



## Board of Trustees

October 11, 2023

4:30 to 6:30 PM

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>

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- |   |                                     |
|---|-------------------------------------|
| <b>1. Call to Order</b>   | Board Chair Ali Salehi              |
| <b>2. Approval of Minutes</b>   | Board Chair Ali Salehi              |
| a. Draft Minutes of September 8, 2023                                     |                                     |
| b. Draft Minutes of September 19, 2023                                    |                                     |
| <b>3. General Announcements</b>   | Board Chair Ali Salehi              |
| <b>4. President's Report</b>  | Dr. Linda Thompson                  |
| <b>5. Student Trustee Report</b>  | Trustee Daniel Currier              |
| <b>6. Parenzo Innovation Hub Presentation</b>                             | Dr. Lamis Jarvinen                  |
| <b>7. <u>Governance and Nomination Committee</u></b>                      | Committee Chair Melissa Alvarado    |
| a. Items for Information  |                                     |
| <b>8. <u>Enrollment Management and Student Affairs Committee</u></b>      | Committee Chair William Reichelt    |
| a. Items for Information  |                                     |
| <b>9. <u>Advancement, Marketing, and External Relations Committee</u></b> | Committee Chair Dr. Gloria Williams |
| a. Items for Information  |                                     |
| <b>10. <u>Academic Affairs Committee</u></b>                              | Committee Chair Dr. Robert Martin   |
| a. Items for Information  |                                     |
| b. Items for Action   |                                     |
| i. Motion – Designate Authority to Grant Sabbaticals                      |                                     |

**11. Financial Affairs Committee**

Committee Chair George Gilmer

- a. Items for Information
- b. Items for Action
  - i. Motion – Investment Subcommittee Charter
  - ii. Motion – FY24 Operating Budget
  - iii. Motion – Strategic Investments
  - iv. Motion – Financial Affairs Committee Charter
  - v. Motion – Anti-Bullying Policy (1340)

**12. Audit Committee**

Committee Chair Theresa Jasmin

- a. Items for Information
- b. Items for Action
  - i. Motion – FY23 Audit Report

**13. Justice, Equity, Diversity, and Inclusion Committee**

Committee Chair Chris Montemayor

- a. Items for Information
- b. Items for Action
  - i. Motion – University JEDI Statement

**14. Other Business**

- a. Items for Discussion
  - i. Board Self Evaluation
  - ii. Committee Structure
  - iii. Efficiency of Meeting Time and Utilization
  - iv. Board Crisis Management
  - v. Consent Agendas to Approve Routine Motions
  - vi. KPI's

Board Chair Ali Salehi

- b. Items for Action
  - i. Motion – Approval of Minor Edits made to Policies:
    - 1. Electronic Mail (Email) Policy (0550)
    - 2. Information Security Policy (0580)
    - 3. Data Classification Policy (0630)
    - 4. Remote Access Policy (0620)

Board Chair Ali Salehi

**Attachments:**

- a. Draft Minutes of September 8, 2023
- b. Draft Minutes of September 19, 2023
- c. President's Presentation
- d. Student Trustee Presentation
- e. Parenzo Innovation Hub Presentation

**Academic Affairs Committee:**

f. Motion – Designate Authority to President to Grant Sabbaticals

**Financial Affairs Committee:**

g. Motion – Investment Subcommittee Charter and supporting document(s)

h. Motion – FY24 Operating Budget and supporting document(s)

i. Motion – Strategic Investments and supporting document(s)

j. Motion – Financial Affairs Committee Charter and supporting document(s)

k. Motion – Anti-Bullying Policy (1340) and supporting document(s)

**Audit Committee:**

l. Motion – FY23 Audit Report and supporting document(s)

**Justice, Equity, Diversity, and Inclusion Committee:**

m. Motion – University JEDI Statement and supporting documents

**Full Board:**

n. Motion – Approval of Minor Edits made to Policies

o. Electronic Mail (Email) Policy (0550) with tracked changes

p. Information Security Policy (0580) with tracked changes

q. Data Classification Policy (0630) with tracked changes

r. Remote Access Policy (0620) with tracked changes



## BOARD OF TRUSTEES

September 8, 2023

Minutes

Via Zoom

In accordance with Massachusetts Executive Order Suspending Certain Provisions of the Open Meeting Law, G.L. c. 30A, § 20 dated March 12, 2020.

A live stream of the meeting for public viewing also took place on YouTube.

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**MEMBERS PARTICIPATING REMOTELY:** Chair Ali Salehi, Vice Chair Melissa Alvarado, Secretary Dr. Gloria Williams, and Trustees Paul Boudreau, Daniel Currier, George Gilmer, Theresa Jasmin, Madeline Landrau<sup>i</sup>, Dr. Robert Martin, Chris Montemayor, and William Reichelt

Also participating remotely was Westfield State University President Dr. Linda Thompson.

The meeting was called to order at 2:50 PM by Chair Salehi. It was announced that the meeting was being livestreamed and recorded and a roll call was taken of the Trustees participating as listed above.

**MOTION** made by Trustee Jasmin, seconded by Trustee Montemayor, to approve the minutes of the June 13, 2023, meeting.

Trustee Gilmer abstained from voting and there being no discussion, ROLL CALL VOTE passed motion unanimously with Trustees voting in the affirmative: Alvarado, Boudreau, Currier, Jasmin, Martin, Montemayor, Reichelt, Williams, and Salehi.

**MOTION** made by Trustee Jasmin, seconded by Trustee Williams, to approve the minutes of the July 21, 2023, meeting.

There being no discussion, ROLL CALL VOTE passed motion unanimously with Trustees voting in the affirmative: Alvarado, Boudreau, Currier, Gilmer, Jasmin, Martin, Montemayor, Reichelt, Williams, and Salehi.

Presidential Evaluation for 2022-2023 Academic Year. The executive committee discussed and approved the presidential evaluation for 2022-2023 to be brought to the full Board. The evaluation includes President Thompson's self-evaluation and a compilation of anonymous trustee comments responding to seven prompts to assess the president's performance over the last year. Trustees Martin and Salehi spoke with campus constituents last fall and those findings were also incorporated into the evaluation.

The Board applauds President Thompson for her awareness and ability to articulate the current challenges in higher ed with vision. She has demonstrated a stellar performance on building bridges with external partnerships to help enrollment and programmatic development. Recognizing that the University will not be able to cut its way to fiscal health, she is willing to invest in innovation and new programs. Going forward, the challenge for both the president and the University will be to take the vision and general strategy and develop

actionable plans that identify specific programs and actions by whom and in how much time. It is the Board's responsibility to hold the president and staff accountable for those changes. Another challenge will be to mobilize a critical mass of the University to move it forward, which will require frequent communication with campus constituents. Opportunities for progress are more in-depth communication, accountability, and nurturing with executives.

President Thompson shared that upcoming strategic planning visioning sessions will include the campus community and key stakeholders to help create the next Strategic Plan. Innovation, diversity, and engagement are advancing the University with students at the center of everything that is done. That work is continuing this year by integrating innovation into the redesigned Parenzo building. She will work to expand communications.

**MOTION** made by Trustee Alvarado, seconded by Trustee Currier, to approve the presidential evaluation for the 2022-2023 academic year as presented by the Executive Committee on today's date, September 8, 2023, and the submission of said evaluation to the Commissioner of the Department of Higher Education.

**Discussion:** It was questioned how the president's compensation was determined. The local Board has no decision in determining compensation, which is established by the Department of Higher Education.

There being no further discussion, ROLL CALL VOTE passed motion unanimously with Trustees voting in the affirmative: Alvarado, Boudreau, Currier, Gilmer, Jasmin, Landrau, Martin, Montemayor, Reichelt, Williams, and Salehi.

Recommendation for Compensation Adjustment. Chair Salehi brought forward the following motion.

**MOTION** made by Trustee Currier, and seconded by Trustee Jasmin, as follows: Based on the requirements of the *Massachusetts Board of Higher Education Compensation and Evaluation Guidelines and Procedures for State University and Community College Presidents* and the Board of Trustees' evaluation of President Linda Thompson for the 2022-2023 academic year, the Board recommends that President Thompson receive the maximum compensation increase that can be awarded.

There being no discussion, ROLL CALL VOTE passed motion unanimously with Trustees voting in the affirmative: Alvarado, Boudreau, Currier, Gilmer, Jasmin, Landrau, Martin, Montemayor, Reichelt, Williams, and Salehi.

Chair Salehi shared that when he met with campus constituents last fall, the students knew exactly what was happening on campus, and they were most vocal in support of Dr. Thompson. She is the right person at the right place at the right time and he appreciates her vision and determination to keep going among challenges.

Governor Healey's Emergency Declaration for Migrant Housing. The Board has received news and facility reports and Chair Salehi has spoken with local politicians. This is a humanitarian crisis but currently there are not enough facts available to make a decision.

President Thompson stated that the migration of people leaving countries because of violence or climate change is a global crisis. The governor issued a declaration of emergency and every state institution in the commonwealth has been approached to help deal with this issue, including a potential plan to house migrants on campuses. Westfield State has been around for almost 185 years, and we are very giving, compassionate, and concerned with the wellbeing of people. This is not an issue of not wanting to welcome people. Lammers Hall is currently vacant but there are concerns about the infrastructure. There is no ADA compliance. The

building was designed in the 1970s with small rooms for two students, communal bathrooms and showers, and no bathtubs to bathe infants or toddlers. There is limited space for warming food or to congregate and play. Local elected officials are concerned about students in the k-12 system with language needs and the impact on local communities. There is no urgent care in Westfield and Noble Hospital's emergency room is one of the busiest in the commonwealth. Lammers Hall is in the center of campus with other students and there is no easy way to travel from campus to other places. She has heard from people having difficulty finding housing for homeless and the elderly in our communities because of waiting lists. We have received countless calls from parents and others concerned with safety. There have been comments about wanting refunds because students will be removed from campus as well as the fairness of those paying to live on campus versus free housing. She has no say in the decision, but welcomed the Board's perspective since they have authority on how space is used on campus. Trustees' comments follow.

- People in the community have expressed concerns. Families, toddlers, infants, and pregnant women would be considered for campus housing. There are issues of feeding, bathing, clothing, safety, lack of an elevator, traffic, and the location of the building at the top of a cliff. The roadway cannot be accessed without crossing campus. In West Springfield, children who need translators arrive at schools with no notification. Without more facts, a position cannot be taken.
- Being very sympathetic to the need and the current crisis, trustees have the fiduciary responsibility and duty of loyalty and care to the institution, above all else. All decisions must be guided in what the best interest of the University is. The situation is more complicated than available space and includes food, transportation, and city services. The phone calls have not yet affected enrollment, but parents say they will disenroll their child and request reimbursement if the campus houses migrants. It was questioned whether the University would be reimbursed for services and whether that would help to pay the bond debt service.
- Expressed opposition to this. Even if funding reimbursement was received (which is unlikely because funds are running out), once people are in the hall, it would be difficult to remove them. Placing migrants in a residence hall in the center of campus is not a good idea. The state should be looking at closed colleges in the east.
- This week Senator Velis asked a good question of what the impact would be on our students. The University has enough challenges going forward and doesn't need another challenge such as this. Do not support.
- Expressed opposition to the plan as do many students. The counseling center and mailroom are in Lammers. This would see a Covid-level enrollment decline if it goes through. This is a major issue for Westfield State and there are many concerns.<sup>i</sup>
- Renovations were previously planned for Lammers and this is an indefinite housing plan. In Massachusetts you cannot remove someone from housing. This is not a long-term solution. There would not be housing for students if enrollment rises.
- Letters threatening to remove students from the University have been seen. We are a right-to-shelter state and may not have the right to say no to this plan. The safety of students is understood. It was added that it is not believed the governor's office would force Westfield State to take the migrants against its will.
- Does not want the presidential evaluation momentum to be null and void based on what may happen if the governor forces the University to house migrants.
- Salem State is housing migrants, but they are in a building off campus. We do not want to create an adversarial situation and safety issues for both migrants and students. The University is working very hard to change the culture of campus and there would be a definite impact on enrollment. The general sentiment is that the Board is not looking favorably at the plan and is looking into available options. This discussion was added to the agenda so that the entire campus and the Board know what is going on.

There being no further business,

**MOTION** made by Trustee Currier, seconded by Trustee Reichelt, to adjourn.  
ROLL CALL VOTE passed motion unanimously with Trustees voting in the affirmative:  
Alvarado, Boudreau<sup>ii</sup>, Currier, Gilmer, Martin, Montemayor, Reichelt, Williams, and Salehi.<sup>iii</sup>

Meeting adjourned at 3:56 PM.

Attachments presented at this meeting:

- a. Draft Minutes of June 13, 2023
- b. Draft Minutes of July 21, 2023
- c. Draft Presidential Evaluation for 2022-2023 Academic Year
- d. Motion – Presidential Evaluation for 2022-2023 Academic Year
- e. Motion – Recommendation for Compensation Adjustment

**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 meeting held on September 8, 2023.

\_\_\_\_\_  
Dr. Gloria Williams, Secretary

\_\_\_\_\_  
Date

<sup>i</sup> Trustee Landrau joined the meeting at 3:04 AM and left the meeting at 3:44 PM.

<sup>ii</sup> Trustee Boudreau's vote on adjournment was not recorded during roll call due to technical difficulties, but he subsequently confirmed that he wished to record a "yes" vote.

<sup>iii</sup> Trustee Jasmin left the meeting shortly before the vote to adjourn.



## BOARD OF TRUSTEES

September 19, 2023

### Minutes

The Starting Gate at GreatHorse  
128 Wilbraham Road, Hampden, Massachusetts

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**MEMBERS PRESENT:** Chair Ali Salehi, Vice Chair Melissa Alvarado, Secretary Dr. Gloria Williams, and Trustees Paul Boudreau, Daniel Currier, George Gilmer, Dr. Robert Martin, and William Reichelt

**MEMBERS EXCUSED:** Trustees Theresa Jasmin, Madeline Landrau, Chris Montemayor

Also present and participating were Westfield State University President Dr. Linda Thompson, Chief of Staff Dr. Michael Freeman, Anthony Taylor and Jen Scumaci of SME Strategy Consulting, and special guests former Board Chairs Steven Marcus, Kevin Queenin, and Elizabeth Scheibel, and Lisa Andoscia of Rosewood Consulting, Inc.<sup>1</sup>

The meeting was called to order at 3:03 PM by Chair Salehi who stated it is time to focus on strategic planning, which must be flexible and interactive for all to use.

President Thompson thanked the Board for helping to develop strategy and identifying where the campus needs to go as we move into future. The University cannot keep doing things that worked yesterday and needs to develop leaders to make hard decisions. The NECHE study recommendations need to be incorporated into the strategic visioning process.

Dr. Freeman introduced Anthony Taylor and Jen Scumaci of SME Strategy Consulting, the firm that was selected to assist with strategic planning. SME had a model that worked with our model instead of Westfield State needing to fit into their model.

Mr. Taylor explained the strategic planning process for Westfield State and Trustees provided the following hopes for the outcomes of all the visioning sessions.

- Listen, participate
- Options/alternatives
- Share concerns/issues
- Reverse declining enrollment
- Hear collective thoughts/ideas
- Discuss where we want to be in 2029
- Address innovative goals (how will SME help?)
- Identify opportunities for next 5-10 years (within context of Higher Education landscape)
- Better institution
- Kick off strategic planning process for a significant output
- Determine how we stay relevant and affordable

- Short- and long-term strategies to support the president's big, bold vision

If there is no end point, everyone is going in different directions with a multiple destination trap, and nothing is accomplished. It is a waste of money and time. The purpose of the "one destination model" is to align on where we want to go and how to get everyone there. Start with where we are now by identifying strengths and weaknesses and trends in the future. Then collectively create goals and actions, priorities, values, mission, and vision. Trustees provided the following input to the below questions.

What is Westfield State University doing well?

- Educating students to be good global citizens
- New Gen Ed program will increase activity/engagement/interaction (faculty developed)
- Rich 185-year tradition of education, in a variety of ways/majors
- Beginning to focus on new opportunities and challenges for job creations in appropriate fields
- Willing to adapt (Student Affairs and Enrollment Management merger)
- Much better/stronger relationships with business and government communities
- Recognizing need for change
- Good leader who really cares about the University
- Providing students with quality education
- Experienced faculty
- Social media presence
- Amassed reserves for future investment
- Extracurricular student involvement (i.e., Washington Center internship)
- Committed alumni
- Affordability (relatively)
- Budgeting

What is Westfield State University doing not well/less well?

- Enrollment decreased significantly on fac/staff/student ratio demand
- Need more recruitment in other places
- Retention – keeping those we have to graduation
- Better alumni engagement/involvement
- Fundraising
- Branding and marketing
- Trying to get everyone on the same page about where we are now and direction
- Respect (climate culture and atmosphere). Everyone to respect each other and atmosphere to get to where we need to be to develop strategic plan (with 900 staff and 4,000 students – today's meeting could easily begin the impact on generations, the state, future companies, families, and students).
- Long-range financial planning
- Engaging with community about the value and importance of higher education
- Years of failed leadership
- Do not toot our horn long or loud enough
- Making sure our graduates can find work in changing work environment
- Managing the cost of education to students/not enough financial aid
- Not looking forward instead of looking back
- Not enough innovative programs instead of traditional courses/graduate and online courses
- Not meeting capacity expectations of 6,000 learners
- Recruiting and retaining diverse students
- Do not change well

- Tenure of the president
- We do not right size majors according to interested students

There is not enough time, money, or effort to fix all of these at the same time. Strategic planning is identifying what to say no to so that we can say yes (focus on) the most important items.

If we arrived at success in 2029, what would it look like? All input shared below:

- Minimum 3%-5% positive operating margin
- 25% increase in number of students – resulting in 1,000 extra students (5,000 students enrolled)
- President in place for 6-7 years
- Diverse student population of 5,000-6,000 in four or more health-related and other majors
- President Thompson announced her retirement
- Financial stability – revenue and expenses are in line
- 6,000 students, 3,000 on campus, with a retention rate of 80%
- Academic programs online and in Washington DC, Ireland, and Italy
- Alumni giving \$3M annually
- Doubled the number of graduate programs – from 10 to 20 – particularly in business (MBA) and STEM
- Top five programs with online, asynchronous options with an emphasis on adult learners
- Not using cash reserves for budget stability
- Known as destination for unique high quality undergraduate experience with high outcomes
- Has 10-15 programs uniquely connected to community partnerships
- Strong loyalty of faculty/staff to the institution with shared vision
- Financial stability with large endowment
- Truly authentic diverse community of learners, faculty, and staff
- Offer equitable educational opportunity for students wishing to attend WSU
- Graduating with marketable skills – career opportunities – how fast/how many quickly employed
- Has a \$1M endowment
- Enrollment of 6,000 students
- Ranked as one of the top 100 universities by US News & World Report
- Enrollment of 6,500 students
- New courses in health sciences/science and technology at full capacity
- Reserves of over \$120M with zero operational deficit
- 1,000 more students
- President Thompson still in her office at Horace Mann
- Ranked as a leading “Top 100” for state universities
- Enrollment at 100% capacity
- 100% acceptance of financial aid – increase endowment to make happen
- Majority of graduates finding employment
- Pre-covid enrollment over 5,000
- Campus size/staff aligned with enrollment (not excessively staffed)
- Significant advancement of, if not accomplished, strategic priorities
- Contributing to financial reserves
- Ranked as segment leader in US News & World Report for state universities
- Empty dorms filled with elders and adult learners
- Stability of administration
- Increased student retention
- Added programs within healthcare, teaching, criminal justice majors that turn into employment
- Graduate students in four years

- Increase in enrollment 40%
- Increase graduation rates
- Increase in diversity – students and employees
- Additional educational satellite locations Worcester to west of Holyoke in distressed areas
- President Thompson still in office
- Improved educational outcomes
- Financial stability
- Broader impact
- Higher rankings in the country
- Shared governance
- 75% aligned in success

If that is where we want to go, what are the next steps?

- Ensure employment post-graduate
- Recognize multiple paths to expand enrollment. Consider diverse populations and certificates.
- Adapt and change
- Reflect on how we serve diverse populations
- Offer appropriate courses/majors to drive employment
- Differentiate ourselves from other institutions in higher ed (people need to come here)
- Strategic Plan
- Realistic data – driven goals and objectives
- Branding and job market – establish programs for a career path based on needs of society
- Different delivery courses for programs
- Focus on retention

How do we get everyone on the same page? What are the best ways to get to biggest needs/challenges?

- Adapting and changing - adjust and be nimble
- Plan for enrollment and how to make it work
- Understand what we mean by “enrollment” and communicate urgency across campus. We do not agree on what enrollment is.
- Enrollment does not exist apart from academic programs
- Branding is connected to how students look at the University – everything is connected
- In addition to a good enrollment number in 2029, also include what it would look like
- Engage stakeholders/community in the “why”
- Benchmark our financial aid/cost/endowment against sister institutions and UMass. The flagships are getting the students we used to get

Takeaways from today?

- Good positive ideas
- Consolidate all information into 4-5 items
- Be specific on what we want to do
- Togetherness in generality
- Need to engage many stakeholders in the future of Westfield State University
- Opportunity to assess alignment thoughts in where we need to be
- Everyone fully engaged in this exercise
- Ability to talk about challenges and opportunities and willingness to tackle
- Imagining is difficult
- There is a lot of work left to do. Identified a number of areas of concern. Opportunity for everyone to

- have input is significant.
- There was more agreement than disagreement
- Group participation and excitement for sharing goals
- Good energy – people are committed and want to do the right thing for a rich history

The benefit of the future needs to be greater than the pain of change. The process needs to make it worthwhile and make sure everyone sees the benefit to share the vision to change successfully. There is a tendency to over resource the planning and under resource the implementation. Once the strategic plan is in place, pull people in to implement it.

Items to address later (parking lot):

- Add parents as stakeholders
- Latinx populations – recruit the parents
- Why don't we change well?

Mr. Taylor stated that all the stakeholder contributions in the visioning sessions will be compiled and shared in future communications to the University.

There being no further business, **MOTION** made by Trustee Alvarado, and seconded by Trustee Martin, to adjourn. There being no discussion, **Motion passed unanimously.**

Meeting adjourned at 4:58 PM.

Attachments presented at this meeting:

- a. None

**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 Special meeting held on September 19, 2023.

\_\_\_\_\_  
Dr. Gloria Williams, Secretary

\_\_\_\_\_  
Date

<sup>i</sup> Ms. Andoscia joined the meeting at 3:30 PM

# Presidential Message: Board of Trustees

*October 2023*

*Dr. Linda Thompson, President*





**OCTOBER 12 – 15, 2023**

**[WESTFIELD.MA.EDU/HOMECOMING](http://WESTFIELD.MA.EDU/HOMECOMING)**

- Strategic Priorities
- Accreditation and Economic Development
- Student Accomplishments



# STRATEGIC PLANNING: 2025-2030

- Visioning Sessions
- Next steps:
  - Surveys
  - Appointing Strategic Planning Committee

**SME** | STRATEGY  
MANAGEMENT CONSULTING



# STRATEGIC INVESTMENTS

- Enrollment Stabilization and Growth
- Economic Health







MCALLISTER  
& QUINN





# WESTFIELD STATE OWLS ATHLETICS









*Thank you*

Westfield  
STATE UNIVERSITY

# Student Trustee Report

October 11, 2023

Trustee Daniel Currier '25



# A New Beginning

- Strong Partnership Between Academic Affairs & EMSA
- Students Growing More Engaged
- Parenzo Hall Renovation



# SGA Issues & Initiatives (1 of 2)

- Response to Displaced Persons Issue
  - Amplifying the Student Voice
- Commuter Engagement
  - Commuter Lounge Completed
  - Commuter Council Reestablished
  - New Emphasis on Daytime Programming



# SGA Issues & Initiatives (2 of 2)

- Common Hour Policy
  - Development Phase
  - Future Submission to Governance
- Preferred/Chosen Name Change
  - Phase I Underway



# Student Trustee Projects

- Gender-Neutral Bathroom Expansion
  - Delegated to Joseph Bonilla, VP of Student Equity
- Student Employment Centralization
  - Continued Discussions with HR, Financial Aid & Career Center



Westfield  
STATE UNIVERSITY

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# PARENZO HALL HUB OF INNOVATION

Lamis Jarvinen, Ph.D

Executive Director Research, Innovation, Design, and Entrepreneurial Center (RIDE)

Institutional Advancement

# FUTURE OF WORKFORCE



**HIGHLY  
TECHNOLOGICAL**

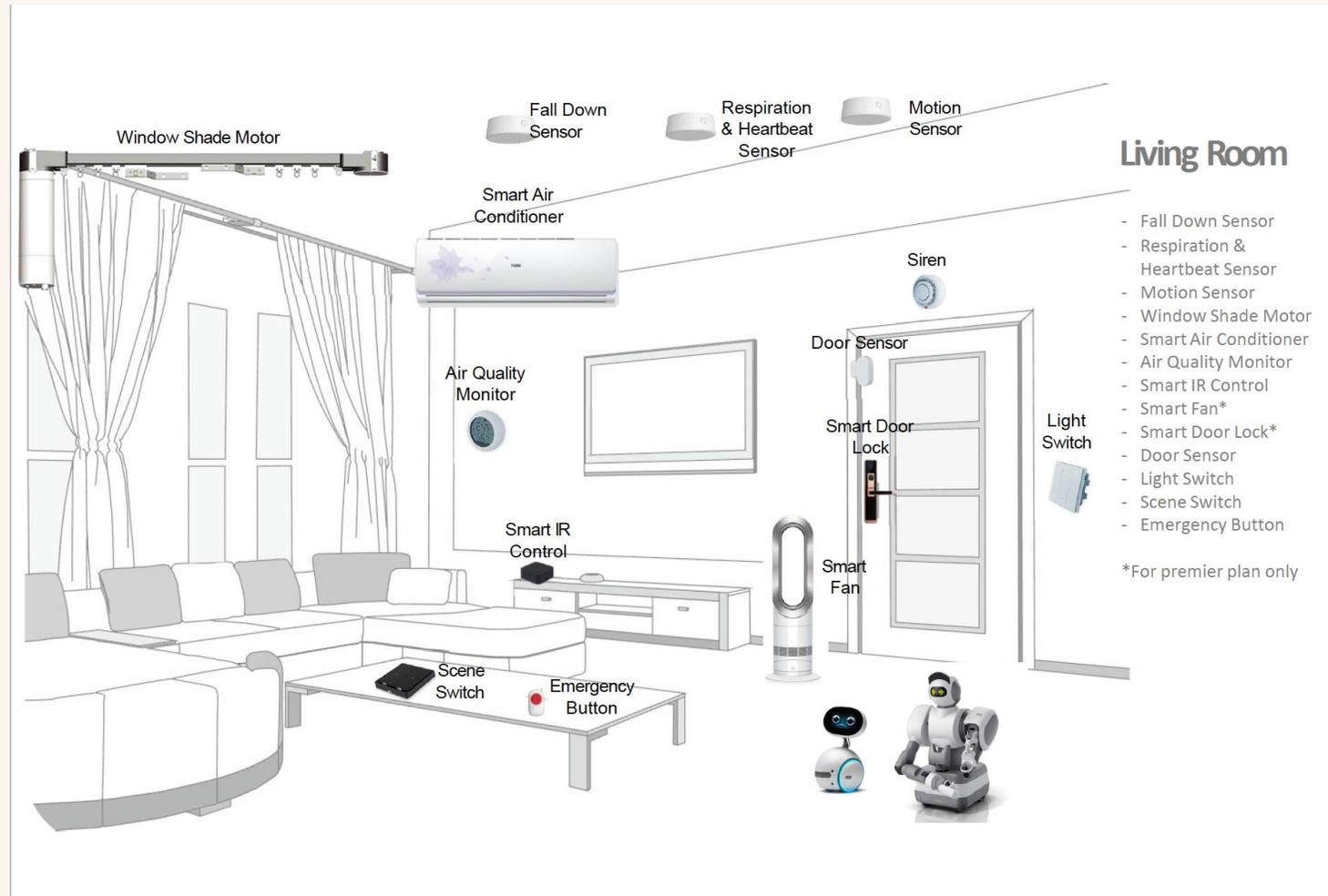


**INNOVATIVE  
WORKFORCE**



**HIGHLY  
COLLABORATIVE**

# ROBOTICS, SMART HEALTH DEVICES, & HOME HEALTH MONITORING



# RIDE CENTER COLLABORATIVE & INNOVATIVE INCUBATOR SPACE



# STRATEGIC PARTNERSHIPS

## Maker HEALTH



### DIGITAL FABRICATION

Computers, laser cutters, and design software for subtractive manufacturing

### RAPID PROTOTYPING

Machines, 3D printers, vacuum formers, and tools to create large structures, molds, and small devices

### SMART HEALTH DEVICES

Sensors, microcontrollers, digital output and programming to create novel electronic devices and sensors

### TEXTILE DESIGN

Fabrics and wearable sensors embedded into clothing and custom bandages



## **INSTITUTIONAL ADVANCEMENT TEAM CREATING & FOSTERING PARTNERSHIPS**

***INSTITUTIONAL TEAM – HIGHLY COLLABORATIVE***

***FOUNDATION GRANTS – LAURA BLOCKEL, DIRECTOR***

BEVERIDGE FAMILY FOUNDATION

AMELIA PEABODY FOUNDATION

IRENE E. & GEORGE A. DAVIS FOUNDATION

***CORPORATE & COMMUNITY PARTNERSHIPS***

***ALUM FUNDING & SUPPORT***



The background is a blue-toned image of a circuit board with glowing lines and nodes. The text 'AR VR Innovation Lab' is rendered in a white, 3D-style font that appears to be floating above the circuitry. 'AR' and 'VR' are large and bold, while 'Innovation Lab' is smaller and follows the same perspective.

