



# Fitchburg State University

## Board of Trustees Finance & Administration Committee Meeting

Amended on April 25, 2022 at 12:29 PM EDT

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### Date and Time

Tuesday April 26, 2022 at 8:15 AM EDT

### Location

This meeting will be held remotely.

The Fitchburg State University Board of Trustees Finance and Administration Committee will meet on Tuesday, April 26 at 8:15 a.m. This meeting will be held via teleconference as approved by Governor Baker.

For public viewing:

Live stream

[stream.meet.google.com/stream/be6ace30-1119-495b-ab95-534d32930b89](https://stream.meet.google.com/stream/be6ace30-1119-495b-ab95-534d32930b89)

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### Agenda

|   | Purpose         | Presenter | Time           |
|---|-----------------|-----------|----------------|
| <b>I. Opening Items</b>   |                 |           | <b>8:15 AM</b> |
| Opening Items   |                 |           |                |
| <b>A.</b> Record Attendance and Guests  |                 |           |                |
| <b>B.</b> Call the Meeting to Order   |                 |           | 1 m            |
| <b>C.</b> Approve Minutes from November 9, 2021 Finance Committee - VOTE (16-21/22) | Approve Minutes |           | 2 m            |
| <b>II. FY2023 Budget Discussion</b>   |                 |           | <b>8:18 AM</b> |
| Finance and Administration  |                 |           |                |
| <b>A.</b> FY2023 Budget Narrative   | Discuss         |           | 10 m           |
| <b>B.</b> FY2023 BOT Budget Summary   | Discuss         |           | 10 m           |
| <b>C.</b> FY2023 BOT Fund Summary   | Discuss         |           | 15 m           |

|   | Purpose | Presenter | Time           |
|---|---------|-----------|----------------|
| <b>III. FY2023 Budget VOTES</b>   |         |           | <b>8:53 AM</b> |
| A. FY2023 Budget - VOTE (17-21/22)  | Vote    |           | 3 m            |
| B. Undergraduate University Fee Increase - VOTE (18-21/22)                |         |           |                |
| C. GCE Ed. Service Fee Increase - VOTE (19-21/22)                         |         |           | 5 m            |
| D. GCE Tuition Increase - VOTE (20-21/22)                                 |         |           | 5 m            |
| E. Accelerated Online Program Tuition and Fee Structure - VOTE (21-21/22) |         |           | 5 m            |
| F. Roll Forward of Funds to FY2023 Budget - VOTE (22/21-22)               | Vote    |           | 3 m            |
| <b>IV. Notifications</b>  |         |           | <b>9:14 AM</b> |
| A. Financial Statements (N09-21/22)                                       |         |           | 5 m            |
| <b>V. Closing Items</b>   |         |           | <b>9:19 AM</b> |
| A. Adjourn Meeting  | Vote    |           |                |

## Cover Sheet

### Approve Minutes from November 9, 2021 Finance Committee - VOTE (16-21/22)

**Section:** I. Opening Items  
**Item:** C. Approve Minutes from November 9, 2021 Finance  
Committee - VOTE (16-21/22)  
**Purpose:** Approve Minutes  
**Submitted by:**  
**Related Material:**  
Minutes for Board of Trustees Finance & Administration Committee Meeting on  
November 9, 2021  
VOTE Finance Minutes November 9, 2021.pdf

DRAFT



## Fitchburg State University

### Minutes

#### Board of Trustees Finance & Administration Committee Meeting

Joint meeting with the Foundation Audit Committee

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#### Date and Time

Tuesday November 9, 2021 at 8:30 AM

#### Location

This meeting will be held remotely.

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The Fitchburg State University Board of Trustees Finance and Administration Committee will meet remotely on Tuesday, November 9, 2021 at 8:30 a.m.

Public view:

Live stream

[stream.meet.google.com/stream/25f49c61-d0ae-468b-989f-897804186765](https://stream.meet.google.com/stream/25f49c61-d0ae-468b-989f-897804186765)

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#### Committee Members Present

D. Phillips (remote), D. Tiernan (remote), K. SPINELLI (remote), M. Fiorentino, Jr. (remote)

#### Committee Members Absent

F. O'Donnell

#### Guests Present

A. Mercadante (remote), C. Estrella (remote), D. Brindle (remote), G. Doiron (remote), J. Bry (remote), J. Wolfman (remote), K. Ngan (remote), K. Smith (remote), M. Ferrucci (remote), M. Snyder (remote), Mary Beth McKenzie (remote), Mary Ellen Scarselli (remote), R. Lapidus (remote), S. Swartz (remote), Y. Malcolm (remote)

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#### I. Opening Items

##### A. Record Attendance and Guests

##### B.

**Call the Meeting to Order**

D. Phillips called a meeting of the Finance and Administration Committee of Fitchburg State University to order on Tuesday Nov 9, 2021 at 8:31 AM.

**C. Approve Minutes from the April 27, 2021 Finance Committee - VOTE (07-21/22)**

M. Fiorentino, Jr. made a motion to approve the minutes from Board of Trustees Finance and Administration Committee Meeting on 04-27-21.

D. Tiernan seconded the motion.

The committee **VOTED** to approve the motion.

**Roll Call**

- D. Tiernan           Aye
- M. Fiorentino, Jr.   Aye
- F. O'Donnell       Absent
- K. SPINELLI        Aye
- D. Phillips         Aye

**II. Presentation by the Auditors**

**A. Board Presentation Exhibits**

Introductions were made. The following auditors from CohnReznick discussed the Foundation and Supporting Org. audit PowerPoint presentation:

- Ms. Karen Smith, Audit Partner
- Mr. Mark Snyder, Audit Senior Manager
- Ms. Maryellen Scarselli, Audit Manager
- Ms. Melissa Ferrucci, Audit Partner
- Ms. Kim Ngan, Audit Senior Associate

M. Snyder and M. Ferrucci presented the Foundation and Supporting Organization audit results. The Foundation and Supporting Organization audits are being issued with a “clean” unmodified opinion. There were no findings. They thanked Jay Bry, Yvonne Malcolm, and Denise Brindle for their hard work and assistance. An overview of the consolidated statements of financial position; consolidated statements of activities and of cash flows; footnotes and disclosures were presented. M. Ferrucci discussed the reclassification in federal funding and M. Snyder discussed the bond restructuring. A question and answer session ensued.

The Chair asked if the auditors had any concerns with the university’s financial position and its ability to thrive in the future. M. Snyder responded that the university is in good financial shape. M. Fiorentino commented with enrollment declines, that financials will be a major area to pay attention too. There was a discussion.

M. Ferrucci discussed the GASB accounting pronouncements. She stated that there is no separate management letter.

D. Phillips thanked the auditors for interviewing her a few weeks ago.

The following auditors were reintroduced to present the university audit:

- Melissa Ferrucci, Audit Partner
- Mark Snyder, Audit Director

KimNgan Le, Audit Senior Associate

M. Ferrucci stated that the audit was presented with a clean audit no management letter was issued.

There was a discussion on the CARES Act monies and the application of the funding. There were no areas to be concerned about, and management has recorded the money appropriately.

M. Ferrucci discussed the internal controls, there are no findings or recommendations. There are adequate controls and segregation of duties.

The Information Technology audit was discussed.

M. Ferrucci noted significant debt restructuring. She said there are no new accounting policies this year. She next discussed the statements of net position, statements of revenues, statement of cash flows. The footnotes and disclosures were discussed.

M. Snyder discussed the investment performance which was very good this year. He discussed operating revenues, expenses and changes in net position. He next thanked the team of J. Bry, Y. Malcolm and D. Brindle.

J. Bry recognized the great work done by Y. Malcolm and D. Brindle and their team.

The Chair thanked everyone and expressed her appreciation to CohnReznick. The President echoed her sentiments and agreed they did an outstanding job. He expressed his thanks to J. Bry and Y. Malcolm.

**B. FY2021 Audit - VOTE (08-21/22)**

K. SPINELLI made a motion to accept the FY2021 audit.

D. Tiernan seconded the motion.

The committee **VOTED** to approve the motion.

**Roll Call**

- K. SPINELLI     Aye
- F. O'Donnell    Absent
- D. Phillips     Aye
- D. Tiernan      Aye
- M. Fiorentino, Jr. Aye

The Chair discussed the Finance Committee Chair position. Of the committee members, no one volunteered. D. Phillips will remain chair for the time being.

**III. Closing Items**

**A. Adjourn Meeting**

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 9:27 AM.

Respectfully Submitted,  
D. Phillips

### **Documents used during the meeting**

- VOTE Finance Minutes April 27, 2021.pdf
- Attachment A Conclusion Letter to Governance.pdf
- Attachment B Fitchburg State University - Financial Statements corrected copy.pdf
- Attachment C Fitchburg State University Foundation - AU-C 260 Letter V1.pdf
- Attachment D Foundation FS DRAFT updated 11.2.pdf
- Attachment E FSU FOUNDATION Supporting Org 260 LETTER V1.pdf
- Attachment F FSU Foundation Supporting Org FS Revised draft 11.2 for client.pdf
- Attachment G FSU - No Management Letter Acknowledgment Letter.pdf
- Attachment H FSU Executive Summary 2021.pdf
- Attachment I Executive Summary Foundation June 2021.pdf
- Attachment J Executive Summary Foundation Supporting Org June 2021.pdf
- Attachment K FSU Draft 2020 Long Form FS - 11-5-21.pdf
- Finance Committee FY2021 Audit Vote 11-9-21.pdf

**Fitchburg State University  
REQUEST FOR BOARD ACTION**

|   |  |
|---|--|
| <b>TO:</b> Finance and Administration Committee                                       | <b>DATE:</b><br><br>April 26, 2022     |
| <b>FROM:</b> The President  | <b>REQUEST NUMBER:</b><br><br>16-21/22 |
| <b>SUBJECT:</b> November 9, 2021 Finance and Administration Committee Meeting minutes |  |

It is requested that the Board of Trustees Finance and Administration Committee vote to approve the minutes from the November 9, 2021 meeting.

# Cover Sheet

## FY2023 Budget Narrative

**Section:** II. FY2023 Budget Discussion  
**Item:** A. FY2023 Budget Narrative  
**Purpose:** Discuss  
**Submitted by:**  
**Related Material:** Budget Narrative FY2023 4.25.2022.pdf

April 25, 2022

Board of Trustees  
Fitchburg State University  
Fitchburg, MA 01420

## **FY2023 BUDGET NARRATIVE**

As we begin to return to some level of normalcy with the decline in COVID, Fitchburg State University is again planning a full schedule of in-person classroom instruction in the Fall. The University expects stable undergraduate enrollment in FY23, while achieving modest growth in the School of Graduate, Online and Continuing Education (SGOCE). At the same time, university leadership will continue to invest in our future, and strengthen the support services and classroom experiences for our students.

