

WORCESTER STATE UNIVERSITY
FINANCE & FACILITIES COMMITTEE MEETING

Tuesday, April 9, 2024

10:00 A.M.

REMOTE PARTICIPATION

Join Zoom Meeting

[https://worchester.zoom.us/j/91](https://worchester.zoom.us/j/91560689567?pwd=aUpncSsxVXkyRVpVVVRMY2NRL3pqQT09)

[560689567?pwd=aUpncSsxVXky](https://worchester.zoom.us/j/91560689567?pwd=aUpncSsxVXkyRVpVVVRMY2NRL3pqQT09)

[RVpVVVRMY2NRL3pqQT09](https://worchester.zoom.us/j/91560689567?pwd=aUpncSsxVXkyRVpVVVRMY2NRL3pqQT09)

Meeting ID: 915 6068 9567

Passcode: 951662

Meeting Called By: Lisa Colombo (Chair)

Minutes: Nikki Kapurch

Board Members: Lisa Colombo (Chair); Lawrence Sasso (Vice-Chair); Dina Nichols; Amy Peterson

WSU Staff: Barry Maloney; Kathy Eichelroth; Carl Herrin; Nikki Kapurch; Ashlynn Allain

All documents considered to be **drafts** until discussed and/or approved by the Board

AGENDA		
ITEM	RESPONSIBLE	ACTION
1. <i>Administrative Business</i> A. Call to Order	Lisa Colombo	
2. <i>Finance & Facilities Committee Report</i> A. FY 2024 Quarter 2 Financial Reports* B. FY 2024 Budget Resource Discussion*	Lisa Colombo Kathy Eichelroth	A. Informational B. vote required
3. <i>Administrative Updates</i> A. Other Business	Lisa Colombo	
4. <i>Adjournment</i>	Lisa Colombo	4. vote required

*Attachments

FY 2024 Quarter 2 Financial Reports

All Trust Funds

Year-to-Date Revenue through December 31, 2023

Year-to-Date Expenses through December 31, 2023

Operating Budget (*State Appropriations and General Purpose Trust Fund*)

Year-to-Date Revenue through December 31, 2023

Year-to-Date Expenses through December 31, 2023

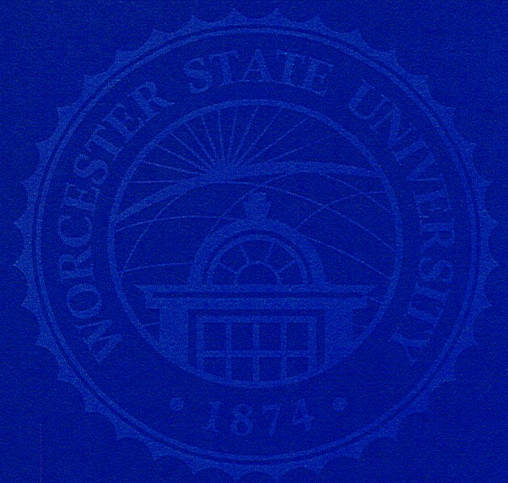
Resident Hall Trust Fund

Year-to-Date Revenue through December 31, 2023

Year-to-Date Expenses through December 31, 2023



All Trust Funds



Worcester State University
All Trust Fund Report - Quarter 2
FY24 Budget vs Actuals
Revenues 12/31/2023

