

Local universities with steep debt search for path forward

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Wittenberg University said it is reducing its financial debt through new program partnerships, staff and program cuts.

Wittenberg University has been given a [“financial distress” designation](#).

That's according to the [Higher Learning Commission](#), which accredits about 1,000 American colleges and universities.



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This means the school has more debt than income, raising questions of whether it can afford to teach classes, maintain staff, classrooms, dorms and other facilities and putting its national accreditation in jeopardy.

Wittenberg's president Dr. Michael Frandsen said this matters because it can hurt students dependent on federal dollars.

"The biggest impact of the accreditation is that allows us to participate in the federal Title IV programs, which means our students are eligible for Pell grants, they're eligible for SEOG grants, they're eligible to participate in the federal student loan programs," Frandsen said.

Other problems students face when a college/university loses its accreditation include:

- difficulty to transfer credits to another school;
- fewer job prospects because most employers prioritize degrees from accredited institutions;
- difficulty applying for graduate programs, which normally require a degree from an accredited institution;
- and difficulty in securing transcripts.

Wittenberg's annual operating budget is roughly \$45 million. Early in 2023 the school acknowledged it was almost \$25 million in debt, according to Frandsen.

Also over the years, the school's annual enrollment dropped from around 1,800 to about 1,200. Since then, Frandsen says his team made the difficult decision to cut staff and programs, making up about \$7 million of the overall shortfall.

"On the reduction side, we're eliminating 45 staff positions effective immediately and 24 faculty positions effective at the end of this academic year," Frandsen stated. "In terms of programs, we eliminated Spanish, German, Chinese and East Asian studies. We eliminated our programs in music and music education. And we eliminated our bowling team."

Those cuts haven't been without controversy. In August, Wittenberg's faculty voted



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making over several years that has culminated in board actions that the faculty cannot ignore and to which it must object.”

Wittenberg is working to generate income by creating new program partnerships with larger, surrounding universities. It’s also aggressively marketing the campus for outside entertainment and conference events. Springfield’s private university isn’t alone.



Antioch / Antioch

The Higher Learning Commission has also given [Antioch College](#) a financial distress status. The Yellow Springs school has an annual operating budget of \$9.37 million. For several years Antioch borrowed from its endowment to keep ahead of an \$8 million debt.

But now according to President Jane Fernandes, "We're not borrowing from ourselves ever again. So we have money, we live on that money, that's one rule."

Another rule guiding Fernandes and her team is their Social Enterprise and Enrollment Plan. It includes:

- putting most of its 64 professors and staff on contract thus, reducing expenses,
- eliminating and restructuring other jobs along with salary reduction,
- closing five buildings, two of which have been sold



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- using campus sites as learning hubs where anyone can pay and take classes,
- Antioch is earning federal dollars for being a work college with 130 students, the first year the school has secured this distinction.

"Every student must work five hours a week. Then we apply the money to their tuition that they couldn't pay," Fernandes said. "This past year we earned \$250,000, but the next year will be \$440,000. And then the year after that will be more and then more every year."

Fernandes said their plan is working.

"We've reduced that \$8 million to \$500,000 because we are putting our money into becoming more structurally sound."

Over the next few years, The Higher Learning Commission will monitor progress made by Antioch and Wittenberg to reduce their debt and to consistently operate within their budgets. In a 2024 report, [The Federal Reserve Bank of Philadelphia](#) listed several factors contributing to the [financial woes of many small and midsized American colleges and universities](#).

Overall: shrinking enrollment, fewer high school graduates choosing to attend college, youth don't want to take on large student loan debt, and less emphasis on having a four year degree.

According to [Best Colleges](#), since 2020, four Ohio colleges have closed. Last year, nationwide, 20 higher ed schools closed. Industry analysts predict this year, a half dozen or more will fold.

In 2024, several Ohio higher ed institutions closed, they include: [Union Institute & University](#), closed last summer.

[Eastern Gateway Community College](#) closed last July.

[Notre Dame College](#) closed last spring.

In 2020, during the COVID-19 pandemic [Urbana University](#) closed. For other small schools, a [merger](#) is a potential option as they work to become more fiscally stable.



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Central State University is taking steps to reign in spending amid a budget shortfall. CONTRIBUTED

[Central State University](#) in Wilberforce is also in the red.

Fiscal year 2023, it had a \$14 million debt, fiscal year 2024, the school was juggling \$3 million in debt. Last fall, The Ohio Department of Higher Education put the school on fiscal watch.

Via email, the school tells WYSO the state agency has accepted and approved Central State's financial recovery plan, which includes increased fundraising.

Mike Duffey, chancellor of the Ohio Department of Higher Education, said advisors are also working with CSU to identify programs that will attract more students.

"Where are the areas that serve Ohio's growing new economy and advanced manufacturing? Where are the programs that serve some of the occupations where there are shortages, such as teachers?" Duffey said. "I think all of those things are the themes that we've talked about with Dr. Kuti and the board, and they seem excited about."

For the next three years, the state agency will work with the university on its accounting practices. Overall, Duffey emphasizes the big picture.

"It is not a question of how many institutions or whether one closes or not. We want the strongest possible system that can serve students in the state of Ohio," Duffey said. "Sometimes that can mean partnerships with other institutions. Sometimes it means fewer institutions. It really is a question of what best serves the state of Ohio."



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Despite their financial challenges, leadership at these schools promise their students are and will continue to receive a quality education.

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