

Town Hall Forum on Voluntary Separation Program

November 13, 2020

Presenters:

Steve Bolyai

Senior Vice President for Administration
and Finance

Joshua Powers

Provost & Senior Vice President
for Academic Affairs

Allison Boucher-Jarvis

Vice President for Human Resources

Presentation Outline

- I. Guiding Principles – Provost Powers**
- II. Context for Higher Education: Past, Present, Future – Provost Powers**
- III. WP Financial Context – VP Bolyai**
- IV. Academic Affairs Context – Provost Powers**
- V. Voluntary Separation Program – VP Boucher-Jarvis**

Guiding Principles

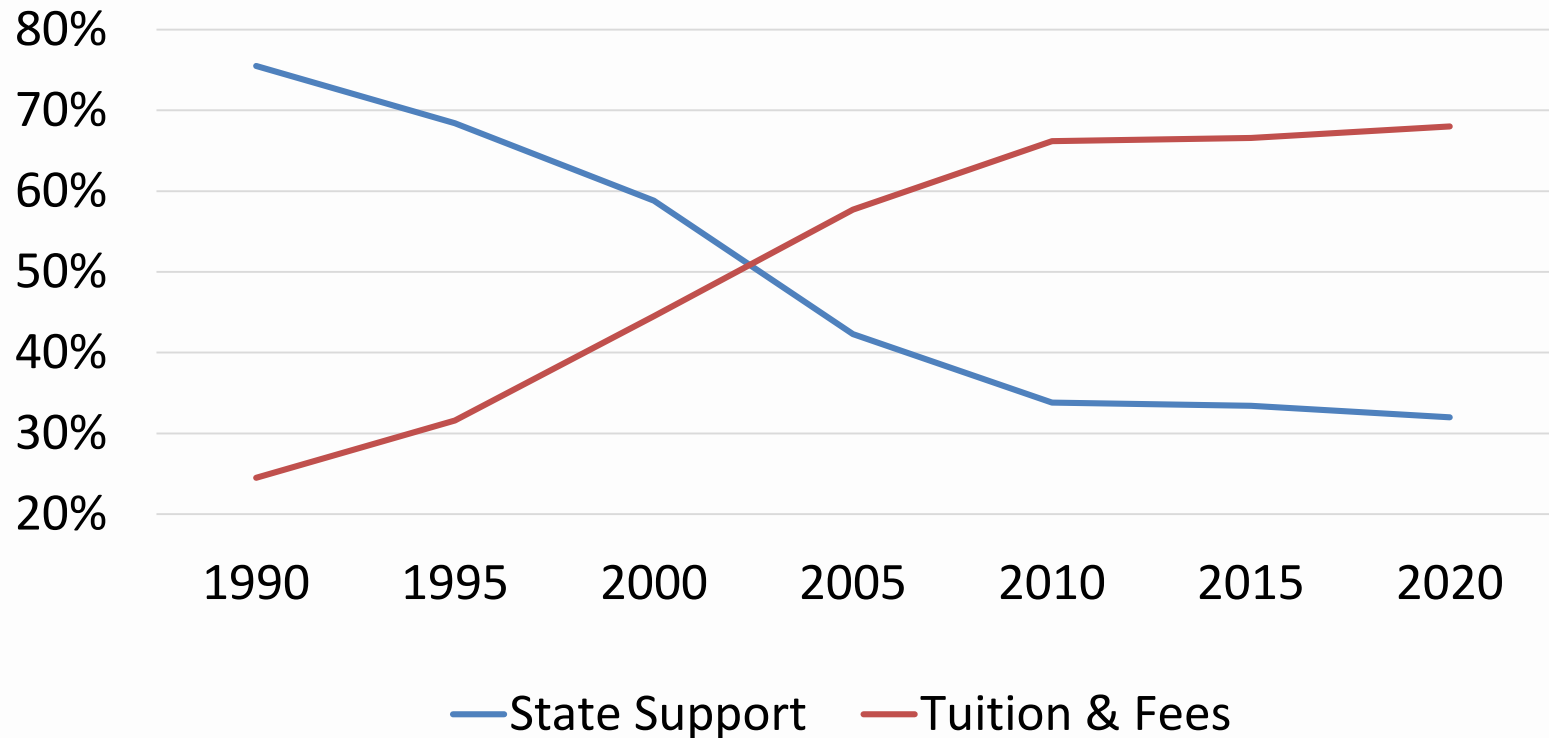
- A. Transparency**
- B. Candidness**
- C. Data Informed**
- D. Forward Looking**
- E. Voluntary Separation Program Focused**

Context for Higher Education: Past, Present, & Future

- Higher Education as a Public vs. Private Good
- Shift from Access to Completion Focused
- Demographics
- On Growth and Decline
- This Moment & the Importance of Distinction in the Market

WP Financial Context

30 Year Trend: State Support vs. Tuition & Fees



Takeaway: In 30 Years, revenue source dependence has nearly completely reversed. Students are our most important asset.

