



# CharterOak

STATE COLLEGE

Presentation to the

## Higher Education Financial Sustainability Advisory Board

January 6, 2025

### Re-Introduction to the College

Ed Klonoski  
*President*

### Fiscal Overview & Outlook

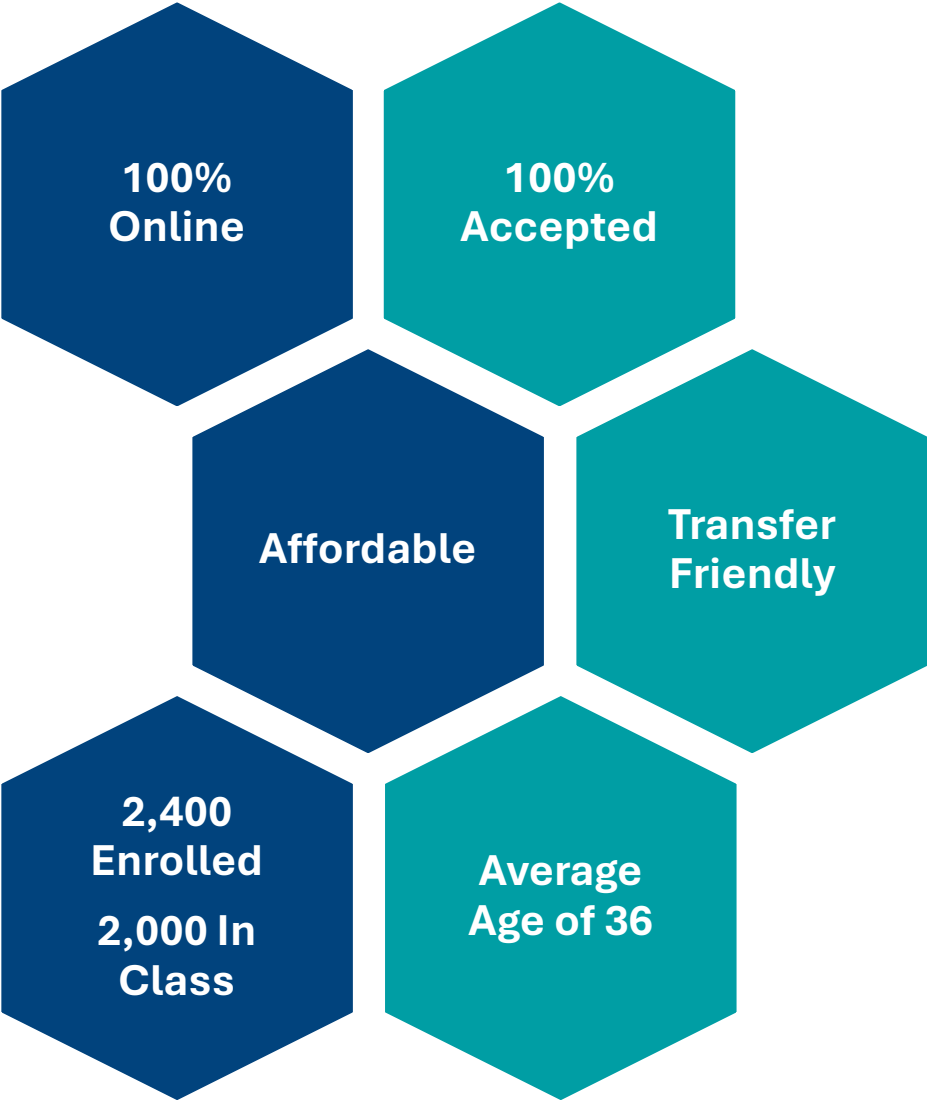
Michael Moriarty  
*Vice President for Administration &  
Chief Financial Officer*

