

BOARD OF TRUSTEES
October 16, 2019

PRESENT: Trustees Mattera (chair), Chisholm, Contreras, DeSimone, Katzman, Lutts, Murphy Wilkens. Also present Trustees Emeritus Scott and Segal. Also participating at the meeting were President Keenan and Board Secretary Montague and Assistant Secretary

ABSENT: Belsito-Zahlaway, Butts, Russell

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 the Petrowski conference room (Marsh 210), Salem, Massachusetts, on October 16, 2019 with Paul Mattera, Chair, presiding.

* * *

I. CALL TO ORDER - Chair Mattera called the meeting to order at 5:02 pm. To avoid any confusion, the chair clarified that this meeting was a regular meeting of the Board of Trustees (a special meeting of the Board has previously taken place at 4:00 pm). Mattera then announced that the board would continue its conversation regarding a proposal for Project Bold which began at the earlier special meeting. As it is the chair's prerogative to take agenda items out of order, Chair Mattera announced we would begin with the President's Report.

Call to Order

II. PRESIDENT'S REPORT - A discussion ensued regarding Project Bold which is a campus unification and modernization project. President Keenan explained

The components of the project would allow the university to:

-Exit South Campus:

- the Harrington Building, Bates residence halls (avoiding future investment)
- other facilities not in use and leverage the proceeds of property sale for this project

-Unify North Campus and Strengthen Sciences/STEM:

- fully renovate Horace Mann for CJ, Health Care Studies, Nursing and OT
- build small addition on Meier Hall for 7 new idealized wet labs
- create 4 flexible designed digital teaching and learning spaces in Berry Library
- create new parking using funds on hand (no garage)

The Board appreciated the innovative thinking that had gone into the proposal and pursued a deeper conversation into the financials and debt obligation. Trustee Katzman and Vice President House assured that moving forward with this project would require the board and the community to have a thorough understanding of the risks before the vote. Trustee Lutts added his recent conversation with auditors and their comments that the university is financially strong and in better fiscal health than some of the other state universities. Trustee Murphy questioned whether the university was being specific enough about what it is willing/not willing to do. Trustee Katzman added what will SSU be known for that makes it unique? Chair Mattera responded that we should be asking what can SSU do so the administration will want to help. Mattera added that we've been asked to be more innovative and to change the model for the future and Project BOLD accomplishes both.

President's Report

Dean Panzella offered that SSU's distinct in that students struggle due to financial and other pressures they experience. We need to adapt to our students and serve them well and make sure they graduate and that will distinguish SSU from other state institutions. Trustee Contreras said we need the equity agenda to make an investment in the student so make them successful.

Chair Mattera suggested that the board further the equity conversation at the upcoming Off-site meeting. He questioned Executive Vice President James on the effects of financial aid on retention. James responded that aid is not the only factor for incoming students and that would not have moved the needle for the incoming class. Financial aid also effects retention. James offered that we should also look at where are students are coming from as out of all students from Beverly, Peabody, Marblehead, Salem who enroll in one of the nine state college, eighty percent enroll at SSU.

Consent Agenda

CONSENT AGENDA - Chair Mattera read the items contained on the Consent Agenda and asked for any objections or modifications and hearing none he asked if there was a motion. Trustee Chisholm offered the motion which was seconded by Trustee Lutts, and it was unanimously,

Committee Actions:

VOTED: To approve the Consent Agenda of October 16, 2019 (CA-19-01)

Finance and Facilities:

* * *

Authorized Signers on Eastern Bank Account

III. COMMITTEE ACTIONS –

Finance and Facilities - Trustee Katzman presented the committee’s recommended motion which was duly seconded by Trustee Chisholm and it was unanimously,

VOTED: The Board of Trustees authorizes approval of the signers on the university’s bank accounts at Eastern Bank. Authorized signers on the account will be the vice president for finance and facilities/CFO, university controller, associate director of accounts payable and associate director of payroll. (FF-19-01)

Trustee Katzman then moved to the committee’s second motion which was relative to the appointment of an investment management services firm. Following a brief discussion Trustee Chisholm offered the motion which was seconded by Trustee DeSimone and it was unanimously,

Investment management Services Firm

VOTED: The Board of Trustees of Salem State University hereby approves the appointment of Eastern Bank Wealth Management to provide investment management services for certain Salem State University trust funds and authorizes the administration of the university to enter into a five-year contract (initial period) beginning December 1, 2019 with a renewal option at the university’s discretion for another five-year term (renewal period). The contract will include provisions for termination of the agreement by either party with ninety (90) days written notice. The fee is 45 basis points. (FF-19-02)

* * *

Risk Management & Audit:

Risk Management and Audit: Trustee Lutts discussed the committee’s recent meeting on October 10th and its review of the university’s financial statements. Hearing no questions and with no further discussion Trustee Chisholm offered the committee’s recommended motion which was seconded by Trustee DeSimone, and it was unanimously,

*Acceptance of Draft Audits
1 of 2
Financial Statements and Management’s discussion and Analysis June 30, 2019 and 2018*

VOTED:

The Board of Trustees of Salem State University hereby accepts the following draft audits:

Salem State University financial Statements and Management’s discussion and Analysis June 30, 2019 and 2018

Independent Auditor’s Reports as Required by the Uniform Guidance and Government Auditing Standards, June 30, 2019

Further, the Board of Trustees delegates authority to accept the final financial statement package to vice President Karen House, with the proviso that significant changes form the draft statements, if any, be discussed first with the chair of the Risk Management and Audit committee. Further, the trustees acknowledge that Vice President House and her team will submit the audit to the Commonwealth by its October 15, 2019 deadline. (RMA-19-01)

* * *

Executive Committee - Chair Mattera walked the trustees through the recommended changes to the Executive Committee’s charter which included clarification of the university’s commencement and honorary degree recipient invitation policy (the board voted on October 13, 2016, to delegate this authority to the chair and president). Removal of the review of litigation matters was also recommended as that responsibility is tasked to the Risk Management and Audit Committee. Chair Mattera presented the motion and there was no discussion. The motion was moved by Trustee Chisholm, seconded by Trustee Lutts and it was unanimously,

VOTED: The Board of Trustees hereby amends the Executive Committee charter as presented (charter attached).

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IV. REPORT OF THE PRESIDENT – None

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V. REPORT OF THE CHAIR - Chair Mattera reminded the trustees of the Statewide Trustees Conference on October 31 and encouraged them to register.

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VI. OLD BUSINESS – None

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VII. NEW BUSINESS: - None

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*2 of 2
Independent Auditor’s Reports as Required by the Uniform Guidance and Government Auditing Standards, June 30, 2019*

Executive Committee:

Charter Revisions

Report of President

Report of the Chair

Old Business

New Business

Chair Mattera called for a motion to enter Executive Session for a litigation update and that there would be no business matters following the session. A motion was made by Trustee Lutts and seconded by Trustee Murphy and with a roll call vote it was

Executive Session

VOTED: To adjourn to Executive Session

Voting in the Affirmative: Chisholm, Contreras, DeSimone, Katzman, Lutts, Murphy, Wilkens, Mattera (chair)

Voting in the Negative: None

Absent: Belsito-Zahlway, Butts, Russell

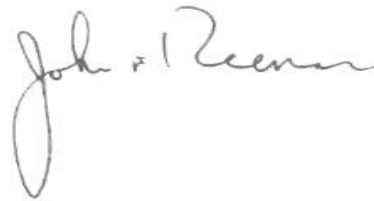
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VIII. ADJOURNMENT - There being no further business to come before the Board and on a motion made by Trustee Lutts and seconded by Trustee DeSimone, it was unanimously:

Adjournment

VOTED: to adjourn the meeting at 6:45 pm

Respectfully submitted,



John Keenan
President



Lynne Montague
Secretary to the Board of Trustees

Meeting of the Board of Trustees
October 16 at 5pm
Agenda page 2
Salem State University, Salem, Massachusetts

Consent Agenda

Approval of the following Meeting Minutes and Committee Reports:

Board of Trustee: June 5, 2019 *
Academic Affairs & Student Life: September 25, 2019
Finance & Facilities: September 25, 2019

*The board of Trustee: June 5, 2019 minutes are posted separately.

REQUEST FOR TRUSTEE ACTION

Date: September 5, 2019
To: Board of Trustees
From: Karen P. House, vice president for finance and facilities
Subject: Eastern Bank - Certification of Resolution
Requested Action: Approval

Salem State University has bank accounts at Eastern Bank for its operations. The university needed to update authorized signatories on its Eastern Bank accounts due to an employee retirement. In doing so the bank realized that a certification of resolutions was not on file. The bank requires a resolution which needs approval by the board.

The following university administrators will be authorized signers on the account: vice president for finance and facilities/CFO, university controller, associate director of accounts payable and associate director of payroll.

Authorization by the Board of Trustees is requested on the motion below.

MOTION

The Finance and Facilities Committee recommends that the Board of Trustees approve the following motion regarding Eastern Bank – Certification of Resolution for Salem State University.

Recommended motion

The Board of Trustees authorizes approval of the signers on the university’s bank accounts at Eastern Bank. Authorized signers on the account will be the vice president for finance and facilities/CFO, university controller, associate director of accounts payable and associate director of payroll.

Committee: Finance and Facilities
Committee Action: Approved
Date of Action: September 25, 2019

Trustee Action: Approved
Trustee Approval Date: October 16, 2019
Effective Date: October 16, 2019



Signed: *Lynne Norfield*

Title: Secretary of Board of Trustees

Date: *Oct. 16. 2019*

REQUEST FOR TRUSTEE ACTION

Date: September 24, 2019
To: Board of Trustees
From: Karen P. House, vice president for finance and facilities
Subject: Investment Management Contract
Requested Action: Approval

A thorough and fair RFP process took place for investment management services over a period of months. Members of the investment management review team which included university staff and trustee volunteer Katzman met with the three finalists on September 16: Cambridge Trust, Eaton Vance and Eastern Bank Wealth Management.

Eastern Bank Wealth Management is recommended for the following reasons:

- Investment performance favorable compared to other firms;
- Value added to the community: active contributor to Salem State both operationally and philanthropically, employs more graduates from Salem State than any other school; local bank
- Solid references from both current and former clients;
- Presentation was informative and all inclusive
- Experienced personnel: staff are exemplary in their field and team is well established and stable

MOTION

The Finance and Facilities Committee recommends that the Board of Trustees approve the following motion regarding appointment of firm for investment management services.

Recommended motion

The Board of Trustees of Salem State University hereby approves the appointment of Eastern Bank Wealth Management to provide investment management services for certain Salem State University trust funds and authorizes the administration of the university to enter into a five-year contract (initial period) beginning December 1, 2019 with a renewal option at the university's discretion for another five-year term (renewal period). The contract will include provisions for termination of the agreement by either party with ninety (90) days written notice. The fee is 45 basis points.

Committee Assigned: Finance & Facilities

Committee Action: Approved

Date of Action: September 25, 2019

Trustee Action: Approved

Trustee Approval Date: October 16, 2019

Effective Date: October 16, 2019

Signed: *[Handwritten Signature]*

Title: Secretary of Board of Trustees

Date: *OCT. 16. 2019*



REQUEST FOR TRUSTEE ACTION

Date: October 9, 2019
To: Board of Trustees
From: Karen P. House, vice president for finance and facilities
Subject: FY19 audited financial statements
Requested Action: Discussion/acceptance

The Risk Management and Audit Committee hereby recommends that the Board of Trustees approve the following motion pertaining to the FY19 Salem State University audited financial statements and programs and related materials.

Recommended motion

The Board of Trustees of Salem State University hereby accepts the following draft audits:

Salem State University Financial Statements and Management's Discussion and Analysis June 30, 2019 and 2018

Independent Auditor's Reports as Required by the Uniform Guidance and Government Auditing Standards, June 30, 2019

Further, the Board of Trustees delegates authority to accept the final financial statement package to Vice President Karen House, with the proviso that significant changes from the draft statements, if any, be discussed first with the chair of the Risk Management and Audit committee. Further, the trustees acknowledge that Vice President House and her team will submit the audit to the Commonwealth by its October 15, 2019 deadline.

Committee Assigned: Risk Management and Audit
Committee Action: Accepted
Date of Action: October 10, 2019

Trustee Action: Accepted
Trustee Approval Date: October 16, 2019
Effective Date: October 16, 2019

Signed: 

APPROVED
OCT 16 2019
Board of Trustees
Salem State University

Title: Secretary of the Board of Trustees

Date: Oct 10, 2019

Board of Trustees Executive Committee Charter

Purpose:

The Executive Committee of the Board of Trustees shall be a permanent committee which will take actions as needed between scheduled meetings of the full Board, including time sensitive matters. In addition, the Executive Committee will address all matters not assigned to other permanent committees including, but not limited to, those listed under responsibilities below:

Responsibilities:

(a) To act upon matters for the Board of Trustees, when immediate action is necessary.

(b) To consider and act upon proposals by the President for action which the Board may have generally or specifically authorized the President to take with the concurrence of the Executive Committee.

(c) To review and recommend a prospective list of potential speakers and honorary degree recipients being considered for baccalaureate and graduate commencements. Final approval of all commencement speakers and honorary degree recipients shall rest with the Board of Trustees. Propose deletion of highlighted section "c" - 10/13/2016 – EX-16-06 – the Board of Trustees VOTED (Delegation of Commencement authority to president & chair) - That the Salem State University Board of Trustees hereby authorizes the president in consultation with the chair to pursue and plan for Commencement activities, including the recruitment and solicitation of individuals to provide the keynote address at each of the ceremonies.

(d) To conduct upon referral from the Board formal hearings as required by law for the Board of Trustees or any Committee of the Trustees and to make recommendations to the Board concerning any matter heard, provided that hearings required by law to be conducted as adjudicatory proceedings shall be governed by General Laws, Chapter 30A.

(e) To review recommendations of the President and to recommend all actions required to be taken by the Board of Trustees on personnel (excluding faculty and librarians) from appointment to termination in accordance with collective bargaining agreements, Board of Higher Education and Board policies.

(f) To review, update, and implement current affirmative action policies of the Board of Trustees and the Board of Higher Education, and to ensure compliance with State and Federal Laws.

(g) To consider legislative and public relations policy interests of the Board of Trustees and of the university and to make recommendations to the Board of Trustees with respect thereto.

(h) To consider, propose and recommend to the Board of Trustees the adoption, amendment or revision of the Bylaws.

(i) To review recommendations of the President and recommend to the Board of Trustees the naming of buildings, streets, ways, and other properties relating to the campus as guided by the Naming Policy of the university. Final approval regarding the adoption of said names rests with the Board of Trustees.

(j) To recommend to the Board of Trustees for appointment four members of the Salem State University Assistance Corporation Board of Directors and the SSUAC Board Chair.

(k) To review litigation matters involving the university. Propose deletion of highlighted section "k". Legal review/litigation moved to RMA Charter

Membership:

The Executive Committee shall be composed of the Chair and Vice Chair of the Board of Trustees, the President of the university, and three additional Board members elected to this committee by the Trustees at the annual meeting.

Quorum:

A majority of the members shall constitute a quorum.

Staff Designee:

The president of the university is committee liaison.

Meetings:

The committee is expected to meet at least four times each fiscal year. The Chair of the Board of Trustees or the President of the university may call a meeting of the Executive Committee by declaring that an emergency condition exists. An emergency condition shall be defined as a sudden set of circumstances arising which require the need for immediate action. The Chair of the Board of Trustees or the President of the university shall fix the time and place of such emergency meeting. Meetings shall be conducted and the Secretary of the Board of Trustees shall send notice in conformity with the state's Open Meeting Law. Executive sessions may be conducted periodically and shall be limited to those matters permitted by the state's Open Meeting Law.

Agenda, Minutes and Reports:

The chair of the committee, in collaboration with the staff designee, shall be responsible for establishing the agenda for meetings. An agenda, together with relevant materials shall be made available to committee members at least five days in advance of meetings. Minutes for all meetings shall be drafted by the staff designee, reviewed by the committee chair, and approved by the committee members at the following meeting.

12/2/2015 Approved by the Salem State University Board of Trustees

SUBJECT: Academic Affairs and Student Life Committee Meeting Report for September 25, 2019

The Academic Affairs and Student Life Committee of the Board of Trustees met on Wednesday, September 25, 2019, in Viking Hall Room 123 on the Central Campus of Salem State University.

Present for the Committee were Trustees DeSimone (chair), Russell (vice chair), Zahlaway Belsito, Contreras, Murphy, and Wilkens; Chair Mattera (ex-officio); President Keenan (ex-officio); Provost Silva (committee liaison), Executive Vice President James (committee liaison), and staff associate Longo, academic affairs.

Trustee DeSimone called the meeting to order at 3:05 pm. The following items were discussed:

Accreditation Update

Provost Silva provided the Committee with an update on accreditation and regulatory approvals (Attachment A). It was reported that institutional reaccreditation with the New England Commission of Higher Education is on track with the site visit scheduled to take place April 11-14, 2021. The site visit for the Massachusetts Department of Elementary and Secondary Education is also scheduled for April 2021; and the site visit with the Association to Advance Collegiate Schools of Business is anticipated in either fall 2020 or spring 2021. Accreditation has been reaffirmed by the Council on Social Work Education for both BSW and MSW programs until 2026; and Nursing has had full approval reinstated by the Massachusetts Board of Registration in Nursing. Areas of some concern or warning remain in accreditation agencies for both Art + Design and Music, with concerns around facilities and space issues.

Enrollment Update

Executive Vice President James provided the Committee with an enrollment update (Attachment B). It was reported that the undergraduate headcount in fall 2019 is 5479. In fall 2018 the undergraduate headcount was 5974. This is a 500-student difference. Enrollment challenges are primarily due to declining retention rates. General characteristics of students retained at lower rates include those who had lower high school GPAs, low first semester GPA at Salem State, and 3 or more DFW grades. In addition, improved four-year graduation is a contributing factor to declining enrollment. Data from student satisfaction surveys cite academic performance, financial

challenges, lack of engagement, and overall dissatisfaction with university services as reasons for not returning. The University is undertaking a number of approaches to address these issues, including: proactive outreach through EAB/Navigate, course delivery, helping faculty to work with changing demographics, cohort-based programs, updated orientation program, increased institutional aid, new dining program, and living/learning communities. A brief discussion ensued. It was agreed that the University needs to determine those attributes that differentiate us from our competitors and make us a school of choice. Once defined, promote what we are known for.

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

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

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

Salem State University Academic Accreditations and Regulatory Approvals

Attachment A

	B	C	D	E	F	G	H	I	J	K	L
1	College	Department(S)	Program Areas	Degree(s)	Type	Accrediting Agency	Status as of 9/1/18	Annual Fees	Last Visit / Review	Next Visit / Review	Notes
2	Salem State University	All	All	All	Accreditation	NECHE-New England Commission of Higher Education	Accredited	\$ 20,749.00	2011	Spring 2021	Work toward spring 2021 re-accreditation continues; site visit April 11-14, 2021.
3	College of Arts and Sciences	Art + Design	Art	BA, MAT	Accreditation	NASAD-National Association of Schools of Art & Design	Deferral of Action	\$ 1,653.00	2017	TBD	Most recent feedback is "continue to defer" due to concerns regarding adequacy of office space, adequacy of ventilation, and re-org of 3-D space; SSU response to NASAD due 9/1/2019 with an extension requested
4	College of Arts and Sciences	Biology	Biology, Nuclear Medicine Technology	BS	Accreditation	JRCNMT-Joint Review Committee on Educational Programs in NMT	Accredited	\$ 1,300.00	2018	TBD	
5	College of Arts and Sciences	Chemistry & Physics	Chemistry	BS	Accreditation	ACS-American Chemical Society	Accredited		2015	2020	Annual reports every 5 years
6	College of Arts and Sciences	Computer Science	Computer & Information Studies	BS	Accreditation	CAC-ABET-Computing Accreditation Commission-Accreditation Board of Engineering and Technology, Inc.	Accredited	\$ 1,370.00	2015	2021-2022	Supplemental report due Jan 2019
7	College of Arts and Sciences	Music	Music	BA	Accreditation	NASM-National Association of Schools of Music	Accredited	\$ 1,482.00	Spring 2016	2020-2021	Ongoing facility concerns
8	College of Arts and Sciences	Sport and Movement Science	Physical Education Concentration	BS	Accreditation	CAEP/NASPE- Council for the Accreditation of Educator Preparation/National Association for Sport & Physical Education	We have opted not to renew		2013	N/A	DESE approval in future
9	College of Arts and Sciences	Sport and Movement Science	Athletic Training	BS	Accreditation	CAATE-Commission on Accreditation of Athletic Training Education	Accredited for BS	\$ 4,500.00	2009-2010	2020-2021	Teaching out BS, application for MS approved. Extension on self-study granted. New students Fall 2021
10	College of Arts and Sciences	Theatre & Speech	Theatre Arts	BFA, BA	Accreditation	NAST-National Association of Schools of Theatre	Accredited	\$ 1,398.00	Fall 2010	2020-2021	
11	School of Education	Childhood Education and Care/Secondary and Higher Education	Early Childhood Education, Elementary Education, Middle School Education, Teacher of Students with Moderate Disabilities, Specialist Teacher of Reading, Supervisor/Director, Principal	BS, M.Ed.	Accreditation						
12	School of Education/College of Arts and Sciences	Program Area for Content Educators (PACE) includes members from Mathematics, English, History, Biology, World Languages, Sports and Movement Science, Theatre Arts, Visual Arts and Secondary and Higher Education	Spanish, Physical Education, Biology, Chemistry, English, History, Mathematics, English as a Second Language	BS, BA, MAT	Accreditation	CAEP-Council for the Accreditation of Educator Preparation	Accredited for Initial and Advanced Teacher Preparation	\$3,350/avg 200 program completers	2013	Fall 2020	We will not apply for re-accreditation in 2020
13	Maguire Meservey College of Health and Human Services	Nursing	Nursing	BSN, MSN	Accreditation	CCNE - Commission on Collegiate Nursing Education (AACN Accrediting Body)		\$8668 (\$5,383-AACN \$3,285-CCNE)	Fall 2012	Fall 2022	Nursing submitted the Interim Report to CCNE on June 1, 2018. Reviews are behind schedule and we have not received a date as to when Interim Report review will be completed
14	Maguire Meservey College of Health and Human Services	Occupational Therapy	Occupational Therapy	MS	Accreditation	ACOTE-Accreditation Council for Occupational Therapy Education	Accredited 10 year re-accreditation	\$ 4,065.00	Spring 2018	2027	
15	School of Social Work	Social Work	Social Work	BSW, MSW	Accreditation	CSWE-Council on Social Work Education	Accredited	\$ 10,000.00	Spring 2019	2026	Accreditation reaffirmed for both BSW and MSW programs until 2026; CSWE identified six minor areas to be addressed by SSU by April 1, 2020.

Salem State University Academic Accreditations and Regulatory Approvals

	B	C	D	E	F	G	H	I	J	K	L	
1	College	Department(S)	Program Areas	Degree(s)	Type	Accrediting Agency	Status as of 9/1/18	Annual Fees	Last Visit / Review	Next Visit / Review	Notes	
16	Bertolon School of Business	Accounting & Finance, Management, Marketing & Decision Sciences	Business Administration (all)	BS, MBA, MSA	Accreditation	AACSB International-The Association to Advance Collegiate Schools of Business	Seeking Initial Accreditation	\$ 9,250.00	Fall 2013	Fall 2020 or Spring 2021	With all preliminary reviews passed, application for initial accreditation visit filed July 2019; Site visit to take place Fall 2020 or Spring 2021.	
17	Maguire Meservey College of Health and Human Services	Nursing	Nursing	BSN	Regulatory Approval	BORN-Massachusetts Board of Registration in Nursing	Approved	N/A	Mar-18	Jan/Feb 2019	Full Approval status reinstated July-19; quarterly reports to the BORN due beginning Dec-19 ending Dec-20.	
18	Maguire Meservey College of Health and Human Services	Criminal Justice	Criminal Justice	BS, MS	Regulatory Approval	Quinn Bill-Massachusetts Board of Higher Education	Approved		Fall 2018	Fall 2019		
19	School of Education	Childhood Education and Care/Secondary and Higher Education & PACE	Early Childhood Education, Elementary Education, Middle School Education, Teacher of Students with Moderate Disabilities, Specialist Teacher of Reading, Supervisor/Director, Principal, Spanish, Physical Education, Biology, Chemistry, English, History , Mathematics, English as a Second Language, School Counseling, Visual Art, Theatre	BS, BA, MAT, M.Ed.	Regulatory Approval	DESE-Massachusetts Department of Elementary and Secondary Education	Approved	N/A	Fall 2013	Fall 2020	DESE site visit scheduled for April 2021.	
20	* cost of Accreditation and periodic reaccreditation includes preparation, self-study, consultants, and site visit \$20,000-\$60,000						annual spend (approx) =	\$65,785				
21												

Enrollment Update

Incoming Student Enrollment Covered in the F&F Committee

Graduation, Retention, and Overall Enrollment

FTFT Graduation Rates

	2010	2011	2012	2013	2014	2015
4 year	27.59%	28.72%	37.02%	39.89%	43.39%	41.40%
5 year	44.83%	48.03%	54.14%	54.43%	56.70%	
6 year	51.52%	52.07%	57.83%	57.13%		

FTTR Graduation Rates

	2010	2011	2012	2013	2014	2015
4 year	55.77%	56.66%	63.38%	61.29%	64.96%	65.03%
5 year	61.98%	61.98%	69.08%	66.45%	68.03%	
6 year	63.76%	63.17%	70.00%	67.74%		

FTFT Retention Rates

	2013	2014	2015	2016	2017	2018
1 year	81.17%	79.86%	79.11%	77.17%	74.31%	72.93%
2 year	69.62%	68.59%	67.56%	65.04%	62.94%	
3 year	64.59%	64.95%	63.22%	61.06%		

Overall Fall 2019 Enrollment

Year to Date as of September 19

	Fall 2018	Fall 2019
UG headcount	5974	5479
CE credits	5185	4601
GR credits	11,185	10,859

Why are enrollments falling?

1. Graduation rates (especially 4 year rates) have dramatically increased
2. Incoming freshman class is smaller (details covered in F&F meeting)
3. Incoming transfer class is smaller
4. Retention is declining (especially in the last 3 years)

Graduation Rates Increasing

- Every one point improvement in our 4 year rate, basically results in a drop of 10 students in enrollment
- Our 4 year rate has increased from a low of 15% to a high of 43%
- Great news for our students!
- Challenge for us budget-wise

Transfer Class is Smaller

- Approximately 50% of our students at any given time are students who enrolled as transfer students
- 50% of those students come from community colleges
 - CC enrollment is countercyclical to economy
- 50% of those come from North Shore CC
- Every institution is focusing on retention

Retention is Declining

- Are there groups/characteristics of students who are being retained at lower rates?
- Are there groups/characteristics of students whose attrition rate change is outpacing the average?
- What can we learn from surveys and other data gathering techniques?

One Year Retention Analysis

- Retained at lower rates:
 - International, Hispanic, and Two or More Races
 - Lower high school GPAs (below 2.7)
 - Summer Bridge Academy
 - First semester performance
 - GPA below 2.3
 - 3 or more DFW grades

Retention: 3 Year Change Analysis

- Attrition increases above the average:
 - International, Hispanic, and Two or More Races
 - Lower high school GPAs (2.3-2.7)
 - First semester performance
 - GPA below 2.3
 - 5 or more DFW grades

Retention by Program/Major

- Programs with below average and declining retention (10 or more students):
 - Communications
 - Criminal Justice
 - English
- Programs with above average and improving retention:
 - Mathematics
 - World Languages

Retention by Program/Major

- Programs with record of above average retention:
 - History
 - Nursing
 - Political Science
 - Theatre
- Consistent with national trends, Undeclared students are retained at lower rates

Student Satisfaction/Surveys

- Reasons students don't return:
 - Academic performance
 - Personal & Financial Challenges (not equipped to troubleshoot solutions, need to work)
 - Don't feel like they fit in or are connected – feel like they don't belong (engagement)
 - Overall dissatisfaction (food, campus environment, living on campus)

What are we doing?

- Academic performance:
 - EAB/Navigate
 - Davis Foundation Grant (DFW)
 - ACUE Faculty Development Institute for effective teaching
 - Speaking with high performing programs; what's worked?

What are we doing?

- Personal and Financial Challenges:
 - Increased institutional aid
 - Updated orientation program
 - Student Life Case Manager
 - EAB/Navigate implementation
 - Rethink Summer Bridge
 - Financial Literacy Curriculum
 - CBO success/completion coaches

What are we doing?

- Engagement:
 - Updated orientation program
 - 100 Males to College
 - Reimagine Undeclared experience
 - Living/Learning Communities

What are we doing?

- Overall Satisfaction:
 - EAB/Navigate
 - Updated orientation program
 - New dining program
 - Tweaked residence hall policies

SUBJECT: Finance & Facilities Committee Meeting Report for September 25, 2019

The Finance & Facilities Committee of the Board of Trustees met on Wednesday, September 25, 2019, in room 123, Viking Hall on the Central Campus of Salem State University.

Present for the Committee: Trustees Katzman (chair), Murphy (vice chair), Butts, Lutts, Russell, Wilkens, Chair Mattera (ex-officio). Also present and participating: Vice President House (committee liaison) and staff associate Beaulieu.

Trustee Katzman, committee chair, called the meeting to order at 4:27 pm.

Business model discussion: Financial aid (Attachment A)

Tom Moran from Education Advisory Board (EAB) led the committee through a slide presentation that discussed 2019 and planning for 2020 enrollment strategies utilizing financial aid. Executive Vice President James participated in the discussion.

Eastern Bank certification of resolution (Attachment B)

A housekeeping item from Eastern Bank housing the university's operational accounts requiring authorization by the Board of Trustees was presented.

The motion was amended to include an additional sentence at the end of the motion related to a two-signature requirement.

An amended motion was made by Trustee Katzman and seconded by Trustee Lutts:

MOTION

The Finance and Facilities Committee recommends that the Board of Trustees approve the following amended motion regarding Eastern Bank – Certification of Resolution for Salem State University.

Recommended motion

The Board of Trustees authorizes approval of the signers on the university's bank accounts at Eastern Bank. Authorized signers on the account will be the vice president for finance and facilities/CFO, university controller, associate director of accounts payable and associate director of payroll. Checks of amounts equal or greater than \$5,000 will require two signatures.

The motion passed unanimously.

Investment management services firm selection (Attachment C, D)

Slides were presented summarizing the process of the RFP for investment management services. Joseph Donovan, retired AVP for Business Affairs was the

project coordinator who led the team through the process. The recommended firm, Eastern Bank Wealth Management, has agreed to provide a guaranteed summer internship for a qualified Salem State student during summer 2020 with possibilities of future summer internships and of one-week externship experiences such as during spring break for students to job-shadow Eastern professionals.

A motion was made by Trustee Katzman and seconded by Trustee Lutts:

MOTION

The Finance and Facilities Committee recommends that the Board of Trustees approve the following motion regarding appointment of firm for investment management services.

Recommended motion

The Board of Trustees of Salem State University hereby approves the appointment of Eastern Bank Wealth Management to provide investment management services for certain Salem State University trust funds and authorizes the administration of the university to enter into a five-year contract (initial period) beginning December 1, 2019 with a renewal option at the university's discretion for another five-year term (renewal period). The contract will include provisions for termination of the agreement by either party with ninety (90) days written notice. The fee is 45 basis points.

The motion passed unanimously.

Science project update and related financial planning (Attachment E)

Vice President House presented an update about the current status of planning for science facilities and related financial planning. A proposal is being prepared for the project entitled: SSU BOLD: A Campus Unification and Modernization Project. A lengthy discussion took place. Later this fall due to the requirements of the Commonwealth's Department of Capital Asset Management maintenance (DCAMM), the committee and Board of Trustees will be asked to make a commitment to funding the gap between the total project cost and the estimated amount coming from DCAMM and other sources. No action was required at this time.

There were no questions or comments on other informational items provided in the meeting packet that had been distributed on September 4, 2019 including:

Business Model Discussion Financial Aid pre-read (Attachment F)
Financial Aid and Enrollment pre-read (Attachment G)
Finance and Facilities Committee charter (Attachment H)
Finance and Facilities Committee work plan (Attachment I)
Investment performance for period ending June 30, 2019 (Attachment J)
FY19 preliminary results (Attachment K)
FY20 budget status (Attachment L)

Preliminary management revenue and expense report for FY20 first quarter
(Attachment M) – handed out during meeting
Financial dashboard (Attachment N)
Sustainability update (Attachment O)
Capital projects status update (Attachment P)
Status: 410 Lafayette and Salem Diner (Attachment Q)
DCAMM funding and five-year plan (Attachment R)

There being no further business to come before the committee, Trustee Katzman,
committee chair, adjourned the meeting at 6:42 pm.

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



Salem State University

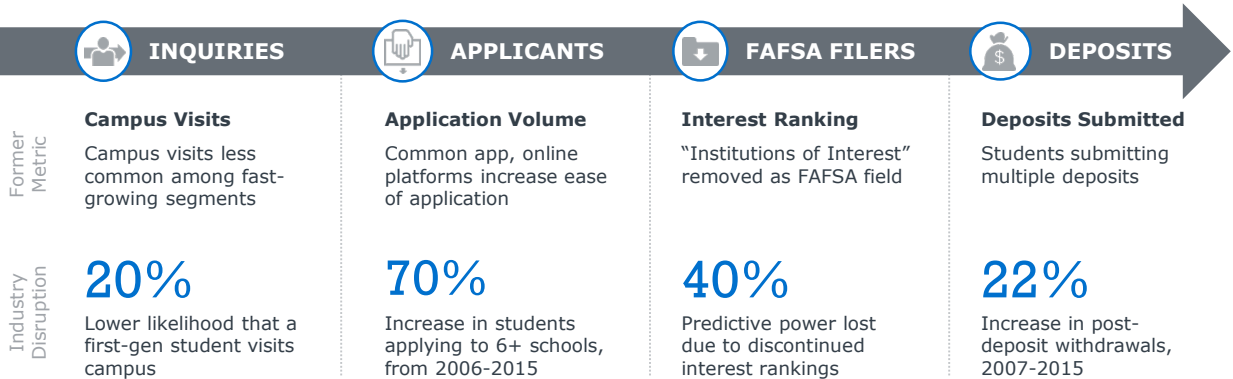
2020 Financial Aid Planning

Attachment A

- 1 Wrapping Up 2019 & Planning for 2020
- 2 Common Enrollment Challenges



Student Behaviors Disrupt Pipeline Management



Lack of Predictability Drives Critical Business Problems

28%

Privates

Institutions that missed both enrollment and net tuition revenue goals

43%

Publics

“Before 2008 executing on the enrollment management plan was like watching a slug cross the road. Now it’s like trying to catch a Superball.

VPEM, Large Public Research University

“The face value of the numbers I’m looking at every day continues to decline. Every year I’m not sure what the end will look like. That’s unnerving.

VPEM, Small Private University

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Publics were more likely to be successful than private institutions, especially larger institutions



Smaller, rural institutions were more likely to struggle, especially in the Midwest. Catholic institutions also struggled along with those looking to control discount



Discounts continuing to increase, approximately 0.5%-1% so far this cycle



Numerous institutions went to waitlists this year that ordinarily have not needed to use them



Yield rates have continued to decline, about 1% overall this year



FAFSA volume was down nationally and EAB client partners saw about a 1% drop in FAFSA submissions



Market Volatility is Unlikely to Subside



Increased Market Volatility

- Large enrollment swings in surprising places: Va. Tech overenrolling for example
- Increasing strong performance of public institutions, especially larger flagships
 - UMass Amherst, Lowell and UVM standout in New England
- Challenging international climate led to enrollment and yield declines



Changes in Purchasing Timelines & Attitudes

- Early depositors understand the value argument of institutions while others that waited until the last minute evaluated other offers, made trade-offs and often went in other directions
- Students & families becoming more consumer driven and choosing 'The best school I can afford' instead of 'The best school I can get into.'
- Deposit activity slowed nationally in mid-April before a late break prior to May 1 at many institutions



Fall 2019 enrollment levels fell below the desired headcount and revenue targets. Three main areas stand out and remediation for 2020 is already underway.

Massachusetts Outside Boston & North Shore

- Areas to the west and south of Boston showed the largest shifts in application development and enrollment, especially students with EFC's \$1-\$20,999

Low EFC Students

- Despite additional aid commitments, enrollment declined for Pell eligible students
- The largest shifts were amongst the top 40% of academic quality students

On-Campus Residents

- Despite increased aid awards for needy students, many are still unable to afford to reside on-campus
- Given shifts in geography, many of the areas that declined are also more likely to generate students wishing to reside on-campus

- **Despite increased discount aid, yields fell for high need students, especially those with higher levels of academic quality.**



How can Salem State grow its enrollment and efficiently get aid into the hands of the students that need it most and are likely to succeed at the University?

