

SUBJECT: Finance & Facilities Committee Meeting Report for May 25, 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, May 25, 2022. All votes taken during this meeting were by roll call vote.

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

Trustee Russell, committee chair, called the meeting to order at 4:52 pm.

Slides to supplement the previously provided information (Attachment A)

Slides and related commentary were used throughout the meeting to facilitate the virtual meeting and highlight key aspects of the meeting topics, supplementing previously distributed materials.

Approval for two contracts above the delegation threshold (Attachment B)

Vice President House discussed two contracts requiring approval that are above the delegation threshold of over \$500 thousand that were not previously pre-approved in the FY22 budget, as described in the meeting materials. One update is that the Bates payment to MSCBA will be approximately \$3.825 million rather than \$4.2 million estimate in the original motion.

Trustee Mattera **MOVED** that the Finance and Facilities Committee hereby approves the following motion. **SECONDED** by Trustee Morales.

MOTION

The Finance and Facilities Committee recommends that the Board of Trustees approve the following motion regarding approval of two contracts above \$500 thousand each.

Recommended motion

The Board of Trustees authorizes the university to enter into two contracts above the \$500 thousand delegation threshold, which had not been included in the original FY22 budget, as follows:

- 1) Lease Termination Agreement for Bates between DCAMM and MSCBA, with SSU joining in the agreement to pay MSCBA the amount required to fully defease the outstanding bonds and all costs associated with the defeasance and termination, approximately \$3.825M.

- 2) Project management agreement between SSU and MSCBA for Meier Hall Emergency Repairs for \$1,050,000.

A roll call vote was taken.

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

Voting against: None

The motion passed unanimously.

FY22 budget projected results

The favorable FY22 projection was discussed with the highlight being the managed net income of \$9.9M (refer to slide in Attachment A). State appropriation positive variance reflects collective bargaining retroactive payments for FY21 and FY22. The Higher Education Emergency Relief Fund (HEERF) funds for students and the university were summarized (slides in Attachment A). The vast majority of funds for the university were due to lost revenue due to COVID-19 pandemic.

FY23 all funds budget (Attachment C)

A thorough presentation of the FY23 proposed budget was made. There is no budgeted revenue for COVID however in FY23, the university is expecting \$4.7M from State ARPA money and some FEMA expense reimbursements.

Trustee DeSimone **MOVED** that the Finance and Facilities Committee hereby approves the following motion. **SECONDED** by Trustee Mattera.

MOTION

The Finance and Facilities Committee hereby recommends that the Board of Trustees approve the following motion pertaining to the attached FY23 Salem State University All Funds Budget.

Recommended motion

The Board of Trustees of Salem State University hereby approves the Fiscal Year 2023 All Funds Budget as recommended by the president and as shown in the attached FY23 Salem State University All Funds Budget at the level of \$177.7 million in Managed Expenses and a use of \$2.9 million of reserves. This action includes approval of the FY23 Trust Fund Budgets and the Potential Contracts Exceeding \$500,000 each as included in the budget package. The president, the vice president for finance and facilities, and other officers of the university are hereby authorized to do all things and take all actions deemed necessary to implement this decision.

A roll call vote was taken.

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

Voting against: None

The motion passed unanimously.

Meier Hall stairwell remediation update

Interim Senior Director of Capital Planning and Facilities Goulet briefed the trustees on the Meier Hall stairwell wall failing and steps taken to secure the safety of occupants and building. Demolition and repairs are underway with the assistance of MSCBA project management and contractors. Egress was modified for the building which allowed it to be reopened for summer session classes May 23. A plan has been developed to continue monitoring other sections of the building.

SSU BOLD, next steps

Proposals were due May 24 for the sale of South Campus. A decision will be made to select a developer by early Fall 2022. Bates residence will be shuttered and deeded in June. Gail Rosenberg from DCAMM has been assigned as project manager for SSU BOLD and an initial timeline has been developed for the project (see slide in Attachment A).

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

- FY22 Q3 financials (Attachment D)
- Financial dashboard (Attachment E)
- Sustainability update (Attachment F)
- Capital projects status update (Attachment G)

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

A roll call vote was taken.

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

Voting against: None

The meeting adjourned at 5:52 pm with a roll call vote.

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

Board of Trustees Finance and Facilities Committee May 25, 2022

Karen House
Vice President for Finance and Facilities



Flow of Today's Discussion

- Introductory remarks
- Financial matters
 - Approval of 2 large contracts (action)
 - FY22 Projection
 - FY23 proposed budget (action)
- Real Estate, facilities, & sustainability
 - Meier Hall Stairwell
 - BOLD update
 - Remaining information items on agenda, discussion as needed

Overview of the meeting

- FY22 results strong – a swing of \$13.8 million above the budgeted managed net income, to MNI of \$9.9M
- FY23 budget – a \$2.9 million use of reserves
- Updates on facility issues of interest – MH Stairwell and SSU BOLD

Approval of 2 large contracts

- Authority delegated to \$500K
- Authority delegated for larger contracts if in approved budget package
- 2 large FY22 contracts for approval:
 - With MSCBA & DCAMM pertaining to Bates defeasance for South Campus sale (effectively a pre-payment)
 - With MSCBA for MH Stairwell emergency repairs

FY22 Favorable by \$13.8M Projected MNI of \$9.9M

Account Description

FY 2021 Year End Actuals (\$K)	FY 2022 Original Budget (\$K)	FY 2022 Year End Projection (\$5K) Q3 BOT as of 4/27/2022	FY 2022 Projection vs Orig budget (\$K)	FY 2022 Projection vs Orig budget %
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Managed Revenues:

Account Description	FY 2021 Year End Actuals (\$K)	FY 2022 Original Budget (\$K)	FY 2022 Year End Projection (\$5K) Q3 BOT as of 4/27/2022	FY 2022 Projection vs Orig budget (\$K)	FY 2022 Projection vs Orig budget %
Tuition and Fees	80,469	74,705	77,300	2,595	3.5%
Less: scholarships, fellowships & waivers	(31,471)	(25,608)	(37,859)	(12,251)	47.8%
Net Tuition and Fees	48,998	49,097	39,441	(9,656)	-19.7%
Federal, State, Private Grants	31,619	22,206	39,782	17,575	79.1%
Auxiliary Enterprises	12,100	14,756	19,563	4,808	32.6%
State General Appropriations	67,963	69,383	76,150	6,767	9.8%
Other Revenue	5,390	5,170	5,219	49	0.9%
Total Managed Revenues	166,070	160,613	180,156	19,543	12.2%

Managed Expenses:

Account Description	FY 2021 Year End Actuals (\$K)	FY 2022 Original Budget (\$K)	FY 2022 Year End Projection (\$5K) Q3 BOT as of 4/27/2022	FY 2022 Projection vs Orig budget (\$K)	FY 2022 Projection vs Orig budget %
Compensation	104,920	113,045	120,377	7,332	6.5%
Support	20,317	30,553	24,660	(5,893)	-19.3%
Facility-related	13,235	20,949	25,231	4,283	20.4%
Total Managed Expenses	138,472	164,547	170,268	5,722	3.5%

Managed Net Income

Managed Net Income	27,598	(3,934)	9,887	13,821
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Total Non-Cash Revenues/(Expenses)

Total Non-Cash Revenues/(Expenses)	1,667	(3,920)	(7,854)
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Total Increase/Decrease in Net Position

Total Increase/Decrease in Net Position	29,265	(7,854)	2,033
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FY22 Revenue Budget Variances

- Tu/Fees + Auxil:\$7.4M due to positive enrollment & housing
- Federal grants = \$17.6M – covid relief to students & university
- State \$6.8M to partially cover CBA increases and formula funding

Expense Budget Variances

- Comp:\$7.3M unfavorable due to CBA (mostly offset by state funding)
- Support departmental savings & univ. contingency remaining
- Facilities unfavorable due to Bates defeasance cost

Recap of Federal Relief, in 2 parts

STUDENTS (\$16.03M)

- HEERF Aid to Students
 - CARES 3/20: \$3.256M
 - Fully distributed
 - CRRSAA 12/20: \$3.256M
 - Fully distributed
 - ARPA 3/21 \$9.518M
 - All except \$717K was distributed as of 3/31/22



Recap of Federal Relief, in 2 parts

Salem State \$21.8M



- HEERF Aid to SSU (“Institution”)
 - CARES 3/20: \$3.256M
 - Fully received by FY21 (most in FY20)
 - To reimburse SSU for lost auxiliary revenue
 - CRRSAA 12/20: \$7.454M
 - Fully received by FY22 (most in FY21)
 - To reimburse SSU for lost revenue; ITS expenses
 - ARPA 3/21: \$9.445M
 - Fully received by FY22
 - To reimburse SSU for lost revenue; some covid related expenses

FY23 Budget – Use of reserves \$2.9M

Note: FY2023 “Original Budget” is the Recommended Budget



Account Description	FY 2019 Year End Actuals (\$K)	FY 2020 Year End Actuals (\$K)	FY 2021 Year End Actuals (\$K)	FY 2022 Year End Projection (\$K) Q3 BOT as of 04/27/2022	FY 2023 Original Budget (\$K)
Managed Revenues:					
Net Tuition and Fees	61,057	55,450	48,998	39,441	48,098
Federal, State, Private Grants	19,901	24,342	31,619	39,782	20,921
Auxiliary Enterprises	22,569	24,083	12,100	19,563	23,614
State General Appropriations	65,735	66,737	67,963	76,150	78,105
Other Revenue	5,291	6,065	5,390	5,219	4,035
Total Managed Revenues	174,552	176,676	166,070	180,156	174,773
<i>Year over Year Change</i>	<i>1.3%</i>	<i>1.2%</i>	<i>-6.0%</i>	<i>8.5%</i>	<i>-3.0%</i>
Managed Expenses:					
Compensation	118,997	119,890	104,920	120,377	123,069
Support	19,220	22,867	20,317	24,660	32,078
Facility-related	25,772	24,376	13,235	25,231	22,527
Total Managed Expenses	163,990	167,134	138,472	170,268	177,673
<i>Year over Year Change</i>	<i>1.1%</i>	<i>1.9%</i>	<i>-17.1%</i>	<i>23.0%</i>	<i>4.3%</i>
Managed Net Income	10,563	9,542	27,598	9,887	(2,900)

Key Elements of FY23 Budget

Key Elements Summary - FY 2023 Budget	Actuals FY2021	Projected FY2022	Budget FY23	Amount Variance	Percent Variance	Comment
Revenue: Price & Enrollment						
In-state, commuter (rate)	\$11,675	\$11,675	\$11,979	\$304	2.6%	
Out-of-state, commuter (rate)	\$18,480	\$18,480	\$18,961	\$481	2.6%	
Undergraduate Day Enrollment (Headcount-avg of Fall & Spring)	4,991	4,768	4,484	(284)	-6.0%	
Tuition & Fee Revenue (\$M, net of financial aid)	\$48.998	\$39.441	\$48.098	\$8.657	21.9%	FY22 net incl HEERF scholarship
Revenue: Housing & Dining						
Housing Revenue (\$M)	\$8.629	\$14.366	\$16.990	\$2.624	18.3%	1706 students Fall
Dining Meal Plan Revenue (\$M)	\$2.603	\$4.510	\$5.548	\$1.038	23.0%	1254 mandatory meal plans
State Support						
State Appropriation (\$M)	\$51.013	\$56.413	\$56.359	(\$0.054)	-0.1%	FY22 incl 4.4M retro increase funding
Compensation						
Salary & Wages (\$M, Benefitted faculty & staff)	\$62.162	\$71.229	\$73.074	\$1.845	2.6%	
Fringe Benefits Expense (\$M)	\$25.129	\$29.779	\$32.160	\$2.381	8.0%	
Benefits Rate (including taxes)	38.88%	39.50%	41.89%	2.39%	6.1%	rate set by Commonwealth
Facilities Related Expenses						
Utilities Expense (\$M)	\$3.124	\$4.499	\$4.833	\$0.334	7.4%	
Debt Service Expense (\$M, Assessment + Interest Expense)	\$4.465	\$15.064	\$12.184	(\$2.880)	-19.1%	FY22 incl 4.2M Bates Defeasance
Depreciation & Amortization (\$M, non-cash expense)	(\$9.474)	(\$9.690)	(\$9.980)	(\$0.290)	3.0%	
DCAMM Major Capital Projects (BOLD)	none	none	\$0.70	none		State awarded \$30M for BOLD
Managed Net Income (\$M)	\$27.598	\$9.887	(\$2.900)	(\$12.787)	-129.3%	FY23 uses reserves from FY 21-22
Overall Add to (Use of) Net Position (\$M)	\$29.265	\$2.033	(\$5.349)	(\$7.382)	-363.1%	GASB pension/OPEB is unknown

Enrollment

As of 5.18			
Fall 2022 Registrations (Headcount)			
	2021	2022	diff
Undergraduate Day			
Returning Students	3038	2854	-184
New Students (deposit)	1110	1054	-56
Total	4148	3908	-240
<i>Budget Goal</i>	4600	4484	
<i>% of Goal Reached</i>	90%	87%	

Fall 2022 Registrations (Credit Hours)			
Continuing Education & Graduate	2021	2022	diff
Continuing Education	1094	737	-357
<i>Budget Goal</i>	3896	4591	
<i>% of Goal Reached</i>	28%	16%	
Graduate	4800	5167	367
<i>Budget Goal</i>	11899	12041	
<i>% of Goal Reached</i>	40%	43%	

Housing Occupancy



Key Housing Stats as of:

	5/26/2021	5/23/2022
	<u>Fall 21</u>	<u>Fall 22</u>
Total Deposits		
Returning Student Deposits	920	1,020
New Student Deposits	570	564
Total Returning & New Student	1,490	1,584
Applications completed	1119	1,256
Certified Fall Occupancy	1511	TBD

FY23 Budget (Fall)	1706
Design Occupancy - no Bates	1928
Budget as % of Design - no Bates	88%
Fall 2021 Occupancy was 1,511	
Fall 2019 Occupancy was 1,881 (pre-Covid)	

Compensation

Salaries and Wages (\$ in millions)	FY 2018 Actual	FY 2019 Actual	FY2020 Actual	FY 2021 Actual	FY 2022 Projection	FY 2023 Budget	Amount Change	Percent Change
Benefitted Faculty and Staff	\$70.7	\$71.8	\$67.1	\$62.2	\$71.2	\$73.1	\$1.8	2.6%
Adjunct Faculty	12.1	11.5	11.6	9.1	9.9	9.1	-0.8	-7.9%
Student Labor	3.0	2.9	2.8	2.1	3.3	2.6	-0.7	-20.7%
Contract Employees	2.2	2.3	2.5	2.5	3.0	3.0	0.0	1.6%
Other Labor	3.0	3.1	9.3	3.9	3.2	3.1	-0.1	-3.9%
Total Salaries and Wages	\$90.9	\$91.5	\$93.3	\$79.8	\$90.6	\$90.9	\$0.3	0.3%
Fringe Benefits	26.9	27.5	26.6	25.1	29.8	32.2	2.4	8.0%
Total Compensation	\$117.8	\$119.0	\$119.9	\$104.9	\$120.4	\$123.1	\$2.7	2.2%

Note 1: Other Labor includes overtime, vacation, holiday, sick payouts, and other categories.

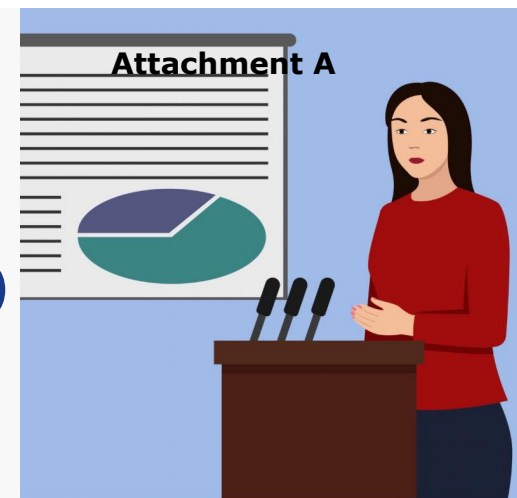
Note 2: FY2020 Actual includes the results of the voluntary separation incentive program (VSIP)

Note 3: FY2021 Actual includes the results of a two week furlough program

Note 4: FY2022 projection includes retroactive collective bargaining increases of 4.55% and 1.5% Covid bonus for eligible employees.

