



# Fitchburg State University

## Board of Trustees Finance & Administration Committee Meeting

Published on January 19, 2023 at 4:54 PM EST

### Date and Time

Friday January 27, 2023 at 2:00 PM EST

### Location

Presidents' Hall, Mazzaferro Center, 291 Highland Ave., Fitchburg, MA 01420

Notice of a meeting of the Fitchburg State University Finance and Administration Committee on Friday, January 27, 2023 at 2:00 p.m., Presidents' Hall, Mazzaferro Center, 291 Highland Ave., Fitchburg, MA 01420

### Agenda

	Purpose	Presenter	Time
<b>I. Opening Items</b>			<b>2:00 PM</b>
<b>A.</b> Record Attendance			1 m
<b>B.</b> Call the Meeting to Order			
<b>C.</b> Approve Minutes	Approve Minutes		2 m
<p>Approve minutes for Board of Trustees Finance &amp; Administration Committee Meeting on October 18, 2022</p>			

### II. Elect a Chair

	Purpose	Presenter	Time
<b>III. Finance and Administration</b>			<b>2:03 PM</b>
<b>A. Review the faculty union's petition</b>	Discuss		45 m
<b>IV. Other Business</b>			
<b>V. Closing Items</b>			
<b>A. Adjourn Meeting</b>	Vote		

# Coversheet

## Approve Minutes

**Section:** I. Opening Items  
**Item:** C. Approve Minutes  
**Purpose:** Approve Minutes  
**Submitted by:**  
**Related Material:**  
Minutes for Board of Trustees Finance & Administration Committee Meeting on October  
18, 2022  
VOTE Minutes.pdf

APPROVED



## Fitchburg State University

### Minutes

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

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**Date and Time**

Tuesday October 18, 2022 at 8:30 AM

**Location**

Presidents' Hall, Mazzaferro Center, 291 Highland Ave., Fitchburg, MA 01420

The Fitchburg State University Board of Trustees Finance and Administration Committee will meet on Tuesday, October 18 at 8:30 a.m. Members of the Foundation Audit Committee will be in attendance.

The meeting will take place in Presidents' Hall, Mazzaferro Center, 291 Highland Ave., Fitchburg, MA 01420

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**Committee Members Present**

D. Phillips, D. Tiernan (remote), E. Gregoire, K. Spinelli, M. Fiorentino, Jr.

**Committee Members Absent**

*None*

**Guests Present**

A. Mercadante, A. Tourigny, A. Turner, C. Estrella, D. Celuzza, G. Doiron, J. Bry, J. Hanselman, J. Murdoch, J. Wolfman, L. Bayless, P. Marshall, P. Weizer, R. Lapidus, Y. Malcolm

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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 Oct 18, 2022 at 8:38 AM.

**C.**

**Approve Minutes from the April 26, 2022 Finance Committee - VOTE (04-22/23)**

M. Fiorentino, Jr. made a motion to approve the minutes from Board of Trustees Finance & Administration Committee Meeting on 04-26-22.

K. Spinelli seconded the motion.

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

**Roll Call**

K. Spinelli Aye

D. Tiernan Aye

E. Gregoire Aye

M. Fiorentino, Jr. Aye

D. Phillips Aye

**II. Approve Minutes from the April 27, 2022 meetings**

**A. Approve Minutes from the April 27 Finance Committee held at 2 p.m. - VOTE (05-22/23)**

M. Fiorentino, Jr. made a motion to approve the minutes from Board of Trustees Finance & Administration Committee Meeting on 04-27-22.

K. Spinelli seconded the motion.

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

**Roll Call**

D. Phillips Aye

D. Tiernan Aye

E. Gregoire Aye

M. Fiorentino, Jr. Aye

K. Spinelli Aye

**B. Approve Minutes from the April 27, 2022 Finance Committee meeting held at 3 p.m. - VOTE (06-22/23)**

M. Fiorentino, Jr. made a motion to approve the minutes from Board of Trustees Finance & Administration Committee Meeting on 04-27-22.

K. Spinelli seconded the motion.

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

**Roll Call**

M. Fiorentino, Jr. Aye

D. Tiernan Aye

D. Phillips Aye

K. Spinelli Aye

E. Gregoire Aye

**III. Presentation by the Auditors**

**A. Board Presentation Exhibits**

The President introduced the two audit firms, Cohn Reznick and Bollus Lynch and reminded everyone that this was a transition year. He stated that Bollus Lynch was responsible for the Foundation audit and that Cohn Reznick was responsible for the University audit. Next year, Bollus Lynch will be conducting the audit for both entities. He thanked Cohn Resnick for the good work over the years. Cohn

Resnick is moving out of the higher education space. Phillips thanked them as well and extended her best wishes in all their future endeavors.

The Bollus Lynch team introduced themselves, Jim Johnston, Partner and, Laura Pizzimenti, Audit Senior Manager.

They presented the Foundation, and Supporting Org. audit results. They are issuing an unmodified opinion. That means all that all information was available for review and is in good standing.

J. Johnston next discussed the decrease in investments. He noted the volatility of market and discussed the unrealized losses. He stated that there were typical payments of debt and no large influx of new debt.

J. Johnston discussed the consolidated statement of financial position, and consolidated statement of activities. He discussed the footnotes, and stated that there are no major significant changes. There is no balance on the line of credit.

The auditors from Cohn Reznick introduced themselves; Melissa Ferrucci, Audit Partner, Mark Snyder, Audit Director, and Maryellen Scarselli, Senior Audit Manager. They expressed their appreciation to Jay Bry, Yvonne Malcolm, and Denise Brindle. They noted the high level of cooperation, along with their teams and that they have been a pleasure to work with.

The financial statements are being presented with a clean opinion. The report on internal controls was presented with no findings for this year, which is very consistent with prior years. Again, they thanked the team.

M. Ferrucci and M. Scarselli provided the financial statements overview, statements of net position, statements of revenues, expenses and changes in net position, and statements of cash flows.

M. Snyder discussed the footnotes and disclosures. He explained GASB 87 and the contract with MSCBA. He discussed how the buildings under the MSCBA are now on the books as assets and liabilities. He discussed the summation of financial statements. What happens in the next 3-5 years is uncertain.

M. Ferrucci talked about the upcoming GASB announcements. There is no separate management letter.

D. Tiernan expressed appreciation to the administration. M. Fiorentino suggested that moving forward the main focus should be on capital projects, enrollment and the residence hall occupancy. E. Gregoire stated the data shows a reduction in tuition revenue and some increase in scholarship allowance.

A discussion ensued.

There was a discussion about the pension.

The President stated that the big picture is that the university is fiscally sound with resources to support planning and change. He noted that work will be needed to address the changing higher education landscape.

## **B. FY2022 Audit - VOTE (07-22/23)**

M. Fiorentino, Jr. made a motion to approve the Foundation audit,.  
E. Gregoire seconded the motion.  
The committee **VOTED** to approve the motion.

**Roll Call**

E. Gregoire      Aye  
M. Fiorentino, Jr.      Aye  
K. Spinelli      Aye  
D. Tiernan      Aye  
D. Phillips      Aye

K. Spinelli made a motion to approve the university audit.  
E. Gregoire seconded the motion.  
The committee **VOTED** to approve the motion.

**Roll Call**

D. Tiernan      Aye  
M. Fiorentino, Jr.      Aye  
K. Spinelli      Aye  
E. Gregoire      Aye  
D. Phillips      Aye

**IV. 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 9:34 AM.

Respectfully Submitted,  
D. Phillips

**Fitchburg State University**  
**REQUEST FOR BOARD ACTION**

TO: Finance & Administration Committee	DATE: January 27, 2023
FROM: The President	REQUEST NUMBER: 18-22/23
SUBJECT: October 18, 2022 Finance & Administration Committee minutes	

It is requested that the Fitchburg State University Board of Trustees Finance & Administration Committee vote to approve the minutes from the October 18, 2022 meeting.



# Coversheet

## Review the faculty union's petition

**Section:** III. Finance and Administration  
**Item:** A. Review the faculty union's petition  
**Purpose:** Discuss  
**Submitted by:**  
**Related Material:** MSCA Financial Presentation 11 1 22 (4).pdf  
Petition to the Board of Trustees.pdf  
Copy of 2023 Spring Finance Public Presentation Format .pptx

# A Perceived Budgetary *Parasnip*

or

# An Actual Budgetary *Crisis* ?

The FSU administration asserted the following in a recent presentation (emphasis  or     added):

## Where Are the Greatest Opportunities?

Three Basic Ways To Achieve Greater Financial Sustainability



### Grow Revenues

- Expand enrollment in existing high-demand programs
- Launch new high-demand programs



### Reduce Non-Instructional Staff

- Share support staff across units
- Merge academic units (colleges, schools, departments)



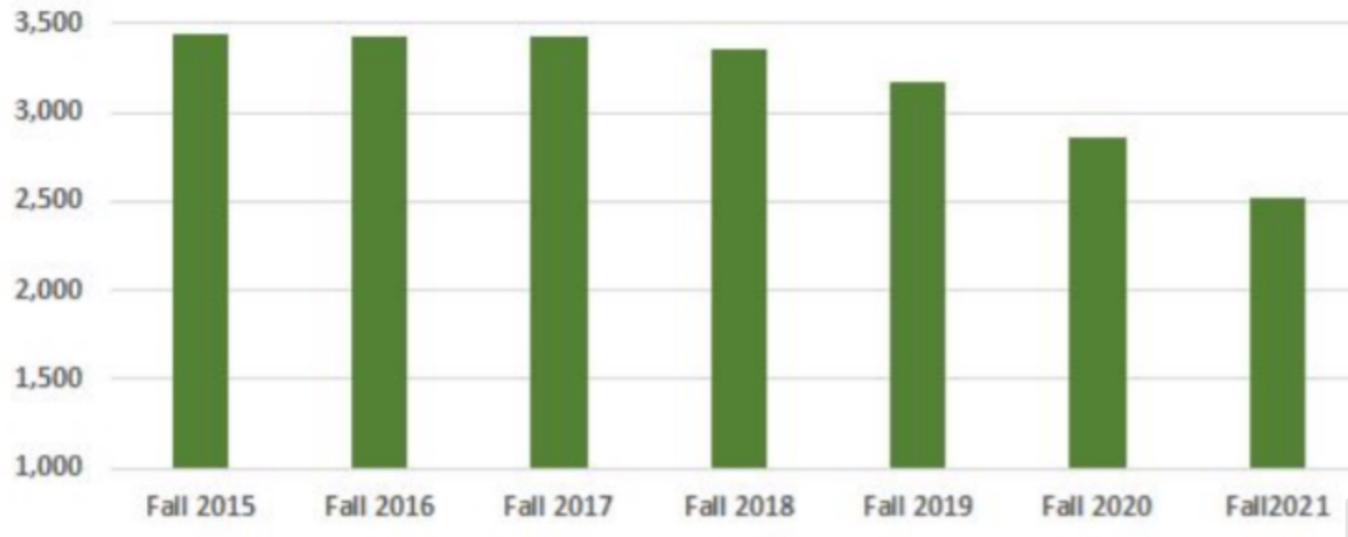
### Reduce Instructional Staff

- Increase output per instructor
- Disinvest in selected degree programs



# ENROLLMENTS CONTINUE TO DROP

UG Day FTE



**FALL 2022 = UG FTE 2383**

We have had stalled or declining enrollments since 2016.

We only reorganized our Enrollment Management area in 2021. This has not helped us yet.

Fall 2022 FTE UG enrollments are 2383. We are down 249 from target, and potentially more. Even SOGCE did not meet expectations and are 425K in the red. This has produced a 2.2 million shortfall for expected revenues.

The current plan is not working, what next?

