

CORE COMPONENT 2B

The organization's resource base supports its educational programs and its plans for maintaining and strengthening their quality in the future.

Introduction

Planning processes and the plans they create are necessary for the success of any organization. However, bad plans or even good plans that are developed but never put into practice are expensive to produce both in terms of financial and human resources. The value of any planning, therefore, can really only be seen in the results produced over a prolonged period.

Since 1994, Greenville College has been formally engaged in strategic planning. A new college mission and several new programs resulted from the initial strategic plan. However, this process was slowed from 1996 to 1998 due to budgetary limitations and a change in administration. Since becoming President in 1999, Dr. Mannoia has formalized planning and made it an integral part of the business of transforming students for lives of character and service. The mere fact that plans have been developed, however, is not evidence of improvement. Rather, the achievement of the goals and action plans set forth in the planning process shows the efficacy of the processes and the plans that have been developed.

In order to assist the organization in moving forward, plans need to have realistic goals that are achievable with the resource base that exists. Over the past ten years, the College has encountered times of economic growth as well as times of economic challenge. The achievement of the goals we have set for ourselves is evidence that our vision has not out-stepped our resource base.

Like other colleges and universities, Greenville College (GC) is facing a rapidly changing environment and in that environment we, too, must change. Over the past decade, the College has been affected by several important external factors. A national economic downturn slowed advancement efforts and made it difficult for out-of-state students not receiving state aid to attend GC. These two factors have further contributed to a regional enrollment — students coming from a 150 mile radius.

In addition, the state has experienced a significant teacher shortage and, at the same time, had to restructure its education program to meet new state requirements for teacher certification. Financial Accounting Standards Board accounting standards changed and created new reporting demands. Student expectations for campus amenities have also increased dramatically — providing incentive to remodel dorms and student living areas.

Greenville College has responded to these changes, adding new educational programs such as our adult degree completion and Master's programs in leadership and ministry (LAMP), teaching, and education; changing the method and areas in which we recruit and admit new students; adjusting the way budgets are created and tracked to ensure it is balanced at the end of each year; and addressing the campus needs for "curb appeal."

Changes also must occur in academic departments to keep them focused on the Institutional Goals and Objectives and to ensure ongoing improvement of each department and program. The key to successfully implementing these changes is the quality of planning that goes on both administratively and academically.

The future of the organization is more easily envisioned and people are more easily motivated toward goals if there is a history of achieving goals in the past. Even though Greenville College has had to overcome internal financial issues in the past ten years, stretch goals have still been set, moving the College forward in a manner that is realistic and achievable. Meeting those goals has occasionally required great effort and dedication together with extra creativity, but goals have been achieved and progress continues.

Finding 2b.1: Greenville College's financial resources show improvement, and planning processes demonstrate a forward-looking concern for ensuring educational quality.

Over the past ten years Greenville College has instituted a number of fundamental changes in budgetary assignment and control which have had a positive impact on the financial health of the College. In part, these have come about as a result of the previous site visit by the Higher Learning Commission. The implementation, since 2000, of radically redesigned, timely, and accurate budgetary reporting along with the implementation of on-line access to budgets by all budget managers has allowed these budget managers to better track their spending and the administration to better control such spending. The result has been to improve the financial health of the institution even during recent years when the national economy has negatively impacted giving to the College as well as enrollment while both federal and state legislation has reduced student financial aid.

Four key financial measures exemplify the progress made in the past decade: Net Assets, Bank Line of Credit, Debt Outstanding at Year End, and Donor Giving. Figure 2b.1.1 reports Net Assets have increased over this time from \$9.5 million to \$23.8 million — an increase of 14.3 million (150%). Likewise, Figure 2b.1.2 illustrates dependence on our bank line of credit has been reduced from almost \$2 million to less than \$1 million. Debt Outstanding at Year End, as shown in Figure 2b.1.3 has undergone a 27.3% reduction. Figure 2b.1.4 — Donor Giving reports a positive trend over the decade. In fact, the past nine years have been the top nine years in gift support in the college's history.

Figure 2b.1.1:

Net Assets History

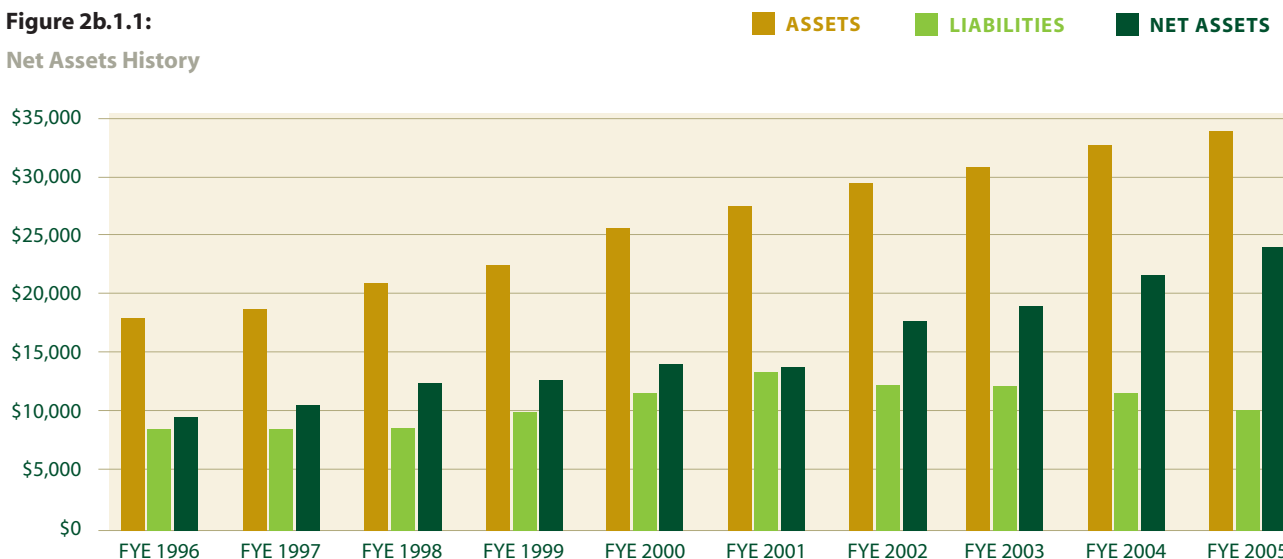
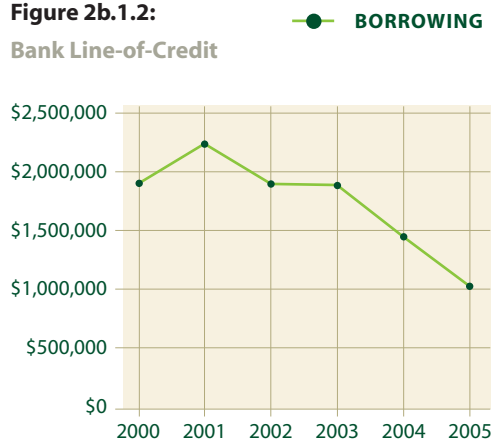


Figure 2b.1.2:

Bank Line-of-Credit

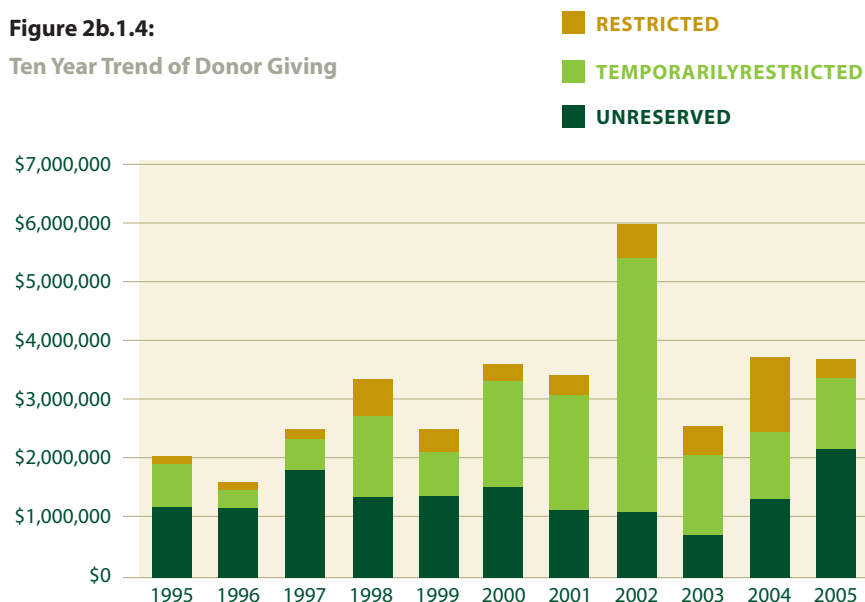


Further evidence of the continued financial improvement of the College can be seen as a result of the single year dip in enrollment numbers of the 2004-2005 school year. Because of the budgetary controls that were already in place and the tracking mechanisms previously implemented, the administration was able to identify areas in the budget that could be trimmed back without significantly affecting our financial viability, and guidelines were established that would further increase the financial health of the College in the coming years.

These guidelines include the five-year goal to reduce dependence on gift income, completely cover depreciation in planned budgets, build in a contingency in all future

Figure 2b.1.4:

Ten Year Trend of Donor Giving



budgets, and at the same time increase spending on student financial aid to increase enrollment. Although the reduced enrollment in the spring of 2005 caused us to choose to delay their implementation, the guidelines, nonetheless, provide a pathway to continue growth in financial health and some are in place for the 2006-2007 fiscal year.

Finding 2b.2: Greenville College has a history of achieving its planning goals.

The introduction to this Criterion and Core Component 2a carefully documents strategic planning at Greenville College. The New Millennium Commission process is constantly updating and revising its plans. In April 2002 the NMC met to review progress against this plan. Each of the members of the President’s cabinet reported the progress on the action plans that had been assigned to them. More than half of the action plans identified in 2000 had been accomplished by the end of the 2001-2002 school year. A complete summary of these reports can be viewed on-line at the New Millennium Commission web site.

