

WHAT TO KNOW ABOUT PASSHE

February 2025

Pennsylvania's State System of Higher Education receives inquiries regarding its appropriations request and accountability report during the state budget process. Here are answers to common questions PASSHE is asked, from alignment to Pennsylvania's workforce needs to financial sustainability.

Contributions to the state

- 1. What value do PASSHE universities deliver to the state?** PASSHE universities provide students with a well-rounded education and specific skills for successful careers and lives in Pennsylvania. These universities generate an impressive \$8.30 return on every public dollar invested, collectively contributing \$4 billion to the state's economy.
- 2. Is a PASSHE university degree a good investment?** Yes! College grads earn significantly more than those with a high school diploma, experience less unemployment, have better health outcomes, and contribute more in taxes. It's a good investment for the student and the state.
- 3. How are PASSHE universities collaborating with regional employers and using workforce demand data?** The Lumina Foundation reports that 60% of jobs require a post-high school credential, but only 53% of Pennsylvania's workforce has one. PASSHE universities are aligning degree programs with job market needs to address this gap and offer micro-credentials and work-based learning opportunities in addition to traditional degree programs.
- 4. What are the most popular majors at PASSHE universities?** The areas with the highest enrollment at PASSHE universities are business, education, and health care, leading to in-demand jobs.
- 5. What percentage of graduates earn degrees or certificates in business, education, health care, psychology, protective services, and STEM programs?** About two-thirds of PASSHE graduates receive degrees in high-demand fields such as STEM, healthcare, and education.

Student access and enrollment

- 6. How many Pennsylvanians do PASSHE universities enroll?** PASSHE universities have the highest enrollment of in-state students among four-year colleges and universities in Pennsylvania, with nearly 90% coming from Pennsylvania.

7. **What enrollment trends has PASSHE experienced?** Following a peak of more than 119,000 students in 2010, enrollment in PASSHE has dropped by 31%, primarily due to demographic shifts and fewer high school graduates. Recent data indicates that student enrollments are stabilizing due to tuition freezes, increased financial aid, and targeted recruitment.
8. **Do PASSHE universities guarantee admission to transfer students with associate degrees?** Yes! PASSHE universities guarantee admission to transfer students with associate degrees from community colleges. In fact, 95% of transfer credits from these community colleges are accepted by PASSHE universities.
9. **How does the enrollment of underrepresented students reflect the commonwealth?** Student diversity at PASSHE universities is representative of Pennsylvania's population and has increased proportionally over time. However, the proportion of Pell Grant recipients and first-generation students has declined, consistent with national trends. This situation underscores the need for targeted support to ensure access for low- and middle-income students.
10. **How is the State System advancing student success?** PASSHE is implementing a systemwide student information system, enabling shared academic programs across the system, and exploring ways to better engage underserved students by developing quality non-degree credentials.

Student affordability

11. **Is a PASSHE education affordable?** Yes! PASSHE universities are the most affordable public four-year institutions in Pennsylvania. Aided by increased state funding, tuition has been frozen since 2018, which has improved Pennsylvania's higher education funding ranking from 48th to 40th. Still, affordability challenges remain, with net costs higher than those of neighboring states.
12. **How much have repeated tuition freezes saved students compared to the price if tuition had risen at the inflation rate during that time?** The repeated freezes on tuition rates have helped students save nearly 25% on their tuition costs, which is like getting one free year of tuition for a four-year degree.
13. **What proportion of PASSHE's undergraduate population is considered low- and middle-income students?** These students represent 32% of the undergraduate population. When considering all students from families earning under \$110,000 annually, nearly 70% of PASSHE's undergraduate population is affected by affordability issues.

- 14. How do PASSHE universities support low- and middle-income students?** Financial aid strategies focus on making education accessible to students with lower incomes through increased gift aid. However, student loan dependence is a concern, with PASSHE graduates having a median federal loan debt that exceeds the national average for public universities. Ongoing state investment is vital for reducing this burden and ensuring affordability.
- 15. What percentage of PASSHE students receive financial support?** Almost 70% of PASSHE students receive some form of financial support. Increases in institutional aid have helped stabilize the net price of attendance. However, affordability continues to be a challenge for low- and middle-income families, who still face a disproportionately high financial burden.

Student progression and completion

- 16. What percentage of first-year PASSHE students return for their second year?** In 2023, the retention rate for first-year students reached 77.8%, which is in line with national averages for public master's degree-granting institutions.
- 17. How many PASSHE students graduate in four years?** PASSHE's four-year graduation rate is improving; at 43%, it remains above average for comparator institutions. Gaps, however, persist for underrepresented minority and Pell-eligible students.
- 18. What attainment gaps exist between different groups of students?** Achievement gaps continue for underrepresented minority and Pell-eligible students. PASSHE is dedicated to narrowing these gaps through focused support programs and data-informed interventions. These initiatives are essential for promoting equity and fulfilling the state's workforce needs.
- 19. What is the value proposition for students who pursue a PASSHE education?** Ten years after graduating, bachelor's degree holders earn an average of \$62,000 annually, with STEM graduates earning even more. Additionally, three out of four low-income graduates from the State System achieve middle-class status within a decade, highlighting a PASSHE degree's value.
- 20. Does PASSHE offer workforce-aligned certificates and non-degree credentials?** Yes! In addition to degree programs, PASSHE has expanded its offerings of workforce-aligned certificates and non-degree credentials that meet employer needs and provide students with flexible pathways to advance their careers.

University financial efficiency and sustainability

- 21. How much of PASSHE's budget is funded by the state?** Recent increases in state funding have improved Pennsylvania's ranking in higher education from 48th to 40th and allowed PASSHE to freeze in-state tuition rates since 2018. However, students still bear most of the educational costs, with the Educational and General Budget (E&G) funded by 51% from tuition and fees, 35% from state appropriations, and the rest from other sources.

- 22. What are PASSHE's key expenses?** Major expenses include pension and healthcare, while additional costs involve funding life cycle and stewardship needs. Increased state funding in these areas could greatly enhance the overall quality and functionality of PASSHE universities.
- 23. How have PASSHE universities improved their financial efficiency?** Universities have improved efficiency through various strategies, including shared services, aligning operating budgets with revenues at target enrollment levels, optimizing employee complement, reducing physical space by selling or demolishing under-utilized facilities, and competitively procuring energy.
- 24. What are the most pressing issues and concerns for PASSHE universities in 2025 and beyond?** Like many peer institutions nationwide, PASSHE universities face demographic changes that have affected traditional college student enrollment and the college-going rate. Also, the looming enrollment cliff will pose financial threats. As PASSHE continues focusing on affordability, state support is key to avoiding tuition increases and counterbalancing inflationary pressures. PASSHE is hopeful that despite these challenges, the commonwealth will invest in its state-owned universities so that they can graduate very well-prepared students, contributing to closing the state's talent gap.
- 25. What is PASSHE's FY 2025-26 funding request?** For Fiscal Year 2025-26, PASSHE requests an Education and General (E&G) appropriation of \$661.1 million, representing a \$40.3 million, or 6.5%, increase over the current fiscal year. This level of state investment would enable PASSHE to keep tuition frozen at \$7,716 for a remarkable eighth year.