

SUBJECT: Finance & Facilities Committee Meeting Report for January 25, 2023

The meeting was held remotely in accordance with the General Laws of the Commonwealth of Massachusetts, Chapter 30A and An Act Relative to Extending Certain State of Emergency Accommodations, which, among other things, extends the expiration of the provisions pertaining to the Open Meeting Law to March 31, 2023. Specifically, this extension allows public bodies to continue holding meetings remotely without a quorum of the public body physically present at a meeting location, and to provide "adequate, alternative" access to remote meetings. All votes taken during this meeting were by roll call vote.

Present for the Committee: Trustees Russell (chair), Lampassi, Mattera and Walsh. Also present and participating: Chairperson Butts, President Keenan (ex-officio), Vice President House (committee liaison) and staff associate Beaulieu.

Absent for the Committee: Trustee Morales

Trustee Russell, committee chair, called the meeting to order at 4:22 pm.

Slides to supplement the previously provided information (Attachment A)
Slides were used throughout the meeting to facilitate the virtual meeting and highlight key aspects of the meeting topics, supplementing previously distributed materials.

Report on International Students (Attachment B)

A report on international students at Salem State was provided to trustees in advance of the meeting (Attachment B). A \$375 per semester fee for international students, in place since 2017, was suspended for FY2023. Highlights of the discussion included the cultural, academic, and fiscal impact of international students; pricing structure and amounts for sister institutions and other private institutions that educate international students and activities of the Center for International Studies office. Further discussion will take place at the next committee meeting when fees for FY2024 are recommended. Administration was advised to provide a plan to recoup lost revenue should a recommendation be made to eliminate the international student fee when prices are set in March/April.

Investment performance for calendar year 2022 (Attachment C)

Mr. Doherty and Mr. Tyler of Eastern Bank Wealth Management were in attendance. Topics discussed were adherence to the investment policy; performance of the growth and income and working capital investment portfolios for calendar year 2022; benchmark comparisons; rebalancing of the portfolio and strategy; and the economic outlook.

FY23 Q1 financials/dashboard (Attachment D, E)

FY2023 is projected to end with a positive managed net income.

BHE Strategic Review of Public Higher Education Financing (Attachment F)

The Board of Higher Education (BHE) adopted a report and established a framework for strategic financing of public higher education. The framework will guide BHE budgetary recommendations including allocation of new revenues from the Fair Share amendment. However, with a new administration in place the BHE has not yet approved its budget recommendation for FY24. Trustee Mattera, the State University Trustee representative on the BHE Board, will discuss this during the next full Board of Trustees meeting on February 8.

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

Sustainability update (Attachment G)

Capital projects status update (Attachment H)

Trustee Mattera **MOVED** that the Finance and Facilities Committee meeting adjourn **SECONDED** by Trustee Lampassi.

A roll call vote was taken.

Voting in the affirmative: Trustees Butts, Lampassi, Mattera, Russell, Walsh

Voting against: None

The meeting adjourned at 5:20 pm.

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

Board of Trustees Finance and Facilities Committee January 25, 2023

Karen House

Vice President for Finance and Facilities

Flow of the meeting

- Report on International Students
- Eastern – calendar year 2022 investment performance discussion
- Financial update
- Real estate, facilities, and sustainability

Report on International Students

- No action today
- At issue: \$375/semester international fee
- International enrollment declining trend
- Revenue from international students a net positive
- Fee: barrier to enrollment
- FY22 fee revenue: \$66K

Report on International Students (continued)

- Figures 7a & 7b show UG and Grad rates
- Figure 7c shows sister schools. Westfield, Worcester and Salem all have fee for UG
- Discussion
 - What impact does the fee have on enrollment?
 - What impact does the fee have on revenue?

Investment Discussion

FY23 Financials – Q1 and Dashboard (FF p.67/p.75)

- FY23 Projection
 - Positive Managed Net Income of \$2.7M vs budgeted deficit of \$2.9M
 - Includes COVID relief funds from state of \$4.7M
 - UG, Grad enrollment below last year and below budget
 - Housing above last year but below budget
 - Salary savings higher than anticipated due to challenging hiring market

BHE Strategic Financing Framework

- New strategic framework will guide BHE budget recommendations including the Fair Share Amendment

Other Topics

- Real estate, facilities, and sustainability

**International Students at Salem State University
A Report to the Salem State University Board of Trustees
January 20, 2023**

Executive Summary

As has been well documented, among the United States' chief service exports is education:

- In 2021, as documented by U.S. Commercial Services as well as state, local, and federal governments, international students contributed \$39 billion annually to the U.S. economy.
- They also added \$20 million to the 6th congressional district of Massachusetts

For over 100 years, Salem State University has participated in the international education economy.

- International students have arrived from over 40 countries.
- They add vibrancy to our campus community and contribute to the educational development of our domestic students.
- They represent opportunities for domestic students to develop authentic skills in collaborating with others of a different culture or world view.

At Salem State:

- International student enrollments most recently peaked in 2016 (over 300 students) but ... have since then been declining (currently 192 students).

Among the many questions to be considered with respect to the university's international enrollment efforts is that of the tuition and fees charged exclusively to visa-holding students from abroad.

- Since recent memory, international students have been charged out-of-state tuition and fee rates.
- Since FY18, the university has charged an "international student fee" of \$375 per semester.
- In FY22, the international fee raised \$66,000 for the university.

From its inception, the imposition of the \$375 per semester fee has been a source of discontent among our international student population, many members of which have questioned the fee's purpose.

- Like our domestic students, many of our international students come from families of limited financial means; they are often the first in their family to pursue a university degree.
- Unlike our domestic students, however, international students have strict restrictions on earning income (e.g., they cannot legally work off campus), as well as incidental expenses incurred on travel, visas, etc.

In the spring of 2022, the matter of how much the university charges international student was raised during the university's fee-setting process for the current academic year. The decision at that time was to suspend the fee for FY23 and reconsider the matter in the spring of 2023 once the trustees had been provided with additional information about SSU's international student operations. All such deliberations are taken by the trustees in a larger context in which enrollments have been on the decline, reducing revenues at a time in which costs to the institution continue to rise. This report has been developed with that purpose in mind.

International Students at Salem State University
A Report to the Salem State University Board of Trustees
January 20, 2023

1. Background

In the spring of 2021, members of the Salem State University Board of Trustees Finance and Facilities committee engaged in a conversation about fees, including the university's international student fee of \$375 per semester. At the close of the discussion, committee chair Ruthanne Russell charged University leadership with presenting to the committee a report on international students, thereby providing the trustees a more complete and comprehensive understanding of the functions and finances of the university's international student operations.

2. Definitions and Scope

For the purposes of this report, the term "international student" is defined as an individual "studying in the United States on a non-immigrant, temporary visa that allows for academic study at the post-secondary level" in either a degree program or a non-degree program (<https://www.iie.org/en/Research-and-Insights/Project-Atlas/Explore-Data/United-States>). The temporary visas issued to international students are F-1 and J-1. Visas are issued by the U.S. consulate or embassy in the students' home countries and allow the students to enter the U.S. as a full-time student in an approved educational institution. The permission granted through the visa comes with a concomitant understanding that upon completion of the student's academic program, the student returns to their home nation. Note that the definition of "international student" explicitly *excludes* the following: immigrants, permanent residents, citizens, resident aliens ("Green Card" holders), students with DACA status, undocumented students, and refugees, including those under temporary protected status.

Students' citizenship / immigration status dictates the tuition and fees charged by SSU. In Figure 1, purple boxes indicate those students who, if Massachusetts residents, are assessed in-state rates. Blue boxes indicate those students who, regardless of resident status, are assessed out-of-state rates. Green boxes indicate those students who are assessed out-of-state rates plus a semesterly "international student fee," most recently set at \$375 per semester, but suspended for fiscal year 2023. Only domestic students are eligible for US Federal Financial Aid. The focus of this report is the category of "international students," outlined in **red**.

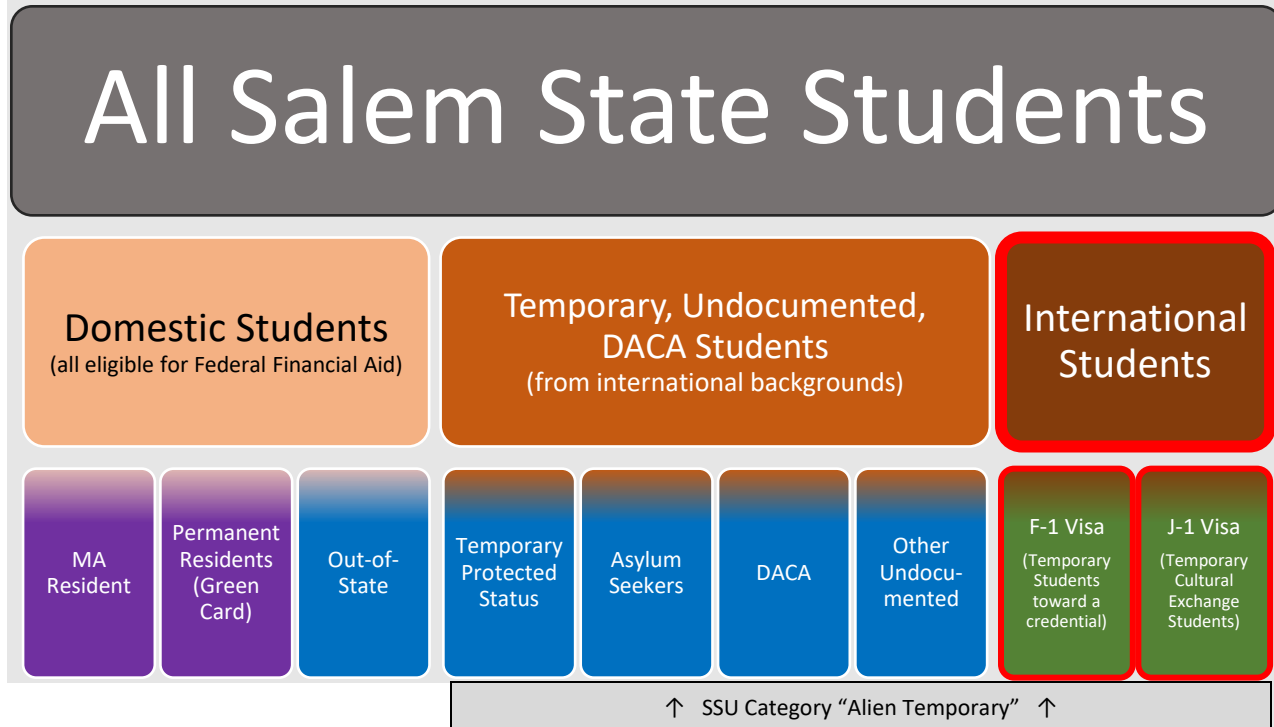


Figure 1: A Taxonomy of Students at Salem State University. Purple=in-state rate; Blue=out-of-state rate; Green = out-of-state rate plus additional international student fee (for those matriculated into credit-bearing programs). Note: Holders of an F-1 Visa must present a valid Form I-20 issued by one of the Designated School Officials (DSO) at the Salem State Center for International Education (CIE): “Certificate of Eligibility for Nonimmigrant Student Status – For Academic and Language Students.” Students on a J-1 Visa present a valid form DS-2019 issued by a DSO of the CIE: “Certificate of Eligibility for Exchange Visitor J-1 Status”

Prior to 2017, the Salem State student information system identified non-permanent residents of the U.S. only through the category “Alien Temporary,” which includes all non-permanent students, i.e., those boxes to the right of the box “Domestic Students” (US citizens and permanent residents). The category of “international students” as those studying in the U.S. and at SSU on visas was not identified as a subset of the alien temporary students. In preparation to implement the international student fee for the first time in Fall 2017, the university created a category within our records system that identified *only* those students who hold either an F-1 or J-1 student visa.

3. Purpose and Strategic Context

Educating international students presents a net positive impact on the Salem State community. At its core, “international education” as conceptualized by arguably the US’s preeminent organization that supports such efforts, NAFSA: Association of International Educators, “... advances learning and scholarship; builds understanding and respect among different peoples; and enhances constructive leadership in the global community. NAFSA and its members [among them, Salem State] believe that international education is fundamental to fostering peace, security, and well-being.”

The Biden-Harris Administration has also implemented new policies to encourage international students and scholars to the U.S. in order to attract STEM talent and strengthen our economy and competitiveness: <https://www.whitehouse.gov/briefing-room/statements-releases/2022/01/21/fact-sheet-biden-harris-administration-actions-to-attract-stem-talent-and-strengthen-our-economy-and-competitiveness/>.

According to the latest data released by the U.S. Department of Commerce's Bureau of Economic Analysis, education service exports ranked 6th among service exports in 2020. During the 2019/2020 academic year the U.S. hosted over one million students and reported \$38.96 billion in education exports, which supported over 415,990 U.S. jobs. U.S. colleges and universities play a key role in helping foreign governments partner with private industry to fulfill vital education and training needs.

In short, international students bring the world to SSU's classrooms. As fewer than 2% of our student do any form of study abroad, international students bring important ideas and opportunities for intercultural engagement to our students.

3a. Mission Alignment. Educating international students aligns with those elements in the university's Mission Statement and Vision Statement that speak to our commitments to global awareness and a diverse student body (<https://www.salemstate.edu/strategic-plan>).

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.

Our Vision

Salem State University will be a premier teaching university that engages students in an inspiring transformational educational experience.

- We put students first in all that we do and are committed to their success.
- We are a community of learners where all faculty, staff and students have the opportunity to grow as individuals.
- We are innovators, offering a unique brand of public higher education that inspires students to reach higher and achieve more.
- We remain true to our heritage as a liberal arts university while we prepare students for today's workforce.
- We serve the communities of the North Shore **while we create an ever more globally aware and culturally diverse campus environment.**

3b. Economic Impact – National and Regional. According to NAFSA, "... international students studying at U.S. colleges and universities contributed \$33.8 billion and supported 335,423 jobs to the U.S. economy during the 2021-2022 academic year" (<https://www.nafsa.org/policy-and-advocacy/policy-resources/nafsa-international-student-economic-value-tool-v2>). For Massachusetts, NAFSA reports that the financial contribution was \$3.1 billion. In a list of the 74 Massachusetts institutions (public and private), Salem State's contribution to this total ranks 34, higher than any of the other five comprehensive state universities (<https://www.nafsa.org/isev/reports/state?state=MA&year=2021>). More locally, NAFSA data indicate that for Congressional District 06, currently represented by Seth Moulton, the economic impact of international students was over \$20 million for AY21-22, of which Salem State contributes 25%: \$5.2 million (figure 2).

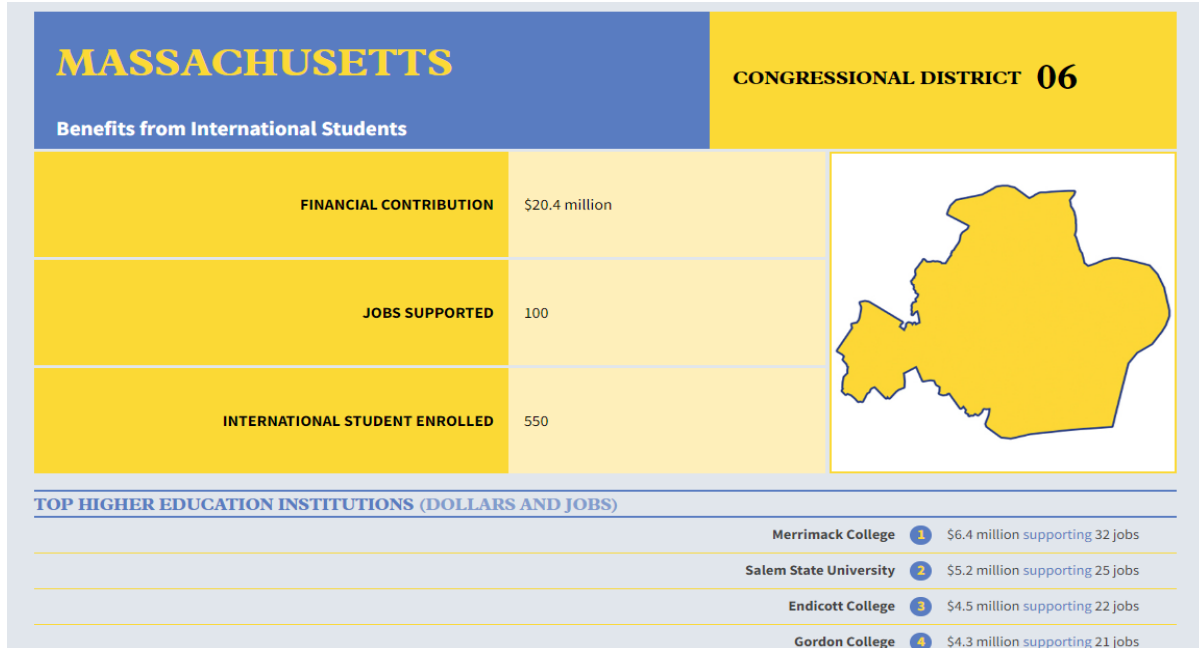


Figure 2: Economic impact of international students in Congressional District 06.
(source: <https://www.nafsa.org/isev/reports/district?year=2021&state=MA&district=06>)

3c. Economic Impact – Institutional. As will be demonstrated below in Section 4: Finances, international student enrollment generates positive net revenue for the institution from both the tuition and fees paid by students as well as income generated from auxiliary services. For FY22, this net revenue was just over \$360,000.

3d. Impact on Other University Programming – The scope of International Programs at SSU includes initiatives beyond the enrollment and support of our international students and advising our international students’ association. The Center for International Education (CIE) oversees all study travel programs including advising students who want to study abroad on semester or summer programs, usually through a third-party provider or through direct exchange agreements that we have universities in Germany and Italy. In addition, the CIE oversees all faculty-led travel courses, 8 – 10 of which take place during spring break and summer each year, the Visiting International Scholar Program, and our Collaborative Online International Learning (COIL) initiative, for which we were awarded a 2021 AACU Excellence and Innovation Award for International Education for Collaborative Online International Education: Sustaining Global Engagement During a Pandemic. Through COIL, 35 faculty have been trained through grant and donor funding to create a course component with a counterpart at a university in another country. As such, SSU students directly engage virtually with peers in another country, working collaboratively on an assignment or project. At present we have an IDEAS grant from the U.S. State Department and a UISFL grant from the U.S. Department of Education to diversify study abroad and provide global experiences to our domestic students through COIL and faculty-led travel courses. SSU also has a partner in Poland through the Erasmus + program funded by the European Union, and we have numerous faculty who apply for and are awarded Fulbright Scholar grants.

For a business-oriented view on the value of international student education in the United States, see the 2019 article in Forbes magazine titled “Why International Students are Good for Colleges, Universities, and America” (<https://www.forbes.com/sites/marvinkrislov/2019/03/22/why-international-students-are-good-for-colleges-universities-and-america/?sh=5e7f27f496fd>).

4. Enrollment History

Across the United States, the number of international students at colleges and universities has recently been on the decline, with an initial indication of rebounding. According to the most recent *Open Doors* report, annually published by the Institute of International Education (IIE's), international student enrollment peaked in AY16-17 at 903,127 (headcount), dropped to a recent low of 710,210 in AY20-21, and has regained some of those losses in AY21-22 with a total of 763,760. This most recent figure equates to the total recorded nine years ago, AY12-13, at 724,725 (<https://www.iie.org/en/Research-and-Insights/Open-Doors>).

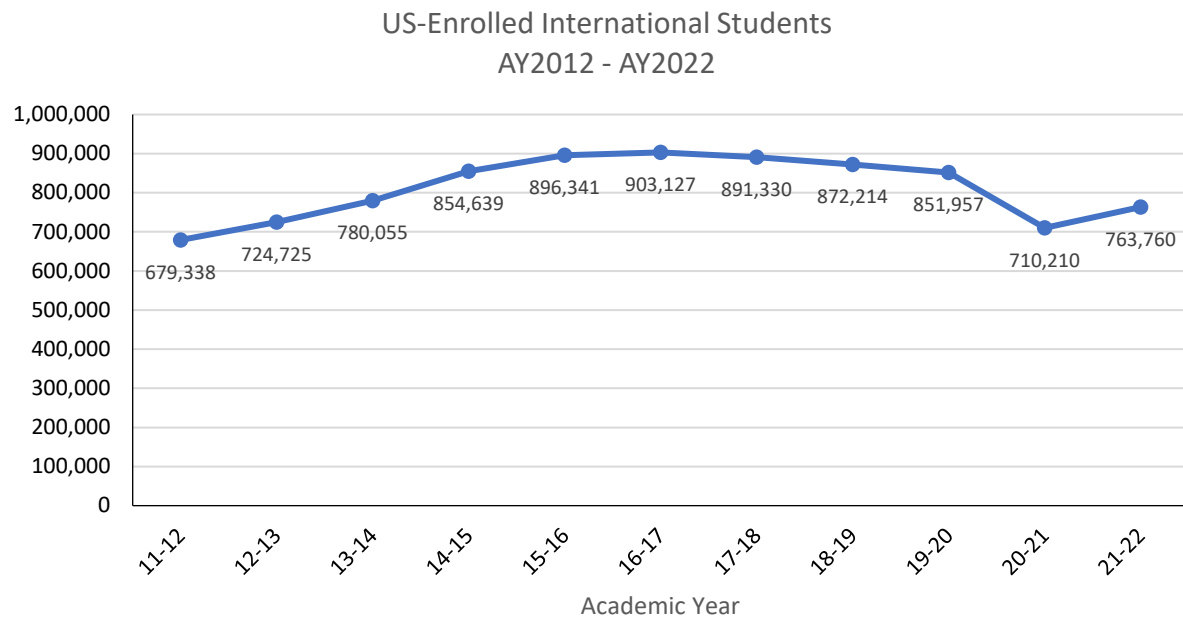


Figure 3: International Students Enrolled in U.S. Institutions of Higher Education AY2012-AY 2022
(source: <https://opendoorsdata.org/data/international-students/enrollment-trends/>)

At Salem State, data provided to the U.S. Department of Homeland Security's Student and Exchange Visitor Information System (SEVIS) show that international student enrollment at SSU has declined from 312 in AY15-16 to 166 in AY21-22, i.e., -46%, a more significant drop than that recorded nationwide for the same period, -15%. This discrepancy is not yet understood. We do not however have dedicated outreach and recruitment personnel or strategies in place. Most of our international students come to SSU because they have family members who live in our region with whom they can live and from whom they get support. The pandemic has hit immigrant communities of the Gateway Cities hard, and with a strong U.S. dollar, many students who may have been able to study at SSU simply cannot yet afford to do so.

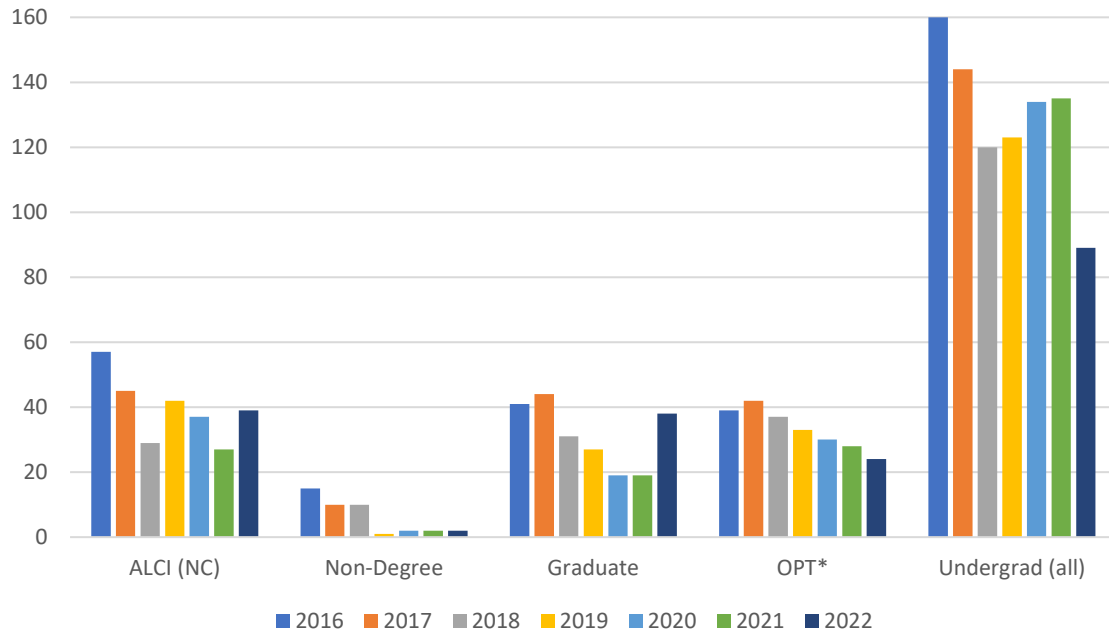


Figure 4a: International Student Enrollment at SSU from 2016 to 2022

Academic Career	2016	2017	2018	2019	2020	2021	2022
ALCI (non-credit)	57	45	29	42	37	27	39
Non-Degree	15	10	10	1	2	2	2
Graduate	41	44	31	27	19	19	38
OPT*	39	42	37	33	30	28	24
Undergraduate	160	144	120	123	134	135	89
TOTAL	312	285	227	226	222	211	192
% Change over Prior Year		-9%	-20%	0%	-2%	-5%	-9%
% Change from 2016 to 2022							-38%

Figure 4b: International Student Enrollment at SSU from 2016 to 2022, tabular format

Over the past four years, international students at SSU have come from over 50 different countries with 39 countries currently represented. The top five “sending countries” for our international students are China, Albania, Brazil, Nepal, and Morocco (Figure 3). The relatively larger number of students from China are part of five-year partnership with Nanjing Normal University, through which cohorts of students majoring in English study at Salem State for their sophomore and junior years. As for the other four countries, much of the enrollment has come to Salem State through word-of-mouth within extended families and local immigrant communities.

*OPT = Optional Practical Training, a post-graduation visa extension allowing approved students with F-1 visas to remain in the US for a limited time for temporary employment in their area of expertise. Those in STEM fields may extend OPT for 3 years; others may work in the US if approved for OPT for one year. While on OPT status, students do not pay tuition or fees to SSU, however CIE advisors are responsible for assisting them with paperwork necessary to maintain in compliance. Students are still on F-1 visas. Although students on J-1 visas have an Academic Training option, our J-1 visa students usually return to complete their degrees in their home countries.

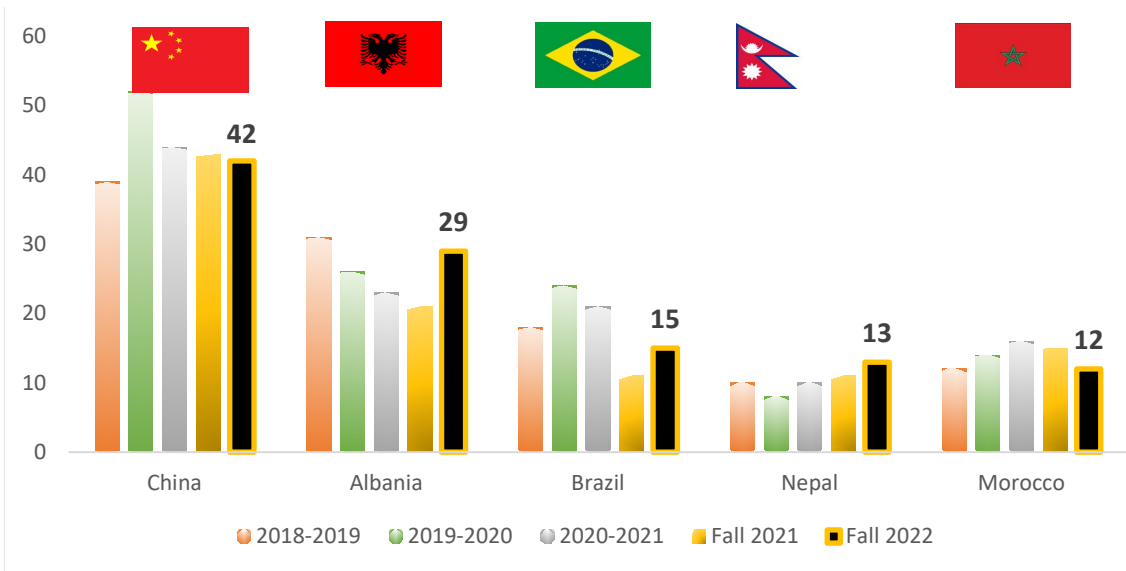


Figure 5a: SSU International Students by home country – top five (2018-2022)

Country	2018-2019	2019-2020	2020-2021	Fall 2021	Fall 2022
China	39	52	44	43	42
Albania	31	26	23	21	29
Brazil	18	24	21	11	15
Nepal	10	8	10	11	13
Morocco	12	14	16	15	12

Figure 5b: SSU International Students by home country – top five (2018-2022), tabular format

The profile of SSU’s F-1 international students is similar to that of our domestic students: many are first-generation college students whose parents and family members are sacrificing to send them to the United States to be educated. Most have strategically chosen Salem State because they have relatives in the area with whom they can live to reduce costs. Of our current students on F-1 visas, two-thirds come from developing countries in the Global South or from Albania, the fifth poorest country in Europe:

- Europe: Albania, 27
- The Americas: Brazil, 15; Honduras, 1; Colombia, 3; Dominican Republic, 1; Mexico, 1; Haiti, 1
- Africa: Morocco, 13; Guinea, 1; Mozambique, 2; Nigeria, 5; Senegal, 2; Tanzania, 1; Uganda, 1; Zimbabwe, 1
- Asia: India, 7; Nepal, 13; Pakistan, 2; Vietnam, 11

Students from China who attend SSU on J-1 visas are also not wealthy. Many are only children whose parents are often stretched thin to ensure their child’s future success. Other universities that participate in the bi-national program under which our Chinese students attend SSU provide incentives in the form of scholarships, in-state tuition rates, and highly tailored advising and programming. (For more see section B of the Additional Materials at the end of this document.)

