

# System Sustainability Plan Update Mid-Year Sustainability Progress Summary

*Due: February 22, 2022*

University:     IN University, Plan Level 2    

**Summary of Progress**  
*(All yellow highlighted areas to be completed by submitting university)*

**Reviewer Comments**  
*(To be completed by other CAOs/CFOs after February 22, 2022)*

**Fiscal Year Milestones**

To achieve enrollment targets of 7,390 FTE at the fall freeze and spring headcount of 8,188; to reduce personnel expenditures by \$1.5 million [10 FTE]; personnel reductions through attrition of \$1.6 million; and to reduce operating expenses by \$2.7 million.

IUP exceeded the targets associated with expense reductions; headcount enrollment was mixed and credit hour actuals were lower than our conservative projections.

Narrative on progress from university, referring to tables on the back page

- Undergraduate:
- Graduate
- Noncredit Bearing (if applicable)
- Clock Hour (if applicable)
- Explanation of any new specific revenue

As outlined in Table 1 below, current fiscal year tuition revenues for IUP are lower than projected in the September 2021 by \$1.4 million. From an enrollment perspective, in summary, fall 2021 freeze headcount was slightly below projections; however, the average credit hours taken by students was also lower than projected, resulting in even fewer overall credit hours in spring than would have been expected with the level of decline in headcount. Since the revenue is based on credit-hour production, this results in lower revenue. Winter actuals exceeded the September 2021 projections by 11% and spring headcount was slightly under projections with the average credit hours lower than projected resulting in a decline in revenue. Table 2 outlines the decline in fall credit hours since FY2017-18 which have declined by over 31%.

**Table 1:**

	FY2021-22	FY2022-23
September 13, 2021 CPP: Tuition Revenue	81,077,338	82,735,550
February 2022 Mid-Year Projections : Tuition Revenue	79,721,714	81,054,109
Change in Tuition Revenue	(1,355,624)	(1,681,441)

**Table 2:**

Historical Fall Credit Hours					Change from
FY2017-18	FY2018-19	FY2019-20	FY2020-21	FY2021-22	FY2017-18 to Present
155,041	139,973	126,987	117,587	106,378	-31%

**Revenue**

Additional one-time revenue of \$626,000, which was not included in the September 13, 2021 CPP, has been included in this report as part of the Targeted University Incentive Funds to support selected universities that are experiencing one-time costs associated with implementing sustainability measures.

Updated enrollment projections for FY2022-23 have resulted in lower revenue projections than September 2021 projections by approximately \$1.7 million, as shown in Table 1.

To provide more specific detail on enrollment, overall, the undergraduate and graduate combined headcount for fall 2021 was 49 under the CPP projections. By level, undergraduate students were 34 students below projections overall, though we did exceed CPP projections for our in-state students (+15). Out of state students were -21 and international students were -28 from projections. Graduate students were 15 students under CPP projections. By residency, in-state graduate students were 56 students under CPP projections but both out of state and international students exceeded CPP projections (+5 and +36, respectively). For clock hour students, we were one student behind projections in fall 2021.

Undergraduate students did not meet the credit hour or FTE projections in fall 2021 due to a lower average credit load and a smaller proportion of full-time (12+ credits) students than projected. In state graduate students also did not meet overall credit hour or FTE projections; however, out of state and international students exceeded both credit hour and FTE projections. The percent of graduate students who were enrolled full-time (9+ credits) fell below expectations as well.

Winter headcount enrollment exceeded last winter by 167 students (+152 undergraduate and +15 graduate), or over 11%.

As of spring 2022 freeze, by headcount, we had 36 fewer students than the original spring projections of 8,188 as reported in the September 2021 CPP. Overall, graduate headcount was in line with projections. Undergraduate headcount was under projections by 36.

Our overall headcount projections in the CPP were slightly under projections and the number of overall credit hours generated and resulting FTE also did not meet the CPP projections. Students enrolled in fewer credit hours on average in both the undergraduate and graduate categories. In addition, the proportion of both undergraduate and graduate students who were full time this spring was lower than anticipated.