- Earlier launch timing of Salem State's application programs
 - As application volume fell in 2019, the 2020 marketing campaigns are already underway to support increased enrollment in 2020
 - Reassessment of search targeting strategy to maximize best fit students
- Increase need based aid to focus on middle quality, higher need students
- Increase focus on driving on-campus residency via housing incentives.
- Consider an early FAFSA or campus visit incentives
 - These are key yield drivers





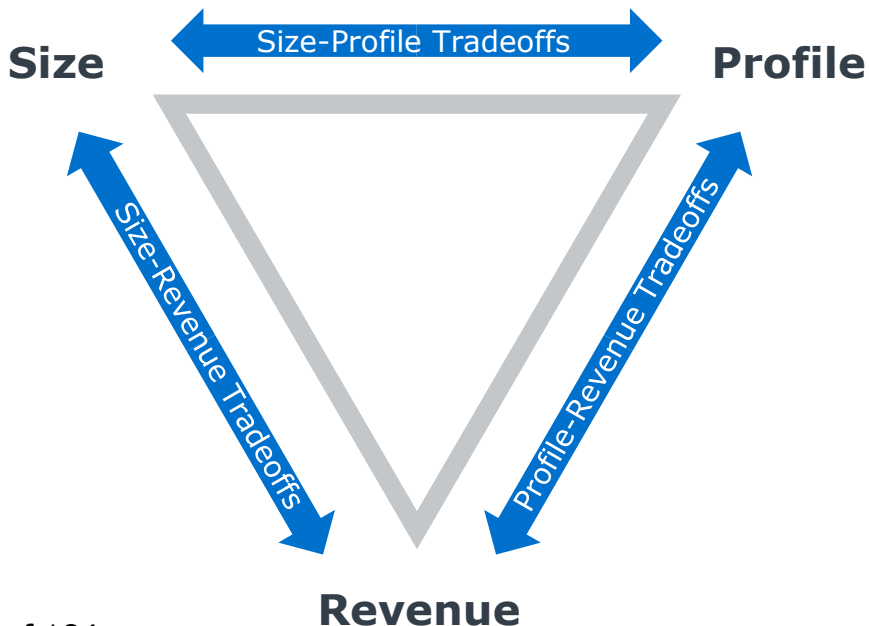
How can Salem State efficiently get aid into the hands of the students that need it most and are likely to succeed at the University and grow its enrollment?

- Implement focus high school incentives
 - 'Salem Scholars' is one concept for targeting & marketing additional incentives towards critical feeder schools to drive enrollment
 - Review of high school enrollment patterns and travel plans to efficiently plan staff travel
 - Review of merit scholarship index & award levels
 - Earlier financial aid planning process
 - Ultimately, a large portion of SSU's merit aid goes towards meeting student need
 - Review of enrollment patterns via National Student Clearinghouse analysis
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Where does Salem State want to be in one year? Three years? Five? Different goals are often at odds without one another. Ultimately, it is about striking a balance between goals and determining priorities.





Common Enrollment Questions

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What we are asked:

“Help me increase my enrollment.”

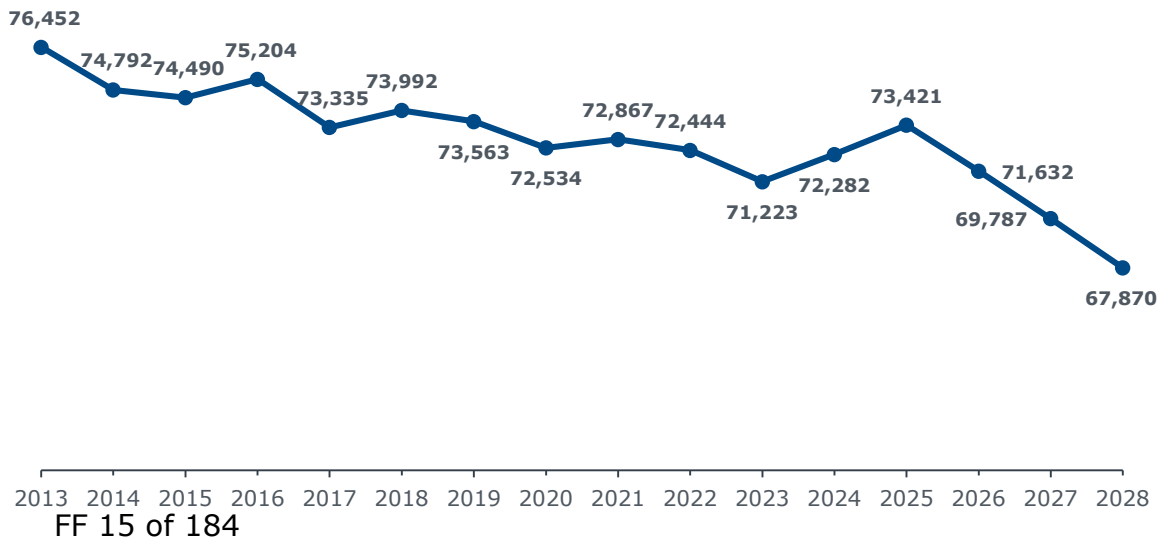


Massachusetts High School Graduate Change

Graduating Classes 2012 – 2028



Massachusetts	Northeastern Region
-11.2%	-9.9%



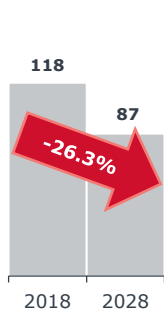
1) Northeastern Region includes: CT, ME, MA, NH, NJ, NY, PA, RI, VT

Massachusetts Demographic Change

Graduating Classes 2018 – 2028



**American
Indian/Alaskan
Native**



**Asian/Native
Hawaiian/Pacific
Islander**



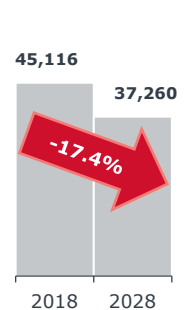
**Black/African
American**



Hispanic



White/Caucasian



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- Note: Private schools do not report ethnicity and are excluded from these totals
- Data visualization are normalized to 100 point scale to show percentage change



Wins and Losses Regionally This Year

With Challenging Demographics, All Institutions Are Competing For a Smaller Number of Students

UMass Amherst: Destination of Choice

The academic year began this month at UMass Amherst with the university welcoming an outstanding academic entering class, and the largest in university history.

The size of the entering class, approximately 5,800 students, represents an increase of 790 compared to last year. The university received a record 42,110 applications. Overall undergraduate enrollment this fall is projected to be 22,700.

The first-year class includes 4,300 in-state students, an increase of 800 over last fall. Massachusetts students represent 74 percent of the first-year class. Out-of-state enrollment remained strong at 1,500, including 470 international students.

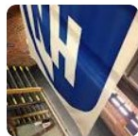
UMass Lowell Celebrates Record Enrollment, Start of Academic Year

 New Hampshire Public Radio

UNH Hires Consulting Firm To Review University's Finances

UNH Hires Consulting Firm To Review University's Finances ... First-year student enrollment is down 9.4% across the state's universities this ...

1 week ago



BSU
2019
BACK TO
SCHOOL

Returning Bridgewater State University students know every day is a great day to be a Bear. Now, a record number of freshmen are discovering just how true that saying is.

The university is welcoming about 1,630 incoming first-time students this fall, up from a previous high of 1,584 in 2007. Entering classes have averaged around 1,500 in recent years.

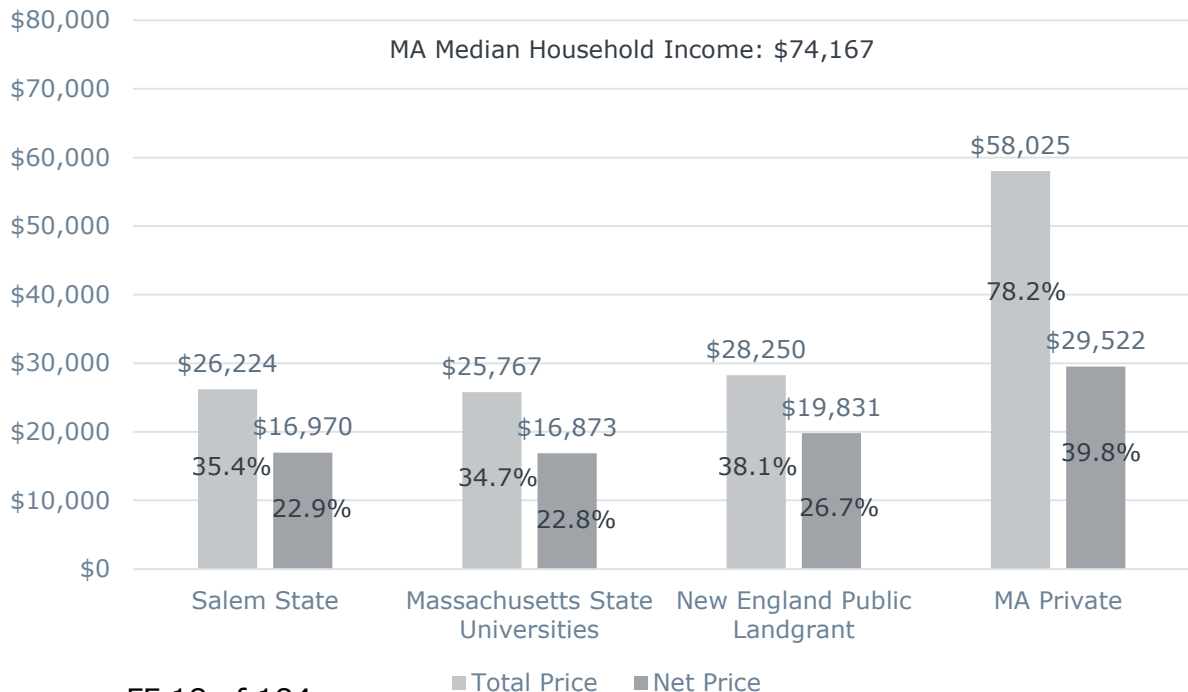
Source: <https://www.umass.edu/newsoffice/article/umass-amherst-moves-no-24-among-public>
<https://www.uml.edu/news/press-releases/2019/convocation2019release.aspx>
<https://www.bridgew.edu/news-events/news/newly-arrived-students-break-record>

Salem State Offers Students Lower Sticker, Net and Percentage of Income Relative to Competitors



Salem State Has a Compelling Argument On Net Costs

Attachment A



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Student Need Has Greater Impact Than Ever on School Choice.

Student Survey Responses on School Cost and Aid



37%

Of students limit the schools they apply to based on financial concerns



31%




Of students say they can't afford college without financial assistance

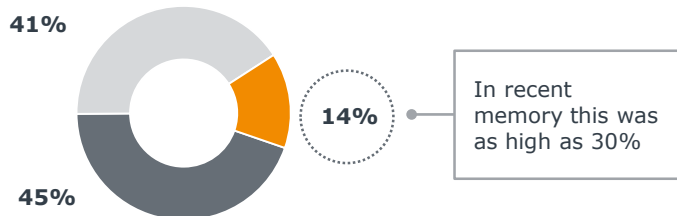


73%

Of students expect to receive financial grants and scholarships

"I will attend the school with:"

-  Highest rank, regardless of package
-  Best package and rank
-  Best package, regardless of rank



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What we are asked:

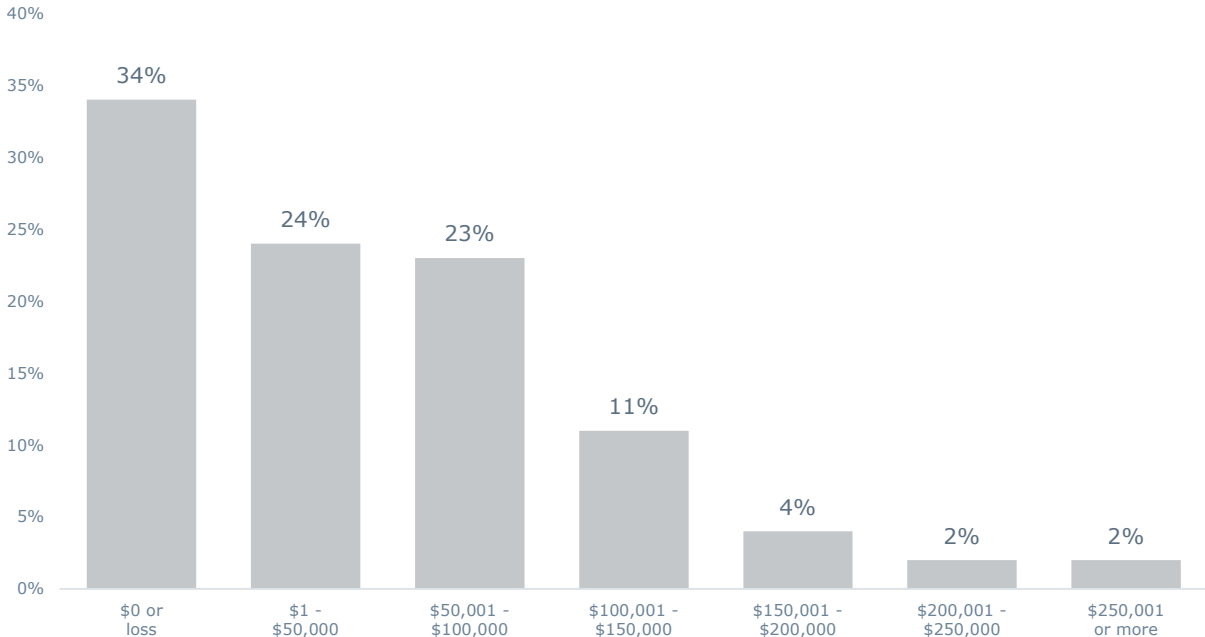
**“Find me more students
who can pay.”**

**“Help us to increase net
revenue.”**



Families with College Students by Income

The majority of prospective college going families have incomes of \$50,000 or below.

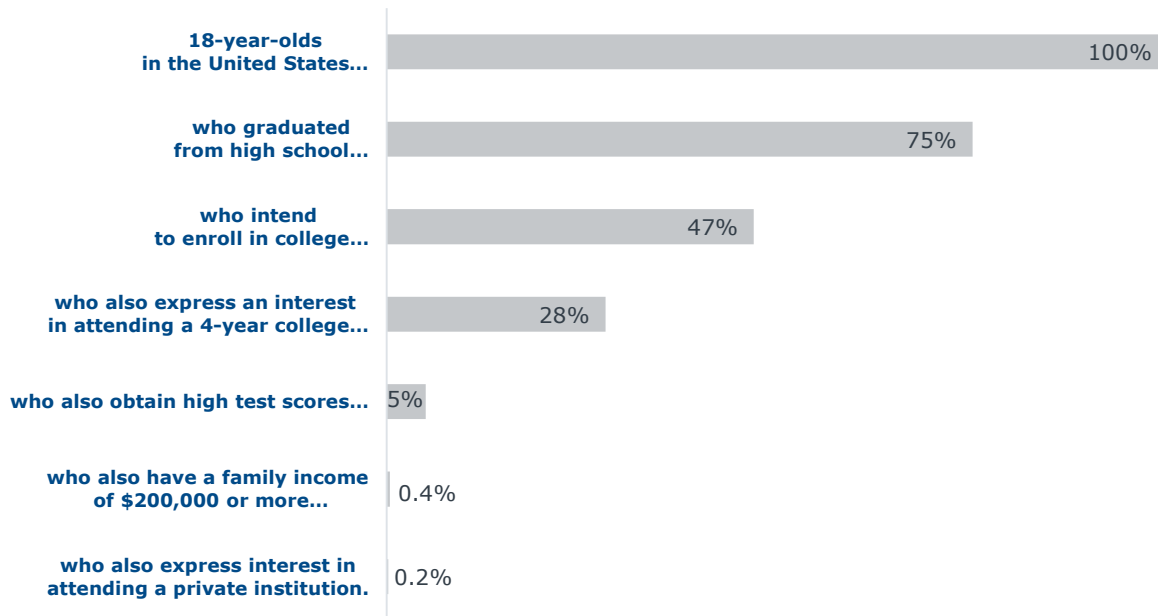


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Fewer Students with the Ability to Pay

There are 4.34 Million 18-Year-Olds in the United States and colleges are competing for a small subset of that group.

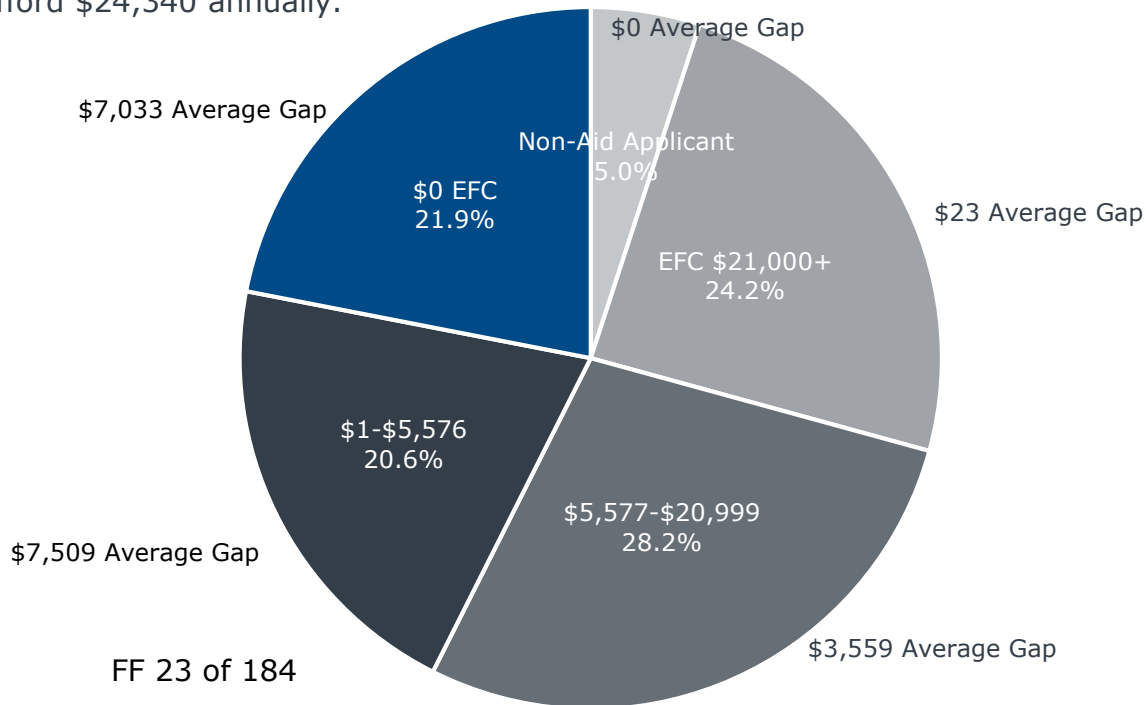


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Enrollment By Ability to Pay



For a large portion of students, Salem State requires an additional \$7,000 of out of pocket expenses even after federal loan and work study programs. Even with a lower cost relative to other institutions, many students must borrow in order to afford \$24,340 annually.



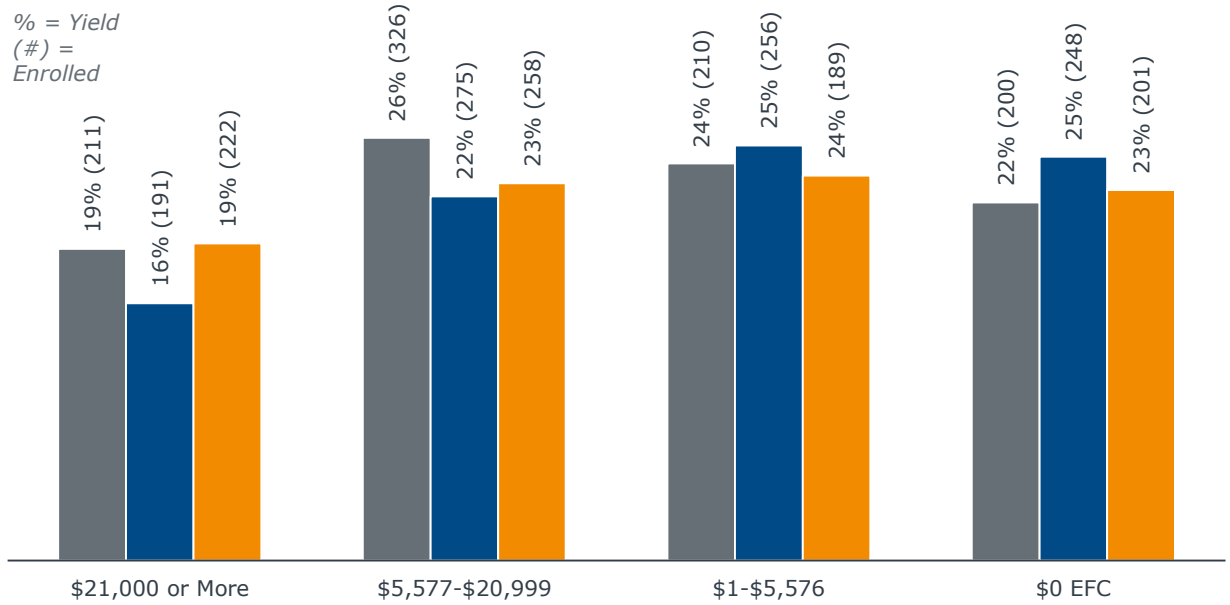
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Discount Rate & Yield By Ability To Pay

Salem State's Discount Rate Provides Access For Needy Families

% = Yield
 (#) = Enrolled



Expected Family Contribution

Discount Rate:



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 3.0%
 6.0%
 13.3%

21.8%
 35.8%
 33.3%

15.0%
 26.2%
 35.7%

15.1%
 20.7%
 24.8%

What we are asked:

**“Help us to provide
access to those that need
it.”**

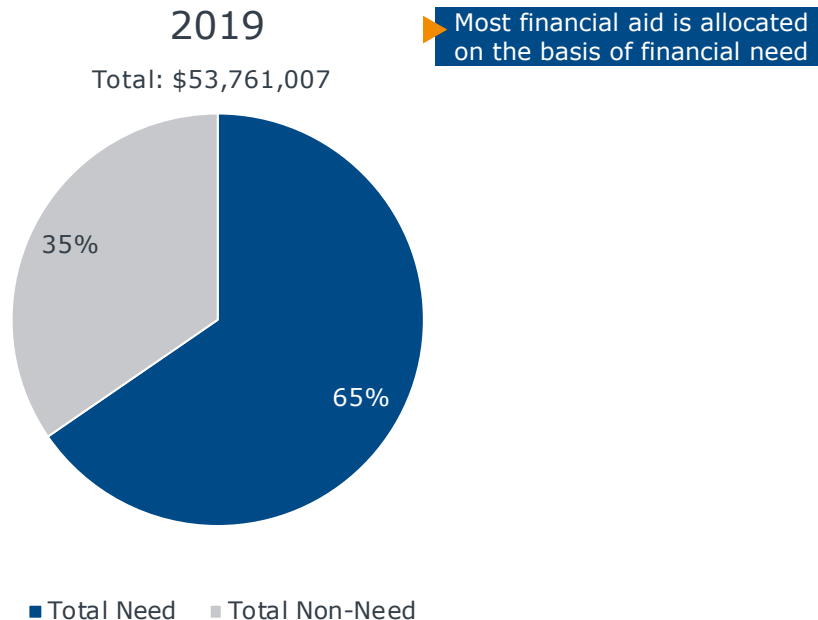
Categories of Aid (Need and Non-Need) Attachment A

From All Sources & Types



23

Full-Time Freshmen Population



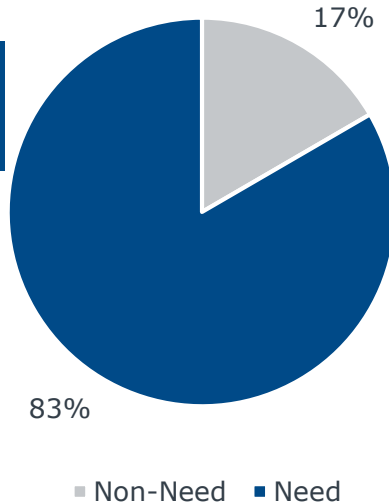
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Categories of Gift Aid From All Sources & Types

Full-Time Freshmen Population

Most gift aid, money that does not have to be repaid, is allocated based upon financial need.



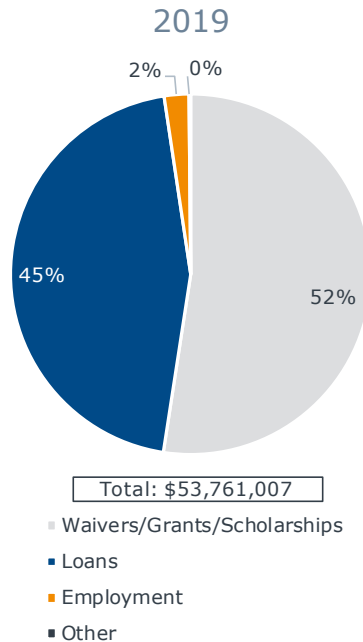
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Types of Aid (Grants, Loans, Employment) From All Sources

Attachment A



Full-Time Freshmen Population



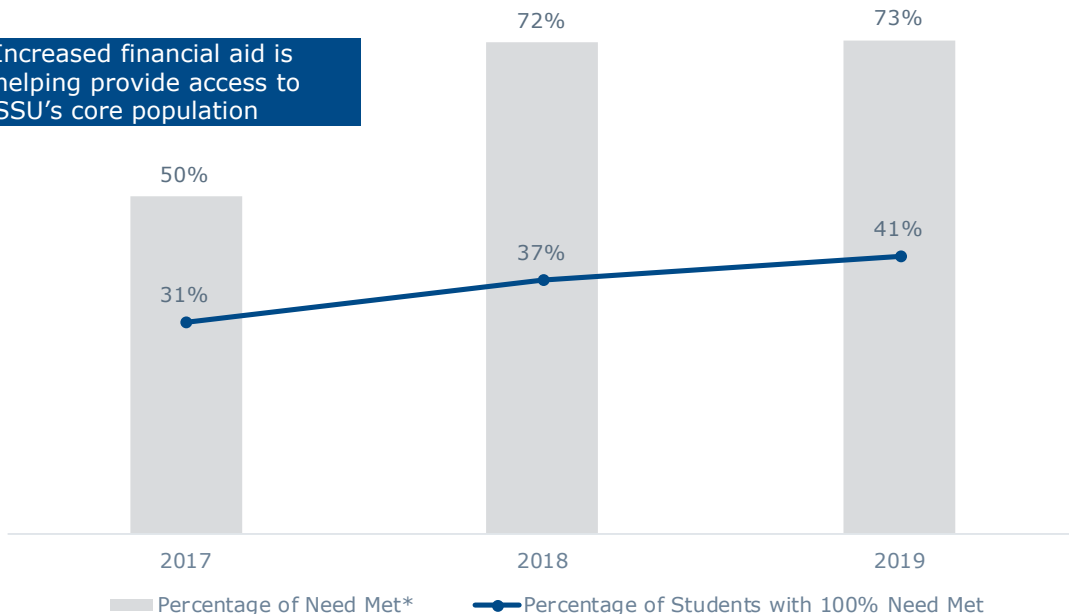
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Percentage of Student Need Met (In-State Undergraduates)



Enrolled Full-Time Freshmen Population

Increased financial aid is helping provide access to SSU's core population



*Need Met: The percentage of need that was met of in-state undergraduates who were awarded any aid including grants, scholarships, loans and work study from all sources. Excludes any awarded in excess of need.

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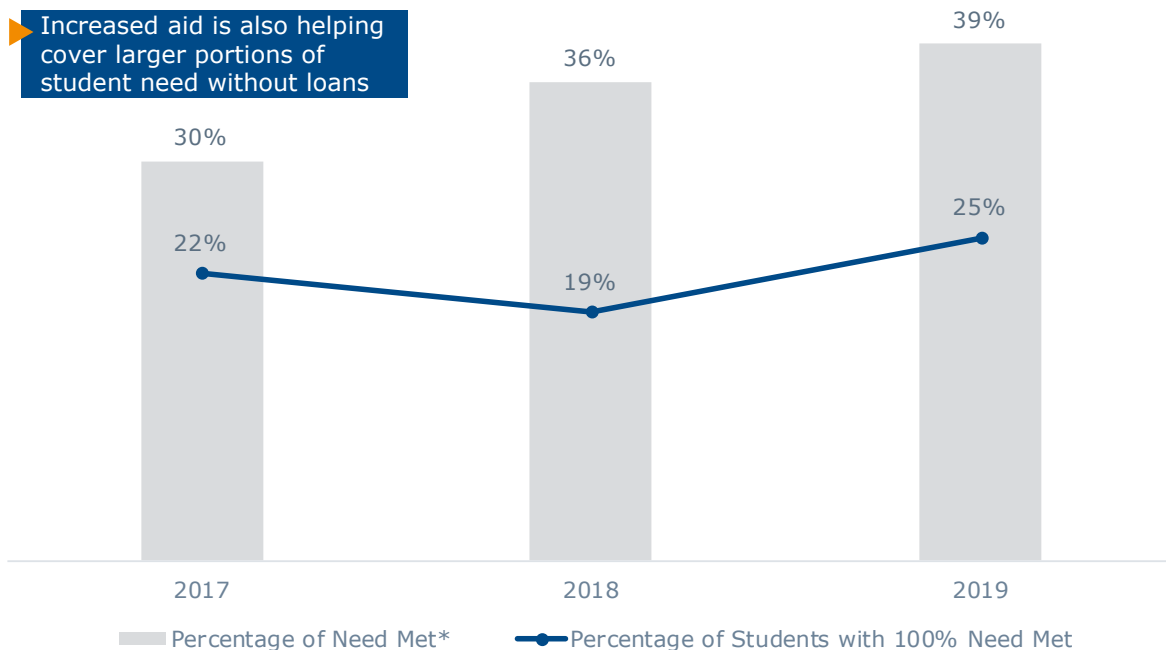
Percentage of Student Need Met With Gift Aid (In-State Undergraduates)

Attachment A



Enrolled Full-Time Freshmen Population

Increased aid is also helping cover larger portions of student need without loans



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*Calculated based on Total Grant

2019 Financial Aid by Income for In-State Undergraduates with Need

Attachment A



Salem State Full-Time Freshmen Population

Federal Income Range	Average Financial Aid Package	Average Unmet Need	Average Grant Award	Average Loan Award	Average Work Award
Less than \$30,000	\$10,173.58	\$5,669.21	\$6,588.43	\$3,385.49	\$2,500.00
\$30,000-\$40,000	\$16,222.39	\$10,166.21	\$10,500.67	\$5,335.75	\$2,500.00
\$40,001-\$50,000	\$15,775.32	\$9,895.82	\$9,834.13	\$5,516.01	\$2,511.11
\$50,001-\$75,000	\$13,509.41	\$8,495.09	\$7,503.55	\$5,592.19	\$2,500.00
\$75,001-\$100,000	\$11,503.91	\$5,870.42	\$5,282.26	\$5,809.91	\$2,484.62
Greater than \$100,000	\$8,364.86	\$1,266.21	\$2,329.37	\$5,874.16	\$2,500.00

For a large number of students, Salem State leaves large unmet need gaps, often in excess of \$8,000 after asking students to borrow \$5,500 annually.

What we are asked:

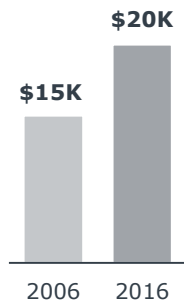
**“Please decrease our
discount rate. It’s too
high.”**



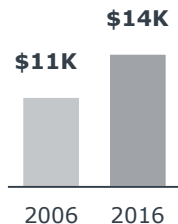
All Signs Point to Increased Sector-Wide Discounting

To Increase Revenue—But Stay Affordable—Differentiated Price Points Needed
To Provide Access With Increasing Costs, Financial Aid & Discount Rate Will Increase

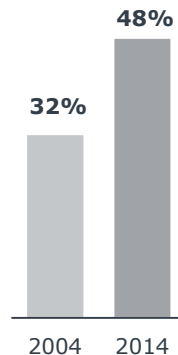
Average List Price
(incl. room and board)



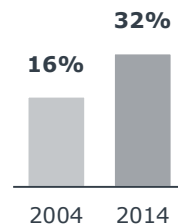
Average Net Price
(incl. room and board)



Students Receiving Institutional Grant Aid



Discount Rate



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1) The metrics on this page are averages of all four-year public baccalaureate and above degree-granting institutions. They reflect data only for incoming first-time, full-time students.

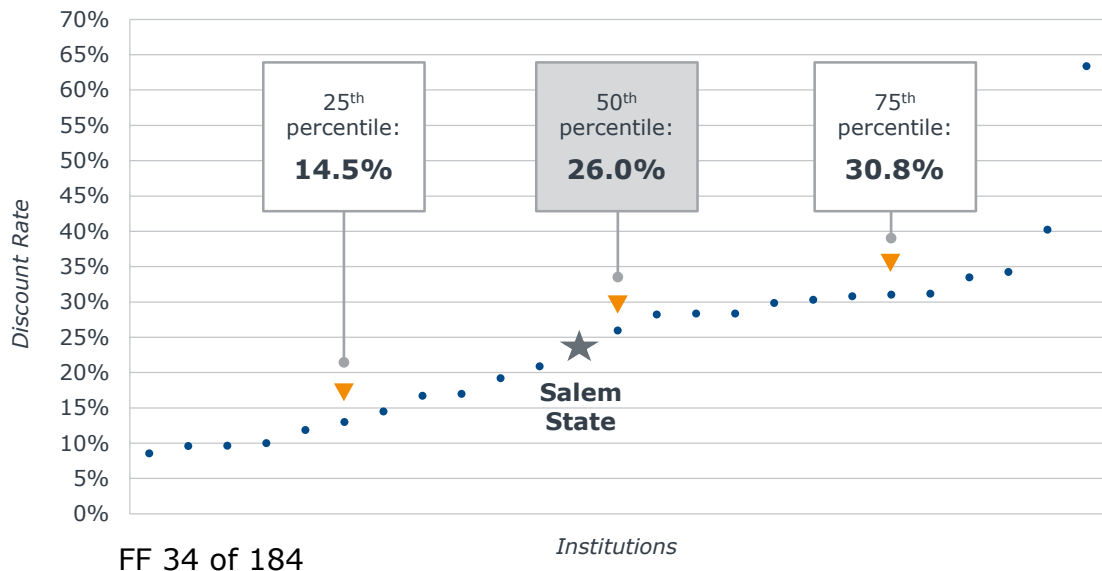


2019 Discount-Rate Trends for Public Institutions

Most Public Institutions' Discount Rate Is More Than 25%

Entering Class 2019 Discount Rate, Public Institutions

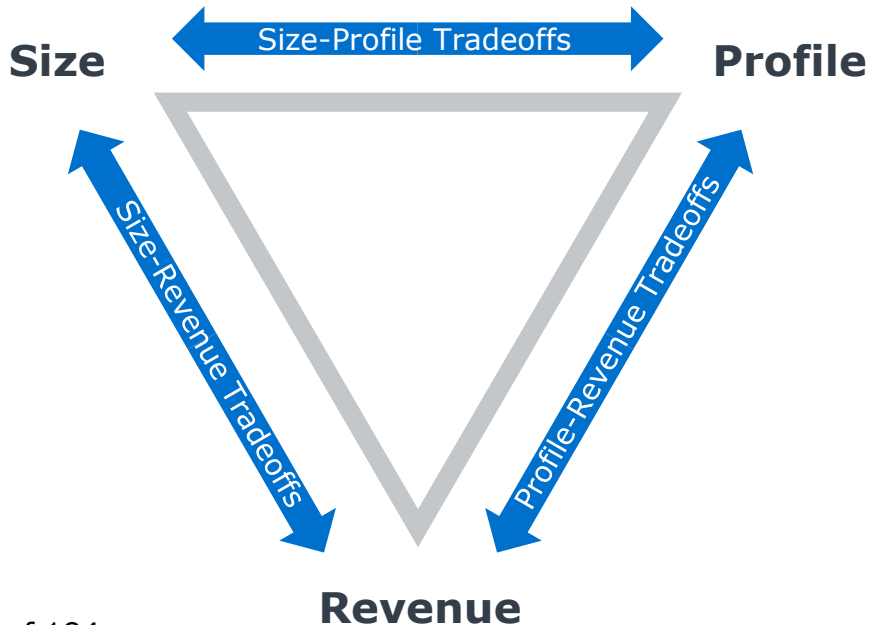
EAB FAO Partners



Data as of May 14, 2019.



