

PENNSYLVANIA'S STATE SYSTEM OF HIGHER EDUCATION



System Redesign — Institutional Integrations

Update on financial review; next steps



Pennsylvania's
STATE SYSTEM
of Higher Education

System Redesign: Implementation Plan

5	Engage Partners	<ul style="list-style-type: none">• Real-time awareness of System activities• Stakeholder/System advocacy alignment• Legislative action toward regulatory relief and increased investment
4	Enhance Culture and Talent	<ul style="list-style-type: none">• Best-of-breed survey results for employee engagement and satisfaction• Improved recruitment, retention, and internal talent development
3	Identify & Scale Innovation	<ul style="list-style-type: none">• Improved retention, completion, career placement, affordability• Growth of new markets (career aligned credentials, new student groups)• Evidence based scalable solutions• Collaborative cohort of institutions enabling Systemness
2	Build a Shared Infrastructure	<ul style="list-style-type: none">• Efficiencies (\$)• Optimum program breadth• Improved capabilities (e.g., cross-campus instruction)
1	Strengthen Governance and Accountability	<ul style="list-style-type: none">• Outcomes-oriented & transparent strategy planning, budgeting, and resource allocation• Clear delineation of roles and responsibilities, and inter-relationships• Clear institutional & individual accountabilities with performance incentives & supports• Shared understanding of collective accountability for student and university success



Overview

Introduction



Since the passage of Act 50 in July 2020, the team conducted a financial review and alignment analysis in accordance with requirements.



From this analysis, the team recommends the integration of six institutions to form two new entities.



The following presentation provides an overview of the proposed integrations, opportunities for their futures, and projections of their combined financial viability.



This report concludes with high-level next steps to support the next phase of integration activities through April 2021.

July to October 2020: The Process We Followed

The integration process is defined in law and is deliberate, analytical, consultative and transparent.

JULY 2020 TO OCTOBER 2020

- Conduct **review** of financial impacts of potential integrations

OCTOBER 2020 TO APRIL 2021

- Develop implementation **plan(s)**

APRIL 2021 TO JULY 2021

- Submit plan(s) for **public comment** (April 2021) and Board approval (July 2021)

JULY 2021 TO AUGUST 2022

- Begin **implementation** activities per the plan

Recap on July 2020: What We Recommended



Integration Goals

1. Maintain or expand **high-quality educational opportunities** for students across Pennsylvania
2. Honor and engage **local identity and key stakeholders** (COTs, alumni, affiliates, donors, etc.)
3. Meet regional **economic and workforce needs**
4. Position **institutions for growth** including in new markets
5. Realize **cost-savings**
6. Leverage **talented faculty and staff**



Integration Criteria

1. Potential to **serve more students**, grow into **new markets**
2. Strong **regional proximity**
3. Opportunity for **cost savings and program alignment**






Integration Assumptions

1. One leadership team
2. A single faculty and staff
3. A single program array
4. A unified enrollment management strategy
5. A single, combined budget
6. One reporting relationship through the Chancellor to the Board of Governors

July to October 2020: What We Learned During the Financial Review Process

Expanded...

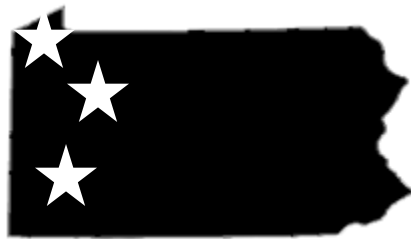
 Integration Goals	<ol style="list-style-type: none">1. Emphasize student success2. Recapture affordability advantage3. Re-think/enhance student supports and services, use of high-impact practices, career services, etc.4. Establish robust program pathways among universities, schools and community colleges5. Strengthen connections to workforce with pathways, experiential learning, career services, adult learning and post-traditional6. Establish a path to growth
 Integration Criteria	Responsive to regional community and economic development needs
 Integration Assumptions	A single accredited entity

Integrated Institutions That Honor Local Identity and Leverage Their Collective Strength

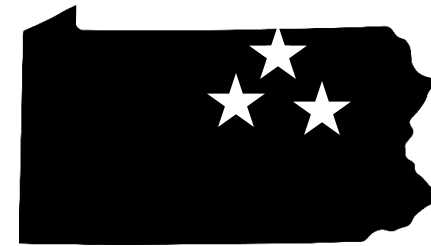
CAL U



CALIFORNIA | CLARION | EDINBORO









BLOOMSBURG | LOCK HAVEN | MANSFIELD



Institutional Fast Facts

IPEDS Preliminary Release

	Institution	Official Fall 2020 Headcount	Credit Completion Ratio*	Second Year Persistence	6-Year Graduation Rate (All Students)*	Average Unmet Need*	Average Net Price*	Percentage of Undergraduate Pell Grant Recipients
Northern Integration	 Bloomsburg University	8,346	89.1%	77.2%	61.1%	\$11,221	\$15,188	32%
	 Lock Haven University	3,163	88.7%	73.2%	53.9%	\$13,659	\$14,849	28%
	 MANSFIELD UNIVERSITY	1,792	87.9%	78.1%	54.4%	\$13,730	\$14,821	47%
Western Integration	 CALIFORNIA UNIVERSITY OF PENNSYLVANIA	6,885	87.9%	71.4%	54.9%	\$12,058	\$13,285	42%
	 CLARION UNIVERSITY	4,465	89.4%	77.23%	53.2%	\$11,474	\$15,329	39%
	 EU EDINBORO UNIVERSITY	4,319	88.9%	74.1%	48.9%	\$13,567	\$14,658	43%

* Data from CPP

Source: Percentage of undergraduate Pell Grant recipients sourced from IPEDS and reflects 2018-19 data. All other metrics provided by institutional CPP documents as of October 2020, showing 2018-19 data.

Challenges



**Expanding to New
Markets**



**Financial
Reality**



**Demographic
Trends**



**Supply has
Outpaced Demand**

Potential Benefits of Transformation

Through integration, PASSHE anticipates gains for the participating institutions on critical viability and student success metrics.

Increased 1st to 2nd Year Retention

- **Benefit:** Promote student success, enhance brand, capture lost tuition revenue

Improved 4- and 6-Year Graduation Rates

- **Benefit:** Promote student success, enhance brand, capture lost tuition revenue

Stronger Operating Margin and Primary Reserve Ratios

- **Benefit:** Strengthen financial viability, enhance competitive tuition pricing, reinvest in academic programming and financial aid

Overall Debt Reduction

- **Benefit:** Strengthen financial viability, enhance competitive tuition pricing, reinvest in academic programming and financial aid

Maintain, Increase, and Enhance Academic Opportunities

- **Benefit:** Strengthen academic program options available to students across the region, become more competitive and attractive to prospective students, enhance brand

Improve Access and Affordability

- **Benefit:** Promote mission of providing access to quality higher education opportunities, enhance brand

Early Indications of Integration Opportunities

- Provides regional postsecondary education **access through traditional and digital delivery**
- Delivers programming shaped by strong regional partnerships that meet **regional priorities**
- Leverages strengths of three institutions **to operate at-scale and reinvest** in programs
- Provides **career-ready internship experiences** with high-touch, student-focused on-campus and online undergraduate and graduate programs
- Offers legacy education, health and business programs with **advanced level accreditations**
- Builds upon on an existing strong foundation of collaboration and partnership to **efficiently expand and deliver undergraduate and graduate programs** across the region and beyond
- Enhances responsiveness to **traditional workforce-aligned, nondegree, certificate and stackable credentialing programs** to meet regional and statewide economic and workforce demands
- Continues offering **high-touch, personal on-campus experiences** that have historically reinforced the campus' identity, brand, and value proposition

Potential of Integrated Academic Program Arrays for Bloomsburg – Lock Haven – Mansfield

*Opportunities leveraging
existing strengths, including in
areas with strong workforce
demand*

