

Risk architecture Part 2. Scoring Logic for Archetype, Patterns, and Accelerators

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Series introduction

The risk architecture is built in three layers.

- 1) **Layer 1.** Risk points are calculated and assigned for each measure (maximum risk points per measure and assignment logic are defined in Risk Architecture Part 1. Scoring Logic for Individual Measures).
- 2) **Layer 2.** Risk points are calculated and assigned for measure combinations that are associated with financial trajectories, and that show up in an institution's data. Measure Combinations are subtly different and include:
 - a. **archetypes** - structural patterns that quietly shape an institution's long-term health. They're not fully captured by a single ratio, but rather by combinations of factors, such as revenue dependence, program mix, debt loads, or enrollment trends. So far, the research has identified nine archetypes that signal risk and three that signal resilience;
 - b. **patterns** - recur with some frequency across higher education segments, but not enough to be considered as archetypes. Think of them as emerging archetypes; and
 - c. **accelerators** - patterns that, if present in an organization's data profile, accelerate its financial decline. They include protracted enrollment decline, softness in two or more financial health ratios (e.g., primary reserves, viability, operating margins, etc.), and expenditure patterns suggestive of inefficient operations.

Max risk points per measure combination are defined in Risk Architecture Part 2. Scoring Logic for Archetypes, Patterns, and Accelerators

- 3) **Layer 3.** Overall risk level assignment (low, medium, high, critical) is based on a percent value calculated as the total risk points assigned to an institution / total available (maximum) risk points. Thresholds are defined in the risk scoring engine.js (analyzer), and are currently set as follows:

Assignment	Range
Low	0-25%
Moderate	26-48%
High	48-68%
Critical	>68%

This file provides details about Layer 2.

I. Archetypes

A1 — High Vulnerability (Small Scale, High Dependency)

What it is: Small school, very tuition/appropriations-dependent, thin cushion.

- Base points: +4
- Trigger (all must be true):

1. Enrollment < 1,000
 2. Dependency (sector-aware):
 - Private: Tuition dependency $\geq 85\%$
 - Public: Appropriations dependency $\geq 70\%$
 3. Thin cushion (any one): UNA/FTE < \$20,000 OR Primary Reserve risk ≥ 6 OR Viability risk ≥ 6
- Inputs referenced: Current enrollment; tuition/appropriations dependency (sector-aware resolver); UNA per FTE (direct, total+enroll, or deep scan fallback); Primary Reserve risk points; Viability risk points.
 - Notes: Structural fragility flag combining small scale + high dependency + thin cushion. Keep thresholds aligned across analyzer outputs that feed PR/Viability risk.

A2 — Leverage-Led Growth Bet

What it is: High leverage with weak/flat demand.

- Base points: +4
- Trigger:
 - Debt condition (either path): Debt/Revenue risk points ≥ 6 OR Debt ratio (alt) $\geq 20\%$
 - AND Demand condition (either window): 10-yr enrollment change $\leq 0\%$ OR 5-yr enrollment change $\leq 0\%$
- Inputs referenced: Debt-to-Revenue analyzer risk points (and/or alternative debt % field); Enrollment total change (10y) and UG change (5y).
- Notes: “Stagnation” = $\leq 0\%$ in at least one window. The alternative debt-percentage path exists in the add('A2', ...) block; the checkA2_... helper currently implements only the risk-points path. Documenting both paths here avoids code changes; if desired later, mirror the alt-percent path in checkA2_... for perfect symmetry.

A3 — Academic Sprawl Trap

What it is: Too many low-demand programs with no growth.