Where does Salem State want to be in one year? Three years? Five? Different goals are often at odds without one another. Ultimately, it is about striking a balance between goals and determining priorities.





Questions & Discussion

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Washington DC | Richmond | Birmingham | Minneapolis

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REQUEST FOR TRUSTEE ACTION

Date: September 5, 2019
To: Board of Trustees
From: Karen P. House, vice president for finance and facilities
Subject: Eastern Bank - Certification of Resolution
Requested Action: Approval

Salem State University has bank accounts at Eastern Bank for its operations. The university needed to update authorized signatories on its Eastern Bank accounts due to an employee retirement. In doing so the bank realized that a certification of resolutions was not on file. The bank requires a resolution which needs approval by the board.

The following university administrators will be authorized signers on the account: vice president for finance and facilities/CFO, university controller, associate director of accounts payable and associate director of payroll.

Authorization by the Board of Trustees is requested on the motion below.

MOTION

The Finance and Facilities Committee recommends that the Board of Trustees approve the following motion regarding Eastern Bank – Certification of Resolution for Salem State University.

Recommended motion

The Board of Trustees authorizes approval of the signers on the university’s bank accounts at Eastern Bank. Authorized signers on the account will be the vice president for finance and facilities/CFO, university controller, associate director of accounts payable and associate director of payroll. Disbursements of amounts equal or greater than \$5,000 will require two signatures.

Committee: Finance and Facilities
Committee Action: Approved
Date of Action: September 25, 2019

Trustee Action:

Trustee Approval Date:

Effective Date: _____

Signed: _____

Title: Secretary of Board of Trustees

Date: _____

Address: 352 Lafayette Street, Salem, MA 01970

Name: Salem State University

Phone: 978-542-6120

Account Number:

Tax ID: 04-2325342

Date Opened:

CSR:

Supersedes Resolution Dated:

Officer:

Resolutions Apply to the following Account Number(s):



265 Franklin Street, Boston, MA

CERTIFICATION OF RESOLUTIONS AND OFFICERS (University)

I, Lynne Montague, do hereby certify that I am the duly elected, qualified and acting Secretary of the Board of Trustees of Salem State University, a state institution of higher learning duly organized, validly existing and in good standing under the laws of the state of Massachusetts (the "University") and, as such, I have custody of the books and records of the University, including the minutes of the meetings of its Board of Trustees. I hereby certify to Eastern Bank, its successors and assigns (the "Bank") the following:

1. I have provided copies of the organizational documents of the University requested by the Bank (such as the charter or bylaws or enabling acts) and all amendments thereto. Such documents are in full force and effect and have not been modified, amended or superseded. The University is duly qualified and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification.

2. I further certify that, (complete one)

[X] at a meeting of the Board of Trustees, duly called and held on October 16, 2019 at which a quorum was present and acting throughout

OR

[] by unanimous written consent of the Board of Trustees dated [] [if such action is permitted by the governing documents of the University, which may include a charter, bylaws and other organizational documents, and any amendments thereto (collectively, the "University Documents")],

the following resolutions were duly adopted:

RESOLVED: That Eastern Bank (the "Bank") is hereby designated as a depository institution of the University.

FURTHER RESOLVED: That each of the President, any Vice President, and the Treasurer is hereby individually authorized to execute and deliver to the Bank any form of depository or other agreement submitted by the Bank, evidencing the depository relationship between the University with the Bank, on such terms as may be agreed upon by such officer and the Bank including, without limitation, any indemnity, hold harmless, or fee provisions.

FURTHER RESOLVED: That each of the President, any Vice President, and the Treasurer is hereby individually authorized to be a signatory on any of the depository accounts of the University authorized by these resolutions (each, an "Account" and, collectively, the "Accounts") and each such officer is hereby authorized to sign or endorse checks and any orders for payment of money or otherwise deposit, withdraw, or transfer funds on deposit at the Bank in accordance with the Bank's agreements relating thereto and to draw, endorse, and discount with the Bank all checks, drafts, trade acceptances, promissory notes, or other evidences of indebtedness payable or belonging to the University or in which the University may have an interest, and either to receive cash for the same, to debit, charge, or credit any Account, to discount instruments, unconditionally guarantee payment of bills received, negotiated, or discounted and to waive demand, presentment, protest, notice of protest, and notice of non-payment, as such officer may, in his or her discretion, deem reasonably necessary or proper in order to carry into effect the provisions of these resolutions.

The following sentence may be added to require that checks or checking withdrawal tickets drawn on the Accounts over a certain dollar amount be signed by two authorized signers. This does not apply to withdrawals by telephone, wire transfer, ATM, Debit Card, POS, ACH, online, mobile, or other electronic means. If no amount is filled in, any authorized signer may act individually under these resolutions and two signatures are not required on any checks.

FURTHER, that checks or checking withdrawal tickets drawn on the Accounts in excess of \$ 4,999.99, require the signatures of two authorized signers.

FURTHER RESOLVED: That each of the President, any Vice President, and the Treasurer is hereby individually authorized to enter into any overdraft or related agreement in connection with the Accounts, on such terms as may be agreed upon between such officer and the Bank.

FURTHER RESOLVED:

FURTHER RESOLVED:

Attachment B

Name:

Account Number:

FURTHER
RESOLVED:

That each of the President, any Vice President, and the Treasurer is hereby individually authorized to enter into a Cash Management, Online Banking, Money Transfer, or other agreement for services from the Bank and any amendments or addenda thereto, and may establish such limitations, call-back or confirmation requirements, and other conditions as the Bank permits and such officer, in his or her discretion, deems reasonably necessary or appropriate, all on such terms and conditions as may be agreed upon by the Bank and such officer.

FURTHER
RESOLVED:

That each of the President, any Vice President, and the Treasurer is hereby individually authorized to designate representatives of the University to act as authorized representatives of the University with respect to the University's banking relationship with the Bank, including any Account of the University or any service provided to the University by the Bank, and to take any action that the President, a Vice President or the Treasurer would be empowered to take pursuant to these resolutions, including without limitation the authority to enter into or execute agreements with the Bank, sign checks, withdraw funds from an Account electronically or by other means, effect or confirm funds transfer transactions by ACH or other means, administer a service, designate other signatories on or users of accounts, services or automated access devices, or designate other authorized representatives of the University, the designation of such authorized representatives, signatories or users to be evidenced by any means reasonably acceptable to the Bank.

FURTHER
RESOLVED:

That the Bank is authorized to rely on (i) facsimile signatures on file with the Bank and to treat such facsimile signature as the signature of the authorized officer, representative, signatory or user regardless of by whom or by what means the signature may have been affixed to the document, (ii) verification codes including, without limitation, personal identification numbers (PINs) and digital signatures issued to or obtained by the authorized officer, representative, signatory or user, and (iii) voice directions via telephone as well as directions to the Bank via the web, internet, personal computers or other electronic means.

FURTHER
RESOLVED:

That the University has established sufficient internal controls over its financial operations to mitigate the risks of loss resulting from fraud, malfeasance, identity theft, and other risks inherent in electronic banking activities.

FURTHER
RESOLVED:

That the Bank is hereby authorized to furnish to any individual authorized officer, representative, signatory or user automated access devices including, without limitation, credit cards, automated teller machine cards, and debit cards.

FURTHER
RESOLVED:

That the Bank shall be held harmless from any claim or liability resulting from the unauthorized use of any facsimile signatures, verification codes, PINs, telephone directions or directions via other electronic means (including email) as set forth in the previous resolutions.

FURTHER
RESOLVED:

That any actions taken and all documents heretofore executed or delivered by any individual acting for, or on behalf of, the University in exercising any of the foregoing powers or in contemplation of the transactions authorized by the foregoing resolutions, are hereby ratified, confirmed, and approved.

3. I certify that the resolutions set forth above are in full force and effect as of the date hereof and have not been modified, superseded, or rescinded in any respect, will continue in full force and effect until express written notice of modification, rescission or termination has been received by the Bank, and may be relied upon by successors and assigns of the Bank. I further certify that there is no provision in the University Documents limiting or qualifying the power of the Board of Trustees to adopt the foregoing resolutions, that the same are in conformity with provisions of the University Documents, and that no other consent, including from the Board of Overseers, is required in connection with any action authorized by such resolutions.
4. I certify that this University does not engage in any "Internet gambling" business or related activities, which means any activity by which any bet or wager is placed, received or otherwise knowingly transmitted that involves the use, at least in part, of the Internet. I further certify that I will notify the Bank immediately if there is any change in the business or activities of this University that will make the foregoing statement untrue. (*Note: Federal law prohibits financial institutions from maintaining accounts for business entities engaged in internet gambling or allowing deposit accounts to be used for accepting or making payments in connection with internet gambling activities, where such internet gambling activities are unlawful under federal or state law.*)
5. I certify that this University does not engage in any "marijuana-related" business or related activities, which means any activity that involves growing, dispensing, distributing, or selling marijuana for any purpose, including but not limited to medical or recreational. I further certify that I will notify the Bank immediately if there is any change in the business or activities of this University that will make the foregoing statement untrue. (*Note: Marijuana remains illegal under the federal Controlled Substances Act even in states that have legalized marijuana use for medical or recreational purposes.*)

Attachment B

Name:

Account Number:

6. I further certify that (i) each of the following persons (a) is authorized, pursuant to the foregoing resolutions and the University Documents, to take any action for, or on behalf of, the University in connection with the banking relationship between the University and the Bank and (b) has been duly elected, appointed or designated as, and currently holds, the position set forth opposite his or her name and (ii) the signature appearing opposite each name is the true and genuine signature of that person.

Karen P. House	Vice President for Finance and Facilities/CFO	
Name	Title	Specimen Signature
Russell Bethoney	Assistant Vice President/ Controller	
Name	Title	Specimen Signature
Karen L. Johnson	Associate Director of Accounts Payable	
Name	Title	Specimen Signature
Theresa McDonald	Associate Director of Payroll	
Name	Title	Specimen Signature

IN WITNESS WHEREOF, I have executed this Certification of Resolutions and Officers of the University on the _____ day of _____, _____.

Secretary

(CORPORATE SEAL, if available)

Confirmed* By: _____ Title: _____

**If the Secretary is authorized to act on behalf of the University in connection with the above resolutions, this Certification must be confirmed by another officer.*

Certified Facsimile Signature(s) for Bank's Files:

Attachment B

Name:

Account Number:

This Certification must be notarized if this Certification is not signed in the presence of an Eastern Bank account officer.

Jurat

State of _____



SS

County of _____

On this the _____ day of _____, _____, before me, _____, the undersigned Notary Public,

Name of Notary Public

personally appeared _____,

Name of Signer(s)

proved to me through satisfactory evidence of identity, which was _____,

Description of Evidence of Identity

to be the person(s) whose name(s) was / were signed on the preceding or attached document in my presence, and who swore or affirmed to me that the contents of the document are truthful and accurate to the best of his / her / their knowledge and belief.

Signature of Notary Public

Printed Name of Notary

Place Notary Seal and/or Stamp Above

My Commission Expires _____

Investment Management Services for Salem State University

Karen House, vice president for finance and
facilities

September 25, 2019

Chronology of Salem State University Investment Management Services RFP 2019-08

Attachment C

Phase 1

- March 27, 2019 – Review of RFP process with Finance and Facilities Committee and charge of Investment Management Services RFP Team
- May 8 – RFP issued
- May 28 – Pre-bid conference for vendors
- June 7 – RFP proposals due (22 vendor responses; 14 responsive)

Chronology (cont.)

Phase 2

- June 10 – 28 – Responses reviewed & scored by Salem State staff
- July 31 – Firms (6) selected for continued consideration forwarded to team for further review
- August 15 – Team meeting; Identified firms for interviews (3 vendors: Cambridge Trust, Eastern Bank Wealth Management and Eaton Vance Investment Counsel)
- September 12 – Reference checks completed (current and former clients) and forwarded to team

Chronology (cont.)

Phase 3

- September 16 – Team interviews 3 firms & develops recommendation of Eastern Bank Wealth Management
- September 17-19 – VP discussion with Eastern, identify potential opportunities for SSU students
- September 25 – Finance and Facilities Committee meeting to review and approve recommendation to the full Board of Trustees for consideration
- October 16 – Full Board of Trustees vote scheduled

Award and Implementation

- Finalize & execute contract for December 1 start

Finalists

	Cambridge Trust	Eastern Bank Wealth Management	Eaton Vance Investment Counsel
Investment performance (3-year)	6.3%	6.6%	6.5%
Assets under management	\$3 billion	\$2.1 billion	\$6 billion
Firm's non-profit clients (%)	5.7%	8%	9.7%
Firm's assets non-profit (%)	13%	25%	7.4%
Fees based on \$15.9 million in university assets	40 basis points (approx. \$63.6K)	45 basis points (approx. \$71.6K)	37 basis points (approx. \$58.K)

Evaluation criteria of finalists

- Investment performance
- Fees
- Value added to the university
- Reference checks
- Presentation

Strengths of Eastern Bank Wealth Management

- Strong investment performance over the years
- Reasonable fees (no increase)
- Active contributor to Salem State community, operationally & philanthropically
- Employ more graduates of SSU than any other school
- Potential expansion of internships for Salem State students
- Experienced leadership and professional team
- Solid references from current & former clients
- Effective communicators
- Major role advising, educating community and implementing divestment policy related to Carbon 200.
- Advise Salem State University Foundation

REQUEST FOR TRUSTEE ACTION

Date: September 24, 2019
To: Board of Trustees
From: Karen P. House, vice president for finance and facilities
Subject: Investment Management Contract
Requested Action: Approval

A thorough and fair RFP process took place for investment management services over a period of months. Members of the investment management review team which included university staff and trustee volunteer Katzman met with the three finalists on September 16: Cambridge Trust, Eaton Vance and Eastern Bank Wealth Management.

Eastern Bank Wealth Management is recommended for the following reasons:

- Investment performance favorable compared to other firms;
- Value added to the community: active contributor to Salem State both operationally and philanthropically, employs more graduates from Salem State than any other school; local bank
- Solid references from both current and former clients;
- Presentation was informative and all inclusive
- Experienced personnel: staff are exemplary in their field and team is well established and stable

MOTION

The Finance and Facilities Committee recommends that the Board of Trustees approve the following motion regarding appointment of firm for investment management services.

Recommended motion

The Board of Trustees of Salem State University hereby approves the appointment of Eastern Bank Wealth Management to provide investment management services for certain Salem State University trust funds and authorizes the administration of the university to enter into a five-year contract (initial period) beginning December 1, 2019 with a renewal option at the university's discretion for another five-year term (renewal period). The contract will include provisions for termination of the agreement by either party with ninety (90) days written notice. The fee is 45 basis points.

Committee Assigned: Finance & Facilities
Committee Action: Approved

Date of Action: September 25, 2019

Trustee Action:

Trustee Approval Date:

Effective Date:

Signed: _____

Title: _____

Date: _____

SSU BOLD: A Campus Unification and Modernization Project

Project Update & Funding Discussion

Finance & Facilities Committee 9/25/19

Karen House

Science Labs... and more

- DCAMM Proposal Process
- Readiness Project Results
- Bold
- Total Project Cost
- SSU Cash & Debt
- SSU Financial Readiness
- Next Steps

DCAMM Proposal Process

- Similar to two years ago
- Pre-formatted template
- Peer review (10/16/19)
- Final submission (12/20/19)
- SSU executive task force preparing the proposal, led by Adria Duijvesteijn
- Decision anticipated Spring 2020

Commonwealth Priorities

- Address deferred maintenance
- Programmatic collaborations
- Regional or statewide occupational needs
- Minimize space requirements, improve student outcomes

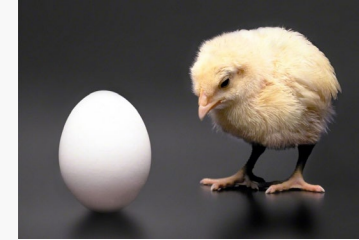
Other Decision Considerations

- BHE equity priority:

Significantly raise the enrollment, attainment and long-term success outcomes among under-represented student populations.

- Comparative need across all proposals
- Business case & implementation strategy, incl. ability to leverage non-state funds

Funding Requirements (from DCAMM proposal template)



H.2 Total funding:

Identify the \$ amount being requested from DCAMM and indicate what other sources of funding are being used for this project. Under “Timing and Constraints” describe whether these are matching funds, grants, loans or gifts and clarify timing and other constraints on the funding \$.

Confirm timing constraints of financial commitment. Please note: all \$ (including fundraising \$ that have not yet been committed) must be committed and confirmed prior to completion of Study/Schematic Design Certification.

If the IHE is providing funding to support completion of the project, indicate amount and timing of confirming the availability of cash resources of institution. If the IHE has secured private sector funding to support completion of the project, indicate the name of the provider (s) amount and timing of the availability of cash resources of institution. Provide a letter from the Trustees confirming a commitment to providing IHE’s resources and indicating the availability of funding timing.

H.3 Potential revenue from sale of state-owned property

If the project involves the potential sale of state-owned property, include the name of the building or asset that will be sold, and the estimated total amount of revenue that would be deposited to the Commonwealth’s General Fund as a result of the sale, pursuant to current state law. While the revenue would not be used directly to fund the project, it could be considered as an offset to the overall cost to the Commonwealth.

Readiness Study

- 4 options emerged from study
 - 1 bad, 2 similar
- 2 options costed, both in Meier Hall
 - \$60.4 million
 - \$67.7 million
- 21 science labs (16 teaching, 5 research)
- Cost estimates refined; still unaffordable
- What could be built for \$40M?
 - Science labs (7)
 - \$42.2 million
 - Only \$2.8 million in Deferred Maintenance
 - Unlikely to be funded by Commonwealth

Unlikely to be funded by Commonwealth



Time to “Be Bold”



SSU BOLD: A Campus Unification and Modernization Project

- Exit South Campus
- Renovate Horace Mann (incl. sim labs)
- Build 7 new science labs connected to Meier Hall
- Create 4 new tech-friendly classrooms in library
- Add parking spaces on North Campus
- Payoff Bates debt; avoid future investment

Exit South Campus



Appraisal: \$11-15 Million
Harrington Building
Bates Complex
Upper South
8 Harrison



Renovate Horace Mann



GSF: 37,830

Program:

- CJ (perhaps)
- Health Care Studies
- Nursing
- Occupational Therapy

Notable Spaces:

- Simulation Labs
- Occupy: 2023

Gain 26% classroom efficiency based on North Campus location

Sim Labs increase capacity in healthcare programs



Tech friendly classrooms contribute to workforce readiness



Build 7 new labs-Meier Hall

GSF: 16,730

Program:

- Biology
- Chemistry

Occupy: 2023

Easier collaboration with
STEM, health science
programs in Horace Mann



Continue incrementally renovating remaining science labs & addressing deferred maintenance (such as recent & current roof projects)

MEIER HALL | CONNECTIVE ADDITION: LITE INTERVENTION; LOOP CIRCULATION

- Vacated classroom space
- Vacated offices
- Vacated labs

- Ceramics lab
- 1 Classroom

- 2 Offices
- 2 Computer Labs (can stay)
- 1 Classroom

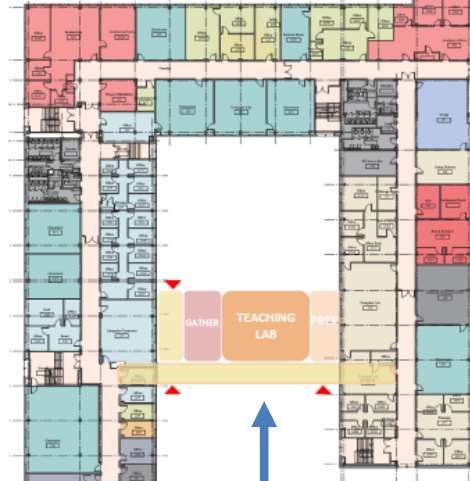
- Geology Lab Prep (storage)
- 3 Geology Offices
- 1 Classroom

- 2 Biology Teaching Labs
- 1 Biology Teaching Lab Prep

Level 1



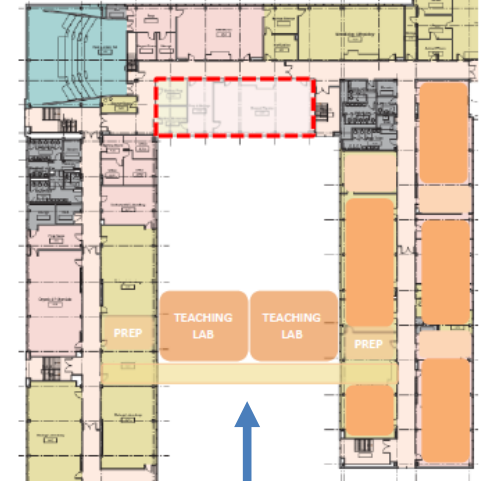
Level 2



Level 3



Level 4



Approximate 4,650 SF remains vacated for future growth at end of phasing.

The new labs as currently envisioned; connected to Meier Hall

- DEPARTMENT LEGEND
- BIOLOGY related
 - ART + DESIGN
 - BIOLOGY
 - BLOG SUPPORT
 - CHEMISTRY & PHYSICS
 - COMPUTER SCIENCE
 - ECONOMICS
 - ENGLISH
 - GEOGRAPHY
 - GEOLOGY
 - POLITICAL SCIENCE
 - PSYCHOLOGY
 - SOCIOLOGY
 - Registrar
 - Building Shared
 - Dean of Arts & Sciences
 - Arts & Sciences
 - First Year Experience
 - FYE
 - Instructional Media Center
 - Academic Affairs
 - Student Life
 - President's Office
 - Circulation
 - Unassigned

New Classrooms in Library



- Swing Space if needed
- Permanent Classrooms
- Repurpose underutilized space
- Tech friendly classroom opportunity → North Shore region workforce impact
- Potential faculty teaching innovation collaboration space







Project Budget & DM Impact

Component	Cost	Elimination of Deferred Maintenance
Sell South Campus	Generates funds	\$67.1M
Pay off Bates (MSCBA held debt) – payoff amt pending MSCBA	Est. \$4.6M	Incl. above
Renovate Horace Mann for South Campus programs	\$28.5M	\$3.6M
Build 7 labs Meier Hall & 4 classrooms in Library	\$32.5M	n/a
Build parking on North Campus	\$500K	n/a
Total Cost	\$66.0M	\$70.7M

Project Funding (\$66.0 needed)

Sources:

- DCAMM \$25 – 30M
- Property sale \$11-15M
- Parking funds on hand \$500K
- SSU Cash + Debt \$10-15M
- Gifts & Grants \$10-15M

Commonwealth Criteria	SSU Bold Project	Our Sense
Deferred Maintenance	\$70.7 million eliminated	
Programmatic Collaborations	Health sciences partners, MLS, Mass Bio, employers	
Regional workforce needs	Health Care, IT	
Minimize space requirements, improve student outcomes	26% efficiency in space use; takes 257,177 GSF offline (includes Bates)	
Equity	SSU is most diverse of the state U's; only one without modern science labs; largest nursing program	
Business Case & implementation strategy; ability to leverage outside \$	Innovative real estate strategy; leveraging grants & gifts to fund; avoid investment in Bates; ongoing operational savings	

PROS:

- Right size facilities
 - Vacate South and consolidate to North
 - Reduce operating costs
 - A positive for recruiting students & STEM faculty
- Improves STEM/health science facilities (workforce programs) by 2023
 - adjacencies
- Revitalizes now-vacant Horace Mann;
- Garner space efficiencies due to location
- Allows continued use of Meier Hall
- 4 new classrooms, opportunity to increase tech-friendly
- Avoids investing in Bates

CONS:

- Risks - two major construction projects simultaneously & a land sale with rezoning considerations
- Funding gap requires significant gifts and grants

Quotes from Commonwealth partners (DCAMM, DHE, MSCBA)

- “Super creative... great proposal...Selling South Campus is a big deal...this is very strong”
- “Shrinking the campus footprint is very compelling... obvious impact on workforce needs”
- “Innovative... informed by previous planning... how can we help you to deliver this?”

DCAMM proposal process requires evidence of funding

- DCAMM money (proposal in process)
- Sale of South Campus (legislation, zoning, & sale)
- Gifts and Grants (active discussions)
- SSU Cash & Debt (authorization in December; don't issue until necessary)
- Parking (funds on hand with MSCBA)

Bold: SSU Cash & Debt \$10-15M

- Cash on Hand
 - 6/30/19: \$27.0 million (+\$8.4)
 - 6/30/18: \$18.6 million
- Investments
 - 6/30/19: \$16.5 million (+\$1.7)
 - 6/30/18: \$14.8 million

Debt

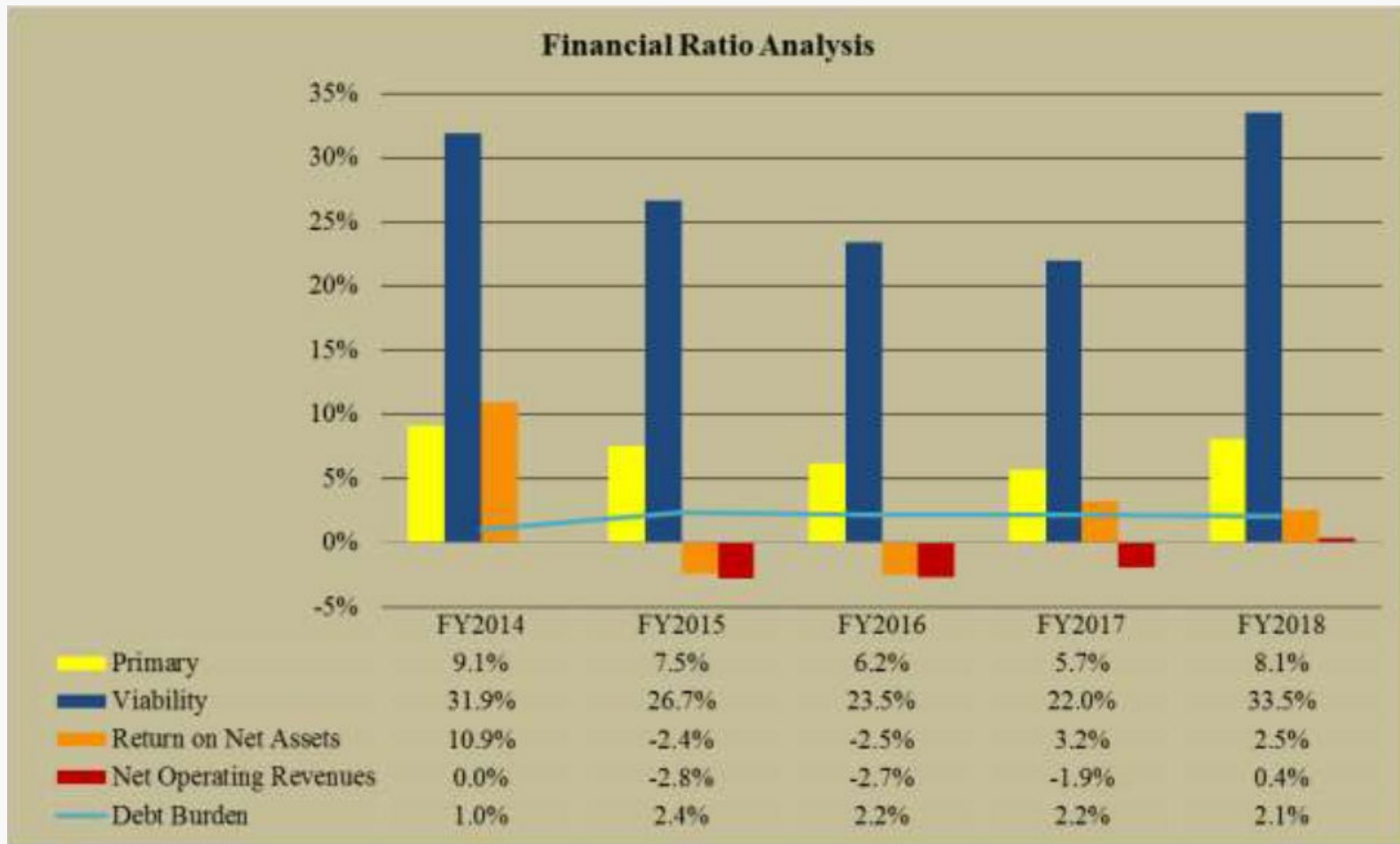
- Bonds, Loans & Note Payable (on book)
 - 6/30/19: \$43.5 million (-\$1.7)
 - 6/30/18: \$45.2 million
- MSCBA held debt (off book)
 - 6/30/19: \$187.5 million (+\$4.2)
 - 6/30/18: \$183.3 million
- Total
 - 6/30/19: \$231 million (+2.5)
 - 6/30/18: \$228.5 million

MSCBA would issue the debt for SSU Bold

- Authorization based on 2008 Bond Bill
 - Chapter 703 Acts of 1963; Section 156 of Chapter 131 of Acts of 2010; Section 2 of Chapter 258 of Acts of 2008
- Credit evaluation process is TBD but based on standard ratios
- Identify the source of repayment (i.e. student fees and/or reallocation of other expenses)
- For \$10M debt, debt service w/b \$800K
 - 1.1% of FY20 UG Tuition & Fees
 - \$125.00 per student

SSU Financial Health – FY18 Ratio Analysis

(update is pending FY19 audit)



Next Steps

- Peer review (Oct. 16)
- DCAMM & City - South Campus sale
- Continue advocacy for gifts & grants
- Update ratio analysis & debt capacity
- Nov. 20 Finance & Facilities Committee meeting – recommend authorization for debt **NTE \$X**
- Dec. 13 BOT vote on debt motion
- Dec. 20 submit DCAMM proposal
- Spring 2020 notification regarding DCAMM funds

Occupy by 2023

			SUMMER				SUMMER				SUMMER					
Sub-Project	Plan B - Bold: Decant South Campus: Reno Horace Mann, Battery Pack for Science	Who's Money, from where	Fall 2019	Dec 2019	Jan - May 2020	June - Aug 2020	Fall 2020	Dec 2020	Jan - May 2021	June - Aug 2021	Fall 2021	Jan - May 2022	June - Aug 2022	Fall 2022	Dec 2022	Jan - May 2023
General	Due diligence - is Plan B feasible, affordable, attractive	DCAMM (Readiness Project)														
South/HM	City to Rezone South Campus	DCAMM (Readiness Project)														
South/HM	Design additional North Campus Parking	SSU (MSCBA held funds)														
South/HM	Construct additional North Campus Parking	SSU (MSCBA held funds)														
South/HM	Plan for Bates decommissioning	soft costs														
South/HM	Sell South Campus (leaseback & pay off MSCBA debt?)	n/a														
South/HM	Design the Library classrooms	SSU														
South/HM	Construct the Library classrooms	SSU														
South/HM	Move identified functions to Library classrooms	SSU														
South/HM	Design Horace Mann renovations	Commonwealth				\$\$\$	\$\$\$	\$\$\$	\$\$\$	\$\$\$						
South/HM	Renovate Horace Mann	Commonwealth								\$\$\$	\$\$\$	\$\$\$	\$\$\$	\$\$\$		
South/HM	Move programs from South Campus to Horace Mann	Commonwealth														
South/HM	Decommission South Campus (end leaseback period)	Commonwealth														
General	Work with MSCBA regarding credit analysis	soft costs				update										
General	Submit Funding Proposal	soft costs														
General	Learn results of funding proposal	n/a														
Sci/Meier	(Sci/Meier) Issue bonds for funding SSU piece	SSU; MSCBA to issue					*									
Sci/Meier	Design Meier Battery Pack addition	SSU; MSCBA to issue bonds				\$\$\$	\$\$\$	\$\$\$	\$\$\$	\$\$\$						
Sci/Meier	Build the Battery Pack	SSU; MSCBA to issue bonds								\$\$\$	\$\$\$	\$\$\$	\$\$\$	\$\$\$		
Sci/Meier	Move into Battery Park science labs	SSU; MSCBA to issue bonds													*	
General	Fundraising	SSU														
			Funding window													
Notes:																
1 South Campus Sightlines Deferred Maintenance: \$80.5 Million includes Bates of \$36.7 Million (\$43.8M Commonwealth bldgs.)																
2 Horace Mann Sightlines Deferred Maintenance: \$9.9 Million																

Why Be Bold?

SSU Bold: A Campus Unification and Modernization Project



Business Model Discussion

Financial Aid

September 25, 2019

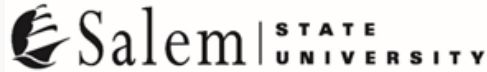
Bonnie Galinski, Associate Vice President, Enrollment Management

Karen House, Vice President, Finance & Facilities

Scott James, Executive Vice President

Tom Moran, EAB

SSU Business Model – Note significant categories relate to Students, Govt. & Labor



BUD077 - Budget Variance - Mgmt View

FY 2019 / Jun (Open) / Management View / All Funds / \$K

Run on: 8/28/2019 1:36:02 PM / Data as of: 8/28/2019 12:00 PM

**Preliminary
Results
Not Final &
Not Audited**

Account Description	FY 2019 YTD-Jun Actuals (\$K)	% of Revenue or Expense	Comment
Managed Revenues:			
Net Tuition and Fees	61,057	34.9%	Rate x Count; 3 Lines of Business (UG, CE, Grad - i.e. students)
Federal, State, Private Grants	19,891	11.4%	Mostly Federal Financial Aid (i.e. students)
Auxiliary Enterprises	22,569	12.9%	Mostly Residence Halls (i.e. students)
State General Appropriations	66,136	37.8%	Not controllable
Other Revenue	5,372	3.1%	Investments, Gifts, Other Sales & Services
Total Managed Revenues	175,025	100.0%	
<i>Year over Year Change</i>			
Managed Expenses:			
Compensation	118,974	72.5%	Mostly unionized - we don't control the labor agreements
Support	19,350	11.8%	IT & telecom, contracted svcs, transportation, marketing, academic & operational supplies
Facility-related	25,764	15.7%	MSCBA Assessment, interest exp., construction & improvement, utilities, leases
Total Managed Expenses	164,088	100.0%	
<i>Year over Year Change</i>			
Managed Net Income	10,937		

From previous business model conversation...

Components of our business model to consider

- From whom do we obtain our **funding**?
- Who do we serve?
 - What *products* do we offer?
 - How do we **price** our offerings?
 - How do we *deliver* our product?
- What capital investments are necessary for future service delivery?
- What control over costs do we have?
 - Constraints?

Financial aid is a significant source of the university's **funding** and it also has an impact on the **net price** of our offerings. Financial aid has two key functions:

- Assist students
- Assist university's enrollment goals

What is Financial Aid?

Money supplied by a source other than the family to assist with postsecondary education costs.



Categories of Financial Aid

Need-based aid

- The student must demonstrate financial need. Financial need is determined by analyzing the student's and his or her family's financial situation.

Non-need-based aid, aka merit aid

- Financial need is not considered. Aid is often given in recognition of special skills, talents, or abilities. Some forms of aid (primarily loans) may replace expected family contribution (EFC).



Types of aid

Scholarships and grants

This is free money or gift aid. Scholarships and grants generally do not have to be repaid or earned.

Loans

This is self-help aid. Loans must be repaid, unless the loan carries provisions allowing all or a part of it to be canceled or forgiven if the borrower fulfills certain requirements.

Employment

This is self-help aid. Employment provides compensation for work performed.

Funding Sources, eligibility & key program examples

- Federal (FAFSA, Need equation)
 - Pell
 - SEOG
 - Federal Work Study
- State
 - Mass Grant
- Private, including through SSU Foundation
- Institutional (operating budget)
 - Policies and practices

Federal Need Equation

$$\text{COA} - \text{EFC} = \text{Financial Need}$$



- **Cost of Attendance minus Expected Family Contribution = Financial Need**
- **Costs of Attendance, aka student aid budget, includes Transportation, Supplies, Misc. expenses, Personal expenses + Billed charges for Tuition & Fees, Room & Board**

Reading (in packet)

AGB article FINANCIAL AID and ENROLLMENT *Questions for Boards to Consider* by Sandy Baum

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- www.agb.org

Questions for Boards to Consider (selected)

- Why do institutions charge different students different prices?
- Would it be better to simplify the pricing structure by lowering the sticker price and reducing the number and value of the discounts offered?
- How does financial aid affect students' enrollment decisions?
- What is the difference between need-based aid and non-need based or “merit-based” aid? Do these types of aid have different impacts on enrollment?

