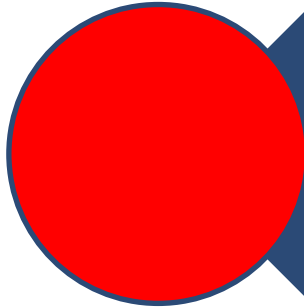Pennsylvania's
STATE SYSTEM
of Higher Education

**14 universities.
Infinite opportunities.**

Financial Risk Assessment: Bloomsburg University of Pennsylvania
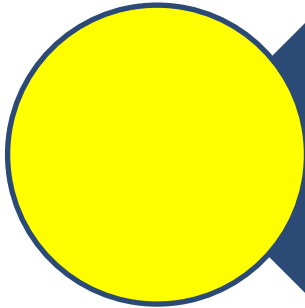
Review Completed February 2019

Assessment Tool
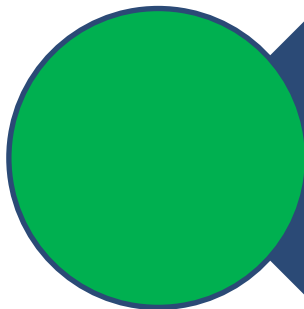
High Risk
Performance requires immediate attention

Moderate Risk
Performance is adequate; requires continued monitoring and possible attention

Acceptable Risk
Performance is adequate or better; requires little or no monitoring

Components of Financial Assessment

Modeled after a typical analysis used in an external review of the financial strength of higher education institutions.
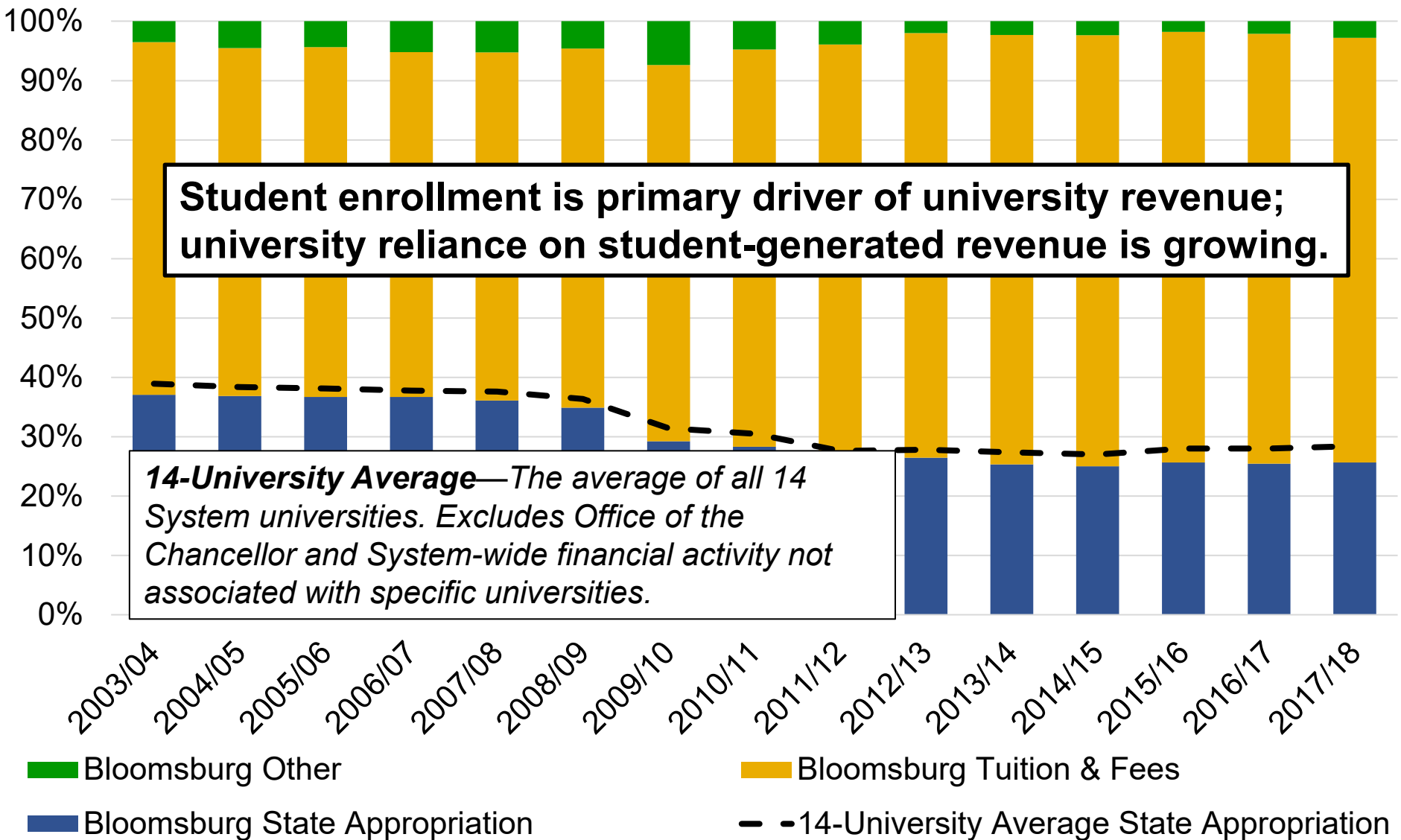
- **Market Demand**
- **Operating Efficiency**
- **Financial Performance**

Market Demand

- **Enrollment and Population Trends**
- **Projected Enrollment**
- **Brand Strength**

Why is market demand an integral part of a financial assessment?

E&G Revenues as Percent of E&G Budget

Student enrollment is primary driver of university revenue; university reliance on student-generated revenue is growing.

14-University Average—The average of all 14 System universities. Excludes Office of the Chancellor and System-wide financial activity not associated with specific universities.

Legend:
- Bloomsburg Other
- Bloomsburg Tuition & Fees
- Bloomsburg State Appropriation
- 14-University Average State Appropriation

Source: university FINRPTs
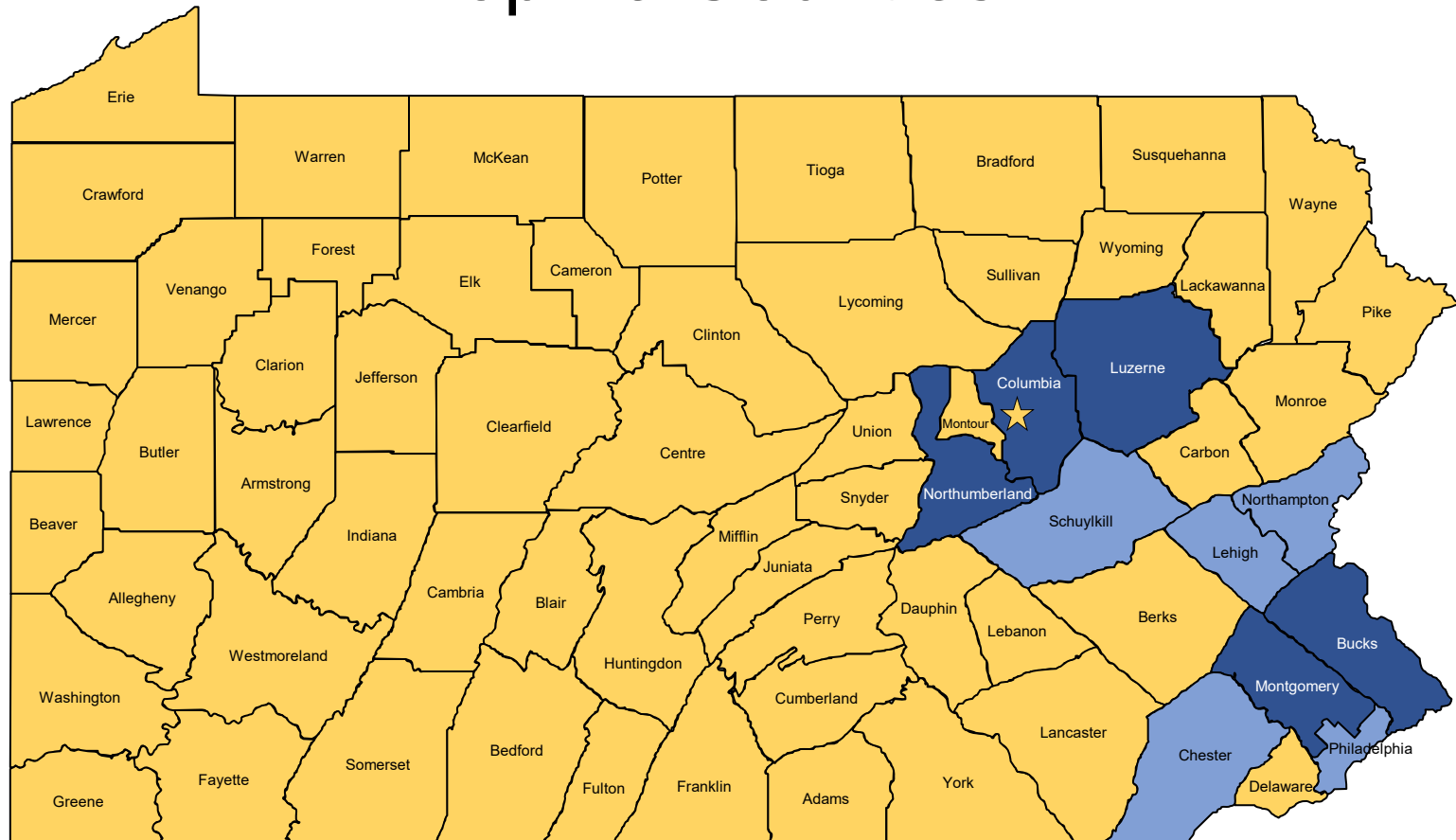
Enrollment and Population Trends

- **Top 10 counties contributing to university enrollment**
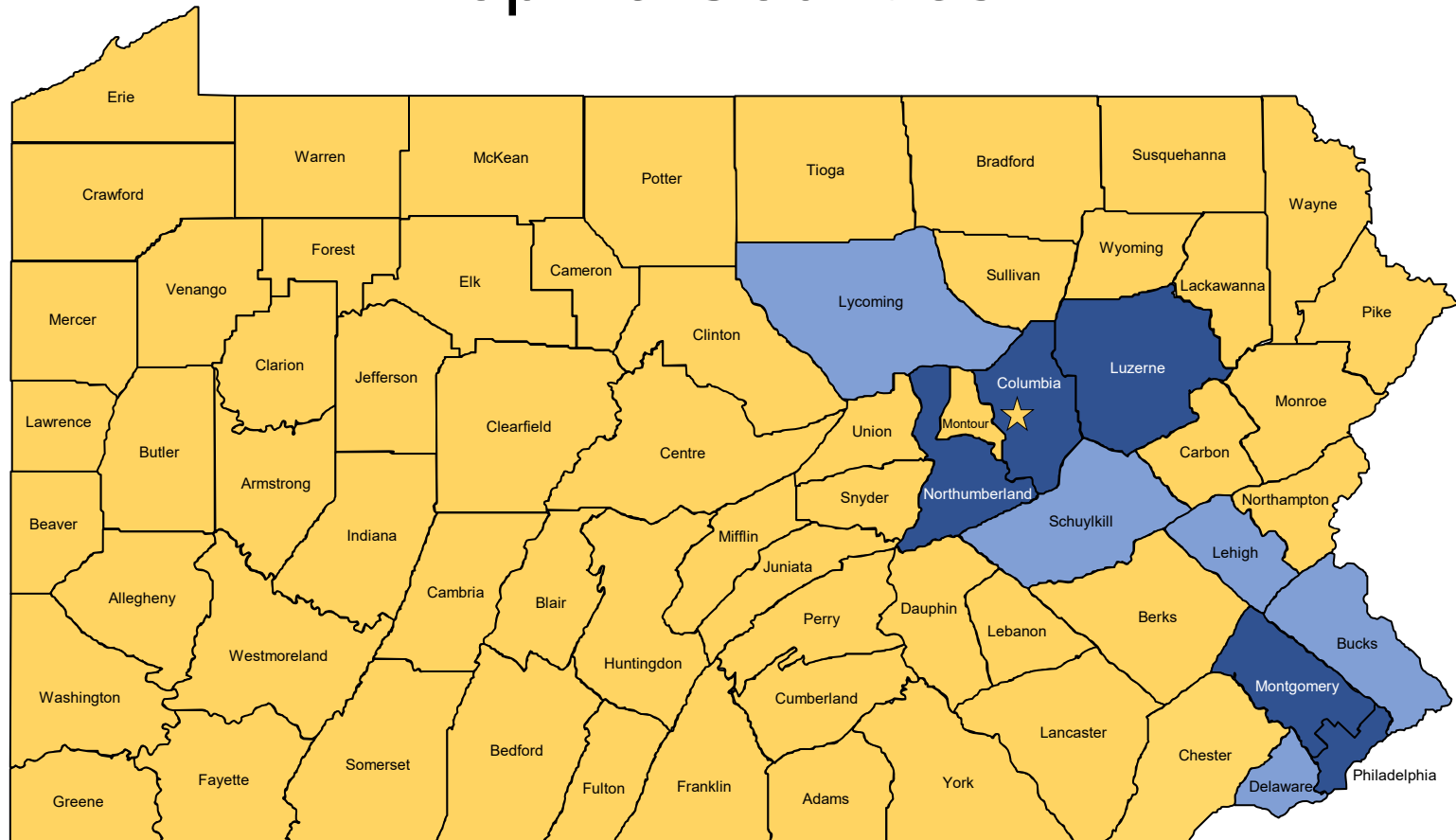- **2010–2018**

Fall 2010 Headcount Enrollment
Top 10 Counties

Top 5 counties: 37% of students
Counties 6–10: 18% of students

Top 10 counties: 55% of students
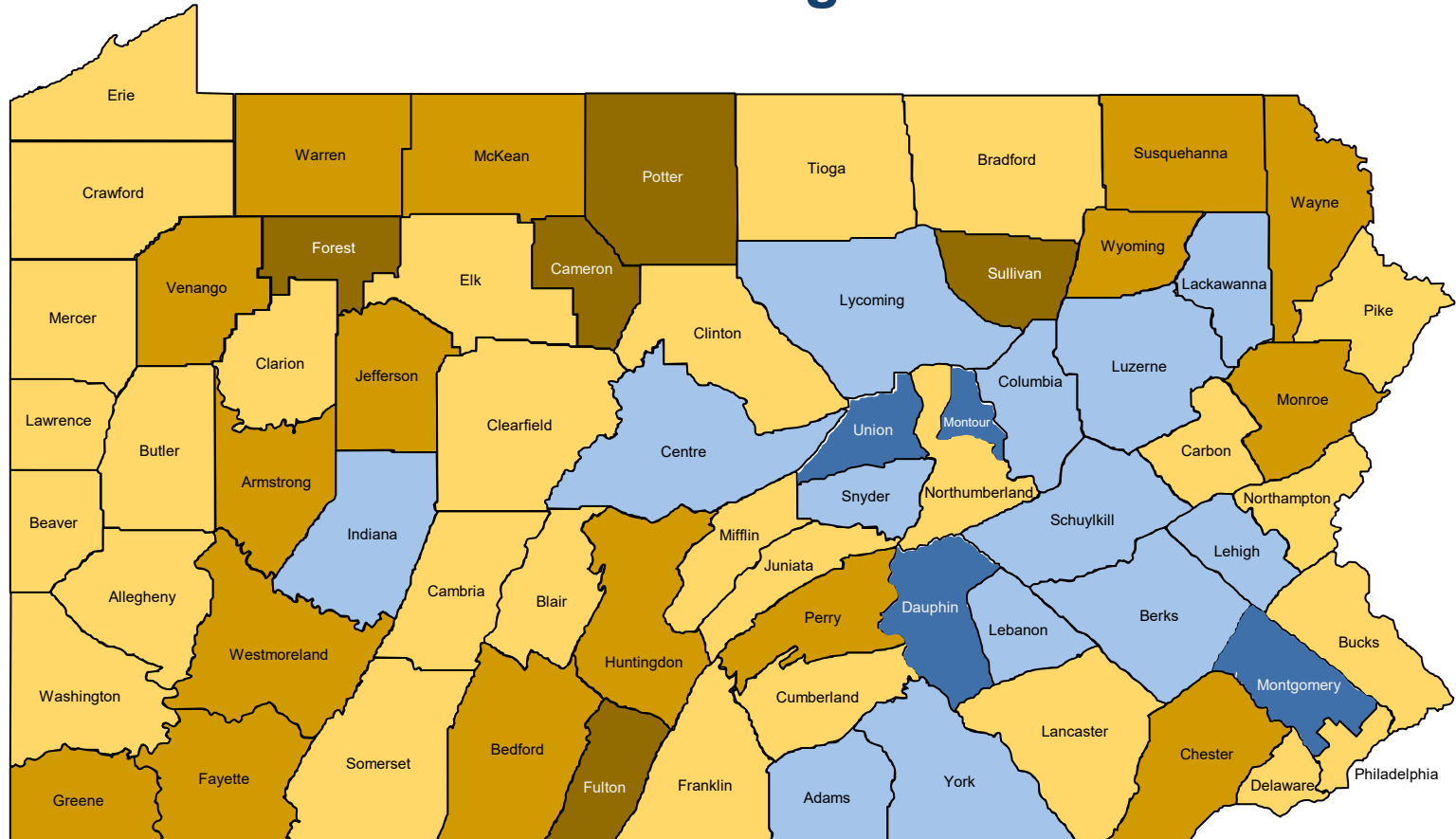
Fall 2018 Headcount Enrollment
Top 10 Counties

Top 5 counties: 35% of students

Counties 6–10: 19% of students

Top 10 counties: 54% of students

Source: student submission, preliminary end of 15th day data

Pennsylvania County High School Graduates
Projected Change: 2017–2022

Statewide Change: -1.5%

Percentage Change

More than -20%	-10% to -20%	0% to -10%	0% to 10%	10% to 20%	20% or more
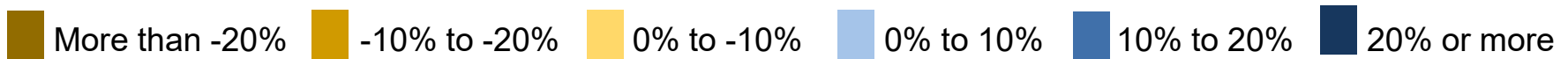
Pennsylvania County High School Graduates
Projected Change: 2017–2022
Top 15 Counties for Number of High School Graduates 2016/17 (cross-hatched)
Statewide Change: -1.5%

