

Fiscal Year
2022-23

System Sustainability Plan Update

Mid-Year Sustainability Progress Summary

Due: February 22, 2023

University: **Kutztown University, Plan Level 1**

Executive Summary:

(\$ in Millions)

	ACTUAL		PROJECTED								
	Goal	FY 2020-21	FY 2021-22	Original	%	Revised	%	Original	%	Revised	%
				FY 2022-23*	Change	FY 2022-23	Change	FY 2023-24*	Change	FY 2023-24	Change
Revenues and Use of Supplemental Resources/Adjustments Less Expenditures & Transfers		\$11.3	(\$11.1)	\$1.3		\$1.3		\$0.0		\$0.0	
Total Estimated Unrestricted Net Assets		\$70.3	\$71.1	\$70.1	-1.4%	\$73.5	3.4%	\$69.8	-0.4%	\$72.2	-1.7%
Total Estimated End of Year Cash Balance		\$85.1	\$87.1	\$86.1	-1.1%	\$89.5	2.8%	\$85.9	-0.3%	\$88.3	-1.4%
Annualized FTE Enrollment		7,042.90	6,734.66	6,607.43	-1.9%	6,607.43	-1.9%	6,607.43	0.0%	6,607.43	0.0%
Fall FTE Student/Fall FTE Faculty Ratio	19.4	17.4	17.6	18.0		18.0		18.6		18.6	
Net Tuition Revenue per FTE Student**		\$6,908	\$6,445	\$6,329	-1.8%	\$6,329	-1.8%	\$6,208	-1.9%	\$6,208	-1.9%

*Submitted September 2022

**Undergraduate academic year tuition revenue less institutional aid/annualized undergraduate FTE enrollment. Note: this estimate may include aid awarded to graduate students.

Enrollment Projections: Actuals (Fall/Spring Freeze Dates)

	ACTUAL		PROJECTED							
	FY 2020-21	FY 2021-22	Original	%	Revised	%	Original	%	Revised	%
			FY 2022-23*	Change	FY 2022-23	Change	FY 2023-24*	Change	FY 2023-24	Change
Fall FTE Enrollment										
Clock Hour	0.00	0.00	0.00	n/a	0.00	n/a	0.00	n/a	0.00	n/a
Undergraduate	6,410.73	6,114.66	5,988.33	-2.1%	5,988.33	-2.1%	5,981.45	-0.1%	5,981.45	-0.1%
Graduate	500.08	491.92	484.66	-1.5%	484.66	-1.5%	491.54	1.4%	491.54	1.4%
Total Fall FTE Enrollment (excludes clock hour students)	6,910.81	6,606.58	6,472.99	-2.0%	6,472.99	-2.0%	6,472.99	0.0%	6,472.99	0.0%
Annualized FTE Enrollment										
Undergraduate (includes clock hour)	6,376.07	6,096.03	5,981.53	-1.9%	5,981.53	-1.9%	5,974.56	-0.1%	5,974.56	-0.1%
Graduate	666.59	638.63	625.90	-2.0%	625.90	-2.0%	632.87	1.1%	632.87	1.1%
Total Annualized FTE Enrollment	7,042.66	6,734.66	6,607.43	-1.9%	6,607.43	-1.9%	6,607.43	0.0%	6,607.43	0.0%
New Students - Fall First-Time Degree Seeking Undergraduate FTE	1,508.07	1,469.87	1,574.60	7.1%	1,574.60	7.1%	1,588.00	0.9%	1,588.00	0.9%
New Students - Fall New Transfer Degree Seeking Undergraduate FTE	393.80	393.60	342.73	-12.9%	342.73	-12.9%	362.09	5.6%	362.09	5.6%
Fall Graduate FTE (All credit bearing)	500.08	491.92	484.66	-1.5%	484.66	-1.5%	491.54	1.4%	491.54	1.4%
Second-Year Persistence Rate for First-Time, Full-Time Bachelor Degree Seeking Students	77.4%	77.6%	79.3%	2.1%	79.3%	2.1%	78.0%	-1.6%	78.0%	-1.6%
Six-Year Graduation Rate for First-Time, Full-Time Bachelor Degree Seeking Students	53.9%	56.4%	56.5%	0.2%	56.5%	0.2%	57.0%	0.9%	57.0%	0.9%
Net Tuition Revenue per FTE Student**	\$6,908	\$6,445	\$6,329	-1.8%	\$6,329	-1.8%	\$6,208	-1.9%	\$6,208	-1.9%

*Submitted September 2022

**Undergraduate academic year tuition revenue less institutional aid/annualized undergraduate FTE enrollment. Note: this estimate may include aid awarded to graduate students.

