

**BOARD OF TRUSTEES  
MEETING MINUTES  
APRIL 11, 2018**

**CONSENT AGENDA APPROVED MINUTES:**

**BOARD OF TRUSTEES: NOVEMBER 1, 2017 - POSTED SEPARATELY**

**BOARD OF TRUSTEES OFF-SITE: DECEMBER 8, 2017 - POSTED HERE & SEPARATELY**

**BOARD OF TRUSTEES: FEBRUARY 7, 2018 - POSTED SEPARATELY**

**FINANCE & FACILITIES: MARCH 28, 2018**

**INSTITUTIONAL ADVANCEMENT/MARKETING & COMMUNICATIONS: MARCH 28, 2018**

**RISK MANAGEMENT & AUDIT – EXECUTIVE SESSION: MARCH 28, 2018 – REDACTED**

**ACADEMIC AFFAIRS & STUDENT LIFE: MARCH 28, 2018**

**EXECUTIVE: MARCH 28, 2018**

**BOARD OF TRUSTEES**  
*April 11, 2018*

**PRESENT:** Trustees Mattera (chair), Chisholm, Contreras, DeSimone, Katzman, Lutts, Murphy, Russell. Trustee Zahlaway Belsito (participated by phone) Also participating at the meeting were President Keenan and Board Secretary Lynne Montague and Assistant Secretary Katie Sadowski.

**ABSENT:** Scott

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 regular meeting in Marsh Hall, Room 210, Central Campus, Loring Avenue, Salem, Massachusetts, on April 11, 2018, with Paul Mattera, Chair, presiding.

*Note - In accordance with the Open Meeting Law all meeting votes are by roll call when there is remote participation.*

\* \* \*

**I. CALL TO ORDER** - Chair Mattera called the meeting to order at 5:01 pm. The Chair announced that all votes taken would be via roll call in accordance with the Open Meeting Law which requires roll call votes when there is remote participation at public meetings.

*Call to Order*

**II. CONSENT AGENDA** - Chair Mattera read the items contained on the Consent Agenda and asked for any objections or modifications to the minutes. Hearing none, he then asked for a motion to approve the minutes and upon a motion duly made by Trustee Murphy and seconded by Trustee Chisholm, upon a roll call vote it was unanimously

*Consent Agenda*

**VOTED: To approve the Consent Agenda (CA-17-05)**

Voting in the affirmative: Chisholm, Contreras, DeSimone, Katzman, Lutts, Murphy, Russell, Zahlaway Belsito, Mattera (chair)

Voting in the negative: None

Absent: Scott

\* \* \*

*Committee Actions*

**III. COMMITTEE ACTION –**

**Finance and Facilities:** Trustee Katzman introduced the Finance and Facilities committee recommended motion regarding Graduate and Continuing Education Tuition and/or Fees. Hearing no discussion, he asked for a second motion. Trustee Lutts duly seconded the motion and upon a roll call vote it was unanimously

*Finance & Facilities: Approval of Graduate and Continuing Ed Tuition & Fees Fall 2018-19 and Summer 2019*

**VOTED:** The Board of Trustees of Salem State University hereby approves the following rates for graduate and continuing education tuition and/or fees for the category of students as shown on Exhibit I.

The new rates shall become effective for the fall term of the 2018-19 Fiscal Year and summer 2019. (FF-17-03)

Voting in the affirmative: Chisholm, Contreras, DeSimone, Katzman, Lutts, Murphy, Russell, Zahlaway Belsito, Mattera (chair)

Voting in the negative: None

Absent: Scott

\* \* \*

**Academic Affairs:** Trustee Chisholm then introduced the Academic Affairs recommended motions. The first motion concerned an MSCA personnel action pertaining to incoming Bertolon School of Business Dean Kathleen Barnes. Provost Silva introduced Dean Barnes and the Trustees welcomed the new Dean. Trustee Chisholm read the committees recommended motion which was duly seconded by Trustee DeSimone and upon a roll call vote it was unanimously

*Academic Affairs – Dean Barnes right to take up faculty appointment with tenure*

**VOTED:** To recommend to the full board the personnel action that incoming Dean Kathleen Barnes be granted the right to “take up” a faculty appointment at the rank of Professor in the management department with tenure as per MSCA agreement article XX Section M as presented. (AA-17-04)

Voting in the affirmative: Chisholm, Contreras, DeSimone, Katzman, Lutts, Murphy, Russell, Zahlaway Belsito, Mattera (chair)

Voting in the negative: None

Absent: Scott

Trustee Chisholm then offered the committee’s second motion regarding new program approval for a Bachelor of Science in Information Technology (IT). After a discussion a motion was made by Trustee Russell and seconded by Trustee Contreras and upon a roll call vote it was unanimously

*Approval of BS IT Information Technology*

**VOTED:** To recommend to the full board the approval of a B.S. program in Information Technology as presented in the attached exhibit “B.”

This action shall be effective immediately upon its approval by the Board of Trustees. (AA-17-05)

Voting in the affirmative: Chisholm, Contreras, DeSimone, Katzman, Lutts, Murphy, Russell, Zahlaway Belsito, Mattera (chair)

Voting in the negative: None

Absent: Scott

\* \* \*

**Executive Committee:** Chair Mattera offered the Trustee Emeritus motion and with a short discussion Trustee Katzman duly seconded the motion and upon a roll call vote it was unanimously

**VOTED:** The Salem State Board of Trustees hereby approves the creation of no more than three participating, non-voting Trustee Emeritus positions, subject to the following:

1. Former Trustees who have completed two (2) full five (5) year terms and one term as Board chair are eligible;
2. Any current Trustee may nominate a former Trustee;
3. Nominations should be made to the Board chair;
4. Nominations must be made no later than one year after completion of the former Trustee's second term;
5. Trustee Emeritus candidates must be unanimously approved by the executive committee;
6. Trustee Emeritus positions are for one (1) academic year with opportunity for annual renewal consideration, not to exceed three (3) years in total;
7. Trustee Emeritus are eligible to fully participate in full board and committee meetings in a non-voting capacity.

*Trustee  
Emeritus*

The Trustee Emeritus position shall become effective immediately.

The bylaws are revised in Article 1: Organization and Officers of the Board of Trustees with the addition of Section 7: Trustee Emeritus. (EX-17-02)

Voting in the affirmative:	Chisholm, Contreras, DeSimone, Katzman, Lutts, Murphy, Russell, Zahlaway Belsito, Mattera (chair)
Voting in the negative:	None
Absent:	Scott

#### IV. REPORT OF THE PRESIDENT –

President Keenan shared that his schedule reminded of a past president's advice - we're here to celebrate our students. Last week President Keenan attended a pinning ceremony for our teaching students. Similar to nursing, we now have a ceremony for teaching students. Last Friday we had a fundraising event and then on Saturday we had Accepted Students Day and welcomed over 1100 people to campus. Later that afternoon we hosted our Honors Luncheon. President Keenan also discussed his recent visit to Rowan College in NJ. Rowan has highly successful partnership with community colleges that make higher education more accessible and affordable for South Jersey student by providing a direct, cohesive route to a bachelor's degrees with easy transfer of credits, joint counseling and advising and students who meet the partnership criteria join Rowan as fully matriculated juniors. Lastly, President Keenan was pleased to share that there is a tentative agreement with the MSCA faculty union. He thanked Provost Silva for his work on the negotiations.

*Report of the  
President*

\* \* \*

**V. REPORT OF THE CHAIR** - Chair Mattera yielded his time to Trustee Lutts who is chairing the Presidential Review Committee. Trustee Lutts shared the committee's meeting schedule through the month of April. He also advised the members on the committee's process of evaluating performance, goal setting and priorities. Lastly, he invited any member of the Board to attend the group's meetings.

\* \* \*

**VI. OLD BUSINESS:**

**STRATEGIC PLANNING COMMITTEE** - Trustee Murphy provided a brief update on the Strategic Planning Committee's work and said the group had met to discuss major themes and areas of interest and ways to increase enrollment; public private partnerships and internships. They believe there's an opportunity for an educational model that when students graduate they should be able to seamlessly enter the workplace with the skills necessary and instead we know there's a gap. The group believes that there are businesses that are willing to work with us to fill the gap. Those are the three big concepts and now the Strategic Planning Committee would like to form working groups to vet those ideas with the president's leadership team.

**President's Executive Council Updates**

**Enrollment Growth** - Chief of Staff Bryant introduced Executive Vice President James and Provost and Academic Vice President Silva to discuss potential areas of enrollment growth and online programs. A discussion followed.

**Public Private Partnerships** – Assistant Vice President Capital Planning and Facilities Szalewicz & Dean, College of Arts and Sciences Gayle Gasparich discussed different types of public private partnerships.

**VII. NEW BUSINESS:**

**Nominating Committee** - Chair Mattera offered that as chair he must appoint a Nominating Committee and appointed Trustees Katzman (chair), Chisholm and Murphy. He suggested the committee submit its report to the board secretary by May 23 and report at the Board's June 6<sup>th</sup> meeting in accordance with timelines set in our bylaws.

\* \* \*

**VIII. OPEN FORUM -**

Chair Mattera announced the open forum portion of the meeting and asked for any comments or discussion. Trustee Lutts introduced Joel Surette to talk about the Bloomberg terminals and the student investment. Joel explained that a student managed fund is a fund that manages assets. In this instance we have assets that we manage certain sectors. As the market becomes more competitive these things will become more important. Internship within the student investment fund. Trustee Lutts offered that we're fundraising now and need to raise \$600K (have \$200K on hand) to get the Bloomberg terminals. Joel said that the terminals are a great recruitment tool and prepares students for real world experience. Chair Mattera thanked Joel and offered the Board's support for the project.

\* \* \*

**IX. ADJOURNMENT**

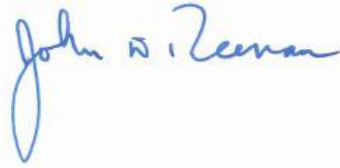
There being no further business to come before the Board and on a motion made by Trustee Lutts and seconded by Trustee DeSimone, it was unanimously:

**VOTED: to adjourn the meeting at 7:02 pm**

Voting in the affirmative:	Contreras, DeSimone, Katzman, Lutts, Murphy, Russell, Mattera (chair)
Voting in the negative:	None
Absent from vote:	Zahlaway Belsito and Chisholm

*Adjournment*

Respectfully submitted,



John Keenan  
President



Lynne Montague  
Secretary to the Board of Trustees

## Meeting of the Board of Trustees

CA-17-05

### Agenda

April 11, 2018

Petrowski Conference Room

Marsh Hall, Room 210, Central Campus, Loring Avenue

Salem State University

Salem, Massachusetts

### Consent Agenda

Approval of the following Meeting Minutes and Committee Reports:

Board of Trustees: November 1, 2017 - posted separately

Board of Trustees Off-site: December 8, 2017 - posted here & separately

Board of Trustees: February 7, 2018 - posted separately

Finance & Facilities: March 28, 2018

Institutional Advancement/Marketing & Communications: March 28, 2018

Risk Management & Audit – Executive Session: March 28, 2018 – *redacted*

Academic Affairs & Student Life: March 28, 2018

Executive: March 28, 2018





Program	Program
<b>Price Group 1</b>	<b>Price Group 2</b>
<b>Master's Programs</b>	<b>Master's Programs</b>
English (MA)	Behavior Analysis (MS)
History (MA)	Counseling (MS)
<b>Education - Master's Programs</b>	Criminal Justice (MS)
Art (MAT)	Geo-Information Science (MS)
Chemistry (MAT)	Industrial/Organizational Psychology (MS)
Early Childhood Education (MEd)	Mathematics (MS)
Elementary Education (MEd)	Social Work (MSW)
English (MA/MAT)	<b>Education - Master's Programs</b>
English (MAT)	Higher Education in Student Affairs (MEd)
English to Speakers of Other Languages (ESOL) (MAT)	School Counseling (MEd)
History (MAT)	<b>Education - Licensure Only Programs</b>
Leadership in Physical Education & Movement Studies (MEd)	School Adjustment Counselor (Initial Licensure Only)
Library Media Studies (MEd)	School Counseling
Mathematics (MAT)	<b>Graduate Certificate Programs</b>
Middle School Education (MEd)	Applied Behavior Analysis
Middle School Math (MAT)	Clinical Trial Management
Physical Education (MAT)	Computer Science
Reading (MEd)	Counseling
Secondary Education (MEd)	Geo-Information Science
Spanish (MAT)	Sport Development and Management
Special Education (MEd)	
<b>Education - Licensure Only Programs</b>	<b>Price Group 3</b>
Early Childhood Education	<b>Master's Programs</b>
Elementary Education	Accounting (MS)
English to Speakers of Other Languages (ESOL)	Business Administration (MBA)
Mathematics	Nursing (MSN)
Middle School Education (Initial Licensure Only)	Occupational Therapy – Direct Entry (MS)
Reading	Occupational Therapy (MS)
Special Education	<b>Graduate Certificate Programs</b>
<b>Graduate Certificate Programs</b>	Business
Autism Spectrum Disorders	Financial Planning
Digital Studies	Nursing Education
Global Policy Analysis	
Holocaust and Genocide Studies	
Public History	
Public Policy and Administration	
Strategic Communications	
Teaching English to Speakers of Other Languages	
Writing and Rhetoric Studies	
Teacher Leadership	
<b>Certificate of Advanced Graduate Study (CAGS)</b>	
Educational Leadership	

	Current (AY 2018)	Proposed (AY 2019)	Overall \$ Change	Overall % Change
<b>Continuing Education</b>				
<b>Fall and Spring</b>				
<b>4% Course Fee increase</b>				
<b>Massachusetts Residents</b>				
Per Credit	\$381.17	\$392.15	\$10.98	3%
Per Course (3 credits)	\$1,143.51	\$1,176.45	\$32.94	3%
<b>Out of State Residents</b>				
Per Credit	\$551.17	\$562.15	\$10.98	2%
Per Course (3 credits)	\$1,653.51	\$1,686.45	\$32.94	2%
International Student Supplemental Charge (per credit)	\$140.00	\$140.00	\$0.00	0%
	<b>Summer 2018</b>	<b>Summer 2019</b>	<b>Overall \$ Change</b>	<b>Overall % Change</b>
<b>Summer</b>				
<b>4% Course Fee increase</b>				
<b>Massachusetts Residents</b>				
Per Credit	\$318.00	\$327.35	\$9.35	3%
Per Course (3 credits)	\$954.00	\$982.05	\$28.05	3%
<b>Out of State Residents</b>				
Per Credit	\$453.00	\$462.35	\$9.35	2%
Per Course (3 credits)	\$1,359.00	\$1,387.05	\$28.05	2%
International Student Supplemental Charge (per credit)	\$140.00	\$140.00	\$0.00	0%

**Note 1:** The rates above for Fall and Spring include Tuition, Course Fee, Capital Improvement Fee, and SGA Fee.

**Note 2:** The rates above for Summer include Tuition, Course Fee, and Capital Improvement Fee.

**Competitor Price Comparison - AY 2018**
**Graduate**

Rank	Institution	Current per Credit
1	Worcester State	\$ 322.00
2	Framingham State	\$ 406.00 *
3	Bridgewater State	\$ 434.50
4	Salem State*	\$ 437.33 **
5	Endicott College	\$ 478.00
6	Cambridge College	\$ 533.00 ***
7	Southern NH University	\$ 590.00 ****
8	Umass Lowell	\$ 655.00
9	Umass Boston	\$ 738.90
10	Merrimack College	\$ 1,035.00
11	Boston University	\$ 1,100.00
12	Lesley University	\$ 1,100.00
13	Simmons College	\$ 1,100.00
14	Boston College	\$ 1,184.00
15	Springfield College	\$ 1,200.00
16	Suffolk University	\$ 1,424.00

\*\$473 per credit for MBA and Nursing

\*\*Average of all Price Groups

\*\*\*MBA \$612

\*\*\*\*online \$627

**Continuing Education**

Rank	Institution	Current per Credit
1	Worcester State	\$ 281.50
2	Southern NH University	\$ 320.00
3	Endicott College	\$ 359.00
4	Framingham State	\$ 363.00
5	Umass Lowell	\$ 370.00
6	Salem State*	\$ 381.17
7	Bridgewater State	\$ 402.50
8	Cambridge College	\$ 415.00
9	Springfield College	\$ 460.00
10	Boston University	\$ 510.00
11	Merrimack College	\$ 520.00
12	Lesley University	\$ 525.00
13	Umass Boston	\$ 576.36
14	Suffolk University	\$ 1,092.00
15	Boston College	\$ 1,184.00
16	Simmons College	\$ 1,200.00

# Academic Affairs and Student Life Committee

March 28, 2018

# New Program Approval: B.S. in Information Technology

# Proposed Bachelor of Science in Information Technology (BSIT)

- **Information Technology (IT)**

- The technology involving the development, maintenance and use of computer systems, software and networks for the processing and distribution of data.

- **Information Technology (IT) Program**

- The proposed program in its present form is ABET (Accreditation Board for Engineering and Technology) accreditation ready.
- Proposed BSIT includes a total of 79 credit hours including required core courses, support courses, and a minor.
- IT Minor (since Fall 2017) – feeders are Business, Criminal Justice, and Healthcare Studies.

# Competition

- ABET Accreditation for IT began in 2005.
- Since then 37 BSIT Programs (Schools) in the US have been accredited by ABET.
- **IT ABET-Accredited Institutions**
  - University of New Hampshire (UNH) is the only ABET accredited institution in the New England area.
- **Non-Accredited Institutions**
  - UMass-Boston is the only institution in MA that offers BSIT
    - Fall 2017 enrollment of 156 students.
  - UMass-Lowell offers BSIT and certificates in IT as a part of the Continuing Education Programs.
  - Pursuing a BSIT through Continuing Education at UMass-Lowell would cost twice as much as it would at Salem State University.

# Internship Opportunities

- Currently 1,701 unfilled Internship positions for Information Technology in the Massachusetts area. *(source: Internship.com, March 17, 2018)*
- SSU Career Services plays a significant role in establishing relationships with industry for internship opportunities.
- Examples of Paid Internship Opportunities:

- Summer 2018 Web Intern - Virtual Inc., Wakefield, MA
- Summer 2018 Information Technology Intern - Virtual Inc., Wakefield, MA
- Office of Information Security Harvard Pilgrim, IT Internship – Wellesley, MA
- IT Information Security Analyst, Undergraduate Summer Internship – Santander Bank, Dorchester, MA
- The Massachusetts Executive Office of Technology Services and Security, Content Strategy Associate Internship - Boston, MA
- Information Technology Intern - Gorton's Seafood, Gloucester, MA

*Source: Career Services*



# Jobs in IT, Salary, and Projected Growth

IT Jobs and Median Salary in Massachusetts*	Projected Growth 2014-2024*
<b>Computer Support Specialist</b> \$58,730	9.9%
<b>Web Developer</b> \$76,490	22.0%
<b>Database Administrator</b> \$84,960	9.9%
<b>Computer Systems Analyst</b> \$89,730	17.5%
<b>Information Security Analyst</b> \$93,810	17.4%
<b>Computer Network Architect</b> \$114,050	8.9%

- Job growth will increase by 13% from 2016 to 2026\*\*
- Projected to add about 557,100 new jobs by 2024\*\*
- Currently 10,809 full-time unfilled IT related positions in the Massachusetts/Boston area\*\*\*

#### References:

\* Median Salary and Data Projections (Salem State University)

\*\* United States' Bureau of Labor Statistics, (Jan 30, 2018)

\*\*\* Indeed Career Search

# Current Resources and Faculty Expertise

## Current Resources

- Computer Science Faculty (9) & Staff (1)
  - IT Dedicated Faculty (2)
- Classroom & Laboratory (4)
  - 1 Lab (MH201) specially renovated for IT
- Hardware & Software Tools
- Departmental & Institutional Support

## IT Faculty Expertise

Currently there are *two* dedicated full-time tenure track faculty members to offer IT Major courses:

- Manish Wadhwa, Ph.D. in Electrical and Computer Engineering
  - Program Director of IT Program at South University, Virginia Beach Campus, Virginia Beach, VA, 2011 – 2013
- Lakshmidhevi Sreeramareddy, D.Sc. in Information Technology

**OFF-SITE MEETING****December 8, 2017****Hawthorne Hotel****Salem, MA*****Attendance***

Trustee Mattera (chair), Chisholm, DeSimone, Katzman, Lutts, Murphy, Russell and Scott. Also present and participating were Advisory Trustee Members Gadenne and Zetes and President Keenan. Also in attendance were Board Secretary Montague and Assistant Secretary Sadowski, Chief of Staff Bryant, Executive Director for Strategic Planning and Decision Support Chunju Cheung, Vice President for Finance and Facilities House, Director of Diversity and Multicultural Affairs Rebecca Comage, Executive Vice President James, Vice President of Institutional Advancement McGurren, Provost and Academic Vice President Silva and Chair of Psychology Sophie Evett.