WP Financial Context continued...

Annual Percentage Change in Tuition & Fee and State Appropriation Revenues vs. Total University Expenditures

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Tuition & Fees	7.4%	3.1%	0%	.1%	-1.6%	.2%	-.2%	-1%	1%	1.6%
State Approp.	-6.1%	-3.8%	0%	0%	0%	-7.3%	0%	0%	0%	-11%
Total Univ Expenses	9.2%	5.4%	1.1%	0.5%	1.8%	0%	0.3%	3.2%	0%	1.2%

Average Annual Change FY11-20:

Tuition & Fees: 1.1%

State Appropriations: -2.8%

Total Univ. Expenses: 2.3%

Takeaway: Tuition & Fees and State Appropriations not keeping pace with operating expenses.

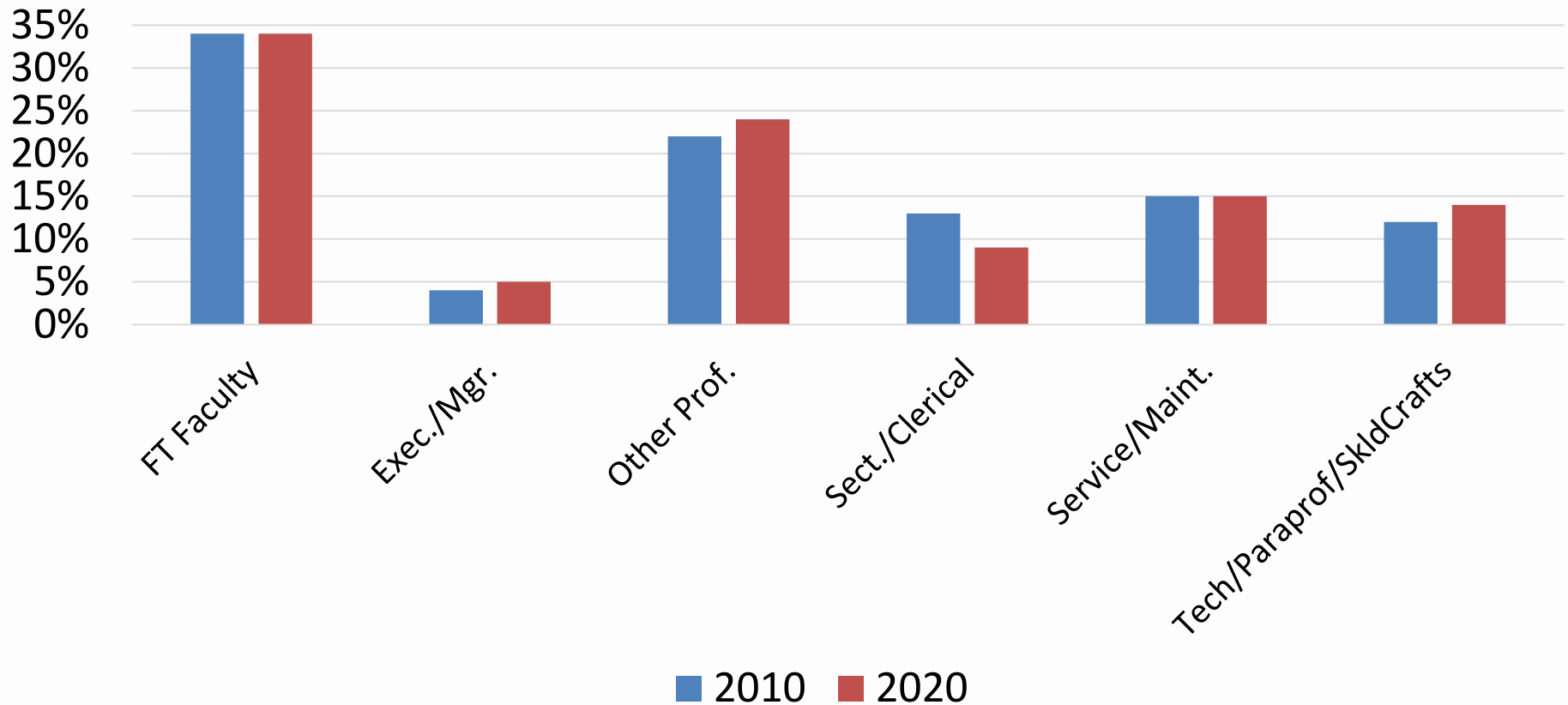
Student Credit Hours (Fall & Spring)				
Budget vs Actual				
Ten Year Trend FY12-21				
Total				
Fiscal Year	Student Credit Hours (Budget)	Student Credit Hours (Actual)	Change + (-)	Change \$
FY12	286,148	272,729	(13,419)	\$ (4,634,845)
FY13	275,875	267,999	(7,876)	\$ (3,138,734)
FY14	270,540	267,500	(3,040)	\$ (965,035)
FY15	271,420	260,118	(11,302)	\$ (4,257,880)
FY16	272,048	257,508	(14,540)	\$ (5,805,898)
FY17	262,570	250,390	(12,180)	\$ (5,072,130)
FY18	254,346	242,256	(12,090)	\$ (5,057,530)
FY19	247,685	239,489	(8,196)	\$ (3,208,960)
FY20	242,634	234,211	(8,423)	\$ (3,572,926)
FY21	234,633	213,448	(21,185)	\$ (9,643,669)
			(112,251)	\$ (45,357,607)

