



**Indiana University of Pennsylvania
FY2022-23 Comprehensive Planning Process (CPP)
Mid-Year Progress Report**

The FY2022-23 Comprehensive Planning Process (CPP) Mid-Year Progress Report was submitted to the State System on February 23, 2023. The report is attached.

The following information, which includes a motion, will be presented for approval at the public meeting.

FY2022-23 Comprehensive Planning Process (CPP) Mid-Year Progress Report

The committee reviewed the FY2022-23 Comprehensive Planning Process (CPP) Mid-Year Progress Report, which was submitted to the State System on February 23, 2023.

The following motion is recommended for approval:

**THAT THE FY2022-23 COMPREHENSIVE PLANNING
PROCESS (CPP) MID-YEAR PROGRESS REPORT THAT WAS
SUBMITTED TO THE STATE SYSTEM ON FEBRUARY 23, 2023,
BE APPROVED.**

System Sustainability Plan Update

Mid-Year Sustainability Progress Summary

Due: February 22, 2023

**Fiscal Year
2022-23**

University:	IN , Plan Level 2	
	Summary of Progress <i>(All yellow highlighted areas to be completed by submitting university)</i>	Reviewer Comments <i>(To be completed by other CAOs/CFOs after February 22, 2023)</i>
Fiscal Year Milestones	<p>To achieve enrollment targets of 8,844 (headcount incl. clock hour)/6,953 (FTE) at the fall freeze; Actuals at fall freeze were 8,832 (headcount incl. clock hour)/7,226.45 (FTE). To reduce FY2022-23 personnel expenditures by \$5.3 million [46 FTE]. For FY2022-23, \$1.5 million [17 FTE] in non-faculty personnel expenditures have been identified. We revised the target for the faculty reduction and moved it forward to next year. As detailed below, since the September CPP submission, we have received 5 separation notices for faculty who will not be replaced. In addition, 8.1 FTE of faculty positions have been identified as one-time budget reductions in FY2022-23, resulting in savings of \$1.4 million for this year. IUP's operational savings included savings for contracts reductions and utilities savings. \$500K in utility savings was projected for this year, and with the implementation of the winter and summer 2023 savings program and the contracts review project underway, it is anticipated that we will meet or surpass both of these operational targets.</p>	
Enrollment/ Revenue	<p>Narrative on progress from university, referring to tables on the back page</p> <ul style="list-style-type: none"> • Undergraduate: • Graduate • Noncredit Bearing (if applicable) • Clock Hour (if applicable) • Explanation of any new specific revenue 	
	<p>Overall, the undergraduate, graduate, and clock hour combined headcount for fall 2022 was -12 under the CPP (September 2022 version) projections, credit hour generation was +362 over projections, and FTE was +21.51 over projections.</p> <p>By level, undergraduate student headcount was 32 students below projections and credit hour registration was +522 over projections resulting in a fall undergraduate FTE 34.8 ahead of projections. Graduate students' headcount was 17 students under projections, with in-state student headcount below projection and out-of-state/international graduate headcount 22 students above projections. Graduate credit hour registration was 159.5 below projections and the fall FTE for graduate students was 13.29 FTE below projections. Clock hour student headcount was 37 students ahead of projections and exceeded projected clock hours by 3,233 hours and FTE by 7.19.</p> <p>Winter term actuals were below projections by 9% in headcount and about 7.5% in credit hours. The largest proportion of deficit is seen in in-state, undergraduate students. Additional analysis will be required to determine if the change to a flat-rate tuition structure for in-state residents contributed to this decline.</p> <p>Spring 2023 freeze headcount exceeded the September 2022 projections by 68 – graduate by 40 and undergraduate by 28. Overall credit hours were -427 credit hours [40 FTE] below projections. Undergraduate student credit hour generation was 220 [14 FTE] over projections and graduate students credit hour generation was 647 [54 FTE] below projections. The graduate decline was in both in-state and out-of-state students. The shortfall in graduate negatively impacted total revenue.</p> <p>Fall to spring retention of the fall 2022 new, first-time, full-time undergraduate student cohort was 85.33%, which is -0.62 percentage points, or -8 students, below the projected fall to spring retention of 85.95%. A higher percentage of students in the cohort were academically dismissed after the fall semester as compared to fall 2021 (5.36% vs. 4.31%); however, of those students who were not dismissed, a higher percentage did register for spring (90.2% vs. 89.7%). We have seen over the past two years (fall 2021 and fall 2022—post-COVID), a higher-than-average number and percentage of students being dismissed after fall. Pre-COVID, the five-year average of students who were dismissed was 2.87%. University efforts with retention and persistence are described below.</p> <p>Contrary to the retention of new, first-time, full-time undergraduate students, the percent of fall 2022 continuing student headcount that enrolled for spring 2023 exceeded projections by 0.61 percentage points, or 29 students ahead of projections.</p> <p>New students entering IUP in the spring 2023 semester also exceeded last year's headcount, with 24 new undergraduates and 16 additional graduate students matriculating as compared to spring 2022. Our population of dual enrollment high school students also increased by 22 students above the number that enrolled in spring 2022.</p> <p>Again, this year, the university organized a robust campaign to assist students with registration for spring. Retention funds were allocated to students whose account balance was too high for them to register. 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.</p>	

As a result of this campaign, a higher percentage of students 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 6 percentage points higher in undergraduate registrations as compared to the previous four years as a percent to final spring registration and the final spring 2023. The various activities continue to be assessed for effectiveness and to refine efforts or outreach to students for summer and fall registration, IUP is currently in the implementation stages of a new student success infrastructure that utilizes both technological and human resources to provide pro-active and personalized outreach to students in all facets of their university experience.

Revenue:

Tuition revenue was updated based on actual fall, winter, and spring enrollments. This resulted in FY2022-23 revenue approximately \$1.4 million below the projection in the CPP in September 2022. Although overall fall credit hours exceed what was projected in September 2022 CPP submission, we saw lower credit hours in the student categories which pay a higher per-credit rate (graduate, domestic out of state, and international) which resulted in lower revenue. The situation was similar for spring, which also resulted in lower revenue than originally projected.

In December 2022, the Council of Trustees approved a flat or banded rate for our domestic, out-of-state, undergraduate students starting in fall 2023. This reduction in cost of attendance is similar to the 20 percent discount implemented in fall 2023 for our in-state, undergraduate students. As we anticipated with the discontinuation of the in-state rate, we also expect to see a decline in revenue in FY2023-24 around \$600k resulting from this change from a per-credit rate. This revenue loss will be supplemented by a use of one-time sources or a drawdown of reserves. As with our in-state rate, revenue was not the only factor in our decision. We had to carefully weigh the possible \$600k revenue loss against the impact and fairness to our domestic, out-of-state, undergraduate students.

In addition to the lower revenue resulting from the implementation of the new flat rate, updated enrollment projections are lower than those in the CPP September 2022 submission. This, coupled with declining enrollments in our intersession enrollment, resulted in lower revenue projections for FY2023-24.

As a result of extreme cold temperatures in December 2022, the S.W. Jack Cogeneration plant ran for extended periods of time, particularly around Christmas. The electricity the plant generated and exported to the PJM grid resulted in revenue of \$692K for the month of December. This exceeded the prior year December revenue by \$625K. This increased the FY 2022-23 other revenue.

In addition, because many of the larger generation plants in the area could not start up under these extreme conditions, IUP will be paid an additional \$500k by PJM as an emergency response payment. This amount is not yet finalized and could change slightly. Since this payment may not be received until next year it was adjusted in FY2023-24 other revenue, to be conservative.

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)**

Personnel Expenditures:

In IUP's CPP September 2022 submission, various personnel targets were set based on historical net attrition and the need to reduce expenditures over the three years of the CPP to balance the budget. An in-depth analysis and review of our staffing levels in all categories has continued since September 2022 and will extend into the next years, including a review of vacant non-faculty positions, the hiring of temporary faculty, sharing of resources across divisions and departments, reviewing classifications and position descriptions, faculty personnel related "pool" funding, and possible university reorganizations to achieve financial savings and improve efficiency and effectiveness.

