



Middle States Commission on Higher Education
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PERIODIC REVIEW REPORT

FISCAL ANALYSIS

2010

NAME OF INSTITUTION: UPR – Ponce, PR

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Financial Review of Periodic Review Report and Related Financial Documents for the University of Puerto Rico in Ponce
July 8, 2010

Overview

The University of Puerto Rico in Ponce (UPRP) is a public university as part of the University of Puerto Rico System, offering associate and bachelor's degrees with an enrollment of 3,438 in 2009-2010. Enrollment has remained fairly stable over the past five years. The university recently experienced significant turnover in its leadership, with the chancellor, the dean of academic affairs, the dean of student affairs, and the dean of administration filled on an interim basis.

Financial Status

Since the self study and team visit completed in 2005, UPRP has faced similar fiscal challenges faced by public universities throughout the United States. The university experienced net losses in operating revenues over expenditures, the largest, in Fiscal Year 2006-07, at \$2,362,528. Since then, the university has improved the operating balances, showing a positive balance of \$174,234 in FY 2008-09 for the first time in a five-year period. State appropriations represent the largest portion of revenue at 72.8%. The largest growth in revenue sources from FY 2006-07 to FY 2008-09 has been in Federal and state grants.

Net assets declined from fiscal year 2004-05 to FY 2007-08 by \$2,003,070. They have improved slightly in FY 2008-09. In FY 2008-09, UPRP reduced the long term debt from over \$19 million to just over \$12 million.

The most important capital improvement since the 2005 self study and visit was the completion of the library renovation, allowing for reoccupation of the building. UPRP has been able to update the information technology infrastructure to support administrative and academic programs and operations, and to carry out modest capital improvements throughout the campus. This has been accomplished despite limited capital resources from the state.

Planning and Budgeting

UPRP has instituted a strategic planning process which has more linked the planning with the allocation of limited resources, as recommended in the 2005 self study. The university has sustained the percentage of operating funds to support the academic programs while lowering the percentage for administrative support. The University of Puerto Rico has recommended, and the Board of Trustees has approved tuition increases, with the provision that entering student cohorts will have the same tuition rate over a six year period. Finally, the University of Puerto Rico has increased its fund raising efforts resulting in the increase in grants and gifts.

UPRP is projecting a stable budget, despite declining state support, through increasing other sources of revenue. The university has demonstrated the ability to increase revenues from these sources; the challenge will be to maintain this increase.

Findings and Suggestions

UPRP has begun to stabilize and strengthen its financial position. The university should continue to adhere to its strategic plan, even as the leadership team changes. The university should aggressively seek alternative sources of revenue to support not only the academic programs, but also to maintain the physical plant. Failure to follow a regular maintenance plan will result in increasing costs to renovate and repair facilities.