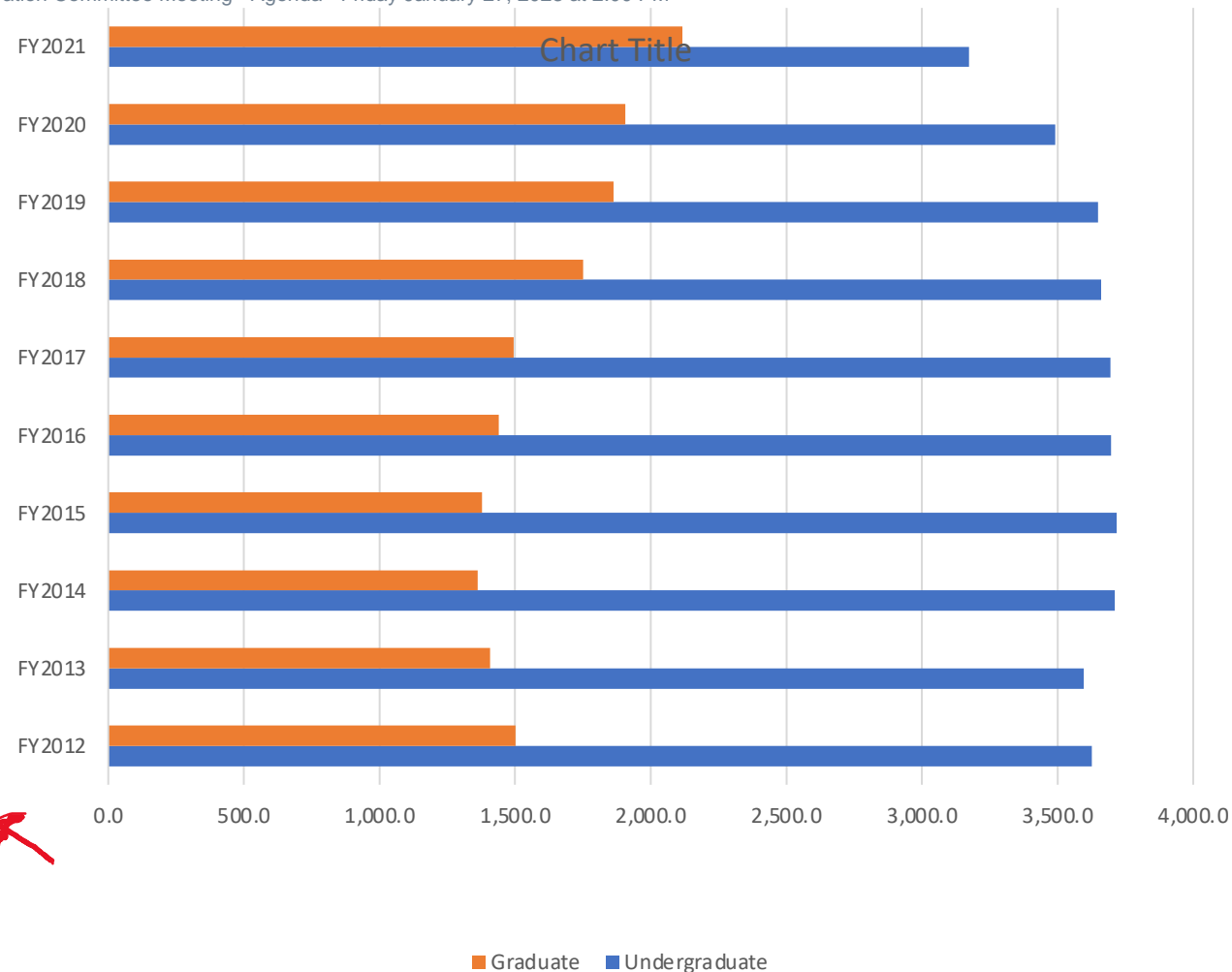
Annual Full-Time Equivalent Enrollment		FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2012-21
Institution	Credit Type											
Fitchburg State University	Undergraduate	3,625.9	3,596.5	3,711.4	3,718.0	3,696.2	3,695.1	3,660.2	3,649.4	3,490.9	3,172.7	-12.5%
Fitchburg State University	Graduate	1,502.6	1,408.5	1,362.1	1,377.0	1,438.7	1,494.7	1,750.0	1,863.0	1,907.1	2,116.4	40.8%
Fitchburg State University	Total	5,128.5	5,005.0	5,073.5	5,095.0	5,134.9	5,189.8	5,410.2	5,512.4	5,398.0	5,289.1	3.1%
State Universities	Undergraduate	37,544.6	37,895.6	38,395.0	38,331.1	38,089.0	37,704.5	37,568.8	36,733.0	35,651.1	32,512.7	-13.4%
State Universities	Graduate	7,052.8	6,688.4	6,568.8	6,574.6	6,803.2	6,718.7	6,821.4	6,842.2	6,774.1	7,161.2	1.5%
State Universities	Total	44,597.4	44,584.0	44,963.8	44,905.7	44,892.2	44,423.2	44,390.2	43,575.2	42,425.2	39,673.9	-11.0%

# MISSION CREEP?

Grad enrollments are positive, but we have an unusually high ratio of grad to UG AT FSU of total FTE, 40% are grad and 60% undergrad.

In the state system, average is 18% grad and 82% undergrad. FSU gave more grad degrees last year than undergrad. Is this the best/only way to balance the books? What will the consequences be for our institutional mission and our faculty?

	Nonresident alien	Hispanic Latino	American Indian or Alaska Native	Asian	Black or African American	Native Hawaiian or Other Pacific Islander	White	Two or more Races	Race/ethnicity unknown	Total
<b>Bachelor's degree</b>										
Male	3	44	0	14	33	0	238	9	8	349
Female	6	62	1	8	52	0	343	17	9	498
Total	9	106	1	22	85	0	581	26	17	847
<b>Post-Baccalaureate certificates</b>										
Male	0	0	0	1	0	0	2	0	0	3
Female	0	0	0	0	2	0	21	0	0	23
Total	0	0	0	1	2	0	23	0	0	26
<b>Master's degree</b>										
Male	22	27	0	13	26	1	208	2	9	308
Female	26	37	1	20	25	1	469	6	8	593
Total	48	64	1	33	51	2	677	8	17	901
<b>Post-Master's certificates</b>										
Male	0	0	0	0	0	0	3	0	0	3
Female	0	1	0	0	0	0	18	1	0	20
Total	0	1	0	0	0	0	21	1	0	23
<b>Grand Total Male</b>	25	71	0	28	59	1	451	11	17	663
<b>Grand Total Female</b>	32	100	2	28	79	1	851	24	17	1134
<b>Grand Total</b>	57	171	2	56	138	2	1302	35	34	1737



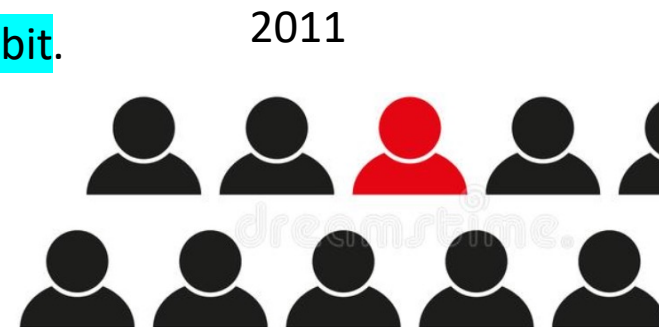
IPEDs data, 2012-2021

Fitchburg State Institutional Factbook 2021

# ADMINISTRATIVE POSTIONS INCREASE BY 68%

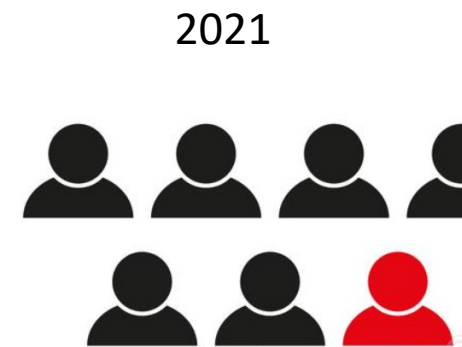
Since 2011, the cost of MSCA compensation rose by 38%, NUPS by 75%. Faculty/librarians % of total compensation declined slightly, while NUPs % increased a bit.

FSU compensation costs, from CTHRU payroll					
	TOTAL payroll in millions	MSCA in mill	percentage of	NUP in mill	percentage of total
2011	33.01	13.57	41.00	2.48	7.5
2021	48.43	18.76	38.7	4.34	8.2
increase	46.71%	38.25%	-5.61%	75.00%	9.33%



Since 2011, the number of employees have increased, MSCA by 4%, NUPS by 68%

	Numbers of FT employees	# MSCA	# NUPS	# students
2011	535	204	25	3695
2021	618	213	42	3172
% additional	83	9	17	-523
% change	15.51%	4.41%	68.00%	-14.15%



students per 1 faculty	students per 1 NUP	Faculty to 1 NUP
18	148	8
14.9	75.5	5

There used to be one non-unit personnel for every eight faculty/librarians. Now it is one to five.

## REDUCTION IN FACULTY & LIBRARIAN RANKS

- Loss of faculty positions since May 2020 - 26
- Replacements of faculty/librarians since May 2020 - 9

We are down 17 Tenure Track members.

We are at 198 faculty and librarians.

Our PT faculty have been reduced also.

For AY24, only 1 Tenure Track and 4 FT Temp positions have been approved for searches.

*These non-replacements are a savings measure. Attrition from retirements is a random process which could hit popular programs as well as challenged ones. They are only nominally based on criteria such as student needs or program vitality. Is “disinvestment” to be achieved surreptitiously, without open discussion or governance procedures?*

From an AY21 financial presentation

- Adjunct Faculty Reductions (\$523,000)
- MSCBA Debt Restructuring
- Hiring Freeze (\$1.5 million)

Dept Discretionary reductions (604K)

# What about REDUCING waste or questionable use of resources?

- **Our president purchased a whole city block in downtown Fitchburg, including a 1930's style theater, in a state of extreme disrepair.**
- **The idea is to renovate it and to transform Fitchburg into a cultural hub for central MA.**
- ◆ **Price tag for this project: \$75 million (to be the object of intense fundraising efforts), with at least \$30m coming directly from the University.**
- ☹ **We have already spent some \$\$ on it (\$2.4 million in FY 2022 for Theater Block).**



**This was done without consulting the University community, and the plan lacks connection to curriculum.**

**It was/is/will be a misallocation of valuable resources. Huge debt that we don't want or need.**

# FSU's Long-term Debt

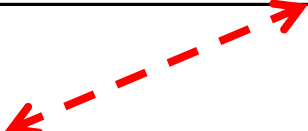
The University has long term debt obligations issued for various capital projects. The debt was issued through several financing agreements with the Massachusetts Development Finance Agency (MDFA), the Massachusetts State College Building Authority (MSCBA). *The following table is from the MD&A (p. 16) and Note 12 – Interagency payables in Notes to Financial Statements (p. 60) in FSU Financial Statements, June 30, 2022 and 2021.*

Issuing Agency	Construction Project	Fiscal Year Originally Issued	Original Amount	Funding Source	Effective Interest Rate	Debt Service Payments	Debt Outstanding	Maturity
MDFA	Recreation Center	1997	\$ 6,000,000	DSF	0.26%	\$ 392,561	\$ 901,094	2023
MSCBA	Holmes Dining Hall Renovations	2005	\$ 1,090,000	DSF	2.54%	\$ 73,245	\$ 383,724	2034
MSCBA	Elliot Athletic Field Improvements	2005	\$ 4,020,000	DSF	2.66%	\$ 138,782	\$ 1,356,322	2034
MSCBA	Holmes Dining Hall Renovations	2006	\$ 2,060,000	DSF	2.57%	\$ 143,660	\$ 809,869	2031
MSCBA	Hammond Campus Center Renovations	2011	\$ 15,935,656	DSF	5.54%	\$ 863,091	\$ 9,225,870	2030
MSCBA	Hammond Campus Center Renovations	2012	\$ 7,043,416	DSF	2.50%	\$ 389,133	\$ 4,366,375	2035
MSCBA	Hammond Campus Center Renovations	2013	\$ 11,300,906	DSF	3.22%	\$ 418,547	\$ 5,727,751	2034
MSCBA	Parking Expansion	2013	\$ 2,563,127	DSF	3.03%	\$ 94,619	\$ 1,501,142	2034
MSCBA	Hammond Campus Center Renovations	2014	\$ 12,235,614	DSF	3.29%	\$ 535,000	\$ 8,421,463	2038
MSCBA	Hammond Campus Center Renovations	2015	\$ 10,669,503	DSF & Operating Funds	4.67%	\$ 420,000	\$ 6,164,014	2035
MSCBA	Landry Area Refurbishment	2017	\$ 4,166,418	DSF & Operating Funds	4.01%	\$ 161,000	\$ 3,698,476	2037
DCAMM	CEIP Funds	2017	\$ 5,420,360	DCAMM	3.00%	\$ 220,428	\$ 4,796,856	2039
MSCBA	Holmes Dining Hall Renovations	2019	\$ 1,516,022	DSF	2.00%	\$ 50,000	\$ 1,582,897	2039
MSCBA	Recreation Center	2019	\$ 1,107,123	DSF & Operating Funds	3.84%	\$ 40,000	\$ 1,226,991	2039
<b>Total</b>			<b>\$ 85,128,145</b>			<b>\$ 3,940,066</b>	<b>\$ 50,162,844</b>	





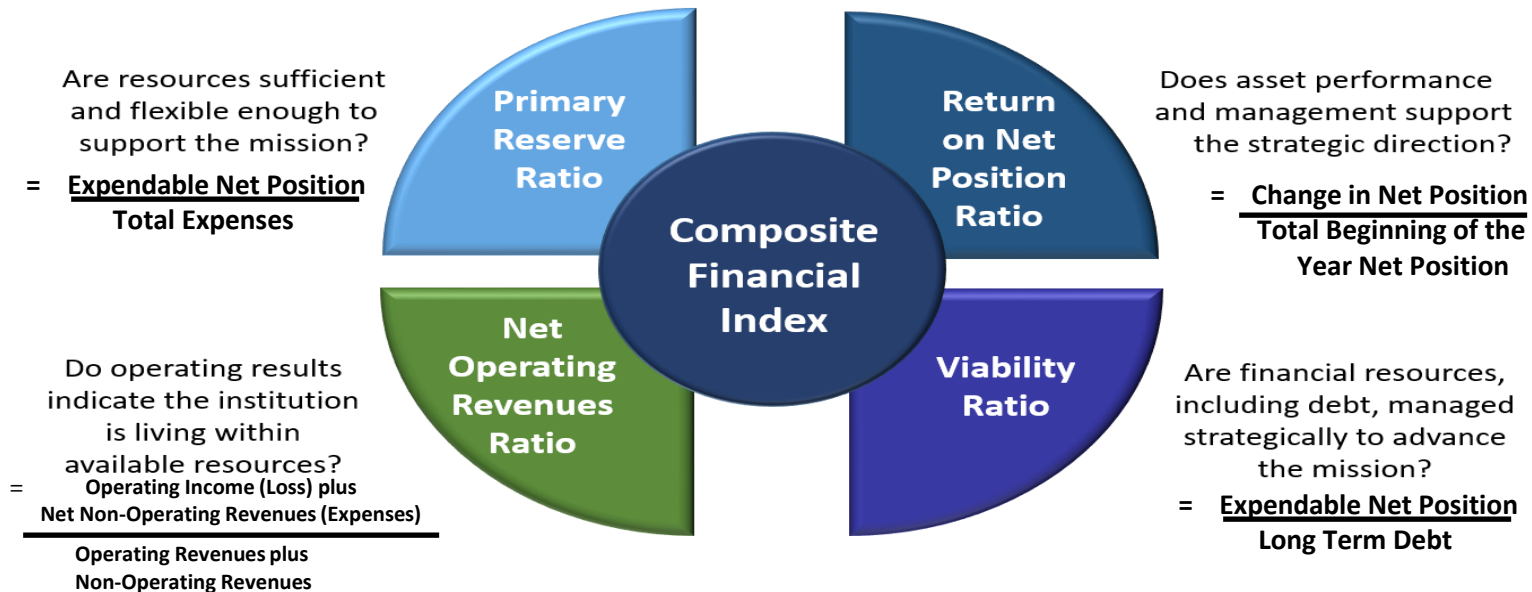
# FSU's Long-term Debt (cont'd)

