



Financial Data Analysis in Higher Education

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Agenda

- **Source Data**
 - **Audited Financial Statements**
 - **IPEDES**
 - **Other Sources – IRS 990; AAUP Salary Survey; Common Data Sets; Athletics**
 - **Note the word “Budgets” Start with **B** and ends with **S****
- **Does the university have money? Ratio analysis and bond ratings**
- **Where is the money coming from? Revenue analysis**
- **Where is the money going: Expense and priority analysis**
- **Other Issues: Class Size and Athletics**

**Source Data:
Audited
Financial
Statements**

Comparison of Data Sources: Audited Financial Statements vs. Budgets

Audited Financial Statements report what ACTUALLY happened

Audited financial statements are certified by an independent outside auditor, using standard accounting rules and principles

Bond ratings are determined by examining numerous standard ratios from audited financial statements, as well as other data such as enrollment, applications. This is all done by an outside, independent party.

Budgets are created by university administrators, are not required to be audited or reviewed by an outside party, and budgets are not subject to standard accounting rules and principles. Budgets are just plans or projections

Finding Audited Financial Statements: Public Sector

- The university's website should have these:
 - Finance Office/department
 - Budget Office/department
 - Comptroller
 - Put “financial statements” or “audit” in the search box
- Some states and systems have them in a central office (see next slide)
- **Bond website: Electronic Municipal Market Access will have the financials, and also reports that have enrollment, tuition and other data**

<http://emma.msrb.org/Home>

Finding Audited Financial Statements in the Public Sector: State Specific Information: CUNY and SUNY

- **CUNY:** <http://www2.cuny.edu/about/administration/offices/budget-and-finance/>
 - No campus-specific breakdown; the end has Senior and Community Colleges as categories
 - IPEDS by campus is at:
<http://www2.cuny.edu/about/administration/offices/oira/institutional/reports/integrated/>
- **SUNY:** <http://www.suny.edu/communications/publications-reports/>
 - Has 2015 audit, but no campus-specific data
 - Old and skimpy financial data at:
<http://www.suny.edu/about/fast-facts/>

Audited Financial Statements: Connecticut and California

- **California:**

- CSU System financials have statements and notes for the system as a whole; individual campus financial info is in the back of the file:
http://calstate.edu/financialservices/resources/auditedstatements/financial_statements.shtml
- UC System: <http://www.ucop.edu/financial-accounting/financial-reports/annual-financial-reports.html> (Limited campus specific financial data in the MD&A)

- **Connecticut**

- CSU System: CCSU Website has the system financials, at <http://www.ccsu.edu/fiscalaffairs/auditedfinancialstatementsandauditreports/index.html>. Campus specific data is at the end of the file
- UCONN: <http://accountingoffice.uconn.edu/financial-reports/>
- UCONN Health: <http://controller.uhc.edu/reports/>

Financial Statement Data for State Systems: Nevada, Pennsylvania, Massachusetts; NH

- **Nevada: NSHE (Nevada System of Higher Education):**
<http://system.nevada.edu/Nshe/index.cfm/administration/finance/audit/financial-statements/>.
The campus-specific data is reported in these statements, but not the cash flow statement
- **Pennsylvania: APSCUF (PSSHE):**
<http://www.pashe.edu/inside/anf/accounting/Pages/Financial-Statements.aspx>.
No campus-specific information
- **Massachusetts: UMASS System is at:**
<https://www.umassp.edu/controller/reports>: Campus-specific data is in this document as part of supplemental financial information
- **New Hampshire:** <https://www.usnh.edu/about/usnh-publications>.
No campus specific data in this document

Public Universities Not Part of a System

- **Ohio:** State Auditor General – search by individual campus
<https://ohioauditor.gov/auditsearch/Search.aspx>
- **Vermont:**
http://www.uvm.edu/~cntrllrs/?Page=fras/fin_statements.html&SM=frasmenu.html
- **Rhode Island:**
http://web.uri.edu/controller/financial_reporting/
- **Oregon:** Used to be part of a system (OUS), but now each public university has its own audited financial statements
 - PSU is at: <https://www.pdx.edu/financial-services/annual-financial-reports>
 - UO is at: <http://ba.uoregon.edu/content/financial-reports>
 - OSU is at: <http://fa.oregonstate.edu/business-affairs/annual-financial-reports-audited>

Finding Audited Financial Statements: Private Sector

- Larger private institutions put their audited statements on their websites; many do not
- The bond website: <http://emma.msrb.org/Home> works almost all the time. It would not work if the university did not issue debt – most private institutions issue debt through a public entity
- The IRS 990 has income statement and balance sheet information, but in a pre-set format, and there is no cash flow information

Composition of Audited Financial Statements

- **Pretty pictures**
- **Statement by the independent auditor**
- **Management Discussion and Analysis (MD&A)**
- **Financial Statements**
- **Notes**
- **Other supplemental information**

Financial Statements Names

For-Profit Sector	Public Universities	Private Universities/Colleges	Fund Statements
Balance Sheet	Statement of Net Assets	Statement of Financial Position	Fund Balance Sheet
Income Statement	Statement of Revenue, Expenses, and Changes in Net Assets	Statement of Activities	Statement of Revenues, Expenditures, and Changes in Fund Balance
Statement of Cash Flows	Statement of Cash Flows	Statement of Cash Flows	Only for Proprietary Funds
Statement of Shareholder's Equity	None	None	None

A Walk Through Real Audited Financial Statements

IPEDS:

**Integrated Postsecondary
Education Data System of the
U.S. Department of Education**

Beginning IPEDS Website

- You want IPEDs Data center - Not IPEDS
- <https://nces.ed.gov/ipeds/Home/UseTheData>
- <https://nces.ed.gov/ipeds/datacenter/>
- Two choices
 - Look up an Institution
 - Compare Institutions

Look up institution (or compare institutions)

- **After clicking on one of these choices, scroll to the bottom and click the blue continue box**
- **Use look up an institution when you want to see the raw input**
- **Use compare institutions to:**
 - **Get one or multiple variables for one or more years from one institution**
 - **Get one or multiple variables for one or more years from numerous institutions**

If you've picked an institution



Data Center Help Desk (866) 558-0658

Start over

Save session Help

MAIN MENU

Look up an institution

Final Release Data [\(Change\)](#)

1. Select Institutions

My Comparison Institution - None Selected

ADD

How would you like to select institutions to include in your data file/report?

By Names or UnitIDs

By Groups

By Variables

By Uploading a File

Enter either an institution name or UnitID (or a comma separated list of UnitIDs) in the text box below. As you begin typing, a list of matching institutions will appear. You can select a single institution by clicking on it from the list, or, if you want all institutions on the list, click "Select".

Institution Name

Select

- You can type your institution name in the box
- If you want more than one institution, after typing your institution, click on By Name or unitid
- If you want a group (you can search by states or sector or Carnegie classification), type in By Groups

Choose reported data

Eastern Michigan University (change institution)

[Institution Profile](#) | [Reported Data](#) | [Data Feedback Reports](#)

[Expand All](#) | [Collapse All](#) | [Print](#) | [Download PDF](#)

+ Institution Characteristics

+ Admissions and Test Scores

+ Student Charges

+ Student Financial Aid

+ Net Price

+ Enrollment

+ Retention and Graduation

+ Completions

+ Human Resources

+ Finance

The choice on the right is Data Feedback Reports. Those are pdf files which compare your institution to a pre-determined set of institutions on various metrics

Look Up an Institution: Choose year and then variable

- **The default is 2015; 2016 will not be available until December of 2017**
- **To change the year, just click on it, and the year you click on will turn orange; but note that this orange year works in look up an institution; you can choose compare institutions to put data into excel**
- **Let's look at what IPEDS looks like in its rawest form**

Compare Institutions

The screenshot shows the IPEDS Compare Institutions web application. At the top left is the IPEDS logo and the text "Data Center Help Desk (866) 558-0658". On the top right, there are links for "Start over", "Save session", "Help", and a "MAIN MENU" button. The main heading is "Compare Institutions" with a link for "Final Release Data (Change)". Below this is a progress bar with three steps: "1. Select Institutions" (highlighted), "2. Select Variables", and "3. Output". Under "1. Select Institutions", it shows "My Comparison Institution - None Selected" and "Select Institutions - You have selected 1 institution(s)". There are "ADD" and "VIEW/MODIFY" buttons. A dropdown menu is open, showing options: "By Names or UnitIDs", "By Variables", "By Uploading a File", "EZ Group", "Automatic Group", and "Saved Group". Below the dropdown, it says "When you have finished selecting". At the bottom, there is a "My Institutions" section with a "MODIFY" button and a table with one row of data.

IPEDS
Data Center Help Desk (866) 558-0658

Start over Save session Help MAIN MENU

Compare Institutions

Final Release Data (Change)

1. Select Institutions 2. Select Variables 3. Output

My Comparison Institution - None Selected **ADD**

Select Institutions - You have selected 1 institution(s) **VIEW/MODIFY**

How would you like to select institutions to include in your data file/report?

By Names or UnitIDs By Variables By Groups By Uploading a File

EZ Group Automatic Group Saved Group

When you have finished selecting

My Institutions

MODIFY

ID	Institution Name	City	State
190594	CUNY Hunter College	New York	NY

Once you are done with selecting institutions (and you can just select one if you like), you will press the blue continue box to go to step 2 – select variables

Compare Institutions: Multiple variables and years

- You will now go to a screen that has the following choices:
 - Frequently used/Derived variables
 - Institutional Characteristics
 - Admissions and Test Scores
 - Student Charges
 - Fall Enrollment
 - 12-Month Enrollment
 - Completions
 - Retention rates, Entering Class and Student to faculty ratio
 - Graduation Rates
 - Student Financial Aid and Net Price
 - **Finance**
 - Human Resources
 - Academic Libraries
- You should choose finance (though the other links have oodles of excellent data)
 - Public institutions
 - Private not-for-profit institutions (all privates) or Public institutions using FASB (Penn State, Delaware)

Keep digging under finance – Instruction is more than salaries and wages

[Select All](#) | [Unselect All](#)

- Instruction - Current year total ⓘ
- Instruction - Salaries and wages ⓘ
- Instruction - Employee fringe benefits ⓘ
- Instruction - Operations and maintenance of plant (New aligned form only) ⓘ
- Instruction - Depreciation ⓘ
- Instruction - Interest (New aligned form only) ⓘ
- Instruction - All other ⓘ
- Research - Current year total ⓘ
- Research - Salaries and wages ⓘ
- Research - Employee fringe benefits ⓘ
- Research - Operations and maintenance of plant (New aligned form only) ⓘ
- Research - Depreciation ⓘ
- Research - Interest (New aligned form only) ⓘ
- Research - All other ⓘ

From Compare Institutions into Excel

Select Institutions	- You have selected 1 institution(s)	VIEW / MODIFY
Select Variables	- You have selected 28 variable(s), 28 can be used in this report. i	VIEW / MODIFY

Answer the questions below, then click 'Continue' to get your report.

[Continue](#)

Some queries you submit, especially those containing calculated variables, may take time to execute. Please be patient.

Which identification variables would you like to include?


Institution name only Both Institution name and UnitID

Would you like long or short (maximum 8 characters) variable names?

Short variable name Long variable name

In what format would you like to receive your data?

View on screen Download in comma separated format

Would you like to include imputation and status flags? 

No Yes

You've continued...

The screenshot shows the 'Compare Institutions' web application. The interface has three main steps: '1. Select Institutions', '2. Select Variables', and '3. Output'. The '3. Output' step is currently active. The page title is 'Compare Institutions' and there is a link for 'Final Release Data (Change)'. Below the steps, there are sections for 'My Comparison Institution' (currently 'None Selected'), 'Select Institutions' (showing 'You have selected 1 institution(s)'), and 'Select Variables'. A 'Continue' button is visible. A modal dialog box is open in the center, titled 'Opening Data_7-27-2016.csv'. It displays the file name 'Data_7-27-2016.csv' with an Excel icon, its size '1.4 KB', and the source 'https://nces.ed.gov'. Below this, it asks 'What should Firefox do with this file?' with three options: 'Open with Microsoft Excel (default)' (selected), 'Save File', and 'Do this automatically for files like this from now on.' (unchecked). 'OK' and 'Cancel' buttons are at the bottom of the dialog. The background interface is partially obscured by the dialog.

If you are using a MAC, you will see a screen that asks you to save the csv file; you can then open it in excel as pressing ok above will also open the file in excel

**AAUP Salary
(Compensation)
Survey**

AAUP Salary Survey: Category and Type of Institution

Category	#	% of Total
I	211	20.9%
!!A	356	35.2%
IIB	354	35.0%
III	89	8.8%
TOTALS	1010	100.0%

Type	#	% of Total
Private	492	48.8%
Public	483	47.9%
PR (religious)	30	3.0%
PP (for profit)	4	0.4%
TOTAL	1009	100.0%

More AAUP Salary Survey: 7 Different Faculty Ranks

- Professor
- Associate
- Associate
- Instructor
- Lecturer
- No Rank
- All Ranks
- Percent of institutions reporting each rank:

PR	AO	AI	IN	LE	NR	AR
97%	99%	98%	61%	40%	11%	98%

AAUP Salary Survey: Total Compensation and Benefits

- Total Compensation = Salary + Benefits
- The benefits include all benefits, and we get very different results for different institutions.
- Distribution: Benefits as a % of salary per 2016-17 survey:

Max	68.5
75th Percentile	35.6
Median	31.0
25th Percentile	27.1
Low	14.2
Mean	31.4
Std Deviation	6.8
# > 50%	12
# > 40%	90

Average Percent Increase for Continuing Faculty by Rank per AAUP Salary Survey

	2015-16	2016-17
Full	2.7%	2.5%
Associate	3.3%	3.0%
Assistant	3.5%	3.4%

Why Are Actual Increases Less than those for Continuing Faculty and Less than Contractual Raises?

What happens when full time tenure/tenure track faculty leave/retire/get fired/die/become admins?

Replaced by a newer but cheaper tenure/track faculty line



Lower cost for the administration

Replaced by a new full time non-tenure track line



Even Lower cost for the administration

Replaced by part time faculty (one or more)



Really Lower cost for the administration

No replacement at all - higher loads for remaining and/or higher class size



Super Lower cost for the administration

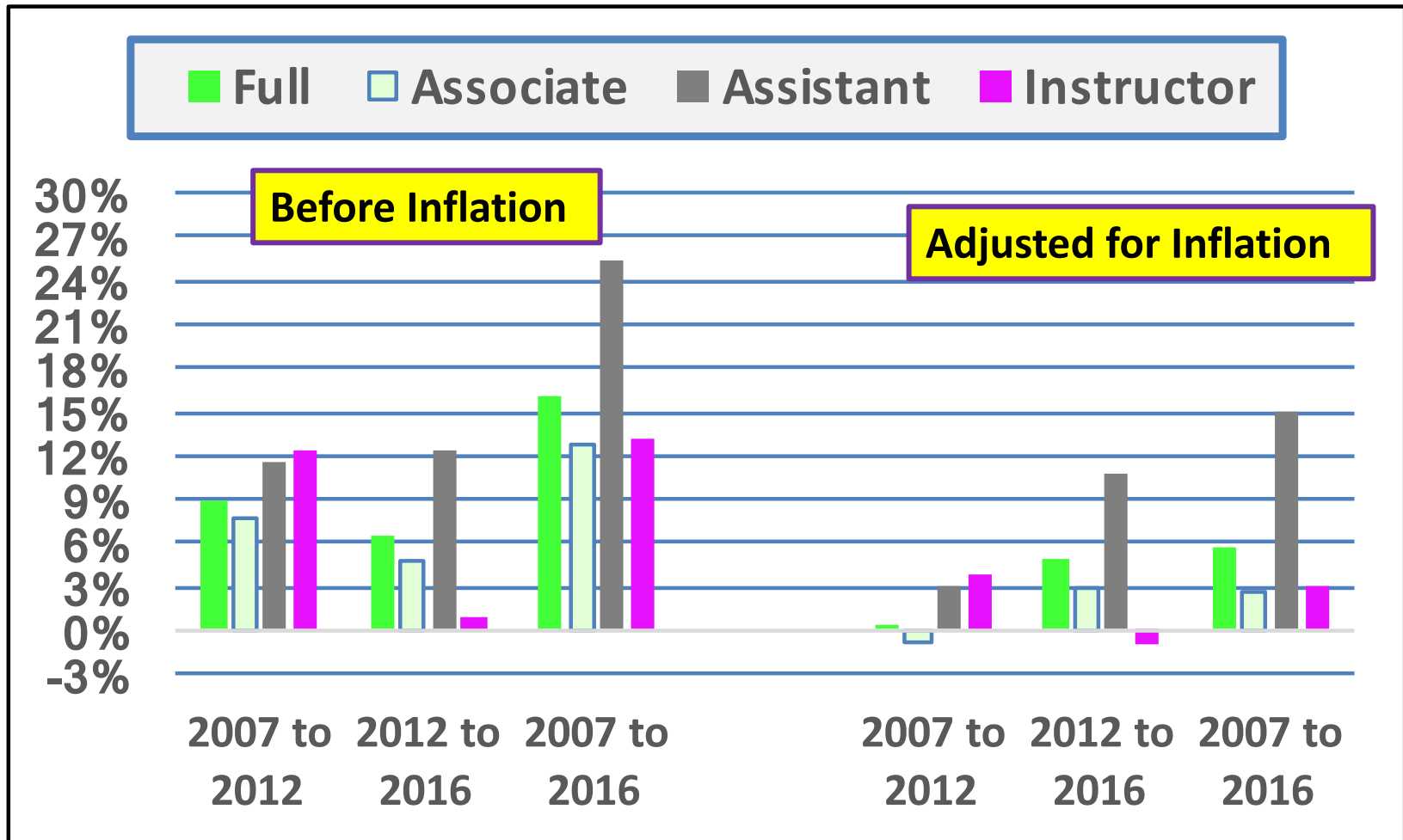
More Precise Manner to Report Faculty Salary Changes – Western Michigan

Year	Full	Associate	Assistant	Instructor
2007	\$91,566	\$69,563	\$53,324	\$42,232
2008	\$92,599	\$69,078	\$54,736	\$42,835
2009	\$94,688	\$70,664	\$55,676	\$41,405
2010	\$97,985	\$73,228	\$57,647	\$43,549
2011	\$100,761	\$75,535	\$59,298	\$46,053
2012	\$99,678	\$74,960	\$59,496	\$47,423
2013	\$100,311	\$74,707	\$63,231	\$45,485
2014	\$101,743	\$75,510	\$64,535	\$44,108
2015	\$103,973	\$77,430	\$64,770	\$44,815
2016	\$106,217	\$78,454	\$66,814	\$47,813

Year	Full	Associate	Assistant	Instructor
2007 to 2008	1.1%	-0.7%	2.6%	1.4%
2008 to 2009	2.3%	2.3%	1.7%	-3.3%
2009 to 2010	3.5%	3.6%	3.5%	5.2%
2010 to 2011	2.8%	3.2%	2.9%	5.7%
2011 to 2012	-1.1%	-0.8%	0.3%	3.0%
2012 to 2013	0.6%	-0.3%	6.3%	-4.1%
2013 to 2014	1.4%	1.1%	2.1%	-3.0%
2014 to 2015	2.2%	2.5%	0.4%	1.6%
2015 to 2016	2.2%	1.3%	3.2%	6.7%
Annual Average	1.7%	1.4%	2.6%	1.5%

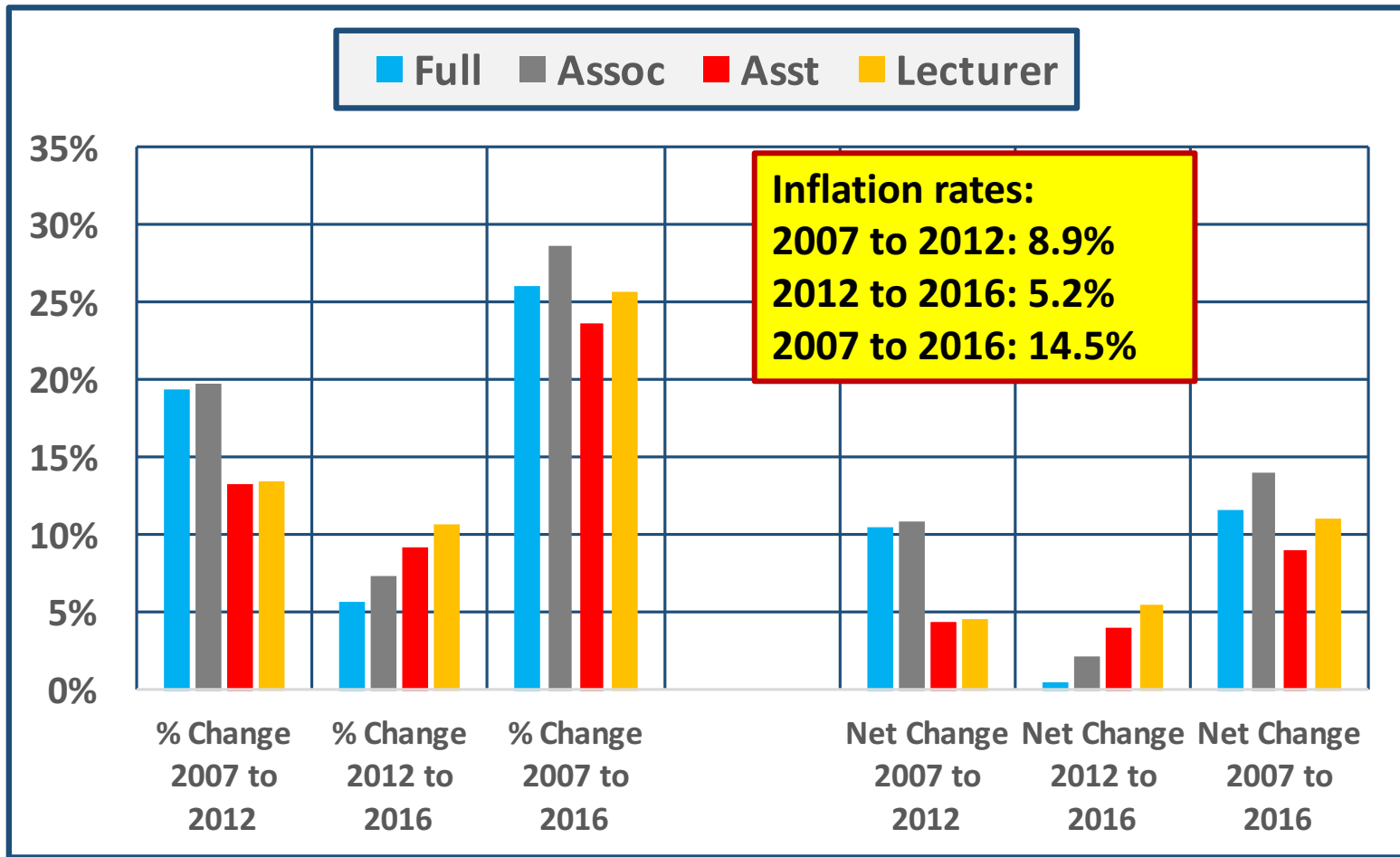
WMU Salary Changes vs. Inflation

Source: AAUP Salary Survey



UVM Long Term Changes in Faculty Salaries vs. Inflation

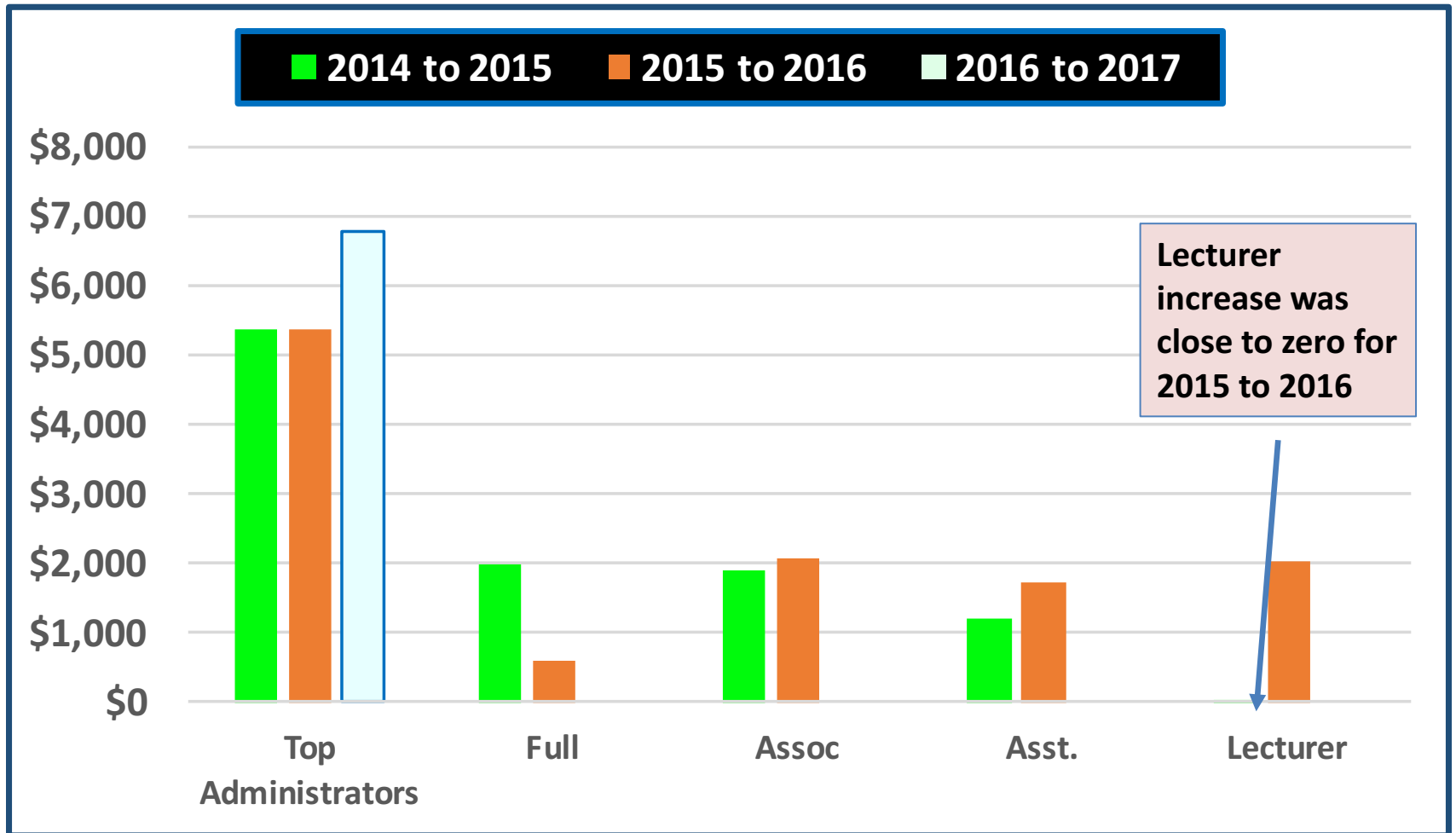
Sources: AAUP Salary Survey and Bureau of Labor Statistics



WMU Faculty Salaries vs. Peers: Change from 2013 to 2016

	Full	Associate	Assistant	Instructor
WMU Rank 2013 (of 13)	8	10	11	7 of 12
WMU Rank 2016 (of 13)	11	9	13	8 of 11
WMU vs. Peer \$\$ 2013	(\$4,410)	(\$2,733)	(\$2,501)	(\$3,244)
WMU vs. Peer \$\$ 2016	(\$4,437)	(\$3,539)	(\$3,543)	(\$3,018)
Change from 2013 to 2016	(\$27)	(\$806)	(\$1,042)	\$226
WMU vs. Peer % 2013	-4.2%	-3.5%	-3.8%	-6.7%
WMU vs. Peer % 2016	-4.0%	-4.3%	-5.0%	-5.9%
Change from 2013 to 2016	0.2%	-0.8%	-1.2%	0.7%

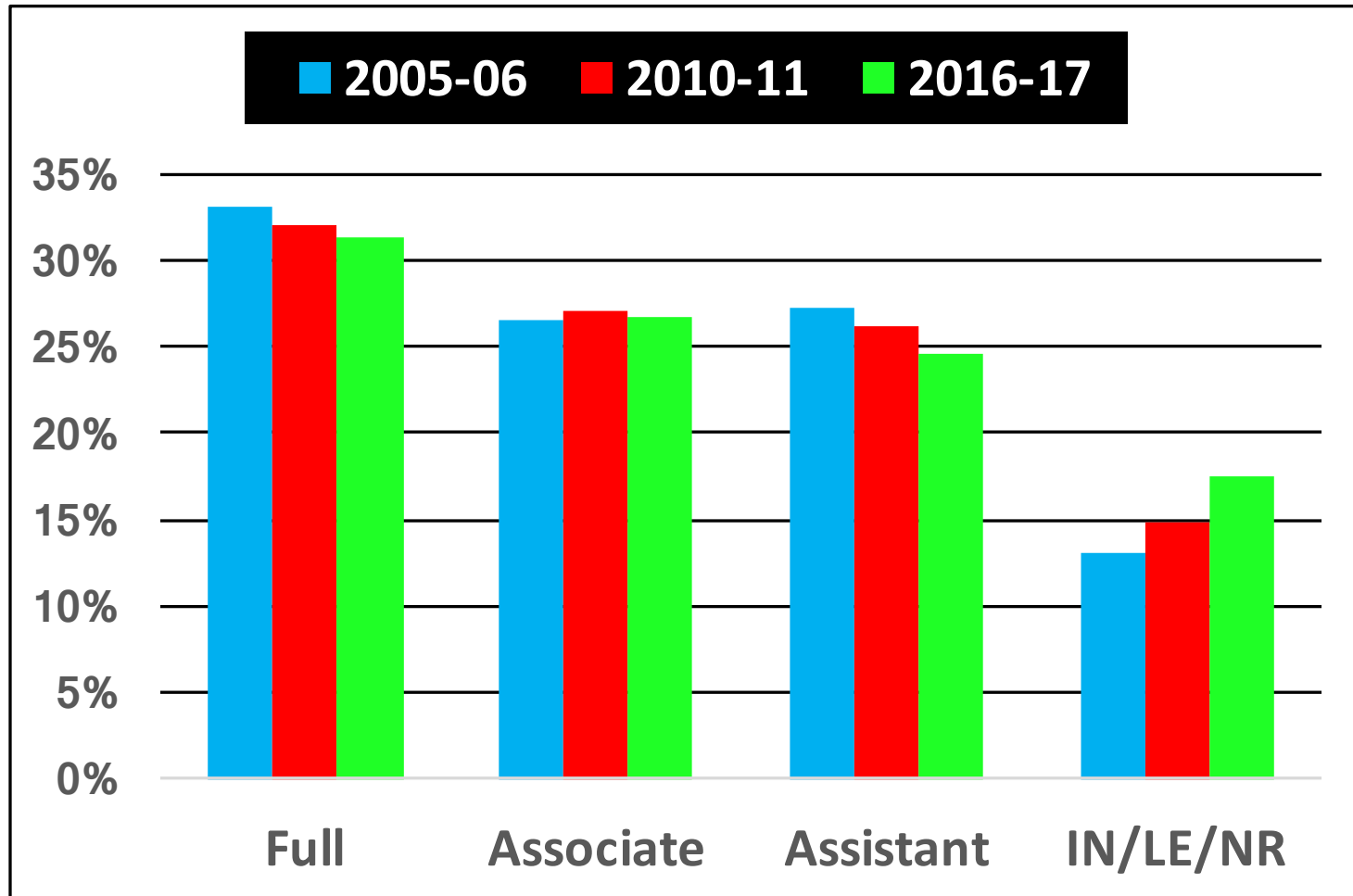
UVM Dollar Changes of Top Administrators vs. Faculty



Salary Disparity Between Men and Women per AAUP Salary Survey, 2016-2017

	All Ranks
High	118.5%
75th Percentile	95.4%
Median	91.5%
25th Percentile	86.5%
Low	70.7%
Average	91.0%
Std Deviation	6.7%

Number of Faculty: Composition of Total Faculty for All Institutions per AAUP Survey: Percent of Total Faculty by Rank



Largest 272 Public Institutions: Change in Instructors from Fall 2005 to Fall 2015 per IPEDS

	Fall 2005	Fall 2015
Tenure + Tenure Track	189,374	186,768
Full Time Non-Tenure Track	83,275	82,579
Total Full Time Instructors	272,649	269,347
Total Part time + Grad Teaching Assts.	164,822	299,161
Total Instructor Headcount	437,471	568,508
Percent Full Time	62%	47%
Percent Part Time	38%	53%
Percent of Instructors Tenure/Tenure Track	43%	33%
Percent of Instructors Without Tenure or not on Tenure Track	57%	67%

Largest 272 Public Institutions: Changes in Who Teaches Fall 2005 to 201 per IPEDS

	Fall 2005	Fall 2015	# Change	% Change
Tenure/Tenure Track	189,374	186,768	(2,606)	-1%
Full Time Non Tenure Track	83,275	82,579	(696)	-1%
Part Time	83,684	136,218	52,534	63%
Grad Teaching Assistants	81,138	162,943	81,805	101%
Enrollment	5,514,503	6,397,204	882,701	16%

**State of Georgia: Change in Instructional Staff for Georgia Publics From 2011 to 2015 per IPEDS:
Huge Increase in Part Time Faculty**

	2011	2015	# Change	% Change
Tenured	3,876	3,806	(70)	-2%
Tenure Track	1,948	1,587	(361)	-19%
Full Time NTT	1,680	1,577	(103)	-6%
Part Time	1,356	4,658	3,302	244%
Grad Teaching	1,817	2,301	484	27%
TOTAL	10,677	13,929	3,252	30%

Changes in Academic Labor Force at PA Public Institutions per IPEDS

	2008	2015	# Change	% Change
Tenure/Tenure Track	10,156	9,145	(1,011)	-10%
FT Non Tenure Track	5,992	6,355	363	6%
Part time	2,927	5,971	3,044	104%
Grad Asst	9,142	8,620	(522)	-6%
TOTALS	28,217	30,091	1,874	7%
Total HC Enrollment	263,983	278,146	14,163	5%

What About BudgetS?