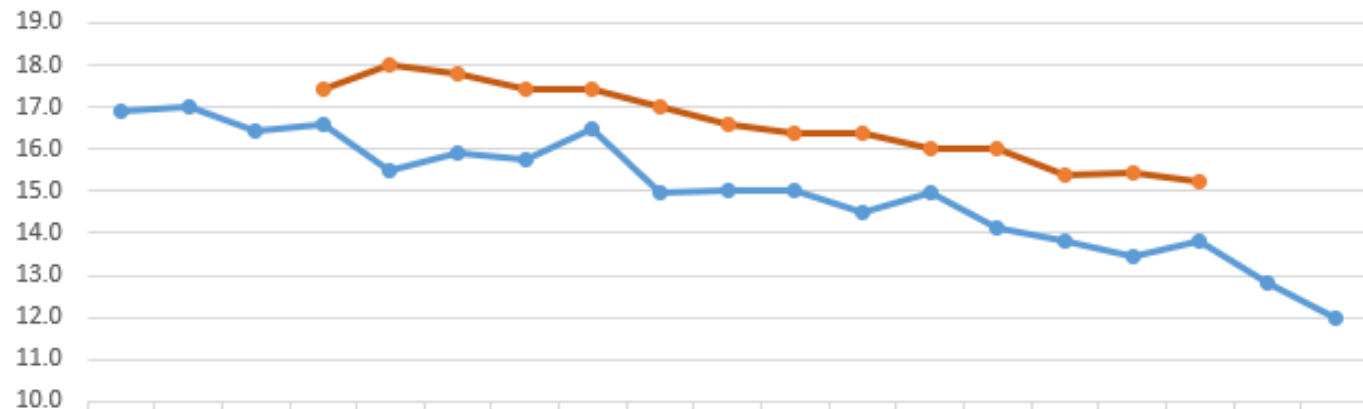
CBA Pay Increases in FY22 (\$5.0M) vs FY23 (Additional \$1.5)

	\$ Amt (in millions)
CBA Increases	
<u>Paid in FY22 (Estimated; In Process)</u>	
FY21 - One Time Bonus	\$ 1.016
FY21 - 2.5% Increase	\$ 1.536
FY22 - 2.0% Increase	\$ 2.461
Total to be Paid FY22	\$ 5.014
<i>Sourced from State</i>	\$ 4.426
Unfunded	\$ (0.587)
<u>Will be Paid in FY23</u>	
<i>FY23 2% Increase</i>	\$ 1.454
<i>Sourced from State</i>	\$ 1.036
Unfunded	\$ (0.418)



Student to Faculty Ratio

Student-to-Faculty Ratio
(as of the fall semester)

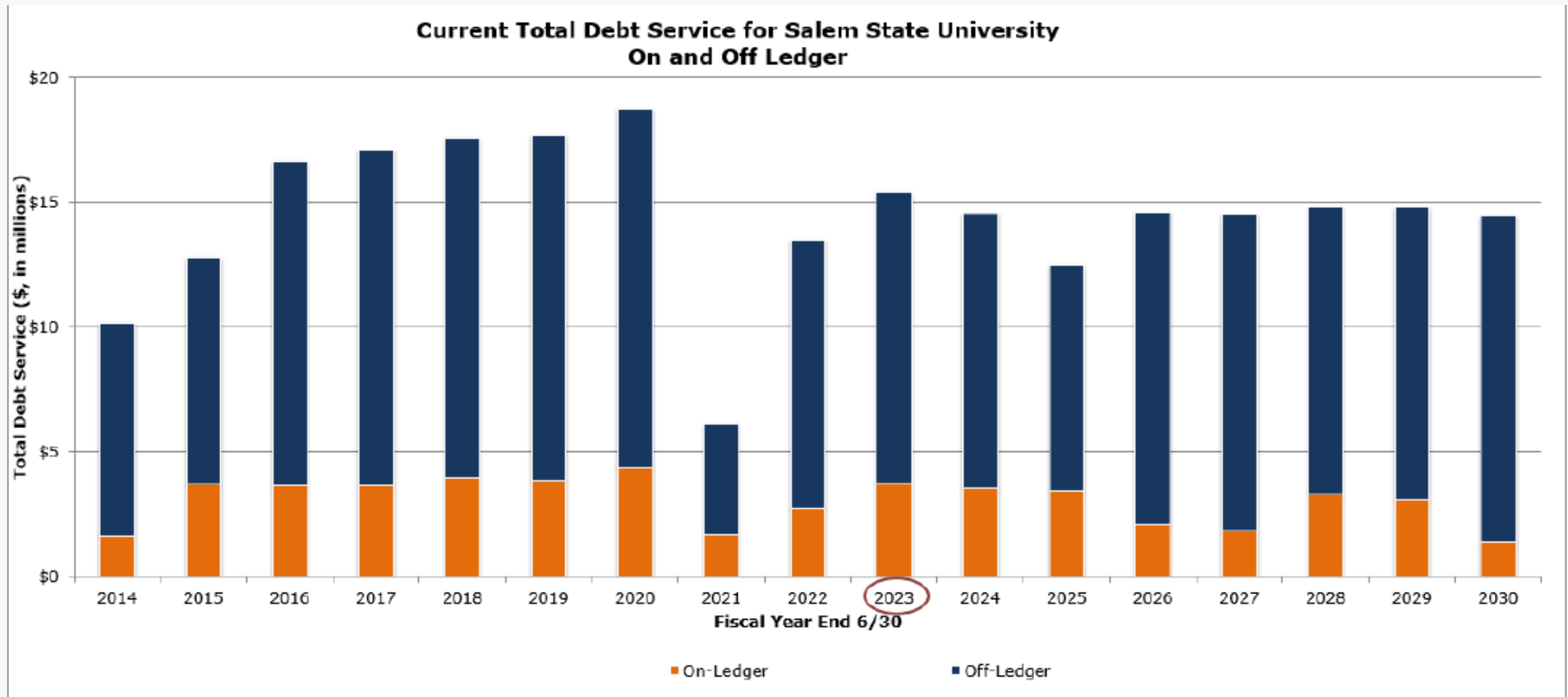


	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023 Est.
● Salem State	16.9	17.0	16.5	16.6	15.5	15.9	15.8	16.5	15.0	15.0	15.0	14.5	14.9	14.2	13.8	13.4	13.8	12.8	12.0
● 5-University Average				17.4	18	17.8	17.4	17.4	17	16.6	16.4	16.4	16	16	15.4	15.42	15.2		

Note 1 : FY2022 and prior SSU ratios are actuals.

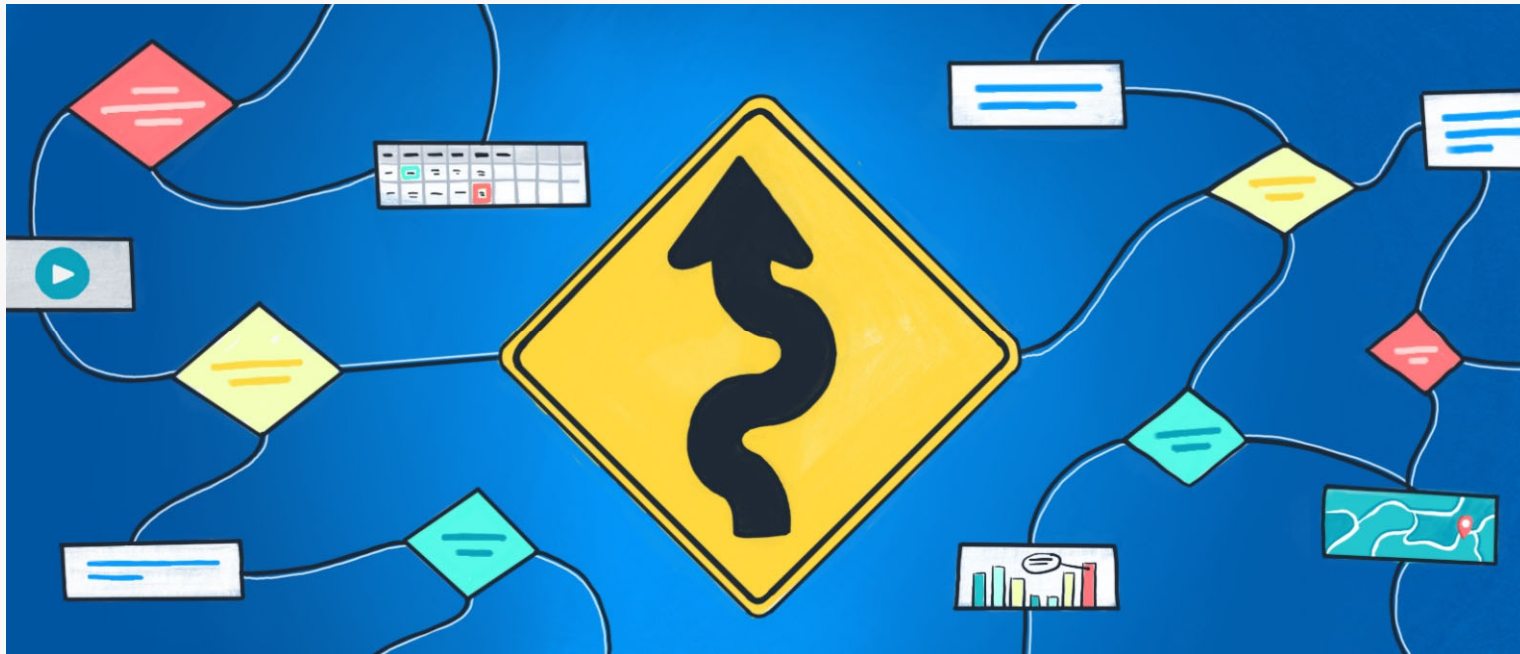
Note 2: 5-State University Average includes: BSU, FI, FR, WE, WO

Debt Service (incl. principal payments)



NOTE: MSCBA made a payment on SSU's behalf for \$2.8 million of interest for Fall 2021 total due.
FY23 and forward is reduced due to the Bates Defeasance of FY22.

Contingencies/Pools



Contingencies/Pools

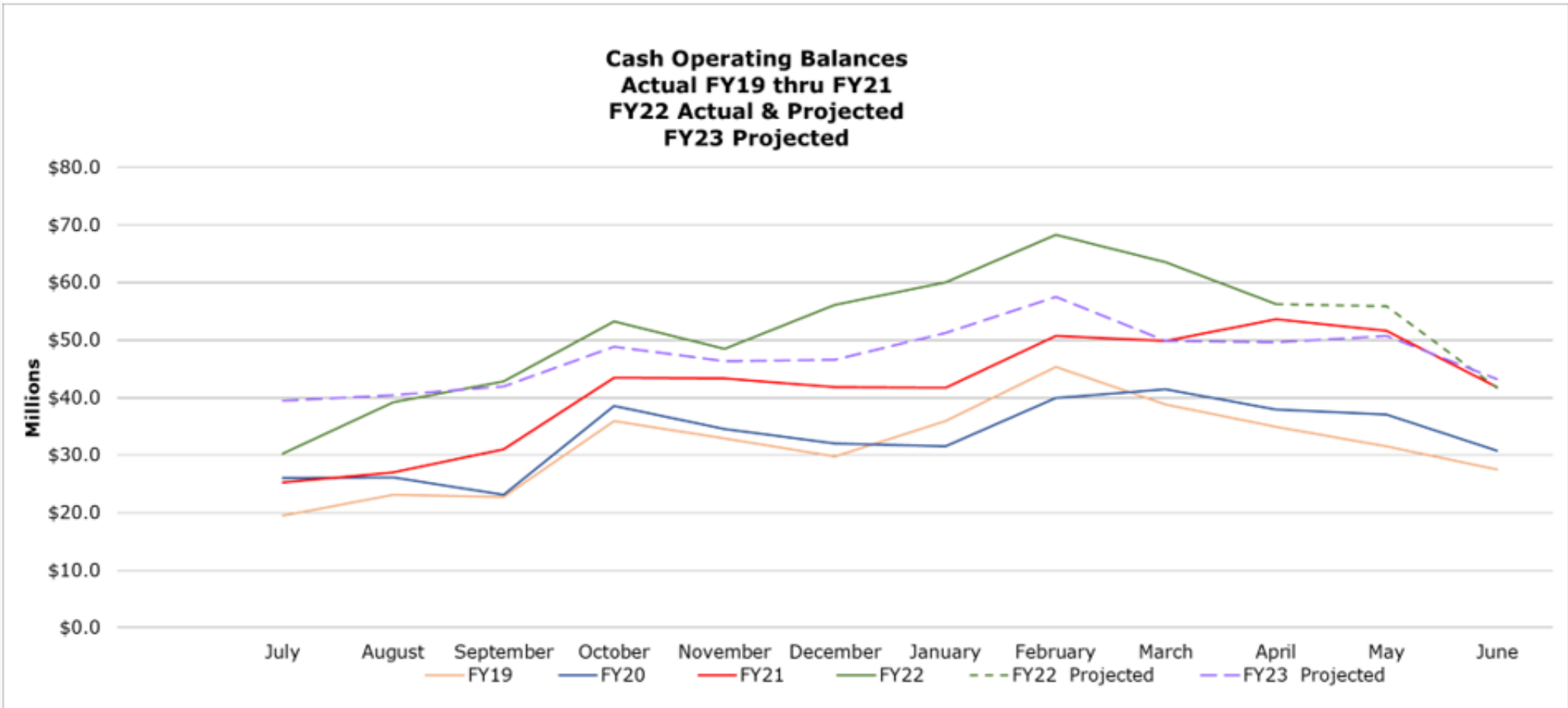
Pools (formulaic, not detailed allocations):

- Vacancy Savings (including fringe benefits):
\$3.7M or 3.0% of comp. budget
- COVID safety expenses: \$1M

Opportunities/Challenges (only spent if needed):

- Strategic Initiative pool: \$625K
- Contingency budget: \$2.0M or 3.7% of non-comp. budget

Cash Balances



Timing – when will we know?

Budget Item	Information is Available
State Budget is approved	TBD – historically July
Enrollment is finalized	September 2022 (January 2023)
Housing occupancy is finalized	September 2022 (January 2023)



FY23 Budget – Confidence at this point in cycle

Item	FY22	FY23
Enrollment	Less impacted by pandemic due to vaccine & illness rates	Less impacted by pandemic due to vaccine & treatments; some gains in retention. Additional state financial aid for students expected.
Housing Occupancy	Offering other options; less fear due to vaccine	Less fear due to vaccine and safe FY22 operations. Deposits/applications a bit soft.
State Appropriation	Appears stable and on track for completion by summer	Strong state revenues bodes well; on track for completion by summer
Federal relief	Two additional programs signed into law & awarded to SSU	Pandemic programs largely complete. Awaiting \$4.7M ARPA via State & some FEMA expense reimbursements (neither are in the budget)
Collective Bargaining	CBA's have ended and bargaining is underway	Completed during FY22 so rates are set for FY23

Looking ahead, FY24/beyond

- Structural budget situation
 - Enrollment & housing trends
 - Debt service - decrease in next two years, then increase but not to FY23 level
 - CBA negotiations will bring new costs
 - Fringe benefit rate increases
- Need to stabilize:
 - Student retention
 - Incoming student enrollment
 - Housing occupancy



Motion – Recommend that BOT approves

FY23 Budget, including

- \$177.7M in managed expenses
- Use of \$2.9M of reserves
- FY23 Trust Fund Budgets
- Contracts > \$500K (Appendix II)

Real Estate, Facilities, & Sustainability

- Meier Hall
 - Emergency repairs
 - Wall removed
 - Safe to occupy; building re-opened
 - Next steps:
 - Stairway closed to public
 - Replacement wall to be built
 - Continued monitoring
 - MSCBA contract pending BOT approval

Real Estate, Facilities, & Sustainability

- SSU BOLD
 - Sale of South: proposals due 5/24; recommendation to Commissioner by Sept. 2022
 - Bates to be shuttered/defeased in June
 - DCAMM held kick off meeting May 10
 - Designer under contract by Fall 2022
 - Study & Schematic Design by June 2023
 - Design & Construction Docs by April 2024
 - Construction to begin April 2024
 - DCAMM estimates occupancy April 2026

REQUEST FOR TRUSTEE ACTION

Date: May 18, 2022

To: Finance and Facilities Committee

From: Karen P. House, Vice President for Finance and Facilities

Subject: Approval to enter into two contracts above the \$500,000 delegation threshold which had not been included in the original budget for FY22.

Requested Action: Approval

The trust fund guidelines and policies document approved by the Board of Trustees grants authority to the president or his/her designee to enter into individual contracts up to \$500,000. Additionally, pre-approval is granted through adoption of a budget schedule identifying contracts anticipated to exceed \$500,000. There are two contracts the university will execute in June 2022, which were not included in the original budget package for FY22 which exceed \$500,000. The university requests approval for these contracts.

The first enables the Bates residence halls to be included in the South Campus property that DCAMM is selling. Net sale proceeds will be provided to Salem State for the SSU BOLD project. The Bates residence halls are owned by the Massachusetts State College Building Authority (MSCBA) and are operated via a land lease with DCAMM. The buildings were constructed and maintained using MSCBA's revenue bond financing. The MSCBA will terminate its lease with DCAMM in advance of the South Campus sale and the university needs to pay the amount for defeasance of the remaining bonds and costs/fees, approximately \$3.825 million. This will avoid future MSCBA assessment costs in subsequent years and is similar to a prepayment of a debt. This expense has been factored into the projected large surplus for FY22.

The second large contract (\$1.05 million) to be executed in June is with the MSCBA for emergency services deployed to repair the Meier Hall stairwell as required by the emergency discovered on April 13, 2022.

MOTION

The Finance and Facilities Committee recommends that the Board of Trustees approve the following motion regarding approval of two contracts above \$500 thousand each.

Recommended motion

The Board of Trustees authorizes the university to enter into two contracts above the \$500 thousand delegation threshold, which had not been included in the original FY22 budget, as follows:

-
- 1) Lease Termination Agreement for Bates between DCAMM and MSCBA, with SSU joining in the agreement to pay MSCBA the amount required to fully defease the outstanding bonds and all costs associated with the defeasance and termination, approximately \$3.825M.
 - 2) Project management agreement between SSU and MSCBA for Meier Hall Emergency Repairs for \$1,050,000.
-

Committee Assigned: Finance and Facilities

Committee Action: Approved

Date of Action: May 25, 2022

Trustee Action:

Trustee Approval Date:

Effective Date:

Signed: _____

Title: Secretary of the Board of Trustees

Date: _____

REQUEST FOR TRUSTEE ACTION

Date: June 8, 2022
To: Board of Trustees
From: Finance & Facilities Committee
Subject: FY23 All Funds Budget
Requested Action: Approval

The Board of Trustees must approve an all-funds budget for the coming fiscal year which begins on July 1, to provide for the operation of the university. The approval of the budget includes approval for each separate trust fund as shown on the FY23 Trust Fund Budgets schedule included in the budget package and the large contracts.

MOTION

The Finance and Facilities Committee hereby recommends that the Board of Trustees approve the following motion pertaining to the attached FY23 Salem State University All Funds Budget.

Recommended motion

The Board of Trustees of Salem State University hereby approves the Fiscal Year 2023 All Funds Budget as recommended by the president and as shown in the attached FY23 Salem State University All Funds Budget at the level of \$177.7 million in Managed Expenses and a use of \$2.9 million of reserves. This action includes approval of the FY23 Trust Fund Budgets and the Potential Contracts Exceeding \$500,000 each as included in the budget package. The president, the vice president for finance and facilities, and other officers of the university are hereby authorized to do all things and take all actions deemed necessary to implement this decision.

Committee Assigned: Finance & Facilities
Committee Action: Approved
Date of Action: May 25, 2022

Trustee Action:

Trustee Approval Date:

Effective Date:

Signed: _____

Title: Secretary, Board of Trustees

Date: _____

FY23 Salem State University All Funds Budget

Our Mission

Salem State's mission is to provide a high quality, student-centered education that prepares a diverse community of learners to contribute responsibly and creatively to a global society, and serve as a resource to advance the region's cultural, social and economic development



Budget Approach

Salem State University presents an All-Funds Budget in a Management Report format that separates Managed Revenues, Expenses, and Net Income from Non-Cash Revenue and Expense activity (see Exhibit 1.) For completed years, the bottom line agrees to the audited financial statement presentation. Certain non-cash items are not controllable or predictable by the university and are therefore not budgeted. Refer to "Composition of the Budget and Relationship to Generally Accepted Accounting Principles (GAAP)" for further information.

