

Reviewer's Report

The SUNY Potsdam is a part of the State University of New York (SUNY). It is an institution with a total enrollment of roughly 4,000 students with 49 undergraduate majors and 17 master's programs.

After carefully analyzing the available financial material for the college, I find that the overall condition appears relatively stable. It is somewhat challenging to review the financial data because Potsdam is a part of the SUNY system and the system does not provide individual audited financial statements for its constituent institutions. Therefore, I reviewed various data in order to gain an understanding of Potsdam's financial condition. So, while deep financial ratio analysis is not possible at the institution level, I am able to review high-level information.

A review of Potsdam's data shows that their enrollment has decreased somewhat over the years but they have been able to offset with a change in focus to "urban" communities. They have also benefitted from record-setting alumni giving and numerous grants for strategic initiatives. Nevertheless, Potsdam had been projecting operating deficits ranging from \$1.5 million currently to an estimated \$.5 million in 2019-20; however, this estimate has recently been revised to show a positive \$.3 million in FY 2019-20. Potsdam's cost structure is composed of 80% personnel costs so personnel related cost reforms may become necessary if enrollment targets are not met. In the past, they have offset costs by freezing vacant positions and more efficiently managing workloads.

There is pressure on enrollment due to changing demographics and reductions in traditional market area high school students. In response, Potsdam has initiated new enrollment strategies that center on broadening the recruitment market, using earlier pipeline development, seeking to grow transfer student population, increasing the use of summer and winterim programming, and expanding online and certificate program offerings.

Overall, Potsdam maintains a reasonable financial structure that reliably depicts operating capabilities. They also make good use of instructional planning models within a well-defined budget process, including the use of enhanced transparency through budget committees with close monitoring of financial dashboards. However, Potsdam must create a pro forma that shows a positive balance in the "earlier" out years. Having a positive revised FY 2019-20 does not provide great comfort that there will be true positive income in the future years.