Comprehensive Planning Narrative
Clarion University of Pennsylvania

As submitted

September 10, 2021

(updated financial charts on 9/27/2021 to reflect adjusted operating margin and primary reserve ratios)

Reports should be no more than 15 pages.

Executive Summary

Provide a brief (one page) narrative of the university's plan, based on the projected enrollment, revenue, and expenditure information provided in the completed templates. Consider copying and pasting from Sustainability Plan Version 2 narrative, then update as appropriate.

Executive Summary:
Clarion continues to implement its plan to increase enrollments, align faculty and staff with enrollment, and reduce costs.

Part 1: Strategy Narrative

Complete one page for each of the university's top 2-3 strategies that are moving the university toward achieving their mission and strategic plan within the context of financial sustainability and student success. Copy this page, as needed, to complete for each of the top strategies.

Identifying strategic goals within major strategy categories

Strategy Categories (Check all that apply):		Student Success	X	Financial Sustainability
		Affordability		Academic Program Array
		Diversity/Equity/Inclusion		Other
Strategic Goal:	**Integration of Cal U, Clarion and Edinboro Universities**			

Strategic Goal(s) description and populations impacted:

Integrating the three institutions into a single, multi-campus university will help achieve administrative savings and optimize the university for efficiency.

Integration with Clarion, CalU and Edinboro will enable the sharing of faculty, courses, students, and programs amongst the three and will increase the program array options available to students without consequential increases in cost. In reality, the sharing of courses and faculty will support a reduction in overall course sections and the ability to raise the student-faculty ratio through attrition. Because the program array will include increased online options, adult student learners, working students, and students whose disabilities preclude travel to a campus will be most significantly impacted. Currently there are over 250 students who are participating in one of 50 courses shared amongst the three universities. This is an increase of over 200 students from Fall 2020.

Anticipated student success, DEI,or financial sustainability outcomes:

- Increased numbers of students enrolled in online programs at the newly integrated university.
- Increased number of courses open to students on all three campuses. Currently, Clarion shares 50 courses with CalU and EU. This number will increase as the integration is implemented with a resultant reduction in the number of faculty, in faculty costs, and/or in the number of low enrolled courses.
- Reduced time to degree completion for students. This will be driven by a more streamlined curriculum in the major (once all curricula are synthesized), a sharing of faculty with specialty expertise so that some required courses for the major can be offered more frequently and/or with larger enrollments that will mitigate against course cancellation.
- Increased sharing of student success resources.
- Elimination of revenue sharing costs for course sharing and faculty sharing.

Strategy funding and resources:

This initiative can be supported through ELG approval of a partnership model for online programs in the newly integrated western university and PASSHE approval of current programs moving to an online format.
Multi-campus and Systemwide implications, if applicable:

Part 2: Enrollment Projections Used for Revenue Assumptions

Provide a brief description of the university's realistic enrollment projections, including:

1. *Rationale for the projections and what the university is doing to achieve those projections (new academic programs, fees, etc.). Include only approved academic programs.*
2. *Explanation of any specific new revenue associated with those projections (new programs, pricing or fees (both E&G and Auxiliary).*
3. *Anticipated impact of the COVID-19 pandemic and the university's associated mitigation strategies on enrollment.*

Rationale for enrollment trends and projections:
• Due to COVID-19 impacts on the traditional, first-year student recruitment model (i.e. recruitment travel severely limited for FY22 and FY23), we are projecting lower new student enrollments for both years than previously projected (in prior CPP plans). In FY23 we expect to see an uptick from FY22 enrollment, however, it is still lower than previous first-year cohorts/classes enrolled prior to COVID-19. • Clarion has become a Common Application member for FY23 and this is anticipated to help generate more application activity and yield activity for FY23 and beyond (all three integrating schools in the west will be members). • Smaller cohorts/classes for FY22 and FY23 will impact "flow through" rates as there are less students moving through their four-years at the Clarion campus through FY25 and FY26. • Additionally, while we have seen our incoming transfer and graduate student enrollments remain flat and stable, we did back off anticipated growth for FY22, FY23 due to shifting partnership with Cal U to shifting to integration work between Cal U, Clarion and Edinboro. The impact of those efforts will not be realized, most likely, until FY 24 and beyond. Thus, we have kept our figures flat.
Explanation of any new specific revenue:

FTE Enrollment

COPY AND PASTE FROM PROJECTIONS TEMPLATE

	FY 2019-20	FY 2020-21	% Change	FY 2021-22	% Change	FY 2022-23	% Change
Fall FTE Enrollment							
Clock Hour	0	0	n/a	0	n/a	0	n/a
Undergraduate	3,304.90	3,137.27	-5.10%	2,759.64	-12.00%	2,610.00	-5.40%
Graduate	467.04	435.29	-6.80%	394.23	-9.40%	397.8	0.90%
Total Fall FTE Enrollment	3,771.94	3,572.56	-5.30%	3,153.87	-11.70%	3,007.80	-4.60%
Annualized FTE Enrollment							
Undergraduate (includes clock hour)	3,361.72	3,177.23	-5.50%	2,815.37	-11.40%	2,663.31	-5.40%
Graduate	626.46	606.65	-3.20%	528.95	-12.80%	534.1	1.00%
Total Annualized FTE Enrollment	3,988.18	3,783.88	-5.10%	3,344.32	-11.60%	3,197.41	-4.40%

Part 3: Financial Overview – E&G

Provide a brief description of the university's assumptions for the Educational and General (E&G) revenues and expenses. Consider copying and pasting from September 2020 CPP or February 2021 Sustainability Progress submission narrative, then update as appropriate.

E&G Revenues:

- Lower enrollment significantly impacted Tuition and Fees
- FY21 Revenue benefited from payments from DGS that reimbursed Clarion for E&G funds used in the Tippin project
- Sales of excess property anticipated to bring in proceeds of $500K to $1.5M

E&G Expenses:

- No tenure track hiring in FY22 & FY23
- Reducing Temp Faculty by 55 over FY21 & FY22 (23 reductions occurred in FY21)
- Nine full-time Faculty retired during FY21 with similar numbers expected to retire in FY23; no replacements will be made
- Additional retirements in Academic Affairs staff of approximately ten; no replacements anticipated
- Sharing Enrollment Vice President with Edinboro
- The limited number of new hirings must be approved by the President & PEC
- All travel, food and capital are budgeted centrally and those expenditures must be approved by the VPF&A
- Expect total compensation to be reduced YOY in FY22 by almost $3.0M
- We will budget Other Operating Expenses in FY22 at FY20 levels in order to continue to capture savings reflected in FY21 operations in FY22.
- Working on shared services opportunities in Human Resources (System-wide), Facilities Management (CalU) and Grant Management (IUP)
- Hiring temporary seasonal workers to replace grounds and maintenance staff vacancies to assess feasibility
- Clarion will look to gain additional efficiencies in operations as we integrate with CalU and Edinboro

Part 3: Financial Overview – AUXILIARY

Provide a brief description of the university's assumptions for the Auxiliary revenues and expenses. Consider copying and pasting from September 2020 CPP or February 2021 Sustainability Progress submission narrative, then update as appropriate.

Auxiliary Revenues:

- HEERF II and HEERF III funds are being used to offset Auxiliary loses and will recognized in income in FY21 and FY22 in amount of $3.8M and $4.7M, respectively
- Outsourcing of Health Center expected to save $450K to $600K over the term of the three-year contract.
- New foodservice contract entered into with Aramark and Edinboro, IUP and SRU; first year anticipated savings were offset by lower enrollment numbers.
- Housing prices were held flat for the third straight year to enhance affordability.

Auxiliary Expenses:

Unrestricted FTE Employees and Associated Metrics

COPY AND PASTE FROM PROJECTIONS TEMPLATE

Clarion University

	Target	FY 2019-20	FY 2020-21	% Change	FY 2021-22	% Change	FY 2022-23	% Change
Fall FTE Faculty, net of shared faculty	n/a	260.59	229.46	-11.9%	200.44	-12.6%	198.18	-1.1%
Annualized Unrestricted FTE Faculty, net of turnover	n/a	261.73	228.77	-12.6%	199.44	-12.8%	198.18	-0.6%
Annualized Unrestricted FTE Nonfaculty, net of turnover	n/a	318.20	298.98	-6.0%	290.00	-3.0%	287.01	-1.0%
Fall FTE Student/Fall FTE Faculty Ratio	18.9	14.5	15.6		15.7		15.2	
Annualized FTE Student/ Annualized FTE Nonfaculty Ratio	n/a	12.5	12.7		11.5		11.1	

Part 4: Overall Impact on Unrestricted Net Assets

Provide a brief description of the university's planned use of unrestricted net assets, including any strategic initiatives and capital investments. Consider copying and pasting from September 2020 CPP or February 2021 Sustainability Progress submission narrative, then update as appropriate.

