



PENNSYLVANIA'S STATE SYSTEM *of* HIGHER EDUCATION

The Intersection of Advocacy and Allocation: The Power of Analytics, Finance, and Advocacy

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8/10/2023

Introductions



Molly Mercer
System CFO



Kate Akers
System Chief Data Officer

Examining the Process to the Power and the Promise



Setting the stage for allocation formula review and launch of comprehensive advocacy strategy



The Promise: through formula review



The Power: through advocacy



Key Themes in data, finance, and advocacy

Setting the Stage - System Redesign



PHASE 1

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

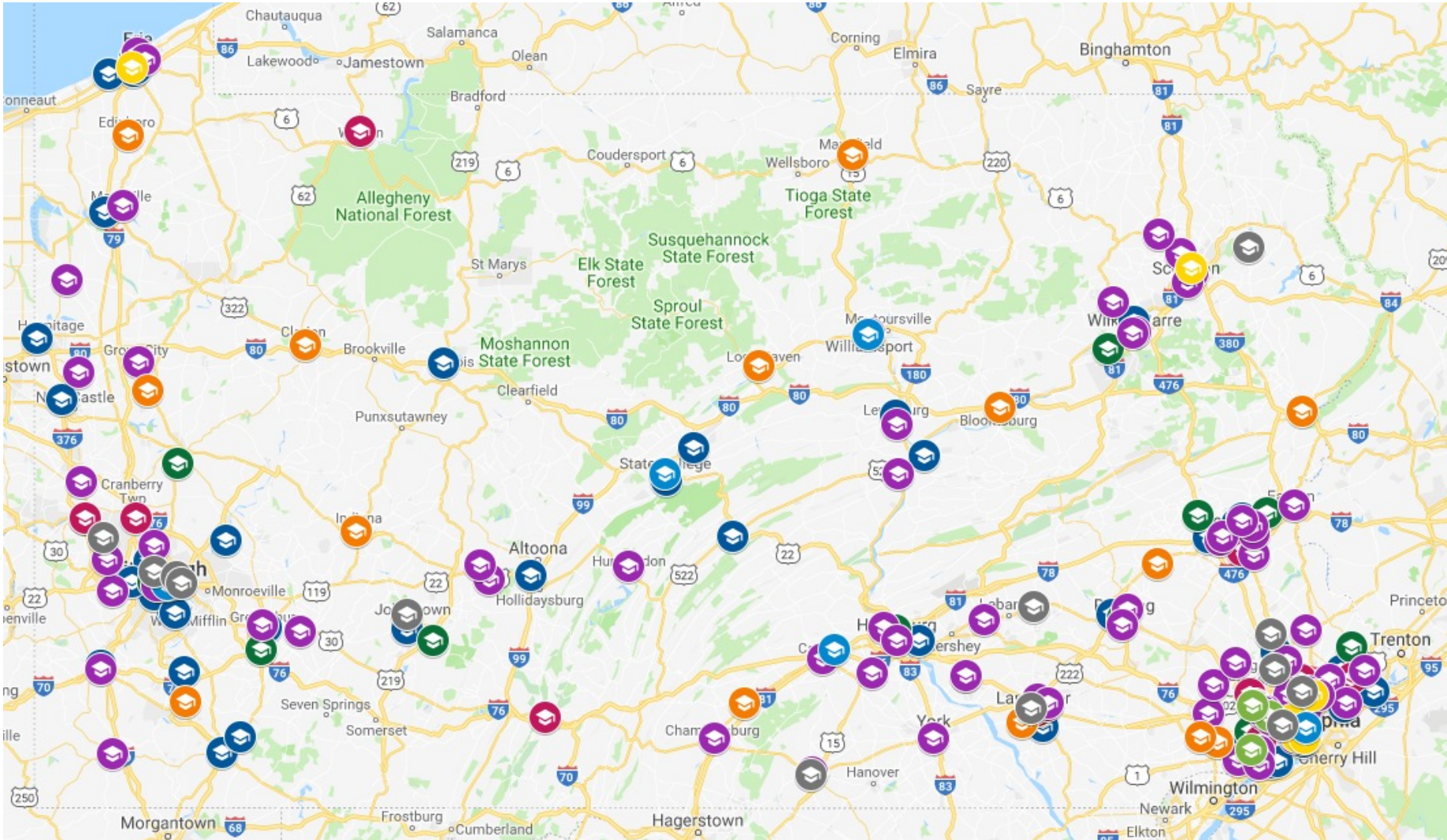
PHASE 2:

- 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

Setting the Stage: Postsecondary Institutions in Pennsylvania



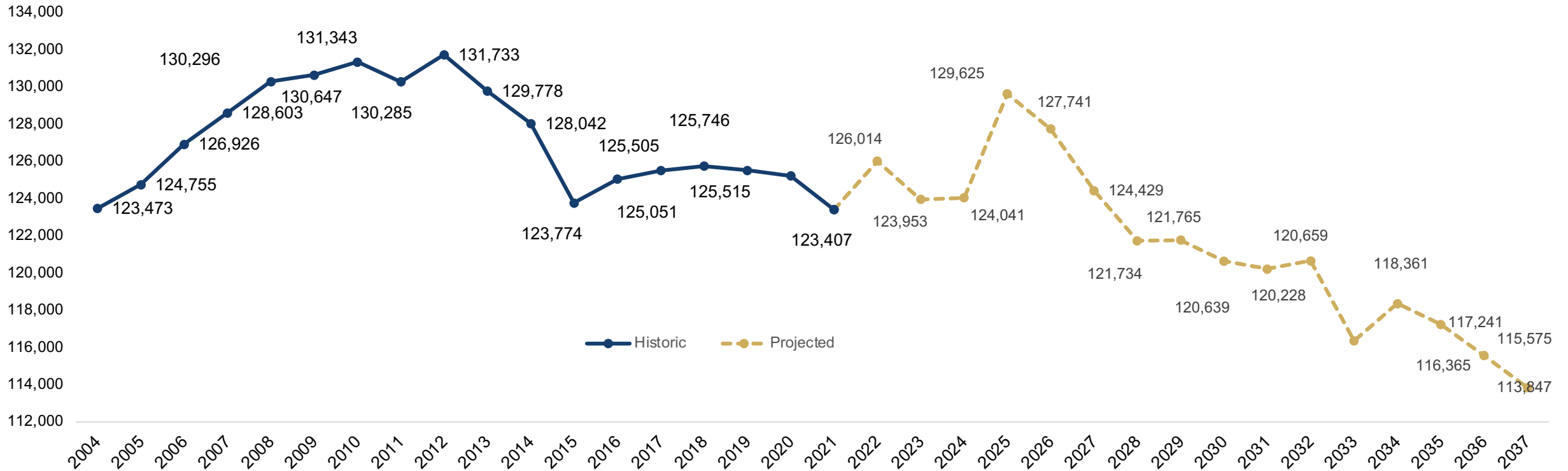
**Nearly 250
Institutions Offer
Degrees in PA**

- 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

Source: Pennsylvania's Department of Education, 2018

Pennsylvania HS Graduate Projections

Pennsylvania Public High School Graduates (Historic and Projected)