Budgets: Good, Bad, and Ugly

- **The good:**
 - They tell us where the money will be spent in the current year, as audited financial statements tell us about the past
- **The bad:**
 - Budgets are just plans.
 - They always balance (revenues always equal expenses).
 - Real life never balances
- **The ugly**
 - Administrators often exclude many revenue and expense items from budgets
 - Administrators are often overly pessimistic in budgeting:
 - Under-estimate revenues
 - Over-estimate expenses
 - Assertions of “budget holes” and “structural deficits” that need to be fixed

CSU-Dominguez Hills Budget



2016/17 Budget Allocation Priority Closing the Baseline Funding Gap Using Available Baseline Funds

Division	Colleges	15/16 Adjusted Base Budget	Established Need Over Base Budget Jan 20, 2015AKA "GAP" ¹	% Of Total Deficit	CO Mandated Cost Recovery Plan	FY 2016/17 Student Success Fund ²	Mandated EE Program Development Costs (Campus Partner)	Lottery Funds	Open University	Base Budget Allocations To Close Baseline Funding Gap	Adjusted Base GAP June 30, 2016
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
											(b) thru (i)
Academic Affairs											
Central Academic Affairs/VP		4,555,442	(1,329,653)	10.74%	-	250,036	-	-	-	-	(1,079,617)
Library		2,946,041	-	0.00%	-	-	-	-	-	-	-
COE		4,671,516	(33,351)	0.27%	-	27,294	12,349	-	-	-	6,292
CBAPP		5,874,968	(1,049,742)	8.48%	-	32,337	107,513	-	-	-	(909,892)
CAH		9,410,851	(678,481)	5.48%	-	53,383	115,012	-	263,374	-	(246,712)
CNBS		10,754,273	(682,147)	5.51%	-	43,049	-	-	-	-	(639,098)
CHHSN		7,294,990	(1,002,283)	8.10%	-	26,984	178,944	-	-	-	(796,355)
Total Academic Affairs		45,508,081	(4,775,657)	38.58%	-	433,083	413,818	-	263,374	-	(3,665,381)
Administration & Finance		12,412,083	(912,832)	7.37%	539,849	-	-	-	-	-	(372,983)
Student Affairs		7,246,109	(1,078,862)	8.72%	141,834	498,332	-	-	-	-	(438,696)
Information Technology		4,916,449	(2,907,839)	23.49%	(38,401)	280,000	-	707,587	-	-	(1,958,653)
University Advancement		2,354,853	(750,304)	6.06%	-	-	-	-	-	-	(750,304)
President's Division											
President's Office		1,453,230	(23,820)	0.19%	-	-	-	-	-	-	(23,820)
Athletics		1,596,349	(1,314,140)	10.62%	-	39,636	-	-	-	-	(1,274,504)
Total President's Division		3,049,579	(1,337,960)	10.81%	-	39,636	-	-	-	-	(1,298,324)
Centrally Monitored											
Marketing		-	(607,214)	4.91%	-	-	-	-	-	-	(607,214)
University Events		-	(7,500)	1%	-	-	-	-	-	-	(7,500)
Total		75,487,154	(12,378,168)	100%	643,282	1,251,051	413,818	707,587	263,374	-	(9,099,055)
Unallocated Funds (AADHT & Other Funds)										2,455,881	2,455,881
AADHT Balance/GAP			(12,378,168)								(6,643,174)

Budget Documents

- **CUNY Budget:** <http://www2.cuny.edu/wp-content/uploads/sites/4/page-assets/about/administration/offices/budget-and-finance/FY2018-State-Executive-Budget-Analysis-w-City-JAN-PLAN.pdf>
- **PSSHE Budget:** <http://www.pashe.edu/inside/anf/budget/Pages/Budget.aspx>
- **University of Illinois Budget:** <https://www.obfs.uillinois.edu/about-obfs/budget-summary-operations/>

Other Financial Documents:

- **IRS Form 990 (Private Institutions)**

IRS Form 990

- We get them on www.guidestar.org
- Timing:
 - Due 4 ½ months after the fiscal year end
 - Then there is an automatic 3-month extension
 - Then there is often another 3-month extension
- For Adelphi and Hofstra:
 - 8/31 fiscal year end
 - 4.5 months + 3 months + 3 months gets us to 7/31/2016
 - The 2015 990 was filed on July 13, 2016 for Adelphi
 - The 2015 990 was filed on July 15, 2016 for Hofstra

What Information Can We Use from the 990

- **Page 1:**
 - A 501(c3)
 - Totals for revenues, expenses, assets, liabilities and net assets.
 - We see what officer signed it
- **Page 8:**
 - Five largest independent contractors
 - How many were paid more than \$100,000
- **Page 9: Revenues**
- **Page 10: Expenses into 4 boxes**
 - A: Total
 - B: Program services (mission)
 - C: Administrative
 - D: Fundraising

University of Chicago: 5 Largest Contractors per IRS 990

Firm	Type	2013	2014	2015
W E O'Neil Construction	Construction	\$19,430,594	\$32,401,457	\$74,401,930
Lend Lease US	Construction		\$19,462,746	\$52,755,483
Turner Construction	Construction	\$38,941,237	\$41,139,485	\$43,530,356
Mortenson Construction	Construction			\$25,581,389
Aramark Services	Food Service	\$14,050,162	\$13,235,804	\$15,574,663
American Business Maintenance	Maintenance		\$11,109,663	
Bovis Lend Lease	Construction	\$29,196,110		
Bulley & Andrews LLC	Construction	\$13,310,495		
# of Independent Contractors who received > \$100,000 in compensation		686	901	1,031

More from the IRS 990

- **Page 11: Balance Sheet**
- **Page 12: Reconcile net assets per the 990 and the audited statements**
- **Page 13 and maybe 14 and 15: Compensation**
 - All trustees are listed. Most get zero
 - Top compensation of officers
 - **Column D: Compensation per the W-2 (calendar year basis)**
 - **Column F: Other compensation**
- **More detailed compensation data on Schedule J, Part II: Officers, Directors, Trustees, Key Employees and Highest Compensation Employees**
- **Part IV: Business Transactions Involving Interested Persons**
- **Part V: Supplemental Information: This gives detail on conflicts or transactions between board members, their families, etc. and the university**

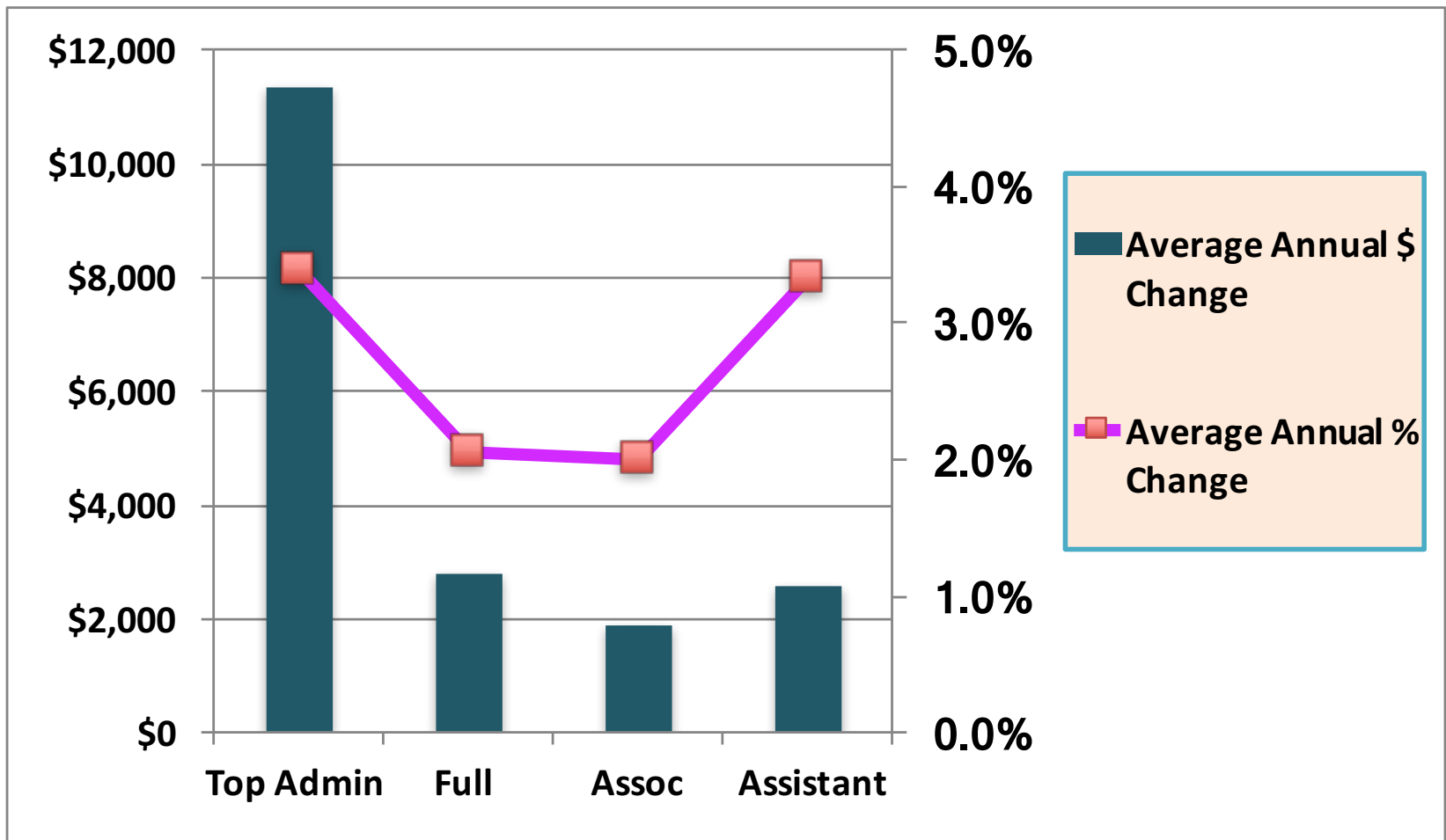
Hofstra Exec W-2 Compensation per IRS 990

W-2 Comp	2013	2014	2015
President	\$958,084	\$1,031,105	\$1,069,005
Sr VP for Planning and Admin.	\$429,921	\$460,623	\$481,841
VP Finance/Treasury	\$454,004	\$487,818	\$507,971
VP Legal Affairs	\$417,796	\$448,561	\$467,185
Provost and Sr VP	\$412,060	\$414,633	\$431,938
VP Information Technology	\$311,145	\$313,316	\$320,465
VP Development	\$285,013	\$302,236	\$307,427
VP Student Affairs	\$269,943	\$268,014	
VP Facilities	\$242,909	\$270,260	\$270,606
VP University Relations	\$234,345	\$262,606	\$269,199
VP Business Development	\$244,462	\$246,439	\$252,404
Dean, School of Medicine	\$568,266	\$571,715	\$585,340
Dean, School of Law	\$315,091	\$415,139	\$429,859
VP Enrollment Management	\$230,876	\$255,915	\$275,856
Vice Dean Med School	\$324,329	\$384,639	\$400,831
VP Institutional Research	\$183,212	\$203,096	\$210,199
VP Athletics	\$246,026	\$418,533	\$426,020
Coach, Men's Basketball			\$422,639
Dean, School of Business	\$320,947	\$329,779	\$338,439
Mean	\$358,246	\$393,579	\$414,846
Median	\$313,118	\$357,209	\$411,735

Hofstra Senior Administration: is there enough of an academic voice in this room?

- President
- *Senior Vice President for Planning and Administration*
- *Provost and Senior Vice President for Academic Affairs*
- *Vice President for Facilities and Operations*
- *Vice President for Institutional Research and Assessment*
- *Vice President for University Relations*
- *Vice President for Enrollment Management*
- *Vice President for Legal Affairs and General Counsel*
- *Vice President for Business Development*
- *Vice President and Director of Athletics*
- *Vice President for Financial Affairs and Treasurer*
- *Vice President for Student Affairs*
- *Vice President for Information Technology*
- *Vice President for Development and Alumni Affairs*

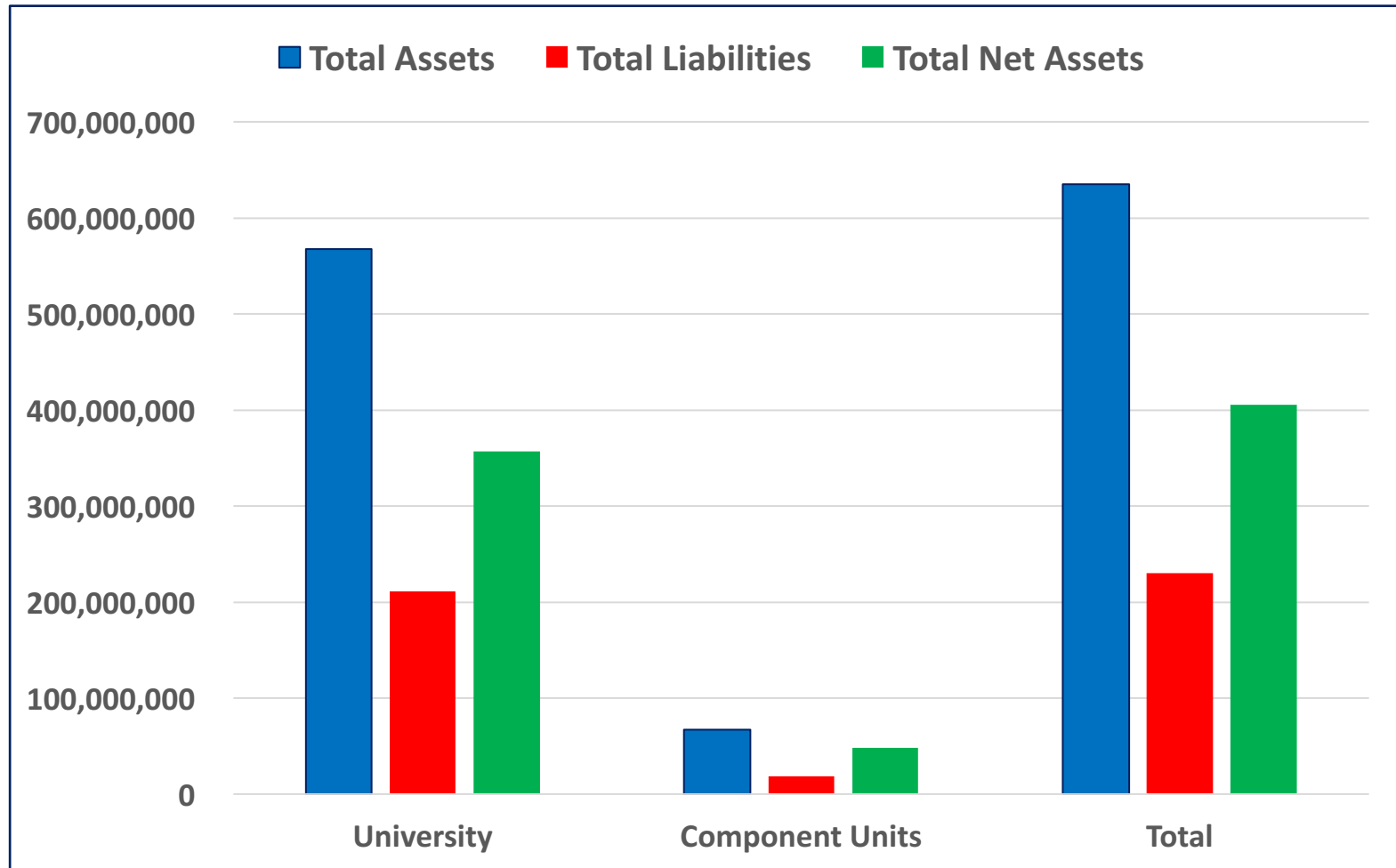
Hofstra: Comparing Faculty to Administrative Salary Changes



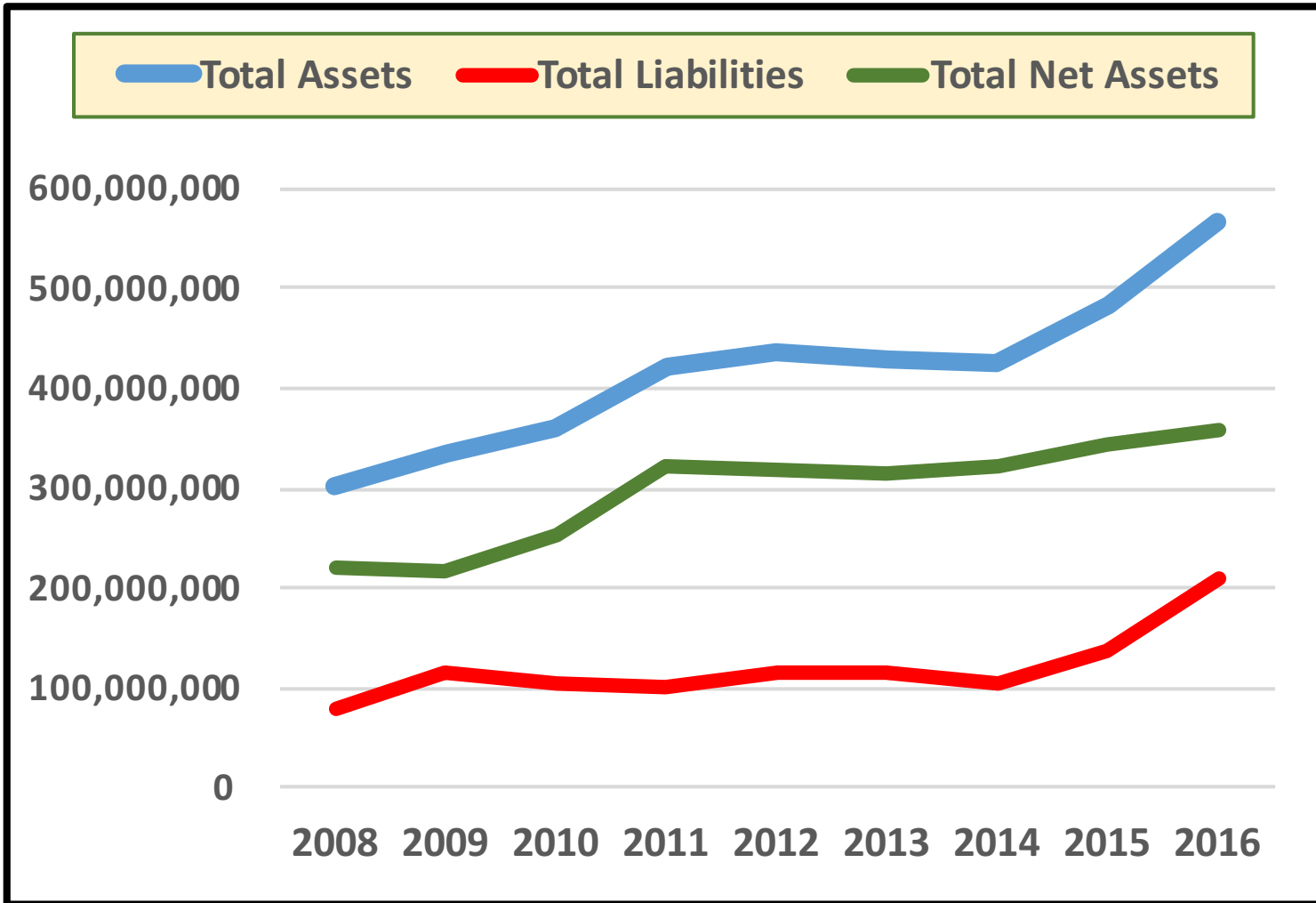
**Does the University
Have Money?
Ratio Analysis and
Bond Ratings**

EKU 2016 Balance Sheet

Source: Audited Financial Statements

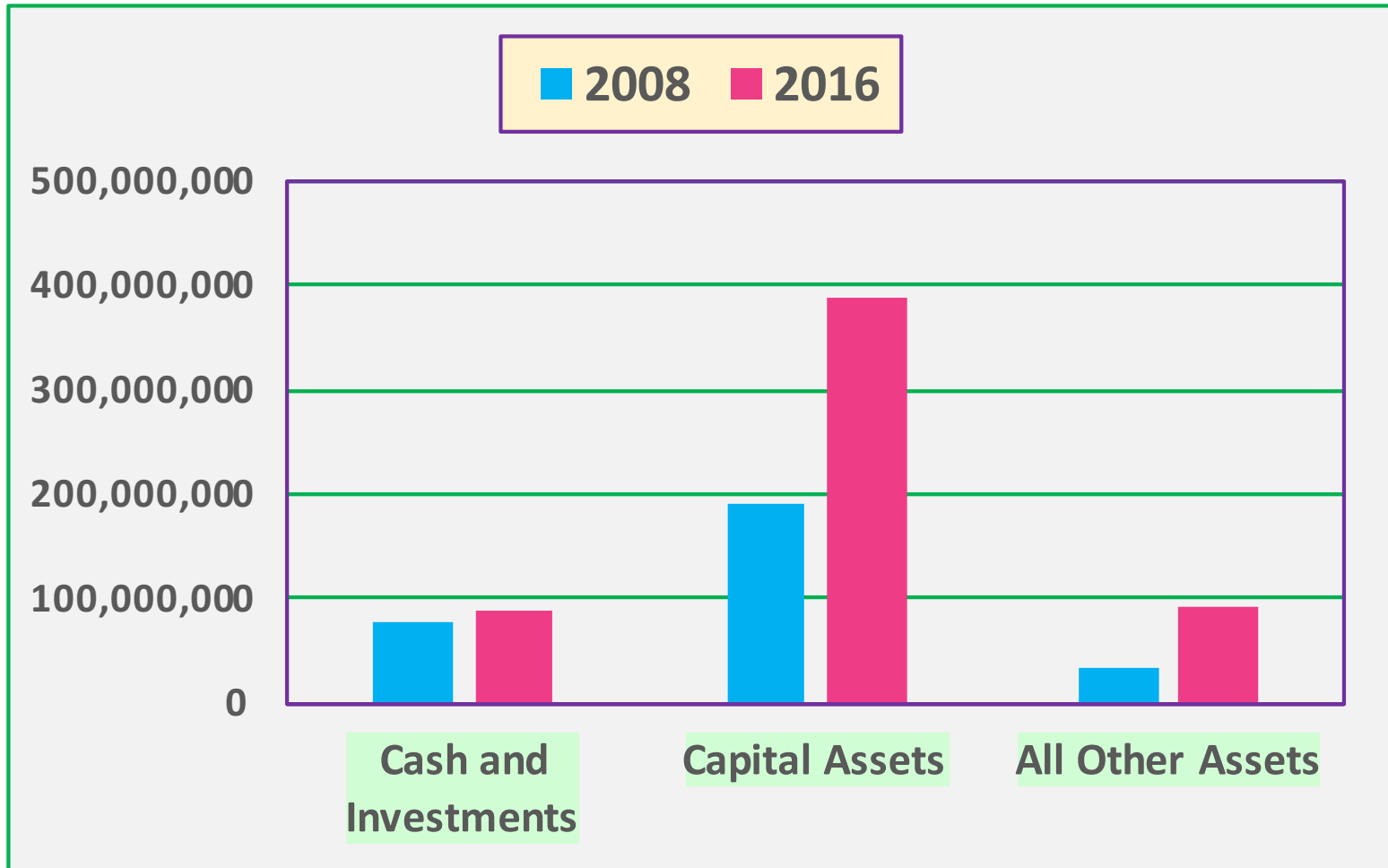


EKU Balance Sheet Over Time

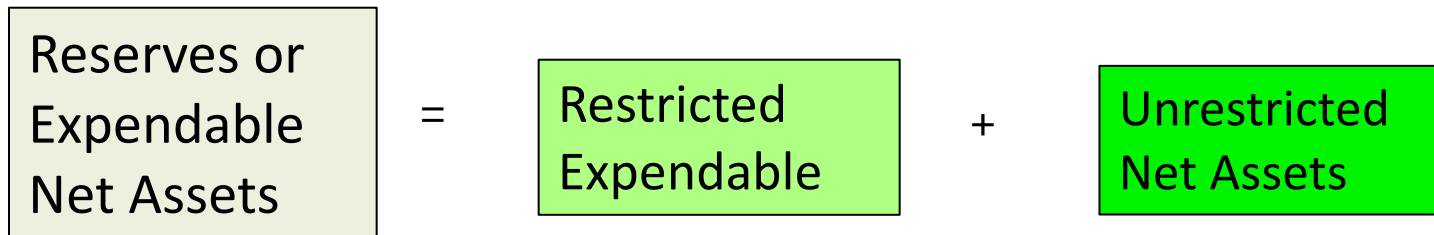
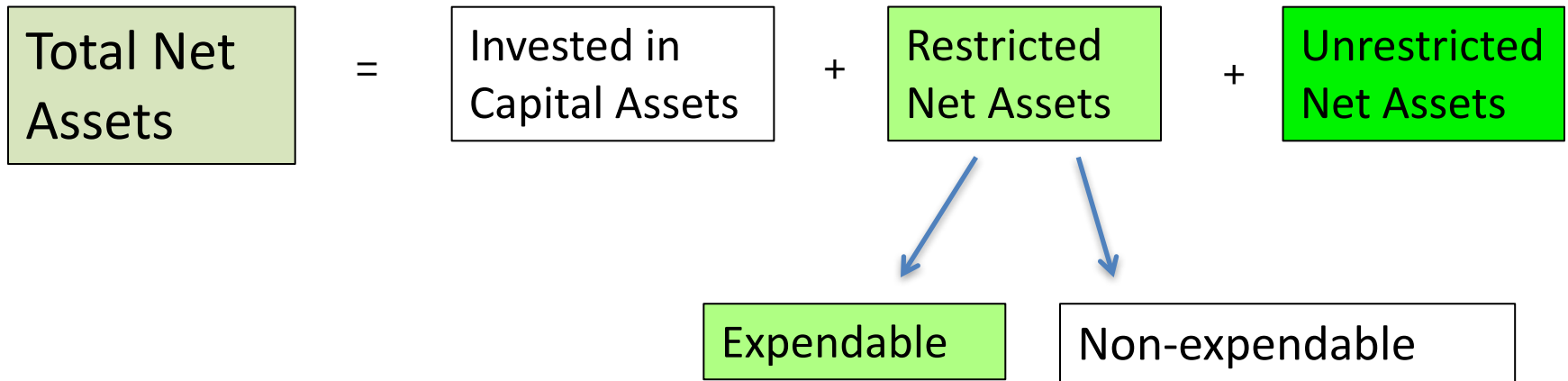


EKU: What is Behind the Increase in Assets? A Building Spree

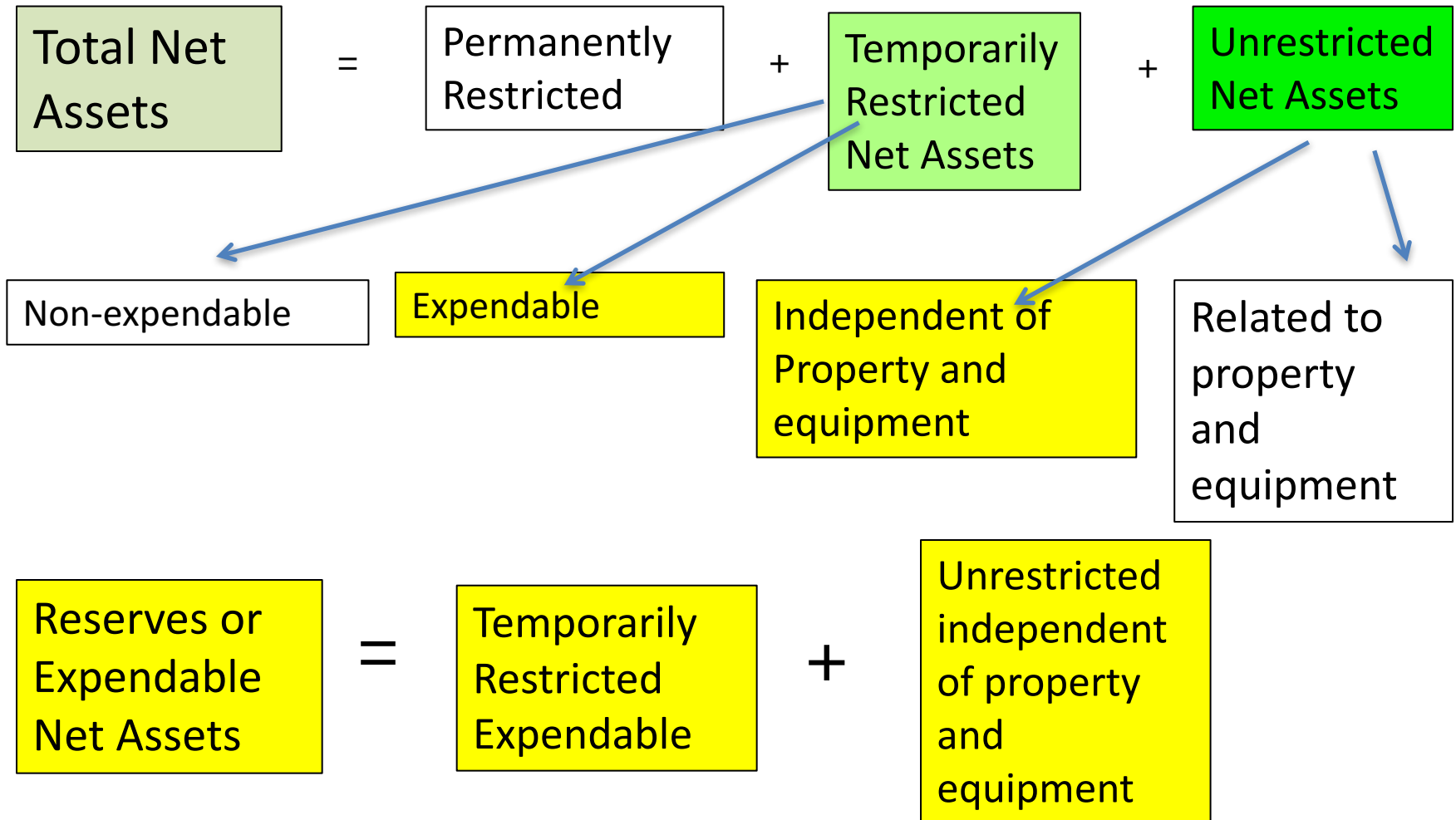
Source: Audited Financial Statements



Reserves in the Public Sector



Reserves in the Private Sector



EKU: Mechanics of Determining Reserves

Source: Audited Financial Statements, in Millions

Assets - Liabilities = Net Assets	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total Assets	300.6	333.2	358.4	420.4	436.5	429.2	424.4	482.4	567.9
Total Liabilities	80.2	115.8	105.4	99.9	116.3	114.2	103.7	138.2	211.4
Total Net Assets	220.5	217.3	253.0	320.4	320.3	315.0	320.7	344.2	356.5
Components of Net Assets	2008	2009	2010	2011	2012	2013	2014	2015	2016
Invested in Capital Assets	137.7	130.8	189.7	230.9	221.5	233.3	236.4	244.1	288.5
Restricted Nonexpendable	12.2	12.2	12.2	12.2	12.2	12.2	11.5	11.5	11.5
Restricted Expendable	23.7	29.0	14.1	37.7	43.0	26.0	23.8	21.9	11.7
Unrestricted	46.9	45.4	37.0	39.5	43.6	43.5	49.0	66.7	44.9
Total Net Assets	220.5	217.3	253.0	320.4	320.3	315.0	320.7	344.2	356.5
What counts as reserves from net assets	2008	2009	2010	2011	2012	2013	2014	2015	2016
Unrestricted	46.9	45.4	37.0	39.5	43.6	43.5	49.0	51.8	44.9
Restricted Expendable	23.7	29.0	14.1	37.7	43.0	26.0	23.8	21.9	11.7
Total Reserves	70.5	74.3	51.1	77.3	86.5	69.4	72.9	73.7	56.6

What is Going on With Pensions in the Public Sector?

- **GASB 68 was implemented in 2015, which had the effect of putting the pension liability on the balance sheet of WMU. Previously, this liability was not on the balance sheet. Almost all public universities have done the same thing, as this is a required accounting standard.**
- **What does it mean? Not much, as this is a “soft” liability**
- **Result: The cash amounts are completely unaffected by the adoption of the new accounting standard**

Detail on Pensions for CSN

As Reported, In Millions	2014	2015	
Assets	288.9	282.5	
Liabilities	31.7	85.4	
Net Assets	257.2	197.1	
Net Asset Breakdown	2014	2015	
Invested in Capital Assets	202.2	201.9	
Restricted Nonexpendable	2.4	2.4	
Restricted Expendable	16.5	10.5	
Unrestricted	36.0	(17.7)	
Total Net Assets	257.2	197.1	
2015 in Millions	As Reported	Pension Adjustment	True Numbers
Assets	282.5	0.0	282.5
Liabilities	85.4	(50.2)	35.2
Net Assets	197.1	50.2	247.3
Net Asset Breakdown, 2015	As Reported	Pension Adjustment	True Numbers
Invested in Capital Assets	201.9	0.0	201.9
Restricted Nonexpendable	2.4	0.0	2.4
Restricted Expendable	10.5	0.0	10.5
Unrestricted	(17.7)	50.2	32.5
Total Net Assets	197.1	50.2	247.3

Management's Own Spin on NKU Finances

From the 2015 audited statements

President Mearns:

- **“Notwithstanding the impact of the new pension reporting requirements on the University’s unrestricted net position, the University continues to show solid operating performance as measured by cash flows.**
- **Management is continuing its efforts to diversify revenue sources, contain costs, and redirect resources to core mission priorities.**
- **The University is engaged in a process to develop a new budget model that will further enhance these efforts.”**

Why Do We and Bond Agencies Omit the Pension Liabilities of Individual Institutions?

- WMU paid into the defined benefit pension plan (MSPERS) and the OPEB plans in 2016; this cash outlay has always been recorded as an expense and a cash payment, and will continue that way
- The liability is new: in 2015, a \$81 million liability was added to WMU's balance sheet.
- In 2008, the OPEB liability was added. We omit these for 4 good reasons:
 - WMU, in their own words, states that “the University's unrestricted net position calculated without these liabilities continues to be positive”
 - The amount is soft, subject to assumptions; a 1% change in the discount rate will change the liability by \$20 million
 - The bond rating agencies did not change a single institution's bond rating due to this accounting change
 - The state is really the final backstop of this pension plan, not WMU

California State University System Balance Sheet Analysis of Pensions

2015	With Pension	Pension Adj	Reality
Total Assets	13,422,832	0	13,422,832
Total Liabilities	13,598,552	(6,181,670)	7,416,882
Total Net Assets	(175,720)	6,181,670	6,005,950
Invested in Capital Assets	3,614,410	0	3,614,410
Restricted Nonexpendable	13,448	0	13,448
Restricted Expendable	82,280	0	82,280
Unrestricted	(3,885,858)	6,181,670	2,295,812
Total Net Assets	(175,720)	6,181,670	6,005,950
2016	With Pension	Pension Adj	Reality
Total Assets	14,397,771	0	14,397,771
Total Liabilities	14,356,546	(6,578,194)	7,778,352
Total Net Assets	41,225	6,578,194	6,619,419
Invested in Capital Assets	3,522,905	0	3,522,905
Restricted Nonexpendable	8,653	0	8,653
Restricted Expendable	119,896	0	119,896
Unrestricted	(3,610,229)	6,578,194	2,967,965
Total Net Assets	41,225	6,578,194	6,619,419

2016 Reserve Analysis for the CSU System

	Per Admin	Reality
Unrestricted Reserves	(3,610,229)	2,967,965
Total Expenses	7,328,256	7,328,256
Primary Reserve Ratio	n/a	41%
Months of Expenses in Reserves	n/a	4.9

- As we will see, the current CSU Bond rating refers to solid unrestricted liquidity as a major factor in the Aa2 bond rating.
- There is no way the bond raters consider the reserves negative. This is external confirmation that the pension liability is soft and really a liability of the state

Undesignated and Designated Components of Unrestricted Net Assets

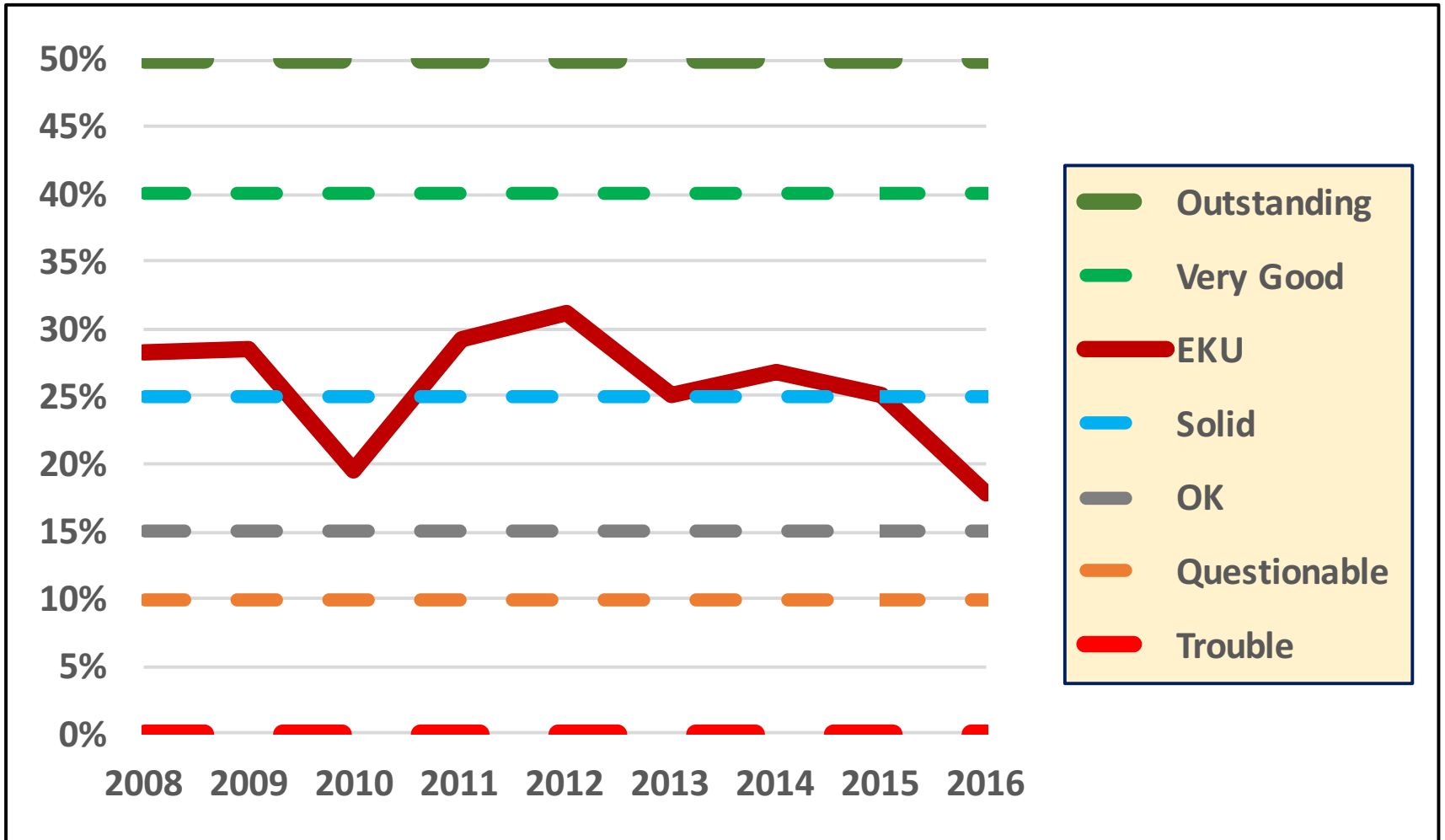
- Administrators are coming up with a new one: unrestricted net assets are really spoken for. They break up unrestricted into “designated” and “undesignated”
- This is a distinction without meaning; the admins will claim that everything is spoken for. However, if there was a real no-way-you-can-get-out-of-it contract, the amounts would be in the restricted expendable category.
- **Bottom line: Unrestricted is unrestricted**
- **Bottom line: The bond rating agencies still consider unrestricted to be unrestricted**

Are These Reserves Large?

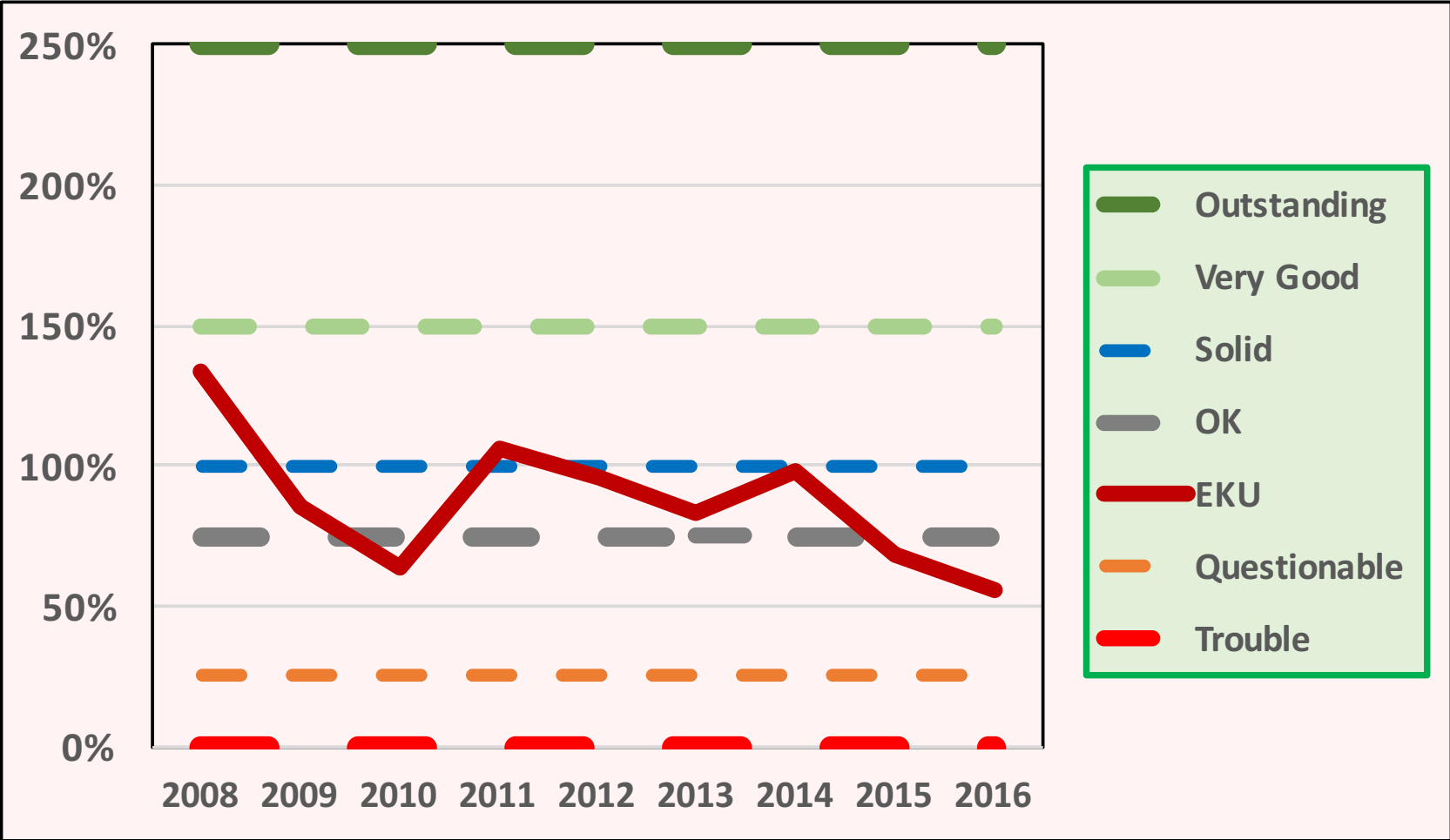
Primary Reserve and Viability Ratios

	Primary Reserve Ratio	Viability Ratio
Numerator	Total Reserves	Total Reserves
Denominator	Total Expenses	Total Debt

EKU Primary Reserve Ratio in Context: Solid to Decent Level of Reserves



EKU Viability Ratio in Context: Lots of Debt to Finance the Building Spree



Two More Ratios: Revenues vs. Expenses and Cash Flows

	Net Income or Net Asset Ratio	Cash Flow Ratio
Numerator	Change in Net Assets	Operating Cash Flows
Denominator	Total Revenues	Total Revenues

What is the Difference Between The Change in Net Assets and Cash Flows?