# Re-Introduction to Charter Oak State College

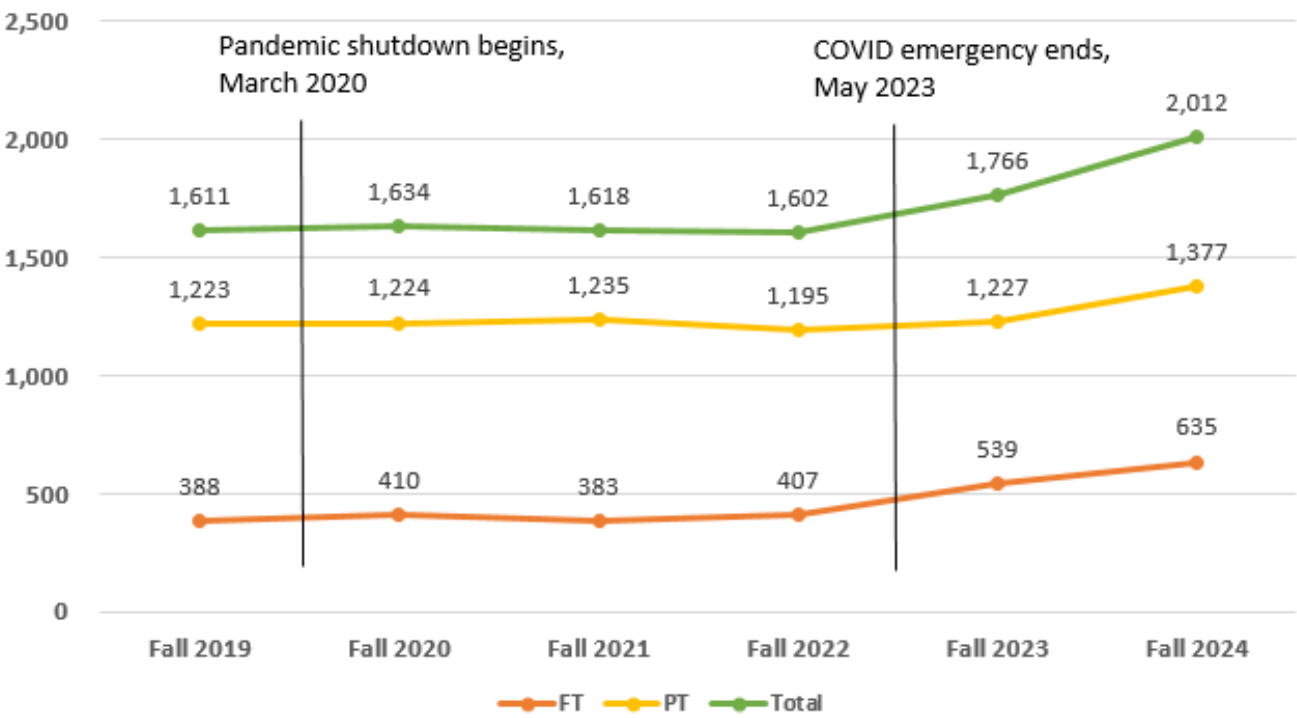
**Ed Klonoski**  
President



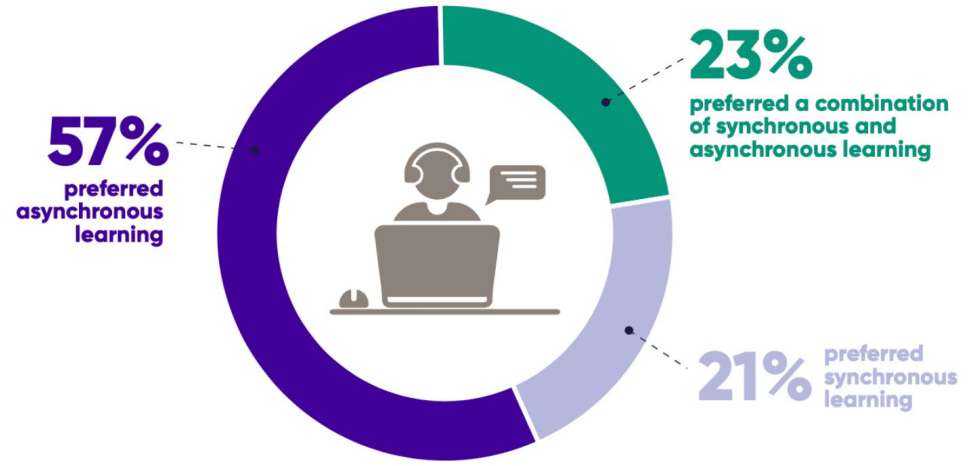
# Charter Oak at-a-Glance



Enrollment Activity Over Time



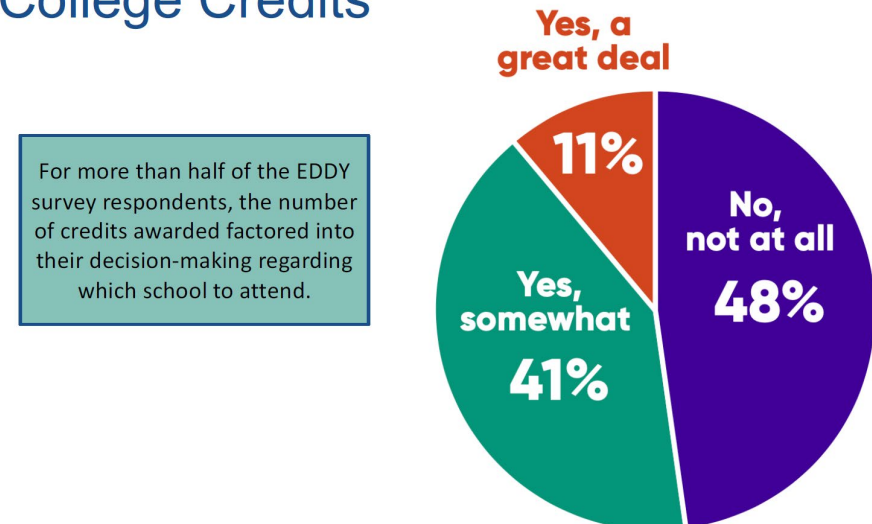
# Demographics of Online Learners



## Experiences Influencing College Choice



## Acceptance of Previously Earned College Credits



# Outcomes for our Students

On average, adult graduates experience a \$14,000 salary increase (29% raise).

Charter Oak is one of the most affordable online options.

553 Students graduated this past year (56% graduation rate).

Institution	2019 Student Loan Default Rate
Colorado State U Global	0.7%
Goodwin	0.9%
U of Florida Online	0.9%
Granite State College	1.1%
Charter Oak	1.2%
U of Hawaii West Oahu	1.5%
Thomas Edison State U	1.5%
U of Wisconsin (Milwauk Flex)	1.8%
Southern New Hampshire	2.0%
Great Basin College	3.7%
U of Arkansas Grantham	4.4%
Post	5.2%