# AR VR Innovation Lab

Westfield  
STATE UNIVERSITY

Prepared by Professor George Ramirez, Art

# VIRTUAL AND AUGMENTED REALITY

## Innovative Student Engagement



### EMBRACE NEW TECHNOLOGY

As **Virtual Reality (VR)** and **Augmented Reality (AR)** begin to integrate into our everyday lives, Westfield State can become an institution that embraces this technology and trains their students to work in these digital spaces. Though virtual reality can be commonly associated with **gaming**; VR spaces can be created for use in teaching, healthcare, art, music, and many other disciplines.

## Career and Certificate Training



### AN INVESTMENT IN INNOVATION

There will be a need for creators who can conceptualize and produce these augmented and virtual spaces, which can boost the marketability of Westfield State graduates. This innovative endeavor requires investment in software, computers, VR/AR hardware, consultation, and faculty.

# WESTFIELD STATE UNIVERSITY STEAM EDUCATION PROFESSIONAL DEVELOPMENT CENTER

PREPARED BY: ALEXANDER MOORE & JESSE JOHNSON  
(MATHEMATICS)

FRANK GIULIANO & TARIN WEISS (CHEMICAL AND PHYSICAL  
SCIENCES)

# A HUB FOR INNOVATIVE STEAM EDUCATION PROFESSIONAL DEVELOPMENT CENTER



Professional  
Development Hub



Action Research  
Training



Masters & Graduate  
Certificates



On & Off Campus  
Offerings



Dedicated Venue

Reach  
to Teach

Central Hub  
Reach TO Teach



MTEL-Training  
Practice Sessions



Revenue  
Generating



## Board of Trustees

October 11, 2023

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### MOTION

To designate to the President the authority to determine whether to grant sabbatical leaves in accordance with the MSCA Day Collective Bargaining Agreement, with the request that the Board receive an annual report at their December or February meeting with a summary of the sabbaticals granted the previous academic year.

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Ali R. Salehi, Chair

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Date



## **Board of Trustees**

October 11, 2023

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### **MOTION**

To approve and adopt the Westfield State University Board of Trustees Investment Subcommittee of the Financial Affairs Committee Charter, as presented.

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Ali R. Salehi, Chair

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Date



**BOARD OF TRUSTEES  
INVESTMENT SUBCOMMITTEE  
CHARTER**

**I. Mission**

The Westfield State University Board of Trustees will form a subcommittee of the Financial Affairs ~~and Advancement~~ Committee to provide investment oversight for University investments. While the University has an Investment Policy and low risk investments, a more transparent, structured and performance focused investment approach is desired which should result in additional resources for the University. The goal is to leverage available cash resources, through a prudent investment policy and long-term asset allocation, which yields additional investment income for the University.

**II. Authority and Responsibilities**

*Policies*

Review and recommend updates of the Investment Policy to the Financial Affairs ~~and Advancement~~ Committee for approval. Ensure policy compliance under the general laws of the Commonwealth of Massachusetts.

*Oversight of Implementation*

Participate in the selection of the investment advisors and consultants. Develop guidelines for retaining investment managers, standards against which their performance will be measured, and a schedule for conducting regular assessments.

*Evaluate Performance*

Review overall investment performance, asset allocation, and expenses at least annually. Establish industry acceptable benchmarks.

*Educate the Board*

Provide regular updates to the Financial Affairs ~~and Advancement~~ Committee, as is necessary or required.

Understand the relationship between the operating budget (and spending policy) and the investment policy. Regularly report on investment performance and changes in

investments to the board. Consult with the Audit Committee to ascertain that, to the extent possible, the custodian, brokerage, and investment manager accounts of the endowment have been appropriately examined and reconciled. Execute other such duties as delegated by the Board.

### **III. Organization**

#### Review of Charter

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

#### Membership/Structure/Quorum

The Investment Subcommittee shall consist of at least three members. The Subcommittee chair shall be appointed by the Board chair. Subcommittee members should have investment, business, or endowment management expertise. Additional non-board members may be invited to serve on the Subcommittee as non-voting advisors.

#### Staff Liaison

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

#### Meetings

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

#### Agenda, Minutes and Reports

The Subcommittee 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 Subcommittee members at least five days in advance of the meeting. Minutes for all meetings shall be drafted by the staff liaison or designee, reviewed by the Subcommittee chair, and approved by Subcommittee members at the following meeting. Meeting materials will be posted on the University's website within 14 days after each Subcommittee meeting.



**BOARD OF TRUSTEES  
INVESTMENT SUBCOMMITTEE  
CHARTER  
DRAFT 3 / 7-18-23**

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## Board of Trustees

October 11, 2023

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### MOTION

To approve the transfer of \$800,000 from the University's investment accounts with CI Eaton Private Wealth, to the University's operating account at Berkshire Bank, consistent with the University's Investment Policy (0430), FY24 operating budget, and verified with the financial analysis presented at the Investment Subcommittee meeting on July 28, 2023, which is included in today's material. The Investment Subcommittee supports this allocation which will provide funds for innovation initiatives.

And, to approve the FY24 Operating Budget as presented and to authorize the President to make budget adjustments to these funds.

---

Ali R. Salehi, Chair

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Date

## Westfield State University Account History – June 30, 2023

<b>Quarter</b>	<b>Market Value</b>
20-Sep	\$21,136,087.07
20-Dec	\$22,957,344.61
21-Mar	\$23,537,311.12
21-Jun	\$24,740,775.27
21-Sep	\$24,544,590.85
21-Dec	\$26,051,814.00
22-Mar	\$24,248,306.00
22-Jun	\$21,917,292.15
22-Sep	\$20,936,513.87
22-Dec	\$21,826,500.00
23-Mar	\$22,685,875.00
23-Jun	\$23,698,220.00

Average of the last 12 Quarters

**\$23,190,052.50**

4% distribution

**\$927,602.10**



**EATON**  
PRIVATE WEALTH

**Westfield State University**  
Financial Affairs Committee

**FY24 Operating Budget**  
October 11, 2023

**Executive Summary**

The University proposed a Provisional FY24 Budget to allow more time for better information on key metrics such as enrollment, occupancy, and meal plan participation as well as state appropriation. The Provisional FY24 budget projected a remaining net deficit of \$6.5M, with a commitment to provide a final balanced budget at the October Board of Trustees meeting. The focus of this document is to provide updates on key revenue and expense changes and major variances from the FY24 Provisional Budget to the October Budget to approve the FY24 budget.

The campus was able to present a balanced FY24 October Budget due to following key factors:

- Glidepath Use of Reserves - \$3.6M
- Additional Short-Term Interest Income - \$1.8M
- Vacancy Savings Factor - \$1.5M (Based on historical position control calculations)
- Operational Underspending Factor - \$1.1M (Based on 3-year trend)
- Vacancy positions reductions including fringe - \$0.5M

**Enrollment**

Since the provisional budget, the campus is estimating another 100-student decline which has been factored into the October budget. Overall, the annual average full time undergraduate enrollment of billable students is anticipated to be 2,860, which is 137 students lower than the prior year budget of 2,997, a 4.6% decline. The campus utilizes an average annual enrollment by semester and factors in historical average declines from fall to spring to arrive at an annual projected total. Enrollment continues to be an ongoing concern. Lower enrollments have also had a negative impact on residential hall occupancy and dining program participation rates.

The CGCE enrollment budget is projected to remain relatively flat with no major adjustments to the enrollment assumptions at this time.

**Revenue**

Revenue has increased from the FY24 Provisional Budget to the FY24 October budget by \$0.2M, which is relatively flat. Though, year over year, the revenue budget has increased by \$3.3M or 3% due to increasing state appropriation, increases in investment income, and increases in grant revenue. The major changes from the provisional budget are as follows:

- \$1.8M related to an increase in investment income.
- \$0.2M Additional State Appropriation related to formula funding.

- (\$1.2M) decrease to Tuition & Fee Revenue driven by lower enrollment.
- (\$0.6M) Residential Life revenue due to lower occupancy related to a 100-student enrollment decline. Occupancy was formerly 1,771 in the FY24 Provisional Budget and is anticipated to be 1,700 in the Final October Budget, a 71-occupant decline.
- Dining revenue is flat mainly due to the (\$0.2M) impact of lower meal plan participants offset by the inclusion of \$0.2M Summer Conference revenue.

## **Expenses**

Expenses have increased from the FY24 Provisional Budget to the FY24 October budget by \$0.9M. Major changes are as follows:

- \$1.2M increase in Compensation and Fringe related to the \$1.5M reduction for the vacancy savings factor mentioned above offset by the reversal of a \$2.3M reduction that was part of the budget balancing strategy from the FY24 Provisional Budget, which is no longer being deployed.
- Collective bargaining salary increases are excluded until funded by the state is confirmed (this will be net neutral as additional appropriation will offset most of the collective bargaining expenses).
- \$1.0M Increase to Capital Projects which are being funded by ARPA funds.
- \$0.6M Increase to Dining Program Expenses related to a \$0.1M compensation increase of 6.08% for CBA impacts expected in FY24 as well as the inclusion of \$0.2M of expense related to food and labor costs for Summer Conferences, and \$0.3M related to capital projects.

## **Reserves**

The overall campus use of reserves has increased from the provisional budget by \$0.4M related to a \$0.3M capital project related to Dining Program as well as minor year-end adjustments/true ups to capital projects and other trust fund rollovers. The Glide Path use of cash reserves is expected to be an additional \$0.4M, which is an increase over the FY24 Provisional Budget. Overall, the campus was able to successfully develop a longer-term plan through additional revenue related to interest income and factoring budget allocations related to anticipated vacancy savings and operational underspending.

## **Summary**

Revenue growth through enrollment and alternative revenue sources continues to be one of the highest campus priorities as we continue to navigate a highly competitive landscape. The campus Glide Path Strategy was crucial for balancing the FY24 October Budget. However, the Glide Path Strategy relies on enrollment growth to be successful. Enrollment continues to decline, having a negative multi-year compounding effect on revenue. A new strategic enrollment plan is nearly completed in an effort to make critical and timely investments for FY25 and beyond.

Several strategies have been employed to support revenue growth including the creation of the Innovation Fund and the use of FEMA reimbursement funds. The campus has begun visioning sessions in preparation for the development of its next five-year strategic plan, of which strategies for enrollment growth and financial health will be crucial.

Improved collaboration has begun and the predominate focus is on working to develop strategies for increasing revenue through enrollment growth. However, given the trajectory of graduating high school seniors in Massachusetts, it's expected that enrollment, for this population, will continue to decline over the next five years. The campus will need to continue to focus on innovative approaches to enrollment, retention, branding and marketing while exploring alternative revenue generation.

	FY24			Year over Year Comparison		
	FY23 October Budget	Provisional Budget	Final - October Budget	Provisional vs. Final Incr/(Decr)	\$ Fav / (Unfav)	% Fav/(Unfav)
<b>Revenue:</b>						
State Appropriation	35,404,926	36,404,926	36,610,982	206,056	1,206,056	3%
Total Tuition/Fee Revenue	34,813,216	34,912,758	33,731,605	(1,181,153)	(1,081,611)	(3%)
Foundation	1,065,500	1,195,500	1,195,500	-	130,000	12%
Grant Revenue	1,678,737	2,632,937	2,632,937	-	954,200	57%
Other Revenue	2,869,509	3,498,062	5,347,103	1,849,041	2,477,594	86%
CGCE	12,140,783	12,140,783	12,140,783	-	-	0%
Residential Life	15,477,267	15,205,342	14,541,806	(663,536)	(935,461)	(6%)
Dining Services	9,303,938	9,644,916	9,618,608	(26,308)	314,670	3%
Grants: HEERF/ARPA	1,908,352	2,212,072	2,193,719	(18,353)	285,367	15%
<b>Total Revenue</b>	<b>\$ 114,662,227</b>	<b>\$ 117,847,297</b>	<b>\$ 118,013,042</b>	<b>\$ 165,746</b>	<b>\$ 3,350,815</b>	<b>3%</b>
<b>Expense:</b>						
Compensation & Fringe	49,487,120	47,424,348	48,658,439	1,234,090	828,681	2%
Department Operations	15,205,475	15,969,504	14,862,763	(1,106,741)	342,712	2%
Utilities	2,833,500	3,403,383	3,403,383	-	(569,883)	(20%)
Financial Aid	5,158,621	4,594,420	4,443,151	(151,268)	715,470	14%
Debt Service	1,481,315	1,488,098	1,488,098	-	(6,783)	(0%)
Contingency	629,000	650,000	650,000	-	(21,000)	(3%)
Capital Investments	3,575,000	5,004,318	4,985,965	(18,353)	(1,410,965)	(39%)
CGCE	9,465,305	9,590,305	9,590,305	-	(125,000)	(1%)
Residential Life	17,635,468	19,926,961	20,133,499	206,538	(2,498,031)	(14%)
Dining Services	7,961,754	8,541,316	9,170,507	629,190	(1,208,753)	(15%)
Strategic Investments	372,581	372,581	351,581	(21,000)	21,000	6%
All Other	5,025,116	6,153,227	6,362,444	209,216	(1,337,328)	(27%)
Innovation Fund	800,000	1,416,475	1,359,976	(56,499)	(559,976)	(70%)
FEMA Reimbursement Funds	1,269,232	1,459,972	1,459,972	-	(190,740)	(15%)
Covid Related Expenses	908,352	-	-	-	908,352	100%
UEAAC Savings	-	-	-	-	-	0%
<b>Total Expense</b>	<b>\$ 121,807,837</b>	<b>\$ 125,994,908</b>	<b>\$ 126,920,081</b>	<b>\$ 925,173</b>	<b>\$ (5,112,244)</b>	<b>-4%</b>
<b>Net Profit/(Loss)</b>	<b>\$ (7,145,609)</b>	<b>\$ (8,147,611)</b>	<b>\$ (8,907,039)</b>	<b>\$ (759,428)</b>	<b>\$ (1,761,429)</b>	<b>-25%</b>
<b>Reserve Funding:</b>						
Planned Use of Reserves	2,983,610	3,175,356	3,031,451	(143,905)	47,841	2%
Capital Rollover	1,511,196	1,294,987	1,819,618	524,631	308,421	20%
FEMA Rollover for Capital Projects	-	377,637	377,637	-	377,637	100%
<b>Total Use of Reserves</b>	<b>\$ 4,494,806</b>	<b>\$ 4,847,979</b>	<b>\$ 5,228,705</b>	<b>\$ 380,726</b>	<b>\$ 733,899</b>	<b>16%</b>
<b>Structural Deficit / Glide Path Use of Reserves</b>	<b>\$ 2,650,803</b>	<b>\$ 3,299,632</b>	<b>\$ 3,678,333</b>	<b>\$ 378,701</b>	<b>\$ 1,027,530</b>	<b>39%</b>
<b>Adjusted Surplus/(Deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	FY23 October Budget	Provisional Budget	Final - October Budget		\$ Fav / (Unfav)
<b>Planning Assumptions:</b>					
<b>Revenue Assumptions</b>					
Billable Students	2,997	2,960	2,860		(100)
% Change YoY	-6.8%	-1.2%	-4.6%		
Housing Students	1,788	1,771	1,700		(71)
% Change YoY	1%	-1%	-5%		
Occupancy Rate	75%	74%	71%		
In-State Tuition and Fees Incr.	3.4%	3.5%	3.5%		
General Fee Increase	322	382	382		-
Residential COA Incr. (weighted avg.)	3%	4%	4%		
State Appropriation as % of Revenue	31%	31%	31%		
Investment Earnings	\$ 115,000	\$ 115,000	\$ 1,915,000		
Operating Reserve / Contingency	\$ 1,898,232	\$ 650,000	\$ 650,000		-
<b>Expense Assumptions</b>					
Strategic Plan Funding	\$ 372,581	\$ 372,581	\$ 351,581		(21,000)
Financial Aid Incr/(Decr)	\$ 859,400	\$ (564,202)	\$ (715,470)		(151,268)
<b>Overhead Contributions</b>					
Dining Contribution	\$ 1,342,184	\$ 1,103,600	\$ 1,060,654		(42,946)
CGCE Contribution	\$ 2,750,478	\$ 2,750,478	\$ 2,750,478	\$	-
<b>Net Results</b>					
CGCE Surplus	-	-	-		-
Residential Housing Deficit (unadjusted)	(2,158,201)	(4,721,619)	(5,591,693)		(870,075)
Campus Transfer to Offset the Res Life Deficit		624,649	1,494,723		870,074
Dining Deficit	-	-	(312,552)		(312,552)

**Notes:**

Total Use of Reserves – The sum of \$5.2M is a combination of previously generated savings, incomplete capital projects funded last year, and unspent but budgeted FEMA funds.

Structural Deficit/Glide Path Use of Reserves – projected use of cash reserves which are utilized to balance the budget. These funds may or may be needed if offset by additional budget savings.

Westfield State University  
 FY24 Detailed Budget by Trust Fund  
 October Budget

	Operating Budget	Innovation Fund	FEMA Reimb. Funds	ARPA Funding	Grants	Capital Project Fund	CGCE	Residential Life	Dining Services	Other Trust Funds	FY24 Budget
<b>Revenue</b>											
Scholarship Allowance					(11,570,448)						(11,570,448)
Tuition and Fees	33,731,605						12,140,783			-	45,872,388
Federal Grants and Contracts				2,193,719	8,478,385						10,672,104
State Grants and Contracts					5,375,000						5,375,000
Private Grants and Contracts					350,000					-	350,000
Residence Fees								14,260,580			14,260,580
Dining Fees									9,618,608		9,618,608
Other Operating Revenues	561,868							261,226		1,773,590	2,596,684
Commissions	296,645							20,000			316,645
State General Appropriations	36,610,982										36,610,982
Foundation Support	1,195,500										1,195,500
Innovation Fund		800,000									800,000
Investment Income	1,915,000										1,915,000
<b>Total Revenue</b>	<b>74,311,600</b>	<b>800,000</b>	<b>-</b>	<b>2,193,719</b>	<b>2,632,937</b>	<b>-</b>	<b>12,140,783</b>	<b>14,541,806</b>	<b>9,618,608</b>	<b>1,773,590</b>	<b>118,013,042</b>
<b>Expenses</b>											
Personnel	44,251,588				275,000		3,985,579	2,342,495	2,253,480	51,166	53,159,307
Fringe Benefits	4,406,851				115,750		1,880,447	1,073,097	1,060,494	23,946	8,560,585
Operations	14,862,763				2,069,187		3,649,279	2,130,193	5,193,003	2,493,676	30,398,101
Strategic Investments	351,581										351,581
Utilities	3,403,383							2,105,494			5,508,877
Debt Payments	1,488,098								520,063		2,008,161
FEMA Reimb. Spending Plan			1,082,335								1,082,335
Operating Contingency	650,000								143,467	18,738	812,205
Capital Projects			377,637	2,193,719		3,934,227			-		6,505,583
Scholarships	4,443,151				173,000		75,000	93,500	-	-	4,784,651
Transfers	28,541				69,659	(2,414,609)	2,750,478	(1,494,723)	1,060,654		-
MSCBA Assessment								12,388,720			12,388,720
Innovation Fund Expenditures		1,359,976									1,359,976
<b>Total Expense and Transfers</b>	<b>73,885,955</b>	<b>1,359,976</b>	<b>1,459,972</b>	<b>2,193,719</b>	<b>2,702,596</b>	<b>1,519,618</b>	<b>12,340,783</b>	<b>18,638,776</b>	<b>10,231,160</b>	<b>2,587,526</b>	<b>126,920,081</b>
<b>Net Revenue over Expense</b>	<b>425,645</b>	<b>(559,976)</b>	<b>(1,459,972)</b>	<b>-</b>	<b>(69,659)</b>	<b>(1,519,618)</b>	<b>(200,000)</b>	<b>(4,096,970)</b>	<b>(612,552)</b>	<b>(813,936)</b>	<b>(8,907,039)</b>
Planned Use of Reserves	305,544	559,976	1,082,335		69,659		200,000			813,936	3,031,451
Capital Rollover						1,519,618			300,000		1,819,618
FEMA Rollover for Capital Projects			377,637								377,637
Glide Path - Cash Reserves								3,365,780	312,552		3,678,333
<b>Total Use of Reserves</b>	<b>305,544</b>	<b>559,976</b>	<b>1,459,972</b>	<b>-</b>	<b>69,659</b>	<b>1,519,618</b>	<b>200,000</b>	<b>3,365,780</b>	<b>612,552</b>	<b>813,936</b>	<b>8,907,038</b>
<b>Net Surplus/(Loss)</b>	<b>731,189</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(731,189)</b>	<b>-</b>	<b>-</b>	<b>-</b>

Notes:

1. Other Operating Revenues consist of parking, application fees, phone fee, non-credit program revenue and other miscellaneous fees
2. Transfers represent the movement of cash from one trust fund to another

<b>FY24 Budget Shortfall:</b>	<b>Amount</b>	<b>Notes</b>
Provisional Budget Shortfall	\$ (6,599,264)	
Add'l 100 Student Enrollment Decline	\$ (1,575,453)	Net of Add'l State Appropriation
CBA Impacts	\$ (381,948)	Base comp & Fringe for Res Life and Dining
<b>Total Revenue Shortfall</b>	<b>\$ (8,556,665)</b>	

**Budget Balancing Strategy:**

Glidepath Use of Reserves	\$ 3,678,333	Cash Reserves
Additional Short-Term Interest Income FY24	\$ 1,800,000	
Topside - Vacancy Savings Factor	\$ 1,500,000	
Topside - Underspending Factor	\$ 1,100,000	
Vacancy Savings	\$ 328,052	Represents approximately 4-5 positions
Fringe on Vacancy Savings	\$ 150,281	Fringe at 45.81%

<b>Remaining to Solve</b>	<b>-</b>	
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**Notes**

Includes CBA Impacts for Dining and Residential Life  
 Assumes 100 student FYA billable decline in enrollment  
 Includes revised State Appropriation revenue gain of approx \$300k



## Board of Trustees

October 11, 2023

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### MOTION

To allocate \$2,000,000 from cash reserves to fund the strategic investments as described in the summary presented. Further, the university will provide an update on the status of these investments at the December meeting along with related metrics and potential return on investment. This allocation is above and beyond the final FY24 October budget presented today.

