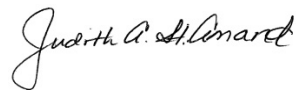


Finance & Facilities Sub Committee

NOTICE

A MEETING OF THE FINANCE AND FACILITIES COMMITTEE OF THE WORCESTER STATE UNIVERSITY BOARD OF TRUSTEES WILL BE HELD ON TUESDAY, JANUARY 12, 2016 AT 4:30 P.M. IN THE PRESIDENT'S CONFERENCE ROOM OF THE HELEN G. SHAUGHNESSY ADMINISTRATION BUILDING.

1. CALL TO ORDER
2. VOTES
3. APPROVAL OF MINUTES – October 20, 2015
4. DEBT MANAGEMENT POLICY – FY 2015 Financial Statement Review
5. FINANCIAL RATIO TREND ANALYSIS – Fiscal Years 2011 through 2015
6. FY 2017 RESIDENCE HALL TRUST FUND BUDGET
7. APPROVAL OF NEW WATER HEATER AT PRESIDENT'S RESIDENCE - 535 Chandler Street
8. EARLY RETIREMENT INCENTIVE UPDATE (No Written Document)
9. OTHER BUSINESS
10. ADJOURNMENT



Judith St. Amand
January 5, 2016

FINANCE & FACILITIES COMMITTEE

Trustee Craig Blais, Chair
Trustee George Albro
Trustee Stephen Madaus
Trustee Shirley Steele
Trustee Ronald Valerio, Ex-Officio Voting Member
President Barry Maloney, Ex-Officio Non-Voting Member

All trustees are welcome at any sub-committee meeting

Finance & Facilities Committee

Upon a motion made and seconded, it was

VOTED: **to approve the minutes of October 20, 2015.**

Upon a motion made and seconded, it was

VOTED: **to recommend approval to the full Board the Debt Management Policy – FY 2015 Financial Statement Review and the Financial Ratio Trend Analysis – Fiscal Years 2011 through 2015 as presented.**

Upon a motion made and seconded it was

VOTED: **to recommend approval of the FY 2017 Residence Hall Trust Fund Budget as presented.**

Upon a motion made and seconded, it was

VOTED: **to recommend approval of the installation of a new water heater at the President’s Residence – 535 Chandler Street, as presented.**

Upon a motion made and seconded, it was

VOTED: **to adjourn the meeting at**

**WORCESTER STATE UNIVERSITY
BOARD OF TRUSTEES**

FINANCE & FACILITIES COMMITTEE

October 20, 2015

PRESENT: Trustee Craig Blais, Chair
Trustee George Albro
Trustee Aleta Fazzone
Trustee Shirley Steele
Trustee Kurt Correia, Non-Voting
Trustee Maryanne Hammond, Non-Voting
President Barry Maloney, Ex-Officio Non-Voting
Ms. Judith St. Amand, Assistant Secretary

ABSENT: Trustee Stephen Madaus
Trustee Ronald Valerio, Ex-Officio Voting Member

The provisions of General Laws, Chapter 30A having been complied with, and a quorum present, a meeting of the Finance & Facilities Committee was held on Tuesday, October 20, 2015 in the Mutli-Purpose Room in Sheehan Hall. Trustee Blais called the meeting to order at 4:37 p.m.

APPROVAL OF MINUTES – September 8, 2015

Upon a motion by Trustee Albro and seconded by Trustee Fazzone, it was

VOTED: **to approve the minutes of September 8, 2015 as submitted.**

FY 2015 AUDIT REPORT

- Chairman Blais called upon Vice President Kathy Eichelroth to present the draft report.
- He reported to the Committee that he met with President Maloney and members of the audit team to review the report in detail.
- Chairman Blais noted for the Committee that once again a final report is not being presented due to the fact final figures are not available from the State regarding a required adjustment to finalize the University's capital asset activities and depreciation expense for the year ended June 30, 2015.
- Deadline for submission of the Audit Report has been moved to the end of the month.
- An adjustment to record the University's proportionate share of the Commonwealth's pension liability, pension expense, and deferred outflows and inflows of resources need to be incorporated into the draft document as follows:

- **Page 31**, last sentence of paragraph starting, “The University” and ending with “Annual covered payroll was approximately _____% and _____% of total related payroll for fiscal years ended 2015 and 2014, respectively.
- **Page 33**, add figures to table – Sensitivity of Net Pension Liability

Fiscal year Ended	1% Decrease to 7%	Current Discount Rate 8%	1% Increase to 9%
June 30, 2013			
June 30, 2014			

VP Eichelroth introduced Jeff Swanberg and Jeff Johnson from Bollus Lynch to assist with summarizing the audit report.

- The auditing firm provided a clean opinion with no modifications.
- The following is a list of matters, including significant estimates management may wish to monitor oversight responsibilities of the financial reporting process.
 - **Adoption of, or Change in, Accounting Policies** – During the year ended June 30, 2015, the University adopted GASB Statement No. 68, **Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27 (GASB68)**. This statement requires the University to recognize a proportionate share of the Commonwealth’s unfunded pension liabilities from which certain University employees receive benefits, along with related deferred inflows and outflows.
 - **Significant or Unusual Transactions** – Other than the transaction posted to adopt the provisions of GASB 68, no other significant or unusual transactions were identified.
 - **Accounting Estimates** - Accounting estimates are an integral part of the preparation of financial statements. The process used by management encompasses their knowledge and experience about past and current events. Management used all the relevant facts available.
 - Finance and Facilities Committee may wish to monitor throughout the year the process used to compute and record these accounting estimates.
 - **Alternative Treatments Discussed with Management** – Did not discuss any alternative treatments within generally accepted accounting principles.

AUDIT ADJUSTMENTS

Two audit adjustments were identified and posted as part of audit procedures:

- An adjustment to finalize the University’s capital asset activities and depreciation expense for the year ended June 30, 2015.
- An adjustment to record the University’s proportionate share of the Commonwealth’s pension liability, pension expense, and deferred outflows and inflows of resources as required by GASB 68.

UNCORRECTED MISSTATEMENTS

- Not aware of any uncorrected misstatements.

DISAGREEMENTS WITH MANAGEMENT

- Encountered no disagreements with management.

NEW ACCOUNTING PRONOUNCEMENTS

In December 2013, the Federal Office of Management Budget (“OMB”) issued “uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards” often referred to as the new “Uniform Guidance”. The goal of the Uniform Guidance is to eliminate duplicative and conflicting guidance, focus on performance over compliance for accountability; provide for consistent and transparent treatment of costs, limit allowable costs to make best use of federal resources and strengthening oversight. The Uniform Guidance will be effective for the University’s fiscal awards received after December 26, 2014.

Financial Highlights

- Adoption of Accounting Principal. The Commonwealth of Massachusetts adopted GASB Statement No. 68 *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. The effect on the June 30, 2015 financial statements includes a \$10,567,132 reduction to net assets as of July 1, 2014 to record the Net Pension Liability the Commonwealth has attributed to Worcester State University. Additional changes in presentation include the deferred outflows and inflows of future pension related costs and an overall net reduction in operating expense of \$362,530 to address a timing difference in recording of pension costs assessed on payroll through the Commonwealth’s fringe benefit rate.
- The assets of Worcester State University exceeded its liabilities at the close of the most recent fiscal year by \$82,871,582 (net assets). Of this amount, \$24,573,241 is classified as unrestricted net assets. Growth in unrestricted net assets had been strategically planned in accordance with the University’s long term Capital Financing Plan. The plan called for growth in reserves as the means of providing financial leverage for the building of the new Wellness Center and other capital improvements. A draw of \$9,500,000 of reserve funds as an equity contribution to the construction of the Wellness Center occurred in September of 2015. Total net assets and unrestricted net assets have been reduced by \$10,567,132 as of July 1, 2014 by the unanticipated adoption of GASB Statement No. 68, requiring the University to record its share of the Commonwealth’s net pension liability for its employees.
- The University experienced a loss before other revenues, expenses, gains or losses of (\$673,465). The total change in net position of \$1,971,897 includes the recognition of \$2,645,362 of capital appropriation received from the state for infrastructure investment. Operational items of significance that influenced the total change in net position included the opening of Sheehan Hall, a new four hundred bed residence hall. The University experienced high demand for this new hall, however

overall housing demand was down for the year resulting in a \$1,048,825 operating deficit for auxiliary services. Lower occupancy levels than normal in the residence halls had cross institution effects on other student assessed revenue categories resulting in lower revenue realization than expected. Despite the net operating results, the Capital Improvement Trust Fund continues to accumulate an annual operating surplus as intended with a goal of building the trust fund balance so it will be available to leverage plans for future capital investment.

Financial Analysis

- Net assets may serve over time as a useful indication of Worcester State University's financial position.
- In the case of Worcester State University, assets exceeded liabilities by \$82,871,582 at the close of fiscal year 2015.
- By far the largest portion of the Worcester State University's net assets reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt, including capital leases, used to acquire those assets that are still outstanding.
- Worcester State University uses these capital assets to provide services to students, faculty and administration; consequently, these assets are not available for future spending. Worcester State University's investment in its capital assets is reported net of related debt.
- Representatives of Bollus Lynch stated no reasons to meet with members of the Committee privately.

Upon a motion by Trustee Albro and seconded by Trustee Fazzone, it was

VOTED: to recommend approval to the full Board the acceptance of the FY 2015 Audit Report and to authorize the submission of the final document with the incorporation of numbers specifically identified in the draft document.

FY 2016 BUDGET AMENDMENT #1 – FORMULA FUNDING DISTRIBUTION

- During the FY 2016 state budget process \$5,560,108 was made available to the State University system.
- State legislators required the funds to be distributed to the campuses using a performance based funding formula.
- DHE provided funds for the hiring of a consultant to work with stakeholders to develop such a formula.
- As a result of this formula funding, WSU will receive \$873,942 of new state appropriations for our FY 2016.

- DHE takes the position that the funds each campus receives from the formula allocation in FY 2016 will be added to the campuses base state appropriation at the beginning of the FY 2017 budget cycle.
- With a high probability that these funds will roll over in the base from year to year, some of the funds were programmed to cover ongoing expenses, while a majority of the new money is going towards one time investments.
- A detailed worksheet was provided listing items to be funded by the allocation of formula funds.
- Each cost item references one of the five strategic plan goals for 2015-2020.
- Items were then categorized by expenditure type and reflected a net budget amendment and an amended/updated FY 2016 official budget document reflecting the increase in state appropriations and expenditure categories was presented and reviewed.
- Discussion was held regarding whether the additional funding should or could be used to provide some sort of monetary decrease in fees for students. It was not felt that this year was the time to do so, but certainly moving forward next year the fee rates will be studied and adjusted accordingly.

Upon a motion by Trustee Albro and seconded by Trustee Fazzone, it was

VOTED: to recommend approval of the FY 2016 Budget Amendment #1 including the detailed worksheet listing items to be funded by the formula funds and the amended/updated FY 2016 official budget documents as presented.

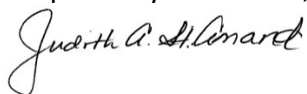
BUDGET vs ACTUAL

Trustee Blais thanked VP Eichelroth for the information provided, but asked if it could be put in a clearer format in the future allowing for easier review. VP Eichelroth agree to do so.

Upon a motion by Trustee Albro and seconded by Trustee Fazzone, it was

VOTED: to adjourn the meeting at 5:56 p.m.

Respectfully submitted,



Judith A. St. Amand
Assistant Secretary



WORCESTER STATE UNIVERSITY

Debt Management Policy

“Worcester State University is dedicated to offering high quality, affordable undergraduate and graduate academic programs and to promoting the lifelong intellectual growth, global awareness, and career opportunities of its students.”

Source: Worcester State University Mission Statement

FY 2015 Financial Statement Review

OBJECTIVE:

To establish a policy and procedure for arranging and approving financing transactions that will cause the University to become indebted or contingently obligated to an outside third party. This policy, established by the Vice President of Finance and Administration and approved by the Board of Trustees ("Board") provides guidance for the prudent use of debt to finance capital projects that enable the University to fulfill its mission and achieve strategic objectives. This policy will be reviewed at least annually, as part of the presentation and discussion regarding the annual audited financial statements, to ensure financial and operational flexibility. Management will update the Board on a quarterly basis with an overview of the financial health of the University and its use of debt.

SCOPE:

This policy applies to all University financings.

INTRODUCTION:

Debt financing allows the University to pay for a capital asset over a period of time. This is a financially responsible practice for certain types of capital investments when within appropriate limitations and at appropriate interest rates. Debt financing may also be financially beneficial to the University if borrowing rates are below expected investment returns or if the University invests in capital assets which provide investment returns or cost savings which are greater than the cost of borrowing. Since debt capacity is limited and our demand for debt may from time-to-time exceed capacity, it is imperative that borrowings fund only those projects that support the vision, mission and values of the University.

Decisions regarding the use of appropriate financial leverage should be balanced to ensure the University's current financial health, while considering the financial effect of present decisions on future costs of capital.

DEBT FUNDING SOURCES:

Worcester State University, under the aegis of the Board of Higher Education (BHE), receives funding for capital projects from three sources: Commonwealth General Obligation Bonds; bonds issued by the Massachusetts Development Finance Agency (MassDevelopment); and bonds issued by the Massachusetts State College Building Authority (MSCBA).

Commonwealth of Massachusetts General Obligation Bonds

General obligation bonds of the Commonwealth provide capital funding for all of state government. Portions of the funds available through this source are assigned to various agencies through debt caps determined by the Executive Office of Administration and Finance. The cost of this debt, and its availability, depend on the creditworthiness of the Commonwealth as a whole. The Commonwealth assumes the liability for this debt and records it as such on its financial statements. The funds flow to the University as a capital appropriation and do not affect the University's debt capacity.