Notes:

1. FY21 Student Credit Hours budget reflects pre-COVID-19 budget assumption of +0.5% enrollment increase.
2. FY21 Student Credit Hours actual is projected based on fall semester census and fall to spring attrition rates (4 year average).
3. Table does not include SCHs from WPOne programs, which are estimated to generate approximately \$1.8M in net tuition revenue for FY21.

WP Financial Context Continued...

Employee Mix: 2010 and 2020



Takeaway: In 10 Years, mix of employee type has stayed roughly the same (within a percentage or two), with exception of sect./clerical decline of 4 %pts.

Source: Budget Office data on employee categories.

William Paterson University

Year-End Position-All Funds Operating Budgets: FY17-FY20 Actual & FY21 -FY22 Projected

\$ Thousands

	Year-End Position-All Funds Operating Budget					FY22 Preliminary Outlook ²	
	2016/17	2017/18	2018/19	2019/20	2020/21	Scenario One (Worst Case)	Scenario Two (Best Case)
Revenues							
Core Enrollment-Net Tuition + Fees	\$ 112,938	\$ 111,113	\$ 111,144	\$ 111,807	\$ 102,315	\$ 104,925	\$ 104,925
WP Online- Net Tuition + Fees	\$ -	\$ -	\$ -	\$ -	\$ 1,845	\$ 2,239	\$ 3,616
State Appropriation-Operating	\$ 30,357	\$ 30,357	\$ 30,357	\$ 27,017	\$ 32,240	\$ 32,240	\$ 32,240
State Appropriated Fringe Benefits	\$ 30,797	\$ 32,083	\$ 32,526	\$ 32,562	\$ 32,562	\$ 32,562	\$ 32,562
Residence Life Revenue-Net	\$ 20,820	\$ 19,627	\$ 21,171	\$ 15,830	\$ 12,790	\$ 11,684	\$ 20,830
Other	\$ 18,086	\$ 20,852	\$ 20,899	\$ 27,130	\$ 24,283	\$ 25,047	\$ 25,047
Total Revenue	\$ 212,998	\$ 214,032	\$ 216,097	\$ 214,346	\$ 206,035	\$ 208,698	\$ 219,221
Expenses							
Salary & Related (Incl. Fringe Benefits) ¹	\$ 148,237	\$ 153,715	\$ 154,137	\$ 154,028	\$ 152,846	\$ 162,739	\$ 163,314
Non-salary & Other	\$ 62,797	\$ 65,064	\$ 61,914	\$ 65,905	\$ 69,922	\$ 69,304	\$ 69,304
Total Expenses	\$ 211,034	\$ 218,779	\$ 216,051	\$ 219,933	\$ 222,768	\$ 232,044	\$ 232,619
Year-End Before One-Time Measures	\$ 1,964	\$ (4,747)	\$ 46	\$ (5,587)	\$ (16,733)	\$ (23,346)	\$ (13,398)
Funds From Reserves	\$ -	\$ 4,747	\$ -	\$ -	\$ -	\$ -	\$ -
Federal CARES ACT-March 2020	\$ -	\$ -	\$ -	\$ 4,882	\$ -	\$ -	\$ -
Federal Aid (HSI Funding)	\$ -	\$ -	\$ -	\$ 705	\$ -	\$ -	\$ -
State Aid (GEERS Funding)	\$ -	\$ -	\$ -	\$ -	\$ 3,512	\$ -	\$ -
COVID-19 Emergency Relief Funds-Part A	\$ -	\$ -	\$ -	\$ -	\$ 8,040	\$ -	\$ -
Stalled additional Federal CARES legislation	\$ -	\$ -	\$ -	\$ -	TBD	\$ -	\$ -
COVID-19 Emergency Relief Funds-Part B	\$ -	\$ -	\$ -	\$ -	\$ 8,000	\$ -	\$ -
Revised Year-End After One-Time Measures	\$ 1,964	\$ -	\$ 46	\$ 0	\$ 2,820	\$ (23,346)	\$ (13,398)

