



Pennsylvania's
STATE SYSTEM
of Higher Education



#Together4PASSHE

Partnering for Student Success

While the State System is fundamentally retooling itself to increase opportunities for students and to ensure our institutions are here to serve Pennsylvanians for decades to come, a stronger renewed partnership between the System and the General Assembly is critical to the System's pursuit of transformation and growth, further strengthening universities' financial stability and making more affordable and accessible a State System education.

We can make the greatest difference for Pennsylvania students and our institutions when we work together. Help advance the System's public mission of access and affordability and request for increased state support.

Dear Legislators,

Your State System universities are fulfilling their commitment to you to transform and retool. Today, your universities operate more efficiently, spend dollars with greater accountability, and most important, prepare students for good family-sustaining careers and roles that employers desperately need to fill in our Commonwealth.

The State System is demonstrating its worth, now we respectfully ask to strengthen our partnership with you. The funding request outlined below is critical to accelerate the System's transformation as we strive to address Pennsylvania's shortage of highly skilled and educated workers.

The information in this document is also a reminder of the students we serve and our mission to provide an affordable bridge to prosperity and respond to employers' demand for a stronger workforce.

Daniel Greenstein

Chancellor,

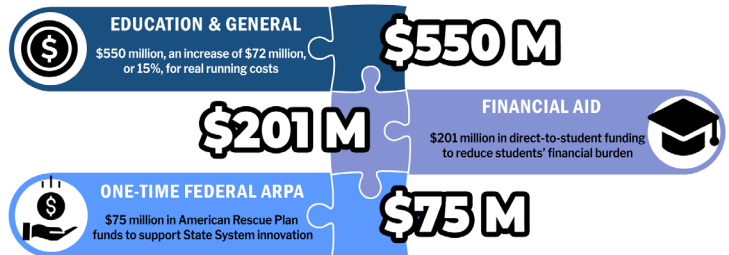
Pennsylvania's State System of Higher Education

www.passhe.edu/together4passhe

For Fiscal Year (FY) 2022-23, the State System is seeking:

- A historic general appropriation increase of 15% (\$72 million) to \$550 million to more fully respond to the State System's and universities' real running costs.
- \$201 million in direct state funding to reclaim our affordability advantage, reducing the financial burden on students.

STATE SYSTEM'S FY 2022-23 APPROPRIATIONS REQUEST



With additional investment in the State System and its students, Pennsylvania can restore and reinvigorate its public higher education option, enhance economic competitiveness, expand social mobility, and be responsive to employers.

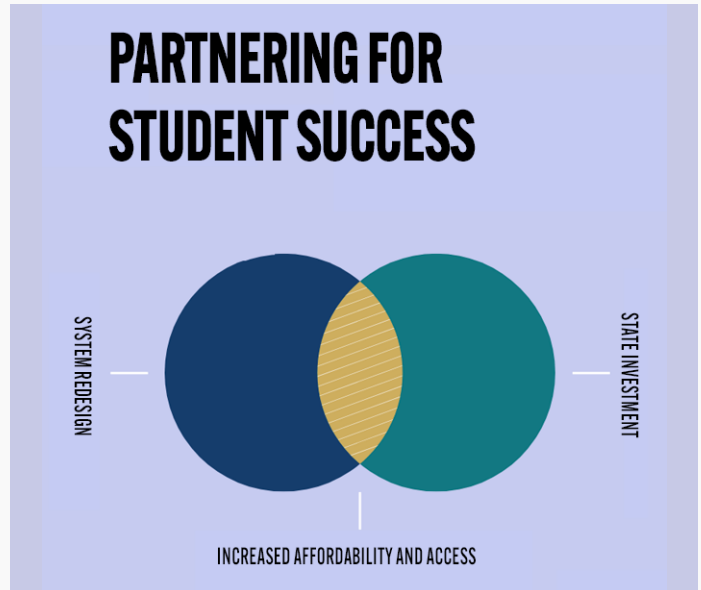
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Contributions to the State

State System universities are catalysts for upward social mobility for the whole community, and especially for those underrepresented populations that face social and economic barriers to success.

While State System universities not only provide a personal benefit to their students, they also represent a public good that has a multiplier effect for their community and for the Commonwealth.

- Total economic impact of the State System on the Commonwealth during FY 19-20 was \$4.0 billion.
- Each dollar invested by the Commonwealth to one State System university produced an average return of \$8.30 in economic impact.



STATE SYSTEM EDUCATION COST PER DOLLAR EARNED

State System degrees are drifting beyond the reach of Pennsylvania's low- and middle-income families. Students from low- and middle-income families pay **almost 40 cents of every dollar earned for a State System education**, compared to students from high-income families who spend only 20 cents of every dollar earned.



