

**WORCESTER STATE UNIVERSITY
BOARD OF TRUSTEES**

FINANCE & FACILITIES COMMITTEE

June 6, 2017

PRESENT: Trustee Craig Blais, Chair
Trustee Aleta Fazzino
Trustee Stephen Madaus
Trustee Shirley Steele
Trustee Marina Taylor
Trustee George Albro, Ex-Officio Voting Member
President Barry Maloney – Ex-Officio Non-Voting Member
Trustee Maryanne Hammond – Non-Voting Member
Trustee Karen LaFond – Non-Voting Member
Trustee Corey Laite – Non-Voting Member
Trustee Dina Nichols – Non-Voting Member
Trustee David Tuttle – Non-Voting Member

In accordance with the provisions of General Laws, Chapter 30A having been complied with, and a quorum present, a meeting of the Finance & Facilities Committee of the Worcester State University Board of Trustees was held on June 6, 2017 in room C326 located in the Student Center. Chairman Blais called the meeting to order at 4:00 p.m.

REDUCTION IN MANDATORY FEE

Trustee Blais reported that the Finance & Facilities Committee has been very busy meeting to review and discuss the proposed FY 18 University Operating Budget. Action was taken in the April meeting on fee increases based upon information available to the trustees at that time. The vote allowed for revisiting the fee increase should the budget proposed change in any way.

VP Kathy Eichelroth was invited to update the F&F Committee on the FY 2018 State Budget Analysis presented.

- State Senate has included funding to the State University Base Budgets in FY18 in the amount of collective bargaining the campuses funded out of pocket in FY17
- The FY 17 collective bargaining for WSU was funded by a \$230 mandatory fee increase for undergraduate students
- Hopefully the FY18 budget will come out of Conference Committee and signed by the Governor with “full funding of FY 2017 collective bargaining obligations” and the amount added to base budgets
- If so, the annual mandatory student fee rate of \$8,652, previously approved the by Board would be reduced by \$100 making the new rate \$8,552 and this rate would be set for billing purposes providing the state budget, is approved and in place by July 10, 2017
- Remaining balance of the FY17 fee increase related to collective bargaining of \$130 will remain in place and funds would be re-allocated in the budget to fund a portion of the strategic priorities already presented and approved as part of the FY18 budget process

- Will be asking for a vote allowing the fee to be reduced by \$100 if collective bargaining funds come through so that student bills for the fall of 2017 will reflect the reduction
- A budget amendment will be presented to the Board in September reflecting any additional funds from the Commonwealth and the recommended strategic plan priorities to be funded
- Revised figure for mandatory fees, should additional funds be provided to the campus, would be \$8,552 a year
- Funds would still be allocated to the Capital Improvement Fee and Financial Aid as originally agreed

COMPREHENSIVE FY 2018 BUDGET

- The \$107,368,026 budget includes state appropriations and state funded fringe benefits, in addition to nine trust funds
- Annual payroll budget of \$41,072,375 supports 582 full-time employees
- Campus is further supported by an \$8,942,006 budget to fund part-time non-benefitted faculty and staff
- Trust Fund revenue generated locally represents 59% of the total budget
- Student Financial aid from state and federal sources represents 7% and state operating appropriation is 25%, with state funded fringe benefits making up the remaining 9%
- Comprehensive budget reflects actions taken by the Board in April
- Mandatory student fees increased by 4% over previous year
- Increase in fees distributed to the Capital Improvement Trust Fund at an annual rate of increase of \$10 per full-time student
- Camps funded student financial aid has been increased at an annual rate of \$60 per full-time student
- Remaining portion of the annual increase used to restore funding of FY2017 mid-year budget cuts
- Total mandatory fee of \$330 was approved at the April meeting
- Still waiting for the conclusion of the Commonwealths' budget process
- State University incentive funds have been proposed throughout the process and variation of funding of the FY 2017 collective bargaining costs have also been looked at
- Continue to be hopeful that the cost of collective bargaining increases from the past (FY 2016 and F 2017), currently paid from campus resources, will be funded in base appropriations
- If additional funding from the Commonwealth is received, an amendment to the attached budget will be presented at the September board meeting
- The proposed FY 2018 budget as presented results in the cost of attendance for an in-state commuter to be set at \$9,532 per year, the cost for an in-state resident student starts at \$21,198 per year, and the cost for an out-of-state resident student starts at \$27,278 per year
- VP Eichelroth reviewed the proposed budget and documents contained therein answering questions from the group

