions	3
PHL	218	Medical Ethics	3
PSY	101	General Psychology	3

Required Minor: _____ Required † _____ (15-18 credits)

NOTE:

- It is the responsibility of the student to be aware of and to adhere to all prerequisite and co-requisite requirements for courses as noted in the Salem State University Catalog and the academic policies.
- Acceptable grades are per university policy. Students must maintain adequate GPA per university guidelines.
- Program Minors- See university catalog for minor requirements. Application must be made to the department for the minor.
- General education requirements should be completed within the first four semesters. After completing the general education requirements, the free electives, BHS electives, and minor courses may be modified/interchanged for semester taken as long as all requirements are met.
- Students may choose to use support courses to satisfy general education categories, but may not be required to do so. Note: If a course is used to satisfy two or more requirements (for example, a support course and Scientific Reasoning requirement), the credits are counted in only one place. Using a course to satisfy more than one requirement does not reduce the credit total required for graduation.
- Courses used to satisfy the general education requirements of the university must be taken from a minimum of six different academic disciplines. First Year Seminar and Level I Written Communications courses are exempt from this restriction. Courses may not be used to fulfill both major discipline and general education requirements.
- These Scientific Reasoning General Education Category courses do not have to be a sequence or be from the same discipline.
- Level II and Level III Written Communications Courses may be used to satisfy requirements anywhere else in a student's program of study where they may apply. The credits are counted only in one area.
- † BHS Major Electives: See department list of approved courses
- ‡ Required Minor: refer to Undergraduate Catalog for courses required for minor. Minor courses start second semester second level after completion of BHS 203.
- ∞ IDS 290 may be used to fulfill the Contemporary Society category for General Education.
- ∞ PHL 218 may be used to fulfill the Personal Growth & Responsibility category for General Education.
- ∞ Students with a minor in business (Administration, Management, Marketing) are restricted to less than 30 credits in the business school.
- ▶ Major note

COMPETENCIES - TO BE COMPLETED WITHIN THE FIRST 60 CREDITS

GENERAL EDUCATION CATEGORIES - TO BE COMPLETED WITHIN THE FIRST 60 CREDITS

Exceptions in the timing of courses will be made for transfer students

Total credits for graduation: 120

Effective: 9/2015

NEW PROGRAM PROPOSAL

BACHELOR OF SCIENCE – HEALTHCARE STUDIES

Summary: This new degree program is designed to meet the growing need for non-clinical personnel to work within the healthcare field. Each year a number of students begin their education in nursing, social work, or undeclared and find they are drawn to healthcare, but not to the clinical aspects. Their interests can be guided toward management, sales, education, and other aspects of ancillary functions within the healthcare environment.

Fellow CC members. This packet contains a proposal from the Occupational Therapy department for a new and complete Bachelor of Healthcare Studies program. Included here are proposals for 10 new courses, one existing course that will be cross-listed from social work, a new flow sheet with a mandatory minor to be selected from 8 options (listed in 15:153), a request for a new minor in BHS and supporting endorsements from the chairpersons of all affected departments. From the ten courses, two seek gen ed writing categories (BHS 301 for W-II and BHS 495 for W-III) distinction and one a Quantitative Reasoning classification (BHS 247). Immediately below we have a statement prepared by OT outlining the purpose of this new degree.

**Salem State University
College of Health and Human Services
Bachelor of Science Degree in Healthcare Studies**

Purpose:

The Bachelor of Science degree in Healthcare Studies is a non-clinical degree preparing students to work in a variety of settings in the healthcare industry. Designed with an interdisciplinary approach, students will complete a core of healthcare studies courses before completing a mandatory minor in their chosen concentration. There is also a completion option for Allied Healthcare providers with an associate degree or certificate to finish a bachelor's degree.

The Bachelor of Science Degree in Healthcare Services **prepares students** who would like to enter non-clinical occupations in the healthcare field. These jobs may include:

- Health Care Advocate or Lobbyist
- Medical and Health Service Managers
- Medical Equipment Marketing and Sales
- Pharmaceutical Marketing and Sales
- Department Managers
- Insurance Sales or Claims Reviewer
- Wellness Coordinator
- Social Services Case Manager

Degree Requirements:

The Bachelor of Science in Healthcare Studies requires 120 credits and includes:

- General education curriculum (34-35 credits)
- Free electives (11-15 credits)
- Prerequisite support courses (12 credits)
- Major course core (32 credits)
- Electives to support core (12 credits)
- Mandatory minor (15-18 credits)

Students complete a mandatory minor such as:

- | | | |
|--------------------|---------------|----------------------------------|
| - Accounting | - Advertising | - Communication Studies |
| - Public Relations | - Economics | - Computer/Information Studies |
| - Marketing | - Management | - Public or Applied Sociology |
| - Journalism | - Social Work | - Public Policy & Administration |
| - Fitness/Wellness | | - Health and Consumer Science |

BACHELOR OF SCIENCE
Healthcare Studies

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CS	Contemporary Society		3																																																																																																										
SR	Scientific Reasoning: ‡ Any SR course		3-4																																																																																																										
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‡ Written Communication (Level II and Level III)																																																																																																													
W-II	Written Communication - Level II	BHS	301	<input type="checkbox"/>																																																																																																									
W-III	Written Communication - Level III	BHS	495	<input type="checkbox"/>																																																																																																									
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IDS	290	Intro to Medical Humanities	3																																																																																																										
ITC	100	Computer and their Uses	3																																																																																																										
	Or 117	Computers and the Professions	3																																																																																																										
PHL	218	Medical Ethics	3																																																																																																										
PSY	101	General Psychology	3																																																																																																										
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‡ Students may choose to use support courses to satisfy general education categories, but may not be required to do so. Note: If a course is used to satisfy two or more requirements (for example, a support course and Scientific Reasoning requirement), the credits are counted in only one place. Using a course to satisfy more than one requirement does not reduce the credit total required for graduation.

- ‡ Courses used to satisfy the general education requirements of the university must be taken from a minimum of six different academic disciplines. First Year Seminar and Level I Written Communications courses are exempt from this restriction. Courses may not be used to fulfill both major discipline and general education requirements.
- ‡ These Scientific Reasoning General Education Category courses do not have to be a sequence or be from the same discipline.
- ‡ Level II and Level III Written Communications Courses may be used to satisfy requirements anywhere else in a student's program of study where they may apply. The credits are counted only in one area.
- † Major note
- ‡ Major note
- ‡ Major note
- ‡ Major note

† COMPETENCIES - TO BE COMPLETED WITHIN THE FIRST 30 CREDITS ‡ GENERAL EDUCATION CATEGORIES - TO BE COMPLETED WITHIN THE FIRST 30 CREDITS

Exceptions in the timing of courses will be made for transfer students

Total credits for graduation: 120

Effective: 9/2015

Mandatory Minors (15-18 credits)

Business Administration

Required Courses

ACC 106 Financial Accounting
BUS 170 Introduction to Business
ECO 200 Principles and Problems of Economics
MGT 231 Management Theory and Practice
MKT 241 Principles of Marketing
Business Elective 3 Credit(s)

Computer and Information Studies

Required Courses

CSC 200A Survey of Computer Science I
CSC 201J Software Design and Programming I
CSC 202J Software Design and Programming II

Elective courses (2 courses):

Two courses chosen in consultation with the Computer Science Department chairperson, selected from CSC course offerings numbered above CSC 202J.

Health & Consumer Science - Non-Teacher Track

Required

SMS 361 Issues in Public and Community Health
SMS 261 Consumer Health
SMS 250 Nutrition and Physical Performance
SMS 351 Disease and Illness of the Physically Active
Choose two (2) of the following Sport and Movement Science Elective Courses: (3 credits)
SMS 291 Marketing and Public Relations in Sport Industries
SMS 260 Intro to Health Education and Health Promotion
SMS 303 Exercise Psychology: Enhancing Health and Well-Being
SMS 195 Health Seminar: Women in Today's World
SMS 196 Men's Health Seminar
SMS 360 Stress & Health Empowerment

Management

Required Courses (12 credits)

BUS 170 Introduction to Business
MGT 231 Management Theory and Practice
MGT 330 Human Resource Management
MGT 332 Organizational Behavior
Management Elective Course (6 credits) to be chosen from the following:
MGT 403 Leadership in Management
MGT 442 Labor/Management Relations
MGT 471 Management Seminar
MGT 475 Interpersonal Relations for Managers

Marketing

MKT 241N Principles of Marketing
MKT 342 Consumer Behavior
MKT 343 Advertising
MKT 351N Business Marketing
MKT 445 International Marketing
Marketing Elective 3 Credit(s)

Policy

POL 201 Introduction to American Politics
POL 219 Introduction to Public Policy
POL 315 Public Administration
POL 319 Public Policy Analysis
POL 331 Issues in American Politics and Policy
POL 333 Gender, Law and Policy

Public Relations

Required Courses

COM 201 Introduction to Communications
COM 202 Writing for Media
COM 349 Principles of Public Relations
Choose three of the following:
COM 300 Communication Research
COM 335 Writing for Corporations
COM 351 Public Relations Writing
COM 370 Fundamentals of News Writing
COM 450 Advanced Public Relations Writing
COM 455 Public Relations Case Studies
COM 466 Crisis Communication in Public Relations

Social Work (does not lead to SW degree or licensure)

SWK 101 The Profession of Social Work

Or

SWK 102 Welfare of Past and Present

SWK 200 Social Services Volunteer Practicum

SWK 270 Understanding Diversity and Cultural Competence in Human Services

Social Work Electives (9 credits)

**Explanation of 4 year budget for
Bachelor of Science in Healthcare Studies**

Revenue

Revenue calculations are based on the tuition/fees generated from courses taken within the Bachelor of Healthcare Studies program. While it is understood that most of the students will be full-time, day students, this pre credit rate is the best available estimate of program revenue. The rate is based on the per credit cost (\$306.25) from the Schedule of Student Charges (2014-15 Academic Year). An annual increase has not been included in these calculations.

Enrollment estimates are based on the perceived high demand for the program based on the market analysis. Two consultants to the School of Nursing reported that a similar program at Stonybrook University (NY), begun about five years ago, currently has 1,100 students.

In Year 1 (AY2015-16) Cohort 1 of freshman students (n=30) completing 6 credits.

In Year 2 (AY2016-17), Cohort 2 of freshman (n=30) begin the program completing 6 credits, 28 students retained from the freshman year (Cohort 1), and a cohort of 30 transfer students with AA degrees are admitted to the program. This transfer figure is again based on the perceived high demand for the program and it is estimated that it will take these students two years to complete the program. While the estimate for transfer students may be high, if it is not met we may be able to make it up with freshman.

Years 3 and 4, freshman cohorts are increased to 60, new cohorts of transfer students begin, and a small attrition rate is factored in for each year.

Expenses

For the first two years of the program, faculty compensation is based on the cost of "buying out" full-time faculty from other programs at the university. The rate for a 3 credit course is \$12,855. This is (perhaps generously) based on a salary of \$80K + fringe (28.52%) = \$102,836, divided by 24 SHC = \$4,285 per credit. For those courses taught by adjunct faculty members this rate is only \$1,611.)

In Year 3 a full-time faculty member is planned, who will serve as Program Coordinator and receive a 6 credit APR each term. (This level of release may not be sufficient.) The Program Coordinator will also teach 6 credits per semester. Also in Year 3, the support staff has been increased to full-time as it is estimated there will be 172 students in the program and the need to coordinate with multiple adjunct faculty members.

In Year 4 a second full-time faculty member has been added to the program.

For each year represented, a 3 per cent salary increase has been included for all faculty and staff.

Faculty Expense (Based on 24 credits/year)

Cost Categories	Year 1		Year 2		Year 3		Year 4	
	Credit	Rate	Credit	Rate	Credit	Rate	Credit	Rate
Full-time Faculty *								
Buyout of FT & Adjunct	6	\$ 4285	28	\$ 4413.55	43	\$ 4545.96	52	\$ 4682.34
Coordinator, APR	6	\$ 4285	6	\$ 4413.55				
Support Staff								
FTE (%)	50.00%	\$ 30,202.00	50.00%	\$ 31,108.06	100.00%	\$ 64,082.60	100.00%	\$ 66,005.10
Administrative		\$ 2,000.00		\$ 2,000.00		\$ 2,000.00		\$ 2,000.00
Instructional Materials		\$ 6,295.00		\$ 400.00		\$ 400.00		\$ 400.00
Furniture						\$ 18,000.00		\$ 18,000.00
Computers/phones						\$ 2,200.00		
Marketing/Advertising		\$ 29,000.00		\$ 25,500.00		\$ 23,700.00		\$ 21,700.00
Professional Development		\$ 600.00		\$ 600.00		\$ 600.00		\$ 600.00
Sub-Total		\$ 37,895.00		\$ 26,500.00		\$ 45,900.00		\$ 42,700.00
Total		\$ 119,517.00		\$ 209,668.76		\$ 416,455.68		\$ 578,786.78

* Based on a Salary \$80,016.00 + Fringe 22,920.56 = \$102,936.56
 Cost per credit based on 24 credits = \$4284.86

YR 1 - Faculty coordinator (3 credit per term APR) and teaching is "buy-out" of existing full-time faculty

YR 2 - Same as YR 1

YR 3 - Add FT faculty member who as coordinator (3 credit per term APR) and teaches 9 credits per term. All other courses buy-out of full-time faculty. Increase AA to full-time

YR 4 - Coordinator 3 credit per term. APR and teaches 9 credits per term. Add 2nd full-time faculty member

NEW PROGRAM PROPOSAL
BACHELOR OF ARTS – DANCE
SUBMITTED TO THE BOARD OF TRUSTEES
JANUARY 28, 2015

Summary: The University currently offers a Bachelor of Science with a Dance concentration through our College of Arts & Science Sports & Movement Science Department. This new degree program would move Dance to our Music Department and have the major (rather than concentration) be Dance.

This proposal is budget neutral as no new resources will be necessary, yet we expect the major will draw more students to the program.

Scope: The dance curriculum is designed to prepare the student to enter the dance profession upon graduation, or continue studies in a graduate degree program. With a focus on choreography and performance, the dance concentration provides the student opportunities to create and perform every semester. Students are expected to achieve competency in technical proficiency, critical thinking skills and personal artistic voice.

Enrollments:

Fall 2009 – 2

Fall 2010 – 3

Fall 2011 – 6

Fall 2012 – 9

Fall 2013 – 11

Fall 2014 -- 15

GENERAL EDUCATION REQUIREMENTS				
Competencies				
[A] Basic College Math [B] Reading Comprehension [C] Computer Literacy				
General Education Categories - 34-35 credits				
1FYS	First Year Seminar			3
1W-I	Written Communication - Level I			3
1OC	Oral Communication			3
PGR	Personal Growth & Responsibility			3
CEA	Creative Expression & Appreciation			3
WC	World Cultures			3
HP	The Human Past			3
CS	Contemporary Society			3
SR	Scientific Reasoning:	‡ Any SR course		3-4
		‡ SR Lab course		4
QR	Quantitative Reasoning			3
‡ Written Communication (Level II and Level III)				
W-II	Written Communication - Level II			<input type="checkbox"/>
W-III	Written Communication - Level III			<input type="checkbox"/>
Foreign Language (0-12 Credits)				
Free Electives (7 credits minimum)				
Additional free elective credits beyond the credits listed may be required based on the use of support courses to satisfy General Education Category requirements				
Minor (Required):				

COURSES IN MAJOR (48 credits total)				
Required (44 credits)				
DAN	100	Introduction to Dance		3
*DAN	109	Special Topics in Dance		1
*DAN	109	Special Topics in Dance		1
*DAN	109	Special Topics in Dance		1
*DAN	109	Special Topics in Dance		1
∞DAN		Ballet		1
∞DAN		Ballet		1
∞DAN		Ballet		1
▲DAN		Modern		1
▲DAN		Modern		1
▲DAN		Modern		1
DAN	126	Dance Improvisation		1
DAN	150	Dance Ensemble I		3
DAN	151	Dance Composition I		3
DAN	200	Dance Ensemble II		4
DAN	201	Dance Composition II		3
DAN	210	The Dancing Body		3
DAN	300	Dance Production		3
DAN	310	Dance: Theory and Style		4
DAN	400	Dance Pedagogy		4
DAN	410	Capstone Seminar in Dance		3
Electives (3 credits)				
DAN				3
Required Support Courses (1 credits)				
SMS	170	Yoga		1

▼ Students may choose to use support courses to satisfy general education categories, but may not be required to do so. Note: If a course is used to satisfy two or more requirements (for example, a support course and Scientific Reasoning requirement), the credits are counted in only one place. Using a course to satisfy more than one requirement does not reduce the credit total required for graduation.

- ▲ Courses used to satisfy the general education requirements of the university must be taken from a minimum of six different academic disciplines. First Year Seminar and Level I Written Communications courses are exempt from this restriction. Courses may not be used to fulfill both major discipline and general education requirements.
- ‡ These Scientific Reasoning General Education Category courses do not have to be a sequence or be from the same discipline
- ‡ Level II and Level III Written Communications Courses may be used to satisfy requirements anywhere else in a student's program of study where they may apply. The credits are counted only in one area.
- * Topics change every semester
- ∞ DAN 120, DAN 121, DAN 122
- ▲ DAN 110, DAN 111, DAN 112

† COMPETENCIES TO BE COMPLETED WITHIN THE FIRST 30 CREDITS ‡ GENERAL EDUCATION CATEGORIES TO BE COMPLETED WITHIN THE FIRST 30 CREDITS

Exceptions in the timing of courses will be made for transfer students

Total credits for graduation: 120

Effective: 9/2015

SUBJECT: Finance & Facilities Committee Meeting Report for February 4, 2015

The Finance & Facilities Committee of the Board of Trustees met on Wednesday, February 4, 2015, in Sullivan Training Room, Enterprise Center, Central Campus of Salem State University.

Present for the Committee: Trustees Burns (chair), Crawford, Malcolm, Chair Scott (ex-officio), President Meservey (ex-officio), advisory member Mr. Gadenne, Vice President House, (committee co-liaison), Vice President Keenan (committee co-liaison), staff assistant Beaulieu. Others present and participating were: Trustees Lutts, Segal and Davis, Assistant Dean Crane and Assistant Vice President Galinski.

Trustee Burns, committee chair, called the meeting to order at 5:55 pm.

Investment policy revisions

Vice President House presented a draft motion with the revised investment policy (Attachment A). A red-line version (Attachment B) showing the many changes and a clean line was presented. Substantive changes recommended by Eastern Bank Wealth Management at the last meeting are incorporated into the document as well as some other cosmetic changes, i.e. titles. Trustee Malcolm raised questions on the following items. On page six under corporate bonds (2.e.) reference to triple B bonds and term “high yield” – suggest removal of the language “high yield”; under corporate bonds (2.a) reference to capital distributed over at least several corporations – recommend a clearer definition of the minimum number of such holdings. On page eight under portfolio composition – prohibited investments (4) – add language making clear there would be no “direct or indirect” involvement in prohibited investments. Vice President House will follow up with Eastern and report back to the committee and board chair on these items.

Trustee Scott made the following motion, seconded by Trustee Crawford:

MOTION

The Finance and Facilities Committee hereby recommends that the Board of Trustees approve the attached motion pertaining to the Salem State University Investment Policy as described in Attachment A incorporating changes after discussion with Eastern Bank Wealth Management.

On a voice vote, the motion passed unanimously.

Board Chair Scott publicly thanked the university’s finance staff and current and former trustees for their work that led to the RFP for investment management services and revised investment policy. As needs change, so will the board continue to review the tools and guidelines to grow the portfolio.

Investment results for period December 31, 2013 – December 31, 2014

Vice President House referred to the investment results of the university’s portfolio for the calendar year 2014 (Attachment C). Investments fell short of the benchmark, however, with the newly approved

changes in the policy, it will allow the investment manager to improve results. Comments from Michael Tyler of Eastern regarding the performance are noted at the back of the report. The committee would like Ms. House to invite our investment advisors to attend the next committee meeting.

YTD financial status report (12/31/14)

Chair Scott requested some discussion on the university's interim financial results as presented (Attachment D). Vice President House explained that the packet is a blend of materials and styles with a commentary page which provides a more explanatory report. The cash balances graph shows a very cyclical business. Major discrepancies in cash balances at September are explained in the commentary as timing differences which have resolved themselves during the second quarter. Trustee Burns found the commentary very useful and complemented Vice President House.

FY16 proposed graduate and continuing education tuition and fee rates

Proposed rate increases for graduate and continuing education courses were presented (Attachment E). Dr. David Crane and Assistant Vice President Bonnie Galinski participated in the discussion. Rates for graduate courses for in-state students propose a 4% increase and out-of-state students a 3% increase. Proposed rates for continuing education courses appear higher. This is part of the alignment project to bring rates for both day and night students equitable for the same courses, and to support classification of students as full-time or part-time. The timing of the discussion of rate increases, ahead of other tuition and fee rates for FY2016, permits publicizing the rates in advance of registration.

Further discussion took place regarding the definition of continuing education programs. There are three types of students enrolled in continuing education studies: degree seeking, certificate seeking and non-degree seeking. Many of these students are taking some of the same courses and are seated in the same classroom as our traditional "day" undergraduate students. The alignment project will rationalize rates for those students and can lead to future opportunities to price unique certificate-based courses differently. The current total of continuing education and graduate tuition and fees is approximately \$19.3 million. The proposed increases will add about \$665,000.

Comparisons of other institutions did not list Endicott College. Dr. Crane noted that the university will be competitive.

Trustee Scott made the following motion, seconded by Trustee Malcolm.

MOTION

The Finance and Facilities Committee hereby recommends that the Board of Trustees approve the attached motion to approve the following increases in fees and tuition for the graduate and continuing education students as shown on Attachment E.

On a voice vote, the motion passed unanimously.

Updates on deferred maintenance and capital projects

Vice President Keenan distributed a high level summary of an in depth review from VFA on all of the university buildings (Attachment F). The FCI (Facilities Condition Index) is a rating on buildings which

helps to measure whether it is worth investing in repairs. The higher the index speaks to whether replacement might be a better investment. The report for Salem State as well as similar information for our sister campuses assists with communicating the need for a bond for deferred maintenance. He introduced newly hired Assistant Vice President Ben Szalewicz who is responsible for capital planning.

It was noted that an investment is planned on North Campus. Human resources department will be moved out of the trailer into the Administration Building, requiring renovations. An Ellison Campus Center study is underway. Seven different firms are being interviewed for the study project. Finally, MEPA recently reported that the university followed all the processes and appeals needed to go forward with the parking garage project.

Other business

Vice President House relayed to the trustees that Governor Baker has proposed 1.5% cuts to higher education for this current fiscal year. Salem's portion would be approximately \$630,000.

There being no further business to come before the committee, Trustee Scott moved and Trustee Crawford seconded a motion to adjourn.

MOTION: to adjourn the meeting.

On a voice vote, the motion passed unanimously.

The meeting adjourned at 6:44 pm.

Prepared by: Ms. Beaulieu, staff assistant, finance

REQUEST FOR TRUSTEE ACTION

Date: February 11, 2015
To: Board of Trustees
From: Finance & Facilities Committee
Subject: Investment Policy Revised
Requested Action: Approval

MOTION

The Finance and Facilities Committee hereby recommends that the Board of Trustees approve the following motion pertaining to the Salem State University Investment Policy as described in Attachment A. Substantive changes were received by the Salem State University investment advisors previously provided to the trustees.

Recommended motion

That the Board of Trustees of Salem State University hereby approves the revised investment policy as shown in Attachment A. The new policy shall supersede the previous investment policy adopted on October 8, 2013. For convenience attached is a document that shows the proposed changes to the current policy (Attachment B). The president and other officers of the university are hereby authorized to do all things and take all actions necessary to implement the policy.

Committee Assigned: Finance & Facilities

Committee Action: February 4, 2015

Date of Action: Approved

Trustee Action:

Trustee Approval Date:

Effective Date:

Signed: _____

Title: Secretary of Board of Trustees

Date: _____

February 11, 2015



Investment Policy

February 11, 2015

GLOSSARY OF TERMS

ASSET ALLOCATION – A term used to refer to how an investor distributes his or her investments among various classes of investment vehicles (e.g. stocks, bonds, cash).

BENCHMARK – A standard against which an investment’s performance can be compared, often an index of securities in the same asset class as the investment.

CASH/CASH EQUIVALENTS – Cash equivalents are short-term securities, such as Treasury bills, money market mutual funds, or short-term bank certificates of deposit that provide safety and liquidity but historically have only marginally outpaced inflation in terms of return.

CORPORATE BONDS – Generally a promissory note given by a corporation to an investor, involving a promise to pay interest and to repay the par or face amount (also known as the principal) at a certain date. Interest is usually paid every six months, and the par value or face amount is usually \$1,000. The payment date may be a few months or many years in the future. After a bond is issued, it may be bought or sold many times at discounts or premiums to face value depending upon the rate and term of the bond, the remaining term and the prevailing interest rates.

CUSTODIAN BANK – A specialized financial institution responsible for safeguarding client portfolio assets, arranging and accounting for any and all investment transactions, reporting status of investment activity on a regular basis and performing other fiduciary and financial services as directed by the university investment team.

EQUITY INVESTMENTS – Equity always refers to ownership. It is usually used as a synonym for common stock of a publicly traded corporation. There are variations but no maturity.

EXCHANGE TRADED FUNDS (ETF) – A type of investment company whose shares trade on stock exchanges at prices determined by the market.

EXECUTIVE MANAGEMENT – President, Chief Financial Officer, and Associate Vice President of Salem State University, and/or their designees.

FEDERAL AGENCY SECURITIES – Generally a promissory note given by a government agency to an investor, involving a promise to pay interest and to repay the par or face amount (also known as the principal) at a certain date. Interest is usually paid every six months, and the par value or face amount is usually \$1,000. The payment date may be a few months or many years in the future. After a bond is issued, it may be bought or sold many times. This investment is not guaranteed by the US Treasury, but it is generally believed that a default of repayment of principal would never occur.

FEE ONLY- A reimbursement model that pays investment managers or firms an agreed upon amount for agreed upon services.

FEE BASED- A reimbursement model that pays investment managers or firms an agreed upon percentage of portfolio assets for their services.

INVESTMENT ADVISOR(S) – Independent financial advisor and/or firm engaged to advise the University on investment strategies, portfolio selection, and economic forecasts as it relates to university assets. They may act on the university’s behalf to effect trades or transactions as agreed upon between the advisor and university management.

INVESTMENT MANAGER(S) – Investment management firms and/or bank trust departments engaged to manage the University’s portfolio.

INDEX FUNDS – A type of mutual fund or unit investment trust whose investment objective typically is to achieve approximately the same return as a particular equity or bond index by investing in the instruments of issuers included in the index (or a representative sample). Because an index fund is “passively” managed, its fees and expenses are typically lower than those of an actively managed fund.

LONG-TERM INVESTMENTS – May refer to a bond with a maturity of more than one year from the date of purchase.

MANAGED FUNDS – A portfolio of stocks or bonds owned by an individual or institution and managed by (i.e., investment decisions are made by) a professional investment manager.

MUTUAL FUNDS – Funds operated by an investment company that raise money from shareholders and invest it in stocks, bonds, options, commodities, or other money market securities. These funds offer investors the advantages of diversification and professional management. For these services they charge a management fee, typically one percent or less of assets per year.

NASDAQ – The National Association of Securities Dealers Automated Quotation, also called the “electronic stock market.” The NASDAQ composite index measures the performance of more than 5,000 U.S. and non-U.S. companies traded “over the counter” through NASDAQ.

OPERATIONAL PROCEDURES – Used by university managers as implementation and administrative guidelines for the Salem State University Investment Policy.

PORTFOLIO COMPOSITION – The investment holdings of an individual or institutional investor; includes stocks, bonds, options, money-market accounts, etc.

PRUDENT INVESTMENT RULE - Generally refers to discharging of duties in good faith and with that degree of due diligence, care and skill which a prudent person would ordinarily exercise under similar circumstances in a like position.

SECURITIES AND EXCHANGE COMMISSION - A Federal agency established to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation.

SHORT-TERM INVESTMENTS - May refer to a bond with a maturity of less than one year from the date of purchase.

SECURITIES INVESTOR PROTECTION CORPORATION (SIPC) – Government-sponsored organization created in 1970 to insure investor accounts at brokerage firms in the event of the brokerage firm's insolvency and liquidation. The maximum insurance of \$500,000 per customer, including a maximum of \$100,000 in cash assets, covers losses due to brokerage house insolvencies, not losses caused by security price fluctuations. SIPC coverage is similar in concept to Federal Deposit Insurance Corporation coverage of customer accounts at commercial banks.

U.S. TREASURY SECURITIES - A promissory note given by the US Government to an investor, involving a promise to pay interest and to repay the par or face amount (also known as the principal) at a certain date. Interest is usually paid every six months, and the par value or face amount is usually \$1,000. The payment date may be a few months or many years in the future. After a bond is issued, it may be bought or sold many times. This investment is guaranteed by the US Government and is considered to have no default risk.

I. PURPOSE

This document is intended to be used as a policy and procedural guide for the administration of Salem State University ("University") investment funds. The administration of these funds will comply with MGL Chapter 73, Section 14 as well as with MGL Chapter 180A, also known as the Uniform Management of Institutional Funds Law. This Policy will also serve as a basis for actions of management in carrying out its investment duties, and for the Board of Trustees of the University in monitoring management's investment activities.

The University shall use the services of one or more investment management firms and/or a bank trust departments ("Investment Manager[s]") to carry out the University's investment activities. The basic responsibility of the Investment Manager(s) will be to keep executive management of the University ("Management") abreast of the economy and market conditions and to invest in a mix of eligible instruments within the context of laws, regulations and this policy. The Investment Manager(s) shall be approved by the Board of Trustees ("Board") as part of this policy. University Management may delegate authority to the Investment Manager(s) to act within the boundaries of this policy

II. OBJECTIVES

The primary objectives of the policy are to provide safety of principal and sufficient liquidity to ensure a reasonable degree of flexibility in the operations of the University, while also achieving long-term capital growth and appreciation for the portfolio. This means that investments will be made which, if necessary, will provide the University with the ability to convert any asset to cash with the least amount of credit or interest rate risk (i.e. loss of principal) within a prescribed period of time as directed by the Board or Management.

All investments made for the purpose of attaining the foregoing objectives shall be made exercising judgment and care consistent with the Prudent Investment Rule, so called, and consistent with all applicable statutes, regulations and generally accepted investment practices.

III. PORTFOLIO COMPOSITION

The University's investment portfolio, for purposes of this policy statement, shall consist of three major categories of financial investments: (1) fixed income - short and long term (bonds); (2) equity (stocks); (3) cash or cash equivalents.

1. Fixed Income - short term and long term (bonds):

(a) *Fixed Income – short-term.* These are investments which have maturities of no longer than one year. The purpose of the fixed income short-term investment portfolio shall be to provide sufficient liquidity to meet institutional objectives. The use of this portion of the portfolio shall be consistent with management's anticipated cash flow needs and future investment opportunities.

(b) *Fixed Income – long-term.* These are investments which have maturities of more than one year from the date of investment. The purpose of the long-term portion of the investment portfolio shall be to maximize return within the context of other recognized needs and risks. The portfolio shall be considered for purposes of capital growth and the provision of long term funding of capital needs. Eligible securities and other restrictions are as follows:

1. U.S. Treasury and Federal Agency Securities
 - a. Maximum size of portfolio - no limit
 - b. Maximum lot size - no limit
 - c. Maximum average maturity - 7 years
 - d. Mutual funds or ETFs consisting of individual securities that meet the above characteristics

2. Corporate Bonds
 - a. Aggregate limit of all corporate bonds: 35% of capital (prudently diversified)
 - b. Maximum maturity – 7 years
 - c. All individual corporate bonds shall have a rating of Baa/BBB or better as published by Moody's or Standard & Poor's at the time of purchase
 - d. Mutual funds or ETFs consisting of individual securities that meet the above characteristics
 - e. Mutual funds or ETFs holding broadly diversified portfolios of bonds with credit ratings below Baa/BBB as published by Moody's or Standard & Poor's at the time of purchase

3. Municipal/Other Tax Exempt Issues

Municipal bonds and other tax exempt bond issues offer an opportunity that allows investors to avoid payment of taxes on income or capital gains resulting from the investment. Since the University is a tax-exempt entity that does not

pay taxes, municipal bonds and other tax exempt bond issues are generally not advantageous to the investment portfolio although not necessarily prohibited within the portfolio. Depending on market conditions, these instruments may be appropriate and attractive even without the benefit of the tax shelter.

2. Equity (stocks):

The purpose of the equity investment portfolio shall be to maximize return and provide a hedge against inflation through a diversified approach in compliance with applicable Massachusetts statutes. Eligible securities, appropriate rating service and dividend policy follow.

Equities generally refer to the common or preferred stock in publicly-traded companies, but they may also be in the form of managed funds, which include such investment vehicles as mutual funds, exchange traded funds (ETFs) and other types of funds that function in a managed way but are not directly managed by the University's Investment Manager. Managed funds of this sort are acceptable in the University's portfolio if they are consistent with the standards that otherwise apply to equities.

<u>Eligible Securities</u>	<u>Rating Service *</u>	<u>Dividend Policy</u>
Domestic Equities	S & P Stock Guide Rating of B+ or Better	Maximum Reinvestment Enhance Growth
International Equities	MSCI ACWI** Rating of B+ or Better	Maximum Reinvestment Enhance Growth
Total Equities (Blended)	Blend 60/40 S & P and MSCI Rating of B+ or Better	Maximum Reinvestment Enhance Growth
Mutual Funds	Morningstar Four Star or Better	Maximum Reinvestment to Enhance Growth
Exchange Traded Funds	To Be Determined* Four Star or Better	Maximum Reinvestment to Enhance Growth

*At least annually, the Rating Service (i.e. benchmark) will be determined based upon mutual discussion and agreement between the investment manager and University management.

**ACWI is an abbreviation for All-Country World Index, as published by MSCI.

“Alternative Investments” may include private (unregistered) securities such as hedge funds, private equity funds, venture capital funds, commodities, precious or industrial metals, etc. While these are not expressly prohibited in this policy, it is anticipated that they will be used sparingly if at all. This provision also applies to registered “liquid alternative” mutual funds that are designed to mimic

private unregistered funds. To the extent that any Alternative Investments are used, they will be counted as Equities for the purpose of reviewing asset allocation.

3. Cash and Cash Equivalents:

Cash and cash equivalents are instruments that are relatively “liquid” in nature and are available for operational and/or investment opportunities. This component of the portfolio should be minimal.

4. Prohibited Investments:

Investment in derivative securities, forwards, swaps, futures of any type is explicitly prohibited via direct or indirect involvement under this policy.

IV. ASSET ALLOCATION

Asset Allocation of the University portfolio should be equivalent to approximately 65% in equities, 35% in fixed income. Managed funds that include both equity and fixed income underlying investments shall be distributed to the appropriate portfolio category for the purpose of reviewing asset allocation. Recognizing that from time-to-time during the course of business it is not realistic to expect complete compliance with this guideline, an acceptable range follows:

	<u>General Goal</u>	<u>Acceptable Range</u>
Equities	65%	50% – 75%
Fixed Income	35%	25% - 50%
Alternative Investments	---	---
Cash	Minimal	0% - 10%

Any asset allocation not within these ranges should be communicated by the Investment Manager(s) to Management as soon as practicable but no later than the next monthly status report to the University. Unless otherwise directed by Management, the portfolio should be re-balanced to fit within the acceptable ranges defined in this policy as soon as practical, taking investment risks into consideration. The Investment Manager is expected to rebalance the portfolio at least annually.

V. INVESTMENT MANAGER(S)

The approved Investment Manager(s) must be fully-licensed and registered by all applicable Federal, State and professional agencies/organizations. The Investment Manager(s) shall be responsible for managing the portfolio consistent with the overall objectives of the policy. Additional responsibilities will include providing the University with overviews of current economic conditions and market forecasts and timely reports on the University's portfolio, which may affect investment strategies. The Investment Manager(s) shall be advised of the University's operational needs (if any) and projected capital expenditures that may affect the portfolio.

Each year, the Board will review the financial strength, standing, and performance of the Investment Manager(s). During this review, any material changes in the licensing, registration or other information deemed material in the relationship between the University and the Investment Manager(s) should be communicated to the Board.

VI. PORTFOLIO PERFORMANCE

Each Investment Manager engaged by the University to manage all or part of the investment fund shall report to Management on a monthly basis and shall present a report to the Board of Trustees at least semi-annually or as requested by the Board. Reports to the Board shall review the performance of the portfolio in comparison to:

- the performance of established benchmarks and asset allocation goals;
- a targeted return pegged to a pre-determined percentage above the Consumer Price Index (CPI);
- where applicable, the performance of other peer institutions for a comparable and readily available period.

On the basis of the performance report, the Board may direct changes in investment activities or approach.

VII. USE OF INVESTMENT PORTFOLIO

The University's intent in investing in securities is to hold the respective security to its maximum earning potential while addressing the fiduciary responsibility to preserve principal. The Investment Manager(s) is authorized to buy and sell securities to improve yields, quality and marketability or to realign the composition of the portfolio in order to make it consistent with the policies set forth herein. At the direction and with the formal authorization of the Board, monies may be withdrawn from the portfolio to fund unanticipated and/or extraordinary operational expenses of the University, improve the quality of life on campus, and/or capitalize on other opportunities.

VIII. REPORTING AND MONITORING

The Investment Manager(s) will provide the University with on-line tools that allow review of the portfolio on a daily basis, such on-line tools to be in conformity with industry standards relating to data security, and with timely reports (at least monthly) that include all transactions, fees/charges and accumulated earnings and changes in market value for the stated period. In addition, the Investment Manager(s) shall provide a quarterly report to Management. The report should also include purchases and sales of securities, composition, valuation, quality and yield performance of the portfolio for the stated quarter. The Investment Manager should also advise Management as soon as practicable of any material changes to operations including but not limited to: changing economic or political situations, portfolio allocation assumptions; investment management staffing or partnership service arrangements; different investment opportunities not specifically addressed in this statement to name a few.

The Investment Manager(s) will meet with the Board semi-annually to review investment objectives against the portfolio performance vs. established benchmarks, economic forecasts, and strategic asset allocations for future planning purposes. Additional meetings with the Investment Manager(s) may be scheduled at the direction of the Board.

VIII. ASSIGNMENT OF RESPONSIBILITIES

Management is responsible for carrying out the investment activities for the cash management and investment funds of the University. Management may delegate authority to the Investment Manager(s) approved by the Board to conduct investment transactions consistent with the goals and objectives of this policy.

IX. OPERATIONAL PROCEDURES

The Operational Procedures are intended to be used by Management as implementation and administrative guidelines for the policy. The primary objective of the Operational Procedures is to provide Management with the direction to oversee the investments consistent with the policy. Areas of primary oversight include, but are not limited to the following:

- (a) Review of asset allocations
- (b) Investment Manager(s) selection
- (c) Criteria for Investment Manager(s) performance and evaluation
- (d) Investment Manager(s) compensation
- (e) Conflict of Interest
- (f) Accounting and internal controls

(a) Review of Asset Allocations

Management will review asset allocation by category to ensure consistency between the recommendations of the Investment Manager(s) and the objectives of the University as defined in the policy.

(b) Investment Manager(s) Selection

Management will recommend to the Board of Trustees selection of the Investment Manager(s). The recommendation will have resulted from a Request for Proposal (RFP) process in conformity with the Commonwealth's procurement laws and regulations. Appointment of the Investment Manager(s) shall be made after an RFP process and with the approval of the Board, such appointment being for a period of not more than five (5) years unless directed by action of the Board.

(c) Criteria for Investment Manager(s) Performance and Evaluation:

Management will measure quarterly the performance of the Investment Manager(s). Evaluation criteria may include, but are not limited to, investment returns compared to the stated objectives for the portfolio, or various market indices or benchmarks as are determined to be appropriate. In addition, review of Investment Manager(s) performance

and status of investment portfolio will be presented to the Board of Trustees of the University at least semi-annually.

(d) Investment Manager(s) Compensation:

The Investment Manager(s) will be engaged on a fee for services basis. The fee will be determined based on the competitive procurement process (RFP). Specific language for this computation will be clearly defined in the contract between the University and the Investment Manager(s).

(e) Conflict of Interest:

In accordance with Commonwealth statutes and University policy governing financial conflicts of interest, trustees, officers and employees of the University may not have any professional or personal relationship with a securities firm, Investment Manager or employee doing business with the University. Further, trustees, officers and employees of the University may not receive gifts, gratuities or travel expenses from Investment Manager(s), dealers, custodians or others authorized to do business with the University.

(f) Accounting and Internal Controls:

The Investment Manager(s) will report to Management monthly that all of the investments for which it is responsible are in compliance with the investment policy. If any investments do not meet the policy, the Investment Manager(s) will so note and explain the reason for that breach.

The securities will be held at an authorized custodian in separate accounts and not co-mingled in accordance with MGL Chapter 29 Section 34. It will be the responsibility of Management to ensure that appropriate internal controls are in place for the security and handling of all accounts.

The University will record and report all investment activity in accordance with Generally Accepted Accounting Principles. The University's auditors will audit the investment records and reports in accordance with Generally Accepted Audit Standards as part of the annual audit of the University's internal controls and financial statements.

X. PROCEDURE FOR CHANGING INVESTMENT POLICY & INVESTMENT

MANAGERS

This Investment Policy Statement may be changed only by a vote of the Board of Trustees. Management shall report to the Board on an "as needed" basis regarding the desirability of

modifying the Investment Policy Statement, however, notwithstanding, the policy shall be reviewed by the Board annually.

At least biennially, the Board will discuss the need to issue an RFP for investment managers and at least every five years an RFP for investment managers will be issued.

Approved and Ordered By

BOARD OF TRUSTEES

Date Approved: February 11, 2015

~~October~~ February 11, 2015 ~~22, 2014~~ 8, 2013



Investment Policy

February 11, 2015 ~~October 22,~~
2014 8, 2013

GLOSSARY OF TERMS

ASSET ALLOCATION – A term used to refer to how an investor distributes his or her investments among various classes of investment vehicles (e.g. stocks, bonds, cash).

BENCHMARK – A standard against which an investment’s performance can be compared, often an index of securities in the same asset class as the investment.

CASH/CASH EQUIVALENTS – Cash equivalents are short-term securities, such as Treasury bills, money market mutual funds, or short-term bank certificates of deposit that provide safety and liquidity but historically have only marginally outpaced inflation in terms of return.

CORPORATE BONDS – Generally a promissory note given by a corporation to an investor, involving a promise to pay interest and to repay the par or face amount (also known as the principal) at a certain date. Interest is usually paid every six months, and the par value or face amount is usually \$1,000. The payment date may be a few months or many years in the future. After a bond is issued, it may be bought or sold many times at discounts or premiums to face value depending upon the rate and term of the bond, the remaining term and the prevailing interest rates.

CUSTODIAN BANK – A specialized financial institution responsible for safeguarding client portfolio assets, arranging and accounting for any and all investment transactions, reporting status of investment activity on a regular basis and performing other fiduciary and financial services as directed by the university investment team.

EQUITY INVESTMENTS – Equity always refers to ownership. It is usually used as a synonym for common stock of a publicly traded corporation. There are variations but no maturity.

EXCHANGE TRADED FUNDS (ETF) – A type of investment company whose shares trade on stock exchanges at prices determined by the market.

EXECUTIVE MANAGEMENT – President, Chief Financial Officer~~Vice President of Finance and Facilities~~, and Associate Vice President ~~for Finance~~ of Salem State University, and/or their designees.

FEDERAL AGENCY SECURITIES – Generally a promissory note given by a government agency to an investor, involving a promise to pay interest and to repay the par or face amount (also known as the principal) at a certain date. Interest is usually paid every six months, and the par value or face amount is usually \$1,000. The payment date may be a few months or many years in the future. After a bond is issued, it may be bought or sold many times. This investment is not guaranteed by the US Treasury, but it is generally believed that a default of repayment of principal would never occur.

FEE ONLY- A reimbursement model that pays investment managers or firms an agreed upon amount for agreed upon services.

FEE BASED- A reimbursement model that pays investment managers or firms an agreed upon percentage of portfolio assets for their services.

INVESTMENT ADVISOR(S) – Independent financial advisor and/or firm engaged to advise the University on investment strategies, portfolio selection, and economic forecasts as it relates to university assets. They may act on the university’s behalf to effect trades or transactions as agreed upon between the advisor and university management.

INVESTMENT MANAGER(S) – Investment management firms and/or bank trust departments engaged to manage the University’s portfolio.

INDEX FUNDS – A type of mutual fund or unit investment trust whose investment objective typically is to achieve approximately the same return as a particular equity or bond index by investing in the instruments of issuers included in the index (or a representative sample). Because an index fund is “passively” managed, its fees and expenses are typically lower than those of an actively managed fund.

LONG-TERM INVESTMENTS – May refer to a bond with a maturity of more than one year from the date of purchase.

MANAGED FUNDS – A portfolio of stocks or bonds owned by an individual or institution and managed by (i.e., investment decisions are made by) a professional investment manager.

MUTUAL FUNDS – Funds operated by an investment company that raise money from shareholders and invest it in stocks, bonds, options, commodities, or other money market securities. These funds offer investors the advantages of diversification and professional management. For these services they charge a management fee, typically one percent or less of assets per year.

NASDAQ – The National Association of Securities Dealers Automated Quotation, also called the “electronic stock market.” The NASDAQ composite index measures the performance of more than 5,000 U.S. and non-U.S. companies traded “over the counter” through NASDAQ.

OPERATIONAL PROCEDURES – Used by university managers as implementation and administrative guidelines for the Salem State University Investment Policy.

PORTFOLIO COMPOSITION – The investment holdings of an individual or institutional investor; includes stocks, bonds, options, money-market accounts, etc.

PRUDENT INVESTMENT RULE - Generally refers to discharging of duties in good faith and with that degree of due diligence, care and skill which a prudent person would ordinarily exercise under similar circumstances in a like position.

SECURITIES AND EXCHANGE COMMISSION - A Federal agency established to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation.

SHORT-TERM INVESTMENTS - May refer to a bond with a maturity of less than one year from the date of purchase.

SECURITIES INVESTOR PROTECTION CORPORATION (SIPC) – Government-sponsored organization created in 1970 to insure investor accounts at brokerage firms in the event of the brokerage firm's insolvency and liquidation. The maximum insurance of \$500,000 per customer, including a maximum of \$100,000 in cash assets, covers losses due to brokerage house insolvencies, not losses caused by security price fluctuations. SIPC coverage is similar in concept to Federal Deposit Insurance Corporation coverage of customer accounts at commercial banks.

U.S. TREASURY SECURITIES - A promissory note given by the US Government to an investor, involving a promise to pay interest and to repay the par or face amount (also known as the principal) at a certain date. Interest is usually paid every six months, and the par value or face amount is usually \$1,000. The payment date may be a few months or many years in the future. After a bond is issued, it may be bought or sold many times. This investment is guaranteed by the US Government and is considered to have no default risk.

I. PURPOSE

This ~~document~~~~Policy~~ is intended to be used as a policy and procedural guide for the administration of Salem State University ("University") investment funds. The administration of these funds will comply with MGL Chapter 73, Section 14 as well as with MGL Chapter 180A, also known as the Uniform Management of Institutional Funds Law. This Policy will also serve as a basis for actions of management in carrying out its investment duties, and for the Board of Trustees of the University in monitoring management's investment activities.

The University shall use the services of one or more ~~i~~Investment ~~m~~Management ~~f~~Firms and/or a ~~b~~Bank ~~t~~Trust ~~d~~Departments ("Investment Manager[s]") to carry out the University's investment activities. The basic responsibility of the Investment Manager(s) will be to keep executive management of the University ("~~Management~~") abreast of the economy and market conditions and to invest in a mix of eligible instruments within the context of laws, regulations and this ~~p~~Policy. The Investment Manager(s) shall be approved by the Board of Trustees ("Board") as part of this ~~p~~Policy. ~~The University's Executive~~ Management may delegate authority to the Investment Manager(s) to act within the boundaries of this ~~p~~Policy

II. OBJECTIVES

The primary objectives of the ~~p~~Policy are to provide safety of principal and sufficient liquidity to ensure a reasonable degree of flexibility in the operations of the University, while also achieving long-term capital growth and appreciation for the portfolio. This means that investments will be made which, if necessary, will provide the University with the ability to convert any asset to cash with the least amount of credit or interest rate risk (i.e. loss of principal) within a prescribed period of time as directed by the Board or ~~Executive~~ Management.

