

Finance Update

Spring 2023

Agenda

Open Forum Follow Up

MSCA Follow Up Questions

Listening Session

Closing Comments

Undergraduate Enrollment*

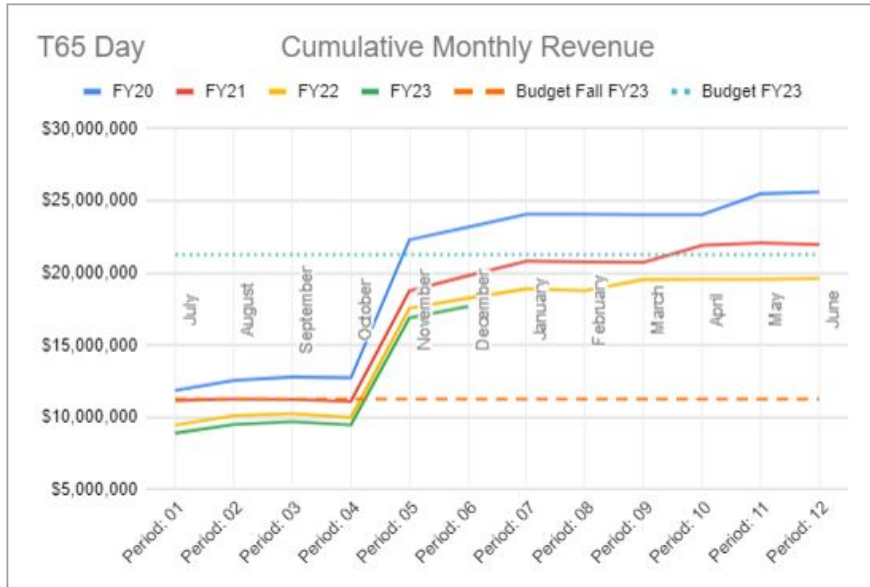
Trends by Institution

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

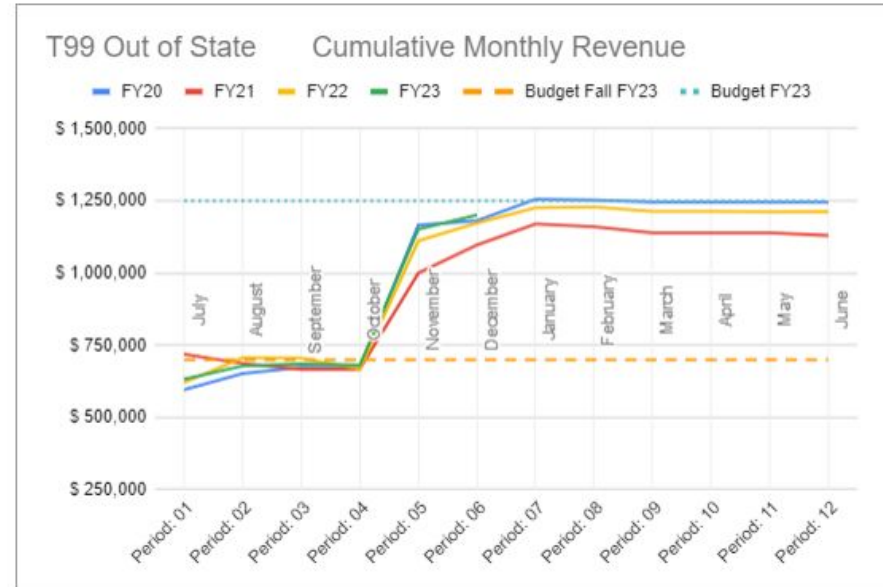
* Day and Evening UG

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

Undergraduate Day



Undergrad Day: Out of State



QTR 2

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

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

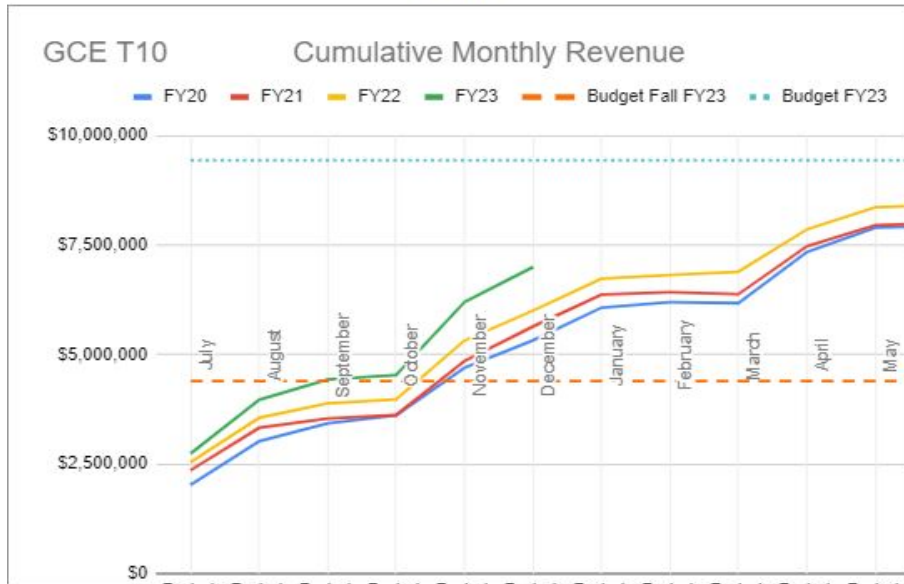
QTR 2

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

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

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

GCE

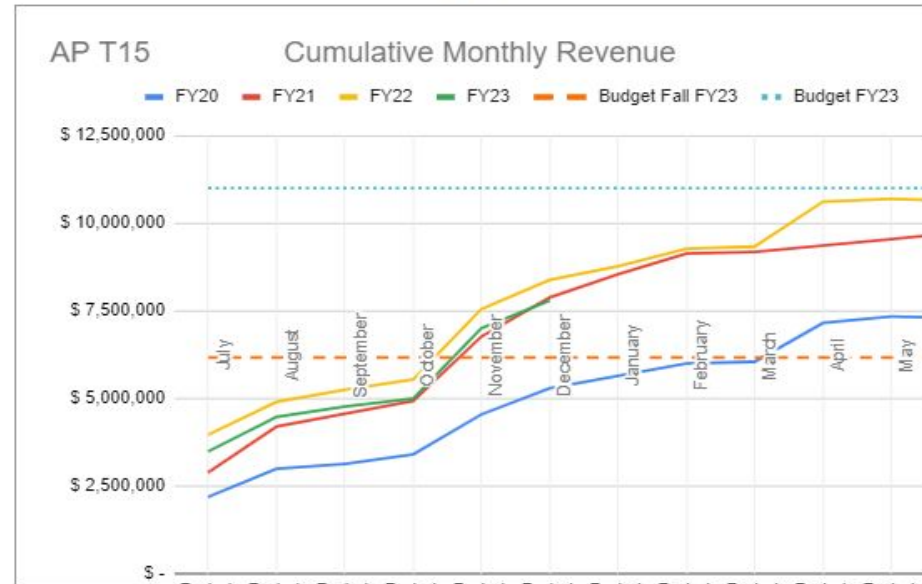


QTR 2

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

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

AP



QTR 2

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

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

HEIRs FTE by Unit from 2003 to 2023

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

Fiscal Year FY21: Snapshot Fall 2020