- Base points: +3
- The tool evaluates both the *breadth* of academic programs and the *strength of demand* signals such as enrollment, applications, and net tuition revenue. It fires if **either** of the following paths is satisfied:
 - A. Full (tiered) rule – Program breadth and weak demand:
 - Breadth indicator: Program Distribution Risk (sprawlRisk) from the program distribution analyzer.
 - Demand-softness signals:
 - Five-year enrollment change $\leq 0\%$
 - Applications trend since 2014 $\leq 0\%$
 - Net tuition revenue (NTR) trend $\leq 0\%$

- Trigger:
 - If sprawlRisk ≥ 9 and any one of the demand-softness signals is true, or
 - If sprawlRisk ≥ 8 and two or more demand-softness signals are true.
- B. Simplified (check function) rule – Basic fallback:
 - sprawlRisk ≥ 7
 - Five-year enrollment change $\leq 0\%$
- Interpretation: An institution with broad program offerings but no evidence of growth or market strength is at risk of academic sprawl — a condition where fixed instructional costs rise while student demand fragments across too many low-volume programs.
- Notes: This documentation intentionally captures both paths now present in code. There is no enforced mutual exclusivity with A4 in the current logic.

A4 — Monoculture Dependency

What it is: One field dominates academic mix.

Scoring: +3 base points

How it triggers:

The analyzer looks for either a general concentration risk from the *Program Distribution Analyzer* or a large program-share imbalance combined with financial or enrollment strain. It fires if **either** of these pathways is met:

A. Program Distribution risk path:

- Program Distribution (pdRisk) ≥ 3
→ Fires automatically (indicating strong concentration risk).

B. Share-and-fragility path:

- Largest program share (mShare) $\geq 78\%$ **and** at least one fragility factor below, **or**
- Largest program share $\geq 72\%$ **and** at least two fragility factors below.

Fragility factors:

- Five-year enrollment change $\leq 0\%$
- UNA per FTE $< \$25,000$ (thin financial cushion)
- Revenue dependency $\geq 75\%$ (tuition for privates, appropriations for publics)

Interpretation:

A “monoculture” institution depends too heavily on one dominant field — nursing, education, business, etc. — without diversification to buffer against shifts in labor-market demand or enrollment. The risk rises if that concentration coincides with weak enrollment trends or limited reserves, as downturns in a single field can quickly destabilize operations.

- Inputs referenced: Program Distribution riskPoints; PD concentration/“largest program share” field; enrollment 5-yr change; UNA per FTE; sector-aware dependency %.

- Notes: Current implementation allows either a PD-risk shortcut or a share-with-fragility route in add('A4'), while checkA4_... uses a stricter $\geq 80\%$ share only. No explicit code-level mutual exclusion with A3 at present.

A5 — High-Cost Architecture, Stalling Demand

What it is: Cost base too heavy for the demand profile.

- Base points: +3
- Trigger (all must be true, with sector nuance):
Demand (either):
 - 10-yr enrollment change $< +5\%$ OR 5-yr enrollment change $\leq 0\%$
Margins/Cost (sector-aware):
 - Private: AOM risk ≥ 6 OR Operating Margin risk ≥ 6
 - Public: AOM risk ≥ 7 OR Operating Margin risk ≥ 7 AND Net tuition per FTE trend ≤ 0
- Inputs referenced: Enrollment 10-yr total change, 5-yr UG (or GD) change; Adjusted Operating Margin risk points; Operating Margin risk points; Net tuition per FTE trend (publics gate).
- Notes: Privates fire on margin ≥ 6 ; publics are stricter (≥ 7) and require non-positive net-tuition trend.

A6 — Brand-Weakening Channel

What it is: Selectivity deteriorating without offsets.

- Base points: +2
- Trigger:
 - Core signal: Acceptance-Yield (AY) risk ≥ 4
 - Additional behavior in add('A6'): will not fire if a “strong now” pipeline is present (accept rate $\leq 60\%$ or yield $\geq 30\%$) or if A8 would fire (i.e., a combination of strong brand signals and thin margins per its stricter test).
- What actually happens (union of code paths):
 - Because the checkA6_... helper fires on AY risk ≥ 4 without the exclusions, A6 can still trigger even when the “strong now” or “A8 would fire” conditions are present.
- Inputs referenced: AY analyzer risk points; acceptance rate; yield rate; AOM/OM risk, NTR trend, 3-yr AOM (used only in the add('A6') mutual-exclusion logic).
- Notes: A6 and A8 are intended to be mutually exclusive in add('A6'), but the helper’s simpler rule means A6 may still appear alongside A8 in practice.