Trust Funds

The Trust Funds Budget displays the budgeted managed revenues, expenses, and non-cash revenues and expenses for each of the official Trust Funds in a columnar format (see Exhibit 2.) Appendix I is a matrix to assist the reader to understand the definition of each Trust Fund. In accordance with the university's [Trust Fund Guidelines](#) approved by the Board of Trustees in June 2016 and revised in October 2017.

Budget Overview

Salem State University presents its FY23 All Funds Budget with Managed Revenues of \$174.8 million and Managed Expenses of \$177.7 million (see Exhibit 1) and a use of reserves of \$2.9 million. Non-cash revenues and expenses, primarily depreciation of \$9.9 million partially offset by state capital grant funding from the DCAMM 5-year critical maintenance process, is projected to result in an overall reduction of Net Position of \$5.3 million excluding the impact of GASB 68 and 74 pension and OPEB entries.

Key Elements of the Budget are Summarized Below

Please note that the below chart is provided to highlight specific components of the FY23 budget only and is not meant to convey Salem State’s full financial budget.

Key Elements Summary - FY 2023 Budget	Actuals FY2021	Projected FY2022	Budget FY23	Amount Variance	Percent Variance	Comment
Revenue: Price & Enrollment						
In-state, commuter (rate)	\$11,675	\$11,675	\$11,979	\$304	2.6%	
Out-of-state, commuter (rate)	\$18,480	\$18,480	\$18,961	\$481	2.6%	
Undergraduate Day Enrollment (Headcount-avg of Fall & Spring)	4,991	4,768	4,484	(284)	-6.0%	
Tuition & Fee Revenue (\$M, net of financial aid)	\$48.998	\$39.441	\$48.098	\$8.657	21.9%	FY22 net incl HEERF scholarship
Revenue: Housing & Dining						
Housing Revenue (\$M)	\$8.629	\$14.366	\$16.990	\$2.624	18.3%	1706 students Fall
Dining Meal Plan Revenue (\$M)	\$2.603	\$4.510	\$5.548	\$1.038	23.0%	1254 mandatory meal plans
State Support						
State Appropriation (\$M)	\$51.013	\$56.413	\$56.359	(\$0.054)	-0.1%	FY22 incl 4.4M retro increase funding
Compensation						
Salary & Wages (\$M, Benefitted faculty & staff)	\$62.162	\$71.229	\$73.074	\$1.845	2.6%	
Fringe Benefits Expense (\$M)	\$25.129	\$29.779	\$32.160	\$2.381	8.0%	
Benefits Rate (including taxes)	38.88%	39.50%	41.89%	2.39%	6.1%	rate set by Commonwealth
Facilities Related Expenses						
Utilities Expense (\$M)	\$3.124	\$4.499	\$4.833	\$0.334	7.4%	
Debt Service Expense (\$M, Assessment + Interest Expense)	\$4.465	\$15.064	\$12.184	(\$2.880)	-19.1%	FY22 incl 4.2M Bates Defeasance
Depreciation & Amortization (\$M, non-cash expense)	(\$9.474)	(\$9.690)	(\$9.980)	(\$0.290)	3.0%	
DCAMM Major Capital Projects (BOLD)	none	none	\$0.70	none		State awarded \$30M for BOLD
Managed Net Income (\$M)	\$27.598	\$9.887	(\$2.900)	(\$12.787)	-129.3%	FY23 uses reserves from FY 21-22
Overall Add to (Use of) Net Position (\$M)	\$29.265	\$2.033	(\$5.349)	(\$7.382)	-363.1%	GASB pension/OPEB is unknown

FY23 Budget Information

Refer to the Exhibits for the All-Funds Budget and Trust Fund Budgets

- Exhibit 1 – Salem State University FY23 All Funds Budget
- Exhibit 2 – Salem State University FY23 Trust Fund Budget
- Exhibit 3 – Transfers by Trust Fund
- Exhibit 4 – Managed Revenue vs Managed Expense Trend

Refer to the Charts for graphical depictions

- Chart 1 – Managed Revenue vs Managed Expense Trend
- Chart 2 – Components of FY23 Revenue Budget
- Chart 3 – Components of FY23 Expense Budget
- Chart 4 – Credit Hours Delivered by Division
- Chart 5 – Preliminary Fall Enrollments
- Chart 6 – Student-to-Faculty Ratio
- Chart 7 – Cash Operating Balances
- Chart 8 – Debt Service

Refer to the Tables for trends concerning the details of the budget

- Table 1 – Managed Revenue
- Table 2 – Fee Revenue
- Table 3 – Historical Tuition & Mandatory Fees
- Table 4 – Historical Credit Hours by Division
- Table 5 – Financial Aid
- Table 6 – Auxiliary Revenue
- Table 7 – State Operating Support
- Table 8 – Managed Expenses
- Table 9 – Compensation
- Table 10 – Financial Full-Time Benefitted Employees by Union Classification
- Table 11 – Financial Full-Time Benefitted Employees by Division
- Table 12 – Salary and Wages for Benefitted Employees by Division
- Table 13 – Fringe Benefit Rates as set by the Commonwealth

Refer to the Appendices for additional supporting materials:

- Appendix I – Trust Fund Matrix
- Appendix II – Contracts Estimated to Exceed \$500,000 Each in FY23 (approved with approval of the budget)
- Appendix III – Capital Projects
- Appendix IV – Tuition/Fee rates for FY23

Figures and amounts in the exhibits and tables may not total due to rounding

FY23 Budget

Since March 2020, COVID-19 has required every faculty, staff, and student to navigate several large issues. Fortunately, the federal government and the Commonwealth provided unprecedented levels of support to the university and to students. This has provided a buffer for the university to navigate the pandemic with safety as the highest priority and assists with covering some of the revenue losses during the public health crisis.

The Federal government approved three rounds of significant pandemic relief legislation which supports Salem State students and the university, collectively known as HEERF I-III. All HEERF funds have been received and disbursed as of FY22. These dollars replenished reserves and therefore reserves are available to balance the FY23 budget.

As welcome as the Federal relief funds were, they do not ensure the university's long-term financial health. Salem State has a structural deficit, and the university continues to identify savings to bring expenses in line. There are, however, areas in which it is necessary and wise to invest university resources which will ensure the continued success of our students and campus.

After a careful analysis built on the work of the Sustainable Path Forward Task Force and the Vision for a Sustainable Future report – along with observations from our NECHE accreditation reviewers that the university's previous voluntary staff reduction and management of vacant positions was causing operating challenges, the university began investing in faculty and staff positions. During FY22 after the original budget was adopted and for FY23, a total of 25 net new positions have been added. Efforts have been made to restore or add the most impactful positions and ensure resources are properly allocated based on the needs of the students and the university. Of the 25 net new positions, 12 are in the Student Success division (counseling and health, athletics/operations, student life, center for academic excellence, first year experience, and enrollment management); five are in academic affairs including three pertaining to a strategic initiative within the School of Education and two in the College of Arts and Sciences (math and psychology); four are in Information Technology Services, two of which are for instructional technology and classroom support, two new positions in facilities and one each in advancement and human resources.

The university must continue to evaluate how we can reduce expenses. One of the changes is the shift to permanent remote status for certain back-office areas. Areas in Phase 1 of this permanent hybrid program are human resources, general counsel's office, finance and facilities office staff, advancement, marketing and communications, and information technology services. During the coming years and with the guidance of a new strategic plan, the university will continue to analyze and assess university resource allocations.

Selected University Accomplishments During FY22

Salem State University launched a new, flexible academic major in liberal studies. It provides an interdisciplinary curriculum, is responsive to many student needs, and allows for a degree completion option at Salem State. The major will benefit traditional, transfer and adult learners. It is primarily designed to meet the needs of learners with some prior college credits or students who have changed majors and are seeking a pathway to integrate what they have learned and to earn their bachelor's degree.

Salem State University launched a new Bachelor of Science in Healthcare Studies and Spanish that began enrolling students in the fall 2021 semester. The new major combines the university's growing healthcare studies program – which prepares students for non-clinical careers in healthcare – with courses from its world languages program, which offers a concentration in Spanish. The new combined major is designed to fill a need for healthcare professionals who are fluent in Spanish and who have demonstrable intercultural competence.

Salem State University's Frederick E. Berry Institute of Politics (Berry IOP) co-hosted a Salem Mayoral debate with the Salem News. Students played a significant role in the debate by leading organizational efforts and posing questions to the candidates as panelists.

Salem State University's annual Moving Forward Giving Back: First Year Day of Service (MFGB) returned after being cancelled the prior year amid the COVID-19 pandemic. One-hundred first year students signed up to volunteer for community organizations across the Greater Salem area. The university also held a Sophomore Service Saturday. Students participated in projects such as preparing meals for shelters, working in community gardens, helping local K-12 schools prepare for the first day of classes, and more.

A report released to the university in October showed that Salem State University's student voting rate surpassed the national average in the 2020 election cycle. The report by the National Study of Learning, Voting, and Engagement (NSLVE), an initiative of Tufts University's Institute for Democracy & Higher Education (IDHE), showed that Salem State's 68 percent student voting rate not only exceeded the national average of 66 percent, but it also marked an increase from the university's 64 percent student voting rate in 2016.

Salem State University was among 11 Massachusetts state agencies recognized by the Baker-Polito Administration for leadership in promoting initiatives that reduce environmental impacts and associated energy costs of state operations. Recipients were recognized at the 15th annual Leading by Example Awards Ceremony.

Salem State University received a \$300,000 grant from Mass General Brigham to provide scholarships to students in the university's healthcare studies, occupational therapy and social work programs who are completing behavioral health internships and fieldwork in Massachusetts. As such placements are often unpaid, scholarships of \$2,000 were designated for approximately 140 students to help ease the

pathway to graduating with first-hand experience in the behavioral health field. The grant was part of Mass General Brigham's October 2021 announcement that it was investing \$50 million in community and mental health.

The Salem State Center for Holocaust and Genocide Studies and the Center for Creative and Performing Arts at Salem State University co-hosted a reception for the "Beyond Duty" exhibit that ran in the lobby of the Sophia Gordon Center for Creative and Performing Arts. The exhibit highlights the work of diplomats in helping Jews escape Nazi Germany. During the reception, representatives from the Consulate General of Israel to New England and the consulates of Portugal and the Netherlands participated in a panel discussion on the role of diplomats in human rights.

The Frederick E. Berry Institute of Politics (Berry IOP) at Salem State University launched a new fellowship program featuring former Boston Mayor Kim Janey and Jennifer Levi, the Transgender Rights Project Director for the GLBTQ Legal Advocates & Defenders (GLAD). Through this program, students have opportunities to meet one-on-one and in small groups with these prominent leaders.

Salem State University's 43rd annual festival in celebration of Charles Darwin's birthday was held virtually February 7 through 11, 2022 with a week of lectures. Topics included: the impact of microaggressions and racism on health; bioindicators of climate change in New England waters; the role of restoration in preserving plant biodiversity; using science to guide public schools' pandemic response; and investigating FDA-approved anti-tumor drugs; among others.

Salem State University Police launched a body worn camera program, becoming the second among the Commonwealth's nine state universities to adopt the use of body cameras for its university police officers. All sworn officers are equipped with the cameras and will always wear them while on duty to benefit community relations, deter or document inappropriate behavior should it occur; capture evidence for criminal, civil, and traffic related cases; and provide footage that can be used for officer training.

Raminder Luther, PhD, was appointed dean of the Bertolon School of Business at Salem State University. Dean Luther had performed the role of interim dean of the Bertolon School of Business since May 2020, and prior to that, she served as professor of finance in the school for 22 years. During her time as dean, Luther plans to continue to grow the Bertolon School of Business' focus on experiential learning, entrepreneurship, faculty research, and engagement with the external community.

Salem State continued efforts to keep its campus community safe amid the COVID-19 pandemic through various health and safety protocols. Much of the campus community is vaccinated against COVID-19, with vaccination rates of 98 percent for residential students, 97 percent for all students, and 97 percent for employees. The university's rate of cases has regularly been lower than that of the surrounding communities.

Campus Efforts and Input During FY22

NECHE

The New England Commission of Higher Education (NECHE), Salem State University's regional accreditor, approved the university's continued accreditation for the next decade following a thorough review required every 10 years. The self-study and external review by higher education administrators throughout New England included close examination of the university in areas that include academics, student support services and preparedness upon graduation, financial strength, positioning for the future and more.

In a letter dated November 29, 2021, Chair of the Commission George W. Tetler wrote: "Salem State University (SSU) is commended for its comprehensive and thoughtful self-study that documented the institution's accomplishments over the past decade and provided an opportunity for it to reflect on the challenges ahead." NECHE's letter went on to recognize the university's strong academic offerings, growth of student programming, commitment to civic learning as evidenced by obtaining Carnegie Community Engagement Classification, adoption of the student success platform Navigate as a coordinated care approach, efforts to build an "inclusive and respectful community," and significant increases in graduation rates and institutional financial aid, among other successes.

Launch of the Strategic Planning Committee

In December 2021, the university announced to faculty and staff that President Keenan had convened the Strategic Planning Committee, which has been charged with developing a strategic plan for Salem State that will guide the university's efforts during the 2022-27 period. Given the changing landscape of higher education in New England, this process comes at a crucial time in the university's history.

In addition to campus input, the Strategic Planning Committee will be gathering information from a variety of sources including documents from NECHE, recommendations from the New Undergraduate Experience, the most recent Salem State Strategic Plan, the Vision for a Sustainable Future and Addendum, the Sustainable Path Forward Task Force Suggestions and Lines of Inquiries, the MSCA Growth Plan, and the MSCA Liberal Arts and Equity White Paper. In addition, the strategic plan needs to meet the goals of the Massachusetts Board of Higher Education's (BHE) equity agenda.

The Strategic Planning Committee is comprised of nine faculty members representing the MSCA, nine APA administrators, two AFSCME staff members, and two students, along with non-voting members including a trustee liaison, the senior director of external relations, and the executive director for strategic planning and decision support. The Committee has begun the process of receiving campus input.

SSU BOLD

In December 2021, Salem State University submitted an updated funding application to the Massachusetts Division of Capital Asset Management and Maintenance (DCAMM) for SSU BOLD: A campus unification and modernization

project. Designed to address many of the major university capital needs identified in Salem State's 2013 Campus Master Vision and subsequent planning studies, the proposal includes the sale of South Campus, the renovation of the now-vacant Horace Mann Building to house South Campus programming and constructing a state-of-the-art addition to Meier Hall to house much needed, modernized, flexible high-intensity teaching labs. Central to SSU BOLD are plans to consolidate the university's campus footprint, creating a more cohesive student experience and saving significantly on deferred maintenance. In February 2022, the university came closer to achieving this long-held vision when DCAMM released a Request for Proposals (RFP) for the 23-acre South Campus property. Thanks to state legislation signed in 2020, proceeds from the South Campus sale will be directed to the university to invest in capital projects and improvements to campus facilities, and Salem State has committed these proceeds to SSU BOLD. In April 2022 at an event on Salem State's campus, Governor Baker announced the award of \$30 million from the Commonwealth toward SSU BOLD. In addition, a \$1 million award for the university's decarbonization efforts is also included in the Commonwealth's 2023-2027 Capital Investment Plan.

FY23 Uncertainties

The following identifies the key uncertainties within the FY23 budget.

- The Commonwealth's budget process is underway and not complete. Due to strong revenues received by the state, there is perceived to be little risk that the university's state appropriation will be reduced as the budget continues through the legislative process.
- The university anticipates receiving a 2% increase on its base appropriation to partially fund the 2% collectively bargained salary increases applicable to FY23. Because some of the state appropriation to be received in FY22 is for one-time purposes (paying for the FY21 piece of CBA increases and the one-time Covid bonus payments), those funds will not be included in the FY23 appropriation. Thus, the state appropriation expected in FY23 is approximately equal to the projected figure for FY22.
- With covid vaccines readily available and the public health situation not as dire as in the early days of the pandemic, the expectation is that students will continue to return to living on campus. However, housing occupancy is still just an estimate and has a significant impact on the operating budget. The FY23 budget is planned for 1,706 filled beds for fall 2022. Housing occupancy levels impact the dining program and its associated revenue.
- Enrollment numbers continue to be paramount. Admissions and student life are working together to support yield. Competition among schools is high and it is still early to determine where enrollment numbers for fall 2022 will land. Enrollment Management continues to work closely with academic and administrative departments in determining how best to retain current students and increase new enrollment.

- The Commonwealth has shared unofficial estimated increases to the fringe benefit rate for future years, which the university will need to absorb.
- There is no provision for Governmental Accounting Standards Board (GASB) 68 or GASB 75 non-cash expenses included in the FY23 budget. Actual amounts will be provided by the Commonwealth when FY23 is closed.

Contracts Greater than \$500,000

In accordance with the Trust Fund Guidelines, the Board of Trustees must approve contracts with estimated spending greater than \$500,000 each and may do so in conjunction with approval of the budget. Appendix II provides a categorized list of such items for FY23 for approval. The amounts shown on the appendix include a cushion, especially where the spending is less predictable.

Interpreting Trends – Unusual Events

There are several unusual events that make it difficult to interpret trends in the data over the last five years. A reader should be aware of these:

- The university changed its accounting for dining services beginning in FY20, which resulted in breaking dining transactions into revenue and expenses rather than reporting the net result within one line in the financial statements.
- Beginning in March 2020, the COVID-19 pandemic had a significant impact on student finances and behavior, university operations, housing occupancy and dining service delivery. Federal and state relief funding for the university generated non-recurring funds over several fiscal years. Additionally, federal relief funding for students resulted in large amounts of one-time funding flowing through university books and statements over several years. Fiscal years 2020 through 2022 reflect these impacts; the reader should be aware of this when reviewing multi-year tables.
- The university has a largely unionized workforce. Collective bargaining agreements were settled during FY22 that pertain to a three-year period, FY21 – FY23. Compensation expenses (and associated state appropriation revenue) are reflected in FY22 that relate to work performed during FY21.

Composition of the Budget and Relationship to GAAP

Salem State University is in its seventh year of presenting an All-Funds Budget. This means that all trust funds and fund types are included in the budget.

Intentionally, the budget format is not the same as the GAAP format used in producing financial statements which are audited each year. The university's budget and quarterly management reports are presented in a summarized Managed Revenues and Expenses Report format which distinguishes between managed and non-cash revenue and expense activity. This Managed Revenues and Expenses format allows the reader to focus on the elements of the budget that university administration must control and manage, and which impacts cash flows, while displaying the non-cash GAAP based revenue and expense items at the bottom.