MassDevelopment and MSCBA

MassDevelopment and MSCBA debt is issued by quasi-public authorities for specific types of capital projects and are paid for via dedicated revenue streams. MassDevelopment is the sole source of tax-exempt funding for all nonprofit educational, health and cultural organizations in the state. The MSCBA issues debt to finance student activity and residential buildings. The cost and availability of MassDevelopment and MSCBA debt depends on the creditworthiness of the individual college for which a project is being financed. MassDevelopment financing is available upon receipt of legislative authorization of a specific project and related financing cap. Debt issued through MassDevelopment becomes debt of the university and is reported as such on its financial statements. Debt issued by the MSCBA, for MSCBA owned property, is debt of the MSCBA and is reported as such on their financial statements. MSCBA debt

issued for state owned property creates a long term liability for the university that is evidenced by a Memorandum of Understanding. A contingent liability is disclosed in a footnote in the university's financial statements for MSCBA owned properties. MassDevelopment issued debt directly reduces the university's debt capacity. MSCBA issued debt on MSCBA owned property obligates specific revenue streams thereby reducing available revenue streams to service future debt. MSCBA issued debt for state owned property also directly reduces the University's debt capacity.

Capital leases

Capital lease financing is available through the Commonwealth of Massachusetts Equipment Lease-Purchase (TELP), Massachusetts Higher Education Consortium (MHEC) leases and other viable leasing mechanisms within the Commonwealth's rules and regulations.

Alternative Financing

The College will work closely with the Board of Higher Education, various state or federal agencies, and other state colleges to explore and/or develop other potential debt financing vehicles.

POLICY:

The following debt policy and procedures establish the guidelines for the University activities related to the issuance and servicing of debt. Adherence to these policies and procedures will help ensure that the University's exposures are effectively managed. It is the responsibility of the Office of Vice President of Finance and Administration to analyze, evaluate, and propose to the University Board of Trustees any long or short-term debt (short-term debt includes, but is not limited to, revolving line of credit, overdraft facility, commercial paper, bankers' acceptance, letter of credit and accounts receivable discount facilities) required for University operations. The analysis would ensure that any proposed financing has the lowest possible cost commensurate with the most favorable financial terms, conditions and risks and is consistent with the University's capital structure requirements. The University's Board of Trustees, in consultation with the Vice President of Finance and Administration and General Counsel, will have final approval for any instrument, document or agreement (prior to execution) which will cause the University to become indebted or contingently obligated to a third party.

DEBT OPERATING GUIDELINES:

In developing a debt management strategy there are three primary guidelines to consider.

Affordability - Includes an analysis of the cost of capital, cash flow forecasts and rationale to instill budget discipline and help ensure that intergenerational equity is achieved. (Intergenerational equity refers to the concept of matching the beneficiaries and users of the capital projects financed using debt proceeds and the actual payment of the principal and interest on the debt used to finance the facilities)

Risk Management - Includes an appropriate weighting or mix between fixed and variable (when available) rate debt, a plan to manage liquidity risks and exposures and rationale for matching assets to liabilities.

Financial Structure / Balance Sheet Management- Includes a goal of establishing and maintaining the highest credit/bond rating possible, a rationale for the appropriate level of debt versus equity and proactive monitoring of the capital markets to manage unplanned inefficiencies or disequilibriums in both debt and investment markets.

Affordability

- When issuing debt, the University will seek the lowest-cost source of funding available.
- All annual debt interest and principal amortization payments will be provided for in the annual budget plan with a target not to exceed 5% of annual operating expenditures. **FY 2015 Financial Statements provide for annual debt service of \$4,504,248. FY 2015 actual debt service was \$1,384,979. Long term**

commitments exist with MSCBA to cover residence hall debt and parking garage debt from WSU operating revenues, in addition to bond financing for the Wellness Center which is owned by the Commonwealth and recorded as a fixed asset of the University. Contractual payments to cover these costs are budgeted for \$7,867,405, \$673,885, and \$787,050 respectively in FY 2016. Residence Hall commitments are funded by student rents set by the MSCBA. Parking Garage and Wellness Center commitments are funded by the Capital Improvement Trust Fund.

- External borrowings will be coordinated to the extent practical so that multiple project needs can be accomplished in a single borrowing, thereby reducing issuance costs.
- The University will consider credit enhancement when it is cost beneficial and/or results in more favorable covenants.
- A project that has a related revenue stream or can create budgetary savings will receive priority consideration. For these projects, the use of debt must be supported by an achievable financial plan that includes servicing the debt and meeting any new or increased operating costs. However, this priority consideration is not meant to exclude other projects that are key to the University's mission and strategic initiatives.
- The cost of debt-financed capital acquisitions will be charged to the future users of the capital asset over the period the debt is outstanding and the assets usefulness.

Risk Management

- The University will actively consider refinancing outstanding debt only when net savings for the refinancing, measured on a net present value basis, are positive.
- Call options on outstanding debt will be exercised when; (1) they offer net present value savings when compared to alternative investment opportunities for these funds, (2) more favorable covenants can be obtained, and/or (3) the University desires to reshape the amortization pattern of its debt.
- The Office of Vice President of Finance and Administration will be responsible for monitoring the debt markets and recommending the appropriate tactical strategy depending on the interest rate environment, the University's liquidity position, tax regulations and market dynamics.
- In all borrowings, the University will strictly adhere to the principle of matching the term of the debt to the expected useful life of the project or to the purpose of the program being funded with that debt.
- Where financially feasible, debt will be retired as soon as possible to recapture debt capacity for future use. The maturity on a tax-exempt bond issue should be as short as economically feasible for the project, and will not exceed the useful life of the financed asset (this is more restrictive than the federal limit of 125% of the useful life).
- It is the general intent of the University to employ debt as a "financing vehicle" rather than a funding source. To the extent possible, internal funds, external gifts, grants, etc. will be used to "fund" capital projects, with the use of debt as a temporary financing source and/or "lowest cost of capital" alternative.
- External borrowing will be for the minimum required portion of project cost. Projects with alternative restricted or unrestricted funding sources may only use debt financing for the unfunded portion and to bridge the timing of cash payments on gifts and pledges.
- Debt service payments will be made in an accurate and timely manner.
- Compliance with debt covenants will be monitored by the Office of Vice President of Finance and Administration and external auditors and reported regularly to the Board.

- The Office of Vice President of Finance and Administration will strive to structure borrowings such that the University meets the required “spend down tests” thereby enabling it to retain project fund earnings in excess of the “arbitrage yield”.
- The Office of Vice President of Finance and Administration will monitor the University's rebatable arbitrage earnings for tax purposes on an annual basis and evaluate compliance with IRS private use rules at issuance and periodically thereafter.
- The University's “debt capacity” will be determined from time to time, based on the evaluation of bond rating agency guidelines with the goal of maintaining the current minimum investment grade rating of A - and preferably, a rating of A or better.

Based on the three main objectives previously identified, the following guidelines will be used, although they are not intended to be all-inclusive.

Financial Ratios

This policy establishes guidelines to measure the total amount of debt outstanding and to assess overall financial health. The following ratios are consistent with ratios utilized in the higher education industry and should be reviewed at least annually and on a pro forma basis when considering debt financed projects.

Viability Ratio **FY 2015 = 1.05**

This ratio measures the availability of expendable net assets to pay off long term debt. A ratio of 1.0 or higher indicates an institution has sufficient net assets to satisfy debt requirements.

Ratio = Expendable Net Assets/Long-Term Debt

Debt Burden Ratio **FY 2015 = 1.5%**

This ratio expresses annual debt service payments as a percent of total expenses. It measures an institution's ability to repay debt service on all outstanding debt and its impact on the institution's overall budget.

Ratio = Annual Debt Service/Total Expenses

As a general guideline, it is believed that if more than 5% of an institution's budget were devoted to debt service, that institution's flexibility to devote its resources to other needs would be compromised. It is understood that rising expenses could make this ratio seem more attractive, though misleading, and is evaluated in conjunction with an institution's income statement.

Primary Reserve Ratio **FY 2015 = 1 : .2968**

This ratio provides a snapshot of an institution's financial strength and flexibility. The ratio indicates how long the University could operate using expendable reserves without relying on additional new assets generated by operations. Trend analysis indicates whether an institution has increased its net worth in proportion to its rate of growth. A negative or decreasing trend indicates a weakening financial condition.

Ratio = Unrestricted & Expendable Net Assets / Total Operating Expenses

Return on Net Assets Ratio **FY 2015 = 2.44%**

This ratio reports whether an institution's resources are growing and if it is financially better off than in previous years. It is important to assess this ratio as a linear trend – an increasing trend indicates an increase in net assets and an increased likelihood that the institution is able to set aside financial resources to strengthen future flexibility. Single year events, like a substantial gift or extreme investment performance, can cause significant year-to-year volatility.

Ratio = Increase (Decrease) in Net Assets / Beginning of Year Net Assets

Net Operating Revenues Ratio **FY 2015 = -.75%**

This ratio indicates whether operating activities resulted in a surplus or deficit. A positive ratio indicates the College experienced an operating surplus; a continuing decline or pattern of deficits indicates financial problems.

Ratio = Adjusted Net Operating Revenues / Adjusted Total Income

PROCEDURES:

Whenever short or long-term debt is required to fund University operations, or whenever there are transactions that would contingently obligate the University, the Office of Vice President of Finance and Administration must be contacted to arrange and/or approve all terms, conditions and financial covenants.

General Counsel must approve the legal form on all instruments, documents or agreements relating to financing, indebtedness and contingent obligations.

The Board of Trustees must approve all tax-exempt borrowings and any "indebtedness," or "contingent obligations."

Whenever Board of Trustee approval is required, the Office of Vice President of Finance and Administration will prepare the appropriate Board authorization resolution.

CONCLUSION:

The debt strategy outlined in this policy is designed to provide discipline to capital financing and operating budget decisions, and provide guidelines to manage interest rate and liquidity risk and ensure appropriate balance is achieved between debt, equity and cost of capital. To succeed there must be proactive management by the Office of the Vice President of Finance and Administration, active oversight by the Board and a commitment by all to adhere to the principles and objectives set forth in this policy.

GLOSSARY OF TERMS

<i>Adjusted Change in Net Assets</i>	Change in Unrestricted Net Assets per the statement of activities, plus depreciation and interest expense.
<i>Credit</i>	Credit is the ability to repay a financial obligation. A measure of the quality and safety of a bond, based on the University's financial condition. More specifically, an evaluation from a rating agency indicating the relative likelihood that the College will be able to meet scheduled interest and principal repayments to investors. Credit Rating
<i>Debt</i>	All short and long term obligations, guarantees, and instruments that have the effect of committing the University to future payments and therefore impacting its credit.
<i>Debt Capacity</i>	The amount of debt the University can take on under specified criteria. Internal criteria include financial ratios. External criteria include credit ratings from rating agencies.
<i>Financial Ratios</i>	One value divided by another which are used to study and interpret relationships between financial variables.
<i>Leverage</i>	The degree to which the University is utilizing borrowed money versus internal funds to finance projects.
<i>Net Investment in Plant</i>	Total plant, property and equipment assets less long-term debt and accumulated depreciation.
<i>Rating Agencies</i>	Companies that publish borrowers' credit ratings, such as Moody's and Standard and Poor



WORCESTER

S T A T E

UNIVERSITY

Financial Ratio Trend Analysis
5 Year Review
Fiscal Years 2011 through 2015

Primary Reserve Ratio

Are the resources sufficient and flexible enough to support the College's mission?

This ratio provides a snapshot of financial strength and flexibility by indicating how long the institution could function using its expendable reserves without relying on additional net assets generated by operations.

FY 2015 Analysis:

WSU has not maintained the DHE benchmark of a Primary Reserve ratio of 40% of operating expenses. WSU had been purposeful in growing its reserve balance over the past decade and more specifically since 2006 as an integral part of the long term capital financing plan. Reserves were accumulating in the Capital Improvement Trust Fund for the specific purpose of financing a new athletic center and other infrastructure projects. Unrestricted reserves were decreased in FY2015 by \$10.5M due to a change in presentation of the Commonwealth's pension liability as it pertains to WSU employees. Management had not anticipated a change in presentation of pension liability by the Commonwealth as a result it was not anticipated, or planned for, when updating previous ratio analysis and evaluating future capital financing plans of the Institution. WSU transferred \$9.5M of reserves to DCAM after the close of the fiscal year as part of the financing plan for the Wellness Center. This transfer had been planned for and was reflected in previous ratios and capital financing scenarios. Upon transfer of the funds the primary reserve ratio will be further reduced to .19% which is close to FY 2006 levels. The Capital Financing Plan will be updated with a goal to re-establish a 40% reserve ratio by FY 2020.

	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2013</u>	<u>FY 2012</u>	<u>FY 2011</u>
PRIMARY RESERVE RATIO					
Unrestricted Net Assets	24,104,278.00	34,051,291.00	30,722,888.00	30,428,591.00	27,806,659.00
Expendable restricted net assets	2,630,207.00	3,120,338.00	3,150,370.00	2,570,361.00	2,161,890.00
<u>Expendable Net Assets</u>	<u>26,734,485.00</u>	<u>37,171,629.00</u>	<u>33,873,258.00</u>	<u>32,998,952.00</u>	<u>29,968,549.00</u>
Total Operating Expenses	90,084,965.00	82,660,206.00	78,634,901.00	73,988,423.00	72,801,806.00
<u>Interest Expense</u>					
<u>Total Expenses</u>	<u>90,084,965.00</u>	<u>82,660,206.00</u>	<u>78,634,901.00</u>	<u>73,988,423.00</u>	<u>72,801,806.00</u>
PRIMARY RESERVE RATIO	0.2968	0.4497	0.4308	0.4460	0.4116

Return on Net Asset Ratio

Does financial asset performance support the strategic direction of the College?

This ratio determines whether the institution is financially better off than in previous years by measuring total economic return. A temporary decline in this ratio may be appropriate and even warranted if it reflects a strategy to better fulfill the institution's mission.

An improving trend indicates the institution is increasing its net assets and is likely able to set aside financial resources to strengthen its future financial flexibility.