- Nursing
- Health Sciences and Health Professions
- Business, Finance, and Accounting
- Educator Preparation
- Early Childhood
- Social Work/Counseling

- Computer Science/ Information Technology/Data Science/Digital Forensics
- Music and Music Technology
- Psychology
- Biology

*Opportunities leveraging
new/expanded delivery
modalities and credential types*

- Remote education provided by synchronous, asynchronous, and multimodal delivery across multiple campuses
- Studio Arts – multiple campus residencies
- Expand graduate programs in areas of strength

- Guaranteed transferability model into an AACSB accredited Business College
- Guaranteed admission model for Physician Assistant Program
- Non-degree credentials

*Opportunities for pathways (2+2
Programs, etc.)*

- AA in Computer Information Systems to BS Computer Science/ Information Technology / Data Science / Digital Forensics
- Environmental Engineering to Environmental, Geographical, and Geological Sciences

- Pre-health Professions – multiple opportunities
- Liberal Studies – multiple opportunities

*Opportunities to sustain low-
enrolled and at-risk programs in:*

- Physics
- Mathematics
- Chemistry
- Foreign Languages

Potential of Integrated Academic Program Arrays for California – Clarion – Edinboro

Opportunities leveraging existing strengths, including in areas with strong workforce demand

- Health sciences / professions including nursing and pre-professional school programs
- Business, finance, and accounting
- Data Science
- Engineering
- Education including secondary education, special education, and school administration
- Library Science
- Technology
- Social work/counseling/art therapy

Opportunities leveraging new/expanded delivery modalities and credential types

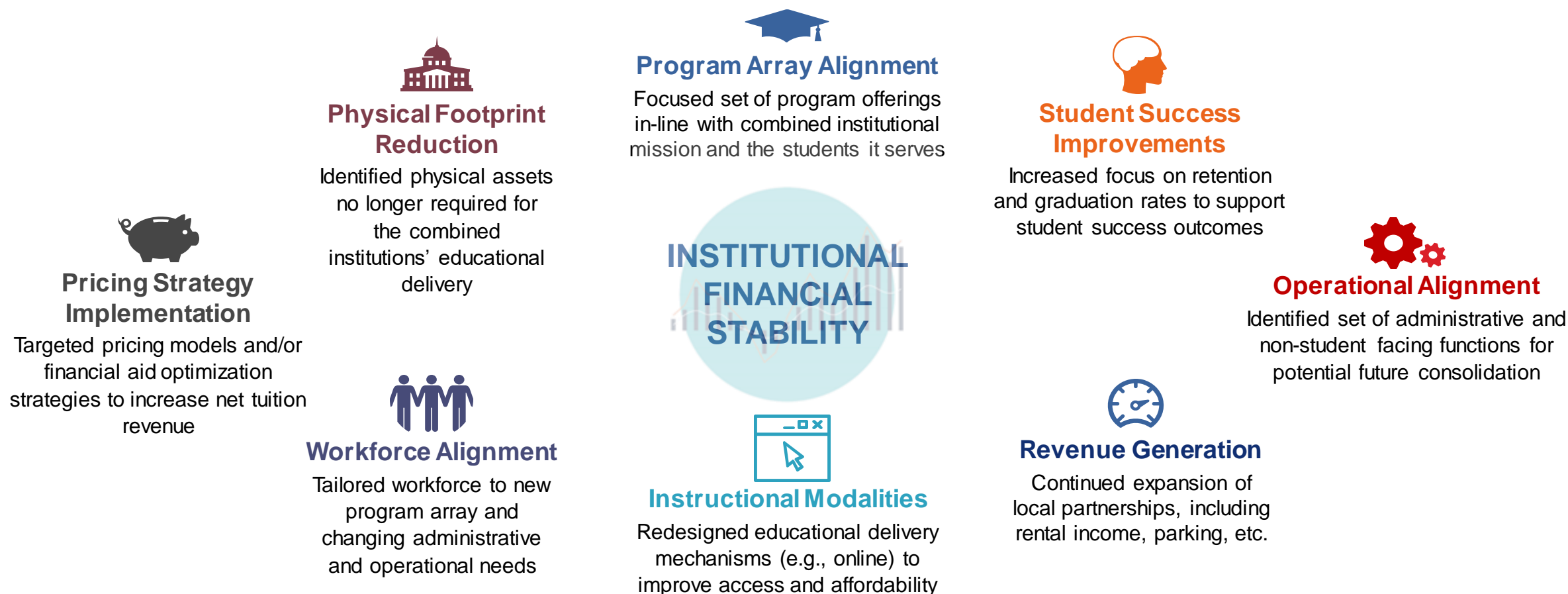
- Fully online undergraduate degrees in most academic areas
- Degree completion programs for adult learners
- Nondegree credentials
- Certificate programs
- 2+2 programs
- Educational agreements/consortia with corporations
- Accelerated bachelors to masters programs across campuses
- Associate to Doctorate Career ladders in Nursing, Education, Criminal Justice, Leadership, Health Sciences across all campuses

Opportunities to sustain low-enrolled and at-risk programs in:

- Social sciences
- Arts and humanities
- Chemistry
- Physics
- Foreign languages
- History

Ongoing Financial Sustainability Planning Strategies

Potential integration institutions have identified, implemented, and continue to explore broad, institution-wide initiatives to bolster institutional financial sustainability.





Financial Review

Integrations Analysis Summary

Per Act 50, integration impact analyses were performed as part of initial institutional integration diligence, specifically:



Enrollment Projections

Review of annualized FTE enrollment based on historical trends, demographic shifts, and institutional enrollment management initiatives

New growth opportunities for enrollment, as well as associated financial impacts will be **part of the Implementation Planning process** reflecting integration decisions per Act 50



