

HIGHER EDUCATION

The Great Academic Contraction

Program Eliminations, Workforce Cuts, and the Shifting Tenure Line: What They Mean for the Future of America's Centers of Higher Education

**584**

Indiana degree programs eliminated, suspended, or merged under HEA 1001

6.6%

drop in full-time campus staff in 2025, the largest in a decade (CUPA-HR)

32%

of U.S. faculty hold full-time tenured or tenure-track appointments

INVESTIGATIVE REPORT | OCTOBER 2026

The Great Academic Contraction

Program Eliminations, Workforce Cuts, and the Shifting Tenure Line: What They Mean for the Future of America's Centers of Higher Education

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Executive Summary

American higher education is not experiencing a single crisis. It is experiencing a contraction, a coordinated narrowing of what colleges teach, whom they employ, and how securely they employ them. Over the past twelve months (October 2025 through October 2026), state legislatures converted program review from a campus routine into a statutory mandate, federal policy removed or repriced several of the revenue streams that research universities and graduate schools had treated as permanent, and the long-predicted decline in the number of high school graduates finally began. The visible symptoms are the ones that prompted this investigation: eliminated degree programs, layoffs, and a tenure system that looks increasingly fragile.

The central finding of this report is that the contraction is real but uneven, and that its most consequential effects are structural rather than numerical. The number of students enrolled in eliminated programs is small. The number of positions cut, while large in absolute terms, is concentrated in staff roles rather than faculty lines. And the most recent national headcount data show tenure-track faculty numbers rising, not falling, through November 2025. What is changing is the architecture: who decides what a university offers, how much breadth it can afford, whether tenure still protects the people who hold it, and whether the pipeline that produces the next generation of faculty will exist at its current scale.

KEY FINDINGS

- 1. Program elimination has become a policy instrument.** Indiana's House Enrolled Act 1001 led to 210 degree programs being eliminated or suspended and 374 merged or consolidated. Ohio's Senate Bill 1 has removed nearly 90 undergraduate programs. Utah's HB 265 forced a 10 percent reallocation of state-appropriated academic budgets. Penn State has recommended closing 47 of its 403 undergraduate programs. These actions remove a large share of the catalog but a small share of enrollment (1.1 percent of Penn State undergraduates; 0.6 percent of Indiana students).
- 2. Staff, not faculty, absorbed the first wave of workforce cuts.** Full-time campus staff fell 6.6 percent and part-time staff 23.9 percent in 2025, the steepest declines CUPA-HR has recorded in a decade. Large reductions followed in 2026 at Johns Hopkins, Harvard, Minnesota, Maryland, Illinois Tech, The New School, and the University of Utah, which has signaled cuts of up to 855 noninstructional positions.
- 3. Tenure is being hollowed, not abolished.** Only about 32 percent of U.S. faculty held full-time tenured or tenure-track appointments in fall 2023, down from 53 percent in 1987. A one-year rebound in tenure-track headcount in 2025 coincides with leading indicators that point the other way: sharply fewer advertised tenure-track searches, paused doctoral admissions, layoffs of tenured faculty under financial exigency, and new state laws that weaken tenure protections and shared governance.
- 4. Five forces are converging at once:** federal research disruption, a tiered endowment tax of up to 8 percent, the end of Grad PLUS loans for new borrowers, a sharp decline in new international

students, and the demographic peak of high school graduates in 2025. Each is manageable alone. Together they compress revenue from several directions in the same fiscal year.

5. **The pain is bifurcated.** Wealthy institutions are cutting staff and graduate cohorts to protect their core. Regional publics, branch campuses, and small tuition-dependent private colleges are cutting programs, faculty, and in some cases closing. Moody's forecasts that 16 percent of private institutions will run negative margins in 2026, up from 7.2 percent in 2024.

Bottom line for leaders

The next five years will reward institutions that make deliberate portfolio choices before a statute or a deficit makes them by default. Program review, workforce planning, and faculty pipeline strategy now have to be managed as one system. Institutions that treat these as separate budget exercises risk preserving their enrollment while losing the academic breadth, research capacity, and faculty stability that define a university.

1. Purpose, Scope, and Method

This report examines three trends that have been widely reported but rarely analyzed together: the elimination of academic programs, the reduction of faculty and staff positions, and the changing status of tenure-track employment. It asks what is driving these trends, whether they are as broad as headlines suggest, and what they mean for the future of colleges and universities as centers of teaching, research, and public service.

The review covers developments from October 2025 through October 26, 2026, with earlier data used where needed for context. Evidence was drawn from national data sources (the American Association of University Professors, CUPA-HR, the National Student Clearinghouse Research Center, the Western Interstate Commission for Higher Education), sector surveys (the American Council on Education and the Institute of International Education), rating agency outlooks, state statutes and legislative analyses, institutional announcements, and reporting by higher education trade publications. Where peer-reviewed research informs the interpretation, it is cited directly.

