New Trustee Orientation

PACT Meeting
April 11, 2019

Lois Johnson, Associate Vice Chancellor, Administration and Finance
Andy Lehman, Chief Counsel
Agenda:

- Pennsylvania’s Higher Education Landscape
- National and State System Trends
- Governance Roles and Responsibilities
Pennsylvania’s
Higher Education Landscape
Pennsylvania’s Institutions of Higher Education (IHE)

Nearly 250 IHEs authorized to grant degrees; all have different governing/coordinating bodies.

- 14 State-Owned Universities
- 14 Community Colleges
- 4 State-Related Universities and 1 Affiliate
- 8 Private State-Aided Institutions
- 1 State College of Technology (Thaddeus Stevens)
- 92 Private Colleges and Universities
- 13 Theological Seminaries
- 3 Private 2-Year Colleges
- 56 Specialized Associate Degree-Granting Institutions
- 24 PA Extension Campuses of Out-of-State Providers

Source: Pennsylvania’s Department of Education
Pennsylvania’s Institutions of Higher Education

- 162 institutions grant associate degrees
- 139 institutions grant baccalaureate degrees
- 121 institutions grant master’s degrees
- 68 institutions offer doctor’s degrees (research/scholarship, and professional practice)

NOTE: The list includes public, private and for-profit institutions as well as multiple campuses of institutions.
SOURCE: College Navigator, National Center for Education Statistics, October 3, 2016
2017 Fall Enrollments at all IHEs in Pennsylvania

by Sector

Total Headcount Students

Undergraduate and Graduate

The State System is the largest provider of all higher education in Pennsylvania.

- Privates: 338,410
- State-Related: 175,293
- State System: 102,275
- Public less than 4-Year: 126,609
Postsecondary Education Planning and Studies

Master Plans

- “Every five (5) years*, the State Board of Education shall adopt a master plan for higher education which shall be for the guidance of the Governor, the General Assembly, and all institutions of higher education financed wholly or in part from State appropriations.” Master Plans developed in 1971, 1978, 1986, 2005

Governor’s Advisory Commission on Postsecondary Education (2012)

- Ensure greater public access, affordability, and usability of postsecondary education
- Recognize and support the diversity and richness of the postsecondary education system
- Affirm opportunities for lifelong learning
- Enhance Pennsylvania’s economic vitality and the ability for the Commonwealth to compete globally


- 14 universities focused on student success and regional service
- Governance and decision-making redesigned to limit politics and bureaucracy
- Develop stronger collaboration across universities


- Focused on institutions
- Multiple options—largely focused on mergers and closures

Newly introduced HB 993

- Create a higher education funding commission that would look at ways to improve access to higher education and job training in the state, including the charge to develop a higher education funding formula.
Observations

• The policy framework and organization of higher education is due more to *default* than *design*

• With nearly 250 colleges and universities, decisions have focused on *institutions* not *students or communities*

• Funding for higher education can been categorized as *maintenance* not *strategic investment*

• Alignment with statewide economic/workforce development has been historically *tenuous*
Who pays for “public” higher education?

The State System was created by Act 188 of 1982
- “…appropriations for their operations are ordinary expenses of government…”

Community College Act of 1963
- 1/3 State
- 1/3 County/District Sponsor
- 1/3 Student

State-related
- Non-preferred funding status
National and Pennsylvania Higher Education Landscape: *Enrollment and Funding*
High School Graduates Stagnant or Declining in Most Population Centers

Demographics: Many Regions Hit Harder than Others

Change in High School Graduates, 2013-2023
Size of Circle Represents Total Number of Graduates

Public FTE Enrollment and Educational Appropriations per FTE
United States, FY 1993-2018, Constant Dollars Adjusted by CPI

69% from State

54% from State

Source: State Higher Education Executive Officers Association
Public FTE Enrollment and Educational Appropriations per FTE
Pennsylvania, FY 1993-2018, Constant Dollars Adjusted by CPI

53% from State
27% from State

Source: State Higher Education Executive Officers Association
Average 2018-19 Tuition and Fees at Public Four-Year Institutions; Five-Year Percentage Change in Inflation-Adjusted In-State Tuition and Fees, by State

Source: The College Board, Trends in College Pricing 2018
2018/19 Price of Attendance Comparisons
For Typical New In-State Undergraduate Living on Campus

*Averages are for four-year public institutions.
**National average of room and board rates used for Middle States average.
2018/19 Price of Attendance by PASSHE University
For Typical New In-State Undergraduate Living on Campus

*Gray area denotes range of price based on maximum and minimum housing/dining options

**Includes Technology Tuition Fee
Challenges. Limited Room for Tuition Increases

Key Takeaways:
From 2011-12 through 2017-18, enrollment by family income* changed:

- $110,000 +11%
- <$110,000 -22%

Total fall undergraduates declined 15%

*For those who completed a FAFSA

Source: Data Warehouse, Student Reconciled Financial Aid and ISIRs
Income used is FISAP Family Income (Adjusted Gross Income + untaxed income), as calculated on the ISIR.
PASSHE Headcount Enrollment—Historical and Projected
Based on High School Graduates by County*