NECHE Standard 7

- 7.10 The institution and its governing board regularly and systematically review the effectiveness of the institution's financial aid policy and practices in advancing the institution's mission and helping to ensure that the institution enrolls and supports the student body it seeks to serve.



FINANCIAL AID and ENROLLMENT

Questions for Boards to Consider

Sandy Baum

About AGB

Since 1921, the Association of Governing Boards of Universities and Colleges (AGB) has had one mission: to strengthen and protect this country's unique form of institutional governance through its research, services, and advocacy. Serving more than 1,300 member boards, 1,900 institutions, and 36,000 individuals, AGB is the only national organization providing university and college presidents, board chairs, trustees, and board professionals of both public and private institutions and institutionally related foundations with resources that enhance their effectiveness.

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1133 20th St. N.W., Suite 300, Washington, D.C. 20036

www.agb.org

About The Looking Under the Hood: Institutional Aid Benchmarking Tool

The *Looking Under the Hood: Institutional Aid Benchmarking Tool* was developed in collaboration with the Association of Governing Boards of Universities and Colleges (AGB) and the National Association of College and University Business Officers (NACUBO) and is supported by the Robert W. Woodruff Foundation. This new tool is for governing boards, chief executives, and chief business officers looking to review their institutional aid policies. It enables them to view and benchmark their institutional aid policies against a customized set of peers. The initial set of metrics included in the tool is based on financial data collected by IPEDS and the College Board's Annual Survey of Colleges.

This paper was written as part of this project to spur further conversations among board members about institutional student aid. Many of the questions posed for board members throughout this report can be addressed by using the *Looking Under the Hood: Institutional Aid Benchmarking Tool*. For more information about this project and the tool, please visit: <http://agb.org/determining-institutional-student-aid-policy>.

Financial Aid and Enrollment: Questions for Boards to Consider

As we emerge from the extreme financial pressures of the Great Recession, it is time for board members to take a step back and think about long-term strategies for ensuring that financial aid policies are consistent with institutional mission at the same time that they serve fiscal and enrollment goals.

All boards are aware that enrollment numbers are critical to the institution's long-term stability. It is common to ask whether small increases or decreases in the number of students might improve future prospects. Perhaps a lower enrollment goal would increase academic quality and selectivity and put less pressure on the financial aid budget. Perhaps a higher enrollment goal would bring in needed additional revenues. But there is no doubt that the number of students—and particularly the number of tuition-paying students—is a vital variable to monitor.

Financial aid policies may be more obscure to many board members. By now it should be understood that because of the discounts offered to students, net tuition revenues are lower than gross tuition revenues—and it is only the net revenues that can fund the activities of the institution. But the nuances of financial aid policy and its relationship to mission and enrollment goals are less transparent. The discussion that follows highlights some key concepts, trade-offs, and questions with which college and university administrators are grappling. While board members can determine these policies only at the broadest level, it is important that they understand the issues, provide constructive guidance, and clarify institutional priorities.

About two-thirds of full-time undergraduates attending private, nonprofit, four-year institutions and over one-quarter of those enrolled in public four-year institutions receive institutional grant aid.¹ Whether viewed as an expenditure category or as a discount from tuition, the impact on institutional budgets is significant and growing.

What is the relationship between tuition and financial aid?

When institutions raise their tuition prices, they are likely to spend more on need-based financial aid because of the larger gap created between ability to pay and sticker price. They may also spend more on non-need-based aid, designed to encourage students with particular characteristics to enroll.

Institutional grant aid creates a gap between the sticker price and the net price students actually pay to institutions, as well as a gap between gross tuition revenue (tuition times number of students) and the net tuition revenue the institution actually receives. Increases in institutional grant aid may reduce net revenues by simply lowering the prices students pay, or it may increase net revenues by bringing in more students.

Of critical importance, increases in financial aid accompanying tuition increases are sometimes so large that the institution does not generate any new net tuition revenue. It is net tuition revenue—not the amount of financial aid or the percentage of gross tuition dedicated to financial aid—that determines financial strength.

Questions Board Members Should Ask

How do trends in tuition prices and net tuition revenues compare over time at your institution?

How has the percentage of students receiving institutional grant aid and the average aid they receive changed in recent years?

Is there evidence that financial aid is bringing in desirable students who would not otherwise enroll?

Why do institutions charge different students different prices?

The awarding of institutional grant aid leads to different students paying different prices. Some students pay less because their financial circumstances make it difficult for them to pay. Others pay less—although they could pay the full price—because the institution is providing a discount in an effort to influence their decision about where to enroll.

This is a pricing pattern that economists call “price discrimination.” Movie theaters price discriminate when they charge lower prices for children or senior citizens. Airlines do this when they charge different prices depending on when and where you buy your ticket and how long you plan to stay. Car dealers price discriminate when they bargain differently depending on their sense of how much you are willing to pay.

¹ NCES (National Center for Education Statistics), National Postsecondary Student Aid Study, Power Stats calculations. <http://nces.ed.gov/datalab/>

Price discrimination is not a bad thing. Some students can easily afford the sticker price, and would be able and willing to pay even more. In most cases, they are paying less than the cost of their education because even the full sticker prices incorporates subsidies from the endowment, annual giving, state appropriations, or other sources. They are not being cheated, and lower prices would not necessarily change their opportunities or their choices. Other students are not able or willing to pay the current sticker price. Charging them a lower price makes it possible and desirable for them to enroll.

Financial aid is an expenditure made to shape the student body.

Some institutions have long waiting lists of students willing to pay their sticker prices. Most of these are highly selective, nationally known, private institutions or flagship public universities. These institutions discount their prices to attract different students than those who would enroll without financial aid. They want the best students they can get, and many of those students simply cannot pay on their own. They may also want students with particular capabilities who will be drawn in by financial aid. For those institutions, financial aid is an expenditure made to shape the student body.

Many other institutions would have empty seats if they did not discount so generously. If they lowered the sticker price enough to fill the class, their total revenues would be too low to operate. But if they can draw in some full-pay students, while charging others a lower price—something close to the maximum each student is willing and able to pay—they can fill their classes while taking in adequate net revenues. The full-pay students are no worse off because of the presence of other students who are there only because of the lower net prices they were offered. In fact, those students who are paying lower net prices probably increase the quality of the education that all students at the institution receive.

Questions Board Members Should Ask

How are the prices different students are asked to pay determined at your institution?

How do net tuition prices differ across students with different characteristics?

Is the institution transparent about how it determines the aid students in different circumstances and with different characteristics will receive?

Would it be better to simplify the pricing structure by lowering the sticker price and reducing the number and value of the discounts offered?

Many board members (and many other interested parties) are frustrated by the complexity of the pricing structure at colleges and universities and would like to know if there is a better model available. Some of the alternatives to consider might be:

- Lower the sticker price for all students and reduce financial aid;
- Raise the sticker price and increase financial aid;
- Promise students that the sticker price will stay the same for four years;
- Promise students that the sticker price will rise by the increase in the Consumer Price Index (CPI) or by CPI + 1 percent or + 2 percent every year;
- Promise need-based aid recipients the net price they pay will stay the same for four years (or increase by the CPI).

Some colleges and universities have implemented one or more of these strategies, but there are no magic bullets. Each institution must carefully examine its circumstances to find the optimal path. Institutions that discount for almost all students are more likely than others to seriously consider lowering the sticker price. Institutions facing uncertain non-tuition funding streams face greater risk if they make promises about future tuition levels.

Questions Board Members Should Ask

How do tuition and fees at your institution compare to the national average for your sector?
For your type of institution within the sector?

Have you looked at alternative pricing models to be sure yours is most appropriate for your circumstances?

Would lowering your sticker price end up subsidizing affluent students more and placing added strains on your need-based aid budget?

Can increasing efficiency and lowering costs solve the tuition problem?

Offering a quality college experience requires considerable resources. Every institution could find efficiencies that lower its costs, and it is vital that we find ways to make higher education more affordable, but the solutions are not likely to be simple. Despite impressions to the contrary, institutional expenditures have not, in most cases, been rising rapidly. The explanation for the rate of increase in tuition lies more with declines in non-tuition revenue sources (particularly at public colleges and universities) and a growing gap between sticker prices and the net prices students actually pay after discounts from institutional grant aid (particularly at private institutions).

There is reason to be optimistic that technology will facilitate declines in instructional costs, but to date, most high-quality online learning has not been cost saving. All institutions should be exploring this area, in addition to examining administrative structures, purchasing patterns, and potential collaboration with other institutions for potential efficiencies.

Some of the expenditure patterns to which colleges and universities have grown accustomed, such as the practice of adding new programs while rarely eliminating old ones, should change. Board members must ask hard questions about innovation and efficiency, but should remember that too much focus on cost cutting can erode the quality of education offered.

QUESTIONS BOARD MEMBERS SHOULD ASK

Has the administration carefully reviewed the budget with openness to making changes that would increase efficiency while maintaining quality?

How has the size and cost of the administrative structure changed over the past decade?

What is the attitude on campus toward using technology to lower instructional costs and toward cooperation with other institutions that might reduce duplicative efforts?

How does financial aid affect students' enrollment decisions?

Price affects the enrollment decisions of some students more than others. Not surprisingly, there is considerable evidence indicating that lower-income students are more sensitive to price differences than more affluent students are. It's easy to imagine a family with little discretionary income struggling to piece together the funds for college and seeing no choice other than allowing a \$5,000 price differential to be the deciding factor. In contrast, a family with an income of \$300,000 might well encourage their child to enroll in the best school she can get into—the one that feels most appropriate, regardless of price. And a \$150,000-a-year family will fall somewhere in between. Price will matter, but it will take bigger price differences to sway a decision away from a first-choice institution.

Some students and parents may react differently to a scholarship that provides a discount from a high price than they would to the same price without that appealing incentive. This may be because the high sticker price conveys a sense of quality, or it may be because the scholarship makes them feel that the institution particularly values their student.

It's not always easy to know how much of a discount particular students require to be convinced to enroll. Inquiries about better aid packages may not provide clear evidence, since low-income and first generation families are less likely to be assertive. Moreover, the factors distinguishing families with the ability to pay who are really likely to opt for the “best deal” from those who, while wanting to be sure to not to leave money on the table, don't have price at the top of their lists of deciding factors, are not obvious.

Many institutions rely on enrollment management consultants to guide decisions about allocating financial aid. These consultants can bring valuable expertise and experience, but they should not be making the decisions on their own. Their craft is not a science, and their priorities may not be identical to those of the institution. The widespread influence of this industry has almost certainly increased competitive expenditures on “merit” awards.

Questions Board Members Should Ask

Has the institution experimented with alternative-aid strategies and evaluated the effectiveness of both need-based and non-need-based aid?

Is the institution carefully monitoring the models and advice provided by external consultants?

Which students are most likely to be sensitive to changes in financial aid awards and which students would be more likely to respond to other efforts to attract them to the institution?

What is the difference between need-based aid and non-need-based or “merit-based” aid? Do these types of aid have different impacts on enrollment?

The term “merit aid” is frequently used to apply to any institutional aid that is not based on financial need. Sometimes it really is merit aid and is limited to the students with the strongest academic credentials. But sometimes it is just “non-need-based” aid, going to all or most accepted candidates.

The line between need-based aid and non-need-based aid is not so clear. Some institutions, particularly the most selective ones, allocate all of their institutional grants on the basis of financial need. Students with the most limited incomes and assets get the most generous aid packages, and those deemed able to pay the full price on their own are expected to do so. With relatively small percentages of applicants accepted, the reward for merit is the acceptance itself. These schools do compete with each other, but large percentages of accepted candidates choose to enroll, budgets are sound, and the purpose of financial aid is to ensure that the most-qualified class possible can be enrolled.

At other institutions, while supporting students who cannot afford to pay on their own is the primary purpose of financial aid, institutional grants are also used to increase the probability that students who can pay will choose to enroll. There may be merit awards for those with the highest test scores, for those with particular leadership skills, or for musicians.

Another model, which is increasingly common, is to give institutional grants—or discounts—to the vast majority, or even to all of those who are accepted. These “merit” awards are not really based on merit. They are just bargaining chips designed to increase enrollment.

Institutions that give the most generous grants to students with the highest test scores or the best high school GPAs may be heavily subsidizing relatively wealthy students, while leaving lower-income students to fend for themselves. But many non-need-based awards go to students who actually do have financial need. So if we ask what percentage of the aid budget is allocated based on criteria other than need, the answer is a larger number than if we ask what percentage of the aid dollars go to students who could afford to pay without assistance.

This is an important distinction. Some “merit aid” helps to meet financial need. Other “merit aid” takes dollars away from meeting need and from other parts of the budget in an attempt to increase the enrollment of students who can pay. Sometimes this merit aid diminishes the ability of the institution to address other priorities. But in some cases, if it is really effective, it can attract extra students and extra dollars and increase the net revenues available to meet those other priorities, such as adding courses, increasing faculty salaries, or providing more aid to low- and moderate-income students.

Questions Board Members Should Ask

How much of the financial aid at your institution is allocated on the basis of financial need and how much is allocated on the basis of academic, athletic, or other characteristics?

How much of the financial aid at your institution that is not need-based goes to students who have financial need?

Has there been careful thought given on your campus to the pros and cons of subsidizing students who can afford to pay the full sticker price?

How do we prioritize certain enrollment targets over others?

Financial aid serves multiple purposes, and it is important that boards discuss priorities, principles, and strategies with college and university administrators and other members of the community. There is frequently tension over the balance between need-based aid and “merit” aid, athletic aid, or other forms of aid designed to attract particular students.

Financial aid is sometimes required to fill seats. But on every campus, it is an important tool for shaping the class. Few institutions are satisfied with a student body that is homogeneous in terms of race/ethnicity or socioeconomic status. Without need-based institutional grant aid, enrolling low- and moderate-income students, black and Hispanic students, and others with particularly limited resources is not realistic. On the other hand, many institutions are dependent on net tuition revenues to fund their programs and do not think they can afford to focus on supporting access and diversity at the expense of attracting students with resources. It seems contradictory to speak of offering discounts in order to enroll full-pay students, since they are obviously not paying the full price under these circumstances. Rather, the issue is that a \$10,000 discount from a \$50,000 price yields much more net revenue than a \$30,000 award to a lower-income student.

On every campus, there should be conversations about institutional values and priorities. It is important to recognize that the financial aid budget can support multiple goals. That said, the tradeoffs are real, and institutions that emphasize increasing the test scores of their incoming students and use their financial aid budgets for this purpose are likely to be sacrificing access and socioeconomic diversity.

Questions Board Members Should Ask

Is the institution satisfied with the size and characteristics of the student body?

If the goal is to raise the level of the academic credentials students bring, what is the motivation for this goal?

What are the trade-offs involved in enrolling a class with more students who cannot afford to pay the full sticker price?

Should “need-blind admissions” and “meeting need” be goals for most institutions?

Over half of the four-year colleges and universities in the U.S. accept at least 75 percent of their applicants, so the question of whether or not financial circumstances should affect a student’s probability of admission is relevant for a limited number of institutions. However, for those colleges and universities in a position to use the admissions process to shape their classes, it is a very important question.

Many institutions find that they have more qualified applicants with financial need than their budgets will support.

The issue sounds straightforward. It’s hard to argue that it is fair or desirable that colleges and universities whose goal it is to provide educational opportunity to students who can make the most of the experience should turn away applicants because they can’t afford the tuition. Rather, financial aid should support these students. In fact, knowing the challenges of growing up in disadvantaged families, neighborhoods, and elementary/secondary schools, it would seem reasonable to be more favorable towards low-income

students than to those from more privileged backgrounds with the same grades and test scores.

But many institutions find that they have more qualified applicants with financial need than their budgets will support. Accepting candidates without meeting their financial need means either that they won’t be able to enroll, so the acceptance is not meaningful, or that they will enroll and face serious financial problems. It seems more responsible to turn them down. Most “need-aware” institutions accept most of their class without regard to financial need, but when they get to the marginal admits, they look for those who can pay. In other words, rather than using different admissions criteria overall for students who can pay the full price and those who cannot, they accept the most qualified students. However, because they have limited budgets for financial aid, at some point in the admissions process, they do pass over some students with financial need in favor of less qualified students who do not require financial aid. They may also grant admission to some applicants whose parents are alums and/or have made sizeable donations, even if those applicants are less qualified than some others who are not accepted.

Each institution facing the choice of committing to a need-blind admissions policy must carefully consider the pros and cons and ask the following questions:

- How many students are affected by the current policy?
- How are the students who gain admission because of the policy different from those who are rejected because of it?
- What impact would this commitment have on the budget?
- What would happen if another recession hit and many more applicants had more financial need?
- What priorities would lose out if the financial aid budget grew to support a need-blind admissions policy?

Institutions that do not have the necessary resources or are not willing to make the trade-offs involved in accepting all qualified low-income students in the pool and providing them with ample financial aid should acknowledge the constraints they face and be clear about their policies.

Questions Board Members Should Ask

Does ability to pay enter into admissions decisions at your institution and, if so, how many applicants are affected?

What would be the likely impact on the budget of ignoring financial circumstances in admissions decisions?

Is the institution meeting the financial need of the students who are accepted by packaging ample grant aid? Or are there significant gaps between the resources students need and those the institution can provide—gaps that would grow if more high-need students were admitted?

How are institutional enrollment and aid policies related to the growing concerns about student debt?

Press coverage of student debt is quite misleading. It is not uncommon to read about a student who borrowed \$80,000 or \$100,000 on the way to a bachelor's degree. Buried in the article might be a reference to the reality that among the 70 percent of bachelor's degree recipients who graduate with debt, the average amount borrowed is about \$30,000. Among 2011–12 bachelor's degree recipients, about 5 percent had accumulated as much as \$60,000 in debt. Less than one half of one percent borrowed \$100,000.²

A key problem with many of the discussions of the impact of student debt is that they compare people with student debt to people with similar levels of education and similar incomes who don't have debt. Of course those whose parents were able to pay are better off. But the real question is: When students borrow money to enroll in your institution, do they end up better off than they would have been making another choice?

² NCES (National Center for Education Statistics), National Postsecondary Student Aid Study, Power Stats calculations. <http://nces.ed.gov/datalab/>

Too many students leave college without a degree.

If many students borrow and don't graduate, or if many students graduate with more than \$40,000 or \$50,000 in debt, the institution has some real soul searching to do. Why are students borrowing so much? Are they getting an education and a credential that makes it worth it? What could the institution do to mitigate this problem? It's not just that the Department of Education and Congress have started to look more closely at institutions with many

students who have high debt levels. It's also that some institutions may be leaving their students worse off than they found them. Higher education's mission certainly goes beyond increasing students' lifetime incomes, but it is irresponsible and unethical to put students in a situation where they pay so much for college that they never see financial benefits.

Questions Board Members Should Ask

How many of your students borrow to help finance their education, and what is the average debt level at graduation? How many students borrow much more than the average?

How have borrowing patterns at your institution changed over time?

Are there changes in your financial-aid policies that might reduce the extent to which your students have to rely on loans?

How should institutions think about the shift in the national conversation from college access to college success?

As recently as 10 years ago, people concerned with unequal access to higher education across demographic groups and the population's overall level of educational attainment devoted all of their attention to college access. The concern was that the price of a college education excluded too many people from disadvantaged backgrounds. Public and institutional policies, therefore, should do as much as possible to correct this problem by subsidizing these students and bringing prices within reach.

While the access question remains very real and quite challenging, attention has broadened to focus more on college success and degree completion. We have done a much better job of getting students from all backgrounds into college than we have of supporting them in achieving their goals. Too many students leave college without a degree, and the gaps in completion rates across income groups are larger than the gaps in enrollment rates.

Board members should pay attention to their institutions' retention and graduation rates and consider the causes and implications. It's not just that the federal government is focusing on this issue and making the information public. It's also that institutions are not accomplishing their mission if students are not leaving with credentials of value.

There is not only one standard for an acceptable completion rate. Institutions that enroll better-prepared students have higher graduation rates than those that accept students facing greater challenges. However, increasing selectivity is not the best approach to solving the completion problem. Rather, finding ways to better support students and help them overcome challenges should be the goal. Financial aid may well play a part, since money problems contribute to many students' inability to achieve their academic goals.

Questions Board Members Should Ask

What percentage of students who enroll at your institution complete associate degrees within two to three years, to bachelor's degrees within four to six years? Are the rates very different for students from different socioeconomic and racial/ethnic backgrounds?

How does your graduation rate compare to those at other institutions enrolling similar student bodies?

What kinds of academic, social, and personal support systems are in place to help students complete their degrees?

Do institutions have to choose between a commitment to equity and access or a focus on efficiency and fiscal stability?

If an institution succeeds in winning desirable applicants from peer institutions by offering non-need-based aid, the peer institutions are not likely to sit by idly. They will offer competitive packages. It is easy to see how competition for these students can lead to a price war, depleting institutional funds without bringing any more-qualified and well-heeled students into the applicant pool. Everyone will lose in the long run—except those lucky students who could have paid full price, but who now enjoy lower net prices than even students from the lowest-income families.

The issue of destructive competition that can lead to losses for all is frequently difficult for institutions to grasp. They look at short-term successes and can't see how it could be in their interest to sacrifice those successes for the greater good. But the reality is that if all institutions behave this way, those students without the ability to pay will simply drop out of the pool, and collectively the institutions will not be able to improve the quality of the students they enroll.

Increasing selectivity is not the best approach to solving the completion problem.

In fact, equity and efficiency frequently reinforce each other, both from society's perspective and for the individual college or university. Equity dictates that each institution provide the best possible education to the students who are qualified to enroll—regardless of ability to pay. That means making need-based aid a priority—possibly at the expense of institutional prestige, some campus amenities, programs, or other worthy expenditures.

Efficiency means making decisions that allow the institution to provide as much quality education at the lowest cost possible and ensuring that the institution has a strong bottom line in both the short term and the long term. Rising in the rankings might be a good way to attract more applicants. Providing discounts to students who could afford to enroll elsewhere to draw them to campus might increase net revenues. Ensuring financial strength is a pre-requisite to providing equitable opportunities. In other words, a focus on equity does not mean ignoring efficiency. And a focus on efficiency cannot exclude equity.

Recognizing that making ethical choices is not always straightforward does not diminish—and in some ways underscores—the importance of keeping ethics at the forefront of the decision-making process. There is no question that, in recent years, the pendulum in admissions and financial aid has swung too far from a focus on equity and access and toward a focus on improving the prestige or the bottom line of the institution. Campus decision makers should reject the notion that ethical priorities are a luxury they cannot afford.

Questions Board Members Should Ask

How do your institution's merit-aid awards compare to those of your competitors?

Is there a good balance between long-term and short-term goals for aid?

Do people tend to debate need-based versus merit-based aid or are they open to the idea that these policies may complement each other?

Conclusion

Institutional financial aid serves multiple purposes. Without this assistance, students from disadvantaged backgrounds, and even many from middle-class households, would be unable to enroll. If these students do enroll, but receive inadequate financial support, their chances of succeeding in college are reduced, and if they do graduate, they risk accruing excessive debt.

But financial aid is not just about supporting students who cannot afford to pay. Grants—or discounts—to students also influence the enrollment decisions of students with financial means and multiple options. Board members should be part of the conversation on campus that defines enrollment goals, priorities for financial aid, and the principles on which decisions about unavoidable tradeoffs should rest.

About The Author

Sandy Baum is a senior fellow at the Urban Institute and a research professor at the George Washington University Graduate School of Education and Human Development. Professor emerita of economics at Skidmore College, Dr. Baum earned her BA in sociology at Bryn Mawr College, where she is currently a member of the board of trustees, and her PhD in economics at Columbia University. She has written and spoken extensively on issues relating to college access, college pricing, student aid policy, student debt, affordability, and other aspects of higher education finance.

Dr. Baum has co-authored the College Board's annual publications *Trends in Student Aid* and *Trends in College Pricing* since 2002. She also co-authors *Education Pays: The Benefits of Higher Education for Individuals and Society*. She wrote the 2011 AGB publication, *Tuition and Financial Aid: Nine Points for Boards to Consider in Keeping College Affordable*. She chaired the College Board's Rethinking Student Aid study group, which issued comprehensive proposals for reform of the federal student aid system in 2008, and the Rethinking Pell Grants study group, which issued recommendations in April 2013. She chaired a Brookings Institution study group that issued its report, *Beyond Need and Merit: Strengthening State Grant Programs*, in May 2012. Recent work includes studies of how behavioral economics can inform student aid policy, a meaningful definition of college affordability, and tuition and financial aid strategies for broad access to public institutions. She is a member of the board of the National Student Clearinghouse.

**Finance and Facilities Committee Charter
September 3, 2019**

The charter attached is for your review and as a matter of good practice at the start of the board year. No changes or discussion are needed.



Board of Trustees Finance and Facilities Committee Charter

Purpose:

The Finance and Facilities Committee of the Board of Trustees shall be a permanent committee which will exercise fiduciary responsibilities and financial oversight for the university to assist management in discharging its responsibilities to ensure financial stability and to develop and maintain the long term economic health of the university in support of its mission and priorities. The Committee will exercise fiduciary responsibilities to assist management in discharging its responsibilities to ensure appropriate capital planning and development for the university, inclusive of facilities and information technology. The Committee makes recommendations to the Board of Trustees regarding financial policies, capital planning, and related matters.

Responsibilities:

Financial Affairs

1. Advise the Board on policies relating to financial matters (accounting, budgeting, financial reporting, investment, and debt management).
2. Advise the Board on proposed debt issuance.
3. In conjunction with the Risk Management and Audit Committee, review the annual financial statements.
4. Review reports, studies, information and recommendations as deemed necessary for the proper and effective exercise of financial oversight responsibilities. Periodic reports reviewed may include budget, fiscal condition, investment and debt information and, to the degree appropriate, will include past, current and future (projected) data.
5. Meet periodically with the university's investment advisor and assess investment performance consistent with the university's investment policy.
6. Review on a periodic basis the financial metrics by which the university's financial health is measured, including debt capacity reports.
7. Review the short term and long term financial plans of the university.
8. Review and recommend an annual plan of financial operation (budget).
9. Review and recommend to the Board fee rates to be charged to students as applicable under state law; this typically includes mandatory fees charged to all students. Tuition is set by the Commonwealth; the rent component of the room rate is set by the Board of Higher Education; fees not applicable to all students, including a variety of miscellaneous fees and board rates are the responsibility of the president.

12/2/2015 Approved by the Salem State University Board of Trustees

3/29/2017 Reviewed by the Finance and Facilities Committee, no changes.

10/17/2018 Revision approved by the Salem State University Board of Trustees

Capital Planning

1. Review and recommend policies relating to property, buildings, land acquisition/sale/exchange, site development, and construction.
2. Review and recommend plans relating to facilities and long-range capital outlay budgets.
3. Oversee the development and continuing review of a master vision (capital plan) for the university.
4. Recommend capital projects, real property transactions, and major IT acquisitions that should be undertaken.
5. Periodically review the progress on major capital projects.

Membership:

The committee shall have not fewer than three Trustees appointed by the chair of the Board. The president shall be a member of the committee, *ex officio*, non-voting. The chair shall be a member of the committee, *officio* voting. Committee members may include individuals who are not trustees so long as the majority membership of the committee is comprised of trustees. The chair shall have the authority to appoint non-trustee members advisory, non-voting to the committee to serve until the next annual meeting. Members may be appointed to the committee, on a temporary basis, by the chair, as may be required.

Quorum:

A majority of the members shall constitute a quorum.

Meetings:

The committee is expected to meet at least four times each fiscal year and more if needed to facilitate prudent and timely decision making. The meetings shall be conducted in conformity with the state's Open Meeting Law. Executive sessions may be conducted periodically and shall be limited to those matters permitted by the state's Open Meeting Law.

Staff Designee:

The vice president for finance and facilities is the senior staff member supporting the committee for financial and capital planning matters.

Agenda, Minutes, and Reports:

The chair of the committee, in collaboration with the staff designees, shall be responsible for establishing the agendas for meetings. An agenda, together with relevant materials shall be made available to committee members at least five days in advance of the meeting. Minutes for all meetings shall be drafted by the staff

12/2/2015 Approved by the Salem State University Board of Trustees
3/29/2017 Reviewed by the Finance and Facilities Committee, no changes.
10/17/2018 Revision approved by the Salem State University Board of Trustees

designee, reviewed by the committee chair, and approved by committee members at the following meeting.

12/2/2015 Approved by the Salem State University Board of Trustees
3/29/2017 Reviewed by the Finance and Facilities Committee, no changes.
10/17/2018 Revision approved by the Salem State University Board of Trustees

Finance and Facilities Committee Work Plan for FY20 August 29, 2019

September 25, 2019 w BOT Oct. 16, 2019

Discussion or action

- Finance and investment matters
 - Eastern Bank certification of resolution (action)
 - Investment management services firm selection (action)
- Real estate, facilities, and sustainability
 - Science project update and related financial presentation (information)
 - DCAMM funding and five-year critical repairs plan (information)

Informational material

- For information (in packet, discussion not required)
 - Committee charter
 - Committee work plan for the year
 - Investment performance for period ending June 30, 2019
 - FY19 preliminary results
 - FY20 budget status
 - Financial dashboard
 - Sustainability update
 - Capital projects status update
 - Status: 410 Lafayette and Salem Diner (information)
- Business Model: Financial Aid

7.10 The institution and its governing board regularly and systematically review the effectiveness of the institution's financial aid policy and practices in advancing the institution's mission and helping to ensure that the institution enrolls and supports the student body it seeks to serve.

November 20, 2019 w BOT Dec. 13, 2019 – pending confirmation

Discussion or action

- Science teaching laboratories – non-state funding commitment (approval)

January 29, 2020 w BOT February 12, 2020

Discussion or action

- Finance and investment matters
 - Review FY19 financial results – metrics (information)
 - Investment advisors – 1 of 2 required annual meetings, review calendar 2019 performance (discussion)
 - Fee setting process

Informational material

- For information (in packet, discussion not required)
 - Committee work plan for the year
 - FY20 Q1 financials
 - Financial dashboard

Finance and Facilities Committee Work Plan for FY20 August 29, 2019

- Sustainability update
- Capital projects status update
- Summer conference and hospitality update

March 25, 2020 w BOT April 8, 2020

Discussion or action

- Finance and Investment Matters
 - Investment advisors – 2 of 2 required annual meetings (strategy)
 - Graduate and continuing education fees for FY21 (approval)
 - SGA FY21 fees (approval)
 - FY21 budget planning (discussion)

Informational material

- For information (in packet, discussion not required)
 - FY20 Q2 financials
 - Financial dashboard
 - Sustainability update
 - Capital projects status update

April 8, 2020*

Business model: Multiyear financial projection (NECHE standard 7)

7.6 The institution's multi-year financial planning is realistic and reflects the capacity of the institution to depend on identified sources of revenue and ensure the advancement of educational quality and services for students.

May 27, 2020 w BOT June 10, 2020

Discussion or action

- Finance and Investment Matters
 - Undergraduate fees for FY21 (approval)
 - FY21 all funds budget (approval) (includes trust funds, transfers, & contracts > \$500K)

Informational material

- For information (in packet, discussion not required)
 - FY20 Q3 financials
 - Financial dashboard
 - Sustainability
 - Capital projects status update

*Business model discussion will be conducted at Finance and Facilities Committee meeting at 3:30 pm prior to the following full board meeting: April 8, 2020

WEALTH MANAGEMENT REVIEW



September 25, 2019

Michael Tyler, CFA
Chief Investment Officer
617-897-1122

John F. Doherty, CFP®
Vice President
781-581-4215

Eastern Bank Wealth Management



Eastern Bank

- Serving our communities in eastern Mass. and New Hampshire since 1818
- Largest and oldest mutual bank in the United States, with over 1,900 employees and 100 branches
- #1 SBA lender in New England for 7 consecutive years

Wealth Management

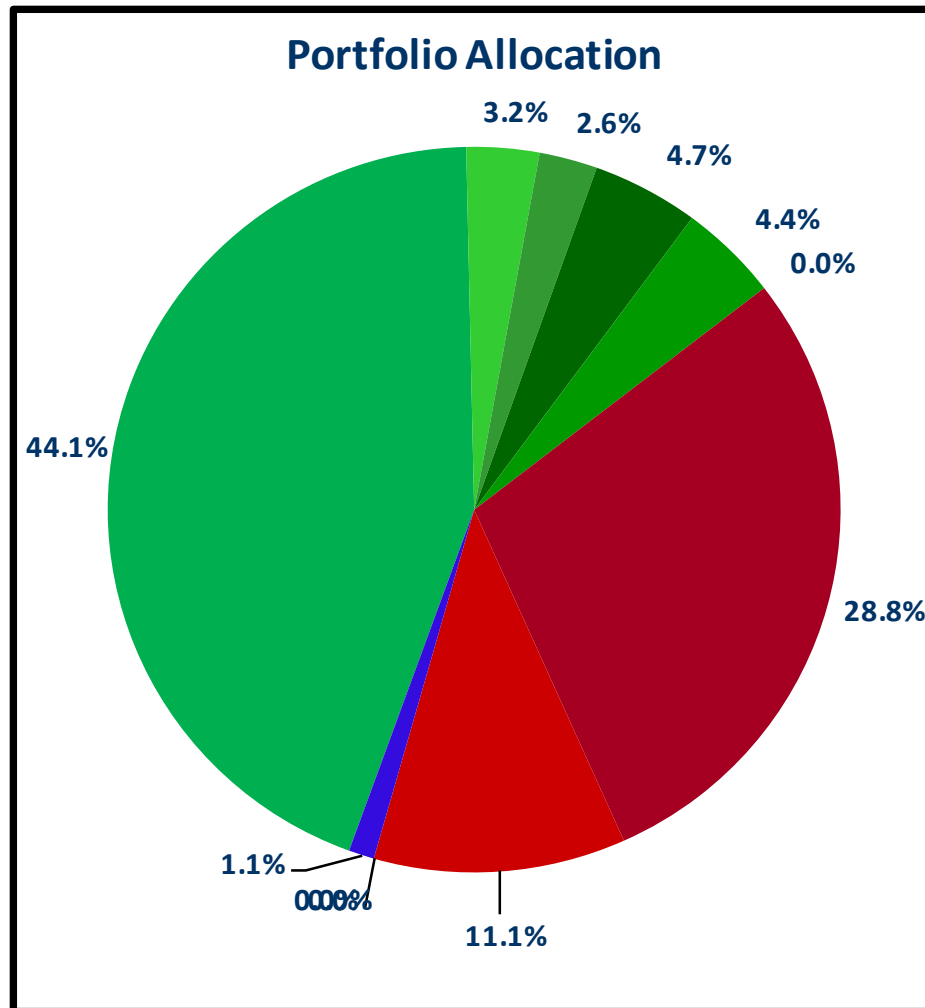
- Based in Boston, with offices in Saugus, Lynn, Brockton, & Duxbury
- Over \$2 billion individual & institutional client assets
- Team of 50, comprising investments, financial planning, client service, trust administration, and operations

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Salem State University Allocations



