



Minutes of the June 4, 2014 Meeting

MEETING OF THE BOARD OF TRUSTEES

June 4, 2014

PRESENT: Trustees Abdo, Burns, Crawford, Davis, Mattera, Quiroga, Scott (Chair) and Segal; President Meserve; Executive Vice President Cahill and Secretary to the Board Fleischman.

ABSENT: Trustees Ansara, Lancome and Stringer

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 June 4, 2014 with Pamela C. Scott, Chair, presiding. This meeting was electronically recorded.

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I. CALL TO ORDER

Call to Order

Chair Scott called the meeting to order at 5:07 p.m.

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II. CONSENT AGENDA

*Acceptance
of the
Consent Agenda*

Chair Scott read the items contained on the Consent Agenda (Attachment A) 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 Mattera and seconded by Trustee Burns, it was unanimously

VOTED: To approve the Consent Agenda for the Meeting of June 4, 2014. (CA-14-04)

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III. COMMITTEE ACTIONS

*Academic Affairs,
& Student Life
Committee*

Academic Affairs & Student Life: Chair Scott asked Trustee Abdo to present the committee actions for consideration. Chair Scott noted that the material related to the actions had been distributed to the members prior to the meeting. Trustee Abdo began by presenting the motion from the committee with regard to the conferral of tenure status.

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

VOTED: The Board of Trustees of Salem State University hereby accepts the recommendation of the Academic Affairs & Student Life Committee of the personnel actions for Faculty Tenure status as presented. (AA-14-03)

personnel actions for Promotion to the ranks of Professor Emeritus and Professor Emerita as presented. (AA-14-08)

Chair Scott acknowledged the extensive effort that went into the tenure and review process and thanked the committee for its work.

Finance & Facilities: Chair Scott invited Trustee Quiroga to present the action for the committee. Trustee Quiroga read the motion presented by the committee regarding the Pro Forma General Operations Budget for fiscal year 2014-15.

Finance & Facilities Committee

There was discussion about the timing of the current budget process, which was expected to last into the middle of summer. Funding for higher education is uncertain, with \$8M currently in the House budget. The state universities are asking for the \$15M contained in last year's appropriation. The actions on fees taken at the April board meeting were predicated on the \$8M funding level. The board will review the final outcome and take appropriate steps to finalize the fees and budget at the September/October meetings. Chair Scott called for a vote on the motion.

Upon a motion duly made by Trustee Quiroga on behalf of the Finance & Facilities Committee, it was unanimously

VOTED: The Board of Trustees of Salem State University hereby approves the Fiscal Year 2014-15 *pro forma* General Operations Budget as recommended by the president and as shown in Exhibit I of the Finance & Facilities Committee report of May 21, 2014 at the level of \$115,902,000 with revenues and expenditures balanced. The president and other officers of the university are hereby authorized to do all things and take all actions deemed necessary to operate under this *pro forma* budget pending approval of a final budget and to protect the fiscal health of the university. (FF-14-09)

Nominating: At this point, Chair Scott turned the gavel over to Trustee Burns and asked that he oversee the report of the Nominating Committee. Trustee Burns asked Trustee Davis to report for the Nominating Committee. Trustee Davis reviewed the meeting and presented the recommendation of the committee: Trustee Pamela Scott for Chair and Trustee Paul Mattera for Vice Chair. Trustee Burns opened the nominations to the floor. Hearing none, the nominations were closed. Trustee Davis read the committee motion; it was seconded by Trustee Abdoo. It was unanimously

Nominating Committee

VOTED: The Board of Trustees of Salem State University hereby elects the slate of Pamela C. Scott as chair and Paul Mattera as vice chair as its officers for FY 2015. (NM-14-01)

Chair Scott resumed the gavel.

* * *

IV. REPORT OF THE PRESIDENT

Report of the President

- President Meservey began by recognizing Provost Kristin Esterberg who will be leaving the university on June 6 to take up the presidency of SUNY Potsdam. The president expressed thanks and acknowledged her many accomplishments in five and half years at Salem State University, including: the reformulation of the general education curriculum,

- The parking garage project has solidified and is moving forward. We have an opportunity to go with a timeline that is earlier than previously had been considered. This project will be brought forward for action at the September Finance & Facilities meeting. The proposed site selected is on the Peabody lot. It will provide an additional 474 spaces for a total of 870 in a two bay garage. The approach currently being pursued will not require an easement with the Salem Housing Authority. In the traffic studies undertaken in conjunction with the site selection, three locations were considered: Central Campus, Peabody and the O’Keefe lot. It was determined that the Central lot was too congested at this time with construction for additional work and there are egress issues from the area. We are in conversation with the city with regard to a drainage project at the O’Keefe lot. The garage could not be built without the drainage project, therefore that lot at this time was deemed not workable. Peabody lot was selected for the site. The estimated cost of the project is \$20M with \$1.4M in annual debt service and \$260K in annual operating costs. We are looking at increased parking fees to address the operating costs. There was discussion about the configuration of the garage and the explanation of “two bay” which refers to the number of parking areas in the structure.
- The president has asked Assistant Provost for Institutional Effectiveness and Planning Neal Fogg to provide a summary explanation of the SSU Vision Project Dashboard that was distributed by the Department of Higher Education. This information will be on the September Academic Affairs and Student Life agenda.
- A conference on the Great Fire of Salem will be taking place on campus on June 20 and 21, 2014.

* * *

V. REPORT OF THE CHAIR

Report of the Chair

Chair Scott began by comparing this June meeting with that of 2013 and discussed the many accomplishments of the past year (e.g.: Berry Library, Gassett Fitness Center, Salem Diner purchase, Memorial Plaza), projects started (e.g.: Viking Hall, Student Navigation Center/One Stop, Gordon Center renovation, parking garage, science lab renovations), and items that continue to require Board oversight, namely the campaign and the branding effort. She thanked the members of the board for their support, in multiple ways. She also indicated that, in keeping with the discussion at the Board Offsite, there would be further discussion about academic quality in the coming months and more time on academic responsibility and the utilization of resources in the academic arena.

* * *

VI. OLD BUSINESS

Old Business

Board Offsite Follow up: The chair reviewed several key topics of discussion from the meeting that took place on May 30, 2014 at the Kernwood Country Club. Among the issues highlighted by Chair Scott:

- SSU enrollment trends and their broad effects on the university;
- National trends, such as online education and higher education funding;
- Academic excellence and the Board’s role;
- Fiscal and capital projects;
- Board governance: current practices, board evaluation, board education and campus interaction.

There was also discussion of several key points that will result in action steps for staff and Board alike in the coming months. Among the items Chair Scott listed:

- Demonstrate to the board how SSU is using online learning and provide info on results of experience to date;

VOTED: The slate of Trustee Alyce M. Davis, Trustee Marcel V. Quiroga and Trustee Jacob S. Segal is hereby elected to serve on the Executive Committee of the Salem State University Board of Trustees for Academic Year 2014-15. (NM-14-02).

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VIII. OPEN FORUM

Chair Scott invited comment/questions from those in attendance. There were no participants in the Open Forum section of the agenda.

*Open
Forum*

President Meservey recognized Executive Vice President Stanley P. Cahill on the occasion of his impending retirement from the university for 28 years of service. She thanked Dr. Cahill for his unflagging dedication to Salem State, his steady counsel and stated that he was, indeed, an institution who will be sorely missed. She also reminded all in attendance of the farewell celebration for Dr. Cahill scheduled for June 27, 2014 in the Gassett Fitness Center Atrium.

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IX. ADJOURNMENT

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

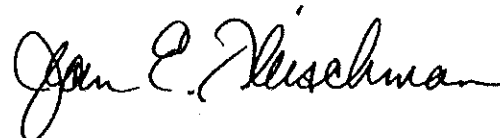
Adjournment

VOTED: To adjourn the meeting at 6:04 p.m.

Respectfully submitted,



Patricia Maguire Meservey
President



Jean E. Fleischman
Secretary to the Board of Trustees

MEETING OF THE BOARD OF TRUSTEES

June 4, 2014 – 5:00 p.m.

Marsh Hall, Room 210, Central Campus

Salem State University

Salem, Massachusetts

Items for inclusion on the Consent Agenda:

Approval of the Minutes of the Meeting of April 9, 2014, Executive Session Notes of April 9, 2014 and the reports of the following committees:

- **Institutional Advancement, Marketing & Communications: May 21, 2014**
- **Risk Management & Audit: May 21, 2014;**
- **Finance & Facilities: May 21, 2014;**
- **Academic Affairs & Student Life: May 21, 2014**
- **Executive: May 21, 2014**
- **Nominating: May 21, 2014**

SUBJECT: Institutional Advancement/Marketing & Communications Committee Meeting Report for May 21, 2014

The Institutional Advancement/Marketing & Communications Committee of the Board of Trustees met on Wednesday, May 21, 2014 in room 210 located in Marsh Hall on the Central Campus of Salem State University.

Present for the Committee: Trustees Mattera (chair), Quiroga (vice chair), Ansara, and Scott; President Meservey, (ex-officio), Vice President McGurren (committee liaison), Vice President Torello, (committee liaison), and Staff Assistant Shahin. Also present and participating: Trustees Abdoo, Crawford, Davis, Segal and Stringer; and Assistant Vice President Crouse.

Trustee chair Paul Mattera called the meeting to order at 3:50 pm.

Campaign Financial Update (Attachment A)

Vice President McGurren thanked everyone who supported Institutional Advancement during the public launch of the campaign. She reported that there were 400 people in attendance on April 12 and the O'Keefe complex looked fantastic. Trustee Mattera commented on how well organized the event was. He also commented on the fact that it was not a fundraiser but an evening for people to reacquaint themselves with the university, which made it a remarkable evening.

McGurren reported that as of April 30 we have raised \$15,289,935. We are at 61% of our goal of \$25M. We have 16 asks in excess of \$3M pending. We are seeking to close them before the end of the fiscal year. In order to meet our FY14 goal of \$16M, we have a balance to be raised of \$710,065, of which approximately \$200,000 will come from the annual fund.

McGurren then discussed our relationship with the Holocaust Center Boston North, reporting their 501(c)(3) has been folded into the university and we are finalizing the transfer of their endowment by June 30 of approximately \$350,000.

McGurren then reviewed the progress of the comprehensive campaign, reporting we have signed letters of intent totaling \$13,446,405 and \$1.8M in verbal commitments. Our annual unrestricted goal is \$2.8M for the campaign and we have raised \$2,077,758 or 74.21% of goal. Trustee Mattera asked if we feel we are on track; is our goal of raising \$25M doable over the next few years? McGurren replied absolutely, especially now that we have gone public and we can reach out to our 55,000 alumni through the efforts of the Alumni and Parents Subcommittee of the Campaign.

inquired where in our budget any of these proposals fit. President Meservey replied it is not in the pro forma budget as we see it here. This is a proposal to the board. Trustee Quiroga asked if perhaps the foundation could support this.

Torello stated if the board were to approve only one portion of the proposal, the website redesign would be the one he would recommend. There was general agreement that a well designed, easily navigable website is a key element of doing business and would stand alone from marketing activities.

There was discussion about the relationship between branding and recruiting. Trustee Mattera asked if it would be possible to get some time for marketing and communications to explain how it supports enrollment management and the recruitment of students.

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

VOTED: To adjourn the meeting at 4:50 pm.

