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FINANCIALLY SUSTAINABLE STRATEGIES FOR SMALLER COLLEGES

***Bluffton University***

A large, faint, light purple watermark of the Bluffton University logo is visible in the bottom right corner of the slide.

# OUR MISSION

*“Shaped by the historic peace church tradition and nourished by a desire for excellence in all phases of its programs, Bluffton University seeks to prepare students of all backgrounds for life as well as vocation, for responsible citizenship, for service to all peoples and, ultimately, for the purposes of God's universal kingdom.”*





**TOP TIER**  
IN "MIDWEST  
COLLEGES"

– *U.S. News & World Report's  
Best Colleges*



NAMED A  
**BEST COLLEGE  
IN OHIO**  
FOR 2022

– *intelligent.com*



**TOP  
PERFORMERS**  
IN SOCIAL MOBILITY  
IN "MIDWEST  
COLLEGES"

– *U.S. News & World Report's  
Best Colleges*



NAMED A  
BEST AFFORDABLE  
**PRE-MED**  
PROGRAM

– *AffordableSchools.net*

# VISION: 2020-2025

*Bluffton University will become a leader in community-responsive academic programs and experiential learning that focus on well-being and emotional intelligence; our students will graduate as discerning thinkers with resilient hearts for social justice and advocacy.*







Realization of External Realities facing small, private, liberal arts colleges and universities, especially in Ohio

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# Bluffton University context

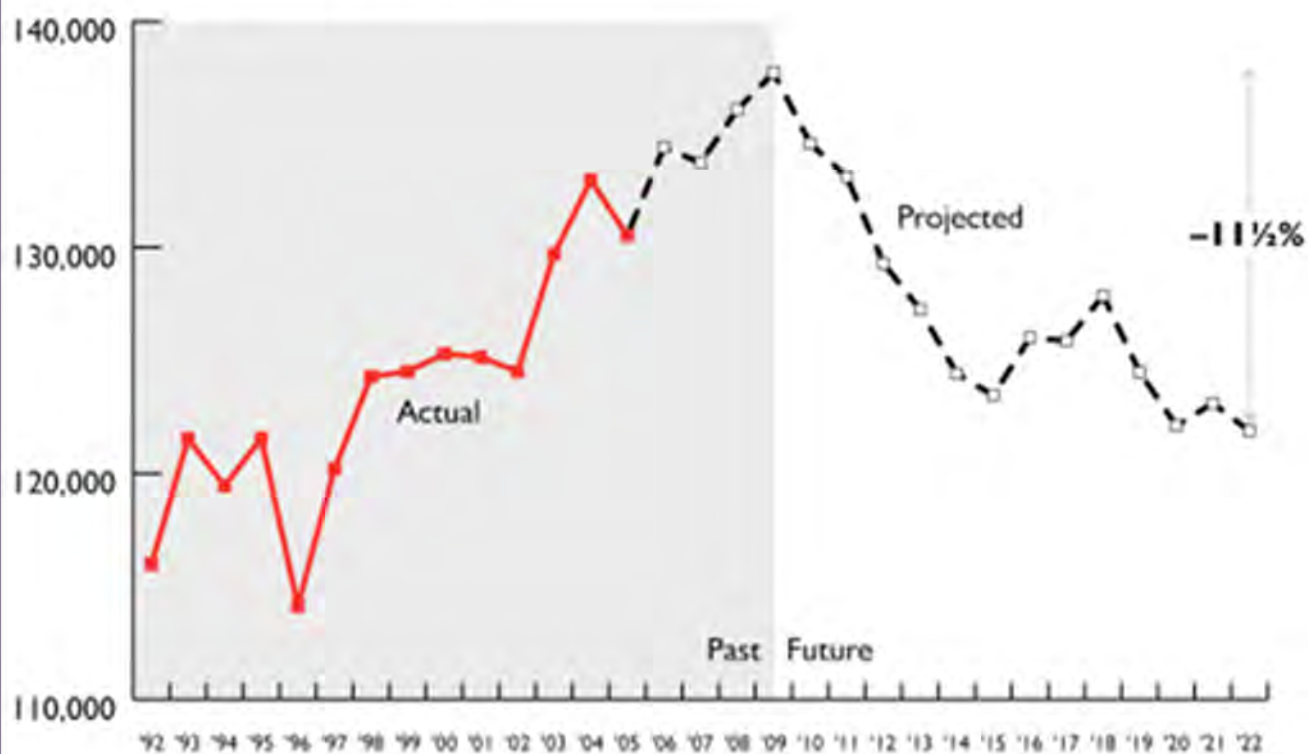
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- **720 Students—UG and G (Fall 2022)**
- **Northwest Ohio**
- **Rural**
- **25MM endowment**
- **20MM operating budget**
- **Mennonite faith tradition**
- **D3—Heartland Athletic Conference**

