

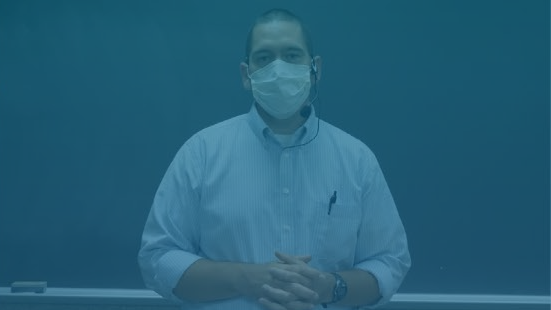


# 2021 Strategic Planning and Budget Forum

Kim S. Phipps, President

April 8, 2021





# Thank You





*Thank You*

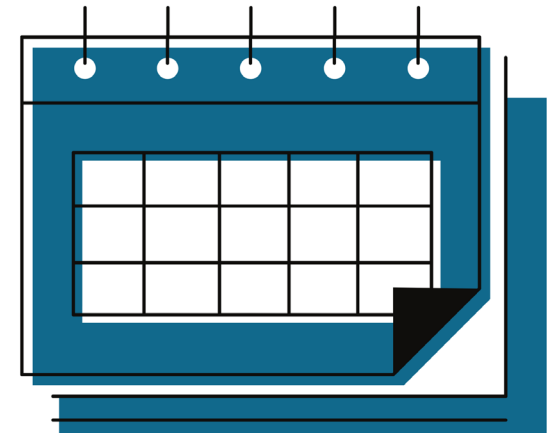
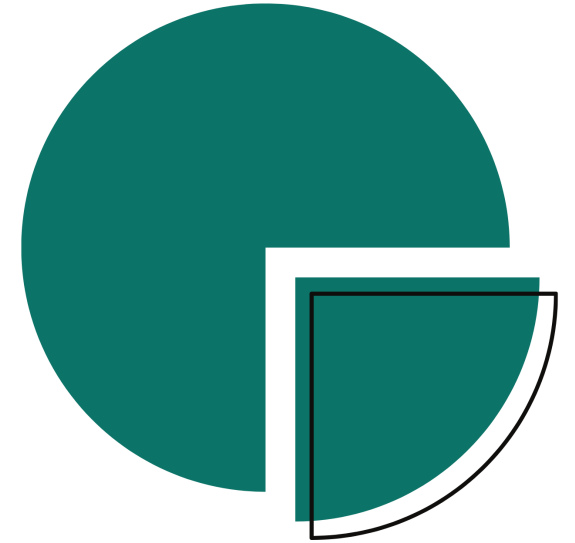
President's Cabinet will be unanimously recommending to the board of trustees the designation of the FY20 surplus to fund a

**2% employee stipend to be paid**

**on June 30, 2021.**

# Purpose of Today's Forum:

- Present the major FY22 budget parameters within the context of significant undergraduate enrollment uncertainty.
- Briefly overview the long term financial forecast for FY23 & FY24.



# Purpose of Today's Forum:

- Update the campus community regarding summer conferences, camps and academic sessions.
- Present the vision statement, key themes and some select goals of Messiah's "University Rising" strategic plan for FY 22—24.



# PROPOSED FY22 BUDGET

DAVID WALKER,  
VICE PRESIDENT FOR FINANCE AND PLANNING

An aerial photograph of the Messiah University campus at dusk. The image shows several large, multi-story brick buildings with illuminated windows, interspersed with green lawns, walkways, and parking lots. In the background, rolling hills and a town with a prominent church steeple are visible under a twilight sky. The overall scene conveys a sense of a vibrant, active university community.

# Messiah University's Institutional Vitality



# Institutional Vitality

- Endowment - \$136,927,959 (*68% unrestricted*)
- Total assets - \$322,341,000 (*80% unrestricted*)
- Standard & Poor's bond rating - "A-"
- History of Successful Fundraising

# Institutional Vitality

- Rider Musser - Oakwood Hills Project Update
  - Primary objective: Provide significant revenue diversification to the University
  - Construction of initial residential phase complete
    - Buildings 4 and 5: opened August, 2020 for Messiah University students in response to COVID 19
    - Current residential occupancy rate: 90-100%
  - Future commercial and residential phases in planning stages
  - Commonwealth Assistance
    - Over \$9 million in state grant/loan awards secured for infrastructure/site development
    - \$1.25M designated for development of a new Columbia Cottages memory care community as part of commercial phase
  - Net rental income to the University expected by FY24

An aerial photograph of a university campus. The image shows several large, multi-story brick buildings with flat roofs. There are several parking lots with cars parked. The campus is surrounded by green spaces and trees. In the background, there are rolling hills and a town with a church steeple. The text is overlaid in the center of the image.