Prepared by: Diane Shahin, staff assistant, Institutional Advancement

COMPREHENSIVE CAMPAIGN FINANCIAL PROGRESS

Area	Goal	Documented	Verbal	Total Raised (Verbal & Documented)	Balance	% to Goal	Cash Received as of 4/30
Annual Fund Unrestricted	\$2,800,000	\$2,077,758		\$2,077,758	\$722,242	74.21%	\$1,333,213
Annual Fund Restricted	\$4,200,000	\$2,873,580	\$32,500	\$2,906,080	\$1,293,920	69.19%	\$2,460,212
Faculty*	\$3,000,000	\$84,328		\$84,328	\$2,915,672	2.81%	\$71,052
Students	\$4,000,000	\$2,045,510		\$2,045,510	\$1,954,490	51.14%	\$2,045,510
Financial Assistance	\$4,000,000	\$2,948,101	\$642,930	\$3,591,031	\$408,969	89.78%	\$2,524,710
Academic Programs	\$2,000,000	\$239,901	\$12,500	\$252,401	\$1,747,599	12.62%	\$239,526
Unrestricted Endowment	\$125,000	\$125,000		\$125,000	\$0	100.00%	\$75,000
Gordon Center Campaign	\$3,400,000	\$1,103,687		\$1,103,687	\$2,296,313	32.46%	\$626,411
Comprehensive Campaign Unrestricted	\$1,475,000	\$1,048,540		\$1,048,540	\$426,460	71.09%	\$579,701
Designation to be determined	n/a	\$900,000	\$1,155,600	\$2,055,600		n/a	n/a
Campaign totals	\$25,000,000	\$13,446,405	\$1,843,530	\$15,289,935	\$9,710,065	61.16%	\$9,955,335

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. \$400,000 included in the students area is spendable and not endowed funds.

ANNUAL FUND PROGRESS

Area	Goal	Documented	Verbal	Total Raised (Verbal & Documented)	Balance	% to Goal
Annual Unrestricted FY11	\$250,000	\$362,883	\$0	\$362,883	\$0	145.15%
Annual Unrestricted FY12	\$475,000	\$925,929	\$0	\$925,929	\$0	194.93%
Annual Unrestricted FY13	\$475,000	\$502,561	\$0	\$502,561	-\$27,561	105.80%
Annual Unrestricted FY14	\$517,200	\$286,385	\$0	\$286,385	\$230,815	55.37%
Annual Unrestricted FY15	\$541,400	\$0	\$0	\$0	\$541,400	
Annual Unrestricted FY16	\$541,400	\$0	\$0	\$0	\$541,400	
Annual Unrestricted Total	\$2,800,000	\$2,077,758	\$0	\$2,077,758	\$722,242	74.21%
Annual Restricted FY11	\$800,000	\$638,180	\$0	\$638,180	\$0	79.77%
Annual Restricted FY12	\$500,000	\$985,919	\$0	\$985,919	\$0	197.18%
Annual Restricted FY13	\$480,000	\$749,783	\$0	\$749,783	-\$269,783	156.20%
Annual Restricted FY14	\$670,800	\$499,697	\$32,500	\$532,197	\$138,603	79.34%
Annual Restricted FY15	\$874,600	\$0	\$0	\$0	\$874,600	
Annual Restricted FY16	\$874,600	\$0	\$0	\$0	\$874,600	
Annual Restricted Total	\$4,200,000	\$2,873,580	\$32,500	\$2,906,080	\$1,293,920	69.19%
Annual Unrestricted + Restricted	\$7,000,000	\$4,951,338	\$32,500	\$4,983,838	\$2,016,162	71.20%

**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)

Results

While we won't know the full impact of the campaign until we do another awareness and reputation study, we do know that the campaign generated more than 13 million impressions. We also saw a 55% increase in new visitors to our web site from February 17 – March 31 compared to the same time period the previous year. That is compared to a 5% increase, year over year, for the previous 10 months.

Institutional Brand

Feb 17-Mar 24, 2014

Media	Format	Impressions
Cable TV (A35-54)	Cable television	1,361,800
Radio (A35-54)	Broadcast radio	482,943
Display	Digital display (+mobile)	10,631,764
Google Adwords*	Digital PPC-paid search	161,342
LinkedIn Advertising*	Digital PPC-paid social	812,446
	TOTALS to date	13,450,295

**Pay-per-click digital advertising running through 3/31; final impressions TBD.*

Research

Prior to the execution of Phase I of the branding campaign we executed a brand awareness and perception study. This gave us a baseline to understand how we are perceived in the marketplace and to gauge the impact of our marketing investment. A follow up study should be executed after Phase II of the branding campaign to measure the impact of our efforts.

Develop and execute brand awareness and perception study

\$ 40,000

Media Strategy

Television

Television was an important part of the campaign launch. The high profile medium allowed for us to introduce our brand message in a way that strongly conveyed the emotion of the Find Your Passion campaign. In phase II we'll want to continue to use television, but broaden the reach.

Radio

Radio allowed us to broaden the geographic reach of the first phase of the campaign. Buying Boston-based stations expanded the geography of the campaign beyond Essex County. We will want a similar approach to radio in phase II though we will expand and diversify the stations utilized including the consideration of Spanish-language stations.

Online

Online, both Pay-Per-Click and display ads were efficient use of our media budget in phase I. We will continue to refine our targeting and look to online as a way to expand our reach geographically and demographically.

Out-of-home

Our budget did not allow for consideration of out-of-home media for phase I. Out-of-home such as billboards, mall, or transit advertising is a good way to support an established campaign and reach a broader audience.

Print

Targeted print was considered for phase I, but ultimately had to be cut for budget reasons. Targeted print would allow us to reach a very influential part of our target market and should be considered in an expanded media budget.

Social Media

We did minimal social media activation in phase I, though we did introduce the #SSUPassion hashtag. With greater lead time and more resources for internal marketing we can fully activate social media in phase II.

Internal Marketing

As with print and out-of-home, timing and budget limited what we could do internally to engage our current students, faculty, and staff. In phase II we will aim to fully involve our campus in the campaign.

Web

Our landing page for phase I was adequate for the length of campaign and minimal creative execution that we have. However, we will want to build a more robust landing page for phase II that will allow us to fully leverage all aspects of the campaign including social media.

Web Redesign

Description

With nearly 1.3 million unique visitors each year and over 4.5 million visits total, the university's website is the primary contact point for nearly all of Salem State's constituencies. There is no more important tool for recruiting perspective students, garnering support from alumni, connecting with our community, or attracting qualified faculty and staff. Our students rely on the website and access it daily for critical information.

Our current site was redesigned in 2008, nearly 6 years ago. Industry standard for site redesign is 3-5 years. From the very beginning the current site architecture has been widely criticized as being difficult to navigate. As one recent survey respondent put it, "It's like driving around Boston – unless you already know where to turn, you'll never figure it out...". The current content management system hinders the decentralized approach to content creation and management. OpenText simply isn't intuitive enough to allow casual users to easily manage their sites putting a significant burden on marketing communications and ITS resources.

A new design, backed by a more user-friendly CMS, will be a powerful marketing tool for the university while allowing us to better serve our current students. Salem State needs to serve a changing marketplace where users expect easy access to information, multi-media content, and a mobile-friendly environment.

Major Components

A full redesign of the university's website is a major project that will likely take 18 – 24 months to complete. Input from all areas of the university will be necessary to ensure that the new site fully serves all key constituencies. Salem State will need to work with a partner in this effort to guide the research, design, and programming.

- Discovery: Working with our vendor we will have a significant discovery phase that includes detailed analysis of web traffic analytics, input from campus constituents, user surveys, competitive benchmarking and best-practices identification.
- Project management: Salem State does not have the in-house capacity to manage a project of this scope. ITS and Marketing and Communications will work closely together on this effort, but a temporary project manager will be needed to help coordinate the campus-wide coordination that will be needed.
- CMS: The choice of a content management system will be one of the most critical decisions in the process. Consideration will have to be given to proven proprietary system and open source options. Salem State has limited centralized resources for content creation and management and a new CMS will need facilitate a greater level of decentralized content management.
- Information Architecture: It is essential that information be organized and presented in a way that is intuitive to users. Our current site architecture largely reflects the organizational structure of the university rather than the needs of the site visitor. Informed by site analytics and user surveys, a new information architecture will be developed.
- Mobile platform: The number of visitors using mobile devices to view the site more than doubled in the past year and now accounts for more than 25%. Our newly designed site will need to serve visitors on all platforms including tablets and smart phones.

Project Budget

A preliminary estimate for this project is \$350,000.

SUBJECT: Risk Management & Audit Committee Report for Wednesday, May 21, 2014

The Risk Management & Audit Committee of the Board of Trustees met on Wednesday, May 21, 2014, in Marsh Hall, Room 210, on the Central Campus of Salem State University.

Present for the Committee were Trustees Ansara (chair), Segal, Stringer and Davis, Chair Scott (ex-officio) and President Meservey (ex-officio); Advisory Member Zetes, Executive Vice President Cahill (committee liaison) and Ms. Toomey, Staff Assistant, Risk Management. Also present and participating in the meeting: Assistant Dean Newton of Student Life and Assistant Vice President Marshall of Human Resources and EEO.

Vice Chair Jacob Segal began the meeting of the Audit and Risk Management Committee promptly at 3:03 pm. After introducing the topics to be discussed, Chair Segal asked Executive Vice President Cahill to proceed with his presentation of the Internal Controls Committee. A copy of the presentation (Attachment A) as well as a Fraud Triangle brochure (Attachment B) was distributed to the trustees.

Executive Vice President Cahill explained that the university annually convenes an Internal Control Committee as required by the internal control guidelines established by the State Comptroller's Office. The chairperson and members of the committee are appointed by the president and represent a cross section of key functional areas within the university. The goal of the committee is to conduct a risk assessment of each department with both the risks and the control plan/procedures to mitigate those risks identified.

Please refer to Attachment A, Internal Controls at Salem State University as presented by Executive Vice President Cahill.

Trustee Segal asked for specific examples of risks that have been mitigated. Executive Vice President Cahill stated the bus incident response was due to emergency preparedness training/procedures that were in place. Also when the university's IT department was hacked, controls were strengthened and additional training was offered to all employees about identifying and reporting hacker attempts to compromise the university's data networks/systems.

Trustee Scott asked about the availability of the full document of the Internal Control Committee. Executive Vice President stated the report is readily available and all of the risks in the report are annually reviewed and signed by the president. The President sends a letter to the Office of the State Comptroller confirming the university has complied with the Chapter 647 mandate to complete the departmental control plans and risk assessment document. As requested by the Comptroller's Office, and as in the past, the Risk Assessment and Internal Control Plan is maintained here at the university and available for inspection upon request.

Captain Richard Riggs of the university police department responded that when his department receives information from student life or other university departments, the police conduct a thorough investigation. Many cases are anonymously reported. However, an incident number is created and the information is documented. This information is also documented on the annual Clery report. There are times when university police have a name but a person does not want to participate in an investigation. University police encourage individuals to file complaints with the court as well as with their department. If a case is to be prosecuted, it is turned over to the district attorney for consideration. The district attorney will not prosecute a case unless a witness or victim comes forward. A protocol has been developed with the Salem Police Department about the investigation of reported sexual violence cases. The state police are also used to assist in the investigation of such cases whenever it has been determined that such assistance is appropriate.

Trustee Mattera stated he was struggling with the intersection between Title IX and other federal or state laws in regard to the behaviors of the university. Assistant Dean Newton stated employees are obligated to report incidents and that a university can be held liable if someone does not make such a report. Failure to report is a Title IX violation.

Trustee Segal stated perhaps the university is acting too much on its own without contacting outside law enforcement.

President Meservey suggested we clarify when a case is brought to the district attorney and if there are "best practice" guidelines we can use to evaluate our process. The information will be provided to the committee at the next meeting.

Assistant Vice President Marshall stated there are many ways to provide services to people who come forward with a complaint. For example, students can be moved to different rooms or be given special assistance with classes due to trauma. There are many outreach services. She suggested that the biggest single effort that needs to be made is more education on the dangers of alcohol/substance abuse. Trustee Ansara stated alcohol abuse is an important issue and wants to continue the discussion at the next committee meeting as well as a further discussion on the report mandate with university police and outside authorities.

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

VOTED: To adjourn the meeting at 3:48 pm

Prepared by L. Toomey, Staff Assistant, Audit & Risk Management

There is no kind of dishonesty into which otherwise good people more easily and more frequently fall than that of defrauding the government." - Ben Franklin



The university's internal financial control systems and procedures are tested and reviewed annually by an independent auditing/public accounting firm as part of its annual independent financial audit in accordance with Generally Accepted Auditing Standards (GAAS).