Fall to spring retention of the fall 2021 freshman cohort was 85.08%, which is 4 students below the projected fall to spring retention of 86.07%. Conversely, the percent of fall 2021 continuing student headcount that enrolled for spring 2022 exceeded projections by 0.26 percentage points, or 15 students ahead of projections.

For both new and continuing students, the university implemented a robust campaign to assist students with registration for spring. Retention funds were used for students who were above the threshold of the student account balance and had holds on their registrations, students with missing financial aid documents that prevented fall financial aid from being applied to their accounts were contacted several ways (phone, email, and in-person, if living in the residence halls), messages were placed on students' MyIUP accounts (the students' personal portal for the university), postcards were mailed to homes, Guides were notified about their students who had not yet registered (Guides are the staff and faculty members who volunteer to be a personal contact for students when they enter IUP), and Assistant/Associate Deans were provided lists of unregistered students in their respective colleges in order for them to contact the students. This activity is beyond the standard outreach by faculty advisors to their advisees.

As a result of this campaign, which is currently being assessed for effectiveness of the various activities in order to refine for outreach to students for summer and fall registration, was that a higher percentage of students were registered earlier in the semester than in the three previous spring registration periods. Between November 1 and the end of the fall semester, we averaged almost 5 ½ percentage points higher in undergraduate registrations as compared to the previous three years.

We are currently in the implementation phase of our Strategic Enrollment Plan, which has significant emphasis on recruitment and retention/persistence. The concentration in several of the action items are the recruitment and student success of our underrepresented students. To date, we are seeing indications of success with our Latinx recruitment strategies. Additionally, graduate enrollment and organizational changes in the recruitment of graduate students is being addressed, utilizing a very collaborative methodology between graduate admissions and the School of Graduate Studies and Research for best practices in graduate enrollment management. Finally, the plan is addressing affordability for students and all costs are being examined and proposals being brought forward to defray the cost of education at IUP. This is in addition to the significant investment in renewable scholarships by the university.

**Narrative on progress from university, referring to tables on the back page**

- Faculty:**
- Nonfaculty:**
- Operating:**
- Campus Footprint:**
- Planned Use of Unrestricted Net Assets:**
- Auxiliary Enterprises (if applicable)**

September 13, 2021, CPP included savings of \$1.5 million from the elimination of 10 non-represented positions. The mid-year projections include the actual savings from 13 identified non-represented positions, which surpass the initial target in the September 13, 2021, CPP.

February 2022 Mid-Year projections have exceeded that target set for non-represented workforce reductions by three positions and by an additional estimated \$144,000 in salary and benefits savings.

Due to mid-year separations, the salary and benefit savings will be realized only partially in FY 2021-22. The total estimated salary and benefit savings from these full non-represented position eliminations is 13 FTE and \$1.7 million during the next two years and beyond.

Comparisons show we are still overstaffed in the non-represented employee group when compared to state system average and two state system universities of comparable student enrollment. Discussions continue regarding organizational structure and other changes that can be made to further reduce these numbers.

Table 3A shows that overall, in all bargaining units, IUP is projecting a decrease of an additional 6.8 FTE beyond what was projected in September 2021 CPP which included a reduction of 10 FTE as a target for this fiscal year.

We are showing a further net reduction of 17.5 employee FTE for fall 2022 beyond the September 2021 CPP projection.

Therefore, IUP exceeded the workforce reduction targets set in the September 2021 CPP for both FY 2021-22 and FY 2022-23 projections. .