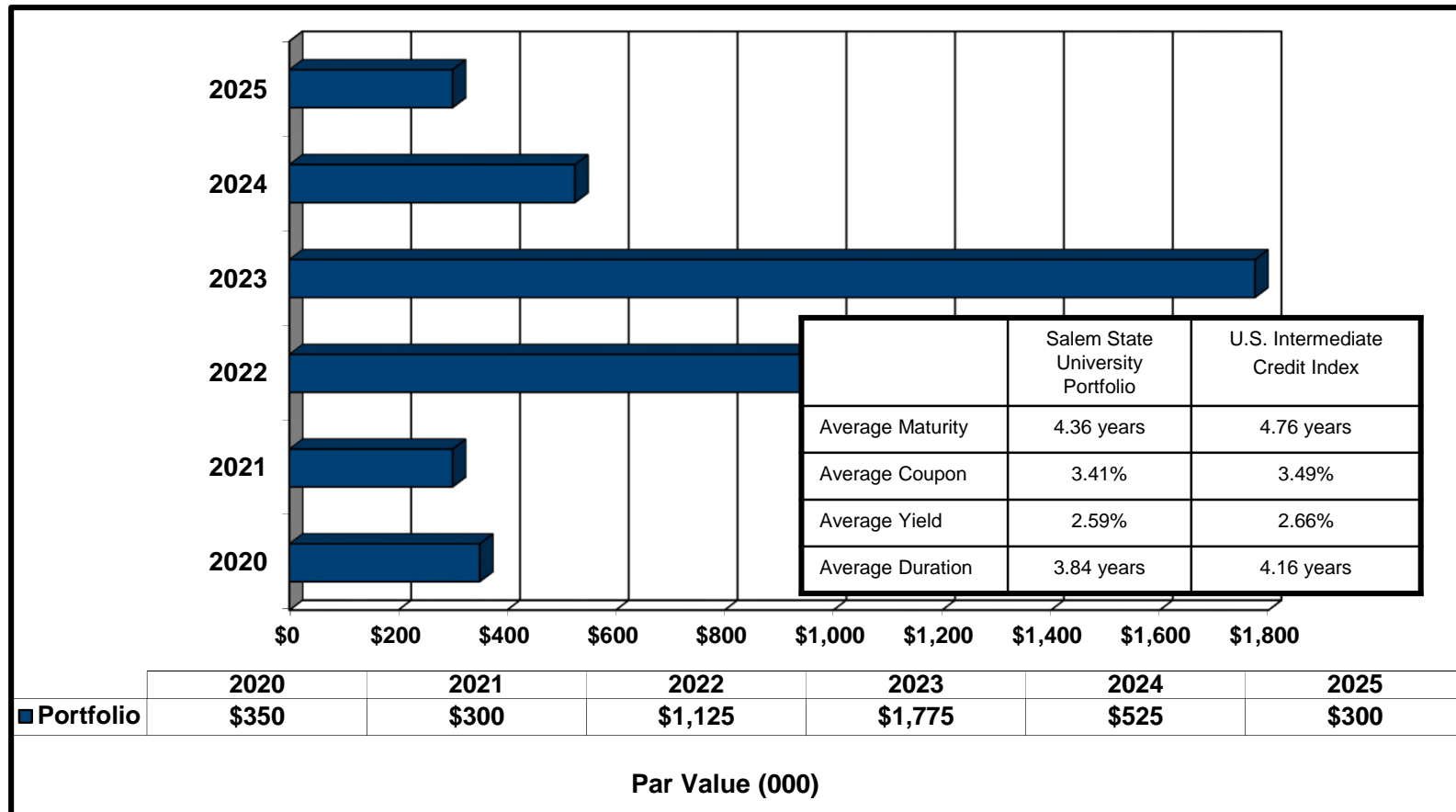
Account Value as of 06/30/2019:
\$15,743,085

Equities	59.0%
■ Individual Stocks	44.1%
■ Small/Mid-Cap ETFs	3.2%
■ Sector & Tactical ETFs	2.6%
■ Internat'l - Developed ETFs	4.7%
■ Internat'l - Emerging ETFs	4.4%
■ Global ex-USA ETFs	0.0%
Fixed Income	39.9%
■ Laddered Bonds & ETFs	28.8%
■ Short & Intermediate Term ETI	11.1%
■ Floating Rate & TIPS	0.0%
■ High Yield Mutual Fund	0.0%
Money Market	1.1%
■ Cash	1.1%

Investment Policy Checklist

Key Item (as of June 30, 2019)	Policy	Salem State	Compliant?
Equity ratings: Common stocks: S&P Stock Guide Mutual funds: Morningstar	B+ 3 Star or better	B+ 3 & 4 Star	Yes Yes
Fixed Income: Corporate bonds position limit Maximum maturity Minimum individual bond rating	<35% of fund 7 years Baa / BBB	28.7% 6.33 years Baa2 / BBB	Yes Yes Yes
Alternative investments: Derivatives, forwards, swaps, futures	Prohibited	None held	Yes
Asset allocation range: Equities Fixed Income Cash	50% - 75% 25% - 50% 0% - 10%	59.0% 39.9% 1.1%	Yes Yes Yes
Fossil fuel divestment: Carbon Underground 200 Alternative energy suppliers	Divest prudently Seek options	None held Several new holdings	Yes Yes

Bond Maturity Distribution



Individual Corporate Bond Ratings

Description	Units	Purchase Date	Time of Purchase Moody's Rating	Current Moody's Rating	Time of Purchase S&P Rating	Current S&P Rating
A T & T INC 3.6% 02/17/2023	225,000.00	1/26/2018	Baa1	Baa2	BBB+	BBB
ACE INA HOLDINGS 2.7% 03/13/2023	100,000.00	10/5/2016	A3	A3	A	A
ALABAMA POWER CO 3.55% 12/01/2023	200,000.00	4/16/2019	A1	A1	A-	A-
AMERIPRISE FINANCIAL INC 4% 10/15/2023	175,000.00	12/15/2016	A3	A3	A	A
AUTODESK INC. 3.125% 06/15/2020	200,000.00	7/18/2017	Baa2	Baa2	BBB	BBB
BANK OF AMERICA CORP 3.3% 01/11/2023	100,000.00	9/12/2016	Baa1	A2	BBB+	A-
CBS 3.7% 08/15/2024	150,000.00	4/28/2017	Baa2	Baa2	BBB	BBB
CSX CORPORATION 3.4% 08/01/2024	175,000.00	4/28/2017	Baa1	Baa1	BBB+	BBB+
CVS 3.5% 07/20/2022	200,000.00	1/19/2017	Baa1	Baa2	BBB+	BBB
CARDINAL HEALTH INC. 3.2% 03/15/2023	150,000.00	7/21/2016	Baa2	Baa2	A-	BBB+
CELGENE CORPORATION 4% 08/15/2023	200,000.00	12/15/2016	Baa2	Baa2	BBB+	BBB+
CITIGROUP 3.375% 03/01/2023	150,000.00	7/21/2016	Baa1	A3	BBB+	BBB+
E M C CORP 2.65% 06/01/2020	150,000.00	7/28/2014	A1	Ba2	A	BB-
EBAY INC 3.8% 03/09/2022	250,000.00	1/28/2018	Baa1	Baa1	BBB+	BBB+
FORD MOTOR CREDIT CO 4.25% 09/20/2022	200,000.00	6/19/2017	Baa2	Baa3	BBB	BBB
HARTFORD FINL SVCS GRP 5.125% 04/15/2022	100,000.00	1/23/2019	Baa1	Baa1	BBB+	BBB+
HEWLETT-PACKARD CO 4.05% 09/15/2022	250,000.00	1/26/2018	Baa2	Baa2	BBB	BBB
HYATT HOTELS CORP 3.375% 07/15/2023	125,000.00	12/20/2017	Baa2	Baa2	BBB	BBB
INTERCONTEXCHANGE GROUP INC 4% 10/15/2023	200,000.00	4/16/2019	A2	A2	A	A
KEYCORP 4.15% 10/29/2025	100,000.00	12/21/2018	Baa1	Baa1	BBB+	BBB+
MEDTRONIC INC 3.5% 03/15/2025	100,000.00	2/27/2019	A3	A3	A	A
QUALCOMM INC 3.45% 05/20/2025	100,000.00	1/23/2019	A2	A2	A-	A-
TIME WARNER INC 3.4% 06/15/2022	125,000.00	10/5/2016	Baa2	Baa2	BBB	BBB
VODAFONE GROUP 2.95% 02/19/2023	150,000.00	10/5/2016	Baa1	Baa2	BBB+	BBB+
WELLS FARGO & CO 3% 01/22/2021	100,000.00	2/3/2015	A2	A2	A+	A-
WHIRLPOOL CORP. 4% 03/01/2024	200,000.00	12/20/2017	Baa1	Baa1	BBB	BBB
XILINX INC. 3% 03/15/2021	200,000.00	11/17/2014	A3	A3	A-	NR

Equity Portfolio Holdings (as of 6/30/19)

Portfolio Weightings vs 60/40 Blended Benchmark

Industry Weightings	% Of Portfolio	% Of Blend	Industry Weightings	% Of Portfolio	% Of Blend
CONSUMER DISCRETIONARY	5.12%	10.63%	HEALTH CARE	10.93%	13.06%
MCDONALD'S	1.71%		MERCK & CO	2.06%	
THE HOME DEPOT, INC.	1.92%		DANAHER CORP	1.73%	
BURLINGTON STORES	1.49%		JOHNSON & JOHNSON	1.64%	
CONSUMER STAPLES	6.75%	7.64%	ELANCO ANIMAL HEALTH	1.17%	
COSTCO WHOLESALE CORP.	1.23%		UNITEDHEALTH GROUP	1.51%	
PEPSICO	1.27%		CVS HEALTH	0.91%	
PROCTER & GAMBLE CO	1.20%		ABBOTT LABS	1.91%	
WALMART	1.87%		INDUSTRIALS	7.96%	9.62%
SYSCO CORP	1.18%		BOEING	0.67%	
ENERGY	2.44%	5.10%	INGERSOLL-RAND	1.63%	
CALVERT GLOBAL ENERGY	1.29%		EATON CORP	1.14%	
INVESCO WILDERHILL CLEAN ENERGY	1.15%		XYLEM	1.51%	
FINANCIALS	9.54%	15.18%	UNITED TECHNOLOGIES	1.43%	
INTERCONTINENTAL EXCHANGE	1.24%		NORTHROP GRUMMAN	1.58%	
JPMORGAN CHASE & CO.	2.71%		INFORMATION TECH	17.33%	19.60%
ALLSTATE CORP.	1.99%		BROADCOM	1.97%	
PNC FINANCIAL	0.99%		ADOBE SYSTEMS INC.	2.54%	
BLACKROCK, INC.	1.41%		ANALOG DEVICES, INC.	1.30%	
SCHWAB CORP.	1.20%		MICROSOFT	3.79%	
FUNDS	23.30%	1.25%	SALESFORCE.COM, INC.	1.75%	
SPDR BIOTECH ETF	1.89%		MASTERCARD	2.67%	
ISHARES MSCI KLD 400 SOCIAL	1.85%		AUTOMATIC DATA PROCESSING	1.11%	
CALVERT MID CAP	2.95%		MOTOROLA SOLUTIONS	2.20%	
HARTFORD GLOBAL IMPACT	1.95%		MATERIALS	2.64%	3.58%
DFA US SUSTAINABILITY CORE	3.88%		AIR PRODUCTS & CHEMICALS	2.64%	
DFA EMERGING MARKETS	2.46%		COMMUNICATION SERVICES	8.98%	8.38%
DOMINI IMPACT INTERNATIONAL	3.69%		ALPHABET CLASS C	0.97%	
CALVERT EMERGING MARKETS	4.63%		ALPHABET CLASS A	2.26%	
UTILITIES	2.81%	3.40%	WALT DISNEY	1.60%	
XCEL ENERGY INC	1.48%		AT&T	1.04%	
NEXTERA ENERGY INC	1.33%		FACEBOOK	1.90%	
CASH	2.20%	0.09%	VERIZON COMMUNICATIONS	1.21%	
			REAL ESTATE		2.47%

Target allocation as of 6/30/2019; Allocation may not reflect EWM's current view and should not be used as the base of an investment decision.

Securities listed are not to be considered as a recommendation to buy or sell and are not guaranteed to be in portfolios. *Benchmark is a blend of 60% S&P 500 and 40% MSCI ACWI

Portfolio Performance

Investment Performance						
Strategy: Growth with Income ESG Sustainability						
As of June 30, 2019						
Asset Class / Benchmark	Ending Market Value	Allocation	Calendar	1 YEAR	3 YEAR	5 YEAR
			Year to Date Total Return	Total Return	Total Return	Total Return
Salem State University	\$15,743,079	100.0%	14.38%	9.77%	10.37%	6.64%
Total Benchmark		100.0%	13.19%	8.75%	9.26%	6.77%
Equities	\$9,285,515	59.0%	20.62%	11.69%	15.09%	9.15%
*Multi-Asset Equity Blend		60.0%	17.76%	8.78%	13.41%	9.12%
Fixed Income	\$6,279,391	39.9%	6.27%	7.50%	2.71%	2.49%
Barclays US Interm Credit TR		37.0%	6.65%	8.23%	3.01%	3.10%
Money Market	\$178,173	1.1%	1.01%	1.86%	0.96%	0.58%
Lipper Money Market Index		3.0%	1.09%	2.05%	1.15%	0.70%
Portfolio Return Gross of Fee			14.38%	9.77%	10.37%	6.64%
Portfolio Return Net of Fee			14.13%	9.28%	9.88%	6.17%

*Consists of 60/40 S&P/MSCI All Country World Index

Source: First Rate

Performance Review: 2Q 2019

- Core U.S. equity beat S&P 500 and peers in 2Q 2019
 - Longer-term performance also remains strong
 - Focus on quality growth helped performance rebound after weak 1Q
 - Much of 1H 2019 market action simply reversed 4Q 2018 performance
- Longer-term Core U.S. equity remains ahead of peers
 - Performance is above peer group median for 1, 3, and 5-year periods
 - Sector allocation, profit-taking, and torpedo avoidance helped EBWM
- Asset allocation helped 2Q 2019 results
 - Portfolios were rebalanced to neutral *after* strong start to January
 - In equity, S&P 500 led all major global markets, justifying our overweight to U.S. vs. global equity
 - Fixed income portfolios benefited from longer-duration ETFs, but shift to higher-quality credits detracted
- ESG portfolios outperformed traditional strategies
 - Energy stocks were the worst-performing group in 2018-19

Performance: US Large-Cap Equities

- Growth beat value throughout 2017, 2018, and 1H 2019
- Salem State's "Carbon-Free ESG" beat traditional models

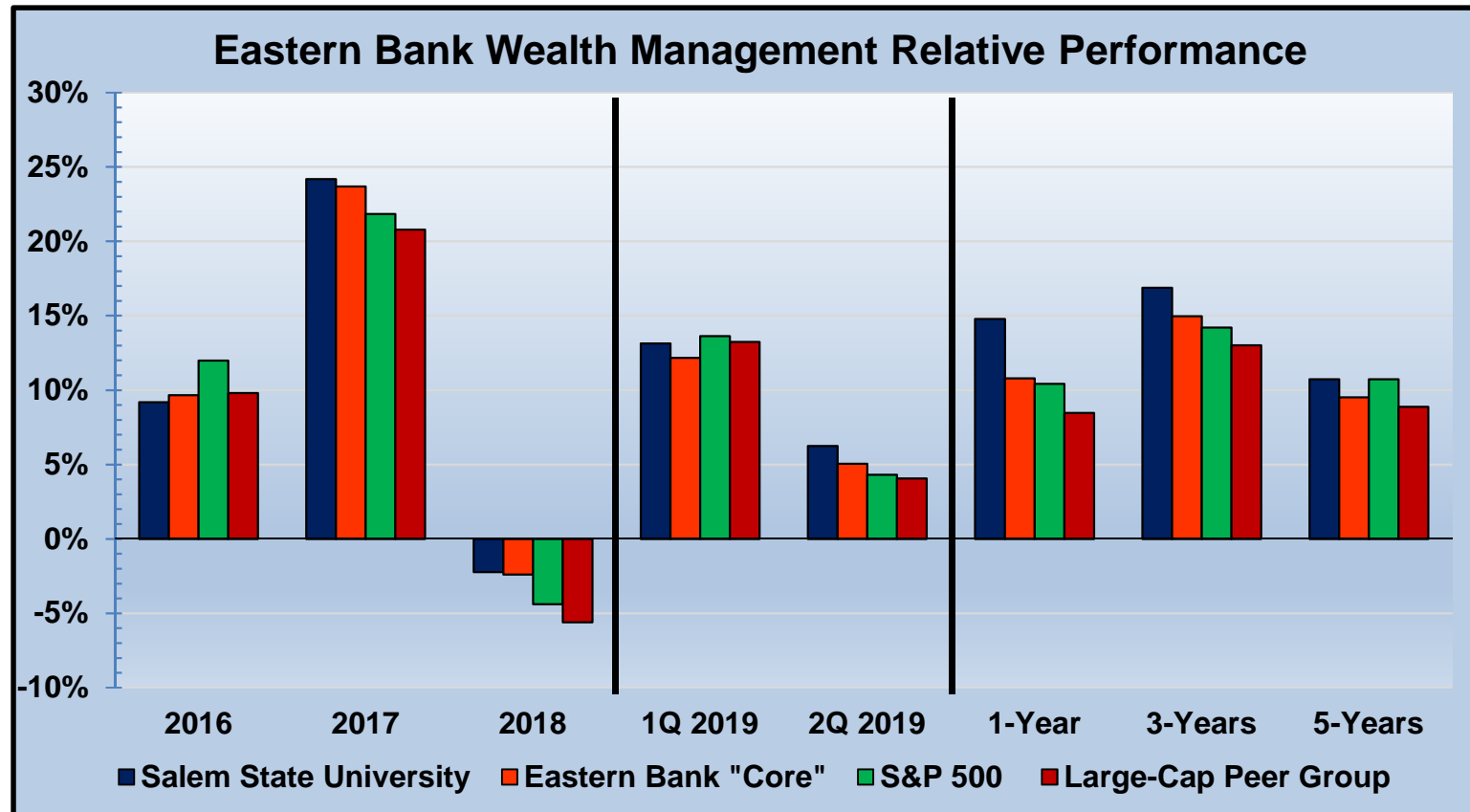
As of June 30, 2019	2016	2017	2018	1Q 2019	2Q 2019
Salem State University	9.18%	24.18%	-2.22%	13.14%	6.24%
SSU Percentile	54	29	22	52	7
EBWM Core Percentile	51	32	23	65	23
Large-Cap Peer Group	9.80%	20.78%	-5.60%	13.25%	4.06%
Core (Blended)	10.49%	20.80%	-6.02%	13.13%	4.08%
Growth	3.09%	28.31%	-2.01%	15.96%	4.65%
Value	14.19%	16.01%	-8.94%	11.18%	3.41%
S&P 500	11.98%	21.84%	-4.38%	13.64%	4.31%

Source: Morningstar, Eastern Bank Wealth Management

As of June 30, 2019	1-Year	3-Years	5-Years
Salem State University	14.79%	16.88%	10.74%
SSU Percentile	6	18	26
EBWM Core Percentile	26	29	42
Large-Cap Peer Group	8.46%	13.01%	8.88%
Core (Blended)	8.57%	12.91%	8.94%
Growth	10.03%	16.82%	11.76%
Value	6.06%	10.22%	6.75%
S&P 500	10.42%	14.20%	10.73%

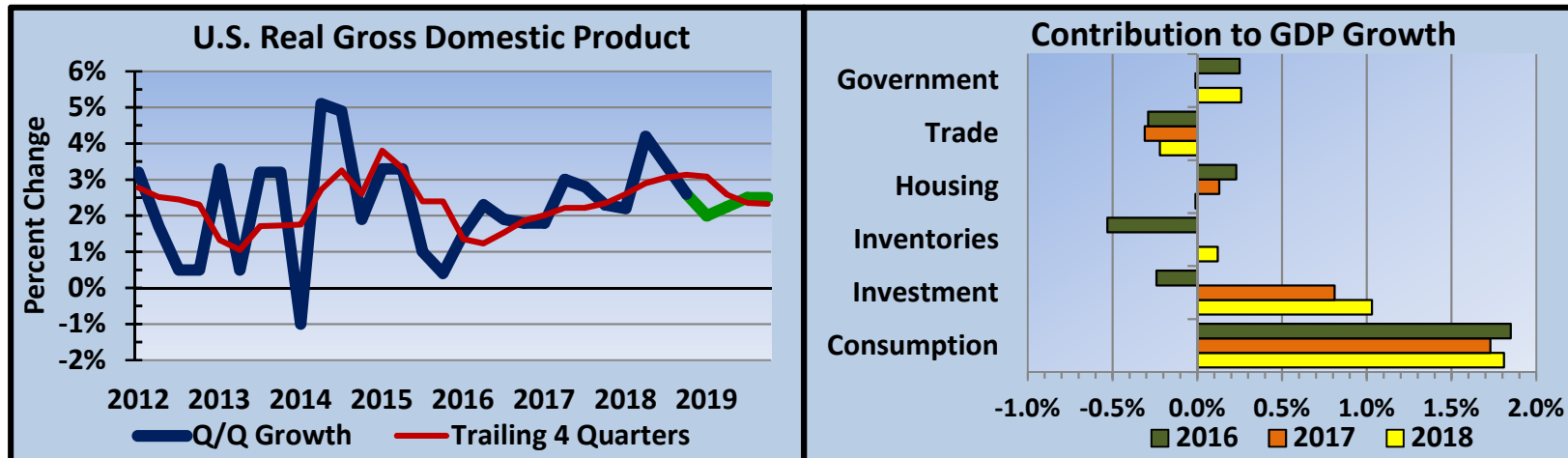
Source: Morningstar, Eastern Bank Wealth Management

Eastern Bank vs. Peers



Source: Morningstar, Eastern Bank Wealth Management

Economic Outlook



- The U.S. economy grew 2.1% in 2Q19 as consumer spending increased 4.3%. While nearly half of the first quarter's growth came from inventory buildup and global trade, the second quarter's growth was driven mostly by personal consumption. Business investment, residential investment, and trade all detracted from growth in 2Q.
- Despite another positive GDP reading, there are some soft spots in the economy. Housing and construction have been weak most of the year, and we also saw in July the first signs of softer business investment.

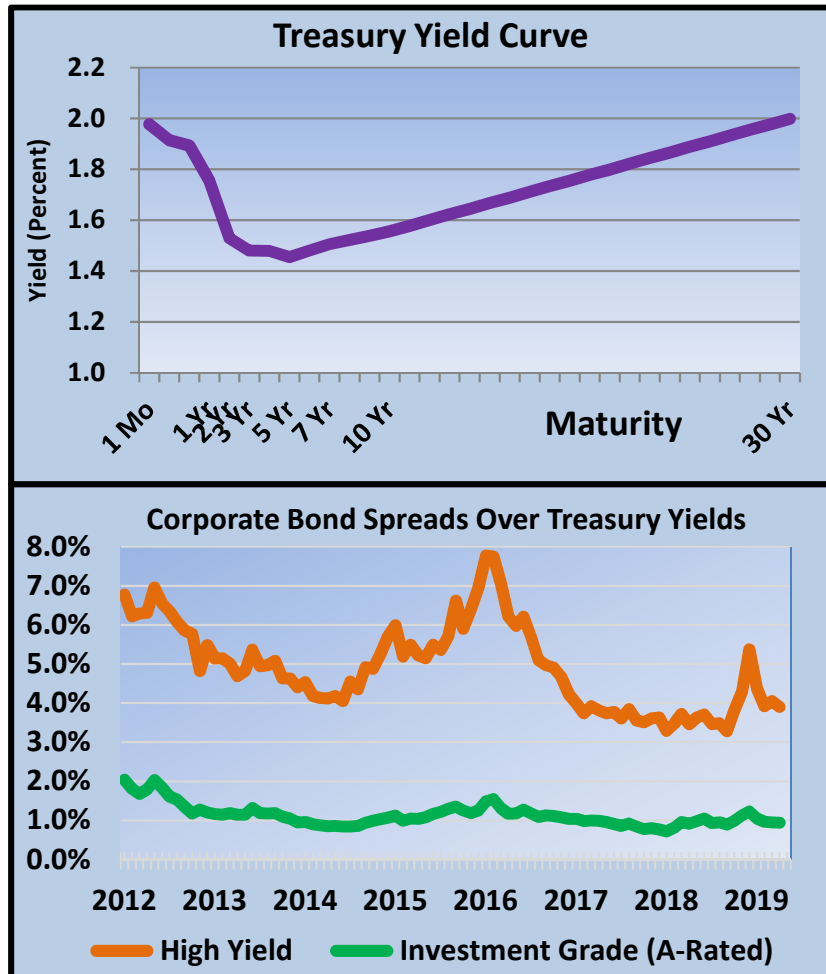
Asset Allocation: Current Posture

- Outlook
 - The “front end” of the yield curve has inverted and earnings growth has slowed sharply, leading to intense speculation that recession is coming; leading economic indicators remain modestly positive.
 - Interest rates have fallen dramatically this year. The FOMC cut rates by 25 basis points in July and markets expect one or two additional cuts this year, though many economists believe none are needed.
- Strategy
 - We are now neutral between equities and bonds, after six years of favoring equities. Valuations are attractive but the outlook is mixed.
 - In our global equity portfolios, we remain focused on the United States and emerging markets.
 - Our fixed income duration remains close to neutral. With a flattish back end of the yield curve and with tight corporate credit spreads, investors aren’t being paid to take either interest-rate or credit risk.

Recent Portfolio Changes

- Tactical asset allocation
 - Adjusted equities position to neutral, vs. 4.5% overweight in 2018
 - Shifted sector tilts toward biotech, away from financials & energy
 - In global portfolios, shifted slightly to emerging markets
- Equity trades (not all names in all accounts)
 - Purchases and additions: Albemarle, Boeing, Walt Disney Co., Elanco Animal Health, McDonald's, Pepsico, Phillips 66, Travelers
 - Sales and trims: AbbVie, Analog Devices, Carnival, Dow DuPont, Int'l Paper, Chase, MetLife, Microsoft, Nike, PayChex, Verizon
- Fixed income transactions
 - Purchases: BMO TCH Corporate Income, iShares AAA-A Corporate Bond, iShares 3-7 Year Treasury, Vanguard Short-Term Bond Funds
 - Sales and Trims: Shenkman Short-Duration High-Yield, iShares Floating Rate, iBoxx USD Investment Grade, iShares Treasury Inflation Protected Bond; SPDR Intermediate Corp. Bond Funds

Market Monitor: Fixed Income



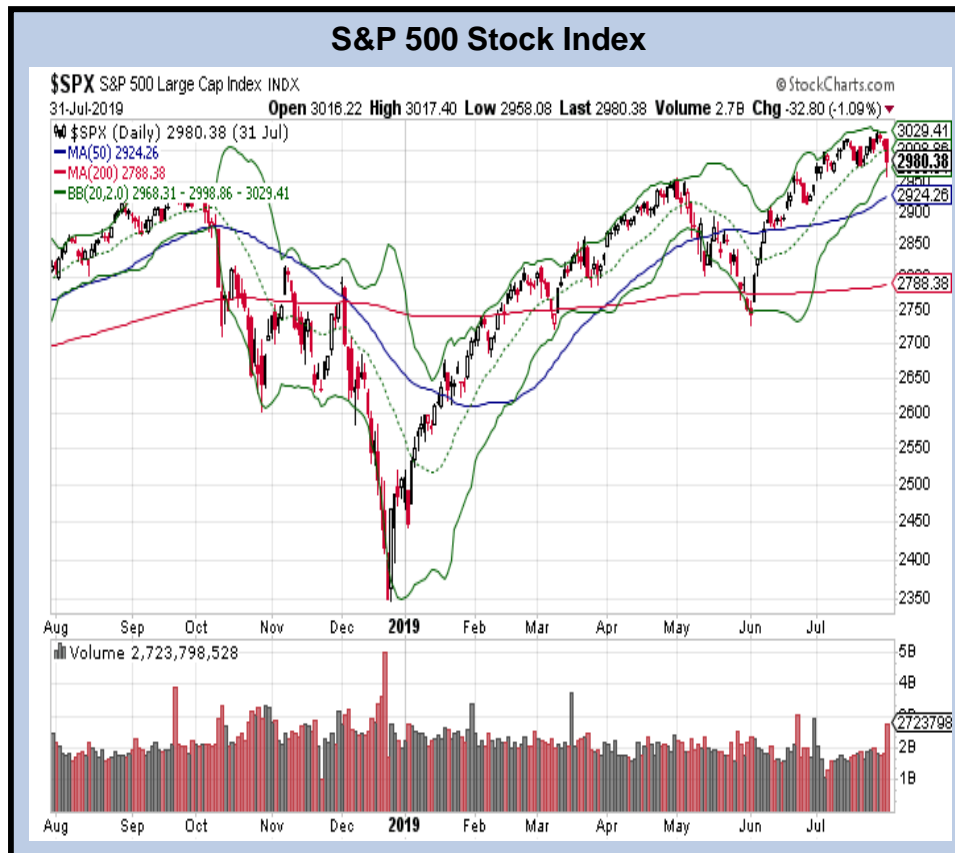
- Bond markets are sending mixed messages about the economy. Treasury yields have collapsed and the curve is partially inverted, suggesting the Treasury market thinks recession is coming.
- Credit markets, however, see no near-term concerns, as spreads are still relatively tight.
- The Federal Open Market Committee cut rates by 25 basis points in July; markets are anticipating at least one more cut this year.

Active Fixed Income Strategy

- Outlook
 - Inflation has fallen after a steady march upward last year, largely because the housing market has softened and wage growth is restrained even during a historically tight labor market; lower oil prices are also a factor. We think “core” CPI will stay near 2.0%.
 - Long-term bond yields have been constrained by ultra-low global rates and more recently by fears of recession. The European Central Bank has reversed course and is now hinting at renewed bond purchases. This could keep a lid on long-term U.S. yields.
- Strategy
 - We maintain a neutral allocation to fixed income. We have trimmed our credit risk profiles, shifting some funds from corporate bonds to Treasuries.

Market Monitor: Domestic Equity

- U.S. stocks had another positive month in July, gaining 1.4%; year-to-date, the S&P 500 has gained 20% after suffering its worst December since 1931.



- Technology stocks have outperformed YTD, up over 30%; health care and energy have lagged.
- Valuations aren't cheap. The S&P 500 trades at 17x earnings, with a 2% dividend yield.
- Large-cap U.S. stocks continue to lead global markets, as the MSCI All-World ex-US index is up only 12% YTD.

Domestic Equity Strategy Review

- Outlook
 - It's all about the Fed: The central bank cut rates by 25 basis points in July and the markets are anticipating at least one more rate cut before the end of the year. On the other hand, last year's tax reform has clearly caused some sticker shock in the housing market while trade tensions have caused nervousness in the executive suite.
 - Investors anticipate single-digit earnings growth this year and over 10% gains in 2020, which may be overly optimistic. Risks to this forecast include Brexit, weak demand in China, potential diplomatic stumbles, and a possible spike in labor costs.
- Strategy
 - Drivers of long-term performance remain intact but with additional uncertainty from slowing global demand and from political issues.
 - Domestic equity portfolios remain diversified across all sectors of the economy. We have recycled some consumer discretionary and technology profits into biotech and dividend-rich companies.

Market Monitor: International Equity



- Developed and emerging international markets have rebounded this year after stumbling through 2018, but they still lagged U.S. gains.
- European economies are still struggling with sputtering growth, capital-starved banks, political upheaval, and Brexit.
- Emerging markets have risen and fallen alongside the ebbs and flows of the trade dispute between the U.S. and China. China represents a growing portion of emerging markets indices due to changes in how the index is constructed.

International Equity Strategy Review

- Outlook
 - We think international markets offer both diversification and risk-management benefits for Multi-Asset investors. Valuations remain below U.S. levels, which limits downside risk, but fundamentals are still fragile. These are long-term investments that may take time to play out fully.
- Strategy
 - Multi-Asset portfolios are underweight foreign markets compared with their benchmarks. Outside the U.S., we favor emerging markets, where a potentially weaker dollar and strong consumer demand are favorable factors. Developed markets remain under pressure from Brexit and political turmoil in core Eurozone countries.
 - In Europe, low valuations are attractive, but bank profits have been under pressure from the European Central Bank's aggressive monetary policy. The ECB recently reintroduced programs to help restore bank capital, but their effectiveness is questionable.

Market Monitor: Other Asset Classes



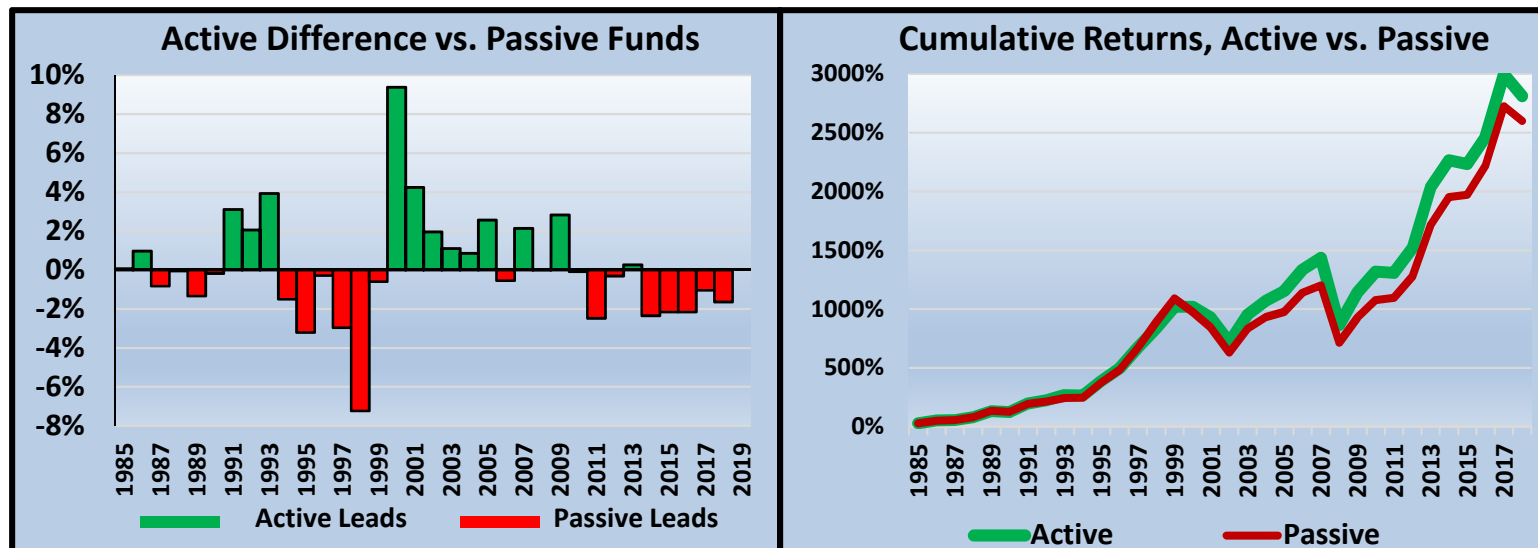
- Following their steep 2018 plunge, oil prices made a sharp turn higher through April, only to turn back lower in May and June as supply rose and financial markets stumbled. Oil prices modestly rallied in July.
- The dollar's rally has continued despite the Fed indicating it will remain accommodative through the remainder of the year. Other central banks are also loosening monetary policy.
- Alternative asset class returns have been unimpressive, due to high fees and crowded trades.

