



**Board of Trustees
Finance Committee
Minutes**

February 19, 2026, 2:45 p.m.
President's Boardroom, Horace Mann Center

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

Committee Members Present: Committee Chair George Gilmer, Vice Chair Theresa Jasmin, Secretary Chris Montemayor, Barney Garcia, Jason Queenin, and Board Chair Ali Salehi, ex-officio.

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

Committee Chair George Gilmer called the meeting to order at 2:45 p.m., did a roll call of attendees listed above, and stated the meeting was being livestreamed and recorded.

MOTION made by Trustee Jasmin and seconded by Trustee Montemayor, to approve the minutes of the December 18, 2025, meeting. There being no discussion, a roll call was taken, **motion passed unanimously.**

Cash Position Update

- A report comparing cash from January 31, 2026, to January 31, 2025, was provided.
- A significant cash bond payment to the NSCBA of about \$8 million is pending, which will reduce the positive variance year-over-year to approximately \$2 million.
- A new graph, "monthly cash and investment balances," was added to show multi-year cash flow trends.
- The current pattern is trending slightly higher, but will dip after the \$8 million bond payment.

Monthly Budget to Actual Report

- Revenues are running ahead, and expenses are running less than last year at the same point in time.
- State appropriation is up by \$3 million, auxiliary revenues are up by \$5 million, dining and residence life grant revenues are up by over a million, and tuition fees are up by half a million.
- Expenses are understated due to the timing of the debt payment.
- Significant investments were made in financial aid, aligning with the budget.
- The year-over-year surplus is currently \$11.4 million but will drop to about \$3 million after the debt payment.
- The expectation is to end the year somewhere around -2% of the final operating budget.

Grant Revenue and Budget Adjustments

- Grant revenue was removed from the operating budget and will be reported separately.
- The removal is a partial adjustment because the dollars roll over year to year.

Budget Planning Principles

- The principles used this year will be used for next year's budget.
- Goal: Develop a balanced budget and limit the use of reserves.
 - The board approved the use of reserves for fundraising investment purposes.
 - A budget to actual report will be prepared once that gets rolling.
- Strategic plan will be linked to resource allocation.

Enrollment Projections for FY27

- Projected enrollment is expected to decrease by roughly 50 full-time undergraduate students.
- An increase of 22 FTEs is expected in the DGCE area, related to new graduate programs.
- Total enrollment is projected to be around 4,270 students, compared to 4,301 in the current year.
- Assumptions are still being refined, especially regarding returning student numbers.

Graduate Enrollment Opportunities

- New programs, like the MBA and psychiatric nurse practitioner programs, present an opportunity.
- Revenues from these programs are currently in the DGCE budget.
- Three of the four new programs are ahead of projections for fall enrollment.

Demographic Cliff and Right-Sizing

- The University has been in a decline for a number of years, with this year being the most significant. Expectation is to see a 12% decline over the next three years.
- There is a need to right-size course offerings and programs to match the student population.

Program Evaluation and Funding Thresholds

- Question: Is there a way of knowing when a program is no longer worth funding?
- Other campuses have looked at enrollment and graduation rates over a 10-year period to determine program viability.
 - In North Carolina, programs with graduation rates below a certain level for 10 years were required to be discontinued. The faculty from discontinued programs were repurposed.
- A metric is used that looks at a three-year average of graduates from existing majors, with a threshold set at an average of 10 graduates per year.
- Many low completer programs are in arts and sciences, reflecting a nationwide trend.
- Initiative to understand why programs have low completion rates and explore ways to improve enrollment.
- Closing a program does not save much money because the faculty are retained, especially in service departments like biology and chemistry, which teach students in other programs.
- Professional studies programs subsidize programs like theater and music, which contribute to general education and the WISE program.
- Deans are meeting with individual chairs to review curriculum and ensure viability.

Budget Development Process

- The Cabinet meets to share data, information, and strategies to reach a balanced budget.
- The Cabinet, excluding the President, meets every other week to work through the logistics.
- Recommendations are made to the President, leading to a provisional budget in June, with adjustments made over the summer and a final budget in the fall. The goal is to have an operating budget in place by July 1st.