The change in net assets = Total Revenues – Total Expenses for the year; Total net assets (some of which are reserves) get built up if the change in net assets is positive

+

Add back depreciation expense and other non-cash expenses

Add or subtract paper gains on investments

=

Operating Cash Flows; This includes all cash coming in, less all cash going out for recurring items

WMU Operating Performance:

Net Asset Ratio = Change in Net Assets / Total Revenues

Year	Total Revenues	Total Expenses	Change in Net Assets	Net Asset Ratio
2006	452.7	437.4	15.3	3.4%
2007	447.0	445.1	1.9	0.4%
2008	479.0	492.4	(13.4)	-2.8%
2009	483.4	498.4	(15.0)	-3.1%
2010	501.7	494.8	6.8	1.4%
2011	538.6	508.4	30.2	5.6%
2012	563.6	522.3	41.3	7.3%
2013	580.2	558.0	22.3	3.8%
2014	569.7	555.5	14.2	2.5%
2015	549.0	542.3	6.7	1.2%
2016	573.3	592.1	(18.8)	-3.3%

- Anything over 5% is considered high
- However, the change in net assets includes paper gains and losses on investments, and non-cash depreciation expense
- Cash flows (next ratio) tell more of the story

WMU Operating Performance:

Cash Flow Ratio = Operating Cash Flows/ Revenues

Source: Audited Financial Statements

Year	Operating Cash Flows	Total Revenues	Cash Flow Ratio
2006	12.5	452.7	2.8%
2007	11.3	447.0	2.5%
2008	15.8	479.0	3.3%
2009	26.3	483.4	5.4%
2010	26.7	501.7	5.3%
2011	43.9	538.6	8.1%
2012	27.4	563.6	4.9%
2013	34.9	580.2	6.0%
2014	47.1	569.7	8.3%
2015	45.4	549.0	8.3%
2016	36.8	573.3	6.4%

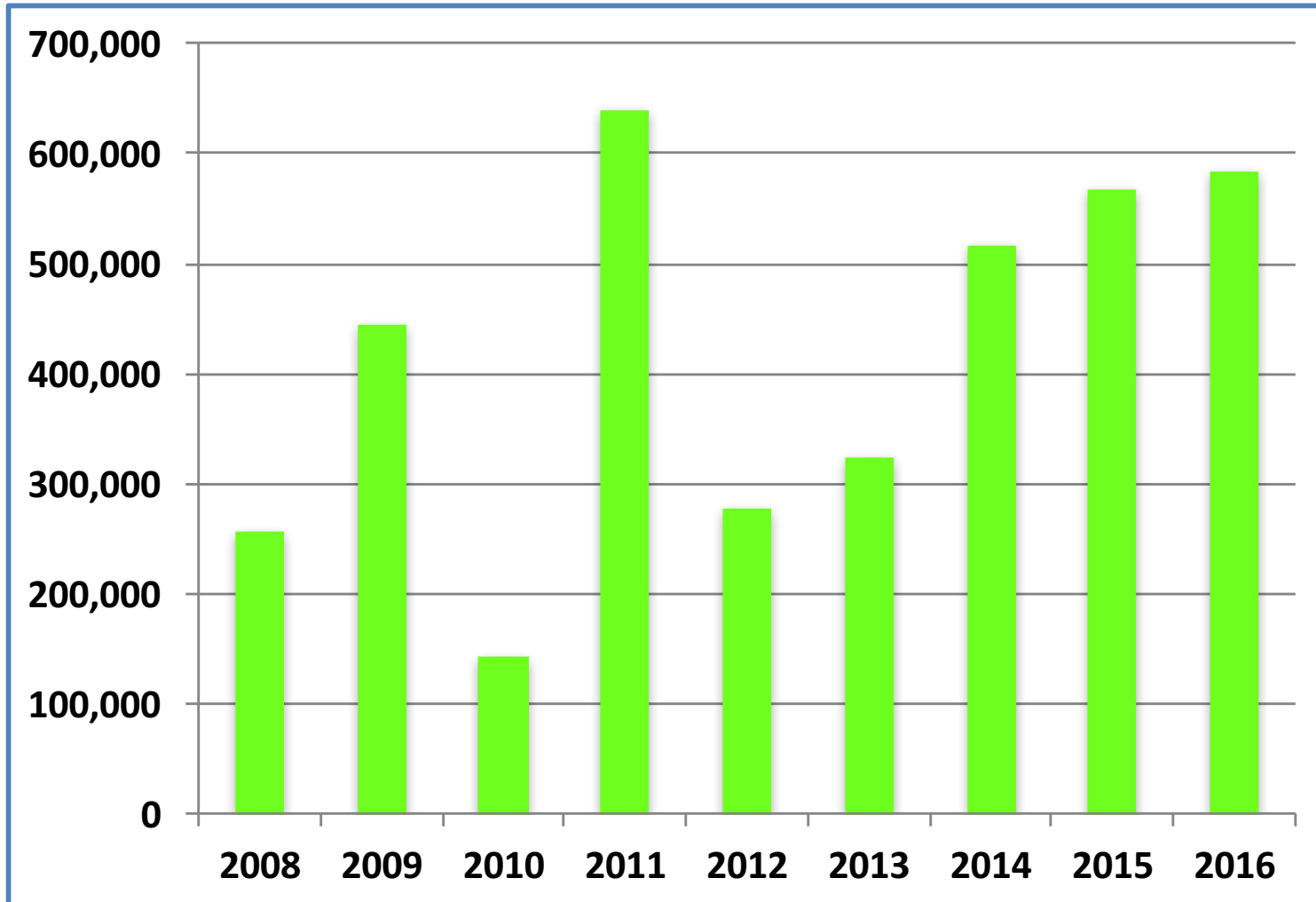
- Any ratio level over 5-6% is considered excellent
- Operating Cash Flows = cash flows from operations + State Appropriation
- Cash Flows from operations = cash from tuition and auxiliaries less payments to employees and vendors
- In 2016, WMU generated \$36.8 million of operating cash flows

Cal State System Cash Flows

Year	Cash Flows from Operations	Cash Flows from noncapital financing (state appropriation)	Interest Payments	Operating Cash Flows	Total Revenues	Cash Flow Margin
2008	(3,265,956)	3,659,180	(136,943)	256,281	6,282,986	4.1%
2009	(3,290,197)	3,886,718	(152,428)	444,093	5,673,724	7.8%
2010	(2,807,939)	3,142,290	(191,878)	142,473	6,137,206	2.3%
2011	(3,000,448)	3,850,088	(209,670)	639,970	6,088,750	10.5%
2012	(2,819,592)	3,299,146	(202,078)	277,476	6,165,552	4.5%
2013	(2,942,366)	3,477,174	(210,648)	324,160	6,375,178	5.1%
2014	(3,168,000)	3,900,000	(216,000)	516,000	6,820,816	7.6%
2015	(3,591,192)	4,378,539	(220,258)	567,089	7,354,446	7.7%
2016	(3,831,483)	4,635,199	(220,454)	583,262	7,774,774	7.5%

Cash Flows for the CSU System

Over ½ Billion of Excess Cash Flows in 2016!



Fichtenbaum-Bunsis Ratios

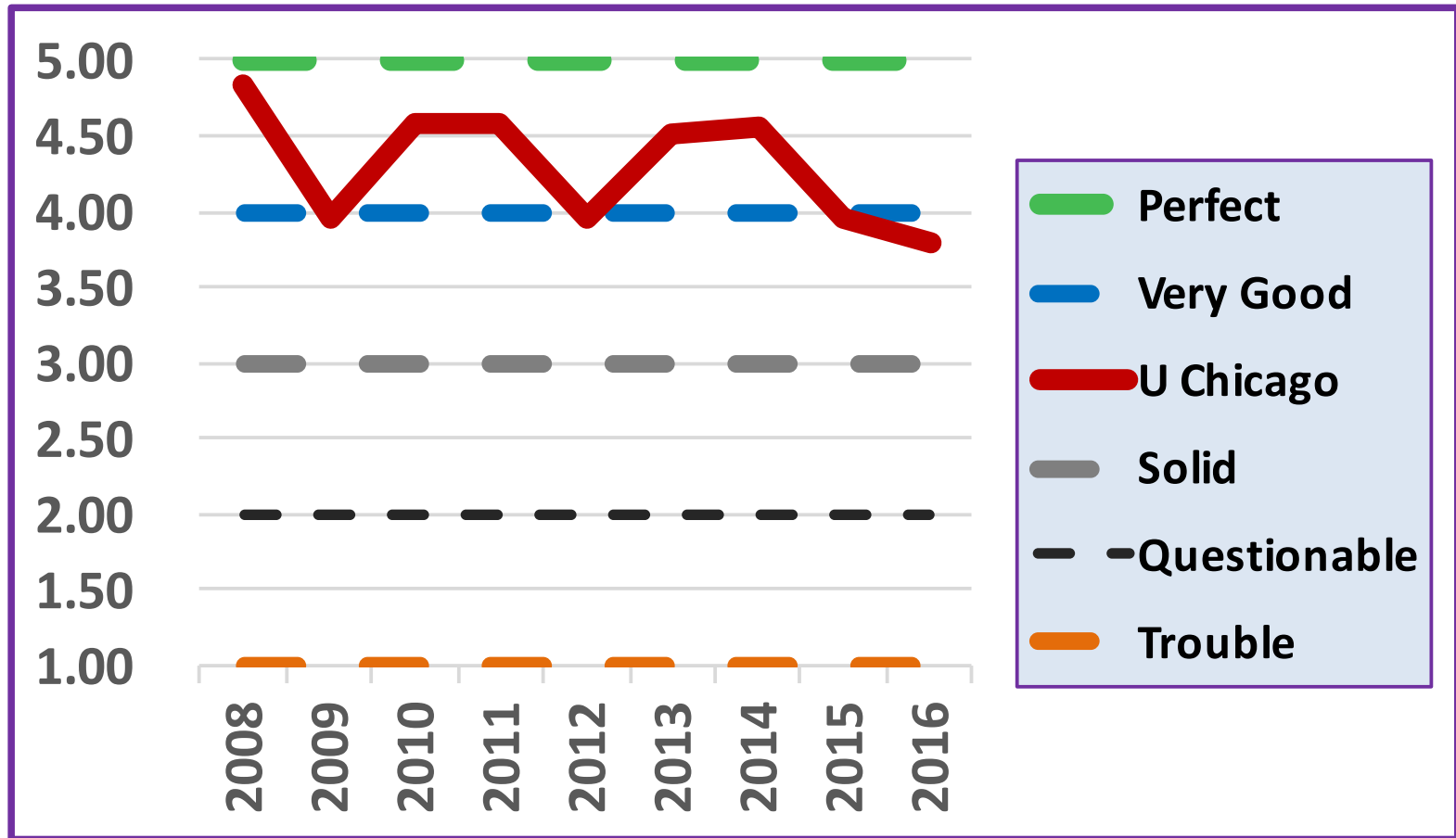
	Ratio Scores					
	0	1	2	3	4	5
Primary Reserve Ratio	< -10%	-10% to 4.99%	5.00% to 9.99%	10.00% to 24.99%	25.00% to 49.99%	> 50%
Viability Ratio	< 0%	0% to 29.99%	30.00% to 59.99%	60.00% to 99.99%	100% to 249.99%	> 250%
Net Asset Ratio	< -5%	-5.00% to 0.00%	0.00% to 0.99%	1.00% to 2.99%	3.00% to 4.99%	> 5%
Cash Flow Ratio	< -5%	-5.00% to 0.00%	0.00% to 0.99%	1.00% to 2.99%	3.00% to 4.99%	> 5%

- The weights are 40.0%/22.5%/12.5%/25.0%
- A perfect score is 5
- To be in financial exigency, there needs to be two consecutive years below 1.75

Ratio Scores for University of Chicago

Values	2008	2009	2010	2011	2012	2013	2014	2015	2016
Primary Reserve	217%	78%	82%	91%	85%	79%	84%	78%	68%
Viability	290%	86%	83%	87%	79%	72%	79%	69%	58%
Net Asset	4.3%	-59.8%	15.7%	34.4%	-6.3%	11.5%	25.2%	-4.1%	-15.6%
Cash Flow	9.0%	9.7%	12.1%	12.5%	9.2%	6.7%	7.7%	7.6%	8.4%
Scores (out of 5)	2008	2009	2010	2011	2012	2013	2014	2015	2016
Primary Reserve	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Viability	4.77	3.16	3.09	3.17	2.98	2.80	2.99	2.73	2.43
Net Asset	5.00	0.00	5.00	5.00	0.24	5.00	5.00	0.69	0.00
Cash Flow	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
	2008	2009	2010	2011	2012	2013	2014	2015	2016
Fichtentbaum-Bunsis Score	4.84	3.96	4.57	4.59	3.95	4.50	4.55	3.95	3.80

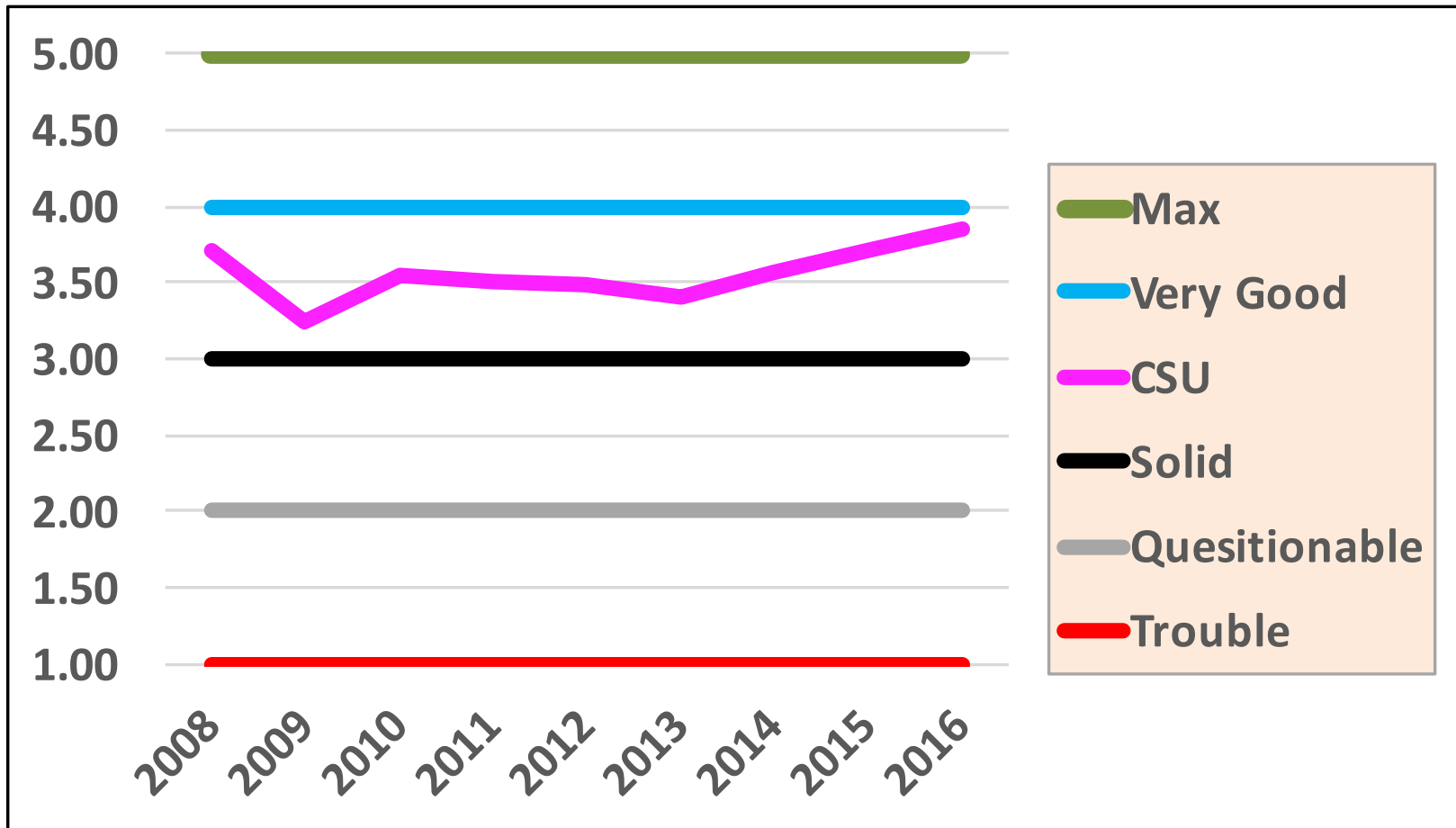
University of Chicago Ratio Scores Graphically



Ratio Scores for the CSU System

	2008	2009	2010	2011	2012	2013	2014	2015	2016
Primary Reserve Ratio	31%	26%	36%	33%	32%	31%	31%	33%	42%
Viability Ratio	61%	47%	57%	56%	54%	51%	54%	58%	57%
Cash Flow Ratio	4.1%	7.8%	2.3%	10.5%	4.5%	5.1%	7.6%	7.7%	7.5%
Net Asset Ratio	8.3%	-3.2%	8.3%	0.1%	-1.4%	-1.2%	0.9%	3.6%	2.8%
Primary Reserve Ratio	3.74	3.55	3.96	3.80	3.77	3.74	3.74	3.72	4.19
Viability Ratio	2.52	2.06	2.41	2.38	2.29	2.21	2.29	2.27	2.38
Cash Flow Ratio	4.04	5.00	3.16	5.00	4.25	5.00	5.00	5.00	5.00
Net Asset Ratio	5.00	0.85	5.00	1.55	1.21	1.26	2.38	3.68	3.40
Composite Score	3.70	3.24	3.54	3.50	3.49	3.40	3.56	3.71	3.84

Ratio Scores for the CSU System Graphically



California State University System Bond Rating

Aa2 or 3rd Highest Possible Rating on 2/3/2017

- **Strengths:**
 - excellent strategic position reflecting its scale as the nation's single largest four-year higher education system
 - exceptionally strong student demand,
 - **solid unrestricted liquidity**
 - solid operations
 - improved state funding from the State of California.
 - CSU's leadership's effective management of operations through periods of revenue constraint
- **Challenges:**
 - High leverage
 - Continued material reliance on state funding
 - Substantial post-retirement liabilities.

CSU System: The alleged Fixed Walls of Auxiliary Organizations

- The claim that the auxiliary orgs are off limits is self-imposed. The administration has consistently claimed that none of these funds are available for anything, per the law. However, these funds are real money, and the surpluses just build up reserves for the campuses.**
- By ignoring these funds, tuition is higher than it should be, the commitment to the core academic mission is lower than it should be, and the quality of education delivered to students is below the level that the true financial situation of CSU supports.**

Fixed Walls?

- The audited financial statements and websites of each organization reveal the control and discretion that each campus has over these organizations: Although UEC is a legally separate 501(c)(3) nonprofit corporation, it is a fully integrated part of the California State University San Bernardino campus.
- In 2012, when the CSU administration wanted to pay the presidents of the campuses additional compensation where did they allegedly get the money? From the allegedly off limits auxiliary organizations. The administration claims they received special dispensation from the legislature, but that was all political. There are guidelines, and the administration has great discretion in how these funds are spent
- Every other public university includes the majority these types of organizations in their main financial statements; student unions, grants, and contracts are all part of the accounting systems of the main organizations of every system. These auxiliary organizations are separate legal and accounting entities, but they are simply part of the university, and should be analyzed as such.

Financial Dealings Between the University and Auxiliaries at CSUSB

	2013	2014	2015	2016
Payments from discretely presented component units for salaries of personnel working on contracts, grants, and other programs	\$4,120,000	\$2,523,000	\$2,536,000	\$5,806,000
Payments from discretely presented component units for other than salaries	\$6,335,000	\$7,531,000	\$6,165,000	\$6,229,000
Payments to discretely presented component units for services, space, and programs	\$1,489,000	\$1,380,000	\$1,246,000	\$1,212,000
Gifts in kind from discretely presented component units	\$2,014,000	\$0	\$0	\$0
Accounts receivable from discretely presented component units	\$945,000	\$721,000	\$1,709,000	\$811,000
Accounts payable to discretely presented component units	(\$105,000)	(\$113,000)	(\$205,000)	(\$56,000)
Payments to the Office of the Chancellor for administrative activities	\$115,000	\$112,000	\$88,000	\$121,000
Payments to the Office of the Chancellor for state pro rata charges	\$489,000	\$469,000	\$458,000	\$326,000
Accounts receivable from the Office of the Chancellor	\$220,000	\$589,000	\$755,000	\$918,000
State lottery allocation received	\$1,574,000	\$1,111,000	\$1,259,000	\$1,752,000

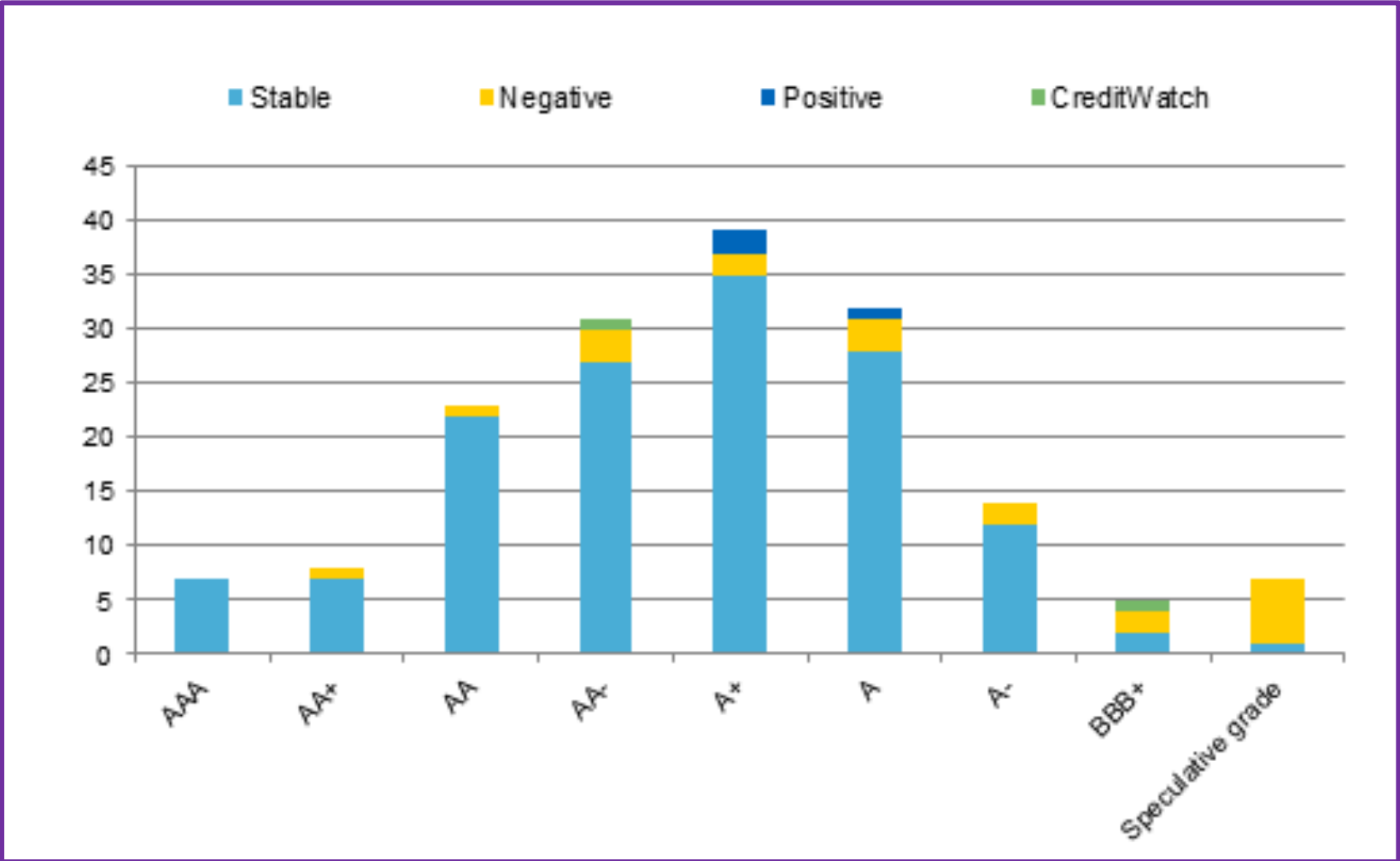
Different Ratio Constructs

	Fichtenbaum-Bunsis	Ohio Senate Bill 6 (Moody's)	Composite Financial Index (CFI per KPMG)
Primary Reserve	40.0%	50.0%	35.0%
Viability	22.5%	30.0%	35.0%
Net Asset	12.5%	20.0%	20.0%
Cash Flow	25.0%	0.0%	0.0%
Net Income Operations	0.0%	0.0%	10.0%
TOTAL	100.0%	100.0%	100.0%

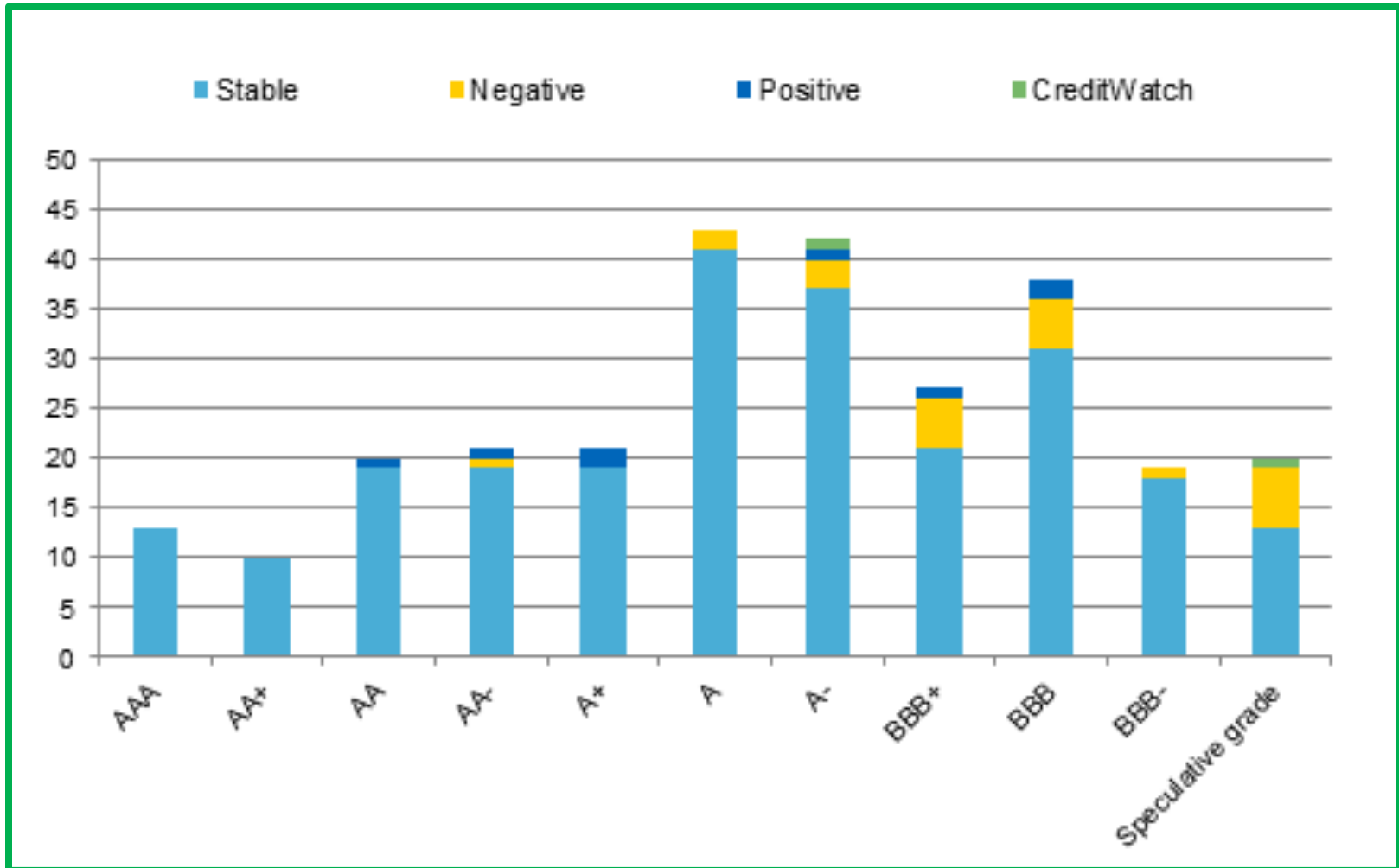
University of Michigan Bond Rating: Aaa on 12/19/2016

- **Strengths:**
 - **Consistent ability to translate its international brand into revenue growth**
 - **Excellent student demand**
 - **Growing philanthropic support**
 - **Large and diversified scale of operations combined with considerable financial reserves lends stability to the university's operating model.**
 - **While the university is highly capital intensive, debt levels will remain manageable given multiple sources of capital funding.**
 - **Operating performance should remain sound, bolstered by continued improvement at the health system.**
- **Challenge:**
 - **High reliance on patient care revenue that is susceptible to regulatory and government payer changes.**
- **The stable outlook incorporates our expectation that the university will maintain superior financial flexibility and solid liquidity relative to debt and operations.**

S&P Public University Bond Ratings As of 12/31/2016



S&P Private University Bond Ratings As of 12/31/2016



Private Universities in Trouble?

- **177 Private Colleges Fail Education Dept.'s Financial-Responsibility Test**
- **Chronicle of Higher Education**
- ***By Chris Quintana and Joshua Hatch* MARCH 08, 2017**
- **The department considers an institution's debt and assets, among other factors, in giving it a score ranging from -1 to 3. Scores lower than 1.5 are considered failing.**
- **The department's methodology in devising the scores has drawn sharp criticism in the past from some higher-education groups.**

**Where is the Money
Coming From:
Revenue Analysis**

Moody's Projections for 2017

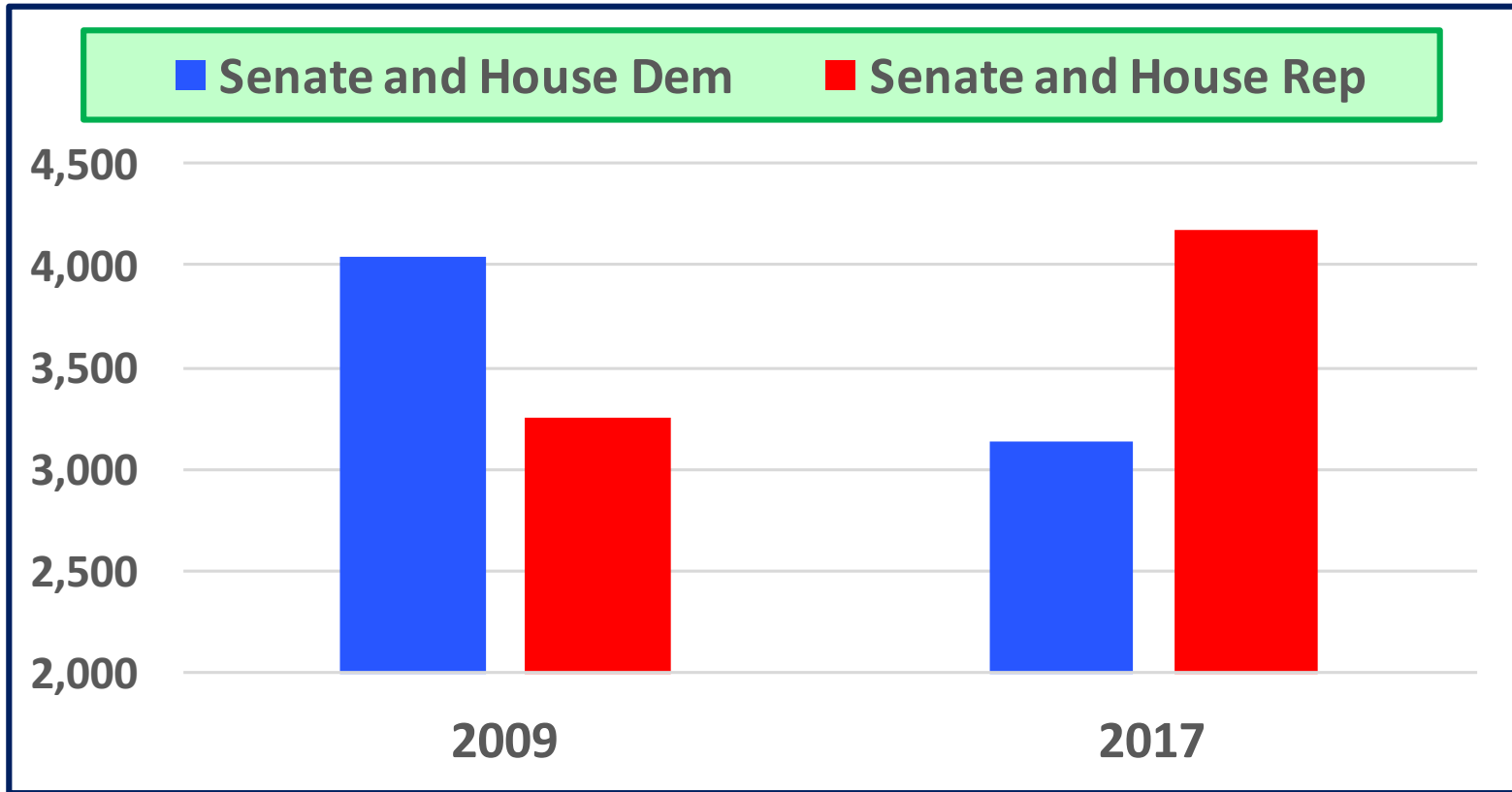
- **US not-for-profit higher education's diverse revenue sources and sound demand drive steady aggregate revenue growth**
06 Dec 2016
- **The 2017 outlook for the US higher education sector continues to be stable, reflecting the expectation of sustained aggregate revenue growth at or above 3% for not-for-profit four-year public and private colleges and universities, Moody's Investors Service says.**
- **"While demand for higher education remains sound and enrollment will stay strong, the continued focus on affordability and accountability will continue limiting net tuition growth to inflationary increases"**

More from Moody's

- **Moody's says it anticipates revenue levels will lead to steady operating cash flow margins in the 10%-12% range for most public universities and 12%-14% range for private universities.**
- **Other factors supporting the stable outlook includes 2-3% net tuition revenue growth amid solid enrollment for both public and private schools, incremental increases in state funding, steady research funding, and favorable academic medical center performance.**
- **Changes in state funding will vary widely for public universities and is contingent on individual economic conditions and policy priorities. Energy states like **Alaska** (Aa2 negative), **Louisiana** (Aa3 negative), and **West Virginia** (Aa1 negative) will face fiscal pressure, along with states with ongoing budgetary imbalances like **Illinois** (Baa2 negative) and **New Jersey** (A2 negative).**

Total Number of State Legislators, 2009 vs. 2017 (All U.S.)