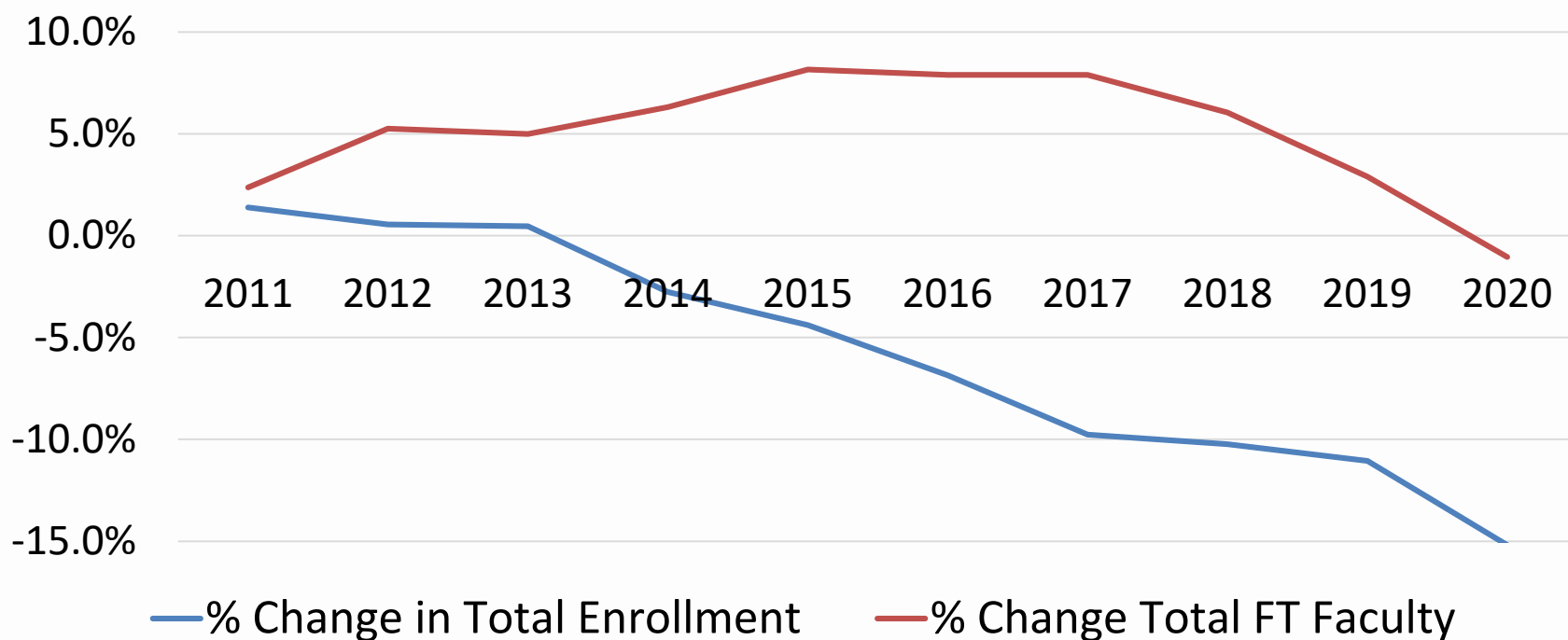
¹ Fringe Benefits funding from State of New Jersey and expenditures held essentially flat to FY20 for FY21 & FY22 projections, with minor adjustments for known activity, pending finalization closer to FY21 year end.

² FY22 Scenarios represent preliminary estimated enrollment, residence hall occupancy, and other assumptions as of November 2020.

The 2010-2020 Faculty-Student Story in Brief

- We sought to grow in full-time faculty.
- Student enrollment declined.
- Revenue dependence on students increased.

