

Planning for Financial Sustainability

Presidents' Academy Critical Conversations Series

Thursday, May 21, 2020 | 12:00 PM

How to Participate:

- Please mute your video & mic
- Questions are welcome in the chat box
- Session before discussion will be recorded
- Materials will be shared on presidents' webpage



Belk Center
for Community College
Leadership and Research



Welcome

Dr. Audrey J. “AJ” Jaeger

*Executive Director | Belk Center for Community College Leadership & Research
Alumni Distinguished Graduate Professor*

Session Overview

This session will offer strategies to consider as presidents explore, develop, and implement their financial sustainability plans. Presidents will have an opportunity to discuss next steps that assure financial stability as colleges face a new normal.

Session Outline

- **Presidential Perspective**
 - President Janet Spriggs, Forsyth Tech Community College
- **Systemwide Perspective**
 - Jennifer Haygood
Chief of Staff and Executive Vice President | NCCC System Office
- **Strategies for Financial Sustainability**
 - Bob Templin
Professor of Practice | Belk Center
- **Small Group Discussion**
- **Closing & Reminders**

Presidential Perspective

Short-Term Considerations

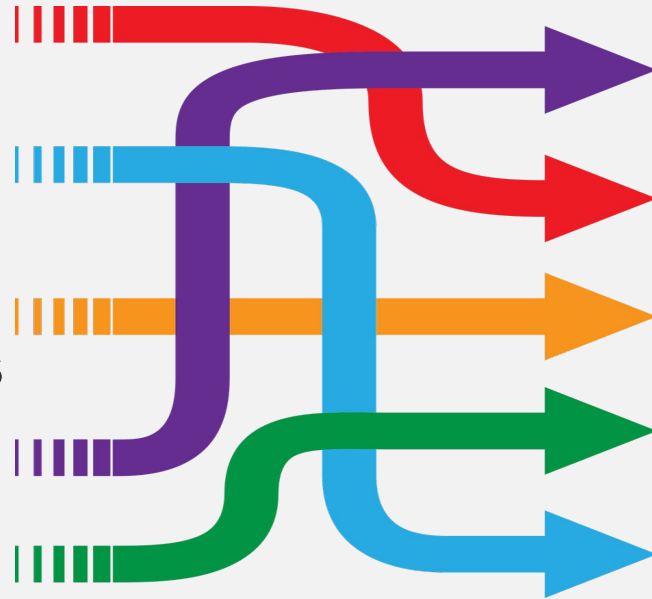
- Immediate responses

The Year Ahead

- Data-informed decisions

Long-Term Strategy

- Emerging stronger



**A BRAVE
AND NEW
NORMAL**

System Perspective

Considerations for Using Funds Strategically

- Strategic Investments
- Need to Hedge Risk
- Fund Source Flexibility and Timing

Strategic Investments

- Recruitment and retention – financial stability/volatility directly tied to enrollment
- Distance learning and IT infrastructure
- Faculty and staff development to increase effectiveness in remote learning environment
- Community connection – how do you differentiate yourself from other IHEs/online instructional providers?

System Perspective

Key Risks:

- State budget shortfall
- Tuition and registration fee receipts

Be prepared for:

- Without federal relief for revenue shortfalls, expect State budget cuts and potential tuition increases
- Mid-year budget call-back – either due to tax revenue or tuition receipt shortfall or both

System Perspective

Less Flexible

More Flexible



**HEERF –
Student Aid**

**HEERF –
Institutional Portion**

**HEERF – Section
18004(a)(2) or (3)**

What is the best fund source to pay for an expense?

- Minimize use of non-recurring fund sources to support recurring expenses
- Recommend NOT using State or college institutional funds (i.e. bookstore revenues, local fee revenue, etc.) if HEERF funds can be used
- Hold onto HEERF Section 18004(a)(2) or (3) funds as a hedge against State or local budget cuts in FY 2020-21

Considering a Long-Term Strategy

Reflective Questions:

1. How do I navigate the current environment so the college emerges from the economic recession stronger rather than weaker?
2. What unique financial opportunities might emerge from the current crisis?
3. What is happening to colleges across the country that might inform my college's strategy?

