

Need for change—Where Are We Now?

IUP, like many colleges and universities in the nation, is facing significant financial obstacles. For us, demographic issues are particularly challenging because of a continuing decline in high school graduates in our primary market, the state of Pennsylvania.

Innovation has been actively ongoing in admissions outreach and marketing efforts, as well as strong engagement and work from departments and faculty, but enrollment challenges continue. Despite strong efforts on the part of many across IUP, we have yet to see significant increases in student success metrics (retention, persistence, graduation rates) and decreasing enrollment across IUP, including international students, has continued to impact our revenue.

As a result, IUP has been designated as financially unstable as part of the State System's Comprehensive Planning Process. There is no more time and it is critical that we address our financial situation while we can. If we do not do this now, our destiny could be put in someone else's hands.

The Enrollment Challenge:

We believe several factors have contributed to steeper enrollment declines at IUP: the loss of price advantage over our competitors, demographic challenges, a decline in retention and persistence, and fewer international students studying in the United States.

The competition for new students is fierce.

Pennsylvania is home to 339 two- and four-year colleges and universities. Only California (500 plus) and New York (435) have more. In the states bordering Pennsylvania, Ohio is home to 294 colleges and universities; Maryland hosts 81; Virginia has 146 and New Jersey has 161 (data from the National Center for Education Statistics). Overall, since fall 2010, the number of new freshmen enrolled at IUP has declined by 42% (-1,318 students).

To address student affordability and increase our competitiveness in this market, IUP has invested in the strategic use of merit and need-based scholarship and financial aid resources. Results of the first year of this initiative is promising. We realized a significant increase in the students who were admitted and enrolled at IUP in fall 2020.

The population of high school graduates from Pennsylvania—and our region—is shrinking.

According to the Pennsylvania Department of Education, the number of public high school graduates in Pennsylvania have declined by almost 4.5%, or 5,828 students, from June 2010 to June 2019. At IUP, our market share of those graduates has been declining as well, compounding the issue. In fall 2010, the percentage of Pennsylvania public high school graduates who attended IUP was 2.1%. In the fall 2020, this percentage declined to 1.4%, though this was a slight increase over fall 2019. To put this in perspective, if we were enrolling the same market share of Pennsylvania high school graduates for fall 2020 as we did in fall 2010, we would have 772 additional new Pennsylvania freshmen for fall 2020.

Demographic trends in states within the northeast region of the United States are similar to that which we are seeing in Pennsylvania, with a 7.7% decline in high school graduates between 2010 and 2020 and, as mentioned earlier, competition from a significant number of post-secondary schools for

students within the region is evident. Since fall 2010, we have experienced a steady decline in out-of-state students enrolling at IUP, even with providing tuition rate reductions for out-of-state students.

The financial impact of fewer students

We are an institution of higher education, not a for-profit business. However, because our state appropriations are not what they used to be, we rely on student tuition to make up most of our income, and our bottom line has consequently suffered. So, when it comes to having a much smaller student body than we had just seven years ago, the financial impacts are staggering.

In broad terms, if our revenue increased by \$20,000 per student, the difference in income between 15,000 students and 10,000 students is **\$100 million**.

International enrollments have been challenged.

Multiple factors have challenged international enrollment over the past few years, even before the COVID-19 pandemic. International students face travel restrictions, immigration regulations, and home government regulations regarding assistance for higher education outside of their country, for example. From fall 2015 to fall 2018, international enrollment has declined across the state system by 26 percent for undergraduate students and by almost 29 percent for graduate students. IUP's international enrollment decline by percentage is comparable with the overall system average, with undergraduate international enrollment loss being slightly above the system average and graduate international enrollment loss being slightly below the system average.

The international student loss, however, has been especially impactful on graduate enrollment. In fall 2016, international enrollment comprised 25.33% of the overall graduate enrollment. From fall 2016 to fall 2019, there has been a decline of almost 28% in international graduate enrollment, which represents 82% of the overall graduate enrollment decline during this same period. While a much smaller percent of overall enrollment, undergraduate enrollment of international students has also declined by 52%.

