



**Board of Trustees
Financial Affairs Committee**

June 11, 2025

1:30 p.m.

Conference Room A&B, University Hall

Committee Members: Chair George Gilmer, Vice Chair Jason Queenin, Secretary Chris Montemayor, Daniel Currier,
and Theresa Jasmin

A live stream of the meeting for public viewing will also take place at the following

link: <https://www.westfield.ma.edu/live>

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|-------------------------------|------------------------|
| 1. Call to Order | Committee Chair Gilmer |
| 2. Approval of Minutes | Committee Chair Gilmer |
| a. April 22, 2025 | |

Finance

- | | |
|---|------------------------|
| 1. Items for Discussion | |
| a. University Cash Summary | Lisa Freeman |
| b. FY25 vs. FY24 YTD Spending Report | Stephen Taksar |
| 2. Items for Action | |
| a. Motion – FY26 Provisional Operating Budget | Stephen Taksar |
| b. Motion – Investment Income Drawdown | Stephen Taksar |
| c. Motion – Financial Affairs Committee Charter | Committee Chair Gilmer |
| 3. Items for Information | |
| a. FY25 Sponsorships | Lisa Freeman |
| 4. Adjournment | Committee Chair Gilmer |

Attachment(s):

- a. Minutes 4-22-25 (Draft)
- b. University Cash Summary
- c. FY25 vs. FY24 YTD Spending Report
- d. Motion – FY26 Provisional Operating Budget
- e. FY26 Provisional Operating Budget Materials
- f. Motion – Investment Income Drawdown
- g. Investment Income Drawdown Materials
- h. Motion – Financial Affairs Committee Charter
- i. Financial Affairs Committee Charter
- j. FY25 Sponsorships



Board of Trustees
Financial Affairs Committee

April 22, 2025
1:45 p.m.

President's Boardroom, Horace Mann Center

A live stream of the meeting for public viewing will also take place at the following link: <https://www.westfield.ma.edu/live>

Committee Members Present:, Vice Chair Jason Queenin, Secretary Chris Montemayor, and Trustees Daniel Currier, Theresa Jasmin and Board Chair Ali Salehi, ex-officio.

Trustee(s) Excused: Committee Chair George Gilmer

Also present and participating were Westfield State University President, Dr. Linda Thompson; Vice President of Administration & Finance, Stephen Taksar; Associate Vice President of Financial Accounting, Lisa Freeman; Associate Vice President of Facilities & Capital Planning, Tom Therrien; and Stephen Haines from Fund Evaluation Group.

Committee Vice Chair Queenin called the meeting to order at 1:45 PM, did a roll call of attendees listed above, and stated the meeting was being livestreamed and recorded.

MOTION made by Trustee Currier and seconded by Trustee Montemayor, to approve the minutes of the February 20, 2025 meeting. A roll call was taken and there being no discussion, **motion passed unanimously.**

FY25 3rd Quarter Update

- Two reports: a third quarter budget aligned with a third quarter adjusted calculation and an unadjusted year-to-date report through March.
- Spending will be at least \$132 million this year, possibly around \$135 million.
- Will not be more than the \$148 million spending plan projected at mid-year.
- Reasons for being over budget: debt for residential life and campus, investment in financial aid, new positions, and high part-time adjunct costs.
- Spending last year was up to \$122 million. This year, expecting \$150 million.
- "If you look at the unadjusted year-to-date report, we've already spent \$10 million more than last year at the same point in time. So there's really no doubt we're going to spend at least \$132 million."

FY26 Budget

- Working on the FY26 budget, aiming to complete it by the June 11 meeting.
- Guiding principles: spend within means, separate previously approved projects, and strategic plan should include the budget.
- Board approved the parameters for the planning cycle in December.
- Approved the tuition fee schedule for FY26 in February.

- Fall enrollment update is critical for revenue projections.
- Eliminated rollover funding from the initial FY26 budget.
- Reviewing revenue assumptions and separating grants from the operating budget.
- Capital challenges underway.

Early Approval & Budget Review

- Seeking early approval on items needing a lead time, a small subset critical for repair and cleaning.
- Cabinet reviewing all expense categories after revenue is settled.
- Innovation fund proposals received and under review.

Budget Timeline & State Funding

- Asking for partial capital budget approval today, more to come in June.
- Difficult to predict federal and state processes' impact; 33% of revenue budget is state appropriation.
- Provisional budget model allows adjustments through the summer, updating enrollment projections monthly.

Two-Step Budget Approval

- Provisional budget allows campus to open in July with a budget and respond to changes before final budget in October.
- Final FY26 budget in October, changes could be minor or significant.

Anticipated Challenges

- Deferred maintenance escalating, balancing budget with revenues will be challenging.
- Potential federal funding reductions to the state could impact state agencies and departments.
- Maintaining enrollment is critical.

Fringe Benefit Rates

- Comptroller's office announced fringe benefit rates are down, from 45% to 35%.
- Reduction of fringe benefit rates already accounted for in the budget model.
- Collective bargaining costs have increased, partially offsetting the fringe benefit rate reduction.

University Cash Summary

- Investments increased by \$2.8 million over the last 12 months.
- Cash usage is most significant in the last three months of the year, as most revenues have already been received.
 - Example: March to June of last year saw a \$4.8 million reduction in cash.
- The University has one main operating account, which includes restricted cash.
 - State and private grants, and agency fundraising accounts made up close to \$4 million of that balance as of March 2025.
 - Previously approved, but not yet used, reserve funds are also in the bank account but not available for use.
- Estimated cash decrease by year-end (not including investment accounts) is \$17 million.
 - Large outstanding items make it hard to predict the year-end cash balance.
 - The State is late in processing spring financial aid (estimated \$3.2 million).

Travel Policy (0390)

- The travel policy is being revised to streamline the approval process, primarily for the President's Office.
- The change allows the Vice President of Administration and Finance to approve transactions but requires the Board to approve travel requests.
 - The Board Chair will approve the president's travel requests.
 - Vice President of Administration and Finance will approve transactions related to previously approved requests.
- The main change is on page three of the policy.

- The previous policy required the Board Chair to approve even small expenses, which was deemed unrealistic.
- The revised policy maintains checks and balances while making the process more realistic.

MOTION made by Trustee Currier and seconded by Trustee Montemayor. The Financial Affairs Committee recommends approval to the full Board: To approve the revised Travel Policy (0390), as presented. A roll call was taken and there being no discussion, **motion passed unanimously**.

FY26 Vehicle Lease/Purchase

- Six vehicles are part of the leasing program, and one is a police cruiser purchase.
- No additional funding is requested.
 - Savings from a previous leasing program will offset the cost of six vehicles.
 - The seventh vehicle is budgeted through department funds.
- Approval is needed due to the long lead time for ordering and receiving the vehicles.

MOTION made by Trustee Currier and seconded by Trustee Jasmin. The Financial Affairs Committee recommends approval to the full Board: Motor Vehicle Acquisitions and Replacements Policy (0280) requires that any new or replacement vehicle is approved by the board of trustees. Early approvals are requested for the procurement of seven replacement vehicles to allow the university to place the orders now for delivery in FY26 due to the long lead time and potential cost increases. This motion is to approve the replacement of six university vehicles and include those vehicles in the leasing program. No additional funds are requested as existing savings in the vehicle leasing budget will cover these expenses as described in the supporting details. Further, to approve the purchase of a replacement police cruiser as requested by the Chief of University Police and approved by the Vice President for Enrollment Management and Student Affairs. The estimated purchase price for a new police cruiser with escalation is \$70,991.00. Funding source for this vehicle is from parking fines revenue. A roll call was taken and there being no discussion, **motion passed unanimously**.

FY26 Preliminary Capital Budget

- Requesting pre-approval before budget completion due to state procurement laws.
 - Advance bidding and contract negotiation needed to begin work over the summer.
- Normal capital budget is about \$3 million.
 - \$2 million for facilities.
 - \$1 million for information technology.
- Seeking \$900,000 pre-approval for projects listed in the packet.