Facilitators – Kate Kazen & Kris Clerkin, Volta Learning

***Welcome, agenda review, announcements***

Chair Mattera opened the meeting and thanked the trustees for taking the time attend the Off-site meeting. He then set the ground rules for the conversation, reviewed the agenda and the Open Meeting Law, introduced the meeting facilitators Kris Clerkin and Kate Kazen of Volta Learning and some of the guest speakers. He then thanked Trustees Scott, Katzman, Chisholm and Murphy who worked on the committee to draft the meeting agenda and expressed appreciation for the leadership staff's work.

***Conversation One: The Higher Education Innovation Landscape Strategy***

Trustee Murphy opened up the conversation with a presentation on strategy and lay of the land of higher education and its changing demographics, cost and value. She discussed strategic planning (what versus strategy (how). Competitive strategy and choosing not to do things. Shared low cost education value proposition (refer to PPT).

10:44 am Break

Trustee Russell suggested a drill down of which programs are competitive (i.e. students from outside our demographic as an in-demand program as one variable, profitability as another) Lutts suggested time to do another review of all our programs. Vice President House mentioned we are working on this now. Trustee Katzman suggested that one exercise might be to rank programs based on market demand. Chair Mattera asked when thinking of SSU what do you think of its strengths? Trustee Russell offered nursing, teaching and business.

***Conversation Two: The Regional Comprehensive in the 21<sup>st</sup> Century  
Campus Climate Survey Results***

Chair of Psychology Sophie Evett and Co-Chief Diversity & Inclusion Officer Rebecca Comage took the floor and discussed the importance of the results of the Campus Climate Survey for retention because if individuals aren't comfortable on campus they leave. The Transformational Tapestry Model was reviewed as the campus is determining its next steps and actions.

Rebecca shared that the data affirms that we have some work to do to better unite our community; but we need to get down to a more granular level to understand the "why". Chair Mattera questioned where the most work had to be done and Trustee Murphy answered 1) the rift between faculty and administration and 2) that racism is alive and well.

**Exercise – See slide and fill out cards in response.**

**Question -** *What capability is most important for SSU to build on (current) or develop (new) to maximize potential opportunities or counter potential threats? Exclude campus climate issues. Go a level deeper than the initiatives in the Strategic Plan. See slide and fill out cards in response. On the backside of card note the urgency/timeframe for achieving capability.*

The responses were split half-half between status quo and new initiative and most were ranked as "urgent/immediate".

**Improve status quo:**

Develop idea of ideal student.

Reliable data. What do we need to keep doing (more nursing programs = the need for more doctoral faculty to teach)

Cultural competence

Figure out how to remove caps from programs

Admit more students

Review of all SSU programs, adding 3 programs, others to eliminate. What the criteria for the audit?

Better analytics

**New Initiative:**

Build pipeline with community colleges

Alternative delivery models and alignment with regional employers

Additional business relationships and strengthening alumni networks

Assess skills and how they align with employers (do grads have the skills employers want and need?)

Public-private employability model

Build out Enterprise Center to offer nanodegree programs, alternate delivery models, etc

**What did we miss:**

Non-academic matters for revenue. Karen House – we are repurposing residence halls and hiring a hospitality firm to operate them.

Review former ssu students who attended but didn't graduate (how many are there?) for whatever reason and help them find the path to finishing – David Silva

**Chair Mattera's summarized the Off-site action items:**

**1. Climate Survey** — Develop a set of short and intermediate action steps for improving campus climate, including faculty relations - President Keenan (short-term steps identified by January 24th). Note: Ruthann and Paul to work with President Keenan vis-a-vis trustee relations.

**2. Strategic Options** — Strategy Committee to recommend strategic options, consistent with today's inputs/outputs, for consideration by BOT at a second offsite in the spring. Note: all trustees are welcome to participate in Strategy Committee discussions.

**Adjourned:**

At 3:19 pm Chair Mattera asked if there was a motion to adjourn and one was duly offered by Trustee Chisholm and seconded by Trustee Lutts and it was unanimously

VOTED: To Adjourn.

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**SUBJECT:** Finance & Facilities Committee Meeting Report for March 28, 2018

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The Finance & Facilities Committee of the Board of Trustees met on Wednesday, March 28, 2018, in the Petrowski Room, Marsh Hall on the Central Campus of Salem State University.

Present for the Committee: Trustees Katzman (chair), Murphy (vice chair), Russell, Scott, Chair Mattera (ex-officio), President Keenan (ex-officio), Mr. Gadenne (advisory member). Also present and participating: Vice President House (committee liaison) and staff assistant Beaulieu.

Absent for the Committee: None

Trustee Katzman, committee chair, called the meeting to order at 3 pm.

**Review of FY18 Q2 financials (Attachment A)**

A summarized Management Revenue and Expense Report was provided for the first time with the second quarter financials for the period ending December 31, 2017. Trustees indicated the new format is helpful and should be continued.

**FY19 budget planning (Attachment B)**

A university budget outlook included an overview, revenue and expense drivers and next steps in the development of the fiscal year 2019 all funds budget. Brief discussions took place regarding development of enrollment growth strategies, metrics and dashboards.

**Graduate and Continuing Education fees for FY19 (Attachment C)**

Discussion took place regarding proposed rates for graduate and continuing education students for fiscal year 2019. In developing the proposed rates, consideration was given to program cost, program demand, price positioning with regard to competitors, and input from a number of parties including deans, department chairs, and graduate program coordinators. The term "tier" has been replaced with "price group" for the various graduate programs offered.

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

**MOTION**

The Finance and Facilities Committee hereby recommends that the Board of Trustees approve the following rates for the graduate and continuing education students as shown on Exhibit I.

**Recommended motion**

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

The new rates shall become effective for the fall term of the 2018-19 Fiscal Year and summer 2019.

**On a voice vote, the motion passed unanimously.**

**Business model – capital discussion (Attachment D)**

The business model discussion described the physical plant, capital ownership and maintenance. It included an overview, profile of the university physical plant and roles and responsibilities for the various buildings the university occupies.

**Sightlines/deferred maintenance (Attachment E and Attachment F)**

Brendon Martin and John Landock from Sightlines, contracted by the Division of Capital Asset Management and Maintenance (DCAMM), presented slides describing the process and outcomes for a quantified 10-year capital maintenance needs plan for the university. Facilities benchmarking and condition assessments were highlighted in the presentation.

**Capital projects status update (Attachment G)**

There were no questions regarding the capital projects status update that had been provided.

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

**MOTION: to adjourn the meeting.**

**On a voice vote, the motion passed unanimously.**

The meeting adjourned at 4:40 pm.

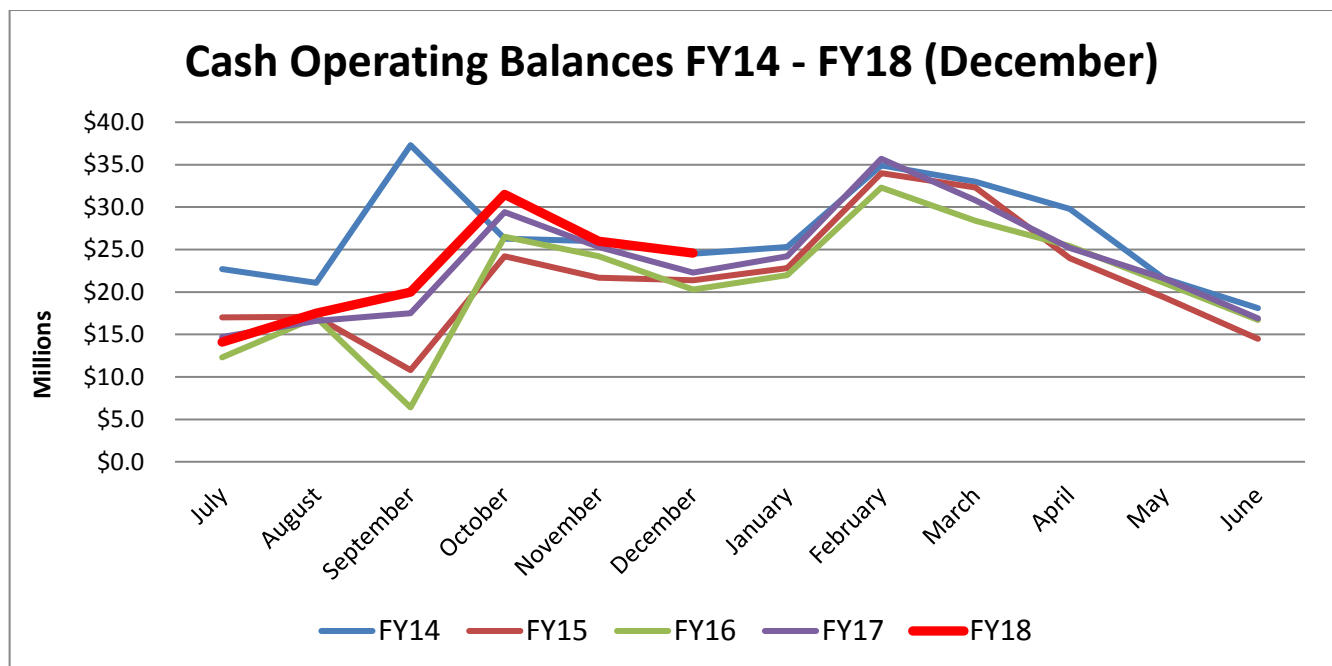
Prepared by: D. Beaulieu, staff assistant, finance and facilities

## Salem State University Interim Financial Review through the Second Quarter (Q2) of FY18 (12/31/17) Commentary

**Introduction** – The attached package includes for the first time a summarized Management Revenue & Expense Report that distinguishes between managed and non-cash revenue and expense activity, in addition to the traditional GAAP-style financial statements. For comparability, prior periods in the new Management Revenue & Expense Report have been shown consistent with the current presentation. Thus, the package for the period ending December 31, 2017, includes the following unaudited financial statements:

- Management Revenue & Expense Report
- Financial Statements by Trust Fund
- Statements of Net Position
- Statement of Cash Flows
- Statements of Revenues, Expenses and Changes in Net Position by Natural Classification

### KEY ITEMS SUMMARY:



### Summary Financial Information for FY17Q2 and FY18Q2

	<i>(In Thousands)</i>				Budget FY18	Projection FY18
	FY17Q2	FY18Q2	\$ Change	% Change		
Managed Revenues	\$ 125,210	\$ 129,282	\$ 4,072	3.3%	\$ 172,671	\$ 169,418
Managed Expenses	77,350	78,506	1,156	1.5%	169,574	167,937
Managed Net Income	47,860	50,776	▲ 2,916	6.1%	3,097	▼ 1,481
Non Cash Revenue/(Expenses)	(3,722)	(3,616)	▲ 106	-2.8%	(9,524)	▲ (6,124)
<b>Total Increase/(Decrease) in Net Position</b>	<b>\$ 44,138</b>	<b>\$ 47,160</b>	<b>▲ \$ 3,022</b>	<b>6.8%</b>	<b>\$ (6,427)</b>	<b>▲ \$ (4,643)</b>



**Balance Sheet** – Cash and cash equivalents increased by \$6.6 million from the June 30, 2017 balance. At December 31, 2017, the accounts receivable balance stood at \$48.2 million which is \$1.5 million or 3.3% higher than the second quarter of the previous year. In February, \$28.9 million in financial aid was disbursed and recorded, and resulted in a decrease in the accounts receivable balance and an increase in the University’s cash position after the close of the second quarter. No new debt was incurred during the first half of FY18.

**Cash Operating Balances FY14 through FY18 (December)** — Operating cash flows are cyclical as depicted in the cash graph, especially after October. MSCBA assessments and financial aid receipts have fallen on various sides of September 30. During the spring semester, both the MSCBA assessment and financial aid processing occur during February. The chart depicts operating cash balances by month and excludes cash with State and other agencies. Operating cash on hand at December 31, 2017 is higher than over the last several years and about equal to that for December 31, 2013 (FY14.)

**Revenue and Expense** - For the six months ending December 31, 2017 (FY18), Salem State’s net position increased by \$47.2 million overall which is \$3.0 million or 6.8% over the same period in FY17 (*See table*). For managed net income, the YTD result through the second quarter of FY18 is \$50.8 million. For the six months ending December 31, 2017 (FY18), tuition and fee revenue net of scholarships and fellowships increased 4.4% or \$2.8 million year over year. This is predominately due to the increase in University fee rates and additional students paying differential fees as the applicability of the program rolled forward to entering students for a second year. Auxiliary enterprise revenue was 4.3% or \$0.9 million higher due to the increased student housing rates. Managed expenses increased \$1.2 million or 1.5% primarily due to facility-related expenses (MSCBA assessment, funded from residence hall rents) and an increase in the fringe benefit rate for FY18, partially offset by reduced support costs on a year over year basis. Labor contracts are not settled as of the end of the second quarter, so annual compensation increases for unionized and nonunionized staff have not been processed. Labor increases, therefore, are not reflected in YTD actual expenses in FY18 although some had been processed by the same point in FY17.

**Changes in Non-Cash Revenues and Expenses** – Non-cash revenues and expenses for the second quarter of FY18 remain stable as compared to FY17 with a favorable change of 2.8% or \$0.1 million net. Capital grants are recorded during fiscal year end when the University receives the necessary information from DCAMM.

**Comparison of Current FY18 Projection to Approved FY18 Budget** – The forecast for the full fiscal year FY18 is a decrease in net position of \$4.6 million, which is an improvement over the budgeted \$6.4 million decrease. However, managed net income before non-cash revenue and expenses is projected to be \$1.5 million, which is \$1.6 million unfavorable to budget, mostly driven by enrollment shortfalls. Significant FY18 budget variances are discussed below.

Managed Revenue and Expense Activity:

- An unfavorable variance of \$2.8 million in tuition and fees is anticipated, caused by Undergraduate headcount and Graduate and Continuing Education credit hours falling short of the budget targets.
- An unfavorable variance of \$0.4 million in State appropriations is caused by the Commonwealth's decision to not include formula based performance funding in its FY18 budget.
- A favorable variance of \$1.0 million in compensation is primarily attributable to higher vacancy savings than expected.

Non-Cash Revenue and Expenses:

- The projection includes a \$3.4 million favorable budget variance in capital grant revenue associated with the Sophia Gordon Performing Arts Center and Clean Energy Investment Program III projects (DCAMM.) These were originally expected in FY17 but will be recognized in FY18 due to timing of DCAMM activity and reporting.
- As is the university's practice, neither the budget nor the projection includes a calculation of the impact of GASB 68 pension liability adjustments for FY18 nor GASB 75 Other Post-Employment Benefits, an accounting standards change which will be implemented during FY18. Information to book these adjustments is maintained by and received from the Commonwealth as the books are closed for the fiscal year.

*The Management Revenue & Expense Report displays the year to date activity through the applicable quarter of the prior year compared to the current year. The Statement of Net Position and related analysis compares the prior year's fiscal year-end balance to the balance at the end of the applicable quarter in the current year. This is done in order to focus on what changed in the current fiscal year. Similarly, the Statement of Cash Flows is presented through the end of the applicable quarter in the current year and shows the change in cash from the end of the prior fiscal year.*

*Financial reports and information herein are hereby certified by the President or designee, VP for Finance and Facilities Karen House, that all records were maintained in accordance with proper procedures, including documentation of receipts, disbursements and bank accounts, and that all expenditures were made to advance Salem State University's mission. The information is for the University without the inclusion of the Assistance Corporation and Foundation and is derived from the financial system of record (PeopleSoft) as the numbers stood when the period being reported was closed.*

**Management Revenue & Expense Report**  
(in Thousands)

	2nd Qtr FY 2017 (\$K)	2nd Qtr FY 2018 (\$K)	Year End FY 2017 (\$K)	Orig Budget FY 2018 (\$K)	Projection FY 2018 (\$K)
<b>Revenue:</b>					
Tuition and Fees	\$ 75,685	\$ 78,891	\$ 84,587	\$ 90,298	\$ 87,462
Less: Scholarships, Fellowships & Waivers	(12,328)	(12,770)	(23,321)	(23,601)	(23,600)
Net Tuition and Fees	63,357	66,121	61,266	66,697	63,862
Federal, State, Private Grants	9,625	9,641	19,306	18,613	18,613
Auxiliary Enterprises	20,998	21,901	22,398	23,176	23,199
State General Appropriations	28,857	29,175	58,768	60,339	59,898
Other Revenue	2,373	2,444	4,516	3,846	3,846
<b>Managed Revenue (A)</b>	<b>125,210</b>	<b>129,282</b>	<b>166,254</b>	<b>172,671</b>	<b>169,418</b>
<b>Expenses:</b>					
Compensation	55,755	56,624	118,273	123,714	122,762
Support	9,273	8,362	17,992	19,077	18,393
Facility-related	12,322	13,520	24,670	26,783	26,782
<b>Managed Expenses (B)</b>	<b>77,350</b>	<b>78,506</b>	<b>160,935</b>	<b>169,574</b>	<b>167,937</b>
<b>Managed Net Income (A-B)=(C)</b>	<b>47,860</b>	<b>50,776</b>	<b>5,319</b>	<b>3,097</b>	<b>1,481</b>
<b>Non-Cash Revenue/(Expenses):</b>					
Capital Grants	-	-	7,711	-	3,400
Depreciation	(4,080)	(4,442)	(8,477)	(9,326)	(9,326)
Contribution to SSUAC	-	-	(896)	-	-
Unrealized Gains/Losses	358	826	738	(198)	(198)
GASB 68 Pension	-	-	(4,711)	-	-
<b>Total Non-Cash Revenue/(Expenses)</b>	<b>(3,722)</b>	<b>(3,616)</b>	<b>(5,635)</b>	<b>(9,524)</b>	<b>(6,124)</b>
<b>Total Increase/Decrease in Net Position</b>	<b>\$ 44,138</b>	<b>\$ 47,160</b>	<b>\$ (316)</b>	<b>\$ (6,427)</b>	<b>\$ (4,643)</b>
<b>Management Cash Flow Ratio (C)/(A)</b>			<b>3.20%</b>	<b>1.79%</b>	<b>0.87%</b>



EXE034 - Financial Statements by Trust Fund Level (Trust Fund)

FY 2018 / 2nd Qtr / Fund\_L3 (Trust Fund) Statement of Revenue, Expense and Change in Net Position by Natural Classification (\$K)

(\$ In Thousands)