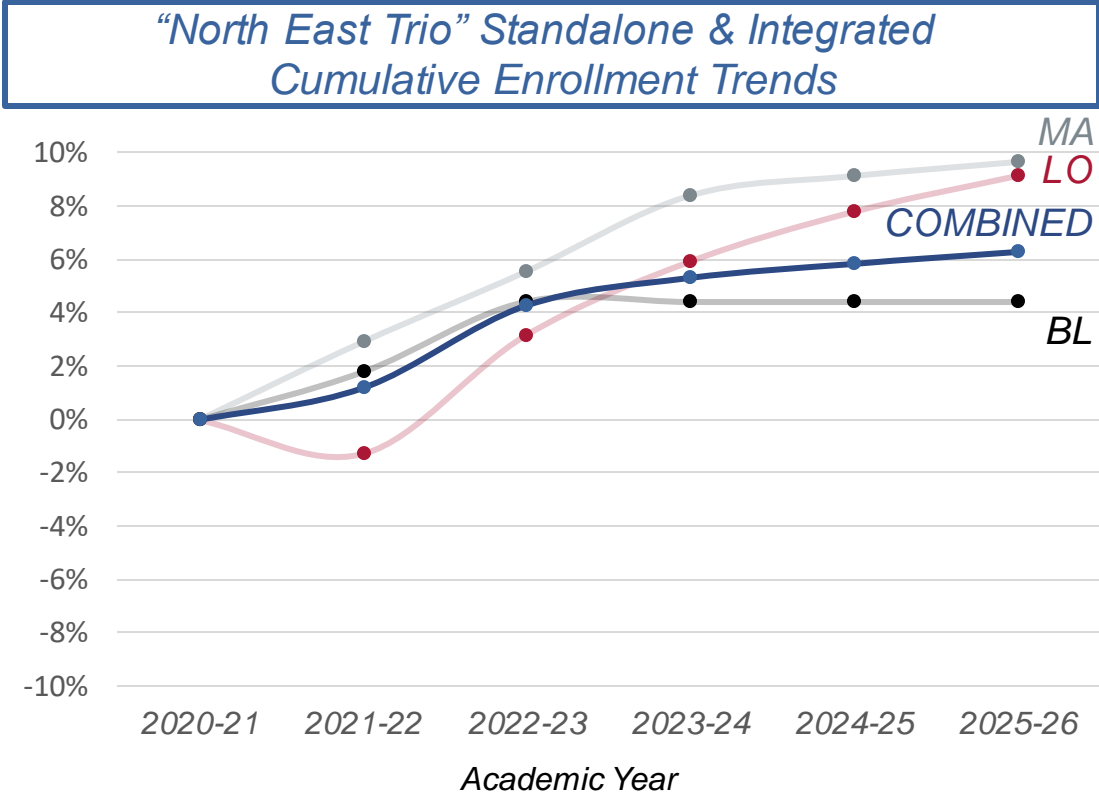
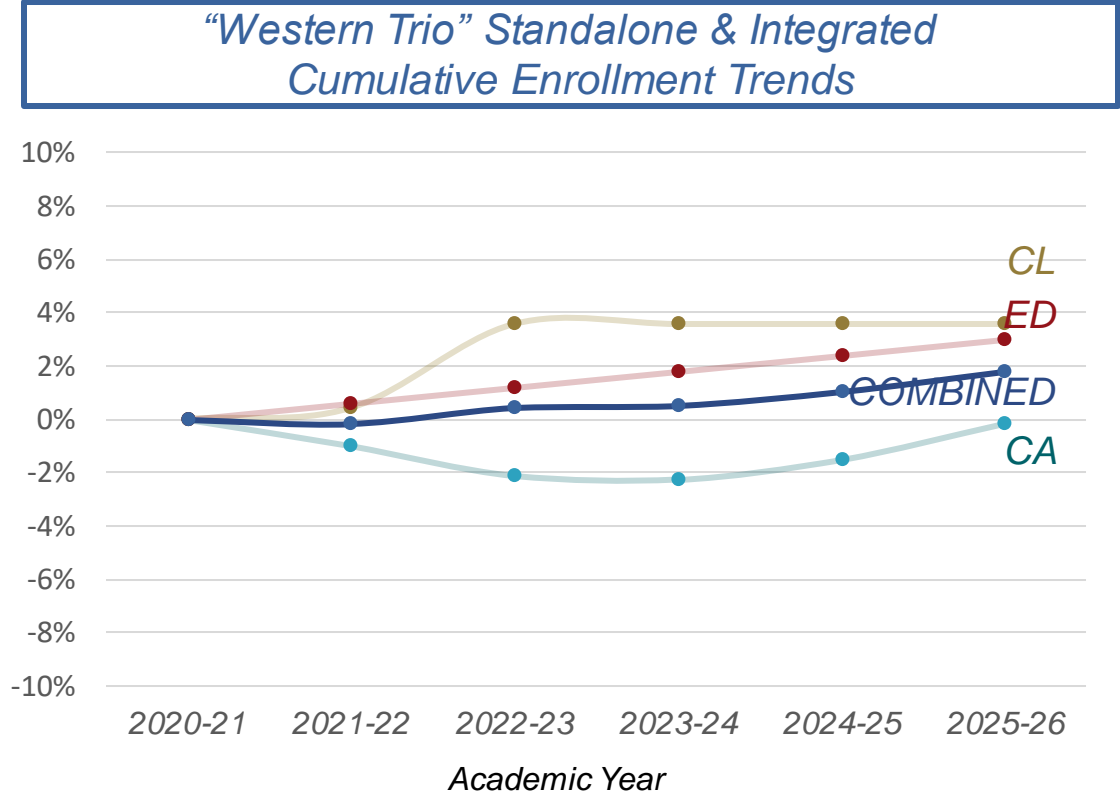
Financial Viability

Analysis of revenues, expenditures, and net assets to determine both standalone and integrated institutional financial viability

Each institutional integration set has projected a **net positive financial viability in outer years (2023-24 through 2025-26)**

Enrollment Trends

Enrollment projections of the proposed institutional integration sets suggest that integration may mitigate standalone enrollment (and attendant gross tuition revenue) declines.



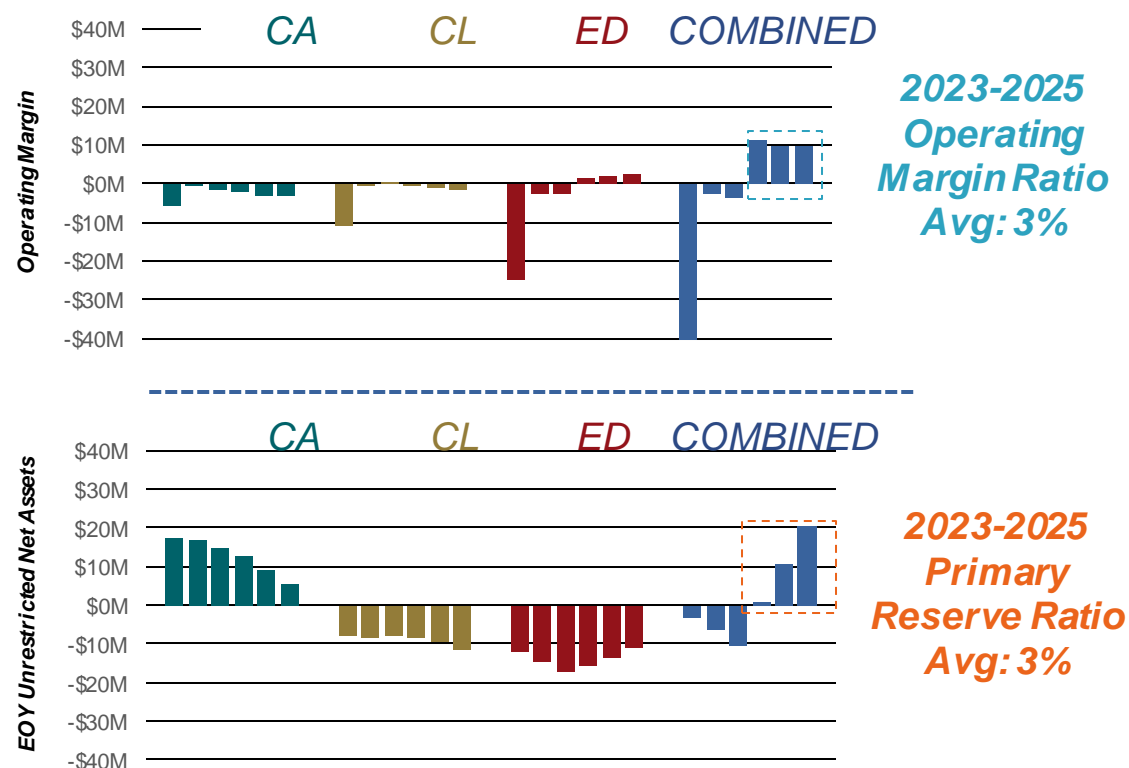
Source: PASSHE institutional CPP submissions as of October 2020

1. ED enrollment in FY 2025-26 was modified to a cumulative 3% growth and adjusted accordingly in FY 2021-22 through FY 2025-26. Enrollment-related revenue (tuition, fees, auxiliary sales) and student aid expenses were also adjusted accordingly in each year.