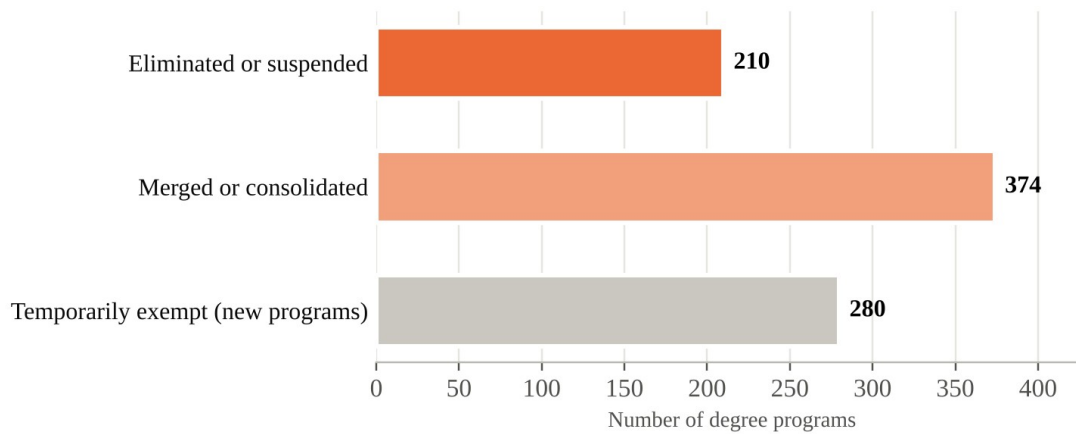
A note on data limits. There is no single national registry of program closures or campus layoffs. Trackers maintained by journalists and civic data projects capture announced actions, which may differ from what is ultimately implemented. National workforce data lag by a year or more. Figures in this report are therefore reported with their source and date, and the analysis distinguishes documented facts from interpretation.

2. Finding One: Program Elimination Has Become a Policy Instrument

Universities have always opened and closed programs. What changed in 2025 and 2026 is who initiates the closures and on what terms. In several states, legislatures have written minimum completion thresholds into law, and the institutions have responded at a scale and speed that internal review rarely produces.

2.1 State mandates

Indiana. House Enrolled Act 1001, the state's 2025 budget bill, requires public institutions to seek approval to continue degree programs that fall below minimum graduation thresholds: an average of 10 graduates for associate degrees, 15 for bachelor's degrees, and 7 for master's degrees over the preceding three years (Rickert, 2025). On April 1, 2026, the Indiana Commission for Higher Education acted on more than 1,000 low-completion programs. The outcome: 210 programs eliminated or suspended, 374 merged or consolidated, and 280 newer programs temporarily exempted while they build enrollment (Klemann, 2026). Since June 2025, Indiana's public universities have taken some form of action on 1,279 programs, and they will still offer roughly 1,700 degree programs after the 2026 to 2027 academic year (Appleton, 2026). Indiana University Bloomington alone moved to suspend or eliminate more than 100 programs, including bachelor's degrees in art history, comparative literature, French, and earth and atmospheric sciences (Leiter, 2025).

Figure 4. Indiana's HEA 1001 review: 584 programs cut or merged

Source: Indiana Capital Chronicle and Chalkbeat Indiana, April 1, 2026. More than 1,000 low-completion programs reviewed.

Ohio. Senate Bill 1, effective June 2025, requires public universities to eliminate any undergraduate program that confers an average of fewer than five degrees a year over any three-year period. Nearly 90 undergraduate programs have since been identified for elimination across Ohio's public universities, led by Kent State (19), Ohio University (16 eliminated, with additional mergers), the University of Toledo (9), and Ohio State (8) (Mahoning Matters, 2026). Toledo's list is illustrative of where the threshold bites: Africana studies, Asian studies, disability studies, Middle East studies, philosophy, religious studies, Spanish, and women's and gender studies. At Central State University, a historically Black institution, officials attributed 16 faculty position cuts and the end of programs including jazz studies to the law (Dayton Daily News, 2026). Senate Bill 1 also mandated post-tenure review, prohibited faculty strikes, and limited collective bargaining over tenure in retrenchment (Ohio Capital Journal, 2025).

Utah. House Bill 265 (2025) required the state's eight degree-granting institutions to reallocate 10 percent of their state-appropriated academic budgets over three years, about \$60 million statewide, from administrative costs and low-enrollment programs into areas the legislature deemed high demand (Utah House of Representatives, 2026). The University of Utah's share was roughly \$20 million; it discontinued more than 80 inactive courses, certificates, and degree programs (22 of them in the humanities) and directed reinvestment toward engineering, artificial intelligence, and biotechnology. In September 2026, the university announced that it could eliminate as many as 855 noninstructional positions, up to 15 percent of its staff (Higher Ed Dive, 2026d; Marcus, 2026).

Texas, Oklahoma, Iowa, and others. Texas Senate Bill 37 (2025) requires governing boards to review general education curricula and degree programs (including return on investment), makes faculty senates advisory only, and creates an ombudsman office to receive complaints of noncompliance (Texas Legislature, 2025). Oklahoma's regents cut 41 programs statewide, and Iowa's Board of Regents ordered its universities to review their academic portfolios (Kutak Rock, 2026; Higher Ed Dive, 2026a).

2.2 Institution-led reviews

Program cuts are not confined to states with mandates. Institutions facing structural deficits, enrollment decline, or both have launched their own portfolio reviews, often with external consultants.

