

PENNSYLVANIA'S STATE SYSTEM OF HIGHER EDUCATION



# New Trustee Orientation

**PACT Meeting**  
April 11, 2019

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



## Agenda:

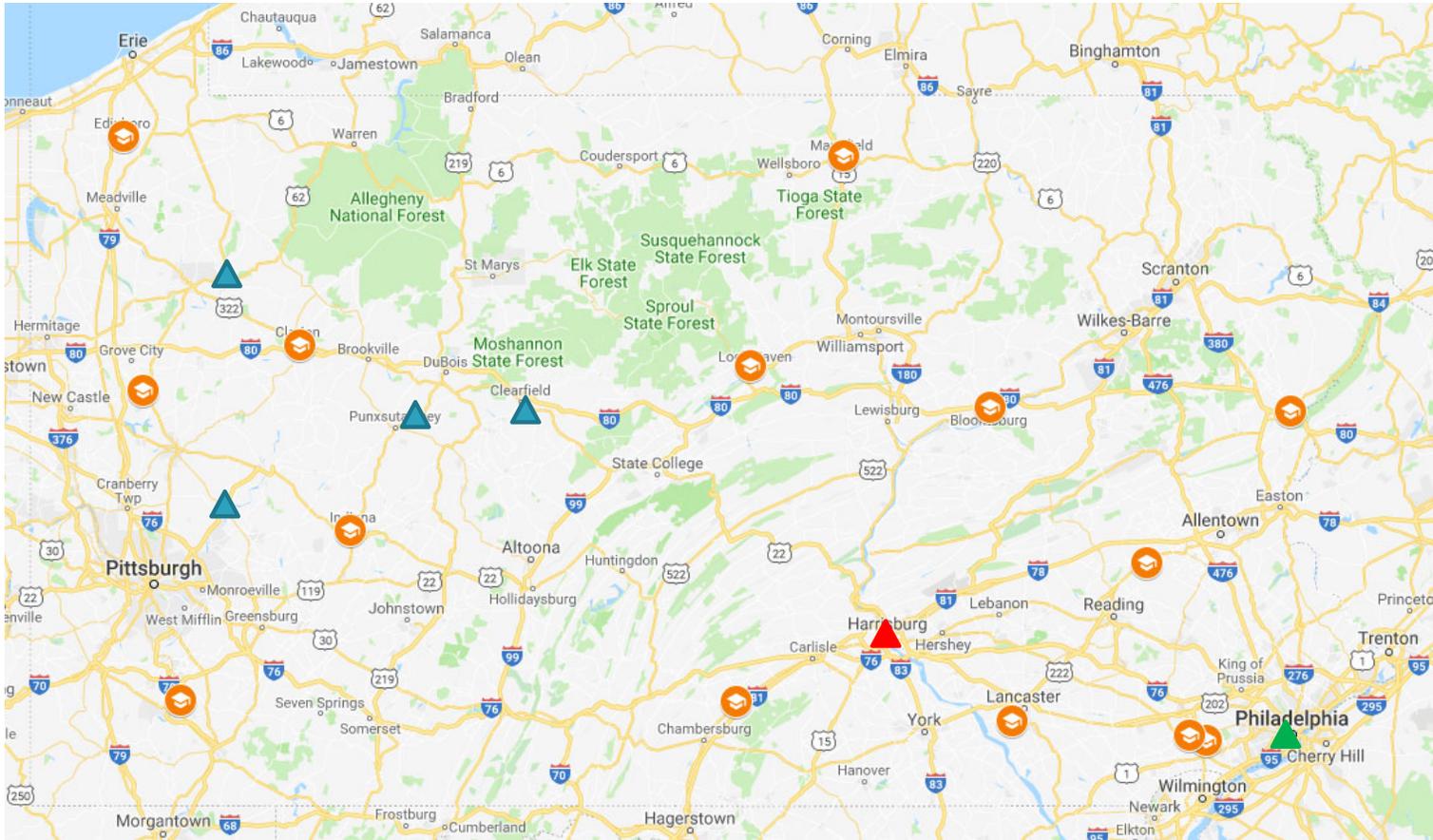
- Pennsylvania's Higher Education Landscape
- National and State System Trends
- Governance Roles and Responsibilities