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

Fiscal Year FY22: Snapshot Fall 2021

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

Cthru Data

Payroll Details

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

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

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

MSCA Follow Up Questions

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

MSCA Question #3

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

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

Personnel Earning \$100 or greater

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

MSCA Question #4

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

IPEDS Survey

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

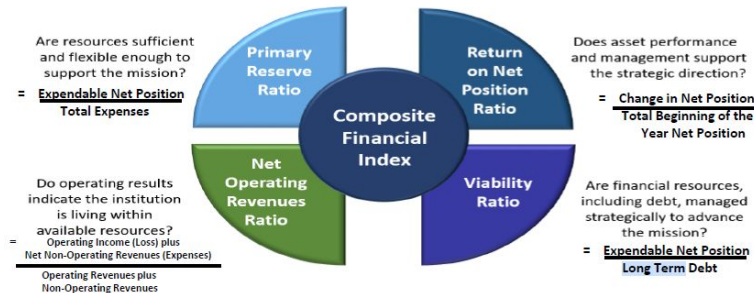
Line 05	Expendable net assets		
	Scholarships and fellowships	412,403	
	Loan	197,348	
	Capital projects	50,000	
	Debt service	6,905,505	
	Other	214,661	7,779,917
Line 06			
	Plant related debt	58,330,467	
	MSCBA Residence Hall long term debt	59,397,128	117,727,595
Line 07	Total Expenses		
	Operating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