All investments made for the purpose of attaining the foregoing objectives shall be made exercising judgment and care consistent with the Prudent Investment Rule, so called, and consistent with all applicable statutes, regulations and generally accepted investment practices.

III. PORTFOLIO COMPOSITION

The University's investment portfolio, for purposes of this ~~p~~Policy statement, shall consist of three major categories of financial investments: (1) fixed income - short and long term (bonds); (2) equity (stocks); (3) cash or cash equivalents.

1. Fixed Income - short term and long term (bonds):

(a) *Fixed Income – short-term.* These are investments which have maturities of no longer than one year. The purpose of the fixed income short-term investment portfolio shall be to provide sufficient liquidity to meet institutional objectives. The use of this portion of the portfolio shall be consistent with management's anticipated cash flow needs and future investment opportunities.

(b) *Fixed Income – long-term.* These are investments which have maturities of more than one year from the date of investment. The purpose of the long-term portion of the investment portfolio shall be to maximize return within the context of other recognized needs and risks. The portfolio shall be considered for purposes of capital growth and the provision of long term funding of capital needs. Eligible securities and other restrictions are as follows:

1. U.S. Treasury and Federal Agency Securities

- a. Maximum size of portfolio - no limit
- b. Maximum lot size - no limit
- c. Maximum average maturity - 7 years
- ~~e.~~d. Mutual funds or ETFs consisting of individual securities that meet the above characteristics

2. Corporate Bonds

- a. Aggregate limit of all corporate bonds: ~~20~~35% of capital (~~prudently diversified distributed over at least several corporations~~)
- b. Maximum maturity – ~~7 years~~years
- c. All individual corporate bonds shall have a rating of Baa/BBB~~A~~ or better as published by Moody's or Standard & Poor's at the time of purchase
- d. Mutual funds or ETFs consisting of individual securities that meet the above characteristics
- ~~e.~~e. Mutual funds or ETFs holding broadly diversified portfolios of bonds with credit ratings below Baa/BBB (i.e., "high-yield") as published by Moody's or Standard & Poor's at the time of purchase

3. Municipal/Other Tax Exempt Issues

Municipal bonds and other tax exempt bond issues offer an opportunity that allows investors to avoid payment of taxes on income or capital gains resulting from the investment. Since the University is a tax-exempt entity that does not pay taxes, municipal bonds and other tax exempt bond issues are generally not advantageous to the investment portfolio although not necessarily prohibited within the portfolio. ~~D;~~ depending on market conditions, these instruments may be appropriate and attractive even without the benefit of the tax shelter.

2. Equity (stocks):

The purpose of the equity investment portfolio shall be to maximize return and provide a hedge against inflation through a diversified approach in compliance with applicable Massachusetts statutes. Eligible securities, appropriate rating service and dividend policy follow.

Equities generally refer to the common or preferred stock in publicly-traded companies, but they may also be in the form of ~~m~~Managed ~~f~~Funds, which include such investment vehicles as mutual funds, exchange traded funds (ETFs) and other types of funds that function in a managed way but are not directly managed by the University's Investment Manager. Managed funds of this sort are acceptable in the University's portfolio if they are consistent with the standards that otherwise apply to equities.

<u>Eligible Securities</u>	<u>Rating Service *</u>	<u>Dividend Policy</u>
Domestic Equities	S & P Stock Guide Rating of B+ or Better	Maximum Reinvestment Enhance Growth
International Equities Reinvestment	MSCI All-World <u>ACWI**</u> Index	Maximum Enhance Growth
Total Equities (Blended)	Blend 60/40 S & P and MSCI Rating of B+ or Better	Maximum Reinvestment Enhance Growth
Mutual Funds	Morningstar Four Star or Better	Maximum Reinvestment to Enhance Growth
Exchange Traded Funds Reinvestment	To Be Determined <u>Determined*</u>	Maximum to Enhance Growth

*At least annually, the Rating Service (i.e. benchmark) will be determined based upon mutual discussion and agreement between the investment manager and University management.

**ACWI is an abbreviation for All-Country World Index, as published by MSCI.

~~**At least annually, the Rating Service (i.e. benchmark) will be determined based upon mutual discussion and agreement between the investment manager and University management.~~

“Alternative Investments” may include private (unregistered) securities such as hedge funds, private equity funds, venture capital funds, commodities, precious or industrial metals, etc. While these are not expressly prohibited in this Policy, it is anticipated that they will be used sparingly if at all. This provision also applies to registered “liquid alternative” mutual funds that are designed to mimic private unregistered funds. To the extent that any Alternative Investments are used, they will be counted as Equities for the purpose of reviewing asset allocation.

3. Cash and Cash Equivalents:

Cash and cash equivalents are instruments that are relatively “liquid” in nature and are available for operational and/or investment opportunities. This component of the portfolio should be minimal.

4. Prohibited Investments:

Investment in derivative securities, forwards, swaps, futures of any type is explicitly prohibited via direct or indirect involvement under this policy.

IV. ASSET ALLOCATION

Asset Allocation of the University portfolio should be equivalent to approximately ~~55~~65% in equities, ~~35~~45% in fixed income. Managed ~~f~~Funds that include both equity and fixed income underlying investments shall be distributed to the appropriate portfolio category for the purpose of reviewing asset allocation. Recognizing that from time-to-time during the course of business it is not realistic to expect complete compliance with this guideline, an acceptable range follows:

	<u>General Goal</u>	<u>Acceptable Range</u>
Equities	55 <u>65</u> %	45 <u>50</u> % – 65 <u>75</u> %
Fixed Income	35 <u>45</u> %	35 <u>25</u> % - 55 <u>50</u> %
<u>Alternative Investments</u>	0 <u>th</u> ---	---er investments <u>TBD</u> ---
	--- <u>TBD</u>	

Cash

Minimal

0% - 10%

Any asset allocation not within these ranges should be communicated by the Investment Manager(s) to ~~the Management Associate Vice President of Finance~~ as soon as practicable but no later than the next monthly status report to the University. Unless otherwise directed by ~~Executive~~ Management, the portfolio should be re-balanced to fit within the acceptable ranges defined in this policy as soon as practical, taking investment risks into consideration. The Investment Manager is expected to rebalance the portfolio at least annually.

V. INVESTMENT MANAGER(S)

The approved Investment Manager(s) must be fully-licensed and registered by all applicable Federal, State and professional agencies/organizations. The Investment Manager(s) shall be responsible for managing the portfolio consistent with the overall objectives of the ~~p~~Policy. Additionally, ~~their~~ responsibilities will include providing the University with overviews of current economic conditions and market forecasts and timely reports on the University's portfolio, which may ~~impact-affect~~ investment strategies. The Investment Manager(s) shall be advised of the University's operational needs (if any) and projected capital expenditures that may ~~impact-affect~~ the portfolio.

Each year, the Board will review the financial strength, standing, and performance of the Investment Manager(s). During this review, any material changes in the licensing, registration or other information deemed material in the relationship between the University and the Investment Manager(s) should be communicated to the Board.

VI. PORTFOLIO PERFORMANCE

Each Investment Manager engaged by the University to manage all or part of the investment fund shall report to ~~Executive~~ Management on a monthly basis and shall present a report to the Board of Trustees at least semi-annually or as requested by the Board. Reports to the Board shall review the performance of the portfolio in comparison to:

- ~~the performance of~~-established benchmarks and asset allocation goals;
- ~~; comparison to~~ a targeted return pegged to a pre-determined percentage above the Consumer Price Index (CPI);
- ~~and~~ where applicable, ~~the performance of comparison to~~ other peer institutions ~~performance~~ for a comparable and readily available period.

On the basis of the performance report, the Board may direct changes in investment activities or approach.

VI.VII. USE OF INVESTMENT PORTFOLIO

The University's intent in investing in securities is to hold the respective security to its maximum earning potential while addressing the fiduciary responsibility to preserve principal. The Investment Manager(s) is authorized to buy and sell securities to improve yields, quality and marketability or to realign the composition of the portfolio in order to make it consistent with the policies set forth herein. At the direction and with the formal authorization of the Board, monies may be withdrawn from the portfolio to fund unanticipated and/or extraordinary operational expenses of the University, improve the quality of life on campus, and/or capitalize on other opportunities.

VIII. REPORTING AND MONITORING

The Investment Manager(s) will provide the University with on-line tools that allow review of the portfolio on a daily basis, such on-line tools to be in conformity with industry standards relating to data security, and with timely reports (at least monthly) that include all transactions, fees/charges and accumulated earnings and changes in market value for the stated period. In addition, the Investment Manager(s) shall provide a quarterly report to ~~Executive~~ Management. The report should also include purchases and sales of securities, composition, valuation, quality and yield performance of the ~~p~~Portfolio for the stated quarter. The Investment Manager should also advise ~~Executive~~ Management as soon as practicable of any material changes to operations including

but not limited to: changing economic or political situations, portfolio allocation assumptions; investment management staffing or partnership service arrangements; different investment opportunities not specifically addressed in this statement -to name a few.

The Investment Manager(s) will meet with the Board semi-annually to review ~~the~~ investment objectives against the portfolio performance vs. established benchmarks, and economic forecasts, and strategic asset allocations for future planning purposes. ~~The first meeting should occur at the first meeting of the Board after the close of a calendar year and should primarily focus on portfolio performance for the recently completed year. The second meeting should occur in the fall of each year and should focus on strategic asset allocation, appropriate benchmarks and other performance criteria for the upcoming calendar year beginning in January. At both meetings, the Investment Manager(s) shall present economic forecasts and quantitative analysis impacting~~ affecting portfolio performance or investment strategies. Additional meetings with the Investment Manager(s) may be scheduled at the direction of the Board.

VIII. ASSIGNMENT OF RESPONSIBILITIES

~~Executive~~ Management is responsible for carrying out the investment activities for the cash management and investment funds of the University. ~~Executive~~ Management may delegate authority to the Investment Manager(s) approved by the Board to conduct investment transactions consistent with the goals and objectives of this policy.

IX. OPERATIONAL PROCEDURES

The Operational Procedures are intended to be used by ~~Executive~~ Management as implementation and administrative guidelines for the ~~p~~Policy. The primary objective of the Operational Procedures is to provide ~~Executive~~ Management with the direction to oversee the investments consistent with the ~~p~~Policy. Areas of primary oversight include, but are not limited to the following:

- (a) Review of asset allocations

- (b) Investment Manager(s) selection
- (c) Criteria for Investment Manager(s) performance and evaluation
- (d) Investment Manager(s) compensation
- (e) Conflict of Interest
- (f) Accounting and internal controls

(a) Review of Asset Allocations

~~Management~~~~The Vice President of Finance and Facilities and the Associate Vice President for Finance~~ will review asset allocation by category to ensure consistency between the recommendations of the Investment Manager(s) and the objectives of the University as defined in the ~~p~~Policy.

(b) Investment Manager(s) Selection

~~Management~~~~The Vice President of Finance and Facilities and the Associate Vice President for Finance~~ will recommend to the Board of Trustees selection of the Investment Manager(s). The recommendation will have resulted from a Request for Proposal (RFP) process in conformity with the Commonwealth's procurement laws and regulations. Appointment of the Investment Manager(s) shall be made after an RFP process and with the approval of the Board, such appointment being for a period of not more than five (5) years unless directed by action of the Board.

(c) Criteria for Investment Manager(s) Performance and Evaluation:

~~Management~~~~The Vice President of Finance and Facilities and the Associate Vice President for Finance~~ will measure quarterly the performance of the Investment Manager(s). Evaluation criteria may include, but are not limited to, investment returns compared to the stated objectives for the portfolio, or various market indices or benchmarks as are determined to be appropriate. In addition, review of Investment Manager(s) performance and status of investment portfolio will be presented to the Board of Trustees of the University at least semi-annually.

(d) Investment Manager(s) Compensation:

The Investment Manager(s) will be engaged on a fee for services basis. The fee will be determined based on the competitive procurement process (RFP). Specific language for this computation will be clearly defined in the contract between the University and the Investment Manager(s).

(e) Conflict of Interest:

In accordance with Commonwealth statutes and University policy governing financial conflicts of interest, trustees, officers and employees of the University may not have any professional or personal relationship with a securities firm, Investment Manager or

employee doing business with the University. Further, trustees, officers and employees of the University may not receive gifts, gratuities or travel expenses from Investment Manager(s), dealers, custodians or others authorized to do business with the University.

(f) Accounting and Internal Controls:

The Investment Manager(s) will report to ~~Executive~~ Management monthly that all of the investments for which it is responsible are in compliance with the investment policy. If any investments do not meet the ~~p~~Policy, the Investment Manager(s) will so note and explain the reason for that breach.

The securities will be held at an authorized custodian in separate accounts and not commingled in accordance with MGL Chapter 29 Section 34. It will be the responsibility of ~~the Associate Vice President for Finance~~ Management to ensure that appropriate internal controls are in place for the security and handling of all accounts.

The University will record and report all investment activity in accordance with Generally Accepted Accounting Principles. The University's auditors will audit the investment records and reports in accordance with Generally Accepted Audit Standards as part of the annual audit of the University's internal controls and financial statements.

X. PROCEDURE FOR CHANGING INVESTMENT POLICY & INVESTMENT MANAGERS

This Investment Policy Statement may be changed only by a vote of the Board of Trustees. ~~Executive~~ Management shall report to the Board on an "as needed" basis regarding the desirability of modifying the Investment Policy Statement, however, notwithstanding, the ~~p~~Policy shall be reviewed by the Board annually.

At least biennially, the Board will discuss the need to issue an RFP for investment managers and at least every five years an RFP for investment managers will be issued.

Approved and Ordered By

BOARD OF TRUSTEES
20143

Date Approved: ~~February 11, 2015~~ ~~October 8~~ ~~November XX,~~

Salem State University

Investment Results

Performance Statement for period December 31, 2013 to December 31, 2014

Eastern Bank Wealth Management

SALEM STATE UNIV.	2014 December			2014 December
<i>Class</i>	<i>Benchmark</i>	<i>Portfolio Allocation</i>	<i>Year-To-Date Class Return</i>	<i>Year To Date Benchmark Return</i>

Money Mkts & Equivalents	Lipper Money Market Index	2.00%	0.00%	0.01%
Fixed Income	Barclays Cap Interm Credit Index	33.70%	2.02%	4.16%
Equities	Blended 60/40 S&P 500 / MSCI All-World Index	64.30%	7.33%	10.02%

Total	Growth w/ Income Multi Asset- Corp	100.00%	5.23%	7.59%
Total Net of Fees	Growth w/ Income Multi Asset- Corp	100.00%	4.89%	7.59%

Your Performance Statement

Investment activity through 12/31/2014

Your Portfolio Summary

Reporting period: December 31, 2013 to December 31, 2014

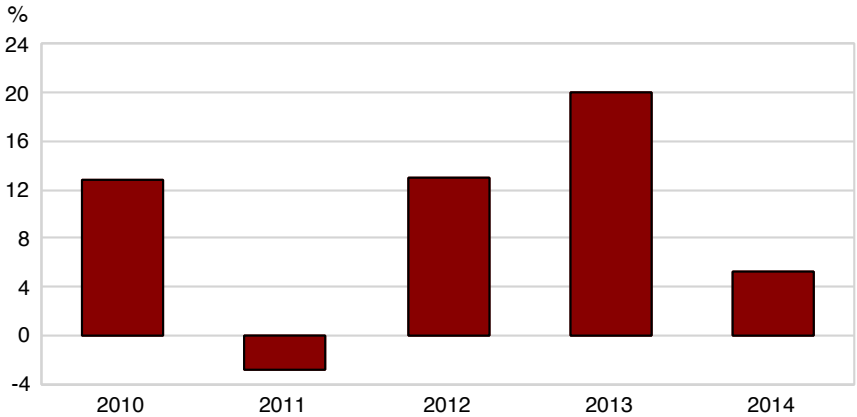
EASTERN BANK INVEST MGR FOR SALEM STATE UNIV (2427524)

Performance Measured Since: January 01, 1997

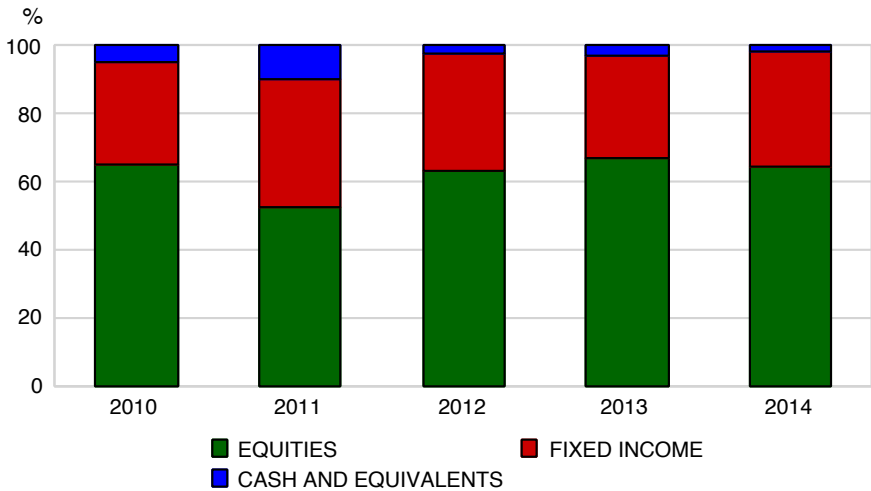
Portfolio Value - YTD

Beginning portfolio value	12,433,884.75
Contributions	259.12
Income earned	218,275.90
Withdrawals	-42,443.60
Market Appreciation	430,803.05
Ending portfolio value	13,040,779.22
Total return	5.23

Annual Portfolio Returns



Annual Portfolio Allocation



Portfolio Values By Asset Class

	Market value	% of Mkt val
DOMESTIC EQUITY	7,294,606	55.9
DOMESTIC FIXED INCOM	4,396,856	33.7
INTERNATIONAL EQUITY	1,090,447	8.4
CASH AND EQUIVALENTS	258,871	2.0
Total	13,040,779	100.0

Your Portfolio Performance

Reporting period: December 31, 2013 to December 31, 2014

EASTERN BANK INVEST MGR FOR SALEM STATE UNIV (2427524)

Performance Measured Since: January 01, 1997

	Market Value	Month to Date	Quarter to Date	Year to Date (1 Year)	1 Year	3 Years	5 Years	Inception to Date (18 Years)
TOTAL FUND	13,040,779	-31	2.13	5.23	5.23	12.61	9.37	6.05
TOTAL NET OF FEES	13,040,779	-34	2.05	4.89	4.89	12.23	8.98	5.81
Strategy: Growth with Income (Corp)		-70	2.19	7.59	7.59	12.17	10.41	7.01
EQUITIES	8,385,052	-34	2.98	7.33	7.33	19.25	12.87	6.42
Benchmark: Multi-Asset Equity Blend		-91	3.15	10.02	10.02	18.01	14.07	7.45
DOMESTIC EQUITY	7,294,606	.11	3.81					
COMMON STOCK	7,294,606	.11	3.81					
ETF - DOMESTIC EQUITY	476,826	.84	6.38					
INTERNATIONAL EQUITY	1,090,447	-3.25	-2.18					
INTERNATIONAL EQUITY FUNDS	1,090,447	-3.25	-2.18					
ETF - INTERNATIONAL EQUITIES	719,223	-3.94	-3.20					
MUTUAL FUND - INTERNATIONAL EQUITIES	206,143	-1.37	-4.34					
ETF - INTERNATIONAL EQUITIES	165,080	-2.63	5.74					
FIXED INCOME	4,396,856	-27	.55	2.02	2.02	2.34	3.59	5.20
Benchmark: Barclays US Interm Credit TR USD		-41	.80	4.16	4.16	3.98	5.00	5.86
DOMESTIC FIXED INCOME	4,396,856	-27	.55					
DOMESTIC BONDS	3,759,672	-30	.45					
CORPORATE BOND	3,557,583	-31	.40					
US TREASURIES & AGENCIES	202,089	-18	1.24					
DOMESTIC BOND FUNDS	637,184	-10	1.16					
CORPORATE BOND FUNDS	637,184	-10	1.16					
ETF - CORPORATE BONDS	637,184	-10	1.16					
CASH AND EQUIVALENTS	258,871	.00	.00	.01	.01	.00	.03	2.46
CASH UNINVESTED	2	.00	.00					

Your Portfolio Performance

Reporting period: December 31, 2013 to December 31, 2014

EASTERN BANK INVEST MGR FOR SALEM STATE UNIV (2427524)

Performance Measured Since: January 01, 1997

	Market Value	Month to Date	Quarter to Date	Year to Date (1 Year)	1 Year	3 Years	5 Years	Inception to Date (18 Years)
MONEY MARKET FUNDS	258,869	.00	.00					
Benchmark: Lipper Money Mkt Fd IX		.00	.00	.01	.01	.01	.02	2.32

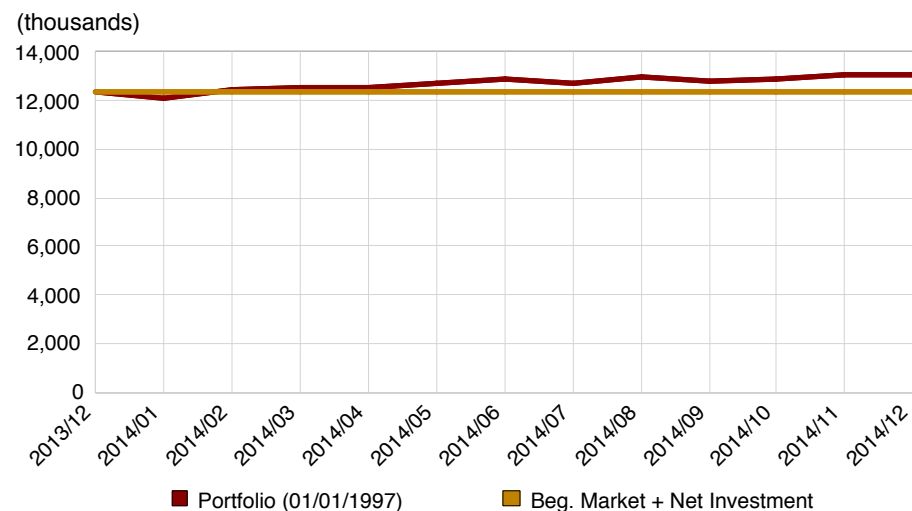
Your Portfolio Performance - Continued

Reporting period: December 31, 2013 to December 31, 2014

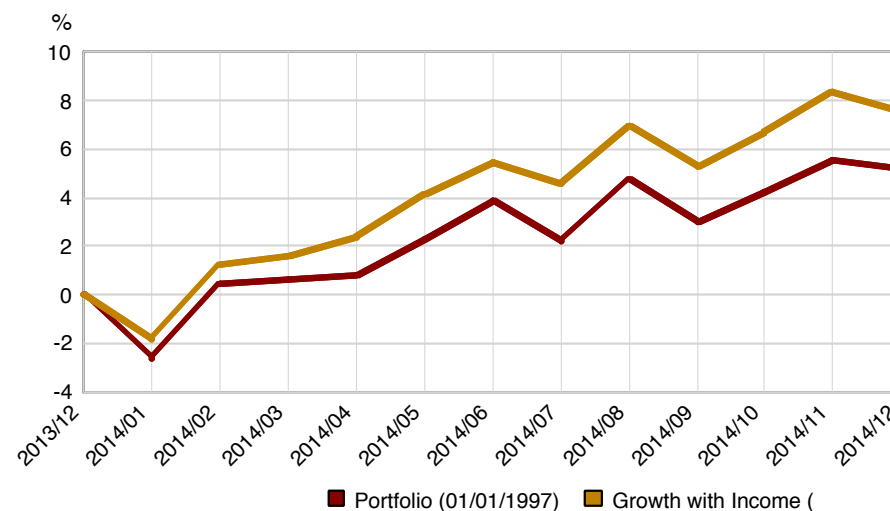
EASTERN BANK INVEST MGR FOR SALEM STATE UNIV (2427524)

Performance Measured Since: January 01, 1997

Portfolio Growth Since Inception - YTD



Cumulative Returns Compared To Benchmark - YTD



Top 10 Performers - MTD

	Market value	% of Mkt val	Return
HALYARD HEALTH INC	5,002	.0	15.97
WALGREEN CO	140,208	1.1	11.01
BIOGEN IDEC INC	175,496	1.3	10.32
MORGAN STANLEY	165,055	1.3	10.29
CORNING INC	89,610	.7	9.04
XCEL ENERGY, INC.	111,811	.9	6.72
SUNTRUST BANKS	173,759	1.3	6.61
HOME DEPOT INC	164,068	1.3	6.08
BANK AMERICA CORP	156,108	1.2	5.28
CONOCOPHILLIPS	127,001	1.0	4.53

Bottom 10 Performers - MTD

	Market value	% of Mkt val	Return
THE WILLIAMS COS.	98,239	.8	-12.06
CATERPILLAR INC.	111,758	.9	-9.02
NUCOR CORP	100,328	.8	-7.85
VERIZON COMMUNICATIONS IN	127,616	1.0	-7.53
APPLE	278,710	2.1	-7.19
HALLIBURTON CO	110,085	.8	-6.37
I SHARES I SHARES EMU IND	340,848	2.6	-5.81
COCA-COLA CO	121,087	.9	-5.78
DOW CHEMICAL CO	118,159	.9	-5.42
MERCK & CO INC. NEW	109,042	.8	-5.23

Your Allocation Overview

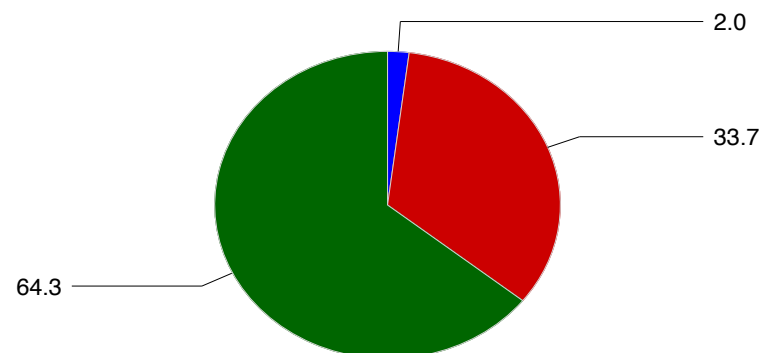
Reporting period: December 31, 2013 to December 31, 2014

EASTERN BANK INVEST MGR FOR SALEM STATE UNIV (2427524)

Performance Measured Since: January 01, 1997

Sector Allocation

	Market value	% of Mkt val
■ EQUITIES	8,385,052	64.3
■ FIXED INCOME	4,396,856	33.7
■ CASH AND EQUIVALENTS	258,871	2.0
Total	13,040,779	100.0



Top Holdings

	Classification	Unit cost	Total cost	Price	Market value	Accrual	% of Mkt val	Unrealized gain loss
I SHARES S & P MIDCAP 400	ETF - DOMESTIC EQUIT	107.06	352,562.96	144.800	476,826.40	.00	3.7	124,263.44
I SHARES I BOXX INVESTMENT GRA	ETF - CORPORATE BOND	118.98	411,562.58	119.410	413,039.19	.00	3.2	1,476.61
I SHARES MSCI ALL COUNTRY ASIA	ETF - INTERNATIONAL	58.05	360,488.40	60.930	378,375.30	.00	2.9	17,886.90
I SHARES I SHARES EMU INDEX FU	ETF - INTERNATIONAL	33.35	312,895.09	36.330	340,848.06	.00	2.6	27,952.97
COSTCO WHOLESALE CORP, NEW 5.5	CORPORATE BOND	100.03	285,085.50	109.430	311,875.50	4,615.42	2.4	26,790.00
LOWES COMPANIES INC 5%	CORPORATE BOND	100.58	276,581.25	103.372	284,273.00	2,902.78	2.2	7,691.75
APPLE	INFORMATION TECHNOLO	74.40	187,861.57	110.380	278,709.50	.00	2.1	90,847.93
FEDERATED GOV'T OBLIGATION TAX	MONEY MARKET FUNDS	1.00	258,868.53	1.000	258,868.53	.00	2.0	.00
COOPER U S INC. 6.1% 07/01/201	CORPORATE BOND	100.50	216,064.25	110.189	236,906.35	6,557.50	1.8	20,842.10
ISHARES FLOATING RATE BOND ETF	ETF - CORPORATE BOND	50.75	225,075.81	50.540	224,144.90	.00	1.7	-930.91
CISCO SYSTEMS INC 3.15%	CORPORATE BOND	103.43	206,852.00	104.530	209,060.00	1,872.50	1.6	2,208.00
All Others			7,828,024.74		9,582,341.54	29,562.75	73.7	1,754,316.80
Total			10,921,922.68		12,995,268.27	45,510.95	100.0	2,073,345.59

Your Holdings Detail

Reporting period: November 30, 2014 to December 31, 2014

EASTERN BANK INVEST MGR FOR SALEM STATE UNIV (2427524)

Performance Measured Since: January 01, 1997

Holdings By Asset Class - MTD

ID	Ending Market Value	Average Market Value	Total Return	Average Weight	Total Earnings	Total Port Cont	Total Port Rank	Asset Class Cont	Asset Class Rank	Sector Cont	Sector Rank	
COMMON STOCK												
CONSUMER DISCRETIONARY												
Assets Held During Period												
WALT DISNEY PRODUCTIONS	254687106	186,580	181,044	3.06	1.4	5,538	.04	10	.08	10	.75	2
FORD MOTOR CO	345370860	136,323	139,440	-1.45	1.1	-2,023	-.02	59	-.03	34	-.27	5
HOME DEPOT INC	437076102	164,068	155,361	6.08	1.2	9,441	.07	5	.13	5	1.27	1
STARBUCKS CORP	855244109	135,465	134,072	1.03	1.0	1,387	.01	21	.02	21	.19	4
WILLIAMS SONOMA INC	969904101	132,970	131,006	1.50	1.0	1,968	.02	20	.03	20	.27	3
Total: CONSUMER DISCRETIONARY		755,405	740,923	2.20	5.6	16,311	.12		.22		2.20	
CONSUMER STAPLES												
Assets Held During Period												
COCA-COLA CO	191216100	121,087	129,446	-5.78	1.0	-7,485	-.06	73	-.10	45	-1.18	5
COSTCO WHOLESALE CORP, NEW	22160K105	144,727	145,129	-.26	1.1	-378		42	-.01	29	-.06	4
KIMBERLY CLARK CORP	494368103	102,996	103,193	-.18	.8	-186		35		28	-.03	3
PROCTER & GAMBLE CO	742718109	128,164	127,261	.73	1.0	929	.01	25	.01	25	.15	2
WALGREEN CO	931422109	140,208	126,863	11.01	1.0	13,966	.11	3	.19	3	2.21	1
Total: CONSUMER STAPLES		637,182	631,891	1.08	4.8	6,845	.05		.09		1.08	
ENERGY												
Assets Held During Period												
CHEVRON CORP	166764100	125,417	122,914	3.01	.9	3,701	.03	14	.05	14	.80	2
CONOCOPHILLIPS	20825C104	127,001	121,503	4.53	.9	5,499	.04	11	.08	11	1.19	1
HALLIBURTON CO	406216101	110,085	118,118	-6.37	.9	-7,529	-.06	74	-.10	46	-1.63	4
NATIONAL-OILWELL, INC	637071101	97,115	99,355	-1.57	.8	-1,556	-.01	58	-.02	33	-.34	3
Total: ENERGY		459,619	461,890	.02	3.5	114					.02	
ETF - DOMESTIC EQUITY												
Assets Held During Period												
I SHARES S & P MIDCAP 400	464287507	476,826	475,040	.84	3.6	3,975	.03	12	.05	12	.84	1
Total: ETF - DOMESTIC EQUITY		476,826	475,040	.84	3.6	3,975	.03		.05		.84	
FINANCIALS												
Assets Held During Period												
AMERICAN EXPRESS CO	025816109	153,702	152,667	.67	1.2	1,024	.01	24	.01	24	.08	7
BANK AMERICA CORP	060505104	156,108	148,691	5.28	1.1	7,853	.06	6	.11	6	.59	3
CHUBB CORP	171232101	142,231	140,968	.89	1.1	1,259	.01	23	.02	23	.09	6

Your Holdings Detail

Reporting period: November 30, 2014 to December 31, 2014

EASTERN BANK INVEST MGR FOR SALEM STATE UNIV (2427524)

Performance Measured Since: January 01, 1997

Holdings By Asset Class - MTD

	ID	Ending Market Value	Average Market Value	Total Return	Average Weight	Total Earnings	Total Port Cont	Total Port Rank	Asset Class Cont	Asset Class Rank	Sector Cont	Sector Rank
FINANCIALS												
DISCOVER FINANCIAL SERVICES	254709108	152,264	152,459	-.09	1.2	-140		31		27	-.01	8
MORGAN STANLEY	617446448	165,055	149,656	10.29	1.1	15,399	.12	2	.21	2	1.16	1
STATE STREET CORP	857477103	141,210	137,494	2.70	1.0	3,709	.03	13	.05	13	.28	4
SUNTRUST BANKS	867914103	173,759	163,764	6.61	1.2	10,824	.08	4	.15	4	.81	2
WEYERHAEUSER CO	962166104	125,041	123,020	1.64	.9	2,021	.02	19	.03	19	.15	5
INVESCO LTD.	G491BT108	159,305	163,695	-2.07	1.2	-3,386	-.03	65	-.05	38	-.25	9
Total: FINANCIALS		1,368,675	1,332,413	2.89	10.2	38,564	.29		.53		2.89	
HEALTH CARE												
Assets Held During Period												
BECTON DICKINSON CO	075887109	167,827	169,232	-.41	1.3	-687	-.01	51	-.01	30	-.07	3
BIOGEN IDEC INC	09062X103	175,496	159,075	10.32	1.2	16,420	.13	1	.22	1	1.75	1
CARDINAL HEALTH, INC.	14149Y108	151,606	153,690	-1.36	1.2	-2,090	-.02	60	-.03	35	-.22	4
CELGENE CORPORATION	151020104	180,318	183,273	-1.61	1.4	-2,950	-.02	63	-.04	37	-.31	5
HALYARD HEALTH INC	40650V100	5,002	4,313	15.97	.0	689	.01	26	.01	26	.07	2
JOHNSON & JOHNSON	478160104	147,339	153,510	-3.38	1.2	-5,185	-.04	70	-.07	42	-.55	6
MERCK & CO INC. NEW	58933Y105	109,042	115,062	-5.23	.9	-6,020	-.05	71	-.08	43	-.64	7
Total: HEALTH CARE		936,630	938,155	.02	7.2	177					.02	
INDUSTRIALS												
Assets Held During Period												
CATERPILLAR INC.	149123101	111,758	122,833	-9.02	.9	-11,074	-.08	78	-.15	49	-1.46	5
FEDEX CORPORATION	31428X106	191,768	196,534	-2.42	1.5	-4,765	-.04	68	-.07	40	-.63	3
GENERAL ELEC CO	369604103	126,480	131,389	-3.74	1.0	-4,910	-.04	69	-.07	41	-.65	4
HONEYWELL INT'L INC.	438516106	157,274	156,753	.85	1.2	1,338	.01	22	.02	22	.18	2
MASCO CORP	574599106	157,752	151,493	4.13	1.2	6,260	.05	9	.09	9	.82	1
Total: INDUSTRIALS		745,032	759,002	-1.73	5.8	-13,152	-1.0		-.18		-1.73	
INFORMATION TECHNOLOGY												
Assets Held During Period												
ANALOG DEVICES	032654105	142,409	140,152	2.29	1.1	3,206	.02	15	.04	15	.25	2
APPLE	037833100	278,710	300,298	-7.19	2.3	-21,589	-.16	81	-.30	51	-1.67	9
CORNING INC	219350105	89,610	82,537	9.04	.6	7,464	.06	7	.10	7	.58	1
GOOGLE INC CL A	38259P508	127,889	132,328	-3.35	1.0	-4,439	-.03	66	-.06	39	-.34	8
GOOGLE INC CL C	38259P706	86,856	89,401	-2.85	.7	-2,546	-.02	62	-.03	36	-.20	7
I B M CORP	459200101	91,130	92,737	-1.06	.7	-983	-.01	56	-.01	31	-.08	5
QUALCOMM INC	747525103	133,497	131,680	1.95	1.0	2,568	.02	17	.04	17	.20	4
SALESFORCE.COM	79466L302	138,904	140,210	-.94	1.1	-1,312	-.01	57	-.02	32	-.10	6

Your Holdings Detail

Reporting period: November 30, 2014 to December 31, 2014

EASTERN BANK INVEST MGR FOR SALEM STATE UNIV (2427524)

Performance Measured Since: January 01, 1997

Holdings By Asset Class - MTD

	ID	Ending Market Value	Average Market Value	Total Return	Average Weight	Total Earnings	Total Port Cont	Total Port Rank	Asset Class Cont	Asset Class Rank	Sector Cont	Sector Rank
VISA, INC	92826C839	189,046	186,506	1.55	1.4	2,891	.02	16	.04	16	.22	3
Total: INFORMATION TECHNOLOGY		1,278,051	1,295,847	-1.14	9.9	-14,738	-0.11		-0.20		-1.14	
MATERIALS												
Assets Held During Period												
DOW CHEMICAL CO	260543103	118,159	124,936	-5.42	1.0	-6,777	-.05	72	-.09	44	-2.90	1
NUCOR CORP	670346105	100,328	108,869	-7.85	.8	-8,541	-.07	76	-.12	47	-3.65	2
Total: MATERIALS		218,487	233,805	-6.55	1.8	-15,318	-0.12		-0.21		-6.55	
TELECOMMUNICATION SERVICES												
Assets Held During Period												
VERIZON COMMUNICATIONS INC	92343V104	127,616	138,010	-7.53	1.1	-10,394	-.08	77	-.14	48	-7.53	1
Total: TELECOMMUNICATION SERVICES		127,616	138,010	-7.53	1.1	-10,394	-0.08		-0.14		-7.53	
UTILITIES												
Assets Held During Period												
DUKE ENERGY CORP NEW	26441C204	81,034	79,245	3.23	.6	2,561	.02	18	.04	18	.86	2
THE WILLIAMS COS.	969457100	98,239	113,125	-12.06	.9	-13,641	-.10	79	-.19	50	-4.59	3
XCEL ENERGY, INC.	98389B100	111,811	104,773	6.72	.8	7,038	.05	8	.10	8	2.37	1
Total: UTILITIES		291,084	297,144	-1.36	2.3	-4,041	-0.03		-0.06		-1.36	
Total: COMMON STOCK		7,294,606	7,304,120	.11	55.7	8,341	.06		.11			
INTERNATIONAL EQUITY												
ETF - INTERNATIONAL EQUITIES												
Assets Held During Period												
I SHARES I SHARES EMU INDEX FUND	464286608	340,848	364,491	-5.81	2.8	-21,187	-.16	80	-1.84	4	-2.81	2
I SHARES MSCI ALL COUNTRY ASIA EX JAPAN I	464288182	378,375	390,540	-2.19	3.0	-8,534	-.07	75	-.74	3	-1.13	1
Total: ETF - INTERNATIONAL EQUITIES		719,223	755,031	-3.94	5.8	-29,721	-0.23		-2.58		-3.94	
MUTUAL FUND - INTERNATIONAL EQUITIES												
Assets Held During Period												
DFA INTERNATIONAL SMALL CO PORTFOLIO	233203629	206,143	219,262	-1.37	1.7	-3,011	-.02	64	-.26	1	-1.37	1
Total: MUTUAL FUND - INTERNATIONAL EQUITIES		206,143	219,262	-1.37	1.7	-3,011	-0.02		-0.26		-1.37	

Your Holdings Detail

Reporting period: November 30, 2014 to December 31, 2014

EASTERN BANK INVEST MGR FOR SALEM STATE UNIV (2427524)

Performance Measured Since: January 01, 1997

Holdings By Asset Class - MTD

ID	Ending Market Value	Average Market Value	Total Return	Average Weight	Total Earnings	Total Port Cont	Total Port Rank	Asset Class Cont	Asset Class Rank	Sector Cont	Sector Rank	
ETF - INTERNATIONAL EQUITIES												
Assets Held During Period												
WISDOM TREE EUROPE HEDGED EQUITY	97717X701	165,080	176,806	-2.63	1.3	-4,648	-0.04	67	-0.40	2	-2.63	1
Total: ETF - INTERNATIONAL EQUITIES		165,080	176,806	-2.63	1.3	-4,648	-0.04		-0.40		-2.63	
Total: INTERNATIONAL EQUITY		1,090,447	1,151,099	-3.25	8.8	-37,380	-0.29		-3.25			
TAXABLE FIXED INCOME												
US TREASURIES & AGENCIES												
Assets Held During Period												
FEDERAL HOME LOAN BANK 1.75% 12/14/2018	313376BR5	202,089	204,239	-0.18	1.6	-361		41	-0.01	11	-0.18	1
Total: US TREASURIES & AGENCIES		202,089	204,239	-0.18	1.6	-361			-0.01		-0.18	
CORPORATE BOND												
Assets Held During Period												
AMERICAN EXPRESS CREDIT 2.125% 07/27/2018	0258M0DJ5	101,796	101,989	-0.18	0.8	-185		34		5	-0.01	4
BANK AMERICA CORP 5.25% 12/01/2015	060505BG8	104,032	106,796	-0.14	0.8	-151		32		3		2
BAXTER INTERNATIONAL INC. 1.85% 01/15/2017	071813BD0	101,992	102,313	-0.32	0.8	-330		39	-0.01	9	-0.01	8
BROADCOM CORPORATION CL A 2.7% 11/01/2018	111320AE7	102,841	103,115	-0.28	0.8	-288		36	-0.01	6	-0.01	5
CATERPILLAR FINANCIAL 2.45% 09/06/2018	14912L5T4	180,475	180,781	-0.18	1.4	-324		38	-0.01	8	-0.01	7
CISCO SYSTEMS INC 3.15% 03/14/2017	17275RAK8	210,933	211,405	-0.22	1.6	-456		47	-0.01	16	-0.01	14
CISCO SYSTEMS INC 2.9% 03/04/2021	17275RAP7	205,543	207,823	-1.10	1.6	-2,280	-0.02	61	-0.05	24	-0.06	21
COOPER U S INC. 6.1% 07/01/2017	216871AC7	243,464	244,131	-0.28	1.9	-690	-0.01	52	-0.02	20	-0.02	17
COSTCO WHOLESALE CORP, NEW 5.5% 03/15/2017	22160KAC9	316,491	317,362	-0.27	2.4	-864	-0.01	53	-0.02	21	-0.02	18
JOHN DEERE CAPITAL CORP 2.25% 04/17/2019	24422ERR2	126,693	126,991	-0.23	1.0	-295		37	-0.01	7	-0.01	6
DEUTSCHE BANK AG LONDON 2.5% 02/13/2019	25152RVS9	127,728	128,318	-0.46	1.0	-593		49	-0.01	18	-0.02	15
E M C CORP 2.65% 06/01/2020	268648AQ5	149,610	152,523	-0.61	1.2	-929	-0.01	54	-0.02	22	-0.03	19
LOWES COMPANIES INC 5% 10/15/2015	548661CH8	287,176	287,583	-0.14	2.2	-406		44	-0.01	13	-0.01	11
MONSANTO CO 2.75% 07/15/2021	61166WAT8	202,110	202,146	-0.08	1.5	-161		33		4		3
OCCIDENTAL PETROLEUM CORP 1.75% 02/15/2017	674599CB9	101,238	101,875	-0.63	0.8	-638		50	-0.01	19	-0.02	16
ORACLE CORPORATION 2.375% 01/15/2019	68389XAQ8	205,650	206,084	-0.20	1.6	-406		45	-0.01	14	-0.01	12
THERMO FISHER SCIENTIFIC, INC. 2.25% 08/1	883556BA9	153,614	153,992	-0.26	1.2	-405		43	-0.01	12	-0.01	10
TORONTO DOMINION BANK 2.625% 09/10/2018	89114QAM0	180,861	180,708	0.02	1.4	41		27		1		1
VERIZON COMMUNICATIONS INC 2% 11/01/2016	92343VBD5	152,699	153,032	-0.23	1.2	-357		40	-0.01	10	-0.01	9
WELLS FARGO & CO 2.15% 01/15/2019	94974BFO8	101,255	101,677	-0.42	0.8	-424		46	-0.01	15	-0.01	13
XILINX, INC. 3% 03/15/2021	983919AH4	201,383	202,331	-0.47	1.5	-943	-0.01	55	-0.02	23	-0.03	20
Total: CORPORATE BOND		3,557,583	3,572,974	-0.31	27.2	-11,085	-0.08		-0.25		-0.31	

Your Holdings Detail

Reporting period: November 30, 2014 to December 31, 2014

EASTERN BANK INVEST MGR FOR SALEM STATE UNIV (2427524)

Performance Measured Since: January 01, 1997

Holdings By Asset Class - MTD

	ID	Ending Market Value	Average Market Value	Total Return	Average Weight	Total Earnings	Total Port Cont	Total Port Rank	Asset Class Cont	Asset Class Rank	Sector Cont	Sector Rank
ETF - CORPORATE BONDS												
Assets Held During Period												
I SHARES I BOXX INVESTMENT GRADECORPORATE	464287242	413,039	415,238	-.02	3.2	-78		30		2	-.01	1
ISHARES FLOATING RATE BOND ETF	46429B655	224,145	224,862	-.24	1.7	-539		48	-.01	17	-.08	2
Total: ETF - CORPORATE BONDS		637,184	640,100	-.10	4.9	-618			-.01		-.10	
Total: TAXABLE FIXED INCOME		4,396,856	4,417,314	-.27	33.7	-12,063	-.09		-.27			
CASH AND EQUIVALENTS												
CASH UNINVESTED												
Assets Held During Period												
		2	0	.00	.0	0		29		2		1
Total: CASH UNINVESTED		2	0	.00	.0	0						
MONEY MARKET FUNDS												
Assets Held During Period												
FEDERATED GOV'T OBLIGATION TAX MANAGED FU	60934N849	258,869	247,500	.00	1.9	2		28		1		1
Total: MONEY MARKET FUNDS		258,869	247,500	.00	1.9	2						
Total: CASH AND EQUIVALENTS		258,871	247,500	.00	1.9	2						
Total		13,040,779	13,120,033	-.31	100.0	-41,100	-.31					

Investment Commentary

The anticipated Santa Claus rally fizzled, as December's markets ended almost exactly where they began. The month started slowly, with soft Black Friday retail sales – and then we discovered why, as online and mid-month sales jumped.

While consumers were clearly in a good mood – witness both the strong holiday season and post-recession highs in consumer confidence surveys – investors were more sober; plunging oil prices dampened enthusiasm as worries grew about curtailed drilling and deflationary malaise in Europe.

Even so, and even after October's 10% drop, the fourth quarter's healthy returns capped another robust year: U.S. equities gained almost 5%, while bonds added about 1% in the quarter. For 2014, stocks and bonds rose 14% and 4%.

We emphasized equities last year, a tactical asset allocation decision that boosted returns. Our stock selection lagged the markets simply due to the arithmetic of indexes: When the largest stocks soar, no diversified active manager can keep up; indeed, 87% of active managers missed the mark in 2014, by an average of 3.5 percentage points. When smaller stocks do well, active managers are far more successful.

What makes more sense to us is to focus on goals. If we are making measurable, sustained progress toward our clients' financial goals, then we are doing our jobs well. In this respect, 2014 was a very good year for our clients.

Michael A. Tyler, CFA, Chief Investment Officer

Notes and Disclosures

Eastern Bank Wealth Management (EBWM) is a division of Eastern Bank. Views expressed are our current opinions as of the date appearing on this material only; all opinions herein are subject to change without notice based on market conditions and other factors. These views should not be construed as a recommendation for any specific security or sector. This material is for your private information and we are not soliciting any action based on it.