FY 2015 Analysis:

In FY 2015 net assets increased by \$2,645,362 in capital appropriations for the Wellness Center. The net operating loss of \$673,465 was mainly attributable to lower occupancy levels than usual for the resident halls. Despite the net operating results, the Capital Improvement Trust Fund continues to accumulate an annual operating surplus as intended with the goal of building the trust fund balance as leverage for future capital investment.

	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2013</u>	<u>FY 2012</u>	<u>FY 2011</u>
RETURN ON TOTAL NET ASSETS					
Change in Total Net Assets	1,971,897.00	3,600,032.00	(448,020.00)	1,295,776.00	4,645,535.00
Total Net Assets - Beginning of Year	80,899,685.00	87,866,785.00	88,314,805.00	87,162,957.00	82,517,422.00
RETURN ON TOTAL NET ASSETS	2.44%	4.10%	-0.51%	1.49%	5.63%

Net Operating Revenue Ratio

Do the operating results indicate that the College is living within available resources?

This ratio indicates whether total operating activities resulted in a surplus or deficit.

A positive ratio indicates that the institution experienced an operating surplus for the year.

FY 2015 Analysis: Operational items of significance that influenced the total change in net position included the opening of Sheehan Hall, a new four hundred bed residence hall. The University experienced a soft opening of this new hall and while there was high demand, overall housing demand was down for the year resulting in a \$1,048,828 operating deficit for auxiliary services. Lower occupancy levels than normal in the residence halls had cross institution effects on other student assessed revenue categories resulting in lower revenue realization than expected. The compounded effects of less than full occupancy in the residence halls resulted in a net operating loss prior to capital appropriations of \$673,465. Despite the net operating results, the Capital Improvement Trust Fund continues to accumulate an annual operating surplus as intended with a goal of building the trust fund balance so it will be available to leverage plans for future capital investment

	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2013</u>	<u>FY 2012</u>	<u>FY 2011</u>
NET OPERATING REVENUES RATIO					
Operating Revenues	57,098,983.00	53,725,958.00	51,829,359.00	48,814,395.00	51,102,894.00
less Operating Expenses	(90,084,965.00)	(82,660,206.00)	(78,634,901.00)	(73,988,423.00)	(72,801,806.00)
Plus Net Nonoperating Revenues	32,312,517.00	30,476,221.00	26,357,522.00	26,469,804.00	26,242,447.00
Oper. Inc (loss) plus Non-Op Rev (Exp)	(673,465.00)	1,541,973.00	(448,020.00)	1,295,776.00	4,543,535.00
Operating Revenues	57,098,983.00	53,725,958.00	51,829,359.00	48,814,394.00	51,102,894.00
Plus Net Nonoperating Revenues	32,312,517.00	30,476,221.00	26,357,522.00	26,469,804.00	26,242,447.00
Interest					
Oper Revenues plus Oper Expn	89,411,500.00	84,202,179.00	78,186,881.00	75,284,198.00	77,345,341.00
NET OPERATING REVENUE RATIO	-0.75%	1.83%	-0.57%	1.72%	5.87%

Viability Ratio

Is debt managed strategically to advance the College's mission?

This ratio measures one of the most basic determinants of clear financial health - the availability of expendable net assets to cover debt should the institution need to settle its obligations as of the balance sheet date.

A ratio of 1:1 or greater indicates that, as of the balance sheet date, the College has sufficient expendable net assets to satisfy its debt obligation.

FY 2015 Analysis: WSU had been purposeful in growing its reserve balance over the past decade and more specifically since 2006 as an integral part of the long term capital financing plan. Reserves were accumulating in the Capital Improvement Trust Fund for the specific purpose of financing a new athletic center and other infrastructure projects. Unrestricted reserves were decreased in FY2015 by \$10.5M due to a change in presentation of the Commonwealth's pension liability as it pertains to WSU employees. Management had not anticipated a change in presentation of pension liability by the Commonwealth as a result it was not anticipated, or planned for, when updating previous ratio analysis and evaluating future capital financing plans of the institution. WSU transferred \$9.5M of reserves to DCAM after the close of the fiscal year as part of the financing plan for the Wellness Center. This transfer had been planned for and was reflected in previous ratio and capital financing scenarios. Upon transfer of the funds the viability ratio will be further reduced to .68 which is close to FY 2006 levels. The Capital Financing Plan will be updated with a goal to re-establish a 1:1 reserve ratio by FY 2020.

	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2013</u>	<u>FY 2012</u>	<u>FY 2011</u>
VIABILITY RATIO					
Unrestricted Net Assets	24,104,278.00	34,051,291.00	30,722,888.00	30,428,591.00	27,806,659.00
Expendable restricted net assets	2,630,207.00	3,120,338.00	3,150,370.00	2,570,361.00	2,161,890.00
Expendable Net Assets	26,734,485.00	37,171,629.00	33,873,258.00	32,998,952.00	29,968,549.00
Current Liabilities					
Current Portion of Cap Lease	197,403.00	193,497.00			
Current Portion of bonds, notes pay	615,667.00	595,667.00	410,667.00	370,667.00	355,667.00
Noncurrent Liabilities					
Capital Lease Obligations	303,600.00	501,003.00			
Bonds, notes payable, & other	24,817,219.00	25,488,652.00	26,099,942.00	11,691,000.00	12,061,667.00
Long Term Debt.	25,432,886.00	26,084,319.00	26,510,609.00	12,061,667.00	12,417,334.00
VIABILITY RATIO	1.05	1.43	1.28	2.74	2.41

Debt Capacity Ratio

Debt capacity analysis evaluates the College's long-term obligations and the institution's ability to meet debt service demands.

The debt capacity ratio is used by rating agencies and assesses an institution's ability to meet future debt service obligations with current unrestricted resources.

The ratio equals the maximum annual debt service divided by unrestricted current fund expenditures less mandatory transfers.

<u>Actual</u>	<u>Annual Debt Service</u>	<u>all exp Ratio</u>
FY 2011	931,176	1.3%
FY 2012	928,485	1.3%
FY 2013	930,287	1.2%
FY 2014	1,384,979	1.7%
FY 2015	1,384,979	1.5%
	CY benchmark	4,504,248 0.05 oper exp.

Debt Service Coverage Ratio

This ratio measures the excess of income over adjusted expenses available to cover annual debt service payments.

Provides a level of comfort that an institution has a net revenue stream available to meet its debt burden should economic conditions change.

A high ratio is preferred, a low ratio or declining trend would create concern about the institution's ability to sustain operations, especially during a period budgetary challenges.

Ratio is calculated as adjusted change in net assets divided by debt service.

<u>Actual</u>	<u>Annual Debt Service</u>	<u>Ratio</u>
FY 2011	931,176	4.99
FY 2012	928,485	1.40
FY2013	930,287	(0.48)
FY2014	1,384,979	2.60
FY2015	1,384,979	-
		1.42

MOODY'S

INVESTORS SERVICE

Rating Action: Moody's affirms Worcester State University, MA's A2 rev. bond rating; outlook stable

Global Credit Research - 10 Dec 2015

\$10.4 M rated university debt; no action on MSCBA debt

New York, December 10, 2015 -- Moody's Investors Service affirms the A2 rating on Worcester State University's (WSU) \$10.4 million of revenue bonds, issued by the Massachusetts Development Finance Authority. We take no action on rated bonds issued by the Massachusetts State College Building Authority (MSCBA), which are rated based on the structure of the authority's debt as well as the credit quality of the nine participating universities. The outlook is stable.

SUMMARY RATING RATIONALE

The A2 rating reflects the university's strong liquidity and solid operating performance, bolstered by support and oversight from the Aa1-rated Commonwealth of Massachusetts and Aa2-rated Massachusetts State College Building Authority.

The rating also incorporates the university's high debt burden and a somewhat limited ability to materially increase tuition and fees in response to budget pressure given its moderate scale and predominantly regional student draw.

OUTLOOK

The stable outlook reflects our expectation that WSU will maintain consistent operations through conscientious budgeting and continued commonwealth support.

WHAT COULD MAKE THE RATING GO UP

- Material balance sheet strengthening through growth of cash and investments in combination with amortization of existing debt

WHAT COULD MAKE THE RATING GO DOWN

- Sustained reduction in operating cash flow leading to lower debt service coverage
- Additional large increase in debt without a corresponding increase in revenue or financial resources

OBLIGOR PROFILE

Worcester State University is a comprehensive regional public university providing liberal arts and sciences educational offerings. As one of nine state institutions issuing debt through MSCBA, the majority of WSU's debt and capital assets sit on MSCBA's balance sheet rather than its own.

LEGAL SECURITY

The outstanding revenue bonds are secured by a broad pledge of General Revenues of the university, which include tuition and state appropriations. There are no financial covenants, though bonds may be accelerated upon an event of default pending a vote of bondholders.

USE OF PROCEEDS

N/A

PRINCIPAL METHODOLOGY

The principal methodology used in this rating was Global Higher Education published in November 2015. Please see the Credit Policy page on www.moody's.com for a copy of this methodology.

REGULATORY DISCLOSURES

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the rating action on the support provider and in relation to each particular rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

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Memorandum

DATE: December 22, 2015

TO: Barry M. Maloney, President

FROM: Kathleen Eichelroth, Vice President for Administration and Finance

RE: FY 2017 RESIDENCE HALL TRUST FUND BUDGET

Attached is the Fiscal Year 2017 Residence Hall Trust Fund budget that has been submitted to the MSCBA for review and approval. The budget has been prepared by Adrian Gage, Director of Residence Life and Housing, in consultation with Julie Kazarian, Dean of Student Affairs, staff from Administration and Finance and staff from the MSCBA.

As you are aware, the MSCBA is the rate setting authority for all residence halls. All revenue and expense activity of the residence halls are accounted for in the Residence Hall Trust Fund maintained in the University's financial record system. The University Board of Trustees have oversight authority for all campus based trust funds including this fund. The time table for preparation of this trust fund budget is accelerated in comparison to other trust funds and the operating budget for the University in general. The MSCBA sets the budget preparation schedule to provide time for review and approval by the MSCBA Board of Directors.

Adrian and I will be available to discuss these materials at the January Board meeting.

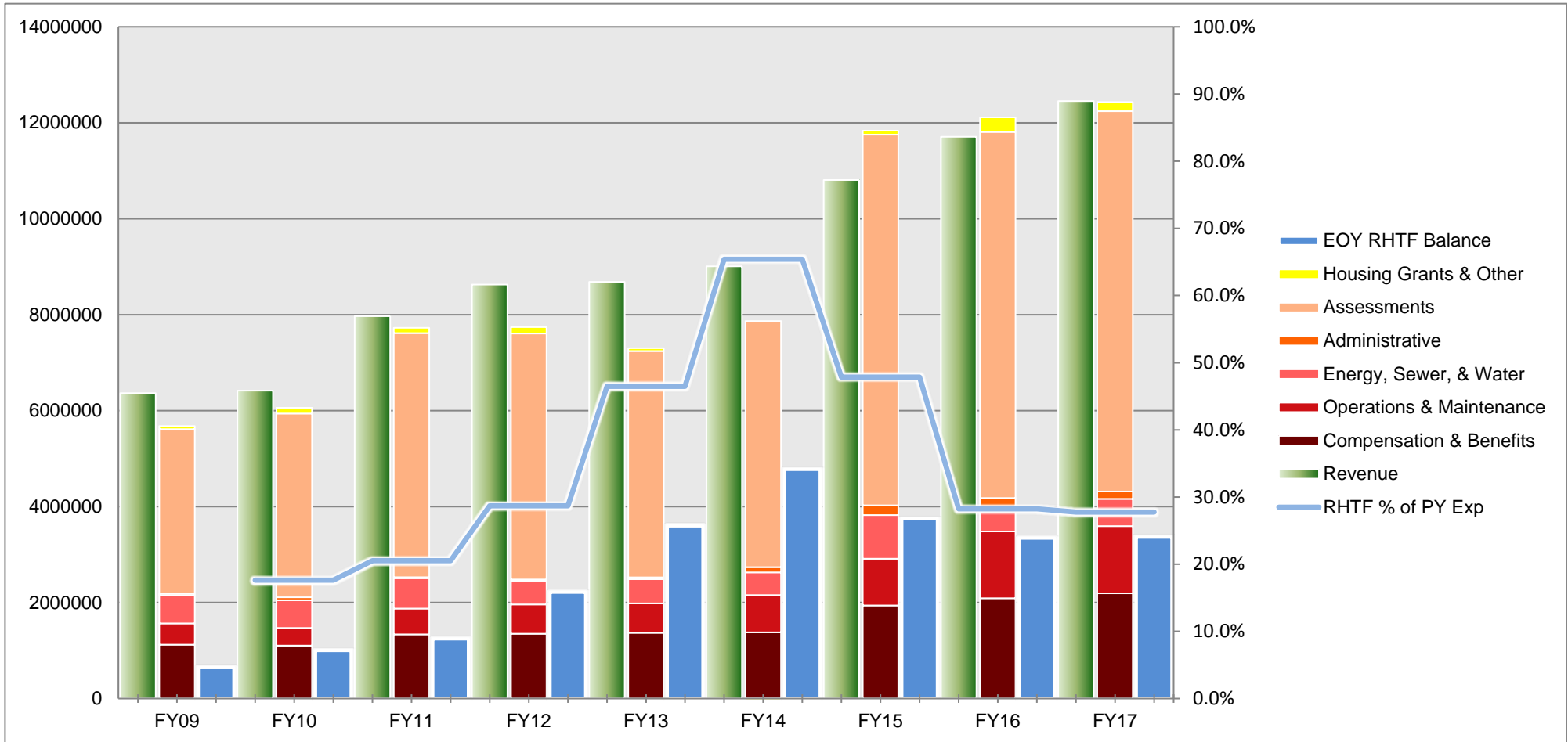
Residence Hall Trust Fund (RHTF) Budget

Worcester State University- FY17



Historical Budget

The chart below provides a historical summary of the Residence Hall Trust Fund (RHTF) budget. The bars align with the y-axis on the left and the line graph aligns with the y-axis on the right. The green bar represents the RHTF's total revenue. The bar that is shaded red, orange and yellow represents the RHTF's total expenditure each fiscal year, where each shade represents a different expenditure category. The blue bar represents the RHTF's balance at the end of the fiscal year. If the green bar is greater than the red bar, it means the RHTF has an operating surplus that fiscal year, so the blue bar will grow. If the red bar is greater than the green bar, it means that the RHTF had an operating loss that fiscal year, and the blue bar will decrease. Lastly, the line graph depicts the percentage of the RHTF's balance relative to the prior fiscal year's total expenditure. MSCBA requires at least 5% on any given fiscal year, but recommends at least 10% is maintained as insurance against volatility between projections and actuals.