As seen in figure 6, the most commonly pursued major by SSU international students over the past seven years has been Business Administration. Since 2018, however, the number of English majors has grown

thanks to a vibrant relationship between Salem State and Nanjing Normal University (NNU). This partnership, operating under the aegis of a bi-national program sponsored on the US side by the American Association of State Colleges and Universities (AASCU), brings cohorts of NNU English majors to Salem for their sophomore and junior years. Students return to China for their senior year and ultimately earn a bachelor's degree from both institutions.

Major	2016	2017	2018	2019	2020	2021	2022	Average
Business Administration	108	87	63	53	49	32	44	62
English	4	3	15	28	36	38	41	24
Computer Science	29	20	15	14	20	15	15	18
Psychology	10	9	11	8	9	7	8	9
Education	12	14	5	3	4	7	8	8
Biology	14	7	6	4	8	6	8	8
Nursing	12	8	3	6	4	4	8	6
Sport & Movement Sci	6	9	8	6	4	4	2	6
Geo-Information Science	6	5	3	4	4	2	4	4
Information Technology	-	-	-	4	-	2	4	3
Criminal Justice	6	5	2	3	3	2	2	3
Economics	5	3	2	3	2	2	-	3
Chemistry	5	2		1	1	2	-	2
Communications	3	1	3	2	1	1	-	2

Figure 6: Top majors pursued by SSU international students, 2016-2022, listed by five-year average.

4. Fees and Finances

4.1 - Fee Setting Practices

As a precursor to the revenue and expense sections below, we provide here a table for FY23 tuition and fees as approved by the Salem State University Board of Trustees on April 13, 2022. For the purposes of this report, we have simplified the full tuition and fee schedule by considering only full-time students, as all international students (undergraduate and graduate) must maintain full-time enrollment as a condition of keeping their visa valid. For undergraduate students, full time is at least 12 credits per semester; for graduate students, full time is at least 9 credits per semester. The complete tuition and fee schedules appear in the appended materials. *SSU international students pay out-of-state tuition and fees; there is no "international" category.*

Undergraduate (day)	In State	Out-of-State	International*
Tuition (full time)	910.00	7,050.00	7,050.00
Fees			
University Fee	10,531.20	11,373.60	11,373.60
Capital improvement Fee	436.80	436.80	436.80
Student Gov Assoc Fee	100.80	100.80	100.80
Subtotal Tuition & Fees	11,978.80	18,961.20	18,961.20
International Student Fee	n/a	n/a	Suspended FY23
Total Tuition & Fees	11,978.80	18,961.20	18,961.20*

Figure 7a: Mandatory base undergraduate day full-time tuition and fees for AY22-23.

*Had the \$375/semester international fee been assessed, the total tuition and fees for international students would have been **\$19,771.20**. Not included: charges for housing, meal plans or health insurance, as well as differential fees for specific undergraduate programs and miscellaneous fees (payment plan fee, institute fee, hard copy of transcript / green fee, etc.)

Graduate (price group 2)	In State	Out-of-State	International*
Tuition and Fees (full time)	8,985.60	10,648.80	10,648.00
International Student Fee	n/a	n/a	Suspended FY23
Total Tuition & Fees	8,985.60	10,648.80	10,648.80^^

Figure 7b: Mandatory base graduate full-time tuition & fees for AY22-23 at per-credit rate for Price Group 2 (of 3). ^^Had the \$375/semester international fee been assessed, the total tuition and fees for international students would have been **\$11,398.00**. Not included: charges for housing, meal plans, health insurance, as well as differential fees for specific undergraduate programs and miscellaneous fees (payment plan, institute fee, hard copy of transcript, etc.)

	Undergrad Tuition & Fees (including residency type) [Excludes Room & Board, Books, Miscellaneous Fees]	Graduate Tuition & Fees (including residency type) [Excludes Room & Board, Books, Miscellaneous Fees]	Any Special Fees for International Students? (other than comprehensive tuition & fees)
Salem State	Out-of-State rate \$18,961.20 annually	Out-of-State rates \$543.10/credit – Price Group 1* \$591.60/credit – Price Group 2 \$656.60/credit – Price Group 3	Yes since Fall 2017 \$375/ semester (all F-1 & J-1) [Tabled for 2022-2023]
Bridgewater State	Out-of-State Tuition \$17,195 annual	In-State Tuition \$488.50/credit	None
Framingham State <i>Unlike all other MA state schools, FSU follows 4-credit per course system</i>	Out-of-State rates For a 4 credit undergrad course, tuition + fees = \$2,879 1 sem = \$8,637 (12 cr) 1 year = \$17,274 (24 cr)	In-State rates \$340/credit \$1,360.00 per course fee is added to offset this price for graduate internationals \$520/cr for MBA, MSN, PSM, MSOL (\$1,560.00/course)	Yes Undergraduate – None - Graduate - \$1350 per semester
Fitchburg State	Out-of-State rates \$17,001.00 annual	In-State rates \$347.00/credit	None
Westfield State	Out-of-State rates \$17,580 annual	In-State Tuition rates \$383/credit	Yes \$500 / semester for F-1 \$200 / semester for J-1
Worcester State	Out-of-State Tuition \$16,866.00 annual	In-State Tuition \$338/credit	Yes \$250 / semester (F-1 only)

Figure 7c. Comparing fee setting practices at other MA state universities.

Note that all of our peer institutions in Massachusetts charge *in-state* tuition to graduate students with only Framingham State imposing a fee to compensate for the in-state rate. Data obtained from university websites.

In addition to the charges above, international students are responsible for the costs of housing (on- or off-campus), travel to / from the US, visas (and any incidentals associated with obtaining a visa).

4.2 – Revenue. As seen in Figure 8 (below), Income Statement Analysis, revenue generated by degree-seeking international student enrollments has generated on average \$2,566,707, with the pre-pandemic peak net revenue of \$1,077,373 (FY18).¹ The majority of revenue comes from Tuition and Fees charged to international students, with other amounts being associated with auxiliary activities (primarily housing)

* Each graduate program is assigned to one of the three pricing groups.

¹ Not included are revenues & expenses of SSU's intensive English program, our American Language & Culture Institute (ALCI). These courses are non-credit and charged on a different basis. For more visit https://livesalemstate-my.sharepoint.com/:w:/g/personal/cwhitlow_salemstate_edu/EfAJigv8pnpJoWO3AXhy-8MB4DMiOFCAXpEo3EFVv83g3Q.

and other fines and fees. In past years, there has been contra-revenue in the form of institutional aid to some international students; for FY22, this aid came to \$132,400.

As for the \$375 per semester fee, international students studying on student visas are the only group at SSU upon whom a fee has been levied due to their identity and status. There are other students on campus who are not permanent residents; they are not charged a fee. There are other groups of students who receive services from offices designated to support them; they are not charged a special fee.

Revenue generated by the fee since its inception in FY18 has been as follows:

FY18 = \$108,750	FY19 = \$76,125	FY20 = \$85,875	FY21 = \$ 77,250	FY22 = \$66,000
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4.3 – Expenses. Expenses associated with educating international students include estimated cost of instruction as well as expenses associated auxiliary services (housing)and administrative functions of the Center for International Education, including staff and administrator salaries.

The CIE currently employs three professional staff and an administrative assistant:

- Assistant Director, F-1 and SEVIS manager, advisor, designated school official
- Assistant Director, study abroad, exchanges, and partnerships
- Staff Associate, J-1 manager and China programs coordinator, advisor
- Administrative Assistant, also supports the ALCI and the dean of continuing education

The Vice Provost directly oversees CIE professional staff and oversees the CIE, as well as other faculty support units such as the Center for Teaching Innovation and the Center for Civic Engagement.

4.4 – Net Revenue. For each of the most recent five fiscal years, international student programming has provided a positive net revenue. That said, net revenue has decreased in each of the years after FY18.

	FY2018	FY2019	FY2020	FY2021	FY2022
Revenue					
Tuition and Fees	2,299,892	2,435,611	2,214,778	1,934,300	2,039,080
Other Fines and Fees	185,110	104,405	95,925	97,270	81,550
Scholarships & Fellowships	-	(21,000)	-	(119,200)	(132,400)
Auxiliary Enterprises	273,200	282,620	286,420	304,420	471,552
Total Revenue	\$ 2,758,202	\$2,801,636	\$2,597,123	\$2,216,790	\$2,459,782
Expenses					
Instructional Expenses	1,031,744	1,036,597	993,495	857,065	956,811
Auxiliary Expenses	319,259	320,572	306,643	196,538	448,456
Admin/Operational Expenses	329,826	579,312	579,200	544,358	692,236 ²
Total Expenses	\$ 1,680,829	\$1,936,480	\$1,879,338	\$1,597,961	\$2,097,504
Net Revenue	\$1,077,373	\$865,155	\$717,784	\$618,829	\$ 362,279

Figure 8: Summary of Revenues and Expenses, FY18 through FY22. Includes both Allocated and Estimated Revenues/Expenses

² In alignment with the past budget practice, the figure for the CIE’s FY22 administrative expenses includes the Vice Provost’s entire annual salary, although she no longer works in the CIE proper. This matter has been adjusted for the current FY23 budget, with the Vice Provost’s salary being charged to the Provost’s Office.

5. The Competition

Despite its historic success in attracting international students, Salem State appears not to be optimally positioned in the international enrollment market.

5.1 - Massachusetts State Universities. Compared to the other five comprehensive Massachusetts state universities, SSU has historically enrolled the highest number of international students; moreover, the percent of total university population comprised of international students has been markedly higher.

	Fall 2018	Fall 201	Fall 2020	Fall 2021	Fall 2022
Salem State	227	226	196	166	189
	163*	151*	132*	108*	125*
Bridgewater State	119*	110*	80*	98*	82*
Framingham State	41*	44*	54*	46*	36*
Fitchburg State^	Not Available	60*	81*	84*	195*
Westfield State	33	28	26	26	Not Available
Worcester State	74	78	59	67	Not Available

Figure 9a: Headcount. When comparing SSU's figures to those of the other schools, compare asterisked numbers with asterisked numbers (orange boxes) and non-asterisked numbers with non-asterisked numbers (blue boxes).

* - Not including ESL and OPT Student Data obtained from Common Data Sets from university websites or SSU survey sent to international offices.. ^ Spoken communication with Fitchburg State reveals a dramatic increase in students are mainly at the graduate level in the STEM fields. The majority of students are from India who cite low cost and short program duration as incentives for them to choose Fitchburg State.

	Fall 2018	Fall 2019	Fall 2020	Fall 2021	Fall 2022
Salem State	2.7%	2.9%	2.7%	2.3%	2.8%
Bridgewater State	1.07%	1.0%	0.8%	1.0%	Not Available
Framingham State	Not Available	Not Available	Not Available	Not Available	Not Available
Fitchburg State	Not Available	Not Available	Not Available	Not Available	Not Available
Westfield State	1.4%	0.5%	0.5%	0.5%	Not Available
Worcester State	1.2%	1.3%	1.0%	1.2%	Not Available

Figure 9b: Percent of Total Institutional Enrollment. Data from Common Data Sets at university websites.

5.2 – Peer Institutions. In the context of selected peer institutions, Salem State's international student population—both headcount and percent of total enrollment—lies in the middle of the observed ranges.

	Fall 2018	Fall 2019	Fall 2020	Fall 2021	Fall 2022
Salem State University	227	226	196	166	189
SUNY Buffalo State College	141	96	93	75	50
Central Connecticut State U	166	179	158	156	166
New Jersey City University	301	440	301	276	Not Available
Southern Connecticut State U	65	106	96	Not Available	Not Available
University of North Alabama	307	359	213	355	Not Available

Figure 10.a: Headcount. Data from Common Data Sets from university websites.

	Fall 2018	Fall 2019	Fall 2020	Fall 2021	Fall 2022
Salem State University	2.7%	2.9%	2.7%	2.3%	2.8%
SUNY Buffalo State College	1.5%	1.1%	1.1%	1.0%	1.0%
Central Connecticut State U	1.4%	1.6%	1.5%	1.6%	1.8%
New Jersey City University	3.7%	5.5%	3.9%	3.9%	Not Available
Southern Connecticut State U	0.7%	1.0%	1.0%	Not Available	Not Available
University of North Alabama	4.0 %	4.5%	2.5%	4.0%	Not Available

Figure 10.b: Percent of Total Institutional Enrollment. Data from Common Data Sets from university websites.

When it comes to attracting and supporting international students, Salem State lags behind its MA sister schools. Dedicated scholarships for international students, regardless of the amount, serve as a powerful recruiting tool, particularly in communities that place special socio-cultural value on these sorts of named distinctions. Other MA state universities that offer international student scholarships allocate funds for multiple awards. While it is true that no comprehensive MA state university offers international student graduate assistantships, we believe that Salem State, which educates a higher percentage of graduate students than its sister schools, is well positioned to consider developing such a program. Finally, our sister schools charge either no international student fee or a fee less than that charged by Salem State, save for fees charged to graduate students at Framingham State University and F-1 visa holders at Westfield State University. Also of note, all of our sister institutions charge in-state tuition to graduate students.

	Dedicated Scholarships for International Students? (number)	Dedicated Graduate Assistantships for International Students	Special Fees for International Students (other than tuition & fees)
Salem State	Yes: 1 award	No	\$375 /semester (F-1 & J-1) [Currently tabled for 2022-23]
Bridgewater State	Yes: 16 awards each \$1500/year, merit & Need-based	No	None
Framingham State	Yes: multiple awards each \$500-\$2000	No	Undergraduate – None Graduate - \$1350/semester
Fitchburg State	No	No	None
Westfield State	Yes: multiple awards, up to \$5000 /year	No	\$500 per semester for F-1 \$200 per semester for J-1
Worcester State	Yes: multiple awards, merit-based up to \$15,000 (\$1,875 / semester for up to eight semesters or upon completion of degree)	No	\$250 /semester (F-1 only)

Figure 11a: MA state university international student scholarship & fees. Data obtained from university websites.

Comparing Salem State to selected peer universities (figure 11b, below), one finds that:

- Schools for which we can identify international student scholarship provide multiple awards;
- None offer international student graduate assistantships; and
- None levy an international fee.

	Dedicated Scholarships for International Students	Dedicated Graduate Assistantships for International Students	Special Fees for International Students (other than comprehensive tuition & fees)
SUNY Buffalo State College	Yes: 8 awards	No	None
Central Connecticut SU	NA	No	None
New Jersey City University	NA	No	None
Southern Connecticut SU	Yes	No	None
U of North Alabama	Yes: 3 undergrad; 3 grad	No	None

Figure 11b: Peer institution student scholarships and fees. Data obtained from university websites.

When working with international students at every phase of their academic span, from initial recruitment to graduation (and subsequent OPT if available), universities must staff their international offices adequately with personnel prepared to work specifically with this subpopulation. In Table D, one sees that despite its relatively greater numbers of international students, Salem State employs just as many

staff as schools with significantly smaller international student populations. For the current academic year, SSU's 189 international students are supported by 3.5 staff members, i.e., 54 students per staff member. In contrast, Framingham States 36 international students are supported by 3 staffers (12 students/staff), and for fall 2021 at Worcester State one finds 67 students served by 2 full-time staffers (34 students/staff).

	Reporting Authority	Total Staff in International Programs Office	Other Staff supporting international students
Salem State	Provost & Academic Vice Pres	3; Full-time 1; Part-time	
Bridgewater State	Provost & Academic Affairs		<i>Not Available</i>
Framingham State	VP Academic Enhancement	2; Full-time	1; Admissions Office
Fitchburg State	Vice Provost	3; Full-time	1; Admissions Office
Westfield State	Not available	1; Full-time	<i>Not Available</i>
Worcester State	Provost & Academic Affairs	2; Full-time	<i>Not Available</i>

Figure 12a: Staffing & Reporting for International Programs, MA Universities. Data obtained from university websites.

Among SSU's peer institutions, the range of students per staff member varies widely. Looking only at this ratio for staff employed in the international office, one finds as few as 25 students/staffer and as many as 156 students/staffer. We note that these values will decrease were we to discern how many other staff members were deployed at each school to support international students.

	Reporting Authority	Total Staff in International Programs Office	Students / Staffer (FA21)	Other Staff supporting international students
SUNY Buffalo State Coll	Provost/ Academic Affairs	3	25	2; Admissions
Central Connecticut SU	Provost/ Academic Affairs	1	156	<i>Not Available</i>
New Jersey City U	Provost/ Academic Affairs	2	138	<i>Not Available</i>
Southern Connecticut SU	Provost/ Academic Affairs	5	-	<i>Not Available</i>
U of North Alabama	Provost/ Academic Affairs	13 (incl admission, current services, & IEP* staff)	27	-

Figure 12b: Staffing & Reporting for International Programs, peer universities. Data obtained from university websites.

*Intensive English Program

6. Current and Future Outlook: SWOT Analysis

The table below presents a SWOT analysis of Salem State's international student recruitment endeavor. As one sees in the SWOT table, current weakness are primarily related to the university's data infrastructure and cross-unit alignment. Threats are primary political. Strengths speak to the university's location and mission, while opportunities might be best characterized as initiatives in need of funding, provided that international student presence and engagement are prioritized as we develop the university's new strategic plan.

	Favorable	Unfavorable
Internal	<p>Strengths</p> <ul style="list-style-type: none"> • North Shore as home to many growing immigrant populations; individuals family and friends – both resident in the US or back in the country of origin • Talented, experiences, and dedicated staff in the Center for International Education (CIE) • Students are in general pleased with the support they receive at SSU • Explicit connection to university mission • Recent investment in programs often found to be attractive to international audiences: Information technology, industrial / organizational psychology, higher education – student affairs, business and accounting 	<p>Weaknesses</p> <ul style="list-style-type: none"> • No systemic workflow to convert international student leads or applicants • No CRM/Salesforce campaigns to identify reach out to international applicants • Difficult to get data on international applicants • No targeted marketing materials to international students • No link between immigration system (SEVIS) and SSU student information system (People Soft); many manual transactions required • Underdeveloped relationships among key stakeholders: enrollment management, admissions, housing, student life, and the CIE; no comprehensive international recruitment strategy, plan, or budget
External	<p>Opportunities</p> <ul style="list-style-type: none"> • Continue to advance China programs; develop one or two more key priority partnerships (e.g., like that with Nanjing Normal U) to over one or two more cohorts • With limited investment, we could create a moderate international recruitment plan; this would entail collaboration with enrollment management, admissions, and marketing • Strengthen outreach to international students at community colleges in the region, especially NSCC, NECC, and BHCC • Recent rebounding of international student population; after a 46% decline in the U.S. during COVID, the 2021 Open Doors report showed a 68% increase from 2020. • Strong alignment with Project BOLD; STEM disciplines remain a draw for international students • International graduates of STEM programs may complete three years of Optional Practical Training (OPT); other students are limited to one year; there are OPT opportunities in the greater Boston area 	<p>Threats</p> <ul style="list-style-type: none"> • Potential over-reliance on China for international students; volatile geopolitics and fluctuating COVID • Perceived violence, discrimination, and erratic politics in the U.S. by some international communities • Perceived anti-Asian bias, unsafe cities, and unstable public health and Covid-containment in the US, especially by Chinese families • Increased competition from other countries, especially in the English-speaking world; universities in Canada, the UK, and Australia have much lower tuition, better incentives, and fewer restrictions to work off-campus, as well as ease of immigration post-graduation. • The persistent vagaries of an increasingly globalized society: wars, political rhetoric, currency fluctuations, immigration policies, pandemics, political relationships – all of which are beyond our control and directly affect international enrollments

Figure 13: SWOT Analysis of SSU’s International Enrollment

7. International Fee Considerations

We close this report by offering a simple table of advantages and disadvantages that we discern regarding the \$375 per semester international student fee, which has been tabled for the current academic year.

Advantages	Disadvantages
Increased revenue for the university	<p>Renewed complaints from international student about the fee and the lack of information about how it is used</p> <p>Contradicts recruiting practices at peer institutions which actively <i>incentivize</i> international student enrollment</p> <p>Public perception of the university as valuing international students primarily in term of revenue</p> <p>Makes for a less attractive price-point for budget-strapped students and their families</p> <p>Out of line with most MA sister universities and peer institutions in other states</p>

While the imposition of an international student fee generates revenue for the institution, there are concerns that any financial benefit is outweighed by other substantive (albeit non-financial) matters, including campus morale. The question then arises as to how the university might seek to capture revenues equivalent to those raised by the international student fee by other revenue-generating means, means that do not otherwise place an additional financial burden on the international student population.

Additional Materials

A. International Students and Visas: Policies and Processes. Once a student has been accepted to an academic program, the process of obtaining a visa is complicated and expensive. The U.S. government oversees the Student Exchange Visitor Program (SEVP) under U.S. Immigration and Customs Enforcement (ICE). We are mandated by SEVP to apply for and maintain the SEVIS (Student Exchange and Visitor Information) system and corresponding database – the official website of the U.S. government that registers and tracks all international students enrolled in U.S. institutions. This is maintained by designated and trained school officials at the Center for International Education (CIE).

We have permission from SEVP to admit students on F-1 student visas and J-1 student visas (cultural exchange program). Documentation must be submitted for SSU to provide the paperwork for the student to apply for and receive a student visa at issuing U.S. embassy or consulate in their home countries. Students must provide proof of funding (usually bank statements) for a year of tuition/fees and living expenses while in the U.S. Costs associated with obtaining a visa: SEVIS fee: \$350/F-1; \$220/J-1; visa fee: \$160; some visas are denied for any number of reasons, and reapplying entails paying the fee again; language proficiency testing (needed for admission): \$200 - \$325 (TOEFL or IELTS depending on country). There is additional expense related to travel from the home country or transfer from another U.S. or international campus.

International students have strict rules issued by SEVP that they must follow in order to maintain their visa statuses: they can only work on campus; they can only work 20 hours per week during the semesters; they must be enrolled full-time (at least 12 credits per semester for UG; 6 – 9 for grad); all internships must be approved and reported; F-1 students can be approved to work post-graduation under the Optional Practical Training (OPT) program; international students can only take ONE online class per semester.

B. Additional Historical Context at Salem State

Since its inception, Salem Normal School has educated international students, the first of whom was Phoebe Church from Canada in 1855. University records further indicate that a student from Japan, Kin Kato entered in 1886.³ In the institution's more recent history, prior to 1994, there was a small "international programs" office in the Sullivan Building. There was modest faculty support for international students and study abroad until this time. In 1994, a director was hired for a newly formed Center for International Education (CIE), which included the Intensive English program, and was situated organizationally under the School of Continuing and Professional Studies (SCPS). For nearly 25 years, the CIE Director reported to the SCPS dean. In 2017, the CIE was placed organizationally under Academic Affairs, led by an assistant provost who reported directly to the Provost. In 2020, the oversight was shifted to a newly appointed Vice Provost for Faculty and Global Engagement, Dr. C. Julie Whitlow.

C. International Partnerships

Our principal partnerships fall in three categories:

1. MOU agreements related to direct student study abroad exchanges with international universities. At present, we have four such agreements that are largely inactive. We may have 1 – 3 students from our counterparts with 1 – 2 SSU students going abroad. These are revenue neutral exchanges.

³ Thanks to Salem State Archivist Susan Edward for this information.

2. Friendly MOUs that seek to extend opportunities for faculty collaboration. We have dozens of these with intermittent activity that is also revenue neutral.
3. Our partnerships with Chinese universities via our participation in the CCIEE – AACU consortium that oversees the Sino-American 1+2+1 dual degree programs. We have hosted over 300 Chinese students since 2008. Each completes year 1 of their degree in China, spend 2 years at SSU, and complete year 4 in China. They are then awarded degrees from both institutions once all requirements are met. This program currently operates with a cohort model, with U.S. AACU schools partnering with similar regional public Chinese universities who now send cohorts of student to U.S. schools. These programs are referred to as International Cohort Programs (ICPs).

Our primary ICP is with Nanjing Normal University (NNU) in Nanjing, China. Since 2016, we have hosted 20 English majors from NNU each year. Students arrive each fall, reside in campus housing, and remain with us for two years. As such, we have 40 NNU students on campus every year.

We currently have an agreement to host a second cohort in accounting beginning year 1 in China. We expect 10 accounting majors to arrive on campus in Fall 2023. We continue to work with our Chinese counterparts to secure future cohorts with the support of our SSU departments. We are currently discussing cohorts in Art + Design and Computer Science.

D. National Importance of International Student Education in the United States

International Student Contributions. NAFSA – the principal professional organization in support of international education professionals – reports that the nearly one million international students at U.S. colleges and universities contributed **\$28.4 billion** to the U.S. economy during the 2020-2021 academic year, a decline of nearly 27% (or \$10.3 billion) from the prior academic year largely due to the pandemic. NAFSA has long advocated for a **national strategy for international education** to proactively recruit talented students and scholars to U.S. colleges and universities from around the world as well as increase the number and diversity of U.S. college students who are able to study abroad before they graduate. Additional findings from NAFSA’s new economic research include:

- While international education continues to feel the effects of Covid, international education continues to be a large part of economic activity in the U.S. The total number of jobs supported (306,308) by the financial contributions of international students declined by 109,688 (or 26.4%) from the prior year;
- At U.S. community colleges, international student spending contributed \$1.5 billion (down 36%) and supported 7,850 jobs (down 37.4%);
- The 10 states that saw the largest amount of economic activity were California, New York, **Massachusetts**, Pennsylvania, Texas, Illinois, Florida, Ohio, Michigan & Indiana. The list is largely unchanged from last year with the exception of Indiana: it assumed the #10 slot from Washington.
- Seven states broke the \$1 billion mark (down from nine states last year)

<https://www.nafsa.org/about/about-nafsa/new-nafsa-data-show-largest-ever-drop-international-student-economic#:~:text=Findings%20show%20that%20the%20nearly,largely%20due%20to%20the%20pandemic.>

U.S. Commercial Services Data. According to the latest data released by the U.S. Department of Commerce’s Bureau of Economic Analysis, **education service exports ranked 6th among service exports in 2020**. During the 2019/2020 academic year the U.S. hosted over one million students and reported \$38.96 billion in education exports, which supported over 415,990 U.S. jobs. U.S. colleges and universities play a significant role in helping foreign governments partner with private industry to fulfill vital education and training needs. Pre-pandemic, the Organization for Economic Co-operation and Development (OECD) report estimates that 8 million students will be studying abroad by 2025.

