



# HIGHER LEARNING COMMISSION

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June 24, 2019

Dr. Cheryl Schrader  
President  
Wright State University  
3640 Colonel Glenn Hwy.  
Dayton, OH 45435-0001

Dear President Schrader:

A Financial Panel has reviewed Wright State University's recent Interim Report. The Panel's analysis and recommendation are attached; no further monitoring by the Higher Learning Commission (HLC) is required at this time. You are encouraged to review the Panel's comments and to contact your HLC liaison if you have questions.

Sincerely,

Higher Learning Commission

cc: Dr. Susan Edwards, Accreditation Liaison Officer  
Linnea Stenson, HLC Staff Liaison



FORM

## Financial Panel Report

### *Analysis and Recommendation*

Panel members should review the institutional report and supplementary documents and provide their analysis and recommendation on whether the institution is at risk of not meeting the Criteria for Accreditation. If the panel decides that additional information is necessary to make a recommendation, the panel lead should contact HLC to obtain that information. See the [Financial and Non-financial Indicator Process](#) for additional details.

#### **Submission Instructions**

After ensuring that all part of the form are complete, the panel lead should upload the Financial Panel Report to the panel page in the HLC Portal.

Institution: Wright State University

City: Dayton State: Ohio

Date of panel review: June 18, 2019

#### Financial Panel members:

- Teri Zuccaro (Lead), Instructor of Accounting, Clarke University
- John Gratton, President, New Mexico State University Carlsbad
- Christopher Demaline, Professor of Business, Central Arizona College

#### Previous HLC action regarding the institution's financial report (if applicable):

The previously assigned financial panel felt that the report and information provided by Wright State University did not present a clear picture that the institution had appropriate policies and procedures in place to monitor its financial health. Based on this assessment, the previously assigned financial panel recommended that an interim report be provided by Wright State University.

## Items addressed in the report:

Wright State University was requested to provide additional information related to its Financial Governance Policy, its identified data trends, its enrollment management procedures, a depiction of enrollment results and enrollment projections, the status of the Financial Sustainability Plan, and the institution's contingency plans.

## Panel Analysis

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Wright State University provided ample evidence of its initiatives and results related to the stipulated issues that were posed by the prior financial panel. The University has undertaken serious initiatives to address the financial concerns and its reported financial position and the implemented procedures will serve Wright State well in preventing future financial issues from arising. The provided evidence included the following:

**FY 2017 – 2018 Financial Statements** – Wright State University provided copies of its audited 2017 and 2018 financial statements. The provided statements demonstrated sound progress on the financial security of the institution and the projected CFI of 2.0.

**Financial Governance Policy** – Wright State University provided copies of its Financial Governance Policy which was adopted by the Board of Trustees on June 8, 2017. The stipulated policy sets performance measures, key indicators, investment strategies, and capital funding requests. The developed policy has resulted in an increased review of the Institution's finances, expenditures, and contracts. The policy requires an annual report be submitted to the Board of Trustees that depicts the financial performance of the University. A copy of the most recent Board report was included as an Appendix to the Interim Report.

**Data Trends Identified in Monthly Reports** – Wright State University provided copies of its three most recent Finance Committee monthly reports. A most important aspect of each report was a projection of net operating position at year's end. The Wright State goal for FY 18 was to attain a \$6 million surplus and the University actually attained a \$10 million surplus which was the first year since 2011 that a surplus was achieved. The generated data provide sound guidance for the University to take actions related to position elimination, expenditure curtailing, and revenue enhancements.

