

The Economic Impact of the PASSHE Employment Reductions

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SUMMARY

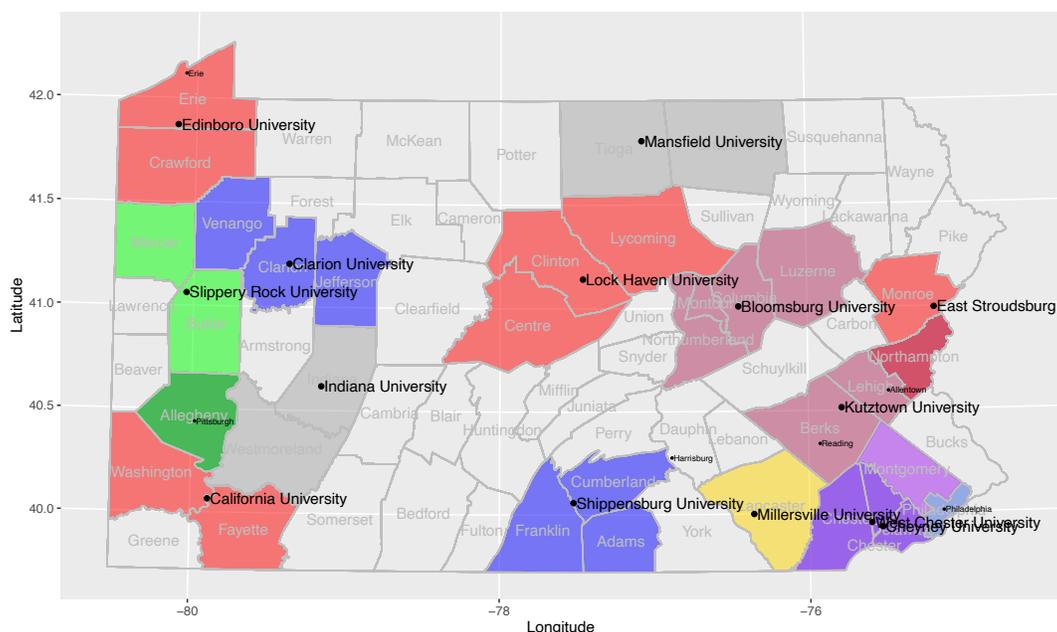
The Pennsylvania State System of Higher Education (PASSHE) comprises 14 public universities across the state. The PASSHE universities are key institutions in their respective regions. These universities give access to higher education for an overwhelmingly in-state student body and provide a major anchor of high-quality unionized and professional employment in a range of occupations. The PASSHE universities have embarked on a radical restructuring under the rubric of Chancellor Greenstein's "System Redesign." Large cuts in staffing, both of faculty and of professional and classified staff in good unionized jobs, constitute the core of the restructuring. The cuts, amounting to 14 percent of overall PASSHE employment, are of a magnitude equivalent to the largest private-sector plant closings and mass layoffs of the previous decade in Pennsylvania. This study documents that the cuts and their spillover effects will have a substantial negative impact on the Pennsylvania economy. The largest negative impacts in terms of job loss and revenue decline will be in the economic regions near each university that is facing job cuts. These job cuts will have their most severe impact on women. This is because women constitute large majorities of both the student body of the PASSHE universities and of the untenured faculty on staff.

The Pennsylvania State System of Higher Education (PASSHE) comprises 14 public universities across the state. As of the most recent full year of figures, the combined enrollment in all the PASSHE universities totaled 95,800. Overall employment in PASSHE was 11,048. This total employment figure includes the 5,069 faculty represented by the Association of Pennsylvania State College and University Faculties (APSCUF), 3,264 members of the American Federation of State, County and Municipal Employees (AFSCME), and 659 members of the SCUPA professional workers union.

The PASSHE universities provide access to higher education for an overwhelmingly in-state student body and offer high-quality unionized, professional employment in a range of occupations. The PASSHE universities are major economic anchors in their respective regions, many of which are in lower-income regions of the state. Figure 1 shows the 14 PASSHE universities and identifies the host county and cluster of several additional counties that are home to the vast majority of university employees.

In July 2020, PASSHE Chancellor Daniel Greenstein launched the next steps of an ongoing “System Redesign” of the PASSHE system by announcing that the universities would undergo major reductions in faculty staffing levels, as well as the consolidation of six of the universities into two larger entities.¹ For the system as a whole, the plan is to eliminate

FIGURE 1: PASSHE Universities and Surrounding Counties



For each of the fourteen PASSHE universities in the study, we define the cluster of economically relevant counties around the university. The economically relevant cluster of surrounding counties accounts for 80% of the total employment at the university.

809 faculty positions by 2023. This would reduce overall faculty staffing from its 2019 level of 5,069 to 4,260 as of 2023, amounting to a 16.0 percent cut in faculty positions across the 14 universities. In terms of overall employment—including non-teaching staff as well as faculty members—the plan is to cut 1,531 jobs as of 2023, from 11,048 total positions in 2019 to 9,517 positions in 2023. This would amount to a 13.9 percent decline in system-wide employment.