<https://www.trade.gov/education-service-exports>

WEALTH MANAGEMENT REVIEW



January 25, 2023

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

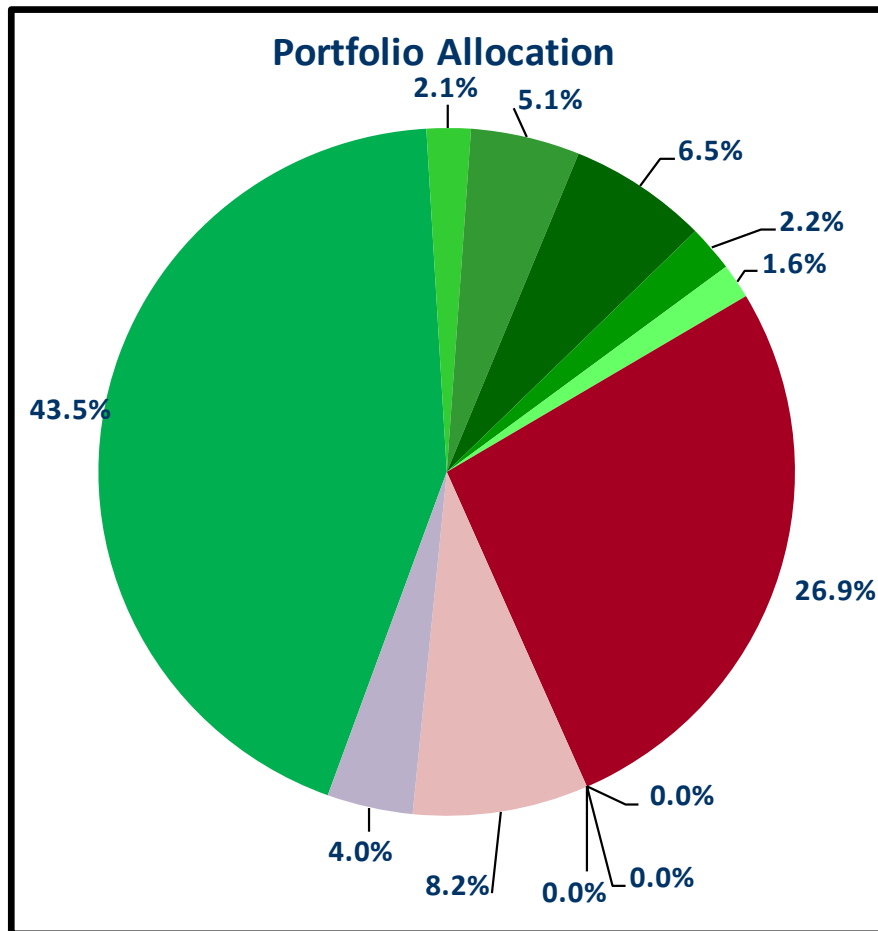
John F. Doherty, CFP®
Vice President
781-581-4215

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Salem State University Portfolio



Market Value as of 12/31/2022
\$19,321,721

Equities	60.9%
■ Individual Stocks	43.5%
■ Small/Mid-Cap ETFs	2.1%
■ Sector & Tactical ETFs	5.1%
■ Internat'l - Developed ETFs	6.5%
■ Internat'l - Emerging ETFs	2.2%
■ Global ex-USA ETFs	1.6%
Fixed Income	35.1%
■ Individual Bonds	26.9%
■ Target Date Maturity ETF's	0.0%
■ U.S. Treasury Bond ETF's	0.0%
■ Preferred Stock Funds	0.0%
■ Corporate Bond Funds	8.2%
Money Market	4.0%
■ Cash	4.0%

Portfolio Performance

Salem State University Total Return

Investment Performance						
Strategy: Growth with Income ESG Sustainability						
As of December 31, 2022						
Asset Class / Benchmark	Ending Market Value	Allocation	YTD	1 YEAR	3 YEAR	5 YEAR
			To Date (12 Months)	Total Return	Total Return	Total Return
Salem State University	\$19,321,715	100.0%	-13.81%	-13.81%	5.25%	6.59%
Total Benchmark		100.0%	-13.96%	-13.96%	3.71%	5.48%
Equities	\$11,767,720	60.9%	-17.18%	-17.18%	8.01%	9.55%
*Multi-Asset Equity Blend		60.0%	-18.03%	-18.03%	6.40%	7.96%
Fixed Income	\$6,781,508	35.1%	-8.10%	-8.10%	-0.26%	1.50%
Bloomberg US Interm Credit TR		37.0%	-9.10%	-9.10%	-1.23%	1.08%
Money Market	\$772,487	4.0%	1.25%	1.25%	0.51%	0.95%
Lipper Money Market Index		3.0%	1.52%	1.52%	0.64%	1.10%
Portfolio Return Gross of Fee			-13.81%	-13.81%	5.25%	6.59%
Portfolio Return Net of Fee			-14.20%	-14.20%	4.77%	6.11%

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

Source: First Rate

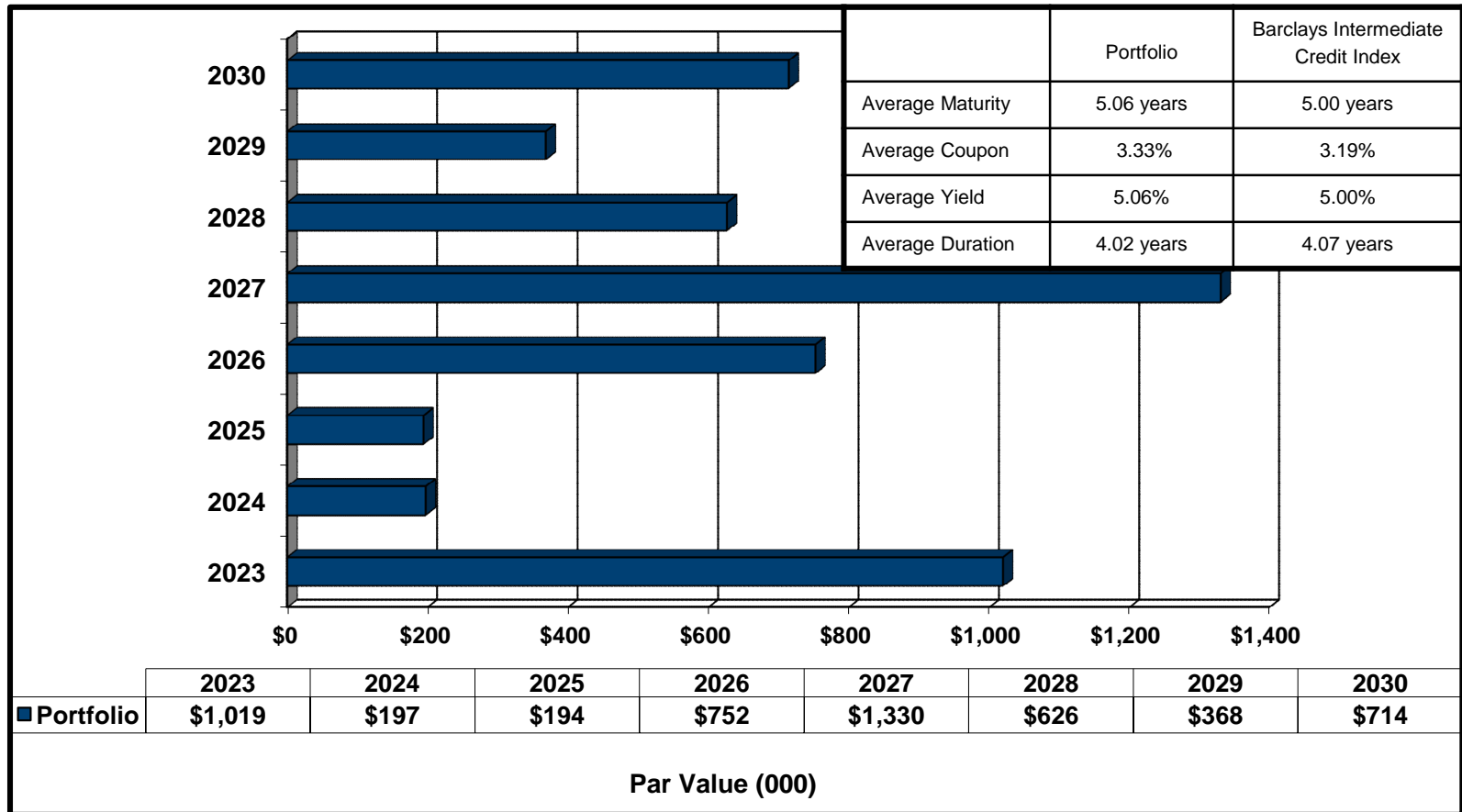
Investment Policy Checklist

SSU Investment Portfolio

Key Item (as of December 31, 2022)	Policy	Salem State	Compliant?
Equity ratings: Common stocks: S&P Stock Guide Mutual funds: Morningstar	B+ 3 Star or better	B+ 3 & 4 Star	Yes Yes
Fixed Income: Individual corporate bonds position limit Maximum average maturity Minimum individual bond rating	<35% of fund 7 years Baa / BBB	24.6% 5.06 years Baa3 / BBB-	Yes Yes Yes
Alternative investments: Derivatives, forwards, swaps, futures	Prohibited	None held	Yes
Asset allocation range: Equities Fixed Income Cash	50% - 75% 25% - 50% 0% - 10%	60.9% 35.1% 4.0%	Yes Yes Yes
Fossil fuel divestment: Carbon Underground 200 Alternative energy suppliers	Divest prudently Seek options	None held Alternatives held	Yes Yes

Bond Maturity Distribution

SSU Investment Portfolio

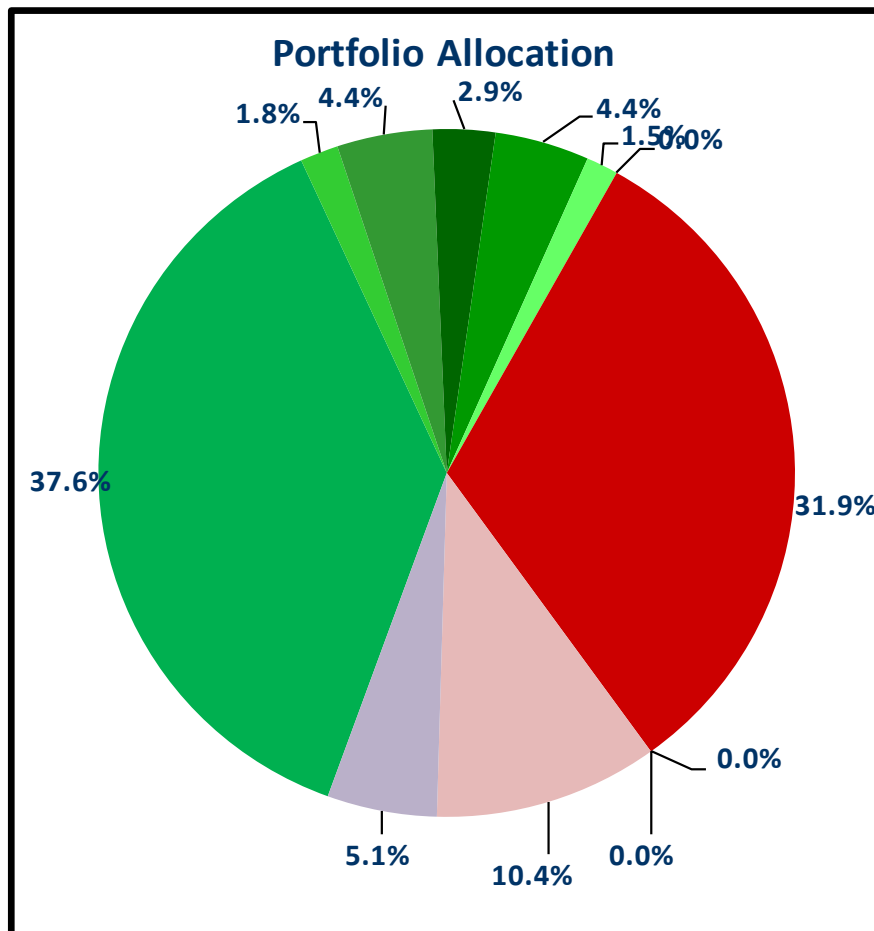


Individual Corporate Bond Ratings

Description	Units	Purchase Date	Time of Purchase	Current	Time of Purchase	Current
			Moody's Rating	Moody's Rating	S&P Rating	S&P Rating
CHUBB INA HOLDINGS 2.7% 3/13/2023	100,000	10/5/2016	A3	A3	A	A
AMERIPRISE FINANCIAL, INC. 4% 10/15/2023	175,000	12/15/2016	A3	A3	A	A-
AT&T INC 2.3% 6/1/2027	200,000	1/26/2018	Baa1	Baa2	BBB+	BBB
ABBVIE INC 3.2% 05/14/2026	100,000	9/6/2019	Baa2	Baa1	A-	BBB+
BANK OF AMERICA CORP 3.3% 01/11/2023	100,000	9/12/2016	Baa1	A2	BBB+	A-
CARDINAL HEALTH, INC. 3.2% 3/15/2023	150,000	7/21/2016	Baa2	Baa2	A-	BBB
CVS HEALTH CORP 3.75% 4/1/2030	200,000	2/14/2022	Baa2	Baa2	BBB	BBB
OMNICOM GROUP 2.45% 4/30/2030	200,000	12/27/2021	Baa1	Baa1	BBB+	BBB+
CITIGROUP 3.375% 03/01/2023	150,000	7/21/2016	Baa1	A3	BBB+	BBB+
WELLS FARGO & CO. 3% 10/23/2026	150,000	6/2/2020	A2	A1	A-	BBB+
UNION PACIFIC 3% 4/15/2027	200,000	3/2/2020	Baa1	A3	A-	A-
ALABAMA POWER CO 3.55% 12/1/2023	200,000	4/16/2019	A1	A1	A-	A-
AMERICAN EXPRESS CO 3.125% 5/20/2026	200,000	9/20/2019	A3	A2	BBB+	BBB+
ORACLE CORPORATION 2.3% 3/25/2028	150,000	8/9/2021	Baa2	Baa2	BBB+	BBB
FIFTH THIRD BANKCORP 2.25% 5/5/2027	200,000	9/21/2020	Baa1	Baa1	BBB+	BBB+
POLO RALPH LAUREN "A" 2.95% 6/15/2030	200,000	2/14/2022	A3	A3	A-	A-
RAYMOND JAMES FINANCIAL INC. 4.65% 4/1/2030	200,000	12/28/2022	A3	A3	BBB+	BBB+
KEYCORP 4.15% 10/29/2025	100,000	12/21/2018	Baa1	Baa1	BBB+	BBB+
CHARLES SCHWAB 2% 3/20/2028	150,000	9/24/2021	A2	A2	A	A
MARRIOTT INTERNATIONAL INC. 3.125% 6/15/2026	200,000	2/9/2021	Baa3	Baa2	BBB-	BBB
VODAFONE GROUP 2.95% 02/19/2023	150,000	10/5/2016	Baa1	Baa2	BBB+	BBB
QUALCOMM INC 3.45% 5/20/2025	100,000	1/23/2019	A2	A2	A-	A
WHIRLPOOL 4% 03/01/2024	200,000	12/20/2017	Baa1	Baa1	BBB	BBB
STARBUCKS CORP 2% 3/12/2027	200,000	8/13/2020	Baa1	Baa1	BBB+	BBB+
QUEST DIAGNOSTIC INC 3.45 6/1/2026	150,000	12/18/2019	Baa2	Baa2	BBB+	BBB+
SYSCO CORP 3.25% 7/15/2027	150,000	1/24/2020	A3	Baa1	BBB+	BBB
LOWES COMPANIES INC 3.1% 5/3/2027	150,000	1/24/2020	Baa1	Baa1	BBB+	BBB+
AMEGEN 2.2% 2/21/2027	150,000	6/2/2020	Baa1	Baa1	A-	BBB+
SHERWIN WILLIAMS 2.95% 8/15/2029	200,000	12/16/2021	Baa2	Baa2	BBB	BBB
VERIZON COMMUNICATIONS INC 2.1% 3/22/2028	200,000	9/24/2021	Baa1	Baa1	BBB+	BBB+
FEDEX CORP. 4.2% 10/17/2028	200,000	12/28/2022	Baa2	Baa2	BBB	BBB
KROGER CO. 4.5% 1/15/2029	200,000	12/28/2022	Baa1	Baa1	BBB	BBB
INTERCONTINENTAL EXCHANGE, INC. 4% 9/15/2027	200,000	12/28/2022	A3	A3	A-	A-

SSU Working Capital Portfolio

Attachment C



Market Value as of 12/31/2022

\$27,719,855

Asset Class	Percentage
Equities	52.6%
Individual Stocks	37.6%
Small/Mid-Cap ETFs	1.8%
Sector & Tactical ETFs	4.4%
Internat'l - Developed ETFs	2.9%
Internat'l - Emerging ETFs	4.4%
Global ex-USA ETFs	1.5%
Fixed Income	42.3%
Individual Bonds	0.0%
Target Date Maturity ETF's	31.9%
U.S. Treasury Bond ETF's	0.0%
Preferred Stock Funds	0.0%
Corporate Bond Funds	10.4%
Money Market	5.1%
Cash	5.1%

Portfolio Performance

Salem State University – Working Capital Investment Total Return

Investment Performance					
Strategy: Balanced ESG(Corp)					
As of December 31, 2022					
Asset Class / Benchmark	Ending Market Value	Allocation	Year	1 Year	Inception
			To Date (12 Months)	Total Return	to Date 4/1/2021
Salem State Univ. WCI	\$27,719,854	100.0%	-12.40%	-12.40%	-4.29%
Total Benchmark		100.0%	-13.05%	-13.05%	-2.82%
Equities	\$14,571,238	52.6%	-16.68%	-16.68%	-3.41%
*Multi-Asset Equity Blend		50.0%	-18.03%	-18.03%	-1.80%
Fixed Income	\$11,734,129	42.3%	-7.86%	-7.86%	-4.26%
Bloomberg US Interm Credit TR		47.0%	-9.10%	-9.10%	-4.73%
Money Market	\$1,414,487	5.1%	1.21%	1.21%	0.70%
Lipper Money Market Index		3.0%	1.52%	1.52%	0.87%
Portfolio Return Gross of Fee			-12.40%	-12.40%	-4.29%
Portfolio Return Net of Fee			-12.80%	-12.80%	-4.72%

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

Source: First Rate

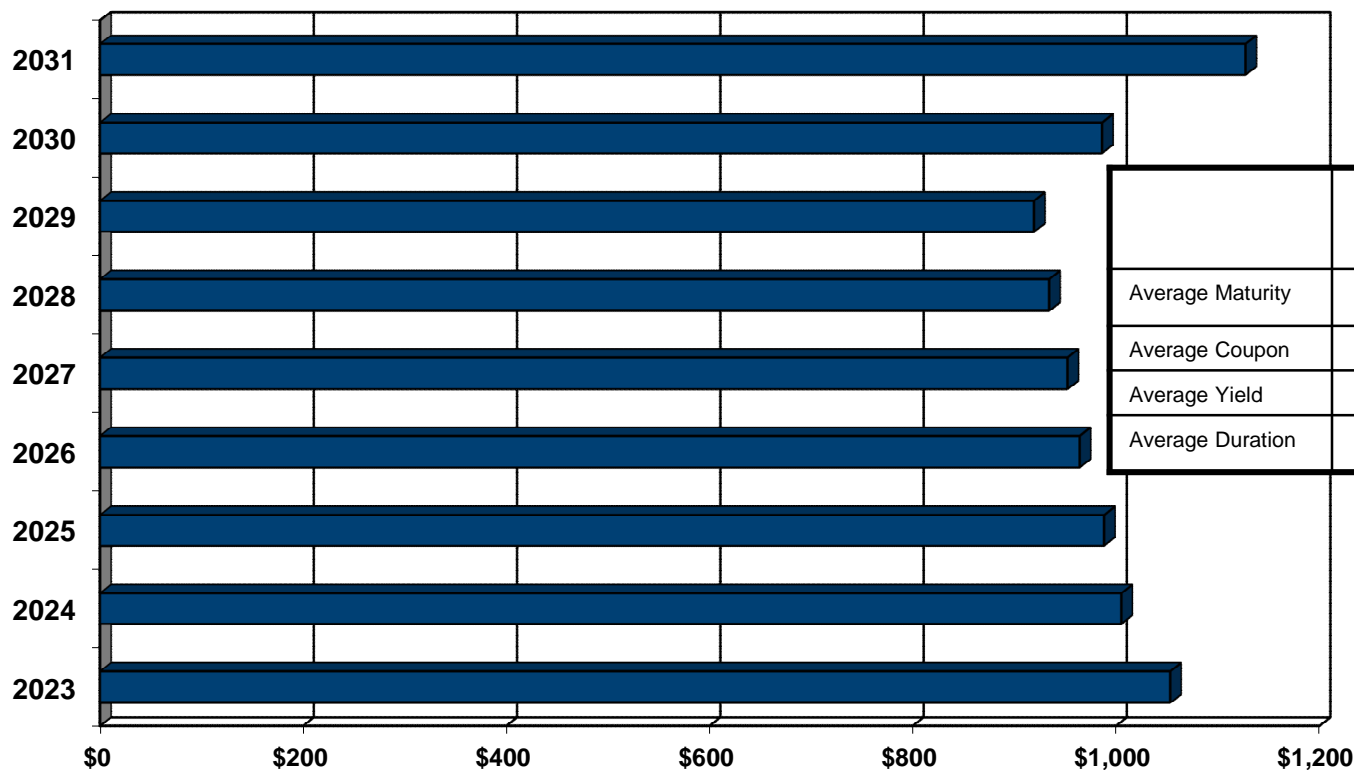
Investment Policy Checklist

Working Capital Investment

Key Item (as of December 31, 2022)	Policy	Salem State	Compliant?
Equity ratings: Common stocks: S&P Stock Guide Mutual funds: Morningstar	B+ 3 Star or better	B+ 3 & 4 Star	Yes Yes
Fixed Income: Individual corporate bonds position limit Maximum average maturity Minimum individual bond rating	<35% of capital 7 years Baa / BBB	No individ.Corp bonds held 5.19 years Invesco Bulletshares Corp Bond ETFs hold only investment grade bonds	Yes Yes Yes
Alternative investments: Derivatives, forwards, swaps, futures	Prohibited	None held	Yes
Asset allocation range: Equities Fixed Income Cash	50% - 75% 25% - 50% 0% - 10%	52.6% 42.3% 5.1%	Yes Yes Yes
Fossil fuel divestment: Carbon Underground 200 Alternative energy suppliers	Divest prudently Seek options	None held Alternatives held	Yes Yes

Bond Maturity Distribution

Working Capital Investment



	SSU – WCI Portfolio	Barclays Intermediate Credit Index
Average Maturity	5.19 years	5.00 years
Average Coupon	3.30%	3.19%
Average Yield	5.18%	5.00%
Average Duration	4.34 years	4.07 years

	2023	2024	2025	2026	2027	2028	2029	2030	2031
■ Portfolio	\$1,053	\$1,005	\$988	\$964	\$952	\$934	\$919	\$986	\$1,127

Par Value (000)

Portfolio Weightings vs 60/40 Blended Benchmark

Industry Weightings	% Of Portfolio	% Of Blend	Industry Weightings	% Of Portfolio	% Of Blend
CONSUMER DISCRETIONARY	7.19%	12.98%	HEALTH CARE	12.23%	12.75%
THE HOME DEPOT, INC.	1.43%		MERCK & CO	2.63%	
MARRIOTT INTERNATIONAL INC. CL A	2.01%		DANAHER CORP	0.73%	
TESLA INC	0.60%		JOHNSON & JOHNSON	1.76%	
DARDEN RESTAURANTS INC.	1.66%		THERMO FISHER SCIENTIFIC	1.55%	
BURLINGTON STORES	1.49%		UNITEDHEALTH GROUP	2.49%	
CONSUMER STAPLES	4.64%	6.83%	IQVIA HOLDINGS INC	1.22%	
PEPSICO	1.39%		ABBOTT LABS	1.85%	
WALMART	2.26%		INDUSTRIALS	8.88%	8.84%
SYSCO CORP	0.99%		EATON CORP	1.45%	
ENERGY	3.05%	2.40%	IDEX CORPORATION	1.08%	
CALVERT GLOBAL ENERGY	2.19%		RAYTHEON TECHNOLOGIES	1.58%	
INVESCO WILDERHILL CLEAN ENERGY	0.86%		HONEYWELL	2.00%	
FINANCIALS	7.68%	12.11%	DEERE & CO	1.25%	
AMERICAN EXPRESS	1.15%		NORTHROP GRUMMAN	1.52%	
JPMORGAN CHASE & CO.	2.26%		INFORMATION TECH	19.59%	25.93%
PNC FINANCIAL	1.56%		BROADCOM	1.72%	
BLACKROCK, INC.	1.31%		ADOBE SYSTEMS INC.	0.89%	
HARTFORD FINANCIAL	1.40%		ANALOG DEVICES, INC.	1.00%	
FUNDS	25.52%	0.91%	APPLE INC.	2.74%	
BOSTON COMMON ESG IMPACT INT'L	2.69%		APPLIED MATERIALS	1.22%	
NUVEEN ESG LARGE CAP VALUE	0.97%		MICROSOFT	4.58%	
NUVEEN ESG	2.41%		SERVICENOW	0.58%	
SPDR HEALTH CARE SELECT	2.34%		MASTERCARD	1.89%	
SPDR TECHNOLOGY ETF	0.87%		AUTOMATIC DATA PROCESSING	1.20%	
CALVERT MID CAP	0.97%		ACCENTURE PLC	0.92%	
DFA US SUSTAINABILITY CORE	4.13%		MOTOROLA SOLUTIONS	1.58%	
DFA EMERGING MARKETS	1.84%		MARVELL TECHNOLOGY INC.	0.37%	
PAX WORLD INT'L	1.90%		ADVANCED MICRO DEVICES	0.90%	
BLACKROCK GLOBAL IMPACT	1.30%		COMMUNICATION SERVICES	4.26%	8.77%
CALVERT INTERNATIONAL	1.88%		ALPHABET CLASS A	2.76%	
CALVERT EMERGING MARKETS	1.73%		WALT DISNEY	0.76%	
ISHARES ESG AWARE MSCI ETF	2.49%		AT&T	0.74%	
UTILITIES	2.32%	2.93%	MATERIALS	2.57%	3.52%
AMEREN CORP	1.19%		EASTMAN CHEMICAL CO.	0.99%	
AMERICAN ELECTRIC POWER	1.13%		AIR PRODUCTS & CHEMICALS	1.58%	
			REAL ESTATE	2.09%	1.98%
			CAMDEN PROPERTY TRUST	0.82%	
			AMERICAN TOWER	1.27%	
			CASH	0.36%	0.05%

Target allocation as of 12/31/2022. Allocation may not reflect EBWM's current view and should not be used as the base of an investment decision.

Securities listed are not to be considered as a recommendation to buy or sell and are not guaranteed to be in portfolios.

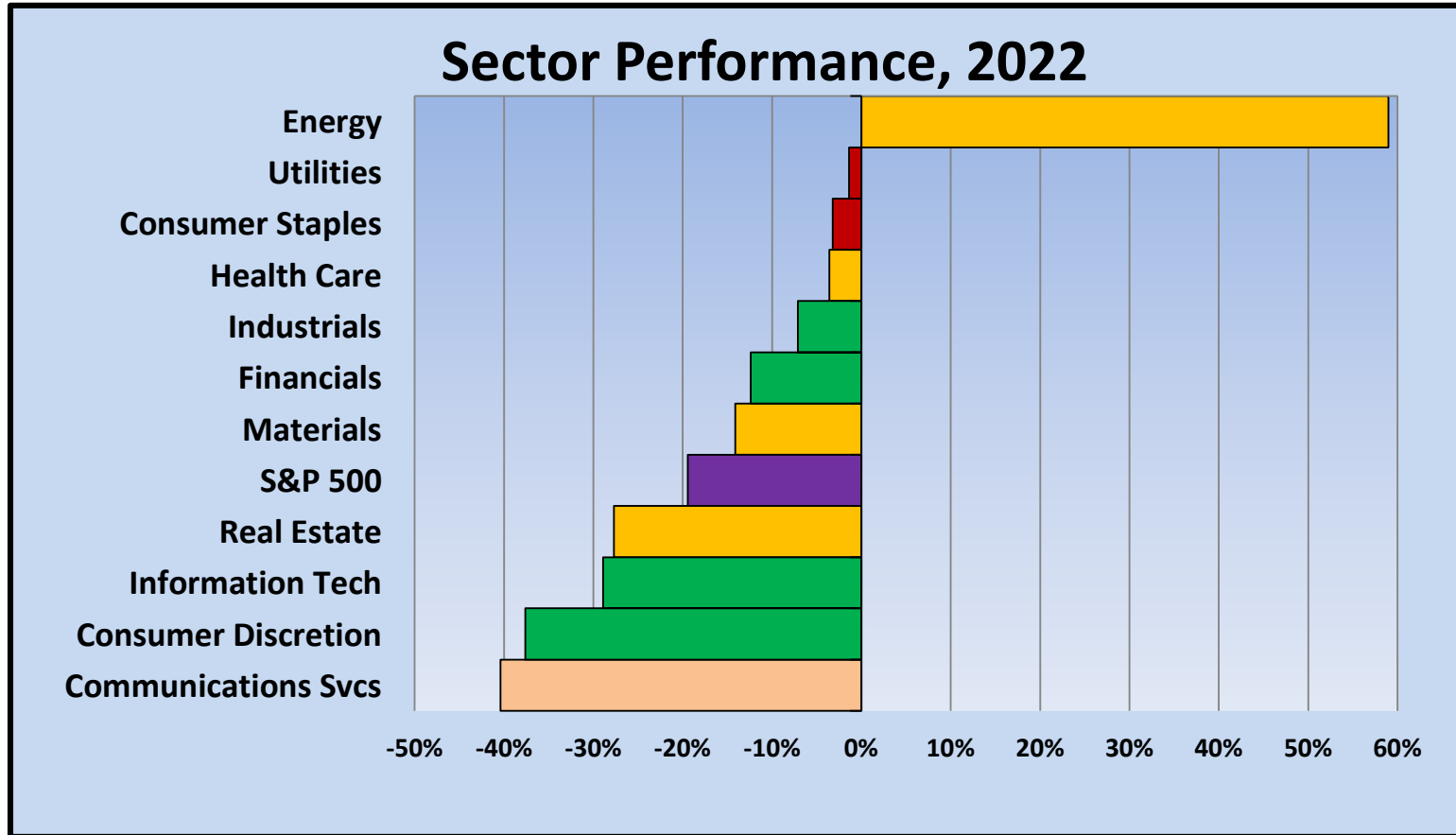
* Benchmark is blend of 60% S&P 500 and 40% MSCI ACWI

Performance Review: 4Q 2022

Attachment C

- Total portfolio was close to benchmarks in 2022
 - Equity portfolio outperformed the S&P 500 and peer groups
 - Fixed income portfolios beat their benchmarks
 - Tactical asset allocation and cash slightly detracted from returns
- Core U.S. equity outperformed S&P 500 and peers in 4Q
 - Stock selection and torpedo avoidance helped returns for the quarter
 - Performance against peer group improved in each quarter in 2022
 - Value beat growth by wide margins in the quarter and for the year
- Energy stocks rose 59% in 2022, while all other sectors fell
 - Fossil-fuel-free portfolios faced significant performance challenges
- Longer-term Core U.S. equity remains ahead of peers
 - Consistency matters: Despite ranking in first quartile in only one calendar year since 2017, EBWM performance over five years is solidly first-quartile over the full five-year 2018-2022 period