The framework for the FY23 budget is supported with state appropriations, SGOCE operations, undergraduate enrollment, and residence hall occupancy, addressed individually, below:

- The University receives funds as appropriated by the state legislature and approved by the governor on an annual basis. Since 2004, the Commonwealth has utilized a comprehensive budget formula for the state universities. The formula was developed collaboratively by the Board of Higher Education and the universities to determine total resource requirements and the appropriate allocation of state support to individual institutions. The formula reflects targets based on national standards and peer comparisons, as well as policy goals articulated by the Board of Higher Education. State appropriations are anticipated to increase 8.3% to \$35,938,368 and the DHE allocated performance funding is also anticipated to increase from \$573,943 to approximately \$900,000. These are both positive and welcome signs from the Governor’s office with further developments noted in their [press release](#) from 1/26/2022, “More than \$155 million in financial aid grants, including \$18 million to support an expansion of the MASSGrant Plus program that will enable all low-income, in-state undergraduate students to attend public higher education without incurring debt for mandatory tuition and mandatory fees.” Our Financial Aid office is anticipating substantial increases to the availability of financial aid funds to enroll more qualified students.
- Undergraduate enrollments in FY2023 are projected to stabilize at 2,600 FTE students and gradually increase in future fiscal years. In addition, regarding the MASSGrant Plus program, Gov. Baker announced “\$23.1 million to support higher education and career pathways for high school students in underserved communities through the Early College, Innovation Pathways, and Dual Enrollment programs.” These sources of state funding will

provide more state funding for our students, in addition to other enrollment strategies, and will support our efforts to maintain undergraduate enrollment levels during the demographic decline in the college aged population.

- Included in the University revenue streams are funds generated by SGOCE, which is a self-funded operation. The revenue is unrestricted and supports SGOCE programs, as well as, general University operations, including academic, administrative and student services, and facilities. Slight increases in Graduate and Continuing Education (GCE) and Accelerated Programs (AP) credit fees are requested this year providing approximately \$683k in additional revenue (see below) to keep current with the increases in personnel salaries and operating expenses, and to facilitate additional investments in marketing and recruitment. GCE and AP continue to contribute significantly to the overall financial health of the university. SGOCE continues to thrive in the current economic climate. Enrollment is expected to moderately increase while continuing an upward trend for the division. Revenue is projected to increase 7.5% to \$9M while expenses are projected to increase 3% to \$8.4M.
- Residence hall occupancy is projected to remain level (61% occupancy) continuing a projected deficit in the Housing Trust Fund of approximately \$818K in FY23, \$565K in FY24, and \$393K in FY25. \$4.1 million dollars of HEERF funding was distributed to the Dorm Trust Fund to make up for lost revenue due to COVID in FY21 and FY22 and the remaining balance \$8.4 million dollars went into the University Trust Fund to offset university loss revenue during the same time period. Residence hall right-sizing discussions have already begun on how to repurpose the excess bed capacity to reduce the financial drain on the residence hall trust fund while providing additional space for student support services and a possible daycare facility.

Overall university expenses increased compared to FY22 due largely to retroactive and future salary increases. Day operational expenses declined due to savings in projected energy usage, equipment leases, reductions in adjuncts, and various administrative expenses. To help offset the increased day personnel expenses, the University is proposing a 3.5% increase to the University Fee, which has not increased the past five fiscal years, that will generate approximately \$661K in additional revenues (see [Appendix 2](#)). With this increase in revenue, the University still projects a structural operating deficit of \$1,746,418 for the Day Division for FY23. This is part of a multi-year effort to close the deficit, along with other measures to attain additional cost savings and mitigate the future fiscal year projections, which currently anticipate Day and Housing operating deficits of \$2.6 million in FY24 and \$2.58 million in FY25. As noted in [Appendix 1](#), these structural deficits will continue to have an impact on Cash Flow. The strategy for undergraduate enrollment growth in the University's 2020-25 Self-Study is to "adopt an

integrated approach to enrollment management to achieve more systemic and centralized coordination of student recruitment and retention efforts” and substantially increase enrollment of under-represented groups to better reflect the demographics of the state.

To ensure departments are successful, the three percent budget cuts implemented last year (in the amended FY22 budget adopted on 8.31.2021) were returned to the academic division leaders to address specific areas or priorities via budget redistribution. Some division heads elected to return the funds directly to the departments for FY23. Otherwise most other department budgets remained level. \$200K in remaining savings from non-academic departmental budget reductions will carry forward from FY22.

In addition, the university leadership announced two exciting new sources of funding: The University Innovation Fund (\$250,000) to encourage development of innovative initiatives that stimulate enrollment growth, support student retention, or promote financial sustainability within a framework of equity and inclusion; and a new Academic Innovation Fund (\$250,000) to promote innovation within the academic programs and curriculum. Additionally, funding will continue to remain available to assist with one-time operational support in the form of Extraordinary Budget Requests (EBRQs), formerly Strategic Funding Requests.

The university expanded its long-term partnership with the Educational Advisory Board (EAB) to include enrollment services assistance to support undergraduate recruitment efforts. Strengthening our enrollment efforts, an AVP of Enrollment, Richard Toomey, was hired this past year. This position was identified as being critical to directing the efforts of three distinct units (Admissions, Financial Aid, and Marketing and Integrated Communications) to further a university-wide strategy designed to achieve increased enrollment and retention objectives. The university will also take advantage of EAB’s technology solutions to help leadership evaluate tough decisions facing the institution and to support long-term financial planning. Their product, Academic Performance Solutions (APS), is currently being used to analyze and benchmark data across the institution and against peer institutions to enable leadership to make data-based decisions. Fitchburg State has leveraged this data to standardize faculty line requests, evaluating requests based on demonstrated need rather than precedent, and to analyze course enrollment data to plan course offerings based on past and predicted demand. The University is also in the process of implementing a product called Edify. It is a data management solution that organizes data assets across campus into a single centralized data warehouse platform to support real-time decision making with a 360-degree view of students, faculty, and operations.

Fitchburg State continues to remain in a strong financial position. The efforts noted above are designed to support and sustain that status. Over the past 10 years the operating activity has produced an operating surplus with the exception of FY19 and FY20 in which a loss was

experienced primarily due to the pandemic and enrollment declines. With the exception of FY20 net assets, the university has experienced positive gains throughout this period. Since 2010, net assets have increased from \$67 million to \$135 million in FY21. The institution has intentionally balanced current operating needs with long-range planning and investment that will ensure the university's long-term viability.

## FY2023 Operating Budget Summary

The funding forecast for state appropriation is \$35,938,368 with tuition and fees of \$51,704,338, auxiliary services of \$12,369,871, and total revenue of \$114,115,073. This results in a \$1,466,653 overall operating deficit. The overall goal for the upcoming year is to maintain if not increase enrollment to retain a stable financial footing. The university must remain conscious of the cost of education for our students and their families and the dynamics associated with an increasingly competitive higher education market. The university will balance the FY23 budget with unrestricted assets to ensure that daily cash-flow needs are met and that adequate reserves remain to satisfy longer-term obligations.

### Summary of Revenue Sources

Increases in revenue of 3.9% compared to the FY22 budget projection are the result of an increased state appropriation, a projected increase in graduate tuition and fees and undergraduate fees, and an increase in investment income. While day undergraduate enrollment is estimated to remain flat relative to Fall 2021, a 3.5% undergraduate day fee increase will generate approximately \$661K in additional revenues. Encouragingly, the traditional SGOCE division saw a 6% increase in revenue in Fall 2021 and enrollment growth in accelerated programs increased 6% during this same period. These increases are not expected to be as large in FY22, but are anticipated to grow at a rate of 1% and 5% respectively.

| Revenue Sources        | FY2022 Budget Proposal | FY2023 Budget Proposal | Delta               |
|------------------------|------------------------|------------------------|---------------------|
| State Appropriations   | \$ 33,197,515          | \$ 35,938,368          | \$ 2,740,853        |
| Performance Funding    | \$ 573,943             | \$ 900,000             | \$ 326,057          |
| Financial Aid          | \$ 7,300,000           | \$ 7,300,000           | \$ -                |
| Grants                 | \$ 1,492,410           | \$ 1,492,410           | \$ -                |
| Dorm Authority Housing | \$ 7,526,689           | \$ 9,169,871           | \$ 1,643,182        |
| Food Service           | \$ 3,388,000           | \$ 3,200,000           | \$ (188,000)        |
| Tuition and Fees       | \$ 53,005,369          | \$ 51,704,338          | \$ (1,301,031)      |
| Investment Income      | \$ 768,800             | \$ 1,650,000           | \$ 881,200          |
| Sales and Service      | \$ 2,009,050           | \$ 1,853,100           | \$ (155,950)        |
| Unrestricted Assets    | \$ 308,268             | \$ 640,986             | \$ 332,718          |
| Foundation             | \$ 266,000             | \$ 266,000             | \$ -                |
| <b>Totals</b>          | <b>\$ 109,836,044</b>  | <b>\$ 114,115,073</b>  | <b>\$ 4,279,029</b> |

## **Highlights in revenue differences from FY22**

The major difference between the budget for FY22 and FY23 is the \$2.7M increase in state appropriation as previously explained. The Dorm Authority increase is due to a slight increase in occupancy and increase in room rents. The Tuition and Fees decrease is from the resetting of the estimated undergraduate enrollment of 2,900 FFTE in the original FY22 Budget approved on May 3, 2021 by the Board of Trustees. On August, 31, 2021 the BOT approved a revised budget to reflect the declining undergraduate enrollment. The FY23 undergraduate FFTE is slightly increased to 2,629 and also includes a projected continued enrollment growth of 5% in AP, while GCE is anticipated to stay level. The FY23 tuition and fee revenues of \$3 to \$9 per credit incorporate the proposed undergraduate day and SGOCE increases. Fee increases are projected to result in \$684K for SGOCE and \$661K for Day Undergraduate revenue.