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Account Description	FY 2017 Year End (\$K)	Unrestricted Auxiliaries	Educational & General Funds	Grants	Gifts	Residence Halls	Restricted Other	Total Restricted Endowments	Net Invested in Capital Assets	FY 2018 2nd Qtr (\$K)
<b>Operating Revenue:</b>										
Net Tuition and Fees	\$66,893		\$78,568	(\$8,518)	(\$253)	(\$941)	\$576			\$69,432
Federal, State, Private Grants	19,306			9,641						9,641
Sales & Svcs Education Depts	1,333	\$210	461	21			76			768
Auxiliary Enterprises	22,398	1,214	433			20,010	244			21,901
Other Operating Revenues	365		28	1			1		\$7	37
<b>Total Operating Revenue</b>	<b>110,295</b>	<b>1,424</b>	<b>79,490</b>	<b>1,145</b>	<b>(253)</b>	<b>19,069</b>	<b>897</b>	<b>-</b>	<b>7</b>	<b>101,779</b>
<b>Operating Expenses:</b>										
Compensation	118,273	50	53,612	1,005	44	1,856	57			56,624
Support	23,276	76	10,981	382	102	503	320			12,364
Utilities	4,179	10	873			505				1,388
Depreciation and Amortization	8,477								4,442	4,442
MSCBA Assessment	14,049	528	25			6,494			201	7,248
Scholarships and Fellowships	5,627		3,290	17	5					3,312
GASB 68 Pension	4,711									-
<b>Total Operating Expenses</b>	<b>178,592</b>	<b>664</b>	<b>68,781</b>	<b>1,404</b>	<b>151</b>	<b>9,358</b>	<b>377</b>	<b>-</b>	<b>4,643</b>	<b>85,378</b>
<b>Non-Operating Revenue/Expenses:</b>										
State General Appropriations	58,768		29,117	58						29,175
Gifts	1,801		62	2	1,031		93			1,188
Investment Income	1,755		1,190	33				\$55		1,278
Contributions to SSUAC	(896)									-
Interest Expense	(1,157)		(42)						(840)	(882)
Capital Grants	7,710									-
<b>Net Non-Operating Revenue/Expenses</b>	<b>67,981</b>	<b>-</b>	<b>30,327</b>	<b>93</b>	<b>1,031</b>	<b>-</b>	<b>93</b>	<b>55</b>	<b>(840)</b>	<b>30,759</b>
<b>Inter-Fund Transfers:</b>										
Inter-Fund Transfers	-		1,911		(1)	(57)			(1,853)	-
<b>Inter-Fund Transfers</b>	<b>-</b>	<b>-</b>	<b>1,911</b>	<b>-</b>	<b>(1)</b>	<b>(57)</b>	<b>-</b>	<b>-</b>	<b>(1,853)</b>	<b>-</b>
<b>Total Increase in Net Position</b>	<b>(\$316)</b>	<b>\$760</b>	<b>\$39,125</b>	<b>(\$166)</b>	<b>\$628</b>	<b>\$9,768</b>	<b>\$613</b>	<b>\$55</b>	<b>(\$3,623)</b>	<b>\$47,160</b>

**Statements of Net Position**  
(*\$ In Thousands*)

	FY 2017	FY 2018 YTD	Change	
	Year End	December 31	\$	%
<b>Assets:</b>				
Cash	\$ 16,941	\$ 24,642	\$ 7,701	45.5%
Cash with State and other agencies	3,514	2,383	(1,131)	-32.2%
Accounts and other receivables	5,959	48,219	42,260	709.2%
Capital assets	172,648	169,995	(2,653)	-1.5%
Investments	13,544	14,489	945	7.0%
Loans receivable, net	2,028	1,973	(55)	-2.7%
Debt Service Reserve	1,473	1,473	-	0.0%
Other Assets	406	15	(391)	-96.3%
<b>Total Assets</b>	<u>216,513</u>	<u>263,189</u>	<u>46,676</u>	<u>21.6%</u>
<b>Deferred Outflows</b>	<u>19,627</u>	<u>19,627</u>	<u>-</u>	<u>0.0%</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u><u>\$ 236,140</u></u>	<u><u>\$ 282,816</u></u>	<u><u>\$ 46,676</u></u>	<u><u>19.8%</u></u>
<b>Liabilities:</b>				
Accounts payable and accrued expenses	\$ 4,036	\$ 8,433	\$ 4,397	108.9%
Accrued Payroll	7,711	5,156	(2,555)	-33.1%
Bonds and notes payable	45,297	45,144	(153)	-0.3%
Compensated absences	9,760	9,760	-	0.0%
Loan payable, federal financial assistance programs	2,190	2,190	-	0.0%
Other liabilities	4,621	2,578	(2,043)	-44.2%
Net Pension Liability	46,973	46,973	-	0.0%
<b>Total Liabilities</b>	<u>120,588</u>	<u>120,234</u>	<u>(354)</u>	<u>-0.3%</u>
<b>Deferred Inflows</b>	<u>4,888</u>	<u>4,758</u>	<u>(130)</u>	<u>-2.7%</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>125,476</u>	<u>124,992</u>	<u>(484)</u>	<u>-0.4%</u>
<b>Net Position:</b>				
Invested in capital assets	131,099	127,476	(3,623)	-2.8%
Restricted	5,985	16,883	10,898	182.1%
Unrestricted	(26,420)	13,465	39,885	-151.0%
<b>Total Net Position</b>	<u>110,664</u>	<u>157,824</u>	<u>47,160</u>	<u>42.6%</u>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<u><u>\$ 236,140</u></u>	<u><u>\$ 282,816</u></u>	<u><u>\$ 46,676</u></u>	<u><u>19.8%</u></u>



**Statement of Cash Flows**  
*(\$ In Thousands)*

	<b>YTD 12/31/17 FY 2018</b>
<b>Cash flow from operating activities:</b>	
Tuition and fees (net)	\$ 42,365
Grants and contracts	10,132
Payments to vendors, employees and students	(67,236)
Auxiliary and other receipts	835
<b>Net cash used in operating activities</b>	<b>(13,904)</b>
<b>Cash flow from non-operating activities:</b>	
State appropriations (net)	22,356
Gifts, investment and other sources	636
<b>Net cash provided by non-operating activities</b>	<b>22,992</b>
<b>Cash flow from capital, financing and investing activities:</b>	
Purchases of capital assets	(1,903)
Debt service payments on bond payables	(921)
Investment activities (net)	306
<b>Net cash used in capital financing, and investing activities</b>	<b>(2,518)</b>
<b>Net increase in cash and cash equivalents</b>	<b>6,570</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>20,455</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 27,025</b>

**Statements of Revenues, Expenses and Changes in Net Position by Natural Classification**  
(*\$ In Thousands*)

	<u>Year to Date through</u>		<u>Full Fiscal Year</u>		
	<u>December 31</u>		<u>FY 2017</u>	<u>FY2018</u>	<u>FY2018</u>
	<u>FY 2017</u>	<u>FY2018</u>			
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Projection</u>
<b>Operating Revenues:</b>					
Tuition and fees	\$ 75,685	\$ 78,891	\$ 84,587	\$ 90,298	\$ 87,462
Less: scholarships and fellowships	(9,204)	(9,459)	(17,694)	(17,204)	(17,200)
Net tuition and fees	66,481	69,432	66,893	73,094	70,262
Federal, state and private grants	9,625	9,641	19,306	18,613	18,613
Sales and services of educational departments	706	768	1,333	1,275	1,275
Auxiliary enterprises	20,998	21,901	22,398	23,176	23,199
Other operating revenues	12	37	365	191	191
<b>Total Operating Revenues</b>	<b>97,822</b>	<b>101,779</b>	<b>110,295</b>	<b>116,349</b>	<b>113,540</b>
<b>Operating Expenses:</b>					
Compensation and benefits	55,755	56,624	122,984	123,714	122,762
Supplies and services	19,397	19,612	37,325	39,550	38,865
Utilities	1,633	1,388	4,179	4,407	4,407
Depreciation	4,080	4,442	8,477	9,326	9,326
Scholarships and fellowships	3,124	3,312	5,627	6,397	6,400
<b>Total Operating Expenses</b>	<b>83,989</b>	<b>85,378</b>	<b>178,592</b>	<b>183,394</b>	<b>181,760</b>
<b>Non-Operating Revenues/Expenses:</b>					
State appropriations, net	28,857	29,175	58,767	60,339	59,898
Gifts	1,314	1,188	1,801	2,056	2,056
Investment income	698	1,278	1,755	125	125
Interest expense on bonds & other debt	(565)	(882)	(1,157)	(1,902)	(1,902)
Other non-operating expenses	-	-	(896)	-	-
<b>Net Non-Operating Revenues/Expenses</b>	<b>30,304</b>	<b>30,759</b>	<b>60,270</b>	<b>60,618</b>	<b>60,177</b>
Capital grants	-	-	7,711	-	3,400
<b>Total Increase (Decrease) in Net Position</b>	<b>\$ 44,137</b>	<b>\$ 47,160</b>	<b>\$ (316)</b>	<b>\$ (6,427)</b>	<b>\$ (4,643)</b>
Operating Cash Flow Ratio			2.2%	1.5%	0.8%

Salem State University Finance and Facilities Committee  
FY 2019 (FY19) University Budget Outlook  
March 8, 2018

**Overview:**

Developing the FY19 all funds budget has begun and the environment remains quite challenging. With a new strategic plan in place, the long-term focus is on increasing financial vitality, investing more fully in our mission and our students, and realizing our potential as a great public university. To address the pressure on enrollment and state funding the university will add new programs and enrollment strategies, increase non-enrollment generated revenue, and continue to contain costs where it can. However, it will take some time to realize the financial benefits of these strategies. The President's Executive Council is reviewing budget estimates for FY19 through the Multi Year Financial Projection (MYFP) with a goal of meeting strategic and operational imperatives within an acceptable financial framework. This document describes the major components of developing the annual budget for FY19.

**Revenue Drivers:**

- The state operating budget is in the early stages of the legislative process. Given that Collective Bargaining Agreement (CBA) negotiations are underway and not concluded, the Governor's budget submission for Salem State is flat for FY19. However, the Governor's budget does include a substantial increase in financial aid funding which goes directly to Massachusetts students and helps maintain affordability, as well as performance funding for the state universities (aka formula funding). For FY19 the university's planning assumption is that the General Appropriation Act (GAA) appropriation will fund the FY18 CBA increases on state appropriated payroll eventually, perhaps retroactively, and roll into the FY19 GAA base. The university will know more when the House and Senate release their versions of the FY19 budget.
- Undergraduate enrollment for FY19 is modeled to increase slightly based largely on a financial aid leveraging strategy. Applications and admissions figures at this point in the cycle appear to support the growth; as always, this data is more accurate after May 1. The budget projections include a 1.0% enrollment increase for the graduate programs and a 4.0% enrollment decrease for continuing education programs.
- Undergraduate day student tuition and fees for instate students will likely increase in the 4-7% range. The rates will be considered in the May and June committee and board meetings, along with the overall budget.
  - Institutionally funded financial aid will likely be increased significantly to benefit incoming students and retain continuing students, contributing to enrollment goals.
  - For FY19 the university is not contemplating a major change to the differential fee rate program that applies to selected undergraduate programs. However, as FY19 will be the third year of the program which is applied to incoming students in those majors, differential fee revenue will continue to grow.



- Graduate student rates, for trustee approval in March and April, will remain assessed in three price groups (renamed from the previous “tier” structure.) For FY19, the assignment of graduate programs to each price group has been reviewed with care and is based on demand and market conditions as well as costs of the programs.
- Continuing education rates, also for trustee approval in March and April meetings, will grow by approximately 3% (all-in) per credit.
- Dining rates are being modeled with a 3.5-5% increase and a recommendation is not yet pending. Room rents have been established by the MSCBA/Department of Higher Education with a 3.0% increase. Together with the housing premium, which funds information technology and programming services for residential students, the overall increase in room charges for FY19 varies between 3-5% depending on the residence hall and room configuration.

### **Expense Drivers:**

- Union contract increases, related fringe benefit impact, and compensation increases in other categories are estimated to cost approximately \$5.6M for FY19. As noted previously, however, the contracts remain in negotiation and these amounts are uncertain. Compensation is the largest expense driver in the university’s budget.
- The Commonwealth has developed a proposed fringe benefit rate of 37.14% (inclusive of Medicare taxes) vs. the current year’s rate of 36.33%.
- With a few specific exceptions, support costs are expected to increase in line with inflation.
- Because no new debt was incurred during the current fiscal year, total annual debt service covered by the operating budget will remain as scheduled.

### **Next Steps:**

- Campus leaders are monitoring enrollment as the admissions cycle continues throughout the spring. Fees and financial aid allocations will be finalized.
- As a cost containment measure, a careful review of vacant positions remains in place.
- Department managers will review and reallocate their support budget packages as needed.
- It is expected that the House Ways and Means committee will release its FY19 Budget Recommendation in mid-April; the Senate Ways and Means committee will release its FY19 Budget Recommendation in mid-May.
- The Conference Committee will release its FY19 Budget Report in June (tentative).
- Recommended fee rates and the budget will be brought to the Board of Trustees for discussion and approval, through the Finance and Facilities committee, in the May and June meetings.
- The Governor will sign the FY19 Budget into law in July (tentative).
- In the fall, after the Commonwealth’s budget has been finalized, adjustments (if needed) will be brought to the Board for consideration and approval.




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 REQUEST FOR TRUSTEE ACTION
 

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**Date:** March 7, 2018

**To:** Finance and Facilities Committee

**From:** Karen P. House, vice president for finance and facilities

**Subject:** Graduate and Continuing Education Tuition and Fees for FY 2019

**Requested Action:** Approval

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Rationale: The Board of Trustees must approve the tuition and fees for graduate and continuing education students for FY 2019, including the academic year 2018-19 and the summer of 2019 to provide proper notice to students, assist with billing processes, and enable calculation of revenues to fund the university's operations. In presenting the attached recommended rates, the following important factors were considered.

### **Graduate Tuition and Fees**

- Last year all of our graduate programs were grouped into one of three price groups, with higher demand, higher cost programs in the highest group. The attached document shows the distribution of all programs across the three price groups. All attached are competitor prices for the current year.
  - Price Group 1 includes the addition of: Middle School Education (MED), Physical Education (MAT), Middle School Education (Initial Licensure Only), and Teacher Leadership (Graduate Certificate program)
  - Price Group 2 includes the addition of: School Adjustment Counselor (Initial Licensure Only).
  - Price Group 3 includes the addition of: Accounting (MS).
- The recommended course fee increases for Price Groups 1, 2, and 3 of 3%, 6%, and 8%, generate actual all-in cost increases to students of 2%, 4%, and 6% respectively. In-state graduate students in a Price Group 2 course will be charged \$457 per credit while out-of-state graduate students will pay \$547.

### **Continuing Education Tuition and Fees**

- Continuing education fees are recommended to increase by 2.9% to \$392 for in-state students. Out of state students will be charged \$562 per credit hour.
- Summer 2018 rates approved last year were not increased due to a response to softer enrollments. For summer 2019, we recommend a 4% course fee increase, which generates an all-in fee increase of 3% for Massachusetts residents, to \$327 per credit, and 2% for non-residents. Rates for summer, an optional term, remain more affordable than academic year rates.

### **Revenue for the university**

- The university needs to generate increased revenue where it reasonably can. The presented rate increases are intended to do so.
  - The Capital Improvement Fee supports facility related expenses. The rates include a \$1.05 increase, to \$15.75 per credit hour.
  - Due to a large increase in the Student Government Association fee for FY 2018, an SGA fee increase is not recommended for FY 2019.
-



MOTION

The Finance and Facilities Committee hereby recommends that the Board of Trustees approve the following rates for the graduate and continuing education students as shown on Exhibit I.

Recommended motion

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

The new rates shall become effective for the fall term of the 2018-19 Fiscal Year and summer 2019.

Committee Assigned: Finance & Facilities
Committee Action: Approved
Date of Action: March 28, 2018

Trustee Action:
Trustee Approval Date:
Effective Date

Signed:
Title: Secretary, Board of Trustees
Date:



Program	Program
<b>Price Group 1</b>	<b>Price Group 2</b>
<b>Master's Programs</b>	<b>Master's Programs</b>
English (MA)	Behavior Analysis (MS)
History (MA)	Counseling (MS)
<b>Education - Master's Programs</b>	Criminal Justice (MS)
Art (MAT)	Geo-Information Science (MS)
Chemistry (MAT)	Industrial/Organizational Psychology (MS)
Early Childhood Education (MEd)	Mathematics (MS)
Elementary Education (MEd)	Social Work (MSW)
English (MA/MAT)	<b>Education - Master's Programs</b>
English (MAT)	Higher Education in Student Affairs (MEd)
English to Speakers of Other Languages (ESOL) (MAT)	School Counseling (MEd)
History (MAT)	<b>Education - Licensure Only Programs</b>
Leadership in Physical Education & Movement Studies (MEd)	School Adjustment Counselor (Initial Licensure Only)
Library Media Studies (MEd)	School Counseling
Mathematics (MAT)	<b>Graduate Certificate Programs</b>
Middle School Education (MEd)	Applied Behavior Analysis
Middle School Math (MAT)	Clinical Trial Management
Physical Education (MAT)	Computer Science
Reading (MEd)	Counseling
Secondary Education (MEd)	Geo-Information Science
Spanish (MAT)	Sport Development and Management
Special Education (MEd)	
<b>Education - Licensure Only Programs</b>	<b>Price Group 3</b>
Early Childhood Education	<b>Master's Programs</b>
Elementary Education	Accounting (MS)
English to Speakers of Other Languages (ESOL)	Business Administration (MBA)
Mathematics	Nursing (MSN)
Middle School Education (Initial Licensure Only)	Occupational Therapy – Direct Entry (MS)
Reading	Occupational Therapy (MS)
Special Education	<b>Graduate Certificate Programs</b>
<b>Graduate Certificate Programs</b>	Business
Autism Spectrum Disorders	Financial Planning
Digital Studies	Nursing Education
Global Policy Analysis	
Holocaust and Genocide Studies	
Public History	
Public Policy and Administration	
Strategic Communications	
Teaching English to Speakers of Other Languages	
Writing and Rhetoric Studies	
Teacher Leadership	
<b>Certificate of Advanced Graduate Study (CAGS)</b>	
Educational Leadership	

	Current (AY 2018)	Proposed (AY 2019)	Overall \$ Change	Overall % Change
<b>Continuing Education</b>				
<b>Fall and Spring</b>				
<b>4% Course Fee increase</b>				
<b>Massachusetts Residents</b>				
Per Credit	\$381.17	\$392.15	\$10.98	3%
Per Course (3 credits)	\$1,143.51	\$1,176.45	\$32.94	3%
<b>Out of State Residents</b>				
Per Credit	\$551.17	\$562.15	\$10.98	2%
Per Course (3 credits)	\$1,653.51	\$1,686.45	\$32.94	2%
International Student Supplemental Charge (per credit)	\$140.00	\$140.00	\$0.00	0%
	Summer 2018	Summer 2019	Overall \$ Change	Overall % Change
<b>Summer</b>				
<b>4% Course Fee increase</b>				
<b>Massachusetts Residents</b>				
Per Credit	\$318.00	\$327.35	\$9.35	3%
Per Course (3 credits)	\$954.00	\$982.05	\$28.05	3%
<b>Out of State Residents</b>				
Per Credit	\$453.00	\$462.35	\$9.35	2%
Per Course (3 credits)	\$1,359.00	\$1,387.05	\$28.05	2%
International Student Supplemental Charge (per credit)	\$140.00	\$140.00	\$0.00	0%

**Note 1:** The rates above for Fall and Spring include Tuition, Course Fee, Capital Improvement Fee, and SGA Fee.

**Note 2:** The rates above for Summer include Tuition, Course Fee, and Capital Improvement Fee.

**Competitor Price Comparison - AY 2018**
**Graduate**

Rank	Institution	Current per Credit
1	Worcester State	\$ 322.00
2	Framingham State	\$ 406.00 *
3	Bridgewater State	\$ 434.50
4	Salem State*	\$ 437.33 **
5	Endicott College	\$ 478.00
6	Cambridge College	\$ 533.00 ***
7	Southern NH University	\$ 590.00 ****
8	Umass Lowell	\$ 655.00
9	Umass Boston	\$ 738.90
10	Merrimack College	\$ 1,035.00
11	Boston University	\$ 1,100.00
12	Lesley University	\$ 1,100.00
13	Simmons College	\$ 1,100.00
14	Boston College	\$ 1,184.00
15	Springfield College	\$ 1,200.00
16	Suffolk University	\$ 1,424.00

\*\$473 per credit for MBA and Nursing

\*\*Average of all Price Groups

\*\*\*MBA \$612

\*\*\*\*online \$627

**Continuing Education**

Rank	Institution	Current per Credit
1	Worcester State	\$ 281.50
2	Southern NH University	\$ 320.00
3	Endicott College	\$ 359.00
4	Framingham State	\$ 363.00
5	Umass Lowell	\$ 370.00
6	Salem State*	\$ 381.17
7	Bridgewater State	\$ 402.50
8	Cambridge College	\$ 415.00
9	Springfield College	\$ 460.00
10	Boston University	\$ 510.00
11	Merrimack College	\$ 520.00
12	Lesley University	\$ 525.00
13	Umass Boston	\$ 576.36
14	Suffolk University	\$ 1,092.00
15	Boston College	\$ 1,184.00
16	Simmons College	\$ 1,200.00

Salem State University  
 Business Model Discussion - Physical Plant/Capital Ownership and Maintenance  
 March 2018

## **Overview**

The laws that govern the acquisition, ownership, and maintenance of facilities are complicated and result in significant financial information not being obvious to readers of the university's financial statements. Some key figures (such as debt held by others on behalf of the university) are not on the face of financial statements, although they are included in footnote disclosures. Importantly, responsibility for maintenance of the facilities used by the university is not being carried out 100% by the named owner. This makes it challenging for the university to responsibly plan for the long term, to take advantage of certain strategies such as sales of underutilized assets, and to analyze the university using industry standard financial ratios. The purpose of this paper is to provide a brief overview of selected aspects of the university's physical plant, to identify key entities, and describe their roles and responsibilities as relates to the land and buildings used by Salem State University.

