

SUBJECT: Finance & Facilities Committee Meeting Report for March 30, 2022

In accordance with the General Laws of the Commonwealth of Massachusetts, Chapter 30A and amended by Executive Order No. __, issued March 13, 2020, suspending parts of the Open Meeting Law to allow public remote participation and participation by the public body remotely the Finance & Facilities Committee of the Board of Trustees met remotely on Wednesday, March 30, 2022. All votes taken during this meeting were by roll call vote.

Present for the Committee: Trustees Russell (chair), DeSimone (vice chair), Lutts and Mattera. Also present and participating: Vice President House (committee liaison) and staff associate Beaulieu.

Trustee Russell, committee chair, called the meeting to order at 5:27 pm.

Slides to supplement the previously provided information (Attachment A)
Slides were used throughout the meeting to facilitate the virtual meeting and highlight key aspects of the meeting topics, supplementing previously distributed materials. There was discussion of the FY22 projected surplus of \$9.7 million and the revenue and expense assumptions for the FY23 budget under development. The draft FY23 budget projects a deficit of approximately \$2.9M funded by reserves.

Fees for FY23 – Undergraduate, Graduate and Continuing Education
(Attachment B)

The recommended rates for FY2023 student tuition and fees, including tabling the international student fees for a year pending analysis, were presented. Dining budget and meal rates are under discussion with the food service vendor.

Trustee Lutts **MOVED** that the Finance and Facilities Committee hereby recommends that the Board of Trustees approve the following motion pertaining to fees for FY 2023. **SECONDED** by Trustee DeSimone.

MOTION

The Finance and Facilities Committee hereby recommends that the Board of Trustees approve the following motion pertaining to university tuition and fees for FY2023, *with the following revision to be incorporated in the schedule of student charges before the full Board votes on the rates: the international student fees (\$140/credit for continuing education international students and \$375 per semester for undergraduate day international students) will be tabled for FY23 pending completion of a report for the trustees*

Recommended motion

The Board of Trustees of Salem State University hereby approves the rates for undergraduate day, evening, summer and graduate tuition and fees for the category of students as shown on the attachment. The rates shall be effective for FY23 beginning with the fall 2022 term. This fee structure reinstates certain of the differential fees that were temporarily removed during FY2021 and FY2022, made possible by federal pandemic relief funding (HEERF.) Differential fees will be reinstated for the following undergraduate programs: Computer Science, Education, Geography and Sustainability, Geological Sciences and Theatre. The schedule of charges includes a 2.5% increase for room rates as approved by the MSCBA. Board dining rates are not yet established.

A roll call vote was taken.

Voting in the affirmative: Trustees DeSimone, Lutts, Mattera, Russell

Voting against: None

The motion passed unanimously.

Other topics

DCAMM's progress on the sale of South Campus and SSU BOLD funding application updates were provided.

There were no questions or comments on other informational items provided in the meeting packet that had been distributed prior to the meeting including:

- FY2023 Total Fees Summary (Attachment C)
- FY22 Q2 financials (Attachment D)
- Financial dashboards (Attachment E)
- FY23 and FY24 University budget outlook (Attachment F)
- Capital projects status update (Attachment G)
- Sustainability update (Attachment H)
- Committee work plan for the year (Attachment I)

Trustee Lutts **MOVED** that the Finance and Facilities Committee meeting adjourn **SECONDED** by Trustee DeSimone:

A roll call vote was taken.

Voting in the affirmative: Trustees DeSimone, Lutts, Mattera, Russell

Voting against: None

The meeting adjourned at 6:14 pm with a roll call vote.

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

Board of Trustees Finance and Facilities Committee March 30, 2022

Karen House

Vice President for Finance and Facilities

Flow of the meeting

Objectives:

- Provide updated current year financial status
- Review updated FY23 budget status
- Recommend fees for FY23 budget (*action*)
- Real estate & other topics

FY22 Financials – Q2 and Dashboard (FF p.3/p.51)

- FY22 Projection
 - Projection improved vs. Q1 by \$1.7M
 - Positive Managed Net Income of \$9.7M vs budgeted deficit of \$3.9M
- Incorporates Omicron impact
 - Staggered opening of residence halls, with student account adjustments for room & board (\$447K)

Management Revenue & Expense Report

(In Thousands)

		2nd Qtr FY 2021	2nd Qtr FY 2022	Year End FY 2021	Original Budget FY 2022	Projection FY 2022
Managed Revenues:						
Tuition and fees		\$ 71,721	\$ 69,496	\$ 80,469	\$ 74,705	\$ 76,771
Less: scholarships, fellowships & waivers		(13,740)	(20,262)	(31,471)	(25,608)	(31,443)
Net tuition and fees		57,981	49,234	48,998	49,097	45,328
Federal, state & private grants		10,140	24,890	31,619	22,206	36,240
Auxiliary enterprises		11,899	20,248	12,100	14,756	19,095
State general appropriations		31,405	34,687	67,963	69,383	76,150
Other revenue		2,085	2,688	5,390	5,170	3,746
Total Managed Revenues	(A)	113,510	131,747	166,070	160,612	180,559
Managed Expenses:						
Compensation		48,943	51,590	104,920	113,045	119,164
Support		9,554	9,770	20,317	30,553	26,546
Facility-related		3,858	8,575	13,235	20,949	25,129
Total Managed Expenses	(B)	62,355	69,935	138,472	164,547	170,839
Managed Net Income	(A-B)=(C)	51,155	61,812	27,598	(3,935)	9,720

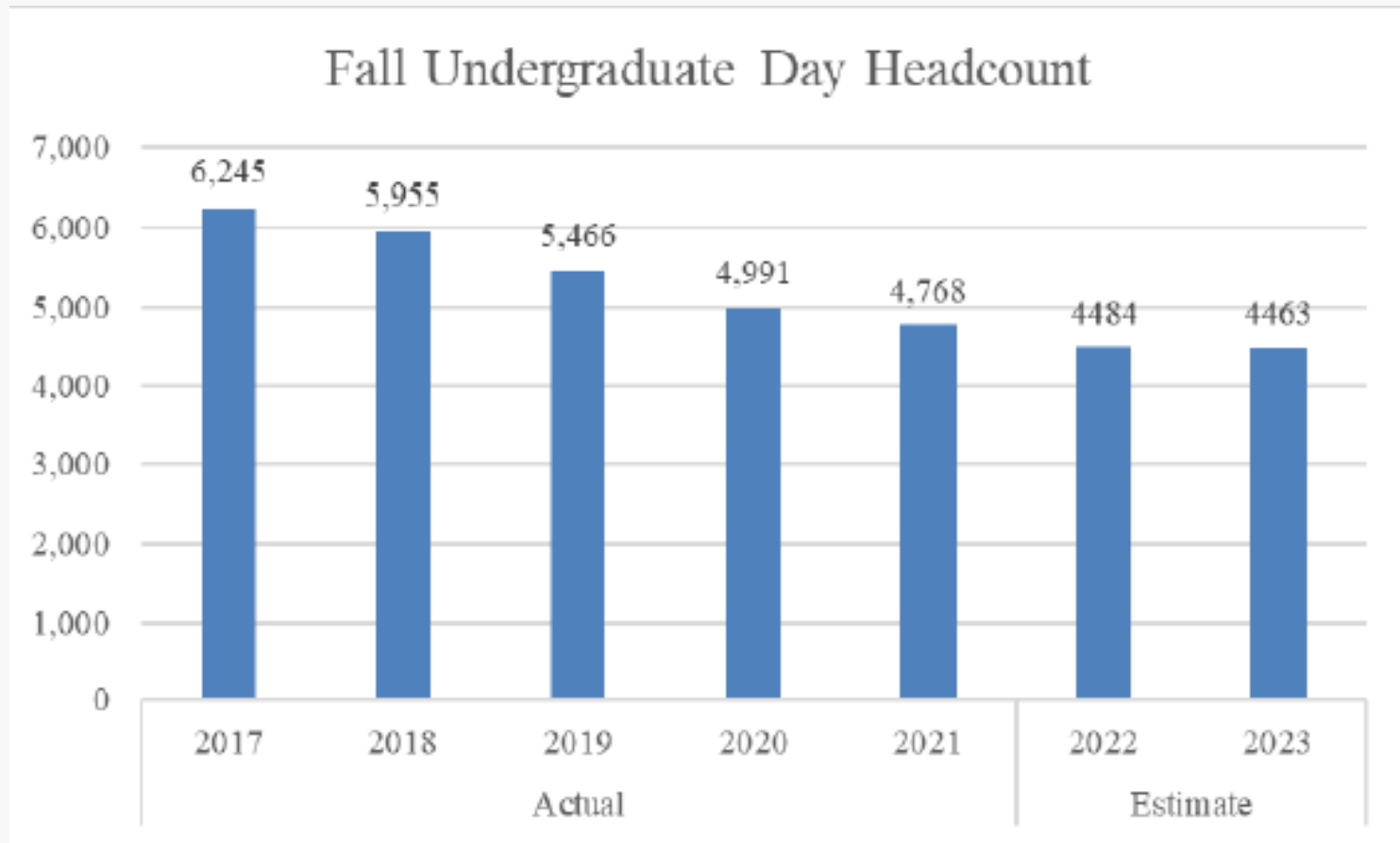
FY23 Budget Cycle

- BHE budget voted in December
- Gov. budget was released Jan. 26
- BOT sets fees March/April
- Recruitment & retention activities underway
- Legislative process in spring
- BOT approves budget May/June
- Final state budget June or early summer
- FY begins July 1

FY23 Budget Assumptions & MYFP Projections

Management View	FY 2021 Year End Actuals (\$K)	FY 2022 Year End Projection (\$K) Ver 22.1.03 03/11/2022	FY 2023 MYFP Forecast (\$K) Ver 22.1.03 03/11/2022	FY 2024 MYFP Forecast (\$K) Ver 22.1.03 03/11/2022
Managed Revenues:				
Net Tuition and Fees	48,998	45,328	50,366	52,961
Federal, State, Private Grants	31,619	36,240	18,752	18,752
Auxiliary Enterprises	12,100	19,095	22,684	23,247
State General Appropriations	67,963	76,150	78,629	81,033
Other Revenue	5,390	3,745	3,745	3,745
Total Managed Revenues	166,070	180,559	174,176	179,739
<i>Year over Year Change</i>		8.7%	-3.5%	3.2%
Managed Expenses:				
Compensation	104,920	119,164	122,448	127,009
Support	20,317	26,546	32,421	32,313
Facility-related	13,235	25,129	22,207	22,934
Total Managed Expenses	138,472	170,839	177,076	182,257
<i>Year over Year Change</i>		23.4%	3.7%	2.9%
Managed Net Income	27,598	9,720	(2,900)	(2,518)

