
REQUEST FOR TRUSTEE ACTION

Date: June 8, 2016
To: Board of Trustees
From: Finance & Facilities Committee
Subject: FY17 All Funds Budget
Requested Action: Approval

The Board of Trustees must approve an all funds budget for the coming fiscal year which begins on July 1, to provide for the operation of the university. Should the state appropriation or other assumptions differ materially from the estimates, a recommended revised budget will be brought forward to the board to consider in the fall. Fee rates are recommended to the Board in a separate motion and incorporated in the budgeted revenue figures. The approval of the budget includes approval for each separate trust fund as shown on the FY2017 Trust Fund Budgets schedule included in the budget package.

MOTION

The Finance and Facilities Committee hereby recommends that the Board of Trustees approve the following motion pertaining to the FY17 All Funds Budget as described in Attachment D.

Recommended motion

The Board of Trustees of Salem State University hereby approves the Fiscal Year 2016-17 All Funds Budget as recommended by the president and as shown in Attachment D at the level of \$182.0 million with revenues and expenditures balanced. This includes approval of the FY2017 Trust Fund Budgets and the Contracts Exceeding \$500,000 each as included in the Attachment. The president and other officers of the university are hereby authorized to do all things and take all actions deemed necessary to implement this decision.

Committee Assigned: Finance & Facilities
Committee Action: Approved
Date of Action: May 25, 2016

Trustee Action: Approved
Trustee Approval Date: June 8, 2016
Effective Date: June 8, 2016

Signed: _____
Title: Secretary, Board of Trustees
Date: _____

FY2017 University All Funds Budget

Salem State University presents its Fiscal Year 2017 All Funds Budget totaling \$182.0 million. This budget relies on assumptions about all activities as of early May 2016 which is especially relevant for the state appropriation, student enrollment, and tuition and fee rates.

Trust Funds

In the context of Massachusetts public higher education, non-appropriated or locally generated funds are known as Trust Funds. Growth in trust fund revenues, which provide the means to accomplish much of the mission of the university, has been substantial. Salem State is updating its Trust Fund Guidelines, a document which conveys formal guidance regarding the appropriate manner of spending these locally-generated revenues. An important component of the pending Trust Fund Guidelines document is the grouping of like activities, currently accounted for in over 400 individual funds within the university's accounting system, into ten formally identified Trust Funds. Through the motion which accompanies this budget document, FY2017 budgets are being established for each of the ten trust funds. Going forward, financial reports that are provided to the Board of Trustees on a regular basis will present the revenues and expenses for each trust fund, in order to monitor trust fund performance. Appendix I describes each of the Trust Funds. Examples of several are the Grants Trust Fund (federal, state, and other grant-funded activities) and the Residence Halls Trust Fund (room rents and other revenues that support the operation of the residence halls.) The Trust Fund Guidelines reserve to the Board of Trustees the right to approve contract spending in excess of \$500 thousand. Through adoption of the budget including Appendix II, the Board is pre-approving such contracts for spending up to the amounts shown in FY2017.

Transition to All Funds Budget

Thus, this is a year of transition for Salem State budgeting in which we have expanded the scope from an operating budget to an all funds budget. Contemporaneously with the update of the Trust Fund Guidelines, the university is putting forward an FY17 budget for each Trust Fund, and the total is known as the All Funds Budget. The majority of the operating activity continues to be accounted in what has been named the Educational and General (E&G) Trust Fund. The E&G Trust Fund includes the salaries, utilities, and operating costs supported by tuition and fees, as well as the salaries/fringe benefit expenses primarily for instruction which are funded by the state appropriation. The combination of updating the Trust Fund Guidelines and formalizing the budgeting and reporting of Trust Fund activity represents an important improvement in the ability of the Board of Trustees to exercise its fiduciary responsibility to oversee the university's financial operations.

Development of an initial all funds budget is a very complex task. No doubt accuracy will improve over time, with experience. A good faith effort has been made to properly project all revenues and spending for each trust fund. Variable activity, such as gifts and grants, is particularly difficult to project with precision. Since an all funds budget has not historically been established for SSU, analyses comparing

budgets for FY2016 and FY2017 would be confusing or misleading. For context, this document presents actual financial statement results from FY2015, projected year-end results for FY2016 and the all funds budget plan for FY2017.

Key elements of the FY2017 budget include

- State base appropriation that is equal to FY2016 state funding of \$44.0 million. This occurs because the FY16 performance-based formula funding and the supplemental state support received during FY16 for FY15 unfunded collective bargaining increases is rolled into the base for FY2017. The FY2017 state appropriation revenue budget is higher than FY2016, however, for two reasons: The university assumes additional performance-based formula funding for FY2017 of \$230 thousand and the state pays the increased fringe benefits costs for those employees whose salary is funded by the state appropriation.
- No state revenue budgeted to address the FY2016 or FY2017 collective bargaining increases for state-funded employees, consistent with the FY2017 budget submitted by the Governor and recommended by the House,
- Increases in revenue for tuition and fees resulting from rate increases and enrollment changes as well as from new entrepreneurial programs and differential pricing strategies for high-demand, capacity-constrained programs of \$5.5 million or 6.9% above the FY16 projection.
- Anticipated receipt of \$7.7 million in capital grant funding from DCAMM for the completion of the Sophia Gordon Center. This is a one-time revenue item.
- Compensation expense increases of \$8.0 million or 7.1%, primarily driven by a major increase in fringe benefit rate, a portion of which is covered by the state as discussed above, and collective bargaining increases (unfunded by the state.)
- Infrastructure project budgets, for information technology and deferred maintenance, and contingencies.
- An additional \$2 million in MSCBA assessment, repayment for bond funding of facilities. Both the North Campus Parking Garage and Viking Hall will be expensed for a full fiscal year for the first time in FY2017 and fee increases have been planned accordingly.

The aggregate result is a budget for FY2017 that encompasses all funds and which has revenues sufficient to finance the university's expenses.

Uncertainties

The effort to develop the All Funds budget was significant, with input garnered from multiple parties on campus as from state government; however some areas remain uncertain, including:

- The Commonwealth budget process is not expected to be complete until summer 2016 and consequently, the university's state appropriation could change. Further, during the fiscal year, the Commonwealth sometimes assigns mid-year reductions (so-called 9C cuts.)
- While the Enrollment Management team has worked hard to recruit, evaluate, and accept applicants and freshman deposits appear strong for the fall semester, any material change in undergraduate day enrollment, or credit hour enrollment from graduate and continuing education students would have a commensurate impact on net tuition and fee revenues.

- Labor costs may be increased by an anticipated new regulation from the Department of Labor increasing eligibility for payment of overtime wages to employees currently exempt from overtime. The university is monitoring the situation. We would have to address an increase of perhaps \$200-250 thousand from a contingency budget in FY2017.
- The budget presented includes funding for new projects for information technology and facilities projects. However, carryforward figures related to projects previously authorized but not completed will only be available once the fiscal year closes and therefore are not included.