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Ali R. Salehi, Chair

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Date



## **Strategic Investment Strategy Proposal**

### **Board of Trustees**

### **October 11, 2023**

#### **Overview**

Early this summer, President Thompson tasked the cabinet to develop strategies focused on Healing Campus, Enrollment Stability/Growth, and Economic Health as primary institutional priorities for the current fiscal year. A planning event with the Cabinet took place in August to discuss both the priorities and the possible resources necessary for strategic investments. With the recent arrival of the new Vice President for Enrollment Management & Student Affairs and the Temporary Provost, it was determined that additional research and coordination with multiple university offices and constituencies is required to move these strategies forward. However, several of the strategies are time sensitive and require immediate action to have any benefit in the near term. As such, funding for these strategies, \$2,000,000, is being requested now, with a second set of strategic requests coming forward in December. The urgency of moving forward cannot be overstated given the time horizon to procure, contract and begin the actual work on the strategies.

#### **Investments in Institutional Priorities**

Investments are needed to advance institutional priorities with examples listed below to provide the context for how the funds may be leveraged. Early funding will provide the flexibility to move forward more quickly.

#### **Enrollment Stabilization/Growth**

- Invest in targeted marketing strategy.
- Enhance retention programs.

#### **Economic Health**

- Increase non-tuition revenues.
- Increase net tuition via new financial aid strategy.

#### **Campus Culture and Health**

- Invest in new and diverse programs.
- Celebrate and recognize accomplishments.

#### **Next Steps**

Metrics used to evaluate a return on investment, to the extent they apply, will be developed, and shared with the trustees at the December meeting. Further, additional strategic initiatives are being developed which will focus on academic opportunities (CGCE), Advancement/Fundraising, Enrollment support and other high priority investments.



## **Board of Trustees**

October 11, 2023

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### **MOTION**

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

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Ali R. Salehi, Chair

---

Date



**BOARD OF TRUSTEES  
FINANCIAL AFFAIRS ~~AND ADVANCEMENT~~ COMMITTEE  
CHARTER**

**I. Mission**

The Financial Affairs ~~and Advancement~~ 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. ~~In addition, it will provide advice, consent, support and advocacy for development initiatives designed to enhance WSU's short and long-term financial position. It shall seek to provide assistance to management with regard to ways of improving upon existing development activities and advocate for the provision of appropriate resources to ensure success.~~

**II. Authority and Responsibilities**

*Policies*

Establish, review, and update ~~the financial, and investment, fundraising and gift acceptance~~ 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 ~~and Advancement~~ 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 advisor in coordination with the Investment Subcommittee.

~~The Committee shall engage in fundraising, cultivation and recognition events and encourage fellow Board member's participation. The Committee shall highlight the impact and benefits of WSU's mission and programs to prospective donors and encourage participation in events.~~

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/when such working groups are established and will report back to the Financial Affairs ~~and Advancement~~ Committee on a regular basis.

~~The Vice President of Institutional Advancement also serves as the Executive Director of the Westfield State Foundation Board of Directors and as such is the liaison between the University's president and the Foundation.~~

#### *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.

~~Review the Institutional Advancement division's plans, goals and projects; monitor progress toward meeting goals outlined in the yearly Westfield State Foundation commitment letter provided each April to the University as agreed through the Memorandum of Understanding with the Westfield State Foundation, Inc.~~

#### *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.

~~The Committee shall engage with the Vice President of Institutional Advancement to educate, coach, and mentor other Board members in the "art" of identifying, cultivating and soliciting donations (as appropriate); and deepening relationships with corporate and civic leaders.~~

### **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, or endowment~~ 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, 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.



**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 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.

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DRAFT



## **Board of Trustees**

October 11, 2023

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### **MOTION**

To approve the changes and accept the newly revised Anti-Bullying Policy (1340), as presented.

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Ali R. Salehi, Chair

---

Date

## UNIVERSITY ANTI-BULLYING, MOBBING, AND HARASSMENT POLICY

### PURPOSE

To informededucate the university community about bullying, to promote civility, and to take immediate corrective action when appropriate.

In accordance the University's mission and institutional values, this policy affirms Westfield State's commitment to provide a welcoming and respectful campus environment, in which all community members may benefit from each other's lived experiences, recognize each other's contributions, and reinforce belonging. Bullying causes harm to individuals subject to the abusive conduct while eroding institutional culture. The University will not tolerate bullying or other abusive conduct in violation of the educational and employment rights guaranteed by the law or University policy. Further, the University will respond promptly to reports of bullying and will take appropriate action to prevent, remedy, and discipline such conduct.

### DEFINITION

Bullying consists of abusive conduct relative to acts, omissions, or both, that a reasonable person would find hostile, based on the severity, nature, and frequency of the conduct and without regard to the method of delivery, such as verbal, written or electronic. Abusive conduct causes harm, the reasonable fear of harm, or humiliation, thereby disrupting the recipient's educational access or employment condition. Typically, an imbalance in real or perceived power exists between the individual exhibiting bullying behavior and the intended recipient(s).

Mobbing refers to a group of people engaged in coordinated, abusive conduct against one or more individuals.

Bullying may or may not be the result of deliberate intentions. Bullying will be determined by its impact on others as opposed to the intentions of those engaged in bullying behaviors.

Examples of bullying / harassment include, but are not limited to, the following:

- Verbal: may include, but is not limited to: repeated infliction of verbal abuse, such as the use of non-discriminatory derogatory remarks, insults, and epithets as well as public humiliation;
- Written: repeated degrading or threatening remarks as well as inappropriate or embarrassing digital images or content
- Physical: pushing, poking, tripping, or other physical conduct that threatens emotional, professional, or bodily harm to an individual
- Gesture: nonverbal communication that conveys threatening messages
- Exclusion: persistent exclusion of an individual in work activities or disregard of their accomplishments or contributions

# Westfield State University

Policy concerning:

Section AcademicAdministrative

number 1340

page 2 of ~~53~~

APPROVED: December 2010  
~~2023December 2014~~

REVIEWED: October

- ~~Sabotage: interference with, excessive monitoring of, verbal or physical conduct of a threatening, intimidating, or humiliating nature; the sabotage~~ or undermining of an individual's work performance; or attempts to exploit an individual's known psychological or physical vulnerability.

A single act normally will not constitute abusive conduct, but an especially severe and egregious act may meet the standard.

Bullying does not include good-natured teasing, argument, or interpersonal conflict, nor does it include engaging in debate or academic inquiry or providing constructive feedback, performance appraisal, or progressive discipline as necessary.

## POLICY

~~Westfield State University accepts and endorses state Senate bill #699 "An Act Addressing Workplace Bullying, Mobbing, and Harassment, Without Regard to Protected Class Status" as proposed, and, further, accepts and endorses any and all amendments made to this bill, as well as the bill in its final form that is signed into law by the governor of the Commonwealth of Massachusetts.~~

~~In keeping with the Senate bill #699,~~ Westfield State University prohibits conduct which can be interpreted as bullying or harassment as described in this policy. ~~The university wishes to promote a friendly, welcoming, and healthy environment in conjunction with the university's Mission Statement.~~ Every individual is entitled to be treated with respect and to be free from bullying and harassment. All members of the university community are expected to behave in a manner which demonstrates proper regard for the rights, ~~and~~ welfare, and differences of others.

~~Employees~~ Staff are required and students are strongly encouraged to provide support to individuals who are bullied or harassed by helping to identify campus and community resources, ~~and to~~ report incidents to the appropriate university official, and participate in good faith in any activities intended to promote resolution.

## SCOPE

This anti-bullying policy applies to the entire university community, including full time and part time administration, faculty, staff, students, contractors, consultants, and vendors as well as campus visitors. It includes conduct in the workplace and conduct in connection with work-related travel and/or at university-sponsored events. It also expands harassment beyond the protected classes to include the entire university community.

# Westfield State University

Policy concerning:

Section AcademicAdministrative

number 1340

page 3 of ~~53~~

APPROVED: December 2010

~~2023December 2014~~

REVIEWED: October

This policy does not apply to off-campus conduct unless one or more of the following circumstances apply: a) both parties are members of the campus community; b) the conduct occurred within campus housing; or c) the conduct was performed on behalf of the University.

## DisseminationEducation/Prevention

~~The Office of Human Resources, Title IX, & Equal Opportunity will circulate this~~**This policy will be circulated**~~each fall to all employees and students through the Diversity/Affirmative Action Office along with the annual distribution of the following: Equal Opportunity, Diversity, and Affirmative Action Plan and Title IX Sexual Harassment Policy as well as the Whistleblower Policy. Managers are expected to ensure employees' access to information regarding University policies. Affirmative Action/Equal Opportunity/Diversity Plan, Drug Free Schools and Communities Information Policy, Rape/Sexual Assault Policy. Additionally, the Anti-Bullying Policy will be included in all electronic and paper versions of the university's Policy Manual.~~

## Education & Prevention

~~Human Resources will work collaboratively to provide education regarding bullying as a component of the New Employee Onboarding program and supervisory training initiative. Staff will facilitate workshops during the academic year for students and employees to educate around the topic of bullying. Training opportunities for students are available upon request under the leadership of Student Affairs and the Division of Justice, Equity, Diversity, & Inclusion..~~

## Disciplinary Action

Violations of this policy are subject to disciplinary action in accordance with University policy, collective bargaining, and the Student Handbook.

### **IF YOU BELIEVE YOU ARE BEING BULLIED**

- Alert your supervisor and the Office of Human Resources, Title IX, & Equal Opportunity to your experiences. Expect support in the form of efforts to limit your interactions with the alleged bully, identify available resources, gauge the likelihood of a policy violation, and/or initiate an administrative investigation.
- Document your experiences including dates, times, location, witnesses if any, and a description of specific statements or behaviors.
- Maintain copies of bullying emails or other evidence.
- Exercise your right to invite a union representative or other advisor accompany you to meetings about your experiences.
- Alert the Office of the Dean of Students if you are a student.

### **IF YOU WITNESS BULLYING BEHAVIOR**

If you witness someone being bullied and are comfortable doing so, name or attempt to constructively interrupt the bullying behavior. Report the incident to the appropriate University official in accordance with the procedures below.

## PROCEDURES FOR REPORTING

~~Established~~Normal channels of reporting alleged bullying will be used in accordance with the Student Handbook, collective bargaining agreements, and University procedures. When a report involves the activities or behaviors of a member of the President's Cabinet or the Chief Human Resources Officer, the report should be made directly to the President of the University. Investigations of complaints of bullying will be done expeditiously while ensuring reasonable and with the highest level of confidentiality. While reports may be submitted anonymously, investigative efforts will be limited. Retaliation against individuals who report bullying is prohibited.

### Reporting Violations by Students

Complaints of bullying should be reported immediately to the University Police, Public Safety or Residential Life staff (24 hour operations), or Office of the Dean of Students. ~~Complaints may also be reported to the Dean of Students or Student Conduct Office.~~

Complaints will be investigated and forwarded to the Student Conduct Office for review in a timely manner. Alleged student conduct violations stemming from complaints will be processed in accordance with the student conduct procedures outlines in the Student Handbook.

### Reporting Violations by Employees, Contractors, Vendors, & Visitors

- ~~Complaints of bullying should be reported to the Director, Human Resources.~~ The University encourages the prompt reporting of complaints or concerns to safeguard against prolonged harm to individuals. Early intervention is an effective strategy for resolving incidents of bullying, mobbing, and harassment and restoring relationships.
- Any employee with questions about this policy or who wishes to report alleged violations should contact the Office of Human Resources, Title IX, & Equal Opportunity.
- ~~Allegations in violation of this policy are subject to prompt investigation by the Office of HR, Title IX, & Equal Opportunity which~~
- ~~The Director of Human Resources~~ will determine at what level the complaint will be investigated and what/if any corrective action should be administered. For example, an instance where an employee accuses a supervisor of bullying, the complaint may be referred to the area vice president, associated supports and/or corrective actions in consultation with the Division / Department Head.

# Westfield State University

Policy concerning:

Section AcademicAdministrative

number 1340

page 5 of ~~53~~

APPROVED: December 2010

~~2023December 2014~~

REVIEWED: October

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Questions regarding reporting alleged violations of this policy may be directed to the AVP for ~~Director of~~ Human Resources.

## REVIEW

This document will be reviewed ~~-, at minimum, every three years by the Office of Human Resources, Title IX, & Equal Opportunity and the Office of the Dean of Students, annually by the Dean, Affirmative Action/Diversity and the Director of Human Resources. Should related legislation become law, this policy will be reviewed immediately and revised in accordance with federal and state laws.~~

## UNIVERSITY ANTI-BULLYING, MOBBING, AND HARASSMENT POLICY

### PURPOSE

To inform the university community about bullying, to promote civility, and to take immediate corrective action when appropriate.

In accordance with the University's mission and institutional values, this policy affirms Westfield State's commitment to provide a welcoming and respectful campus environment, in which all community members may benefit from each other's lived experiences, recognize each other's contributions, and reinforce belonging. Bullying causes harm to individuals subject to the abusive conduct while eroding institutional culture. The University will not tolerate bullying or other abusive conduct in violation of the educational and employment rights guaranteed by the law or University policy. Further, the University will respond promptly to reports of bullying and will take appropriate action to prevent, remedy, and discipline such conduct.

### DEFINITIONS

Bullying consists of abusive conduct relative to acts, omissions, or both, that a reasonable person would find hostile, based on the severity, nature, and frequency of the conduct and without regard to the method of delivery, such as verbal, written or electronic. Abusive conduct causes harm, the reasonable fear of harm, or humiliation, thereby disrupting the recipient's educational access or employment condition. Typically, an imbalance in real or perceived power exists between the individual exhibiting bullying behavior and the intended recipient(s).

Mobbing refers to a group of people engaged in coordinated, abusive conduct against one or more individuals.

Bullying may or may not be the result of deliberate intentions. Bullying will be determined by its impact on others as opposed to the intentions of those engaged in bullying behaviors.

Examples of bullying / harassment include, but are not limited to, the following:

- Verbal: repeated infliction of verbal abuse, such as the use of non-discriminatory derogatory remarks, insults, and epithets as well as public humiliation.

# Westfield State University

Policy concerning:

Section Administrative

number 1340

page 2 of 5

APPROVED: December 2010

REVIEWED: October 2023

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- Written: repeated degrading or threatening remarks as well as inappropriate or embarrassing digital images or content.
- Physical: pushing, poking, tripping, or other physical conduct that threatens emotional, professional, or bodily harm to an individual.
- Gesture: nonverbal communication that conveys threatening messages.
- Exclusion: persistent exclusion of an individual in work activities or disregard of their accomplishments or contributions.
- Sabotage: interference with, excessive monitoring of, or undermining of an individual's work performance; or attempts to exploit an individual's known psychological or physical vulnerability.

A single act normally will not constitute abusive conduct, but an especially severe and egregious act may meet the standard.

Bullying does not include good-natured teasing, argument, or interpersonal conflict, nor does it include engaging in debate or academic inquiry or providing constructive feedback, performance appraisal, or progressive discipline as necessary.

## **POLICY**

Westfield State University prohibits conduct which can be interpreted as bullying or harassment as described in this policy. Every individual is entitled to be treated with respect and to be free from bullying and harassment. All members of the university community are expected to behave in a manner which demonstrates proper regard for the rights, welfare, and differences of others.

Employees and students are strongly encouraged to provide support to individuals who are bullied or harassed by helping to identify campus and community resources, report incidents to the appropriate university official, and participate in good faith in any activities intended to promote resolution.

## **SCOPE**

This anti-bullying policy applies to the entire university community, including full-time and part-time administration, faculty, staff, students, contractors, consultants, and vendors as well as campus visitors. It includes conduct in the workplace and conduct in connection with work-related travel and/or at university-sponsored events. It also expands harassment beyond the protected classes to include the entire university community.

# Westfield State University

Policy concerning:

Section Administrative

number 1340

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APPROVED: December 2010

REVIEWED: October 2023

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This policy does not apply to off-campus conduct unless one or more of the following circumstances apply: a) both parties are members of the campus community; b) the conduct occurred within campus housing; or c) the conduct was performed on behalf of the University.

## Dissemination

The Office of Human Resources, Title IX, & Equal Opportunity will circulate this policy each fall to all employees and students along with the annual distribution of the following: [Equal Opportunity, Diversity, and Affirmative Action Plan and Title IX Sexual Harassment Policy \(2170\)](#) as well as the [Whistleblower Policy \(0440\)](#). Managers are expected to ensure employees' access to information regarding University policies.

## Education & Prevention

Human Resources will work collaboratively to provide education regarding bullying as a component of the New Employee Onboarding program and supervisory training initiative. Training opportunities for students are available upon request under the leadership of Student Affairs and the Division of Justice, Equity, Diversity, & Inclusion.

## Disciplinary Action

Violations of this policy are subject to disciplinary action in accordance with University policy, collective bargaining, and the Student Handbook.

## **IF YOU BELIEVE YOU ARE BEING BULLIED**

- Alert your supervisor and the Office of Human Resources, Title IX, & Equal Opportunity to your experiences. Expect support in the form of efforts to limit your interactions with the alleged bully, identify available resources, gauge the likelihood of a policy violation, and/or initiate an administrative investigation.
- Document your experiences including dates, times, location, witnesses if any, and a description of specific statements or behaviors.
- Maintain copies of bullying emails or other evidence.
- Exercise your right to invite a union representative or other advisor to accompany you to meetings about your experiences.
- Alert the Office of the Dean of Students if you are a student.

## IF YOU WITNESS BULLYING BEHAVIOR

If you witness someone being bullied and are comfortable doing so, name or attempt to constructively interrupt the bullying behavior. Report the incident to the appropriate University official in accordance with the procedures below.

## PROCEDURES FOR REPORTING

Established channels of reporting alleged bullying will be used in accordance with the Student Handbook, collective bargaining agreements, and University procedures. When a report involves the activities or behaviors of a member of the President's Cabinet or the Chief Human Resources Officer, the report should be made directly to the President of the University. Investigations of complaints of bullying will be done expeditiously while ensuring reasonable confidentiality. While reports may be submitted anonymously, investigative efforts will be limited. Retaliation against individuals who report bullying is prohibited.

### Reporting Violations by Students

Complaints of bullying should be reported immediately to the University Police, Residential Life staff (24-hour operations), or Office of the Dean of Students

Complaints will be investigated and forwarded to the Student Conduct Office for review in a timely manner. Alleged student conduct violations stemming from complaints will be processed in accordance with the student conduct procedures outlined in the Student Handbook.

### Reporting Violations by Employees, Contractors, Vendors, & Visitors

- The University encourages the prompt reporting of complaints or concerns to safeguard against prolonged harm to individuals. Early intervention is an effective strategy for resolving incidents of bullying, mobbing, and harassment and restoring relationships.
- Any employee with questions about this policy or who wishes to report alleged violations should contact the Office of Human Resources, Title IX, & Equal Opportunity.
- Allegations in violation of this policy are subject to prompt investigation by the Office of Human Resources, Title IX, & Equal Opportunity which will determine at what level the complaint will be investigated and associated supports and/or corrective actions in consultation with the Division/Department Head.

# Westfield State University

Policy concerning:

APPROVED: December 2010

**Section** Administrative

**number** 1340

**page** 5 of 5

REVIEWED: October 2023

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Questions regarding reporting alleged violations of this policy may be directed to the Associate Vice President for Human Resources.

## **REVIEW**

This document will be reviewed, at minimum, every three years by the Office of Human Resources, Title IX, & Equal Opportunity and the Office of the Dean of Students.



## Board of Trustees

October 11, 2023

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### MOTION

To accept the annual report for fiscal year ending June 30, 2023, as prepared by the university's Administration and Finance Division and to authorize the submission of this report to the State Comptroller's Office, the Massachusetts Department of Higher Education, and the State Auditor's Office, as required by the Massachusetts Department of Higher Education. This annual report includes the Westfield State University FY23 Financial Statements, audited by WithumSmith and Brown, P.C.

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Ali R. Salehi, Chair

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Date

# Westfield State University

October 11, 2023

# Required Communications

## ***AUDITOR'S RESPONSIBILITY UNDER GAAS***

We have a responsibility to conduct our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

In carrying out this responsibility, we planned and performed the audit to obtain reasonable – not absolute – assurance about whether the basic financial statements are free of material misstatement, whether caused by error or fraud.

- We issued an unmodified opinion on the financial statements.

An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we express no such opinion.

- No material weaknesses/significant deficiencies were noted within the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters

# Required Communications - Continued

## *AUDITORS' RESPONSIBILITY UNDER GAAS - continued*

We are responsible for communicating significant matters related to the financial statement audit that are, in our professional judgement, relevant to the responsibilities of those charged with governance.

We applied certain limited procedures (such as inquiry of management and comparing for consistency) to the Required Supplementary Information that supplements the financial statements.

# Required Communications - Continued

## ***INDEPENDENCE***

We are aware of a relationship between Daniel Currier, a Withum intern from June to August 2023, and the University where Daniel is a Student Trustee.

- Upon knowledge of the relationship, Withum and Daniel discussed with the State Ethics Commission who advised that Daniel abstain from any voting matters relating to the audit
- Ethics Commission noted that no additional disclosure is required
- While at Withum, Daniel did not work on any aspects of the University or Westfield State Foundation audits

Based on the factors above, we are independent with respect to the University within the meaning of the pronouncements of the Independence Standards Board, Government Auditing Standards, and under Rule 101 of the AICPA Code of Professional Conduct.

# Required Communications - Continued

## ***INDEPENDENCE – continued***

No management advisory services were performed by Withum.

Withum assisted in the non-attest services noted below, however, these activities do not impact our independence. These non-attest services were supervised and approved by Lisa Freeman, AVP of Finance

- Assistance with the preparation of the financial statements
- Assistance with the maintenance and calculation of GASB 87, *Leases*, right of use assets and liabilities
- Assistance with the maintenance and calculation of GASB 96, *SBITA*, right of use assets and liabilities
- Related to the single audit which is in process:
  - Assistance with preparation of the financial statements and SEFA
  - Assistance with the preparation of the Data Collection Form

# Required Communications - Continued

## ***MANAGEMENT'S RESPONSIBILITY***

Selection and use of appropriate accounting policies – Significant policies are found in Note 1

- GASB 96, SBITA, was implemented effective July 1, 2022
  - The impact of this adoption is disclosed in Note 2 of the financial statements and illustrated on the next slide
- Application of existing policies were not changed during the current year

Selection and use of appropriate accounting estimates – Based on management's knowledge and experience about past and current events and assumptions about future events

- Allowance for doubtful accounts
- Estimating depreciation and depreciable lives of capital assets
- Useful lives of right of use assets and liabilities relating to Leases and SBITAs
- Accrued expenses
- Determining net pension and OPEB liabilities

# Required Communications - Continued

## ***MANAGEMENT'S RESPONSIBILITY – continued***

Accounting for significant and unusual transactions – unusual or significant transactions reported in the current year include:

- \$1.9 million was released from the debt service fund held by the MSCBA to reduce the amount paid for MSCBA lease obligations
- Recording of ROU asset and liability related to SBITAs for implementation of GASB 96:

	<u>ROU Asset</u>	<u>SBITA Liability</u>
7/1/2022	\$ 756,767	\$ 756,767
SBITA Additions	398,661	398,661
Amortization/Principal Reductions	(298,382)	(320,424)
6/30/2023	<u>\$ 857,046</u>	<u>\$ 835,004</u>

No transactions entered into during the year for which there is a lack of authoritative guidance or consensus

All significant transactions have been recognized in the financial statements in the proper period

# Required Communications - Continued

## *SIGNIFICANT COMMUNICATIONS, FINDINGS OR ISSUES*

There were NO:

- Disagreements with management
- Major issues discussed with management prior to retention
- Difficulties encountered in performing the audit
- Audit adjustments or uncorrected misstatements
- Other findings or issues that are significant or relevant to be communicated to those charged with governance

Consultations with other accountants/auditors:

- Consulted with the auditors for the Massachusetts State Employee's Retirement Plan and State Retiree's Benefit Trust

Significant written communications between the auditor and management include:

- Engagement letter
- Management representation letter – to be signed following Board approval

# Required Communications - Continued

## *FINANCIAL STATEMENT FRAUD RISKS*

No pervasive financial statement fraud risks were identified

### Specific Risks Presumed by Auditing Standards

- Risk of misstatement relating to revenue recognition
- Risk of management override of controls
  - Journal entries and adjustments
  - Significant accounting estimates

### Organization specific risks

- Management's ability to make significant accounting estimates and the assumptions included in those estimates
- New significant or unusual transactions not properly recognized and recorded
- Related party transactions

# Other Matters

## *Discussion of Financial Statements*

**WESTFIELD STATE UNIVERSITY**  
(an agency of the Commonwealth of Massachusetts)

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**FINANCIAL STATEMENTS AND  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2023**

**WESTFIELD STATE UNIVERSITY**  
**(an agency of the Commonwealth of Massachusetts)**

**Financial Statements and  
Management's Discussion and Analysis**

**June 30, 2023**

**C O N T E N T S**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of  
Westfield State University:

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component unit, Westfield State University (the "University"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component unit of the University, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Change in Accounting Principle

As discussed in Note 2 to the financial statements, the University adopted new accounting guidance, GASB Statement Number 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audits were conducted for the purpose of forming opinions on the University's basic financial statements. The supplemental schedules listed in the accompanying table of contents, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2023, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

October 11, 2023

DRAFT

**WESTFIELD STATE UNIVERSITY**  
**(an agency of the Commonwealth of Massachusetts)**

**Management's Discussion and Analysis (Unaudited)**

**June 30, 2023 and 2022**

**Introduction**

The following discussion and analysis provides an overview of the financial position and results of operations of Westfield State University (the "University") for the fiscal year ended June 30, 2023. This discussion has been prepared by management along with the financial statements and footnotes. Since this analysis is designed to focus on current activities, resulting changes and currently known facts, it should be read in conjunction with the basic financial statements and notes thereto. The financial statements, footnotes and this discussion are the responsibility of management.