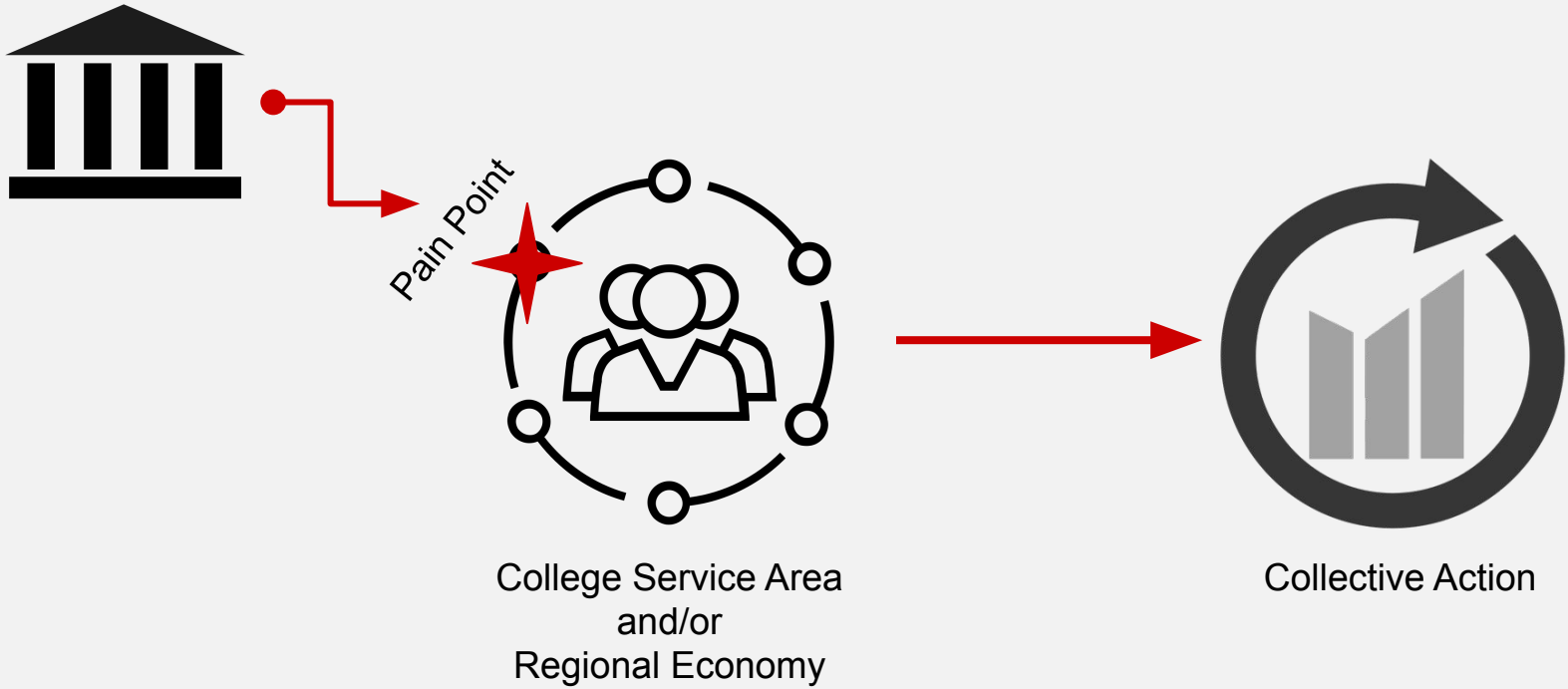
Navigating the current environment

- Local and state government revenues significantly impacted
- Unpredictable student enrollments
- Financial fallout from the pandemic likely to impact three fiscal years
- Multi-year perspective required while responding to the immediate crisis