Revenues [Refer to Table 1]

University revenues from all sources excluding capital grants are budgeted to increase by 6.1% over FY2016 projected results, primarily from a combination of enrollment, student charges, grants, and state-paid fringe benefits. Including the \$7.7 million one-time funding to complete the Sophia Gordon Center, all funds budgeted revenue is approximately 10% or \$16.5 million over FY16 projected results.

Student Charges [Refer to Tables 2, 3, and 4]

Total revenue from student tuition and fee charges is slated to increase by \$5.5 million or 6.9%. A \$400 increase to the University Fee will contribute approximately \$2.4 million. Capital improvement fees are being raised as planned to help finance the cost of the parking garage; these additional fees will generate \$1.1 million towards debt assessment payments to the MSCBA.

The university has some high-demand, constrained capacity programs such as nursing, biology, education, and social work. For those programs, the university is implementing differential pricing that will enhance revenue while keeping the university's pricing in-line with competitors. These new program fees will be applied only to new freshmen and transfer students in this initial year. Differential program fee revenue is expected to generate approximately \$216 thousand for FY2017 and grow to over \$600 thousand by FY2021. As more undergraduate students opt for online courses, the university is instituting a \$35 per credit premium for this delivery mode; which is expected to yield \$683 thousand in new revenue.

The continuing education course fee has been increased by \$18 per credit or approximately 8.4% yielding \$315 thousand in additional course fee revenue. New entrepreneurial degree completion programs will be launched in order to meet the needs of continuing education students including an accelerated bachelor of nursing and a FAST BAC program enabling North Shore Community College associates degree recipients to complete their business degree within fifteen months.

The graduate division is increasing course fees by \$8 per credit or 3.6% and expects enrollment to track close to FY2016 levels. Simultaneously, a new, cohort-based masters program in social work held on Saturdays has been launched and is exceeding initial enrollment expectations. An added benefit to this alternative delivery scheduling is that it allows the program to pull from a greater geographic dispersion than a weeknight program. When combined, these changes within the graduate school should yield approximately \$140 thousand in new revenues.

Matriculation fees and other fee changes will add approximately \$674 thousand.

Financial Aid: Scholarships and Grants [Refer to Table 5]

An additional \$490 thousand will be invested in scholarship and grant financial aid, including institutional funding for merit scholarships within the College of Arts and Sciences and for the SAEL program designed to prepare students to teach English as a Second Language.

State Support [Refer to Table 6]

The Governor and House support a General Appropriations Act (GAA) base appropriation for Salem State of \$44 million, as compared to \$43.1 million in GAA for FY2016. While the FY2017 amount has not been finalized, it does present significant fiscal challenges for Salem State's FY2017 budget. An assumption of \$230K in performance-based funding is included in the university's budget. Salary expenses are traditionally applied against the appropriation because the state then pays the applicable fringe benefits. These state-paid fringe benefits are recorded both as revenue and expense. Since the fringe benefits rates have increased substantially from FY2016, from 30.8% to 35.2%, "revenue" from state-paid fringe benefits increases by nearly \$1.9 million. Thus, budgeted state support grows from \$55.9 million to 58.1 million year over year, but declines as a percent of total revenue (excluding state capital grants) from 34.0% to 33.3%.

Auxiliary Enterprises

On paper, total revenue from Auxiliary Enterprises is budgeted to go up by \$2.3 million or 11.2% over projected revenue from FY2016. However, contributing to this is a reclassification of revenues previously reflected in Sales and Services of Educational Activities. Actual increases will come from residence hall rate increases of 4.0% across all room types, parking fee revenue, and commissions from vendors. No additional residence hall capacity is budgeted in FY2017, with Viking Hall having come on line in FY2016.

Grants and Contracts

Revenue from federal, state, and private grants and contracts will grow by an estimated \$1.4 million (7.5%) in support of financial aid as well as for academic advising and peer mentoring, English as a Second Language instruction, and grants related to Title IX/sexual violence services.

Miscellaneous Income

Income from the remaining revenue categories, including sales and services of educational activities, gifts, and investment income, will produce a net decline in revenue over FY2016 projected results due in part to the reclassification discussed above. In addition, certain large gifts transferred from the Foundation during FY16 are not budgeted to recur.

Expenses

Total expenses excluding financial aid and scholarships will increase 9.4% or \$15.0 million. [Refer to Table 7]

Compensation [Refer to Tables 8-12]

Compensation is impacted primarily by three factors: collective bargaining increases, state-mandated fringe benefits rates, and fluctuations in staffing levels. Overall compensation costs will rise \$8.0 million or approximately 7.1% over projected FY2016 expenses. Each of the three campus labor unions will

receive increases in FY2017. With post tenure review, promotion, and reclassifications, the budget for salary increases is approximately \$3.5 million. As discussed, the fringe benefit rate is increasing significantly thus fringe benefits expenses will increase by \$4.4 million, of which \$1.9 million will be funded by the Commonwealth. A reallocation of the position of vice president for marketing and communications has been made in order to fund a vice president for diversity and inclusion position.

Payments to the MSCBA for Viking Hall, the parking garage, and other facilities will require additional resources of \$2 million. As discussed, those recurring expenses have been addressed with recurring revenues as planned in the form of increases in rents, and capital improvement and parking fees.

Support is a broad category covering a variety of administrative expenses, supplies, leases on space and equipment, contracts, and contingencies. Investments in facilities infrastructure, deferred maintenance projects, and information technology upgrades are driving this category higher in FY2017.

Miscellaneous expenses such as interest expense, depreciation, and utilities, will not have a material change in the coming fiscal year.

Conclusion

Despite the fiscal challenges facing Salem State University and important investments in people, infrastructure and programs, the university has balanced its budget for FY2017 and will continue to deliver a high quality, affordable education and supportive student experience.