- **The debt burden ratio measures an institution's dependence on borrowed funds by comparing the level of debt service to total expenditures.**
  - **In order to effectively manage resources, including debt, industry standards set the upper threshold for institutional debt burden at 7%.**
  - **As of June 30, 2022, 2021 and 2020, the University's debt burden was 7.7%, 6.3% and 5.5%, respectively.**
- 

*Source: MD&A (p. 17) in FSU Financial Statements, June 30, 2022 and 2021.*

# Financial Ratios and CFI

- **Core financial ratios used by the Massachusetts Department of Higher Education as performance measures for public universities and colleges are:**



- **The Composite Financial Index (CFI) utilizes four core ratios: *primary reserve ratio* (FY2022, p. 7), *viability ratio* (p. 17), *return on net position ratio* (p. 7), and *net operating revenues ratio* (, p. 11).**
- **The four core ratios are weighted and combined to determine the CFI.**

# Financial Ratios and CFI (cont'd)

- **The CFI is used to assess and evaluate the total financial health of an institution.**
- **Our own calculations and verification of the FSU's CFI for 2022 are shown on next slide for our reference only (skip it if not interested in actual calculations of CFI).**
- **Source: *Strategic Financial Analysis for Higher Education: Identifying, Measuring & Reporting Financial Risks*. Seventh Edition, 2015; by Prager, Sealy & Co., LLC; KPMG, LLP; and Attain, LLC.**
- **A summary of the four core ratios and CFI of FSU for fiscal years at June 30, 2022, 2021, 2020:**

Core Ratios and CFI	FY 2022	FY 2021	FY 2020	At or Better is advisable
Primary reserve	38.1%	39.5%	27.1%	40.0%
Viability	0.98	0.84	0.58	1.25
Return on net position	7.1%	10.6%	-1.0%	6.0%
Net operating revenues	-3.3%	5.4%	-2.8%	2.0%
<b>CFI</b>	<b>2.2</b>	<b>3.2</b>	<b>0.9</b>	<b>Minimal financial health: 3.0</b> <b>Financial stress: &lt; 3.0</b>

<b>RATIO</b>	Fitchburg State University's <b>VALUE</b> (at June 30, 2022)	<b>STRENGTH**</b> <i>Divide VALUE by these Common Scale Value*</i>	<b>WEIGHT***</b> <i>Multiply STRENGTH by These Factors</i>	<b>RATIO SCORE</b>
<b>Primary Reserve</b> (three decimal places)	0.381 (FY2022, p. 7)	0.133	35%	1.00
<b>Viability</b> (three decimal places)	0.980 (FY2022, p. 17)	0.417	35%	0.82
<b>Return on Net Position</b> (percent, to one decimal place)	7.1% (FY2022, p. 7)	2.00%	20%	0.71
<b>Net Operating Revenues</b> (percent, to one decimal place)	-3.3% (FY2022, p. 11)	0.7%	10%	-0.47
<b>CFI SCORE</b> =sum last column (to one decimal place)				<b>2.1</b> (2.06 rounded to one decimal place) <b>Note: ≠ 2.2 as reported (See below)</b>

\* The common scale value is derived from the scoring scale defined by the authors of *Strategic Financial Analysis for Higher Education*, Seventh Edition for public institutions with an endowment spending rate.

\*\* The strength factor is the result of dividing the ratio value by the common scale value to determine a comparable value (strength) for each ratio that can be analyzed on a common scale of -4 to 10.

\*\*\* The weighting factor is derived from the weighting schema defined by the authors of *Strategic Financial Analysis for Higher Education*, Seventh Edition for institutions with long-term debt.

The reported CFI as stated on p.7 in FY 2022 document is 2.2 at June 30, 2022.

Is there a reason for the discrepancy between 2.2 as reported and the calculated 2.1?


Is it because change in unrestricted net position is used (instead of using operating measure) in calculating net operating revenues ratio and hence, the strength factor of 1.3% is used instead of 0.7% in the above table?

If that is the case,  $-3.3\% \div 1.3\%$  (not 0.7%)  $\times 10\% = -0.25$

$\Rightarrow 1.00 + 0.82 + 0.71 + [(-0.25), \text{not } -0.47]$

**= 2.2 (2.28 rounded down, not 2.06 as reported by FSU in its FY 2022 document.**

# Recurring Budget Deficit

 <b>FITCHBURG STATE UNIVERSITY</b>	BOT APPROVED BUDGET	Less 300 FTE Day Undergrad	Delta	FY22 Variance Description
	FY22 Budget	FY22 Budget 8.31.2021	Change from Approved FY22 Budget	
<b>REVENUE SOURCES</b>				
<b>Day Revenue</b>				
General Appropriations Act	\$ 33,197,515	\$ 33,771,458	\$ 573,943	
Collective Bargaining (CBA) funding	\$ -	\$ -	\$ -	
Other State Appropriations	\$ 573,943	\$ -	\$ (573,943)	performance formula now part of the base
DCAM	\$ -	\$ -	\$ -	DCAM funds are awarded after budget cycle
Tuition and Fees - Day	\$ 31,394,668	\$ 27,795,460	\$ (3,599,208)	Less Day Undergrad than expected 2600 Fall & 2300 Spring
Retained Out-of-State Tuition	\$ 1,500,000	\$ 1,125,000	\$ (375,000)	Revised based on final FY21 and FY22 enrollment decline
Non-State Supported Tuition	\$ 1,110,387	\$ 1,045,000	\$ (65,387)	Revised based on final FY21 and FY22 enrollment decline
Financial Aid	\$ 7,300,000	\$ 7,300,000	\$ -	
Grants	\$ 1,492,410	\$ 1,492,410	\$ -	
Investment Income	\$ 768,800	\$ 1,500,000	\$ 731,200	continued anticipated positive returns
Sales, Service, & Other Income	\$ 2,009,050	\$ 2,009,050	\$ -	
Reserve from Fund Balance	\$ 308,268	\$ 308,268	\$ -	
Transfer - Foundation, etc.	\$ 266,000	\$ 326,000	\$ 60,000	increased \$60K - software expense move to Univ
<b>Subtotal Day</b>	<b>\$ 79,921,041</b>	<b>\$ 76,672,646</b>	<b>\$ (3,248,395)</b>	
<b>Auxillary Revenue</b>				
Dorm Authority - Housing	\$ 7,526,689	\$ 7,526,689	\$ -	pending final "no shows"
Food Service	\$ 3,388,000	\$ 3,388,000	\$ -	
<b>Subtotal Auxillary</b>	<b>\$ 10,914,689</b>	<b>\$ 10,914,689</b>	<b>\$ -</b>	
<b>GCE + CPS &amp; AP Revenue</b>				
Graduate & Continuing Education (GCE)	\$ 8,742,657	\$ 8,742,657	\$ -	Preliminary data indicates slight decline and will continue to monitor as enrollment is finalized
Accelerated Programs (AP)	\$ 10,257,657	\$ 10,257,657	\$ -	
<b>Subtotal GCE &amp; AP</b>	<b>\$ 19,000,314</b>	<b>\$ 19,000,314</b>	<b>\$ -</b>	
<b>Total Revenue</b>	<b>\$ 109,836,044</b>	<b>\$ 106,587,649</b>	<b>\$ (3,248,395)</b>	
<b>OPERATING EXPENSES</b>				
<b>Day Expenses</b>				
Day Salaries	\$ 40,502,811	\$ 41,504,002	\$ 1,001,191	\$38.5M active payroll; \$820k savings ERIP; \$1.1M CBA
University Fringe	\$ 3,366,253	\$ 3,449,464	\$ 83,211	
University Operating	\$ 32,168,648	\$ 32,168,648	\$ -	
Utilities	\$ 3,897,320	\$ 3,897,320	\$ -	
Capital	\$ 4,725,000	\$ 4,725,000	\$ -	
<b>Subtotal Day</b>	<b>\$ 84,660,032</b>	<b>\$ 85,744,433</b>	<b>\$ 1,084,401</b>	
<b>Housing Expenses</b>				
Housing Salaries	\$ 1,193,843	\$ 1,241,597	\$ 47,754	CBA
Housing Fringe	\$ 457,482	\$ 475,781	\$ 18,299	
Housing Utilities	\$ 1,001,500	\$ 1,001,500	\$ -	
Housing Operating	\$ 6,666,140	\$ 6,666,140	\$ -	
<b>Subtotal Housing</b>	<b>\$ 9,318,965</b>	<b>\$ 9,385,018</b>	<b>\$ 66,053</b>	
<b>GCE + CPS Expenses</b>				
GCE + CPS Salaries	\$ 1,291,356	\$ 1,343,010	\$ 51,654	CBA
GCE + CPS Fringe	\$ 602,499	\$ 626,599	\$ 24,100	
GCE + CPS Operating	\$ 3,862,219	\$ 3,862,219	\$ -	
Ed Service Fee Transfer to University	\$ 2,882,470	\$ 2,882,470	\$ -	
<b>Subtotal GCE + CPS</b>	<b>\$ 8,638,544</b>	<b>\$ 8,714,298</b>	<b>\$ 75,754</b>	
<b>AP Expenses</b>				
AP Salaries	\$ 398,184	\$ 414,111	\$ 15,927	CBA
AP Fringe	\$ 177,063	\$ 184,146	\$ 7,083	
AP Operating	\$ 5,385,895	\$ 5,385,895	\$ -	
Ed Service Fee Transfer to University	\$ 3,383,085	\$ 3,383,085	\$ -	
<b>Subtotal AP</b>	<b>\$ 9,344,227</b>	<b>\$ 9,367,237</b>	<b>\$ 23,010</b>	
<b>Total Expense</b>	<b>\$ 111,961,768</b>	<b>\$ 113,210,987</b>	<b>\$ 1,249,218</b>	
<b>BUDGETED Net Surplus/(Loss)</b>				
Day Operations	\$ (1,350,991)	\$ (5,683,787)		
Housing	\$ (1,792,276)	\$ (1,858,329)		
COVID Expenses	\$ (1,500,000)	\$ (1,500,000)		
<b>Day Subtotal</b>	<b>\$ (4,643,267)</b>	<b>\$ (9,042,116)</b>		
GCE/CPS	\$ 104,113	\$ 28,359		
AP	\$ 913,430	\$ 890,420		
<b>GCE/AP Subtotal</b>	<b>\$ 1,017,543</b>	<b>\$ 918,779</b>		
<b>Total Net Surplus/(Loss)</b>	<b>\$ (3,625,724)</b>	<b>\$ (8,123,337)</b>		

# **FSU's Grant Revenue**

- **Grant revenue includes grants for financial aid programs such as PELL, SEOG and Federal Work Study and a federal pandemic related grant called HEERF – Higher Education Emergency Relief Fund - which was approved to support institutions of higher education to serve students and ensure learning continues during the COVID-19 pandemic.**
- **This grant was appropriated in three phases –the CARES Act in March 2020, the CRRSAA in December 2020 and the ARP grant in March 2021 and was to be expended within one year of performance.**
- **A total of \$2.1 million institutional support was authorized in FY20 and \$11.3 million in FY21. While a total of \$2 million student support was authorized in FY20 and \$7.4 million in FY21.**
- **The increase in total operating revenue in fiscal year 2022 over fiscal year 2021 is due mainly to the recognition of the final drawdown of the HEERF funds.**
- **64% of the federal grants and contract income in fiscal year 2022 relates to these funds.**

*Source: MD&A (p. 12) in FSU Financial Statements, June 30, 2022 and 2021.*

and

*Schedule of Expenditures of Federal Awards (p. 110)  
in FSU Financial Statements, June 30, 2022 and 2021.*

# Questions

- **Our questions:** What portion of our yearly budget is given to **debt** payments, **capital projects** costs, and deferred maintenance?

❶ **From the Statement of Cash Flows, for FY 2022:**

**Principal paid** on capital **debt** was **\$5,038,149** (**all cash** payment/outflow)

**Interest paid** on capital **debt** was **\$4,562,468** (**all cash** payment/outflow)

**From the Statement of Revenues, Expenses and Changes in Net Position, for FY 2022:**

**Interest expense** on interagency payables and capital asset related **debt** was **\$4,218,159** (an **accrual** accounting number, **not** entirely cash).