Percentage Change

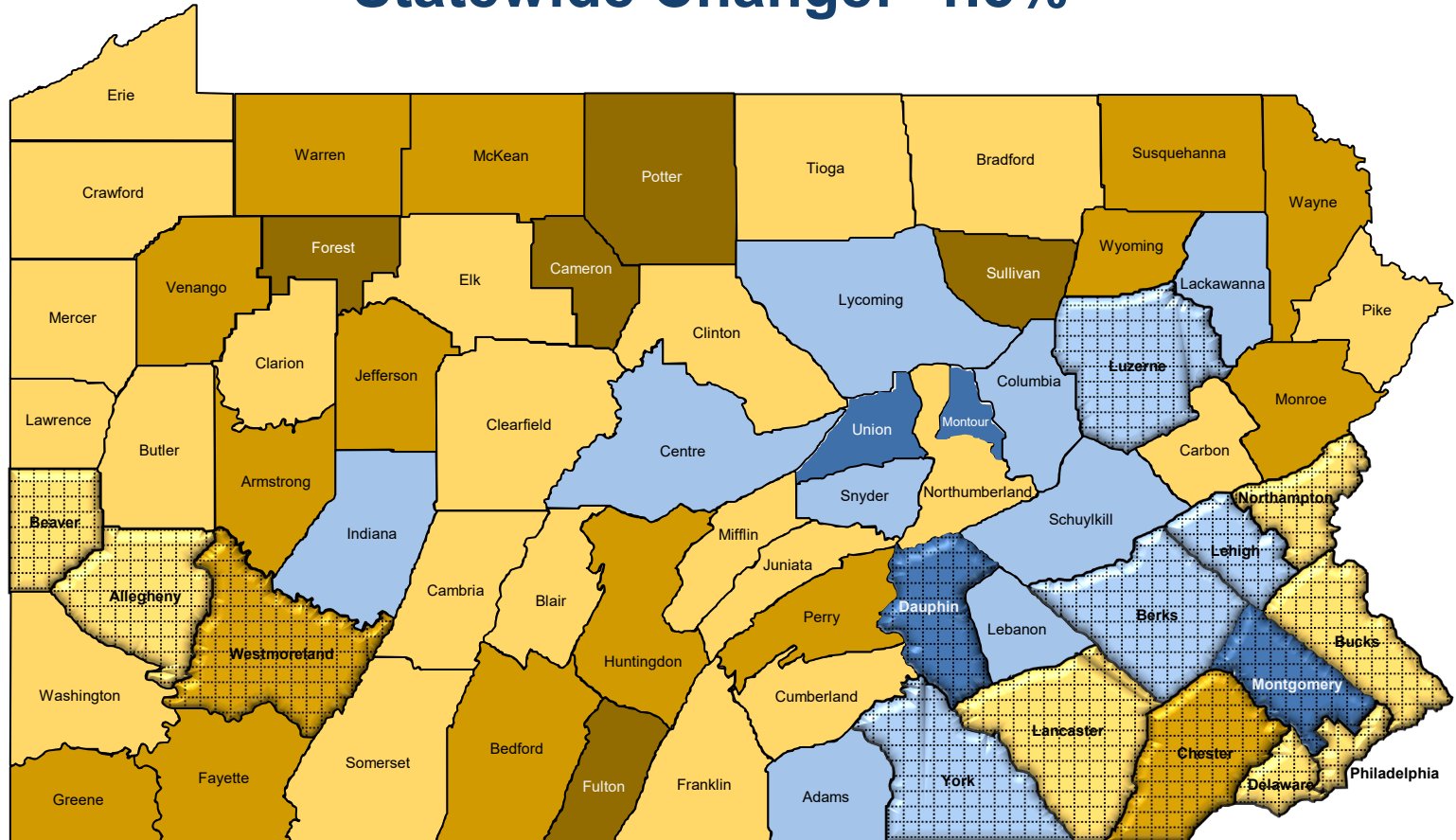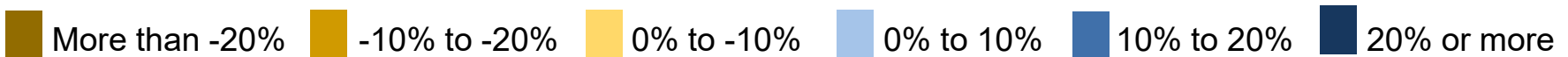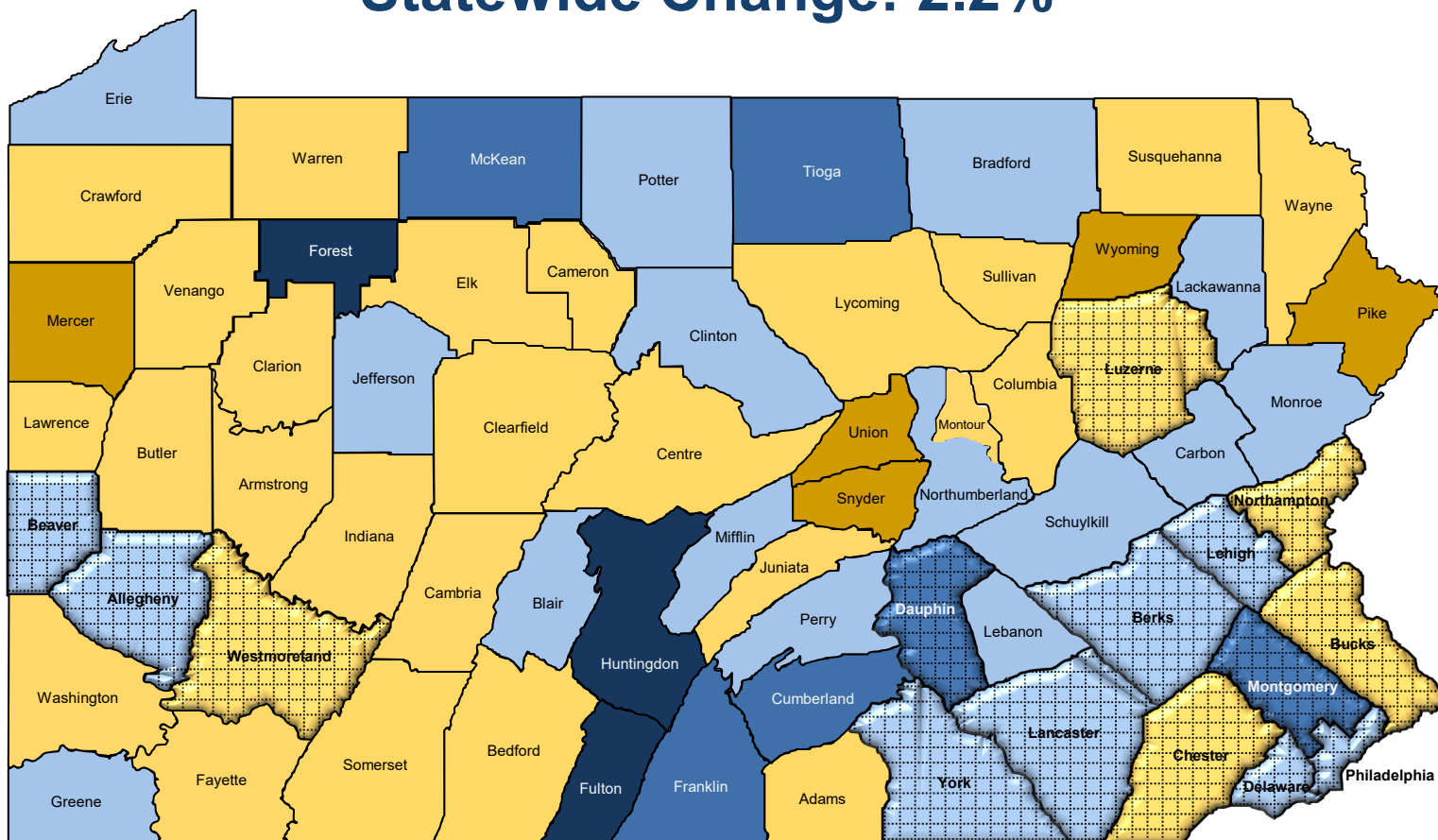|					
More than -20%	-10% to -20%	0% to -10%	0% to 10%	10% to 20%	20% or more

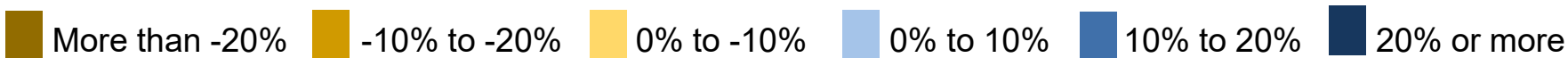# Pennsylvania County High School Graduates
Projected Change: 2022–2026
Top 15 Counties for Number of High School Graduates 2016/17 (cross-hatched)
Statewide Change: 2.2%

Percentage Change

| More than -20% | -10% to -20% | 0% to -10% | 0% to 10% | 10% to 20% | 20% or more |

2017 Top 15 Counties for Number of High School Graduates and Projected Percent Change by 2022

Philadelphia	11,658	-1.6%
Allegheny	10,869	-5.1%
Montgomery	8,867	18.0%
Bucks	7,011	-0.5%
Chester	6,231	-15.2%
Delaware	5,285	-1.2%
Lancaster	5,078	-0.7%
York	4,757	4.6%
Berks	4,756	0.6%
Lehigh	3,839	2.8%
Westmoreland	3,746	-10.6%
Northampton	3,397	-0.2%
Dauphin	3,293	13.7%
Luzerne	2,965	5.4%
Beaver	2,942	-1.5%
Total	84,694	-0.3%

Top 15 counties comprise 67.5% of all high school graduates.
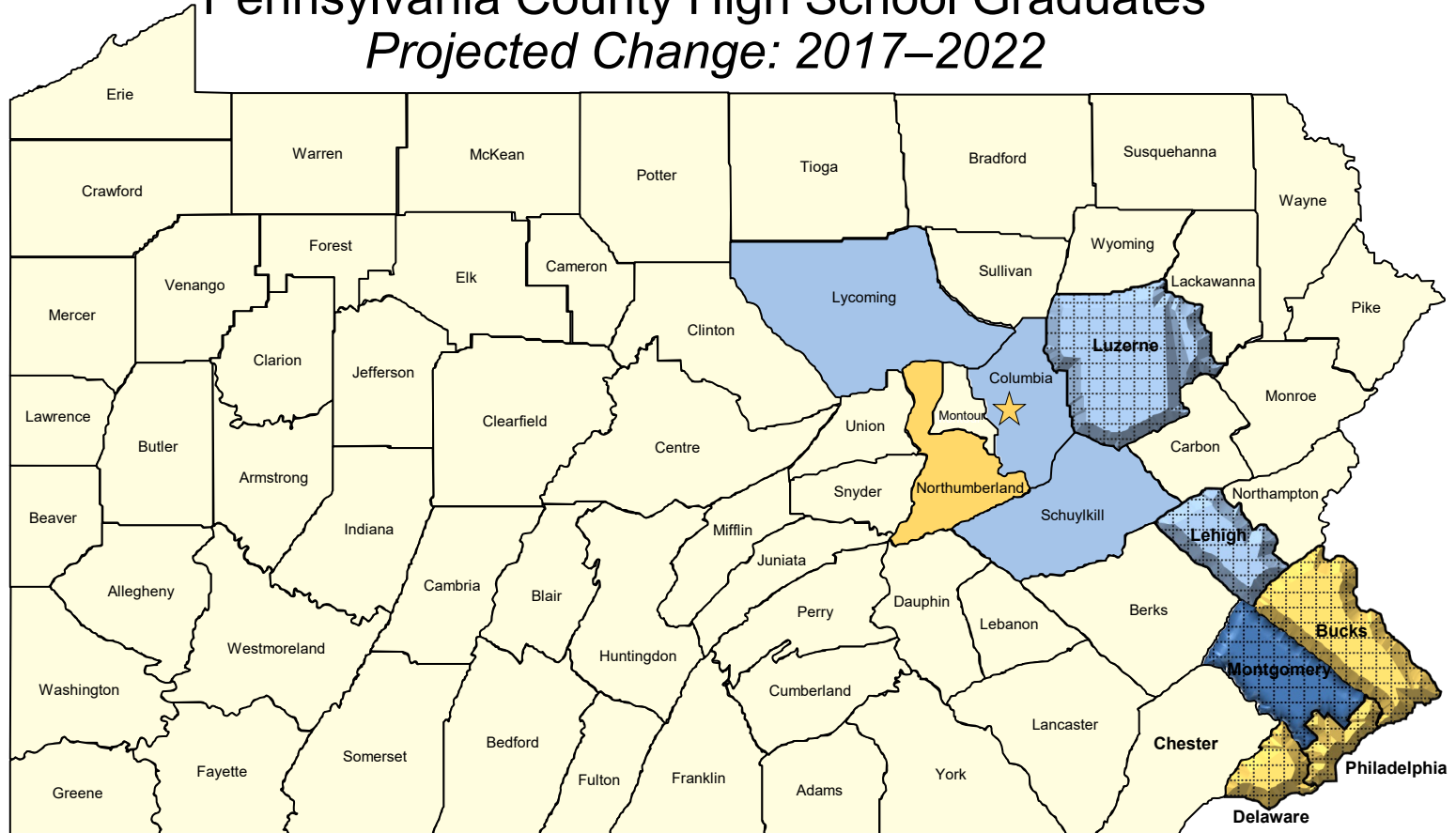
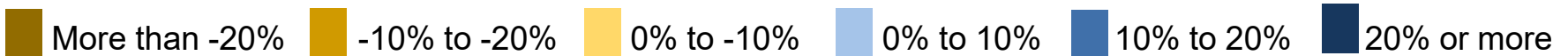# Fall 2018 Headcount Enrollment
Top 10 Counties: 54% of Students
Top 15 Counties for Number of High School Graduates 2016/17 (cross-hatched)
Pennsylvania County High School Graduates
Projected Change: 2017–2022

Percentage Change

More than -20%	-10% to -20%	0% to -10%	0% to 10%	10% to 20%	20% or more

Fall 2018 Enrollment and
2017 High School Graduates, by County

	Fall 2018	2017
Columbia	829	723
Out-of-State	**770**	N/A
Philadelphia*	576	11,658
Montgomery*	564	8,867
Northumberland	561	770
Luzerne*	560	2,965
Bucks*	494	7,011
Lehigh*	321	3,839
Schuylkill	310	1,271
Lycoming	295	1,066
Delaware*	286	5,285
Chester*	284	6,231
Northampton*	276	3,397
Berks*	267	4,756
York*	226	4,757

	Fall 2018	2017
Lancaster*	213	5,078
Montour	200	160
Monroe	185	2,232
Dauphin*	184	3,293
Cumberland	176	2,162
Union	174	311
Lackawanna	169	1,859
Snyder	135	325
Carbon	106	610
Lebanon	88	1,288
Pike	71	636
Wayne	66	356
Bradford	56	618
All Other PA Counties	482	43,981
Total	8,924	125,505

Source for fall 2018: student submission, preliminary end of 15th day data   Source for 2017: PA Department of Education   *Top 15 counties for number of high school graduates
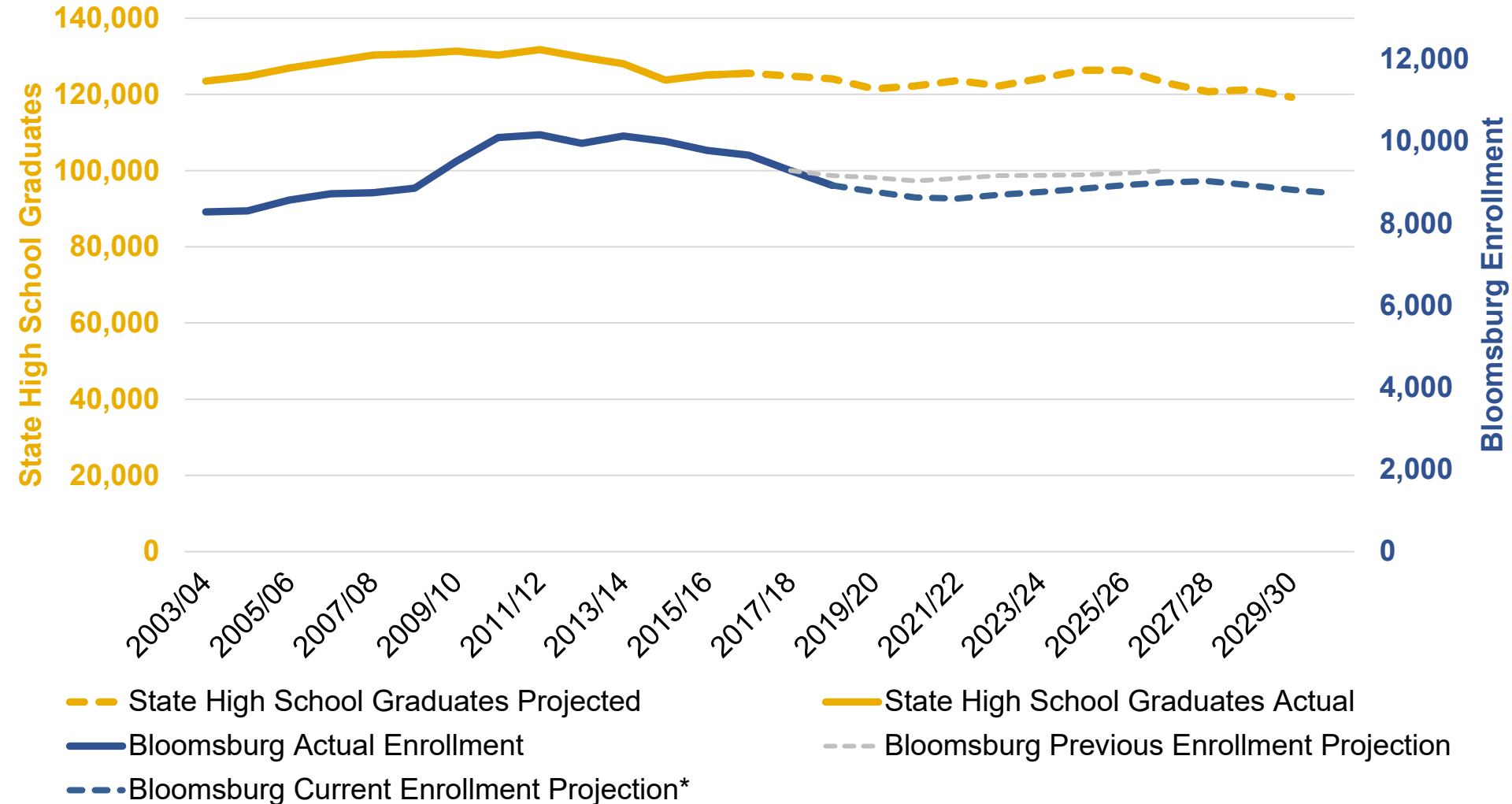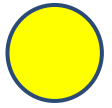
Fall Headcount Enrollment by Residency