PENNSYLVANIA'S STATE SYSTEM OF HIGHER EDUCATION



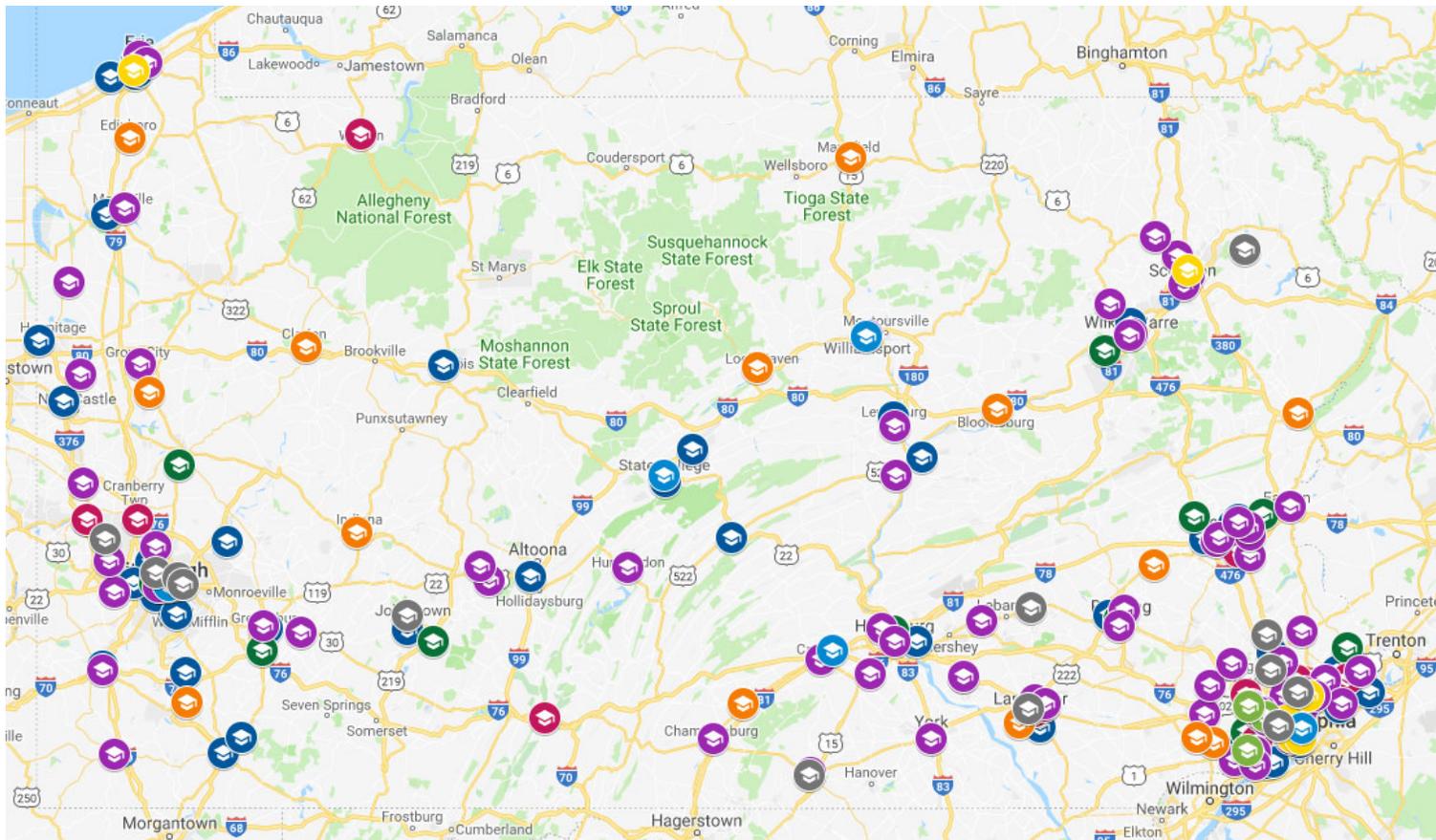
# Pennsylvania's Higher Education Landscape

# PASSHE Universities and Campuses



-  PASSHE University, Main Campus
-  Branch Campuses
-  Dixon University Center
-  Center City

# All Institutions of Higher Education in Pennsylvania



- PASSHE
- Community Colleges
- State-Related
- Thaddeus Stevens
- Private State-Aided
- Private Colleges/Universities
- Theological Seminaries
- Private 2-Year Colleges
- Specialized Associate Degree Institutions
- Out-of-State Provider

# 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)

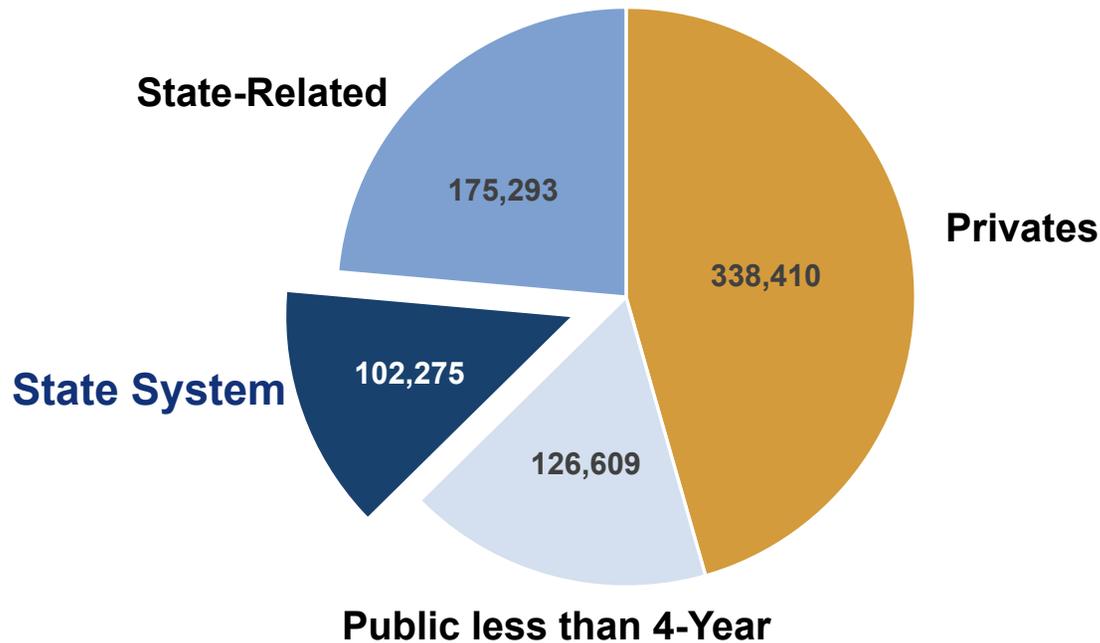
NOTE: The list includes public, private and for-profit institutions as well as multiple campuses of institutions.  
SOURCE: College Navigator, National Center for Education Statistics, October 3, 2016

# 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.



# 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

## **State System commissioned System Review: *NCHEMS Report* (2017)**

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

## **Senate commissioned System Study: *RAND Report* (2018)**

- 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 be 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