Institution	Action (date)	Detail
Penn State University	47 programs recommended for closure (Oct. 2026)	47 of 403 associate and bachelor's programs; 784 students (1.1%); 11 at University Park; 71 more under one-year review; seven Commonwealth campuses closing after 2026 to 2027
East Carolina University	44 programs discontinued (2026)	Part of a larger budget-reduction effort; programs judged not meeting expectations
Portland State University	Retrenchment declared (Mar. 2026)	Reductions across 19 departments; AAUP estimated up to 216 employees could be affected
Southern Oregon University	3 majors cut; 66 positions (June 2026)	23 faculty and 43 staff positions against a \$12.5 million deficit
South Carolina State University	9 programs eliminated (Sept. 2026)	Programs enrolled 111 students
University of Toledo	9 programs suspended (2025 to 2026)	Philosophy, Spanish, religious studies, and area and identity studies
The New School	History program discontinued (2026)	Part of a 15% workforce reduction tied to a 20% enrollment decline

Sources: *Higher Ed Dive* (2026a); *Inside Higher Ed* (2026a, 2026b); *Chronicle of Higher Education* (2026a, 2026c); *Nietzel* (2026b); *Ohio Capital Journal* (2025); *The College Fix* (2026).

2.3 The breadth tax

The most important feature of these cuts is their shape. Because programs are judged by completions, the closures fall disproportionately on small majors that serve few graduates but many students through general education, minors, teacher preparation, and graduate pipelines: languages, philosophy, religious studies, physics and chemistry bachelor of arts tracks, area and ethnic studies, music theory, and education specialties. At Penn State, the recommended closures represent 11.7 percent of the undergraduate degree portfolio but only 1.1 percent of undergraduates. In Indiana, the nearly 600 programs targeted for elimination or merger enroll about 0.6 percent of students (Appleton, 2026).

Figure 7. The breadth tax: Penn State's catalog shrinks far more than its enrollment



Source: Penn State Academic Program and Portfolio Review, final recommendations (Oct. 12, 2026), as reported by Higher Ed Dive.

This asymmetry cuts both ways. Supporters argue, with some justification, that a program graduating two students a year imposes administrative overhead and that consolidation preserves courses while retiring degree labels. Critics respond that completion counts are a poor proxy for academic value: a religious studies department may graduate few majors yet teach thousands of students in required courses (WOUB, 2025). The financial savings from eliminating a degree label are often modest unless faculty lines go with it, which means the real long-run effect is a gradual narrowing of the expertise a university retains. This report calls that effect the **breadth tax**: institutions pay little in enrollment today but lose the capacity to teach, research, and credential in fields that may matter more tomorrow.

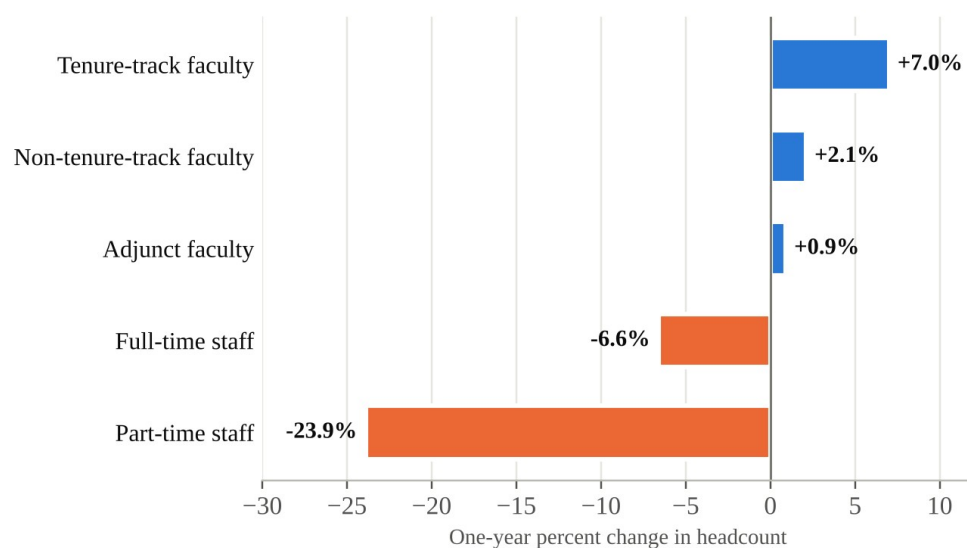
3. Finding Two: Staff Absorbed the First Wave of Workforce Cuts

The workforce story is larger than the program story, and it began earlier. In mid-2025, wealthy research universities announced the first large reductions: Stanford eliminated 363 positions as part of a \$140 million budget cut, Northwestern cut roughly 425 positions (about 5 percent of its workforce), and the University of Southern California shed more than 900 jobs (Deloitte, 2026; Stanford Daily, 2025). Those actions set the pattern for the year that followed.

3.1 What the national data show

CUPA-HR's annual survey of about 936 colleges and universities, covering November 2024 to November 2025, found that the number of full-time staff fell 6.6 percent and part-time staff fell 23.9 percent, the largest declines in the decade of data the association publishes. These categories include administrators, professionals, and hourly workers. Faculty headcount, by contrast, grew (CUPA-HR, 2026). A separate analysis of Bureau of Labor Statistics payroll series that approximate the sector (state government education and private colleges and universities) estimates that combined employment peaked in January 2025 and had fallen by about 95,000 jobs by mid-2026 (Levanon, 2026). That proxy includes some non-university employment and should be read as directional, but it is consistent with the institutional record.

Figure 3. In 2025, staff absorbed the cuts while tenure-track headcount rose



Source: CUPA-HR, *Changes in Workforce Size* (2026). Headcount change, Nov. 1, 2024 to Nov. 1, 2025; about 936 participating institutions.

3.2 The 2026 record

Reductions continued throughout 2026 across every institutional type. The table below lists representative actions with independently reported figures.