# **Northeast/Mid-Atlantic Enrollment Forecast (Undergrad)**

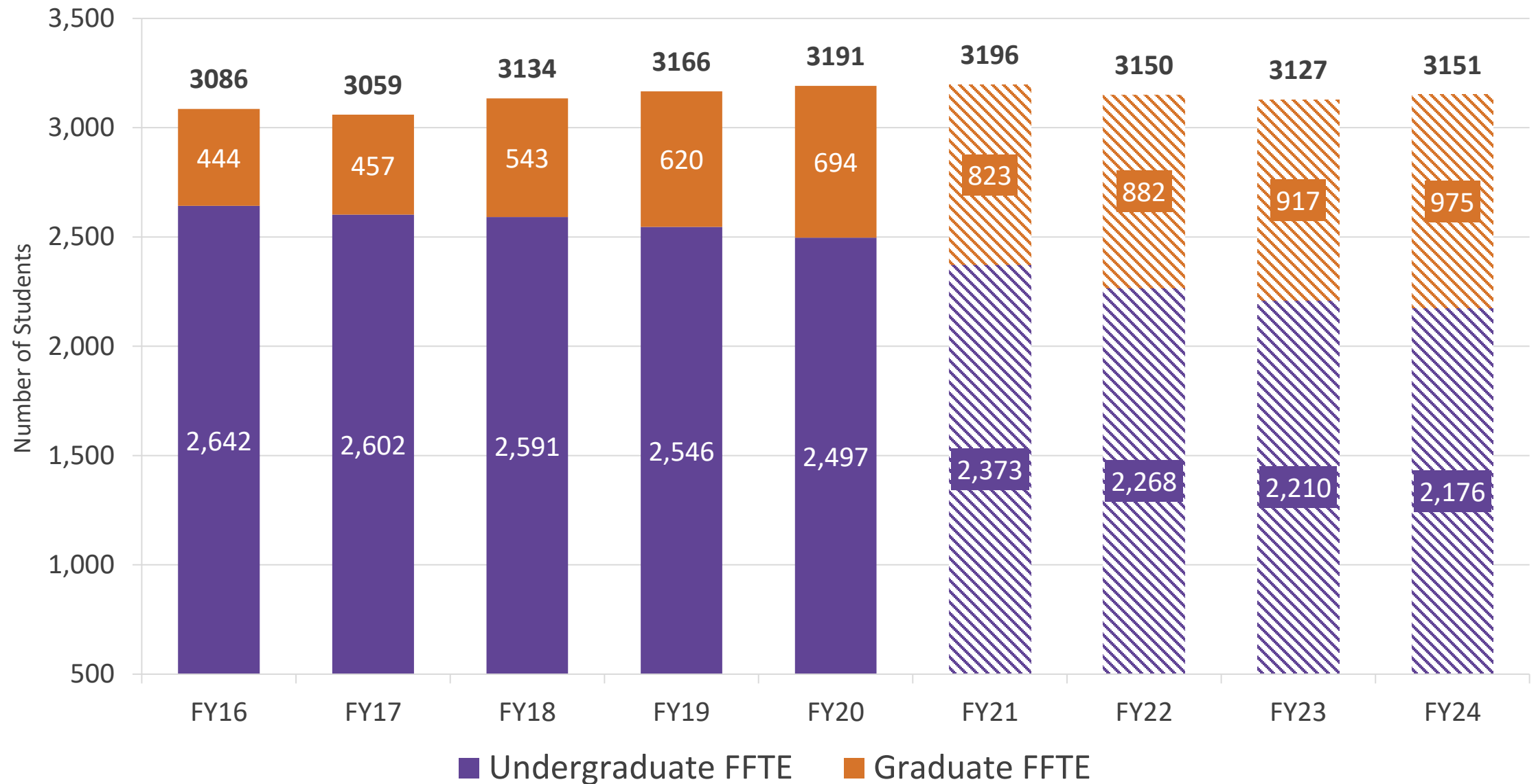
# Regional Challenges

- Demographic challenges
  - Northeast HS graduate declines continue (6% through 2026-27)
- Financial aid “arms race” continues to be intense