*Source: p. 24 & p. 25 in FSU Financial Statements, June 30, 2022 and 2021.*

❷ **From the Statement of Cash Flows, for FY 2022:**

**Payment** for **capital assets** was **\$19,835,579** (**all cash** payment/outflow)

**From the MD&A, for FY 2022:**

**Major capital initiatives** either continuing or undertaken during 2022 include:

McKay projects \$2.4 million (to date)

Electricity infrastructure upgrade \$22.2 million (to date)

Percival projects \$2.2 million (to date)

**Theater Renovation \$2.4 million (to date)**

Recreation Center Roof \$1.6 million (to date)



*Source: MD&A, p. 15 in FSU Financial Statements, June 30, 2022 and 2021.*



**Fitchburg State University**  
**(a department of the Commonwealth of Massachusetts)**

**Statements of Net Position**  
**June 30, 2022 and 2021**

	2022	Component Unit Fitchburg State University Foundation, Inc. 2022	2021	Component Unit Fitchburg State University Foundation, Inc. 2021
<b>Current assets</b>				
Cash and equivalents	\$ 28,365,805	\$ 2,676,130	\$ 21,401,963	\$ 2,499,955
Restricted cash and cash equivalents	11,141,043	-	6,997,652	-
Investments	-	13,899,616	-	14,595,376
Accounts receivable, net	2,161,271	45,564	12,668,794	37,849
Contributions receivable, net	-	35,425	-	311,428
Other current assets	307,517	62,597	216,532	69,247
<b>Total current assets</b>	<b>41,975,636</b>	<b>16,719,332</b>	<b>41,284,941</b>	<b>17,513,855</b>
<b>Noncurrent assets</b>				
Restricted cash and cash equivalents	9,741,533	-	10,489,013	-
Investments	17,655,326	-	20,429,198	-
Endowment investments	942,874	9,199,331	1,109,576	12,564,448
Contributions receivable, net	-	42,978	-	61,346
Loans receivable, net of current portion	886,585	-	1,041,035	-
Capital assets, net	194,041,852	7,090,912	185,530,026	7,218,761
Right to use asset, net	58,242,832	-	61,655,290	-
Other noncurrent assets	44,928	86,734	61,942	140,920
<b>Total noncurrent assets</b>	<b>281,555,930</b>	<b>16,419,955</b>	<b>280,316,080</b>	<b>19,985,475</b>
<b>Total assets</b>	<b>323,531,566</b>	<b>33,139,287</b>	<b>321,601,021</b>	<b>37,499,330</b>
<b>Deferred outflows of resources</b>				
Deferred outflow-OPEB	3,275,872	-	5,802,040	-
Deferred outflow for pensions	4,122,377	-	7,386,093	-
<b>Total deferred outflows of resources</b>	<b>7,398,249</b>	<b>-</b>	<b>13,188,133</b>	<b>-</b>



**Fitchburg State University**  
**(a department of the Commonwealth of Massachusetts)**

**Statements of Net Position**  
**June 30, 2022 and 2021**

	2022	Component Unit Fitchburg State University Foundation, Inc. 2022	2021	Component Unit Fitchburg State University Foundation, Inc. 2021
<b>Current liabilities</b>				
Interagency payables - current portion	4,357,576	-	2,523,772	-
Long-term debt - current portion	-	234,096	-	225,884
Lease obligations - current portion	-	-	131,295	-
Accounts payable and accrued liabilities	4,454,814	114,087	4,624,744	85,085
Accounts payable - construction	1,908,088	198,784	1,396,551	536,901
Accrued workers' compensation - current portion	137,942	-	131,181	-
Compensated absences - current portion	3,485,913	-	3,243,931	-
Faculty payroll accrual	4,175,556	-	3,876,328	-
Revenue received in advance	4,380,867	-	8,891,959	30,000
Deposits	178,500	-	396,500	-
Lease liability - current portion	3,914,664	-	2,019,976	-
Other current liabilities	32,779	31,080	73,453	31,080
<b>Total current liabilities</b>	<b>27,026,699</b>	<b>578,047</b>	<b>27,309,690</b>	<b>908,950</b>
<b>Noncurrent liabilities</b>				
Interagency payables, net of current portion	47,375,218	-	52,498,686	-
Lease liability - right of use asset	61,555,355	-	64,059,699	-
Accrued workers' compensation, net of current portion	1,006,311	-	957,244	-
Long-term debt, net of current portion	-	4,021,615	-	4,147,702
Loan payable - federal financial assistance program	794,969	-	1,154,792	-
Net OPEB liability	14,073,004	-	25,852,605	-
Net pension liability	8,015,299	-	20,091,153	-
<b>Total noncurrent liabilities</b>	<b>135,148,463</b>	<b>4,021,615</b>	<b>166,731,647</b>	<b>4,147,702</b>
<b>Total liabilities</b>	<b>162,175,162</b>	<b>4,599,662</b>	<b>194,041,337</b>	<b>5,056,652</b>
<b>Deferred inflows of resources</b>				
Service concession arrangement	505,836	-	758,754	-
Deferred inflow - OPEB	14,142,424	-	6,269,569	-
Deferred inflow for pensions	8,917,207	-	779,813	-
Deferred inflow for debt refunding	2,528,646	-	2,125,859	-
<b>Total deferred inflows of resources</b>	<b>26,094,113</b>	<b>-</b>	<b>9,933,995</b>	<b>-</b>

**Fitchburg State University**  
**(a department of the Commonwealth of Massachusetts)**

**Statements of Net Position**  
**June 30, 2022 and 2021**

	<u>2022</u>
<b>Net investment in capital assets</b>	<b>132,692,505</b>
<b>Restricted for:</b>	
<b>Nonexpendable</b>	
Scholarships and fellowships	531,365
Cultural programs	-
Centennial endowments	-
Other	-
<b>Expendable</b>	
Scholarships and fellowships	278,503
Cultural programs	-
Loans	195,075
Capital projects	3,710,674
Debt service	10,570,560
Other	212,354
<b>Unrestricted (deficit)</b>	<b><u>(5,530,496)</u></b>
<b>Total net position</b>	<b><u>\$ 142,660,540</u></b>

PRELIMINARY DRAFT -  
SUBJECT TO CHANGE

See Notes to Financial Statements.

**Fitchburg State University**  
**(a department of the Commonwealth of Massachusetts)**

**Statements of Revenues, Expenses and Changes in Net Position**  
**Years Ended June 30, 2022 and 2021**

	2022	Component Unit Fitchburg State University Foundation, Inc. 2022	2021	Component Unit Fitchburg State University Foundation, Inc. 2021
<b>Operating revenues</b>				
Student tuition and fees	\$ 42,457,034	\$ -	\$ 44,257,345	\$ -
Student fees restricted for repayment of				
Interagency payables	4,837,507	-	5,276,977	-
Less: Scholarship allowances	<u>(7,835,655)</u>	<u>-</u>	<u>(6,182,413)</u>	<u>-</u>
Net student tuition and fees	39,458,886	-	43,351,909	-
Federal grants and contracts	18,757,360	-	14,698,939	-
State and local grants and contracts	682,352	63,050	987,641	-
Nongovernmental grants and contracts	1,017,652	-	907,446	-
Sales and services of educational departments	1,191,956	905,341	1,082,948	600,556
Gifts and contributions	-	782,146	-	1,432,611
Auxiliary enterprises:				
Residential life	8,473,010	-	6,470,991	95,326
Dining hall	2,892,019	-	2,094,729	-
Alcohol awareness and other programs	18,930	-	17,150	-
Right of use asset revenue	54,281	-	2,759,166	-
Other operating revenues	<u>754,549</u>	<u>-</u>	<u>550,859</u>	<u>-</u>
<b>Total operating revenues</b>	<b>73,300,995</b>	<b>1,750,537</b>	<b>72,921,778</b>	<b>2,128,493</b>
<b>Operating expenses</b>				
Educational and general				
Instruction	42,392,573	13,206	37,848,073	-
Research	90,700	-	118,083	-
Public service	1,265,684	88,155	994,361	19,198
Academic support	10,384,580	20,740	8,537,515	17,300
Student services	12,288,403	17,754	14,436,572	53,283
Institutional support	13,912,063	798,100	17,041,392	625,848
Operations and maintenance of plant	6,426,678	444,511	9,600,459	645,509
Depreciation	11,853,909	187,362	11,447,580	176,705
Amortization	4,822,776	-	4,898,878	-
Scholarships and awards	6,568,549	617,059	4,326,742	535,218
Auxiliary enterprises				
Residential life	9,471,523	-	6,330,598	39,091
Dining hall	2,788,477	-	2,219,352	-
Alcohol awareness and other programs	<u>17,978</u>	<u>-</u>	<u>1,961</u>	<u>-</u>
<b>Total operating expenses</b>	<b>122,283,893</b>	<b>2,186,887</b>	<b>117,801,566</b>	<b>2,112,152</b>
<b>Operating income (loss)</b>	<b>(48,982,898)</b>	<b>(436,350)</b>	<b>(44,879,788)</b>	<b>16,341</b>

**Fitchburg State University**  
**(a department of the Commonwealth of Massachusetts)**

**Statements of Revenues, Expenses and Changes in Net Position**  
**Years Ended June 30, 2022 and 2021**

	2022	Component Unit Fitchburg State University Foundation, Inc. 2022	2021	Component Unit Fitchburg State University Foundation, Inc. 2021
<b>Nonoperating revenues (expenses)</b>				
State appropriations	51,097,469	-	45,829,701	-
Investment income (loss), net of investment expense	(2,702,759)	(1,086,358)	3,126,637	1,610,654
Investment income (loss) on restricted assets, net of investment expense	65,153	(3,208,155)	45,573	4,665,478
Interest expense on Interagency payables and capital asset related debt	(4,218,159)	(180,464)	(5,782,650)	(192,661)
Loss on sale of capital assets	-	-	-	(587,581)
<b>Net nonoperating revenues (expenses)</b>	<b>44,241,704</b>	<b>(4,474,977)</b>	<b>43,219,261</b>	<b>5,495,890</b>
Income (loss) before capital and endowment additions	(4,741,194)	(4,911,327)	(1,660,527)	5,512,231
State capital appropriations	16,336,392	-	10,391,679	-
Capital grants	251,520	-	255,292	-
Private gifts for endowment purposes	-	1,008,274	-	334,214
<b>Total capital and endowment additions</b>	<b>16,587,912</b>	<b>1,008,274</b>	<b>10,646,971</b>	<b>334,214</b>
Increase (decrease) in net position	11,846,718	(3,903,053)	13,410,832	5,846,445
Net position - beginning of the year, as previously stated	130,813,822	32,442,678	121,827,378	26,596,233
Restatement (Note 28)	-	-	(4,424,388)	-
Net position - beginning of year, as restated	130,813,822	32,442,678	117,402,990	26,596,233
<b>Net position - end of the year</b>	<b>\$ 142,660,540</b>	<b>\$ 28,539,625</b>	<b>\$ 130,813,822</b>	<b>\$ 32,442,678</b>

See Notes to Financial Statements.

**Fitchburg State University**  
(a department of the Commonwealth of Massachusetts)

**Statements of Cash Flows**  
**Years Ended June 30, 2022 and 2021**

	2022	2021
<b>Cash flows from operating activities</b>		
Tuition and fees	\$ 39,611,183	\$ 43,677,925
Research grants and contracts	25,504,157	11,902,872
Payments to suppliers	(26,150,196)	(24,531,396)
Payments to utilities	(4,952,785)	(4,445,721)
Payments to employees	(51,841,858)	(49,402,176)
Payments for benefits	(3,221,894)	(3,849,370)
Payments for scholarships	(6,568,549)	(4,683,734)
Loans issued to students	(1,771)	(1,540)
Collection of loans to students	156,222	235,049
Auxiliary enterprise receipts		
Residential life	8,509,451	6,469,330
Dining hall	2,892,019	2,094,729
Alcohol awareness program	18,930	17,150
Receipts from sales and services of educational departments	1,102,479	1,167,142
Other receipts (disbursements)	1,114,218	(584,965)
<b>Net cash provided by (used in) operating activities</b>	<b>(13,828,394)</b>	<b>(21,934,705)</b>
<b>Cash flows from noncapital financing activities</b>		
State appropriations	37,407,128	33,771,117
Tuition remitted to State	(492,322)	(468,982)
Gifts from grants for other than capital purposes	-	83,330
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>36,914,806</b>	<b>33,385,465</b>
<b>Cash flows from capital and related financing activities</b>		
State capital appropriations	16,951,921	9,169,661
Loan programs net funds received	13,271	40,607
Capital grants	-	-
Federal loan funds received	346,127	269,425
Private gifts for capital purchase	49,802	(1,200)
Payments for capital assets	(19,835,579)	(15,480,678)
<b>Principal paid on capital debt</b>	<b>(5,038,149)</b>	<b>(1,050,856)</b>
<b>Interest paid on capital debt</b>	<b>(4,562,468)</b>	<b>(1,568,632)</b>
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(12,129,355)</b>	<b>(8,621,673)</b>

**Fitchburg State University**  
**(a department of the Commonwealth of Massachusetts)**

**Statements of Cash Flows**  
**Years Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Cash flows from investing activities</b>		
Purchase of investments	(4,263,836)	(5,263,668)
Proceeds from sale of investments	3,884,688	4,819,705
Earnings on investments	(734,914)	625,955
Interest on investments	<u>516,758</u>	<u>416,581</u>
<b>Net cash provided by (used in) investing activities</b>	<u>(597,304)</u>	<u>598,573</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	10,359,753	3,427,660
Cash, cash equivalents and restricted cash, beginning of year	<u>38,888,628</u>	<u>35,460,968</u>
<b>Cash, cash equivalents and restricted cash, end of year</b>	<u><b>\$ 49,248,381</b></u>	<u><b>\$ 38,888,628</b></u>
Reconciliation of operating loss to net cash provided by (used in) operating activities		
Operating loss	\$ (48,982,898)	\$ (44,879,788)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities		
Bad debt expense	164,148	103,825
Depreciation and amortization	16,676,685	11,447,580
Fringe benefits paid by the Commonwealth of Massachusetts	14,182,663	12,527,566
Change in net pension liability	(674,744)	2,812,130
Change in net OPEB liability	(1,380,578)	1,039,645
Changes in assets and liabilities:		
Receivables	10,272,676	(9,778,459)
Other current and noncurrent assets	(36,292)	(38,418)
Accounts payable and accrued liabilities	(242,424)	411,078
Accrued workers' compensation	55,828	610,301
Compensated absences	452,821	(380,344)
Accrued faculty payroll	299,228	(354,983)
Revenue received in advance	(5,126,622)	5,495,857
Other current liabilities	574,664	(1,209,554)
Deposits	(218,000)	25,350
Loans to students	<u>154,451</u>	<u>233,509</u>
<b>Net cash provided by (used in) operating activities</b>	<u><b>\$ (13,828,394)</b></u>	<u><b>\$ (21,934,705)</b></u>

**Fitchburg State University**  
**(a department of the Commonwealth of Massachusetts)**

	2022	2021
<b>Schedule of noncash investing and financing activities</b>		
Acquisition of capital assets	\$ 20,365,736	\$ 15,507,540
Acquisition of capital assets-ROUA	1,410,320	\$ -
Accounts payable thereon:		
Beginning of year	1,396,551	1,369,689
End of year	(1,908,088)	(1,396,551)
Net interest earned and incurred, capitalized in construction in progress	-	-
Payments for capital assets	<u>\$ 21,264,519</u>	<u>\$ 15,480,678</u>
Unrealized gain (loss) on investments	<u>\$ (3,762,330)</u>	<u>\$ 2,381,159</u>
Fringe benefits paid by the Commonwealth of Massachusetts	<u>\$ 14,182,663</u>	<u>\$ 12,527,566</u>
Capital grants - amortization of deferred inflows of resources - service concession arrangement	<u>\$ 251,520</u>	<u>\$ 252,918</u>
Capital debt and debt issuance costs		
Proceeds from capital debt	\$ -	\$ 47,638,203
Principal paid on capital debt	164,599	\$ (47,180,057)
Debt issuance costs	<u>(164,599)</u>	<u>\$ (458,146)</u>
Capital debt and debt issuance costs	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of cash, cash equivalents and restricted cash balances		
Current assets		
Cash and cash equivalents	\$ 28,365,805	\$ 21,401,963
Restricted cash and cash equivalents	11,141,043	6,997,652
Noncurrent assets		
Restricted cash and cash equivalents	<u>9,741,533</u>	<u>10,489,013</u>
Total cash and cash equivalents	<u>\$ 49,248,381</u>	<u>\$ 38,888,628</u>

# Petition to the Board of Trustees

**We, the undersigned faculty and staff of Fitchburg State University, are:**

- *Worried* about recent budgetary trends at the University that have prioritized the hiring of senior administrators;
- *Concerned* about how these hiring trends will impact our mission of providing an excellent education for all and our vision of being a “student-ready” university;
- *Apprehensive* about the structural deficit resulting from rapidly declining enrollments in the Day Unit and the recent and unprecedented operating deficits covered by HEERF monies;
- *Worried* by the lack of transparency regarding the true state of the University’s finances;
- *Looking* for leadership from President Lapidus on these issues.