Change in Enrollment: 2011-2020



Student Enrollment Context

Coll.	Fall11	Fall12	Fall13	Fall14	Fall15	Fall16	Fall17	Fall18	Fall19	Fall20	Avg Annual Change	#Red Years	10Yr Total Change	10Yr FTF #Change
1	12.9%	4.0%	2.6%	1.0%	-12.3%	2.0%	-3.5%	-0.2%	-2.2%	-2.0%	0.2%	5	24	5
2	-4.2%	-5.2%	-1.0%	-4.0%	1.2%	-2.1%	-3.9%	-0.6%	-3.7%	-13.0%	-3.6%	9	-6489	-11
3	2.7%	3.9%	-0.7%	-4.7%	-5.7%	-0.1%	-1.6%	-1.3%	3.0%	-12.3%	-1.7%	7	-1078	-5
4	-3.5%	-11.3%	-3.3%	3.7%	-16.6%	-0.6%	-7.2%	5.2%	15.0%	13.2%	-0.5%	6	-310	-1
5	1.4%	1.2%	2.5%	-1.6%	-4.1%	3.0%	-0.7%	-3.3%	-0.8%	-0.2%	-0.3%	6	-295	8
Univ	0.0%	-1.7%	0.2%	-2.4%	-4.1%	0.1%	-2.9%	-1.1%	-0.7%	-6.5%	-1.9%	7	-8148	-4

Annual Percentage Change in **Total Enrollment** (all students in all UG & G courses in a college).

Total enrollment calculation is by definition duplicates (i.e., students take multiple classes and commonly in multiple departments and colleges).

FTF = Full Time Faculty.

Green: 1.5% or greater annual growth in total enrollment; **Yellow:** 0-1.49% annual growth; **Red:** Annual decline.