These employment reductions follow from the budget cuts that the Chancellor is proposing for the PASSHE system as of 2023. Thus, as of 2019, the overall budget of the PASSHE system (exclusive of student aid) was \$1.55 billion. Under the Chancellor's proposal, the system's overall budget would be cut by \$44.2 million from the 2019 level, a 2.9 percent reduction to \$1.50 billion.² But even these figures do not themselves adequately represent the full extent of the budget cuts that the Chancellor is proposing, since they do not factor in the effects of inflation on the university system's budget projections.

Inflation means that the prices of food, housing, transportation, education, and other necessities are rising. When inflation occurs, what a given number of dollars can purchase in, say 2023, will be less than what they could buy in 2019. Of course, we cannot know in advance what the actual inflation rate will be in the United States and Pennsylvania specifically between now and 2023. But if we assume, conservatively, that inflation between 2019 and 2023 will average 2 percent per year, that means that the 2019 PASSHE budget of \$1.5 billion will be able to purchase about 8 percent less than what it could purchase in 2019.³ A constant PASSHE budget of \$1.55 billion between 2019 and 2023 would therefore represent the equivalent of an 8 percent budget cut as of 2023. This effective 8 percent budget cut would then be in addition to the 2.9 percent cut in the total dollars included in the system's 2023 projected budget—i.e., the \$44.2 million cut to \$1.50 billion from the 2019 budget of \$1.55 billion.

Overall, then, under the Chancellor's plan, the PASSHE system will probably experience a roughly 11 percent budget cut as of 2023 relative to 2019, after we factor in the effects of inflation. This proposed 11 percent budget cut is the driving factor behind the Chancellor's plan to slash overall employment in PASSHE by nearly 14 percent as of 2023.

It is worth noting that the budget cuts are largely cuts to the people employed by the university. Across the PASSHE universities as a whole, 73% of the cuts are to personnel. At three of the universities slated for consolidation, Bloomsburg, Lock Haven, and Mansfield, more than 100% of the cuts are to personnel; that is, non-personnel parts of the budget are increasing while staff is being cut. At the other three universities undergoing consolidation, California, Clarion, and Edinboro, personnel cuts constitute fully 85% of the budget cuts.

In this study, we examine PASSHE planned reductions in the employment of faculty and staff from 2019 through 2023 according to several perspectives:

1. The number and percentage of job losses at each of the various institutions;
2. The size of these employment cutbacks relative to other recent experiences with large-scale employment losses in these areas;

3. The total impact on employment in these areas, including the direct cuts in employment at the universities themselves as well as the job losses in the respective local economies through spillover effects;
4. The effects the cuts will have on the quality of education, with student/faculty and student/staffing ratios rising; and
5. The disproportionate impacts opportunities on women in the Pennsylvania economy. We consider here both the fact that nearly 60 percent of the students enrolled in the PASSHE system are women, as are 57 percent of the untenured faculty members. These untenured female faculty members will almost certainly bear the brunt of employment losses.

University Consolidations and Employment Cuts by University

In all, the PASSHE universities will reduce employment by 1,531 full-time equivalent employees. Table 1 shows the employment losses across the PASSHE universities.

TABLE 1
Planned 2019-2023 PASSHE Employment Reductions

| University | Full-Time Equivalent Employment | | | |
|--|---------------------------------|-------------------------|-----------------|-------------------------|
| | 2019 Actual Employment | 2023 Planned Employment | Employment Cuts | Percent Employment Cuts |
| Bloomsburg | 1,033 | 880 | -154 | -15% |
| Lock Haven | 502 | 388 | -114 | -23% |
| Mansfield | 303 | 202 | -101 | -33% |
| <i>Bloomsburg-Lock Haven-Mansfield</i> | <i>1,839</i> | <i>1,470</i> | <i>-369</i> | <i>-20%</i> |
| California | 738 | 597 | -141 | -19% |
| Clarion | 576 | 452 | -125 | -22% |
| Edinboro | 637 | 401 | -236 | -37% |
| <i>California-Clarion-Edinboro</i> | <i>1,951</i> | <i>1,450</i> | <i>-502</i> | <i>-26%</i> |
| East Stroudsburg | 661 | 627 | -33 | -5% |
| Indiana | 1,306 | 923 | -383 | -29% |
| Kutztown | 924 | 779 | -145 | -16% |
| Millersville | 878 | 837 | -42 | -5% |
| Shippensburg | 791 | 606 | -185 | -23% |
| <i>Eight Continuing Universities</i> | <i>7,259</i> | <i>6,598</i> | <i>-661</i> | <i>-9%</i> |
| Total PASSHE System | 11,048 | 9,517 | -1531 | -14% |

Notes: Employment is Annualized Unrestricted FTE Net of Turnover. Actual values are shown for 2019-2020 and projected values are shown for 2022-2023. Totals for eight continuing universities and the PASSHE System include small employment increases at Cheyney, Slippery Rock, and West Chester (not shown).

Source: Comprehensive Planning Workbooks, September 2020.

