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ADMINISTRATION

For Robert Morris U., the Nontraditional-Student Market Is New Again



Photo by John Beale

Darcy Tannehill will oversee nine new online programs at Robert Morris. "We're not targeting the 18-year-old student," she says.

By Lawrence Biemiller | JUNE 20, 2010

✓ PREMIUM

MOON TOWNSHIP, PA.

Many colleges and universities have unlikely histories. Dartmouth College was founded to educate Native Americans, for instance, while Temple University grew out of a Baptist preacher's night classes for young men eager to enter the ministry themselves. And what is now the Colorado School of Mines was founded by an Episcopal bishop from Massachusetts.

In that context, Robert Morris University's origins—it was founded in 1921 as the for-profit Pittsburgh School of Accountancy, which rented three small rooms in the Blackstone Building downtown—aren't particularly surprising. What's unusual is the situation Robert Morris finds itself in now as it seeks to match its mission to its markets.

The university is trying to sell a 100,000-square-foot building in downtown Pittsburgh that is a high-profile link to its for-profit past and its long history of offering courses for nontraditional students. At the same time, it is recalling that history with new online programs that it hopes will win back some of the adult-education market it has lost in recent years, while administrators were concentrating on the traditional four-year program the university operates here on 230 hilly acres in Moon Township.

Robert Morris, which has been a nonprofit institution since the early 1960s, became a university in 2002, and it has been busy since then acquiring some of the trappings, among them a five-year-old, \$10-million stadium in which it plays Division I football, and a theater program that sent this year's production of *Rent* to the American College Theater Festival's Region II finals. Under the circumstances, the university's renewed emphasis on adult education may seem counterintuitive, but it's inspired by predictions that the pool of collegebound high-school students it draws from will shrink while the number of institutions competing for them remains unchanged.

Robert Morris's goal is to achieve what administrators refer to as "a diverse enrollment portfolio," so that a downturn in one enrollment category won't hurt the entire institution the way that an unexpected shortfall in four-year students did in 2008.

Such a portfolio would, among other things, help credit-rating agencies and lenders continue to feel good about the university, which has borrowed fairly heavily in recent years to pay for campus improvements. In a report last month, Moody's Investors Service praised the university's "stable market position and improved demand," in addition to its "conservative budgeting practices and moderate net tuition growth." But the Moody's analysts worried that Robert Morris's reserves don't give it much of a cushion, particularly given the "risk of enrollment challenges due to the region's demographic and economic conditions."

"In all regards, Western Pennsylvania's demographics aren't fantastic," says Mike Frantz, the university's vice president for enrollment management. "You've got an aging population, and the competition isn't going anywhere. It's only going to increase."

Short-Term Squeeze

That's the long-term view. This summer, however, Robert Morris administrators are preoccupied by a short-term problem: They're scrambling to accommodate their second overflow freshman class in as many years. The college budgeted for a first-year class of 740, but about 950 students have sent in deposits, says Gregory G. Dell'Omo, who has been the university's president since 2005. "We're trying to figure out how to cut it off,"

he says of enrollment. He expects a little "melt" from the current freshman-class total—maybe 3 percent—but not enough to prevent a classroom shortage or to let departments avoid hiring additional faculty members.

The flood of students comes after Robert Morris attracted 720 traditional freshmen last year, as well as more than 260 transfer students, Mr. Dell'Omo says. When he took office, first-year classes were "more like 400," and in 2008 a 10-percent increase in tuition and fees combined with the beginning of the economic crisis to cause an enrollment shortfall that led the university to freeze staff salaries. It also prompted the faculty union to forgo more than half of a scheduled 2.5-percent raise so the university could put the money into scholarships instead.

The moves worked: Last year the university had a total undergraduate enrollment of about 3,700, of whom just over 400 were over age 24 (which is the university's definition of nontraditional). It also enrolled about 1,100 graduate students, all of them part-time and most studying business, engineering, and nursing. After enrollment bounced back, faculty members had their full raises restored and staff members were given a midyear 3-percent pay increase.

What's the big attraction for students? Mr. Dell'Omo says it's Robert Morris's reputation as private university that offers "a strong academic experience" at a price lower than those of many other private institutions. "Students and their families all talk net now—and they're not just looking at price, but at value." Robert Morris, he says, can boast of placing over 90 percent of its students either in jobs in their fields or in graduate school within six months of graduation.

Mr. Frantz, the admissions vice president, says Robert Morris competes with a number of state and state-affiliated institutions—"No. 1 on our list is Penn State and all its tentacles," he says, while the University of Pittsburgh is second, followed by several branches of Pennsylvania's state-university system, including the Slippery Rock, Indiana, and California Universities of Pennsylvania.