## Summary of Operating Expenses

Total operating expenses are projected to increase 2.9% to \$115,581,726 which consists of faculty and staff salaries and related personnel expenses (now approximately 44% of the budget), student aid and scholarships, auxiliary services expenditures, technology costs, and strategic funding initiatives. The increase is primarily attributable to personnel costs which increased 6.5% in total for retroactive and future salary increases that are negotiated at the state level. Further information is provided below.

| <b>FY2023 Operating Expenses</b>         | <b>FY2022 Budget Proposal</b> | <b>FY2023 Budget Proposal</b> | <b>Delta</b>        |
|--|-------------------------------|-------------------------------|---------------------|
| Regular Employee Compensation            | \$ 43,386,194                 | \$ 45,982,232                 | \$ 2,596,038        |
| Regular Employee Related Expenses        | \$ 388,474                    | \$ 395,671                    | \$ 7,197            |
| Special Employee/Contracted Services     | \$ 7,527,316                  | \$ 7,397,476                  | \$ (129,840)        |
| Pension & Insurance Related Expenditures | \$ 4,603,297                  | \$ 4,597,116                  | \$ (6,181)          |
| Administrative Expenses                  | \$ 1,965,867                  | \$ 1,646,112                  | \$ (319,755)        |
| Facility Operational Supplies            | \$ 1,199,070                  | \$ 1,198,779                  | \$ (291)            |
| Energy Costs and Space Rental Expenses   | \$ 4,898,820                  | \$ 4,720,686                  | \$ (178,134)        |
| Consultant Services                      | \$ 1,686,647                  | \$ 1,583,619                  | \$ (103,028)        |
| Operational Services                     | \$ 5,895,012                  | \$ 6,706,972                  | \$ 811,960          |
| Equipment Purchase                       | \$ 167,224                    | \$ 175,674                    | \$ 8,450            |
| Equipment Lease Rental Maint. & Repair   | \$ 991,552                    | \$ 834,393                    | \$ (157,159)        |
| Student Related Travel Reimbursements    | \$ 265,149                    | \$ 258,323                    | \$ (6,826)          |
| Construction and Improvements Building   | \$ 6,212,910                  | \$ 6,212,210                  | \$ (700)            |
| Benefit Programs                         | \$ 10,452,020                 | \$ 10,557,474                 | \$ 105,454          |
| Loans and Special Payments               | \$ 17,343,302                 | \$ 18,222,767                 | \$ 879,465          |
| Information Technology Expenses          | \$ 4,978,914                  | \$ 5,092,223                  | \$ 113,309          |
| <b>TOTAL EXPENSES</b>                    | <b>\$ 111,961,768</b>         | <b>\$ 115,581,726</b>         | <b>\$ 3,619,958</b> |

### Highlights in expense differences from FY22

The major difference for the increased operating expenditure is personnel costs of \$2.6M. This is due to the negotiated union contracts that provide employees with increases to base salaries

over three years. These salary increases are the retroactive (FY21 & FY22) and future salary (FY23) increases that are negotiated at the state level.

Another increase to expenses is expected in the Loans & Special Payments category of approximately \$800K. This amount is simply the existing debt payments resuming that had been paused during COVID as a result of the MSCBA debt negotiations.

Two notable increases are the new \$250K Academic Innovation Fund and the \$250K University Innovation Fund.

SGOCE expenses have increased as the popularity of the programs continue to grow and personnel salaries are also increased as discussed above. GCE (3% increase) and AP (9% increase) are bringing in more revenue but as more students take these courses, additional instructors and support are required. Several additional increases in AP expense, technology, marketing, police academy expenses, and student support services all have an impact on the overall SGOCE expenses. (See [Appendix 4](#) for rate increase chart and [Appendix 5](#) for graduate and continuing education costs from sister institutions.)

## **Staffing**

The leadership team of the university continues to evaluate and capitalize on staffing vacancies to redeploy resources that will strategically serve current and future needs. However, it is important to note that the state appropriation of \$36.8 million continues to fall short of the \$42.8 million needed to fully fund payroll. This shortfall is further compounded because every payroll dollar not covered by the state appropriation adds an additional 40% percent to cover employee fringe benefits – or an additional \$2.4 million.

As part of the cost containment and right-sizing efforts, created as a result of real and projected enrollment decline in traditional age undergraduate students, evaluation of new hires utilizing APS data has been very focused. Evaluation of course offerings with consolidation or elimination of under enrolled classes has resulted in a projected adjunct faculty cost savings.

## **School of Graduate, Online and Continuing Education Division**

The university's effort to increase enrollments and revenues by partnering with Academic Partnerships, in support of accelerated programs, five years ago continues to be very successful. Enrollment growth continues within the division of the SGOCE. A continuation of growth is anticipated for FY23.

The traditional SGOCE programs continue to struggle with enrollment growth as the master degree market has become much more competitive in recent years and enrollment growth rates are slowing. To counter that decline, SGOCE has begun to focus on the creation of workforce development programs. In addition, they are exploring expansion of life-long learning programs to continue to build on the success of the Adult Learning in the Fitchburg Area (ALFA) program and to meet the changing educational landscape. These efforts are part of the Center for Professional Studies (CPS) program, which has been working to reinvigorate their performance.

## **Facility and Technology Improvement Program**

The university has continued to deploy funds toward capital renewal as an institution and in partnership with the Division of Capital Asset Management and Maintenance (DCAMM) and the Massachusetts State College Building Authority (MSCBA). These efforts are designed to continue to improve the learning, living, and working environment of the campus. In particular the 5-year Deferred Maintenance Funding program from DCAMM has leveraged \$16 million of total renovations as a result of the \$7.5 million from DCAMM over a five-year time period.

Work in FY22 included the final renovation of McKay C along with a series of smaller deferred maintenance projects across the campus. Additionally, the first phase of the Thompson Hall renovation has begun that will address substantial deferred maintenance needs (including improved fire protection, accessibility energy efficiency and code compliance), as well as

updated finishes and a modern HVAC system throughout the first and second floors. This work will continue through FY23. Concurrently, work is near completion on a DCAMM funded infrastructure initiative (\$24 million), which will replace antiquated electrical distribution systems, as well as replace and add new generator capabilities to campus facilities. DCAMM has also indicated that they will be offering another 5-year deferred maintenance funding initiative for FY 24-28. Fitchburg State will be working to prepare its next five-year plan during FY23, evaluating and identifying scopes of work in buildings including Edgerly and Conlon.

The Information Technology Department (IT) continues to implement their five-year plan designed to systematically renew systems and equipment that serve the student community. This has included upgrading student computer labs, upgrading the wi-fi system along with other core upgrades. The ever-increasing demand for technology services and capabilities by both students and staff is a challenge and will require substantial continued investment.

## **Conclusion**

This budget plan represents ongoing efforts to strategically invest in the future, while at the same time demonstrating continued diligence in both cost containment and right-sizing of operations. By being proactive in recognizing and planning for this change (enrollment challenges, realities of state funding, new curricular opportunities, among others), the university is positioning itself for success and a stable financial future.

The university is committed to focusing its resources toward knowledge creation, career readiness, social mobility and lifelong learning, serving as an engine of development for the region, reinforcing our distinctive value proposition, while responsibly stewarding our physical and financial resources to navigate a path to long-term sustainability. The steps taken in the past years to increase revenue and reserves while at the same time closely managing costs, has provided the university the financial footing to achieve these goals and navigate the challenges facing higher education.

## Appendix 1

### FSU Cash Flow

Current and Future decreases in Cash Flow are a result of the structural budget deficit projections. Federal funding for loss revenue due to the pandemic saved the university from depleting a significant portion of the cash reserves these past two fiscal years.

|                        | Market Value |              |              |
|------------------------|--------------|--------------|--------------|
|                        | End of FY19  | End of FY20  | End of FY21  |
| <b>University Cash</b> | \$16,348,040 | \$12,084,053 | \$17,734,943 |

|                    | FY   | Start of FY  | End of FY    | Day Projected Deficit |
|--------------------|------|--------------|--------------|-----------------------|
| <b>PROJECTIONS</b> | FY22 | \$17,734,943 | \$16,383,952 | \$ (1,350,991)        |
|                    | FY23 | \$16,383,952 | \$14,637,534 | \$ (1,746,418)        |
|                    | FY24 | \$14,637,534 | \$12,595,543 | \$ (2,041,991)        |
|                    | FY25 | \$12,595,543 | \$10,407,649 | \$ (2,187,894)        |

## Appendix 2

### University Fee Increase Analysis

When evaluating potential undergraduate day fee increases, 2.5%, 3.5%, 4.5%, and 5.5% increments were calculated with estimated increases in revenue below. The University is planning to increase the University Fee for the first time in five years by 3.5% which will equal \$266 per student per academic year. The total Tuition and Mandatory Fees for a student will be \$10,920, which is still below many of our sister institutions (see Appendix 3 for comparison).

| Current                 |                     |             |
|-------------------------|---------------------|-------------|
| Semester                | Fall 2022           | Spring 2023 |
| University Fee          | \$3,812             | \$3,812     |
| Revenue                 | \$10,021,748        | \$8,878,148 |
| <b>Total AY Revenue</b> | <b>\$18,899,896</b> |             |

Based on Day Undergrad FFTE Enrollment of: Fall 2,629 and Spring 2,329.

| 2.5% Increase                 |                     |             |
|-------------------------------|---------------------|-------------|
| Semester                      | Fall 2022           | Spring 2023 |
| University Fee                | \$3,907             | \$3,907     |
| Revenue                       | \$10,272,292        | \$9,100,102 |
| <b>Total AY Revenue</b>       | <b>\$19,372,393</b> |             |
| <b>Increase in AY Revenue</b> | <b>\$472,497</b>    |             |

| 3.5% Increase                 |                     |             |
|-------------------------------|---------------------|-------------|
| Semester                      | Fall 2022           | Spring 2023 |
| University Fee                | \$3,945             | \$3,945     |
| Revenue                       | \$10,372,509        | \$9,188,883 |
| <b>Total AY Revenue</b>       | <b>\$19,561,392</b> |             |
| <b>Increase in AY Revenue</b> | <b>\$661,496</b>    |             |

Recommending 3.5% in an effort to find the balance between increasing revenue yet maintaining affordability. A larger increase could provide additional resources to address deferred maintenance issues and structural operating losses but has a direct impact on student cost.