Institution	Positions	Context
University of Utah	Up to 855	Noninstructional positions over the next year; up to 15% of staff (Sept. 2026)
University of Minnesota	230	Noninstructional jobs through layoffs and attrition (June 2026)
Full Sail University	180	For-profit; enrollment fell 13.1% (Sept. 2026)
Commonwealth University of Pennsylvania	Up to 175	About 100 staff and 75 faculty; \$17 million deficit (Sept. 2026)
Harvard University	165	Noninstructional roles during restructuring (summer 2026)
Illinois Institute of Technology	160	Faculty and staff; financial exigency declared (July 2026)
New Jersey City University	151	Including 33 faculty, 24 of them tenured, during merger with Kean (Feb. 2026)
Johns Hopkins University	110	Tied directly to a shrinking federal research portfolio (June 2026)
The New School	87	19 faculty (10 tenured) and 68 staff; 65 fewer full-time faculty overall
University of Maryland, College Park	84	Plus vacant positions eliminated and a hiring freeze (June 2026)
Bowie State University	About 20 faculty	Following 75 staff positions eliminated in the spring; \$18 million deficit

Sources: *Higher Ed Dive* (2026b, 2026c); *Inside Higher Ed* (2026b, 2026c, 2026d); *The Chronicle of Higher Education* (2026a, 2026c); *Marcus* (2026); *The Banner* (2026); *Alexander* (2026).

3.3 Interpreting the staff cuts

Critics of administrative growth have long argued that noninstructional employment expanded faster than enrollment or faculty for decades, and some see the 2025 and 2026 reductions as a correction (Marcus, 2026). That argument has merit where cuts fall on duplicated management layers or discretionary functions. But the reductions are not limited to back-office roles. USC laid off academic advisers, UCLA and Indiana University cut information technology staff, and research universities eliminated grant administrators and laboratory support tied to terminated awards. These positions keep students enrolled and research compliant. When they disappear, the cost often reappears later as lower retention, slower grant processing, and heavier service loads on faculty.

The staff-first pattern also reflects a structural reality: staff can be cut quickly, while faculty reductions require program closure, financial exigency, or attrition. That sequencing means the faculty effects of the current contraction are likely still ahead, not behind.

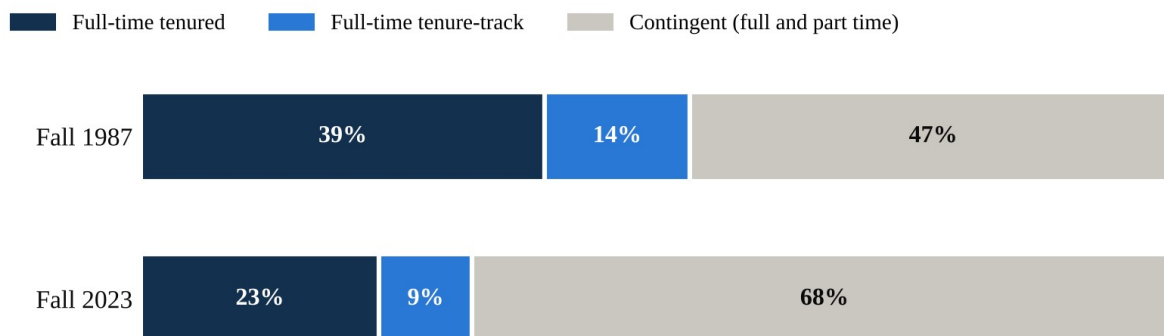
4. Finding Three: Tenure Is Being Hollowed, Not Abolished

The perception that tenure-track positions are disappearing is directionally correct over the long run but more complicated in the short run. The evidence supports three conclusions at once.

4.1 The long erosion

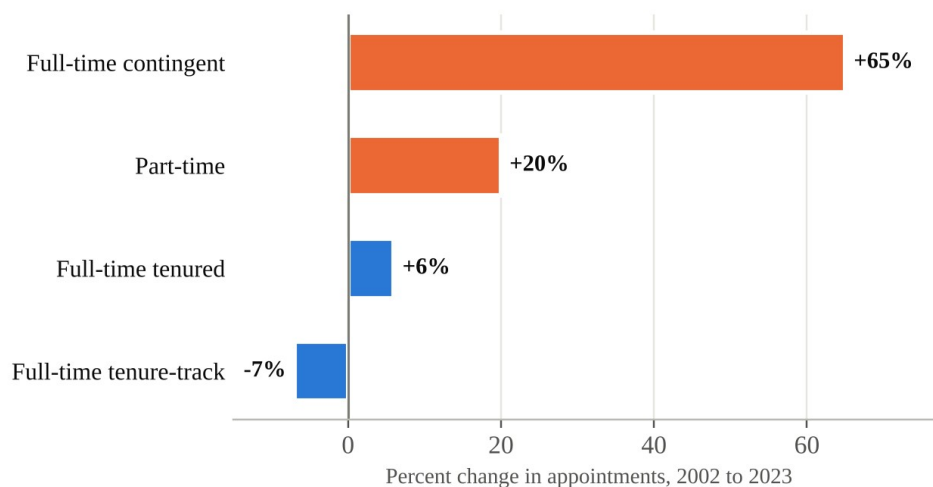
AAUP's analysis of federal IPEDS data shows that about 32 percent of U.S. faculty held full-time tenured or tenure-track appointments in fall 2023, compared with about 53 percent in fall 1987. Only about 23 percent held tenure. Between 2002 and 2023, full-time contingent appointments grew about 65 percent and part-time appointments 20 percent, while tenured appointments grew 6 percent and tenure-track appointments fell 7 percent (Colby, 2025a). The faculty grew; the tenure line did not grow with it.