Current Budget

<u>Revenue</u>	FY15-Actual	FY16-Original	FY16-Adjusted	FY16-11/30/15	FY17-Original
Campus Rent Revenue	6,168,795	7,036,907	6,775,190	11,551,915	7,188,678
System Rent Revenue	3,877,903	4,865,497	4,622,145		4,974,853
Summer Rent Revenue	320,444	165,500	165,500	145,823	153,250
Laundry/Vending Commissions	36,687	30,000	30,000	3,017	30,000
Interest	2,584	-	-	-	-
Room Damage Assessments	28,296	15,000	15,000	607	15,000
University Support to Operating Budget	262,664	271,981	-	-	-
All Other Income	110,201	100,000	100,000	89,438	90,000
Total Revenue	10,807,574	12,484,885	11,707,835	11,790,800	12,451,780

Expenditure

AA Employee Compensation	1,133,410	1,169,986	1,208,688	445,939	1,283,865
BB Employee Related Expenses	42,627	35,000	35,000	16,426	40,000
CC Special Employees/Students	97,428	125,000	125,000	47,440	125,000
DD Fringe Benefits, Insurance	314,654	337,721	342,189	93,733	354,165
EE Administrative Expenses	124,180	160,000	120,000	38,434	120,000
FF Facility Operational Exp.	216,041	215,000	215,000	78,485	227,500
GG Energy/Sewer & Water	908,642	720,000	526,467	226,102	567,008
HH Consultant Services	8,090	15,000	15,000	5,370	11,000
JJ Operational Services	141,559	192,000	170,000	54,214	170,000
KK Equipment	38,817	50,000	50,000	1,816	50,000
LL Maintenance, Repair	94,624	162,000	162,000	29,290	162,000
MM Room Damage Expenditures	-	-	-	-	-
NN Infrastructure C/M	475,599	780,000	780,000	263,072	780,000
RR Benefit Program	352,634	380,000	380,000	138,060	391,020
UU Technology Related Expenses	78,989	50,000	50,000	8,435	34,000
MSCBA Assessments	7,725,217	7,867,405	7,629,596	3,974,240	7,926,267
Housing Grants and Other Disbursements	82,826	189,827	303,417	144,083	190,046
Total Expenditure	11,835,337	12,448,939	12,112,356	5,565,139	12,431,870

Residence Hall Trust Fund

Beginning Balance (July 1st)	4,775,496	3,747,733	3,747,733	3,747,733	3,343,212
Operating Surplus/(Loss)	(1,027,763)	35,946	(404,521)	6,225,661	19,910
Ending Balance	3,747,733	3,783,679	3,343,212	9,973,394	3,363,122
Ending Balance as a % of Prior Year Exp.	47.9%	32.0%	28.2%	84.3%	27.8%

Summer Revenue Detail

Summary				FY16		FY17	
	FY15	FY16	FY17	Variance	Growth	Variance	Growth
Number of Beds Used	2,033	1,415	1,190	(618)	-30.4%	(225)	-15.9%
Number of Nights	224	152	147	(72)	-32.1%	(5)	-3.3%
Number of Bed Nights	10,137	5,755	5,330	(4,382)	-43.2%	(425)	-7.4%
Summer Rent Revenue	320,444	165,500	153,250	(154,944)	-48.4%	(12,250)	-7.4%

FY16

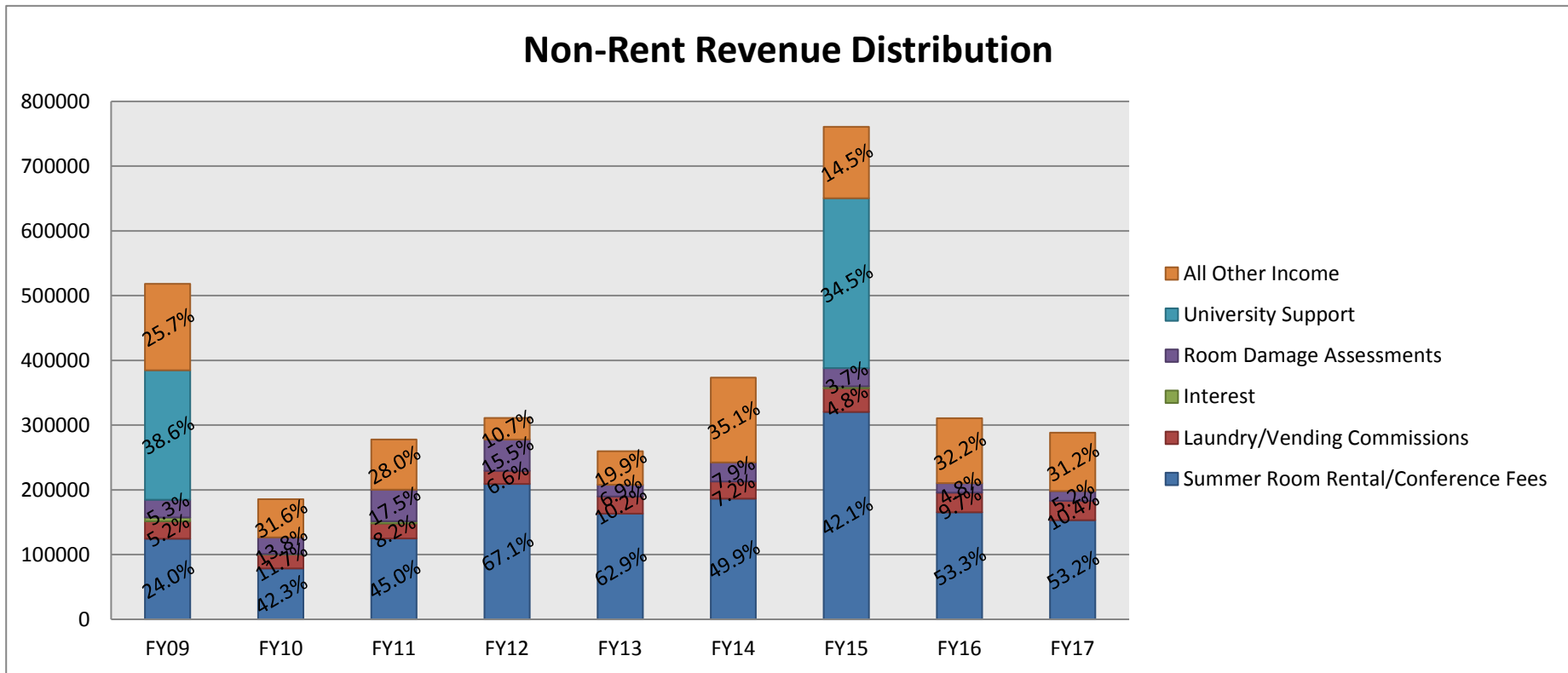
Name of Group	Residence		# Beds used	# Nights	Bed Nights	Type of Use	Organization	Rent
	Hall(s) used						Type	Revenue
Nike Field Hockey	Wasylean Hall		75	3	225	Sports Program	Private	6,750
Singapore Math Program	Wasylean Hall		50	2	100	Educational	Private	3,000
Singapore Math Program- Richie Bisk	Wasylean Hall		50	3	150	Educational	Public	4,500
Nike Lacrosse	Wasylean Hall		75	3	225	Sports Program	Private	6,750
Nike Field Hockey 2	Wasylean Hall		100	3	300	Sports Program	Private	9,000
Barbershop - HXNE	Sheehan Hall		200	3	600	Youth Program	Private	18,000
Barbershop- HCNE	Wasylean Hall		150	3	450	Educational	Private	13,500
MASC	Sheehan Hall		150	6	900	Youth Program	Public	27,000
Methodist Church	Dowden Hall		100	1	100	Private	Private	2,500
Family Lives	Wasylean Hall		20	6	120	Private	Private	\$ 3,600
Teachers 21	Wasylean Hall		10	28	280	Educational	Public	\$ 8,400
UMASS - SEP	Wasylean Hall		10	25	250	Educational	Public	\$ 7,500
UMASS - SRFP	Wasylean Hall		20	30	600	Educational	Public	\$ 15,000
WSU Alumni Weekend	Chandler Village		40	1	40	College Program	Public	\$ 1,000
Rotary (RYLA)	Wasylean Hall		100	3	300	Youth Program	Public	\$ 9,000
Rising Stars	Wasylean Hall		50	4	200	Sports Program	Private	\$ 6,000
Titans Football	Wasylean Hall		25	1	25	Sports Program	Private	\$ 750
Cape Ann Field Hockey	Wasylean Hall		30	3	90	Sports Program	Private	\$ 2,250
Country Garden School	Chandler Village		10	20	200	Educational	Public	\$ 6,000
NEAIS	Dowden Hall		150	4	600	Private	Private	\$ 15,000

Non-Rent Revenue

Revenue Type				FY16		FY17	
	FY15	FY16	FY17	Variance	Growth	Variance	Growth
Summer Revenue	320,444	165,500	153,250	(154,944)	-48.4%	(12,250)	-7.4%
Laundry/Vending Commissions	36,687	30,000	30,000	(6,687)	-18.2%	-	0.0%
Interest	2,584	-	-	(2,584)	-100.0%	-	
Room Damage Assessments	28,296	15,000	15,000	(13,296)	-47.0%	-	0.0%
University Support	-	-	-	-		-	
All Other Income	110,201	100,000	90,000	(10,201)	-9.3%	(10,000)	-10.0%
Total	498,212	310,500	288,250	(187,712)	-37.7%	(22,250)	-7.2%

The chart below provides a historical summary of the Residence Hall Trust Fund's (RHTF) non-rent revenue and the percentage each category comprises of the fiscal year total. All revenue categories contributing less than 2% of the total distribution are not labeled in order to enhance the chart's visual display.

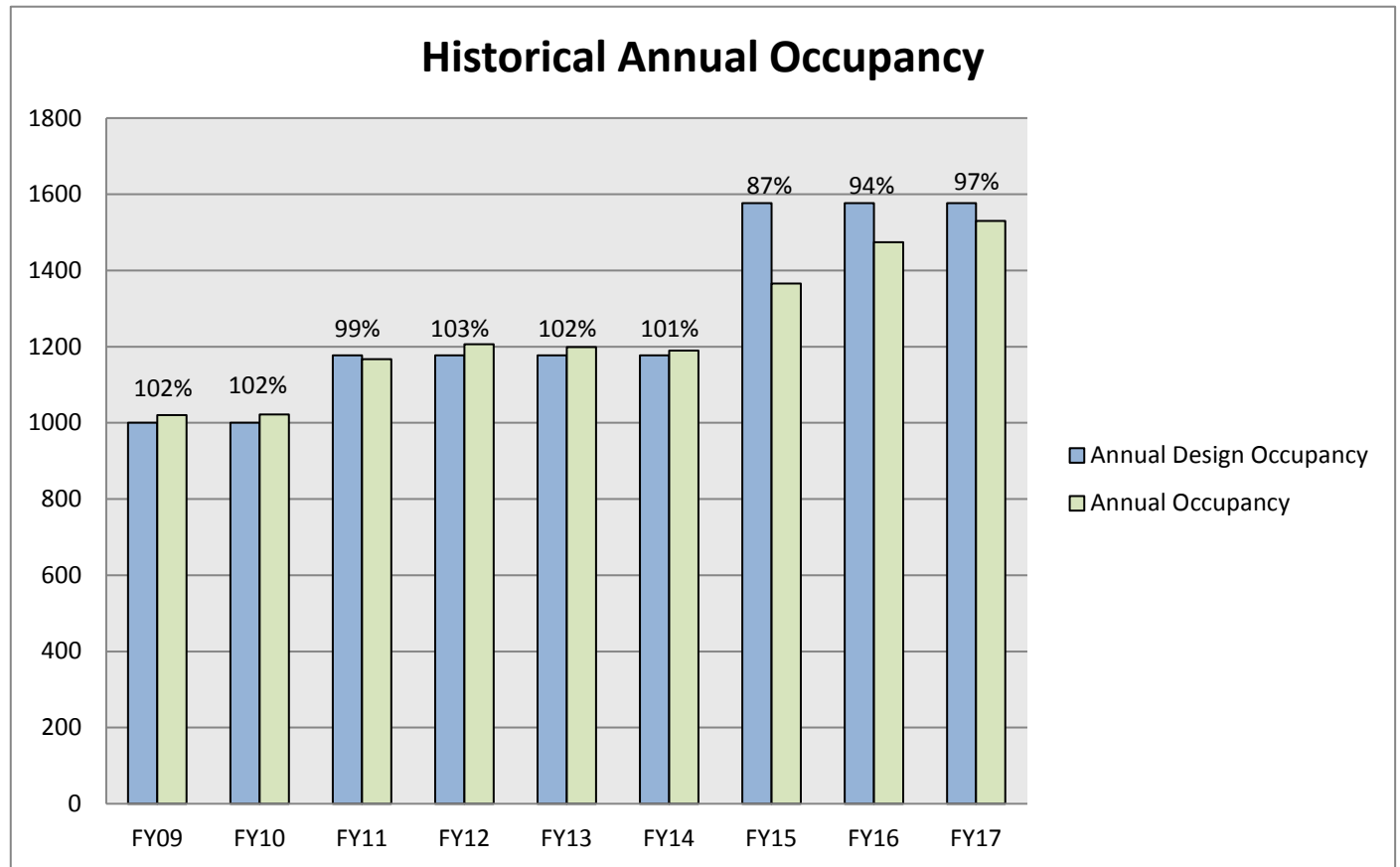
Non-Rent Revenue Distribution



Annual Occupancy

Residence Hall	Annual Design Occupancy			Annual Occupancy (Fall & Spring)			Annual Occupancy Rate (Fall and Spring)		
	FY15	FY16	FY17	FY15	FY16	FY17	FY15	FY16	FY17
Chandler	420	420	420	355	383	408	84.5%	91.2%	97.1%
Dowden	236	236	236	190	226	229	80.5%	95.8%	97.0%
Dowden Expansion	173	173	173	124	172	168	71.7%	99.4%	97.1%
Wasylean	348	348	348	324	322	338	93.1%	92.5%	97.1%
Sheehan	400	400	400	373	373	389	93.3%	93.3%	97.3%
Total	1,577	1,577	1,577	1,366	1,476	1,532	86.6%	93.6%	97.1%

The chart to the right provides a historical summary of the residence halls' total design occupancy compared to the actual reported occupancy in the fall and spring. The actual occupancy shown is the average of the fall and spring. Additionally, the percentage figures above the bars display the occupancy rate.