## **Profile of SSU physical plant**

Major Campuses	North, Central, South, O'Keefe
Other	School of Social Work, Cat Cove; 331 Lafayette
# of buildings	44, including 3 leased properties
Total Square Feet	2.2 million
Book value of plant & equipment (6/30/17)	\$172.6 million, net of accumulated depreciation of \$93.7 million
Annual depreciation expense	\$9.3 million (FY18 budget)

## **Roles & Responsibilities**

The Commonwealth of Massachusetts or its legislatively created entities owns all property assets of the university. Salem State University, as an agency of the Commonwealth, does not own the buildings it uses.

### Commonwealth / DCAMM (Division of Capital Asset Management and Maintenance)

"DCAMM is responsible for capital planning, public building construction, facilities management, and real estate services for the Commonwealth. Our job is to work with state agencies to create and manage forward-thinking, sustainable buildings to meet the needs of the citizens they serve. We partner with fellow agencies to help them meet their strategic needs with fiscally responsible building and real estate solutions."

<https://www.mass.gov/orgs/division-of-capital-asset-management-and-maintenance>



The Commonwealth, through DCAMM, owns and is responsible to maintain many of the key buildings on our campuses, primarily academic and administrative facilities.

Important examples include:

- On North Campus: Administration Building, Berry Library, Ellison Student Center, Horace Mann Lab School building, Meier Hall, Sullivan Hall
- On South Campus: Academic Building, Alumni House, Harrington Building
- Other: Cat Cove, O’Keefe, and Alumni Field

DCAMM provides funding for special maintenance repairs or code upgrades, typically emergencies. Repair and maintenance work of less than \$2 million is delegated to the campus; otherwise, that is administered by DCAMM. The university allocates a portion of its annual budget for regular maintenance and/or refurbishing projects. We have been informed that starting in FY19, DCAMM will regularize its allocation of special maintenance funding so the amount will be known in advance and the campus can determine how to prioritize its use. To date, we have received no information about this in writing.

Through the Commonwealth’s bond authorization process, DCAMM also oversees design and construction of major capital projects. When that occurs, DCAMM spends the money directly and the debt is carried and serviced by the Commonwealth, not by the university. The facility asset is recorded on the university’s books as Capital Assets and a (non-cash) state capital grant revenue is booked as non-operating revenue in the statement of revenues and expenses. Depreciation expense (non-cash operating expense) is recorded on the university’s books.

Should a facility owned by DCAMM be sold, the proceeds return to DCAMM and not the university.

MSCBA (Massachusetts State College Building Authority)

“The Massachusetts State College Building Authority (MSCBA) finances, plans, designs, constructs and oversees the management of residence halls and student activity facilities on the nine State University campuses. The State University housing, dining, parking, athletic, and campus center facility projects developed by the Authority serve 40,000 students, one third of whom live in campus housing. In addition, the MSCBA is authorized to fund and to implement projects for the fifteen Community Colleges.”

<https://www.mscba.org/>

MSCBA owns and – in conjunction with the university – maintains, the residence halls on the campus as well as selected other facilities. MSCBA debt for MSCBA-owned buildings is reflected on their own books and financial statements rather than on the face of the university’s financial statements. The university, as a lessee, is required to budget and fund regular operating and maintenance expenses associated with the buildings. MSCBA collects money for debt service, insurance, and capital improvement reserves from the

university via the semi-annual "MSCBA assessment" payment which is recorded on the university's books as an operating expense.

Examples of MSCBA-owned facilities include:

- On North Campus: Bowditch Hall (residence), North Campus Parking Garage, Peabody Hall (residence)
- On Central Campus: Atlantic Hall, Marsh Hall, Viking Hall (all residence halls with some dining components)
- On South Campus: Bates (residence hall)

In addition, the university accesses the bonding capability of MSCBA to finance student life facilities or certain academic facilities projects for which DCAMM does not have capacity. This may include renovations or additions to facilities owned by DCAMM. For those situations, the debt is recorded on the university's books and debt service (interest expense and reduction in bond payable) is recorded by the university.

Examples of these facilities include the Gassett Fitness Center; Student Navigation Center and Campus Police build out in the Bertolon building; and Sophia Gordon Center (multiple funding sources were used to fund the major renovation to the former Mainstage theatre.)

#### SSUAC (Salem State University Assistance Corporation)

SSUAC, created by legislative act, has the ability to acquire facilities by purchase or lease for the use of Salem State University. SSUAC leases or sub-leases the facilities to the university. Under the terms of the sub-lease, the university typically remits the lease payments directly to the actual owner. SSUAC issues standalone, audited financial statements. Their financials are displayed as a discretely presented "component unit" (as is true for the SSU Foundation) on the SSU audited financial statements.

Examples of properties owned or leased by SSUAC include:

- On North Campus: 410 Lafayette St.
- On Central Campus: Bertolon School of Business, Enterprise Center, Salem Diner, Weir building and parking lot; 66-68 Loring and 121 Broadway
- On South Campus: none
- Other: School of Social Work (287 Lafayette) and 331 Lafayette St. (administrative offices) are leased by SSUAC and sub-leased to the university

## Summary of Roles and Responsibilities for Buildings

<b>Examples:</b>	<b>Facility owned or leased by:</b>	<b>Who issued debt that funded the project:</b>	<b>Facility Maintained by:</b>	<b>Asset on SSU books?</b>	<b>Liability on SSU books?</b>	<b>Cost to SSU:</b>
Berry Library, Harrington Building, Meier Hall	Commonwealth Owned via <b>DCAMM</b>	Commonwealth bond funds	DCAMM & SSU	Yes	No	Non cash depreciation, an operating expense
Viking Hall*	<b>MSCBA</b> Owned	MSCBA	MSCBA & SSU	No	No	"Assessment," an operating expense
Enterprise Center **	<b>SSUAC</b> Owned	SSUAC (HEFA)	SSUAC & SSU	No	No	Lease, an operating expense
66-68 Loring	<b>SSUAC</b> Owned	MSCBA	SSU	No, on SSUAC's books	Yes	SSU pays interest (operating exp.) and principal (reduction of liability)
287 Lafayette & 331 Lafayette	SSUAC Lease from <b>Private Owner</b>	Private Owner	SSU, under terms of sub-lease	No	No	Lease, an operating expense
Campus Police Buildout in Bertolon Building; Gassett Fitness Center	Commonwealth via <b>DCAMM and SSUAC</b>	MSCBA Bond Funds	DCAMM & SSU	Yes, to extent of MSCBA bond	Yes, to extent of MSCBA bond	SSU pays interest (operating exp.) and principal (reduction of liability)

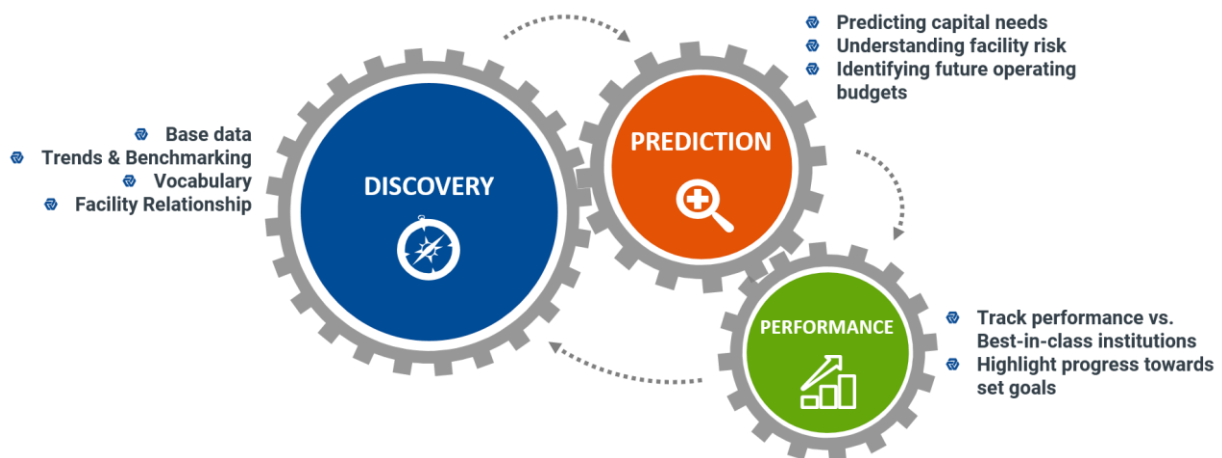
\*Viking Hall has leasehold improvements (Starbucks') on SSU's books

\*\*SSUAC purchased Central Campus in 1997, along with the original Bertolon building and 37 acres through a one-time Commonwealth appropriation of \$4 million. DCAMM leases the Bertolon school building from SSUAC on behalf of the university. SSU makes lease payments for the portions of Enterprise Center used by the university to SSUAC. The Weir properties were initially purchased by a university benefactor, North Shore Realty Development, who held it for potential use by the university. In 2010 SSUAC purchased the property for \$4.7 million via a HEFA bond. SSU makes the bond payments on behalf of SSUAC. The university has made various leasehold improvements to these properties; the leasehold improvements are recorded as assets on the university's books.

Salem State University Finance and Facilities Committee  
Sightlines  
March 2018

The Division of Capital Asset Management and Maintenance (DCAMM) encouraged all of the 29 state higher education campuses to participate in an evaluation with Sightlines, a consulting firm dedicated to providing reliable data and objective analysis around facilities maintenance and planning.

This past fall, SSU partnered with DCAMM and Sightlines to conduct a facilities condition assessments of our institution, identifying facilities' maintenance needs, estimated costs, and priority for repair. Using a collaborative approach, Sightlines quantified a 10-year capital maintenance needs plan for SSU by using their Building Portfolio Solution (BPS) methodology, a granular, project level detail of campus maintenance needs, and provided facilities benchmarking information using their Return on Physical Assets (ROPA+) analysis, a data driven, strategic level of insight around the intersection of campus space, capital outlays and operational spending in comparison to institutional metrics of other state universities. ROPA+ is a three year evaluation, in which each year focuses on a topic that builds on the previous analysis. Year one is Discovery, year two Prediction, and year three Performance.



The analysis enables DCAMM and the university to identify strategies to address the significant deferred maintenance backlog and to optimize funding for deferred maintenance projects. The Sightlines team will attend the March committee meeting to present the results of their Discovery analysis phase for Salem State University and answer questions the committee may have.

**For more information about Sightlines, feel free to peruse:**

<http://www.sightlines.com/>  
<http://www.sightlines.com/solutions/facilities-benchmarking-analysis/>

# Salem State University

## FY17 BPS and ROPA+ Final

Presenters: Brendon Martin, Dan Willman,  
and John Landock

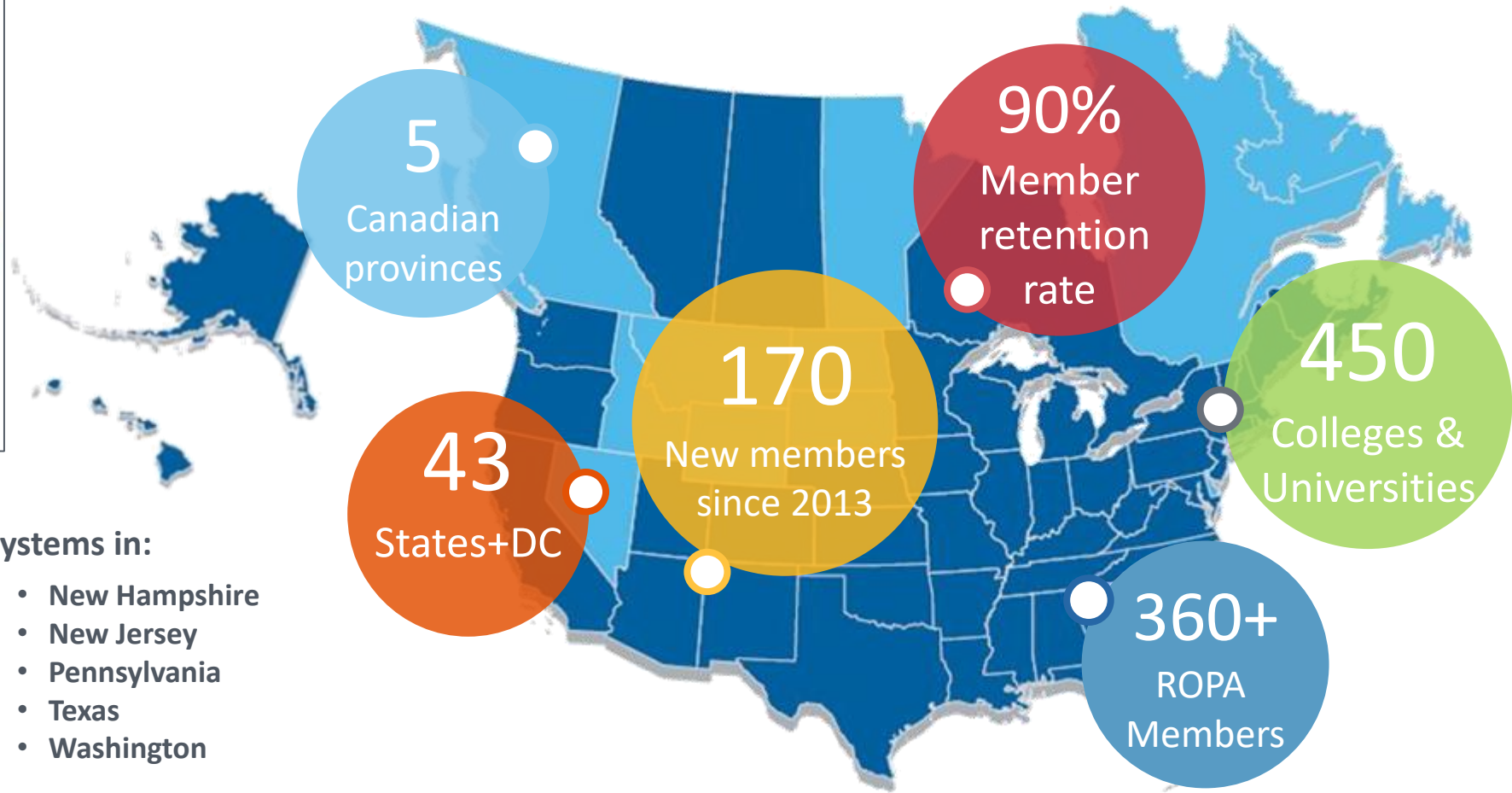
March 2017

University of the Sciences in Philadelphia  
University of Toledo  
University of Vermont  
University of Washington  
University of West Florida  
University of Wisconsin - Madison  
Vanderbilt University  
Virginia Commonwealth University  
Wake Forest University  
Washburn University  
Washington State University  
Washington State University - Tri-Cities Campus  
Washington State University - Vancouver  
Washington University in St. Louis  
Wayne State University  
Wellesley College  
Wesleyan University  
West Chester University  
West Virginia Health Science Center  
West Virginia University  
Western Oregon University  
Westfield State University  
Widener University  
Williams College  
Worcester Polytechnic Institute  
Worcester State University



# Who Partners with Sightlines?

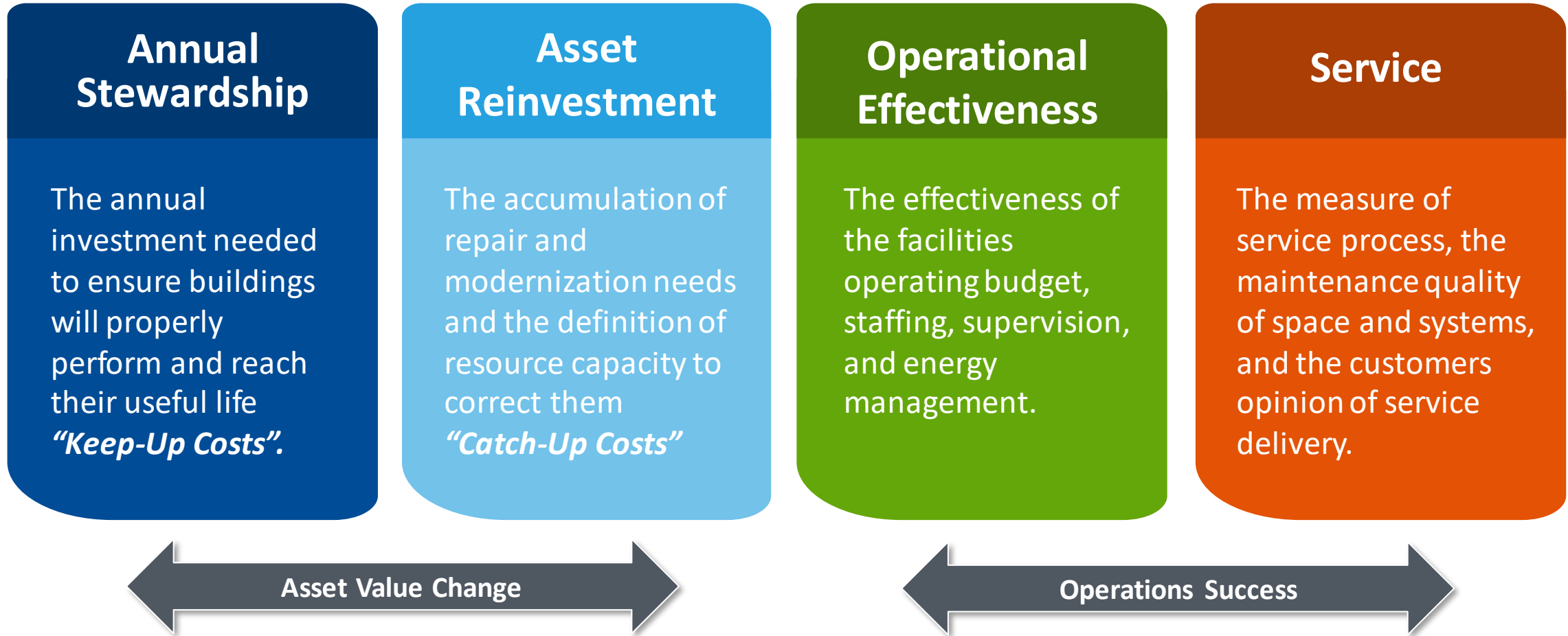
Robust membership includes colleges, universities, consortiums and state systems



## Sightlines has advised state systems in:

- Alaska
- California
- Florida
- Hawaii
- Maine
- Massachusetts
- Minnesota
- Mississippi
- Missouri
- Nebraska
- Ohio
- New Hampshire
- New Jersey
- Pennsylvania
- Texas
- Washington