Figure 1. The tenure line has shrunk to about one-third of the faculty



Source: AAUP, Data Snapshot: Tenure and Contingency in US Higher Education, Fall 2023 (Colby, 2025). Tenure-track shares derived; values rounded.

Figure 2. Two decades of growth went almost entirely off the tenure track



Source: AAUP, Data Snapshot, Fall 2023 (Colby, 2025). Change in number of appointments, fall 2002 to fall 2023.

4.2 The 2025 rebound and why it may not last

CUPA-HR's most recent survey complicates the narrative. Tenure-track faculty headcount rose 7 percent between November 2024 and November 2025, the largest single-year increase in at least a decade, and for the first time in that period it outpaced non-tenure-track growth (2.1 percent) and adjunct growth (0.9 percent) (CUPA-HR, 2026). This report treats that finding seriously: it is the best national measurement available, and it shows that many institutions protected or expanded their core faculty while cutting staff.

Several factors suggest, however, that the rebound reflects hiring decisions made before the current contraction rather than a durable reversal. First, faculty searches run on a long cycle; most hires reported in fall 2025 were authorized in 2024. Second, the CUPA-HR sample is voluntary and may underrepresent the most distressed institutions. Third, the leading indicators for the 2026 to 2027 hiring cycle are sharply negative:

- **Advertised searches.** In computer science, one of the few fields with consistently tracked search data, advertised tenure-track positions for 2026 fell about 33 percent and the number of institutions searching fell about 25 percent compared with 2024, the lowest level since 2016 outside the pandemic year (Computing Research Association, 2026).
- **The doctoral pipeline.** The University of Chicago stopped admitting new students to 19 doctoral programs for 2026 to 2027 and plans to reduce internally funded doctoral students by 30 percent by 2030 to 2031 (Chronicle of Higher Education, 2025). George Washington University paused admissions to five Ph.D. programs and shrank 13 others; Brown, Cornell, Boston University, Penn, and Pittsburgh reduced or paused cohorts (Nietzel, 2026a).
- **Tenured faculty layoffs.** New Jersey City University laid off 24 tenured professors, The New School 10, Bowie State at least one, and Illinois Tech terminated tenured faculty under a declaration of financial exigency (TaxProf Blog, 2026; The Chronicle of Higher Education, 2026c). Bennington College has warned that as much as a third of its full-time faculty could be affected by its \$18 million structural deficit.
- **Hiring freezes.** Yale, Stanford, Rutgers, and the University of California system, among others, imposed hiring freezes or pauses during 2025 and 2026, several of them explicitly tied to the endowment tax or federal research cuts (Chief Investment Officer, 2025; Higher Ed Dive, 2025; Nietzel, 2026b).

4.3 The legal and governance erosion

The more durable change may be in what tenure means rather than how many people hold it. Florida, Indiana, Ohio, Utah, and Kansas have mandated or tightened post-tenure review, and Kansas, Wisconsin, and Utah have adopted minimum teaching loads at some institutions (Chronicle of Higher Education, 2026d). On October 22, 2026, Utah's legislative auditor recommended that lawmakers consider streamlining the due process required to dismiss tenured faculty and prohibiting universities from offering stronger protections than state law (Inside Higher Ed, 2026e). Texas has made faculty senates advisory bodies whose composition is set by governing boards. In Utah, at least one university stated that existing policies tied to curricular changes and tenured roles would not be applied when implementing its HB 265 plan (Utah News Dispatch, 2026).

Taken together, these changes produce what this report calls **conditional tenure**: an appointment that still carries the title and much of the economic security of tenure, but whose protection against program closure,

performance review, and legislative mandate has been materially reduced. Conditional tenure is harder to measure than headcount, and it is likely to matter more for academic freedom and faculty recruitment.

What the research says about tenure and student learning

The evidence on whether tenure-line faculty produce better student outcomes is genuinely mixed, and leaders should resist simple claims in either direction. Ehrenberg and Zhang (2005) found that greater reliance on part-time and non-tenure-track faculty was associated with lower graduation rates at four-year institutions. Bettinger and Long (2010), however, found that adjunct instructors in some fields modestly increased students' subsequent course taking, and Figlio, Schapiro, and Soter (2015) found that non-tenure-track faculty at one research university produced stronger learning gains in introductory courses. What the research does support is that teaching quality depends on stable appointments, adequate support, and integration into academic life, conditions that contingent employment often lacks.

5. Root Causes: Five Forces Converging at Once

The cuts described above are responses to revenue pressure arriving from several directions in the same fiscal year. Each force has a different institutional footprint, which explains why the contraction is uneven.

5.1 Federal research disruption

Federal research funding to universities fell an estimated 6 percent in fiscal 2025 (CASRAI, 2026a). Grant terminations at the National Institutes of Health and the National Science Foundation, the attempted 15 percent cap on indirect cost reimbursement, and the drawdown of USAID programs created both direct losses and planning uncertainty. Congress ultimately rejected the administration's proposed 40 percent NIH cut, funding the agency at \$48.7 billion for fiscal 2026, and the indirect cost cap was permanently enjoined in litigation that the Justice Department did not pursue past April 2026 (CASRAI, 2026b). Even so, the Brennan Center for Justice (2026) estimated that about \$1.4 billion in the research funding it tracked remained frozen or canceled at the start of 2026, and Johns Hopkins reported a 28 percent decline in its active award count (CASRAI, 2026a). Research universities responded with layoffs of research staff, hiring freezes, and smaller doctoral cohorts, because Ph.D. stipends are frequently paid from the same grants.