The work of the New Millennium Commission continues this spring with the review of the 2003 report, initiatives, and action plans. Teams of faculty and staff are re-forming to re-shape these initiatives.

Finding 2b.3: Greenville College incorporates the need for financial improvement into its budgeting and strategic planning.

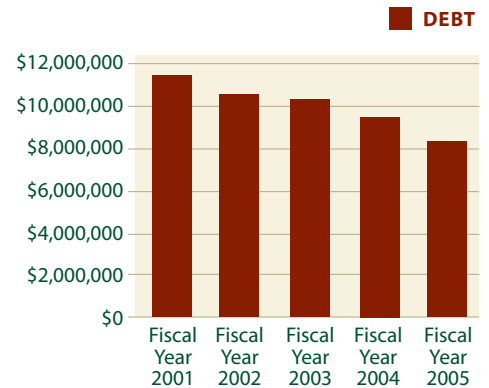
As the previous finding indicates, much progress has been made toward ensuring the financial health of the college. Despite the progress, other financial measures reveal more progress is still needed. The last three years of data reported to HLC as part of its “Annual Institutional Data” reveal mixed results. The ratio analysis reported in Table 2b.3 reveals the college needs to increase its financial reserves and continue to make progress in reducing its debt burden. Regular financial reports have been made to the Board of Trustees and faculty. Additionally, the reports are posted on the College’s web site. The College auditors (BKD, LLP) have presented financial data, including financial ratios to the Business Affairs Committee of the Board for the past two years. An in-depth historical analysis of the financial ratio results has been prepared by the Vice President for Finance and will be presented to the Business Affairs Committee of the Board in May 2006.

Table 2b.3:
Ratio Analysis

RATIO	2004	2005	2006
Viability Ratio	0.1	0.22	(0.05)
Primary Reserve Ratio	0.04	0.07	(0.01)
Net Income Ratio	0.07	0.03	0.17
Debt Burden Ratio	0.096	0.085	0.080

Figure 2b.1.3:

Debt Outstanding at Fiscal Year End
(Does not include the Bank Line-of-Credit).



Debt has decreased despite adding \$3.4 Million in new debt during this same time frame for Dietzman, College Avenue, house purchases, energy retrofits, & technology equipment.

WEB RESOURCE:

www.greenville.edu/campus/millennium/Accomplishments-2000.shtml

WEB RESOURCE: For this year’s financial presentation, click on the *Financial Presentation – Fall 2005* link

www.greenville.edu/campus/millennium/Accomplishments-2000.shtml

For previous year financial reports refer to the “2003-2004 Addresses and 2002-2003 Addresses” links on the Mannoia Addresses, Articles and Presentations page

Finding 2b.4: Greenville College’s planning documents adequately address the need for resources to meet the growing needs of their signature programs.

Core Component 2a, finding 2a.1 illustrated how the College has continued to provide resources to its *signature programs* including especially teacher education and contemporary music. Besides the physical spaces, technology plays an increasingly big role in student learning.

The Illinois State Board of Education (ISBE) judges teacher education programs according to standards set by the National Council of Accreditation Teacher Education (NCATE). NCATE Standard 6: Unit Governance and Resources, calls for faculty and students to have access to current technology. As noted in Criterion 1, Core Component 1e and Criterion 2, Core Component 2a, ISBE judged that Greenville College met this standard without weakness.

The technology standard was met because of expert knowledge from the teacher education faculty and their efforts to integrate those needs with the planning and budget cycle of the College. In 2004, newer technology was implemented in classrooms specifically used for teacher education. These rooms included smart-classroom technology including permanently mounted projection equipment, computerized podiums with full room control, audio, video, and smart-board-like touch screen technology.

The completion of the new 38,000 square foot Music Center is the direct result of Master Planning from eight years ago. Further discussion of this facility occurs in the introduction to this Criterion and Criterion 3, Core Component 3d, Finding 3d.3.

Summary

Greenville College’s resource base supports its educational programs and its plans for maintaining and strengthening their quality in the future. This is accomplished through careful planning and monitoring of the finances of the College as well as establishing clear objectives both strategically and departmentally. These are reviewed regularly producing course corrections as necessary to maintain the quality of the academic programs of the College. Campus Master Planning takes into account the facilities needs of the College from academic, physical structure, and financial planning perspectives to ensure that the programs at Greenville College will have appropriate facilities to continue the goals outlined in the strategic and operational plans. All of the planning processes at Greenville College contain a cyclical review process that provides for continuous improvement in every aspect of the College.

Areas for Improvement

The College, through continued efforts in development, new programs, and cost savings, must implement the guidelines noted in finding 2b.1 — reduce dependence on gift income, completely cover depreciation in planned budgets, build in a contingency in all future budgets, and at the same time increase spending on student financial aid to increase enrollment. Evidence of this need is provided by the financial ratios reported in finding 2b.3. Greenville College has shown much improvement in some of these areas, but needs financial reserves built into its operating budget in order to maintain stable operations due to periodic downturns in the economy or enrollment.