| 4.5% Increase                 |                     |             |
|-------------------------------|---------------------|-------------|
| Semester                      | Fall 2022           | Spring 2023 |
| University Fee                | \$3,984             | \$3,984     |
| Revenue                       | \$10,472,727        | \$9,277,665 |
| <b>Total AY Revenue</b>       | <b>\$19,750,391</b> |             |
| <b>Increase in AY Revenue</b> | <b>\$850,495</b>    |             |

| 5.5% Increase                 |                     |             |
|-------------------------------|---------------------|-------------|
| Semester                      | Fall 2022           | Spring 2023 |
| University Fee                | \$4,022             | \$4,022     |
| Revenue                       | \$10,572,944        | \$9,366,446 |
| <b>Total AY Revenue</b>       | <b>\$19,939,390</b> |             |
| <b>Increase in AY Revenue</b> | <b>\$1,039,494</b>  |             |

## Appendix 3

### Tuition and Mandatory Fees at Massachusetts Public Colleges and Universities

Sorted highest to lowest in FY22

| Institution                             | FY-2013  | FY-2014  | FY-2015  | FY-2016  | FY-2017  | FY-2018  | FY-2019  | FY-2020  | FY-2021  | FY-2022  |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Massachusetts College of Art and Design | \$10,400 | \$10,400 | \$11,224 | \$11,724 | \$12,200 | \$12,700 | \$13,200 | \$13,700 | \$14,200 | \$14,200 |
| Salem State University                  | \$8,110  | \$8,130  | \$8,646  | \$9,246  | \$9,736  | \$10,278 | \$10,882 | \$11,284 | \$11,674 | \$11,674 |
| Framingham State University             | \$8,084  | \$8,084  | \$8,324  | \$8,704  | \$9,344  | \$9,920  | \$10,520 | \$11,100 | \$11,380 | \$11,380 |
| Massachusetts College of Liberal Arts   | \$8,526  | \$8,526  | \$8,976  | \$9,476  | \$9,876  | \$10,136 | \$10,560 | \$10,930 | \$11,306 | \$11,306 |
| Westfield State University              | \$8,298  | \$8,298  | \$8,682  | \$8,816  | \$9,276  | \$9,716  | \$10,430 | \$10,850 | \$11,140 | \$11,140 |
| Bridgewater State University            | \$8,054  | \$8,054  | \$8,354  | \$8,928  | \$9,628  | \$10,012 | \$10,368 | \$10,732 | \$10,732 | \$10,732 |
| Fitchburg State University              | \$8,710  | \$8,986  | \$9,260  | \$9,934  | \$10,134 | \$10,154 | \$10,354 | \$10,504 | \$10,654 | \$10,654 |
| Worcester State University              | \$8,158  | \$8,158  | \$8,558  | \$8,858  | \$9,202  | \$9,532  | \$10,162 | \$10,162 | \$10,586 | \$10,586 |
| Massachusetts Maritime Academy          | \$7,206  | \$7,190  | \$7,258  | \$7,630  | \$8,006  | \$8,398  | \$9,728  | \$10,018 | \$10,314 | \$10,516 |

source: <https://www.mass.edu/datacenter/tuition/appendixtuitionfeesweight7.asp>

## Appendix 4

### SGOCE Proposed Fee Increase

| GCE                     |                    |              |             |            |                                  |
|-------------------------|--------------------|--------------|-------------|------------|----------------------------------|
| GRADUATE                | Current Projection |              | Increase of |            | Grad Increase in AY Revenue      |
| Graduate Credits        | 12,603             |              |             |            |                                  |
| Tuition Revenue         | \$190              | \$ 2,394,570 | \$ 5        | \$ 63,015  |                                  |
| Ed Service Fee Revenue* | \$115              | \$ 1,449,345 | \$ 8        | \$ 100,824 | <b>\$ 163,839</b>                |
| UNDERGRADUATE           | Current Projection |              | Increase of |            | Undergrad Increase in AY Revenue |
| Undergrad Credits       | 8,985              |              |             |            |                                  |
| Tuition Revenue         | \$144              | \$ 1,293,840 | \$ 6        | \$ 53,910  |                                  |
| Ed Service Fee Revenue* | \$143              | \$ 1,280,363 | \$ -        | \$ -       | <b>\$ 53,910</b>                 |

\* does not include the separate **GCE Capital Projects Fee** (undergrad \$25.5 per credit Grad \$20 per credit) or the **Tech Fee** (\$9 per credit)

| AP                 |        |                |              |             |            |                                 |
|--------------------|--------|----------------|--------------|-------------|------------|---------------------------------|
| Credits            |        | Revenue        |              | Increase of |            | AP Total Increase in AY Revenue |
| Masters Ed Credits | 6,445  | M.Ed. Tuition  | \$ 1,482,350 | \$ 3        | \$ 19,335  |                                 |
| MBA Credits        | 20,130 | MBA Tuition    | \$ 5,535,750 | \$ 9        | \$ 181,170 |                                 |
|                    |        | Ed Service Fee | \$ 3,773,650 | \$ 10       | \$ 265,750 | <b>\$ 466,255</b>               |

## Appendix 5

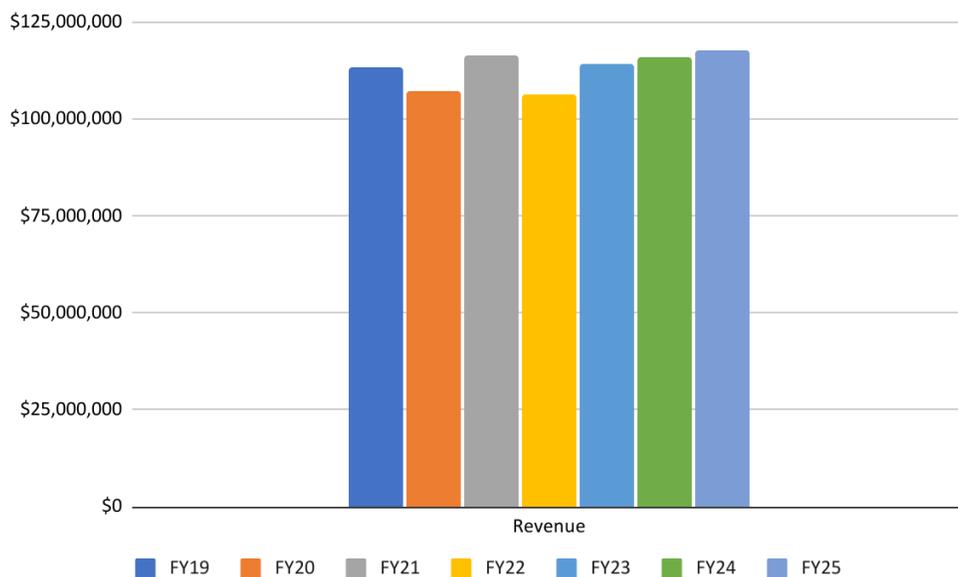
### Graduate & Continuing Education Fees at Massachusetts Public Colleges and Universities

| University                                 | Graduate Tuition (Per credit) | Graduate Fees Per Credit                                  | Total for a 3 credit grad course                     | Undergraduate Tuition Per Credit | Undergraduate Fees Per Credit | Total for a 3 credit UG course              |
|--|-------------------------------|---|--|----------------------------------|-------------------------------|---|
| <b>Bridgewater</b>                         | \$475.25                      | -   | <b>\$1,425.75</b>                                    | \$443.25                         | -                             | <b>\$1,329.75</b>                           |
| <b>Fitchburg (with new proposed rates)</b> | \$203.00                      | 202 for online programs and 144 for face-to-face programs | <b>\$1,215 and \$1,041 for face-to-face programs</b> | \$150.00                         | \$540.00                      | <b>\$990.00</b>                             |
| <b>Framingham</b>                          | \$294.67                      | \$441.00  | <b>\$1,325 and \$1,525 for the MBA</b>               | \$251.33                         | \$441.00                      | <b>\$1,195.00</b>                           |
| <b>Salem</b>                               | \$140.00                      | \$299.35  | <b>\$1,318.05 and \$1,920 for MBA</b>                | \$115.00                         | \$324.70                      | <b>\$1319.70 (\$1,829 for out of state)</b> |
| <b>Westfield</b>                           | \$372.00                      | \$150.00  | <b>\$1,266.00</b>                                    | \$330.00                         | \$150.00                      | <b>\$1,140.00</b>                           |
| <b>Worcester</b>                           | \$169.00                      | \$152.50  | <b>\$964.50</b>                                      | \$130.00                         | \$150.50                      | <b>\$841.50</b>                             |
|  |                               |   |  |                                  |                               |   |

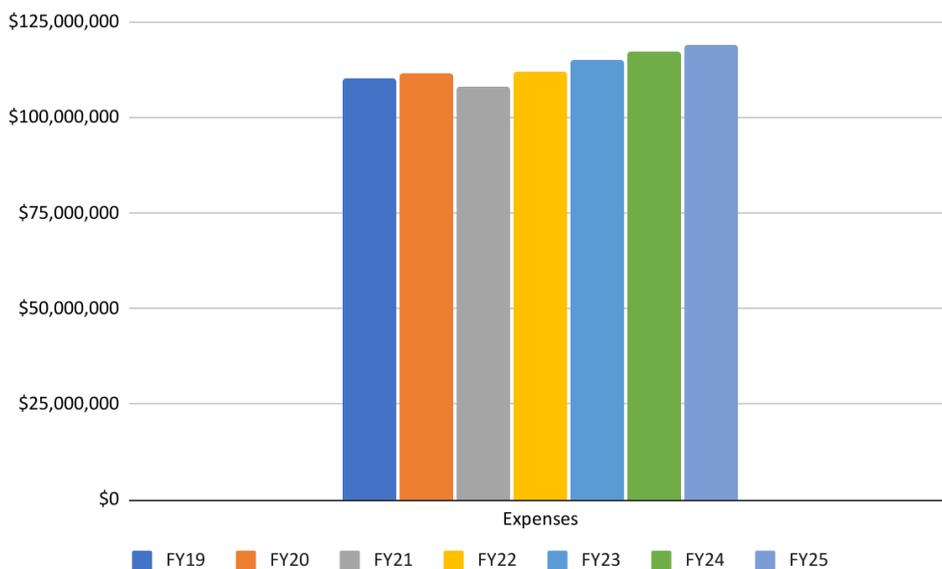
(There are other fees and program specific tuition rates at the other Universities not highlighted above but these represent the total cost of similar programs offered at Fitchburg.)