Source: National Conference of State Legislatures



All U.S.	2009	2017	# Change	% Change
Senate and House Dem	4,047	3,135	(912)	-23%
Senate and House Rep	3,246	4,177	931	29%

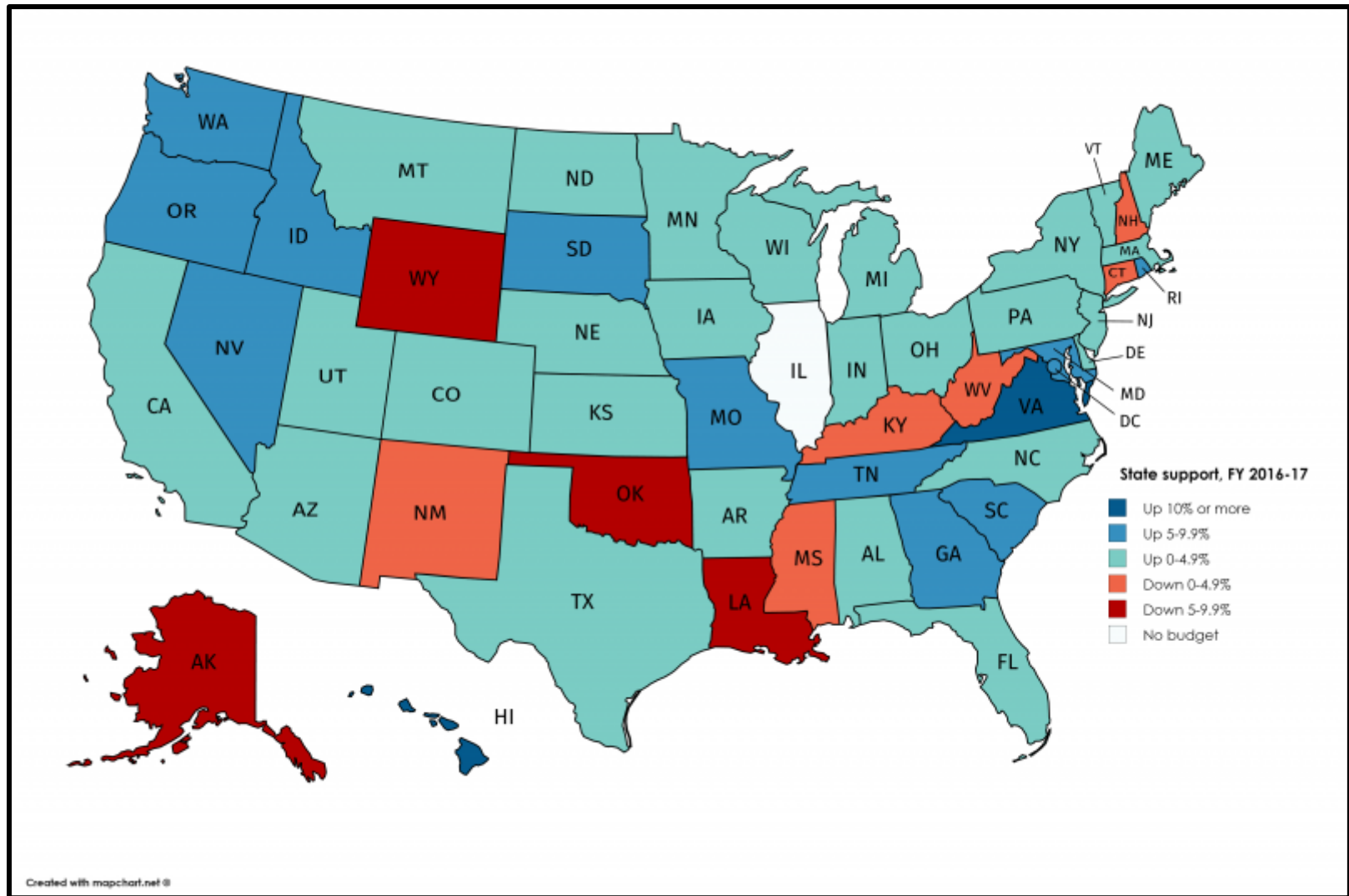
Makeup of Legislatures: Changes From 2009 vs. 2017

Source: National Conference of State Legislatures

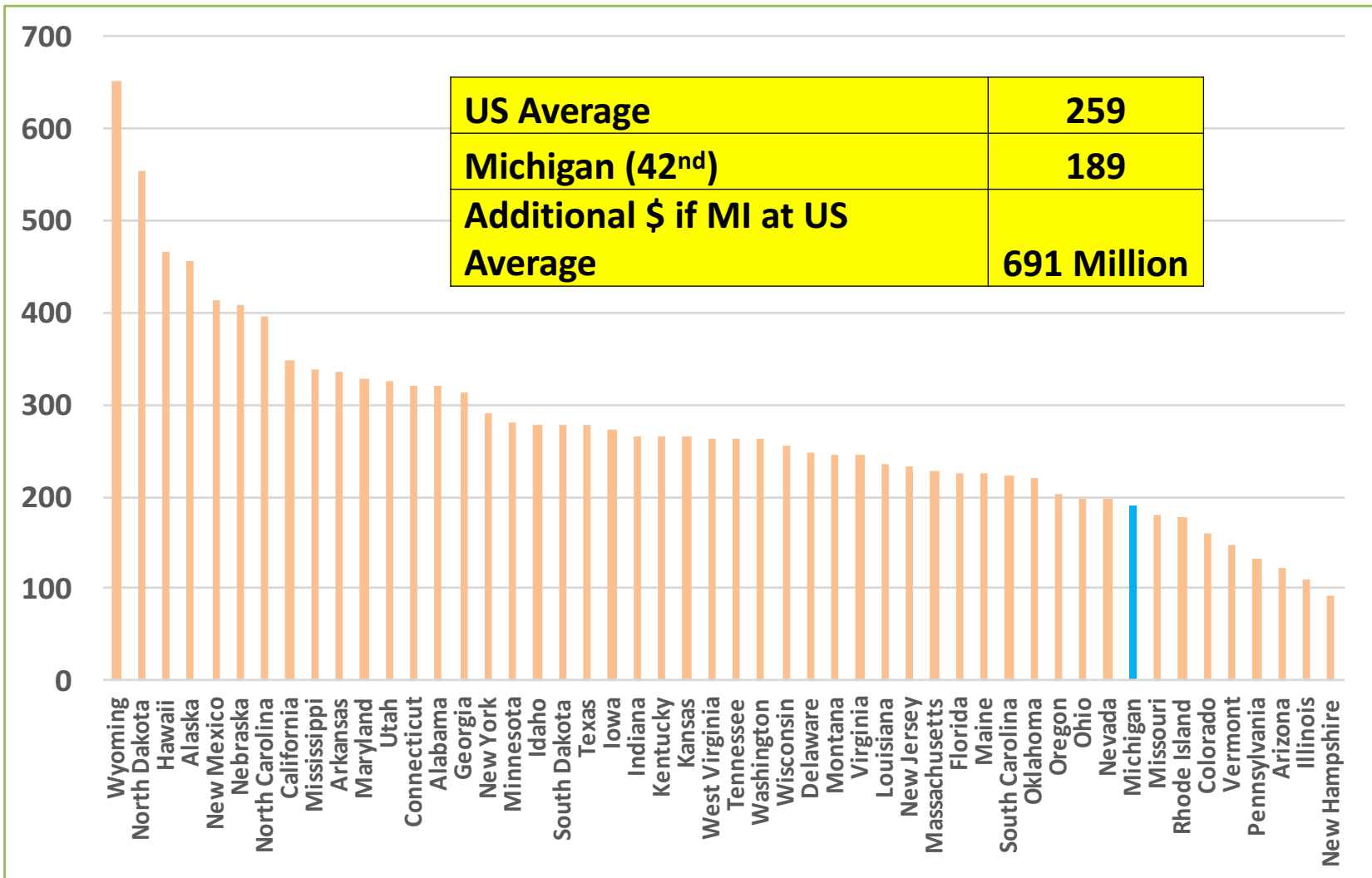
11 Midwestern States	2009	2017	Change
Governors	7-4	10-1	+6
State Senates	7-4	10-1	+3
State Houses	7-4	10-1	+6
All U.S.:	2009	2017	Change
Governors	26-24	33-16-1	+9.5
State Senates	28-21-1	36-14	+14.5
State Houses	34-15-1	33-17	+17.5
All U.S.:	2009	2017	Change
States All Red	9	25	+16
States Split	25	20	-5
States All Blue	16	5	-11
Michigan	2009	2017	Change
Michigan Senate	21-17	27-11	+6
Michigan House	67-43	63-47	+20

Change in State Support for Higher Education, 2016 to 2017

Source: Grapevine, 2/6/2017 – MI up 0 to 4.9%



MI Higher Ed Appropriation Per Capita vs. Other States: Levels per Grapevine, February 2017



Demographics Predictions

Source: Knocking at the College Door, December 2016 (cited by Snyder's Higher Ed summit)

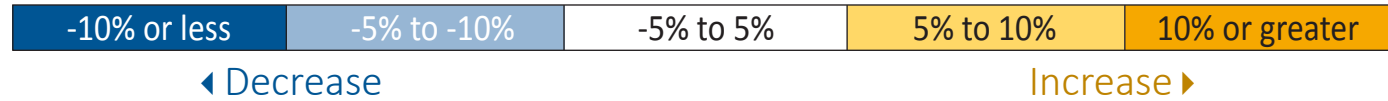
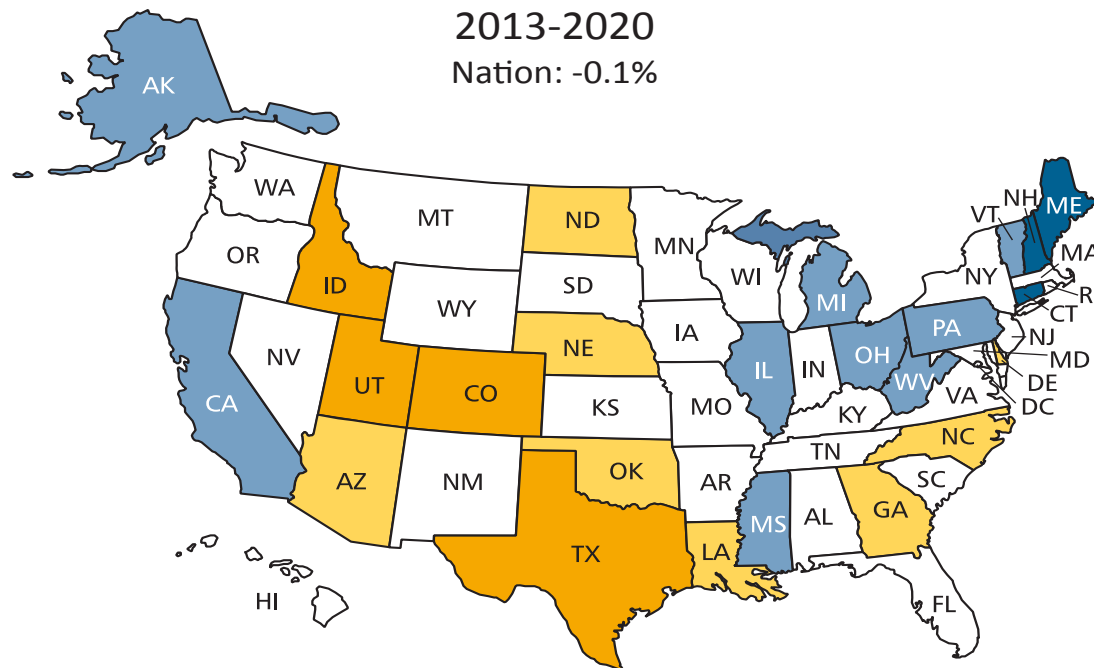


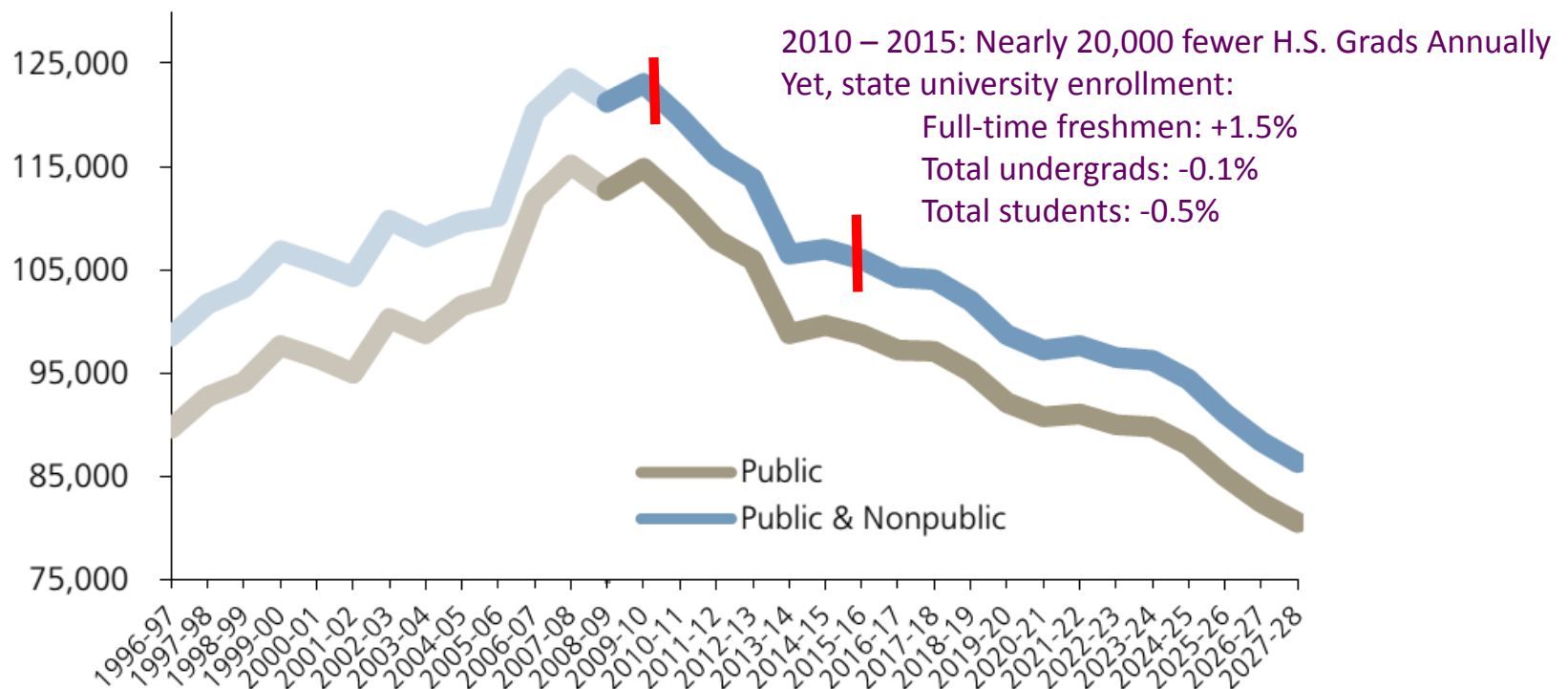
Figure 2.2. U.S. High School Graduating Classes, Percent Change from 2013 (Public Total)



Be Careful of Demographic Predictions

Source: Knocking at the College Door, 2016

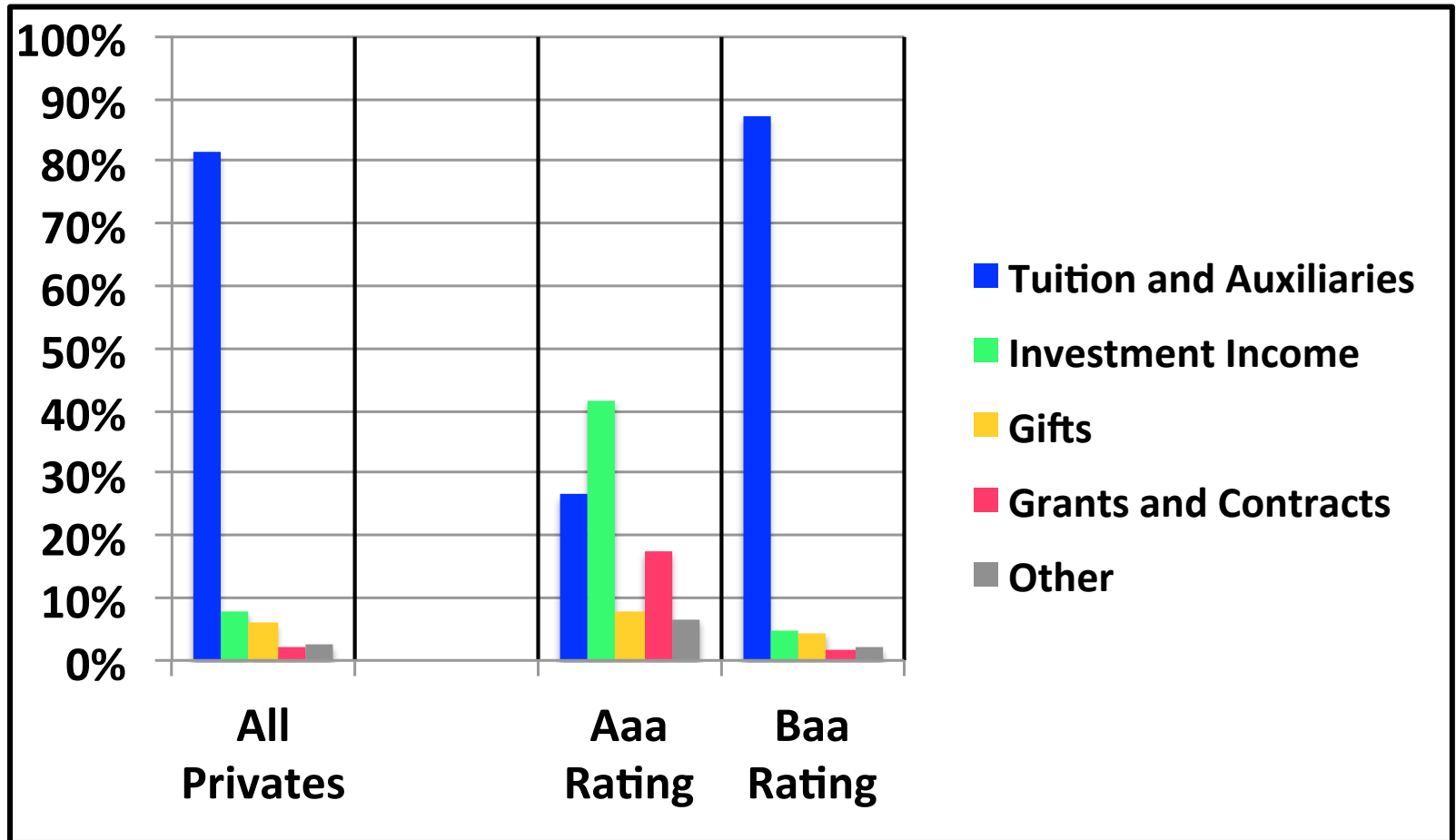
Production of High School Graduates in Michigan



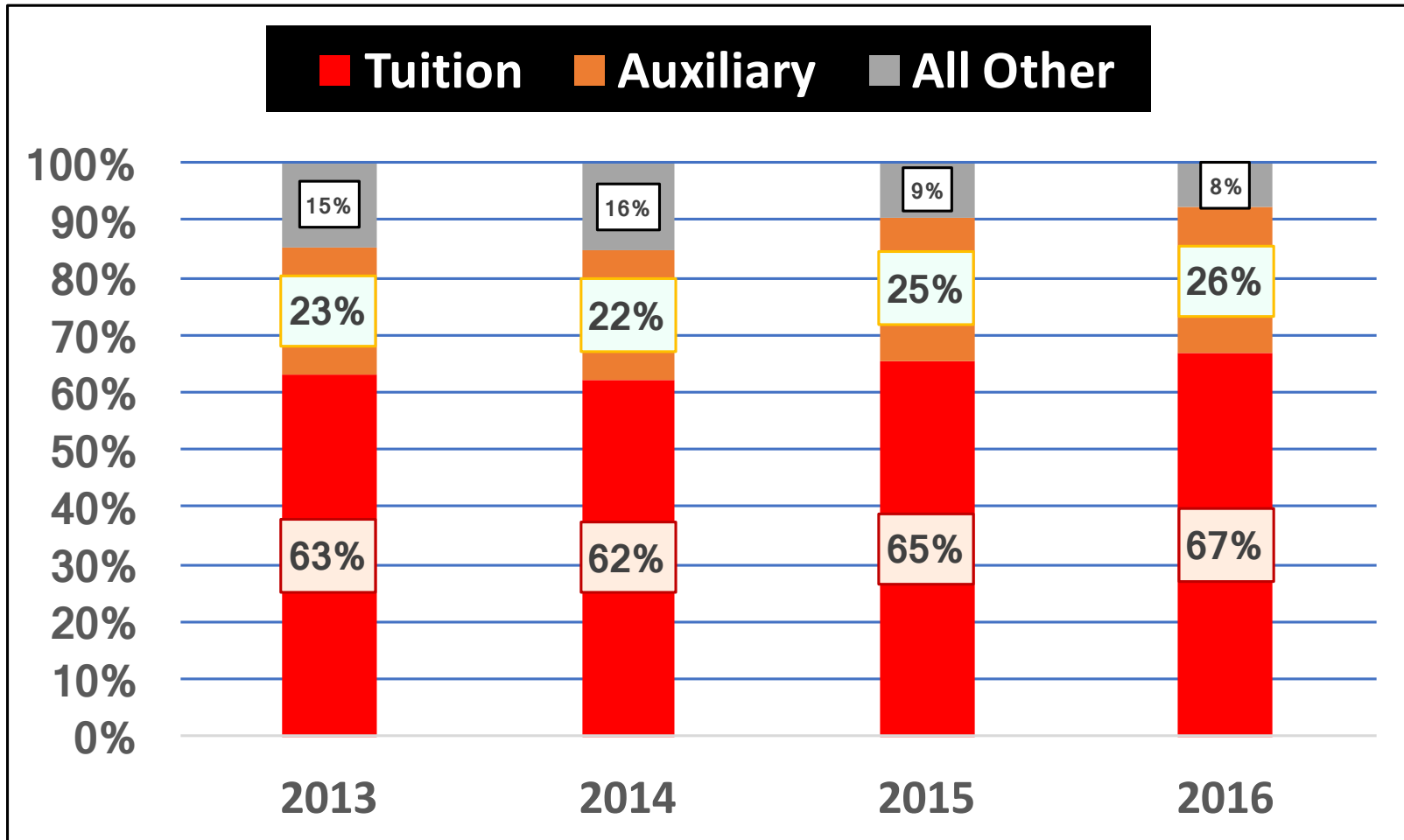
2016 State S&P Bond Ratings

AAA	AA+	AA	AA-	A+	A	A-	BBB
AK	ID	AL	CA	KY		NJ	IL
DE	MA	AZ	MI				
FL	MN	AR	PA				
GA	NM	CO	WV				
IN	NY	CT					
IA	OH	HI					
MD	OK	KS					
MO	OR	LA					
NE	SC	ME					
NC	TN	MS					
ND	VT	MT					
SD	WA	NV					
TX		NH					
UT		RI					
VA		WI					
WY							

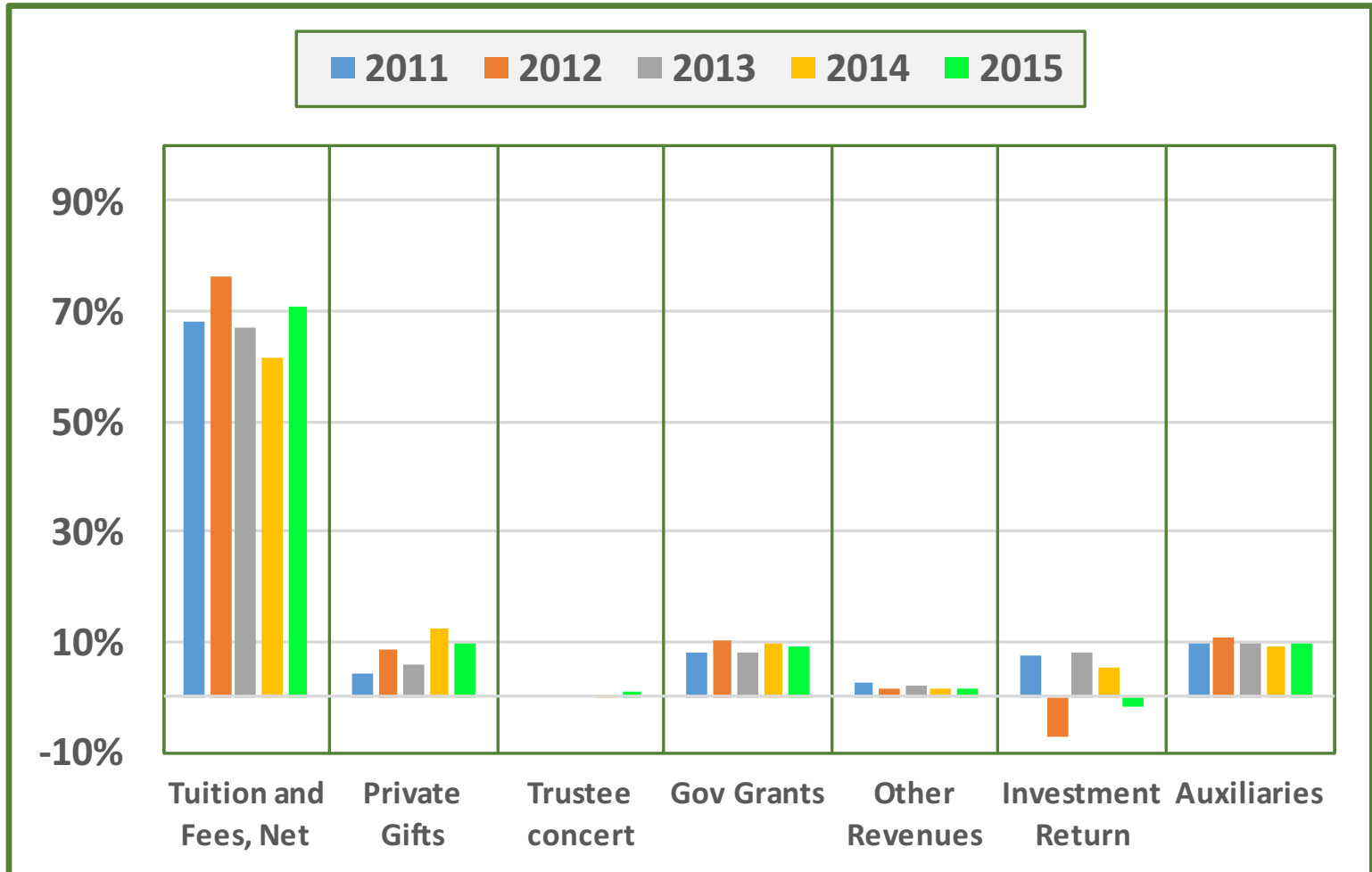
Revenue Distribution of All Privates; Source: Moody's



Delaware Valley University Revenue Distribution

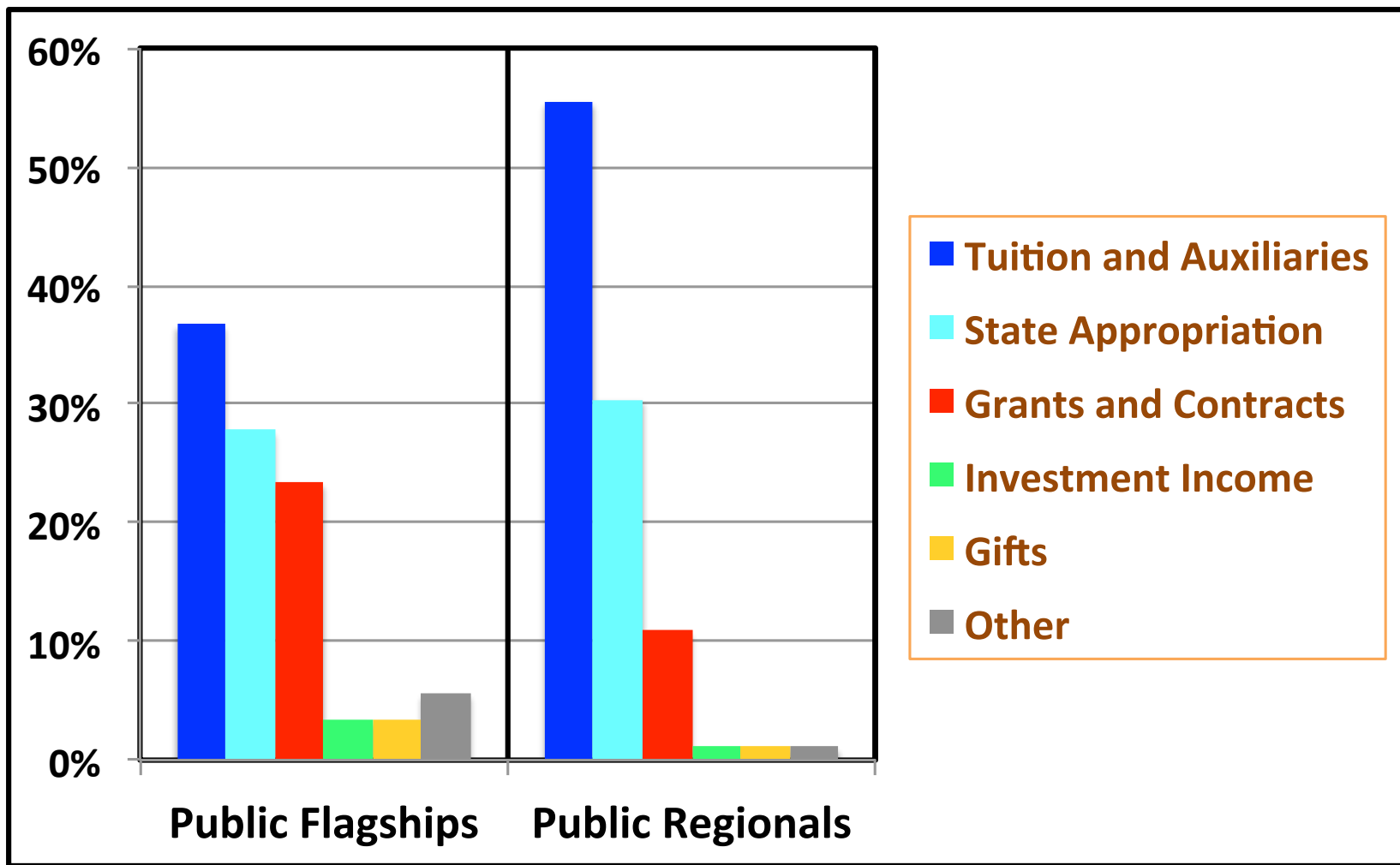


Dominican University Revenue Percentage Distribution



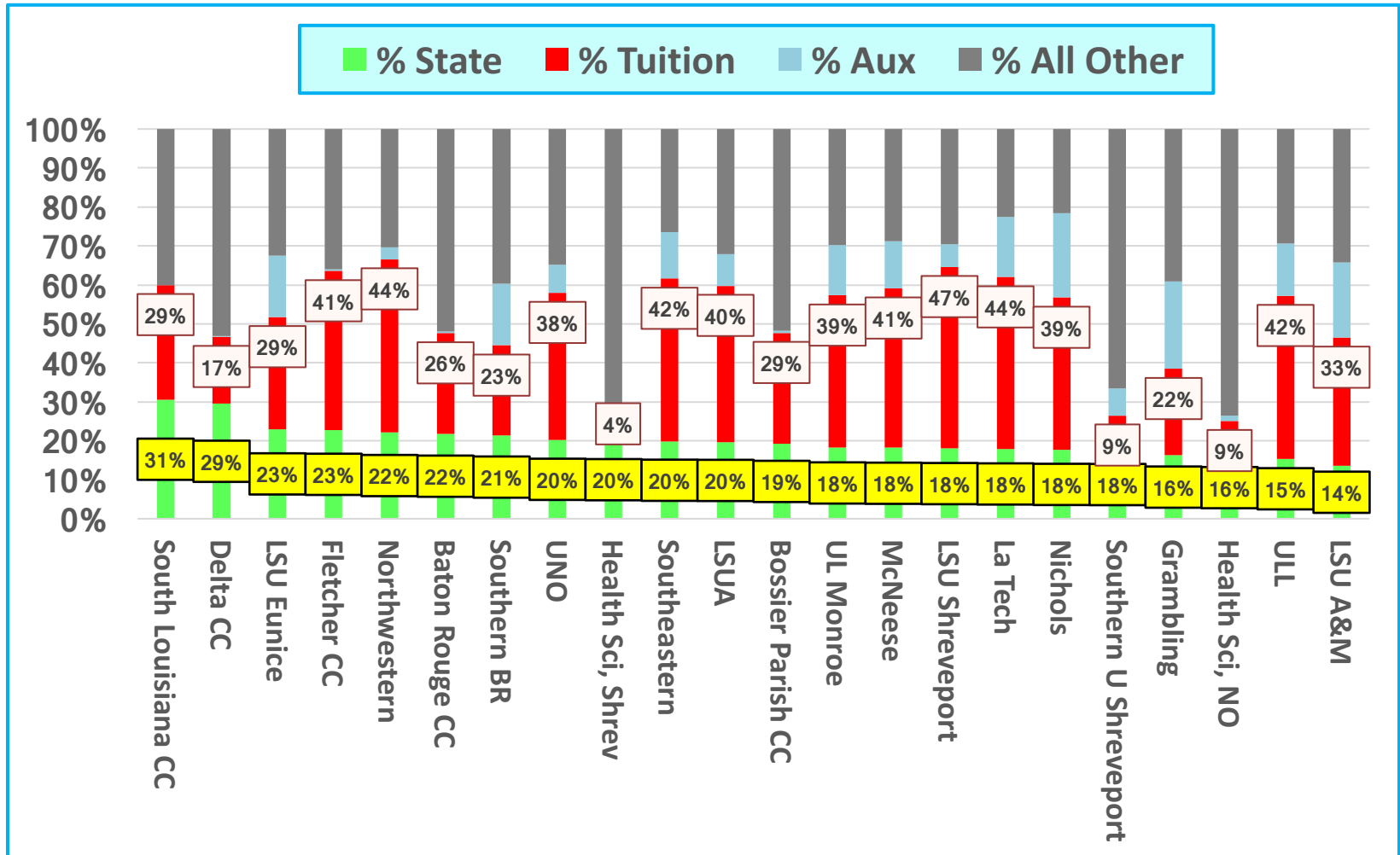
Revenue Distribution of Public Universities

Source: Moody's

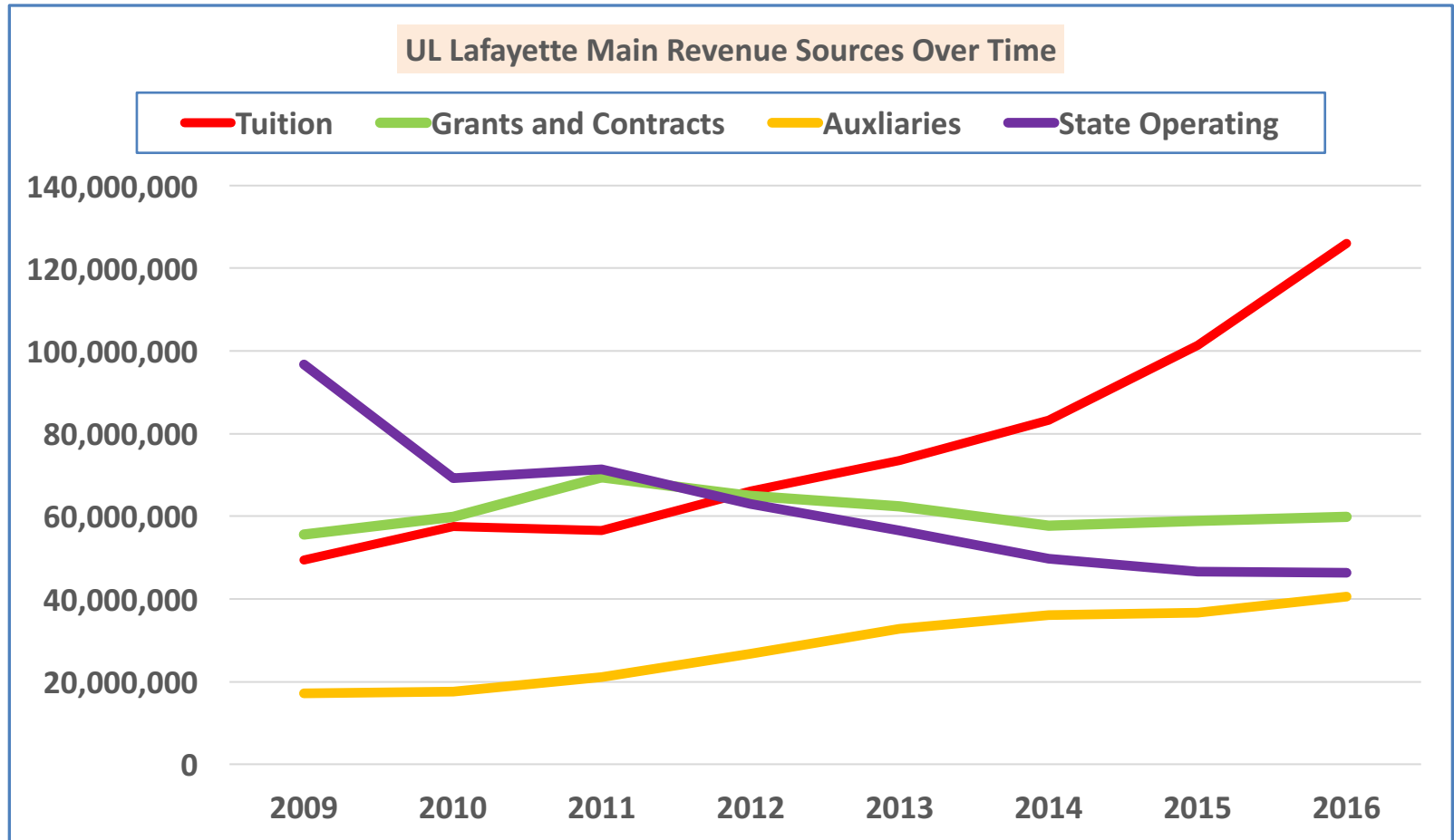


2016 Revenue Distribution of Louisiana Publics

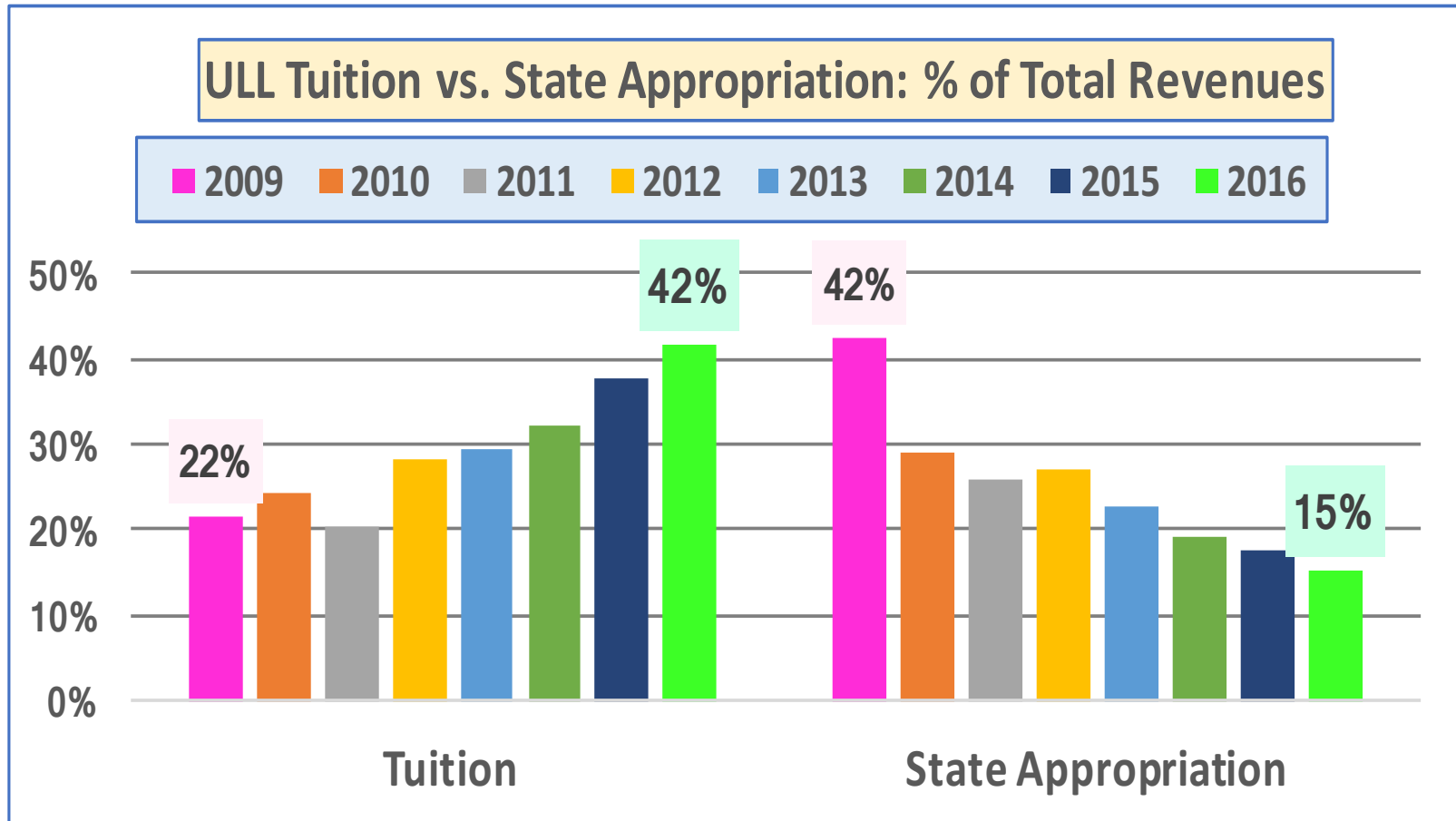
Source: System Audited Financial Statements