A7 — High-Pell “Mission Pressure Cooker”

What it is: High need, retention & cushion stress.

- Base points: +3

- Trigger (fires if any tier below is satisfied):
Tier 1 (extreme Pell override):
 - Pell share $\geq 60\%$ AND Retention $< 78\%$
Tier 2 (high Pell + medium cushion):
 - Pell share $\geq 50\%$ AND Retention $< 78\%$ AND (any of: UNA/FTE $< \$35,000$ OR Primary Reserve risk ≥ 3 OR Viability risk ≥ 2)
Tier 3 (original/strong cushion test):
 - Pell share $\geq 45\%$ AND Retention $< 80\%$ AND (any of: UNA/FTE $< \$25,000$ OR Primary Reserve risk ≥ 4)
Additional broader path from add('A7'):
 - Pell share $\geq 45\%$ AND Retention $< 82\%$ AND (UNA/FTE $< \$25,000$ OR Primary Reserve risk ≥ 5)
- Inputs referenced: Pell share; first-year retention; UNA per FTE; Primary Reserve risk points; Viability risk points (as an alternate cushion in Tier 2).
- Notes: The helper adds tiering and a $<80\%$ retention cut for common cases; the add('A7') path is slightly broader (allows $<82\%$ retention but expects a tighter cushion: PR ≥ 5 or UNA/FTE $< 25k$). Documenting all tiers keeps the spec faithful to current behavior without changing code.

A8 — Brand-Strong but Margin-Thin

What it is: Strong pipeline, weak economics.

- Base points: +2
- Trigger (fires if BOTH brand-strong AND margin-thin, with A6 exclusion in add):
Path A — add('A8') (segment-aware, stricter):
 - Brand-strong:
 - Determine *research segment* = Carnegie {15,16,17,18}.
 - Signals: (1) AY risk ≤ 1 (selective), (2) accept rate $\leq 60\%$ ($\leq 68\%$ if non-research), (3) yield $\geq 28\%$.
 - Fire brand side if research: ≥ 2 of 3; non-research: ≥ 1 of 3.
 - Margin-thin:
 - Either one very high margin risk: AOM ≥ 7 or OM ≥ 7 , OR
 - Any two of: AOM ≥ 6 , OM ≥ 6 , NTR trend ≤ 0 , AOM 3-yr avg $\leq 1.5\%$.
 - Mutual exclusion with A6: block A8 if A6 would fire (i.e., AY risk ≥ 4 and not (accept $\leq 60\%$ or yield $\geq 30\%$)).
Path B — checkA8_... (looser helper):
 - Brand-strong: AY risk ≤ 1 .
 - Margin-thin: AOM ≥ 5 or OM ≥ 5 or NTR (5y/recent) change ≤ 0 .
- Inputs: AY risk; acceptance %; yield %; AOM/OM risk; NTR trend or 5y/recent change; AOM 3-yr %.

- Notes: Because the helper is looser and doesn't enforce A6 exclusion, A8 can co-appear with A6 in practice. Documentation reflects both paths.

A9 — The Squeezed Middle

What it is: Middling margins, some leverage, small decline.