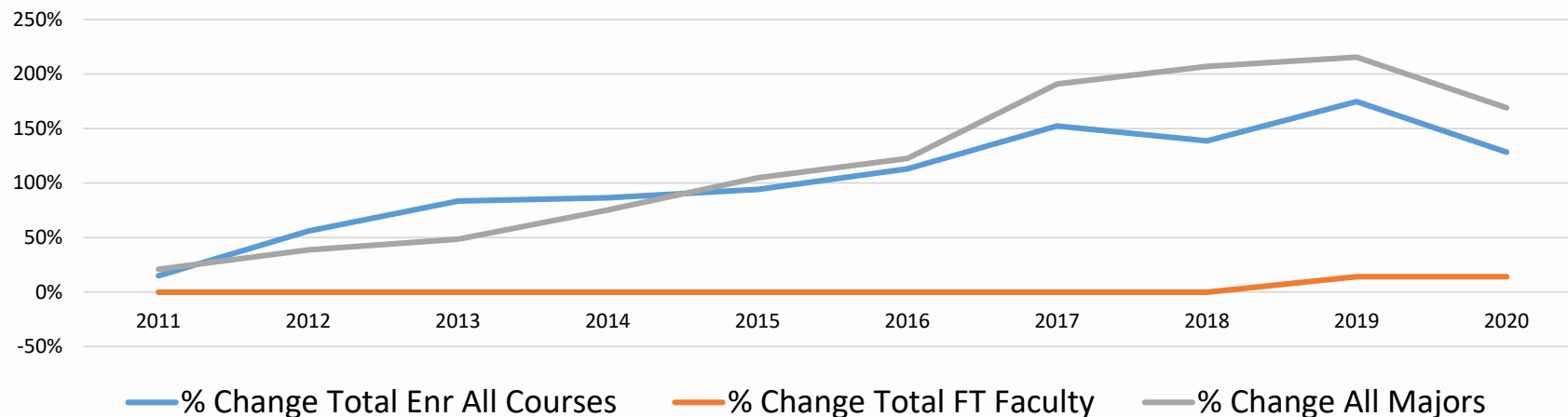
WILLIAM PATERSON UNIVERSITY

Dept	Fall11	Fall12	Fall13	Fall14	Fall15	Fall16	Fall17	Fall18	Fall19	Fall20	Avg Annual Change	#Red Years	10Yr Total Change	10Yr FTF #Change
1	-0.1%	-4.8%	13.3%	-0.7%	-2.6%	-3.4%	3.9%	-8.3%	-4.8%	-2.5%	-1.0%	8	-136	0
2	24.4%	7.3%	-1.7%	-0.2%	-14.7%	-3.6%	-0.5%	5.0%	-5.5%	-3.5%	0.7%	7	40	3
3	11.8%	5.7%	1.2%	2.9%	-15.4%	9.7%	-9.3%	0.6%	1.8%	-0.6%	0.9%	3	120	2
4	-27.1%	-16.2%	-2.7%	-2.7%	14.7%	-5.1%	-2.5%	-9.6%	-5.6%	3.8%	-5.3%	8	-1511	-3
5	-1.9%	-4.2%	-0.1%	-8.9%	-1.5%	-7.9%	-3.5%	10.6%	-10.6%	-16.5%	-4.4%	9	-1359	-3
6	5.5%	-6.7%	-14.4%	-1.4%	-2.4%	-2.5%	-6.8%	5.3%	-3.3%	-23.3%	-5.0%	8	-1000	-6
7	3.1%	-2.9%	-1.1%	-10.8%	7.7%	-8.5%	-6.2%	-13.6%	-14.6%	-24.5%	-7.1%	8	-1457	-2
8	19.4%	8.0%	-7.0%	0.3%	-8.5%	8.5%	-16.3%	-1.7%	-5.9%	-10.7%	-1.4%	6	-223	1
9	-23.6%	-20.1%	-0.3%	-4.7%	3.0%	-0.9%	-4.9%	-0.5%	1.3%	-9.0%	-6.0%	8	-1035	-4
10	6.0%	0.0%	8.5%	-3.5%	-7.4%	1.2%	1.7%	3.2%	3.9%	-14.5%	-0.1%	4	-87	4
11	-1.2%	-1.3%	3.8%	4.4%	7.7%	3.5%	-0.8%	-2.3%	2.3%	-7.7%	0.8%	5	183	2
12	-2.4%	-4.2%	-3.5%	-12.3%	-12.4%	7.6%	-5.1%	8.2%	8.8%	-8.7%	-2.4%	7	-385	-4
13	9.4%	4.7%	0.2%	-3.8%	0.4%	-4.8%	-4.3%	-1.6%	-4.2%	-14.0%	-1.8%	6	-513	1
14	-2.3%	8.8%	-0.1%	-0.9%	-10.6%	3.1%	4.5%	-5.9%	9.5%	-12.5%	-0.6%	6	-180	-2
15	-23.4%	3.5%	6.0%	9.5%	29.3%	-3.5%	-4.4%	-8.1%	13.8%	126.0%	14.9%	4	539	2
16	2.1%	-0.8%	-5.9%	-5.2%	-17.6%	30.4%	0.7%	-1.3%	12.6%	-10.9%	0.4%	6	-27	3
17	-2.7%	-18.2%	-3.4%	7.5%	-24.7%	-16.1%	-14.8%	17.0%	17.4%	-3.6%	-4.1%	7	-822	-6
18	-2.1%	5.1%	3.7%	-11.0%	-6.9%	0.3%	2.3%	-6.4%	-1.4%	-0.3%	-1.7%	6	-278	-1
19	-16.0%	-15.4%	-17.1%	-3.5%	-1.0%	1.5%	-6.0%	0.0%	0.2%	1.6%	-5.6%	6	-478	0
20	6.7%	7.0%	4.8%	8.3%	-30.7%	16.7%	-1.4%	-0.8%	9.5%	12.5%	3.3%	3	130	1
21	15.1%	35.5%	17.6%	1.8%	4.0%	9.8%	18.5%	-5.4%	15.1%	-16.9%	9.5%	2	434	1
22	-11.5%	26.3%	7.5%	-5.3%	-9.3%	-4.4%	-2.1%	-20.3%	4.7%	-14.0%	-2.8%	7	-136	1
23	2.5%	-7.0%	8.7%	-4.0%	1.9%	8.1%	-3.4%	-10.1%	-1.1%	-10.8%	-1.5%	6	-285	3
24	2.6%	-0.8%	-12.6%	-2.4%	2.3%	-10.4%	-4.7%	0.8%	-21.3%	-8.4%	-5.5%	7	-1368	-3
25	-2.0%	11.0%	30.8%	-5.1%	-25.7%	27.1%	0.4%	6.9%	22.4%	35.2%	10.1%	3	1008	5
26	19.6%	-2.6%	12.4%	14.0%	3.8%	6.1%	-0.7%	-1.0%	0.9%	-1.3%	5.1%	4	678	1

