



University Faculty Council Budgetary Affairs Committee

Budgetary Implications for IU-Bloomington of the “Enrollment Cliff”

[Note: These remarks reflect the opinions of Robert S. Kravchuk only, and do not necessarily represent those of the UFC or BFC Budgetary Affairs Committees, nor the faculty, staff or administration of Indiana University.]

Robert S. Kravchuk, Co-Chair

INDIANA UNIVERSITY BLOOMINGTON

February 19, 2019

SECTION 1

The Most Likely Forecast

Overall, a “Steady State” of Near-Zero Growth

1. Intensified Competition Between Colleges and Universities
2. More Expensive Recruitment Efforts, Esp. for Superior Students
3. Reduced Enrollment “Yields,” in Both FTEs and Cash
4. Flat or Lower Enrollment Growth (Perhaps Even for “Successful” Colleges and Universities)

And all of these trends likely to last 8-10 years...



A (possibly) Dramatic Decade Ahead

1. National Trends Point to a Period of Shakeout in Higher Education
2. Redundancies in National Higher Education Capacity are Revealed
3. Well-known Academies Face Existential Threats
4. Some Noticeable Number will Shrink, Merge, or Fail



For the Bloomington Campus

A Caveat: Absent Actions by the Campus and Academic Units:

- 1. Slow to No Growth in Overall Students and Majors
- 2. State Appropriations Continue to Lag Expense Growth (marginally, but noticeably)
- 3. Intensified Pressure on certain Campus Units (i.e., the College)



Unnecessary, Destructive “Zero-Sum”
Competition Among IUB Units



SECTION 2

Two Scenarios

Scenario 1: “Circle the Wagons”

1. **Myopia:** Each Unit Looks to Its Own Enrollments Only
2. **Reinforcing Silos:** Cross-Campus, Inter-Unit Collaborations (joint and dual degrees, outside minors) are Eschewed
3. **Misuse of RCM:** Academic Program Requirements Become Increasingly Exclusionary (i.e., Hoarding Credit-hours)
4. **Disadvantaging the Students:** Discouraging Students from Taking Courses, Minors in Other Units

Likely Results: *Everyone Loses*



Scenario 2: “Seek the Common Good”

1. **Create Repeat Customers:** Maximize the Students that We Already Have; Units Cooperate to Entice Existing Undergraduates to Graduate Study @ IU
2. **Collaborate to Innovate:** Attracting Fresh New Enrollments to Campus with Distinctive Programs (both Grad and Undergrad)
3. **Employ RCM Positively:** Negotiate Revenue-Sharing Arrangements Among and Between IUB Units (to facilitate the above)
4. **Privilege the Students:** Create Opportunities for Students to Succeed

Likely Results: *Everyone Can Win*



A Final Note on RCM

1. RCM is NOT the Root Cause of Our Difficulties (A “Red Herring”)
2. RCM is an Essentially Neutral Budget Allocation System
 - Does Not “Pick” Winners and Losers (Students and Faculty Do!)
 - Money Follows Enrollments (Implies the Need to Work on Enrollments)
3. Units and Deans Have Greater Ability to Affect RCM Outcomes Than is Ordinarily Presumed
4. All That is Required is for Deans to Agree to Work Together; All the Rest Are Technical Details



SPEA

Lead for the Greater Good



INDIANA UNIVERSITY BLOOMINGTON
SCHOOL OF PUBLIC & ENVIRONMENTAL AFFAIRS