Year	Total	Out-of-State	In-State %	In-State
2003	8,282	840	90%	7,442
2004	8,304	806	90%	7,498
2005	8,570	881	90%	7,689
2006	8,723	864	90%	7,859
2007	8,745	860	90%	7,885
2008	8,855	898	90%	7,957
2009	9,512	1,005	89%	8,507
2010	10,091	1,131	89%	8,960
2011	10,159	1,224	88%	8,935
2012	9,950	1,234	88%	8,716
2013	10,127	1,181	88%	8,946
2014	9,998	1,086	89%	8,912
2015	9,777	1,044	89%	8,733
2016	9,658	935	90%	8,723
2017	9,287	868	91%	8,419
2018	8,924	770	91%	8,154
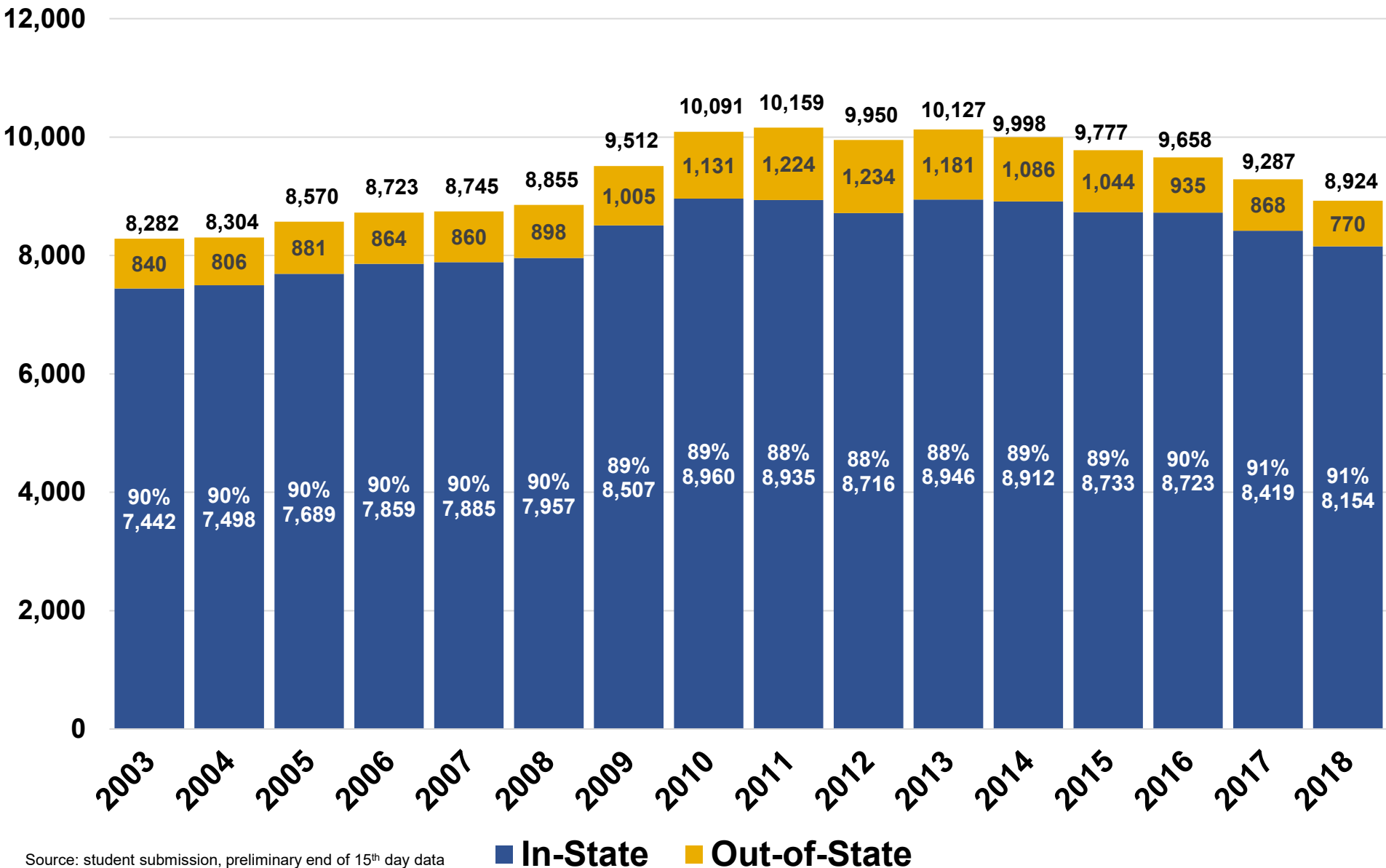
In-State   **Out-of-State**

Headcount Enrollment
## Based on High School Graduates by County*

*Projected by Office of the Chancellor. No change estimated for out-of-state enrollment. Source for high school graduate estimates: Pennsylvania Departments of Health and Education. Methods based on Western Interstate Commission for Higher Education; updated by Office of Educational Intelligence, September 2018.

Brand Strength

College preparedness of incoming students is an indicator of brand strength.

- **Incoming freshman enrollment by quintile of high school rank**
- **Selectivity**
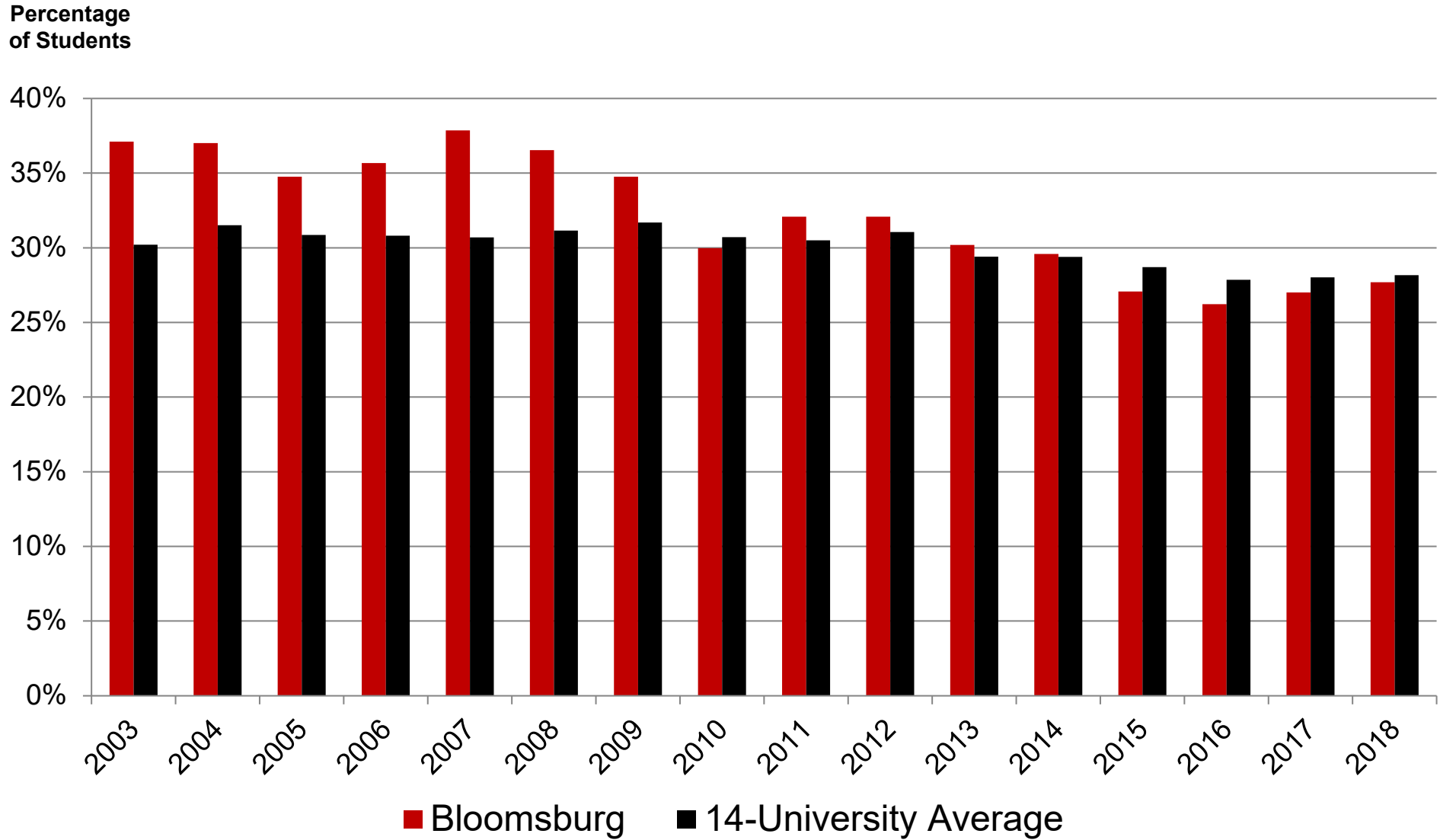- **Matriculation**
- **SAT scores**

High School Class Rank Tier 1 Percentage of Incoming Students
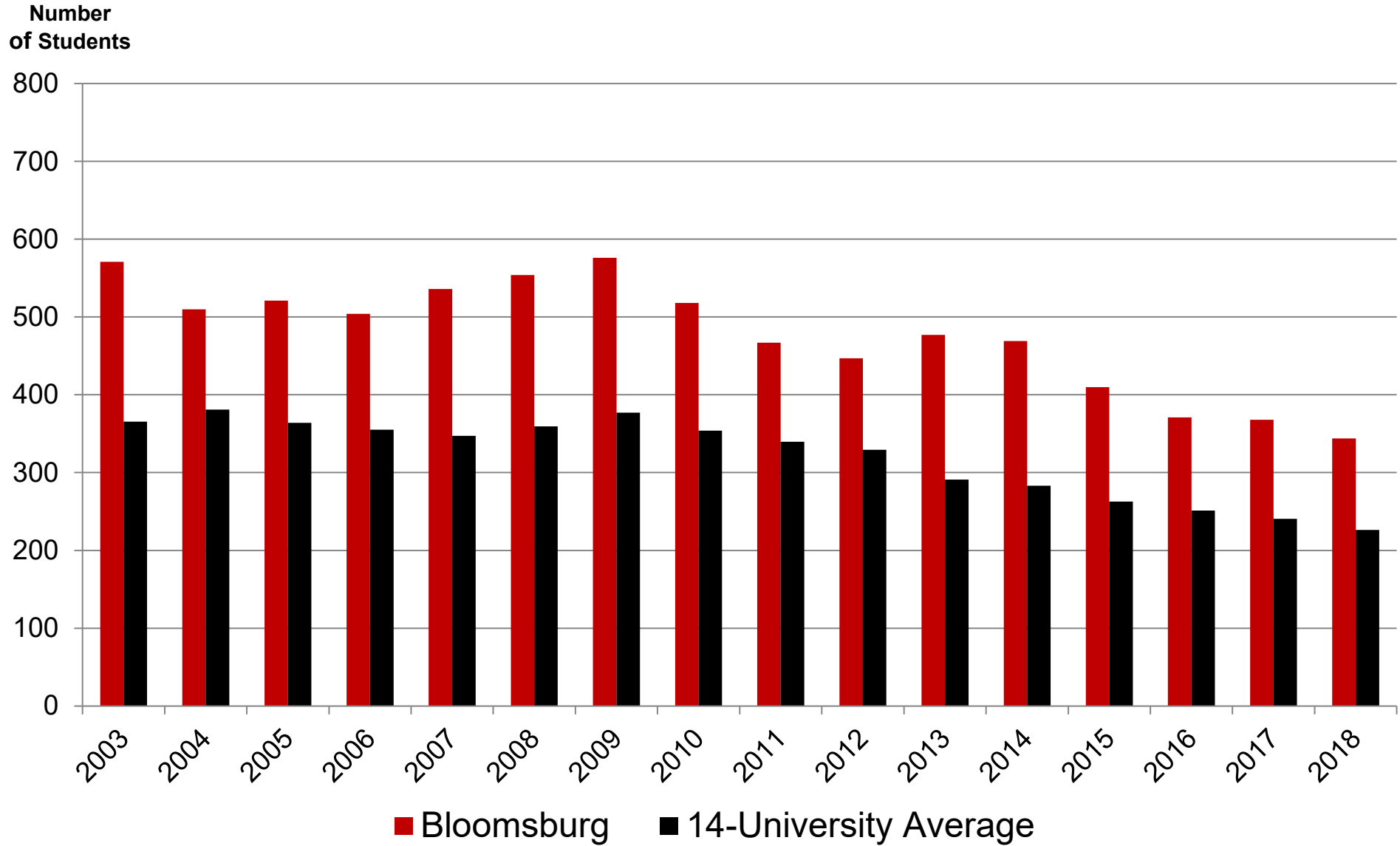## Fall First-Time, Full-Time, Baccalaureate-Seeking Freshmen

Percentage of Students

Legend: ■ Bloomsburg ■ 14-University Average
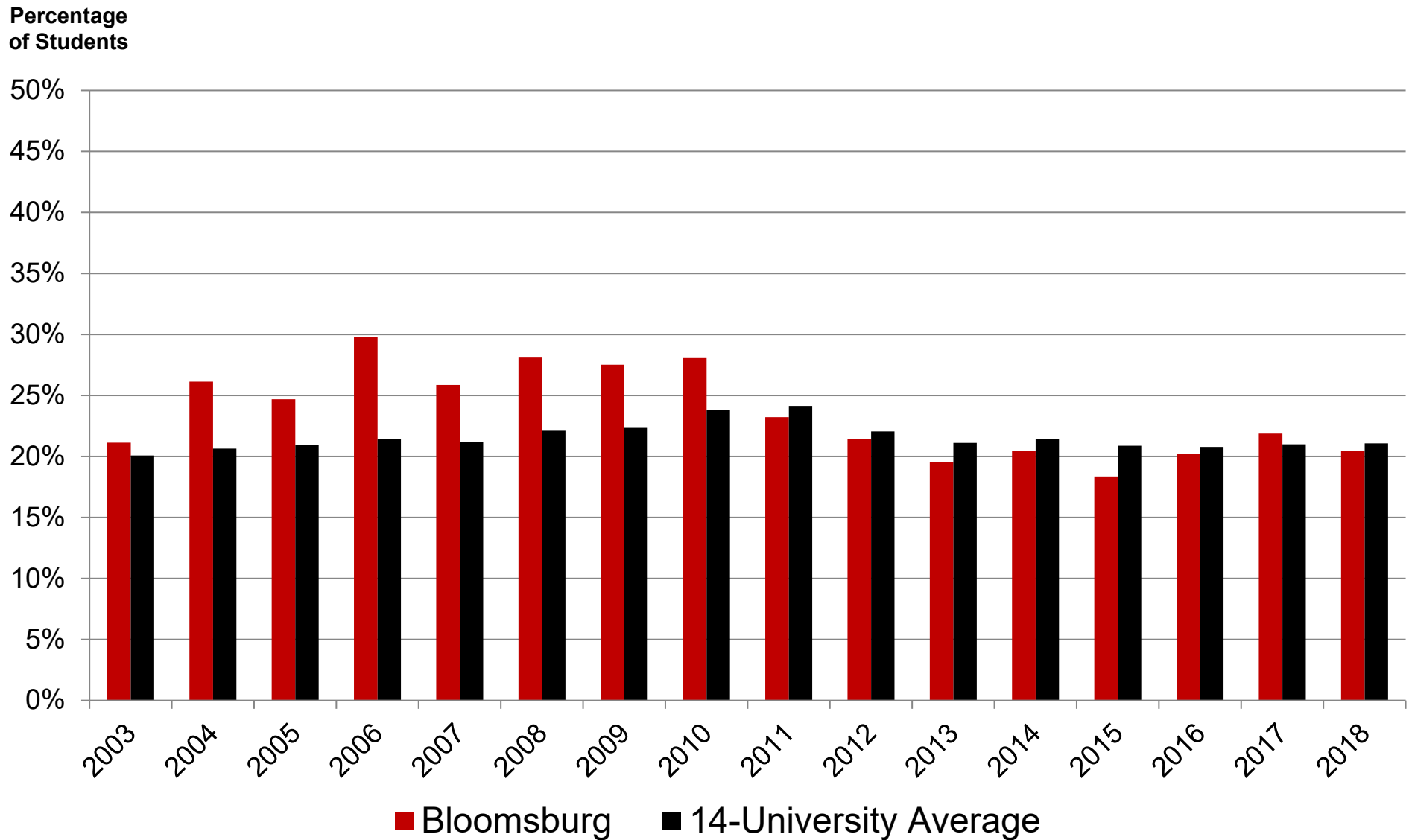
High School Class Rank Tier 1 of Incoming Students
Fall First-Time, Full-Time, Baccalaureate-Seeking Freshmen
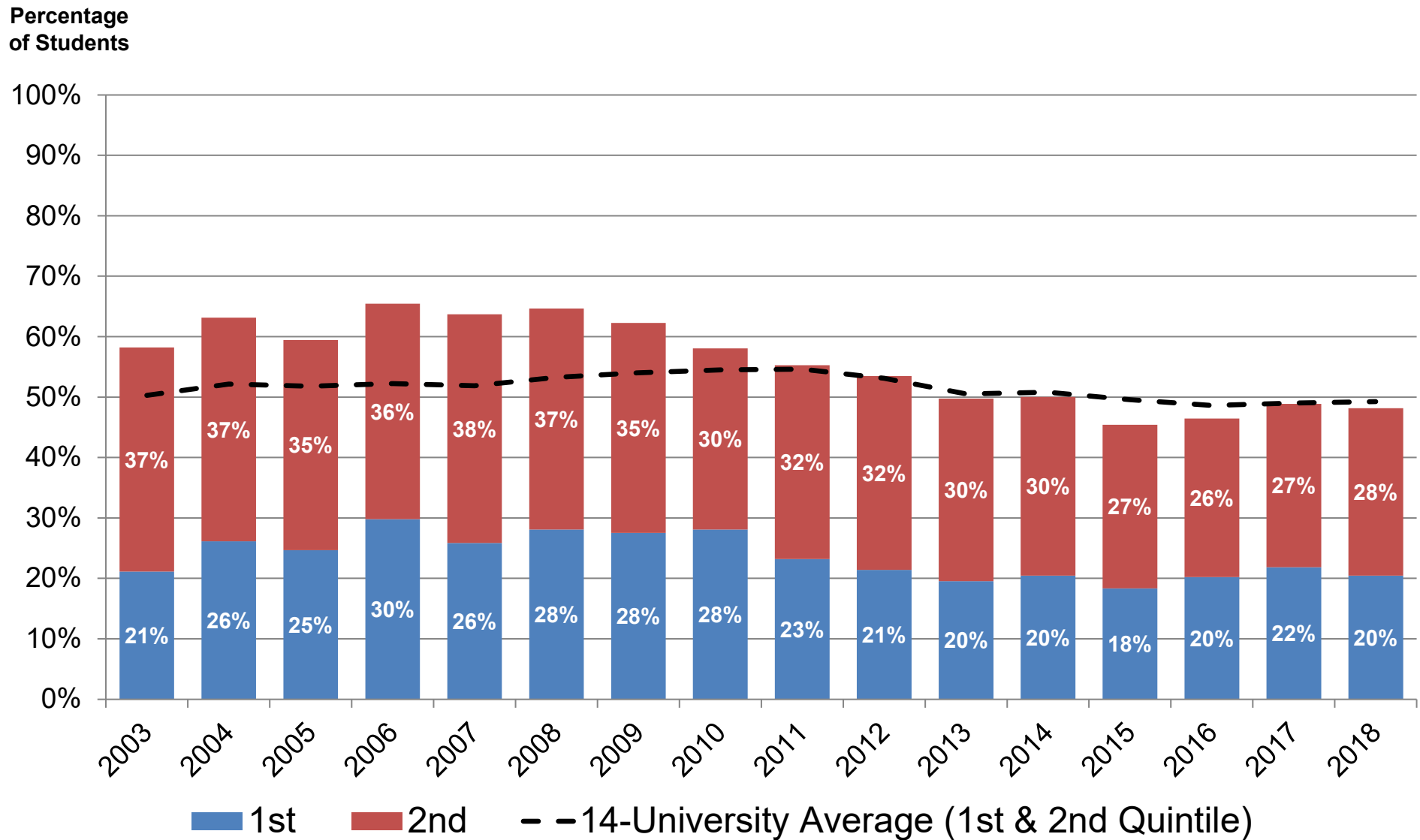
Number of Students