The information in this report is believed to be reliable but is not guaranteed. Performance data contained herein is prepared for Eastern Bank Wealth Management by First Rate Inc.; such data is provided without warranty and data providers shall have no liability of any kind for decisions based on this information. First Rate incorporates CFA Institute (formerly AIMR) GIPS® standards into its calculation methodology.

As part of the routine management of all accounts, EBWM utilizes a cash management process which invests all cash balances into money market mutual funds daily. Prior to a purchase, your funds are temporarily held in a general account with the Bank. Funds in the general account are secured by US government securities pledged by the Bank and held at the Federal Reserve Bank of Boston. EBWM provides administrative services on behalf of the money market mutual funds including cash transfer, reconciliation and settlement. Depending on the current interest rate environment, EBWM may be compensated directly for these services by the mutual fund companies at a rate between zero and 25 basis points (.0025) of the average fund balance per annum.

In exchange for brokerage directed to certain firms, EBWM may receive investment related services, such as written reports on economic issues and software to measure investment performance and manage risk. These arrangements may result in higher trading expenses and could be considered to provide a benefit to EBWM, thereby creating the appearance of a conflict of interest in directing your brokerage business; however, we endeavor to select brokers based on trade execution and pricing, and only then enter into these arrangements. Regardless of the broker selected, brokerage commissions do not exceed \$0.04 per share. Commissions paid by one client may result in a benefit to other clients.

Past performance does not guarantee future performance. Investments made through EBWM are not insured by FDIC or any federal government agency, are not deposits of or guaranteed by any bank, and may lose value.

Salem State University
FY15 Interim Financial Review through Q2 (12/31/14)
Commentary

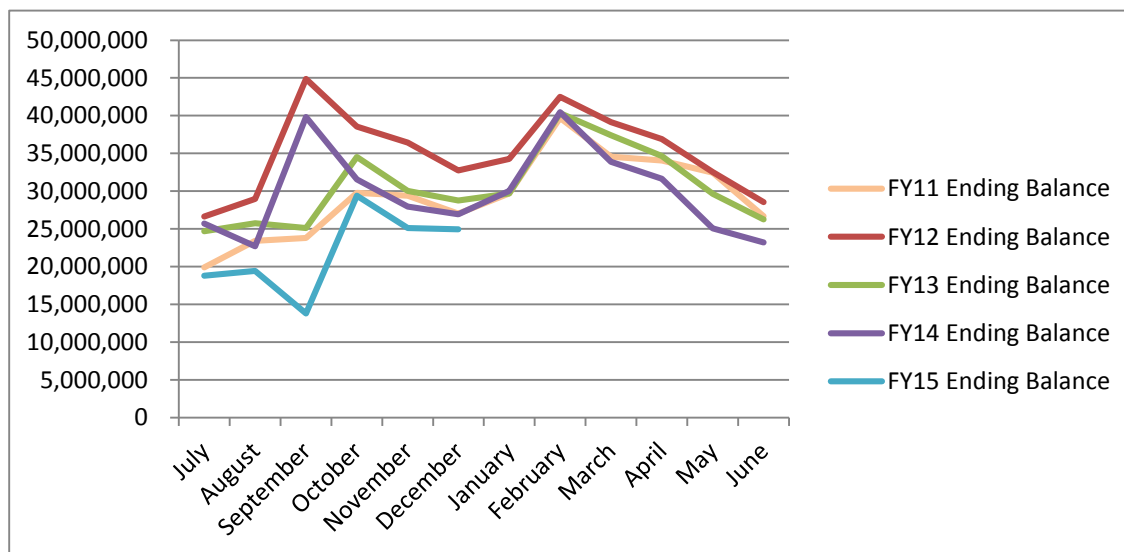
The attached package includes the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position by Natural Classification, and Statement of Cash Flows and accompanying notes for the second quarter of FY15. Note:

- This data is for the University itself, without inclusion of the Assistance Corp and Foundation.
- Data is derived from the financial system of record (PeopleSoft) as the numbers stood when the month of December for the applicable year was closed.

Revenues, Expenses and Changes in Net Position: Spring semester charges have been billed to students and are reflected in the revenue totals. Enrollment is supporting operating results that are tracking well. Salem State's operating revenues of \$82.6 million are up 3.4% or \$2.7 million versus the same point in FY14. Auxiliary revenues of \$16.4 million are up 7.2% or \$1.1 million over the prior year because the residence halls were filled to capacity in the fall semester. Increases in operating expenses of 4.7% or \$3.4 million over the same point as last year are more than covered with increases in both operating revenue and state appropriation. Retroactive payments for salary increases required by the union contracts have been processed; thus, compensation and benefits is up 5% or \$2.4 million over the same point last year. State funds did not fully pay for the union increases, and the Department of Higher Education is advocating for making up the shortfall as a first step in the FY16 state budget process. The second largest expense category increase mid-way through FY15 is depreciation, up 52% or \$1.3 million over the prior year as the campus continues its building program.

Net Position: Balance sheet strengthened in the previous twelve months from capitalization related to construction. Bonds have recently been issued by MSCBA for the parking garage project and those results will be reflected in next quarter's statements. Bond pricing was favorable. Investments have not been liquidated yet to support the web redesign project which is just getting started. Cash flows are being monitored to avoid premature draws from investments. Cash flows over the last five years are depicted below. For FY15, timing differences for MSCBA assessment and Federal financial aid explain the large gap in September compared to October.

Salem State University – Cash Balances FY2011 through FY2015





Statements of Net Position

In millions \$

	FY 2014 Year End	2nd Quarter		Change	
		FY 2014	FY 2015	\$	%
Assets:					
Cash	\$18.2	\$24.5	\$21.4	-\$3.1	-12.7%
Cash with State and other entities	28.5	8.5	23.8	15.3	180.0%
Accounts and other receivables	4.1	35.4	38.3	2.9	8.2%
Capital assets	151.4	128.6	149.9	21.3	16.6%
Investments	13.4	12.7	13.4	0.7	5.5%
Loans receivable, net	2.2	2.3	2.2	-0.1	-4.3%
Other assets	0.3	0.1	0.1	0.0	0.0%
Total Assets	218.1	212.1	249.1	37.0	17.4%
Liabilities:					
Accounts payable and accrued expenses	5.6	6.4	8.8	2.4	37.5%
Accrued Payroll	9.1	4.6	4.6	0.0	0.0%
Bonds and notes payable	42.0	21.2	41.9	20.7	97.6%
Compensated absences	8.6	8.3	8.6	0.3	3.6%
Loan payable, federal financial assistance programs	2.3	2.3	2.3	0.0	0.0%
Other liabilities	5.9	3.7	3.7	0.0	0.0%
Total Liabilities	73.5	46.5	69.9	23.4	50.3%
Net Position:					
Invested in capital assets	125.6	109.6	127.9	18.3	16.7%
Restricted and unrestricted	19.0	56.0	51.3	-4.7	-8.4%
Total Net Position	144.6	165.6	179.2	13.6	8.2%
Total Liabilities and Net Position:	\$218.1	\$212.1	\$249.1	\$37.0	17.4%



Statements of Revenues, Expenses and Changes in Net Position by Natural Classification

In millions \$

	FY 2014	2nd Quarter		Change	
	Year End	FY 2014	FY 2015	\$	%
Operating Revenues:					
Tuition and fees	\$68.6	\$59.4	\$60.6	\$1.2	2.0%
Less: scholarships and fellowships	-13.8	-6.6	-7.5	-0.9	13.6%
Net tuition and fees	54.8	52.8	53.1	0.3	0.6%
Federal, state, private grants	18.2	9.5	10.6	1.1	11.6%
Sales and services of educational departments	3.6	2.3	2.5	0.2	8.7%
Auxiliary enterprises	14.9	15.3	16.4	1.1	7.2%
Other operating revenues	0.5	0.0	0.0	0.0	0.0%
Total Operating Revenues	92.0	79.9	82.6	2.7	3.4%
Operating Expenses:					
Compensation and benefits	101.3	48.4	50.8	2.4	5.0%
Supplies and services	32.1	17.6	16.6	-1.0	-5.7%
Utilities	3.9	1.4	1.5	0.1	7.1%
Depreciation	6.9	2.5	3.8	1.3	52.0%
Scholarships and fellowships	5.6	2.8	3.4	0.6	21.4%
Interest expense on bonds & other debt	0.7	0.4	0.4	0.0	0.0%
Total Operating Expenses	150.5	73.1	76.5	3.4	4.7%
Non-Operating Revenues/Expenses:					
State appropriations, net	52.2	26.1	27.7	1.6	6.1%
Gifts	4.3	0.8	0.7	-0.1	-12.5%
Investment income	1.9	1.4	0.2	-1.2	-85.7%
Net Non-Operating Revenues/Expenses	58.4	28.3	28.6	0.3	1.1%
Capital grants	14.3	0.0	0.0	0.0	0.0%
Total Increase in Net Position	\$14.2	\$35.1	\$34.7	-\$0.4	-1.1%



Statements of Cash Flows

In millions \$

	2nd Quarter		Change
	FY 2014	FY 2015	\$
Cash flow due to operating activities:			
Tuition and fees (net)	\$24.7	\$23.3	-\$1.4
Grants and contracts	9.9	11.3	1.4
Payments to vendors, employees, students	-63.8	-64.9	-1.1
Auxiliary and other receipts	10.6	11.3	0.7
Net cash due to operating activities	-18.6	-19.0	-0.4
Cash flow due to non-operating activities:			
State appropriations (net)	18.3	21.4	3.1
Gifts, investment and other sources	0.8	0.7	-0.1
Net cash due to non-operating activities	19.1	22.1	3.0
Cash flow due to capital, financing and investing activities:			
Purchases of capital assets	-1.2	-3.6	-2.4
Debt service payments on bond payables	-0.4	-1.2	-0.8
Investment activities (net)	-0.1	0.2	0.3
Net cash due to capital financing, and investing activities	-1.7	-4.6	-2.9
Net increase (decrease) in cash and cash equivalents	-1.2	-1.5	-0.3
Cash and equivalents at beginning of period	34.2	46.7	12.5
Cash and equivalents at end of period	\$33.0	\$45.2	\$12.2

Salem State University
Analysis of FY-2015 Second Quarter Financial Reports

1. Statement of Net Position

- a. Cash – The decrease in cash of \$3.1 million is mostly due to the timing of payments to vendors and other purchases.
- b. Cash with State and Other Entities – The current cash level of \$23.8 million reflects primarily bond cash proceeds remaining and held for the Mainstage Theatre renovations (\$18.1 million) and other remaining renovations (\$1.4 million) and debt service reserves (\$1.5 million).
- c. Accounts Receivable – The increase of \$2.9 million in student account receivable is mainly due to increased enrollments for day and evening populations and additional billings and fees for capital improvement fees of \$1.0 million and course fees of \$0.2 million.
- d. Investments – Currently reflect the market value of investments as of December 31st for each quarter end.
- e. Capital Assets – As presented in the FY2014 audited financial statements, Capital Assets reflect increases during FY2014 by approximately \$21.0 million which was primarily for completion of the Library, Fitness Center and other projects. The current level of \$149.9 million reflects these increases from last year in capitalization offset by depreciation for the second quarter of FY15 by \$3.8 million.
- f. Bonds Payable – This increase primarily reflects the recording of the \$20 million MSCBA bond proceeds issued during January 2014. This was included in FY2014 year-end and recorded in the second half of last fiscal year.
- g. Net Assets- The amount shown in “Invested in Capital Assets” reflects primarily the increase in FY2014 capital asset additions less depreciation as mentioned above in 1e.

2. Statement of Revenues, Expenses and Changes in Net Position by Natural Classification

- a. Tuition and Fees – This increase of \$1.2 million is primarily due to increased billings and fees for capital improvement fees of \$1.0 million and course fees of \$0.2 million.
- b. Scholarships and Fellowships – The decrease of \$0.9 million in this category reflects additional disbursements to students to meet their increased charges for the fall semester. A similar increase is also shown on the expense portion of this statement.
- c. Federal, State, Private Grants – The increase of \$0.7 million is primarily due to increased revenues from federal programs of \$0.5 million coupled with state grant program increases of \$0.2 million.
- d. Auxiliary Enterprises – This increase of \$1.1 million is mainly due to additional room rentals in the residence halls.
- e. Compensation and Benefits – This reflects increases in additional salaries and higher fringe benefits costs for the current fiscal year. This is partially offset by additional State appropriations below.

Salem State University
Analysis of FY-2015 Second Quarter Financial Reports

- f. Supplies and Services – The decrease in this category of \$1.0 million was due primarily to reduced spending for non-capitalizable furniture and equipment.
- g. Depreciation - This increase of \$1.3 million is primarily due to new capital assets put into service in the past year that were only partially capitalized into construction in progress at this same time last year.
- h. Scholarships & Fellowships- This increased in the same manner as cited in 2b. above.
- i. State Appropriations – This \$1.6 million increase reflects additional appropriations to support compensation and benefits.
- j. Investment Income – This decrease reflects a down turn in market values as of December 2014 when compared to last year at this time.

3. Statement of Cash Flows

a. Cash Flow due to Operating Activities

The decrease in cash receipts for tuition and fees of \$1.4 million is primarily due to the timing of accounts receivable cash collected from students last year.

The grants and contracts increase of \$1.4 million is primarily due to the request and receipt of cash sooner for federal and state grants and contracts when compared to last year.

The increase in payments to vendors, employees, students of \$1.1 million is comparable to the change in compensation and benefits and supplies and services as noted above in 2e and 2f.

b. Cash Flow due to Non-operating Activities

The increase in State appropriations of \$ 3.1 million is due to increases in general appropriation levels due to payroll and benefits increases and an additional appropriation funding (Vision Project Formula) received in the current period compared to the prior period.

c. Cash Flow due to Capital, Financing, and Investing Activities

For the current period, cash paid for the purchases of capital assets of \$3.6 million were primarily due to payments from MSCBA projects and compares closely to the changes in Cash with State and other entities noted in 1b. above.

The Debt Service payments on bond payables amounted to \$1.2 million for interest owed and paid to MSCBA for bonds.

 REQUEST FOR TRUSTEE ACTION

Date: February 11, 2015
To: Board of Trustees
From: Patricia Maguire Meservey, President
Subject: Graduate and Continuing Education Tuition and Fee Increase
Requested Action: Approval

MOTION

The Finance and Facilities Committee hereby recommends that the Board of Trustees approve the following increases in fees and tuition for the graduate and continuing education students. The recommended rates take into account market conditions and move toward closer alignment of rates for all undergraduate students.

Recommended motion

The Board of Trustees of Salem State University hereby approves the following rates for graduate and continuing education tuition and/or fees for the category of students below as shown on Attachment E.

-
- **Graduate in-state students enrolled through the university's School of Graduate Studies:** Fees shall increase \$15 per credit hour, which, when combined with the current fee of \$228 and current tuition of \$140 per credit hour represents an increase of 4.1% over FY2014-15. In-state graduate tuition will remain at FY2014-15 levels.
 - **Graduate out-of-state students enrolled through the university's School of Graduate Studies:** Fees shall increase \$15 per credit hour, which, when combined with the current fee of \$228 and current tuition of \$230 per credit hour represents an increase of 3.3% over FY2014-15. Out-of-state graduate tuition will remain at FY2014-15 levels.
 - **Undergraduate in-state students enrolled through the university's School of Continuing and Professional Studies:** Fees shall increase \$33 per credit hour, which, when combined with the current fee of \$191.33 and current tuition of \$115 per credit hour, represents an increase of 10.8% over FY2014-15.
 - **Undergraduate out-of-state students enrolled through the university's School of Continuing and Professional Studies:** Fees shall increase \$33 per credit hour and tuition shall increase \$50 per credit hour, which, when combined with the current rate of tuition and fees of \$341.33 per credit hour, represents an increase of 24.3% over FY2014-15.

The new rates shall become effective for the fall term of the 2015-16 Fiscal Year.

Committee Assigned: Finance & Facilities

Committee Action: February 4, 2015

Date of Action: Approved

Trustee Action:

Trustee Approval Date:

Effective Date:

Signed: _____

Title: Secretary, Board of Trustees

Date: _____

GRADUATE Tuition and Fees For FY16

	Current (AY 2015 & Summer 2015)	Proposed AY2016 & Summer 2016	Change \$	Change %
Massachusetts Residents				
Tuition	\$ 140.00	\$ 140.00	\$ -	
Fees	\$ 228.00	\$ 243.00	\$ 15.00	
Per Credit	\$ 368.00	\$ 383.00	\$ 15.00	4%
Per 3 Credit Course	\$ 1,104.00	\$ 1,149.00	\$ 45.00	4%
Out of State Residents				
Tuition	\$ 230.00	\$ 230.00	\$ -	
Fees	\$ 228.00	\$ 243.00	\$ 15.00	
Per Credit	\$ 458.00	\$ 473.00	\$ 15.00	3%
Per 3 Credit Course	\$ 1,374.00	\$ 1,419.00	\$ 45.00	3%

CONTINUING EDUCATION Tuition and Fees for FY16

	Current (AY 2015 & Summer 2015)	Proposed AY2016	Change \$	Change %
Massachusetts Residents				
Tuition	\$ 115.00	\$ 115.00	\$ -	
Fees	\$ 191.33	\$ 224.33	\$ 33.00	
Per Credit	\$ 306.33	\$ 339.33	\$ 33.00	11%
Per 3 Credit Course	\$ 918.99	\$ 1,017.99	\$ 99.00	11%
Out of State Residents				
Tuition	\$ 150.00	\$ 200.00	\$ 50.00	
Fees	\$ 191.33	\$ 224.33	\$ 33.00	
Per Credit	\$ 341.33	\$ 424.33	\$ 83.00	24%
Per 3 Credit Course	\$ 1,023.99	\$ 1,272.99	\$ 249.00	24%

	Actual AY 2015	Proposed Summer 2016	Change \$	Change %
Massachusetts Residents				
Tuition	\$ 115.00	\$ 115.00	\$ -	
Fees	\$ 191.33	\$ 191.33	\$ -	
Per Credit	\$ 306.33	\$ 306.33	\$ -	0%
Per 3 Credit Course	\$ 918.99	\$ 918.99	\$ -	0%
Out of State Residents				
Tuition	\$ 150.00	\$ 150.00	\$ -	
Fees	\$ 191.33	\$ 191.33	\$ -	
Per Credit	\$ 341.33	\$ 341.33	\$ -	0%
Per 3 Credit Course	\$ 1,023.99	\$ 1,023.99	\$ -	0%

Salem State University
Market Information - Continuing Education and Graduate Rates per Credit Hour
AY15

	Current (FY15) CE/credit	Current (FY15) GR/credit
Salem State	\$306.33	\$368.00
Bridgewater State	\$342.71	\$374.71
Fitchburg State	\$293.00	\$304.00
Framingham State	\$328.00	\$361.67
Westfield State	\$260.00	\$280.00
Worcester State	\$341.50	\$361.50
Umass Boston	\$498.75	\$625.00
Umass Lowell	\$518.62	\$711.06
North Shore CC	\$179.00	N/A
Northern Essex CC	\$180.00	N/A
Middlesex CC	\$181.00	N/A
Southern NH	\$320.00	
Merrimack	\$318.00	
Umass Lowell DOCE - Undergrad In Person	\$335.00	
Umass Lowell DOCE - Undergrad Online	\$365.00	
Umass Lowell DOCE-Online/In Person		\$545.00
Umass Lowell DOCE-Education		\$470.00
Umass Lowell DOCE-Online MBA		\$600.00

**Facility Condition Assessment
Salem State University**

Attachment F

Campus Name	Asset Name	Asset Size	Replacement Value	Use	Year Constructed	Age	FCI	FCI Cost (needs over the next 5 years)
Cat Cove	Cat Cove Dam	460	\$ 1,112,883.65		1930	85	0.084	\$ 93,144
Cat Cove	Marine Laboratory	5,670	\$ 3,899,002.97	Acad & Research	1970	45	0.328	\$ 1,277,079
Cat Cove	Marine Laboratory Garage	800	\$ 234,961.56	Storage	1970	45	0.571	\$ 134,266
Central Campus	Central Campus Baseball Field	133,550	\$ 5,491,325.82		2007	8	0.000	\$ -
Central Campus	Central Campus Building 1 - Bertolon	84,000	\$ 35,223,950.32	Campus Activities Complex	1940	75	0.058	\$ 2,028,956
Central Campus	Stanley Building	27,300	\$ 10,824,583.43	Multipurpose Use	1931	84	0.065	\$ 698,263
Central Campus	Diner	1,070	\$ 840,211.21	Dining / Cafeteria (with Kitchen)	1940	75	0.263	\$ 220,757
North Campus	Fredrick E. Berry Library	124,572	\$ 68,792,059.30	Library	2013	2	0.010	\$ 720,978
North Campus	Administration Building	90,558	\$ 49,755,361.36	Admin & Support	1958	57	0.281	\$ 13,965,327
North Campus	Ellison Center	49,776	\$ 25,096,836.22	Multipurpose Use	1966	49	0.411	\$ 10,318,178
North Campus	Horace Mann School	44,395	\$ 22,168,073.65	Grammar School	1902	113	0.425	\$ 9,418,982
North Campus	Sullivan Building	83,851	\$ 44,256,442.34	Academic	1896	119	0.428	\$ 18,947,395
North Campus	Admissions House	6,600	\$ 2,874,384.70	Admin & Support	1914	101	0.431	\$ 1,239,395
North Campus	Meier Hall	160,345	\$ 63,197,328.80	Academic	1963	52	0.472	\$ 29,816,404
O'Keefe Athletic Center	Gassett Fitness Center	40,500	\$ 19,405,468.09	Athletic Facility / Gymnasium	2013	2	0.000	\$ -
O'Keefe Athletic Center	O'Keefe Athletic Center	108,874	\$ 46,740,274.09	Athletic Facility	1976	39	0.427	\$ 19,967,761
O'Keefe Athletic Center	Rockett Arena / Ice Rink	30,600	\$ 15,971,459.25	Athletic Facility	1976	39	0.458	\$ 7,309,234
O'Keefe Athletic Center	Alumni Field (At O'Keefe - Soccer & Softball)	136,800	\$ 3,352,501.52		2006	9	0.870	\$ 2,918,240
South Campus	Child Care	929	\$ 352,435.19	Academic	1916	99	0.126	\$ 44,391
South Campus	Harrington Building	63,920	\$ 27,757,770.86	Academic	1965	50	0.407	\$ 11,286,491
South Campus	Academic Building (upper S. Campus)	24,257	\$ 12,474,746.87	Academic	1935	80	0.565	\$ 7,054,187
South Campus	Alumni House	5,628	\$ 2,461,593.51	Admin & Support	1861	154	0.632	\$ 1,554,551
South Campus	Institutional Advancement	19,797	\$ 8,001,707.23	Admin & Support	1914	101	0.755	\$ 6,037,993
	Totals	1,244,252	470,285,362					\$ 145,051,974

SUBJECT: Executive Committee Meeting Report of February 4, 2015

The Executive Committee of the Board of Trustees met Wednesday, February 4, 2015, in Marsh Hall, room 210, located on the Central Campus of Salem State University.

Present for the Committee were Trustees Scott (Chair), Davis and Segal; President Meservey (Committee Liaison); and Secretary to the Board Montague. Also present and participating in the meeting were Trustees Burns, Crawford, Segal, Lutts and Malcolm, Vice President for Administration Keenan, Chief Financial Officer House, Assistant Provost Everitt and Assistant Secretary to the Board Katie Sadowski.

Chair Scott called the meeting to order at 4:42 pm.

Board Evaluation: The first item of business was a discussion regarding the board evaluation. Chair Scott reminded the committee of the conversation around governance that took place at the offsite meeting in May and the consensus that was reached regarding ongoing evaluation to assess effectiveness, structure, and other matters related to board performance. The members reviewed the latest version of the evaluation and were satisfied with its content.

Chair Scott proposed that the timing was right for distribution of the survey so that it could be completed within a two week period and the results reviewed at the next offsite scheduled for May 29, 2015. Trustee Davis encouraged full participation as it would most benefit the board. Chair Scott reminded the committee of the importance of staying ahead of our peers in evaluating our effectiveness.

Upon a motion, duly made by Trustee Davis, seconded by Trustee Segal, it was unanimously

VOTED: The Executive Committee hereby approves moving forward with the distribution of the Board Evaluation.

Executive Session: Chair Scott announced that the committee would go into Executive Session to discuss a real estate acquisition.

Upon a motion duly made by Trustee Segal and seconded by Trustee Davis, a roll call vote was taken to go into Executive Session at 6:55 pm.

Voting in the Affirmative: Davis, Scott and Segal

Voting in the Negative: None

Following the Executive Session, the committee returned to regular session. There being no further business to come before the committee, the chair called for a motion to adjourn.

Upon a motion duly made by Trustee Davis and seconded by Trustee Segal, it was unanimously

VOTED: To adjourn the meeting at 7:55 pm.

Prepared by: L. Montague, Secretary to the Board of Trustees

**Minutes of the February 11, 2015
Meeting of the Salem State Board of
Trustees**

Minutes of the Board of Trustees Meeting

Minutes of the Meeting of February 11, 2015

Minutes 02.11.15 FINAL.doc - Page 3

Attachments to the Minutes

Attachment CA-15-02:

Consent Agenda.pdf - Page 10

Committee Actions

Comm Actions 021115.pdf.pdf - Page 14

New Business NB- 15-01

Enrollment, Retention and Graduation Rate Comparisons of SSU
to Institutions.. - Page 59

Report of President

Vision Project Goals - Attachment A - Page 84

MEETING OF THE BOARD OF TRUSTEES

February 11, 2015

PRESENT: Trustees Burns, Crawford, Davis, Lancome, Lutts, Malcolm, Scott (Chair), Stringer and Segal; President Meservey; and Secretary to the Board Montague.

ABSENT: Trustees Abdoo, and Mattera.

The provisions of General Laws, Chapter 30A, having been complied with and a quorum of the Board being present, the Board of Trustees of Salem State University held a special meeting in Room 210 of Marsh Hall, Central Campus, Salem, Massachusetts, on February 11, 2015, with Pamela C. Scott, Chair, presiding.

* * *

I. CALL TO ORDER

Call to Order

Chair Scott called the meeting to order at 5:02 p.m. and welcomed new Trustees Oscar Malcolm and Rob Lutts to the board. The new trustees bring a tremendous wealth of business and financial management expertise to the board and we look forward to working with them. Chair Scott also welcomed Department of Higher Education Commissioner Richard Freeland and thanked him for joining the group.

* *

II. CONSENT AGENDA: APPROVAL OF MINUTES & COMMITTEE REPORTS

Consent Agenda: Approval of Minutes & Committee Reports

Chair Scott read the list of Minutes and Committee Reports listed on the Items for Inclusion on the Consent Agenda and asked for any objections or modifications. With no corrections or modifications, she asked for a motion to accept the agenda as presented.

Upon a motion duly made by Trustee Lancome and seconded by Trustee Burns, it was unanimously,

VOTED: To approve the Consent Agenda for the Meeting of February 11, 2015 (Attachment CA 15-02)

* *

III. Commissioner Freeland: Chair Scott exercised her prerogative as chair to welcome Commissioner Freeland as the next item on the agenda. She introduced Richard Freeland Commissioner of Higher Education. Appointed by Governor Patrick in 2009, he is responsible for providing the overall direction to higher education in the state and shaping state-wide policies. Previously, Freeland was President of Northeastern University for ten years. A major achievement of Freeland’s presidency was the transformation of Northeastern into a nationally selective, residential university with a high achieving student body, increased enrollments from beyond Massachusetts, improved graduation rates and enhanced academic stature. Over ten years of Freeland’s presidency, Northeastern rose from 162 to 98 in the U.S. News and World Report ranking of “Best National Universities.”

Commissioner Freeland greeted the board and as his first item of business discussed the system wide initiative the Office of Trustee Relations. The office is charged with providing support for local Boards of Trustees and fostering a two-way communication between the Board and Department of Higher Education (DHE) and the local boards. More broadly, the new Trustee Relations Office presents an opportunity to facilitate heightened levels of collaboration, communication and information sharing at the board level. This will foster a cohesive, mission-driven system of public higher education focused on meeting the needs of the state and specifically of our students, employers and our communities.

The Commissioner touched briefly upon state matters and transitions. Recently, Commissioner Freeland had a positive meeting with Secretary of Education Peyser and predicted a positive fiscal outlook for FY16. Another positive development that was included in the FY14 budget, is the newly created Commission on Higher Education Quality, Efficiencies and Finance. The purpose of the commission is to study the funding of the higher education system, look at staffing, including the use of adjunct faculty, and make recommendations for changes. Transitions was the next item of business and included three possible vacancies on the Board of Education including the chair however there has been no indication from the Baker Administration on their status. Finally, the Commissioner shared that the search for a new commissioner is ongoing and thanked President Meservey for her participation on the search panel. Commissioner Freeland will leave office in June to teach history at Northeastern University.

Then the Commissioner thanked the board for their service and congratulated them for their exemplary work. He commended President Meservey on her accomplishments, the university facilities and its efficiencies. The Commissioner suggested that the one area that could use improvement and investment is affordability, full time faculty and supportive staff to increase graduation rates.

Chair Scott thanked the Commissioner and wished him well in his future endeavors.

* * *

IV. COMMITTEE ACTIONS

Institutional Advancement, Marketing & Communications: Chair Scott invited Trustee Lutts to present the motion for the committee. Trustee Lutts noted that the committee incorporated several suggested changes and approved the Memorandum of Understanding (“MOU”) at its last meeting. Chair Scott noted that Council of President’s reviewed a MOU model for all colleges and universities across the Commonwealth to improve governance and the Foundation’s MOU was based on that model. A brief discussion followed Trustee Lutts then presented the motion with regard to the MOU between Salem State University and Salem State University Foundation, Inc.

*Institutional
Advancement,
Marketing &
Communications*

Upon a motion duly made by Trustee Lutts on behalf of the Institutional Advancement, Marketing & Communications Committee, and seconded by Trustee Lancome it was unanimously

VOTED: That the Board of Trustees approves the final version of the Memorandum of Agreement - Attachment A as attached hereto (Attachment IA-15-01).

Academic
Affairs &
Student Life

Academic Affairs & Student Life: Chair Scott asked Trustee Davis to present the committee actions for consideration. Trustee Davis began by presenting the motion from the committee with regard to the approval of a new degree in Dance.

Upon a motion duly made by Trustee Davis on behalf of the Committee for Academic Affairs & Student Life, and seconded by Trustee Lancome it was unanimously

VOTED: To recommend to the Full Board the approval of a B.A. program in Dance (Attachment AA-15-01)

Trustee Davis then presented the motion from the committee with regard to approval of a degree in Health Care Studies.

Chair Scott noted that this degree will increase the university's competitiveness with its peers and will strengthen the university's relationship with health care providers and the industry.

Upon a motion duly made by Trustee Davis on behalf of the Committee for Academic Affairs & Student Life, seconded by Trustee Lancome it was unanimously

VOTED: To recommend to the Full Board the approval of a B.S. program in Health Care Studies (Attachment AA-15-02)

Finance & Facilities: Chair Scott invited Trustee Burns to present the action for the committee. Trustee Burns read the motion regarding Investment Management Policy

Finance & Facilities

Upon a motion duly made by Trustee Burns on behalf of the Finance & Facilities Committee, and seconded by Trustee Lutts it was unanimously

VOTED: That the Board of Trustees of Salem State University hereby approves the revised investment policy as shown in Attachment A hereto and as presented to the meeting. The new policy shall supersede the previous investment policy adopted on October 8, 2013. For convenience attached is a document that shows the proposed changes to the current policy (Attachment FF-15-01-B). The president and other officers of the university are hereby authorized to do all things and take all actions necessary to implement the policy.

Next, Trustee Burns presented the motion from the committee with regard to Graduate and Continuing Education Fees for FY16.

Chair Scott noted for clarification purposes fee changes are typically discussed in April however Graduate fees are discussed at a different time. Trustee Segal questioned if the fees considered recent state budget changes. Given the small number of graduate students affected and the short time frame these fees do not include recent changes. Fees discussed in April will consider budget changes.

Upon a motion duly made by Trustee Burns on behalf of Finance & Facilities, seconded by Trustee Segal it was unanimously

VOTED: The Board of Trustees of Salem State University hereby approves the following rates for graduate and continuing education tuition and/or fees for the category of students below as shown on Attachment FF-15-02-E.

- **Graduate in-state students enrolled through the university’s School of Graduate Studies: Fees shall increase \$15 per credit hour, which, when combined with the current fee of \$228 and current tuition of \$140 per credit hour represents an increase of 4.1% over FY2014-15. In-state graduate tuition will remain at FY2014-15 levels.**
- **Graduate out-of-state students enrolled through the university’s School of Graduate Studies: Fees shall increase \$15 per credit hour, which, when combined with the current fee of \$228 and current tuition of \$230 per credit hour represents an increase of 3.3% over FY2014-15. Out-of-state graduate tuition will remain at FY2014-15 levels.**
- **Undergraduate in-state students enrolled through the university’s School of Continuing and Professional Studies: Fees shall increase \$33 per credit hour, which, when combined with the current fee of \$191.33 and current tuition of \$115 per credit hour, represents an increase of 10.8% over FY2014-15.**
- **Undergraduate out-of-state students enrolled through the university’s School of Continuing and Professional Studies: Fees shall increase \$33 per credit hour and tuition shall increase \$50 per credit hour, which, when combined with the current rate of tuition and fees of \$341.33 per credit hour, represents an increase of 24.3% over FY2014-15.**

Executive: Chair Scott invited Trustee Segal to present the action for the committee. Trustee Segal read the motion regarding the Board Assessment Survey.

*Executive
Committee*

MOTION: **The Board of Trustees of Salem State hereby approves the Board Evaluation Survey (as shown in Attachment EC-15-01). The Board of Trustees, further, approves distribution of the Survey to the Board by Friday, February 13, 2015 and return by Friday, February 27, 2015.**

Trustee Burns questioned whether new board members could be directed on how best to answer inapplicable questions so that survey results wouldn’t be skewed. A brief discussion ensued and it was determined that a “not applicable (n/a)” option should be added to the survey questions.

As a result, it was agreed that the motion should be amended to include “...with the modification that “yes/no” survey questions include a “not applicable (n/a)” response option.”

Upon a motion, duly made by Trustee Segal, and seconded by Trustee Lancome, it was unanimously

VOTED: **The Board of Trustees of Salem State hereby approves the Board Evaluation Survey (as shown in Attachment EC-15-01) with the modification that “yes/no” survey questions include a “not application (n/a)” response option. The Board of Trustees, further, approves distribution of the Survey to the Board by Friday, February 13, 2015 and return by Friday, February 27, 2015.**

* * *

V. Old Business

May Offsite: Chair Scott reminded the board that they would have another offsite meeting this year and it is scheduled for May 29th. In October, we reviewed some of the issues raised at the last meeting which included enrollment and governance. Since then, Academic Affairs has completed a deeper dive into the enrollment issue and Trustee Davis will present the results tonight. On the governance issue, we have moved forward with the board assessment, and the MOA. Chair Scott will convene a sub-committee to draft an agenda for the offsite. President Meservey, Trustees Stringer, Lancome and Malcolm will work with Secretary Montague to draft the agenda which will include many issues including board assessment results, board policies, current state and national higher education topics, and strategic priorities. The draft agenda will then come back to the board for discussion. Chair Scott reminded the group that the offsite meeting is an excellent opportunity to review accomplishments, get better educated on current topics and spend social time as a board and with faculty and senior staff.

* * *

VI. New Business

New Business

Academic Affairs: In response to the Board request to engage in a comparison of Salem State University to other institutions, Trustee Davis provided a presentation of Enrollment, Retention and Graduation Rate Comparisons of Salem State University to Institutions within the State college System (Attachment NB-15-01). The presentation touched upon several area of concern identified at last year’s off-site meeting including SSU student enrollment data, retention rates, and graduation rates. The message is clear that now is the time to increase both college graduation and retention rates. A discussion ensued regarding what we are doing to move the needle. Trustee Davis explained that this presentation was completed as a result of the board’s request from the offsite meeting and she proposed that the board have a more in depth discussion at the May 29th offsite meeting.

VII. Report of the President

Report of the President

President Meservey reported on several achievements towards Vision Project Goals (Attachment A):

- Enrollments numbers overall are up. Due to the time of year, transfer numbers are not yet known.
- We have made good progress inclosing the achievement gap (graduation rate) between students of color and white students, yet we continue to struggle with our male to female comparisons. There are several initiatives underway to focus specifically on our male population, particularly men of color. We will update the Board on this work in the fall of 2015.
- Our low-income student graduation rates are at the state university average, which given our overall low graduation rate, is a good indication of our students’ success.

The President then turned to facility matters and reported that the parking structure is being built and will be in the ground in three weeks. The garage is a modular unit so it’s being built offsite and will be assembled on campus. Gordon Center and Viking Hall are well under construction and moving forward.

Finally, President Meservey turned to recognize Assistant Provost Amy Everitt and thanked her for stepping in as Acting Provost while the Provost search was underway. Provost David Silva will join the university March 2nd.

* * *

VIII. Report of the Chair

Report of the Chair

- Chair Scott began by thanking the board for being present despite the difficult travel conditions. She also acknowledged President Meservey and the facilities personnel for keeping the university up, safe and running after a series of blizzards have brought snowfalls to historic levels.
- On January 9th, the chair met with the State University Board of Trustee Chairpersons to elect a Segmental Representative to the Massachusetts Board of Higher Education. By unanimous vote, Donald Irving, Trustee at Fitchburg State University was elected to serve as the new representative.
- Chair Scott attended a series of events during the week long Martin Luther King celebration. The chair congratulated Director of Diversity & Multicultural Affairs Rebecca Comage for a successful week.
- Chair Scott turned her attention to upcoming events and reminded the board to add the events or contact Secretary Montague should they need additional information:
 - AGB Special Discussion for New England College and University Trustees, February 18th
 - Vision Project Conference, February 27th
 - Student Budget Forum, March 3rd
 - Department of Higher Education, New Trustee Orientation, March 4th
 - Offsite Meeting, May 29th (location TBD)

* * *

With that, Chair Scott announced that the next item for discussion was a Real Estate acquisition that required the Board to enter executive session.

The Chair called for a motion to enter executive session. Trustee Lancome made the motion, seconded by Trustee Davis. Secretary Montague took the roll:

For: Burns, Crawford, Davis, Lancome, Lutts, Malcolm, Scott, Stringer and Segal
 Against: None

The Board entered executive session at 6:55 pm.

The Board exited executive session at 7:55 pm.

* * *

IX. ADJOURNMENT

Adjournment

There being no further business to come before the Board and on a motion duly made by Trustee Lancome and seconded by Trustee Burns, it was unanimously

VOTED: To adjourn the meeting at 7:55 p.m.

Respectfully submitted,



Patricia Maguire Meservey
President

Lynne Montague

Lynne Montague
Secretary to the Board of Trustees



MEETING OF THE BOARD OF TRUSTEES
February 11, 2015
Marsh Hall, Room 210, Central Campus, Loring Avenue
Salem State University
Salem, Massachusetts

- AGENDA -

- I. Call to Order
II. Consent Agenda: Approval of Minutes & Committee Reports (Detail attached)
III. Committee Actions
- Institutional Advancement, Marketing & Communications...Trustee Mattera
- Academic Affairs & Student Life...Trustee Davis
- Finance & Facilities...Trustee Burns
- Executive...Chair Scott
IV. Old Business
- May offsite meeting follow up...Chair Scott
V. New Business
- Commissioner Freeland
- Academic Affairs...Trustee Davis
VI. Report of the President
VII. Report of the Chair
VIII. Open Forum
IX. Executive Session
- Real Estate Acquisition
X. Adjournment

(Please see reverse side for draft committee motions to be considered at this meeting.)

352 Lafayette Street | Salem, Massachusetts 01970-5353 | salemstate.edu | 978.542.6613 FAX 978.542.6126

Committee Motions for Consideration

Institutional Advancement Committee:

Motion: With modifications discussed at today's meeting, the final version of the Memorandum of Agreement (Attachment A) will be recommended to the Full Board of Trustees at their meeting, scheduled to be held on February 11, 2015.

Academic Affairs & Student Life:

Motion 1: To recommend to the Full Board the approval of a B.A. program in Dance. (Attachment A-1)

Motion 2: To recommend to the Full Board the approval of a B.S. program in Health Care Studies. (Attachment A-2)

Finance & Facilities:

Investment Management Policy

Motion: That the Board of Trustees of Salem State University hereby approves the revised investment policy as shown in Attachment A hereto and as presented to the meeting. The new policy shall supersede the previous investment policy adopted on October 8, 2013. For convenience attached is a document that shows the proposed changes to the current policy (Attachment B). The president and other officers of the university are hereby authorized to do all things and take all actions necessary to implement the policy.

Graduate & Continuing Education Fees FY16

Motion: The Board of Trustees of Salem State University hereby approves the following rates for graduate and continuing education tuition and/or fees for the category of students below:

- Graduate in-state students enrolled through the university's School of Graduate Studies: Fees shall increase \$15 per credit hour, which, when combined with the current fee of \$228 and current tuition of \$140 per credit hour represents an increase of 4.1% over FY2014-15. In-state graduate tuition will remain at FY2014-15 levels.
- Graduate out-of-state students enrolled through the university's School of Graduate Studies: Fees shall increase \$15 per credit hour, which, when combined with the current fee of \$228 and current tuition of \$230 per credit hour represents an increase of 3.3% over FY2014-15. Out-of-state graduate tuition will remain at FY2014-15 levels.
- Undergraduate in-state students enrolled through the university's School of Continuing and Professional Studies: Fees shall increase \$33 per credit hour, which, when combined with the current fee of \$191.33 and current tuition of \$115 per credit hour, represents an increase of 10.8% over FY2014-15.

- Undergraduate out-of-state students enrolled through the university's School of Continuing and Professional Studies: Fees shall increase \$33 per credit hour and tuition shall increase \$50 per credit hour, which, when combined with the current rate of tuition and fees of \$341.33 per credit hour, represents an increase of 24.3% over FY2014-15.

The new rates shall become effective for the fall term of the 2015-16 Fiscal Year.

Executive:

Motion: The Board of Trustees of Salem State hereby approves the Board Evaluation Survey as shown in Attachment C. The Board of Trustees, further, approves distribution of the Survey to the Board by Friday, February 13, 2015 and return by Friday, February 27, 2015.

MEETING OF THE BOARD OF TRUSTEES

February 11, 2015

Marsh Hall, Room 210, Central Campus, Loring Avenue

Salem State University

Salem, Massachusetts



Items for Inclusion on the Consent Agenda:

Approval of the following Meeting Minutes and Committee Reports:

Board of Trustees: October 8, 2014

Board of Trustees Executive Session: October 8, 2014

Risk Management & Audit: November 19, 2014

Academic Affairs & Student Life: November 19, 2014

Executive Committee: November 19, 2014

Executive Committee Executive Session: November 19, 2014

Joint Finance & Facilities and Institutional Advancement, Marketing & Communications:
Dec 3, 2014

Board of Trustees Special Meeting: December 3, 2014

Board of Trustees Executive Session: December 3, 2014

MEMORANDUM OF AGREEMENT
Between Salem State University and Salem State University Foundation, Inc.

This Memorandum of Agreement is made as of the ___ day of _____, 2015, by and between Salem State University (the "University"), an agency of the Commonwealth of Massachusetts, and the Salem State University Foundation, Inc. (the "Foundation"), a not-for-profit charitable corporation organized and operating as such pursuant to chapters 15A, §37, and 180 of the General Laws of said Commonwealth.

WHEREAS the Foundation is organized and operated exclusively for the benefit of the University and consistently with the policies and goals of the University;

WHEREAS the Foundation plays a significant role in securing, holding, managing and disbursing moneys and other assets dedicated to the support of the University; and,

WHEREAS the University and the Foundation are desirous of recording certain understandings concerning the manner in which the Foundation and the University will coordinate, and otherwise cooperate in, efforts to raise moneys and secure other assets from private donors for the support and benefit of the University;

NOW, THEREFORE, in consideration of the foregoing premises and of the mutual covenants herein contained, the University and the Foundation hereby agree as follows.

1. Use of Name. The University and the Foundation acknowledge and agree that the University, in accordance with and subject to the provisions of chapter 15A, section 37, of the General Laws of Massachusetts, has accorded to the Foundation the right and authority to use the name of the University both in the Foundation's own name and for the purpose of its fund-raising activities.
2. Foundation's Mission and Purpose. The Foundation's mission and purpose are to raise and manage private resources in support of the mission and priorities of the University as the University may determine those to be from time to time. It is the University's and the Foundation's expectation, therefore, that the Foundation will, consistently with the terms of this Memorandum of Agreement, support the University's fund-raising activities and, in accordance with University policy and applicable provisions of law, play an active and prominent role in the management of privately raised moneys and other assets.
3. University's Support and Assistance.
 - a) At the Foundation's request, the University may, at no cost to the Foundation, provide the Foundation with such space and facilities of the University, including suitably equipped office and meeting space, as, in University's judgment, are reasonably necessary to

permit the Foundation to fulfill its obligations under this Memorandum of Agreement. The University may also provide the Foundation with appropriate telephone and computer connectivity through the University's own telephone and computer networks.

- b) The University's chief development officer (or such other employee of the University as the University may designate) may serve as the executive director of the Foundation. At the request of the Foundation, the University may assign to the Foundation such additional personal services, including clerical services. Every such employee (including the chief development officer) may be and remain an employee of the University for all purposes. The rendering of all such personal services (including those of the chief development officer) to the Foundation shall be subject to applicable provisions of law, including those contained in chapter 15A, section 37, of the General Laws of Massachusetts.
- c) The University shall communicate to the Foundation the University's priorities and long-term plans together with such other information as the University thinks necessary or appropriate to assist the Foundation in the fulfillment of its obligations hereunder.
- d) The University shall work with the Foundation to identify, cultivate and solicit prospective donors of private gifts. All data pertaining to donors shall be and remain the property of the Foundation.
- e) The University shall give to the Foundation such additional support and assistance as the University deems necessary or appropriate to facilitate the Foundation's activities and to assist it in the accomplishment of its purposes and the fulfillment of its mission.
- f) Any and all support and assistance provided by the University to the Foundation shall at all times remain subordinate and subject to appropriation, University policy, University budget and applicable provisions of law.

4. Foundation's Responsibilities.

- a) The University reserves to itself the right, at any time, to play any such role and assume any such responsibility, whether to the exclusion of the Foundation or otherwise, as it may think appropriate in connection with any fund-raising activity or any donor relationship. In consultation with the University and consistently with its policies and prescriptions as they are from time to time, the Foundation shall assume principal responsibility for managing such assets entrusted to it for the support of the University.
- b) In its solicitation and receipt of gifts, the Foundation shall adhere to the provisions of chapter 15A, section 37(e), of the Massachusetts General Laws and to all other applicable provisions of law.
- c) The Foundation shall receive, hold, manage, invest, and disburse contributions of cash, securities, patents, copyrights and other forms of property, including immediately vesting gifts and deferred gifts that are contributed in the form of planned and deferred-gift

instruments. The Foundation shall consult and communicate with the University regarding the acceptance of gifts of tangible property.