Sector Returns – Fossil Fuels Surge



Source: FactSet, Eastern Bank Wealth Management

Peer Group: U.S. Equities in 2022

- Morningstar surveyed ~3,500 active U.S. large-cap managers
- EBWM model returns are net of average fees

As of Dec 31, 2022	2022-1Q	2022-2Q	2022-3Q	2022-4Q
Eastern Bank	-6.49%	-16.10%	-5.04%	9.04%
EBWM Percentile	62	55	53	47
Large-Cap Peer Group	-5.26%	-15.67%	-4.95%	8.41%
Growth	-10.62%	-21.09%	-4.28%	2.99%
Value	-0.32%	-11.31%	-5.61%	12.74%
S&P 500	-4.59%	-15.87%	-4.88%	7.54%
Source: Morningstar, Eastern Bank Wealth Management				

Peer Group: U.S. Equities Long-Term

- Morningstar surveyed ~3,500 active U.S. large-cap managers
- EBWM model returns are net of average fees

As of Dec 31, 2022	2018	2019	2020	2021	2022
Eastern Bank	-3.18%	31.53%	18.59%	26.69%	-18.54%
EBWM Percentile	23	27	40	37	54
Large-Cap Peer Group	-5.60%	29.02%	16.83%	25.34%	-18.13%
Growth	-2.01%	32.35%	34.34%	21.90%	-30.88%
Value	-8.94%	25.22%	2.57%	26.05%	-5.54%
S&P 500	-4.38%	31.48%	18.40%	28.73%	-18.10%

Source: Morningstar, Eastern Bank Wealth Management

As of Dec 31, 2022	1-Year	3-Years	5-Years
Eastern Bank	-18.54%	6.96%	9.28%
EBWM Percentile	54	41	21
Large-Cap Peer Group	-18.13%	6.54%	7.93%
Growth	-30.88%	4.96%	8.35%
Value	-5.54%	6.92%	7.06%
S&P 500	-18.10%	7.67%	9.44%

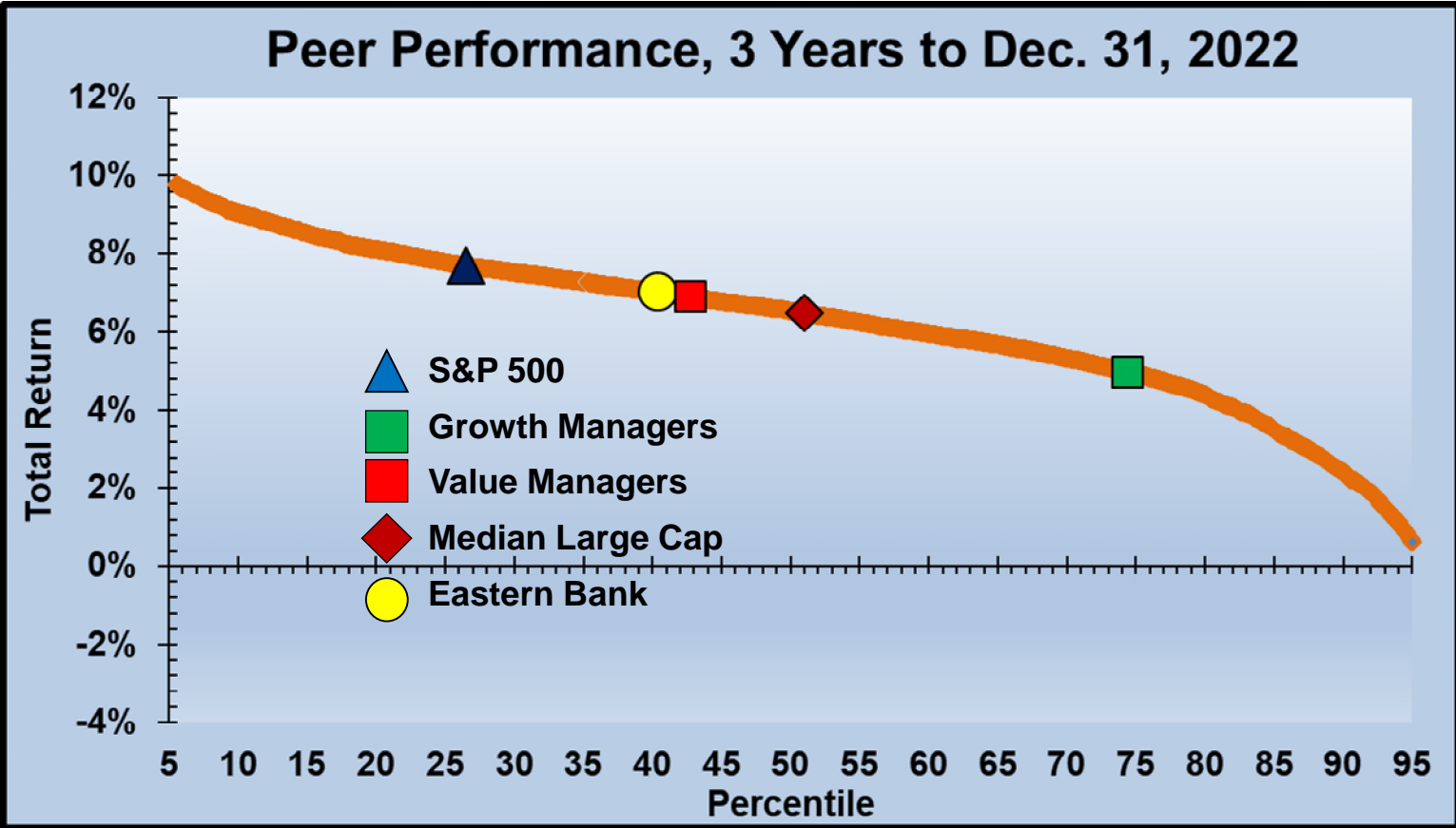
Source: Morningstar, Eastern Bank Wealth Management

Performance: U.S. Equity, 1 Year



Source: Morningstar, Eastern Bank Wealth Management

Performance: U.S. Equity, 3-Year



Source: Morningstar, Eastern Bank Wealth Management

Performance: U.S. Equity, 5-Year

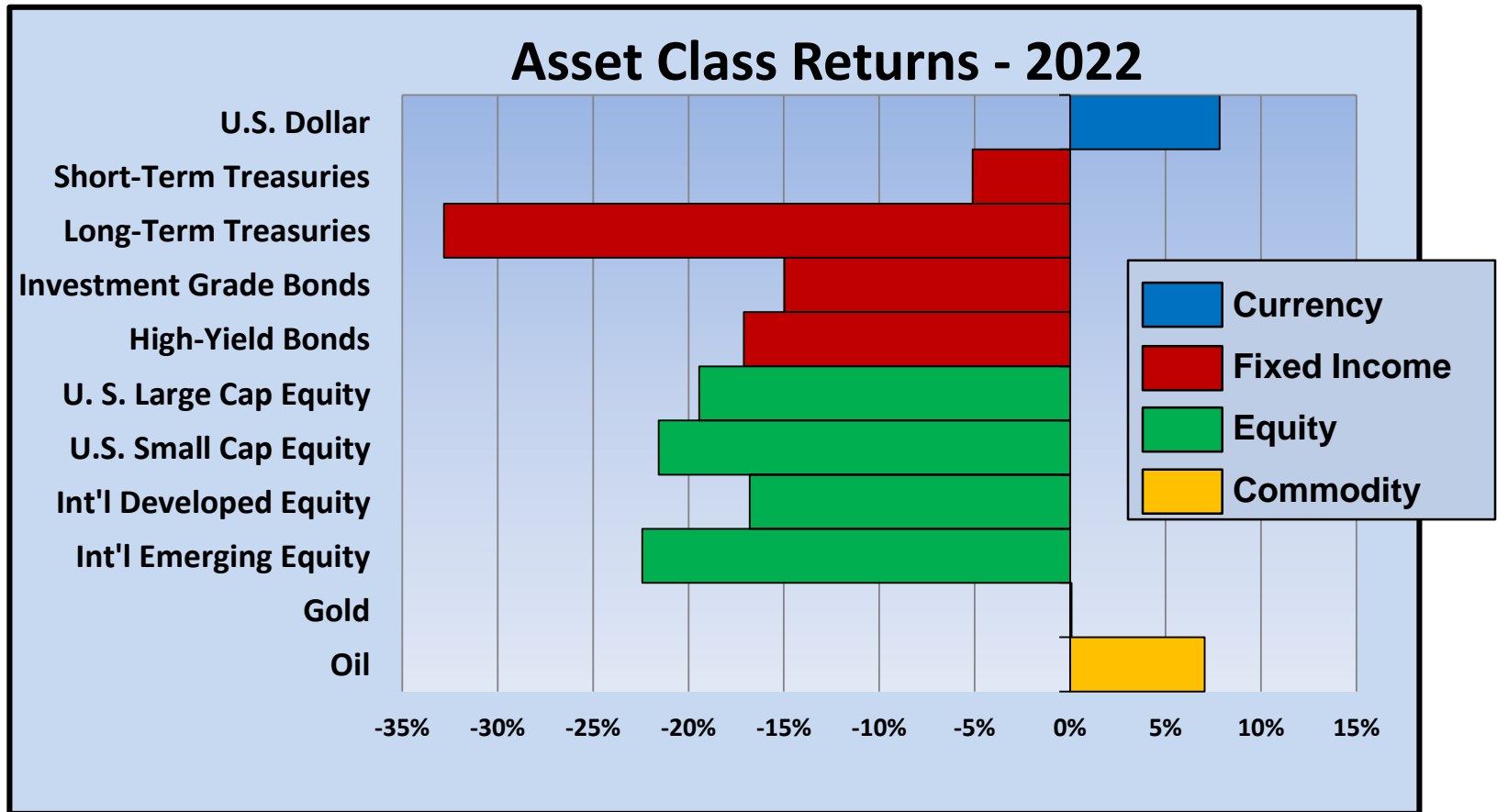


Source: Morningstar, Eastern Bank Wealth Management

Recent Portfolio Changes

- Tactical asset allocation
 - Rebalanced portfolios in early January 2023, remaining neutral to equities
 - Retain tilt to “value” over “growth” equities, diversified across all sectors
 - Remain underweight international equities vs. U.S. in global portfolios
 - Shifted bond portfolios to extend duration and raise credit quality
- Equity trades (not all names in all accounts)
 - *Purchases:* AbbVie, Amazon.com, Chevron, Oracle, Parker Hannifin, Marathon Petroleum, Merck, Prologis, Royalty Pharma, Target
 - *Sales:* Adobe, American Tower, Automatic Data Processing, Camden Property Trust, Crown Castle, Home Depot, Pfizer, Public Service Enterprise Group
- ETF and mutual fund transactions
 - *Purchases:* Global X S&P 500 Catholic Values, iShares Core MSCI Emerging Markets, iShares Global Clean Energy, iShares MSCI International Quality Factor, iShares ESG Screened S&P MidCap, SPDR Biotech, SPDR Industrial, Vanguard Int’l Dividend Appreciation, WisdomTree EM Small Cap Dividend
 - *Sales and Trims:* BlackRock Global Impact, Calvert International Responsible Index, Calvert MidCap, iShares MSCI Emerging Markets, iShares Core Dividend Growth, Vanguard Total International

Asset Class Returns

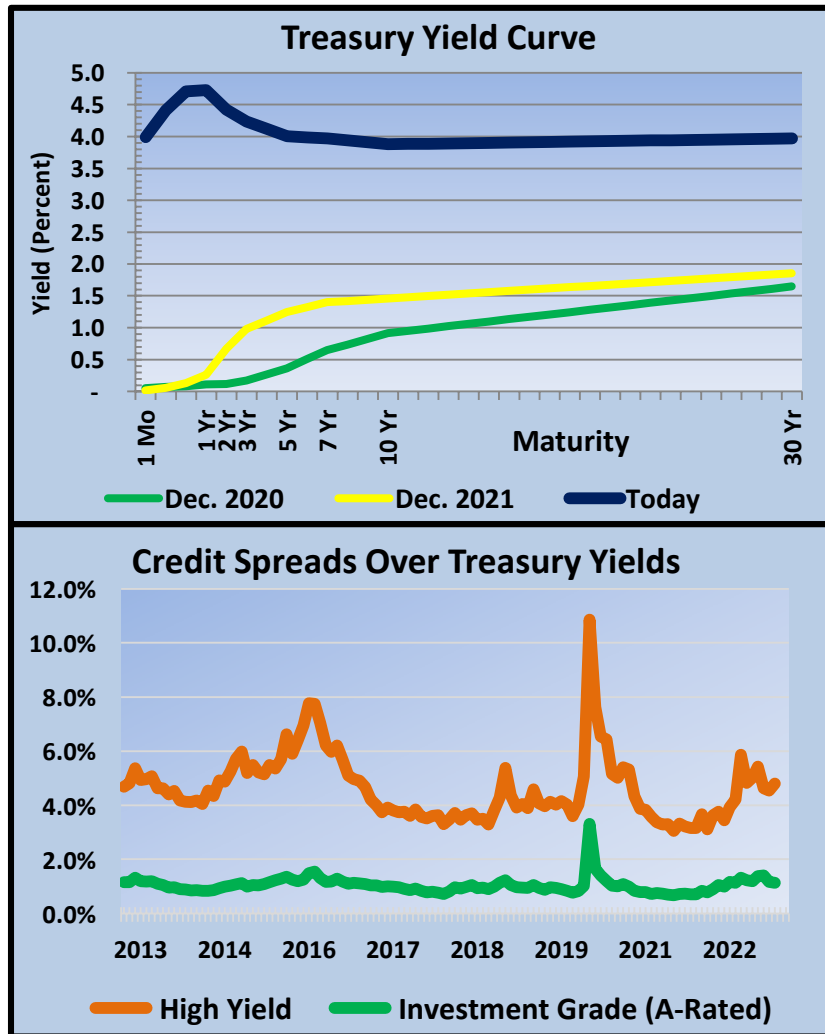


Source: FactSet, Eastern Bank Wealth Management; data through December 31, 2022

Asset Allocation: Current Posture

- Outlook
 - Sharply higher interest rates are pushing the U.S. toward recession, exacerbated by the end of Covid stimulus; improved supply chains, plentiful jobs, and healthy consumer balance sheets may enable a soft landing
 - Inflation is slowing: Money supply growth has stalled, and higher interest rates are forcing consumers to rethink their spending
- Strategy
 - Both equities and fixed income are much more attractive than they were a year ago; we have neutral allocations between them, reflecting comparatively similar outlooks
 - Equity portfolios tip toward “value” and defensive stocks
 - Fixed income portfolios shifted recently to extend duration and reduce credit risk

Market Monitor: Fixed Income



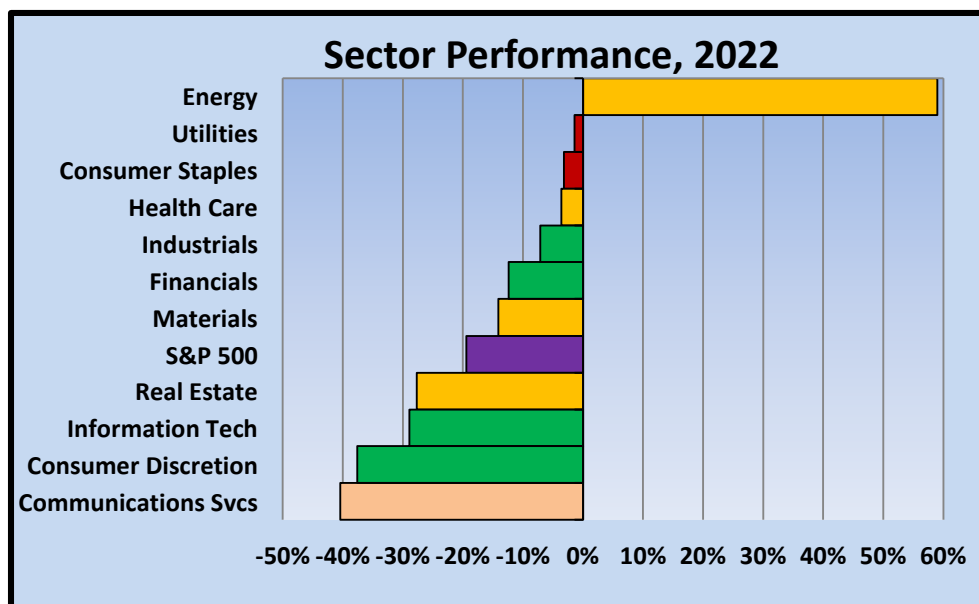
- The yield curve has both risen and steeply inverted. Bond investors expect inflation to dissipate only gradually. Real yields (after inflation) remain well below zero, indicating worry about possible recession.
- The Fed has promised more rate hikes in early 2023, followed by a long plateau. Investors' hopes of an initial rate cut late next year may be overly optimistic.
- Credit spreads have widened only slightly, indicating investors are not concerned about the impact of slowing growth on corporate balance sheets.

Active Fixed Income Strategy

- Outlook
 - The U.S. economy is slowing and is likely headed for recession. Sharply higher interest rates are causing consumers and businesses to curb their appetites. GDP growth turned positive in the September quarter but remains very sluggish.
 - The Federal Reserve is on the cusp of moderating its policy stance. It is still targeting a higher-for-longer interest rate policy, but it is also starting to slow the pace of rate hikes to give the economy time to adjust. As the Fed pivots toward less restrictive policy, the U.S. dollar has given back some of its earlier gains.
- Strategy
 - With interest rates much higher today than a year ago and with the economy slowing, we have recently reduced credit risk and extended our duration.
 - We use a nine-year bond ladder to provide better insulation from short-term market fluctuations.

Market Monitor: Domestic Equity

- U.S. stocks gave up most of their autumn gains, finishing the year down 19.4%. Recent tests of the 200-day moving average and resistance levels have failed. Data does not yet support the emergence of a new bull run, but valuations are considerably more attractive today.
- Energy was the only sector to gain in 2022, despite a late decline in oil prices. Defensive sectors outperformed in a challenging environment.



- The S&P 500 index's 1.8% dividend yield is more than 200 basis points below the 10-year Treasury yield for the first time since 2007, suggesting that stocks are fairly valued vs. bonds.
- Rising interest rates have driven P/E ratios down; as earnings growth slows, multiples may fall further.

Domestic Equity Strategy Review

- Outlook
 - The U.S. economy is slowing, as the benefits of Covid stimulus and high savings rates have ended. Supply chains are improving, and inflation is beginning to moderate from very high levels.
 - Consumer behavior is changing; retailers have noted a shift from brand names to generics, and from discretionary or impulse purchases to basics. Despite a solid jobs market and healthy balance sheets, consumers are worried.
 - High interest rates, high inflation, and a sputtering housing market may lead to stagflation or recession, but a “soft landing” to slower growth is still possible.
- Strategy
 - We remain fully invested. Domestic equity portfolios remain diversified across all sectors of the economy. We have gradually shifted our emphasis toward “value” stocks that have lower valuations, higher dividends, and leverage to recovering demand.

Market Monitor: International Equity

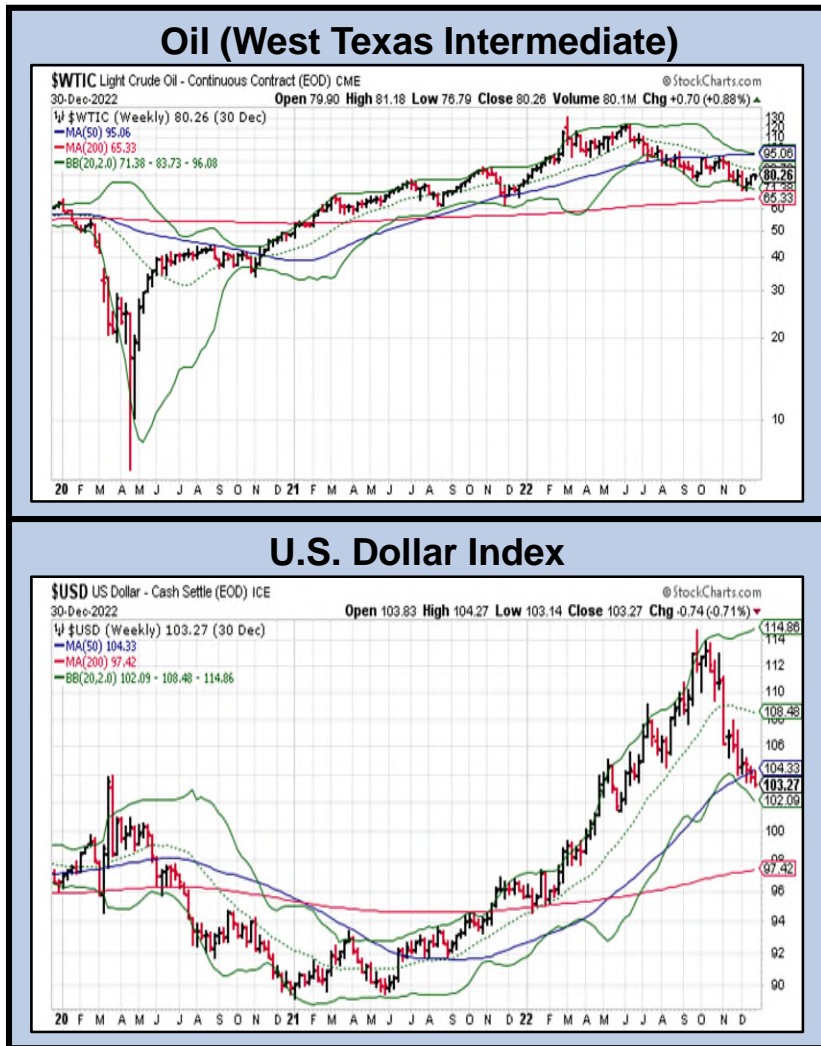


- Major foreign stock markets show signs of recovery after falling farther than the U.S. this year, reflecting worsening fundamentals in many regions.
- European markets have been punished as investors fear that interrupted energy imports could lead to steep recession.
- China's Covid reopening has been chaotic but still stirred hope for economic recovery.
- Latin American and Canadian markets outperformed other regions in 2022, helped by their large energy and food export industries.

International Equity Strategy Review

- Outlook
 - We think international markets offer both diversification and risk-management benefits. Valuations remain below U.S. levels, which limits downside risk, but fundamentals are still fragile.
 - Europe is in danger of slipping into recession due to severe inflation and a potentially severe energy shortage stemming from Russia's war on Ukraine.
 - Emerging markets are a mixed bag; China's Covid reopening may finally energize its sluggish domestic economy and revive its export capabilities, while resource-rich markets have held up well.
- Strategy
 - We are underweight in our allocation to foreign markets.
 - Developed markets have been pressured by war, Covid, Brexit, and the ECB's interest rate suppression; most of these factors are beginning to ameliorate. Stock prices may not reflect the risk of recession due to interrupted energy supplies.

Market Monitor: Other Asset Classes

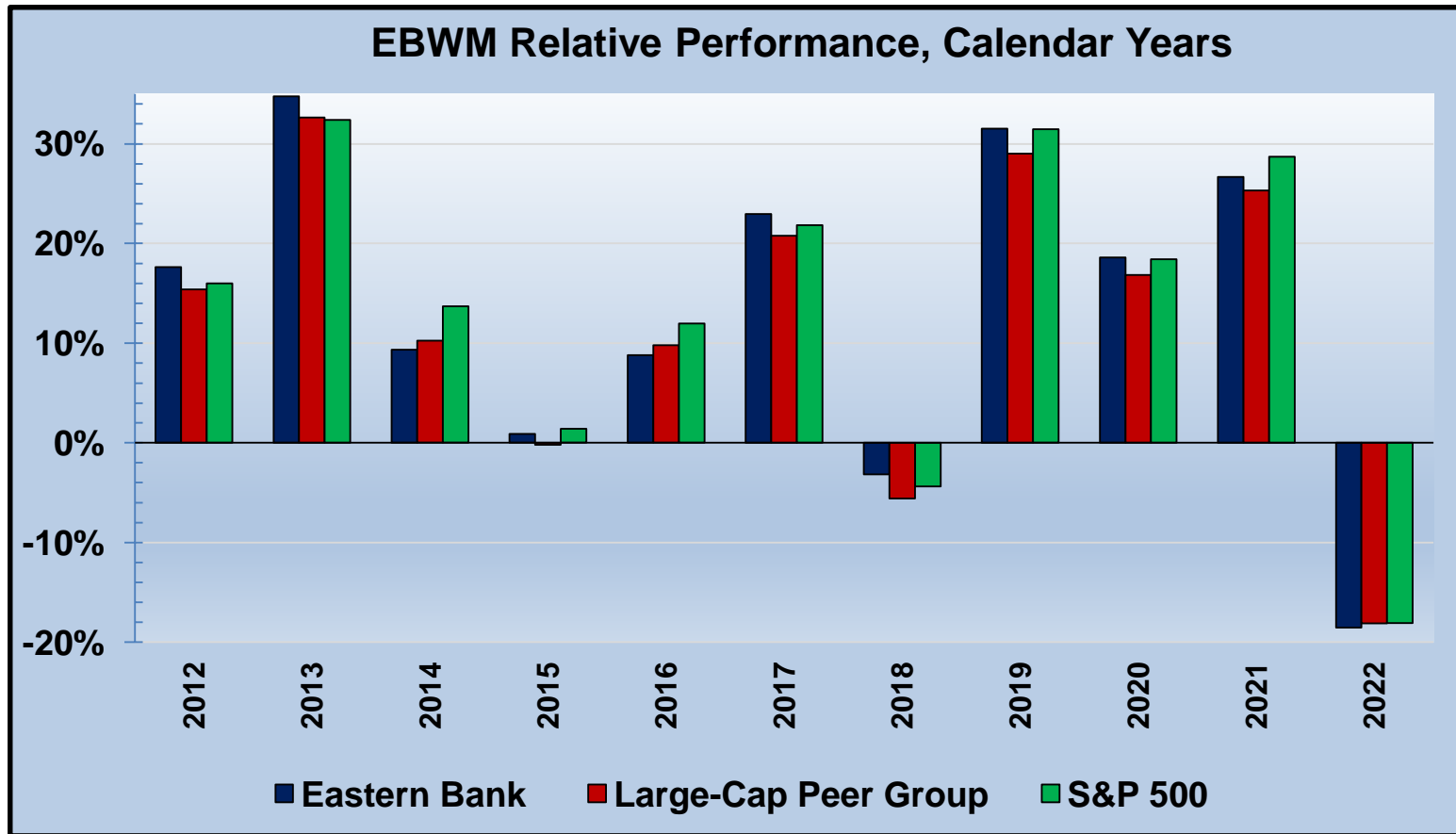


- Oil prices have softened after hitting record highs in early March. The opening of the U.S. Strategic Petroleum Reserve and economic deceleration have both increased supply and dampened demand.
- The U.S. dollar has faded sharply following the Fed's pivot toward slower rate increases.
- Prices of industrial metals and agricultural commodities have collapsed after hitting record highs early last year.
- Gold flatlined in 2020, failing to keep up with inflation. Crypto assets have been crushed.

