

**Westfield State University**  
Financial Affairs and Advancement Committee

**FY24 Provisional Operating Budget**

June 13, 2023

**OVERVIEW**

Westfield State University continues to experience declining revenues, increasing costs, and ongoing inflationary pressure. The campus now finds itself in a post-covid era where families assess affordability as a key factor in school choice and decreasing demographics as well as a shifting higher education landscape continue to be a challenge. Certain key economic factors such as inflation and a continued labor shortage have placed significant financial pressure on the campus, having the greatest impact on Facilities and Residential Life/Dining Services who more heavily rely on local labor and the delivery of goods/services. A significant factor in the provisional budget is funding the projected loss in residence life totaling \$4.7M.

Enrollment declines continue to cause a strain on tuition and fee revenue with the campus becoming more reliant on state appropriation. A critical strategy to closing the structural deficit is the Glide Path Plan, which relies on a 50/50 split for a draw on use of cash reserves, the equivalent amount of campus budget reductions, and enrollment growth. The campus has held back funding for several vacant positions to meet its \$3.3M obligation for the Glide Path Plan. The remaining structural deficit is currently projected at \$3.3M. The Glide Path Plan is entering its 2nd year while enrollment continues to decline.

While the Fair Share amendment has passed the legal hurdle, the allocation of higher education funding has now entered the political process. The campus provisional budget does not make any assumptions on potential fair share funding until the outcome of the political process is confirmed once the state budget has been approved. Changes in funding will be reflected in the October final budget.

**PROVISIONAL BUDGET PLAN FY24**

While new enrollment strategies have been implemented this year, full time undergraduate enrollment continues to decline. For instance, the campus invested \$0.2M in a yield strategy that has had an unexplainable opposite effect. The campus has also lowered its out of state cost of tuition, leveraging the proximity rate to expand out of state enrollment. However, enrollment growth is not expected within the first year. A key emphasis on innovation, enrollment strategies, and market sensitive programs is needed to improve our financial outlook.

- The FY24 Provisional Budget reflects a total remaining structural deficit of \$3.3M which is mainly driven by a \$4.7M deficit in Residential Life requiring the use of a campus transfer to ensure proper MSCBA required reserve funding. The reserve funding strategy will need to be reevaluated during the summer months to establish a multi-year reserve approach as

the campus works to resolve the deficit in Residential Life, as future losses are expected to continue.

- Grant revenue is projected to increase by approximately \$1M or 57% over last year. The campus has successfully been awarded a \$1.0M US Department of Education grant from Congressionally Directed Community Project Funds (CDCPF) in the Omnibus Appropriations Act of 2023. The US Department of Education grant will be used for a nursing and health sciences program including equipment.
- Summer conference revenue is expected to double this year over last year to \$950k. A strategic business plan will be completed this year using Innovation funds to develop the long-range plan, structure, and opportunities.
- Enrollment continues to trend downward resulting in continuation of a structural deficit. The campus is planning for enrollment of 2,960 billable students on a full year average basis, which is a reduction of 37 students (or 1.1% fewer) from the FY23 Budget of 2,997. This will have a compounding affect as smaller cohorts of incoming classes progress toward graduation. While the budget model assumed a billable student count of 2,960, current fall enrollments are tracking about 100 fewer students. An adjustment to the budget may be required prior to the October final budget.
- American Rescue Plan Act (ARPA) - State funding of \$1.6M is expected to be received by the campus and will be utilized solely for capital projects in FY24, which are the required use of those funds by law. The total ARPA Funding in FY24 including prior year funds and new funds is expected to be \$2.2M.

Financial challenges are significant in Residential Life, as expected, due to the overall enrollment impact. Occupancy is projected to be only 74%, with 1,771 students expected to live on campus, versus design occupancy of 2,397. Given that a majority of expenses in Residential Life are fixed in the form of MSCBA debt obligations, cost containment strategies are challenging for housing operations. Residential Life is currently projecting a total deficit of \$4.7M and will require an additional \$0.6M in funding from the campus operations to fully fund the projected loss and MSCBA required reserve balance, which is 5% of prior year expenses. Breakeven occupancy targets are estimated between 90% - 95%. If the campus cannot recover occupancy to its breakeven targets, strategies will be required to ensure financial sustainability and the campus will have to continue financially supporting the residential program.

- A review of Residential Debt structure is underway with the goal of refinancing or restructuring debt payments to provide short term relief; it is anticipated that decisions will be made this summer for a February 2024 bond issuance.
- The President's Innovation Fund totaling \$0.8M offered the campus an opportunity to submit ideas that support return on investment, cross-functional collaboration, and

alignment to the campus mission statement. The Innovation Fund Committee approved nearly all its preliminary \$0.3M allocation toward several key initiatives including the development of a plan for expanding summer conferences, developing a center for data analytics, investment in the Westfield Emerging Leaders Academy, the purchase of a laser cutter, and several other initiatives. The remaining unallocated balance will be rolled into FY24 for the President's Initiatives.

- Dining Services participation rates follow enrollment and occupancy levels. Currently, it is expected to contribute \$1.1M to the campus to support their overhead costs. Unlike residential life, dining expenses are more variable and based on staffing and food costs.
- CGCE has merged some administrative positions with the Day Division as part of the however, for planning purposes, the FY24 Provisional Budget assumes steady state in alignment with fiscal treatment as in previous years, since the merge of financials has not been completed. Revenue is expected to be flat year over year at \$12.1M. It is assumed that CGCE will contribute \$2.75M to the campus, in support of overhead costs.

### **FY24 BUDGET BALANCING STRATEGY**

The campus reduced funding for several budgeted positions to meet its 50% portion of the \$6.5M structural deficit, with an additional \$3.2M funded from reserves. The structural deficit projection will be updated once more accurate enrollment and state appropriation amounts are known.

### **SUMMARY**

The FY24 Provisional Budget was developed in order to support critical operations and opportunities, as several critical planning elements still remain uncertain. Key revenue indicators such as enrollment and state appropriation will be better known as we approach the fall, at which time the campus will develop a final budget in October. The campus continues to carefully evaluate the balance between affordability, enrollment, and strategic investments while striving to balance the budget, however, the sharp and continued declines in enrollment continue to present a significant financial challenge for the campus.

At the mid-point of FY24, an evaluation of the Glide Path Strategy should be conducted to determine if adequate progress has been made halfway through the three-year plan. A mid-course adjustment may be needed, or alternative strategies developed to ensure fiscal sustainability.