MSCA Question #5

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

Financial **Ratios** and **CFI**

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



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

5

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

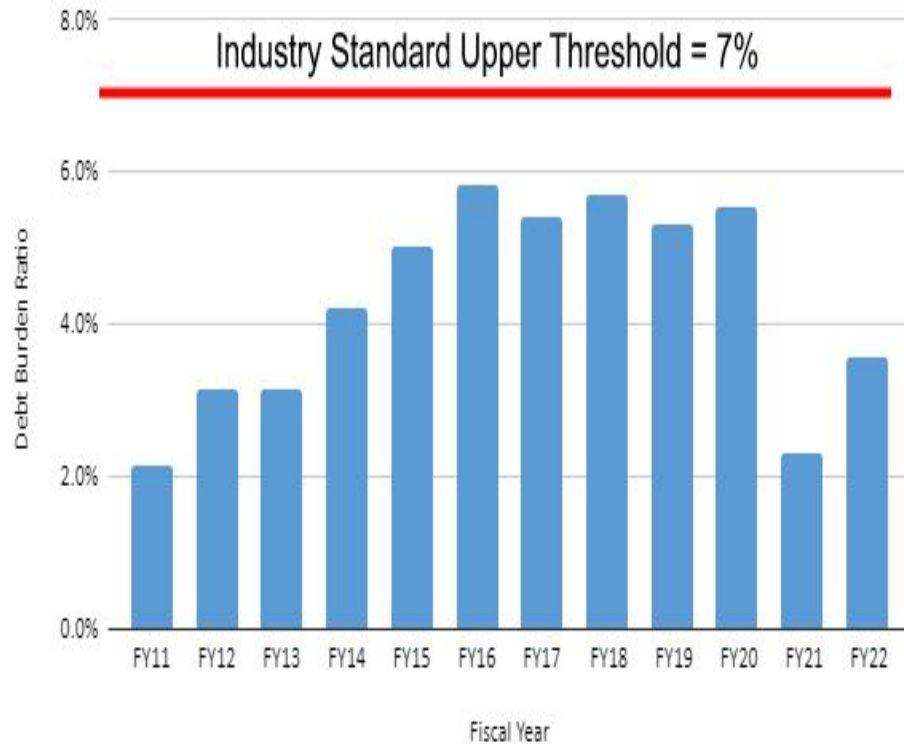
- **The debt burden ratio measures an institution's dependence on borrowed funds by comparing the level of debt service to total expenditures.**
- **In order to effectively manage resources, including debt, industry standards set the upper threshold for institutional debt burden at 7%.**
- **As of June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

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

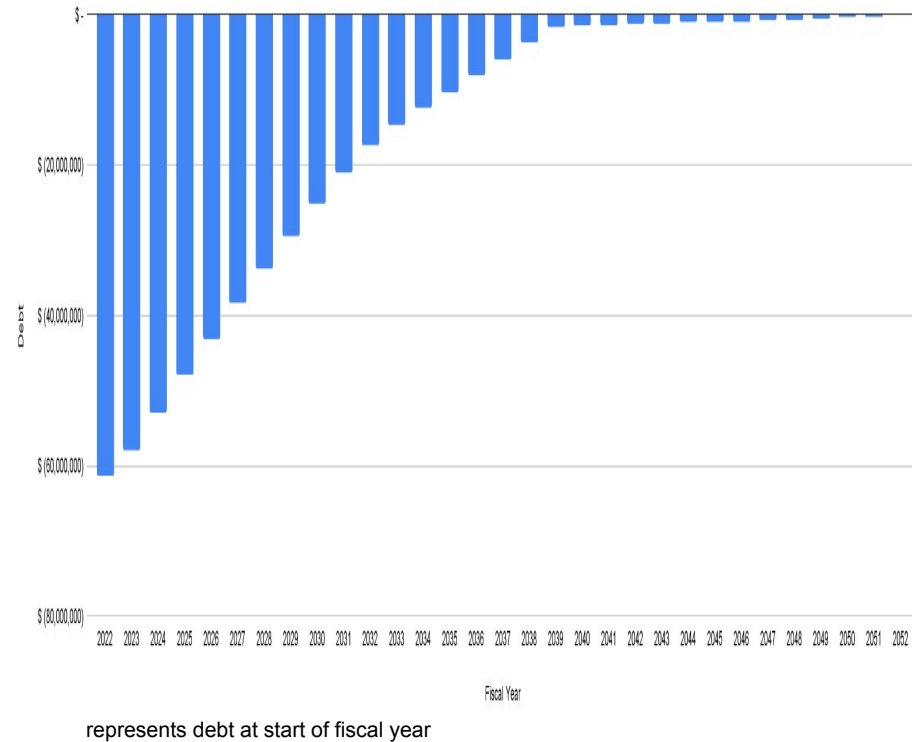
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Debt Burden & Capital Debt Ratio