Account Description	Original Budget - BOT	Amendment #1 Budget - BOT	Revenue Budget Excluding Transfers	Revenue Earned Actual	Percent of Budget Earned	Unearned
General Trust Fund (400)	48,843,584.00	48,843,584.00	42,727,511.00	38,865,975.93	90.96%	3,861,535.07
Capital Improvement Trust Fund (405)	2,729,601.00	2,729,601.00	2,729,601.00	2,484,299.21	91.01%	245,301.79
Parking Garage Operating Fund (408)	701,206.00	701,206.00	-	-	0.00%	-
Strategic Plan Trust Fund (410)	89,000.00	60,000.00	-	-	0.00%	-
Wellness Center Trust Fund (429)	100,490.00	100,490.00	42,328.00	31,747.67	75.00%	10,580.33
Parking Fines Fund (439)	90,000.00	90,000.00	50,477.00	43,185.00	85.55%	7,292.00
Health Services Trust Fund (442)	1,004,473.00	1,004,473.00	1,004,473.00	966,857.84	96.26%	37,615.16
Resident Hall Trust Fund (445 & 444)	11,976,996.00	11,976,996.00	11,976,996.00	11,317,419.99	94.49%	659,576.01
Student Activities Trust Fund (446)	440,735.00	440,735.00	233,139.00	224,126.12	96.13%	9,012.88
Residence Hall Technology and Equipment Trust Fund (448)	272,910.00	272,910.00	272,910.00	270,820.00	99.23%	2,090.00
	66,248,995.00	66,219,995.00	59,037,435.00	54,204,431.76	91.81%	4,833,003.24

Approved Budget	66,219,995.00
Amount is not earned revenue but transfers to fund current activity	(701,206.00)
Amount is not earned revenue but reserve balances budgeted to fund current activity	(365,281.00)
Amount Transferred in from Reserves	(6,116,073.00)
Amount Transferred in from ARPA Allocation	-
	<u>59,037,435.00</u>
Variance	-

Worcester State University
All Trust Fund Report - Quarter 2
FY24 Budget vs Actuals
Expenses 12/31/2023

Account Description	Original Budget - BOT	Amendment #1 Budget - BOT	Expenditure Budget	Expenditure Actual	Percent of Budget Spent	Available
General Trust Fund (400)	48,843,584.00	48,843,584.00	48,843,584.00	22,870,429.73	46.82%	25,973,154.27
Capital Improvement Trust Fund (405)	2,729,601.00	2,729,601.00	536,617.00	-	0.00%	536,617.00
Parking Garage Operating Fund (408)	701,206.00	701,206.00	701,206.00	130,107.91	18.55%	571,098.09
Strategic Plan Trust Fund (410)	89,000.00	60,000.00	60,000.00	39,830.29	66.38%	20,169.71
Wellness Center Trust Fund (429)	100,490.00	100,490.00	100,490.00	32,551.78	32.39%	67,938.22
Parking Fines Fund (439)	90,000.00	90,000.00	90,000.00	26,445.16	29.38%	63,554.84
Health Services Trust Fund (442)	1,004,473.00	1,004,473.00	621,992.00	4,476.19	0.72%	617,515.81
Resident Hall Trust Fund (445 & 444)	11,976,996.00	11,976,996.00	11,929,332.00	4,400,717.03	36.89%	7,528,614.97
Student Activities Trust Fund (446)	440,735.00	440,735.00	440,735.00	107,442.07	24.38%	333,292.93
Residence Hall Technology and Equipment Trust Fund (448)	272,910.00	272,910.00	221,880.00	96,865.25	43.66%	125,014.75
	66,248,995.00	66,219,995.00	63,545,836.00	27,708,865.41	43.60%	35,836,970.59

Approved Budget

66,219,995.00

Amount reflects a budgeted transfer from fund 405 to fund 408
 Reflects a transfer to fund balance to increase reserves in fund 442
 Reflects a transfer to fund balance to increase reserves in fund 405
 Reflects a transfer to fund balance to increase reserves in fund 445
 Reflects a transfer to fund balance to increase reserves in fund 448

