



# Albion College - Pathway Forward Presentation to Bondholders

October 2024 Update

Dr. Wayne Webster, President

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# Albion is #1 for Social Mobility in Michigan

Albion College ranks 54th among public and private colleges and universities, up from 68th last year, in the The Wall Street Journal / College Pulse 2025 Best Colleges rankings. **Albion continues to rank first among all liberal arts colleges in Michigan and second among private institutions in the state.**

In Michigan, Albion ranks first among all private and public colleges and universities for social mobility and student experience, sixth for salary impact, and 10th for best value. Among liberal arts colleges in the state, Albion ranks first in every category. Nationally, Albion ranks 15th for social mobility, 46th for student experience, 125th for salary impact, and 183rd for best value.



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# Princeton Review ranks Albion among the Best



Albion College stands out for its commitment to personalized education and its supportive community, according to The Princeton Review's rankings of the nation's top colleges.

According to student feedback gathered by Princeton Review, Albion excels at creating a nurturing academic environment and fostering strong connections between students and faculty. Princeton Review said students have the opportunity to engage in various hands-on experiences, including internships, research projects, and study abroad programs. This practical approach to education enhances their learning and better prepares them for future careers. One student highlighted this aspect by saying, "the opportunities for real-world experience at Albion are fantastic. They help bridge the gap between theory and practice, making us more competitive in the job market."



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# Finance Leadership Transition

- Daniel (Dan) Valles, Vice President for Finance and Administration
  - <https://www.albion.edu/news-article/daniel-valles-named-vice-president-of-finance-and-administration/>
  - Takes over in early November for interim Chief Financial Officer
- Mike Fox, Interim VPFA assignment is wrapping up
  - Will continue in an advisory capacity to facilitate a smooth transition to Dan