5.2 The endowment tax

The One Big Beautiful Bill Act (2025) replaced the flat 1.4 percent excise tax on large private endowments with tiers of 1.4, 4, and 8 percent based on endowment per student, while exempting institutions with fewer than 3,000 tuition-paying students. The top rate applies to Princeton, Yale, and MIT; Stanford, Harvard, Notre Dame, Dartmouth, Rice, Vanderbilt, and Richmond face 4 percent (The Nation, 2026). Yale's provost described the tax as an ongoing expense of about \$300 million a year and imposed a hiring freeze and spending reductions in response (Chief Investment Officer, 2025). The tax affects few institutions, but those institutions train a disproportionate share of future faculty.

5.3 Graduate finance

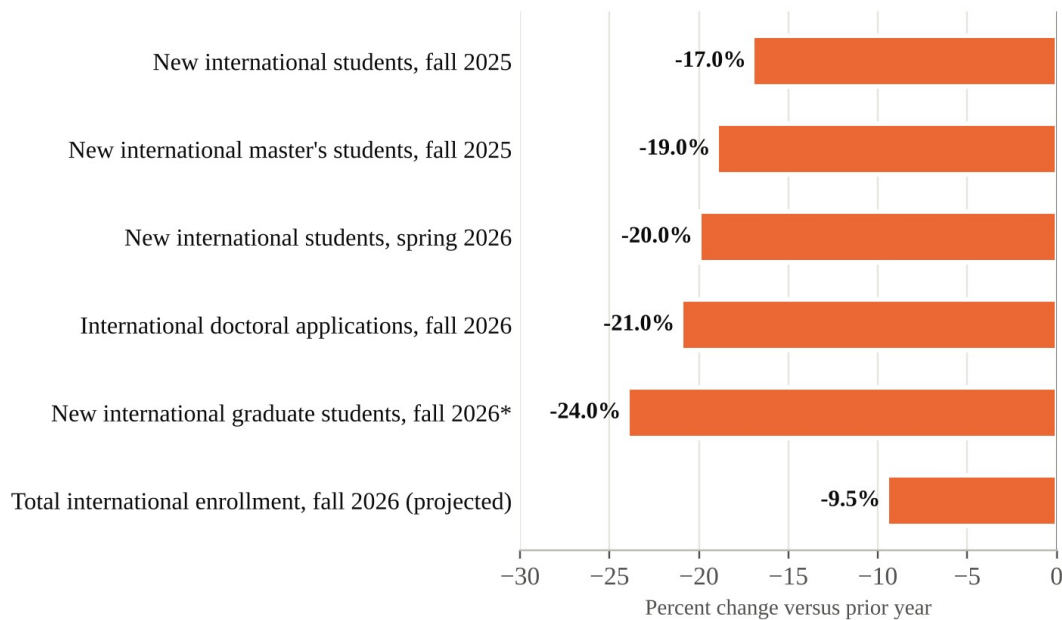
Beginning July 1, 2026, the federal Grad PLUS program closed to new borrowers. Graduate students may now borrow \$20,500 a year and \$100,000 in total; professional students \$50,000 a year and \$200,000; with a lifetime federal limit of \$257,500 (CAPPS, 2026). More than 440,000 students borrowed through Grad

PLUS in 2023 to 2024, according to the Council of Graduate Schools (Saving for College, 2026). The same law introduces an earnings test under which graduate programs can lose loan eligibility if graduates earn less than the median bachelor's degree holder in their field and state (UNC Charlotte Graduate School, 2025). Master's programs, which many universities expanded to cross-subsidize other activities, now face both a financing ceiling and an accountability threshold. The American Council on Education's surveys show that leaders regard graduate financing and federal uncertainty as major planning concerns (American Council on Education, 2026a, 2026b).

5.4 The international student decline

International students, who disproportionately pay full tuition and fill master's and doctoral programs, are arriving in sharply smaller numbers. New international enrollment fell 17 percent in fall 2025 and about 20 percent in spring 2026. NAFSA and JB International project a 9.5 percent decline in total international enrollment for fall 2026, about 111,000 fewer students and up to \$3.4 billion in lost economic activity, with new international graduate enrollment down an average of 24 percent at participating institutions; international applications to doctoral programs were reported down 21 percent (NAFSA, 2026; Washington Post, 2026). At public flagships, Indiana University's international enrollment fell 15.6 percent in fall 2026 and Ohio State's enrollment of Chinese students fell 20.7 percent (Higher Ed Dive, 2026c). Institutions that built graduate models on international demand, such as Illinois Tech (42 percent international), have cited this decline directly in their cuts (Inside Higher Ed, 2026c).

Figure 5. Every leading international indicator points down



Sources: IIE Fall 2025 Snapshot; NAFSA surveys (fall 2025, spring 2026); NAFSA and JB International, Fall 2026 Outlook (Aug. 2026).

*Average at participating institutions.