## Appendix 6

### Actual Revenue and two year Projection



### Actual Expenses and two year Projection



# Cover Sheet

## FY2023 BOT Budget Summary

|                          |                              |
|--------------------------|------------------------------|
| <b>Section:</b>          | II. FY2023 Budget Discussion |
| <b>Item:</b>             | B. FY2023 BOT Budget Summary |
| <b>Purpose:</b>          | Discuss                      |
| <b>Submitted by:</b>     |                              |
| <b>Related Material:</b> | FY23 BOT Budget Summary.pdf  |



# Cover Sheet

## FY2023 BOT Fund Summary

|                          |                              |
|--------------------------|------------------------------|
| <b>Section:</b>          | II. FY2023 Budget Discussion |
| <b>Item:</b>             | C. FY2023 BOT Fund Summary   |
| <b>Purpose:</b>          | Discuss                      |
| <b>Submitted by:</b>     |                              |
| <b>Related Material:</b> | FY23 BOT Fund Summary.pdf    |

| FY23 Budget                                | Total              | State Appropriation | Trust Funds - Operating     |                       |                               |                  |                             |                 |                |                   |                   |                 |                         |                 |                | Trust Funds Designated |                  |                  | Scholarship Funding |                  | Auxiliary       |                     |                   | Endowments           | Financial Aid    | Grants                 | Fund Type 94 Debt |         |         |
|--|--------------------|---------------------|-----------------------------|-----------------------|-------------------------------|------------------|-----------------------------|-----------------|----------------|-------------------|-------------------|-----------------|-------------------------|-----------------|----------------|------------------------|------------------|------------------|---------------------|------------------|-----------------|---------------------|-------------------|----------------------|------------------|------------------------|-------------------|---------|---------|
|  |                    | C81                 | T99                         | T65                   | T65P                          | T10              | T15                         | T19             | T24            | T26               | B105              | T31H            | T31A                    | T36             | T11F           | T16                    | T12              | T37              | T38                 | T22              | Type 18         | T25                 | Type 27           | Type 23              | Type 24/25/26    | N91                    | N93               |         |         |
|  |                    | State Maint         | Out of State Tuition        | University Fee        | University Fee Payroll        | GCE              | Academic Partnership        | PDC /CPS        | General        | Student FA        | Rec Center        | Grant OH        | Academic Affairs        | Sum Conf        | SGA            | Tech                   | Athletics        | Bookstore        | Parking             | Dorm Auth        | T22P/T20        | Food Service        | Endowments        | Financial Aid        | Grants           | HEFA - Rec Cent        | MSCBA             |         |         |
| <b>BUDGETED REVENUE</b>                    |                    |                     |                             |                       |                               |                  |                             |                 |                |                   |                   |                 |                         |                 |                |                        |                  |                  |                     |                  |                 |                     |                   |                      |                  |                        |                   |         |         |
| State Appropriation                        | 35,938,368         | 35,938,368          |                             |                       |                               |                  |                             |                 |                |                   |                   |                 |                         |                 |                |                        |                  |                  |                     |                  |                 |                     |                   |                      |                  |                        |                   |         |         |
| Collective Bargaining                      | 0                  |                     |                             |                       |                               |                  |                             |                 |                |                   |                   |                 |                         |                 |                |                        |                  |                  |                     |                  |                 |                     |                   |                      |                  |                        |                   |         |         |
| Other State Appropriations                 | 900,000            | 900,000             |                             |                       |                               |                  |                             |                 |                |                   |                   |                 |                         |                 |                |                        |                  |                  |                     |                  |                 |                     |                   |                      |                  |                        |                   |         |         |
| DCAM /Energy                               | 0                  |                     |                             |                       |                               |                  |                             |                 |                |                   |                   |                 |                         |                 |                |                        |                  |                  |                     |                  |                 |                     |                   |                      |                  |                        |                   |         |         |
| Financial Aid                              | 7,300,000          |                     |                             |                       |                               |                  |                             |                 |                |                   |                   |                 |                         |                 |                |                        |                  |                  |                     |                  |                 |                     | 7,300,000         |                      |                  |                        |                   |         |         |
| Grants                                     | 1,492,410          |                     |                             |                       |                               |                  |                             |                 |                |                   |                   |                 |                         |                 |                |                        |                  |                  |                     |                  |                 |                     |                   | 1,492,410            |                  |                        |                   |         |         |
| <b>Auxiliary Services</b>                  |                    |                     |                             |                       |                               |                  |                             |                 |                |                   |                   |                 |                         |                 |                |                        |                  |                  |                     |                  |                 |                     |                   |                      |                  |                        |                   |         |         |
| Dorm Authority - Housing                   | 9,169,871          |                     |                             |                       |                               |                  |                             |                 |                |                   |                   |                 |                         |                 |                |                        |                  |                  |                     |                  | 9,169,871       |                     |                   |                      |                  |                        |                   |         |         |
| Food Service                               | 3,200,000          |                     |                             |                       |                               |                  |                             |                 |                |                   |                   |                 |                         |                 |                |                        |                  |                  |                     |                  |                 |                     |                   |                      |                  |                        |                   |         |         |
| <b>Tuition and Fees</b>                    |                    |                     |                             |                       |                               |                  |                             |                 |                |                   |                   |                 |                         |                 |                |                        |                  |                  |                     |                  |                 |                     |                   |                      |                  |                        |                   |         |         |
| Tuition and Fees                           | 29,131,044         |                     |                             | 21,788,022            |                               |                  |                             |                 |                |                   |                   |                 |                         | 223,110         | 1,707,636      |                        |                  |                  |                     |                  |                 |                     |                   |                      |                  | 515,000                | 4,897,276         |         |         |
| Tuition and Fees - operating transfer      | 0                  |                     |                             | 6,584,820             |                               |                  |                             |                 |                |                   |                   |                 |                         |                 |                |                        |                  |                  |                     |                  |                 |                     |                   |                      |                  |                        |                   |         |         |
| Retained Out of State Tuition              | 1,250,000          |                     | 1,250,000                   |                       |                               |                  |                             |                 |                |                   |                   |                 |                         |                 |                |                        |                  |                  |                     |                  |                 |                     |                   |                      |                  |                        |                   |         |         |
| Non State Supported Tuition                | 875,000            |                     |                             | 875,000               |                               |                  |                             |                 |                |                   |                   |                 |                         |                 |                |                        |                  |                  |                     |                  |                 |                     |                   |                      |                  |                        |                   |         |         |
| GCE  | 9,442,413          |                     |                             |                       |                               | 9,021,419        |                             | 420,994         |                |                   |                   |                 |                         |                 |                |                        |                  |                  |                     |                  |                 |                     |                   |                      |                  |                        |                   |         |         |
| Accelerated Programs (AP)                  | 11,005,881         |                     |                             |                       |                               |                  |                             |                 |                |                   |                   |                 |                         |                 |                |                        |                  |                  |                     |                  |                 |                     |                   |                      |                  |                        |                   |         |         |
| Investment Income                          | 1,650,000          |                     |                             | 1,525,000             |                               |                  |                             |                 | 25,000         |                   |                   |                 |                         |                 |                |                        |                  |                  |                     |                  |                 |                     |                   |                      |                  |                        |                   |         |         |
| Sales & Service & Other Income             | 1,853,100          |                     |                             | 1,203,176             |                               |                  |                             |                 | 90,000         | 31,200            | 5,000             | 30,000          | 10,000                  | 97,000          | 11,724         |                        | 175,000          | 150,000          | 50,000              |                  |                 |                     |                   |                      |                  |                        |                   |         |         |
| Reserve from Fund Balance                  | 640,986            |                     |                             |                       |                               |                  |                             |                 |                |                   |                   |                 |                         |                 | 165,166        |                        |                  |                  |                     |                  |                 |                     |                   |                      |                  |                        | 475,820           |         |         |
| Transfer - Foundation, etc.                | 266,000            |                     |                             | 266,000               |                               |                  |                             |                 |                |                   |                   |                 |                         |                 |                |                        |                  |                  |                     |                  |                 |                     |                   |                      |                  |                        |                   |         |         |
| <b>Total Revenue</b>                       | <b>114,115,073</b> | <b>36,838,368</b>   | <b>1,250,000</b>            | <b>32,242,018</b>     | <b>0</b>                      | <b>5,990,145</b> | <b>7,452,335</b>            | <b>420,994</b>  | <b>115,000</b> | <b>31,200</b>     | <b>5,000</b>      | <b>30,000</b>   | <b>10,000</b>           | <b>97,000</b>   | <b>400,000</b> | <b>1,707,636</b>       | <b>175,000</b>   | <b>150,000</b>   | <b>50,000</b>       | <b>9,169,871</b> | <b>0</b>        | <b>3,200,000</b>    | <b>100,000</b>    | <b>7,300,000</b>     | <b>1,492,410</b> | <b>515,000</b>         | <b>5,373,096</b>  |         |         |
| <b>BUDGETED EXPENSES (adjusted)</b>        | <b>Total</b>       | <b>State Maint</b>  | <b>Out of State Tuition</b> | <b>University Fee</b> | <b>University Fee Payroll</b> | <b>GCE</b>       | <b>Academic Partnership</b> | <b>PDC /CPS</b> | <b>General</b> | <b>Student FA</b> | <b>Rec Center</b> | <b>Grant OH</b> | <b>Academic Affairs</b> | <b>Sum Conf</b> | <b>SGA</b>     | <b>Tech</b>            | <b>Athletics</b> | <b>Bookstore</b> | <b>Parking</b>      | <b>Dorm Auth</b> | <b>T22P/T20</b> | <b>Food Service</b> | <b>Endowments</b> | <b>Financial Aid</b> | <b>Grants</b>    | <b>HEFA - Rec Cent</b> | <b>MSCBA</b>      |         |         |
| A Regular Employee Compensation            | 45,982,232         | 36,143,368          | 1,198,676                   | 198,267               | 4,889,181                     | 1,272,845        | 454,097                     | 179,822         |                |                   |                   |                 |                         |                 |                |                        |                  |                  |                     |                  |                 |                     |                   |                      |                  |                        |                   |         |         |
| B Regular Employee Related Expenses        | 395,671            |                     |                             | 315,969               |                               | 60,500           | 1,500                       | 1,000           |                | 6,686             |                   | 2,991           | 3,025                   |                 |                |                        |                  |                  |                     |                  |                 |                     |                   |                      |                  |                        |                   |         |         |
| C Special Employee/Contracted Services     | 7,397,476          |                     |                             | 3,185,581             |                               | 2,536,579        | 1,128,435                   | 110,127         |                | 2,200             | 5,000             | 1,000           | 5,000                   | 2,500           | 5,000          |                        |                  |                  |                     |                  |                 |                     |                   |                      | 274,585          |                        |                   |         |         |
| D Pension & Insurance Related Expenditures | 4,597,116          | 695,000             | 23,734                      | 340,491               | 2,052,478                     | 547,320          | 202,724                     | 75,489          |                |                   |                   |                 |                         | 150             |                |                        |                  |                  |                     |                  |                 |                     |                   |                      |                  |                        |                   | 176,508 |         |
| E Administrative Expenses                  | 1,646,112          |                     |                             | 420,974               |                               | 688,985          | 20,500                      | 22,650          | 15,600         | 1,814             |                   | 4,200           | 175                     | 78,000          | 36,818         |                        | 10,000           |                  | 5,000               | 9,000            | 11,700          |                     |                   |                      |                  |                        |                   | 320,696 |         |
| F Facility Operational Supplies            | 1,198,779          |                     |                             | 1,036,030             |                               | 2,500            |                             | 12,000          | 229            |                   |                   | 12,948          |                         |                 | 14,165         |                        | 42,000           |                  |                     |                  |                 |                     |                   |                      |                  |                        |                   |         |         |
| G Energy Costs and Space Rental Expenses   | 4,720,686          |                     |                             | 3,777,776             |                               |                  |                             | 29,410          |                |                   |                   |                 |                         |                 |                |                        |                  |                  |                     |                  |                 |                     |                   |                      |                  |                        |                   |         |         |
| H Consultant Services                      | 1,583,619          |                     |                             | 1,262,754             |                               | 100,000          |                             | 29,500          |                |                   |                   |                 | 1,000                   |                 | 183,365        |                        |                  |                  |                     |                  |                 |                     |                   |                      |                  |                        |                   |         |         |
| J Operational Services                     | 6,706,972          |                     |                             | 979,545               |                               | 252,620          | 4,957,387                   | 36,300          | 7,093          | 20,000            |                   |                 |                         | 15,350          | 1,137          |                        |                  |                  |                     |                  |                 |                     |                   |                      |                  |                        |                   |         | 421,040 |
| K Equipment Purchase                       | 175,674            |                     |                             | 131,444               |                               |                  |                             |                 |                |                   |                   |                 |                         |                 | 1,230          |                        | 3,000            |                  |                     |                  |                 |                     |                   |                      |                  |                        |                   |         |         |
| L Equipment Lease Rental Maint & Repair    | 834,393            |                     |                             | 819,233               |                               |                  |                             | 2,000           |                | 500               |                   |                 |                         |                 | 2,460          |                        |                  |                  |                     |                  |                 |                     |                   |                      |                  |                        |                   |         |         |
| M Student Related Travel Reimbursements    | 258,323            |                     |                             | 108,823               |                               |                  |                             |                 |                |                   |                   |                 |                         |                 | 28,000         |                        | 120,000          |                  |                     |                  |                 |                     |                   |                      |                  |                        |                   |         |         |
| N Construction and Improvements Building   | 6,212,210          |                     |                             | 5,700,010             |                               |                  |                             |                 | 5,000          |                   |                   |                 |                         | 1,000           |                | 26,200                 |                  |                  |                     |                  |                 |                     |                   |                      |                  |                        |                   |         |         |
| P Grants and External Subsidies            | 0                  |                     |                             |                       |                               |                  |                             |                 |                |                   |                   |                 |                         |                 |                |                        |                  |                  |                     |                  |                 |                     |                   |                      |                  |                        |                   |         |         |
| R Benefit Programs                         | 10,557,474         |                     |                             | 3,251,859             |                               | 15,000           |                             | 200             |                |                   |                   |                 |                         |                 |                |                        |                  | 150,000          | 25,000              |                  |                 |                     | 90,000            | 7,025,415            |                  |                        |                   |         |         |
| T Loans and Special Payments               | 18,222,767         |                     |                             | 2,653,661             |                               |                  |                             |                 | 28,000         |                   |                   | 8,861           |                         |                 | 126,411        |                        |                  |                  |                     |                  |                 |                     |                   |                      |                  |                        |                   |         |         |
| U Information Technology Expenses          | 5,092,223          |                     |                             | 3,362,868             |                               | 25,105           |                             | 800             |                |                   |                   |                 | 800                     |                 | 1,414          | 1,681,436              |                  |                  |                     |                  |                 |                     |                   |                      |                  |                        |                   |         |         |
| <b>TOTAL EXPENSES</b>                      | <b>115,581,726</b> | <b>36,838,368</b>   | <b>1,222,410</b>            | <b>27,545,285</b>     | <b>6,941,659</b>              | <b>5,501,454</b> | <b>6,764,643</b>            | <b>499,298</b>  | <b>115,000</b> | <b>31,200</b>     | <b>5,000</b>      | <b>30,000</b>   | <b>10,000</b>           | <b>97,000</b>   | <b>400,000</b> | <b>1,707,636</b>       | <b>175,000</b>   | <b>150,000</b>   | <b>30,000</b>       | <b>9,988,185</b> | <b>36,307</b>   | <b>3,050,000</b>    | <b>90,000</b>     | <b>7,300,000</b>     | <b>1,338,701</b> | <b>400,562</b>         | <b>5,373,096</b>  |         |         |
| <b>DIFFERENCE (Revenue - Expenses)</b>     | <b>(1,466,653)</b> | <b>0</b>            | <b>27,590</b>               | <b>(2,244,926)</b>    |                               | <b>488,691</b>   | <b>687,692</b>              | <b>(78,304)</b> | <b>0</b>       | <b>0</b>          | <b>0</b>          | <b>0</b>        | <b>0</b>                | <b>0</b>        | <b>(0)</b>     | <b>0</b>               | <b>0</b>         | <b>0</b>         | <b>20,000</b>       | <b>(818,314)</b> | <b>(36,307)</b> | <b>150,000</b>      | <b>10,000</b>     | <b>0</b>             | <b>153,709</b>   | <b>114,438</b>         | <b>0</b>          |         |         |

