Did You Know?

• In 2013, when Dr. Anderson arrived at Millersville University, we faced a structural deficit of more than $8 million.

• For the past 3 years we have been dependent on reserves to balance the budget annually.

• Retirement costs have increased more than 150% since 2009, from $3.5 million to $8.7 million annually.
Did You Know?

• Over the past 5 years, we have cut more than $32 million from our overall budget
• Demographic shifts have resulted in declining enrollments
• Regarding campus space inventory, we are 150,000 square feet over PASSHE regulations
Summary of Issues...

- Fewer PA high school graduates
- More competitive recruitment field
- Declining new student profile
- Declining retention rates
- Declining operating margins
Fall 2015 Headcount Enrollment
Top 10 Counties: 82% of Students
(2000–2010 Population Change)

Percentage Change

- Less than -5.1
-7.1 to -5.0
-0.1 to 5.0
-5.0 to 9.9
-10.0 or more

Millersville University
Pennsylvania County High School Graduates
Projected Change: 2014–2024

Statewide Change: -3.3%

Percentage Change

- Less than -17.1
- -7.1 to -17.0
- 0 to -7.0
- 0.1 to 7.0
- 7.1 or more
Matriculation/SAT

2014 SAT Average

14-University .................. 980
Pennsylvania .................. 1003
National ...................... 1006

Median Aa3 (2014) = 33.6%
Matriculation—% of accepted students who enroll
HS Class Rank Tier Percentage of New Fall First-Time, Full-Time, Baccalaureate Degree-Seeking Freshmen
First to Second-Year Persistence Rates

(First-Time, Full-Time Students)

- Millersville University (First-Time Freshmen)
- National Average (First-Time Freshmen)

<table>
<thead>
<tr>
<th>Year</th>
<th>Persistence Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall 2004 Cohort</td>
<td>82.9%</td>
</tr>
<tr>
<td>Fall 2005 Cohort</td>
<td>82.7%</td>
</tr>
<tr>
<td>Fall 2006 Cohort</td>
<td>80.5%</td>
</tr>
<tr>
<td>Fall 2007 Cohort</td>
<td>82.1%</td>
</tr>
<tr>
<td>Fall 2008 Cohort</td>
<td>81.4%</td>
</tr>
<tr>
<td>Fall 2009 Cohort</td>
<td>80.8%</td>
</tr>
<tr>
<td>Fall 2010 Cohort</td>
<td>79.1%</td>
</tr>
<tr>
<td>Fall 2011 Cohort</td>
<td>81.1%</td>
</tr>
<tr>
<td>Fall 2012 Cohort</td>
<td>76.7%</td>
</tr>
<tr>
<td>Fall 2013 Cohort</td>
<td>76.5%</td>
</tr>
<tr>
<td>Fall 2014 Cohort</td>
<td>76.5%</td>
</tr>
</tbody>
</table>
Annual Operating Margin

Median Aa3 (2014) = 1.9%

Annual revenues less expenses divided by total revenues

Millersville University
How are we addressing the challenges? By focusing on:

- Improving student success—*Engaging Learners*
- Generating new revenue—*Ensuring Success*
- Enhancing culture—*Embracing Agility*
What is our new Strategic Enrollment Plan?

• Out-of-state markets
• International markets
• Online degree completion (RN to BSN)
• Optimizing recruitment of traditional students ➔ Focused on admissions yields
• Customer Relation Management
• Multi-Disciplinary Studies program options
• Three new doctoral programs
• Graduate programs and certificates
How are we doing?

Out-of-State Undergraduate & Graduate Enrollments
(Unduplicated Headcount)

- Fall 2013: 423
- Fall 2014: 426
- Fall 2015 (Year 1): 453

Millersville University
How are we doing?

Student Enrollments
(Unduplicated Headcount)

- Fall 2012: 8,368
- Fall 2013: 8,279
- Fall 2014: 8,047
- Fall 2015 (Year 1): 7,988

2020 Target, 10,000

Fall 2012 Fall 2013 Fall 2014 Fall 2015 (Year 1)
How are we doing?

Undergraduate and Graduate International Students
(Unduplicated Headcount)

- Fall 2013: 59
- Fall 2014: 61
- Fall 2015 (Year 1): 61
How are we doing?

MDST Degrees Awarded

- 5 in 2013-2014
- 15 in 2014-2015
How are we doing?

Fall 2015 Doctoral Student Enrollments (Headcount)

13

Fall 2015 (Year 1)
How are we doing?