UL Lafayette Main Revenues Over Time

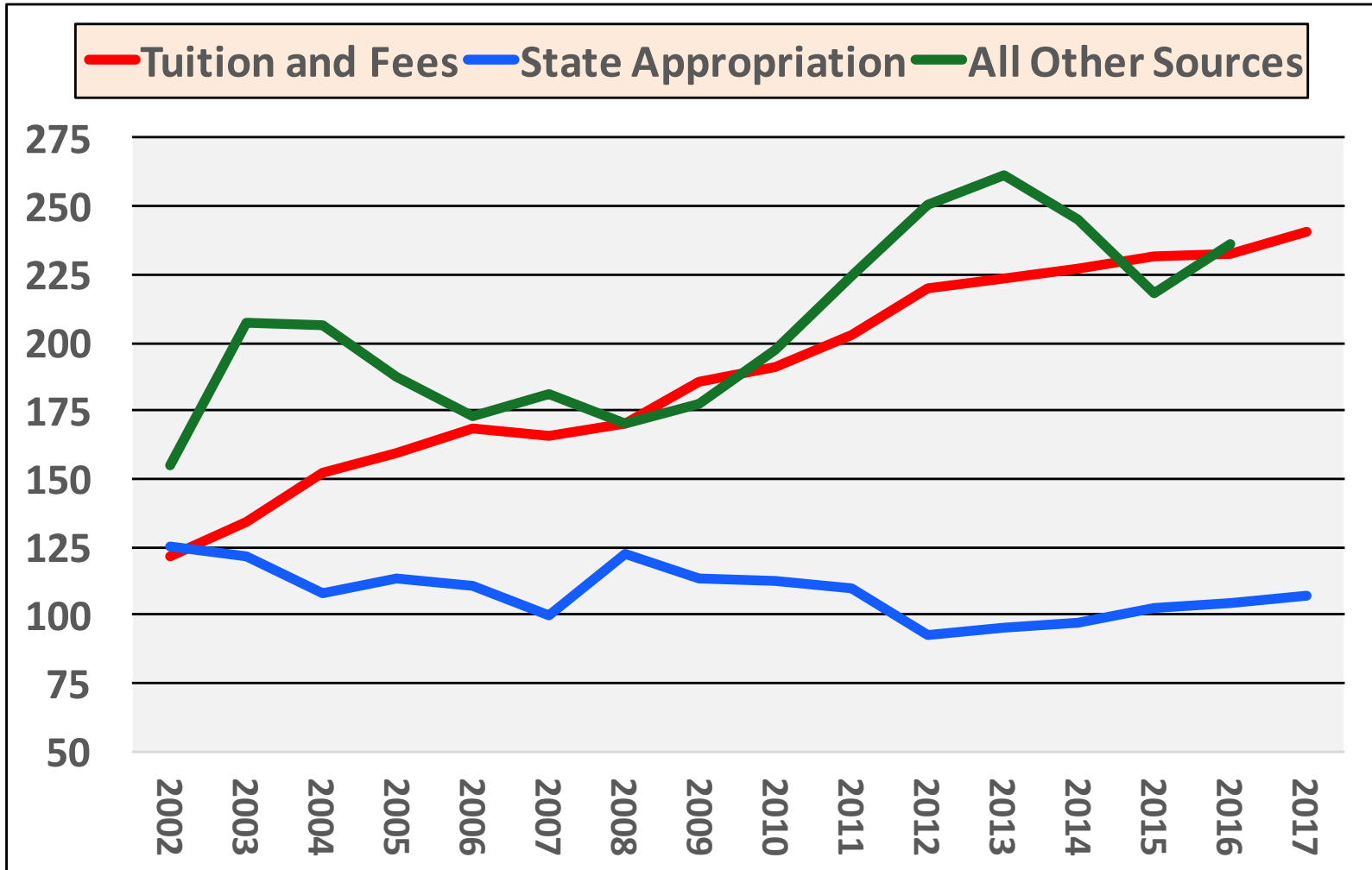


UL Lafayette Tuition vs. State

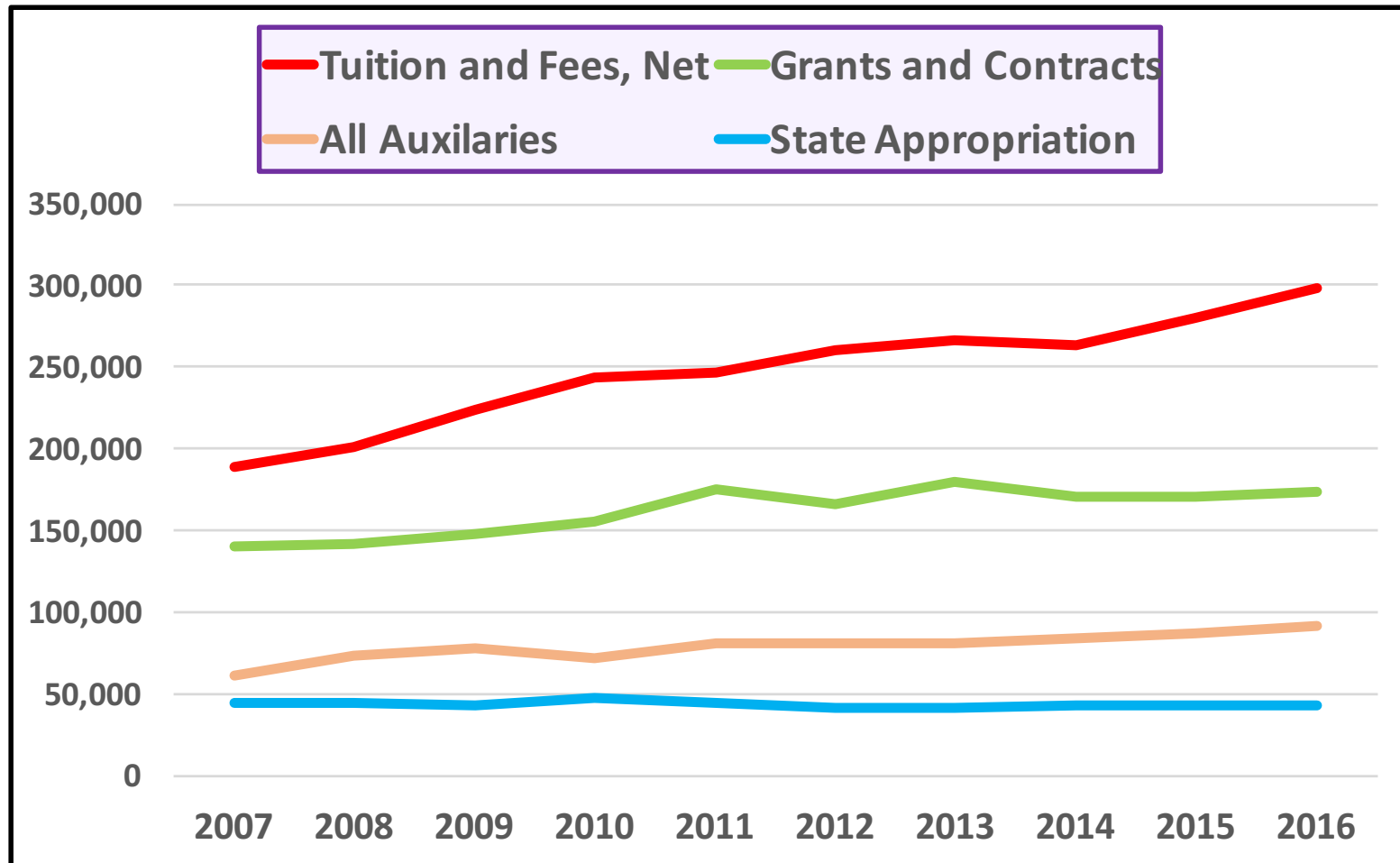


WMU Main Revenue Sources Over Time, in Millions

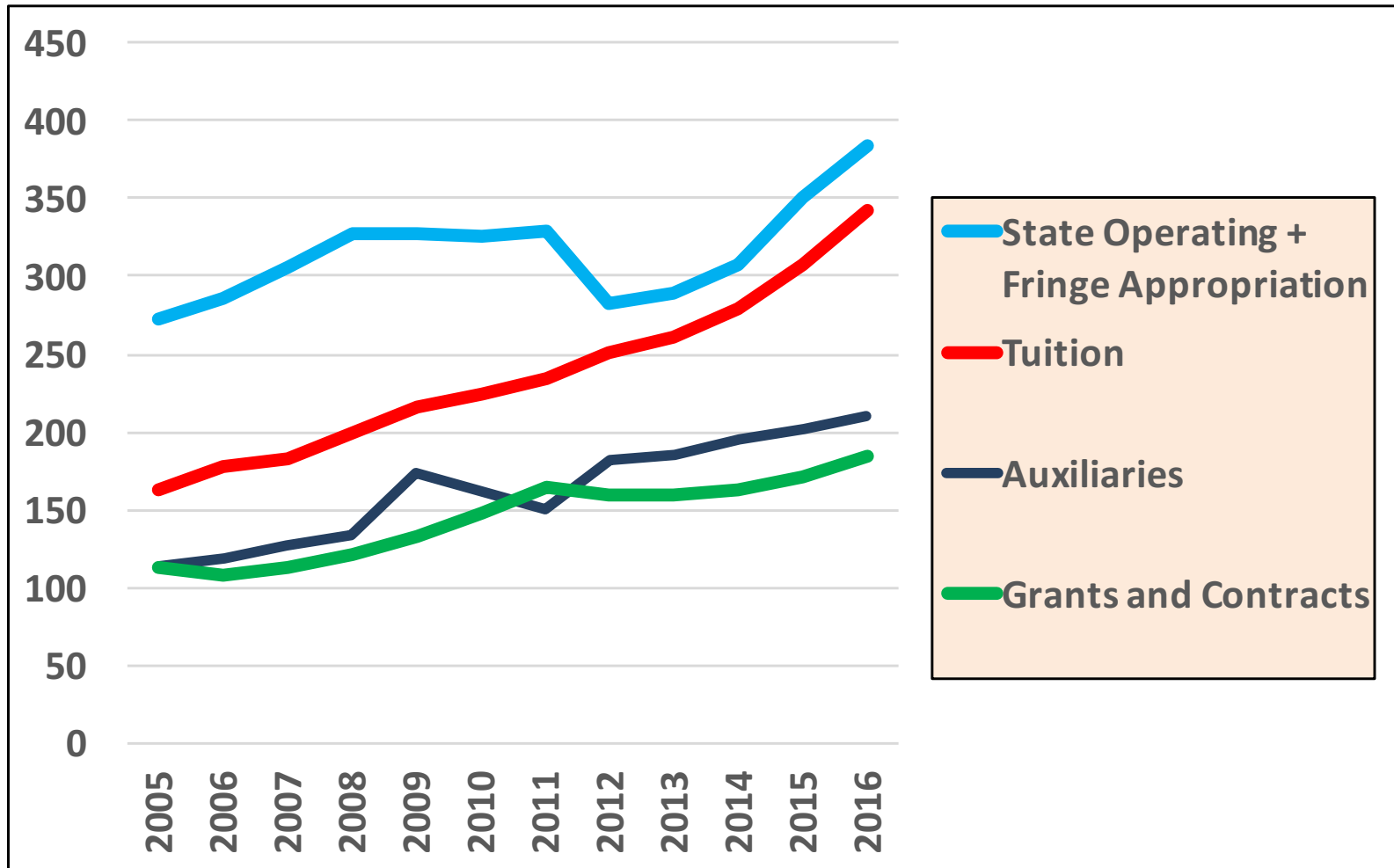
Source: Audited Financial Statements, IPEDS and WMU Board Budget for 2017 Tuition Revenue (Integrated Postsecondary Education Data System of the US Dept. of Education)



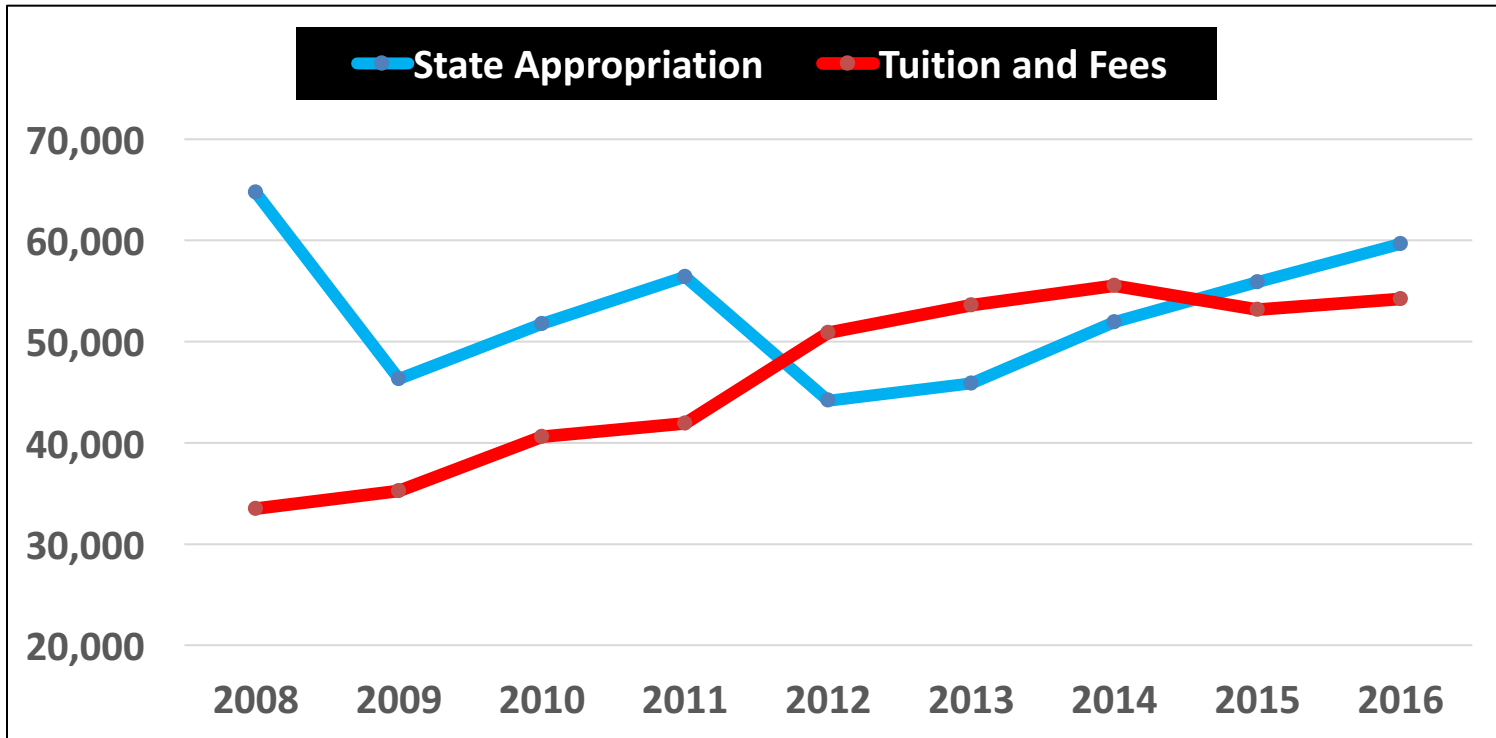
UVM Main Revenue Sources Over Time



UCONN Main Revenue Sources Over Time

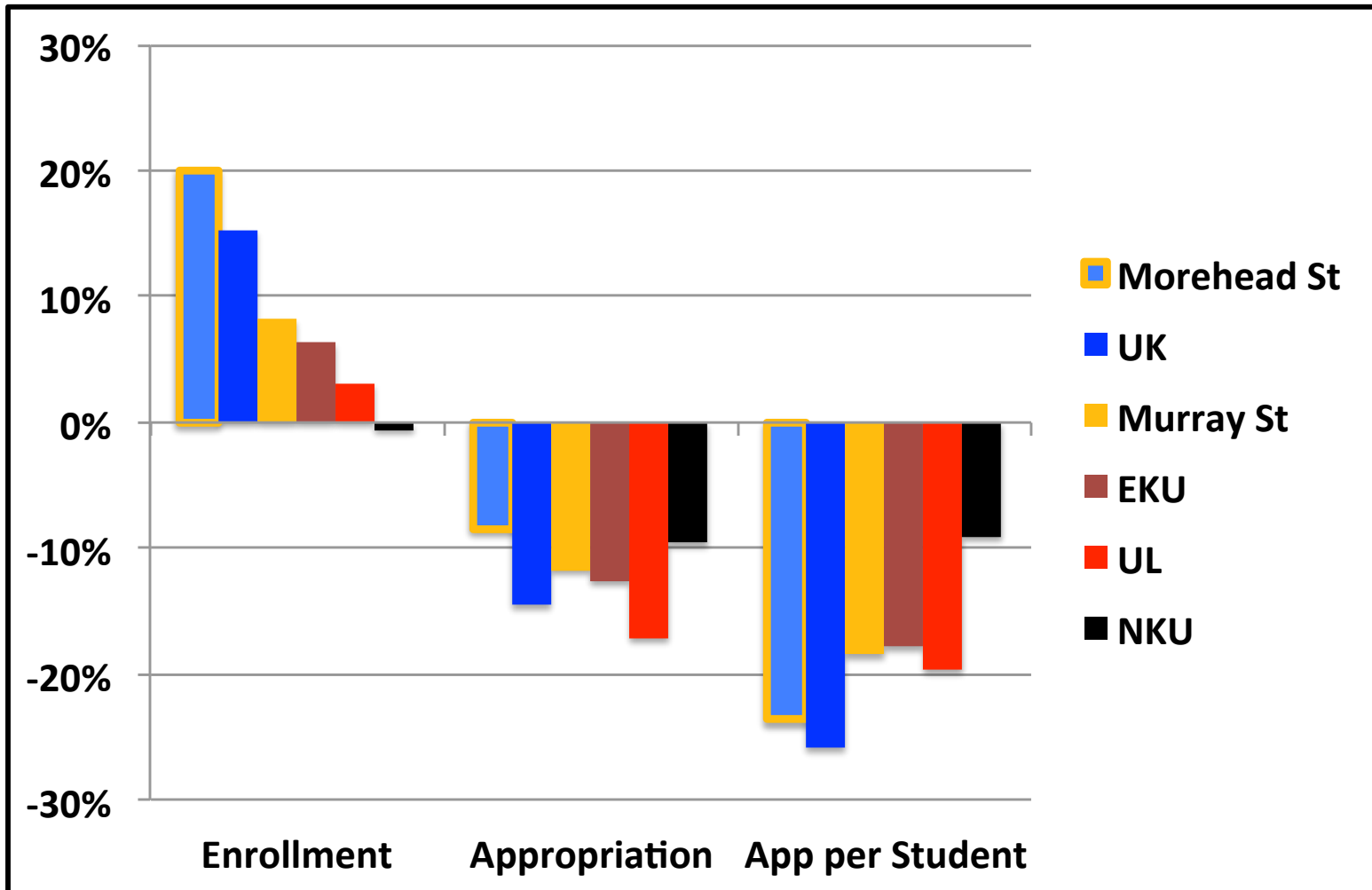


Tuition and State Appropriation at Sonoma State



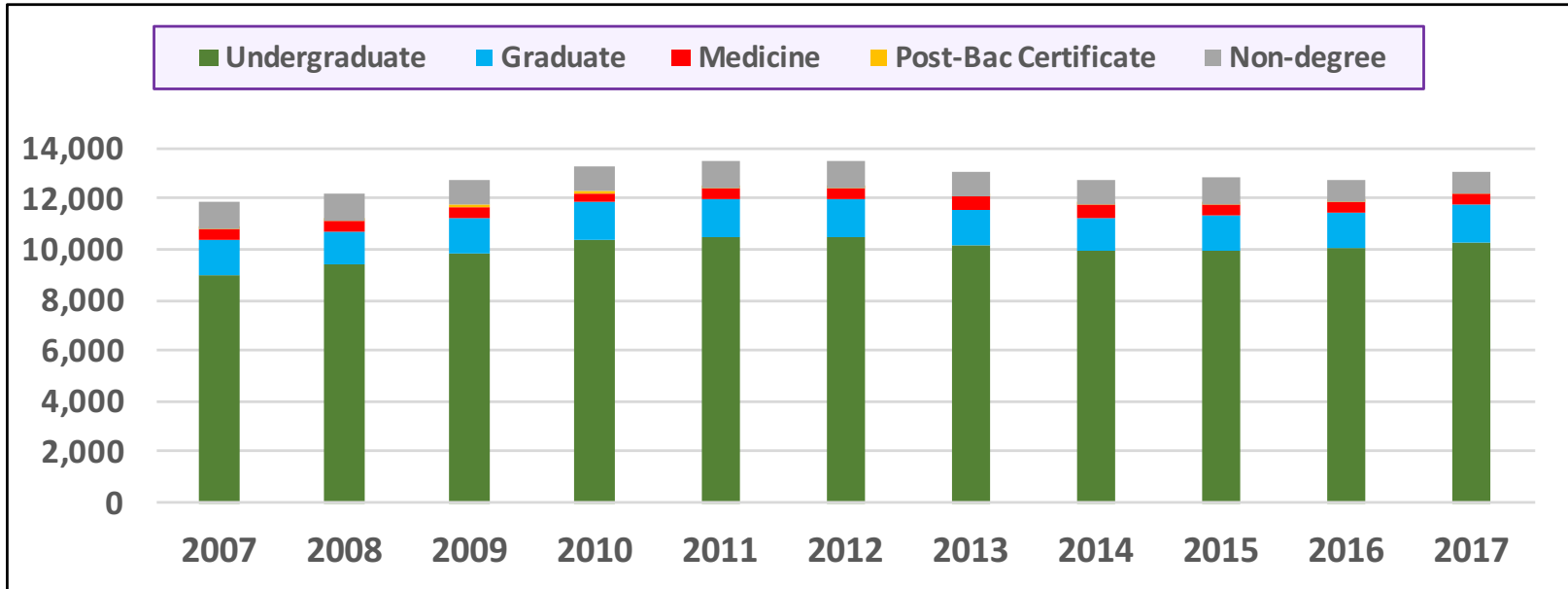
	2008	2009	2010	2011	2012	2013	2014	2015	2016
State Appropriation	64,715	46,274	51,788	56,380	44,156	45,903	51,944	55,865	59,632
Tuition and Fees	33,497	35,203	40,600	41,928	50,843	53,638	55,526	53,194	54,253
Total	98,212	81,476	92,388	98,308	94,999	99,541	107,470	109,059	113,885

State of Kentucky: 2008 to 2016 % Changes in Enrollment, State Appropriation, and Appropriation per Student



UVM Enrollment Detail

Source: UVM 2017 Source Book



Headcount	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Undergraduate	9,040	9,454	9,867	10,371	10,461	10,459	10,192	9,970	9,958	10,061	10,267
Graduate	1,351	1,290	1,384	1,516	1,490	1,530	1,427	1,317	1,371	1,360	1,462
Medicine	406	415	453	360	452	449	446	454	459	457	461
Post-Bac Certificate	31	30	26	33	19	17	13	40	34	25	23
Non-degree	1,042	1,050	1,070	1,011	1,132	1,023	1,019	942	1,034	892	892
Total Headcount	11,870	12,239	12,800	13,291	13,554	13,478	13,097	12,723	12,856	12,795	13,105
% that is Undergrad	76.2%	77.2%	77.1%	78.0%	77.2%	77.6%	77.8%	78.4%	77.5%	78.6%	78.3%

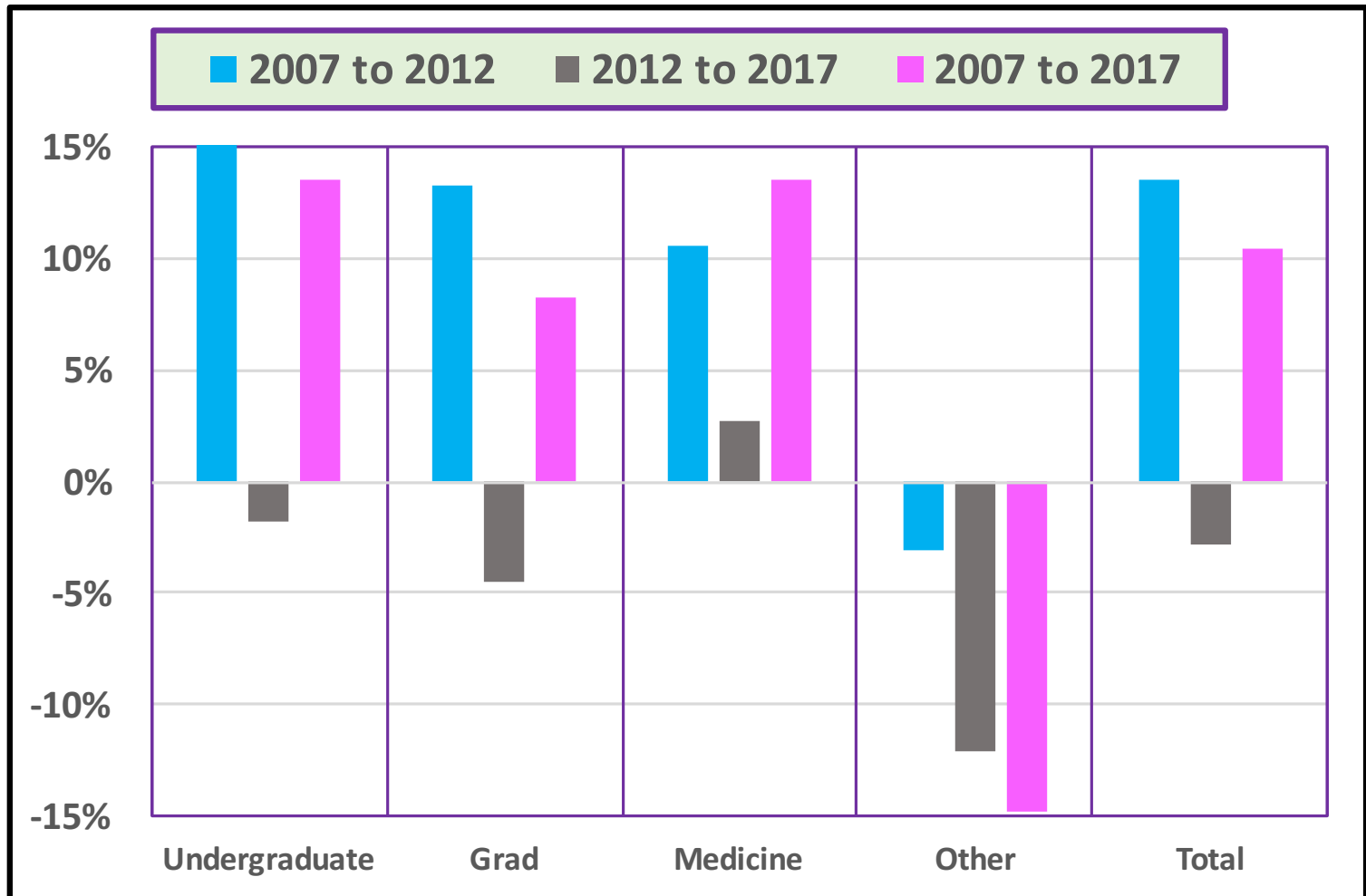
Changes in Enrollment

Source: UVM 2017 Source Book

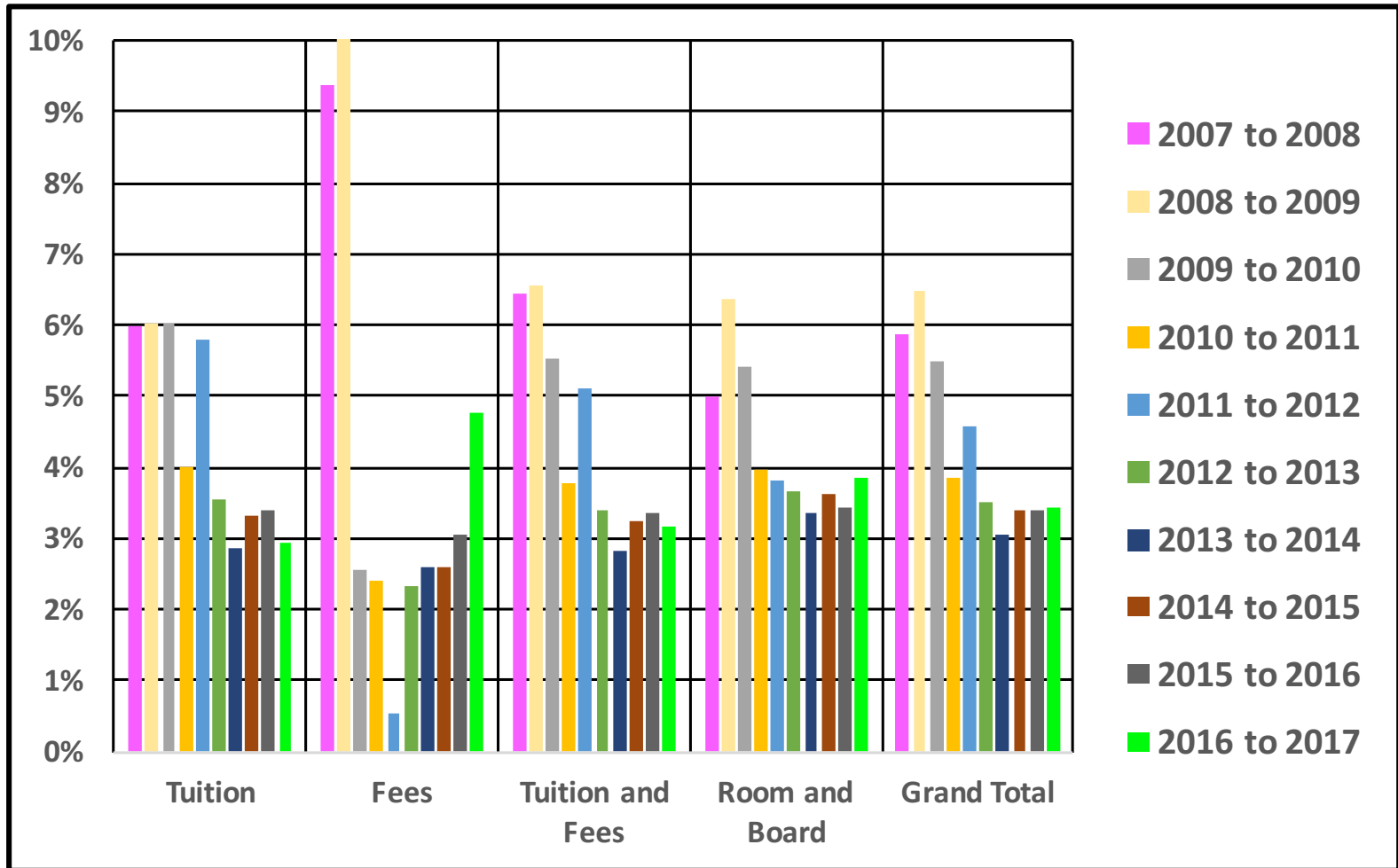
# Changes	2007 to 2012	2012 to 2017	2007 to 2017
Undergraduate	1,419	(192)	1,227
Grad	179	(68)	111
Medicine	43	12	55
Other	(33)	(125)	(158)
Total	1,608	(373)	1,235
% Changes	2007 to 2012	2012 to 2017	2007 to 2017
Undergraduate	16%	-2%	14%
Grad	13%	-4%	8%
Medicine	11%	3%	14%
Other	-3%	-12%	-15%
Total	14%	-3%	10%

Percentage Changes in Total Headcount Enrollment Graphically

Source: UVM 2017 Source Book

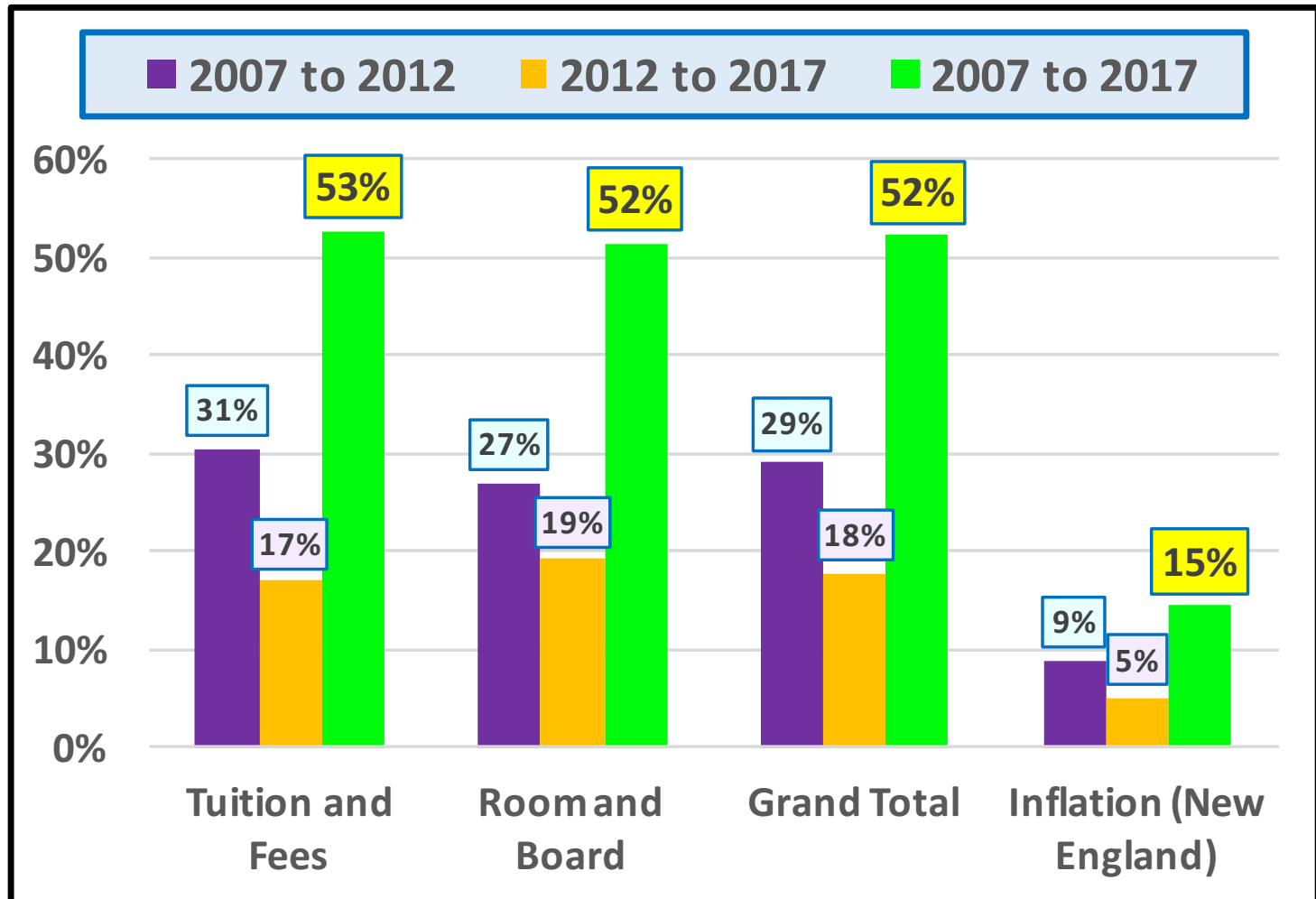


UVM Annual % Changes in Tuition and Fees (Same for In-State and Out-of-State)



Long Term Changes in Tuition vs. Inflation

Sources: **UVM** Office of Institutional Research and Bureau of Labor Statistics



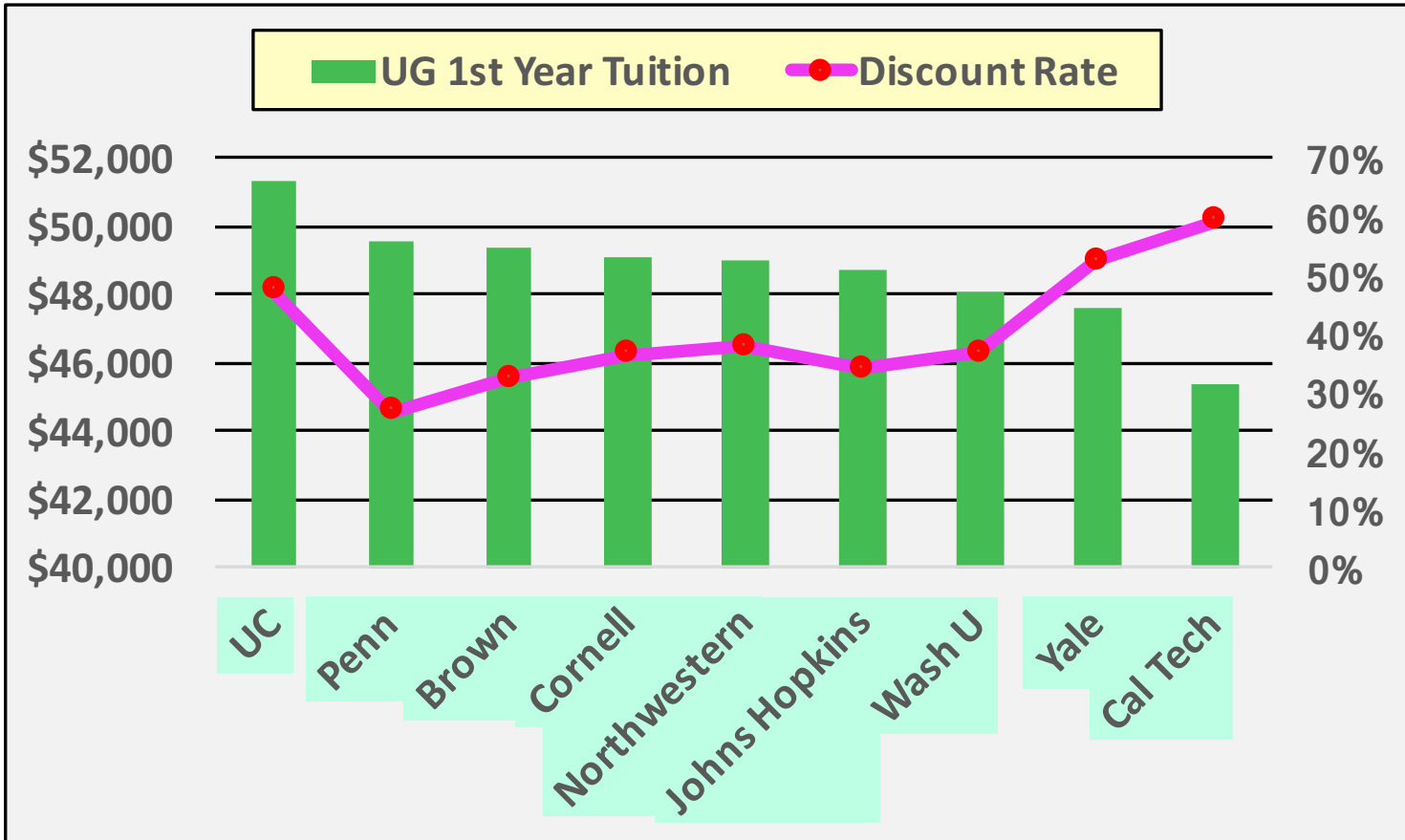
Vermont Discount Rates

Source: Audited Financial Statements

Year	Tuition, Fees, and Res Life, Gross	Less: Allowances	Tuition, Fees, and Res Life, Net	Discount Rate
2007	262,486	(44,966)	217,520	17.1%
2008	285,924	(51,492)	234,432	18.0%
2009	317,486	(59,138)	258,348	18.6%
2010	348,139	(74,853)	273,286	21.5%
2011	367,288	(80,985)	286,303	22.0%
2012	383,050	(80,677)	302,373	21.1%
2013	390,972	(84,105)	306,867	21.5%
2014	399,707	(89,450)	310,257	22.4%
2015	420,563	(91,851)	328,712	21.8%
2016	441,935	(97,475)	344,460	22.1%