Water Main Issue

- Water main issue is a significant issue that needs to be addressed.
- Water is received from the town, and campus closure would result without water.
- A study identified 3,000 linear feet of the water main as 71 years old.
 - This is the primary loop around Scanlon Hall and in front of Bates Hall.
- Phase one of the water main replacement is estimated at \$1.4 million.
 - This addresses about half of the primary line.
- Phase 2 and 3 replacements align with key infrastructure in those areas.
 - A holistic approach is needed for future projects to replace infrastructure.
- Requesting preliminary approval for \$300,000 approved in FY25 and \$400,000 utilized for the study.
 - Finalizing design documents and will submit project approval in June.
- Proposed financial plan:
 - \$300,000 a year for FY26 and FY27 from deferred maintenance capital fund.

- Supplement with \$400,000 of DCAM five-year funds.
- A leak on the south side of Ely Campus Center two years ago initiated the critical need for assessment.
- Water mains over 60 years old reduce size inside the piping, affecting sprinklers and fire hydrants.

Budget Process and Board Priorities

- Board approval does not guarantee project approval, as it will be reviewed at the Cabinet level.
- The full capital request will go back to the Cabinet to review.
- "If we don't proceed with these items, there will be substantial negative effects."
- The Cabinet has a bigger role in the budget process.
- It needs to be a priority of the board to ensure infrastructure is sound.
 - Deferred maintenance is one of the top three risks.

Infrastructure Priorities

- Board level confirmation needed due to disruption caused by unsound infrastructure.
- Other items include:
 - Horace Mann Center boiler replacement (second one).
 - Fire damper study and testing (compliance issue).
 - Woodward field lighting replacement (phase one).
 - Scanlon Hall project (critical for minor renovations).

Financial Considerations

- Projects are high priority.
- Westfield Gas offers about \$50,000 a year in incentives.
- DCAM Energy to identify key energy projects to replace lighting.

MOTION made by Trustee Currier and seconded by Trustee Montemayor. The Financial Affairs Committee recommends approval to the full Board: To approve a preliminary and partial capital projects budget of \$976,500.00, which will enable the University to begin the procurement process to bid the proposed work for this summer. The projects are listed on the FY26 Preliminary Capital Budget Plan with a brief description. Early approval of these specific projects is critical to solicit competitive bids and award these projects as soon as possible. The full capital budget, including all projects and Information Technology requests, will be provided in June 2025 with the FY26 Provisional Campus Budget. A roll call was taken and there being no discussion, **motion passed unanimously**.

Investment Policy (0430)

Fund Evaluation Group (FEG) Stephen Haines spoke about the following:

Proposed Changes - Page 1

- Statement of Purpose:
 - Added "prudent" to uniform Prudent Management Institutional funds law (up MIFA).
 - Replaced "manager" with "advisor" to identify fund evaluation group.
- Investment Subcommittee:
 - Defined duties for the board of trustees, Financial Affairs Committee, management/staff, and the investment advisor.
 - Deleted the paragraph for the subcommittee for investments.

Proposed Changes - Page 4

- Investment Objectives:
 - Added "reasonable" to the reasonable preservation of capital.
 - Removed minimizing price volatility.
 - Returns of investments should be viewed long term and focus on returns and not necessarily income.
 - Added prudence to diversification and portfolio management.

- Added that investment decisions should be made in a long-term perspective.

Asset Allocation

- Asset allocation mix will be calculated in aggregate balances across the university accounts.
- Targeted asset allocation goals of 60% equities, 40% fixed income remain unchanged.
- Acceptable ranges moved 5% both to the downside and upside.

Shocks and Rebalancing

- The goal is to have flexibility during shock environments, avoiding the need to buy or sell equities or fixed income.
- Rebalancing will be done slowly and deliberately.
- The term "manager" was replaced with "advisor" to include the consulting group.
- Rebalancing will be actively done on the margins, especially during market fluctuations caused by headlines rather than fundamental changes.

Asset Allocation

- A question was raised about the asset allocation ranges, specifically whether it's possible to reach 80% equity given the minimum fixed income requirement of 25%.
- Similarly, concerns were raised about achieving 65% fixed income with a minimum equity requirement of 40%.
- The speaker gave an anecdote about the Fed chair possibly being replaced and how that could shock the system.

Governance Structure and Fixed Income

- The governance structure was updated to the Financial Affairs Committee.
- Focus is on long-term funding in the fixed income section.
- No individual corporate bonds will be bought or sold; this is left to investment managers.

Custom Benchmark

- The recommended changes to the custom benchmark involve the underlying components, while the weightings remain generally the same (60% equities, 35% fixed income, 5% cash).
- For equities, the recommendation is to use the MSCI All Country World IMI Index, which includes US, international developed, and emerging markets, as well as large-cap, mid-cap, and small-cap stocks.
- For fixed income, the recommendation is to use the Barclays Agathon Index, which includes both Treasuries and corporate credits.

Prohibited Investments and Spending Policy

- A tweak was made to the policy on prohibited investments, specifically regarding derivative securities, forward swaps, and futures.
- Direct purchases of these instruments will still be prohibited, but commingled vehicles like mutual funds may use them.
- The investment advisor (FEG) will calculate the annual spend and document it.

MOTION made by Trustee Currier and seconded by Trustee Jasmin. The Financial Affairs Committee recommends approval to the full Board: To approve the revised Investment Policy (0430), as presented. A roll call was taken and there being no discussion, **motion passed unanimously**.

1st Quarter Review

- As of the end of Q1, the asset allocation was 50% equities, 48% fixed income, and 1% cash.
- The cash is earning around 4% in yield.
- The asset allocation has been maintained at roughly 50/50 since the account was transferred to FEG, and this will continue due to market headwinds.

Market Fundamentals vs. Sentiment

- Underlying fundamental data for the market is very strong, but sentiment is weak due to headlines causing nervousness and anxiety.
- Earnings look fantastic:
 - In Q1, 4 out of 5 S&P names outperformed estimates by a median of 6%.
 - Currently, 12% of the S&P has reported, with 76% outperforming by a median of 5%.
- Jobs numbers are higher than estimates, and inflation (CPI and PPI) is lower than expected.
- Tariffs pose a challenge as they could negatively impact jobs, earnings, and inflation.

Portfolio Performance and Strategy

- Despite market volatility, the account finished roughly flat in Q1, down about 40 basis points.
- The account peaked near the last meeting in February and has been protected on the downside.
- The portfolio is overweight in the US (75%) with 25% ex-US, and about half of the fixed income is in Treasuries.
- Diversification worked in Q1, with international developed countries up 7% and emerging markets up 3%.
- The "Mag 7" was down 16% in Q1, while the rest of the S&P was up 1%.
 - The business models of the "Mag 7" didn't change, but they generate about 55% of their revenues outside the US, making them vulnerable to currency volatility.

Fixed Income and Investment Changes

- The back end of the yield curve is not performing as expected, with the 10-year Treasury yield moving up.
- The portfolio is positioned where yields are highest, around two years out on the yield curve.
- Two investment changes were made in the first quarter, both in small cap:
 - Moved out of a passive exposure and into two active managers.
 - Added Hartford Small Cap Value Fund (sub-advised by Wellington Management Company LLC) and Driehaus House Micro Cap.

Outlook and Strategy

- No immediate changes to asset allocation will be made based on current tariff policy.
- "We don't want to be allocating based on those kind of changes in volatility."
- Once there is clarity on foreign policy and trade agreements, they would like to inch closer to the 60/40 IPS target.
- Referencing the 2018 "Trump tariff war 1.0" as a point of reference.

Tariffs and Market Reaction

- Tariffs were placed on four items, causing the stock market to drop 12% in less than two weeks.
- The speaker mentions a leader with a history of "walking you to the edge, holding you over and kind of threatening you that he's going to drop and then kind of stepping back."

White House Meeting and Potential Policy Shift

- The CEOs of Target and Walmart went to the White House to explain the consequences of a 245% tariff.
- The Treasury Secretary hinted at a possible backing off from the tariffs.

Amazon's Supply Chain

- Amazon was contacted to determine how much of their supply chain is sourced through China.
- Amazon reported that "71% of all their sellers in the US source their supply chains through China."
- A high tax on imported goods would affect everyone, regardless of income.