This approach enables the Managed Revenues and Expenses report to reconcile to GAAP-basis audited financial statements for completed years.

The Governmental Accounting Standards Board (GASB) has issued several standards that are not reflected in the FY23 budget. Consistent with previous budgetary practice, GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions and GASB 68, Accounting and Financial Reporting for Pensions, the university will not have a reliable estimate for these non-cash expenses until information is received from the Commonwealth at the end of the fiscal year. Thus, for budget purposes, the amount for GASB 68 and GASB 75 is shown as zero. Salem State University is in the process of implementing GASB 87, the lease accounting standard, for financial statements ending June 2022. This standard will make major changes in how GAAP-based financial statements are presented, bringing onto the balance sheet as assets and liabilities certain amounts not previously reflected. How this will impact the presentation of certain expenses such as the MSCBA assessment is not yet determined. Therefore, the FY23 budget is presented without regard to any potential impact from GASB 87.

Exhibit 1: Salem State University FY23 All Funds Budget

Account Description (\$ in thousands)	FY 2021 Year End Actuals	FY 2022 Year-to-Date March Actuals	FY 2022 Forecast as of 4/27/22	FY 2023 Original Budget
Managed Revenue ¹				
Tuition and Fees	\$80,469	\$75,015	\$77,300	\$76,455
Less: Scholarships, Fellowships & Waivers	(31,471)	(37,543)	(37,859)	(28,356)
Net Tuition and Fees	48,998	37,472	39,441	48,098
Federal, State, Private Grants	31,619	38,952	39,782	20,921
Auxiliary Enterprises	12,100	19,629	19,563	23,614
State General Appropriations	67,963	56,045	76,150	78,105
Other Revenue	5,390	4,239	5,219	4,035
Total Managed Revenue	166,070	156,336	180,156	174,773
<i>Year over Year Change</i>			8.5%	-3.0%
Managed Expenses				
Compensation	104,920	80,594	120,377	123,069
Support	20,317	15,881	24,660	32,078
Facility-related	13,235	17,469	25,231	22,527
Total Managed Expenses	138,472	113,943	170,268	177,673
<i>Year over Year Change</i>			23.0%	4.3%
Managed Net Income	27,598	42,393	9,887	(2,900)
Non-Cash Revenue / (Expenses)				
Capital Grants	3,709	961	1,835	7,531
Depreciation	(9,474)	(6,901)	(9,690)	(9,980)
Unrealized Gains/Losses	3,252	(2,719)	0	0
GASB 68 Pension	(1,085)	0	0	0
GASB 75 OPEB	5,266	0	0	0
Use of Reserves	0	0	0	0
Total Non-Cash Revenue / (Expenses)	1,667	(8,659)	(7,854)	(2,449)
<i>Year over Year Change</i>			-571.1%	-68.8%
Total Increase / (Decrease) in Net Position	29,265	33,734	2,033	(5,349)

Note: FY23 Non-Cash does not include an estimate for GASB 68 or GASB 75



Exhibit 2: Salem State University FY23 Trust Fund Budget

Account Description (\$ in thousands)	Unrestricted Auxiliaries	Educational & General Funds	Grants	Gifts & Contributions	Residence Halls	Restricted Other	Net Invested in Capital Assets	FY 2023 Budget Total
<u>Operating Revenue</u>								
Net Tuition and Fees	\$0	\$67,204	(\$16,908)	(\$840)	(\$1,790)	\$433	\$0	\$48,098
Federal, State, Private Grants	0	0	20,826	\$0	\$95	\$0	\$0	20,921
Auxiliary Enterprises	6,144	152	0	\$0	\$17,070	\$248	\$0	23,614
State General Appropriations	0	77,905	200	\$0	\$0	\$0	\$0	78,105
Other Revenue	185	1,200	0	\$2,650	\$0	\$0	\$0	4,035
Total Managed Revenue	6,329	146,461	4,118	1,810	15,375	680	0	174,773
<u>Managed Expenses</u>								
Compensation	171	116,389	2,593	\$101	\$3,795	\$20	\$0	123,069
Support	7,139	21,292	1,442	\$1,465	\$309	\$431	\$0	32,078
Facility-related	713	20,579	152	\$0	\$12,880	\$72	(\$11,869)	22,527
Total Managed Expenses	8,023	158,260	4,187	1,566	16,984	523	(11,869)	177,673
Managed Net Income	(1,694)	(11,799)	(69)	245	(1,609)	158	11,869	(2,900)
<u>Non-Cash Revenue / (Expenses)</u>								
Capital Grants	0	7,531	0	0	0	0	\$0	7,531
Depreciation	0	0	0	0	0	0	(\$9,980)	(9,980)
Unrealized Gains/Losses	0	0	0	0	0	0	\$0	0
GASB 68 Pension	0	0	0	0	0	0	\$0	0
GASB 75 OPEB	0	0	0	0	0	0	\$0	0
Use of Reserves	0	0	0	0	0	0	\$0	0
Total Non-Cash Revenue / (Expenses)	0	7,531	0	0	0	0	(9,980)	(2,449)
Total Increase/Decrease in Net Position	(1,694)	(4,268)	(69)	245	(1,609)	158	1,888	(5,349)

Note: Facility-related managed expense amounts include transfers in and transfers out which are detailed in the exhibit below.



Exhibit 3: Transfers by Trust Fund

Account Description (\$ in thousands)	Unrestricted Auxiliaries	Educational & General Funds	Grants	Gifts & Contributions	Residence Halls	Restricted Other	Total Restricted Endowments	Net Invested in Capital Assets	FY 2023 Budget Total
Transfers by Type									
Facility-Related									
Debt Service	0	3,159	0	0	0	0	0	(3,159)	(0)
MSCBA	0	552	0	0	0	0	0	(552)	0
Capitalization	0	9,464	0	0	0	0	0	(9,464)	0
Total Facilities Related Tra	0	13,176	0	0	0	0	0	(13,176)	(0)
Operational Support	(489)	417	0	0	0	72	0	0	0
Overhead Distributed	0	(151)	151	0	0	0	0	0	0
Total Transfers	(489)	13,442	151	0	0	72	0	(13,176)	(0)

Transfers are movements of money between trust funds. Transfers into a trust fund are shown in parenthesis while transfers out are shown as positive numbers.



Exhibit 4: Managed Revenue vs. Managed Expense Trend

Account Description (\$ in thousands)	FY 2019 Year End Actuals	FY 2020 Year End Actuals	FY 2021 Year End Actuals	FY 2022 Year End Forecast	FY 2023 Original Budget
Managed Revenue					
Net Tuition and Fees	61,057	55,450	48,998	39,441	48,098
Federal, State, Private Grants	19,901	24,342	31,619	39,782	20,921
Auxiliary Enterprises	22,569	24,083	12,100	19,563	23,614
State General Appropriations	65,735	66,737	67,963	76,150	78,105
Other Revenue	5,291	6,065	5,390	5,219	4,035
Total Managed Revenue	174,552	176,676	166,070	180,156	174,773
<i>Year over Year Change</i>	5.0%		-3.6%	3.2%	-3.0%
Managed Expenses					
Compensation	118,997	119,890	104,920	120,377	123,069
Support	19,220	22,857	20,317	24,660	32,078
Facility-related	25,772	24,376	13,235	25,231	22,527
Total Managed Expenses	163,990	167,134	138,472	170,268	177,673
<i>Year over Year Change</i>	1.1%		-15.6%	23.0%	28.3%
Managed Net Income	10,563	9,542	27,598	9,887	(2,900)
Non-Cash Revenue / (Expenses)					
Capital Grants	2,067	1,560	3,709	1,835	7,531
Depreciation	(9,216)	(9,276)	(9,474)	(9,690)	(9,980)
Contributions to SSUAC	0	0	0	0	0
Unrealized Gains/Losses	413	345	3,252	0	0
Gains/Loss on Disposal of Plant Facilities	0	0	0	0	0
GASB 68 Pension	(3,755)	(3,123)	(1,085)	0	0
GASB 75 OPEB	(2,525)	(1,093)	5,266	0	0
Use of Net Position	0	0	0	0	0
Total Non-Cash Revenue / (Expenses)	(13,015)	(11,587)	1,667	(7,854)	(2,449)
<i>Year over Year Change</i>	-10.1%		-112.8%	-571.1%	-246.9%
Total Increase / (Decrease) in Net Position	(2,452)	(2,044)	29,265	2,033	(5,349)

Note:

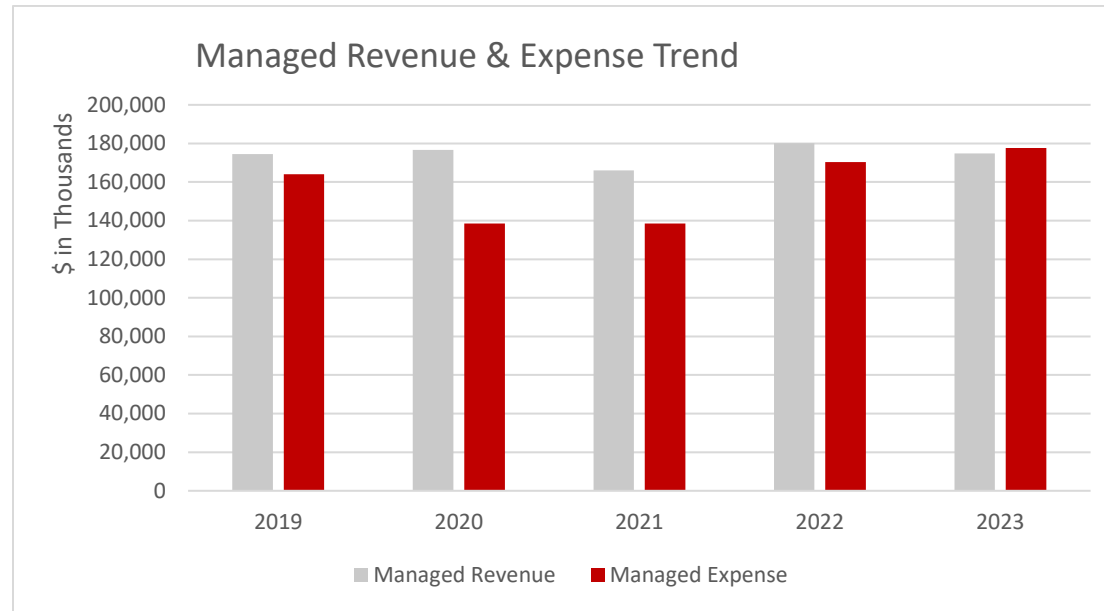
Refer to Interpreting Trends – Unusual Events commentary

- Beginning FY20 Dining revenue and expenses are included in Managed Net Income.
- COVID-19 impacted FY20-FY22
- Compensation includes FY21 activity in FY22

GASB 68 and 75 estimates are not included in the FY22 Forecast or the FY23 Original Budget.



Chart 1: Managed Revenue vs. Managed Expense Trend



FY20 forward is not directly comparable to previous fiscal years, dining expenses not reflected in revenue and expense trends prior to that fiscal year.



Chart 2: Components of FY23 Revenue Budget

FY 2023 Managed Revenue Budget (\$ in thousands)

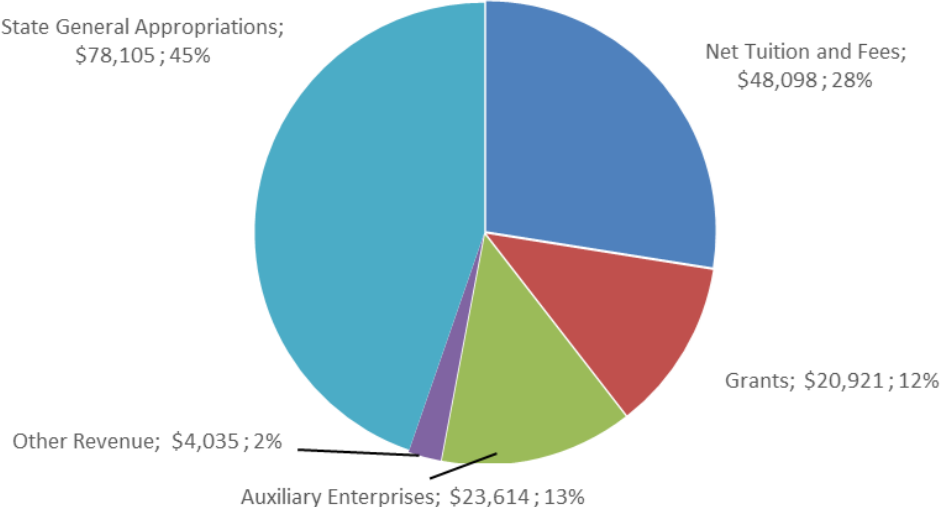




Chart 3: Components of FY23 Expense Budget

FY 2023 Managed Expense Budget (\$ in thousands)

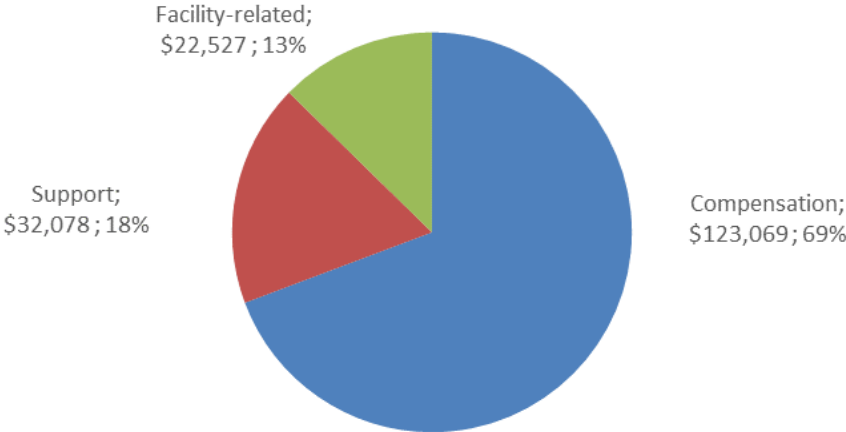
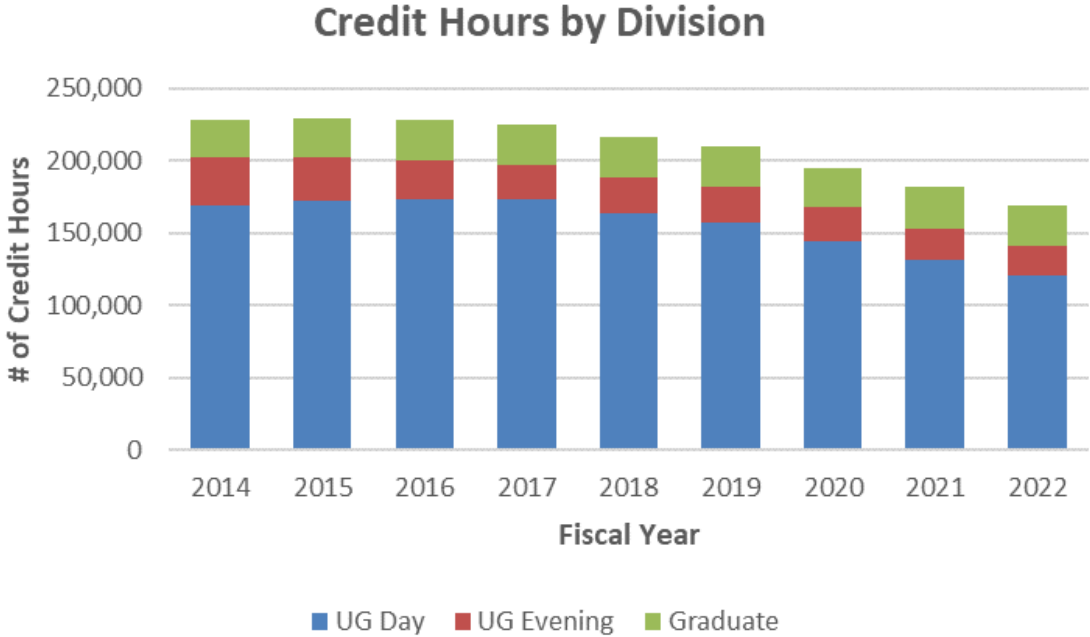




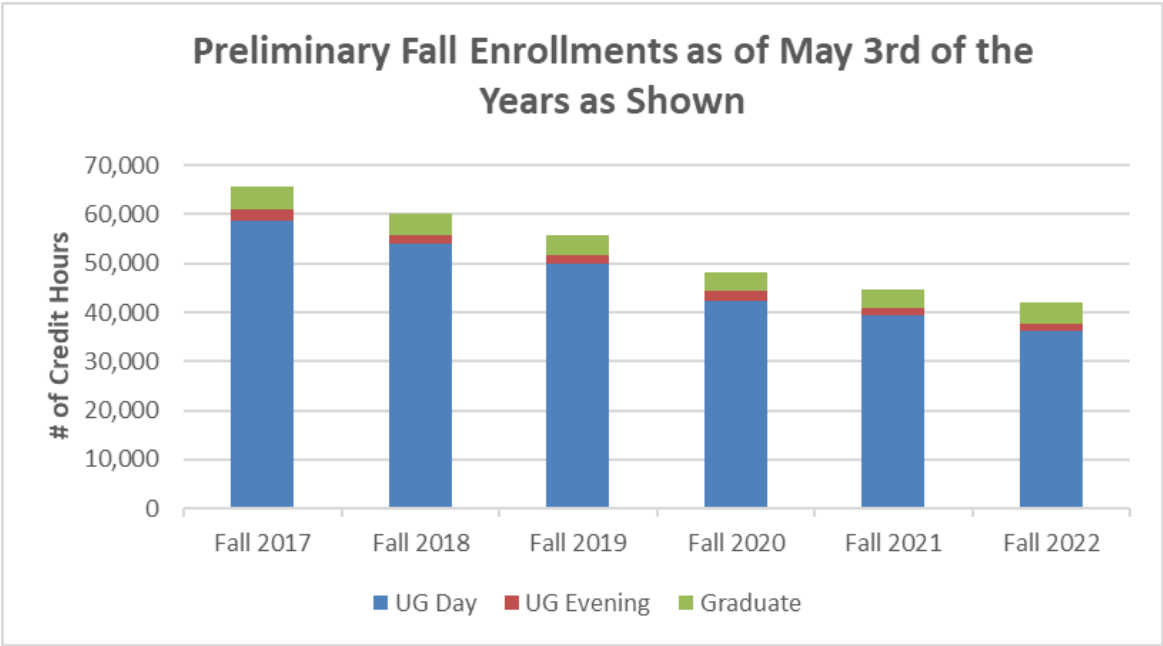
Chart 4: Credit Hours Delivered by Division – Full Years 2014 – 2022



Note: FY22 credit hours will change; the fiscal year is still open at the time of this printing.