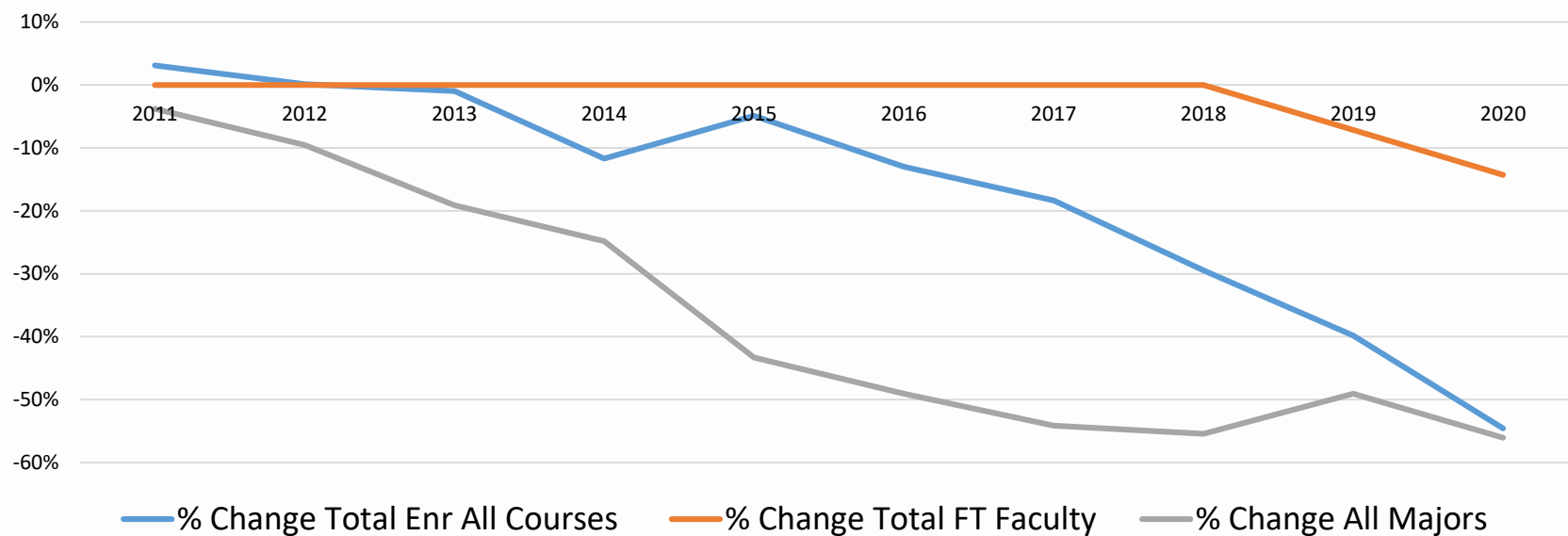
Green: 1.5% or greater annual growth in total enrollment; **Yellow:** 0-1.49% annual growth; **Red:** Annual decline. *Total Enrollment:* All students in all courses (UG & G) offered by dept.

Departmental Examples (UG & G inclusive)