The university consolidations will involve especially large reductions in faculty and staff. The proposed two consolidations are:

- Bloomsburg University, Lock Haven University, and Mansfield University, all in north-central Pennsylvania; and
- California University, Clarion University, Edinboro University, spread from north to south along with western Pennsylvania.

The distance from Edinboro University in Erie County in northwestern Pennsylvania to California University in Washington County in southwestern Pennsylvania is roughly 150 miles, as is a circuit from Bloomsburg University in Columbia County to Mansfield University in Tioga County by way of Lock Haven University in Clinton County. The US Department of Agriculture defines “Commuting Zones” on the basis of census data on daily flows of people commuting to and from jobs. Bloomsburg University, Lock Haven University, and Mansfield University are in three separate Commuting Zones. While Edinboro University and Clarion University are in the same Commuting Zone, they are at the extreme north and south of the zone. California University is in a distinct Commuting Zone.

The Bloomsburg-Lock Haven-Mansfield consolidation is projected to reduce overall full-time equivalent employment by 20%, with faculty cut by 20% and some staff unions reduced by as much as 29%. The California-Clarion-Edinboro consolidation is projected to reduce full-time equivalent employment by 26%, with the faculty reduced by almost 30% and staff union cuts ranging from 17% to 28%.

The remaining eight of the fourteen universities—Cheyney, East Stroudsburg, Indiana, Kutztown, Millersville, Shippensburg, Slippery Rock, and West Chester—are not undergoing consolidation. But most are still facing substantial reductions in employment. The cuts for these campuses amounts to a 9% overall reduction in employment from 2019 to 2023 with a 12% reduction in faculty. There is variation among the universities, but twelve of the fourteen PASSHE universities will reduce faculty, with Indiana University losing as much as 33% of its faculty.

Overall, PASSHE will reduce employment at its 14 universities across Pennsylvania by 1,531 full-time positions. More than half (809) of the lost positions will be faculty.

PASSHE Consolidations and Employment Cuts Relative to Recent Employment Losses

The planned employment losses at the PASSHE universities is on a scale similar to a plant closure or shift elimination. The effects on the host communities will therefore be comparable to the ongoing experiences in Pennsylvania with factory closures and job destruction. While no loss of high-quality employment is welcome, the impact of these losses will be felt particularly hard in these areas of the state. We obtain a sense of this from the figures in Table 2, in which we show the cluster of counties around each PASSHE university and the poverty rates within each of these clusters. Most of the PASSHE universities are in

TABLE 2
Poverty Rates for Counties around PASSHE Universities

| University | Counties | Poverty Rate |
|-----------------------------|--|--------------|
| West Chester | Chester , Delaware, Montgomery | 7.5% |
| Shippensburg | Cumberland , Franklin, Adams | 8.6% |
| Millersville | Lancaster | 10.0% |
| East Stroudsburg | Monroe , Northampton | 10.0% |
| Kutztown | Berks , Lehigh, Northampton | 11.7% |
| Slippery Rock | Butler , Mercer, Allegheny | 11.8% |
| Indiana | Indiana , Westmoreland, Allegheny | 11.9% |
| California | Washington , Allegheny, Fayette | 12.2% |
| Clarion | Clarion , Venango, Jefferson, Allegheny | 12.4% |
| Mansfield | Tioga , Bradford | 12.9% |
| Bloomsburg | Columbia , Luzerne, Montour, Northumberland | 14.5% |
| Edinboro | Erie , Crawford | 15.7% |
| Lock Haven | Clinton , Centre, Lycoming | 16.7% |
| Cheyney | Delaware , Philadelphia, Chester | 18.2% |
| <i>Rest of Pennsylvania</i> | <i>34 Additional Counties</i> | <i>11.1%</i> |

Notes: Surrounding county cluster defined for each PASSHE University on the basis of counties composing 80% of the University employment; host county in boldface.

Sources: PASSHE Fall 2019 Legislative Maps and American Community Survey 2018 5-year data.

regions of Pennsylvania that have poverty rates well above the average poverty rate for the rest of the state.

In addition, most of PASSHE universities are among the largest employers in their home counties. According to the State of Pennsylvania Center for Workforce Information and Analysis, the PASSHE university is among the ten largest employers in seven counties: Butler County (8th); Clarion County (1st); Clinton County (4th); Columbia County (2nd); Indiana County (4th); Tioga County (4th); and Washington County (9th). A disruption of employment for an anchor employer will have major negative consequences for the home county and the region.