Retention and Persistence

Since fall 2015, when the retention of the fall 2014 freshman class was at 75.5%, our retention declined steadily, reaching 70.50% for the fall 2017 class of freshman. The good news is that we have started to reverse this trend beginning with the fall 2018 class, but we have work to do to get our freshman retention to the levels we should expect, especially in light of the increases we have seen in the academic profile of our incoming freshmen over the past couple of years. Similarly, from the fall 2015 to fall 2019 our continuing student persistence has ranged from 65.54% to 63.66%, with fall 2019 to fall 2020 reflecting a rate of more than 66%. So, we are moving in the right direction.

Enrollment reality—over the past seven years, IUP enrollment has declined by almost 33 percent.

- Fall of 2020 headcount enrollment declined by 5.3% from the fall of 2019
- Fall of 2021 headcount enrollment projections show another decline of 3.7% from the fall of 2020
- Headcount enrollment is projected to stabilize in fall of 2022
- However, we need to be prepared and completely ready for 2025 when demographic projections show a significant drop in high school graduates. Between 2025 and 2031 there is an expected decline in Pennsylvania high school graduates of almost 7%, with a decline of close to 5% between the years of 2025 and 2028 alone.

The coronavirus pandemic has added significant challenges.

Financial—IUP returned more than \$10 million in April 2020 to students for housing, dining and other fees as a result of the transition to distance learning. IUP also provided \$3 million in assistance to all students in September 2020 in recognition of the challenges faced by our students.

Recruitment concerns for 2021—While we successfully pivoted to online orientation and recruitment initiatives, the response from students and families has not been anywhere close to the recruitment events we have offered in the traditional (in-person format). For example, an October Open House, traditionally attended by more than 500 students and their families, drew registration of 113 and attendance of 39.

The commonwealth also faces significant financial challenges.

IUP cannot assume that additional financial support is possible from the state.

- While state appropriations have increased slightly as of late (2.3% increase in 2019/2020 over 2018/2019), funding for 2020/2021 remained flat (source: CPP V4). Modest increases or flat funding is not enough for us to keep pace with the rising cost of educating our students.
- A best IUP can hope for is that state funding could be flat through FY2022-2023.

IUP's Reality

IUP must make changes now. We cannot look backward on what could have been, we need to confront our issues, make the hard decisions, and move forward to a brighter future. That is not to say it will be easy. It will be difficult for many reasons, but we must make substantial changes in how we do business in order to survive.

- This year (FY20-21) across E&G and Auxiliaries, we are projecting a **shortfall between revenue and expenses/transfers of \$16M**. That includes projected reductions in non-faculty FTE of about 85 (some already completed, some in progress) and faculty FTE of about 52 (mostly already complete through attrition, restricted hiring of temps, etc.). But with a projected shortfall of \$16M and the fact that any retrenchment numbers do not impact this year's budget, we also made a 50% cut in operating budgets.
- **Next year (FY21-22), we can expect to have a similar \$16M or worse shortfall**, so even more cuts are needed to avoid pulling substantial dollars from our cash reserves.

Options to backfill this huge shortfall

- **A huge one-time increase in state appropriations**—Our state appropriation this year is flat at \$56M. A one-time 28% increase would be needed in appropriations from the state, or \$16M, to plug the gap. **We all know that will not happen.**
- **Large tuition rate increase or large enrollment increase**—Our tuition revenue this year is projected to be \$87M (that doesn't include tech fee or other fees). To fill the \$16M shortfall, we would need to

increase our tuition revenue by 18%, all at once. While these aren't precisely comparable, that would mean we either increase tuition rates in a single year by 18% with an assumption of no negative impact on enrollment, or we increase our enrollment by 18% (1800) more students in one year). **Neither of these options is realistic.**

- **Reduce cost of attendance to increase competitiveness and enrollment**—We could reduce student cost of attendance by about 10% (that's roughly \$3K/yr. for a freshman living on campus), to get our competitive cost advantage back to where it should be and do the right thing for students. Doing so could drive enrollment gains, but we would still need about \$9M more in revenue per year. If we try to do that and fill the gap with appropriations, we'd need about \$25M more or a 45% increase in appropriations. **Again, a very unlikely scenario.**

Current financial reality

- We project a balance of \$66M in reserves at the end of this year.
- **If we took \$16M per year from our reserves, we will run out of money in four years.**

Reimagining IUP: Creating the IUP of the Future, the IUP NextGen Plan

We must be honest with ourselves about the now and realize that we do not have any more time to wait if we are to secure IUP's now and future.

The New 2020-2025 Strategic Plan is Our Guide to Create What IUP Can Be Known For.

- Providing academic quality at both the undergraduate and graduate levels.
- Making every student a priority—maintain focus on IUP as a truly student-centered and forward-looking university.
- Exposing students to new ideas and challenging them with learning experiences outside the classroom, such as research, internships, service learning, and international education.
- Providing students with affordable, accessible and efficient programs.
- Maintaining a commitment to providing a well-rounded education through a strong general education core curriculum.
- Providing students with the tools and experiences to be champions for inclusion, diversity, and equity and an appreciation for social responsibility.
- Meeting our responsibility to provide strong and diverse educational choices for students that match their interests, while meeting the needs of the workforce.
- Enhancing opportunities for student research, scholarship, and creative activity in all disciplines and all levels—through our masters and doctoral programs.

Focus on what we do well in areas that are in demand.

IUP will commit to areas of focus, based on student demand, employer demand, demonstrated areas of IUP strengths—doing what IUP does well—while recognizing the economies of the programs offered.

The ultimate goal is to focus on areas where we can be the best and provide our students with unique experiences.

Areas of focus will include:

- science, math, computer science, pre-engineering and engineering
- allied health disciplines
- behavioral health
- business
- proactive cross-disciplinary and multi-thematic areas to build on a strong general education core, resulting in well-prepared leaders who can transform the world.
 - Be agile in offering programs that address new trends and areas of growth.

Projected Percent Change, by Selected Occupational Groups, 2019-29

Percent employment growth, projected 2019-2029



IUP is not abandoning the programs that are not listed as areas of focus.

The IUP of the future will continue to prepare students for life, not just a job, and IUP will continue to maintain its commitment to a strong general education core and a breadth of academic majors including education, the arts, the humanities, and social sciences. In fact, all programs will need to change to adapt to new opportunities and financial reality.

Plans for restructuring of the academic colleges and programs are not yet finalized, but within this work, some programs and academic departments will be merged, discontinued, and/or placed into moratorium; some academic departments may also be moved among colleges. The reorganization, along with the focus areas, does mean some things will be left behind and these painful decisions will result in disappointment and frustration. But they will also result in an IUP built for the future,

enabling us to sustain our place as a destination school that seeks to help students grow into people capable of changing the world.

These are the hard decisions that need to be made. We need to ensure that IUP can provide students with an affordable degree in the areas they seek and that employers are looking for.

What IUP NextGen means for all of us

This refined focus, which will cover every area of the university, will allow us to do what we do well and will benefit our students as we build the IUP of the future. Change will be hard and there will be parts of IUP that do not move forward, but the hard work we do today will help create a more successful IUP tomorrow.

- There will be programmatic investments and areas of focus.
- Some programs (graduate and undergraduate) will be strengthened.
- Some programs will be merged, discontinued, and/or placed into moratorium.
- Some academic departments will be merged, discontinued, or moved among colleges.
- Our undergraduate foundation is a refined and refocused liberal studies core.
- All areas of the university will be impacted as we move forward with new plans.

Reimagining the Academic Structure at IUP

Why reorganize?

- To tighten our focus on programs that we excel at, that students need, and that employers seek. We want to smooth the road students take from admission to graduation so they aptly prepared to be productive citizens of the world.
 - More tractable portfolio of program choices
 - More efficient gen ed (liberal studies) programming
- Provide each college a portfolio that is strong and successful both in terms of programmatic identity and financially.
- Gain operational efficiencies and savings—reduce administrative workforce

Timeline:

- Comments and discussion—now through April
- Implementation—Fall 2021

New College Structure

The sections that follow provide a draft outline of IUP Next Gen’s organization structure. Please note this is intended to provide a basis for further input, discussion, and collaboration.