Financial Overview:

(\$ in Millions)

	ACTUAL		PROJECTED							
	FY 2020-21	FY 2021-22	Original	%	Revised	%	Original	%	Revised	%
			FY 2022-23*	Change	FY 2022-23	Change	FY 2023-24*	Change	FY 2023-24	Change
Total Unrestricted (E&G and Auxiliary) Budget										
Total Revenues	\$154.0	\$170.9	\$170.1	-0.5%	\$175.7	2.8%	\$171.3	0.7%	\$177.3	0.9%
Total Expenditures and Transfers to Plant Funds	152.4	172.2	170.1	-1.2%	175.7	2.0%	171.3	0.7%	177.3	0.9%
Revenues Less Expenditures/Transfers to Plant Funds	\$1.6	(\$1.4)	\$0.0		\$0.0		\$0.0		\$0.0	
Surplus/(Deficit)-Excludes Transfers to Plant Funds	\$2.3	\$11.6	\$2.6		\$7.7		\$3.9		\$2.9	
Use of Supplemental Resources for One-Time Needs/ Strategic Initiatives	0.0	0.0	1.3		1.3		0.0		0.0	
One-Time COVID Funds (revenue recognition adjustment)	9.8	(9.8)	n/a		n/a		n/a		n/a	
Revenues and Use of Supplemental Resources/Adjustments Less Expenditures & Transfers	\$11.3	(\$11.1)	\$1.3		\$1.3		\$0.0		\$0.0	
Total Actual/Estimated Unrestricted Net Assets	\$70.3	\$71.1	\$70.1	-1.4%	\$73.5	3.4%	\$69.8	-0.4%	\$72.2	-1.7%
Total Actual/Estimated End of Year Cash Balance	\$85.1	\$87.1	\$86.1	-1.1%	\$89.5	2.8%	\$85.9	-0.3%	\$88.3	-1.4%
Annualized FTE Enrollment	7,042.90	6,734.66	6,607.43	-1.9%	6,607.4	-1.9%	6,607.43	0.0%	6,607.4	0.0%
Fall FTE Student/Fall FTE Faculty Ratio	17.4	17.6	18.0		18.0		18.6		18.6	
Annualized Unrestricted FTE Faculty, net of turnover	394.51	375.40	357.84	-4.7%	355.71	-5.2%	344.84	-3.6%	342.71	-3.7%
Annualized Unrestricted FTE Nonfaculty, net of turnover	417.06	401.65	395.84	-1.4%	395.71	-1.5%	399.61	1.0%	405.41	2.5%
Total Unrestricted Employee FTE (Annualized)	811.57	777.05	753.68	-3.0%	751.42	-3.3%	744.45	-1.2%	748.12	-0.4%

*Submitted September 2022

E&G Financial Projections:

(\$ in Millions)

	ACTUAL		PROJECTED							
	FY 2020-21	FY 2021-22	Original	%	Revised	%	Original	%	Revised	%
			FY 2022-23*	Change	FY 2022-23	Change	FY 2023-24*	Change	FY 2023-24	Change
Total E&G Budget										
Total Revenues	\$122.6	\$126.0	\$128.2	1.7%	\$133.4	5.9%	\$128.6	0.4%	\$133.9	0.4%
Total Expenditures and Transfers to Plant Funds	121.8	127.4	128.2	0.6%	133.4	4.7%	128.6	0.4%	133.9	0.4%
Revenues Less Expenditures/Transfers to Plant Funds	\$0.7	(\$1.4)	\$0.0		\$0.0		\$0.0		\$0.0	
Surplus/(Deficit)--Excludes Transfers to Plant Funds	\$0.5	(\$0.2)	\$1.5		\$4.6		\$1.0		\$0.8	
Use of Supplemental Resources for One-Time Needs/ Strategic Initiatives	0.0	0.0	1.3		1.3		0.0		0.0	
One-Time COVID Funds (revenue recognition adjustment)	3.5	(3.5)	n/a		n/a		n/a		n/a	
Revenues and Use of Supplemental Resources/Adjustments Less Expenditures & Transfers	\$4.2	(\$4.9)	\$1.3		\$1.3		\$0.0		\$0.0	
Total Actual/Estimated Unrestricted E&G and Plant Net Assets	\$41.0	\$37.5	\$36.2	-3.5%	\$38.0	1.3%	\$34.9	-3.6%	\$36.8	-3.1%
Total Actual/Estimated E&G End of Year Cash Balance	\$55.3	\$52.9	\$51.6	-2.5%	\$53.4	0.9%	\$50.3	-2.5%	\$52.3	-2.2%

*Submitted September 2022

Auxiliary Financial Projections:

(\$ in Millions)