Investment Perspective

- Stephen Haines hopes the tariff threats are leverage and not a long-term concept and believes it would be "very odd for someone to make decisions that are so detrimental in the long term."

There being no further business,

MOTION made by Trustee Currier and seconded by Trustee Jasmin, to adjourn the meeting. There being no discussion, **motion passed unanimously**. Meeting adjourned at 2:57 PM.

Materials:

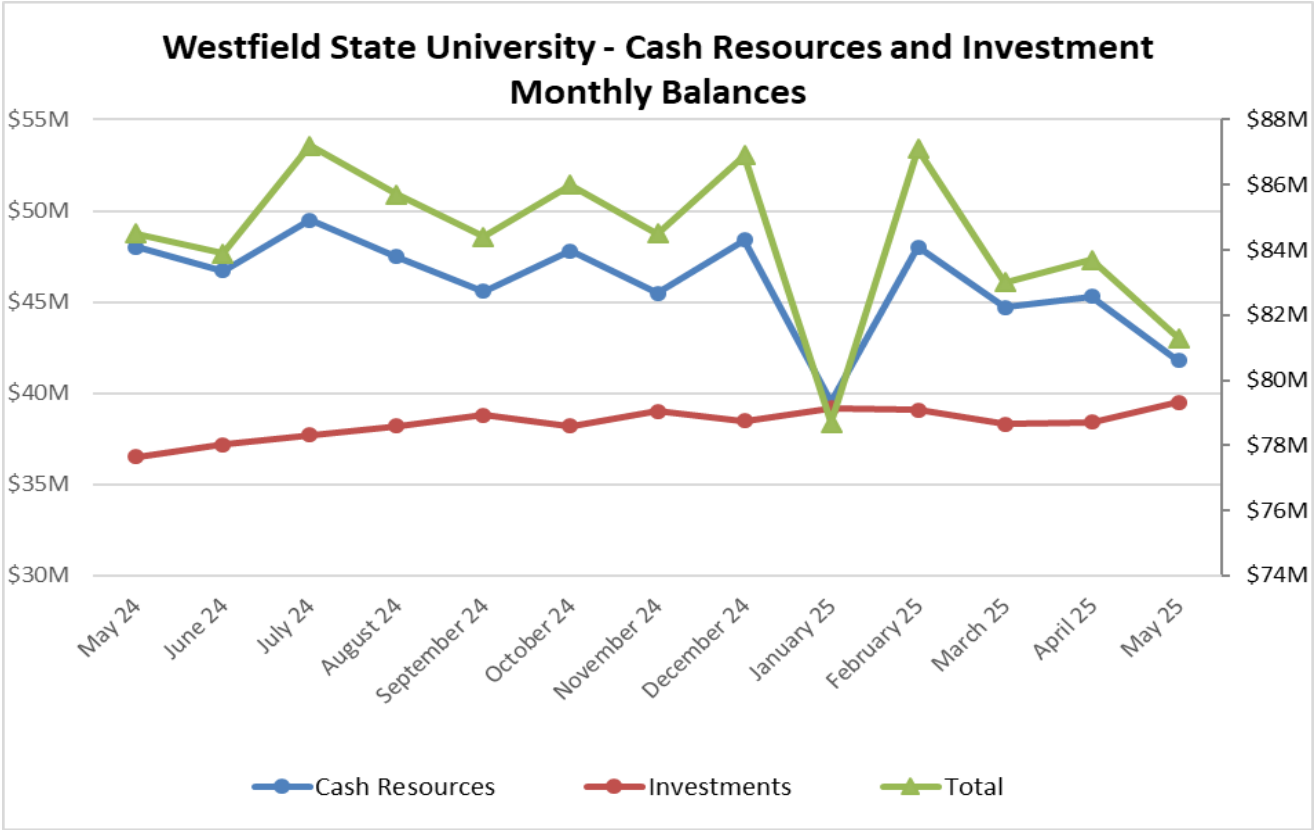
- a. Minutes 2-20-25 (Draft)
- b. Finance Committee PPT Presentation
- c. FY25 3Q Update (Narrative)
- d. FY25 3Q Update (Consolidated Report)
- e. FY25 3Q Update (YOY Narrative)
- f. FY25 3Q Update (YOY Actuals)
- g. Cash Summary (Graph)
- h. Cash Summary (Balance)
- i. Motion – Travel Policy (0390)
- j. Policy – Travel (0390) CLEAN
- k. Policy – Travel (0390) TRACK CHANGES
- l. Motion – FY26 Vehicle Lease/Purchase
- m. FY26 Vehicle Lease/Purchase (Leases)
- n. FY26 Vehicle Lease/Purchase
- o. FY26 Vehicle Lease/Purchase (Public Safety)
- p. Motion – FY26 Preliminary Capital Budget
- q. FY26 Preliminary Capital Budget (Narrative)
- r. FY26 Preliminary Capital Budget (Capital Plan)
- s. FY26 Preliminary Capital Budget (Water Main)
- t. Motion – Investment Policy (0430)
- u. Policy – Investment (0430) CLEAN
- v. Policy – Investment (0430) TRACK CHANGES
- w. First Quarter Review (Investments)

Secretary's Certificate

I hereby certify that the foregoing is a true and correct copy of the approved minutes of the Westfield State University Board of Trustees, Financial Affairs Committee meeting held on April 22, 2025.

Chris Montemayor, Secretary

Date



Westfield State University
Cash Balances
Fiscal Year Ending June 30, 2014 - June 30, 2025

Fiscal Year	Reserves/Investments	Operating	Total	\$ Inc/(dec)	% Inc/(dec)
FY 2014	16,433,581.47	26,894,679.32	43,328,260.79	5,407,044.83	14.3%
FY 2015	16,620,901.12	31,318,198.58	47,939,099.70	4,610,838.91	10.6%
FY 2016	16,821,033.21	40,072,321.82	56,893,355.03	8,954,255.33	18.7%
FY 2017	17,017,747.78	41,381,231.82	58,398,979.60	1,505,624.57	2.6%
FY 2018	17,258,477.00	44,091,165.41	61,349,642.41	2,950,662.81	5.1%
FY 2019	17,575,157.57	50,469,752.47	68,044,910.04	6,695,267.63	10.9%
FY 2020	62,846,184.51	3,714,652.82	66,560,837.33	(1,484,072.71)	-2.2%
FY 2021	67,655,941.62	6,185,802.00	73,841,743.62	7,280,906.29	10.9%
FY 2022	64,918,179.48	19,784,005.58	84,702,185.06	10,860,441.44	14.7%
FY 2023	73,052,167.70	4,461,775.15	77,513,942.85	(7,188,242.21)	-8.5%
FY 2024	78,351,864.62	5,556,007.76	83,907,872.38	6,393,929.53	8.2%
FY 2025**	75,492,781.65	5,795,868.14	81,288,649.79	(2,619,222.59)	-3.1%
			5 year \$ chg	14,727,812.46	
			5 year % chg	22%	