**Westfield State University**  
**FY24 Provisional Budget**

6/5/2023

				Year over Year Comparison	
	FY22 Final Budget	FY23 October Budget	FY24 Provisional Budget	\$ Fav / (Unfav)	% Fav/(Unfav)
<b>Revenue:</b>					
State Appropriation	31,988,905	35,404,926	36,404,926	1,000,000	3%
Total Tuition/Fee Revenue	36,100,094	34,813,216	34,912,758	99,543	0%
Foundation	839,000	1,065,500	1,195,500	130,000	12%
Grant Revenue	1,535,937	1,678,737	2,632,937	954,200	57%
Other Revenue	2,645,783	2,869,509	3,498,062	628,553	22%
CGCE	12,024,757	12,140,783	12,140,783	-	0%
Residential Life	14,659,945	15,477,267	15,205,342	(271,925)	(2%)
Dining Services	8,799,412	9,303,938	9,644,916	340,978	4%
Grants: HEERF/ARPA	3,667,966	1,908,352	2,212,072	303,720	16%
<b>Total Revenue</b>	<b>\$ 112,261,799</b>	<b>\$ 114,662,227</b>	<b>\$ 117,847,297</b>	<b>\$ 3,185,069</b>	<b>3%</b>
<b>Expense:</b>					
Compensation	43,040,061	44,804,892	43,345,409	1,459,483	3%
Fringe	5,043,794	4,682,228	4,078,940	603,289	13%
Department Operations	14,542,147	15,205,475	15,969,504	(764,030)	(5%)
Utilities	2,370,619	2,833,500	3,403,383	(569,883)	(20%)
Financial Aid	4,299,221	5,158,621	4,594,420	564,202	11%
Debt Service	2,099,258	1,481,315	1,488,098	(6,783)	(0%)
Contingency	650,000	629,000	650,000	(21,000)	(3%)
Capital Investments	2,575,000	3,575,000	5,004,318	(1,429,318)	(40%)
CGCE	8,768,566	9,465,305	9,590,305	(125,000)	(1%)
Residential Life	16,270,859	17,635,468	19,926,961	(2,291,493)	(13%)
Dining Services	7,677,659	7,961,754	8,541,316	(579,563)	(7%)
Strategic Investments	351,581	372,581	372,581	-	0%
All Other	4,610,169	5,025,116	6,153,227	(1,128,112)	(22%)
Innovation Fund	-	800,000	1,416,475	(616,475)	(77%)
FEMA Reimbursement Funds	-	1,269,232	1,459,972	(190,740)	(15%)
Covid Related Expenses	3,667,966	908,352	-	908,352	100%
UEAAC Savings	(1,886,114)	-	-	-	0%
<b>Total Expense</b>	<b>\$ 114,080,785</b>	<b>\$ 121,807,837</b>	<b>\$ 125,994,908</b>	<b>\$ (4,187,071)</b>	<b>-3%</b>
<b>Unadjusted Net Profit/(Loss)</b>	<b>\$ (1,818,986)</b>	<b>\$ (7,145,609)</b>	<b>\$ (8,147,611)</b>	<b>\$ (1,002,002)</b>	<b>14%</b>
<b>Revised Structural Deficit</b>	<b>\$ (2,883,584)</b>		<b>\$ -</b>		
<b>Net Profit/(Loss)</b>	<b>\$ (4,702,570)</b>	<b>\$ (7,145,609)</b>	<b>\$ (8,147,611)</b>	<b>\$ (1,002,002)</b>	<b>14%</b>
<b>Reserve Funding:</b>					
Planned Use of Reserves	950,958	2,983,610	3,175,356	191,746	6%
Capital Rollover	868,028	1,511,196	1,294,987	(216,210)	-14%
FEMA Rollover for Capital Projects	-	-	377,637	377,637	100%
<b>Total Use of Reserves</b>	<b>\$ 1,818,986</b>	<b>\$ 4,494,806</b>	<b>\$ 4,847,979</b>	<b>\$ 353,173</b>	<b>8%</b>
<b>Structural Deficit / Glide Path Use of Reserves</b>	<b>\$ 2,883,584</b>	<b>\$ 2,650,803</b>	<b>\$ 3,299,632</b>	<b>\$ 648,829</b>	<b>24%</b>
<b>Adjusted Surplus/(Deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Westfield State University**  
**FY24 Provisional Budget**

6/5/2023

	<b>FY22 Final Budget</b>	<b>FY23 October Budget</b>	<b>FY24 Provisional Budget</b>	<b>\$ Fav / (Unfav)</b>
<b>Planning Assumptions:</b>				
<b>Revenue Assumptions</b>				
Billable Students	3,215	2,997	2,960	(37)
% Change YoY	-9.5%	-6.8%	-1.2%	
Housing Students	1,769	1,788	1,771	(17)
% Change YoY	32%	1%	-1%	
Occupancy Rate	73%	75%	74%	
In-State Tuition and Fees Incr.	0%	3.4%	3.5%	
General Fee Increase	-	322	382	60
Residential COA Incr. (weighted avg.)	3%	3%	4%	
State Appropriation as % of Revenue	28%	31%	31%	
Investment Earnings	\$ 325,000	\$ 115,000	\$ 115,000	
Operating Reserve / Contingency	\$ 650,000	\$ 1,898,232	\$ 650,000	(1,248,232)
<b>Expense Assumptions</b>				
Strategic Plan Funding	\$ 351,581	\$ 372,581	\$ 372,581	\$ -
Financial Aid Increase	\$ 200,000	\$ 859,400	\$ (564,202)	\$ (1,423,602)
<b>Overhead Contributions</b>				
Dining Contribution	\$ 1,121,753	\$ 1,342,184	\$ 1,103,600	\$ (238,585)
CGCE Contribution	\$ 3,256,191	\$ 2,750,478	\$ 2,750,478	\$ -
<b>Net Results</b>				
CGCE Surplus	-	-	-	-
Residential Housing Deficit	(1,610,914)	(2,158,201)	(4,721,619)	(2,563,418)
Campus Transfer to Offset the Res Life Deficit			624,649	624,649
Dining Deficit	-	-	-	-