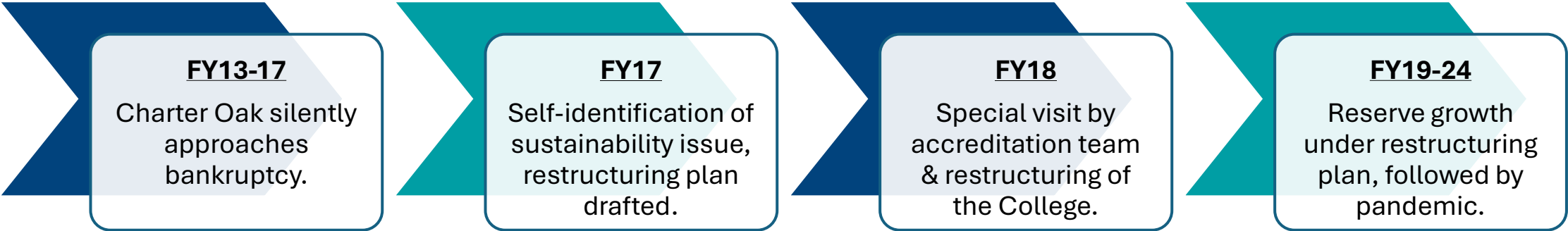
# Fiscal Overview & Outlook

**Michael Moriarty**

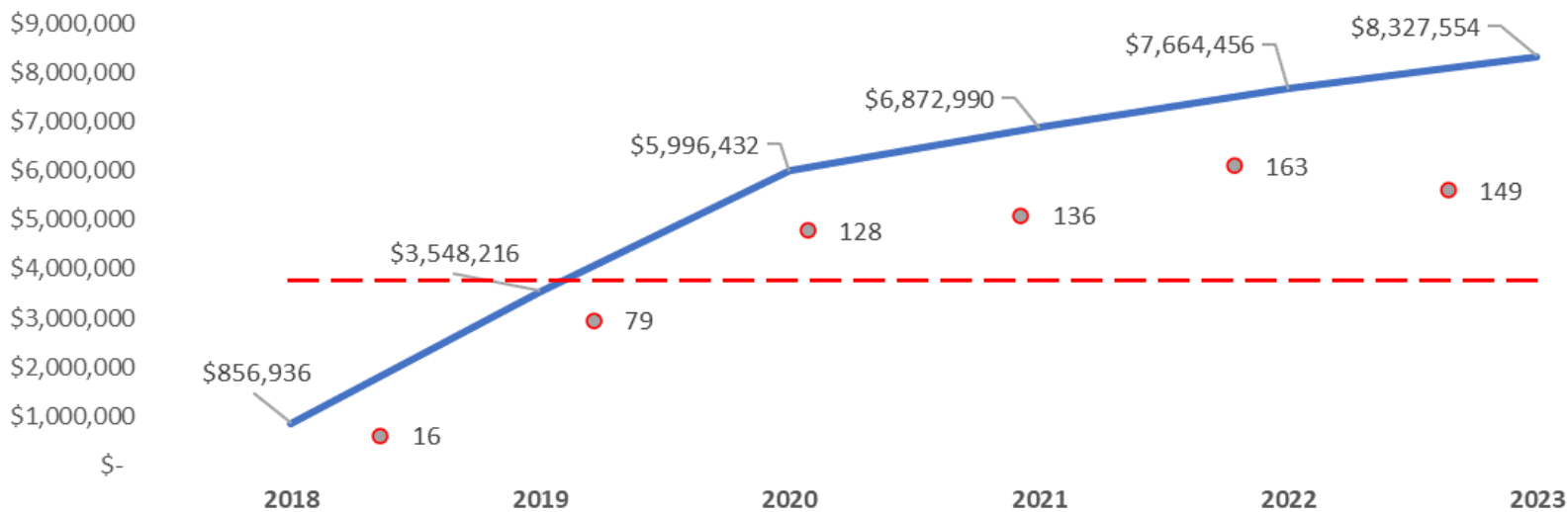
*Vice President for Administration &  
Chief Financial Officer*