Program moves and additions made between October 2020 and February 2021 are shown in red italics.

1. CREATIVE ARTS, HUMANITIES, AND DESIGN

This College will be formed from departments and programs now in IUP’s colleges of Humanities and Social Sciences and Fine Arts. The tentative organization of the departments in this new college, and the programs they will offer are shown below. Note: the name of the college is subject to change.

Art and Design¹

Art Education, BSED

Art Studio, BFA

Art/History, BA

Art/Studio, BA

Interior Design, BS

¹Fashion Mktg, BS moved in later update

CAHD

Asian Studies

English

English Education, BSED

English Grades 7-12 Certificat

English/Comp & Appl Ling PHD

English/Composition & Lit, MA

English/Liter & Criticism, PHD

English/Literature, MA

English/Literature/Culture, BA

(English, BSEd until Certificate approval.)

English/TESOL, MA

English/Writing Studies, BA

Tchg Eng to Spkrs/Oth Lang GCR

Foreign Languages

Spanish, BA

(Spanish, BSEd until Certificate approval.)

History

History, BA

(Social Stud, BSEd until Certificate approval.)

Public History Certificate

Music

Music Education, BSED

Music Performance, BFA

Music, BA

Music/Education, MA

Music/Performance, MA

Philosophy & Religious Studies

Philosophy, BA
Religious Studies, BA

Political Science

Internat Stu/Political Sci, BA
Political Sci/Homeland Security
Political Science, BA
Political Science/Pre-Law, BA
Public Affairs, MA

Theatre²

Theater, BA
²Musical Theatre, BA added in later update

2. BUSINESS

The Eberly College of Business will include the following departments and programs. The Department of Economics from CHSS joins the Department of Finance in Eberly; similarly, Hospitality Management from CHHS joins the Department of Management.

Accounting³

Accounting, BS
Accounting/CCAC, BS
³ Info Systems BS moved in later update

Eberly College of Business

Business Administration, MBA
Business, PHD
MBA/Executive Track

Economics & Finance

Economics, BA
Finance, BS
³ Mgmt Info Sys/Info Systems BS moved

Management

Hospitality Management, BS
Hospitality Management, AS
Human Resource Management, BS
Human Resource Mgmt/CCAC, BS
International Business, BS
Management/CCAC, BS
Management/Entre & Sm Bus, BS
Management/General, BS
Management/Supply Chain Mgmt
Management/Supply Chain/CCAC

Marketing

¹Fashion Merchandising, BS moved
Marketing, BS
Marketing/CCAC, BS

3. EDUCATION

IUP remains committed to the disciplines and the College that are our legacy, Education. The departments and programs in the College of Education and Communication are:

Cntr for Voc Personnel Prep

Voc Admin Director GR Certific
Vocational Ext Certification
Vocational Technical Ed, BSED

College of Education & Communications

Early Child/Special Ed, BSED

Comm Disord, Spec Ed & Dsb Srv

Autism Spectrum Disorder, Cert
Disability Services, BS
Special Education, GCOR
Special Education, MED
Speech-Language Pathology, BS
Speech-Language Pathology, MS
Special Education, BSED (Includes former Ed of Exceptional Persons BSED)

Communications Media

Comm Media/Media Marketing, BS
Comm Media/Media Production, BS
Comm Media/Media Studies, BS
Journalism and Public Relations, BA
Media & Communication Studies, PHD
Strategic Communications, MS

Counseling

Clin Mntl Hlth Cnslg Licensure
Clinic Mental Health Cnslg, MA
Counselor Ed & Supervision PHD
School Counseling Cert
School Counseling, MED