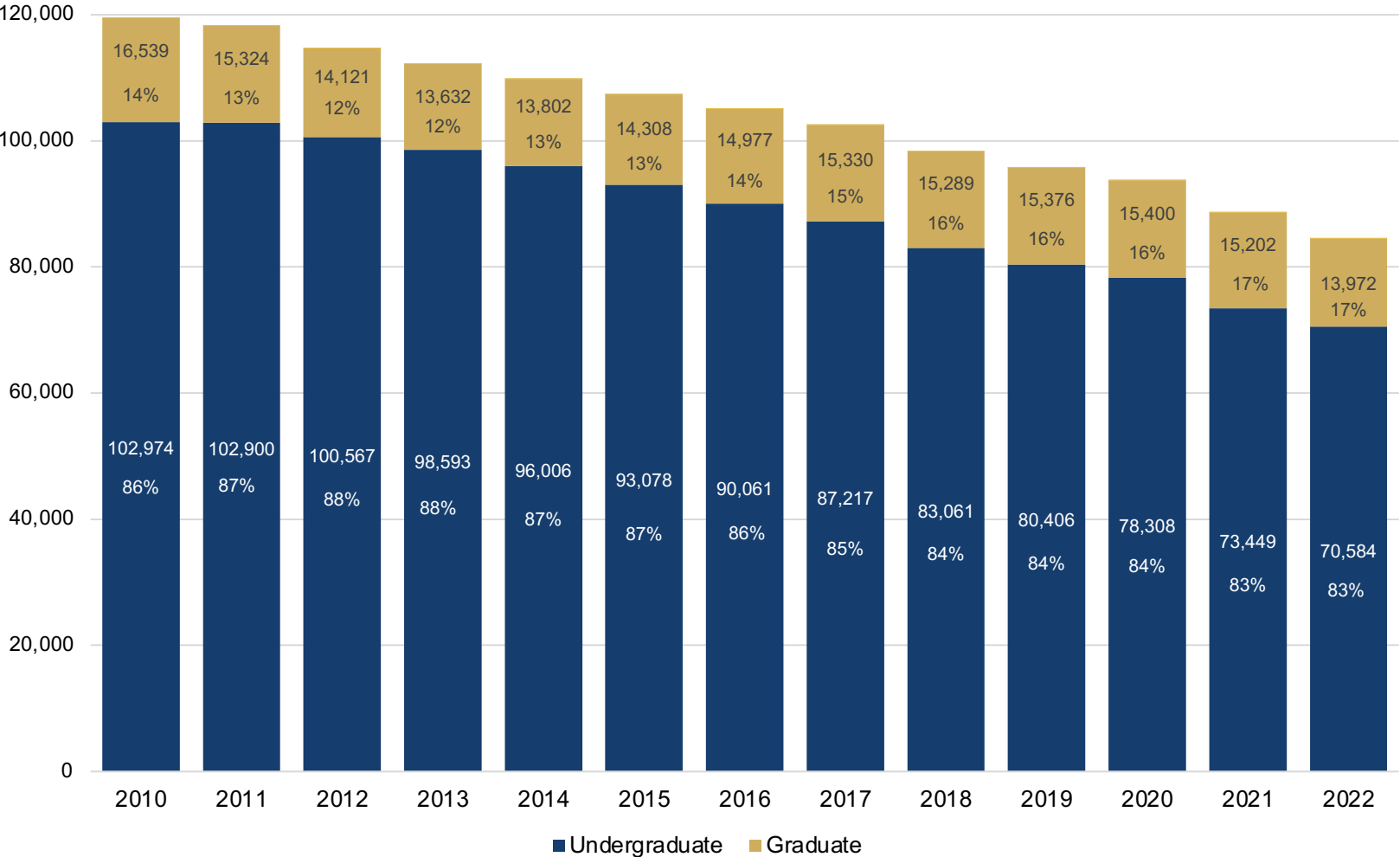
Source: Pennsylvania Department of Health "Pennsylvania Vital Statistics 1997-2020." Pennsylvania Department of Education Public High School Graduates 2003-2021. Pennsylvania Department of Education Public High School Enrollment 2003-2022. Methods based on Western Interstate Commission for Higher Education (WICHE) "Knocking at the College Door: Projections of High School Graduates." Issued December 2012. Updated by the office of Advanced Data Analytics July 1, 2022.

NOTE: Due to the pandemic, i.e., differing modes of instruction by school districts and students' ability to make progress or persist, the number of high school graduates for the 2020-2021 school year was impacted. The impact differed by county but was an overall decrease greater than projected. In turn, this impacts future projections. There is a possibility that the number of high school graduates will rebound in 2021-2022. The 2021-2022 graduate data will be updated as soon as it is made available by PDE in order to ensure that most accurate projections.