Total costs for a Robert Morris on-campus undergraduate are about \$31,000 a year, he says, compared with about \$14,000 for the state universities and \$21,000 to \$23,000 for Penn State campuses. The Moody's report noted that Robert Morris has increased net tuition per student by 36 percent since 2005—from \$11,215 to \$15,237 this past academic year.

A 'Very Lean Organization'

What Robert Morris can't boast about are some of the amenities that other colleges show off on admissions tours—a spiffy new library, maybe an art museum, a recreation facility crowded with climbing walls and squash courts. The library on the campus here is housed on two floors of a large academic building; besides the football stadium, the main athletics facility is the 1984 Sewall Center, a plain-Jane arena that can seat 3,000 for basketball games and has a conference facility upstairs.

The university did renovate eight 1960s dorms after hearing from parents that the quality of student living quarters was an issue for them. But another big housing complex remains unrenovated, and some of the 1,300 students in university housing live in a former nursing home separated from the main campus by a shopping center.

"We're a very, very lean organization—that goes back to our business-school roots," Mr. Dell'Omo says. He has not hesitated to cut programs that weren't paying their way, such as a Ph.D. in engineering. And one of his early decisions as president was to end planning for a college of osteopathic medicine on which the university had already spent close to \$1-million. The cost of setting up the school, he says, was "skyrocketing." Meanwhile, the university's overall budget has grown from \$72.3-million in Mr. Dell'Omo's first year to \$92.6-million for 2010-11.

The university has less than \$20-million in its endowment, so it doesn't have much choice about being lean. But the president says Robert Morris is working to make the campus here, acquired in 1962, a place that students and faculty members can be proud of, whether it's by building a new business-school facility, which is now under construction, or by making small quality-of-life improvements, like adding sidewalks and improving lighting.

The university has plenty of needs, though, and right now it has "pretty much maxed out on borrowing," Mr. Dell'Omo says, with total debt of \$62.3-million, including \$16-million in bonds being issued this summer to pay for a 192-bed residence hall, among other things. He is looking to a capital campaign to raise \$7-million for a new nursing-school building.

Selling the big downtown building would be a big help. Robert Morris bought the building, once known as the Rust Engineering Building, for \$250,000 in 1959, and it was recently appraised at \$6.4-million. For a number of years, Robert Morris students could take almost any course either downtown or in Moon Township, but about a decade ago Moon Township began to pull ahead. Now only a new media-arts program is based downtown.

Some evening courses meet there as well, but much of the building is usually deserted. If it did sell, the university would still rent some classroom space downtown, as it does at several other locations where evening classes meet—such as a master's of nursing in Cranberry Township, and a master's of engineering management in Johnstown.

In recent years, though, Robert Morris has lost students from its nontraditional programs. Some have been picked off by the big online providers, and others have chosen from an ever-lengthening menu of nontraditional offerings by the university's local competitors. "We need to offer courses that the public wants at locations that are convenient," says Mr. Frantz, adding that what nontraditional students want are courses in business, education, psychology and social services, and computing and information systems. "You want to be agile enough to move programs where students are," while not abandoning the students you attracted earlier, he says.

Flexibility for Adults

Agility is where Darcy B. Tannehill comes in. Ms. Tannehill, a longtime Robert Morris employee who left in 2005 to work in the for-profit sector in Chicago, is now back at the university to oversee nine new online programs. She hopes to have 500 students enrolled

within a year, probably about half of them from within 100 miles of Pittsburgh and almost all of them past traditional college-going age. "We're not targeting the 18-year-old student for online," she says.

Instead, the target market will be adults seeking options and flexibility—"the convenience factor trumps everything else" for online students, she says. The programs will be housed in the university's existing schools and will be taught by many of the same faculty members who teach in classrooms, but the online sections of courses will be smaller, and new sections will start every couple of months.

"Online students have high expectations in terms of responsiveness," Ms. Tannehill says, and that's why the university has hired a call center that will respond to a potential online student within minutes of his or her first contact. Adult students are likely to have done their research in advance, to know exactly what they want, and to want it within a few weeks, if not a matter of days. "Everybody has to be flexible," she says. "You do your best planning, but I guarantee you you'll shift your plans before classes begin."

That level of agility might be hard for an institution like Dartmouth or Temple to pull off, but at Robert Morris it doesn't seem to be a concern—it's more like standard operating procedure. "As I always say," Mr. Dell'Omo says, "we're building the plane as we're flying it."

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