- d) The Foundation will consult with and receive approval from the University before the Foundation acquires real estate, accepts any gift of real estate or accepts any gift that in any way binds the University to a particular investment, expense or action.
- e) The Foundation shall establish, adhere to and periodically assess policies governing its acceptance and management of gifts. All such policies, including policies pertaining to restrictions placed on gifts, shall conform to any applicable policies of the University and shall make provision for protecting the anonymity of donors who choose to make gifts anonymously. No such policy shall permit the Foundation to obligate the University to confer any benefit or honorific on any donor or prospective donor without in each case the prior approval of the University and any and all naming rights of any kind whatever shall be exercisable solely by the University and at its sole discretion.
- f) The Foundation shall adhere to the University's Procedures for Implementing the Public Higher Education Endowment Incentive Program.
- g) The Foundation shall not accept grants from state or federal agencies without in each case the prior approval of the University.
- h) The Foundation shall establish asset-allocation, disbursement and spending policies that conform to applicable provisions of law, including the Uniform Prudent Management of Funds Act (c. 180A of the General Laws of Massachusetts) as the same is in force for the time being. In connection therewith, the Foundation shall develop an annual budget and spending plan and (but subject to applicable restrictions) may annually expend a reasonable percentage of its funds for the support of its programs, services and operations.
- i) In consultation with the University, the Foundation shall, no later than March 30 of each year, establish a plan of disbursements to the University for the University's fiscal year next ensuing. When disbursing funds or other assets to the University, the Foundation shall disclose to the University any terms, conditions or limitations to which any such funds or assets are subject.
- j) The Foundation shall annually cause a complete audited financial statement of its accounts to be prepared in sufficient time to permit the University to complete, and its Board of Trustees to accept, the University's and Foundation's audit and transmit it to the state comptroller. The audit will be prepared in accordance with such generally accepted accounting principles and reporting practices as may be prescribed from time to time by the American Institute of Certified Public Accountants (or any successor organization), and the same shall be examined by an independent certified public accountant in accordance with generally accepted auditing standards for the purpose of expressing an opinion thereon. A copy of such statement shall be transmitted to the University upon its

completion. The Foundation and the University may arrange to have such audit conducted in conjunction with the annual audit the University causes to be conducted of its own accounts.

- k) The Foundation shall maintain accurate records of all gifts received by it, including any restrictions or other terms that are of application to each, together with accurate records of all other matters that are relevant to the fulfillment of its obligations under this Memorandum of Agreement.
5. Direct Assistance to the University. In order to provide direct assistance to the University in its development activities, the Foundation shall, subject to sections 4(h) and 5(c) of this Agreement, reimburse the University for certain costs and expenses it incurs.
- a) The Foundation may reimburse to the University the costs and expenses that the University incurs in connection with its efforts to raise moneys and secure other assets from private donors, and it may do so whether such efforts of the University are made for or in the name of the University itself or for or in the name of the Foundation. Costs and expenses that the University incurs in connection with such efforts shall, for the purposes of this Memorandum of Agreement, be deemed to include any of the following costs and expenses when incurred in connection with the University's efforts to raise moneys and secure other assets from private donors: the costs that any of the University's employees (including any employee described in section 3(b) of this Agreement) reasonably incur for travel, lodging and related expenses (but not including the cost of any such employee's compensation), the costs of entertainment, meals, receptions and like events, the costs of publications, exhibits and other forms of publicity, the costs of software and other development tools, and the costs of any like items, events and activities (but not including any component of the University's general overhead) that support or relate to such efforts.
- b) No more frequently than monthly, the University shall submit to the Foundation, in the form of an invoice or like statement, a request for reimbursement of any costs and expenses (within the meaning of the preceding clause (a)) that it has incurred (whether paid or payable) and that the Foundation has not theretofore reimbursed to it. Every such request shall include a description of all such costs and expenses (or the categories thereof) and the purposes therefor as they relate to the above-described efforts to raise moneys and secure other assets from private donors. The University shall provide to the Foundation any more particular information that the Foundation may reasonably require with respect to any such request. As promptly as is practicable following its receipt of any such request from the University (but in no event more than thirty (30) days thereafter), the Foundation shall pay to the University the amount so requested.

Nothing in this clause (b) shall be deemed to obligate the Foundation to reimburse to the University in any fiscal year any sum or sums that in the aggregate exceed the maximum sum the Foundation shall have fixed for such purpose in accordance with the following clause (c).

- c) In accordance with section 4(h) of this Agreement, the Foundation and the University shall confer concerning the maximum sum the Foundation will commit, for the fiscal year next ensuing, for the purposes described in the preceding clause (b). In doing so they will have regard both to the Foundation's then available financial resources and the University's anticipated expenditures for development. Thereafter, but no later than at the commencement of such fiscal year, the Foundation shall fix and encumber the sum aforesaid.

6. Interpretation. This Memorandum of Agreement shall be liberally construed to the end that the Foundation might broadly and effectively promote and support the University's efforts to raise moneys and secure other assets from private donors.

7. Authorities of the University; Authorities of the Foundation. Nothing in this Memorandum of Agreement shall impair or limit the authority of the University to determine, in its sole discretion, by whom and by what activities it shall or may pursue its efforts to raise moneys and secure other assets from private donors, and no such authority shall be deemed to be vested hereby in the Foundation.

In the exercise of its authorities and the discharge of its obligations under this Agreement, the University shall act by its Board of Trustees or by any such person or body (whether one or more or in combination) as the Board of Trustees may from time to time appoint or designate for the purpose of exercising any such authority or discharging any such obligation.

In the exercise of its authorities and the discharge of its obligations under this Agreement, the Foundation shall act by its Board of Directors or by any such person or body (whether one or more or in combination) as the Board of Directors may from time to time appoint or designate for the purpose of exercising any such authority or discharging any such obligation.

8. Amendment; Termination. The parties may at any time amend this Memorandum of Agreement by an instrument in writing executed with the same formalities as those that attended the making of this instrument. Either party may terminate this MOA at any time by giving to the Chairperson of the other party not less than ninety (90) days advance written notice of its election to do so. The party initiating termination of the agreement must act in good faith to provide an opportunity for a meeting to include the board chairs (or their designees) and all appropriate executives within thirty (30) days of initial written notice to terminate the agreement.

WHEREFORE the University and the Foundation, acting by persons duly authorized therein, hereunder set their signs and seals on the dates subscribed below.

SALEM STATE UNIVERSITY

SALEM STATE UNIVERSITY FOUNDATION,
INC.

By: _____

By: _____

Name:

Title:

Date:

Name:

Title:

Date:

**NEW PROGRAM PROPOSAL
BACHELOR OF ARTS -- DANCE
SUBMITTED TO THE BOARD OF TRUSTEES
JANUARY 28, 2015**

Summary: The University currently offers a Bachelor of Science with a Dance concentration through our College of Arts & Science Sports & Movement Science Department. This new degree program would move Dance to our Music Department and have the major (rather than concentration) be Dance.

This proposal is budget neutral as no new resources will be necessary, yet we expect the major will draw more students to the program.

Scope: The dance curriculum is designed to prepare the student to enter the dance profession upon graduation, or continue studies in a graduate degree program. With a focus on choreography and performance, the dance concentration provides the student opportunities to create and perform every semester. Students are expected to achieve competency in technical proficiency, critical thinking skills and personal artistic voice.

Enrollments:

Fall 2009 -- 2

Fall 2010 -- 3

Fall 2011 -- 6

Fall 2012 -- 9

Fall 2013 -- 11

Fall 2014 -- 15

NEW PROGRAM PROPOSAL
BACHELOR OF ARTS – DANCE
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Summary: The University currently offers a Bachelor of Science with a Dance concentration through our College of Arts & Science Sports & Movement Science Department. This new degree program would move Dance to our Music Department and have the major (rather than concentration) be Dance.

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Enrollments:

Fall 2009 – 2

Fall 2010 – 3

Fall 2011 – 6

Fall 2012 – 9

Fall 2013 – 11

Fall 2014 -- 15

Name:

Title:

Date:

Name:

Title:

Date:

6

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NEW PROGRAM PROPOSAL

BACHELOR OF SCIENCE -- HEALTHCARE STUDIES

Summary: This new degree program is designed to meet the growing need for non-clinical personnel to work within the healthcare field. Each year a number of students begin their education in nursing, social work, or undeclared and find they are drawn to healthcare, but not to the clinical aspects. Their interests can be guided toward management, sales, education, and other aspects of ancillary functions within the healthcare environment.

Fellow CC members. This packet contains a proposal from the Occupational Therapy department for a new and complete Bachelor of Healthcare Studies program. Included here are proposals for 10 new courses, one existing course that will be cross-listed from social work, a new flow sheet with a mandatory minor to be selected from 8 options (listed in 15:153), a request for a new minor in BHS and supporting endorsements from the chairpersons of all affected departments. From the ten courses, two seek gen ed writing categories (BHS 301 for W-II and BHS 495 for W-III) distinction and one a Quantitative Reasoning classification (BHS 247). Immediately below we have a statement prepared by OT outlining the purpose of this new degree.

Salem State University
College of Health and Human Services
Bachelor of Science Degree in Healthcare Studies

Purpose:

The Bachelor of Science degree in Healthcare Studies is a non-clinical degree preparing students to work in a variety of settings in the healthcare industry. Designed with an interdisciplinary approach, students will complete a core of healthcare studies courses before completing a mandatory minor in their chosen concentration. There is also a completion option for Allied Healthcare providers with an associate degree or certificate to finish a bachelor's degree.

The Bachelor of Science Degree in Healthcare Services **prepares students** who would like to enter non-clinical occupations in the healthcare field. These jobs may include:

- Health Care Advocate or Lobbyist
- Medical and Health Service Managers
- Medical Equipment Marketing and Sales
- Pharmaceutical Marketing and Sales
- Department Managers
- Insurance Sales or Claims Reviewer
- Wellness Coordinator
- Social Services Case Manager

Degree Requirements:

The Bachelor of Science in Healthcare Studies requires 120 credits and includes:

- General education curriculum (34-35 credits)
- Free electives (11-15 credits)
- Prerequisite support courses (12 credits)
- Major course core (32 credits)
- Electives to support core (12 credits)
- Mandatory minor (15-18 credits)

Students complete a mandatory minor such as:

- | | | |
|--------------------|---------------|----------------------------------|
| - Accounting | - Advertising | - Communication Studies |
| - Public Relations | - Economics | - Computer/Information Studies |
| - Marketing | - Management | - Public or Applied Sociology |
| - Journalism | - Social Work | - Public Policy & Administration |
| - Fitness/Wellness | | - Health and Consumer Science |

GENERAL UNDERGRADUATE REQUIREMENTS

100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200
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General Undergrad Courses: 34.00 credits

ENGL 101	ENGL 102	ENGL 103	ENGL 104	ENGL 105	ENGL 106	ENGL 107	ENGL 108	ENGL 109	ENGL 110	ENGL 111	ENGL 112	ENGL 113	ENGL 114	ENGL 115	ENGL 116	ENGL 117	ENGL 118	ENGL 119	ENGL 120	ENGL 121	ENGL 122	ENGL 123	ENGL 124	ENGL 125	ENGL 126	ENGL 127	ENGL 128	ENGL 129	ENGL 130	ENGL 131	ENGL 132	ENGL 133	ENGL 134	ENGL 135	ENGL 136	ENGL 137	ENGL 138	ENGL 139	ENGL 140	ENGL 141	ENGL 142	ENGL 143	ENGL 144	ENGL 145	ENGL 146	ENGL 147	ENGL 148	ENGL 149	ENGL 150	ENGL 151	ENGL 152	ENGL 153	ENGL 154	ENGL 155	ENGL 156	ENGL 157	ENGL 158	ENGL 159	ENGL 160	ENGL 161	ENGL 162	ENGL 163	ENGL 164	ENGL 165	ENGL 166	ENGL 167	ENGL 168	ENGL 169	ENGL 170	ENGL 171	ENGL 172	ENGL 173	ENGL 174	ENGL 175	ENGL 176	ENGL 177	ENGL 178	ENGL 179	ENGL 180	ENGL 181	ENGL 182	ENGL 183	ENGL 184	ENGL 185	ENGL 186	ENGL 187	ENGL 188	ENGL 189	ENGL 190	ENGL 191	ENGL 192	ENGL 193	ENGL 194	ENGL 195	ENGL 196	ENGL 197	ENGL 198	ENGL 199	ENGL 200
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General Undergrad Courses (Continued)

ENGL 201	ENGL 202	ENGL 203	ENGL 204	ENGL 205	ENGL 206	ENGL 207	ENGL 208	ENGL 209	ENGL 210	ENGL 211	ENGL 212	ENGL 213	ENGL 214	ENGL 215	ENGL 216	ENGL 217	ENGL 218	ENGL 219	ENGL 220	ENGL 221	ENGL 222	ENGL 223	ENGL 224	ENGL 225	ENGL 226	ENGL 227	ENGL 228	ENGL 229	ENGL 230	ENGL 231	ENGL 232	ENGL 233	ENGL 234	ENGL 235	ENGL 236	ENGL 237	ENGL 238	ENGL 239	ENGL 240	ENGL 241	ENGL 242	ENGL 243	ENGL 244	ENGL 245	ENGL 246	ENGL 247	ENGL 248	ENGL 249	ENGL 250	ENGL 251	ENGL 252	ENGL 253	ENGL 254	ENGL 255	ENGL 256	ENGL 257	ENGL 258	ENGL 259	ENGL 260	ENGL 261	ENGL 262	ENGL 263	ENGL 264	ENGL 265	ENGL 266	ENGL 267	ENGL 268	ENGL 269	ENGL 270	ENGL 271	ENGL 272	ENGL 273	ENGL 274	ENGL 275	ENGL 276	ENGL 277	ENGL 278	ENGL 279	ENGL 280	ENGL 281	ENGL 282	ENGL 283	ENGL 284	ENGL 285	ENGL 286	ENGL 287	ENGL 288	ENGL 289	ENGL 290	ENGL 291	ENGL 292	ENGL 293	ENGL 294	ENGL 295	ENGL 296	ENGL 297	ENGL 298	ENGL 299	ENGL 300
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General Undergrad Courses (Continued)

ENGL 301	ENGL 302	ENGL 303	ENGL 304	ENGL 305	ENGL 306	ENGL 307	ENGL 308	ENGL 309	ENGL 310	ENGL 311	ENGL 312	ENGL 313	ENGL 314	ENGL 315	ENGL 316	ENGL 317	ENGL 318	ENGL 319	ENGL 320	ENGL 321	ENGL 322	ENGL 323	ENGL 324	ENGL 325	ENGL 326	ENGL 327	ENGL 328	ENGL 329	ENGL 330	ENGL 331	ENGL 332	ENGL 333	ENGL 334	ENGL 335	ENGL 336	ENGL 337	ENGL 338	ENGL 339	ENGL 340	ENGL 341	ENGL 342	ENGL 343	ENGL 344	ENGL 345	ENGL 346	ENGL 347	ENGL 348	ENGL 349	ENGL 350	ENGL 351	ENGL 352	ENGL 353	ENGL 354	ENGL 355	ENGL 356	ENGL 357	ENGL 358	ENGL 359	ENGL 360	ENGL 361	ENGL 362	ENGL 363	ENGL 364	ENGL 365	ENGL 366	ENGL 367	ENGL 368	ENGL 369	ENGL 370	ENGL 371	ENGL 372	ENGL 373	ENGL 374	ENGL 375	ENGL 376	ENGL 377	ENGL 378	ENGL 379	ENGL 380	ENGL 381	ENGL 382	ENGL 383	ENGL 384	ENGL 385	ENGL 386	ENGL 387	ENGL 388	ENGL 389	ENGL 390	ENGL 391	ENGL 392	ENGL 393	ENGL 394	ENGL 395	ENGL 396	ENGL 397	ENGL 398	ENGL 399	ENGL 400
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MAJOR REQUIREMENTS (42 credits)

OTHS 401	OTHS 402	OTHS 403	OTHS 404	OTHS 405	OTHS 406	OTHS 407	OTHS 408	OTHS 409	OTHS 410	OTHS 411	OTHS 412	OTHS 413	OTHS 414	OTHS 415	OTHS 416	OTHS 417	OTHS 418	OTHS 419	OTHS 420	OTHS 421	OTHS 422	OTHS 423	OTHS 424	OTHS 425	OTHS 426	OTHS 427	OTHS 428	OTHS 429	OTHS 430	OTHS 431	OTHS 432	OTHS 433	OTHS 434	OTHS 435	OTHS 436	OTHS 437	OTHS 438	OTHS 439	OTHS 440	OTHS 441	OTHS 442	OTHS 443	OTHS 444	OTHS 445	OTHS 446	OTHS 447	OTHS 448	OTHS 449	OTHS 450	OTHS 451	OTHS 452	OTHS 453	OTHS 454	OTHS 455	OTHS 456	OTHS 457	OTHS 458	OTHS 459	OTHS 460	OTHS 461	OTHS 462	OTHS 463	OTHS 464	OTHS 465	OTHS 466	OTHS 467	OTHS 468	OTHS 469	OTHS 470	OTHS 471	OTHS 472	OTHS 473	OTHS 474	OTHS 475	OTHS 476	OTHS 477	OTHS 478	OTHS 479	OTHS 480	OTHS 481	OTHS 482	OTHS 483	OTHS 484	OTHS 485	OTHS 486	OTHS 487	OTHS 488	OTHS 489	OTHS 490	OTHS 491	OTHS 492	OTHS 493	OTHS 494	OTHS 495	OTHS 496	OTHS 497	OTHS 498	OTHS 499	OTHS 500
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MAJOR REQUIREMENTS (Continued)

OTHS 501	OTHS 502	OTHS 503	OTHS 504	OTHS 505	OTHS 506	OTHS 507	OTHS 508	OTHS 509	OTHS 510	OTHS 511	OTHS 512	OTHS 513	OTHS 514	OTHS 515	OTHS 516	OTHS 517	OTHS 518	OTHS 519	OTHS 520	OTHS 521	OTHS 522	OTHS 523	OTHS 524	OTHS 525	OTHS 526	OTHS 527	OTHS 528	OTHS 529	OTHS 530	OTHS 531	OTHS 532	OTHS 533	OTHS 534	OTHS 535	OTHS 536	OTHS 537	OTHS 538	OTHS 539	OTHS 540	OTHS 541	OTHS 542	OTHS 543	OTHS 544	OTHS 545	OTHS 546	OTHS 547	OTHS 548	OTHS 549	OTHS 550	OTHS 551	OTHS 552	OTHS 553	OTHS 554	OTHS 555	OTHS 556	OTHS 557	OTHS 558	OTHS 559	OTHS 560	OTHS 561	OTHS 562	OTHS 563	OTHS 564	OTHS 565	OTHS 566	OTHS 567	OTHS 568	OTHS 569	OTHS 570	OTHS 571	OTHS 572	OTHS 573	OTHS 574	OTHS 575	OTHS 576	OTHS 577	OTHS 578	OTHS 579	OTHS 580	OTHS 581	OTHS 582	OTHS 583	OTHS 584	OTHS 585	OTHS 586	OTHS 587	OTHS 588	OTHS 589	OTHS 590	OTHS 591	OTHS 592	OTHS 593	OTHS 594	OTHS 595	OTHS 596	OTHS 597	OTHS 598	OTHS 599	OTHS 600
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MAJOR REQUIREMENTS (Continued)

OTHS 601	OTHS 602	OTHS 603	OTHS 604	OTHS 605	OTHS 606	OTHS 607	OTHS 608	OTHS 609	OTHS 610	OTHS 611	OTHS 612	OTHS 613	OTHS 614	OTHS 615	OTHS 616	OTHS 617	OTHS 618	OTHS 619	OTHS 620	OTHS 621	OTHS 622	OTHS 623	OTHS 624	OTHS 625	OTHS 626	OTHS 627	OTHS 628	OTHS 629	OTHS 630	OTHS 631	OTHS 632	OTHS 633	OTHS 634	OTHS 635	OTHS 636	OTHS 637	OTHS 638	OTHS 639	OTHS 640	OTHS 641	OTHS 642	OTHS 643	OTHS 644	OTHS 645	OTHS 646	OTHS 647	OTHS 648	OTHS 649	OTHS 650	OTHS 651	OTHS 652	OTHS 653	OTHS 654	OTHS 655	OTHS 656	OTHS 657	OTHS 658	OTHS 659	OTHS 660	OTHS 661	OTHS 662	OTHS 663	OTHS 664	OTHS 665	OTHS 666	OTHS 667	OTHS 668	OTHS 669	OTHS 670	OTHS 671	OTHS 672	OTHS 673	OTHS 674	OTHS 675	OTHS 676	OTHS 677	OTHS 678	OTHS 679	OTHS 680	OTHS 681	OTHS 682	OTHS 683	OTHS 684	OTHS 685	OTHS 686	OTHS 687	OTHS 688	OTHS 689	OTHS 690	OTHS 691	OTHS 692	OTHS 693	OTHS 694	OTHS 695	OTHS 696	OTHS 697	OTHS 698	OTHS 699	OTHS 700
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Total Credits for Bachelor's Degree: 120

Mandatory Minors (15-18 credits)

Business Administration

Required Courses

ACC 106 Financial Accounting
BUS 170 Introduction to Business
ECO 200 Principles and Problems of Economics
MGT 231 Management Theory and Practice
MKT 241N Principles of Marketing
Business Elective 3 Credit(s)

Computer and Information Studies

Required Courses

CSC 200A Survey of Computer Science I
CSC 201J Software Design and Programming I
CSC 202J Software Design and Programming II
Elective courses (2 courses):

Two courses chosen in consultation with the Computer Science Department chairperson, selected from CSC course offerings numbered above CSC 202J.

Health & Consumer Science - Non-Teacher Track

Required

SMS 361 Issues in Public and Community Health
SMS 261 Consumer Health
SMS 250 Nutrition and Physical Performance
SMS 351 Disease and Illness of the Physically Active
Choose two (2) of the following Sport and Movement Science Elective Courses: (3 credits)
SMS 291 Marketing and Public Relations in Sport Industries
SMS 260 Intro to Health Education and Health Promotion
SMS 303 Exercise Psychology: Enhancing Health and Well-Being
SMS 195 Health Seminar: Women in Today's World
SMS 196 Men's Health Seminar
SMS 360 Stress & Health Empowerment

Management

Required Courses (12 credits)

BUS 170 Introduction to Business
MGT 231 Management Theory and Practice
MGT 330 Human Resource Management
MGT 332 Organizational Behavior
Management Elective Course (6 credits) to be chosen from the following:
MGT 403 Leadership in Management
MGT 442 Labor/Management Relations
MGT 471 Management Seminar
MGT 475 Interpersonal Relations for Managers

Marketing

MKT 241N Principles of Marketing
MKT 342 Consumer Behavior
MKT 343 Advertising
MKT 351N Business Marketing
MKT 445 International Marketing
Marketing Elective 3 Credit(s)

Polity

POL 201 Introduction to American Politics
POL 219 Introduction to Public Policy
POL 315 Public Administration
POL 319 Public Policy Analysis
POL 331 Issues in American Politics and Policy
POL 333 Gender, Law and Policy

Public Relations

Required Courses

COM 201 Introduction to Communications
COM 202 Writing for Media
COM 349 Principles of Public Relations
Choose three of the following:
COM 300 Communication Research
COM 335 Writing for Corporations
COM 351 Public Relations Writing
COM 370 Fundamentals of News Writing
COM 450 Advanced Public Relations Writing
COM 455 Public Relations Case Studies
COM 466 Crisis Communication in Public Relations

Social Work (does not lead to SW degree or licensure)

SWK 101 The Profession of Social Work

Or

SWK 102 Welfare of Past and Present
SWK 200 Social Services Volunteer Practicum
SWK 270 Understanding Diversity and Cultural Competence in Human Services
Social Work Electives (9 credits)

Explanation of 4 year budget for
Bachelor of Science in Healthcare Studies

Revenue

Revenue calculations are based on the tuition/fees generated from courses taken within the Bachelor of Healthcare Studies program. While it is understood that most of the students will be full-time, day students, this pre credit rate is the best available estimate of program revenue. The rate is based on the per credit cost (\$306.25) from the Schedule of Student Charges (2014-15 Academic Year). An annual increase has not been included in these calculations.

Enrollment estimates are based on the perceived high demand for the program based on the market analysis. Two consultants to the School of Nursing reported that a similar program at Stonybrook University (NY), begun about five years ago, currently has 1,100 students.

In Year 1 (AY2015-16) Cohort 1 of freshman students (n=30) completing 6 credits.

In Year 2 (AY2016-17), Cohort 2 of freshman (n=30) begin the program completing 6 credits, 28 students retained from the freshman year (Cohort 1), and a cohort of 30 transfer students with AA degrees are admitted to the program. This transfer figure is again based on the perceived high demand for the program and it is estimated that it will take these students two years to complete the program. While the estimate for transfer students may be high, if it is not met we may be able to make it up with freshman.

Years 3 and 4, freshman cohorts are increased to 60, new cohorts of transfer students begin, and a small attrition rate if factored in for each year.

Expenses

For the first two years of the program, faculty compensation is based on the cost of "buying out" full-time faculty from other programs at the university. The rate for a 3 credit course is \$12,855. This is (perhaps generously) based on a salary of \$80K + fringe (28.52%) = \$102,836, divided by 24 SHCI = \$4,285 per credit. For those courses taught by adjunct faculty members this rate is only \$1,611.)

In Year 3 a full-time faculty member is planned, who will serve as Program Coordinator and receive a 6 credit APR each term. (This level of release may not be sufficient.) The Program Coordinator will also teach 6 credits per semester. Also in Year 3, the support staff has been increased to full-time as it is estimated there will be 172 students in the program and the need to coordinate with multiple adjunct faculty members.

In Year 4 a second full-time faculty member has been added to the program.

For each year represented, a 3 per cent salary increase has been included for all faculty and staff.

Faculty Expense (Based on 24 credits/year)

Category	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Total
Faculty Salary	\$ 225,600.00	\$ 225,600.00	\$ 225,600.00	\$ 225,600.00	\$ 225,600.00	\$ 225,600.00	\$ 225,600.00	\$ 225,600.00	\$ 225,600.00	\$ 225,600.00	\$ 2,256,000.00
Faculty Health Insurance	\$ 45,120.00	\$ 45,120.00	\$ 45,120.00	\$ 45,120.00	\$ 45,120.00	\$ 45,120.00	\$ 45,120.00	\$ 45,120.00	\$ 45,120.00	\$ 45,120.00	\$ 451,200.00
Faculty Retirement	\$ 45,120.00	\$ 45,120.00	\$ 45,120.00	\$ 45,120.00	\$ 45,120.00	\$ 45,120.00	\$ 45,120.00	\$ 45,120.00	\$ 45,120.00	\$ 45,120.00	\$ 451,200.00
Faculty Travel	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 100,000.00
Faculty Conference	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 50,000.00
Faculty Development	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 50,000.00
Administrative	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 20,000.00
Instructional Materials	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 20,000.00
Equipment	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 20,000.00
Commuter/Utilities	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 20,000.00
Manufacturing/Overhead	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 20,000.00
Professional Development	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 20,000.00
Total	\$ 377,840.00	\$ 377,840.00	\$ 377,840.00	\$ 377,840.00	\$ 377,840.00	\$ 377,840.00	\$ 377,840.00	\$ 377,840.00	\$ 377,840.00	\$ 377,840.00	\$ 3,778,400.00

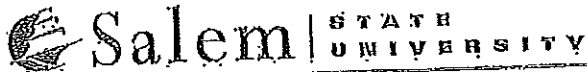
* Based on a Salary Scale of \$22,560.00 - \$45,120.00
 Complete contribution on 24 credits = \$225,600.00

Yr 1 - Faculty overhead (3 credit per term APR) and resulting "buy-out" of existing full-time faculty

Yr 2 - Same as Yr 1

Yr 3 - Add 15 faculty member who are coordinator (3 credit per term APR) and resulting credit per term. All other amounts buy-out of full-time faculty. Increase SA to \$47,520.00

Yr 4 - Coordinator 3 credit per term APR and resulting credit per term. Add 2nd full-time faculty member



 REQUEST FOR TRUSTEE ACTION

Date: February 11, 2015
 To: Board of Trustees
 From: Finance & Facilities Committee
 Subject: Investment Policy Revised
 Requested Action: Approval

MOTION

The Finance and Facilities Committee hereby recommends that the Board of Trustees approve the following motion pertaining to the Salem State University Investment Policy as described in Attachment A. Substantive changes were received by the Salem State University investment advisors previously provided to the trustees.

Recommended motion

That the Board of Trustees of Salem State University hereby approves the revised investment policy as shown in Attachment A. The new policy shall supersede the previous investment policy adopted on October 8, 2013. For convenience attached is a document that shows the proposed changes to the current policy (Attachment B). The president and other officers of the university are hereby authorized to do all things and take all actions necessary to implement the policy.

 Committee Assigned: Finance & Facilities

Committee Action: February 4, 2015

 Date of Action: Approved

Trustee Action:

Trustee Approval Date:

 Effective Date:

Signed: _____

Title: Secretary of Board of Trustees

Date: _____

~~October-February 11, 2015~~~~22, 2014~~~~8, 2013~~



Investment Policy

February 11, 2015~~October 22,~~
~~2014~~~~8, 2013~~

GLOSSARY OF TERMS

ASSET ALLOCATION – A term used to refer to how an investor distributes his or her investments among various classes of investment vehicles (e.g. stocks, bonds, cash).

BENCHMARK – A standard against which an investment's performance can be compared, often an index of securities in the same asset class as the investment.

CASH/CASH EQUIVALENTS – Cash equivalents are short-term securities, such as Treasury bills, money market mutual funds, or short-term bank certificates of deposit that provide safety and liquidity but historically have only marginally outpaced inflation in terms of return.

CORPORATE BONDS – Generally a promissory note given by a corporation to an investor, involving a promise to pay interest and to repay the par or face amount (also known as the principal) at a certain date. Interest is usually paid every six months, and the par value or face amount is usually \$1,000. The payment date may be a few months or many years in the future. After a bond is issued, it may be bought or sold many times at discounts or premiums to face value depending upon the rate and term of the bond, the remaining term and the prevailing interest rates.

CUSTODIAN BANK – A specialized financial institution responsible for safeguarding client portfolio assets, arranging and accounting for any and all investment transactions, reporting status of investment activity on a regular basis and performing other fiduciary and financial services as directed by the university investment team.

EQUITY INVESTMENTS – Equity always refers to ownership. It is usually used as a synonym for common stock of a publicly traded corporation. There are variations but no maturity.

EXCHANGE TRADED FUNDS (ETF) – A type of investment company whose shares trade on stock exchanges at prices determined by the market.

EXECUTIVE MANAGEMENT – President, Chief Financial Officer, ~~Vice-President of Finance and Facilities~~, and Associate Vice President ~~for Finance~~ of Salem State University, and/or their designees.

FEDERAL AGENCY SECURITIES – Generally a promissory note given by a government agency to an investor, involving a promise to pay interest and to repay the par or face amount (also known as the principal) at a certain date. Interest is usually paid every six months, and the par value or face amount is usually \$1,000. The payment date may be a few months or many years in the future. After a bond is issued, it may be bought or sold many times. This investment is not guaranteed by the US Treasury, but it is generally believed that a default of repayment of principal would never occur.

FEE ONLY- A reimbursement model that pays investment managers or firms an agreed upon amount for agreed upon services.

FEE BASED- A reimbursement model that pays investment managers or firms an agreed upon percentage of portfolio assets for their services.

INVESTMENT ADVISOR(S) -- Independent financial advisor and/or firm engaged to advise the University on investment strategies, portfolio selection, and economic forecasts as it relates to university assets. They may act on the university's behalf to effect trades or transactions as agreed upon between the advisor and university management.

INVESTMENT MANAGER(S) -- Investment management firms and/or bank trust departments engaged to manage the University's portfolio.

INDEX FUNDS -- A type of mutual fund or unit investment trust whose investment objective typically is to achieve approximately the same return as a particular equity or bond index by investing in the instruments of issuers included in the index (or a representative sample). Because an index fund is "passively" managed, its fees and expenses are typically lower than those of an actively managed fund.

LONG-TERM INVESTMENTS -- May refer to a bond with a maturity of more than one year from the date of purchase.

MANAGED FUNDS -- A portfolio of stocks or bonds owned by an individual or institution and managed by (i.e., investment decisions are made by) a professional investment manager.

MUTUAL FUNDS -- Funds operated by an investment company that raise money from shareholders and invest it in stocks, bonds, options, commodities, or other money market securities. These funds offer investors the advantages of diversification and professional management. For these services they charge a management fee, typically one percent or less of assets per year.

NASDAQ -- The National Association of Securities Dealers Automated Quotation, also called the "electronic stock market." The NASDAQ composite index measures the performance of more than 5,000 U.S. and non-U.S. companies traded "over the counter" through NASDAQ.

OPERATIONAL PROCEDURES -- Used by university managers as implementation and administrative guidelines for the Salem State University Investment Policy.

PORTFOLIO COMPOSITION -- The investment holdings of an individual or institutional investor; includes stocks, bonds, options, money-market accounts, etc.

PRUDENT INVESTMENT RULE - Generally refers to discharging of duties in good faith and with that degree of due diligence, care and skill which a prudent person would ordinarily exercise under similar circumstances in a like position.

SECURITIES AND EXCHANGE COMMISSION - A Federal agency established to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation.

SHORT-TERM INVESTMENTS - May refer to a bond with a maturity of less than one year from the date of purchase.

SECURITIES INVESTOR PROTECTION CORPORATION (SIPC) - Government-sponsored organization created in 1970 to insure investor accounts at brokerage firms in the event of the brokerage firm's insolvency and liquidation. The maximum insurance of \$500,000 per customer, including a maximum of \$100,000 in cash assets, covers losses due to brokerage house insolvencies, not losses caused by security price fluctuations. SIPC coverage is similar in concept to Federal Deposit Insurance Corporation coverage of customer accounts at commercial banks.

U.S. TREASURY SECURITIES - A promissory note given by the US Government to an investor, involving a promise to pay interest and to repay the par or face amount (also known as the principal) at a certain date. Interest is usually paid every six months, and the par value or face amount is usually \$1,000. The payment date may be a few months or many years in the future. After a bond is issued, it may be bought or sold many times. This investment is guaranteed by the US Government and is considered to have no default risk.

I. PURPOSE

This ~~document~~Policy is intended to be used as a policy and procedural guide for the administration of Salem State University ("University") investment funds. The administration of these funds will comply with MGL Chapter 73, Section 14 as well as with MGL Chapter 180A, also known as the Uniform Management of Institutional Funds Law. This Policy will also serve as a basis for actions of management in carrying out its investment duties, and for the Board of Trustees of the University in monitoring management's investment activities.

The University shall use the services of one or more ~~Investment m~~Management ~~f~~Firms and/or a ~~Bank f~~Trust ~~d~~Departments ("Investment Manager[s]") to carry out the University's investment activities. The basic responsibility of the Investment Manager(s) will be to keep executive management of the University (~~"Management"~~) abreast of the economy and market conditions and to invest in a mix of eligible instruments within the context of laws, regulations and this ~~p~~Policy. The Investment Manager(s) shall be approved by the Board of Trustees ("Board") as part of this ~~p~~Policy. ~~The University's Executive~~ Management may delegate authority to the Investment Manager(s) to act within the boundaries of this ~~p~~Policy

II. OBJECTIVES

The primary objectives of the ~~p~~Policy are to provide safety of principal and sufficient liquidity to ensure a reasonable degree of flexibility in the operations of the University, while also achieving long-term capital growth and appreciation for the portfolio. This means that investments will be made which, if necessary, will provide the University with the ability to convert any asset to cash with the least amount of credit or interest rate risk (i.e. loss of principal) within a prescribed period of time as directed by the Board or ~~Executive~~ Management.

All investments made for the purpose of attaining the foregoing objectives shall be made exercising judgment and care consistent with the Prudent Investment Rule, so called, and consistent with all applicable statutes, regulations and generally accepted investment practices.

III. PORTFOLIO COMPOSITION

The University's investment portfolio, for purposes of this Policy statement, shall consist of three major categories of financial investments: (1) fixed income - short and long term (bonds); (2) equity (stocks); (3) cash or cash equivalents.

1. Fixed Income - short term and long term (bonds):

(a) *Fixed Income – short-term.* These are investments which have maturities of no longer than one year. The purpose of the fixed income short-term investment portfolio shall be to provide sufficient liquidity to meet institutional objectives. The use of this portion of the portfolio shall be consistent with management's anticipated cash flow needs and future investment opportunities.

(b) *Fixed Income – long-term.* These are investments which have maturities of more than one year from the date of investment. The purpose of the long-term portion of the investment portfolio shall be to maximize return within the context of other recognized needs and risks. The portfolio shall be considered for purposes of capital growth and the provision of long term funding of capital needs. Eligible securities and other restrictions are as follows:

1. U.S. Treasury and Federal Agency Securities
 - a. Maximum size of portfolio - no limit
 - b. Maximum lot size - no limit
 - c. Maximum average maturity - 7 years
 - e.d. Mutual funds or ETFs consisting of individual securities that meet the above characteristics

2. Corporate Bonds
 - a. Aggregate limit of all corporate bonds: ~~20~~35% of capital (prudently diversified distributed over at least several corporations)
 - b. Maximum maturity – 7 years~~years~~
 - c. All individual corporate bonds shall have a rating of Baa/BBB or better as published by Moody's or Standard & Poor's at the time of purchase
 - d. Mutual funds or ETFs consisting of individual securities that meet the above characteristics
 - e.e. Mutual funds or ETFs holding broadly diversified portfolios of bonds with credit ratings below Baa/BBB (i.e., "high-yield") as published by Moody's or Standard & Poor's at the time of purchase

3. Municipal/Other Tax Exempt Issues

Municipal bonds and other tax exempt bond issues offer an opportunity that allows investors to avoid payment of taxes on income or capital gains resulting from the investment. Since the University is a tax-exempt entity that does not pay taxes, municipal bonds and other tax exempt bond issues are generally not advantageous to the investment portfolio although not necessarily prohibited within the portfolio. D; depending on market conditions, these instruments may be appropriate and attractive even without the benefit of the tax shelter.

2. Equity (stocks):

The purpose of the equity investment portfolio shall be to maximize return and provide a hedge against inflation through a diversified approach in compliance with applicable Massachusetts statutes. Eligible securities, appropriate rating service and dividend policy follow.

Equities generally refer to the common or preferred stock in publicly-traded companies, but they may also be in the form of Managed Funds, which include such investment vehicles as mutual funds, exchange traded funds (ETFs) and other types of funds that function in a managed way but are not directly managed by the University's Investment Manager. Managed funds of this sort are acceptable in the University's portfolio if they are consistent with the standards that otherwise apply to equities.

<u>Eligible Securities</u>	<u>Rating Service *</u>	<u>Dividend Policy</u>
Domestic Equities	S & P Stock Guide Rating of B+ or Better	Maximum Reinvestment Enhance Growth
International Equities Reinvestment	MSCI All-World <u>ACWI**</u> Index —Maximum Rating of B+ or Better	Enhance Growth
Total Equities (Blended)	Blend 60/40 S & P and MSCI Rating of B+ or Better	Maximum Reinvestment Enhance Growth
Mutual Funds	Morningstar Four Star or Better	Maximum Reinvestment to Enhance Growth
Exchange Traded Funds Reinvestment	To Be Determined <u>Determined*</u> Index —Maximum Four Star or Better	to Enhance Growth

*At least annually, the Rating Service (i.e. benchmark) will be determined based upon mutual discussion and agreement between the investment manager and University management.

**ACWI is an abbreviation for All-Country World Index, as published by MSCI.

~~**At least annually, the Rating Service (i.e. benchmark) will be determined based upon mutual discussion and agreement between the investment manager and University management:~~

"Alternative Investments" may include private (unregistered) securities such as hedge funds, private equity funds, venture capital funds, commodities, precious or industrial metals, etc. While these are not expressly prohibited in this policy, it is anticipated that they will be used sparingly if at all. This provision also applies to registered "liquid alternative" mutual funds that are designed to mimic private unregistered funds. To the extent that any Alternative Investments are used, they will be counted as Equities for the purpose of reviewing asset allocation.

3. Cash and Cash Equivalents:

Cash and cash equivalents are instruments that are relatively "liquid" in nature and are available for operational and/or investment opportunities. This component of the portfolio should be minimal.

4. Prohibited Investments:

Investment in derivative securities, forwards, swaps, futures of any type is explicitly prohibited via direct or indirect involvement under this policy.

IV. ASSET ALLOCATION

Asset Allocation of the University portfolio should be equivalent to approximately 5565% in equities, 3545% in fixed income. Managed Funds that include both equity and fixed income underlying investments shall be distributed to the appropriate portfolio category for the purpose of reviewing asset allocation. Recognizing that from time-to-time during the course of business it is not realistic to expect complete compliance with this guideline, an acceptable range follows:

	<u>General Goal</u>	<u>Acceptable Range</u>
Equities	<u>5565%</u>	<u>4550% - 6575%</u>
Fixed Income	<u>3545%</u>	<u>3525% - 5550%</u>
<u>Alternative Investments</u>	<u>0%</u>	<u>0% - 10%</u>
<u>Other</u>	<u>---</u>	<u>---</u>
<u>---FBD</u>		<u>---FBD</u>

Cash	Minimal	0% - 10%
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Any asset allocation not within these ranges should be communicated by the Investment Manager(s) to ~~the Management Associate Vice President of Finance~~ as soon as practicable but no later than the next monthly status report to the University. Unless otherwise directed by ~~Executive Management~~, the portfolio should be re-balanced to fit within the acceptable ranges defined in this policy as soon as practical, taking investment risks into consideration. The Investment Manager is expected to rebalance the portfolio at least annually.

V. INVESTMENT MANAGER(S)

The approved Investment Manager(s) must be fully-licensed and registered by all applicable Federal, State and professional agencies/organizations. The Investment Manager(s) shall be responsible for managing the portfolio consistent with the overall objectives of the ~~p~~Policy. Additionally, ~~their~~ responsibilities will include providing the University with overviews of current economic conditions and market forecasts and timely reports on the University's portfolio, which may ~~impact-affect~~ investment strategies. The Investment Manager(s) shall be advised of the University's operational needs (if any) and projected capital expenditures that may ~~impact-affect~~ the portfolio.

Each year, the Board will review the financial strength, standing, and performance of the Investment Manager(s). During this review, any material changes in the licensing, registration or other information deemed material in the relationship between the University and the Investment Manager(s) should be communicated to the Board.

VI. PORTFOLIO PERFORMANCE

Each Investment Manager engaged by the University to manage all or part of the investment fund shall report to ~~Executive Management~~ on a monthly basis and shall present a report to the Board of Trustees at least semi-annually or as requested by the Board. Reports to the Board shall review the performance of the portfolio in comparison to:

- ~~the performance of~~ established benchmarks and asset allocation goals;
- ~~comparison to~~ a targeted return pegged to a pre-determined percentage above the Consumer Price Index (CPI);
- ~~and where applicable, the performance of comparison to~~ other peer institutions performance for a comparable and readily available period.

On the basis of the performance report, the Board may direct changes in investment activities or approach.

VI, VII. USE OF INVESTMENT PORTFOLIO

The University's intent in investing in securities is to hold the respective security to its maximum earning potential while addressing the fiduciary responsibility to preserve principal. The Investment Manager(s) is authorized to buy and sell securities to improve yields, quality and marketability or to realign the composition of the portfolio in order to make it consistent with the policies set forth herein. At the direction and with the formal authorization of the Board, monies may be withdrawn from the portfolio to fund unanticipated and/or extraordinary operational expenses of the University, improve the quality of life on campus, and/or capitalize on other opportunities.

VIII. REPORTING AND MONITORING

The Investment Manager(s) will provide the University with on-line tools that allow review of the portfolio on a daily basis, such on-line tools to be in conformity with industry standards relating to data security, and with timely reports (at least monthly) that include all transactions, fees/charges and accumulated earnings and changes in market value for the stated period. In addition, the Investment Manager(s) shall provide a quarterly report to ~~Executive~~ Management. The report should also include purchases and sales of securities, composition, valuation, quality and yield performance of the pPortfolio for the stated quarter. The Investment Manager should also advise ~~Executive~~ Management as soon as practicable of any material changes to operations including

but not limited to; changing economic or political situations, portfolio allocation assumptions; investment management staffing or partnership service arrangements; different investment opportunities not specifically addressed in this statement -to name a few.

The Investment Manager(s) will meet with the Board semi-annually to review the investment objectives against the portfolio performance ~~vs. established benchmarks, and economic forecasts, and strategic asset allocations for future planning purposes.~~ The first meeting should occur at the first meeting of the Board after the close of a calendar year and should primarily focus on portfolio performance for the recently completed year. The second meeting should occur in the fall of each year and should focus on strategic asset allocation, appropriate benchmarks and other performance criteria for the upcoming calendar year beginning in January. At both meetings, the Investment Manager(s) shall present economic forecasts and quantitative analysis impacting ~~affecting portfolio performance or investment strategies.~~ Additional meetings with the Investment Manager(s) may be scheduled at the direction of the Board.

VIII. ASSIGNMENT OF RESPONSIBILITIES

~~Executive~~ Management is responsible for carrying out the investment activities for the cash management and investment funds of the University. ~~Executive~~ Management may delegate authority to the Investment Manager(s) approved by the Board to conduct investment transactions consistent with the goals and objectives of this policy.

IX. OPERATIONAL PROCEDURES

The Operational Procedures are intended to be used by ~~Executive~~ Management as implementation and administrative guidelines for the pPolicy. The primary objective of the Operational Procedures is to provide ~~Executive~~ Management with the direction to oversee the investments consistent with the pPolicy. Areas of primary oversight include, but are not limited to the following:

- (a) Review of asset allocations

- (b) Investment Manager(s) selection
- (c) Criteria for Investment Manager(s) performance and evaluation
- (d) Investment Manager(s) compensation
- (e) Conflict of Interest
- (f) Accounting and internal controls

(a) Review of Asset Allocations

~~Management: The Vice-President of Finance and Facilities and the Associate Vice-President for Finance~~ will review asset allocation by category to ensure consistency between the recommendations of the Investment Manager(s) and the objectives of the University as defined in the Policy.

(b) Investment Manager(s) Selection

~~Management: The Vice-President of Finance and Facilities and the Associate Vice-President for Finance~~ will recommend to the Board of Trustees selection of the Investment Manager(s). The recommendation will have resulted from a Request for Proposal (RFP) process in conformity with the Commonwealth's procurement laws and regulations. Appointment of the Investment Manager(s) shall be made after an RFP process and with the approval of the Board, such appointment being for a period of not more than five (5) years unless directed by action of the Board.

(c) Criteria for Investment Manager(s) Performance and Evaluation:

~~Management: The Vice-President of Finance and Facilities and the Associate Vice-President for Finance~~ will measure quarterly the performance of the Investment Manager(s). Evaluation criteria may include, but are not limited to, investment returns compared to the stated objectives for the portfolio, or various market indices or benchmarks as are determined to be appropriate. In addition, review of Investment Manager(s) performance and status of investment portfolio will be presented to the Board of Trustees of the University at least semi-annually.

(d) Investment Manager(s) Compensation:

The Investment Manager(s) will be engaged on a fee for services basis. The fee will be determined based on the competitive procurement process (RFP). Specific language for this computation will be clearly defined in the contract between the University and the Investment Manager(s).

(e) Conflict of Interest:

In accordance with Commonwealth statutes and University policy governing financial conflicts of interest, trustees, officers and employees of the University may not have any professional or personal relationship with a securities firm, Investment Manager or

employee doing business with the University. Further, trustees, officers and employees of the University may not receive gifts, gratuities or travel expenses from Investment Manager(s), dealers, custodians or others authorized to do business with the University.

(f) Accounting and Internal Controls:

The Investment Manager(s) will report to ~~Executive-Management~~ monthly that all of the investments for which it is responsible are in compliance with the investment policy. If any investments do not meet the ~~p~~Policy, the Investment Manager(s) will so note and explain the reason for that breach.

The securities will be held at an authorized custodian in separate accounts and not commingled in accordance with MGL Chapter 29 Section 34. It will be the responsibility of ~~the Associate Vice President for Finance~~ Management to ensure that appropriate internal controls are in place for the security and handling of all accounts.

The University will record and report all investment activity in accordance with Generally Accepted Accounting Principles. The University's auditors will audit the investment records and reports in accordance with Generally Accepted Audit Standards as part of the annual audit of the University's internal controls and financial statements.