Following a thorough review of the proposed Reduction in Mandatory Fee Analysis and the proposed FY 2018 Comprehensive University Budget, a motion was made by Trustee Madaus, seconded by Trustee Steele and it was

VOTED: to recommend approval to the full Board a fee reduction in the amount of \$100.00 to the annual mandatory student fee rate previously approved on April 11, 2017. This rate would be set for annual billing purposes provided that the state budget contains the requisite funding and is approved and in place by July 10, 2017.

Upon a motion by Trustee Taylor and seconded by Trustee Steele, it was

VOTED: to recommend approval of the FY 2018 Comprehensive University Budget, which includes all votes taken at the April 11, 2017 meeting, as presented.

- Discussion was held on how fee reduction would be handled if information is not received on a final budget prior to July 10th – information to be brought forward to the Board if necessary
- Trustee Blais asked that actuals for the FY2018 Budget/FY2017 Budget be made available at the September meeting

ENROLLMENT MANAGEMENT STRATEGY

Proposal for a Non-Resident Scholarship Plan: Out-of-State Recruitment & Enrollment Incentive

- VPs Eichelroth, Forsythe and Special Assistant Herrin presented the proposal for consideration
- WSU would establish an undergraduate recruitment and enrollment scholarship incentive to grow out-of-state student population among matriculating undergraduate students
- Incentive would be structured as a partial waiver of mandatory fees for qualified undergraduate first-time applicants enrolled in the undergraduate day; program and matriculating in full-time status
- The awarding of the incentive to qualifying students shall be renewable and subject to academic and other conditions set by the President
- President shall report annually to the Board of Trustees on the number of such incentives awarded and other information deemed informative to the Board
- College-aged population in New England, including Massachusetts, is declining and is creating pressure on recruitment and admissions
- Out-of-state enrollment growth is one key strategy to address this applicant shortfall
- Out-of-state students, currently number 4% at WSU, including 1% that are international, provide the benefit of diversifying student population and increasing net revenue
- WSU's overall out-of-state residential student full-cost estimate is around \$27,000 and is competitive on a list-price basis and our position in the marketplace requires us to be aggressive in attracting students
- Our recruitment efforts would benefit from a scholarship model that would speak to out-of-state students and their families
- Private US higher education institutions provide a model with aggressive use of discounting, packaged as scholarships to address and attract students
- The scholarship incentive is framed through reductions in the fee controlled locally by WSU – its mandatory general fee (currently set at \$7,534.00 per year)

- Out of-state students pay a separate effective surcharge in tuition – which WSU retains upon payment – of \$7,050
- The scholarship incentive proposed here is structured as a reduction in the general fee, it operates as a discount off of the out-of-state tuition cost
- Reduction proposed is set not to exceed half of the annual general fee and is designed to be set by the University to target the incentive in ways that grow enrollment
- Might use a sliding scale where larger incentives could be offered to students who meet specific recruitment goals
- International students have a reputation of higher rates of successful progression and completion
- Would like to contract with consultants to work to recruit international students similar to those we have in place now that assist with marketing efforts, recruitment, etc.
- Suggested that a special committee be established to review proposal looking at all costs to implement such a program
- Vice Chair Hammond agreed to oversee committee to review the *Proposal for a Non-Resident Scholarship Plan* – volunteers were asked to notify Trustee Hammond of their interest

Upon a motion by Trustee Taylor and seconded by Trustee Madaus, it was

VOTED: to adjourn the meeting at 5:30 p.m.

Respectfully submitted,

Judith A. St. Amand
Assistant Secretary