**** FY 2025 balances are as of 5/31/25**

Westfield State University
Cash and Investment Balances 5/31/24-5/31/25

<u>Source</u>	<u>5/31/2025</u> <u>Balance</u>	<u>4/30/2025</u> <u>Balance</u>	<u>3/31/2025</u> <u>Balance</u>	<u>2/28/2025</u> <u>Balance</u>	<u>1/31/2025</u> <u>Balance</u>	<u>12/31/2024</u> <u>Balance</u>	<u>11/30/2024</u> <u>Balance</u>	<u>10/31/2024</u> <u>Balance</u>	<u>9/30/2024</u> <u>Balance</u>	<u>8/31/2024</u> <u>Balance</u>	<u>7/31/2024</u> <u>Balance</u>	<u>6/30/2024</u> <u>Balance</u>	<u>5/31/2024</u> <u>Balance</u>
<u>Investments</u>													
Equities Portfolio	\$28,943,317	\$27,850,201	\$27,834,831	\$28,671,886	\$28,852,157	\$28,169,159	\$28,716,997	\$27,901,289	\$28,460,990	\$27,929,953	\$27,544,261	\$27,143,381	\$26,562,296
Bond Portfolio	10,546,754	10,552,598	10,490,766	10,450,871	10,376,610	10,328,923	10,310,245	10,268,931	10,334,226	10,254,789	10,172,366	10,015,780	9,894,822
Total Investments	<u>39,490,071</u>	<u>38,402,799</u>	<u>38,325,597</u>	<u>39,122,757</u>	<u>39,228,767</u>	<u>38,498,082</u>	<u>39,027,242</u>	<u>38,170,219</u>	<u>38,795,216</u>	<u>38,184,742</u>	<u>37,716,627</u>	<u>37,159,161</u>	<u>36,457,118</u>
<u>Cash Resources</u>													
MMDT	24,975,965	24,881,355	24,789,740	24,695,141	27,106,390	27,001,505	26,893,627	26,786,641	26,672,942	26,556,637	26,433,418	26,310,630	26,192,352
Working Capital	16,822,614	20,369,924	19,880,364	23,338,446	12,391,191	21,400,747	18,566,324	20,998,166	18,953,816	20,992,565	23,104,858	20,438,082	21,836,313
Total Cash Resources	<u>41,798,579</u>	<u>45,251,279</u>	<u>44,670,104</u>	<u>48,033,587</u>	<u>39,497,581</u>	<u>48,402,252</u>	<u>45,459,951</u>	<u>47,784,807</u>	<u>45,626,758</u>	<u>47,549,202</u>	<u>49,538,276</u>	<u>46,748,712</u>	<u>48,028,665</u>
Total Cash & Investments	<u>\$81,288,650</u>	<u>\$83,654,078</u>	<u>\$82,995,701</u>	<u>\$87,156,344</u>	<u>\$78,726,348</u>	<u>\$86,900,334</u>	<u>\$84,487,193</u>	<u>\$85,955,027</u>	<u>\$84,421,974</u>	<u>\$85,733,944</u>	<u>\$87,254,904</u>	<u>\$83,907,872</u>	<u>\$84,485,783</u>

* MSCBA debt payment of \$8,076,445.39 was made on 1/31/25.

Total investments increased \$3.03M since 5/31/24, while cash resources decreased by \$6.23M over the same period.

Westfield State University
Financial Affairs Committee

FY25 vs. FY24 YTD Spending Report

June 11, 2025

Revenue

The University's total FY25 revenue May YTD is approximately \$5.8M (or 4.8%) higher as compared to FY24. Explanations for the increase are as follows:

- The increase in tuition and fee revenue in the amount of \$2.4M is mostly due to the increase in Fall 2024 enrollment of approximately 121 full-time undergraduate students combined with the impact of the FY25 fee increases.
- Dining Services and Residential Life combined revenue increased by \$2.7M also due to the increase in students and yearly fee increases.
- State Appropriation increased by \$1.9M due to CBA funding received in February.
- ARPA Funding of \$2.19M was spent down in FY24 and is therefore no longer available in FY25.

Expenses

The University's total FY25 May YTD expenses are approximately \$9.5M (or 8.7%) higher as compared to the FY24 expenses. Some of the most significant expense increases are:

- Compensation (salary, wages and fringe) increased by \$1.2M (or 3%) over FY24, mostly due to collective bargaining increases.
- Due to the change to a higher tuition discount model in FY25, Financial Aid expenses increased by \$1.6M.
- Debt expense increased by \$0.4M in FY25 due to the savings from the MSCBA refunding was a one-time adjustment in FY24.
- Residential Life Expenses increased by \$4.4M year over year, due to debt relief in FY24 which was mainly utilized for Lammers renovation projects to create premium single housing.
- Department Operations increased by \$2.6M year over year mainly due to strategic investments and adjunct costs.

Summary

- At this time, it has been projected that the University will spend between \$136M (+/-) before the end of the fiscal year depending on major factors such as completion of capital projects, payment of collective bargaining increases and receipt of goods.

Westfield State University
FY24 vs FY25 Year over Year Actuals
Jul-May (5.30.25)

5/30/2025

				July 2023 -May 2024 Txs	July 2024 - May 2025 Txs		
	FY24 Year End Actuals	FY25 Approved Dec. Budget	FY25 Spending Plan	FY24 Jul-May	FY25 Jul-May	Diff YoY	Notes
Revenue:							
State Appropriation	39,637,534	40,520,761	40,520,761	39,637,534	41,593,810	1,956,276	CBA Funding received in Feb
Total Tuition/Fee Revenue	33,858,099	35,546,835	35,754,835	33,865,773	36,301,586	2,435,813	
Foundation	1,112,890	1,213,500	1,213,500	1,389,681	1,337,534	(52,147)	
Grant Revenue	3,724,395	5,103,333	5,103,333	2,797,503	3,366,777	569,275	
Other Revenue	5,389,452	3,732,194	4,959,015	4,831,793	4,748,279	(83,514)	
DGCE	12,964,603	13,410,276	13,410,276	14,280,729	14,734,121	453,392	Includes summer revenue (unearned as of 5.30.25)
Residential Life	14,059,519	15,420,590	15,420,590	13,768,935	15,762,939	1,994,004	
Dining Services	9,671,959	10,806,937	10,806,937	9,573,780	10,307,701	733,921	
Grants: HEERF/ARPA	2,193,719	-	-	2,193,719	-	(2,193,719)	
Total Revenue	122,612,170	125,754,425	127,189,246	122,339,447	128,152,747	5,813,300	
Reserve Funding							
Strategic Investments		3,086,796	3,086,796			-	
Capital Investments		3,000,000	3,000,000			-	
Total Reserve Funding		6,086,796	6,086,796			-	
Total Resources	122,612,170	131,841,221	133,276,042	122,339,447	128,152,747	5,813,300	
Expense:							
Compensation & Fringe	49,175,809	50,858,318	51,500,138	43,495,165	44,675,306	1,180,141	Strategic Investments, Rollovers, Increased Adjunct expense
Department Operations	15,910,204	16,534,771	19,037,279	15,262,926	17,908,637	2,645,711	
Utilities	2,885,348	3,103,383	3,403,383	2,512,980	2,573,313	60,332	
Financial Aid	5,112,963	6,826,425	6,826,425	5,039,627	6,636,750	1,597,123	Increased Financial Aid allocation
Debt Service	1,061,706	1,513,984	1,513,984	834,007	1,238,030	404,024	Lower debt in FY24 due to restructuring/refinancing
Contingency	613,942	650,000	650,000	460,394	272,022	(188,372)	
Capital Investments	5,322,913	5,926,201	6,141,036	4,794,410	3,150,506	(1,643,905)	
DGCE	9,426,159	10,313,425	10,413,425	8,024,311	8,328,966	304,655	
Residential Life	17,020,603	21,236,358	21,526,022	15,511,513	19,952,039	4,440,525	Lower debt in FY24 and critical Lammers maintenance.
Dining Services	8,650,011	9,424,483	9,624,483	8,135,524	8,587,573	452,048	Serving more students due to higher enrollment
Strategic Investments	177,165	328,677	161,570	164,139	5,000	(159,139)	
All Other - Grants & OTF's	5,149,560	4,425,197	6,091,072	4,091,017	4,587,136	496,119	Increased Grant activity
Innovation Fund	406,647	700,000	856,191	283,018	475,200	192,182	
FEMA Reimbursement Funds	876,782	-	522,746	719,494	406,512	(312,982)	
Total Expense	121,789,812	131,841,221	138,267,753	109,328,525	118,796,988	9,468,463	
Revenue Over Expense	822,359	0	(4,991,711)	13,010,921	9,355,759	(3,655,163)	

- Notes:
- 1) Banner Reporting cutoff is 5.29.25 for FY25 and 5.31.24 for FY24.
 - 2) Analysis prepared based on Activity Date in transaction history
 - 3) Innovation Fund Revenue loaded at the beginning of the fiscal year
 - 4) Grant Revenue is recognized in the amount of YTD actual expense. (Excludes Direct Student Loans in Both Years)



Board of Trustees

June 11, 2025

MOTION

The Financial Affairs Committee recommends approval to the full Board:

To approve the FY26 provisional campus budget, as presented, including, but not limited to the following elements: operating budget, capital budget, vehicle lease/purchase program and sponsorships (\$50,000). Further, to authorize the President and/or the Vice President for Administration and Finance to make budget adjustments to these funds as allowed in the Trust Fund Management Policy (0604).