X. PROCEDURE FOR CHANGING INVESTMENT POLICY & INVESTMENT MANAGERS

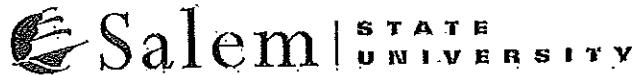
This Investment Policy Statement may be changed only by a vote of the Board of Trustees. ~~Executive-Management~~ shall report to the Board on an "as needed" basis regarding the desirability of modifying the Investment Policy Statement, however, notwithstanding, the ~~p~~Policy shall be reviewed by the Board annually.

At least biennially, the Board will discuss the need to issue an RFP for investment managers and at least every five years an RFP for investment managers will be issued.

Approved and Ordered By

BOARD OF TRUSTEES
20143

Date Approved: ~~February 11, 2015~~ ~~October 8~~ ~~November XX,~~



 REQUEST FOR TRUSTEE ACTION

Date: February 11, 2015
To: Board of Trustees
From: Patricia Maguire Meservey, President
Subject: Graduate and Continuing Education Tuition and Fee Increase
Requested Action: Approval

MOTION

The Finance and Facilities Committee hereby recommends that the Board of Trustees approve the following increases in fees and tuition for the graduate and continuing education students. The recommended rates take into account market conditions and move toward closer alignment of rates for all undergraduate students.

Recommended motion

The Board of Trustees of Salem State University hereby approves the following rates for graduate and continuing education tuition and/or fees for the category of students below as shown on Attachment E.

-
- Graduate in-state students enrolled through the university's School of Graduate Studies: Fees shall increase \$15 per credit hour, which, when combined with the current fee of \$228 and current tuition of \$140 per credit hour represents an increase of 4.1% over FY2014-15. In-state graduate tuition will remain at FY2014-15 levels.
 - Graduate out-of-state students enrolled through the university's School of Graduate Studies: Fees shall increase \$15 per credit hour, which, when combined with the current fee of \$228 and current tuition of \$230 per credit hour represents an increase of 3.3% over FY2014-15. Out-of-state graduate tuition will remain at FY2014-15 levels.
 - Undergraduate in-state students enrolled through the university's School of Continuing and Professional Studies: Fees shall increase \$33 per credit hour, which, when combined with the current fee of \$191.33 and current tuition of \$115 per credit hour, represents an increase of 10.8% over FY2014-15.
 - Undergraduate out-of-state students enrolled through the university's School of Continuing and Professional Studies: Fees shall increase \$33 per credit hour and tuition shall increase \$50 per credit hour, which, when combined with the current rate of tuition and fees of \$341.33 per credit hour, represents an increase of 24.3% over FY2014-15.

The new rates shall become effective for the fall term of the 2015-16 Fiscal Year.

Committee Assigned: Finance & Facilities

Committee Action: February 4, 2015

Date of Action: Approved

Trustee Action:

Trustee Approval Date:

Effective Date:

Signed: _____

Title: Secretary, Board of Trustees

Date: _____

GRADUATE Tuition and Fees For FY16

	Current (AY 2015 & Summer 2015)	Proposed AY2016 & Summer 2016	Change \$	Change %
Massachusetts Residents				
Tuition	\$ 140.00	\$ 140.00	\$ -	
Fees	\$ 228.00	\$ 243.00	\$ 15.00	
Per Credit	\$ 368.00	\$ 383.00	\$ 15.00	4%
Per 3 Credit Course	\$ 1,104.00	\$1,149.00	\$ 45.00	4%
Out of State Residents				
Tuition	\$ 230.00	\$ 230.00	\$ -	
Fees	\$ 228.00	\$ 243.00	\$ 15.00	
Per Credit	\$ 458.00	\$ 473.00	\$ 15.00	3%
Per 3 Credit Course	\$ 1,374.00	\$1,419.00	\$ 45.00	3%

CONTINUING EDUCATION Tuition and Fees for FY16

	Current (AY 2015 & Summer 2015)	Proposed AY2016	Change \$	Change %
Massachusetts Residents				
Tuition	\$ 115.00	\$ 115.00	\$ -	
Fees	\$ 191.33	\$ 224.33	\$ 33.00	
Per Credit	\$ 306.33	\$ 339.33	\$ 33.00	11%
Per 3 Credit Course	\$ 918.99	\$1,017.99	\$ 99.00	11%
Out of State Residents				
Tuition	\$ 150.00	\$ 200.00	\$ 50.00	
Fees	\$ 191.33	\$ 224.33	\$ 33.00	
Per Credit	\$ 341.33	\$ 424.33	\$ 83.00	24%
Per 3 Credit Course	\$ 1,023.99	\$1,272.99	\$ 249.00	24%

	Actual AY 2015	Proposed Summer 2016	Change \$	Change %
Massachusetts Residents				
Tuition	\$ 115.00	\$ 115.00	\$ -	
Fees	\$ 191.33	\$ 191.33	\$ -	
Per Credit	\$ 306.33	\$ 306.33	\$ -	0%
Per 3 Credit Course	\$ 918.99	\$ 918.99	\$ -	0%
Out of State Residents				
Tuition	\$ 150.00	\$ 150.00	\$ -	
Fees	\$ 191.33	\$ 191.33	\$ -	
Per Credit	\$ 341.33	\$ 341.33	\$ -	0%
Per 3 Credit Course	\$ 1,023.99	\$1,023.99	\$ -	0%

Salem State University
Market Information - Continuing Education and Graduate Rates per Credit Hour
AY15

	Current (FY15) CE/credit	Current (FY15) GR/credit
Salem State	\$306.33	\$368.00
Bridgewater State	\$342.71	\$374.71
Fitchburg State	\$293.00	\$304.00
Framingham State	\$328.00	\$361.67
Westfield State	\$260.00	\$280.00
Worcester State	\$341.50	\$361.50
Umass Boston	\$498.75	\$625.00
Umass Lowell	\$518.62	\$711.06
North Shore CC	\$179.00	N/A
Northern Essex CC	\$180.00	N/A
Middlesex CC	\$181.00	N/A
Southern NH	\$320.00	
Merrimack	\$318.00	
Umass Lowell DOCE - Undergrad In Person	\$335.00	
Umass Lowell DOCE - Undergrad Online	\$365.00	
Umass Lowell DOCE-Online/In Person		\$545.00
Umass Lowell DOCE-Education		\$470.00
Umass Lowell DOCE-Online MBA		\$600.00

SSU Board 2015 Evaluation

Board Structure and Communication: Board Size and Composition

1. The Board's composition reflects an appropriate mix of skills, experience, backgrounds, and diversity in relation to the needs of the University.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

2. The Board makes appropriate use of the skills and experience of its members.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

3. Each trustee contributes to the work of the Board in an effective manner.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

Comments on board size and composition:

SSU Board 2015 Evaluation

Board Structure and Communication: Meeting Schedule

4. The number of Board meetings is appropriate.

Strongly Agree

Agree

Neutral

Disagree

Strongly Disagree

5. The length of Board meetings is appropriate.

Strongly Agree

Agree

Neutral

Disagree

Strongly Disagree

6. Board meetings are held at an appropriate time of day.

Strongly Agree

Agree

Neutral

Disagree

Strongly Disagree

Comments on meeting schedule:

SSU Board 2015 Evaluation

Board Structure and Communication: Meeting Attendance

7. I understand that I am expected to attend Board meetings.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

8. I receive adequate information from staff to prepare me for Board meetings.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

9. Board meetings are generally well run and make good use of members' time.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

10. Our Board meetings are conducted in a manner that ensures open communication, meaningful participation and timely resolution of issues.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

11. Our Board has adequate time for discussion.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

Comments on meeting attendance:

--

SSU Board 2015 Evaluation

Board Structure and Communication: Committees

12. The Risk Management & Audit Committee is effective in fulfilling its responsibilities.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

13. The Institutional Advancement, Marketing & Communications Committee is effective in fulfilling its responsibilities.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

14. The Academic Affairs & Student Life Committee is effective in fulfilling its responsibilities.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

15. The Finance & Facilities Committee is effective in fulfilling its responsibilities.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

16. The Executive Committee is effective in fulfilling its responsibilities.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

Comments on committees:

SSU Board 2015 Evaluation

Board Structure and Communication: Information and Agenda

17. The Board is actively engaged with management in identifying, prioritizing, and scheduling issues for Board review and discussion.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

18. The Board is actively engaged in identifying and communicating to management the Board information needs, including information about the competitive environment, risk identification and assessment, and performance benchmarks.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

19. Board members stay abreast of issues and trends affecting the University, and use this information to assess and guide the University's performance, both year-to-date and long term.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

20. Board members devote time to learn about the University's business and understand it well enough to provide critical oversight.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

21. The majority of Board meeting time is reserved for Board discussion and consideration rather than management presentations.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

22. New Board members are provided with an appropriate orientation and other relevant information about the University and the Board.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

23. Trustees are kept well informed of important University matters between Board meetings.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

Comments on information and agendas:

--

SSU Board 2015 Evaluation

Board Structure and Communication: External Relations Practices

24. The Board regularly assesses the effectiveness of relations with key external constituent groups.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

25. The Board has approved effective marketing and public relations strategies for SSU.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

26. I feel comfortable talking about the mission and effectiveness of SSU.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

27. I have attended an SSU event within the last year.

- Yes No

Comments on external relations practices:

SSU Board 2015 Evaluation

Board Effectiveness

Does the Board devote sufficient attention to...

28. The University's financial statements and processes?

- Strongly Agree Agree Neutral Disagree Strongly Disagree

29. The University's annual capital and operating budgets and plans?

- Strongly Agree Agree Neutral Disagree Strongly Disagree

30. The long-term strategic plans and planning process?

- Strongly Agree Agree Neutral Disagree Strongly Disagree

31. The University's standards of governance and conduct?

- Strongly Agree Agree Neutral Disagree Strongly Disagree

32. Technological developments?

- Strongly Agree Agree Neutral Disagree Strongly Disagree

33. Legal and regulatory developments and compliance?

- Strongly Agree Agree Neutral Disagree Strongly Disagree

34. Management development and succession?

- Strongly Agree Agree Neutral Disagree Strongly Disagree

SSU Board 2015 Evaluation

Board Effectiveness

35. The Board has developed with the administration a common understanding of the University's beliefs, values and philosophy, and this understanding is reflected in the University's mission, its strategic plan deliberations throughout the year.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

36. The Board regularly monitors performance against the strategic plan and Master Vision.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

37. The Chair is effective in serving the Board's needs.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

38. The Board encourages/ensures an open line of communication between the Board and senior management.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

39. The Board encourages/ensures an open line of communication between Board members.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

Comments on board effectiveness:

--

SSU Board 2015 Evaluation

Fiscal Management Practices

40. SSU's annual budget is fully discussed with the Board before it is approved.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

41. The fiscal health of SSU is regularly reviewed and any necessary board actions are taken thoughtfully and quickly.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

42. Board leadership takes steps to ensure that fiscal reports are thoroughly reviewed by the Board.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

43. The annual report of SSU's independent auditor is reviewed by the Board and any necessary actions are taken in a timely way.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

44. I am fully aware of my legal responsibilities as a Board member for SSU's fiscal management.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

45. The Board regularly reviews the financial investment practices and portfolio performance of SSU.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

46. The Risk Management & Audit Committee provides timely and accurate information to the Board.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

Comments on fiscal management practices:

--

SSU Board 2015 Evaluation

The Governing Board and the President

47. The Board goals, expectations, and concerns are openly, honestly, and constructively communicated to the President.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

48. The Board understands and respects the difference between the Board's role and the President/senior management's role.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

49. The Board regularly and actively engages in evaluating the performance of the President.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

50. The Board supports the President/senior management to act realistically, appropriately and responsibly, when holding the President/senior management accountable for operating results.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

51. The President's performance is formally assessed at least annually based on objectives established at the beginning of the fiscal year.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

Comments on the Governing Board and President:

--

SSU Board 2015 Evaluation

Financial Support

52. I understand SSU's fund raising needs and strategies.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

53. The Board has a clear policy on Board members' expectation to participate in fundraising efforts.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

54. Board members play an active role in SSU's fundraising efforts.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

55. I have made an annual fund gift this year.

- Yes No

56. I am comfortable with the financial expectations of the Trustees.

- Strongly Agree Agree Neutral Disagree Strongly Disagree

Comments on financial support:

--

NB-15-01

Where We Stand



Degrees of Urgency Data

- 65% of projected jobs nationwide will require a college education by 2020
- 72% of projected jobs in MA will require a college education by 2020
- 19% of jobs in MA will require at least a masters degree by 2020
- 27% of current MA graduates are in STEM and Healthcare fields

The Impact of Funding

The Impact of a Metric Rating System

Enrollment

Undergraduate Degree Seeking Headcount MA State Universities and UMass System

<u>MA State Universities</u>	<u>Fall-2009</u>	<u>Fall-2010</u>	<u>Fall-2011</u>	<u>Fall-2012</u>	<u>Fall-2013</u>
Bridgewater State University	8,725	9,179	9,422	9,551	9,489
Salem State University	7,086	7,296	7,136	7,143	7,134
Westfield State University	4,925	5,098	5,254	5,191	5,524
Worcester State University	4,211	4,395	4,775	4,808	5,033
Framingham State University	3,485	3,528	3,885	4,147	4,255
Fitchburg State University	3,987	4,026	3,958	3,944	4,056
Massachusetts College of Art and Design	1,771	1,825	1,850	1,818	1,861
Massachusetts College of Liberal Arts	1,625	1,677	1,610	1,553	1,484
Massachusetts Maritime Academy	1,152	1,188	1,269	1,303	1,362
<u>UMass System</u>					
University of Massachusetts Amherst	20,287	20,791	21,264	21,448	21,672
University of Massachusetts Lowell	9,615	10,649	11,025	11,470	11,830
University of Massachusetts Boston	10,027	10,626	10,941	11,386	11,721
University of Massachusetts Dartmouth	7,775	7,586	7,372	7,325	7,167

Graduate Degree Seeking Headcount MA State Universities and UMass System

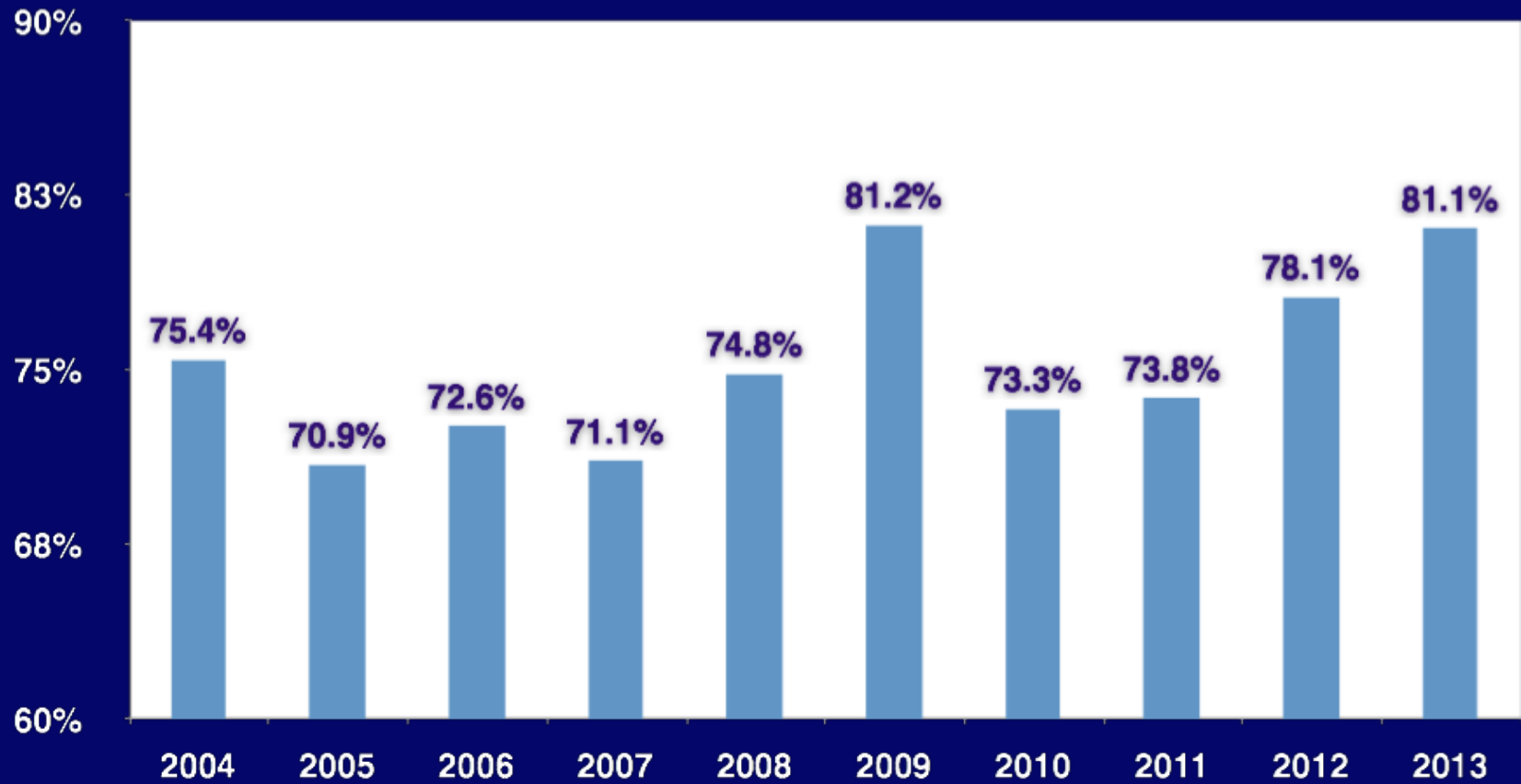
<u>MA State Universities</u>	<u>Fall-2009</u>	<u>Fall-2010</u>	<u>Fall-2011</u>	<u>Fall-2012</u>	<u>Fall-2013</u>
Salem State University	1,367	1,452	1,402	1,348	1,350
Bridgewater State University	1,285	1,394	1,367	1,362	1,307
Framingham State University	804	899	931	933	949
Fitchburg State University	1,066	1,081	955	898	789
Worcester State University	487	516	616	598	621
Westfield State University	420	514	544	537	522
Massachusetts College of Art and Design	131	187	164	151	144
Massachusetts College of Liberal Arts	242	215	144	103	109
Massachusetts Maritime Academy	97	96	90	103	100
<u>UMass System</u>					
University of Massachusetts Amherst	5,546	5,677	5,770	5,792	5,848
University of Massachusetts Lowell	2,074	2,857	3,200	3,431	3,689
University of Massachusetts Boston	3,253	3,323	3,325	3,225	3,397
University of Massachusetts Dartmouth	1,114	1,522	1,514	1,465	1,442

One Year Retention Rate

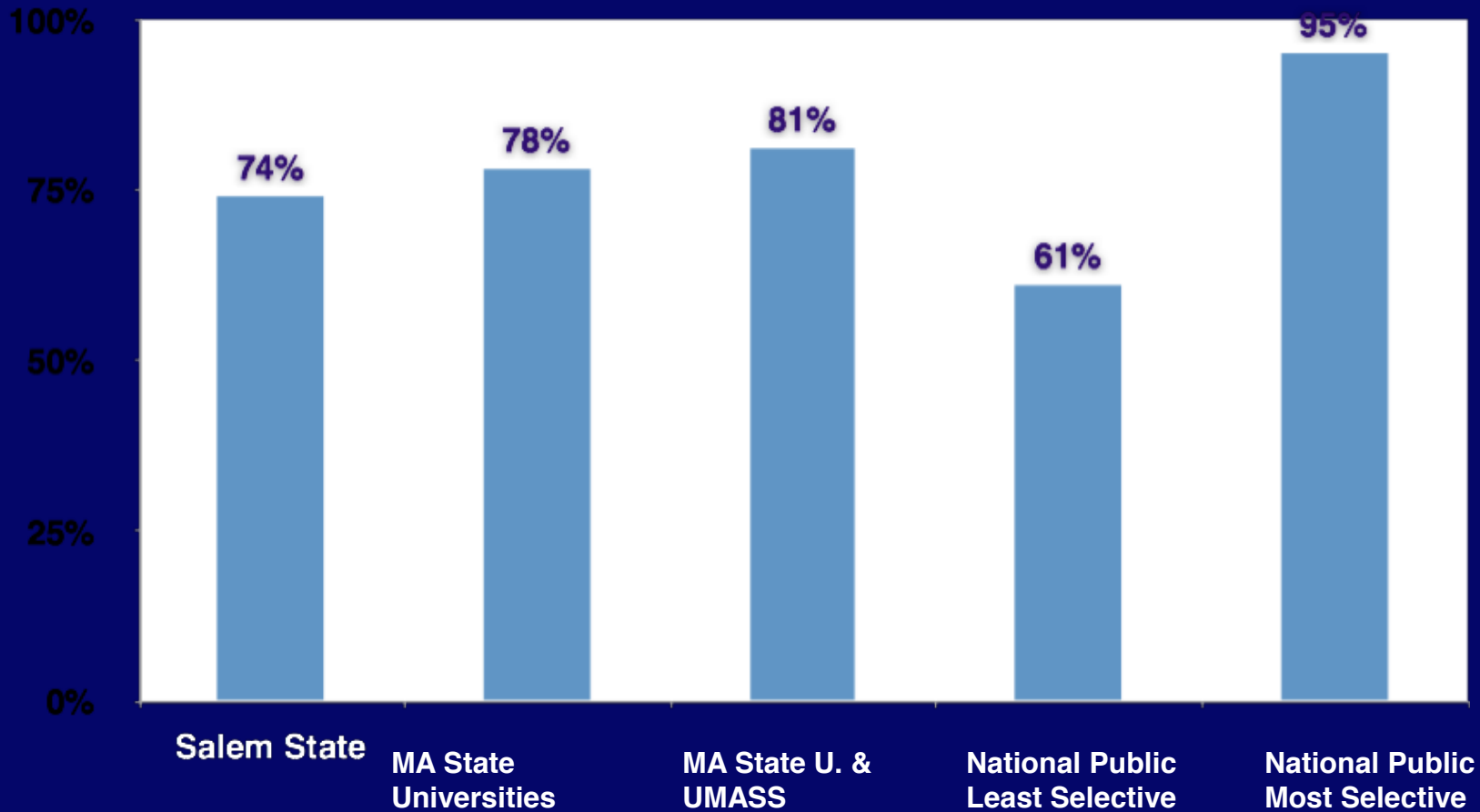
One Year Retention Rate – FT Freshman MA State Universities and UMass System

<u>MA State Universities</u>	<u>Fall-2008</u>	<u>Fall-2009</u>	<u>Fall-2010</u>	<u>Fall-2011</u>	<u>Fall-2012</u>
Massachusetts Maritime Academy	86.5%	85.2%	90.4%	87.7%	86.4%
Massachusetts College of Art and Design	88.4%	89.2%	89.9%	87.5%	84.4%
Bridgewater State University	81.7%	81.0%	80.9%	80.6%	81.4%
Worcester State University	76.6%	75.2%	79.6%	78.1%	80.3%
Westfield State University	78.6%	78.9%	79.4%	79.9%	79.0%
Massachusetts College of Liberal Arts	74.5%	73.9%	71.2%	74.5%	78.6%
Fitchburg State University	76.8%	77.5%	72.8%	74.2%	78.5%
Salem State University	74.8%	81.2%	73.3%	73.8%	78.1%
Framingham State University	73.3%	75.1%	74.4%	74.1%	73.1%
<u>UMass System</u>					
University of Massachusetts Amherst	86.4%	88.3%	87.9%	87.3%	89.0%
University of Massachusetts Lowell	80.6%	78.2%	78.0%	81.0%	83.9%
University of Massachusetts Boston	77.2%	74.9%	75.0%	78.8%	77.5%
University of Massachusetts Dartmouth	72.8%	69.5%	73.1%	73.8%	75.2%

One Year Retention Rate – FT Freshman Salem State



One Year Retention Rate – FT Freshman (FL 2011 Cohort)

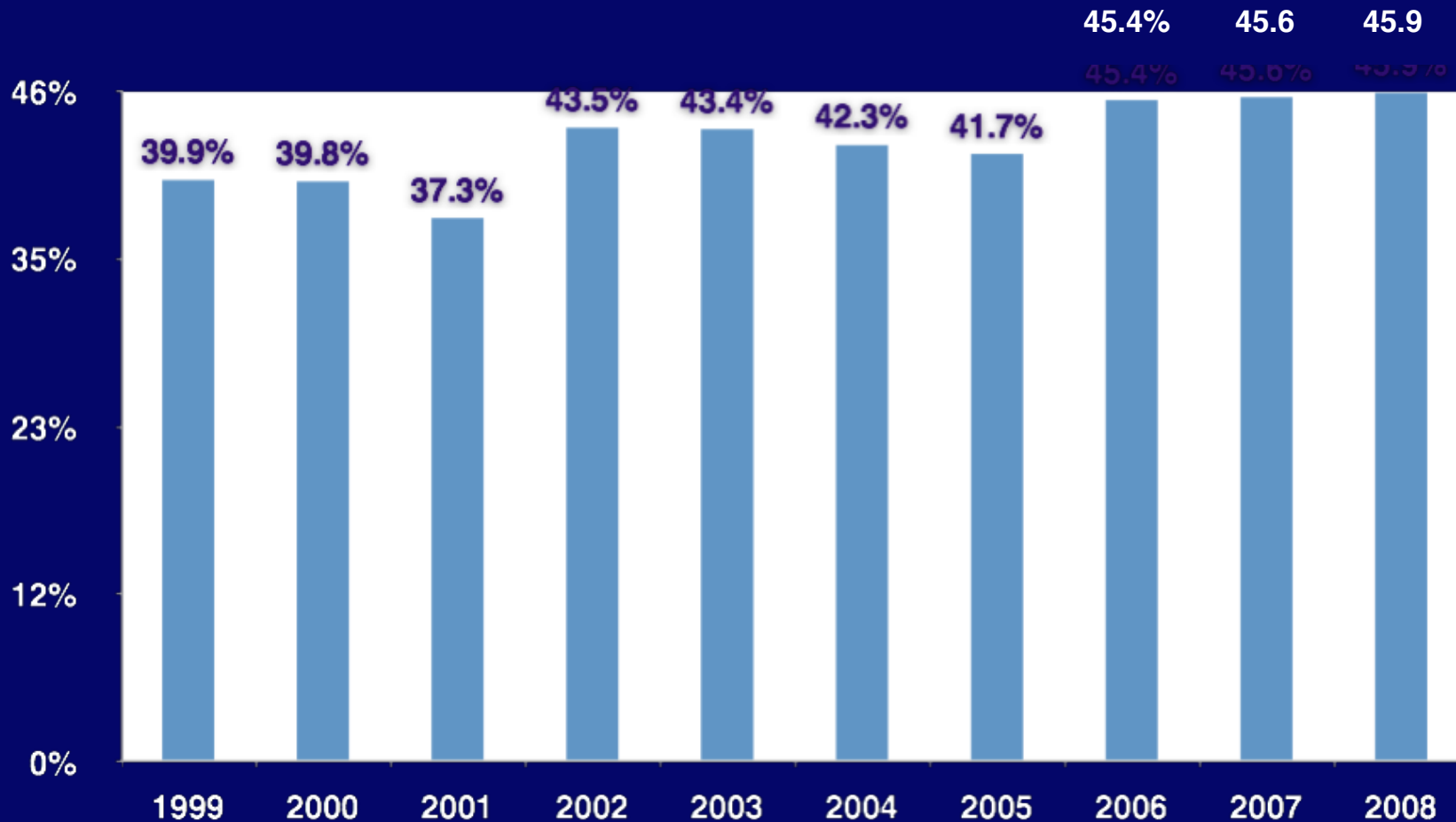


Six Years Graduation Rate

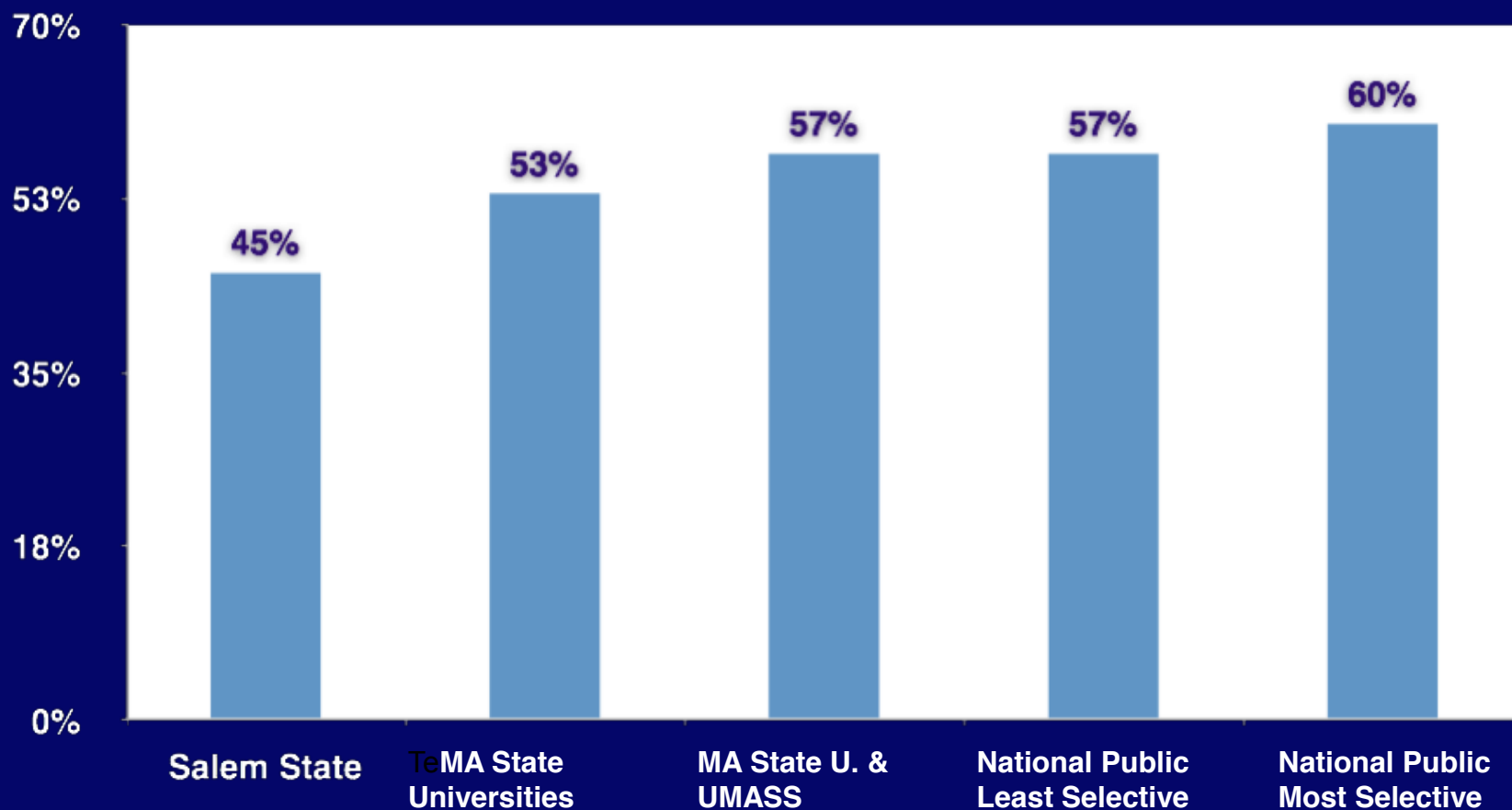
Six Years Graduation Rate – FT Freshman MA State Universities and UMass System

<u>MA State Universities</u>	<u>Fall-2003</u>	<u>Fall-2004</u>	<u>Fall-2005</u>	<u>Fall-2006</u>	<u>Fall-2007</u>
Massachusetts College of Art and Design	64.7%	56.2%	67.8%	64.7%	73.8%
Massachusetts Maritime Academy	63.9%	66.7%	65.3%	61.0%	66.7%
Westfield State University	57.7%	60.5%	58.3%	59.8%	58.5%
Bridgewater State University	53.7%	53.2%	51.7%	54.4%	57.5%
Massachusetts College of Liberal Arts	50.0%	51.3%	53.1%	46.8%	56.6%
Framingham State University	52.2%	51.1%	51.7%	51.5%	50.6%
Fitchburg State University	52.1%	51.8%	47.2%	50.8%	50.3%
Worcester State University	44.4%	45.1%	46.9%	51.0%	48.8%
Salem State University	43.4%	42.3%	41.7%	45.4%	45.6%
<u>UMass System</u>					
University of Massachusetts Amherst	65.4%	68.2%	67.2%	70.2%	72.7%
University of Massachusetts Lowell	52.8%	50.7%	50.0%	53.8%	54.3%
University of Massachusetts Dartmouth	47.7%	48.5%	48.2%	49.9%	49.0%
University of Massachusetts Boston	38.0%	40.3%	39.8%	37.9%	43.6%

Six Years Graduation Rate – FT Freshman Salem State



Six Years Graduation Rate – FT Freshman (FL 2006 Cohort)



What SSU is Doing to “Move the Needle”

- Summer Bridge Academy (Nate Bryant)
- FYE (Matt Chetnik)
- **MAP-Works®** (Sam Ohannesian)
- Emerging Scholars (Nate Bryant)
- Student Navigation Center (Laura DiChiara)
- Student Advocacy (Christine Sullivan)
- Advising Initiative (Lee Brossoit)
- CBO Outreach and Access (Mary Dunn/Jovan Sempa)

Summer Bridge Academy

- Aid high school graduates in achieving academic success in college
- Six-week summer program
- College level credits along with non-credited courses designed to supplement and improve academic skills
- Activities that help to ensure success outside of the classroom.
- Weekly individual appointments, group meetings and a variety of workshops held throughout the summer and academic year
- Designated student development coordinator meets with students on a regular basis
- Development coordinators conduct workshops: classroom etiquette, information literacy, getting involved on campus, and selecting majors and minors.
- Student development team works closely with other offices on campus including counseling and health services, career services, financial aid, and academic advising

F.Y.E.

- Offers an opportunity to explore, learn and grow
- Ensures that students have access to the resources and support needed to successfully navigate the transition from high school to university life
- Encourages students to take advantage of the numerous opportunities available at the university
- Challenges students to try something new, step outside of their comfort zone, ask questions, and share experiences

MAP-Works®

- Mapworks is a student retention and success system
- Unique, accurate, and highly-customizable risk predictor incorporates information from a variety of sources
- Delivers critical insights in an easy-to-use dashboard
- Educators and administrators can quickly see which students need attention and resources before it's too late

The Emerging Scholars Program

- Provides an opportunity for students to intentionally influence their academic success
- Develops a sense of community for student participants
- Imparts critical knowledge and skills to students for use in the classroom setting
- Increases the motivation and self-confidence regarding academic success
- Helps students become better integrated with the community, learning the values of engagement and personal accountability
- Encourages students to explore campus activities and programming

Student Navigation Center

- An innovative, student-oriented service office
- Designed to be a one-stop solution center to help improve the business of being a student
- Houses the offices of the student accounts, ClipperCard, financial aid, and the registrar
- A simple, one-stop location for students to complete all of their business needs

Student Advocacy Department

- Committed to providing information, support and advocacy
- Empowers students to resolve concerns that may act as a barrier to retention, progression and graduation
- Acts as a liaison between students and university personnel in a fair and impartial manner regarding students rights and university policies/regulations

Academic Advising Implementation Committee

- Charged with re-examining the recommendations made in 2012 to strengthen academic advising/resources in order to improve graduation rates of SSU students.
- The major areas focus on Institutional Structure (centralized advising during the students first year), Shared Mission, Role of Faculty, Training and Development (use of best practices) and Utilization of Technology

Community Based Organizations (CBO) Outreach & Access

- Building relationships with local community based organizations
- On-site CBO visits this fall included, Girls Inc. (Lynn), BU - Upward Bound (Boston), Boys & Girls Club (Boston), and Trinity Church (Boston).
- Created a Diversity Brochure which highlights services provided for our multicultural population.


Recommendation to the Board



Patricia Maguire Meservey, *President*

Memo

To: Members, Board of Trustees
From: Patricia Maguire Meservey, President
Date: February 11, 2015
Re: Achievements towards Vision Project Goals



In my December performance review from Commissioner Freeland, he complemented our collective achievements in many areas and also raised a few points of concern. I thought it would be helpful to offer some commentary on these areas to provide context and updates on our work to address any deficits.

College Participation

- SSU enrollments for African American students exceeds the regional proportions by two percentage points.
- SSU enrollments have the second-highest percentage of low-income students at 33% Pell eligible.
- SSU enrollments trail regional demographics for Latino students. The Latino percent for adults (18 – 24) in the Commonwealth is 12%; in Essex County it is 18%. Our Latino student enrollments represent approximately 11% of our undergraduate student body. We continue to employ strategies to increase enrollments of all under-represented groups.

College Completion

- SSU retention and graduation rates are improving and we were one of only four state universities that experienced a greater than one percent increase in graduation rates over the past three years – our student success has grown from 41.7% for the students entering in the fall of 2005 to 45.9% for those entering in the fall of 2008. Despite these improvements, we have the lowest graduation rate of the state universities. We continue to focus on this important metric of our students' success and expect a significant increase for the cohort entering in the fall of 2009.

- Thirty percent of our students require Development Math when they enter Salem State and only 30% have successfully completed a college-level math course by the end of their second year. Many of our students complete a quantitative reasoning course that is not coded as math in the state system. We are working to determine how the rate-completion in this course would alter our success rate. This said, the failure and withdraw rate in our first level math courses is a concern we identified several years ago and continue to work with our Math Department to improve. This will be a key focus for our new provost.

Closing the Achievement Gap

- We have made good progress in closing the achievement gap (graduation rate) between students of color and white students, yet we continue to struggle with our male to female comparisons. There are several initiatives underway to focus specifically on our male population, particularly men of color. We will update the Board on this work in the fall of 2015.
- Our low-income student graduation rates are at the state university average, which given our overall low graduation rate, is a good indication of our students' success.

Workforce Alignment

- SSU had the largest increase in STEM degrees among the state universities although overall we lag behind the average. This is in part due to our limited science facilities which will be addressed with our new building.
- SSU had the second highest level of Health Care degrees awarded yet we experienced a slight decrease in the actual percentage. This can be explained mainly by a reduction in nursing students due to faculty and clinical agency availability. Changes to our curriculum, including a new nurse practitioner graduate program, expanded occupational therapy offerings, and the Health Services degree the Board has just approved should increase our graduation numbers significantly.

Student Learning

- We have been congratulated for our efforts in this area and recognized for our leadership. As the particular metrics are still being developed, there is no direct comparison that can be offered.

Preparing Citizens

- We have been congratulated for our efforts in this area and for making it a priority for the university. As the particular metrics are still being developed, there is no direct comparison that can be offered other than our recognition on the President's Honor Roll for Civic Engagement.

Collaboration and Efficiency

- We have been congratulated for our efforts in this area and recognized for our leadership. We will work with our colleagues to quantify the actual savings and cost avoidance.

I will be eager to continue the conversation with the Board regarding building on our strengths and addressing our areas of limitation.

SUBJECT: Risk Management & Audit Committee Report for Wednesday, April 1, 2015

The Risk Management & Audit Committee of the Board of Trustees met on Wednesday, April 1, 2015, in Marsh Hall, Room 210, on the Central Campus of Salem State University.

Present for the Committee were Trustees Segal, Davis, Stringer, and Chair Scott (ex-officio); Advisory Committee Member Elaine Zetes, President Meservey (ex-officio), General Counsel and Vice President Keenan (committee liaison), Assistant Vice President Labonte, Chief Information Officer Ainsworth, Assistant Vice President of Human Resources Beth Marshall, and Ms. Toomey, Staff Assistant, Risk Management.

Chair Segal began the meeting of the Risk Management & Audit Committee at 3:03 pm. Chair Segal asked General Counsel and Vice President Keenan to proceed with his agenda items.

I. Policy Review Policy

General Counsel and Vice President Keenan discussed the review policy for all university policies. There was a discussion at the Trust Summit regarding annual review of policies across the departments to ensure they are working efficiently. The university is currently undergoing a redesign of the web site and policy review will part of the redesign process. There are currently 30K pages on the web site and the hopes are to decrease the number of pages to 1K. He will be reviewing policies with Assistant Vice President Labonte in his risk management role.

II. Use of Personal Email

General Counsel and Vice President Keenan addressed the use of personal emails by the members of the Board of Trustees. Attorney James Cox of the Rubin & Rudman law firm is counsel to the Council of Presidents and has advised university boards that trustees should be using university email accounts.

The conversation was turned over to Chief Information Officer Ainsworth who stated the core issue is records retention. In order to comply, the volume of paper and voice mails to be sorted by retention period and archived is practically impossible. The university uses an email archiver that keeps a copy of every email sent and received. If discovery is requested, the archive system can be accessed and searched for Salem State records. This is for personal protection, protects university records, complies with records retention, and keeps FOIA.

General Counsel and Vice President Keenan stressed the need for document control and strongly advised the board members to use their university email accounts. If board members use their personal email accounts, they are subject to having all of their personal emails

exposed if email records are subpoenaed. He also stated that texting is also a complication and recommends against it for communicating university business.

He requested that Trustee Scott speak with the rest of the board to require the use of university email account. Issues have surfaced due to use of personal email. For example, Hillary Clinton may have violated the records retention policy by using her personal email mingling personal with work matters.

President Meservey asked if it would be easier if board members could perhaps have their SSU email account forwarded to their personal account so they know when they have received an email from the university. That way, board members can login to their SSU account to read and/or respond to an email. CIO Pat Ainsworth replied that they would have to use the SSU account to respond to emails because the personal email would not be captured. Email accounts have been set up for all trustees and Chief Information Officer Ainsworth and her team will assist with follow-up/set-up. President Meservey said that Lynne Montague will also re-communicate with the board members regarding the use of university email.

President Meservey stated that faculty and staff are encouraged to use their university email account and the policy for communication with students is through their university account. The policy for email use should be a blanket policy for all employees and special state employees (board of trustees).

Trustee Scott stated this must be taken seriously per advice of counsel. This has the potential to create bad publicity. The option to have her SSU account forwarded to her personal email account is preferable.

III. Update on Litigation Process

General Counsel and Vice President Keenan updated the board on the process for litigation at the university. He handed out a summary of the complaint process (see Attachment A). He talked about the different levels of claims. Depending on the case, it is either defended by the Attorney General's Office or the Rubin & Rudman law firm. Trustee Segal asked about the retention level and who sets it; should it be set by the board? General Counsel and Vice President Keenan stated the process goes through the university's procurement office. The insurance company determines/recommends the appropriate level of coverage by the number of employees and size of the university. Trustee Segal questioned if each board member could be theoretically exposed to the \$175,000 self-insured retention amount. General Counsel and Vice President Keenan stated the trustees are not personally exposed; the university's exposure is \$175,000. This does not include legal fees, just damages. Legal fees are part of the insurance company's obligation/policy. Defense starts at the beginning of the matter. If there is a settlement, all parties agree on the amount at settlement. He has requested information about the cost of reducing the self-insured retention to \$125,000-\$150,000.

IV. Update on Sexual Assault Investigations

General Counsel and Vice President Keenan gave an update on investigations. Twenty university staff across departments attended a Title IX conference in Worcester in April in March as a result of the new COP policy that went into effect on March 15, 2015. They were trained on how to treat and appropriately investigate complaints. The university is in the

process of making sure employees designated as “Responsible Employees” know they are designated as such and know their obligations. A Responsible Employee needs to report a claim to the Title IX coordinator, Beth Marshall, for investigation. Due to Beth’s impending retirement, Mark Quigley will assume the role as Title IX coordinator going forward. Trustees have been designated as Responsible Employees. If a trustee is aware of a case of harassment, they need to report it to the Title IX coordinator.

General Counsel and Vice President Keenan stated defendants now have a right to obtain advice from counsel at hearings. He has reached out to the dean at the Suffolk Law School to see if they are interested in a clinical program to offer a student that desires legal advice a chance to speak with third year law students (at no cost). He would like our students to have the ability to speak with counsel before meeting with a university administrator.

Trustee Mattera asked about the role of the Responsible Employee to bring to law enforcement facts that come to their attention. General Counsel and Vice President Keenan stated if a Responsible Employee knows of a situation, they are obligated to report it to the Title IX coordinator. Regarding notification of law enforcement, the Clery Act is more concerned with the information and the when it happened. Title IX is significantly more concerned with who was assaulted. There is conflict between the Clery Act and Title IX and the issue is being reviewed by the Attorney General’s office. Responsible Employees need to notify the Title IX coordinator and the Title IX coordinator has an obligation under the Clery Act to notify law enforcement.

Trustee Scott asked how students were given information on how to report incidents. General Counsel and Vice President Keenan stated it is discussed at orientation, information is posted on the university’s web site, and brochures are available.

V. Review of the Continuity of Operations Plan (COOP)

General Counsel and Vice President Keenan discussed an example of how the Continuity of Operations Plan (COOP) is designed to work. As an example, he displayed a picture of the roof on Building One at Central Campus. Due to the heavy snow accumulation this past winter, the parapet was in danger of collapsing. In searching the COOP for an alternate location in case the building needed to be shut down, there were no alternate sites listed. General Counsel and Vice President Keenan then turned the discussion over to Assistant Vice President Labonte to further discuss and to provide an update on the COOP. Assistant Vice President Labonte stated the COOP draft was implemented last spring. After recent review of the plan, he stated key pieces of information are missing, such as alternate facilities in case of a facility is taken off line. The teams responsible for adding data did a great job entering key people and equipment but alternate facilities were not identified. Our partner/vendor for the COOP, BoldPlanning, is going through each department’s plan to identify deficiencies that need to be addressed. BoldPlanning will also be brought back to campus for more training sessions with COOP administrators over the summer.

There being no further business to come before the Committee and on a motion duly made by Trustee Scott and seconded by Trustee Davis it was unanimously

VOTED: To adjourn the meeting at 3:44 pm

Prepared by L. Toomey, Staff Assistant, Audit & Risk Management



Summary of Complaint Process

Procedure for Claims/Summons

When a claim/summons is received by the university, it is sent to General Counsel and Vice President for Administration, John Keenan, for review.

The university sends the matter to the Director of Purchasing, Evelyn Wilson, for her to notify Marsh Insurance and put them on notice of the pending complaint.

Salem State also forwards complaints to Rubin & Rudman for review. Rubin & Rudman, approved counsel of our insurer, handles the matter if it is regarding a labor contract/arbitration matter. If the matter is non-labor related, it is handled by the Attorney General's office. Interim AVP-Human Resources & Equal Opportunity, Mark Quigley, has been handling more of the labor/arbitration matters in house to reduce costs.

Claims of Value \$0-\$2,500:

The university can settle with operating funds.

Claims under \$2,500 are usually for an individual seeking medical costs not covered due to a slip and fall on campus. A claimant is asked to compose and send a letter to General Counsel stating the damages they are seeking including the police report and any other pertinent information. It is reviewed by General Counsel and the Director of Purchasing. If approved, a Release and Settlement Agreement is signed by the individual in consideration for the amount paid to them.

Claims of Value \$2,500-\$100,000:

If the amount requested is over \$2,500, claimant needs to file a presentment (claim) letter Under Mass. GL c.258 to the Attorney General, setting forth the details of the accident and enclosing relevant documentation to support the claim. The AG's office will then forward the documents to the university.

If settled, Salem State requests a Liability Management & Reduction Fund (LMRF) form from the presentment coordinator at the Attorney General's Office which starts the funding process. Once executed by all the parties, it is forwarded to the State Comptroller who makes payment to the claimant.

The LMRF is used to pay costs that departments incur as a result of tort claims under MGL.c.258. Tort claims are claims for damages or loss of property, personal injury or death caused by the negligence, wrongful act or omission of a state or special employee acting within the scope of their authority.

Claims of Value Over \$100,000 – Marsh Insurance

General Liability - \$100,000 Self-Insured Retention

Our standard insurance policy provides coverage against liability claims for bodily injury and property damage arising out of premises “slips and falls,” operations, products, and completed operations; and advertising and personal injury liability. This policy provides defense coverage for allegations, subject to the terms and conditions of the policy.