Enrollment (UGD)



Massachusetts FY23 Budget (in process) ~ \$49B

GAA	FY21 Amt	FY22 Amt	FY23 Governor's Recommendation
Education	8,326,061,931	8,658,796,034	9,245,634,870
SSU	50,183,982	51,250,658	54,326,331
UMass	565,554,919	577,558,384	589,231,067
State	46,459,086,942	48,085,234,145	48,807,337,123

FY23 Recommendation for SSU includes 3 years' of CBA increases, for the employees covered by the state (no funding for locally funded employees). SSU share of state budget would remain at 0.11%

Governor's budget request

- +\$3.3M for SSU to \$54.3M (BHE: \$58.7M)
- +\$18M for financial aid expansion for state university and UMASS students
- 1% more for performance formula funding
- +\$7.3M for Early College and Dual Enrollment at \$150/credit
- Bond Bill incl. \$750M higher ed cap projects + second tranche of 5-year crit. maintenance funding

Financial Challenges: One time funding helps, but doesn't sustain

- Enrollment challenges (demographics)
- Affordability (limitations on tuition increases)
- Auxiliary services – increasingly optional for students but debt service must be paid
- Costs: compensation; fringe benefits; alignment of faculty in programs that students demand
- Work to do ----> Strategic Plan

Proposed Fees for FY23

- For FY22, fees were frozen
- For FY23, recommending blended 2.6% for UGD, CPS, and Grad
 - Approx. \$304 to \$11,979 (FT IS UGD)
- Reinstate certain undergraduate differential fees
- Housing - set
- Dining program and dining fees not yet determined
- Motion recommends tabling the International Student fee for this year, pending an analysis and recommendation for the future

MOTION

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Recommended motion

The Board of Trustees of Salem State University hereby approves the rates for undergraduate day, evening, summer and graduate tuition and fees for the category of students as shown on the attachment. The rates shall be effective for FY23 beginning with the fall 2022 term. This fee structure reinstates certain of the differential fees that were temporarily removed during FY2021 and FY2022, made possible by federal pandemic relief funding (HEERF.) Differential fees will be reinstated for the following undergraduate programs: Computer Science, Education, Geography and Sustainability, Geological Sciences and Theatre. The schedule of charges includes a 2.5% increase for room rates as approved by the MSCBA. Board dining rates are not yet established.

Other Topics

- Real estate, facilities, and sustainability
 - Sale of South Campus:
 - Site visits held mid-March
 - Bidders conference-end of April
 - Proposals due in May
 - SSU BOLD
 - Clarifying questions appointment held
 - On track for Spring announcement
- Workplan (May meeting: FY23 budget)

 REQUEST FOR TRUSTEE ACTION

Date: March 25, 2022
To: Finance and Facilities Committee
From: Karen P. House, Vice President for Finance and Facilities
Subject: FY2023 University Tuition and Fees
Requested Action: Approval

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Committee Assigned: Finance & Facilities

Committee Action: Approved

Date of Action: March 30, 2022

Trustee Action:

Trustee Approval Date:

Effective Date:

Signed: _____

Title: _____

Date: _____

Undergraduate Day
and Evening (SCPS)
Student Charges

**Schedule of Student Charges
2022-23 Academic Year**

UnderGrad - Fall/Spring

IN-STATE	Fall 2022		Spring 2023		Academic Year Full-Time
	Per Credit	Full-Time	Per Credit	Full-Time	
Day Undergraduate					
Tuition					
In-State	\$37.92	\$455.00	\$37.92	\$455.00	\$910.00
Fees					
University Fee ¹	\$438.80	\$5,265.60	\$438.80	\$5,265.60	\$10,531.20
Capital Improvement Fee	\$18.20	\$218.40	\$18.20	\$218.40	\$436.80
SGA Fee	\$4.20	\$50.40	\$4.20	\$50.40	\$100.80
Total Tuition and Fees					
In-State	\$499.10	\$5,989.40	\$499.10	\$5,989.40	\$11,978.80

Evening Undergraduate (SCPS)					
Tuition					
In-State	\$115.00		\$115.00		
Fees					
Course Fee	\$313.80		\$313.80		
Capital Improvement Fee	\$18.20		\$18.20		
SGA Fee	\$4.20		\$4.20		
Total Tuition and Fees	\$451.20		\$451.20		
In-State					

OUT-OF-STATE	Fall 2022		Spring 2023		Academic Year Full-Time
	Per Credit	Full-Time	Per Credit	Full-Time	
Day Undergraduate					
Tuition					
Out-of-State	\$293.75	\$3,525.00	\$293.75	\$3,525.00	\$7,050.00
Fees					
University Fee ¹	\$473.90	\$5,686.80	\$473.90	\$5,686.80	\$11,373.60
Capital Improvement Fee	\$18.20	\$218.40	\$18.20	\$218.40	\$436.80
SGA Fee	\$4.20	\$50.40	\$4.20	\$50.40	\$100.80
Total Tuition and Fees					
Out-of-State	\$790.10	\$9,480.60	\$790.10	\$9,480.60	\$18,961.20

Evening Undergraduate (SCPS)					
Tuition					
Out-of-State ²	\$285.00		\$285.00		
Fees					
Course Fee	\$318.20		\$318.20		
Capital Improvement Fee	\$18.20		\$18.20		
SGA Fee	\$4.20		\$4.20		
Total Tuition and Fees	\$625.60		\$625.60		
Out-of-State					

All charges are subject to change.

**Schedule of Student Charges
2022-23 Academic Year**

Summer

IN-STATE	Summer 2022		Summer 2023	
	Per Credit	Full-Time	Per Credit	Full-Time
<u>Undergraduate (SCPS)</u>				
Tuition				
In-State	\$115.00		\$115.00	
Fees				
Course Fee	\$231.80		\$240.10	
Capital Improvement Fee	\$17.40		\$18.20	
Total Tuition and Fees				
In-State	\$364.20		\$373.30	

OUT-OF-STATE	Summer 2022		Summer 2023	
	Per Credit	Full-Time	Per Credit	Full-Time
<u>Undergraduate (SCPS)</u>				
Tuition				
Out-of-State	\$250.00		\$250.00	
Fees				
Course Fee	\$231.80		\$243.60	
Capital Improvement Fee	\$17.40		\$18.20	
Total Tuition and Fees				
Out-of-State	\$499.20		\$511.80	

All charges are subject to change.

**Schedule of Student Charges
2022-23 Academic Year**

	Fall 2022		Spring 2023		Academic Year
		Full-Time		Full-Time	Full-Time
Housing ³					
Bowditch - Premium Singles		\$5,035.50		\$5,035.50	\$10,071.00
Bowditch - Doubles as Singles		\$5,035.50		\$5,035.50	\$10,071.00
Bowditch - Doubles		\$5,035.50		\$5,035.50	\$10,071.00
Peabody - Doubles as Singles		\$5,035.50		\$5,035.50	\$10,071.00
Peabody - Doubles		\$4,848.50		\$4,848.50	\$9,697.00
Atlantic Hall - Singles		\$6,406.50		\$6,406.50	\$12,813.00
Atlantic Hall - Doubles as Singles		\$6,406.50		\$6,406.50	\$12,813.00
Atlantic Hall- Double		\$5,991.50		\$5,991.50	\$11,983.00
Marsh Hall - Doubles as Singles		\$5,520.00		\$5,520.00	\$11,040.00
Marsh Hall - Doubles		\$5,392.00		\$5,392.00	\$10,784.00
Viking Hall - Singles		\$5,758.00		\$5,758.00	\$11,516.00
Viking Hall - Doubles		\$5,509.50		\$5,509.50	\$11,019.00
Viking Hall - Suite Doubles		\$5,632.50		\$5,632.50	\$11,265.00
Viking Hall - Suite Singles		\$5,758.00		\$5,758.00	\$11,516.00
Meal Plans ⁴					
Plans to be determined		TBD		TBD	TBD
Application Fees					
Undergraduate Admissions				\$50.00	
Matriculation Fee -- new matriculated students (one-time)				\$275.00	
Late Fees					
Late Application for Undergraduate Degree				\$50.00	
Late Payment (tuition and fees)				\$50.00/month	
Miscellaneous Fees					
Payment Plans (enrollment fee for TN)				\$40.00/semester	
Non-Credit Course Fee				Varies depending on course	
Institute Fee (winter session/summer)				\$100.00 per institute	
Hard copy of Transcript /Green Fee				\$5.00	
Day School Nursing Resource Center Fee				\$100.00 per course	
Mass PIRG Fee (waivable each semester) ⁵		\$10.00		\$10.00	\$20.00
Records Fee-for non-matriculated students		\$10.00		\$10.00	\$20.00
Health Insurance -- (waivable) ⁶					TBD
Damage Deposit for Resident Students					\$50.00
Liability Insurance for Nursing, OT and Athletic Training Students					TBD
Differential Fees for Undergraduate Programs					
Art + Design ⁸		\$125.00		\$125.00	\$250.00
Biology ⁷		\$250.00		\$250.00	\$500.00
Business ⁹		\$250.00		\$250.00	\$500.00
Chemistry ⁸		\$250.00		\$250.00	\$500.00
Computer Science ¹⁰		\$250.00		\$250.00	\$500.00
Education ¹⁰		\$125.00		\$125.00	\$250.00
Geography and Sustainability ¹⁰		\$250.00		\$250.00	\$500.00
Geological Sciences ¹⁰		\$250.00		\$250.00	\$500.00
Nursing ⁷		\$500.00		\$500.00	\$1,000.00
Theatre (BA and BFA) ¹⁰		\$125.00		\$125.00	\$250.00
Cohort Based Program Cost					
Accelerated 2nd Degree for BSN Summer 2020 Cohort per credit ¹¹					\$600.00
Accelerated 2nd Degree for BSN Summer 2021 Cohort per credit ¹¹					\$600.00
Accelerated 2nd Degree for BSN Summer 2022 Cohort per credit ¹¹					\$625.00
Accelerated 2nd Degree for BSN Summer 2023 Cohort per credit ¹¹					\$641.00

**Schedule of Student Charges
2022-23 Academic Year**

Parking Fees				
Resident Parking (Atlantic and Peabody lots)	\$300.00		\$300.00	\$600.00
Resident Parking (Marsh lot)	\$175.00		\$175.00	\$350.00
Commuter Parking	\$82.50		\$82.50	\$165.00
Parking Fines				
Various violations			\$25.00 - \$125.00 per violation	
Violation Appeal Fee if appeal not granted			\$5.00 per violation	

NOTES FOR FY2023

- 1 The University Fee represents the fee anticipated for 2022-2023. Fees may change by action of the Board of Trustees.
- 2 The New England Regional program enables New England residents to enroll at out-of-state New England public colleges and universities at a discount when enrolled in certain majors. For program details see salemstate.edu/nersp.
- 3 Housing rates include (1) \$20 per semester/\$40 per year Residence Hall Association Fee for all residence halls; and (2) \$380 per semester/\$760 per year Technology/Student Fee.
- 4 Meal Plans to be determined
- 5 Charged for all day students each semester. Student may opt out and have fee waived on line.
- 6 Charged for all students enrolled in at least 75 percent of a full-time course load. Student may opt out and have fee waived if covered by other health insurance. Fall 2022 prorated charge is \$TBD and spring 2023 prorated charge is \$TBD.
- 7 Annual additional fees beginning with academic year 2016-17 entrants to program (incoming or transfers).
- 8 Annual additional fees beginning with academic year 2017-18 entrants to program (incoming or transfers).
- 9 Annual additional fees beginning with academic year 2019-20 entrants to program (incoming or transfers).
- 10 Annual additional fees beginning with academic year 2022-23 entrants to program (incoming or transfers).
- 11 Accelerated 2nd Degree for Bachelor of Science, Nursing (BSN) is a cohort based program with a charge of Summer of 2020 entering cohort of \$600 per credit; Summer of 2021 entering cohort of \$600 per credit; Summer of 2022 entering cohort of \$625.00; Summer of 2023 entering cohort of \$641.00.