*Annual Occupancy equals the average between fall and spring occupancy.

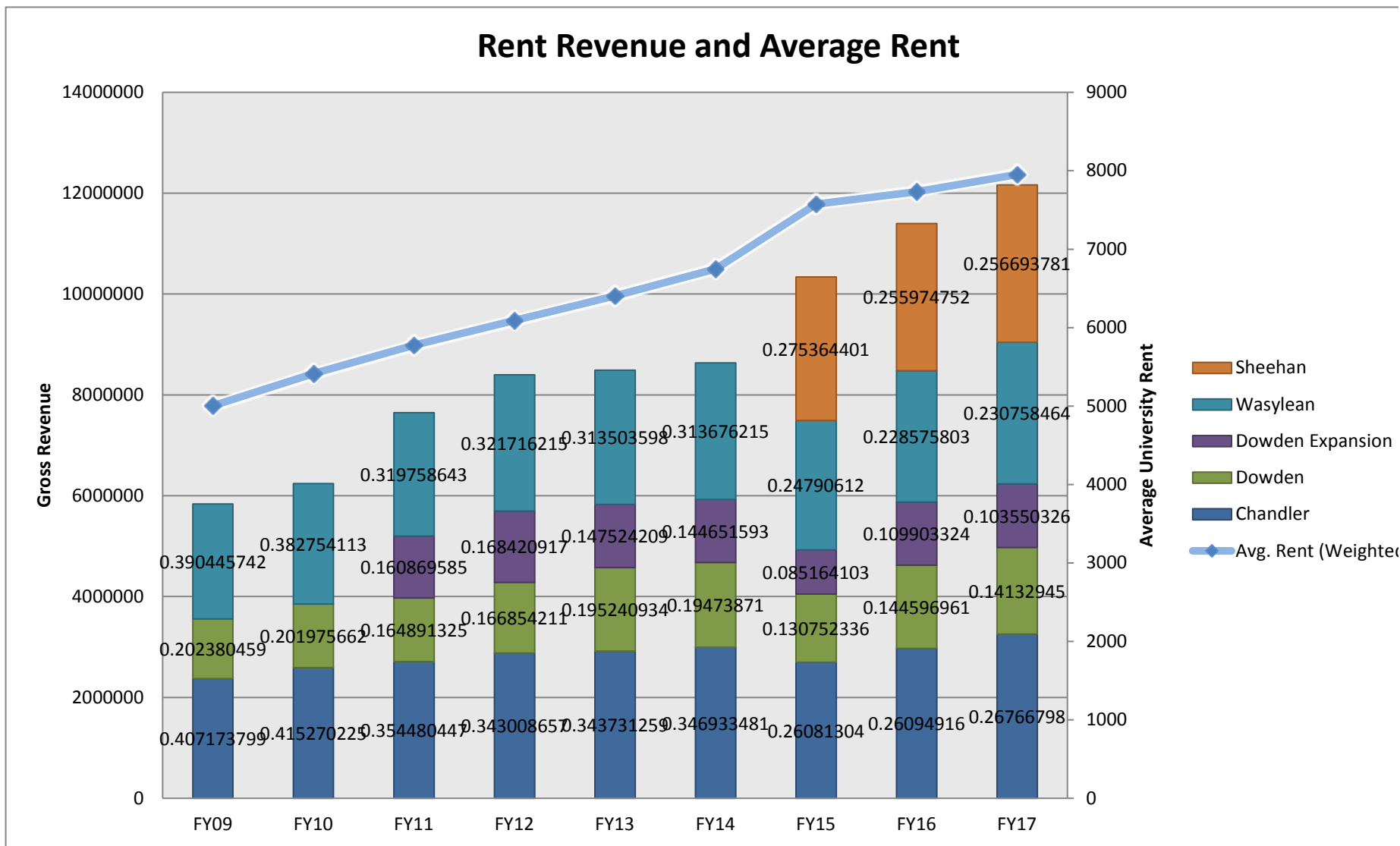
Rent and Revenue

Residence Hall	Double Room Rent (Single If No Double)			Increase/(Decrease)		% Increase/(Decrease)	
	FY15	FY16	FY17	FY16	FY17	FY16	FY17
Chandler	7,390	7,570	7,785	180	215	2.4%	2.8%
Dowden	7,090	7,270	7,485	180	215	2.5%	3.0%
Dowden Expansion	7,090	7,270	7,485	180	215	2.5%	3.0%
Wasylean	7,780	7,970	8,185	190	215	2.4%	2.7%
Sheehan	7,600	7,790	8,005	190	215	2.5%	2.8%
Weighted Avg. (All Room Types)	7,571	7,730	7,950	159	220	2.1%	2.8%

Residence Hall	Rent Revenue			Increase/(Decrease)		% Increase/(Decrease)	
	FY15	FY16	FY17	FY16	FY17	FY16	FY17
Chandler	2,696,250	2,974,125	3,255,788	277,875	281,663	10.3%	9.5%
Dowden	1,351,700	1,648,020	1,719,065	296,320	71,045	21.9%	4.3%
Dowden Expansion	880,415	1,252,605	1,259,538	372,190	6,933	42.3%	0.6%
Wasylean	2,562,820	2,605,155	2,806,838	42,335	201,683	1.7%	7.7%
Sheehan	2,846,680	2,917,430	3,122,303	70,750	204,873	2.5%	7.0%
Total	10,337,865	11,397,335	12,163,532	1,059,470	766,197	10.2%	6.7%

Rent and Revenue Summary

The chart below provides a historical summary of the revenue generated from rent and the percentage each residence hall comprises of the fiscal year total. The line graph depicts the weighted average rent for the university and should be compared to the rightward y-axis.



MEMORANDUM

TO: Craig Blais, Chair of the WSU Finance & Facilities Subcommittee

FROM: Kathleen Eichelroth, VP Administration & Finance

SUBJ: Board approval

DATE: November 24, 2015

Expenditures for renovations or repairs of the President's home need prior Board approval per the Trust Fund Management Policies as approved by the Board of Trustees on September 4, 2001.

Therefore, we are requesting Board approval for the purchase of a new domestic 80 gallon hot water heater and its installation at the President's residence. The cost is \$4,200 as described in the proposal from Royal Steam heater Co. This will replace the approximately 10-year old unit that is currently there.

It would be most appreciated if the Finance and Facilities subcommittee could act upon this request so that it can be brought before the full board on January 12, 2016.

November

6, 2015

Mr. John **Royal Steam Heater Co.**

Capuano

Established in 1889

Property

Manager- Facilities Department

Worcester State University

486 Chandler Street

Worcester, Ma. 01602

499 Main Street

Gardner, Massachusetts 01440

Tel. No. 978-632-0770

Fax. No. 978-632-2468

Re: President's House at 535 Chandler Street

Dear John,

Chris Decker recently visited the President's House with you to look at the leaking domestic electric hot water heater. The tank is leaking and needs to be replaced. The price to replace the water heater with a new 80 gallon residential electric water heater is \$4,200.00. This price includes connecting the new tank to the existing hot and cold water and electrical sources.

I also have a couple of suggestions to improve the domestic hot water situation in the house. The current domestic hot water arrangement consists of an electric 80 gallon water heater which is fed from the hot water outlet of a tankless coil in the heating boiler, essentially making the electric water heater a storage tank for domestic hot water generated by the heating boiler. As long as the "cold water" feeding the electric water heater is already heated by the tankless coil, then the electricity is never used. This method has long been used; the reasoning being that the tankless domestic hot water is "free" since the boiler is already running to provide heat during the heating season. This is true to some extent, there is still energy being used in the boiler to heat the domestic water. However, it is our understanding that the heating boiler runs all summer long just to maintain domestic hot water, which is much more expensive than shutting off the boiler and letting the electricity pay for the domestic hot water during the non heating season. It would make economic sense to shut down the heating boiler and let the electric water heater function independently during the summer.

An even more reasonable operating option would be to have us install a hybrid electric 80 gallon water heater rather than a standard electric water heater. The hybrid water heater is \$500.00 more expensive, but the operational costs are a fraction of the electrical cost for a standard electric water heater. I installed a hybrid water heater in my home 3 years ago and have saved well over \$1,500.00 in operational costs since the installation. We could pipe a hybrid tank in the same way the current tank is connected if the decision is to use the tank-

less water heater to preheat the cold water supply to the new tank.

I look forward to hearing from you once you have reviewed this proposal. Please contact me if you have any questions with my presentation or if you wish to further discuss the building.

Sincerely,

Jay Davis Drake

Jay Davis Drake

President

By email 11/6/2015

Memorandum

DATE: January 5, 2016

TO: Barry M. Maloney, President

FROM: Kathleen Eichelroth, Vice President for Administration and Finance

RE: EARLY RETIREMENT PLAN UPDATE

As of January 5, 2016, there are thirty-three individuals who are eligible and intend to participate in the WSU Early Retirement Incentive Program. Of the thirty-three employees, seventeen are faculty, four are librarians, three are APA members and thirteen are AFSCME members.

The cumulative gross salary of the thirty-three employees is \$2,699,838. The cumulative incentive pay out is \$516,000. The individual years of service range from 50.35 years to the minimum of ten years of creditable service. Potential annual savings, once decisions have been made regarding backfilling positions, will be approximately \$974,000 a year.

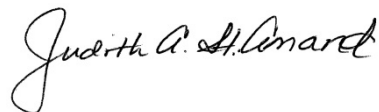
There continues to be an ongoing opportunity, through spring 2016, for APA and AFSCME employees to declare their intent to retire by June 30, 2016.

Full Board Meeting

CORRECTED NOTICE

A MEETING OF THE WORCESTER STATE UNIVERSITY BOARD OF TRUSTEES WILL BE HELD ON TUESDAY, JANUARY 12, 2016 AT 6:30 P.M. IN THE PRESIDENT'S CONFERENCE ROOM OF THE HELEN G. SHAUGHNESSY ADMINISTRATION BUILDING.

1. CALL TO ORDER
2. VOTES
3. APPROVAL OF MINUTES – November 17, 2015
4. CHAIR OF THE BOARD REPORT
5. PRESIDENT'S REPORT
- Advancement/Enrollment Management - Tom McNamara/Ryan Forsythe
6. APPROVAL OF HONORARY DEGREE FOR 2016 COMMENCEMENT SPEAKER
7. APPROVAL OF THE 2016 COMMUNITY SERVICE AWARD
8. FINANCE & FACILITIES COMMITTEE REPORT
9. OTHER BUSINESS
10. EXECUTIVE SESSION – Pending Litigation
11. ADJOURNMENT



Judith St. Amand
Assistant Secretary

January 7, 2016

Upon a motion made and seconded, it was

VOTED: to approve the minutes of November 17, 2015 as submitted.

Upon a motion made and seconded, it was

VOTED: to approve the minutes of the November 17, 2015 Executive Session as presented.

Upon a motion made and seconded, it was

VOTED: to approve the awarding of a Doctor of Public Administration, *Honoris Causa*, to Lt. Governor Karyn Polito, the 2016 Commencement Speaker at exercises scheduled for Saturday, May 14, 2016.

Upon a motion made and seconded, it was

VOTED: to award the 2016 Community Service Award to John J. Conte at Commencement Exercises scheduled for May 14, 2016.

Upon a motion made and seconded, it was

VOTED: to accept the report of the Finance & Facilities Committee and approve their recommendations relative to the following:

- 1) Debt Management Policy – FY 2015 Financial Statement Review
 - 2) Financial Ratio Trend Analysis – Fiscal Years 2011 through 2015
 - 3) FY 2017 Residence Hall Trust Fund Budget
 - 5) Installation of New Water Heater at President's Residence
-

Upon a motion made and seconded, it was

VOTED: by recorded roll call to go into Executive Session to discuss pending litigation and to reconvene in open session for the sole purpose of adjournment.

Upon a motion made and seconded, it was

VOTED: to adjourn the meeting at

**WORCESTER STATE UNIVERSITY
BOARD OF TRUSTEES**

November 17, 2015

PRESENT: Trustee Ronald Valerio, Chair
Trustee George Albro, Vice Chair
Trustee Kurt Correia
Trustee Maryanne Hammond
Trustee Karen LaFond
Trustee Stephen Madaus
Trustee Terence Shanley
Trustee Shirley Steele
Trustee Marina Taylor
President Barry Maloney, President
Ms. Judith St. Amand, Assistant Secretary
Ms. Nikki Kapurch, Special Assistant to the President

ABSENT: Trustee Craig Blais
Trustee Aleta Fazzone

The provisions of General Laws, Chapter 30A having been complied with, and a quorum present, a meeting of the Worcester State University Board of Trustees was held on Tuesday, November 17, 2015, in the Multi-Purpose Room, Sheehan Hall. Trustee Valerio called the meeting to order at 6:35 p.m.