Debt Burden Ratio



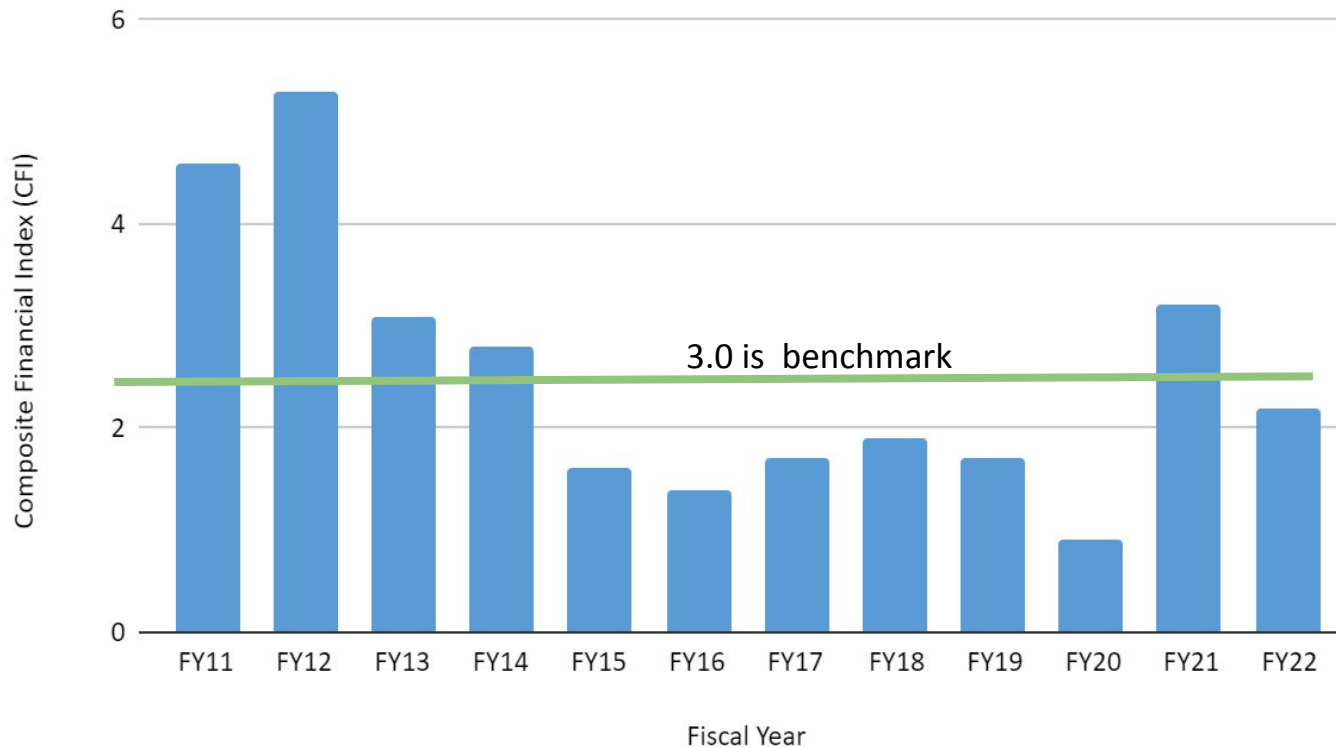
Debt vs. Fiscal Year



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

Composite Financial Index (CFI)

Composite Financial Index (CFI)



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

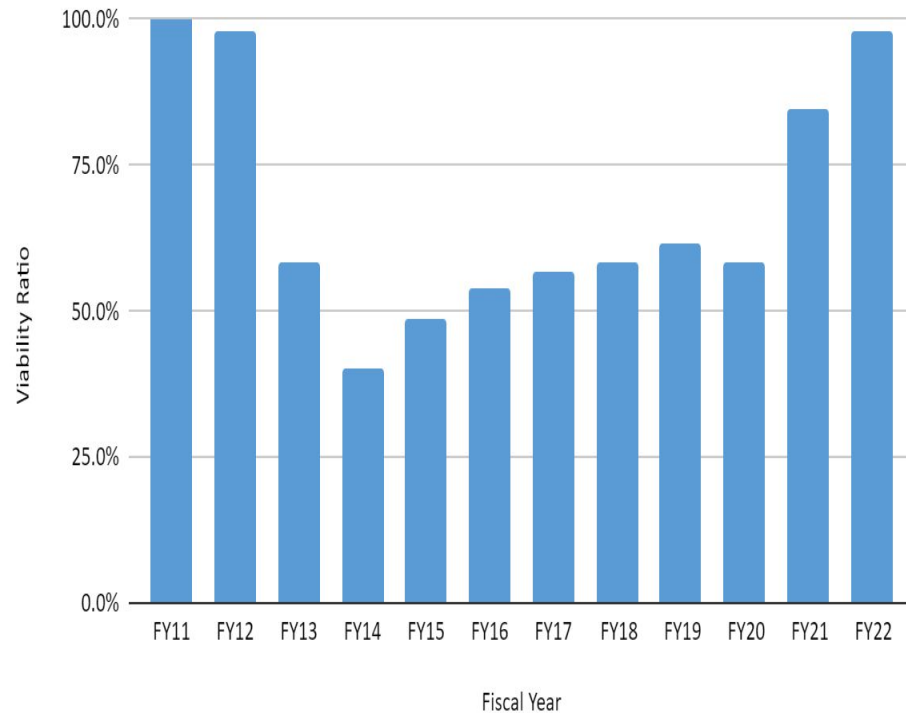
3.0 represents a relatively healthy financial position;