Legend: ■ Bloomsburg   ■ 14-University Average
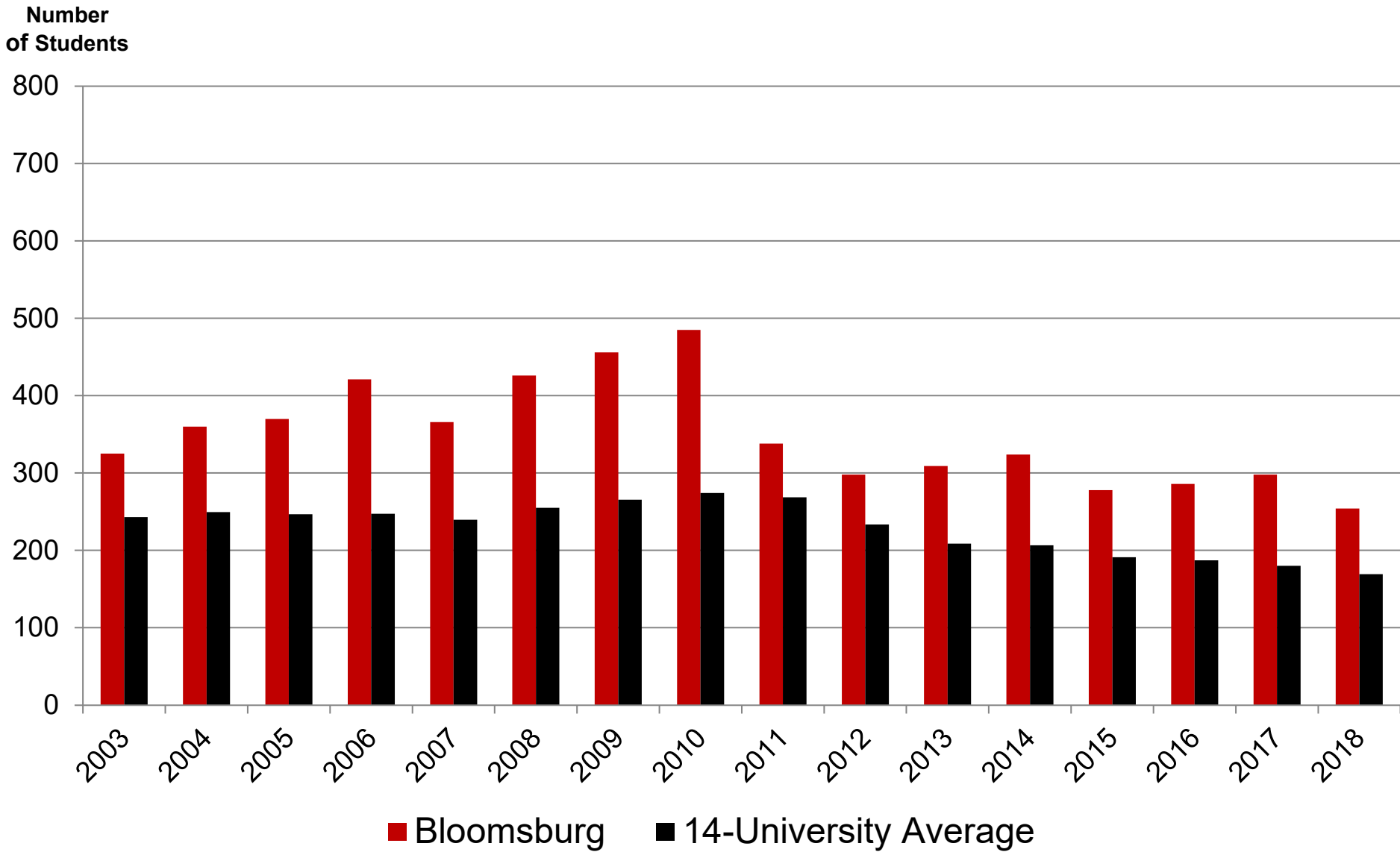
High School Class Rank Tier 2 Percentage of Incoming Students
Fall First-Time, Full-Time, Baccalaureate-Seeking Freshmen

Percentage of Students

■ Bloomsburg   ■ 14-University Average

Source: student submission, preliminary end of 15th day data

High School Class Rank Tier 2 of Incoming Students
Fall First-Time, Full-Time, Baccalaureate-Seeking Freshmen

Number of Students

■ Bloomsburg ■ 14-University Average

High School Class Rank Tier Percentage of Incoming Students Fall First-Time, Full-Time, Baccalaureate-Seeking Freshmen

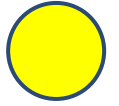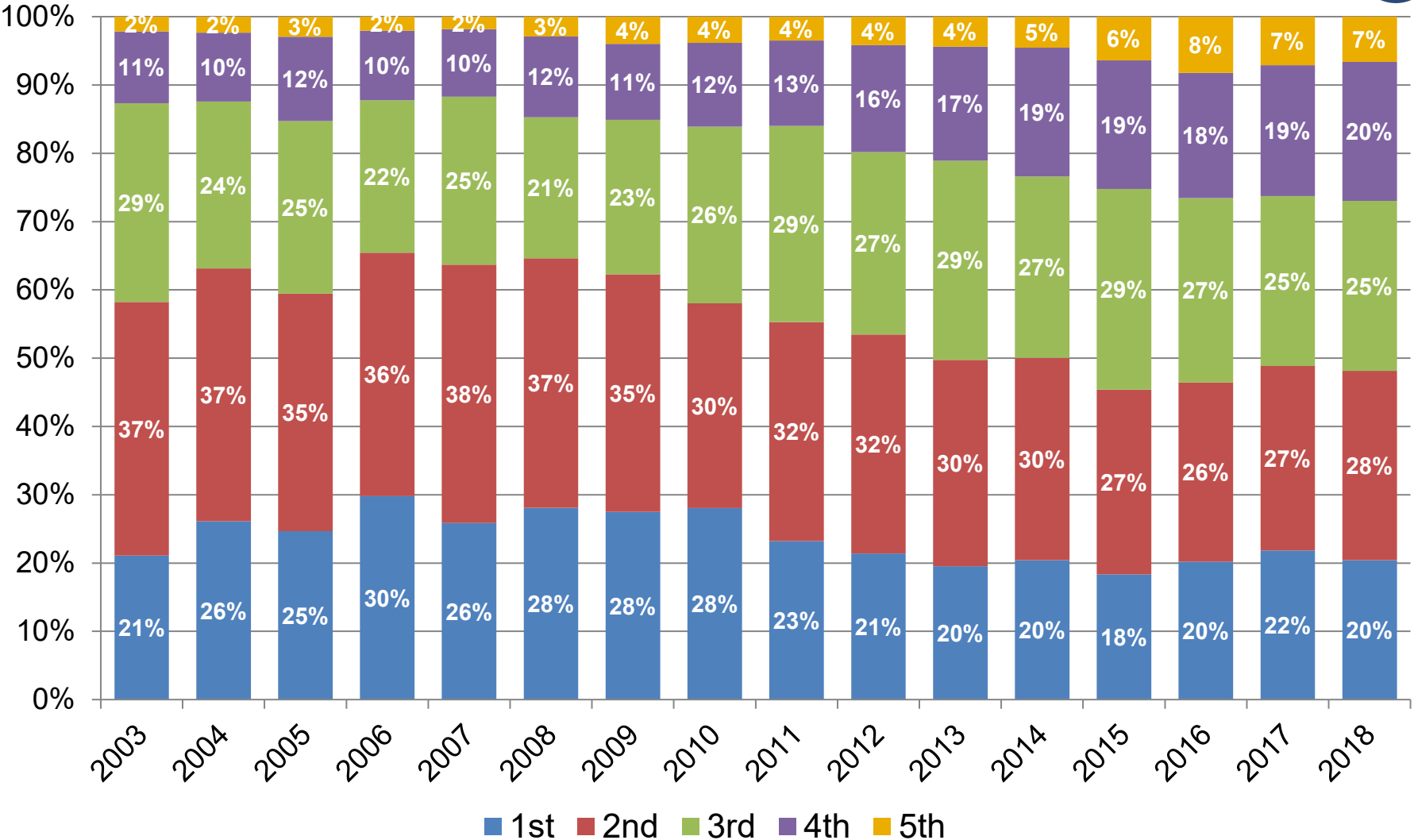Source: student submission, preliminary end of 15th day data

High School Class Rank Tier Percentage of Incoming Students
Fall First-Time, Full-Time, Baccalaureate-Seeking Freshmen

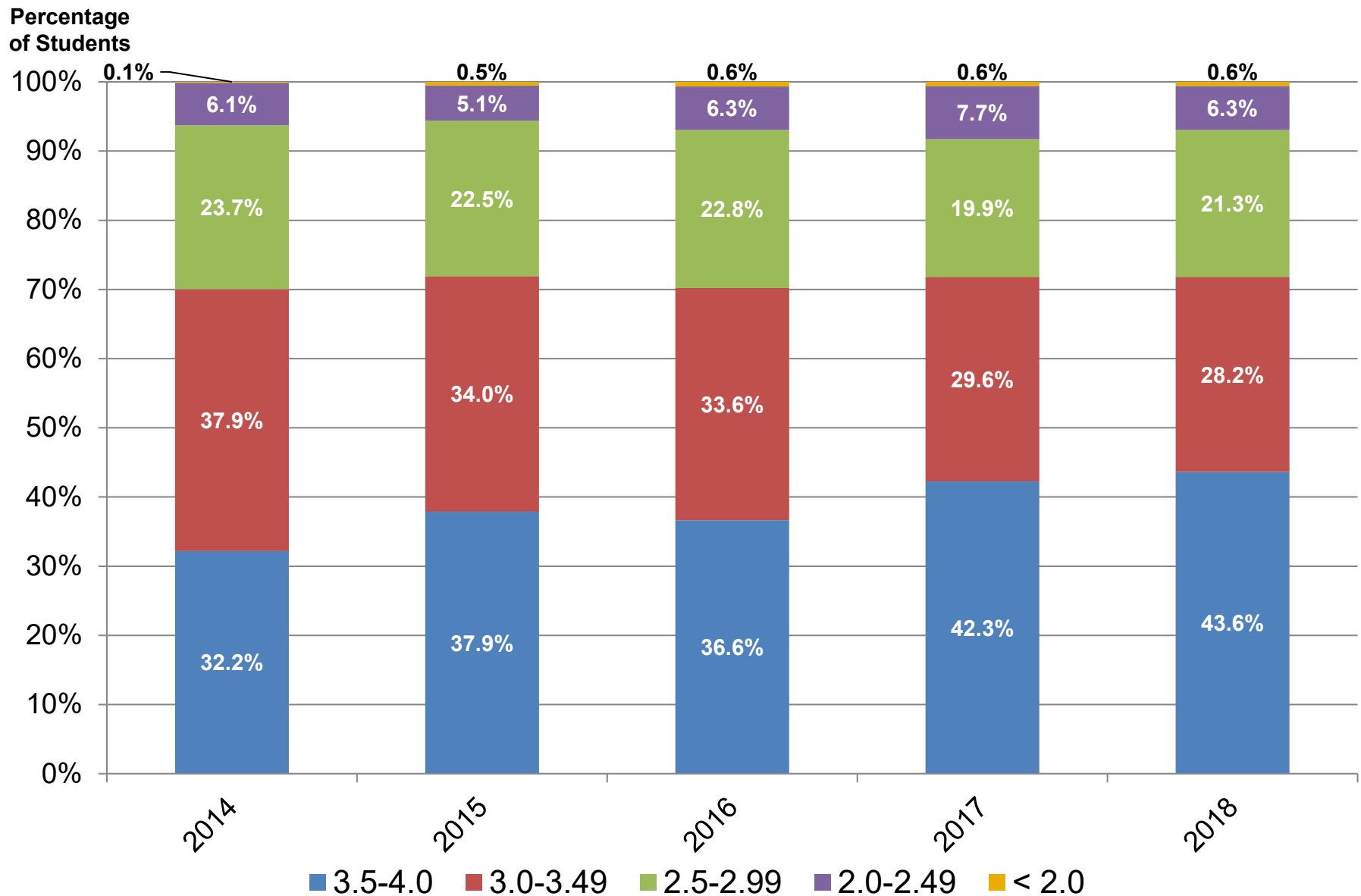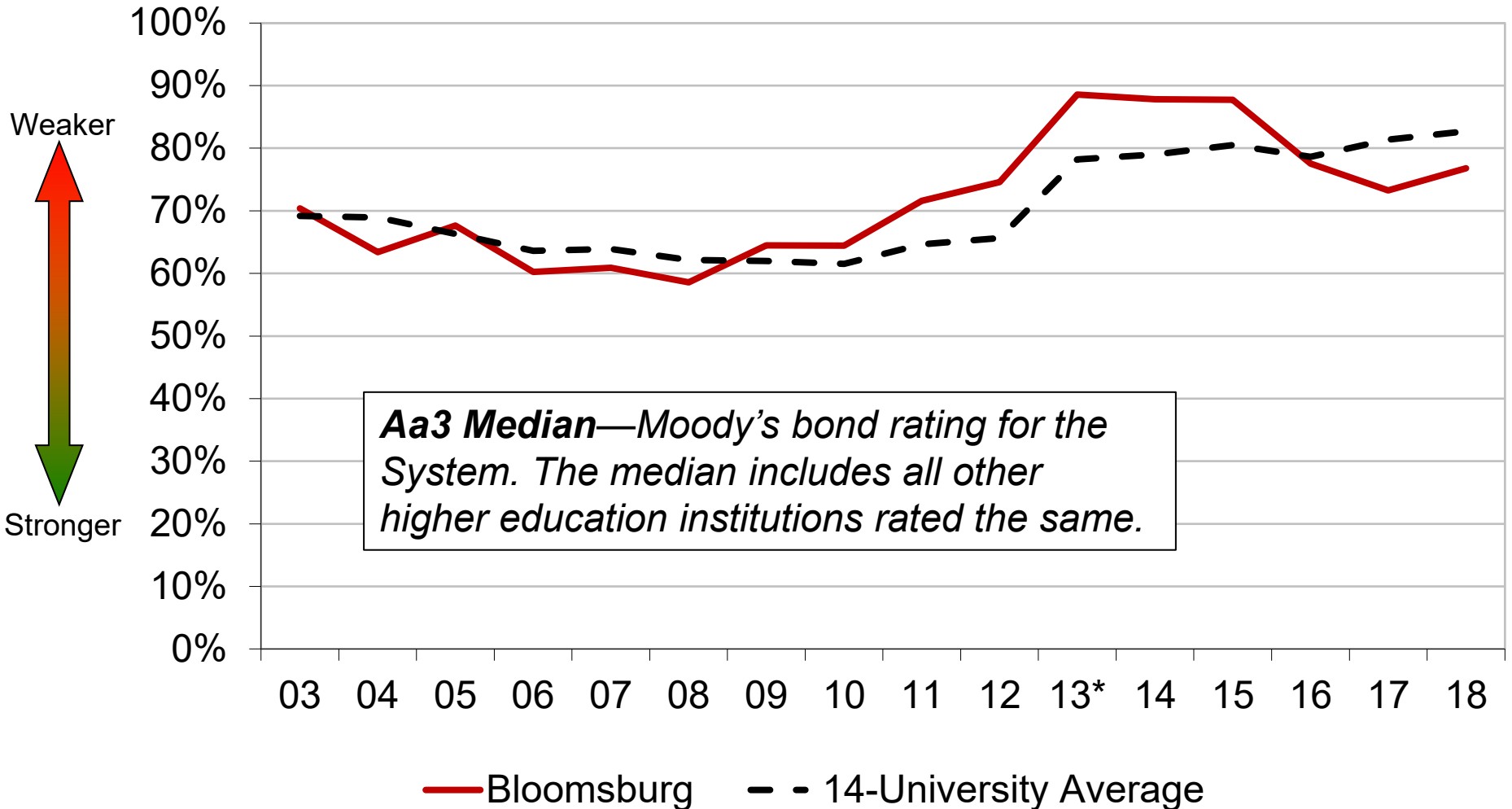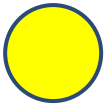

Source: student submission, preliminary end of 15th day data

High School Class GPA Percentage of Incoming Students
Fall First-Time, Full-Time, Baccalaureate-Seeking Freshmen

Percentage of Students

Year	0.1%/0.5%/0.6% (< 2.0)	2.0-2.49	2.5-2.99	3.0-3.49	3.5-4.0
2014	0.1%	6.1%	23.7%	37.9%	32.2%
2015	0.5%	5.1%	22.5%	34.0%	37.9%
2016	0.6%	6.3%	22.8%	33.6%	36.6%
2017	0.6%	7.7%	19.9%	29.6%	42.3%
2018	0.6%	6.3%	21.3%	28.2%	43.6%

Legend: ■ 3.5-4.0 ■ 3.0-3.49 ■ 2.5-2.99 ■ 2.0-2.49 ■ < 2.0

Selectivity

Weaker

Stronger

Aa3 Median—*Moody's bond rating for the System. The median includes all other higher education institutions rated the same.*
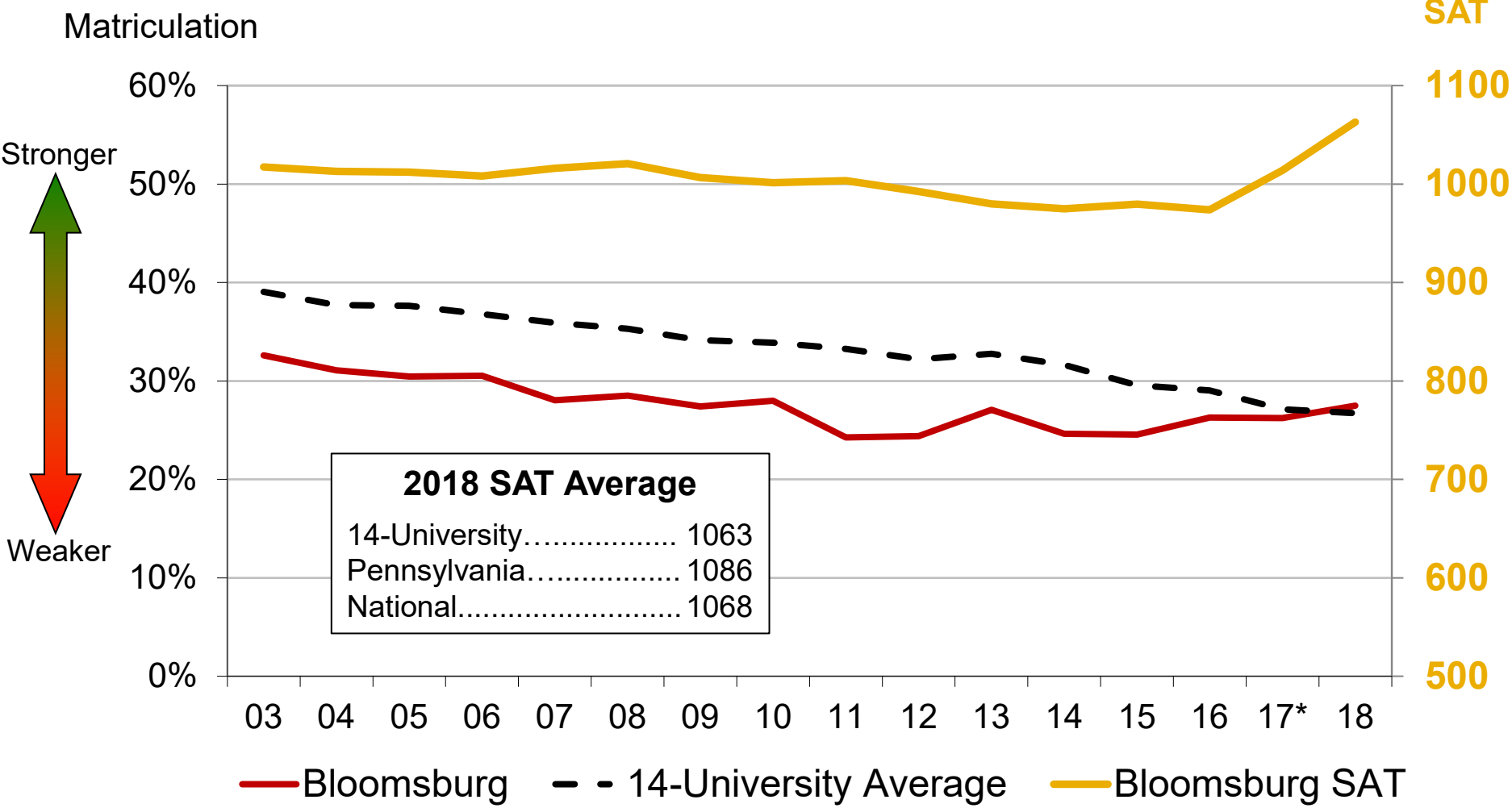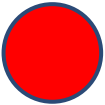
—— Bloomsburg   - - - 14-University Average