- Base points: +3
- Trigger (fires if ALL families below pass):
Demand softness (either window):
 - 10-yr enrollment change in $[-20\%, +2\%]$ OR recent/5-yr change in $[-10\%, +2\%]$.
Margins (modest risk):
 - Take $\max(\text{AOM risk}, \text{OM risk})$ and require it in $[0, 4]$.
Leverage/solvency (any one qualifies):
 - Debt/Revenue risk in $[1, 6]$ OR Primary Reserve risk in $[2, 6]$ OR Viability risk in $[1, 4]$.
(Narrower add('A9') variant also exists):
 - $\text{AOM risk} \leq 2$ AND Debt/Revenue risk $\in [3, 5]$ AND 10-yr enrollment $\in (-15\%, 0\%)$.
- Inputs: Enrollment 10-yr and recent/5-yr change; AOM/OM risk; Debt/Revenue risk; Primary Reserve risk; Viability risk.
- Notes: The helper broadens the original "moderate pressure" idea to accept multiple leverage indicators, while keeping margins only *modestly* stressed.

R10 — Resilient by Scale and Diversification

What it is: Big scale, diversified revenue, solid cushion.

- Base points: -2
- Trigger (ALL must be true):
Path A — add('R10') (stricter):
 - Enrollment $\geq 12,000$
 - Revenue dependency $\leq 55\%$ (*sector-aware: tuition for privates; appropriations for publics via depAnyPct*)
 - Cushion: $\text{UNA/FTE} \geq \$45,000$ OR (Primary Reserve risk ≤ 2 AND Viability risk ≤ 2)
 Path B — checkR10_... (looser helper):
 - Enrollment $\geq 10,000$
 - Revenue dependency $\leq 50\%$ (*sector-aware: pulls tuition/appropriations separately*)
 - Cushion: $\text{UNA/FTE} \geq \$40,000$ OR (Primary Reserve risk ≤ 2 AND Viability risk ≤ 2)
- Inputs: Current enrollment; sector-aware revenue dependency; UNA per FTE; Primary Reserve risk; Viability risk.
- Notes: Expect minor threshold discrepancies across paths (12k/55%/45k vs 10k/50%/40k). Both require scale + diversification + cushion.

R11 — Research-Strong Anchors

What it is: Large, research-anchored stability.

- Base points: -2
- Trigger (ALL required):
Path A — add('R11') (Carnegie or “soft” research profile):
 - Research orientation:
 - Either Carnegie in research set {public: 15,17,18; private: 15,16,17,18}, or research analyzer applicable and
 - Scale: Enrollment $\geq 12,000$ (public) / $\geq 15,000$ (private), and
 - Brand: (AY risk ≤ 2 or accept rate $\leq 60\%$ or yield $\geq 30\%$)
 - Research performance: any research metric risk (research_grants/research_grants_expenses/grantfunding) ≤ 2
Path B — checkR11_... (helper):
 - isResearchOriented() true (*uses your internal helper*), and
 - At least one research metric present, with risk ≤ 2
- Inputs: Enrollment; AY risk / accept % / yield % (brand check, add-only); Carnegie/segment id or isResearchOriented(); research risk from grants/expenses/funding analyzers.
- Notes: The helper doesn't re-check scale/brand; the add path does. Both require low research risk (≤ 2).

R12 — Brand-Strong Anchors

What it is: Strong brand with healthy cushion/margins.

- Base points: -2
- Trigger (check-only; no add block):
 - Brand: Acceptance-Yield (AY) risk ≤ 2
 - Scale: Enrollment $\geq 10,000$
- Inputs: AY risk; current enrollment.
- Notes: Pure “brand + scale” resilience flag. Since there's no add('R12'), this helper defines R12's behavior end-to-end.

LA1 — Aid Arms-Race / Own-Source Pressure (*Limited-audience flag*)

What it is: NTR below peers + weak demand/tuition signal.