Overall Impact on Unrestricted Net Assets:

Financial Projections
Unrestricted Activity (Educational & General and Auxiliary Enterprises)
COPY AND PASTE FROM PROJECTIONS TEMPLATE
Clarion University

	FY 2019-20	FY 2020-21	% Change	FY 2021-22	% Change	FY 2022-23	% Change
Total E&G Budget							
Total Revenues	$81,901,819	$83,599,769	2.1%	$75,513,072	-9.7%	$72,820,720	-3.6%
Total Expenditures and Transfers to Plant Funds	86,689,572	82,894,953	-4.4%	83,471,355	0.7%	85,545,107	2.5%
Revenues Less Expenditures/Transfers to Plant Funds	**($4,787,753)**	**$704,816**	**n/a**	**($7,958,283)**	**-1229.1%**	**($12,724,387)**	**n/a**
Surplus/(Deficit)--Excludes Transfers to Plant Funds	**($4,979,644)**	**$188,438**	**n/a**	**($7,958,283)**	**-4323.3%**	**($12,724,387)**	**n/a**
Use of Supplemental Resources for One-Time Needs/ Strategic Initiatives	**$0**	**$0**	**n/a**	**$0**	**n/a**	**$0**	**n/a**
One-Time COVID Funds *(revenue recognition adjustment)*	**n/a**	**$672,676**	**n/a**	**($672,676)**	**n/a**	**n/a**	**n/a**
Revenues and Use of Supplemental Resources/Adjustments Less Expenditures & Transfers	**($4,787,753)**	**$1,377,492**	**0.0%**	**($8,630,959)**	**-1229.1%**	**($12,724,387)**	**0.0%**
Use of Supplemental Resources for Operations (to Balance Budget)	**$0**	**$0**	**n/a**	**$0**	**n/a**	**$0**	**n/a**
Total Auxiliary Budget							
Total Revenues	$14,154,373	$11,580,725	-18.2%	$17,990,431	55.3%	$13,015,000	-27.7%
Total Expenditures and Transfers to Plant Funds	12,084,174	14,323,455	18.5%	17,643,319	23.2%	18,555,711	5.2%
Revenues Less Expenditures/Transfers to Plant Funds	**$2,070,199**	**($2,742,730)**	**-232.5%**	**$347,112**	**n/a**	**($5,540,711)**	**-1696.2%**
Surplus/(Deficit)--Excludes Transfers to Plant Funds	**$2,867,487**	**($4,231,182)**	**-247.6%**	**$102,349**	**n/a**	**($5,540,711)**	**-5513.5%**
Use of Supplemental Resources for One-Time Needs/ Strategic Initiatives	**$0**	**$0**	**n/a**	**$0**	**n/a**	**$0**	**n/a**
One-Time COVID Funds *(revenue recognition adjustment)*	**n/a**	**$3,952,073**	**n/a**	**($3,952,073)**	**-200.0%**	**n/a**	**n/a**
Revenues and Use of Supplemental Resources/Adjustments Less Expenditures & Transfers	**$2,070,199**	**$1,209,343**	**-232.5%**	**($3,604,961)**	**-200.0%**	**($5,540,711)**	**-1696.2%**
Use of Supplemental Resources for Operations (to Balance Budget)	**$0**	**$0**	**n/a**	**$0**	**n/a**	**$0**	**n/a**
Total Unrestricted (E&G and Auxiliary) Budget							
Total Revenues	$96,056,192	$95,180,494	-0.9%	$93,503,503	-1.8%	$85,835,720	-8.2%
Total Expenditures and Transfers to Plant Funds	98,773,746	97,218,408	-1.6%	101,114,674	4.0%	104,100,818	3.0%
Revenues Less Expenditures/Transfers to Plant Funds	**($2,717,554)**	**($2,037,914)**	**n/a**	**($7,611,171)**	**n/a**	**($18,265,098)**	**n/a**
Surplus/(Deficit)--Excludes Transfers to Plant Funds	**($2,112,157)**	**($4,042,744)**	**n/a**	**($7,855,934)**	**n/a**	**($18,265,098)**	**n/a**
Use of Supplemental Resources for One-Time Needs/ Strategic Initiatives	**$0**	**$0**	**n/a**	**$0**	**n/a**	**$0**	**n/a**
One-Time COVID Funds *(revenue recognition adjustment)*	**$0**	**$4,624,749**	**n/a**	**($4,624,749)**	**-200.0%**	**$0**	**n/a**
Revenues and Use of Supplemental Resources/Adjustments Less Expenditures & Transfers	**($2,717,554)**	**$2,586,835**	**0.0%**	**($12,235,920)**	**-200.0%**	**($18,265,098)**	**0.0%**
Use of Supplemental Resources for Operations (to Balance Budget)	**$0**	**$0**	**n/a**	**$0**	**n/a**	**$0**	**n/a**
Total Estimated Unrestricted Net Assets	($5,222,767)	($3,960,118)	n/a	($16,440,801)	n/a	($34,705,899)	n/a
Total Estimated End of Year Cash Balance	$12,096,102	$12,034,466	-0.5%	($446,217)	-103.7%	($18,711,315)	n/a

Projected Ratios resulting from the Annual Projection Plan - Will NOT Match Final Metric Results

