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The PASSHE predicament

By Colin McNickle

The beleaguered Pennsylvania State System of Higher Education (PASSHE) has proposed merging six of its 14 schools into three. But an analysis by the Allegheny Institute for Public Policy concludes that would be easier said than done.

“Given all the obstacles to any reorganization, the chancellor and the trustees face a daunting challenge,” says Jake Haulk, president-emeritus of the Pittsburgh think tank (in *Policy Brief Vol. 20, No. 32*).

The woes of the State System schools are well known. As of the fall of 2019 (the last available statistics), PASSHE had lost 20 percent of its enrollment since the peak in 2010. Some schools posted declines well over 30 percent and two exceeded 50 percent.

Not only has PASSHE’s financial situation deteriorated markedly, it also has major management problems stemming from labor unions.

It was in July that PASSHE Chancellor Daniel Greenstein announced plans to merge Edinboro and Slippery Rock, California and Clarion and Lock Haven and Mansfield.

The idea is to create a collaborative arrangement wherein school identities could be maintained but with streamlined course and degree offerings and faculty assignments to make the schools more efficient and productive.

“The Lock Haven–Mansfield combination includes two schools that have suffered enormous declines in enrollment since 2010 with Lock Haven down 42 percent and Mansfield down 51 percent,” Haulk says.

The two schools had the lowest 2018-2019 undergraduate enrollments of the 14 schools (other than Cheyney’s count of just 456). Post-merger, the schools’ combined enrollment (based on 2018-19 numbers) would still be well under 5,000.

But Haulk says the schools also suffer from a faculty cost per student well above the State System average -- \$8,075 for Lock Haven and \$7,298 for Mansfield (for junior and senior students). The PASSHE average is \$5,998.

That also happens to be well above the cost at Penn State (\$4,982) and Temple (\$3,779), the largest state-related schools.

“In short, joining two schools that are suffering from huge enrollment declines and very high costs per student might not be the wisest choice,” says Haulk, a Ph.D. economist. “Joining each with a healthier school should have been considered, although that has its own issues as well.”

Even that said, the combined enrollment assumes no major further slide as has been the case for 10 years at most of the six schools being considered for merging. (Slippery Rock is a notable exception with a fairly flat enrollment trajectory.)

Meanwhile, a combined California–Clarion would have 8,200 students. California has per student faculty costs that are lower than the State System average while Clarion is just above.

An Edinboro-Slippery Rock coupling would total 11,140 undergraduates. But Edinboro suffers from a high faculty cost per student, especially for juniors and seniors, that is more than \$2,000 above Slippery Rock’s cost and 27 percent above the system average.

“Beyond these considerations it must be acknowledged that faculty unions will almost certainly vigorously oppose any effort that requires faculty terminations,” Haulk says. “Then, too, the host communities will pressure legislators not to support any change that will result in loss of jobs in their community.”

Additionally, alumni and current students likely would oppose any move that takes away from the heritage or traditional identity of the schools.

“But the fact is that the State System’s problems associated with enrollment declines and financial problems cannot be allowed to continue getting worse and even more difficult to solve,” Haulk concludes.

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