PA State System of Higher Education Footprint and Challenge

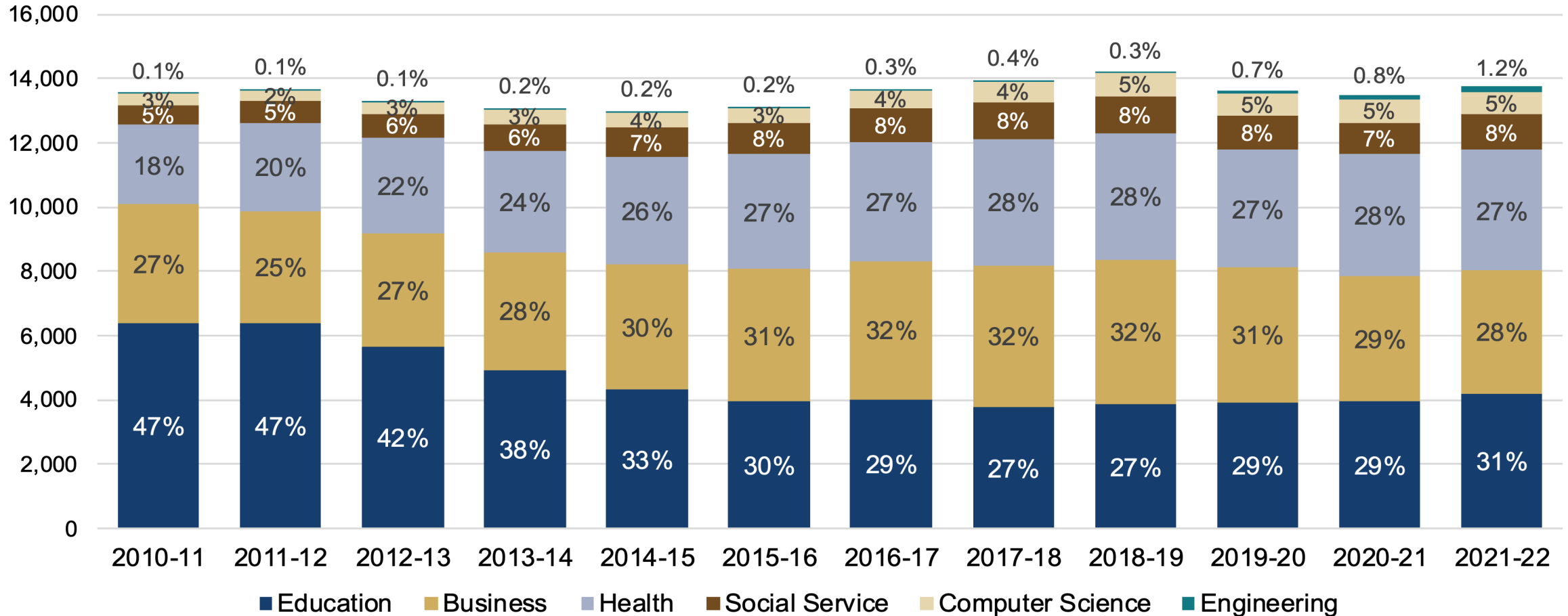
Fall Headcount Enrollment



	Fall 2010	Fall 2020	Fall 2021	Fall 2022
Underrepresented Minority	12.5%	20.1%	19.8%	20.6%
Adult Learners (UG)	10.4%	9.8%	9.7%	8.9%
Out-of-State	11.3%	11.6%	11.7%	12.1%
Full-Time	84.1%	78.9%	78.2%	78.6%
Pell Recipients (UG)	34.7%	32.6%	32.3%	
100% Online Courses (UG & GR)	5.1%	48.5%	14.2%	
Certificate Enrollment (primary major only)	0.3%	1.0%	1.0%	