To obtain a further measure of the size of the employment losses within the respective areas where the PASSHE universities are located, we compare the planned job cuts with the actual cutbacks by large employers in these areas between 2011 and 2019 (thereby excluding the Covid-related layoffs of 2020). The figures on private-sector layoffs between 2011 and 2019 Pennsylvania come from employers' required reports that they file to comply with the federal WARN Act.⁴ We present these comparisons in Table 3. For many of

TABLE 3
Contribution to County Mass Layoffs of PASSHE Employment Reductions

| University | PASSHE Planned Employment Reduction | PASSHE Proposed Layoffs as Share of Host County Average Annual Total Mass Layoffs, 2010-2012 | Rank of PASSHE Layoffs among All Host County WARN Layoffs 2011-2019 |
|------------------|-------------------------------------|--|---|
| Kutztown | 145 | 7.6% | 7th |
| Clarion | 125 | 31.2% | 1st |
| Lock Haven | 114 | 31.3% | 1st |
| Bloomsburg | 154 | 16.0% | 2nd |
| Shippensburg | 185 | 19.2% | 4th |
| Edinboro | 236 | 19.7% | 4th |
| Indiana | 383 | 44.3% | 1st |
| Millersville | 42 | 1.3% | 36th |
| East Stroudsburg | 33 | 3.7% | 1st |
| Mansfield | 101 | 25.3% | 1st |
| California | 141 | 11.0% | 3rd |

Notes: : Planned Employment Reduction 2019-2020 to 2022-2023.

Source: Comprehensive Planning Workbooks, September, 2020; Mass Layoff Statistics, Bureau of Labor Statistics; Pennsylvania Department of Labor and Industry WARN Notices; Quarterly Census of Employment and Wages, Bureau of Labor Statistics.

the counties, the PASSHE employment reductions will be among the largest employment losses and will substantially increase the total number of jobs lost to mass layoffs. Specifically, as we see, the job losses at five of the campuses will be larger than any private sector layoffs reported under the WARN Act between 2011 and 2019. With five of the other six campuses, the layoffs will rank at least among the largest four private-sector layoff events between 2011 and 2019.

Taken as a whole, the 1,531 reduction in employment planned at PASSHE put it in the top one-half of one percent of all percent of all private-sector layoffs in Pennsylvania between 2011 and 2019 reported under the WARN Act.

These job losses at the PASSHE universities will generate especially negative impacts because they are high-quality public-sector jobs largely in professional occupations. The median annual pay of PASSHE employees, staff, faculty, and administrators, is \$60,900 per year, compared to a statewide median annual wage for all workers of \$41,760.⁵ Throughout Pennsylvania's economy and elsewhere, public sector employment frequently serves as an important economic stabilizer for families and the broader community, because these jobs are less subject than private sector jobs to the ups and downs of the overall economy. For many households, the fact that one member holds a public-sector job enables another family member to pursue riskier employment or business opportunities in the private sector.⁶

Spillover Effects of PASSHE Employment Losses

These job losses will pose a substantial challenge to the communities that host the 14 PASSHE universities and to the Commonwealth of Pennsylvania as a whole. When the university reduces its employment, the effect will be felt throughout the region in terms of reduced demand for goods and services by the university itself. The reduction in university demand for goods and services—for example, for food for cafeterias, stationery for departments, or contracted IT services—reduces the market for these activities and indirectly reduces employment opportunities in these fields. The reduction in employment will also reduce demand for goods and services by the former employees of the university, who may leave the region or may continue with less money to spend, e.g., having to rely on unemployment benefits or family support or taking employment in a lower-paid activity. With specialized faculty positions, relocation is a significant risk following employment reduction, with highly skilled and trained professionals taking their expertise and middle-class earning potential elsewhere. All of these changes reduce disposable income that would otherwise be spent on goods and services, much of which supports local jobs, ranging from restaurants to realtors to hospitals.

We employ input-output analysis and demand-multiplier analysis to project the impact of the employment reductions at the PASSHE universities on the broader economy.⁷ The input-output analysis tracks the web of input purchases by the university from its suppliers and by the suppliers from their suppliers in turn. These purchases generate economic activity on the part of the suppliers. We express this activity in terms of the employment generated. Some purchases come from outside the region or outside the state and, while someone somewhere is employed as a result, we do not count them in our analysis, which is focused on Pennsylvania. The demand-multiplier analysis looks at the economic impact of the demand enabled by earned incomes, both from university employees and from employees and proprietors of local suppliers through the chain of inputs. The analysis only considers the demand for goods and services induced in Pennsylvania.

We show results through the two distinct spillover effects resulting from the employment cutbacks at the PASSHE campuses, “indirect” and “induced” effects.

- *Indirect effects*—the jobs that will result in the local areas and the broader Pennsylvania economy among the chain of business enterprises that provide supplies to the universities, including food for cafeterias, paper for departments, and contracted IT services.
- *Induced effects*—the loss of employment that will result when there are fewer workers at the universities who then spend their incomes within their respective communities. These job losses will be felt, for example, in bookstores, restaurants, pharmacies, and auto repair shops.