Budget Snapshot

- Current revenue projections indicate a \$4-5 million shortfall.
- Revenue is flat, and state revenue goes to fund collective bargaining increases, so there is no net gain to the campus.
- Tuition increases will result in a small net gain of about \$250,000.
- DGCE, Residential Life, and Dining are neutral to the operating budget because they generate their own revenues and pay their own expenses.
 - DGCE and the dining program create subsidies that offset costs in the general fund for overhead costs.

Expense Side

- Temporary adjustments made in 2026 are being reevaluated.
 - These adjustments, totaling about \$3 million, were reversed and are now being reviewed to determine if they can be maintained, added back in, or addressed differently.
- Temporary debt relief from the MSCBA and foundation money used to offset costs this year will not be available again.
- Last year's deficit at the same time was \$13 million.
- Collective bargaining costs are not fully covered by the state.
- Strategic investment in financial aid continues, reducing revenue by about \$1.5 million.
 - This investment is necessary to attract and retain students due to fierce competition from other schools.

Fourth Quarter Investment Report

Stephen Haines from Fund Evaluation Group will present the fourth quarter investment report.

- Asset allocation of University accounts ending December 31st:
 - Roughly 63% equities, 36% fixed income, and just under 1% in cash.
 - Reallocation on the margins based on the recommendation from the last meeting.
 - Strong run into year end in terms of performance created some delta.
- Performance:
 - Roughly \$5.3 million in bottom line net growth for the school in terms of total returns.
 - Fourth quarter gain was just over \$1 million.
 - Schwab number estimating \$3.2 million in strictly dividend income is probably overestimated.
- Returns:
 - Fixed income account was up 1.1%.
 - Investment account was up 2.9%.
 - Absolute returns for the year were up 14%.
 - The account with both equities and fixed income in it was up 17.1%.
- Interest Rates:
 - Federal Reserve indicated a more gradual path ahead.
 - February meeting they said that they were less worried about inflation and more focused on jobs.
 - Pace of cuts this year really going to depend on jobs.
 - If rates are cut, they move down, that's supported for markets.
 - If rates are not cut and we kind of remain steady, that reflects jobs doing quite well.

Yield Curve Steepening

- The spread between the 2-year and 10-year Treasury yield widened during the year.
- Two levers for fixed income returns: yield and price movements.
 - The yield curve widened because bond prices on the short end fell.
 - The longer end of the curve remained steady.
- Portfolio is positioned more on the shorter end of the curve.
 - Aiming for price appreciation and yield income.

Labor Markets

- Tight labor markets and AI are amplifying fears.
- January non-farm payrolls increased by \$130,000.
 - Street estimates were around \$55,000.
 - Unemployment moved lower to 4.3%.
- The market didn't necessarily like the strong jobs numbers because they were looking for more rate cuts.

AGB Conference Themes

- Tailwinds:
 - Corporate earnings growing in the mid-teens.
 - More liquidity moving into the market.
 - Surge of tax refunds for consumers.
- Headwinds:
 - Three consecutive years of >15% returns need to be absorbed.
 - Sector rotation (gold, AI shift, crypto moving down).
 - Margin debt at all-time highs (more volatility).
 - Potential for large liquidity events (OpenAI, SpaceX IPOs).
 - Supreme Court ruling on tariffs.
- Outlook: Cautiously optimistic.
 - Midterm election years follow riding patterns.
 - Expect choppiness mid-year, but a strong finish to the year.

Interest Rates

- Market is betting on two rate cuts later this year.
 - The velocity of those cuts will be driven by jobs numbers.
 - Rate cuts would be good for fixed income and equity.
 - No rate cuts would mean jobs are doing well, supporting earnings growth.

Large Liquidity Event

- Private equity has valued Open AI and SpaceX at roughly a trillion dollars.
- Hypothetical: If Open AI IPOs in 2026 at a trillion-dollar valuation and they put 20% of the free flow or that 20 of the stock in the market that's going to suction off \$200 billion out of cash flow that could be going to other companies.
- Large IPOs can suction liquidity from other stocks and generate volatility.
 - Expect volatility for equity markets if two large IPOs happen in the same quarter.