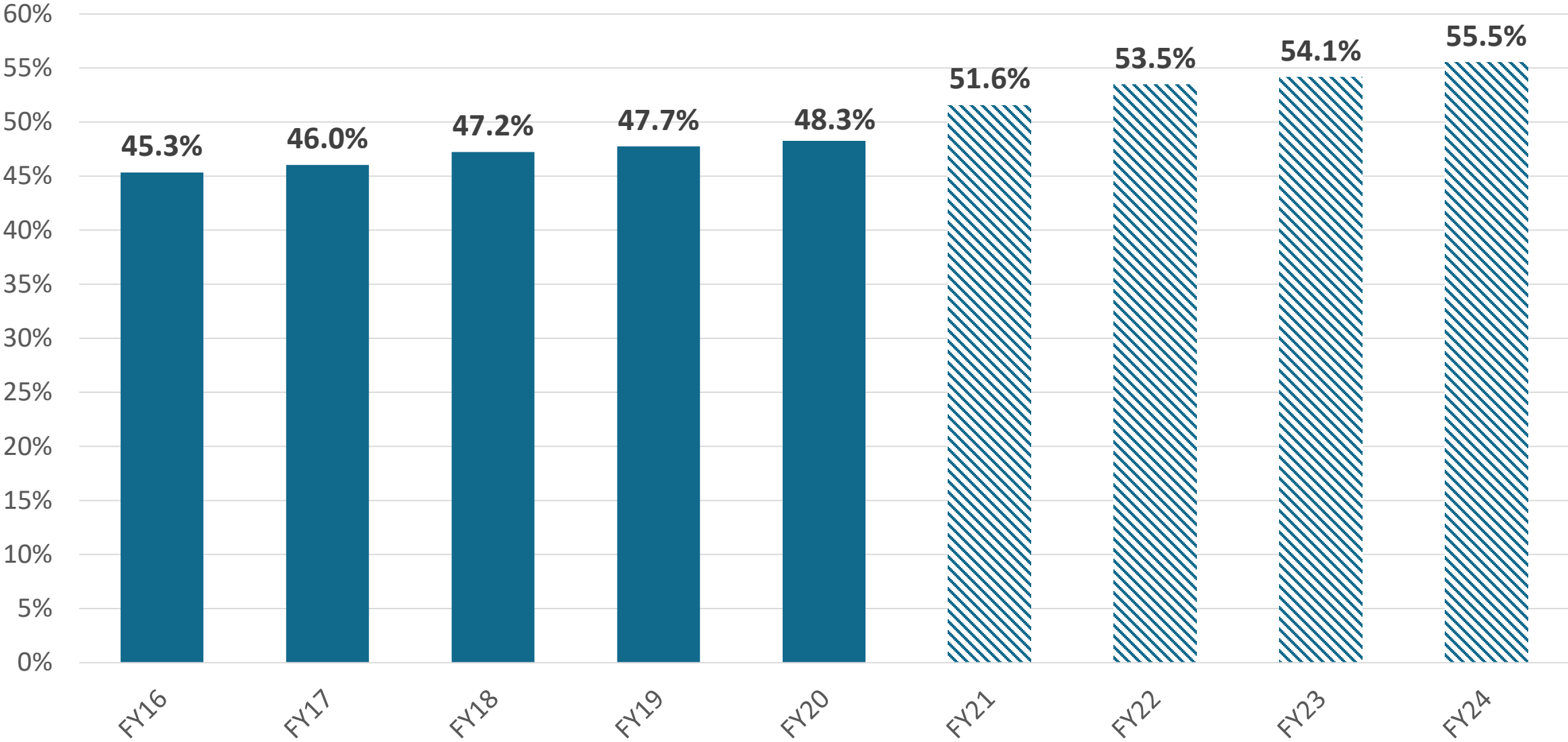
An aerial photograph of the Messiah University campus at dusk. The image shows several large, multi-story brick buildings with lit windows, interspersed with green lawns and parking lots. In the background, rolling hills and a town with a prominent church steeple are visible under a twilight sky. The overall scene is a wide-angle, high-altitude view of the university's grounds.