Salem State University FY2017 All Funds Budget

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Actuals thru: 2016-Mar

L1_Total All Departments			H
L1_All Funds	FY 2015	FY 2016	FY 2017
\$	Year End	YTD-Mar	Original
	Actuals	Actuals	Budget
OPERATING REVENUE:			
Tuition and Fees	74,250,344	74,503,825	85,967,013
Scholarship Allowance	-15,360,590	-14,428,116	-15,626,295
OP - Net Tuition and Fees	58,889,755	60,075,709	70,340,718
OP - Federal Grants and Contracts	13,966,348	13,006,879	14,533,523
OP - State Grants and Contracts	5,728,274	4,067,663	5,140,121
OP - Private Grants and Contracts	87,864	198,526	415,115
OP - Sales & Svcs Education Depts	1,254,756	988,663	1,015,678
OP - Auxiliary Enterprises	17,658,164	20,210,901	23,031,836
OP - Other Operating Revenues	476,543	285,831	391,503
NON - State General Appropriations	55,063,941	41,096,683	58,103,144
NON - Gifts	1,784,499	1,057,692	1,256,395
NON - Investment Income	591,642	-264,945	65,020
CAP - Capital Grants	846,009	0	7,700,000
Total Revenue	<u>156,347,796</u>	<u>140,723,601</u>	<u>181,993,052</u>
OPERATING EXPENSES:			
Salaries and Wages	87,031,644	63,471,982	93,525,331
Fringe Benefits	20,004,604	15,389,026	26,980,702
OP - Support	23,253,606	16,672,091	26,299,545
OP - Utilities	4,337,321	3,036,493	4,595,580
OP - Depreciation and Amortization	7,655,460	5,832,189	8,132,946
OP - Scholarships and Fellowships	5,800,876	6,128,261	6,270,486
OP - MSCBA Assessment	9,681,042	12,924,639	14,944,493
XFR - Transfers	0	0	0
NON - 9C Payment	622,233	0	0
NON - Interest Expense	984,574	847,426	1,243,968
- Use of Reserves + Unplanned FY Exp (Acct 0200)	0	0	0
Total Operating Expenses	<u>159,371,360</u>	<u>124,302,107</u>	<u>181,993,051</u>
Net Revenue over Expense	<u>-3,023,564</u>	<u>16,421,494</u>	<u>0</u>
Adjusted Op Margin Cash Flow (Incl. Approp.)	2.6%	16.5%	0.9%

Salem State University FY2017 Trust Fund Budgets

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Actuals thru: 2017-Jun

L1_Total All Departments
\$

	FY 2017 Budget	FY 2017 Budget	FY 2017 Budget	FY 2017 Budget	FY 2017 Budget	FY 2017 Budget	FY 2017 Budget	FY 2017 Budget	FY 2017 Budget	FY 2017 Budget	FY 2017 Budget
Agency	Educational & General Funds	Gifts	Grants	Net Invested in Capital Assets	Residence Halls	Restricted other	Total Loan Funds	Total Restricted Endowments	Unrestricted Auxiliaries	All Funds	
<i>Note 1</i>							<i>Note 1</i>				
REVENUE:											
Scholarship Allowance	0	2,437,000	0	-17,134,914	0	-928,381	0	0	0	0	-15,626,295
Tuition and Fees	0	85,439,384	0	0	0	0	527,628	0	0	0	85,967,013
OP - Net Tuition and Fees	0	87,876,384	0	-17,134,914	0	-928,381	527,628	0	0	0	70,340,718
OP - Federal Grants and Contracts	0	0	0	14,533,523	0	0	0	0	0	0	14,533,523
OP - State Grants and Contracts	0	0	0	5,137,623	0	0	2,497	0	0	0	5,140,121
OP - Private Grants and Contracts	0	0	0	415,115	0	0	0	0	0	0	415,115
OP - Auxiliary Enterprises	0	0	0	0	0	19,814,275	0	0	3,217,561	0	23,031,836
OP - Sales & Svcs Education Depts	0	750,251	0	69,901	0	0	195,526	0	0	0	1,015,678
OP - Other Operating Revenues	0	330,000	0	50,000	0	0	11,502	0	0	0	391,503
NON - State General Appropriations	0	58,103,144	0	0	0	0	0	0	0	0	58,103,144
NON - Gifts	0	84,201	225,825	668,678	0	6,000	271,691	0	0	0	1,256,395
NON - Investment Income	0	50,000	0	20	0	15,000	0	0	0	0	65,020
NON - Retirement of Indebtedness	0	0	0	0	0	0	0	0	0	0	0
NON - Direct Loans In and Out - Rev	0	25,000	0	-25,000	0	0	0	0	0	0	0
CAP - Capital Grants	0	0	0	0	7,700,000	0	0	0	0	0	7,700,000
Total Revenue	0	147,218,981	225,825	3,714,947	7,700,000	18,906,894	1,008,844	0	0	3,217,561	181,993,052
EXPENSES:											
OP - Compensation	0	114,004,978	50,397	2,361,849	0	4,044,153	9,793	0	0	34,863	120,506,033
OP - Support	0	22,318,745	175,428	1,317,216	0	1,609,554	739,232	0	2,484	136,885	26,299,545
OP - Utilities	0	4,595,580	0	0	0	0	0	0	0	0	4,595,580
OP - Depreciation and Amortization	0	0	0	0	8,132,946	0	0	0	0	0	8,132,946
OP - Scholarships and Fellowships	0	6,029,325	0	239,911	0	0	1,250	0	0	0	6,270,486
OP - MSCBA Assessment	0	0	0	0	2,281,168	12,663,325	0	0	0	0	14,944,493
XFR - Transfers	0	1,039,643	0	-50,000	-3,525,136	-598,448	88,128	0	0	3,045,813	0
NON - 9C Payment	0	0	0	0	0	0	0	0	0	0	0
NON - Interest Expense	0	0	0	0	1,243,968	0	0	0	0	0	1,243,968
NON - Increase (Decrease) in Net Position	0	-769,291	0	-154,030	-432,946	1,188,310	170,441	0	-2,484	0	0
Total Exp., Transfers, & Change in Net Posn.	0	147,218,980	225,825	3,714,946	7,700,000	18,906,895	1,008,844	0	0	3,217,561	181,993,051
Net Revenue over Expense	0	0	0	0	0	0	0	0	0	0	0
Adjusted Op Margin Cash Flow (Incl. Approp.)	0.0%	0.1%	0.0%	-27.6%	0.0%	3.0%	-1.8%	0.0%	0.0%	94.7%	0.9%

Note 1 - These funds pass activity through assets/liabilities only, in accordance with accounting standards, and thus have no revenue or expense budgets.

Chart 1: Components of FY2017 Revenue Budget

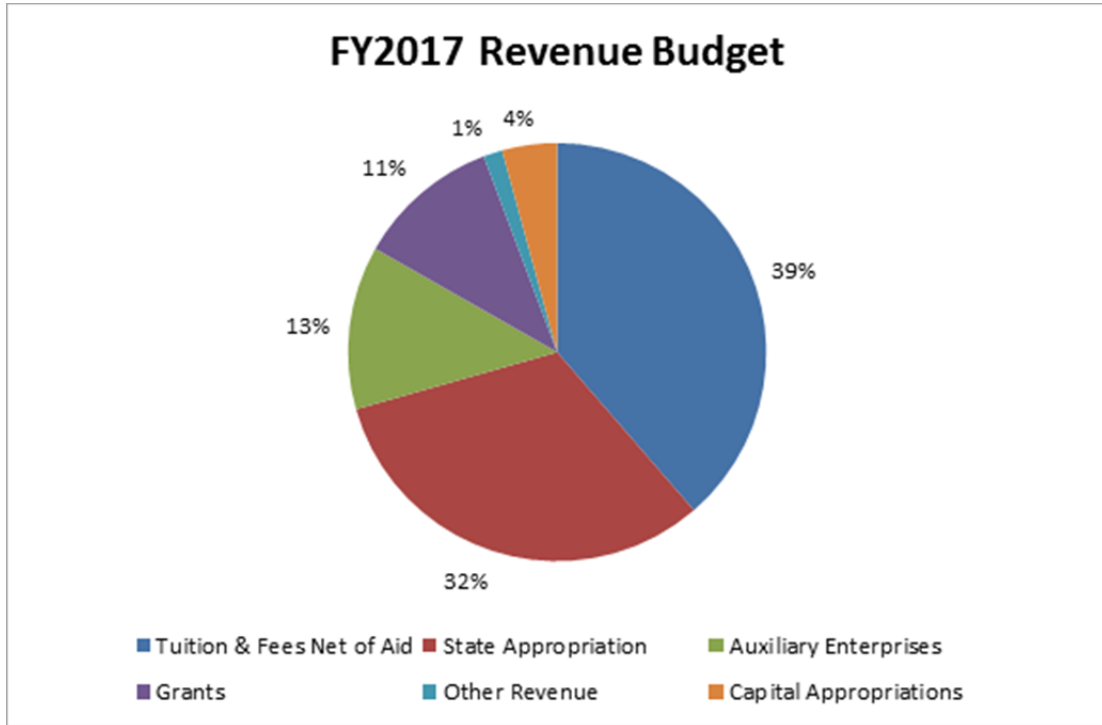


Chart 2: Components of FY2017 Expense Budget

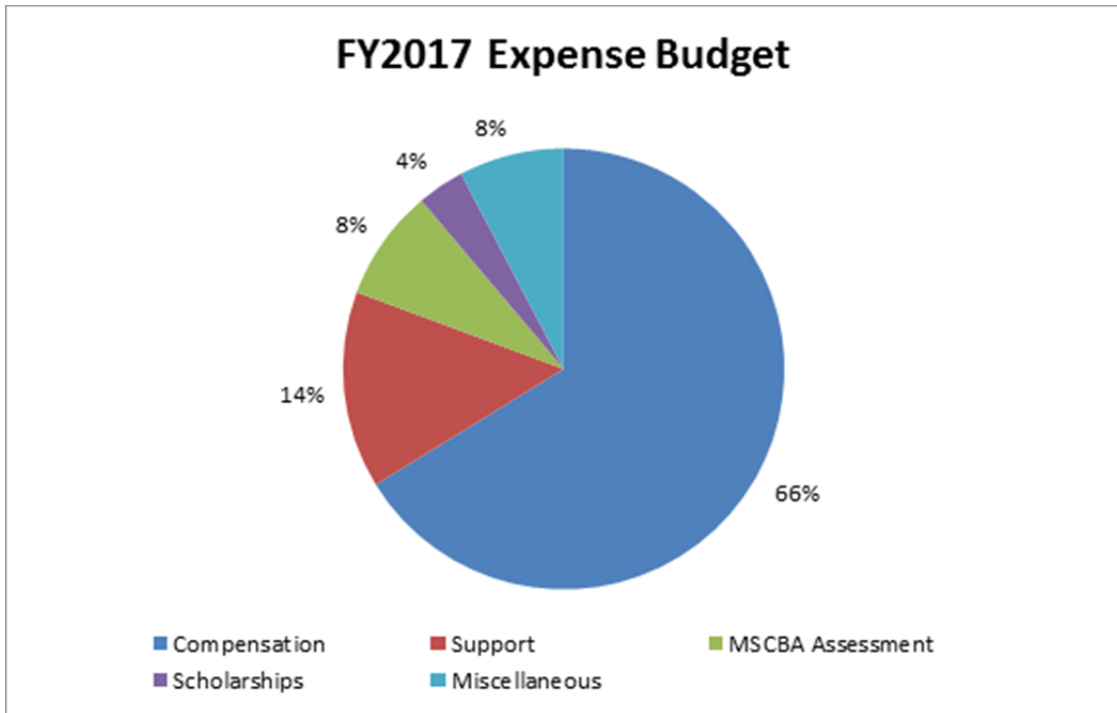


Chart 3: Credit Hours Delivered by Student Type – Full Years FY2011 – FY2015

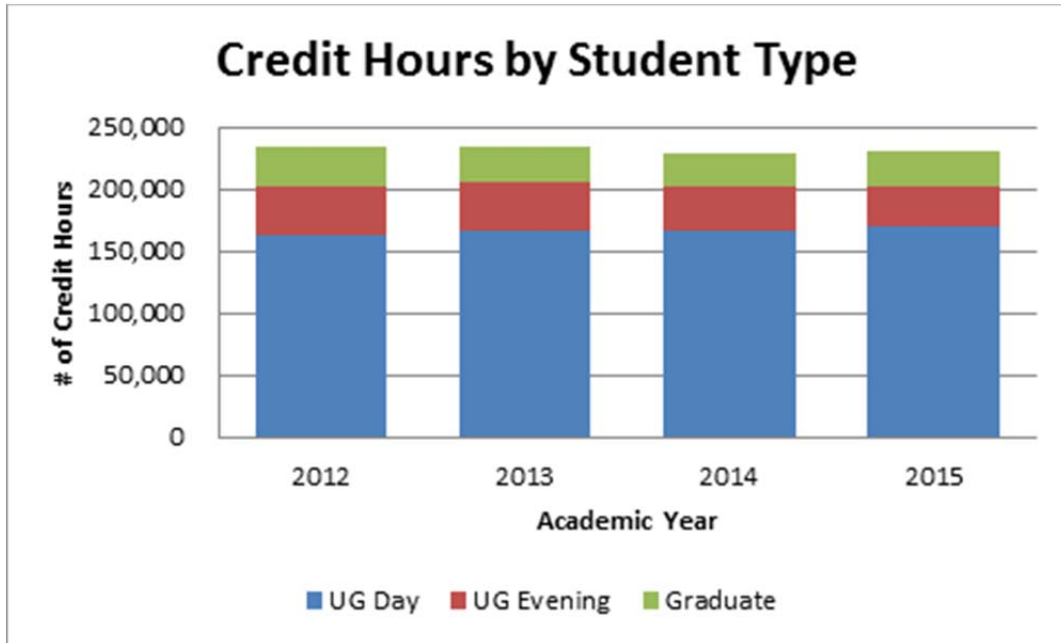


Chart 4: Preliminary Fall Enrollments (Registrations) 2015 and 2016 – Fall Only, as of May 11