All charges are subject to change.

2022-23 Academic Year

Undergraduate Evening (SCPS)/Summer 2023 Additional Fees	
<u>Course Fees</u>	
Lab Fees	\$25-\$500 per course
Clinical Fees	\$15-\$100 per course
Institutes (winter session/summer)	\$100 per course
Non-credit course fee	Varies depending on course
Social Work Field Service Fee	\$125 per course
<u>Application Fees</u>	
SCPS Admissions	\$50.00
Matriculation Fee (one-time)	\$275.00
<u>Miscellaneous Fees</u>	
Payment plans (enrollment fee for TN)	\$40/semester
Records Fee for Non-Matriculated Students	\$10/semester
Hard copy of Transcript /Green Fee	\$5.00
Health Insurance -- (waivable) -matriculated students only	TBD
Liability Insurance for Nursing, OT and Athletic Training	TBD
<u>Late Fees</u>	
Late application for degree	\$50.00
Late Payment (tuition and fees)	\$50/month
<u>Parking Fees and Fines</u>	
Commuter Parking	\$82.50/semester
Various Violations	\$25-\$125 per violation
Violation Appeal Fee if appeal not granted	\$5 per violation

All charges are subject to change.

Graduate School Student Charges

**Schedule of Student Charges
2022-23 Academic Year**

Grad School - Fall/Spring/ Summer

IN-STATE	Fall 2022	Spring 2023	Summer 2023	
	Per Credit	Per Credit	Per Credit	
Graduate - Price Group 1				
Tuition				
In-State	\$140.00	\$140.00	\$140.00	
Fees				
Course Fee	\$292.60	\$292.60	\$292.60	
Capital Improvement Fee	\$18.20	\$18.20	\$18.20	
Total Tuition and Fees				
In-State	\$450.80	\$450.80	\$450.80	
Graduate - Price Group 2				
Tuition				
In-State	\$140.00	\$140.00	\$140.00	
Fees				
Course Fee	\$341.00	\$341.00	\$341.00	
Capital Improvement Fee	\$18.20	\$18.20	\$18.20	
Total Tuition and Fees				
In-State	\$499.20	\$499.20	\$499.20	
Graduate - Price Group 3				
Tuition				
In-State	\$140.00	\$140.00	\$140.00	
Fees				
Course Fee	\$406.40	\$406.40	\$406.40	
Capital Improvement Fee	\$18.20	\$18.20	\$18.20	
Total Tuition and Fees				
In-State	\$564.60	\$564.60	\$564.60	

All charges are subject to change.



Grad School - Fall/Spring/ Summer

OUT-OF-STATE	Fall 2022	Spring 2023	Summer 2023	
	Per Credit	Per Credit	Per Credit	
Graduate - Price Group 1				
Tuition				
Out-of-State	\$230.00	\$230.00	\$230.00	
Fees				
Course Fee	\$294.90	\$294.90	\$294.90	
Capital Improvement Fee	\$18.20	\$18.20	\$18.20	
Total Tuition and Fees				
Out-of-State	\$543.10	\$543.10	\$543.10	

Graduate - Price Group 2				
Tuition				
Out-of State	\$230.00	\$230.00	\$230.00	
Fees				
Course Fee	\$343.40	\$343.40	\$343.40	
Capital Improvement Fee	\$18.20	\$18.20	\$18.20	
Total Tuition and Fees				
Out-of-State	\$591.60	\$591.60	\$591.60	

Graduate - Price Group 3				
Tuition				
Out-of-State	\$230.00	\$230.00	\$230.00	
Fees				
Course Fee	\$408.20	\$408.20	\$408.20	
Capital Improvement Fee	\$18.20	\$18.20	\$18.20	
Total Tuition and Fees				
Out-of-State	\$656.40	\$656.40	\$656.40	

**Schedule of Student Charges
2022-23 Academic Year**

Graduate School Additional Fees	
<u>Course Fees</u>	
Lab Fees	\$25-\$500 per course
Clinical Fees	\$15-\$100 per course
Field Placement Fee for MSW	\$100-\$250 per course
Institutes (winter session/summer)	\$100 per course
<u>Application Fees</u>	
Graduate Admissions	\$50.00
Matriculation Fee (one-time)	\$275.00
Comprehensive Exam Application	\$50.00
<u>Miscellaneous Fees</u>	
Payment plans (enrollment fee for TN)	\$40/ semester
Records Fee for Non-Matriculated Students	\$10/semester
Hard copy of Transcript /Green Fee	\$5.00
Health Insurance -- (waivable)	TBD
Liability Insurance for Nursing, OT and Athletic Training	TBD
<u>Late Fees</u>	
Late application for degree	\$50.00
Late Payment (tuition and fees)	\$50/month
<u>Parking Fees and Fines</u>	
Commuter Parking	\$82.50/semester
Various Violations	\$25-\$125 per violation
Violation Appeal Fee if appeal not granted	\$5 per violation

All charges are subject to change.

**Salem State University
Graduate Price Groups**

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

Graduate non-matriculated students will be charged at the Price Group 2 rate.

FY 2023 Fee Rates – Background Information

Overview

This provides background and contextual information separate from the motion pertaining to tuition and fee rates proposed for FY23. Different parties are authorized to recommend and/or establish rates including the Commonwealth's Board of Higher Education, MSCBA, the Board of Trustees, and university administration.

The fees are being established earlier than usual to provide time for students and families to be informed as they make plans for the next academic year. At this time, the Commonwealth has not completed its budget process. However, based on strong state revenues, the university's state funding support is not considered to be at risk. We have included the amount of the Governor's recommended general appropriation act (GAA) funding request for Salem State, \$54.3 million, in our FY23 budget model. Additional information about FY23 budget planning is provided in a separate agenda topic.

Tuition and mandatory fees are proposed to increase by \$304 or 2.6% for in-state undergraduate commuting students and \$481 for out-of-state undergraduate commuting students. Components of the mandatory fees that apply to undergraduate students are described below.

University fee supports a majority of the educational and general activities that are not funded by state appropriation.

Capital Improvement Fee provides additional support for critical maintenance, debt service, and repair of facilities. The university continues to advocate for additional state funding; however, current state funding is not close to sufficient to address all capital needs.

SGA Fee funds activities overseen or conducted by the Student Government Association on behalf of undergraduate students.

Differential Fees apply to undergraduate students in selected majors. Typically, these are programs that have high costs of supplies, consumables, or other costs, have higher demand than the university has capacity, produce graduates with higher earning potential, are lower-priced than competitors or a combination of these characteristics. The differential fees recommended for FY23 are the same as in prior years with the following exception.

Over the last two covid-impacted years, differential fees were temporarily removed from certain programs. For FY23, the university proposes reinstating the differential fee for some of these programs while abolishing the fee for the rest. For the programs whose differential fee will be reinstated, the fee will be phased in. The fee will apply to new entrants to the program to shield continuing students from a higher than anticipated price increase. The programs for which the reinstatement

of differential fees is proposed are Computer Science, Education, Geography and Sustainability, Geological Sciences and Theatre.

For the programs whose differential fee continued during the covid years, these fees will be retained at the same rate and will continue to apply to all students in the program. These programs are Biology, Business Management, Education, Chemistry and Nursing.

The table below shows the annualized cost of attendance for full-time, undergraduate students.

FT Undergraduate In-state	APPROVED FY 2022	Proposed FY 2023
Tuition	910.08	910.08
University Fee	10,254.00	10,531.20
Capital Improvement Fee	410.40	436.80
SGA Fee	100.80	100.80
Total Tuition and Fees	\$11,675	\$11,979
\$ Increase		\$304
% Increase		2.6%

FT Undergraduate Out-of-State	APPROVED FY 2022	Proposed FY 2023
Tuition	7,050.00	7,050.00
University Fee	10,918.80	11,373.60
Capital Improvement Fee	410.40	436.80
SGA Fee	100.80	100.80
Total Tuition and Fees	\$18,480	\$18,961
\$ Increase		\$481
% Increase		2.6%

Room and board charges apply only to students living on campus or who purchase a meal plan. Room rates were established in conjunction with the MSCBA and are formally approved by the Board of Higher Education. Salem State's room rates will increase 2.5% on average for FY23 and vary by room type. The board dining program is being revised for FY23 as we emerge from the pandemic. Those rates have not yet been set.



The tables below show the price per course for evening undergraduate and graduate students.