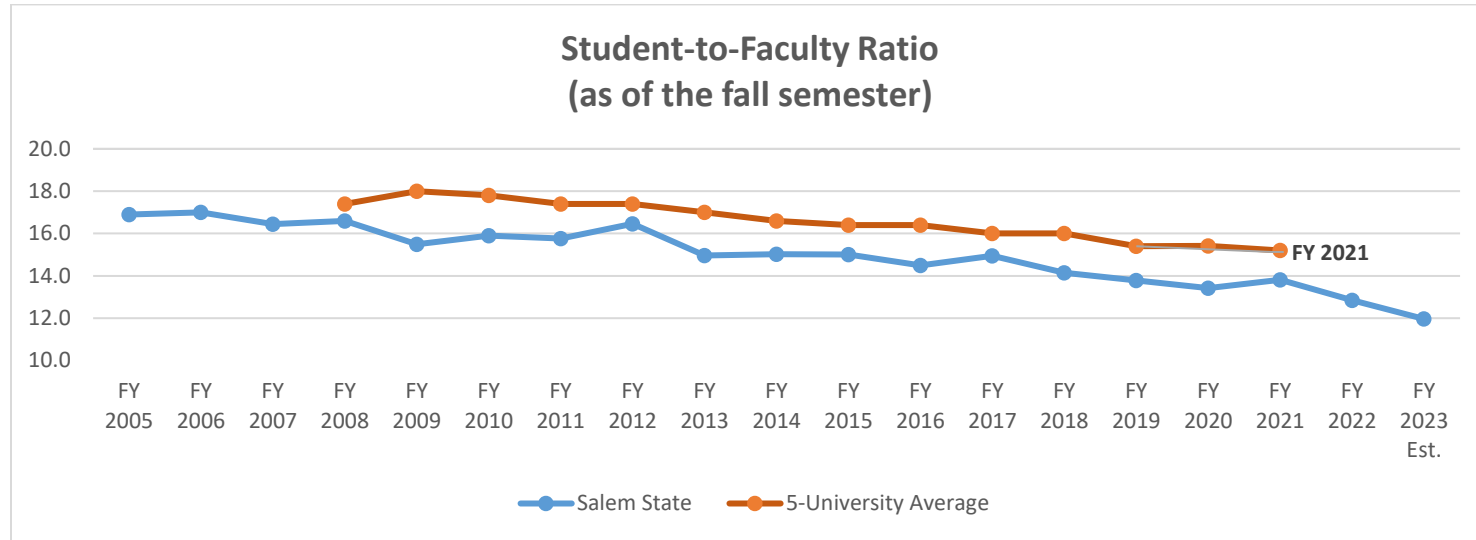
Chart 5: Preliminary Fall Enrollments (Registrations) for 2017 - 2022 (Fall only) as of May 3rd



Note: Year over year is not comparable, as the priority deposit deadline was deferred for Fall 2020 due to pandemic.



Chart 6: Student-to-Faculty Ratio

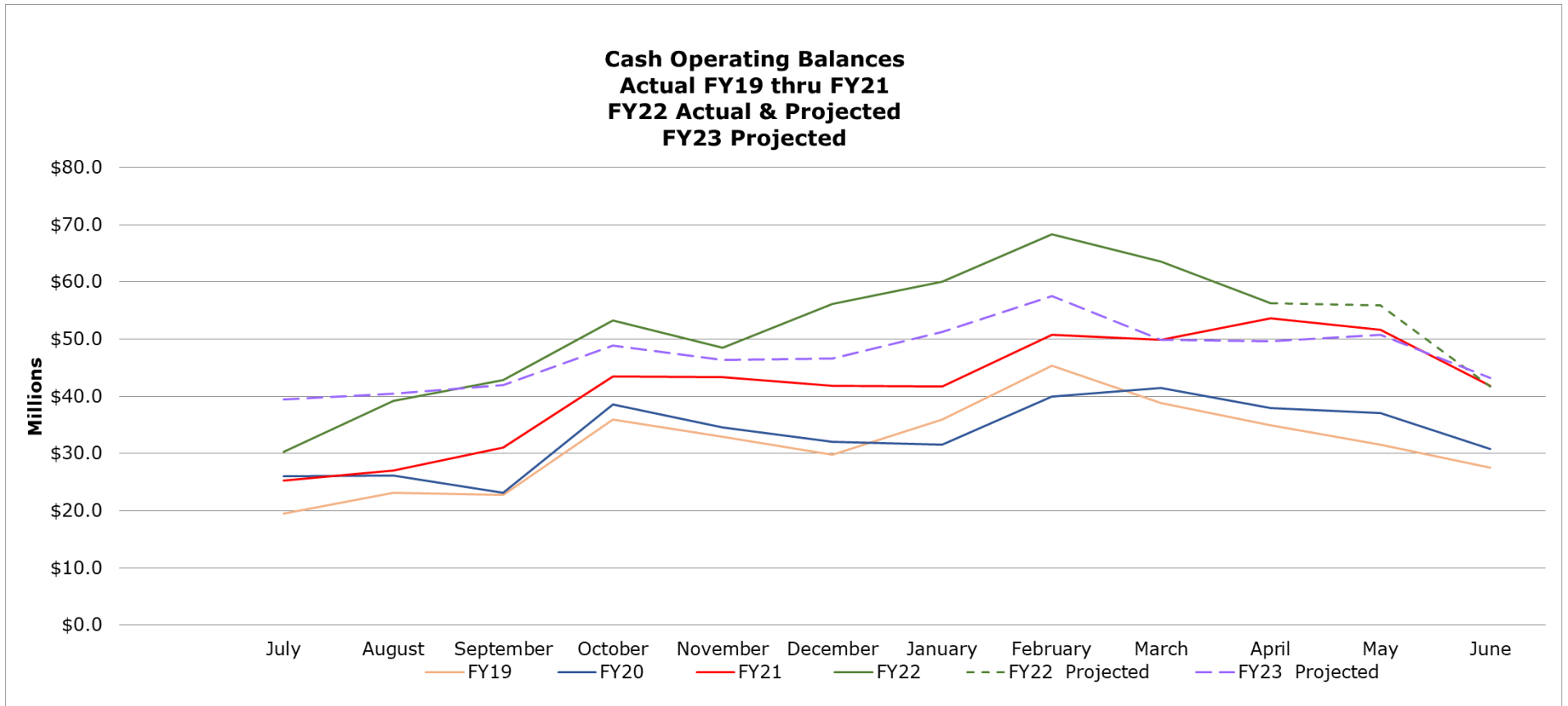


Note 1: FY21 and prior SSU ratios are actuals.

Note 2: 5-State University Average includes: Bridgewater State, Fitchburg State, Framingham State, Westfield State, and Worcester State Universities.



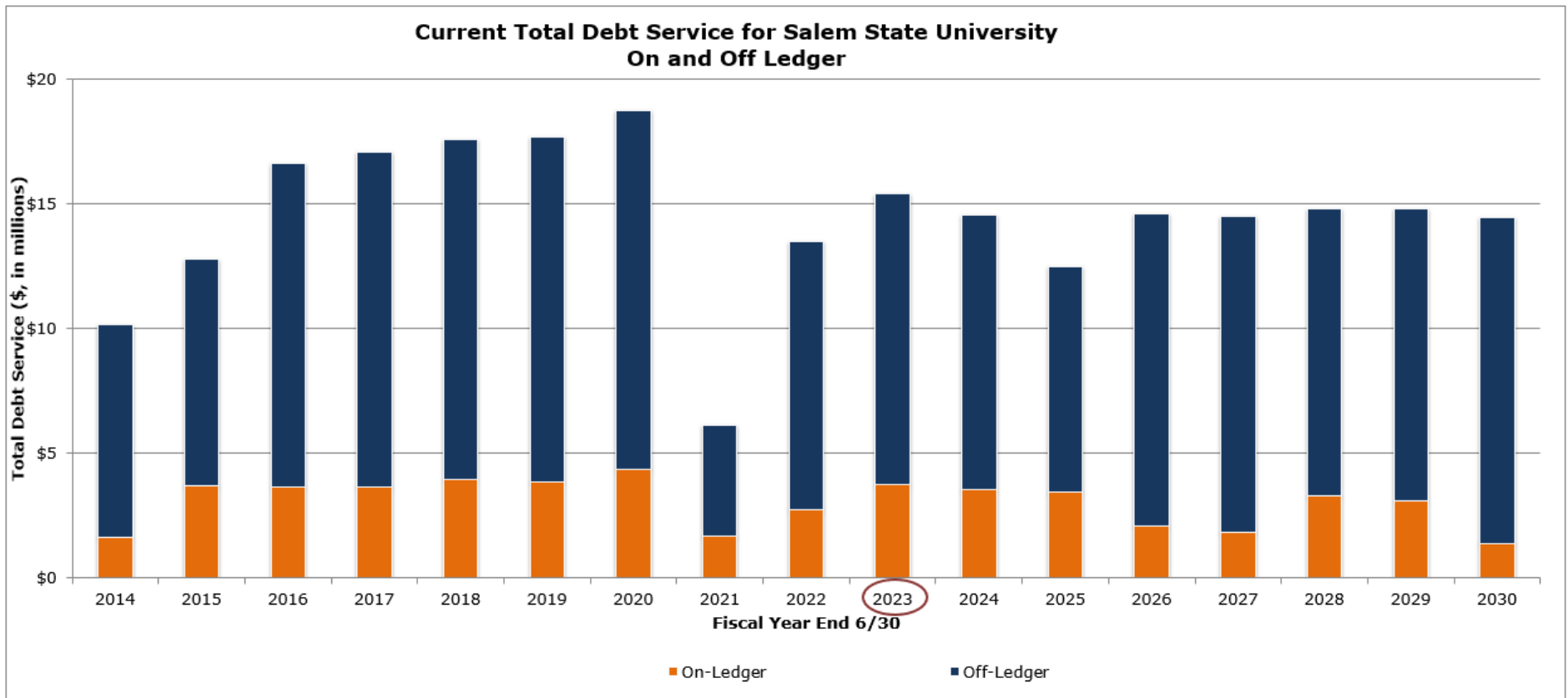
Chart 7: Cash Operating Balance



Note: Cash balances includes cash and equivalents and deposits held by State Treasurer.



Chart 8: Debt Service



NOTE: MSCBA made a payment on SSU's behalf for \$2.8 million of interest for Fall 2021 total due. FY23 and forward is reduced due to the Bates Defeasance of FY22.

**Table 1: Managed Revenue**

Revenue (\$ in millions)	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY2021 Actual	FY2022 Projection	FY2023 Budget	Amount Change	Percent Change
Net Tuition and Fees	\$63.4	\$61.1	\$55.5	\$49.0	\$39.4	\$48.1	\$8.7	21.9%
Federal, State, Private Grants	19.5	19.9	24.3	31.6	39.8	20.9	-18.9	-47.4%
Auxiliary Enterprises	23.4	22.6	24.1	12.1	19.6	23.6	4.1	20.7%
State General Appropriations	60.1	65.7	66.7	68.0	76.2	78.1	2.0	2.6%
Other Revenue	5.9	5.3	6.1	5.4	5.2	4.0	-1.2	-22.7%
Total Managed Revenue	\$172.3	\$174.6	\$176.7	\$166.1	\$180.2	\$174.8	-\$5.4	-3.0%

Table 2: Fee Revenue

Fee Revenue (\$ in million)	FY 2018 Actual	FY 2019 Actuals	FY 2020 Actual	FY2021 Actual	FY2022 Projection	FY2023 Budget	Amount Change	Percent Change	Percent Fee Increase
University Fee	\$64.6	\$65.3	\$61.9	\$61.3	\$58.7	\$57.8	-\$0.9	-1.5%	
Capital Improvement Fee	2.7	2.8	2.7	2.7	2.5	2.6	\$0.1	2.0%	
SGA Fee	0.6	0.6	0.5	0.5	0.5	0.4	\$0.0	-5.3%	
Other Fee Revenue	5.5	5.7	5.3	3.2	3.1	3.8	\$0.8	24.3%	
Total Fee Revenue	\$73.5	\$74.4	\$70.5	\$67.7	\$64.7	\$64.6	-\$0.1	-0.1%	2.6%

Note: Other Fee Revenue includes differential, program, lab, matriculation, Summer Bridge, housing premium and miscellaneous fees.



Table 3: Historical Tuition & Mandatory Fees

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
<i>Undergraduate Day</i>						
Per Credit Rate	\$428.24	\$453.52	\$470.17	\$486.46	\$486.46	\$499.10
Per Credit Rate Increase	\$ 22.57	\$ 25.28	\$ 16.65	\$ 16.29	\$ -	\$ 12.64
Annual POA Rate**	\$10,278	\$10,884	\$11,284	\$11,675	\$11,675	\$11,979
Annual POA Increase**	\$ 542	\$ 607	\$ 400	\$ 391	\$ -	\$ 304
% Increase	5.56%	5.90%	3.67%	3.46%	0.00%	2.60%
<i>Continuing Education</i>						
Per Credit Rate	\$381.17	\$392.15	\$403.25	\$439.70	\$439.70	\$451.20
Rate Increase	\$15.84	\$10.98	\$11.10	\$36.45	\$0.00	\$11.50
% Increase	4.34%	2.88%	2.83%	9.04%	0.00%	2.62%
<i>Graduate*</i>						
Per Credit Rate	\$439.00	\$457.10	\$470.00	\$486.55	\$486.55	\$499.20
Rate Increase	\$39.50	\$18.10	\$12.90	\$ 16.55	\$ -	\$ 12.65
% Increase	9.89%	4.12%	2.82%	3.52%	0.00%	2.60%

Table 4: Historical Credit Hours by Division

Student Type	Full Fiscal Year Credit Hours				
	2018	2019	2020	2021	2022
Undergraduate Day	167,768	157,923	144,382	131,084	120,720
Continuing Education	24,906	24,449	23,752	22,249	20,104
Graduate	28,510	27,430	26,473	28,351	28,586
Total Credit Hours	221,184	209,802	194,607	181,684	169,409
<i>Year over year %</i>	<i>(1.8%)</i>	<i>(5.1%)</i>	<i>(7.2%)</i>	<i>(6.6%)</i>	<i>(6.8%)</i>



Table 5: Financial Aid

Financial Aid (\$ in millions)	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY2021 Actual	FY2022 Projection	FY2023 Budget	Amount Change	Percent Change
Tuition Waivers	\$2.5	\$2.5	\$2.2	\$2.3	\$2.1	\$2.2	\$0.1	4.1%
Scholarships & Grants	22.1	24.0	26.7	29.2	35.6	26.2	\$(9.5)	(26.6%)
Total Financial Aid	24.6	26.5	28.9	31.5	37.7	28.4	\$(9.4)	(24.9%)
As a % of Gross Tuition and Fees	28.0%	30.2%	34.3%	39.1%	49.2%	37.1%		

Financial Aid by Funding Source	Unrestricted Educational			Residence Hall Restricted			Total
	Auxiliaries	& General	Grants	Gifts	Trust Fund	Other	
FY 2023 Budget by Source (\$ millions)	\$0.0	\$8.8	\$16.9	\$0.8	\$1.9	\$0.0	\$28.4
FY 2023 Budget by Source (% of total)	0.0%	30.9%	59.6%	3.0%	6.5%	0.0%	100.0%

Note 1: FY23 Educational & General comprised of \$6.5M in unrestricted institutional aid, \$2.1 M in tuition waivers and \$1.9M in housing grants, which is 424K higher than the FY22 budget.

Note 2: FY22 Projection includes \$8.8 M HEERF III funding awarded to students through institutional and student program.

Note 3: FY21 Actual includes \$.14 M HEERF I awards and \$3.256 M of HEERF II (CRSSA) awards.

Note 4: FY20 Actual includes \$3.117 M of HEERF I (CARES) awards.

Table 6: Auxiliary Revenue

Auxiliary Revenue (\$ in millions)	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY2021 Actual	FY2022 Projection	FY2023 Budget	Amount Change	Percent Change
Student Housing	\$19.6	\$19.1	\$14.1	\$8.6	\$14.4	\$17.0	\$2.6	18%
Dining	0.1	0.4	7.1	2.6	4.5	5.5	1.0	22%
Commissions	2.3	1.9	1.9	0.3	0.2	0.2	0.0	0%
Parking	0.7	0.7	0.5	0.2	0.2	0.5	0.3	150%
Other	0.7	0.5	0.5	0.4	0.1	0.4	0.3	300%
Total Auxiliary Revenue	\$23.4	\$22.6	\$24.1	\$12.1	\$19.6	\$23.6	\$4.0	20%



Table 7: State Operating Support

Appropriations (\$ in millions)	FY 2018 Actual	FY 2019 Actual	FY2020 Actual	FY 2021 Actual	FY 2022 Projection	FY 2023 Budget	Amount Change	Percent Change
General Appropriations Act (GAA)	\$44.4	\$48.7	\$49.9	\$51.0	\$51.1	\$54.2	\$3.2	6.2%
Appropriation increases for CBA					4.4	1.0	-3.4	-76.6%
Funding Formula Allocation	0.0	0.4	0.0	0.0	0.9	1.1	0.2	17.0%
Total Appropriation	44.4	49.1	49.9	51.0	56.4	56.4	-0.1	-0.1%
State Paid Fringe	15.6	17.1	17.7	17.7	20.4	22.4	2.0	10.0%
Tuition Remission	-0.9	-0.9	-0.9	-0.8	-0.9	-0.9	0.0	4.0%
Other Appropriations	1.0	0.5	0.0	0.0	0.2	0.2	0.0	0.0%
Total State Support	\$60.1	\$65.7	\$66.7	\$67.9	\$76.2	\$78.1	\$2.0	2.9%
Note 1: FY22 Appropriation for CBA will include one-time funding of \$2.2M for Covid bonuses.								
Note 2: FY23 formula funding appropriation is still in the approval process at the state.								



