Pennsylvania's State System of Higher Education

2022-25 Priorities & Goals

(Updated Fall 2023)

PASSHE mission & System Redesign goals

Mission: Provide affordable, relevant, high-quality postsecondary education to all Pennsylvanians — continuing our historic mission as an engine of social mobility and economic development.

System Redesign Goals:

Stabilizing
the System
financially

Transforming
the System to drive credentialing growth; improving progress of "traditional" students while expanding opportunities for the underserved

Focusing
intensively on Pennsylvania's urgent talent needs

That is the rationale of our System Redesign

REVIEW & PREPARE

STABILIZE & STRENGTHEN

||| COVID-19 ||| | | | | | | |

REINVEST & RENEW

(Fall 2016) — July 2017 — July 2018 — July 2019 — July 2020 — July 2021 — July 2022 — July 2023 — July 2024 & beyond

PHASE 1
- Gather and analyze data
- Identify challenges and priorities
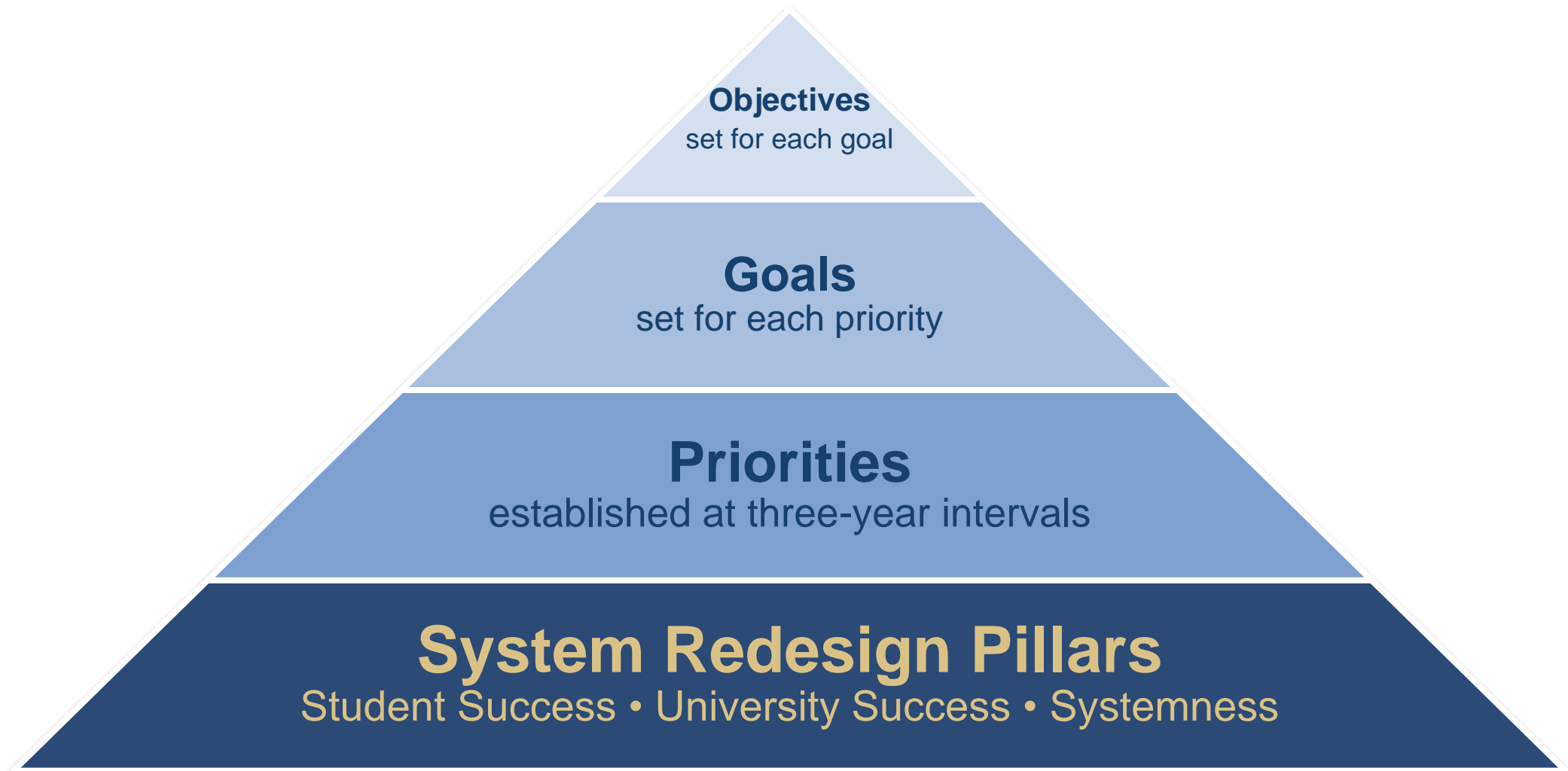- Organize for collaborative redesign processes

PHASE 2:
- Establish foundational tools
- Strengthen partnership with the state
- Stabilize financially
- Arrest student cost increases

PHASE 3:
- Develop, prioritize, fund, and implement strategies that expand opportunities for students
- Drive growth and economic impact

Working together to advance priorities, each with measurable goals and objectives

Objectives
set for each goal

Goals
set for each priority

Priorities
established at three-year intervals

System Redesign Pillars
Student Success • University Success • Systemness
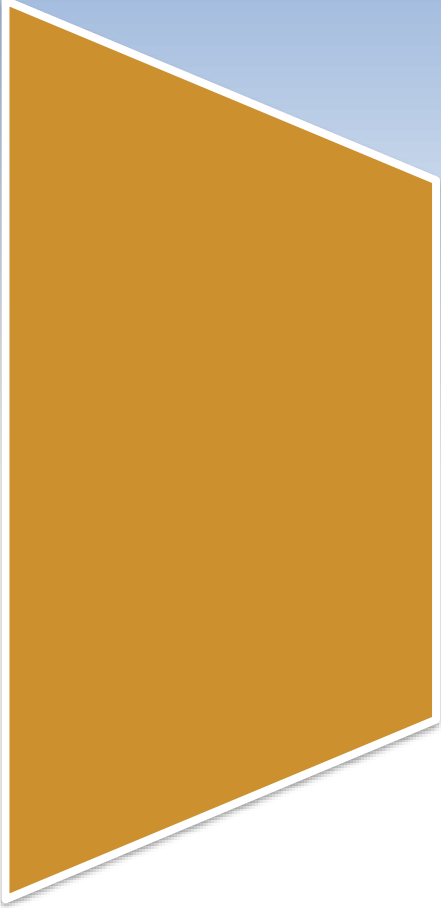
Focusing on five priorities

Expanding student opportunities and improve student outcomes

Expanding student affordability and grow

Operating sustainably

Enhancing partnership with the state

Investing in our people and infrastructure to prepare for the future

Expand student opportunities and improve student outcomes

Measurable System goals (2022-25)

1. Growth in 2nd year persistence for FTFT undergraduate (per CPP)

2. Growth in 4- and 6-year grad rates for FTFT undergraduates (per CPP)

3. URM attainment gaps in above reduced (per CPP)

4. More programs aligned to high-demand occupations (per CPP)

Other trends resulting from work toward these goals may include...

- Improvement over baseline in climate survey data

- Number of credit-bearing and non-credit bearing non-degree programs and credentials increase

- University integrations meet projected implementation goals

Pennsylvania's
STATE SYSTEM
of Higher Education

Expand student affordability and grow

Measurable System goals (2022-25)

Enrollments stabilize/grow per CPP with detail for:

- Fall enrollment, by clock hour, undergraduate and graduate
- New fall FTFT undergraduate FTE
- New fall transfer undergraduate FTE
- Annualized undergraduate and graduate FTE

Other trends resulting from work toward these goals may include...

- Growth in student financial support
- Improvement in average net price/unmet need for low- and middle-income families
- Widening affordability gap in favor of State System universities as compared to other relevant higher ed providers
- Growth in PASSHE's share of traditional markets

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of Higher Education

Operate Sustainably

Measurable System goals (2022-25):

Positive systemwide movement towards key thresholds as per CPP

- Student-to-faculty ratio
- Sustainable program arrays
- Annual operating margin
- Primary reserve ratio
- Minimum reserves

Enhance partnership with the state

Measurable System goals (2022-25)

1. Increased year-over-year funding for the State System and for direct-to-student aid for those who attend PASSHE universities

2. Improved media sentiment across all channels

3. Increased positive engagements with elected officials and business community

Other trends resulting from work toward these goals may include...

- Support for and alignment with the new PA Master Plan for Higher Education

Invest in our people and infrastructure to prepare for the future

Measurable System goals (2022-25)

1. Increased employee retention especially in high-demand and/or high-turnover positions

2. Improved employee engagement metrics

Accountable for progress against system goals

Priorities	Measurable goals
Expand student opportunities and improve student outcomes	• Growth in 2nd year persistence for FTFT undergraduate (per CPP) • Growth in 4- and 6-year grad rates for FTFT undergraduates (per CPP) • URM attainment gaps in above reduced (per CPP) • More programs aligned to high-demand occupations (per CPP)
Expand student affordability and grow	• Enrollments stabilize/grow per CPP (Fall enrollment, by clock hour, undergraduate and graduate; New fall FTFT undergraduate FTE; New fall transfer undergraduate FTE; Annualized undergraduate and graduate FTE)
Operate sustainability	• System reaches key financial goals as per CPP (Year-end cash balance; Use of reserves; Total employee FTE; Student-to-faculty ratio; Estimated minimum reserves and primary reserves ratio; Sustainable program arrays) • Positive systemwide movement towards key thresholds as per CPP (Annual operating margin; Primary reserve ratio; Minimum reserves)
Enhance partnership with the state	• Increased year-over-year funding for the State System and for direct-to-student aid for those who attend PASSHE universities • Improved media sentiment across all channels • Increased positive engagements with elected officials and business community
Invest in people and infrastructure to prepare for the future	• Increased employee retention especially in high-demand and/or high-turnover positions Improved employee engagement metrics

And tracking trends indicative of performance improvement

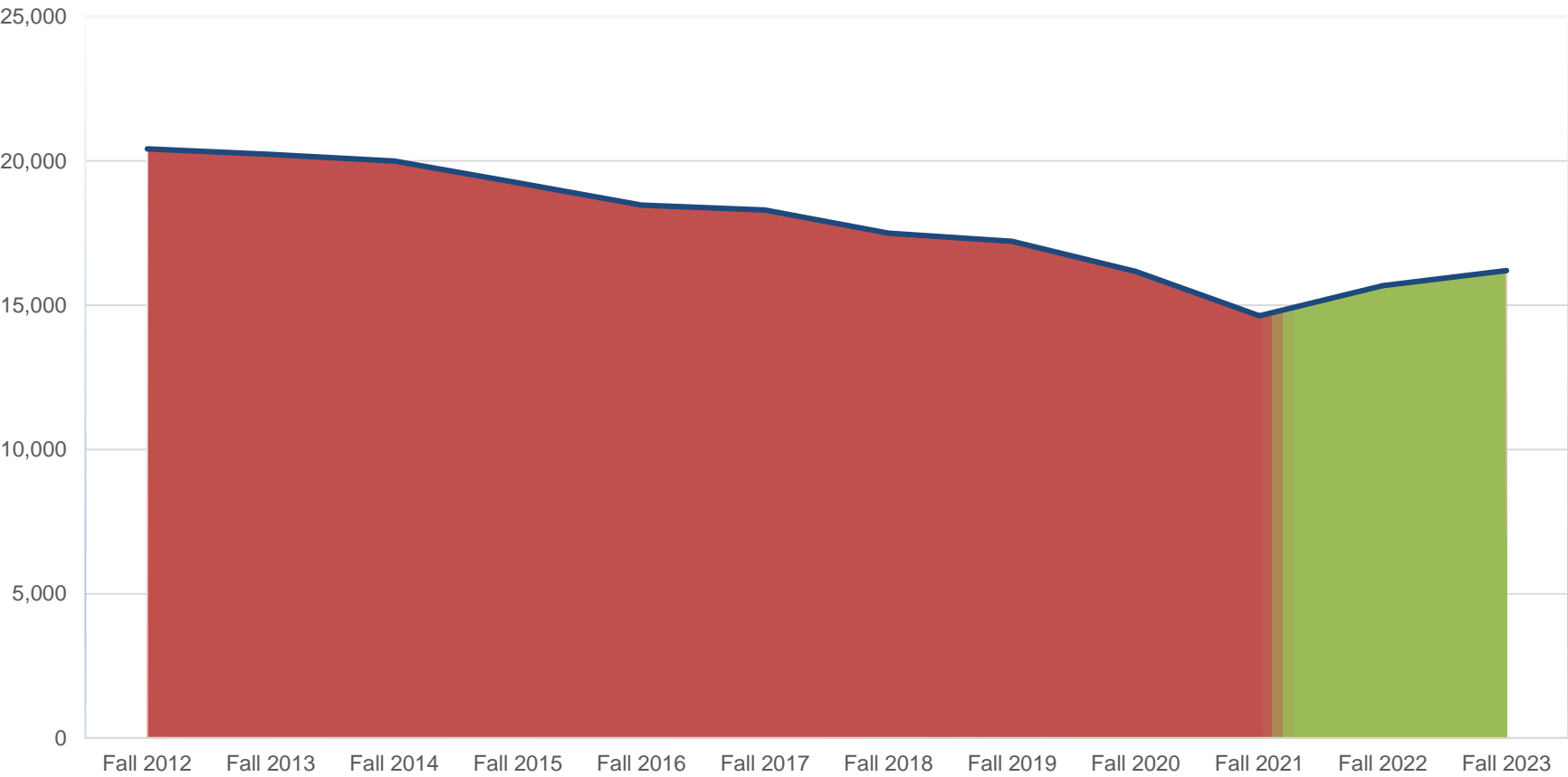| Priorities	Other trends resulting from work toward the goals may include
Expand student opportunities and improve student outcomes	• Improvement over baseline in climate survey data • Number of industry-recognized credit-bearing and non-credit bearing non-degree programs and credentials increased • University integrations meet projected implementation goals • Growth in number (enrollments in) shared courses/programs increased
Expand student affordability and grow	• Growth in student financial aid • Widening affordability gap in favor of SS universities • Growth in PASSHE's share of traditional markets
Operate sustainability	• Growth in student financial aid • Widening affordability gap in favor of SS universities • Growth in PASSHE's share of traditional markets
Enhance partnership with the state	• Support for and alignment with the new PA Master Plan for Higher Education

Fall 2023 Report Card
Progress toward 2022-25 system priorities

Expanding student affordability and grow

Headcount Enrollment of First-time Degree- and Certificate-seeking Undergrad. Students

Metric	Current	24-25 Target
Fall First-Time Undergraduate Degree Seeking FTE	15,784	15,887
Fall Graduate FTE (All Credit Bearing)	7,956	8,129
Fall Undergraduate FTE (All Credit Bearing)	64,128	65,508
Annualized FTE Enrollment	76,294	78,292
Fall New Transfer Undergraduate Degree Seeking FTE	3,740	3,987
Fall Continuing Undergraduate FTE (All Credit Bearing)	43,724	45,766

Met or exceeded annual target	(green)
Progress made toward goal	(yellow)
Did not progress toward goal	(red)

Source: State System Student Data Warehouse, University Student Data Submission. In chart: Fall 2022 is final data, Fall 2023 is preliminary data, from BI. New Undergraduate First-time, New Undergraduate Transfer include Associate's-, Bachelor's-, and Certificate-seeking students. PennWest data is Draft, awaiting data on UG/GR designation from Academic Program.

In table: State System rates are the sum of the universities, as reported in CPP. Current Progress is as of Fall 2022 and Targets for 2024-25 from 2023-24 CPP.

Expanding student affordability and grow

Metric	Current	24-25 Target
■ Average Unmet Need	10,782	11,440
■ Average Net Price	19,744	18,355

Met or exceeded annual target
Progress made toward goal
Did not progress toward goal

Average Net Price, 2011-12 to 2021-22

- $14,944
- $15,795
- $15,849
- $16,798
- $17,393
- $18,253
- $18,761
- $19,541
- $19,206
- $17,374
- $19,744

Source: Integrated Postsecondary Education Data System

In table: State System rates are the sum of the universities, as reported in CPP. Current Progress is as of Fall 2022 and Targets for 2024-25 from 2023-24 CPP.

Expand student opportunities and improve student outcomes

Four- and Six-year Graduation Rates by Comparator Universities
Fall First-time, Full-time, Bachelor's Degree-seeking Students

Legend:
- State System 4 yr
- State System 6 yr
- Master's Comparison Group 4 yr
- Master's Comparison Group 6 yr
- National 4 Year Public 4 yr
- National 4 Year Public 6yr

Metric	Current Rate	24-25 Target
Credit Completion Ratio	88.2%	89.2%
2nd Year Persistence Rate, FTFT Bach	75.7%	77.1%
2nd Year Persistence Rate, FTFT Bach URM	66.6%	68.1%
4-Year Graduation Rate, FTFT Bach	42.4%	45.3%
4-Year Graduation Rate, FTFT Bach URM	24.2%	29.1%
6-Year Graduation Rate, FTFT Bach	56.1%	60.5%
6-Year Graduation Rate, FTFT Bach URM	38.4%	45.0%
6-Year Graduate Rate, ALL Entering Bach (FT, PT, New First-time, New Transfers)	58.6%	61.8%

Legend:
- Met or exceeded annual target (green)
- Progress made toward goal (yellow)
- Did not progress toward goal (red)

In graph: State System Graduation Rates are for the System and include intra-System transfers.
In table: State System rates are the sum of the universities (and do not include intra-System transfers), as reported in CPP. Current Progress is as of Fall 2022 and Targets for 2024-25 from 2023-24 CPP.
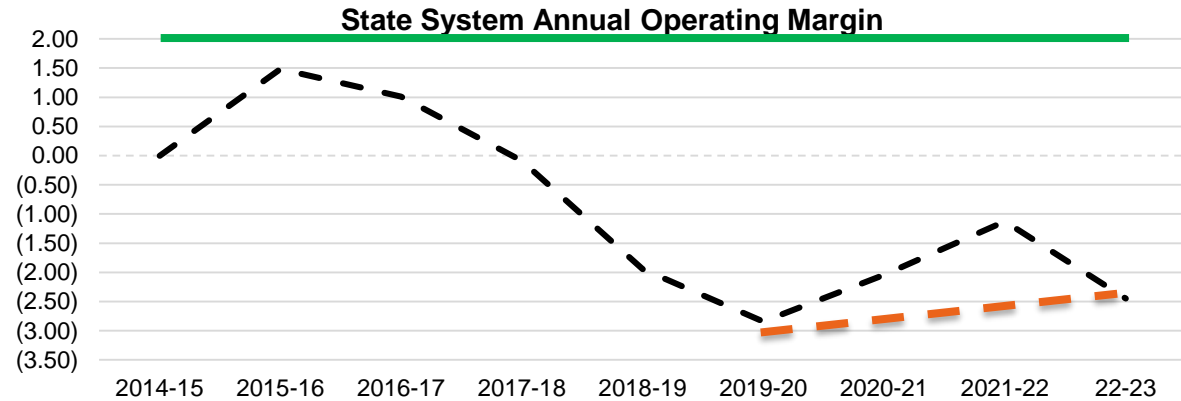
Operate sustainably

State System Annual Operating Margin

2.00	
1.50	
1.00	
0.50	
0.00	
(0.50)	
(1.00)	
(1.50)	
(2.00)	
(2.50)	
(3.00)	
(3.50)	

2014-15 2015-16 2016-17 2017-18 2018-19 2019-20 2020-21 2021-22 22-23

Source: University Financial Statements, State System Business Warehouse

Metric	Current	24-25 Target
Annual Operating Margin	(2.45)	2-4%
Minimum Reserves	182	180 days
Annual Primary Reserve Ratio	36%	40%

Met or exceeded annual target
Progress made toward goal
Did not progress toward goal

University Minimum Reserves
Number of Days Cash on Hand as of June 30

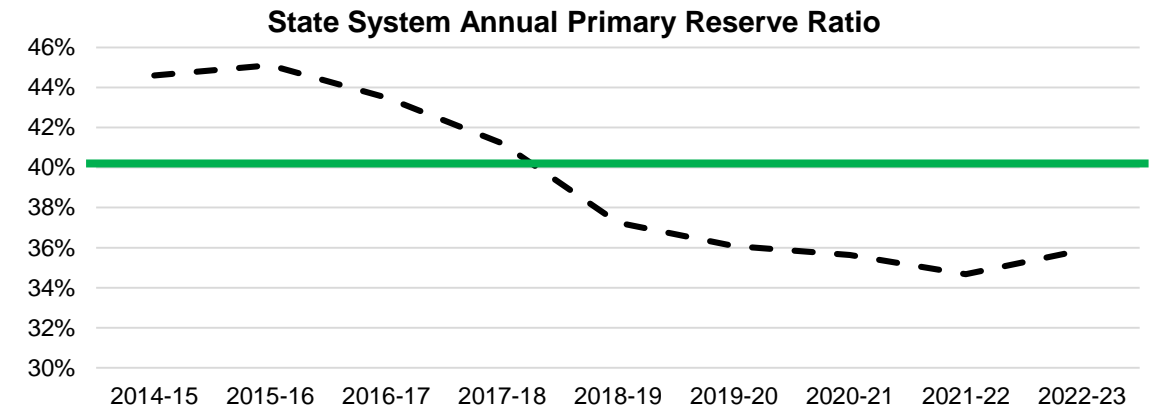2014-15 2015-16 2016-17 2017-18 2018-19 2019-20 2020-21 2021-22 22-23

Source: University Financial Statements, State System Business Warehouse. Includes System loans, where applicable.

State System Annual Primary Reserve Ratio

2014-15 2015-16 2016-17 2017-18 2018-19 2019-20 2020-21 2021-22 2022-23
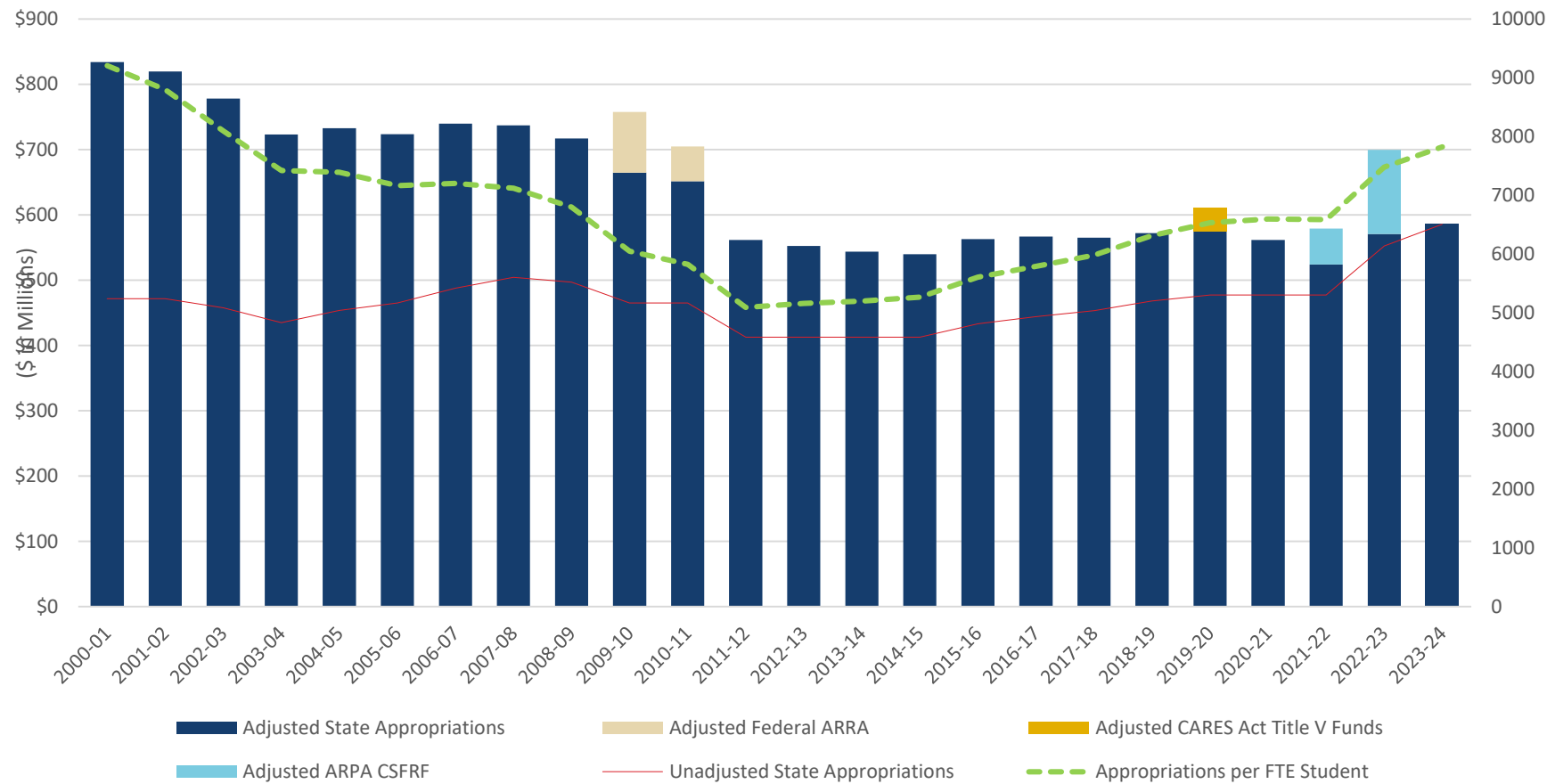
Source: University Financial Statements, State System Business Warehouse

Enhancing our partnership with the state

Metric	Current	24-25 Target
Annual Appropriation	$585.6M	TBD
Appropriation per FTE student	$7,754	$9,596 (US avg)

Met or exceeded annual target
Progress made toward goal
Did not progress toward goal

State Appropriations Adjusted for Inflation*

Legend:
- Adjusted State Appropriations
- Adjusted Federal ARRA
- Adjusted CARES Act Title V Funds
- Adjusted ARPA CSFRF
- Unadjusted State Appropriations
- Appropriations per FTE Student