Non-Faculty: A review of non-faculty positions to date has resulted in 13.65 FTE and \$1.3 million being eliminated from the mid-year CPP budget for the current fiscal year. Although this was a positive trend, we are short approximately 13 FTE and \$1.2 million dollars in targeted reductions. We anticipate more progress by year's end, but any amount short of the target will need to be achieved in years 2 and 3 of the plan.

Strategies for large reductions in staff are complex and require meaningful discussions and care to plan and implement, keeping in mind that we want to do these actions cautiously and in consultation with various parties across the campus. Key to all recommendations has been to understand impacts to our students and how they are being served.

Executive leadership at IUP has met to discuss budget balancing measures and are identifying areas within their divisions and across divisions where additional savings, reallocations, and sharing of resources could be achieved. These conversations have been productive in the most recent weeks and will continue to achieve the targets developed in the CPP.

Expenditures

Further development is needed for several unit reorganizations to improve efficiency and effectiveness in serving students. Strategies for work expectations, workload, and business processes to reduce personnel expenditures, particularly when positions become vacant, are also in development. As positions become vacant, they will be reviewed and analyzed for the possibilities of sharing functions, streamlining tasks, improving operations, understanding duplication of work, and making better determinations of how to move forward. Over \$850K in non-faculty personnel savings have recently been identified for FY2023-24 by taking this newer approach.

We continue to work towards a more streamlined, narrower, simpler overall organizational structure and business processes at the university. Simplifying the structure should result in the ability to eliminate positions as they become vacant and reducing the overall personnel budget.

A review of our facilities area, which contains a large portion of our non-faculty positions, is ongoing. To date, there are at least three positions that will become vacant due to separations and retirements over the next year and will not be filled. This review will also continue to pursue the goal of reducing overall campus footprint allowing us to perform facilities functions with even less staffing. According to the Gordian report, in FY22 the IUP Maintenance staff covered more building square footage than their peers – 175,000 gross square feet per FTE at IUP vs. the peer average at 125,000. In addition, the IUP Maintenance staff has less supervision than their peers with IUP at 27 FTE per supervisor vs. the peer average of 8. IUP also outscores our peers in general repair inspection. We have developed best practices and a better model in which we can refine and continue to be more efficient and effective.

We are intensively looking at space optimization and its direct impact on facilities related positions, through attrition. The next round of long-range facilities master planning (LRFMP) is just beginning and the major goals are to reduce and/or consolidate spaces, utilize space more optimally, and plan for future academic program growth in a mindful and holistic way. As physical space reductions take place, reductions in facilities and utilities costs will follow.

Faculty: The targets developed in the CPP for September 2022 for faculty personnel reductions through attrition and lowering costs was 25.7 FTE and \$3.9 million over the three years of the CPP. The FY2022/2023 faculty reduction target was 17.37 FTE/\$2.6 million dollars. This target was intentionally aggressive, “front-loading” the targets to be achieved in years one and two of the plan.

After further review and discussion of the targets, this front-loading was too optimistic. More time was needed to review data, conduct work regarding the academic program array (CPP Plan B), and analyze and understand all aspects of academic personnel costs and other important information. We needed the 2022-2023 year to work collaboratively on this effort before we could strategically plan for strategic reductions in the academic program array and hence in faculty while serving IUP’s current and future students.

Therefore, we revised our faculty-related targets to be achieved in Years 2 and 3 of the plan.

Other items of note include: A review of Leave without Pay (LWOP), Sabbaticals and Grant releases that were not known at the time of the CPP September 2022 submission has resulted in one-time savings of 8.1 FTE and \$1.4 million for the current year and is reflected in this mid-year report. Five faculty separation notices have been submitted to HR and confirmed to occur this year and next. There are also two other faculty changes that reduced faculty salary and benefit budget and FTE. These are reflected in FY 22-23 faculty data in this report.

Following a review of workload and academic growth areas after the fall semester began, it was deemed necessary to fill up to 7 permanent faculty positions in critical academic program areas, e.g., psychology, nursing, and cybersecurity, mostly to occur next fiscal year. This resulted in an increase to faculty budgets above projections of at least \$1.1 million, depending upon preferential rights hiring and CBA requirements. As the year has progressed, additional spring temporary hires were deemed necessary, again increasing our faculty budget. As noted previously, a critical and extensive review of faculty complement, and program array has begun, this will include the use of temporary hires, Alternative Work Assignments, overload payments, and general academic planning and scheduling.

Due to the need to plan out some of the complex work for personnel reductions and that some personnel attrition did not occur as rapidly as expected, combined with reductions in the tuition model to benefit students, there were targets that were not met this current year and therefore, the FY2023-24 projected budget shortfall increased from \$14.8 million to \$17.1 million.

Other Expenditures:

IUP planned for significant operational budget reductions by the following strategies: a) utilities savings; b) review consultant and other large contracts to reduce expenses; c) review scholarship funding for potential reduction in overall funding allocation and/or individual student awards; and d) review select areas of the university for recommendations for better and more effective operations. Progress on operational expense reductions is positive, thus far. The university expects that the targets set for operational expense reductions due to the various strategies identified are expected to be achieved or over-achieved this current year.

Utilities: IUP implemented a summer utilities savings pilot program last summer, 2022, as the first step towards reducing utilities costs across the campus. The goals of the program were to reduce costs as much as possible through options for employee work schedules that will reduce the employee footprint on campus (including continuing the Telecommuting Policy) and reducing energy use in campus buildings and facilities by consolidating instruction and activities to fewer buildings and setting back temperature settings in an efficient manner. The success of this program required campus-wide buy-in and cooperation. The Utility Savings program that was first implemented for summer 2022 achieved promising results despite the quick turnaround time to implement this program. The savings was estimated at \$300,000. IUP decided to continue this program for winter and a Winter Utilities Savings Program took place in December of 2022 and January of 2023. Winter savings calculations are not finalized since

