Sample

YSU 2020: Board of Trustees Metrics

Cornerstone: Accountability and Sustainability
Metric: Audited Senate Bill 6 Ratios and Composite Score (Year ending june 30, 2011)
Date: November 11, 2011

Five Year Comparison	FY11	FY10	FY09	FY08	FY07
Net Factor Scores:					
Viability Ratio	0.6	0.9	1.2	1.5	1.2
Primary Ratio	1.5	2.0	2.0	2.0	1.5
Net Income Ratio	0.2	0.8	0.6	0.6	1.0
SB6 Composite Score	**2.3**	**3.7**	**3.8**	**4.1**	**3.7**

The SB6 factors are determined by the range in which each component ratio falls. The component ratios include the viability, primary reserve, and net income ratios:

- The **viability** ratio measures the capability of the University to satisfy debt obligations by dividing expendable funds by plant debt.
- The **primary** ratio measures the financial strength of an institution by comparing expendable funds to total operating expenses plus interest on long term debt. This ratio receives the heaviest weight in the composite score.
- The **net income** ratio indicates whether total activities resulted in a surplus or a deficit and indicates whether the institution is living within available resources by dividing the change in total net assets by total revenues.

The composite score is then calculated by weighting and adding the three component ratio factors. Calculations from audited financial statements are required to be reported annually. The maximum composite score is 5 and the threshold for fiscal watch is 1.75.

Analysis of 2011 data:

The decline in the SB6 ratios was expected and is due in major part to the spending of funds from general receipts bonds for completed and on-going projects. Additionally, the use of any reserve fund for the 2011 fiscal year has a negative effect on the ratios.

Plan to improve this Metric for the coming fiscal year:

The budget deficit will require that in part, the reserve funds to be used in the 2012 fiscal year. With the expected benefit of ERIP savings, incentives to increase enrollment, incentives to increase retention and allowable tuition increases, the university will begin to restore reserves. It is the intent to stabilize and then increase the SB6 ratios into fiscal 2013.