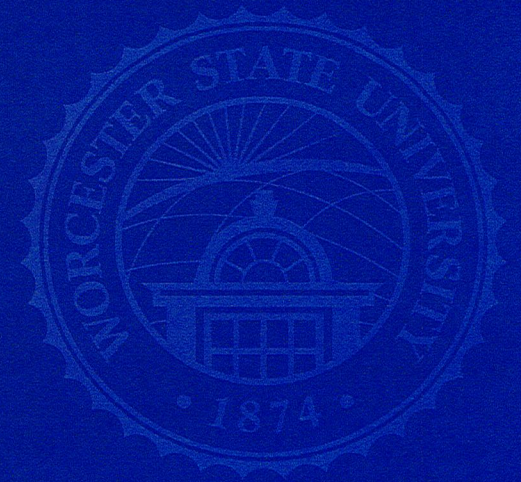
(701,206.00)
 (382,481.00)
 (1,491,778.00)
 (47,664.00)
 (51,030.00)

63,545,836.00

Variance

-

Operating Budget



Worcester State University
FY24 Budget vs Actuals - Quarter 2
Revenues 400, 111, & Closing Sources
12/31/2023

Description	Original Budget - Upload	Amendment #1 Budget - BOT	Revenue Budget Excluding Transfers	Revenue Earned Actual	Percent of Budget Earned	Unearned
Academic Fees	(35,939,865.45)	(35,939,865.45)	(35,939,865.45)	(33,066,411.01)	92.00%	(2,873,454.44)
Fee Waivers	824,638.32	824,638.32	824,638.32	791,846.30	96.02%	32,792.02
Tuition	(7,489,969.87)	(7,489,969.87)	(8,389,969.87)	(6,544,944.72)	78.01%	(1,845,025.15)
Tuition Waivers	298,616.00	298,616.00	298,616.00	217,122.75	72.71%	81,493.25
Activity Income	(110,913.00)	(110,913.00)	(110,913.00)	(1,950.45)	1.76%	(108,962.55)
Other Student Charges	(310,017.00)	(310,017.00)	(356,607.00)	(420,371.14)	117.88%	63,764.14
State Maintenance	(50,755,206.00)	(50,805,206.00)	(50,805,206.00)	(34,162,399.82)	67.24%	(16,642,806.18)
	(93,482,717.00)	(93,532,717.00)	(94,479,307.00)	(73,187,108.09)	77.46%	(21,292,198.91)

Approved Budget (99,648,790.00)

Amount Transferred in from Reserves 6,116,073.00

Amount Transferred in for ARPA Allocation -

Sources Closing to 400 (946,590.00)

(94,479,307.00)

Variance -

Worcester State University
FY24 Budget vs Actuals - Quarter 2
Expenses 400, 111, & Closing Sources
12/31/2023

Account Description	Object	Original Budget - BOT	Amendment #1 Budget - BOT	Current Budget	Actual	Percent of Budget Spent	Available
Regular Employees	AAA	46,254,709.00	46,254,709.00	46,260,609.00	21,715,873.72	46.94%	24,544,735.28
Employee Related Expenses	BBB	601,853.00	614,853.00	673,931.89	352,849.06	52.36%	321,082.83
Temporary Part-Time Employees	CCC	9,579,855.00	9,588,855.00	9,589,150.28	4,620,477.22	48.18%	4,968,673.06
Staff Benefit Expenses	DDD	21,343,174.00	21,343,174.00	21,343,174.00	9,533,932.50	44.67%	11,809,241.50
Administrative Expenses	EEE	3,042,988.00	3,043,488.00	3,037,147.10	1,166,854.19	38.42%	1,870,292.91
Facility Operation Supplies	FFF	2,099,362.00	2,111,262.00	1,877,755.98	563,394.94	30.00%	1,314,361.04
Energy/Space Rental	GGG	2,053,000.00	2,053,000.00	1,934,193.54	835,161.00	43.18%	1,099,032.54
Professional Services	HHH	994,652.00	1,006,652.00	1,993,020.58	1,410,823.89	70.79%	582,196.69
Operational Services	JJJ	1,018,004.00	1,018,004.00	1,015,566.27	951,899.79	93.73%	63,666.48
Equipment Purchase	KKK	-	-	15,273.98	43,180.59	0.00%	(27,906.61)
Equipment Lease, Maintenance, Repair	LLL	1,117,192.00	1,120,792.00	1,255,475.75	567,396.26	45.19%	688,079.49
Infrastructure & Building Improvements	NNN	5,171,100.00	5,171,100.00	5,241,846.69	2,054,531.13	39.19%	3,187,315.56
Educational Assistance	RRR	2,457,611.00	2,457,611.00	2,461,611.00	1,146,483.00	46.57%	1,315,128.00
Debt Service	SSS	325,000.00	325,000.00	325,000.00	344,521.36	106.01%	(19,521.36)
Technology Expenses	UUU	3,540,290.00	3,540,290.00	3,571,623.94	2,056,250.28	57.57%	1,515,373.66
		99,598,790.00	99,648,790.00	100,595,380.00	47,363,628.93	47.08%	53,231,751.07