**Table 3A:**  
**Budgeted Annualized FTE Employees (Include all permanent and temporary employees)**

E&G Only	FY2021-22			FY2022-23		
	Sept. 2021 CPP	Feb. Mid-year 2022 Projections	Variance	Sept. 2021 CPP	Feb. Mid-year 2022 Projections	Variance
<b>Faculty</b>	438.12	434.37	(3.8)	433.88	417.88	(16.0)
<b>AFSCME</b>	264.34	267.42	3.1	264.25	269.62	5.4
<b>Nonrepresented</b>	147.31	146.65	(0.7)	147.33	142.85	(4.5)
<b>SCUPA</b>	55	51.94	(3.1)	54.92	53.48	(1.4)
<b>Other</b>	57.93	55.52	(2.4)	57.94	57.04	(0.9)
	<b>Total Change in E&amp;G Workforce</b>			<b>Total Change in E&amp;G Workforce</b>		
			<b>(6.8)</b>			<b>(17.5)</b>

**Expenditures**

**Table 3B:**

	FY2018-19 Actual Unrestricted Annualized FTE	FY2021-22 Projected Unrestricted Annualized FTE	FTE Change	% FTE Change	Estimated Salary and Benefits Savings
September 13, 2021 CPP Faculty	607.16	432.86	(174.30)	-28.71%	(16,690,464)
September 13, 2021 CPP Non-Faculty	699.02	538.75	(160.27)	-22.93%	(14,620,259)
<b>Total September 13, 2021 CPP</b>	<b>1306.18</b>	<b>971.61</b>	<b>(334.57)</b>	<b>25.61%</b>	<b>(31,310,723)</b>
February 2022 Projections Faculty	607.16	421.76	(175.40)	-28.89%	(16,653,424)
February 2022 Projections Non-Faculty	699.02	538.86	(160.16)	-22.91%	(13,634,927)
<b>Total February 2022 Projections</b>	<b>1306.18</b>	<b>970.62</b>	<b>(335.56)</b>	<b>25.69%</b>	<b>(30,288,351)</b>
<b>Difference - September 13 2021 CPP to February 2022 Projections</b>	<b>0</b>	<b>(0.99)</b>	<b>(0.99)</b>	<b>0.08%</b>	<b>1,022,372</b>

In the comparison of Sept. 2021 CPP to Feb. 2022 projections, the difference in FTE for each bargaining unit is consistent with the related change in salary and benefits. For the non-represented group, in the Sept. 2021 CPP, a target of 10 reductions was included in the FTE and budget. FTE increased for FY2021-22 for the faculty and AFSCME bargaining units, and decreased in all other units. In addition, due to the ESLP incentive, leave payouts increased between these 2 versions in the faculty, non-represented and SCUPA bargaining units by over \$1.6M. In the Sept. 2021 CPP also included 1.2% attrition in both FTE and expenditures, Feb. 2022 projections have been reduced to 0.6%.

	FY2018-19 Actual Unrestricted Annualized FTE	FY2022-23 Projected Unrestricted Annualized FTE	FTE Change	% FTE Change	Estimated Salary and Benefits Savings
September 13, 2021 CPP Faculty	607.16	428.67	(178.49)	-29.40%	(14,666,358)
September 13, 2021 CPP Non-Faculty	699.02	538.73	(160.29)	-22.93%	(11,437,255)
<b>Total September 13, 2021 CPP</b>	<b>1306.18</b>	<b>967.4</b>	<b>(338.78)</b>	<b>25.94%</b>	<b>(26,103,613)</b>
February 2022 Projections Faculty	607.16	415.37	(191.79)	-31.59%	(16,524,116)
February 2022 Projections Non-Faculty	699.02	540.45	(158.57)	-22.68%	(11,657,061)
<b>Total February 2022 Projections</b>	<b>1306.18</b>	<b>955.82</b>	<b>(350.36)</b>	<b>26.82%</b>	<b>(28,181,177)</b>
<b>Difference - September 13 2021 CPP to February 2022 Projections</b>	<b>0</b>	<b>(11.58)</b>	<b>(11.58)</b>	<b>0.89%</b>	<b>(2,077,564)</b>

In the comparison of Sept. 2021 CPP to Feb. 2022 projections, the difference in FTE for each bargaining unit is consistent with the related change in salary and benefits. For the non-represented group, in the Sept. 2021 CPP, a target of 10 reductions was included in the FTE and budget, and an additional decrease of 3 FTE in the Feb. 2022 projections has been included in FY2022-23. FTE increased for FY2022-23 for the AFSCME bargaining unit, but decreased in all other units. In addition, the budget for leave payouts returned to the normal budget levels.