Table 8: Managed Expenses

Managed Expenses (\$ in millions)	FY 2018 Actual	FY 2019 Actual	FY2020 Actual	FY2021 Actual	FY2022 Projection	FY2023 Budget	Amount Change	Percent Change
Compensation (See tables 8 - 12 for detail)	\$117.8	\$119.0	\$119.9	\$104.9	\$120.4	\$123.1	\$2.7	2.2%
<i>Administrative Expenses</i>	5.8	5.4	5.3	4.1	2.1	7.4	5.3	251.7%
<i>Programmatic Operational Supplies</i>	3.0	2.6	2.3	2.4	2.9	2.9	0.0	-0.8%
<i>Contracted Services</i>	3.2	4.8	8.8	7.8	10.1	10.7	0.6	5.9%
<i>IT and Telecom</i>	5.2	5.0	5.3	5.5	5.7	5.8	0.1	1.3%
<i>Contingency</i>	0.0	0.0	0.0	0.0	0.0	2.5	2.5	0.0%
<i>Other</i>	1.2	1.5	1.1	0.5	1.6	2.7	1.1	66.5%
Total Support	18.4	19.2	22.9	20.3	24.7	32.0	7.4	29.9%
<i>Utilities</i>	4.1	4.2	3.8	3.1	4.5	4.8	0.3	7.4%
<i>MSCBA Assessment & Interest Expense</i>	16.1	16.3	15.9	4.5	15.1	12.2	-2.9	-19.1%
<i>Space Rental</i>	1.6	1.9	1.8	1.1	1.1	1.1	0.0	2.0%
<i>Construction & Improvement</i>	4.3	3.4	2.9	4.0	3.8	3.5	-0.3	-8.3%
<i>Other</i>	0.0	0.0	0.0	0.5	0.8	0.9	0.1	16.3%
Total Facility-related	26.1	25.8	24.4	13.2	25.2	22.5	-2.7	-10.7%
Total Managed Expenses	\$162.3	\$164.0	\$167.1	\$138.5	\$170.3	\$177.7	\$7.5	4.4%
* The FY2023 Budget includes a University Wide Contingency of \$2.0 M, COVID-19 related expenses placeholder of \$1M, and a Strategic Initiative Pool of \$0.7 M								



Table 9: Compensation

Salaries and Wages (\$ in millions)	FY 2018 Actual	FY 2019 Actual	FY2020 Actual	FY 2021 Actual	FY 2022 Projection	FY 2023 Budget	Amount Change	Percent Change
Benefitted Faculty and Staff	\$70.7	\$71.8	\$67.1	\$62.2	\$71.2	\$73.1	\$1.8	2.6%
Adjunct Faculty	12.1	11.5	11.6	9.1	9.9	9.1	-0.8	-7.9%
Student Labor	3.0	2.9	2.8	2.1	3.3	2.6	-0.7	-20.7%
Contract Employees	2.2	2.3	2.5	2.5	3.0	3.0	0.0	1.6%
Other Labor	3.0	3.1	9.3	3.9	3.2	3.1	-0.1	-3.9%
Total Salaries and Wages	\$90.9	\$91.5	\$93.3	\$79.8	\$90.6	\$90.9	\$0.3	0.3%
Fringe Benefits	26.9	27.5	26.6	25.1	29.8	32.2	2.4	8.0%
Total Compensation	\$117.8	\$119.0	\$119.9	\$104.9	\$120.4	\$123.1	\$2.7	2.2%

Note 1: Other Labor includes overtime, vacation, holiday, sick payouts, and other categories.
 Note 2: FY2020 Actual includes the results of the voluntary separation incentive program (VSIP)
 Note 3: FY2021 Actual includes the results of a two week furlough program
 Note 4: FY2022 projection includes retroactive collective bargaining increases of 4.55% and 1.5% Covid bonus for eligible employees.

Table 10: Financial Full-Time Benefitted Employees (FFTE) by Union Classification

Financial Full-Time Benefitted Employees (FFTE)*	FY 2018 Budget	FY 2019 Budget	FY 2020 Budget	FY 2021 Budget	FY 2022 Budget	FY 2023 Budget	FFTE Change	% Change FY22-FY23	FY 2023 % of Total
Clerical Union (AFSCME)	253	252	213	196	199	202	3	1.6%	23.5%
Professional Union (APA)	276	283	253	247	260	280	20	7.6%	32.5%
Day and DGCE Faculty (MSCA)	362	364	323	313	316	318	2	0.5%	36.9%
Professional Non-Union (NUP)	62	63	57	55	55	55	0	0.4%	6.4%
Clerical Non-Union (NUC)	9	10	6	6	6	6	0	0.0%	0.7%
Total FFTE	962	973	853	817	836	861	25	3.0%	100.0%

Note: FY2020 Budget is net of the position reduction budgeted for the VSIP



Table 11: Financial Full-Time Benefitted Employees (FFTE) by Division

Financial Full-Time Benefitted Employees (FFTE)	FY 2018 Budget	FY 2019 Budget	FY 2020 Budget	FY2021 Budget	FY 2022 Budget	FY 2023 Budget	FY 2023 % of Total	FY22-FY23 % Change
Academic Affairs/Student Life	631	637	562	517	519	442	51.3%	-14.9%
Finance & Facilities	117	119	143	123	126	128	14.9%	1.6%
Inclusive Excellence	2	2	2	2	2	2	0.2%	0.0%
Advancement	29	29	27	24	28	29	3.4%	4.3%
Presidents Division	36	40	37	35	38	37	4.3%	-2.9%
Student Success	77	81	74	67	72	167	19.4%	131.3%
General Counsel/HR/ITS	70	65	60	50	51	56	6.5%	9.8%
VSIP Reduction (budget not allocated by VP)	0	0	-52	0	0	0	0.0%	0.0%
Total Financial Full-Time Benefitted Employees	961	973	853	818	837	861	100%	2.9%

Note: FY2020 Division totals updated to reflect correct location of 30 maintainers. Corrected from AA/SL to F&F
Note: FY23 Student Success division reorganized to combine Enrollment Management, Marketing, Student Life and some areas previously under AA as one unit.

Table 12: Salary and Wages for Benefitted Employees by Division

Salary and Wages for Benefitted Employees by Division (\$ in thousands)	FY 2019 Budget	FY 2020 Budget	FY 2021 Budget	FY 2022 Budget	FY 2023 Budget	Amount Change	Percent Change
Academic Affairs	52,882	50,823	44,996	45,573	42,545	(3,028)	-6.6%
Finance & Facilities	7,710	7,521	7,771	7,908	8,665	757	9.6%
Inclusive Excellence	236	213	263	253	264	11	4.5%
Advancement	2,404	2,304	2,012	2,347	2,633	285	12.2%
Presidents Division	2,825	2,723	2,389	2,816	2,929	113	4.0%
Student Success- New Division FY23	6,226	5,994	5,095	5,445	12,825	7,380	0.0%
VP General Counsel/HR/ITS	5,653	5,337	4,713	4,739	5,419	680	14.4%
APA/NUP Other Increases	128	94	136	116	89	(26)	-22.7%
MSCA Other Increases	633	440	297	327	296	(31)	-9.5%
AFSCME/NUC Other Increases	156	157	125	157	125	(32)	-20.3%
Vacancy Savings Target (University-wide)	(5,146)	(1,872)	(1,872)	(2,418)	(2,635)	(217)	9.0%
Other Adjustments					(230)	(230)	0.0%
Furlough	0	0	(6,110)	0	0	0	0.0%
MEPA Study	0	0	0	151	150	(1)	-0.4%
VSIP Reduction	0	(2,952)	0	0	0	0	0.0%
Total Financial Full-Time Benefitted Employees	\$73,707	\$70,781	\$59,815	\$67,412	\$73,074	\$5,661	8.4%

Note: FY23 Student Success division reorganized to combine Enrollment Management, Marketing and Student Life and some areas previously under AA as one unit.



Table 13: Fringe Benefit Rates as set by the Commonwealth

Benefit Description	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY2022 Actual	FY2023 Budget	Absolute Change	Percent Change
Group Insurance	22.1%	21.6%	20.2%	20.7%	20.3%	21.5%	1.3%	6.4%
Retirement	11.8%	12.1%	14.1%	14.7%	16.1%	17.2%	1.1%	6.8%
Terminal Leave	1.0%	1.3%	1.2%	1.1%	1.1%	1.3%	0.2%	14.5%
Subtotal	34.9%	34.9%	35.5%	36.4%	37.5%	40.0%	2.5%	3.0%
Unemployment Insurance	0.2%	0.3%	0.4%	0.3%	0.2%	0.1%	-0.1%	-56.3%
Universal Health Insurance	0.1%	0.1%	0.2%	0.1%	0.02%	0.04%	0.0%	100.0%
Medicare Tax	1.2%	1.4%	1.5%	1.3%	1.4%	1.4%	0.0%	-2.8%
Paid Family & Medical Leave (PFML)	0.0%	0.0%	0.4%	0.3%	0.4%	0.4%	0.0%	8.3%
Subtotal	1.5%	1.7%	2.4%	1.9%	2.0%	1.9%	-0.08%	-4.1%
Total Fringe Benefit Rate	36.3%	36.6%	37.9%	38.3%	39.4%	41.9%	2.5%	6.2%

Appendix I: Trust Fund Matrix

Trust Fund	Description	Examples
L3_Unrestricted Auxiliaries	Self-supporting operations that provide services to students, faculty, or staff; not restricted by an entity outside of the university.	Fund 2540 – Vendor Fund for Commissions
L3_Education & General Funds	Funds donated by others outside the university for a specific purpose.	Fund 1000 - State Maintenance Appropriation
L3_Grants	Funds provided by an external party in return for a specific project or other action by the university. .	Fund 2200 - Pell Grant
L3_Gifts and Contributions	Funds donated by others outside the university for a specific purpose.	Fund D500 – Academic Affairs
L3_Residence Hall Trust Fund	Self-supporting operations that provide services to students, faculty, or staff; restricted by an entity outside of the university.	Fund 2504 – Dormitory Trust Fund
L3_Restricted Other	Funds provided by external parties with restrictions on how the funds are to be expended.	Fund 2304 - Alpha Lambda Delta
L3_Net Invested in Capital Assets	Capitalizable facility projects; depreciation; debt.	Fund 7040 - Invested in Cap Assets-Net



Appendix II: Vendors with Contracts in Excess of \$500,000 which are pre-approved upon approval of FY23 Budget

Vendor Name	Vendor Description	Anticipated Spending FY 2023	Trust Fund Name	PeopleSoft Fund Number	PeopleSoft Fund Name
Utilities					
CITY OF SALEM WATER	Water/sewer	600,000	General/RHTF*	1100 & 2504	University Fee & Residential Life
DIRECT ENERGY MARKETING INC.	Natural gas supply	1,100,000	General/RHTF*	1100 & 2504	University Fee & Residential Life
NATIONAL GRID ELECTRIC	Electric service	2,900,000	General/RHTF*	1100 & 2504	University Fee & Residential Life
NATIONAL GRID GAS	Natural gas transporter	700,000	General/RHTF*	1100 & 2504	University Fee & Residential Life
Technology					
DELL COMPUTERS	Computer related equipment	600,000	Educational & General	7010	University Fee
EAB	Enrollment management, virtual tour features, and student retention services	1,054,000	Education & General	1100	University Fee
INTEGRATION PARTNERS CORPORATION	Technology	500,000	Educational & General	1100	University Fee
ORACLE AMERICA	Software subscription and support	500,000	Educational & General	1100	University Fee
SOFTWARE HOUSE INTERNATIONAL	Software subscription and support	1,200,000	Education & General	1100	University Fee
Facilities					
COMPASS FACILITY SERVICES	Janitorial and cleaning services	500,000	Educational & General	1100 & 1278	University Fee & COVID fund
Property Lease - 331 LAFAYETTE LLC	Lease expense	700,000	Educational & General	1100	University Fee
Property Lease - SALEM STATE UNIV.-ASSISTANCE CC	Lease expense, SSU assistance	500,000	Educational & General	1100	University Fee
RED THREAD	Furniture and electronics	500,000	Educational & General	1100	University Fee
To Be Determined	Capital Projects	8,700,000	Educational & General	1100	Facilities Projects
Services					
CLINICAL RESEARCH SEQUENCING PLATFORM LLC	COVID Testing	800,000	Educational & General	1278	University Fee
DPV TRANSPORTATION INC	Bus charter services	500,000	Educational & General	1100	University Fee
SODEXO OPERATIONS, LLC.	Food service supplier	7,800,000	Unrestricted Auxiliaries	2550	Contracted Dining Operations
Other					
FOLLETT	Educational and General	725,000	Educational & General	1100	University Fee
UNIVERSITY HEALTH PLANS, INC.**	Student health insurance	1,800,000	Agency	6216	Health Insurance

Most of the above vendors are signed to multi-year contracts.

* Utility costs are allocated between the Educational and General Trust Funds and the Residence Hall Trust Fund.

** The University treats the revenues and expense for University Health Plans, Inc. as a flow-through within a liability account, based on the nature of the existing contract.



Appendix III-A: List of Proposed Facilities Projects

Location	Project	Funding Amount DCAMM	Funding Amount University Fee	Funding Amount MSCBA	Total
Berry Library	HVAC Repairs & Upgrades	\$ 2,100,000			\$ 2,100,000
Bertolon	Cooling Tower Replacement	1,083,250			1,083,250
Campus Wide	Decarbonization	1,000,000			1,000,000
Sullivan	Basement Structural Repairs/ADA Ramp	886,910	520,890		1,407,800
Campus Wide	BOLD - \$30M DCAMM award through FY27	700,000			700,000
Meier Hall	Waterproofing 6th Floor Exterior Walls	611,277	443,740		1,055,017
Campus Wide	Automated Building Controls Phases 2 & 3	550,000		150,000	700,000
Various	Emergency Generator Compliance	350,000		100,000	450,000
Meier Hall *	Stairwell Repairs	250,000			250,000
Campus Wide	Space Adjustments		750,000		750,000
Campus Wide	Contingency		427,370		427,370
Campus Wide	Accessibility Improvements		300,000		300,000
Campus Wide	Classroom Refresh		100,000		100,000
Campus Wide	Donor Signage		25,000		25,000
Campus Wide	Annual Fund for ADA Committee		10,000		10,000
Total		\$ 7,531,437	\$ 2,577,000	\$ 250,000	\$ 10,358,437

* The bulk of the Meier Hall stairwell (emergency repairs) were incurred by the university in FY22.



Appendix III-B: List of Proposed ITS Projects

Sponsor	Project	Recommended Funding Amount
ITS	Computer Inventory	\$ 187,000
ITS	Thin Client Inventory	25,000
ITS**	Student Loaner Laptops	5,000
ITS -Networking	Wi-Fi upgrades for remaining Xirrus buildings - 287 Lafayette - Library - North Campus Dining Commons - Admin Building - Enterprise Center	310,000
ITS - Networking	Firewall Replacement	173,000
Total		\$ 700,000



Appendix IV - Tuition/Fees Rates for FY23

**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					



Appendix IV - Tuition/Fees Rates for FY23

Schedule of Student Charges
2022-23 Academic Year

Summer

IN-STATE	Summer 2022		Summer 2023	
	Per Credit	Full-Time	Per Credit	Full-Time
Undergraduate (SCPS)				
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
Undergraduate (SCPS)				
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	



Appendix IV - Tuition/Fees Rates for FY23

**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		\$4,848.50		\$4,848.50	\$9,697.00
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					
All Access Plan - 7 Day Silver Plan		\$2,090.00		\$2,090.00	\$4,180.00
All Access Plan - 7 Day Gold Plan		\$2,290.00		\$2,290.00	\$4,580.00
All Access Plan - 7 Day Platinum Plan		\$2,430.00		\$2,430.00	\$4,860.00
Block Plan 1		\$430.00		\$430.00	\$860.00
Block Plan 2		\$780.00		\$780.00	\$1,560.00
Block Plan 3		\$1,220.00		\$1,220.00	\$2,440.00
Summer Meal Plan A - 10 meals					\$80.00
Summer Meal Plan B - 57 meals					\$456.00
Summer Meal Plan C - 114 meals					\$912.00
Summer Meal Plan D - 140 meals					\$1,120.00
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					\$3,694.00
Damage Deposit for Resident Students					\$50.00
Liability Insurance for Nursing, OT and Athletic Training Students					\$15.00



Appendix IV - Tuition/Fees Rates for FY23

Schedule of Student Charges 2022-23 Academic Year

	Fall 2022	Spring 2023	Academic Year
	Full-Time	Full-Time	Full-Time
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
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	



Appendix IV - Tuition/Fees Rates for FY23

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

The **All Access Plan** 7-Day Silver Plan will be the minimum required plan for students living in Peabody, Bowditch, Marsh or Viking Hall.

Plan Name	Board Meals	Guest Meals	Dining Dollars	Clipper Card	Cost per Semester
All Access Plan					
7 Day Silver Plan	Unlimited	3	\$0	\$50	\$2,090
7 Day Gold Plan	Unlimited	6	\$150	\$100	\$2,290
7 Day Platinum	Unlimited	8	\$300	\$100	\$2,430

Block Plan 1 will be the minimum required plan for all students living in Atlantic.

Plan Name	Board Meals	Guest Meals	Dining Dollars	Clipper Card	Cost per Semester
Block Plan					
Block Plan 1	42	0	\$100	\$25	\$430
Block Plan 2	60	0	\$300	\$50	\$780
Block Plan 3	140	0	\$200	\$50	\$1,220

Summer Meal Plans are paid in one lump sum for various meal plan options for the summer.

- 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.