- Base points: +2 (*per config*)
- Trigger (peer-aware; falls back if peers missing):

- Compute NTR ratio = $\text{NTR_now} / \text{NTR_peer}$ when peers exist.
- If peers exist:
 - Public: require NTR ratio ≤ 1.00 AND ≥ 2 weak signals.
 - Private: require NTR ratio ≤ 0.95 AND ≥ 1 weak signal.
- If peers missing: fire on weak signals alone with ≥ 2 weak signals (both sectors).
- Weak signals:
 - Applications trend since 2014 $\leq 0\%$
 - 5-yr enrollment change $\leq 0\%$
 - NTR trend $\leq 0\%$
- Inputs: Current and peer NTR; apps since 2014; 5-yr enrollment change; NTR trend; sector.
- Notes: Captures price/discount pressure relative to peers plus weakening demand signals; peerless mode is deliberately conservative.

LA2 — Small-Scale Fragility (*Limited-audience flag*)

What it is: Small, thin cushion, high tuition dependence.

- Base points: +2 (*per config*)
- Trigger (all must be true):
 1. Small scale: Enrollment < 2,000
 2. Thin cushion (any): $\text{UNA/FTE} < \$30,000$ OR Primary Reserve risk ≥ 4 OR Viability risk ≥ 4
 3. High tuition dependence: Tuition dependency $\geq 75\%$ (*sector-aware: depAnyPct/depPct*)
- Inputs: Current enrollment; UNA per FTE; Primary Reserve risk; Viability risk; tuition dependency (resolver handles depAny/depPct).
- Notes: This is the “lighter” cousin of A1—larger size cut, slightly softer cushion threshold, and a fixed high-tuition-dependency gate.

II. Pattern Scoring Maps

Patterns detect *multi-dimensional correlations*—combinations of metrics that, together, amplify institutional fragility beyond what the individual analyzers capture. Each adds the indicated number of bonus risk points to the total composite (up to 50 possible from all pattern layers combined).

P1 — “Siena” Price-Pressure (Privates only)

What it is: Tuition/discount moves not translating to NTR.

- Base points: varies by variant
- Sector: Privates only (sector = 2)

- Trigger (two variants exist in code; either can fire):
Variant A (stronger price-pressure):
 - Tuition dependency $\geq 75\%$ AND (Retention $< 75\%$ OR AY risk ≥ 4)
 - Points: 10 (+2 kicker if Tuition dependency $> 85\%$)
 Variant B (demand-decline pairing):
 - Tuition dependency $\geq 70\%$ AND (Applications since 2014 $\leq -10\%$ OR 5-yr enrollment change $\leq -8\%$)
 - Points: 4 (+2 kicker if Apps $\leq -20\%$ OR 5-yr enrollment $\leq -15\%$)
- Inputs: Tuition dependency; Retention; AY risk; Apps since 2014; 5-yr enrollment change
- Notes: Redundant code: two calculateP1_* functions with different thresholds/points. Pick one as authoritative later to avoid double logic.

P2 — High Discount + Flat Enrollment (Privates only)

What it is: Buying volume, not gaining demand

- Base points: 8 (+2 if very low NTR)
- Sector: Privates only
- Trigger:
 - Have NTR normalization (ntrNorm) AND 5-yr enrollment
 - $\text{ntrNorm} \leq 0.85$ AND $-5\% \leq 5\text{-yr enrollment change} \leq +5\%$
 - Kicker: if $\text{ntrNorm} \leq 0.80 \rightarrow +2$ more (total 10)
- Fallback path (no ntrNorm): If NetTuition analyzer riskPoints $\geq 4 \rightarrow 4$ points
- Inputs: ntrNorm (your peer-normalized NTR/FTE); 5-yr enrollment change; NetTuition risk (fallback)

P3 — Publics: Appropriations Dependence + Enrollment Decline

What it is: Public-funding dependency with demand erosion.

- Base points: 10 (+2 severity kicker)
- Sector: Publics only
- Trigger:
 - Appropriations dependency $\geq 40\%$ (or $\geq 35\%$ when *severity.hasSeverity* is set) OR Tuition dependency $\leq 20\%$
 - AND 5-yr enrollment change $\leq -15\%$
 - Kicker: +2 if Appropriations dependency $\geq 50\%$ OR 5-yr enrollment $\leq -25\%$
- Inputs: Appropriations dependency (preferred); Tuition dependency (alt); 5-yr enrollment change
- Notes: The “tuition dep $\leq 20\%$ ” branch functions as a proxy for high state support when approps metric is missing.