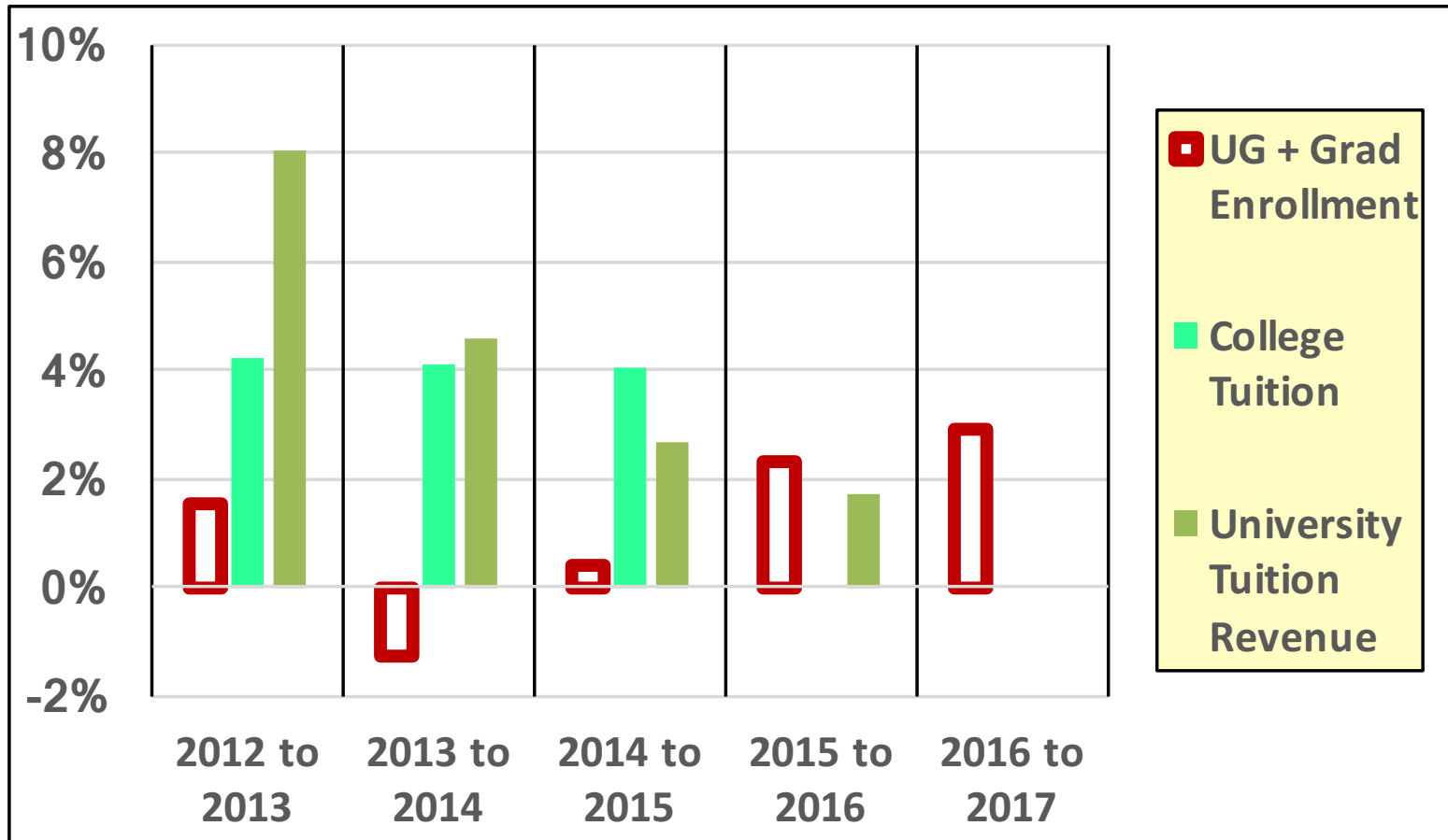
Discount Rate = Allowance / Gross

University of Chicago Discount Rates; Tuition Price of Peers (Peers per 2012 Chronicle of Higher Education Study)

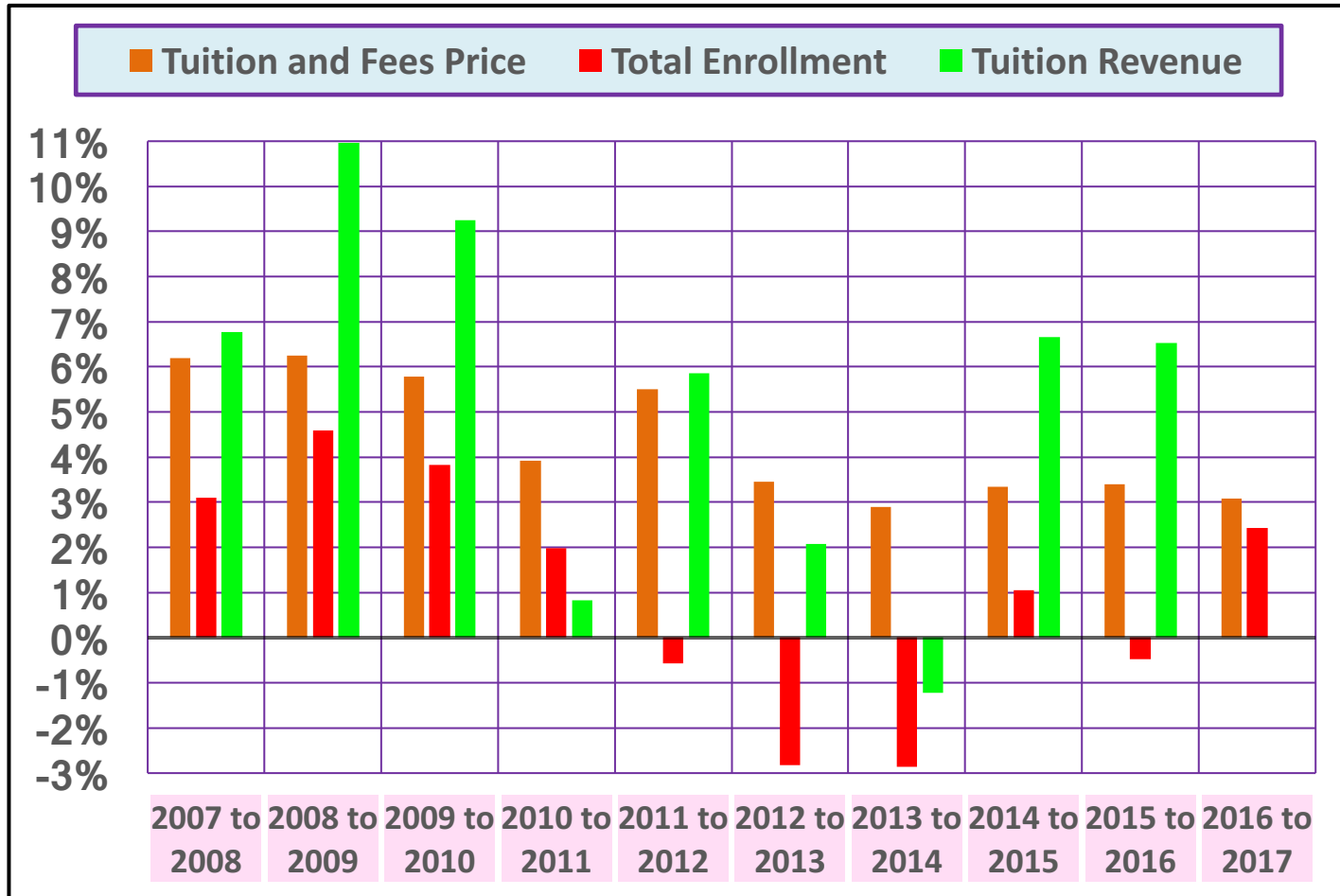


Peer Average tuition = \$48,355
Peer Average discount rate = 39%

Percentage Changes in Enrollment, Tuition Price, and Tuition Revenue (U of Chicago)



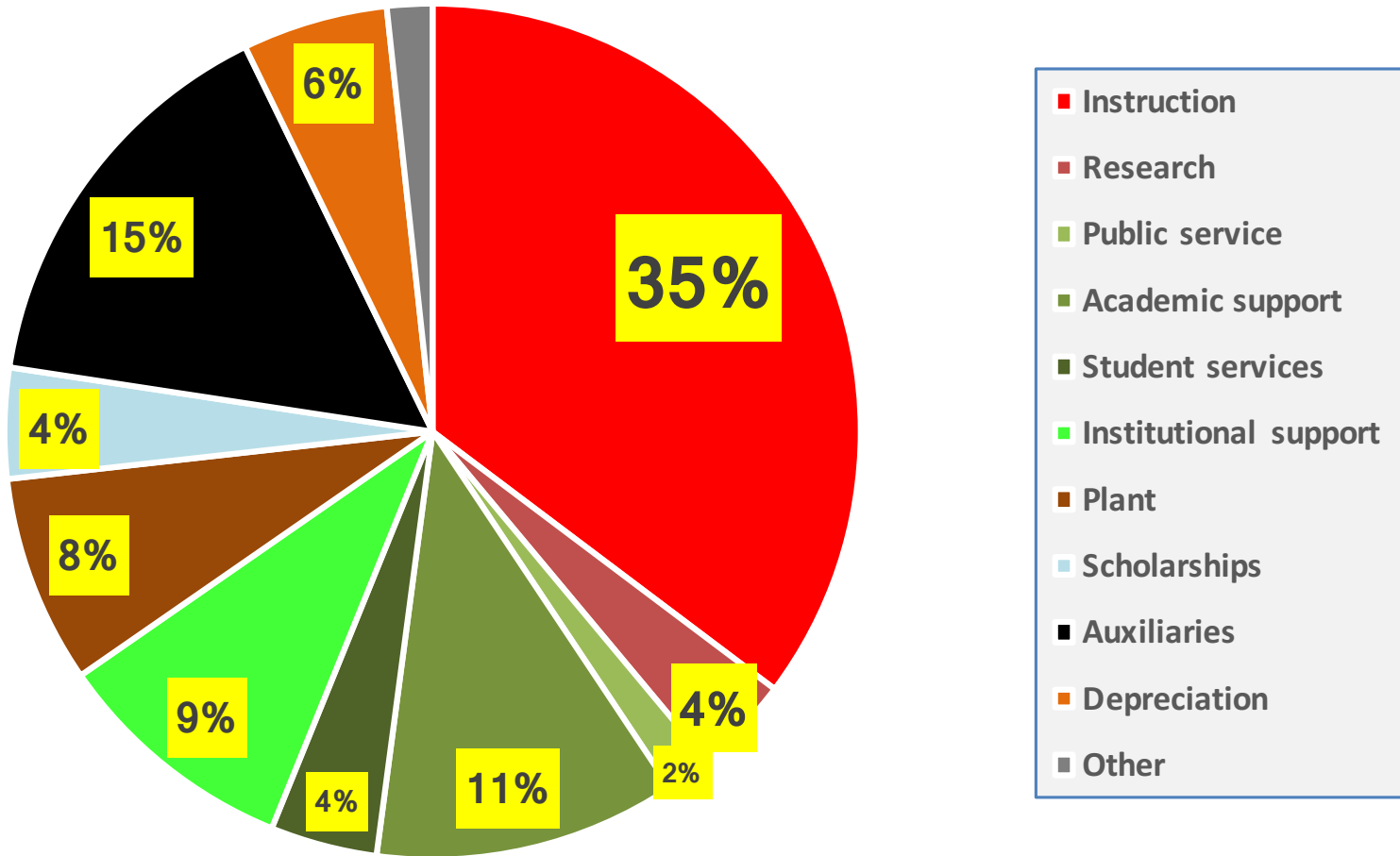
UVM Changes in Tuition Revenue, Price and Enrollment



**Where is the money going:
Expense analysis and the
priorities of the administration**

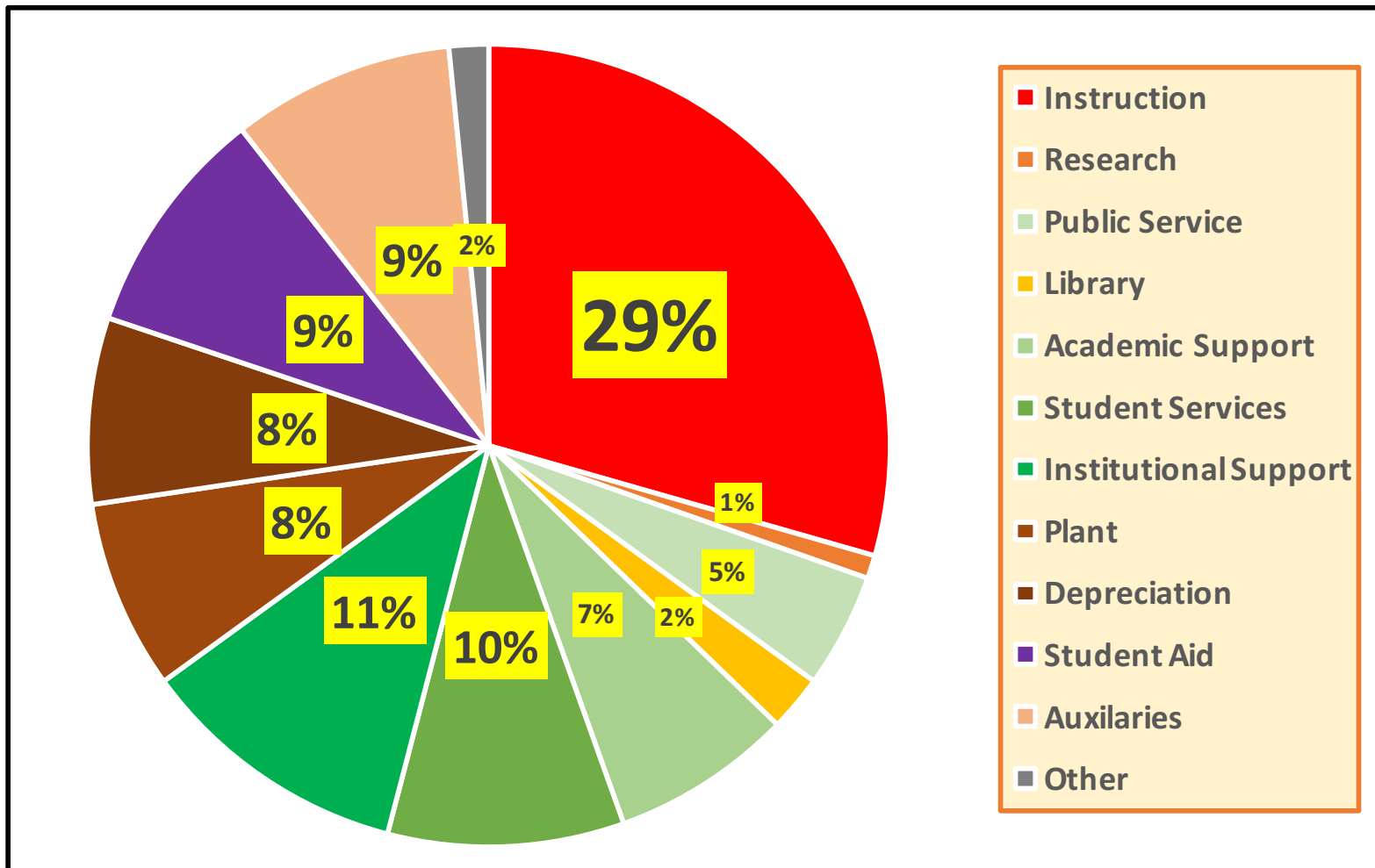
WMU 2016 Operating Expense: Total = \$513 Million

Source: Audited Financial Statements



Morehead State Expense Distribution: Total Operating Expenses = \$158 Million

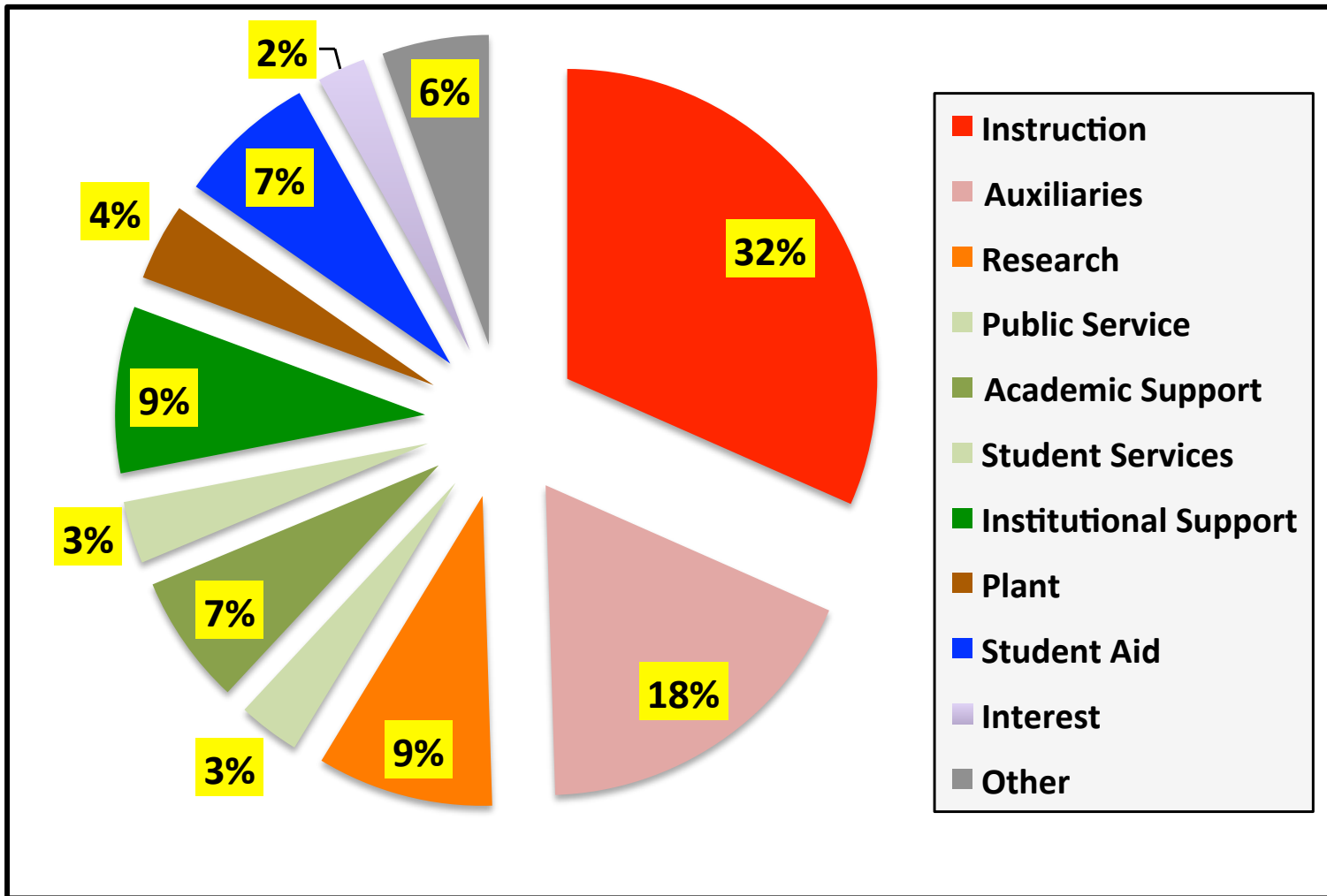
Source: Audited Financial Statements



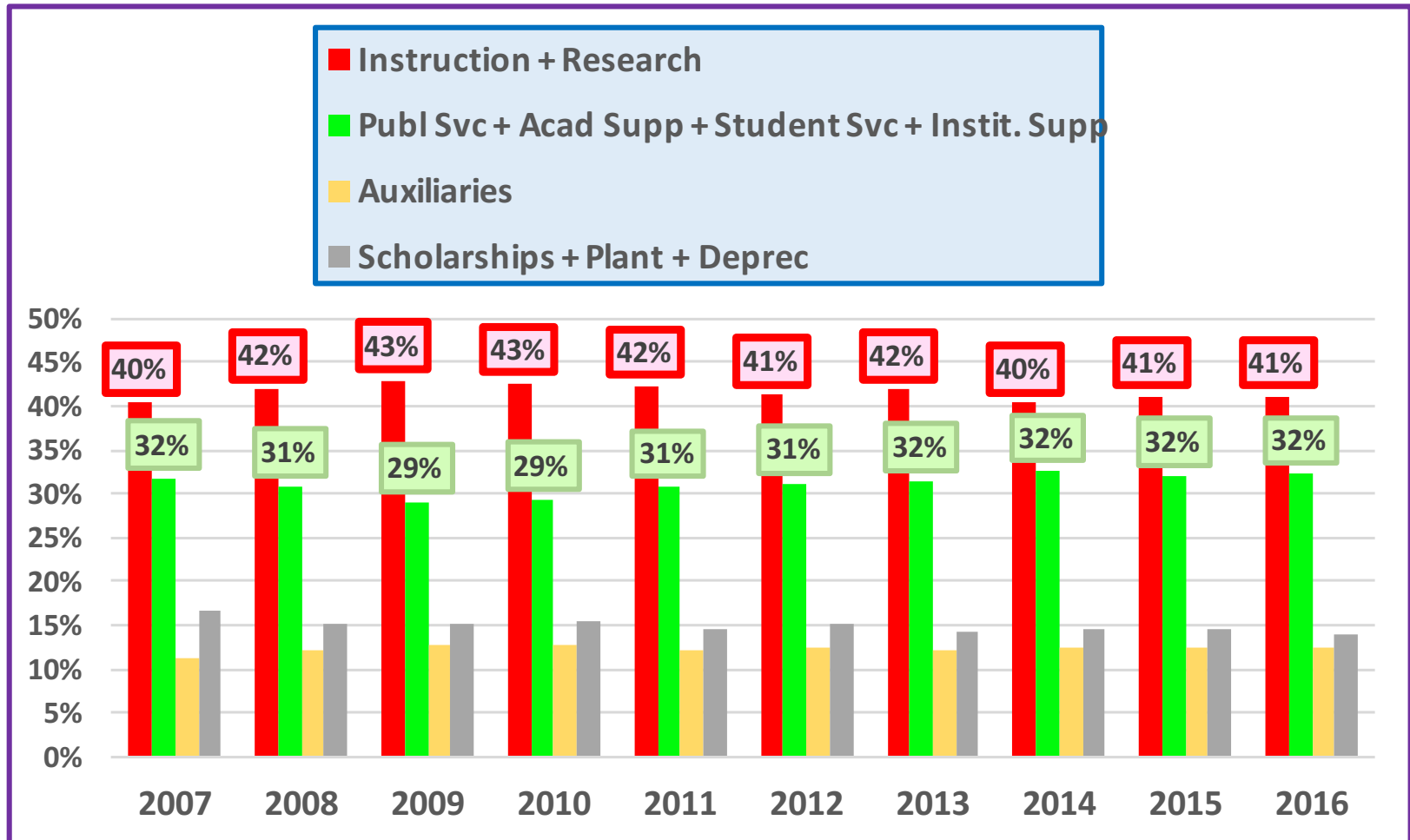
Portland State Expense Distribution

Total Expenses = \$461 Million

Source: PSU Audited Financial Statements



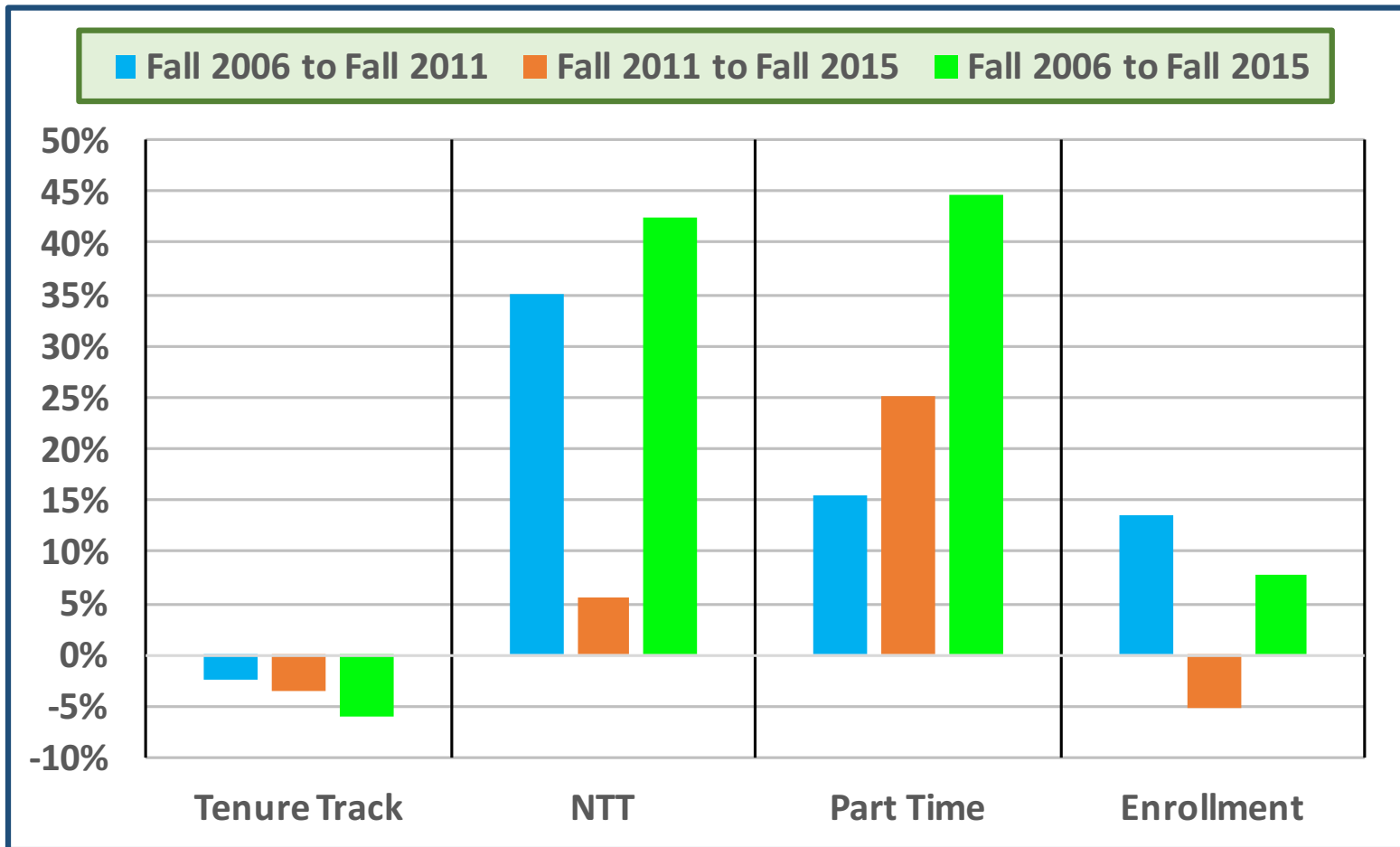
UVM Expense Distribution in Percent



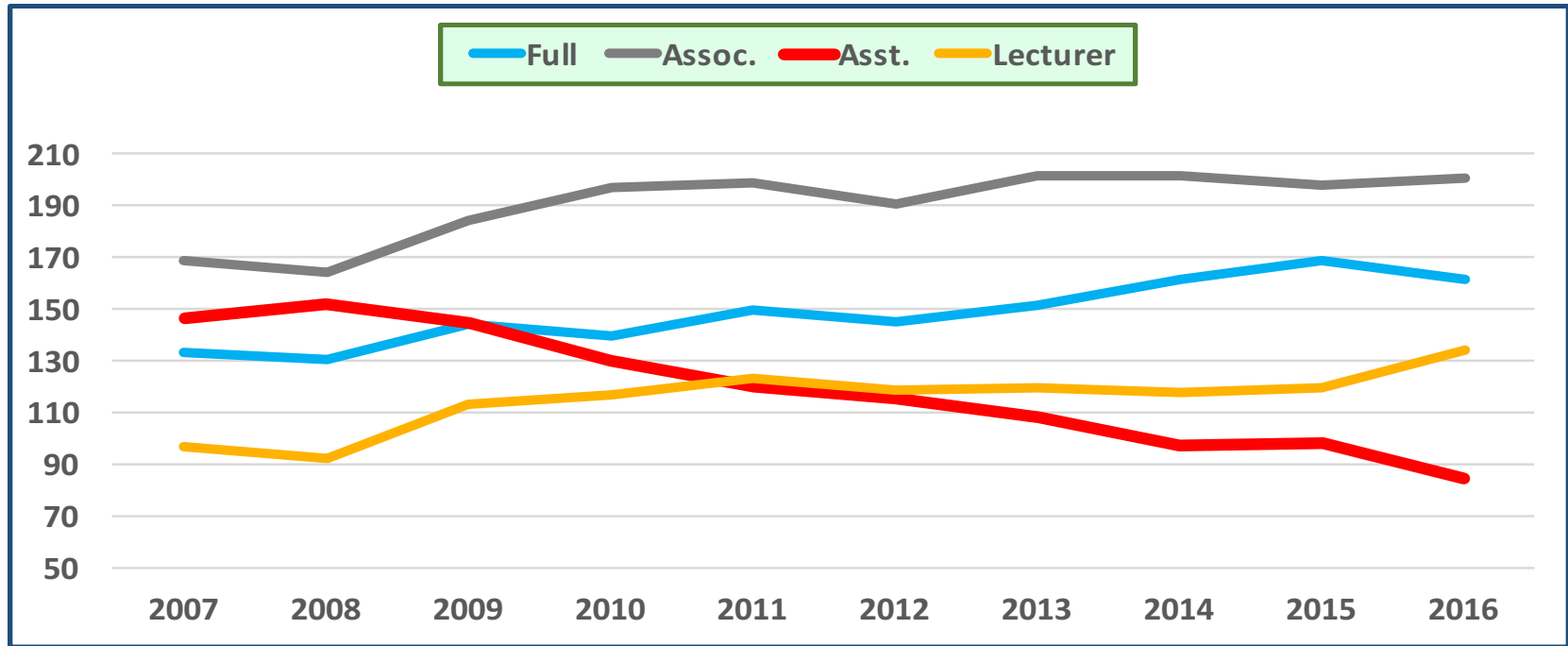
Expense Category Definitions

Instruction	Salaries of those who teach; academic admins are out
Academic Support	Deans and Libraries; Advising
Auxiliaries	Housing, dining, bookstore, parking, athletics
Institutional Support	Upper level administration
Scholarships/Student Aid	Direct aid to students
Plant	Buildings and grounds
Student Services	Admissions; student orgs
Research	Includes external grants and internal spending
Depreciation	Estimated decline in value of buildings
Public Service	Conferences and institutes

UVM Percentage Changes in Faculty and Enrollment

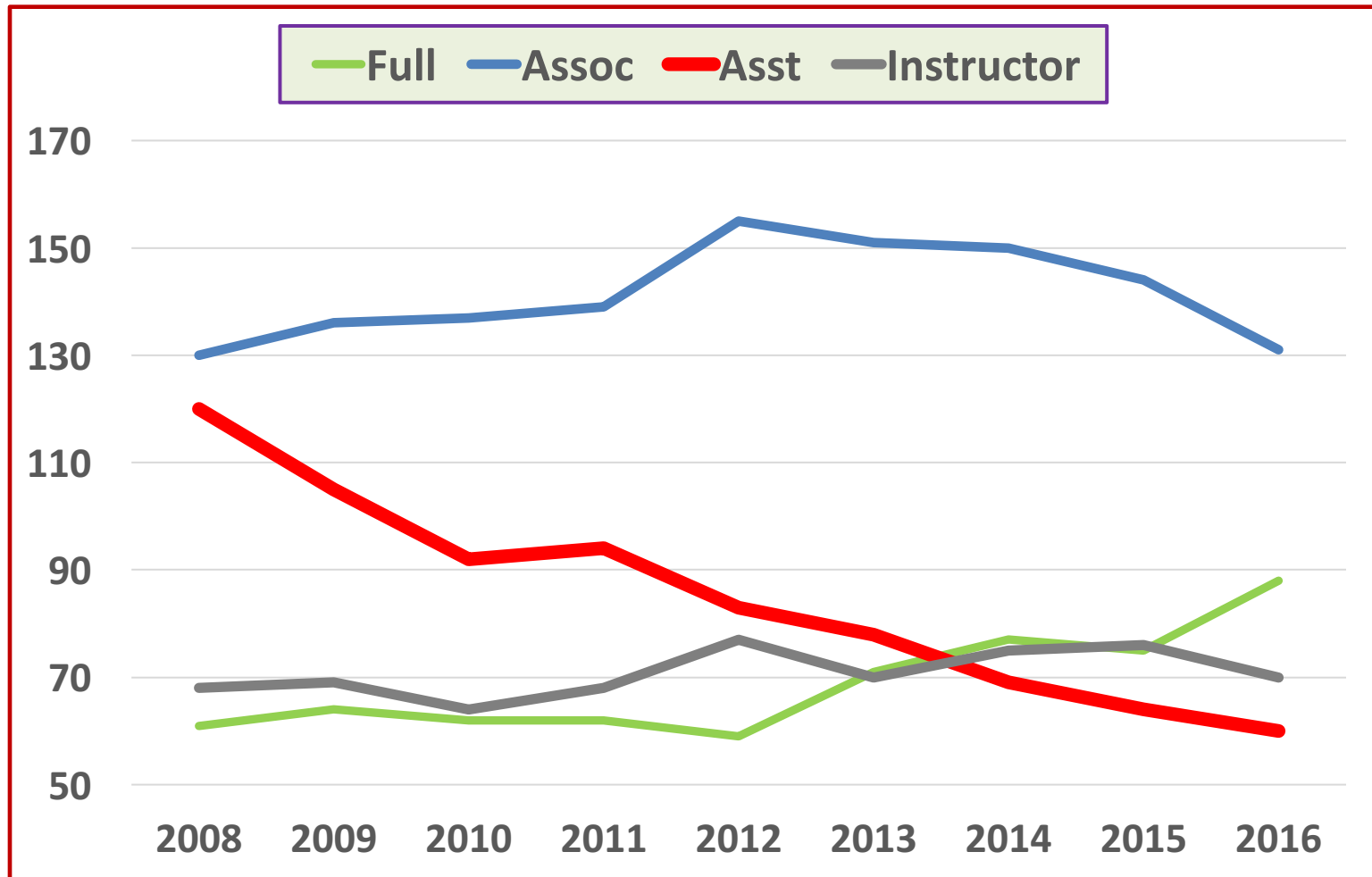


UVM Number of Faculty per AAUP Salary Survey: Large Decline in Assistant Professors

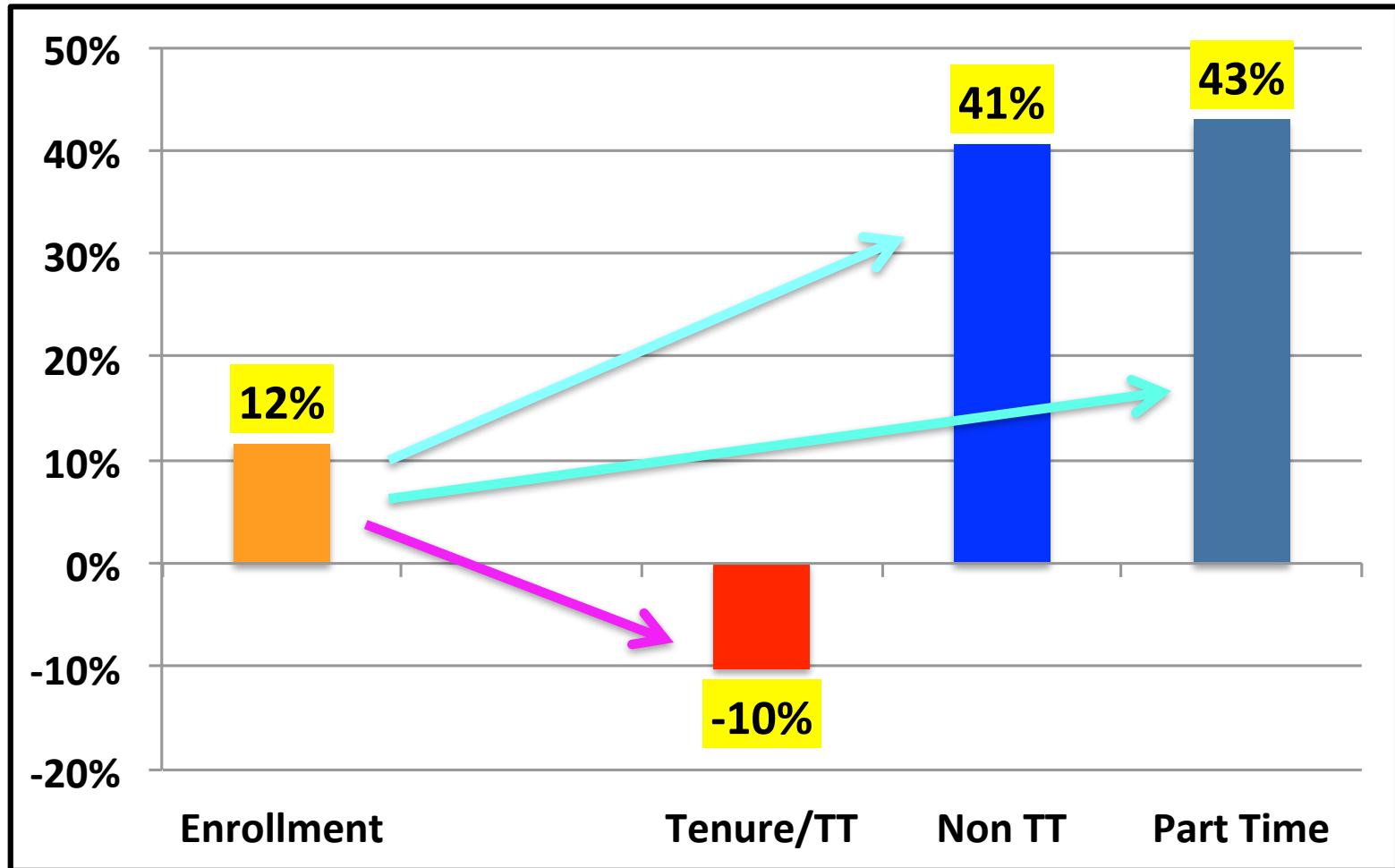


	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Change 2007 to 2016
Full	133	131	144	140	150	145	152	162	169	162	29
Assoc	169	164	184	197	199	191	202	202	198	201	32
Asst.	147	152	145	130	120	116	108	97	98	85	(62)
Instrutor	1	2	3	1	0	0	0	0	0	0	(1)
Lecturer	97	92	113	117	123	119	120	118	120	134	37
No Rank	19	17	17	16	19	23	24	23	23	27	8
Total	566	558	606	601	611	594	606	602	608	609	43