*Projected by Office of the Chancellor. No change estimated for out-of-state enrollment. Source for high school graduate estimates: Pennsylvania Departments of Health and Education. Methods based on Western Interstate Commission for Higher Education; updated by Office of Educational Intelligence, updated November 2018.
## Adult Students

*A Stronger Nation through Higher Education*

*Lumina Foundation (2016)*

Levels of education for Pennsylvania residents, ages 25-64

<table>
<thead>
<tr>
<th>Level</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than ninth grade</td>
<td>172,152</td>
<td>2.56%</td>
</tr>
<tr>
<td>Ninth to 12th grade, no diploma</td>
<td>405,220</td>
<td>6.03%</td>
</tr>
<tr>
<td>High school graduate (including equivalency)</td>
<td>2,262,635</td>
<td>33.65%</td>
</tr>
<tr>
<td>Some college, no degree</td>
<td>1,141,836</td>
<td>16.98%</td>
</tr>
<tr>
<td>Associate degree</td>
<td>907,137</td>
<td>9.03%</td>
</tr>
<tr>
<td>Bachelor’s degree</td>
<td>1,330,040</td>
<td>19.78%</td>
</tr>
<tr>
<td>Graduate or professional degree</td>
<td>805,746</td>
<td>11.98%</td>
</tr>
</tbody>
</table>

*Estimated attainment of certificates: 3%*

*Source: U.S. Census Bureau, 2014 American Community Survey*

*Note: The accompanying pie chart does not account for residents who have earned high value postsecondary certificates. The percentages above — admittedly, an estimate — aim to fill that gap. To calculate this percentage, labor market experts at the Georgetown University Center on Education and the Workforce used Survey of Income Program Participation 2009 Wave 12 data (2012) and data from the Integrated Postsecondary Education Data System (IPEDS) 2014.*
Governing Roles and Responsibilities:

*Based on Act 188 of 1982*

http://www.passhe.edu/inside/bog/Pages/Act-188.aspx
System’s Founding Legislation
Act 188 of 1982

Identifies Governance Bodies
• Board of Governors
• Councils of Trustees
• Presidents
• Chancellor

Outlines Roles and Responsibilities of Each Governance Body

- Most appointed by Governor with Senate confirmation
  *(Senate does not confirm student trustees)*
- Appointed by Board of Governors
## Highlights of Statutory Authority

### As Specified in Act 188 of 1982

<table>
<thead>
<tr>
<th></th>
<th>Board</th>
<th>Chancellor</th>
<th>Trustees</th>
<th>Presidents</th>
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<tbody>
<tr>
<td><strong>Presidential Appointment &amp; Evaluation</strong></td>
<td>Employs/ evaluates presidents and chancellor</td>
<td>Assists in appointment; establishes professional development plan; assesses performance</td>
<td>Recommend president; establish professional development plan; evaluate president</td>
<td>Self evaluation</td>
</tr>
<tr>
<td><strong>Academic Programs</strong></td>
<td>Sets policies/ criteria governing all new academic programs; approves or delegates to chancellor approval of new degree programs</td>
<td>Administers academic policies/ criteria governing new academic programs; approves some new degree programs</td>
<td>Approve new academic degree programs to move forward to Board for final approval <em>(associate degree or higher)</em>; approval/ notified of other academic program changes</td>
<td>Approve curriculum consistent with law and collective bargaining agreements; recommend to chancellor and trustees per Board policies/ criteria</td>
</tr>
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## Highlights of Statutory Authority (Continued)

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<tr>
<td><strong>Procurement Contracts</strong></td>
<td></td>
<td>Administers System-wide business procedures</td>
<td>Review and approve negotiated/awarded contracts/purchases</td>
<td>Negotiate and award contracts and purchases</td>
</tr>
<tr>
<td><strong>Budget—Operating and Capital</strong></td>
<td>Approves budget request; sets tuition; allocates state funding</td>
<td>Recommends the System’s overall budget</td>
<td>Review and approve president’s recommended budget; set fees</td>
<td>Prepare/manage capital and operating budget requirements; set activity fees</td>
</tr>
<tr>
<td><strong>Collective Bargaining</strong></td>
<td>Enters into agreements</td>
<td>Negotiates contracts</td>
<td></td>
<td>Administer contracts; employ personnel</td>
</tr>
<tr>
<td><strong>Policies</strong></td>
<td>Sets policy</td>
<td>Develops policy and ensures compliance; Board studies; etc.</td>
<td>Approve university standards and certain policies</td>
<td>Set standards/ policies for students, instruction, research, service, etc.</td>
</tr>
<tr>
<td><strong>Relationships with Affiliates</strong></td>
<td>Sets policy</td>
<td>Establishes procedures and standards</td>
<td>Annually certify compliance of all affiliates; annually review affiliates’ benefit to university</td>
<td>Enter into agreements; delineate between affiliate and university; joint fundraising</td>
</tr>
</tbody>
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Other Topics

Pennsylvania Sunshine Law
Right-to-Know Law
Gift Ban Executive Order