Risks are not only financial.

“Essentially any activity or condition that could prevent the university from meeting its objectives could be considered a risk.” --- Paul Rigby, Director of Quality Assurance and Audit, Salem State University

FY2014 University Wide Internal Control Committee Committee Members Risk Assessment Coverage Responsibilities

Role	Name	Department	Title	Risk Assessment Document Coverage Responsibilities
Chair	Paul Rigby	Financial Services	Director	Internal Control Officer, Financial Quality Assurance QA, Audit Oversight
Member	Corey Cronin	Marketing & Communications	Director	Marketing & Communications
Member	Emily Topacio	Human Resources & Equal Opportunity	Associate Director	Human Resources & Equal Opportunity
Member	Evelyn Wilson	Purchasing & Materials Management	Director	Vendor Management, Purchasing, Materials Management
Member	Frances Squires	Admin. & Recorder	Administrative Assistant II	Document Management, Administration
Member	Gene Labonte	Public Safety & Facilities	Director	Public Safety & Facilities
Member	Jason Doviak	Athletics	Associate Director	Athletics
Member	Matt McAuliffe	Information Technology Services	Deputy CIO	All ITS Services and Customer Support
Member	Megan Miller	Registrar's Office	Director	Enrollment Management including Admissions, Registrar, Financial Aid, Bursar
Member	Megan Williams	Sponsored Programs & Research Administration	Associate Director	Sponsored Programs and Research Administration
Member	Nicole Bousquet	Institutional Advancement	Executive Assistant	Institutional Advancement
Member	Shawn Newton	Student Life	Assistant Dean	Student Life
Member	Karen Johnson	Financial Services	Director	Cash Management, AP, Payroll, General Accounting, Budget

The risk factors to be mitigated through Internal Controls as defined by the Government Accounting Standards Board (GASB) are those activities designed to ensure

- Programs achieve their intended results
- Resources are used effectively and efficiently
- Programs and resources are protected from waste, fraud and mismanagement
- Laws, regulations, grant agreements are followed
- Reliable and timely information is obtained, maintained and reported

Salem State University FY14 University Wide Risk Assessment - EXCERPTS



Area	Source	Risk Driver	Category	Goal	Risk	Existing Controls	Desired Controls
FINFAC	PUR	Operational	Financial	Vendor management.	Proper segregation of duties exists whereby vendor set up and maintenance is separated from the disbursement (AP).	Only the Purchasing Department will enter and maintain vendors. No other department can do this function.	Segregation of duties between Purchasing and AP.
ACADAFF	GRAD	Strategic	Acad/Student Life Concerns	Increase the diversity of graduate students	Losing students to other schools with more diverse student and faculty populations	Review existing diversity efforts of current graduate programs	Develop program specific diversity recruitment strategies; increase diversity of graduate faculty; establish 4+1 programs
FAC	FAC	Compliance	Facilities, Health & Safety Issues	Have required oil spill plan	Legal action, fines, environmental damage	Oil spill plan in place requires updating	Plan is being updated. Triumvirate Environment is working on this.
FAC	FAC	Compliance	Facilities, Health & Safety Issues	Minimize work related accidents	Legal action, fines, loss of productivity, Workers' Comp	Online OSHA training program in place	OSHA approved training program - All training is being done in house.

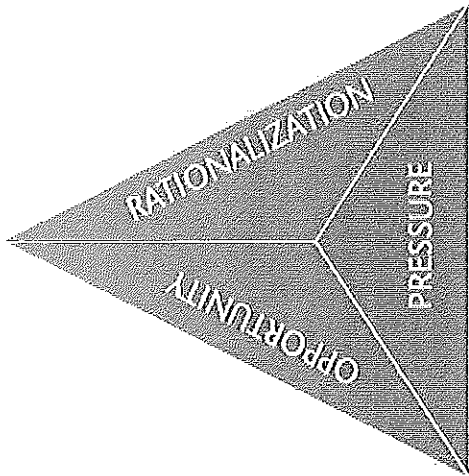
University Wide Internal Control Committee Recommendations for Strategic Plan

Goal 4.G. - Establish a comprehensive program of risk management

1. Engage an independent third party to conduct a comprehensive university wide risk assessment including recommendations for remediation in areas where the University is vulnerable to waste, fraud, abuse, theft, data breach, new and emerging threats etc. (as has been successfully implemented with Emergency Preparedness, Payment Card Industry (PCI) compliance, Independent Financial Audits etc.).
2. Develop and train specific members of the Internal Control committee and other key personnel to be subject matter experts in areas of risk avoidance, management and transfer including fraud prevention and detection, sensitive employee and student related social issues, data security information and breach management, student (e.g. F.E.R.P.A.) and employee records management, accident management, workers comp., emerging risks and threats etc. in an effort to enhance in house expertise in these areas.
3. Continue supporting and building the expertise developed to date of key staff resources within the university in Emergency Preparedness, Data Management, PCI compliance and protection of Personal Information (PI).
4. Empower/Charter a risk mitigation/internal audit type sub-committee of the Internal Control Committee under the direction of the Director of Risk Management. This group's mission would be to:
 - Follow-up and assist in resolving specific issues identified as a result of third party assessments
 - Conduct ongoing reviews/tests to assure departments' internal controls are in place, effective and operating as documented in existing Risk Assessment Internal Control Plans
 - Identify areas of exposure for the University and make recommendations for resolution
 - Advocate and solicit technical assistance and support for departments where areas of need may exist
 - Work with other risk related university committees and departments

The End

THE FRAUD TRIANGLE



It is up to you

You are the front-line of helping to prevent fraud, waste and abuse in the Commonwealth. Every dollar that is saved in terms of fraud, waste and abuse can be used to fund existing or new programs. The purpose of the Commonwealth's fraud, waste and abuse initiative is to help you focus on specific issues relating to your job and to provide tools that will allow you to be proactive against fraud, waste and abuse.

It is up to you

EXAMPLES OF "RED FLAG" FRAUD INDICATORS

- Watch for different contractors making identical errors on bids.
- Contractors that hire losing bidders as subcontractors.
- Insufficient justification for change orders.
- A vendor's address is incomplete or matches an employee's address.
- Goods invoiced, but no matching receiving reports.
- Unsigned certifications for work performed/services delivered.
- Photocopies or scanned documents submitted when originals are expected.
- Timecards filled out by supervisors instead of employees.

For additional detail, see: Comptroller's web site - Internal Controls page.

Report Fraud, Waste & Abuse

Commonwealth Hotline Numbers

Inspector General: (800) 322-1323 to report suspected fraud, waste, or abuse in government.

Attorney General: Fair Labor Helpline (617) 727-3465 to report violations of minimum wage and overtime laws and requirement for timely payment of wages.

Division of Unemployment Assistance:

(800) 354-9927 to report unreported wages or persons collecting benefits while working.

State Auditor: (617) 727-6200 for state agencies to report variances, losses, shortages, thefts of funds or property.

Whistleblower Protection is the Law

Commonwealth public employees are protected by:

M.G.L. c. 149, s. 18S and M.G.L. c. 12A, §14(c)

Commonwealth of Massachusetts
Office of the Comptroller
 One Ashburton Place, Room 901
 Boston, Massachusetts 02108
 Internet: <http://www.mass.gov/osc>

Martin J. Benison
 Comptroller

It's Everyone's Job to Combat Fraud, Waste and Abuse of Public Funds



Risk Assessment Report Salem State University Fall 2013					
Task	Primary Point Person	Secondary Collaborations	Comments	Time Frame	Estimated Cost
2013-1. Establish a Continuity of Operations Plan (COOP)	SPC/GL		Working with private consulting company/Stan and Gene are currently heading up this effort in working with BoldPlanning to develop a COOP for the university.	14-Aug	\$ 30,000.00
2013-2. Authorize a chain of command for delivering emergency messages to the community.	GL		Provide training for dispatchers so that they are able to send emergency messages. Done. Marketing and Communications has been trained.	Done	
2013-3. Initiate tabletop exercises for emergency management.	GL		Work with consultant on developing exercises. We are coordinating with Salem Fire Department and we have a large scale exercise and Table Top tentatively scheduled for early June 2014.	14-Jun	
2013-4. Host full scale active shooter exercise.	GL		Just do one section of campus not a full scale campus drill. Also do SIP and lockdown. We did Active Shooter training with the police personnel last summer. We will do the large scale exercise mentioned above this summer and we are planning for a different type of spontaneous event such as a building fire with injuries and damage so we can exercise both emergency response and COOP.	14-Jul	
2013-5. Install keyless locks on office/classroom doors.	GL	Campus Planning/Facilities	Keyless locks should be installed in all renovation projects and new construction. Should have keyless vulnerability assessment.	On-going	

Attachment B

<p>2013-9. Install fire alarm controlled magnetic holders for doors at Academic Building.</p>	<p>BB</p>		<p>Beth Bower will investigate/Gene will also check with Dan and Deb. Reviewed this with State Building Inspector and Salem Fire Prevention. Magnetic devices are not required in the Academic Building. The issue is that the doors are propped open. The code that existed at the time the building was constructed did not require magnetic devices. The building inspector and fire inspector stated that the doors which are fire rated must be closed and this would provide for ample smoke and fire protection in the evacuation staircases.</p>	<p>Done</p>	
<p>2013-10. Install water sprinkler fire suppression systems in Alumni House and Academic Building.</p>	<p>BB</p>	<p>PA/GL</p>	<p>Find leased space/move out of Alumni House</p>	<p>14-Oct</p>	
<p>2013-11. Relocate evacuation assembly point sign for the pre-school.</p>	<p>GL</p>		<p>Chief Labonte wishes to investigate for himself where the sign is now located and whether it needs to be moved. We reviewed the sign location and I believe that it is in the best location given other structural issues with the Alumni House and line of site to the rear of the Academic Building.</p>	<p>No changes necessary</p>	
<p>2013-12. Plans to move to "cloud" as backup operating service in the event of significant system outage.</p>	<p>PA</p>		<p>Completed.</p>	<p>Done</p>	
<p>2013-13. Increase data center security.</p>	<p>PA</p>		<p>Data center security non issue.</p>	<p>Non-issue</p>	

<p>2013-17. Create formal process for managing risks associated with foreign travel.</p>	<p>PA</p>	<p>There have been university policies and procedures put in place for travel abroad. However, they should be reviewed annually to determine if any revision/additional stipulations are necessary. Those procedures include: 1) an approval process for study and other travel abroad including a security review of destinations not limited to US state department travel warnings; 2) a means of tracking travels and daily itineraries; 3) a faculty handbook and guidance for preparing proposals and managing programs (in process); a faculty instructional program/orientation to university policy procedures (in progress); 4) a student handbook for referencing university policies/procedures (in process); 5) student orientation for specific offerings that includes discussion of risk and behavioral expectations; 6) a process for reporting and responding to emergencies developing abroad including a support system for faculty leading the trip; 7) an insurance program for both faculty and students that will fund injury and personal medical care in the host country as well as fund emergency evacuations attributable to medical condition, repatriation in the event of death and security evacuations.</p>	<p>Spring 2014</p>	
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<p>2013-24. Train appropriate faculty on hazardous waste spill containment procedures.</p>	<p>GL</p>		<p>Gene will check with Kristin Esterberg to determine what type of training faculty receive regarding hazardous waste spill containment procedures. Training should occur on at least an annual basis for new and returning faculty. The training should be reviewed on an annual basis and any revisions should be implemented prior to the beginning of the new academic year. We are talking with Triumvirate Environmental, the company that does our current hazardous materials clean-up to provide training to our custodians, police, and lab instructors about spills and other hazardous materials accidents.</p>	<p>Summer/Fall 2014</p>	
<p>2013-25. Upgrade accessibility for the disabled at the Alumni House.</p>	<p>PMM</p>		<p>No further activities are being scheduled for the Alumni House.</p>	<p>Not necessary</p>	
<p>2013-26. Update fraternity/sorority student leaders on university policies.</p>	<p>SI/JS</p>		<p>Student leaders, including those involved with fraternities/sororities, are currently trained about university policies.</p>	<p>Done</p>	

Overview

1. What is Title IX & VAWA
2. Why does it matter now
3. Salem State Obligations
4. What have we done on campus?

Title IX

What Does “Education Program or Activity” Include?