Median Aa3 (2017) = 73.1%   Selectivity—% of applicants accepted   *Change of methodology for counting completed applications

Source: student submission, preliminary end of 15th day data

Matriculation/SAT

Matriculation

SAT

Stronger

Weaker

2018 SAT Average

14-University…................ 1063
Pennsylvania…............... 1086
National.......................... 1068

— Bloomsburg   - - 14-University Average   — Bloomsburg SAT

Median Aa3 (2017) = 29.9%   Matriculation—% of accepted students who enroll; yield

Change in scoring the SAT began with tests taken after March 1, 2016 and reflect in 2017. Results of the scoring change resulted in higher test scores overall.
Source: student submission, preliminary end of 15th day data

Market Demand

- Projected Demand
- Brand Strength
- Matriculation

Operating Efficiency

Stewardship of Physical Resources
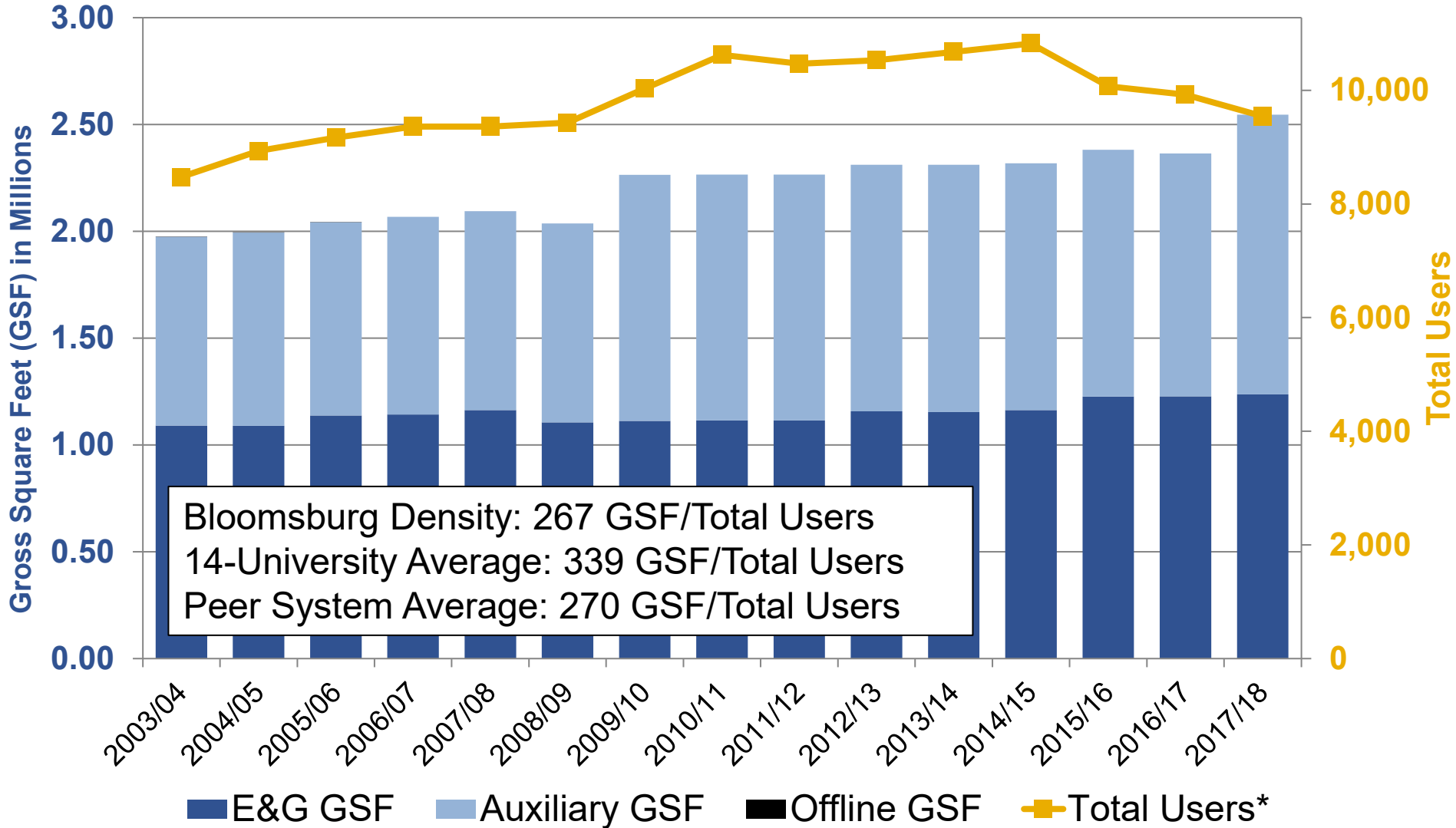
- Density of Space
- Investment in Plant

Stewardship of Financial Resources

- Revenue Sources
- Expenses Per Student

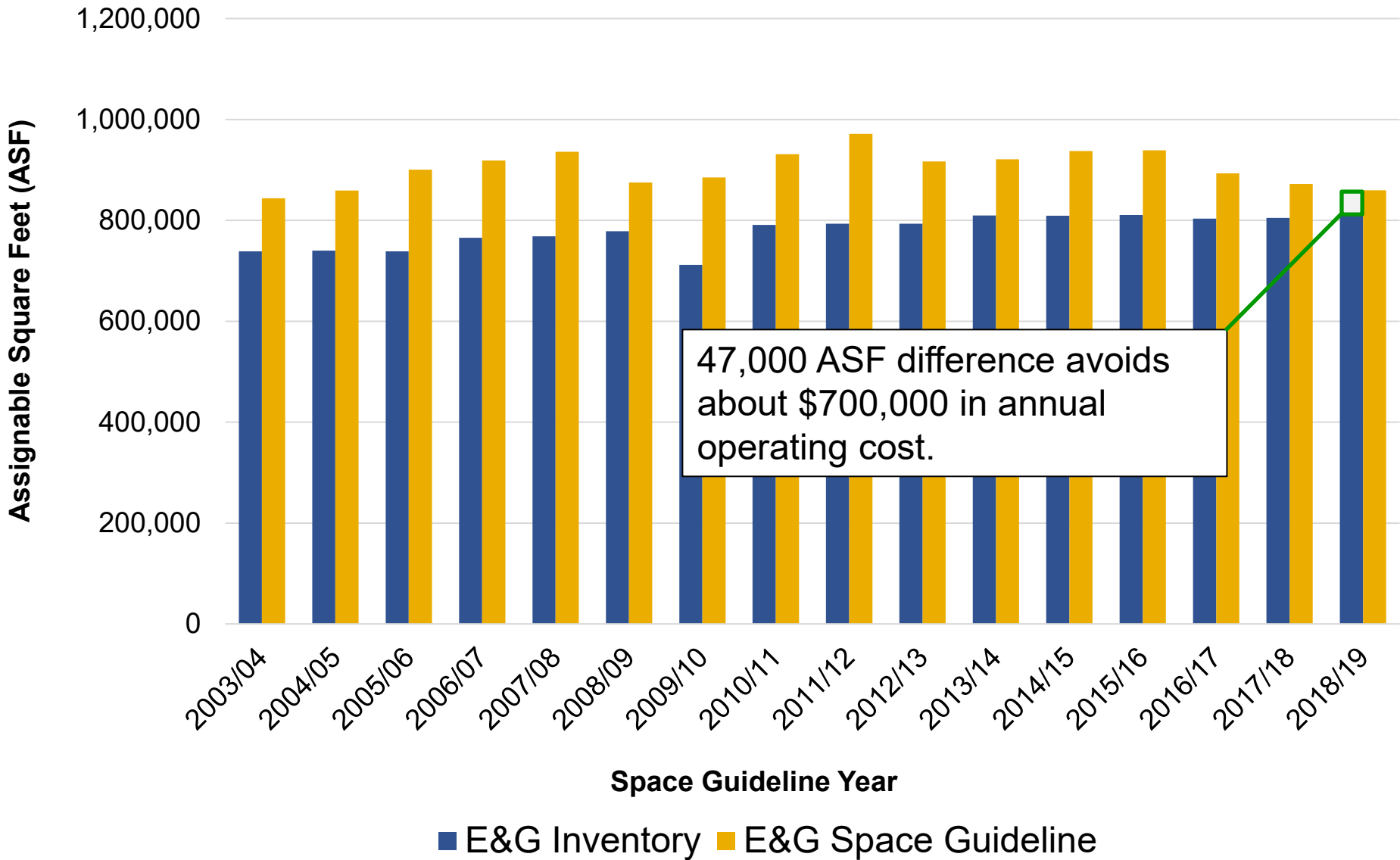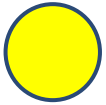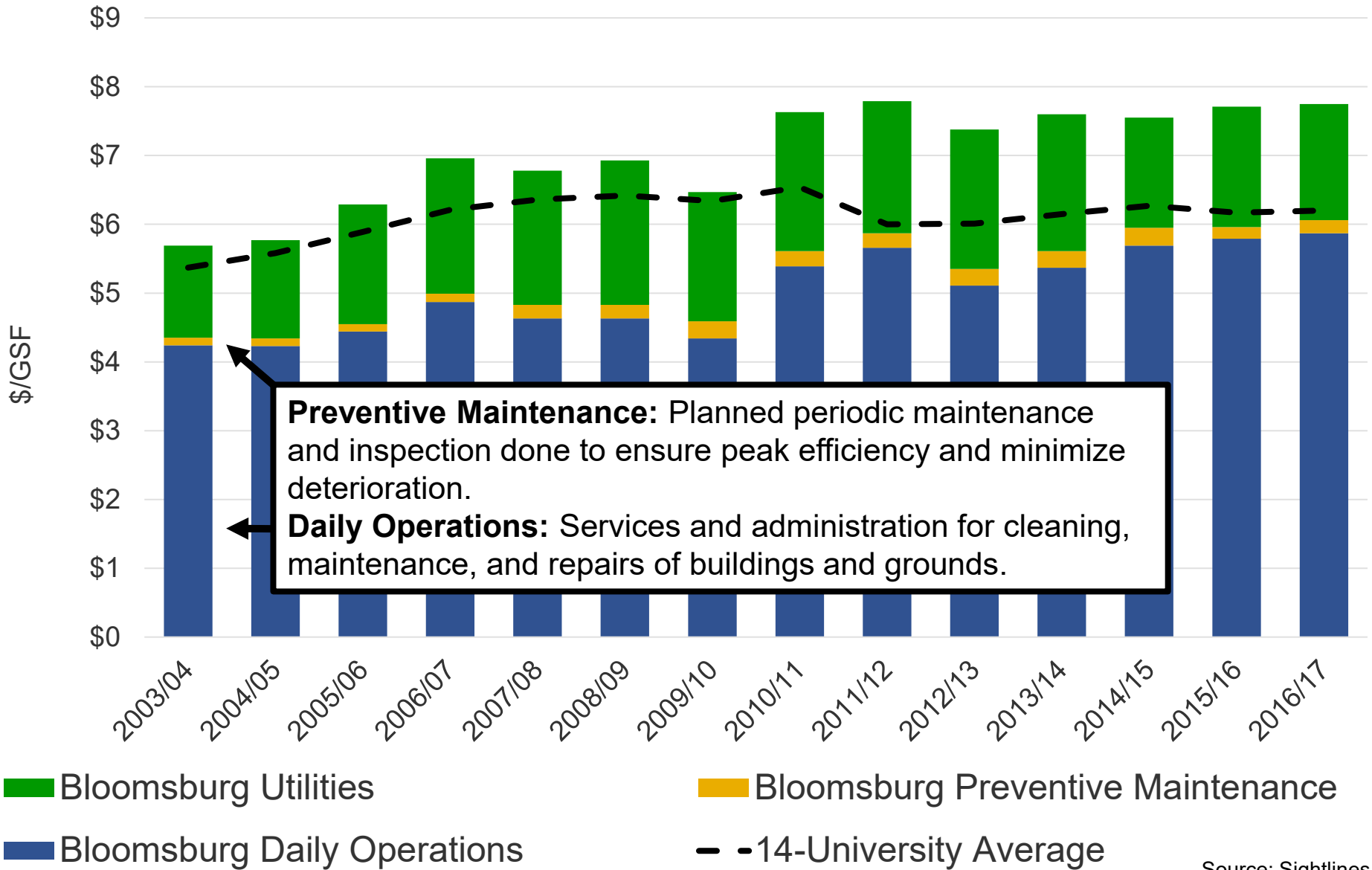# Space on Campus vs. Total Users
E&G and Auxiliary Space

Bloomsburg Density: 267 GSF/Total Users
14-University Average: 339 GSF/Total Users
Peer System Average: 270 GSF/Total Users

Legend: ■ E&G GSF ■ Auxiliary GSF ■ Offline GSF ─■─ Total Users*

Y-axis (left): Gross Square Feet (GSF) in Millions
Y-axis (right): Total Users

X-axis: 2003/04, 2004/05, 2005/06, 2006/07, 2007/08, 2008/09, 2009/10, 2010/11, 2011/12, 2012/13, 2013/14, 2014/15, 2015/16, 2016/17, 2017/18

Includes employees, student workers, FTE students, and clock hour students.

Source: PASSHE Facilities Database

E&G Space Guidelines vs. Actual Inventory

47,000 ASF difference avoids about $700,000 in annual operating cost.

Assignable Square Feet (ASF)

Space Guideline Year

■ E&G Inventory ■ E&G Space Guideline

Source: PASSHE Facilities Database

Facilities Expenditures

Preventive Maintenance: Planned periodic maintenance and inspection done to ensure peak efficiency and minimize deterioration.

Daily Operations: Services and administration for cleaning, maintenance, and repairs of buildings and grounds.

Legend:
- Bloomsburg Utilities
- Bloomsburg Preventive Maintenance
- Bloomsburg Daily Operations
- 14-University Average

Source: Sightlines

E&G Facilities Investment vs. Targets
Impact on Deferred Maintenance Backlog

5-year planned capital investment: $63 million
Bloomsburg backlog: $68/GSF
14-university average backlog: $84/GSF

Decreasing Backlog

Stabilizing Backlog

Increasing Backlog

Year	Operating Funds
2003/04	$1.8
2004/05	$1.3
2005/06	$2.8
2006/07	$1.7
2007/08	$6.2
2008/09	$2.7
2009/10	$8.5
2010/11	$2.9
2011/12	$1.5
2012/13	$2.1
2013/14	$4.3
2014/15	$7.6
2015/16	$6.8
2016/17	$5.5

Operating Funds Capital Funds* Minimum Target Optimum Target
*One-time funds for renewal of existing space

Source: Sightlines

Facilities Composite Score Indicator*
University Performance Compared to Peers**

-1.5 SD
(32.50%)

-3/4 SD
(40.17%)

Average:
(47.86%)

+3/4 SD
(55.35%)

+1.5 SD
(63.21%)

System Average

BL:
100%

Weaker   Stronger
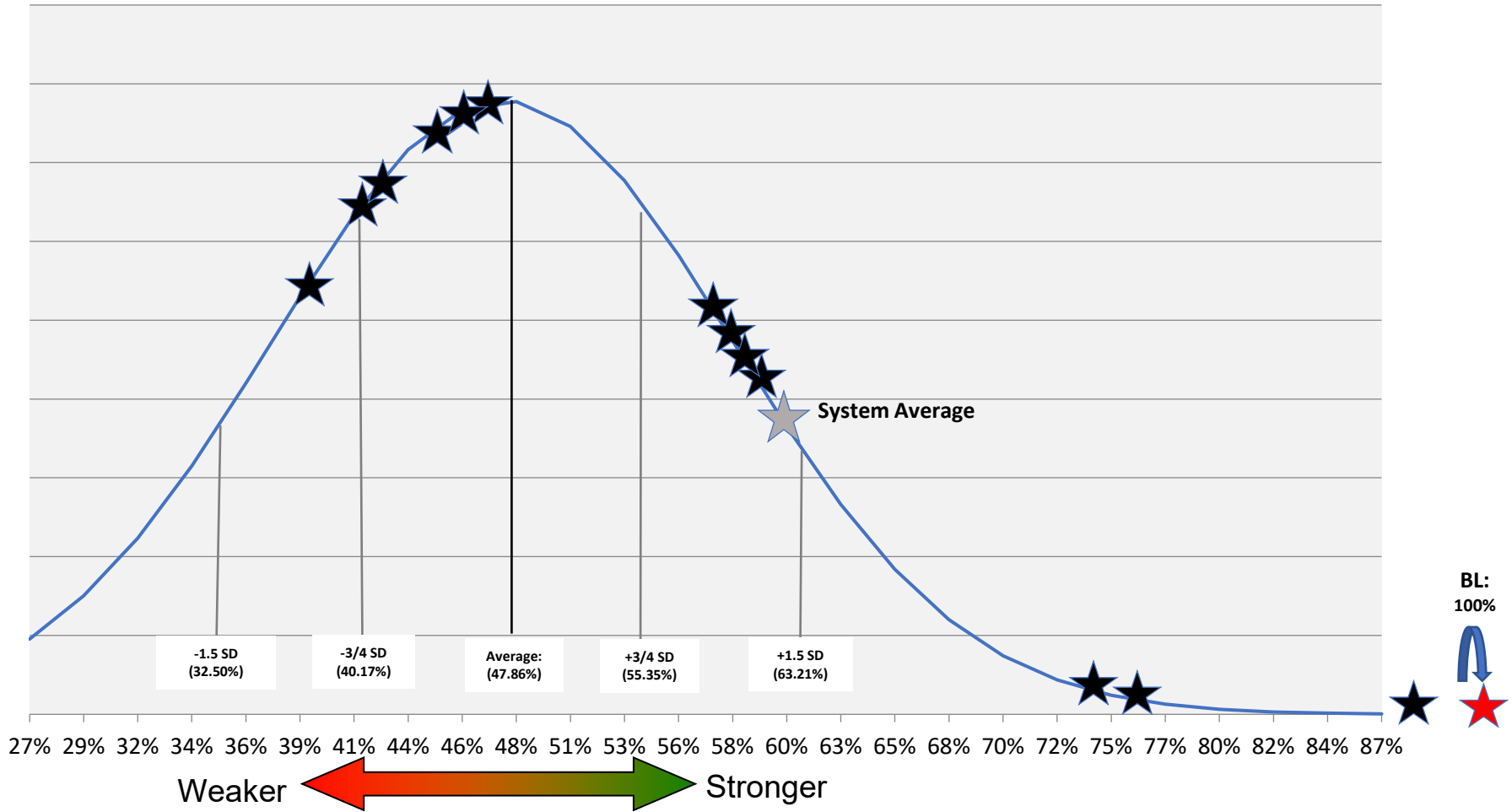
*This composite indicator, developed for the System in conjunction with Sightlines, measures university investment in plant, efficiency of operations, and service to the campus community.
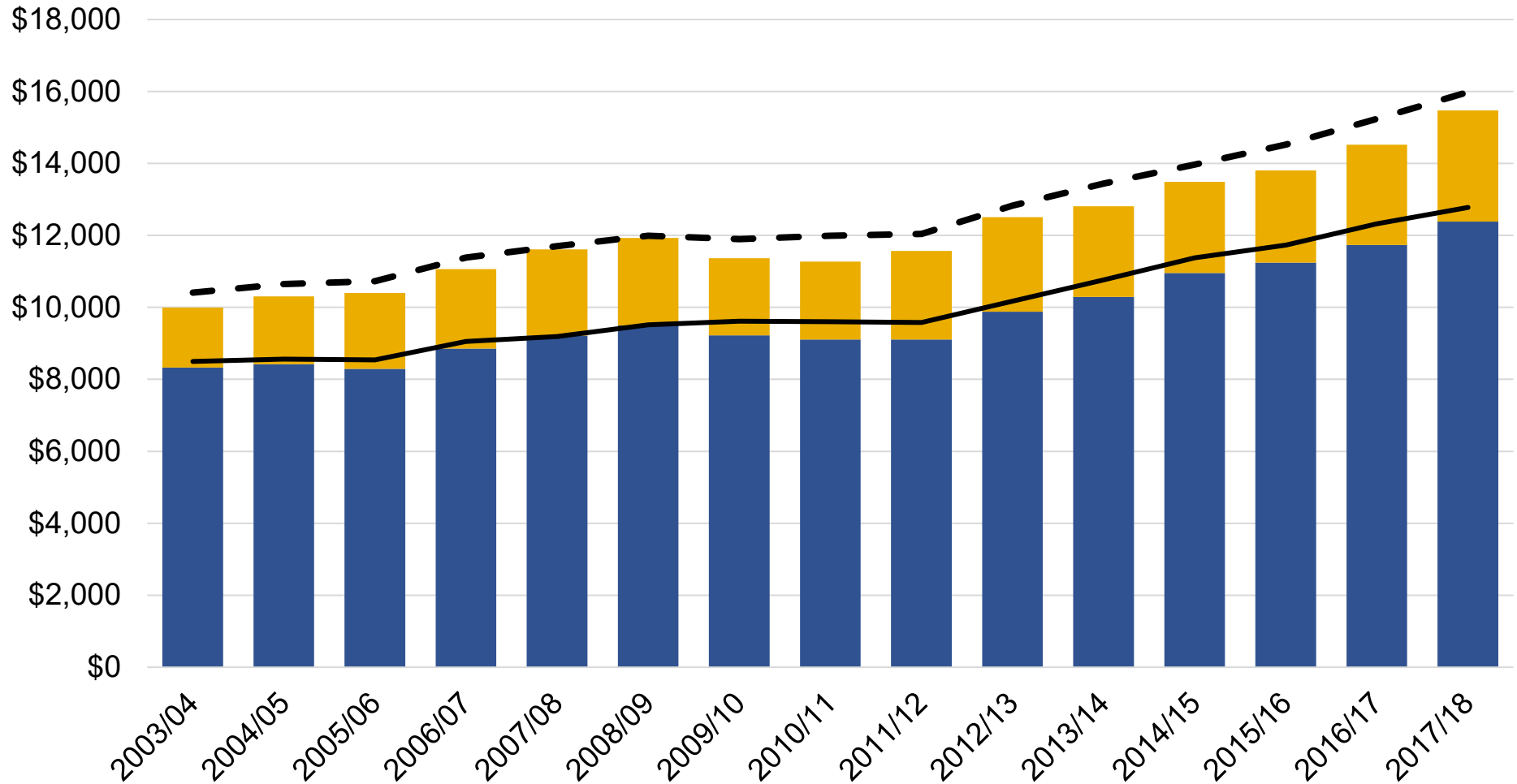
**Peer group: Top 50% of universities with similar physical plant in Sightlines database.