**Westfield State University  
FY24 Detailed Budget by Trust Fund  
Provisional Budget**

	Operating Budget	Innovation Fund	FEMA Reimb. Funds	ARPA Funding	Grants	Capital Project Fund	CGCE	Residential Life	Dining Services	Other Trust Funds	FY23 Budget
<b>Revenue</b>											
Scholarship Allowance					(11,570,448)						(11,570,448)
Tuition and Fees	34,912,758						12,140,783			-	47,053,541
Federal Grants and Contracts				2,212,072	8,478,385						10,690,457
State Grants and Contracts					5,375,000						5,375,000
Private Grants and Contracts					350,000					-	350,000
Residence Fees								14,924,116			14,924,116
Dining Fees									9,644,916		9,644,916
Other Operating Revenues	579,705							261,226		1,696,340	2,537,271
Commissions	307,016							20,000			327,016
State General Appropriations	36,404,926										36,404,926
Foundation Support	1,195,500										1,195,500
Innovation Fund		800,000									800,000
Investment Income	115,000										115,000
<b>Total Revenue</b>	<b>73,514,906</b>	<b>800,000</b>	<b>-</b>	<b>2,212,072</b>	<b>2,632,937</b>	<b>-</b>	<b>12,140,783</b>	<b>15,205,342</b>	<b>9,644,916</b>	<b>1,696,340</b>	<b>117,847,297</b>
<b>Expenses</b>											
Personnel	43,345,409				275,000		3,580,229	2,200,846	2,253,480	51,166	51,706,129
Fringe Benefits	4,078,940				115,750		1,708,890	1,008,207	1,060,494	23,946	7,996,227
Operations	15,969,504				2,069,187		4,226,186	2,130,193	4,562,180	2,509,690	31,466,940
Strategic Investments	372,581										372,581
Utilities	3,403,383							2,105,494			5,508,877
Debt Payments	1,488,098								520,063		2,008,161
FEMA Reimb. Spending Plan			1,082,335								1,082,335
Operating Contingency	650,000								145,100	18,138	813,238
Capital Projects			377,637	2,212,072		3,409,596			300,000		6,299,305
Scholarships	4,594,420				173,000		75,000	93,500	-	-	4,935,920
Transfers	(894,923)				80,103	(2,414,609)	2,750,478	(624,649)	1,103,600		-
MSCBA Assessment								12,388,720			12,388,720
Innovation Fund Expenditures		1,416,475									1,416,475
<b>Total Expense and Transfers</b>	<b>73,007,410</b>	<b>1,416,475</b>	<b>1,459,972</b>	<b>2,212,072</b>	<b>2,713,040</b>	<b>994,987</b>	<b>12,340,783</b>	<b>19,302,312</b>	<b>9,944,916</b>	<b>2,602,941</b>	<b>125,994,908</b>
<b>Net Revenue over Expense</b>	<b>507,496</b>	<b>(616,475)</b>	<b>(1,459,972)</b>	<b>-</b>	<b>(80,103)</b>	<b>(994,987)</b>	<b>(200,000)</b>	<b>(4,096,970)</b>	<b>(300,000)</b>	<b>(906,601)</b>	<b>(8,147,611)</b>
Planned Use of Reserves	289,842	616,475	1,082,335		80,103		200,000			906,601	3,175,356
Capital Rollover						994,987			300,000		1,294,987
FEMA Rollover for Capital Projects			377,637								377,637
Glide Path	3,299,632										3,299,632
<b>Total Use of Reserves</b>	<b>3,589,474</b>	<b>616,475</b>	<b>1,459,972</b>	<b>-</b>	<b>80,103</b>	<b>994,987</b>	<b>200,000</b>	<b>-</b>	<b>300,000</b>	<b>906,601</b>	<b>8,147,611</b>
<b>Net Surplus/(Loss)</b>	<b>4,096,970</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,096,970)</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Notes:**

1. Other Operating Revenues consist of parking, application fees, phone fee, non-credit program revenue and other miscellaneous fees
2. Transfers represent the movement of cash from one trust fund to another
3. Planned Use of Reserves may require minor adjustments following year end accounting validation
4. \$289k of ARPA Funded Capital Projects is grant funding from FY23, not a use of reserves, therefore not on the rollover list.

**Westfield State University**  
**FY24 Use of Rollovers and Use of Reserves**

5/31/2023

FY24 Preliminary Reserve Assumptions	Existing Budgeted Funds <i>Smooths Timing Issues</i>	Draw from Cash Reserves <i>Reduces Liquidity</i>	Total
Capital Rollover	\$ 994,987		\$ 994,987
Other Trust Fund Rollover	\$ 906,601		\$ 906,601
Operations Rollover <i>Supply Chain, ESTF, and Other</i>	\$ 289,842		\$ 289,842
CURCA	\$ 80,103		\$ 80,103
CGCE Marketing Rollover	\$ 200,000		\$ 200,000
FEMA Rollover	\$ 1,459,972		\$ 1,459,972
Dining Equipment Replacement	\$ 300,000		\$ 300,000
Innovation Fund Rollover	\$ 616,475		\$ 616,475
Glide Path Strategy 50% Split		\$ 3,299,632	\$ 3,299,632
<b>Total</b>	<b>\$ 4,847,979</b>	<b>\$ 3,299,632</b>	<b>\$ 8,147,611</b>