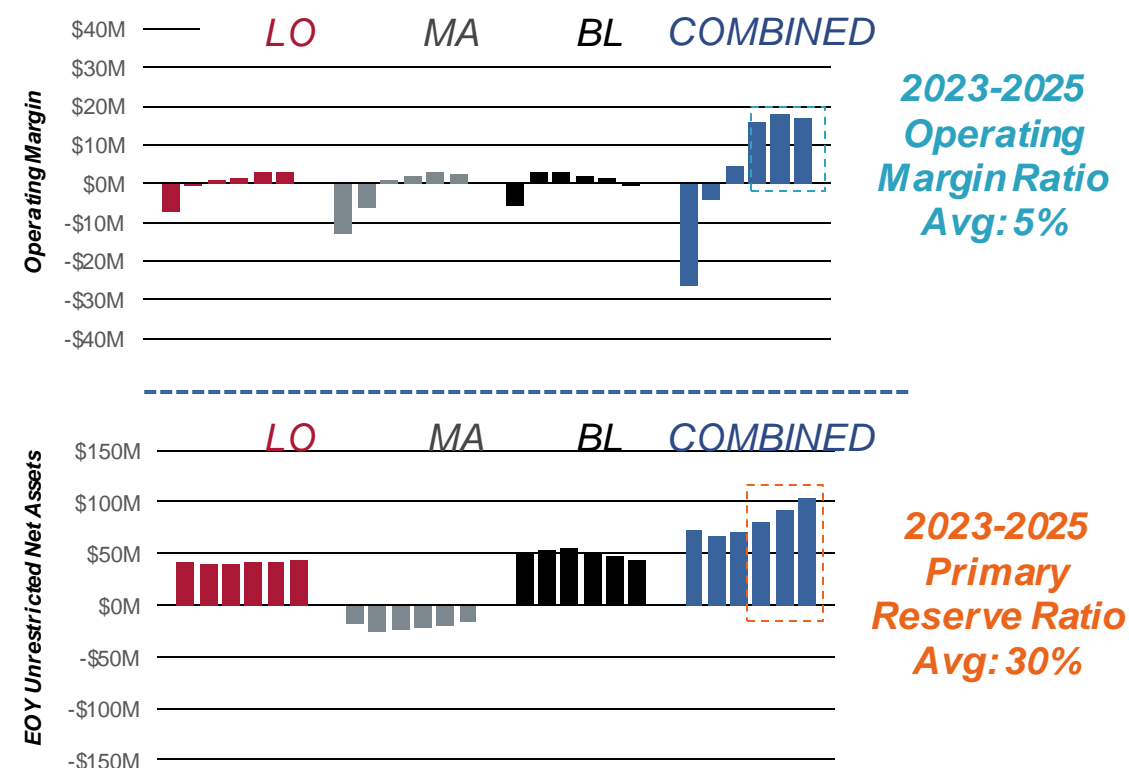
Financial Viability

Coupled with projected enrollment increases, financial projections suggest that outer-year financial viability potentially can be achieved by virtue of institutional integration.

“Western Trio” Standalone & Integrated Financial Viability Metrics (2022-23—2025-26)



“North East Trio” Standalone & Integrated Financial Viability Metrics (2022-23—2025-26)



Source: PASSHE institutional CPP submissions as of October 2020

1: Operating Margin Ratio = (Total Revenues – Total Expenditures) / Total Revenues

2: Primary Reserve Ratio = (EOY Net Asset Balance) / Total Expenditures

3: 2023-2025 financial viability metrics include operational savings in combined institution set

Accreditation Impacts

The integrating institutions will continue to work with institutional and program-specific accrediting bodies as they construct a single academic program array.



Accreditation impacts are dependent on detailed, combined program arrays that will be further defined between October 2020 and April 2021.

Additional Impact Considerations

Community Impacts

Given the individual financial situation of many universities, if there is no action on integrations there will be the continuation of financial distress without the ability to reinvest in student success. It will also limit the ability to address growth needed to position universities for the next demographic decline. Integration leads to longer term sustainability. Additional analysis will be part of the Implementation Planning process.

Affiliate / Donor Impacts

Given the need for detailed analysis to occur as part of the Implementation Planning process, the impacts on alumni, foundations, affiliate organizations will be part of the Next Steps.

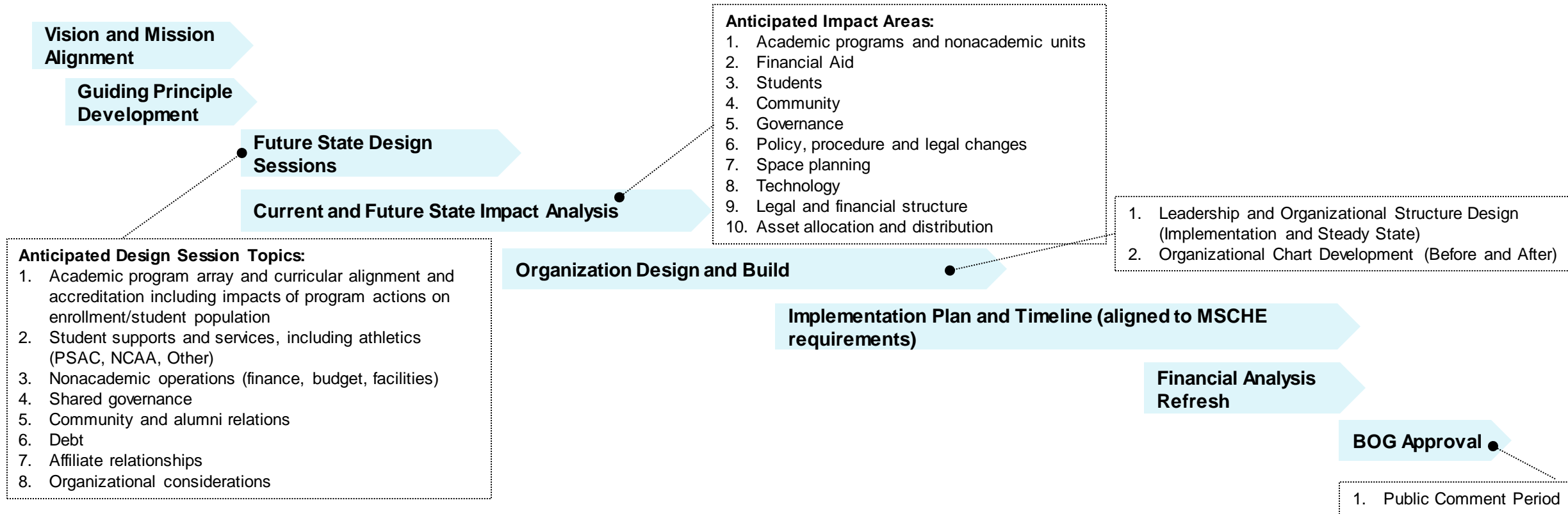
Additional impacts are dependent on detailed, combined program arrays that will be further defined between October 2020 and April 2021.



Next Steps

What happens next?