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# Enrollment / Retention

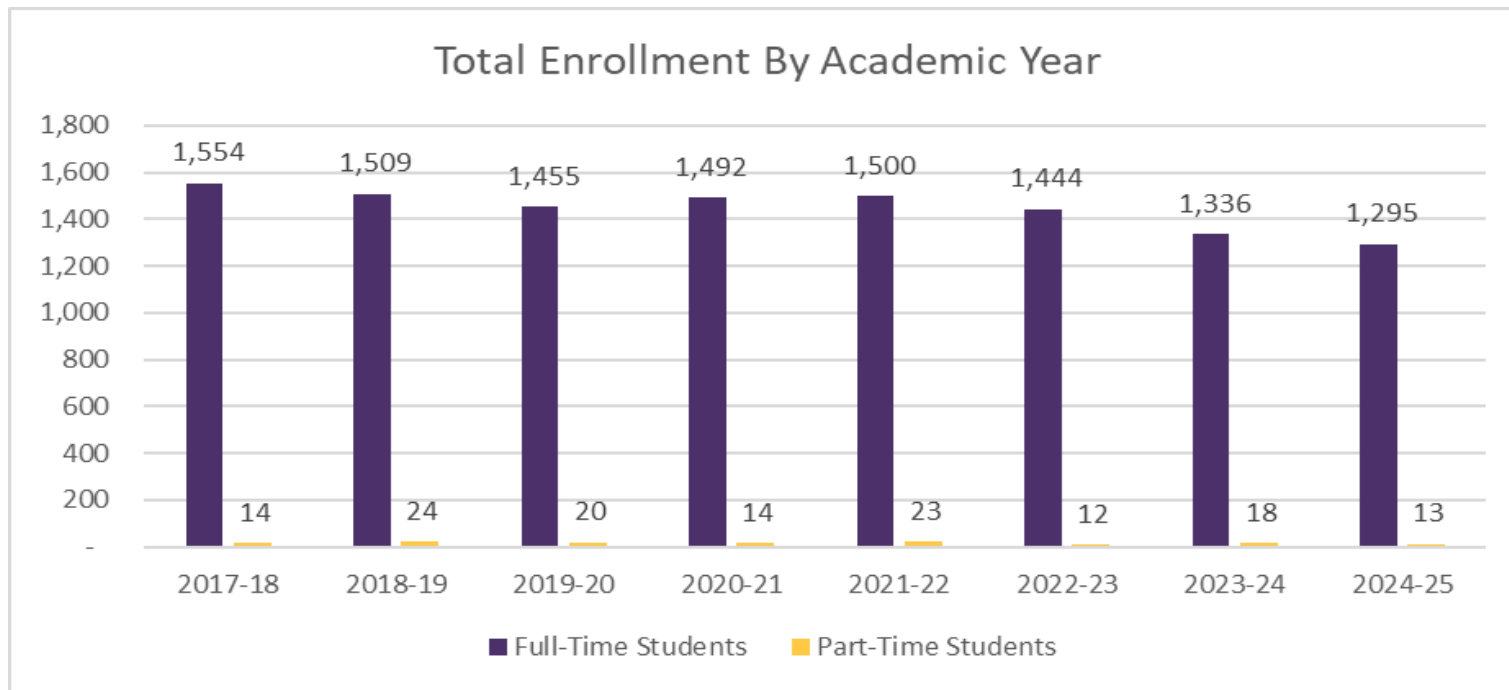
# Recruiting and Retention Highlights

- First year and transfer students, 385
- Retention first to second year improved by 1.9%
  - Spring to fall melt % was the lowest we have seen in 6 years
  - Bridge Program funded by DOE had a 53 participants vs. 9 last year
  - CREDO fully-engaged and identifying easy wins to continue retention momentum
- Discount for first year students for FY25 improved by 3% versus entering students in FY24.
- FAFSA challenge and impact



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# Eight Years - Total Enrollment



Note: Additional enrollment details posted to EMMA on September 13, 2024.



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# Retention - Moving the Needle

- Goal is to increase retention 5% in 5 years of Credo partnership above the already achieved 1.9%

Good things - Keep improving:

- High Impact Practices
- First Year Seminar, Bridge Program, Albion-0
- Space and Place improvement (Kellar, Wesley, Labs)
- Built-in support networks for diverse populations
- Leadership commitment to retention



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# Finance

# FY24 Audit Timing / Financial Planning

- Forvis hired as new audit and tax firm
- Field work for FY24 audit begins in early October and continues for a couple weeks
- Preliminary draft is expected in early December
  - The FY24 results will be a critical input for the 5-year budget forecast model that is under development in cooperation with Blue Rose Capital Advisors
- Budget variances are made available when provided to trustees throughout the year
  - Detailed budget reports and variances are anticipated to be reviewed with RBC, bondholders' consultant

