

**Fairmont State University
Interim Report on Enrollment and
Finances To the Higher Learning
Commission (HLC)
March 1, 2020**

- 1) Fall-to Fall enrollment trend comparisons for AY2017-2018, AY2018-2019, and 2019-2020

Beginning of Fall Internal Enrollment		Fall 2017		Fall 2018		Fall 2019	
Total Headcount		3886		3946		3803	
Total Undergraduate Headcount		3604		3673		3563	
In-State	Out-of-State	3164	440	3242	431	3162	401
First-Time Freshmen Headcount		764		827		774	
In-State	Out-of-State	680	84	727	100	700	74
Total Graduate Student Headcount		282		273		240	
In-State	Out-of-State	261	21	241	32	233	7
Dual Enrollment Headcount		38		94		157	

**The full table with definitions can be found in Appendix A attached at the end of this report.

As can be seen above our enrollment took a decline from Fall 2018 to Fall 2019. The State of West Virginia enacted the WV Invest program for in state students which will fully pay for an Associate's degree or up to 90 credit hours at the technical and community colleges of West Virginia. We are not the only institution in West Virginia to see a decline in Fall 2019 due to this new funding model. The funds are only available at the technical and community colleges. This not only affected our first-time freshmen headcount but our overall undergraduate in state headcount, since the students are able to complete up to 90 credit hours.

We expect an increase in transfer students within the next two years. We have also implemented a Metro Tuition Rate for the states of Kentucky, Maryland, Virginia, Pennsylvania and Ohio. We are working on articulation agreements with some of the larger community colleges and plan to target some of our SOAR events next academic year to the "metro region".

- 2) Enrollment projections, based on available data, for AY2020-2021 and AY2021-2022

Beginning of Fall Internal Enrollment		Fall 2020 Projections		Fall 2021 Projections	
Total Headcount		3879		3937	
Total Undergraduate Headcount		3624		3670	
In-State	Out-of-State	3153	471	3193	477
First-Time Freshmen Headcount		822		842	
In-State	Out-of-State	737	85	747	100
Total Graduate Student Headcount		255		270	
In-State	Out-of-State	240	15		30
Dual Enrollment Headcount		160		170	

**This is a portion of the larger table with definitions in Appendix A at the end of this report.

We anticipate stabilization for Fall 2020 but a possible decrease in in-state students given traditional high school enrollment decline in West Virginia and enrollment strategies focused on buttressing out-of- state enrollment. For Fall 2020, a 2.5% enrollment increase is projected. In anticipation of high school population declines and work force patterns in the wider region, a 1.5% growth rate is assumed for Fall 2021, given a 65, 60, 55 year rank to rank retention rates and graduation rates are maintained. Note that new data assurance and student success strategies may impact these rates positively.

3) Operating budgets for FY2019 and FY2020

Fairmont State University operating budgets are located in Appendix B of this report. We are enclosing the budgets that our CFO reports to our Board of Governors annually. We are please to be able to state that we are in a very strong financial position.

4) Disaggregated tuition revenue numbers from FY2018, FY2019 and FY2020 that include tuition revenue as a percentage of the operating budget

To provide the HLC with the required disaggregated tuition revenue for FY 2018 and FY 2019 we utilized the actual numbers and we used the budgeted amounts for FY 2020.

	FY2018 Actual	FY2019 Actual	FY2020 Budget
Tuition and Fees	\$40,474,161	\$42,537,275	\$42,961,932
Operating Expenses	\$59,130,718	\$57,435,571	\$58,802,822
% of Operating Expenses	68.45	74.06	73.06

5) A progress report on plans for the Caperton Center with regard to student enrollment

Fairmont State University is not currently utilizing the Caperton Center. Pierpont Community and Technical College utilizes the space at this time. Fairmont State moved all academic programs from the Caperton Center to our facility at the Charles Pointe in Bridgeport, WV. This took effect as of the end of Spring 2018 term. We have registered this facility as “Location Closed” with the Department of Education at the recommendation of John M. Hicks, Institutional Review Specialist for Program Compliance for the Department of Education. We were informed that the institution could “reopen” the facility should circumstances change in the future.

6) Updated CFI ratios for FY2017 and 2018, noting but excluding OPEB liabilities

Unadjusted including Fairmont State Foundation	FY 2017	FY 2018	FY 2019
Composite Financial Indicator (CFI)	0.76	1.91	2.67

Submitted by: Merri Incitti, Vice President for Institutional Effectiveness & Strategic Operations and ALO

Appendix A: Enrollment, Projections and Definitions

Beginning of Fall Internal Enrollment		Fall 2017		Fall 2018		Fall 2019		Fall 2020 Projections		Fall 2021 Projections	
Total Headcount		3886		3946		3803		3879		3937	
Total Undergraduate Headcount		3604		3673		3563		3624		3670	
In-State	Out-of-State	3164	440	3242	431	3162	401	3153	471	3193	477
First-Time Freshmen Headcount		764		827		774		822		842	
In-State	Out-of-State	680	84	727	100	700	74	737	85	747	100
Total Graduate Student Headcount		282		273		240		255		270	
In-State	Out-of-State	261	21	241	32	233	7	240	15		30
Dual Enrollment Headcount		38		94		157		160		170	

About this measure: These data are based on internal enrollment numbers calculated at the beginning of the Fall term, usually in October. Rationale for each projection is provided along with the definitions below. Note that these projections are based on descriptive statistics and internal strategic goals; however, statistical modeling, specifically the utilization of Markov chain models, is currently underway to create more precise inferential projections of enrollment moving forward.

Headcount: Number of unique students registered as Fairmont State University students enrolled in at least one credit-bearing course. Numbers in this table are considered unduplicated and include non-degree students and dual enrollment students. We anticipate stabilization for Fall 2020 but a possible decrease in in-state students given traditional high school enrollment decline in West Virginia and enrollment strategies focused on buttressing out-of-state enrollment. For Fall 2020, a 2.5% enrollment increase is projected. In anticipation of high school population declines and work force patterns in the wider region, a 1.5% growth rate is assumed for Fall 2021, given a 65, 60, 55 year to year rank to rank retention rates and graduation rates are maintained. Note that new data assurance and student success strategies may impact these rates positively.

Undergraduate: Students enrolled in a degree program or course of study up to the baccalaureate-level (BA, BS, BSN, etc.). Note that while some undergraduate students may take classes taught at the graduate level, and therefore generate credit hours attributable to the graduate level, those students are not necessarily considered graduate students. Students who are undecided and high students taking college classes are considered to be undergraduate students. The total undergraduate population is projected to increase at 1.71% for Fall 2020 and 1.26% for Fall 2021, again given enrollment strategies for first-time freshman and out of state students, and general demographic limitations. Retention and graduation rates are assumed to be stable, though it is possible they may increase with the introduction of new strategic programming. These are expected to be disproportionately lagging indicators though. The institution's strategic interest and positioning to develop more accessible and virtual-based academic programming may impact these projections.

First-Time Freshmen: Students who have not previously attended any accredited higher education institution and enrolled at Fairmont State college the first time by at least the summer preceding the Fall semester. Students with advanced standing (i.e., with college credits earned in high school) can be considered first-time freshmen. Projections are based on recruiting goals and a descriptive analysis of current recruitment trends, and assumes an 30 to 35% yield rate based on student type.

Graduate: Students enrolled in a degree program above the baccalaureate-level *(M.Ed, MBA, MArch, etc.). Note that while some graduate students may take classes taught at the undergraduate level, and therefore generate credit hours attributable to the undergraduate level, those students are not necessarily considered graduate students. Students with a prior undergraduate degree at the baccalaureate-level who are taking graduate courses in a given term are considered graduate students. Out of state graduate enrollment is expected to stabilize following a precipitous drop in enrollment, likely impacted by recruitment strategies and academic programming aimed at in-state students primarily. The introduction of new online degree programs and recruitment and marketing campaigns aimed at out of state students are assumed to increase the out of state enrollment trends, though these projections are conservative. The expansion of more accessible graduate-level courses in addition to new degree programs in response to in-state workforce demands is also assumed to increase in-state enrollment.

Dual Enrollment: High school students enrolled in credit-bearing undergraduate courses at Fairmont State University who receive both high school and college credit for successful completion of the course. Note that due to data limitations, there is no verifiable way to confirm the nature of credit a dual-enrollment student receives at the high school level. Dual enrollment is expected to continue to increase, but is likely to experience a ceiling effect through Fall 2021 because of educational delivery limitations, specifically across scheduling, qualified instruction, class size and location. Should logistics in these areas be addressed sufficient to accommodate larger dual enrollment populations, enrollment will likely increase beyond projections.