Evening Undergraduate (SCPS) In-state	APPROVED FY 2022	Proposed FY 2023
Tuition	345.00	345.00
Course Fee	909.30	941.40
Capital Improvement Fee	52.20	54.60
SGA Fee	12.60	12.60
Total per Course (3 credits)	\$1,319	\$1,354
\$ Increase		\$34
% Increase		2.6%

Evening Undergraduate (SCPS) Out- of-state	APPROVED FY 2022	Proposed FY 2023
Tuition	855.00	855.00
Course Fee	909.30	954.60
Capital Improvement Fee	52.20	54.60
SGA Fee	12.60	12.60
Total per Course (3 credits)	\$1,829	\$1,877
\$ Increase		\$48
% Increase		2.6%

Grad (Price Group 2) In-state	APPROVED FY 2022	Proposed FY 2023
Tuition	420.00	420.00
Course Fee	987.45	1,023.00
Capital Improvement Fee	52.20	54.60
Total per Course (3 credits)	\$1,460	\$1,498
\$ Increase		\$38
% Increase		2.6%

Grad (Price Group 2) Out-of-State	APPROVED FY 2022	Proposed FY 2023
Tuition	690.00	690.00
Course Fee	987.45	1,030.20
Capital Improvement Fee	52.20	54.60
Total per Course (3 credits)	\$1,730	\$1,775
\$ Increase		\$45
% Increase		2.6%

For reference, the last published rates for CE and Graduate competitors are below.

Salem State University
Price Comparison
Prepared 2/23/2022

Competitor Price Comparison - Fall 2021 - Summer 2022

Continuing Education			
Rank	Institution	Current Per Credit	Type
1	Southern NH University	\$320	Private
2	MA Maritime Academy**	\$340	Public
3	Worcester State University	\$365	Public
4	Fitchburg State University	\$372	Public
5	Westfield State University	\$372	Public
6	Framingham State University	\$372	Public
7	UMass Lowell	\$340	Public
8	UMass Boston	\$410	Public
9	Salem State University	\$440	Public
10	Bridgewater State University	\$443	Public
11	UMass Amherst	\$482	Public
12	Simmons College	\$500	Private
13	Cambridge College	\$591	Private
14	Suffolk University	\$618	Private
15	UMass Dartmouth	\$640	Public
16	Lesley University	\$650	Private
17	Merrimack College	\$658	Private
18	Mass College of Liberal Arts**	\$659	Public
19	Springfield College	\$700	Private
20	Boston University	\$1,000	Private
21	Boston College**	\$1,009	Private
22	Endicott College**	\$1,100	Private

Excludes online, out-of-state and specialized programs and/or Certificate programs

** For institutions without a formal CE or part-time program, the rate for the undergrad is listed

Salem State University
Price Comparison
Prepared 2/23/2022

Competitor Price Comparison - Fall 2021 - Summer 2022

Graduate

Rank	Institution	Current Per Credit	Type
1	Worcester State University	\$322	Public
2	Fitchburg State University	\$334	Public
3	Westfield State University	\$372	Public
4	Mass College of Liberal Arts	\$412	Public
5	Framingham State University	\$442	Public
6	Bridgewater State University	\$475	Public
7	Salem State University (Price Group 2)	\$487	Public
8	Cambridge College	\$591	Private
9	Southern NH University	\$700	Private
10	UMass Dartmouth	\$707	Public
11	Endicott College**	\$762	Private
12	UMass Boston	\$789	Public
13	UMass Lowell	\$845	Public
14	Lesley University**	\$850	Private
15	UMass Amherst	\$888	Public
16	MA Maritime Academy	\$952	Public
17	Merrimack College	\$984	Private
18	Springfield College	\$1,138	Private
19	Simmons College**	\$1,185	Private
20	Suffolk University**	\$1,503	Private
21	Boston College	\$1,591	Private
22	Boston University	\$2,476	Private

Fees listed do not include additional fees associated with MBA, MSN, PSM, law school, out-of-state or international student fees

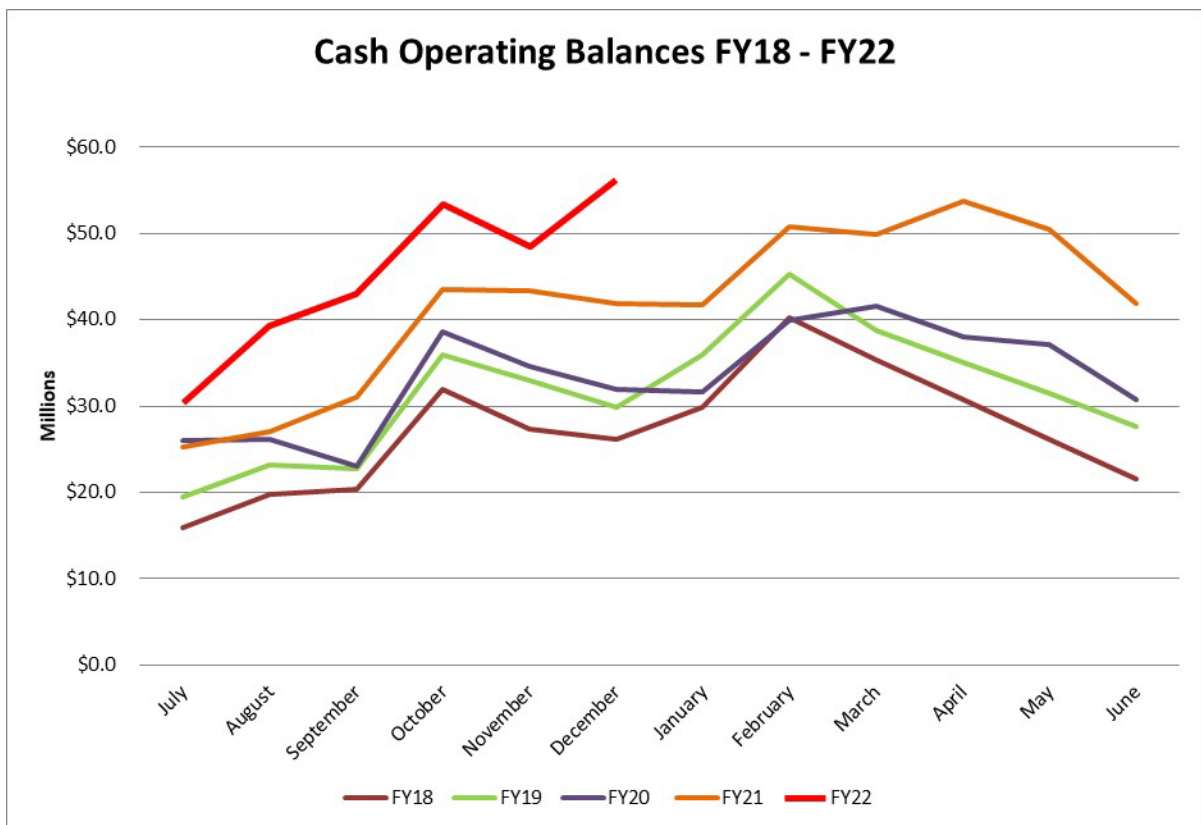
** Median price of the different graduate program costs.

Salem State University Interim Financial Review through the Second Quarter (Q2) of FY22 (12/31/2021) Commentary

Introduction – The attached package includes a summarized Management Revenue & Expense Report that distinguishes between managed and non-cash revenue and expense activity, in addition to the traditional GAAP-style financial statements. Thus, the package for the period ending December 31, 2021, includes the following unaudited financial statements:

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

KEY ITEMS SUMMARY:



Summary Financial Information for FY21-Q2 and FY22-Q2

	(In Thousands)				Budget	Projection
	FY21Q2	FY22Q2	\$ Change	% Change	FY22	FY22
Managed Revenues	\$ 113,510	\$ 131,747	\$ 18,237	16.1%	\$ 160,612	\$ 180,559
Managed Expenses	62,355	69,935	7,580	12.2%	164,547	170,839
Managed Net Income	51,155	61,812	▲ 10,657	20.8%	(3,935)	▲ 9,720
Non Cash Revenue/(Expenses)	(1,783)	(3,136)	▼ (1,353)	75.9%	(3,921)	(7,854)
Total Increase/(Decrease) in Net Position	\$ 49,372	\$ 58,676	▲ 9,304	18.8%	\$ (7,856)	▲ 1,866

Balance Sheet – Excluding cash with state and other agencies, the cash balance increased \$17.2 million since June 30, 2021 primarily due to the timing of payments. On December 31, 2021, the accounts receivable balance stood at \$41.0 million, an increase of \$32.8 million since June 30, 2021 due to the billing of the Spring semester. The December 2021 accounts receivable balance is comparable to the balance as of December 2020. Capital assets have decreased \$3.2 million primarily due to depreciation taken through the second quarter, offset by asset additions. Investments have increased 26.5% or \$9.0 million to \$43.1 million since June 30, 2021, due to a transfer of \$7.5 million to the working capital investment account in addition to favorable market conditions. Accounts payable and accrued expenses decreased \$3.6 million or 59.5% due to timing of payments. Accrued payroll decreased 38.0% or \$2.9 million due to payments made in July of 2021 related to FY21 expenses.

Cash Operating Balances FY18 through FY22 (December) – The cash graph displays operating cash balances by month and excludes deposits held by MSCBA/DCAMM. Operating cash flows are normally cyclical as depicted in the cash graph. However, cash flows demonstrate the impact of the COVID-19 situation in which the MSCBA restructured debt, as well as grant relief funds. The university drew down approximately \$10 million in HEERF funds during December 2021.

Managed Revenues and Expenses - For the six months ending December 31, 2021 (FY22), Salem State’s net position increased by \$58.7 million overall which is higher than the prior year of \$49.4 million. For managed net income, the YTD result through the second quarter of FY22 is \$61.8 million, an increase of \$10.7 million or 20.8% over the same period in FY21. Net tuition and fees decreased \$8.7 million, or 15.1% over the same period in FY21 due to enrollment decreases and increases in student grants from HEERF funding. Auxiliary enterprise revenue was \$8.3 million or 70.2% higher over prior year due to increased housing occupancy and meal plans in FY22. Managed expenses of \$70.0 million increased \$7.6 million or 12.2% over the same period in the prior year. Compensation increased \$2.6 million or 5.4% from increases in contracted employees and associated fringe benefits.

Changes in Non-Cash Revenues and Expenses – The total net non-cash revenues and expenses through the second quarter decreased \$1.4 million (expense) primarily due to lower market return on investment activity.

Comparison of Current FY22 Projection to Approved FY22 Budget – Managed Net Income is projected to a positive \$9.7 million compared to the \$3.9 million deficit in the approved original budget.

Managed Revenue and Expense Activity:

- A favorable budget variance of \$2.0 million in gross tuition and fees is projected. Enrollment for first three semesters (summer 1, Fall 2021 and spring 2022) all exceeded budget.
- Net tuition and fees project an unfavorable variance of \$3.8 million. This is attributable to the increased student grants awarded directly to students of \$5.4 million per the requirements of the federal relief funding or HEERF III. It does not represent an increase to university funded scholarship or a drop in tuition and fees revenue.
- A favorable variance of \$14.0 million in Grant revenue. This is the recognition of an additional \$7.1 million in federal institutional relief funding, \$5.3 million in federal

Attachment D

relief funding awarded directly to students, and an additional \$1.5 million federal relief funding from the federal SIP program.

