Plans for Pa. university mergers continue, but all schools will keep their names — and sports teams, if the NCAA approves

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The system overseeing Pennsylvania's state universities is continuing plans to integrate six of its 14 schools into two entities but has decided that those schools will retain their names — and possibly their sports teams.

The Pennsylvania State System of Higher Education is seeking approval from the NCAA "so that we can maintain our athletic teams on all six campuses as they are today," Bloomsburg University president Bashar Hanna said at the system's board of governors meeting Thursday.

That means that even if <u>the system's plan</u> to integrate Lock Haven, Mansfield, and Bloomsburg Universities into one entity and Clarion, California, and Edinboro into another are approved, there could still be six football teams or six field hockey teams. The team studying integration found that all the sports teams bring money into the universities, Hanna said.

The approval from the NCAA could come as soon as next week, he said.

Also, the six university names would still appear on students' degrees, said Daniel Greenstein, system chancellor. Given that the universities are integral parts of their communities, maintaining name and brand emerged as a guiding factor, he said. That's among new developments in the integration planning that were outlined at the board of governors meeting Thursday.

The two groups of schools, however, would share one leadership team — though each school would have a campus leader — one budget and one curriculum. They would be part of two larger entities, yet to be named. Greenstein expects to put forth a detailed plan in April for a board vote, which would kick off a required comment period and lead to a final vote, possibly in July.

The system is pursuing the integrations as enrollment continues to decline — this year there are about 93,000 students, a 2% decline from last year and down from <u>about 120,000 a decade ago</u>. The system's <u>financial struggles</u> have been worsened by the pandemic, which is expected to cost the system and its third-party student housing providers about \$300 million by the end of 2020-21, said spokesperson David Pidgeon. Ten universities had lower minimum reserves in 2019-20 than they did five years earlier, and of the 14 universities, half do not have 180 days of reserves on hand, Kate Shirley

Akers, assistant vice chancellor for advanced data analytics, said at the meeting. Three have less than 90 days.

"Time is not our friend," Greenstein said. "And the steepness of these curves are alarming." Also at the meeting, the board agreed to borrow \$825 million to pay 75% of its financial obligations over the next 30 years to the State Employees Retirement System (SERS) in a one-time advance payment to be made by April 30. That will result in an estimated \$280 million cash influx to the system over the next three decades, Greenstein said. The system will use some of the money to assist with the redesign of the system underway, he said. But it would be a significant increase in the system's debt load, currently at about \$1.1 billion.

State Rep. Brad Roae, who is on the board, questioned whether the money might be better spent on paying down current debt.

"The higher challenge is redesigning the system," responded board chair Cynthia Shapira. "If we don't do that, we can't do any of the rest of it."

The board agreed on wording that bars the system from using the money for operational expenses.

It also approved a retirement incentive program for employees in the form of an enhanced sick-leave payout. About 1,400 employees were eligible for the plan as of the fall semester, Pidgeon said. The incentive programs are aimed at reducing the workforce and helping the system avoid or limit layoffs. Last year, 403 employees, more than half of them faculty, took a similar retirement incentive, Pidgeon said.

"It's really imperative that we get to a right size," Greenstein said. "We just can't keep operating the way we are operating under the circumstances."

Also at the meeting, Cheyney University president Aaron A. Walton received a three-year extension to his contract, running through 2024. And Hanna was appointed interim president of Lock Haven, in addition to continuing to lead Bloomsburg.



Posted: February 4, 2021 - 12:36 PM Susan Snyder_| <u>@ssnyderinq</u> | <u>ssnyder@inquirer.com</u> Editor's Note