<p>utilities bills have not yet been received. But it is expected to have saved the university money despite the program was only for a four-week time period and that we experienced colder than average temperatures during that time period. A new Summer Utilities Savings Program is being planned for Summer of 2023, refining what we have learned from the first two pilot programs. The target for savings for this current year was \$500,000 in savings and it is expected that IUP will meet or surpass this target.</p> <p>Scholarships: The Scholarship funding allocation budget was assessed for the current fiscal year, FY2022-23, to determine if one-time funds can be released for the current year to assist with the budget gap. It was determined that the current total scholarship balance can absorb a one-time reduction of \$3 million for the current year as it will not be used for the current year. This one-time reduction to the account and transfer will be implemented in FY2022-23 to help offset the current year's budget deficit. We will continue to assess the account for the ability to do further reductions, if possible. It was also determined, given the change in tuition structure and rates for undergraduate domestic and out-of-state students, that current scholarship award levels will continue through next year. IUP did not have a definitive scholarship savings target placed into the CPP in September 2022. The one-time reduction of \$3 million will assist the IUP budget for this year.</p> <p>The university is undergoing a campus-wide thorough review of consultant and other large contracts. Progress, so far, was that two contracts were eliminated from the budget. This work began this semester, and we anticipate to achieve the target reduction of \$500,000 in contract reduction savings this year.</p> <p>Designated Accounts: A workgroup was formed to simplify the account structure for the numerous designated accounts that had historically been set-up at IUP for various purposes. The outcome, so far, has been that \$2 million of one-time funds have been identified to be utilized for closing the budget gap for this current year. Other outcomes included closing out inactive accounts, consolidating accounts, and reducing the number of accounts. This work will continue, identifying funds to assist with the budget for next year and providing guidelines, improved business processes, and best practices around the use of these accounts to end users and to the financial staff.</p> <p>Campus Footprint: Facilities has identified five buildings (Pratt, Eicher, R&P Office, Reschini House, and University Towers) to be demolished beginning in August 2023 and anticipated to be completed by November 2024. This will reduce the overall campus footprint by approximately 128,000 square feet. The reduction will result in operational savings (staffing, utilities, general maintenance). Currently, four of the five buildings are unoccupied for general use with the fifth to be unoccupied by July 2023. Additional space will be identified to go offline, as part of the Long-Range Facilities Master Plan, which is currently under way. This additional reduction will further increase operational savings in future years.</p> <p>Use of Unrestricted Net Assets: Unrestricted net assets are projected to decrease to \$46.2 million by June 2024. As our work progresses in identifying areas of budget reductions, we will still have to rely on some one-time funds by drawing down on our reserves. To balance the FY2022-23 budget we have implemented one-time budget balancing strategies totaling \$12 million. IUP had anticipated a decrease in revenue from the implementation of the undergraduate in state student tuition to the flat-rate model and set aside approximately \$5 million in one-time lost revenue claimed under HEERF III to aid in balancing the current year budget. We have identified approximately \$2 million of one-time account balances from designated funds and reserves to aid in balancing the current year budget.</p> <p>Other: An analysis of key areas is underway in effort to provide guidance around best practices for operations and ensuring that expenses do not exceed funding available. These areas being reviewed include Intercollegiate Athletics, Auxiliary, Center for Health and Well-being, and several others. Some of the work is complex and requires legal counsel assistance.</p> <p>Auxiliary: Auxiliary revenue and actual expenses for this year and projections for next year are aligning with projections made in the CPP in September of 2022. IUP projected an estimated \$8 million annual structural deficit for both years of the plan for our auxiliary units. We are exploring and discussing options to reduce this deficit; however, debt service remains one of the largest expenditures and, due to agreements in place with affiliates, options are very limited. Off-campus student housing is abundant and is offered, for the most part, at lower pricing than on-campus housing. This On-campus housing price reduction is constrained by the need to meet debt service. further complicates the overall student housing situation at IUP. The IUP auxiliary budget is complicated due to the mix of affiliate-owned and IUP-owned housing portfolios, the overall occupancy levels, and bond debt that is higher than both housing and dining can afford. Discussions regarding strategies are being held with system staff, legal counsel, and others to determine what next steps IUP can take to reduce debt, lower costs, and close this structural deficit without harming our current or prospective students. These discussions and analyses just started at the beginning of February when we were able to get outside legal counsel obtained to assist IUP in the work, allowing us to finally begin to progress in this important work.</p>		
<p>Summary of Progress Against Milestones</p>	<p>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: \$x,xxx,xxx</p>	<p>CAO/CFO Recommendations? No/Yes (see below) Action plan required? No/Yes (see below)</p>	<p>Overall Ranking: (To reflect joint voting process - TBD)</p>
<p>CAO/CFO Recommendations—To reflect joint voting process (TBD)</p>		

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 . . .].

Key:	Exceeds Expectations	Meets Expectations	Partially Meets Expectations	Does Not Meet Expectations
-------------	----------------------	--------------------	------------------------------	----------------------------

IN University
FY 2022-23 Mid-Year Sustainability Progress Summary

Executive Summary: Update new "Charts for Sustainability" tab in CPP template with revised 2022-23 and 2023-24 data; copy table here.

Executive Summary - E&G and Auxiliary

(\$ in Millions)

	ACTUAL		PROJECTED								
	Goal	FY 2020-21	Original	%	Revised	%	Original	%	Revised	%	
		FY 2021-22	FY 2022-23*	% Change	FY 2022-23	% Change	FY 2023-24*	Change	FY 2023-24	Change	
Revenues and Use of Supplemental Resources/Adjustments Less Expenditures & Transfers		\$2.9	\$4.5	(\$21.5)		-\$20.6		(\$14.8)		-\$14.6	
Total Estimated Unrestricted Net Assets		\$76.6	\$80.0	\$59.2	-26.0%	\$60.1	-24.8%	\$45.2	-23.7%	\$46.2	-23.1%
Total Estimated End of Year Cash Balance		\$81.7	\$84.0	\$63.2	-24.7%	\$64.1	-23.7%	\$49.2	-22.2%	\$50.2	-21.7%
Annualized FTE Enrollment		8,896.27	8,023.99	7,649.20	-4.7%	7,678.28	-4.3%	7,648.84	0.0%	7,603.39	-1.0%
Fall FTE Student/Fall FTE Faculty Ratio	19.2	15.4	17.0	17.7		17.0		18.6		17.1	
Net Tuition Revenue per FTE Student**		\$6,454	\$5,657	\$4,139	-26.8%	\$4,462	-21.1%	\$4,306	4.0%	\$4,153	-6.9%

*Submitted September 2022

**Undergraduate academic year tuition revenue less institutional aid/annualized undergraduate FTE enrollment. Note: this estimate may include aid awarded to graduate students.

Enrollment Projections: Actuals (Fall/Spring Freeze Dates) — Update new "Charts for Sustainability" tab in CPP template with revised 2022-23 and 2023-24 data; copy table here.

Enrollment Chart

	ACTUAL		PROJECTED							
	FY 2020-21	FY 2021-22	Original	%	Revised	%	Original	%	Revised	%
		FY 2022-23*	% Change	FY 2022-23	% Change	FY 2023-24*	Change	FY 2023-24	Change	
Fall FTE Enrollment										
Clock Hour	228.85	257.20	245.16	-4.7%	252.35	-1.9%	245.16	0%	245.17	-2.8%
Undergraduate	7,052.80	6,300.80	6,049.49	-4.0%	6,085.20	-3.4%	6,028.05	-0.4%	5,987.79	-1.6%
Graduate	982.88	989.00	903.92	-8.6%	888.90	-10.1%	921.48	1.9%	921.49	3.7%
Total Fall FTE Enrollment (excludes clock hour students)	8,035.68	7,289.80	6,953.41	-4.6%	6,974.10	-4.3%	6,949.53	-0.1%	6,909.28	-0.9%
Annualized FTE Enrollment										
Undergraduate (includes clock hour)	7,589.89	6,795.45	6,526.39	-4.0%	6,556.50	-3.5%	6,504.21	-0.3%	6,458.76	-1.5%
Graduate	1,306.38	1,228.54	1,122.81	-8.6%	1,121.78	-8.7%	1,144.63	1.9%	1,144.64	2.0%
Total Annualized FTE Enrollment (includes clock hour students)	8,896.27	8,023.99	7,649.20	-4.7%	7,678.28	-4.3%	7,648.84	0.0%	7,603.40	-1.0%

New Students - Fall First-Time Degree Seeking Undergraduate FTE	1,751.13	1,547.30	1,696.33	9.6%	1,640.20	6.0%	1,702.63	0.4%	1,702.63	3.8%
New Students - Fall New Transfer Degree Seeking Undergraduate FTE	247.40	245.87	274.98	11.8%	248.80	1.2%	276.00	0.4%	256.66	3.2%
Fall Graduate FTE (All credit bearing)	982.88	989.00	903.92	-8.6%	888.88	-10.1%	921.48	1.9%	921.49	3.7%
Second-Year Persistence Rate for First-Time, Full-Time Bachelor Degree Seeking Students	72.1%	71.3%	70.6%	-1.1%	70.0%	-1.9%	71.0%	0.6%	70.5%	0.7%
Six-Year Graduation Rate for First-Time, Full-Time Bachelor Degree Seeking Students	56.7%	55.8%	55.8%	0.0%	55.8%	0.0%	55.8%	0.0%	55.8%	0.0%
Net Tuition Revenue per FTE Student**	\$6,454	\$5,657	\$4,139	-26.8%	\$4,462	-21.1%	\$4,306	4.0%	\$4,153	-6.9%

*Submitted September 2022

**Undergraduate academic year tuition revenue less institutional aid/annualized undergraduate FTE enrollment. Note: this estimate may include aid awarded to graduate students.

Financial Overview: Update new "Charts for Sustainability" tab in CPP template with revised 2022-23 and 2023-24 data; copy table here.