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

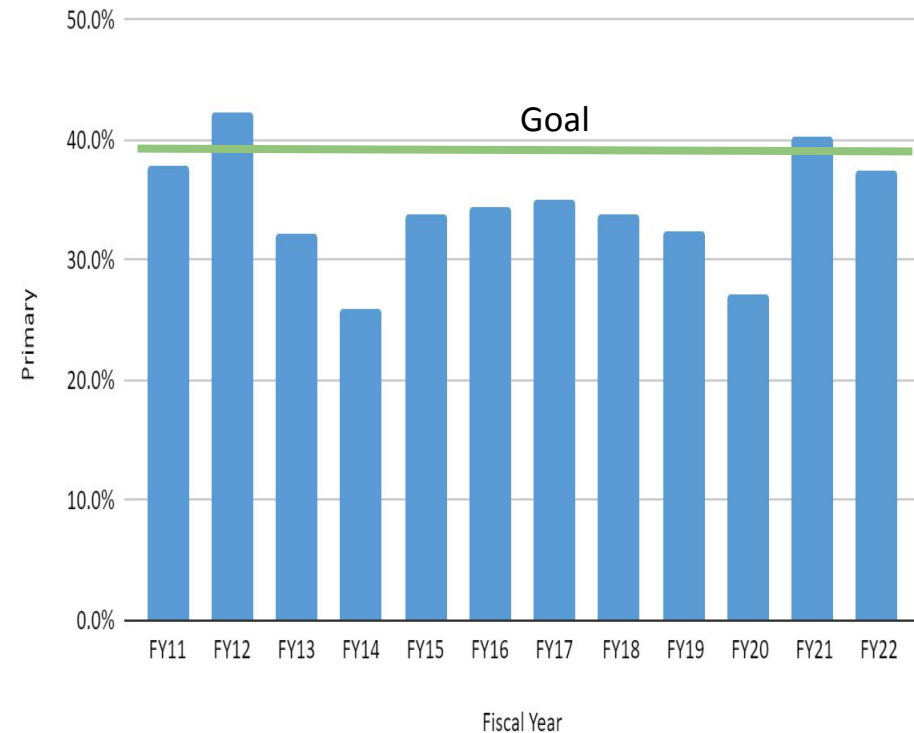
These calculations exclude the impact of GASB 68 (Pensions) and GASB 75 (OPEB) and GASB 87(Leases)