OCTOBER 2020 TO APRIL 2021



ONGOING

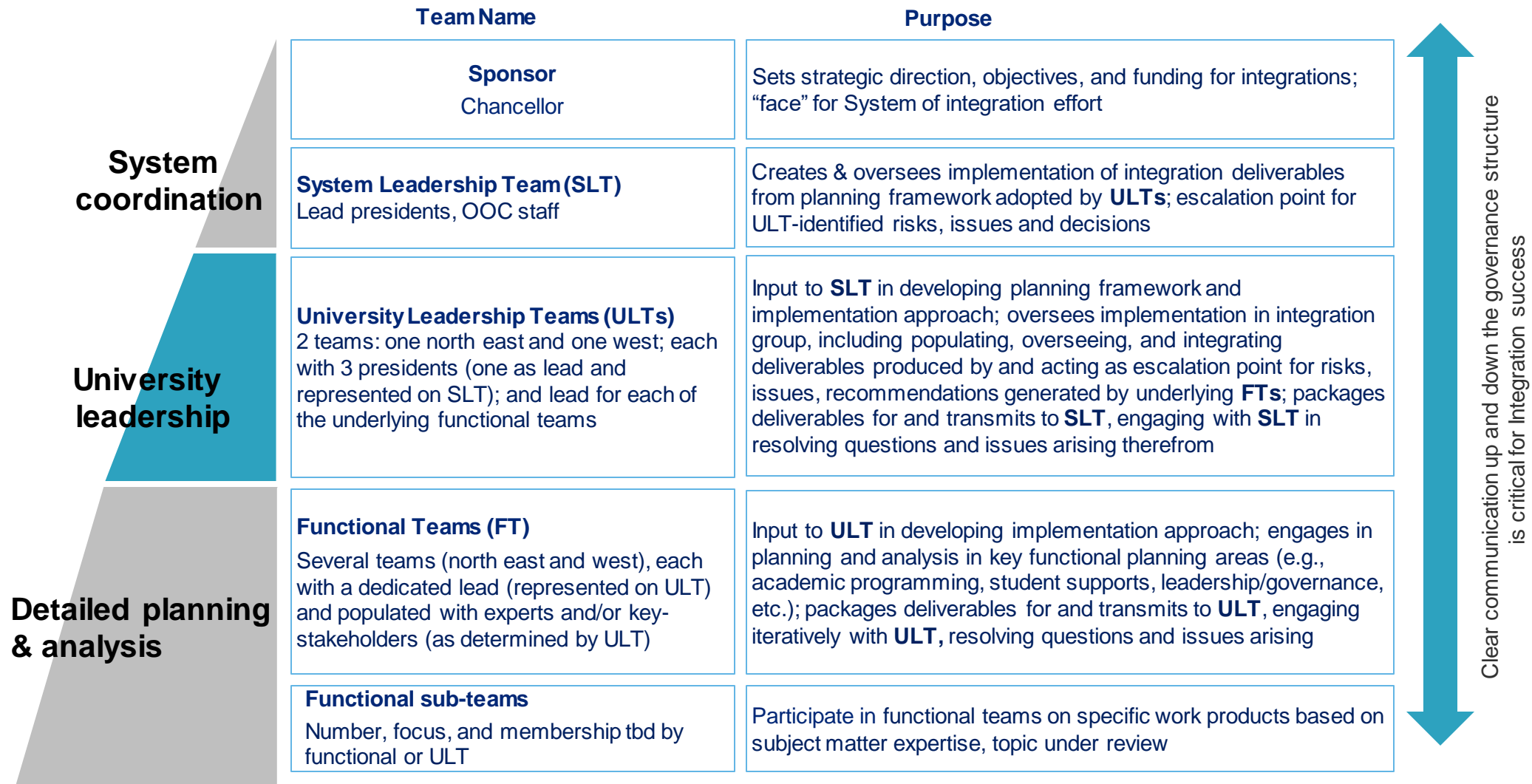
- 1) Middle States Accreditation, Complex Substantive Change Process, and Other Accreditors Alignment and Planning
- 2) Change Management & Communications

Shifts in the Planning Process

The transition from the financial review to implementation planning will entail higher level of engagement of and support for university-level effort.

	FINANCIAL REVIEW PHASE	IMPLEMENTATION PLANNING PHASE
STRATEGIC LEADERSHIP	<ul style="list-style-type: none">Framed and led and executed at the State System / Chancellor's Office	<ul style="list-style-type: none">Led by the State System comprising leads from each of the integration teams
OPERATIONAL TEAMS	<ul style="list-style-type: none">Largely comprised of OOC staff (with peer CAO and CFO), with input on early stage vision/mission considerations through facilitated meetings of university leadershipConsultation focused narrowly on CoTs, statewide collective bargaining units, members of the General Assembly	<ul style="list-style-type: none">Led by university relying on functional teams commissioned and charged by a university-level integration team and involving expert informants, conducting planning according to a common System-supplied frameworkConsultation focused more broadly on key statewide as well as university and community constituencies based on topics
PLANNING SUPPORTS	<ul style="list-style-type: none">Focused on the OOC	<ul style="list-style-type: none">Focused on university-level work

Planning Governance Structure



Planning Governance Structure



At every level, teams will have:

- **Charters** defining:
 - Membership including team lead and member roles, responsibilities, and RACI obligations
 - Expectations about timelines, milestones, and deliverables including specific planning parameters or targets
 - How their work relates to the integrated entity's ability to achieve its integration goals
 - Consultation paths (with whom to consult, when, for what purpose)
 - Consultation related to System or Integration coordination
- **Supports and resources** required to conduct and complete their work in a timely fashion



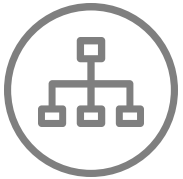
Each integration plan will:

- **Be expected to develop concrete multi-year, measurable goals** anchoring on:
 - Expanded student opportunity
 - Student success and affordability
 - Responsiveness to regional and Commonwealth needs
 - Institutional operating effectiveness and sustainability

Next Steps



Kick off Implementation Planning phase activities targeted to complete for April 2021 BOG review



Stand up governance structure, including integration operations teams at participating institutions



Begin stakeholder consultation path based on implementation planning activities



Appendix

“Western Trio” (CA, CL, ED) Financial Projections

UNRESTRICTED BUDGET (EDUCATIONAL AND GENERAL AND AUXILIARY)				FOR INTEGRATION PROJECTIONS		
Revenues	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Tuition	\$128,423,541	\$131,534,397	\$133,418,941	\$134,896,485	\$136,967,114	\$139,392,767
Fees	37,312,481	39,312,210	39,873,503	40,310,426	40,905,652	41,595,817
State Appropriation	89,270,200	89,270,199	89,270,199	90,162,901	91,064,530	91,975,176
Auxiliary Sales	20,712,716	40,528,471	42,083,902	43,240,581	44,532,187	45,670,379
All Other Revenue	22,778,984	20,436,533	21,867,625	21,867,625	21,867,625	21,867,625
Total Revenues	\$298,497,922	\$321,081,811	\$326,514,172	\$330,478,019	\$335,337,108	\$340,501,763
Expenditures						
Compensation Summary:						
Salaries and Wages	\$147,985,043	\$132,484,489	\$137,595,583	\$138,190,563	\$140,954,374	\$143,773,462
Benefits	\$73,195,140	66,720,010	68,578,081	69,487,850	71,572,485	73,719,660
Subtotal, Compensation	\$221,180,183	\$199,204,499	\$206,173,664	\$207,678,413	\$212,526,859	\$217,493,121
Student Financial Aid	16,157,834	18,179,308	18,290,697	18,493,412	18,776,120	19,106,727
Other Services and Supplies	85,886,166	88,611,596	88,142,664	88,142,664	88,142,664	88,142,664
Subtotal, Services and Supplies	\$102,044,000	\$106,790,904	\$106,433,361	\$106,636,076	\$106,918,784	\$107,249,391
Capital Expenditures and Debt Principal Payments	16,833,460	17,853,184	17,809,072	17,048,752	18,304,396	18,393,792
Integration Administrative Savings				(12,018,575)	(12,295,002)	(12,577,787)
Total Expenditures	\$340,057,643	\$323,848,587	\$330,416,097	\$319,344,666	\$325,455,037	\$330,558,517
Revenues Less Expenditures	(\$41,559,721)	(\$2,766,776)	(\$3,901,925)	\$11,133,353	\$9,882,072	\$9,943,246
Transfers to Plant Fund	(5,576,089)	(58,593)	190,596	0	0	0
Revenues Less Expenditures and Transfers	(\$35,983,632)	(\$2,708,183)	(\$4,092,521)	\$11,133,353	\$9,882,072	\$9,943,246
Loans To/From Auxiliary Fund	(\$17,994,514)	\$0	\$0	\$0	\$0	\$0
Total Unrestricted Net Assets, Estimated End of Year Balance	(\$3,172,371)	(\$6,239,147)	(\$10,441,073)	\$692,281	\$10,574,352	\$20,517,599
Total Unrestricted Cash, Estimated End of Year Balance	\$27,695,685	\$24,628,909	\$20,426,984	\$31,560,337	\$41,442,409	\$51,385,655
Total Annualized FTE Enrollment	13,797.03	13,772.69	13,851.77	13,865.97	13,937.18	14,040.38

Assumes approximately 20% reduction in various administrative functions.