- A favorable variance of \$4.3 million in Auxiliary revenue is due to fall housing occupancy and dining revenues that are higher than budget. Fall housing occupancy exceeded budget by 411 students. Spring housing occupancy is projected to increase in line with the fall occupancy.
- A favorable projected variance of \$6.7 million in state support is included in the projection, predominantly related to collective bargaining contract funding. This funding will be used exclusively on benefitted faculty and staff salaries and does not cover the full cost of such increases. The funding is included in supplemental budget bill working its way through the legislative process and is not yet signed into law.
- An unfavorable variance in Other Revenue reflects a reduction of approximately \$1.4 million in investment income due to market volatility.
- In expenses, an unfavorable variance of \$6.1 million in compensation is due to the retroactive salary increases to be paid out in FY22 as agreed to in the collective bargaining agreement which covers FY21-FY23. In addition, vacancy savings estimates have been reduced based on new hires and expected new hires during the remainder of the fiscal year.
- There is a favorable variance of approximately \$4.0 million in Support based on spending patterns year to date.
- Facility-related expenses are expected to be \$4.2 million unfavorable to budget. The FY22 projection includes \$4.2 million in Bates' defeasance costs that were not included in the original budget.

Non-Cash Revenue and Expenses:

- As is the university's practice, the budget does not include a calculation of the impact of GASB 68 pension and GASB 75 OPEB liability adjustment for FY22. Information to book these adjustments is maintained by and received from the Commonwealth as the books are closed for the fiscal year. As the University has not received any estimate for these amounts from the Commonwealth, the projection does not include any estimate for GASB 68 or GASB 75. In FY21, the combined net expense impact of GASB 68 and 75 was favorable but that may not be repeated.

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

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

Management Revenue & Expense Report
(In Thousands)

	2nd Qtr FY 2021	2nd Qtr FY 2022	Year End FY 2021	Original Budget FY 2022	Projection FY 2022
Managed Revenues:					
Tuition and fees	\$ 71,721	\$ 69,496	\$ 80,469	\$ 74,705	\$ 76,771
Less: scholarships, fellowships & waivers	(13,740)	(20,262)	(31,471)	(25,608)	(31,443)
Net tuition and fees	57,981	49,234	48,998	49,097	45,328
Federal, state & private grants	10,140	24,890	31,619	22,206	36,240
Auxiliary enterprises	11,899	20,248	12,100	14,756	19,095
State general appropriations	31,405	34,687	67,963	69,383	76,150
Other revenue	2,085	2,688	5,390	5,170	3,746
Total Managed Revenues (A)	113,510	131,747	166,070	160,612	180,559
Managed Expenses:					
Compensation	48,943	51,590	104,920	113,045	119,164
Support	9,554	9,770	20,317	30,553	26,546
Facility-related	3,858	8,575	13,235	20,949	25,129
Total Managed Expenses (B)	62,355	69,935	138,472	164,547	170,839
Managed Net Income (A-B)=(C)	51,155	61,812	27,598	(3,935)	9,720
Non-Cash Revenue/(Expenses):					
Capital grants	-	514	3,708	1,835	1,836
Depreciation	(4,679)	(4,621)	(9,474)	(9,690)	(9,690)
Unrealized gains/(losses)	2,896	971	3,252	-	-
GASB 68 Pension	-	-	(1,085)	-	-
GASB 75 OPEB	-	-	5,266	-	-
Source (Use) of Net Position	-	-	-	3,934	-
Total Non-Cash Revenue/(Expenses)	(1,783)	(3,136)	1,667	(3,921)	(7,854)
Total Increase/(Decrease) in Net Position	\$ 49,372	\$ 58,676	\$ 29,265	\$ (7,856)	\$ 1,866



Management Revenue & Expense Report by Trust Funds

Account Description	FY 2021 Year-End (\$K)	Unrestricted Auxiliaries	Educational & General Funds	Grants	Gifts & Contributions	Residence Halls	Restricted Other	Total Restricted Endowments	Net Invested in Capital Assets	FY 2022 YTD- December Actuals (\$K)
Managed Revenues:										
Net tuition and fees	\$48,998		\$64,336	(\$13,677)	(\$521)	(\$1,330)	\$426			\$49,234
Federal, state & private Grants	31,619			24,856		34				24,890
Auxiliary enterprises	12,100	\$5,029	128	(10)		14,988	113			20,248
State general appropriations	67,963		34,655	32						34,687
Other revenue	5,390	69	772	(65)	1,884		16	\$12		2,688
Total Managed Revenues	166,070	5,098	99,891	11,136	1,363	13,692	555	12	-	131,747
Managed Expenses:										
Compensation	104,920	77	48,200	1,332	134	1,843	4			51,590
Support	20,317	1,760	7,044	538	155	116	157			9,770
Facility-related	13,235	(363)	4,246	8,801	(\$65)	(\$578)	74		(\$3,540)	8,575
Total Managed Expenses	138,472	1,474	59,490	10,671	224	1,381	235	-	(3,540)	69,935
Managed Net Income	27,598	3,624	40,401	465	1,139	12,311	320	12	3,540	61,812
Non-Cash Revenues/(Expenses):										
Capital grants	3,708		514							514
Depreciation	(9,474)								(4,621)	(4,621)
Unrealized gains/(losses)	3,252		928				12	31		971
GASB 68 Pension	(1,085)									-
GASB 75 OPEB	5,266									-
Total Non-Cash Revenue/(Expenses)	1,667	-	1,442	-	-	-	12	31	(4,621)	(3,136)
Total Increase/(Decrease) in Net Position	\$29,265	\$3,624	\$41,843	\$465	\$1,139	\$12,311	\$332	\$43	(\$1,081)	\$58,676

Statements of Net Position
(In Thousands)

	FY 2021	FY 2022 YTD	Change	
	Year End	December 31	\$	%
Assets:				
Cash	\$ 37,405	\$ 54,603	\$ 17,198	46.0%
Cash with State and other agencies	6,774	2,113	(4,661)	-68.8%
Accounts and other receivables	8,247	41,022	32,775	397.4%
Capital assets	157,958	154,718	(3,240)	-2.1%
Investments	34,044	43,078	9,034	26.5%
Loans receivable, net	1,218	1,103	(115)	-9.4%
Debt Service Reserve	1,176	1,176	-	0.0%
Other Assets	365	110	(255)	-69.9%
Total Assets	247,187	297,923	50,736	20.5%
Deferred Outflows of Resources	20,988	20,988	-	0.0%
Total Assets and Deferred Outflows of Resources	\$ 268,175	\$ 318,911	\$ 50,736	18.9%
Liabilities:				
Accounts payable and accrued expenses	\$ 6,121	\$ 2,477	\$ (3,644)	-59.5%
Accrued Payroll	7,681	4,759	(2,922)	-38.0%
Bonds and notes payable	33,030	32,804	(226)	-0.7%
Compensated absences	10,149	10,149	-	0.0%
Loan payable, federal financial assistance programs	1,916	1,916	-	0.0%
Other liabilities	5,754	4,736	(1,018)	-17.7%
Net Pension Liability	39,994	39,994	-	0.0%
Net OPEB Liability	51,463	51,463	-	0.0%
Total Liabilities	156,108	148,298	(7,810)	-5.0%
Deferred Inflows	65,866	65,737	(129)	-0.2%
Total Liabilities and Deferred Inflows of Resources	221,974	214,035	(7,939)	-3.6%
Net Position:				
Invested in capital assets	122,095	121,014	(1,081)	-0.9%
Restricted	11,746	26,102	14,356	122.2%
Unrestricted	(87,640)	(42,239)	45,401	-51.8%
Total Net Position	46,201	104,877	58,676	127.0%
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 268,175	\$ 318,912	\$ 50,737	18.9%

Statement of Cash Flows
(In Thousands)

	YTD 12/31/21 <u>FY 2022</u>
Cash flow from operating activities:	
Tuition and fees (net)	\$ 28,469
Grants and contracts	11,488
Payments to vendors, employees and students	(71,261)
Auxiliary and other receipts	<u>10,508</u>
Net cash used by operating activities	<u>(20,796)</u>
Cash flow from non-operating activities:	
State appropriations (net)	25,884
Gifts, investment and other sources	2,306
HEERF grants	<u>16,058</u>
Net cash provided by non-operating activities	<u>44,248</u>
Cash flow from capital, financing and investing activities:	
Purchases of capital assets	(2,786)
Debt service payments on note payables	(484)
Investment activities (net)	<u>(7,645)</u>
Net cash used in capital financing, and investing activities	<u>(10,915)</u>
Net increase in cash and cash equivalents	12,537
Cash and cash equivalents at beginning of period	44,179
Cash and cash equivalents at end of period	\$ 56,716

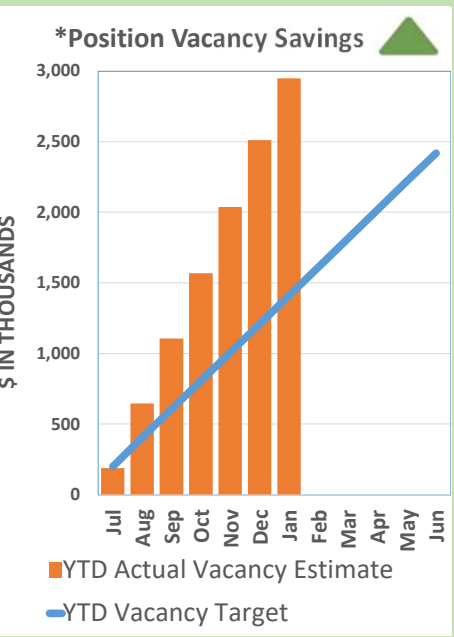
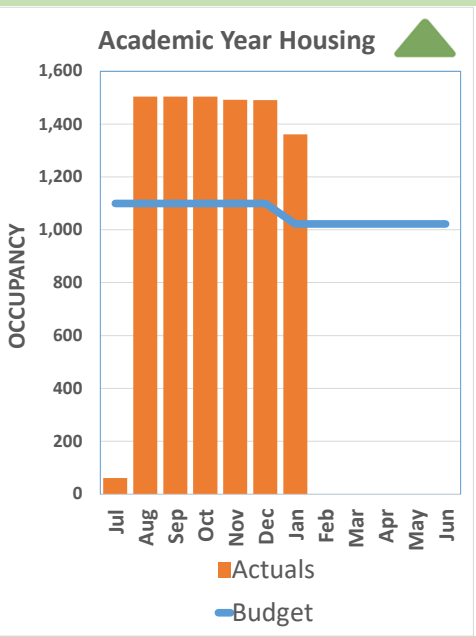
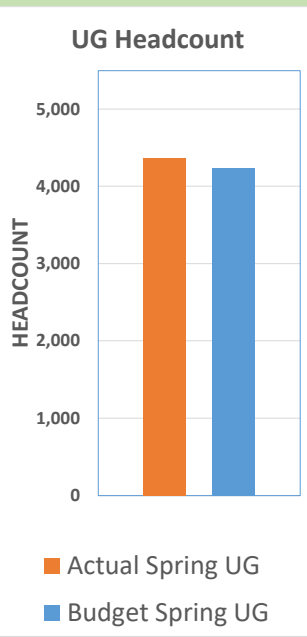
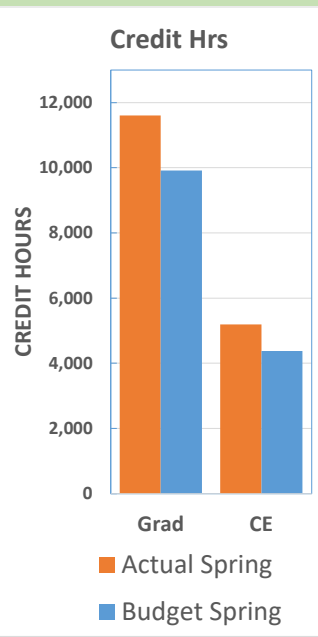
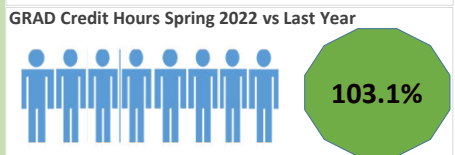


