FINANCIAL FACTORS

In the last ten years, IUP's enrollment has fallen by about one-third: from over 15,000 students to just over 10,000.

Factors contributing to this decline include:

- A shrinking number of high school graduates in IUP's home markets

- A decline in international students

- Slow progress in increasing student retention and persistence, despite tremendous efforts by many across the university

We have made progress over the last several years to improve recruitment and limit enrollment decreases, but we haven't been able to outpace the demographic challenges we face. This year, after already reducing the number of faculty by about 50, and with the planned reduction of about 80 non-faculty employees, and cutting operating budgets in half, IUP's projected financial shortfall is about $16 million. If we were to continue down this path, IUP would exhaust its modest reserves and be insolvent within four years.

What are the solutions?

- If the state were to fill the budget gap, it would need to increase IUP's appropriation by $16 million or 29 percent. However, in the midst of a pandemic, with tax revenues down, additional state appropriations are highly unlikely.

- If we hope for additional tuition to fill the gap, we would either need another 1,900 students or we would need to raise tuition for all students by about 18 percent. Increasing enrollment by such a large number in the near future is also highly unlikely. And raising tuition in this way this would place an unconscionable burden on families.

The crux of the matter is this: we no longer have the revenues coming in to fund our employee base. Continuing as we have been isn't sustainableand jeopardizes the future of IUP.

The solution we are choosing is a painful one, but it's the best choice available if we want to ensure IUP is here to educate future generations. Short term, we have no choice but to reduce our workforce. At the same time, we need to position IUP for future growth in a radically transformed higher education market.