RECOGNITION OF TWO OUT-GOING TRUSTEES

- Chairman Valerio invited former Trustees Isabel Gonzalez-Webster and Robert Thomas to join at the Board table.
- Trustee Valerio acknowledged that both have served as exemplary trustees and their commitment and support is appreciated by the entire campus community.
- On behalf of the Board, Chairman Valerio thanked them for their leadership in the many positions held during the past five years.
- They were each presented with a small token of appreciation and will also receive a University “rocking chair” in recognition of their service to the Board.

TWO NEW TRUSTEE APPOINTMENTS

- Chairman Valerio introduced and welcomed two newly appointed Trustees, Karen LaFond and Marina Taylor. He also noted that Trustee Craig Blais had been reappointed for a five-year term.

Karen LaFond is an Officer in the firm Fletcher Tilton and concentrates her practice in commercial lending. She also practices in business and corporate law, and commercial real estate law. She earned a J.D. from Suffolk University Law School and a B.S. from the University of New Hampshire. Karen is a resident of Worcester, Massachusetts.

Marina Taylor is Vice President for Commercial Lending for UniBank Savings in Whitinsville, Massachusetts. She is a graduate of Nassau Community College, Garden City, New York and earned a Bachelor of Business Administration in Accounting from Dowling College in Oakdale, New York. Marina is a resident of Sutton, Massachusetts.

APPROVAL OF MINUTES – October 20, 2015

Upon a motion by Trustee Shanley and seconded by Trustee Albro, it was unanimously

VOTED: to approve the minutes of October 20, 2015 as submitted.

SABBATICAL PRESENTATION – Dr. Tona Hangen

Dr. Tona Hangen, Associate Professor in the Department of History and Political Science provided a presentation on her Spring 2015 sabbatical leave.

- Leave was split into two parts.
 - The first part*** was to conduct archival research at the Southern Poverty Law Center, the Virginia Commonwealth University Special Collections, Old Dominion University, and the Library of Congress NAACP Collection for a book entitled *Squarely on the Wrong Side of History: Massive Resistance and the Struggle for Southern Schools*, on the formation of white Christian segregation academies in the South in response to the implementation of the 1954 Brown v. Board of Education Supreme Court decision. Research also addressed the concept of being on the “right side” or “wrong side” of history in the context of school segregation, civil rights, and religion.
 - The second part*** of the sabbatical leave was to serve as the 2015 Program Co-Chair for the Mormon History Association, a national and professional scholarly organization for religious history, and planned the annual meeting and conference program in conjunction with colleagues in the History Departments at Brigham Young University and Harvard University.

CHAIR OF THE BOARD UPDATE

- Chairman Valerio announced that Trustee Terry Shanley has accepted the appointment to Chair the Academic Affairs/Student Development Committee.
- Trustee Valerio noted that he would be sending a request for the development of funds to support the wellness center.
- Gene DeFeudis has pledged to match funds raised for the wellness center and all Boards are being contacted to participate.
- Looking for 100% participation from all three Boards.

PRESIDENT’S REPORT

- President Maloney welcomed the two new trustees and thanked them for their willingness to spend the entire day in an orientation program.
- Supplemental budget that included the \$2.3 million for the state universities to cover collective bargaining costs for FY15 was enacted by the Legislature and was waiting for Governor’s signature.
- President reported that following the tragedy in Paris, all students abroad in that location were contacted and accounted for.
- Campus community was made aware of all steps being taken to ensure the safety of all members of the community following the theft of firearms from a Worcester armory.
- Continuing Education has been engaged in contract negotiations and hope to have an agreed upon document in the next few months.

- Pleased to announce that Dr. Patricia Marshall, former Associate Vice President for Academic Affairs has accepted the position of Deputy Commissioner for the Board of Higher Education. Sad to see her leave WSU, but very happy for her success. Board extended their sincere congratulations and requested that she be invited to return to campus to be acknowledged for her many accomplishments while at WSU.
- Final printed copy of the Audit Report prepared by Bollus Lynch was provided to each trustee.

FY 2016 BUDGET AMENDMENT #2 – FY 2015 COLLECTIVE BARGAINING SHORTFALL

Kathy Eichelroth, VP for Administration & Finance, provided a summary of the budget amendment request.

- Supplemental budget for FY 2016 was recently approved by state legislators.
- Supplemental budget provides funds to cover the shortfall of collective bargaining provided in FY 2015 to the state university campuses.
- While the additional funds do not cover actual spending in FY 2015 they serve to increase the base operating appropriation from the Commonwealth in order that the increase in salaries will be funded by the Commonwealth in FY 2016 forward.
- Availability of increased state appropriations to pay salaries provides the university the opportunity to reallocate campus based revenue to other priorities.
- Majority of the funds are being made available in the form of student financial support by increasing need based financial aid resources distributed by the Financial Aid Office.
- The remainder of the funds will be used to replace three facility department vehicles that are beyond their useful life: (1) A plow truck for which the state would not renew the registration for the existing vehicle, and (2) two other vehicles that are trade vans for the plumbing and electrical trades will not have registrations renewed as well. The vans serve as travelling workshops for the trade staff holding all of the supplies and tools related to the respective trades.
- VP Eichelroth explained that although the Board had asked that any supplemental funding be considered for possible reduction in the recent fee increase, as time pasted is was not deemed possible to look at any adjustment to the fee increase.
- Financial aid packets were reviewed and most needy students were provided additional funding.
- Trustees asked that in the future, any recommendations for spending of additional funds be vetted through the trustees prior to coming forward as a formal recommendation.

Upon a motion by Trustee Albro and seconded by Trustee Shanley, it was unanimously

VOTED: to approve the FY 2016 Budget Amendment #2 – FY 2015 Collective Bargaining Shortfall as presented.

APPROVAL OF NOMINEES FOR SPEAKER/AWARDS POOL

- The Speakers and Awards Committee (S & A) reviewed nominations for inclusion in the Speaker/Awards Pool established for the selection of future speakers and award recipients.
- The AUC (All University Committee) reviewed the S & A recommendations at their November 10th meeting and approved the following candidates with a vote of 11-0 and by an email vote of 13-0, approved the addition of Karyn Polito to the list of candidates:

Commencement Speaker/Honorary Doctorate/Community Service Award

Mary DeFeudis Worcester native and Chairman of the Board for the UMass Memorial Foundation

Commencement Speaker/Community Service Award

Joe Andruzzi Former offensive lineman for the New England Patriots

Albert Toney III Retired Worcester Police Officer and WSU Alumnus

Steven Michael Palermo Former MLB Umpire

Commencement Speaker/Honorary Doctorate

Chimananda Ngozi Adichie Award winning novelist and nonfiction author

Martha Coakley Former Massachusetts Attorney General

Karyn Polito 72nd Lieutenant Governor of Massachusetts

Commencement Speaker

Kevin Cambell WSU Alumnus and current U.S. Army Commander

Laura Ling American journalist and writer

Ronald Michael Green Former Professor of Religion at Dartmouth College

Anand Giriradas New York times Columnist

Upon a motion by Trustee Albro and seconded by Trustee Hammond, it was unanimously

VOTED: to approve the recommendations of the Speaker and Awards Committee and the AUC to include the nominees as presented to the Speakers/Awards Pool.

REPORT OF THE JOINT HUMAN RESOURCES AND ACADEMIC AFFAIRS/STUDENT DEVELOPMENT COMMITTEE MEETING

The joint meeting was held at 3:15 p.m. today in the President's Conference Room of the Helen G. Shaughnessy Administration Building.

- The meeting was called to order and Trustee Albro oversaw matters relating to the HR Committee, and Chairman Valerio oversaw matters relating to the Academic Affairs/Student Development Committee.

REALIGNMENT AND REORGANIZATION OF THE UNIVERSITY ADVANCEMENT AND APPROVAL OF TITLE CHANGES

- Chairman Albro reported that VP McNamara recommended to President Maloney that the job description for two leadership positions in his area be changed and updated.
- The two positions currently have the titles of Executive Director and the request is to change the title to Assistant Vice Presidents.
- The change in title will become effective December 1, 2015 with no change in salary for either position.

Upon a motion by Trustee Madaus and seconded by Trustee Shanley, it was unanimously

VOTED: to approve the recommendation to the full Board for the change in title for the following two positions as described in their letters of appointment dated October 30, 2015:

Camilla Caffrey, from Executive Director of Alumni to Assistant Vice President of Alumni Relations and Engagement, and

Karen Sharpe, from Executive Director of University Advancement to Assistant Vice President of Development and Advancement.

ACADEMIC AFFAIRS/STUDENT DEVELOPMENT COMMITTEE REPORT

Trustee Valerio provided the following summary of the actions of the Academic Affairs/Student Development Committee meeting:

AY 2016-2017 SABBATICAL LEAVES

- Dr. Lois Wims, Provost and Vice President for Academic Affairs reviewed the following the process for applying and awarding sabbatical leaves.
- Twenty sabbatical proposals were received for 2016-2017.
- Eighteen were recommended to President Maloney for Fall semester leaves, and 11 recommended for Spring semester and two for full-year leaves.
- Faculty on sabbatical for one semester receive full salary and those on full year sabbatical leave receive on-half salary for the full year.
- Cost to the university is for hiring part time, adjunct faculty to teach some of the courses that the faculty member on leave would have taught.
- Not every course that would have been taught is offered during the sabbatical semester. Some elective type courses can be postponed for a later semester.
- For 2016—2017 approximately 68 course sections will need to be covered by adjuncts for the 18 sabbaticals.
- Sections are offered based on student demand, not on faculty availability, and the number of courses offered each spring is lower than fall semesters with approximately a 2 to 4% drop in the need for adjunct coverage in the spring.
- At an average cost of \$5,000 per section, the cost equals \$340,000 for 2016-2017 sabbatical leaves.
- There is an approximate \$72,000 salary savings for the two sabbaticals which are for the full year at half pay, so the net cost will be approximately \$278,000.
- Funds to cover this expense will be included in the adjunct line in the FY16 institutional budget.

Upon a motion by Trustee Madaus and seconded by Trustee Steele, it was

VOTED: to accept the recommendation of the Academic Affairs/Student Development Committee and approve the following sabbatical leaves:

FALL SEMESTER 2016 at full salary

Elna Braynova	Computer Science
Amy Cota-McKinley	Psychology
Laurie Dahlin	Business Administration & Economics
Robert Fink	Business Administration & Economics
Eihab Jaber	Chemistry

SPRING SEMESTER 2017 at full salary

Meghna Dilip	Chemistry
Carol Donnelly	Education
Denise Foley	Education
Michael Gesin	History & Political Science
Bonnie Kanner	Psychology
Stephen Morreale	Criminal Justice
Maura Pavao	Biology
Ana Perez-Manrique	World Languages
Karen Woods Weierman	English
Sara Young	Education
Barbara Zang	Communication

AY 2016-2017 at half salary

Keith Darrow	Communication Sciences & Disorders
Susan Schmoyer	Mathematics

EARLY RETIREMENT PLAN UPDATE

VP Kathy Eichelroth and Stacey Luster, Assistant Vice President for Human Resources, Payroll, and Affirmative Action and Equal Opportunity provided a summary of the status of the Early Retirement Incentive Program:

- As of 10-23-2015, twenty seven individuals applied for the Program.
- Of the twenty seven applicants, twenty five met eligibility requirements.
- Of the twenty five eligible applicants, eleven are faculty, four are librarians, two are APA members and eight are AFSCME members.
- Cumulative gross salary of the twenty five eligible applicants is \$1,879,956.
- Cumulative incentive pay out is \$494,000.
- Individual years of service range from 49.82 years to the minimum of ten years.
- Potential annual savings, once decisions have been made regarding backfilling positions, will be approximately \$500,000 a year.
- Ongoing opportunity continues through spring 2016 for APA and AFSCME employees to declare their intent to retire by June 30, 2016.
- Faculty must notify HR by December 31, 2015 if they intend to retire at the conclusion of the spring 2016 semester.
- Updates will be provided in January and June of 2016.

Having no other general business, a motion was made by Trustee Albro and seconded by Trustee Hammond, and it was

VOTED: **by recorded roll call to go into Executive Session at 7:55 p.m. to discuss pending litigation and to reconvene in open session for the sole purpose of adjournment. The following individuals were requested to remain for the Executive Session: All trustees, President Maloney, VP Eichelroth, Asst. VP Luster and Ms. St. Amand.**

VOTING IN FAVOR (9)

Trustee Albro

Trustee Correia

Trustee LaFond

Trustee Hammond

Trustee Madaus

Trustee Shanley

Trustee Steele

Trustee Taylor

Trustee Valerio

OPPOSED

ABSENT (2)

Trustee Blais

Trustee Fazzone

The Board of Trustees reconvened in open session at 8:27 and upon a motion by Trustee Hammond and seconded by Trustee Shanley, it was unanimously

VOTED: **to adjourn the meeting at 8:30 p.m.**

Respectfully submitted,

Judith A. St. Amand
Assistant Secretary

President's Update

January 2016

From the President's Office



President's Message



Worcester State plays a positive role in addressing issues of the day, and this was never more evident than over the past several months. While the national debate over those seeking refuge in the U.S. unfolds, we brought to bear our expertise to shed some light onto this topic through a day-

long symposium and a lecture offered as part of the Worcester Research Bureau's Cowan Collegiate lecture series.

At the state level, attention is focused on closing the achievement gap experienced by members of underrepresented populations. In December, we sponsored a conference, "Lifting Opportunities for Boys in Worcester," that brought policy makers and community members together to hear about WSU's and Clark University's research into the specific challenges to success that young men and boys of color face.

Worcester State's approach – shedding light on topics that sometimes generate heat – is much needed. I wanted all of you to be aware of the role we are playing.