		Funding Source					Total	Comment
		Deferred Maintenance	Campus	DCAMM	MSCBA	ARPA		
<b>Physical Plant Projects</b>								
1	Deferred Maintenance & Project Mgmt	Y	638,503	1,348,602	T.B.D.	-	1,987,105	DCAMM Matching Funds
2	Facilities Master Plan	Y	175,000				175,000	
3	Critical Repair Contingency	Y	237,510				237,510	
4	Emergency Infrastructure Repairs	Y	100,000				100,000	
5	Emergency Equipment Failure	Y	100,000				100,000	
6	Mower/Polar Snow Machine (60")		79,000				79,000	
7	Woodward Performance Court resurface	Y	55,000				55,000	
8	Gender Inclusive Restroom		30,000				30,000	
9	Abatement Work & Finishes	Y	25,000				25,000	
10	Outdoor Screen Removal & Brick Repair	Y	25,000				25,000	
11	Environmental Services Parenzo Hall Needs		25,000				25,000	
12	Walker Mower (48")	Y	22,150				22,150	
13	ADA Upgrades		10,000				10,000	
<b>Sub-total</b>			<b>1,522,163</b>	<b>1,348,602</b>	<b>-</b>	<b>-</b>	<b>2,870,765</b>	
<b>Information Technology</b>								
1	Faculty/Staff Lifecycle		225,000				225,000	
2	Classroom Technology Replacement		125,000				125,000	
3	Computer Lab Replacement		125,000				125,000	
4	Dorm Services Router		110,000				110,000	
5	Argos		95,000				95,000	
6	Wireless Controller Licensing		80,000				80,000	
7	Backup Media Server		50,000				50,000	
8	Public Safety Network Gear		50,000				50,000	
9	Artic Wolf MDR Mgmt detection response		43,301				43,301	
10	Ellucian Experience		35,000				35,000	
11	Laptops & Laptop Cart		32,000				32,000	
12	DegreeWorks Upgrade		25,000				25,000	
13	ODA Patching		20,000				20,000	
14	MFD's		10,000				10,000	
15	Lab Computers		6,000				6,000	
<b>Sub-total</b>			<b>1,031,301</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,031,301</b>	
<b>Other Projects</b>								
1	Classroom Updates		175,000				175,000	
2	Miscellaneous Moves & Studies		100,000				100,000	
3	CARE Center Electrical Floor Outlets		35,000				35,000	
4	Greenhouse Renovation		31,173				31,173	
5	Common Area Furniture Upgrades		20,000				20,000	
6	Technology Tables		16,000				16,000	
7	Care Center Design - House Doctor		10,000				10,000	
8	Renovate assistive tech lab at Banacos Academic Center to a space for a GA, intern and study.		8,000				8,000	
9	Rock Wall Repairs		4,000				4,000	
<b>Sub-total</b>			<b>399,173</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>399,173</b>	
<b>Total</b>			<b>2,952,637</b>	<b>1,348,602</b>	<b>-</b>	<b>-</b>	<b>4,301,239</b>	
<b>Projects Funded via Rollover</b>								
1	Rollover Facility Projects	Y	837,074				837,074	
2	Rollover for DCAMM Projects	Y	132,597				132,597	
3	Rollover for IT Projects		20,172				20,172	
4	Rollover for Athletics		5,144				5,144	
5	Rollover for Dining Services					300,000	300,000	Walk-In Coolers and Freezers in the kitchen
<b>Sub-total</b>			<b>994,987</b>	<b>-</b>	<b>-</b>	<b>300,000</b>	<b>1,294,987</b>	
<b>Other - Grant Funded</b>								
1	ARPA Projects - FY23 Grant funded, to be complete in FY24				289,500		289,500	
2	Ely Hot Water Tanks and Circulator Pumps				1,472,572		1,472,572	
3	Parenzo Project Over-Run Contingency				450,000		450,000	
<b>Sub-total</b>			<b>-</b>	<b>-</b>	<b>2,212,072</b>	<b>-</b>	<b>2,212,072</b>	
<b>Grand Total</b>			<b>3,947,624</b>	<b>1,348,602</b>	<b>-</b>	<b>2,212,072</b>	<b>300,000</b>	<b>7,808,298</b>

**Notes:**

- MSCBA Project are not yet known at the time of planning and may change as final decisions are made
- The estimates noted above are construction estimates not project cost estimates.  
Once studies have been completed and bids received, total project costs will be determined.
- Deferred Maintenance - Campus Funded includes an in-house project manager cost of \$160,391.  
For Budgeting purposes, this is included in the compensation budget.
- FEMA Funds of \$377k are being used toward capital projects in FY24.



Westfield State University  
 FY24 Provisional Capital Budget - Institutional Projects; Facilities & Non-Facilities

6/5/2023

Item	Type	Project	Estimated Construction Cost / Match	Description
1	F&O	Road & Sidewalk Repairs (DCAMM)	600,000	Phased repair of campus roads and sidewalks to improve accessibility of campus roads and grounds
2	F&O	Ely Pool Restoration Study (DCAMM)	400,000	During previous work, additional pool area restoration needs were identified including pool deck HVAC equipment and physical pool repair to mitigate leaks
3	F&O	Dining Machinery Room (DCAMM)	300,000	Project to bring basement machinery room up to current code
4	F&O	Trades Building Roof (DCAMM)	276,714	Replacement of Trades Roof; project delayed from FY19-23 plan
5	F&O	Facility Emergencies (DCAMM)	250,000	DCAMM spending plan funds reserved for emergency repairs to prevent the need to remove projects from DCAMM spending plan
6	F&O	Facilities Project Manager (DCAMM)	160,391	Cost avoidance of hiring part-time outside project managers. In-house PM services provide improved, full-time oversight with WSU's interests at the forefront.
7	F&O	Facilities Master Plan	175,000	Final phase of work for Facilities Master Plan
8	F&O	Classroom Updates	175,000	Replacement of classroom furniture to allow campus spaces to better serve students and removed outdated items
9	F&O	Critical Repair Contingency	237,510	Critical Repair Contingency
10	F&O	Miscellaneous Moves & Studies	100,000	Moves & studies unrelated to previously planned projects
11	F&O	Emergency Infrastructure Repairs	100,000	Emergency repairs due to aging campus infrastructure
12	F&O	Emergency Equipment Failure	100,000	Emergency repairs due to aging campus mechanical equipment
13	F&O	Mower/Polar Snow Machine (60")	79,000	Replacement of aging equipment used to maintain campus grounds.
14	F&O	Greenhouse Renovation	31,173	Replacement of Greenhouse equipment, benches and related abatement work.
15	F&O	Gender Inclusive Restroom	30,000	Annual upgrade to add additional gender inclusive restrooms to campus spaces
16	F&O	Abatement Work & Finishes	25,000	Funds to address abatement needs on campus not related to planned major projects
17	F&O	Outdoor Screen Removal & Brick Repair	25,000	6 building mounted signs no longer function and are dropping screen guards from the equipment; brick repair needed upon removal- Safety Issue
18	F&O	Environmental Services Parenzo Hall Needs	25,000	Previous Parenzo equipment was used to replace failed units in other buildings
19	F&O	Walker Mower (48")	22,150	Replacement of aging equipment used to maintain campus grounds.
20	F&O	Common Area Furniture Upgrades	20,000	Replacement or reupholstering of common area furniture to allow spaces to better serve students and remove/repair outdated items
21	F&O	ADA Upgrades	10,000	Improve accessibility for students with mobility issues.
<b>Total Facilities Projects</b>			<b>3,141,938</b>	

<b>Total Non-Facilities Projects</b>	<b>1,159,301</b>
--------------------------------------	------------------