Student Affordability

The State System's mission is to provide the most affordable, highest-quality education possible. Unfortunately, a State System education is drifting beyond the reach of the students we were born to serve. Here's how much and why costs have increased:

- Over the last decade, the average price students pay to attend a State System university has increased by 33%.
- The proportion of education costs paid by students at 4-year public institutions in Pennsylvania was 71.9% in 2020, ranking Pennsylvania as the 11th highest in the country for percentage of costs borne by students.
- For low- and middle-income families (income less than \$110,000), almost 40 cents of every dollar earned goes to paying for a State System education, compared to just 20 cents of every dollar for high-income families.

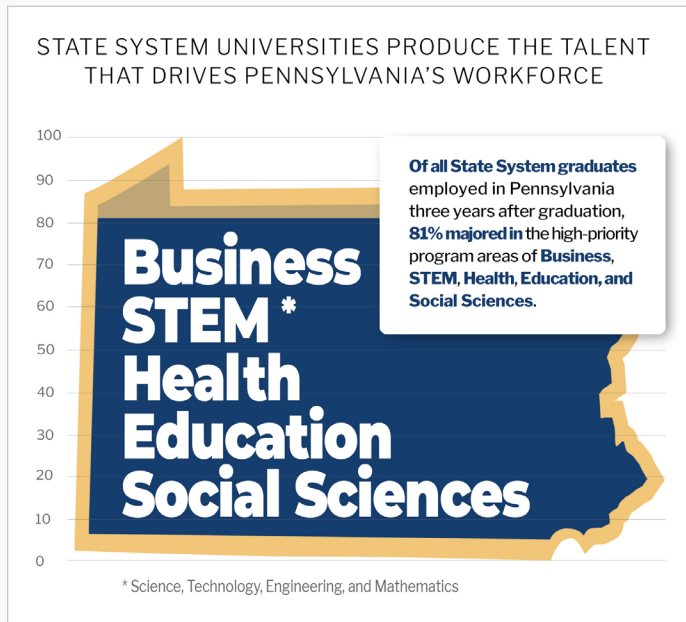
Student Progression and Completion

State System universities know what works to motivate students to successfully navigate their college experience. From emergency financial aid to wraparound student support services and more, university practices help State System students stay in college and complete their degrees at rates that consistently outperform similar institutions.

- For the 2020-21 academic year, State System universities conferred nearly 24,000 degrees and certificates in high-demand areas like STEM, health, business, and education. Over 760,000 degrees and certificates have been conferred since the inception of the System in 1983.

Student Progression and Completion - contd.

- As a result of Systemwide goal alignment and comprehensive planning, the State System consistently outperforms national 4-year public institutions with State System 2nd-year retention at about 79%.
- State System 6-year graduation rates are also higher than the national 4-year public institution, averaging 60% compared to 51%.



Workforce Alignment

Our universities support economic development across the Commonwealth by preparing and graduating students in high-priority areas and partnering with businesses and industries that fuel our economy. And yet, Pennsylvania has a pressing need for more employees with some form of higher education. The proportion of jobs requiring a college degree is also growing.

- For more than ten years, the most popular areas of study for State System students have continued to be the high-priority areas of STEM, Business, Education, Health Professions, and Social Sciences.
- Over the past ten years, the share of students majoring in high-priority areas increased from 71% to 78%.
- Three years after graduating, 71% of bachelor's degree recipients are working in Pennsylvania and have median annual earnings of \$54,708—contributing to local and regional economies.

Diversity, Equity, and Inclusion

State System universities are still the most affordable 4-year postsecondary option in Pennsylvania. Ensuring they remain affordable is critical to continuing service to underrepresented minority (URM) students and to meeting state social mobility and economic development needs.

- A general appropriation of \$550 million would enable the State System to expand access and support to URM students who need academic and financial help. The postsecondary success of URM students is critical for Pennsylvania to meet its workforce needs.
- Direct-to-student funding of \$201 million for State System students could result in an enrollment increase of at least 8% at State System universities. Of those additional 709 students, 134 would be URM students.



Student Access and Enrollment

Pennsylvania's chronic "talent gap" is starving employers of the educated workforce they need to remain competitive. The talent gap can only be filled by improving the higher education achievement level of low- and middle-income, underrepresented minority, and adult students.