Newsworthy

The media covered several major Worcester State University stories over the past month, including the events mentioned above. Visit www.worcester.edu/enews and click on "In the News" to read about them. We received coverage in the Telegram and Gazette, Worcester Business Journal, WBUR public radio, and Charter TV 3's Worcester News Tonight, among other outlets. In addition, Assistant Professor Robert Smith (History and Political Science) was interviewed for a C-SPAN segment on Worcester history that aired in mid-December.

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PRESIDENT'S OFFICE

Worcester State University
486 Chandler Street
Worcester, MA 01602
508-929-8000
www.worcester.edu

Community, Government, and International Relations

- WSU hosted a November statewide Department of Higher Education conference on student engagement that involved key campus leaders from most of the 29 public colleges and universities. At the event, the DHE rolled out its proposals on civic learning. This conference marked a critical next step in implementing the Board of Higher Education's mandates under the Vision Project's civic learning goal passed in 2014. WSU was among a core group of the Commonwealth's public institutions that helped develop the civic learning proposals.
- We continue to engage with community organizations for ongoing and future collaborations. For instance, this past semester were visits to the Nativity School by our senior leadership team and an introduction for our Academic Affairs leadership to the American Antiquarian Society.
- WSU hosted a group of 45 Fulbright scholars and their family members earlier this month as part of an enrichment program organized through the International Center of Worcester (ICW). WSU was selected by ICW to be one of two Worcester destinations (along with the Worcester Art Museum) to showcase American higher education. Their campus visit included a lunch in Sheehan Hall, a tour, and a talk about WSU history, our initiatives related to sustainability, and curricular innovation built around interdisciplinary programs. Most of the scholars are on extended academic visits to the United States, and many are in placements at elite private institutions in New England.
- The University has now formally engaged two external agencies to assist with recruiting qualified international students who are interested in attending WSU as full-fee visiting undergraduate students or as matriculating degree candidates. This puts WSU in position to expand its international student enrollments (these students are considered out-of-state students) beyond the approximately 125 students that currently attend the university as undergraduates, graduates, or intensive English language learners.



Promoting Diverse and Inclusion

- President Maloney has initiated campus conversations on topics facing higher education in Worcester and across the nation. An ad-hoc group has met and is planning recommendations for helping Worcester State act on its core value, as expressed in the strategic plan: “We are committed to being an inclusive community in which our diversity enhances learning for all and in which people from all cultures and backgrounds have the opportunity to participate fully and succeed. “
- The Assistant Vice President for Human Resources, Payroll, and Affirmative Action and Equal Opportunity announced the hiring of current staff member Isaac Tesfay into the role of Director of Affirmative Action and Equal Opportunity. Isaac’s role includes helping to ensure that we are a welcoming, inclusive campus.

Organizational Updates

- Susan Moore was named the director of Human Resources and started in early December. Her many years of higher education experience in human resources and payroll include her most recent position as Assistant Director of Human Resources for Fitchburg State University.
- The search committee for the new Dean of Humanities and Social Sciences has begun interviewing candidates.
- More than 20 searches for faculty are underway, in part due to the significant number of faculty members retiring this year under the early retirement incentive program.
- Our dining services partner, Chartwells, has promoted current WSU dining director, Rich Perna to regional director. WSU welcomes Jason Coombs as our new director starting this month. In addition to staff changes, new menus and food concepts are planned in the POD (main dining hall) and at retail locations across campus.



Promoting Academic Excellence

- 30 students received Fall 2015 funds for the State University Internship Incentive Fund (SUII). The average award for a 3 credit internship is \$1,164.
- 14 sophomore ALANA students have been selected to service with the WSU Civic Corps, which is a joint project of Multicultural Affairs, Sociology Department, The Binienda Center, and International Programs. Students receive \$1,000 stipends as part of the Strategic Planning Fund to participate in one of three projects involving civic engagement: the service trip to Nicaragua; the Biology trip to the Dominican Republic; or the City Manager's Youth Recreation Program.
- Dr. Imo Aisiku ('92) spent a half day on campus meeting with Dean Linda Larrivee and faculty from the health and sciences academic departments to discuss the newly established Center for STEM Research and Education. Dr. Aisiku's participation in the center aligns his expertise and support with its development. Led by Professor Daron Barnard, the Center will serve as a resource to facilitate interdisciplinary collaboration across WSU STEM programs.



Sustaining Our Future

- WSU anticipates 100% participation in philanthropic contributions to the Worcester State Foundation by the Board of Trustees by the end of the calendar year. To date, \$1.2 million has been raised from alumni, friends, corporations and grants toward our \$2.5 million annual goal. Over the course of the calendar year, with the incentive of the Gene J. DeFeudis Challenge, more than \$500,000 has been raised to go toward the FF&E expenses of the Wellness Center. We anticipate that we will exceed the original DeFeudis Challenge \$250,000 match goal by the end of the calendar year.
- Recent large gifts also include a \$40,000 from Dr. G.B. and Lexi Singh '85 to enhance the Nursing's simulation lab, and a \$25,000 gift from the Drs. Arthur and Martha Pappas towards the Wellness Center. The Pappases recognize the investment WSU has made in the health and well-being of the campus community and will be involved more as the completion of the building nears.
- As of November 30, the Worcester State Foundation has provided to WSU:
 - \$161,543 – Student Scholarships, Awards, Internship Stipends
 - \$17,348 – Faculty Research/Support
 - \$94,934 – Programs and Community Involvement
 - \$67,547 – Plant, Property, and Real Estate (including the May Street Building, Chandler Street properties, and Craft Center)
- WSU completed Moody's rating review process with an affirmation of our A2 rating with a stable outlook. Moody's noted the university's strong liquidity and solid operating performance which is supported by the Commonwealths Aa1 rating and the MSCBA's Aa2 rating.
- 34 employees have opted into WSU's early retirement incentive program, with cumulative gross salaries of \$2,852,620. Positions currently are being evaluated with consideration for restructuring, reallocation of resources, and savings upon retirement of current employees.

Reaching Out to the Community

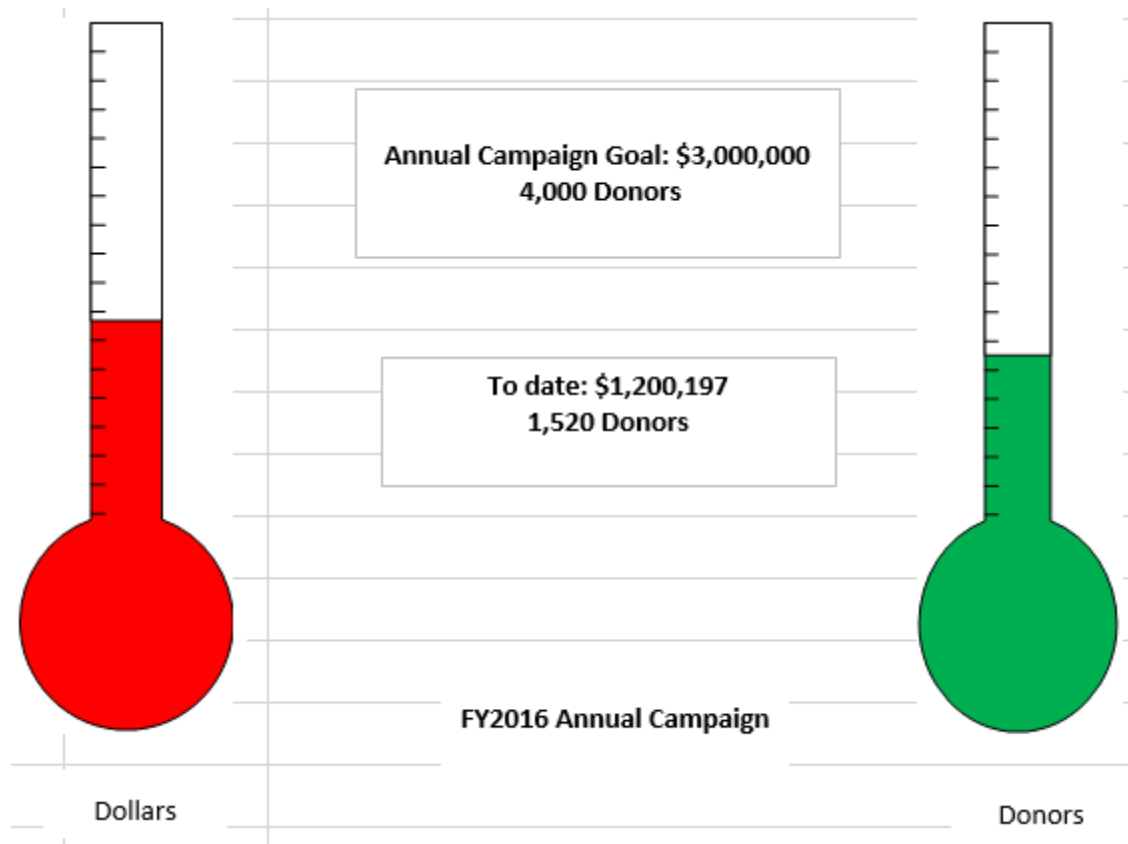
- The Reach Out and Touch Somebody's Hand Alumni Council's November and December Birthday Brunches with President Maloney had over 20 per cent of alumni attendees who previously had not attended an alumni event. November's Communication Sciences and Disorders Alumni Reunion had over 25 percent new alumni attendees who had not participated in a previous event.
- Following the redesign of the new Worcester State Magazine, the monthly Alumni E-Newsletter underwent a design update to better engage readers by utilizing information from our alumni database to personalize each email, which features news stories and selected videos.
- \$30,000 Degree Agreements have been developed between WSU and Greenfield Community College, Springfield Technical Community College, Mount Wachusett Community College, and Quinsigamond Community College. The Massachusetts Department of Higher Education is encouraging statewide adoption of the \$30,000 Degree model and Governor Baker has shown interest in these agreements and may seek to promote statewide efforts in the near future.
- Residence Life worked with University Police to collect approximately 700 presents for local children through the Guild of St. Agnes. This is the fifth year that WSU worked with campus partners to gather presents for underprivileged children in the Worcester area. This year due to the large numbers of toys, they were able to provide some donations to Chandler Magnet school, You Inc. and Plant a Seed.



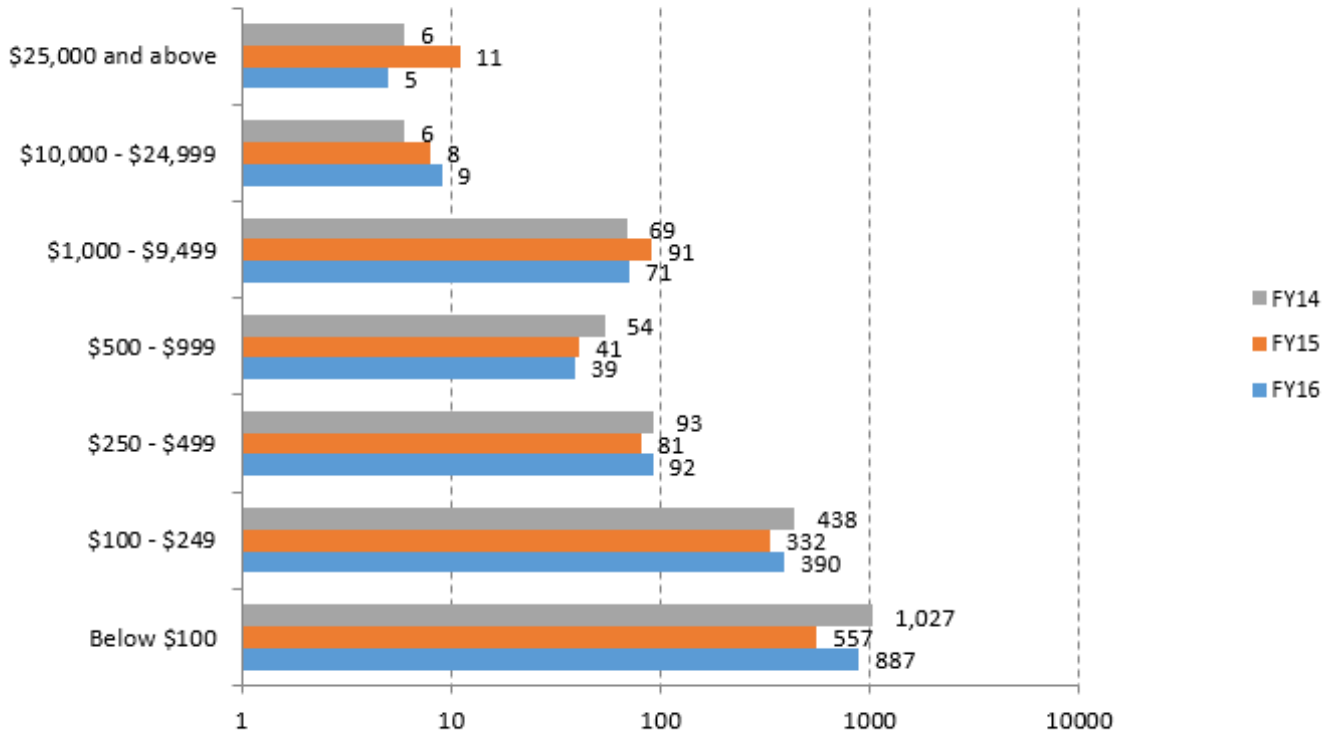
Facts and Figures

View a full copy of University Advancement's November 2015 report.