Source: PASSHE institutional CPP submissions as of October 2020

1. ED enrollment in FY 2025-26 was modified to a cumulative 3% growth and adjusted accordingly in FY 2021-22 through FY 2025-26. Enrollment-related revenue (tuition, fees, auxiliary sales) and student aid expenses were also adjusted accordingly in each year.

“Western Trio” (CA) Financial Projections

UNRESTRICTED BUDGET (EDUCATIONAL AND GENERAL AND AUXILIARY)				FOR INTEGRATION PROJECTIONS		
Revenues	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Tuition	\$59,199,717	\$59,199,717	\$59,140,517	\$59,641,738	\$60,723,947	\$62,148,936
Fees	15,573,717	15,705,140	15,741,799	15,875,212	16,163,270	16,542,568
State Appropriation	34,181,375	34,181,375	34,181,375	34,523,189	34,868,421	35,217,105
Auxiliary Sales	7,219,840	13,605,989	13,905,989	14,023,843	14,278,308	14,613,373
All Other Revenue	8,625,400	6,995,461	7,345,461	7,345,461	7,345,461	7,345,461
Total Revenues	\$124,800,049	\$129,687,682	\$130,315,141	\$131,409,443	\$133,379,407	\$135,867,443
Expenditures						
Compensation Summary:						
Salaries and Wages	\$57,771,638	\$54,780,108	\$56,561,728	\$57,692,963	\$58,846,822	\$60,023,758
Benefits	\$27,589,358	26,121,058	27,143,110	27,957,403	28,796,125	29,660,009
Subtotal, Compensation	\$85,360,996	\$80,901,166	\$83,704,838	\$85,650,366	\$87,642,947	\$89,683,767
Student Financial Aid	7,972,487	7,972,487	7,972,487	8,040,055	8,185,943	8,378,039
Other Services and Supplies	30,716,257	32,891,146	32,181,321	32,181,321	32,181,321	32,181,321
Subtotal, Services and Supplies	\$38,688,744	\$40,863,633	\$40,153,808	\$40,221,376	\$40,367,264	\$40,559,360
Capital Expenditures and Debt Principal Payments	6,424,901	8,096,982	8,042,397	7,598,106	8,572,948	8,972,481
Total Expenditures	\$130,474,641	\$129,861,781	\$131,901,043	\$133,469,847	\$136,583,159	\$139,215,609
Revenues Less Expenditures	(\$5,674,592)	(\$174,099)	(\$1,585,902)	(\$2,060,404)	(\$3,203,751)	(\$3,348,166)
Transfers to Plant Fund	0	0	0	0	0	0
Revenues Less Expenditures and Transfers	(\$5,674,592)	(\$174,099)	(\$1,585,902)	(\$2,060,404)	(\$3,203,751)	(\$3,348,166)
Loans To/From Auxiliary Fund	\$0	\$0	\$0	\$0	\$0	\$0
Total Unrestricted Net Assets, Estimated End of Year Balance	\$17,321,387	\$16,847,288	\$14,961,386	\$12,600,982	\$9,097,231	\$5,449,065
Total Unrestricted Cash, Estimated End of Year Balance	\$31,800,371	\$31,326,272	\$29,440,370	\$27,079,966	\$23,576,215	\$19,928,049
Total Annualized FTE Enrollment	6,091.00	6,028.00	5,961.00	5,952.00	6,000.00	6,080.00
Total FTE of Budgeted Employees	666.03	597.20	597.20	597.20	597.20	597.20

Source: PASSHE institutional CPP submissions as of October 2020

“Western Trio” (CL) Financial Projections

UNRESTRICTED BUDGET (EDUCATIONAL AND GENERAL AND AUXILIARY)				FOR INTEGRATION PROJECTIONS		
Revenues	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Tuition	\$33,154,720	\$33,767,118	\$35,278,359	\$35,631,143	\$35,987,454	\$36,347,329
Fees	12,069,253	13,277,031	13,745,677	13,883,134	14,021,965	14,162,185
State Appropriation	26,512,315	26,512,315	26,512,315	26,777,438	27,045,212	27,315,664
Auxiliary Sales	9,582,382	15,143,763	15,384,763	15,538,611	15,693,997	15,850,937
All Other Revenue	10,330,908	7,029,000	6,781,500	6,781,500	6,781,500	6,781,500
Total Revenues	\$91,649,578	\$95,729,227	\$97,702,614	\$98,611,825	\$99,530,128	\$100,457,614
Expenditures						
Compensation Summary:						
Salaries and Wages	\$42,982,085	\$38,688,299	\$40,007,645	\$40,807,798	\$41,623,954	\$42,456,433
Benefits	\$20,861,697	19,128,949	19,819,306	20,413,885	21,026,302	21,657,091
Subtotal, Compensation	\$63,843,782	\$57,817,248	\$59,826,951	\$61,221,683	\$62,650,256	\$64,113,524
Student Financial Aid	5,479,181	5,480,000	4,980,000	5,029,800	5,080,098	5,130,899
Other Services and Supplies	29,105,965	28,133,320	28,443,061	28,443,061	28,443,061	28,443,061
Subtotal, Services and Supplies	\$34,585,146	\$33,613,320	\$33,423,061	\$33,472,861	\$33,523,159	\$33,573,960
Capital Expenditures and Debt Principal Payments	4,261,701	4,357,252	4,262,006	4,394,685	4,553,556	4,690,170
Total Expenditures	\$102,690,629	\$95,787,820	\$97,512,018	\$99,089,229	\$100,726,971	\$102,377,654
Revenues Less Expenditures	(\$11,041,051)	(\$58,593)	\$190,596	(\$477,404)	(\$1,196,843)	(\$1,920,040)
Transfers to Plant Fund	(5,576,089)	(58,593)	190,596			
Revenues Less Expenditures and Transfers	(\$5,464,962)	(\$0)	(\$0)	(\$477,404)	(\$1,196,843)	(\$1,920,040)
Loans To/From Auxiliary Fund	\$0	\$0	\$0	\$0	\$0	\$0
Total Unrestricted Net Assets, Estimated End of Year Balance	(\$8,215,618)	(\$8,274,211)	(\$8,083,616)	(\$8,561,020)	(\$9,757,863)	(\$11,677,903)
Total Unrestricted Cash, Estimated Beginning of Year Balance	\$9,595,766	(\$1,445,285)	(\$1,503,878)	(\$1,313,283)	(\$1,790,687)	(\$2,987,530)
Total Unrestricted Cash, Estimated End of Year Balance	(\$1,445,285)	(\$1,503,878)	(\$1,313,283)	(\$1,790,687)	(\$2,987,530)	(\$4,907,570)
Annualized FTE Enrollment						
Undergraduate	3,242.01	3,231.12	3,319.93	3,319.93	3,319.93	3,319.93
Graduate	596.53	622.88	656.94	656.94	656.94	656.94
Total Annualized FTE Enrollment	3,838.54	3,854.00	3,976.87	3,976.87	3,976.87	3,976.87
FTE of Budgeted Unrestricted Employees, Net of Turnover						
Faculty	237.58	187.08	187.08	187.08	187.08	187.08
Nonfaculty	298.26	264.86	264.56	264.56	264.56	264.56
Total FTE of Budgeted Employees	535.84	451.94	451.64	451.64	451.64	451.64