Annual Completions in High Need Areas



Source: State System Student Data Warehouse, Annual Awards Conferred

2022 Allocation Formula Review



PASSHE formula review process



Drivers for new formula



Stakeholder input



Connection to advocacy

Formula Development Team and Process

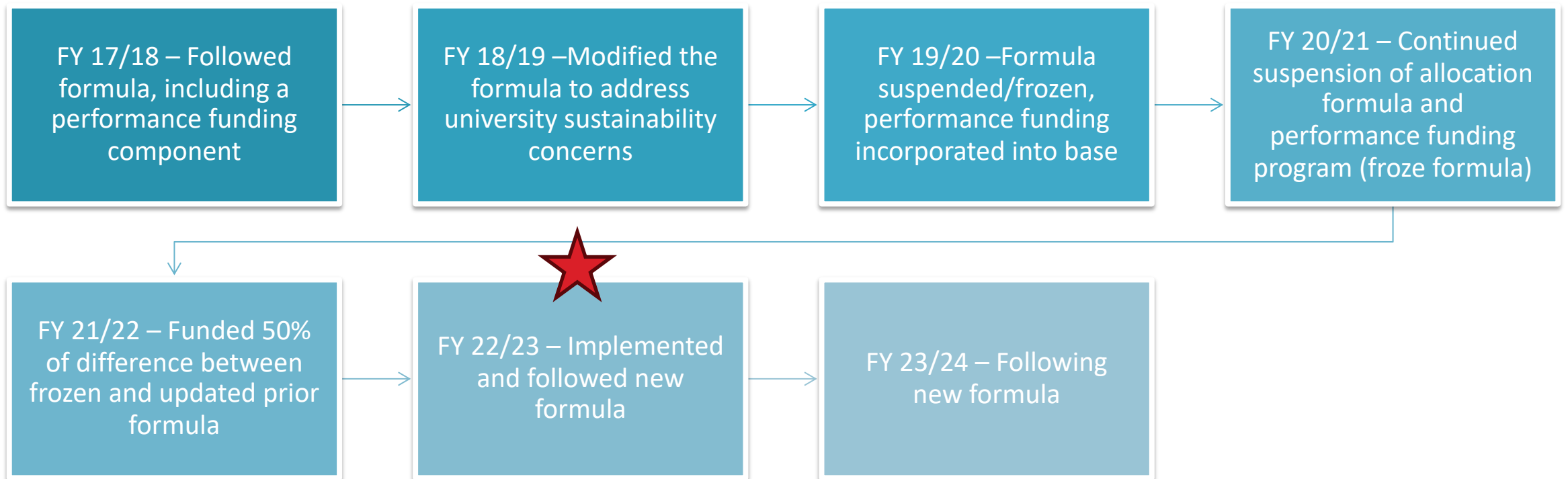


TEAMWORK

- University-led project team comprised of universities with diverse financial circumstances:
 - Three presidents, one of whom chaired the team, two chief academic officers, and two chief financial officers selected to represent these groups:
 - a financially stable university
 - a Plan 1 or 2 university
 - a Plan 3 university
 - an integrating university
 - Supported by: Key Central Staff
- Approximately six-month effort from start to finish
 - Kicked off in **November 2021**, formula approved by the Board in **June 2022**

Timing is everything

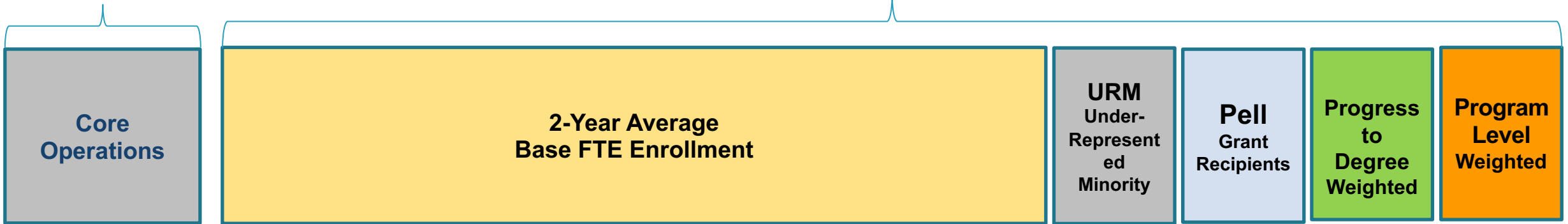
Our transition to a new formula affected by our ongoing steps of System Redesign and certain sustainability concerns



State Appropriation Allocation Formula

Non-Enrollment
No more than 25%

Enrollment



Policy

- Maintains Board approval of Systemwide initiatives
- Maintains statutorily required funding for Office of the Chancellor
- Has implementation procedures
- Requires a review within five years

New Formula – focused on funding following the student

Appropriation per FTE Student		
University	New Formula	
	FY 2022/23	FY2023/24
Cheyney	\$31,512	\$31,711
Commonwealth	\$7,336	\$8,193
East Stroudsburg	\$8,338	\$9,329
Indiana	\$7,196	\$8,039
Kutztown	\$6,870	\$7,646
Millersville	\$7,137	\$7,961
PennWest	\$7,320	\$8,270
Shippensburg	\$7,478	\$8,964
Slippery Rock	\$6,412	\$7,127
West Chester	\$5,292	\$5,939
Total	\$7,026	\$7,874