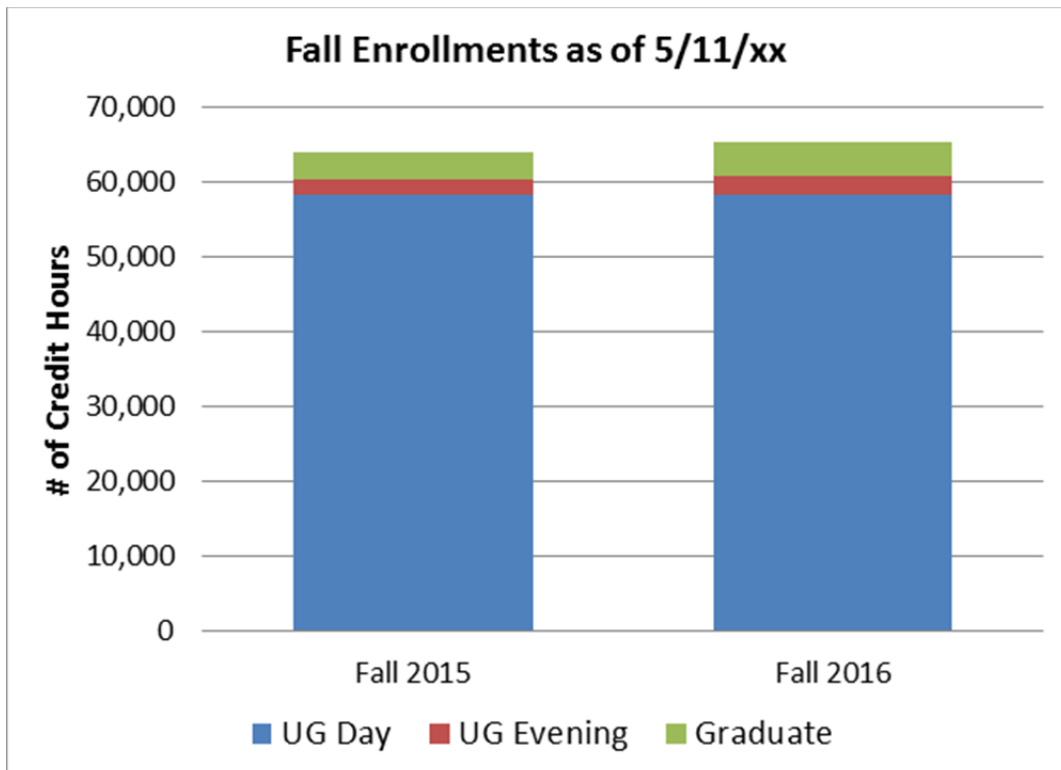


Table 1: Revenue

Revenue (\$ in millions)	FY2016 Projected	FY2017 Budget	FY16 Proj. to FY17 \$ Chg	FY16 Proj. to FY17 % Chg
Tuition & Fees Net of Aid	\$65.2	\$70.3	\$5.1	7.8%
State Appropriation*	\$55.9	\$58.1	\$2.2	3.9%
Auxiliary Enterprises	\$20.7	\$23.0	\$2.3	11.1%
Grants	\$18.7	\$20.1	\$1.4	7.5%
Other Revenue**	\$4.0	\$2.7	(\$1.3)	-32.5%
Revenue Subtotal	\$164.5	\$174.2	\$9.7	5.9%
Capital Appropriations	\$1.0	\$7.7	\$6.7	670.0%
Total Revenue	\$165.6	\$182.0	\$16.4	9.9%
<i>* inclusive of state-paid fringe benefits</i>				
<i>** other revenue includes investment income, sales and services, gifts, and other operating revenues</i>				

Table 2: Fee Revenue

Fee Revenue (\$ in millions)	FY2016 Projected	FY2017 Budget	FY16 Proj. to FY17 \$ Chg	FY16 Proj. to FY17 % Chg	% Rate Increase
Undergraduate Day University Fee	\$47.3	\$50.1	\$2.8	5.9%	5.0%
Graduate Division Course Fee	\$6.5	\$6.7	\$0.2	3.1%	3.6%
Continuing Education Course Fee	\$6.1	\$6.6	\$0.5	8.2%	8.4%
Capital Improvement Fee	\$1.7	\$2.8	\$1.1	64.7%	Varies*
Other Fee Revenue	\$5.6	\$6.5	\$0.9	16.1%	Varies
Total Fee Revenue	\$67.2	\$72.6	\$5.5	8.2%	
<i>*Capital Improvement Fees increased 37.5% for undergraduate students and by 133.3% for DGCE students</i>					

Table 3: Budget Impact of Various University Fee Rate Change Scenarios

Undergraduate University Fee: FY16 - FY17			
% Change	Budget Impact	Rate Change	New Rate
3.0%	\$1,423,200	\$240	\$8,256
4.0%	\$1,897,600	\$320	\$8,336
5.0%	\$2,372,000	\$400	\$8,416
6.0%	\$2,846,400	\$480	\$8,496
7.0%	\$3,320,800	\$560	\$8,576
Note: The above data relates to the Undergraduate University Fee only. 5% is included in the FY2017 budget.			

Table 4: Historical Credit Hours by Student Type

Student Type	Credit Hours				
	2011	2012	2013	2014	2015
Undergraduate Day	164,619	163,372	166,023	165,705	170,222
Continuing Education	41,098	39,248	39,926	36,808	32,406
Graduate	34,583	31,950	27,799	25,983	27,255
Total Credit Hours	240,300	234,570	233,748	228,495	229,883

Table 5: Financial Aid - Due to an arcane Generally Accepted Accounting Principles (GAAP) treatment, some financial aid is displayed as revenue and the remainder is shown as expense. This table brings them together.

<i>Financial Aid (\$ in millions)</i>	FY2015 Actual (\$ millions)	FY2016 Projected (\$ millions)	FY2017 Budget	FY16 Proj. to FY17 \$ Chg	FY16 Proj. to FY17 % Chg
Scholarship Allowance (deduction of Revenue)	\$15.4	\$15.2	\$15.6	\$0.4	2.6%
Scholarships and Fellowships (treated as Expense)	\$5.8	\$6.2	\$6.3	\$0.1	1.6%
Total Financial Aid	\$21.2	\$21.4	\$21.9	\$0.5	2.3%
As % of Gross Tuition and Fees	28.5%	26.6%	25.5%		
<i>Financial Aid by Source</i>	Educational & General	Grants	Residence Halls Trust Fund	Restricted Other	Total
FY2017 Budget by Source (\$ millions)	\$3.6	\$17.4	\$0.9	\$0.0	\$21.9
FY2017 Budget by Source (% of total)	16.4%	79.3%	4.2%	0.0%	100.0%

Table 6: State Support

Appropriation Description (\$ in millions)	FY2016	FY2017	FY16 Proj. to FY17 \$ Chg	FY16 Proj. to FY17 % Chg
General Appropriations Act (GAA)	\$43.1	\$44.0	\$0.9	2.1%
Funding Formula Allocation	\$0.5	\$0.2	(\$0.2)	-40.0%
Collective Bargaining*	\$0.4	\$0.0	(\$0.4)	-100.0%
Total Base Appropriation	\$44.0	\$44.2	\$0.2	0.5%
State-Paid Fringe Benefits	\$11.9	\$13.9	\$2.0	16.8%
Total State Support	\$55.9	\$58.1	\$2.2	3.9%
*CBA for FY15 which was received in FY16.				