Educator's Legal Liability \$175,000 Self-Insured Retention

Covers a broad range of non-bodily injury/non-property damage liability claims made against the administrators, employees, and staff members of both schools and colleges. ELL, which is also known as “school board legal liability insurance,” is a hybrid of traditional directors and officers and errors and omissions coverages. Typical claims covered by ELL include wrongful termination, wrongful dismissal, failure to grant tenure, and negligent counseling.

SUBJECT: Institutional Advancement/Marketing & Communications Committee Meeting Report for April 1, 2015

The Institutional Advancement/Marketing & Communications Committee of the Board of Trustees met on Wednesday, April 1 in room 210 located in Marsh Hall on the Central Campus of Salem State University.

Present for the Committee: Trustees Mattera (chair), Burns, Malcolm and Scott; President Meservey (ex-officio), Vice President McGurren (committee liaison) Vice President Torello (committee liaison), Staff Assistant Shahin. Also present and participating: Trustees, Davis, Segal and Stringer.

Trustee chair Paul Mattera called the meeting to order at 3:45 pm.

Campaign Update (Attachment A)

Vice President McGurren reviewed the status of the campaign. The campaign goal is to raise \$25M by June 30, 2016. As of February 28, 2015, we have raised \$18,809,180. McGurren reported we have some very strong verbals, totaling \$278,000. This brings our total raised to over \$19M, or 76% of our goal.

She reported she and staff are conducting a pipeline review. New people are being identified constantly; research staff assign them to a gift officer and they become part of our pipeline for the gift solicitation cycle. Our pending visits total \$1,011,501 and our visits to be scheduled total \$1,807,750, so in order to achieve our goal of \$25M; we need to add additional donors, which also include adding new corporations and foundations. We will be coming back to the trustees to ask if any of them have contacts to some of these new corporations and foundations.

Our planned gifts are doing well. We are at 48% of our maximum allowable planned gift dollars of \$5M. The \$2.4M raised in planned gifts is all unrealized planned gifts. Once the donor has passed; it goes into the campaign numbers. Trustee Mattera asked for clarification of “best practice” for planned gifts. McGurren reported the person needs to reach 60 years of age within the campaign and the individual must provide documentation of their gift. She noted that most donors give us a copy of the pertinent section of their will which deals with the planned gift. Our planned gift numbers do not include donors who pledge a percentage of their estate.

McGurren then reviewed our progress on the funding priorities. She reported among the \$278,000 of verbal commitments which she had just discussed, they fall into the funding priority categories of “students”, “financial support” and “academic programs”. We are almost at 88% of goal for annual unrestricted and 95% for annual restricted. One of the primary goals of the campaign is to insure that our annual fund is strong after the campaign is completed. McGurren also reported the proceeds of the Tom Brady event are not reflected in the report which the trustees had before them. The tickets went on sale to the general public on Tuesday, March 31,

and within 27 minutes we had sold 2,100 tickets and we were sold out. The remainder of the tickets had already been purchased as part of sponsorships or by the students and employees. McGurren also reported of the 45 sponsorships we received, 15 of them are new sponsorships, which is very encouraging. There was a great deal of activity on our website during this process. People were visiting our campaign and other pages. McGurren thanked marketing and communications for their assistance with marketing as well as their handling of the media, in connection with the appearance of Tom Brady. President Meservey echoed McGurren's comment; thankful there were no major glitches in the sale of tickets on line. McGurren and Trustee Burns will have an "off-line" conversation about one of the new sponsorships.

There was discussion about the origins of the Series and how it was initiated solely as a community enrichment self-supporting program. When former president Bill Clinton appeared, the program generated a substantial profit. We did run into a few obstacles when Anderson Cooper was scheduled to speak and we had to reschedule him at a very late date, and then his subsequent cancellation a few hours before he was scheduled to appear. Trustee Mattera asked if we consider the Series as a way to raise money. McGurren said it is very useful as a cultivation and stewardship tool. One of our major donors came through the Series events. Trustee Segal commented that he thought of the Series as more of a community program that generates significant positive publicity for Salem State University and feels it is very important for us to continue to hold the Series. McGurren did speak to the sky-rocketing costs associated with the Series over the years. President Meservey commented that she would like to see the Series happen twice a year, as it did a couple of years ago. Trustee Malcolm inquired if there is a means to connect or bring new donors to the campus through the Series. McGurren responded that we do usually hold a dinner prior to the Series and a reception after the Series, which provides opportunities to bring new people on campus. She noted that if any of the Trustees would like to introduce someone to our community through the Series, to please contact her.

Web redesign update

Vice President Tom Torello discussed the web redesign status. Interviews for the project manager position have been completed. Background checks are being finalized and they hope to make an offer within the next few weeks. The RFP has been issued for a design partner and we received 10 responses. The core team reviewed all 10 responses and has decided to invite 5 agencies to do a presentation on campus. They are scheduled to be held this Friday, April 3 and next Wednesday, April 8. A decision should be made within a couple of weeks. Torello also reported we have just advertised for the content specialist position. All is moving along smoothly.

Torello briefly discussed the number of pages on our current website. When it was originally launched, the approximate number of pages was 37,000. It included everything. He anticipates the new website will be closer to 1,000 pages. The new website will create a crisp and clean focus for prospective students, our current students and families as well as alumni. There will be portals for internal information.

There being no further business to come before the committee and on a motion duly made by Trustee Burns and seconded by Trustee Scott, it was unanimously

VOTED: To adjourn the meeting at 4:20 pm.

Prepared by: Diane Shahin, staff assistant, Institutional Advancement

**Salem State University Foundation
 Campaign Snapshot
 July 1, 2010 – February 28, 2015**

ATT. A

To: Institutional Advancement/Marketing and Communications Committee of the Board of Trustees

From: Cheryl Crouse, Assistant Vice President and Campaign Manager

Date: March 11, 2015

RE: Campaign financial update – as of 02/28/2015

This is a report of giving for the 10,000 Reasons campaign for gifts received between July 1, 2010 through February 28, 2015. These totals include pledges, cash received, and new planned gifts from any person who reaches to the age of 60 within the timeframe of the campaign.

I. STATISTICAL REVIEW

Campaign Snapshot - Year Three

\$25,000,000 Campaign Goal
 \$18,809,180 Raised 7/1/2010 through 02/28/2015
 \$6,190,820 Balance to be raised by 6/30/16

\$1,011,501 Pending (51)
 \$6,000 Visits scheduled (2)
 \$1,807,750 Visits to be scheduled (78)

TIMELINE TO CAMPAIGN GOAL

Date	FY11	FY12	FY13	FY14	FY15	FY16
Cumulative goal	\$2,050,000	\$9,250,000	\$11,418,466	\$16,000,000	\$20,768,998	\$25,000,000
Dollars raised	\$2,185,493	\$9,118,466	\$12,051,456	\$15,731,002	\$18,809,180	
Balance to be raised					\$1,959,818	
Actual % to goal	9%	36%	48%	63%	75%	
Benchmark % to goal					90%	100%
Benchmark as of					Feb. 28, 2015	

PLANNED GIFTS TO DATE

Total amount to report*	\$5,000,000
Actual reported	\$2,420,000
Percentage to max. allowable	48%
Total number	18

*Reports on total allowable dollars that can be counted toward our \$25,000,000 goal.

COMPREHENSIVE CAMPAIGN FINANCIAL PROGRESS

Area	Goal	Documented	Verbal	Total Raised (Verbal & Documented)	Balance	% to Goal	Cash Received as of 02/15
Annual Fund Unrestricted	\$2,800,000	\$2,462,511		\$2,462,511	\$337,489	87.95%	\$1,686,120
Annual Fund Restricted	\$4,200,000	\$4,000,412		\$4,000,412	\$199,588	95.25%	\$3,464,237
Faculty*	\$3,000,000	\$89,928		\$89,928	\$2,910,072	3.00%	\$96,260
Students	\$4,000,000	\$2,222,811		\$2,222,811	\$1,777,189	55.57%	\$2,163,810
Financial Assistance	\$4,000,000	\$4,303,066		\$4,303,066	-\$303,066	107.58%	\$2,902,742
Academic Programs	\$2,000,000	\$2,723,174		\$2,723,174	-\$723,174	136.16%	\$833,924
Unrestricted Endowment	\$125,000	\$125,000		\$125,000	\$0	100.00%	\$100,000
Gordon Center Campaign	\$3,400,000	\$1,234,712		\$1,234,712	\$2,165,288	36.32%	\$864,440
Comprehensive Campaign Unrestricted	\$1,475,000	\$1,179,565		\$1,179,565	\$295,435	79.97%	\$814,950
Designation to be determined	n/a	\$0	\$468,000	\$468,000		n/a	n/a
Campaign totals	\$25,000,000	\$18,341,180	\$468,000	\$18,809,180	\$6,190,820	75.24%	\$12,926,484

Note:

1. The \$1.2 million Bertolon Goal was attained 3/1/12. Those funds are now included in Annual Fund Restricted, Faculty, Students, and Financial Aid.
2. In total, Salem State raised \$6,023,788 in a prior capital campaign for the Sophia Gordon Creative and Performing Arts Center.
3. The column titled **area** reports dollars raised by for each of our campaign priorities and does not report dollars raised for endowment vs. current use.

ANNUAL FUND PROGRESS

Area	Goal	Documented	Verbal	Total Raised (Verbal & Documented)	Balance	% to Goal
Annual Unrestricted FY11	\$250,000	\$362,883		\$362,883	\$0	145.15%
Annual Unrestricted FY12	\$475,000	\$925,929		\$925,929	\$0	194.93%
Annual Unrestricted FY13	\$475,000	\$502,561		\$502,561	-\$27,561	105.80%
Annual Unrestricted FY14	\$517,200	\$354,128		\$354,128	\$163,072	68.47%
Annual Unrestricted FY15	\$541,400	\$317,010		\$317,010	\$224,390	58.55%
Annual Unrestricted FY16	\$541,400	\$0		\$0	\$541,400	
Annual Unrestricted Total	\$2,800,000	\$2,462,511		\$2,462,511	\$337,489	87.95%
Annual Restricted FY11	\$800,000	\$638,180		\$638,180	\$0	79.77%
Annual Restricted FY12	\$500,000	\$985,919		\$985,919	\$0	197.18%
Annual Restricted FY13	\$480,000	\$749,783		\$749,783	\$269,783	156.20%
Annual Restricted FY14	\$670,800	\$1,095,904		\$1,095,904	\$425,104	163.37%
Annual Restricted FY15	\$874,600	\$530,625		\$530,625	\$343,975	60.67%
Annual Restricted FY16	\$874,600	\$0		\$0	\$874,600	
Annual Restricted Total	\$4,200,000	\$4,000,412		\$4,000,412	\$199,588	95.25%
Annual Unrestricted + Restricted	\$7,000,000	\$6,462,923	\$0	\$6,462,923	\$537,077	92.33%

**FY12 Annual Unrestricted total: \$925,929

This includes \$350,000 in multi-year \$25,000 or greater campaign commitments that are not expected to be replicated in FY13 totals (\$575,929 without \$25k+ multi-year campaign commitments)

*FY12 Annual Restricted total: \$985,919 this includes \$275,000 in multi-year \$25,000 or greater campaign commitments that are not expected to be replicated in FY13 totals (\$707,919 without \$25k+ multi-year campaign commitments)

SUBJECT: Academic Affairs and Student Life Committee Meeting Report for April 1, 2015

The Academic Affairs and Student Life Committee of the Board of Trustees met on Wednesday, April 1, 2015, in room 210 of Marsh Hall on the Central Campus of Salem State University.

Present for the Committee were Trustees Davis (chair), Segal, Stringer and Abdo; Chair Scott (ex-officio); President Meservey (ex-officio); Provost Silva (committee liaison), Vice President James (committee liaison) and staff assistant Longo, academic affairs. Also in attendance and participating in the meeting were Trustees Mattera, Malcolm and Burns; Associate Vice President Stoll, Principal Architect Johnston and Executive Director Adelman.

The meeting began at 4:30 pm with a tour of Viking Hall, a new residence hall being constructed for sophomore and junior students. The goal of the new residence hall is to increase the university's residential capacity and to enhance the educational experience for our students. In addition to dormitory rooms, the residence will have lounge areas, a performance space and a Starbucks. Associate Vice President Stoll led the tour with assistance from Doug Johnston, Principal Architect, William Rawn Associates and Edward Adelman, Executive Director, Massachusetts State College Building Authority.

Trustee Segal asked if the building would be LEED certified. Associate Vice President Stoll responded that it is tracking toward gold-level LEED certification. Atlantic Hall is certified at the silver-level.

Trustee Mattera asked if the Starbucks and performance space would be accessible to all students. Vice President James responded that one side of the space would be resident only (accessible via swipe card) and one side would be open to the public. Starbucks would be open to all. He stated that the building has capacity for 353 residents.

Trustee Segal asked how security would be handled. Associate Vice President Stoll responded that like other residence halls, the building will be accessed by resident swipe cards. In addition, the front desk will be staffed 24/7, cameras will monitor entry ways and the building will be equipped with panic buttons.

Trustee Mattera asked about the housing selection process. Associate Vice President Stoll stated that residence hall selection (and room type) is done via lottery. Students have the ability to choose their roommates if desired.

Trustee Burns asked if the dorm rooms will have A/C. Associate Vice President Stoll replied yes, and that all three resident halls in central have A/C.

Trustee Davis asked about student dining. Associate Vice President Stoll responded that students will dine in Marsh.

After the tour the committee walked back to Marsh Hall. Trustee Davis thanked Associate Vice President Stoll and remarked that after listening to his enthusiasm it was hard not to feel enthusiastic herself.

She then welcomed Provost and Academic Vice President David Silva to the university and turned the meeting over to the Vice President James. Vice President James gave Provost Silva a warm introduction.

Provost Silva thanked the committee for inviting him and commented that he feels very welcome and wanted at Salem State. After a brief overview of his biography, Provost Silva shared his own personal 10,000 reasons story:

The best teacher that he ever had was his 5th grade teacher Joanne Nardone. In 2009 he wrote to Joanne, thanking her. In 2015 he wrote to her again to share the news that he will be the next Provost at Salem State. His former teacher responded that she is excited that he will be leading her alma mater! Provost Silva expressed that he feels as though he has come full circle and is looking forward to strengthening our academic programs and helping to define what being a student at Salem State means.

The committee extended Provost Silva a very warm welcome.

There being no further business to come before the Committee and on a motion duly made by Trustee Burns and seconded by Trustee Abdoo, it was unanimously:

VOTED: To adjourn the meeting at 5:45 pm.

Prepared by: D. Longo, staff assistant, academic affairs

SUBJECT: Finance & Facilities Committee Meeting Report for April 1, 2015

The Finance & Facilities Committee of the Board of Trustees met on Wednesday, April 1, 2015, in Marsh Hall, room 210, Central Campus of Salem State University.

Present for the Committee: Trustees Burns (chair), Malcolm, Mattera, Chair Scott (ex-officio), President Meservey (ex-officio), advisory member Mr. Gadenne, Vice President House (committee co-liaison), Vice President Keenan (committee co-liaison), staff assistant Beaulieu. Others present and participating were: Trustees Abdo, Davis and Segal, Mr. Dunnigan (Assistant Treasurer, SGA), Mr. Doherty (Eastern Bank Wealth Management) and Mr. Tyler (Eastern Bank Wealth Management).

Trustee Burns, committee chair, called the meeting to order at 5:50 pm.

Student Government Association FY2015-16 Budget

Vice President House introduced Logan Dunnigan, assistant treasurer of the Student Government Association (SGA). Mr. Dunnigan presented the Student Government Association FY2015-16 Budget proposal (Attachment A). The presentation included a summary comparison FY2015 and proposed FY2016 budget; description of the budget process; the amount of funding requests received and criteria that the student budget committee reviews for each proposal. Among the criteria student groups and clubs must be required to perform at least one community service event. Proposals approved for funding totaled \$433,500 with funds set aside for new student organizations that may come forth in the fall.

Mr. Dunnigan is a junior majoring in History with a minor in Secondary education. He originates from Sturbridge, Massachusetts. He has served on the Student Government Association for two years. He will be serving as the treasurer for the SGA in the fall and he is also the current president of the Alpha Sigma Phi fraternity on campus.

Vice President House complemented the SGA and Mr. Dunnigan for their work on the budget.

Trustee Burns made the following motion, seconded by Trustee Malcolm:

MOTION

The Finance and Facilities Committee hereby recommends that the Board of Trustees approve the attached motion pertaining to the Student Government Association Trust Fund FY2015-16 budget as described in Attachment A.

On a voice vote, the motion passed unanimously.

FY2016 University Budget Outlook

Vice President House distributed a status report describing the major components and next steps in developing a budget for FY2016 (Attachment B). Revenue drivers include: enrollments, fee rates, the capital improvement fee, state operating appropriation, and miscellaneous revenue such as commission from the dining contract. Expense drivers include: union increases, increased fringe benefit rates, debt service increases, and increases in institutional scholarships and fellowships.

The next steps in developing the budget were described in the handout. The request for fee increases and proposed FY2016 pro forma budget will be brought to the May committee meeting. Tuition and fee estimates are being used to package student financial aid for next year. Refer to Attachment B for specifics of the revenue and expense drivers, their impact, and the university's budgeting process.

Discussion took place regarding a formula being developed for a pool of less than \$6 million in potential additional funding for public higher education. President Meservey is serving on this committee. The university will operate with the assumption that it may not get much additional funding. While state officials talk about the importance of investing in higher education, the state budget has a \$1.7 billion gap.

Facilities Update

Vice President Keenan briefed the committee on capital projects including projected completion dates (Attachment C). Highlights included the following construction projects: Viking Hall, parking garage, Sophia Gordon Center for the Creative and Performing Arts theater renovation, science building, relocation of Human Resources, Social Work and Institutional Advancement. Brief discussion took place regarding the parking garage project and traffic issues with the mayor and neighbors. Delaying the start of the garage construction, because of accumulated snow, allowed \$200,000 in additional costs to be avoided.

President Meservey announced Trustee Abdoo's new position as chief of staff to Commissioner Gladstone at the Division of Capital Asset Management and Maintenance (DCAMM). Trustee Abdoo looks forward to creating opportunities and efficiencies within DCAMM while partnering with the Massachusetts State College Building Authority (MSCBA) and the Department of Higher Education (DHE).

Vice President Keenan also reported on winter damage specifically Building One on Central Campus (parapet and roof) and Sullivan building roof. He also publicly complemented Dan Burke, director of maintenance and utilities, on his service. Mr. Burke will be retiring this month.

Investment Discussion with Eastern Wealth Management

John Doherty, chief relationship manager for Salem State University and Michael Tyler, chief investment officer both of Eastern Wealth Management were introduced. Mr. Doherty thanked the trustees and management for having faith in them to continue to provide investment services.

A PowerPoint (Attachment D) was presented which included the current investment objective, portfolio review and performance for calendar year 2014 and performance review through February 28, 2015. The portfolio at the end of February was worth \$13.3M. Comparisons of benchmarks for gross and net of fees return for one, three and five years were shown. In addition the university's performance statement through February 28, 2015 (Attachment E) and some articles written by Mr. Tyler were provided.

A rebalancing of the portfolio in January 2015 slightly reduced exposure to US equities, slightly increased exposure to international equities, and increased the average maturity of domestic bonds. Past performance saw equities underperform, because the benchmark performance was disproportionately improved due to strong performance of a select few stocks, notably Apple, Microsoft and Intel. The advisors discussed their outlook for the market going forward. The advisors responded to questions about hedging techniques.

Vice President House informed the committee that due to a great deal of interest in the topic of fossil fuel divestment, Salem State University will host a panel discussion in April. The moderated panel will include Professor Noel Healy who researches in this area and five other individuals including a Salem State student. Dr. Healy has mentored students who have won awards for their academic work on this subject. The program will be held as one of the university's Earth Week activities. Vice President House is pleased to be able to

provide a forum for the exchange of views on this subject and expects there will be additional discussions at a later point. Mr. Tyler, who wrote the article “Fossil Fuel Free” Funds: Fair or Foul? (Attachment F), expressed his excitement to be included in the upcoming panel discussion. Details about the event will be forwarded to the trustees.

Trustee Burns thanked Mr. Doherty and Mr. Tyler for their very informative presentation.

There being no further business to come before the committee, Trustee Mattera moved to adjourn and Trustee Malcolm seconded the motion.

MOTION: to adjourn the meeting.

On a voice vote, the motion passed unanimously.

The meeting adjourned at 6:55 pm.

Prepared by: Ms. Beaulieu, staff assistant, finance

REQUEST FOR TRUSTEE ACTION

Date: April 15, 2015
To: Board of Trustees
From: Finance & Facilities Committee
Subject: Student Government Association Trust Fund
 FY2015-16 Budget
Requested Action: Approval

The Salem State University Student Government Association (SGA) has prepared for Board of Trustees consideration a budget proposal for the 2015-16 fiscal year. The budget is based on revenues available through the assessment of a Student Government Fee, which is mandatory for all day undergraduate students. The budget supports various activities of the Student Government Association as well as many groups and clubs that are recognized as official student organizations.

The proposed budget is summarized below.

Beginning Cash Balance	\$95,639
<u>Revenues</u>	
SGA Fee	\$526,000
Transfers Out	<u>(88,130)</u>
Total Available Revenue	\$437,870
<u>Expenses</u>	
Salaries and Benefits	\$16,264
Operating Expenses and Services	<u>\$416,861</u>
Total Expenses	\$433,125
Ending Cash Balance	\$100,384

MOTION

The Finance and Facilities Committee hereby recommends that the Board of Trustees approve the following motion pertaining to the Student Government Association Trust Fund FY2015-16 budget as described in Attachment A.

Recommended motion

The Board of Trustees of Salem State University hereby approves the Fiscal Year 2015-16 Student Government Association Trust Fund budget as recommended by the president. The Board of Trustees, further, approves maintaining the Student Government Fee rate of \$80 per full-time student for the 2015-16 academic year.

The president and other officers of the university are hereby authorized to do all things and take all actions necessary to implement this motion.

Committee Assigned: Finance & Facilities

Committee Action: Approved

Date of Action: April 1, 2015

Trustee Action:

Trustee Approval Date:

Effective Date:

Signed: _____

Title: Secretary of Board of Trustees

Date: _____

SGA Budget Proposal FY '16

Budget Summary

FY 2015 Budget

SGA Funds Available	676,962
<i>SGA Reserves</i>	150,962
<i>SGA Fee Revenue</i>	526,000
Transfers Out	(88,130)
<i>Admin Expense</i>	9,000
<i>CAE Donation</i>	6,000
<i>Van Program</i>	7,130
<i>CE Fees to SIA</i>	66,000
Total Funds Available	588,832
<i>Approved SG Requests</i>	433,195
<i>Utilized Reserve</i>	60,000
<i>Anticipated FY15 Reserve</i>	95,637

FY 2016 Proposed

SGA Funds Available	621,639
<i>SGA Reserves</i>	95,639
<i>SGA Fee Revenue</i>	526,000
Transfers Out	(88,130)
<i>Admin Expense</i>	9,000
<i>CAE Donation</i>	6,000
<i>Van Program</i>	7,130
<i>CE Fees to SIA</i>	66,000
Total Funds Available	533,509
<i>Approved SG Requests</i>	433,125
<i>Anticipated FY16 Reserve</i>	100,384

Student Organization Budget Process

Attachment A

- **45 of 47 budgeted student organizations submitted proposed budgets for FY'16. These student organizations range from academic, club sports, performance, and social organizations**
- **A budget committee comprised of 7 student representatives reviewed these proposals**
- **Student organizations presented their proposals at a budget hearing. These hearings were held over 12 hours to allow all student organizations opportunity to propose for funding**
- **Budget proposals ranged from \$655-\$212,000 for a total funding request by student organizations of \$701,830.60**

Student Organization Budget Process

Attachment A

- **The budget committee specifically looked for the following when allocating funds:**
 - **Did the student organization use its current funding appropriately. For example, did they follow through with their original proposed events, did the student organization mishandle funds and go over budget, and did they collaborate with other student organizations.**
 - **Did a student organization submit new and creative events that were not based around a banquet meal**
 - **Did each student organization commit to one community service project**
 - **Has the student organization been innovative with current programs and done exceptional work with the current budget they are provided**

Student Organization Budget Process

Attachment A

- **The budget committee allocated \$433,125 of its funds to the student organizations**
- **Within these funds SGA has allotted funds in their operating budget for current student organizations that did not submit proposals to propose in the fall. Funds are set aside in the finance committee for new student organizations to form and receive funding by SGA**
- **All recommendations were submitted to the SGA senate and were approved**

FY16 University Budget Outlook – April 1, 2015

Overview:

Developing the FY16 operating budget is underway and the environment is challenging. This document will describe the major components and next steps in developing a budget to recommend for consideration.

Revenue Drivers

- Enrollment for FY16 is projected stable with FY15 counts.
- Varying College Fee rate increases are being modeled.
- The Capital Improvement Fee must increase to support the debt service and operating costs for the parking garage which enhances the overall campus circulation, traffic, and parking situation. In September we presented the Finance and Facilities Committee with a projected \$75 increase, to \$225 per full time student and it may need to be somewhat higher.
- The state operating appropriation is undergoing the legislative process.
 - The governor's budget submission continues the 1.5% "one-time" cut that we received late in FY15 and does not include financial support for the second year of contractual pay increases.
 - The state operating appropriation for FY15 is \$43.7 million; the governor's request for FY16 is \$43.1 million.
 - The governor's request included a small pool to be allocated among the state universities via a performance based formula that is undergoing development. It is unclear how much, if any, Salem State will receive.
- The dining contract includes a negotiated increase in overrides (i.e. commissions) and a lump sum contribution. These increases will support debt service and build out for the public food service facilities space within Viking Hall.

Expense Drivers

- Union contract increases and related fringe benefit impact will cost approximately \$2.8 million.
- The fringe benefit rate increases from 28.86% in FY15 to 30.82% in FY16, costing Salem State \$196 thousand for every \$10 million in salary expense.
- Debt service covered by the operating budget will increase 18% from \$4.2 million to \$4.9 million, related to:
 - Food Service-Viking Hall (see dining commission discussion above): \$175 thousand
 - Land Acquisition: \$68 thousand
 - Parking Garage: \$541 thousand
- Parking garage operational expense, other than debt service, is estimated at \$100 thousand.
- Institutional scholarships and fellowships will increase by \$50 thousand, to \$2.4 million.

Next Steps

- Budget submissions are being received and compiled from all areas of the university.
- Budget director is meeting with senior leaders as appropriate, especially with David Silva, our new Provost and Vice President for Academic Affairs.
- Cost containment opportunities have been solicited and are being reviewed.
- Student fee rates are being modeled.
- President's Executive Cabinet will review a compiled budget and identify appropriate adjustments.
- Admissions is developing/recruiting the incoming and transfer student cohorts. Incoming student deposit information will be monitored closely through the May 1 response date.
- The House Ways and Means will release its FY16 Budget Recommendations in mid-April.
- The Senate Ways and Means will release its FY16 Budget Recommendation in mid-May.
- The Conference Committee will release its FY16 Budget Report in June (tentative).
- The Governor will sign the FY16 Budget into law in July (tentative).
- Requested fee rates and a pro-forma budget will be brought to the Board of Trustees for discussion and approval, through the Finance and Facilities committee in the May meetings.
- In September, after the Commonwealth's budget has been finalized, adjustments if needed will be brought to the Board for consideration and approval.

BOT/Finance & Facilities Update on Capital Projects

April 1, 2015

Note: During the next three years, we will complete four major projects on North Campus: Mainstage, Garage, Science and Campus Center. In light of this unprecedented construction taking place, we recently began a Construction Coordination Meeting with both DCAMM and MSCBA participation. This group will be responsible for effective oversight, coordination and facilitation of all these projects. Additionally, this group, directed by DCAMM, is charged to review and improve accessibility to North Campus. We will work with both our internal campus community and external neighborhood community to mitigate and minimize the potential impacts during all this construction.

CONSTRUCTION – CURRENT

Viking Hall (MSCBA)

Total Project Budget: \$52.5 mil Projected Completion: July 2015

- Continues on target and on budget overall. Will be open for fall semester.
- President Meservey touring facility on April 9th.

Parking Garage I (MSCBA)

Total Project Budget: \$22.8 mil Projected Completion: November 2015

- 729 car garage will net new 474 parking spaces.
- Construction start delayed from March 1, 2015 to April 6th because of snow. It should not delay project completion as schedule had some flexibility built in.
- Working on mitigation with neighbors and City of Salem, including screening, landscaping, improved bike access to campus as well as updating lights at intersection of Lafayette Street & Loring Avenue.
- As we will temporarily lose 370 spaces during construction, we are 150 spaces at Shetland. There will be three groups of 150 employees who will be relocated to Shetland for parking for no more than 60 days each. The first group was completely filled by volunteers.

Sophia Gordon Center for the Creative & Performing Arts Theater Renovation (DCAMM)

Total Project Budget: \$23.1 mil Projected Completion: May 2016

- The project is fully mobilized and demolition underway.
- Not surprisingly, record-breaking snow in February caused some slippage in schedule, but DCAMM has directed construction manager to show how it will be recaptured.
- Front signage was presented to the neighborhood in February and appears to have been favorably accepted. Square footage of the LED sign is smaller than the previous sign.

BOT/Finance & Facilities Update on Capital Projects

April 1, 2015

287 Lafayette Street, former Temple Shalom (“Off Campus”)

Total Project Budget: NA Projected Completion: Summer 2015

- Salem Renewal proceeding with timely renovations.
- President Meservey touring on April 9th.
- Social Work and ESL will move in this summer.

Human Resources & Costume Shop

Total Project Budget: \$1.9 MM Projected Completion: Summer 2015

- We are finalizing design and bidding work to relocate Human Resources from their “temporary” trailers into the first floor of the Administration Building.
- After the move, the trailers will be removed from campus.
- We will also address and include in this project appropriate ventilation for the costume design shop (to be completed along with Mainstage renovations.)
- VP Keenan and Director of External Affairs Adria Leach will also be relocating to this space from the Enterprise Center.

DESIGN STUDIES

New Science Building/Meier Expansion (DCAMM)

Total Projected Budget: \$55 mil Projected Completion: Spring 2018

- Program study completed and approved by Executive & Steering Committees. (Biology, Chemistry, Physics & Geology in new – NSF 38,000).¹
- Architects (Payette) presented the potential positioning of the building and massing to the neighborhood advisory group. The structure will be minimally higher than the old library. Option selected will connect to both wings of Meier Hall and partially fill-in the existing courtyard (see attached).
- Construction expected to begin April 2016 (lasting two years).

Meier Renovation (DCAMM – “Deferred Maintenance”)

Total Projected Budget: TBD Projected Completion: Fall 2021?

- Program study revealed that even after building new space and renovations, there exists a shortfall of 41,000 NSF that will need to be provided elsewhere. It is important to note that more than half of this deficiency (22,000 NSF) is driven by needs of our Art & Design

¹ Estimate of 70,000 gross square feet, using grossing factor of 1.85 with \$39 mil construction budget.

BOT/Finance & Facilities Update on Capital Projects

April 1, 2015

program. Should Montserrat acquisition be approved, this will greatly reduce our needs for new space on North Campus.

- Proposal is to complete in three, ten-month phases of construction (each wing and “connection” of old to new wings).

Ellison Campus Center Study (MSCBA)

Total Project Budget: \$9 MM Projected Completion: TBD (± 2017)

- DiMella Shaffer (who also designed Marsh Hall) was selected for the project study to be completed by July 2015.
- Team held a project kick-off meeting on March 11, 2015 and will immediately begin seeking input from the campus community.
- Goal is to complete design by the end of the year, seek bonding approval from MSCBA in the Fall and go out to bid in January/February 2016. Target for construction to commence is May 2016 (about same time as science building).

OFF-CAMPUS SPACE (Salem State University Assistance Corp.)

RCG LLC

- We have an MOU with RCG, the real estate development company that has proposed a building on Washington and Dodge Streets in downtown Salem, to lease off-campus student housing in this new “downtown” location. We are reviewing needs of our students and will be negotiating appropriate lease of space.

CITY OF SALEM

South Salem Drainage Improvement Project (City of Salem)

- The City of Salem approached Salem State regarding the use of the O’Keefe Center Parking lot for a drainage retention system (4 mil gals) that would support the improvement of drainage in South Salem.
- Parties have finalized an MOU with DCAMM to allow for same.
- This is still in final design and will need an act of the Legislature for an easement to build on SSU/state property.
- Construction will not commence until garage on North Campus is completed.

Horace Mann School Study

- City of Salem completing its program/architectural study.
- SSU reviewing its needs to move Harrington programs.

BOT/Finance & Facilities Update on Capital Projects

April 1, 2015

- We have advised DeMilla Shafer of this future need for their consideration as they begin review of the campus center.
- Will be huge improvement to traffic conditions related to drop-off and pick-up at the school.

Superior Court & County Commissioner Bldgs.

- DCAMM is reviewing needs and space for Registry of Deeds for Secretary of State Bill Galvin. SSU continues to have an interest there and may present an opportunity to use in conjunction with the Registry. Senator Lovely and Representative Tucker have refiled this legislation for this session. Senator Lovely has been appointed Senate Chair of the Joint Committee of State Administration with House Chair Peter Kocut. This is the committee that will review and approve this legislation.

UPPER SOUTH CAMPUS

- As discussed in our master vision, “all of Upper South Campus (Academic Building, Alumni House and Preschool) is physically disparate from Lower South. The age and rehabilitation needs suggest potential for redevelopment by the University or another entity. Current academic space can be replaced on North and/or Central campuses.”
- VFA recently performed a campus-wide assessment of all our physical plant and determined these properties are not worth renovating.
- We are in process of putting out a Request for Proposals to move IA out of the Alumni House this summer. This will be temporary (ideally 3-5 years at most) until can relocate back on campus. Space at Montserrat may also be a possible option.
- At DCAMM’s direction, we are having the property appraised for best and highest use.
- We have discussed the need for likely legislation with our delegation. Depending on the timing, if needed this session, we could possibly seek an amendment to the Superior Court legislation. It is still premature. For the time being, the Registrar will still utilize Academic Building as Social Works moves out this summer to 287 Lafayette.



April 1, 2015

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Chief Investment Officer
617-897-1122

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781-581-4215

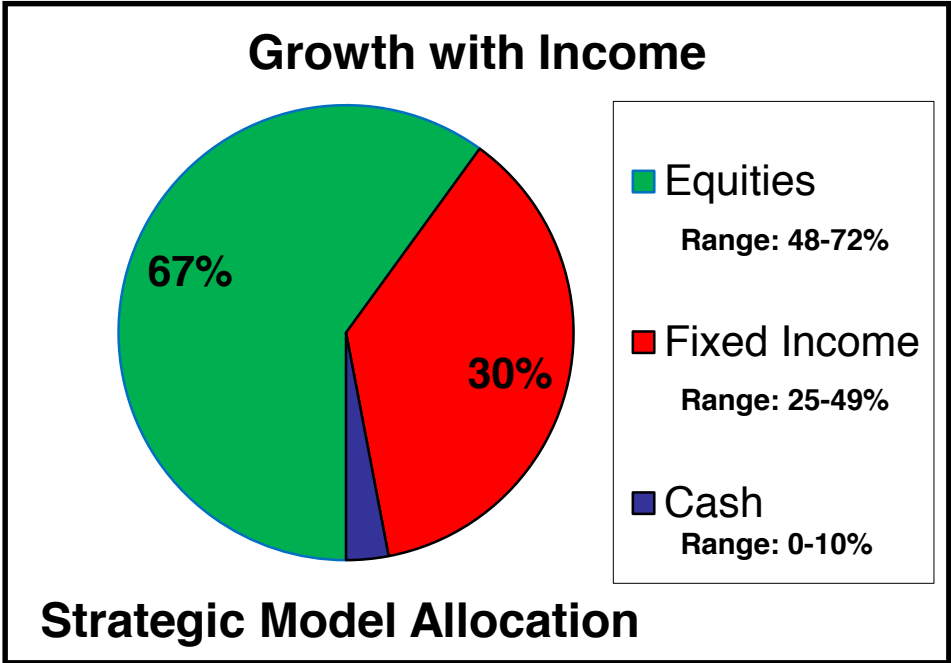
AGENDA

Investment Objective	3
Portfolio Review	4
Portfolio Performance	5
Bond Maturity Distribution	6
Fixed Income Individual Corporate Bond Rankings	7
Asset Allocation – Current Posture	8
Economic Outlook	9
Market Monitor	10
Active Fixed Income Strategy Review	11
Equities and other classes	12-17
Appendix	18-19
Biographies	20-21

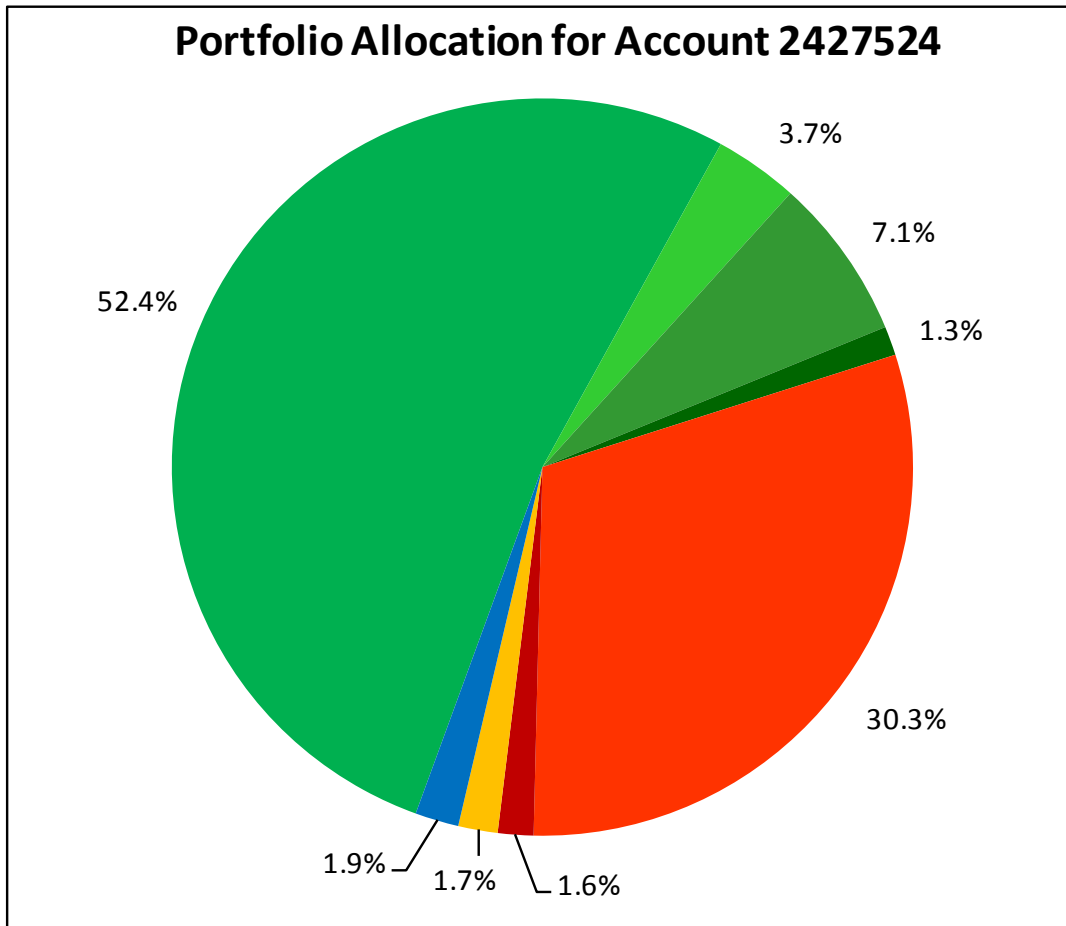


CURRENT INVESTMENT OBJECTIVE

- To generate long term total return through a diversified mix of equity securities and to provide current income through fixed income securities.
- Equities invested primarily in large-cap United States based companies, along with selected international equities and alternative asset classes.



PORTFOLIO REVIEW



Account Value as of 12/31/2014:
\$12,995,266

Equities	64.5%
■ Institutional Core Equity	52.4%
■ Mid Cap Equity	3.7%
■ International Equity	7.1%
■ International Developed Mkt	1.3%
Fixed Income	33.6%
■ Individual Bond Ladder	30.3%
■ US Gov't Obligations	1.6%
■ Short Term Bonds	1.7%
Money Market	1.9%
■ Cash	1.9%

PORTFOLIO PERFORMANCE

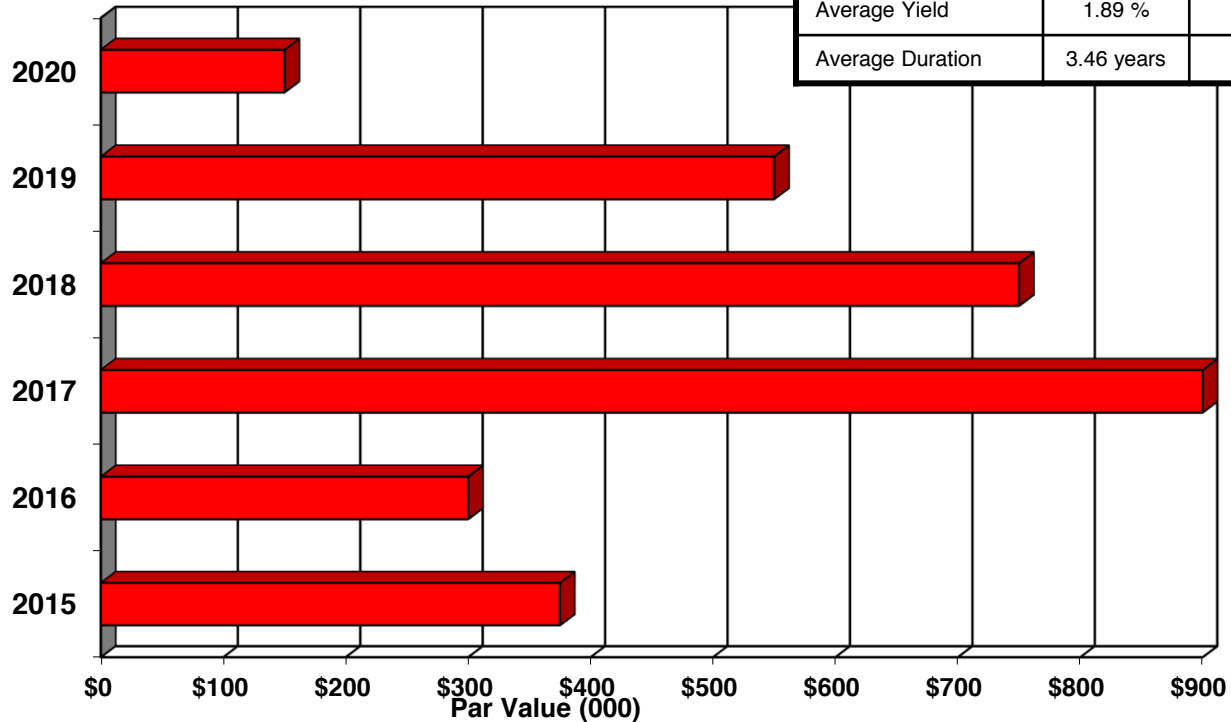
Salem State University Portfolio Total Return

Investment Performance Strategy: Growth w/ Income - Multi-Asset <i>As of December 31, 2014</i>					
Asset Class / Benchmark	Ending Market Value	Allocation	1 Year	3 Year	5 Year
			Total Return	Annualized Total Return	Annualized Total Return
Salem State University Portfolio	\$12,995,266	100.0%	5.2%	12.6%	9.4%
Total Benchmark		100.0%	7.6%	12.2%	10.4%
Equities	\$8,375,217	64.4%	7.3%	19.3%	12.9%
Multi Asset Equity Blend*		60.0%	10.0%	18.0%	14.1%
Fixed Income	\$4,361,180	33.6%	2.02%	2.3%	3.6%
Barclays Interm Credit Index		37.0%	4.16%	4.0%	5.0%
Money Market	\$258,869	2.0%	0.01%	0.00%	0.03%
Lipper Money Market Index		3.0%	0.0%	0.01%	0.0%
Portfolio Return Gross of Fee			5.2%	12.6%	9.4%
Portfolio Return Net of Fee			4.9%	12.2%	9.0%
*Consists of Blended 60/40 S&P 500/MSCI All Country World Index					
MSCI ACWI GR USD			4.7%	14.72%	9.74%
S&P 500 Stock Index			13.69%	20.41%	15.45%

Source: FirstRate Advisor

BOND MATURITY DISTRIBUTION

	Portfolio	Barclays Intermediate Credit Index
Average Maturity	4.15 years	4.78 years
Average Coupon	3.22 %	3.76 %
Average Yield	1.89 %	2.41 %
Average Duration	3.46 years	4.25 years



	2015	2016	2017	2018	2019	2020
■ Endowment (\$000)	\$375	\$300	\$900	\$750	\$550	\$150

FIXED INCOME INDIVIDUAL CORPORATE BOND RATINGS				
CUSIP	Description	CUSIP	Moody's	S&P
548661CH8	LOWES COMPANIES INC 5% 10/15/2015	548661CH8	A3	A-
060505BG8	BANK AMERICA CORP 5.25% 12/01/2015	060505BG8	Baa3	BBB+
883556BA9	THERMO FISHER SCIENTIFIC, INC. 2.25% 08/15/2016	883556BA9	Baa3	BBB
92343VBD5	VERIZON COMMUNICATIONS INC 2% 11/01/2016	92343VBD5	Baa1	BBB+
17275RAK8	CISCO SYSTEMS INC 3.15% 03/14/2017	17275RAK8	A1	AA-
22160KAC9	COSTCO WHOLESALE CORP, NEW 5.5% 03/15/2017	22160KAC9	A1	A+
216871AC7	COOPER U S INC. 6.1% 07/01/2017	216871AC7	Baa1	A-
0258MODJ5	AMERICAN EXPRESS CREDIT 2.125% 07/27/2018	0258MODJ5	A2	A-
14912L5T4	CATERPILLAR FINANCIAL 2.45% 09/06/2018	14912L5T4	A2	A
89114QAM0	TORONTO DOMINION BANK 2.625% 09/10/2018	89114QAM0	Aa1	AA-
111320AE7	BROADCOM CORPORATION CL A 2.7% 11/01/2018	111320AE7	A2	A-
313376BR5	FEDERAL HOME LOAN BANK 1.75% 12/14/2018	313376BR5	Aaa	AA+
68389XAQ8	ORACLE CORPORATION 2.375% 01/15/2019	68389XAQ8	A1	A+
94974BFQ8	WELLS FARGO & CO 2.15% 01/15/2019	94974BFQ8	A2	A+
25152RVS9	DEUTSCHE BANK AG LONDON 2.5% 02/13/2019	25152RVS9	A3	A
24422ERR2	JOHN DEERE CAPITAL CORP 2.25% 04/17/2019	24422ERR2	A2	A
268648AQ5	E M C CORP 2.65% 06/01/2020	268648AQ5	A1	A
94974BFR6	WELLS FARGO & CO 3% 01/22/2021	94974BFR6	A2	A+
17275RAP7	CISCO SYSTEMS INC 2.9% 03/04/2021	17275RAP7	A1	AA-
983919AH4	XILINX, INC. 3% 03/15/2021	983919AH4	A3	A-
61166WAT8	MONSANTO CO 2.75% 07/15/2021	61166WAT8	A3	BBB+

ASSET ALLOCATION – CURRENT POSTURE

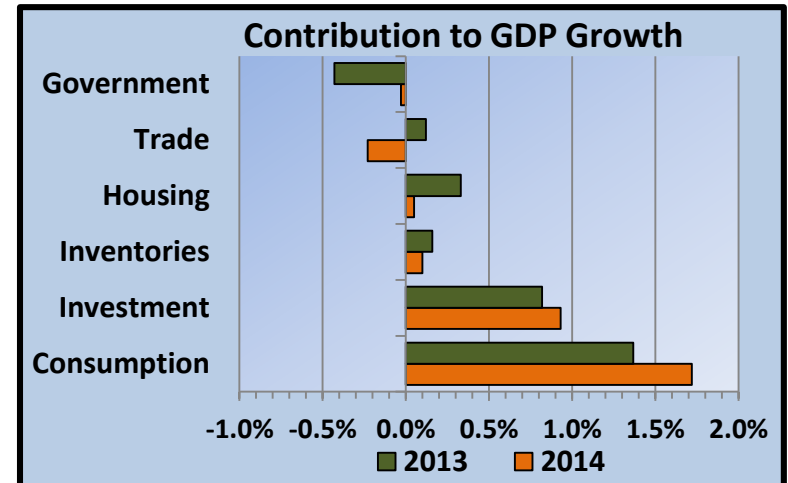
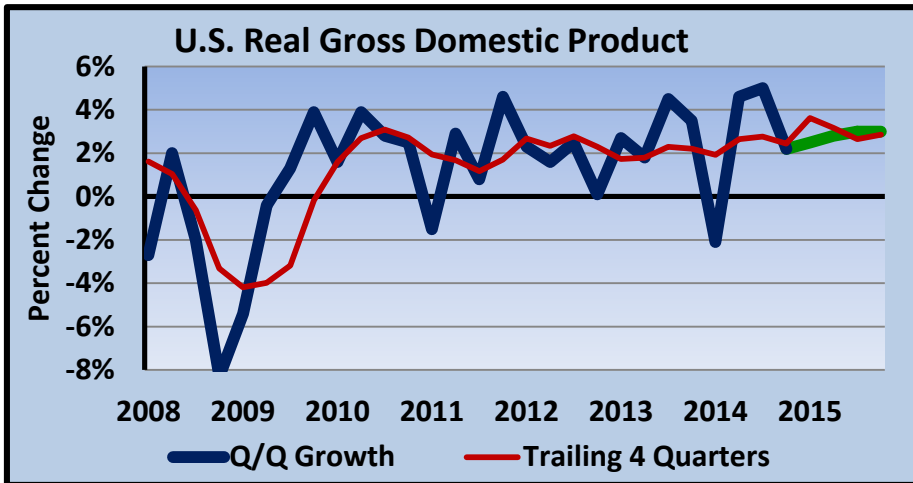
Strategy

- We favor equities over bonds, although less aggressively than in 2013 and 2014. While the U.S. economy is still strong, corporate earnings growth is decelerating due to weak foreign demand and the rising dollar vs. euros and yen. Still, equity valuations remain reasonable.
- In our global portfolios, we have shifted about 10% of our equity positions from the U.S. to Europe and Japan, using currency-hedged ETFs. Slow recoveries will be helped by weaker currencies, accommodative central banks, and strong demand for exports to the U.S.
- With no prospect of inflation in the near future, we have lengthened our bond portfolio duration. We like domestic high-yield bonds (including the energy sector) but we are avoiding international fixed income securities, which have already reflected aggressive monetary easing.