Financial Overview Chart

(\$ in Millions)

	ACTUAL		PROJECTED							
	FY 2020-21	FY 2021-22	Original	%	Revised	%	Original	%	Revised	%
		FY 2022-23*	% Change	FY 2022-23	% Change	FY 2023-24*	Change	FY 2023-24	Change	
Total Unrestricted (E&G and Auxiliary) Budget										
Total Revenues	\$216.0	\$217.3	\$192.0	-11.7%	\$191.2	-12.0%	\$194.8	1.5%	\$193.3	1.1%
Total Expenditures and Transfers to Plant Funds	213.1	212.8	213.5	0.3%	211.9	-0.4%	209.6	-1.8%	208.0	-1.8%
Revenues Less Expenditures/Transfers to Plant Funds	\$2.9	\$4.5	(\$21.5)		(\$20.7)		(\$14.8)		(\$14.6)	
Surplus/(Deficit)—Excludes Transfers to Plant Funds	(\$5.1)	\$7.4	(\$20.8)		(\$20.6)		(\$14.0)		(\$13.9)	
Use of Supplemental Resources for One-Time Needs/ Strategic Initiatives	0.0	0.0	0.0		0.0		0.0		0.0	
One-Time COVID Funds (revenue recognition adjustment)	0.0	0.0	n/a		n/a		n/a		n/a	
Revenues and Use of Supplemental Resources/Adjustments Less Expenditures & Transfers	\$2.9	\$4.5	(\$21.5)		(\$20.6)		(\$14.8)		(\$14.6)	
Total Actual/Estimated Unrestricted Net Assets	\$76.6	\$80.0	\$59.2	-26.0%	\$60.1	-24.8%	\$45.2	-23.7%	\$46.2	-23.1%
Total Actual/Estimated End of Year Cash Balance	\$81.7	\$84.0	\$63.2	-24.7%	\$64.1	-23.7%	\$49.2	-22.2%	\$50.2	-21.7%
Annualized FTE Enrollment	8,896.27	8,023.99	7,649.20	-4.7%	7,678.3	-4.3%	7,648.84	0.0%	7,603.4	-1.0%
Fall FTE Student/Fall FTE Faculty Ratio	15.4	17.0	17.7		17.0		18.6		17.1	
Annualized Unrestricted FTE Faculty, net of turnover	529.39	433.90	396.73	-8.6%	418.06	-3.7%	385.84	-2.7%	393.75	-5.8%
Annualized Unrestricted FTE Nonfaculty, net of turnover	598.88	519.35	513.77	-1.1%	519.90	0.1%	478.40	-6.9%	453.28	-12.8%
Total Unrestricted Employee FTE (Annualized)	1,128.27	953.25	910.50	-4.5%	937.96	-1.6%	864.24	-5.1%	847.03	-9.7%

*Submitted September 2022

E&G Financial Projections: **Update new "Charts for Sustainability" tab in CPP template with revised 2022-23 and 2023-24 data; copy table here.**

E&G Chart

(\$ in Millions)

	ACTUAL		PROJECTED								
	FY 2020-21	FY 2021-22	Original		Revised		Original		Revised		
			FY 2022-23*	% Change	FY 2022-23	% Change	FY 2023-24*	% Change	FY 2023-24	% Change	
Total E&G Budget											
Total Revenues	\$191.7	\$195.9	\$167.4	-14.5%	\$166.7	-14.9%	\$168.9	0.9%	\$167.4	0.4%	
Total Expenditures and Transfers to Plant Funds	188.0	186.0	180.5	-3.0%	178.8	-3.8%	176.0	-2.5%	174.4	-2.5%	
Revenues Less Expenditures/Transfers to Plant Funds	\$3.7	\$9.9	(\$13.0)		(\$12.1)		(\$7.1)		(\$7.0)		
Surplus/(Deficit)--Excludes Transfers to Plant Funds	(\$3.2)	\$12.9	(\$12.3)		(\$11.4)		(\$6.4)		(\$6.2)		
Use of Supplemental Resources for One-Time Needs/ Strategic Initiatives	0.0	0.0	0.0				0.0				
One-Time COVID Funds (revenue recognition adjustment)	0.0	0.0	n/a		n/a		n/a		n/a		
Revenues and Use of Supplemental Resources/Adjustments Less Expenditures & Transfers	\$3.7	\$9.9	(\$13.0)		(\$12.1)		(\$7.1)		(\$7.0)		
Total Actual/Estimated Unrestricted E&G and Plant Net Assets	\$70.6	\$79.4	\$67.1	-15.5%	\$68.0	-14.3%	\$60.7	-9.5%	\$61.8	-9.1%	
Total Actual/Estimated E&G End of Year Cash Balance	\$69.3	\$75.8	\$63.6	-16.2%	\$64.4	-15.1%	\$57.2	-10.0%	\$58.2	-9.6%	

*Submitted September 2022

Auxiliary Financial Projections: **Update new "Charts for Sustainability" tab in CPP template with revised 2022-23 and 2023-24 data; copy table here.**

Auxiliary Chart

(\$ in Millions)

	ACTUAL		PROJECTED							
	FY 2020-21	FY 2021-22	Original		Revised		Original		Revised	
			FY 2022-23*	% Change	FY 2022-23	% Change	FY 2023-24*	% Change	FY 2023-24	% Change
Total Auxiliary Budget										
Total Revenues	\$24.4	\$21.4	\$24.6	14.6%	\$24.6	14.8%	\$25.9	5.5%	\$25.9	5.3%
Total Expenditures and Transfers to Plant Funds	25.1	26.9	33.1	22.9%	33.1	23.1%	33.6	1.6%	33.6	1.5%
Revenues Less Expenditures/Transfers to Plant Funds	(\$0.8)	(\$5.5)	(\$8.5)	55.6%	(\$8.5)	55.7%	(\$7.7)	-9.5%	(\$7.7)	-9.4%
Surplus/(Deficit)--Excludes Transfers to Plant Funds	(\$2.0)	(\$5.5)	(\$8.5)		(\$8.5)		(\$7.7)		(\$7.7)	
Use of Supplemental Resources for One-Time Needs/ Strategic Initiatives	0.0	0.0	0.0				0.0			
One-Time COVID Funds (revenue recognition adjustment)	0.0	0.0	n/a		n/a		n/a		n/a	
Revenues and Use of Supplemental Resources/Adjustments Less Expenditures & Transfers	(\$0.8)	(\$5.5)	(\$8.5)		(\$8.5)		(\$7.7)		(\$7.7)	
Total Actual/Estimated Unrestricted Auxiliary & Plant Net Assets	\$6.0	\$0.6	(\$7.9)	-1441.3%	(\$7.9)	-1440.7%	(\$15.6)	97.2%	(\$15.6)	97.5%
Total Actual/Estimated Auxiliary End of Year Cash Balance	\$12.4	\$8.2	(\$0.3)	-103.9%	(\$0.3)	-103.7%	(\$8.0)	2433.9%	(\$8.0)	2566.7%

*Submitted September 2022

Unrestricted Net Asset and Cash Balance Projections: **Update new "Charts for Sustainability" tab in CPP template with revised 2022-23 and 2023-24 data; copy table here.**

Unrestricted Net Assets Chart

(\$ in Millions)

	Actual		Projected							
	FY 2020-21	FY 2021-22	Original		Revised		Original		Revised	
			FY 2022-23*	% Change	FY 2022-23	% Change	FY 2023-24*	% Change	FY 2023-24	% Change
Total Actual/Estimated Unrestricted Net Assets	\$76.6	\$80.0	\$59.2	-26.0%	\$60.1	-24.8%	\$45.2	-23.7%	\$46.2	-23.1%
Total Actual/Estimated End of Year Cash Balance	\$81.7	\$84.0	\$63.2	-24.7%	\$64.1	-23.7%	\$49.2	-22.2%	\$50.2	-21.7%
Projected Ratios resulting from the Annual Projection Plan - Will NOT Match Final Metric Results										
Estimated Annual Primary Reserve Ratio	34.0%	36.3%	n/a		n/a		n/a		n/a	
<i>Estimated End of Year Balance in Net Assets/Total Expenses</i>										
Estimated Minimum Reserves	159	173	n/a		n/a		n/a		n/a	
<i>Unrestricted cash*365/total unrestricted expenses</i>										