In-State: Students considered to be a resident of West Virginia for the purposes of tuition and fees. Note students living out-of-state may in some circumstances be considered in-state for the purposes of tuition and fees, and vice versa. These data do not necessarily reflect the residing address of students. Statewide high school enrollment decreases and workforce activity trends, specifically adults aged 25 or older returning to the workforce, are likely to limit enrollment increases through Fall 2021, though targeted enrollment strategies, articulation agreements, and workforce partnerships are aimed at mitigating any decreases in enrollment. In addition, while retention rates are assumed to be maintained, should they increase, particularly junior to senior year retention, enrollment may also see proportional increases.

Out-of-State: Students considered to be a resident outside of West Virginia for the purposes of tuition and fees. Note students living out-of-state may in some circumstances be considered in-state for the purposes of tuition and fees, and vice versa. These data do not necessarily reflect the residing address of students. Out of state enrollment is projected to stabilize and increase through 2021 given the ability of the university to offer degree programs throughout the United States, the introduction of metro tuition rates, and expanded marketing and recruitment throughout the wider region. A limited increase is expected in Fall 2021 given increased market competition and demographic shifts throughout the West Virginia, Ohio, Pennsylvania, Virginia, and Maryland region.

Appendix B: Financial Reports

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The Higher Learning Commission - FAIRMONT STATE UNIVERSITY
 Financial Data Worksheet for Public Institutions
 Calculations for Fiscal Years 2016 to 2019

UNOFFICIAL

FINANCIAL STATEMENT AMOUNTS UNADJUSTED WITHOUT FS FOUNDATION

Financial Ratios	2016				2017				2018				2019			
	Data	Strength	Weight	CFI	Data	Strength	Weight	CFI	Data	Strength	Weight	CFI	Data	Strength	Weight	CFI
Primary Reserve Ratio Calculation:																
Institution unrestricted net assets	8,423,111				6,672,583				8,164,049				9,291,930			
Institution expendable restricted net assets	141,985				69,112				55,138				58,640			
C.U. unrestricted net assets	0				0				0				0			
C.U. temporary restricted net assets	0				0				0				0			
C.U. net investment in plant	0				0				0				0			
Numerator Total	8,565,096				6,741,695				8,219,187				9,350,570			
Institution operating expenses	61,007,731				62,888,859				59,130,718				57,435,571			
Institution non-operating expenses	3,430,589				6,789,842				3,481,151				3,344,086			
Elimination of inter-entity amounts	0				0				0				0			
C.U. total expenses	0				0				0				0			
Denominator Total	64,438,320				69,678,701				62,611,869				60,779,657			
Primary Reserve Ratio =	0.133	0.999	0.35	0.35	0.097	0.727	0.35	0.25	0.131	0.987	0.35	0.35	0.154	1.157	0.35	0.40
Net Operating Revenue Ratio Calculation:																
Institution operating income (loss)	(20,260,046)				(19,721,333)				(18,594,803)				(16,586,306)			
Institution net non-operating revenues	19,779,077				16,281,439				19,095,953				20,523,003			
C.U. change in unrestricted net assets	0				0				0				0			
Elimination of inter-entity amounts	0				0				0				0			
Numerator Total	(480,969)				(3,439,894)				501,150				3,936,697			
Institution operating revenues	40,747,685				43,167,526				40,535,915				40,849,265			
Institution non-operating revenues	23,209,666				23,071,281				22,577,104				23,867,089			
C.U. total unrestricted revenues	0				0				0				0			
Elimination of inter-entity amounts	0				0				0				0			
Denominator Total	63,957,351				66,238,807				63,113,019				64,716,354			
Net Operating Revenue Ratio =	-0.008	-0.578	0.10	-0.06	-0.052	-3.995	0.10	-0.40	0.008	0.611	0.10	0.06	0.061	4.679	0.10	0.47
Return on Net Assets Ratio Calculation:																
Change in net assets + C.U. change in net assets	(177,741)				(2,860,017)				1,770,234				5,301,347			
Total net assets + C.U. total net assets (beginning of year)	74,538,900				74,361,159				71,645,065				73,415,299			
Return on Net Assets Ratio =	-0.002	-0.119	0.20	-0.02	-0.038	-1.923	0.20	-0.38	0.025	1.235	0.20	0.25	0.072	3.611	0.20	0.72
Viability Ratio Calculation:																
Expendable net assets Numerator Total =	8,565,096				6,741,695				8,219,187				9,350,570			
Institution long-term debt (total project related debt)	82,375,194				79,008,040				76,015,511				72,382,225			
C.U. long-term debt (total project related debt)	0				0				0				0			
Denominator Total =	82,375,194				79,008,040				76,015,511				72,382,225			
Viability Ratio =	0.104	0.249	0.35	0.09	0.085	0.205	0.35	0.07	0.108	0.259	0.35	0.09	0.129	0.310	0.35	0.11
COMPOSITE FINANCIAL INDICATOR SCORE (CFI)				0.36				-0.46					0.74			1.70