Statements of Revenues, Expenses and Changes in Net Position by Natural Classification

(In Thousands)

	Year to Date through December 31		Full Fiscal Year		
	FY2021 Actual	FY2022 Actual	FY2021 Actual	FY2022 Budget	FY2022 Projection
Operating Revenues:					
Tuition and fees	\$ 71,721	\$ 69,496	\$ 80,469	\$ 74,705	\$ 76,771
Less: scholarships and fellowships	(8,866)	(10,131)	(18,695)	(16,395)	(17,048)
Net tuition and fees	62,855	59,365	61,774	58,310	59,723
Federal, state and private grants	9,074	10,286	19,844	18,752	20,252
Sales and services of educational departments	173	117	350	508	508
Auxiliary enterprises	11,899	20,248	12,100	14,756	19,095
Other operating revenues	44	242	638	281	354
Total Operating Revenues	84,045	90,258	94,706	92,607	99,932
Operating Expenses:					
Compensation and benefits	48,943	51,590	100,740	113,045	119,164
Supplies and services	12,243	16,807	29,917	46,149	46,323
Utilities	1,077	1,195	3,124	4,362	4,361
Depreciation	4,679	4,621	9,474	9,690	9,690
Scholarships and fellowships	4,875	10,131	12,776	9,212	14,395
Total Operating Expenses	71,817	84,344	156,031	182,458	193,933
Non-Operating Revenues/Expenses:					
State appropriations, net	31,405	34,687	67,963	69,383	76,150
HEERF Grants	1,066	14,604	11,776	3,454	15,988
Gifts	1,499	1,899	2,370	2,376	2,376
Contribution from SSUAC	-	-	-	-	-
Investment income (loss)	3,266	1,400	5,283	2,006	508
Interest expense on bonds & other debt	(92)	(342)	(511)	(991)	(991)
Net Non-Operating Revenues/Expenses	37,144	52,248	86,881	76,228	94,031
Capital grants	-	514	3,709	1,835	1,836
Use of Net Position	-	-	-	-	-
Total Increase (Decrease) in Net Position	\$ 49,372	\$ 58,676	\$ 29,265	\$ (11,788)	\$ 1,866

Statistics



Key Managed Revenues as of 1/31/2022 (current fiscal year) and January month end, closed (prior fiscal year)

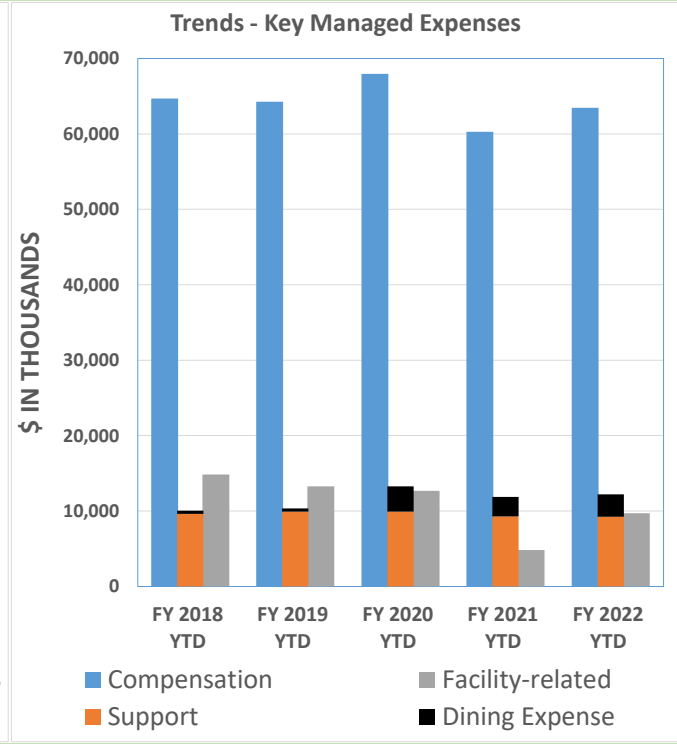
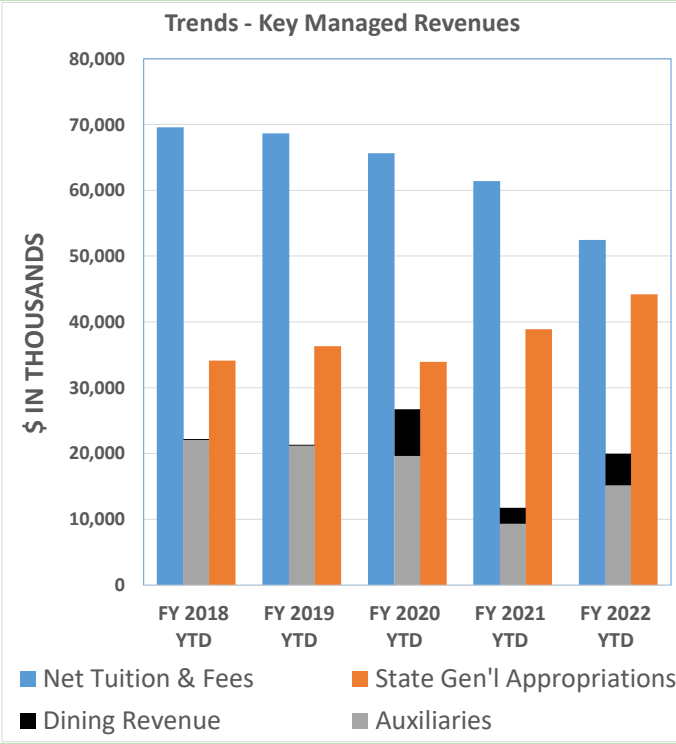
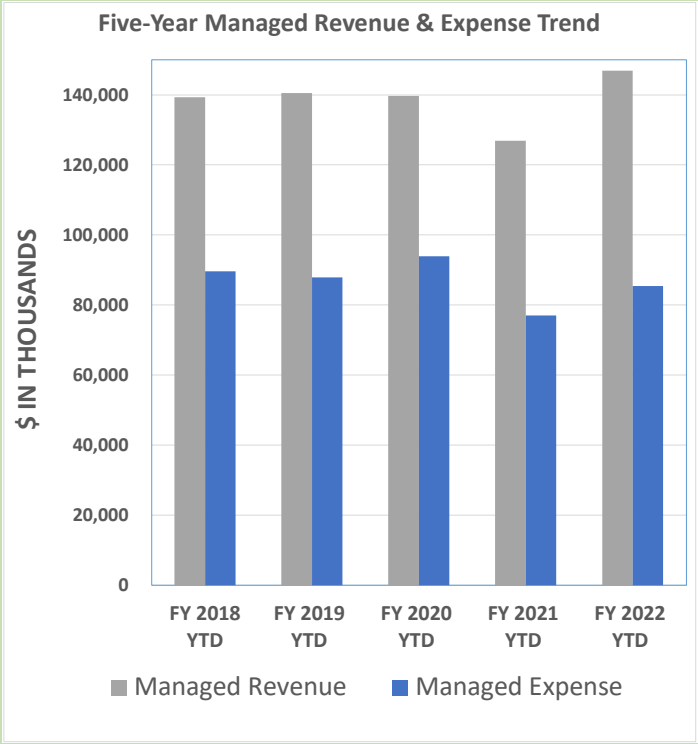
Net Tuition & Fees			State General Appropriations			Auxiliaries		
Full Year 2022 Budget: \$49.1M 30.6% of Total Managed Revenue Budget			Full Year 2022 Budget: \$69.4M 43.2% of Total Managed Revenue Budget			Full Year 2022 Budget: \$14.8M 9.2% of Total Managed Revenue Budget		
% Attainment	Prior FY	Current FY	% Attainment	Prior FY	Current FY	% Attainment	Prior FY	Current FY
\$ Actual	\$61,424K	\$52,449K	\$ Actual	\$38,902K	\$44,179K	\$ Actual	\$11,757K	\$19,967K

Managed Expenses as of 1/31/2022 (current fiscal year) and January month end, closed (prior fiscal year)