# Recent Financial History

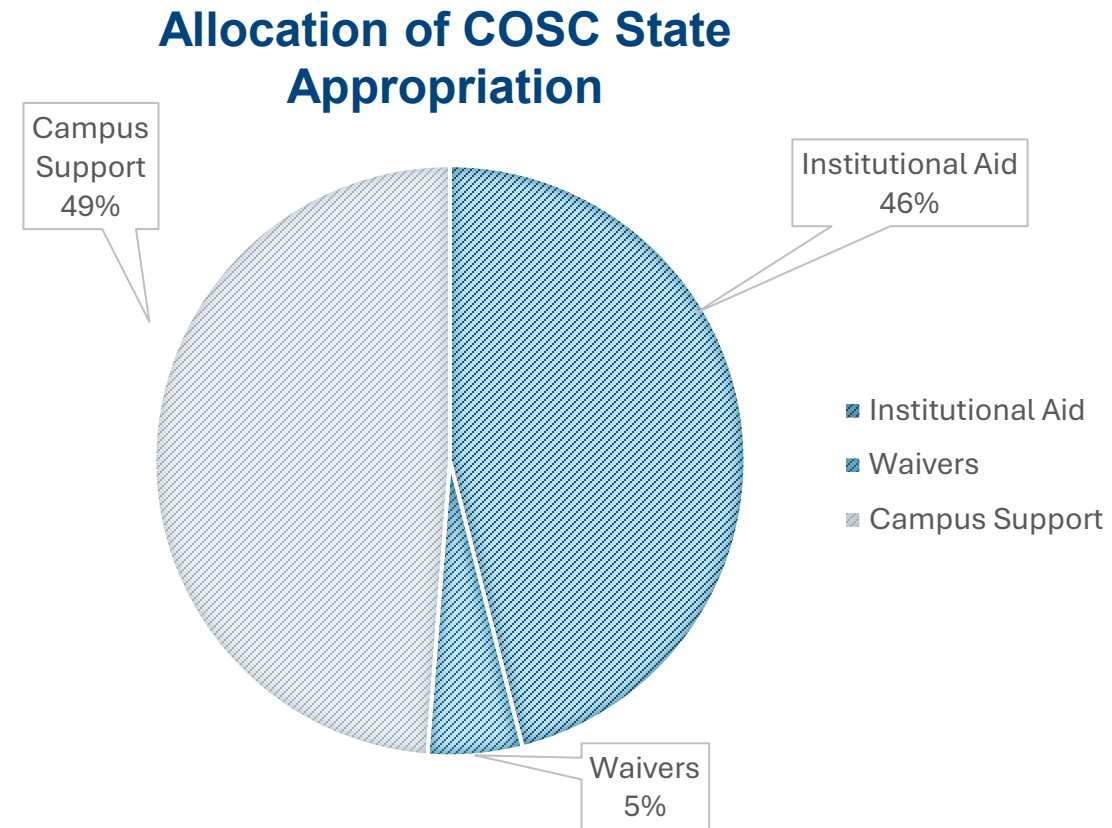


Unrestricted Reserves &  
Days Cash on Hand (Over Time)



# Revenue Sources of the College

- **\$20M Annual Budget**
- **75% Funded by Student Tuition**
  - Deliberate effort to keep tuition affordable
  - Only 1 tuition increase over the last 6 years
  - Charter Oak is the least State subsidized school
- **15% Funding through State Appropriation**
  - \$3M annual state appropriation (non-ARPA)
  - 51% of block grant goes direct to student scholarships
  - CT State Community College students can obtain 4-year degree for same cost as CT State (upon successful graduation from CT State)
  - FY24 fringe recovery change was fiscally neutral