The Higher Learning Commission - FAIRMONT STATE UNIVERSITY
 Financial Data Worksheet for Public Institutions
 Calculations for Fiscal Years 2016 to 2019
 Inclusive of C.U.

UNOFFICIAL

FINANCIAL STATEMENT AMOUNTS UNADJUSTED INCLUDING FS FOUNDATION (Reported to HLC)

Financial Ratios	2016				2017				2018				2019			
	Data	Strength	Weight	CFI	Data	Strength	Weight	CFI	Data	Strength	Weight	CFI	Data	Strength	Weight	CFI
Primary Reserve Ratio Calculation:																
Institution unrestricted net assets	8,423,111				6,672,583				8,164,049				9,291,930			
Institution expendable restricted net assets	141,985				69,112				55,138				58,640			
C.U. unrestricted net assets	3,530,924				4,401,504				5,226,922				4,749,640			
C.U. temporary restricted net assets	5,186,247				5,290,745				5,154,373				5,670,770			
C.U. net investment in plant	0				0				0				0			
Numerator Total	17,282,267				16,433,944				18,600,482				19,770,980			
Institution operating expenses	61,007,731				62,888,859				59,130,718				57,435,571			
Institution non-operating expenses	3,430,589				6,789,842				3,481,151				3,344,086			
Elimination of inter-entity amounts	0				0				0				0			
C.U. total expenses	2,017,518				2,261,118				2,419,960				2,400,654			
Denominator Total	66,455,838				71,939,819				65,031,829				63,180,311			
Primary Reserve Ratio =	0.260	1.955	0.35	0.68	0.228	1.718	0.35	0.60	0.286	2.151	0.35	0.75	0.313	2.353	0.35	0.82
Net Operating Revenue Ratio Calculation:																
Institution operating income (loss)	(20,260,046)				(19,721,333)				(18,594,803)				(16,586,306)			
Institution net non-operating revenues	19,779,077				16,281,439				19,095,953				20,523,003			
C.U. change in unrestricted net assets	(1,519,680)				870,580				825,418				477,282			
Elimination of inter-entity amounts	0				0				0				0			
Numerator Total	(2,000,649)				(2,569,314)				1,326,568				4,413,979			
Institution operating revenues	40,747,685				43,167,526				40,535,915				40,849,265			
Institution non-operating revenues	23,209,666				23,071,281				22,577,104				23,867,089			
C.U. total unrestricted revenues	70,753				2,579,085				3,103,708				2,447,607			
Elimination of inter-entity amounts	0				0				0				0			
Denominator Total	64,028,104				68,817,892				66,216,727				67,163,961			
Net Operating Revenue Ratio =	-0.031	-2.404	0.10	-0.24	-0.037	-2.872	0.10	-0.29	0.020	1.541	0.10	0.15	0.066	5.055	0.10	0.51
Return on Net Assets Ratio Calculation:																
Change in net assets + C.U. change in net assets	329,933				1,984,509				3,011,466				8,276,576			
Total net assets + C.U. total net assets (beginning of year)	97,276,960				97,606,893				99,735,325				102,746,791			
Return on Net Assets Ratio =	0.003	0.170	0.20	0.03	0.020	1.017	0.20	0.20	0.030	1.510	0.20	0.30	0.081	4.028	0.20	0.81
Viability Ratio Calculation:																
Expendable net assets Numerator Total =	17,282,267				16,433,944				18,600,482				19,770,980			
Institution long-term debt (total project related debt)	82,375,194				79,008,040				76,015,511				72,382,225			
C.U. long-term debt (total project related debt)	0				0				0				0			
Denominator Total =	82,375,194				79,008,040				76,015,511				72,382,225			
Viability Ratio =	0.210	0.503	0.35	0.18	0.208	0.499	0.35	0.17	0.245	0.587	0.35	0.21	0.273	0.655	0.35	0.23
COMPOSITE FINANCIAL INDICATOR SCORE (CFI)	0.65				0.69				1.41				2.36			