Appendix

- The Benefits of Patience and Fortitude
 - The case for active management
 - Resilient response to crisis
- Investment Advisory Committee
- Biographies
- Notices and Disclosure

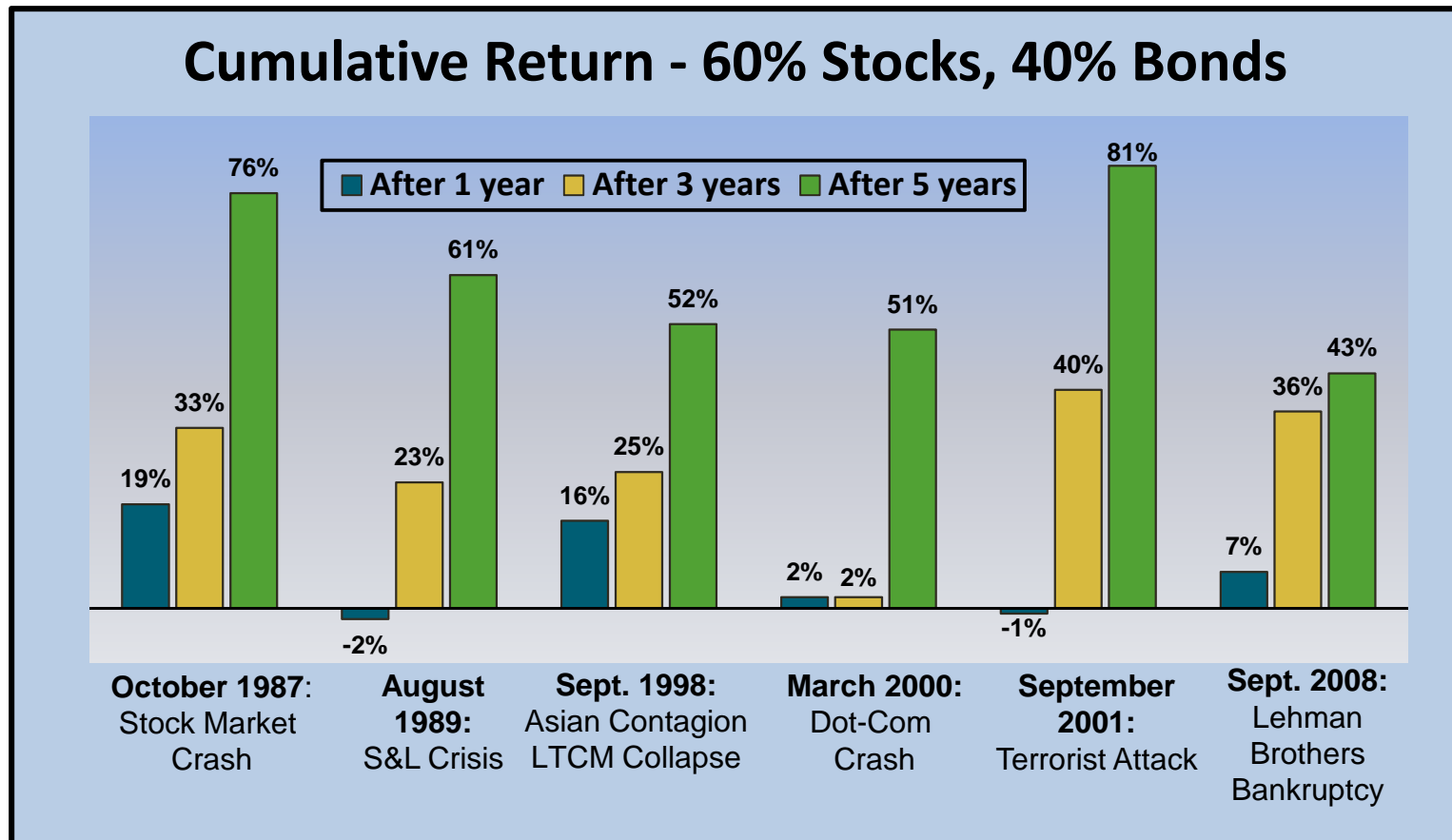
The Case for Active Management

- Active managers tend to outperform during bear markets, while passive managers mostly do well during bull runs
- Despite five straight bad years, active managers still have a cumulative 210 bps lead since 1985



Source: Morningstar, Eastern Bank Wealth Management

Resilient Response to Crisis



Source: Dimensional Fund Advisors

William J. Walsh, CFP

- Director, Eastern Wealth Management
 - Oversees 50 experienced professionals committed to providing trust and estate management, investment management, and financial planning to individuals and organizations across eastern Mass. & NH
- Over 25 years of leadership experience
 - Director / Planning Officer at Weston Financial Group, a wealth management firm in Wellesley
 - Senior Vice President, City Executive & Market Leader at Bank of America / US Trust in Boston; managed a team of 14 private client advisors and managers dedicated to serving high-net-worth clients.
 - Adjunct Professor, Boston University
- Salem State College BS – Business Administration;
Boston University diploma in Financial Planning



John F. Doherty, CFP[®], CTFA

- Vice President, Eastern Bank Wealth Management since 2006
 - Over 20 years previously with BankBoston, Fleet National Bank, and Bank of America
- Expertise in trust, investments & banking
 - Clients include non-profit organizations, individuals, families, and trusts
- Board Memberships
 - Essex County Estate Planning Council, Lynn Home for Women
 - Active in youth activities in Melrose
- Suffolk University BS-Finance, Bentley University MBA
 - National Graduate Trust School (Northwestern University)
 - Certification in Financial Planning (Boston University)



Michael A. Tyler, CFA

- Chief Investment Officer, Eastern Bank Wealth Management
- Former Partner at Wellington Management in Boston
 - Built and led telecom investment practice
- Founder/CEO of investment boutique
 - Advised institutional clients on corporate takeovers and managed hedge fund
- Board Memberships
 - Align Impact, helping us invest congruently with our mission and values
 - Associated Industries of Massachusetts, state's largest trade group
- Frequent commentator on national (CNBC) and regional TV
- Harvard MBA, Princeton BA



Rose M. Grant-Brooks

- Managing Director, Eastern Bank Wealth Management
 - Responsible for domestic and global economic research, GDP forecasts, asset allocation and security selection
 - Leads the division's trading functions
- 45 years of investment expertise
 - Joined Eastern Bank in 1974
 - Former employee of Naumkeag Trust Company
- Bachelor's of Science Degree from Salem State College
- Completed Boston University's Certified Financial Planner program



Allen Laine, CFA®

- Vice President, Eastern Bank Wealth Management
 - Responsible for research of individual companies, ETFs, and mutual funds
 - Investment Committee member focusing on equity markets, securities, and ESG initiative
- Former equity analyst and portfolio manager at RBC Global Asset Mgmt.
 - Emphasis on technology, basic materials, insurance, telecom, and utilities
- Former institutional relationship manager at Wellington
- Former investment operations specialist at BlackRock
- Boston College MBA, Drexel BS – Business Administration



Thomas Bussone III

- Fixed Income Strategist, Eastern Bank Wealth Management
 - Builds fixed income portfolios to reflect clients' objectives, asset allocation, and risk profiles
 - Provides analysis regarding market sentiment, trading environment, and potential investment opportunities
 - Executes trades for Treasury, Agency, municipal, and corporate debt
- Over 15 years of trading and investing experience
 - Joined Eastern Bank in Capital Markets Group
 - Trader on the Boston Stock Exchange
- Suffolk University MBA in Finance
- Catholic University of America BS



Notices and Disclosure

- ***Investment Products:*** *Not insured by FDIC or any federal government agency. Not deposits of or guaranteed by any bank. May lose value.*
 - Eastern Bank Wealth Management is a division of Eastern Bank. Views are as of the date above and are subject to change based on market conditions and other factors. This material is for your private information and we are not soliciting any action based on it. All material has been obtained from sources believed to be reliable but its accuracy is not guaranteed. There is neither representation nor warranty as to the accuracy of, nor liability for the decisions based on such information.
 - Opinions expressed are our current opinions as of the date appearing on this material only. All opinions herein are subject to change without notice.
 - Past performance does not guarantee future performance. Investments made through Eastern Bank Wealth Management are not insured by FDIC or any federal government agency, are not deposits of or guaranteed by any bank, and may lose value.

Join Us For Good

GOOD INVESTS. GOOD ADVISES. GOOD
LEND. GOOD HELPS FEED HUNGRY KIDS.
GOOD FUELS THE HUNGRY STARTUP.
GOOD HELPS KIDS LEARN TO PAINT. AND
DANCE. AND REALIZE HOW SPECIAL
THEY ARE. GOOD BUILDS BUSINESS.
GOOD BUILDS PLAYGROUNDS. AND RE-
BUILDS LIVES. GOOD INSURES. GOOD
ENDURES. GOOD FIGHTS AGAINST RACIAL
INTOLERANCE. GOOD STANDS UP FOR
THE LGBT COMMUNITY. GOOD EDUCATES.
GOOD ADVOCATES. GOOD INNOVATES.
GOOD HELPS PEOPLE BEAT ADDICTIONS.
GOOD PAYS CLOSE ATTENTION. GOOD
PAYS IT FORWARD. THIS IS WHERE I DO

GOOD

 Eastern Bank
JOIN US FOR GOOD™

Investment Review

Account Name	SALEM STATE	Account Number	2427524
		Assets Held As Of	JUN 30, 2019
		Valued As Of	JUN 30, 2019

Important Information

GAINS TAXED TO.....	EXEMPT	INCOME TAXED TO.....	EXEMPT
TRUST TAX YEAR END.....		TRUST TAX FILING STATUS.....	AGENCY
LONG TERM CARRYOVER LOSS....		SHORT TERM CARRYOVER LOSS...	
OFFICER.....	JOHN DOHERTY	INVESTMENT OBJECTIVE.....	GROWTH WITH INCOME
REVOCABILITY.....		INVESTMENT AUTHORITY.....	SOLE
FINAL TERMINATION DATE.....		DATE OF DEATH.....	
		TRUST SITUS.....	MASSACHUSETTS

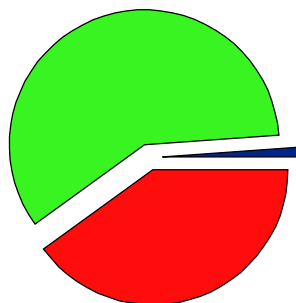
TRUSTEE RESTRICTIONS:

REMARKS:

RECOMMENDED CHANGES: SECURITY	PRICE	VALUE	COST	INCOME	EST INCOME CHANGE: EST GAIN/LOSS: RATIONALE FOR RECOMMENDATION:
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SUMMARY OF INVESTMENTS

Investment Allocation



1.1%	■	CASH ITEMS	178,172.80
59.0%	■	EQUITIES	9,285,515.22
39.9%	■	FIXED INCOME SECURITIES	6,279,390.88
<hr/>			
100.0%		Total	15,743,078.90

Investment Review

Account Name	SALEM STATE	Account Number	2427524
		Assets Held As Of	JUN 30, 2019
		Valued As Of	JUN 30, 2019

SUMMARY OF INVESTMENTS

Investment Summary

	Market Value	%	Estimated Income	Current Yield
CASH ITEMS				
PRINCIPAL CASH				
MONEY MARKET FUNDS	178,172.80	1.13	3,457	1.94
TOTAL CASH ITEMS	178,172.80	1.13	3,457	1.94
FIXED INCOME SECURITIES				
MUTUAL FUND - GOV. BONDS MUTUAL FUNDS	1,181,662.74	7.51	25,518	2.16
CORPORATE/OTHER BONDS	4,528,954.25	28.77	157,032	3.47
MUTUAL FUND - CORPORATE BONDS MUTUAL FUNDS	568,773.89	3.61	20,664	3.63
TOTAL FIXED INCOME SECURITIES	6,279,390.88	39.89	203,214	3.24
EQUITIES				
COMMON STOCKS				
COMMUNICATION SERVICES	883,565.94	5.61	13,116	1.48
CONSUMER DISCRETIONARY	489,839.18	3.11	8,479	1.73
CONSUMER STAPLES	656,083.36	4.17	14,001	2.13
FINANCIALS	914,154.07	5.81	21,092	2.31
HEALTH CARE	1,062,472.66	6.75	19,279	1.81
INDUSTRIALS	745,712.77	4.74	14,699	1.97
INFORMATION TECHNOLOGY	1,656,883.93	10.52	20,272	1.22
MATERIALS	258,967.28	1.64	5,308	2.05
UTILITIES	274,792.17	1.75	7,115	2.59
TOTAL COMMON STOCKS	6,942,471.36	44.10	123,361	1.78
MUTUAL FUND - LARGE CAP EQUITIES MUTUAL FUNDS	806,591.12	5.12	8,933	1.11
MUTUAL FUND - INTERNATIONAL EQUITIES MUTUAL FUNDS	551,510.35	3.50	9,670	1.75
MUTUAL FUND-SMALL AND MID CAP EQUITIES MUTUAL FUNDS	293,007.62	1.86	0	0.00
MUTUAL FUND - INTERNATIONAL EMERGING MKTS MUTUAL FUNDS	691,934.77	4.40	8,690	1.26

Investment Review

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Account Name	SALEM STATE	Account Number	2427524
		Assets Held As Of	JUN 30, 2019
		Valued As Of	JUN 30, 2019

SUMMARY OF INVESTMENTS

Investment Summary

	Market Value	%	Estimated Income	Current Yield
TOTAL EQUITIES	9,285,515.22	58.98	150,654	1.62
TOTAL FUND	15,743,078.90	100.00	357,325	2.27

For the Tax Year Ending 12/31

Net Short Term Gain/Loss 48,772.82-

Net Long Term Gain/Loss * 629,434.96

* Includes Long Term Capital Gains Dividends

SUMMARY OF INVESTED INCOME

Investment Summary

	Market Value	%	Estimated Income	Current Yield
CASH ITEMS				
INCOME CASH				
TOTAL FUND				

SCHEDULE OF INVESTMENTS

UNITS	DESCRIPTION	TAX COST	UNIT COST	CURRENT PRICE	MARKET VALUE	INC RATE	EST INC	CURRENT YIELD	PLG COD
	CASH ITEMS								
	PRINCIPAL CASH	0			0			0.0	
	MONEY MARKET FUNDS								
	FEDERATED GOV'T OBLIGATION TAX MANAGED FUND # 637	178,173			178,173	1.94	3,457	1.9	

Investment Review

Account Name SALEM STATE

Account Number 2427524
Assets Held As Of JUN 30, 2019
Valued As Of JUN 30, 2019**SCHEDULE OF INVESTMENTS**

UNITS	DESCRIPTION	TAX COST	UNIT COST	CURRENT PRICE	MARKET VALUE	INC RATE	EST INC	CURRENT YIELD	PLG COD
	TOTAL CASH ITEMS	178,173			178,173		3,457	1.9	
	FIXED INCOME SECURITIES								
	MUTUAL FUND - GOV. BONDS								
	MUTUAL FUNDS								
5,100	I SHARES BARCLAYS 7-10 YR TREAS	530,165	103.95	110.02	561,102	2.50	12,760	2.3	
4,123	I SHARES BARCLAYS 1-3 YR TR BD	346,943	84.15	84.78	349,548	1.74	7,166	2.1	
2,155	I SHARES BARCLAYS 3-7 YR T	264,375	122.68	125.76	271,013	2.60	5,592	2.1	
	TOTAL MUTUAL FUNDS	1,141,483			1,181,663		25,518	2.2	
	CORPORATE/OTHER BONDS								
150,000	E M C CORP 2.65% 06/01/2020	150,297	100.20	99.452	149,178	2.65	3,975	2.7	
200,000	AUTODESK, INC. 3.125% 06/15/2020	202,000	101.00	100.491	200,982	3.13	6,250	3.1	
100,000	WELLS FARGO & CO 3% 01/22/2021	101,720	101.72	100.911	100,911	3.00	3,000	3.0	
200,000	XILINX, INC. 3% 03/15/2021	200,717	100.36	100.855	201,710	3.00	6,000	3.0	
250,000	EBAY INC 3.8% 03/09/2022	255,557	102.22	103.527	258,818	3.80	9,500	3.7	
100,000	HARTFORD FINL SVCS GRP 5.125% 04/15/2022	104,636	104.64	107.211	107,211	5.13	5,125	4.8	
125,000	TIME WARNER INC 3.4% 06/15/2022	129,350	103.48	101.362	126,703	3.40	4,250	3.4	
200,000	CVS 3.5% 07/20/2022	203,765	101.88	102.768	205,536	3.50	7,000	3.4	
250,000	HEWLETT-PACKARD CO 4.05% 09/15/2022	257,312	102.92	104.478	261,195	4.05	10,125	3.9	
200,000	FORD MOTOR CREDIT CO 4.25% 09/20/2022	204,922	102.46	102.563	205,126	4.25	8,500	4.1	
100,000	BANK OF AMERICA CORP 3.3% 01/11/2023	102,006	102.01	103.078	103,078	3.30	3,300	3.2	
225,000	A T & T INC 3.6% 02/17/2023	227,899	101.29	103.794	233,537	3.60	8,100	3.5	
150,000	VODAFONE GROUP 2.95% 02/19/2023	152,327	101.55	101.772	152,658	2.95	4,425	2.9	
150,000	CITIGROUP 3.375% 03/01/2023	154,272	102.85	103.093	154,640	3.38	5,063	3.3	

Investment Review

Account Name SALEM STATE

Account Number 2427524
Assets Held As Of JUN 30, 2019
Valued As Of JUN 30, 2019**SCHEDULE OF INVESTMENTS**

UNITS	DESCRIPTION	TAX COST	UNIT COST	CURRENT PRICE	MARKET VALUE	INC RATE	EST INC	CURRENT YIELD	PLG COD
100,000	ACE INA HOLDINGS 2.7% 03/13/2023	102,056	102.06	101.615	101,615	2.70	2,700	2.7	
150,000	CARDINAL HEALTH, INC. 3.2% 03/15/2023	154,425	102.95	101.273	151,910	3.20	4,800	3.2	
125,000	HYATT HOTELS CORP 3.375% 07/15/2023	127,500	102.00	102.15	127,688	3.38	4,219	3.3	
200,000	CELGENE CORPORATION 4% 08/15/2023	205,932	102.97	105.678	211,356	4.00	8,000	3.8	
175,000	AMERIPRISE FINANCIAL INC 4% 10/15/2023	180,007	102.86	106.383	186,170	4.00	7,000	3.8	
200,000	INTERCONTEXCHANGE GROUP INC 4% 10/15/2023	209,160	104.58	106.43	212,860	4.00	8,000	3.8	
200,000	ALABAMA POWER CO 3.55% 12/01/2023	205,658	102.83	105.074	210,148	3.55	7,100	3.4	
200,000	WHIRLPOOL CORP. 4% 03/01/2024	208,130	104.06	104.639	209,278	4.00	8,000	3.8	
175,000	CSX CORPORATION 3.4% 08/01/2024	179,272	102.44	104.666	183,166	3.40	5,950	3.2	
150,000	CBS 3.7% 08/15/2024	153,177	102.12	103.521	155,282	3.70	5,550	3.6	
100,000	MEDTRONIC INC 3.5% 03/15/2025	101,926	101.93	106.064	106,064	3.50	3,500	3.3	
100,000	QUALCOMM INC 3.45% 05/20/2025	97,640	97.64	103.803	103,803	3.45	3,450	3.3	
100,000	KEYCORP 4.15% 10/29/2025	101,050	101.05	108.335	108,335	4.15	4,150	3.8	
	TOTAL CORPORATE/OTHER BONDS	4,472,713			4,528,958		157,032	3.5	
	MUTUAL FUND - CORPORATE BONDS								
	MUTUAL FUNDS								
33,875.75	CALVERT INCOME FUND	544,335	16.07	16.79	568,774	0.61	20,664	3.6	
	TOTAL FIXED INCOME SECURITIES	6,158,531			6,279,395		203,214	3.2	
	EQUITIES								
	COMMON STOCKS								

Investment Review

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Account Name SALEM STATE

Account Number 2427524
Assets Held As Of JUN 30, 2019
Valued As Of JUN 30, 2019**SCHEDULE OF INVESTMENTS**

UNITS	DESCRIPTION	TAX COST	UNIT COST	CURRENT PRICE	MARKET VALUE	INC RATE	EST CURRENT INC	YIELD	PLG COD
COMMUNICATION SERVICES									
3,053	A T & T INC	93,696	30.69	33.51	102,306	2.04	6,228	6.1	
89	ALPHABET, INC. CL C	51,242	575.76	1080.91	96,201	0.00	0	0.0	
207	ALPHABET, INC. CL A	118,722	573.54	1082.80	224,140	0.00	0	0.0	
1,104	WALT DISNEY PRODUCTIONS	122,155	110.65	139.64	154,163	1.76	1,943	1.3	
982	FACEBOOK CL A	182,364	185.71	193.00	189,526	0.00	0	0.0	
2,052	VERIZON COMMUNICATIONS INC	87,240	42.51	57.13	117,231	2.41	4,945	4.2	
	TOTAL COMMUNICATION SERVICES	655,419			883,567		13,116	1.5	
CONSUMER DISCRETIONARY									
833	BURLINGTON STORES, INC.	129,379	155.32	170.15	141,735	0.00	0	0.0	
883	HOME DEPOT INC	83,207	94.23	207.97	183,638	5.44	4,804	2.6	
792	MCDONALD'S CORP	129,420	163.41	207.66	164,467	4.64	3,675	2.2	
	TOTAL CONSUMER DISCRETIONARY	342,006			489,840		8,479	1.7	
CONSUMER STAPLES									
447	COSTCO WHOLESALE CORP, NEW	51,036	114.17	264.26	118,124	2.60	1,162	1.0	
960	PEPSICO INC	111,373	116.01	131.13	125,885	3.82	3,667	2.9	
1,065	PROCTER & GAMBLE CO	73,171	68.71	109.65	116,777	2.98	3,178	2.7	
1,618	SYSCO CORP	84,612	52.29	70.72	114,425	1.56	2,524	2.2	
1,637	WALMART, INC.	158,384	96.75	110.49	180,872	2.12	3,470	1.9	
	TOTAL CONSUMER STAPLES	478,576			656,083		14,001	2.1	
FINANCIALS									
1,862	ALLSTATE CORP	136,134	73.11	101.69	189,347	2.00	3,724	2.0	
291	BLACKROCK INC.	110,059	378.21	469.30	136,566	13.20	3,841	2.8	
1,386	INTERCONTEXCHANGE GROUP INC	102,051	73.63	85.94	119,113	1.10	1,525	1.3	
2,319	J P MORGAN CHASE & CO	171,386	73.91	111.80	259,264	3.20	7,421	2.9	

Investment Review

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Account Name SALEM STATE

Account Number 2427524
Assets Held As Of JUN 30, 2019
Valued As Of JUN 30, 2019**SCHEDULE OF INVESTMENTS**

UNITS	DESCRIPTION	TAX COST	UNIT COST	CURRENT PRICE	MARKET VALUE	INC RATE	EST INC	CURRENT YIELD	PLG COD
697	PNC BANK CORP	103,596	148.63	137.28	95,684	3.80	2,649	2.8	
2,841	CHARLES SCHWAB	123,376	43.43	40.19	114,180	0.68	1,932	1.7	
	TOTAL FINANCIALS	746,602			914,154		21,092	2.3	
	HEALTH CARE								
2,189	ABBOTT LABORATORIES INC	134,872	61.61	84.10	184,095	1.28	2,802	1.5	
1,695	CVS HEALTH CORPORATION	131,416	77.53	54.49	92,361	2.00	3,390	3.7	
1,161	DANAHER CORP	100,476	86.54	142.92	165,930	0.68	789	0.5	
3,292	ELANCO ANIMAL HEALTH	97,386	29.58	33.80	111,270	0.00	0	0.0	
1,151	JOHNSON & JOHNSON	96,958	84.24	139.28	160,311	3.80	4,374	2.7	
2,451	MERCK & CO INC. NEW	117,659	48.00	83.85	205,516	2.20	5,392	2.6	
586	UNITEDHEALTH GROUP, INC.	132,228	225.64	244.01	142,990	4.32	2,532	1.8	
	TOTAL HEALTH CARE	810,995			1,062,473		19,279	1.8	
	INDUSTRIALS								
174	BOEING CO	68,525	393.82	364.01	63,338	8.22	1,430	2.3	
454	NORTHROP GRUMMAN	134,204	295.60	323.11	146,692	5.28	2,397	1.6	
1,042	UNITED TECHNOLOGIES CORP	125,950	120.87	130.20	135,668	2.94	3,063	2.3	
1,670	XYLEM INC.	115,618	69.23	83.64	139,679	0.96	1,603	1.1	
1,278	EATON CORP PLC	99,230	77.65	83.28	106,432	2.84	3,630	3.4	
1,215	INGERSOLL RAND PLC	114,818	94.50	126.67	153,904	2.12	2,576	1.7	
	TOTAL INDUSTRIALS	658,345			745,713		14,699	2.0	
	INFORMATION TECHNOLOGY								
823	ADOBE INC.	107,904	131.11	294.65	242,497	0.00	0	0.0	
1,083	ANALOG DEVICES	53,934	49.80	112.87	122,238	2.16	2,339	1.9	
664	AUTOMATIC DATA PROCESSING	108,807	163.87	165.33	109,779	3.16	2,098	1.9	
622	BROADCOM INC	145,465	233.87	287.86	179,049	10.60	6,593	3.7	

Investment Review

Account Name SALEM STATE

Account Number 2427524
Assets Held As Of JUN 30, 2019
Valued As Of JUN 30, 2019**SCHEDULE OF INVESTMENTS**

UNITS	DESCRIPTION	TAX COST	UNIT COST	CURRENT PRICE	MARKET VALUE	INC RATE	EST INC	CURRENT YIELD	PLG COD
957	MASTERCARD	189,462	197.98	264.53	253,155	1.32	1,263	0.5	
2,737	MICROSOFT	288,778	105.51	133.96	366,649	1.84	5,036	1.4	
1,291	MOTOROLA SOLUTIONS, INC.	162,935	126.21	166.73	215,248	2.28	2,943	1.4	
1,109	SALESFORCE.COM	64,296	57.98	151.73	168,269	0.00	0	0.0	
	TOTAL INFORMATION TECHNOLOGY	1,121,581			1,656,884		20,272	1.2	
	MATERIALS								
1,144	AIR PRODUCTS & CHEMICALS	180,523	157.80	226.37	258,967	4.64	5,308	2.0	
	UTILITIES								
636	NEXTERA ENERGY INC	96,527	151.77	204.86	130,291	5.00	3,180	2.4	
2,429	XCEL ENERGY, INC.	65,259	26.87	59.49	144,501	1.62	3,935	2.7	
	TOTAL UTILITIES	161,786			274,792		7,115	2.6	
	TOTAL COMMON STOCKS	5,155,833			6,942,473		123,361	1.8	
	MUTUAL FUND - LARGE CAP EQUITIES								
	MUTUAL FUNDS								
26,398	CALVERT GLOBAL ENERGY SOLUTIONS	200,994	7.61	7.19	189,802	0.12	3,194	1.7	
9,697.99	DFA U S SUSTAINABILITY CORE 1	208,012	21.45	22.89	221,987	0.30	2,890	1.3	
7,145	INVESCO BUYBACK WILDERHILL CLEAN ENERGY ETF	183,071	25.62	29.71	212,278	0.37	2,672	1.3	
2,081	SPDR S&P BIOTECH	168,720	81.08	87.71	182,525	0.09	177	0.1	
	TOTAL MUTUAL FUNDS	760,797			806,592		8,933	1.1	
	MUTUAL FUND - INTERNATIONAL EQUITIES								
	MUTUAL FUNDS								
45,652.72	DOMINI IMPACT INTERNATIONAL EQUITY FUND INSTITUTIONAL	403,935	8.85	7.95	362,939	0.18	8,354	2.3	
17,316	HARTFORD GLOBAL IMPACT FUND	168,312	9.72	10.89	188,571	0.08	1,316	0.7	

Investment Review

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Account Name SALEM STATE

Account Number 2427524
Assets Held As Of JUN 30, 2019
Valued As Of JUN 30, 2019**SCHEDULE OF INVESTMENTS**

UNITS	DESCRIPTION	TAX COST	UNIT COST	CURRENT PRICE	MARKET VALUE	INC RATE	EST CURRENT INC	YIELD	PLG COD
	TOTAL MUTUAL FUNDS	572,247			551,510		9,670	1.8	
	MUTUAL FUND-SMALL AND MID CAP EQUITIES								
	MUTUAL FUNDS								
12,511	CALVERT MID CAP FUND	253,473	20.26	23.42	293,008	0.00	0	0.0	
	MUTUAL FUND - INTERNATIONAL EMERGING MKTS								
	MUTUAL FUNDS								
27,551.63	CALVERT EMERGING MARKETS EQUITY FUND	474,230	17.21	16.57	456,530	0.18	5,042	1.1	
26,243.51	DFA EMERGING MARKETS SUSTAINABILITY CORE 1 PORT.	228,581	8.71	8.97	235,404	0.14	3,648	1.5	
	TOTAL MUTUAL FUNDS	702,811			691,934		8,690	1.3	
	TOTAL EQUITIES	7,445,161			9,285,517		150,654	1.6	
	TOTAL FUND	13,781,865			15,743,085		357,325	2.3	

SCHEDULE OF INCOME INVESTMENTS

UNITS	DESCRIPTION	TAX COST	UNIT COST	CURRENT PRICE	MARKET VALUE	INC RATE	EST CURRENT INC	YIELD	PLG COD
	INCOME CASH	0			0			0.0	

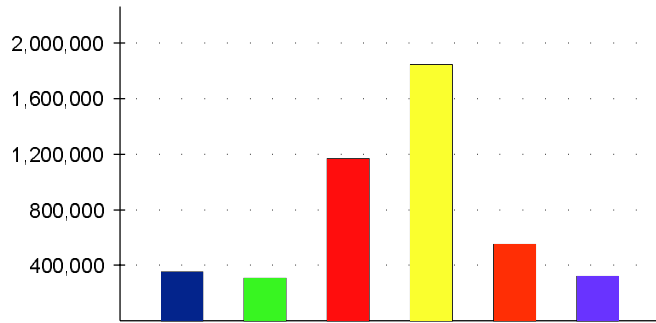
Investment Review

Account Name SALEM STATE

Account Number 2427524
 Assets Held As Of JUN 30, 2019
 Valued As Of JUN 30, 2019

MATURITY SCHEDULE

Maturities by Year



2020	350,160.00
2021	302,621.00
2022	1,164,588.00
2023	1,845,658.25
2024	547,725.00
2025	318,202.00
Total	4,528,954.25

Percent at Market by Year



7.7%	2020	350,160.00
6.7%	2021	302,621.00
25.7%	2022	1,164,588.00
40.8%	2023	1,845,658.25
12.1%	2024	547,725.00
7.0%	2025	318,202.00
100.0%	Total	4,528,954.25

Investment Review

Account Name SALEM STATE

Account Number 2427524
Assets Held As Of JUN 30, 2019
Valued As Of JUN 30, 2019**MATURITY SCHEDULE**

Maturing :	Federal Tax Cost	Current Market Value	Face Value	% at Market
2019				
2020	352,297.62	350,160.00	350,000.00	7.73
2021	302,437.22	302,621.00	300,000.00	6.68
2022	1,155,542.39	1,164,588.00	1,125,000.00	25.71
2023	1,821,240.87	1,845,658.25	1,775,000.00	40.75
2024	540,579.15	547,725.00	525,000.00	12.09
2025	300,616.49	318,202.00	300,000.00	7.03
2026				
2027				
2028				
TEN TO TWENTY YEARS				
OVER TWENTY YEARS				
TOTAL	4,472,713.74	4,528,954.25	4,375,000.00	100.00
MATURING NEXT 365 DAYS	352,297.62	350,160.00	350,000.00	7.73

Information may be a combination of maturity and prerefunded dates

Your Performance Statement

Investment activity through 06/30/2019

Your Portfolio Summary

Reporting period: December 31, 2018 to June 30, 2019

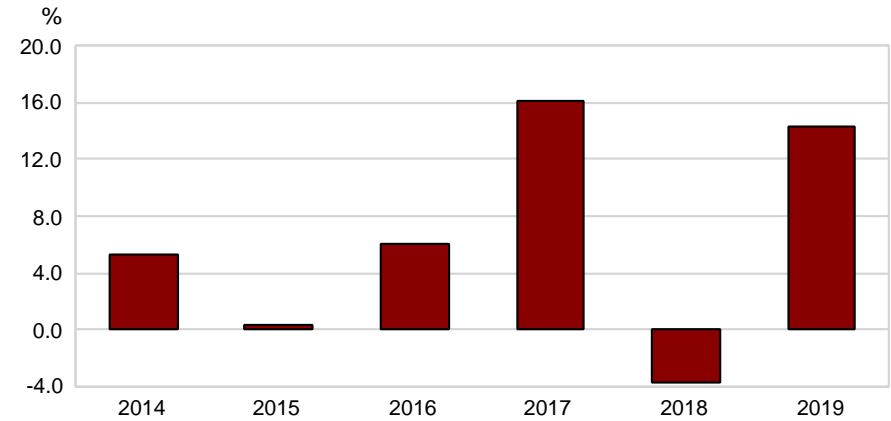
EASTERN BANK INVEST MGR FOR SALEM STATE UNIV (2427524)

Performance Measured Since: December 01, 1996

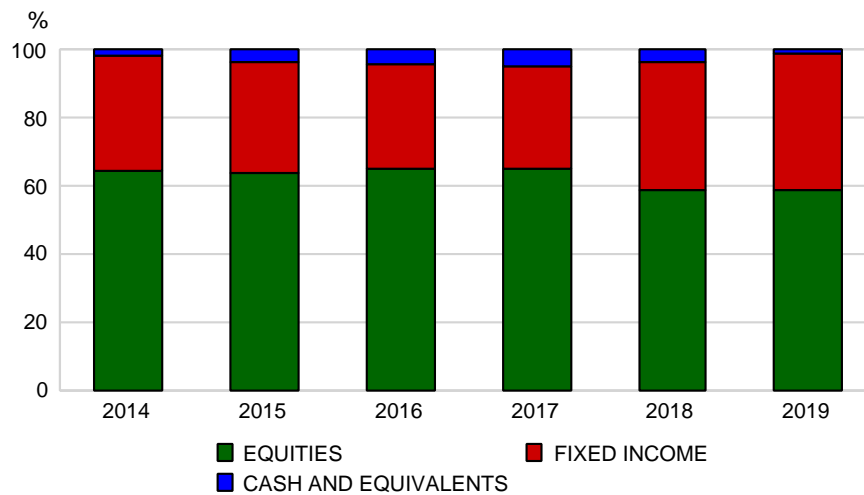
Portfolio Value - YTD

Beginning portfolio value	13,795,461.53
Contributions	50,019.15
Income earned	159,739.55
Withdrawals	-33,580.67
Market Appreciation	1,824,683.73
Ending portfolio value	15,796,323.29
Total return	14.38

Annual Portfolio Returns



Annual Portfolio Allocation



Portfolio Values By Asset Class

	Market value	% of Mkt val
DOMESTIC EQUITY	8,049,766	51.0
DOMESTIC FIXED INCOM	6,324,028	40.0
INTERNATIONAL EQUITY	1,243,445	7.9
CASH AND EQUIVALENTS	179,084	1.1
Total	15,796,323	100.0

Your Portfolio Performance

Reporting period: December 31, 2018 to June 30, 2019

EASTERN BANK INVEST MGR FOR SALEM STATE UNIV (2427524)

Performance Measured Since: December 01, 1996

	Market Value	Month to Date	Quarter to Date (3 Months)	Year to Date (6 Months)	1 Year	3 Years	5 Years	Inception to Date (271 Months)
TOTAL FUND	15,796,323	4.45	4.52	14.38	9.77	10.37	6.64	6.23
TOTAL NET OF FEES	15,796,323	4.42	4.41	14.13	9.28	9.88	6.17	5.95
Strategy: Growth with Income (Corp)		4.67	3.70	13.19	8.75	9.26	6.77	6.92
EQUITIES	9,293,211	6.93	5.91	20.62	11.69	15.09	9.15	7.06
Benchmark: Multi-Asset Equity Blend		6.87	4.10	17.76	8.78	13.41	9.12	7.72
DOMESTIC EQUITY	8,049,766	7.03	6.40	21.70	13.62	16.13	10.43	
COMMON STOCK	6,950,167	6.83	6.66	21.13	15.21	17.30	11.16	
DOMESTIC EQUITY FUNDS	1,099,599	8.33	5.41	23.86	7.52	11.24	6.83	
ETF - DOMESTIC EQUITY	394,802	10.85	3.90	20.45	6.71	11.13		
MUTUAL FUND - DOMESTIC EQUITY	411,789	7.60	5.48	20.47	7.70			
MUTUAL FUND - DOMESTIC EQUITY	293,008	6.07	5.16	21.64	6.21			
INTERNATIONAL EQUITY	1,243,445	6.28	2.74	13.88	.55	9.31	2.16	
INTERNATIONAL EQUITY FUNDS	1,243,445	6.28	2.74	13.88	.55	9.31	2.16	
MUTUAL FUND - INTERNATIONAL EQUITIES	551,510	5.76	3.66	14.85	-.51	11.83	4.26	
MUTUAL FUND - INTERNATIONAL EQUITIES	691,935	6.70	1.74	12.91	5.39			
FIXED INCOME	6,324,028	1.13	2.68	6.27	7.50	2.71	2.49	4.67
Benchmark: Barclays US Interm Credit TR USD		1.49	2.99	6.65	8.23	3.01	3.10	5.27
DOMESTIC FIXED INCOME	6,324,028	1.13	2.68	6.27	7.50	2.71	2.49	
DOMESTIC BONDS	4,573,591	1.13	2.54	5.83	7.47	2.70	2.48	
CORPORATE BOND	4,573,591	1.13	2.54	5.83	7.47	2.71	2.48	
DOMESTIC BOND FUNDS	1,750,437	1.11	3.06	7.62	7.51	2.73	2.59	
ETF - GOVERNMENT BONDS	1,181,663	.91	2.63	5.78	6.40	.59		
CORPORATE BOND FUNDS	568,774	1.51	3.64	9.34	8.54	3.84	3.40	
MUTUAL FUND - CORPORATE BONDS	568,774	1.51	3.71	10.93	9.61			

Your Portfolio Performance

Reporting period: December 31, 2018 to June 30, 2019

EASTERN BANK INVEST MGR FOR SALEM STATE UNIV (2427524)

Performance Measured Since: December 01, 1996

	Market Value	Month to Date	Quarter to Date (3 Months)	Year to Date (6 Months)	1 Year	3 Years	5 Years	Inception to Date (271 Months)
CASH AND EQUIVALENTS	179,084	.16	.47	.96	1.82	.95	.58	2.09
CASH UNINVESTED	912	.00	.00	.00	.00	.00	.00	
MONEY MARKET FUNDS	178,173	.16	.49	1.01	1.86	.96	.58	
Benchmark: Lipper Money Mkt Fd IX		.18	.54	1.09	2.05	1.15	.70	2.02