	ACTUAL		PROJECTED							
	FY 2020-21	FY 2021-22	Original	%	Revised	%	Original	%	Revised	%
			FY 2022-23*	Change	FY 2022-23	% Change	FY 2023-24*	Change	FY 2023-24	% Change
Total Auxiliary Budget										
Total Revenues	\$31.4	\$44.9	\$41.9	-6.6%	\$42.3	-5.8%	\$42.7	1.9%	\$43.4	2.6%
Total Expenditures and Transfers to Plant Funds	30.6	44.8	41.9	-6.5%	42.3	-5.7%	42.7	1.9%	43.4	2.6%
Revenues Less Expenditures/Transfers to Plant Funds	\$0.8	\$0.0	\$0.0	n/a	\$0.0	n/a	\$0.0	n/a	\$0.0	n/a
Surplus/(Deficit)--Excludes Transfers to Plant Funds	\$1.8	\$11.8	\$1.2		\$3.1		\$2.9		\$2.1	
Use of Supplemental Resources for One-Time Needs/ Strategic Initiatives	0.0	0.0	0.0		0.0		0.0		0.0	
One-Time COVID Funds (revenue recognition adjustment)	6.3	(6.3)	n/a		n/a		n/a		n/a	
Revenues and Use of Supplemental Resources/Adjustments Less Expenditures & Transfers	\$7.1	(\$6.3)	\$0.0		\$0.0		\$0.0		\$0.0	
Total Actual/Estimated Unrestricted Auxiliary & Plant Net Assets	\$29.3	\$33.5	\$33.9	1.0%	\$35.5	5.8%	\$34.9	3.1%	\$35.4	-0.3%
Total Actual/Estimated Auxiliary End of Year Cash Balance	\$29.8	\$34.2	\$34.5	0.9%	\$36.1	5.7%	\$35.5	3.0%	\$36.0	-0.3%

*Submitted September 2022

Unrestricted Net Asset and Cash Balance Projections:

(\$ in Millions)

	Actual		Projected							
	FY 2020-21	FY 2021-22	Original	%	Revised	%	Original	%	Revised	%
			FY 2022-23*	% Change	FY 2022-23	% Change	FY 2023-24*	% Change	FY 2023-24	% Change
Total Actual/Estimated Unrestricted Net Assets	\$70.3	\$71.1	\$70.1	-1.4%	\$73.5	3.4%	\$69.8	-0.4%	\$72.2	-1.7%
Total Actual/Estimated End of Year Cash Balance	\$85.1	\$87.1	\$86.1	-1.1%	\$89.5	2.8%	\$85.9	-0.3%	\$88.3	-1.4%
Projected Ratios resulting from the Annual Projection Plan - Will NOT Match Final Metric Results										
Estimated Annual Primary Reserve Ratio	38.4%	32.9%	n/a		n/a		n/a		n/a	
<i>Estimated End of Year Balance in Net Assets/Total Expenses</i>										
Estimated Minimum Reserves	222	224	n/a		n/a		n/a		n/a	
<i>Unrestricted cash*365/total unrestricted expenses</i>										

*Submitted September 2022

Reviewer Comments

(To be completed by CAOs/CFOs after February 22, 2023)

What are some strategies in place to review non-faculty FTE which seems to be increasing with an anticipated stable enrollment (and higher than prior years with more enrollment)? (MU)

We continue to review every non-faculty position at Cabinet when a position becomes vacant due to turnover or when there is a request to add a new position. This process has helped us reduce our non-faculty FTE by 125 over the past 5 years. The increases reflected in our CPP are tied to filling some extended vacancies plus the addition of staff to support student mental health and the OneSIS implementation.

What is driving the \$5.2M increase in E&G Revenue for 22-23 (with it appears a corresponding increase in E&G expenses by the same amount)? (SU) (MU) Likewise, there is a similar increase in FY23-24. Can you elaborate on that as well? (EA)

This increase is due to the updated CPP instructions to now include the one-time CSFRF funding because expenditure plans are now underway. KU's \$10.4 million was not included in the original submission but is now reflected to be recognized and spent over the next two years in the mid-year submission.

How are you achieving increasing your E&G surplus excluding transfer to plant funds by \$3.1M in 22-23? And \$1.9M increase in Auxiliaries in 22-23? (SU)

We are realizing greater than expected salary savings due to the difficulty in filling vacant positions across the university.

Are you projecting any change in annualized FTE enrollment for FY23? Original did not change at all from revised for either FY23 or FY24. (EA) (WE)

We are not projecting any changes to our enrollment projections. The original CPP was submitted after the fall freeze date in September, so we had accurate information. Our spring enrollment numbers were in line with the prior year, and we expect the summer 1 session to be flat as well. Our projections for next year are based on a realistic freshmen target of 1,600 which we achieved this past year.

CAO/CFO Joint Review comments:

Self – assessment: meeting expectations

Financial aid strategy – approaching 4th year. Are you thinking you need to reevaluate, or will it continue? We think it's working; it's helped minimize losses, so it will continue. Some tweaking will be done. Housing scholarships for some in Philly and NJ.

Overall Ranking: Meets Expectations

Key:	Exceeds Expectations – 6%	Meets Expectations – 88%	Partially Meets Expectations – 6%	Does Not Meet Expectations- 0%
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CAO/CFO Recommendations – none provided