*Submitted September 2022

System Sustainability Plan Update

Mid-Year Sustainability Progress Summary

Due: February 22, 2023

**Fiscal Year
2022-23**

University:	IN , Plan Level 2	
	Summary of Progress <i>(All yellow highlighted areas to be completed by submitting university)</i>	Reviewer Comments <i>(To be completed by other CAOs/CFOs after February 22, 2023)</i>
Fiscal Year Milestones	<p>To achieve enrollment targets of 8,844 (headcount incl. clock hour)/6,953 (FTE) at the fall freeze; Actuals at fall freeze were 8,832 (headcount incl. clock hour)/7,226.45 (FTE). To reduce FY2022-23 personnel expenditures by \$5.3 million [46 FTE]. For FY2022-23, \$1.5 million [17 FTE] in non-faculty personnel expenditures have been identified. We revised the target for the faculty reduction and moved it forward to next year. As detailed below, since the September CPP submission, we have received 5 separation notices for faculty who will not be replaced. In addition, 8.1 FTE of faculty positions have been identified as one-time budget reductions in FY2022-23, resulting in savings of \$1.4 million for this year. IUP's operational savings included savings for contracts reductions and utilities savings. \$500K in utility savings was projected for this year, and with the implementation of the winter and summer 2023 savings program and the contracts review project underway, it is anticipated that we will meet or surpass both of these operational targets.</p>	
Enrollment/ Revenue	<p>Narrative on progress from university, referring to tables on the back page</p> <ul style="list-style-type: none"> • Undergraduate: • Graduate • Noncredit Bearing (if applicable) • Clock Hour (if applicable) • Explanation of any new specific revenue 	
	<p>Overall, the undergraduate, graduate, and clock hour combined headcount for fall 2022 was -12 under the CPP (September 2022 version) projections, credit hour generation was +362 over projections, and FTE was +21.51 over projections.</p> <p>By level, undergraduate student headcount was 32 students below projections and credit hour registration was +522 over projections resulting in a fall undergraduate FTE 34.8 ahead of projections. Graduate students' headcount was 17 students under projections, with in-state student headcount below projection and out-of-state/international graduate headcount 22 students above projections. Graduate credit hour registration was 159.5 below projections and the fall FTE for graduate students was 13.29 FTE below projections. Clock hour student headcount was 37 students ahead of projections and exceeded projected clock hours by 3,233 hours and FTE by 7.19.</p> <p>Winter term actuals were below projections by 9% in headcount and about 7.5% in credit hours. The largest proportion of deficit is seen in in-state, undergraduate students. Additional analysis will be required to determine if the change to a flat-rate tuition structure for in-state residents contributed to this decline.</p> <p>Spring 2023 freeze headcount exceeded the September 2022 projections by 68 – graduate by 40 and undergraduate by 28. Overall credit hours were -427 credit hours [40 FTE] below projections. Undergraduate student credit hour generation was 220 [14 FTE] over projections and graduate students credit hour generation was 647 [54 FTE] below projections. The graduate decline was in both in-state and out-of-state students. The shortfall in graduate negatively impacted total revenue.</p> <p>Fall to spring retention of the fall 2022 new, first-time, full-time undergraduate student cohort was 85.33%, which is -0.62 percentage points, or -8 students, below the projected fall to spring retention of 85.95%. A higher percentage of students in the cohort were academically dismissed after the fall semester as compared to fall 2021 (5.36% vs. 4.31%); however, of those students who were not dismissed, a higher percentage did register for spring (90.2% vs. 89.7%). We have seen over the past two years (fall 2021 and fall 2022—post-COVID), a higher-than-average number and percentage of students being dismissed after fall. Pre-COVID, the five-year average of students who were dismissed was 2.87%. University efforts with retention and persistence are described below.</p> <p>Contrary to the retention of new, first-time, full-time undergraduate students, the percent of fall 2022 continuing student headcount that enrolled for spring 2023 exceeded projections by 0.61 percentage points, or 29 students ahead of projections.</p> <p>New students entering IUP in the spring 2023 semester also exceeded last year's headcount, with 24 new undergraduates and 16 additional graduate students matriculating as compared to spring 2022. Our population of dual enrollment high school students also increased by 22 students above the number that enrolled in spring 2022.</p> <p>Again, this year, the university organized a robust campaign to assist students with registration for spring. Retention funds were allocated to students whose account balance was too high for them to register. 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.</p>	

As a result of this campaign, a higher percentage of students 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 6 percentage points higher in undergraduate registrations as compared to the previous four years as a percent to final spring registration and the final spring 2023. The various activities continue to be assessed for effectiveness and to refine efforts or outreach to students for summer and fall registration, IUP is currently in the implementation stages of a new student success infrastructure that utilizes both technological and human resources to provide pro-active and personalized outreach to students in all facets of their university experience.

Revenue:

Tuition revenue was updated based on actual fall, winter, and spring enrollments. This resulted in FY2022-23 revenue approximately \$1.4 million below the projection in the CPP in September 2022. Although overall fall credit hours exceed what was projected in September 2022 CPP submission, we saw lower credit hours in the student categories which pay a higher per-credit rate (graduate, domestic out of state, and international) which resulted in lower revenue. The situation was similar for spring, which also resulted in lower revenue than originally projected.

In December 2022, the Council of Trustees approved a flat or banded rate for our domestic, out-of-state, undergraduate students starting in fall 2023. This reduction in cost of attendance is similar to the 20 percent discount implemented in fall 2023 for our in-state, undergraduate students. As we anticipated with the discontinuation of the in-state rate, we also expect to see a decline in revenue in FY2023-24 around \$600k resulting from this change from a per-credit rate. This revenue loss will be supplemented by a use of one-time sources or a drawdown of reserves. As with our in-state rate, revenue was not the only factor in our decision. We had to carefully weigh the possible \$600k revenue loss against the impact and fairness to our domestic, out-of-state, undergraduate students.

In addition to the lower revenue resulting from the implementation of the new flat rate, updated enrollment projections are lower than those in the CPP September 2022 submission. This, coupled with declining enrollments in our intersession enrollment, resulted in lower revenue projections for FY2023-24.

As a result of extreme cold temperatures in December 2022, the S.W. Jack Cogeneration plant ran for extended periods of time, particularly around Christmas. The electricity the plant generated and exported to the PJM grid resulted in revenue of \$692K for the month of December. This exceeded the prior year December revenue by \$625K. This increased the FY 2022-23 other revenue.

In addition, because many of the larger generation plants in the area could not start up under these extreme conditions, IUP will be paid an additional \$500k by PJM as an emergency response payment. This amount is not yet finalized and could change slightly. Since this payment may not be received until next year it was adjusted in FY2023-24 other revenue, to be conservative.

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

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

Personnel Expenditures:

In IUP's CPP September 2022 submission, various personnel targets were set based on historical net attrition and the need to reduce expenditures over the three years of the CPP to balance the budget. An in-depth analysis and review of our staffing levels in all categories has continued since September 2022 and will extend into the next years, including a review of vacant non-faculty positions, the hiring of temporary faculty, sharing of resources across divisions and departments, reviewing classifications and position descriptions, faculty personnel related "pool" funding, and possible university reorganizations to achieve financial savings and improve efficiency and effectiveness.

Non-Faculty: A review of non-faculty positions to date has resulted in 13.65 FTE and \$1.3 million being eliminated from the mid-year CPP budget for the current fiscal year. Although this was a positive trend, we are short approximately 13 FTE and \$1.2 million dollars in targeted reductions. We anticipate more progress by year's end, but any amount short of the target will need to be achieved in years 2 and 3 of the plan.

