

NEASC – Finance Update

Plymouth State University (PSU) has completed the last three fiscal years with strong operating margins. With incoming, first-year enrollment fluctuations during this period and New England demographics depicting smaller classes of graduating high school seniors, Plymouth State has embarked on a major restructure initiative intended to ensure its future financial sustainability. It is making a dramatic shift, moving from a traditional university model (3 colleges, 24 discipline-based departments) to an integrated, interdisciplinary, cluster-based model (7 [Integrated Clusters](#)) that will provide students with the education and skill-sets that employers seek as they meet the challenges of the 21st century .

While current resources are being aligned to support the new model, a larger and more important effort, the [University Reinvention Initiative](#), aims to create greater efficiency and efficacy by finding synergies among programs and generate cost savings by reducing redundancy and reducing the number of low-enrolled course offerings. During this process, some existing programs may be eliminated while new ones emerge ensuring resources (financial and human) are allocated most appropriately to support the holistic growth and development of our students, increase retention and graduation rates, and support postgraduation success while promoting the greater good of the institution. The goal is to fulfill Plymouth State's [mission and vision](#) and become a place of choice in this highly competitive market and to better attract and retain students.

To support this new approach to teaching and learning, financial and administrative structures and services are changing as well. The chart of accounts is being revised to reflect cluster- and program-based data to better inform decision-making. New metrics are being established to measure outcomes and reports are being created in support of them. Administrative services are being revised with well-organized processes in new geographic locations to best support the Clusters and serve our students i.e. Financial Service Centers and co-location of student services.

During this time of major transition, the university will incur additional operating expenses as it makes the necessary investments to implement the new model while remaining operational in the existing model. As such, PSU expects weaker operating margins in the next 3-5 years as it invests in itself.

In addition to operating reinvestments, PSU is making significant reinvestments in its facilities. It is building open laboratory and project spaces to support interdisciplinary learning and addressing deferred maintenance in student spaces, such as housing. This is being accomplished through reserve fund spending.

The ability for PSU to reinvent itself and make the necessary strategic investments (operating and capital) is predicated on its successful financial performance in the past. While financial indicators may appear less favorable in the next few years due to these important investments, this vision and strategy is intended to ensure PSU's long term financial sustainability.