## **In Ohio alone**

- **75 four-year institutions of higher education**
- **58 of these are “independent” colleges and universities like us--often trying to recruit the same set of students**

**Projections of High School Graduations  
Public and Private, State of Ohio**  
1992 to 2021



Source: "Knocking At the College Door" Western Interstate Commission on Higher Education, 7th ed (2008)



# Strategic Planning Metrics-2019-2020

## By 2025-26:

1. Increase from 640 to 750 FTE traditional undergraduate students.
2. Increase from 79 to 250 FTE Adult & Graduate Studies students.
3. Increase traditional undergraduate 4 and 6-year graduate rate from 50%/54% to 53%/57%.
4. Increase retention from 60% to 70%.
5. Increase President's Society from 430 to 500 members and corporate giving from \$370,000 to \$500,000 annually.



# Strategic Planning Metrics

6. Achieve sustainable operating margin of 2%.
7. Create three new academic programs that are relevant to SDOH.
8. Achieve recognition for Virtue-Driven Athletics and campus-wide physical and mental health program.



# Cashflow vs. Balanced Budget: Why Is It Important?

*From BOT Meeting—June 2020*

- What does cashflow mean for Bluffton University?
  - We must look at the Statement of Activities, which is showing a deficit budget and...
  - Add back: Depreciation
  - Subtract: Principal payments on debt and capital expenditures
  - \$2.4M projected cash loss in 2020-21 without budget adjustments (some adjustments have been proposed in the board docket)

# **Decision by the BOT at June 2022 to “live within our means” and cashflow the organization and fund the strategic plan**

*From BOT Meeting—June 2020*

Cabinet created a plan to cut 2.4MM from a 20MM dollar operating budget.

- **We did not assume any increase in enrollment over the next five years**
- **Offered early retirement** with a 10k cash bonus
- **Removed almost all administrative support**, including the President’s Executive Assistant
- **Canceled retirement match**
- **5% decrease** in all employees’ annual salary
- **President voluntarily took a 20% pay cut**

# Strategic Fiscal Plan—cont.

- We evaluated what **every single employee** does during their time at work. We reduced some director-level positions and there was no change in our operations. We “redeployed” and revised many existing positions
- **Removed a Cabinet level position** and did not replace
- Cabinet consists of **3 VPs and a part-time, co-sourced CFO**
- **“Co-sourced” the business office/HR**
- We did not delete any **academic majors**
- We did not reduce any employees or funds to **enrollment or athletics**

# Results

- We achieved **cash flow status** by **June 2021** and have been **cashflowing the university for the last three years**
- We have had challenges with **low-morale and divisions between faculty and staff**
- July of 2022 we **restored the 5%** of salaries that were cut
- We still have **not restored retirement**. Goal by July 2023



# Strategic Planning Metrics Results

## 1. Increase from 640 to 750 FTE traditional undergraduate students.

2018	174	605
2019	231	626
2020	195	647
2021	242	700
2022	162	639



## 2. Increase from 79 to 250 FTE Adult and Graduate Studies students.

2019	58
2020	59
2021	63
2022	81



# Strategic Planning Metrics Results

3. Increase traditional undergraduate 4 and 6-year graduate rate from 50%/54% to 53%/57%.

	4-year	6-year
2012	50%	54.4%
2013	50%	54.8%
2014	50%	55%
2015	49%	52.5%
2016	44%	45.7%
2017	45%	

4. Increase retention from 60% to 70%.

2017	65.9%
2018	60.3%
2019	72.3%
2020	69.2%
2021	69.8%



# Strategic Planning Metrics Results

5. Increase President's Society from 430 to 500 members and corporate giving from \$370,000 to \$500,000 annually.

2019	429
2020	384
2021	340
2022	378

6. Achieve sustainable operating margin of 2%.

Step 1: achieve cash flow

2019	deficit cash flow
2020	improved cash flow
2021	positive cash flow
2022	positive cash flow





# Strategic Planning Metrics Results

7. Create three new academic programs that are relevant to SDOH.
  - MSW approved for fall 2023 start
  - RN to BSN launched fall 2022
  - Engineering 2+2 – coming fall 2023
8. Achieve recognition for Virtue-Driven Athletics and campus-wide physical and mental health program.
  - Launched in 2021-22 – including Habit Tracker and guest speakers



# Knowlton Science Center

Opening Fall 2023!



Front Main Entrance





# We are Beavers All



[www.bluffton.edu](http://www.bluffton.edu)