**We do hereby call on President Lapidus and the administration to:**

- *Implement* a hiring freeze on new senior (non-unit) administrators;
- *Commit* funds to hiring staff dedicated to retention and recruitment;
- *Allocate* funds to hiring new faculty, preserving faculty lines, and building academic excellence at the University;
- *Increase* transparency regarding the fiscal and financial state of the University by holding a series of town halls specifically on these issues;
- *Create* a task force with representatives from the administration, faculty, staff, and students to develop a financial strategic plan for the next 5 years.



# Finance Update

## Spring 2023

# Agenda

Open Forum Follow Up

MSCA Follow Up Questions

Listening Session

Closing Comments

# Undergraduate Enrollment\*

## Trends by Institution

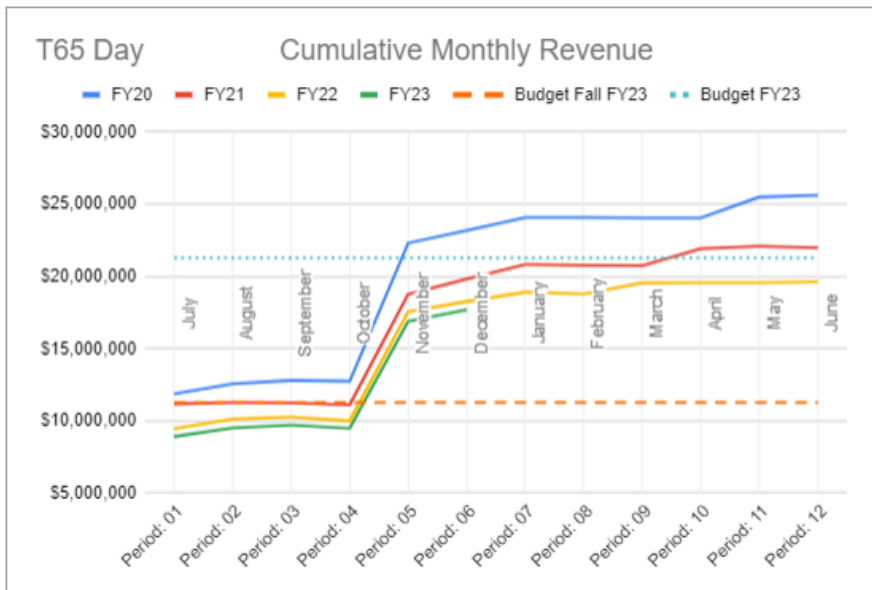
Comparative analysis.xlsx	Year of Year											
Institution	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Grand Total	
Bridgewater	9,615	9,628	9,608	9,562	9,558	9,504	9,463	9,028	8,369	8,141	92,476	
Fitchburg	4,245	4,212	4,270	4,162	4,117	4,163	4,044	3,815	3,349	3,155	39,532	
Framingham	4,584	4,609	4,478	4,337	4,126	3,937	3,864	3,520	3,213	2,964	39,632	
Mass Maritime	1,376	1,401	1,571	1,677	1,688	1,709	1,695	1,538	1,433	1,335	15,423	
MassArt	2,120	1,967	1,873	1,835	1,923	1,947	1,955	1,769	1,778	1,835	19,002	
MCLA	1,538	1,562	1,457	1,444	1,407	1,277	1,345	1,076	870	838	12,814	
Salem	7,664	7,600	7,499	7,346	7,110	6,811	6,273	5,716	5,555	5,107	66,681	
Westfield	5,692	5,590	5,616	5,596	5,552	5,350	5,071	4,633	4,239	4,054	51,393	
Worcester	5,556	5,563	5,514	5,381	5,495	5,380	5,332	4,958	4,640	4,477	52,296	
<b>Grand Total</b>	<b>42,390</b>	<b>42,132</b>	<b>41,886</b>	<b>41,340</b>	<b>40,976</b>	<b>40,078</b>	<b>39,042</b>	<b>36,053</b>	<b>33,446</b>	<b>31,906</b>	<b>389,249</b>	
<b>Fitchburg State Share of Sector</b>	<b>10.0%</b>	<b>10.0%</b>	<b>10.2%</b>	<b>10.1%</b>	<b>10.0%</b>	<b>10.4%</b>	<b>10.4%</b>	<b>10.6%</b>	<b>10.0%</b>	<b>9.9%</b>	<b>10.2%</b>	

\* Day and Evening UG



# End of Q2 FY23: Tuition + Fees - Waivers & Exemptions Banner Financials

### Undergraduate Day

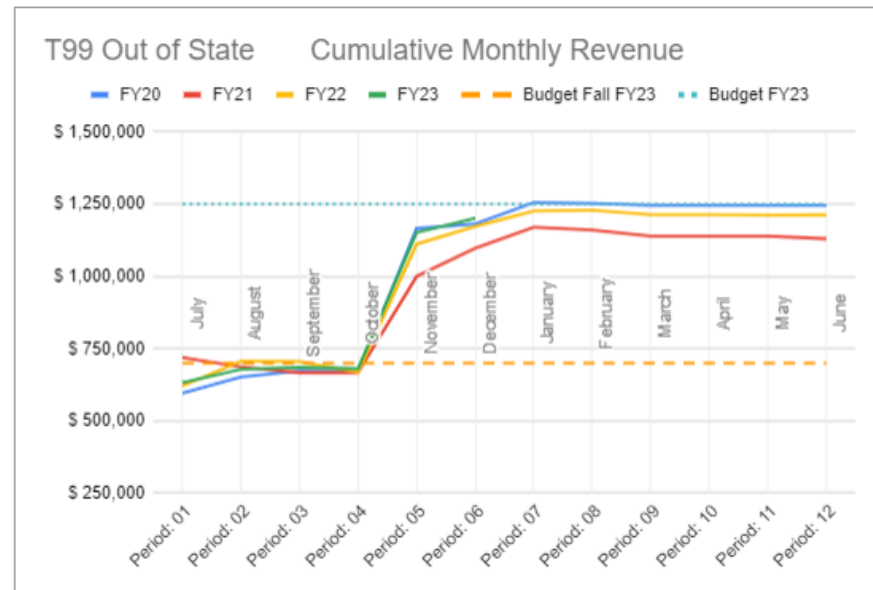


**QTR 2**

FY20	\$ 23,160,672
FY21	\$ 19,812,864
FY22	\$ 18,260,748
FY23	\$ 17,695,631

change from FY20 to FY23	-24%	\$ (5,465,041)
change from FY21 to FY23	-11%	\$ (2,117,233)
change from FY22 to FY23	-3%	\$ (565,117)

### Undergrad Day: Out of State



**QTR 2**

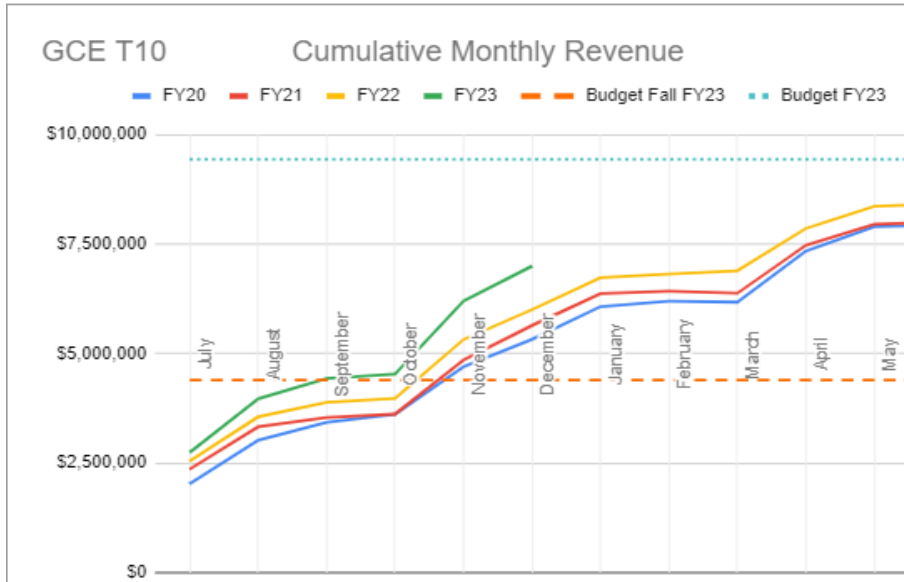
FY20	\$ 1,180,998
FY21	\$ 1,097,245
FY22	\$ 1,172,037
FY23	\$ 1,200,706

change from FY20 to FY23	2%	\$ 19,708
change from FY21 to FY23	9%	\$ 103,461
change from FY22 to FY23	2%	\$ 28,669



# End of Q2 FY23: Tuition + Fees - Waivers & Exemptions Banner Financials

## GCE

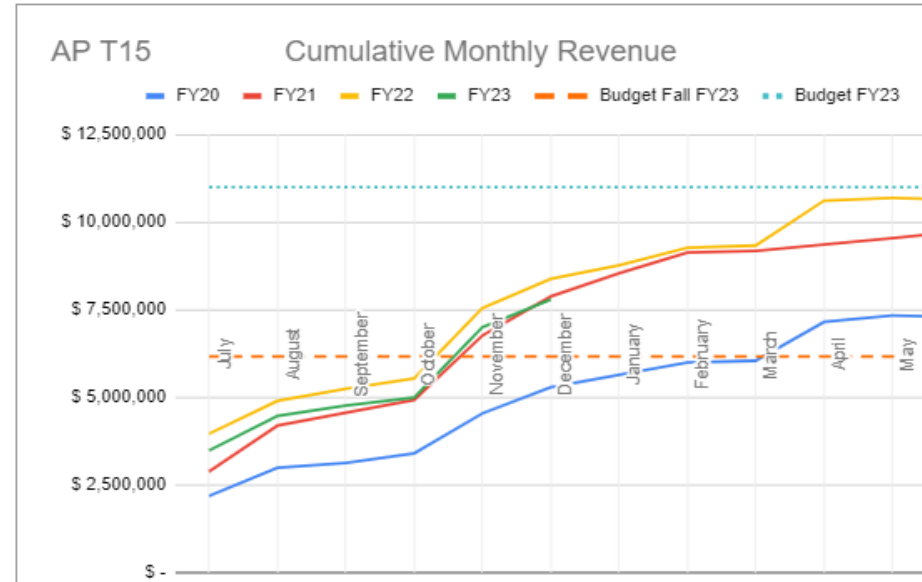


### QTR 2

FY20	\$	5,322,576
FY21	\$	5,643,930
FY22	\$	6,000,595
FY23	\$	7,000,786

change from FY20 to FY23	32%	\$	1,678,209
change from FY21 to FY23	24%	\$	1,356,855
change from FY22 to FY23	17%	\$	1,000,191

## AP



### QTR 2

FY20	\$	5,287,664
FY21	\$	7,881,536
FY22	\$	8,380,864
FY23	\$	7,793,929

change from FY20 to FY23	47%	\$	2,506,265
change from FY21 to FY23	-1%	\$	(87,607)
change from FY22 to FY23	-7%	\$	(586,934)



# HEIRs FTE by Unit from 2003 to 2023

	Data Source	HEIRS	HEIRS	HEIRS	HEIRS		Finance FTE
FSU Fiscal Year	HEIRs Reporting Budget Year	MSCA - Fa	AFSCME -	APA - ma	Non-Unit	All Staff	Day Undergraduate Financial FTE
2003	2004	177	197	98	38	510	2,833
2004	2005	169	189	91	28	477	2,936
2005	2006	176	191	90	28	485	3,104
2006	2007	178	191	87	26	482	3,181
2007	2008	182	195	86	27	490	3,272
2008	2009	183	196	95	25	499	3,481
2009	2010	192	205	101	24	522	3,517
2010	2011	191	195	97	25	508	3,394
2011	2012	186	189	98	26	499	3,312
2012	2013	195	180	104	24	503	3,419
2013	2014	198	185	101	25	509	3,439
2014	2015	205	188	110	25	528	3,562
2015	2016	202	189	108	30	529	3,520
2016	2017	213	193	115	29	550	3,549
2017	2018	210	185	106	28	529	3,544
2018	2019	213	180	110	31	534	3,539
2019	2020	210	179	124	35	548	3,434
2020	2021	211	180	115	37	543	3,240
2021	2022	209	179	123	37	548	2,962
2022	2023	200	185	122	36	543	2,607
2023*	2024	199	178	125	38	540	2,382