**Messiah University's  
recent enrollment and  
net tuition revenue  
history**

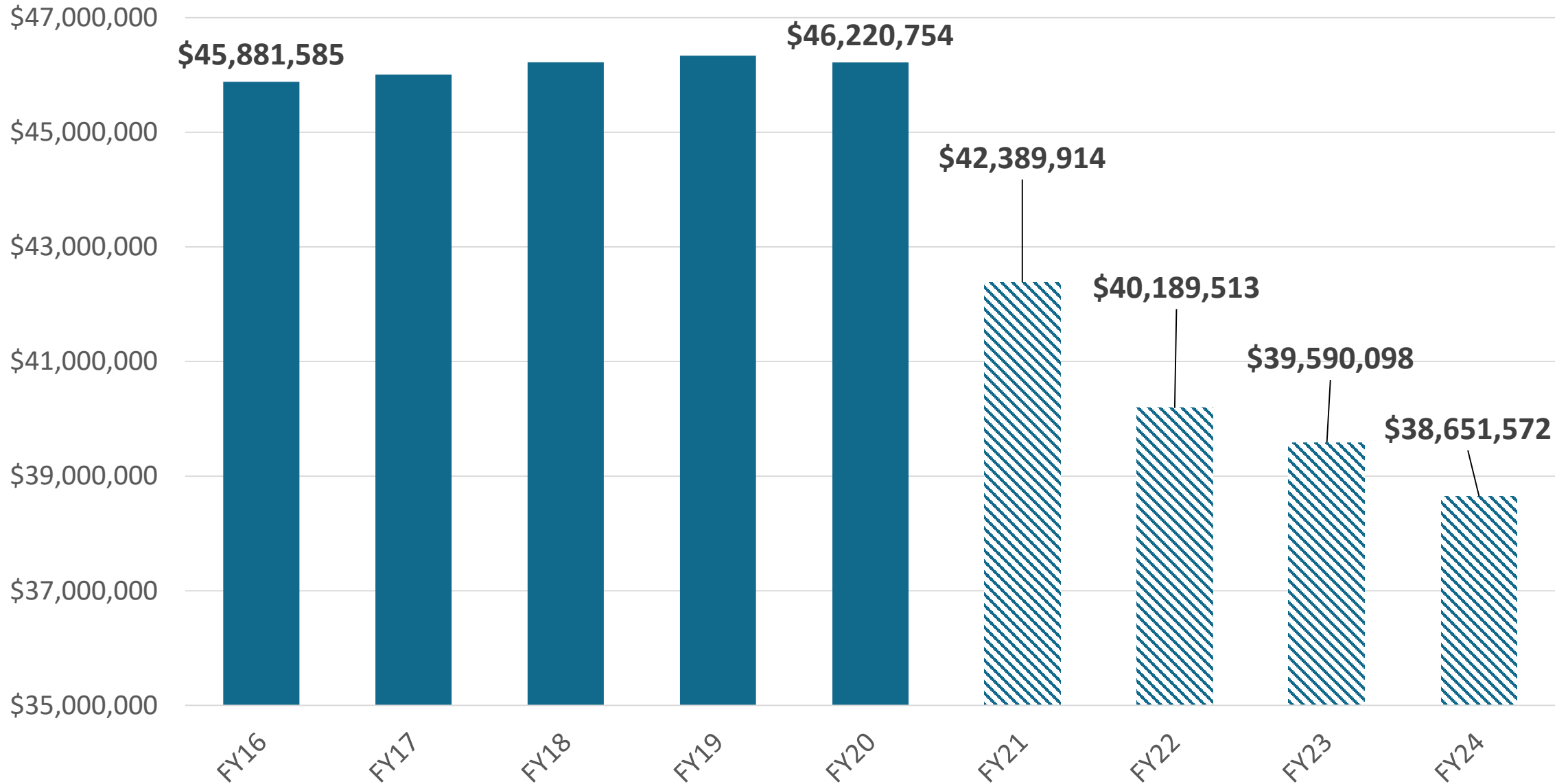
# Total FTE Enrollment History



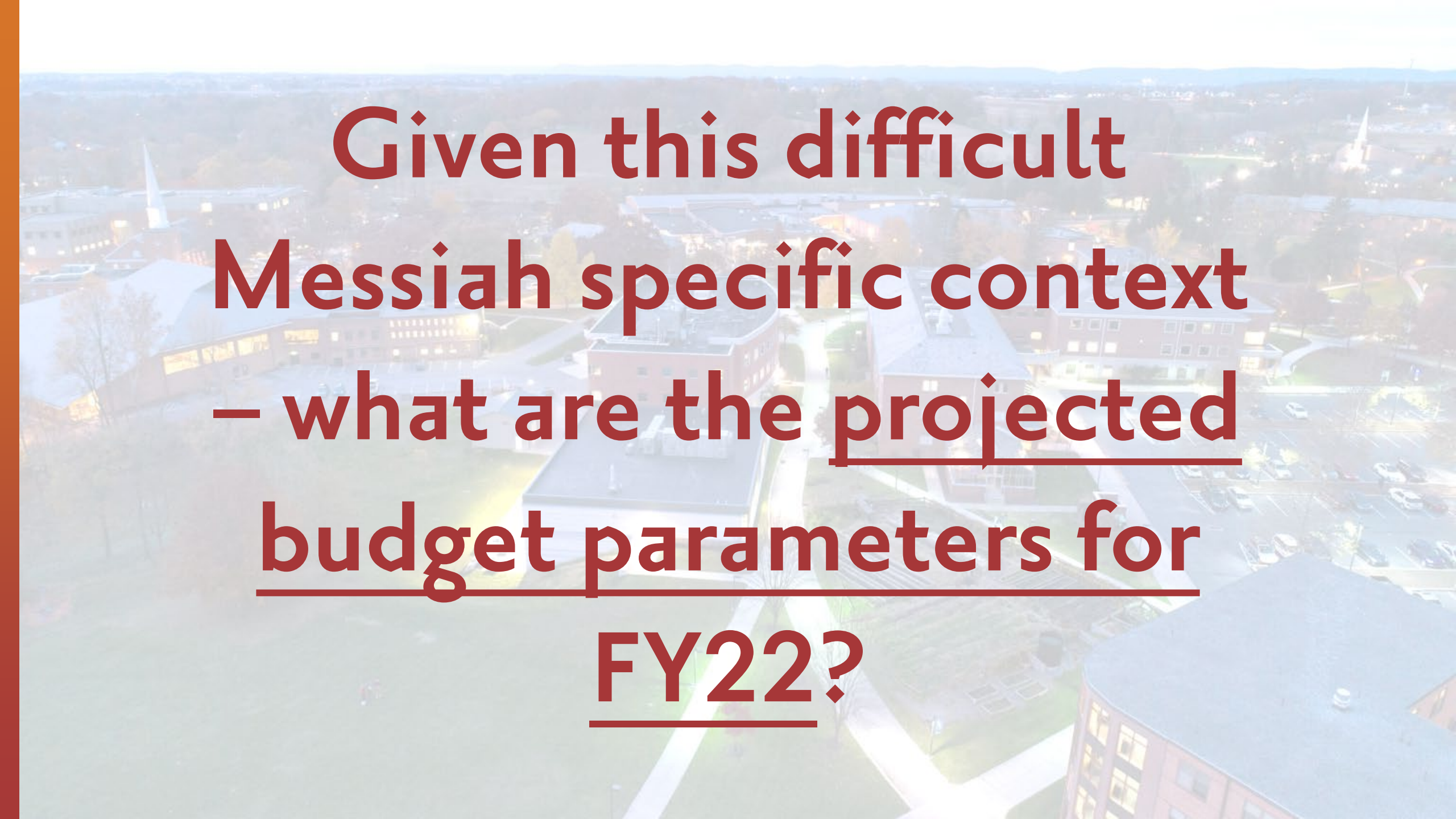
# Undergraduate Discount Rate History



# Undergraduate Net Tuition Revenue





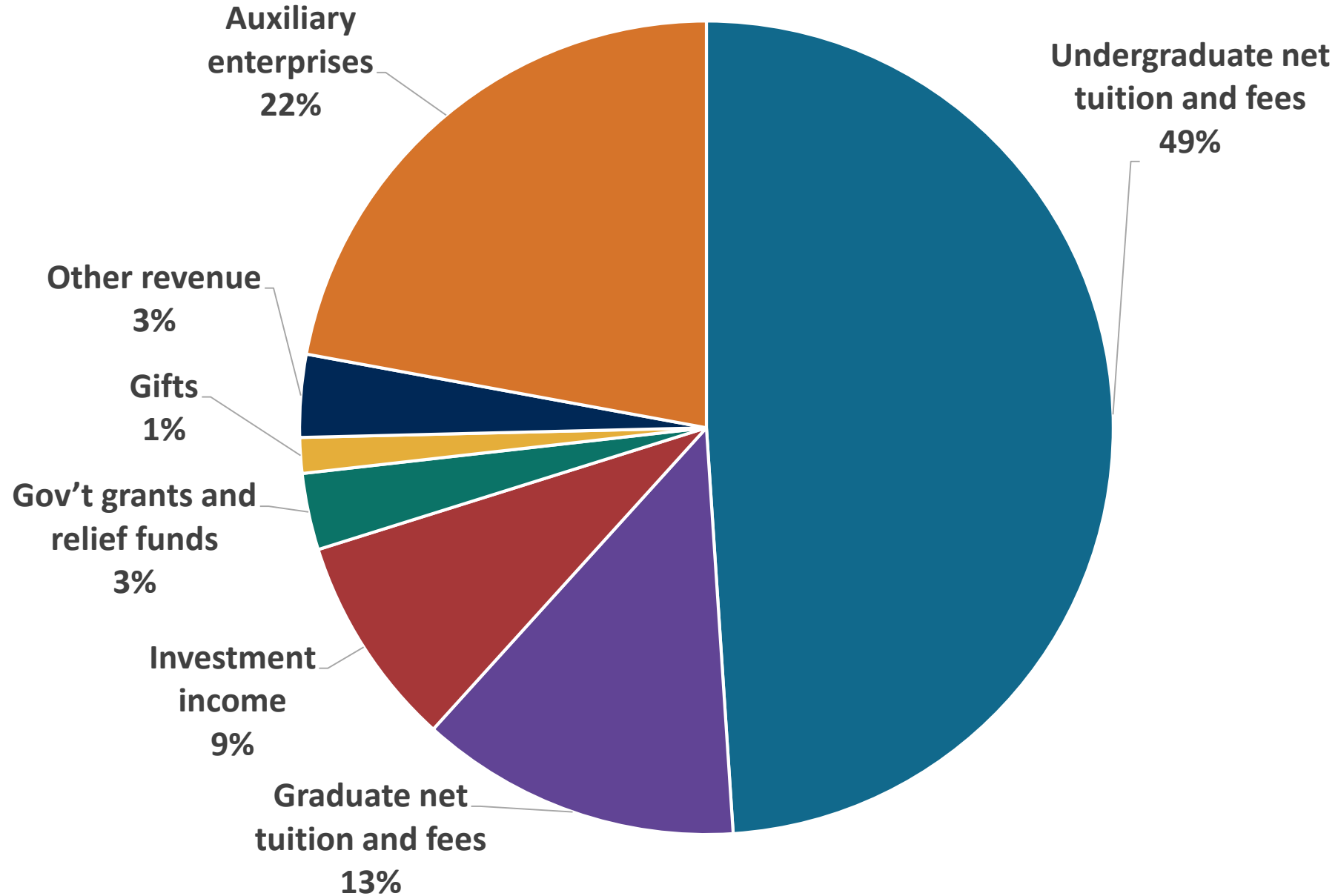


**Given this difficult  
Messiah specific context  
– what are the projected  
budget parameters for  
FY22?**

# Modeled Revenue Parameters

	FY21	FY22
<b>Modeled Revenue Assumptions:</b>		
FFTE--Undergraduate	2,373	2,268
First Time First Year Students - Annualized FFTE	593	529
Transfers - Annualized FFTE	84	100
Institutional Financial Aid %	51.60%	53.45%
Institutional Fin. Aid % for First Year Students	63.0%	65.0%
FFTE--Graduate Studies	823	882
Graduate Studies Credit Hours	14,812	15,870
Summer conference/camp lost revenue	(\$1,586)	(\$1,157)

# Revenue Sources



# Modeled Revenue

			<u>FY21</u>	<u>FY22</u>	\$ change	% change
<b>Undergraduate net tuition and fees</b>			\$ 46,974	\$ 45,034	\$ (1,940)	-4.1%
<b>Graduate net tuition and fees</b>			10,919	11,743	\$ 824	7.5%
<b>Investment income</b>			9,735	7,769	\$ (1,966)	-20.2%
<b>Gov't grants and relief funds</b>			741	2,801	\$ 2,060	278.0%
<b>Gifts</b>			1,300	1,300	\$ -	0.0%
<b>Other revenue</b>			2,836	3,019	\$ 183	6.5%
<b>Auxiliary enterprises</b>			<u>18,861</u>	<u>20,330</u>	<u>\$ 1,469</u>	<u>7.8%</u>
			<u>\$ 91,365</u>	<u>\$ 91,997</u>	<u>\$ 632</u>	<u>0.7%</u>