Source: PASSHE institutional CPP submissions as of October 2020

“Western Trio” (ED) Financial Projections

UNRESTRICTED BUDGET (EDUCATIONAL AND GENERAL AND AUXILIARY)			FOR INTEGRATION PROJECTIONS			
Revenues	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Tuition	\$36,069,104	\$38,567,562	\$39,000,065	\$39,623,604	\$40,255,713	\$40,896,503
Fees	9,669,511	10,330,039	10,386,027	10,552,081	10,720,416	10,891,063
State Appropriation	28,576,510	28,576,510	28,576,510	28,862,275	29,150,898	29,442,407
Auxiliary Sales	3,910,494	11,778,719	12,793,150	13,678,127	14,559,882	15,206,069
All Other Revenue	3,822,676	6,412,072	7,740,664	7,740,664	7,740,664	7,740,664
Total Revenues	\$82,048,295	\$95,664,902	\$98,496,417	\$100,456,751	\$102,427,573	\$104,176,706
Expenditures						
Compensation Summary:						
Salaries and Wages	\$47,231,320	\$39,016,082	\$41,026,210	\$39,689,803	\$40,483,599	\$41,293,271
Benefits	\$24,744,085	21,470,003	21,615,665	21,116,561	21,750,058	22,402,560
Subtotal, Compensation	\$71,975,405	\$60,486,085	\$62,641,875	\$60,806,364	\$62,233,656	\$63,695,830
Student Financial Aid	2,706,166	4,726,821	5,338,210	5,423,558	5,510,079	5,597,788
Other Services and Supplies	26,063,944	27,587,130	27,518,282	27,518,282	27,518,282	27,518,282
Subtotal, Services and Supplies	\$28,770,110	\$32,313,951	\$32,856,492	\$32,941,840	\$33,028,361	\$33,116,070
Capital Expenditures and Debt Principal Payments	6,146,858	5,398,950	5,504,669	5,055,961	5,177,892	4,731,141
Total Expenditures	\$106,892,373	\$98,198,986	\$101,003,036	\$98,804,164	\$100,439,910	\$101,543,042
Revenues Less Expenditures	(\$24,844,078)	(\$2,534,084)	(\$2,506,619)	\$1,652,587	\$1,987,664	\$2,633,665
Transfers to Plant Fund	0	0	0			
Revenues Less Expenditures and Transfers	(\$24,844,078)	(\$2,534,084)	(\$2,506,619)	\$1,652,587	\$1,987,664	\$2,633,665
Loans To/From Auxiliary Fund	(\$17,994,514)	\$0	\$0	\$0	\$0	\$0
Total Unrestricted Net Assets, Estimated End of Year Balance	(\$12,278,140)	(\$14,812,224)	(\$17,318,843)	(\$15,666,256)	(\$13,678,593)	(\$11,044,928)
Total Unrestricted Cash, Estimated End of Year Balance	(\$2,659,401)	(\$5,193,485)	(\$7,700,104)	(\$6,047,517)	(\$4,059,854)	(\$1,426,189)
Total Annualized FTE Enrollment	3,867.49	3,890.69	3,913.90	3,937.10	3,960.31	3,983.51
Total FTE of Budgeted Employees	528.97	400.83	400.83	380.17	380.17	380.17

Source: PASSHE institutional CPP submissions as of October 2020

1. ED enrollment in FY 2025-26 was modified to a cumulative 3% growth and adjusted accordingly in FY 2021-22 through FY 2025-26. Enrollment-related revenue (tuition, fees, auxiliary sales) and student aid expenses were also adjusted accordingly in each year.

“North East Trio” (BL, LO, MA) Financial Projections

UNRESTRICTED BUDGET (EDUCATIONAL AND GENERAL AND AUXILIARY)				FOR INTEGRATION PROJECTIONS		
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Revenues						
Tuition	\$114,407,384	\$116,973,019	\$121,536,455	\$123,947,112	\$125,838,567	\$127,581,608
Fees	33,856,521	37,193,361	38,804,489	39,539,891	40,133,370	40,681,572
State Appropriation	82,226,705	82,226,705	82,226,705	83,048,972	83,879,462	84,718,257
Auxiliary Sales	46,257,939	55,523,047	61,713,435	62,932,615	63,844,765	64,695,438
All Other Revenue	15,558,428	13,379,148	13,634,077	13,634,077	13,634,077	13,634,077
Total Revenues	\$292,306,977	\$305,295,280	\$317,915,161	\$323,102,667	\$327,330,241	\$331,310,952
Expenditures						
Compensation Summary:						
Salaries and Wages	\$140,439,522	\$131,960,261	\$131,660,684	\$134,291,977	\$136,977,817	\$139,717,373
Benefits	\$72,253,770	68,550,693	69,574,853	71,661,079	73,810,911	76,025,239
Subtotal, Compensation	\$212,693,292	\$200,510,954	\$201,235,537	\$205,953,056	\$210,788,728	\$215,742,611
Student Financial Aid	14,459,074	15,278,133	15,082,774	15,459,475	15,715,825	15,949,558
Other Services and Supplies	77,871,670	79,159,985	82,139,394	82,139,394	82,139,394	82,139,394
Subtotal, Services and Supplies	\$92,330,744	\$94,438,118	\$97,222,168	\$97,598,869	\$97,855,219	\$98,088,952
Capital Expenditures and Debt Principal Payments	13,564,036	14,666,700	14,682,947	14,335,812	11,617,925	11,945,149
Integration Administrative Savings				(10,740,665)	(10,987,700)	(11,240,417)
Total Expenditures	\$318,588,072	\$309,615,772	\$313,140,652	\$307,147,072	\$309,274,171	\$314,536,295
Revenues Less Expenditures	(\$26,281,095)	(\$4,320,492)	\$4,774,509	\$15,955,595	\$18,056,070	\$16,774,656
Transfers to Plant Fund	(7,090,796)	1,453,088	4,643,249	5,323,713	6,458,249	5,842,629
Revenues Less Expenditures and Transfers	(\$19,190,299)	(\$5,773,580)	\$131,260	\$10,631,882	\$11,597,821	\$10,932,027
Loans To/From Auxiliary Fund	\$0	\$0	\$0	\$0	\$0	\$0
Total Unrestricted Net Assets, Estimated End of Year Balance	\$73,343,662	\$66,696,387	\$70,359,113	\$80,990,995	\$92,588,816	\$103,520,843
Total Unrestricted Cash, Estimated End of Year Balance	\$103,658,216	\$97,010,941	\$100,673,667	\$111,305,549	\$122,903,370	\$133,835,397
Total Annualized FTE Enrollment	12,614.73	12,765.36	13,152.72	13,283.30	13,352.20	13,402.98

Assumes approximately 20% reduction in various administrative functions.

“North East Trio” (BL) Financial Projections

UNRESTRICTED BUDGET (EDUCATIONAL AND GENERAL AND AUXILIARY)				FOR INTEGRATION PROJECTIONS		
Revenues	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Tuition	\$72,543,847	\$74,573,637	\$77,198,571	\$77,970,557	\$78,750,262	\$79,537,765
Fees	24,140,225	24,826,362	25,896,983	26,155,953	26,417,512	26,681,687
State Appropriation	38,405,845	38,405,845	38,405,845	38,789,904	39,177,803	39,569,581
Auxiliary Sales	29,707,022	33,981,250	39,501,477	39,896,492	40,295,457	40,698,411
All Other Revenue	8,498,716	5,662,720	5,742,745	5,742,745	5,742,745	5,742,745
Total Revenues	\$173,295,655	\$177,449,814	\$186,745,621	\$188,555,650	\$190,383,779	\$192,230,189
Expenditures						
Compensation Summary:						
Salaries and Wages	\$78,216,344	\$74,726,112	\$77,471,434	\$79,020,863	\$80,601,280	\$82,213,306
Benefits	\$40,203,700	39,613,301	41,636,602	42,885,700	44,172,271	45,497,439
Subtotal, Compensation	\$118,420,044	\$114,339,413	\$119,108,036	\$121,906,563	\$124,773,551	\$127,710,745
Student Financial Aid	5,710,931	6,458,654	6,760,845	6,828,453	6,896,738	6,965,705
Other Services and Supplies	47,954,085	45,969,406	50,150,638	50,150,638	50,150,638	50,150,638
Subtotal, Services and Supplies	\$53,665,016	\$52,428,060	\$56,911,483	\$56,979,091	\$57,047,376	\$57,116,343
Capital Expenditures and Debt Principal Payments	6,810,945	7,811,329	7,975,362	7,902,284	7,320,176	7,452,522
Total Expenditures	\$178,896,005	\$174,578,802	\$183,994,881	\$186,787,938	\$189,141,103	\$192,279,610
Revenues Less Expenditures	(\$5,600,350)	\$2,871,012	\$2,750,740	\$1,767,712	\$1,242,676	(\$49,421)
Transfers to Plant Fund	17,420	2,311,129	3,710,562	4,410,562	5,110,562	5,110,562
Revenues Less Expenditures and Transfers	(\$5,617,770)	\$559,883	(\$959,822)	(\$2,642,850)	(\$3,867,886)	(\$5,159,983)
Loans To/From Auxiliary Fund	\$0	\$0	\$0	\$0	\$0	\$0
Total Unrestricted Net Assets, Estimated End of Year Balance	\$51,725,237	\$52,549,466	\$54,468,423	\$51,825,573	\$47,957,687	\$42,797,704
Total Unrestricted Cash, Estimated End of Year Balance	\$68,114,220	\$68,938,449	\$70,857,406	\$68,214,556	\$64,346,670	\$59,186,687
Total Annualized FTE Enrollment	7,913.88	8,055.11	8,264.94	8,264.94	8,264.94	8,264.94
Total FTE of Budgeted Employees	931.78	878.65	879.73	879.73	879.73	879.73