Table 4 summarizes the full set of employment losses in each of the economic areas, including direct, indirect, and induced job losses. For example, Table 4 shows a direct employment loss of 141 jobs at California University. We estimate that this will cause an

TABLE 4
Total Employment Impact of PASSHE Employment Reductions

| University | Direct Employment Losses | Indirect Employment Losses | Induced Employment Losses | Total Employment Losses in Pennsylvania | Total Employment Losses in Surrounding Counties |
|--|--------------------------|----------------------------|---------------------------|---|---|
| Bloomsburg | -154 | -17 | -54 | -225 | -194 |
| Lock Haven | -114 | -13 | -40 | -166 | -141 |
| Mansfield | -101 | -11 | -35 | -148 | -116 |
| <i>Bloomsburg-Lock Haven-Mansfield</i> | -369 | -42 | -128 | -539 | -452 |
| California | -141 | -22 | -68 | -231 | -195 |
| Clarion | -125 | -14 | -43 | -182 | -171 |
| Edinboro | -236 | -27 | -82 | -345 | -309 |
| <i>California-Clarion-Edinboro</i> | -502 | -63 | -193 | -758 | -675 |
| East Stroudsburg | -33 | -4 | -11 | -49 | -42 |
| Indiana | -383 | -43 | -133 | -560 | -541 |
| Kutztown | -145 | -16 | -50 | -212 | -195 |
| Millersville | -42 | -5 | -15 | -61 | -54 |
| Shippensburg | -185 | -21 | -64 | -270 | -234 |
| <i>Eight Continuing Universities</i> | -661 | -75 | -230 | -966 | -900 |
| Grand Total | -1,531 | -180 | -552 | -2,263 | -2,026 |

Notes: Employment is Annualized Unrestricted FTE Net of Turnover. Actual values are shown for 2019-2020 and projected values are shown for 2022-2023. Totals for Eight continuing universities and the PASSHE System include small employment increases at Cheyney, Slippery Rock, and West Chester (not shown).

Source: Comprehensive Planning Workbooks, September, 2020

additional contraction of 22 indirect job losses and 68 induced job losses for a total loss in Pennsylvania of 231 jobs. These losses are concentrated in, but not limited to, the counties surrounding California University; 195 of the 231 lost jobs, including the initial 141 direct jobs in the PASSHE reduction, will occur in the nearby counties.

Table 4 shows that the PASSHE universities will reduce employment by 1,531 FTE employees. The indirect impact, through reduced supply-chain purchases, will reduce employment in Pennsylvania by another 180 positions. The induced impact through the lost purchases of households will reduce employment in Pennsylvania still further, with an additional 552 job losses. All told, the repercussions of reducing employment will be a reduction in employment in Pennsylvania of 2,263 jobs. Note that, according to our estimate, the direct layoffs at the PASSHE universities of 1,531 employees will lead to further job losses that are almost 50 percent as large as the direct layoffs themselves, with 732 indirect and induced job losses resulting from the PASSHE employment cuts.

Table 4 additionally shows the exceptionally large employment losses associated with the two separate consolidations of three universities. The Bloomsburg-Lock Haven-Mansfield consolidation entails 359 full-time equivalent job losses. These will be responsible for a total statewide job loss—concentrated but not limited to the counties around these universities—of 539 jobs. The California-Clarion-Edinboro consolidation entails cuts of 502 full-time equivalent positions. We estimate that this would produce a total of 758 job losses in total throughout Pennsylvania. The remaining eight universities that are not involved in consolidations will together have a planned loss of 661 jobs with a statewide impact of 966 lost jobs.

Table 4 also gives insight into the regional impact of the reductions across the regions of Pennsylvania. Most of the total loss of 2,263 jobs occurs in the counties proximate to the universities; 2,026 of the lost 2,263 jobs are within the cluster of nearby counties. That is not surprising given the importance of the universities as foundational local employers. The loss to the rest of the state, i.e., to areas not directly proximate to the universities amounts to an additional 236 jobs.

In addition to the employment decline, we also report the decline in annual tax revenue entailed by the shrinkage of local economies. This results in reduced sales, affecting sales-tax revenue, and estimates of reduced real estate valuations, affecting property-tax revenue. Table 5 shows the effect of the planned PASSHE downsizing in terms of lost tax revenue from reduced economic activity. All told, as Table 5 shows, the loss of state and local annual revenue from the full package of cuts to PASSHE is \$11.6 million. Depending on the size of each planned reduction in university employment, the loss in state and local tax revenue can approach \$3 million, as it does for the Indiana University reductions. In the case of Indiana University, the local revenue loss in the counties surrounding the Indiana University (Indiana, Westmoreland, and Allegheny Counties) is almost \$1 million, with the additional losses distributed across the state. Other especially large local impacts concern the two consolidation projects, with local communities losing \$600,000 in local tax revenue for the Bloomsburg-Lock Haven-Mansfield consolidation and \$1.1 million in local tax revenue for the California-Clarion-Edinboro consolidation.

Impact of Employment Cuts on Educational Quality Measures

Table 6 shows the increases in the student-faculty ratio and the student-all staff ratio that the employment reductions will entail. As we see, the increase in the student-faculty ratio would average 15 percent among all the all the campuses, from 17.9 to 20.5 students per faculty member. The student-faculty ratio increases are severe in several of the campuses, including 24 percent at the consolidated Bloomsburg-Lock Haven-Mansfield campus, 30 percent at Indiana, 32 percent at the consolidated California-Clarion-Edinboro campus, and 52 percent at Cheyney.