# Vocab for Facilities Measurement, Benchmarking & Analysis

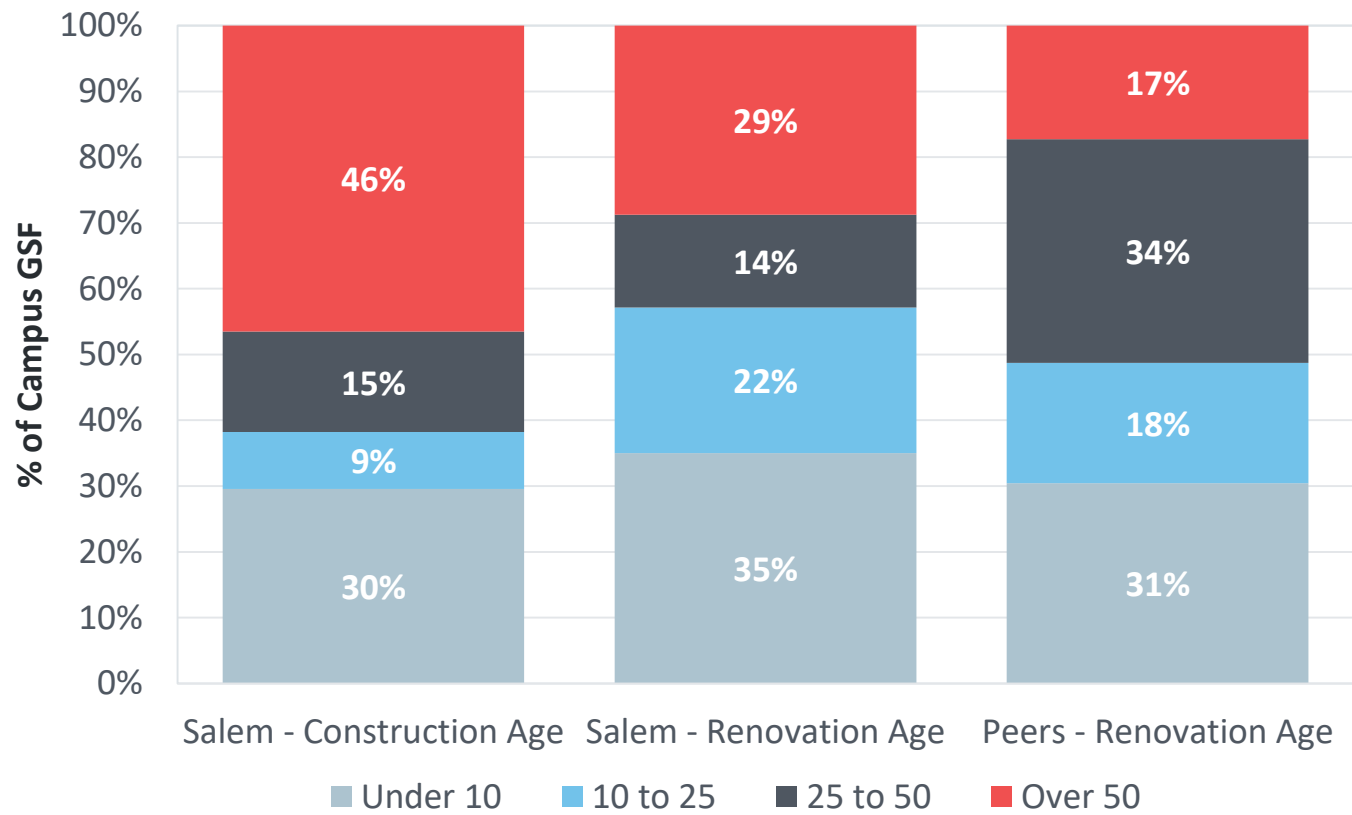


# Peer Institutions: MA State Colleges & Universities

ROPA+ analysis includes all included campus facilities totaling 1.77M GSF

Facilities Peers
Bridgewater State University
Fitchburg State University
Framingham State University
Massachusetts College of Art and Design
Massachusetts College of Liberal Arts
Westfield State University
Worcester State University
Comparative Considerations
Size, technical complexity, region, geographic location, and setting are all factors included in the selection of peer institutions

Campus Renovation Age by Category vs Facilities Peers





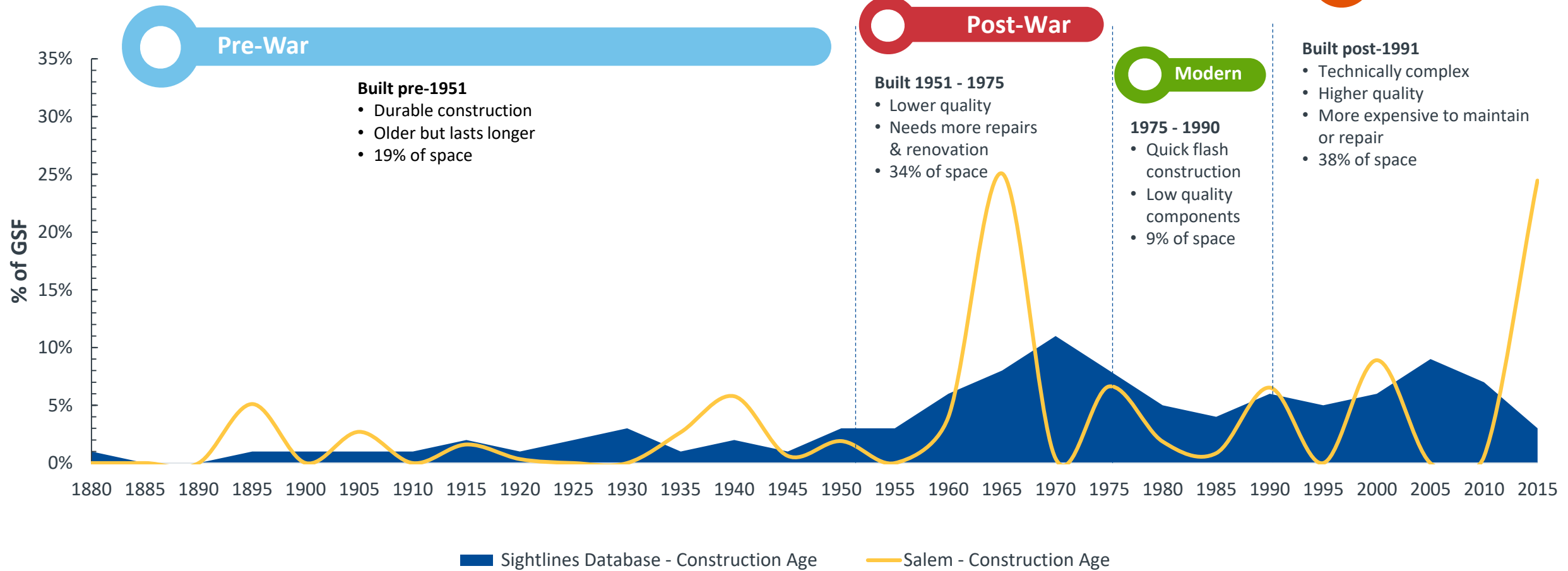
# Space Profile



# Putting Your Campus Building Age in Context

## Major construction peaks in Post-War and Complex vintages

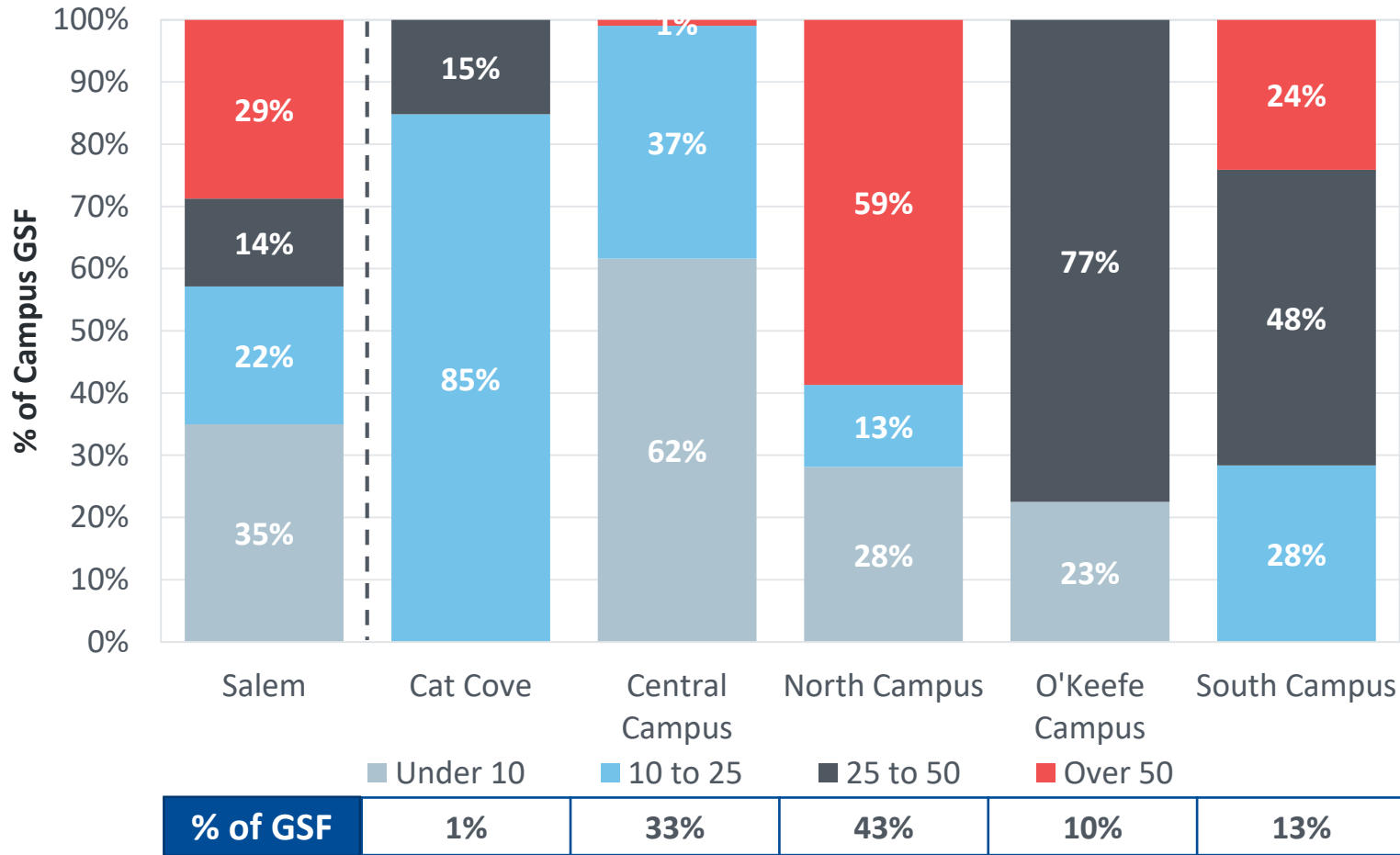
### % of GSF by Construction



# Salem Renovation Age Distribution by Campus



Campus Renovation Age by Category by Campus



**Buildings Over 50**

Life cycles of major building components are past due. Failures are possible. Core modernization cycles are missed.

Highest risk

**Buildings 25 to 50**

Major envelope and mechanical life cycles come due. Functional obsolescence prevalent.

Higher Risk

**Buildings 10 to 25**

Short life-cycle needs; primarily space renewal.

Medium Risk

**Buildings Under 10**

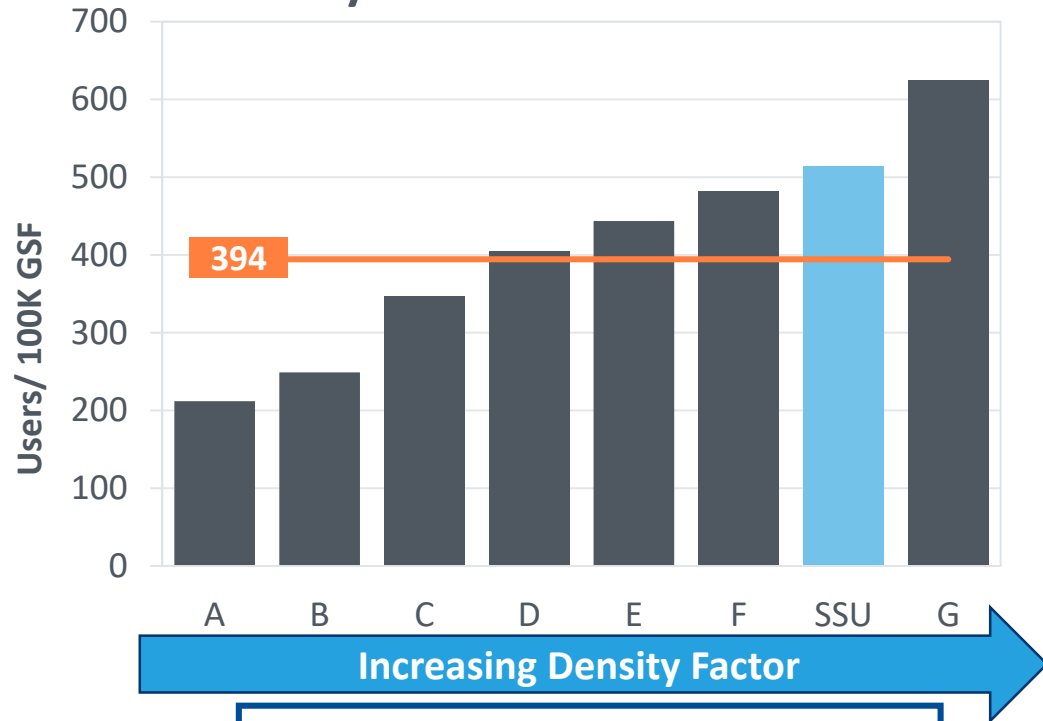
Little work. "Honeymoon" period.

Low Risk

# Qualifying Metrics – Tech Rating & Density Factor

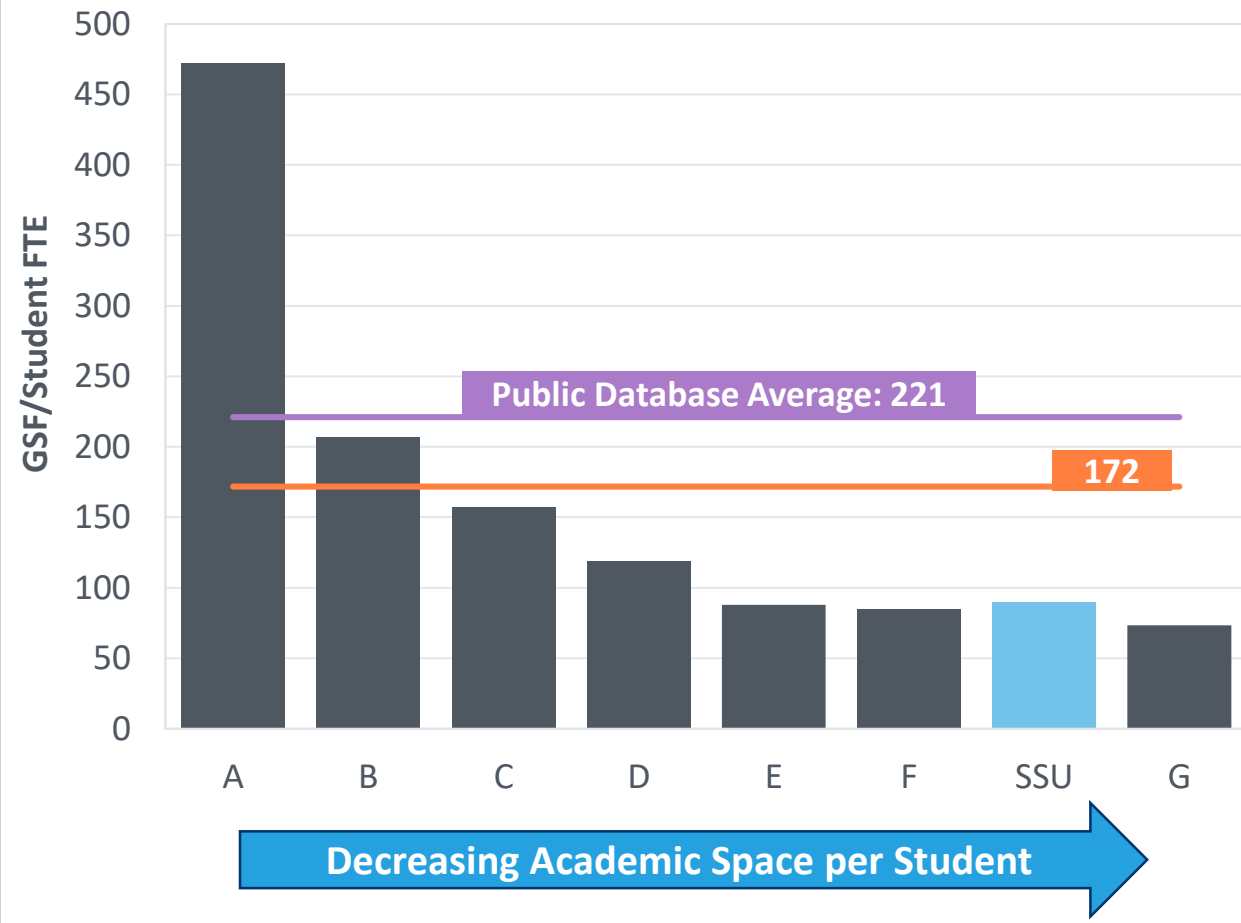
Salem has higher density, less academic space per student than peers

### Density Factor vs Facilities Peers



- Density Factor Impacts:**
- Daily Operating Costs
  - 'Wear and Tear' on Facilities
  - Maintenance & Custodial Operations
  - Capital Replacement Timelines

### Program Space per Student vs Facilities Peers



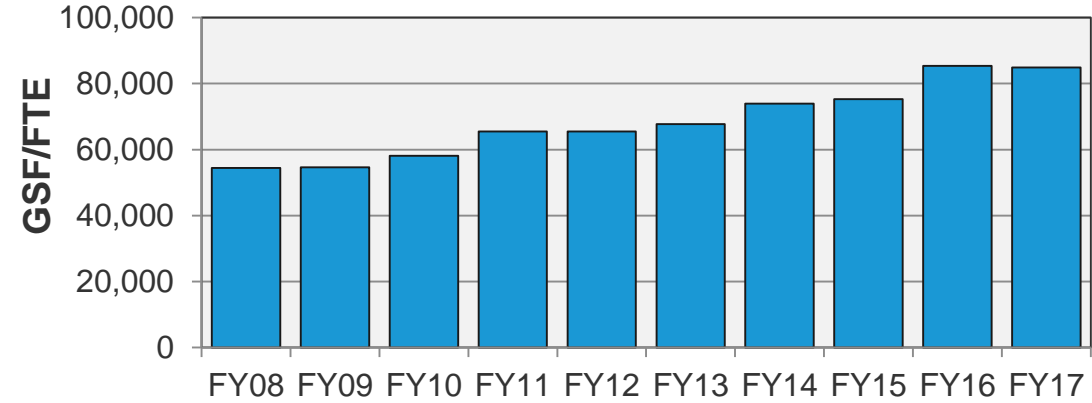
# Operational Summary



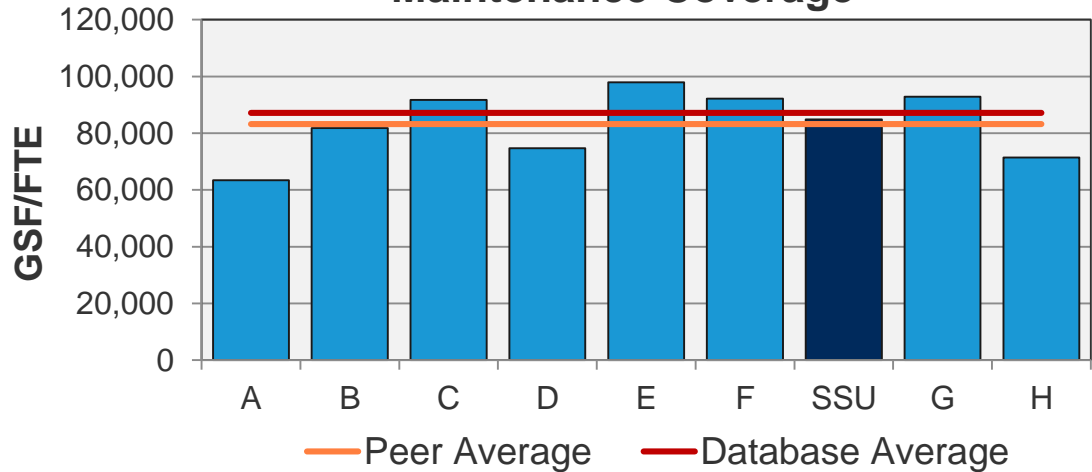
# Maintenance Metrics Over Time

Maintenance coverage has increased with growing campus footprint, supervision consistent