**Enrollment Management** – Wright State University has employed frequent and focused discussions on enrollment trends and actions. The University has established five-year enrollment goals with an aim to achieve an enrollment of 15,570 by the fall semester of 2024. Action plans for the five-year enrollment growth include the following:

- Increase direct from high school enrollees
- Increase the number of transfer students
- Increase fall to fall retention from 64% to 68%
- Introduce new programs and delivery methodologies
- Develop aggressive marketing plans to strengthen the University's identity

Additionally, the University has implemented enhanced processes for the use of staff and technology in its enrollment management initiatives. These enhancements include a high school advising program, implementation of texting capabilities, implementation of predictive analytic models, implementation of an Early Alert System and Progress Reporting System, and the addition of two recruiting personnel, a Transfer Recruiter and an Assistant Director for Transfer Partnerships. The current Interim Vice

President for Enrollment Management has agreed to remain in this role for two more years in order to fully implement the enrollment management initiatives.

**Enrollment Results 2017 – 2019** – Wright State University provided the below enrollment results for 2017 through 2019:

	Summer 2017	Fall 2017	Spring 2018	Summer 2018	Fall 2018	Spring 2019
Student Level	FTE	FTE	FTE	FTE	FTE	FTE
Undergraduate	1,778.1	11,112.2	9,836.2	1,742.4	10,120.5	8,910.8
Graduate	1,017.6	1,712.5	1,560.8	903.3	1,551.5	1,426.6
Medical/Professional	142	590	584	140	607	596
<b>TOTAL FTE</b>	<b>2,937.7</b>	<b>13,414.7</b>	<b>11,981.0</b>	<b>2,785.7</b>	<b>12,279.0</b>	<b>10,933.4</b>

**FTE Enrollment Projections** – Wright State University provided the below projections for the 2019 – 2020 academic year which will be employed in budgetary projections:

Summer 2019	5,296
Fall 2019	13,885
Spring 2020	12,570

**Financial Sustainability Plan** – Wright State University provided the current version of its Financial Sustainability Plan which contains numerous initiatives identified to increase enrollment. The University will focus on the major projects and assess the impact of the achieved successes. The enrollment projections and goals are employed to create a short-term financial model. The developed model indicates that the net operating position is likely to decline until enrollment can be stabilized. The University will draw upon reserves to resolve any short-term deficits.

**Contingency Plans** – If enrollments do not meet targets, expenses will continue to be align expenditures with revenues. The employed processes would include the elimination of vacancies, the creation of operational efficiencies, and the implementation of an efficiency and effectiveness initiative. This initiative would include an evaluation of faculty workload and class sizes.

## Panel Recommendations

The panel has reviewed and evaluated the institutional documents provided (report and supplementary documents) in making its recommendation.

- ☒ **Accept Report.** The panel concludes that the institution has substantially met its commitment in its report on financial indicators.

### Rationale:

Wright State University has undertaken substantial initiatives to improve its financial status. The provided evidence related to the University's Financial Governance Policy and data trends demonstrated that the incorporated financial stability plans have been successful in raising the Institution's CFI to an approved level of performance. In addition, the University has undertaken serious enrollment management initiatives that should prove fruitful in

elevating the enrollment at Wright State University. The provided Financial Sustainability Plan demonstrated a serious commitment to the assessment of the employed enrollment initiatives. In preparation for the possibility of not meeting the enrollment targets, Wright State University has developed a contingency plan which incorporates faculty workload and class size adjustments. It is the consensus of the panel that Wright State University has addressed all of the financial issues that were raised previously and the adopted procedures will serve the University well in preventing future financial difficulties. The only caution that the panel might propose is for Wright State University not to draw too heavily on reserves to meet deficits as a reduction in reserve balances can trigger a reduction in the achieved Composite Financial Index.

- ☐ **Accept Report With Qualifications.** Overall, the institution addressed the financial concerns adequately. However, the panel has concerns on the following matters that the institution should consider in future planning.

Specific concerns:

- ☐ **Recommend HLC Follow-up.** The panel reviewed the materials and has concerns that the institution may be at continued financial risk, explained below. The panel is recommending the following monitoring:

- ☐ Interim Report—due three months from the date of action\*
- ☐ Focused Visit—to occur within six months of the date of action\*

*\*HLC staff may adjust this follow-up to be included in future monitoring or a visit already scheduled with the institution.*

Specific financial risks, with explanation: