



# PENNSYLVANIA'S STATE SYSTEM of HIGHER EDUCATION

## Rethinking Everything: Pennsylvania's State-Owned Universities Redesign

### The Evolving Landscape of Public Higher Education

Nationwide, colleges and universities are grappling with significant challenges: declining enrollment, evolving student needs, lagging state funding, and rising costs. The challenges are particularly acute for Pennsylvania's State System of Higher Education (PASSHE). The state-owned universities are undergoing an innovative and bold redesign to fundamentally transform education and business models while prioritizing student success. With the landscape of higher education evolving, all eyes are on PASSHE.

### System Redesign Overview



### Confronting Reality at a Crossroads

In 2017, PASSHE universities were at a crossroads. Years of underfunding by the state and deep cuts during the Great Recession created tremendous financial pressure on universities. The resulting tuition increases and drop in the high school age population caused a significant enrollment decline just as the state needed more people with credentials and college degrees. The State System had to change and rebuild trust with state government leaders for the long-term success of students, universities and Pennsylvania's economy.

### Rethinking Everything

PASSHE undertook a strategic review in 2017—from top to bottom—to identify necessary changes to ensure the long-term success of its students and universities. In 2018, the review moved to change with the launch of "System Redesign," a commitment to long-term university stability so each would continue serving its students, region, and all of Pennsylvania.

### Launching System Redesign

System Redesign is a strategic roadmap for universities and the System to address financial and operational changes so students have access to affordable public higher education.

System Redesign is a multi-phase, System-wide effort to 1) advance student success; 2) leverage universities' strengths as a system; and 3) enhance "systemness" through accountability and governance. In support of the effort, the Board of Governors established metrics-based expectations for each university's financial stability, transparency, accountability, and sustainability.

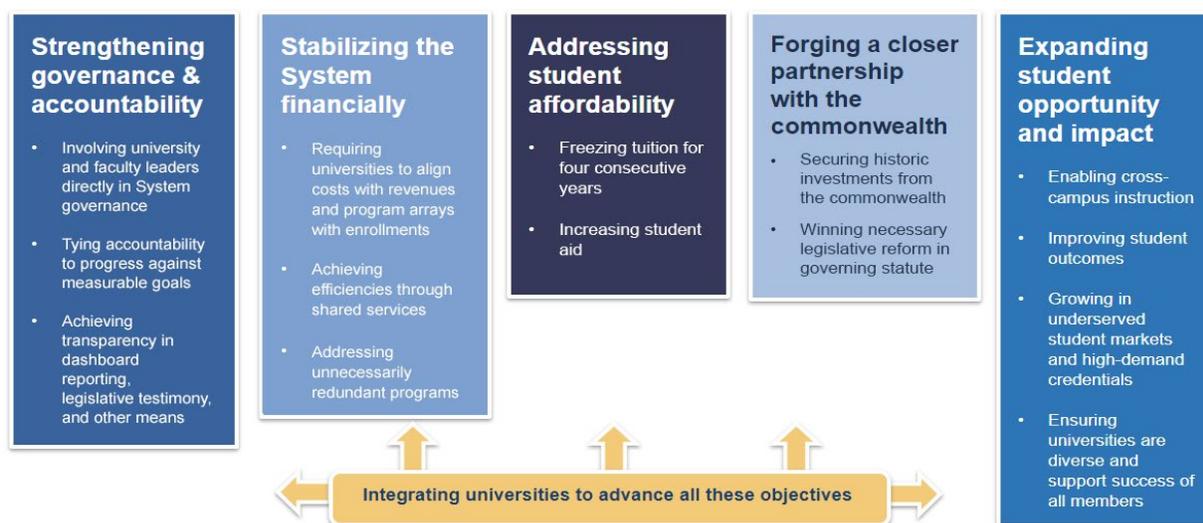
### Focus on Student Success

PASSHE is aligning its degree programs with the marketplace, ramping up online learning opportunities and community college transfers, and expanding workforce credentials to add value to graduates and help working adults to upskill or reskill to advance their careers.

### Unprecedented University Change

System Redesign includes the unprecedented step of creating two regional institutions on July 1, 2022, by bringing together three universities in western Pennsylvania (California, Clarion, and Edinboro) to create Pennsylvania Western University (PennWest), and three universities in northeastern Pennsylvania (Bloomsburg, Lock Haven, and Mansfield) to create Commonwealth University. These two new powerhouse institutions provide students with access to more academic programs and opportunities while providing greater financial stability to the universities. The effort demonstrates the creative, collaborative approach to problem solving that System Redesign has inspired.

## System Redesign Progress (2018-2022)



### Historic Funding Increase

As part of the System Redesign effort, PASSHE has worked hard to restore its reputation with the legislature and governor by listening to their concerns and taking action to rebuild trust. In the process, the System cultivated bipartisan legislative support that resulted in a historic funding increase of \$75 million (16 percent) to \$552.5 million in the 2022-23 state budget. Pennsylvania is also investing \$125 million in one-time federal funds in PASSHE universities.

This unprecedented funding recognizes that PASSHE is delivering positive results and more opportunities for students while creating a much better chance that businesses will have the educated workforce they need.

### Redesign Enters New Phase

With the increased state investment, PASSHE universities are moving forward with the most impactful phase of System Redesign— expanding opportunities and improving outcomes for *all* our students, including reaching students who have been historically underserved by universities and colleges.

#### About PASSHE:

- **Public university system for Pennsylvania.**
- **85,000 degree-seeking students, 90% are from Pennsylvania.**
- **Nearly two-thirds of graduates stay in Pennsylvania.**
- **Students from primarily middle- and low-income families.**
- **Produces 24,000 annual degrees, the majority in STEM, healthcare, education, and business.**
- **Creates \$4 billion economic impact for the commonwealth.**