Morehead State Change in Faculty by Rank



Cal Poly Pomona % Changes in Number of Faculty Graphically per IPEDS, 2008 to 2015



IPEDS Analysis

Morehead State Instruction per IPEDS

(Integrated Postsecondary Education Data System of the U.S. Dept. of Education)

Instruction:	2010	2011	2012	2013	2014
Salaries	31,063,162	31,218,813	31,181,062	30,428,849	31,421,443
Benefits	9,237,009	9,340,965	9,449,612	9,297,830	10,110,456
Plant	3,585,449	4,227,772	4,047,307	3,933,566	4,863,679
Depreciation	3,222,835	3,132,535	3,545,922	3,351,061	3,358,641
Interest	152,110	117,189	63,482	34,910	253,929
Other	4,868,274	5,735,413	4,960,865	4,476,335	4,494,034
Total	52,128,839	53,772,687	53,248,250	51,522,551	54,502,182
Salaries + Benefits	40,300,171	40,559,778	40,630,674	39,726,679	41,531,899
All Other Items	11,828,668	13,212,909	12,617,576	11,795,872	12,970,283
Sal + Ben + Other	45,168,445	46,295,191	45,591,539	44,203,014	46,025,933
Audit amount	45,168,444	46,295,191	45,591,539	44,203,014	46,025,933
Benefit Rate	29.7%	29.9%	30.3%	30.6%	32.2%

CSU Dominguez Hills Instruction Costs in Detail – Instruction is more than salaries and benefits

Sources: IPEDS and Audited Financial Statements

IPEDS Breakdown of Instruction Costs	2012	2013	2014	2015
Salaries	37,939,597	37,691,563	39,929,994	44,162,107
Benefits	12,439,051	13,743,768	14,321,560	14,518,938
Plant	7,496,815	7,522,254	7,915,154	7,887,875
Depreciation	4,811,449	4,639,767	4,176,600	4,320,208
Interest	791,137	786,253	606,420	530,649
Other	2,751,203	2,747,856	2,717,359	2,959,829
Total Instruction	66,229,252	67,131,461	69,667,087	74,379,606
Sal + Ben + Other	53,129,851	54,183,187	56,968,913	61,640,874
Instruction per Audit	53,130,000	54,183,000	56,969,000	61,641,000
Benefit Rate (Ben / Salaries)	32.8%	36.5%	35.9%	32.9%

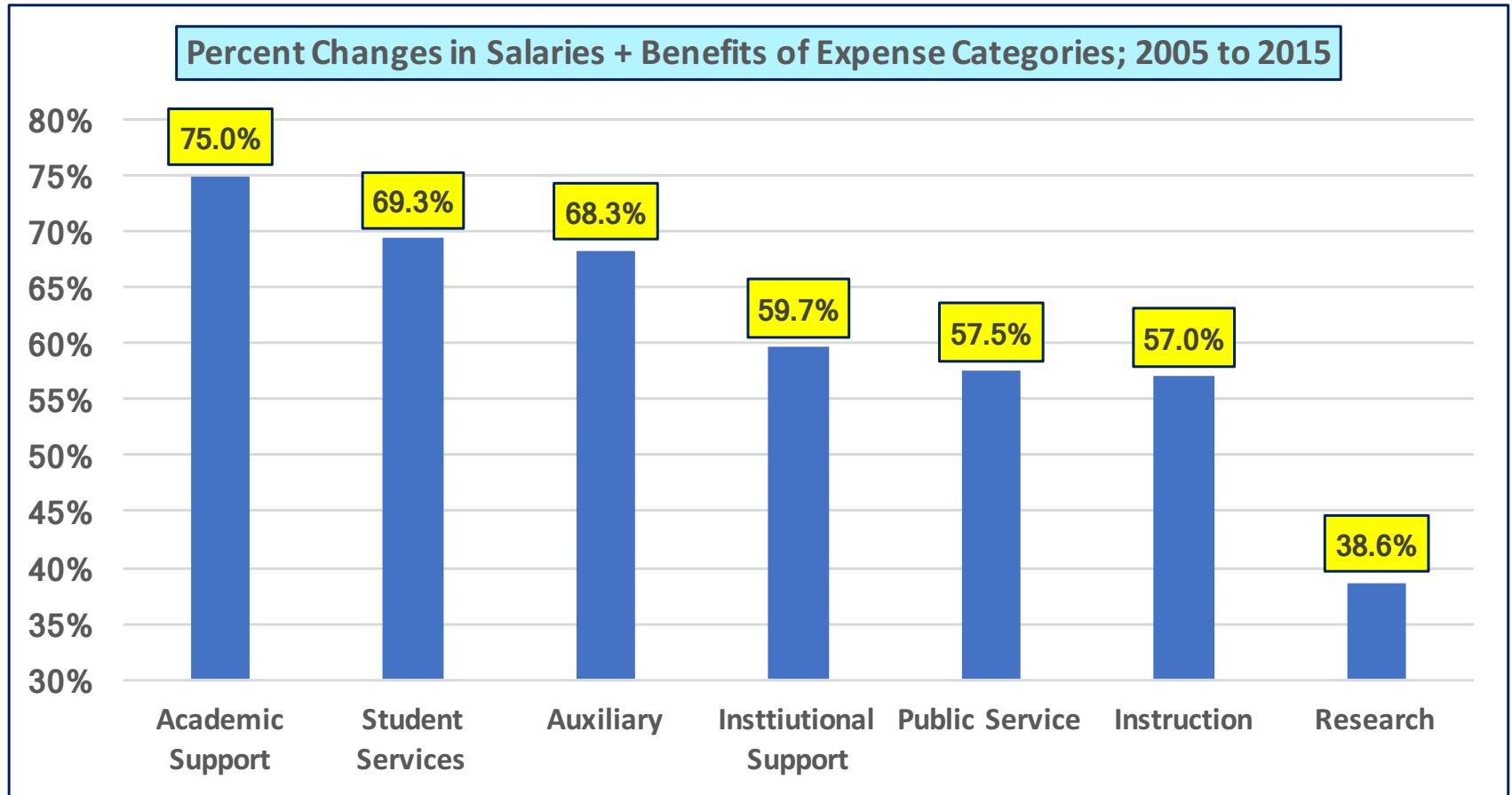
IPEDS Analysis: CSU Dominguez Hills

	2012	2013	2014	2015
Instruction Salaries (1)	37,939,597	37,691,563	39,929,994	44,162,107
Instruction Benefits (2)	12,439,051	13,743,768	14,321,560	14,518,938
Instruction Sal + Ben (3)	50,378,648	51,435,331	54,251,554	58,681,045
Total CSUDH Salaries (4)	70,573,978	71,133,219	76,823,790	84,464,760
Total CSUDH Benefits (5)	26,682,354	29,024,233	30,928,656	30,583,622
Total CSUDH Sal + Ben (6)	97,256,332	100,157,452	107,752,446	115,048,382
Total CSUDH Expenses (7)	169,862,000	174,251,000	187,685,000	195,548,913
Institutional Support Salaries (8)	6,838,912	7,482,364	8,969,979	9,405,174
	2012	2013	2014	2015
Instruction Sal + Ben as a % of Total Expenses = (3) / (7)	29.7%	29.5%	28.9%	30.0%
Instruction Sal + Ben as a % of Total Sal + Ben = (3) / (6)	51.8%	51.4%	50.3%	51.0%
Instruction Sal / Total Sal = (1) / (4)	53.8%	53.0%	52.0%	52.3%
Institutional Support Sal / Total Sal = (8) / (4)	9.7%	10.5%	11.7%	11.1%
Total Sal + Ben / total Expenses = (6) / (7)	57.3%	57.5%	57.4%	58.8%

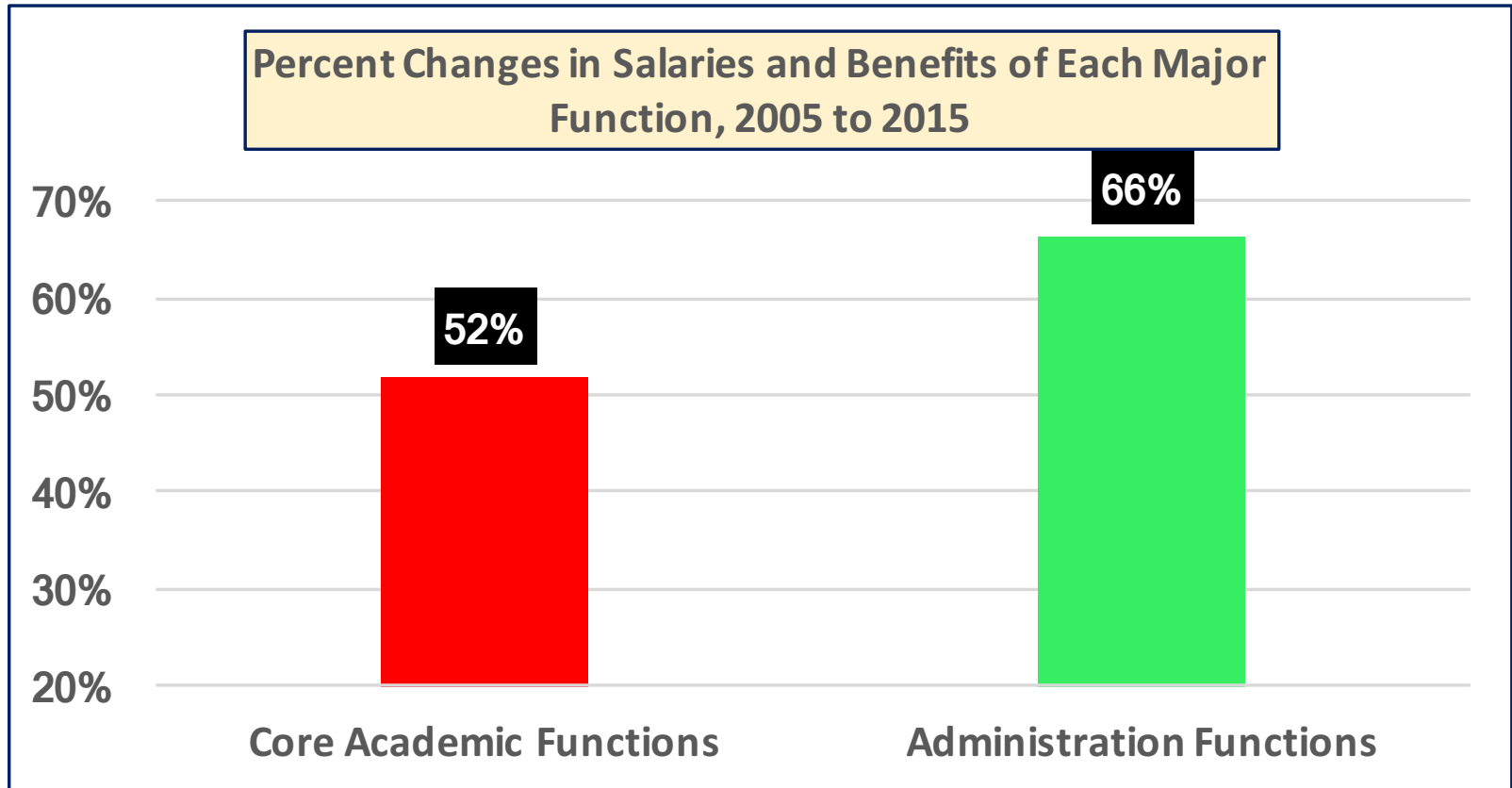
IPEDS – Largest 176 Private Institutions

	2005	2010	2015
Instruction Salaries	12,814,118,728	17,120,420,500	21,441,015,979
Instruction Benefits	3,216,820,282	4,511,154,139	5,842,161,878
Research Salaries	4,635,913,300	5,697,511,658	6,322,252,943
Research Benefits	1,109,176,473	1,442,769,989	1,765,321,139
Total Expenses	69,548,860,418	93,996,659,010	118,274,343,650
Total Salaries	31,358,815,362	42,481,657,170	53,279,711,166
Total Benefits	7,998,228,220	11,565,000,775	14,908,605,705
	2005	2010	2015
Instruction & Research Salaries + Benefits as a % of Total Expenses	31.3%	30.6%	29.9%
Instruction & Research Salaries + Benefits as a % of Total Salaries and Benefits	55.3%	53.2%	51.9%
Total Salaries and Benefits as a Percent of Total Expenses	56.6%	57.5%	57.7%
Instruction and Research Benefit Rate	25.1%	26.3%	27.2%
All Other Employee Benefit Rate	26.4%	28.5%	28.6%

IPEDS: Largest 272 Public Institutions: Percent Change in the Salary Component of Each Expense, 2005 to 2015

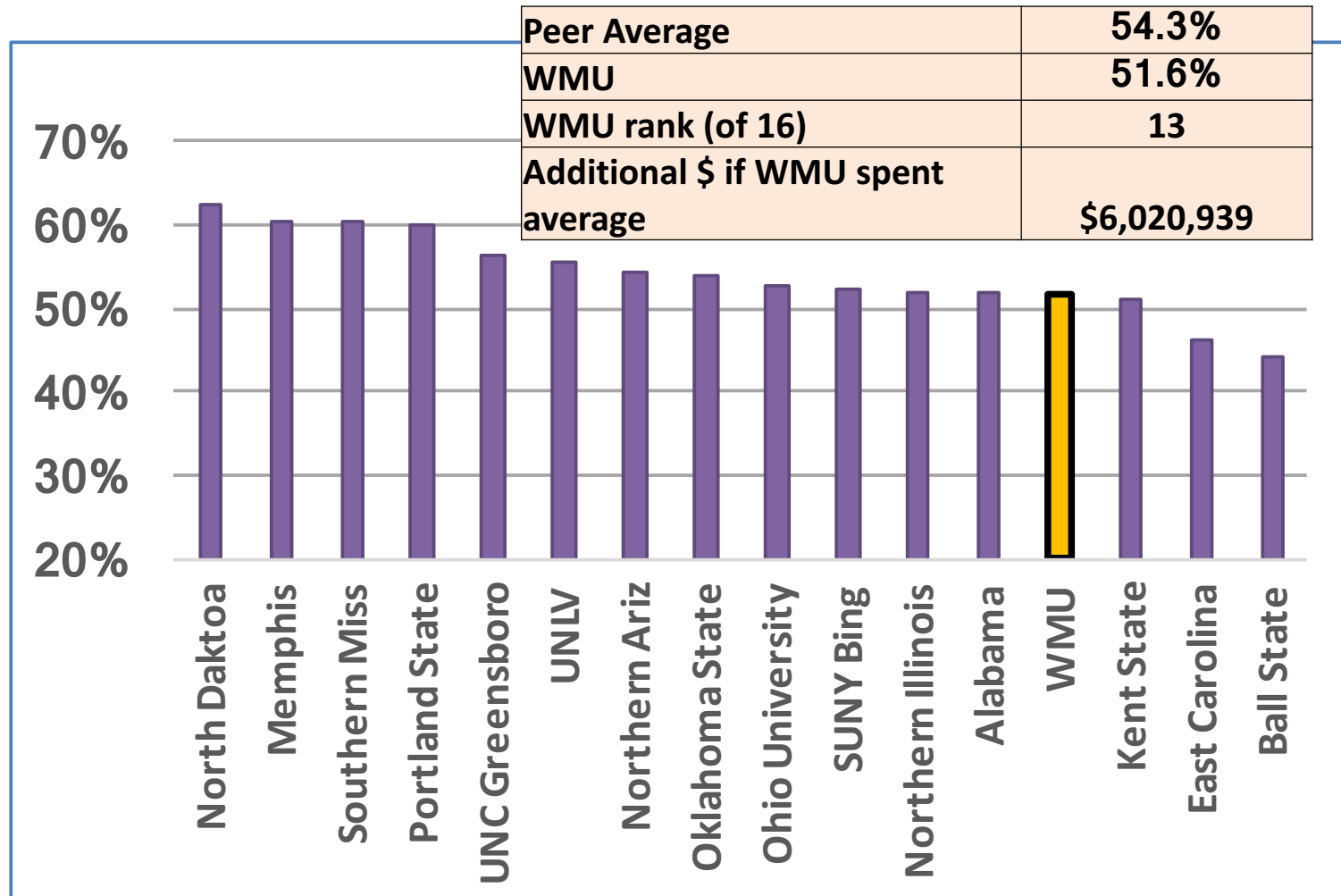


IPEDES: Largest 272 Public Institutions: Percent Change in the Salary Component of Academics vs. Admin Functions, 2005 to 2015



WMU Instruction and Research Salaries as a % of Total Salaries Compared to Peers

Source: IPEDS 2015 (latest year available)



Instruction + Research Compensation and Benefits as a % of Total Expenses at UVM

Source: Audited Financial Statements

	Instruction Comp + Ben	Research Comp + Ben	Instruction + Research Comp and Ben	Total UVM Expenses	Instruction + Research Comp and Ben as a % of Total Expenses
2007	99,888	53,291	153,179	493,163	31.1%
2008	119,266	59,714	178,980	543,823	32.9%
2009	125,578	64,176	189,754	561,055	33.8%
2010	124,068	65,447	189,515	564,465	33.6%
2011	130,387	63,773	194,160	587,427	33.1%
2012	133,716	57,163	190,879	581,087	32.8%
2013	139,515	56,021	195,536	585,027	33.4%
2014	142,670	56,170	198,840	605,712	32.8%
2015	144,236	56,033	200,269	611,409	32.8%
2016	153,593	58,828	212,421	633,941	33.5%

UVM Instruction + Research Compensation and Benefits as a % of Total Comp and Benefits

Source: Audited Financial Statements

	Instruction Comp + Ben	Research Comp + Ben	Instsruction + Research Comp and Ben	Total UVM Comp and Ben	Instruction + Research Comp + Ben as a % of Total Comp + Ben
2007	99,888	53,291	153,179	303,877	50.4%
2008	119,266	59,714	178,980	341,589	52.4%
2009	125,578	64,176	189,754	356,943	53.2%
2010	124,068	65,447	189,515	359,467	52.7%
2011	130,387	63,773	194,160	376,467	51.6%
2012	133,716	57,163	190,879	373,829	51.1%
2013	139,515	56,021	195,536	382,122	51.2%
2014	142,670	56,170	198,840	393,291	50.6%
2015	144,236	56,033	200,269	398,374	50.3%
2016	153,593	58,828	212,421	419,798	50.6%

2014 Expense Distribution of PA Private Institutions per IPEDS

Numerator	Instruction Expense	Instruction Salaries Plus Benefits	Instruction Salaries Plus Benefits
<u>Denominator</u>	<u>Total Expenses</u>	<u>Total Expenses</u>	<u>Total Salaries Plus Benefits</u>
Alvernia	31%	24%	43%
Drexel	39%	25%	44%
Gettysburg	36%	25%	43%
Keystone	40%	21%	40%
King's	39%	30%	50%
Lebanon Valley	37%	26%	48%
Marywood	39%	28%	47%
Misericordia	38%	32%	52%
Mount St Mary's	31%	24%	50%
PCAD	35%	22%	39%
Susquehanna	36%	23%	48%
Scranton	39%	29%	46%
Villanova	42%	30%	48%
Wilkes	43%	32%	57%
High	43%	32%	57%
Median	38%	26%	47%
Low	31%	21%	39%

State of Georgia: Instruction Salaries and Benefits in Context for Publics per IPEDS

Institution Name	Instruction and Research Salaries + Benefits as % of Total Expenses	Instruction and Research Salaries + Benefits as % of Total Salaries & Benefits
Georgia Tech	45.4%	75.3%
Georgia State	39.7%	65.3%
U of Georgia	36.1%	53.8%
Augusta	35.1%	50.3%
Kennesaw	31.6%	53.7%
Columbus	31.3%	55.3%
Albany	29.6%	50.5%
Valdosta	28.9%	52.9%
Clayton	28.3%	47.8%
West Georgia	28.0%	51.1%
Georgia College	24.2%	47.9%
FVSU	23.1%	41.4%
SSU	19.0%	42.1%
HBCU Average	23.9%	44.7%
Non HBCU Average	32.8%	55.4%

State of Georgia: Instruction Salaries and Benefits in Context for Privates per IPEDS

Institution Name	Instruction and Research Salaries + Benefits as % of Total Expenses	Instruction and Research Salaries + Benefits as % of Total Expenses
Mercer	38.0%	61.3%
Clark Atlanta	28.5%	53.2%
Paine	26.8%	54.1%
Wesleyan	25.3%	45.4%
Spelman	24.2%	44.9%
Morehouse	22.2%	50.4%
SCAD	21.9%	49.1%
Berry	21.4%	45.9%
Young Harris	20.3%	44.6%
Agnes Scott	19.1%	40.3%
Emory	18.1%	29.5%
Oglethorpe	14.1%	48.0%
HBCU Average	25.4%	50.6%
Non HBCU Average	22.3%	45.5%

Reasons Why HBCUs Are More Important Than Ever

Dr. Michael Lomax, CEO and president of UNCF

July 16, 2016

- **Outsized Impact, Low-Cost = “Best Buy” in Education**
- Today, the nation’s 106 HBCUs make up just 3 percent of America’s colleges and universities, yet they produce almost 20 percent of all African American graduates and 25 percent of African American graduates in the STEM fields of science, technology, engineering and mathematics — the critical industries of the future.
- And HBCU tuition rates are on average almost 30 percent less than at comparable institutions — that’s why they’re often referred to as the best buy in education.
- **Meeting the Needs of Low-income, First-generation Students**
- **Addresses the Nation’s Under- and Unemployment Crisis**
- **Lower Costs Narrow the Racial Wealth Gap**

Common Data Set and Components

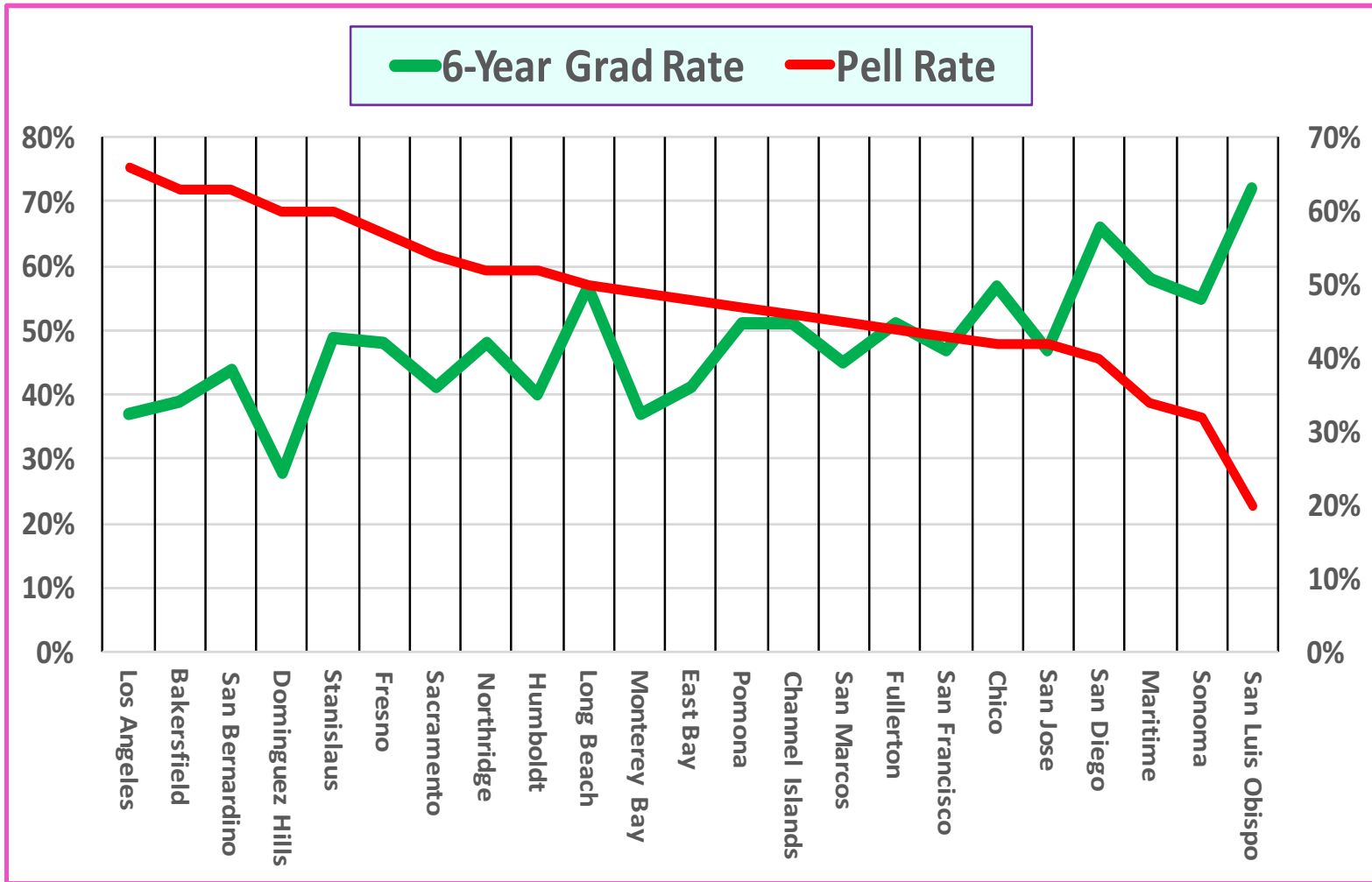
**(Typically on the Institutional Research
site of the university's website)**

Information in the Common Data Set

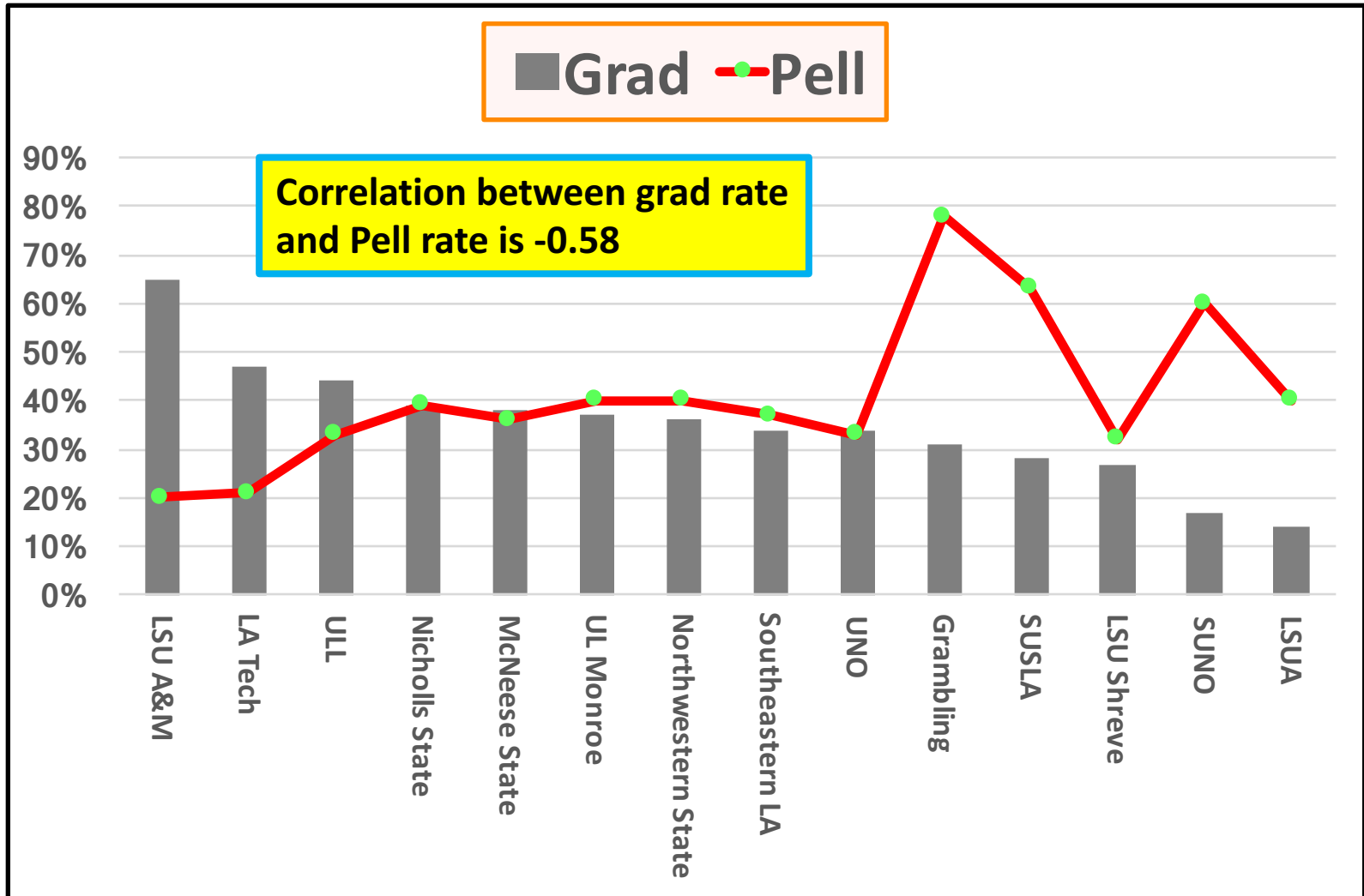
- **A: Basic information (address, semester/quarter, degrees offered)**
- **B: Enrollment, graduation rate, persistence rate**
- **C: First-time, First-year, freshman admission**
- **D: Transfer admission**
- **E: Academic Offerings and Policies**
- **F: Student Life (% live on campus; % in-state; % frat/sorority)**
- **G: Annual Expenses**
- **H: Financial Aid**
- **I: Instructional Faculty and Class Size**
- **J: Degrees Conferred**

Graduation Rates and Pell Rates for CSU System

Correlation Between Grad Rate and Pell Rate = -0.76

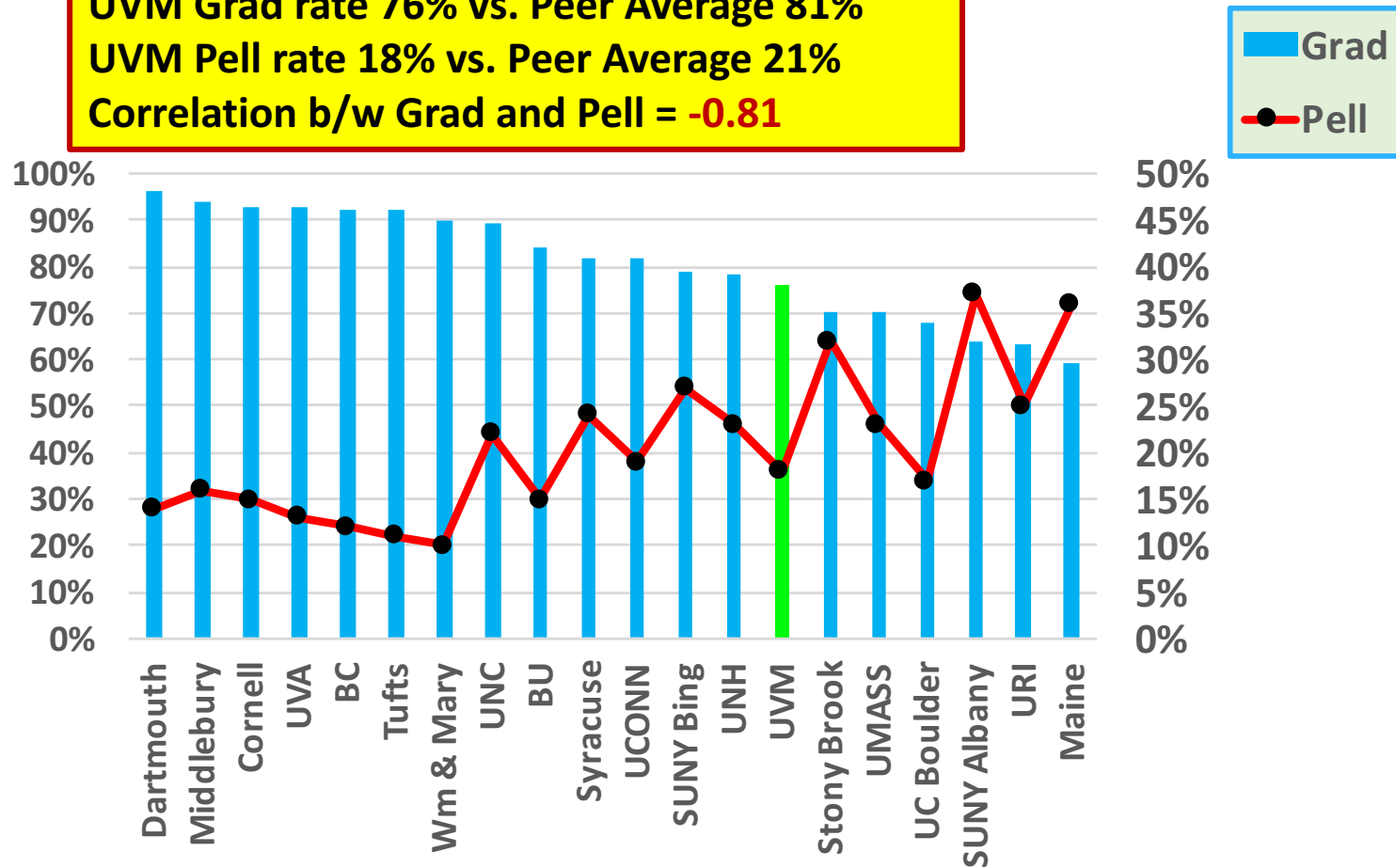


State of Louisiana: 6-Year Graduation Rates and % of Students Receiving Pell Grants, 2014 per IPEDS

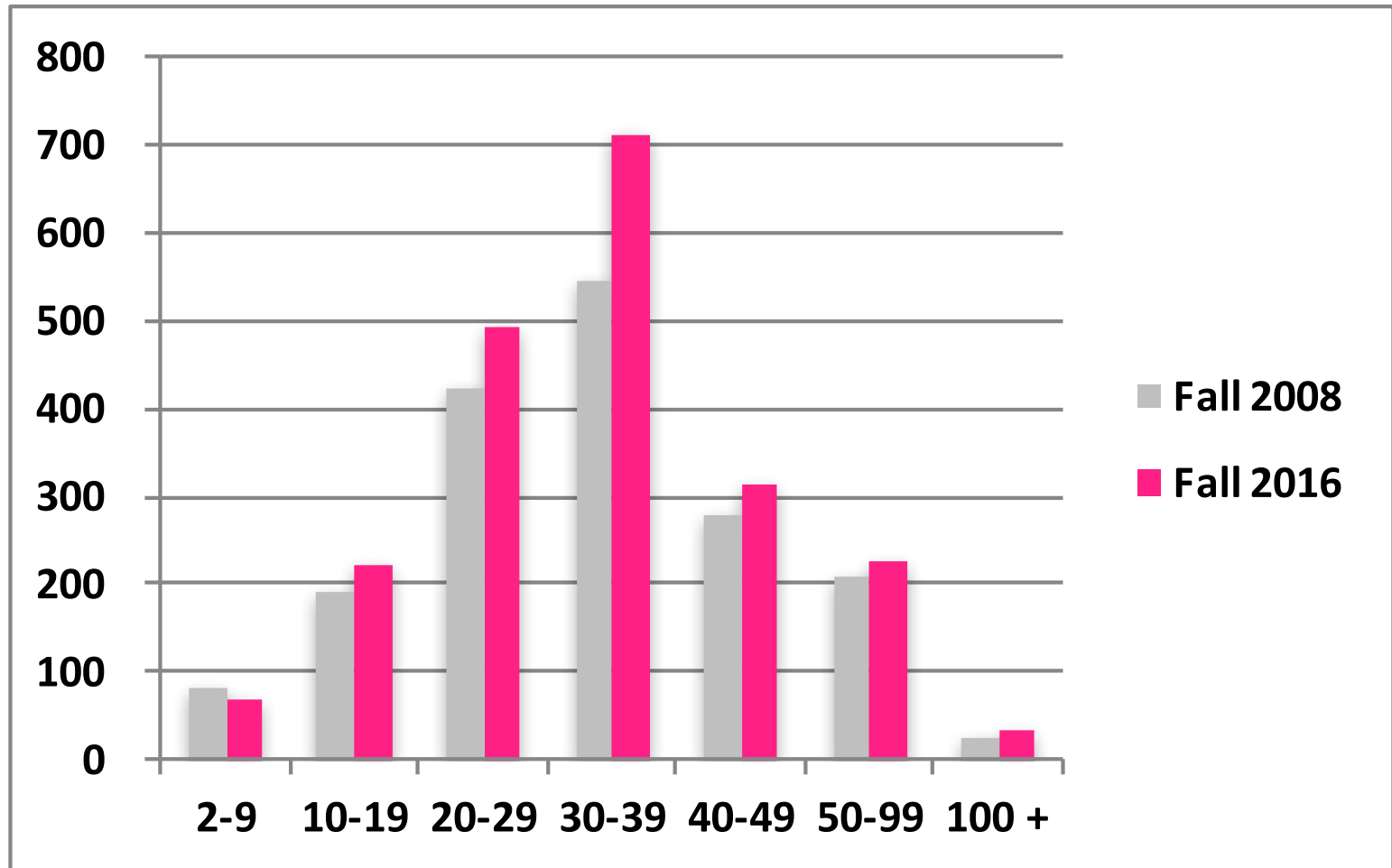


2015 Graduation and Pell Rates for Peer Institutions per IPEDS

UVM Grad rate 76% vs. Peer Average 81%
UVM Pell rate 18% vs. Peer Average 21%
Correlation b/w Grad and Pell = -0.81