<b>Total FY24 Project Cost</b>	4,301,239
<i>Less: DCAMM Funding</i>	<i>-1,348,602</i>
<b>Campus Funding</b>	<b>2,952,637</b>

**Note:**

1. Funding may be from multiple sources; DCAMM, rollover funding from prior year, FY24 Campus Capital Budget
2. Amounts represented above are estimates

**Westfield State University  
FY24 Provisional Budget Capital Rollover**

**1) University Funded**

								University Funded
Submitted by	Location	Building	Project Name	Justification (2-3 Words)	FY23 Approved Funding Amount	Amount Spent by June 30th FY23	Remaining \$ / Unspent	FY24 Rollover Request
Alan Blair	n/a	n/a	Banner Upgrades	Continuing Ellucian Experience Work	87,213	67,041	20,172	20,172
Maureen Socha	Power Plant	Power Plant	Fuel Pump System	extensive equipment lead times	28,927	-	28,927	28,927
Maureen Socha	Campus-Wide	n/a	State Project-Solar Panels	limited projects qualify for use of funds	119,212	1,984	117,228	117,228
Maureen Socha	Campus-Wide	n/a	Miscellaneous Projects	multiple POs will not deliver/be complete by 6/30	239,956	114,180	125,776	125,776
Maureen Socha	Power Plant	Power Plant	Opacity Monitoring System	continuation of project	33,282			6,656
Nancy Bals	n/a	n/a	New Costumes	Costume is over 21 years old	5,200		5,144	5,144
William Connor	Dining	T&J		Dishwashing Project				300,000
Maureen Socha	Campus-Wide	n/a	Master Plan Study	FY24 request reduced for rollover; Utilization review ongoing	268,174	143,361	124,813	124,813
Maureen Socha	n/a	n/a	Common area upgrades/furniture	delivery after 6/30	20,000	-	20,000	20,000
Maureen Socha	n/a	n/a	UEACC Moves		69,354	30,207	39,147	39,147
Maureen Socha	n/a	n/a	Emergency Equip Failure		151,023	133,265	17,757	17,757
Maureen Socha	n/a	n/a	Misc Moves/Studies	study completion and moves to continue past 6/30/23	200,000	12,000	188,000	188,000
Academic Affairs	Greenhouse/ various classrooms	various	Greenhouse Renovation & furniture	on-going project	137,901	12,201	125,700	125,700
Academic Affairs	n/a	n/a	Space Renovations	on-going project	43,069	-	43,069	43,069
<b>Total University Funded</b>								<b>1,162,390</b>

**2) DCAMM Funded Projects WSU Match**

					DCAMM MATCH
FUND DESCRIPTION	ORG DESCRIPTION	ORG	ACCT		FY24 Rollover Request
PP DA System_Condensate DCAMM Match	Capital Planning	1141	7808		132,597

**3) ARPA Funded Projects**

					ARPA Funded
FUND DESCRIPTION	ORG DESCRIPTION	ORG	ACCT		Grant Funded, No Rollover Required
DHE/COVID19 ARPA Grant	Capital Planning	1141	7801		289,500
<b>Total Capital Rollover Requests</b>					<b>1,584,487</b>

May 30, 2023

Mr. Stephen J. Taksar  
Vice President, Administration and Finance

Dear Vice President Taksar,

I am requesting a van for the Technology Support Services (TSS) Department. Deployment services are increasing and moving technology and its associated supplies and accessories is becoming more frequent. Although two other departments, Media, and Infrastructure, have a van, the demand increase doesn't allow them to share any longer. With several constituents in TSS assisting with deployments, the use of their personal vehicles to transport the assets is a liability to the university. The van will also allow common supplies and tools to be available during deployments instead of having to return to the office. The van will also enable them to take more computers with them on deployment without having to return to the office, thereby increasing efficiency.

Thank you for your consideration of this request.

Sincerely,

*Alan R. Blair*

Alan R. Blair  
Chief Information and Security Officer  
Office of Information and Instructional Technology

Westfield State University  
 FY24 Lease and Motor Vehicle Schedule

6/13/2023

<b>FY24 New Vehicle Lease Request</b>	<b>Quantity</b>	<b>Cost/ Month</b>	<b>Total Cost</b>
Van for Information Technology Department	1	963	\$ 11,556

<b>Existing Vehicle Summary</b>	<b>Quantity</b>	<b>Cost/ Month</b>	<b>Annual Cost</b>
<b>Existing Lease Commitments:</b>			
Facilities, Public Safety, Media Services, Mail Services, Catering	24	\$ 15,475	\$ 185,700
5% Escalation			\$ 9,285
Program Service fee			\$ 8,082
<b>FY24 Lease Schedule</b>			<b>\$ 203,067</b>

FY24 Vehicle Lease Schedule Plus Requested Vehicle	\$ 214,623
FY23 Vehicle Lease Schedule	\$ 203,067
<b>Difference</b>	<b>\$ 11,556</b>