5.5 The demographic peak

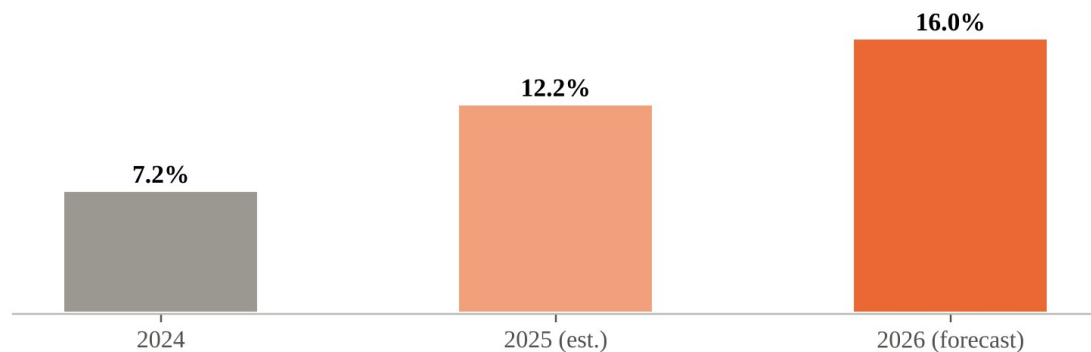
The number of U.S. high school graduates peaked at about 3.9 million in 2025 and is projected to decline steadily to about 3.4 million by 2041, a 13 percent drop. Thirty-eight states will see fewer graduates; only

the South is projected to grow (WICHE, 2024). Total college enrollment still rose 1.0 percent in fall 2025, but the gains went to community colleges and public four-year institutions while undergraduate enrollment at private nonprofit four-year colleges fell 1.6 percent (National Student Clearinghouse Research Center, 2026). The demographic decline will intensify competition precisely in the segment already under the greatest financial strain.

5.6 The compound effect

Rating agencies have recognized the convergence. All three major agencies assigned negative outlooks to the sector for 2026 (Duke Chronicle, 2025). Moody's projects overall revenue growth slowing to 3.5 percent and forecasts that 16 percent of private institutions will operate with negative margins in 2026, up from 12.2 percent in 2025 and 7.2 percent in 2024 (Inside Higher Ed, 2025a; The Edu Ledger, 2025). Public confidence adds a sixth, slower force: fewer than four in ten Americans express confidence in higher education, down from nearly six in ten in 2015 (Marcus, 2026), which weakens the political case for public investment.

Figure 6. Private colleges operating at a loss are more than doubling



Source: Moody's Ratings 2026 sector outlook, as reported by Inside Higher Ed and The Edu Ledger (Nov. 2025). Share of private institutions with negative margins.

6. Original Analysis: Institutional Exposure Matrix

Because each force hits a different revenue line, institutional type predicts exposure better than any single headline. The matrix below is an analytical framework developed for this report from the evidence reviewed. It is a qualitative judgment, not a validated scoring model, and individual institutions will vary within each segment.

Segment	Federal research	International	Endowment tax	Grad loan caps	State mandates	Demographic decline
Wealthy private research universities	High	Moderate	High	Moderate	Low	Low
Public flagships and R1s	High	High	None	Moderate	Moderate	Low
Regional publics and branch campuses	Low	Moderate	None	Moderate	High	High
Small tuition-dependent private colleges	Low	Moderate	None	Moderate	Low	High
Graduate-heavy and professional institutions	Moderate	High	Low	High	Low	Low
Community colleges	Low	Low	None	Low	Moderate	Moderate

Exposure ratings are the author's assessment based on the revenue dependencies documented in Section 5.

Three patterns follow from the matrix. **First**, wealthy research universities face the most simultaneous federal shocks but have the reserves to absorb them; their response is to shrink staff and doctoral cohorts, which exports the pain to the national faculty pipeline. **Second**, regional publics and branch campuses face the combination of state mandates and demographic decline, the two forces most likely to produce program closures and campus consolidation; Penn State's decision to close seven Commonwealth campuses is the clearest example. **Third**, small private colleges face existential rather than operational risk. Huron Consulting Group estimates that 442 of roughly 1,700 private nonprofit four-year colleges, serving about 670,000 students, are at risk of closing or merging within a decade (Hechinger Report and NPR, 2026). At least 16 nonprofit colleges announced closures in 2025 (Inside Higher Ed, 2025b), and Hampshire College, Anna Maria College, Labouré College of Healthcare, and Sterling College are among those closing in 2026 (The College Investor, 2026).

7. What This Means for the Future of Higher Education

7.1 Seven structural consequences

1. **Narrower universities.** Many public universities will offer fewer majors, particularly in languages, the humanities, the arts, and specialized sciences. Courses may survive as service teaching, but fewer students will be able to major in these fields close to home.
2. **Access deserts.** Branch campus closures and regional program cuts will fall hardest on place-bound, first-generation, and rural students, the populations least able to relocate for a degree.
3. **A faculty pipeline gap.** Doctoral cohorts reduced in 2025 and 2026 will produce fewer Ph.D.s around 2031 to 2033, just as the large cohort of faculty hired in the 1990s and 2000s retires. Some fields may face faculty shortages within a decade of today's cuts.

4. **Governance shifting outward.** Decisions about curriculum and program portfolios are moving from faculty to boards, coordinating agencies, and legislatures. This may improve efficiency and responsiveness; it also concentrates academic judgment in bodies with less disciplinary expertise.
5. **Conditional tenure as the new norm.** Expect more post-tenure review, more teaching-load mandates, and more use of program discontinuance and financial exigency as pathways around tenure protections.
6. **Thinner student support.** Staff reductions in advising, technology, counseling, and research administration will be felt in retention and completion before they show up in any budget line.
7. **Research capacity relocation.** Reduced federal support and fewer international graduate students may push some research and talent toward industry and other countries, a shift that would be slow to reverse.