Fall 2015
RN to BSN Online Program
Enrollments (Headcount)

Fall 2015 (Year 1)

29
How did we fund strategic initiatives?

<table>
<thead>
<tr>
<th>Total Source of Funds</th>
<th>1,531,158</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Use of Funds</strong></td>
<td></td>
</tr>
<tr>
<td>RN-BSN Program Start-up</td>
<td>237,427</td>
</tr>
<tr>
<td>Enrollment Management - Recruiting</td>
<td>496,384</td>
</tr>
<tr>
<td>DSW Program</td>
<td>2,888</td>
</tr>
<tr>
<td>International Student Recruitment</td>
<td>142,896</td>
</tr>
<tr>
<td>Funding of new positions associated with new program development</td>
<td>312,190</td>
</tr>
<tr>
<td>Capital Campaign Feasability Study</td>
<td>65,000</td>
</tr>
<tr>
<td><strong>Total Use of Funds</strong></td>
<td>1,256,785</td>
</tr>
<tr>
<td><strong>Available Balance</strong></td>
<td>274,373</td>
</tr>
</tbody>
</table>
Additional **BOLD** Path strategies:

- Student Success Center
- International Student Success Center
- No Gap Agility Team
- Smart Scheduling Agility Team
- Redesigning MSP and LPP programs
- Engaging students in study abroad / undergraduate research / internships / learning communities
- Student Welcome Center / Net Zero Energy Building
- Climate Action Plan
- Electrical Infrastructure Upgrade Initiative
- Leveraging scholarships and financial aid
- Scholarship & Financial Aid Agility Team
- Per credit tuition model
PER-CREDIT TUITION

- Applies to undergraduate resident students only.
- Tuition is assessed on every credit.
- Replaced the hybrid model whereby students enrolled in 12-18 credits were charged a flat rate.
- The pilot program is based on three year implementation plan.
  - 2014-15 – 7% roll back
  - 2015-16 - 4% roll back
  - 2016-17 - 1% roll back
  - 2017-18 - students will be paying the established PASSHE per credit rate
## Structural Deficit Eliminated

<table>
<thead>
<tr>
<th></th>
<th>Tuition Revenue at Per-Credit Rate</th>
<th>Tuition Revenue at Full-Time Rate</th>
<th>Additional Revenue Generated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall 2014</td>
<td>$24,289,901</td>
<td>$22,118,690</td>
<td>$2,171,211</td>
</tr>
<tr>
<td>Spring 2015</td>
<td>21,934,062</td>
<td>20,135,925</td>
<td>1,798,137</td>
</tr>
<tr>
<td>Total 2014-15</td>
<td>$46,223,963</td>
<td>$42,254,615</td>
<td>$3,969,348</td>
</tr>
<tr>
<td>Fall 2015</td>
<td>$25,002,599</td>
<td>$22,223,284</td>
<td>$2,779,315</td>
</tr>
<tr>
<td>Spring 2016</td>
<td>22,609,228</td>
<td>20,235,264</td>
<td>2,373,964</td>
</tr>
<tr>
<td>Total 2015-16</td>
<td>$47,611,827</td>
<td>$42,458,548</td>
<td>$5,153,279</td>
</tr>
</tbody>
</table>

## TOTAL REVENUE $9,122,627

One year ahead of schedule!
2015-16 Financial Aid Available

- MU Grant, $600,000
- Commitment to Excellence, $450,000
- Other, $50,000

Total Aid Set Aside $1,100,000
### MILLERSVILLE UNIVERSITY
Current Unrestricted Fund
Educational and General Budget Projection

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ACTUAL</td>
<td>ORIGINAL</td>
<td>FALL</td>
<td>REBUDGET</td>
</tr>
<tr>
<td>I. SOURCE OF FUNDS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prior Year Carryover</td>
<td>4,603,682</td>
<td>1,572,718</td>
<td>3,599,584</td>
<td>2,608,725</td>
</tr>
<tr>
<td>State Appropriation</td>
<td>30,180,311</td>
<td>31,805,319</td>
<td>30,582,114</td>
<td>32,145,404</td>
</tr>
<tr>
<td>University Revenue - Tuition, Fees, Miscellaneous</td>
<td>81,954,070</td>
<td>86,510,727</td>
<td>85,815,159</td>
<td>85,602,796</td>
</tr>
<tr>
<td><strong>TOTAL SOURCE OF FUNDS</strong></td>
<td><strong>116,738,063</strong></td>
<td><strong>119,888,764</strong></td>
<td><strong>119,996,857</strong></td>
<td><strong>120,356,925</strong></td>
</tr>
<tr>
<td>II. USE OF FUNDS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Compensation</td>
<td>84,952,004</td>
<td>92,767,252</td>
<td>88,984,645</td>
<td>88,271,443</td>
</tr>
<tr>
<td>Services, Supplies, &amp; Other Exp</td>
<td>21,032,015</td>
<td>22,024,950</td>
<td>23,628,567</td>
<td>23,393,275</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>3,417,596</td>
<td>329,033</td>
<td>329,525</td>
<td>331,595</td>
</tr>
<tr>
<td>Transfers To &amp; From Plant &amp; Endowment</td>
<td>4,062,685</td>
<td>7,161,347</td>
<td>6,789,594</td>
<td>6,800,740</td>
</tr>
<tr>
<td>Reserve for Future Commitments</td>
<td>2,858,518</td>
<td>1,245,715</td>
<td>1,246,467</td>
<td>1,634,121</td>
</tr>
<tr>
<td><strong>TOTAL USE OF FUNDS</strong></td>
<td><strong>116,322,818</strong></td>
<td><strong>123,528,297</strong></td>
<td><strong>120,978,798</strong></td>
<td><strong>120,431,174</strong></td>
</tr>
<tr>
<td><strong>TOTAL EXCESS/(SHORTFALL)</strong></td>
<td><strong>415,245</strong></td>
<td><strong>(3,639,533)</strong></td>
<td><strong>(981,941)</strong></td>
<td><strong>(74,249)</strong></td>
</tr>
</tbody>
</table>
### MILLERSVILLE UNIVERSITY
Current Unrestricted Fund
Educational and General Budget Projection