Westfield State University
Financial Affairs Committee

FY26 Provisional Operating Budget – Planning and Process

June 11, 2025

Budget Planning – Guiding Principles

- Spend within our means (achieved).
- Limit reserves to previously approved projects/initiatives (achieved).
- Strategic plan as basis for resource allocation (in process).

Improvements to Operating Budget Reporting

- Eliminate rollovers from operating budget and minimize rollover requests.
- Shift grants, other trust funds, and student success funding out of operating budget.
- Developed new supplemental report for non-general fund spending.

Budget Process/Assumptions

- President's Cabinet collaborated on budget strategies and methodology.
- Established updated revenue and tuition budget based on increased enrollment.
- Reviewed all personnel and non-personnel budgets to align to available funding. Included by not limited to positions, detailed expense review (e.g., consultants, travel, etc.), contingencies and innovation fund.
- Capital projects were recommended by the President's Cabinet as provided.
- Projected vacancies are assumed in the current budget as not all positions are filled at the start of the fiscal year.
- State appropriation has not yet been finalized but is assuming Governor's budget as a baseline.

Westfield State University
Financial Affairs Committee

FY26 Provisional Operating Budget

June 11, 2025

OVERVIEW

Westfield State University has worked diligently to present a provisional balanced budget of \$132M for FY26. While many adjustments have been made in the new budget, this represents a flat budget from FY25. A detailed review of revenues and expenses was conducted to re-align spending within existing resources. The use of campus reserves for rollovers is no longer a part of the operating budget, grants have been removed from the operating budget and operating expenses reduced. These actions allow the campus to present a cleaner operating budget view and better align revenues and expenses.

Enrollment is still a primary driver of campus revenues. Overall, enrollment is projected to increase by 254 students or 6% over this year, primarily due to higher retention rates of current students and a larger entering class from last year. New students are also projected to increase as well slight increases in DGCE undergraduate and graduate students. While early enrollment indications for the incoming class are positive, enrollment will continue to be monitored closely as the final October Budget is developed.

PROVISIONAL BUDGET PLAN FY26

- The FY26 Provisional Budget reflects a balanced budget, which was achieved in large part by permanent budget reductions totaling \$7M as follows: \$2.6M of vacant position reductions; \$1.6M of vacancy savings adjustments; and \$1.2M of operations reductions; as well a \$600k increase in contribution from Dining and \$121k from DGCE. Additional adjustments include \$1.5M in reductions from major categories such as the Innovation Fund, Financial Aid, Campus Contingency, and Funding for Prior Year Approvals.
- The campus is planning for full time undergraduate enrollment of 3,179 billable students on a full year average basis, which is an increase of 212 students (or 7.1%) from FY25 actual enrollment of 2,967. Several factors have contributed to increased enrollment including a continuation of tuition discounting to 30% for entering first year students (and sophomores), FY26 is the second year of increased tuition discounting. In FY25, there was a nation-wide delay in the FAFSA rollout for students and families due to technical glitches and short staffing, for FY26, students are able to apply for the FAFSA without issue.
- Financial challenges are ongoing in Residential Life, as expected, due to lower occupancy and high fixed costs (primarily debt). Occupancy is projected to increase by 89 students from the FY25 Budget of 1,710, which represents 75% occupancy with a design capacity of 2,397. Given that most expenses in Residential Life are fixed in the form of MSCBA debt obligations, cost containment strategies are challenging for housing operations. Residential Life is currently projecting a total deficit of \$4.2M. Lammers Hall will be closing

next year due to building system issues while the University assesses future options. Additionally, one apartment building will be offline this year for the plumbing stack repair project.

- Dining Services participation rates follow enrollment and occupancy levels. No rate increases were proposed this year as new food contracts were coordinated with UMASS Amherst. Dining Services is expected to contribute \$1.7M to the campus to support their overhead costs. Unlike residential life, dining expenses are more variable and based on staffing and food costs.
- DGCE revenue is expected to increase by \$0.6M over the prior year at \$14M mainly due to fee increases. It is assumed that DGCE will contribute \$3.2M to the campus, in support of their overhead costs.
- Use of campus reserves is limited to previously approved but ongoing facility projects (\$2.6M) as summarized in the capital budget and the unspent strategic investment pool of \$1.2M for a total projected reserve use of \$3.8M.

SUMMARY

The FY26 Provisional Budget was developed with the intent of balancing the campus budget through reductions and increased contributions, which took significant effort from the campus and collaboration from the Cabinet. Key revenue indicators such as enrollment and state appropriation will be better known as we approach the fall, at which time the campus will develop a final budget in October. The campus continues to carefully evaluate the balance between affordability, enrollment, and strategic investments while achieving a balanced budget.

Westfield State University
FY26 Enrollment Planning

6/2/2025

	FY25 October Budget	FY25 Actuals	FY26 Planning	FY25 Actuals vs. FY26 Planning
New Freshman	830	833	857	24
Transfers	208	232	220	(12)
Returning	2,101	2,058	2,269	211
Total Fall	3,139	3,123	3,346	223
Spring Est.	2,825	2,811	3,011	201
Average Billable	2,982	2,967	3,179	212
Less: XRG	(50)			-
Adjustment: Other				-
Full Year Average Billable Students	2,932	2,967	3,179	212

	FY25 October Budget	FY25 Actuals	FY26 Planning	Variance YoY
<i>Enrollment (FTE)</i>				
Graduate	628	619	627	8
PA	58	58	58	1
Undergraduate	651	604	638	34
Total CGCE Student FTE Conversion	1,338	1,280	1,323	42
Total UG & CGCE FTE	4,269	4,247	4,501	254

Notes:

1. DGCE provided credit hours which were converted into billable students. Received UG Day division freshmen and transfers from Admissions.
2. Backed into total returning students using estimated 10% melt rate, and avg and XRG estimates.

Westfield State University
FY26 Provisional Budget - Condensed Summary
(\$ in millions)

A. Operating Budget

Category	FY25 Spending Plan	FY26 Provisional Budget	Variance	% Variance
<u>Revenue</u>				
Operating Revenue	\$ 127.2	\$ 129.0	\$ 1.8	1.4%
Total Revenue	\$ 127.2	\$ 129.0	\$ 1.8	1.4%
<u>Expenses</u>				
Operating Expenses	\$ 132.2	\$ 129.0	\$ (3.2)	-2.4%
Total Expenses	\$ 132.2	\$ 129.0	\$ (3.2)	-2.4%
			\$ -	
Net Operating Variance	\$ (5.0)	\$ -	\$ 5.0	-100.0%
<u>Reserves</u>				
Strategic Investments	\$ 3.1	\$ 1.2	\$ 1.9	61.3%
Facility Projects	\$ 3.0	\$ 2.6	\$ 0.4	13.3%
Total Reserves	\$ 6.1	\$ 3.8	\$ 2.3	37.7%
Total Variances & Reserves	\$ 11.10	\$ 3.80	\$ 7.3	65.8%

B. Trust Fund Summary

Category	Operating	Innovation	Capital	DGCE	Res Life	Dining	Total
Revenue	\$ 87.1	\$ 0.4	\$ -	\$ 14.1	\$ 16.5	\$ 10.8	\$ 128.9
Expenses/Transfers	\$ 85.6	\$ 0.4	\$ -	\$ 14.1	\$ 20.7	\$ 10.8	\$ 131.6
Net Revenue over Expenses	\$ 1.5	\$ -	\$ -	\$ -	\$ (4.2)	\$ -	\$ (2.7)
Reserves Facility Projects			\$ 2.7				\$ 2.7
Total							\$ 0.0