Viability vs Primary Reserve Ratio

Viability Ratio



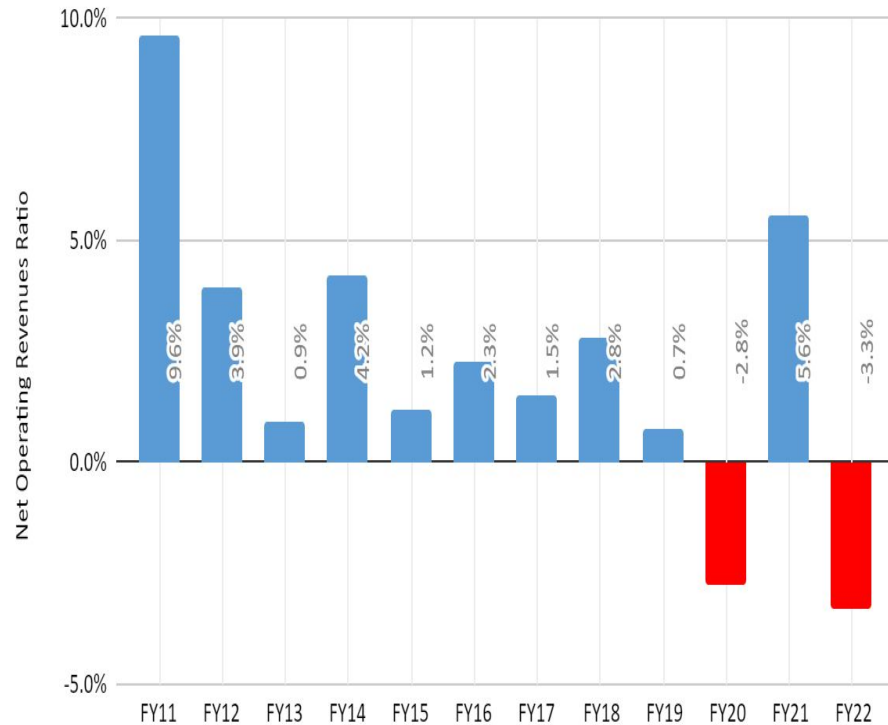
Primary Reserve Ratio



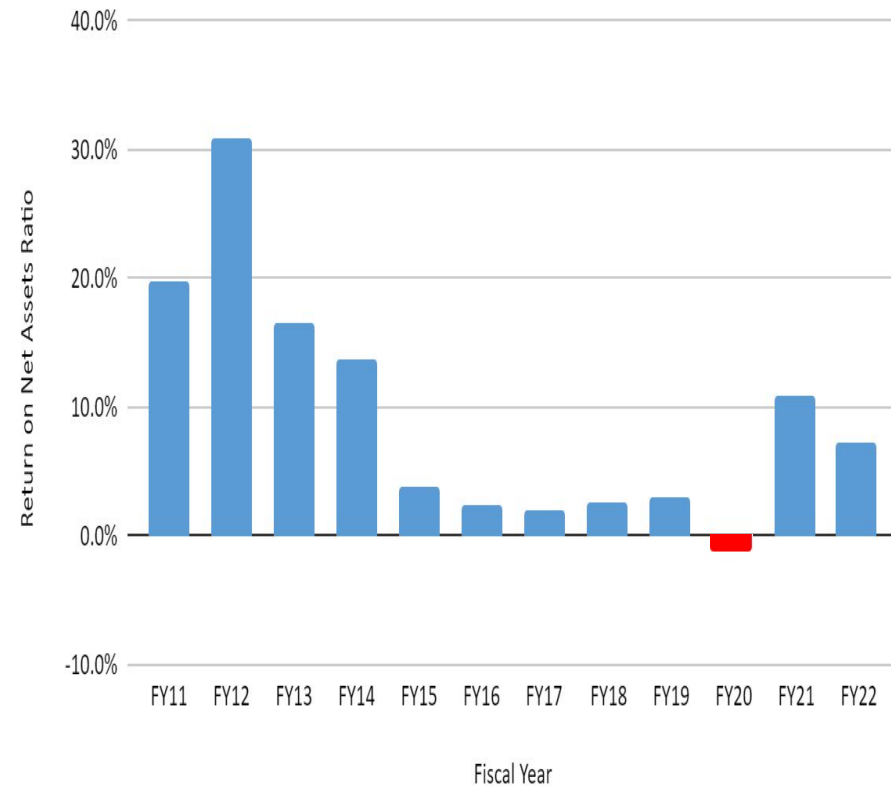
Note: Public Institutions can operate effectively at a lower Viability Ratio as state support is not reflected. These calculations exclude the impact of GASB 68 (Pensions) and GASB 75 (OPEB) and GASB 87(Leases)

Net Operating Revenues & Return on Net Assets Ratios

Net Operating Revenues Ratio



Return on Net Assets Ratio



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

Perceived Budgetary Hardship?

