Edinboro University

Validation of Working Group Discovery and Analysis Results

Submitted on March 7, 2017 by Larry Goldstein, president, Campus Strategies, LLC
Introduction

- Campus Strategies, LLC was engaged to examine the material developed during Edinboro University’s Discovery and Analysis process.
- The purpose of the examination is to validate (or counter) the conclusions reached by the three Working Groups.
- This presentation addresses the results of the validation process and is presented in the same order as the information shared during the February 16, 2017 Town Hall Meeting conducted by President Walker.
ACADEMICS
QUESTIONS
Academics

• The information provided in response to the following questions is accurate and/or appropriate
  ◦ 1, 2, 3, 4, 7, 8, 9, and 10
Academics

- The response to questions 5 and 6 for EU are correct but there are minor errors for the PASSHE data. (Additionally, the metric should be presented as a ratio rather than a percent.)
  - The PASSHE student/faculty ratio is 21.02 to 1 for 2014, 20.17 to 1 for 2013, and 19.54 to 1 for 2012
  - The PASSHE student/staff ratio is 15.14 to 1 for 2014, 14.49 to 1 for 2013, and 13.96 to 1 for 2012
The range presented in response to question 11 appears reasonable in terms of revenue impact, although it would be enhanced if the number utilized reflected a weighted average of both commuter and residential students.

- It is believed, however, that the impact on the budget would be slightly reduced because a drop in enrollment would be expected to generate some cost savings.
ENROLLMENT MANAGEMENT QUESTIONS
Enrollment Management

- The information provided in response to questions 3, 4, 7, 8, and 11 is appropriate.
- The response to question 1 related to the five-year EU enrollment decline and the five-year decline in Pennsylvania high school graduates should be 25.2 percent and 5.8 percent, respectively.
  - The response to the portion of the question focused on EU’s four-year headcount enrollment decline and Pennsylvania’s four-year high school graduate decline is accurate.
The response to question 2 is accurate but presented inconsistently. The data should either as whole numbers or with one decimal place as follows:

- 2016 95.3% or 95%
- 2015 95.7% or 96%
- 2014 99.3% or 99%
- 2013 87.4% or 87%
- 2012 75.8% or 76%
Enrollment Management

- The response to the first two parts of question 5—percent of graduates with debt and the average amount of debt—is accurate
  - The response to the third part—debt increase over the three-year period—cannot be validated because supporting data were not provided
- The response to question 6 should clarify that it is for 2014-15 rather than 2014 and 2015
Enrollment Management

- The response to question 9 presents accurately the information from the calculations but the formula used is flawed. Given the significant number of EU students receiving financial aid, the calculation should be adjusted by the average amount of federal grant aid (e.g., Pell, SEOG) and College Work Study. The number should be further reduced by other forms of aid that do not require repayment (e.g., privately funded scholarships).
Enrollment Management

- The narrative response to question 10 is accurate, although the percent of the student population utilizing campus resources is 35% rather than 36%
Finance

- The information provided in response to questions 4, 6, 7, 8, and 10 is appropriate.
- The response to question 11—uses of revenues from philanthropic gifts over the three-year period—cannot be validated because supporting data were not provided.
The response to question 1 about annual revenues does not agree with the information presented in the audited financial statements. The correct information appears below:

- **2016**: $110,718,293
- **2015**: $113,248,509
- **2014**: $108,600,080

The operating expense information is correct except that the 2015 expense should be $120,335,497.
Finance

- The response to question 2 about the projected deficit as of September 2016 should be $3,298,988.
- The response to question 3 about the projected deficit for June 2017 is accurate, but should reference that it is as of November 2016.
- The response to question 5 about compensation as a percent of total expenses is slightly off. Faculty compensation represents 35.2% while staff compensation represents 29.3%.
Finance

- The response to question 9 is not accurate with the exception of the amounts indicated for philanthropic gifts.
  - See revised table on the following slide.
## Finance

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues</td>
<td>69,094,567</td>
<td>70,217,875</td>
<td>67,058,339</td>
<td>206,370,781</td>
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<tr>
<td>Net nonoperating revenues</td>
<td>40,506,488</td>
<td>42,068,828</td>
<td>40,654,884</td>
<td>123,230,200</td>
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<tr>
<td>Total other revenues</td>
<td>1,117,238</td>
<td>961,806</td>
<td>886,857</td>
<td>2,965,901</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>110,718,293</td>
<td>113,248,509</td>
<td>108,600,080</td>
<td>332,566,882</td>
</tr>
<tr>
<td>Less philanthropic gifts</td>
<td>4,333,332</td>
<td>5,097,056</td>
<td>3,881,202</td>
<td>13,311,590</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>106,384,961</td>
<td>108,151,453</td>
<td>104,718,878</td>
<td>319,255,292</td>
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<tr>
<td>Less net tuition &amp; fees</td>
<td>43,515,871</td>
<td>42,932,688</td>
<td>38,551,945</td>
<td>125,000,504</td>
</tr>
<tr>
<td>Less net auxiliary enterprises revenues</td>
<td>15,203,838</td>
<td>16,056,755</td>
<td>16,771,280</td>
<td>48,031,873</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>47,665,252</td>
<td>49,162,010</td>
<td>49,395,653</td>
<td>146,222,915</td>
</tr>
</tbody>
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**Sources:**
- Final Edinboro 0616 FS Dave 20160630 20161104 for FY 2016 and 2015;
- Final Edinboro 0615 FS Dave 20151031 20151102 for FY 2014
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