# Fiscal Year FY21: Snapshot Fall 2020

union_cd	mail_drop	first_name	last_name	key3_jobcode	descr
NUP	6400	Nicole	Gately	HA5310	Staff Associate(Nonunit)
NUP	6400	Jossy	Brack	HA5310	Staff Associate(Nonunit)
NUP	6000	Gail	Doiron	HA5310	Staff Associate(Nonunit)
NUP	1000	Deresa	Webb	HA5600	Staff Assistant
NUP	6400	Kelli	Lundgren	HA5610	Staff Assistant (Nonunit)
NUP	3000	Natalia	Serna	HA5610	Staff Assistant (Nonunit)
NUP	5030	Jasmine	Yang	HA5610	Staff Assistant (Nonunit)
NUP	4000	Mary	Landi	HA5610	Staff Assistant (Nonunit)
NUP	6400	Catherine	Grantz	HA5610	Staff Assistant (Nonunit)
NUP	1000	Joanne	Rivard	HA5610	Staff Assistant (Nonunit)
NUP	4010	Yvonne	Malcolm	HA8700	Comptroller
NUP	6000	Richard	Lapidus	HA9000	President
NUP	1000	Alberto	Cardelle	HA9100	Provost
NUP	6400	Jessica	Murdoch	HA8300	Associate Vice President
NUP	1005	Catherine	Canney	HA8300	Associate Vice President
NUP	4000	Mary	McKenzie	HA8300	Associate Vice President
NUP	1060	Pamela	McCafferty	HA8600	Assistant Vice President
NUP	2000	Joseph	LoBuono	HA8600	Assistant Vice President
NUP	4300	Stephen	Swartz	HA8600	Assistant Vice President
NUP	4010	Christian	Estrella	HA8600	Assistant Vice President
NUP	1400	Becky	Copper Glenz	HA7000	Dean
NUP	1003	Margaret	Hoey	HA7000	Dean
NUP	1040	Jacalyn	Kremer	HA7000	Dean
NUP	1009	Keith	Williamson	HA7000	Dean
NUP	1002	Franca	Barricelli	HA7000	Dean
NUP	3050	William	Cummings	HA7000	Dean
NUP	1510	Nancy L	Murray	HA7000	Dean
NUP	1600	Lisa	Moison	HA7300	Associate Dean
NUP	3300	Henry	Parkinson III	HA7300	Associate Dean
NUP	3024	Michael	Cloutier	HA6010	Director (Nonunit)
NUP	6400	Stephanie	LeBlanc	HA6010	Director (Nonunit)
NUP	6400	Kimberly	Page	HA6010	Director (Nonunit)
NUP	6400	Kristin	Murphy	HA6010	Director (Nonunit)
NUP	5000	Jeffrey	Wolfman	HA8000	Vice President
NUP	3000	Laura	Bayless	HA8000	Vice President
NUP	4000	Jay	Bry	HA8000	Vice President
NUP	6700	Marilyn	Siderwicz	HA6210	Executive Director (Nonunit)

# Fiscal Year FY22: Snapshot Fall 2021

union_cd	mail_drop	first_name	last_name	key3_jobcode	descr
NUP	6400	Jossy	Brack	HA5310	Staff Associate(Nonunit)
NUP	6400	Nicole	Gately	HA5310	Staff Associate(Nonunit)
NUP	6000	Gail	Doiron	HA5310	Staff Associate(Nonunit)
NUP	4000	Mary	Landi	HA5610	Staff Assistant (Nonunit)
NUP	5030	Jasmine	Yang	HA5610	Staff Assistant (Nonunit)
NUP	6400	Kelli	Lundgren	HA5610	Staff Assistant (Nonunit)
NUP	1000	Joanne	Rivard	HA5610	Staff Assistant (Nonunit)
NUP	6400	Cheryl	Soulliere	HA5610	Staff Assistant (Nonunit)
NUP	3000	Shanna	Sallah	HA5610	Staff Assistant (Nonunit)
NUP	1000	Deresa	Webb	HA5600	Staff Assistant
NUP	4010	Yvonne	Malcolm	HA8700	Comptroller
NUP	6000	Richard	Lapidus	HA9000	President
NUP	1000	Catherine	Canney	HA9100	Provost
NUP	4000	Mary	McKenzie	HA8300	Associate Vice President
NUP	1005	Franca	Barricelli	HA8300	Associate Vice President
NUP	6400	Jessica	Murdoch	HA8300	Associate Vice President
NUP	1800	Richard	Toomey	HA8300	Associate Vice President
NUP	2000	Joseph	LoBuono	HA8600	Assistant Vice President
NUP	1060	Pamela	McCafferty	HA8600	Assistant Vice President
NUP	4300	Stephen	Swartz	HA8600	Assistant Vice President
NUP	4010	Christian	Estrella	HA8600	Assistant Vice President
NUP	3300	Henry	Parkinson III	HA7000	Dean
NUP	1040	Jacalyn	Kremer	HA7000	Dean
NUP	1510	Nancy L	Murray	HA7000	Dean
NUP	1400	Becky	Copper Glenz	HA7000	Dean
NUP	1002	Sara Pollak	Levine	HA7000	Dean
NUP	1003	Margaret	Hoey	HA7000	Dean
NUP	1600	Lisa	Moison	HA7300	Associate Dean
NUP	3024	Michael	Cloutier	HA6010	Director (Nonunit)
NUP	6400	Kimberly	Page	HA6010	Director (Nonunit)
NUP	6000	Matthew	Bruun	HA6010	Director (Nonunit)
NUP	6400	Stephanie	LeBlanc	HA6010	Director (Nonunit)
NUP	6400	William	Cummings	HA6010	Director (Nonunit)
NUP	5000	Jeffrey	Wolfman	HA8000	Vice President
NUP	4000	Jay	Bry	HA8000	Vice President
NUP	3000	Laura	Bayless	HA8000	Vice President



# Cthru Data

**Payroll Details**

Job Title	Full Time Employees	Other Employees	Emplo
Staff Assistant (Nonunit)	8	0	
Dean	7	0	
Assistant Vice President	4	0	
Staff Associate(Nonunit)	3	0	
Director (Nonunit)	3	0	
Associate Vice President	3	0	
Vice President	3	0	
Provost/VPAA	2	0	
Director of Payroll	1	0	
Associate Dean	1	0	
Director	1	0	

12/8/22, 1:41 PM Fitchburg State University Mail - Rec: C-Thru 2021 Info on NUPS - Screen Shot of the NUP summary on C-Thru and spread sheet ...

Job Title	Full Time Employees	Other Employees	Emplo
Dir Compliance TIX/ADA/EE	1	0	
Dir Comm & PR	1	0	
Dean HNS	1	0	
Dean Edu & Dean Bus	1	0	
Comptroller	1	0	
Associate VP of Enrollment	1	0	
Assoc VP HR/Payroll Services	1	0	
Associate Dean GCE	1	0	
Staff Assistant	1	0	
Professor	1	0	
President	1	0	
Executive Director (Nonunit)	1	0	
<b>Total</b>	<b>42</b>	<b>0</b>	



# MSCA Follow Up Questions

- 1) If the financial health of the institution is good, why has the faculty travel budget not been brought back to pre-covid levels? Travel has become more expensive and salaries have not kept up.
  
- 2) If the revenue stream of FSU decreases because of lowered enrollments, what is the plan to make up these revenues, or where does management believe that efficiencies can be carried out to balance the budget?
  
- 3). Please explain the rationale for the creation of new positions, promotions to higher rank, and large raises in salary for **Non-Unit personnel**, in a period of austerity, when faculty and librarians have seen only minimal raises, and 16 retired faculty have not been replaced.
  
4. The chart below was drawn from IPEDs data, and shows that Fitchburg State plant-related debt in 2020 (see number 6, the 6th set of columns from the left) is exponentially greater than the AVERAGE plant related debt of the other eight state universities. Please explain.
  
5. I have attached a MSCA presentation on the financial state of our institution, as of Nov. 1, 2022. In that, you might wish to respond to the debt ratio of 7.7, the CFI of 2.2, and the concern that the investments and borrowing for the Theatre Block may be an unwise use of our limited resources, considering our current enrollment crisis.

# MSCA Question #3

as of 9/13/22												
	Unit NUP	% of Unit	% of Total	Unit MSCA	% of Unit	% of Total	Unit APA	% of Unit	% of Total	Unit AFSCME	% of Unit	% of Total
\$100K - up	23	61%	4%	51	26%	10%	14	11%	3%	1	0.6%	0.2%
\$90-99	5	13%	0.9%	36	18%	7%	11	9%	2%	2	1%	0.4%
\$80-89		0%	0%	32	16%	6%	18	14%	3%	6	3%	1%
\$70-79	1	3%	0%	49	25%	9%	22	18%	4%	38	22%	7%
\$60-69	6	16%	1%	27	14%	5%	23	18%	4%	31	18%	6%
\$50-59	3	8%	0.6%	2	1%	0%	31	25%	6%	52	30%	10%
\$40-49		0%	0%		0%	0%	5	4%	0.9%	28	16%	5%
\$39 - below		0%	0%		0%	0%	1	0.8%	0%	16	9%	3%
	38			197			125			174		534

Total Wages	\$ 4,707,152.89	\$17,643,249.73	\$ 9,235,069.42	\$ 10,370,828.14
Avg Salary	\$123,872.44	\$ 89,559.64	\$ 73,880.56	\$ 59,602.46

Personnel Earning \$100 or greater

AFSCME	1	1%
APA	14	16%
MSCA	51	57%
NUP	23	26%
	89	

# IVISCA QUESTION #4

The chart below was drawn from IPEDs data, and shows that Fitchburg State plant-related debt in 2020 (see number 6, the 6th set of columns from the left) is exponentially greater than the AVERAGE plant related debt of the other eight state universities. Please explain.

## IPEDS Survey

Line 01			
	Operating income (loss)	-48,013,078	
	Net Nonoperating revenues (expenses)	42,988,379	
	Add: Pension and OPEB expense	1,801,726	-3,222,973
Line 02			
	Operating revenues	70,784,219	
	Nonoperating revenues	44,955,043	
	Exclude investment gains/losses	-149,260	115,590,002
Line 03			
	Change in net position	-3,450,637	-3,450,637
Line 04			
	Beginning of net year total net position	125,278,015	125,278,015

Line 05	Expendable net assets		
	Scholarships and fellowships	412,403	
	Loan	197,348	
	Capital projects	50,000	
	Debt service	6,905,505	
	Other	214,661	7,779,917
Line 06			
	Plant related debt	58,330,467	
	MSCBA Residence Hall long term debt	59,397,128	117,727,595
Line 07	Total Expenses		
	Operating expense	118,797,297	
	Nonoperating expense	1,966,664	
	Less: Pension and OPEB expense	-1,801,726	118,962,235

# MSCA Question #5

I have attached a MSCA presentation on the financial state of our institution, as of Nov. 1, 2022. In that, you might wish to respond to the debt ratio of 7.7, the CFI of 2.2, and the concern that the investments and borrowing for the Theatre Block may be an unwise use of our limited resources, considering our current enrollment crisis.

## Financial Ratios and CFI

- Core financial ratios used by the Massachusetts Department of Higher Education as performance measures for public universities and colleges are:



- The **Composite Financial Index (CFI)** utilizes four core ratios: **primary reserve ratio (FY2022, p. 7)**, **viability ratio (p. 17)**, **return on net position ratio (p. 7)**, and **net operating revenues ratio (p. 11)**.
- The four core ratios are **weighted and combined** to determine the **CFI**.

5

## FSU's Long-term Debt (cont'd)

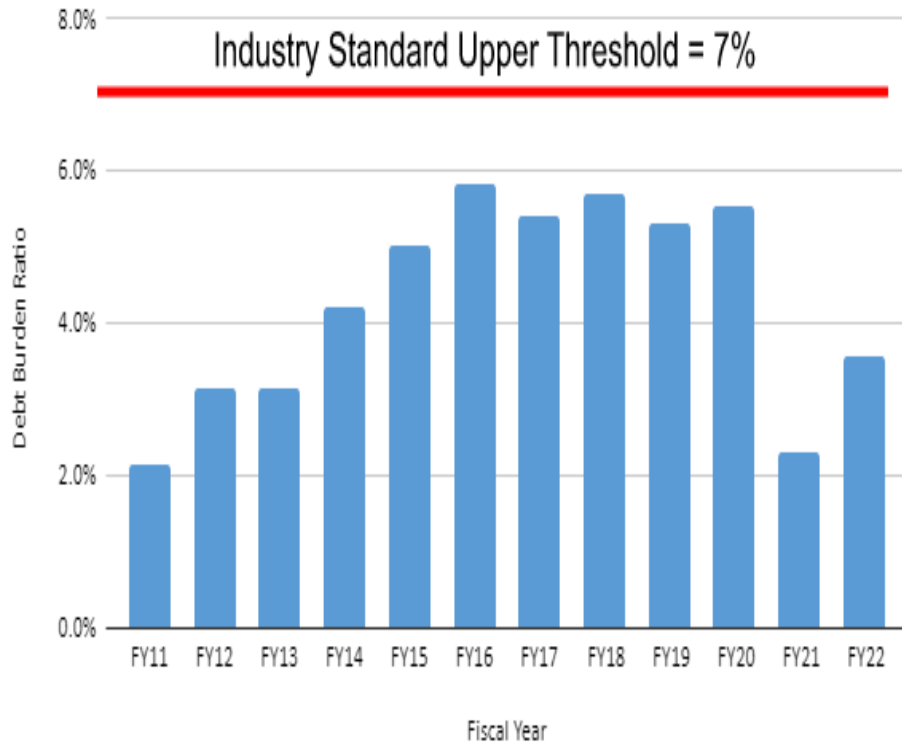
- The **debt burden ratio** measures an institution's dependence on borrowed funds by comparing the level of debt service to total expenditures.
- In order to effectively manage resources, including debt, industry standards set the upper threshold for institutional debt burden at **7%**.
- As of June 30, 2022, 2021 and 2020, the **University's debt burden** was **7.7%**, **6.3%** and **5.5%**, respectively.

Source: MD&A (p. 17) in FSU Financial Statements, June 30, 2022 and 2021.