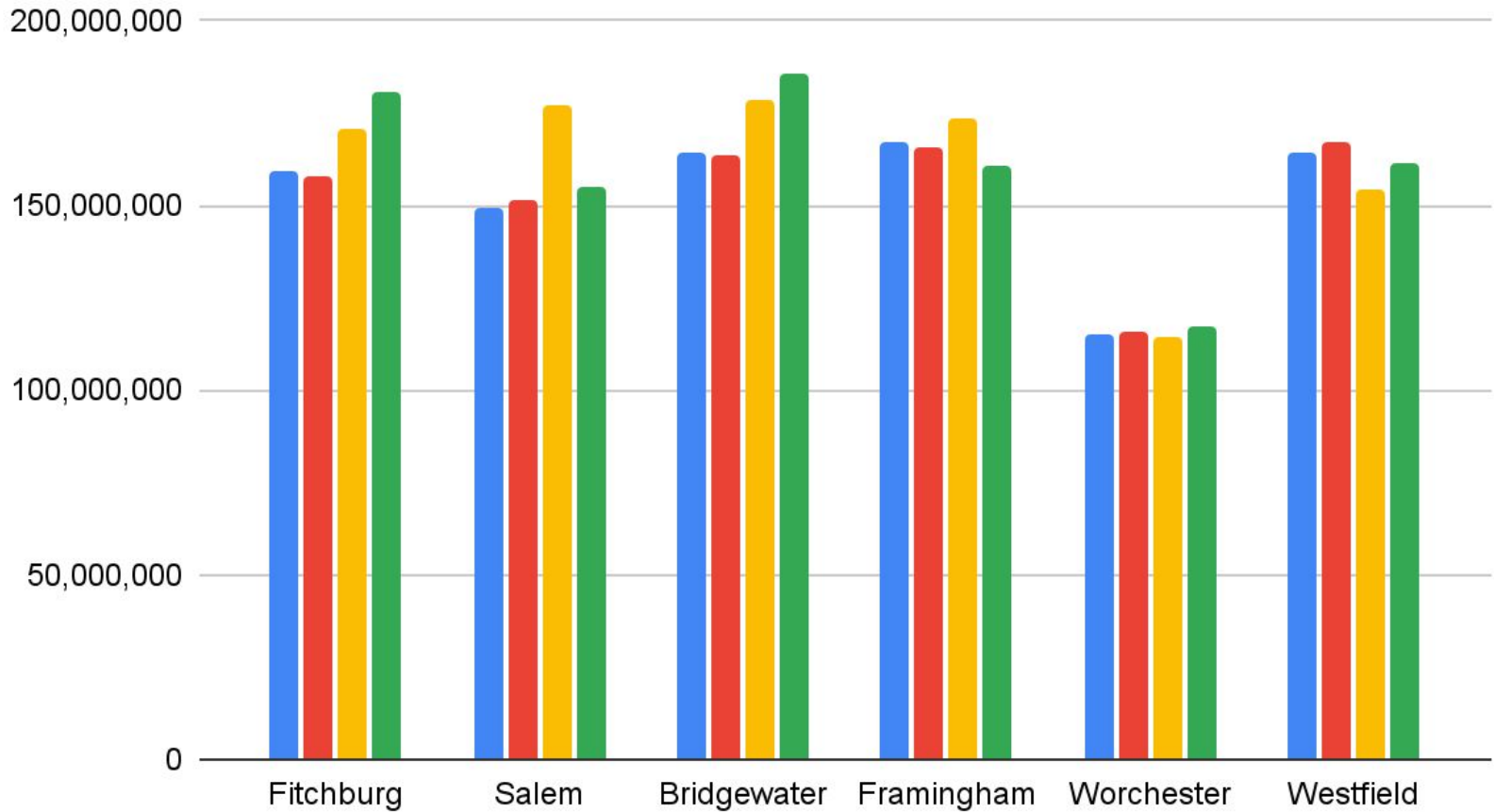
VS

Actual Budgetary Crisis?