# Cover Sheet

## FY2023 Budget - VOTE (17-21/22)

**Section:** III. FY2023 Budget VOTES  
**Item:** A. FY2023 Budget - VOTE (17-21/22)  
**Purpose:** Vote  
**Submitted by:**  
**Related Material:** VOTE Budget FY2023.pdf

**Fitchburg State University  
REQUEST FOR BOARD ACTION**

|   |                             |
|---|-----------------------------|
| TO: Board of Trustees Finance Committee | DATE:<br>April 26, 2022     |
| FROM: The President                     | REQUEST NUMBER:<br>17-21/22 |
| SUBJECT: FY2023 Budget                  |                             |

It is requested that the Fitchburg State University Board of Trustees Finance Committee vote to recommend the FY2023 Budget as presented by the President.

# Cover Sheet

## Undergraduate University Fee Increase - VOTE (18-21/22)

**Section:** III. FY2023 Budget VOTES  
**Item:** B. Undergraduate University Fee Increase - VOTE (18-21/22)  
**Purpose:**  
**Submitted by:**  
**Related Material:** VOTE - DAY Undergraduate University Fee Increase.pdf

**Fitchburg State University  
REQUEST FOR BOARD ACTION**

|  |                                 |
|--|---------------------------------|
| TO: Board of Trustees Finance Committee            | DATE:<br><br>April 26, 2022     |
| FROM: The President                                | REQUEST NUMBER:<br><br>18-21/22 |
| SUBJECT: DAY Undergraduate University Fee Increase |                                 |

It is requested that the Fitchburg State University Board of Trustees Finance Committee vote to recommend a three and a half percent (3.5%) DAY Undergraduate University Fee increase of \$133.00 per semester effective for the fall semester 2022.

# Cover Sheet

## GCE Ed. Service Fee Increase - VOTE (19-21/22)

**Section:** III. FY2023 Budget VOTES  
**Item:** C. GCE Ed. Service Fee Increase - VOTE (19-21/22)  
**Purpose:**  
**Submitted by:**  
**Related Material:** VOTE - GCE Ed Service Fee Increase.pdf

**Fitchburg State University  
REQUEST FOR BOARD ACTION**

|   |                                 |
|---|---------------------------------|
| TO: Board of Trustees Finance Committee                 | DATE:<br>April 26, 2022         |
| FROM: The President                                     | REQUEST NUMBER:<br><br>19-21/22 |
| SUBJECT: GCE Ed Service Fee Increase – Graduate Program |                                 |

It is requested that the Fitchburg State University Board of Trustees Finance Committee vote to recommend an increase of \$8.00 per credit for the graduate program ed service fee, effective for the fall semester 2022. The new total is \$123.00 per credit.

# Cover Sheet

## GCE Tuition Increase - VOTE (20-21/22)

**Section:** III. FY2023 Budget VOTES  
**Item:** D. GCE Tuition Increase - VOTE (20-21/22)  
**Purpose:**  
**Submitted by:**  
**Related Material:** VOTE - GCE Tuition Increase.pdf

**Fitchburg State University  
REQUEST FOR BOARD ACTION**

|   |                                 |
|---|---------------------------------|
| TO: Board of Trustees Finance Committee | DATE:<br>April 26, 2022         |
| FROM: The President                     | REQUEST NUMBER:<br><br>20-21/22 |
| SUBJECT: GCE Tuition Fee Increase       |                                 |

It is requested that the Fitchburg State University Board of Trustees Finance Committee vote to recommend the following GCE tuition increases, effective for the fall semester 2022:

- An increase of \$5.00 per credit for the graduate GCE program for FY23, for a new total of \$195.00 per credit; and
- An increase of \$6.00 per credit for the undergraduate GCE program for FY23, for a new total of \$150.00 per credit.

## Cover Sheet

### Accelerated Online Program Tuition and Fee Structure - VOTE (21-21/22)

**Section:** III. FY2023 Budget VOTES  
**Item:** E. Accelerated Online Program Tuition and Fee Structure -  
VOTE (21-21/22)  
**Purpose:**  
**Submitted by:**  
**Related Material:**  
VOTE - Accelerated Online Program Tuition and Fee Structure.pdf

**Fitchburg State University  
REQUEST FOR BOARD ACTION**

|   |                                 |
|---|---------------------------------|
| TO: Board of Trustees Finance Committee                       | DATE:<br><br>April 26, 2022     |
| FROM: The President   | REQUEST NUMBER:<br><br>21-21/22 |
| SUBJECT: Accelerated Online Program Tuition and Fee Structure |                                 |

It is requested that the Fitchburg State University Board of Trustees Finance Committee vote to recommend the following accelerated online program tuition and fee structure:

- An increase of \$19 per credit for the accelerated online MBA, for a new total of \$436 per credit hour, consisting of \$284 tuition and \$152 of fees; and
- An increase of \$13 per credit for the Accelerated Online Masters of Education, for a new total of \$385 per credit hour, consisting of \$233 tuition and \$152 of fees.