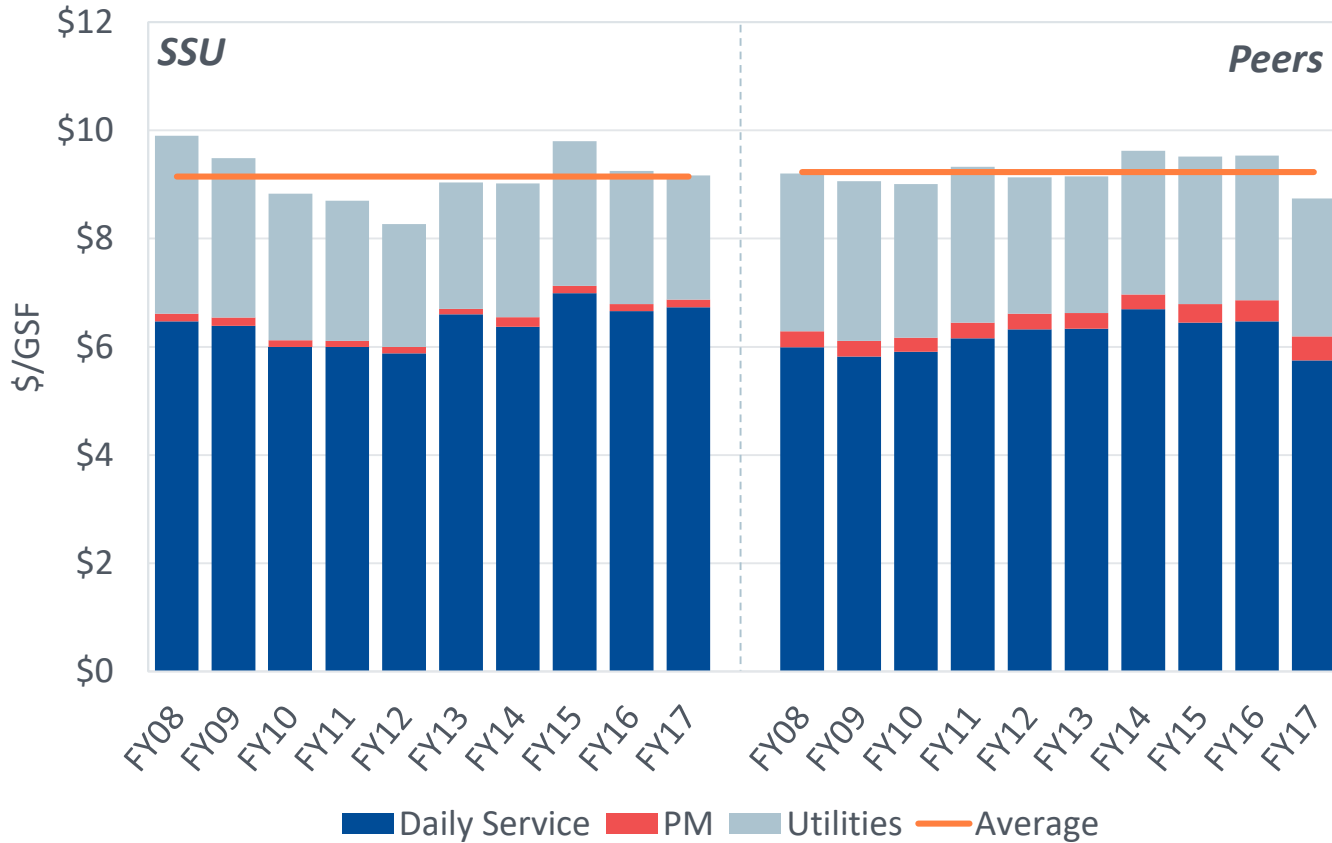
Maintenance Coverage



Maintenance Coverage



Historical Facilities Operating Budget Actuals

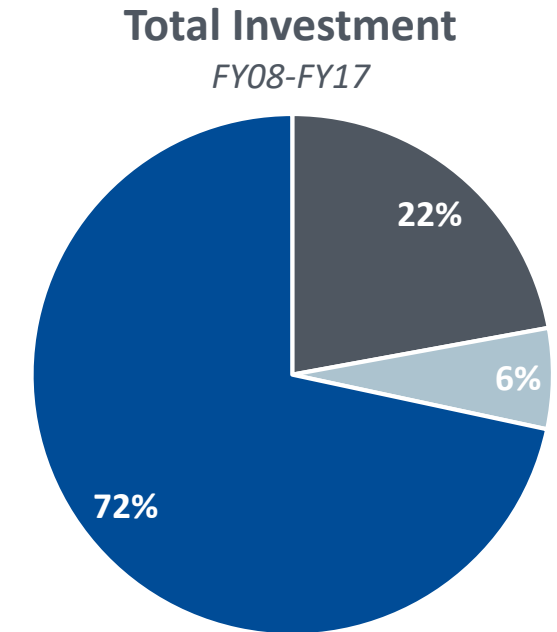
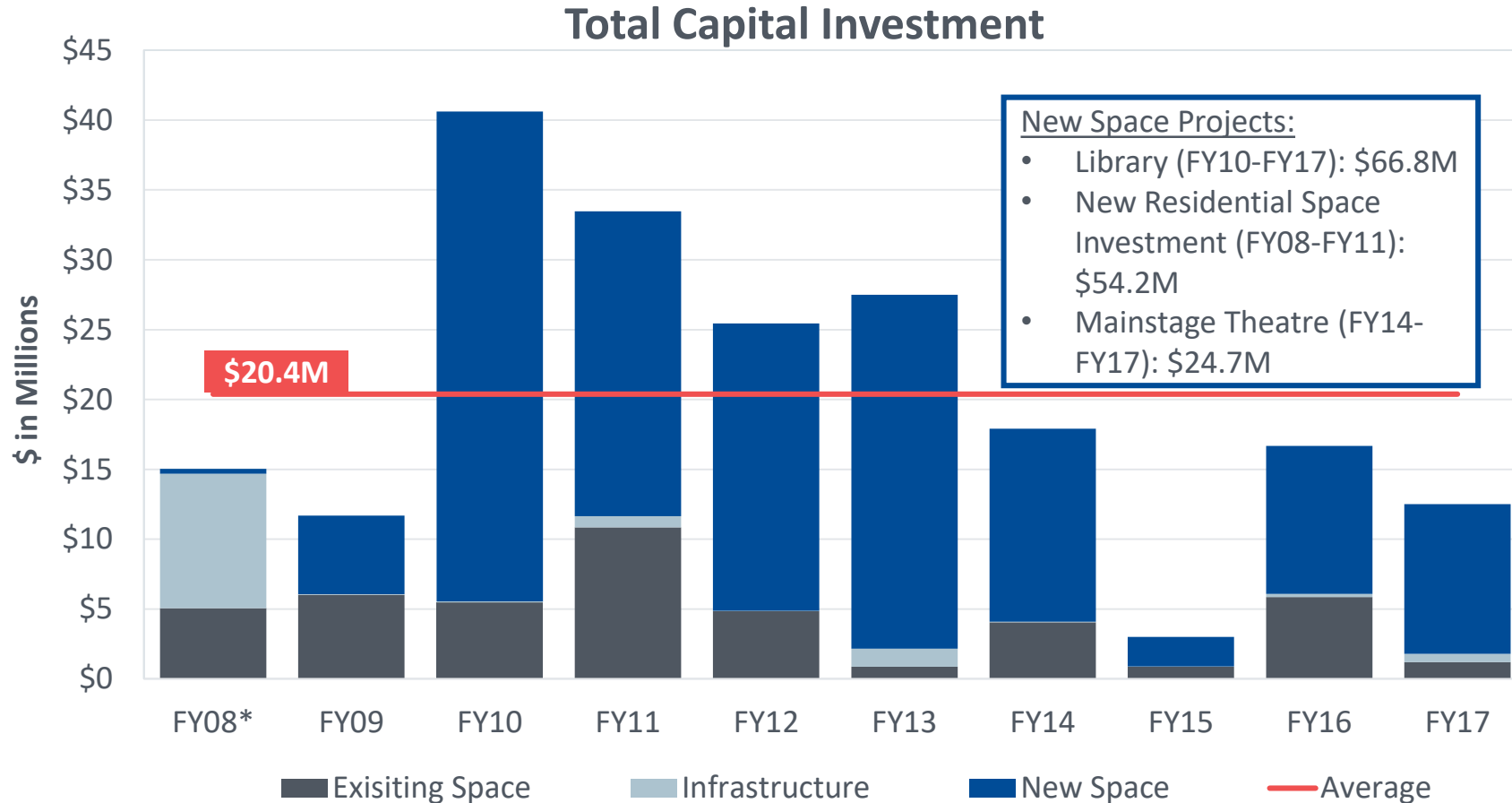


# Capital Investments



# Total Capital Investment

Average total capital investment \$20.4M/year from FY08-FY17



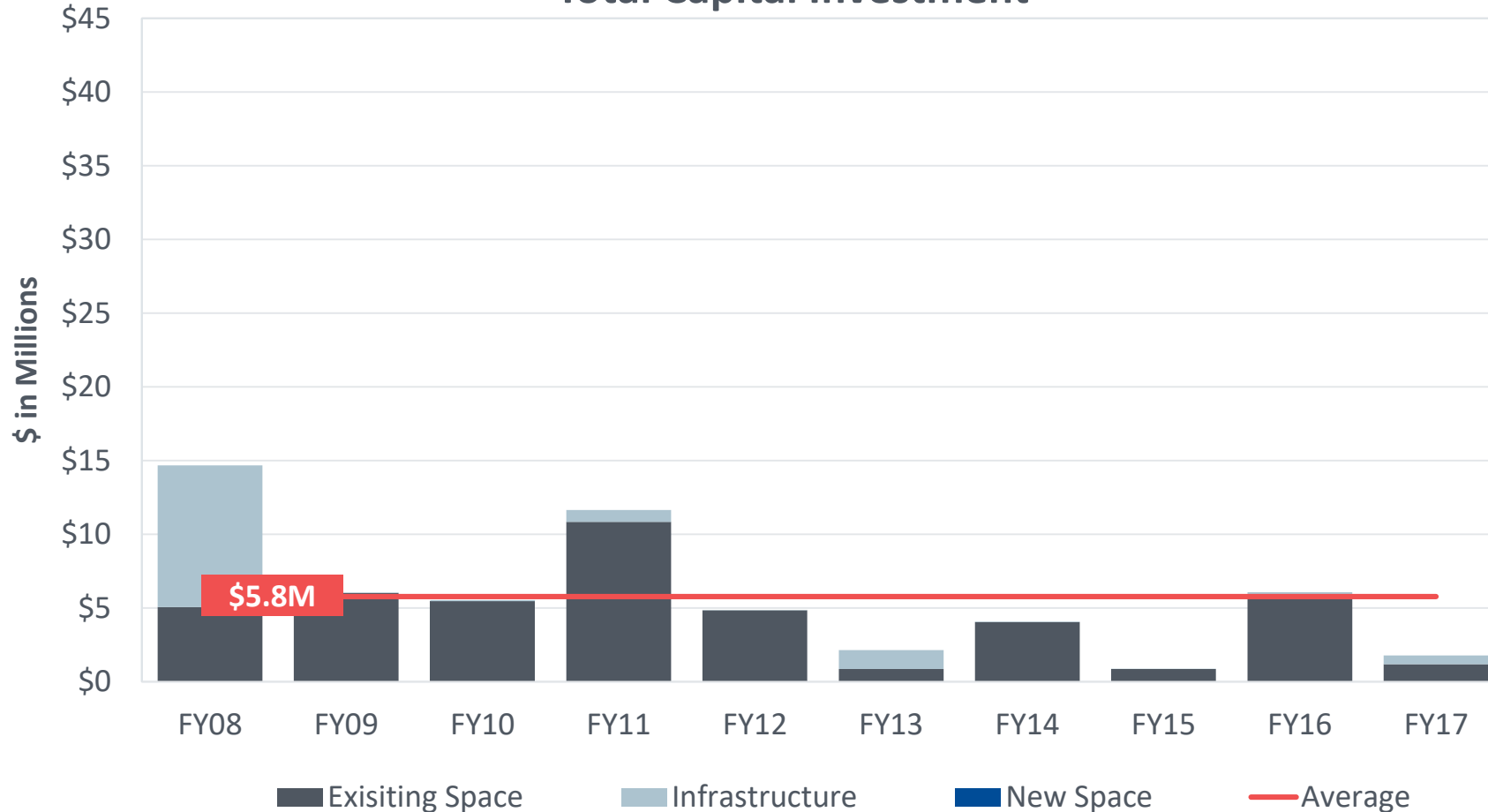
\*FY08 Infrastructure Investment: Central Campus Fields \$4.8M and Okeefe Tennis Courts/Fields \$4.7M



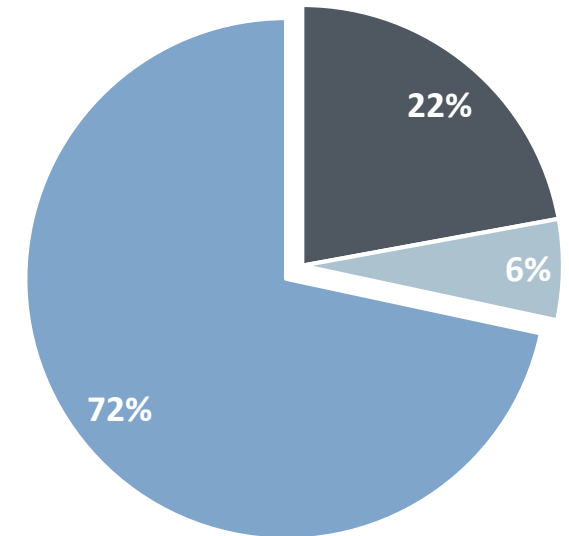
# Total Capital Investment

Average investment into existing space and infrastructure \$5.8M/year from FY08-FY17

Total Capital Investment



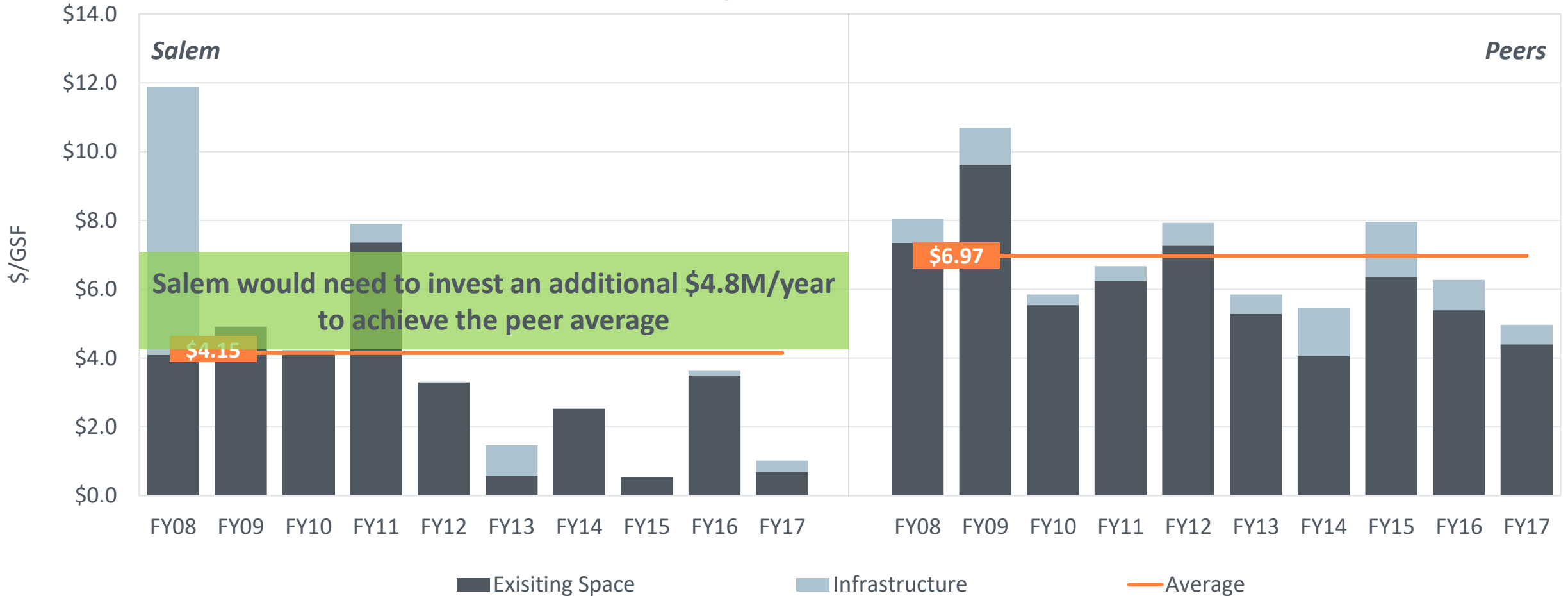
Total Investment  
FY08-FY17



# Total Capital Investment vs Peers

Peers investing \$2.82/GSF more than Salem into existing space and infrastructure FY08-FY17

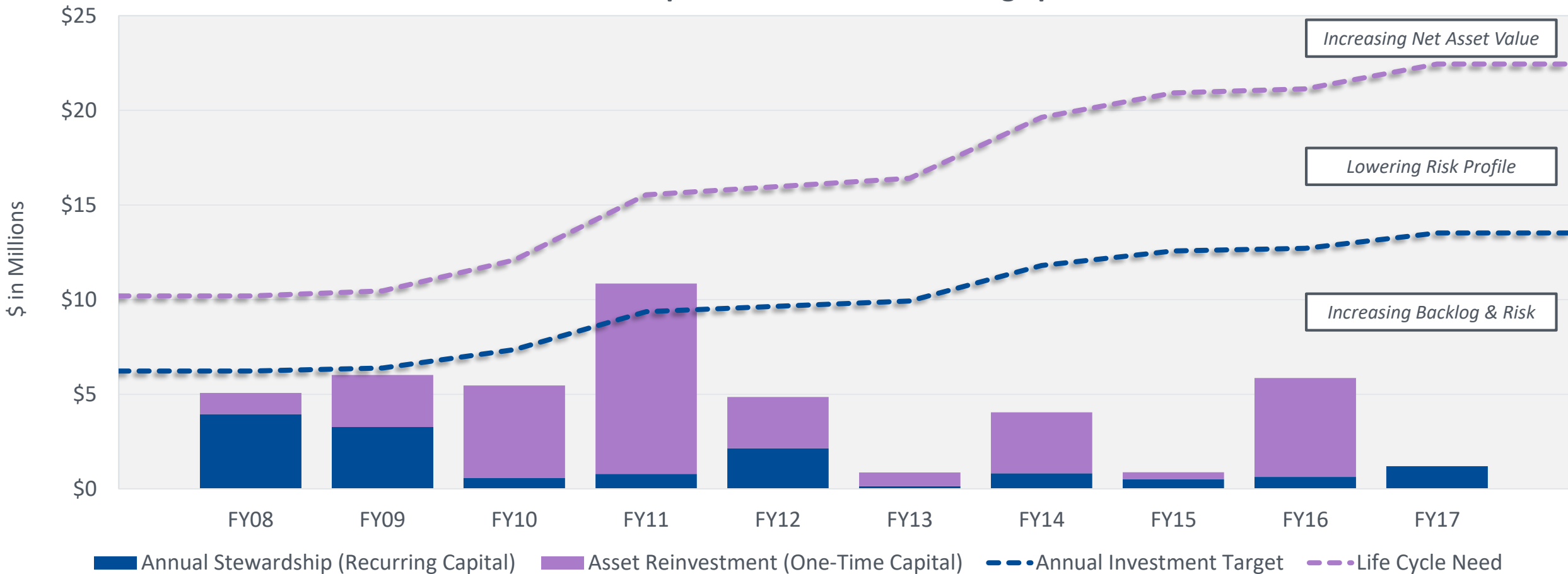
Total Capital Investment vs Peers



# Capital Performance vs Investment Targets

Deferral to targets increasing as targets continue to rise with new space coming online