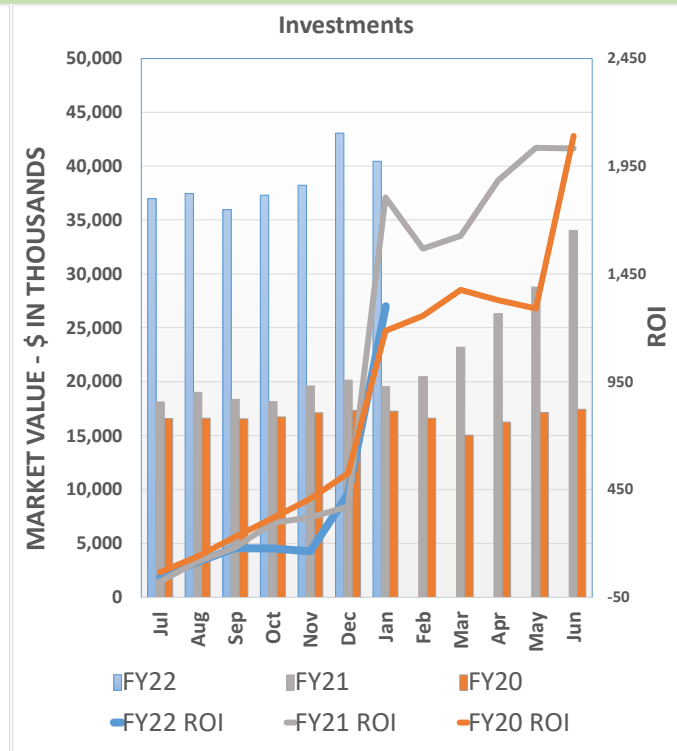
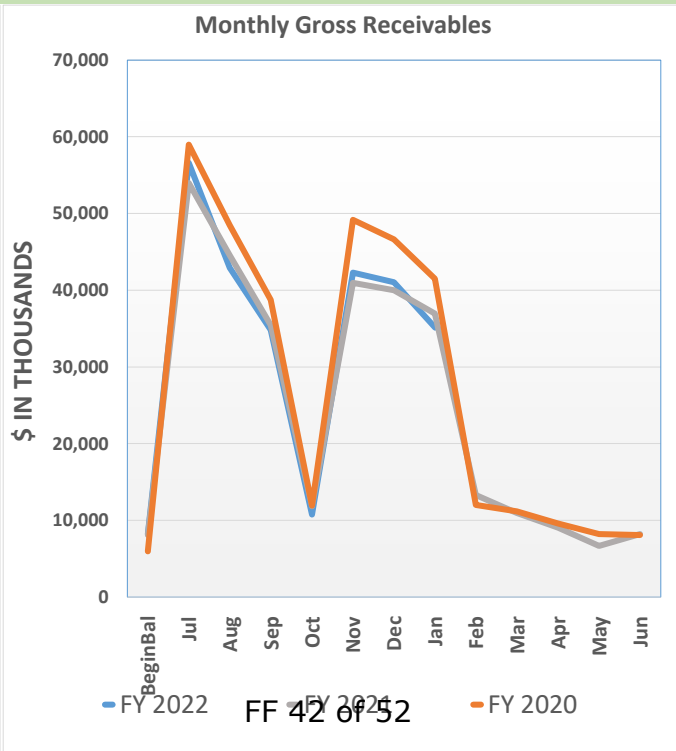
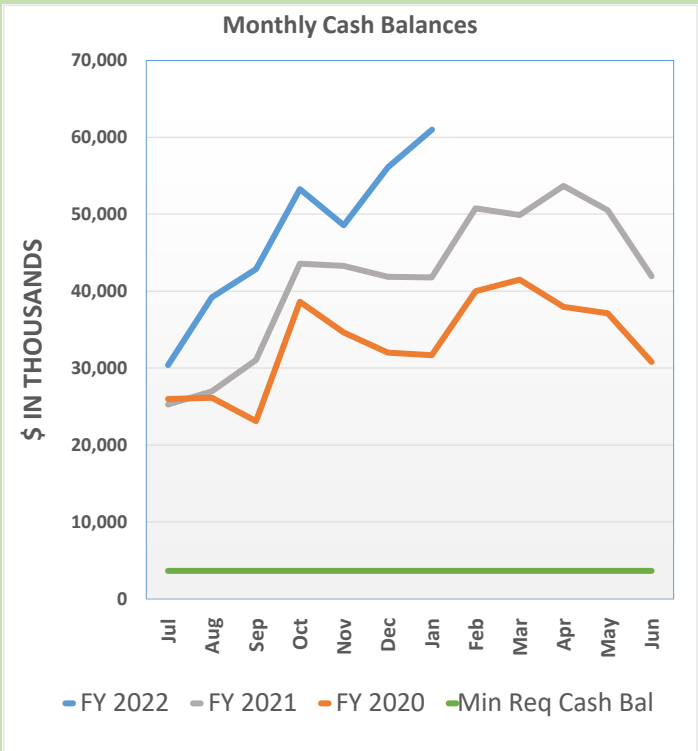
Compensation			Support			Facility Related		
Full Year 2022 Budget: \$113M 68.7% of Total Managed Expenses Budget			Full Year 2022 Budget: \$30.6M 18.6% of Total Managed Expenses Budget			Full Year 2022 Budget: \$20.9M 12.7% of Total Managed Expenses Budget		
% Attainment	Prior FY*	Current FY	% Attainment	Prior FY	Current FY	% Attainment	Prior FY	Current FY
\$ Actual	\$60,279K	\$63,449K	\$ Actual	\$11,866K	\$12,218K	\$ Actual	\$4,830K	\$9,693K

Managed Net Income Trends as of 1/31/2022 (current fiscal year) and January Month end, closed (prior fiscal years)

Attachment E



Balance Sheet Trends

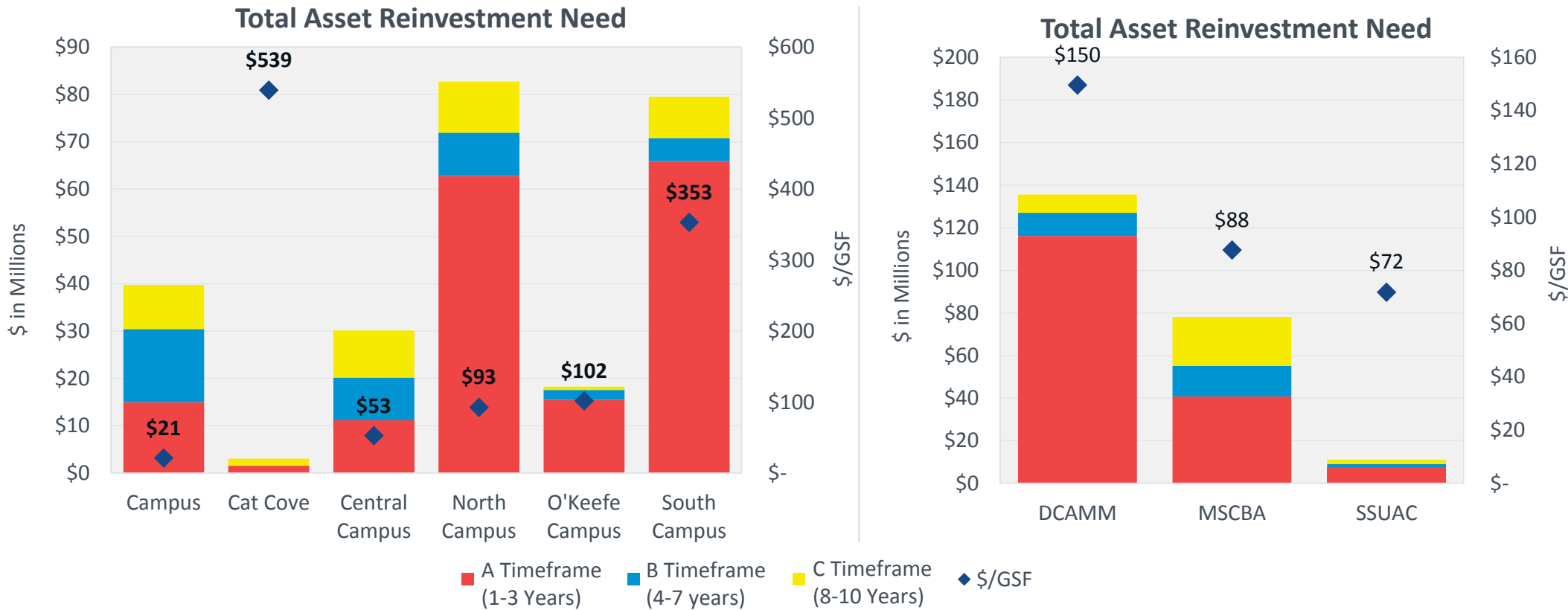


Data as of December 2017



Asset Reinvestment Need by Campus

Breaking out campus AR Need by timeframe



Salem State University, Finance and Facilities Committee
 FY 2023 – FY 2024 University Budget Outlook
 March 17, 2022

At the January committee meeting, the university presented a Multi-Year Financial Projection model that showed a slight surplus for FY23 and FY24. Subsequently, we learned that the Governor’s budget submission was well under the figure carried by the Department of Higher Education. Additionally, enrollment estimates were adjusted downward by 174. As a result, in FY23, the university anticipates a budget deficit of approximately \$2.9 million in managed net income and will draw on reserves generated during FY22 (projected positive managed net income of \$9.7 million.) The complete FY23 budget package is being developed and will be recommended for approval in the May and June trustee meetings as per usual practice.

Management View	FY 2021 Year End Actuals (\$K)	FY 2022 Year End Projection (\$K) Ver 22.1.03 03/11/2022	FY 2023 MYFP Forecast (\$K) Ver 22.1.03 03/11/2022	FY 2024 MYFP Forecast (\$K) Ver 22.1.03 03/11/2022
Managed Revenues:				
Net Tuition and Fees	48,998	45,328	50,366	52,961
Federal, State, Private Grants	31,619	36,240	18,752	18,752
Auxiliary Enterprises	12,100	19,095	22,684	23,247
State General Appropriations	67,963	76,150	78,629	81,033
Other Revenue	5,390	3,745	3,745	3,745
Total Managed Revenues	166,070	180,559	174,176	179,739
<i>Year over Year Change</i>		8.7%	-3.5%	3.2%
Managed Expenses:				
Compensation	104,920	119,164	122,448	127,009
Support	20,317	26,546	32,421	32,313
Facility-related	13,235	25,129	22,207	22,934
Total Managed Expenses	138,472	170,839	177,076	182,257
<i>Year over Year Change</i>		23.4%	3.7%	2.9%
Managed Net Income	27,598	9,720	(2,900)	(2,518)

Key points:

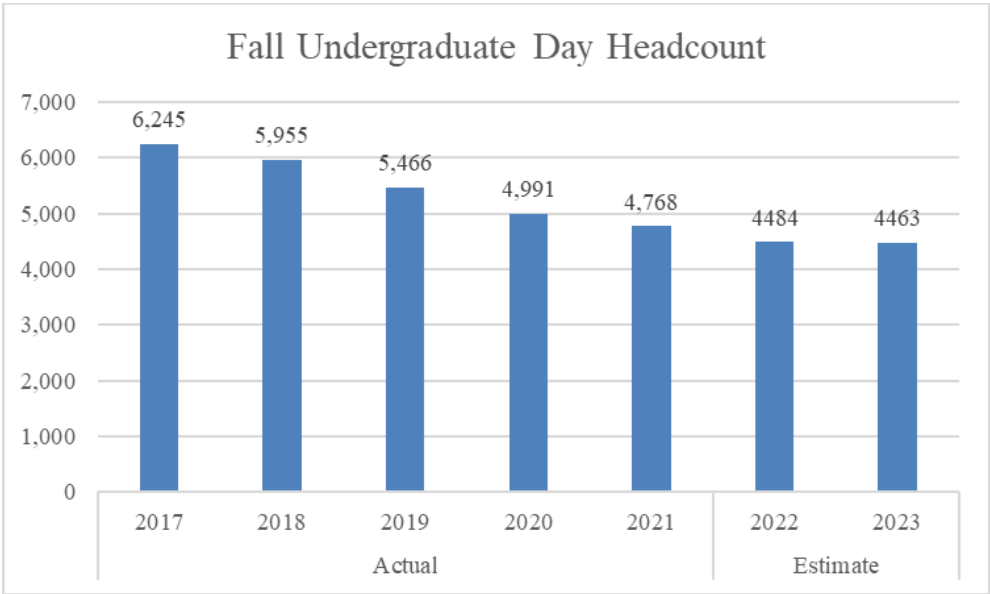
- (1) FY23 and FY24 assumes no major disruption of on-campus operations due to COVID-19.
- (2) Most Federal covid relief funds will be fully recorded by FY22.
- (3) Managed net income results should be considered in a multi-year frame.