**Notes:**

1. The annual budget amount for leased vehicles is \$225k.



**Westfield State University**  
**Board of Trustees**  
**Financial Affairs and Advancement Committee**

**June 13, 2023**

*Prepared by:*

*Steve Taksar, Vice President of Administration and Finance*

*Maria Feuerstein AVP, Strategic Finance & Institutional Planning*

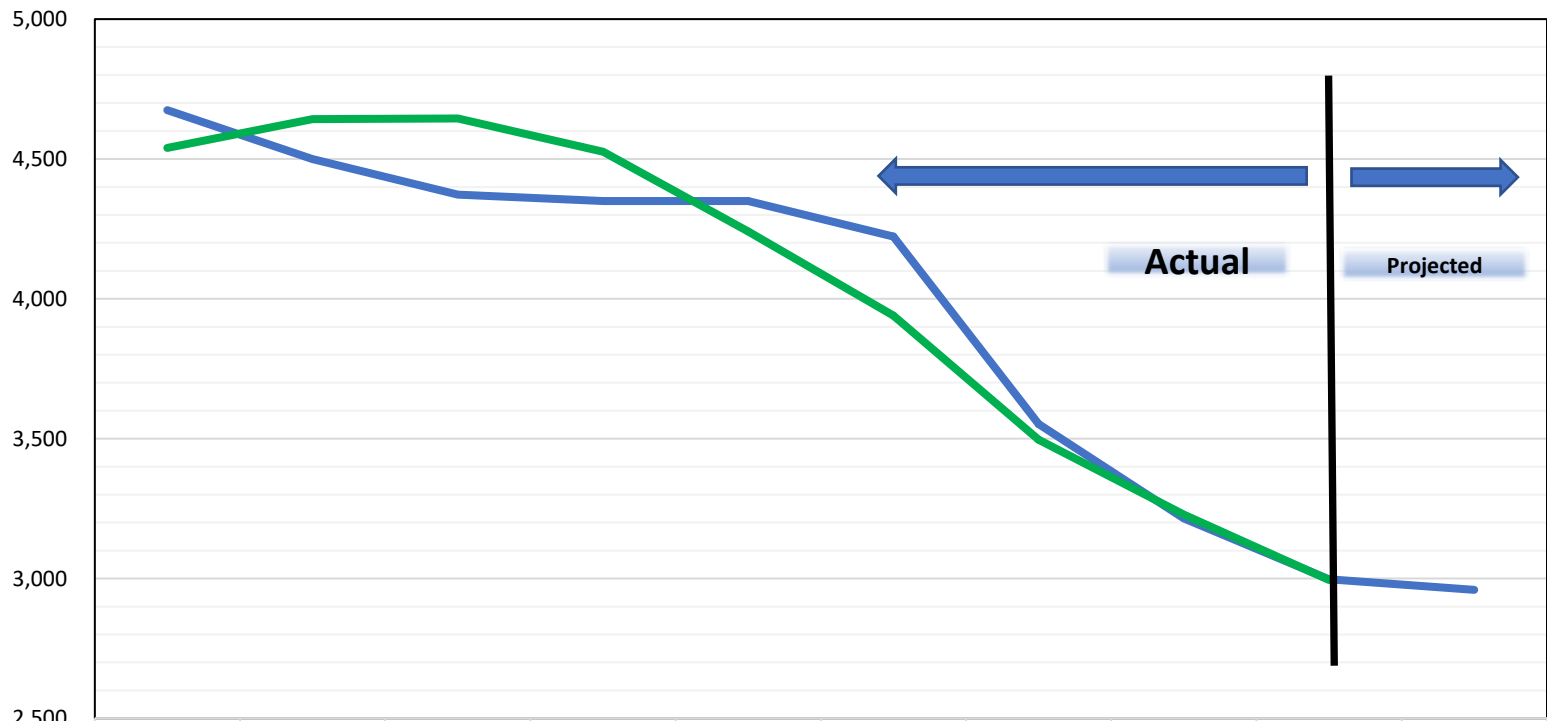


# Agenda

- Enrollment Overview
- FY24 Provisional Budget
- Residential Life Funding/Debt Service
- Reserve Funding Summary
- FY24 October Budget Planning
- Cash Reserves and Investments
- Q and A

# Historical Enrollment Overview

**Westfield State University  
UG Day Enrollment - Budgeted vs Actual/Projected (Billed)  
FY15 - FY24**



— Budget

— Actual

— Budget — Actual

# FY23 vs. FY24 Enrollment Variance

(as of 5/31/23)

	FY23 October Budget	FY23 Actual	FY23 Budget vs. FY23 Actual	FY24 Provisional Budget	FY24 Budget vs. FY23 Budget
	<i>a</i>	<i>b</i>	<i>= a - b</i>	<i>c</i>	<i>= c - a</i>
New Freshman	797	796	(1)	813	16
Transfers	213	213	-	213	-
Returning	2,238	2,238	(0)	2,168	(70)
<b>Total Fall</b>	<b>3,248</b>	<b>3,247</b>	<b>(1)</b>	<b>3,194</b>	<b>(55)</b>
					-
Spring Melt Rate 10%	2,923	2,922	(1)	2,874	(49)
<b>Average Billable</b>	<b>3,086</b>	<b>3,085</b>	<b>(1)</b>	<b>3,034</b>	<b>(52)</b>
Less: XRG	(100)	(100)	-	(75)	26
Adjustment: Other	11		(11)		(11)
<b>Full Year Average Billable Students</b>	<b>2,997</b>	<b>2,985</b>	<b>(11)</b>	<b>2,960</b>	<b>(36)</b>

	FY23 October Budget	FY23 Actual	FY23 Budget vs. FY23 Actual	FY24 Provisional Budget	FY24 Budget vs. FY23 Budget
	<i>a</i>	<i>b</i>	<i>= a - b</i>	<i>e</i>	<i>= e - c</i>
<i>Enrollment (FTE)</i>					
Graduate	612	613	1	612	-
PA	60	57	(3)	60	-
Undergraduate	652	520	(132)	652	-
<b>Total CGCE Student FTE Conversion</b>	<b>1,323</b>	<b>1,190</b>	<b>(134)</b>	<b>1,323</b>	<b>-</b>
<b>Total UG &amp; CGCE FTE</b>	<b>4,320</b>	<b>4,175</b>	<b>(145)</b>	<b>4,284</b>	<b>(36)</b>

## Note:

- Data compiled from billed student tracking, admissions data, and CGCE Webfocus data extraction.
- Actuals represent estimates based on a combination of known enrollment data and calculations



## Revenue Highlights

- State appropriation increase of \$1M or 3%
- Grant revenue increase of \$954k; federal earmark for a nursing and health sciences program.
- Tuition/fees and auxiliary revenue is flat due to decreasing enrollment offset by increased fees.
- CGCE revenue is flat but undergoing a new assessment to re-tool structure and strategy.
- Foundation funds increasing by \$130k or 12%.

# Expense Highlights

- Compensation and benefits decreasing by \$2M or 3% due to vacant position budget adjustments.
- Residential Life expenses increasing by \$2.3M or 13% due to debt service and utility costs.
- Capital investments increasing by \$1.4M or 40% using rollover funding for unfinished projects and \$377k of expected FEMA funding.
- All other expenses increasing by \$1.1M or 22% due to other trust fund rollovers and grant funding.
- Financial aid budget now based on discount rate of 13% and one-time allocation of reserves eliminated; rebalanced to base budget.
- Utilities increasing by \$700k due to continued energy market pressures
- One-time Covid expenses not continued in FY24, lower by \$908k.

# FY24 Provisional Budget – Trust Fund View

	Operating Budget	Innovation Fund	FEMA Reimb. Funds	ARPA Funding	Grants	Capital Project Fund	CGCE	Residential Life	Dining Services	Other Trust Funds	FY24 Budget
<b>Total Revenue</b>	73,514,906	800,000	-	2,212,072	2,632,937	-	12,140,783	15,205,342	9,644,916	1,696,340	117,847,297
<b>Total Expense and Transfers</b>	73,007,410	1,416,475	1,459,972	2,212,072	2,713,040	994,987	12,340,783	19,302,312	9,944,916	2,602,941	125,994,908
<b>Net Revenue over Expense</b>	507,496	(616,475)	(1,459,972)	-	(80,103)	(994,987)	(200,000)	(4,096,970)	(300,000)	(906,601)	(8,147,611)
Planned Use of Reserves	289,842	616,475	1,082,335		80,103		200,000			906,601	3,175,356
Capital Rollover						994,987			300,000		1,294,987
FEMA Rollover for Capital Projects			377,637								377,637
Glide Path	3,299,632										3,299,632
<b>Total Use of Reserves</b>	<b>3,589,474</b>	<b>616,475</b>	<b>1,459,972</b>	<b>-</b>	<b>80,103</b>	<b>994,987</b>	<b>200,000</b>	<b>-</b>	<b>300,000</b>	<b>906,601</b>	<b>8,147,611</b>
<b>Net Surplus/(Loss)</b>	<b>4,096,970</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,096,970)</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note:**

1. Planned Use of Reserves may require minor adjustments following year end accounting validation
2. Most of the Res Life losses are funded from Glide Path Reserves.

# FY24 Provisional Budget – Reserve Funding

	FY23 October Budget	FY24 Provisional Budget	Year over Year Comparison	
			\$ Fav / (Unfav)	% Fav/(Unfav)
<b>Total Revenue</b>	\$ 114,662,227	\$ 117,847,297	\$ 3,185,069	3%
<b>Total Expense</b>	\$ 121,807,837	\$ 125,994,908	\$ (4,187,071)	-3%
<b>Unadjusted Net Profit/(Loss)</b>	\$ (7,145,609)	\$ (8,147,611)	\$ (1,002,002)	-14%
<b>Revised Structural Deficit</b>				
<b>Net Profit/(Loss)</b>	\$ (7,145,609)	\$ (8,147,611)	\$ (1,002,002)	-14%
<b>Reserve Funding:</b>				
Planned Use of Reserves	2,983,610	3,175,356	191,746	6%
Capital Rollover	1,511,196	1,294,987	(216,210)	-14%
FEMA Rollover for Capital Projects	-	377,637	377,637	100%
<b>Total Use of Reserves</b>	\$ 4,494,806	\$ 4,847,979	\$ 353,173	8%
<b>Structural Deficit / Glide Path Use of Reserves</b>	\$ 2,650,803	\$ 3,299,632	\$ 648,829	24%
<b>Adjusted Surplus/(Deficit)</b>	-	-	-	-

- Assumes all budgeted dollars are spent and maximum use of reserves.
- Unlikely \$2.6M of FY23 reserves will be needed this year.
- Planned use of reserves were budgeted, yet unspent funds from FY23

# FY24 Reserve Funding Summary

FY24 Preliminary Reserve Assumptions	Existing Budgeted Funds <i>Smoothes Timing Issues</i>	Draw from Cash Reserves <i>Reduces Liquidity</i>	Total
Capital Rollover	\$ 994,987		\$ 994,987
Other Trust Fund Rollover	\$ 906,601		\$ 906,601
Operations Rollover <i>Supply Chain, ESTF, and Other</i>	\$ 289,842		\$ 289,842
CURCA	\$ 80,103		\$ 80,103
CGCE Marketing Rollover	\$ 200,000		\$ 200,000
FEMA Rollover	\$ 1,459,972		\$ 1,459,972
Dining Equipment Replacement	\$ 300,000		\$ 300,000
Innovation Fund Rollover	\$ 616,475		\$ 616,475
Glide Path Strategy 50% Split		\$ 3,299,632	\$ 3,299,632
<b>Total</b>	<b>\$ 4,847,979</b>	<b>\$ 3,299,632</b>	<b>\$ 8,147,611</b>

# FY24 Residential Life Funding/Projection

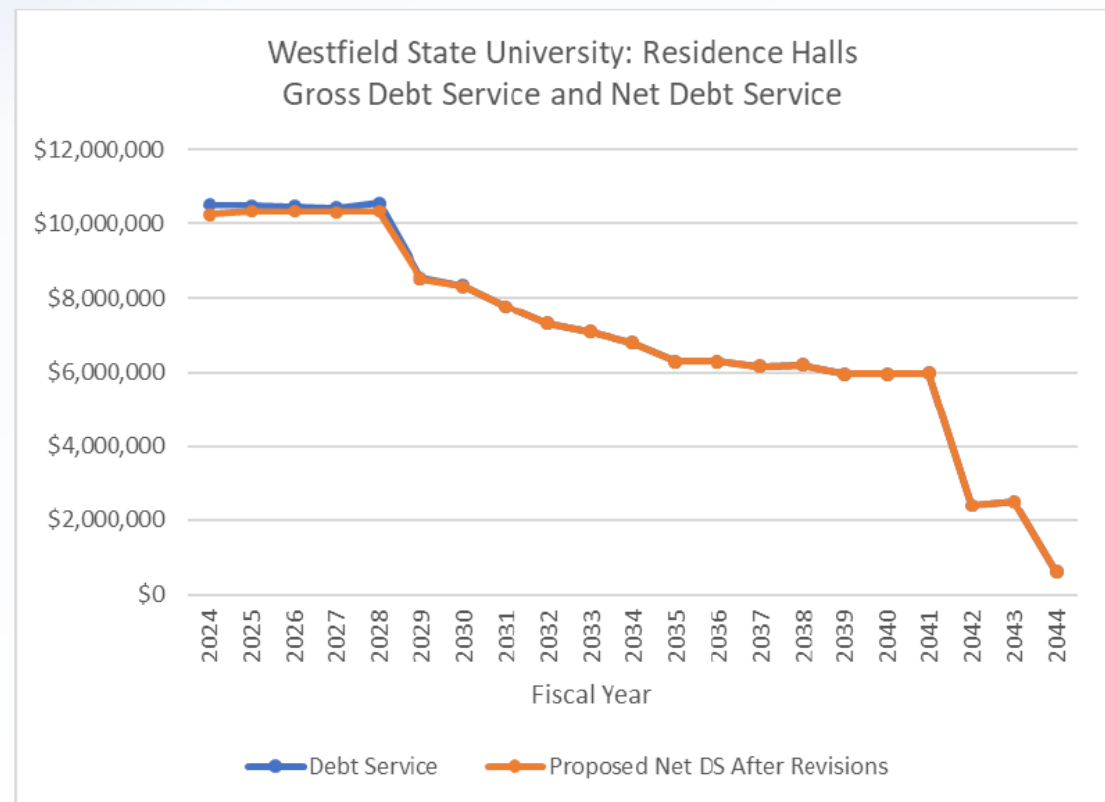
Residential Life Operations	Ref	FY23 Approved	FY24 Provisional Budget	FY25 FCST	FY26 FCST	FY27 FCST
RHTF Beginning Balance		\$ 5,126,755	\$ 4,986,481	\$ 4,986,481	\$ 996,348	\$ 1,034,128
Net Gain/Loss		\$ (2,298,466)	\$ (4,721,619)	\$ (5,027,391)	\$ (4,855,075)	\$ (4,669,678)
<b>End of Year Balance</b>	<b>a</b>	<b>\$ 2,828,289</b>	<b>\$ 264,863</b>	<b>\$ (40,910)</b>	<b>\$ (3,858,727)</b>	<b>\$ (3,635,550)</b>
<i>5% Minimum Balance Amount Required</i>		\$ 780,771	\$ 889,511	\$ 996,348	\$ 1,034,128	\$ 1,048,869
<b>Operations to fund Res Life Deficit</b>	<b>b</b>	<b>\$ 2,158,192</b>	<b>\$ 4,721,619</b>	<b>\$ 1,037,258</b>	<b>\$ 4,892,855</b>	<b>\$ 4,684,419</b>
<b>Revised End of Year Balance</b>	<b>= a + b</b>	<b>\$ 4,986,481</b>	<b>\$ 4,986,481</b>	<b>\$ 996,348</b>	<b>\$ 1,034,128</b>	<b>\$ 1,048,869</b>