MA State U's Net Positions FY19-FY22

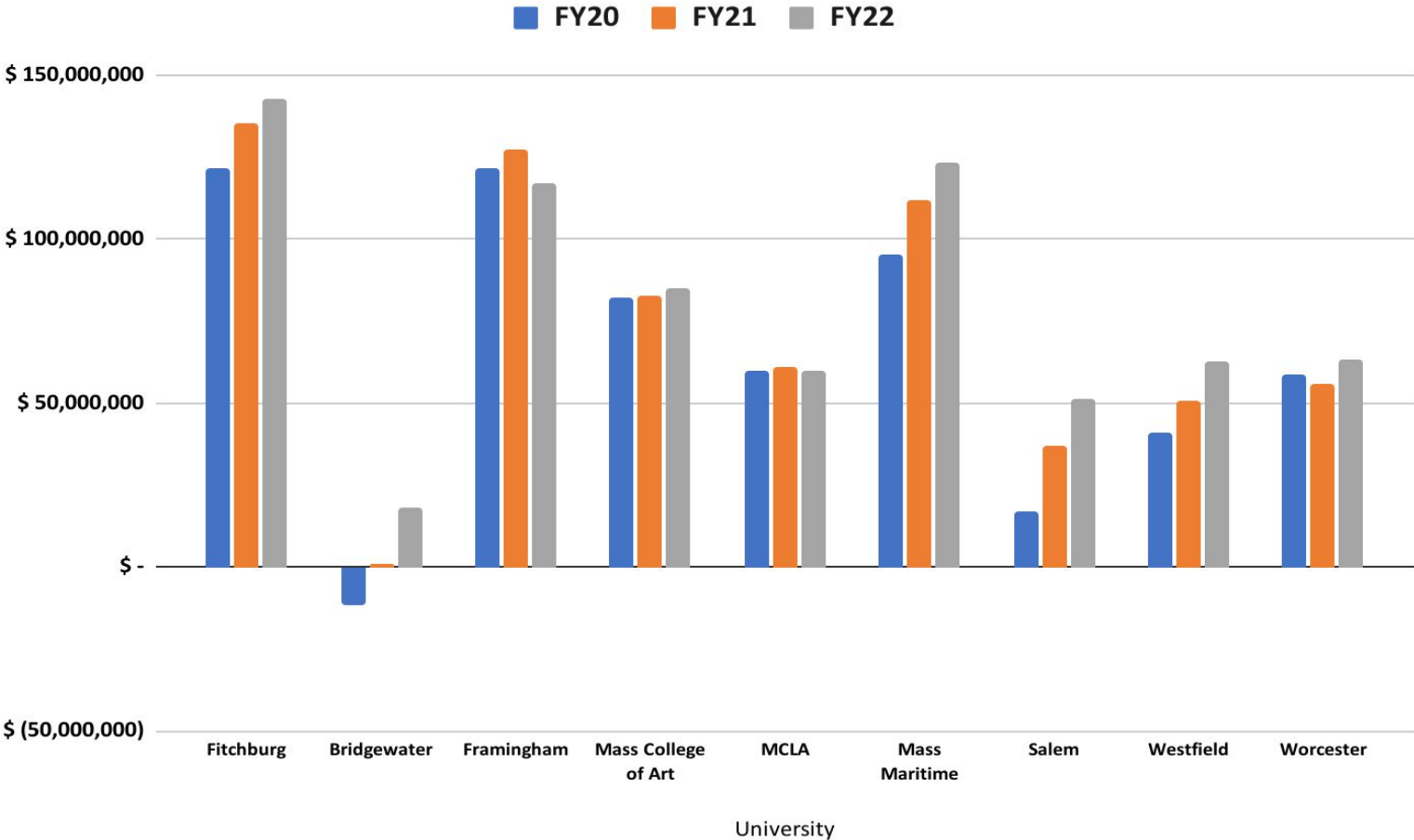
Net Position before GASB 68 and 75

FY19 FY20 FY21 FY22



MA State U's Net Positions FY20-FY22

Inclusive of GASB 68 and GASB 75



EY Parthenon's Key Metrics for FSU

FY21 Overview for State Universities

State University

FIT



MASSACHUSETTS
Department of
Higher Education

← Home

Detail SU →

Cash Metrics

Avg. Months - Available Liquidity**

5.9

Total Net Cash Flow (in \$M)

\$5.5

Avg. Available Liquidity***

5.9

Other Financial Metrics

Operating Margin %

3.7%

Total Revenue (in \$M)

\$108.6

Debt Service Coverage

2.0

Avg. Operating Margin %***

-0.3%

Avg. Debt Service Coverage***

1.2

Operating Metrics

Change in Enrollment (Year over year)

-0.8%

State and Student Revenue per FTE (000)

\$15.1

Cash Outflows per FTE (000)

\$17.5

Avg. Year over year Change in Enrollment***

-8.3%

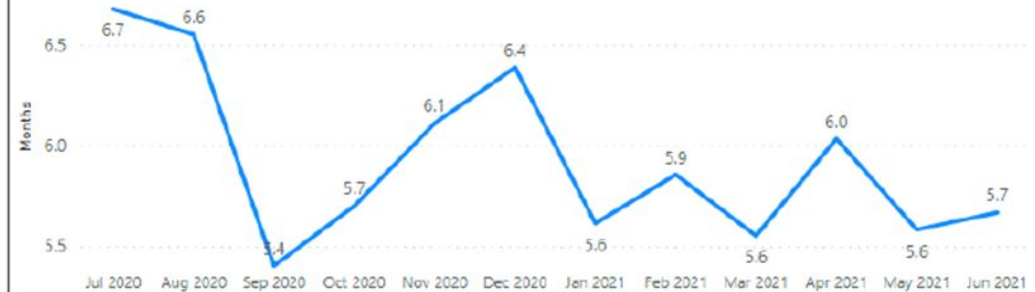
Avg. State and Student Revenue per FTE (000)***

\$20.0

Avg. Cash Outflows per FTE (000)***

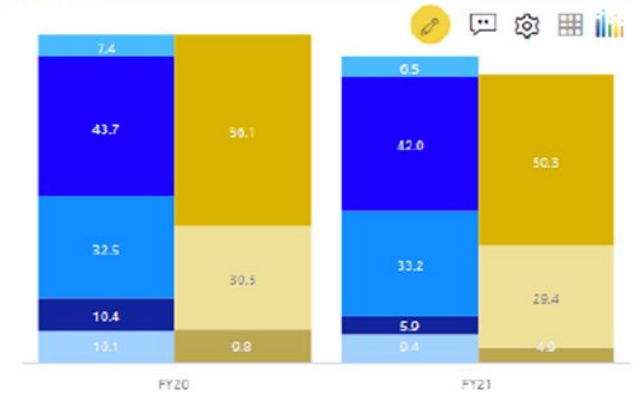
\$25.7

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



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

- Legend
- Debt service (incl. MSCRA assessment)
 - Operating Expenses
 - Grants & contracts
 - Other operating and non-operating revenue
 - State support
 - Student tuition & fees (net)
 - Residence life & housing
 - Payroll



* Revenue and Expenses amount do not include non-cash items, capital appropriations and capital purchases

** In terms of average monthly cash flows

*** Averages based on straight-line (non-weighted) basis

Liquidity - Cash & Investments

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

End of Presentation Listen Session