These increases in the student-faculty ratios, as well as the student-all staff ratio, represent an imposed erosion of quality. The disproportionate focus of the budget cuts on personnel

TABLE 5
Effect on Annual Tax Revenue of PASSHE Employment Reductions

| University | Change in State and Local Annual Tax Revenue | | | |
|--|--|------------------------|---------------------|----------------------------|
| | Local Revenue Loss in Surrounding Counties Local Revenue | Pennsylvania Statewide | | |
| | | Local Revenue Loss | State Revenue Loss | State + Local Revenue Loss |
| Bloomsburg | -\$277,143 | -\$462,863 | -\$666,420 | -\$1,129,284 |
| Lock Haven | -\$188,376 | -\$342,639 | -\$493,324 | -\$835,963 |
| Mansfield | -\$139,034 | -\$303,566 | -\$437,068 | -\$740,634 |
| <i>Bloomsburg-Lock Haven-Mansfield</i> | <i>-\$604,554</i> | <i>-\$1,109,069</i> | <i>-\$1,596,812</i> | <i>-\$2,705,881</i> |
| California | -\$359,050 | -\$586,093 | -\$843,844 | -\$1,429,937 |
| Clarion | -\$309,249 | -\$375,701 | -\$540,926 | -\$916,626 |
| Edinboro | -\$448,969 | -\$709,323 | -\$1,021,267 | -\$1,730,590 |
| <i>California-Clarion-Edinboro</i> | <i>-\$1,117,267</i> | <i>-\$1,671,117</i> | <i>-\$2,406,037</i> | <i>-\$4,077,154</i> |
| East Stroudsburg | -\$81,346 | -\$99,185 | -\$142,804 | -\$241,989 |
| Indiana | -\$996,821 | -\$1,151,147 | -\$1,657,396 | -\$2,808,543 |
| Kutztown | -\$376,342 | -\$435,813 | -\$627,474 | -\$1,063,287 |
| Millersville | -\$73,289 | -\$126,235 | -\$181,751 | -\$307,986 |
| Shippensburg | -\$344,328 | -\$556,037 | -\$800,570 | -\$1,356,607 |
| <i>Eight Continuing Universities</i> | <i>-\$1,575,590</i> | <i>-\$1,986,706</i> | <i>-\$2,860,414</i> | <i>-\$4,847,120</i> |
| Total | -\$3,297,411 | -\$4,766,891 | -\$6,863,263 | -\$11,630,155 |

Notes: Employment is Annualized Unrestricted FTE Net of Turnover. Actual values are shown for 2019-2020 and projected values are shown for 2022-2023. Totals for Eight continuing universities and the PASSHE System include small employment increases at Cheyney, Slippery Rock, and West Chester (not shown).

Source: Comprehensive Planning Workbooks, September 2020.

means reduction in the services that teaching and non-teaching staff provide. Courses will become harder to access, instruction will offer fewer opportunities for writing and discussion, and waits for campus services will become longer. Students will also face long commutes to pursue their education on campuses fragmented by the university integrations.

These student-faculty and student-staffing ratios are clearly not consistent with a university system “committed to providing affordable, career-relevant, high-quality educational opportunities for students, on every campus.”⁸

TABLE 6
Impact of PASSHE Employment Reductions on Educational Quality Measures

| University | Student-Faculty Ratio | | | Student-All Staff Ratio | | |
|--|-----------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 2019 Actual | 2023 with Proposed Cuts | Percent Change in Ratio | 2019 Actual | 2023 with Proposed Cuts | Percent Change in Ratio |
| Bloomsburg | 17.9 | 20.4 | +14% | 17.9 | 20.4 | +14% |
| Lock Haven | 15.1 | 20.1 | +33% | 15.1 | 20.1 | +33% |
| Mansfield | 12.0 | 19.5 | +63% | 12.0 | 19.5 | +63% |
| <i>Bloomsburg-Lock Haven-Mansfield</i> | 16.3 | 20.2 | +24% | 16.3 | 20.2 | +24% |
| California | 20.0 | 25.8 | +29% | 20.0 | 25.8 | +29% |
| Clarion | 16.3 | 21.3 | +30% | 16.3 | 21.3 | +30% |
| Edinboro | 15.1 | 21.0 | +39% | 15.1 | 21.0 | +39% |
| <i>California-Clarion-Edinboro</i> | 17.3 | 22.9 | +32% | 17.3 | 22.9 | +32% |
| Cheyney | 10.9 | 16.6 | +52% | 10.9 | 16.6 | +52% |
| East Stroudsburg | 20.4 | 22.1 | +8% | 20.4 | 22.1 | +8% |
| Indiana | 17.2 | 22.3 | +30% | 17.2 | 22.3 | +30% |
| Kutztown | 17.4 | 20.7 | +19% | 17.4 | 20.7 | +19% |
| Millersville | 18.7 | 21.4 | +14% | 18.7 | 21.4 | +14% |
| Shippensburg | 16.1 | 19.7 | +22% | 16.1 | 19.7 | +22% |
| Slippery Rock | 21.4 | 21.2 | -1% | 21.4 | 21.2 | -1% |
| West Chester | 18.8 | 17.7 | -6% | 18.8 | 17.7 | -6% |
| <i>Eight Continuing Universities</i> | 18.4 | 20.1 | +9% | 18.4 | 20.1 | +9% |
| Total PASSHE System | 17.9 | 20.5 | +15% | 17.9 | 20.5 | +15% |

Source: Comprehensive Planning Workbooks, September 2020.