Other Asset Classes Strategy

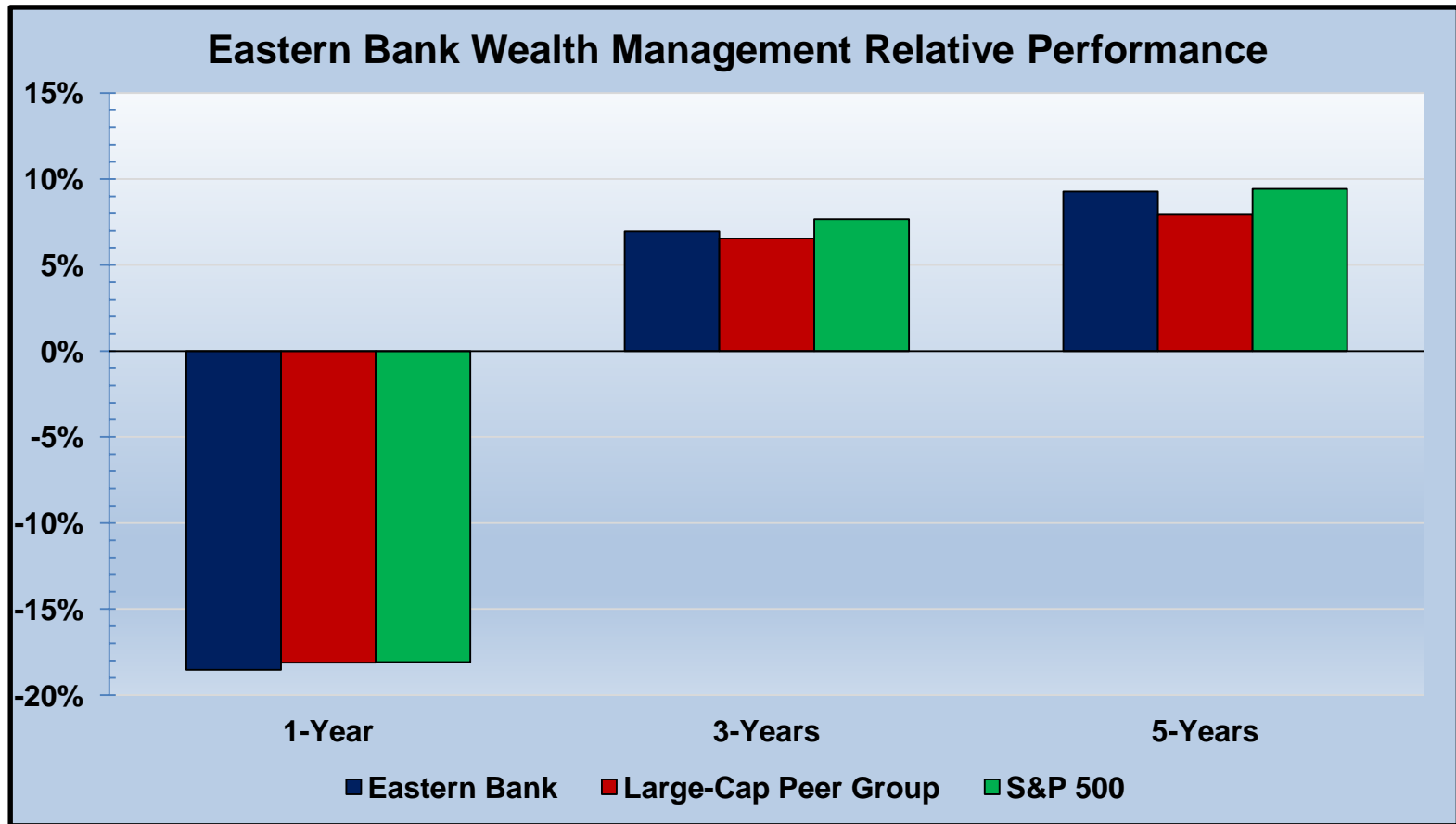
- Outlook
 - We resisted the twin stampedes into commodities and crypto assets, saving our clients from the ensuing collapses in prices. Most commodities now reflect improved supply chains as markets have adjusted to the Russia-Ukraine war and to slowing global demand.
 - Private equity and venture capital have attracted capital, but returns could be more difficult to achieve in an emerging era of high interest rates. The IPO window is closed and SPACs have proved to be disappointing exit vehicles. Hedge fund returns have been lackluster.
- Strategy
 - We do not recommend hedge funds, private equity, or venture capital. Fees are high, liquidity is limited, and historical returns have been unimpressive – particularly when adjusted for risk.
 - We don't hold commodities, an asset allocation decision that has benefited our clients over time. We are skeptical that they will return to peak levels any time soon.

Eastern Bank vs. Peers



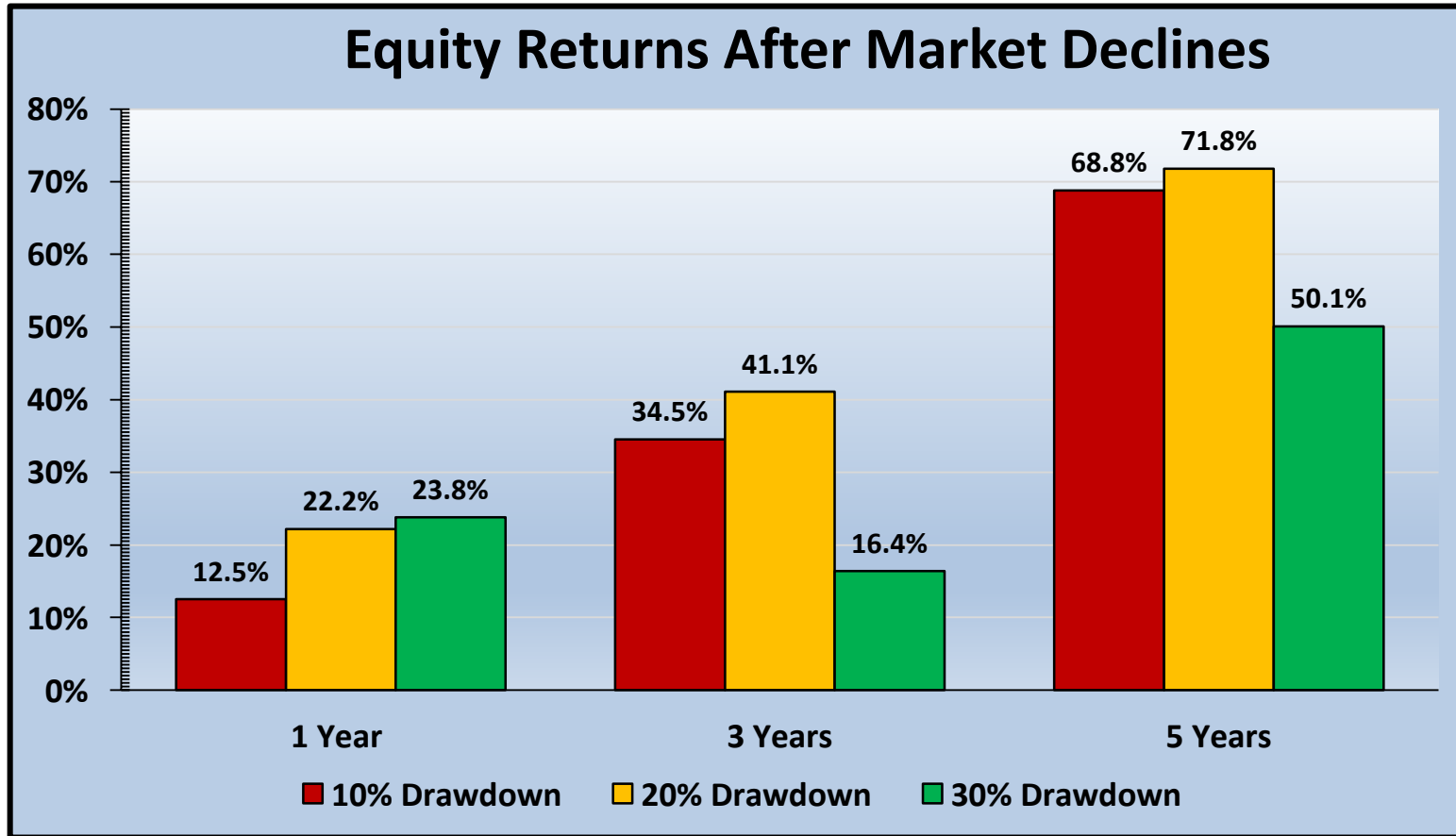
Source: Morningstar, Eastern Bank Wealth Management

Eastern Bank vs. Peers



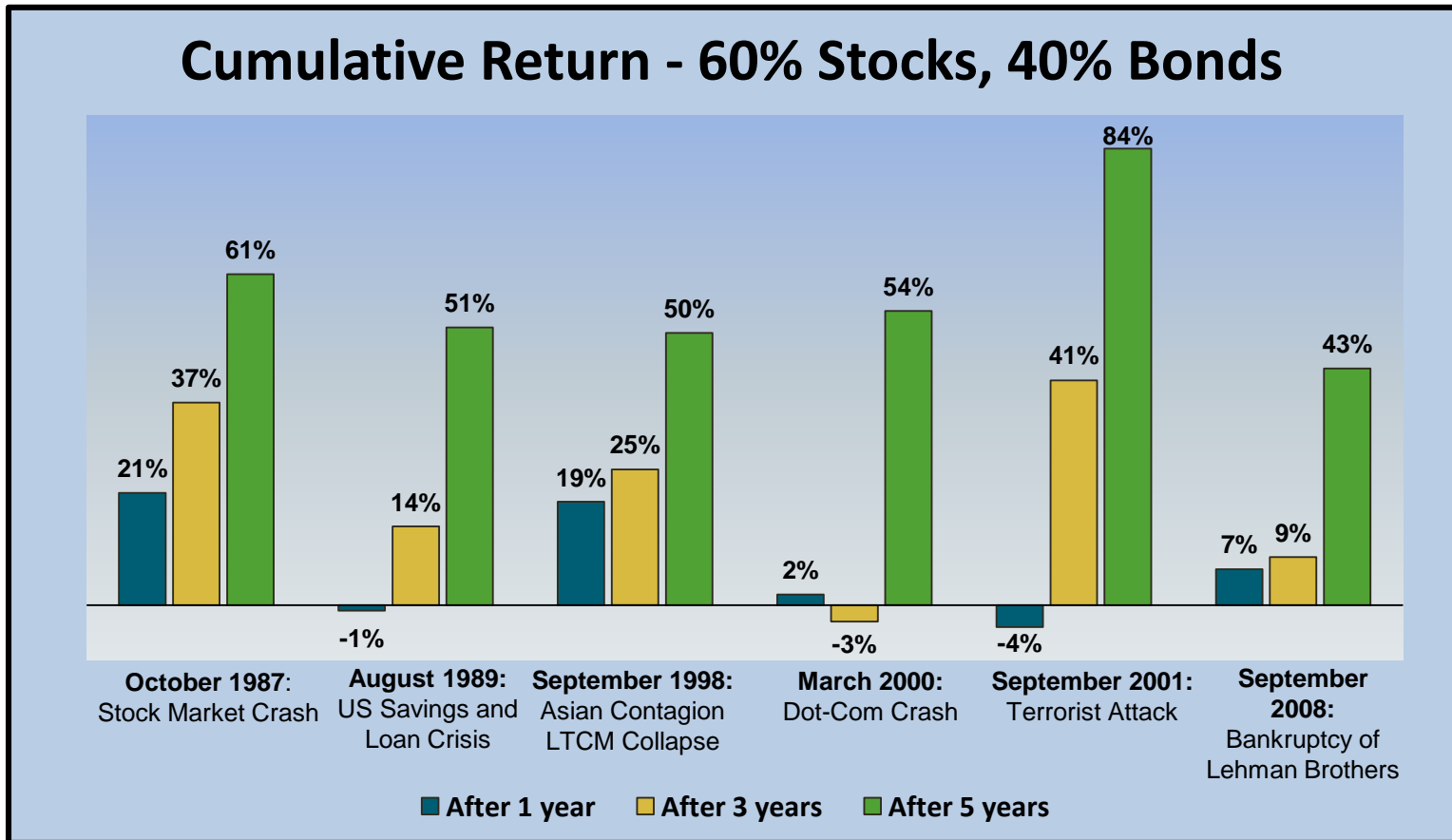
Source: Morningstar, Eastern Bank Wealth Management

When Stocks Are on Sale



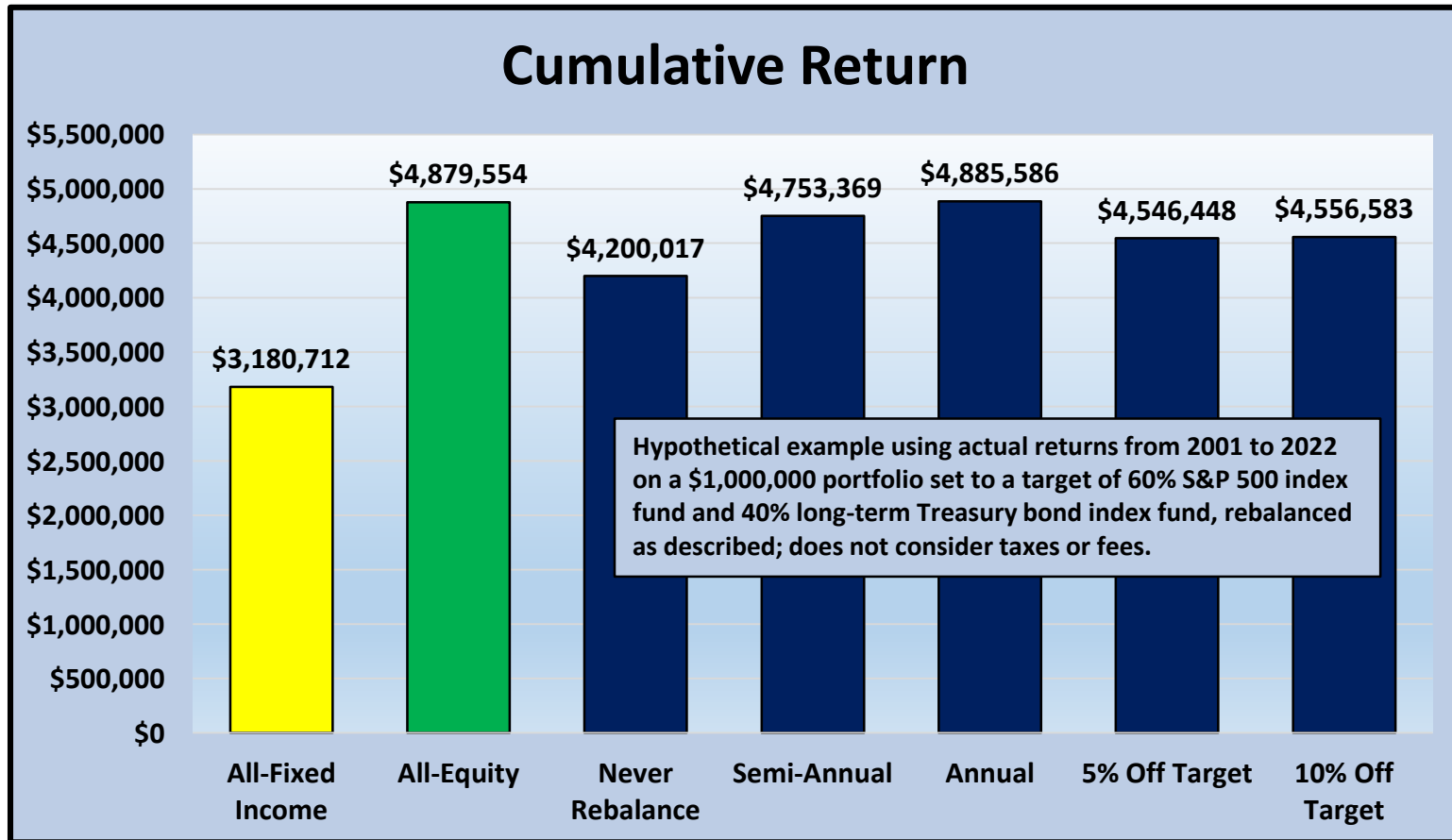
Source: Dimensional Funds Advisors; Data for US Total Market Returns July 1, 1926 to December 31, 2021

Market Response to Crisis



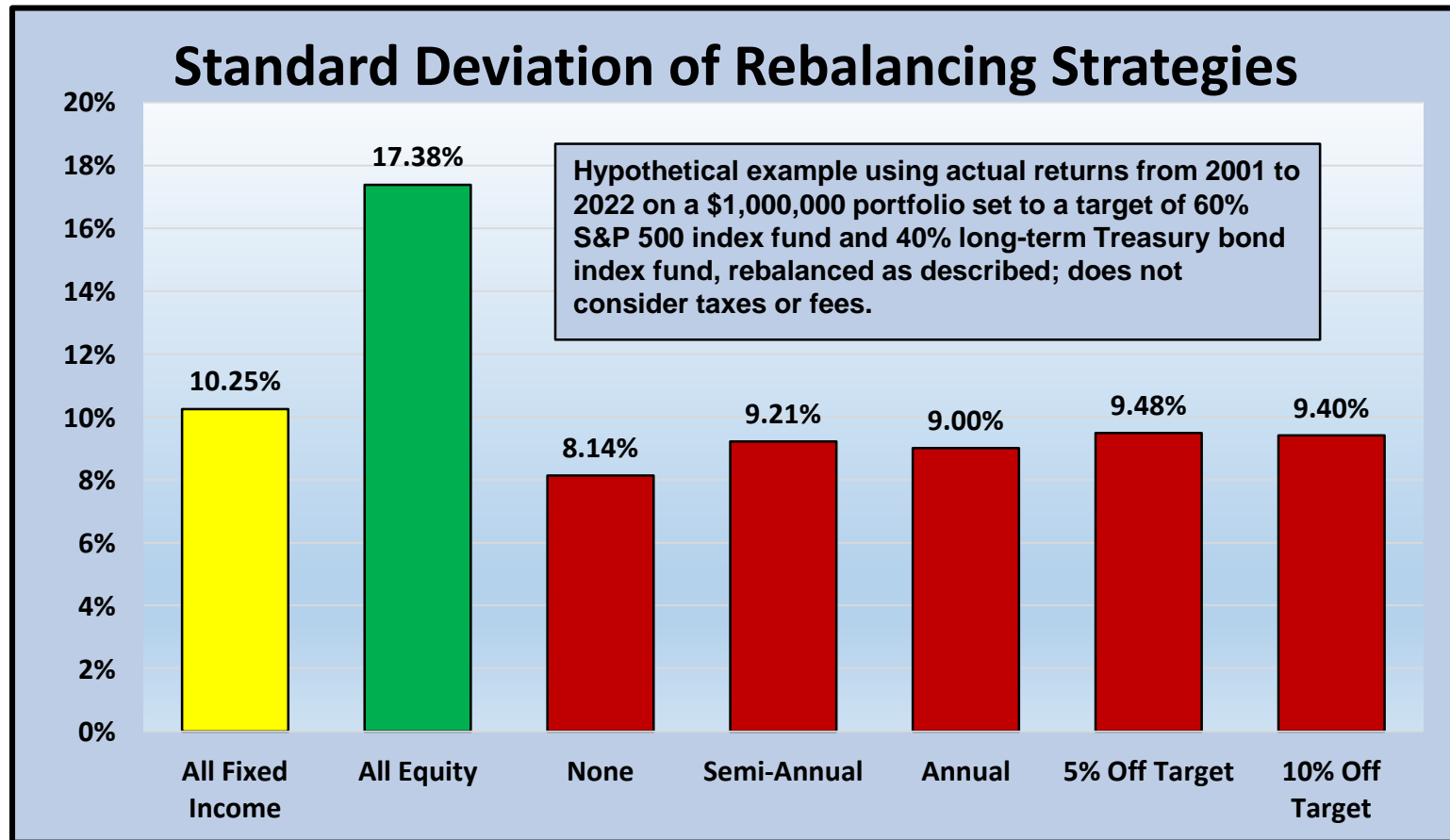
Source: Dimensional Fund Advisors

Rebalancing: Returns



Source: FactSet, Eastern Bank Wealth Management

Rebalancing: Volatility



Source: FactSet, Eastern Bank Wealth Management

Appendix

Michael A. Tyler, CFA®

- Chief Investment Officer, Eastern Bank Wealth Management
- Former Partner at Wellington Mgmt. Founder/CEO of investment boutique
 - Advised institutional clients on corporate takeovers and managed hedge fund
- Board Memberships
 - John F. Kennedy Library Foundation
 - Investment Committee Chair; Executive Committee member
 - Associated Industries of Mass. Board of Economic Advisors (Vice Chair)
 - Align Impact, values-based investment (past Chair)
- Frequent commentator on national (CNBC) and regional TV
- Harvard MBA, Princeton BA



John F. Doherty, CFP[®], CTFA



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

William J. Walsh, CFP

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



Notices and Disclosure

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

Investment Review

Account Name	SALEM STATE-PLG	Account Number	XXX7524
		Assets Held As Of	DEC 31, 2022
		Valued As Of	DEC 31, 2022

Important Information

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

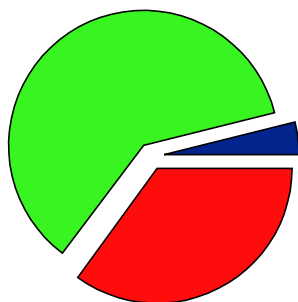
TRUSTEE RESTRICTIONS:

REMARKS:

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

SUMMARY OF INVESTMENTS

Investment Allocation



4.0%	■	CASH ITEMS	772,486.88
60.9%	■	EQUITIES	11,767,720.21
35.1%	■	FIXED INCOME SECURITIES	6,781,507.61
100.0%		Total	19,321,714.70

Investment Review

Account Name	SALEM STATE-PLG	Account Number	XXX7524
		Assets Held As Of	DEC 31, 2022
		Valued As Of	DEC 31, 2022

SUMMARY OF INVESTMENTS

Investment Summary

	Market Value	%	Estimated Income	Current Yield
CASH ITEMS				
PRINCIPAL CASH				
MONEY MARKET FUNDS	772,486.88	4.00	28,041	3.63
TOTAL CASH ITEMS	772,486.88	4.00	28,041	3.63
FIXED INCOME SECURITIES				
CORPORATE/OTHER BONDS	5,204,467.50	26.94	177,438	3.41
MUTUAL FUND - CORPORATE BONDS MUTUAL FUNDS	1,577,040.11	8.16	48,319	3.06
TOTAL FIXED INCOME SECURITIES	6,781,507.61	35.10	225,757	3.33
EQUITIES				
COMMON STOCKS				
MACHINERY	127,636.47	0.66	1,342	1.05
COMMUNICATION SERVICES	500,486.32	2.59	7,034	1.41
CONSUMER DISCRETIONARY	844,821.08	4.37	13,262	1.57
CONSUMER STAPLES	545,465.74	2.82	11,344	2.08
FINANCIALS	904,429.21	4.68	24,777	2.74
HEALTH CARE	1,438,694.78	7.45	21,854	1.52
INDUSTRIALS	917,783.20	4.75	16,012	1.74
INFORMATION TECHNOLOGY	2,304,645.58	11.93	27,808	1.21
MATERIALS	302,549.30	1.57	8,423	2.78
REAL ESTATE	246,337.46	1.27	7,388	3.00
UTILITIES	273,104.10	1.41	8,373	3.07
TOTAL COMMON STOCKS	8,405,953.24	43.51	147,617	1.76
MUTUAL FUND - LARGE CAP EQUITIES MUTUAL FUNDS	1,337,306.52	6.92	20,575	1.54
MUTUAL FUND - INTERNATIONAL EQUITIES				
UNCLASSIFIED	221,362.55	1.15	4,250	1.92
MUTUAL FUNDS	985,535.35	5.10	18,982	1.93
TOTAL MUTUAL FUND - INTERNATIONAL EQUITIES	1,206,897.90	6.25	23,232	1.92
MUTUAL FUND-SMALL AND MID CAP EQUITIES MUTUAL FUNDS	398,072.18	2.06	3,549	0.89

Investment Review

Account Name	SALEM STATE-PLG	Account Number	XXX7524
		Assets Held As Of	DEC 31, 2022
		Valued As Of	DEC 31, 2022

SUMMARY OF INVESTMENTS

Investment Summary

	Market Value	%	Estimated Income	Current Yield
MUTUAL FUND - INTERNATIONAL EMERGING MKTS MUTUAL FUNDS	419,490.37	2.17	7,011	1.67
TOTAL EQUITIES	11,767,720.21	60.90	201,984	1.72
TOTAL FUND	19,321,714.70	100.00	455,782	2.36

For the Tax Year Ending 12/31

Net Short Term Gain/Loss	122,629.54-
Net Long Term Gain/Loss *	1,164,446.73

* Includes Long Term Capital Gains Dividends

SUMMARY OF INVESTED INCOME

Investment Summary

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

SCHEDULE OF INVESTMENTS

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

Investment Review

Account Name SALEM STATE-PLG

Account Number XXX7524
Assets Held As Of DEC 31, 2022
Valued As Of DEC 31, 2022**SCHEDULE OF INVESTMENTS**

UNITS	DESCRIPTION	TAX COST	UNIT COST	CURRENT PRICE	MARKET VALUE	INC RATE	EST INC	CURRENT YIELD	PLG COD
MONEY MARKET FUNDS									
	FEDERATED GOV'T OBLIGATION TAX MANAGED FUND # 637	772,487			772,487	3.63	28,041	3.6	
	TOTAL CASH ITEMS	772,487			772,487		28,041	3.6	
FIXED INCOME SECURITIES									
CORPORATE/OTHER BONDS									
100,000	BANK OF AMERICA CORP 3.3% 01/11/2023	100,265	100.27	99.966	99,966	3.30	3,300	3.3	
150,000	VODAFONE GROUP 2.95% 02/19/2023	150,306	100.20	99.756	149,634	2.95	4,425	3.0	
150,000	CITIGROUP 3.375% 03/01/2023	150,554	100.37	99.769	149,654	3.38	5,063	3.4	
100,000	CHUBB INA HOLDINGS 2.7% 03/13/2023	100,264	100.26	99.61	99,610	2.70	2,700	2.7	
150,000	CARDINAL HEALTH, INC. 3.2% 03/15/2023	150,572	100.38	99.719	149,579	3.20	4,800	3.2	
175,000	AMERIPRISE FINANCIAL INC 4% 10/15/2023	176,178	100.67	99.308	173,789	4.00	7,000	4.0	
200,000	ALABAMA POWER CO 3.55% 12/01/2023	201,321	100.66	98.68	197,360	3.55	7,100	3.6	
200,000	WHIRLPOOL CORP. 4% 03/01/2024	202,570	101.29	98.908	197,816	4.00	8,000	4.0	
100,000	QUALCOMM INC 3.45% 05/20/2025	97,640	97.64	97.416	97,416	3.45	3,450	3.5	
100,000	KEYCORP 4.15% 10/29/2025	100,519	100.52	97.57	97,570	4.15	4,150	4.3	
100,000	ABBVIE INC 3.2% 05/14/2026	101,425	101.42	94.496	94,496	3.20	3,200	3.4	
200,000	AMERICAN EXPRESS CO 3.125% 05/20/2026	203,919	101.96	94.251	188,502	3.13	6,250	3.3	
150,000	QUEST DIAGNOSTIC INC. 3.45% 06/01/2026	154,452	102.97	95.541	143,312	3.45	5,175	3.6	
200,000	MARRIOTT INTERNATIONAL INC. 3.125% 06/15/2026	208,619	104.31	93.651	187,302	3.13	6,250	3.3	
150,000	WELLS FARGO & CO 3% 10/23/2026	157,124	104.75	92.539	138,809	3.00	4,500	3.2	

Investment Review

Account Name SALEM STATE-PLG

Account Number XXX7524
Assets Held As Of DEC 31, 2022
Valued As Of DEC 31, 2022**SCHEDULE OF INVESTMENTS**

UNITS	DESCRIPTION	TAX COST	UNIT COST	CURRENT PRICE	MARKET VALUE	INC RATE	EST INC	CURRENT YIELD	PLG COD
150,000	AMGEN INC 2.2% 02/21/2027	155,491	103.66	89.847	134,771	2.20	3,300	2.4	
200,000	STARBUCKS CORP 2% 03/12/2027	207,047	103.52	89.472	178,944	2.00	4,000	2.2	
200,000	UNION PACIFIC CORP 3% 04/15/2027	209,976	104.99	93.227	186,454	3.00	6,000	3.2	
150,000	LOWES COMPANIES INC 3.1% 05/03/2027	155,106	103.40	93.268	139,902	3.10	4,650	3.3	
200,000	FIFTH THIRD BANCORP 2.55% 05/05/2027	211,688	105.84	89.911	179,822	2.55	5,100	2.8	
200,000	AT & T INC 2.3% 06/01/2027	208,438	104.22	89.114	178,228	2.30	4,600	2.6	
150,000	SYSCO CORP 3.25% 07/15/2027	156,579	104.39	92.539	138,809	3.25	4,875	3.5	
200,000	INTERCONTINENTAL EXCHANGE, INC. 4% 09/15/2027	193,722	96.86	96.66	193,320	4.00	8,000	4.1	
150,000	CHARLES SCHWAB 2% 03/20/2028	153,319	102.21	87.924	131,886	2.00	3,000	2.3	
200,000	VERIZON COMMUNICATIONS INC 2.1% 03/22/2028	203,879	101.94	86.947	173,894	2.10	4,200	2.4	
150,000	ORACLE CORPORATION 2.3% 03/25/2028	153,952	102.63	86.769	130,154	2.30	3,450	2.7	
200,000	FEDEX CORPORATION 4.2% 10/17/2028	191,700	95.85	95.165	190,330	4.20	8,400	4.4	
200,000	KROGER CO 4.5% 01/15/2029	193,836	96.92	96.554	193,108	4.50	9,000	4.7	
200,000	SHERWIN WILLIAMS 2.95% 08/15/2029	210,774	105.39	87.777	175,554	2.95	5,900	3.4	
200,000	CVS HEALTH CORP 3.75% 04/01/2030	208,979	104.49	91.153	182,306	3.75	7,500	4.1	
200,000	RAYMOND JAMES FINANCIAL INC 4.65% 04/01/2030	193,450	96.73	96.584	193,168	4.65	9,300	4.8	
200,000	OMNICOM GROUP 2.45% 04/30/2030	200,990	100.49	83.067	166,134	2.45	4,900	2.9	
200,000	POLO RALPH LAUREN "A" 2.95% 06/15/2030	199,394	99.70	86.436	172,872	2.95	5,900	3.4	
	TOTAL CORPORATE/OTHER BONDS	5,664,048			5,204,471		177,438	3.4	

Investment Review

Account Name SALEM STATE-PLG

Account Number XXX7524
Assets Held As Of DEC 31, 2022
Valued As Of DEC 31, 2022**SCHEDULE OF INVESTMENTS**