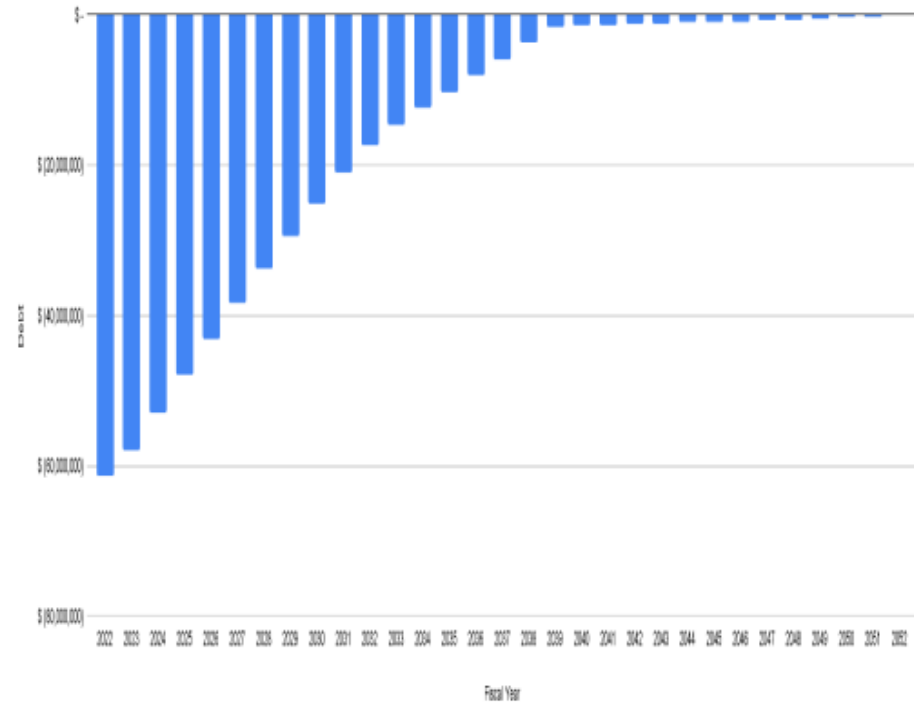
4

# Debt Burden & Capital Debt Ratio

Debt Burden Ratio



Debt vs. Fiscal Year

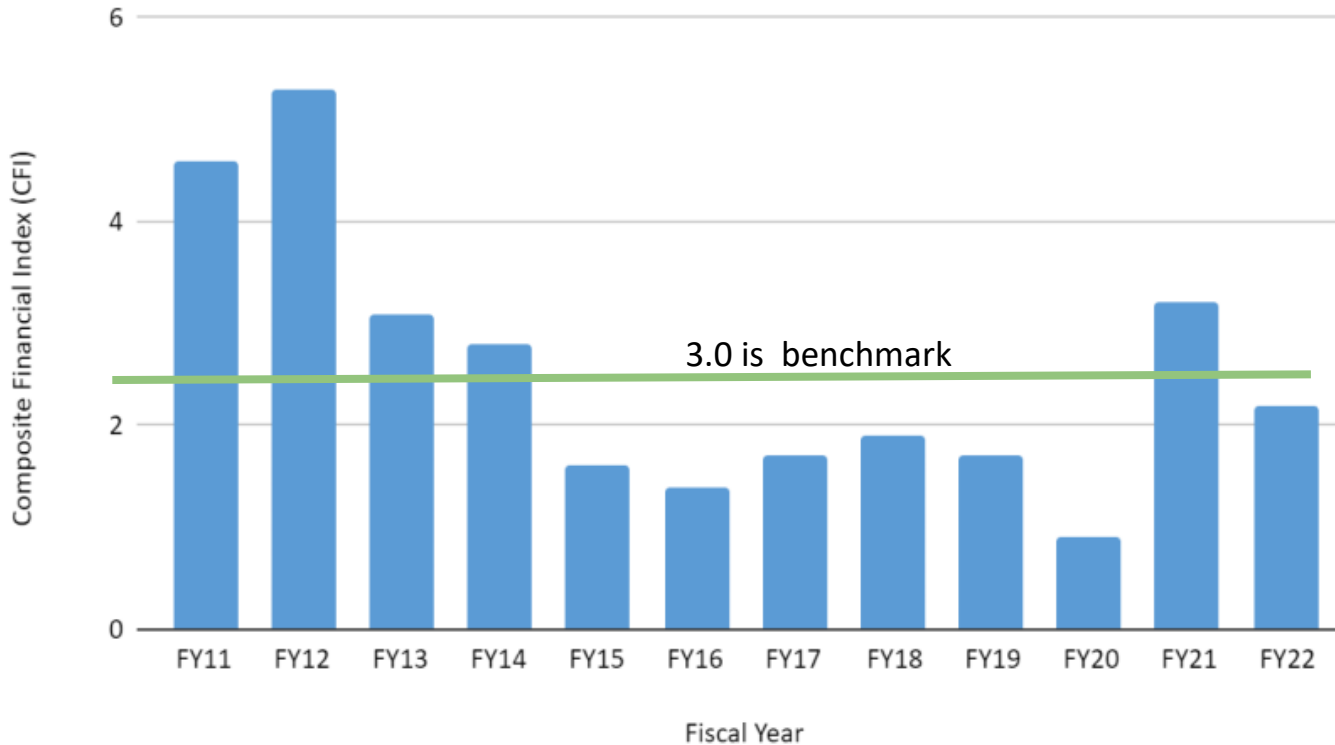


represents debt at start of fiscal year

These calculations exclude the impact of GASB 68 (Pensions) and GASB 75 (OPEB) and GASB 87(Leases)

# Composite Financial Index (CFI)

Composite Financial Index (CFI)



The CFI reflects a picture of the financial health of the institution at a point in time. It is built with the values of its four component ratios; 1) Primary Reserve, 2) Net Operating Revenue, 3) Return on Net Assets, and 4) Viability Ratio.

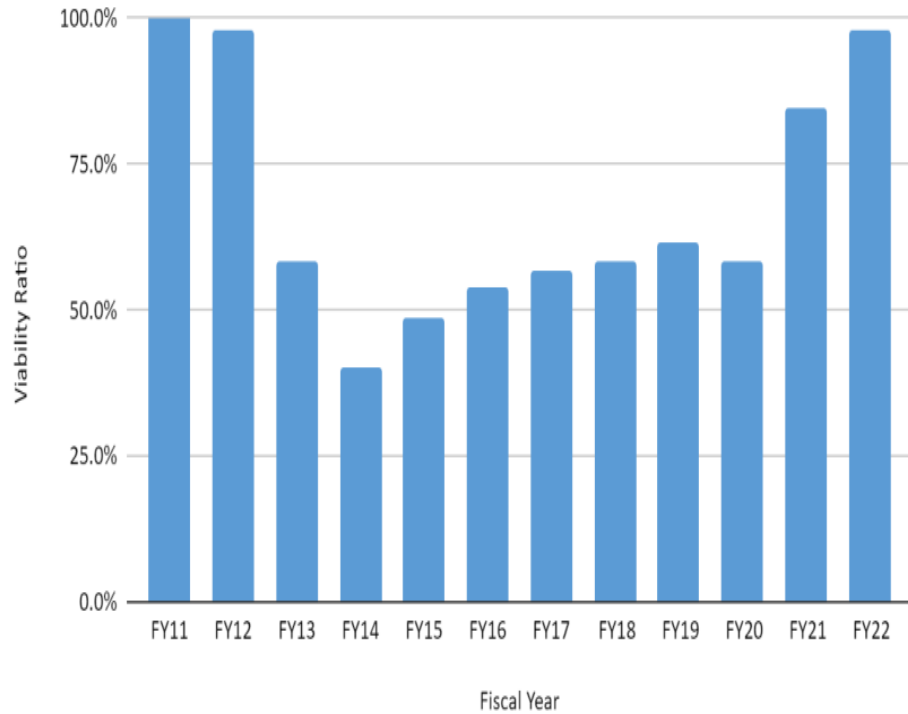
3.0 represents a relatively healthy financial position;

Note: Public institutions can often operate effectively at lower ratios pending the relationship with the supporting government agency.

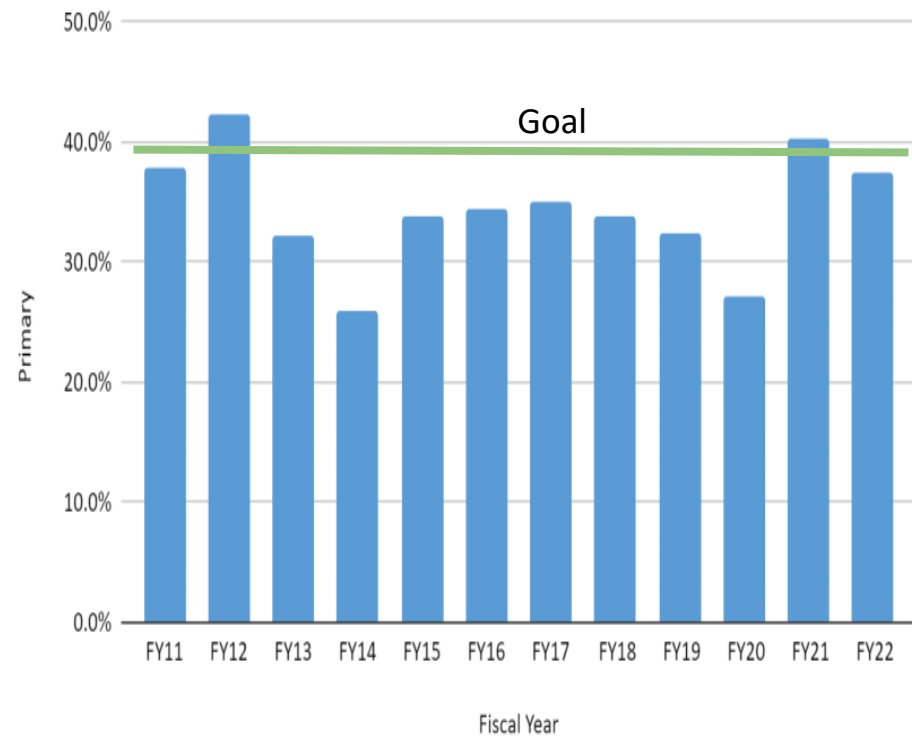
These calculations exclude the impact of GASB 68 (Pensions) and GASB 75 (OPEB) and GASB 87(Leases)

# Viability vs Primary Reserve Ratio

Viability Ratio



Primary Reserve Ratio



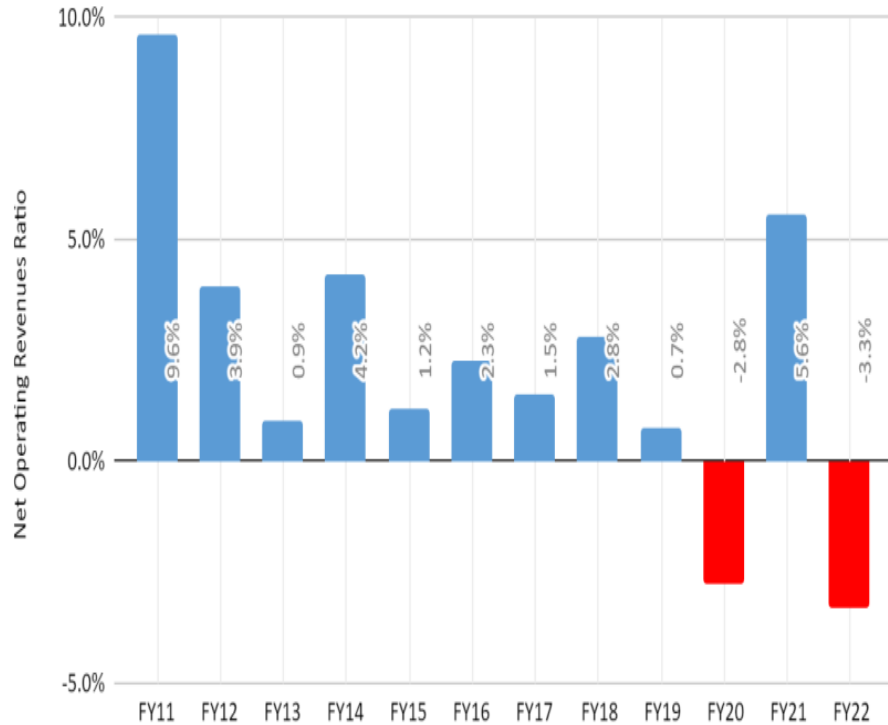
Note: Public Institutions can operate effectively at a lower Viability Ratio as state support is not reflected. These calculations exclude the impact of GASB 68 (Pensions) and GASB 75 (OPEB) and GASB 87(Leases)