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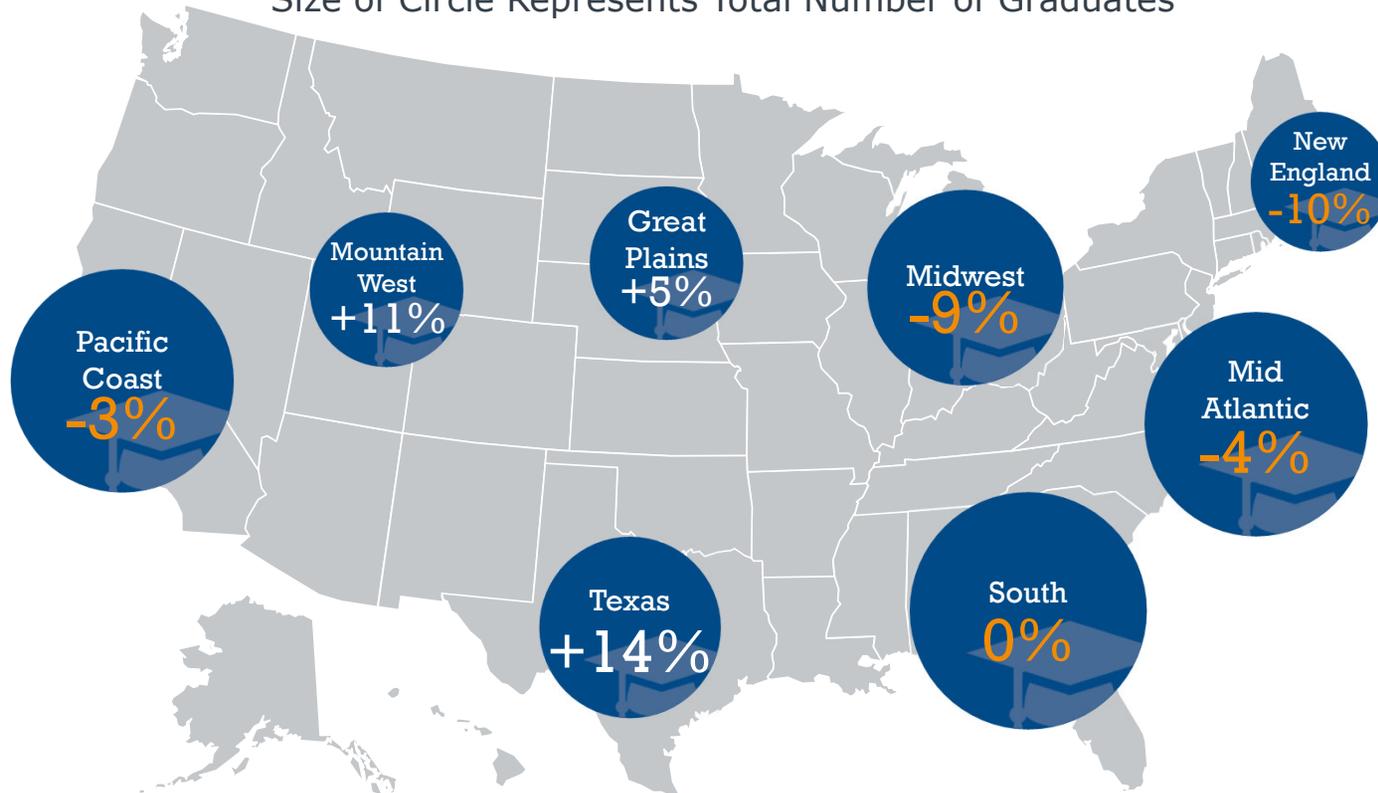
# National and Pennsylvania Higher Education Landscape: *Enrollment and Funding*



# Demographics: Many Regions Hit Harder than Others

## High School Graduates Stagnant or Declining in Most Population Centers

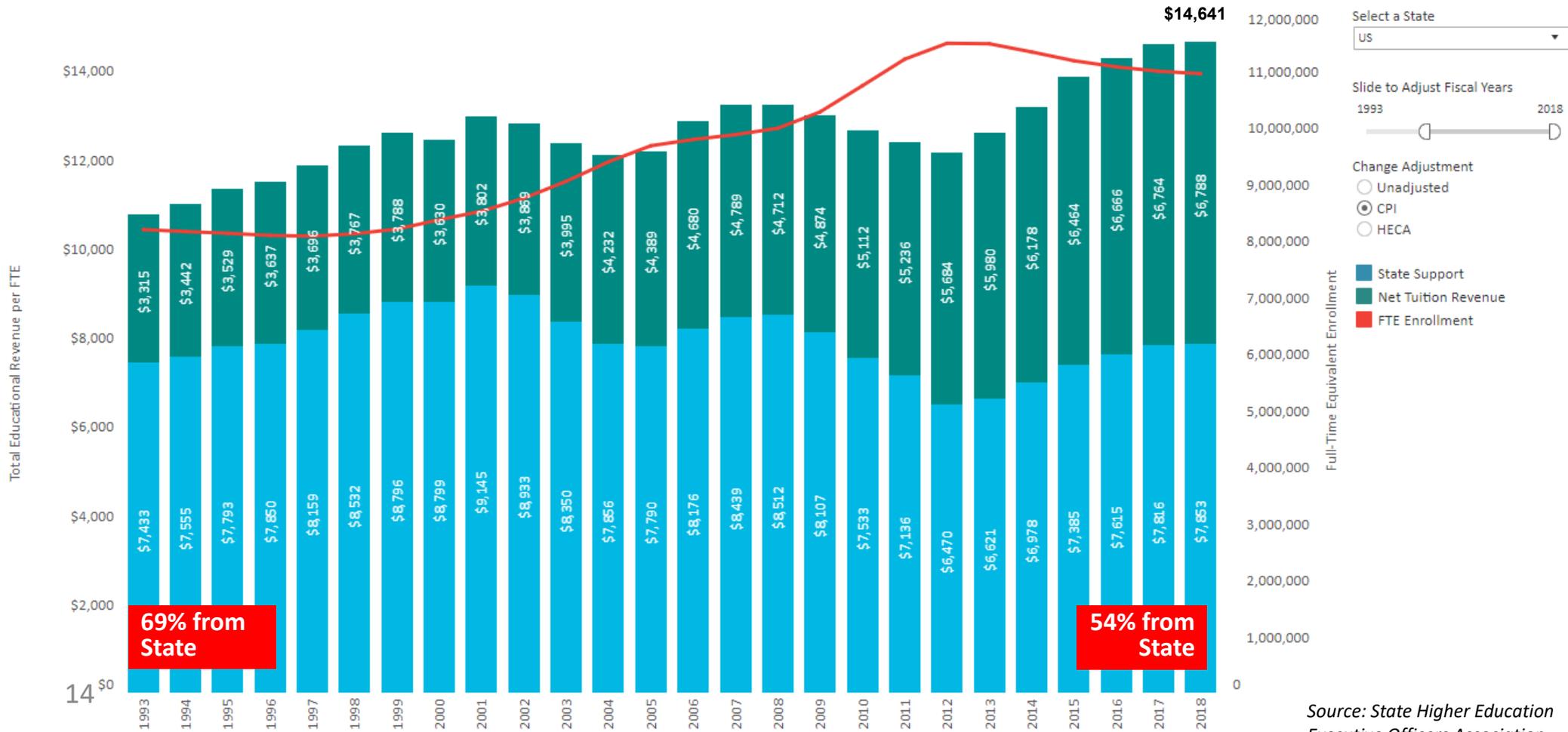
**Change in High School Graduates, 2013-2023**  
Size of Circle Represents Total Number of Graduates