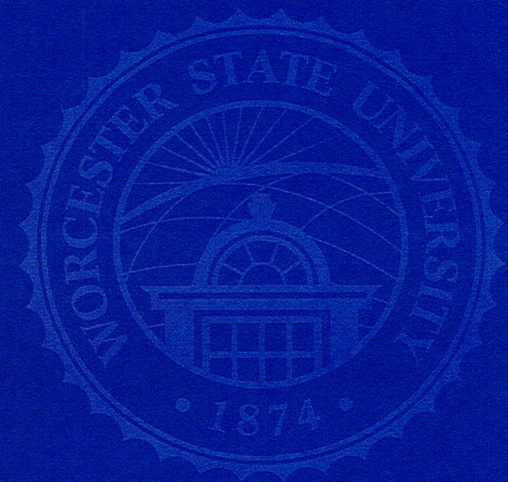
Approved Budget 99,648,790.00

Sources Closing to 400 946,590.00

100,595,380.00

Variance -

Residence Hall Trust Fund



Worcester State University
FY24 Budget vs Actuals - Quarter 2
Residence Hall Trust Fund Revenue (Source 445 & 444)
12/31/2023

Description	Original Budget - Upload	Revenue Budget Excluding Transfers	Revenue Earned Actual	Percent of Budget Earned	Unearned
Academic Fees	-	-	61,550.00	0.00%	(61,550.00)
Res Hall Room Charges	11,976,996.00	11,976,996.00	11,129,569.36	92.92%	847,426.64
Other Student Charges	-	-	126,300.63	0.00%	(126,300.63)
	11,976,996.00	11,976,996.00	11,317,419.99	94.49%	659,576.01

Approved Budget 11,976,996.00

Amount reflects a transfer from fund balance -

11,976,996.00

Variance -

Worcester State University
FY24 Budget vs Actuals - Quarter 2
Residence Hall Trust Fund Expenses (Source 445 & 444)
12/31/2023

Account Description	Object	Original Budget - BOT	Current Budget	Actual	Percent of Budget Spent	Available
Regular Employees	AAA	1,506,627.00	1,506,627.00	663,855.80	44.06%	842,771.20
Employee Related Expenses	BBB	-	5,000.00	1,870.47	0.00%	3,129.53
Temporary Part-Time Employees	CCC	225,000.00	225,000.00	99,092.00	44.04%	125,908.00
Staff Benefit Expenses	DDD	631,126.00	631,126.00	270,712.96	42.89%	360,413.04
Administrative Expenses	EEE	37,000.00	37,000.00	4,725.13	12.77%	32,274.87
Facility Operation Supplies	FFF	240,000.00	235,000.00	73,233.84	31.16%	161,766.16
Energy/Space Rental	GGG	8,158,131.00	8,158,131.00	2,482,163.33	30.43%	5,675,967.67
Professional Services	HHH	6,200.00	10,200.00	2,833.00	27.77%	7,367.00
Operational Services	JJJ	-	-	-	0.00%	-
Equipment Purchase	KKK	-	-	-	0.00%	-
Equipment Lease, Maintenance, Repair	LLL	37,500.00	37,500.00	3,995.76	10.66%	33,504.24
Infrastructure & Building Improvements	NNN	629,748.00	621,748.00	446,141.46	71.76%	175,606.54
Educational Assistance	RRR	434,000.00	434,000.00	349,470.88	80.52%	84,529.12
Technology Expenses	UUU	24,000.00	28,000.00	2,622.40	9.37%	25,377.60
		11,929,332.00	11,929,332.00	4,400,717.03	36.89%	7,528,614.97

