Welcome

This four part webinar series covers topics tailored to the complex needs of institutions of higher education:

1) Sustainability (Today)
2) Strategic Planning and Leadership (February 26, 2018, 2-3 pm)
3) Return on Investment (March 26, 2018, 2-3 pm)
4) Sustainability, Leadership, Assessment and Action (April 30, 2018, 2-3 pm)
Objectives of Four Part Webinar Series

• Provide insight into issues specific to higher education institutions
• Provide perspectives supporting shifts in mindset and strategies
• Provide tools and options for sustainability and right sizing in the changing and highly competitive higher education market
• Assist higher education institutions develop and implement successful strategic plans

Presenters

Webinars will be presented by Schneider Downs and Bond, Schoenebeck & King professionals:

John Null
Audit Shareholder, Chair of Schneider Downs’ Higher Education Industry Group
John has more than 30 years of professional experience serving higher education, arts organizations, foundations and other not-for-profit clients. He is an experienced business advisor, providing clients with timely, innovative and high-quality advice on a broad array of accounting, finance, corporate governance and general business issues.

Dr. Lou Marcoccia
Schneider Downs Strategic Consultant
Former Syracuse University Executive Vice President & Chief Financial Officer and current Cazenovia College Jill Hebl St. Clair ’62 Endowment Chair for Accounting and Finance.
**Presenters (continued)**

**Stephen A. Donato, Esq.**  
Member, Bond, Schoeneck & King, PLLC  
Steve is chair of Bond’s business restructuring and creditors’ rights practice. For more than 30 years, he has concentrated his practice on complex corporate workouts and restructurings. He also has extensive experience advising higher education institutions, including for-profit and not-for-profit colleges, universities, private high schools and charter schools, with financial matters.

**Staci Brogan**  
Audit Shareholder, Schneider Downs Higher Education Services  
Staci is Chair of the Schneider Downs Not-for-Profit Industry Group. For over 20 years, Staci has served not-for-profit clients, and specifically institutions of higher education. Staci has extensive experience advising institutions on matters of financial health, governance, internal control, risk management and compliance.

**John Bellardini**  
Schneider Downs Strategic Consultant  
John has over 30 years of experience in management, finance, accounting, sales, information systems and human resources. He has experience in building robust organizations and shaping business strategy to support growth, profitability, sustainability and revitalization of under-performing operations.

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**Logistics**

**CPE Credits**
1. Respond to three polling questions that will appear throughout the program.
2. Complete the evaluation form that will be emailed to you approximately one hour after the conclusion of the program.

**Submitting Questions**
1. Enter a question in the questions box and hit submit.
2. We will make every effort to answer all submitted questions at the conclusion of the program. In the event we do not have time to address all questions, we will provide answers to all webinar attendees via email.
Higher Ed Challenges

- Impact of the new Federal tax legislation on higher education, e.g., endowments, giving, employee benefits, etc.
- Performance-based outcomes
- Strategic programmatic investment
- Strength and diversity of program offerings
- Questions surrounding the affordability of higher education, student loan debt and gainful employment after graduation
- Affiliations and strategic alliances
- Unionization by faculty, staff, adjuncts and graduate students
- Impact of “Free Tuition” programs, e.g., NY Excelsior Scholarship
- Continued evolution of the strategic planning process
- Deferred maintenance and transformation of the traditional campus
- Change in immigration policies impact on overseas recruiting efforts
- Information technology and cybersecurity risks
- Identification of key risks and managing them effectively (financial and non-financial)
- Uncertainty of Federal government’s regulations and policy changes
- Impact of new European General Data Protection Regulation
**Trends from 2017 Audits and Observations on the Marketplace**

- Planned enrollment targets have not always been achieved
- Cost cutting has hit point of diminishing returns (affecting quality)
- Funding and spending priorities have resulted in budget reductions and increasingly in budget reallocations
- Revenue growth in excess of expense growth has been difficult to generate
- Tuition discount rates continue to increase offsetting meaningful change in net tuition revenue/FTE

**Trends from 2017 Audits and Observations on the Marketplace**

- Enrollment retention improvement programs have continued to be enhanced or commenced, however assessment of their full impacts and required further refinements continues
- Affordability and increasing sensitivity to price versus perceived value and benefit continue to influence pricing and discounting decisions
- Capital spending decisions have been increasingly impacted by increasing costs for major and deferred maintenance spending, availability and terms of new debt, and the strategic goal of maintaining sufficient uncommitted debt capacity
- Refinancing of debt has received increased attention
- Operating cash flow margin percent has decreased for many institutions
- Moody's has downgraded debt ratings for higher education institutions
Broader Concerns

• Demographics, GDP, supply and demand
• Policy and regulations – Tax, immigration, PROSPER Act and financial aid
• Key economic indicators – Unemployment rates, state and federal budgets, stock markets
• Expectations – Government, donors, students/families
• Sustainability

Panel Discussion
The industry has dealt with “changes” (e.g., taxes and regulatory) in the past. What makes the current environment different? Can the industry draw on its past experiences in coping with the latest challenges?

Can institutions develop and execute strategies around “operating plans” similar to those of commercial or “for-profit” businesses? Can they develop a mindset of “supply and demand” when attempting to manage revenue streams thru enrollment objectives and spending, especially those associated with less sought after courses/programs?
Question

How are auditors/attorneys/consultants and schools collaborating to address the impact of these economic issues on the institution’s broader risk assessment process? What kinds of information/data and tools are they using?

Question

What are some of the “warning signs” that a school will struggle with sustainability”?

What are the initial “courses of action” to consider in response to concerns?
Question

How can management and the Board of Trustees work together to address current (and future) market dynamics? How can faculty get engaged?

Question

How far can a school’s balance sheet (investments/endowments) and reputation carry it? Can schools really “right-size” the business, diversify revenue streams or streamline/redirect spending?
Question

How can schools balance the expectations of so many constituents (students/families, donors, government, creditors and rating agencies, accrediting bodies, board of trustees)? How can schools ensure “communication” is timely and appropriate (“transparent”)?

Question

Are closures or mergers inevitable?
Questions?

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The Business of Higher Education Webinar Series

Webinar Two: Strategic Planning and Leadership
February 26, 2018 from 2:00 – 3:00 p.m.

Webinar Three: Return on Investment
March 26, 2018 from 2:00 – 3:00 p.m.

Webinar Four: Education, Sustainability, Leadership & Action
April 30, 2018 from 2:00 – 3:00 p.m. NEW DATE

Register at www.schneiderdowns.com/events
Thank you for attending!

An evaluation will be emailed to you.