Everything

- Academics
- Extracurricular Programs
- Sports
- Field Trips
- Social Activities
- On Campus
- Off Campus

Who Is Protected By Title IX?

Everyone

- Students
- Faculty
- Staff
- Third-parties if there is an impact on access to education programs or activities

Why Does Title IX Matter Now?

OCR is Focused on Title IX

The Office for Civil Rights (“OCR”) of the U.S. Dept. of Education is responsible for establishing the compliance standards to be applied in investigations and for the enforcement of Title IX regarding sexual harassment.

April 2011 Dear Colleague Letter on Title IX

- Sexual Violence Violates Title IX
 - Sexual Violence is Sex-Based Discrimination
 - Sexual Violence is Sexual Harassment

- 19 Pages on Title IX Compliance:

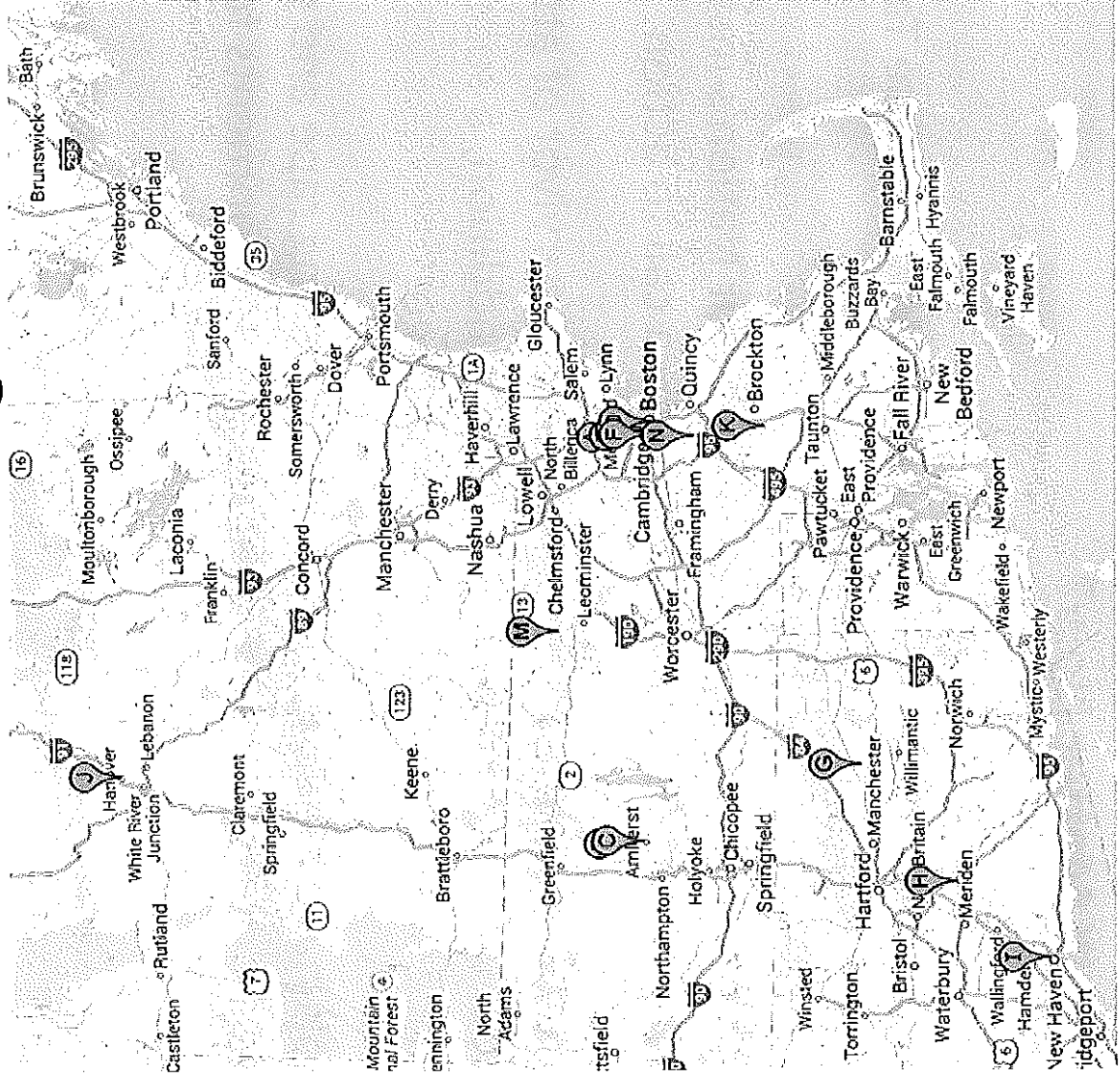
41 Must Do Items

71 Should Do Items

46 May Do Items

- Aimed at Students

14 Schools in New England



Jean Clery Act Crime Statistics

- 6 Title IX Reportable Offenses
- 1 VAWA Reportable Offense

What Does Title IX and VAWA Require?

- SSU **must** designate at least one person to coordinate its efforts to comply with Title IX (“Title IX Coordinator”); Beth Marshall.
- SSU **must** notify its students and employees of the name, office and telephone number of the designated coordinators;
- SSU **must** adopt and publish grievance/complaint procedures providing for prompt and equitable resolution of student and employee complaints alleging gender-based misconduct; and
- SSU **must** implement specific and continuing steps to notify applicants, students, employees and others that it does not discriminate on the basis of sex in the educational programs and activities that it operates.

What have we done on campus?

2011

- Dear Colleague Letter issued to Colleges & Universities
- HR/Affirmative Action and Student Affairs professionals reviewed the impact this new clarification of Title IX has on their campuses

What have we done on campus?

2013

- Established the Salem State University Title IX & VAWA Compliance Task Force
- Updated Student Conduct Code to reflect Title IX & VAWA changes and or obligations
- Student Conduct Board Training on Title IX
- Salem State University Delegation attended a Sexual Assault & Domestic Violence Regional Training
- University-wide training on Sexual Harassment (26 Sessions)
- Incorporated Title IX procedures into the Student Conduct Code

Questions

SUBJECT: Finance & Facilities Committee Meeting Report for May 21, 2014

The Finance & Facilities Committee of the Board of Trustees met on Wednesday, May 21, 2014, in room 210, Marsh Hall, Central Campus of Salem State University.

Present for the Committee: Trustees Quiroga (chair), Mattera, BOT Chair Scott (ex-officio), President Meservey (ex-officio), advisory member Mr. Gadenne, interim executive director for finance Ainsworth (committee co-liaison), interim executive director of facilities Labonte (committee co-liaison), chief of staff Bower (committee co-liaison), staff assistant Beaulieu. Others present and participating were: Trustees Abdo, Crawford, Davis and Segal, and associate vice president Donovan.

Committee chair Quiroga called the meeting to order at 5:58 pm.

FY2014-15 Pro Forma Budget

Trustee Quiroga brought to the committee the proposed FY2014-15 pro forma budget (Attachment A). The committee will be asking the full board for a motion to approve this preliminary budget. The far right column refers to notes explaining each of the line items. The Senate Ways and Means budget recommendation recently released keeps the state appropriation level with no additional funds for higher education. President Meservey mentioned that the pro forma presented is based on the House Ways and Means budget proposal which includes approximately \$8 million to be distributed amongst the state universities of which Salem would receive \$1.2 million. It was noted that this is below the \$15 million originally appropriated to the state universities for this year. President Meservey brought to the trustees attention that the legislature is currently addressing amendments to the budget today and the university should know by the end of tomorrow what if any of those amendments would impact Salem. The next step in the legislative budget process is the conference session where both the house and senate members vote and approve a budget to be submitted to the governor for approval.

Trustee Quiroga asked Mr. Donovan, associate vice president for finance to join the trustees. Trustee Quiroga referring to the financial reports (Attachment B) asked Mr. Donovan to clarify the difference between the pro forma presented (Attachment A) and the statements of revenues, expenses and changes in net position by IPEDS classification (Attachment B). The operating revenue and operating expense numbers on both the pro forma and financial report do not match. Mr. Donovan explained that the pro forma is a subset of the enterprise wide financial reports and the structure of the two are different. He stated that the pro forma (operating budget) consists primarily of revenue from tuition and fees and the state appropriation. However, the financial report also includes restricted revenues such as grants and auxiliary that are not part of the operating budget. There are also operating expenses such as depreciation and auxiliary that are also not part of the operating budget expenses. Trustee Quiroga further clarified that financial aid amount in the pro forma is not the same as the scholarship amount in the enterprise wide financial report. Mr. Gadenne commented that the enterprise statements does not reflect an apples to apples comparison. Trustee Quiroga asked the senior staff to bring back a new format that makes these two documents tie together. President Meservey added that the new format should be able to be interpreted not only by the current board of trustees but for future trustees, donors

commensurate with the academic mission of the university. Every \$1 of deferred maintenance results in \$4 in future expenditures. The university needs to develop and implement a major maintenance and capital renewal strategy. In order to proceed the university needs to have proper assessment of its buildings and systems. VFA has done work in the past and the university plans to re-engage them in this assessment. VFA conducts a comprehensive facility condition assessment (FCA) of all buildings using industry-standard construction cost databases from RSMeans. Mr. Labonte referred to the handout labeled "111" (Attachment C-1) and pointed to the facility condition index (FCI). An FCI 0.1 signifies a 10% deficiency which is generally considered low. An FCI of 0.7 means a building needs extensive repair. Most of the university's older buildings range from an FCI of 0.4 to 0.5.

The next steps the university needs to undertake is setting priorities, identifying critical and deferred maintenance needs and prioritize by category or work such as liability (matters requiring early attention to remove jeopardy through life safety, property damage, regulatory (risk management); program and operational – actions necessary to support the mission and meeting operational requirements; and economy and efficiency – projects that support mission objectives but also result in savings.

VFA will provide a report on each building - see sample "111" (Attachment C-1). The university can customize these reports and recommend when these types of maintenance and capital renewal should take place. The other sample report "115" (Attachment C-2) drills down to greater detail requirements necessary.

The university needs to connect the deferred maintenance and capital renewal strategy to the budget. The suggested budgeting formula is appropriating 2 – 4% of the operating budget. A comprehensive strategy needs to be developed in coordination between facilities, campus planning and budget. In addition, a comprehensive stewardship program needs to be implemented for those new buildings that have come on line to keep them in excellent condition and break the current cycle. Chair Scott inquired about replacement costs. Mr. Labonte responded that the replacement costs shown on the sample report refers to getting the building to current operating standards. Trustee Quiroga mentioned the Gassett Fitness Center as one of these new buildings. She also suggested that a possible way of addressing funding for deferred maintenance may be to approach original donors as those associated with the O'Keefe Center and Rocket Arena.

Trustee Quiroga thanked both Mr. Labonte and Ms. Bower for their great job on the presentation. President Meservey stated that a comprehensive review would identify source of funding and prioritize buildings. Ms. Bower added that having this type of database will allow the university to match up opportunities for funding. Trustee Segal commented on the newly built court house and the State's lack of funding for future deferred maintenance to keep new buildings up to date.

President Meservey explained that the Massachusetts State College Building Authority (MSCBA) builds into its pro formas a reserve for maintenance and updates. President Meservey added that the bond covenants which produces reserves for the residence halls allows for a higher anticipated vacancy rate. It was noted that the university was expected to budget 5% for capital renewal as part of the unfunded mandate from the State.

been completed. Geopiers are being installed on central campus. The one stop (Navigation Center) project is on track with moves scheduled in two phases, the first phase the end of June and the second phase the first week of July. Daniel O'Connell Sons, contractors for the mainstage renovation has begun to mobilize on site for remediation and demo. Payette, the new science building study designer has been on campus over the last three weeks and has held meetings with sixteen departments. They recently presented an armchair view of various designs they have completed at other institutions. The study is to be completed by November 2014. An RFPQ has been drafted for a study of the Ellison Campus Center and will be distributed shortly. This project was delegated to MSCBA by the Division of Capital Asset Management and Maintenance (DCAMM) which is responsible for the state owned building.

Trustee Abdo asked the amount of net spaces will there be on the former Weir property. Ms. Bower responded approximately 50 – 70 additional spaces.

President Meservey described the new science building study which is to construct a 75,000 square foot building at a projected cost of \$55 million to house real science laboratories requiring ventilation and water. The second part of the study is to plan renovation of the dry labs in Meier Hall. Payette designs academic science buildings. Their presentation included not only some of their newly built science buildings but also renovated laboratory spaces, some of which dealt with height issues. The scope of the project was not only for a new science building but also to provide a plan for Meier Hall. The expansion piece needs to come first.

There being no further business to come before the committee, the committee adjourned on unanimous consent at 6:56 pm.

Prepared by: Ms. Beaulieu, staff assistant, finance and facilities

REQUEST FOR TRUSTEE ACTION

Date: June 4, 2014
To: Board of Trustees
From: Patricia Maguire Meservey, President
Subject: FY2014-15 *Pro Forma* General Operations Budget
Requested Action: Approval

The Board of Trustees must approve a *pro forma* general operations budget for the coming fiscal year to provide for the continued operation of the university until such time as the state support level has been set and a final budget can be prepared for board consideration. The proposed FY15 *pro forma* budget reflects assumptions used by the Board in setting fee rates for the 2014-15 academic year at its meetings on February 12, 2014 and April 9, 2014, and the impact of the approved fee adjustments on available revenues.

MOTION

The Board of Trustees of Salem State University hereby approves the Fiscal Year 2014-15 *pro forma* General Operations Budget as recommended by the president and as shown in Attachment A at the level of \$115,902,000 with revenues and expenditures balanced. The president and other officers of the university are hereby authorized to do all things and take all actions deemed necessary to operate under this *pro forma* budget pending approval of a final budget and to protect the fiscal health of the university.

Committee Assigned: Finance & Facilities

Committee Action: Approved

Date of Action: May 21, 2014

Trustee Action:

Trustee Approval Date:

Effective Date:

Signed: _____

Title: Secretary, Board of Trustees

Date: _____



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

In millions \$

	FY 2013	3rd Quarter		Change	
	Year End	FY 2013	FY 2014	\$	%
Operating Revenues:					
Tuition and fees	\$68.1	\$66.0	\$66.8	\$0.8	1.2%
Less: scholarships and fellowships	-14.3	-13.2	-13.0	0.2	-1.5%
Net tuition and fees	53.8	52.8	53.8	1.0	1.9%
Federal, state, private grants	18.7	16.5	16.8	0.3	1.8%
Sales and services of educational departments	3.0	2.5	3.0	0.5	20.0%
Auxiliary enterprises	14.9	15.0	14.9	-0.1	-0.7%
Other operating revenues	0.4	0.3	0.4	0.1	33.3%
Total Operating Revenues	90.8	87.1	88.9	1.8	2.1%
Operating Expenses:					
Instruction	53.1	35.1	38.8	3.7	10.5%
Public service	0.7	0.5	0.5	0.0	0.0%
Academic support	13.9	8.9	10.6	1.7	19.1%
Student services	13.9	8.5	11.0	2.5	29.4%
Institutional support	22.4	21.6	18.1	-3.5	-16.2%
Operation and maintenance of plant	10.8	9.0	10.2	1.2	13.3%
Scholarships	5.7	5.7	5.6	-0.1	-1.8%
Depreciation and amortization	5.0	3.7	4.9	1.2	32.4%
Auxiliary	14.1	13.0	13.3	0.3	2.3%
Interest expense on bonds	0.5	0.0	0.5	0.5	100.0%
Total Operating Expenses	140.1	106.0	113.5	7.5	7.1%
Non-Operating Revenues:					
State appropriations, net	46.9	33.4	38.0	4.6	13.8%
Gifts	1.1	0.7	4.0	3.3	471.4%
Investment income	1.4	1.3	1.5	0.2	15.4%
Interest expense	-0.3	-0.1	-0.1	0.0	0.0%
Net Non-Operating Revenues	49.1	35.3	43.4	8.1	22.9%
Capital grants	24.7	0.0	0.5	0.5	100.0%
Total Increase in Net Position	\$24.5	\$16.4	\$19.3	\$2.9	17.7%



Statements of Cash Flows

In millions \$

	3rd Quarter		Change	
	FY 2013	FY 2014	\$	%
Cash flow due to operating activities:				
Tuition and fees (net)	\$48.2	\$49.0	\$0.8	1.7%
Grants and contracts	16.9	16.7	-0.2	-1.2%
Payments to vendors, employees, students	-96.0	-99.9	-3.9	-4.1%
Auxiliary and other receipts	17.9	18.1	0.2	1.1%
Net cash due to operations	-13.0	-16.1	-3.1	-23.8%
Cash flow due to non-operating activities:				
State appropriations (net)	21.4	25.9	4.5	21.0%
Gifts, investment and other sources	0.7	4.0	3.3	471.4%
Net cash due to non-operating sources	22.1	29.9	7.8	35.3%
Cash flow due to capital and investing activities:				
Purchases of capital assets	-2.5	-6.2	-3.7	-148.0%
Debt service payments on bond payables	-0.4	-1.4	-1.0	-250.0%
Proceeds from bond financing	0.0	20.1	20.1	100.0%
Investment activities (net)	0.2	-0.1	-0.3	-150.0%
Net cash due to capital and investing activities	-2.7	12.4	15.1	559.3%
Net increase (decrease) in cash and cash equivalents	6.4	26.2	19.8	309.4%
Cash and equivalents at beginning of period	43.4	32.9	-10.5	-24.2%
Cash and equivalents at end of period	\$49.8	\$59.1	\$9.3	18.7%

Glossary for Financial Reports

renovations; O'Keefe field renovations; Central Campus field creation; Mainstage Theatre renovation; Student Navigation Center creation; Public safety relocation; and the Canal Street parking project.

Compensated balances - Compensated absences represent amounts for accumulated vacation and sick time leave balances owed to employees.

Loans payable, federal financial assist programs - The Loan payable for federal financial assistance programs represents the amount of federal capital contributions received by Salem State since inception and throughout the years for the Perkins loan program. This amount would be due back to the Department of Education in the event the program is terminated.

Other liabilities - Other liabilities included here are comprised of amounts due to federal and state financial aid refunds to students (in process), deferred/unrecognized revenues from vendors (e.g. Chartwells), deferred state and private grant revenue and student deposits (e.g. tuition, dormitory).

Total liabilities - This amount is the sum total of all liabilities listed above.

Net Assets

Invested in capital assets - Invested in capital assets are the total amounts attributable to the acquisition, construction, repair or improvement of capital assets. These amounts are net of accumulated depreciation and outstanding principal balances of debt associated with their creation/acquisition.

Restricted and unrestricted - Restricted net assets are comprised of non-expendable and expendable resources for specific purposes. Restricted non-expendable resources are subject to externally imposed conditions that Salem State must maintain in perpetuity (e.g. permanent endowment funds). Restricted expendable net assets are for those resources whose use is subject to externally imposed conditions that can be fulfilled by the actions of Salem State or by the passage of time. Unrestricted net assets represent all other categories of net position and may be designated by actions of Salem State University's Board of Trustees.

Total net assets - This amount is the sum total of the net assets listed above.

Total increase in net position - This is the net amount of revenues over expenses from the Statement of revenues, expenses and changes in net position.

Total liabilities and fund balances - This is the sum of "Total liabilities", "Total net assets" and "Total increase in net position" above.

Glossary for Financial Reports

expenses related to instructional activities if the institution separately budgets and expenses information technology resources are included (otherwise these expenses are included in academic support).

Public service - A functional expense category that includes expenses for activities established primarily to provide non-instructional services beneficial to individuals and groups external to the institution. Examples are conferences, institutes, general advisory service, reference bureaus, and similar services provided to particular sectors of the community. This function includes expenses for community services, cooperative extension services, and public broadcasting services. Also includes information technology expenses related to the public service activities if the institution separately budgets and expenses information technology resources (otherwise these expenses are included in academic support).

Academic support - A functional expense category that includes expenses of activities and services that support the institution's primary missions of instruction, research, and public service. It includes the retention, preservation, and display of educational materials (for example, libraries, museums, and galleries); organized activities that provide support services to the academic functions of the institution (such as a demonstration school associated with a college of education or veterinary and dental clinics if their primary purpose is to support the instructional program); media such as audiovisual services; academic administration (including academic deans but not department chairpersons); and formally organized and separately budgeted academic personnel development and course and curriculum development expenses. Also included are information technology expenses related to academic support activities; if an institution does not separately budget and expense information technology resources, the costs associated with the three primary programs will be applied to this function and the remainder to institutional support.

Student services - A functional expense category that includes expenses for admissions, registrar activities, and activities whose primary purpose is to contribute to students emotional and physical well-being and to their intellectual, cultural, and social development outside the context of the formal instructional program. Examples include student activities, cultural events, student newspapers, intramural athletics, student organizations, supplemental instruction outside the normal administration, and student records. Also may include information technology expenses related to student service activities if the institution separately budgets and expenses information technology resources (otherwise these expenses are included in institutional support.)

Institutional support - A functional expense category that includes expenses for the day-to-day operational support of the institution. Includes expenses for general administrative services, central executive-level activities concerned with management and long range planning, legal and fiscal operations, space management, employee personnel and records, logistical services such as purchasing and printing, and public relations and development. Also includes information technology expenses related to institutional support activities. If an institution does not separately budget and expense information technology resources, the IT costs associated with student services and operation and maintenance of plant will also be applied to this function.

Operation and maintenance of plant - A functional expense category that includes expenses for operations established to provide service and maintenance related to campus grounds and facilities used for educational and general purposes. Specific expenses include utilities, fire protection, property insurance, and similar items. This function does include amounts charged to auxiliary enterprises, hospitals, and independent operations. Also includes information technology expenses related to operation and maintenance of plant activities if the institution separately budgets and expenses information technology resources (otherwise these expenses are included in institutional support). Institutions may, as an option, distribute depreciation expense to this function.

Scholarships - That portion of scholarships and fellowships granted that exceeds the amount applied to institutional charges such as tuition and fees or room and board. The amount reported as expense excludes allowances and discounts. Scholarships are awarded to students from the university's resources that are restricted to student aid.

Glossary for Financial Reports

Statement of revenues, expenses and changes in net position (Natural classifications)

Operating revenues - Operating revenues are revenues generated from the normal day to day ongoing operations of the University.

Tuition and fees - Tuition and fees represent charges to students. These charges are for full-time and part-time graduate and undergraduate students (in-state and out-of-state). Included among the charges for fees are university fees, fees for study abroad students, late and various other fees.

Less scholarships and fellowships - Scholarships and fellowships represent amounts of aid awarded to students by the University and are required to be deducted in accordance with Governmental Accounting Standards. The sources of this deduction of the aid awarded are mainly from federal and state student financial aid programs and grants.

Net tuition and fees - This amount is the sum of the "Tuition and fees" less "Scholarships and fellowships" listed above.

Federal, state, private grants - Federal, state, private grants are comprised of revenues that aid and support the mission of the university. Federal grants awarded the university are mainly for student financial assistance programs such as Pell and Supplemental Educational Opportunity Grants and various other programs such as Upward Bound and English as a Second Language. State grants awarded include programs such as Small Business Development, Race to the Top and Early Learning Challenge. Private grants awarded include a variety of programs such as Sports Injury Research and come from various organizations such as the Marion and Jasper Whiting Foundation.