Source: Western Interstate Commission for Higher Education, *Knocking at the College Door: Projections of High School Graduates*, 2016, <http://www.wiche.edu/knocking>; EAB interviews and analysis.

# Public FTE Enrollment and Educational Appropriations per FTE

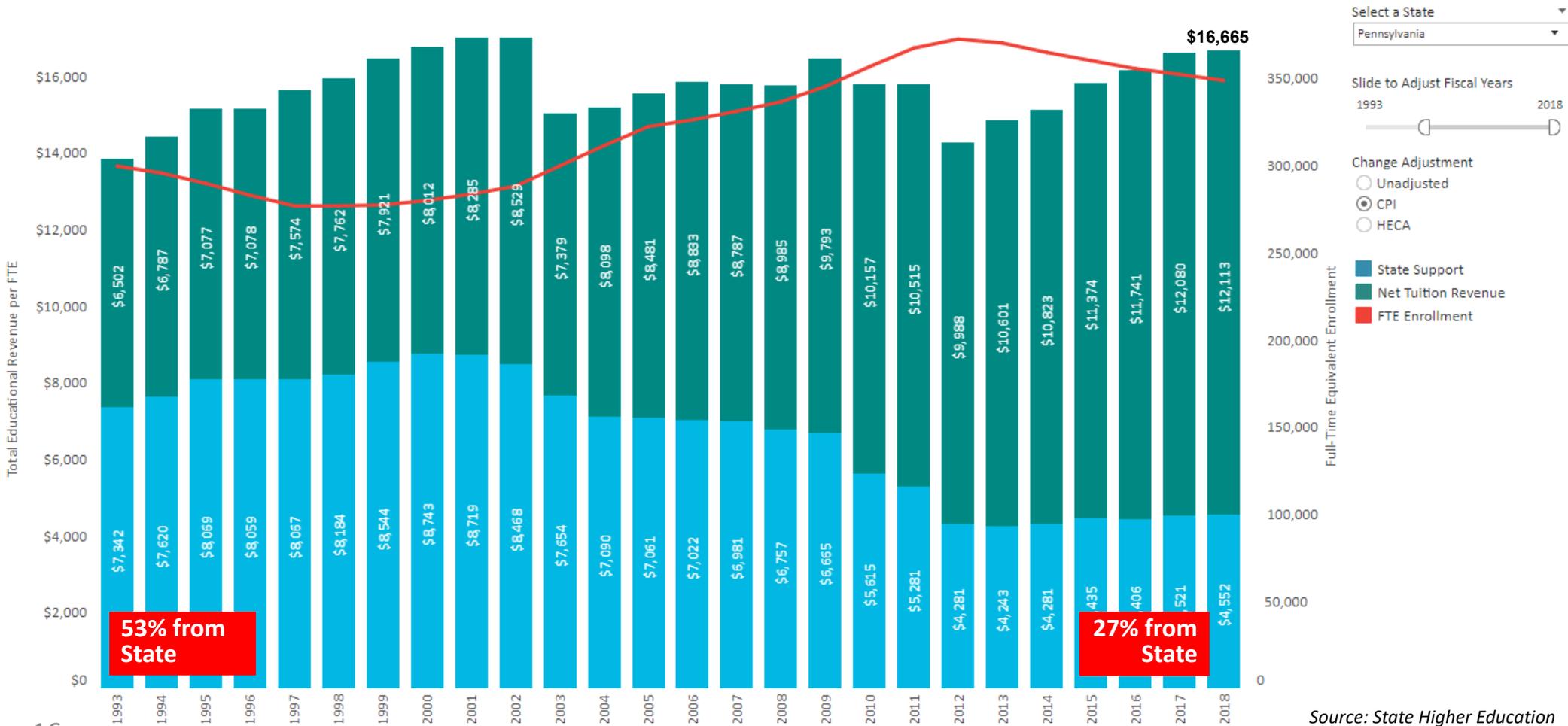
United States, FY 1993-2018, Constant Dollars Adjusted by CPI