Appendix IV - Tuition/Fees Rates for FY23

Undergraduate - Summer (SCPS) Fees	
<u>Summer SCPS Additional Fees</u>	
<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	\$3,663.00
Liability Insurance for Nursing, OT and Athletic Training	\$15.00
<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



Appendix IV - Tuition/Fees Rates for FY23

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	



Appendix IV - Tuition/Fees Rates for FY23

Schedule of Student Charges
2022-23 Academic Year

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	

Appendix IV - Tuition/Fees Rates for FY23

**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)	\$3,363.00
Liability Insurance for Nursing, OT and Athletic Training	\$15.00
<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



Appendix IV - Tuition/Fees Rates for FY23

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 (MEEd)	Geo-Information Science (MS)
Elementary Education (MEEd)	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 (MEEd)	Higher Education in Student Affairs (MEEd)
Library Media Studies (MEEd)	School Counseling (MEEd)
Mathematics (MAT)	Education - Licensure Only Programs
Middle School Education (MEEd)	School Adjustment Counselor (Initial Licensure Only)
Middle School Math (MAT)	School Counseling
Physical Education (MAT)	Graduate Certificate Programs
Reading (MEEd)	Applied Behavior Analysis (closed to new entrants)
Secondary Education (MEEd)	Clinical Trial Management (closed to new entrants)
Spanish (MAT)	Computer Science (closed to new entrants)
Special Education (MEEd)	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	

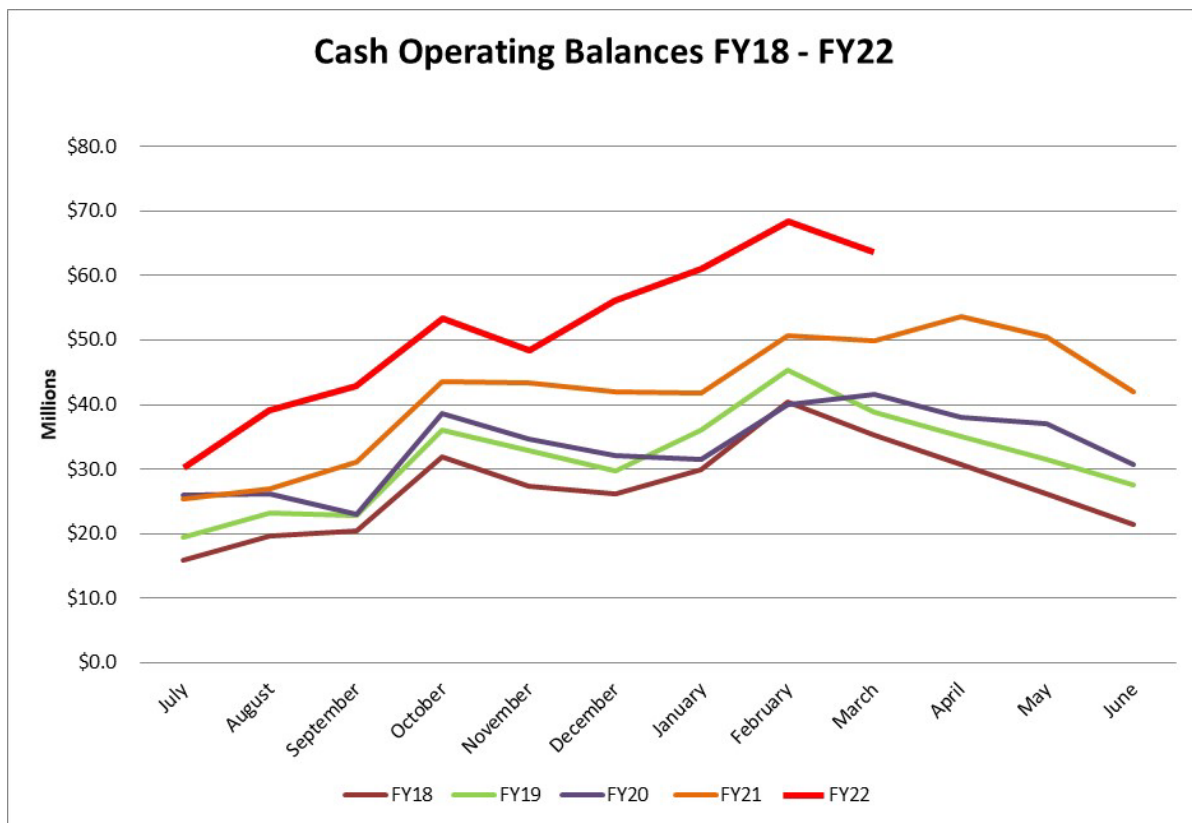
Graduate non-matriculated students will be charged at the Price Group 2 rate.

**Salem State University
Interim Financial Review through the Third Quarter (Q3) of FY22 (3/31/2022)
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 March 31, 2022, 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:



Note: Operating Cash includes Deposits Held by State Treasurer

Summary Financial Information for FY21-Q3 and FY22-Q3

	<i>(In Thousands)</i>				Budget	Projection
	FY21Q3	FY22Q3	\$ Change	% Change	FY22	FY22
Managed Revenues	\$ 136,491	\$ 156,337	\$ 19,846	14.5%	\$ 160,612	\$ 180,156
Managed Expenses	101,377	113,944	12,567	12.4%	164,547	170,268
Managed Net Income	35,114	42,393	▲ 7,279	20.7%	(3,935)	▲ 9,887
Non Cash Revenue/(Expenses)	(3,250)	(8,659)	▼ (5,409)	166.4%	(3,921)	(7,854)
Total Increase/(Decrease) in Net Position	\$ 31,864	\$ 33,734	▲ 1,870	5.9%	\$ (7,856)	▲ 2,034

Balance Sheet – Excluding cash with state and other agencies, the cash balance increased \$25.7 million since June 30, 2021, primarily due to the timing of payments. On March 31, 2022, the accounts receivable balance stood at \$9.4 million, an increase of \$1.2 million since June 30, 2021, due to the billing of the summer semester. The March 2022 accounts receivable balance is lower to the balance as of March 2021 by \$1.5 million or 14.4% due to decreases in enrollment. Capital assets have decreased \$4.7 million primarily due to depreciation taken through the third quarter, offset by asset additions. Investments have increased 24.4% or \$8.3 million to \$42.3 million since June 30, 2021, primarily due to additional transfers to the working capital investment account offset by unfavorable market conditions. Accounts payable and accrued expenses decreased \$4.0 million or 64.9% 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 (March) — 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 \$12.2 million in HEERF funds during FY2022.

Managed Revenues and Expenses - For the nine months ending March 31, 2022 (FY22), Salem State's net position increased by \$33.7 million overall which is higher than the prior year of \$31.9 million. For managed net income, the YTD result through the third quarter of FY22 is \$42.4 million, an increase of \$7.3 million or 20.7% over the same period in FY21. Net tuition and fees decreased \$15.1 million, or 28.7% over the same period in FY21 due to enrollment decreases and increases in student grants primarily from HEERF funding. Auxiliary enterprise revenue was \$7.8 million or 66.1% higher over prior year due to increased housing occupancy and meal plans in FY22. Managed expenses of \$113.9 million increased \$12.6 million or 12.4% over the same period in the prior year. Compensation increased \$4.3 million or 5.6% 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 third quarter decreased \$8.7 million (expense) due to lower market return on investment activity and depreciation on capital assets.

Comparison of Current FY22 Projection to Approved FY22 Budget – Managed Net Income is projected to a positive \$9.9 million compared to the \$3.9 million deficit in the approved original budget.

Managed Revenue and Expense Activity:

- A favorable budget variance of \$2.6 million in gross tuition and fees is projected. Enrollment for first three semesters (summer 1, Fall 2021 and spring 2022) all exceeded budget. Summer enrollment is not underway but is expected to be slow.
- Net tuition and fees project an unfavorable variance of \$9.6 million. The projection for the distribution of HEERF funds has increased to \$8.8 million and an additional \$2.0 million in state funded scholarship is to be awarded based on the program requirements set by the state. There is no increase forecasted in institutionally funded scholarship.
- A favorable variance of \$17.6 million in Grant revenue. This is the recognition of an additional \$6.0 million in federal institutional relief funding, \$9.5 million in federal relief funding awarded directly to students, and an additional \$1.3 million from the federal SIP program.

Attachment D

- A favorable variance of \$4.8 million in Auxiliary revenue. Fall and Spring housing occupancy and Dining revenues exceed the budget. Fall housing occupancy exceeded budget by 411 students. Spring housing occupancy exceeded the budget by 347 students. Both have a favorable effect on Dining revenue, which is expected to exceed budget by approximately \$1.4 million.
- A favorable variance of \$6.7 million in state support for collective bargaining contract funding is projected. This funding is exclusively for benefitted faculty and staff salaries and does not cover the full cost of such increases. The funding has been approved by the state legislature and governor. Payments to employees are to be processed in the fourth quarter.
- A favorable variance of \$.05 million in Other Revenue reflects favorable returns on investment income. Due to market volatility, the university maintains a conservative number until revenue is recognized.
- In expenses, an unfavorable variance of \$7.3 million in compensation, primarily due to retroactive salary increases and Covid bonuses per the collective bargaining agreement which covers FY21-FY23. In addition, vacancy savings estimates are reduced based on new hires and expected new hires during the remainder of the fiscal year. Adjunct Faculty and Contract (C09) employee projections are increased by \$1.7 million based on higher expenditures YTD.
- There is a favorable variance of approximately \$5.8 million in Support based on spending patterns year to date. The forecast assumes spending is moving towards pre-pandemic rates as on-campus activities such as commencement are reinstated.
- Facility-related expenses are expected to be \$4.3 million unfavorable to budget. Attributable to the Bates' defeasance costs of \$4.2 million to be paid and increases in utility expenses due to higher dorm occupancy and on-campus activities.

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)

	3rd Qtr FY 2021	3rd Qtr FY 2022	Year End FY 2021	Original Budget FY 2022	Projection FY 2022
Managed Revenues:					
Tuition and fees	\$ 78,030	\$ 75,015	\$ 80,469	\$ 74,705	\$ 77,300
Less: scholarships, fellowships & waivers	(25,460)	(37,543)	(31,471)	(25,608)	(37,859)
Net tuition and fees	52,570	37,472	48,998	49,097	39,441
Federal, state & private grants	18,925	38,952	31,619	22,206	39,782
Auxiliary enterprises	11,820	19,629	12,100	14,756	19,563
State general appropriations	49,672	56,045	67,963	69,383	76,150
Other revenue	3,504	4,239	5,390	5,170	5,219
Total Managed Revenues	(A) 136,491	156,337	166,070	160,612	180,156
Managed Expenses:					
Compensation	76,301	80,594	104,920	113,045	120,377
Support	14,302	15,881	20,317	30,553	24,660
Facility-related	10,774	17,469	13,235	20,949	25,231
Total Managed Expenses	(B) 101,377	113,944	138,472	164,547	170,268
Managed Net Income	(A-B)=(C) 35,114	42,393	27,598	(3,935)	9,887
Non-Cash Revenue/(Expenses):					
Capital grants	1,361	961	3,708	1,835	1,836
Depreciation	(7,020)	(6,901)	(9,474)	(9,690)	(9,690)
Unrealized gains/(losses)	2,409	(2,719)	3,252	-	-
GASB 68 Pension	-	-	(1,085)	-	-
GASB 75 OPEB	-	-	5,266	-	-
Source (Use) of Net Position	-	-	-	3,934	-
Total Non-Cash Revenue/(Expenses)	(3,250)	(8,659)	1,667	(3,921)	(7,854)
Total Increase/(Decrease) in Net Position	\$ 31,864	\$ 33,734	\$ 29,265	\$ (7,856)	\$ 2,034



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-March Actuals (\$K)
Managed Revenues:										
Net tuition and fees	\$48,998		\$65,737	(\$25,457)	(\$984)	(\$2,268)	\$444			\$37,472
Federal, state & private Grants	31,619			38,918		34				38,952
Auxiliary enterprises	12,100	\$5,146	(48)	(10)		14,411	130			19,629
State general appropriations	67,963		55,976	69						56,045
Other revenue	5,390	133	1,748	(62)	2,325		39	\$56		4,239
Total Managed Revenues	166,070	5,279	123,413	13,458	1,341	12,177	613	56	-	156,337
Managed Expenses:										
Compensation	104,920	113	75,492	2,050	171	2,759	9			80,594
Support	20,317	3,983	10,513	587	262	276	260			15,881
Facility-related	13,235	270	5,909	10,525	(\$65)	\$5,114	75		(\$4,359)	17,469
Total Managed Expenses	138,472	4,366	91,914	13,162	368	8,149	344	-	(4,359)	113,944
Managed Net Income	27,598	913	31,499	296	973	4,028	269	56	4,359	42,393
Non-Cash Revenues/(Expenses):										
Capital grants	3,708		961							961
Depreciation	(9,474)								(6,901)	(6,901)
Unrealized gains/(losses)	3,252		(2,628)				(8)	(83)		(2,719)
GASB 68 Pension	(1,085)									-
GASB 75 OPEB	5,266									-
Total Non-Cash Revenue/(Expenses)	1,667	-	(1,667)	-	-	-	(8)	(83)	(6,901)	(8,659)
Total Increase/(Decrease) in Net Position	\$29,265	\$913	\$29,832	\$296	\$973	\$4,028	\$261	(\$27)	(\$2,542)	\$33,734

Statements of Net Position
(In Thousands)

	FY 2021	FY 2022 YTD	Change	
	Year End	March 31	\$	%
Assets:				
Cash	\$ 37,405	\$ 63,121	\$ 25,716	68.8%
Cash with State and other agencies	6,774	1,072	(5,702)	-84.2%
Accounts and other receivables	8,247	9,395	1,148	13.9%
Capital assets	157,958	153,209	(4,749)	-3.0%
Investments	34,044	42,342	8,298	24.4%
Loans receivable, net	1,218	1,092	(126)	-10.3%
Debt Service Reserve	1,176	1,176	-	0.0%
Other Assets	365	251	(114)	-31.2%
Total Assets	247,187	271,658	24,471	9.9%
Deferred Outflows of Resources	20,988	20,988	-	0.0%
Total Assets and Deferred Outflows of Resources	\$ 268,175	\$ 292,646	\$ 24,471	9.1%
Liabilities:				
Accounts payable and accrued expenses	\$ 6,121	\$ 2,146	\$ (3,975)	-64.9%
Accrued Payroll	7,681	4,759	(2,922)	-38.0%
Bonds and notes payable	33,030	31,315	(1,715)	-5.2%
Compensated absences	10,149	10,149	-	0.0%
Loan payable, federal financial assistance programs	1,916	1,579	(337)	-17.6%
Other liabilities	5,754	5,514	(240)	-4.2%
Net Pension Liability	39,994	39,994	-	0.0%
Net OPEB Liability	51,463	51,463	-	0.0%
Total Liabilities	156,108	146,919	(9,189)	-5.9%
Deferred Inflows	65,866	65,792	(74)	-0.1%
Total Liabilities and Deferred Inflows of Resources	221,974	212,711	(9,263)	-4.2%
Net Position:				
Invested in capital assets	122,095	119,553	(2,542)	-2.1%
Restricted	11,746	17,277	5,531	47.1%
Unrestricted	(87,640)	(56,895)	30,745	-35.1%
Total Net Position	46,201	79,935	33,734	73.0%
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 268,175	\$ 292,646	\$ 24,471	9.1%



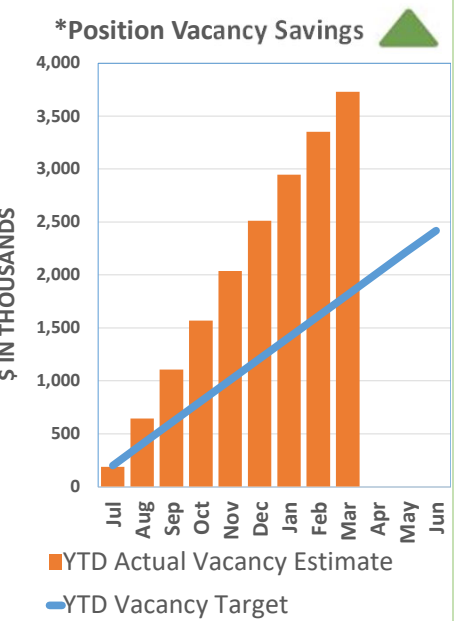
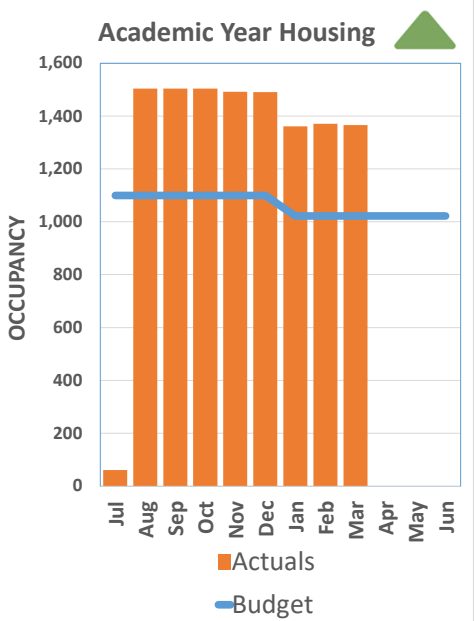
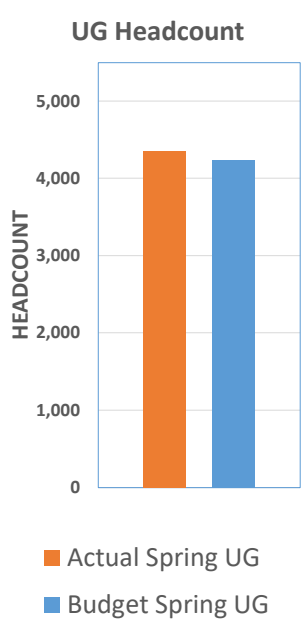
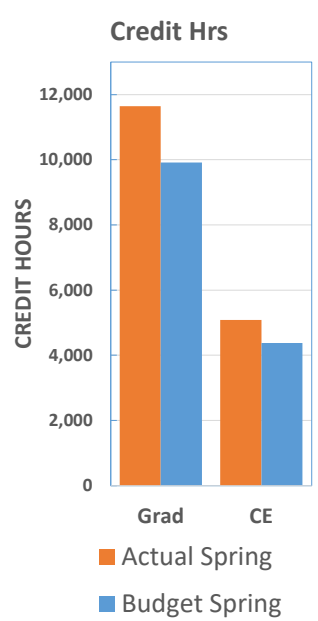
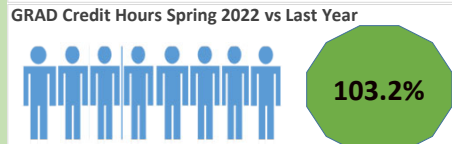
Statement of Cash Flows
(In Thousands)

	YTD 03/31/22 FY 2022
Cash flow from operating activities:	
Tuition and fees (net)	\$ 50,788
Grants and contracts	20,344
Payments to vendors, employees and students	(116,548)
Auxiliary and other receipts	16,772
Net cash used by operating activities	(28,644)
Cash flow from non-operating activities:	
State appropriations (net)	40,555
Gifts, investment and other sources	2,424
HEERF grants	20,999
Net cash provided by non-operating activities	63,978
Cash flow from capital, financing and investing activities:	
Purchases of capital assets	(3,110)
Debt service payments on note payables	(2,578)
Investment activities (net)	(9,632)
Net cash used in capital financing, and investing activities	(15,320)
Net increase in cash and cash equivalents	20,014
Cash and cash equivalents at beginning of period	44,179
Cash and cash equivalents at end of period	\$ 64,193

