



Albion College - Pathway Forward Presentation to Bondholders

December 2024 Update

Dr. Wayne Webster, President

Table of contents

● Leadership updates	3
● Enrollment, retention	4
● Finance	9
● Academic program review	15
● Fundraising	19
● Q&A	23



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College 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/>
 - Dan began this leadership role in early November
- The rest of the College leadership team remains stable.



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Enrollment / Retention

Fall 2025 Domestic First Year Student Funnel

YTD December 16

Fall	Applications	Admits	Deposits
2025	4,833	3,755	55
2024	4,849	3,813	51
2023	4,005	3,184	27
2022	3,802	2,917	35



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Recruiting Highlights

- Spring transfer enrollment
 - We currently have 14 deposits, we had 16 last year. We expect to exceed last year.
 - We are working with several students from Concordia University-Ann Arbor campus
 - Launching early brand awareness in February
- Early highlights from the Fall 2025 recruiting cycle
 - We hosted 27 students and their families for a day-and-a-half on campus for the Presidential Experience Program.
 - We have loaded over 400 FAFSAs into Slate (CRM) and will be sending out financial aid awards before we leave for break.



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Retention Highlights

93%

First-year students registered for Spring!



Retention – CREDO Moving the Needle

Clearance

- Clearance timeline for Fall 2025 developed
- Changes to our holds processes and policies implemented
- Multiple steps in our clearance processes changed for Fall 2025, including working to update English placement process

Advising

- Changes to our advising holds processes and policies implemented
- More robust advisor communication and support throughout this semester, with a major emphasis on advisors following up with under-enrolled students
- Framework of a new advising model in development
- Implementation of career and major-focused activities in the FYS/first year experience underway

Intervention

- Successful launch of the SIP & spotlight survey to FYS faculty with 100% completion rate. This allowed us to get connected to students early on.
- Successful intervention and outreach from this team around advising holds
- Nearly ready to launch our early alert system in the Spring semester



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Finance

FY24 Audit Timing / Financial Planning

- Forvis was hired as new audit and tax firm
- Field work for FY24 audit was completed in October
- Preliminary FY24 audited results are expected in the next two weeks
- Like in FY23 and as expected, financial covenants for FY24 will not be met
- The FY24 results will be a critical input for the 5-year budget forecast model that is under development with Blue Rose Capital Advisors
- FY 25 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



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Liquidity

- The College continues to monitor cashflow and liquidity 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
 - \$2.2M from one estate gift to be received in Fall 2024
 - 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 \$6M letter of credit or \$2.4M on deposit
 - Heightened cash management 1 for federal draws



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Liquidity (cont.)

- The College's current liquidity position is summarized in the table below.

Liquidity Sources	Available (Dec. 2024)
Unrestricted "Quasi" Cash & Investments*	\$6,264,000
Unused Donor Loan*	\$3,300,000
Unrestricted Estate Gifts**	\$2,200,000
Near Term Asset Sales***	\$650,000
Total Liquidity	\$12,414,000
<p>* As of December 1, 2024.</p> <p>** The College received \$3.2M of Estate Gifts in Fall 2024 of which \$2.2M is unrestricted. Funds are expected to be received in December 2024.</p> <p>*** Two property sales are pending with closing expected December 2024.</p>	



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Other Financial / Operating Updates

- Budget and financial reporting improvements
- Positive bondholder consultant engagement with RBC
- Facilities projects balancing student experience & deferred maintenance
- Implementation of CampusWorks IT recommendations
- Equestrian Center and Downtown Albion Hotel updates
- PNC and Huntington (hotel) loans
- Solar and hydrogen project
- Higher Learning Commission designation



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Academic Programming Review



Ongoing Initiatives

In support of Academic
Program Review (APR)

- 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
 - Faculty voted 73% in favor to eliminate German and French majors and minors.
 - 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)
- On track to have reduced FTE faculty and staff by 40-50 positions (from 2023 numbers) by Fall 2025



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Fundraising



510 unique donors, \$518,869.20 dollars raised!



Overall Progress to Date

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

RESULTS:

\$1.8M in gifts received to-date with another \$3.2M in bequests expected to be received by December 31 bringing us to \$5M towards a \$7.5M goal with six months to go.



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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: Case for support and planning
 - Fall 2025: Feasibility study completed to give input on final goal and initiatives
 - Summer 2025: Begin quiet phase of the campaign
- Focus of the fundraising efforts
 - Rebuild the endowment
 - Key, student centered capital projects
 - Unrestricted funds and operating support



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Questions and Answers