Some of those reductions are due to furloughs and retirements of non-represented employees. The majority of the reduction is due to retirement of faculty. The impact of the extended Enhanced Sick Leave Payout (ESLP) is captured in this mid-year report.

The FY2021-22 Faculty FTE and salary and benefit projections include an adjustment for approved spring temporary hires as well as budgeted reductions resulting from confirmed leave without pay situations, grant releases and sabbaticals that were not known at the time of the September CPP submittal.

Since the September 2021 CPP was submitted, we have received 17 notices of confirmed faculty separations. The majority of the savings will not be recognized until FY2022-23 and therefore not counted in Table 6 (Annual Summary Projections and Actuals for FY 2021-22). One of these faculty positions was deemed to be in a critical area and will be filled in FY2022-23. The remaining 16 faculty positions will be eliminated.

IUP continues its work on program array, with a target of maintaining a total of 63 undergraduate degree programs. This is a decrease of 12 programs from the current total of 75 and well below the 70 recommended by the CAO's analysis.

Operating expenses were reduced by 50 percent for last fiscal year and the reduction was made permanent for FY 2021-22. This reduction was large and a big change for the university to adapt to. Because of uncertainties, we had built in a \$600,000 operating expense contingency for emergency situations in case operational funds were needed due to the reduction. This contingency was built into September 13, 2021 CPP but was removed in our mid-year projections based on our current spending patterns, helping to balance the budget as is shown in our new projections.

The sale/transfer of the Northpointe property is on track, as projected. A conservative estimate for operational savings from reducing our footprint from that sale/transfer were included in FY 2022-23 (\$50,000) for the February 2022 Mid-Year projections and will be adjusted as actual savings are achieved.

IUP submitted a balanced FY2021-22 budget for the September CPP submission through a variety of one-time and permanent budget reductions strategies.

Although we have made great progress this year and exceeded our targets for our expenditure reductions for workforce and for operating expenses, our mid-year progress report updated information is projecting a shortfall of \$1.7 million, after the use of \$6.2 million in one-time supplemental resources to aid in balancing. This is due to enrollment, particularly credit hours, being lower than projections and resulting in lower projected tuition and student fee revenues.

Our structural E&G deficit for FY2022-23 is projected to be approximately \$12 million, which is consistent with what was projected in September 2021.

Although, the university had made progress by reducing workforce and overall budgets beyond what was targets in the CPP, conservative enrollment projections have lowered projected revenue causing this deficit to remain around \$12 million.

As the university continues to work towards financial sustainability a variety of one-time budget reductions strategies has been implemented. An on-going review of our overall account structure has led to a one-time sweep of funding in various accounts, university wide. As noted above, a review of faculty budgets resulted in identification of positions that for various reasons including leave without pay, sabbaticals, and grant releases, were identified mid-year and were used to reduce personnel budgets. IUP is currently reviewing organizational structure and other alignments that can assist in further reductions. Vacancies are being scrutinized as they occur so that only priority positions get approved to be filled.

In the four months since IUP submitted its September 13, 2021 CPP, we have continued to work on student retention and persistence and new student recruiting, with the goal of increasing revenue.

We have also continued to work on reducing workforce and making additional expense reductions. This ongoing work is already showing results, reducing expenses by more than \$3.3 million. We