Westfield State University is a comprehensive public institution of higher learning with approximately 4,200 full time equivalent combined day and evening students. The campus is located in Westfield, Massachusetts and offers undergraduate majors in both the traditional arts and sciences and in professional fields with multiple options for discipline-specific or interdisciplinary minors and concentrations. The University also offers several graduate-level degree and certificate programs. This broad range of graduate programs and undergraduate majors, minors, and concentrations reflect the commitment of Westfield State University to providing quality educational programs.

**Financial Highlights**

- The University's financial position increased significantly during the fiscal year ended June 30, 2023, with a \$22.2 million or 35.3% increase in total net position. Net position, which represents the residual interest in the University's assets and deferred outflows after liabilities and deferred inflows of resources are deducted, increased to \$85.1 million in 2023. The increase was largely related to the recognition of state capital appropriation revenue in the amount of \$9.4 million for the Parenzo renovation project, \$8.8 million in pension and OPEB expense reductions, and approximately \$4.0 million in salary and fringe savings due to vacant positions and savings on fringe. General budget underspending combined with greater than budgeted revenues also contributed to the positive financial position in fiscal year 2023.
- Expenses incurred during fiscal year 2023 totaled \$121.4 million. Revenues from tuition and fees, state capital support and appropriations, grants, and other sources totaled \$143.6 million resulting in an increase in net position of \$22.2 million.
- In May 2020, GASB issued Statement 96 *Subscription-Based Information Technology Arrangements (SBITAs)*. This statement is effective for fiscal years beginning after June 15, 2022. During the fiscal year June 30, 2023, the University implemented GASB 96. With the new reporting change, upon implementation, the University recognized \$756,767 in right of use software assets and SBITA liabilities on their statement of net position.

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**Management's Discussion and Analysis (Unaudited) - Continued**

**June 30, 2023 and 2022**

**GASB No. 68 – Accounting and Financial Reporting For Pensions and GASB No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions**

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, established standards for how governmental employers (and other entities) that contribute to state and local pension plans report liabilities and plan details on their financial statements. GASB 68 and its required disclosures were implemented in fiscal year 2015. GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions established standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense related to OPEB. The tables below show the financial statement impact of GASB 68 and GASB 75 in fiscal year 2023:

	<u>Pension</u>	<u>OPEB</u>	<u>Total</u>
<b>Statement of Net Position (Balance Sheet)</b>			
Deferred outflows (like an Asset)	\$ 3,507,319	\$ 5,079,631	\$ 8,586,950
Net liability (Non-Current Liability)	(22,479,727)	(28,290,524)	(50,770,251)
Deferred inflows (like a Liability)	(10,960,845)	(36,773,586)	(47,734,431)
Net position	<u>\$ (29,933,253)</u>	<u>\$ (59,984,479)</u>	<u>\$ (89,917,732)</u>
<b>Statement of Revenues and Expenses</b>			
Pension expense, net of subsequent contributions	\$ (2,896,521)	\$ -	\$ (2,896,521)
OPEB expense, net of subsequent contributions	-	(5,903,572)	(5,903,572)
Total	<u>\$ (2,896,521)</u>	<u>\$ (5,903,572)</u>	<u>\$ (8,800,093)</u>

**WESTFIELD STATE UNIVERSITY**  
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**Management’s Discussion and Analysis (Unaudited) - Continued**

**June 30, 2023 and 2022**

**GASB No. 68 – Accounting and Financial Reporting For Pensions and GASB No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions - Continued**

The required reporting of the pension and OPEB liability on the financial statements of the University reduced the unrestricted net position as follows:

**Effect of GASB 68 and GASB 75 on Unrestricted Net Position**

	<u>Without Pension/OPEB</u>	<u>Pension/ OPEB Adjustment</u>	<u>With Pension/OPEB</u>
Unrestricted net position, June 30, 2022	\$ 72,865,390	\$ (98,717,825)	\$ (25,852,435)
Change in unrestricted net position for 2023	<u>(11,440,984)</u>	<u>8,800,093</u>	<u>(2,640,891)</u>
Unrestricted net position, June 30, 2023	<u>\$ 61,424,406</u>	<u>\$ (89,917,732)</u>	<u>\$ (28,493,326)</u>

The combined impact of the pension and OPEB liabilities for fiscal year 2023 is a reduction in unrestricted net position of \$89.9 million.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the University’s basic financial statements. Westfield State University’s basic financial statements are comprised of two components: 1) the financial statements and 2) the notes to the financial statements.

**The Financial Statements**

The financial statements are designed to provide readers with a broad overview of Westfield State University’s finances in a manner similar to a private-sector university. The University’s financial report includes three financial statements: the *Statement of Net Position*, the *Statement of Revenues, Expenses and Changes in Net Position* and the *Statement of Cash Flows*.

These statements have been prepared in accordance with Government Accounting Standards Board (GASB) principles. These principles establish standards for external financial reporting for public colleges and universities and require that financial statements be presented on a consolidated basis to focus on the institution. A description of the financials is as follows:

**WESTFIELD STATE UNIVERSITY**  
**(an agency of the Commonwealth of Massachusetts)**

**Management's Discussion and Analysis (Unaudited) - Continued**

**June 30, 2023 and 2022**

**Overview of the Financial Statements - Continued**

The Westfield State Foundation, Inc. (the 'Foundation'), a component unit of the University, is an independent not-for-profit corporation operated exclusively for charitable, scientific, and educational purposes for the benefit of the University. The financial information of the Foundation has been discretely presented and included within these financial statements because of the nature and significance of its relationship with the University. Complete financial statements for the Foundation can be obtained from its administrative office in Westfield, Massachusetts.

The *Statement of Net Position* presents the financial position of the University at the end of the fiscal year and include all assets and deferred outflows of resources less liabilities and deferred inflows of resources of the University. The difference between these amounts, net position, is one indicator of the current financial position of the University, while the change in net position serves as a useful indicator of whether the financial position of the University is improving or deteriorating.

The *Statement of Revenues, Expenses & Changes in Net Position* presents the University's results of operations and other non-operating revenues, and how the University's net position changed during the most recent fiscal year.

The *Statement of Cash Flows* provides additional information about the University's financial results by reporting the major sources and uses of cash. Government Accounting Standards Board (GASB) Statements 34 and 35 require that the direct method be used to prepare this statement. The direct method of cash flow reporting portrays the net cash flow from operations by major categories of operating receipts and disbursements.

The financial statements can be found on pages 17-20 of this financial report.

**Notes to the Financial Statements**

The footnotes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 21-47 of this financial report.

**Other Information**

In addition to the financial statements and accompanying footnotes, this financial report also contains certain required supplementary information concerning the University's Building Authority trust fund. This supplementary information can be found on pages 57-58 of this financial report.

**WESTFIELD STATE UNIVERSITY**  
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**Management's Discussion and Analysis (Unaudited) - Continued**

**June 30, 2023 and 2022**

**Financial Analysis of the University**

The University's total net position for fiscal year 2023 increased by \$22.2 million or 35.3%. A summary of the University's assets, deferred outflows, liabilities, deferred inflows and net position as of June 30, is presented below:

<u>Assets</u>	<u>2023</u>	<u>2022*</u>
Current Assets	\$ 82,218,821	\$ 90,956,152
Capital Assets, net	236,148,647	218,664,968
Other Non-current assets	4,802,668	5,454,399
Total Assets	<u>323,170,136</u>	<u>315,075,519</u>
Deferred Outflows of Resources	10,699,369	18,100,939
Total Assets and Deferred Outflows	<u>\$ 333,869,505</u>	<u>\$ 333,176,458</u>
 <u>Liabilities</u>		
Current Liabilities	\$ 25,945,437	\$ 24,710,995
Non-current Liabilities	174,519,017	190,359,602
Total Liabilities	<u>200,464,454</u>	<u>215,070,597</u>
Deferred Inflows of Resources	<u>48,283,616</u>	<u>55,170,277</u>
 <u>Net Position</u>		
Investment in Capital Assets, net	110,809,699	87,635,910
Restricted: Expendable	2,805,062	1,152,109
Unrestricted	(28,493,326)	(25,852,435)
Total Net Position	<u>85,121,435</u>	<u>62,935,584</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 333,869,505</u>	<u>\$ 333,176,458</u>

*\* The assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net assets for the year ended June 30, 2022 do not reflect the implementation of GASB 96, Subscription-Based Information Technology Arrangements (SBITAs), which was adopted as of July 1, 2022.*

**WESTFIELD STATE UNIVERSITY**  
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**Management's Discussion and Analysis (Unaudited) - Continued**

**June 30, 2023 and 2022**

**Financial Analysis of the University – Continued**

Total assets in fiscal year 2023 increased by \$8.1 million or 2.6% over the prior year due to an increase in capital assets (\$17.5 million) and investments (\$2.5 million) offset by decreases in cash and equivalents (\$11.7 million) and other assets (\$0.2 million). Total liabilities in fiscal year 2023 decreased by \$14.6 million or 6.8% over the prior year due to a decrease in net pension and net OPEB liabilities (\$9.3 million), net decreases in notes and bonds payable and lease liabilities (\$6.7 million) offset by an increase in other liabilities of \$0.6 million and an increases in SBITA (GASB 96) liability of \$0.8 million. The \$7.4 million decrease in deferred outflows of resources and the \$6.9 million decrease in deferred inflows of resources was mainly due to the adjustments related to the fiscal year 2023 pension and OPEB activity.

A condensed summary of the Statements of Revenues and Expenses for the years ended June 30 is as follows:

<u>Operating Revenues</u>	<u>2023</u>	<u>2022*</u>
Tuition and fees	\$ 49,258,184	\$ 49,972,964
Residence and dining fees	23,811,504	21,508,596
Less: scholarships and fellowships	(12,706,931)	(10,975,319)
Federal, state, and private grants	17,080,596	13,299,863
Other sources	2,314,064	1,808,703
Total Operating Revenues	<u>79,757,417</u>	<u>75,614,807</u>
<u>Operating Expenses</u>		
Compensation and benefits	80,303,871	80,820,501
Supplies and services	27,021,456	23,531,943
Depreciation	12,013,067	11,208,763
Scholarships	4,799,701	10,875,532
GASB 68 pension expense, net of subsequent contributions	(2,896,521)	(2,055,384)
GASB 75 OPEB expense, net of subsequent contributions	(5,903,572)	(2,839,986)
Total Operating Expenses	<u>115,338,002</u>	<u>121,541,369</u>
<u>Non-Operating Revenues (Expenses):</u>		
State appropriations, net	\$ 48,107,868	\$ 46,984,608
Federal grants	377,637	15,049,297
Other revenue - MSCBA	2,119,553	610,518
Net investment income	2,227,388	(2,718,759)
Loss on disposal of assets	(9,033)	(10,275)
Interest expense	(6,075,873)	(6,184,496)
Total Net Non-Operating Revenues	<u>46,747,540</u>	<u>53,730,893</u>
State capital appropriations	<u>11,018,896</u>	<u>4,552,867</u>
Increase in net position	<u>\$ 22,185,851</u>	<u>\$ 12,357,198</u>

**WESTFIELD STATE UNIVERSITY**  
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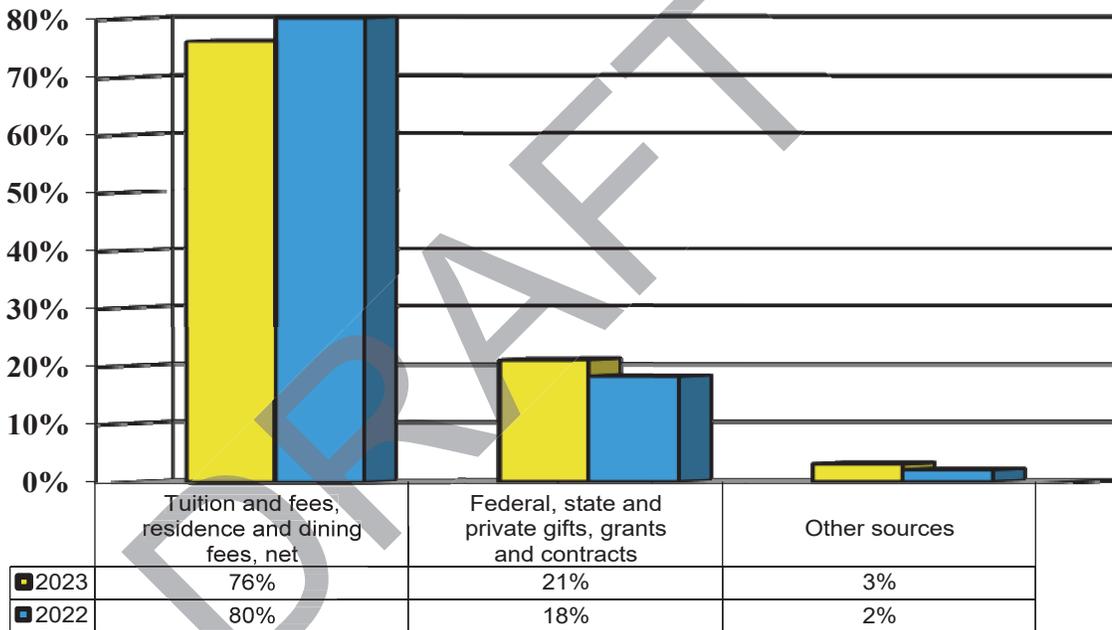
**Management’s Discussion and Analysis (Unaudited) - Continued**

**June 30, 2023 and 2022**

**Financial Analysis of the University - Continued**

The following is a graphic illustration of operating revenues by source, as a percent of total operating revenue, which were used to fund the University’s operating activities for the years ended June 30, 2023 and 2022.

**Operating Revenues by Source**



The University’s operating revenues consist primarily of tuition and fee revenues and residence and dining fee revenues. Tuition and fees revenue decreased \$0.7 million or 1.4% during the fiscal year ended June 30, 2023. The decrease was due to an enrollment decline of 233 students (\$2.5 million impact) offset by an increase in graduate and continuing education tuition and fees (\$0.4 million), an increase in other fee revenue (\$0.3 million) and an increase in fee revenue generated from fiscal year 2023 mandatory fee increases (\$1.1 million).

Residence and dining fee revenue generated by the auxiliary operations of the University’s food service and building authority trust funds was \$23,811,504 and \$21,508,596, for the years ended June 30, 2023 and 2022. The increase in revenues for the year ended June 30, 2023 in the amount of \$2,302,908 or 10.7%, is the result of the yearly increase in residence and dining fees.

**WESTFIELD STATE UNIVERSITY**  
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**Management’s Discussion and Analysis (Unaudited) - Continued**

**June 30, 2023 and 2022**

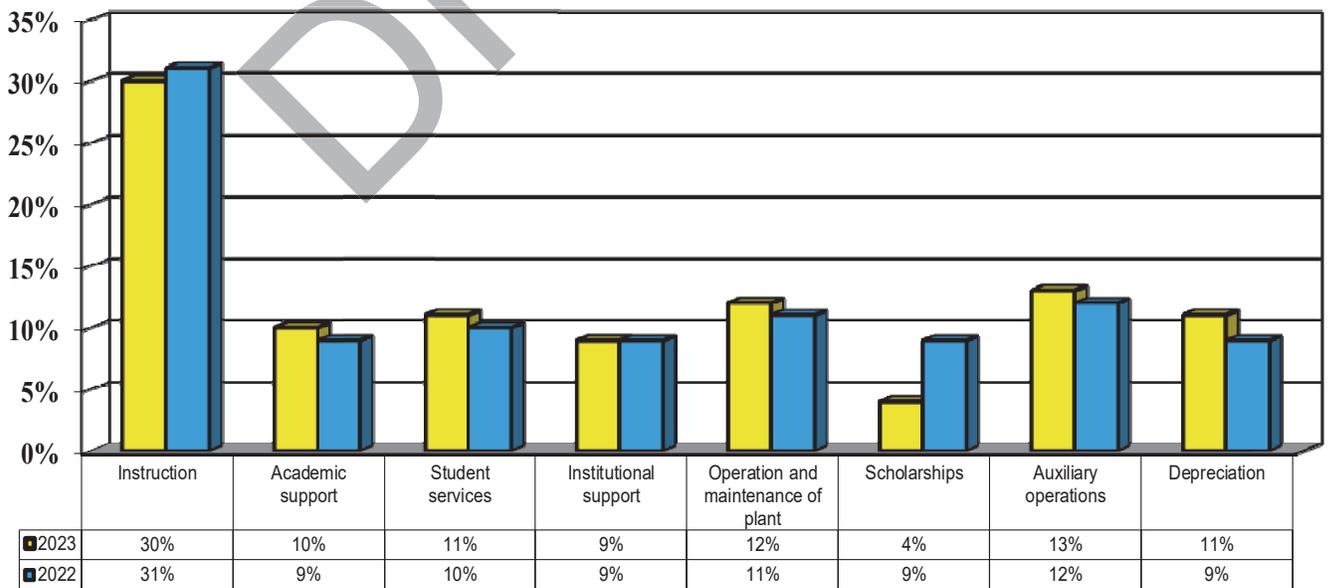
**Financial Analysis of the University - Continued**

Tuition and fees received by the University include the following at June 30:

	<u>2023</u>	<u>2022</u>
Tuition	<b>\$ 16,435,145</b>	\$ 16,147,861
Student Fees:		
General fees	<b>28,458,857</b>	29,649,610
Student activity fees	<b>1,387,919</b>	1,019,677
Capital improvement fees	<b>298,290</b>	321,620
Technology fees	<b>2,379,164</b>	2,550,116
Miscellaneous fees	<b>298,809</b>	284,080
Total	<b>\$ 49,258,184</b>	\$ 49,972,964

The following is a graphic illustration of operating expenses by function, shown as a percent of total operating expense, for the years ended June 30, 2023 and 2022.

**Operating Expenses by Function**



**WESTFIELD STATE UNIVERSITY**  
**(an agency of the Commonwealth of Massachusetts)**

**Management's Discussion and Analysis (Unaudited) - Continued**

**June 30, 2023 and 2022**

**Financial Analysis of the University - Continued**

A summary of the University's expenses by functional classification for the years ended June 30, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022*</u>
Instruction	\$ 34,868,104	\$ 37,241,933
Public service	542,662	314,857
Academic support	11,152,822	10,664,859
Student services	12,792,533	12,754,482
Institutional support	10,665,658	10,327,307
Operation and maintenance of plant	13,164,934	13,609,893
Scholarships and fellowships	4,799,701	10,875,532
Auxiliary operations	15,338,521	14,543,743
Depreciation and amortization	12,013,067	11,208,763
Total	<u>\$ 115,338,002</u>	<u>\$ 121,541,369</u>

The University's total operating expenses decreased during fiscal year ended June 30, 2023 by \$6.2 million or 5.1%. The decrease in fiscal year 2023 is attributable to several factors, the most significant of which are: a scholarship expense decrease of \$6.1 million mostly from Federal HEERF funds which were not available in fiscal year 2023, compensation and fringe net decrease of \$0.5 million and an OPEB and pension expense decrease of \$3.9 million, offset by an increase in depreciation and amortization expense of \$0.8 million, a \$0.3 million increase in utilities, a \$0.6 million increase in food and beverage costs from dining operations, an increase in grant expenses of \$2.0 million and a \$0.6 million increase in other operating expenses.

A condensed summary of the Statements of Cash Flows for years ended June 30, is as follows:

	<u>2023</u>	<u>2022</u>
Cash received from operating activities	\$ 80,467,968	\$ 72,121,799
Cash expenses for operating activities	(99,509,387)	(99,660,108)
Net cash applied to operating activities	(19,041,419)	(27,538,309)
Net cash provided by non-capital financing activities	35,652,808	52,868,725
Net cash applied to capital financing activities	(28,109,060)	(12,884,565)
Net cash (applied to) provided by investing activities	(237,807)	109,350
Net (decrease) increase in cash and equivalents	(11,735,478)	12,555,201
Cash and equivalents - beginning of year	72,133,580	59,578,379
Cash and equivalents - end of year	<u>\$ 60,398,102</u>	<u>\$ 72,133,580</u>

**WESTFIELD STATE UNIVERSITY**  
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**Management's Discussion and Analysis (Unaudited) - Continued**

**June 30, 2023 and 2022**

**Financial Analysis of the University - Continued**

The University's liquidity decreased during the year ended June 30, 2023 with an \$11,735,478 decrease in cash and equivalents. The following discussion further amplifies the overview of cash flows presented above.

During the year ended June 30, 2023, the University's net cash applied to operating activities decreased by \$8.5 million over the prior year. This was due to an increase in cash received of \$8.3 million and a decrease in payments made of \$0.2 million. Net cash provided by non-capital financing activities decreased by \$17.2 million due to a decrease in federal grant funding (HEERF and FEMA) of \$17.5 million and an increase in state appropriation of \$0.3 million. Net cash applied to capital financing activities increased by \$15.2 million due to an increase in purchases of capital assets of \$12.2 million (the University's fiscal year 2023 payment for Parenzo Hall was \$15.5 million), a decrease in state capital appropriation of \$0.4 million, a decrease in proceeds from sale of bonds of \$1.4 million and an increase in debt payments of \$1.2 million. The \$0.3 million decrease in net cash provided by investing activities was due to an increase in purchase of investments of \$2.4 million offset by an increase in proceeds from the sales of investments of \$1.8 million and an increase in interest income of \$0.3 million.

**Loss from Operations**

The following table presents the University's incurred losses from operations and its net non-operating revenues for the fiscal years ended June 30, 2023, and 2022.

	<u>2023</u>	<u>2022*</u>
Operating revenues, net	\$ 79,757,417	\$ 75,614,807
Operating expenses	<u>(115,338,002)</u>	<u>(121,541,369)</u>
<b>Operating loss</b>	<b><u>(35,580,585)</u></b>	<b><u>(45,926,562)</u></b>
Commonwealth direct appropriation, fringe benefits for Commonwealth employees, net of tuition remitted to the Commonwealth	48,107,868	46,984,608
Net investment income	2,227,388	(2,718,759)
Loss on disposal of assets	(9,033)	(10,275)
Other revenues	2,497,190	15,659,815
Other expenses	(6,075,873)	(6,184,496)
Capital appropriations	<u>11,018,896</u>	<u>4,552,867</u>
<b>Net non-operating revenues</b>	<b><u>57,766,436</u></b>	<b><u>58,283,760</u></b>
<b>Increase in net position</b>	<b><u>\$ 22,185,851</u></b>	<b><u>\$ 12,357,198</u></b>

**WESTFIELD STATE UNIVERSITY**  
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**Management's Discussion and Analysis (Unaudited) - Continued**

**June 30, 2023 and 2022**

**Loss from Operations – Continued**

Due to the nature of accounting for appropriations as non-operating revenues in accordance with GASB principles, the University incurred a loss from operations. The Commonwealth's Department of Higher Education establishes tuition rates while the University sets fees and other charges. The University, with the purpose of balancing educational and operational needs with tuition and fee revenue, approves budgets to mitigate losses after Commonwealth appropriations.

The \$0.5 million decrease in net non-operating revenues during fiscal year 2023 is attributable to an increase in net investment income of \$5.0 million combined with an increase in net state appropriation of \$1.1 million and an increase in state capital appropriation of \$6.5 million offset by a decrease in other revenues of \$13.2 million (mainly HEERF funding) and a decrease in other expenses of \$0.1 million.

**Capital Assets**

A summarized comparison of the University's capital asset categories at June 30, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022 (Restated)</u>
Land and improvements	\$ 7,982,420	\$ 7,982,420
Construction-in-progress	35,604,547	22,926,166
Building and improvements	151,208,698	147,234,241
Infrastructure improvements	11,552,831	-
Software arrangements	1,155,428	756,767
Equipment and furnishings	23,986,325	24,801,954
Library books	7,500,672	7,472,985
Vehicles	1,085,396	1,085,396
Leased equipment	1,096,451	1,096,451
Leased real estate	112,402,898	112,402,898
Total	<u>353,575,666</u>	<u>325,759,278</u>
Less: accumulated depreciation	<u>(117,427,019)</u>	<u>(106,337,543)</u>
Capital assets, net	<u>\$ 236,148,647</u>	<u>\$ 219,421,735</u>

**WESTFIELD STATE UNIVERSITY**  
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**Management's Discussion and Analysis (Unaudited) - Continued**

**June 30, 2023 and 2022**

**Capital Assets – Continued**

As of June 30, 2023, the University's investment in capital assets, net of accumulated depreciation and amortization, was \$236,148,647. Investment in capital assets includes land, land improvements, buildings and improvements, infrastructure improvements, furnishings and equipment, construction in progress, library books, software arrangements, and right of use leased equipment and real estate. Capital assets increased by \$16.7 million or 7.6% during fiscal year ended June 30, 2023. The increase was the result of capital additions outpacing depreciation expense.

Capital additions during fiscal year ended June 30, 2023 amounted to \$28,749,012.

Major additions include \$25.3 million in construction in progress for the renovation of Parenzo Hall and the installation of sprinklers in Wilson Hall of \$1.6 million. Other additions include \$0.6 million for replacement of the dishwasher in the dining commons, \$0.6 million in other building upgrades, \$0.3 million in HVAC upgrades and \$0.3 million in GASB96 software arrangement assets.

**Looking Ahead**

The President has carried forward the major goals in the current campus strategic plan and reports on progress regularly with the Board of Trustees at each quarterly meeting. The University is also moving forward with new initiatives to support revenue growth and design thinking innovation programs to foster new ideas and strategies to move the campus forward. The development of the next strategic plan (FY25-29) is underway.

Institutional priorities for FY24 are Enrollment and Economic Health. Enrollment stability remains an ongoing challenge at the University and the ability to adapt to changing enrollment patterns will be critical for Westfield's success. A 3-year Glide Path strategy has been developed to allow more time for program development and revenue enhancements which relies on a combination of financial strategies to stabilize campus resources. FY24 will be year two of the Glide Path Plan.

It is expected that new investments in recruitment and marketing will be made to support various enrollment and retention initiatives moving forward.

The 10-year accreditation process is nearly completed with a final report from NECHE expected this fall. The campus visit by the accreditation team occurred in March 2023.