Overview:

The FY23 and FY24 projections have been developed as the university and the Commonwealth begin to emerge from the challenging context of a global pandemic that disproportionately impacted many in our demographic and geographic service profile, as well as a trend of declining enrollment that pre-dates the pandemic. Major assumptions underlying the current projections for FY23 and FY24 are below. Such assumptions and projections do not yet reflect any investments and return on investments that would be anticipated in a new strategic plan, which is currently under development for implementation beginning in FY24. Significant positive managed net income in FY21 and FY22 will more than offset the projected deficits in FY23 and FY24 while the university identifies and implements strategies to solve its structural budget challenges.

Revenue Drivers:

- Assumes Federal covid relief funds have been fully recorded by FY22, except for (1) ARPA funds flowing through the Commonwealth of approximately \$4.7 million which are not in the projections and (2) FEMA reimbursements, which will lag.
- For FY23 the university’s planning assumption is that the General Appropriation Act (GAA) appropriation will be consistent with the Governor’s proposal submitted on January 26, 2022, which includes \$3.275 million meant to cover collective bargaining agreement increases for the portion of employees who are funded through the state appropriation. This is \$3.460 million less than the Massachusetts Board of Higher Education (“BHE”) FY23 budget recommendation approved in December. The university will know more about FY23 state appropriations when the House and Senate release their versions later this spring.
- Undergraduate day enrollment for FY23 is modeled to decrease by 284 students compared to FY22, and FY24 is modeled to decrease by 21 students.



- The university projects modest increases in continuing education and graduate students.
- The university is modeling a blended tuition and fees increase of 2.6% for undergraduate day, continuing education, and graduate students for FY23 and 3.5% in FY24. Based on work with EAB, unrestricted financial aid plus housing grants are projected to increase by \$.2 million in FY23 and \$.25 million in FY24. The Governors' budget recommendation for FY23 includes an \$18 million increase in financial aid for the state university and UMASS system to support the expansion of need-based financial assistance and support to Pell-eligible students. This is significant for Salem State as the number of Pell-eligible first year students has increased from 32% to 46% between Fall 2009 and Fall 2021. Some of the programs that had their differential fees waived due to the COVID-19 pandemic in FY21 and FY22 will be reinstated in FY23 while differential fees for selected other undergraduate programs are being abolished.
- Room rates are increasing by 2.5% in FY23, to an average of \$10,289. The current projection assumes an increase in fall housing occupancy of 195 students in FY23 to 1,706 students living on campus in FY23 and FY24. Bates Hall will be formally removed from housing inventory in May 2022 when Salem State remits funds to MSCBA to defease the remaining debt.
- The Board dining plans for FY23 are under development and not yet priced.

Expense Drivers:

- Compensation, the university's largest expense category, is estimated to increase by approximately \$3.3 million in FY23 compared to the FY22 forecast primarily due to the collectively bargained and non-unionized pay increases, a projected increase in the fringe benefits rate, and expected new/restored positions. Consistent with prior years, a full review of budgeted positions is underway.
- Support costs are expected to increase from the FY22 forecast as the university returns to a more on-premises operating mode and considering inflation. However, during the coming year, units will be asked to perform a careful analysis of their base support budgets given operating changes; this should produce budget savings or reallocation opportunities. The university is currently carrying a \$1.5 million estimate for continued covid mitigation costs in FY23 due to the unpredictable nature of the pandemic
- The fifth year of DCAMM's five-year critical maintenance plan will generate approximately \$2.4million in state grants, which will be offset by additional spending on deferred maintenance projects.
- Interest Expense and MSCBA Assessment for FY22 will increase by \$1.6 million as the benefits from the FY21 debt restructuring that generated substantial savings in the first two years have been exhausted. In FY24, these expenses will be further increased by another \$.6 million.

Next Steps for FY23 budget:

- Fee rates for FY23 will be set by the trustees in the March and April meetings.
- The COVID-19 pandemic's impact the university continues to be actively monitored and managed; counts and rates are relatively low at present.
- Campus leaders are monitoring enrollment as the admissions cycle continues throughout the spring. Fees and financial aid allocations will be finalized.
- Below is a typical timeline for the Massachusetts state budget process:
 - House releases its budget recommendation in mid-April
 - Senate releases its budget recommendation in mid-May
 - Conference Committee releases its budget report in June
 - The Governor signs the budget into law in July
- The budget will be refined throughout the spring and brought forward for discussion and approval through the Finance and Facilities committee (May) and full Board (June).

Capital Projects Status Update March 2022

PROJECTS UNDER CONSTRUCTION

Administration: roof replacement and repairs to the utility tunnel
Completed Fall 2021, in project closeout phase
Current estimate \$2.4 million subject to final closeout process

Automated building controls: phase 1, 7 Buildings
Anticipated completion: Winter 2022
Budget: \$1,046,010

- Update outdated legacy controls hardware to open network system
- Under construction

O'Keefe: roof replacement
Completed Fall 2021, in project closeout phase
Current estimate \$2.3 million subject to final closeout process

- Replacement of the roof on the entire building, kalwall window system on the third floor. Add humidification to the gym. Replace failing mechanical equipment.

Lighting upgrades: campus wide lighting upgrades
Anticipated completion: Summer 2022
Budget: \$2 million estimated

Other:

- Estimated annual utility savings of \$200,000 per year
- Under construction

Meier Hall: penthouse waterproofing
Anticipated completion: Summer 2022
Current estimate: \$1,053,000

PROJECTS IN PLANNING/STUDIES

Berry Library: HVAC repair (Design for the repair and replacement of malfunctioning HVAC system)
Cost estimate per recent engineering study, \$2.8 million

- DCAMM certified study approved
- Funding received from DCAMM

Next steps: Prepare bid documents

Sullivan: basement structural repairs

- Structural repairs to subsurface coal bunkers
- New ADA ramp

Next steps: Completion of DCAMM certified study, March 2022
Projected construction start, June/July 2022

**Capital Projects Status Update
March 2022**

PROJECTS IN PLANNING/STUDIES (CONT)

Sullivan: elevator replacement

Preliminary study completed, scope to be determined

Next steps: Completion of DCAMM certified study

Campus Wide: automated building controls upgrade: phases 2 and 3

Next steps: Completion of DCAMM certified study

Bertolon: cooling tower system replacement

Cooling tower system at end of useful life

Next steps: Completion of DCAMM certified study



Sustainability Update February 2022

Solar project on Meier Roof: Installation of the 121 KW rooftop solar array is largely complete. National Grid approval to operate is expected later this spring.

Energy Projects:

- A \$1.9 million lighting project upgrading over 13,000 light bulbs across campus to more energy efficient LED bulbs will begin at the end of March. Salem State is contributing \$550,000, National Grid is providing incentives of over \$450,000 with DCAMM paying \$900,000+. The project will avoid 1,407 metric tons of greenhouse gases annually.
- The \$2.2 million Library HVAC upgrade project was approved by DCAMM in December.

Earth Days:



The theme for Earth Days 2022 is "**Climate Crises: Actions for a Just and Livable World.**" The planning committee is developing a program of speakers and events for the week of April 11-15.

The traditional research poster and art competitions are joined for the first time by a new writing contest. Students have been asked to write about how climate change touches them personally either now or as they imagine their futures.

Sustainability Student Intern Projects:

- Interns Jeannette and Ashley are encouraging reuse of items through an office supply swap program and a pilot Freecycle program for residential students as well as on other behavior change initiatives.
- Sustainability Council Interns are raising awareness about the benefits of pollinator habitat and working to bring a pollinator garden to campus.

**Finance and Facilities Committee Work Plan for FY22
March 2022****September 29, 2021 w BOT Oct. 13, 2021**

- Finance and investment matters
 - Investment performance for period ending June 30, 2021
 - Investment policy change (action)
 - Financial update
- Real estate, facilities, and sustainability
 - SSU BOLD status update
 - Sustainability update
 - Capital projects status update
- Other (information only)
 - Committee charter
 - Committee work plan for the year
 - Financial Profile (for reference)
 - Budget FY22 (for reference)

January 26, 2022 w BOT February 9, 2022

- Finance and investment matters
 - Investment advisors – review calendar 2021 performance (investment advisors in attendance)
 - FY22 Q1 financials
 - Financial dashboard
 - Multi Year Financial Projection (MYFP)
- Real estate, facilities, and sustainability
 - Sustainability update
 - Capital projects status update
- Other (information only)
 - Committee work plan for the year

March 30, 2022 w BOT April 13, 2022

- Finance and investment matters
 - FY22 Q2 financials
 - Financial dashboard
 - FY23 budget planning (information)
 - Fees for FY23 – Undergraduate, Graduate and Continuing Education (action)
- Real estate, facilities, and sustainability
 - Sustainability update
- Capital projects status update
- Other (information only)
 - Committee work plan for the year

**Finance and Facilities Committee Work Plan for FY22
March 2022**

May 25, 2022 w BOT June 8, 2022

- Finance and Investment Matters
 - FY23 all funds budget (action) (includes trust funds, transfers, & contracts > \$500K)
 - FY22 Q3 financials
 - Financial dashboard

- Real estate, facilities, and sustainability
 - Sustainability
 - Capital projects status update