UNITS	DESCRIPTION	TAX COST	UNIT COST	CURRENT PRICE	MARKET VALUE	INC RATE	EST INC	CURRENT YIELD	PLG COD
MUTUAL FUND - CORPORATE BONDS									
MUTUAL FUNDS									
41,054.24	CALVERT INCOME FUND	664,136	16.18	14.58	598,571	0.58	23,894	4.0	
14,348	ISHARES ESG AWARE USD CORPORATE BOND ETF	341,769	23.82	22.2975	319,925	0.66	9,498	3.0	
14,217	ISHARES ESG 1-5 YR USD CORP BOND ETF	367,120	25.82	23.77	337,938	0.41	5,886	1.7	
5,284	VANGUARD ESG U.S. CORPORATE BOND ETF	310,381	58.74	60.675	320,607	1.71	9,041	2.8	
	TOTAL MUTUAL FUNDS	1,683,406			1,577,041		48,319	3.1	
	TOTAL FIXED INCOME SECURITIES	7,347,454			6,781,512		225,757	3.3	
EQUITIES									
COMMON STOCKS									
MACHINERY									
559	IDEX CORPORATION	82,238	147.12	228.33	127,636	2.40	1,342	1.1	
COMMUNICATION SERVICES									
4,712	AT & T INC	88,309	18.74	18.41	86,748	1.11	5,230	6.0	
3,680	ALPHABET, INC. CL A	186,746	50.75	88.23	324,686	0.00	0	0.0	
1,025	WALT DISNEY PRODUCTIONS	115,936	113.11	86.88	89,052	1.76	1,804	2.0	
	TOTAL COMMUNICATION SERVICES	390,991			500,486		7,034	1.4	
CONSUMER DISCRETIONARY									
862	BURLINGTON STORES, INC.	144,286	167.38	202.76	174,779	0.00	0	0.0	
1,414	DARDEN RESTAURANTS INC.	176,574	124.88	138.33	195,599	4.73	6,688	3.4	
531	HOME DEPOT INC	99,140	186.71	315.86	167,722	7.60	4,036	2.4	
1,586	MARRIOTT INTERNATIONAL INC. CL A	199,401	125.73	148.89	236,140	1.60	2,538	1.1	
573	TESLA INC	193,876	338.35	123.18	70,582	0.00	0	0.0	

Investment Review

Account Name SALEM STATE-PLG

Account Number XXX7524
Assets Held As Of DEC 31, 2022
Valued As Of DEC 31, 2022**SCHEDULE OF INVESTMENTS**

UNITS	DESCRIPTION	TAX COST	UNIT COST	CURRENT PRICE	MARKET VALUE	INC RATE	EST INC	CURRENT YIELD	PLG COD
	TOTAL CONSUMER DISCRETIONARY	813,277			844,822		13,262	1.6	
	CONSUMER STAPLES								
906	PEPSICO INC	108,764	120.05	180.66	163,678	4.60	4,168	2.5	
1,522	SYSCO CORP	82,770	54.38	76.45	116,357	1.96	2,983	2.6	
1,872	WALMART, INC.	194,213	103.75	141.79	265,431	2.24	4,193	1.6	
	TOTAL CONSUMER STAPLES	385,747			545,466		11,344	2.1	
	FINANCIALS								
916	AMERICAN EXPRESS CO	151,408	165.29	147.75	135,339	2.08	1,905	1.4	
217	BLACKROCK INC.	82,823	381.67	708.63	153,773	19.52	4,236	2.8	
2,172	HARTFORD FINANCIAL SERVICES GROUP INC.	155,368	71.53	75.83	164,703	1.70	3,692	2.2	
1,987	J P MORGAN CHASE & CO	161,747	81.40	134.10	266,457	4.00	7,948	3.0	
1,166	PNC BANK CORP	155,492	133.35	157.94	184,158	6.00	6,996	3.8	
	TOTAL FINANCIALS	706,838			904,430		24,777	2.7	
	HEALTH CARE								
1,983	ABBOTT LABORATORIES INC	135,905	68.54	109.79	217,714	2.04	4,045	1.9	
325	DANAHER CORP	28,797	88.61	265.42	86,262	1.00	325	0.4	
699	IQVIA HOLDINGS INC	169,588	242.62	204.89	143,218	0.00	0	0.0	
1,170	JOHNSON & JOHNSON	117,134	100.11	176.65	206,681	4.52	5,288	2.6	
2,793	MERCK & CO INC. NEW	181,223	64.88	110.95	309,883	2.92	8,156	2.6	
331	THERMO FISHER SCIENTIFIC, INC.	116,902	353.18	550.69	182,278	1.20	397	0.2	
552	UNITEDHEALTH GROUP, INC	124,618	225.76	530.18	292,659	6.60	3,643	1.2	
	TOTAL HEALTH CARE	874,167			1,438,695		21,854	1.5	

Investment Review

Account Name SALEM STATE-PLG

Account Number XXX7524
Assets Held As Of DEC 31, 2022
Valued As Of DEC 31, 2022**SCHEDULE OF INVESTMENTS**

UNITS	DESCRIPTION	TAX COST	UNIT COST	CURRENT PRICE	MARKET VALUE	INC RATE	EST INC	CURRENT YIELD	PLG COD
INDUSTRIALS									
343	DEERE & CO	143,061	417.09	428.76	147,065	4.80	1,646	1.1	
1,100	HONEYWELL INT'L INC.	230,498	209.54	214.30	235,730	4.12	4,532	1.9	
328	NORTHROP GRUMMAN	95,751	291.92	545.61	178,960	6.92	2,270	1.3	
1,842	RAYTHEON TECHNOLOGIES CORP	125,163	67.95	100.92	185,895	2.20	4,052	2.2	
1,084	EATON CORP PLC	81,028	74.75	156.95	170,134	3.24	3,512	2.1	
	TOTAL INDUSTRIALS	675,501			917,784		16,012	1.7	
INFORMATION TECHNOLOGY									
311	ADOBE INC.	58,177	187.07	336.53	104,661	0.00	0	0.0	
1,628	ADVANCED MICRO DEVICES INC	155,354	95.43	64.77	105,446	0.00	0	0.0	
719	ANALOG DEVICES	36,889	51.31	164.03	117,938	3.04	2,186	1.9	
2,480	APPLE INC	196,770	79.34	129.93	322,226	0.92	2,282	0.7	
1,480	APPLIED MATERIALS	82,376	55.66	97.38	144,122	1.04	1,539	1.1	
589	AUTOMATIC DATA PROCESSING	96,502	163.84	238.86	140,689	5.00	2,945	2.1	
361	BROADCOM INC	83,990	232.66	559.13	201,846	18.40	6,642	3.3	
1,178	MARVELL TECHNOLOGY INC	91,626	77.78	37.04	43,633	0.24	283	0.6	
641	MASTERCARD	126,902	197.98	347.73	222,895	2.28	1,461	0.7	
2,248	MICROSOFT	327,259	145.58	239.82	539,115	2.72	6,115	1.1	
723	MOTOROLA SOLUTIONS, INC.	98,261	135.91	257.71	186,324	3.52	2,545	1.4	
175	SERVICENOW	93,974	537.00	388.27	67,947	0.00	0	0.0	
404	ACCENTURE PLC	141,583	350.45	266.84	107,803	4.48	1,810	1.7	
	TOTAL INFORMATION TECHNOLOGY	1,589,663			2,304,645		27,808	1.2	
MATERIALS									
605	AIR PRODUCTS & CHEMICALS	110,477	182.61	308.26	186,497	6.48	3,920	2.1	
1,425	EASTMAN CHEMICAL CO	150,916	105.91	81.44	116,052	3.16	4,503	3.9	

Investment Review

Account Name SALEM STATE-PLG

Account Number XXX7524
Assets Held As Of DEC 31, 2022
Valued As Of DEC 31, 2022**SCHEDULE OF INVESTMENTS**

UNITS	DESCRIPTION	TAX COST	UNIT COST	CURRENT PRICE	MARKET VALUE	INC RATE	EST INC	CURRENT YIELD	PLG COD
	TOTAL MATERIALS	261,393			302,549		8,423	2.8	
	REAL ESTATE								
707	AMERICAN TOWER REIT	170,616	241.32	211.86	149,785	5.86	4,143	2.8	
863	CAMDEN PROPERTY TRUST	131,892	152.83	111.88	96,552	3.76	3,245	3.4	
	TOTAL REAL ESTATE	302,508			246,337		7,388	3.0	
	UTILITIES								
1,570	AMEREN CORP.	119,362	76.03	88.92	139,604	2.36	3,705	2.7	
1,406	AMERICAN ELEC POWER CO	128,103	91.11	94.95	133,500	3.32	4,668	3.5	
	TOTAL UTILITIES	247,465			273,104		8,373	3.1	
	TOTAL COMMON STOCKS	6,329,788			8,405,954		147,617	1.8	
	MUTUAL FUND - LARGE CAP EQUITIES								
	MUTUAL FUNDS								
23,288.55	CALVERT GLOBAL ENERGY SOLUTIONS	176,772	7.59	11.07	257,804	0.10	2,212	0.9	
16,107.85	DFA U S SUSTAINABILITY CORE 1	465,611	28.91	30.17	485,974	0.41	6,556	1.3	
2,650	INVESCO WILDERHILL CLEAN ENERGY ETF	67,952	25.64	38.33	101,575	1.61	4,277	4.2	
3,350	NUVEEN ESG LARGE-CAP VALUE ETF	114,436	34.16	34.24	114,704	0.73	2,435	2.1	
2,024	SPDR HEALTH CARE SELECT SPDR ETF	250,970	124.00	135.85	274,960	1.99	4,034	1.5	
822	SPDR TECHNOLOGY IDX	63,560	77.32	124.44	102,290	1.29	1,061	1.0	
	TOTAL MUTUAL FUNDS	1,139,301			1,337,307		20,575	1.5	
	MUTUAL FUND - INTERNATIONAL EQUITIES								
	UNCLASSIFIED								
9,042.59	CALVERT INTERNATIONAL CALVERT INTERNATIONAL	270,193	29.88	24.48	221,363	0.47	4,250	1.9	

Investment Review

Account Name SALEM STATE-PLG

Account Number XXX7524
Assets Held As Of DEC 31, 2022
Valued As Of DEC 31, 2022**SCHEDULE OF INVESTMENTS**

UNITS	DESCRIPTION	TAX COST	UNIT COST	CURRENT PRICE	MARKET VALUE	INC RATE	EST CURRENT INC	YIELD	PLG COD
MUTUAL FUNDS									
16,350.86	BLACKROCK GLOBAL IMPACT FUND	257,199	15.73	9.35	152,881	0.09	1,488	1.0	
4,455	ISHARES ISHARES ESG AWARE MSCI ETF	351,538	78.91	65.74	292,872	1.70	7,591	2.6	
25,976.1	PAX WORLD INT'L-INS	270,671	10.42	8.61	223,654	0.23	5,923	2.6	
10,965.28	BOSTON COMMON ESG IMPACT INTN'L	421,067	38.40	28.83	316,129	0.36	3,980	1.3	
	TOTAL MUTUAL FUNDS	1,300,475			985,536		18,982	1.9	
	TOTAL MUTUAL FUND - INTERNATIONAL EQUITIES				1,206,899		23,232	1.9	
MUTUAL FUND-SMALL AND MID CAP EQUITIES									
MUTUAL FUNDS									
2,957.14	CALVERT MID CAP I	120,884	40.88	38.54	113,968	0.09	257	0.2	
8,312	NUVEEN ESG	364,375	43.84	34.18	284,104	0.40	3,292	1.2	
	TOTAL MUTUAL FUNDS	485,259			398,072		3,549	0.9	
MUTUAL FUND - INTERNATIONAL EMERGING MKTS									
MUTUAL FUNDS									
12,939.46	CALVERT EMERGING MARKETS EQUITY FUND	268,459	20.75	15.71	203,279	0.12	1,592	0.8	
26,431.72	DFA EMERGING MARKETS SUSTAINABILITY CORE 1 PORT.	246,863	9.34	8.18	216,211	0.21	5,419	2.5	
	TOTAL MUTUAL FUNDS	515,322			419,490		7,011	1.7	
	TOTAL EQUITIES	10,040,338			11,767,722		201,984	1.7	
	TOTAL FUND	18,160,279			19,321,721		455,782	2.4	

Investment Review

Account Name SALEM STATE-PLG

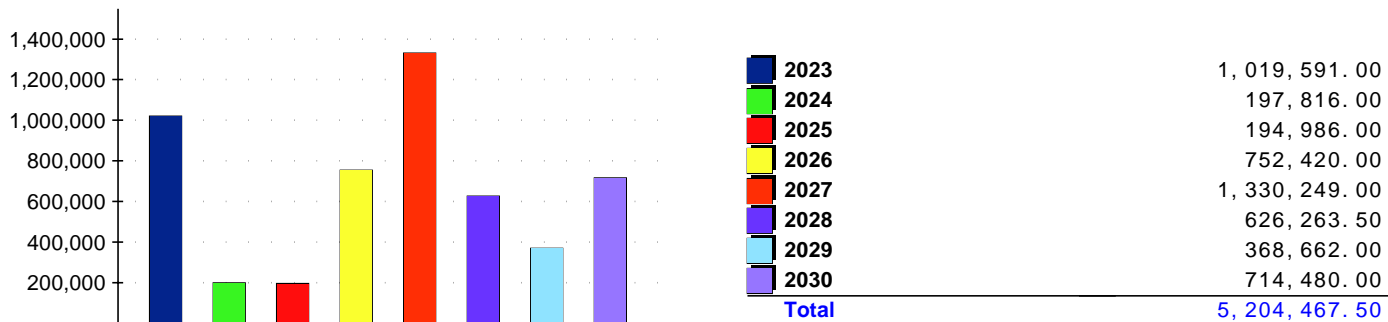
Account Number XXX7524
 Assets Held As Of DEC 31, 2022
 Valued As Of DEC 31, 2022

SCHEDULE OF INCOME INVESTMENTS

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

MATURITY SCHEDULE

Maturities by Year



Investment Review

Account Name SALEM STATE-PLG

Account Number XXX7524
 Assets Held As Of DEC 31, 2022
 Valued As Of DEC 31, 2022

MATURITY SCHEDULE

Percent at Market by Year



19.6%	2023	1,019,591.00
3.8%	2024	197,816.00
3.7%	2025	194,986.00
14.5%	2026	752,420.00
25.6%	2027	1,330,249.00
12.0%	2028	626,263.50
7.1%	2029	368,662.00
13.7%	2030	714,480.00
100.0%	Total	5,204,467.50

Maturing :	Federal Tax Cost	Current Market Value	Face Value	% at Market
2022				
2023	1,029,460.47	1,019,591.00	1,025,000.00	19.59
2024	202,570.24	197,816.00	200,000.00	3.80
2025	198,159.29	194,986.00	200,000.00	3.75
2026	825,539.02	752,420.00	800,000.00	14.46
2027	1,498,047.35	1,330,249.00	1,450,000.00	25.56
2028	702,849.83	626,263.50	700,000.00	12.03
2029	404,609.95	368,662.00	400,000.00	7.08
2030	802,812.40	714,480.00	800,000.00	13.73
2031				
TEN TO TWENTY YEARS				
OVER TWENTY YEARS				
TOTAL	5,664,048.55	5,204,467.50	5,575,000.00	100.00
MATURING NEXT 365 DAYS	1,029,460.47	1,019,591.00	1,025,000.00	19.59

Information may be a combination of maturity and prerefunded dates

Investment Review

Account Name	SALEM STATE WCI	Account Number	XXX6142
		Assets Held As Of	DEC 31, 2022
		Valued As Of	DEC 31, 2022

Important Information

GAINS TAXED TO.....
 TRUST TAX YEAR END.....
 LONG TERM CARRYOVER LOSS....
 OFFICER..... JOHN DOHERTY
 REVOCABILITY.....
 FINAL TERMINATION DATE.....

INCOME TAXED TO.....
 TRUST TAX FILING STATUS..... AGENCY
 SHORT TERM CARRYOVER LOSS...
 INVESTMENT OBJECTIVE..... BALANCED
 INVESTMENT AUTHORITY..... SOLE
 DATE OF DEATH.....
 TRUST SITUS..... MASSACHUSETTS

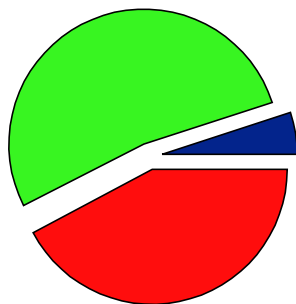
TRUSTEE RESTRICTIONS:

REMARKS:

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

SUMMARY OF INVESTMENTS

Investment Allocation



5.1%	■	CASH ITEMS	1,414,487.22
52.6%	■	EQUITIES	14,571,238.07
42.3%	■	FIXED INCOME SECURITIES	11,734,128.78
<hr/>			
100.0%		Total	27,719,854.07

Investment Review

Account Name	SALEM STATE WCI	Account Number	XXX6142
		Assets Held As Of	DEC 31, 2022
		Valued As Of	DEC 31, 2022

SUMMARY OF INVESTMENTS

Investment Summary

	Market Value	%	Estimated Income	Current Yield
CASH ITEMS				
PRINCIPAL CASH				
MONEY MARKET FUNDS	1,414,487.22	5.10	51,346	3.63
TOTAL CASH ITEMS	1,414,487.22	5.10	51,346	3.63
FIXED INCOME SECURITIES				
MUTUAL FUND - CORPORATE BONDS MUTUAL FUNDS	2,891,840.24	10.43	88,599	3.06
MUTUAL FUNDS - TARGETED BOND ETFs MUTUAL FUNDS	8,842,288.54	31.90	224,964	2.54
TOTAL FIXED INCOME SECURITIES	11,734,128.78	42.33	313,563	2.67
EQUITIES				
COMMON STOCKS				
MACHINERY	159,831.00	0.58	1,680	1.05
COMMUNICATION SERVICES	627,795.52	2.26	8,809	1.40
CONSUMER DISCRETIONARY	1,057,997.09	3.82	16,607	1.57
CONSUMER STAPLES	683,053.22	2.46	14,207	2.08
FINANCIALS	1,132,598.05	4.09	31,030	2.74
HEALTH CARE	1,688,651.93	6.09	25,268	1.50
INDUSTRIALS	1,150,379.58	4.15	20,071	1.74
INFORMATION TECHNOLOGY	2,886,340.50	10.41	34,831	1.21
MATERIALS	378,950.04	1.37	10,549	2.78
REAL ESTATE	308,326.50	1.11	9,247	3.00
UTILITIES	342,023.67	1.23	10,487	3.07
TOTAL COMMON STOCKS	10,415,947.10	37.58	182,786	1.75
MUTUAL FUND - LARGE CAP EQUITIES MUTUAL FUNDS	1,546,024.19	5.58	24,119	1.56
MUTUAL FUND - INTERNATIONAL EQUITIES UNCLASSIFIED MUTUAL FUNDS	285,444.78 1,285,561.45	1.03 4.64	5,480 24,746	1.92 1.92
TOTAL MUTUAL FUND - INTERNATIONAL EQUITIES	1,571,006.23	5.67	30,226	1.92
MUTUAL FUND-SMALL AND MID CAP EQUITIES MUTUAL FUNDS	494,396.90	1.78	4,403	0.89

Investment Review

Account Name	SALEM STATE WCI	Account Number	XXX6142
		Assets Held As Of	DEC 31, 2022
		Valued As Of	DEC 31, 2022

SUMMARY OF INVESTMENTS

Investment Summary

	Market Value	%	Estimated Income	Current Yield
MUTUAL FUND - INTERNATIONAL EMERGING MKTS MUTUAL FUNDS	543,863.65	1.96	9,080	1.67
TOTAL EQUITIES	14,571,238.07	52.57	250,614	1.72
TOTAL FUND	27,719,854.07	100.00	615,523	2.22

For the Tax Year Ending 12/31

Net Short Term Gain/Loss	288,760.73-
Net Long Term Gain/Loss *	103,681.09-

* Includes Long Term Capital Gains Dividends

SUMMARY OF INVESTED INCOME

Investment Summary

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

SCHEDULE OF INVESTMENTS

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

Investment Review

Account Name SALEM STATE WCI

Account Number XXX6142
Assets Held As Of DEC 31, 2022
Valued As Of DEC 31, 2022**SCHEDULE OF INVESTMENTS**

UNITS	DESCRIPTION	TAX COST	UNIT COST	CURRENT PRICE	MARKET VALUE	INC RATE	EST CURRENT INC	YIELD	PLG COD
MONEY MARKET FUNDS									
	FEDERATED GOV'T OBLIGATION TAX MANAGED FUND # 637	1,414,487			1,414,487	3.63	51,346	3.6	
	TOTAL CASH ITEMS	1,414,487			1,414,487		51,346	3.6	
FIXED INCOME SECURITIES									
MUTUAL FUND - CORPORATE BONDS									
MUTUAL FUNDS									
75,270.73	CALVERT INCOME FUND	1,291,615	17.16	14.58	1,097,447	0.58	43,808	4.0	
26,314	ISHARES ESG AWARE USD CORPORATE BOND ETF	624,764	23.74	22.2975	586,736	0.66	17,420	3.0	
26,079	ISHARES ESG 1-5 YR USD CORP BOND ETF	663,073	25.43	23.77	619,898	0.41	10,797	1.7	
9,687	VANGUARD ESG U.S. CORPORATE BOND ETF	569,012	58.74	60.675	587,759	1.71	16,574	2.8	
	TOTAL MUTUAL FUNDS	3,148,464			2,891,840		88,599	3.1	
MUTUAL FUNDS - TARGETED BOND ETFS									
MUTUAL FUNDS									
71,558	INVESCO BULLETSHARES INVESCO BULLETSHARES 2031	1,132,606	15.83	15.75	1,127,039	0.54	38,713	3.4	
56,174	INVESCO BULLETSHARES 2030 CORPORATE BOND ETF	1,050,690	18.70	15.9662	896,885	0.49	27,413	3.1	
51,757	INVESCO BULLETSHARES 2029 CORPORATE BOND ETF	1,052,284	20.33	17.775	919,981	0.47	24,378	2.6	
47,628	INVESCO BULLETSHARES 2028 CORPORATE BOND ETF	1,055,895	22.17	19.615	934,223	0.53	25,433	2.7	
50,125	INVESCO BULLETSHARES 2027 CORPORATE BOND ETF	1,061,739	21.18	18.995	952,124	0.50	24,862	2.6	
50,989	INVESCO BULLETSHARES 2026 CORPORATE BOND ETF	1,064,438	20.88	18.925	964,967	0.48	24,526	2.5	

Investment Review

Account Name SALEM STATE WCI

Account Number XXX6142
Assets Held As Of DEC 31, 2022
Valued As Of DEC 31, 2022**SCHEDULE OF INVESTMENTS**

UNITS	DESCRIPTION	TAX COST	UNIT COST	CURRENT PRICE	MARKET VALUE	INC RATE	EST CURRENT INC	YIELD	PLG COD
49,069	INVESCO BULLETSHARES 2025 CORPORATE BOND ETF	1,067,601	21.76	20.14	988,250	0.45	22,130	2.2	
49,069	INVESCO BULLETSHARES 2024 CORPORATE BOND ETF	1,068,521	21.78	20.4851	1,005,183	0.44	21,639	2.2	
50,221	INVESCO BULLETSHARES 2023 CORPORATE BOND ETF	1,080,898	21.52	20.98	1,053,637	0.32	15,870	1.5	
	TOTAL MUTUAL FUNDS	9,634,672			8,842,289		224,964	2.5	
	TOTAL FIXED INCOME SECURITIES	12,783,136			11,734,129		313,563	2.7	
EQUITIES									
COMMON STOCKS									
MACHINERY									
700	IDEX CORPORATION	144,221	206.03	228.33	159,831	2.40	1,680	1.1	
COMMUNICATION SERVICES									
5,900	AT & T INC	110,574	18.74	18.41	108,619	1.11	6,549	6.0	
4,620	ALPHABET, INC. CL A	567,849	122.91	88.23	407,623	0.00	0	0.0	
1,284	WALT DISNEY PRODUCTIONS	194,055	151.13	86.88	111,554	1.76	2,260	2.0	
	TOTAL COMMUNICATION SERVICES	872,478			627,796		8,809	1.4	
CONSUMER DISCRETIONARY									
1,080	BURLINGTON STORES, INC.	276,759	256.26	202.76	218,981	0.00	0	0.0	
1,772	DARDEN RESTAURANTS INC.	240,626	135.79	138.33	245,121	4.73	8,382	3.4	
664	HOME DEPOT INC	214,078	322.41	315.86	209,731	7.60	5,046	2.4	
1,987	MARRIOTT INTERNATIONAL INC. CL A	307,017	154.51	148.89	295,844	1.60	3,179	1.1	
717	TESLA INC	221,628	309.10	123.18	88,320	0.00	0	0.0	
	TOTAL CONSUMER DISCRETIONARY	1,260,108			1,057,997		16,607	1.6	

Investment Review

Account Name SALEM STATE WCI

Account Number XXX6142
Assets Held As Of DEC 31, 2022
Valued As Of DEC 31, 2022**SCHEDULE OF INVESTMENTS**

UNITS	DESCRIPTION	TAX COST	UNIT COST	CURRENT PRICE	MARKET VALUE	INC RATE	EST INC	CURRENT YIELD	PLG COD
CONSUMER STAPLES									
1,135	PEPSICO INC	177,378	156.28	180.66	205,049	4.60	5,221	2.5	
1,907	SYSCO CORP	153,144	80.31	76.45	145,790	1.96	3,738	2.6	
2,343	WALMART, INC.	327,034	139.58	141.79	332,214	2.24	5,248	1.6	
	TOTAL CONSUMER STAPLES	657,556			683,053		14,207	2.1	
FINANCIALS									
1,146	AMERICAN EXPRESS CO	188,026	164.07	147.75	169,322	2.08	2,384	1.4	
271	BLACKROCK INC.	208,294	768.61	708.63	192,039	19.52	5,290	2.8	
2,726	HARTFORD FINANCIAL SERVICES GROUP INC.	192,673	70.68	75.83	206,713	1.70	4,634	2.2	
2,489	J P MORGAN CHASE & CO	359,268	144.34	134.10	333,775	4.00	9,956	3.0	
1,461	PNC BANK CORP	266,969	182.73	157.94	230,750	6.00	8,766	3.8	
	TOTAL FINANCIALS	1,215,230			1,132,599		31,030	2.7	
HEALTH CARE									
1,444	ABBOTT LABORATORIES INC	173,072	119.86	109.79	158,537	2.04	2,946	1.9	
406	DANAHER CORP	113,244	278.93	265.42	107,761	1.00	406	0.4	
876	IQVIA HOLDINGS INC	202,563	231.24	204.89	179,484	0.00	0	0.0	
1,465	JOHNSON & JOHNSON	246,882	168.52	176.65	258,792	4.52	6,622	2.6	
3,503	MERCK & CO INC. NEW	285,137	81.40	110.95	388,658	2.92	10,229	2.6	
415	THERMO FISHER SCIENTIFIC, INC.	217,236	523.46	550.69	228,536	1.20	498	0.2	
692	UNITEDHEALTH GROUP, INC	305,493	441.46	530.18	366,885	6.60	4,567	1.2	
	TOTAL HEALTH CARE	1,543,627			1,688,653		25,268	1.5	
INDUSTRIALS									
431	DEERE & CO	173,112	401.65	428.76	184,796	4.80	2,069	1.1	
1,379	HONEYWELL INT'L INC.	277,605	201.31	214.30	295,520	4.12	5,681	1.9	

Investment Review

Account Name SALEM STATE WCI

Account Number XXX6142
Assets Held As Of DEC 31, 2022
Valued As Of DEC 31, 2022**SCHEDULE OF INVESTMENTS**

UNITS	DESCRIPTION	TAX COST	UNIT COST	CURRENT PRICE	MARKET VALUE	INC RATE	EST INC	CURRENT YIELD	PLG COD
410	NORTHROP GRUMMAN	163,041	397.66	545.61	223,700	6.92	2,837	1.3	
2,311	RAYTHEON TECHNOLOGIES CORP	206,511	89.36	100.92	233,226	2.20	5,084	2.2	
1,358	EATON CORP PLC	196,996	145.06	156.95	213,138	3.24	4,400	2.1	
	TOTAL INDUSTRIALS	1,017,265			1,150,380		20,071	1.7	
	INFORMATION TECHNOLOGY								
389	ADOBE INC.	190,383	489.42	336.53	130,910	0.00	0	0.0	
2,039	ADVANCED MICRO DEVICES INC	203,113	99.61	64.77	132,066	0.00	0	0.0	
901	ANALOG DEVICES	143,283	159.03	164.03	147,791	3.04	2,739	1.9	
3,107	APPLE INC	441,847	142.21	129.93	403,693	0.92	2,858	0.7	
1,853	APPLIED MATERIALS	233,253	125.88	97.38	180,445	1.04	1,927	1.1	
738	AUTOMATIC DATA PROCESSING	153,352	207.79	238.86	176,279	5.00	3,690	2.1	
452	BROADCOM INC	232,362	514.07	559.13	252,727	18.40	8,317	3.3	
1,476	MARVELL TECHNOLOGY INC	102,601	69.51	37.04	54,671	0.24	354	0.6	
802	MASTERCARD	283,889	353.98	347.73	278,879	2.28	1,829	0.7	
2,816	MICROSOFT	777,246	276.01	239.82	675,333	2.72	7,660	1.1	
905	MOTOROLA SOLUTIONS, INC.	193,951	214.31	257.71	233,228	3.52	3,186	1.4	
219	SERVICENOW	112,631	514.30	388.27	85,031	0.00	0	0.0	
507	ACCENTURE PLC	167,051	329.49	266.84	135,288	4.48	2,271	1.7	
	TOTAL INFORMATION TECHNOLOGY	3,234,962			2,886,341		34,831	1.2	
	MATERIALS								
758	AIR PRODUCTS & CHEMICALS	203,773	268.83	308.26	233,661	6.48	4,912	2.1	
1,784	EASTMAN CHEMICAL CO	190,522	106.79	81.44	145,289	3.16	5,637	3.9	
	TOTAL MATERIALS	394,295			378,950		10,549	2.8	