Source: State Higher Education Executive Officers Association

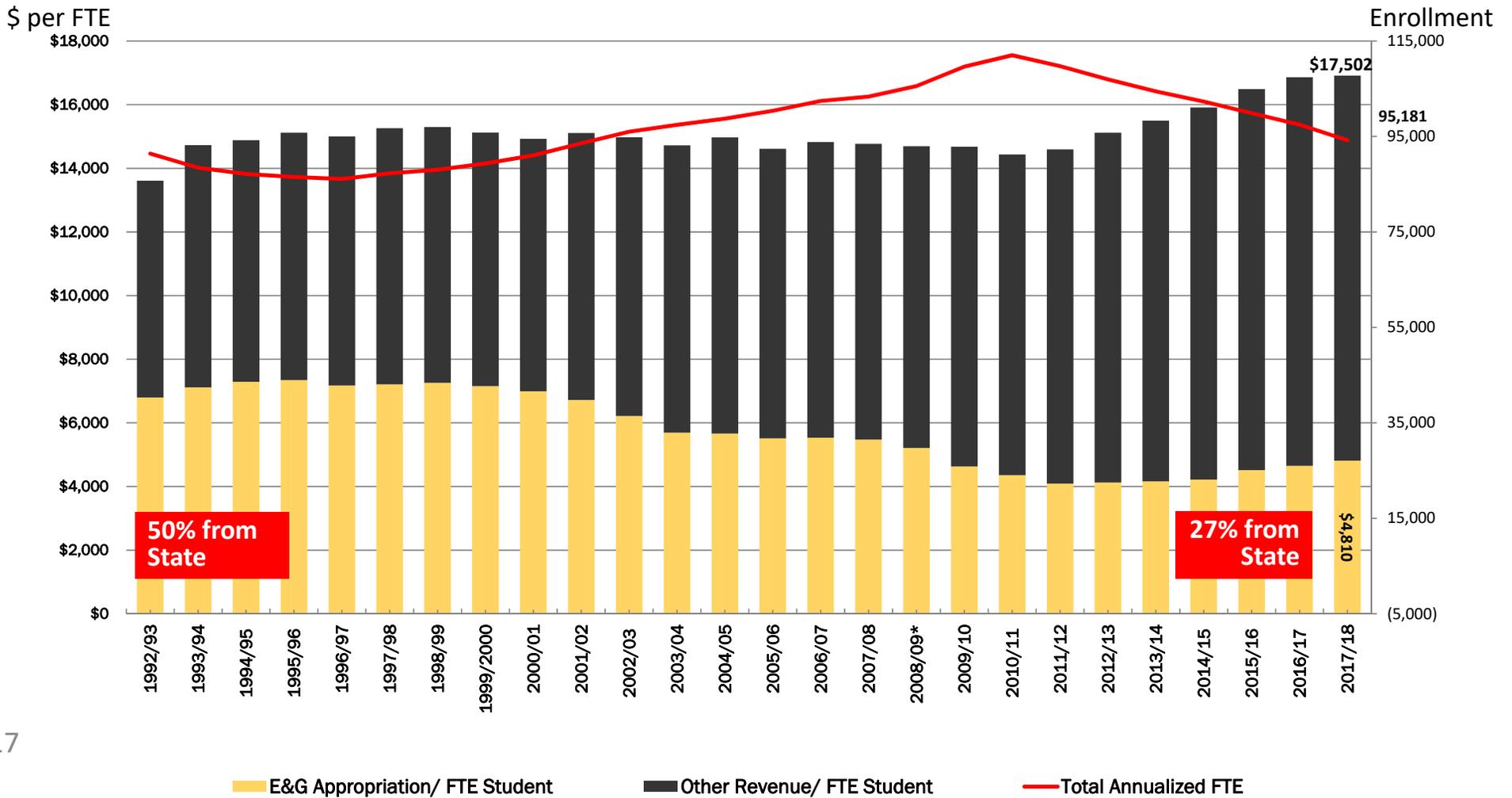
# Public FTE Enrollment and Educational Appropriations per FTE

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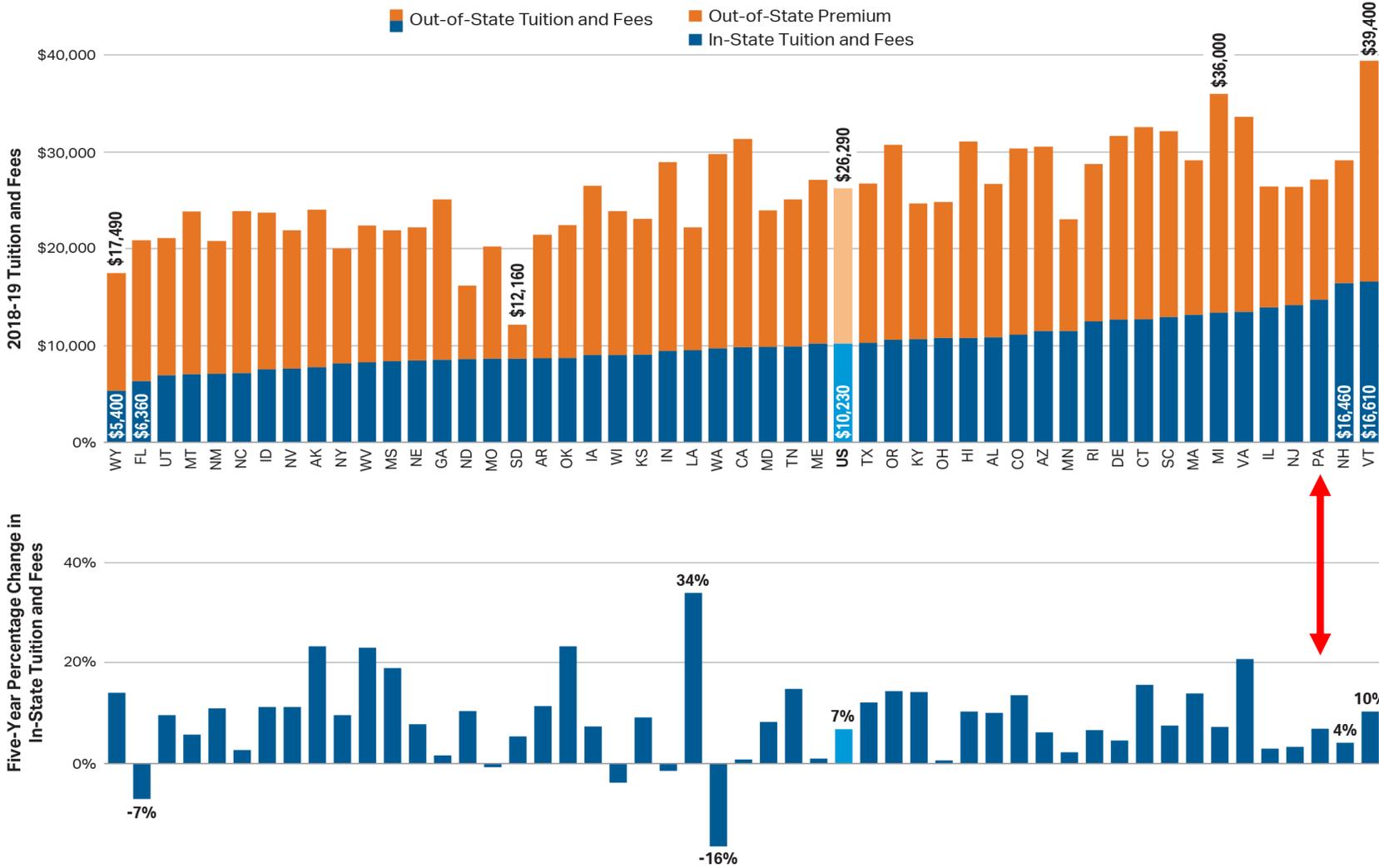


