FY21 Open Forum
Summary of Questions and Answers

What is the current debt on our residence halls? Which institutions hold the paper on this debt?

The current debt relating to resident halls is approximately $93 million. The College’s debt is all issued through the New Jersey Educational Facilities Authority and is held by various investors and can be reviewed on the Electronic Municipal Market Access (EMMA) website at https://emma.msrb.org/Home/Index.

Are Board of Trustees, Board of Governors, Institutional Advancement, Advisory Boards etc. planning income generating activities? Internal stakeholders have tightened belts as much as possible, traditional external sources are dry, and the moment for new revenue inflow has never been more pressing. The Return to Campus Task Force has completed its work; is there a parallel group readying to report out on Revenue Generation (from external sources - not just from cuts)?

While the Return to Campus Task Force has issued its report, the significant work that must now take place for a safe return must now be implemented. Generating new revenue has been a focus for several years. Recent initiatives have included the 3+1 programs which are projected to have 15 students in each articulation agreement. Revenue from those programs though will not be realized until next fiscal year.

Institutional Advancement continues to focus its efforts on generating support for the Learning Commons and on relief for students in financial need.

The Academic Affairs Efficiencies and Innovations Task Force also advanced several recommendations which gained support, they included, but are not limited to, the following: develop in-demand summer courses, target area high school students for summer courses, offer a summer General Education term or year-round curricula as part of three-year, continuous enrollment Bachelor’s degree programs; attract regional conferences for which the Board sets pricing that can be bid 2 to 3 years out; increase summer rental to programs such as Kaplan Test Prep; Offering accelerated three-year Bachelor’s degree programs; create new on-campus programs such as Kaplan Test Prep courses directed at high school students especially those that utilize the weekends and evening; seek corporate partnerships that would offer soft skills training, certificate programs, and/or non-credit bearing courses to corporations.
At the June BOT meeting I believe that Chris Romano stated that deposits were at a similar level as last year. The projected enrollment that Kirsten just presented are much lower. Is that based on new enrollment data, or is that a projection of expected decline in enrollment for the fall and spring semesters?

The enrollment numbers presented at the Board were for first year students. The Board report also included a report on continuing students. At that point, we were 2% behind in continuing students. We are conservative in projecting enrollment, as national experts have predicted increased melt given students considering deferring their admissions or taking a gap year as a result of the COVID-19 issues.

We are also looking at the potential implication of our announcement and plans to reopen and return to campus. We know that if some students cannot live on campus or have in person classes, they might choose to not enroll at Ramapo or in higher education at all. Continuing students have been the most vocal about their desire for in-person classes and what actions they might take if there is another semester of remote learning. We are conservative in projecting how that announcement might impact overall enrollment and how finances may affect student decision-making about college.

Kirsten mentioned capital projects being paused. Does this include the Learning Commons?

The Learning Commons building should be secure in November, and at that time it will be assessed if it is fiscally responsible to continue the project at that time, or if it should be deferred, however fundraising efforts are continuing, and monies acquired through the State grant, as well as the additional debt issued, may only be used for construction of the Learning Commons, and delays could have a financially detrimental impact.

Do we have budget scenarios at Stage 3?

We have been looking at projections for Stage 3, and its impact to the College’s financial condition, but as we did not have the final criteria from the State for Stage 3, nor the faculty preferences for teaching method at the time of the Budget Hearing, these were not fully vetted enough to be presented.

What does it take to declare financial exigency and how does the process work? Whose discretion is it?

“The American Association of University Professors defines financial exigency as an "imminent financial crisis which threatens the survival of the institution as a whole," and one that "cannot be alleviated by less drastic means" than firing faculty.” We are working through defining a policy for the levels of financial emergency, and will bring these to the Board of Trustees in January to review and approve. The President would make the recommendation to the Board of Trustees who will review the assessment and recommendation and approve it, which would need to be communicated to the State, as Ramapo is a State entity.
Can we ask for Forbearance on our loans?

At this time we have not asked for this. Our debt is issued by the New Jersey Educational Facilities Authority, and held by various investors. At this time we are looking into a potential debt refinance to take advantage of future cash flow savings and may consider a structure that would push the debt principal payments out to future years. This would be a tool to consider for cash flow savings in the current year, but would not be a true saving, as it would have a cost associated with the additional interest.

Are changes to ventilation system to conform to CDC guidelines accounted for?

All HVAC units are using the highest rated MERV filter possible in that equipment. We have verified compliance and are following CDC recommendations for equipment maintenance and air changes in all areas across campus.

The Foundation in the past cost more to bring in one dollar. Is it still costing more to raise funds?

An assessment of the cost to raise a dollar has not been performed recently. However, in FY20 the Foundation annual report notes total net restricted and unrestricted funds to the College was $5.1 million. More detail on this can be provided by Interim VP Cristini.

It should be noted that the Foundation operations and those of Institutional Advancement (IA) are often combined. There are functions that are performed in IA that are not revenue generating, such as alumni relations.