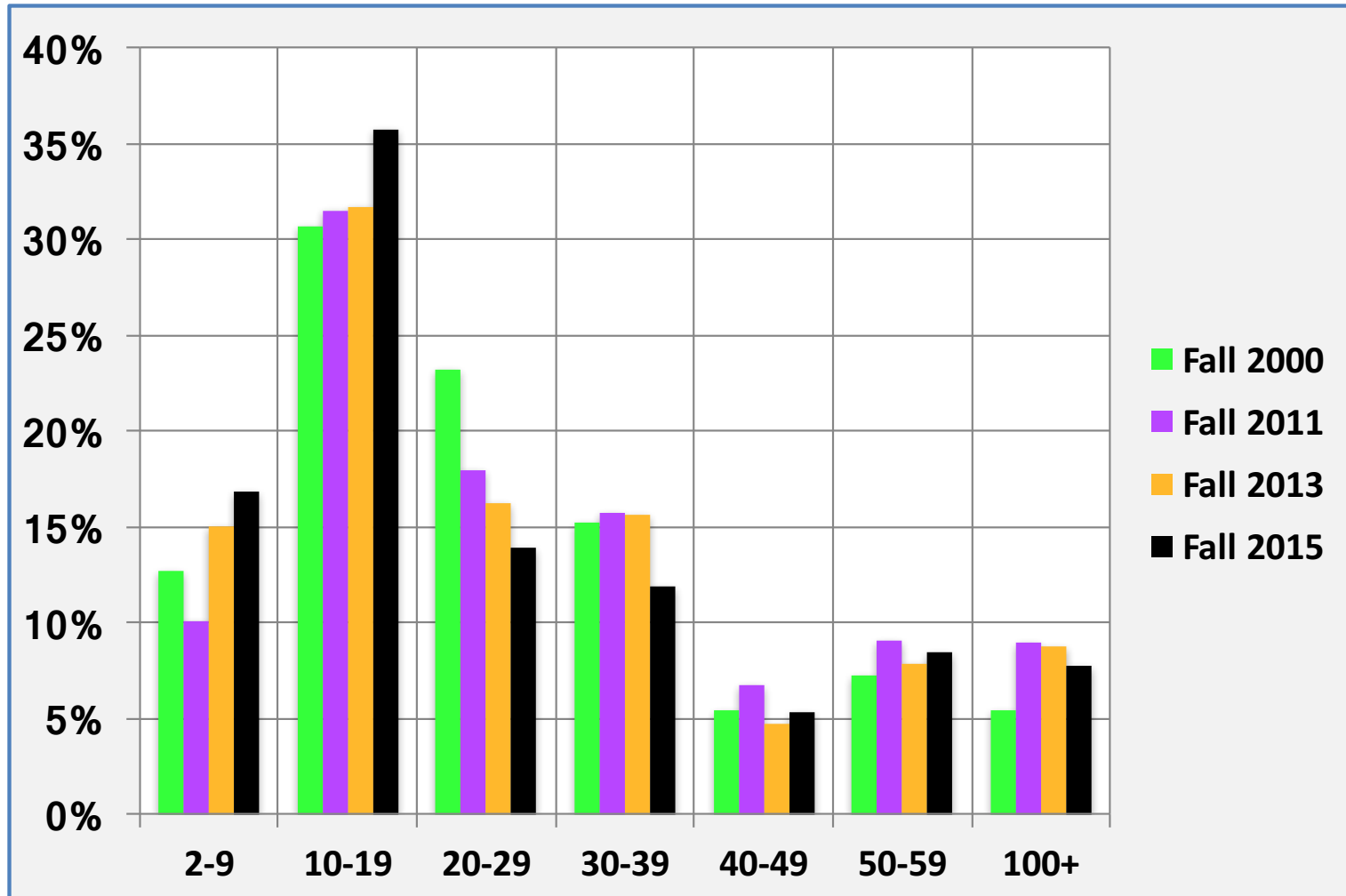
Class Size at Cal Poly Pomona per Common Data Set



Cal Poly Pomona Class Size Analysis

	Fall 2008	Fall 2016	# Change	% Change
2 to 20	272	289	17	6%
21 to 50	1,249	1,520	271	22%
> 50	234	258	24	10%
Total	1,755	2,067	312	18%
Enrollment	21,190	25,326	4,136	20%

Class Size – UCONN: Percentage of Sections With Specific Number of Students



**Athletic Data and
Subsidies From
the Core Mission
to Athletics**

Athletic Data Sources

- **USA Today** – Every year, they compile data from the NCAA Management Reports
<http://sports.usatoday.com/ncaa/finances/>
 - Revenues by source
 - Expenses by source
 - Subsidy: Percent of Athletic Expenses subsidized by the core academic mission
- **EADA** (Equity in Athletics Data Analysis of US Dept. of Education)
 - Number of athletes and sports
 - Number of coaches
 - Revenue by sport
 - Expenses by sport

EKU Participants and Total Costs

Source: Equity in Athletics Data Analytics (EADA)

	Male Undergraduates	Female Undergraduates	Total Undergraduates		Men Athletes	Women Athletes	Total Athletes
2011	5,235	6,648	11,883		194	115	309
2012	4,980	6,279	11,259		208	115	323
2013	5,070	6,162	11,232		216	111	327
2014	4,893	6,062	10,955		227	120	347
2015	4,923	6,232	11,155		215	132	347
% of Students in Athletics	Male	Female	Total				
2011	3.7%	1.7%	2.6%				
2012	4.2%	1.8%	2.9%				
2013	4.3%	1.8%	2.9%				
2014	4.6%	2.0%	3.2%				
2015	4.4%	2.1%	3.1%				
% Spendig on Athletics	Athletic Spending	Total EKU Expenses	% Spent on Athletics				
2011	12,058,905	265,163,734	4.5%				
2012	12,861,703	275,634,751	4.7%				
2013	11,858,777	271,843,835	4.4%				
2014	13,033,262	269,904,830	4.8%				
2015	14,928,513	291,490,453	5.1%				

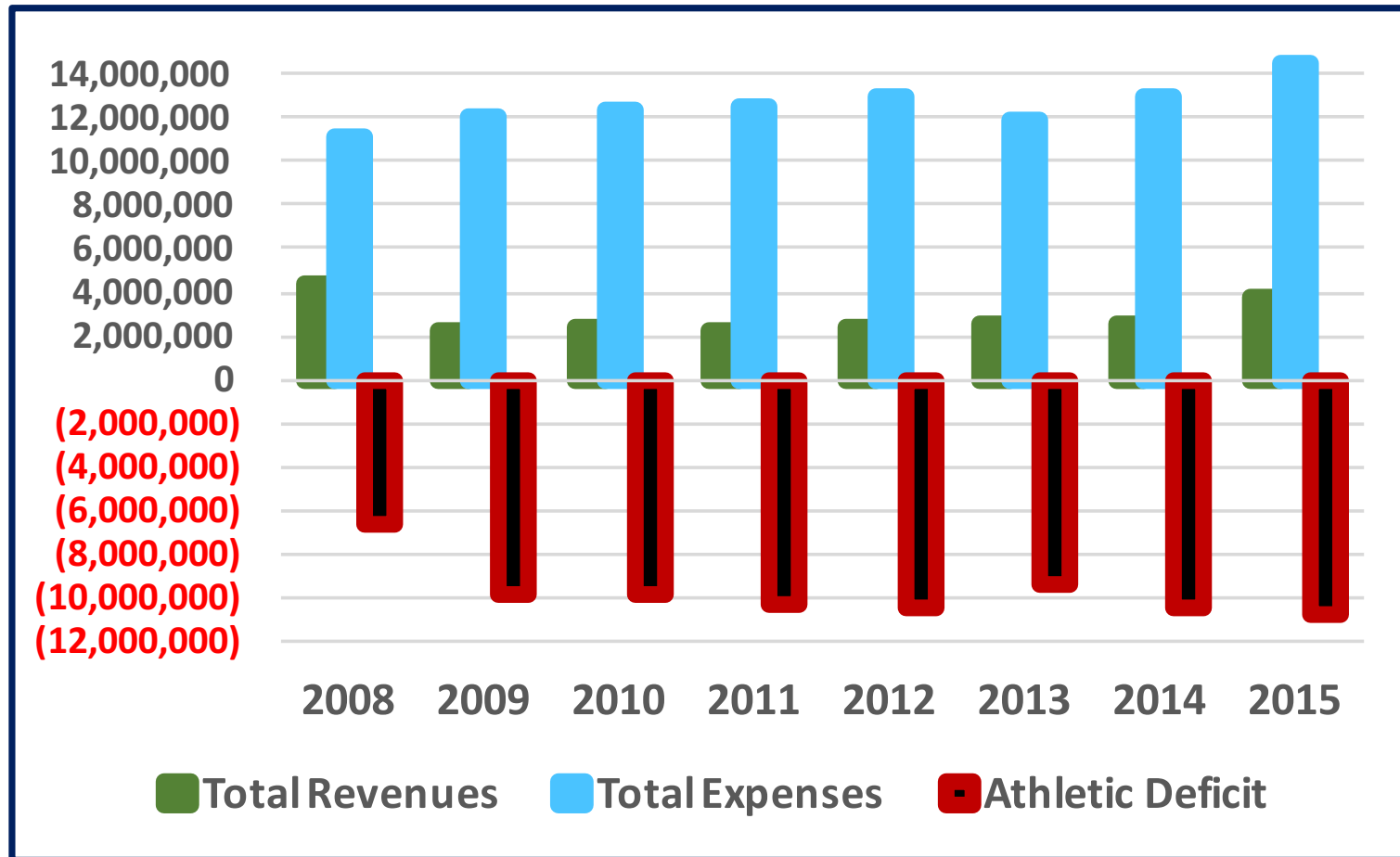
EKU Participants by Sport per EADA, 2015

	Men	Women
Baseball	37	
Basketball	16	15
All Track Combined	63	66
Football	118	
Golf	9	6
Soccer		25
Softball		23
Tennis	12	10
Volleyball		15
Total Participants Men's and Women's Teams	255	160
Unduplicated Count of Participants	215	132

EKU Total Direct Athletic Revenues, Expenses, and Deficits per USA Today

Year	Total Revenues	Total Expenses	Athletic Deficit
2008	\$4,456,050	\$11,101,413	(\$6,645,363)
2009	\$2,208,493	\$12,018,653	(\$9,810,160)
2010	\$2,453,691	\$12,309,887	(\$9,856,196)
2011	\$2,184,053	\$12,435,604	(\$10,251,551)
2012	\$2,463,473	\$12,954,360	(\$10,490,887)
2013	\$2,560,671	\$11,938,695	(\$9,378,024)
2014	\$2,600,449	\$13,033,263	(\$10,432,814)
2015	\$3,833,936	\$14,570,279	(\$10,736,343)

EKU Revenues, Expenses, and Deficits Graphically

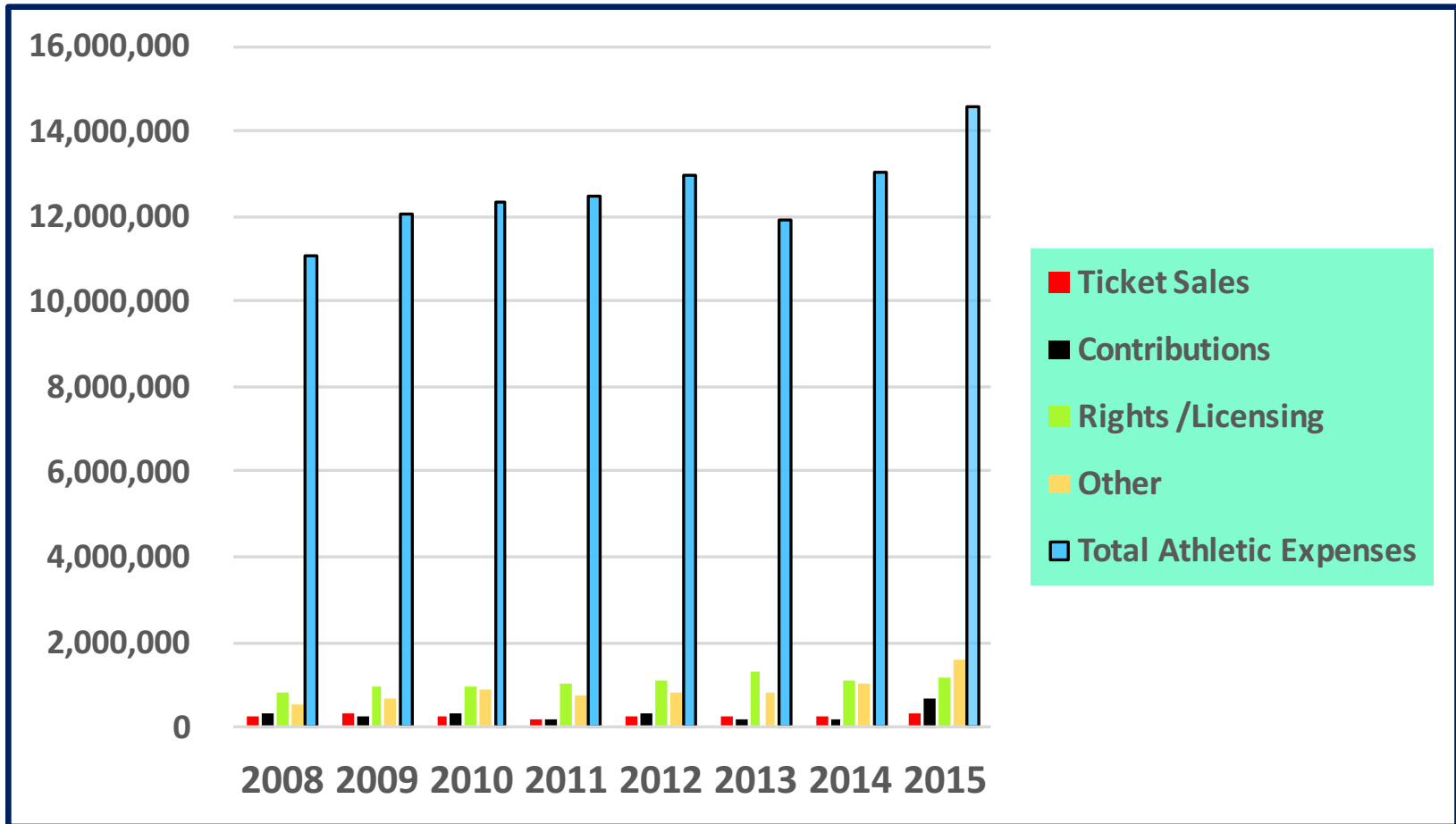


EKU Athletic Subsidy Percentage per USA Today: Subsidy = Percent of Athletic Expenses Subsidized by the Core Academic Mission

	Ticket Sales	Contributions	Rights / Licensing	Other	Total Direct Revenues	Total Subsidy (Expenses - Direct Revenue)	Total Athletic Expenses	Subsidy Percentage (Subsidy / Expenses)
2008	\$247,309	\$351,672	\$849,505	\$559,876	\$2,008,362	\$9,093,051	\$11,101,413	82%
2009	\$294,953	\$227,750	\$962,765	\$644,808	\$2,130,276	\$9,888,377	\$12,018,653	82%
2010	\$260,241	\$318,558	\$985,881	\$889,011	\$2,453,691	\$9,856,196	\$12,309,887	80%
2011	\$209,486	\$214,095	\$1,012,015	\$748,457	\$2,184,053	\$10,251,551	\$12,435,604	82%
2012	\$265,641	\$315,755	\$1,080,327	\$801,750	\$2,463,473	\$10,490,887	\$12,954,360	81%
2013	\$237,505	\$199,692	\$1,302,475	\$820,999	\$2,560,671	\$9,378,024	\$11,938,695	79%
2014	\$275,869	\$190,952	\$1,114,833	\$1,018,795	\$2,600,449	\$10,432,814	\$13,033,263	80%
2015	\$328,033	\$706,326	\$1,196,310	\$1,603,267	\$3,833,936	\$10,736,343	\$14,570,279	74%

- In 2015, the subsidy of \$10.7 million for 16,844 total headcount
- **EVERY STUDENT PAID \$637 IN 2015 TO SUPPORT ATHLETICS**

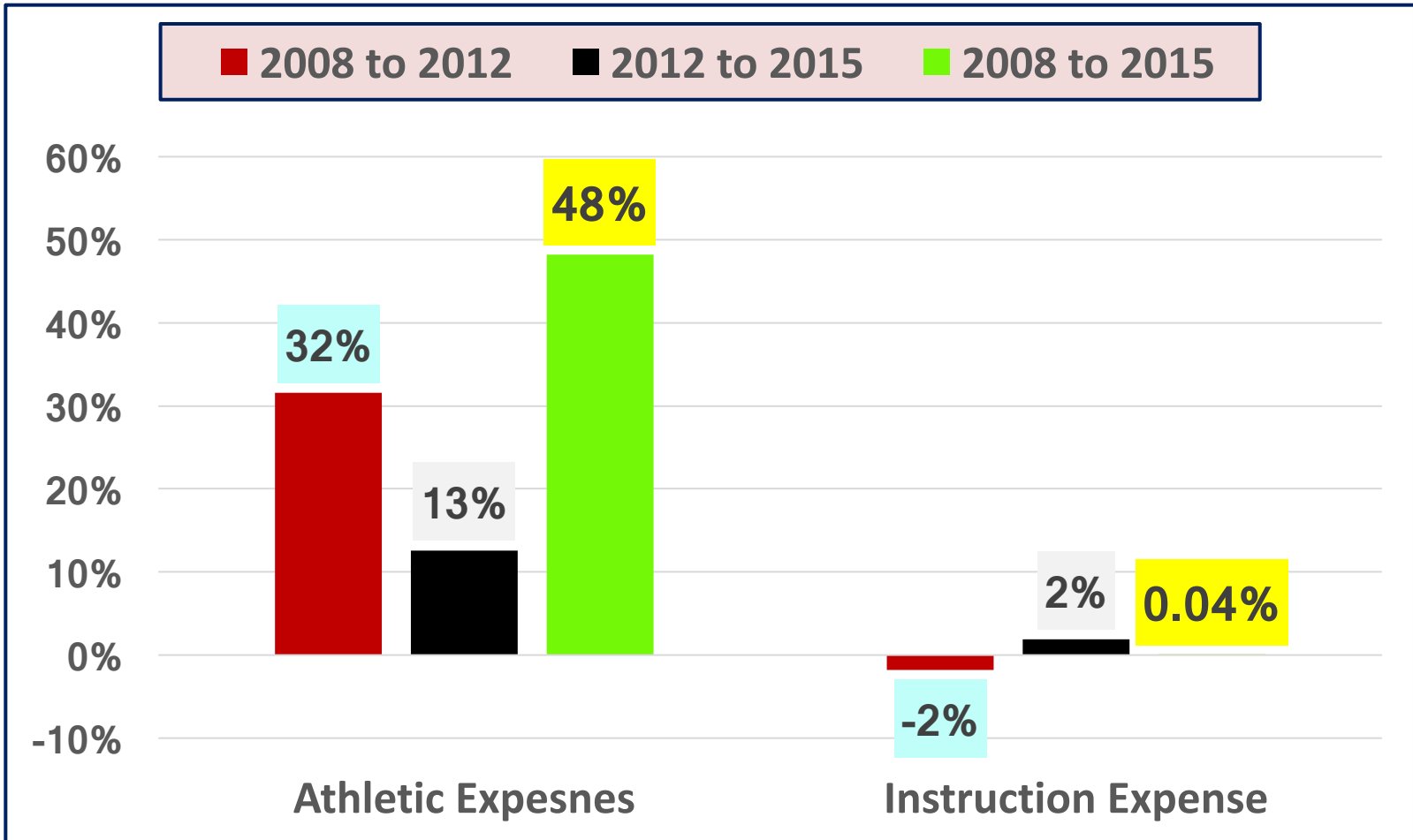
EKU Graph of Individual Athletic Revenues per USA Today vs. Athletic Expenses Ticket Sales are Almost Nonexistent



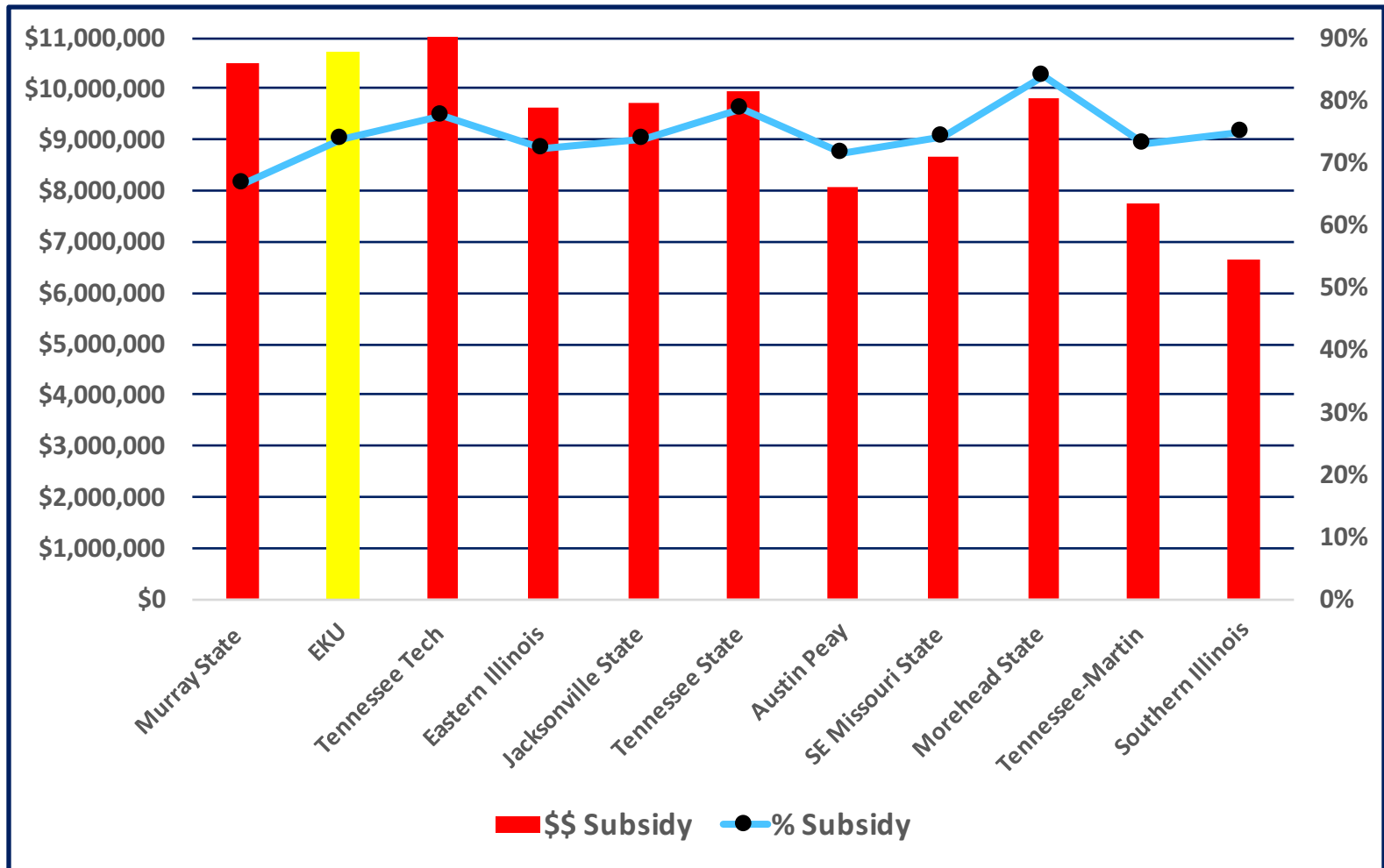
EKU Athletic Expenses per USA Today

year	coaching / staff	scholarships	facilities / overhead	other	Total Expenses
2008	\$4,116,856	\$3,752,759	\$4,000	\$3,227,798	\$11,101,413
2009	\$4,356,197	\$4,248,718	\$8,822	\$3,404,916	\$12,018,653
2010	\$4,153,435	\$4,316,988	\$11,448	\$3,828,016	\$12,309,887
2011	\$4,278,614	\$4,467,005	\$6,378	\$3,683,607	\$12,435,604
2012	\$4,443,895	\$4,718,325	\$0	\$3,792,140	\$12,954,360
2013	\$4,340,780	\$4,633,624	\$0	\$2,964,291	\$11,938,695
2014	\$4,497,749	\$4,907,475	\$0	\$3,628,039	\$13,033,263
2015	\$4,863,252	\$5,348,248	\$0	\$4,358,779	\$14,570,279

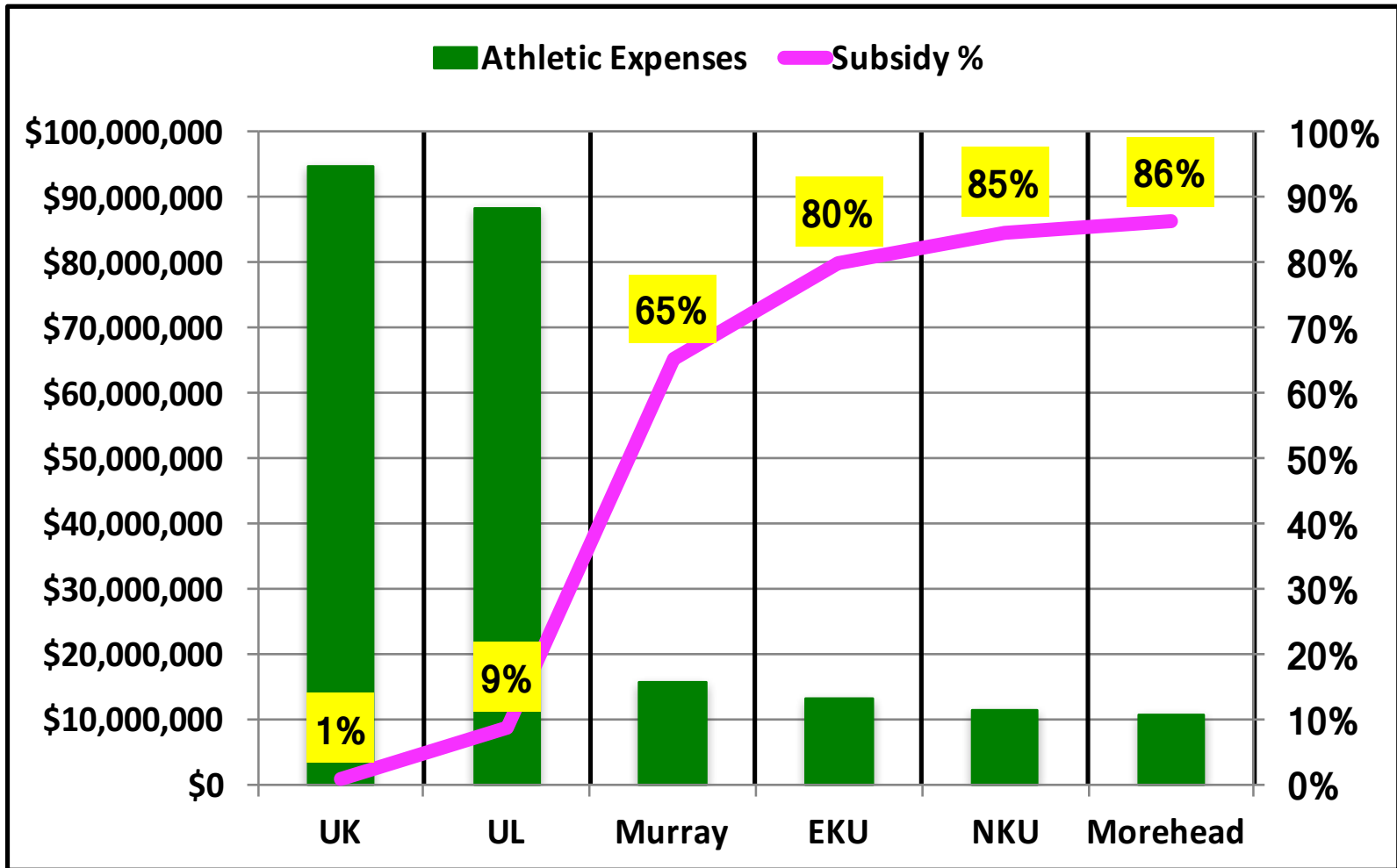
Morehead State Athletics vs. Academics



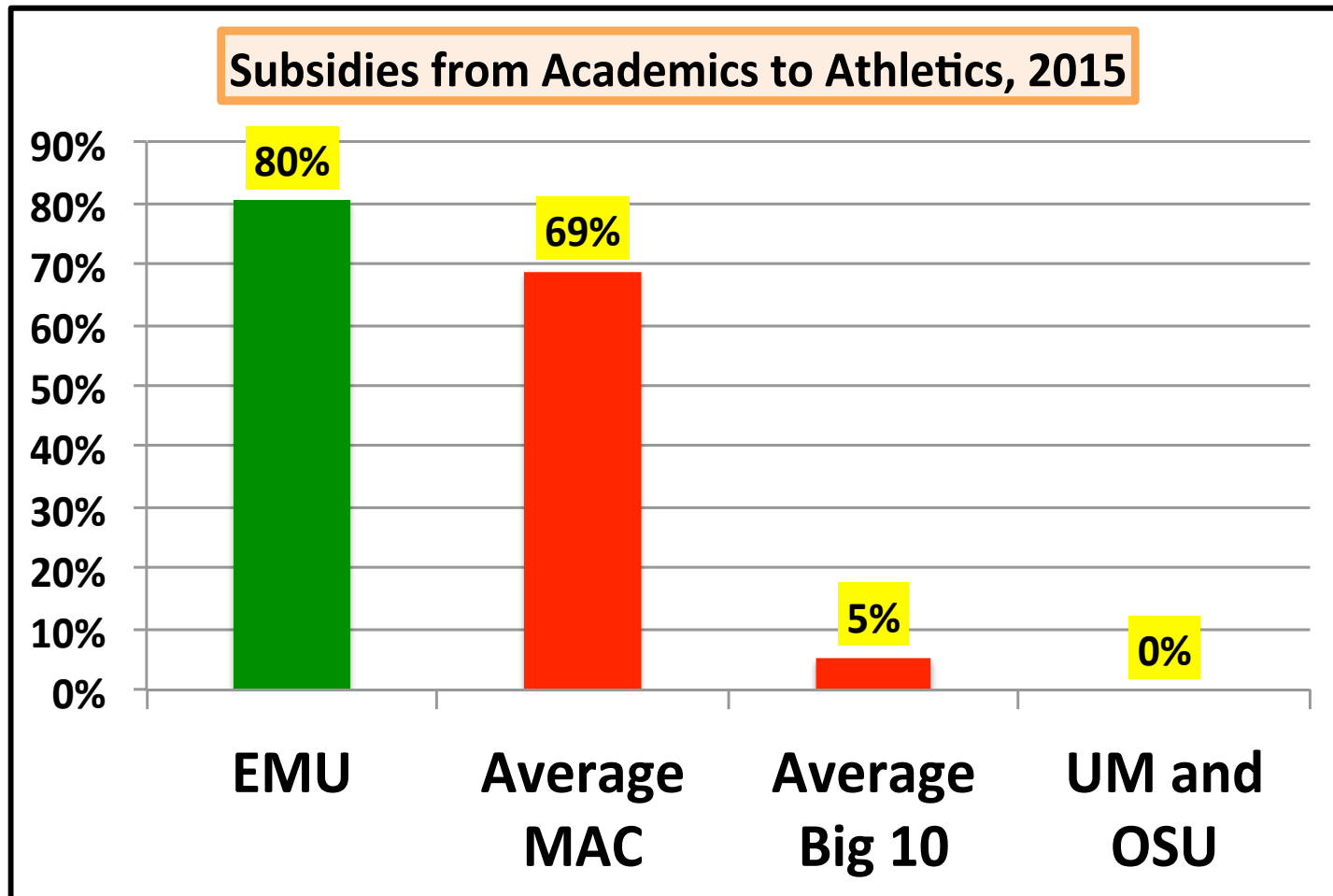
Ohio Valley Conference Dollar and Percentage Athletic Subsidies



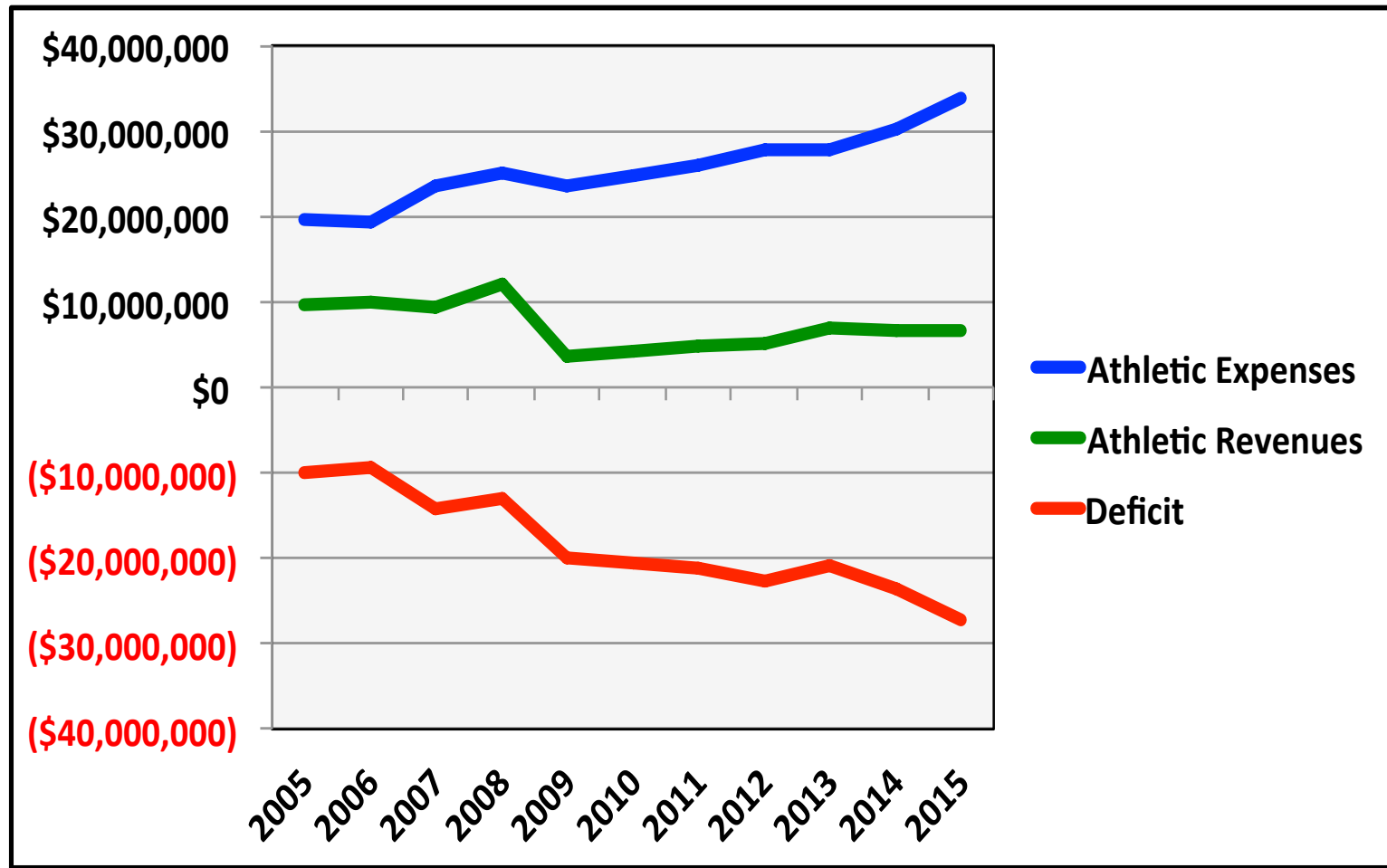
Athletic Expenses and Subsidies in Kentucky per USA Today



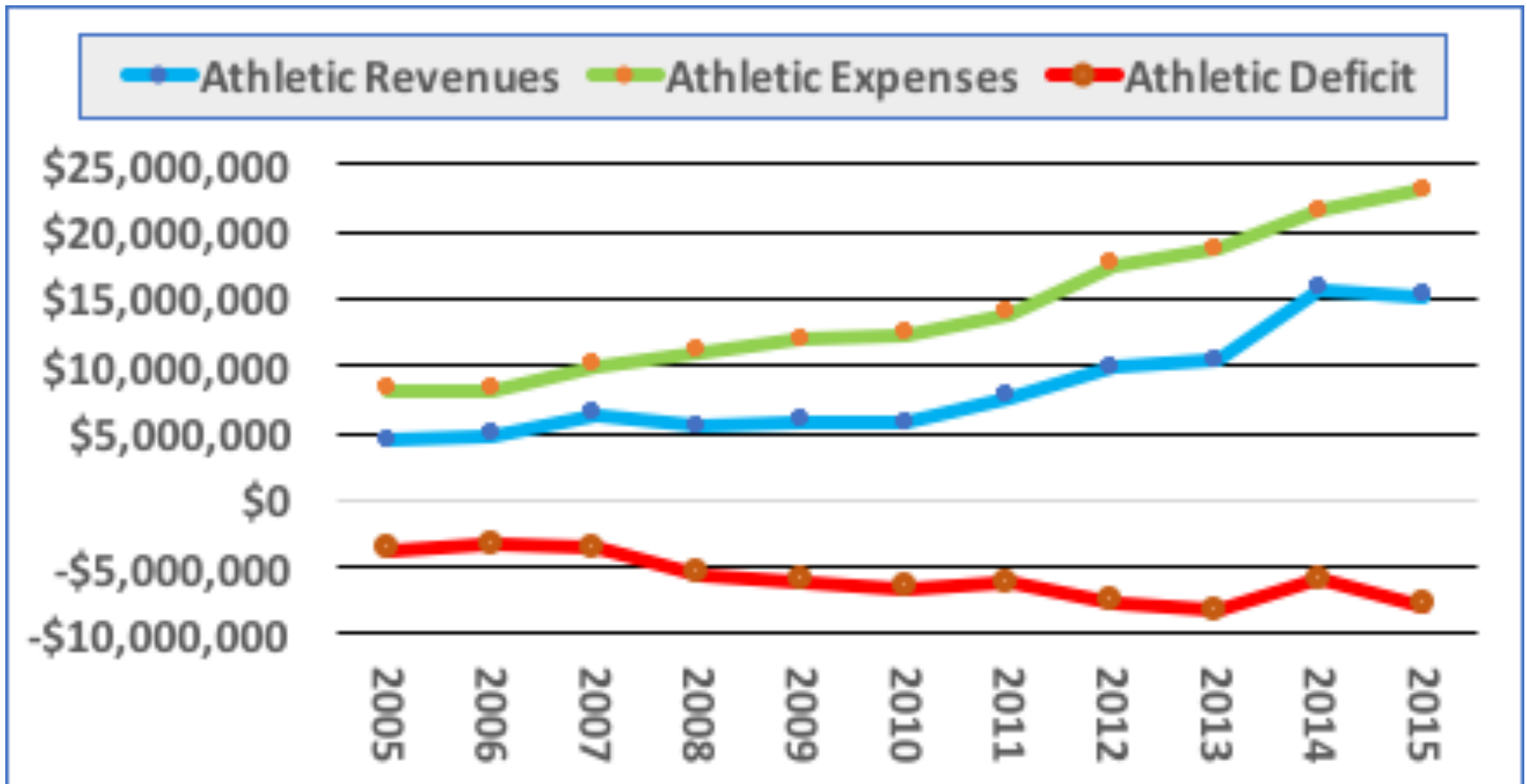
Subsidies in MAC and Big Ten



Eastern Michigan Athletics: Sources: USA Today and NCAA Reports



UL Lafayette Athletic Revenues and Expenses



UL Lafayette: Athletics vs. Academics