P4 — Net Tuition Risk (peer-normalized)

What it is: Weak pricing power vs peers.

- Base points: 5 (base) or 7 (severity mode)
- Trigger (primary path with ntrNorm):
 - Base hit: $\text{ntrNorm} \leq 0.80 \rightarrow 5$ points
 - Severity hit (when severity.hasSeverity is true): $\text{ntrNorm} \leq 0.90$ AND at least one paired stressor:
 - 5-yr enrollment $\leq -15\%$ OR Apps since 2014 $\leq -10\%$ OR Acceptance $\geq 90\%$ OR Yield $\leq 10\%$
 - $\rightarrow 7$ points
- Fallback (no ntrNorm): NetTuition riskPoints $\geq 4 \rightarrow 4$ points
- Inputs: ntrNorm; 5-yr enrollment; Apps since 2014; Acceptance %; Yield %; NetTuition risk (fallback)
- Notes: Use severity.hasSeverity to enable the 0.90 “warning” band + stressor.

P5 — UNA Cushion Risk (Liquidity + Earnings/Reserves corroboration)

What it is: Thin liquidity/long-term cushion.

- Base points: 6 (+2 if very low UNA)
- Trigger (preferred with unaNorm):
 - $\text{unaNorm} \leq 0.60$ AND (AOM 3-yr avg $\leq -2.0\%$ (public) | $\leq -3.0\%$ (private) OR Primary Reserve ratio $< 20\%$ (public) | $< 25\%$ (private))
 - Kicker: if $\text{unaNorm} \leq 0.40 \rightarrow +2$ (total 8)
- Fallback (no unaNorm): UNA analyzer riskPoints $\geq 3 \rightarrow 4$ points
- Inputs: unaNorm; AOM 3-yr avg; Primary Reserve ratio; UNA risk (fallback)
- Notes: Sector-aware thresholds for both AOM-3yr and PR ratio.

P6 — Research Coverage Erosion (scale-gated; research data present)

What it is: IDC coverage falling vs cost growth. Base points:

- Severity 2: 4 (publics) / 3 (privates)
- Severity 1: 2
- Scale gate: Enrollment $\geq 8,000$ (publics) / $\geq 6,000$ (privates)
- Primary signals (any contribute to severity):
 - Coverage trend ≤ -3 pp (5y)
 - Spread (grants trend – expense trend) ≤ -3 pp

- Low current coverage (< 80%) with rising costs
→ 1 signal = Severity 1, 2+ signals = Severity 2
- Fallback path (if coverage signals absent): Grant stress via analyzer point ratio:
 - Publics: grant risk / max ≥ 0.60 ; Privates: ≥ 0.70 (*or infer with small max scales*)
 - Boost to Severity 2 if costs rising or grants non-growing
- Private dampener: if private and Enrollment < 10,000, reduce computed severity by 1 (min 0)
- Inputs: Enrollment; coverage ratio now & 5y change; grant/expense 5y trends; grant funding risk & max
- Notes: Returns no points if severity falls to 0 after dampener.

P7 — Brand Positioning (pipeline deterioration)

What it is: Weak selectivity/yield signal.

- Base points: 6 (+2 if very adverse)
- Trigger:
 - Applications since 2014 $\leq -20\%$ AND (Acceptance $\geq 85\%$ OR Yield $\leq 12\%$)
 - Kicker: +2 if Acceptance $\geq 90\%$ OR Yield $\leq 10\%$
- Inputs: Apps since 2014; Acceptance %; Yield %
- Notes: Captures a sharp demand drop paired with poor selectivity/yield.