Table 7: Expenses

Expense Category (\$ in millions)	FY16 Projection	FY17 Budget	FY16 Proj. to FY17 \$ Chg	FY16 Proj. to FY17 % Chg
Compensation	\$ 112.5	\$ 120.5	\$ 8.0	7.1%
Support*	\$ 22.0	\$ 26.3	\$ 4.3	19.5%
MSCBA Assessment	\$ 12.9	\$ 14.9	\$ 2.0	15.5%
Scholarships	\$ 6.2	\$ 6.3	\$ 0.1	1.6%
Miscellaneous	\$ 13.3	\$ 14.0	\$ 0.6	4.5%
Total	\$ 167.0	\$ 182.0	\$ 15.0	9.0%

**Support is a broad category covering a variety of administrative expenses, supplies, leases on space and equipment, contracts, and contingencies.*

Table 8: Compensation

Salaries & Wages (\$ in millions)	FY2015 Actual	FY2016 Projected	FY2017 Budget	FY16 Proj. to FY17 \$ Chg	FY16 Proj. to FY17 % Chg
Benefitted Faculty & Staff	\$67.0	\$69.8	\$73.3	\$3.5	5.0%
Adjunct Faculty	\$11.3	\$11.7	\$12.0	\$0.3	2.6%
Student Labor	\$2.1	\$2.0	\$2.2	\$0.2	10.0%
Contract Employees	\$2.9	\$3.3	\$3.1	(\$0.3)	-9.1%
Other Labor*	\$3.8	\$3.2	\$3.0	(\$0.2)	-6.3%
Total Salary & Wages	\$87.1	\$89.9	\$93.5	\$3.6	4.0%
Fringe Benefits	\$20.0	\$22.6	\$27.0	\$4.4	19.5%
Total Compensation	\$107.1	\$112.5	\$120.5	\$8.0	7.1%

** Other labor includes overtime, vacation and sick payouts, etc.*

Table 9: Full-time Equivalent Employee Counts by University Division

FTE Benefitted Employees*	FY2017 Roster (count)
Academic Affairs	545
Administration (Campus Safety, Facilities, HR, IT, Risk Mgt)	181
Enrollment Management & Student Life	170
Finance & Business	39
Advancement	26
Marketing & Communications	11
President's Area (President's Office, External Affairs, Decision Support)	9
Total University	981

* Full-time equivalent benefitted employees

Table 10: Full-time Equivalent Employee Counts by Union Classification

FTE Benefitted Employees*	FY2017 Roster (count)
Clerical union (AFSCME)	257
Professional union (APA)	283
Day and DGCE Faculty (MSCA)	377
Professional non-union (NUP)	58
Clerical non-union (NUC)	6
Total University	981
* Full-time equivalent benefitted employees	

Table 11: Fringe Benefits Rates (this rate is set by the Commonwealth each year)

	FY2016	FY2017	Absolute Change	Est. % Change from FY2016
Group Insurance	18.8%	21.9%	3.2%	16.9%
Retirement	9.5%	10.7%	1.3%	13.4%
Terminal Leave	1.0%	0.8%	-0.1%	-13.1%
Subtotal	29.2%	33.5%	4.3%	14.8%
Unemployment Insurance	0.3%	0.3%	0.0%	8.0%
Universal Health Insurance	0.1%	0.1%	0.0%	38.6%
Medicare Tax	1.3%	1.3%	0.0%	-2.0%
Subtotal	1.6%	1.7%	0.0%	1.3%
Total	30.8%	35.2%	4.3%	14.1%

Appendix 1 – Trust Fund Matrix

Salem State University - Trust Funds based on L3 in Fund Hierarchy

Trust Fund	Description	Count of PeopleSoft Funds	FY15 Total Revenue	Examples
L3_Agency	Funds held by Salem State as custodian/fiscal agent for others	6	-	Fund 6222 - Unclaimed Checks
L3_Education & General Funds	Basic operations of the university; unrestricted funds	53	128,378,885	Fund 1000 - State Maintenance Appropriation Fund 2311 - Darwin Festival Fund 1247 - Investments
L3_Gifts	Funds donated by others outside the university for a specific purpose	2	296,548	Fund 2313 - Departmental Gifts
L3_Grants	Funds provided by an external party in return for a specific project or other action by the university. Majority of SSU's grants are for financial aid to students.	258	20,673,825	Fund 2200 - Pell Grant
L3_Net Invested in Capital Assets	Capitalizable facility projects; depreciation; debt.	19	7,945,075	Fund 7020 - DCAM Solar Panel 7006-9800 Fund 7040 - Invested in Cap Assets-Net
L3_Residence Hall Trust Fund	Self-supporting operations that provide services to students, faculty, or staff; restricted by an entity outside of the university (MSCBA owned facility operations)	11	16,084,078	Fund 2517 - CDTR-Atlantic Hall
L3_Restricted other		65	817,213	Fund 2304 - Alpha Lambda Delta/ACADEMIA
L3_Total Loan Funds	Funds provided by others for the purpose of Student Financial Aid in the form of loans, not grants. Debt belongs to the recipient, not the university.	5	-	Fund 4204 - Graduate Student Loan Fund
L3_Total Restricted Endowments	Most endowments are held by the Foundation, but the university has one historical endowed fund	1	18,863	Fund 5002 - Cruttenden Endowment
L3_Unrestricted Auxiliaries	Self-supporting operations that provide services to students, faculty, or staff; not restricted by an entity outside of the university	4	180,023	Fund 6204 - Dining Hall Trust Fund
Total Individual Funds in PeopleSoft (Active)		424	174,394,510	

Appendix II - List of Contract Spend Exceeding \$500,000 which are pre-approved upon approval of the FY2017 Budget

Salem State University
FY2017 Budget Package
Pre-approval of Contracts Exceeding \$500,000 in Accordance with Trust Fund Guidelines

Vendor Name	Vendor Description	FY-2017 Estimated Spend	Trust Fund Name	PeopleSoft Fund #	PS Fund Name
Board of Higher Ed Mass Teachers	Insurance payments	\$900,000	Educational and General	1100	University fee
Cavalier	Shuttle & charter bus service	\$550,000	Educational and General	1100	University fee
Chartwells *	Food service provider	\$6,800,000	Unrestricted Auxiliaries	6204	Dining Trust Fund
Dell Computers	Computer equipment	\$600,000	Educational and General	1100	University fee
Direct Energy Services LLC	Electricity supply & Natural gas	\$2,700,000	Educational and General **	1100 **	University fee **
Follett Higher Education Group	Book vouchers, educational material	\$1,500,000	Educational and General	1100	University fee
National Grid	Electricity delivery service	\$1,200,000	Educational and General **	1100 **	University fee **
Red Thread LLC	Furniture and audio visual equipment	\$750,000	Educational and General	1100	University fee
Salem State Asst. Corp.	Lease expense	\$650,000	Educational and General	1100	University fee
University Health Plans, Inc.	Student health insurance	\$1,900,000	Agency	6216	Student Insurance

* Salem State University traditionally treats the revenues and expenses to the food services provider as a flow-through within a liability account, based on the nature of the existing contract. Board plan overrides, commissions, and lump sum payments are recorded as revenues when earned.