# Public FTE Enrollment and Educational Appropriations per FTE

PASSHE, FY 1993-2018, Constant Dollars Adjusted by CPI



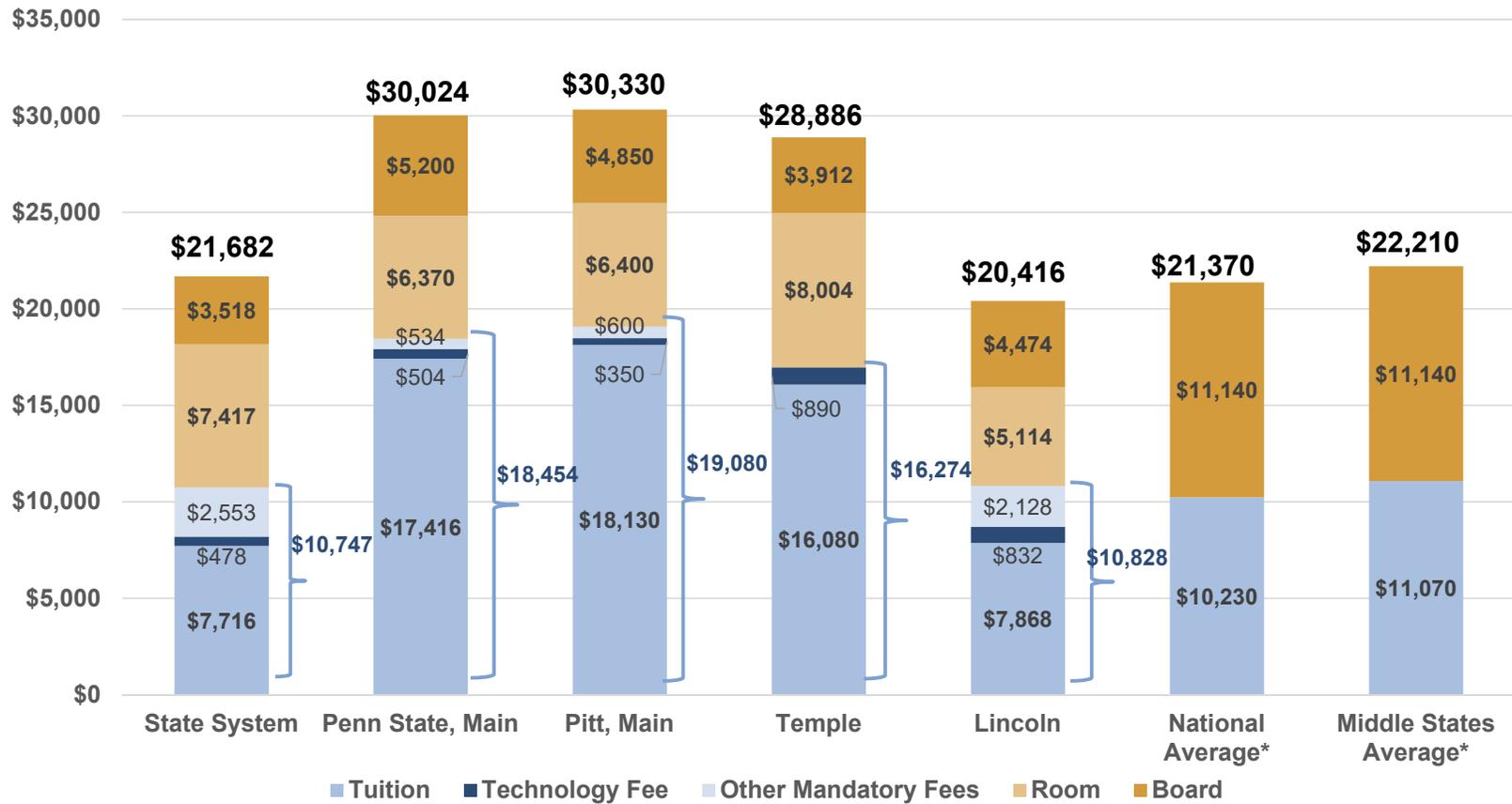
# Average 2018-19 Tuition and Fees at Public Four-Year Institutions; Five-Year Percentage Change in Inflation-Adjusted In-State Tuition and Fees, by State