Source: PASSHE institutional CPP submissions as of October 2020

“North East Trio” (LO) Financial Projections

UNRESTRICTED BUDGET (EDUCATIONAL AND GENERAL AND AUXILIARY)				FOR INTEGRATION PROJECTIONS		
Revenues	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Tuition	\$28,271,255	\$28,341,762	\$29,811,367	\$30,904,912	\$31,763,789	\$32,485,087
Fees	7,960,800	8,959,182	9,403,910	9,748,866	10,019,796	10,247,327
State Appropriation	25,746,354	25,746,354	25,746,354	26,003,818	26,263,856	26,526,494
Auxiliary Sales	6,242,152	10,590,297	11,096,185	11,503,217	11,822,902	12,091,379
All Other Revenue	5,666,874	5,179,113	5,114,141	5,114,141	5,114,141	5,114,141
Total Revenues	\$73,887,435	\$78,816,708	\$81,171,957	\$83,274,953	\$84,984,483	\$86,464,428
Expenditures						
Compensation Summary:						
Salaries and Wages	\$39,749,324	\$36,882,420	\$36,575,697	\$37,305,290	\$38,051,396	\$38,812,424
Benefits	\$20,542,974	18,878,992	19,231,878	19,807,815	20,402,049	21,014,110
Subtotal, Compensation	\$60,292,298	\$55,761,412	\$55,807,575	\$57,113,105	\$58,453,445	\$59,826,535
Student Financial Aid	3,656,082	3,486,079	3,788,529	3,927,500	4,036,649	4,128,314
Other Services and Supplies	13,913,624	17,125,813	17,441,159	17,441,159	17,441,159	17,441,159
Subtotal, Services and Supplies	\$17,569,706	\$20,611,892	\$21,229,688	\$21,368,659	\$21,477,808	\$21,569,473
Capital Expenditures and Debt Principal Payments	3,489,919	3,301,445	3,202,007	3,120,412	2,080,299	2,162,813
Total Expenditures	\$81,351,923	\$79,674,749	\$80,239,270	\$81,602,176	\$82,011,552	\$83,558,821
Revenues Less Expenditures	(\$7,464,488)	(\$858,041)	\$932,687	\$1,672,777	\$2,972,931	\$2,905,607
Transfers to Plant Fund	(7,464,488)	(858,041)	932,687	913,151	1,347,687	732,067
Revenues Less Expenditures and Transfers	\$0	\$0	\$0	\$759,626	\$1,625,244	\$2,173,540
Loans To/From Auxiliary Fund	\$0	\$0	\$0	\$0	\$0	\$0
Total Unrestricted Net Assets, Estimated End of Year Balance	\$40,803,329	\$39,665,288	\$40,317,975	\$41,231,125	\$42,578,812	\$43,310,879
Total Unrestricted Cash, Estimated End of Year Balance	\$46,208,790	\$45,070,749	\$45,723,436	\$46,636,586	\$47,984,273	\$48,716,340
Total Annualized FTE Enrollment	3,050.80	3,012.00	3,147.10	3,230.24	3,287.14	3,328.50
Total FTE of Budgeted Employees	488.63	419.73	388.49	388.47	388.47	388.47

Source: PASSHE institutional CPP submissions as of October 2020

“North East Trio” (MA) Financial Projections

UNRESTRICTED BUDGET (EDUCATIONAL AND GENERAL AND AUXILIARY)				FOR INTEGRATION PROJECTIONS		
Revenues	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Tuition	\$13,592,282	\$14,057,620	\$14,526,517	\$15,071,643	\$15,324,516	\$15,558,756
Fees	1,755,496	3,407,817	3,503,596	3,635,073	3,696,062	3,752,558
State Appropriation	18,074,506	18,074,506	18,074,506	18,255,251	18,437,804	18,622,182
Auxiliary Sales	10,308,765	10,951,500	11,115,773	11,532,906	11,726,406	11,905,648
All Other Revenue	1,392,838	2,537,315	2,777,191	2,777,191	2,777,191	2,777,191
Total Revenues	\$45,123,887	\$49,028,758	\$49,997,583	\$51,272,064	\$51,961,979	\$52,616,334
Expenditures						
Compensation Summary:						
Salaries and Wages	\$22,473,854	\$20,351,729	\$17,613,553	\$17,965,824	\$18,325,141	\$18,691,643
Benefits	\$11,507,096	10,058,400	8,706,373	8,967,564	9,236,591	9,513,689
Subtotal, Compensation	\$33,980,950	\$30,410,129	\$26,319,926	\$26,933,388	\$27,561,732	\$28,205,332
Student Financial Aid	5,092,061	5,333,400	4,533,400	4,703,522	4,782,438	4,855,539
Other Services and Supplies	16,003,961	16,064,766	14,547,597	14,547,597	14,547,597	14,547,597
Subtotal, Services and Supplies	\$21,096,022	\$21,398,166	\$19,080,997	\$19,251,119	\$19,330,035	\$19,403,136
Capital Expenditures and Debt Principal Payments	3,263,172	3,553,926	3,505,578	3,313,116	2,217,450	2,329,814
Total Expenditures	\$58,340,144	\$55,362,221	\$48,906,501	\$49,497,623	\$49,109,216	\$49,938,282
Revenues Less Expenditures	(\$13,216,257)	(\$6,333,463)	\$1,091,082	\$1,774,441	\$2,852,763	\$2,678,053
Transfers to Plant Fund	356,272	0	0			
Revenues Less Expenditures and Transfers	(\$13,572,529)	(\$6,333,463)	\$1,091,082	\$1,774,441	\$2,852,763	\$2,678,053
Loans To/From Auxiliary Fund	\$0	\$0	\$0	\$0	\$0	\$0
Total Unrestricted Net Assets, Estimated End of Year Balance	(\$19,184,904)	(\$25,518,367)	(\$24,427,285)	(\$22,652,844)	(\$19,800,081)	(\$17,122,028)
Total Unrestricted Cash, Estimated End of Year Balance	(\$10,664,794)	(\$16,998,257)	(\$15,907,175)	(\$14,132,734)	(\$11,279,971)	(\$8,601,918)
Total Annualized FTE Enrollment	1,650.05	1,698.25	1,740.68	1,788.12	1,800.12	1,809.54
Total FTE of Budgeted Employees	288.03	252.35	201.62	201.62	201.62	201.62