**WESTFIELD STATE UNIVERSITY**  
**(an agency of the Commonwealth of Massachusetts)**

**Management's Discussion and Analysis (Unaudited) - Continued**

**June 30, 2023 and 2022**

**Looking Ahead - Continued**

The Commonwealth of Massachusetts will be allocating additional resources as required by the Fair Share Amendment which passed as a ballot issue in November 2022. Final decisions on campus funding are not yet confirmed but it is anticipated that funding will be allocated for capital needs and financial aid. The new tax is expected to generate over \$1B per year for higher education and transportation.

**Requests for Information**

This financial report is designed to provide a general overview of Westfield State University's finances for all those with an interest in the University's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Vice President of Administration and Finance, 333 Western Avenue, Westfield, Massachusetts 01085.

**WESTFIELD STATE UNIVERSITY**  
(an agency of the Commonwealth of Massachusetts)

**Statement of Net Position**

**June 30, 2023**

**WESTFIELD STATE UNIVERSITY**  
(an agency of the Commonwealth of Massachusetts)

**Statement of Net Position**

June 30, 2023

**Assets and Deferred Outflow of Resources**

	<u>Westfield State University</u>	<u>Component Unit</u>
<b>Current Assets:</b>		
Cash and equivalents	\$ 54,124,627	\$ 2,252,897
Cash held by State Treasurer	2,958,043	-
Deposits held by State Treasurer	2,685,015	-
Deposits held by MSCBA	630,417	-
Short-term investments	19,263,540	-
Accounts receivable, net	2,394,510	150,134
Perkins loans receivable, net	51,273	-
Other current assets	<u>111,396</u>	<u>32,542</u>
<b>Total Current Assets</b>	<u>82,218,821</u>	<u>2,435,573</u>
<b>Non-Current Assets:</b>		
Debt service reserve	602,055	-
Investments	4,130,638	15,860,334
Perkins loans receivable, net	69,975	-
Capital assets, net	<u>236,148,647</u>	<u>397,666</u>
<b>Total Non-Current Assets</b>	<u>240,951,315</u>	<u>16,258,000</u>
<b>Total Assets</b>	<u>323,170,136</u>	<u>18,693,573</u>
<b>Deferred Outflows of Resources:</b>		
Loss on bond refunding	2,112,419	-
Pension related	3,507,319	-
OPEB related	<u>5,079,631</u>	<u>-</u>
<b>Total Deferred Outflows of Resources</b>	<u>10,699,369</u>	<u>-</u>

**Total Assets and Deferred Outflows of Resources**

\$ 333,869,505

\$ 18,693,573

*The accompanying notes are an integral part of the financial statements.*

## Liabilities, Deferred Inflows of Resources and Net Position

	<u>Westfield State University</u>	<u>Component Unit</u>
<b>Current Liabilities:</b>		
Accounts payable and accrued liabilities	\$ 3,143,603	\$ 1,882
Accrued salaries, wages and benefits	5,734,033	-
Compensated absences	4,765,008	-
Accrued workers' compensation	202,412	-
Student deposits and unearned revenue	3,826,503	25,545
Current portion of notes payable	85,300	-
Current portion of bonds payable	1,345,795	-
Current portion of SBITA liability	385,965	-
Current portion of lease liability	5,588,663	-
Other liabilities	<u>868,155</u>	<u>298,791</u>
<b>Total Current Liabilities</b>	<u>25,945,437</u>	<u>326,218</u>
<b>Non-Current Liabilities:</b>		
Compensated absences, net of current portion	2,175,962	-
Accrued workers' compensation, net of current portion	1,520,618	-
Grants refundable	171,489	-
Notes payable, net of current portion	88,098	-
Bonds payable, net of current portion	19,927,320	-
SBITA liability, net of current portion	449,039	-
Lease liability, net of current portion	99,416,240	-
Net pension liability	22,479,727	-
Net OPEB liability	<u>28,290,524</u>	<u>-</u>
<b>Total Non-Current Liabilities</b>	<u>174,519,017</u>	<u>-</u>
<b>Total Liabilities</b>	<u>200,464,454</u>	<u>326,218</u>
<b>Deferred Inflows of Resources:</b>		
Gain on bond refunding	195,326	-
Gain on lease modification	353,859	-
Pension related	10,960,845	-
OPEB related	<u>36,773,586</u>	<u>-</u>
<b>Total Deferred Inflows of Resources</b>	<u>48,283,616</u>	<u>-</u>
<b>Net Position:</b>		
Net investment in capital assets	110,809,699	397,666
Restricted for:		
Expendable	2,805,062	9,787,857
Non-expendable	-	7,970,867
Unrestricted	<u>(28,493,326)</u>	<u>210,965</u>
<b>Total Net Position</b>	<u>85,121,435</u>	<u>18,367,355</u>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<u>\$ 333,869,505</u>	<u>\$ 18,693,573</u>

**WESTFIELD STATE UNIVERSITY**  
(an agency of the Commonwealth of Massachusetts)

**Statement of Revenues, Expenses and Changes in Net Position**

**For the Year Ended June 30, 2023**

	<u>Westfield State University</u>	<u>Component Unit Foundation</u>
<b>Operating Revenues:</b>		
Tuition and fees	\$ 49,258,184	\$ -
Residence and dining fees	23,811,504	-
Less: scholarships and fellowships	<u>(12,706,931)</u>	<u>-</u>
Net tuition and fees	60,362,757	-
Federal grants and contracts	8,183,422	-
State grants and contracts	7,740,921	-
Private grants and contracts	1,156,253	2,200,302
Public service	562,076	-
Other sources	<u>1,751,988</u>	<u>55,782</u>
<b>Total Operating Revenues</b>	<u>79,757,417</u>	<u>2,256,084</u>
<b>Operating Expenses:</b>		
Instruction	34,868,104	-
Public service	542,662	-
Academic support	11,152,822	36,068
Student services	12,792,533	-
Institutional support	10,665,658	727,987
Operation and maintenance of plant	13,164,934	-
Scholarships and fellowships	4,799,701	844,365
Auxiliary operations	15,338,521	-
Depreciation and amortization	<u>12,013,067</u>	<u>9,755</u>
<b>Total Operating Expenses</b>	<u>115,338,002</u>	<u>1,618,175</u>
<b>Operating (Loss) Income</b>	<u>(35,580,585)</u>	<u>637,909</u>
<b>Non-Operating Revenues (Expenses):</b>		
State appropriations, net	48,107,868	-
Federal grants	377,637	-
Other revenue - MSCBA	2,119,553	-
Loss on disposal of capital assets	(9,033)	-
Investment income, net of expenses	2,227,388	1,616,644
Interest expense	<u>(6,075,873)</u>	<u>-</u>
<b>Net Non-Operating Revenues</b>	<u>46,747,540</u>	<u>1,616,644</u>
<b>Increase in Net Position Before Other Revenues</b>	<b>11,166,955</b>	<b>2,254,553</b>
Capital appropriations	<u>11,018,896</u>	<u>-</u>
<b>Increase in Net Position</b>	<b>22,185,851</b>	<b>2,254,553</b>
Net Position, at Beginning of Year	<u>62,935,584</u>	<u>16,112,802</u>
<b>Net Position, at End of Year</b>	<u>\$ 85,121,435</u>	<u>\$ 18,367,355</u>

The accompanying notes are an integral part of the financial statements.

**WESTFIELD STATE UNIVERSITY**  
(an agency of the Commonwealth of Massachusetts)

**Statement of Cash Flows**

**For the Year Ended June 30, 2023**

	<u>Westfield State University</u>
<b>Cash Flows from Operating Activities:</b>	
Tuition and fees	\$ 41,753,600
Residence and dining fees	19,181,913
Grants and contracts	17,398,179
Payments to suppliers	(28,400,133)
Payments to employees	(66,309,553)
Payments to students	(4,799,701)
Collections of loans to students	51,274
Other receipts	<u>2,083,002</u>
Net Cash Applied to Operating Activities	<u>(19,041,419)</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>	
State appropriation	35,424,405
Tuition remitted to state	(1,040,829)
Federal grants	<u>1,269,232</u>
Net Cash Provided by Non-Capital Financing Activities	<u>35,652,808</u>
<b>Cash Flows from Capital Financing Activities:</b>	
Capital appropriations	843,835
Purchases of capital assets	(18,136,418)
Principal paid on notes payable	(82,590)
Interest paid on notes payable	(8,398)
Principal paid on SBITA liability	(320,424)
Interest paid on SBITA liability	(34,846)
Principal paid on bonds payable and lease liability	(4,408,348)
Interest paid on bonds payable and lease liability	(6,081,692)
Receipts from debt service reserve	<u>119,821</u>
Net Cash Applied to Capital Financing Activities	<u>(28,109,060)</u>
<b>Cash Flows from Investing Activity:</b>	
Proceeds from sales of investments	8,049,223
Purchase of investments	(9,190,857)
Interest income	<u>903,827</u>
Net Cash Applied to Investing Activities	<u>(237,807)</u>
<b>Net Decrease in Cash and Equivalents</b>	<b>(11,735,478)</b>
Cash and Equivalents, Beginning of Year	<u>72,133,580</u>
<b>Cash and Equivalents, End of Year</b>	<b>\$ <u>60,398,102</u></b>

**WESTFIELD STATE UNIVERSITY**  
**(an agency of the Commonwealth of Massachusetts)**

**Statement of Cash Flows - Continued**

**For the Year Ended June 30, 2023**

	<u>Westfield State University</u>
<b>Reconciliation of Net Operating Loss to Net Cash Applied to Operating Activities:</b>	
Operating loss	\$ (35,580,585)
<b>Adjustments to Reconcile Net Operating Loss to Net Cash Applied to Operating Activities:</b>	
Depreciation	12,013,067
Fringe benefits provided by the State	13,724,292
Bad debts	26,710
Changes in Assets and Liabilities:	
Accounts receivable	(949,599)
Perkins loans receivable	88,069
Other current assets	(57,817)
Accounts payable and accrued liabilities	(1,151,914)
Accrued salaries, wages and benefits	(353,241)
Compensated absences	403,369
Accrued workers' compensation	(412)
Student deposits and unearned revenue	1,564,698
Grants refundable	(95,906)
Other liabilities	127,943
Net pension activity	(2,896,521)
Net OPEB activity	<u>(5,903,572)</u>
Net Cash Applied to Operating Activities	<u>\$ (19,041,419)</u>
<b>Non-Cash Transactions:</b>	
Fringe benefits paid by State	<u>\$ 13,724,292</u>
Capital improvements provided by capital appropriations	<u>\$ 9,365,699</u>
Capital additions acquired through SBITAs	<u>\$ 398,661</u>
Construction in progress included in accounts payable and accrued liabilities	<u>\$ 848,234</u>
Change in deferred revenue related to capital appropriations	<u>\$ 809,362</u>
MSCBA lease payments paid through grants	<u>\$ 2,119,553</u>
Investment income from amortization of deferred inflows of lease modification	<u>\$ (36,924)</u>
<b>Cash and Equivalents, End of Year:</b>	
Cash and equivalents	\$ 54,124,627
Cash held by State Treasurer	2,958,043
Deposits held by State Treasurer	2,685,015
Deposits held by MSCBA	<u>630,417</u>
<b>Total</b>	<u><b>\$ 60,398,102</b></u>

*The accompanying notes are an integral part of the financial statements.*

**WESTFIELD STATE UNIVERSITY**  
**(an agency of the Commonwealth of Massachusetts)**  
**Notes to the Financial Statements**  
**June 30, 2023**

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Note 1 - **Summary of Significant Accounting Policies**

**Organization**

Westfield State University (the "University") is a public, state-supported university located in Westfield, Massachusetts and governed by a local Board of Trustees under the direction of the Massachusetts Department of Higher Education. The University is empowered to award baccalaureate and post-graduate degrees in education, business, and arts and sciences, as well as conduct programs of continuing education. The University is accredited by the New England Commission of Higher Education.

**Basis of Presentation**

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, as prescribed by the *Governmental Accounting Standards Board* ("GASB").

Westfield State Foundation, Inc. (the "Foundation") is a related tax-exempt organization founded to foster and promote the growth, progress and general welfare of the University. The Foundation is included in the University's financial statements and is reported in a separate column from the University to emphasize that it is a Massachusetts not-for-profit organization legally separate from the University. Because of the significance of its financial relationship with the University, the Foundation is included in the University's financial statements. Complete financial statements can be obtained from the Foundation's administrative office in Westfield, Massachusetts.

Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. The University's policy for defining operating activities in the statement of revenues, expenses are those that generally result from exchange transactions such as the payment received for services and payment made for the purchase of goods and services. Certain other transactions are reported as non-operating activities. These non-operating activities include the University's operating and capital appropriations from the Commonwealth of Massachusetts (the "Commonwealth"), net investment income, gifts and interest expense.

The University has determined that it functions as a business-type activity, as defined by GASB. The effect of inter-fund activity has been eliminated from these financial statements. The basic financial statements and required supplementary information for general-purpose governments consist of management's discussion and analysis, basic financial statements and required supplementary information. The University presents statements of net position, revenues and expenses, changes in net position, and cash flows on a combined University-wide basis.

**Net Position**

Resources are classified for accounting purposes into the following four net asset categories:

**Net Investment in capital assets:** Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, repair or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

**WESTFIELD STATE UNIVERSITY**  
**(an agency of the Commonwealth of Massachusetts)**  
**Notes to the Financial Statements - Continued**  
**June 30, 2023**

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Restricted - nonexpendable: Net position subject to externally imposed conditions or by law such that the University must maintain the funds in perpetuity.

Restricted - expendable: Net position whose use is subject to externally imposed conditions or by law that can be fulfilled by the actions of the University or the passage of time.

Unrestricted: Net position that is not subject to externally imposed stipulations or categorized as net investment in capital assets. Unrestricted net assets may be designated for specific purposes by action of management or the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

The University has adopted a policy of generally utilizing restricted - expendable funds, when available, prior to unrestricted funds.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies at the dates of the financial statements and revenues and expenses recognized during the reporting periods. The University's significant estimates include the accrual for employee compensated absences, the accrual for workers' compensation liability, net pension and OPEB liabilities, the allowance for doubtful accounts, and the useful lives of capital assets. Actual results could differ from those estimates.

Trust Funds

In accordance with the requirements of the Commonwealth of Massachusetts, the University's operations are accounted for in several trust funds. All trust funds have been consolidated and are included in the accompanying financial statements.

Cash and Equivalents

The University's cash and equivalents are cash on hand, cash and deposits held with the Commonwealth's Treasurer and Massachusetts State College Building Authority ("MSCBA"), which are short-term, highly liquid investments with original maturities of three months or less from the date of acquisition.

Allowance for Doubtful Accounts

Accounts and pledges receivable are periodically evaluated for collectability. Provisions for losses on receivables are determined on the basis of loss experience, known and inherent risks in the loan portfolio, the estimated value of underlying collateral and current economic conditions.

Investments

Investments in marketable securities are stated at fair value.

Dividends, interest, and net gains or losses on investments of endowments and similar funds are reported in the statements of revenues, expenses and changes in net position. Any net earnings not expended are included in net position categories as follows:

- A) as increases in restricted – nonexpendable net position if the terms of the gift require that they be added to the principal of a permanent endowment fund;

**WESTFIELD STATE UNIVERSITY**  
**(an agency of the Commonwealth of Massachusetts)**  
**Notes to the Financial Statements - Continued**  
**June 30, 2023**

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- B) as increases in temporarily restricted – expendable net position if the terms of the gift or the University’s interpretation of relevant state law impose restrictions on the current use of the income or net gains. The University has relied upon the Attorney General’s interpretation of state law that unappropriated endowment gains should generally be classified as restricted - expendable; and
- C) as increases in unrestricted net position in all other cases.

*Capital Assets*

Real estate assets, including improvements, are generally stated at cost. Furnishings, equipment, and collection items are stated at cost at date of acquisition or, in the case of gifts, at fair value at date of donation. In accordance with the state's capitalization policy, only those items with a unit cost of more than \$50,000 are capitalized. Library materials are generally expenses during the year. University capital assets, with the exception of land and construction in progress, are depreciated on a straight-line basis over their estimated useful lives, which range from 3 to 40 years. Leased and subscription-based information technology arrangement assets are amortized over the shorter of the lease/subscription term or useful life of the underlying asset. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Amortization of leasehold improvements and leased assets is included within depreciation expense.

*Restricted Gifts*

The University recognizes restricted gifts as revenues or receivables when all applicable eligibility requirements, including time requirements, are met.

*Grants and Contracts*

The University receives monies from the federal and state government and other private agencies under grants and contracts. The costs, both direct and indirect, charged to these grants and contracts are subject to audit by the granting agency. The University administration believes that any audit adjustments would not have a material adverse effect on the University's financial position, its revenues, expenses and changes in net position, or its cash flows.

*Compensated Absences*

Employees earn the right to be compensated during absences for vacation and sick leave or when using compensatory time. Accrued vacation and compensatory time is the amount earned by all eligible employees through June 30, 2023. The accrued sick leave balance represents 20% of amounts earned by those employees with ten or more years of state service at June 30, 2023. Upon retirement, those employees are entitled to receive payment for this accrued balance. Funding of these amounts is anticipated to be part of the future annual appropriation process from the Commonwealth of Massachusetts.

*Deposits and Unearned Revenue*

Deposits and advance payments received for tuition and fees related to certain summer programs and tuition received for the following academic year are deferred. Funds received in advance from various grants and contracts are deferred. Deposits and unearned revenue are recorded as revenue when earned.

**WESTFIELD STATE UNIVERSITY**  
**(an agency of the Commonwealth of Massachusetts)**  
**Notes to the Financial Statements - Continued**  
**June 30, 2023**

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*Deposits Held by State Treasurer*

Deposits held represents funds accessible by the University held by the Commonwealth of Massachusetts for payments on payroll.

*Deposits Held by MSCBA*

Deposits held represents funds accessible by the Massachusetts State College Building Authority for specific projects.

*Pensions*

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Massachusetts State Employees' Retirement System plan ("SERS") and the additions to/deductions from SERS' fiduciary net position have been determined on the same basis as they are reported by SERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*Post-employment Benefits Other Than Pensions ("OPEB")*

For purposes of measuring the University's net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State Retirees' Benefit Trust ("SRBT") and additions to/deductions from SRBT's fiduciary net position have been determined on the same basis as they are reported by SRBT. For this purpose, SRBT recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

*Student Fees*

Student tuition and other fees are presented net of scholarships and fellowships applied to students' accounts. Certain other scholarship amounts paid directly to, or refunded to, the student are generally reflected as expenses.

*Fringe Benefits*

The University participates in the Commonwealth's fringe benefit programs, including health insurance, unemployment, pension, and workers' compensation benefits. Health insurance, unemployment and pension costs are billed through a fringe benefit rate charged to the University. Workers' compensation costs are assessed separately based on the University's actual experience. The Commonwealth requires the University to record, as a liability, its portion of the future estimated workers' compensation benefits to be paid.

*Income Tax Status*

The University is a component unit of the Commonwealth of Massachusetts and is exempt from federal income taxes under Section 115 of the Internal Revenue Code. The Foundation is also exempt from income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code.

**WESTFIELD STATE UNIVERSITY**  
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**Notes to the Financial Statements - Continued**  
**June 30, 2023**

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*Future Governmental Accounting Pronouncements*

GASB Statement 99 – *Omnibus 2022* has multiple effective dates. The objective of this statement is to clarify reporting requirements for financial guarantees and derivative investments (which is effective for reporting periods after June 15, 2023).

GASB Statement 100 – *Accounting Changes and Error Corrections – an amendment of GASB 62* is effective for reporting periods beginning after June 15, 2023. The objective of this statement is to provide consistency for changes in accounting principles, accounting estimates, and the reporting entity and corrections of errors.

GASB Statement 101 – *Compensated Absences* is effective for reporting periods beginning after December 15, 2023. The objective of this statement is to update the recognition and measurement for compensated absences.

Management has not completed its review of the requirements of these standards and their applicability.

Note 2 - **Implementation of Newly Effective Accounting Standard**

As of July 1, 2022, the University implemented GASB 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. GASB 96 enhances the consistency for SBITA activities and establishes the requirement to recognize a right of use asset and liability for SBITAs.

There was no change to net position as of July 1, 2022, upon the implementation of GASB 96 since the adjustment for the right to use assets – SBITAs of \$756,767 was completely offset by the adjustment for the SBITA liability. The right of use assets and liability for SBITAs was previously \$0 as of July 1, 2022.

Note 3 - **Cash and Equivalents**

The carrying amount of the University's bank deposits and deposits in trust depositories is \$54,124,627 as compared to bank balances of \$55,256,191 at June 30, 2023. The differences between the carrying amount and the bank balances were attributed to deposits in transit and outstanding checks.

In addition to Federal Deposit Insurance Corporation insurance, the University has deposits insured through collateralization in a pool of eligible securities held by Berkshire Bank's Asset Management/Trust Group as custodian totaling \$41,473,406 at June 30, 2023. Amounts remaining that are exposed to custodial risk at June 30, 2023 were \$13,032,785.

Note 4 - **Cash Held by the State Treasurer**

Accounts payable, accrued salaries, wages and withholdings to be funded from state-appropriated funds totaled \$2,958,043 at June 30, 2023. The University has recorded a comparable dollar amount of cash held by the State Treasurer for the benefit of the University, which was subsequently used to pay for such liabilities.

**WESTFIELD STATE UNIVERSITY**  
**(an agency of the Commonwealth of Massachusetts)**  
**Notes to the Financial Statements - Continued**  
**June 30, 2023**

Note 5 - **Investments**

**University**

Short-term investments are categorized according to the level of risk assumed by the University. At June 30, 2023, the entire balance of investments are held in trust depository accounts in the name of the University and are uninsured. At June 30, 2023, the investments are stated at fair value.

At June 30, 2023, the fair value of the University's investments in debt securities by contractual maturities is as follows:

June 30, 2023 Investment Maturity in Years					
Investment Type:	Fair Value	Less than 1	1-5	6-10	> 10
Corporate bonds	\$ 4,483,185	\$ 1,225,532	\$ 3,257,653	\$ -	\$ -
U.S. Treasuries	1,948,126	1,075,142	872,984	-	-
Government Agencies	176,544	176,544	-	-	-
Total fixed income	6,607,855	\$ 2,477,218	\$ 4,130,638	\$ -	\$ -
Equity securities	16,786,323	-	-	-	-
Total investments	\$ 23,394,178	-	-	-	-

At June 30, 2023, the University's U.S. Treasury Notes and Government Securities and corporate debt securities credit quality ratings are as follows:

	Quality Ratings									
	Fair Value	BBB-	BBB	BBB+	A-	A	A+	AA-	AAA	Not Rated
Corporate bonds	\$ 4,483,185	\$ 185,963	\$ 1,267,173	\$ 1,351,879	\$ 946,941	\$ 498,778	\$ 232,452	\$ -	\$ -	\$ -
U.S. Treasuries	1,948,126	-	-	-	-	-	-	-	1,948,126	-
Government Agencies	176,544	-	-	-	-	-	-	-	176,544	-
Totals	\$ 6,607,855	\$ 185,963	\$ 1,267,173	\$ 1,351,879	\$ 946,941	\$ 498,778	\$ 232,452	\$ -	\$ 2,124,670	\$ -

**Fair Value Hierarchy**

The fair value hierarchy categorizes inputs to valuation techniques used to measure fair value into three levels. Level 1 inputs are quoted market prices for identical assets or liabilities in active markets that a government can access at the measurement date.

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for an asset or liability, directly or indirectly. Level 3 inputs are unobservable inputs. The highest priority is assigned to Level 1 inputs and the lowest to Level 3 inputs. If the fair value is measured using inputs from more than one level of the hierarchy, the measurement is considered to be based on the lowest priority input level that is significant to the entire measurement. Valuation techniques used should maximize the use of the observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2023.

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Mutual funds and common stock are valued at daily closing prices as reported by the fund and are deemed to be actively traded. U.S. Treasuries and U.S. Government obligations are valued using quoted prices, documented trade history in the security, and pricing models maximizing the use of observable inputs. These securities are classified as Level 1.

Corporate bonds are valued either by using pricing models maximizing the use of observable inputs for similar securities or valued by the investment manager. These securities are classified as level 2.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the University believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

	June 30, 2023			
	Level 1	Level 2	Level 3	Total
Mutual funds:				
International equities	\$ 794,813	\$ -	\$ -	\$ 794,813
U.S. Treasuries	1,137,776	-	-	1,137,776
International emerging	1,230,079	-	-	1,230,079
Domestic Large Blend equities	1,584,319	-	-	1,584,319
Small and Mid Cap equities	1,969,846	-	-	1,969,846
Total mutual funds	6,716,833	-	-	6,716,833
U.S. Treasuries	1,948,126	-	-	1,948,126
Government Agencies	176,544	-	-	176,544
Common stocks	10,069,490	-	-	10,069,490
Corporate bonds	-	4,483,185	-	4,483,185
Total investment assets	\$ 18,910,993	\$ 4,483,185	\$ -	\$ 23,394,178

Foundation

Investments of the Foundation at June 30, 2023 are categorized as Level 1 investments and are valued at quoted prices of the shares held in an active market:

Stock Market Index Fund	\$ 7,348,176
Bond Market Index Fund	4,341,270
International Stock Market Index Fund	4,170,888
	<u>\$ 15,860,334</u>

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Note 6 - **Accounts Receivable**

The composition of the University's accounts receivable at June 30, 2023 is summarized as follows:

Student accounts receivable	\$ 2,674,875
Grants receivable	1,515,528
Other receivables	<u>327,166</u>
	4,517,569
Less: allowance for doubtful accounts	<u>(2,123,059)</u>
	<u>\$ 2,394,510</u>

Note 7 - **Perkins Loans Receivable and Grants Refundable**

Loans receivable consist of the Federal Perkins Loan Program ("Perkins"). The Federal Government provides the majority of the funds to support this program. The portion of the Perkins program provided by the Federal Government, identified as grants refundable on the statements of net position, is refundable to the Federal Government upon the termination of the University's participation in the program.