AI and Big Tech

- The amount of money flowing into AI is "ravaging software."
- Big Tech (Mag 7) outperformed on revenue and earnings basis.
 - Less software-related businesses were rewarded.
- Earnings outlook for Big Tech looks strong.
- Free cash flow is a concern due to CapEx spending on AI.
 - Big Tech names are still dominating earnings.
 - Expect pullback in tech to reverse in a couple of weeks due to strength of earnings and revenue generation.

MOTION made by Trustee Jasmin and seconded by Trustee Queenin, the Finance Committee recommends to the full board: to approve the consolidation of Westfield State University's two investment accounts into one, as recommended by investment advisors, Fund Evaluation Group (FEG). The consolidation will simplify reporting and account management. The aggregated account will reflect the integration of the current asset allocation of equities and fixed income. There being no discussion, a roll call was taken, **motion passed unanimously**.

Tuition and Fees

- Tuition is approved by the State Board of Higher Education.
 - It's a small component of the total fee structure.
 - It hasn't changed in 20 years.
- The board approves mandatory fees.
- The ADA determines rent charged to students in residence halls.

- Course and lab fees can be approved by the President.
 - It does not require board approval because it's not a mandatory fee.

Comparison to Other State Universities

- Westfield State is in the middle of the pack for tuition and fees.
- The University does not coordinate on setting fees across the state.
- Fee setting is around inflation.
 - Inflation was running at 2.4% about a week ago.

Recommended Changes

- A 2 1/2% increase on mandatory Fees for a full-time commuter student, about \$320.
- Room and dining fees will increase by about 3%.
 - Food costs are running at about 4%.
- The total change recommended is about 2.8% over the current year or about \$746 increase over the current year mandatory tuition and fees.
- The Student Government Association has been informed.

Course and Lab Fees

- Academic affairs has recommended several new course fees.
 - Dollars that students will get charged above and beyond the mandatory fees if they take specific courses.
- The revenue generated will go to the operating budgets for these units.
- The president approved these fees.

Division of Graduate and Continuing Education (DGCE)

- They are self-sustaining and do not receive state support.
- Recommended increases are around 2 1/2%.
- There are two new master's programs.

MOTION made by Trustee Jasmin and seconded by Trustee Garcia, the Finance Committee recommends to the full board: To approve the FY27 tuition and fee schedule, as presented. There being no discussion, a roll call was taken, **motion passed unanimously**.

Items for Information

- Information security policy was presented. No changes needed.
- Travel expenses for the President were provided.

There being no further business,

MOTION made by Trustee Jasmin and seconded by Trustee Montemayor, to adjourn the meeting. There being no discussion, a roll call was conducted, **motion passed unanimously**.

Meeting adjourned at 3:52 p.m.

Materials:

- a. Minutes 12-18-25 (Draft)
- b. University Cash Summary
- c. FY26 Monthly Budget to Actual (Narrative)
- d. FY26 Monthly Budget to Actual (YoY)
- e. FY27 Budget Planning
- f. 4Q Investment Report
- g. Motion – Merging Investment Accounts

- h. Merging Investment Accounts (Memo)
- i. Motion – FY27 Tuition and Fee Schedule
- j. FY27 Tuition and Fee Schedule (Narrative)
- k. FY27 Tuition and Fee Schedule (Day)
- l. FY27 Tuition and Fee Schedule (DGCE Narrative)
- m. FY27 Tuition and Fee Schedule (DGCE)
- n. Policy - Information Security Policy (0580) TRACK CHANGES
- o. Travel Expenses for the President and the President’s Direct Reports July 25 – December 25
- a. University Cash Summary
- b. Capital Project Strategy (Summary)
- c. Capital Project Strategy (HE Capital Working Group)
- d. Capital Project Strategy (Dashboard)
- e. Annual Debt Report and Ratios (Summary)
- f. Annual Debt Report and Ratios (Ratio Tables)
- g. Fixed Assets Inventory Progress Report
- h. Remote Access Policy (0620) TRACK CHANGES
- i. Data Classification Policy (0630) TRACK CHANGES

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, Finance Committee meeting held on February 19, 2026.

Chris Montemayor, Secretary

Date