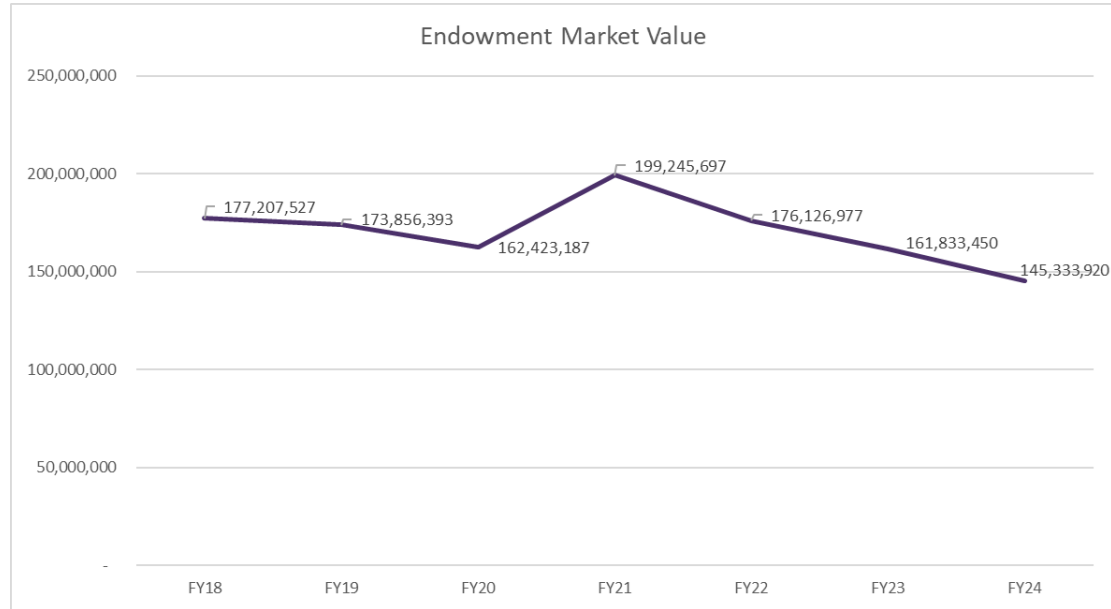


# Liquidity

- The College continues to monitor cashflow closely
  - 12-month cash flow forecast updated monthly and posted on EMMA
- Important planned liquidity sources (favorable)
  - \$7.4M donor loans (\$3.3M to be utilized later in FY25)
  - \$7.3M in two endowments set up as restricted funds in error long ago
  - Additional actions in process to release \$9.7M in old endowments
- Department of Education action (unfavorable)
  - August 7, 2024 notice of ratio for financial responsibility at 0.6
  - Required \$2.4M letter of credit or \$2.4M in escrow
  - Heightened cash management 1 for federal draws



# Endowment Market Value by Fiscal Year



Total endowment portfolio as reported in Annual Financial Statements. FY24 unofficial results currently being audited.



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# Capital projects, Sales of Property

- Qdoba joins Starbucks on campus (Metz)
- Multicultural lounge for students
- Historical gym renovation
- Training room
- Generators, cooling tower, Kinesiology lab
- Sold 23 properties totaling \$2.16M in 2 years



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# Other Financial / Operating Updates

- Budget and financial reporting improvements
- Bondholder consultant engagement (RBC)
- Facilities condition, as observed by CampusWorks
- IT assessment by CampusWorks
- Equestrian Center, WG Construction, and Downtown Albion Hotel
- PNC and Huntington (hotel) loan
- Solar and hydrogen project
- Working diligently to finalize the audit





# Academic Programming Review





# Ongoing Initiatives

In support of Academic Program Review (APR)

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- Development and application of Academic Program Review (APR) Dashboard
- For us, APR is not a one-time event but an ongoing data-informed operational approach on how we make choices to support or not support specific majors, minors or concentrations.
- Emphasis on academic innovation, with faculty working on Experiential Learning for All initiative alongside new general education requirements.
- Cultivating external partnerships to support Experiential Learning for All.
- Continued focus on retention initiatives (advising, intervention, and clearance) with support from Title III grant and CREDO
- Reviewing our work structures with an eye to streamlining governance structures that support our work.

# Mission-Centric Academic Program Review

## Academic Standards

- Mission
- Accreditation
- Institutional expectations for student success

## Market Analysis

Four elements:

- Student demand
- Enrollment market
  - Human Capital
- Employment market
  - Lightcast
- Competition

## Margins

Portfolio of academic programs should collectively generate enough revenue to sustain and invest in the mission.

Program economics:

- Direct instructional margin
- Overhead

Adapted from *Start, Stop, or Grow: A Data-Informed Approach to Academic Program Evaluation and Management* by Robert Atkins Gray



# Goals and Specific Actions

- November 2024: Curriculum & Resource Committee (C&RC) makes recommendations on awarding of program resources based on APR.
  - Will realign to faculty size commensurate with student body size of 1,300-1,400 students.
    - (Effective Fall 2025) Current class size is 11.5:1 and goal is to move to 13:1 or 14:1
  - APR strategies used as part of annual resource review by C&RC.
- January 2025: Faculty adopts C&RC recommendations for innovative new programming specific to Experiential Learning for All initiative. (Effective Fall 2025)
- September 2025: Faculty adopts C&RC recommendations for innovative new general education requirements. (Effective Fall 2026)



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# Fundraising

# Historical Fundraising Activity

	FY21	FY22	FY23	FY24
Gifts FYTD	\$12,137,345	\$9,562,609	\$9,327,329	\$4,665,789
Annual Loyal Giving	\$3,237,594	\$2,529,204	\$2,123,276	\$2,354,106

## GOALS:

- Total Fundraising Progress: \$7.5M
- Total Private Support: \$4.0M
- Organization/Foundation/Sponsored Research Support: \$1.8M
- Annual Fund: \$1.7M
- Unique alumni donors: 7.5%
- Total alumni engagement: 1,500



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# Capital Campaign

- Progress toward the College's next capital campaign is underway
  - Completed: Consulting firm engaged to evaluate staffing and feasibility
  - Spring 2025: Feasibility study completed
  - Summer 2025: Begin quiet phase of the campaign
- Focus of the fundraising efforts
  - Rebuild the endowment
  - Key, student centered capital projects
  - Unrestricted funds



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# Questions and Answers