FINANCIAL STATEMENT AMOUNTS ADJUSTED FOR GASB 68 & 75 EXCLUDING FS FOUNDATION

Financial Ratios	2016				2017				2018				2019			
	Data	Strength	Weight	CFI	Data	Strength	Weight	CFI	Data	Strength	Weight	CFI	Data	Strength	Weight	CFI
Primary Reserve Ratio Calculation:																
Institution unrestricted net assets	9,819,835				7,941,716				19,040,446				19,453,295			
Institution expendable restricted net assets	141,985				69,112				55,138				58,640			
C.U. unrestricted net assets	0				0				0				0			
C.U. temporary restricted net assets	0				0				0				0			
C.U. net investment in plant	0				0				0				0			
Numerator Total	9,961,820				8,010,828				19,095,584				19,511,935			
Institution operating expenses	60,932,830				62,849,217				59,776,246				58,150,603			
Institution non-operating expenses	3,430,589				6,789,842				3,481,151				3,344,086			
Elimination of inter-entity amounts	0				0				0				0			
C.U. total expenses	0				0				0				0			
Denominator Total	64,363,419				69,639,059				63,257,397				61,494,689			
Primary Reserve Ratio =	0.155	1.164	0.35	0.41	0.115	0.865	0.35	0.30	0.302	2.270	0.35	0.79	0.317	2.386	0.35	0.83
Net Operating Revenue Ratio Calculation:																
Institution operating income (loss)	(20,185,145)				(19,681,691)				(19,240,331)				(17,301,338)			
Institution net non-operating revenues	19,779,077				16,281,439				19,095,953				20,523,003			
C.U. change in unrestricted net assets	0				0				0				0			
Elimination of inter-entity amounts	0				0				0				0			
Numerator Total	(406,068)				(3,400,252)				(144,378)				3,221,665			
Institution operating revenues	40,747,685				43,167,526				40,535,915				40,849,265			
Institution non-operating revenues	23,209,666				23,071,281				22,577,104				23,867,089			
C.U. total unrestricted revenues	0				0				0				0			
Elimination of inter-entity amounts	0				0				0				0			
Denominator Total	63,957,351				66,238,807				63,113,019				64,716,354			
Net Operating Revenue Ratio =	-0.006	-0.488	0.10	-0.05	-0.051	-3.949	0.10	-0.39	-0.002	-0.176	0.10	-0.02	0.050	3.829	0.10	0.38
Return on Net Assets Ratio Calculation:																
Change in net assets + C.U. change in net assets	404,834				(2,820,375)				2,365,938				4,586,315			
Total net assets + C.U. total net assets (beginning of year)	98,782,144				75,630,292				83,166,990				84,291,696			
Return on Net Assets Ratio =	0.004	0.205	0.20	0.04	-0.037	-1.865	0.20	-0.37	0.028	1.422	0.20	0.28	0.054	2.721	0.20	0.54
Viability Ratio Calculation:																
Expendable net assets	9,961,820				8,010,828				19,095,584				19,511,935			
Institution long-term debt (total project related debt)	82,375,194				79,008,040				76,015,511				72,382,225			
C.U. long-term debt (total project related debt)	0				0				0				0			
Denominator Total =	82,375,194				79,008,040				76,015,511				72,382,225			
Viability Ratio =	0.121	0.290	0.35	0.10	0.101	0.243	0.35	0.09	0.251	0.602	0.35	0.21	0.270	0.646	0.35	0.23
COMPOSITE FINANCIAL INDICATOR SCORE (CFI)	0.50				-0.38				1.27				1.99			
CFI WITHOUT OPEB	1.37				1.29											

HLC began elimination of GASB 68 for Pension Liability with FY 2015.
 HLC will eliminate GASB 75 for OPEB Liability for FY 2018 calculations..

