

Bond Case Briefs

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Fitch New Issue Report: Albany College of Pharmacy and Health Sciences, New York

Revenue Defensibility: 'bbb'; Vulnerable Enrollment and Demand Profile: ACPHS's revenue defensibility remains somewhat challenged with continued, albeit slowing, declines in enrollment and a highly tuition dependent revenue base. Rising levels of applications have allowed ACPHS to become more selective since fall 2017, lowering the acceptance rate to 65%; however, matriculation remains weak near 10%, which has limited the incoming freshman class size. Total FTE enrollment has fallen in each of the past five years and was down over 13% yoy for fall 2022. Pharmacy enrollment, which makes up about 70% of the total, fell nearly 17%. ACPHS increased tuition 3% for fall 2022 following a 2% increase prior year. The termination of the accelerated PharmD program and subsequent closure of the Vermont campus in concert with opening of the Center for Biopharmaceutical Education and Training is expected to increase graduate enrollment in Albany, and management reports that applications are tracking ahead of prior year. ACPHS will continue to develop its collaboration with corporate partners in biopharmaceuticals as well as articulation agreements with medical schools. The Masters in Medical Science and the Masters in Biopharmaceutical Manufacturing programs were recently introduced and ACPHS expects these programs will help support goal to diversify further into health sciences to offset continued pressures in pharmacy enrollment. With a January 2023 launch, these programs could add 40 students to ACPHS's base. A solid philanthropic base provides consistent gift revenue, and ACPHS recently closed its Discovery for Life Campaign, raising nearly \$20 million in cash and pledges through CYE2021, well ahead of its \$11 million initial goal.

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