Strategies for large reductions in staff are complex and require meaningful discussions and care to plan and implement, keeping in mind that we want to do these actions cautiously and in consultation with various parties across the campus. Key to all recommendations has been to understand impacts to our students and how they are being served.

Executive leadership at IUP has met to discuss budget balancing measures and are identifying areas within their divisions and across divisions where additional savings, reallocations, and sharing of resources could be achieved. These conversations have been productive in the most recent weeks and will continue to achieve the targets developed in the CPP.

Expenditures

Further development is needed for several unit reorganizations to improve efficiency and effectiveness in serving students. Strategies for work expectations, workload, and business processes to reduce personnel expenditures, particularly when positions become vacant, are also in development. As positions become vacant, they will be reviewed and analyzed for the possibilities of sharing functions, streamlining tasks, improving operations, understanding duplication of work, and making better determinations of how to move forward. Over \$850K in non-faculty personnel savings have recently been identified for FY2023-24 by taking this newer approach.

We continue to work towards a more streamlined, narrower, simpler overall organizational structure and business processes at the university. Simplifying the structure should result in the ability to eliminate positions as they become vacant and reducing the overall personnel budget.

A review of our facilities area, which contains a large portion of our non-faculty positions, is ongoing. To date, there are at least three positions that will become vacant due to separations and retirements over the next year and will not be filled. This review will also continue to pursue the goal of reducing overall campus footprint allowing us to perform facilities functions with even less staffing. According to the Gordian report, in FY22 the IUP Maintenance staff covered more building square footage than their peers – 175,000 gross square feet per FTE at IUP vs. the peer average at 125,000. In addition, the IUP Maintenance staff has less supervision than their peers with IUP at 27 FTE per supervisor vs. the peer average of 8. IUP also outscores our peers in general repair inspection. We have developed best practices and a better model in which we can refine and continue to be more efficient and effective.

We are intensively looking at space optimization and its direct impact on facilities related positions, through attrition. The next round of long-range facilities master planning (LRFMP) is just beginning and the major goals are to reduce and/or consolidate spaces, utilize space more optimally, and plan for future academic program growth in a mindful and holistic way. As physical space reductions take place, reductions in facilities and utilities costs will follow.

Faculty: The targets developed in the CPP for September 2022 for faculty personnel reductions through attrition and lowering costs was 25.7 FTE and \$3.9 million over the three years of the CPP. The FY2022/2023 faculty reduction target was 17.37 FTE/\$2.6 million dollars. This target was intentionally aggressive, “front-loading” the targets to be achieved in years one and two of the plan.

After further review and discussion of the targets, this front-loading was too optimistic. More time was needed to review data, conduct work regarding the academic program array (CPP Plan B), and analyze and understand all aspects of academic personnel costs and other important information. We needed the 2022-2023 year to work collaboratively on this effort before we could strategically plan for strategic reductions in the academic program array and hence in faculty while serving IUP’s current and future students.

Therefore, we revised our faculty-related targets to be achieved in Years 2 and 3 of the plan.

Other items of note include: A review of Leave without Pay (LWOP), Sabbaticals and Grant releases that were not known at the time of the CPP September 2022 submission has resulted in one-time savings of 8.1 FTE and \$1.4 million for the current year and is reflected in this mid-year report. Five faculty separation notices have been submitted to HR and confirmed to occur this year and next. There are also two other faculty changes that reduced faculty salary and benefit budget and FTE. These are reflected in FY 22-23 faculty data in this report.

Following a review of workload and academic growth areas after the fall semester began, it was deemed necessary to fill up to 7 permanent faculty positions in critical academic program areas, e.g., psychology, nursing, and cybersecurity, mostly to occur next fiscal year. This resulted in an increase to faculty budgets above projections of at least \$1.1 million, depending upon preferential rights hiring and CBA requirements. As the year has progressed, additional spring temporary hires were deemed necessary, again increasing our faculty budget. As noted previously, a critical and extensive review of faculty complement, and program array has begun, this will include the use of temporary hires, Alternative Work Assignments, overload payments, and general academic planning and scheduling.

Due to the need to plan out some of the complex work for personnel reductions and that some personnel attrition did not occur as rapidly as expected, combined with reductions in the tuition model to benefit students, there were targets that were not met this current year and therefore, the FY2023-24 projected budget shortfall increased from \$14.8 million to \$17.1 million.

Other Expenditures:

IUP planned for significant operational budget reductions by the following strategies: a) utilities savings; b) review consultant and other large contracts to reduce expenses; c) review scholarship funding for potential reduction in overall funding allocation and/or individual student awards; and d) review select areas of the university for recommendations for better and more effective operations. Progress on operational expense reductions is positive, thus far. The university expects that the targets set for operational expense reductions due to the various strategies identified are expected to be achieved or over-achieved this current year.

Utilities: IUP implemented a summer utilities savings pilot program last summer, 2022, as the first step towards reducing utilities costs across the campus. The goals of the program were to reduce costs as much as possible through options for employee work schedules that will reduce the employee footprint on campus (including continuing the Telecommuting Policy) and reducing energy use in campus buildings and facilities by consolidating instruction and activities to fewer buildings and setting back temperature settings in an efficient manner. The success of this program required campus-wide buy-in and cooperation. The Utility Savings program that was first implemented for summer 2022 achieved promising results despite the quick turnaround time to implement this program. The savings was estimated at \$300,000. IUP decided to continue this program for winter and a Winter Utilities Savings Program took place in December of 2022 and January of 2023. Winter savings calculations are not finalized since

<p>utilities bills have not yet been received. But it is expected to have saved the university money despite the program was only for a four-week time period and that we experienced colder than average temperatures during that time period. A new Summer Utilities Savings Program is being planned for Summer of 2023, refining what we have learned from the first two pilot programs. The target for savings for this current year was \$500,000 in savings and it is expected that IUP will meet or surpass this target.</p> <p>Scholarships: The Scholarship funding allocation budget was assessed for the current fiscal year, FY2022-23, to determine if one-time funds can be released for the current year to assist with the budget gap. It was determined that the current total scholarship balance can absorb a one-time reduction of \$3 million for the current year as it will not be used for the current year. This one-time reduction to the account and transfer will be implemented in FY2022-23 to help offset the current year's budget deficit. We will continue to assess the account for the ability to do further reductions, if possible. It was also determined, given the change in tuition structure and rates for undergraduate domestic and out-of-state students, that current scholarship award levels will continue through next year. IUP did not have a definitive scholarship savings target placed into the CPP in September 2022. The one-time reduction of \$3 million will assist the IUP budget for this year.</p> <p>The university is undergoing a campus-wide thorough review of consultant and other large contracts. Progress, so far, was that two contracts were eliminated from the budget. This work began this semester, and we anticipate to achieve the target reduction of \$500,000 in contract reduction savings this year.</p> <p>Designated Accounts: A workgroup was formed to simplify the account structure for the numerous designated accounts that had historically been set-up at IUP for various purposes. The outcome, so far, has been that \$2 million of one-time funds have been identified to be utilized for closing the budget gap for this current year. Other outcomes included closing out inactive accounts, consolidating accounts, and reducing the number of accounts. This work will continue, identifying funds to assist with the budget for next year and providing guidelines, improved business processes, and best practices around the use of these accounts to end users and to the financial staff.</p> <p>Campus Footprint: Facilities has identified five buildings (Pratt, Eicher, R&P Office, Reschini House, and University Towers) to be demolished beginning in August 2023 and anticipated to be completed by November 2024. This will reduce the overall campus footprint by approximately 128,000 square feet. The reduction will result in operational savings (staffing, utilities, general maintenance). Currently, four of the five buildings are unoccupied for general use with the fifth to be unoccupied by July 2023. Additional space will be identified to go offline, as part of the Long-Range Facilities Master Plan, which is currently under way. This additional reduction will further increase operational savings in future years.</p> <p>Use of Unrestricted Net Assets: Unrestricted net assets are projected to decrease to \$46.2 million by June 2024. As our work progresses in identifying areas of budget reductions, we will still have to rely on some one-time funds by drawing down on our reserves. To balance the FY2022-23 budget we have implemented one-time budget balancing strategies totaling \$12 million. IUP had anticipated a decrease in revenue from the implementation of the undergraduate in state student tuition to the flat-rate model and set aside approximately \$5 million in one-time lost revenue claimed under HEERF III to aid in balancing the current year budget. We have identified approximately \$2 million of one-time account balances from designated funds and reserves to aid in balancing the current year budget.</p> <p>Other: An analysis of key areas is underway in effort to provide guidance around best practices for operations and ensuring that expenses do not exceed funding available. These areas being reviewed include Intercollegiate Athletics, Auxiliary, Center for Health and Well-being, and several others. Some of the work is complex and requires legal counsel assistance.</p> <p>Auxiliary: Auxiliary revenue and actual expenses for this year and projections for next year are aligning with projections made in the CPP in September of 2022. IUP projected an estimated \$8 million annual structural deficit for both years of the plan for our auxiliary units. We are exploring and discussing options to reduce this deficit; however, debt service remains one of the largest expenditures and, due to agreements in place with affiliates, options are very limited. Off-campus student housing is abundant and is offered, for the most part, at lower pricing than on-campus housing. This On-campus housing price reduction is constrained by the need to meet debt service. further complicates the overall student housing situation at IUP. The IUP auxiliary budget is complicated due to the mix of affiliate-owned and IUP-owned housing portfolios, the overall occupancy levels, and bond debt that is higher than both housing and dining can afford. Discussions regarding strategies are being held with system staff, legal counsel, and others to determine what next steps IUP can take to reduce debt, lower costs, and close this structural deficit without harming our current or prospective students. These discussions and analyses just started at the beginning of February when we were able to get outside legal counsel obtained to assist IUP in the work, allowing us to finally begin to progress in this important work.</p>		
<p>Summary of Progress Against Milestones</p>	<p>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: \$x,xxx,xxx</p>	<p>CAO/CFO Recommendations? No/Yes (see below) Action plan required? No/Yes (see below)</p>	<p>Overall Ranking: (To reflect joint voting process - TBD)</p>
<p>CAO/CFO Recommendations—To reflect joint voting process (TBD)</p>		