7.2 Three scenarios to 2030

Scenario	Description	Signposts to watch
Managed consolidation	States and systems use program review and mergers deliberately; savings are reinvested; tenure-line hiring stabilizes at a lower level.	Reinvestment reported alongside cuts; system-level shared programs; stable or rising tenure-track hiring in 2027 CUPA-HR data
The hollowed middle	Elite research universities and community colleges stabilize; regional publics and small privates shrink unevenly; breadth erodes outside major metros.	Rising closures among private colleges; continued branch campus consolidation; widening gap in program counts by region
Disorderly retrenchment	Additional federal or state shocks force reactive cuts; exigency declarations multiply; tenured layoffs become routine.	Growth in financial exigency declarations; rating downgrades outpacing upgrades; further declines in international and graduate enrollment

On the evidence available in October 2026, the most likely path is the hollowed middle: a sector that remains large and globally significant at the top and bottom of the market but becomes thinner, more regionally unequal, and more centrally managed in between.

7.3 Implications for health professions education

Health professions programs are not immune. The end of Grad PLUS affects high-cost graduate programs such as nurse anesthesia and other doctoral clinical degrees, whose cost of attendance often exceeds the new federal caps, although federal officials argue that about 95 percent of nursing and education students will be unaffected (MyChesCo, 2026). NIH terminations have already produced layoffs in schools of public health, including at Johns Hopkins. Only about 26 percent of medical school faculty held tenured or tenure-track appointments in fall 2023 (Colby, 2025b), and allied health programs at regional universities, including imaging, respiratory therapy, and laboratory science, are often small by completion count even when workforce demand is strong. Health system leaders should expect clinical education partners to face program review pressure and should be prepared to document workforce demand when those programs are evaluated.

8. Recommendations

FOR PRESIDENTS, PROVOSTS, AND BOARDS

- Run program review as a portfolio strategy, not a threshold exercise. Evaluate each program on completions, credit hours taught, workforce alignment, mission, and cost, and protect service-teaching capacity even where degree labels are retired.
- Pair every reduction with a stated reinvestment. Cuts that fund visible priorities preserve trust and morale; cuts that simply close deficits erode both.
- Stress test the budget against the five forces simultaneously, not one at a time. Model international, graduate, research, and state revenue under combined downside assumptions.
- Protect student-facing staff (advising, financial aid, counseling, research compliance) or measure the retention and grant-processing consequences when they are cut.

FOR POLICYMAKERS

- Use completion thresholds as triggers for review rather than automatic elimination, and credit programs for the courses they teach to non-majors.
- Fund shared and online program consortia so that low-enrollment fields can remain available across a state system without each campus carrying the cost.
- Preserve due process for faculty dismissal; weakening it may save little money while making recruitment harder for public institutions competing nationally.

FOR FACULTY AND ACADEMIC LEADERS

- Document the full contribution of small programs, including general education enrollment, minors, teacher preparation, and research output, before review begins.
- Engage early in governance processes, even advisory ones; influence is greatest before recommendations are written.
- Build cross-disciplinary and cross-campus program structures that meet completion thresholds while preserving disciplinary expertise.

FOR STUDENTS, FAMILIES, AND EMPLOYERS

- Ask institutions directly about program review status, teach-out commitments, and financial health before enrolling.
- Employers and health systems that depend on specific programs should communicate workforce demand to universities and state agencies, and consider clinical partnership and sponsorship models.

A LEADING INDICATOR WATCH LIST FOR 2027

Indicator	Source	Direction of concern
Tenure-track faculty headcount change	CUPA-HR annual workforce survey (Aug. 2027)	A return to flat or negative growth
New international enrollment, fall 2026	IIE Fall 2026 Snapshot and Open Doors (Nov. 2026)	Declines deeper than 17%

Indicator	Source	Direction of concern
Graduate enrollment after Grad PLUS	National Student Clearinghouse (Jan. 2027)	Master's and professional declines
Negative operating margins, privates	Moody's, S&P, and Fitch sector outlooks	Above the 16% forecast
Nonprofit closure announcements	Inside Higher Ed and Higher Ed Dive trackers	More than 16 per year
New state program mandates	2027 legislative sessions	Adoption beyond IN, OH, UT, and TX

9. Limitations

This analysis relies on announced actions and on national datasets with known lags. Program counts conflate eliminations, suspensions, and mergers, which have very different effects on faculty and students. The CUPA-HR survey is voluntary, and the BLS-based employment estimate is a proxy that includes some non-university employment. Ratings in the exposure matrix are judgments rather than measurements. Finally, events in the twelve-month window are recent; some announced cuts may be revised, reversed by litigation, or offset by new investment.

10. Conclusion

The elimination of academic programs, the reduction of campus staff, and the weakening of tenure are not three separate stories. They are expressions of one adjustment: a sector built for growth in students, federal research, international demand, and public trust is resizing itself for a decade in which each of those inputs is flat or falling. The numbers so far are smaller than the headlines suggest. The structural changes are larger. Universities that make deliberate choices about breadth, people, and pipeline now will define what the American university looks like in 2035. Those that wait will have those choices made for them by statute, by rating agencies, or by the calendar.

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