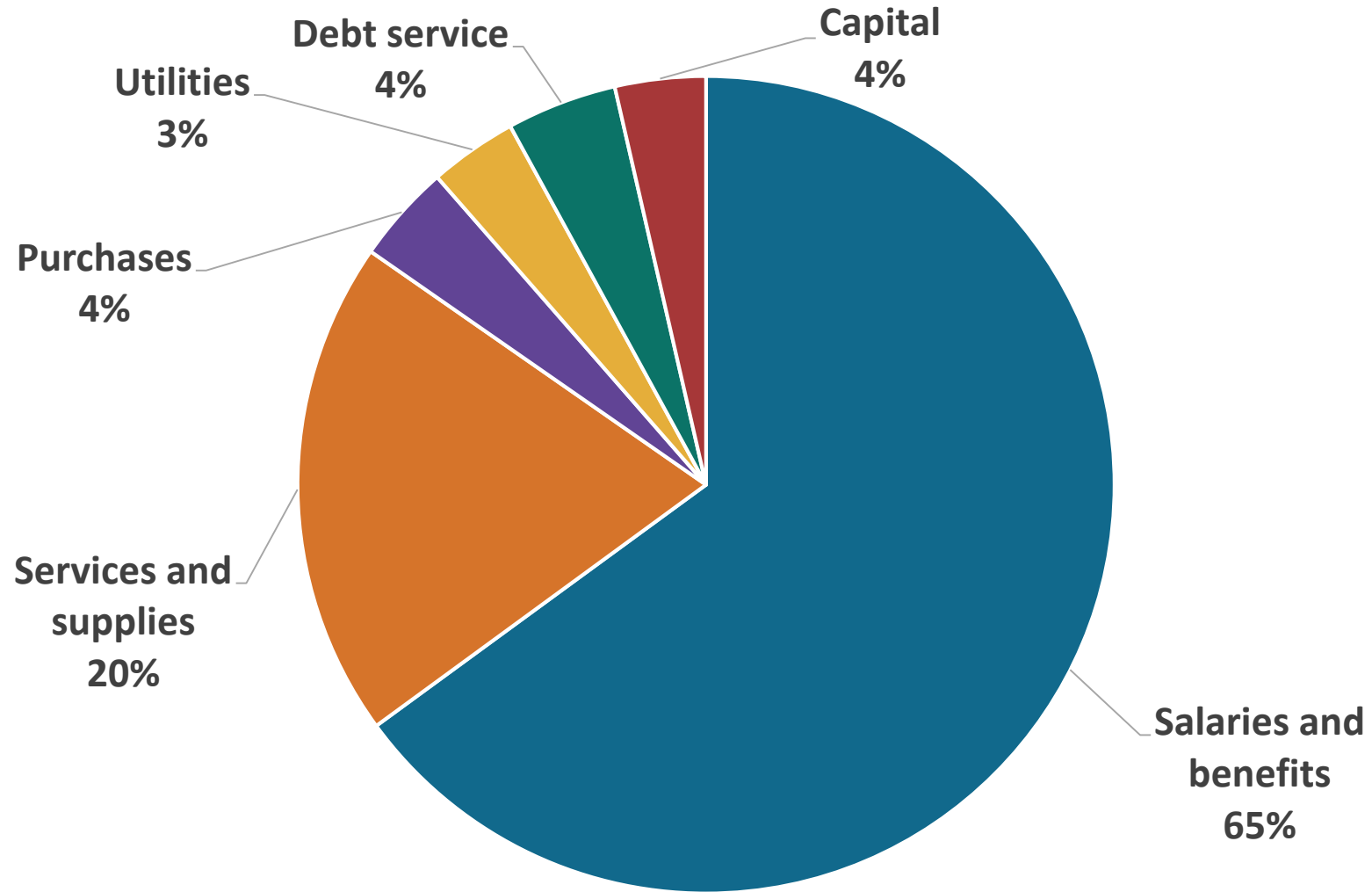
# Modeled Expense Parameters

	FY21	FY22
<b>Modeled Expense Assumptions:</b>		
Faculty Salary Pool Increase	0.00%	2.00%
Staff/Admin Salary & Wage Pool Increase	0.00%	1.00%
Benefits increase (institutional cost - %)	(4.49%)	0.89%
Operating expenses (supplies/services - %)	0.00%	0.00%
Expense reductions from prioritization *	\$3.686 million	\$1.767 million

\* Prioritization savings reflected in model

- FY21 - \$3,686,000
- FY22 - \$1,767,000
- FY23 - \$ 219,000
- FY24 - \$ 698,000

# Expense Distribution



# Modeled Expenditures

			<u>FY21</u>	<u>FY22</u>	\$ change	% change
Salaries and benefits			\$ 59,370	\$ 59,759	\$ 389	0.7%
Services and supplies			18,050	18,136	85	0.5%
Purchases			3,418	3,582	165	4.8%
Utilities			3,438	3,200	(238)	-6.9%
Debt service			3,782	4,016	234	6.2%
Capital			3,305	3,305	0	0.0%
			<u>\$ 91,365</u>	<u>\$ 91,997</u>	<u>\$ 632</u>	<u>0.7%</u>

An aerial photograph of a university campus at dusk. The image shows several large, multi-story brick buildings with lit windows, interspersed with green lawns and parking lots. In the background, rolling hills and a distant town are visible under a soft, twilight sky. The text "Governance Path for FY22 Budget Approval" is overlaid in a large, bold, dark red font across the center of the image.