- Residential Life requires an ongoing funding commitment to balance its budget and maintain the 5% reserve balance requirement; significant driver of campus deficit.
- The FY24 Provisional Budget is a revised estimate that reflects the ongoing need for campus funding.
- A multi-year strategy is needed to address an ongoing projected shortfall.
- **MSCBA Debt restructuring is being explored to alleviate financial pressure in short term.**

# Residence Life Debt Service

## Residence Hall Debt

The orange line reflects principal and interest payments net of projected Build America Bonds (BABs) subsidy and Debt Service Reserve Fund (DSRF) corpus releases.



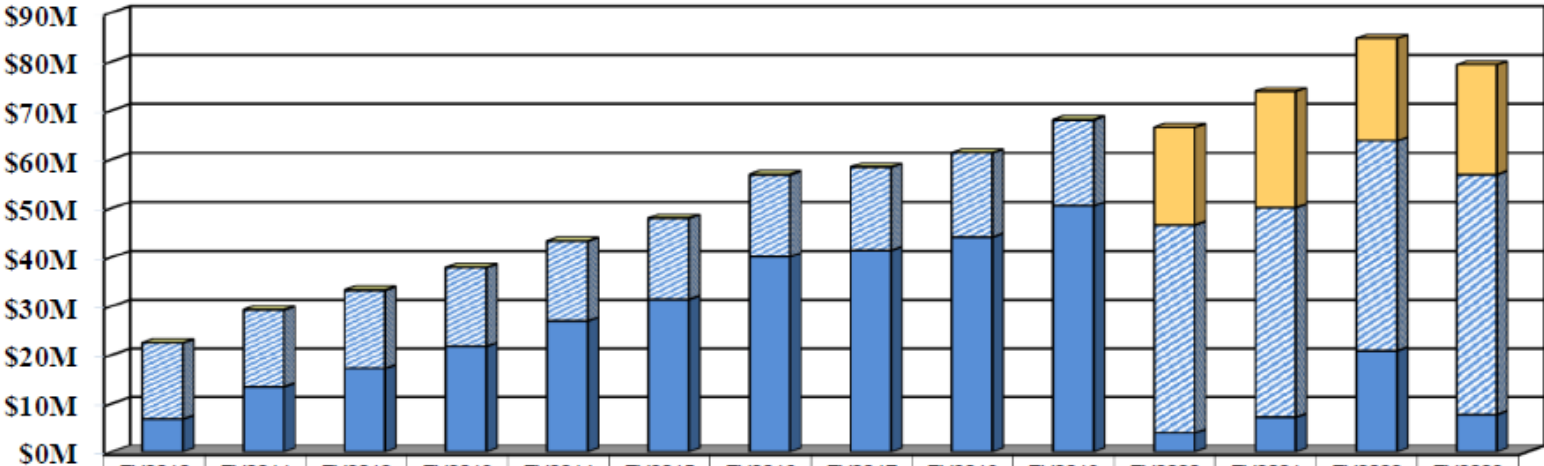
# FY24 October Budget Planning Process

- Monitor enrollment & occupancy to incorporate into final October Budget.
- Final adjustment of State Appropriation will be updated once the State Budget has been finalized (including Fair Share allocations, as appropriate)
- Review of FY23 financial results to evaluate budget planning strategy for realignments in FY24/25 (Vacancy savings, underspending, reinvestment strategy, and repurpose of funds across divisions); consider new budgeting model for FY25.
- Final budget presented at October 2023 Board of Trustees meeting for approval.



# Cash Reserves and Investments

**Westfield State University-Cash and Investment Balances  
June 30,**



	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Investments-long term	\$0.05	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06	\$0.07	\$20.00	\$23.76	\$20.93	\$22.45
Investments-short term	\$15.59	\$15.80	\$16.00	\$16.19	\$16.37	\$16.56	\$16.76	\$16.96	\$17.20	\$17.51	\$42.61	\$42.88	\$42.96	\$49.17
Cash	\$6.82	\$13.38	\$17.24	\$21.68	\$26.89	\$31.32	\$40.07	\$41.38	\$44.09	\$50.47	\$3.95	\$7.21	\$20.82	\$7.70

FY 23 is as of 4/30/23  
 Parenzo project payments: \$4.0M paid 7/15/21 (FY22), \$15.514M paid 7/15/22 (FY23), \$5.5M due 7/15/23 (FY24)  
 HEERF funds of approximately \$3.0M remained unspent at the end of FY22 thereby adding to the University's cash balance

# QUESTIONS & ANSWERS





Thank you