[View](#) [Download](#)

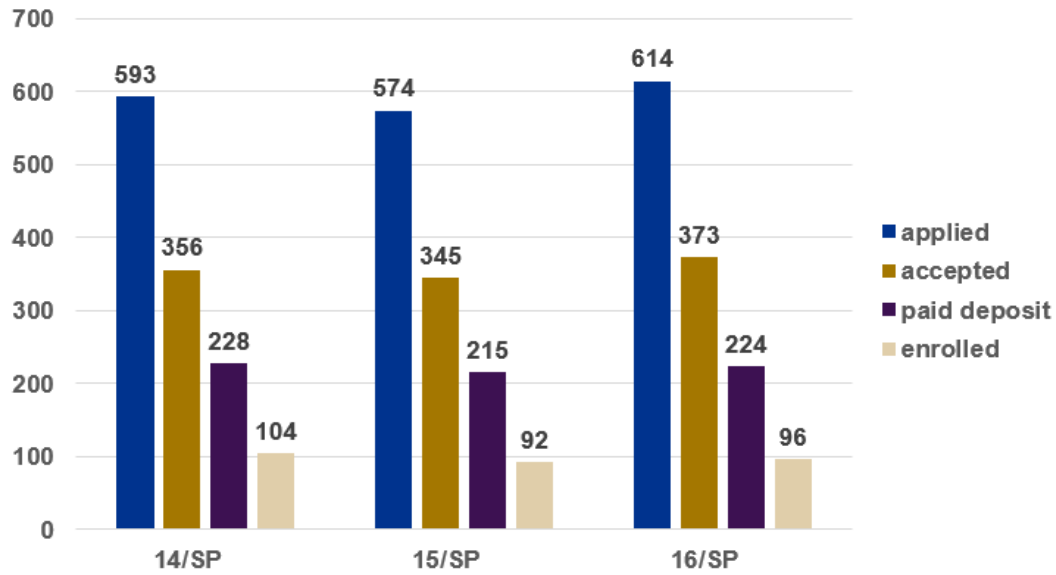


Comparative Donor Numbers - July to August



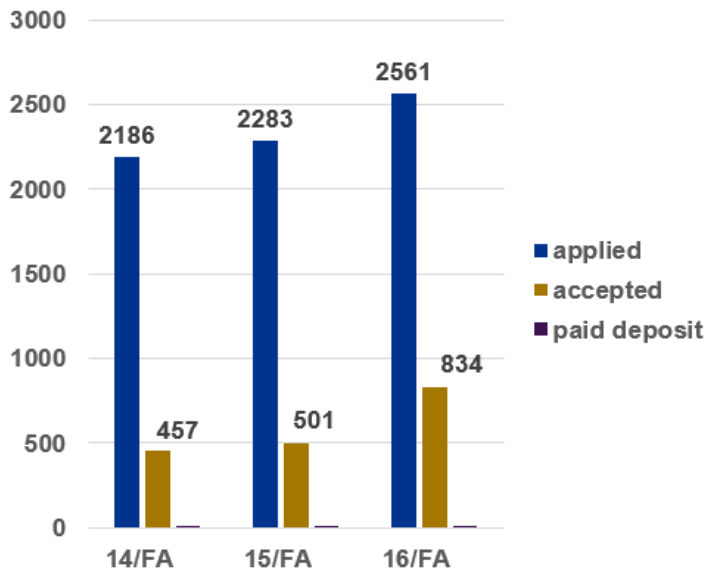
Spring 2016 Admissions Snapshot

- Spring 2016 as of 12/22/15



Fall 2016 Admissions Snapshot

- Fall 2016 as of 12/22/15



Fall 2016 (as of 12/22/15)

2,373 F apps (+11%)
834 F Accepts (+66%)

1,080 EA apps (+ 39%)
667 EA Accepts (+37)

652 NUG apps (+55%)

174 OST apps (+41%)

203 out of state apps (+22%)



WORCESTER
STATE
UNIVERSITY

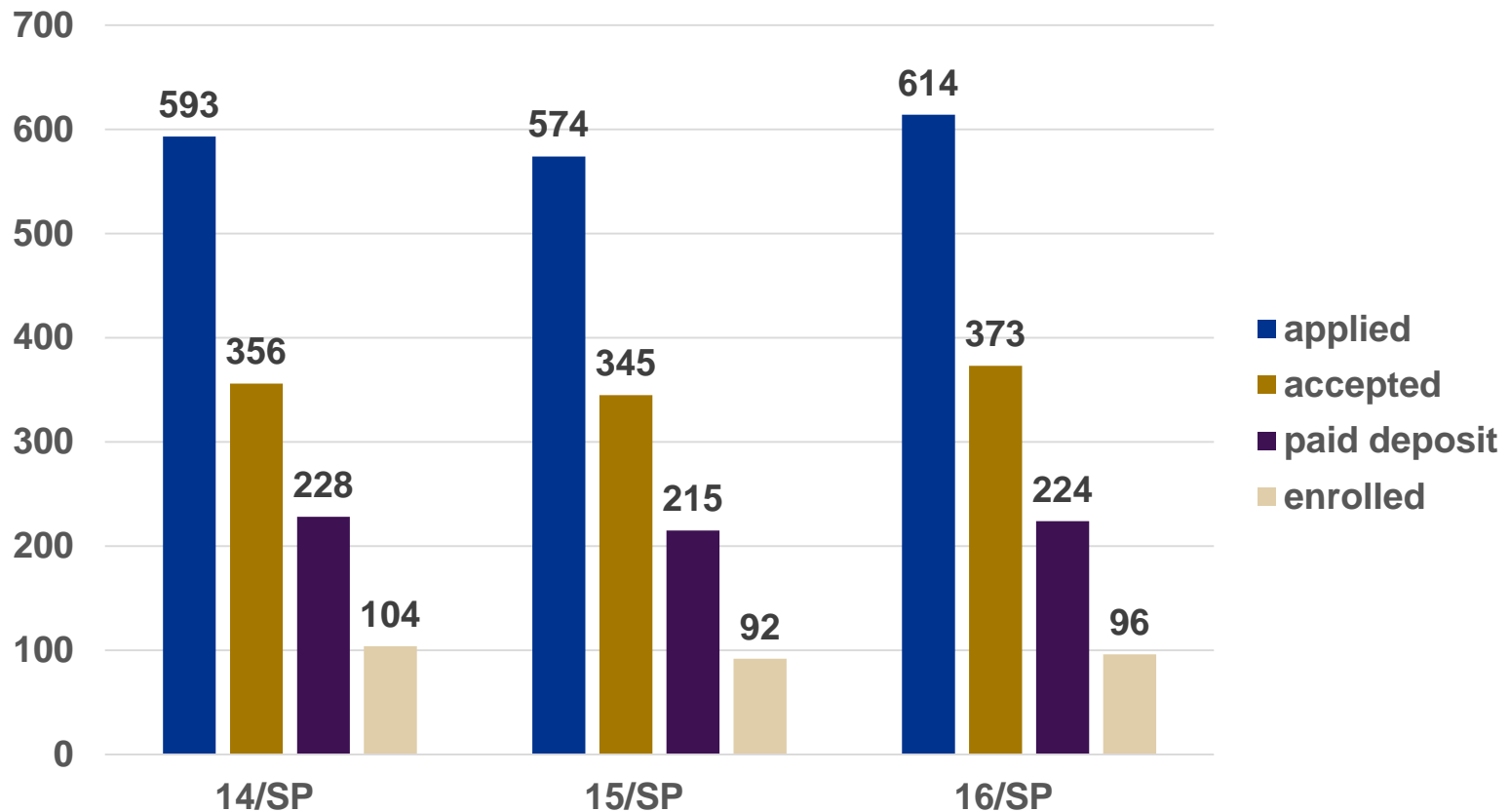
Enrollment Management Board of Trustees Update

January 12, 2016



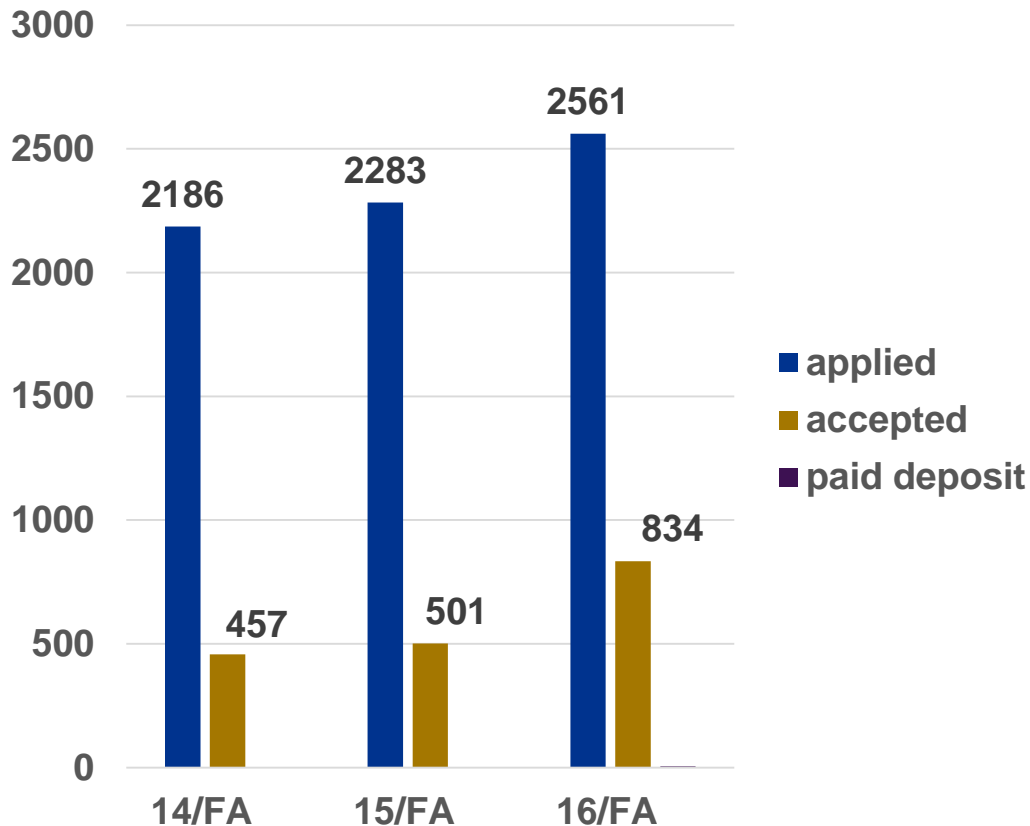
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\$30,000 Degree Agreements

- \$30,000 Degree Agreements have been developed between WSU and Greenfield Community College, Springfield Technical Community College, Mount Wachusett Community College, and Quinsigamond Community College.
- The Massachusetts Department of Higher Education is encouraging statewide adoption of the \$30,000 Degree model.
- WSU is engaged in the statewide efforts, including the informing of other on existing agreements and development of components of possible future agreements.
- Governor Baker has shown interest in these agreements and may seek to promote the statewide efforts in the near future.

New Pre-Registration Process

- The new one-week pre-registration period this semester, replacing the old model of a two-week registration, ran exceptionally smoothly.
- Between October 29th and November 15th, 1,887 students pre-bundled their courses on WebAdvisor.
- During pre-registration week (Nov 16-20), 3,402 students registered online and 943 registered in-person (duplicated).
- By Nov 24th, 3,856 students had registered, which resulted in more students than ever receiving academic advise prior to pre-registration.

Marketing

- Three Capital Campaign Videos complete
- First Continuing Ed piece is being created: branded, designed, and written
- Seven New graduate brochures are being produced – Education, Nursing, Business, M.S. Arts, OT, SLP, and Biotechnology
- Center for Business and Industry (CBI) advertising campaign started
- Admissions feature video produced
 - One overall video to show at Open Houses and events
 - Three vignettes: student life, community involvement, and academics
- Wellness Center video to unveil at opening
- Fun Lancer Illustration for apparel, print, web, social media, etc.
- WSU will be sponsoring Boston Marathon again this year on WBZ

CBI Promotional Materials



Online Display Ads and Targeted SEM/Google Ad words

Pull-up Trade Show Banner



Print Materials




- Customized training
- Open enrollment programs
- Non-credit and credit
- Flexible delivery options

Changing Lives Campaign Video



TO: Members, WSU Board of Trustees

FROM: Barry M. Maloney 

RE: Honorary Degree and Community Service Award

DATE: January 4, 2016

I am submitting for your approval, my recommendation to award an Honorary Doctor of Public Administration, *Honoris Causa*, to our 2016 Commencement Speaker, Lt. Governor Karyn Polito. I am also requesting your approval of the awarding of the 2016 Community Service Award to Former District attorney John Conte. Both will be presented at Commencement on Saturday, May 14, 2016.


Both Lt. Governor Polito and Former District Attorney Conte were vetted through a process that included faculty, students and staff and were approved for inclusion in the Speakers/Awards Pool by the Board. With approval of both the SA Committee and the All University Committee, I am requesting your positive action on these two recommendations.

Karyn Polito was inaugurated on January 8, 2015 as the 72nd Lieutenant Governor of the Commonwealth of Massachusetts.

Lieutenant Governor Polito began her public service in local government, serving as a member of the Shrewsbury Board of Selectmen. She then expanded her work to the state level, serving as a member of the State Lottery Commission. In 2001, Polito ran for State Representative and won, representing the residents of the 11th Worcester District (Shrewsbury and Westborough) for five terms. In her time on Beacon Hill, Polito was a leading advocate for the passage of "Jessica's Law," a bill which would establish tough mandatory minimum sentences for child sex offenders. Her advocacy paid off in 2008 when she worked with her Democratic colleagues to pass tougher sentencing legislation and require District Attorneys to file more comprehensive reports about child sex offenses in Massachusetts. She served on the Robert H. Goddard Council on Science, Technology, Engineering and Mathematics Education, and she hosted the annual "Women in Science" conference in Worcester. She is a board member of the Worcester Area Regional Chamber of Commerce, and the Corridor Nine Area Chamber of Commerce.

John J. Conte, Former District Attorney for Worcester County was born and raised in Worcester and he graduated from College of the Holy Cross and the New England School of Law. He taught at Assumption Preparatory School and in the Worcester Public schools. Following his time as a teacher, he spent fourteen years as a member of the Massachusetts State Senate representing the Second Worcester District. Following his years in the Senate, Mr. Conte served for 40 years as Worcester County's District Attorney (Middle District). He established the Victim/Witness Program and specialized units to handle child abuse, disabled person's protection, elder abuse, juvenile justice, drug enforcement, civil rights, open meeting law, mental health matters, a domestic violence unit, and the DAs Community and School Project.

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