Loans receivable include the following at June 30, 2023:

Perkins loans receivable	\$ 142,364
Less: allowance for doubtful accounts	<u>(21,116)</u>
Total loans receivable, net	121,248
Less: amount due in one year	<u>(51,273)</u>
Long term loans receivable	<u>\$ 69,975</u>

The Federal Perkins Loan Program Extension Act of 2015 (the "Extension Act"), enacted on December 18, 2015, extended the Perkins Loan Program through September 30, 2017. The Extension Act states that new Perkins Loans cannot be disbursed to students after September 30, 2017. No further extensions were granted for the program as of the date of issuance of these financial statements.

Note 8 - **Related Party Transactions**

**University**

The University provides certain personnel and payroll services to the Foundation at no charge.

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Note 9 - **Capital Assets**

The University's capital asset activity for the year ended June 30, 2023 is summarized as follows:

	Estimated lives <u>(in years)</u>	(Restated) Beginning <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Reclassifications</u>	Ending <u>Balance</u>
Capital assets, not depreciable:						
Land	-	\$ 1,223,862	\$ -	\$ -	\$ -	\$ 1,223,862
Construction-in-progress	-	22,926,166	26,099,836	-	(13,421,455)	35,604,547
Total		24,150,028	26,099,836	-	(13,421,455)	36,828,409
Depreciable:						
Buildings, including improvements	20-40	146,963,158	2,058,115	-	1,916,342	150,937,615
Infrastructure improvements	40	-	47,718	-	11,505,113	11,552,831
Land improvements	20	6,758,558	-	-	-	6,758,558
Leasehold improvements	5	271,083	-	-	-	271,083
Equipment and furnishings	3-10	24,801,954	116,995	932,624	-	23,986,325
Library books	5	7,472,985	27,687	-	-	7,500,672
Vehicles	5	1,085,396	-	-	-	1,085,396
Software arrangements	3-5	756,767	398,661	-	-	1,155,428
Leased equipment	5-7	1,096,451	-	-	-	1,096,451
Leased real estate	8-24	112,402,898	-	-	-	112,402,898
Total		301,609,250	2,649,176	932,624	13,421,455	316,747,257
Less accumulated depreciation:						
Buildings, including improvements		69,160,773	4,210,883	-	-	73,371,656
Infrastructure improvements		-	288,821	-	-	288,821
Land improvements		2,389,337	282,548	-	-	2,671,885
Leasehold improvements		271,083	-	-	-	271,083
Equipment and furnishings		20,066,592	807,202	923,591	-	19,950,203
Library books		7,423,705	30,660	-	-	7,454,365
Vehicles		1,061,556	20,819	-	-	1,082,375
Software arrangements		-	298,382	-	-	298,382
Leased equipment		110,035	219,290	-	-	329,325
Leased real estate		5,854,462	5,854,462	-	-	11,708,924
Total accumulated depreciation		106,337,543	12,013,067	923,591	-	117,427,019
Capital Assets, Net		\$ 219,421,735	\$ 16,735,945	\$ 9,033	\$ -	\$ 236,148,647

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Note 10 - **Student Deposits and Unearned Revenue**

Student deposits and unearned revenue includes tuition received in advance from students for summer courses commencing after June 30, the subsequent fall semester, state capital appropriations, and grant funds received in advance. Student deposits and unearned revenue of the University include the following as of June 30, 2023:

Tuition and fees	<b>\$ 1,881,994</b>
State capital appropriations	<b>375,601</b>
Grants	<b><u>1,568,908</u></b>
Total student deposits and unearned revenue	<b><u>\$ 3,826,503</u></b>

Note 11 - **Line of Credit**

The Foundation has a demand line of credit allowing maximum borrowings of \$500,000. Interest on the note is charged at the prime rate minus 0.5% (8.00% at June 30, 2023).

Note 12 - **Long-Term Liabilities**

Leases, SBITA, notes and bond payables at June 30, 2023 consist of:

	(Restated) Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Leases notes and bonds payable:					
Notes payable	\$ 255,988	\$ -	\$ 82,590	\$ 173,398	\$ 85,300
SBITA liability	756,767	398,661	320,424	835,004	385,965
Lease liability	110,464,139	-	5,459,236	105,004,903	5,588,663
Bonds payable	22,032,520	-	1,068,665	20,963,855	1,272,170
Bonds premium	400,286	-	91,026	309,260	73,625
Total leases notes and bonds payable	<u>133,909,700</u>	<u>398,661</u>	<u>7,021,941</u>	<u>127,286,420</u>	<u>7,405,723</u>
Other long-term liabilities:					
Compensated absences	6,537,601	403,369	-	6,940,970	4,765,008
Workers' compensation	1,723,442	-	412	1,723,030	202,412
Grants refundable	267,395	-	95,906	171,489	-
Net pension liability	21,788,225	691,502	-	22,479,727	-
Net OPEB liability	38,255,065	-	9,964,541	28,290,524	-
Total other long-term liabilities	<u>68,571,728</u>	<u>1,094,871</u>	<u>10,060,859</u>	<u>59,605,740</u>	<u>4,967,420</u>
Total	<u>\$ 202,481,428</u>	<u>\$ 1,493,532</u>	<u>\$ 17,082,800</u>	<u>\$ 186,892,160</u>	<u>\$ 12,373,143</u>

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*MSCBA Bonds Payable*

On July 1, 2020 the University's MSCBA Series 2010A, 2010B, 2012A, 2014B, 2019C bonds were partially refunded as part of the MSCBA's Refunding Revenue Bonds Series 2020A. The purpose of the issuance was to provide budgetary relief for fiscal years 2021 and 2022 to the University. The refunding resulted in an economic loss of approximately \$2,060,000 and a deferred loss of approximately \$2,414,000. The first principal payment is due on May 1, 2024, and the final payment is due on May 1, 2044 with an interest rate that ranges from 1.04% to 3.07%. Total principal related to 2020A partial refunding was \$12,095,901. At June 30, 2023 the outstanding amounts related to all MSCBA bond series was \$21,219,923 and is included in the project related bond payable amounts described below.

*Science Center Building:*

In December 2014, the University entered into a financing agreement with the MSCBA for partial funding of a new Science Center building. The source of financing for the project is based on the issuance of Project Revenue Bonds issued by MSCBA on behalf of the University (Series 2014B and 2020A). Through its agreements with MSCBA, the University will repay this debt in semi-annual installments, starting November 1, 2015 and ending May 1, 2044, at an annual variable coupon rate averaging 5.0%. MSCBA requires that the University maintain a debt service reserve which totaled \$499,440 for the year ended June 30, 2023. At June 30, 2023, the balance on these bonds related to this project was \$12,255,977.

*Ely Hall:*

In November 2011, the University entered into a financing agreement with the MSCBA for an expansion of the wellness center, and the relocation of the food services and other student areas in Ely Hall. The source of financing for the project is based on the issuance of Project Revenue Bonds issued by MSCBA on behalf of the University (Series 2012A, 2019C, and 2020A). In fiscal year 2020 the 2012A bond was partially refunded with the Series 2019C bonds resulting in an economic gain of \$414,303 and a deferred gain of \$260,434. As disclosed above, in July 2020 both the Series 2012A and 2019C bonds were partially refunded with the Series 2020A bonds. Through its agreements with MSCBA, the University is to repay this debt in semi-annual installments, starting May 1, 2020 and ending May 1, 2044, at an annual variable coupon rate averaging 2.2%. A debt service reserve fund is not required under this financing arrangement. At June 30, 2023, the balance on these bonds related to this project was \$5,055,888.

*Dining Facility:*

In December 2010, the University entered into a financing agreement with the MSCBA for an expansion of a dining facility. The source of financing for the project is based on the issuance of Project Revenue Bonds issued by MSCBA on behalf of the University (Series 2010A, 2010B, and 2020A). As disclosed above, in July 2020 the Series 2010A and 2010B bonds were partially refunded with the Series 2020A bonds. Through its agreements with MSCBA, the University will repay this debt in semi-annual installments, starting May 1, 2011 and ending May 1, 2044, at an annual variable coupon rate averaging 5.5%. MSCBA requires that the University maintain a debt service reserve which totaled \$102,615 for the year ended June 30, 2023. At June 30, 2023, the balance on these bonds was \$2,616,163.

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*Dining Facility Equipment Replacement and Installation:*

In February 2022, the University entered into a financing agreement with the MSCBA for the replacement of equipment in the dining facility. The source of financing for the project is based on the issuance of Project Revenue Bonds issued by MSCBA on behalf of the University (Series 2022A). Through its agreements with MSCBA, the University will repay this debt in semi-annual installments, starting November 1, 2022 and ending May 1, 2032, at an annual coupon rate of 5.0%. MSCBA does not require that the University maintain a debt service reserve. At June 30, 2023, the balance on these bonds was \$1,291,895.

Other Bonds Payable

During November 2010, the University borrowed \$226,065 in clean renewable energy bonds issue Series 2010A-14 with the Massachusetts Development Finance Agency ("MDFA"). The Series 2010A-14 bonds are payable in annual principal installments of \$13,298 through fiscal year 2027. Interest is payable semiannually at a fixed interest rate of 3.5%. MDFA requires no debt reserve. At June 30, 2023, the balance on these bonds was \$53,192.

Future Maturities of Bonds Payable

Maturities of the bonds payable subsequent to June 30, 2023 are as follows:

Years Ended June 30,	Principal	Interest	Total
2024	\$ 1,272,170	\$ 656,438	\$ 1,928,608
2025	1,314,795	612,625	1,927,420
2026	1,367,178	566,019	1,933,197
2027	1,421,849	514,938	1,936,787
2028	1,262,631	460,928	1,723,559
2029-2033	6,299,472	1,590,263	7,889,735
2034-2038	3,955,000	933,280	4,888,280
2039-2043	3,380,760	418,138	3,798,898
2044	690,000	21,197	711,197
	<u>\$ 20,963,855</u>	<u>\$ 5,773,826</u>	<u>\$ 26,737,681</u>

Future Maturities of Notes Payable

The following schedule summarizes future minimum annual payments under non-cancelable notes payable as of June 30, 2023:

Years Ended June 30,	Principal	Interest	Total
2024	\$ 85,300	\$ 5,689	\$ 90,989
2025	<u>88,098</u>	<u>2,890</u>	<u>90,988</u>
	<u>\$ 173,398</u>	<u>\$ 8,579</u>	<u>\$ 181,977</u>

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The University entered into finance purchase agreements for equipment. The notes payable require annual payments ranging from \$20,737 to \$70,250 with interest rates ranging from 3.19% to 3.53%

**Note 13 - Lease Liability**

A summary of the University's leases at June 30, 2023 is as follows:

<u>Description</u>	<u>Expiration Date</u>	<u>Payment Amount</u>	<u>Rate Type</u>	<u>Interest Rate</u>	<u>Lease Liability</u>
Equipment Leases	Various	\$5,112 - \$10,337	IBR	5.00%	\$ 794,866
MSCBA-04A-New Hall	5/1/2043	Varies	Implicit Rate	3.11%	28,498,199
MSCBA-04A-Renewal	5/1/2041	Varies	Implicit Rate	2.86%	366,418
MSCBA-06A-Renewal (2006)	5/1/2033	Varies	Implicit Rate	2.10%	888,406
MSCBA-06A-Renewal (2007)	5/1/2033	Varies	Implicit Rate	2.21%	1,894,575
MSCBA-08A-Renewal (20)	5/1/2042	Varies	Implicit Rate	3.64%	442,032
MSCBA-08A-Renewal (30)	5/1/2042	Varies	Implicit Rate	3.10%	2,314,283
MSCBA-09A-Renewal	5/1/2042	Varies	Implicit Rate	3.71%	1,230,691
MSCBA-09C-Renewal	5/1/2041	Varies	Implicit Rate	5.01%	2,530,247
MSCBA-10B-Renewal	5/1/2041	Varies	Implicit Rate	5.22%	1,239,975
MSCBA-12A-Renewal	5/1/2041	Varies	Implicit Rate	2.49%	1,349,653
MSCBA-12A-University Hall	5/1/2044	Varies	Implicit Rate	4.01%	46,863,645
MSCBA-12C-Renewal	5/1/2032	Varies	Implicit Rate	4.25%	2,379,028
MSCBA-14A-Davis	5/1/2043	Varies	Implicit Rate	3.17%	1,546,787
MSCBA-14C-Dickinson	5/1/2039	Varies	Implicit Rate	4.75%	4,880,420
MSCBA-15A-Davis	5/1/2036	Varies	Implicit Rate	4.46%	4,441,949
MSCBA-99A-Pooled Debt Service	5/1/2028	Varies	Implicit Rate	35.61%	3,343,729
					<u>\$ 105,004,903</u>

Equipment Leases

In July 2019, the University entered into a seven-year lease agreement for equipment. Payments of \$5,243 are due monthly. There are no options to renew the lease or purchase the leased equipment. The University did not make payments for the lease other than the monthly payments for the year ended June 30, 2023.

In January 2022, the University entered into a five-year lease agreement for equipment. Payments of \$5,112 are due monthly. There are no options to renew the lease or purchase the leased equipment. The University did not make payments for the lease other than the monthly payments for the year ended June 30, 2023.

In April 2022, the University entered into a five-year lease agreement for equipment. Payments of \$10,337 are due monthly. There are no options to renew the lease or purchase the leased equipment. The University did not make payments for the lease other than the monthly payments for the year ended June 30, 2023.

The University's incremental borrowing rate ("IBR") for a transaction with similar attributes was used to discount the lease payments to recognize the intangible right to use this asset and the associated lease liability.

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MSCBA

The land on which the residence hall resides is leased by the Massachusetts State College Building Authority (“MSCBA”) from the Commonwealth of Massachusetts. MSCBA has issued bonds to construct and refurbish the University’s residence halls. The residence halls and the associated liabilities are reflected on the financial statements of MSCBA. MSCBA leases the residence halls to the University.

According to an agreement between the Commonwealth of Massachusetts and the University, the University is responsible for reimbursing MSCBA for debt service payments of the bonds that MSCBA has issued for the residence halls and operating costs for the residence halls incurred by MSCBA.

The lease terms are completed when the final bond payment is made. Final payment for all bonds is scheduled for May, 2044. If MSCBA refunds the bonds, any cost savings are passed through to the University. For the year ended June 30, 2022, \$2.9 million of the bonds were refunded. The difference in the lease liability due to the refunding was recognized as deferred outflow of resources.

Payments to MSCBA are due in semi-annual installments that coincide with the fall and spring academic semesters. For the year ended June 30, 2023, debt service payments related to leases paid by the University was \$10,654,685 and other payments of \$1,591,106.

At June 30, 2023, the total amount of the right of use lease assets and accumulated amortization for leases were \$113,499,349 and \$12,038,249, respectively.

Annual requirements to amortize the lease liability and related interest subsequent to June 30, 2023 are as follows:

<u>Years Ended</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 5,588,663	\$ 5,171,511	\$ 10,760,174
2025	5,872,450	4,870,920	10,743,370
2026	6,204,806	4,521,976	10,726,782
2027	6,468,823	4,108,678	10,577,501
2028	6,986,204	3,594,344	10,580,548
2029-2033	27,375,405	11,647,210	39,022,615
2034-2038	25,042,559	6,676,849	31,719,408
2039-2043	20,864,695	1,968,473	22,833,168
2044	601,298	22,288	623,586
	<u>\$ 105,004,903</u>	<u>\$ 42,582,249</u>	<u>\$ 147,587,152</u>

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Note 14 - **Subscription-Based Information Technology Arrangements**

The University has entered into subscription-based information technology arrangements (SBITAs) for various software products which were initiated in fiscal years ended ranging from June 30, 2021 to 2023. These agreements have expiration dates ranging from August 2024 to December 2026 and have annual payments ranging from \$23,062 to \$127,270. An IBR of 5% was used to discount all SBITA arrangement payments to recognize the intangible right to use this asset and the associated SBITA liability. There were no payments made for additional services not included in the annual SBITA payments. The University has no options to renew these agreements and there is no option to purchase the software products.

At June 30, 2023, the total amount of the SBITA right of use assets and accumulated amortization for SBITAs were \$1,155,428 and \$298,382, respectively.

Annual requirements to amortize the SBITA liability and related interest subsequent to June 30, 2023 are as follows:

Years Ended				
June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2024	\$ 385,965	\$ 32,618	\$ 418,583	
2025	307,691	22,974	330,665	
2026	141,348	7,232	148,580	
	<u>\$ 835,004</u>	<u>\$ 62,824</u>	<u>\$ 897,828</u>	

Note 15 - **Pension**

**Defined Benefit Plan Description**

Certain employees of the University participate in a cost-sharing multiple-employer defined benefit pension plan - the Massachusetts State Employees' Retirement System - administered by the Massachusetts State Board of Retirement (the "Board"), which is a public employee retirement system ("PERS"). Under a cost-sharing plan, pension obligations for employees of all employers are pooled and plan assets are available to pay the benefits through the plan, regardless of the status of the employers' payment of its pension obligations to the plan. The plan provides retirement and disability benefits and death benefits to plan members and beneficiaries.

The Massachusetts State Employees' Retirement System does not issue stand-alone financial statements. Additional information regarding the Plan is contained in the Commonwealth's financial statements, which is available on-line from the Office of State Comptroller's website.

**Benefit Provisions**

SERS provides retirement, disability, survivor and death benefits to members and their beneficiaries. Massachusetts General Laws ("MGL") establishes uniform benefit and contribution requirements for all contributory PERS. These requirements provide for superannuation retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For employees hired after April 1, 2012, retirement allowances are calculated based on the last five years or any five consecutive years, whichever is greater in terms of compensation. Benefit payments are based upon a

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member's age, length of creditable service, group creditable service, and group classification. The authority for amending these provisions rests with the Massachusetts State Legislature (the "Legislature").

Members become vested after ten years of creditable service. A superannuation retirement allowance may be received upon the completion of twenty years of service or upon reaching the age of 55 with ten years of service. Normal retirement for most employees occurs at age 65; for certain hazardous duty and public safety positions, normal retirement is at age 55. Most employees who joined the system after April 1, 2012 are not eligible for retirement until they have reached age 60.

Contributions

The SERS' funding policies have been established by Chapter 32 of the MGL. The Legislature has the authority to amend these policies. The annuity portion of the SERS retirement allowance is funded by employees, who contribute a percentage of their regular compensation. Costs of administering the plan are funded out of plan assets.

Member contributions for SERS vary depending on the most recent date of membership:

Hire Date	Percent of Compensation
Prior to 1975	5% of regular compensation
1975 - 1983	7% of regular compensation
1984 to 6/30/1996	8% of regular compensation
7/1/1996 to present	9% of regular compensation except for State Police which is 12% of regular compensation
7/1/2001 to present	11% of regular compensation (for teacher hired after 7/1/01 and those accepting provisions of Chapter 114 of the Acts of 2000)
1979 to present	An additional 2% of regular compensation in excess of \$30,000 except for teachers subject to Chapter 114 of the Acts of 2000

The Commonwealth does not require the University to contribute funding from its local trust funds for employees paid by state appropriations. Pension funding for employees paid from state appropriations are made through a benefit charge assessed by the Commonwealth. Such pension contributions amounted to approximately \$5,802,000 and \$5,556,000 for the years ended June 30, 2023 and 2022, respectively.

For employees covered by SERS but not paid from state appropriations, the University is required to contribute at an actuarially determined rate. The rate was 16.70% and 16.11% of annual covered payroll for the years ended June 30, 2023 and 2022. The University contributed \$2,086,906 and \$2,274,638 for the years ended June 30, 2023 and 2022, respectively, equal to 100% of the required contributions for each year. Annual covered payroll was approximately 91% and 89% of total related payroll for the years ended 2023 and 2022, respectively.

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*Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At June 30, 2023, the University reported a liability of \$22,479,727 for its proportionate share of the net pension liability related to its participation in SERS. The net pension liability as of June 30, 2023, the reporting date, was measured as of June 30, 2022, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022 rolled forward to June 30, 2022.

The University's proportion of the net pension liability was based on its share of the Commonwealth of Massachusetts' collective pension amounts allocated on the basis of actual fringe benefit charges assessed to the University for the fiscal year 2023. The Commonwealth's proportionate share was based on actual employer contributions to the SERS for fiscal year 2023 relative to total contributions of all participating employers for the fiscal year. At June 30, 2023, the University's proportion was 0.162%.

For the year ended June 30, 2023, the University recognized a pension expense credit of \$(809,615). The University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at June 30, 2023:

Deferred Outflows of Resources Related to Pension

Contributions subsequent to the measurement date	\$ 2,086,906
Differences between expected and actual experience	559,192
Changes in proportion from Commonwealth	1,538
Change in plan actuarial assumptions	618,903
Changes in proportion due to internal allocation	<u>240,780</u>
Total	<u>\$ 3,507,319</u>

Deferred Inflows of Resources Related to Pension

Changes in proportion due to internal allocation	\$ 9,902,806
Changes in proportion from Commonwealth	60,807
Differences between expected and actual experience	877,391
Differences between projected and actual earnings of pension plan investments	<u>119,841</u>
Total	<u>\$ 10,960,845</u>

**WESTFIELD STATE UNIVERSITY**  
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**June 30, 2023**

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The University's contributions of \$2,086,906 made during the year ended June 30, 2023, subsequent to the measurement date, will be recognized as a reduction of the net pension liability in each of the succeeding years. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as increases (decreases) in pension expense as follows:

Years Ending	
<u>June 30,</u>	
2024	\$ (2,126,971)
2025	(2,518,821)
2026	(3,225,331)
2027	(991,080)
2028	(678,229)
	<u>\$ (9,540,432)</u>

***Actuarial Assumptions***

The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Measurement date	June 30, 2022
Inflation	2.50%
Salary increases	4.00% to 9.00%
Investment rate of return	7.00%
Interest rate credited to annuity savings fund	3.50%
Cost of living increase	3.00%

For measurement date June 30, 2022, mortality rates were based on:

- Pre-retirement - reflects RP-2014 Blue Collar Employees table projected generationally with Scale MP-2020 set forward 1 year for females.
- Post-retirement - reflects RP-2014 Blue Collar Healthy Annuitant table projected generationally with Scale MP-2020 set forward 1 year for females.
- Disability - reflects the post-retirement mortality described above, set forward 1 year.

Experience studies were performed as follows:

- Dated February 27, 2014 and encompasses the period January 1, 2006 to December 31, 2011, updated to reflect actual experience from 2012 through 2020 for post-retirement mortality.

The 2023 pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of January 1, 2022 and rolled forward to June 30, 2022.

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Investment assets of SERS are with the Pension Reserves Investment Trust (“PRIT”) Fund. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future rates of return by the target asset allocation percentage.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	38.0%	4.2%
Portfolio Completion Strategies	10.0%	2.7%
Core Fixed Income	15.0%	0.5%
Private Equity	15.0%	7.3%
Real Estate	10.0%	3.3%
Value Added Fixed Income	8.0%	3.7%
Timber/Natural Resources	4.0%	3.9%
 Total	100.0%	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% at June 30, 2023. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the Commonwealth’s contributions will be made at rates equal to the difference between actuarially determined contributions rates and the member rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following table illustrates the sensitivity of the net pension liability calculated using the discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate.

June 30, 2023		
Current		
1.00% Decrease (6.00%)	Discount Rate (7.00%)	1.00% Increase (8.00)%
\$ 31,004,661	\$ 22,479,727	\$ 15,266,394

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**June 30, 2023**

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Note 16 - **OPEB**

*Plan Description*

As an agency of the Commonwealth, certain employees of the University participate in the Commonwealth's single-employer defined benefit-OPEB plan - the State Retirees' Benefit Trust ("SRBT"). Benefits are managed by the Group Insurance Commission ("GIC") and investments are managed by the Pension Reserves Investment Management ("PRIM") Board. The GIC has representation on the Board of Trustees of the State Retirees' Benefits Trust ("Trustees").

The SRBT is set up solely to pay for OPEB benefits and the cost to administer those benefits. It can only be revoked when all such health care and other non-pension benefits, current and future, have been paid or defeased. The GIC administers benefit payments, while the Trustees are responsible for investment decisions.

Management of the SRBT is vested with the Trustees, which consists of seven members including the Secretary of Administration and Finance (or their designee), the Executive Director of the GIC (or their designee), the Executive Director of PERAC (or their designee), the State Treasurer (or their designee), the Comptroller (or a designee), one person appointed by the Governor, and one person appointed by the State Treasurer. These members elect one person to serve as chair of the board.

The SRBT does not issue stand-alone audited financial statements but is reflected as a fiduciary fund in the Commonwealth's audited financial statements.

*Benefits Provided*

Under Chapter 32A of the Massachusetts General Laws, the Commonwealth is required to provide certain health care and life insurance benefits for retired employees of the Commonwealth, housing authorities, redevelopment authorities and certain other governmental agencies. Substantially all of the Commonwealth's employees may become eligible for these benefits if they reach retirement age while working for the Commonwealth. Eligible retirees are required to contribute a specified percentage of the health care / benefit costs, which are comparable to contributions required from employees. Dental and vision coverage may be purchased by these groups with no subsidy from the Commonwealth.

*Contributions*

Employer and employee contribution rates are set by MGL. The Commonwealth recognizes its share of the costs on an actuarial basis. As of June 30, 2023 and as of the valuation date (January 1, 2022), participants contributed 10% to 20% of premium costs, depending on the date of hire and whether the participants' status is active, retired, or survivor. As part of the fiscal year 2010 General Appropriation Act, all active employees pay an additional 5% of premium costs. The Massachusetts General Laws governing employer contributions to SRBT determine whether entities are billed for OPEB costs. Consequently, SRBT developed an effective contribution methodology which allocates total actual contributions amongst the employers in a consistent manner (based on an employer's share of total covered payroll). The University is required to contribute based on Massachusetts General Laws; the rate was 7.28% of annual covered payroll for the fiscal year ended June 30, 2023.

The University contributed \$909,454 for the fiscal year ended June 30, 2023, equal to 100% of the required contribution for the year.