Source: The College Board, Trends in College Pricing 2018

# 2018/19 Price of Attendance Comparisons

## For Typical New In-State Undergraduate Living on Campus

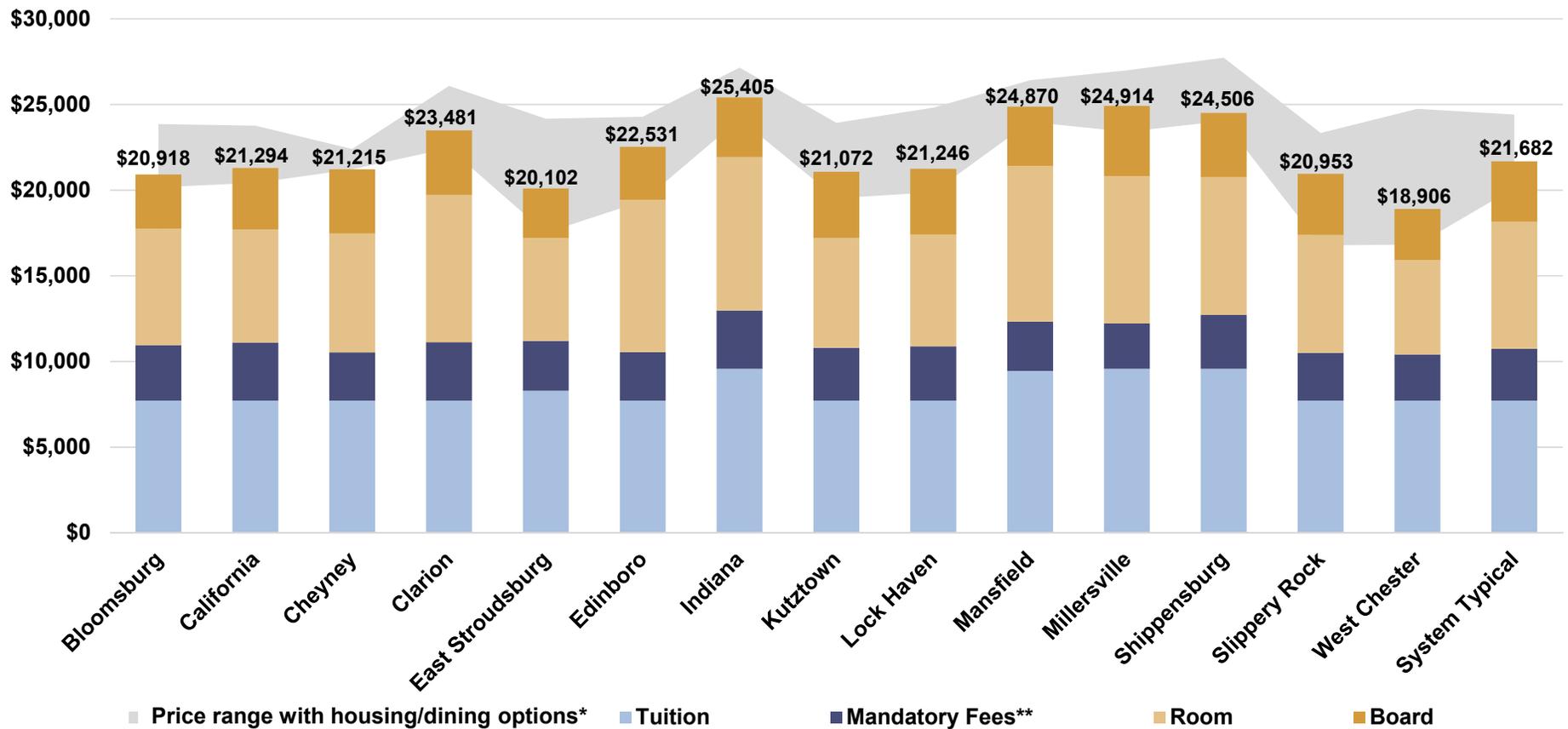


\*Averages are for four-year public institutions.

\*\*National average of room and board rates used for Middle States average.

# 2018/19 Price of Attendance by PASSHE University

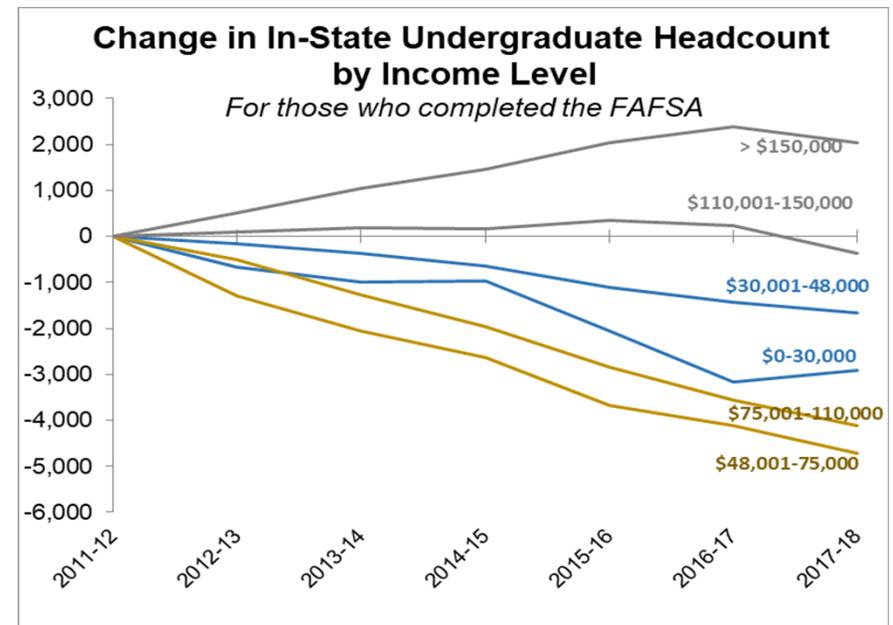
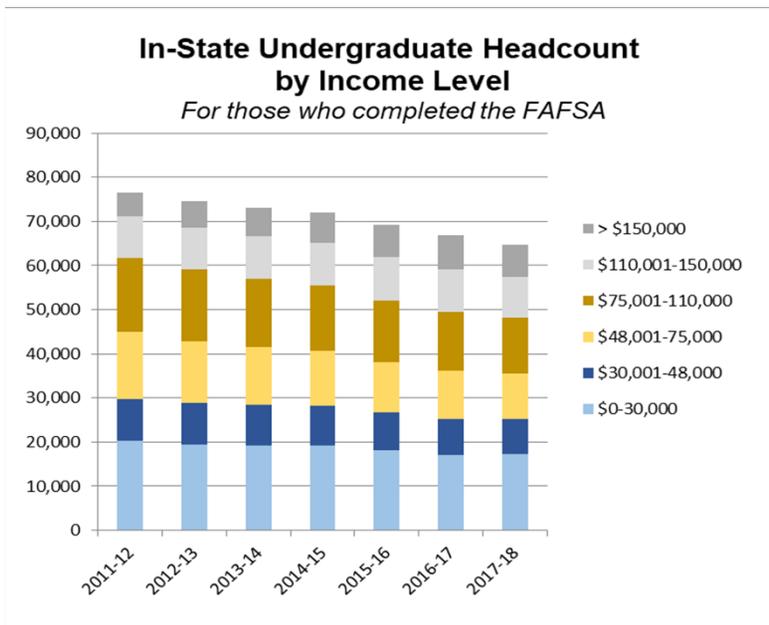
## For Typical New In-State Undergraduate Living on Campus



