

## 2026-27 Appropriations Request and Accountability Report Takeaways

February 2026

Pennsylvania's State System of Higher Education is seeking \$651.8 million in Educational & General (E&G) funding for 2026-27, a \$31 million (5%) increase, calculated excluding the 5% appropriated this year for an enhanced transfer and workforce development partnership initiative, that strengthens its role as a driver of economic growth, workforce development, social mobility, and talent retention. Investing in PASSHE keeps tuition affordable, fuels regional economies, and secures the commonwealth's long-term prosperity.

Below are key points from PASSHE's 2026-27 Appropriations Request and Accountability Report.

	Figure Number(s)	Page Number
<b>SECTION 1: Contributions to the state</b>		
State System universities and their alumni power the commonwealth's economy, workforce, and communities.	1	2
PASSHE's alumni network reaches every corner of the state.	2	3
Across Pennsylvania Senate districts, up to 10% of residents are PASSHE alumni.	3	4
PASSHE alumni approach 12% of residents in select House districts.	4	5
More than 13,000 PASSHE graduates earn degrees in areas with in-demand jobs, which is critical to providing the skilled workforce Pennsylvania employers need.	5	7
PASSHE students earn degrees and certificates that align with in-demand jobs.	6 & 7	8
PASSHE's workforce-aligned education delivers exceptional value and opportunities for graduates.		9
PASSHE graduates stay in Pennsylvania, earn more, and strengthen local and state economies.	8	10
<b>SECTION 2: Student access and enrollment</b>		
The number of traditional college-age students is declining, and fewer are pursuing higher education, affecting college enrollment and completions.	9	12
The proportion of PASSHE university undergraduate and graduate enrollment has remained stable.	10 & 11	13

New first-year student enrollment has leveled off while demographic and cost pressures continue.	12	14
State support, adjusted for inflation, has remained stable.	13	15
State funding continues to shape the cost of attending PASSHE universities.	14	16
Enrollment has declined as the shrinking high school pipeline continues to depress and will keep falling.	15	17
Local pipelines shrink as universities grow more dependent on fewer feeder counties.	16	18
Declines in the number of high school graduates most strongly affect rural and western PASSHE universities.	17	19
PASSHE universities are reshaping their program array to boost recruitment and align with workforce needs.		20
Student diversity holds steady and reflects Pennsylvania's population.	18	21
While adult learners remain a consistent share of PASSHE students, the System is expanding further into that market.	19	22
New transfer enrollment increased, reflecting the System's strong value and more seamless transfer processes.	20	23
Dual enrollment surges 74% in five years.	21	24
Over 70% of students take at least one class online, similar to national trends.	22	25
<b>SECTION 3: Student affordability</b>		
PASSHE is Pennsylvania's most affordable option — but stronger state investment remains essential.		27
PASSHE universities have slowed the upward trajectory of students' net price.	23	28
Attending a PASSHE university is now more affordable than in-state rates in most neighboring states, thanks to recent state investments and tuition freezes.	24	29
Total price varies across PASSHE campuses and is key to students' real-world cost and choice.	25	30
Repeated tuition freezes and increases in institutional aid have leveled the cost to students, a rare accomplishment in public higher education.	26	31

Low- and middle-income students receive the most gift aid, increasing affordability and access for students in greatest need.	27	32
Even after receiving more aid, the cost is still too high for many students.	28	33
PASSHE universities have increased institutional aid but still lag comparator universities and depend on state support.	29 & 30	34
PASSHE universities strategically use institutional aid to reduce student costs, but award amounts vary by campus.	31	35
Student loan debt of PASSHE university graduates is stable but remains higher than that of public university students outside Pennsylvania.	32	36
<b>SECTION 4: Student progression and completion</b>		
Timely degree completion is key to strengthening Pennsylvania's workforce.		38
First-year students returning for their sophomore year reached an all-time high, underscoring the impact of student success investments.	33	39
More first-year students are returning for their sophomore year, a positive sign that students will complete their degree.	34	40
More students from underrepresented groups and low-income families are returning for their second year, but the persistence gap with other students is stable.	35 & 36	41
PASSHE's four-year graduation rate continues to improve and remains above comparator institutions.	37	42
PASSHE's six-year graduation rate outperforms comparator institutions.	38	43
PASSHE's six-year graduation rate is stable.	39	44
Graduation rates improved for students transferring to a PASSHE university, reflecting PASSHE's improved transfer policies.	40	45
PASSHE is working to close graduation gaps for underrepresented minority students.	41	46
Low-income PASSHE university students graduate at higher rates than at comparator institutions.	42	47
Certificate and doctoral completions rise as undergraduate trends diverge.	43	48

The percentage of credentials awarded to underrepresented students has steadily increased but lags national averages, and improvement is needed.	44	49
<b>SECTION 5: University financial efficiency and sustainability</b>		
PASSHE's budget invests in core education, student services, and campus operations.	45	51
PASSHE's investment in faculty and staff reflects the people-centered nature of higher education.	46 & 47	52
PASSHE maintains a stable, student-centered E&G budget built on shared investment despite inflation and other demands.	48	53
After experiencing more than a decade of steady decline, university enrollment has begun to stabilize.	49	55
Operating margins remain below target, underscoring ongoing financial risk.	50	56
Falling reserve levels signal growing financial vulnerability for some universities.	51 & 52	57
Reserves decline as some universities continue working toward financial sustainability.	53	58
PASSHE holds per-student spending nearly flat, outpacing the national average in efficiency.	54	59
PASSHE gains efficiency, but overall sustainability requires continued focus on revenue and expenditures.	55	60
PASSHE staff efficiency remains strong even with increasing demand for student supports.	56	61
Universities reduce employee headcount as enrollment lags; student services staffing maintained.	57	63
PASSHE administrator and faculty salaries are within range of national peers.	58 & 59	64
Pension costs stabilize after a decade of rapid growth, helping to ease long-term budget pressures.	60	65
Lower staffing levels help stabilize personnel costs even as healthcare expenses rise.	61	66
Healthcare costs continue to be a leading cost driver across PASSHE.	62 & 63	67

PASSHE Shared Services enhances support and reduces costs across the System.	64	68
PASSHE's aging infrastructure requires steady reinvestment to prevent costly deterioration.		69
Aging buildings without reinvestment trigger costly breakdowns and heighten financial risk.	65	70
Current funding keeps facilities operating but fails to protect long-term asset value.	66	71
PASSHE universities' energy strategy delivers significant savings through smart purchasing and reduced consumption.	67	72
PASSHE universities slash energy use, saving \$232 million over 10 years.	68	73
PASSHE reduces campus space to save \$22 million this year and anticipates an additional \$16.4 million in further savings.	69	74

Source: [PASSHE's 2026-27 Appropriations Request and Accountability Report](#)