Approved Budget 11,976,996.00

Amount reflects a transfer to fund balance to increase reserves in fund 445 (47,664.00)

Amount reflects a transfer to cover facilities expenses in fund 445 -


11,929,332.00

Variance -

Memorandum

DATE: March 26, 2024

TO: Barry M. Maloney, President

FROM: Kathleen Eichelroth, Vice President for Administration and Finance 

RE: FY 2025 BUDGET RESOURCE DISCUSSION

Governor Healey released her spending plan for FY 2025 which has annualized all FY 2024 state funding into a FY 2025 base funding line. The annualized base includes collective bargaining increases that were rolled out in FY 2024 and our FY 2024 allotment of performance funding. The Governor has not proposed resources in FY 2025 for performance funding or the internship incentive and endowment incentive programs.

FY 2025 will be the first year since COVID that we do not have any one-time operating grants available to offset operating expenses. We are in the process of firming up the estimates for campus generated revenue while evaluating the status of revenue generation compared to budget for FY 2024. We anticipate we will need to address a continuing budget shortfall. The extent to which we will need to rely on a budgeted reserve draw to fill a revenue gap is not known at this time. We are quantifying savings that have been achieved during the current year and evaluating other opportunities to suspend or eliminate expenses in FY 2025.

While planning for operating expenses in FY 2025 we have returned to a deliberative process of soliciting funding requests. The budget process had been limited to level funding over the past four years in response to COVID. The last deliberative process that included a prioritization of funding requests occurred in the winter of 2020 in preparation of the FY 2021 budget. The decision to engage the campus at the division level in a process of requesting and prioritizing funds is driven by the need to align resources with strategic plan priorities. It is unclear at this point in time how, or if, any new resources will be allocated to a prioritized list of new initiatives. At the conclusion of the prioritization process we will have initiatives that will have been vetted and ready to execute should additional new resources be identified as we close out the budget process or continue in to the new year.

Outside of a prioritized list there is a need to increase several spending categories due to loss of budget capacity in a level funded situation as a result of increased inflation. We have not provided any inflationary increases to spending categories since 2016. The struggle that budget managers have experienced attempting to sustain departmental operations with resources that have remained static for years has been acknowledged and will be alleviated somewhat by a 6% increase to certain budget categories.

Through the efforts of our Operational Excellence (OpEx) initiative an estimated \$1.6M in savings have been identified in FY 2024 which will be offset in the FY 2025 budget. The OpEx team continues to work through the 70 FSTF recommendations, the two demonstration projects and other just in time events to increase campus efficiencies and quantify savings. In conjunction with the FY 2025 budget presentation to the Board of Trustees in June, a comprehensive update on OpEx operations will be presented.

As we work on reconciling the budget it is important to recognize that we will continue to program reserves into the funding equation. In addition, we are asking for consideration of an annual General Fee increase of up to \$500 in FY 2025.

WSU last increased its General Fee by a vote of the Board of Trustees in March 2023. An annual General Fee increase of \$500 was approved for FY 2024 bringing the amount assessed annually for a full-time undergraduate student to \$9,298. The General Fee, which is the largest institutional source of revenue provides the majority of local revenue to operate the university. The General Fee is one of several mandatory fees assessed to undergraduate students. Total mandatory fees in FY 2023 include the General fee, the Student Activity fee (\$72 per year), the Student Health Service fee (\$310 per year), and the Capital Improvement fee (\$636 per year), for the total cost of mandatory fees of \$10,316. Mandatory fees assessed by the state universities are reported annually to the Department of Higher Education. Mandatory fees at the state universities are comparable to tuition assessed by private institution's, where the funds are the primary source of revenue to operate the institution.