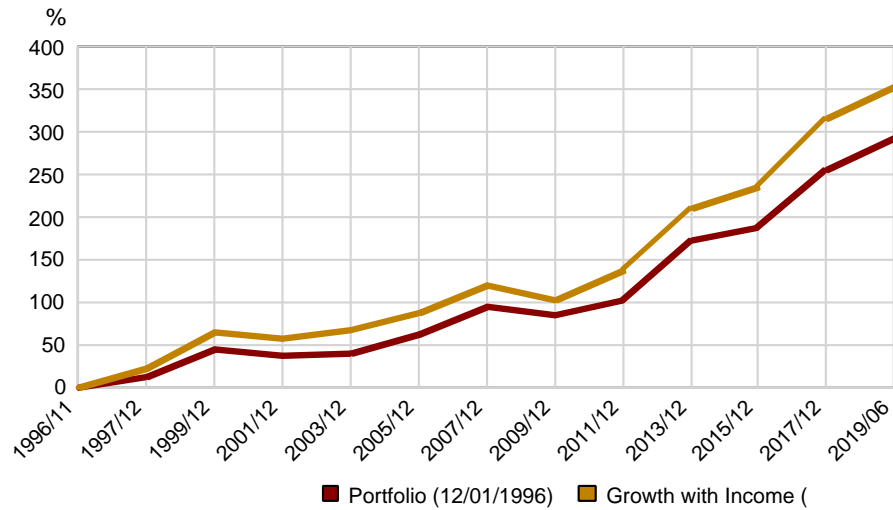
Your Portfolio Performance - Continued

Reporting period: December 31, 2018 to June 30, 2019

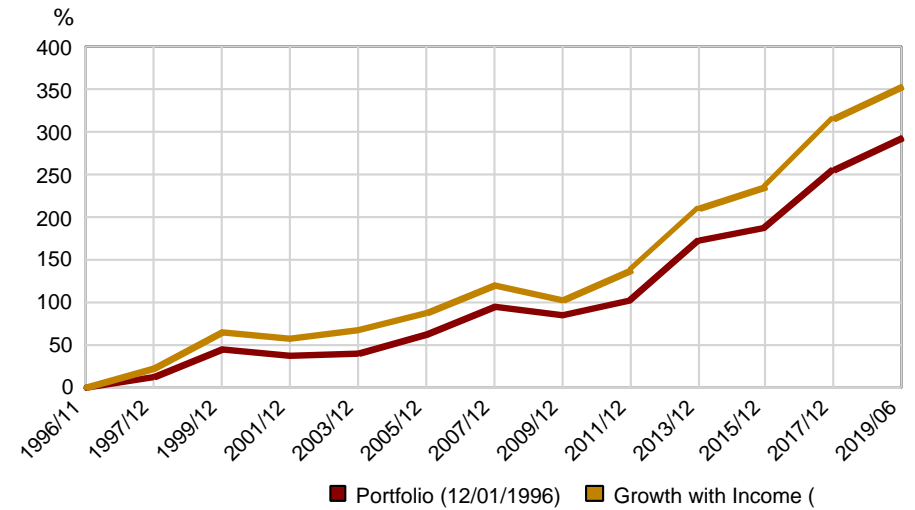
EASTERN BANK INVEST MGR FOR SALEM STATE UNIV (2427524)

Performance Measured Since: December 01, 1996

Trailing Three-Year Growth



Cumulative Returns Compared To Benchmark - ITD



Top 10 Performers - YTD

	Market value	% of Mkt val	Return
MOTOROLA SOLUTIONS, INC.	215,984	1.4	45.07
AIR PRODUCTS & CHEMICALS	260,294	1.7	43.12
INVESCO BUYBACK WILDERHIL	212,278	1.3	39.63
DANAHER CORP	166,127	1.1	38.94
INGERSOLL RAND PLC	153,904	1.0	35.26
MASTERCARD	253,155	1.6	33.80
NORTHROP GRUMMAN	146,692	.9	33.26
ANALOG DEVICES	122,238	.8	32.84
COSTCO WHOLESALE CORP, NE	118,124	.8	30.36
ADOBE INC.	242,497	1.5	30.25

Bottom 10 Performers - YTD

	Market value	% of Mkt val	Return
CVS HEALTH CORPORATION	92,361	.6	-15.52
ABBVIE INC	0	.0	-14.64
BOEING CO	63,338	.4	-7.03
CHARLES SCHWAB	114,180	.7	-3.42
COGNIZANT TECHNOLOGY SOL	0	.0	-1.96
APPLE	0	.0	-1.59
UNITEDHEALTH GROUP, INC.	142,990	.9	-1.38
3M CO	0	.0	-.35
	912	.0	.00
WELLS FARGO & CO 2.15%	0	.0	.11

Your Allocation Overview

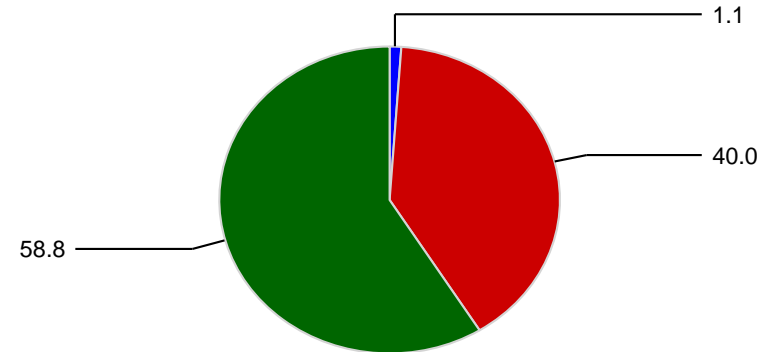
Reporting period: December 31, 2018 to June 30, 2019

EASTERN BANK INVEST MGR FOR SALEM STATE UNIV (2427524)

Performance Measured Since: December 01, 1996

Sector Allocation

	Market value	% of Mkt val
EQUITIES	9,293,211	58.8
FIXED INCOME	6,324,028	40.0
CASH AND EQUIVALENTS	179,084	1.1
Total	15,796,323	100.0



Top Holdings

	Classification	Unit cost	Total cost	Price	Market value	Accrual	% of Mkt val	Unrealized gain loss
CALVERT INCOME FUND	MUTUAL FUND - CORPOR	16.07	544,334.69	16.790	568,773.89	.00	3.6	24,439.20
I SHARES BARCLAYS 7-10 YR TREA	ETF - GOVERNMENT BON	103.95	530,165.40	110.020	561,102.00	.00	3.6	30,936.60
CALVERT EMERGING MARKETS EQUIT	MUTUAL FUND - INTERN	17.21	474,156.87	16.570	456,530.46	.00	2.9	-17,626.41
MICROSOFT	INFORMATION TECHNOLO	105.51	288,778.13	133.960	366,648.52	.00	2.3	77,870.39
DOMINI IMPACT INTERNATIONAL	MUTUAL FUND - INTERN	8.85	403,869.77	7.950	362,939.11	.00	2.3	-40,930.66
I SHARES BARCLAYS 1-3 YR TR BD	ETF - GOVERNMENT BON	84.15	346,943.44	84.780	349,547.94	.00	2.2	2,604.50
CALVERT MID CAP FUND	MUTUAL FUND - DOMEST	20.26	253,472.86	23.420	293,007.62	.00	1.9	39,534.76
I SHARES BARCLAYS 3-7 YR T	ETF - GOVERNMENT BON	122.68	264,375.40	125.760	271,012.80	.00	1.7	6,637.40
HEWLETT-PACKARD CO 4.05%	CORPORATE BOND	103.80	259,507.50	104.478	261,195.00	2,981.25	1.7	1,687.50
J P MORGAN CHASE & CO	FINANCIALS	74.40	172,535.14	111.800	259,264.20	.00	1.6	86,729.06
AIR PRODUCTS & CHEMICALS	MATERIALS	157.80	180,523.25	226.370	258,967.28	1,327.04	1.6	78,444.03
All Others			10,092,088.31		11,735,001.67	48,024.51	74.5	1,642,913.36
Total			13,810,750.76		15,743,990.49	52,332.80	100.0	1,933,239.73

Your Holdings Detail

Reporting period: December 31, 2018 to June 30, 2019

EASTERN BANK INVEST MGR FOR SALEM STATE UNIV (2427524)

Performance Measured Since: December 01, 1996

Holdings By Asset Class - YTD

ID	Ending Market Value	Average Market Value	Total Return	Average Weight	Total Earnings	Total Port Cont	Total Port Rank	Asset Class Cont	Asset Class Rank	Sector Cont	Sector Rank	
COMMON STOCK												
COMMUNICATION SERVICES												
Assets Held During Period												
ALPHABET, INC. CL C	02079K107	96,201	64,279	4.17	.4	2,682	.02	100	.05	50	.43	7
ALPHABET, INC. CL A	02079K305	224,140	165,182	3.50	1.1	5,775	.04	84	.10	45	.92	6
FACEBOOK CL A	30303M102	189,526	80,337	17.22	.5	27,662	.20	26	.49	17	4.40	2
VERIZON COMMUNICATIONS INC	92343V104	117,231	197,636	3.00	1.3	5,930	.04	82	.10	44	.94	5
Assets Purchased During Period												
A T & T INC	00206R102	102,306	92,440	11.00	.6	10,167	.07	64	.18	39	1.62	3
WALT DISNEY PRODUCTIONS	254687106	154,163	101,791	26.20	.7	32,008	.23	21	.56	13	5.09	1
Assets Sold During Period												
COMCAST CORP NEW CL A	20030N101	0	35,977	8.96	.2	9,672	.07	65	.17	40	1.54	4
Total: COMMUNICATION SERVICES		883,566	737,642	14.94	4.9	93,896	.68		1.65		14.94	
CONSUMER DISCRETIONARY												
Assets Held During Period												
BURLINGTON STORES, INC.	122017106	141,735	217,952	4.39	1.5	9,566	.07	67	.17	41	2.05	4
HOME DEPOT INC	437076102	183,638	148,574	22.53	1.0	33,479	.24	20	.59	12	7.16	1
MCDONALD'S CORP	580135101	164,467	136,239	18.55	.9	25,268	.18	29	.44	20	5.41	3
Assets Sold During Period												
AMAZON.COM, INC	023135106	0	37,549	12.75	.3	28,731	.21	24	.50	15	6.15	2
ROYAL CARIBBEAN CRUISES, LTD.	V7780T103	0	14,079	8.25	.1	6,967	.05	78	.12	43	1.49	5
Total: CONSUMER DISCRETIONARY		489,839	554,394	22.26	3.7	104,010	.75		1.83		22.26	
CONSUMER STAPLES												
Assets Held During Period												
COSTCO WHOLESALE CORP, NEW	22160K105	118,124	94,306	30.36	.6	28,628	.21	25	.50	16	5.27	1
PEPSICO INC	713448108	125,885	106,249	20.51	.7	21,797	.16	36	.38	26	4.01	3
PROCTER & GAMBLE CO	742718109	116,777	97,315	21.02	.7	20,454	.15	40	.36	30	3.77	4
SYSCO CORP	871829107	114,425	100,501	14.24	.7	14,308	.10	48	.25	34	2.63	5
Assets Purchased During Period												
WALMART, INC.	931142103	180,872	157,143	15.41	1.1	24,223	.18	33	.43	24	4.46	2
Total: CONSUMER STAPLES		656,083	555,515	20.15	3.7	109,411	.79		1.92		20.15	
FINANCIALS												
Assets Held During Period												
ALLSTATE CORP	020002101	190,278	149,329	24.01	1.0	35,856	.26	16	.63	9	4.66	1

Your Holdings Detail

Reporting period: December 31, 2018 to June 30, 2019

EASTERN BANK INVEST MGR FOR SALEM STATE UNIV (2427524)

Performance Measured Since: December 01, 1996

Holdings By Asset Class - YTD

	ID	Ending Market Value	Average Market Value	Total Return	Average Weight	Total Earnings	Total Port Cont	Total Port Rank	Asset Class Cont	Asset Class Rank	Sector Cont	Sector Rank
BLACKROCK INC.	09247X101	136,566	112,216	20.28	.8	22,757	.16	35	.40	25	2.96	3
J P MORGAN CHASE & CO	46625H100	259,264	214,675	16.27	1.4	34,929	.25	18	.61	11	4.54	2
PNC BANK CORP	693475105	95,684	79,843	19.05	.5	15,211	.11	45	.27	33	1.98	5
CHARLES SCHWAB	808513105	114,180	156,867	-3.42	1.0	-5,366	-.04	114	-.09	58	-.70	8
Assets Purchased During Period												
INTERCONTEXCHANGE GROUP INC	45866F104	119,113	68,034	17.09	.5	17,443	.13	44	.31	32	2.27	4
Assets Sold During Period												
BANK AMERICA CORP	060505104	0	66,328	9.04	.4	11,996	.09	60	.21	38	1.56	7
MORGAN STANLEY	617446448	0	15,840	13.19	.1	12,534	.09	57	.22	37	1.63	6
Total: FINANCIALS		915,085	863,133	18.88	5.8	145,361	1.05		2.55		18.88	
HEALTH CARE												
Assets Held During Period												
ABBOTT LABORATORIES INC	002824100	184,095	158,719	17.28	1.1	27,433	.20	27	.48	18	2.76	2
CVS HEALTH CORPORATION	126650100	92,361	108,544	-15.52	.7	-16,846	-.12	115	-.30	59	-1.69	9
DANAHER CORP	235851102	166,127	119,572	38.94	.8	46,557	.34	10	.82	7	4.68	1
JOHNSON & JOHNSON	478160104	160,311	147,975	9.44	1.0	13,966	.10	50	.25	35	1.40	4
MERCK & CO INC. NEW	58933Y105	206,864	192,767	11.12	1.3	21,436	.16	37	.38	27	2.15	3
UNITEDHEALTH GROUP, INC.	91324P102	142,990	159,775	-1.38	1.1	-2,200	-.02	110	-.04	54	-.22	8
Assets Purchased During Period												
ELANCO ANIMAL HEALTH	28414H103	111,270	64,925	14.26	.4	13,884	.10	51	.24	36	1.40	5
Assets Sold During Period												
ABBVIE INC	00287Y109	0	67,739	-14.64	.5	-19,839	-.14	116	-.35	60	-1.99	10
BECTON DICKINSON CO	075887109	0	22,232	2.96	.1	3,954	.03	95	.07	48	.40	6
Assets Purchased And Sold During Period												
WYETH	983024100	0	0	.00	.0	0		107		52		7
Total: HEALTH CARE		1,064,018	1,042,248	8.88	7.0	88,345	.64		1.55		8.88	
INDUSTRIALS												
Assets Held During Period												
NORTHROP GRUMMAN	666807102	146,692	107,019	33.26	.7	35,595	.26	17	.62	10	6.51	2
UNITED TECHNOLOGIES CORP	913017109	135,668	104,792	23.57	.7	24,701	.18	31	.43	22	4.52	4
EATON CORP PLC	G29183103	106,432	87,231	23.48	.6	20,482	.15	39	.36	29	3.74	5
Assets Purchased During Period												
BOEING CO	097023105	63,338	34,337	-7.03	.2	-4,830	-.04	113	-.08	57	-.88	9
XYLEM INC.	98419M100	139,679	115,400	21.54	.8	24,863	.18	30	.44	21	4.55	3
INGERSOLL RAND PLC	G47791101	153,904	114,490	35.26	.8	40,374	.29	12	.71	8	7.38	1
Assets Sold During Period												

Your Holdings Detail

Reporting period: December 31, 2018 to June 30, 2019

EASTERN BANK INVEST MGR FOR SALEM STATE UNIV (2427524)

Performance Measured Since: December 01, 1996

Holdings By Asset Class - YTD

	ID	Ending Market Value	Average Market Value	Total Return	Average Weight	Total Earnings	Total Port Cont	Total Port Rank	Asset Class Cont	Asset Class Rank	Sector Cont	Sector Rank
CATERPILLAR INC.	149123101	0	15,058	4.21	.1	3,802	.03	97	.07	49	.70	7
FEDEX CORPORATION	31428X106	0	13,077	6.41	.1	5,031	.04	90	.09	46	.92	6
3M CO	88579Y101	0	16,510	-35	.1	-348		109	-.01	53	-.06	8
Total: INDUSTRIALS		745,713	607,915	27.37	4.1	149,671	1.08		2.63		27.37	
INFORMATION TECHNOLOGY												
Assets Held During Period												
ADOBE INC.	00724F101	242,497	178,774	30.25	1.2	54,079	.39	6	.95	4	3.95	3
ANALOG DEVICES	032654105	122,238	92,731	32.84	.6	30,454	.22	22	.53	14	2.22	6
BROADCOM INC	11135F101	180,697	157,018	15.45	1.0	24,262	.18	32	.43	23	1.77	7
SALESFORCE.COM	79466L302	168,269	187,050	10.71	1.3	20,040	.15	42	.35	31	1.46	8
Assets Purchased During Period												
AUTOMATIC DATA PROCESSING	053015103	110,304	36,283	1.37	.2	1,496	.01	102	.03	51	.11	10
MASTERCARD	57636Q104	253,155	189,385	33.80	1.3	64,009	.46	3	1.12	3	4.68	2
MICROSOFT	594918104	366,649	287,943	27.92	1.9	80,388	.58	2	1.41	2	5.87	1
MOTOROLA SOLUTIONS, INC.	620076307	215,984	118,724	45.07	.8	53,512	.39	7	.94	5	3.91	4
Assets Sold During Period												
APPLE	037833100	0	33,782	-1.59	.2	-3,218	-.02	111	-.06	55	-.24	11
COGNIZANT TECHNOLOGY SOL	192446102	0	139,051	-1.96	.9	-3,273	-.02	112	-.06	56	-.24	12
INTUIT	461202103	0	155,989	26.61	1.0	49,814	.36	8	.87	6	3.64	5
VISA, INC	92826C839	0	27,950	4.56	.2	7,655	.06	74	.13	42	.56	9
Total: INFORMATION TECHNOLOGY		1,659,793	1,604,678	27.70	10.7	379,218	2.75		6.66		27.70	
MATERIALS												
Assets Held During Period												
AIR PRODUCTS & CHEMICALS	009158106	260,294	190,080	43.12	1.3	81,965	.59	1	1.44	1	46.72	1
Assets Sold During Period												
DOWDUPONT INC.	26078J100	0	15,785	4.25	.1	4,025	.03	94	.07	47	2.29	2
Total: MATERIALS		260,294	205,865	49.01	1.4	85,990	.62		1.51		49.01	
UTILITIES												
Assets Held During Period												
NEXTERA ENERGY INC	65339F101	130,291	109,345	19.38	.7	21,187	.15	38	.37	28	9.29	2
XCEL ENERGY, INC.	98389B100	145,485	119,396	22.44	.8	26,792	.19	28	.47	19	11.75	1
Total: UTILITIES		275,776	228,741	21.04	1.5	47,979	.35		.84		21.04	
Total: COMMON STOCK		6,950,167	6,400,131	21.13	42.8	1,203,879	8.73		21.13			

Your Holdings Detail

Reporting period: December 31, 2018 to June 30, 2019

EASTERN BANK INVEST MGR FOR SALEM STATE UNIV (2427524)

Performance Measured Since: December 01, 1996

Holdings By Asset Class - YTD

	ID	Ending Market Value	Average Market Value	Total Return	Average Weight	Total Earnings	Total Port Cont	Total Port Rank	Asset Class Cont	Asset Class Rank	Sector Cont	Sector Rank	
DOMESTIC EQUITY FUNDS													
ETF - DOMESTIC EQUITY													
Assets Held During Period													
	INVESCO BUYBACK WILDERHILL CLEANENERGY ETF	46137V134	212,278	152,837	39.63	1.0	60,569	.44	4	5.19	1	10.53	1
	SPDR S&P BIOTECH	78464A870	182,525	153,920	22.24	1.0	34,232	.25	19	2.94	4	5.95	2
Assets Sold During Period													
	SPDR INDUSTRIAL SELECT	81369Y704	0	24,530	5.35	.2	7,877	.06	72	.68	9	1.37	4
Assets Purchased And Sold During Period													
	I SHARES MSCI KLD 400 SOCIAL ETF	464288570	0	141,066	8.83	.9	14,943	.11	46	1.28	6	2.60	3
Total: ETF - DOMESTIC EQUITY		394,802	472,352	20.45	3.2	117,621	.85		10.09			20.45	
MUTUAL FUND - DOMESTIC EQUITY													
Assets Held During Period													
	CALVERT GLOBAL ENERGY SOLUTIONS	13161P813	189,802	153,824	19.14	1.0	29,445	.21	23	2.53	5	6.82	2
	DFA U S SUSTAINABILITY CORE 1	233203215	221,987	288,213	20.44	1.9	58,921	.43	5	5.05	2	13.65	1
Total: MUTUAL FUND - DOMESTIC EQUITY		411,789	442,037	20.47	3.0	88,366	.64		7.58			20.47	
MUTUAL FUND - DOMESTIC EQUITY													
Assets Purchased During Period													
	CALVERT MID CAP FUND	131649402	293,008	253,459	15.60	1.7	39,535	.29	13	3.39	3	16.41	1
Assets Sold During Period													
	CALVERT SMALL CAP FUND	13161P862	0	40,178	5.23	.3	12,604	.09	56	1.08	8	5.23	2
Total: MUTUAL FUND - DOMESTIC EQUITY		293,008	293,637	21.64	2.0	52,138	.38		4.47			21.64	
ETF - DOMESTIC EQUITY													
Assets Sold During Period													
	INVESCO SOLAR ETF	46138G706	0	21,809	9.74	.1	12,743	.09	55	1.09	7		1
Total: ETF - DOMESTIC EQUITY		0	21,809		.1	12,743	.09		1.09				
MUTUAL FUND - DOMESTIC EQUITY													
Assets Sold During Period													
	CALVERT GLOBAL WATER FUND	13161P698	0	25,476	4.77	.2	7,295	.05	75	.63	10		1
Total: MUTUAL FUND - DOMESTIC EQUITY		0	25,476		.2	7,295	.05		.63				
Total: DOMESTIC EQUITY FUNDS		1,099,599	1,255,311	23.86	8.4	278,164	2.02		23.86				

Your Holdings Detail

Reporting period: December 31, 2018 to June 30, 2019

EASTERN BANK INVEST MGR FOR SALEM STATE UNIV (2427524)

Performance Measured Since: December 01, 1996

Holdings By Asset Class - YTD

ID	Ending Market Value	Average Market Value	Total Return	Average Weight	Total Earnings	Total Port Cont	Total Port Rank	Asset Class Cont	Asset Class Rank	Sector Cont	Sector Rank	
INTERNATIONAL EQUITY												
MUTUAL FUND - INTERNATIONAL EQUITIES												
Assets Held During Period												
DOMINI IMPACT INTERNATIONAL EQUITY FUN	257132811	362,939	302,847	12.81	2.0	38,780	.28	14	3.61	2	6.02	1
Assets Purchased During Period												
HARTFORD GLOBAL IMPACT FUND	41664T792	188,571	168,302	12.04	1.1	20,260	.15	41	1.89	4	3.14	3
Assets Sold During Period												
CALVERT INTERNATIONAL OPPORTUNIT	131649857	0	168,839	11.28	1.1	22,847	.17	34	2.13	3	3.54	2
DFA INTERNATIONAL SUSTAINABILITYCORE	233203199	0	49,011	4.71	.3	13,865	.10	52	1.29	5	2.15	4
Total: MUTUAL FUND - INTERNATIONAL EQUITIES	551,510	689,000	14.85	4.6	95,752	.69			8.92		14.85	
MUTUAL FUND - INTERNATIONAL EQUITIES												
Assets Held During Period												
CALVERT EMERGING MARKETS EQUITY FUND	131649774	456,530	360,805	12.54	2.4	45,228	.33	11	4.21	1	10.98	1
Assets Purchased During Period												
DFA EMERGING MARKETS SUSTAINABI	25239Y378	235,404	76,204	3.47	.5	7,927	.06	71	.74	6	1.92	2
Total: MUTUAL FUND - INTERNATIONAL EQUITIES	691,935	437,009	12.91	2.9	53,155	.39			4.95		12.91	
Total: INTERNATIONAL EQUITY	1,243,445	1,126,008	13.88	7.5	148,906	1.08			13.88			
TAXABLE FIXED INCOME												
CORPORATE BOND												
Assets Held During Period												
A T & T INC 3.6% 02/17/2023	00206RCS9	236,552	223,894	6.24	1.5	13,982	.10	49	.25	5	.34	3
ACE INA HOLDINGS 2.7% 03/13/2023	00440EAP2	102,425	97,660	5.37	.7	5,245	.04	89	.09	28	.13	24
AMERIPRISE FINANCIAL INC 4% 10/15/2023	03076CAF3	187,648	179,710	5.38	1.2	9,662	.07	66	.17	13	.23	11
AUTODESK, INC. 3.125% 06/15/2020	052769AC0	201,260	199,275	2.46	1.3	4,893	.04	91	.09	29	.12	25
BANK OF AMERICA CORP 3.3% 01/11/2023	06051GEU9	104,636	98,457	6.34	.7	6,242	.05	81	.11	22	.15	18
CBS 3.7% 08/15/2024	124857AM5	157,378	145,711	8.44	1.0	12,291	.09	59	.22	9	.30	7
CSX CORPORATION 3.4% 08/01/2024	126408HB2	185,645	174,366	6.52	1.2	11,366	.08	61	.20	10	.27	8
CVS 3.5% 07/20/2022	126650CK4	208,667	198,588	5.24	1.3	10,408	.08	63	.19	12	.25	10
CARDINAL HEALTH, INC. 3.2% 03/15/2023	14149YAY4	153,323	144,831	6.60	1.0	9,558	.07	68	.17	14	.23	12
CELGENE CORPORATION 4% 08/15/2023	151020AJ3	214,378	201,178	7.18	1.3	14,446	.10	47	.26	4	.35	2
CITIGROUP 3.375% 03/01/2023	172967GL9	156,327	147,661	6.45	1.0	9,517	.07	69	.17	15	.23	13
E M C CORP 2.65% 06/01/2020	268648AQ5	149,509	144,128	4.93	1.0	7,103	.05	77	.13	19	.17	16
EBAY INC 3.8% 03/09/2022	278642AN3	261,773	251,093	4.99	1.7	12,525	.09	58	.22	8	.30	6

Your Holdings Detail

Reporting period: December 31, 2018 to June 30, 2019

EASTERN BANK INVEST MGR FOR SALEM STATE UNIV (2427524)

Performance Measured Since: December 01, 1996

Holdings By Asset Class - YTD

	ID	Ending Market Value	Average Market Value	Total Return	Average Weight	Total Earnings	Total Port Cont	Total Port Rank	Asset Class Cont	Asset Class Rank	Sector Cont	Sector Rank	
FORD MOTOR CREDIT CO 4.25%	09/20/2022	345397WF6	207,511	191,532	9.21	1.3	17,646	.13	43	.32	3	.42	1
HEWLETT-PACKARD CO 4.05%	09/15/2022	428236BX0	264,176	253,418	5.04	1.7	12,773	.09	54	.23	7	.31	5
HYATT HOTELS CORP 3.375%	07/15/2023	448579AE2	129,633	122,910	5.49	.8	6,749	.05	80	.12	21	.16	17
KEYCORP 4.15%	10/29/2025	49326EEH2	109,050	101,460	8.71	.7	8,835	.06	70	.16	16	.21	14
TIME WARNER INC 3.4%	06/15/2022	887317AQ8	126,891	123,090	4.48	.8	5,509	.04	85	.10	24	.13	20
VODAFONE GROUP 2.95%	02/19/2023	92857WBC3	154,281	144,338	7.25	1.0	10,458	.08	62	.19	11	.25	9
WELLS FARGO & CO 3%	01/22/2021	94974BFR6	102,236	99,412	2.87	.7	2,857	.02	99	.05	33	.07	27
WHIRLPOOL CORP. 4%	03/01/2024	963320AR7	211,945	199,206	6.85	1.3	13,644	.10	53	.24	6	.33	4
XILINX, INC. 3%	03/15/2021	983919AH4	203,477	198,818	2.72	1.3	5,416	.04	86	.10	25	.13	21
Assets Purchased During Period													
ALABAMA POWER CO 3.55%	12/01/2023	010392FK9	210,740	103,636	2.79	.7	5,778	.04	83	.10	23	.14	19
HARTFORD FINL SVCS GRP 5.125%	04/15/2022	416518AB4	108,293	105,439	4.23	.7	4,463	.03	92	.08	30	.11	26
INTERCONTEXCHANGE GROUP INC 4%	10/15/2023	45866FAA2	214,549	104,566	2.54	.7	5,322	.04	87	.10	26	.13	22
MEDTRONIC INC 3.5%	03/15/2025	585055BS4	107,095	85,027	5.19	.6	5,291	.04	88	.09	27	.13	23
QUALCOMM INC 3.45%	05/20/2025	747525AF0	104,196	97,008	7.89	.6	7,658	.06	73	.14	17	.18	15
Assets Sold During Period													
DEUTSCHE BANK AG LONDON 2.5%	02/13/2019	25152RVS9	0	41,916	.48	.3	602		105	.01	37	.01	29
MONSANTO CO 2.75%	07/15/2021	61166WAT8	0	32,480	1.98	.2	1,928	.01	101	.03	34	.05	28
WELLS FARGO & CO 2.15%	01/15/2019	94974BFQ8	0	16,833	.11	.1	113		106		38		30
Total: CORPORATE BOND			4,573,591	4,227,640	5.83	28.3	242,278	1.76		4.35		5.83	
ETF - GOVERNMENT BONDS													
Assets Held During Period													
I SHARES BARCLAYS 3-7 YR T		464288661	271,013	174,790	2.73	1.2	7,164	.05	76	.13	18	.87	2
Assets Purchased During Period													
I SHARES BARCLAYS 7-10 YR TREAS		464287440	561,102	526,826	6.90	3.5	36,348	.26	15	.65	2	4.42	1
I SHARES BARCLAYS 1-3 YR TR BD		464287457	349,548	115,569	.95	.8	3,300	.02	98	.06	32	.40	3
Assets Sold During Period													
I SHARES TIPS BOND ETF		464287176	0	45,299	.28	.3	754	.01	103	.01	35	.09	4
Total: ETF - GOVERNMENT BONDS			1,181,663	862,483	5.78	5.8	47,566	.34		.85		5.78	
ETF - CORPORATE BONDS													
Assets Sold During Period													
ISHARES FLOATING RATE BOND ETF		46429B655	0	32,142	.34	.2	649		104	.01	36	-13.46	1
Assets Purchased And Sold During Period													
ISHARES ESG 1-5 YR USD CORP BONDETF		46435G243	0	176,720	1.57	1.2	4,170	.03	93	.07	31	-86.54	2
Total: ETF - CORPORATE BONDS			0	208,862		1.4	4,818	.03		.09		-100.00	

Your Holdings Detail

Reporting period: December 31, 2018 to June 30, 2019

EASTERN BANK INVEST MGR FOR SALEM STATE UNIV (2427524)

Performance Measured Since: December 01, 1996

Holdings By Asset Class - YTD

ID	Ending Market Value	Average Market Value	Total Return	Average Weight	Total Earnings	Total Port Cont	Total Port Rank	Asset Class Cont	Asset Class Rank	Sector Cont	Sector Rank	
MUTUAL FUND - CORPORATE BONDS												
Assets Held During Period												
CALVERT INCOME FUND	131582793	568,774	500,227	9.61	3.3	48,070	.35	9	.86	1	9.56	1
Assets Sold During Period												
PAX WORLD HIGH YIELD BOND-I	704223809	0	67,572	3.38	.5	6,852	.05	79	.12	20	1.36	2
Total: MUTUAL FUND - CORPORATE BONDS	568,774	567,799	10.93	3.8	54,921	.40		.99		10.93		
Total: TAXABLE FIXED INCOME	6,324,028	5,866,784	6.27	39.2	349,584	2.53		6.27				
CASH AND EQUIVALENTS												
CASH UNINVESTED												
Assets Held During Period												
	912	0	.00	.0	0		108		2		1	
Total: CASH UNINVESTED	912	0	.00	.0	0							
MONEY MARKET FUNDS												
Assets Held During Period												
FEDERATED GOV'T OBLIGATION TAX MANAGED FU	60934N849	178,173	309,499	1.26	2.1	3,889	.03	96	.96	1	1.01	1
Total: MONEY MARKET FUNDS	178,173	309,499	1.01	2.1	3,889	.03		.96		1.01		
Total: CASH AND EQUIVALENTS	179,084	309,499	.96	2.1	3,889	.03		.96				
Total	15,796,323	14,957,734	14.38	100.0	1,984,423	14.38						

Investment Commentary

*See people rocking, hear people chanting,
Feeling hot! hot! hot!
It's in the air, celebration time –
Feeling hot! hot! hot!*

Buster Poindexter's lively cover of Arrow's quintessential soca tune aptly describes the way traders partied their way through June, wrapping up a volatile but ultimately upbeat – very upbeat – first half of the year.

If 2018 was the year when nothing worked – every asset class except cash lost money – then the first half of 2019 was its mirror image: *everything* worked. U.S. stocks led the way, up 18.5% including dividends; every sector participated, with all but health care registering double-digit returns. The rest of the world wasn't far behind, as the MSCI All-Country ex-US index leapt 14%.

Fixed income markets, too, were dancing to the soca carnival beat. High-yield and investment grade corporate debt both tallied 10% returns, while government debt (muni, Treasury, and even TIPS) gained about 6%. Interest rates fell across the board, most notably for maturities beyond three years. The front end of the yield curve has now been inverted for several months.

While the party music has been blaring on Wall Street, the tone elsewhere in America has been subdued. In part, that's because the huge rally hasn't done much more than erase last December's plunge. Although stocks hit all-time highs at the end of June, the S&P 500 index was just 1% above its level from last October – and, distressingly, only 3.5% higher than in February 2018. In other words, the stock market has gone nowhere over the past 18 months, but with plenty of volatility along the way.

The other reason for caution is a sober recognition that the U.S. economy is clearly slowing. Trade-related concerns have affected most sectors of the economy: New construction has slowed despite lower mortgage and industrial borrowing costs; manufacturing orders have slipped; consumer spending isn't quite keeping pace with income growth. Investors now see corporate earnings growth stagnating this year, before (possibly) resuming in 2020. The inverted yield curve hints at recession.

So despite the calypso vibe on Wall Street, we retain our concern that markets are overly optimistic. We have accordingly positioned client portfolios more cautiously.

Michael A. Tyler, CFA
Chief Investment Officer

Notes and Disclosures

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

The information in this report has been obtained from sources believed to be reliable but its accuracy is not guaranteed. There is neither representation nor warranty as to the accuracy of, nor liability for the decisions based on such information.

Performance data contained herein is prepared for Eastern Bank Wealth Management by First Rate Inc.; such data is provided without warranty and data providers shall have no liability of any kind for decisions based on this information. First Rate incorporates CFA Institute GIPS® standards into its calculation methodology.

Past performance does not guarantee future performance.

Investment Products: Not insured by FDIC or any federal government agency. Not deposits of or guaranteed by any bank. May lose value.

FY19 Preliminary Results September 4, 2019

The university is in the process of closing its books for FY19 and undergoing the annual independent and federal program audits. The intent here is to provide a sense of the FY19 budget year results while awaiting completion of the process in October. At this writing on August 28, entries remain to be recorded, notably for GASB 68 (Pension) and GASB 75 (Other Post-Employment Benefits, or OPEB) and other final adjustments. When the final closing entries are recorded, there will be a significant Non-Cash Expense, and therefore an overall decrease in net position, due primarily to the GASB accounting standards referenced. The university awaits final GASB 68 and 75 figures from the Commonwealth Comptroller's Office in order to record onto the university's books.

As can be seen below, the university appears to have finished FY19 with approximately \$10.9 million positive Managed Net Income, primarily for the following reasons:

- State appropriations and fringe benefits are higher than what was budgeted by \$4.4 million and \$1 million, respectively. This was driven by a slightly higher than expected General Appropriations Act (GAA) appropriation in the adopted Commonwealth of MA budget, retroactive collective bargaining funding received late in the fiscal year, and other appropriations received for facilities and state programs that had not been granted during the budget development process;
- Favorable investment income of \$1.5 million compared to a conservative budget;
- Tuition, fees and auxiliary revenue down \$5 million due to decreased enrollment and lower housing numbers;
- Payroll expense lower than budget by \$4.6 million due to position vacancy savings. This is primarily due to the hiring freeze which was put into place during the summer of 2018 as well as continued caution in replacing positions;
- Facility related spending down \$1.7 million, primarily due to higher than budgeted capitalization of projects to the balance sheet.