FINANCIAL STATEMENT AMOUNTS ADJUSTED FOR GASB 68 & 75 INCLUDING FS FOUNDATION (Reported to HLC)

Financial Ratios	2016				2017				2018				2019			
	Data	Strength	Weight	CFI	Data	Strength	Weight	CFI	Data	Strength	Weight	CFI	Data	Strength	Weight	CFI
Primary Reserve Ratio Calculation:																
Institution unrestricted net assets	9,819,835				7,941,716				19,040,446				19,453,295			
Institution expendable restricted net assets	141,985				69,112				55,138				58,640			
C.U. unrestricted net assets	3,530,924				4,401,504				5,226,922				4,749,640			
C.U. temporary restricted net assets	5,186,247				5,290,745				5,154,373				5,670,770			
C.U. net investment in plant	0				0				0				0			
Numerator Total	18,678,991				17,703,077				29,476,879				29,932,345			
Institution operating expenses	60,932,830				62,849,217				59,776,246				58,150,603			
Institution non-operating expenses	3,430,589				6,789,842				3,481,151				3,344,086			
Elimination of inter-entity amounts	0				0				0				0			
C.U. total expenses	2,017,518				2,261,118				2,419,960				2,400,654			
Denominator Total	66,380,937				71,900,177				65,677,357				63,895,343			
Primary Reserve Ratio =	0.281	2.116	0.35	0.74	0.246	1.851	0.35	0.65	0.449	3.375	0.35	1.18	0.468	3.522	0.35	1.23

Net Operating Revenue Ratio Calculation:																
Institution operating income (loss)	(20,185,145)				(19,681,691)				(19,240,331)				(17,301,338)			
Institution net non-operating revenues	19,779,077				16,281,439				19,095,953				20,523,003			
C.U. change in unrestricted net assets	(1,519,680)				870,580				825,418				477,282			
Elimination of inter-entity amounts	0				0				0				0			
Numerator Total	(1,925,748)				(2,529,672)				681,040				3,698,947			
Institution operating revenues	40,747,685				43,167,526				40,535,915				40,849,265			
Institution non-operating revenues	23,209,666				23,071,281				22,577,104				23,867,089			
C.U. total unrestricted revenues	70,753				2,579,085				3,103,708				2,447,607			
Elimination of inter-entity amounts	0				0				0				0			
Denominator Total	64,028,104				68,817,892				66,216,727				67,163,961			
Net Operating Revenue Ratio =	-0.030	-2.314	0.10	-0.23	-0.037	-2.828	0.10	-0.28	0.010	0.791	0.10	0.08	0.055	4.236	0.10	0.42

Return on Net Assets Ratio Calculation:																
Change in net assets + C.U. change in net assets	404,834				2,024,151				3,607,170				7,561,544			
Total net assets + C.U. total net assets (beginning of year)	98,782,144				98,876,026				111,257,250				113,623,188			
Return on Net Assets Ratio =	0.004	0.205	0.20	0.04	0.020	1.024	0.20	0.20	0.032	1.621	0.20	0.32	0.067	3.327	0.20	0.67

Viability Ratio Calculation:																
Expendable net assets	18,678,991				17,703,077				29,476,879				29,932,345			
Institution long-term debt (total project related debt)	82,375,194				79,008,040				76,015,511				72,382,225			
C.U. long-term debt (total project related debt)	0				0				0				0			
Denominator Total =	82,375,194				79,008,040				76,015,511				72,382,225			
Viability Ratio =	0.227	0.544	0.35	0.19	0.224	0.537	0.35	0.19	0.388	0.930	0.35	0.33	0.414	0.992	0.35	0.35

COMPOSITE FINANCIAL INDICATOR SCORE (CFI)	0.74	0.76	1.91	2.67
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CFI WITHOUT OPEB	1.37	1.29
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HLC began elimination of GASB 68 for Pension Liability with FY 2015.
 HLC will eliminate GASB 75 for OPEB Liability for FY 2018 calculations..