Gender Disparities from the PASSHE Reductions

Student Body Composition. Table 7 shows that that the student body of PASSHE is disproportionately female, averaging 60% female across the system, above 50% female at every university, and as high as 70% at one of the universities, Clarion University. The erosion in the educational standards opportunities imposed by the staffing cuts will therefore have a disproportionately negative impact on young women in Pennsylvania. These are young women who will have entrusted the PASSHE system to provide them with a high-quality educational experience.

TABLE 7
Gender Composition of PASSHE Enrollment

| University | Percent Female |
|--|----------------|
| Bloomsburg | 59.1% |
| Lock Haven | 61.4% |
| Mansfield | 63.3% |
| <i>Bloomsburg-Lock Haven-Mansfield</i> | 60.2% |
| California | 58.2% |
| Clarion | 70.6% |
| Edinboro | 64.7% |
| <i>California-Clarion-Edinboro</i> | 63.7% |
| Cheyney | 62.8% |
| East Stroudsburg | 58.0% |
| Indiana | 58.9% |
| Kutztown | 58.3% |
| Millersville | 59.8% |
| Shippensburg | 53.6% |
| Slippery Rock | 58.7% |
| West Chester | 61.1% |
| <i>Eight Continuing Universities</i> | 58.9% |

Source: Enrollment Census Fall 2019, PASSHE Data Warehouse.

Faculty Composition. Although the exact structure of the layoffs is yet to be determined, it is likely that the 809 position reduction in the faculty will disproportionately affect faculty with less experience and less job security. A review of the makeup of the PASSHE faculty suggests that the brunt of the reduction will be borne by women faculty. Table 8 shows the gender composition of the current PASSHE faculty by university and by rank. Faculty with tenure have substantial job security. Faculty without tenure, either because they have not completed their probationary period as assistant professors or because they are employed in instructorships not included in the tenure system, have much less job security. Across the PASSHE universities, faculty with tenure are only 46% female while faculty in the less secure positions are 57% female, a very substantial gender gap. The final column of Table 8 shows the planned faculty reductions, by campus; a comparison of the planned reductions to the entire size of the faculty without tenure suggests that a very substantial share of these positions may be lost. For example, Kutztown University is facing the loss of 93 faculty positions and has only 115 faculty without tenure, of whom 64 are women. The PASSHE cuts are thus likely to exacerbate gender disparities in academic employment throughout Pennsylvania.

TABLE 8
Gender Composition of PASSHE Faculty, by Tenure Status

| University | Faculty with Tenure | | Faculty without Tenure | | Faculty Reduction |
|--|---------------------|---------------|------------------------|---------------|-------------------|
| | Total | Percent Women | Total | Percent Women | |
| Bloomsburg | 255 | 42% | 125 | 54% | -61 |
| Lock Haven | 149 | 48% | 41 | 51% | -63 |
| Mansfield | 69 | 52% | 22 | 73% | -37 |
| <i>Bloomsburg-Lock Haven-Mansfield</i> | 473 | 45% | 188 | 56% | -161 |
| California | 173 | 49% | 96 | 54% | -100 |
| Clarion | 133 | 44% | 76 | 70% | -65 |
| Edinboro | 183 | 40% | 66 | 73% | -92 |
| <i>California-Clarion-Edinboro</i> | 489 | 44% | 238 | 64% | -257 |
| Cheyney | 25 | 44% | 10 | 50% | -1 |
| East Stroudsburg | 149 | 41% | 97 | 62% | -55 |
| Indiana | 391 | 45% | 116 | 65% | -198 |
| Kutztown | 260 | 45% | 115 | 56% | -93 |
| Millersville | 217 | 46% | 57 | 58% | -57 |
| Shippensburg | 224 | 38% | 84 | 49% | -75 |
| Slippery Rock | 213 | 52% | 168 | 49% | -- |
| West Chester | 437 | 53% | 258 | 56% | -- |
| <i>Eight Continuing Universities</i> | 1,916 | 47% | 905 | 56% | -391 |
| Total | 2,878 | 46% | 1,331 | 57% | -809 |

Sources: US Department of Education IPEDS for faculty employment by rank and gender; Comprehensive Planning Workbooks for planned faculty reduction.

Conclusion

The PASSHE universities have embarked on a radical restructuring under the rubric of Chancellor Greenstein’s “System Redesign.” Large cuts in staffing, both of faculty and of professional and classified staff in good unionized jobs, constitute the core of the restructuring. The cuts, amounting to 14 percent of overall PASSHE employment, are of a magnitude equivalent to the largest private-sector plant closing and mass layoffs of the previous decade in Pennsylvania. As we have documented, the cuts and their spillover effects will have a substantial negative impact on the Pennsylvania economy. The largest negative impacts in terms of job loss and tax revenue decline will be in the economic regions near each university that is facing job cuts. These job cuts will have their most severe impact on

women. This is because women constitute large majorities of both the student body of the PASSHE universities and of the untenured faculty on staff.