Westfield State University
FY26 Provisional Budget

6/2/2025

	FY24 Year End Actuals	FY25 Approved Dec. Budget	FY25 Spending Plan	FY26 Provisional Budget	FY26 Provisional Budget vs. FY25 Spending Plan	% Variance	Notes
Revenue:							
State Appropriation	39,637,534	40,520,761	40,520,761	42,750,329	2,229,568	6%	Aligns to the Governor's Budget
Total Tuition/Fee Revenue	33,858,099	35,546,835	35,754,835	39,832,544	4,077,709	11%	Increase of 244 returning students, analysis provided by Academic Affairs
Foundation	1,112,890	1,213,500	1,213,500	1,388,500	175,000	14%	Increase in Foundation Support
Grant Revenue	3,724,395	5,103,333	5,103,333	-	(5,103,333)	-100%	Grant Revenue removed from budget
Commissions	266,697	214,109	214,109	235,224	21,115	10%	
Interest Income	1,927,200	1,915,000	1,915,000	2,315,000	400,000	21%	
Innovation Fund	800,000	800,000	800,000	400,000	(400,000)	-50%	
Other Trust funds	1,787,428		1,434,821	-	(1,434,821)	-100%	
Parking revenues	167,385	211,176	211,176	228,866	17,690	8%	
Miscellaneous Revenue	440,742	591,909	383,909	364,750	(19,159)	-5%	
Other Revenue			-		-		
DGCE	12,964,603	13,410,276	13,410,276	14,095,020	684,744	5%	Fee Increases
Residential Life	14,059,519	15,420,590	15,420,590	16,510,911	1,090,321	7%	
Dining Services	9,671,959	10,806,937	10,806,937	10,849,629	42,692	0%	Dining Budget right sized based on actuals trend
Grants: HEERF/ARPA	2,193,719	-	-	-	-		
Total Revenue	122,612,170	125,754,425	127,189,246	128,970,773	1,781,527	1%	
Reserve Funding							
Strategic Investments		3,086,796	3,086,796		(3,086,796)	-100%	
Capital - Previously Approved Projects		3,000,000	3,000,000	2,661,338	(338,662)	-11%	
Innovation Fund		-			-		
Total Reserve Funding		6,086,796	6,086,796	2,661,338	(3,425,458)	-56%	
Total Resources	122,612,170	131,841,221	133,276,042	131,632,111	(1,643,931)	-1%	
Expense:							
<i>Compensation</i>	46,122,387	47,095,818	47,737,638	50,921,394	3,183,756	7%	Collective Bargaining Costs, ties to position census
<i>Fringe</i>	3,053,421	3,762,500	3,762,500	3,985,076	222,576	6%	Fringe Rate Lowered by the State to 37.81%
Compensation & Fringe Total	49,175,809	50,858,318	51,500,138	54,906,470	3,406,332	7%	
Department Operations	15,910,204	16,534,771	19,037,279	17,035,776	(2,001,503)	-11%	Eliminated Operating Rollovers; Cabinet Reductions
Utilities	2,885,348	3,103,383	3,403,383	3,100,094	(303,288)	-9%	Aligned Preliminary budget to trend analysis
Financial Aid	5,112,963	6,826,425	6,826,425	8,282,709	1,456,284	21%	30% Discount Rate applied to new first years and returning soph
Debt Service	1,061,706	1,513,984	1,513,984	1,323,292	(190,692)	-13%	Mod Hall Lease expired
Contingency	613,942	650,000	650,000	325,000	(325,000)	-50%	Reduced to offset budget gap
Capital Investments	5,322,913	5,926,201	6,141,036	5,404,799	(736,237)	-12%	Eliminated Capital Rollover
DGCE	9,426,159	10,313,425	10,413,425	10,876,608	463,183	4%	Vacancy Reductions Built into 5.13.25 budget model
Residential Life	17,020,603	21,236,358	21,526,022	20,683,618	(842,405)	-4%	Vacancy Reductions Built into 5.13.25 budget model
Dining Services	8,650,011	9,424,483	9,624,483	9,065,069	(559,414)	-6%	Vacancy Reductions Built into 5.13.25 budget model
Strategic Investments	177,165	328,677	161,570	228,677	67,107	42%	Align to the Strategic Plan
Grants	3,724,395	4,425,197	4,395,391	-	(4,395,391)	-100%	Removed from budge tmodel
Other trust funds	1,425,166		1,695,681	-	(1,695,681)	-100%	No rollover component to Other Trust Funds
Innovation Fund	406,647	700,000	856,191	400,000	(456,191)	-53%	Reduction to offset budget gap
FEMA Reimbursement Funds	876,782	-	522,746	-	(522,746)	-100%	FEMA runout, no expense in FY26
Total Expense	121,789,812	131,841,221	138,267,753	131,632,111	(6,635,642)	-5%	
Revenue Over Expense	822,359	(0)	(4,991,711)	(0)	4,991,711	-100%	

	Res Life Loss	(4,172,707)
	General Fund Surplus/(Loss)	4,172,707
Total		-

Note:
1) Rollovers are excluded from the FY26 Operating Budget
2) Grants & Other Trust Funds are removed from the Operating Budget and reported in a separate schedule

Westfield State University
FY26 Detailed Budget by Trust Fund
FY26 Provisional Budget

	Operating Budget	Innovation Fund	Capital Project Fund	DGCE	Residential Life	Dining Services	FY26 Provisional Budget
Revenue							
Scholarship Allowance							-
Tuition and Fees	39,832,544			14,095,020			53,927,564
Federal Grants and Contracts							-
State Grants and Contracts							-
Private Grants and Contracts							-
Residence Fees					16,239,185		16,239,185
Dining Fees						10,849,629	10,849,629
Other Operating Revenues	593,616				249,726		843,342
Commissions	235,224				22,000		257,224
State General Appropriations	42,750,329						42,750,329
Foundation Support	1,388,500						1,388,500
Innovation Fund		400,000					400,000
Investment Income	2,315,000						2,315,000
Total Revenue	87,115,213	400,000	-	14,095,020	16,510,911	10,849,629	128,970,773
Planned Use of Reserves	-	-		-		-	-
Capital - Previously Approved Projects			2,661,338				2,661,338
Total Rollovers / Timing	-	-	2,661,338	-	-	-	2,661,338
Total Resources	87,115,213	400,000	2,661,338	14,095,020	16,510,911	10,849,629	131,632,111
Expenses							
Personnel	50,921,394			4,496,028	2,579,728	2,461,258	60,458,408
Fringe Benefits	3,985,076			1,977,898	975,395	957,420	7,895,790
Operations	17,035,776			4,327,682	1,771,049	4,862,688	27,997,194
Strategic Investments	228,677						228,677
Utilities	3,100,094				2,231,946		5,332,041
Debt Payments	1,323,292					534,904	1,858,196
FEMA Reimb. Spending Plan							-
Operating Contingency	325,000					248,798	573,798
Capital Projects			5,404,799			-	5,404,799
Scholarships	8,282,709			75,000	501,804	-	8,859,513
Transfers	401,827	-	(5,404,799)	3,218,412	-	1,784,560	-
MSCBA Assessment					12,623,695		12,623,695
Innovation Fund Expenditures		400,000					400,000
Total Expense and Transfers	85,603,845	400,000	-	14,095,020	20,683,618	10,849,629	131,632,111
Net Revenue over Expense	1,511,369	-	2,661,338	-	(4,172,707)	-	(0)

Notes:

1. Other Operating Revenues consist of parking, application fees, phone fee, non-credit program revenue and other miscellaneous fees
2. Transfers represent the movement of cash from one trust fund to another
3. Assumes \$400k of investment funds used to balance the budget