Developmental Studies

General Studies, AA
General Studies, BA

Professional Studies in Ed⁴

Admin & Leadership Studies DED
Bus Workforce Dev/Business, MEd
Bus, Comp & Info Tech GR Cert
Business Education, BSED
Curriculum and Instruction, DED
Early Childhood Ed, BSED
Educ, Training & Instr Tech MA
⁴Family and Consumer Sciences Education, BSEd moved in later update
Human Development and Family Science, BS

Literacy, MEd
Master's in Education, MED
Principal Post-masters Certif

Reading Specialist Certificate

Student Affairs in Higher Ed

Student Affairs/Higher Ed, MA

4. HEALTH

The College of Health is organized around the disciplines that focus on the allied health professions and behavioral health. Its departments and programs will include:

Academy of Culinary Arts

Baking and Pastry

Baking and Pastry, AAS

Culinary Arts

Culinary Arts, AAS

College of Health

Public Hlth/Behavior & Mental

Public Hlth/Environ & Occup

Public Hlth/Epidem & Biostat

Public Hlth/Global & Rural Com

Criminology & Criminal Justice

Criminal Justice Training Prog

Criminology, BA

Criminology, MA

Criminology, PHD

Criminology/Pre-Law, BA

Sch Security Person Trng (CH)

Food and Nutrition

Dietetic Internship Certific

Food & Nutrition, MS

Food & Nutrition/Admin, MS

Food & Nutrition/Education, MS

~~*Human Dev & Family Science~~ *moved in later update*

Nutrition, BS

Nutrition/Dietetics, BS

Health Services and Employment Relations

Health Services Admin, MS

Human Res & Employ Relation MA

Kinesiology Health & Sport Sci

Emergency Medical Tech-NDCRTN

Health & Phy Ed/Adapt Phy MED

Health & Phy Ed/Comm Hlth BSED

Health & Phy Ed/Comm Hlth MED

Health & Phy Ed/K-12 MED

Health & Phy Ed/K-12 Tchr BSED

Paramedic

Phys Ed & Sport/Exer Sci, BS

Phys Ed & Sport/Pre-Athlet Trg
Phys Ed & Sport/Sport Admn, BS
Sport Science/Exercise Sci, MS
Sport Science/Sports Mgmt, MS

Nursing and Allied Health Prof

Medical Imag/Diag Sonography
Medical Imag/Echocardiography
Medical Imag/Nuclear Med Tech
Medical Technology, BS
Nursing / LPN
Nursing, BS
Nursing, PHD
Nursing/Administration, MS
Nursing/DNP, PHD
Nursing/Education, MS
Respiratory Care, BS
Simulation and Technology, GCOR

Psychology

Behavior Analysis Certificate
Clinical Psychology, PSYD
Educational Psychology, MED
Honors Program in Psychology
Psychology, BA
School Psychology, Ed Spec
School Psychology, PHD

Sociology

Admin & Leadership Studies PHD
Sociology, MA
Sociology/General, BA
Sociology/Human Services, BA

5. SCIENCE AND MATH

The Kopchick College of Natural Sciences and Mathematics receives some departments from the current College of Humanities and Social Sciences, including Anthropology, Geography and Regional Planning (merged with Geoscience); it will be the new home of Safety Science, and Information Technology.

Anthropology

Anthropology/Applied, BA
Anthropology/Archaeology, BA
Applied Archaeology, MA

Biology

Biology, BA

Biology, BS
Biology, MS
Biology/Cell & Molecular
Biology/Ecol, Conserv & Evolutn
Biology/Pre-Medical, BS
Biology/Pre-Veterinary, BS

Chemistry and Physics

Biochemistry, BS
Chemistry, BS
Chemistry/Pre-Medical, BS
Chemistry/Pre-Pharmacy BS
Physics, BS
Physics/Pre-Engineering, BS

College of Nat Sci and Math

Environmental Engineering, BS
Natural Sci/Pre-Phys Asst BS
Natural Sci/Pre-Phys Ther, BS
Natural Science, BS
Natural Science/Pre-Profess Studies, BS

Geography & Geoscience

Geog & Geographic Info Science
Geography/GIS & Geospatial Tech Cert
Geology, BS
Geospatial Intellg Analy, Cert
Region Planning/Comm Plan & Dev
Geographical Sciences and Planning, MS