<table>
<thead>
<tr>
<th></th>
<th>Assumes 3% tuition rate Increase</th>
<th>Assumes 3% tuition rate Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016-17</td>
<td>2017-18</td>
</tr>
<tr>
<td>ORIGINAL BUDGET</td>
<td>126,100,669</td>
<td>129,917,509</td>
</tr>
<tr>
<td>I. SOURCE OF FUNDS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prior Year Carryover</td>
<td>915,160</td>
<td>461,406</td>
</tr>
<tr>
<td>State Appropriation</td>
<td>33,716,781</td>
<td>33,716,781</td>
</tr>
<tr>
<td>University Revenue - Tuition, Fees, Miscellaneous</td>
<td>91,468,728</td>
<td>95,739,323</td>
</tr>
<tr>
<td>TOTAL SOURCE OF FUNDS</td>
<td>126,100,669</td>
<td>129,917,509</td>
</tr>
<tr>
<td>II. USE OF FUNDS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Compensation</td>
<td>93,118,386</td>
<td>93,924,815</td>
</tr>
<tr>
<td>Services, Supplies, &amp; Other Exp</td>
<td>23,484,682</td>
<td>24,069,082</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>361,070</td>
<td>411,164</td>
</tr>
<tr>
<td>Transfers To &amp; From Plant &amp; Endowment</td>
<td>7,332,990</td>
<td>7,350,933</td>
</tr>
<tr>
<td>Reserve for Future Commitments</td>
<td>1,391,419</td>
<td>1,757,638</td>
</tr>
<tr>
<td>TOTAL USE OF FUNDS</td>
<td>125,688,547</td>
<td>127,513,632</td>
</tr>
<tr>
<td>TOTAL EXCESS/(SHORTFALL)</td>
<td>412,122</td>
<td>2,403,878</td>
</tr>
</tbody>
</table>

Unknowns
- Governor’s budget
- Tuition increase
- Benefit cost increases
- No contracts settled
2016-17 Financial Aid Available

Total Aid Set Aside $1,915,000

- MU Grant, $600,000
- Commitment to Excellence, $450,000
- Other, $50,000
- Out of State Housing Grant, $150,000
- International Student Housing Grant, $25,000
- Honors College Housing Grant, $25,000
- Athletics Housing Grant, $85,000
- EFC $0 - $5,000 Housing Grant, $250,000
- EFC $5,000 - $15,000 Housing Grant, $280,000
- EFC $0 - $5,000 Housing Grant, $250,000
- EFC $0 - $5,000 Housing Grant, $280,000
- EFC $0 - $5,000 Housing Grant, $250,000
- EFC $0 - $5,000 Housing Grant, $280,000
Change of Course; by 2020

- Work with Faculty Senate to require 2 high impact practice experiences as a graduation requirement
- Emphasize design of online programs vs online college
- Revise how we monitor undergraduate student research
Change of Course; by 2020

- Grow to 9,000 students (headcount) by 2020, while continuing to pursue longer term growth to 10,000 students. The 2020 target includes:
  - Increasing *graduate enrollments* to 1,100
  - Growing *online program enrollments* to 1,000
  - Adding 125 new *out-of-state students*
  - Adding 50 new *international students*
Resources Available

Our BOLD Path Dashboard
http://www.millersville.edu/services/iea/strategic_planning/Files/SAC20160219Workshop/December2015DashboardUpdate.pdf

President’s Annual Report

Budget Updates
http://www.millersville.edu/budget/budget-issues/index.php
QUESTIONS?