



FY 2023-24 Budget Request **Top 10 FAQs**

1. What is the State System's FY 2023-24 funding request?

The State System is seeking \$573.5 million, an inflationary increase of \$21 million (or 3.8%), that combined with the \$112 million in new funding for targeted student support would enable the Board of Governors to consider freezing the basic in-state undergraduate tuition for an unprecedented fifth consecutive year.

2. How would the new line-time funding of \$112 million benefit students?

Employers are starved for talent in jobs vital to our communities, but education costs are barriers for many Pennsylvanians, which causes labor shortages. PASSHE would use \$99 million for student financial aid and \$13 million to provide student support services and supplement high-cost, high-growth programs to help students enroll and start careers in six high-growth fields. For example, PASSHE plans to use \$56.5 million to provide direct financial relief to education students, saving each student an average of \$1,500. High-need students could receive an additional \$5,000, for a total of \$6,500 per year.

3. How would Pennsylvania benefit from the new line-item?

Strategic investment would assist PASSHE in increasing enrollment and meeting the state's need for more healthcare workers to provide care, teachers to educate children, engineers to create our infrastructure, social workers to improve lives, and computer scientists to enhance our online security and digital world — all jobs on which our communities rely.

4. What is the extent of Pennsylvania's labor shortage?

Today 60% of Pennsylvania jobs require workers with some higher education, while only 51% of Pennsylvania adults have some higher education. The talent gap exists across economic sectors, and it is growing. Between 2020 and 2030, it is estimated the commonwealth will need to award 5.5% more associate degrees, 8.1% more bachelor's degrees, 15.7% more master's degrees, 6% more doctoral degrees, and 4% more postsecondary non-degree credentials to play its part in closing the gap.

5. For PASSHE universities to contribute their current share of credentials toward closing the state's talent gap, how many more degrees will they need to award?

PASSHE universities will need to annually award 2,000 more bachelor's degrees and 1,200 more master's degrees. PASSHE's FY 23-24 budget request plans to support 48,000 students in targeted programs to help close the gap for high-growth jobs and industries by 2030.

6. How did the State System determine its share of credentialing growth?

The State System reviewed the state's highest need areas as identified by the PA Department of Labor & Industry, State System employment outcomes, and opportunities for growth, determining how many new State System enrollments would be needed to increase the number of graduates by in-demand occupation area/type.

7. What amount of public support does the General Assembly contribute to the State System's operating budget?

The commonwealth contributes 29%, while students at 4-year public institutions in Pennsylvania contribute nearly 72%*, ranking Pennsylvania as the 11th highest in the country for the percentage of costs borne by students. Since 2019-20, as a result of increased state funding, PASSHE's Board of Governors has frozen tuition for four consecutive years. (* based on 2020 figures)

8. Why does the state's investment in PASSHE and its students matter?

The State System opens doors of opportunity for Pennsylvanians, with 88% of students coming from the commonwealth, and most staying here after graduation. System students are typically high-need, academically and financially, with 34% receiving Pell Grants. Thirty-two percent of first-time, degree-seeking undergraduates are first-generation college students. Twenty percent of enrollment consists of adult learners. Forty-eight percent of undergraduate transfers are from Pennsylvania community colleges. Since 2011, underrepresented minority enrollment has increased by 13%.

9. Are State System degrees drifting beyond the reach of low- and middle-income families?

For low- and middle-income families (income less than \$110,000), almost 40 cents of every dollar earned goes to paying for a State System education, compared to just 20 cents of every dollar for high-income families. Net price is only \$771 less than state-related institutions, and \$7,814 less than private institutions in Pennsylvania. Total tuition cost is \$6,500 more than the cost of attending a state university in New York. Perhaps consequently, the proportion of enrolled students from lower- and middle-income families has declined over the last decade. State support ensures that PASSHE remains the most affordable 4-year option in Pennsylvania.

10. Do State System graduates stay in Pennsylvania to live, work and support their communities?

Yes! Three years after graduating, 71% of bachelor's degree recipients are working in the state and have median annual earnings of \$54,708—contributing to local and regional economies. What's more, within 10 years of graduation from a State System university, three out of four underrepresented graduates from low-income family backgrounds have risen to higher-income status.