		Funding Source					Total
		Campus	DCAMM Match - Campus	Previously Approved Funding	Previously Approved Campus Funded from Use of Reserves	DCAMM Funding	
Physical Plant Projects							
1	Water Main Repairs/Replacement	300,000	63,520	300,000		136,480	800,000
2	R22 Replacement (DCAMM)		154,789	515,616		1,095,564	1,765,969
3	Road & Sidewalk Repairs (DCAMM)		138,003			296,515	434,518
4	HMC Boiler Repairs/Replacement	400,000					400,000
5	Woodward Lighting Upgrades	180,000					180,000
6	Match Relief (DCAMM)		155,740				155,740
7	Critical Repair Contingency	141,500					141,500
8	Emergency Equipment Failure	75,000					75,000
9	Emergency Infrastructure Failure	75,000					75,000
10	CODE- Fire Damper Study & Testing	100,000					100,000
11	Steam Lime Emergency repairs	50,000					50,000
12	Facilities Studies	50,000					50,000
13	BMS Controls Upgrades	50,000					50,000
14	Scanlon Hall 2 nd Floor – Option 2 Tiered Plan	66,500					66,500
15	MSCBA PLUMBING STACKS					6,080,000	6,080,000
Sub-total		1,488,000	512,052	815,616	-	1,528,559	10,424,227
Information Technology							
16	FacultyStaff Lifecycle (91354)	125,000					125,000
17	Computer Lab Replacement (91356)	50,000					50,000
18	Classroom Technology Replacement (91355)	75,000					75,000
19	Argos Conversion (91225)	25,000					25,000
20	ODA Patching (91225)	20,000					20,000
21	Firewall Replacement (91357)	188,000					188,000
22	Wilson Edge Routers (91357)	350,000					350,000
23	Dower 194 & 142 Grant Computer Replacements	62,000					62,000
24	Argos Migration			38,000			38,000
25	ODA Dataguard Setup			35,000			35,000
26	LMS Migration - Final Implementation & Training			96,358			96,358
Sub-total		895,000	-	169,358	-	-	1,064,358
Previously Approved Projects							
27	Switchgear Testing & Repairs				317,218		317,218
28	Ely Pool			359,146	1,000,000	2,672,317	4,031,463
Subtotal - Previously Approved Projects		-	-	359,146	1,317,218	2,672,317	4,348,681
Grand Total		2,383,000	512,052	1,344,120	1,317,218	4,200,877	15,837,266

Notes:

1) MSCBA Plumbing Stacks project is \$6.1M; most of the funding will be paid by bonding, debt service is included in the budget

Westfield State University
FY26 Supplemental Spending Schedule
Non-Operations Funding Commitments

6/2/2025

Type	FY26 Funding Commitment	Source of Funds	Description
Capital Projects	\$ 2,661,338	Reserves	Previously Approved, See Capital Projects Summary
Strategic Investments	\$ 1,234,543	Reserves	Previously Approved and Unspent From Prior Years
Other Trust Funds	\$ 300,000	Reserves	Estimated use of fund balance
Student Success Grant	\$ 1,532,795	State	Annual Grant Allocation from State - Year 2
Foundation Funds	\$ 800,000	Foundation	Projected unspent funds from previous years
TOTAL	\$ 6,528,676		

Notes:

1. The amounts represent point in time. Due to timing, spending may have occurred in FY25, lowering the FY26 remaining balance.
2. State will carryforward unspent Student Success Grant funding from FY25 - Year 1, exact amount TBD.
3. Federal and State Grant support varies year to year and is estimated to be between \$4M - \$5M.

Westfield State University
FY26 Lease and Motor Vehicle Schedule

5/7/2025

Existing Vehicle Summary		Quantity	Cost/ Montl	Annual Cost
Existing Lease Commitments:				
Facilities, Public Safety, Media Services, Mail Services, Catering, Information Technology	25	\$9,160		\$109,920
New Lease Vehicles - April 2025	6	\$7,160		\$85,920
Program Service Fee				\$5,496
				<u>\$201,336</u>
FY26 Vehicle Lease Schedule				\$201,336
FY25 Vehicle Lease Schedule				\$201,336
Difference				<u>\$0</u>

Notes:

1. The Board of Trustees approved the leasing of six new vehicles at their April 2025 meeting.
2. We did not request any additional funding for these vehicles because the savings we realized by participating in a one-time sale of Ford vans will cover the cost of these six vehicles.



Board of Trustees

June 11, 2025

MOTION

The Financial Affairs Committee recommends approval to the full Board:

To transfer \$1,253,444.00 from the University's investment accounts with Fund Evaluation Group LLC, to the University's operating account at Berkshire Bank, consistent with the University's Investment Policy (0430), to support the FY25 operating budget, and verified with the financial analysis presented today.

Westfield State University
Financial Affairs Committee

Investment Income Drawdown

June 11, 2025

Overview

The University has invested \$30M of its cash reserves into various investments, including equities and bond funds, currently through Fund Evaluation Group (FEG). To date, these funds have grown to \$38M since the investment strategy was implemented several years ago. The earnings from the investments provide ongoing budget support which is built into the annual operating budget of the University. While the University has not drawn down funds from these investments in the past, we will begin to draw them down in FY25, consistent with the current Investment Policy (0430).

Process

FEG, our current investment advisors, prepares a quarterly projection on the interest income distributions, based on the current spending policy. The spending policy allows the university to draw down 4% of the 12-quarter moving average value of these investments.

For FY25, FEG is projecting the 4th quarter value based on the current balances of \$39,544,343. Overall, the actual 12-quarter moving average calculation is not expected to vary significantly from this projection.

The updated Investment Policy for the spending allocation is extracted below:

“The Westfield State University has adopted the following spending policy, which will apply to the University’s investment portfolio.

1. *This Policy seeks an appropriate balance among the following goals:*
 - a. *Provide the University with a predictable and stable stream of revenue.*
 - b. *Ensure the real value (defined as purchasing power) of the invested assets and its revenue stream does not decline over the long-term.*
 - c. *Base the spending policy on best practices for similar organizations or market segments (e.g., treat the invested funds as endowment like).*
2. *Authorized expenditures during an upcoming fiscal year shall be limited to four percent (4%) of the average total market value of the investment portfolio over a trailing twelve quarter period ending June 30 fiscal year, not to include additions during the current fiscal year. In the event the average annualized total return for the trailing three-year period fails to equal or exceed 4%, the Investment Advisor shall calculate the new percentage and provide the calculation for review and/or approval to the Financial Affairs Committee for an exception to the 4% threshold. The amount for the upcoming*

fiscal year is to be calculated quarterly. The final spending calculation and allocation will be provided as soon as practicable, following June 30th and will be reviewed and approved annually by the Financial Affairs Committee.

- 3. In making such distributions, the University is authorized to use both Net Income and Net Capital Appreciation (defined as realized and unrealized appreciation in the fair market value of the investments) in accordance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA).*
- 4. Exceptions to and/or changes in this spending policy shall only be made by approval of the Board of Trustees based on recommendations from the Financial Affairs Committee.”*

Recommendation

To approve the motion to allow the transfer of interest income from the investment portfolio to the University for FY25 as represented in the FEG projected calculation.

Quarter	Market Value
Sep-22	\$ 20,936,513.87
Dec-22	\$ 21,826,500.00
Mar-23	\$ 22,685,875.00
Jun-23	\$ 23,698,220.00
Sep-23	\$ 23,079,092.00
Dec-23	\$ 35,139,575.89
Mar-24	\$ 36,345,249.63
Jun-24	\$ 37,159,160.60
Sep-24	\$ 38,795,215.12
Dec-24	\$ 38,498,082.16
Mar-25	\$ 38,325,597.00
Jun-25 *	\$ 39,544,343.11
Average of the last 12 Quarters	\$ 31,336,118.70
4% distribution	\$ 1,253,444.75

*The Jun-25 Value is estimated using the market value as of 5/19/2025



Board of Trustees

June 11, 2025

MOTION

The Financial Affairs Committee recommends approval to the full Board:

To approve revisions to the Westfield State University, Board of Trustees, Financial Affairs Committee Charter, as presented.



**BOARD OF TRUSTEES
FINANCIAL AFFAIRS COMMITTEE
CHARTER**

I. Mission

The Financial Affairs Committee shall oversee all of Westfield State University's (WSU) finances, including financial controls and accounting systems in a transparent manner. It shall oversee the financial, legal and ethical integrity of WSU's financial records and financial reporting processes for WSU's operating accounts, reserves, capital assets/projects and all other financial matters consistent with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting and Standards Board (GASB) as well as Massachusetts General Laws.

II. Authority and Responsibilities

Policies

Establish, review, and update financial and investment policies for approval by the Board.