Navigating the current environment

- Reduce expenses
- Find new revenues
- Achieve economies of scale
- Build institutional capacity to respond to emerging workforce and economic development needs
- Strengthen student outcomes

Finding Resources in the Midst of Crisis



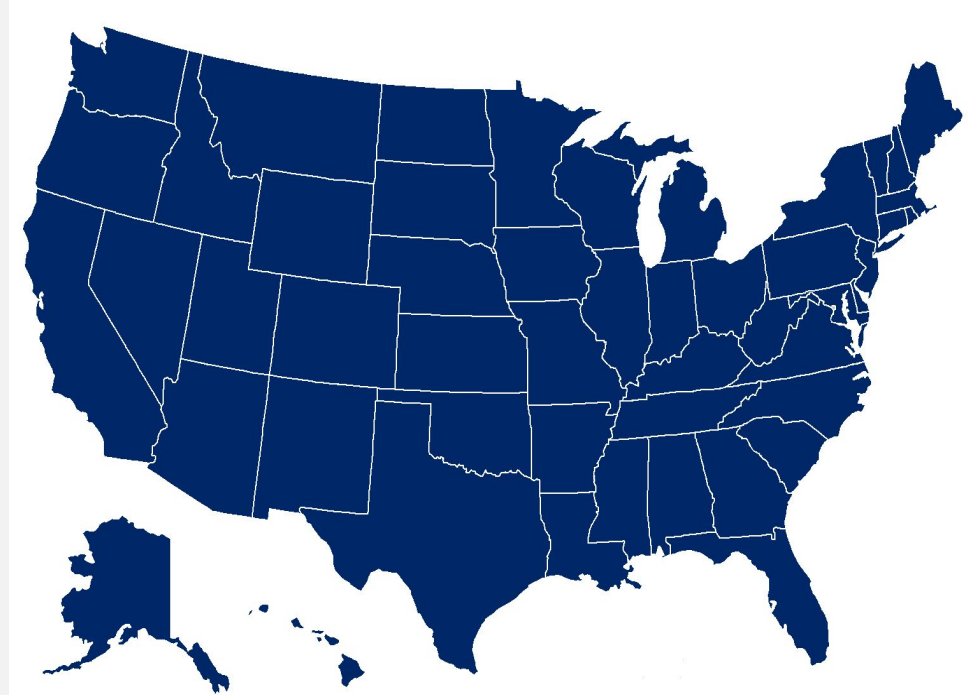
National Context – Searching for a Sustainable Path Forward

- **North Carolina** – regional collaboratives
- **Virginia** -shared services cooperatives
- **Maine** - unified accreditation with shared programs & faculty
- **Connecticut** - consolidation of a statewide system
- **Georgia** - institutional mergers – six institutions into three
- **Vermont** – campus closures

National Context

What can we learn from national trends?

- Small rural colleges remain vulnerable
- Colleges that wait may have their futures determined by others
- Collaboration across colleges is essential



Small Group Sessions

Facilitators: Kim Sepich, Mary Rittling, Audrey Jaeger

Supported by: Renee Barger, Julia Ahrns, Andrea DeSantis

Each attendee will be invited to join a small group through a prompt

25 minutes allotted for small group discussions

Closing and reminders will take place in small groups

Small Group Discussion

Guiding Questions:

1. What longer-term strategies are you considering to assure that your college emerges from the economic recession stronger rather than weaker?
2. Where are there opportunities for reducing expenses, increasing revenues, and achieving economies of scale?
3. How will you sustain the college's efforts to improve student success in the face of financial challenges?

Closing & Reminders

Upcoming Sessions

June 4: Planning for the Future with Enrollment Changes

June 18: Sustaining Student Success in a New Environment

July 9: Design Thinking during Uncertain Times

For more information regarding the Presidents Academy Critical Conversation Series, please visit: <https://go.ncsu.edu/ccpresidentresources>

For additional resources visit: <https://belk-center.ced.ncsu.edu/covid19/>

[Please share your feedback on this session.](#)