### Historical Capital Investment in Existing Space



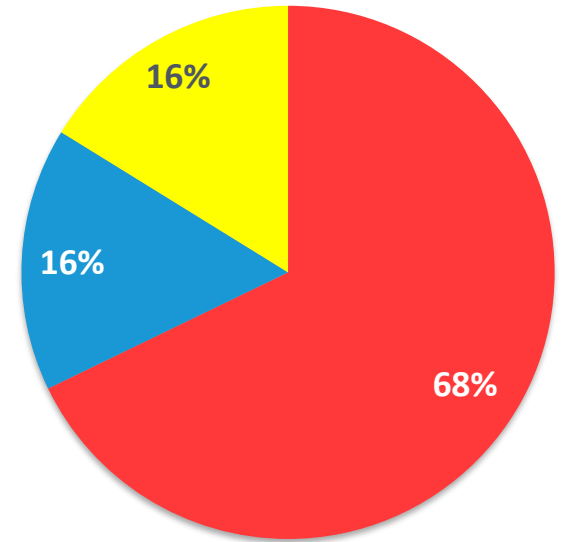
# Building Portfolio Solutions



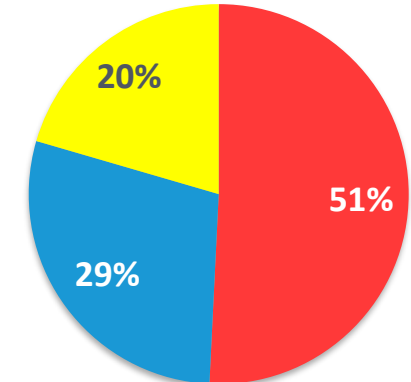
# Total Identified Needs

\$253M in identified need

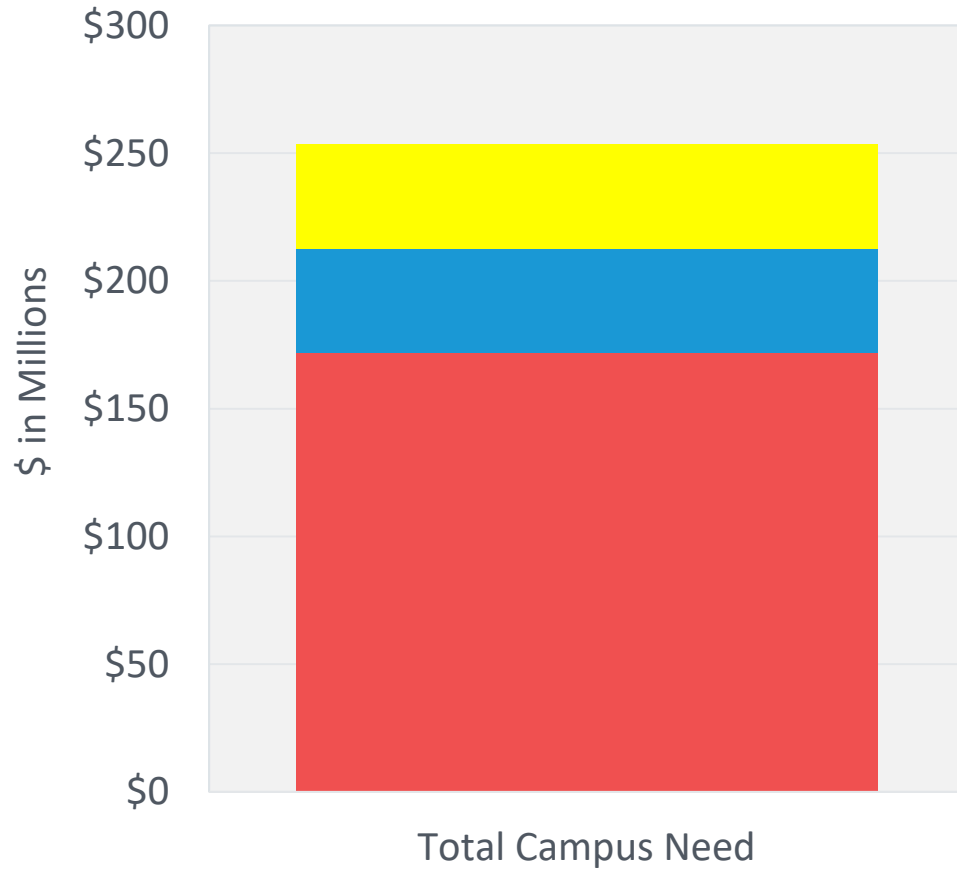
Identified Needs - \$253M



Recent BPS Experience



10 Year Asset Reinvestment Need

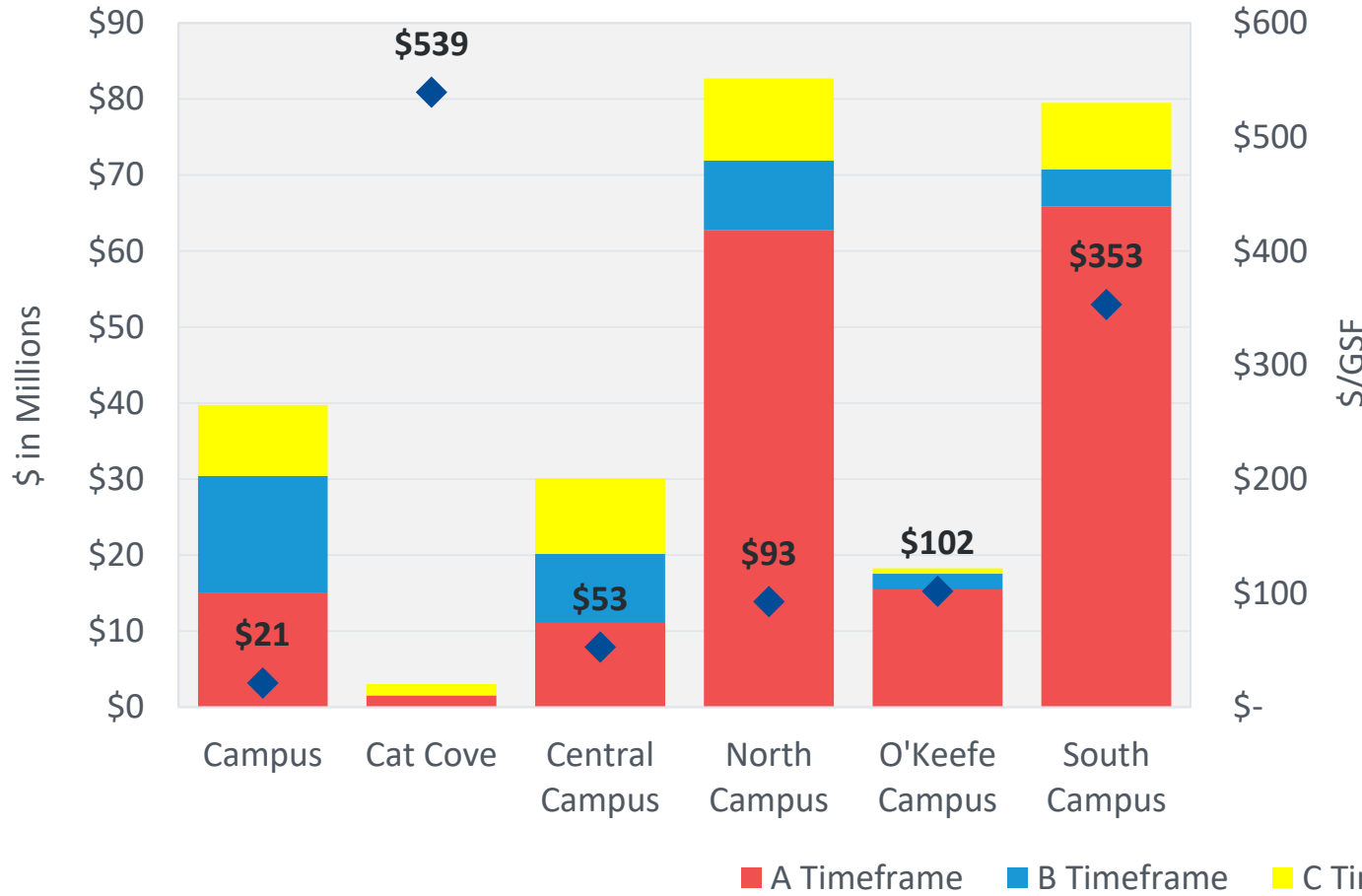


- Timeframe A (1-3 years)
- Timeframe B (4-7 years)
- Timeframe C (8-10 years)

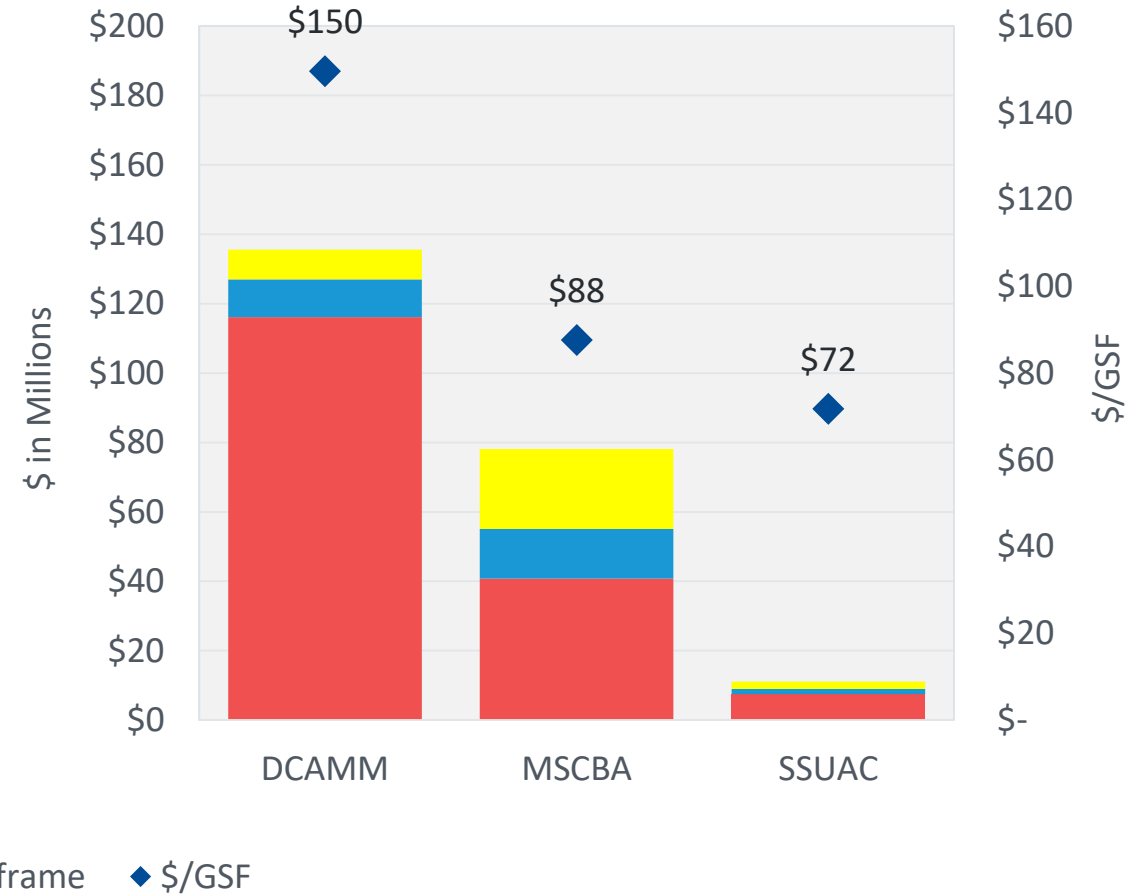
# Asset Reinvestment Need by Campus

Breaking out campus AR Need by timeframe

Total Asset Reinvestment Need

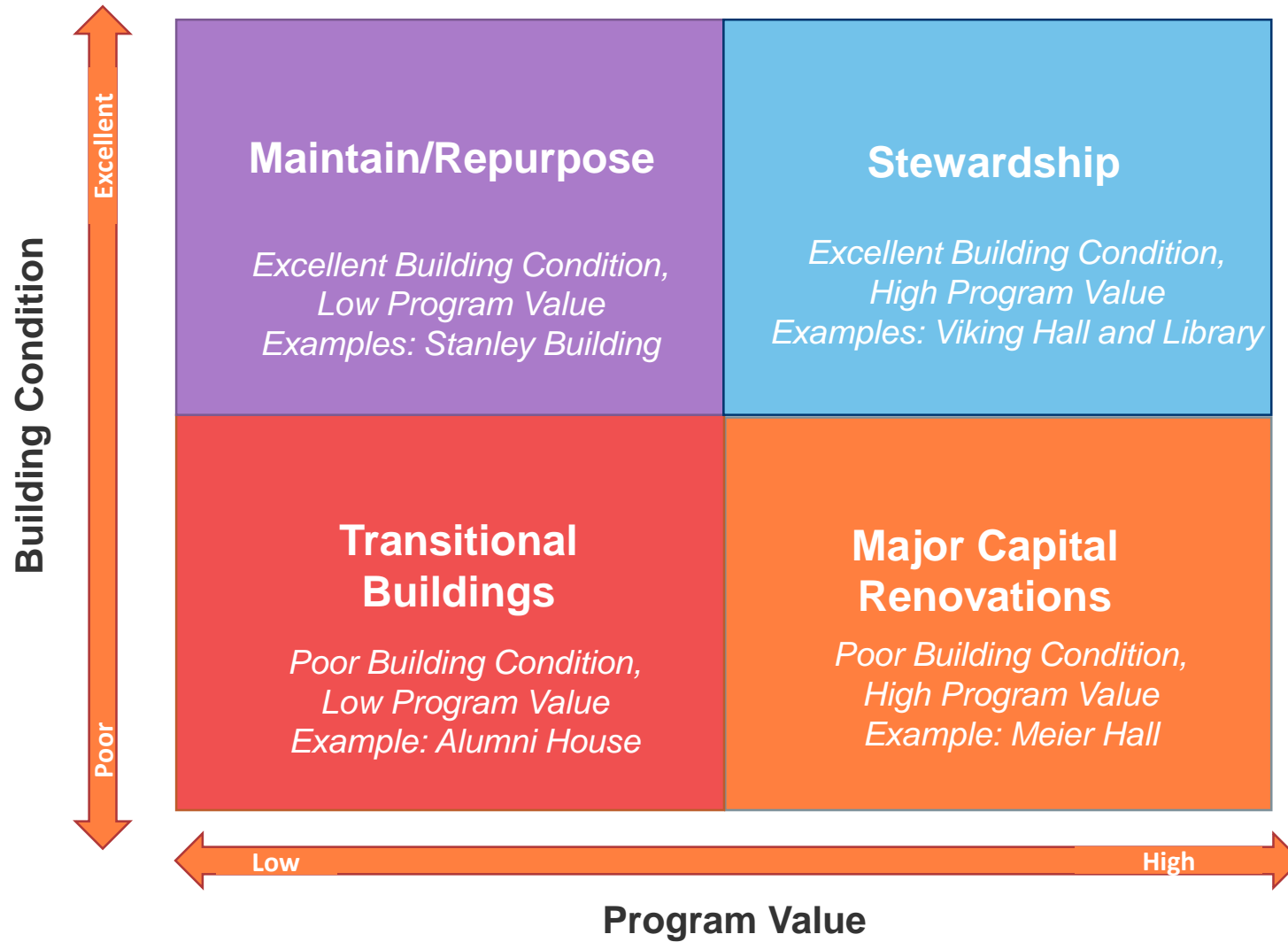


Total Asset Reinvestment Need



■ A Timeframe ■ B Timeframe ■ C Timeframe ◆ \$/GSF

# Prioritize Buildings To Program Value



# Concluding Comments





# Concluding Comments

## Space

**Challenge:** Salem has two major peaks in construction creating a polarized campus profile with the most recent peak focusing on student and residential life.

At the same time, Salem is the second most dense institution in the MA State Colleges and Universities peer group.

**Solution:** Looking forward, the majority of current needs fall into the older academic spaces on campus.

With the high campus density being focused on academic spaces, these buildings will feel the greatest impact of wear on space. Future capital investment should be focused into these spaces to improve student and faculty experience.

## Capital

**Challenge:** While total investment has been competitive over time, investment into existing space has fallen below both target and peer levels.

This has added to the existing backlog, resulting in a total 10 year need of \$253M.

**Solution:** Identify the buildings that provide the highest programmatic value moving forward with where the backlog of need is concentrated. Use BPS data to align project selection with identified needs to maximize investment

If additional funds are not available, divesting in campus buildings can help to better align space with available resources. South Campus buildings are good place to start as many of these spaces have a high backlog of need and cause more operational strain.

## Operations

**Challenge:** Salem is in a high cost to operate area and the high backlog is further impacting the cost to run campus.

Additionally, coverage metrics have been changing with the growing campus footprint, which affects both workers' day to day responsibilities as well as users' expectations.

**Solution:** Making sure that capital investments each year target the pressure points of campus can alleviate operational strains and free up resources for PM reinvestment into the young spaces on campus.

Solicit customer feedback to understand their expectations of what the facilities department is currently doing well and what can be improved.

## BOT/Finance & Facilities Update on Capital Projects March, 2018

### CONSTRUCTION – CURRENT

#### Meier Hall steam line repair – Phase 2

Anticipated completion: 2/2018

Construction budget: \$255,065

- Repair second portion of steam line that feeds Meier Hall
- Steam line has been installed and connected. Landscape work will be completed in the spring.

#### O’Keefe façade repairs

Construction budget: \$777,000 (\$306,891 DCAMM funds)

Anticipated completion: 4/2018

- Repair of the exterior walls of the apparatus gym to eliminate water infiltration

### CONSTRUCTION – FUTURE

#### Meier Hall roof replacement - Phase 1

Construction budget: \$1,892,875 (\$753,344 DCAMM funds)

Anticipated completion: 8/2018

- Replacement of half of the Meier Hall roof
- In design to be bid in the spring

#### Berry Library perimeter heating upgrade

Construction budget: \$232,000 (\$232,000 DCAMM funds)

Anticipated completion: 8/2018

- Installation of additional perimeter radiation to address heating issues
- In design to be bid in the spring

#### Sullivan Building roof improvement

Construction budget: \$550,000 (\$272,193 DCAMM funds)

Anticipated completion: 8/2018

- Insulating the roof structure to prevent ice damming and water infiltration
- In design to be bid in the spring

### PROJECTS IN PLANNING/STUDIES

#### Sullivan Basement Structural Evaluation

Project budget: \$10,500

Anticipated completion: 4/2018

- Structural analysis of former coalbunker in parking lot
- Initial repair estimate of \$350,000

#### Parking assessment

Project budget: \$62,500

Anticipated completion: 4/2018

- Comprehensive parking assessment to evaluate, current conditions, impact from enrollment growth, divestment of south campus, and long term plans.

#### Administration Building roof replacement study

Project budget: \$26,200

Anticipated completion: 4/2018

- DCAMM certified study for roofing replacement

**BOT/Finance & Facilities Update on Capital Projects  
March, 2018**

**PROJECTS IN PLANNING/STUDIES (cont.)**

Meier Hall science teaching lab addition

Construction budget: \$64M

- Application submitted to DCAMM on 12/22/17

Anticipated completion: TBD

Horace Mann Code Evaluation

Project budget: \$25,000

Anticipated completion: 6/2018

**PROJECTS IN PLANNING/STUDIES COMPLETED**

Sightlines facilities condition assessment

Project budget: \$273,500 (\$273,500 DCAMM funds)

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SUBJECT: Institutional Advancement/Marketing & Communications Committee Meeting Report for March 28, 2018

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The Institutional Advancement/Marketing & Communications Committee of the Board of Trustees met on Wednesday, March 28, in the Paul Petrowski Conference Room located in Marsh Hall on the Central Campus of Salem State University.

Present for the committee were Trustees Pamela Scott (chair), Midge DeSimone (vice chair), Teresa Chisholm, Magnolia Contreras and Ruthanne Russell, and Jamie Zahaway Belsito participated via conference call; President Keenan (ex-officio), Vice President McGurren (committee liaison) and Associate Vice President Crouse, and Staff Associate Shahin.

Trustee Scott called the meeting to order at 4:45 pm.

#### **Monthly Fundraising Snapshot** (*Attachment A*)

Vice President McGurren reviewed the Monthly Fundraising Snapshot, for the period ending February 28, 2018. The report indicated a FY18 Goal of \$2,000,000, with a total raised as of February 28, 2018 of \$1,373,749 resulting in a balance of \$626,251 to be raised by June 30, 2018. McGurren is confident the goal will be met. She explained the approximate \$3M difference between 2017 and 2018 endowment number is the result of the \$3.3M Gordon gift pledged in 2017. McGurren reported the team is focused on bringing in unrestricted gifts and we typically see an increase in unrestricted gifts as we near the close of the fiscal year.

McGurren also discussed the increase in the number of members enrolled in the Crosby Society. We currently have 60 members enrolled with 7 secured in FY18. These members will play a critical role in our next campaign and we will be looking to double the membership during the next campaign to 120.