# **Governance Path for FY22 Budget Approval**



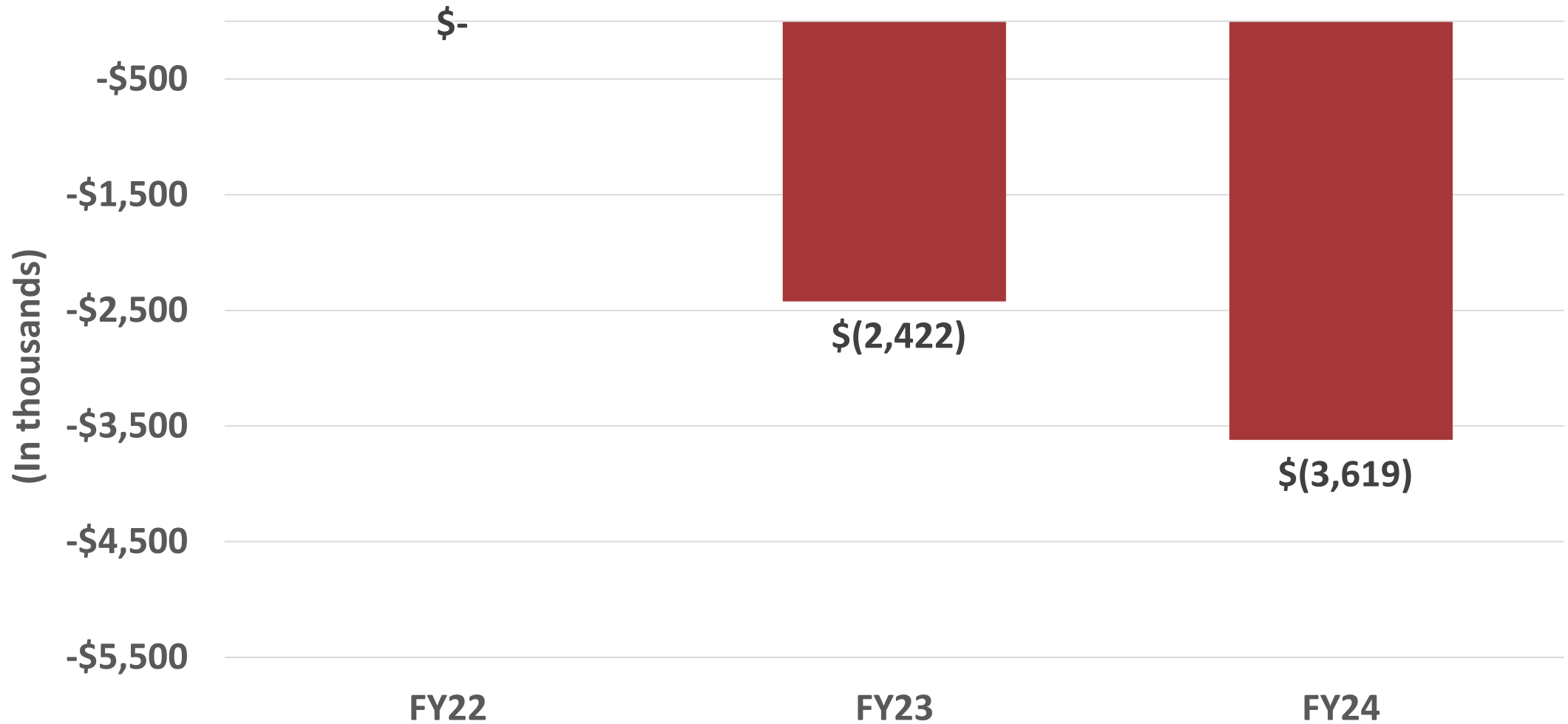
# FY22 Budget Approval Timeline

- **April 12, 2021**  
RFM makes a recommendation to President's Cabinet.
- **April 14, 2021**  
COE Senate makes a recommendation to President's Cabinet.
- **April 21, 2021**  
President's Cabinet makes a recommendation to University Council.
- **April 22, 2021**  
University Council makes a recommendation to the President, and the President makes a recommendation to the Board of Trustees.
- **April 30, 2021**  
Board conditionally approves FY22 budget, with final approval occurring in October 2021.

An aerial photograph of a university campus at dusk. The scene is illuminated by the warm glow of streetlights and building lights, contrasting with the cool blue tones of the twilight sky. The campus features several large, multi-story brick buildings with flat roofs, interspersed with green lawns, walkways, and parking lots filled with cars. In the background, rolling hills and a distant town are visible under a hazy sky. The text "FY23 & FY24 Budget Projections" is overlaid in a large, bold, dark red font in the center of the image.

# **FY23 & FY24 Budget Projections**

# Projected Budget Results FY22-24



# Action steps to address these projected deficits

- Reduce our cost structure through ongoing prioritization.
- Continuing our commitment to student success and retention.
- Developing new programs and partnerships.