	<p>continue the work and have other initiatives in progress that should continue to bear fruit as we continue working on addressing IUP's remaining financial challenges.</p> <p>IUP certainly still has sustainability work to do. We have already completed the largest and most painful part of the work and are continuing to address the shortfalls by tackling our enrollment and revenue outlook through various measures and right sizing our workforce and expenses. This has been, and remains, a top priority. IUP leadership is confident that we will continue to make progress, during these challenging, and uncertain times.</p>			
<p><b>Summary of Progress Against Milestones</b></p>	<p>The university has partially met mid-year milestones for enrollment, personnel expenditure/FTE reductions, operating expenditures, and campus footprint reductions. As stated above, IUP has exceeded the goals for expense reductions for workforce and operating expenses with continued enrollment declines resulting in less revenue. Year-end projected net assets are in line with projections in the sustainability plan. The university believes it will partially meet the sustainability milestones as set forth in the fiscal year goals above and will continue to address closing the budget gap.</p>	<p><i>To be competed at Joint Review Session:</i> The university has exceeded [met, partially met] mid-year [year-end] milestones for enrollment, personnel expenditure/FTE reductions, operating expenditures, and campus footprint reductions. Year-end projected net assets are in line with projections in the sustainability plan. The university believes it will exceed [meet, partially meet, will not meet] all milestones as set forth in the fiscal year goals above.</p>		
<p>Potential Loan Need in current year: N/A</p>	<p>CAO/CFO Recommendations? No/Yes (see below) Action plan required? No/Yes (see below)</p>	<p>Overall ranking: (To be competed at Joint Review Session)</p>		
<p><b>CAO/CFO Recommendations—To be completed at Joint Review Session (To be scheduled for early March 2022)</b> There are no recommendations for follow-up activity for this reporting period. [Because enrollment projections were not met, a mid-course correction action plan and updated projections should be submitted by ...]. [Because sustainability plan actions were not achieved ...].</p>				
<p><b>Key:</b></p>	<p>Exceeds Expectations</p>	<p>Meets Expectations</p>	<p>Partially Meets Expectations</p>	<p>Does Not Meet Expectations</p>



**Table 7:**  
**Unrestricted Financial Projections—Update new "Charts for Sustainability" tab in CPP template with revised 2021-22 and 2022-23 data; copy table here.**