## Cover Sheet

### Roll Forward of Funds to FY2023 Budget - VOTE (22/21-22)

**Section:** III. FY2023 Budget VOTES  
**Item:** F. Roll Forward of Funds to FY2023 Budget - VOTE (22/21-22)  
**Purpose:** Vote  
**Submitted by:**  
**Related Material:** VOTE Roll forward of funds to FY2023 budget.pdf

**Fitchburg State University  
REQUEST FOR BOARD ACTION**

|   |                         |
|---|-------------------------|
| TO: Board of Trustees Finance Committee         | DATE:<br>April 26, 2022 |
| FROM: The President                             | REQUEST NUMBER:         |
| SUBJECT: Roll Forward of Funds to FY2023 Budget | 22-21/22                |

It is requested that the Fitchburg State University Board of Trustees Finance Committee vote to recommend that ongoing capital projects roll forward into the FY2023 University Budget.

# Cover Sheet

## Financial Statements (N09-21/22)

**Section:** IV. Notifications  
**Item:** A. Financial Statements (N09-21/22)  
**Purpose:**  
**Submitted by:**  
**Related Material:**  
FSU\_MAR 31 2022-Financial Statement with Executive Summary.pdf

**FITCHBURG STATE UNIVERSITY**

**Board of Trustees**

**NOTIFICATIONS**

|   |                                       |
|---|---------------------------------------|
| <b>TO:</b> Board of Trustees Administration and Finance Committee | <b>DATE:</b> April 26, 2022           |
| <b>FROM:</b> The President  | <b>NOTIFICATION NUMBER:</b> N09-21/22 |
| <b>SUBJECT:</b> Financial Report                                  |                                       |

**FITCHBURG STATE UNIVERSITY  
FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED  
MARCH 31, 2022, 2021 AND 2020**

**FITCHBURG STATE UNIVERSITY**  
**STATEMENT OF NET ASSETS**  
**March 31, 2022, 2021 and 2020**

**ASSETS**

|  | <u>2022</u>           | <u>2021</u>           | <u>2020</u>           |
|--|-----------------------|-----------------------|-----------------------|
| <b>Current Assets</b>                                  |                       |                       |                       |
| Cash and Cash Equivalents                              | \$ 38,327,855         | \$ 30,101,104         | \$ 31,874,978         |
| Cash and cash equivalents-restricted                   | 11,483,627            | 9,390,647             | 10,471,463            |
| Accounts receivable, net                               | 2,751,583             | 4,793,868             | 5,726,617             |
| Loans receivable, net-current portion                  | 380                   | 1,277                 | 1,105                 |
| Other assets   | 370,476               | -                     | 197,443               |
|  | <u>52,933,921</u>     | <u>44,286,896</u>     | <u>48,271,606</u>     |
| <b>Total Current Assets</b>                            |                       |                       |                       |
| <b>Noncurrent Assets</b>                               |                       |                       |                       |
| Restricted cash and cash equivalents                   | 9,546,440             | 8,497,575             | 5,080,840             |
| Investments  | 19,700,737            | 19,681,754            | 15,685,027            |
| Endowment investments                                  | 1,062,206             | 1,149,378             | 918,105               |
| Loans receivable, net                                  | 912,186               | 1,092,501             | 1,332,467             |
| Prepaid expenses                                       | 199,102               | 171,682               | 34,509                |
| Capital assets, net                                    | 180,238,300           | 179,082,498           | 179,763,342           |
|  | <u>211,658,971</u>    | <u>209,675,388</u>    | <u>202,814,290</u>    |
| <b>Total Noncurrent Assets</b>                         |                       |                       |                       |
|  | 264,592,892           | 253,962,284           | 251,085,896           |
| <b>Total Assets</b>                                    |                       |                       |                       |
| <b>Deferred Outflows of Resources</b>                  |                       |                       |                       |
| Deferred outflows - pensions                           | <u>13,188,133</u>     | <u>8,276,468</u>      | <u>8,886,437</u>      |
| <b>Total Assets and Deferred Outflows of Resources</b> |                       |                       |                       |
|  | <u>\$ 277,781,025</u> | <u>\$ 262,238,752</u> | <u>\$ 259,972,333</u> |

For those charged with governance and internal management use only

**FITCHBURG STATE UNIVERSITY**  
**STATEMENT OF NET ASSETS**  
**March 31, 2022, 2021 and 2020**

**LIABILITIES AND STOCKHOLDERS' EQUITY**

|   | <u>2022</u>           | <u>2021</u>           | <u>2020</u>           |
|---|-----------------------|-----------------------|-----------------------|
| <b>Current Liabilities</b>                                |                       |                       |                       |
| Bond payable-current portion                              | \$ 4,436,978          | \$ 4,198,819          | \$ 4,148,659          |
| Accounts payable and accrued liabilities                  | 2,148,436             | 2,773,476             | 1,502,891             |
| Salaries and benefits payable                             | 2,962,337             | 2,918,012             | 2,963,329             |
| Accrued workers compensation-current portio               | 131,181               | 104,231               | 128,796               |
| Compensated absences-current portion                      | 3,538,000             | 3,887,879             | 3,479,284             |
| Accrued faculty payroll                                   | 4,637,291             | 4,603,129             | 4,787,726             |
| Deferred revenue-current portion                          | 6,355,638             | 3,309,682             | 689,585               |
| Capital lease-current portion                             | -                     | 132,483               | 259,038               |
| Other liabilities   | 821,106               | 372,620               | 1,342,318             |
|   | <u>25,030,967</u>     | <u>22,300,331</u>     | <u>19,301,626</u>     |
| <b>Total Current Liabilities</b>                          |                       |                       |                       |
| <b>Noncurrent Liabilities</b>                             |                       |                       |                       |
| Bonds payable   | 48,066,312            | 52,715,244            | 53,466,674            |
| Accrued workers compensation                              | 957,244               | 373,893               | 462,010               |
| Compensated absences                                      | 2,262,000             | 2,382,893             | 2,224,460             |
| Capital lease   | -                     | -                     | 131,325               |
| Due to federal loan programs-Perkins                      | 796,098               | 965,635               | 1,102,121             |
| Due to federal loan programs-Nursing                      | 136,311               | 249,435               | 247,238               |
| Unfunded pension liability                                | 20,091,153            | 12,763,415            | 12,484,412            |
| Net OPEB Liability  | 25,852,605            | 24,061,207            | 21,928,435            |
|   | <u>98,161,723</u>     | <u>93,511,722</u>     | <u>92,046,675</u>     |
| <b>Total Noncurrent Liabilities</b>                       |                       |                       |                       |
| <b>Total Liabilities</b>                                  |                       |                       |                       |
|   | <u>123,192,690</u>    | <u>115,812,053</u>    | <u>111,348,301</u>    |
| <b>Deferred Inflows of Resources</b>                      |                       |                       |                       |
| Deferred inflow - debt refunding                          | 2,014,723             | -                     | -                     |
| Deferred inflow - concessions                             | 505,836               | 758,754               | 1,011,672             |
| Deferred inflow - OPEB                                    | 6,269,569             | 6,233,735             | 6,838,918             |
| Deferred inflow - pensions                                | 779,813               | 1,171,344             | 855,293               |
|   | <u>9,569,941</u>      | <u>8,163,833</u>      | <u>8,705,883</u>      |
| <b>Total Deferred Inflows of Resources</b>                |                       |                       |                       |
| <b>Net Assets</b>   |                       |                       |                       |
| Invested in capital assets, net of related debt           | 125,241,892           | 124,781,903           | 125,252,950           |
| <b>Restricted for:</b>                                    |                       |                       |                       |
| Non-expendable  |                       |                       |                       |
| Endowment Funds   | 567,362               | 558,059               | 495,832               |
| Expendable  |                       |                       |                       |
| Endowment Earnings-Scholarship                            | 400,861               | 335,379               | 391,878               |
| Loans   | 145,027               | 181,720               | 359,076               |
| Other   | 202,341               | 148,515               | 249,860               |
| Capital projects  | 84,072                | 39,450                | 50,000                |
| Debt service  | 12,685,282            | 11,319,699            | 7,079,820             |
| Unrestricted  | 5,691,557             | 898,141               | 6,038,733             |
|   | <u>145,018,394</u>    | <u>138,262,866</u>    | <u>139,918,149</u>    |
| <b>Total Net Assets</b>                                   |                       |                       |                       |
| <b>Total Liabilities, Deferred Inflows and Net Assets</b> |                       |                       |                       |
|   | <u>\$ 277,781,025</u> | <u>\$ 262,238,752</u> | <u>\$ 259,972,333</u> |

For those charged with governance and internal management use only

**FITCHBURG STATE UNIVERSITY**  
**STATEMENT OF REVENUE, EXPENSES & CHANGES IN NET ASSETS**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2022, 2021 and 2020**