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

	Year to Date through March 31		Full Fiscal Year		
	FY2021	FY2022	FY2021	FY2022	FY2022
	Actual	Actual	Actual	Budget	Projection
Operating Revenues:					
Tuition and fees	\$ 78,030	\$ 75,015	\$ 80,469	\$ 74,705	\$ 77,300
Less: scholarships and fellowships	(16,773)	(19,166)	(18,695)	(16,395)	(19,464)
Net tuition and fees	61,257	55,849	61,774	58,310	57,836
Federal, state and private grants	17,860	19,407	19,844	18,752	19,516
Sales and services of educational departments	245	234	350	508	508
Auxiliary enterprises	11,820	19,629	12,100	14,756	19,563
Other operating revenues	34	255	638	281	354
Total Operating Revenues	91,216	95,374	94,706	92,607	97,777
Operating Expenses:					
Compensation and benefits	76,300	80,594	100,740	113,045	120,377
Supplies and services	22,733	30,144	29,917	46,149	44,605
Utilities	2,209	2,694	3,124	4,362	4,499
Depreciation	7,020	6,901	9,474	9,690	9,690
Scholarships and fellowships	8,687	18,377	12,776	9,212	18,395
Total Operating Expenses	116,949	138,710	156,031	182,458	197,566
Non-Operating Revenues/Expenses:					
State appropriations, net	49,672	56,045	67,963	69,383	76,150
HEERF Grants	1,066	19,544	11,776	3,454	20,266
Gifts	1,598	2,351	2,370	2,376	2,376
Contribution from SSUAC	-	-	-	-	-
Investment income (loss)	4,036	(1,320)	5,283	2,006	1,982
Other revenue - MSCBA	-	-	-	-	-
Interest expense on bonds & other debt	(136)	(511)	(511)	(991)	(787)
Net Non-Operating Revenues/Expenses	56,236	76,109	86,881	76,228	99,987
Capital grants	1,361	961	3,709	1,835	1,836
Use of Net Position	-	-	-	-	-
Total Increase (Decrease) in Net Position	\$ 31,864	\$ 33,734	\$ 29,265	\$ (11,788)	\$ 2,034

Statistics



Key Managed Revenues as of 3/31/2022 (current fiscal year) and March month end, closed (prior fiscal year)

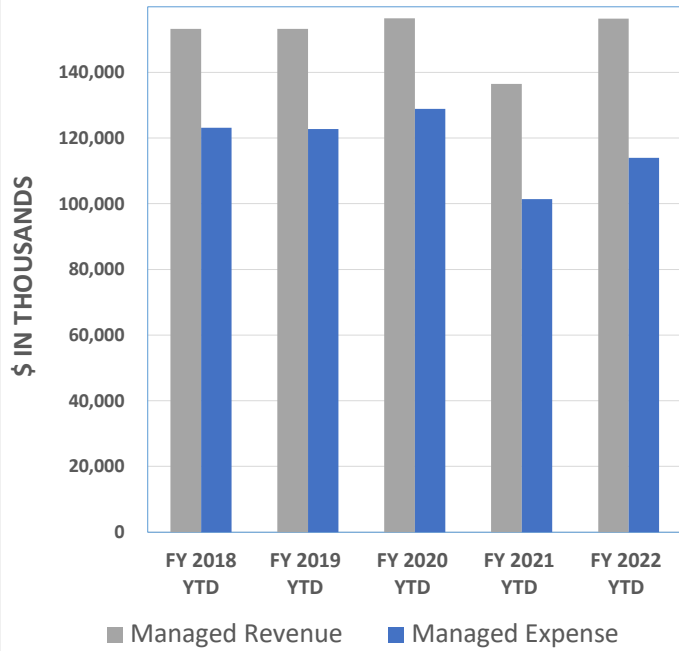
Net Tuition & Fees			State General Appropriations			Auxiliaries		
Full Year 2022 Budget: \$49.1M 30.6% of Total Managed Revenue Budget			Full Year 2022 Budget: \$69.4M 43.2% of Total Managed Revenue Budget			Full Year 2022 Budget: \$14.8M 9.2% of Total Managed Revenue Budget		
% Attainment	Prior FY	Current FY	% Attainment	Prior FY	Current FY	% Attainment	Prior FY	Current FY
\$ Actual	\$52,570K	\$37,472K	\$ Actual	\$49,672K	\$56,045K	\$ Actual	\$11,820K	\$19,629K

Managed Expenses as of 3/31/2022 (current fiscal year) and March month end, closed (prior fiscal year)

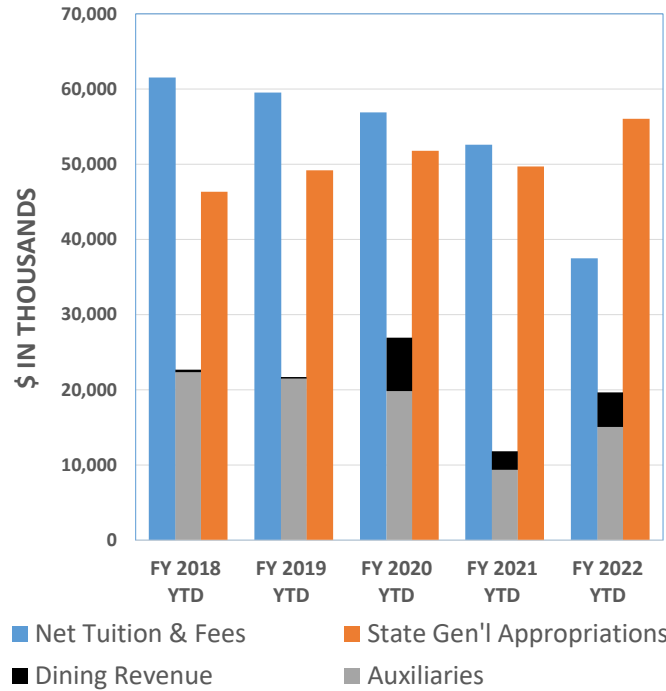
Compensation			Support			Facility Related		
Full Year 2022 Budget: \$113M 68.7% of Total Managed Expenses Budget			Full Year 2022 Budget: \$30.6M 18.6% of Total Managed Expenses Budget			Full Year 2022 Budget: \$20.9M 12.7% of Total Managed Expenses Budget		
% Attainment	Prior FY*	Current FY	% Attainment	Prior FY	Current FY	% Attainment	Prior FY	Current FY
\$ Actual	\$76,301K	\$80,594K	\$ Actual	\$14,302K	\$15,881K	\$ Actual	\$10,774K	\$17,469K

Managed Net Income Trends as of 3/31/2022 (current fiscal year) and March Month end, closed (prior fiscal years)

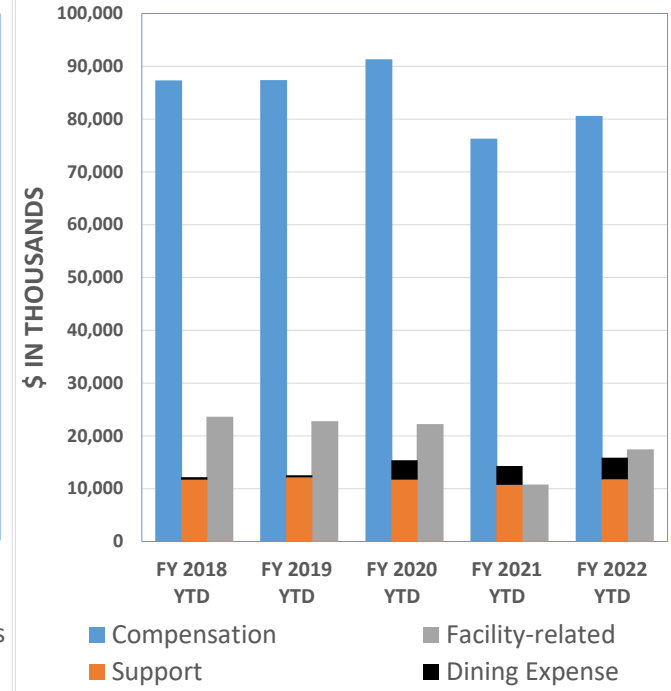
Five-Year Managed Revenue & Expense Trend



Trends - Key Managed Revenues

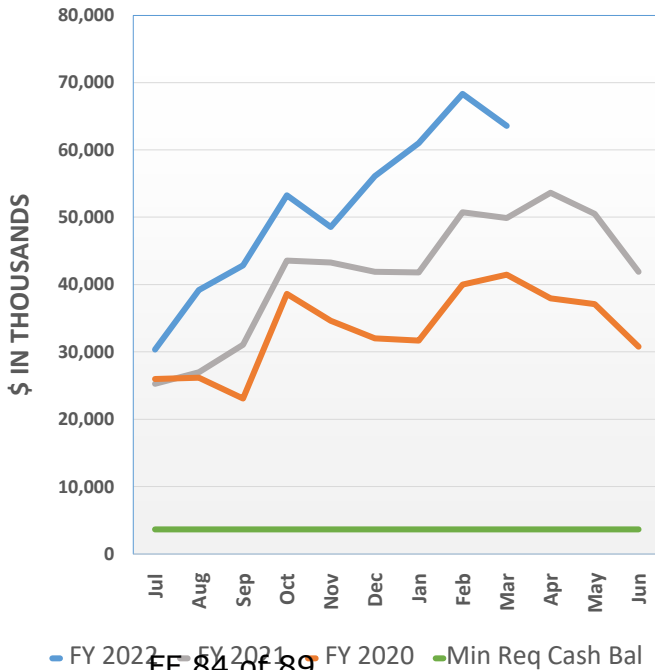


Trends - Key Managed Expenses

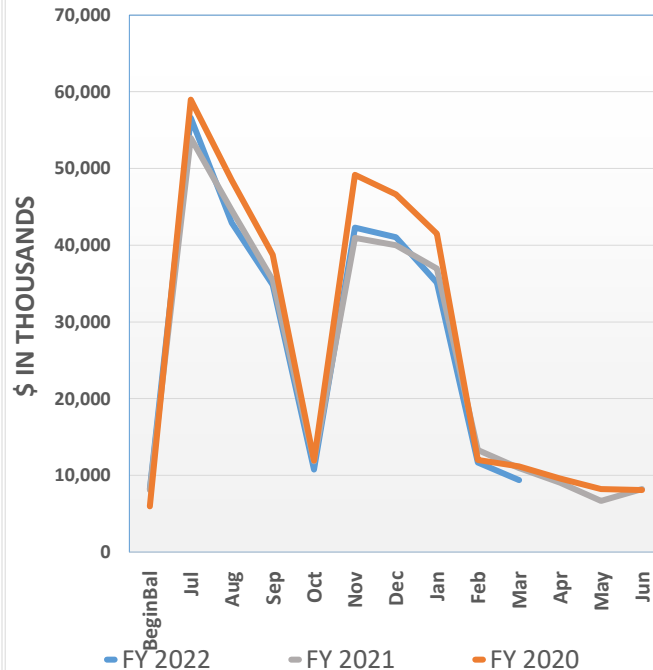


Balance Sheet Trends

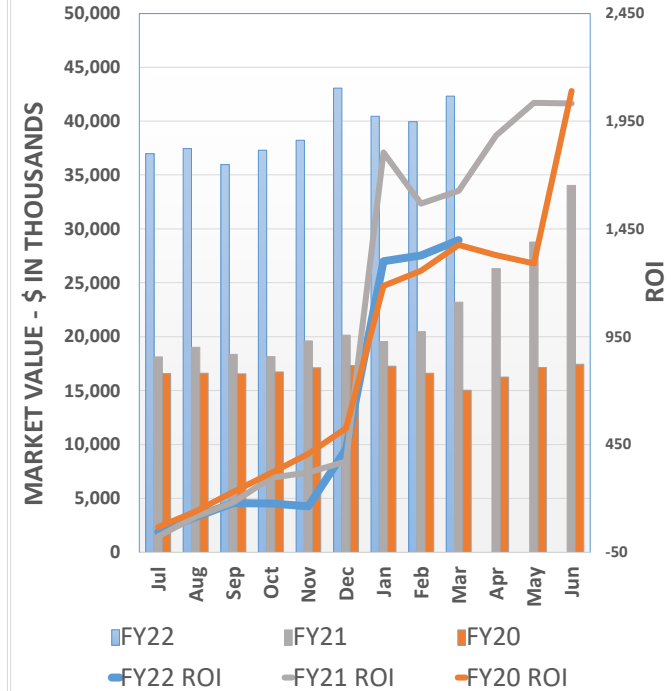
Monthly Cash Balances



Monthly Gross Receivables



Investments

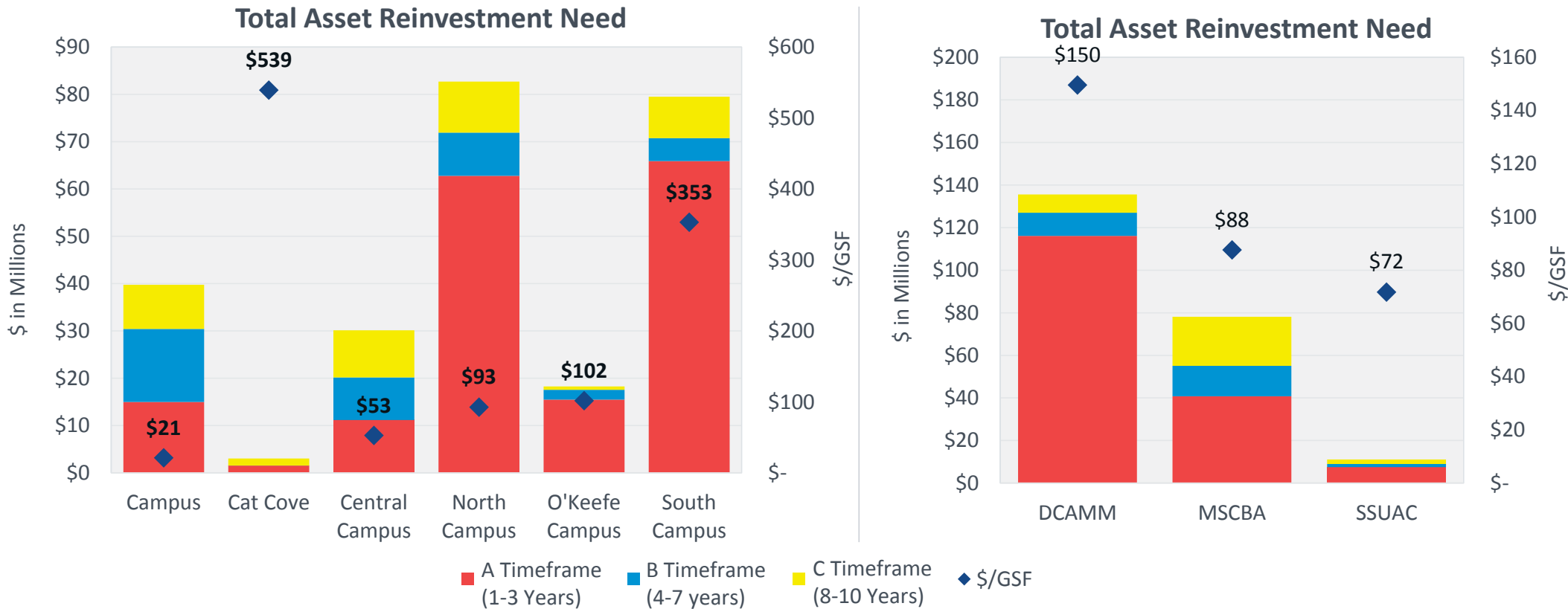


Data as of December 2017



Asset Reinvestment Need by Campus

Breaking out campus AR Need by timeframe





Sustainability Update April 2022

Solar project on Meier Roof: Installation of the 121 KW rooftop solar array is 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 has begun and is five percent complete.
- The \$2.8 million Library HVAC upgrade project is going out to bid in May 2022.
- Phase 2 of the Building Controls project is awaiting DCAMM funding approval.
- Steam infrastructure improvements are underway.

Earth Days:



The theme for Earth Days 2022 was “**Climate Crises: Actions for a Just and Livable World.**”

- Engaged over 1,000 participants
- Some of the presentations were recorded and are accessible via the links at <https://www.salemstate.edu/earthday>.
- The winning student climate change reflections were very moving and can be viewed in Red Skies: <https://redskiesmagazinessu.wordpress.com/>.
- Student posters entered into the research poster competition and photos of the art students’ minigolf holes will be accessible via the Berry Library Digital Commons shortly.
- Friend of the Earth awards were presented to:
 - HEET
 - BU Professor Nathan Philips
 - Joey Wolongevicz (student award)

Pollinator Garden

Sustainability Council interns initiated a pollinator garden behind Sullivan Hall. Planting will be completed in early May. The Alumni Association is generously funding this effort.



Reuse:

- Interns pioneered reuse projects on campus:
 - Freecycle pilot initiated in three residence halls where students can place items such as lamps, fans, books, décor on designated tables and others can take what they want.
 - Office Supply Swap project collected 17 boxes of unwanted office items and gave away more than half during Earth Days.

Capital Projects Status Update May 2022

PROJECTS UNDER CONSTRUCTION

Automated building controls: phase 1, 7 Buildings

Anticipated completion: Summer 2022

Budget: \$1,046,010

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

Lighting upgrades: campus wide lighting upgrades

Anticipated completion: Summer 2022

Budget: \$1.9 million

Other:

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

Meier Hall: penthouse waterproofing

Anticipated completion: Summer 2022

Current estimate: \$1,053,000

Meier Hall: replace failed stairwell wall

Anticipated completion: Summer 2022

Budget: Being developed

Other:

- Repair failure of glazed clay tile wall in stairwell D
- Emergency repair

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: Bids expected by May 31, 2022

Sullivan: elevator replacement

Preliminary study completed, scope to be determined

Next steps: Project deferred to next DCAMM 5-year plan

Sullivan: basement structural repairs

- Structural repairs to subsurface coal bunkers
- New ADA ramp

Next steps: Bids expected by May 31, 2022

**Capital Projects Status Update
May 2022**

PROJECTS IN PLANNING/STUDIES (CONT)

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

Project BOLD

State funding award received, \$30 million

Awaiting project kickoff by DCAMM