Outlook

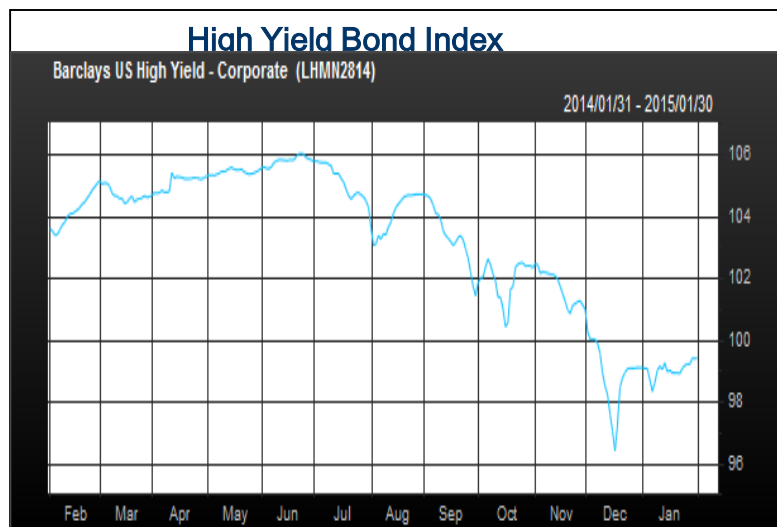
- Powered by strong durable goods sales and a resilient consumer, the U.S. economy rebounded sharply higher last year, and it should remain strong (albeit at a slightly slower pace) in 2015.
- We expect short-term interest rates to rise ahead of an increase in the Fed Funds rate, but the Federal Reserve is under no pressure to act prematurely. Long-term rates will remain low, as the Bank of Japan and the European Central Bank implement their asset-purchasing programs.

ECONOMIC OUTLOOK



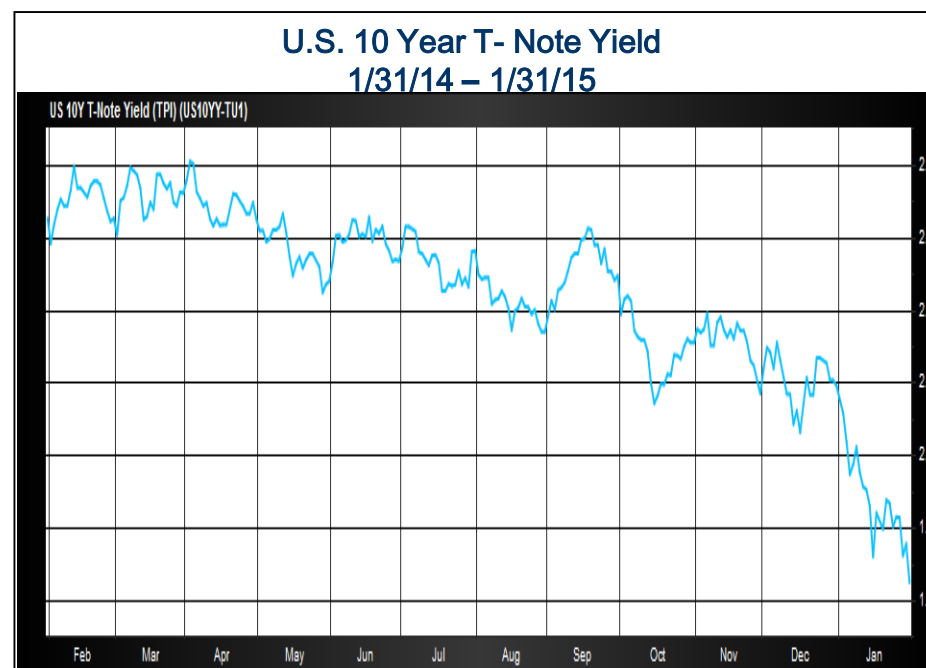
- U.S. GDP growth moderated late in 2014 after a robust summer. The stronger dollar and slower defense spending were the main causes of the fourth-quarter slowdown.
- We expect the expansion to extend through 2015, regaining some momentum after another difficult winter. We have slightly reduced our 2015 full-year growth expectation to 3.0%.
- U.S. corporate earnings growth will be impeded by more competitive imports (as the rising dollar makes imports cheaper) and by weak demand overseas. Despite healthy conditions at home, S&P 500 earnings may advance less than 5% this year.

MARKET MONITOR – FIXED INCOME



- Money has flowed back into U.S. Treasuries due to global events along with European yields trading near historic lows.
- Focus remains on the Federal Reserve as the committee contemplates raising the federal funds rate from zero to 0.25 percent.

- Speculative grade securities remain attractive as yields across the globe remain at or near record lows.
- The yield curve has narrowed as investors question the sustainability of the U.S. recovery along with the lack of any inflationary pressures.



ACTIVE FIXED INCOME STRATEGY REVIEW

Strategy

- We remain underweight fixed income. Portfolio durations are below their target indicies. The long-term Treasury market has become increasingly volatile as the recovery remains mixed and investors weigh when the Federal Reserve will raise the federal funds rate which has been at zero to 0.25 percent since December 2008.

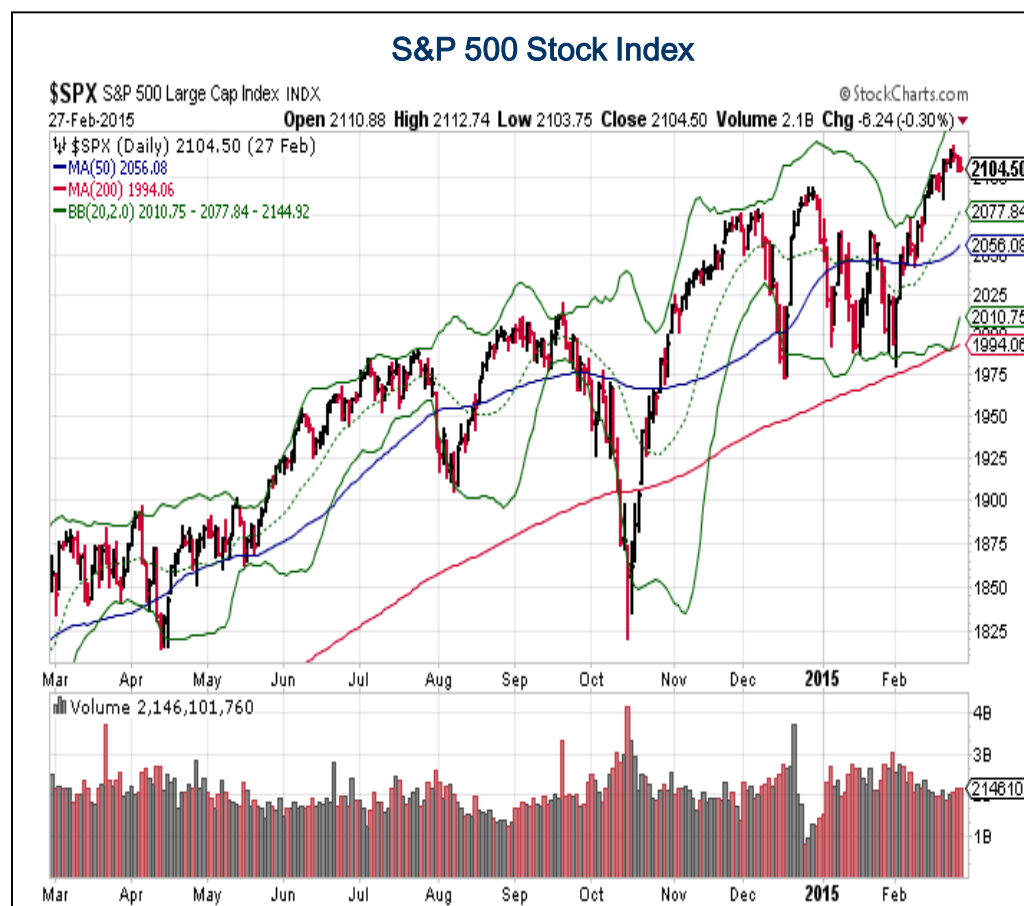
Structure

- The short maturity structure of our portfolios is positioned to provide better protection as long-term rates begin to drift upward. We expect credit spreads to tighten even as rates rise, so we continue to favor high-yield debt. We also have added a floating rate bond ETF to our portfolios.

Outlook

- Despite the Fed acknowledging that the labor market has improved, interest rate futures are indicating the Fed will keep the fed funds rate unchanged until late 2015.

MARKET MONITOR - DOMESTIC EQUITY



- U.S. stocks rebounded sharply in February after a poor January as 4Q 2014 earnings were better than feared. Equities are stuck between fears of rising interest rates and a rising dollar (bearish) and strong domestic demand (bullish).
- International investors still see the U.S. stock market as highly attractive in comparison with other equity options. New cash from overseas can still power the U.S. market higher in 2015.
- The Federal Reserve is signaling an increase in short-term interest rates, which we see as a bullish sign.
- Equities are neither cheap nor dear; valuations are not compelling in either direction.

DOMESTIC EQUITY STRATEGY REVIEW

Strategy

- We remain overweight domestic equities, albeit somewhat less aggressively than in 2013 and 2014. After nearly six years of gains, the bull market is entering its later stages.
- Improving corporate earnings still justify higher prices, on stable valuations. We anticipate periodic weakness due to any number of possible catalysts, including geopolitical tensions. Our intention is to ride through the dips and recoveries. Decelerating earnings growth is a concern.

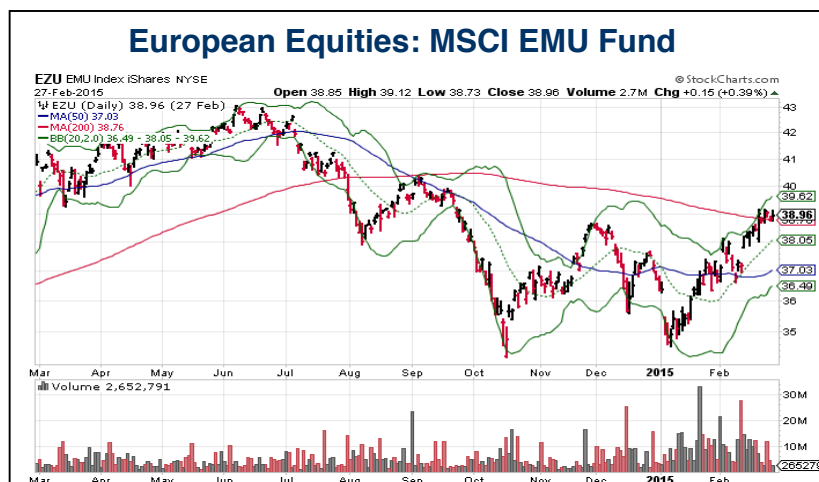
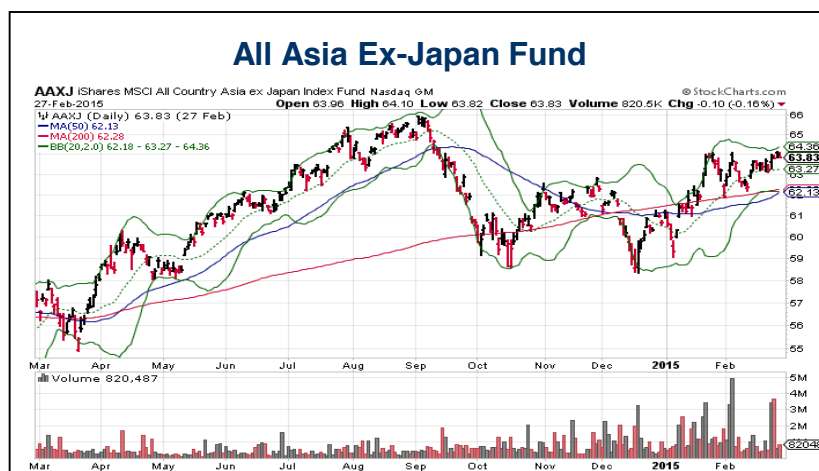
Structure

- Our equity portfolios are weighted to energy (where prices have come down rapidly) and consumer discretionary (where weakness overseas is less evident), while we have reduced holdings in defensive sectors such as utilities.

Outlook

- We think a combination of good economic data, significant demand from international investors, and a favorable climate for mergers and acquisitions will help stocks continue their gains.

MARKET MONITOR - INTERNATIONAL EQUITY



- Global equity markets extended their gains in February, in sharp contrast to their 2014 performance and considerably better than the slow start posted in U.S. markets.
- European and Japanese firms are reporting impressive earnings growth, as exports to the U.S. are soaring on the back of euro and yen depreciation.
- China has eased its credit restrictions in order to stabilize economic growth, still among the highest in the world but clearly decelerating.
- European and Japanese markets are gaining traction as investors cheered the policies of the Bank of Japan and European Central Bank, along with improving corporate earnings.
- The euro and yen have depreciated against the dollar, due mostly to central bank efforts to push interest rates lower. This will help manufacturers in those regions become more competitive.

INTERNATIONAL EQUITY STRATEGY REVIEW

Strategy

- We have increased our investments in developed Europe, where investors are still doubtful of growth and fearful of deflation. We think markets will benefit now that ECB head Mario Draghi has begun to implement more aggressive monetary policies to stimulate recovery. We are using currency-hedged instruments as the euro loses value relative to the dollar.
- We see momentum building toward continued economic growth in Asia, especially in China and its primary trading partners. We are avoiding markets weighted toward natural resources.

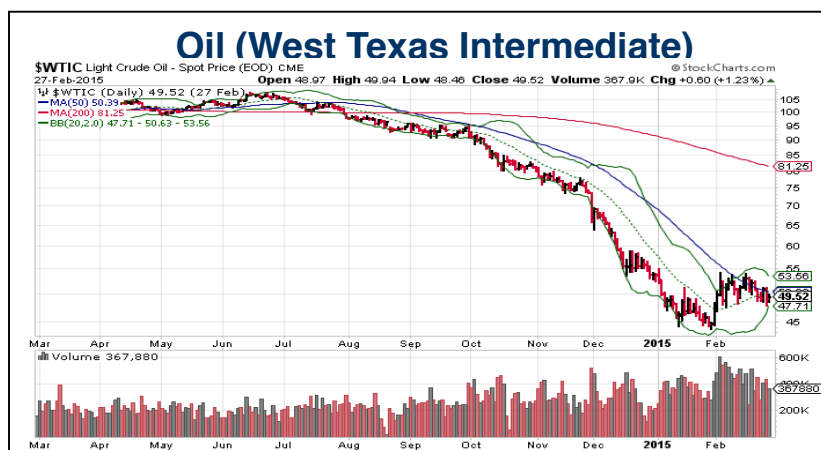
Structure

- Multi-Asset portfolios are slightly underweight non-U.S. equities. Yet Europe in particular is still appealing, and we have recently begun to invest in Japan. We maintain positions in small-cap companies that are leveraged to improving economic conditions in developed markets.

Outlook

- We think European and Asian markets offer both diversification and risk-management benefits for Multi-Asset investors. Valuations remain below U.S. levels, which limits downside risk. These are long-term investments that may take time to play out fully.

MARKET MONITOR – OTHER ASSET CLASSES



- Global oil prices recovered modestly due to a reduction in expected new drilling in the U.S. International demand is soft, and U.S. production remains at 25-year highs. Natural gas prices are more stable, due to transportation limitations.
- With the Fed effectively tightening while Europe and Japan are still easing, we think the U.S. dollar will continue to gain value relative to other currencies. The euro has weakened in recent weeks, and has further to fall.
- Gold prices remain weak and subject to concerns about geopolitical tensions. In the U.S., low inflation and a rising dollar limit any investment potential for gold; international investors have sought safe havens from a possible Greek exit from the eurozone.
- Most industrial metals and agricultural commodities remain weak due to soft demand worldwide.

OTHER ASSET CLASSES STRATEGY REVIEW

Strategy

- As the Fed transitions toward a less accommodative policy, we believe that traditional hedges against inflation and currency devaluation – such as precious metals and industrial commodities – will be less appealing to investors. We do not hold assets in these areas.
- We do not recommend “alternative” asset classes such as hedge funds, private equity, or venture capital. Historical returns have been lackluster, funds are overcapitalized, and fees remain too high, even for the so-called “liquid alternatives” that package such assets as mutual funds.
- We do not own REITs or other real estate investments. With interest rates likely to rise, good market fundamentals are likely to be overwhelmed by negative valuation changes.

Outlook

- Rising interest rates are a major concern for alternative assets: They reduce the incentive to own commodities or precious metals, they undercut the profitability of debt-financed hedge funds and private equity, and they limit the prices that investors will pay for real estate. Such an environment may dampen investor interest in alternative asset classes.

Appendix

MULTI ASSET PORTFOLIO HOLDINGS (as of 12/31/2014)

Portfolio Weightings vs Core/Blend

Industry Weightings	% Of Portfolio	% Of Core Portfolio	% Of Blend*	Industry Weightings	% Of Portfolio	% Of Core Portfolio	% Of Blend*
CONSUMER DISCRETION	8.96%	10.98%	12.53%	HEALTH CARE	11.02%	13.56%	13.22%
STARBUCKS CO.	1.60%	1.96%		BIOGEN IDEC INC	2.10%	2.55%	
THE HOME DEPOT, INC.	1.95%	2.39%		BECTON DICKINSON	1.99%	2.44%	
FORD MOTOR CO.	1.62%	1.99%		CARDINAL HEALTH INC	1.74%	2.17%	
WILLIAMS-SONOMA, INC.	1.60%	1.95%		MERCK & CO	1.28%	1.58%	
WALT DISNEY CO.	2.19%	2.69%		JOHNSON & JOHNSON	1.69%	2.12%	
				CELGENE CO.	2.16%	2.63%	
CONSUMER STAPLES	7.53%	9.25%	9.75%	HALYARD HEALTH	0.06%	0.07%	
KIMBERLY-CLARK CORP	1.18%	1.47%					
WALGREENS BOOTS ALLIANCE IN	1.67%	2.04%		INDUSTRIALS	8.91%	10.92%	10.56%
COCA-COLA CO	1.44%	1.76%		FEDEX CORP	2.28%	2.79%	
COSTCO WHOLESALE CORP.	1.72%	2.11%		CATERPILLAR INC	1.33%	1.63%	
PROCTER & GAMBLE CO	1.52%	1.87%		HONEYWELL INTERNATIONAL INC	1.87%	2.29%	
				GENERAL ELECTRIC COMPANY	1.49%	1.83%	
ENERGY	6.54%	8.11%	8.13%	MASCO CORP.	1.94%	2.38%	
WILLIAMS COMPANIES, INC.	1.13%	1.42%					
HALLIBURTON CO	1.27%	1.58%		INFORMATION TECH	15.05%	18.55%	17.15%
NATIONAL OILWELL VARCO, INC.	1.16%	1.42%		IN'TL BUSINESS MACHINES CORP	1.08%	1.33%	
CONOCOPHILIPS	1.48%	1.85%		CORNING INC	1.06%	1.31%	
CHEVRON CORP	1.50%	1.84%		ANALOG DEVICES INC	1.69%	2.07%	
				SALESFORCE.COM, INC	1.66%	2.02%	
ETF'S/MUTUAL FUNDS	18.44%			GOOGLE INC. CLASS A	1.48%	1.85%	
ISHARES CORE S&P MID-CAP	5.58%			GOOGLE INC. CLASS C	1.03%	1.26%	
ISHARES MSCI EMU INDEX FUND	4.00%			APPLE INC	3.22%	4.02%	
ISHARES MSCI ASIA EX JAPAN	4.48%			VISA INC	2.24%	2.75%	
DFA IN'TL SM COMP PORTFOLIO	2.45%			QUALCOMM INC	1.59%	1.94%	
WISDOMTREE EUROPE HEDGED	1.93%						
				MATERIALS	2.58%	3.17%	3.92%
FINANCIALS	16.08%	19.80%	18.51%	NUCOR CORP	1.18%	1.45%	
CHUBB CORP.	1.68%	2.06%		THE DOW CHEMICAL COMPANY	1.40%	1.72%	
BANK OF AMERICA CORP.	1.83%	2.25%					
MORGAN STANLEY	1.93%	2.38%		TELECOMMUNICATION	1.52%	1.86%	2.83%
AMERICAN EXPRESS	1.81%	2.23%		VERIZON COMMUNICATIONS	1.52%	1.86%	
SUNTRUST BANKS INC	2.06%	2.53%					
STATE STREET CORP	1.65%	2.04%		UTILITIES	2.26%	2.78%	3.38%
WEYERHAEUSER CO.	1.49%	1.82%		XCEL ENERGY INC	1.32%	1.62%	
DISCOVER FINANCIAL SERVICES	1.79%	2.20%		DUKE ENERGY CORP.	0.94%	1.16%	
INVESCO LTD.	1.84%	2.29%					

Target allocation as of 12/31/2014; Allocation may not reflect EWM's current view and should not be used as the base of an investment decision.

Securities listed are not to be considered as a recommendation to buy or sell and are not guaranteed to be in portfolios. *Benchmark is a blend of 60% S&P 500 and 40% MSCI ACWI

PORTFOLIO PERFORMANCE

Salem State University Portfolio Total Return (SUPPLEMENT)

Investment Performance Strategy: Growth w/ Income - Multi-Asset <i>As of February 28, 2015</i>						
Asset Class / Benchmark	Ending Market Value	Allocation	YTD 2015	1 Year	3 Year	5 Year
			Total Return	Total Return	Annualized Total Return	Annualized Total Return
Salem State University Portfolio	\$13,314,405	100.0%	2.9%	7.7%	11.2%	10.0%
Total Benchmark		100.0%	2.4%	8.9%	10.8%	10.9%
Equities	\$8,522,928	64.0%	4.0%	11.1%	16.5%	14.2%
Multi Asset Equity Blend*		60.0%	3.1%	12.5%	15.9%	14.9%
Fixed Income	\$4,640,596	34.9%	1.2%	2.2%	2.2%	3.3%
Barclays Interm Credit Index		37.0%	1.3%	3.7%	3.5%	4.9%
Money Market	\$150,882	1.1%	0.0%	0.01%	0.00%	0.03%
Lipper Money Market Index		3.0%	0.0%	0.0%	0.01%	0.0%
Portfolio Return Gross of Fee			2.86	7.7%	11.2%	10.0%
Portfolio Return Net of Fee			2.78	7.4%	10.8%	9.7%
*Consists of Blended 60/40 S&P 500/MSCI All Country World Index						
MSCI ACWI GR USD			3.98	4.7%	14.72%	9.74%
S&P 500 Stock Index			2.58	13.69%	20.41%	15.45%

Source: FirstRate Advisor

MULTI ASSET PORTFOLIO HOLDINGS (as of 2/28/2015)

Industry Weightings	% Of Portfolio	% Of Core Portfolio	% Of Blend*	Industry Weightings	% Of Portfolio	% Of Core Portfolio	% Of Blend*
CONSUMER DISCRETIONARY	8.75%	11.72%	12.81%	HEALTH CARE	11.29%	15.14%	13.66%
STARBUCKS CO.	1.63%	2.18%		BIOGEN IDEC INC	2.17%	2.91%	
THE HOME DEPOT, INC.	1.92%	2.57%		BECTON DICKINSON	1.49%	1.99%	
FORD MOTOR CO.	1.53%	2.04%		CARDINAL HEALTH INC	1.73%	2.32%	
WILLIAMS-SONOMA, INC.	1.50%	2.02%		MERCK & CO	1.19%	1.60%	
WALT DISNEY CO.	2.17%	2.91%		JOHNSON & JOHNSON	1.56%	2.08%	
				CELGENE CO.	2.05%	2.75%	
CONSUMER STAPLES	6.83%	9.14%	9.76%	STRYKER CORP.	1.10%	1.49%	
KIMBERLY-CLARK CORP	1.02%	1.37%					
WALGREENS BOOTS ALLIANCE IN	1.63%	2.18%		INDUSTRIALS	7.52%	10.07%	10.46%
COCA-COLA CO	1.30%	1.74%		FEDEX CORP	1.76%	2.36%	
COSTCO WHOLESALE CORP.	1.60%	2.14%		CATERPILLAR INC	1.08%	1.44%	
PROCTER & GAMBLE CO	1.28%	1.71%		HONEYWELL INTERNATIONAL INC	1.48%	1.98%	
				GENERAL ELECTRIC COMPANY	1.36%	1.82%	
ENERGY	5.77%	7.71%	7.82%	MASCO CORP.	1.84%	2.47%	
WILLIAMS COMPANIES, INC.	1.13%	1.51%					
HALLIBURTON CO	1.24%	1.65%		INFORMATION TECH	14.41%	19.33%	17.37%
NATIONAL OILWELL VARCO, INC.	0.86%	1.16%		IN'TL BUSINESS MACHINES CORP	0.98%	1.31%	
CONOCOPHILIPS	1.27%	1.70%		CORNING INC	1.01%	1.36%	
CHEVRON CORP	1.27%	1.69%		ANALOG DEVICES INC	1.57%	2.11%	
				SALESFORCE.COM, INC	1.70%	2.29%	
FINANCIALS	13.71%	18.34%	17.93%	GOOGLE INC. CLASS A	1.42%	1.91%	
CHUBB CORP.	1.47%	1.97%		GOOGLE INC. CLASS C	0.98%	1.31%	
BANK OF AMERICA CORP.	1.46%	1.96%		APPLE INC	3.33%	4.46%	
MORGAN STANLEY	1.60%	2.15%		VISA INC	2.06%	2.76%	
AMERICAN EXPRESS	1.40%	1.88%		QUALCOMM INC	1.36%	1.82%	
SUNTRUST BANKS INC	1.82%	2.43%					
STATE STREET CORP	1.42%	1.90%		ETFS/MUTUAL FUNDS	25.54%		
WEYERHAEUSER CO.	1.32%	1.77%		ISHARES CORE S&P MID-CAP	2.14%		
DISCOVER FINANCIAL SERVICES	1.50%	1.98%		ISHARES MSCI EMU INDEX FUND	4.14%		
INVESCO LTD.	1.72%	2.30%		ISHARES MSCI ASIA EX JAPAN	4.28%		
				DFA IN'TL SM COMP PORTFOLIO	2.58%		
MATERIALS	2.40%	3.21%	4.04%	WISDOMTREE EUROPE HEDGED	5.21%		
NUCOR CORP	1.02%	1.37%		MSCI JAPAN HEDGED EQUITY FUN	3.57%		
THE DOW CHEMICAL COMPANY	1.38%	1.84%		CONSUMER DISC. SPDR FUND	2.11%		
				ENERGY SPDR FUND	1.51%		
UTILITIES	1.94%	2.60%	3.17%				
XCEL ENERGY INC	1.15%	1.54%		TELECOMMUNICATION	1.42%	1.91%	2.88%
DUKE ENERGY CORP.	0.79%	1.06%		VERIZON COMMUNICATIONS	1.42%	1.91%	

Target allocation as of 2/28/2015; Allocation may not reflect EWM's current view and should not be used as the base of an investment decision.

Securities listed are not to be considered as a recommendation to buy or sell and are not guaranteed to be in portfolios. *Benchmark is a blend of 60% S&P 500 and 40% MSCI ACWI

MICHAEL A. TYLER, CFA

Chief Investment Officer, Eastern Bank Wealth Management

Michael A. Tyler, CFA®, sets investment policies and structures asset allocation strategies for client portfolios. As the primary spokesman for the firm's investment services, Michael develops and disseminates economic and financial market viewpoints. He is also responsible for selecting and overseeing providers of investment services.

Professional Experience

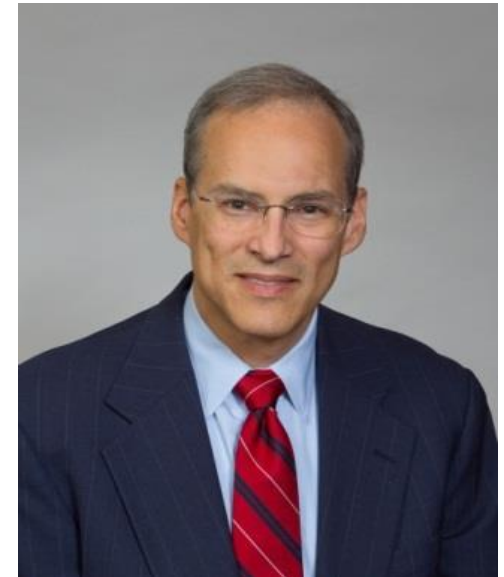
Prior to joining Eastern Wealth Management in 2012, Michael charted a successful career at both institutional and boutique investment firms. He was a partner, equity analyst, and portfolio manager at Wellington Management Company LLP in Boston. There, he built the firm's telecom investment practice and managed mutual funds specializing in the global telecom industry.

Michael then founded West Shore Investment Management LLC, an independent investment advisor and strategic consultant, where he raised investment capital and launched an equity long/short hedge fund.

Education

Michael holds a MBA with highest honors from Harvard Business School and a BA with honors from Princeton University. He is a Chartered Financial Analyst.

Michael has served on the board of Congregation Sha'ar Zahav in San Francisco, where he co-edited and published the first complete LGBT- themed Jewish prayer book.



JOHN F. DOHERTY, CFP[®], CTFA

Vice President, Eastern Bank Wealth Management

John F. Doherty has over 25 years of experience working with individuals, families and organizations, helping them to grow and protect their wealth through trusts, investment management accounts, IRAs and charitable accounts.

Professional Experience

Mr. Doherty is a Certified Financial Planner[™] and practitioner and a Certified Trust and Financial Advisor. He joined Eastern Bank Wealth Management in 2006 after a career spanning 20 years at BankBoston, Fleet National Bank and Bank of America. Prior to joining Eastern Bank, he was a vice president and relationship manager in the Private Bank at Bank of America, managing the trust, investment, banking and credit needs of high net-worth individuals.



Education/Service

Mr. Doherty holds a Bachelor of Science in Finance from Suffolk University and an MBA from Bentley University. He is a graduate of the National Graduate Trust School at Northwestern University and received his certification in financial planning from Boston University's Center for Professional Education. Mr. Doherty is a member of the Essex County Estate Planning Council and serves on the Board of Directors of the Lynn Home for Women. He is also active in a number of youth activities in the city of Melrose.

Your Performance Statement

Investment activity through 02/28/2015

Your Portfolio Summary

Reporting period: December 31, 2014 to February 28, 2015

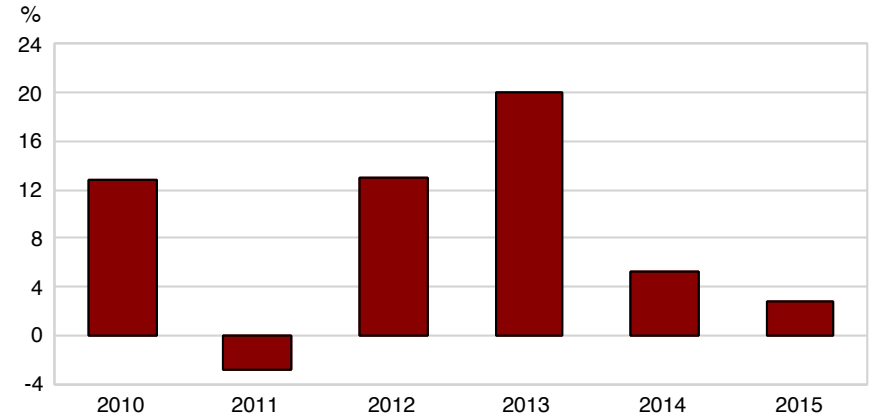
EASTERN BANK INVEST MGR FOR SALEM STATE UNIV (2427524)

Performance Measured Since: January 01, 1997

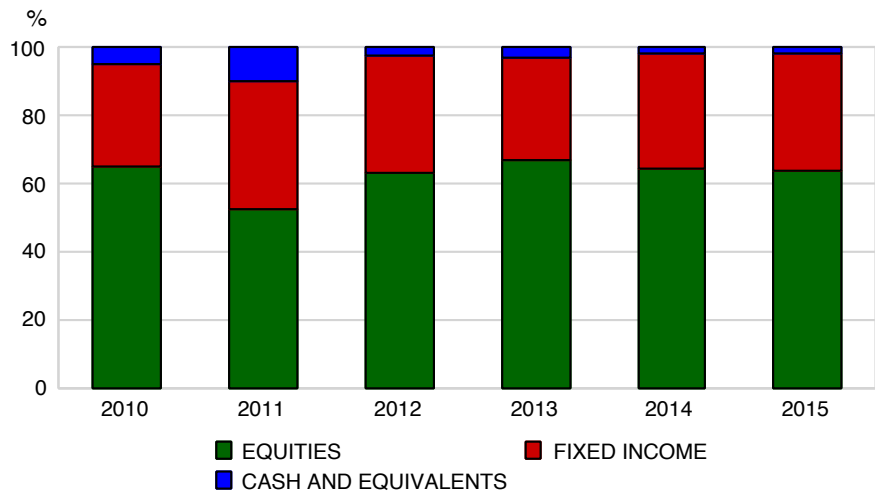
Portfolio Value - YTD

Beginning portfolio value	13,040,779.22
Contributions	.00
Income earned	42,924.49
Withdrawals	-9,952.18
Market Appreciation	330,110.77
Ending portfolio value	13,403,862.30
Total return	2.86

Annual Portfolio Returns



Annual Portfolio Allocation



Portfolio Values By Asset Class

	Market value	% of Mkt val
DOMESTIC EQUITY	6,835,969	51.0
DOMESTIC FIXED INCOM	4,674,985	34.9
INTERNATIONAL EQUITY	1,699,100	12.7
CASH AND EQUIVALENTS	193,808	1.4
Total	13,403,862	100.0

Your Portfolio Performance

Reporting period: December 31, 2014 to February 28, 2015

EASTERN BANK INVEST MGR FOR SALEM STATE UNIV (2427524)

Performance Measured Since: January 01, 1997

	Market Value	Month to Date	Quarter to Date	Year to Date (2 Months)	1 Year	3 Years	5 Years	Inception to Date (218 Months)
TOTAL FUND	13,403,862	3.75	2.86	2.86	7.72	11.18	10.04	6.16
TOTAL NET OF FEES	13,403,862	3.71	2.78	2.78	7.35	10.79	9.66	5.91
Strategy: Growth with Income (Corp)		3.26	2.44	2.44	8.88	10.77	10.85	7.09
EQUITIES	8,535,069	6.27	3.96	3.96	11.05	16.51	14.17	6.59
Benchmark: Multi-Asset Equity Blend		5.69	3.14	3.14	12.51	15.86	14.91	7.56
DOMESTIC EQUITY	6,835,969	6.29	3.12	3.12				
COMMON STOCK	6,654,933	6.23	3.02	3.02				
ETF - DOMESTIC EQUITY	134,018	4.59	3.37	3.37				
ETF - DOMESTIC EQUITY	175,726	5.08	3.21	3.21				
DOMESTIC EQUITY FUNDS	181,037	8.54	9.21	9.21				
ETF - DOMESTIC EQUITY	181,037	8.54	9.21	9.21				
INTERNATIONAL EQUITY	1,699,100	6.18	8.72	8.72				
INTERNATIONAL EQUITY FUNDS	1,699,100	6.18	8.72	8.72				
ETF - INTERNATIONAL EQUITIES	1,030,137	5.89	7.34	7.34				
MUTUAL FUND - INTERNATIONAL EQUITIES	218,326	6.41	5.54	5.54				
ETF - INTERNATIONAL EQUITIES	450,637	6.74	15.67	15.67				
FIXED INCOME	4,674,985	-0.45	1.15	1.15	2.15	2.15	3.34	5.22
Benchmark: Barclays US Interm Credit TR USD		-0.43	1.34	1.34	3.72	3.52	4.86	5.88
DOMESTIC FIXED INCOME	4,674,985	-0.45	1.15	1.15				
DOMESTIC BONDS	3,605,672	-0.41	1.04	1.04				
CORPORATE BOND	3,402,079	-0.38	1.06	1.06				
US TREASURIES & AGENCIES	203,593	-0.93	.74	.74				
DOMESTIC BOND FUNDS	1,069,313	-0.66	1.78	1.78				
CORPORATE BOND FUNDS	1,069,313	-0.66	1.78	1.78				
ETF - CORPORATE BONDS	1,069,313	-0.66	1.78	1.78				

Your Portfolio Performance

Reporting period: December 31, 2014 to February 28, 2015

EASTERN BANK INVEST MGR FOR SALEM STATE UNIV (2427524)

Performance Measured Since: January 01, 1997

	Market Value	Month to Date	Quarter to Date	Year to Date (2 Months)	1 Year	3 Years	5 Years	Inception to Date (218 Months)
CASH AND EQUIVALENTS	193,808	.00	.00	.00	.01	.00	.03	2.44
CASH UNINVESTED	3	.00	.00	.00				
MONEY MARKET FUNDS	193,805	.00	.00	.00				
Benchmark: Lipper Money Mkt Fd IX		.00	.00	.00	.01	.01	.02	2.30

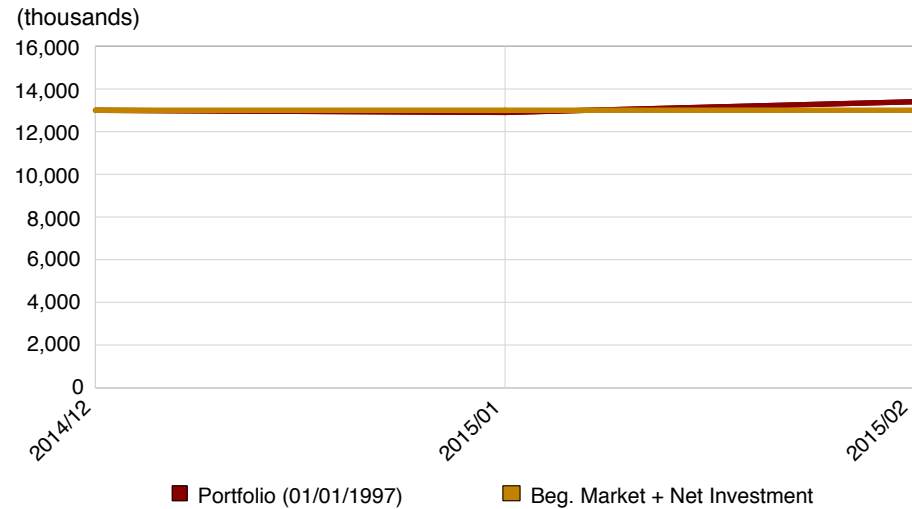
Your Portfolio Performance - Continued

Reporting period: December 31, 2014 to February 28, 2015

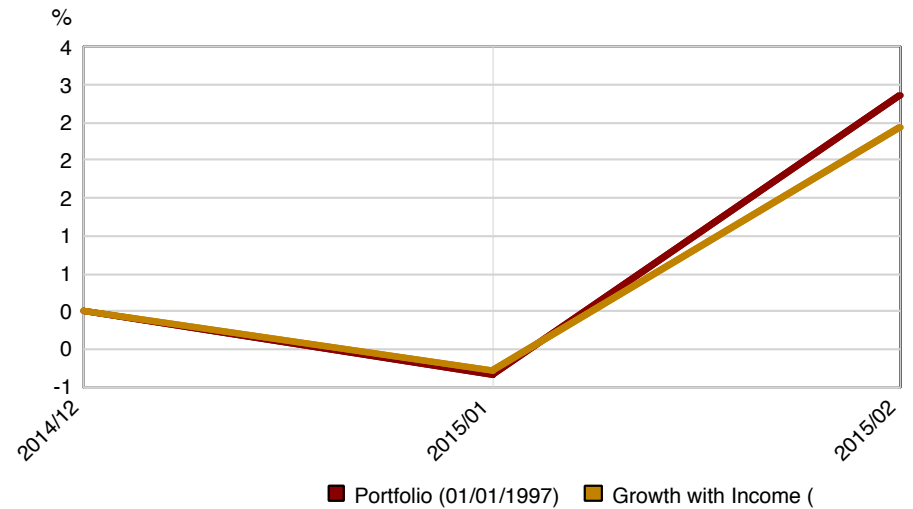
EASTERN BANK INVEST MGR FOR SALEM STATE UNIV (2427524)

Performance Measured Since: January 01, 1997

Portfolio Growth Since Inception - YTD



Cumulative Returns Compared To Benchmark - YTD



Top 10 Performers - YTD

	Market value	% of Mkt val	Return
BIOGEN IDEC INC	185,954	1.4	20.22
SALESFORCE.COM	145,837	1.1	17.03
APPLE	284,539	2.1	16.13
WISDOM TREE EUROPE HEDGED	450,637	3.4	15.67
STARBUCKS CORP	139,293	1.0	13.69
WALT DISNEY PRODUCTIONS	185,783	1.4	10.74
WALGREENS BOOTS ALLIANCE	139,391	1.0	9.88
DEUTSCHE X TRACKERS MSCI	305,605	2.3	9.57
HALLIBURTON CO	105,547	.8	9.35
SPDR CONSUMER DISCRETIONA	181,037	1.4	9.21

Bottom 10 Performers - YTD

	Market value	% of Mkt val	Return
NATIONAL-OILWELL, INC	73,155	.5	-16.88
BANK AMERICA CORP	124,773	.9	-12.02
AMERICAN EXPRESS CO	120,019	.9	-11.72
CATERPILLAR INC.	91,853	.7	-8.56
MORGAN STANLEY	137,183	1.0	-7.82
DISCOVER FINANCIAL SERVIC	126,107	.9	-6.08
PROCTER & GAMBLE CO	109,052	.8	-5.45
STATE STREET CORP	121,279	.9	-5.09
DUKE ENERGY CORP NEW	68,237	.5	-4.74
CONOCOPHILLIPS	109,773	.8	-4.67

Your Allocation Overview

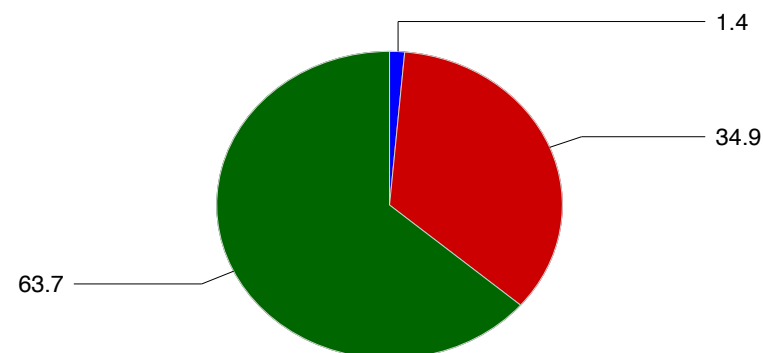
Reporting period: December 31, 2014 to February 28, 2015

EASTERN BANK INVEST MGR FOR SALEM STATE UNIV (2427524)

Performance Measured Since: January 01, 1997

Sector Allocation

	Market value	% of Mkt val
■ EQUITIES	8,535,069	63.7
■ FIXED INCOME	4,674,985	34.9
■ CASH AND EQUIVALENTS	193,808	1.4
Total	13,403,862	100.0



Top Holdings

	Classification	Unit cost	Total cost	Price	Market value	Accrual	% of Mkt val	Unrealized gain loss
WISDOM TREE EUROPE HEDGED EQUI	ETF - INTERNATIONAL	56.98	399,110.44	64.340	450,637.36	.00	3.4	51,526.92
SPDR BARCLAYS HIGH YIELD BOND	ETF - CORPORATE BOND	39.70	422,529.54	39.780	423,418.32	.00	3.2	888.78
I SHARES I BOXX INVESTMENT GRA	ETF - CORPORATE BOND	118.98	411,562.58	121.800	421,306.20	.00	3.2	9,743.62
I SHARES MSCI ALL COUNTRY ASIA	ETF - INTERNATIONAL	58.05	335,178.75	63.830	368,554.42	.00	2.8	33,375.67
I SHARES I SHARES EMU INDEX FU	ETF - INTERNATIONAL	33.35	304,724.20	38.960	355,977.52	.00	2.7	51,253.32
COSTCO WHOLESALE CORP, NEW 5.5	CORPORATE BOND	100.03	285,085.50	109.238	311,328.30	7,097.29	2.3	26,242.80
DEUTSCHE X TRACKERS MSCI JAPAN	ETF - INTERNATIONAL	36.91	278,902.43	40.440	305,605.08	.00	2.3	26,702.65
APPLE	INFORMATION TECHNOLO	74.40	164,797.38	128.460	284,538.90	.00	2.1	119,741.52
LOWES COMPANIES INC 5%	CORPORATE BOND	100.58	276,581.25	102.812	282,733.00	5,079.86	2.1	6,151.75
COOPER U S INC. 6.1% 07/01/201	CORPORATE BOND	100.50	216,064.25	109.877	236,235.55	2,076.54	1.8	20,171.30
ISHARES FLOATING RATE BOND ETF	ETF - CORPORATE BOND	50.75	225,075.81	50.640	224,588.40	.00	1.7	-487.41
All Others			7,917,153.93		9,692,408.88	32,276.68	72.6	1,775,254.95
Total			11,236,766.06		13,357,331.93	46,530.37	100.0	2,120,565.87

Your Holdings Detail

Reporting period: December 31, 2014 to February 28, 2015

EASTERN BANK INVEST MGR FOR SALEM STATE UNIV (2427524)