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

**In-State Schedule of Student Charges
2016-17 Academic Year**

	Fall 2016		Spring 2017		Academic Year Full-Time
	Per Credit	Full-Time	Per Credit	Full-Time	
Day Undergraduate					
Tuition					
In-State	\$37.92	\$455.00	\$37.92	\$455.00	\$910.00
Fees					
University Fee ¹	\$350.67	\$4,208.00	\$350.67	\$4,208.00	\$8,416.00
Capital Improvement Fee	\$13.75	\$165.00	\$13.75	\$165.00	\$330.00
SGA Fee	\$3.33	\$40.00	\$3.33	\$40.00	\$80.00
Total Tuition and Fees					
In-State	\$405.67	\$4,868.00	\$405.67	\$4,868.00	\$9,736.00
Evening Undergraduate (SCPS)					
Tuition					
In-State	\$115.00		\$115.00		
Fees					
Course Fee	\$233.00		\$233.00		
Capital Improvement Fee	\$14.00		\$14.00		
SGA Fee	\$3.33		\$3.33		
Total Tuition and Fees					
In-State	\$365.33		\$365.33		
Graduate					
Tuition					
In-State	\$140.00		\$140.00		
Fees					
Course Fee	\$245.50		\$245.50		
Capital Improvement Fee	\$14.00		\$14.00		
Total Tuition and Fees					
In-State	\$399.50		\$399.50		
Graduate - MSW program					
Tuition					
In-State	\$140.00		\$140.00		
Fees					
Course Fee	\$270.50		\$270.50		
Capital Improvement Fee	\$14.00		\$14.00		
Total Tuition and Fees					
In-State	\$424.50		\$424.50		
Graduate business courses					
Tuition					
In-State	\$140.00		\$140.00		
Fees					
Course Fee	\$280.50		\$280.50		
Capital Improvement Fee	\$14.00		\$14.00		
Total Tuition and Fees					
In-State	\$434.50		\$434.50		

*All charges are subject to change.

**In-State Schedule of Student Charges
2016-17 Academic Year**

	Fall 2016		Spring 2017		Academic Year Full-Time
	Per Credit	Full-Time	Per Credit	Full-Time	
Housing²					
Peabody Hall/Bowditch Hall		\$4,080.00		\$4,080.00	\$8,160.00
Marsh Hall		\$4,590.00		\$4,590.00	\$9,180.00
Bates Complex - Double		\$4,705.00		\$4,705.00	\$9,410.00
Bates Complex - Single		\$4,980.00		\$4,980.00	\$9,960.00
Atlantic Hall - Double		\$5,100.00		\$5,100.00	\$10,200.00
Atlantic Hall - Single		\$5,660.00		\$5,660.00	\$11,320.00
Viking Hall - Double		\$4,695.00		\$4,695.00	\$9,390.00
Viking Hall - Single		\$4,980.00		\$4,980.00	\$9,960.00
Viking Hall - Double Suite		\$4,795.00		\$4,795.00	\$9,590.00
Viking Hall - Single Suite		\$5,080.00		\$5,080.00	\$10,160.00
Meal Plans					
Commuter Meal Plan ³		\$375.00		\$375.00	\$750.00
Resident Meal Plan ⁴		\$375.00		\$375.00	\$750.00
10-Meal Plan		\$1,640.00		\$1,640.00	\$3,280.00
14-Meal Plan ⁵		\$1,780.00		\$1,780.00	\$3,560.00
19-Meal Plan		\$1,860.00		\$1,860.00	\$3,720.00
Differential Fees for Undergraduate Programs					
Nursing ⁹		\$500.00		\$500.00	\$1,000.00
Biology ⁹		\$250.00		\$250.00	\$500.00
Education ⁹		\$125.00		\$125.00	\$250.00
Social Work ⁹		\$125.00		\$125.00	\$250.00
Accelerated 2nd Degree for Bachelor of Science, Nursing (BSN) ¹⁰					\$470 per credit
Miscellaneous Fees - annual unless noted					
Health Insurance - (waivable) ⁶					\$2,511.00
Matriculation Fee - new matriculated students (one-time)					\$250.00
Mass PIRG Fee (waivable each semester) ⁷					\$10.00
Online courses (undergraduate) per credit ⁸					\$35.00
Resident Parking - \$400 per year (\$200 per semester)					\$200.00
Commuter Parking - \$125 per year (\$62.50 per semester)					\$62.50
Records Fee -- per term for non-matriculated, non-degree students					\$10.00

NOTES:

- The University Fee represents the fee anticipated for 2016-17. Fees may change by action of the Board of Trustees.
- Housing rates include (1) \$20 per semester/\$40 per year Residence Hall Association Fee and (2) \$275 per semester/\$550 per year Technology/Student Service/Programming Fee
- Charged to all commuter students. Required for all first-year students in first two semesters of attendance; waivable for other students. Includes \$285 dining dollars and \$90 ClipperCash per semester.
- Minimum required for residents of Atlantic Hall and Bates. Includes \$285 dining dollars and \$90 Clipper Cash per semester.
- Minimum required for residents of Peabody, Bowditch, Marsh and Viking Halls. All plans include \$90 ClipperCash per 10-meal and 14-meal plans include \$200 Dining Dollars; 19-meal plan includes \$100 Dining Dollars.
- Charged for all students enrolled in at least 75 percent of a full-time course load. Student may opt out and have fee waived if covered by other health insurance
- Charged for all day students each semester. Student may opt out and have fee waived on line.
- All undergraduate students taking online courses to be charged \$35 per credit
- Additional fees applicable to only new entrants to the program (incoming or transfers).
- Accelerated 2nd Degree for Bachelor of Science, Nursing (BSN) is a cohort based program with a charge of \$470 per credit

*All charges are subject to change.

**In-State Schedule of Student Charges
2016-17 Academic Year**

	Fall 2016		Spring 2017		Academic Year Full-Time
	Per Credit	Full-Time	Per Credit	Full-Time	
FT Undergraduate - In-state		Actual FY16	Proposed FY17	Amount Increase	% Increase
Tuition		910	910	0	0.0%
University Fee		8,016	8,416	400	5.0%
Tuition and University Fee Only		8,926	9,326	400	4.5%
Capital Improvement Fee		240	330	90	37.5%
SGA Fee		80	80	0	0.0%
Total Tuition and Fees		9,246	9,736	490	5.3%
Room		7,810	8,160	350	4.5%
Board		3,430	3,560	130	3.8%
Total Tuition and Fees, Room and Board		20,486	21,456	970	4.7%
Note: Room is assumed to be at the Peabody Hall/Bowditch Hall rate; Board is assume to be at the 14-Meal Plan rate.					