\*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%**

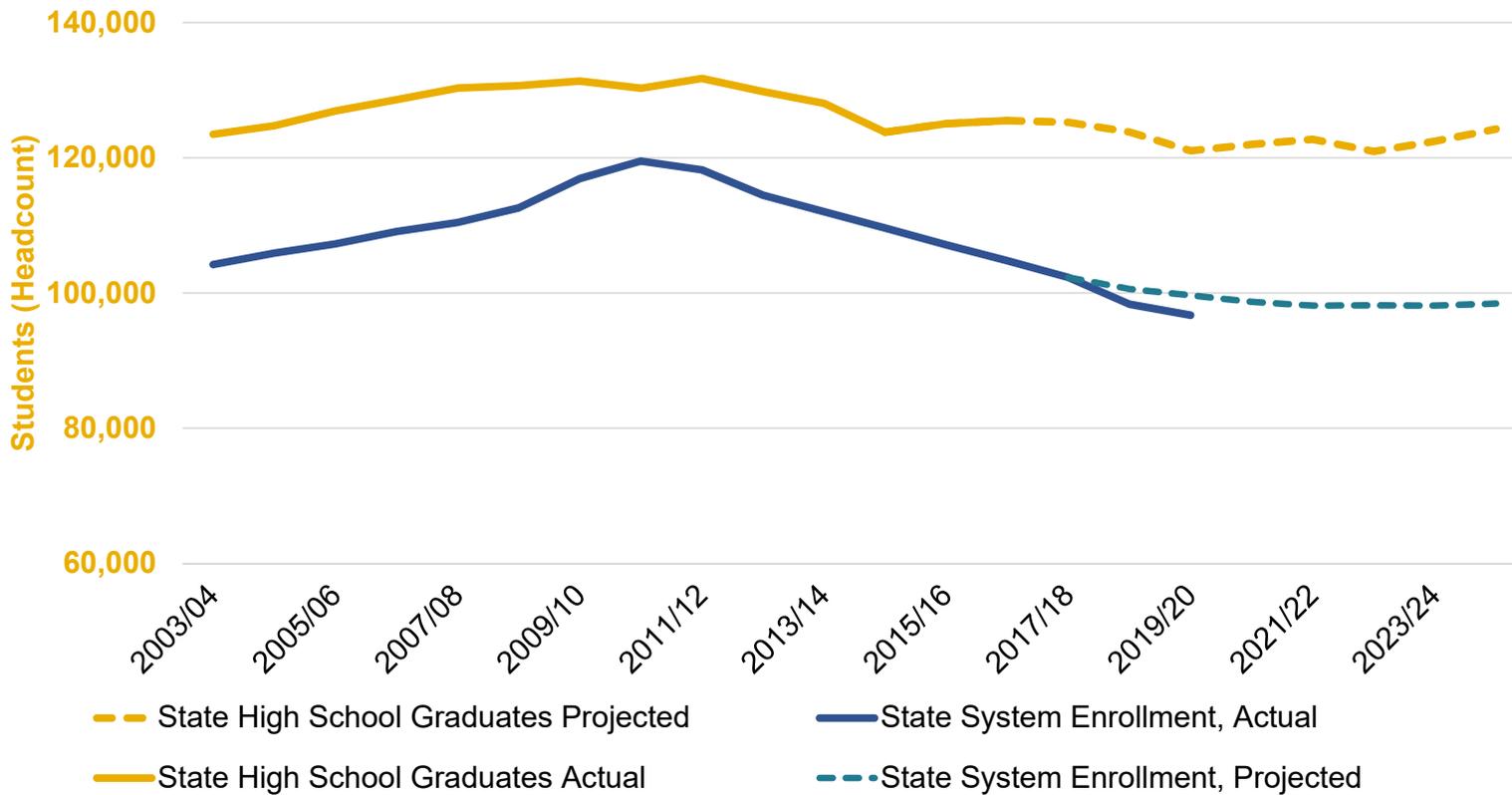
\*For those who completed a FAFSA

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



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

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# 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

# Highlights of Statutory Authority

*As Specified in Act 188 of 1982*

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

## Highlights of Statutory Authority *(Continued)*

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



# Other Topics

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

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Pennsylvania's  
**STATE SYSTEM**  
of Higher Education