Total Revenues

Legend:
- Bloomsburg E&G Revenues
- Bloomsburg Auxiliary Revenues
- Bloomsburg Restricted/ Endowment Revenues
- Bloomsburg Plant Revenues
- 14-University Average Total Revenues
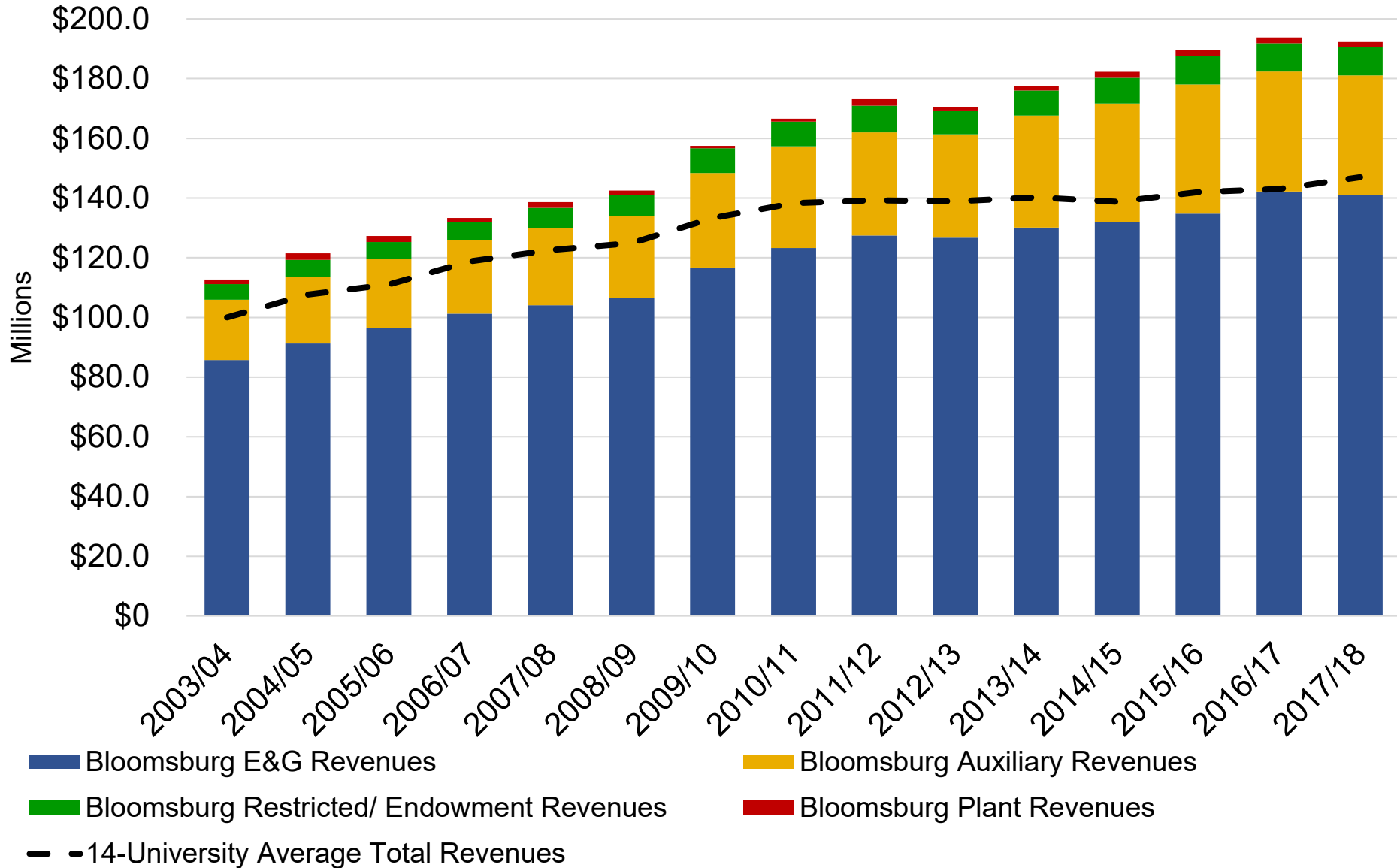
Source: university FINRPTs

E&G Expenditures Per FTE Student

Legend:
- Bloomsburg Other Operating and Capital/FTE
- Bloomsburg Total Personnel Costs/FTE
- 14-University Average Total Expenditures/FTE
- 14-University Average Total Personnel Costs/FTE

Source: university FINRPTs

Annualized FTE Faculty and Enrollment
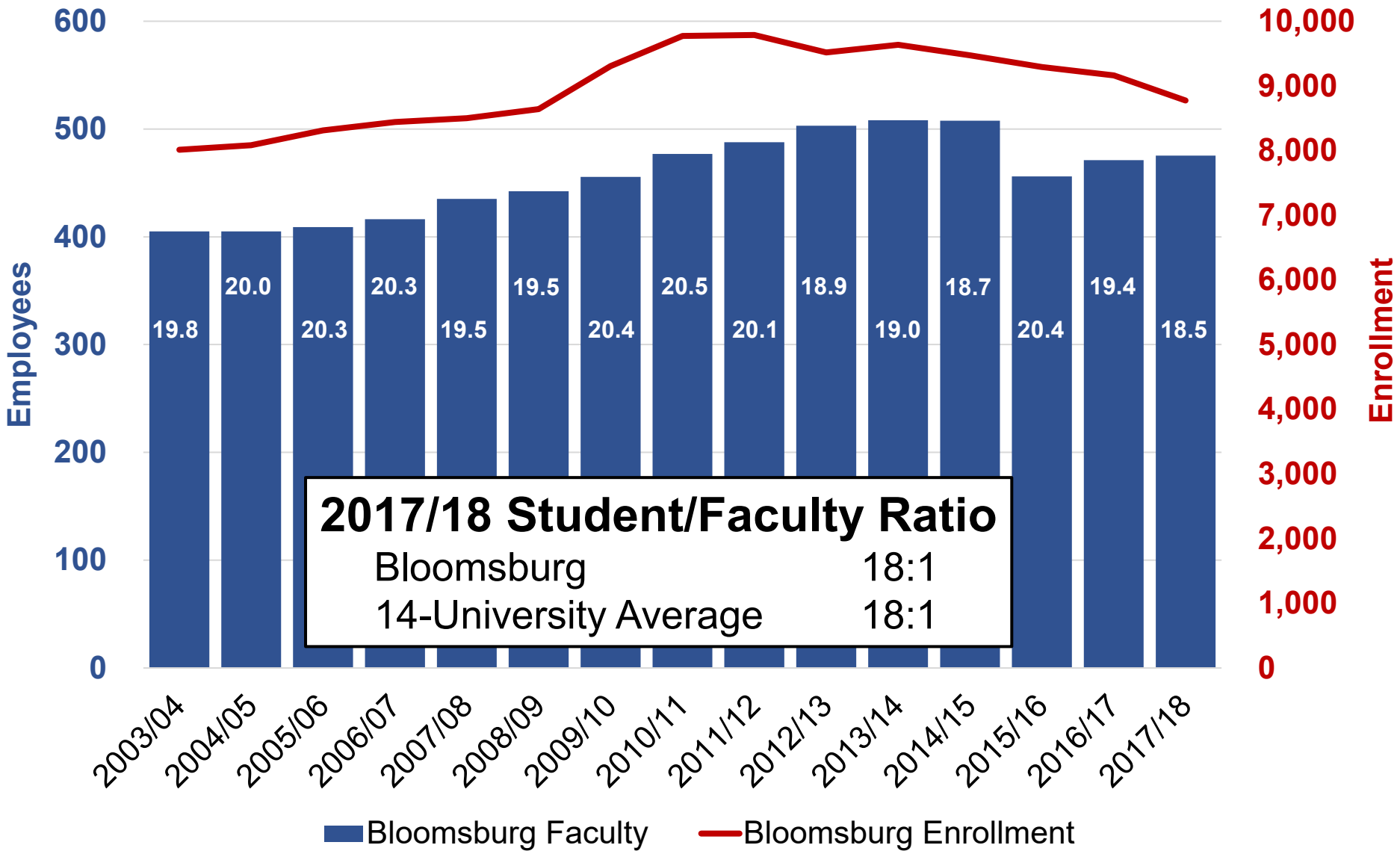
2017/18 Student/Faculty Ratio
Bloomsburg   18:1
14-University Average   18:1

Bloomsburg Faculty   Bloomsburg Enrollment

Source: university BUDRPTs

Annualized FTE Nonfaculty and Enrollment

2017/18 Student/Nonfaculty Ratio
Bloomsburg   15:1
14-University Average   15:1

Bar values (Bloomsburg Nonfaculty ratio labels):
15.0, 15.0, 15.4, 15.3, 15.2, 15.2, 16.2, 17.1, 17.0, 16.1, 15.7, 15.4, 16.9, 15.6, 14.9

Years: 2003/04, 2004/05, 2005/06, 2006/07, 2007/08, 2008/09, 2009/10, 2010/11, 2011/12, 2012/13, 2013/14, 2014/15, 2015/16, 2016/17, 2017/18

Legend: Bloomsburg Nonfaculty — 14-University Average Nonfaculty — Bloomsburg Enrollment

Source: university BUDRPTs

Net Tuition Per FTE Student

Stronger

Weaker
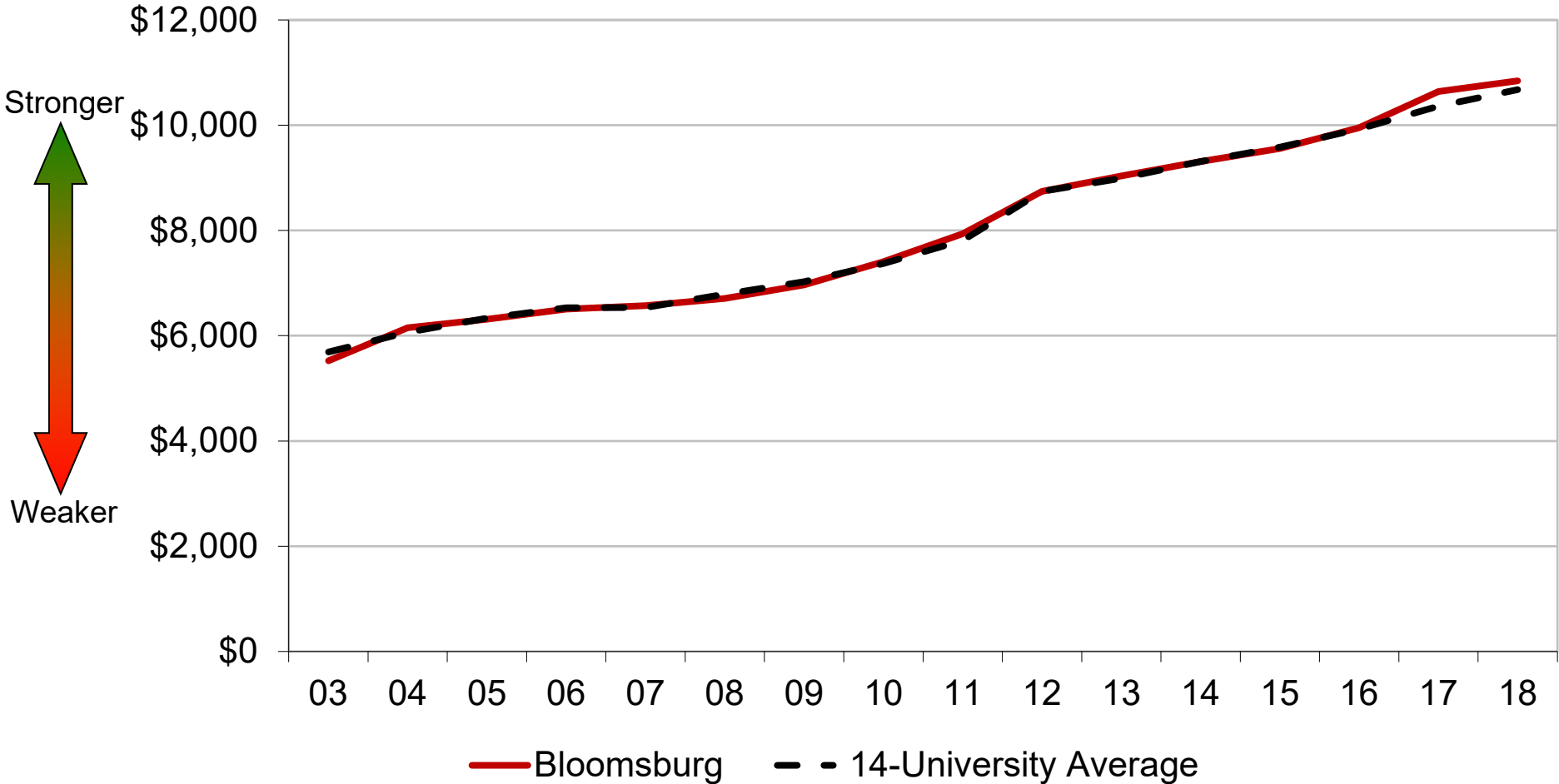
Median Aa3 (2017) = $10,959

Net tuition = tuition and mandatory fees
less financial aid (primarily Pell and PHEAA grants and Institutional Aid)

— Bloomsburg   - - - 14-University Average

# Operating Efficiency
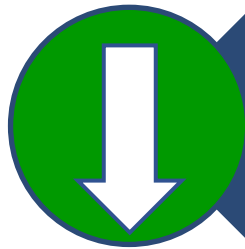
Density
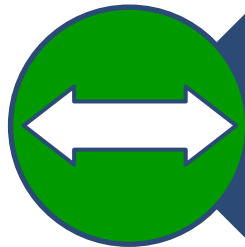
Investment in Plant
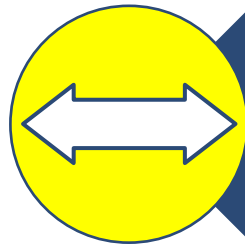
Costs Per Student

E&G Revenues
As of December 31, 2018
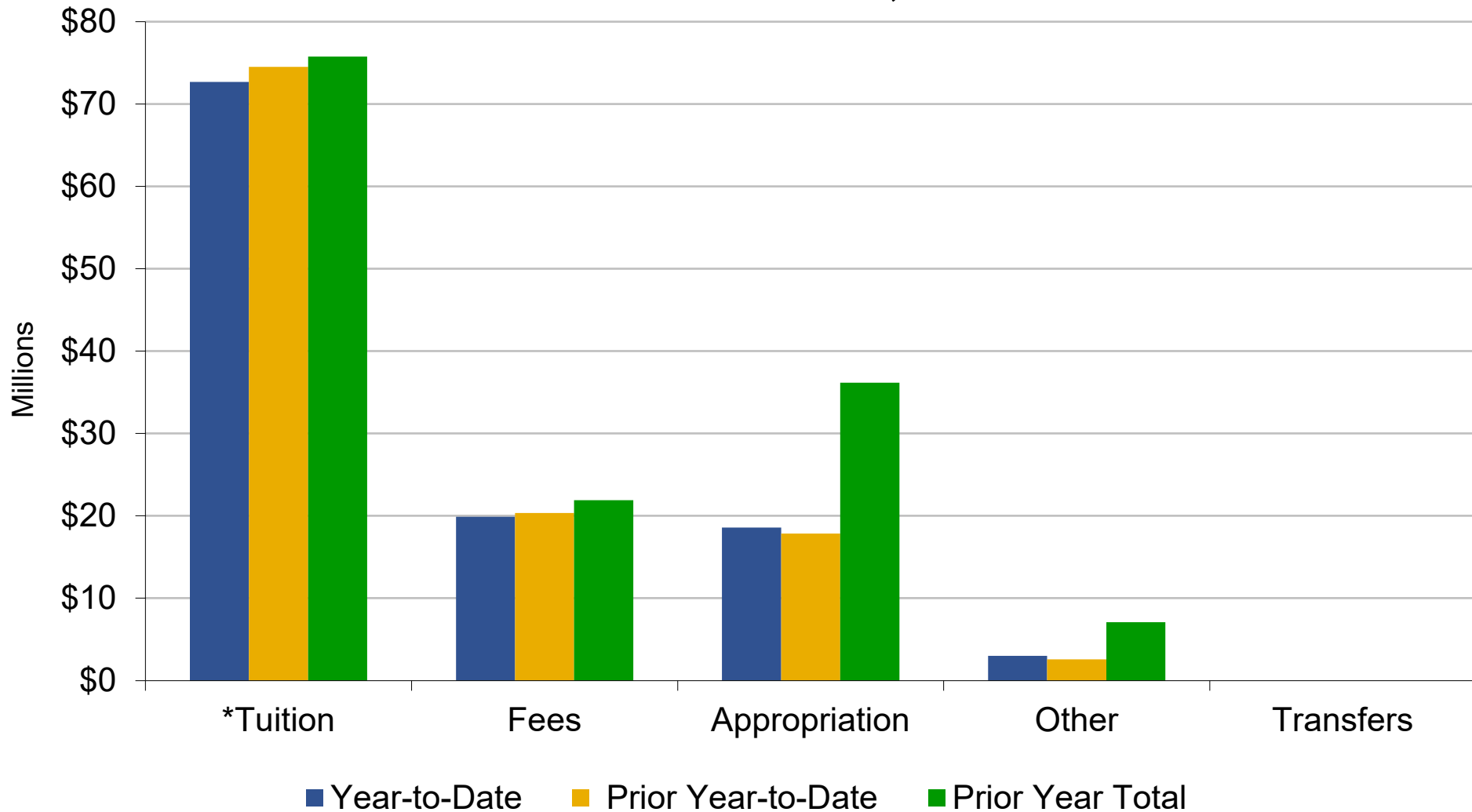
*Prior Year Total Tuition is a net revenue figure (net of scholarships, discounts, and allowances and student bad debt expense); Year-to-Date and Prior Year-to-Date totals are gross revenue figures.