Investment Review

Account Name SALEM STATE WCI

Account Number XXX6142
Assets Held As Of DEC 31, 2022
Valued As Of DEC 31, 2022**SCHEDULE OF INVESTMENTS**

UNITS	DESCRIPTION	TAX COST	UNIT COST	CURRENT PRICE	MARKET VALUE	INC RATE	EST CURRENT INC	YIELD	PLG COD
REAL ESTATE									
885	AMERICAN TOWER REIT	221,113	249.85	211.86	187,496	5.86	5,186	2.8	
1,080	CAMDEN PROPERTY TRUST	160,749	148.84	111.88	120,830	3.76	4,061	3.4	
	TOTAL REAL ESTATE	381,862			308,326		9,247	3.0	
UTILITIES									
1,966	AMEREN CORP.	169,603	86.27	88.92	174,817	2.36	4,640	2.7	
1,761	AMERICAN ELEC POWER CO	164,506	93.42	94.95	167,207	3.32	5,847	3.5	
	TOTAL UTILITIES	334,109			342,024		10,487	3.1	
	TOTAL COMMON STOCKS	11,055,713			10,415,950		182,786	1.8	
MUTUAL FUND - LARGE CAP EQUITIES									
MUTUAL FUNDS									
18,727.45	CALVERT GLOBAL ENERGY SOLUTIONS	247,579	13.22	11.07	207,313	0.10	1,779	0.9	
20,456.78	DFA U S SUSTAINABILITY CORE 1	673,929	32.94	30.17	617,181	0.41	8,326	1.3	
2,886	INVESCO WILDERHILL CLEAN ENERGY ETF	248,798	86.21	38.33	110,620	1.61	4,658	4.2	
4,176	NUVEEN ESG LARGE-CAP VALUE ETF	142,652	34.16	34.24	142,986	0.73	3,036	2.1	
2,511	SPDR HEALTH CARE SELECT SPDR ETF	321,312	127.96	135.85	341,119	1.99	5,004	1.5	
1,019	SPDR TECHNOLOGY IDX	154,368	151.49	124.44	126,804	1.29	1,316	1.0	
	TOTAL MUTUAL FUNDS	1,788,638			1,546,023		24,119	1.6	
MUTUAL FUND - INTERNATIONAL EQUITIES									
UNCLASSIFIED									
11,660.33	CALVERT INTERNATIONAL CALVERT INTERNATIONAL	329,766	28.28	24.48	285,445	0.47	5,480	1.9	
MUTUAL FUNDS									
21,359.17	BLACKROCK GLOBAL IMPACT FUND	267,542	12.53	9.35	199,708	0.09	1,944	1.0	

Investment Review

Account Name SALEM STATE WCI

Account Number XXX6142
Assets Held As Of DEC 31, 2022
Valued As Of DEC 31, 2022**SCHEDULE OF INVESTMENTS**

UNITS	DESCRIPTION	TAX COST	UNIT COST	CURRENT PRICE	MARKET VALUE	INC RATE	EST INC	CURRENT YIELD	PLG COD
5,848	ISHARES ISHARES ESG AWARE MSCI ETF	432,621	73.98	65.74	384,448	1.70	9,965	2.6	
33,497.47	PAX WORLD INT'L-INS	331,169	9.89	8.61	288,413	0.23	7,637	2.6	
14,325.1	BOSTON COMMON ESG IMPACT INTN'L	499,505	34.87	28.83	412,992	0.36	5,200	1.3	
	TOTAL MUTUAL FUNDS	1,530,837			1,285,561		24,746	1.9	
	TOTAL MUTUAL FUND - INTERNATIONAL EQUITIES				1,571,006		30,226	1.9	
	MUTUAL FUND-SMALL AND MID CAP EQUITIES								
	MUTUAL FUNDS								
3,686.29	CALVERT MID CAP I	156,753	42.52	38.54	142,069	0.09	321	0.2	
10,308	NUVEEN ESG	422,430	40.98	34.18	352,327	0.40	4,082	1.2	
	TOTAL MUTUAL FUNDS	579,183			494,396		4,403	0.9	
	MUTUAL FUND - INTERNATIONAL EMERGING MKTS								
	MUTUAL FUNDS								
16,809.15	CALVERT EMERGING MARKETS EQUITY FUND	329,883	19.63	15.71	264,072	0.12	2,068	0.8	
34,204.39	DFA EMERGING MARKETS SUSTAINABILITY CORE 1 PORT.	339,684	9.93	8.18	279,792	0.21	7,012	2.5	
	TOTAL MUTUAL FUNDS	669,567			543,864		9,080	1.7	
	TOTAL EQUITIES	15,953,704			14,571,239		250,614	1.7	
	TOTAL FUND	30,151,327			27,719,855		615,523	2.2	

Investment Review

Account Name SALEM STATE WCI

Account Number XXX6142
 Assets Held As Of DEC 31, 2022
 Valued As Of DEC 31, 2022

SCHEDULE OF INCOME INVESTMENTS

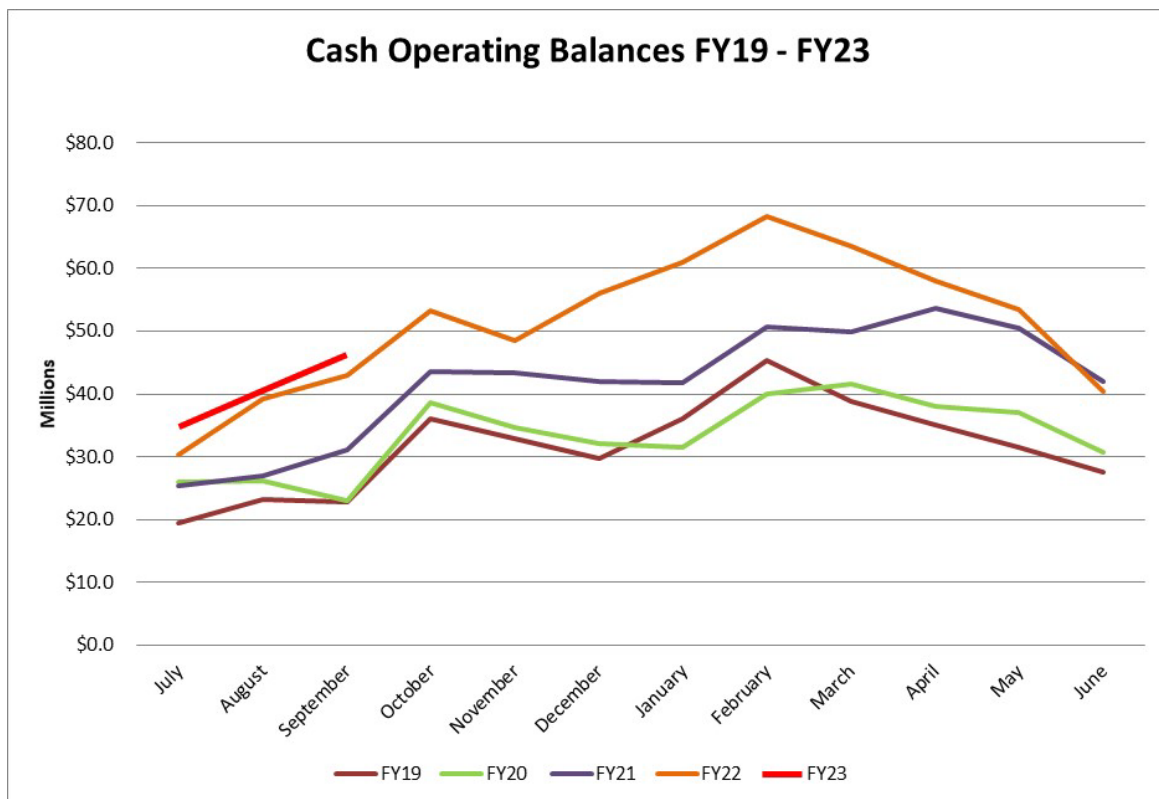
UNITS	DESCRIPTION	TAX COST	UNIT COST	CURRENT PRICE	MARKET VALUE	INC RATE	EST CURRENT INC	PLG YIELD	PLG COD
	INCOME CASH	0			0		0.0		

Salem State University Interim Financial Review through the First Quarter (Q1) of FY23 (9/30/2022) 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 September 30, 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 FY22Q1 and FY23Q1

	<i>(In Thousands)</i>				Budget	Projection
	FY22Q1	FY23Q1	\$ Change	% Change	FY23	FY23
Managed Revenues	\$ 68,349	\$ 74,716	\$ 6,367	9.3%	\$ 174,774	\$ 176,745
Managed Expenses	31,978	35,526	3,548	11.1%	177,674	174,031
Managed Net Income	36,371	39,190	▲ 2,819	7.8%	(2,900)	▲ 2,714
Non Cash Revenue/(Expenses)	(6,523)	(7,527)	▼ (1,004)	15.4%	(2,449)	(2,449)
Total Increase/(Decrease) in Net Position	\$ 29,848	\$ 31,663	▲ 1,815	6.1%	\$ (5,349)	▲ 265

ALL UNIVERSITY HEADCOUNT	FALL 2018-2022				
	2018	2019	2020	2021	2022
University Total	8,338	7,706	7,242	7,131	6,539
Undergraduate Total	6,811	6,273	5,716	5,555	5,078
Graduate Total	1,527	1,433	1,526	1,576	1,461

Balance Sheet – Excluding cash with state and other agencies, the cash balance increased \$9.7 million since June 30, 2022, primarily due to the timing of payments. On September 30, 2022, the accounts receivable balance stood at \$35.4 million, an increase of \$28.3 million since June 30, 2022 due to the billing of the Fall semester. The September 2022 accounts receivable balance is slightly higher than the \$34.8 million balance as of September 2021, although enrollment is down. Capital Assets have decreased \$4.0 million primarily due to depreciation and amortization for leases through the first quarter, offset slightly by capital asset additions. Investments have decreased 4.9% or \$2.2 million to \$42.4 million since June 30, 2022, primarily due to a decrease of market value due to market conditions during the first quarter. Accounts payable and accrued expenses increased \$1.5 million or 23.2% primarily due to timing of payments and an increase of accrued interest related to GASB 87 leases. Accrued payroll decreased 42.8% or \$3.7 million due to payments made in July of 2022 related to FY22 expenses. Other liabilities decreased \$2.6 million or 36.1% primarily due to the usual practice of recognizing Summer Tuition, which was deferred at June 30, 2022, as revenue in the first quarter.

Cash Operating Balances FY19 through FY23 (September) — The cash graph displays operating cash balances by month and excludes deposits held by MSCBA/DCAMM. Operating cash flows are cyclical as depicted in the cash graph. Cash flows are fairly consistent during FY22 and FY23.

Managed Revenues and Expenses - For the three months ending September 30, 2022 (FY23), Salem State's net position increased by \$31.7 million overall which is higher than the prior year's increase of \$29.8 million. For managed net income, the YTD result through the first quarter of FY23 is \$39.2 million, an increase of \$2.8 million or 7.8% over the same period in FY22. Net tuition and fees decreased \$0.5 million, or 1.5% over the same period in FY22 due to fall enrollment decreases of approximately 8.3% (headcount, compared to fall 2021) which was offset by decreases in scholarships and fellowships of \$2.1 million. There were no HEERF awards to students in FY23 as there were in FY22. Auxiliary enterprise revenue was \$1.2 million or 11.5% higher over the prior year due to increased housing and meal plans; more students were living on campus during FY23 compared to FY22. Managed expenses of \$35.5 million increased \$3.5 million or 11.1% over the same period in the prior year. Compensation increased \$1.2 million or 4.5% primarily due to increases in payroll from collective bargaining increases partially offset by the slow pace of hiring in this competitive employment market. Support increased \$2.4 million or 51.3% primarily because of increased operational services from the increased presence of students on campus.

Changes in Non-Cash Revenues and Expenses – The total net non-cash revenues and expenses through the first quarter decreased \$7.5 million (expense) primarily due to depreciation expense of \$2.3 million, investment activity of \$2.2 million and GASB 87 lease expenses of \$3.6 million.

Comparison of Current FY23 Projection to Approved FY23 Budget –

Managed Revenue and Expense Activity:

- An unfavorable variance of \$2.5 million in net tuition and fees is projected which is related to Fall 2022 enrollment being lower than budgeted. As a result of the reduced fall numbers, the forecast for spring 2023 is also reduced.
- A favorable variance of \$4.7 million in Grant revenue is projected. This recognizes \$4.7 million in one-time State ARPA Covid grant funds that were not included in the FY23 original budget and have been received.
- An unfavorable variance of \$1.09 million in Auxiliary revenue is due to fall semester housing and dining revenues being lower than budgeted. The FY23 Original Budget was based on an occupancy of 1,655; actual occupancy is 1,595. Spring 2023 occupancy assumes an historical melt rate of -7.0% from fall actuals and is now projected at 1,487. Housing occupancy has a significant effect on dining revenue. Given the decreased occupancy, dining revenue is also decreased.
- Other revenue is expected to be \$1.2 million higher primarily due to gift fund revenue.
- Turning to expenses, a favorable variance of \$3.3 million is forecasted in compensation. Due to slow search starts, small applicant pools, and offer rejections, an additional \$2.04 million in salaries has been saved. A further \$1.2 million in fringe benefits is anticipated due to a combination of decreased salary and the fringe benefit rate being slightly lower than budgeted.
- Support expenses assume a savings of \$0.4 million based on historical spending. It is early in the fiscal year and Support expenditures are difficult to project. The projection will be refined as the year progresses.

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 FY23. 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.

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)

	1st Qtr FY 2022	1st Qtr FY 2023	Year End FY 2022	Original Budget FY 2023	Projection FY 2023
Managed Revenues:					
Tuition and fees	\$ 39,162	\$ 37,484	\$ 77,629	\$ 76,455	\$ 73,872
Less: scholarships, fellowships & waivers	(3,433)	(1,232)	(40,146)	(28,356)	(28,356)
Net tuition and fees	35,729	36,252	37,483	48,099	45,516
Federal, state & private grants	4,237	6,100	42,189	20,921	25,586
Auxiliary enterprises	10,569	11,787	20,063	23,614	22,516
State general appropriations	15,807	17,713	77,309	78,105	77,868
Other revenue	2,007	2,864	5,325	4,035	5,259
Total Managed Revenues	(A) 68,349	74,716	182,369	174,774	176,745
Managed Expenses:					
Compensation	25,595	26,755	118,669	123,069	119,783
Support	4,735	7,165	23,044	32,078	31,720
Facility-related	1,648	1,606	23,422	22,527	22,528
Total Managed Expenses	(B) 31,978	35,526	165,135	177,674	174,031
Managed Net Income	(A-B)= (C) 36,371	39,190	17,234	(2,900)	2,714
Non-Cash Revenue/(Expenses):					
Capital grants	59	615	2,155	7,531	7,531
Depreciation	(2,327)	(2,335)	(9,204)	(9,980)	(9,980)
Unrealized gains/(losses)	(489)	(2,172)	(7,559)	-	-
GASB 68 Pension	-	-	6,639	-	-
GASB 75 OPEB	-	-	10,566	-	-
GASB 87 Leases	(3,766)	(3,635)	(5,961)	-	-
Gains on Early Retirement of Debt	-	-	276	-	-
Use of Net Position	-	-	-	-	-
Total Non-Cash Revenue/(Expenses)	(6,523)	(7,527)	(3,088)	(2,449)	(2,449)
Total Increase/(Decrease) in Net Position	\$ 29,848	\$ 31,663	\$ 14,146	\$ (5,349)	\$ 265



Management Revenue & Expense Report by Trust Funds
September 30, 2022

Account Description	FY 2022 Year-End (\$K)	Unrestricted Auxiliaries	Educational & General Funds	Grants	Gifts & Contributions	Residence Halls	Restricted Other	Total Restricted Endowments	Net Invested in Capital Assets	FY 2023 YTD- September Actuals (\$K)
Managed Revenues:										
Net tuition and fees	\$37,483		\$36,686	(\$308)	(\$78)	(\$264)	\$217			\$36,253
Federal, state & private Grants	42,189			6,067		34				6,101
Auxiliary enterprises	20,063	\$3,207	107			8,409	64			11,787
State general appropriations	77,309		17,690	23						17,713
Other revenue	5,325	8	556	2	2,293			\$3		2,862
Total Managed Revenues	182,369	3,215	55,039	5,784	2,215	8,179	281	3	-	74,716
Managed Expenses:										
Compensation	118,669	36	25,178	567	43	930	1			26,755
Support	23,044	1,270	5,107	499	85	125	80			7,166
Facility-related	23,422	(734)	4,903	4,718	(17)	(3,155)	70		(\$4,180)	1,605
Total Managed Expenses	165,135	572	35,188	5,784	111	-2,100	151	-	(4,180)	35,526
Managed Net Income	17,234	2,643	19,851	-	2,104	10,279	130	3	4,180	39,190
Non-Cash Revenues/(Expenses):										
Capital grants	2,155		615							615
Depreciation	(9,204)								(2,335)	(2,335)
Unrealized gains/(losses)	(7,559)		(2,118)				(9)	(45)		(2,172)
GASB 68 Pension	6,639									-
GASB 75 OPEB	10,566									-
GASB 87 Lease	(5,961)								(3,635)	(3,635)
Gains on Early Retirement of Debt	276									-
Total Non-Cash Revenue/(Expenses)	(3,088)	-	(1,503)	-	-	-	(9)	(45)	(5,970)	(7,527)
Total Increase/(Decrease) in Net Position	\$14,146	\$2,643	\$18,348	\$0	\$2,104	\$10,279	\$121	(\$42)	(1,790)	\$31,663

Statements of Net Position
(In Thousands)

	FY 2022	FY 2023 YTD	Change	
	Year End	September 30	\$	%
Assets:				
Cash	\$ 35,723	\$ 45,455	\$ 9,732	27.2%
Cash with State and other agencies	7,557	2,076	(5,481)	-72.5%
Accounts and other receivables	7,110	35,352	28,242	397.2%
Investments	44,640	42,446	(2,194)	-4.9%
Loans receivable, net	997	922	(75)	-7.5%
Debt Service Reserve	1,176	1,176	-	0.0%
Capital Assets, Net	353,735	350,108	(3,627)	-1.0%
Other Assets	325	201	(124)	-38.2%
Total Assets	451,263	477,736	26,473	5.9%
Deferred Outflows of Resources	11,358	11,358	-	0.0%
Total Assets and Deferred Outflows of Resources	\$ 462,621	\$ 489,094	\$ 26,473	5.7%
Liabilities:				
Accounts payable and accrued expenses	\$ 6,361	\$ 7,838	\$ 1,477	23.2%
Accrued Payroll	8,686	4,969	(3,717)	-42.8%
Compensated absences	10,974	10,974	-	0.0%
Bonds and notes payable	31,191	31,092	(99)	-0.3%
Leases liability	215,030	214,868	(162)	-0.1%
Loan payable, federal financial assistance programs	1,550	1,550	-	0.0%
Net Pension Liability	15,783	15,783	-	0.0%
Net OPEB Liability	27,711	27,711	-	0.0%
Other liabilities	7,267	4,644	(2,623)	-36.1%
Total Liabilities	324,553	319,429	(5,124)	-1.6%
Deferred Inflows	86,850	86,783	(67)	-0.1%
Total Liabilities and Deferred Inflows of Resources	411,403	406,212	(5,191)	-1.3%
Net Position:				
Invested in capital assets	105,520	100,018	(5,502)	-5.2%
Restricted	11,674	25,388	13,714	117.5%
Unrestricted	(65,976)	(42,524)	23,452	-35.5%
Total Net Position	51,218	82,882	31,664	61.8%
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 462,621	\$ 489,094	\$ 26,473	5.7%



Statement of Cash Flows
(In Thousands)

	YTD 09/30/22 FY 2023
Cash flow from operating activities:	
Tuition and fees (net)	\$ 11,129
Grants and contracts	1,235
Payments to vendors, employees and students	(33,738)
Auxiliary and other receipts	6,219
Net cash used by operating activities	(15,155)
Cash flow from non-operating activities:	
State appropriations (net)	12,968
Gifts, investment and other sources	2,226
State COVID Grant	4,700
Net cash provided by non-operating activities	19,894
Cash flow from capital, financing and investing activities:	
Purchases of capital assets	(512)
Debt service payments on note payables	(365)
Investment activities (net)	389
Net cash used in capital, financing and investing activities	(488)
Net increase in cash and cash equivalents	4,251
Cash and cash equivalents at beginning of period	43,280
Cash and cash equivalents at end of period	\$ 47,531





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


(In Thousands)


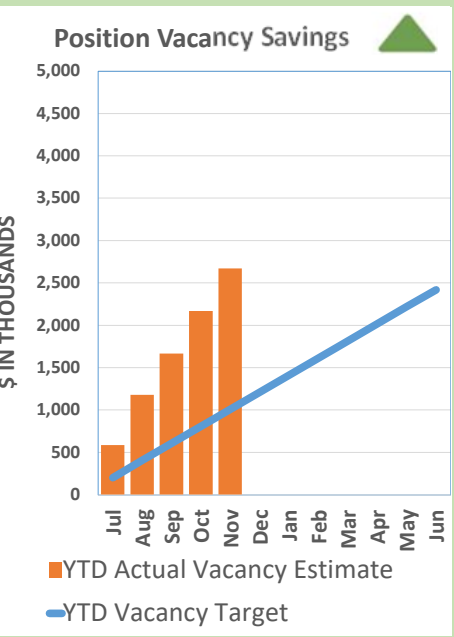
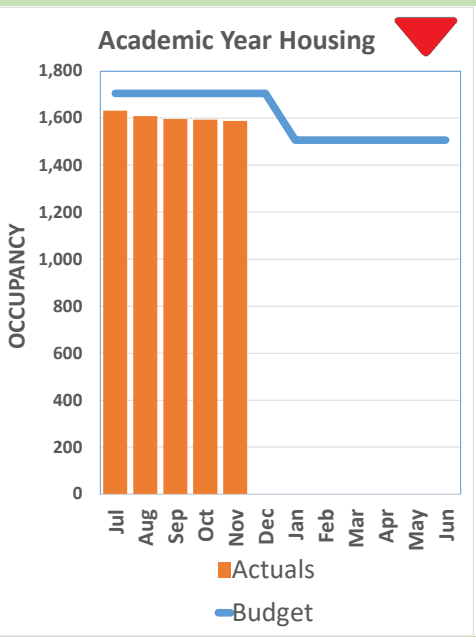
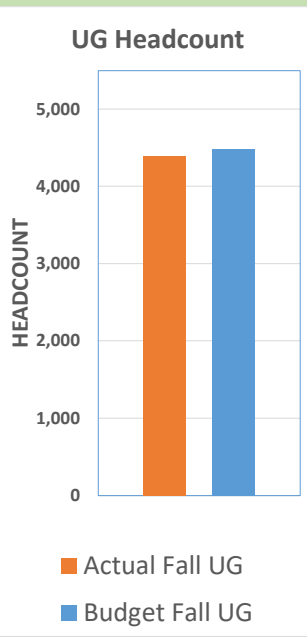
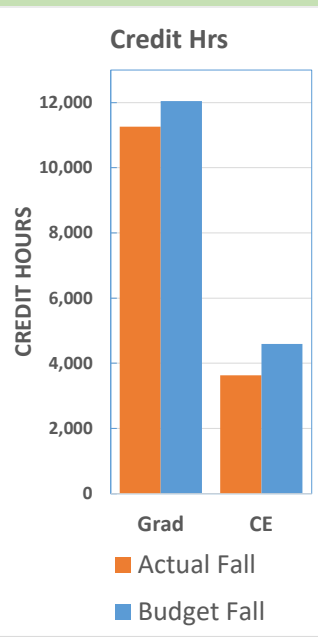
	Year to Date through September 30		Full Fiscal Year		
	FY2022	FY2023	FY2022	FY2023	FY2023
	Actual	Actual	Actual	Budget	Projection
Operating Revenues:					
Tuition and fees	\$ 39,162	\$ 37,484	\$ 77,629	\$ 76,455	\$ 73,872
Less: scholarships and fellowships	(1,014)	(867)	(20,255)	(21,655)	(21,791)
Net tuition and fees	38,148	36,617	57,374	54,800	52,081
Federal, state and private grants	1,981	1,400	21,531	20,921	20,921
Sales and services of educational departments	24	73	311	508	508
Auxiliary enterprises	10,569	11,787	20,063	23,614	22,516
Other operating revenues	96	114	137	354	143
Total Operating Revenues	50,818	49,991	99,416	100,197	96,169
Operating Expenses:					
Compensation and benefits	25,595	26,755	101,464	123,069	119,783
Supplies and services	5,345	7,760	31,506	48,857	48,500
Utilities	497	471	3,730	4,832	4,832
Depreciation & Amortization	4,637	4,582	18,426	9,980	9,980
Scholarships and fellowships	2,419	365	19,891	6,702	6,566
Total Operating Expenses	38,493	39,933	175,017	193,440	189,661
Non-Operating Revenues/Expenses:					
State appropriations, net	15,807	17,713	77,309	78,105	77,868
HEERF Grants	2,256	-	20,659	-	-
Gifts	1,559	2,308	3,057	2,665	3,889
State Covid Grant	-	4,700	-	-	4,665
Investment income (loss)	(311)	(1,803)	(5,896)	508	508
Other revenue - MSCBA	150	-	156	-	211
Gain Early Retirement of Debt	-	-	276	-	-
Interest expense on bonds, leases & other debt	(1,997)	(1,928)	(7,969)	(915)	(915)
Net Non-Operating Revenues/Expenses	17,464	20,990	87,592	80,363	86,226
Capital grants	59	615	2,155	7,531	7,531
Use of Net Position	-	-	-	-	-
Total Increase (Decrease) in Net Position	\$ 29,848	\$ 31,663	\$ 14,146	\$ (5,349)	\$ 265

Statistics

UG Headcount Fall 2022 vs Last Year

92.3%

GRAD Credit Hours Fall 2022 vs Last Year

92.9%

CE Credit Hours Fall 2022 vs Last Year

79.4%

Key Managed Revenues as of 11/30/2022 (current fiscal year) and November month end, closed (prior fiscal year)

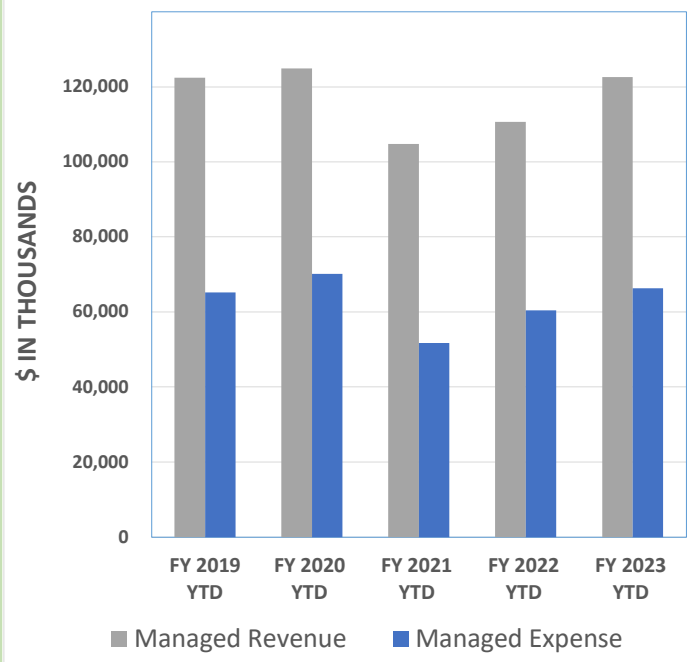
Net Tuition & Fees			State General Appropriations			Auxiliaries		
Full Year 2023 Budget: \$48.1M 27.5% of Total Managed Revenue Budget			Full Year 2023 Budget: \$78.1M 44.7% of Total Managed Revenue Budget			Full Year 2023 Budget: \$23.6M 13.5% of Total Managed Revenue Budget		
% Attainment	Prior FY	Current FY	% Attainment	Prior FY	Current FY	% Attainment	Prior FY	Current FY
\$ Actual	\$47,270K	\$49,240K	\$ Actual	\$28,761K	\$30,614K	\$ Actual	\$20,121K	\$22,679K

Managed Expenses as of 11/30/2022 (current fiscal year) and November month end, closed (prior fiscal year)