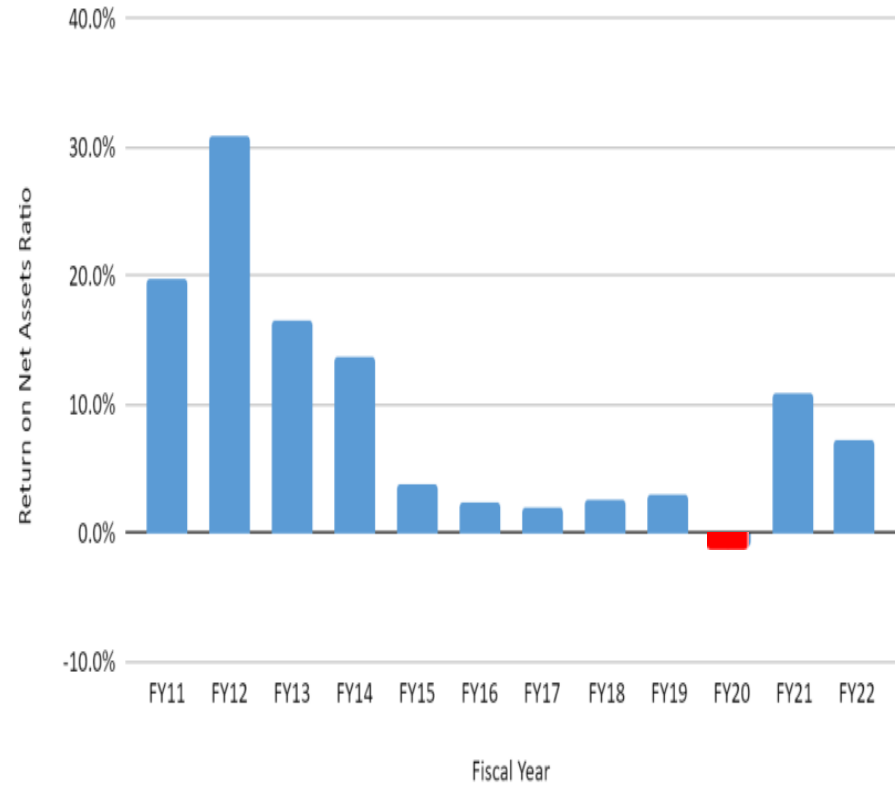


# Net Operating Revenues & Return on Net Assets Ratios

Net Operating Revenues Ratio



Return on Net Assets Ratio

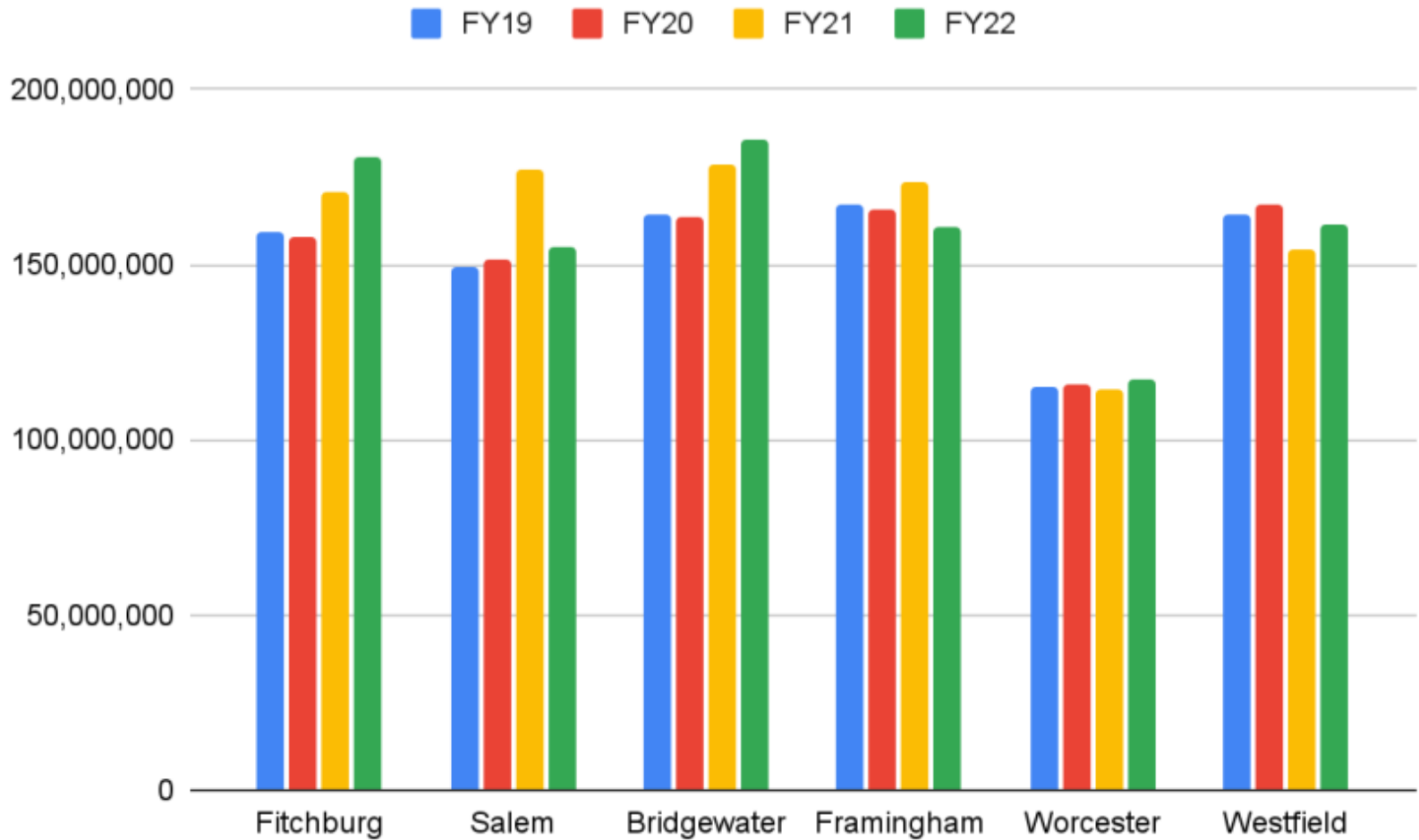


These calculations exclude the impact of GASB 68 (Pensions) and GASB 75 (OPEB) and GASB 87(Leases)

*Perceived Budgetary Hardship?*  
*VS*  
*Actual Budgetary Crisis?*

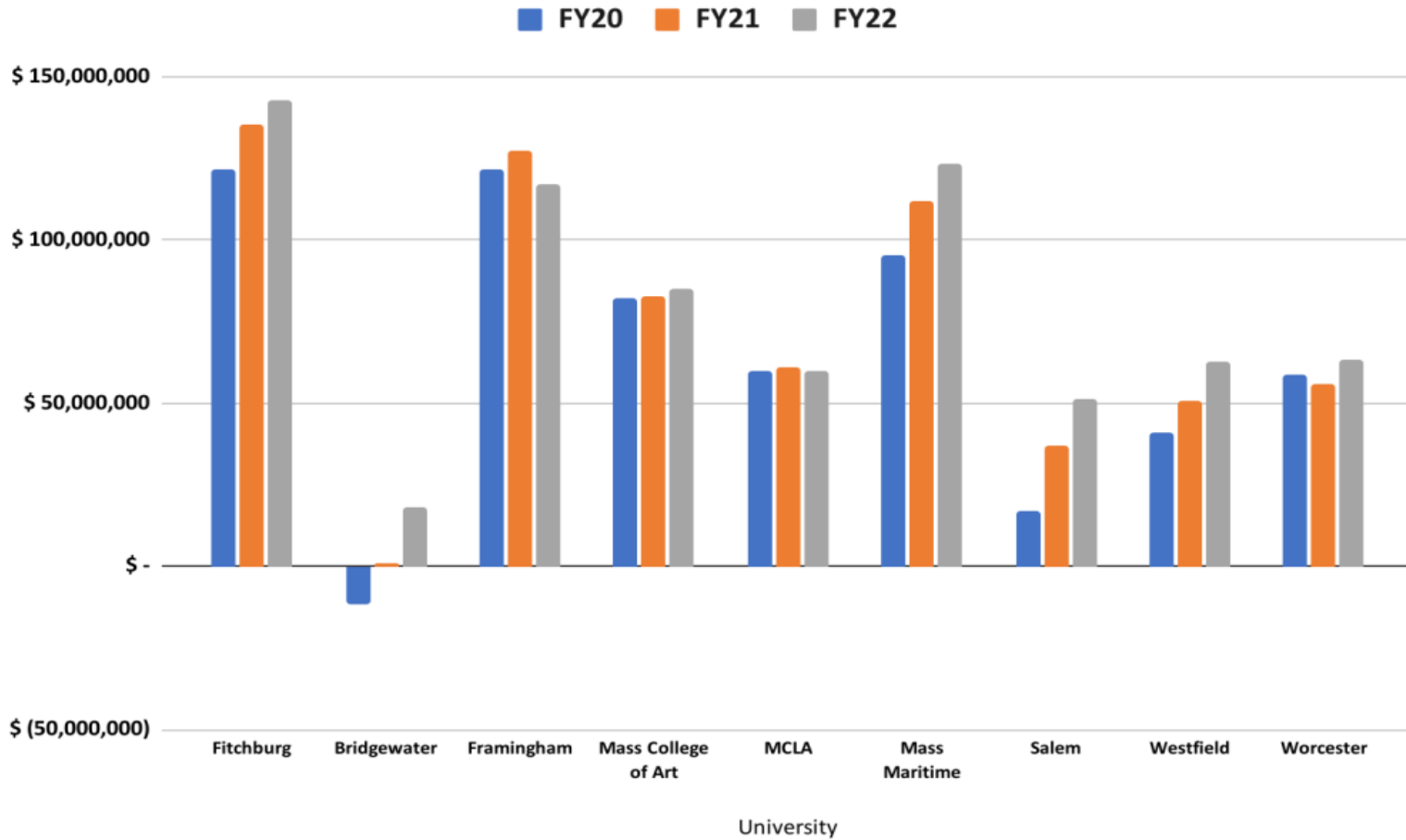
# MA State U's Net Positions FY19-FY22

Net Position before GASB 68 and 75



# MA State U's Net Positions FY20-FY22

Inclusive of GASB 68 and GASB 75



# EY Parthenon's Key Metrics for FSU

## FY21 Overview for State Universities

State University  
 FIT



← Home      Detail SU →

### Cash Metrics

Avg. Months - Available Liquidity**	<b>5.9</b>
Avg. Available Liquidity***	5.9

Total Net Cash Flow (in \$M)	<b>\$5.5</b>
------------------------------	--------------

### Other Financial Metrics

Operating Margin %	<b>3.7%</b>
Avg. Operating Margin %***	-0.3%

Total Revenue (in \$M)	<b>\$108.6</b>
------------------------	----------------

Debt Service Coverage	<b>2.0</b>
Avg. Debt Service Coverage***	1.2

### Operating Metrics

Change in Enrollment (Year over year)	<b>-0.8%</b>
Avg. Year over year Change in Enrollment***	-8.3%

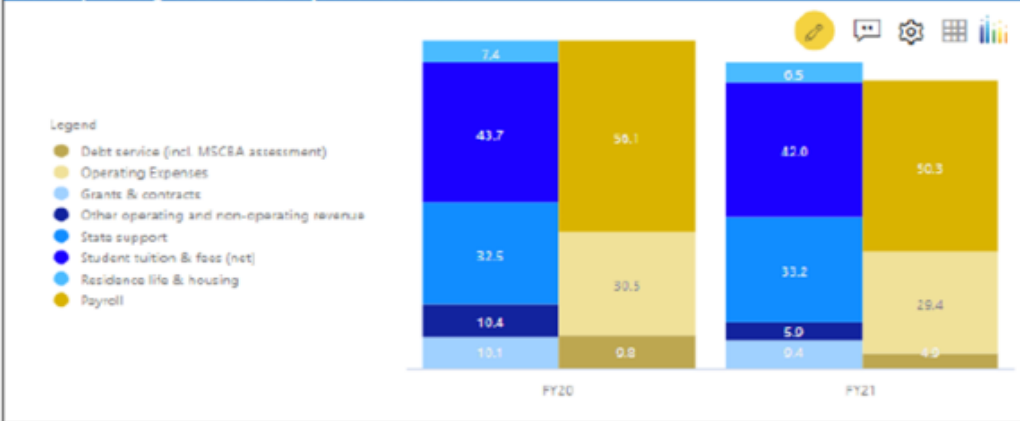
State and Student Revenue per FTE (000)	<b>\$15.1</b>
Avg. State and Student Revenue per FTE (000)***	\$20.0

Cash Outflows per FTE (000)	<b>\$17.5</b>
Avg. Cash Outflows per FTE (000)***	\$25.7

### Available Liquidity (in terms of avg. monthly cash flows)



### Total Operating Revenue & Expenses YOY(\$M)\*



\* Revenue and Expenses amount do not include non-cash items, capital appropriations and capital purchases  
 \*\* In terms of average monthly cash flows  
 \*\*\* Averages based on straight-line (non-weighted) basis

# Liquidity - Cash & Investments

	as of 6/30/2019	as of 6/30/2020	as of 6/30/2021	as of 6/30/2022
<b>University Long-Term</b>	<b>Market Value</b>	<b>Market Value</b>	<b>Market Value</b>	<b>Market Value</b>
Enterprise Portfolio	\$ 2,137,103	\$ 2,251,582	\$ 2,610,502	\$ 2,198,480
Northern Trust Portfolio	\$ 10,884,168	\$ 11,046,923	\$ 13,303,414	\$ 11,491,389
Rollstone Portfolio	\$ 4,793,625	\$ 5,200,668	\$ 5,847,143	\$ 5,174,189
<b>SubTotal</b>	<b>\$ 17,814,896</b>	<b>\$ 18,499,174</b>	<b>\$ 21,761,058</b>	<b>\$ 18,864,057</b>
<b>University Short-Term</b>	<b>Market Value</b>	<b>Market Value</b>	<b>Market Value</b>	<b>Market Value</b>
Rollstone Bank Money Market	\$ 5,211,610	\$ 5,282,637	\$ 5,309,074	\$ 5,336,192
MMDT - Control	\$ 6,098,818	\$ 6,201,338	\$ 6,212,969	\$ 21,274,948
<b>SubTotal</b>	<b>\$ 11,310,428</b>	<b>\$ 11,483,975</b>	<b>\$ 11,522,043</b>	<b>\$ 26,611,140</b>
<b>University Long + Short Term</b>	<b>\$ 29,125,324</b>	<b>\$ 29,983,149</b>	<b>\$ 33,283,101</b>	<b>\$ 45,475,197</b>
<b>University Cash</b>	<b>Market Value</b>	<b>Market Value</b>	<b>Market Value</b>	<b>Market Value</b>
Enterprise Bank 0983	\$ 16,250,891	\$ 11,986,725	\$ 17,637,583	\$ 8,759,106
Cash held by State Treasury	\$ 849,416	\$ 2,643,802	\$ 2,130,085	\$ 3,567,333
Webster Bank	\$ 97,149	\$ 97,328	\$ 97,383	\$ 97,402
<b>Total</b>	<b>\$ 17,197,456</b>	<b>\$ 14,727,855</b>	<b>\$ 19,865,051</b>	<b>\$ 12,423,841</b>
<b>Total Reserves</b>	<b>\$46,322,780</b>	<b>\$44,711,004</b>	<b>\$53,148,152</b>	<b>\$57,899,038</b>

# End of Presentation Listen Session