	FY 2019-20 Actuals	FY 2020-21 Actuals	% Change from Prior Year	Original FY 2021-22 Projections*	% Change from Prior Year	Revised FY 2021-22 Projections	% Change from Prior Year	Original FY 2022-23 Projections*	% Change from Prior Year	Revised FY 2022-23 Projections	% Change from Prior Year
<b>Total E&amp;G Budget</b>											
Total Revenues	\$200,559,258	\$191,630,132	-4.5%	\$190,045,525	-0.8%	\$188,796,005	-1.5%	\$177,992,233	-6.3%	\$175,981,927	-6.8%
Total Expenditures and Transfers to Plant Funds	202,004,525	187,866,947	-7.0%	196,240,179	4.5%	196,662,507	4.7%	190,176,033	-3.1%	188,048,470	-4.4%
<b>Revenues Less Expenditures/Transfers to/(from) Plant Funds</b>	<b>(\$1,445,267)</b>	<b>\$3,763,185</b>	<b>n/a</b>	<b>(\$6,194,654)</b>	<b>-264.6%</b>	<b>(\$7,866,502)</b>	<b>n/a</b>	<b>(\$12,183,800)</b>	<b>n/a</b>	<b>(\$12,066,543)</b>	<b>n/a</b>
<b>Surplus/(Deficit)—Excludes Transfers to/(from) Plant Funds</b>	<b>(\$809,986)</b>	<b>(\$3,139,702)</b>		<b>(\$5,769,654)</b>		<b>(\$7,441,502)</b>		<b>(\$11,433,800)</b>		<b>(\$11,316,543)</b>	
Use of Supplemental Resources for One-Time Needs/ Strategic Initiatives	\$0	\$0		\$0				\$0			
One-Time COVID Funds ( <i>revenue recognition adjustment</i> )	n/a	\$0		\$0				n/a		n/a	
<b>Resources/Adjustments Less Expenditures &amp; Transfers</b>	<b>(\$1,445,267)</b>	<b>\$3,763,185</b>		<b>(\$6,194,654)</b>		<b>(\$7,866,502)</b>		<b>(\$12,183,800)</b>		<b>(\$12,066,543)</b>	
Use of Supplemental Resources for Operations (to Balance Budget)	\$0	\$0		\$6,194,654		\$6,194,654		\$4,300,000		\$4,300,000	
<b>Total Auxiliary Budget</b>											
Total Revenues	\$21,942,065	\$24,303,412	10.8%	\$19,227,463	-20.9%	\$19,920,837	-18.0%	\$20,453,789	6.4%	\$21,247,567	6.7%
Total Expenditures and Transfers to Plant Funds	22,556,925	25,136,342	11.4%	27,335,663	8.7%	27,335,663	8.7%	28,076,174	2.7%	28,076,174	2.7%
<b>Revenues Less Expenditures/Transfers to/(from) Plant Funds</b>	<b>(\$614,860)</b>	<b>(\$832,930)</b>	<b>n/a</b>	<b>(\$8,108,200)</b>	<b>n/a</b>	<b>(\$7,414,826)</b>	<b>n/a</b>	<b>(\$7,622,385)</b>	<b>n/a</b>	<b>(\$6,828,607)</b>	<b>n/a</b>
<b>Surplus/(Deficit)—Excludes Transfers to/(from) Plant Funds</b>	<b>(\$632,450)</b>	<b>(\$1,999,812)</b>		<b>(\$8,108,156)</b>		<b>(\$7,414,826)</b>		<b>(\$7,622,385)</b>		<b>(\$6,828,607)</b>	
Use of Supplemental Resources for One-Time Needs/ Strategic Initiatives	\$0	\$0		\$0				\$0			
One-Time COVID Funds ( <i>revenue recognition adjustment</i> )	n/a	\$0		\$0				n/a		n/a	
<b>Resources/Adjustments Less Expenditures &amp; Transfers</b>	<b>(\$614,860)</b>	<b>(\$832,930)</b>		<b>(\$8,108,200)</b>		<b>(\$7,414,826)</b>		<b>(\$7,622,385)</b>		<b>(\$6,828,607)</b>	
Use of Supplemental Resources for Operations (to Balance Budget)	\$0	\$0		\$0				\$0			
<b>Total Unrestricted (E&amp;G and Auxiliary) Budget</b>											
Total Revenues	\$222,501,323	\$215,933,544	-3.0%	\$209,272,988	-3.1%	\$208,716,842	-3.3%	\$198,446,022	-5.2%	\$197,229,494	-5.5%
Total Expenditures and Transfers to Plant Funds	224,561,450	213,003,289	-5.1%	223,575,843	5.0%	223,998,170	5.2%	218,252,206	-2.4%	216,124,644	-3.5%
<b>Revenues Less Expenditures/Transfers to/(from) Plant Funds</b>	<b>(\$2,060,127)</b>	<b>\$2,930,255</b>	<b>n/a</b>	<b>(\$14,302,855)</b>	<b>-588.1%</b>	<b>(\$15,281,328)</b>	<b>n/a</b>	<b>(\$19,806,184)</b>	<b>n/a</b>	<b>(\$18,895,149)</b>	<b>n/a</b>
<b>Surplus/(Deficit)—Excludes Transfers to/(from) Plant Funds</b>	<b>(\$1,442,436)</b>	<b>(\$5,139,514)</b>		<b>(\$13,877,810)</b>		<b>(\$14,856,328)</b>		<b>(\$19,056,184)</b>		<b>(\$18,145,149)</b>	
Use of Supplemental Resources for One-Time Needs/ Strategic Initiatives	\$0	\$0		\$0		\$0		\$0		\$0	
One-Time COVID Funds ( <i>revenue recognition adjustment</i> )	\$0	\$0		\$0		\$0		\$0		\$0	
<b>Resources/Adjustments Less Expenditures &amp; Transfers</b>	<b>(\$2,060,127)</b>	<b>\$2,930,255</b>		<b>(\$14,302,855)</b>		<b>(\$15,281,328)</b>		<b>(\$19,806,184)</b>		<b>(\$18,895,149)</b>	
Use of Supplemental Resources for Operations (to Balance Budget)	\$0	\$0		\$6,194,654		\$6,194,654		\$4,300,000		\$4,300,000	