*Inflation adjustment based on CPI-U through 2022-23, and 2023-24 inflation of 3.3% per Congressional Budget Office projections.
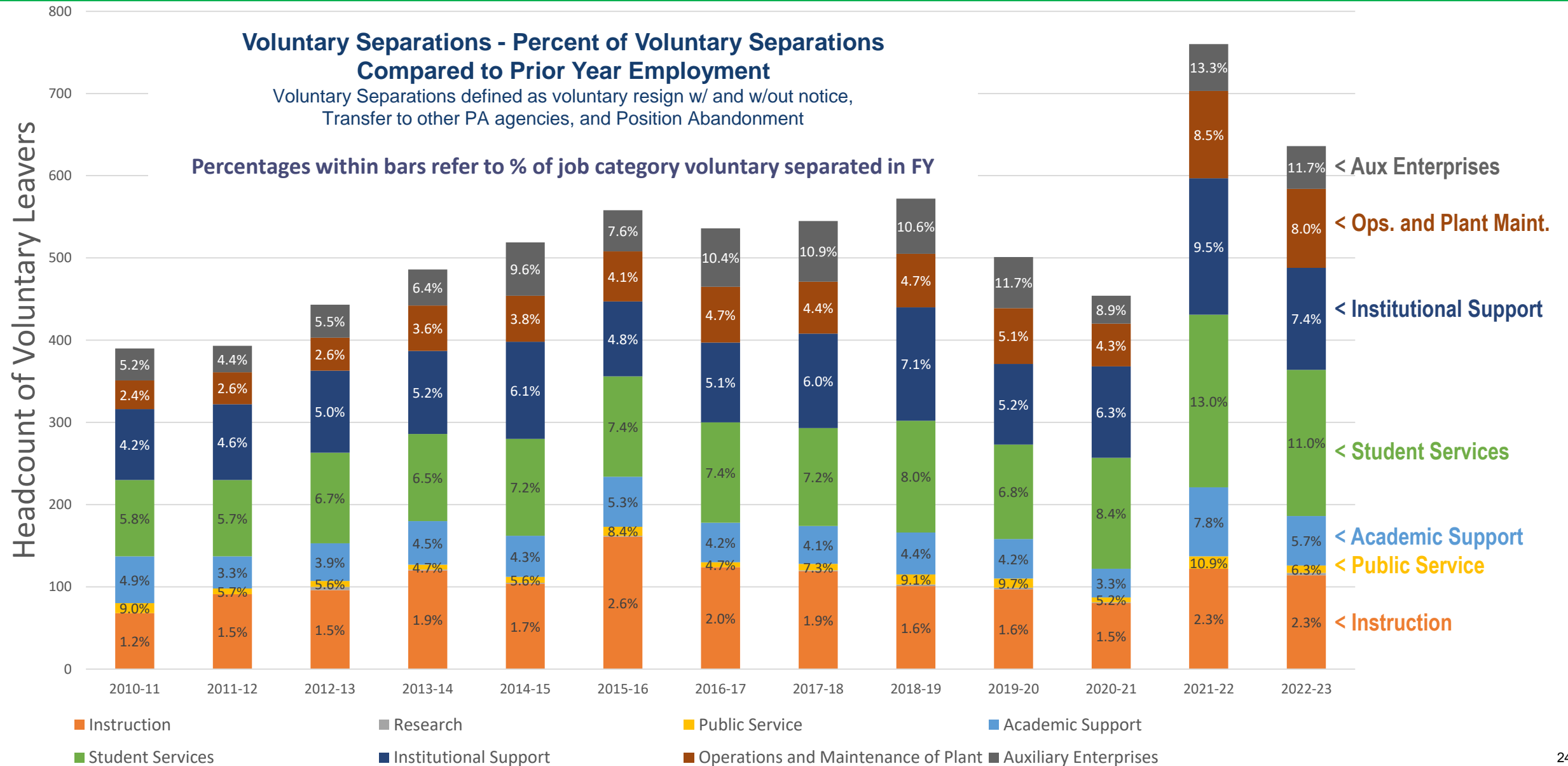
Inflation adjusted appropriation per student FTE is $7,754 in 2023, in 2022 it was $7,479 compared to the national average for 4-year public universities at $9,569

2023-24 Objectives

In support of 2022-25 system priorities

2023/24 Objectives (1 of 3):
Scale innovations that drive credentialing growth

Objective	Status
Improve student outcomes by investing in our people: "playbooks" and training	
• Develop shared academic programs and courses as a means of expanding student opportunity	TBC 2024
• Consistently introduce holistic advising	New and ongoing
• Strengthen and broaden student health and wellness supports	New and ongoing
• Expand non-degree credentials	Ongoing
• Expand work-based learning opportunities	New and ongoing

2023/24 Objectives (2 of 3):
Continue focus on financial stabilization

Objective	Status
Appropriately size and focus academic program array and related support structures	Ongoing
Scope, organize, and sustainably staff non-instructional functions	Ongoing
Improve operational performance by investing in our people: "playbooks" and training	
• Financially sustainable budgeting	Complete
• Academic program planning and course scheduling	TBC 2024
• Enrollment management	TBC 2024
• CBA implementation training	TBC 2025
Continue monitoring and providing support to high-risk universities	Ongoing

2023/24 Objectives (3 of 3):
Continue investment in enabling people and infrastructure

Objective	Status
OneSIS	TBC 2025
Credential Registry	TBC 2024
Infrastructure extending capability with and visibility into non-degree credentials	TBC 2024
Innovation acceleration platform	New