**AGENDA ITEM:** C.2.d.

**AGENDA TOPIC:**  Strategic Plan Cornerstone Dashboard Update

**STAFF CONTACT(S):** Neal McNally, Vice President for Finance & Business Operations, and Katrena Davidson, Controller

**BACKGROUND:** Each quarter, a representative from one of the four Strategic Plan cornerstone committees provides an update in “dashboard” format on a specific cornerstone metric. For this quarter, an update on the Accountability & Sustainability cornerstone is presented.

The Accountability & Sustainability Cornerstone of the YSU 2020 Strategic Plan identifies the institution/Board metric for Theme 1 (fiscal health) as an “Index of Pertinent Financial Ratios (Senate Bill 6 Ratio).”

Using each institution’s audited financial statements, the Ohio Department of Higher Education (ODHE) annually calculates the S.B. 6 ratio analysis as a way to measure and monitor the fiscal health of Ohio’s state-supported colleges and universities. (Note: For FY 2015, the methodology for computing this ratio analysis was adjusted to omit the impact of GASBs 68 and 71, since the need to include the unfunded pension liability on the financial statements is a reporting requirement, not a funding requirement.)

**SUMMARY AND ANALYSIS:** The S.B. 6 ratio analysis consists of three ratios, which are weighted and summed into a single composite score, ranging from 0 to 5 with 5 indicating a very strong financial position.

Although not yet finalized by the ODHE, the preliminary FY 2015 composite score for YSU is a 3.1. And although this score indicates a financially healthy position, this score is 0.4 points lower than the previous year. This lower score is largely attributable to a decline in the net income ratio, which was negatively affected by an unfavorable investment environment during FY 2015, as well as reduced tuition and fee income that resulted from a decline in enrolled students.

Greater detail is provided on the accompanying “dashboard” exhibit.

**RESOLUTION: N/A – DISCUSSION ITEM ONLY**

**REVIEWED AS TO FORM AND CONTENT:**

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James P. Tressel, President