# SUMMER 2021 AT MESSIAH

KIM PHIPPS, PRESIDENT

# Projected Summer revenue altered by:

- FY21 - \$650,000 (May/June)
- FY22 - \$1,157,000 (July/August)

# Summer 2021 Athletic and Academic Camps

*There will be NO overnight camps held this summer.*

- Boys and Girls Basketball
- Boys and Girls Lacrosse
- Boys and Girls Soccer
- Boys and Girls Volleyball
- Field Hockey
- Softball
- Swimming
- Tennis
- Wrestling
- Central PA Friends of Jazz Camp
- Theater Arts Academy
- Young Writers' Workshop
- Young Filmmakers' Workshop
- Psychology Camp
- Summer Vocal Academy
- Orchestra Camp
- Aquatic Biology/Herpetology Camp
- Entomology Camp
- Animal Anatomy



## Summer 2021 Conferences

- Evangelical Congregational Church Annual Conference
- Rivers Conservation and Fly Fishing Youth Camp
- Princeton Christian Church Retreat (*tentative*)





# STRATEGIC PLANNING UPDATE

KIM PHIPPS, PRESIDENT

# University Rising

Strategic Plan 2022–2024



# Vision Statement

As a leading comprehensive university, Messiah will expand its influence as an institution of educational excellence committed to Christ-centered learning for life where students are mentored toward deeper intellect, personal integrity and mature faith expressed in love of God and neighbor.

[see anew](#)

# University Rising Themes

Theme 1

Distinctive Teaching and Learning

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Theme 2

See Messiah Anew

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Theme 3

Sustainable Future

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Theme 4

Transformative Connections

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# Distinctive Teaching and Learning

## Theme 1 – Goal 2

Messiah University will **strategically use technology and campus space** to increase educational access and student success across the learning experience.

- Nurture **digital citizenship competencies** across all student populations
- Promote **access to technology resources and services** for all students
- Assess campus spaces and **align room capacities, technology and course sizes.**

## Theme 2 – Goal 1

Messiah University will develop and implement strategies to **effectively expand, recruit and retain a more diverse** undergraduate and graduate student body.

- Expand **Dual Enrollment online undergraduate courses** in **summer, fall and spring** (double our capacity) and develop an enhanced DE plan, branded web presence and outreach to homeschoolers and high schoolers.
- Achieve next level excellence in **attracting and retaining undergraduate and graduate students of color** – goal of no less than 25%
- Establish and formalize **comprehensive UG pipeline program strategies** (top 5 enrollment).

# Sustainable Future

## Theme 3 – Goal I

Messiah University will successfully **expand and support new academic programs to increase net tuition revenue** through increased student enrollment.

- Develop new programs, services and infrastructure leading to **National Science Cybersecurity Center of Excellence** designation to support existing and new traditional UG, ADP, graduate and professional cybersecurity programming.
- **Expand current graduate-level program options in counseling** (addiction, trauma) to leverage their strong enrollment and track record.
- Complete the feasibility study for the **DNP Nurse Anesthetist track**.



# Sustainable Future

## Theme 3 – Goal 2

Messiah University will steward institutional assets to **enhance financial margins** derived from non-tuition sources.

- **Launch the public and final phase of the current \$75M comprehensive campaign** – *Learning for Life, Transforming the World: The Campaign for Messiah University* – to be completed in December 2022.
- Focused attention on **raising funds for student scholarships**.

# Transformative Connections

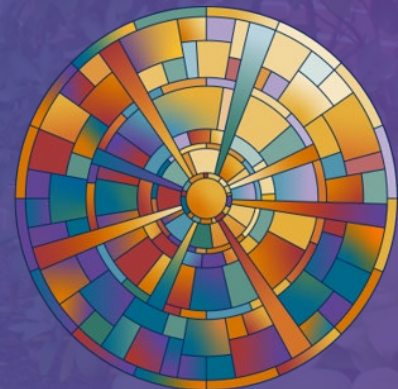
## Theme 4 – Goal 1

Messiah University will establish a new initiative that focuses on **identifying and developing innovative and strategic partnerships beyond those that currently exist**. This initiative will serve as a resource to the entire campus community in evaluating and securing potential new strategic partners.

- Establish a **workforce and professional development program and enrichment learning** for adult students.
- Work collaboratively with Enrollment Management to **expand our partnerships with Christian schools (and gap year programs)** nationally and internationally.
- Identify **new business partners for collaborations** that are mutually beneficial.

# University Rising Plan Timeline

- **April 19, 2021**  
Discussion in COE Senate
- **April 22, 2021**  
Discussion & Approval by University Council
- **April 28, 2021**  
Approval in COE Senate
- **April 30, 2021**  
Discussion & Approval by Board of Trustees
- **June 2021**  
Metrics finalized and final plan approval by Board of Trustees Executive Committee





# LEARNING *for Life*



**LEAVES**

STUDENTS AND ALUMNI

**BRANCHES**

INNOVATION AND  
EDUCATIONAL PROGRAMS  
FOR MULTIPLE AUDIENCES

**TRUNK**

OUR 110 YEAR HISTORY  
WHICH INCLUDES CHANGE

**ROOTS**

OUR EDUCATIONAL MISSION  
AND FOUNDATIONAL  
VALUES



# LEARNING *for Life*

# Q&A



[campusstewardship@messiah.edu](mailto:campusstewardship@messiah.edu)

[kphipps@messiah.edu](mailto:kphipps@messiah.edu)

[dwalker@messiah.edu](mailto:dwalker@messiah.edu)