Sales and services of educational departments - Sales and services of educational departments are revenue amounts received mainly from user and membership fees and commissions (e.g. bookstore, vending machines).

Auxiliary enterprises - Revenues generated by or collected from the auxiliary enterprise operations of the institution that exist to furnish a service to students, faculty, or staff, and that charge a fee that is directly related to, although not necessarily equal to, the cost of the service. Auxiliary enterprises revenues of the University are for student housing rentals and any related fees.

Other operating revenue - Other operating revenues consist mainly of miscellaneous receipts (e.g. misc. fees, rebates).

Total operating revenues - This amount is the sum total of "Net tuition and fees", "Federal, state, private grants", "Sales and services of educational departments", "Auxiliary enterprises" and "Other operating revenue" descriptions above.

Operating expenses - Operating expenses are expenses generated from the normal day to day ongoing operations of the University.

Compensation and benefits - Compensation and benefits include all employee related payroll and fringe benefits. This total includes full-time and part-time as well as overtime and sick leave payments. Besides employees, payroll for contracted faculty and student interns are included in this total.

Supplies and services - Supplies and services include expenses for the support of the university's operations and auxiliary services. Examples of such expenses include library and teaching supplies, information technology

Glossary for Financial Reports

Statement of Cash Flows

Purpose – The primary purpose of a statement of cash flows is to provide relevant information about the cash receipts and cash payments of an institution during a period. When used with related disclosures and information in the other financial statements, the information a statement of cash flows provides should help financial report users assess:

- a) an institution's ability to generate future net cash flows,
- b) its ability to meet its obligations as they come due,
- c) its needs for external financing,
- d) the reasons for differences between operating income (or net income if operating income is not separately identified on the operating statement) and associated cash receipts and payments, and
- e) the effects on the institution's financial position of both its cash and its noncash investing, capital, and financing transactions during the period.

(Abridged excerpt from GASB 9, Paragraph 7)

Cash flow due to operating activities - Cash flows from operating activities generally is the cash effects of transactions and other events that enter into the determination of operating income. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the University are funded and in showing the ability of the University to maintain its operating capability.

Tuition and fees (net) – The cash amount in this category represents cash received for tuition and fees received during the period. The tuition and fee amount is net of scholarships and fellowships awarded to students by the University during the period.

Grants and contracts - The cash amount in this category represents cash received from grant and contracts received during the period.

Payments to vendors, employees, students - The cash amount in this category represents cash paid during the period to suppliers and other vendors, payroll and benefits paid to employees, payments to students for scholarships and payroll, loans issued to students, and collection of loans to students.

Auxiliary and other receipts - The cash amount in this category represents cash received for student housing rentals and related damages fees.

Net cash due to operations – This is the net total of the above amounts included under the “Cash flows from operating activities”.

Cash flow due to non-operating activities - Cash flows (inflows and outflows) that are not related to the day-to-day, ongoing operations of the University.

State appropriations (net) – This represents the amount of State appropriations cash received for the period. This state appropriation amount is net of the day school tuition that was remitted back to the Commonwealth during the period.

Gifts, investment and other sources - The cash amount in this category represent cash received for restricted and unrestricted contributions to Salem State and for cash received from fund raising activities.

Analysis of FY2014 third quarter financial reports

1. Statement of Net Position

- a. The total change for third quarter for “Cash with state and other entities” is comprised of two significant campus development items: \$4.750 M represents amounts transferred to Division of Capital Asset Management and Maintenance (DCAMM) for the Mainstage theatre (\$3.0 M came from the Foundation while \$1.750 M was previously transferred from the university). The second development is the recognition of funds being held by the Massachusetts State College Building Authority (MSCBA) for capital projects from the January, 2014 bond issue (i.e. Mainstage (\$14 M), Student Navigation Center (\$2.0M), Public Safety (\$2.1 M), Canal Street parking (\$1.9 M) and Land Acquisition (\$1.0 M)). Offsetting these transfers were amounts previously deposited during FY-2013 primarily with MSCBA for the Gassett Fitness Center which has since been completed and disbursed by MSCBA.
- b. “Capital assets” increased primarily due to recognition of completed construction related to the Gassett Fitness Center and the Berry Library and Learning Commons.
- c. Investments have increased due to favorable market conditions.
- d. Under Liabilities “Bonds Payable” reflects an increase from prior year due primarily to the January MSCBA Bond issue.
- e. “Invested in capital assets” increased due to the addition of the projects listed above.

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

- a. The increase in “Tuition and fees” is due to slight increases in the graduate studies and the day programs for the year.
- b. Major increases in “Operating expenses” resulted from contract and labor increases primarily supported by additional state appropriations (see next note). These expenses totaled \$4.0 M and are disbursed throughout various areas for IPEDS reporting purposes.
- c. The increase in the “State appropriations (net)” of \$4.6 M reflects the increased support from the state for which we agreed not to increase tuition for our day students. In addition to that funding, the state also contributed funding to support labor contract increases which are reflected throughout the operating expense categories.
- d. The increase in “Gifts” is primarily the result of \$3.0 M transfer from the Foundation in support of the construction of the Mainstage Theatre. These funds have subsequently been transferred to DCAMM as cited in note 1a above.
- e. Increase in “Interest expense on bonds” is due to beginning payments for the Gassett Fitness Center during FY-2014.
- f. The “Capital grants” line represents allocations from DCAMM primarily due to the completion of the Berry Library and Learning Commons coupled with a recent allocation for audiovisual equipment released by DCAMM totaling \$300K.

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

- a. This is the same information as the IPEDS version with a different classification of operating expenditure categories.
- b. As cited in 2b & c, the increase in operating expenses for “Compensation and Benefits” of \$4.0 M is directly offset by the increase in “State appropriations (net)” in support of labor contracts and other related costs.

4. Statement of Cash Flows

- a. The increases in “Tuition and fees (net)” is due to the factors cited in 2a above.
- b. “Payments to vendors, employees, students” is primarily driven by personnel costs cited on 2b above.
- c. The increase in the “State appropriations (net)” reflects the increased support from the state for which noted in 2c above.

1. Long-term Debt through bonds & mortgages

5/5/2014

	Year of issue	Principal Balance as of 7/1/13	Scheduled Interest Life of Issue as of 7/1/13	Interest rate	Last Scheduled Payment FY	Annual Obligated Payments
I. Current Obligations						
MSCBA Owned -- Source of Payment is Student Residence Hall Rents						
Trust Acct Pooled System Obligation	N/A	N/A		N/A	Indefinite	\$ 1,702,118
Sub-total						\$ 1,702,118
2003A - Campus Repairs Bonds	2003	\$ 1,017,632	\$ 113,562	5.00%	2023	\$ 110,943
2003A - Residence Hall - Atlantic	2003	\$ 46,440,000	\$ 30,283,374	5.00%	2043	\$ 2,782,334
2004A - Repairs	2004	\$ 1,945,625	\$ 220,595	4.33%	2023	\$ 235,187
2005A - Repairs	2005	\$ 1,597,895	\$ 288,710	4.00%	2026	\$ 158,014
2009A - Residence Hall - Marsh	2005	\$ 65,245,000	\$ 68,187,719	5.17%	2049	\$ 3,903,732
2009A - Repairs-20 Yr	2009	\$ 2,618,421	\$ 1,038,851	5.17%	2029	\$ 124,152
2010B - Repairs	2010	\$ 387,185	\$ 116,706	6.12%	2030	\$ 13,072
2010A - Repairs	2010	\$ 115,099	\$ (4,251)	4.24%	2018	\$ 25,581
Sub-total		\$ 119,366,857	\$ 100,245,266			\$ 7,353,015
Sub-total Debt Obligations paid through residence hall rents						\$ 9,055,133
SSU Owned MSCBA Bonded -- Source of Payment is the University's General Operating Budget						
2004A - Central Parking	2004	\$ 1,250,000	\$ 133,754	4.33%	2023	\$ 151,653
2005A - O'Keefe Field	2005	\$ 2,245,000	\$ 350,700	4.25%	2025	\$ 237,327
2006A - Central Campus Athl Complex	2005	\$ 2,605,000	\$ 521,685	4.26%	2026	\$ 256,572
2012A - Gassett Fitness Center	2012	\$ 14,230,000	\$ 10,784,329	3.94%	2037	\$ 1,046,341
Sub-total		\$ 20,330,000	\$ 11,790,468			\$ 1,691,893
SSU Other Long-Term Debt -- Source of Payment is the University's General Operating Budget						
Mass Develop. Photovoltaic Project	2007	\$ 128,700	\$ -	0%	2022	\$ 14,300
DCAM - Alternative Efficiency Bond	2010	\$ 238,819	\$ 63,601	3.50%	2027	\$ 25,534
Weir Lease	2010	\$ 3,663,207	NA	3.26%	2021	\$ 681,931
Sub-total		\$ 4,030,726	\$ 63,601			\$ 721,765
Sub-total Debt Obligations paid through operating budget						\$ 2,413,658
Total Current Obligations		\$ 143,727,583	\$ 112,099,335			\$ 11,468,791
II. Future Potential Obligations						
	Year of issue	Project Budget	Scheduled Interest Life of Issue as of 7/1/13	Interest rate	Last Scheduled Payment FY	Annual Obligated Payments
MSCBA Owned -- Source of Payment is Student Residence Hall Rents						
Residence Hall	2014	\$ 53,500,000	\$ 64,555,609	4.51%	2048	\$ 2,833,450
MSCBA Debt paid by residence hall rents		\$ 53,500,000	\$ 64,555,609			\$ 2,833,450
SSU MSCBA Bonds and Other Obligations -- Source of Payment is the University's General Operating Budget						
MainStage	2014	\$ 14,000,000	\$ 7,866,475	3.74%	2033	\$ 1,117,275
Weir Surface Parking	2014	\$ 1,500,000	\$ 848,231	3.74%	2033	\$ 120,981
Interim Public Safety	2014	\$ 2,500,000	\$ 1,407,785	3.74%	2033	\$ 201,285
One Stop	2014	\$ 2,000,000	\$ 1,117,688	3.74%	2033	\$ 160,739
Property Acquisition	2014	\$ 1,000,000	\$ 1,181,274	4.51%	2048	\$ 69,233
MSCBA Debt paid by operating		\$ 21,000,000	\$ 12,421,453			\$ 1,669,513
Nw MSCBA Bond Debt		\$ 74,500,000	\$ 76,977,062			\$ 4,502,963
Salem Diner Lease	2013	\$ 600,000		4.92%	2023	\$ 123,072
Total New FY-15 Obligations		\$ 75,100,000	\$ 76,977,062			\$ 4,626,035
SSU Owned MSCBA Bonded -- Source of Payment is the University's General Operating Budget, Parking Fees, and Student Government Association Fees						
Parking Garage (Unofficial)	2015	\$ 20,000,000	\$ 10,750,458		2035	\$ 1,537,523
Ellison Campus Center Improvements	2015 or 2016	\$ 10,000,000	\$ 5,375,229		2035 or 2036	\$ 768,761
Science Building Addition	2016 or 2017	\$ 21,000,000	\$ 11,000,000		2036 or 2037	\$ 1,577,630
Sub-total		\$ 51,000,000	\$ 27,125,687		2035-2037	\$ 3,883,914
Total Potential New FY-16/17 Obligations		\$ 51,000,000	\$ 27,125,687			\$ 3,883,914
Cumulative Total Current and Potential New Obligations		\$ 269,827,583	\$ 216,202,084	\$ -	\$ -	\$ 19,978,740

Salem State University Deferred Maintenance And Capital Improvement

Gene Labonte
Beth Bower

May 21, 2014



Definitions

Replacements: An exchange of one fixed asset for another that has the same capacity to perform the same function.

Alteration: Work performed to change the interior arrangements or other physical characteristics of an existing facility or fixed equipment so that it can be used more effectively for its current designated purpose or adapted to a new use.

Capital Renewal and Replacement

A systematic management process to plan and budget for known cyclic repair and replacement requirements that extend the life and retain usable condition of facilities and systems that are not normally contained in a normal operating budget.

Capital renewal is a planned investment program that ensures that facilities will function at levels commensurate with the academic mission of the university.

Need to develop and implement a major maintenance and capital renewal strategy

- **Funding maintenance and repairs at adequate levels to avoid accumulation of backlogs.**
- **An effective capital renewal and deferred maintenance reduction program requires reliable estimates of funding requirements and thorough planning.**
- **Estimate funding needs: 1) Long term capital renewal needs and 2) Estimates of short term programs to reduce deferred maintenance backlogs to acceptable levels.**

Strategy

- **VFA findings and reports are stored within an online database available to university personnel.**
- **VFA provides university with Facility Condition Index and Systems Condition Index**
- **Facility Condition Index: Number derived by dividing the total estimated cost to complete deferred maintenance projects for the building by its estimated replacement value.**
- **FCl of 0.1 signifies a 10 percent deficiency which is generally considered low.**
- **FCl of 0.7 means a building needs extensive repair**

Deferred Maintenance and Capital Renewal Strategy

➤ VFA Sample Report



111 Founders Hall - Shortcut.Link

Deferred Maintenance and Capital Renewal Strategy

- **Need to adjust operating and capital budgeting practices to emphasize maintenance and capital renewal in congruence with university strategic plan.**
- **Develop a comprehensive strategy to identify critical needs and substantially reduce the backlog of deferred maintenance.**
- **Close coordination with fiscal services to develop a funding projection model and identify funding sources.**

California State University Sample School 2

North Campus

Founders Hall

Asset Number 0012 Year Built 1899
 Building GSF 29,128 Inspection Date 2013
 Floors 3
 Ownership GPO
 Current Use Classrooms and Offices



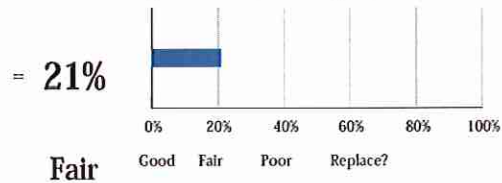
Founders Hall

What is our condition?

Deferred Maintenance Needs (incl. next 5 YR, in current \$, rounded)	\$3,277,184
Replacement Value	\$15,647,501

The Facility Condition Index (FCI) is a ratio of the building's needs to its replacement value. FCI is calculated by dividing the sum of the near term (5 years) Requirement Costs by the current replacement value of the asset(s).

5 Year Facility Condition Index (FCI)



What are potential projects?

Costs are in thousands

Life Safety	Building Code	Roof	Ext Envelope	MEP	Elevator	Int Constr. + Structr	Fire Protection	FFE and Site	Other DM	SUBTOTAL DEFERRED MAINT.	FCI	ADA	HAZMAT	SECURITY	Program	Other	Subtotal Program Cost	PI	Subtotal DM + Progr Cost	FCNI
19	0	0	508	1,798	54	751	148	0	0	3,277	0.21	194	0	0	0	354	548	0.04	3,825	0.24

Five Year Needs by Major System Group

Requirements List

ADA

Name	Prime System	Category	Priority	Action Year	Requirement Cost
Wheelchair Lift Non Compliant	D1013 - Lifts	Accessibility	5-Grandfathered Code Issue		191,086
Subtotal					191,086

Elevator

Name	Prime System	Category	Priority	Action Year	Requirement Cost
Wheelchair Lift Renewal	D1013 - Lifts	Beyond Useful Life	3-Due within 3 to 5 Years	2018	53,876
Subtotal					53,876

Ext Envelope

Name	Prime System	Category	Priority	Action Year	Requirement Cost
Wood Windows Renewal	B2020 - Exterior Windows	Beyond Useful Life	3-Due within 3 to 5 Years	2018	506,583
Exterior Stairs - Damaged Concrete	B1015 - Exterior Stairs and Fire Escapes	Reliability	3-Due within 3 to 5 Years	2018	1,273
Subtotal					507,856

Fire Protection

115 Building's Requirements by Strategy to Address Buckets

School: California State University Sample School 2

Campus: North Campus

Building: Founders Hall

Strategy Bucket: A. Planned Maintenance

Requirement Name	Prime System	Category	Priority	Fiscal Year	Requirement Cost
Exit Signs Lacking	D5092 - Emergency Light and Power Systems	Life Safety	1-Due within 12 Months	2014	18,810
Exterior Stairs - Damaged Concrete	B1015 - Exterior Stairs and Fire Escapes	Reliability	3-Due within 3 to 5 Years	2018	1,273

Strategy Bucket: D. Adaptation

Requirement Name	Prime System	Category	Priority	Fiscal Year	Requirement Cost
Domestic Hot Water - Steam - HEX Renewal	D2020 - Domestic Water Distribution	Beyond Useful Life	1-Due within 12 Months	2013	5,510
Wood Windows Renewal	B2020 - Exterior Windows	Beyond Useful Life	3-Due within 3 to 5 Years	2017	506,583
Branch Wiring - Equipment & Devices Renewal	D5021 - Branch Wiring Devices	Beyond Useful Life	3-Due within 3 to 5 Years	2018	276,852
Water Distribution Complete Renewal	D2020 - Domestic Water Distribution	Beyond Useful Life	3-Due within 3 to 5 Years	2018	272,543
Pneumatic Control System Renewal	D3060 - Controls and Instrumentation	Beyond Useful Life	3-Due within 3 to 5 Years	2018	248,826
Ductwork Renewal	D3041 - Air Distribution Systems	Beyond Useful Life	3-Due within 3 to 5 Years	2018	238,087
Sanitary Waste - Gravity Disch Renewal	D2030 - Sanitary Waste	Beyond Useful Life	3-Due within 3 to 5 Years	2018	210,375
Steam Piping Renewal	D3040 - Distribution Systems	Beyond Useful Life	3-Due within 3 to 5 Years	2018	171,220
Fire Alarm System Renewal	D5037 - Fire Alarm Systems	Beyond Useful Life	3-Due within 3 to 5 Years	2018	147,794
Panelboards and Feeders - 208V - 1965 Renewal	D5012 - Low Tension Service and Dist.	Beyond Useful Life	3-Due within 3 to 5 Years	2018	92,813
Emergency Battery Pack Lights Renewal	D5092 - Emergency Light and Power Systems	Beyond Useful Life	3-Due within 3 to 5 Years	2018	76,495
Heat Ventilation Units - Basement Renewal	D3040 - Distribution Systems	Beyond Useful Life	3-Due within 3 to 5 Years	2018	61,796
Wheelchair Lift Renewal	D1013 - Lifts	Beyond Useful Life	3-Due within 3 to 5 Years	2018	53,876
Building Ventilation Fan - Attic Renewal	D3040 - Distribution Systems	Beyond Useful Life	3-Due within 3 to 5 Years	2018	52,258
ACT System - Concealed Spline - Glued Renewal	C3030 - Ceiling Finishes	Beyond Useful Life	3-Due within 3 to 5 Years	2018	52,195
Ceramic Tile Renewal	C3010 - Wall Finishes	Beyond Useful Life	3-Due within 3 to 5 Years	2018	46,538
Main Distribution Panel - 208V 600A Renewal	D5012 - Low Tension Service and Dist.	Beyond Useful Life	3-Due within 3 to 5 Years	2018	38,606
Exhaust System - Restroom Fan Renewal	D3040 - Distribution Systems	Beyond Useful Life	3-Due within 3 to 5 Years	2018	35,805

SUBJECT: Academic Affairs and Student Life Committee Meeting Report for May 21, 2014

The Academic Affairs and Student Life Committee of the Board of Trustees met on Wednesday, May 21, 2014 in room 210 at Marsh Hall on the Central Campus of Salem State University.

Present for the Committee were Trustees Abdoo (chair), Davis, Segal and Stringer, Chair Scott (ex-officio) and President Meservey (ex-officio); Provost Esterberg (committee liaison), Vice President James (committee liaison) and staff assistant Longo, academic affairs. Also in attendance and participating in the meeting were Trustees Mattera and Crawford; and Assistant Provost Amie Goodwin.

Committee Chair Abdoo called the meeting to order at 4:45 pm. He welcomed the Committee and congratulated Provost Esterberg on her appointment at SUNY. He also congratulated Provost Esterberg and Vice President James on an excellent commencement and then turned the meeting over to Provost Esterberg.

Provost Esterberg began by introducing Assistant Provost Amie Goodwin who will serve as Interim Provost effective in June. She noted that Assistant Provost Goodwin has been with Salem State for many years and will keep the institution moving in the right direction. The Committee welcomed her. Provost Esterberg noted the agenda (Attachment A) and turned the meeting over to Vice President James to discuss the first item on the agenda: Summer/Fall Enrollment Admissions Update.

Vice President James opened by stating that summer and fall enrollment looks good. This summer the graduate registration credit count is up 12% (approximately 600 credits). Continuing Education credits (undergraduate programs) are down 8% (approximately 1200 credits). He explained that discontinuation of nursing clinical summer programs and the decrease in the number of English and History courses related to core curriculum change are the biggest reasons for this decline. It is anticipated that this will be a one year decline and then registrations will pick up as more course choices become available. In addition, enrollment management will be working with academic programs to raise capacity and marketing to increase and expand awareness and continue to bring in enrollments, especially for summer session II.

For fall, Vice President James reported that freshman admits are up 1% and freshman deposits are up 6.5%. The application rate is flat. Regarding transfers, he reported that applications are somewhat down and admits are flat, but transfer deposits are up by 360. The transfer application

Trustee Segal asked how long candidates need to be teaching at Salem State before they are eligible for tenure. Provost Esterberg replied that most candidates need to be teaching full-time for six years. However, if they come in at an instructor level it is five years before they need to come up for promotion to assistant and if they come in at an associate level it is three years.

Chair Abdoo asked what happens if candidates do not come forward. Provost Esterberg replied that if candidates do not come forward then they receive a terminal contract.

Trustee Stringer asked what percentage of applicants is brought forward. Provost Esterberg responded that by the time we get to this point almost all candidates are brought forward. Candidates who would be unsuccessful are usually out of the process much earlier. Trustee Stringer then asked how many candidates have received terminal contracts. Provost Esterberg stated that in the five and half years that she has been at Salem State it has been five or fewer. It is unusual. President Meserve commented that when tenure is denied it comes to the Board of Trustees.

Chair Abdoo explained the voting process to the Committee, stating that the Committee will be asked to take a vote after each section.

Provost Esterberg then presented the candidates for Tenure, highlighting the accomplishments of several to demonstrate the high caliber of recommended faculty.

Trustee Segal asked that if eligible for both, why somebody would ask for tenure and not promotion. Provost Esterberg responded that most faculty who come to Salem State have their PhDs, but a few, such as in nursing, will come in at the end of their dissertations. They are committed, active and working toward their PhD with a full teaching load but when they come up for promotion they do not feel they have the research yet so will wait.

Chair Abdoo asked if there is any negative to going for promotion and not getting it. Provost Esterberg replied that unlike tenure, candidates can reapply another year.

After careful consideration of the candidates for Tenure, the committee took the following action:

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

VOTED: to recommend to the full board the personnel actions for Faculty Tenure status as presented.

Provost Esterberg then presented the candidates for Tenure with Promotion to the rank of Associate Professor, highlighting the accomplishments of several to demonstrate the high caliber of recommended faculty.

Trustee Segal asked if we could make adjustments to teaching later. Provost Esterberg stated that contractually we always have this right.

President Meservey remarked that we have had the challenge of recruiting for Endowed Chairs which is so heavily focused on research. She commented that she thinks 4/4 teaching load is high and that she would like to see 3/3 load as the norm, but it is expensive to do this. Chair Abdo questioned whether or not we could do this given the contract. President Meservey commented that if we had resources then we could grant APRs to all faculty.

After careful consideration of candidates for Promotion to the rank of Full Professor, the committee took the following action:

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

VOTED: to recommend to the full board the personnel actions for Promotion to the rank of Full Professor as presented.

Provost Esterberg then presented the candidates for Promotion to the rank of Associate Professor, highlighting the accomplishments of several to demonstrate the high caliber of recommended faculty.

After careful consideration of candidates for Promotion to the rank of Associate Professor, the committee took the following action:

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

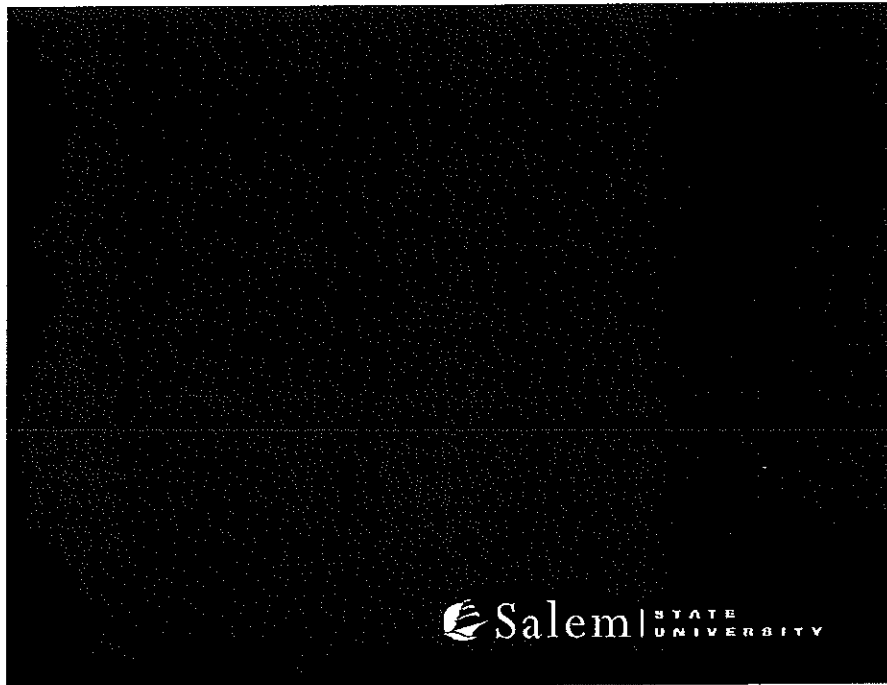
VOTED: to recommend to the full board the personnel actions for Promotion to the rank of Associate Professor as presented.

Provost Esterberg then presented the candidates for Promotion to Professor Emeritus and Professor Emerita, noting that all candidates have performed extraordinary work in a variety of ways. She explained that in order to be considered for Emeritus Status, candidates must have taught for at least fifteen years and maintain a high level of scholarly work and service to the community. Emeritus status gives retired faculty a parking pass, library privileges and sends a signal that they are still part of the Salem State community.

After careful consideration of candidates for Promotion to the rank of Professor Emeritus and Professor Emerita, the Committee took the following action:

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

VOTED: to recommend to the full board the personnel actions for Promotion to the rank of Professor Emeritus and Professor Emerita as presented.



Agenda

- I. Summer/Fall Enrollment and Admissions Update (Discussion)
- II. MSCA Personnel Actions (Action Needed)
 - Tenure
 - Tenure with Promotion
 - Promotion
 - Emeritus Status

Promotion and Tenure

- The most important personnel decision you will make
- The most important financial decision you will make

Evaluating Faculty for Tenure and Promotion

- Teaching Effectiveness
- Continuing Scholarship
- Academic Advising
- Professional Contributions

- Assistant Professor David Mercer, Biology
- Associate Professor Alexandria Peary, English
- Assistant Professor Amy Smith, Theatre and Speech Communication
- Associate Professor Stephenie Young, English

Tenure with Promotion to Associate Professor

- Assistant Professor Katharine Bloom, Sport and Movement Science
- Assistant Professor Michele Davila Goncalves, World Languages and Cultures
- Assistant Professor Margaret Dillon, Communications
- Assistant Professor Jeff Driskell, Social Work
- Assistant Professor Jenifer Girgen, Criminal Justice
- Assistant Professor Yu Hu, Marketing and Decision Science
- Assistant Professor Jennifer Jackman, Political Science

Promotion to Full Professor

- Associate Professor Kenneth Ardon, Economics
- Associate Professor Jayanti Bandyopadhyay, Accounting and Finance
- Associate Professor Christopher Boucher, Mathematics
- Associate Professor Andrew Darien, History
- Associate Professor Haig Demarjian, Art + Design
- Associate Professor Christopher Fauske, Communications
- Associate Professor Anne Marie Gallo, Sport and Movement Science



- Associate Professor Joanna Gonsalves, Psychology
- Associate Professor David Goodof, Management
- Associate Professor Miranda Lam, Accounting and Finance
- Associate Professor Gavriel Meirovich, Management
- Associate Professor Philip Swanson, Music



Emeritus Status

- Professor Eric Branscomb, English
- Professor Mary Farrell, Nursing
- Professor John Green, English
- Professor Thomas Hallahan, Theatre & Speech Communication
- Professor Elizabeth Hart, Theatre & Speech Communication
- Professor Robert Kessler, English

SALEM STATE UNIVERSITY
PRESIDENT'S RECOMMENDATIONS
FOR THE ACTION OF THE ACADEMIC AFFAIRS AND STUDENT LIFE COMMITTEE

Tenure with Promotion Recommendations:

Bloom, Katharine	From: Assistant Professor To: Associate Professor Sport and Movement Science	Effective: 9/1/14
Davila Goncalves, Michele	From: Assistant Professor To: Associate Professor World Languages and Cultures	Effective: 9/1/14
Dillon, Margaret	From: Assistant Professor To: Associate Professor Communications	Effective: 9/1/14
Driskell, Jeff	From: Assistant Professor To: Associate Professor School of Social Work	Effective: 9/1/14
Fitzpatrick, Tara	From: Assistant Librarian To: Associate Librarian	Effective: 9/1/14
Girgen, Jenifer	From: Assistant Professor To: Associate Professor Criminal Justice	Effective: 9/1/14
Hu, Yu	From: Assistant Professor To: Associate Professor Marketing and Decision Sciences	Effective: 9/1/14
Jackman, Jennifer	From: Assistant Professor To: Associate Professor Political Science	Effective: 9/1/14
Jaros, Michael	From: Assistant Professor To: Associate Professor English	Effective: 9/1/14
Kitanov, Severin	From: Assistant Professor To: Associate Professor Philosophy	Effective: 9/1/14

SALEM STATE UNIVERSITY
PRESIDENT'S RECOMMENDATIONS
FOR THE ACTION OF THE ACADEMIC AFFAIRS AND STUDENT LIFE COMMITTEE

Promotion Recommendations:

Ardon, Kenneth	From: Associate Professor To: Full Professor Economics	Effective: 9/1/14
Bandyopadhyay, Jayanti	From: Associate Professor To: Full Professor Accounting and Finance	Effective: 9/1/14
Boucher, Christopher	From: Associate Professor To: Full Professor Mathematics	Effective: 9/1/14
Burnett, Paula	From: Assistant Professor To: Associate Professor School of Nursing	Effective: 9/1/14
Crow, Katherine	From: Assistant Professor To: Associate Professor Mathematics	Effective: 9/1/14
Darien, Andrew	From: Associate Professor To: Full Professor History	Effective: 9/1/14
Demarjian, Haig	From: Associate Professor To: Full Professor Art + Design	Effective: 9/1/14
Fauske, Christopher	From: Associate Professor To: Full Professor Communications	Effective: 9/1/14
Gallo, Ann Marie	From: Associate Professor To: Full Professor Sport and Movement Science	Effective: 9/1/14
Gonsalves, Joanna	From: Associate Professor To: Full Professor Psychology	Effective: 9/1/14

SALEM STATE UNIVERSITY
PRESIDENT'S RECOMMENDATIONS
FOR THE ACTION OF THE ACADEMIC AFFAIRS AND STUDENT LIFE COMMITTEE

Emeritus Status Recommendations:

Branscomb, Eric	From: Full Professor To: Professor Emeritus English	Effective: 9/1/14
Farrell, Mary	From: Full Professor To: Professor Emerita School of Nursing	Effective: 9/1/14
Green, John	From: Full Professor To: Professor Emeritus English	Effective: 9/1/14
Hallahan, Thomas	From: Full Professor To: Professor Emeritus Theatre & Speech Communication	Effective: 9/1/14
Hart, Elizabeth	From: Full Professor To: Professor Emerita Theatre & Speech Communication	Effective: 9/1/14
Kessler, Robert	From: Full Professor To: Professor Emeritus English	Effective: 9/1/14

SUBJECT: Executive Committee Meeting Report of May 21, 2014

The Executive Committee of the Board of Trustees met Wednesday, May 21, 2014, in room 210 of Marsh Hall located on the Central Campus of Salem State University.

Present for the Committee were Trustees Scott (Chair), Abdo, Mattera and Segal; President Meservey (ex-officio and Committee Liaison); and Secretary to the Board Fleischman. Also present and participating in the meeting was Executive Vice President Cahill.

Chair Scott called the meeting to order at 6:58 pm.

Search Update: The status of the searches for Chief Financial Officer (CFO) and Vice President for Administration (VPA) had been reviewed at earlier committee meetings. It was felt that repetition of the information was not necessary. President Meservey informed the committee that the search for a new Provost is underway. The firm of Korn Ferry, led by David Mead Fox will coordinate the effort and is starting meetings on campus during the last week in May. Chair Scott will serve as the Board's representative on the search committee, which is being chaired by VP of Enrollment Management & Student Life James. Campus meetings will continue through early June. A slate of candidates is expected for consideration by early August with interviews starting by the end of August. We hope to make an offer to an appropriate candidate by early November.

This search faces several challenges including the ability to attract attention over the summer months and finding someone willing to start mid-year. Assistant Provost Amie Goodwin has agreed to serve as Acting Provost through January. We are confident we have the talent resources to deal with an extended vacancy if that becomes necessary. The search for a Dean of Graduate Studies will not start until the fall to allow for provostial participation. We will know by then how well the provost search is progressing and whether someone should be in place soon to help shape the dean's search. Mary Churchill, Acting Dean of Professional & Continuing Studies, will serve as Acting Dean of Graduate Studies as well in the interim.

President Meservey took the opportunity to update the committee on the search for a new CEO of the Enterprise Center. According to the president, interviews with finalists were held the day before this meeting and in her opinion went very well. She was unable to share details with the members, but was pleased with the candidates she had seen.

Commencement Review: President Meservey reviewed for the committee the positive feedback and successful efforts from the previous weekend's ceremonies.

There being no further business to come before the Committee, Chair Scott asked for a motion to adjourn.

SUBJECT: Nominating Committee Meeting Report of May 21, 2014

The Nominating Committee of the Board of Trustees met Wednesday, May 21, 2014, in room 204 of Marsh Hall located on the Central Campus of Salem State University.

Present for the Committee were Trustees Ansara (Chair), Davis, and Segal. Also present: Secretary to the Board Fleischman.

Trustee Ansara called the meeting to order at 4:42 pm.

At the last meeting of the Board of Trustees, on April 9, 2014, the trustees were invited to submit nominations to the secretary for the positions of chair and vice chair, for consideration by the Nominating Committee. Trustee Ansara began the meeting by reviewing the nominations received for the officer positions:

- Trustee Ansara had nominated Trustee Pamela Scott for chair
- Trustee Scott had nominated Trustee Mattera for vice chair

There had been no further nominations received and none presented by those in attendance.

A motion was made by Trustee Segal to recommend the slate of candidates to the full board for consideration at the June meeting; Trustee Davis seconded the motion. There was discussion regarding precedent for re-election of the chair and future potential candidates.

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

VOTED: The Nominating Committee of the Board of Trustees of Salem State University recommends that the Board elect Pamela C. Scott as chair and Paul Mattera as vice chair of the Board of Trustees for FY2015, effective July 1, 2014.

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

VOTED: To adjourn the meeting at 4:46 pm.

Prepared by: J. Fleischman, Secretary to the Board of Trustees