Oversight of Implementation

The Committee shall review the development of annual/multi-year all funds operating budgets prepared under the direction of the University President and Vice President for Administration & Finance and make recommendations to the Board of Trustees regarding their approval. The Committee shall review and monitor quarterly operating reports of income and expenditures and monitor compliance with WSU's investment policy. Major budget variances, significant trends or financial concerns shall be communicated to the WSU Board of Trustees in a timely manner.

The Financial Affairs Committee shall review proposed major financial transactions that are not included within Board-approved budgets. Proposed variances with recommendations shall be submitted to the Board of Trustees for approval.

The Committee shall also make recommendations to the Board in selecting the financial advisor for University investments and shall oversee the investment advisor, ~~in coordination with the Investment Subcommittee.~~

The Committee has the authority to establish subcommittees and/or working groups to monitor or focus on a specific topic or activity as deemed appropriate. A committee charge, membership, duration, and outcomes will be established if/or when such working groups are established and will report back to the Financial Affairs Committee on a regular basis.

Evaluate Performance

Review overall investment performance, asset allocation, and risk tolerance for short and long-term investments. It shall cause to be prepared and submitted to the Board of Trustees at least once a year an audited financial statement of WSU's financial condition.

Educate the Board

Board motions should contain enough background data to make an informed decision to properly carry out the Committee's fiduciary oversight responsibility. Further, Board materials should be sent in advance of all meetings. Adequate time should be allowed for discussion on substantive issues presented to the Committee.

III. Organization

Review of Charter

This charter shall be reviewed and reassessed by the Committee annually, and any proposed changes shall be submitted to the Board for approval.

Membership/Structure/Quorum

The Committee shall consist of at least five members. The Committee chair shall be appointed by the Board chair. Committee members should ideally have financial, investment, or business expertise. Committee membership shall not exceed the maximum term(s) as identified in the current bylaws.

Staff Liaison

The president shall designate a member of the University's senior administration to serve as a liaison to the Committee.

Meetings

The Committee shall meet in advance of each Board of Trustees meeting unless the Committee chair and Board chair determine that a meeting is not necessary. A quorum of any meeting of the Committee shall consist of a majority of its voting members. Committee members may participate by teleconference as permitted by state laws. All meetings will conform to Massachusetts open meeting laws.

Agenda, Minutes and Reports

The Committee chair, in collaboration with the staff liaison, shall be responsible for establishing the agendas for meetings. An agenda, together with relevant materials, shall be provided to Committee members at least five days in advance of the meeting. Minutes for all meetings shall be drafted by the ~~staff liaison or designee~~assistant to the Board of Trustees, reviewed by the Committee chair, and approved by Committee members at the following meeting. All meeting materials will be posted on the University's website within 14 days after each Committee meeting, to ensure transparency of Board actions and oversight of the University.

Westfield State University
Financial Affairs Committee

Board of Higher Education – Trust Fund Guidelines
Sponsorship Process

No: BHE F01-27 – June 19, 2001

The Board of Higher Education (BHE) establishes Trust Fund Guidelines for all public higher education entities in Massachusetts. The guidelines have not changed in several years and were last updated in 2001.

The Trust Fund Guidelines require approval by the Board of Trustees for certain University expenditures. Under Categories of Expenditure, Section II – E, the guidelines state that “Outright contributions to charitable organizations are prohibited. However, where attendance at a charitable dinner or event will further the public purpose of the institution, expenditure may be permitted subject to prior approval by the Board of Trustees.” In operationalizing this standard, the Board of Higher Education recommends local Boards establish a ceiling for such expenditures.

For several years, the University has used the following two-step process to meet the intent of this requirement in the Trust Fund Guidelines.

1. Annually, the University seeks Board approval for a sponsorship budget as part of the annual budget process. While this amount may vary year-to-year, it is the guideline used to establish a ceiling for sponsorships that align to the annual budget. The current sponsorship budget is \$50,000.
2. At the end of each fiscal year, the University provides a detailed listing of sponsorships to the Board of Trustees as a function of meeting this BHE requirement.

UNIVERSITY SPONSORSHIPS AND COMMUNITY EVENTS HISTORY

ACTUAL EXPENSES FY2024 & FY2025

FY2025	
<i>(Event presence included)</i>	
City of Bright Nights Ball Golden Circle Sponsor	\$7,000
Baystate Noble Ball Sponsorship (plus 6 additional tickets)	\$6,200
Urban League of Springfield Rize Up	\$5,000
African American Irish Diaspora Network Gala	\$3,500
Stanley Park of Westfield Annual Fundraiser Diamond Jubilee	\$2,500
Women Elevating Women Annual Founders Day Brunch (plus 10 additional tickets)	\$2,500
Western MA Council Distinguished Citizen Award	\$2,500
The Republican 200th Anniversary Gala	\$2,385
Massachusetts Nonprofit Network Annual Conference	\$1,100
Wine Tasting Fundraiser for Genesis Spiritual Life & Conference	\$1,000
National Association of Hispanic Nurses	\$1,000
Westfield State Foundation Keeper of the Dream Event	\$640
African American Female Professor Award Association Celebration	\$500
West Springfield Mayoral Ball	\$350
Springfield Alumnae Chapter of Delta Sigma Theta Sorority Luncheon	\$170
Westfield Chamber of Commerce St Patrick's Day Breakfast	\$120
Westfield Chamber of Commerce BBQ	\$60
Westfield Chamber of Commerce September Breakfast	\$40
Westfield Chamber of Commerce Breakfast	\$40
Westfield Chamber of Commerce Legislative Lunch	\$37
Total	\$36,642
FY2025 Board of Trustees Approved	\$50,000
Examples of Non-Ticketed Sponsorships/Charitable Advertising	
Massachusetts Technology Park 2024 MassMakes Innovation Challenge	\$5,000
CAN DO Nursing Partnership	\$5,000
Springfield Thunderbirds Sponsorship	\$3,000
Card spots on the Westfield-OPOLY board game	\$3,000
Albert & Amelia Ferst Scoreboard Sponsorship	\$2,000
Link to Libraries	\$1,500
WWLP Black History Month Advertising	\$823
Stanley Park of Westfield 75th Anniversary Celebration Sponsorship	\$750
Naples St. Patrick's Day Parade	\$586
Martin Luther King Jr. Day Celebration	\$500
NAACP Greater Springfield Full Page Ad Annual Freedom Fund Banquet	\$400
Springfield Puerto Rican Day Parade	\$275
Gandara Mental Health Center Inc Sponsorship 2024 Frozen Yogurt 5K	\$250
The Reading League Sponsorship of Hopeville	\$250
Thunderbolt Council F-15 Commemorative Book Sponsorship	\$250
	\$23,584
FY25 GRAND TOTAL \$60,226	

FY2024*(Event presence included)*

Bright Nights Ball Sponsorship	\$7,000
Baystate Noble Ball Silver Sponsorship (plus 6 additional tickets)	\$6,200
Latino Scholarship Fund Banquet (2 tables)	\$2,000
Springfield Pride Parade You Ball Fundraising Gala-Emerald Table Sponsorship	\$1,800
Western Mass Black Nurses Association Celebrating 30 Years of Nursing	\$760
Westfield Women's Club Garden Tea (plus 8 additional tickets)	\$415
Westfield State Foundation Keeper of the Dream Event	\$400
Business West The Difference Makers of 2024	\$190
Westfield Chamber of Commerce Sponsorship Events	\$130
Retirement Celebration for Henry M Thomas from Urban League of Springfield	\$82
Total	\$18,977
FY2024 Board of Trustees Approved	\$30,000

Examples of Non-Ticketed Sponsorships/Charitable Advertising

CAN DO Nursing Partnership	\$5,000
Massachusetts Technology Park 2023 MassMakes Innovation Challenge	\$5,000
Springfield Thunderbirds Sponsorship	\$3,000
Girls Inc. of the Valley Spirit of Girls Awesome Advocate	\$2,500
Massachusetts HPERD	\$850
Naples St. Patrick's Day Parade	\$400
Mass School Counselors Assoc Scholarship for one MASCA camper	\$375
Town of West Springfield	\$200
Hampshire Pride Parade	\$200
	\$17,525

FY24 GRAND TOTAL \$36,502