Mathematical & Comp Sciences

Applied Mathematics, MS
Computer Sci/Cyber Security
Computer Sci/Lang & System, BS
Computer Sci/Software Eng, BS
Computer Science, BA
Math Ed/Elem & Mid-Level, MED
Math Ed/Secondary Math Ed, MED
Math Education, BSED
Mathematics Education, MED
Mathematics, BS
Mathematics/Actuarial
Mathematics/Applied Math, BS
Mgmt Info Sys/Info Technlgy, BS

Safety Sciences

Safety Sciences, MS
Safety Sciences, PHD
Safety, Health & Envir App Sci

Pre-Law

Now, IUP offers six different programs of pre-law study. These will be combined into two, one of which will be offered through the Department of Criminology and Criminal Justice in the College of Health, and the other will be offered by the Department of Political Science in the College of Creative Arts, Humanities, and Design.

BSEd Programs of study

IUP's fourteen programs that now lead to the BSEd degree will be consolidated, while ensuring that we maintain our proud record of innovation and leadership in preparing future educators for the commonwealth of Pennsylvania. IUP Next Gen will offer *state-of-the-art* and *accessible* educator preparation meeting the needs of our region and beyond.

As a leader, IUP has pioneered in teacher education with initiatives like *Innovative Teacher Residencies*, *Professional Development School Partnerships*, the *Black Men Teach Initiative*, and the new *Science Education Certificate* program to highlight a few. IUP will continue to be the institution of choice for teacher education by reshaping secondary and discipline specific programs and increasing access to teacher certification for a more diverse teaching workforce. This includes creating program options for majors in STEM and other content areas as well as *career changers* and other education paraprofessionals.

In order to ensure that our graduates are well prepared with both deep content knowledge and evidence-based and current pedagogy, IUP Next Gen Educator Preparation programs will include:

- Consolidate undergraduate BSEd programs in the content areas with their content major (BS or BA) and expand the professional education sequence to allow teacher certification as an option in those majors.
- Add a graduate pathway to initial certification through a new Master of Arts in Teaching program.
- A shared professional education sequence supporting candidates from disciplines across the university.
- Preparation for all IUP teacher candidates in providing a culturally relevant and sustaining education for their students.
- Sustained commitment to specialty theory and study of teaching in areas like Art, Music, and Physical Education.
- Teacher residencies and immersive field experiences ensuring classroom-ready teachers on Day 1.
- Strengthened P20 partnerships to address critical teacher workforce needs including diversity, shortage areas, and retention.

Other academic and support units—WORK IN PROGRESS

- a. University Libraries—keep with workforce alignments that reflect smaller student body and the changing look and mission of university libraries everywhere in academia.

- b. Cook Honors College—keep; and this reflects IUP commitment to academic quality and instructional excellence; explore second honors college with science/math emphasis, allowing Cook HC to focus on Arts, Humanities, Social Sciences.
- c. University College—remains an important part of our commitment to student success. We now have a full year of UC operations under our belt and are looking carefully at student outcomes and assessment data. Will revise, shift, modify UC operations and approach as data suggests. May include additional elements (that now exist elsewhere or are distributed across units) to the UC portfolio, e.g., tutoring and supplemental instruction services; and/or some common clerical and administrative support functions that will be available to all colleges
- d. School of Graduate Studies and Research—Will be looking carefully at stabilizing and strengthening IUP’s support for graduate students (financial and other) going forward.

IUP NextGen—Expected Outcomes

- A fiscally responsible balance between our revenues and expenses, including a streamlined workforce.
- An ability to focus and invest in programs that reflect student and workforce demands, and to create even stronger programs.
- An ability to focus on being truly student centered, meeting the goals of the Strategic Plan.
- A college and program structure that is more logical for ongoing and for prospective students, assisting marketing, recruitment, enrollment and retention and persistence.
- As IUP rebounds and becomes more financially stable, a stronger IUP means a more valuable degree for its alumni, assisting in ongoing support for the university.