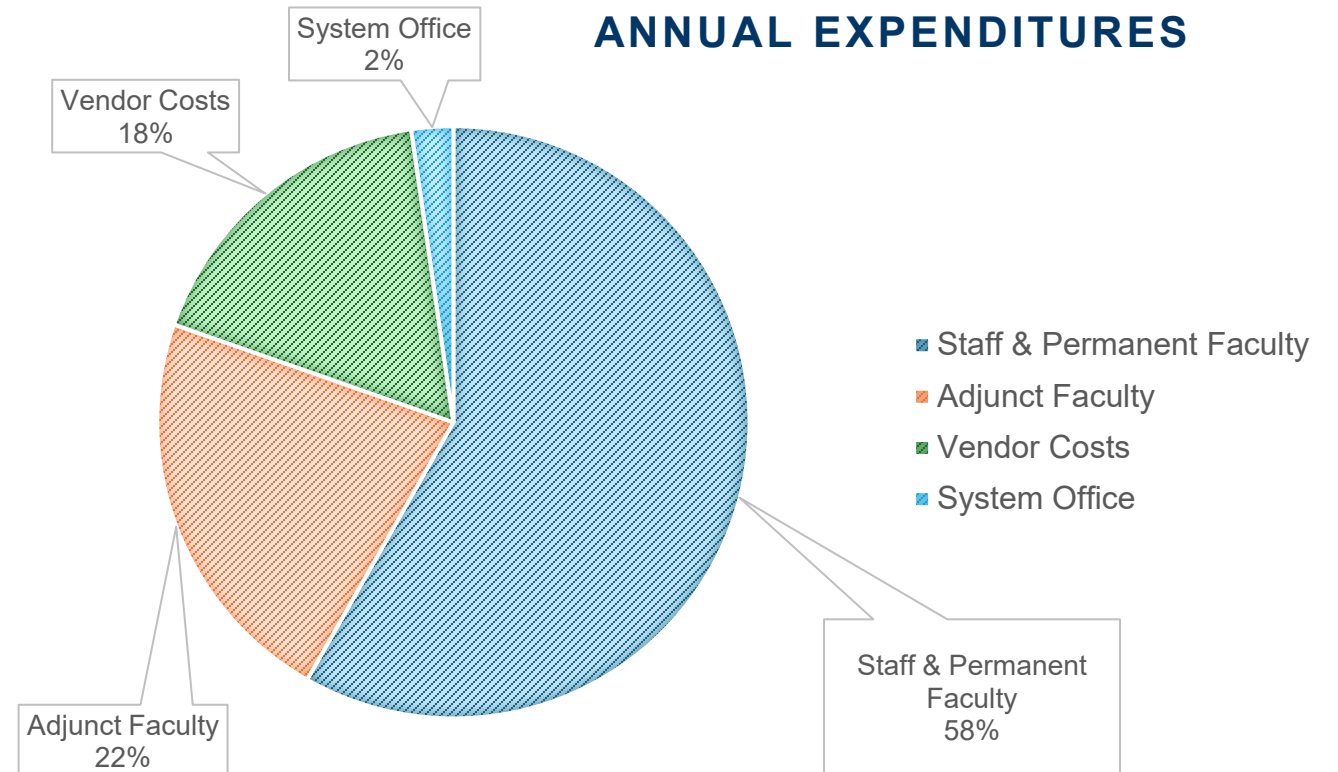
# Expenditures & Fiscal Planning

- **Primary Cost Drivers**

- Staff & Permanent Faculty
- Teaching Faculty (Pay per Student Model)
- Vendor Costs (Technology & Marketing)

- **Fiscal Planning**

- FY18 Restructuring Plan Meant Saving for Self Investment
- Revised Management Budget Plans (Fiscal Verticals)
  - Core Academic Operations / Grants / New Investments / Capital Funding / Transition
- Developed 7 Deficit Mitigation Goals in August 2023 to plan for loss of ARPA



# Deficit Mitigation Goals (from August 2023)

## FY24-26 Revenue Growth

30% Enrollment  
Growth (9/9/9)

Launch Corporate  
Tax Benefit Program

Expand Grant  
Opportunities

## Expenditure Reductions

Program Alignment  
to Mission &  
Demand (APP)