A rolling ten-year trend is maintained on the DHE website, an excerpt of which is attached. The table is intended to provide context with regard to rate setting history, trends prior to, during, and after COVID, and positioning with regard to "cost of attendance".

This proposed increase in the General Fee will place WSU at the higher end of mandatory fees among the state university institutions if the other campuses do not increase their rates. The Commonwealth's continued investment in state funded student financial aid will cover the additional cost of attendance for the neediest students. Increased financial aid from the Commonwealth will also provide the opportunity for WSU to better leverage campus scholarship dollars to address the resource gaps of other students.

We believe the strategy described above is prudent as we continue to work on quantifying the budget gap for the coming year and prepare the FY 2025 budget plan for the June Board meeting.

**Mandatory Fees at Massachusetts Public Colleges and Universities
(Based on Fall Resident Undergraduate State-Supported Rates)**

Segment	Institution	FY-2015	FY-2016	FY-2017	FY-2018	FY-2019	FY-2020	FY-2021	FY-2022	FY-2023	FY-2024	1 Yr % Chg	FY 25 increase	WSU difference
State Universities	Bridgewater State University	\$7,444	\$8,018	\$8,718	\$9,102	\$9,458	\$9,822	\$9,822	\$9,822	\$10,146	\$10,480	3%	\$0	(\$336)
State Universities	Fitchburg State University	\$8,290	\$8,964	\$9,164	\$9,184	\$9,384	\$9,534	\$9,684	\$9,684	\$9,950	\$10,074	1%	\$0	(\$742)
State Universities	Framingham State University	\$7,354	\$7,734	\$8,374	\$8,950	\$9,550	\$10,130	\$10,410	\$10,410	\$10,410	\$10,660	2%	\$0	(\$156)
State Universities	Massachusetts College of Art and Design	\$10,194	\$10,694	\$11,170	\$11,670	\$12,170	\$12,670	\$13,170	\$13,170	\$13,540	\$13,930	3%	\$0	\$3,114
State Universities	Massachusetts College of Liberal Arts	\$7,946	\$8,446	\$8,846	\$9,106	\$9,530	\$9,900	\$10,276	\$10,276	\$10,560	\$10,854	3%	\$0	\$38
State Universities	Massachusetts Maritime Academy	\$5,778	\$6,076	\$6,374	\$6,684	\$7,946	\$8,182	\$8,424	\$8,570	\$8,782	\$9,038	3%	\$0	(\$1,778)
State Universities	Salem State University	\$7,736	\$8,336	\$8,826	\$9,368	\$9,972	\$10,374	\$10,764	\$10,764	\$11,068	\$11,068	0%	\$0	\$252
State Universities	Westfield State University	\$7,712	\$7,846	\$8,306	\$8,746	\$9,460	\$9,880	\$10,170	\$10,170	\$10,530	\$10,912	4%	\$0	\$96
State Universities	Worcester State University	\$7,588	\$7,888	\$8,232	\$8,562	\$9,192	\$9,192	\$9,616	\$9,616	\$9,816	\$10,316	5%	\$500	\$10,816
Weighted Average	State Universities*	\$7,710	\$8,153	\$8,634	\$9,023	\$9,572	\$9,901	\$10,151	\$10,149	\$10,435	\$10,726	3%		
Weighted Average	State Universities excludes MCAD and MMA**	\$7,660	\$8,118	\$8,621	\$9,016	\$9,524	\$9,849	\$10,080	\$10,072	\$10,338	\$10,608	3%		

Page created 12/6/2023

Source: Massachusetts Department of Higher Education

Weighted data calculated based on % Undergraduate FTE of total Segment and overall. (FTE figures used for calculation are one year in arrears due to reporting schedules.)

Mass Maritime and Mass College of Art and Design are reported separately because they are specialty schools and for purpose of Performance Measurement are not compared to other MA state colleges.