**WESTFIELD STATE UNIVERSITY**  
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**Notes to the Financial Statements - Continued**  
**June 30, 2023**

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*OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*

At June 30, 2023, the University reported a liability of \$28,290,524 for its proportionate share of the net OPEB liability related to its participation in SRBT. The net OPEB liability as of June 30, 2023, was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2022. The University's proportion of the net OPEB liability was based on its share of the Commonwealth's collective OPEB amounts allocated on the basis of an effective contribution methodology which allocates total actual contributions amongst the employers in a consistent manner based on the University's share of total covered payroll for the fiscal year 2022. The University's proportionate share was based on the actual employer contributions to the SRBT for fiscal year 2022 relative to total contributions of all participating employers for the fiscal year. At June 30, 2023, the University's proportion was 0.212%.

For the year ended June 30, 2023, the University recognized an OPEB expense credit of \$(4,657,096). The University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources at June 30, 2023:

Deferred Outflows of Resources Related to OPEB

Contributions subsequent to the measurement date	\$ 909,454
Changes in proportion from Commonwealth	12,998
Differences between expected and actual experience	520,792
Changes of assumptions	2,083,690
Changes in proportion due to internal allocation	1,509,692
Net differences between projected and actual earnings on OPEB plan investments	<u>43,005</u>
Total deferred outflows related to OPEB	<u>\$ 5,079,631</u>

Deferred Inflows of Resources Related to OPEB

Differences between expected and actual experience	\$ 4,683,803
Changes in proportion from Commonwealth	139,713
Changes in proportion due to internal allocation	21,711,130
Changes in OPEB plan actuarial assumptions	<u>10,238,940</u>
Total deferred inflows related to OPEB	<u>\$ 36,773,586</u>

The University's contributions of \$909,454 made during the fiscal year ending 2023, reported as deferred outflows of resources related to OPEB resulting from University contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in each of the succeeding years.

**WESTFIELD STATE UNIVERSITY**  
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**Notes to the Financial Statements - Continued**  
**June 30, 2023**

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Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as increases (decreases) in OPEB expense as follows:

Years Ending	
<u>June 30,</u>	
2024	\$ (7,729,486)
2025	(7,686,457)
2026	(7,523,213)
2027	(7,332,529)
2028	<u>(2,331,724)</u>
	<u>\$ (32,603,409)</u>

Actuarial Assumptions

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Measurement date	June 30, 2022
Inflation	2.50%
Salary increases	4.0% per year
Investment rate of return	7.00%, net of OPEB plan investment expense, including inflation
Health care cost trend rates	Developed based on the most recent published GAO-Getzen trend rate model, version 2022_f4. Medicare and non-medicare benefits range from 3.94% to 9.11%

The mortality rate was in accordance with RP 2014 Blue Collar Mortality Table projected with scale MP-2020 with females set forward one year.

The participation rates are actuarially assumed as below:

- 100% of all retirees who currently have health care coverage are assumed to elect coverage at retirement.
- Retirees who currently elect to waive their coverage are assumed to remain uncovered in the future.
- 35% of employees currently opting out of active employee health coverage are assumed to elect to enroll in retiree coverage.
- 85% of current and future vested terminated participants will elect health care benefits at age 55, or current age if later.
- 100% of spouses are assumed to elect to continue coverage after the retiree's death.

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**June 30, 2023**

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- Actives, upon retirement, take coverage, and are assumed to have the following coverage:

	<u>Retirement Age</u>	
	<u>Under 65</u>	<u>Age 65+</u>
Indemnity	28.0%	96.0%
POS/PPO	62.0%	0.0%
HMO	10.0%	4.0%

The actuarial assumptions used in the January 1, 2022 valuations were based on the results of an actuarial experience study for the periods ranging July 1, 2020 through December 31, 2021, depending upon the criteria being evaluated.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. The SRBT is required to invest in the PRIT Fund. Consequently, information about SRBT's target asset allocation and long-term expected real rate of return as of June 30, 2023 and 2022 are the same as discussed in the pension footnote.

Discount Rate

The discount rate used to measure the total OPEB liability for 2023 was 4.30%. This rate was based on a blend of the Bond Buyer Index rate (3.54%) as of the measurement date and the expected rate of return. The OPEB plan's fiduciary net position was not projected to be available to make all projected future benefit payments for current plan members. Based on the stated assumptions and the projection of cash flows, the Plan's Fiduciary Net Position and future contributions were not sufficient to finance the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on OPEB plan investments of 7.00% was applied to projected benefit payments through year 2042 and the municipal bond rate was applied to all remaining future years to determine the total OPEB liability.

Sensitivity of the University's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the University's proportionate share of the net OPEB liability, as well as what the University's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	June 30, 2023		
	1.00% Decrease	Current Discount Rate	1.00% Increase
	3.30%	4.30%	5.30%
Net OPEB Liability	\$ 33,003,949	\$ 28,290,524	\$ 24,418,789

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**Notes to the Financial Statements - Continued**  
**June 30, 2023**

*Sensitivity of the University's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates*

The following presents the University's proportionate share of the net OPEB liability, as well as what the University's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	June 30, 2023		
	1.00% Decrease	Current Healthcare Cost Trend Rate	1.00% Increase
	(B)	(A)	(C)
	\$ 23,715,557	\$ 28,290,524	\$ 34,081,883

(A) - Current healthcare cost trend rate, as disclosed in the actuarial assumptions

(B) - 1-percentage decrease in current healthcare cost trend rate, as disclosed in the actuarial assumptions

(C) - 1-percentage increase in current healthcare cost trend rate, as disclosed in the actuarial assumptions

Note 17 - **Net Position**

*Restricted Net Position*

The University is the recipient of funds that are subject to various external constraints upon their use, either as to purpose or time. These funds are comprised of the following at June 30, 2023:

Restricted - expendable:

Scholarships and fellowships	\$ 988,612
Loans	15,095
Capital projects	118,870
Grants	<u>1,682,485</u>
	<u>\$ 2,805,062</u>

The Foundation's restricted - nonexpendable and expendable net position consists of investments to be utilized for various scholarships and program support as of June 30, 2023.

**WESTFIELD STATE UNIVERSITY**  
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**June 30, 2023**

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Note 18 - **Operating Expenses**

The University's operating expenses, on a natural classification basis, are comprised of the following at June 30, 2023:

Compensation and benefits	\$ 71,503,778
Supplies and services	27,021,456
Depreciation and amortization	12,013,067
Scholarships and fellowships	<u>4,799,701</u>
	<u>\$ 115,338,002</u>

Note 19 - **Other Fringe Benefits**

The University participates in the Commonwealth's Fringe Benefit programs, including active employee and postemployment health insurance, unemployment, pension and workers' compensation benefits. Health insurance for active employees and retirees is paid through a fringe benefit rate charged to the University by the Commonwealth.

**Group Insurance Commission**

The Commonwealth's Group Insurance Commission ("GIC") was established by the Legislature in 1955 to provide and administer health insurance and other benefits to the Commonwealth's employees and retirees, and their dependents and survivors.

GIC also covers housing and redevelopment authorities' personnel, certain authorities and other offline agencies, retired municipal teachers from certain cities and towns, and a small number of municipalities as an agent multiple-employer program, accounted for as an agency fund activity of the Commonwealth, not the University.

The GIC is a quasi-independent state agency governed by an eleven-member body (the "Commission") appointed by the Governor. The GIC is located administratively within the Executive Office of Administration and Finance, and it is responsible for providing health insurance and other benefits to the Commonwealth's employees and retirees and their survivors and dependents. During the fiscal year ended June 30, 2023, the GIC provided health insurance for its members through indemnity, PPO, and HMO plans. The GIC also administers carve-outs for pharmacy, mental health, and substance abuse benefits for certain health plans. In addition to health insurance, the GIC sponsors life insurance, long-term disability insurance (for active employees only), dental and vision coverage (for employees not covered by collective bargaining), retiree discount vision and dental plans, and a pretax health care spending account and dependent care assistance program (for active employees only).

**Other Retirement Plans**

The employees of the University can elect to participate in two defined contribution plans offered and administered by the Massachusetts Department of Higher Education – an IRC 403(b) Tax-Deferred Annuity Plan and an IRC 457 Deferred Compensation SMART Plan. Employees can contribute by payroll deduction a portion of before-tax salary into these plans up to certain limits. The University has no obligation to contribute to these plans and no obligation for any future payout.

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**Notes to the Financial Statements - Continued**  
**June 30, 2023**

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Note 20 - **Commitments and Contingencies**

The University is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters for which the Commonwealth is self-insured.

Various lawsuits are pending or threatened against the University, which arise in the ordinary course of operations. In the opinion of management, no litigation is now pending or threatened that would materially affect the University's financial position.

The University receives significant financial assistance from federal and state agencies in the form of grants. Expenditures of funds under these programs require compliance with the grant agreements and are subject to audit. Any disallowed expenditure resulting from such audits become a liability of the University. In the opinion of management, such adjustments, if any, are not expected to materially affect the financial condition of the University.

The University participates in the Massachusetts College Savings Prepaid Tuition Program (the "Program"). This Program allows individuals to pay in advance for the future tuition, at the cost of tuition at the time of election to participate, increased by changes in the Consumer Price Index plus 2%. The University is obligated to accept as payment of tuition the amount determined by this Program without regard to the standard tuition rate in effect at the time of the individual's enrollment at the University. The effect of the Program cannot be determined as it is contingent on future tuition increases and the Program participants who attend the University.

The University participates in the various programs administered by the Commonwealth for property, general liability, automobile liability, and workers' compensation. The Commonwealth is self-insured for employees' workers' compensation, casualty, theft, tort claims, and other losses. Such losses, including estimates of amounts incurred but not reported, are obligations of the Commonwealth. For workers' compensation, the Commonwealth assumes the full risk of claims filed under a program managed by the Human Resources Division. For personal injury or property damages, Massachusetts General Laws limit the risk assumed by the Commonwealth to \$100,000 per occurrence, in most circumstances.

Note 21 - **Massachusetts Management Accounting and Reporting System**

Section 15C of Chapter 15A of the Massachusetts General Laws requires Commonwealth Colleges and Universities to report activity of campus-based funds to the Comptroller of the Commonwealth on the Commonwealth's Statewide Accounting System, Massachusetts Management Accounting and Reporting System, ("MMARS") on the statutory basis of accounting. The statutory basis of accounting is a modified accrual basis of accounting and differs from the information included in these financial statements. Management believes the amounts reported on MMARS meet the guidelines of the Comptroller's *Guide for Higher Education Audited Financial Statements*.

**WESTFIELD STATE UNIVERSITY**  
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**Notes to the Financial Statements - Continued**  
**June 30, 2023**

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The University's state appropriations are composed of the following at June 30, 2023:

Direct unrestricted appropriations	\$ 35,424,405
Add: Fringe benefits for benefited employees on the state payroll	13,724,292
Less: Day school tuition remitted to the state and included in tuition and fee revenue	<u>(1,040,829)</u>
Total unrestricted appropriations	48,107,868
Capital appropriations	<u>11,018,896</u>
Total appropriations	<u>\$ 59,126,764</u>

No timing differences occurred where the University had additional revenue that was reported to MMARS for the year ended June 30, 2023 (unaudited).

Note 22 - **Pass-Through Grants**

The University distributed \$25,151,702 as of June 30, 2023 for student loans through the U.S. Department of Education Federal Direct Lending Program. These distributions and related funding sources are not included as expenses and revenues, or as cash disbursements and cash receipts in the accompanying financial statements.

Note 23 - **Massachusetts State College Building Authority**

MSCBA was created pursuant to Chapter 703 of the Act of 1963 of the Commonwealth as a public instrumentality for the general purpose of providing residence halls and other facilities for use by students of the state universities of the Commonwealth, as well as major construction projects on their campuses.

The University is charged a semi-annual revenue assessment that is based on a certified occupancy report, the current rent schedule and the design capacity for each of the residence halls, as well as debt service on instruments issued by MSCBA for dormitory and other major construction projects for the University. This revenue assessment is used by MSCBA to pay principal and interest due on its long-term debt obligations and certain MSCBA operating costs.

These obligations may include the costs of periodic renovations and improvements to the residence halls, as well as other major construction performed on campus, which has included athletic field construction and repair.

The portions of the semi-annual Revenue Assessments paid to the MSCBA by the University for building leases mainly for residence halls, related maintenance, insurance, other costs, historical pooled obligations and other major renovations and improvements for the University for the year ended June 30, 2023 was \$10,503,483, net of release of debt service reserve funds of \$1,742,308. The debt portion of these payments for building leases are accounted for under GASB 87 and are included within these financial statements within capital assets as right to use assets, net of amortization and offset by a lease liability.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

DRAFT

**WESTFIELD STATE UNIVERSITY**  
(an agency of the Commonwealth of Massachusetts)

**Schedule of Proportionate Share of Net Pension Liability (Unaudited)**

**Massachusetts State Employees' Retirement System**

Year ended	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Measurement date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2014
Valuation date	January 1, 2022	January 1, 2021	January 1, 2019	January 1, 2019	January 1, 2018	January 1, 2017	January 1, 2016	January 1, 2015	January 1, 2014	January 1, 2014
Proportion of the collective net pension liability	0.162%	0.209%	0.257%	0.256%	0.265%	0.249%	0.240%	0.289%	0.218%	
Proportionate share of the collective net pension liability	\$ 22,479,727	\$ 21,788,225	\$ 44,175,215	\$ 37,463,840	\$ 35,031,695	\$ 31,945,217	\$ 30,460,744	\$ 30,111,590	\$ 16,195,411	
University's covered payroll	\$ 14,119,417	\$ 16,940,771	\$ 19,760,703	\$ 21,138,607	\$ 20,555,229	\$ 19,572,020	\$ 16,780,213	\$ 15,939,654	\$ 16,181,450	
University's proportionate share of the net pension liability as a percentage of its covered payroll	159.21%	128.61%	223.55%	177.23%	170.43%	163.22%	181.53%	188.91%	100.09%	
Plan fiduciary net position as a percentage of the total pension liability	71.05%	77.54%	62.48%	66.28%	67.91%	67.21%	63.48%	67.87%	76.32%	

Notes:

The GASB pronouncement requiring the presentation of the information on this schedule became effective for years beginning after June 15, 2014 and is intended to provide data for the most recent ten years.

See accompanying notes to the required supplementary information.

**WESTFIELD STATE UNIVERSITY**  
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**Schedule of Contributions - Pension (Unaudited)**

**Massachusetts State Employees' Retirement System**

**For the Years Ended June 30,**

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 2,086,906	\$ 2,274,638	\$ 2,483,517	\$ 2,782,307	\$ 2,549,316	\$ 2,421,406	\$ 1,947,416	\$ 1,586,274	\$ 1,656,130
Contributions in relation to the statutorily required contribution	<u>(2,086,906)</u>	<u>(2,274,638)</u>	<u>(2,483,517)</u>	<u>(2,782,307)</u>	<u>(2,549,316)</u>	<u>(2,421,406)</u>	<u>(1,947,416)</u>	<u>(1,586,274)</u>	<u>(1,656,130)</u>
Contribution (excess)/deficit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
University's covered payroll	\$ 12,486,443	\$ 14,119,417	\$ 16,940,771	\$ 19,760,703	\$ 21,138,607	\$ 20,555,229	\$ 19,572,020	\$ 16,780,213	\$ 15,939,654
Contribution as a percentage of covered payroll	16.70%	16.11%	14.66%	14.08%	12.06%	11.78%	9.95%	9.45%	10.39%

Notes:

Employers participating in the Massachusetts State Employees' Retirement System are required by MA General Laws, Section 32, to contribute an actuarially determined contribution rate each year.

The GASB pronouncement requiring the presentation of the information on this schedule became effective for years beginning after June 15, 2014 and is intended to provide data for the most recent ten years.

See accompanying notes to the required supplementary information.

**WESTFIELD STATE UNIVERSITY**  
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**Notes to the Required Supplementary Information - Pension (Unaudited)**  
**For the Year Ended June 30, 2023**

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Note 1 - **Change in Plan Actuarial and Assumptions**

Measurement date – June 30, 2022

The inflation rate of return changed from 3.00% to 2.50%.

Measurement date – June 30, 2021

The investment rate of return changed from 7.15% to 7.00%. In conjunction with the investment rate of return changing, the discount rate was also changed to mirror the new investment rate of return.

The mortality rates were changed as follows:

- Pre-retirement mortality reflects RP-2014 Blue Collar Employees table projected generationally with Scale MP-2020, set forward 1 year for females
- Post-retirement mortality reflects RP-2014 Blue Collar Healthy Annuitant table projected generationally with Scale MP-2020, set forward 1 year for females
- For disabled retirees, mortality reflects the post-retirement mortality described above, set forward 1 year.

Measurement Date – June 30, 2020

The investment rate of return changed from 7.25% to 7.15%. In conjunction with the investment rate of return changing, the discount rate was also changed to mirror the new investment rate of return.

Measurement Date – June 30, 2019

The investment rate of return changed from 7.35% to 7.25%. In conjunction with the investment rate of return changing, the discount rate was also changed to mirror the new investment rate of return.

Measurement date – June 30, 2018

The investment rate of return changed from 7.50% to 7.35%. In conjunction with the investment rate of return changing, the discount rate was also changed to mirror the new investment rate of return.

The mortality rate assumptions were changed as follows:

- Disabled members – the amount reflects the same assumptions as for superannuation retirees, but with an age set forward of one year

Measurement date – June 30, 2017

The mortality rates were changed as follows:

- Pre-retirement – was changed from RP-2000 Employees table projected generationally with Scale BB and a base year of 2009 (gender distinct) to RP-2014 Blue Collar Employees Table projected generationally with Scale MP-2016 and set forward 1 year for females
- Post-retirement – was changed from RP-2000 Healthy Annuitant table projected generationally with Scale BB and a base year of 2009 (gender distinct) to RP-2014 Blue Collar Healthy Annuitant Table projected generationally with Scale MP-2016 and set forward 1 year for females
- Disability – did not change

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**Notes to the Required Supplementary Information - Pension (Unaudited) - Continued**  
**For the Year Ended June 30, 2022**

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Measurement date – June 30, 2016

The assumption for salary increases changed from a range of 3.5% to 9.0% depending on group and length of service to a range of 4.0% to 9.0% depending on group and length of service.

Chapter 176 of the Acts of 2011 created a one-time election for eligible members of the Optional Retirement Plan (“ORP”) to transfer to the SERS and purchase service for the period while members of the ORP. As a result, the total pension liability of SERS increased by approximately 400 million as of June 30, 2016.

Measurement date – June 30, 2015

The discount rate to calculate the pension liability decreased from 8.0% to 7.5%

In May 2015, Chapter 19 of the Acts of 2015 created an Early Retirement Incentive (“ERI”) for certain members of SERS who upon election of the ERI retired effective June 30, 2015. As a result, the total pension liability of SERS increased by approximately \$230 million as of June 30, 2015.

The mortality rates were changed as follows:

- Pre-retirement – was changed from RP-2000 Employees table projected 20 years with Scale AA (gender distinct) to RP-2000 Employees table projected generationally with Scale BB and a base year of 2009 (gender distinct)
- Post-retirement – was changed from RP-2000 Healthy Annuitant table projected 15 years with Scale AA (gender distinct) to RP-2000 Healthy Annuitant table projected generationally with Scale BB and a base year of 2009 (gender distinct)
- Disability – was changed from RP-2000 table projected 5 years with Scale AA (gender distinct) set forward three years for males to RP-2000 Healthy Annuitant table projected generationally with Scale BB and a base year of 2015 (gender distinct)

**WESTFIELD STATE UNIVERSITY**  
(an agency of the Commonwealth of Massachusetts)

**Schedule of Proportionate Share of Net OPEB Liability (Unaudited)**

**Massachusetts State Retirees' Benefit Trust**

Year ended	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Measurement date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2017
Valuation date	January 1, 2022	January 1, 2021	January 1, 2020	January 1, 2019	January 1, 2018	January 1, 2017	January 1, 2017
Proportion of the collective net OPEB liability	0.212%	0.239%	0.275%	0.404%	0.433%	0.433%	0.373%
Proportionate share of the collective net OPEB liability	\$ 28,290,524	\$ 38,255,065	\$ 56,843,150	\$ 70,625,670	\$ 76,656,042	\$ 62,133,611	\$ 62,133,611
University's covered payroll	\$ 14,119,417	\$ 16,940,771	\$ 19,760,703	\$ 21,138,607	\$ 20,555,229	\$ 19,572,020	\$ 19,572,020
University's proportionate share of the net OPEB liability as a percentage of its covered payroll	200.37%	225.82%	287.66%	334.11%	372.93%	317.46%	317.46%
Plan fiduciary net position as a percentage of the total OPEB liability	13.00%	10.70%	6.40%	6.96%	6.01%	5.39%	5.39%

Notes:

The GASB pronouncement requiring the presentation of the information on this schedule became effective for years beginning after June 15, 2017 and is intended to provide data for the most recent ten years.

See accompanying notes to the required supplementary information.

**WESTFIELD STATE UNIVERSITY**  
(an agency of the Commonwealth of Massachusetts)

**Schedule of Contributions - OPEB (Unaudited)**

**Massachusetts State Retirees' Benefit Trust**

**For the Years Ended June 30,**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contribution	\$ 909,454	\$ 1,080,253	\$ 1,304,124	\$ 1,441,304	\$ 1,858,947	\$ 1,833,293
Contributions in relation to the statutorily required contribution	<u>(909,454)</u>	<u>(1,080,253)</u>	<u>(1,304,124)</u>	<u>(1,441,304)</u>	<u>(1,858,947)</u>	<u>(1,833,293)</u>
Contribution (excess)/deficit	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
University's covered payroll	\$ 12,496,443	\$ 14,119,417	\$ 16,940,771	\$ 19,760,703	\$ 21,138,607	\$ 20,555,240
Contribution as a percentage of covered payroll	7.28%	7.65%	7.70%	7.29%	8.79%	8.92%

Notes:

Employers participating in the Massachusetts State Retirees' Benefit Trust are required by MA General Laws, Section 32, to contribute an actuarially determined contribution rate each year.

The GASB pronouncement requiring the presentation of the information on this schedule became effective for years beginning after June 15, 2017 and is intended to provide data for the most recent ten years.

See accompanying notes to the required supplementary information.

**WESTFIELD STATE UNIVERSITY**  
**(an agency of the Commonwealth of Massachusetts)**  
**Notes to the Required Supplementary Information – OPEB (Unaudited)**  
**June 30, 2023**

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Note 1 - **Change in Plan Assumptions**

**Fiscal year June 30, 2023**

Assumptions:

*Change in per capita claims costs*

Per capita claims costs were updated based on the changes in the underlying claims and benefit provisions.

*Change in medical trend rates*

The medical trend rates were updated based on the SOA-Getzen trend rate model version 2022\_f4. The healthcare trend rates were updated to reflect short-term expectations based on a review of the Commonwealth's historical trend rates.

*Change in Discount Rate*

The discount rate was increased to 4.30% (based upon a blend of the Bond Buyer Index rate (3.54%) as of the measurement date as required by GASB Statement 74.

**Fiscal year June 30, 2022**

Assumptions:

*Change in per capita claims costs*

Per capita claims costs were updated reflect lower-than-expected FY22 rates, driven primarily by an increase in expected Pharmacy Benefits Manager rebates.

*Change in medical trend rates*

The medical trend rates were updated based on the SOA-Getzen trend rate model version 2021\_b. The healthcare trend rates were updated to reflect short-term expectations based on a review of the Commonwealth's historical trend rates.

*Change in Investment Rate*

The investment rate of return decreased from 7.15% to 7.00%.

*Change in Mortality Rates*

The mortality projection scale was updated from MP-2016 to MP-2020.

*Change in Discount Rate*

The discount rate was increased to 2.77% (based upon a blend of the Bond Buyer Index rate (2.16%) as of the measurement date as required by GASB Statement 74.

**Fiscal year June 30, 2021**

Assumptions:

*Change in per capita claims costs*

Per capita claims costs were updated based on the changes in the underlying claims and benefit provisions.

*Change in medical trend rates*

The medical trend rates were updated based on the SOA-Getzen trend rate model version 20920\_b, the impact of the discontinuation of the ACA Health Insurer Fee and Excise Tax.

**WESTFIELD STATE UNIVERSITY**  
**(an agency of the Commonwealth of Massachusetts)**  
**Notes to the Required Supplementary Information - OPEB (Unaudited) - Continued**  
**June 30, 2023**

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*Change in Investment Rate*

The investment rate of return decreased from 7.25% to 7.15%.

*Change in Salary Scale*

The salary scale assumption was updated from a constant 4% assumption to rates that vary by years of service and group classification, consistent with SERS.

*Change in Discount Rate*

The discount rate was decreased to 2.28% (based upon a blend of the Bond Buyer Index rate (2.21%) as of the measurement date as required by GASB Statement 74.

Fiscal year June 30, 2020

**Fiscal year June 30, 2020**

Assumptions:

*Change in Inflation*

The inflation rate decreased from 3.0% to 2.5%.

*Change in Salary Assumptions*

Salary decreased from 4.5% to 4.0%.

*Change in Investment Rate*

The investment rate of return decreased from 7.35% to 7.25%.

*Change in Trend on Future Costs*

The healthcare trend rate decreased from 8.0% to 7.5%, which affects the high-cost excise tax.

*Change in Discount Rate*

The discount rate was decreased to 3.63% (based upon a blend of the Bond Buyer Index rate (3.51%) as of the measurement date as required by GASB Statement 74.

**Fiscal year June 30, 2019**

Assumptions:

*Change in Trend on Future Costs*

The original healthcare trend rate decreased from 8.5% to 8.0%, which impact the high cost excise tax.

*Change in Mortality Rates*

The following mortality assumption changes were made in the January 1, 2018 Actuarial Valuation:

- Disabled members – would reflect the same assumptions as for superannuation retirees, but with an age set forward of one year

*Change in Discount Rate*

The discount rate was increased to 3.95% (based upon a blend of the Bond Buyer Index rate (3.87%) as of the measurement date as required by GASB Statement 74.