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 . . .].

Key:	Exceeds Expectations	Meets Expectations	Partially Meets Expectations	Does Not Meet Expectations
-------------	----------------------	--------------------	------------------------------	----------------------------

IN University
FY 2022-23 Mid-Year Sustainability Progress Summary

Executive Summary: Update new "Charts for Sustainability" tab in CPP template with revised 2022-23 and 2023-24 data; copy table here.

Executive Summary - E&G and Auxiliary

(\$ in Millions)

	ACTUAL		PROJECTED								
	Goal	FY 2020-21	Original	%	Revised	%	Original	%	Revised	%	
		FY 2021-22	FY 2022-23*	% Change	FY 2022-23	% Change	FY 2023-24*	Change	FY 2023-24	Change	
Revenues and Use of Supplemental Resources/Adjustments Less Expenditures & Transfers		\$2.9	\$4.5	(\$21.5)		-\$20.6		(\$14.8)		-\$14.6	
Total Estimated Unrestricted Net Assets		\$76.6	\$80.0	\$59.2	-26.0%	\$60.1	-24.8%	\$45.2	-23.7%	\$46.2	-23.1%
Total Estimated End of Year Cash Balance		\$81.7	\$84.0	\$63.2	-24.7%	\$64.1	-23.7%	\$49.2	-22.2%	\$50.2	-21.7%
Annualized FTE Enrollment		8,896.27	8,023.99	7,649.20	-4.7%	7,678.28	-4.3%	7,648.84	0.0%	7,603.39	-1.0%
Fall FTE Student/Fall FTE Faculty Ratio	19.2	15.4	17.0	17.7		17.0		18.6		17.1	
Net Tuition Revenue per FTE Student**		\$6,454	\$5,657	\$4,139	-26.8%	\$4,462	-21.1%	\$4,306	4.0%	\$4,153	-6.9%

*Submitted September 2022

**Undergraduate academic year tuition revenue less institutional aid/annualized undergraduate FTE enrollment. Note: this estimate may include aid awarded to graduate students.

Enrollment Projections: Actuals (Fall/Spring Freeze Dates) — Update new "Charts for Sustainability" tab in CPP template with revised 2022-23 and 2023-24 data; copy table here.

Enrollment Chart

	ACTUAL		PROJECTED							
	FY 2020-21	FY 2021-22	Original	%	Revised	%	Original	%	Revised	%
		FY 2022-23*	% Change	FY 2022-23	% Change	FY 2023-24*	Change	FY 2023-24	Change	
Fall FTE Enrollment										
Clock Hour	228.85	257.20	245.16	-4.7%	252.35	-1.9%	245.16	0%	245.17	-2.8%
Undergraduate	7,052.80	6,300.80	6,049.49	-4.0%	6,085.20	-3.4%	6,028.05	-0.4%	5,987.79	-1.6%
Graduate	982.88	989.00	903.92	-8.6%	888.90	-10.1%	921.48	1.9%	921.49	3.7%
Total Fall FTE Enrollment (excludes clock hour students)	8,035.68	7,289.80	6,953.41	-4.6%	6,974.10	-4.3%	6,949.53	-0.1%	6,909.28	-0.9%
Annualized FTE Enrollment										
Undergraduate (includes clock hour)	7,589.89	6,795.45	6,526.39	-4.0%	6,556.50	-3.5%	6,504.21	-0.3%	6,458.76	-1.5%
Graduate	1,306.38	1,228.54	1,122.81	-8.6%	1,121.78	-8.7%	1,144.63	1.9%	1,144.64	2.0%
Total Annualized FTE Enrollment (includes clock hour students)	8,896.27	8,023.99	7,649.20	-4.7%	7,678.28	-4.3%	7,648.84	0.0%	7,603.40	-1.0%

New Students - Fall First-Time Degree Seeking Undergraduate FTE	1,751.13	1,547.30	1,696.33	9.6%	1,640.20	6.0%	1,702.63	0.4%	1,702.63	3.8%
New Students - Fall New Transfer Degree Seeking Undergraduate FTE	247.40	245.87	274.98	11.8%	248.80	1.2%	276.00	0.4%	256.66	3.2%
Fall Graduate FTE (All credit bearing)	982.88	989.00	903.92	-8.6%	888.88	-10.1%	921.48	1.9%	921.49	3.7%
Second-Year Persistence Rate for First-Time, Full-Time Bachelor Degree Seeking Students	72.1%	71.3%	70.6%	-1.1%	70.0%	-1.9%	71.0%	0.6%	70.5%	0.7%
Six-Year Graduation Rate for First-Time, Full-Time Bachelor Degree Seeking Students	56.7%	55.8%	55.8%	0.0%	55.8%	0.0%	55.8%	0.0%	55.8%	0.0%
Net Tuition Revenue per FTE Student**	\$6,454	\$5,657	\$4,139	-26.8%	\$4,462	-21.1%	\$4,306	4.0%	\$4,153	-6.9%

*Submitted September 2022

**Undergraduate academic year tuition revenue less institutional aid/annualized undergraduate FTE enrollment. Note: this estimate may include aid awarded to graduate students.

Financial Overview: Update new "Charts for Sustainability" tab in CPP template with revised 2022-23 and 2023-24 data; copy table here.