P8 — Market Position (multi-signal deterioration)

What it is: Losing share in served market. Base points: 5 (or 7 if 3+ signals)

- Trigger: At least 2 of the following adverse signals:
 - Acceptance $\geq 85\%$
 - Yield $\leq 12\%$
 - Applications since 2014 $\leq -10\%$
 - Market share change $\leq -5\%$ (*if available*)
 - Points: 7 if ≥ 3 signals, else 5
- Inputs: Acceptance %; Yield %; Apps since 2014; Market share change (optional)
- Notes: Lightweight add-on—keeps weights modest by design.

III. Accelerators

The presence of accelerators typically speed the pace of financial decline

Operational Inefficiency

What it is: Under-filled sections, low utilization, high admin share.

Base Points: +3

Logic (fires if either condition set is met):

A. Cost-mix signals (need ≥ 2 of 3)

- Low instructional share: below peer mean by a pad (-4 pp general; -7 pp for R1/R2) or, if no peers, $<35\%$ (private) / $<40\%$ (public).
- High administrative share: above peer mean by $+4$ pp ($+6$ pp for R1/R2) or, if no peers, $>26\%$ (private) / $>27\%$ (public).
- High student-services share: above peer mean by $+4$ pp ($+6$ pp for R1/R2) or, if no peers, $>12\%$ (private) / $>13\%$ (public).

...with analyzer risk-point fallbacks treated as “strong” (≥ 5 ; ≥ 6 for R1/R2) if the percent isn’t available.

B. Delivery/throughput signals (need ≥ 1)

- Student-faculty ratio risk: S/F RP ≥ 2 (everywhere).
- Low retention: $<78\%$ (general) / $<76\%$ (research segments).

Decision rule: Trigger if (≥ 2 cost-mix) OR (≥ 1 cost-mix AND ≥ 1 delivery). Returns $+3$ with reasons list.

Notes: Peer-aware whenever peer means are present; otherwise sector floors apply.

Enrollment Cliff

What it is: when an institution's enrollment decline is significantly worse than peers over f-10 yrs
What it means: A material five-year enrollment drop that contributes to crisis determinations elsewhere in the analyzer.

Where it's used: As an explicit signal inside Financial Distress, the code defines an enrollment cliff as $\leq -10\%$ over 5 years (“enrollment $\downarrow 5\text{yr} \geq 10\%$ ” in the reason string).

Related scoring map (context): The standalone Enrollment analyzer (feeding this tool) scores long- and short-run performance versus peers, with absolute fallbacks (e.g., $\leq -20\% \rightarrow +4$). This is informative to readers of the risk packet even though the “cliff” flag used here is the fixed -10% gate.

Financial Health — “Financial Distress” Pattern

What it is: Multiple ratio risks “lit” simultaneously.

Base Points: $+12$

Signals considered (any may contribute):

- Primary reserve weakness (low reserve ratio vs rule set).
- Viability weakness (viability ratio below sector/research cut).
- Thin UNA/FTE: UNA index < 0.60 .
- Weak margin (3-yr AOM): $\leq -2.0\%$ public / $\leq -5.0\%$ private.
- Enrollment decline: $\leq -10\%$ over 5 years.
- High revenue dependency: $\geq 50\%$ appropriations (public) or $\geq 70\%$ tuition (private).

Decision rule:

- Research-oriented segments: need ≥ 4 total signals, ≥ 2 “hard” signals (reserve/viability/margin), and either the enrollment-cliff signal or a very weak margin ($\leq -3\%$).
- Non-research segments: ≥ 3 total signals with ≥ 1 “hard” signal.

When triggered, it awards +12 points and enumerates which signals fired (e.g., “low primary reserves; weak viability; ... enrollment $\downarrow 5\text{yr} \geq 10\%$ ”).

Notes: This is a composite “crisis” detector rather than a single-metric score; it purposely mixes solvency, margin, demand, and dependency to avoid false positives from any one analyzer. (For broader enrollment context see the Enrollment scoring map referenced above.)