Source: SAP

E&G Personnel Expenditures
As of December 31, 2018

Source: SAP
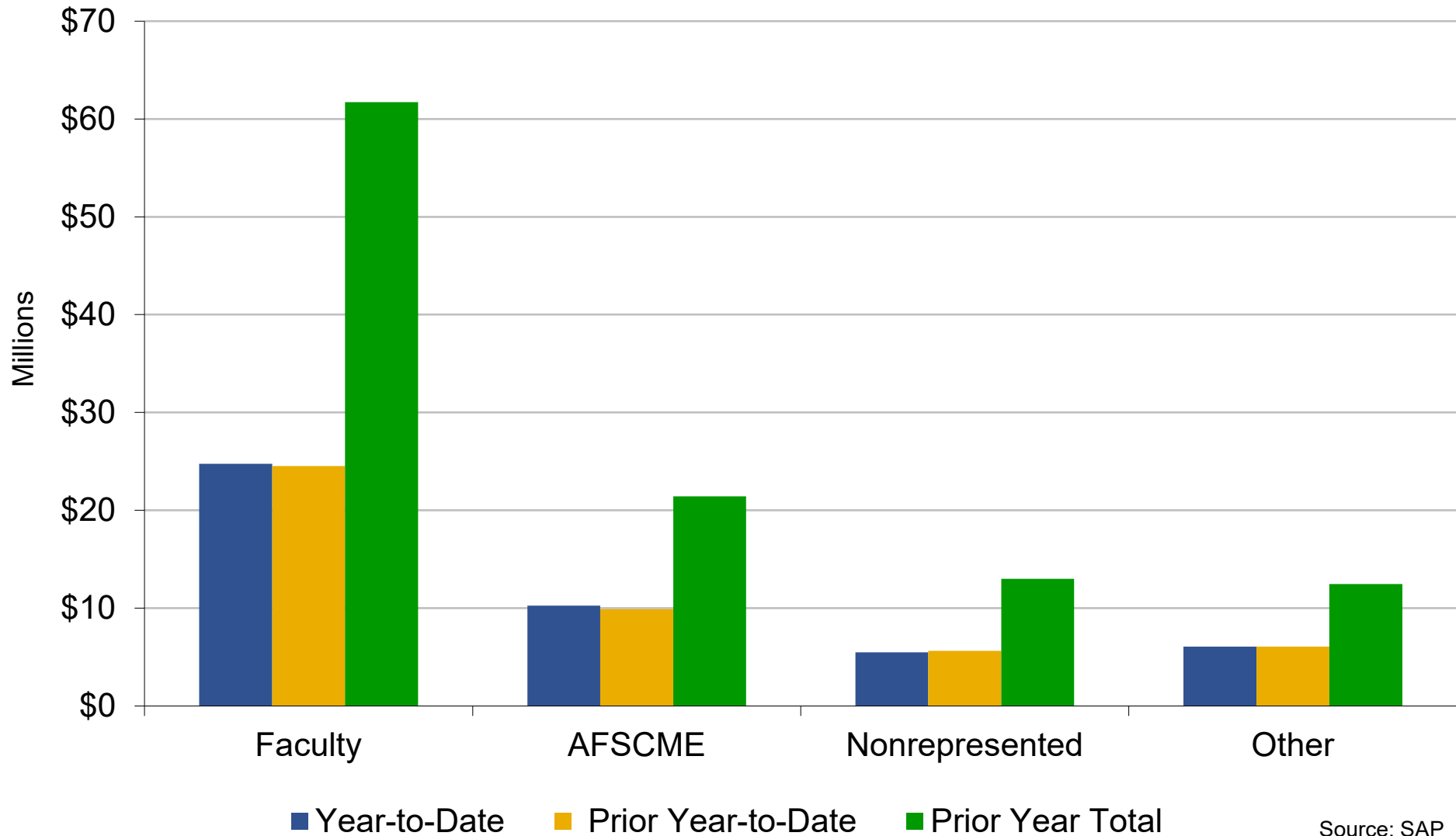
Financial Performance

- **Cash**
- **Operating Margin**
- **Unrestricted Net Assets**
- **Debt**

Daily Cash Balances*
June 2006 through December 2018
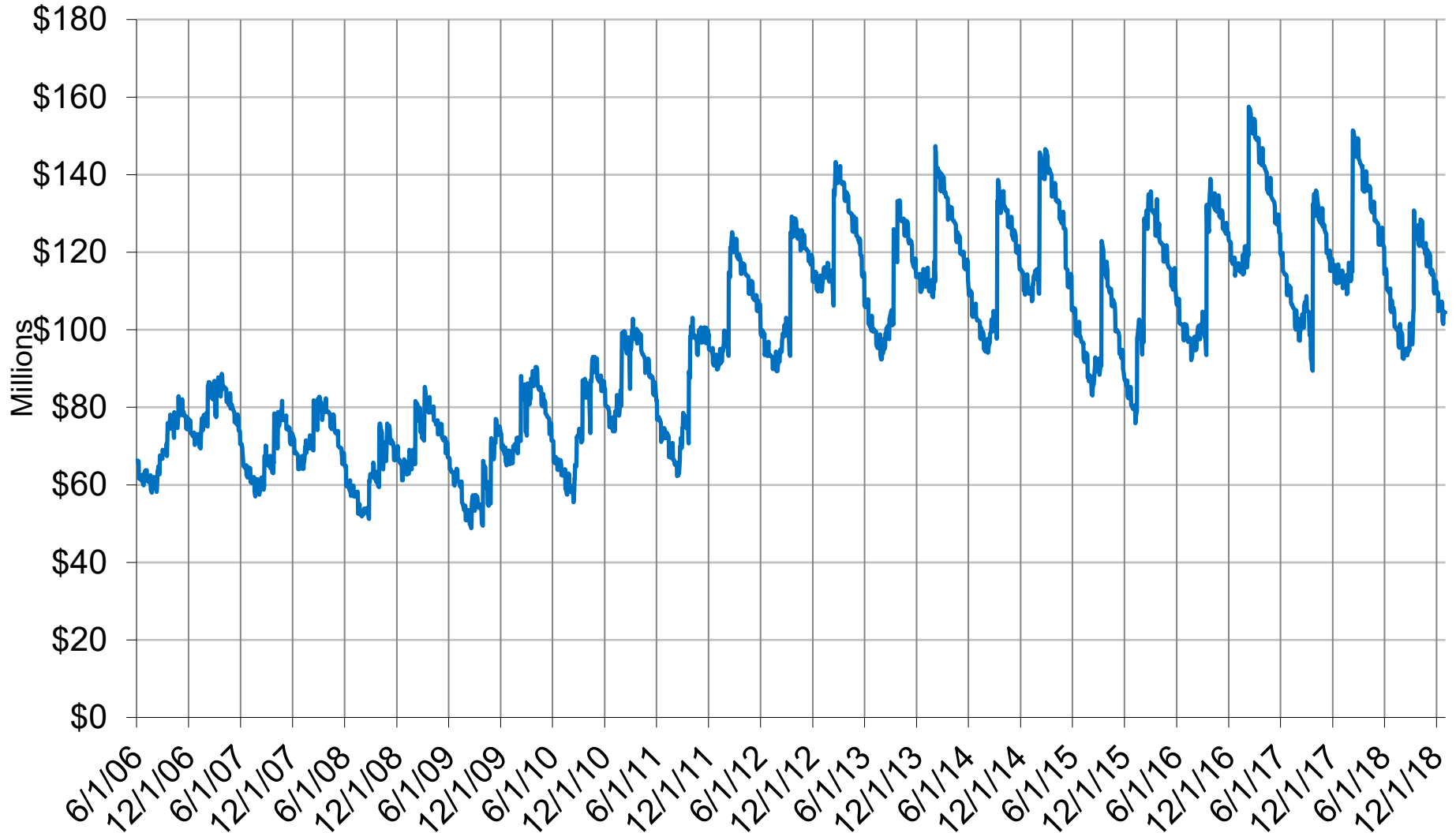
*Funds held in the System Investment Fund
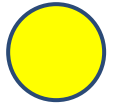
Source: M&T Trust Webfolio

Cash*
As of December 31, 2018

*Month-end cash balances

Source: SAP
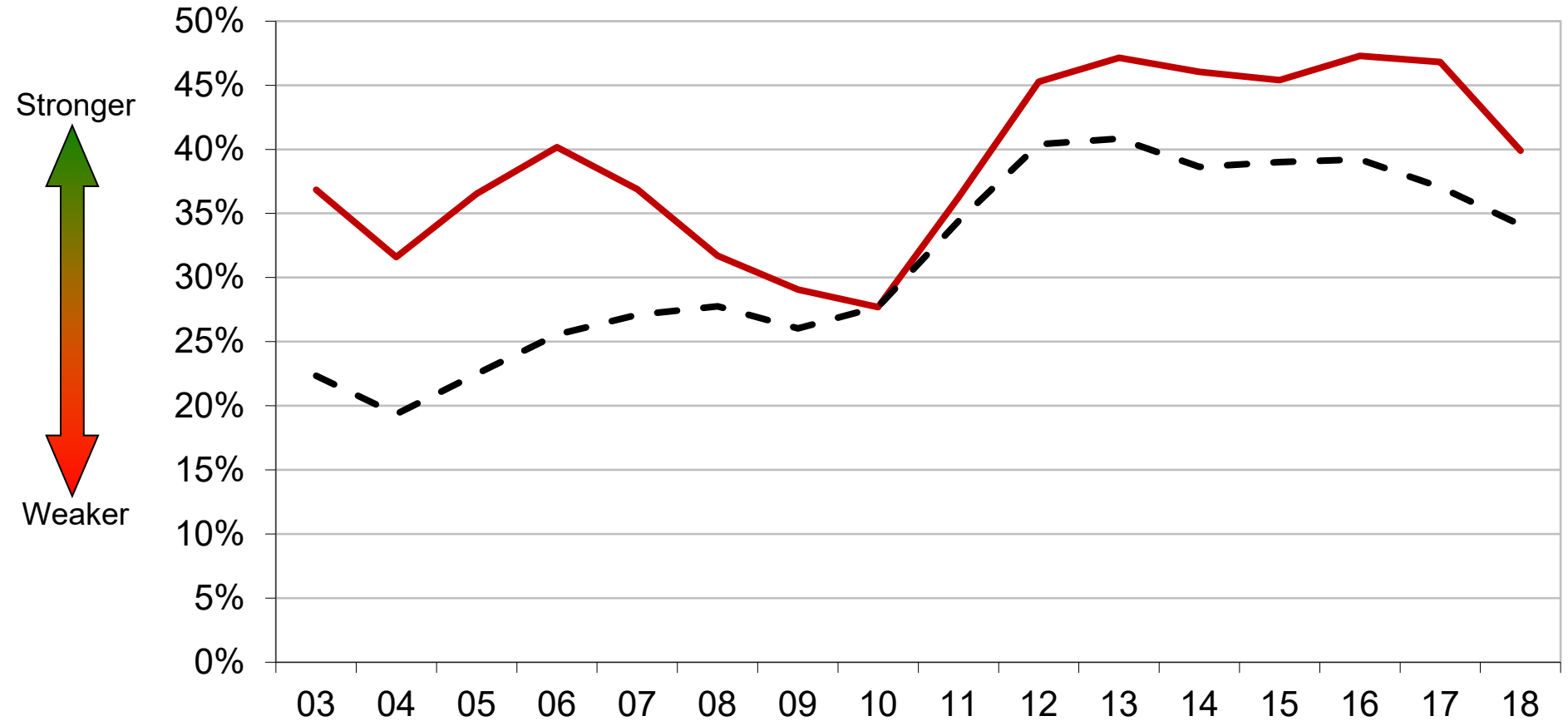
Millions

Monthly Days Cash on Hand
(as of June 30, 2018)

Bloomsburg - 232
14-University Average - 223

Legend: 2015/16, 2016/17, 2017/18, 2018/19
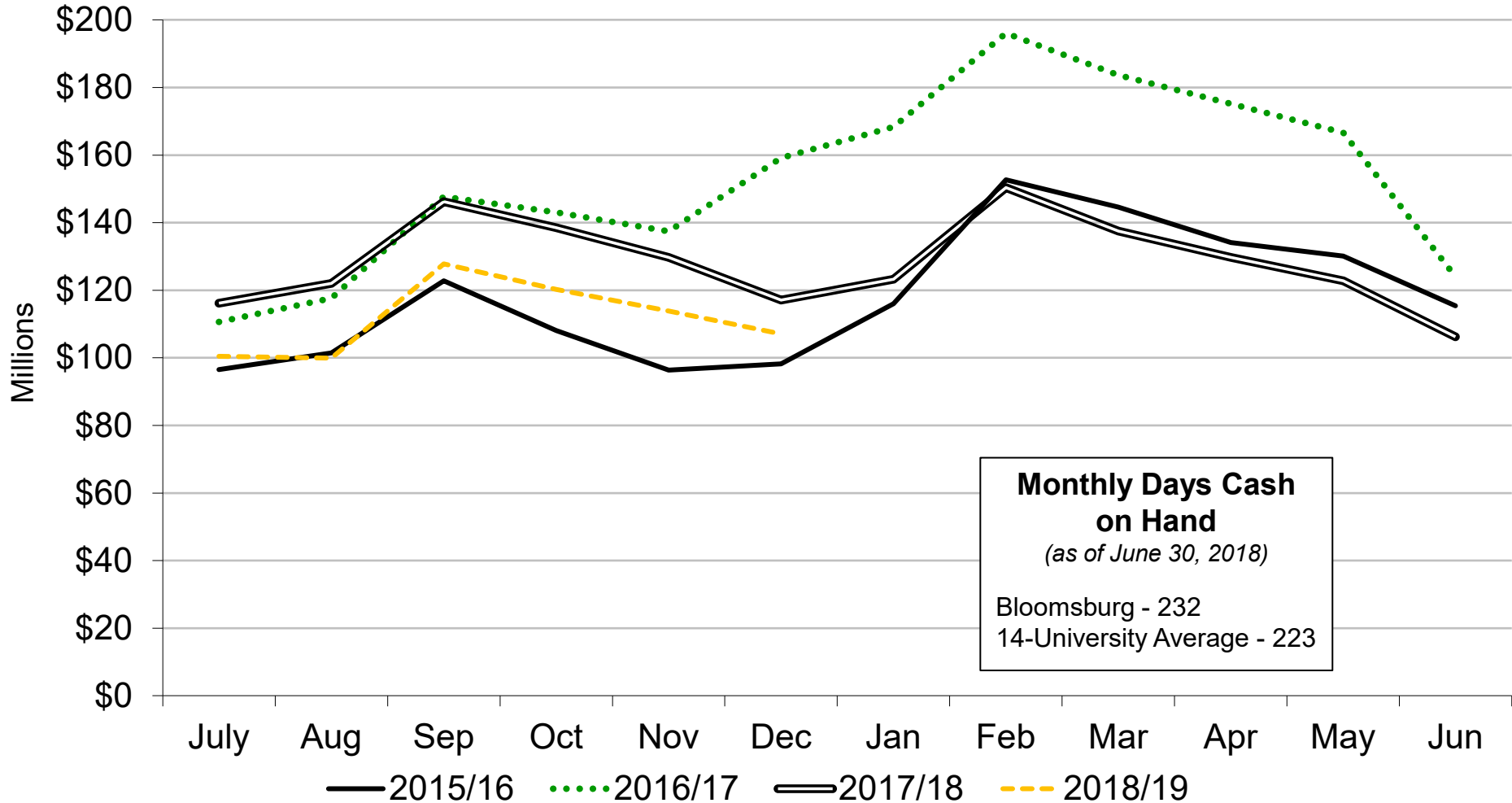
Annual Operating Margin