**WESTFIELD STATE UNIVERSITY**  
**(an agency of the Commonwealth of Massachusetts)**  
**Notes to the Required Supplementary Information - OPEB (Unaudited) - Continued**  
**June 30, 2023**

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**Fiscal year June 30, 2018**

Assumptions:

*Change in Discount Rate*

The discount rate was increased to 3.63% (based upon a blend of the Bond Buyer Index rate (3.58%) as of the measurement date as required by GASB Statement 74. The June 30, 2016 discount rate was calculated to be 2.80%.

DRAFT

**SUPPLEMENTAL INFORMATION**

**WESTFIELD STATE UNIVERSITY**  
(an agency of the Commonwealth of Massachusetts)

**Schedule of Net Position**  
**Dormitory Trust Fund Report (Unaudited)**

**As of June 30, 2023**

<u>Assets</u>	
<b>Current Assets:</b>	
Cash and equivalents	\$ 5,419,444
Accounts receivable, net	17,269
Deposits held by State Treasurer	265,640
Other current assets	<u>624</u>
<b>Total Assets</b>	<b><u>\$ 5,702,977</u></b>
 <u>Liabilities and Net Position</u> 	
<b>Current Liabilities:</b>	
Accounts payable and accrued liabilities	\$ 174,216
Accrued employee compensation and benefits	364,051
Deposits held for others	<u>1,851</u>
<b>Total Current Liabilities</b>	<b><u>540,118</u></b>
<b>Noncurrent Liability:</b>	
Accrued liability for employee compensation and benefits	<u>36,104</u>
<b>Total Liabilities</b>	<b><u>576,222</u></b>
<b>Net Position:</b>	
Unrestricted	<u>5,126,755</u>
<b>Total Liabilities and Net Position</b>	<b><u>\$ 5,702,977</u></b>

**WESTFIELD STATE UNIVERSITY**  
 (an agency of the Commonwealth of Massachusetts)

**Schedule of Revenues, Expenses and Changes in Net Position**  
**Dormitory Trust Fund Report (Unaudited)**

**For the Year Ended June 30, 2023**

<b>Operating Revenues:</b>	
Room rent	\$ 15,136,469
Less: Resident Assistant room waivers	(415,000)
Other sources	38,730
Deposits forfeited	72,800
Commissions - vending	<u>22,032</u>
<b>Total Operating Revenues</b>	<b><u>14,855,031</u></b>
<b>Operating Expenses:</b>	
Employee compensation	1,957,145
Energy costs	1,906,512
Pension and insurance	774,773
Special employees	55,292
Operational services	414,775
Scholarships and Resident Assistant board waivers	722,905
Repairs and maintenance	11,454
Facility operations supplies	203,503
Administrative	87,286
Equipment purchase	44,426
Equipment lease, rental and maintenance	154,229
Consultant services	6,079
Employee related	5,812
Information technology expenses	136,391
Annual payment to the Massachusetts State College Building Authority, net of debt service reserve applied of \$1,742,308	<u>10,503,483</u>
<b>Total Operating Expenses</b>	<b><u>16,984,065</u></b>
<b>Excess of Expenses over Revenues Before Transfers</b>	<b><u>(2,129,034)</u></b>
<b>Operating Transfers In:</b>	
University support	<u>2,129,034</u>
<b>Increase in Net Position</b>	<b>-</b>
Net Position, Beginning of Year	<u>5,126,755</u>
<b>Net Position, End of Year</b>	<b><u>\$ 5,126,755</u></b>

**INDEPENDENT AUDITOR'S REPORT ON  
INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER  
MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

# REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Trustees of  
Westfield State University:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the business-type activities of Westfield State University (the "University"), and its discretely presented major component unit, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the University's basic financial statements and have issued our report thereon dated October 11, 2023.

## Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the University's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

October 11, 2023

DRAFT



## Board of Trustees

October 11, 2023

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### MOTION

To approve the University Justice, Equity, Diversity, and Inclusion statement as presented to the Board of Trustees, acknowledging its significance in advancing our institution's commitment to Justice, Equity, Diversity, and Inclusion.

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Ali R. Salehi, Chair

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Date

# Commitment to Inclusion & Equity

Westfield State University remains committed to an inclusive and welcoming environment for all members of our campus community.

As centuries-long injustices against black and brown persons continue today, the University remains committed to supporting and educating students, faculty, and staff on our mission and values centered on inclusion, diversity, and equity.

As we embrace and exemplify these values, we serve as a model for our greater community.

**Acts of discrimination are not tolerated here.**

Behavior that contradicts our values are taken seriously at Westfield State and are addressed accordingly to bring about a greater understanding and strengthened culture of compassion and acceptance.

**LEARN MORE ABOUT OUR JUSTICE EQUITY DIVERSITY AND INCLUSION EFFORTS** [\(/NODE/12519\)](#)

## **Westfield State University Justice, Equity, Diversity and Inclusion Statement**

Westfield State University proudly embraces its historic legacy as the first co-educational college in America to provide an education without barriers to race, creed, or economic status. Today, we continue to honor this pioneering spirit by reaffirming our commitment to justice, equity, diversity, and inclusion.

We believe that diversity encompasses a broad spectrum of characteristics, including but not limited to race, ethnicity, nationality, gender identity, gender expression, sexual orientation, socioeconomic background, religion, age, ability, veteran status, and thought.

We believe that each member of our community brings a unique perspective, life story, and set of talents that enriches our campus life, and academic endeavors. By embracing diverse perspectives, we cultivate a vibrant campus that champions respect, empathy, and dialogue.

We believe that dismantling barriers and creating opportunities empowers everyone to thrive academically, professionally, and personally. This commitment is reflected in our policies, practices, and daily interactions. Together, we strive to create a just and inclusive campus where every voice is valued and every journey is supported.



## Board of Trustees

October 11, 2023

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### MOTION

To approve the minor edits made to the following policies, as presented:

Electronic Mail (Email) Policy (0550)  
Information Security Policy (0580)  
Data Classification Policy (0630)  
Remote Access Policy (0620)

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Ali R. Salehi, Chair

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Date

## ELECTRONIC MAIL (E-MAIL)

### PURPOSE

The purpose of this policy is to establish a standardized, system-wide approach to managing the protection of information and Information Technology Resources to support core business needs and the provision of continuity and privacy at Westfield State University (“University”) and establish accountability for violations of this policy. This policy is intended to protect the users of the University’s Information Technology Resources by ensuring a reliable and secure technology environment that supports the educational mission of the University. These resources are provided as a privilege to all Westfield State University employees, students, and authorized guests. The University seeks to ensure the integrity of Information Technology Resources made available to the user community, as such, to ensure these resources are secure from unauthorized access for those that utilize them. This policy is not intended to inhibit the culture of intellectual inquiry, discourse, academic freedom, or pedagogy. In general, the same ethical conduct that applies to the use of all University resources and facilities applies to the use of the University’s Information Technology Resources.

### SCOPE

This policy applies to all students, faculty, staff, volunteers, vendors, consultants, contractors, or others (herein afterwards referred to as “constituents”) who use or have authorized access to University Information Technology Resources. This policy is supplemented by the policies of those networks to which the University is interconnected, including, but not limited to, the University of Massachusetts Information Technology Systems group, the Commonwealth of Massachusetts’ Information Technology Division, UMass Online, etc. It covers all University information whether in hardcopy or electronic form and any systems which access, process, or have custody of business data. This policy also applies to all information, in any form and in any medium, network, internet, intranet, computing environments, as well as the creation, communication, distribution, storage and disposal of information.

### DEFINITIONS

*Distribution List:* A distribution list refers to a facility in the e-mail system to enable many subscribers’ mail addresses to be reached through a single (list) name. (i.e., departmental list, FACSTAFF, UniCom).

*Westfield State University’s e-mail system:* The University’s e-mail system is a communication resource to enhance and facilitate the academic and administrative operations of the University. This includes any originating e-mails containing @westfield.ma.edu. The use of the system shall be to support these purposes and this policy.

For the purposes of this policy, “Information Technology Resources” means all computer, applications and communication facilities, services, data, and equipment that are owned, managed, maintained, leased, or otherwise provided by the University.

## PUBLIC RECORD

E-mail, whether created or stored on university-owned equipment may constitute a public record under Massachusetts' Public Records Law or be subjected to mandatory disclosure under other laws or regulations, including the rules compelling disclosure during litigation. Users of the University's e-mail services should be aware that Massachusetts' Public Records Law and statutory and regulatory provisions prevent the University from guaranteeing complete protection of email, including personal e-mail residing on the University's information technology resources.

***The messages, information and data carried by the e-mail system are the sole property of the University and the Commonwealth of Massachusetts. The University reserves the right to monitor and access those systems and their contents as they deem necessary, in accordance with the law and relevant collective bargaining agreements. No user of the University's e-mail system shall have a reasonable expectation of privacy in any e-mail.***

## USER OWNERSHIP AND RESPONSIBILITY

### I. SECURITY AND CONFIDENTIALITY

- A. Individuals with approved access to the University's e-mail system have the responsibility to maintain a confidential password, as well as the responsibility to [change-manage](#) their password, to protect the system from unauthorized access. The University will never ask for your password, and users should not provide this information to anyone.
- B. Individuals with approved access to the e-mail system have the responsibility to log off and lock their computer or mobile device. This will prevent others from tampering with an account or accessing confidential material.
- C. All messages should be treated as confidential by other employees and accessed only by the intended recipient unless necessary as a normal function of their job. Employees are not authorized to intentionally retrieve or read any e-mail messages that are not sent to them.
- D. Never assume that e-mail is confidential. A message can easily be forwarded to another e-mail user, and anyone has potential access to read an e-mail message once it has been printed. Technical problems or human error may result in the unintended distribution of e-mail.
- E. Phishing attacks and cyber fraud incidents have significantly increased over the past few years. Your university provided email account helps identify you to others and includes the security designed to help prevent these incidents.

When conducting business as part of your employment at the university, you must utilize your university email address (ending in @westfield.ma.edu) to ensure proper identity and compliance.

## II. USAGE

- A. The University's e-mail system is the official method of communication for the University. Only mailboxes with westfield.ma.edu suffixes are supported. Anyone who utilizes another e-mail system, or forwards e-mail from their university account to another account does so at their own risk and is responsible for ensuring they are in receipt of all intended communications.
- B. The University's e-mail system is intended to support the academic and administrative mission of the University. Users are expected to demonstrate a sense of responsibility in utilizing the email system to include maintaining professional etiquette in all e-mail communications.

The usage of the university e-mail system is also in accordance with the Social Media and Communication and the Distribution List guidelines.

## III. RETENTION

Users are responsible for preserving their email in accordance with the Massachusetts Statewide Records Retention Schedule.

[MA Statewide Records Schedule dec18.pdf \(mma.org\)](#)

## UNACCEPTABLE USES

It is unacceptable to use the University e-mail system as follows:

- for personal or private profit.
- In any way that violates University policy.
- In any way that violates [standards, regulations,](#) local, state, or federal law.
- to send or receive, either across the University e-mail system or the Internet, any copyrighted materials, trade secrets, proprietary financial information, peer review committee reports and activities, or similar materials, or any information where exposure of that information to outside parties would have an adverse impact on the University or its employees, without prior approval;

# Westfield State University

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number 0550

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APPROVED: December 2013

REVIEWED: August ~~2021~~2023

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- as a vehicle for unauthorized disclosure of confidential business or private facts concerning employees, students, or University-related business (authorized e-mail and e-mail attachments containing sensitive business information may be sent within the Westfield State University system on its secured network).
- for communications regarding commercial solicitations.
- for communications regarding political advertising, chain-letters, jokes, derogatory or inflammatory statements, and/or idle gossip.

## ENFORCEMENT

Access to the e-mail system is a privilege and any misuse of the e-mail system may result in withdrawal of access to the system and disciplinary action up to and including termination.

This policy will be reviewed, at a minimum, bi-annually by the Chief Information Officer.

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## INFORMATION SECURITY

### PURPOSE

The purpose of this policy is to establish a standardized, system-wide approach to managing the protection of information and Information Technology Resources to support core business needs and the provision of continuity and privacy at Westfield State University (“University”) and establish sanctions for violations of this policy. This policy is intended to protect the users of the University’s Information Technology Resources by ensuring a reliable and secure technology environment that supports the educational mission of the University. These resources are provided as a privilege to all Westfield State University employees, students, and authorized guests. The University seeks to ensure the integrity of Information Technology Resources made available to the user community, as such, to ensure these resources are secure from unauthorized access for those that utilize them. This policy is not intended to inhibit the culture of intellectual inquiry, discourse, academic freedom, or pedagogy. In general, the same ethical conduct that applies to the use of all University resources and facilities applies to the use of the University’s Information Technology Resources.

### SCOPE

This policy applies to all students, faculty, staff, volunteers, vendors, consultants, contractors, or others (herein afterwards referred to as “constituents”) who use or have authorized access to University Information Technology Resources. This policy is supplemented by the policies of those networks to which the University is interconnected, including, but not limited to, the University of Massachusetts Information Technology Systems group, the Commonwealth of Massachusetts’ Information Technology Division, UMass Online, etc. It covers all University information whether in hardcopy or electronic form and any systems which access, process, or have custody of business data. This policy also applies to any and all information, in any form and in any medium, network, internet, intranet, computing environments, as well as the creation, communication, distribution, storage and disposal of information.

For the purposes of this policy, “Information Technology Resources” means all computer, applications and communication facilities, services, data, and equipment that are owned, managed, maintained, leased, or otherwise provided by the University. Area Security Officials shall be the supervisor of each department or program with the authority to grant access to Information Technology Resources.

The use of the University’s Information Technology Resources constitutes an understanding of, and agreement to abide by this policy. Additionally, all constituents must protect, and if necessary, intervene to assure that others protect the confidentiality, integrity, and security of all Information Technology Resources.

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Section Administrative

number 0580

page 2 of 3.

APPROVED: October 2014

REVIEWED: August 2023<sup>32</sup>

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## USER OWNERSHIP AND RESPONSIBILITIES

It is the responsibility of any person using the University's Information Technology Resources to read, understand, and follow this policy. In addition, all users are expected to exercise reasonable judgment in interpreting this policy, and in making decisions about the use of Information Technology Resources. Any person with questions regarding the application or meaning of this policy should seek clarification from his or her supervisor, or from the Information Security Officer. The University owns and maintains the information stored in its Information Technology Resources and limits access to its Information Technology Resources to authorized users. Users of Information Technology Resources have a responsibility to properly use and protect these resources, respect the rights of other users, and behave in a manner consistent with any local, state, and federal laws and regulations, as well as all University policies, procedures, and guidelines. Information technology resources, including Internet bandwidth, are shared among the community, and users must utilize these resources with this understanding.

Users must respect all intellectual property rights, including any licensing agreements applicable to information and resources made available by the University to its community.

Information Technology Resources are provided to support the mission of teaching and learning and to conduct official University business. Therefore, the University bears no responsibility for the loss of any personal data or files stored or located on any system.

## POLICY

Westfield State University's Information Security Officer will establish security program that will be based upon the best practices recommended in the SANS Critical Security Controls for Effective Cyber Defense - Version 5. The components defined by these System Administration Networking and Security Institutes (SANS) Critical Security Controls are a subset of the National Institute of Standards and Technology (NIST) SP 800-53, prioritizing the controls that will provide a measurable security program, appropriately adopted to meet the specific needs of Westfield State University. This program will also incorporate applicable regulations and laws, such as, but not limited to, the Gramm-Leach-Bliley Act (GLBA), the Health Insurance Portability and Accountability Act (HIPPA), Family Educational Rights and Privacy Act (FERPA), and the Commonwealth of Massachusetts Information Technology Department (ITD) and Office of Consumer Affairs and Business Regulations. Additional organizations, such as EDUCAUSE and the International Organization for Standardization and the International Electrotechnical Commission (ISO/IEC 27005:2011) will be utilized as resources for additional security practices.

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APPROVED: October 2014

REVIEWED: August 2023<sup>2</sup>

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## PROCEDURES

The SANS Critical Controls for Effective Cyber Defense – Version 5 and other noted sources in the above policy statement will be utilized to guide, develop, and enhance any additional Information Technology policies, procedures and guidelines as needed to address the security needs of Westfield State University.

## REVIEW

This policy shall be reviewed annually by the Chief Information Security Officer.

## DATA CLASSIFICATION

### PURPOSE

The purpose of this policy is to provide a framework for securing data from risks, including but not limited to, unauthorized destruction, modification, disclosure, access, use and removal. This policy shall be enforced in conformity with all applicable local, state, and federal regulations and laws.

### SCOPE

This policy applies to all students, faculty, staff, volunteers, vendors, consultants, contractors, or others (herein afterwards referred to as “constituents”) who use or have authorized access to University Information Technology Resources. This policy is supplemented by the policies of those networks to which the University is interconnected, including, but not limited to, the University of Massachusetts Information Technology Systems group, the Commonwealth of Massachusetts’ Information Technology Division, UMass Online, etc. It covers all University information whether in hardcopy or electronic form and any systems which access, process, or have custody of business data. This policy also applies to all information, in any form and in any medium, network, internet, intranet, computing environments, as well as the creation, communication, distribution, storage and disposal of information.

For the purposes of this policy, “Information Technology Resources” means all computer and communication facilities, services, data, and equipment that are owned, managed, maintained, leased, or otherwise provided by the University. The Office of Information and Instructional Technology (OIT) refers to authorized personnel currently assigned to Infrastructure Services, Media Services, the Center for Instructional Technology (CIT), Technology Support Services (TSS) and Enterprise Systems. Area Security Officials shall be the supervisor of each department or program with the authority to grant access to Information Technology Resources.

The use of the University’s Information Technology Resources constitutes an understanding of, and agreement to, abide by this policy. Additionally, all constituents must protect, and if necessary, intervene to assure that others protect the confidentiality, integrity, and security of all Information Technology Resources.

### USER OWNERSHIP AND RESPONSIBILITIES

It is the responsibility of any person using the University’s Information Technology Resources to read, understand, and follow this policy. In addition, all users are expected to exercise reasonable judgment in interpreting this policy, and in making decisions about the use of Information Technology Resources. Any person with questions regarding the application or meaning of this policy should seek clarification from his or her supervisor, or from the Information Security Officer.

The University owns and maintains the information stored in its Information Technology

# Westfield State University

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Resources, and it limits access to its Information Technology Resources to authorized users. Users of Information Technology Resources have a responsibility to properly use and protect these resources, respect the rights of other users, and behave in a manner consistent with any local, state, and federal laws and regulations, as well as all University policies. Information Technology Resources, including Internet bandwidth, are shared among the community, and users must utilize these resources with this understanding.

Users must respect all intellectual property rights, including any licensing agreements applicable to information and resources made available by the University to its community.

Information technology resources are provided to support the mission of teaching and learning and to conduct official University business. Therefore, the University bears no responsibility for the loss of any personal data or files stored or located on any system.

The University does not systematically monitor all communications or files. Users must be aware of, and responsible for, material which they send or publish using its network, servers, and other resources, including the Internet.

## PROCEDURES

Data must be maintained in a secure, accurate and reliable manner and be readily available for authorized use. Data security measures will be implemented commensurate with data value, sensitivity, and risk. To implement these security measures and establish guidelines and procedures for compliance, data will be classified in one of the following categories:

- A. **Confidential** – sensitive data, information, materials, and other assets that are confidential to the organization, whether by law, by contract, or otherwise. This classification includes organizational performance (pricing, costs, sales, revenue, profit, etc.), strategic planning, proprietary information, contractual agreements, security issues, financial information, and personal information (PI). This information, if made public or even shared around the organization, could seriously damage the organization, the employees or the customers and could potentially be non-compliant with the Payment Card Industry Data Security Standard and applicable state or federal laws and regulations such as Massachusetts Privacy Law (201 CMR 17.00). This category includes, but is not limited to, Personally Identifiable Information (PII)\*.
- B. **Sensitive** – sensitive data, information, materials, and other assets that support the WSU's organizational operations and therefore must be guarded due to proprietary, ethical, contractual obligations or privacy considerations, and must be protected from unauthorized access, modification, transmission, storage, or other use. This information is not intended for public use and its unauthorized disclosure could adversely impact the company, customers, or employees.

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C. **Public** – Data which there is no expectation of privacy or confidentiality (data, materials, and other assets) that is intended for public circulation. This information may be freely disseminated without potential harm. Information includes event schedules, Internet content, completed press releases, publication-oriented personnel biographies and photos, publication archives, published materials, etc. Constituents that have a legal or regulatory requirement for the non-disclosure of their public information are required to notify the Human Resources Department.

1. Confidential and Sensitive data will require security measures appropriate with the impact of such loss or corruption of the data will impact the operating functions of WSU, result in financial loss or violate policy, contract, or law.
2. Security measures shall be set by the Chief Information Security Officer in collaboration with the Information Security Policy Team, and the Office of Information and Instructional Technology (OIT).
3. All suspected violations of this policy should be immediately reported to the Chief Information Security Officer. Reports of any/all violations will be considered Sensitive Data until otherwise classified by the Chief Information Security Officer or the Information Security Policy Team.
4. The Chief Information Security Officer will investigate and document all suspected violations and make recommendations for further actions.
5. A combination of any of the data items in Sensitive or Public may result in a reclassification requiring a higher level of security measures.
6. All data shall be retained in accordance with the current Massachusetts Statewide Records Retention Schedule and any breaches of this data shall be reported in accordance with MGL CH93H.
7. Nothing in this policy shall prevent the distribution of public records as defined by the Massachusetts Public Records Law, G. L. c. 4, § 7(26). Under the law, every record that is made or received by a government entity or employee is presumed to be a public record unless a specific statutory exemption permits or requires it to be withheld in whole or in part.
8. A table of classification criteria shall be provided in the OIT Data Classification Guideline and shall serve as examples of each classification and is not to be considered an all-inclusive list.

\*Personally Identifiable Information (PII) – any information that can potentially be used to uniquely identify an individual

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## REVIEW

This policy shall be reviewed annually by the Chief Information Security Officer.

## REMOTE ACCESS

### PURPOSE

The purpose of this policy is to define the requirements for connecting to the Westfield State University network from any remote system. These requirements are designed to minimize the potential exposure to damages, which may result from unauthorized use of University resources. Damages include the breach of confidential, sensitive, or organizational information and intellectual property, damage to public image, damage to critical internal systems, the compromise of system availability, or the corruption of information integrity.

### SCOPE

This policy applies to all students, faculty, staff, volunteers, vendors, consultants, contractors, or others (herein afterwards referred to as “constituents”) who use or have authorized access to University Information Technology Resources. This policy is supplemented by the policies of those networks to which the University is interconnected, including, but not limited to, the University of Massachusetts Information Technology Systems group, the Commonwealth of Massachusetts’ Information Technology Division, UMass Online, etc. It covers all University information whether in hardcopy or electronic form and any systems which access, process, or have custody of business data. This policy also applies to all information, in any form and in any medium, network, internet, intranet, computing environments, as well as the creation, communication, distribution, storage and disposal of information.

For the purposes of this policy, “Information Technology Resources” means all computer and communication facilities, services, data, and equipment that are owned, managed, maintained, leased, or otherwise provided by the University. The Office of Information and Instructional Technology (OIT) refers to authorized personnel currently assigned to Infrastructure Services, Media Services, the Center for Instructional Technology (CIT), Technology Support Services (TSS) and Enterprise Systems. Area Security Officials shall be the supervisor of each department or program with the authority to grant access to Information Technology Resources.

The use of the University’s Information Technology Resources constitutes an understanding of, and agreement to, abide by this policy. Additionally, all constituents must protect, and if necessary, intervene to assure that others protect the confidentiality, integrity, and security of all Information Technology Resources.

### USER OWNERSHIP AND RESPONSIBILITIES

It is the responsibility of any person using the University’s Information Technology Resources to read, understand, and follow this policy. In addition, all users are expected to exercise reasonable judgment in interpreting this policy, and in making decisions about the use of Information Technology Resources.

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Any person with questions regarding the application or meaning of this policy should seek clarification from his or her supervisor, or from the Chief Information Security Officer.

The University owns and maintains the information stored in its Information Technology Resources, and it limits access to its Information Technology Resources to authorized users. Users of Information Technology Resources have a responsibility to properly use and protect these resources, respect the rights of other users, and behave in a manner consistent with any local, state, and federal laws and regulations, as well as all University policies. Information Technology Resources, including Internet bandwidth, are shared among the community, and users must utilize these resources with this understanding.

Users must respect all intellectual property rights, including any licensing agreements, applicable to information and resources made available by the University to its community.

Information Technology Resources are provided to support the mission of teaching and learning and to conduct official University business. Therefore, the University bears no responsibility for the loss of any personal data or files stored or located on any system.

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## PROCEDURES

1. All remote access to university applications, systems and hardware shall be authorized and approved through the Office of Information and Instructional Technology.
2. Any access not explicitly authorized and approved is forbidden.
3. Remote access to specific applications, systems, components, and technology infrastructure shall only be granted to users with a legitimate business need.
4. The level of access granted, and privileges assigned shall be limited to the minimum required to perform assigned duties.
5. Employees and third parties authorized to utilize remote connections shall ensure that unauthorized users are not allowed access to the University internal network utilizing these connections.
6. All individuals and machines, while accessing the network, including company-owned and personal equipment, are considered an extension of the University 's network.

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7. All devices, including personally owned computers, that are connected to the network via remote access technologies must;
  - i. Employ up-to-date anti-virus software, and be up to date on available patches,
  - ii. Employ security patches for installed operating systems (with auto-update, enabled), web browsers, and common applications shall be applied,
  - iii. A firewall must be enabled on each applicable device.
8. Remote access may only be used to conduct business-related work. Personal, private, or commercial use of any service available remotely is not permitted.
9. Users agree to protect University information assets from unauthorized access, viewing, disclosure, alteration, loss, damage, or destruction.
10. Remote access to data or services may not be used to copy private or personal information, such as that residing on a privately owned computer, to company file shares, or other university owned information systems.
11. Remote access to data or services may not be used to store University information on a personal system, file share or other non-university owned system without prior approval from the Chief Information Security Officer.
12. Any constituent found to have violated this policy, intentionally or unintentionally, may be subject to disciplinary action, up to and including termination of access or employment (if applicable).

## REVIEW

This policy shall be reviewed annually the Chief Information Security Officer.