#### **Other Items**

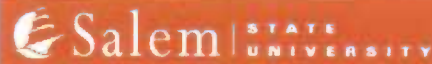
McGurren shared the upcoming events scheduled during Alumni Weekend, which will commence on Thursday, June 7, with the 50<sup>th</sup> Reunion Society Reception at the Hawthorne Hotel. The Class of 1968 60<sup>th</sup> Reunion Dinner will be held on Friday, June 8, at the Kernwood Country Club. Joanne Ricciardiello '68 has taken the lead on this event. The Class of 1968 has raised \$266,000 for their class gift, which is substantially more than typically raised by reunion classes. In addition to other events being held during the weekend, on the evening of Saturday, June 9, we will hold our annual Party on McKeown Plaza (POMP) and the Jazz and Champagne Brunch on Sunday will close out the alumni weekend festivities.

McGurren discussed the recent alumni trip to Florida and thanked the trustees who were able to participate in some of the events held there. Chair Mattera encouraged the Trustees to join in the festivities held annually in Naples during the month of March. The alumni who live in Florida are very active and engaged with the university and the staff who annually travel to Florida warmly welcomed by the Florida alumni

Crouse reported on the upcoming Viking Warrior Day, being held on May 3, 2018. It will be an energetic and inspiring 24-hour virtual gathering of alumni, parents, staff, students, faculty, and friends in support of a better Salem State. Our goal is to raise \$125,000. The day will commence with a breakfast for alumni employees and donor employees. That will be followed by the outdoor festival on McKeown Plaza and will end with an Alumni Happy Hour at the Hawthorne Hotel.

There being no further business to come before the committee and on motion made by Trustee Contreras, seconded by Trustee Chisholm, it was unanimously

VOTED: To adjourn at 4:55 pm.



## Monthly Fundraising Snapshot FY18 to February 28th

### Fundraising To-date

FY18 Goal	\$2,000,000
Total for FY18	<u>\$1,373,749</u>
Balance	\$626,251

### Total Fundraising break-out by Campaign – Year-to-Date Comparison

	FY18 to February	FY17 to February
	7/1/2017 to 2/28/2018 Total	7/1/2016 to 2/28/2017 Total
<b>Gift campaign</b>		
Annual Restricted	\$350,717	\$399,083
Annual Unrestricted	\$323,191	\$205,130
Campaign Unrestrict	\$0	\$1,038
Endowments	\$382,323	\$3,476,712
Annual Restricted 25K up	\$317,517	\$739,192
	<u>\$1,373,749</u>	<u>\$4,821,155</u>

### Total Fundraising break-out by Campaign – Monthly Comparison

	February	February
	2/1/2018 to 2/28/2018 Total	2/1/2017 to 2/28/2017 Total
<b>Gift campaign</b>		
Annual Restricted	\$14,504	\$21,148
Annual Unrestricted	\$7,630	\$8,311
Campaign Unrestricted	\$0	\$0
Endowments	\$3,021	\$119,575
Annual Restricted 25K up	\$0	\$0
	<u>\$25,155</u>	<u>\$149,033</u>

### Total Unrestricted Cash Raised – Year-to-Date Comparison

	FY18 to February	FY17 to February
	7/1/2017 to 2/28/2018 Total	7/1/2016 to 2/28/2017 Total
<b>Gift campaign</b>		
Annual Unrestricted	\$216,105	\$229,587

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**SUBJECT:** Risk Management and Audit Committee Meeting Report for March 28, 2018

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The Risk Management and Audit Committee of the Board of Trustees met on Wednesday, March 28, 2018, in the Paul Petrowski Conference Room located in Marsh Hall on the Central Campus of Salem State University.

Present for the Committee: Trustees Lutts (chair), Scott (vice chair), DeSimone, Katzman, Zahlaway-Belsito (via phone), Chair Mattera (ex-officio), President Keenan (ex-officio). Also present and participating Vice President House (committee co-liaison), Assistant Vice President Labonte (committee co-liaison), legal counsel Colucci and staff assistant Beaulieu.

Absent for the Committee: None

Trustee Lutts, committee chair, called the meeting to order at 4:55 pm.

#### **Executive session**

Trustee Scott **MOVED** and Trustee Katzman **SECONDED** a motion to enter into executive session in accordance with General Laws, Chapter 30A, for the purpose of discussing deployment of security forces or devices, or strategies with respect thereto, and litigation update. A roll call vote was taken at 4:56 pm and it was unanimous to enter into executive session.

Voting in the affirmative: DeSimone, Katzman, Lutts, Scott, Zahlaway-Belsito (via phone)

Voting against: None

Trustee Scott **MOVED** and Trustee Katzman **SECONDED** a motion to exit executive session in accordance with General Laws, Chapter 30A. A roll call vote was taken 5:22 pm and it was unanimous to exit executive session.

Voting in the affirmative: DeSimone, Katzman, Lutts, Scott, Zahlaway-Belsito (via phone)

Voting against: None

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

**MOTION: to adjourn the meeting.**

**On a voice vote, the motion passed unanimously.**

The meeting adjourned at 5:22 pm.

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

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**SUBJECT:** Risk Management and Audit Committee Meeting Report for March 28, 2018

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The Risk Management and Audit Committee of the Board of Trustees met on Wednesday, March 28, 2018, in the Paul Petrowski Conference Room located in Marsh Hall on the Central Campus of Salem State University.

Present for the Committee: Trustees Lutts (chair), Scott (vice chair), DeSimone, Katzman, Zahlaway-Belsito (via phone), Chair Mattera (ex-officio), President Keenan (ex-officio). Also present and participating Vice President House (committee co-liaison), Assistant Vice President Labonte (committee co-liaison), legal counsel Colucci and staff assistant Beaulieu.

Absent for the Committee: None

Trustee Lutts, committee chair, called the meeting to order at 4:55 pm.

#### **Executive session**

Trustee Scott **MOVED** and Trustee Katzman **SECONDED** a motion to enter into executive session in accordance with General Laws, Chapter 30A, for the purpose of discussing deployment of security forces or devices, or strategies with respect thereto, and litigation update. A roll call vote was taken at 4:56 pm and it was unanimous to enter into executive session.

Voting in the affirmative: DeSimone, Katzman, Lutts, Scott, Zahlaway-Belsito (via phone)

Voting against: None

Trustee Scott **MOVED** and Trustee Katzman **SECONDED** a motion to exit executive session in accordance with General Laws, Chapter 30A. A roll call vote was taken 5:22 pm and it was unanimous to exit executive session.

Voting in the affirmative: DeSimone, Katzman, Lutts, Scott, Zahlaway-Belsito (via phone)

Voting against: None

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

**MOTION: to adjourn the meeting.**

**On a voice vote, the motion passed unanimously.**

The meeting adjourned at 5:22 pm.

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



**SUBJECT:** Academic Affairs and Student Life Committee Meeting Report for March 28, 2018

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The Academic Affairs and Student Life Committee of the Board of Trustees met on Wednesday, March 28, 2018, in the Paul Petrowski Conference Room of Marsh Hall on the Central Campus of Salem State University.

Present for the Committee were Trustees Chisholm (chair), Contreras, DeSimone, Murphy, and Russell; Chair Mattera (ex-officio); President Keenan (ex-officio); Provost Silva (committee liaison), Executive Vice President James (committee liaison), and staff associate Longo, academic affairs. Also present and participating in the meeting were Professors Kasprzyk, Sreeramareddy, Wadhwa, Mobley, and Valens.

Trustee Chisholm called the meeting to order at 5:25 pm. The following items were discussed:

**MSCA Personnel Action**

Provost Silva presented the candidate recommended for the right to “take up” a faculty appointment with tenure (Attachment A). A brief discussion ensued. After careful consideration the committee took the following action:

Upon a motion made duly by Trustee DeSimone and seconded by Trustee Murphy it was unanimously:

**VOTED: to recommend to the full board the personnel action that incoming Dean Kathleen Barnes be granted the right to “take up” a faculty appointment at the rank of Professor in the management department with tenure as per MSCA agreement article XX Section M as presented.**

**Bachelor of Science in Information Technology**

Professor Wadhwa and Provost Silva presented the committee with an overview of the proposed Bachelor of Science in Information Technology (Attachment B). Practicalities regarding accreditation, market demand, student demand, area competition, resources, and budget were discussed. It was noted that the budget and projected student demand is conservative and may be adjusted depending on response to the program. Given the market demand, it was suggested that BSIT may be a good opportunity for public/private partnerships.

After careful consideration, the committee took the following action:

Upon a motion made duly by Trustee DeSimone and seconded by Trustee Murphy, it was unanimously:

**VOTED: to recommend to the full board the approval of a B.S. program in Information Technology as presented in the attached exhibit “B.”**

**This action shall be effective immediately upon its approval by the Board of Trustees.**

### **Financial Aid Leveraging**

Executive Vice President James provided an update regarding the use of institutional aid as a tool to grow enrollment. A robust economic model was developed based on an extensive analysis our student data to determine the impact of a \$1,000 award on a student’s decision to enroll. EVP James reported that the model predicts an increase of 185 new first year students (offset somewhat by a slight decline in transfer students); increased spending of approximately \$650K in institutional grant aid; and new revenue (from new students) of \$1.6M. Award amounts are based on demonstrated need. The average aid is predicted at \$2,000 per student. It was noted that this is a multiyear award, which offers recipients level funding throughout his/her undergraduate studentship.

### **General Education Update: “Diversity, Power Dynamics, and Social Justice”**

Provost Silva provided an update regarding the new general education requirement in Diversity, Power Dynamics, and Social Justice (DPDS). Beginning in fall 2019 all students will be required to take at least one course in DPDS as part of their general education curriculum. To date 18 courses that fulfill this requirement have gone through the governance process, and 15 more are currently in process, bringing the total number of courses to 33. DPDS reflects an academic commitment to address issues regarding diversity and inclusion and to operationalize them in the curriculum. It was reported that future steps include infusing DPDS into First Year Seminar curriculum, individual majors, and the potential creation of a new interdisciplinary minor.

### **Other**

Provost Silva updated the committee on the first ever TEDxSalemStateUniversity to be held on Monday, September 17, 2018.


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

**VOTED: To adjourn the meeting at 6:20 pm.**

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

Provost and Academic Vice President



**TO:** John D. Keenan, President  
**FROM:** David J. Silva, Provost and Academic Vice President   
**DATE:** March 6, 2018  
**RE:** Right to take up a faculty appointment with tenure for Dr. Kathleen Barnes

In concert with Dr. Kathleen Barnes's appointment as Dean of the Bertolon School of Business at Salem State University on June 3, 2018, I hereby recommend the following: At such time that Dr. Barnes might separate from her duties as dean and consequently exercise her right to take up a faculty appointment at Salem State University, she be immediately appointed to the faculty at the rank of Professor in the Management Department with tenure.

The terms of any such faculty appointment shall be governed by the collective bargaining agreement currently in force with the Massachusetts State College Association (MSCA) and any successor agreements. Per the MSCA agreement currently in effect, Article XX, Section M:

*Each of the Universities may grant persons appointments as academic administrators, whether any such person comes from within or outside the bargaining unit, for a period of up to six (6) years on terms that permit such person to return to or to take up a faculty or librarian appointment with tenure at such University; every such faculty appointment shall be within a particular academic department at the University (which shall be deemed to include the successor, by merger or otherwise, to such department).*

*For the purposes of this Section M, an appointment as an academic administrator shall be an appointment granted to a person who holds or has held an appointment with tenure as a faculty member or librarian at a college or university and whose administrative appointment is academic in its nature. ...*

I hereby submit that Dr. Barnes is eligible to take up such a tenured appointment as she:

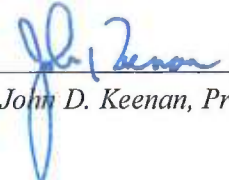
1. would be appointed "within a particular academic department" (Management);
2. is "a person who holds or has held an appointment with tenure as a faculty member... at a college or university" (William Paterson University, University of New Haven, East Stroudsburg University); and
3. has assumed an "administrative appointment [that] is academic in its nature" (dean).

I further assert that Dr. Barnes presents professional academic credentials that are unequivocally commensurate with those of a tenured member of the Salem State faculty.

In support of this request, I append a memo from Dean Gail Gasparich, chair of the search committee that oversaw the process that lead to Dr. Barnes's appointment. This committee included three members of the Bertolon School of Business faculty – Mayuresh Kelkar, Sanjay Kudrimoti, and John McArdle – each of whom played a material role in the vetting, interviewing and recommending of Dr. Barnes.

Should you require additional information regarding this request, please contact me. Thank you.

Approved  
 Disapproved

  
 \_\_\_\_\_  
 John D. Keenan, President

3/8/18  
 \_\_\_\_\_  
 Date

Dean's Office



To: David J. Silva, Provost and Academic Vice President  
From: Gail E. Gasparich, Dean College of Arts and Sciences  
Date: January 29, 2018

In our posting for the position of Dean of the Bertolon School of Business, the search committee stated the following under Required Qualifications for the new dean:

*teaching experience and scholarly contributions to merit appointment with tenure at the rank of professor*

The committee employed this requirement consistently to arrive at its final slate of candidates and our vetting of each candidate included an examination of the scholarly record of each; their teaching history and effectiveness; their service to their academic community; and their relationship with students. In fact, no candidate was invited to an initial interview if they did not already have tenure at their current or previous institution.

Dr. Kathleen J. Barnes, who was your ultimate selection for the position, has earned tenure at East Stroudsburg University, the University of New Haven, and William Patterson University. She has been the recipient of an Excellence in Teaching Award, created and reviewed instructional material for Pearson, and published a text entitled *Taking Sides: Clashing Views in Management*. In the area of scholarship she has 6 refereed journal articles, a textbook (original and one revision), more than 20 refereed conference proceedings, and over 30 conference presentations over her career. Additionally, she has an extensive record of service to her Department, College, University, and Profession including serving as an initial accreditation mentor for the AACSB and given 7 presentations at the AACSB Accreditation Conference.

I represent the committee when I write that she is thoroughly qualified to be tenured at Salem State University, in keeping with the MSCA contractual requirements of tenure

# Academic Affairs and Student Life Committee

March 28, 2018

# New Program Approval: B.S. in Information Technology

# Proposed Bachelor of Science in Information Technology (BSIT)

- **Information Technology (IT)**

- The technology involving the development, maintenance and use of computer systems, software and networks for the processing and distribution of data.

- **Information Technology (IT) Program**

- The proposed program in its present form is ABET (Accreditation Board for Engineering and Technology) accreditation ready.
- Proposed BSIT includes a total of 79 credit hours including required core courses, support courses, and a minor.
- IT Minor (since Fall 2017) – feeders are Business, Criminal Justice, and Healthcare Studies.

# Competition

- ABET Accreditation for IT began in 2005.
- Since then 37 BSIT Programs (Schools) in the US have been accredited by ABET.
- **IT ABET-Accredited Institutions**
  - University of New Hampshire (UNH) is the only ABET accredited institution in the New England area.
- **Non-Accredited Institutions**
  - UMass-Boston is the only institution in MA that offers BSIT
    - Fall 2017 enrollment of 156 students.
  - UMass-Lowell offers BSIT and certificates in IT as a part of the Continuing Education Programs.
  - Pursuing a BSIT through Continuing Education at UMass-Lowell would cost twice as much as it would at Salem State University.



# Internship Opportunities

- Currently 1,701 unfilled Internship positions for Information Technology in the Massachusetts area. *(source: Internship.com, March 17, 2018)*
- SSU Career Services plays a significant role in establishing relationships with industry for internship opportunities.
- Examples of Paid Internship Opportunities:

- Summer 2018 Web Intern - Virtual Inc., Wakefield, MA
- Summer 2018 Information Technology Intern - Virtual Inc., Wakefield, MA
- Office of Information Security Harvard Pilgrim, IT Internship – Wellesley, MA
- IT Information Security Analyst, Undergraduate Summer Internship – Santander Bank, Dorchester, MA
- The Massachusetts Executive Office of Technology Services and Security, Content Strategy Associate Internship - Boston, MA
- Information Technology Intern - Gorton's Seafood, Gloucester, MA

*Source: Career Services*

# Jobs in IT, Salary, and Projected Growth

IT Jobs and Median Salary in Massachusetts*	Projected Growth 2014-2024*
<b>Computer Support Specialist</b> \$58,730	9.9%
<b>Web Developer</b> \$76,490	22.0%
<b>Database Administrator</b> \$84,960	9.9%
<b>Computer Systems Analyst</b> \$89,730	17.5%
<b>Information Security Analyst</b> \$93,810	17.4%
<b>Computer Network Architect</b> \$114,050	8.9%

- Job growth will increase by 13% from 2016 to 2026\*\*
- Projected to add about 557,100 new jobs by 2024\*\*
- Currently 10,809 full-time unfilled IT related positions in the Massachusetts/Boston area\*\*\*

#### References:

\* Median Salary and Data Projections (Salem State University)

\*\* United States' Bureau of Labor Statistics, (Jan 30, 2018)

\*\*\* Indeed Career Search

# Current Resources and Faculty Expertise

## Current Resources

- Computer Science Faculty (9) & Staff (1)
  - IT Dedicated Faculty (2)
- Classroom & Laboratory (4)
  - 1 Lab (MH201) specially renovated for IT
- Hardware & Software Tools
- Departmental & Institutional Support

## IT Faculty Expertise

Currently there are *two* dedicated full-time tenure track faculty members to offer IT Major courses:

- Manish Wadhwa, Ph.D. in Electrical and Computer Engineering
  - Program Director of IT Program at South University, Virginia Beach Campus, Virginia Beach, VA, 2011 – 2013
- Lakshmidevi Sreeramareddy, D.Sc. in Information Technology

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**SUBJECT:** Executive Committee Meeting Report of March 28, 2018

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The Executive Committee of the Board of Trustees met Wednesday, March 28, 2018, in Marsh Hall, room 210, located on the Central Campus of Salem State University.

Present for the Committee were Trustees Mattera (chair), Chisholm, Lutts and Scott and President Keenan (committee liaison); Secretary to the Board Montague and Assistant Secretary Sadowski.

Chair Mattera called the meeting to order at 6:26 pm.

Chair Mattera introduced the first matter of business which was Trustee Emeritus status. Several of the trustees expressed support for the status and a brief discussion ensued. Upon a motion duly made by Trustee Lutts and seconded by Trustee Chisholm it was unanimously

**VOTED:**        **The Salem State Board of Trustees hereby approves the creation of no more than three participating, non-voting Trustee Emeritus positions, subject to the following:**

1.        **Former Trustees who have completed two (2) full five (5) year terms and one term as Board chair are eligible;**
2.        **Any current Trustee may nominate a former Trustee;**
3.        **Nominations should be made to the Board chair;**
4.        **Nominations must be made no later than one year after completion of the former Trustee's second term;**
5.        **Trustee Emeritus candidates must be unanimously approved by the executive committee;**
6.        **Trustee Emeritus positions are for one (1) academic year with opportunity for annual renewal consideration, not to exceed three (3) years in total;**
7.        **Trustee Emeritus are eligible to fully participate in full board and committee meetings in a non-voting capacity.**

Chair Mattera noted that the approved motion will require a bylaw change (the language was originally introduced to the Board at its February 7, 2018, meeting) and that the matter will be taken up at the Board's next meeting.

Chair Mattera then moved to the next agenda item for discussion which was Faculty Forums at Board meetings. President Keenan explained that the genesis for faculty forum on the Board's meeting agenda developed during last year's presidential search. Provost Silva encouraged the idea of more opportunities to interact and added that he would bring faculty/academic-related event invitations to future meetings for the Board's attention. Chair Mattera asked Professor Burchsted, as faculty representative to weigh in. Professor Burchsted felt the faculty are desirous of having more interactions and that it would improve communication. Chair Mattera

offered that perhaps the interaction shouldn't be called a forum. Trustee Lutts noted that we've always had an open forum during Board meetings and just recently welcomed Professor Scottgale to speak at the February meeting. Trustee Chisholm noted that any meeting format would need to be mutually agreed upon, mindful of schedules and set with clear expectations. Provost Silva offered that the SGA/BOT format worked well and a similar model could work with the faculty. Chair Mattera suggested President Keenan, Trustee Chisholm, Provost Silva and Professor Burchsted work together to find an agreeable proposal and bring it back to the Board.

With no further business a motion was duly made by Trustee Katzman and seconded by Trustee Lutts and it was unanimously

**VOTED:            To adjourn the meeting at 6:48 pm.**

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