Steady Enrollment Increase Example

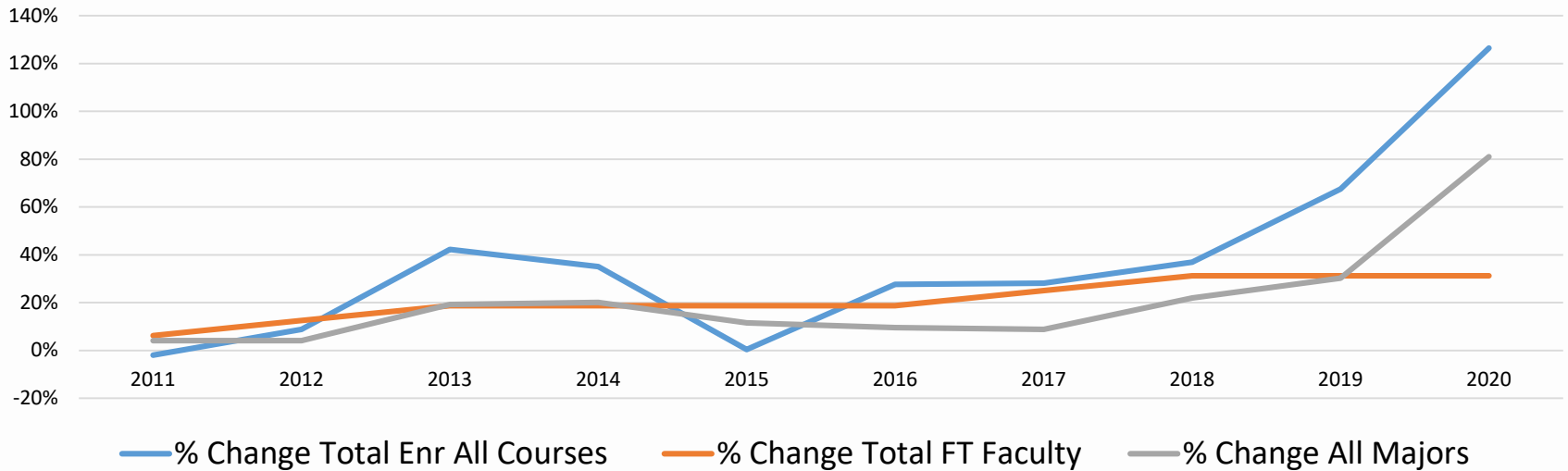


Steady Enrollment Decline Example

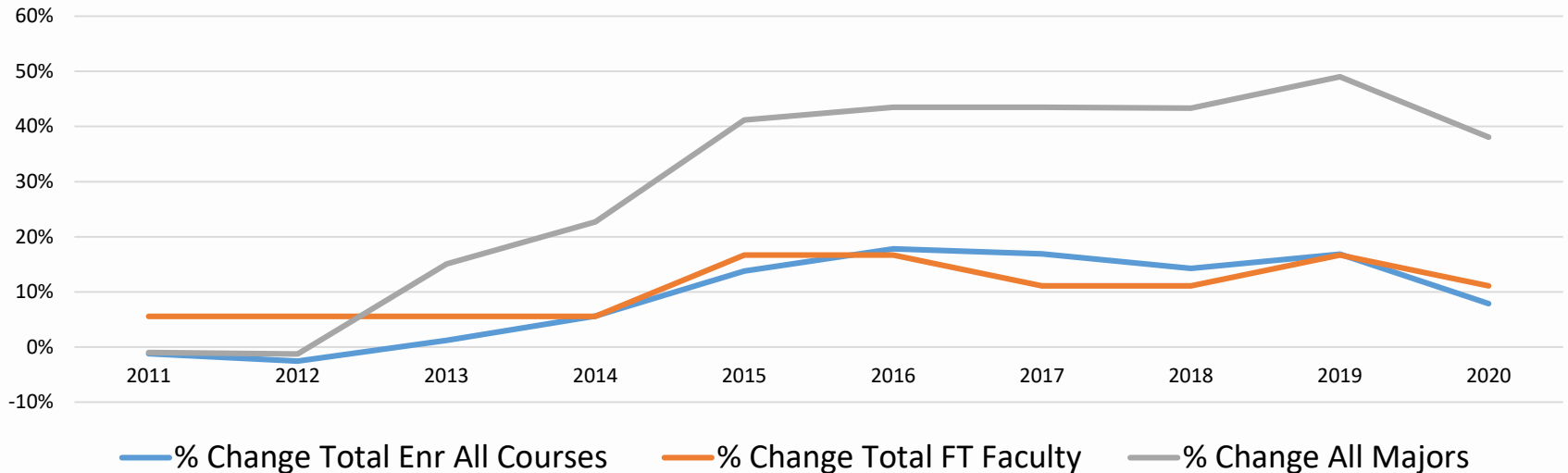


Departmental Examples continued...

Recent Enrollment Increase Example



Early Increase with Plateau Example



Concluding Context Comments

- Student enrollment growth is essential through new enrollments **AND** reduction in student attrition.
- Personnel expenditure reduction is also necessary for opportunity investment.
- This Powerpoint and the companion data is posted to the Provost's Office website behind WP Connect, with identifying college and departmental information.
- Administration is working with the various Unions on agreements related to the Voluntary Separation Program.

Voluntary Separation Program

- ❖ Reduce labor costs due to declining enrollment which has been exacerbated by the pandemic.
- ❖ Realign our staffing levels where the headcount exceeds the need.
- ❖ Expect to help mitigate against layoffs when the “no layoff” clause expires in January 2022 for many CBUs.
- ❖ Have an agreement with IFPTE, CWA and AFT. Offering to HEMs. PBA excluded at this time due to operational need but may consider in successive fiscal years.
- ❖ Elements of Program:
 - ❖ Those eligible to apply must have a minimum of 10 years of service at WP. This is an incentive for employees who were not contemplating separation. Those that have committed to resignation/retirement will not be eligible.
 - ❖ Retirement/resignation dates of February or April 1, or June 1 for faculty. The University will pay 1 week for every year of service up to 26 weeks for those leaving within the next three months and ½ a week for every year of service (up to 13 weeks) for those separating on or after April 1, 2021.
 - ❖ Payout for February will be in equal pay period installments over 26 weeks. Payout on or after April 1 will be in equal pay period installments from the date of resignation until June 30.
 - ❖ Management will have the ability to approve or reject an application, except the University will list departments where applications will have the greatest likelihood of approval, unless unusual circumstances exist. This exception will be carved out as a result of data suggesting misalignment of headcount to enrollment trends.
 - ❖ Deadline to submit voluntary separation through this program is 45 days prior to separation, but no later than 30 days. This will allow the University to plan for FY 22.