	Target[1]	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Fall FTE Student/Fall FTE Faculty Ratio	18.9	14.5	15.6	15.7	15.2
Fall FTE student/Fall FTE faculty					
Estimated Student/Nonfaculty Ratio	n/a	12.5	12.7	11.5	11.1
Annualized FTE Student/Annualized FTE Nonfaculty					
Estimated Annual Operating Margin[2]	>2%	-3.5%	-4.6%	n/a	n/a
End of Year Surplus/(Deficit)--excluding Transfers to Plant/Total Revenues					
Estimated Annual Primary Reserve Ratio[2]	>40%	7.2%	8.0%	n/a	n/a
Estimated End of Year Balance in Net Assets/Total Expenses					
Estimated Minimum Reserves[2]	>180 days	39	49	n/a	n/a
*Unrestricted cash*365/total unrestricted expenses*					

[1] *Target for student/faculty ratio is based on fall 2010 FTE student and fall 2010 FTE faculty. Other targets reflect the procedure/standard requirements for overall financial sustainability.*
[2] *Ratios are for one year only; ratios used in the sustainability scorecard are based on a three-year rolling average.*

Part 5: Academic Program Strategies

Briefly describe anticipated changes to the academic program array, as applicable. Note: this is for academic planning and does not substitute for the new program proposal or notification process. It also does not preclude seizing upon unforeseen or innovative opportunities.

New credentials (degrees, credit-bearing certificates) to be added over the indicated planning period and a brief rationale for why *this* credential and why *this* university.

Next two years (add cells as needed):

6-Digit Program CIP Code	Credential level and type	Program Name	Brief Rationale

Next three to five years (add cells as needed):

6-Digit Program CIP Code	Credential level and type	Program Name	Brief Rationale

Credentialing programs being considered for curtailment over the indicated planning period--whether by moratorium or by consolidating with program(s) at one or more State System universities in order to share delivery, and a brief rationale.

Next two years (add cells as needed):

6-Digit Program CIP Code	Credential level and type	Program Name	M	C	Brief Rationale

What impact will the above actions have on the academic program array metrics (i.e., student/faculty ratio, average section size, number of programs) in the coming years?
Note: All financial and workload projections are based on the current program array, including approved new programs, and are used to project changes in the student/faculty ratio. In completing this section, address any further changes to the student/faculty ratio based on the proposed changes to program array reflected above.

New program ideas proposed for the new integrated university were included in the Program Array analysis document provided to the Board of Governors in spring 2021 and, therefore, are not repeated here. The program array for the new integrated western university will take effect in AY 2022-23. The new integrated western university will be able to combine program and course enrollments to gain economies of scale, use remote learning capabilities to share courses, expand online course offerings, and provide more access to courses in the winter and summer sessions, and will thusly enhance program sustainability. Additionally, the program array can be implemented with the existing faculty complement across the three integrating universities, as reduced by retirements this year. No new tenure track hires are expected during the first year of the integrated university. After full implementation of the synthesized curricula of the new university in 2024, enrollment in programs as well as the BI information will continue to be monitored to determine necessary changes to the academic program array.

Since FY 2019-2020, Clarion has reduced the faculty complement by 60.9 FTE, a reduction of 24% of the faculty complement---including a reduction of 30 FTE in faculty for this FY. And the faculty complement will continue to be reduced. Retirement letters for AY 22-23 have already been received from two faculty, and two more additional faculty will retire as a result of an acceleration of their phased retirement plans. Clarion has accomplished this faculty reduction by instituting a hiring freeze for tenure track faculty, reducing the number of temporary faculty, eliminating faculty releases (AWA) to contractual levels, restructuring general education, and streamlining curricula.

Unfortunately, due to declining enrollment, our student-faculty ratios have not increased. Achieving a significantly higher ratio will not be possible without the elimination of multiple programs or positions that generate positive net revenues to the university. Thus, we have not eliminated all temporary positions. Instead, we continue to judiciously and strategically use temporary faculty. For instance, our ASN and BSN 4 year nursing programs are well enrolled programs that serve to meet work force needs in our rural region. These programs also require significant clinical experiences that result in a student-faculty ratio of approximately 11:1. We have reduced costs by continuing to employ temporary part-time clinical supervisors. We also continue to strategically use temporary faculty to increase courses in programs that produce positive revenue such as the Masters in Library Science.

In Fall 2021, we are sharing three faculty and 50 courses with our integrating partners CalU and EU. Even though we are required to share revenue from these courses this year, we are doing so to build the infrastructure for increased collaboration and course sharing post-integration. Ultimately, the sharing of courses and faculty will support a reduction in overall course sections and the ability to raise the student-faculty ratio through attrition.