|  | <u>2022</u>         | <u>2021</u>         | <u>2020</u>         |
|--|---------------------|---------------------|---------------------|
| <b>Operating Revenues</b>                        |                     |                     |                     |
| Student tuition and fees                         | \$ 44,587,913       | \$ 46,745,970       | \$ 47,478,261       |
| Waivers and exemptions                           | (919,340)           | (880,733)           | (967,078)           |
| <b>Net student tuition and fees</b>              | <b>43,668,573</b>   | <b>45,865,237</b>   | <b>46,511,183</b>   |
| Federal grants and contracts                     | 18,218,623          | 9,285,165           | 7,621,943           |
| State and local grants and contracts             | 579,698             | 753,168             | 740,956             |
| Nongovernmental grants and contracts             | 394,020             | 446,629             | 554,396             |
| Sales and services of educational departments    | 901,263             | 569,612             | 1,003,305           |
| Auxiliary enterprises:                           |                     |                     |                     |
| Residential life (net of scholarship allowances) | 8,799,132           | 6,608,890           | 10,654,666          |
| Residential life-dining hall revenue             | 2,975,941           | 2,155,597           | 4,278,062           |
| Administrative overhead                          | 65,819              | 57,153              | 65,830              |
| Fundraising                                      | 83,611              | 7,418               | 132,759             |
| Commissions                                      | 269,859             | 1,782,645           | 366,591             |
| Miscellaneous                                    | 87,829              | 50,863              | 5,473               |
| Nursing and Perkins                              | 3,938               | 7,778               | 162,400             |
| <b>Total Operating Revenues</b>                  | <b>76,048,306</b>   | <b>67,590,155</b>   | <b>72,097,564</b>   |
| <b>Operating Expenses</b>                        |                     |                     |                     |
| <b>Salaries:</b>                                 |                     |                     |                     |
| Faculty  | 18,549,162          | 18,412,516          | 19,150,903          |
| Exempt wages                                     | 3,101,981           | 3,332,166           | 3,452,541           |
| Non-exempt wages                                 | 14,946,316          | 15,149,495          | 15,923,901          |
| Benefits   | 11,305,471          | 11,728,677          | 12,076,739          |
| <b>Other Operating Expenses:</b>                 |                     |                     |                     |
| Employee related travel                          | 105,510             | 80,325              | 296,285             |
| Administrative expense                           | 1,690,475           | 1,567,905           | 1,544,953           |
| Facility operational supplies                    | 1,175,803           | 1,089,473           | 1,109,578           |
| Utilities  | 3,050,931           | 2,180,955           | 2,347,017           |
| Consultant services                              | 1,541,022           | 1,106,998           | 840,347             |
| Operational services                             | 5,445,663           | 4,917,651           | 2,611,040           |
| Equipment purchases                              | 277,815             | 464,979             | 361,226             |
| Equipment lease/rental/repair/maint              | 512,523             | 295,700             | 598,845             |
| Purchased client services-program                | 168,831             | 13,421              | 209,386             |
| Construction and building improvement            | 1,520,994           | 786,751             | 1,142,661           |
| Grants and Subsidies                             | 33,900              | 84,672              | 96,187              |
| Scholarships                                     | 14,068,624          | 10,460,780          | 9,833,474           |
| Loans & special payments                         | 1,007,437           | 98,627              | 22,436              |
| IT expenditures                                  | 4,102,271           | 2,695,281           | 3,231,528           |
| Depreciation                                     | 8,959,951           | 8,419,805           | 7,758,679           |
| Bad debt expense                                 | (54,751)            | -                   | (47,058)            |
| Auxiliary enterprises:                           |                     |                     |                     |
| Residential life-Dining Hall expense             | 2,154,894           | 1,687,503           | 2,972,066           |
| Residential life                                 | 8,423,042           | 5,233,327           | 10,213,556          |
| <b>Total Operating Expenses</b>                  | <b>102,087,865</b>  | <b>89,807,007</b>   | <b>95,746,290</b>   |
| <b>Operating profit/(loss)</b>                   | <b>(26,039,559)</b> | <b>(22,216,852)</b> | <b>(23,648,726)</b> |

For those charged with governance and internal management use only

**FITCHBURG STATE UNIVERSITY**  
**STATEMENT OF REVENUE, EXPENSES & CHANGES IN NET ASSETS**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2022, 2021 and 2020**

|   | <u>2022</u>           | <u>2021</u>           | <u>2020</u>           |
|---|-----------------------|-----------------------|-----------------------|
| <b>Nonoperating Revenues (Expenses)</b>                     |                       |                       |                       |
| State appropriations  | 36,149,151            | 36,143,109            | 40,054,718            |
| Investment income (net of investment expenses)              | 720,960               | 745,735               | (2,749,130)           |
| Unrealized gain/(loss)                                      | (1,504,716)           | 1,657,758             | 1,683,605             |
| Interest on capital debt                                    | <u>(824,553)</u>      | <u>(330,616)</u>      | <u>(1,820,907)</u>    |
| <b>Net Nonoperating Revenues (Expenses)</b>                 | <u>34,540,842</u>     | <u>38,215,986</u>     | <u>37,168,286</u>     |
| <b>Income (loss) before Capital and Endowment Additions</b> | 8,501,283             | 15,999,134            | 13,519,560            |
| Capital appropriations                                      | 1,089,214             | 246,666               | -                     |
| Capital grants and gifts                                    | <u>189,688</u>        | <u>189,688</u>        | <u>189,688</u>        |
| <b>Increase in net assets</b>                               | 9,780,185             | 16,435,488            | 13,709,248            |
| <b>Net Assets - beginning of period</b>                     | <u>135,238,209</u>    | <u>121,827,378</u>    | <u>126,208,901</u>    |
| <b>Net Assets - end of period</b>                           | <u>\$ 145,018,394</u> | <u>\$ 138,262,866</u> | <u>\$ 139,918,149</u> |

For those charged with governance and internal management use only

**FITCHBURG STATE UNIVERSITY  
STATEMENTS OF CASH FLOWS  
FOR THE NINE MONTHS ENDED MARCH 31, 2022, 2021 and 2020**

|   | <u>2022</u>              | <u>2021</u>              | <u>2020</u>              |
|---|--------------------------|--------------------------|--------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                          |                          |                          |
| Increase in net assets  | \$ 9,780,186             | \$ 16,435,488            | \$ 13,709,249            |
| Adjustments to reconcile increase in net assets to cash provided by (used by) operating activities: |                          |                          |                          |
| (Gain)/loss on marketable securities  | 1,504,811                | (1,657,758)              | 1,738,989                |
| Depreciation  | 8,959,951                | 8,419,805                | 7,758,679                |
| <br>(Increase) decrease in assets:  |                          |                          |                          |
| Accounts receivable   | 9,917,211                | (1,830,411)              | (3,355,996)              |
| Loans receivable  | 128,469                  | 180,766                  | 149,601                  |
| Other assets  | (291,104)                | 93,958                   | 212,779                  |
| Account Description   |                          |                          |                          |
| Increase (decrease) in liabilities:   |                          |                          |                          |
| Accounts payable and accrued liabilities  | (910,519)                | 108,151                  | (2,648,806)              |
| Compensated absences  | 438,601                  | 529,029                  | 198,394                  |
| Accrued faculty payroll   | 760,963                  | 371,818                  | 793,926                  |
| Deferred revenue  | (3,060,275)              | (1,478,026)              | (1,297,906)              |
| Other liabilities   | <u>511,053</u>           | <u>(69,784)</u>          | <u>1,005,182</u>         |
| <br><b>Net cash provided by operating activities</b>  | <br><u>27,739,347</u>    | <br><u>21,103,036</u>    | <br><u>18,264,091</u>    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                          |                          |                          |
| Proceeds from sale of investments   | 3,431,473                | 4,117,738                | 3,654,377                |
| Realized gain on cash investments   | (454,236)                | (510,659)                | (183,765)                |
| Purchase of investments   | (3,706,218)              | (4,642,367)              | (4,030,126)              |
| Acquisition of property, plant and equipment  | <u>(3,668,225)</u>       | <u>(6,032,237)</u>       | <u>(4,701,291)</u>       |
| <br><b>Net cash (used by) investing activities</b>  | <br><u>(4,397,206)</u>   | <br><u>(7,067,525)</u>   | <br><u>(5,260,805)</u>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |                          |                          |                          |
| Federal loan program  | (222,383)                | (139,301)                | (522,607)                |
| Payments of capital debt  | (2,519,169)              | (1,109,972)              | (4,444,624)              |
| Payments of capital leases  | <u>(131,295)</u>         | <u>(257,879)</u>         | <u>(254,441)</u>         |
| <br><b>Net cash provided by financing activities</b>  | <br><u>(2,872,847)</u>   | <br><u>(1,507,152)</u>   | <br><u>(5,221,672)</u>   |
| <br><b>Net increase in cash</b>   | <br>20,469,294           | <br>12,528,359           | <br>7,781,614            |
| <br><b>Cash and cash equivalents - beginning of period</b>  | <br><u>38,888,628</u>    | <br><u>35,460,968</u>    | <br><u>39,645,667</u>    |
| <br><b>Cash and cash equivalents - end of period</b>  | <br><u>\$ 59,357,922</u> | <br><u>\$ 47,989,327</u> | <br><u>\$ 47,427,281</u> |
| <br><b>Supplemental Disclosures:</b>  |                          |                          |                          |
| Cash paid for interest  | <u>\$ 1,675,227</u>      | <u>\$ 897,293</u>        | <u>\$ 2,367,866</u>      |

For those charged with governance and internal management use only

**Fitchburg State University**  
**Executive Summary**  
**Financial Statements for the Nine Months Ended**  
**March 31, 2022, 2021 and 2020**

**Statements of Net Assets (pages 2-3):**

- Total assets increased by approximately \$11 million between fiscal year 2022 and 2021. This was mainly due to an increase in cash arising from the HEERF grant.
- Total liabilities increased by \$8.0 million between 2021 and 2022. \$7.3 million of this increase was due to an increase in unfunded pension liability. There was also a \$3.0 million increase in deferred revenue relating to unspent state capital appropriation and a \$4.6 decrease in non-current bonds payable.
- Total net assets increased by \$ 6.8 million from 2021. This increase was due to us being able to recognize \$5.6 million of the unrestricted portion of the HEERF funds as income; this was recorded as lost revenue in fiscal year 2021.

**Statements of Revenues, Expenses and Changes in Net Assets (pages 4-5):**

- Total operating revenues increased in 2022. The increase in operating revenue was largely due to the recognition of the income stemming from the HEERF grant. Although not at their prior COVID level, resident life and dining hall revenues have also seen a \$3 million increase over that of 2021.
- Tuition and fee revenue saw its sharpest decline of \$2.2 million between the periods 2021 to 2022. Although the on-campus revenues is still down because of COVID and other factors, online revenues, on the other hand, have consistently increased on a yearly basis.
- As a byproduct of the yearly increase in online tuition revenue, the operational services expenses have also increased. This increase is due to the payment made to the online program service provider. Year 2020 was an outlier because of the late payment of an invoice.
- The increase in scholarship expenses in 2022 is mainly due to HEERF funds paid to students.
- As at March 2022, we have a net investment loss of \$ 0.7 million compared to a gain of \$2.4 million gain in March 2021.
- Total expenditures increased by \$12.7 million between 2020 and 2021. This increase is mainly due to an increase in HEERF scholarship expenditures, an increase in operational services payment made to the online provider, an increase in IT expenditures, and an increase in utilities expenses.

**Statements of Cash Flows (page 6):**

- Cash on hand has increased by \$11 million in 2022 compared to 2021 and 2020.
- In 2022 - net cash provided from operations was \$27.7 million compared to \$21.1 million in 2021 and \$18.2 million in 2020. Acquisitions of property and equipment totaled \$3.7 million in 2022 compared to \$6.0 million in 2021. This is mainly due to the number of small but necessary projects that have been done.