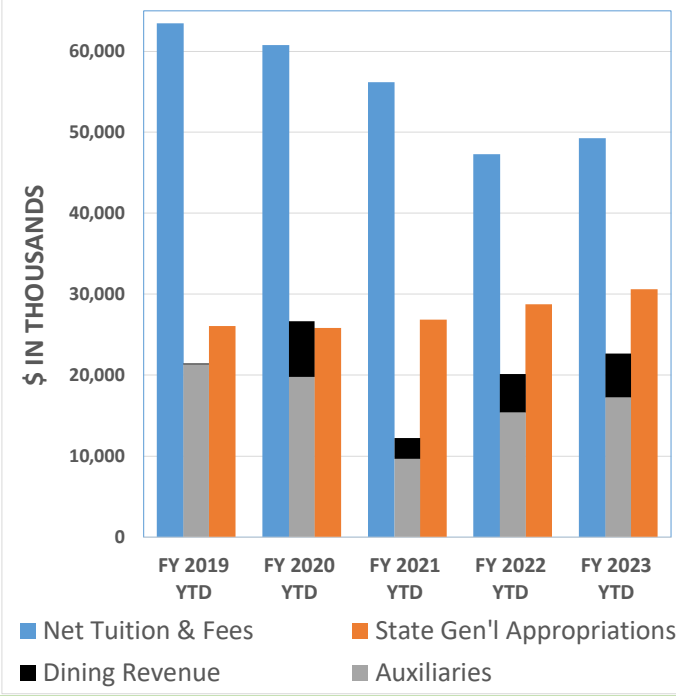
Compensation			Support			Facility Related		
Full Year 2023 Budget: \$123M 69.3% of Total Managed Expenses Budget			Full Year 2023 Budget: \$32.1M 18.1% of Total Managed Expenses Budget			Full Year 2023 Budget: \$22.5M 12.7% of Total Managed Expenses Budget		
% Attainment	Prior FY*	Current FY	% Attainment	Prior FY	Current FY	% Attainment	Prior FY	Current FY
\$ Actual	\$42,952K	\$45,677K	\$ Actual	\$8,573K	\$10,799K	\$ Actual	\$8,865K	\$9,851K

Managed Net Income Trends as of 11/30/2022 (current fiscal year) and November Month end, closed (prior fiscal years)

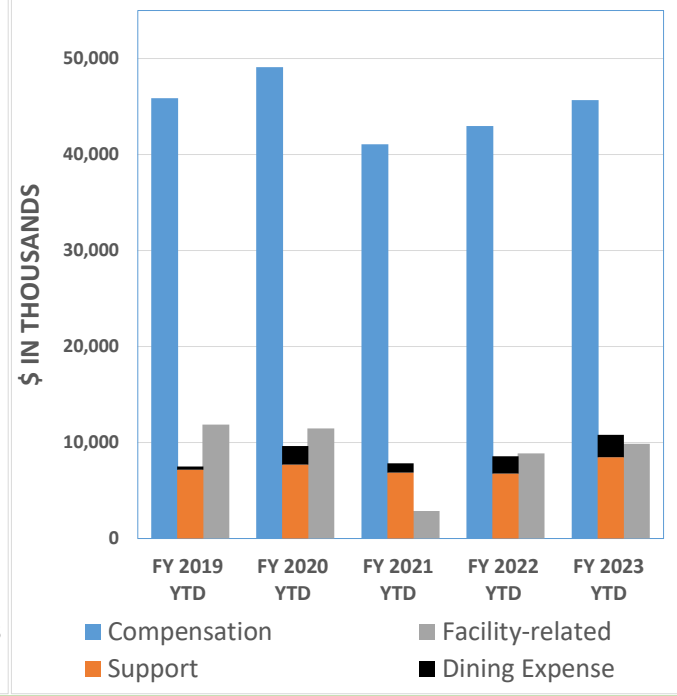
Five-Year Managed Revenue & Expense Trend



Trends - Key Managed Revenues

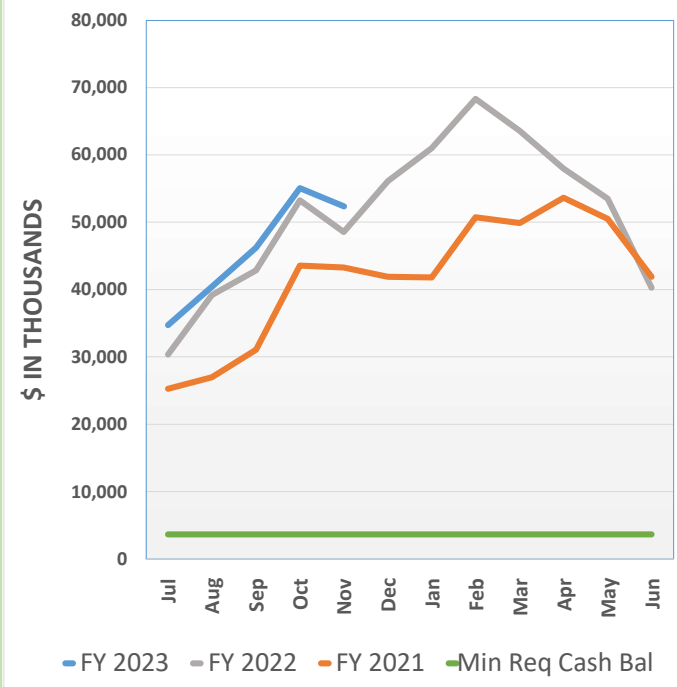


Trends - Key Managed Expenses

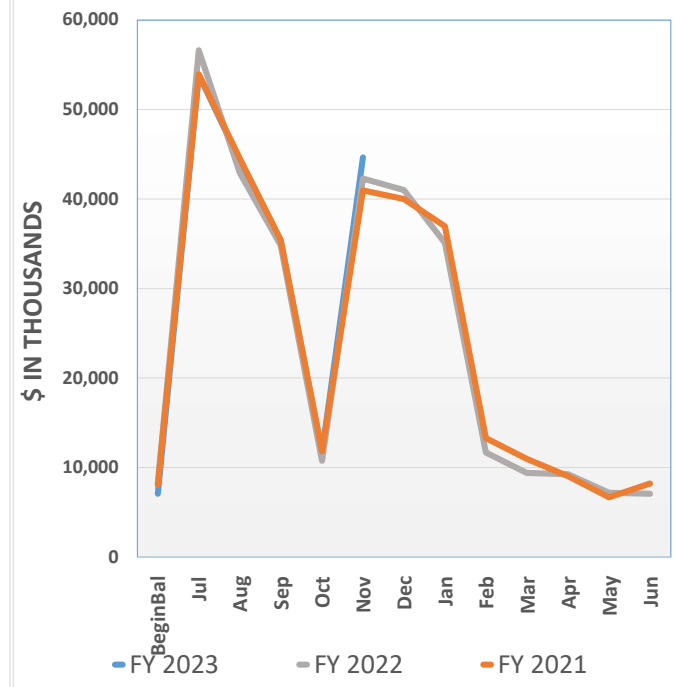


Balance Sheet Trends

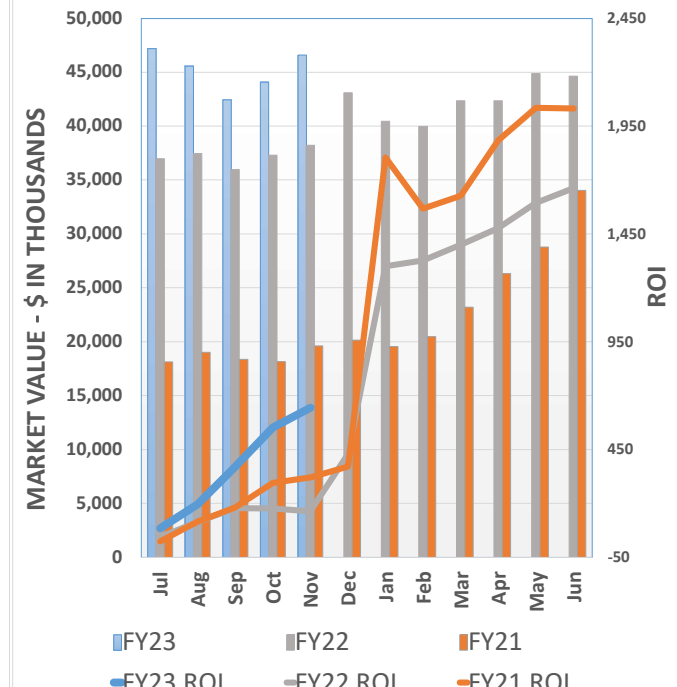
Monthly Cash Balances



Monthly Gross Receivables



Investments

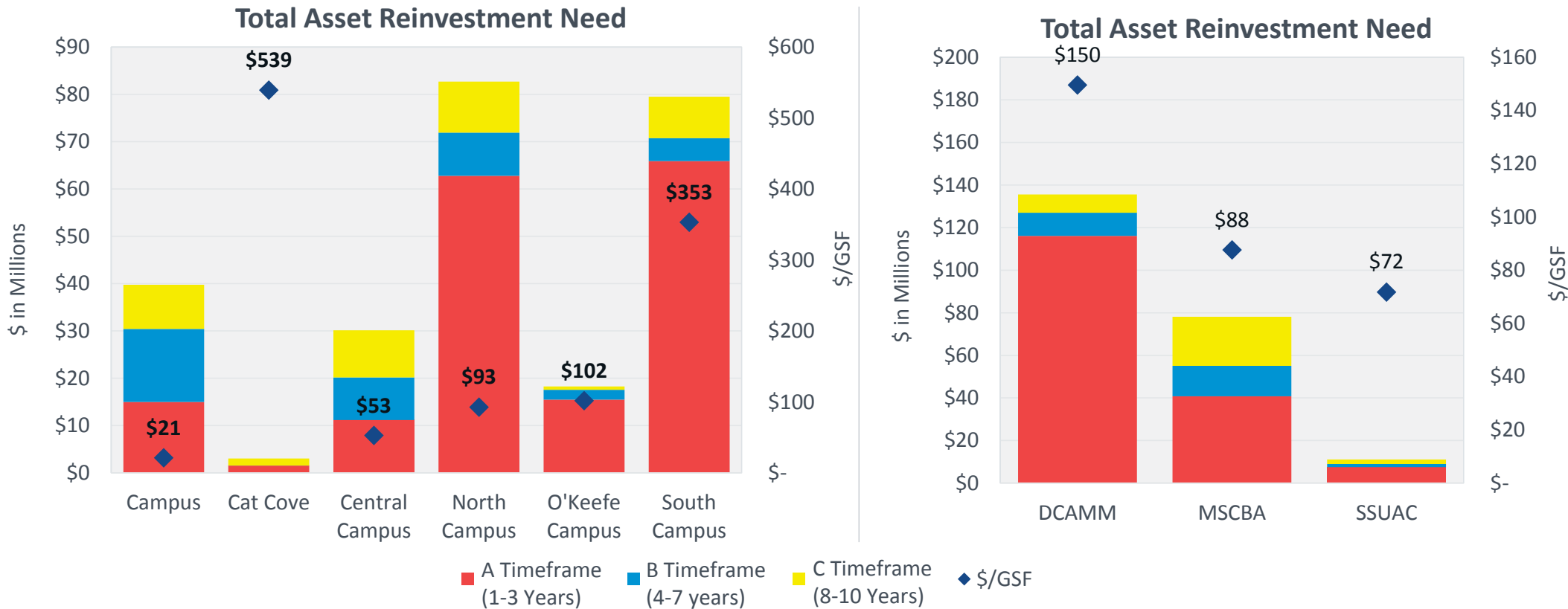


Data as of December 2017



Asset Reinvestment Need by Campus

Breaking out campus AR Need by timeframe



Board of Higher Education's Strategic Public Higher Education Financing study and action

Over many months, the Massachusetts Board of Higher Education studied public higher education financing in conjunction with their contractor, EY Parthenon. Ultimately, in December 2022, the Board approved motion 23-23 to endorse a framework based on principles, a sense of urgency, key goals and key design elements. This framework will influence funding for Salem State and the rest of Massachusetts public higher education, as well as public higher education students, into the future. The framework will guide the BHE as it adopts budget recommendations considering expected significant new funding from the Fair Share amendment (aka millionaire's tax/Question 1). In taking this action, *"The BHE affirms the Framework as guidance intended to inform the development of a fair, equitable, and rational approach to financing and supporting the Commonwealth's system of public higher education institutions. The BHE commits to incorporating the Framework in all aspects of budget and policy development."*

As an example of the importance of this action, the BHE will likely follow the framework in developing its FY24 budget recommendation, including for allocation of Fair Share funding for public higher education. Some have estimated this figure to be \$500 million for public higher education, a figure which is preliminary and not guaranteed nor finalized.

Appendix I contains the full motion from the Board's December approval of the strategic financing framework. Below are highlights.

Excerpts from BHE motion 23-23 see

https://www.mass.edu/bhe/agenda_20221213_BHE.asp

Framework for Strategic Public Higher Education Financing

The proposed Framework for Strategic Public Higher Education (the “Framework”)... includes the following elements:

- Six key principles
- An acknowledgement of a sense of urgency to act due to the limitations of the current financing system
- Five key goals
- Five key design elements

Key Principles

The system for financing public higher education in the Commonwealth must fully support the following six key principles:

1. The System works for both students and institutions
2. The System advances student participation in high quality, affordable education.
3. The System promotes equity in student outcomes.
4. The System is transparent and rooted in providing stakeholders with sufficient ability to plan.
5. The System recognizes institutional context.
6. The System recognizes and invests in innovation and collaboration.

Sense of Urgency

The BHE concludes that the current system for financing public higher education in the Commonwealth does not sufficiently fully support the six key principles, and that it is time to move beyond the current system. The current system should be significantly changed, modernized and strengthened to better serve students and align with our systemic values.

Refer to BHE Motion document for description additional information, including discussion of the key goals and key design elements

Charge to the Commissioner

The BHE charges the Commissioner to work with institutional leaders, policy makers, the legislature, and other stakeholders to advance the implementation of the framework through necessary legislative, executive and budgetary actions. The BHE further directs the Commissioner to continue to work with the FAAP Advisory Council and to provide regular updates to the Board on the Department’s progress in this regard.

BOARD OF HIGHER EDUCATION

REQUEST FOR BOARD ACTION

NO.: BHE 23-23

BOARD DATE: December 13, 2022

Strategic Review of Public Higher Education Financing: Endorsement of a Policy Framework and Charge to the Commissioner

MOVED: The Board of Higher Education (BHE) receives the research, analyses, and policy options prepared by the Finance and Administrative (FAAP) Advisory Council with the assistance of EY-Parthenon in furtherance of the Board of Higher Education's *Strategic Review of Public Higher Education Financing*. The documents that comprise the FAAP Advisory Council's research, analyses, and policy options are referenced and linked in the Background Statement and attached to this motion as "Attachment A." The BHE expresses its appreciation to the FAAP Advisory Council and EY-Parthenon for their work.

Based on and building upon the FAAP Advisory Council's work the BHE accepts and endorses the strategic public higher education financing *Framework*, including the criteria, the goals, and the design elements, as set forth in Section III of the attached Background Statement.

The BHE affirms the Framework as guidance intended to inform the development of a fair, equitable, and rational approach to financing and supporting the Commonwealth's system of public higher education institutions. The BHE commits to incorporating the *Framework* in all aspects of budget and policy development.

The BHE charges the Commissioner to work with stakeholders, including institutional leaders, policy makers, the legislature, and others to advance the implementation of the framework through necessary legislative, executive and budgetary actions.

The BHE further directs the Commissioner to continue to work with the FAAP Advisory Council and to provide regular updates to Board on the Department's progress in this regard.

VOTED: Motion adopted by the BHE on 12/13/2022.

Authority: M.G.L. c. 15A, §1, 9, 15B, 16 and 19

Contact: Joe Wallerstein, Interim Deputy Commissioner for Administration and Finance

BACKGROUND

I. Board of Higher Education Authority

The Board of Higher Education (Board or BHE) is the Commonwealth's state higher education authority with specific coordination, advocacy, and accountability responsibilities over the Commonwealth's entire public higher education system. Section 5 of the BHE's enabling legislation in particular, defines the public higher education system as including all three segments and all of the institutions within each segment (i.e., 15 Community Colleges, 9 State Universities, and 5 University of Massachusetts campuses), and states that the Board shall:

coordinate activities among the public institutions of higher education and shall engage in advocacy on their behalf, which advocacy shall include a sustained program to inform the public of the needs, importance, and accomplishments of the public institution of higher education in the commonwealth.

M.G.L. c. 15A, § 5. The Board is also statutorily required to work "in conjunction with boards of trustees to hold the system accountable for achieving its goals and establishing a comprehensive system to measure quality by defining educational achievement and success with the use of standards and measurements." M.G.L. c. 15A, § 1.

Further included within the Boards' coordination responsibilities, are the Board's statutory mandates to:

- Define the mission of and coordinate the Commonwealth's system of public higher education and its institutions, M.G.L. c. 15A, § 1;
- Analyze the present and future needs and requirements of public higher education and establish goals to achieve a well-coordinated quality system, M.G.L. c. 15A, § 9(c);
- foster coordination between and among public and private institutions; , M.G.L. c. 15A, § 1;
- develop a "rational and equitable statewide tuition plan" for the state universities and the community colleges in the commonwealth, M.G.L. c. 15A, §9(i)
- work with campus financial officers on modeling, budgeting, financing, and capital planning, M.G.L. c. 15A, §§ 9. and 15B; and
- administer state financial aid and provide financial aid services and information to students, M.G.L. c. 15A, §§ 16 and 19.

It is within this legal context that the Board recognizes that the overall funding strategy for public higher education in the Commonwealth is inherently a systemic property, and the Board is not only well positioned to bring forth system-wide recommendations, but is also legally responsible for doing so. In order for the Board to be able to responsibly execute its general authority related to system coordination, advocacy and accountability-- as well as its specific administrative, statutory authority related to fiscal and budgeting matters-- the Board therefore seeks to develop a coordinated, rational,

and empirical funding strategy on behalf of the public higher education system as a whole, the individual institutions within the system, and the students and families that we serve.

II. Engagement of the FAAP Advisory Council, EY-Parthenon, and the Process

Shifting demographics, enrollment declines, and increased competition for students have resulted in significant strains of the public higher education system. Student enrollment has been declining in the past decade and is projected to continue to decline. In addition, the Commonwealth has experienced persistent equity gaps, with rising concerns about the cost of education and the increase in debt burdens on students and families. For these reasons, during its December 11, 2018 meeting the Board made a commitment to review whether and how the Board could address these issues with “the development of an integrated financial planning process to ensure long term sustainability for the campuses and the system and affordability for the students.” *BHE 19-03*.

In addition, in December 2019 the Board enhanced its customary budget approval process by adding a preface to the budget narrative to specifically highlight the Board’s role in the budgetary process, stating as follows:

Consistent with the Board’s annual budgetary duty, and also in accordance with the Board’s responsibility for policy direction and strategic planning for the system of public higher education, the budget recommendation for FY21 is prefaced by this Statement from the Board that reflects our views, values, and preliminary discussions concerning the immediate and longer-term strategic considerations for the state’s fiscal commitments to public higher education.

FAAP 20-10, Budget Narrative at 3. In a subsequent section entitled “Strategic Plan for Funding for Higher Education in Massachusetts,” the Board continued, calling for a more comprehensive review of how the Commonwealth finances public higher education, and expressed a commitment to advance a strategic framework:

Over time, Massachusetts’s support for higher education has slipped – cuts imposed more than a decade ago still resonate today. Our system is old-fashioned compared to many states with most of the money “block granted” to individual institutions rather than following the student or providing incentives and rewards for performance. When compared to our nation-leading approach on K12, we have a lot to do to ensure our postsecondary funding matches our values and our creativity. Therefore, we commit, as the BHE and DHE, to advance a strategic framework and will develop a range of proposals during calendar year 2020 that aligns with our values and vision for the future of higher education in Massachusetts.

FAAP 20-10, Budget Narrative at 5 (emphasis added).

During its September 22, 2021 Annual Meeting the BHE established the Finance and Administrative Policy (FAAP) Advisory Council and charged it with the responsibility to “consider, report and make recommendations to the Board of Higher Education on policy and strategic matters regarding fiscal, operational, administrative matters.” Within that context, the BHE asked the FAAP Council to conduct a strategic review of public higher education finance.

To assist the FAAP Advisory Council with this work, consultant services were procured through the Executive Office of Education with a request for proposals (RFP) issued in September 2021; consulting firm, EY-Parthenon, was selected in late November 2021. The scope of EY-Parthenon’s engagement included five phases of work: conducting an assessment of the current state of public higher education financing; conducting a nationwide comparative analysis on public financing of higher education; developing and assessing potential funding scenarios; conducting a student impact analysis; and developing alternative financing approaches that align with the Board’s Equity Agenda.

Following the engagement of EY-Parthenon, in FY2022 and FY 2023 the FAAP Advisory Council met six times to review, guide, and advance the strategic public higher education finance work with the assistance of EY-Parthenon. All BHE members were invited to participated in FAAP Advisory Council meetings, and the full BHE was engaged at least twice with formal updates during BHE meetings in FY2023 (October 18 and 27).

During its November 3, 2022 meeting, members of the FAAP Advisory Council’ presented its research, which included guiding principles and goals for evaluating the Commonwealth’s public higher education financing system, and a series of policy options and the implications for funding. The November 3, 2022 presentation was a culmination of and based on four reports prepared by EY-Parthenon, including the October 18, 2022 presentation to the BHE entitled [Strategic Review of Public Higher Education Finance](#) and the following three reports issued in August 2022 and used during the August-September 2022 Stakeholder vetting process on the following topics:

- [Strategic Review of Public Higher Education Finance: Establishing a Baseline;](#) (laying out how the Commonwealth currently fund public higher education)
- [Strategic Review of Public Higher Education: Comparative State Analysis;](#) (a comparative analysis around funding priorities); and
- [Strategic Review of Public Higher Education Finance: Student Outcome Analysis.](#)

After further stakeholder vetting, EY-Parthenon provided supplementary materials to the FAAP Advisory Council during the Council’s November 16, 2022 meeting. The full EY-Parthenon and FAAP Advisory Council November 3, 2022 presentation, along with the

supplementary information provided on November 16, 2022, are accessible through the following links:

- [FAAP AC Strategic Review of Public Higher Education Financing: First Discussion of Policy Options, November 3, 2022](#)
- [FAAP AC Strategic Review of Public Higher Education Financing: Supplemental Analysis of Policy Options, November 16, 2022](#)

Based on the research and work produced by the FAAP Advisory Council and EY-Parthenon, Board Chair Chris Gabrieli, in consultation with the FAAP Advisory Council co-chairs, developed a proposed Framework for BHE consideration. The proposed Framework is set forth in Section III, below.

III. Framework for Strategic Public Higher Education Financing

The proposed Framework for Strategic Public Higher Education (the “Framework”) before the BHE for approval includes the following elements:

- Six key principles;
- An acknowledgement of a sense of urgency to act due to the limitations of the current financing system;
- Five key goals; and
- Five key design elements.

Key Principles

The system for financing public higher education in the Commonwealth must fully support the following six¹ key principles:

1. *The System works for both students and institutions*
2. *The System advances student participation in high quality, affordable education.*
 - The system supports students from all backgrounds in participating in and affording high quality higher education
3. *The System promotes equity in student outcomes.*
 - The system supports bridging gaps in retention, graduation, and post-graduate outcomes (e.g., student success and employment) by student subgroup
4. *The System is transparent and rooted in providing stakeholders with sufficient ability to plan.*

¹ FAAP AC Strategic Review of Public Higher Education Financing: First Discussion of Policy Options, November 3, 2022, Slide 8.

- The drivers of state funding are clear and well understood by institutions, students, parents and policymakers, allowing them to plan based on known parameters.
- 5. *The System recognizes institutional context.*
 - The System takes into account institutional mission, contexts, and regional geography, including diversity of student populations and district needs.
- 6. *The System recognizes and invests in innovation and collaboration.*
 - The System fosters innovation and collaboration to meet student success goals, including collaboration within segments, regions, and with outside stakeholders such as K-12 and industry

Sense of Urgency

The BHE concludes that the current system for financing public higher education in the Commonwealth does not sufficiently fully support the six key principles, and that it is time to move beyond the current system.² The current system should be significantly changed, modernized and strengthened to better serve students and align with our systemic values.

Key Goals

The system for financing public higher education in the Commonwealth must address the following five³ high-level goals:

1. *Make college more accessible and affordable for students.*
 - i. Address barriers to participation for low-income and part-time students, including adult students.
 - ii. Address burdensome debt levels for low- and middle-income students and families.
2. *Bolster institution funding to support student success.*
3. *Ensure system-level capacity to foster innovation and collaboration.*
4. *Align incentives on cost sharing between the state and campuses.*
5. *Increase simplicity, transparency, and predictability for all.*

Key Design Elements

Building on the policy options, rationales, and impacts presented at the November 3, 2022 FAAP Advisory Council, along with extensive feedback offered during the meeting and since then from various stakeholders, and recognizing that the BHE seeks to inform

² FAAP AC Strategic Review of Public Higher Education Financing: First Discussion of Policy Options, November 3, 2022, Slide 9.

³ FAAP AC Strategic Review of Public Higher Education Financing: First Discussion of Policy Options, November 3, 2022, Slide 13.

policy makers and stakeholders for the discussions and actions in the time ahead, the BHE endorses five key design elements for the future of public higher education financing in the Commonwealth:

1. Increase financial aid, by at least doubling the current annual budgetary financial aid level, in ways that: make college truly accessible for our lowest-income students; require less debt for our moderate- and middle-income students; and draw back working adults to gain credentials they need.
2. Make and sustain a major new investment into our institutions' annual state appropriations focused on providing institutions with more resources to support low-income students through a weighted-enrollment approach that provides additional funding for each of their low-income students.
3. Significantly expand of the Department's funding capacity to catalyze innovation and collaboration in partnership with our institutions through the Higher Education Innovation Fund.
4. Codify the commitment to funding all three years of salary increases for each new collective bargaining agreement (CBA) and develop a fair and workable plan to better align incentives and cost-sharing between the Commonwealth and public higher education institutions on fringe benefit costs.
5. Provide more transparency, predictability and balanced guardrails on total charges to students by both allowing all campuses to retain all tuition and fees, while also requiring that tuition be the primary component of student charges.

IV. Charge to the Commissioner

The BHE charges the Commissioner to work with institutional leaders, policy makers, the legislature, and other stakeholders to advance the implementation of the framework through necessary legislative, executive and budgetary actions. The BHE further directs the Commissioner to continue to work with the FAAP Advisory Council and to provide regular updates to the Board on the Department's progress in this regard.



Sustainability Update January 2023

Solar projects

- **O’Keefe Roof:** Installation of this 245 KW project is complete. Approval to operate expected in 1-4 months. With this, our 7th rooftop installation, SSU will have 964 KW of solar arrays installed across campus.
- **Administration/Theater Roof:** Have received promising preliminary proposal for 96 KW rooftop array. Anticipating full proposal soon.

Energy Projects

- Lighting project 99% complete:
 - 13,000 lightbulbs changed
 - \$2.0 million lighting project
 - Will save ~ \$200,000 in utility costs per year (recent rate hikes will increase these savings further)
 - Will save ~ 2 million kWh per year
 - Exterior relamping has also made parts of campus feel safer at night

Electric Vehicle Charging Stations behind Viking

- Three dual-port Electric Vehicle Charging stations that can serve six vehicles, including one accessible vehicle, are being installed behind Viking Hall, with a \$50,000 grant from DEP. SSU now has 23 parking spaces with EV charging.

New Waste Bans Target Textiles and Mattresses

- As of Nov. 1, 2022, it became **illegal to dispose of mattresses or textiles** (clothing, footwear, curtains, bedding and similar items) in the trash. Salem State has had programs in place to address these items for several years and did not have to scramble as many schools did. The Salem State community and the public are invited to place their textiles and footwear in plastic bags and then in one of the three white textile recycling bins across campus. This benefits the environment and SSU is paid by the pound for the textiles. A great way to support Salem State!

Capital Projects Status Update January 2023

PROJECTS UNDER CONSTRUCTION

Lighting upgrades: campus wide lighting upgrades

Substantially complete: Fall 2022

Current estimate: \$2 million

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

Meier Hall: penthouse waterproofing

Anticipated completion: Spring 2023

Current estimate: \$1,053,000

Berry Library: HVAC system repair and replacement

Anticipated completion: Summer 2023

Current estimate: \$2,100,000

- Funding received from DCAMM

Sullivan: basement structural repairs and new ADA ramp

Anticipated completion: Summer 2023

Current estimate: \$2,355,000

Campus Wide: automated building controls upgrade: phases 2 and 3, 11 buildings

Anticipated completion: Spring 2023

Current estimate: \$300,000

- Update outdated legacy controls hardware to open network system

O'Keefe/Rockett Arena: 245KW solar roof installation

Completed: October 2022

Bertolon: cooling tower system replacement

Anticipated completion: Summer 2023

Current estimate: \$1,007,369

- Cooling tower system at end of useful life
- Preparing to bid January 2023

PROJECTS IN PLANNING/STUDIES

Project BOLD

Anticipated completion: 2026

- State funding award received, \$30 million
- Payette selected as designer by the Designer Selection Board and DCAMM
- Programming underway, schematic design due August 2023

Emergency generator exhaust stack upgrades

Study underway to develop options

- Upgrade 9 emergency generators to meet MA Department of Environmental Protection standards