**Out-of State Schedule of Student Charges
2016-17 Academic Year**

	Fall 2016		Spring 2017		Academic Year Full-Time
	Per Credit	Full-Time	Per Credit	Full-Time	
<u>Day Undergraduate</u>					
Tuition					
Out-of-State	\$293.75	\$3,525.00	\$293.75	\$3,525.00	\$7,050.00
Fees					
University Fee ¹	\$362.00	\$4,344.00	\$362.00	\$4,344.00	\$8,688.00
Capital Improvement Fee	\$13.75	\$165.00	\$13.75	\$165.00	\$330.00
SGA Fee	\$3.33	\$40.00	\$3.33	\$40.00	\$80.00
Total Tuition and Fees					
Out-of-State	\$672.83	\$8,074.00	\$672.83	\$8,074.00	\$16,148.00
<u>Evening Undergraduate (SCPS)</u>					
Tuition					
Out-of-State	\$250.00		\$250.00		
Fees					
Course Fee	\$233.00		\$233.00		
Capital Improvement Fee	\$14.00		\$14.00		
SGA Fee	\$3.33		\$3.33		
Total Tuition and Fees					
Out-of-State	\$500.33		\$500.33		
<u>Graduate</u>					
Tuition					
Out-of-State	\$230.00		\$230.00		
Fees					
Course Fee	\$245.50		\$245.50		
Capital Improvement Fee	\$14.00		\$14.00		
Total Tuition and Fees					
Out-of-State	\$489.50		\$489.50		
<u>Graduate - MSW program</u>					
Tuition					
Out-of-State	\$230.00		\$230.00		
Fees					
Course Fee	\$270.50		\$270.50		
Capital Improvement Fee	\$14.00		\$14.00		
Total Tuition and Fees					
Out-of-State	\$514.50		\$514.50		
<u>Graduate business courses</u>					
Tuition					
Out-of-State	\$230.00		\$230.00		
Fees					
Course Fee	\$280.50		\$280.50		
Capital Improvement Fee	\$14.00		\$14.00		
Total Tuition and Fees					
Out-of-State	\$524.50		\$524.50		

*All charges are subject to change.

**Out-of State Schedule of Student Charges
2016-17 Academic Year**

	Fall 2016		Spring 2017		Academic Year Full-Time
	Per Credit	Full-Time	Per Credit	Full-Time	
Housing²					
Peabody Hall/Bowditch Hall		\$4,080.00		\$4,080.00	\$8,160.00
Marsh Hall		\$4,590.00		\$4,590.00	\$9,180.00
Bates Complex - Double		\$4,705.00		\$4,705.00	\$9,410.00
Bates Complex - Single		\$4,980.00		\$4,980.00	\$9,960.00
Atlantic Hall - Double		\$5,100.00		\$5,100.00	\$10,200.00
Atlantic Hall - Single		\$5,660.00		\$5,660.00	\$11,320.00
Viking Hall - Double		\$4,695.00		\$4,695.00	\$9,390.00
Viking Hall - Single		\$4,980.00		\$4,980.00	\$9,960.00
Viking Hall - Double Suite		\$4,795.00		\$4,795.00	\$9,590.00
Viking Hall - Single Suite		\$5,080.00		\$5,080.00	\$10,160.00
Meal Plans					
Commuter Meal Plan ³		\$375.00		\$375.00	\$750.00
Resident Meal Plan ⁴		\$375.00		\$375.00	\$750.00
10-Meal Plan		\$1,640.00		\$1,640.00	\$3,280.00
14-Meal Plan ⁵		\$1,780.00		\$1,780.00	\$3,560.00
19-Meal Plan		\$1,860.00		\$1,860.00	\$3,720.00
Differential Fees for Undergraduate Programs					
Nursing ⁹		\$500.00		\$500.00	\$1,000.00
Biology ⁹		\$250.00		\$250.00	\$500.00
Education ⁹		\$125.00		\$125.00	\$250.00
Social Work ⁹		\$125.00		\$125.00	\$250.00
Accelerated 2nd Degree for Bachelor of Science, Nursing (BSN) ¹⁰					\$470 per credit
Miscellaneous Fees - annual unless noted					
Health Insurance - (waivable) ⁶					\$2,511.00
Matriculation Fee - new matriculated students (one-time)					\$250.00
Mass PIRG Fee (waivable each semester) ⁷					\$10.00
Online courses (undergraduate) per credit ⁸					\$35.00
Resident Parking - \$400 per year (\$200 per semester)					\$200.00
Commuter Parking - \$125 per year (\$62.50 per semester)					\$62.50
Records Fee -- per term for non-matriculated, non-degree students					\$10.00

NOTES:

- The University Fee represents the fee anticipated for 2016-17. Fees may change by action of the Board of Trustees.
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- Minimum required for residents of Peabody, Bowditch, Marsh and Viking Halls. All plans include \$90 ClipperCash per 10-meal and 14-meal plans include \$200 Dining Dollars; 19-meal plan includes \$100 Dining Dollars.
- Charged for all students enrolled in at least 75 percent of a full-time course load. Student may opt out and have fee waived if covered by other health insurance
- Charged for all day students each semester. Student may opt out and have fee waived on line.
- All undergraduate students taking online courses to be charged \$35 per credit
- Additional fees applicable to only new entrants to the program (incoming or transfers).
- Accelerated 2nd Degree for Bachelor of Science, Nursing (BSN) is a cohort based program with a charge of \$470 per credit

*All charges are subject to change.

**Out-of State Schedule of Student Charges
2016-17 Academic Year**

	Fall 2016		Spring 2017		Academic Year Full-Time
	Per Credit	Full-Time	Per Credit	Full-Time	
FT Undergraduate - Out-of -state		Actual FY16	Proposed FY17	Amount Increase	% Increase
Tuition		7,050	7,050	0	0.0%
University Fee		8,138	8,688	550	6.8%
Tuition and University Fee Only		15,188	15,738	550	3.6%
Capital Improvement Fee		240	330	90	37.5%
SGA Fee		80	80	0	0.0%
Total Tuition and Fees		15,508	16,148	640	4.1%
Room		7,810	8,160	350	4.5%
Board		3,430	3,560	130	3.8%
Total Tuition and Fees, Room and Board		26,748	27,868	1,120	4.2%
Note: Room is assumed to be at the Peabody Hall/Bowditch Hall rate; Board is assume to be at the 14-Meal Plan rate.					

Fees below pertain to those courses offered by the School of Continuing and Professional Studies and School of Graduate Studies

Course fees	Range
Lab fees	\$25 - \$300 per course
Clinical Fees	\$15 - \$100 per course
Nursing Resource Center Fee (including day undergraduate)	\$100 per course

Below are miscellaneous fees and fines that pertain to specific situations as noted

Application Fees

Undergraduate Admissions	\$40
Graduate Admissions	\$50/online/\$100 paper
Comprehensive Exam Application-Graduate School	\$50

Parking fines

Various violations	\$15 - \$115 per violation
Violation Appeal Fee if appeal not granted	\$5 per violation

Late fees

Late application for degree (undergraduate and graduate)	\$50
Late payment (tuition and fees)	\$50/month
Payment plans (enrollment fee from TMS)	\$40/semester
International student orientation fee	\$250/\$400/\$500
Non-credit course fee	varies depending on course
Institutes (wintersession/summer)	varies depending on course
English as Second Language (ESL)	varies depending on course
Study Abroad Program	varies by provider