Institutional Aid  
Reductions

## FY26+ Future Revenue Growth

Develop 3 New  
Programs Per Year

Create Online Non-  
Credit Division

# Deficit Mitigation Goals (cont'd)

Goal	Status as of December 2024						
30% Enrollment Growth ( 9% - 9% - 9%)	Enrollment gains at the College have been strong, the table below shows the actual year over year enrollment increases as compared to the target goal.						
		Fall23	Spr24	Fall24	Spr25	Fall25	Spr26
	Actual	16%	14%	16%			
	Target	9%	9%	9%	9%	9%	9%
Expand Grant Opportunities	Earned \$1.6M in Grant Revenue in FY24 compared to \$500K in FY23 (Excludes OHE / OEC Funding)						
Program Alignment to Mission & Demand (APP)	Academic Program Planning process completed through campus community, program results on right:			Discontinue: 23* Modify: 9 Monitor: 9 Add: 15			
Develop 3 New Programs Per Year	3 new programs identified, due diligence completed, development in process.						

# Financial Scenario Planning

Charter Oak performs continuous modeling of its current and future **core results** based upon several factors. The table below represents a handful of assumptions that influence the College's fiscal results and the corresponding biennium and 5-year combined results.

Assumption	Current Est.	Scenario 1	Scenario 2	Scenario 3
Personnel Raises *	Historical	¾ Historical	¾ Historical	-
Enrollment Trend *	+9%	+4.5%	Flat	-3%
FY27+ Tuition Rate Δ *	Flat	+2%	+3.5%	+4%
State Funding*	Flat	+3%	Flat	+3%
Vendor Inflation	+3.5%	+3.5%	+3.5%	+3.5%
Interest Rates	Flat	Flat	Flat	Flat
<b>Biennium Results</b>	<b>\$0.2M</b>	<b>\$0</b>	<b>\$-1.5M</b>	<b>\$-0.6M</b>
<b>5 Year Comb. Results</b>	<b>\$1.8M</b>	<b>\$1.9M</b>	<b>\$-4.8M</b>	<b>\$0</b>

\* - Changes to these assumptions introduce the largest sensitivities on results

# Sustainability Board Discussion Areas

Discussion Area	Current Campus Perspective
<b>Achieving and maintaining affordable tuition.</b>	<ul style="list-style-type: none"><li>✓ Charter Oak is one of the most affordable options nationally for a four-year degree.</li><li>✓ Charter Oak's mission is centered on maintaining affordable tuition rates, we expect to continue our past practice of limiting tuition increases when possible.</li></ul>
<b>Overcoming barriers to meet state workforce needs.</b>	<ul style="list-style-type: none"><li>❑ Each new program at Charter Oak takes approximately 1 year to develop and costs \$500,000 in one-time funding.</li><li>✓ New programs are required to be financially self-sufficient by year three.</li><li>✓ Costs are not "permanent" nor "fixed" and scale to enrollment.</li></ul>
<b>Developing economic growth.</b>	<ul style="list-style-type: none"><li>✓ At its current size, Charter Oak's primary contribution to economic growth is to the benefit of the individual resident / student.</li><li>❑ Future scaling of Charter Oak would yield a greater impact to the State's economy, need to identify which workforce verticals.</li></ul>

# FY26+ Fiscal Priorities

## Continued Enrollment Gains

- Respond to Increased Demand for 100% Online and Asynchronous.
- Improve Career and Affordability Inquiries State Residents have about Online College.

## Annually Invest in New Programs

- Perform Best in Class Due Diligence Related to New Program Feasibility & State Needs
- Recognize Return on Investments by Year 3, Compounded Annually Thereafter.

## Synergize BOR Charter Oak Scaling Taskforce & NCHEMS reports by exploring:

- Tools to Mitigate Transfer Losses Between CT State and Schools Outside of CSCU/UConn
- Funding for a Tuition-free Bachelors Degree (PACT+ concept) Specific to CT Workforce Needs.
- Awarding 100% of State Funding Direct to Student Scholarships.
- Testing Emerging Technologies through Campus Work Channels for Scale Efficiencies.
- Enhance Offerings to Align to State Priorities such as Teacher Education, AI and Others.



# CharterOak STATE COLLEGE

A Higher Degree of **Online** Learning

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