Performance Measured Since: January 01, 1997

Holdings By Asset Class - YTD

ID	Ending Market Value	Average Market Value	Total Return	Average Weight	Total Earnings	Total Port Cont	Total Port Rank	Asset Class Cont	Asset Class Rank	Sector Cont	Sector Rank	
COMMON STOCK												
CONSUMER DISCRETIONARY												
Assets Held During Period												
WALT DISNEY PRODUCTIONS	254687106	185,783	163,843	10.74	1.2	17,596	.13	7	.30	4	2.57	1
FORD MOTOR CO	345370860	131,623	118,339	6.26	.9	7,405	.06	25	.12	18	1.08	5
HOME DEPOT INC	437076102	164,207	149,780	9.18	1.1	13,743	.11	12	.23	7	2.00	3
STARBUCKS CORP	855244109	139,293	126,457	13.69	.9	17,308	.13	9	.29	5	2.52	2
WILLIAMS SONOMA INC	969904101	128,157	125,053	6.73	.9	8,417	.06	21	.14	14	1.23	4
Total: CONSUMER DISCRETIONARY	749,063	683,471	9.40	5.1	64,469	.49			1.09		9.40	
CONSUMER STAPLES												
Assets Held During Period												
COCA-COLA CO	191216100	111,065	101,839	2.98	.8	3,038	.02	40	.05	29	.58	3
COSTCO WHOLESALE CORP, NEW	22160K105	136,526	132,726	7.18	1.0	9,533	.07	16	.16	10	1.82	2
KIMBERLY CLARK CORP	494368103	87,399	101,946	-4.47	.8	-4,555	-.03	77	-.08	43	-.87	5
PROCTER & GAMBLE CO	742718109	109,052	125,459	-5.45	.9	-6,839	-.05	81	-.12	47	-1.30	6
Assets Purchased During Period												
WALGREENS BOOTS ALLIANCE INC	931427108	139,391	124,413	9.88	.9	12,295	.09	14	.21	9	2.34	1
Assets Sold During Period												
WALGREEN CO	931422109	0	0	.00	.0	0		67		35		4
Total: CONSUMER STAPLES	583,432	586,383	2.57	4.4	13,472	.10			.23		2.57	
ENERGY												
Assets Held During Period												
CHEVRON CORP	166764100	108,935	131,261	-3.80	1.0	-4,993	-.04	79	-.08	45	-1.04	2
CONOCOPHILLIPS	20825C104	109,773	130,259	-4.67	1.0	-6,081	-.05	80	-.10	46	-1.27	3
HALLIBURTON CO	406216101	105,547	98,231	9.35	.7	9,181	.07	18	.15	11	1.92	1
NATIONAL-OILWELL, INC	637071101	73,155	94,213	-16.88	.7	-15,907	-.12	86	-.27	52	-3.32	4
Total: ENERGY	397,410	453,963	-3.72	3.4	-17,801	-.14			-.30		-3.72	
ETF - DOMESTIC EQUITY												
Assets Purchased During Period												
SPDR ENERGY INDEX	81369Y506	134,018	129,642	3.37	1.0	4,374	.03	33	.07	24	3.37	1
Total: ETF - DOMESTIC EQUITY	134,018	129,642	3.37	1.0	4,374	.03			.07		3.37	
ETF - DOMESTIC EQUITY												
Assets Held During Period												

Your Holdings Detail

Reporting period: December 31, 2014 to February 28, 2015

EASTERN BANK INVEST MGR FOR SALEM STATE UNIV (2427524)

Performance Measured Since: January 01, 1997

Holdings By Asset Class - YTD

	ID	Ending Market Value	Average Market Value	Total Return	Average Weight	Total Earnings	Total Port Cont	Total Port Rank	Asset Class Cont	Asset Class Rank	Sector Cont	Sector Rank
I SHARES S & P MIDCAP 400	464287507	175,726	59,398	3.21	.4	1,905	.01	45	.03	32	3.21	1
Total: ETF - DOMESTIC EQUITY		175,726	59,398	3.21	.4	1,905	.01		.03		3.21	
FINANCIALS												
Assets Held During Period												
AMERICAN EXPRESS CO	025816109	120,019	149,067	-11.72	1.1	-17,469	-.13	87	-.29	53	-1.24	8
BANK AMERICA CORP	060505104	124,773	154,563	-12.02	1.2	-18,572	-.14	88	-.31	54	-1.32	9
CHUBB CORP	171232101	125,864	145,891	-2.74	1.1	-4,004	-.03	76	-.07	42	-.28	4
DISCOVER FINANCIAL SERVICES	254709108	126,107	167,450	-6.08	1.3	-10,176	-.08	84	-.17	50	-.72	6
MORGAN STANLEY	617446448	137,183	166,889	-7.82	1.3	-13,050	-.10	85	-.22	51	-.93	7
STATE STREET CORP	857477103	121,279	143,656	-5.09	1.1	-7,309	-.06	82	-.12	48	-.52	5
SUNTRUST BANKS	867914103	155,983	201,695	-1.96	1.5	-3,962	-.03	75	-.07	41	-.28	3
WEYERHAEUSER CO	962166104	113,917	116,182	-1.40	.9	-1,625	-.01	71	-.03	37	-.12	2
INVESCO LTD.	G491BT108	147,939	110,655	2.08	.8	2,298	.02	43	.04	31	.16	1
Total: FINANCIALS		1,173,063	1,356,049	-5.26	10.2	-73,869	-.57		-1.25		-5.26	
HEALTH CARE												
Assets Held During Period												
BECTON DICKINSON CO	075887109	127,206	120,027	6.35	.9	7,617	.06	22	.13	15	.84	4
BIOGEN IDEC INC	09062X103	185,954	163,669	20.22	1.2	33,101	.25	3	.56	2	3.64	1
CARDINAL HEALTH, INC.	14149Y108	147,999	139,320	8.87	1.0	12,356	.09	13	.21	8	1.36	3
CELGENE CORPORATION	151020104	175,732	170,349	9.12	1.3	15,532	.12	10	.26	6	1.71	2
JOHNSON & JOHNSON	478160104	133,863	160,258	-1.32	1.2	-2,122	-.02	72	-.04	38	-.23	8
MERCK & CO INC. NEW	58933Y105	101,801	111,536	3.52	.8	3,928	.03	35	.07	25	.43	5
Assets Purchased During Period												
STRYKER CORP	863667101	94,276	91,451	3.09	.7	2,823	.02	41	.05	30	.31	6
Assets Sold During Period												
HALYARD HEALTH INC	40650V100	0	2,501	.67	.0	33		65		34		7
Total: HEALTH CARE		966,832	959,112	8.06	7.2	73,268	.56		1.24		8.06	
INDUSTRIALS												
Assets Held During Period												
CATERPILLAR INC.	149123101	91,853	110,982	-8.56	.8	-9,502	-.07	83	-.16	49	-1.94	5
FEDEX CORPORATION	31428X106	150,256	129,994	2.99	1.0	3,884	.03	36	.07	26	.79	2
GENERAL ELEC CO	369604103	117,020	98,540	3.62	.7	3,570	.03	39	.06	28	.73	4
HONEYWELL INT'L INC.	438516106	126,953	109,224	3.47	.8	3,788	.03	38	.06	27	.77	3
MASCO CORP	574599106	163,949	157,749	4.29	1.2	6,761	.05	27	.11	19	1.38	1
Total: INDUSTRIALS		650,031	606,489	1.74	4.6	8,500	.07		.14		1.74	

Your Holdings Detail

Reporting period: December 31, 2014 to February 28, 2015

EASTERN BANK INVEST MGR FOR SALEM STATE UNIV (2427524)

Performance Measured Since: January 01, 1997

Holdings By Asset Class - YTD

	ID	Ending Market Value	Average Market Value	Total Return	Average Weight	Total Earnings	Total Port Cont	Total Port Rank	Asset Class Cont	Asset Class Rank	Sector Cont	Sector Rank
INFORMATION TECHNOLOGY												
Assets Held During Period												
ANALOG DEVICES	032654105	135,798	118,569	6.38	.9	7,559	.06	23	.13	16	.67	3
APPLE	037833100	284,539	253,031	16.13	1.9	40,804	.31	2	.69	1	3.63	1
CORNING INC	219350105	86,972	84,152	6.75	.6	5,684	.04	30	.10	22	.51	6
GOOGLE INC CL A	38259P508	122,091	116,879	5.63	.9	6,579	.05	28	.11	20	.58	4
GOOGLE INC CL C	38259P706	83,760	80,255	5.74	.6	4,603	.04	32	.08	23	.41	7
I B M CORP	459200101	83,966	64,197	1.37	.5	878	.01	57	.01	33	.08	8
QUALCOMM INC	747525103	116,234	219,358	-1.58	1.6	-3,463	-.03	74	-.06	40	-.31	9
SALESFORCE.COM	79466L302	145,837	121,986	17.03	.9	20,769	.16	6	.35	3	1.85	2
VISA, INC	92826C839	176,392	160,829	3.66	1.2	5,887	.05	29	.10	21	.52	5
Total: INFORMATION TECHNOLOGY		1,235,587	1,219,255	7.94	9.2	89,301	.68		1.51		7.94	
MATERIALS												
Assets Held During Period												
DOW CHEMICAL CO	260543103	117,388	107,967	7.80	.8	8,426	.06	20	.14	13	4.93	1
NUCOR CORP	670346105	87,570	106,056	-4.37	.8	-4,634	-.04	78	-.08	44	-2.71	2
Total: MATERIALS		204,958	214,023	2.22	1.6	3,792	.03		.06		2.22	
TELECOMMUNICATION SERVICES												
Assets Held During Period												
VERIZON COMMUNICATIONS INC	92343V104	121,746	114,052	7.42	.9	8,467	.06	19	.14	12	7.42	1
Total: TELECOMMUNICATION SERVICES		121,746	114,052	7.42	.9	8,467	.06		.14		7.42	
UTILITIES												
Assets Held During Period												
DUKE ENERGY CORP NEW	26441C204	68,237	65,806	-4.74	.5	-3,117	-.02	73	-.05	39	-1.03	3
THE WILLIAMS COS.	969457100	96,364	86,657	8.68	.7	7,523	.06	24	.13	17	2.49	1
XCEL ENERGY, INC.	98389B100	98,466	80,039	-1.73	.6	-1,385	-.01	69	-.02	36	-.46	2
Total: UTILITIES		263,067	232,502	1.00	1.7	3,020	.02		.05		1.00	
Total: COMMON STOCK		6,654,933	6,614,339	3.02	49.6	178,897	1.37		3.02			

Your Holdings Detail

Reporting period: December 31, 2014 to February 28, 2015

EASTERN BANK INVEST MGR FOR SALEM STATE UNIV (2427524)

Performance Measured Since: January 01, 1997

Holdings By Asset Class - YTD

ID	Ending Market Value	Average Market Value	Total Return	Average Weight	Total Earnings	Total Port Cont	Total Port Rank	Asset Class Cont	Asset Class Rank	Sector Cont	Sector Rank	
DOMESTIC EQUITY FUNDS												
ETF - DOMESTIC EQUITY												
Assets Purchased During Period												
SPDR CONSUMER DISCRETIONARY SECTOR	81369Y407	181,037	165,766	9.21	1.2	15,271	.12	11	9.21	1	9.21	1
Total: ETF - DOMESTIC EQUITY		181,037	165,766	9.21	1.2	15,271	.12		9.21		9.21	
Total: DOMESTIC EQUITY FUNDS		181,037	165,766	9.21	1.2	15,271	.12		9.21			
INTERNATIONAL EQUITY												
ETF - INTERNATIONAL EQUITIES												
Assets Held During Period												
I SHARES I SHARES EMU INDEX FUND	464286608	355,978	332,706	7.24	2.5	24,089	.18	5	1.63	3	2.59	2
I SHARES MSCI ALL COUNTRY ASIA EX JAPAN I	464288182	368,554	357,503	4.91	2.7	17,547	.13	8	1.19	4	1.89	3
Assets Purchased During Period												
DEUTSCHE X TRACKERS MSCI JAPAN HEDGED EQU	233051507	305,605	278,902	9.57	2.1	26,703	.20	4	1.80	2	2.87	1
Total: ETF - INTERNATIONAL EQUITIES		1,030,137	969,112	7.34	7.3	68,339	.52		4.62		7.34	
MUTUAL FUND - INTERNATIONAL EQUITIES												
Assets Held During Period												
DFA INTERNATIONAL SMALL CO PORTFOLIO	233203629	218,326	206,942	5.54	1.6	11,459	.09	15	.77	5	5.54	1
Total: MUTUAL FUND - INTERNATIONAL EQUITIES		218,326	206,942	5.54	1.6	11,459	.09		.77		5.54	
ETF - INTERNATIONAL EQUITIES												
Assets Held During Period												
WISDOM TREE EUROPE HEDGED EQUITY	97717X701	450,637	314,469	15.67	2.4	49,264	.38	1	3.33	1	15.67	1
Total: ETF - INTERNATIONAL EQUITIES		450,637	314,469	15.67	2.4	49,264	.38		3.33		15.67	
Total: INTERNATIONAL EQUITY		1,699,100	1,490,523	8.72	11.2	129,062	.99		8.72			
TAXABLE FIXED INCOME												
US TREASURIES & AGENCIES												
Assets Held During Period												
FEDERAL HOME LOAN BANK 1.75% 12/14/2018	313376BR5	203,593	202,063	.74	1.5	1,504	.01	48	.03	10	.74	1
Total: US TREASURIES & AGENCIES		203,593	202,063	.74	1.5	1,504	.01		.03		.74	

Your Holdings Detail

Reporting period: December 31, 2014 to February 28, 2015

EASTERN BANK INVEST MGR FOR SALEM STATE UNIV (2427524)

Performance Measured Since: January 01, 1997

Holdings By Asset Class - YTD

	ID	Ending Market Value	Average Market Value	Total Return	Average Weight	Total Earnings	Total Port Cont	Total Port Rank	Asset Class Cont	Asset Class Rank	Sector Cont	Sector Rank
CORPORATE BOND												
Assets Held During Period												
AMERICAN EXPRESS CREDIT 2.125% 07/27/2018	0258M0DJ5	101,770	101,863	1.02	.8	1,036	.01	53	.02	15	.03	13
BANK AMERICA CORP 5.25% 12/01/2015	060505BG8	104,232	104,026	.19	.8	200		64		25	.01	21
BROADCOM CORPORATION CL A 2.7% 11/01/2018	111320AE7	103,495	102,832	.64	.8	654	.01	59	.01	20	.02	17
CATERPILLAR FINANCIAL 2.45% 09/06/2018	14912L5T4	182,160	180,495	.93	1.4	1,685	.01	47	.04	9	.05	8
CISCO SYSTEMS INC 3.15% 03/14/2017	17275RAK8	212,228	210,925	.61	1.6	1,296	.01	50	.03	12	.04	10
CISCO SYSTEMS INC 2.9% 03/04/2021	17275RAP7	210,483	205,547	2.40	1.5	4,940	.04	31	.11	3	.14	2
COOPER U S INC. 6.1% 07/01/2017	216871AC7	238,312	245,244	.57	1.8	1,406	.01	49	.03	11	.04	9
COSTCO WHOLESALE CORP, NEW 5.5% 03/15/2017	22160KAC9	318,426	316,485	.61	2.4	1,935	.01	44	.04	7	.05	6
JOHN DEERE CAPITAL CORP 2.25% 04/17/2019	24422ERR2	127,973	126,688	1.01	1.0	1,280	.01	51	.03	13	.04	11
DEUTSCHE BANK AG LONDON 2.5% 02/13/2019	25152RVS9	127,393	127,723	.96	1.0	1,227	.01	52	.03	14	.03	12
E M C CORP 2.65% 06/01/2020	268648AQ5	153,464	149,615	2.58	1.1	3,854	.03	37	.09	5	.11	4
LOWES COMPANIES INC 5% 10/15/2015	548661CH8	287,813	287,232	.22	2.2	637		60	.01	21	.02	18
MONSANTO CO 2.75% 07/15/2021	61166WAT8	203,465	204,335	2.11	1.5	4,319	.03	34	.10	4	.12	3
ORACLE CORPORATION 2.375% 01/15/2019	68389XAQ8	205,747	206,955	1.19	1.6	2,472	.02	42	.06	6	.07	5
THERMO FISHER SCIENTIFIC, INC. 2.25% 08/1	883556BA9	152,747	153,637	.53	1.2	821	.01	58	.02	19	.02	16
TORONTO DOMINION BANK 2.625% 09/10/2018	89114QAM0	182,691	180,868	1.01	1.4	1,830	.01	46	.04	8	.05	7
VERIZON COMMUNICATIONS INC 2% 11/01/2016	92343VBD5	76,607	170,615	.20	1.3	338		63	.01	24	.01	20
WELLS FARGO & CO 2.15% 01/15/2019	94974BFQ8	101,184	101,736	.99	.8	1,003	.01	54	.02	16	.03	14
XILINX, INC. 3% 03/15/2021	983919AH4	208,341	201,389	3.46	1.5	6,958	.05	26	.16	2	.20	1
Assets Purchased During Period												
WELLS FARGO & CO 3% 01/22/2021	94974BFR6	103,548	52,461	-1.42	.4	-1,490	-.01	70	-.03	26	-.04	22
Assets Sold During Period												
BAXTER INTERNATIONAL INC. 1.85% 01/15/2017	071813BD0	0	102,170	.47	.8	478		62	.01	23	.01	19
OCCIDENTAL PETROLEUM CORP 1.75% 02/15/2017	674599CB9	0	101,241	.92	.8	934	.01	55	.02	17	.03	15
Total: CORPORATE BOND		3,402,079	3,634,082	1.06	27.3	37,814	.29		.86		1.06	
ETF - CORPORATE BONDS												
Assets Held During Period												
I SHARES I BOXX INVESTMENT GRADECORPORATE	464287242	421,306	413,024	2.28	3.1	9,426	.07	17	.22	1	1.55	1
ISHARES FLOATING RATE BOND ETF	46429B655	224,588	224,114	.24	1.7	534		61	.01	22	.09	3
Assets Purchased During Period												
SPDR BARCLAYS HIGH YIELD BOND ETF	78464A417	423,418	211,312	.21	1.6	889	.01	56	.02	18	.15	2
Total: ETF - CORPORATE BONDS		1,069,313	848,451	1.78	6.4	10,849	.08		.25		1.78	
Total: TAXABLE FIXED INCOME		4,674,985	4,684,596	1.15	35.2	50,168	.38		1.15			

Your Holdings Detail

Reporting period: December 31, 2014 to February 28, 2015

EASTERN BANK INVEST MGR FOR SALEM STATE UNIV (2427524)

Performance Measured Since: January 01, 1997

Holdings By Asset Class - YTD

ID	Ending Market Value	Average Market Value	Total Return	Average Weight	Total Earnings	Total Port Cont	Total Port Rank	Asset Class Cont	Asset Class Rank	Sector Cont	Sector Rank
CASH AND EQUIVALENTS											
CASH UNINVESTED											
Assets Held During Period											
	3	0	.00	.0	0		68		2		1
Total: CASH UNINVESTED	3	0	.00	.0	0						
MONEY MARKET FUNDS											
Assets Held During Period											
FEDERATED GOV'T OBLIGATION TAX MANAGED FU 60934N849	193,805	368,125	.00	2.8	6		66		1		1
Total: MONEY MARKET FUNDS	193,805	368,125	.00	2.8	6						
Total: CASH AND EQUIVALENTS	193,808	368,125	.00	2.8	6						
Total	13,403,862	13,323,350	2.86	100.0	373,403	2.86					

Investment Commentary

It's just like déjà vu all over again, as Yogi Berra may have said. For the second consecutive year, stock markets rallied sharply in February after a dismal January, leaving the averages at all-time highs. Bonds lost value, as investors began to anticipate an earlier start to the Federal Reserve's monetary tightening cycle.

Economic data remains mixed. The energy sector is suffering from steep profit erosion due to low oil prices, which has dampened the industry's appetite for capital spending and jobs growth. Yet against that negative backdrop, the rest of corporate America continues to show improving demand and profits. The U.S. dollar's strength against other currencies hampers profit growth from foreign subsidiaries, however.

In a further episode of déjà vu, it appears that a combination of unusually cold temperatures and (for us in New England) extraordinary snowfall have chilled economic growth once again. We will probably see weaker GDP and corporate profits reported for the year's first quarter; we hope also to see a rebound when the snow finally melts.

Putting that all together, S&P 500 profits may not grow much this year, so further price gains will depend on anticipation of an extended economic expansion. That's still a reasonable bet, so we remain overweight U.S. equities – albeit not quite as robustly as we were at this time last year.

Michael A. Tyler, CFA, Chief Investment Officer

Notes and Disclosures

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ON OUR MINDS

“Fossil Fuel Free” Funds: Fair or Foul?

*Michael A. Tyler, CFA®, Chief Investment Officer
February 23, 2015*

One of our clients, a local university, recently invited me to join a panel discussion at which student activists will formally ask the school to divest the university’s endowment of companies that participate in the fossil fuel industry. The invitation was issued without knowing whether I, as the manager of the endowment’s funds, would support or resist divestiture.

I said I’d be happy to engage with the students, and I am genuinely eager to explore with them the facts and the follies of “3F” (“fossil fuel free”) investing; we can learn from each other, to our mutual benefit. I’m delighted that the students are passionate about protecting our climate and our environment, and I’m equally glad that they have the courage to stand up to their elders.

I should also admit that the experience will be a bit nostalgic for me, since I was on their side of the table once upon a time. In the late 1970s, I had the good fortune to witness firsthand how a small group of students persuaded a very conservative university to divest a very large endowment of companies that did business in South Africa. That anti-apartheid stance, multiplied over many large endowments, ultimately put enough pressure on some American companies to convince them to pull out of South Africa; perhaps those American corporate decisions also helped bring down the apartheid government.

Unfortunately, the question of fossil fuel divestment is considerably more complicated than the South Africa debates of 35 years ago, and it’s not at all clear that fossil fuel divestment would be a good thing for anyone – including our great-grandchildren who will one day inherit the earth from us. Ultimately, I hope to convey to my student activist debaters that while I admire their idealism and their passion, I can’t endorse their movement. Let’s look at a few reasons why:

- *What exactly is a 3F portfolio, and is it even good for the planet?*

I’m not convinced that the student activism of the 1970s or the broad-based divestment from South Africa led directly to the fall of the apartheid state, but they certainly didn’t hurt. I can’t say the same would be true about fossil fuel divestment: It *could* actually cause more damage than it might prevent, for two reasons.

First, most 3F portfolios are based on the “Carbon Underground 200”, a global list of companies with large “proven reserves” of coal, oil, and natural gas. If we were to construct a portfolio that entirely avoids these companies, we could smugly advertise it as 3F-compliant; but this portfolio might still include firms that are, astonishingly, *not* banned by 3F advocates – companies like Halliburton, which does the dirty work of servicing oil wells; or offshore drillers like Transocean (which was partly responsible for the Gulf of Mexico disaster five years ago); or pipeline companies like Kinder Morgan; or refiners such as Phillips 66. Would this really be a fossil-fuel free portfolio? Is the planet better or worse for replacing Chevron with Transocean?

Second, even if we expanded the list to include the largest servicers, drillers, pipelines, and refiners, we would find other problems. As the largest companies in their fields, the Carbon 200 companies are the most carefully watched by government and non-profit agencies, while their smaller brethren are less vigorously monitored.

And what about investing in alternative energy sources? Companies like Chevron (which is on the Carbon 200 list) are also among the most aggressive investors in green energy in the world; they don't want to lose out when the world does shift to alternative energy sources. Adopting a 3F strategy might simultaneously encourage dirtier carbon production by smaller firms and discourage investment in green energy by larger firms – and this is good?

- *What is the impact of a 3F portfolio on the university's endowment?*

Even putting aside the question of whether a 3F portfolio would have a beneficial or harmful effect on the planet, we should also consider the impact it would have on the university's endowment. If it's possible to invest in a 3F portfolio that offers comparable risks and returns to a non-3F portfolio, nothing is lost and peace of mind is gained. That's what happened in the anti-apartheid movement; sadly, however, such a win-win outcome is not possible with fossil fuels.

The comparison to the anti-apartheid movement is flawed in a subtle but important way. The targets of the anti-apartheid movement were a small number of companies across a wide spectrum of American industry: computers (IBM), industrials (Caterpillar), and so on. In contrast, the 3F movement today targets a single industry. It was easy for a university endowment in 1979 to replace IBM with Burroughs, or to replace Caterpillar with John Deere; the investment characteristics of the portfolio weren't much affected, so it was a painless switch that may have put some marginal pressure on IBM or Caterpillar.

Not so today: To eliminate fossil fuels would be to eliminate entire sectors of the economy, with potentially huge impacts on the endowment; yet these beaten-up stocks would find other buyers with fewer qualms about fossil fuels, likely negating any impact on the companies themselves.

A fundamental rule of investing is to diversify a portfolio across many different industries; this has been shown countless times to reduce volatility (risk) while enhancing returns. Of the ten major industry sectors of the American economy (health care, energy, technology, financials, consumer staples, etc.), energy is the least correlated with the others; in other words, the energy sector is an absolutely vital diversifier within an equity portfolio. The next best diversifier is the utility sector, which includes many oil- and coal-burning electricity providers (some of which are on the Carbon 200 list). To eliminate these sectors would lead to greater volatility and lower investment returns.

Recent studies have quantified the impact of 3F portfolios on university endowments. In a review of investment returns over the past 50 years, Compass Lexecon found that a hypothetical portfolio stripped of fossil fuel companies would have lost an annualized 0.7% relative to a properly diversified portfolio. That may not sound like much, but across the breadth of \$456 billion invested in U.S. university endowments,¹ it adds up to \$3.2 billion per year that would not be

¹ This figure was calculated by National Association of College and University Business Officers, an umbrella group of academic endowments.

available for educational purposes. That would not be an easy pill for a university endowment officer to swallow.²

The Compass Lexecon study looked backward over the past half-century; perhaps, though, we should look forward to the next half-century. *Rolling Stone* recently published an article touting the 3F concept as smart investing from a purely economic perspective, pointing out that fossil fuel company stock prices have been pummeled in the past several months as oil prices were cut in half. A California money manager was quoted in the article as saying that oil stocks are inherently risky and that his firm's divestment last April was a good financial decision.

Well, sure – oil prices go up and down, so oil investments are risky; that's the whole point of owning a diversified portfolio. Oil prices rise during periods of inflation, when other sectors often fall because their profit margins are squeezed. Selling oil stocks last April, when a barrel cost over \$100, was a wise decision, but perhaps so too is buying oil stocks now, when a barrel costs about \$50; unless you want to make the highly dubious case that oil prices will permanently fall to lower levels, keeping them out of a portfolio is not a good long-term financial decision.

Compass Lexecon and *Rolling Stone* both assumed only that we would exclude the fossil fuel producers. But where, morally, should we draw the line? Suppose again that the Carbon 200 list is expanded to include all aspects of *producing* and even *distributing* fossil fuel. Should we go further, to target the largest *consumers* of fossil fuels? If so, we can knock out all the electric utilities (kiss those dividends goodbye), airlines, railroads, truckers, and steelmakers, among others. And what about companies that make the products that consume fossil fuels – should we also divest Ford and Cummins Engine and Boeing? Should we avoid banks that finance the fossil fuel industry? You can see where this is going: Just about every investable company in the U.S. is, to some degree, a fossil fuel company; a truly 3F portfolio would consist of nothing but cash.

So when I meet with the students at our client university's panel discussion in a few weeks, I will put the question to them: Is fossil fuel divestment so important to you that you would have this university eliminate your major, or shutter your lab?

More bluntly, *what is the purpose of the endowment?* Harvard University president Drew Faust wrote that the school's endowment "exists to serve an academic mission ... not [to be] an instrument to impel social or political change." The endowment produces the funds that enable Harvard to offer classes, build laboratories and dormitories, and conduct research.

With all due respect to President Faust, though, it's also fair to point out that these socially desirable expenditures might be seen as tainted if they are funded with money earned from shameful sources: How could Harvard, in 1979, teach students the horrors of antebellum slavery when it reaped millions from apartheid business? Today, can our client university prepare students for careers in "green tech" with money earned from oil or coal investments?

² Other studies have produced varying results ranging from comparable performance (at best) to considerably worse returns. The differences among the studies emerge from variation in how 3F is defined and from choices of starting and ending dates, among other things.

- *So what can a university (or an individual) do to affect climate change?*

Clearly, there is a balance to be sought; our Sustainable and Responsible Investing (SRI) platform is one way to reconcile these two points of view. In this strategy, we rank 1,500 American companies on a curve, using a wide variety of metrics including many related to climate change. Rather than avoiding *all* fossil fuel companies, we eliminate the worst corporate actors, including companies like ExxonMobil and Halliburton. We then substitute better companies that offer similar investment characteristics, such as Chevron and Williams Brothers.

Does this mean that our SRI portfolio owns fossil fuel companies? Absolutely – but the ones we own are companies that have significantly less adverse impact on the planet; Chevron’s environmental record is far superior to Exxon’s, and it also is a much more aggressive investor in alternative fuel sources. This is the truly win-win approach: From a climate change perspective, if enough other investors select for climate change responsibility *within* the energy sector, it is more likely that the “bad actors” will reform themselves in the way that IBM and Caterpillar did a generation ago; and from an investor’s perspective, the economic benefits of diversification and risk management are preserved.

* * *

On side 4 of the group Chicago’s debut LP, the sounds of Yippies chanting at the 1968 Democratic National Convention – “The whole world is watching!” – segue into a song questioning whether the baby boom generation could put its internal strife aside and “someday” lead America to a better future:

*Can you look around you now and tell us what's to be?
Can you look inside yourself and tell us what you see?
Someday you will see how long we've waited for that time.*

As a college student I stood and chanted at my share of rallies and protests; as an adult I hope I can measure up to what my younger self aspired – and I am eagerly anticipating the opportunity to put that hope to the test when I meet with our clients’ students in a few weeks. Perhaps we can use their idealism and our own hard-earned realism to help the university’s endowment meet its educational mission while preserving its conscience.

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Past performance does not guarantee future performance.

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ON OUR MINDS

Looking Backward, Looking Forward

Michael A. Tyler, CFA®, Chief Investment Officer

Rose Grant-Brooks, Equity Strategist

Thomas Bussone III, Fixed Income Strategist

William Jennings, Investment Officer

Christina Lakich, Investment Associate

January 12, 2015



Janus, at the Vatican Museums

In ancient Rome, Janus was the god of gates and transitions, with faces looking both forward and backward – an entirely appropriate eponym for the year's first month, and a reminder that any honest preview of the coming year must be placed in the context of a candid review of the year just ended. With that in mind, we undertake here our annual reflection on our successes and failures in the past year and on what may lie ahead in 2015.

We begin with a snapshot of the global economy and markets. For the most part, neither the economists nor the market gurus earned their pay last year: the economists badly underestimated the vigor of the U.S. economy's revival while overestimating Europe's ability to dig itself out of recession. Most market strategists wrongly predicted rising interest rates and stagnating stock prices. About 87% of equity fund managers lagged their benchmark indices, collectively their worst year in a generation.

Domestic Economy

A year ago, many economists were still worried that U.S. growth was too slow and that higher interest rates would kill the emerging housing recovery. We focused instead on a nascent rebound in durable goods orders as the catalyst for further expansion. After a terrible winter, in which polar vortex weather caused the worst GDP reading since 2009, the economy roared to life with 4.6% and 5.0% growth in the second and third quarters, propelled by spending in cars, computers, factory equipment, and other investments. Since some of the recent strength is undoubtedly due to purchases delayed from the winter, it would be fair to look at the year as a whole, which should finish at just under 3.0% growth – well ahead of earlier expectations. The unemployment rate fell from 7.0% to 5.8% last year, and inflation remained below 2%.

The Federal Reserve has indicated that it wants to raise the Fed Funds rate soon. We had thought that the Fed might have acted even earlier, in response to jobs growth and stronger economic production; yet cheaper oil and a stronger dollar have muted inflation, removing any immediate prod to action. As the Fed's reluctance became more evident, longer-term interest rates fell again; the 10-year Treasury yield finished the year at 2.17%, far below the 3.04% rate a year ago.

The resilient and improving U.S. economy is even more remarkable when viewed in a global context. Other major markets stalled during the year, which inhibited the demand for American-made products, and the dollar's 12% gain against other currencies further hurt U.S. exports; yet even with these substantial headwinds, exporters have been important contributors to our overall economic growth in the past year. In part, this is a function of perspective: investors focus on Japan and Europe, but more American trade dollars flow to and from the relatively healthy economies in Canada and Mexico.

Looking ahead, we still believe, as we wrote a year ago, that the U.S. has entered into a sustained and long overdue capital goods replacement cycle, which can drive economic growth for several years to come. For a half-decade following the 2008 recession, American consumers and businesses had neither the income nor the credit to replace older items, and manufacturers cut back on production; meanwhile used equipment was kept in service longer, drying up the resale market. As incomes and credit have normalized, this older equipment is now being replaced or upgraded.

International Economies

Remember the advertising tag line for *Jaws II*? “Just when you thought it was safe to go in the water...” That phrase seems a perfect summation of 2014 in Europe: just when you thought Europe could pull itself out of its morass of recession, deflation, and excessive government debt... the Continent's economies stalled out again.

The European Central Bank consistently promised help to major countries that might need it, and some national governments came through with stimulus measures; but the ECB has, so far, shied away from more aggressive action such as purchases of sovereign debt obligations, and other countries have remained intransigent. Yet the Continent is still clearly in stronger economic condition than it was three years ago, and investors have noticed: As governments have repaired their balance sheets, interest rates on government debt in most countries have plunged. More encouraging still, the current unrest in Greece has not led to fears of contagion, and investors are even contemplating a Greek exit from the euro with far more equanimity than was true when markets panicked in 2012 over the same possibility.

On the other side of the world, China's economy slowed again in 2014, but its stock markets rose as investors appreciated the government's careful handling of interest rates and credit controls; the Peoples Bank of China has proved reasonably adept, so far, at managing a gradual deceleration from unsustainable 12% growth to more stable 7% GDP growth.

Japan took further steps along its controversial path of reducing interest rates and enacting policies designed to stimulate exports, which had the expected effect of crushing the yen while bolstering the stock market values of its major exporters. The policy was tested as structural reforms were delayed and as Japan's citizenry began to grapple with higher taxes and higher prices for most imported goods. While the outcome so far has been uneven, Prime Minister Abe recently won an electoral mandate to continue his economic program.

Emerging markets throughout Asia and Latin America were hurt by falling energy prices and by the stronger dollar, which put some pressure on sovereign dollar-denominated debt (since servicing that debt became more expensive).

Energy Prices

Perhaps the most significant international economic development last year was the dramatic 46% collapse in the price of a barrel of oil – a fall which has extended into the new year. Although many experts were caught by surprise, the plunge was caused by several foreseeable factors:

- Most important, U.S. oil and gas production has reached levels not seen in over 25 years, resulting in a glut of supply. In a truly global marketplace such as oil, this excess domestic production reverberated around the world.
- Demand for oil grew more slowly than in years past, because of substitution (hybrid cars, gas-powered electric utilities, etc.), GDP deceleration in Asia, and recession in Europe.
- The fear of the Islamic State has subsided as the ongoing conflicts in the Middle East have slipped from the headlines for the moment.
- Perhaps the only significant surprise is that Saudi Arabia elected to maintain its production levels rather than cut production to support price levels; some oil experts have speculated that the Saudis are testing the resiliency of highly-leveraged U.S. producers.

In most major world markets – including the U.S., Europe, Japan, and China – the impact of lower oil prices is mostly positive. These countries import a large share of their energy (in Japan's case, nearly 100% once the nuclear plants were shut down), so the lower prices translate directly into lower raw material costs, lower consumer prices, and higher disposable incomes. In the emerging markets, the effect is mostly negative, since oil production is a large portion of GDP and oil revenues are a large component of government budgets in those areas, while consumption is a very small portion.

If oil prices remain depressed, we anticipate that marginal producers (those with the highest incremental costs of extraction and production) may opt to cancel planned wells, slow down production at existing facilities, and perhaps cut jobs as well. Today, the marginal producers are mostly the U.S. shale drillers and the Canadian tar sands extractors. These companies are often burdened by large debt loads, and they may maintain production, even while losing money, to produce enough cash flow to satisfy their debt service obligations. This may keep oil prices low for a while, although we anticipate market mechanisms leading to improved prices later this year.

2015 Outlook: Economies

GDP Growth. As we look ahead to the new year, we remain bullish on the U.S. economy and on global equity markets, but our stance now leans a little more to the international side. The U.S. is clearly in high gear, with private sector investment boosting job growth and overall production. With the housing bust now seven years behind us and 7.1 million foreclosures about to be expunged this year, as many as 20 million people will see their credit scores restored, which could spur loan and investment growth. We think U.S. GDP growth can remain near 3% throughout 2015, with unemployment continuing to fall.

Inflation. In past cycles, rising demand often led to higher prices, but this time inflation remains subdued. In 2013 and 2014, inflation was kept down by excess slack in the system – in wages (due to high unemployment), in production capacity (due to slow sales growth), and in energy prices (due to rapidly increasing U.S. oil and gas production). This situation may change in the coming year, as the labor market gets tighter and as companies begin hitting production capacity constraints; these may be offset by smaller increases in health care costs by lower energy prices. Overall, the inflation picture remains benign but demanding close observation.

Corporate Profits. The outlook for corporate profits – not the same thing as GDP, but a better measure of the stock market’s earnings power – is somewhat less sanguine. While domestic demand is strong, the stronger dollar will encourage us to buy more imports rather than made-in-America items, and profits earned overseas will be translated back into fewer dollars. Both of these factors will diminish earnings growth. Consequently, we think profit growth for S&P 500 companies may average only about 5% to 7% in 2015.

Interest Rates. With the U.S. economy now running at full stride, we expect the Fed to begin raising short-term interest rates in the first half of the year, perhaps as early as late March. If the economy accelerates or if banks rapidly redeploy money from their Fed accounts into loans, we could see inflation picking up and markets pricing short-term yields higher even before the Fed acts. The yield on a two-year Treasury note could jump from 0.67% today to 2% by year-end.

While the Fed begins to nudge interest rates higher in the United States, the reverse is happening overseas: The Bank of Japan and the European Central Bank are both pushing interest rates lower (using the same quantitative easing techniques that the Fed pioneered). This has important implications for the U.S. bond markets: Given the choice of, say, an Italian or American 10-year bond yielding about 2%, investors will likely choose the better-quality U.S. debt. Global demand for U.S. debt may therefore keep longer-term interest rates low here, even as short-term rates drift upward. The result is likely to be a flatter yield curve.

International Economies. We think Europe and Japan will finally show some economic growth now that their fiscal and monetary policies are better aligned, but they have a long way to go. Global exporters domiciled in those regions will especially benefit from weaker currencies and strong demand in the United States. Japan’s government will likely scuttle its second major tax hike in an effort to stimulate growth.

Asset Allocation

Bonds. With short-term interest rates likely to rise and long-term interest rates caught in a tense stalemate between strong global demand and rising inflation, we think bond investors are headed for a challenging year in 2015. As was true last year, we would rather own credit risk than duration risk, but the two are more evenly balanced than they were in 2014. Put another way, we think the Fed’s expected short-term rate hikes won’t lead to higher long-term rates, because of international demand for American debt; hence, longer-term bonds should be stable. We expect that the improving economy will help corporate debt retain value versus Treasury debt. Investors recently have shunned high-yield debt because many funds have big exposure to the energy sector, and we see some opportunity to take advantage of the resulting low bond prices.

Equities. Stock prices in the U.S. are neither cheap nor dear; at about 16x 2015 earnings, they are close to their median historical valuation point along a very wide spectrum. Prices can find support from domestic economic strength, strong corporate balance sheets, and substantial equity inflows from international investors.

Yet we must acknowledge the signs that we are in the late stages of this bull market. Profit growth is slowing due to lower oil prices, weaker international demand, and a stronger dollar; investors may become wary of disappointing forecasts. Further, merger and acquisition activity is again setting records, a boom that could signal the top of this economic cycle: Companies often engage in M&A when their stock prices are inflated from years of earnings growth and when they see their organic growth slowing, as a way of boosting their overall earnings growth.

In contrast, we increasingly like Europe's and Japan's equity markets as these regions gradually see the benefit of their stimulus policies. China is also attractive, as investors become more comfortable with the PBOC's handling of credit and monetary policy as the economy slows. Overall, we are shifting some of our equity exposure in global accounts to these regions.

To summarize, in our Multi-Asset portfolios, we are positioning our client portfolios as follows:

	New	Jan. 2014	Change
Tactical Equity Weighting	+6.0%	+7.5%	-1.5%; tip toward bonds
Equities:			
U.S. Large-Cap	75.0%	80.0%	-5.0%; tip away from U.S.
U.S. Mid-Cap	2.0%	5.0%	-3.0%; mostly shift to sectors
Energy Sector ETF	1.5%	--	+1.5%; expect oil to stabilize
Consumer Discretionary ETF	2.0%	--	+2.0%; rising spending
Total U.S.	80.5%	85.0%	-4.5%
Benchmark	80.0%	80.0%	
Developed Europe	9.0%	8.0%	+1.0%; hedged currency
Asia: China Region	4.5%	4.5%	--
Asia: Japan	3.5%	0.0%	+3.5%; hedged currency
Global Small-Cap	2.5%	2.5%	--
Total International	20.5%	15.0%	+4.5%
Benchmark	20.0%	20.0%	
Fixed Income:*			
U.S. Investment Grade	75.0%	75.0%	--
Short Term Credit ETF	0.0%	2.0%	-2.0%
Intermediate-Term Credit ETF	10.0%	10.0%	-- extending duration
High-Yield ETF	10.0%	8.0%	+2.0%; buying weakness
Municipal Bonds	--	5.0%	-5.0%; fully priced
Floating-Rate Notes ETF	5.0%	--	+5.0%; waiting for Fed hike
*Note that we promulgated our 2015 fixed income strategy in "Fixed Income Strategy Update," distributed November 13, 2014. It is unchanged here.			

2014 Report Card. Finally, we think it is appropriate to evaluate how well we invested our clients' funds in the year just ended. Overall, it was a good year:

- Asset allocation. For the third consecutive year, our asset allocation decisions added meaningful value to client portfolios. Last January, we trimmed our equity overweight from +13% to +7.5%. This proved to be a good decision throughout the year, as both equities and bonds ultimately posted good returns despite some wide price swings. Our balanced approach smoothed out the volatility, while the tactical overweight to equities boosted performance. We calculate that for a Growth with Income client, asset allocation added approximately 41 basis points (0.41%) to total portfolio returns in 2014.¹
- Geographic diversification. We first purchased European and "China orbit" equities in late 2012, which turned out to be too early; but we doubled down in early 2013, and were well rewarded through the remainder of that year and 2014. The two regions complement one another, with alternating periods of strong performance. We shifted some money from unhedged to hedged European equities in mid-2014, which helped performance as the euro continued its fall against the dollar. We wisely avoided most emerging markets, and didn't suffer much by missing Japan's modest dollar-denominated gains. Overall, we remained significantly underweight international (and overweight U.S.) in our global Multi-Asset equity portfolios in 2014; we calculate that this decision boosted 2014 Multi-Asset equity client portfolio performance by approximately 180 basis points.²
- Equity stock selection. Our client portfolios underperformed the S&P 500 across all of our equity styles. Although a few stocks hurt us more than others, our diversification requirements limited the downside from any individual company. Our portfolios closely matched the equity performance of our stock research partner, Argus Research Corp. Other active managers also missed the benchmark, and by a wide margin: Morningstar reported that the average active large-cap equity fund lagged its benchmark by 350 basis points in 2014.³

¹ The asset allocation contribution is based on the performance of model portfolios. Individual client returns, and the contribution of asset allocation to individual client returns, may be higher or lower depending on each client's individual investments. Please contact us if you would like details of how we calculate this figure.

² As above, the asset allocation contribution is based on the performance of model portfolios, and may vary for individual clients depending on the specific investments in a portfolio.

³ We note that fully 87% of all active large-cap managers underperformed their equity benchmarks last year, due to the arithmetic of performance calculation. Active managers almost always build equal-weighted portfolios; for a portfolio with 50 companies, each holding will be about 2%. Yet the index is capital-weighted, so that Apple is 4% of the index and smaller companies may be less than 0.1%. When the largest companies do well (as Apple did last year, up 40%), active managers cannot possibly own enough stock to overweight their positions relative to the index. Conversely, when smaller companies do well, a large majority of active managers will outperform their benchmarks because the benchmark returns will be inhibited by the big companies. Active managers don't suddenly change from smart to stupid or vice versa; it's just the way the arithmetic works. Investors who are now switching to passive index funds are therefore taking a significant risk (often unacknowledged) that megacaps will continue to outperform.

- Fixed income. Our fixed income strategy has been to keep our portfolio duration short, and to recapture yield through high yield and (early in the year) muni debt. The duration strategy worked against us, as rates fell and the yield curve flattened. Our credit strategy was successful, leading us to sell our muni holdings at a good profit and to retain our high-yield holdings through the oil-driven weakness. Because we structure portfolios with a primary emphasis on risk management, the net effect of these cross-currents was modestly negative, as our actively managed bond portfolios slightly lagged their benchmarks.

We are gratified that 2014 worked out well for our clients, if not as spectacularly well as the perfect storm case the year before. We approach 2015 with some optimism and some concern that this market cycle is showing signs of age – and with a keen awareness of what can go wrong. We thank all of our clients for placing their trust in our stewardship of their financial assets, and we hope to see you all in the new year.

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SUBJECT: Executive Committee Meeting Report of April 1, 2015

The Executive Committee of the Board of Trustees met Wednesday, April 1, 2015, in Marsh Hall, room 210, located on the Central Campus of Salem State University.

Present for the Committee were Trustees Scott (Chair), Davis, Mattera and Segal; President Meservey (Committee Liaison); and Secretary to the Board Montague. Also present and participating in the meeting were Trustees Abdoo, Burns, Malcolm, and Segal. General Counsel and Vice President for Administration Keenan, Vice President of Finance and Business House, Provost and Academic Vice President Silva, Assistant Provost Everitt, Vice President for Enrollment Management and Student Life James, Vice President for Institutional Advancement McGurran, Vice President for Marketing and Communications, Torello and Chief of Staff Beth Bower..

Chair Scott called the meeting to order at 4:45pm

Commencement Speakers: The first item of business was a discussion regarding speakers at Commencement. President Meservey reminded the committee that Susan Wornick, news anchor and consumer activist will be the speaker and honorary degree recipient at the School of Graduate Studies Commencement on Thursday, May 14th at 4pm. She will be joined by honorary degree recipient Paul Lanzikos, executive director of the North Shore Elder Services. Attorney General Maura Healey will address the College of Health and Human Services and Bertolon School of Business commencement on Saturday, May 16th at 10am. Archivist of the United States David Ferriero will be the Commencement Speaker at the College of Arts and Sciences and School of Education Commencement on Saturday afternoon. He will be joined by honorary degree recipient Linda Saris, executive director of LEAP for Education, Inc. (formerly Salem Cyberspace).

Offsite Meeting Chair Scott reminded the committee that a sub-committee had been assembled to discuss the agenda for the offsite meeting on May 29th. The sub-committee had its first conference call on March 16th and will bring forward a proposed agenda for the committee's review prior to the offsite meeting. The agenda will include some results from the recently completed Board Evaluation. Results of the survey were previously distributed for the trustees review. Chair Scott reminded the trustees that offsite meeting will take place at Turner Hill in Ipswich

Executive Session: Chair Scott announced that the committee would go into Executive Session to discuss a real estate acquisition.

Upon a motion duly made by Trustee Segal and seconded by Trustee Davis, a roll call vote was taken to go into Executive Session at 7:13 pm.

Voting in the Affirmative: Davis, Mattera, Scott and Segal

Voting in the Negative: None

Following the Executive Session, the committee returned to regular session. There being no further business to come before the committee, the chair called for a motion to adjourn.

Upon a motion duly made by Trustee Mattera and seconded by Trustee Davis, it was unanimously

VOTED: To adjourn the meeting at 8:06 pm.

Prepared by: L. Montague, Secretary to the Board of Trustees