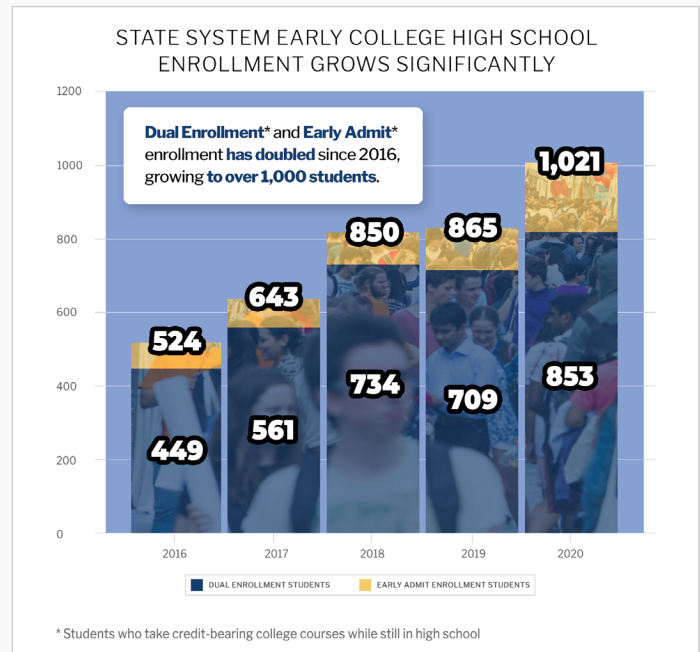
While State System universities not only provide a personal benefit to their students, they also represent a public good that has a multiplier effect for their community and for the Commonwealth.

- Declining higher education enrollments worsen the state's talent gap. Enrollment across the State System has declined 26% since 2010. We estimate about 6% of that is due to the pandemic and another 5% to fewer high school graduates. By far the largest cause is the rising price of attendance.
- Significant additional investment is necessary to ensure a State System education is responsive to employers' needs and accessible to everyone.

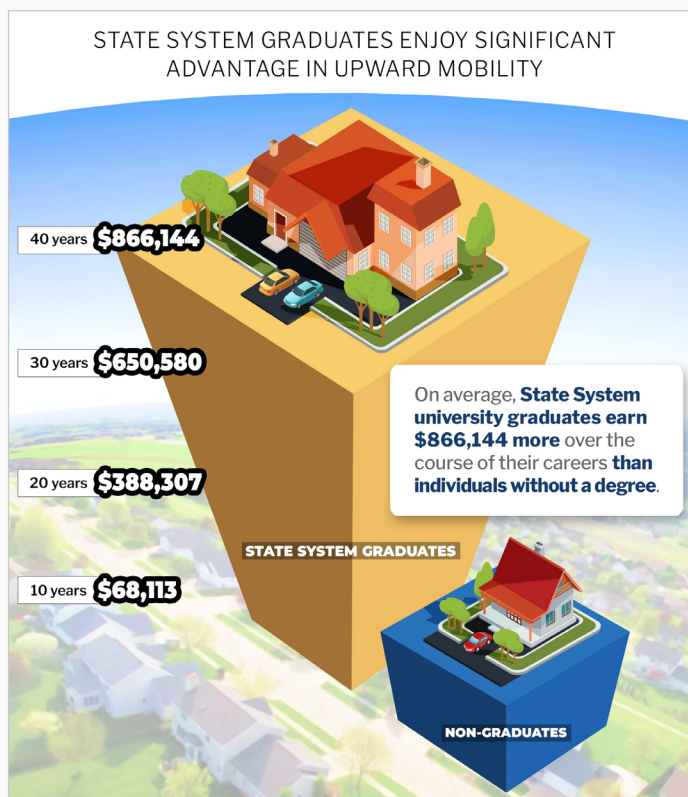
The State System is hard at work delivering on its promise to Pennsylvania's employers as an engine of workforce development.

- Dual Enrollment and Early Admit enrollment has doubled since 2016, growing to over 1,000 students. After high school

graduation, over 30% of dual enrolled high school students matriculate to a System university and over 35% of early admit students persist at a System university.



Economic and Social Mobility



The State System delivers value to students by providing opportunities for upward economic and social mobility. The degrees and credentials earned from a State System education help students from low-income families join the middle class and help others to continue climbing the economic ladder. A State System degree catapults graduates to good, family-sustaining jobs. Their higher incomes create economic security for their families, support their local rural or urban communities, and collectively provide a powerful boost to Pennsylvania's economy.

State System universities are powerful drivers to help Pennsylvanians into the middle class.

- The State System's high-quality education is aligned to meet the needs of Pennsylvania's workforce at the lowest possible cost, which drives individual and community economic and social mobility.
- On average, State System graduates earned more than the average high school graduates, regardless of family income, race/ethnicity, program of study, and System university.
- 75% of students from low income families climb into the middle class within a decade after graduation from a State System university.
- State System graduates earn \$866,144 more over their careers than people without a degree.