BUD077 - Budget Variance - Mgmt View

FY 2019 / Jun (Open) / Management View / All Funds / \$K

Run on: 8/28/2019 1:36:02 PM / Data as of: 8/28/2019 12:00 PM

**Preliminary Results
Not Final and Not Audited**

Account Description	FY 2018 Year End Actuals (\$K)	FY 2019 Original Budget (\$K)	FY 2019 YTD-Jun Actuals (\$K)
Total Managed Revenues	172,263	172,318	175,025
Total Managed Expenses	162,264	172,318	164,088
Managed Net Income	9,998		10,937
Management Cash Flow Ratio	5.8%	0.0%	6.2%
Non-Cash Revenues/(Expenses):			
Total Non-Cash Revenues/(Expenses)	(14,472)	(9,319)	(7,449)
Total Increase/Decrease in Net Position	(4,474)	(9,319)	3,488

**FY 2020 Budget Status
September 3, 2019**

When the Board of Trustees approved Salem State's FY 2020 budget there were a number of uncertainties as outlined in the document. This will provide an update as of September 3, 2019.

The adoption of the FY 2020 Commonwealth of MA budget brought good news to Salem State. The adopted budget included close to half a million dollars in general appropriations act (GAA) above the estimate carried in the university's budget. In addition, the Commonwealth is making an additional \$1.3 million available to help fund collective bargaining agreement (CBA) increases for unionized faculty. Favorable fringe benefit impact of the CBA funding provides an additional half a million dollars. All told, the appropriation should exceed the estimates in the university's FY20 budget by approximately \$2.4 million.

On the other hand, fall enrollment is significantly lower than budgeted for undergraduate day, continuing education, and graduate studies. As of September 3, 2019, undergraduate day headcount is down 463 students compared to last year (versus a budgeted reduction of 275 students). Continuing education credit hours are down 741 and graduate credit hours are down 95 credit hours compared to last year. As a result of the lower enrollment, occupancy in the residence halls is currently down over 200 compared to last year. Dining revenue is also likely to be below budget, given fewer students living in the residence halls. Tuition, fee, and auxiliary revenue shortfalls due to reduced enrollment counts could range from \$5.5 – 7 million.

The Voluntary Separation Incentive Program (VSIP) achieved the targeted results creating an annualized salary and fringe benefit savings of \$6.7 million beginning in FY 2021 while using the \$2.5 million of reserves in FY 2020 that was set aside to fund the program.

Given the enrollment situation, the university has reserved \$1.5 million of the FY20 contingency budget to help the bottom line. Authorization to refill certain VSIP positions was withheld for financial reasons. Moving forward, careful reviews of newly vacated positions will continue to be performed. In addition to these measures, additional compensation and support budget reductions will likely be needed to achieve the FY20 budget target. Strategies for this will be determined as the actual enrollment, room, and board picture becomes clearer.

The original budget for FY 2020 reflected a Managed Net Loss of \$2.5 million, which was due to the \$2.5 million in one-time spending for the VSIP. Overall, as of September 3, 2019, it appears the university will have to fill an additional gap of between \$1.7 million to \$3.2 million (between 1 – 2% of the budget) to meet the FY20 budget target.

**Management Revenue & Expense Report
in Thousands**

	1st Qtr FY 2019 (\$K)	NOT CLOSED 1st Qtr FY 2020 (\$K)	PRELIM & UNAUDITED Year End FY 2019 (\$K)	Orig Budget FY 2020 (\$K)	EARLY Projection FY 2020 (\$K)	FY2020 Variance Orig Bud to Projection	Notes
Managed Revenue:							
Tuition and Fees	43,722	40,058	87,523	88,037	82,831	-5.9%	
Scholarships, Fellowships & Waivers	(1,104)	(1,139)	(26,467)	(27,577)	(27,577)	0.0%	
Net Tuition and Fees	42,618	38,919	61,057	60,460	55,254	-8.6%	[1]
Federal, State, Private Grants	862	1,376	19,901	19,114	19,114	0.0%	
Auxiliary Enterprises	10,991	14,067	22,569	30,211	28,902	-4.3%	[1]
State General Appropriations	15,711	9,950	65,735	67,081	69,460	3.5%	[2]
Other Revenue	1,472	895	5,291	4,248	4,248	0.0%	
Total Managed Revenues	(A) 71,654	65,207	174,552	181,115	176,979	-2.3%	
Managed Expenses:							
Compensation	27,460	17,774	118,997	124,922	124,655	-0.2%	
Support	5,151	4,458	19,220	30,532	28,328	-7.2%	[3]
Facility-related	2,563	2,217	25,772	28,169	28,169	0.0%	
Total Managed Expenses	(B) 35,173	24,449	163,990	183,622	181,151	-1.3%	
Managed Net Income	(A-B)=(C) 36,481	40,758	10,563	(2,507)	(4,173)	66.4%	
Non-Cash Revenues/(Expenses):							
Capital Grants			2,067				[2]
Depreciation	(2,318)	(1,556)	(9,216)	(9,848)	(9,848)	0.0%	
Unrealized Gains/Losses	517	159	413	(136)	(136)	0.0%	
GASB 68 Pension			(3,755)				
Use of Net Position				2,757	2,757	0.0%	
Total Non-Cash Revenues/(Expenses)	(1,801)	(1,398)	(10,490)	(7,226)	(7,226)	0.0%	
Total Increase/Decrease in Net Position	34,680	39,360	72	(9,734)	(11,399)	17.1%	
Management Cash Flow Ratio	(C/A)		6.05%	-1.38%	-2.36%		

[1] Enrollment/Occupancy. FY20 has new acctg treatment for dining revenue.

[2] Anticipate \$2.8M to be reclassified from State Apprpr. to Capital Grants in FY20

[3] \$1.5M of contingency budget will not be allocated for spending, as a result of enrollment revenue shortfall

FY2020 Financial Dashboard Commentary
August 30, 2019

Attached you will find the first financial dashboard for the new fiscal year for month ending July 31, 2019. As we roll-forward to the new year, we want to make you aware of a few changes to the presentation:

- We changed the graphs, moving them forward one year. So for any that show multiple years, the last year has fallen off (for a 5-year trend, that means 2015 is now 2016 as a starting point, for a 3-year trend, 2017 is now 2018 as a starting point).
- On the second page on the bottom, there are line graph items. Since it is the first month, there is no line as a line needs two points. As such, you will see two symbols just to show the July numbers in the Monthly Cash Balances and the Investments graphs. For the receivables, there is indeed a blue line representing the beginning balance to July, it is just so close in-line with prior years that it is hard to see.
- For some graphs like the Five-Year Managed Revenue and Expense Trend, we had to adjust the scale, as the numbers are far less since only one month is presently shown. Those will adjust in future periods.
- Regarding the housing data - that number is 1910 and it is a projection, not actual. That will not be updated until after August 31, 2019 (per Residence Life). For the top graphs of the first page, we wanted to add in data labels to show the numbers but, as in the past, the worry is that they will become too messy as the year goes on, especially if we want a good-sized, readable font.

One last note regarding Auxiliary Revenue. You will notice that attainment of budget is down, but actual revenue has increased considerably. This is due to the change in accounting for dining revenue. As of the close of July, Salem State has booked approximately \$3.7 million in revenue (e.g. meal plans, block plans, dining dollars) that we didn't have last year. In addition, housing is down approximately \$700,000 so the difference between the two periods is roughly \$3 million (per the dashboard).

Salem State University Financial Dashboard

Statistics (Academic Year Housing Current Projection Only; Not Actuals)

Attachment N

UG Headcount Fall 2019 vs Last Year



90.9%

GRAD Credit Hours Fall 2019 vs Last Year

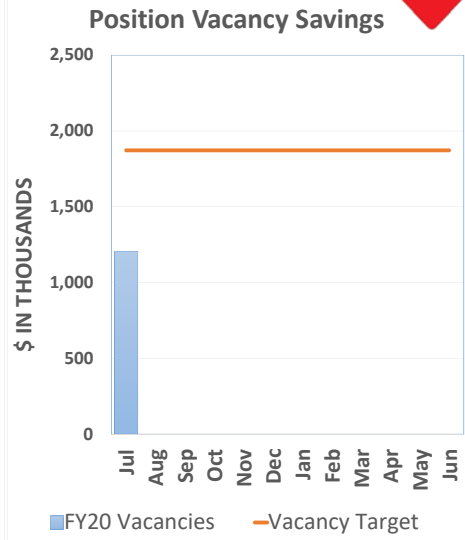
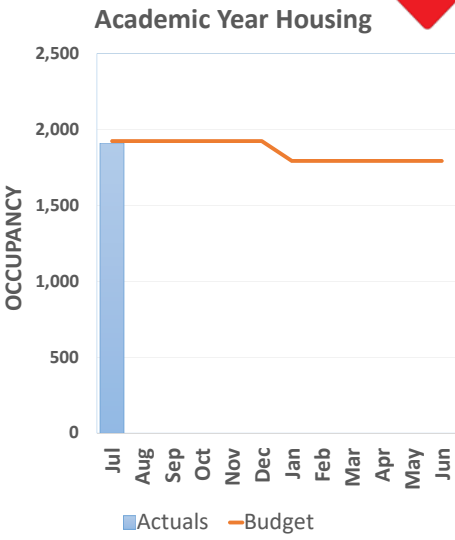
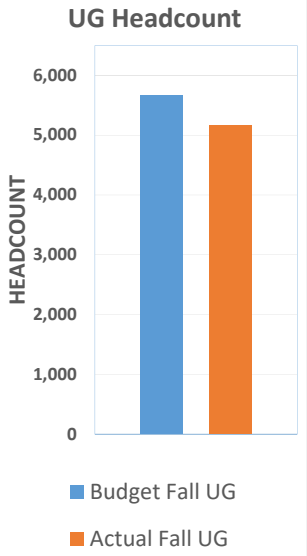
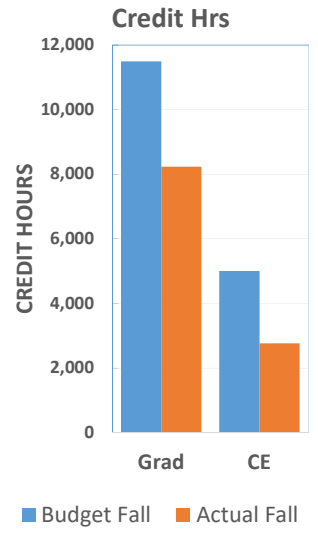


89.6%

CE Credit Hours Fall 2019 vs Last Year



80.1%



Key Managed Revenues as of 7/31/2019 (current fiscal year) and July month end, closed (prior fiscal year)

Net Tuition & Fees			State General Appropriations			Auxiliaries		
Full Year 2020 Budget: \$60.5M 33.4% of Total Managed Revenue Budget			Full Year 2020 Budget: \$67.1M 37% of Total Managed Revenue Budget			Full Year 2020 Budget: \$30.2M 16.7% of Total Managed Revenue Budget		
▼			▬			▼		
% Attainment	Prior FY	Current FY	% Attainment	Prior FY	Current FY	% Attainment	Prior FY	Current FY
\$ Actual	\$39,842K	\$35,165K	\$ Actual	\$3,608K	\$3,693K	\$ Actual	\$10,170K	\$13,197K

Managed Expenses as of 7/31/2019 (current fiscal year) and July month end, closed (prior fiscal year)

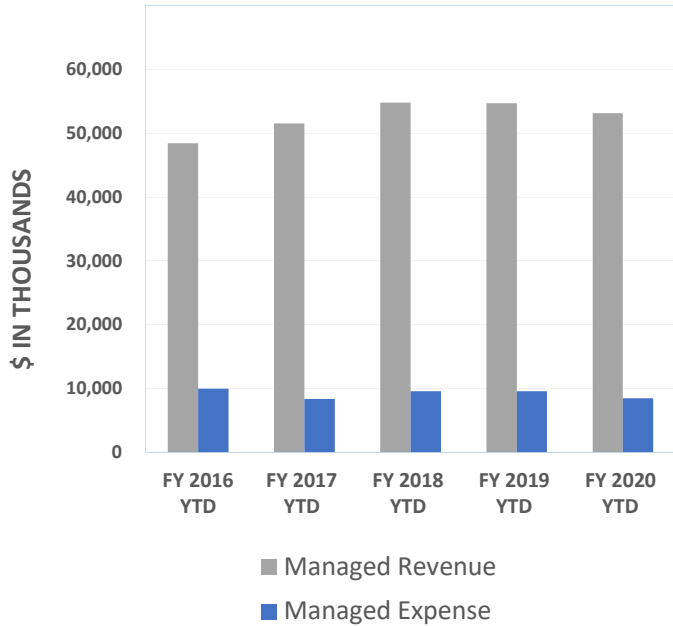
Compensation			Support			Facility Related		
Full Year 2020 Budget: \$124.9M 68% of Total Managed Expenses Budget			Full Year 2020 Budget: \$30.5M 16.6% of Total Managed Expenses Budget			Full Year 2020 Budget: \$28.2M 15.3% of Total Managed Expenses Budget		
▬			▲			▲		
% Attainment	Prior FY	Current FY	% Attainment	Prior FY	Current FY	% Attainment	Prior FY	Current FY
\$ Actual	\$6,385K	\$6,314K	\$ Actual	\$1,673K	\$1,576K	\$ Actual	\$1,458K	\$516K

Salem State University Financial Dashboard

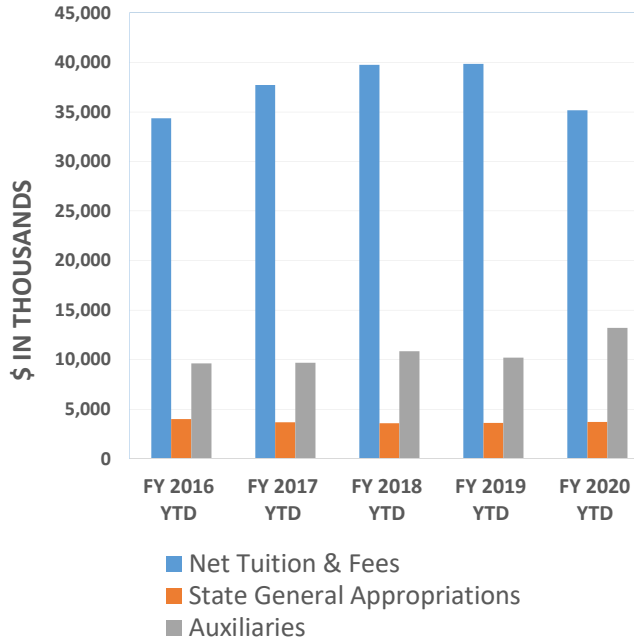
Managed Net Income Trends as of 7/31/2019 (current fiscal year) and July Month end, closed (prior fiscal years)

Attachment N

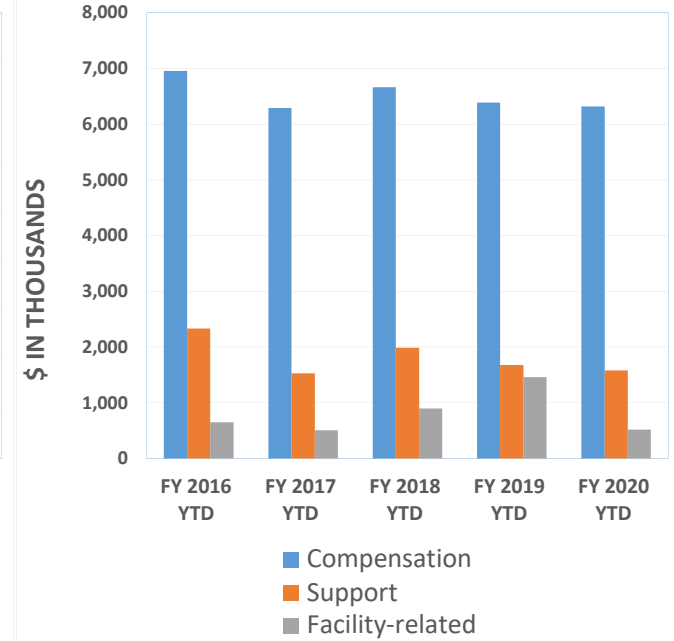
Five-Year Managed Revenue & Expense Trend



Trends - Key Managed Revenues

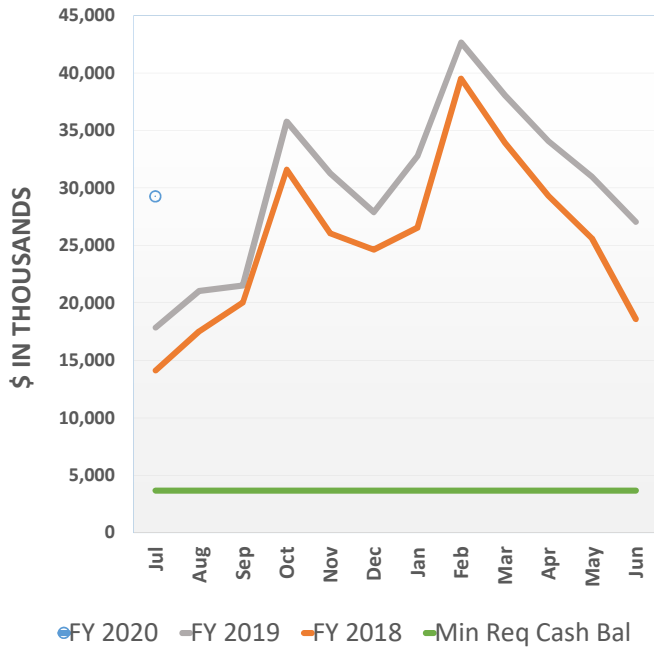


Trends - Key Managed Expenses

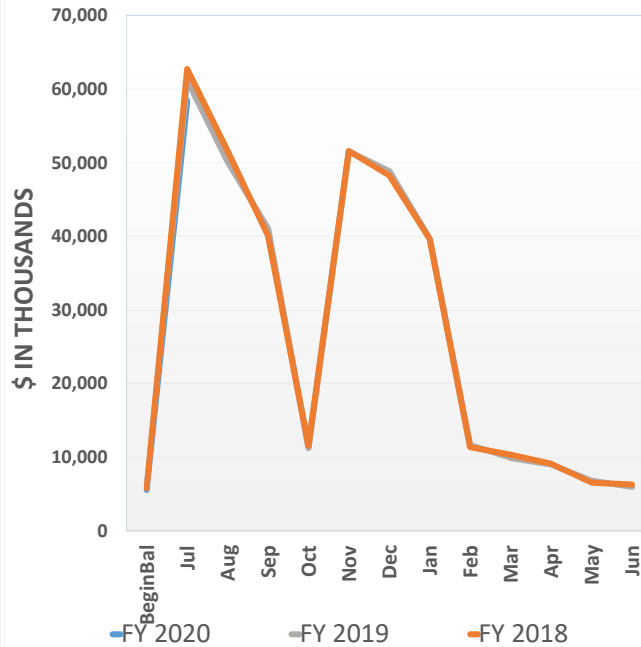


Balance Sheet Trends

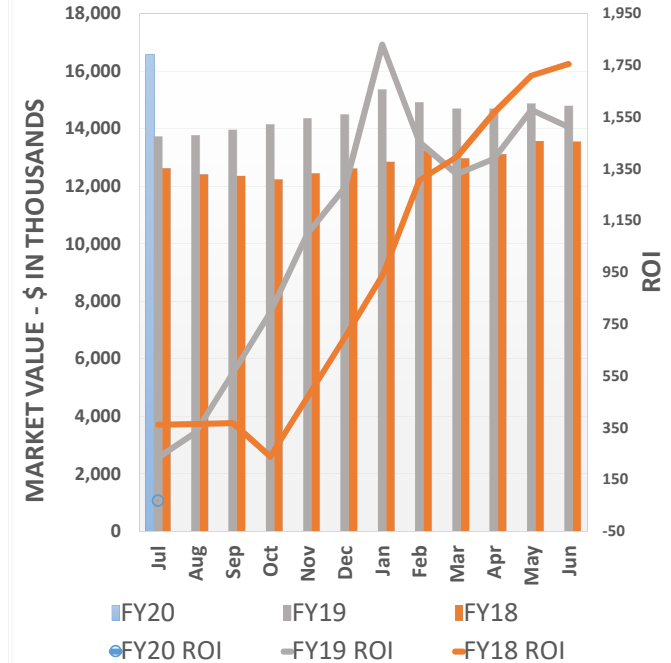
Monthly Cash Balances



Monthly Gross Receivables



Investments



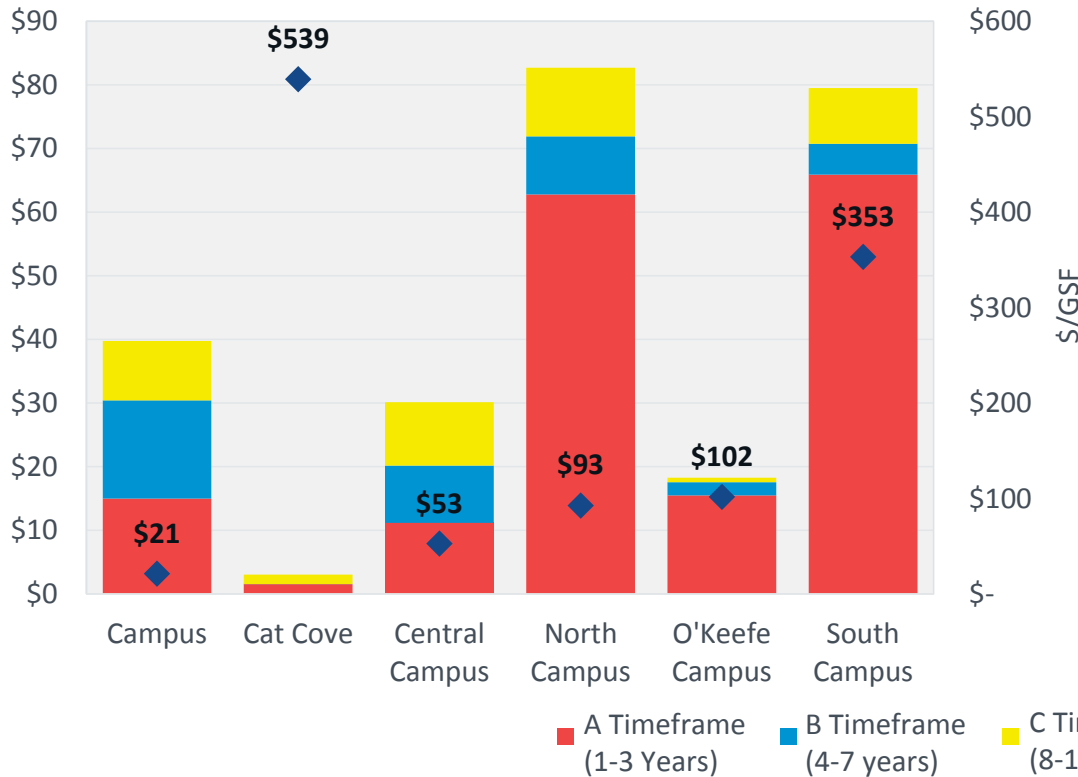
Data as of December 2017



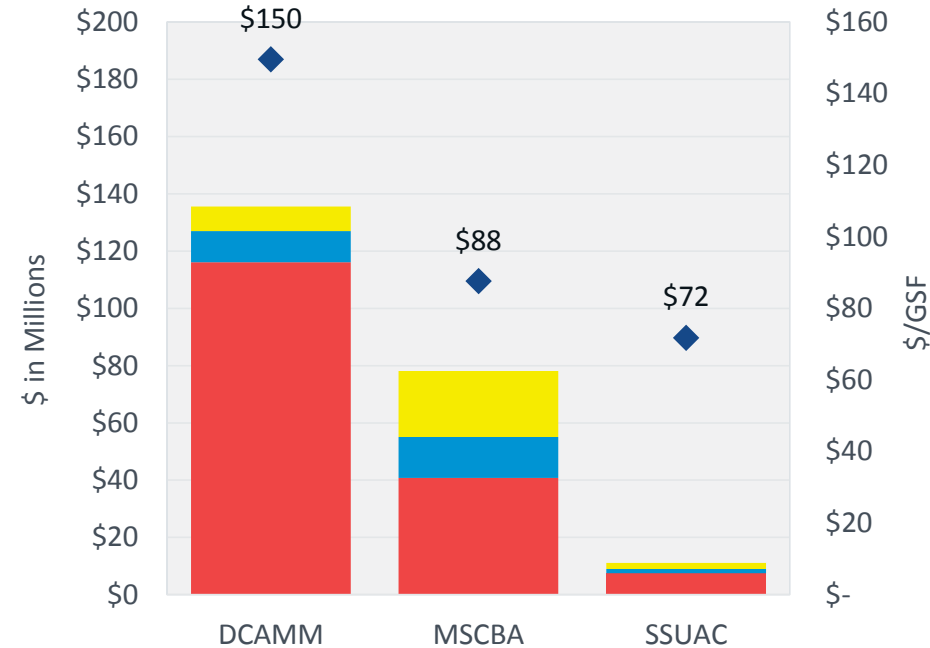
Asset Reinvestment Need by Campus

Breaking out campus AR Need by timeframe

Total Asset Reinvestment Need



Total Asset Reinvestment Need



Salem State University Sustainability Update – August 2019

NEW TRANSPORTATION OPTIONS, ENERGY EFFICIENCY PROJECTS, RECYCLING AND WATER NEWS



SALEM STATE IS PROVIDING AN EXCITING SUITE OF TRANSPORTATION OPTIONS FOR STUDENTS AND EMPLOYEES IN FALL 2019.

A new carpool matching app and electric scooter network join improved longstanding offerings. Salem State is partnering closely with the City of Salem and the MBTA on these improvements.

A fall 2018 campus survey revealed that a striking 76 percent of Salem State students and employees drive alone to and from campus, contributing more than 30% to our greenhouse gas emissions. Our menu of transportation options will reduce our environmental impact, decrease costs for commuters and relieve congestion.

MICRO-MOBILITY PARTNERSHIP WITH CITY OF SALEM:

- **NEW!** Spin electric scooters are available for rent throughout Salem and on campus. There are geofenced slow zones on north and central campus.
- **Improved:** Expanded Zagster bike share program. With > 90 bikes at 16 hubs throughout the city and on campus, it is easy for Vikings to grab a ride. Membership and the first two hours of every ride are free to the Salem State community.
 - Over 17,000 trips taken



Salem State University Sustainability Update – August 2019

SALEM STATE UNIVERSITY

miles2share

Why drive alone when you can share rides and save?

Exclusive carpool matching network for Salem State community

Available on the App Store | Available on Google play

SALEMSTATE.EDU/COMMUTING

CARPOOL MATCHING NETWORK launches in September with money-saving promotional codes for drivers and riders. Program targets both students and employees.

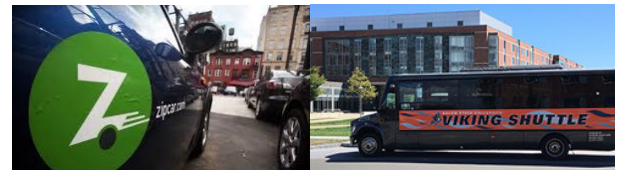
MULTIPLE EFFORTS TO INCREASE PUBLIC TRANSIT RIDERSHIP:

- MBTA is planning more frequent Bus #455 service starting in September.



- MBTA is providing Salem State with 500 Charlie Cards to distribute to students. These offer bus/subway discounts and provide an opening for conversation about public transit.

ZIPCARS ARE AVAILABLE FOR RENT ON CENTRAL CAMPUS. Hourly rentals. Drivers do not pay for gas. Zipcars are reportedly popular with international students.



IMPROVED VIKING SHUTTLE ROUTING will include a northern and southern loop and a stop at Gassett. Student-run shuttles will continue to head downtown and to the malls and Market Basket on weekends and evenings.

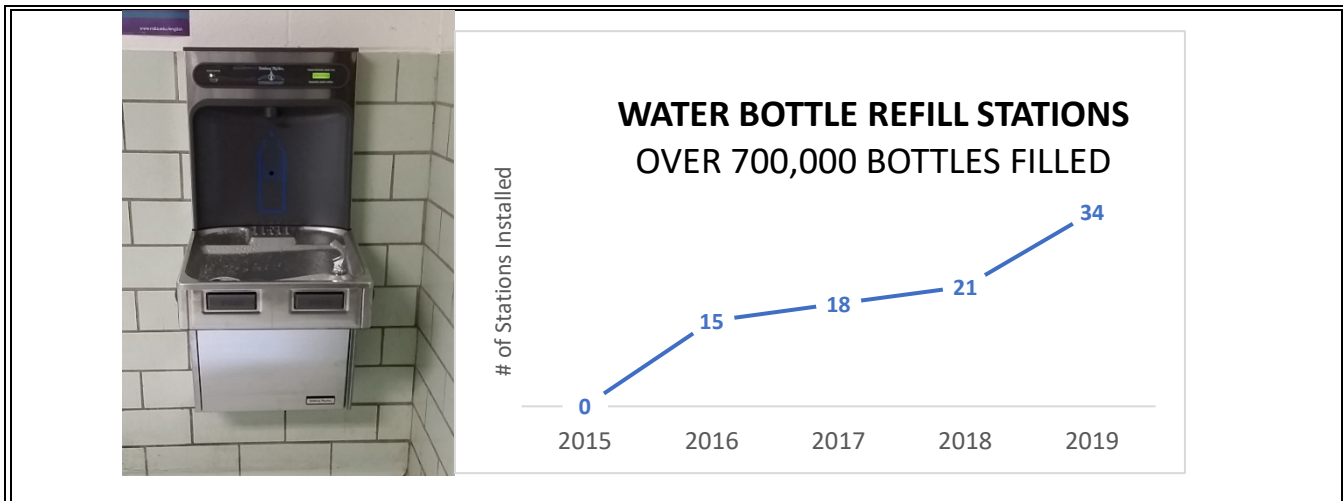
ENERGY EFFICIENCY PROJECTS IN JUNE/JULY

- Installation of LED stairwell lights that reduce to 20 percent power when no motion is detected. Installed in Meier, Sullivan, Ellison, Atlantic.
- Campus-wide steam trap repair
- Relamping of Gassett Atrium with LED lights (also met a campus operational need as the Gassett lights are no longer manufactured and burned out lights could not be replaced)

Salem State leveraged generous custom incentives from National Grid and support from DCAMM to complete these projects.

Cost to Salem State	National Grid incentive	Cost to DCAMM	Est. annual Savings	Pounds of CO2 avoided annually
\$75,034	\$79,198	\$33,916	\$50,000	362,000

Salem State University Sustainability Update – August 2019



RECYCLING AND WASTE DIVERSION



Recent recycling changes:

- New textile recycling bins on south, central and north campuses collected 2,145 pounds of textiles in May/June.
- Recycling education and new posters will address changes in state requirements in September.

**Capital Projects Status Update
August 28, 2019**

CONSTRUCTION – CURRENT

Meier Hall roof replacement, phase 2

Anticipated completion: Fall 2019

Budget: \$1,890,000 (DCAMM funding of \$1.1M anticipated)

- Second phase of roof replacement

PROJECTS IN PLANNING/STUDIES

DCAMM STLA Readiness Project

Anticipated completion: September 2019

- Kick off meeting held in late February
- Existing conditions structural assessment of Horace Mann is underway
- Final report to be completed late summer in time for next round of funding

Dining improvements

Anticipated completion: Summer 2020

Budget: TBD

- New furniture and finishes for the North Campus dining hall
- Panera Bread installation
- Burger King Refresh

Sullivan basement structural repairs

Anticipated completion: Summer 2020

Budget: \$500,000

- Demolition of former coalbunker in parking lot
- Additional scope has been added to improve ADA access to the building

COMPLETED PROJECTS IN PLANNING/STUDIES

Marsh Hall solar panel installation

Completed

Budget: performance partnership agreement (PPA) with Power Options and DCAMM. \$193,500 grant was also received from DOER to buy down the installation costs.

- 387 KW photovoltaic system installed between the three buildings.

Bloomberg Lab

Completed

Budget: \$140,000

- Fit out of the new Bloomberg Lab

Capital Projects Status Update August 28, 2019

Peabody and Bowditch bathroom renovation

Completed

Budget: \$9 million (MSCBA administered project)

- Structural failures with the plumbing distribution and waterproofing
- A full renovation of the bathrooms is required to replace the plumbing and waterproofing system.

Dining improvements

Completed

Budget: \$500,000

- New furniture, and finishes in Marsh dining hall

Meier Hall roof study, phase 3

Completed

Budget: \$16,500 (\$16,500 DCAMM funds)

- Study to investigate building envelope issues discovered in phase 1 roof replacement.
- Awaiting DCAMM study approval

O'Keefe roof study

Completed

Budget: \$33,320 (\$33,320 DCAMM funds)

- Study for roof replacement and 3rd floor window upgrade.
- Awaiting DCAMM study approval

Gordon Center HVAC review

Completed

Budget: \$50,000

- Peer review for HVAC system to investigate humidity issues
- Awaiting DCAMM study approval

Bates building assessment/study

Completed (MSCBA administered project)

Budget: \$80,000 (MSCBA funded)

- Assessment of the complex to understand investment required to keep the facilities operational for the next 5, 10, and 15 years.
- The complex is aging and needs an upgrade of the bathrooms and kitchens to address chronic plumbing issues.

**Status: 410 Lafayette and Diner
September 3, 2019****410 Lafayette Street**

The sale of 410 Lafayette was completed on August 12, 2019 for the sales price of \$500,000. The university purchased the property in 2016 for \$415,000. Given that the original source was Series 2014A bonds issued by the Massachusetts State College Building Authority (MSCBA), bond counsel and the trust agreement govern how the proceeds from the sale may be used. In general, the proceeds may be used for a student activity-type project, once fully approved by various entities of the MSCBA and the Commonwealth. The University has recommended using the proceeds for the Administration Building roof replacement, scheduled for 2020. Because dining is housed in the Administration Building, bond counsel has confirmed this project qualifies. The approvals are in process and are anticipated to be complete by mid-October. Meanwhile, the net sales proceeds are being held in escrow by the bond trustee, USBank.

Salem Diner

Responses to the request for proposals (RFP) are due September 13, 2019. The proposals will provide information about the proposer and their plans for the diner as well as financial details. The university will score proposals received based on the criteria which include the future use and location of the diner, the purchase price, and the financial and logistical aspects of removal and site restoration as well as the proposer's ability to execute their proposal.

DCAMM Funding and Five-Year Plan September 4, 2019

Division of Capital Asset Management and Maintenance (DCAMM) implemented a five-year capital improvement plan in 2019. Salem State University (SSU) received a total of \$8.2 million to be used on critical repairs (previously called deferred maintenance) projects over five years. This funding requires that the institution provide a \$4.8 million match over the five-year period. Additionally, DCAMM will no longer fund emergencies; it is now SSU's responsibility to address emergencies through reallocation.

We developed a five-year plan that addresses key deficiencies identified in the Sightlines assessment completed in 2017, placing emphasis on building envelopes and mechanical systems critical to providing continuous operation. Below is a summary of the plan. Note that figures are estimates and will be adjusted as appropriate to the circumstances and the \$8.2 million DCAMM total.

FY19: \$183 thousand

- O'Keefe roof replacement - study
- Campus automated building controls - study
- Meier Hall roof replacement - construction phase 2
- Meier Hall roof replacement - study, phase 3
- Administration roof replacement - study
- Sullivan coal bunker and ADA ramp replacement - construction documents

FY20: \$2.8 million

- Meier Hall roof replacement – construction, phase 2
- Administration roof replacement – construction documents and construction
- Sullivan elevator replacement - study

FY21: \$1.8 million

- O'Keefe roof replacement - construction
- Horace Mann exterior brick repairs – study
- Campus automated building controls – construction
- Meier Hall roof replacement – construction, phase 3
- Sullivan elevator replacement – construction documents
- Sullivan coal bunker and ADA ramp replacement – construction

FY22: \$2.4 million

- O'Keefe roof replacement - construction
- Horace Mann exterior brick repairs – construction
- Meier Hall roof replacement – construction, phase 3
- Sullivan elevator replacement – construction
- Horace Mann roof replacement – study
- O'Keefe rink HVAC – study
- Meier elevator replacement – study

FY23: \$1.3 million

- Horace Mann roof replacement – construction
- O'Keefe rink HVAC – construction
- Meier elevator replacement – construction