We have shown how these job cuts will affect student/faculty and student/staffing ratios in the PASSHE system. The sharp increases in these ratios will undermine the capacity of the PASSHE universities to provide the “affordable, career-relevant, post-secondary education” that Chancellor Greenstein himself states will be the “engine of social mobility and economic development.” It is widely recognized that Pennsylvania must increase, not decrease, the share of the workforce with post-secondary education. Chancellor Greenstein has himself expressed concern that “Right now, PA higher education is shrinking in the number of newly credentialed people it produces annually.”⁹ The PASSHE staffing cuts and the reduction in access to nearby university campuses for many students are therefore major steps in the wrong direction. These changes are will undermine the critical project of preparing the people of Pennsylvania for the economy of the coming decades.

Appendix

TABLE 9
Proposed Changes in Budget for PASSHE Universities, 2019 – 2023

| University | Planned Change in Expenditure, 2019-2023 | | | | |
|---------------------------------|--|--|--|--|---|
| | 2019 Total Expenditure | Change in Personnel Expenditure, 2019-2023 | Change in Personnel Expenditure as Percent of 2019 Total Expenditure | Change in Total Expenditure, 2019-2023 | Change in Total Expenditures as Percent of 2019 Total Expenditure |
| Bloomsburg-Lock Haven-Mansfield | \$241,774,013 | -\$12,234,526 | -5.1% | -\$8,885,852 | -3.7% |
| California-Clarion-Edinboro | \$279,967,580 | -\$23,255,187 | -8.3% | -\$27,271,206 | -9.7% |
| Eight Continuing Universities | \$1,026,838,468 | \$3,063,849 | 0.3% | -\$8,008,082 | -0.8% |
| All PASSHE Universities | \$1,548,580,061 | -\$32,425,864 | -2.1% | -\$44,165,141 | -2.9% |

Notes: All expenditure figures exclude expenditure on Student Aid.
Source: Comprehensive Planning Narratives of September 2020.

Endnotes

- 1 <http://chancellorgreenstein.blogspot.com/2020/07/>
- 2 The expenditure figures, which exclude student aid, are reported in the spreadsheets accompanying the Comprehensive Planning Narratives of September 2020. We present a detailed breakdown of the PASSHE budget plan for 2023 in Table 9 in the appendix.
- 3 Assuming a general inflation rate of 2% per year is a conservative measure of the rising cost of providing higher education. The Higher Education Price Index, <https://www.commonfund.org/research-center/press-releases/2020-hepi-report-released>, which attempts to capture specifically the changing cost of providing higher education, averaged increases of 2.9% per year from 2016 to 2019, while the Consumer Price Index (CPI) recorded average general inflation of 2.1% per year. Cost inflation of 2.9% per year would imply an additional real cut of 11.6%, rather than 8%, over the year 4-year period in addition to the 2.9% nominal cut to the budget.
- 4 The Worker Adjustment and Retraining Notification Act of 1988 (WARN) requires employers to provide notice to workers, unions, and the State agency for dislocated workers 60 days in advance of plant closings or mass layoffs. The warning of impending layoffs provides workers and their communities the opportunity to plan for these traumatic dislocations. WARN thus provides a record of planned layoffs by large private employers (<https://www.dli.pa.gov/Individuals/Workforce-Development/warn/Pages/requirements.aspx>).
- 5 The 25th percentile of annual wage among all PASSHE employees is \$40,800/year, the median is \$60,900, and the 75th percentile is \$89,900. For all employees in Pennsylvania, the 25th percentile of annual wage is \$28,300/year, the median is \$41,760, and the 75th percentile is \$65,560 (Sources: <http://pennwatch.pa.gov/employees/Pages/Employee-Salaries.aspx> and BLS Occupational Employment Statistics).
- 6 See, for example, Bellante D, Link AN. Are Public Sector Workers More Risk Averse Than Private Sector Workers? *ILR Review*. 1981;34(3):408-412. doi:10.1177/001979398103400307; Buurman, M., Delfgaauw, J., Dur, R., & Van den Bossche, S. (2012). Public sector employees: Risk averse and altruistic?. *Journal of Economic Behavior & Organization*, 83(3), 279-291; and Caponi, V. (2017). The effects of public sector employment on the economy. *IZA World of Labor*.
- 7 The consulting firm Baker Tilly applied the same method in its 2015 report commissioned by PASSHE, *The State System's Economic and Employment Impact on the Commonwealth of Pennsylvania*. <https://www.passhe.edu/SystemData/Documents/EconomicAndEmploymentImpactReport.pdf>
- 8 PASSHE System Redesign F.A.Q. <https://www.passhe.edu/SystemRedesign/Pages/FAQs.aspx> visited March 23, 2021.
- 9 Chancellor's Blog (Chancellor Daniel Greenstein) <https://chancellorgreenstein.blogspot.com/2021/02/facts-are-stubborn-things.html>, visited March 25, 2021.

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