Financial Overview Chart

(\$ in Millions)

	ACTUAL		PROJECTED							
	FY 2020-21	FY 2021-22	Original	%	Revised	%	Original	%	Revised	%
		FY 2022-23*	% Change	FY 2022-23	% Change	FY 2023-24*	Change	FY 2023-24	Change	
Total Unrestricted (E&G and Auxiliary) Budget										
Total Revenues	\$216.0	\$217.3	\$192.0	-11.7%	\$191.2	-12.0%	\$194.8	1.5%	\$193.3	1.1%
Total Expenditures and Transfers to Plant Funds	213.1	212.8	213.5	0.3%	211.9	-0.4%	209.6	-1.8%	208.0	-1.8%
Revenues Less Expenditures/Transfers to Plant Funds	\$2.9	\$4.5	(\$21.5)		(\$20.7)		(\$14.8)		(\$14.6)	
Surplus/(Deficit)—Excludes Transfers to Plant Funds	(\$5.1)	\$7.4	(\$20.8)		(\$20.6)		(\$14.0)		(\$13.9)	
Use of Supplemental Resources for One-Time Needs/ Strategic Initiatives	0.0	0.0	0.0		0.0		0.0		0.0	
One-Time COVID Funds (revenue recognition adjustment)	0.0	0.0	n/a		n/a		n/a		n/a	
Revenues and Use of Supplemental Resources/Adjustments Less Expenditures & Transfers	\$2.9	\$4.5	(\$21.5)		(\$20.6)		(\$14.8)		(\$14.6)	
Total Actual/Estimated Unrestricted Net Assets	\$76.6	\$80.0	\$59.2	-26.0%	\$60.1	-24.8%	\$45.2	-23.7%	\$46.2	-23.1%
Total Actual/Estimated End of Year Cash Balance	\$81.7	\$84.0	\$63.2	-24.7%	\$64.1	-23.7%	\$49.2	-22.2%	\$50.2	-21.7%
Annualized FTE Enrollment	8,896.27	8,023.99	7,649.20	-4.7%	7,678.3	-4.3%	7,648.84	0.0%	7,603.4	-1.0%
Fall FTE Student/Fall FTE Faculty Ratio	15.4	17.0	17.7		17.0		18.6		17.1	
Annualized Unrestricted FTE Faculty, net of turnover	529.39	433.90	396.73	-8.6%	418.06	-3.7%	385.84	-2.7%	393.75	-5.8%
Annualized Unrestricted FTE Nonfaculty, net of turnover	598.88	519.35	513.77	-1.1%	519.90	0.1%	478.40	-6.9%	453.28	-12.8%
Total Unrestricted Employee FTE (Annualized)	1,128.27	953.25	910.50	-4.5%	937.96	-1.6%	864.24	-5.1%	847.03	-9.7%

*Submitted September 2022

E&G Financial Projections: **Update new "Charts for Sustainability" tab in CPP template with revised 2022-23 and 2023-24 data; copy table here.**

E&G Chart

(\$ in Millions)

	ACTUAL		PROJECTED							
	FY 2020-21	FY 2021-22	Original	%	Revised	%	Original	%	Revised	%
			FY 2022-23*	Change	FY 2022-23	Change	FY 2023-24*	Change	FY 2023-24	Change
Total E&G Budget										
Total Revenues	\$191.7	\$195.9	\$167.4	-14.5%	\$166.7	-14.9%	\$168.9	0.9%	\$167.4	0.4%
Total Expenditures and Transfers to Plant Funds	188.0	186.0	180.5	-3.0%	178.8	-3.8%	176.0	-2.5%	174.4	-2.5%
Revenues Less Expenditures/Transfers to Plant Funds	\$3.7	\$9.9	(\$13.0)		(\$12.1)		(\$7.1)		(\$7.0)	
Surplus/(Deficit)--Excludes Transfers to Plant Funds	(\$3.2)	\$12.9	(\$12.3)		(\$11.4)		(\$6.4)		(\$6.2)	
Use of Supplemental Resources for One-Time Needs/ Strategic Initiatives	0.0	0.0	0.0				0.0			
One-Time COVID Funds (revenue recognition adjustment)	0.0	0.0	n/a		n/a		n/a		n/a	
Revenues and Use of Supplemental Resources/Adjustments Less Expenditures & Transfers	\$3.7	\$9.9	(\$13.0)		(\$12.1)		(\$7.1)		(\$7.0)	
Total Actual/Estimated Unrestricted E&G and Plant Net Assets	\$70.6	\$79.4	\$67.1	-15.5%	\$68.0	-14.3%	\$60.7	-9.5%	\$61.8	-9.1%
Total Actual/Estimated E&G End of Year Cash Balance	\$69.3	\$75.8	\$63.6	-16.2%	\$64.4	-15.1%	\$57.2	-10.0%	\$58.2	-9.6%

*Submitted September 2022

Auxiliary Financial Projections: **Update new "Charts for Sustainability" tab in CPP template with revised 2022-23 and 2023-24 data; copy table here.**

Auxiliary Chart

(\$ in Millions)

	ACTUAL		PROJECTED							
	FY 2020-21	FY 2021-22	Original	%	Revised	%	Original	%	Revised	%
			FY 2022-23*	% Change	FY 2022-23	% Change	FY 2023-24*	% Change	FY 2023-24	% Change
Total Auxiliary Budget										
Total Revenues	\$24.4	\$21.4	\$24.6	14.6%	\$24.6	14.8%	\$25.9	5.5%	\$25.9	5.3%
Total Expenditures and Transfers to Plant Funds	25.1	26.9	33.1	22.9%	33.1	23.1%	33.6	1.6%	33.6	1.5%
Revenues Less Expenditures/Transfers to Plant Funds	(\$0.8)	(\$5.5)	(\$8.5)	55.6%	(\$8.5)	55.7%	(\$7.7)	-9.5%	(\$7.7)	-9.4%
Surplus/(Deficit)--Excludes Transfers to Plant Funds	(\$2.0)	(\$5.5)	(\$8.5)		(\$8.5)		(\$7.7)		(\$7.7)	
Use of Supplemental Resources for One-Time Needs/ Strategic Initiatives	0.0	0.0	0.0				0.0			
One-Time COVID Funds (revenue recognition adjustment)	0.0	0.0	n/a		n/a		n/a		n/a	
Revenues and Use of Supplemental Resources/Adjustments Less Expenditures & Transfers	(\$0.8)	(\$5.5)	(\$8.5)		(\$8.5)		(\$7.7)		(\$7.7)	
Total Actual/Estimated Unrestricted Auxiliary & Plant Net Assets	\$6.0	\$0.6	(\$7.9)	-1441.3%	(\$7.9)	-1440.7%	(\$15.6)	97.2%	(\$15.6)	97.5%
Total Actual/Estimated Auxiliary End of Year Cash Balance	\$12.4	\$8.2	(\$0.3)	-103.9%	(\$0.3)	-103.7%	(\$8.0)	2433.9%	(\$8.0)	2566.7%

*Submitted September 2022

Unrestricted Net Asset and Cash Balance Projections: **Update new "Charts for Sustainability" tab in CPP template with revised 2022-23 and 2023-24 data; copy table here.**

Unrestricted Net Assets Chart

(\$ in Millions)

	Actual		Projected							
	FY 2020-21	FY 2021-22	Original	%	Revised	%	Original	%	Revised	%
			FY 2022-23*	% Change	FY 2022-23	% Change	FY 2023-24*	% Change	FY 2023-24	% Change
Total Actual/Estimated Unrestricted Net Assets	\$76.6	\$80.0	\$59.2	-26.0%	\$60.1	-24.8%	\$45.2	-23.7%	\$46.2	-23.1%
Total Actual/Estimated End of Year Cash Balance	\$81.7	\$84.0	\$63.2	-24.7%	\$64.1	-23.7%	\$49.2	-22.2%	\$50.2	-21.7%
Projected Ratios resulting from the Annual Projection Plan - Will NOT Match Final Metric Results										
Estimated Annual Primary Reserve Ratio	34.0%	36.3%	n/a		n/a		n/a		n/a	
<i>Estimated End of Year Balance in Net Assets/Total Expenses</i>										
Estimated Minimum Reserves	159	173	n/a		n/a		n/a		n/a	
<i>Unrestricted cash*365/total unrestricted expenses</i>										

*Submitted September 2022