Stronger

Weaker

| | Bloomsburg | 14-University Average |
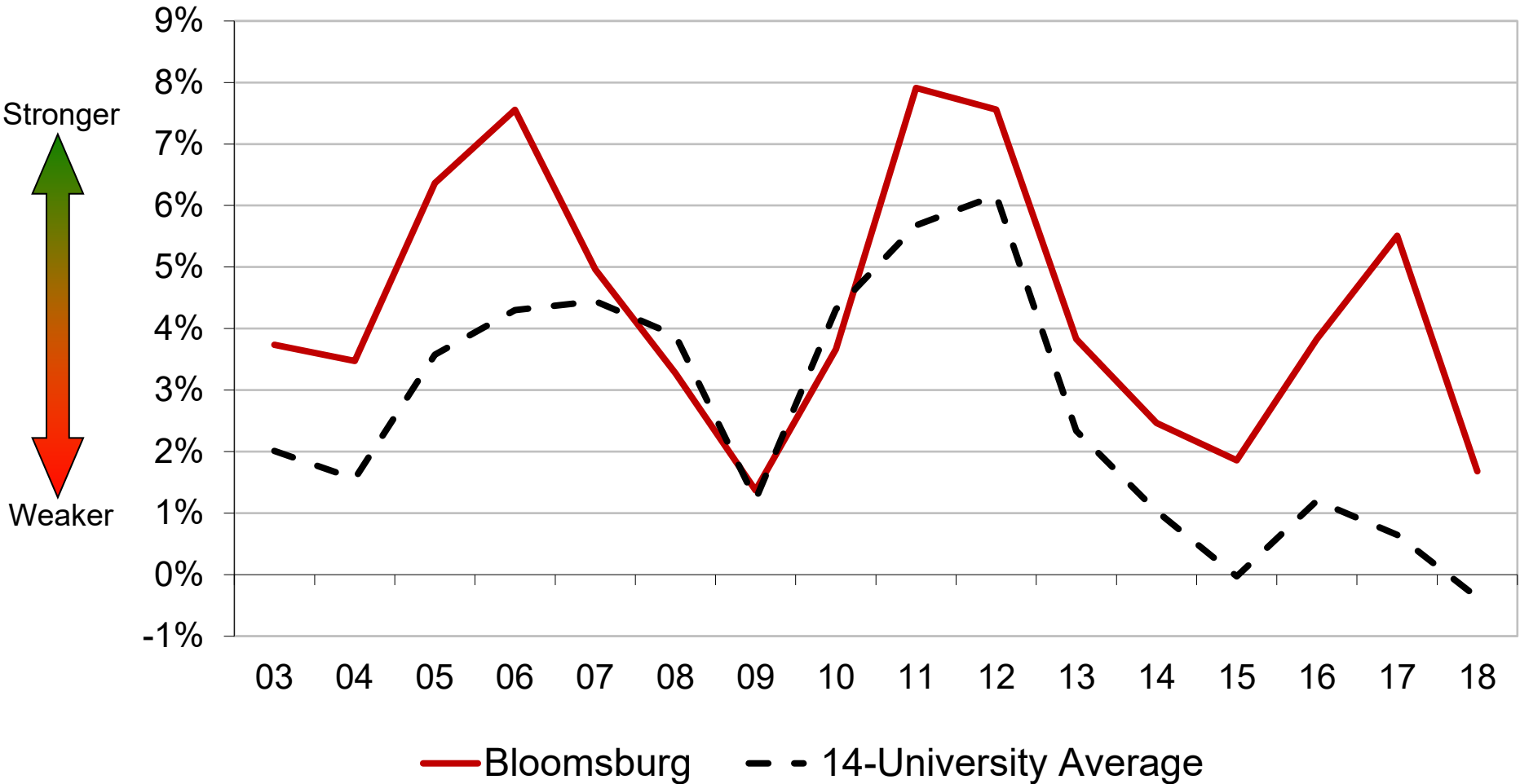
Median Aa3 (2017) = 1.0%   Operating revenues less operating expenses divided by operating revenues
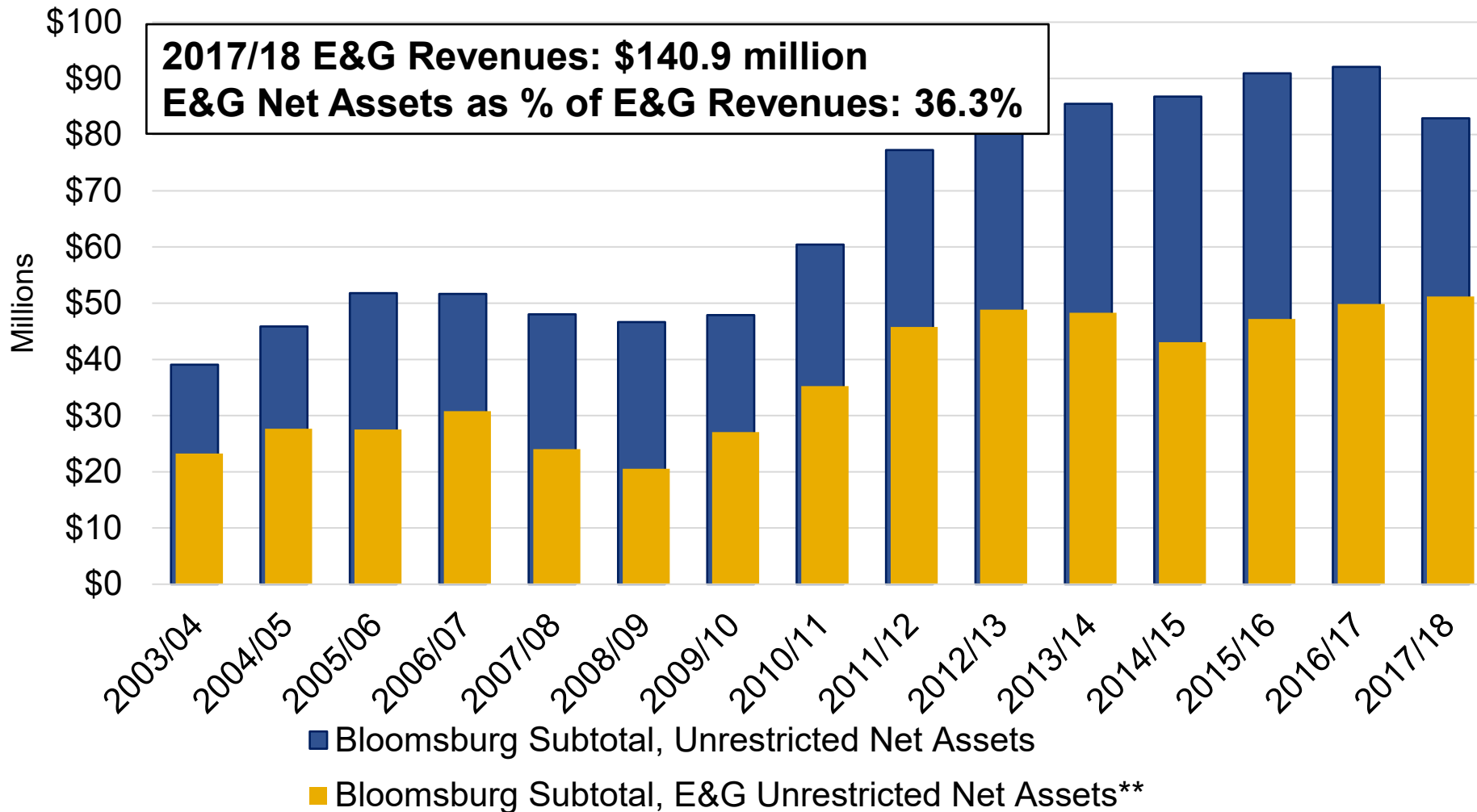
Unrestricted Financial Resources
to Operations

Stronger

Weaker

Median Aa3
Stronger >31.0%
Average   23.2%
Weaker <17.8%

———— Bloomsburg   – – – 14-University Average

Unrestricted net assets compared to total annual
operating budget, including auxiliaries

Source: university FINRPTs

Unrestricted Net Assets
Without Long-Term Liabilities*

2017/18 E&G Revenues: $140.9 million
E&G Net Assets as % of E&G Revenues: 36.3%

Millions

Year	Values
$100	
$90	
$80	
$70	
$60	
$50	
$40	
$30	
$20	
$10	
$0	

2003/04, 2004/05, 2005/06, 2006/07, 2007/08, 2008/09, 2009/10, 2010/11, 2011/12, 2012/13, 2013/14, 2014/15, 2015/16, 2016/17, 2017/18

■ Bloomsburg Subtotal, Unrestricted Net Assets

■ Bloomsburg Subtotal, E&G Unrestricted Net Assets**

*Total unrestricted net assets excludes postretirement, compensated absence, and pension liabilities
**E&G net assets excludes encumbrances and long-term liabilities

Source: university FINRPTs

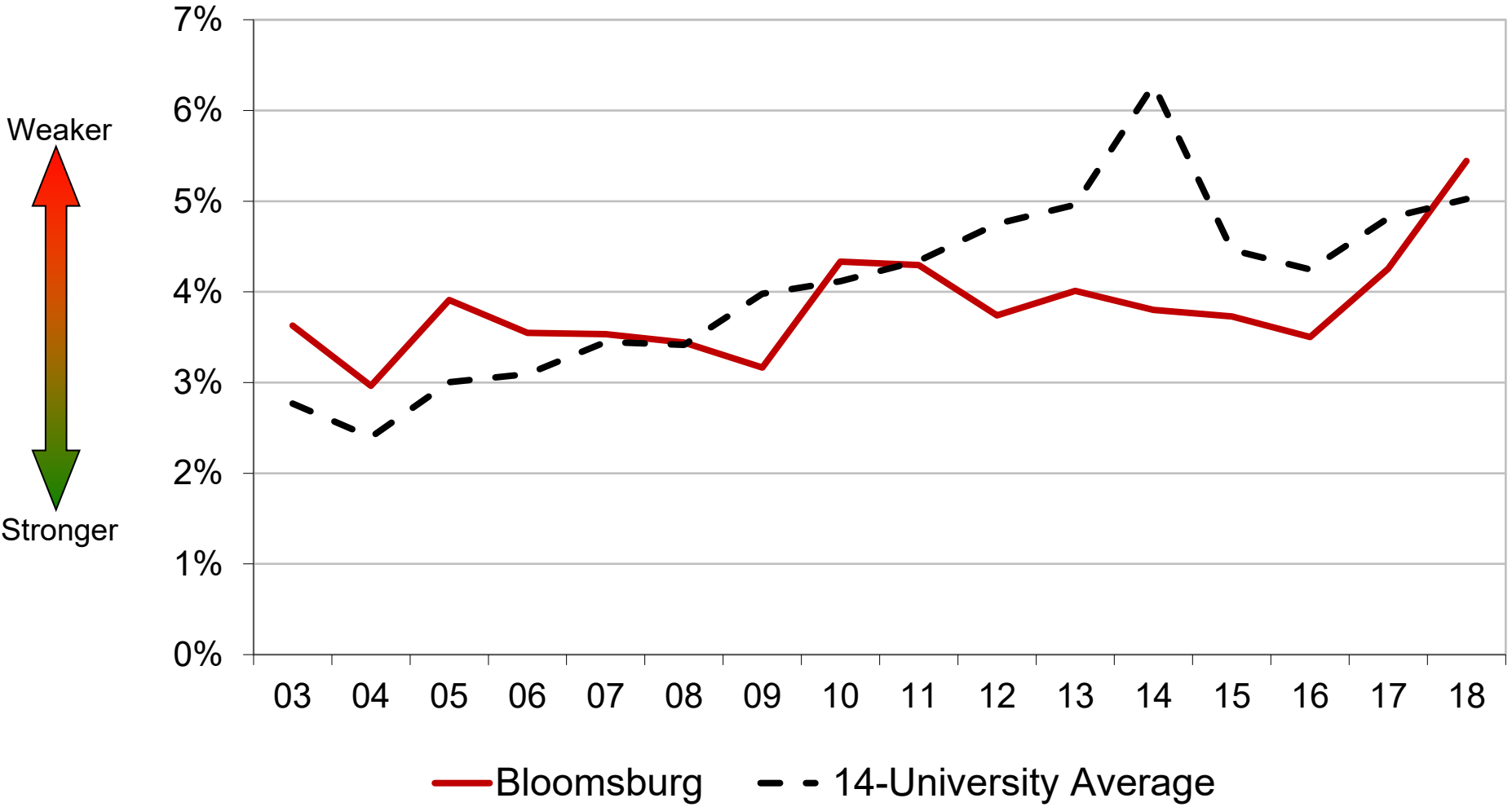# Unrestricted Financial Resources to Direct Debt
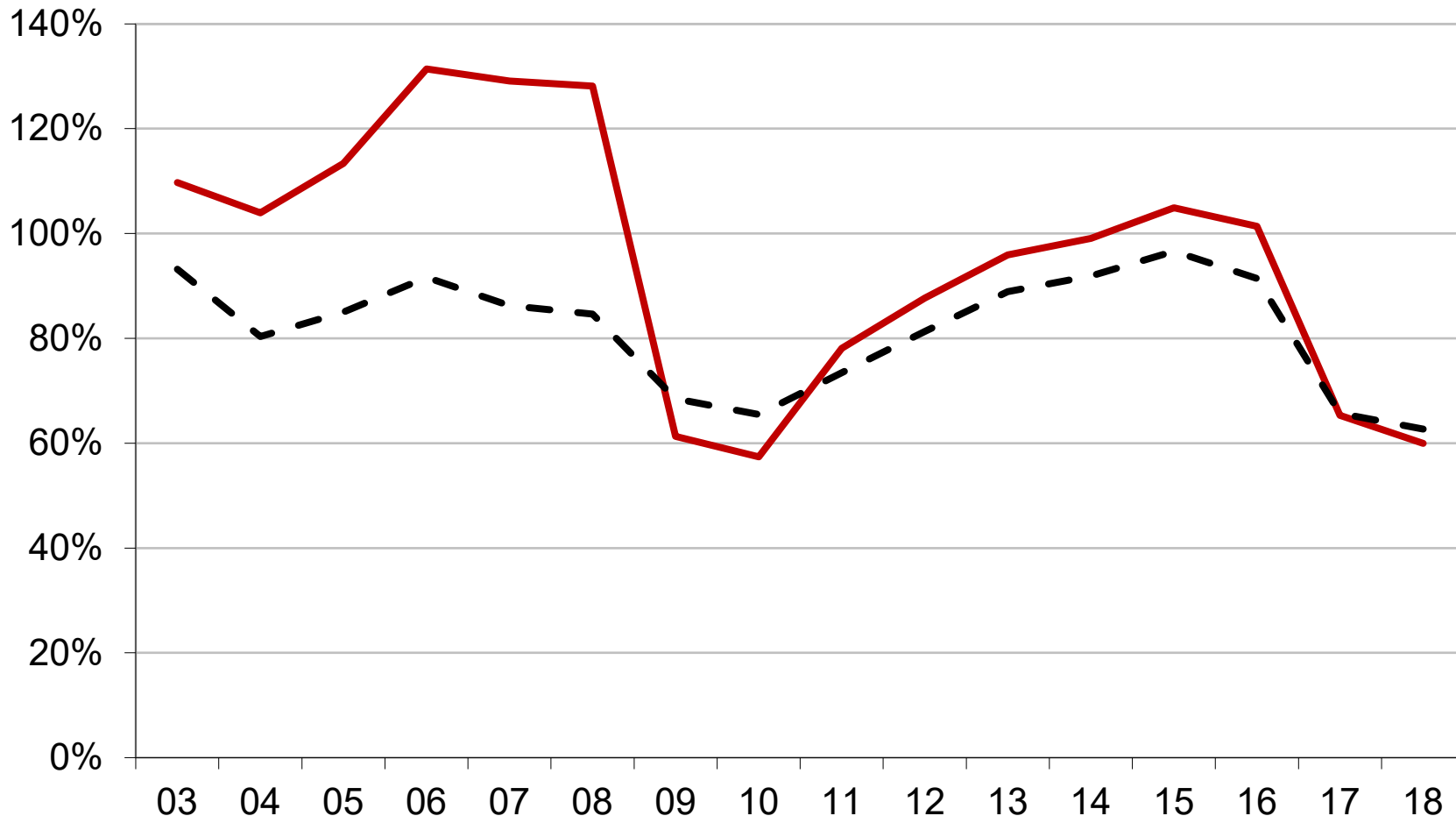
Stronger

Weaker

140%

120%

100%

80%

60%

40%

20%

0%

03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18

Median Aa3
Stronger >79.4%
Average   54.7%
Weaker <36.0%

——— Bloomsburg   – – – 14-University Average

Net assets compared to outstanding debt of university

Source: university FINRPTs
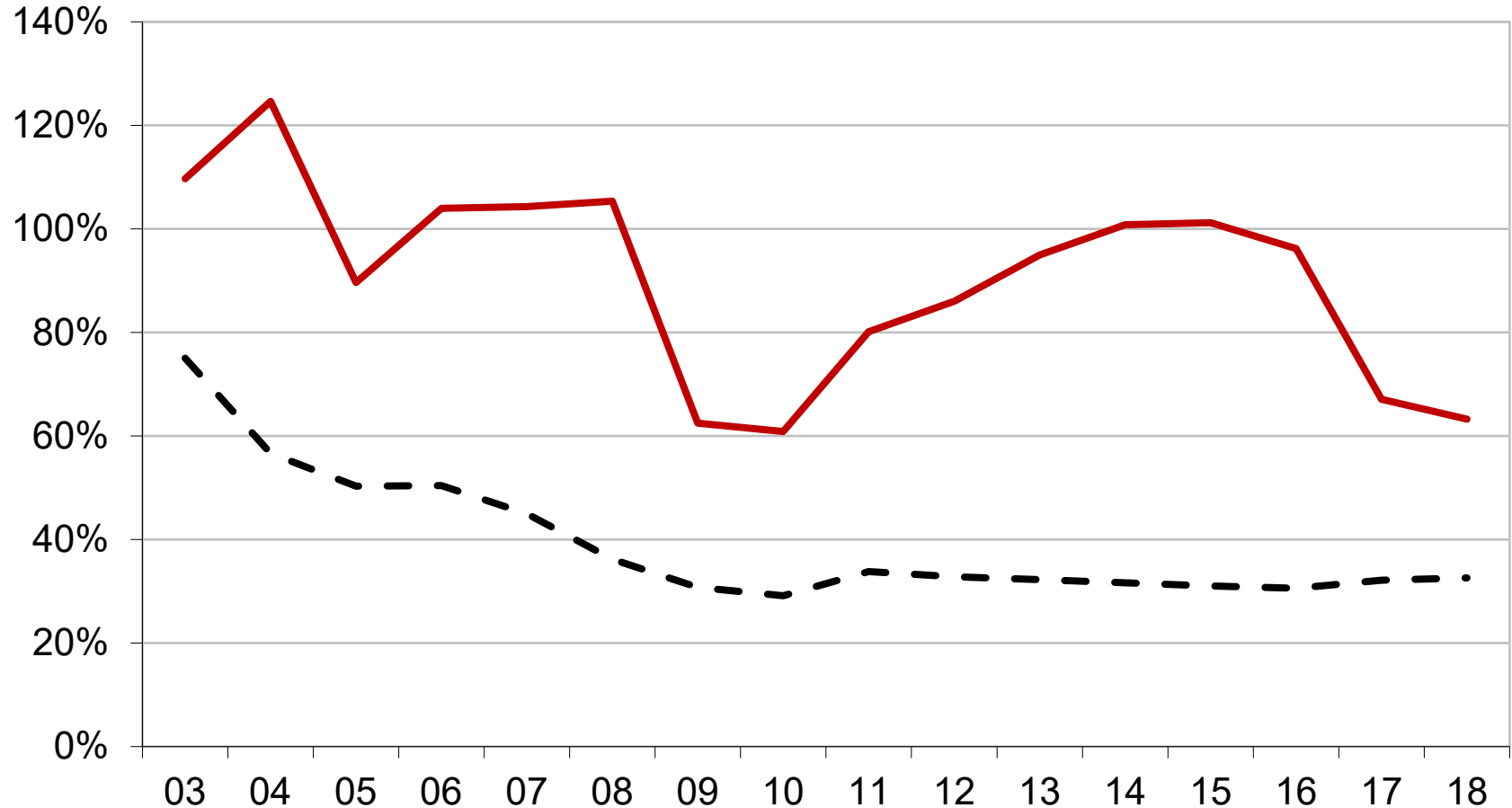
Actual Debt Service to Operations

Weaker

Stronger

7%		
6%		
5%		
4%		
3%		
2%		
1%		
0%		

03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18

—— Bloomsburg   - - - 14-University Average

Median Aa3 (2017) = 4.3%   % of total operating budget used for debt service

Source: university FINRPTs

Unrestricted Financial Resources
to Comprehensive Debt
(Reflects impact of privatized student housing)

Stronger

Weaker

Median Aa3
Stronger >79.4%
Average   54.7%
Weaker <36.0%

—— Bloomsburg   – – – 14-University Average

Net assets divided by total debt
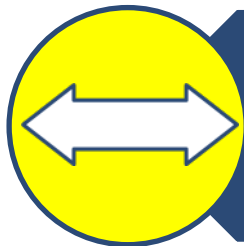Includes component's unrestricted net assets

Source: university FINRPTs

Financial Performance

Cash and Operating Margin

Unrestricted Net Assets

Debt Leverage