FY2023/24 Per-Student Funding Coefficients				
2-Year Base FTE Enrollment	2-Year Average URM Enrollment	2-Year Average Pell Recipients	2-Year Average Progress to Degree	2-Year Average Enrollment by Program Level
\$4,725	\$1,291	\$912	\$279	\$255

- Spreads in the range per student are now able to be explained in alignment to student need and mission, i.e. East Stroudsburg
- Size and scale does play a role but doesn't create large disparities in per student support

13 Range in Per-Student Funding, excluding Cheyney

\$3,046 \$3,390

Advocacy Agenda for FY 22 and 23

Sought to position State System universities as *the* high-quality, affordable option to meet the State's growing talent demand and to secure impactful state investment.

This long-term campaign seeks to advance a positive view of State System universities' in three key areas: a) Impact, b) commitment to operational effectiveness, accountability, and transparency, and c) Potential

FY 22 Used monthly themes around student success and contribution to the state

FY 22 Further explored themes through the lens of student, faculty, and staff stories along with a big push for direct to student aid

Advocacy Materials: V1

- Focused on student success and contribution to the state across: local economic impact, student affordability, student progression, workforce alignment, DEI, student access, economic and social mobility

February 2022: Diversity, Equity, and Inclusion

State System universities are still the most affordable 4-year postsecondary option in Pennsylvania. Ensuring they remain affordable is critical to continuing service to underrepresented minority (URM) students and to meet state social mobility and economic development needs.

A general appropriation of \$550 million would enable the State System to expand access and support to URM students who need academic and financial help. The postsecondary success of URM students is critical for Pennsylvania to meet its workforce needs.

Direct-to-student funding of \$201 million for State System students could result in an enrollment increase of at least 8% at State System universities. Of those additional 709 students, 134 would be URM students.

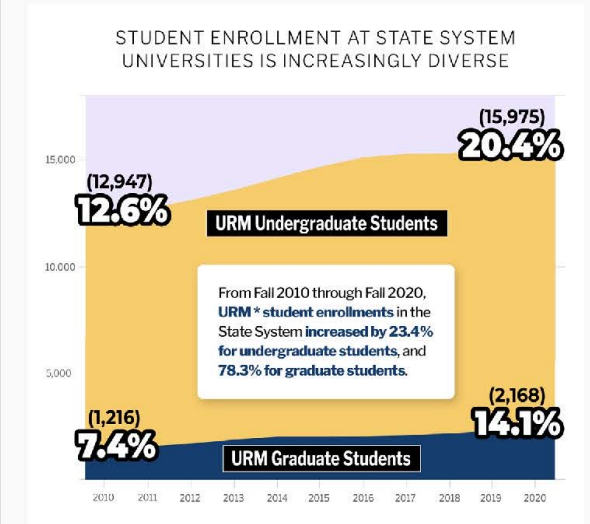
The State System and its universities are committed to cultivating diverse, equitable, and inclusive environments that enable all members of the State System community to thrive.

- Since 2015, despite reductions in overall staffing, State System universities have successfully recruited and retained a consistent compliment of URM faculty and staff.
- Five and ten years after graduating, URM students from low-income families are doing as well as white graduates who enrolled as higher-income students.

The State System is committed to ensuring accessibility of all members of its community regardless of one's identity.

- The 2021 State System Diversity, Equity, and Inclusion Summit brought together more than 500 faculty, students, and staff from across the State System, as well as external researchers and practitioners, to engage in timely discussions around a wide range of DEI topics.
- The State System and its stakeholders identified five **DEI Strategic Priorities** that will guide the System's initiatives over the next five years:
 1. Faculty, Staff, and Student Diversity
 2. Equitable Student Outcomes
 3. Inclusive Communities
 4. Curriculum Diversity
 5. Enabling Infrastructures
- The Board of Governors affirmed a systemwide **DEI Strategic Framework** as a foundation to the State System's collective work.







February 2022 Poster Graphics



* Underrepresented Minority includes American Indian or Alaska native, black or African American, Hispanic, and Two or More Races

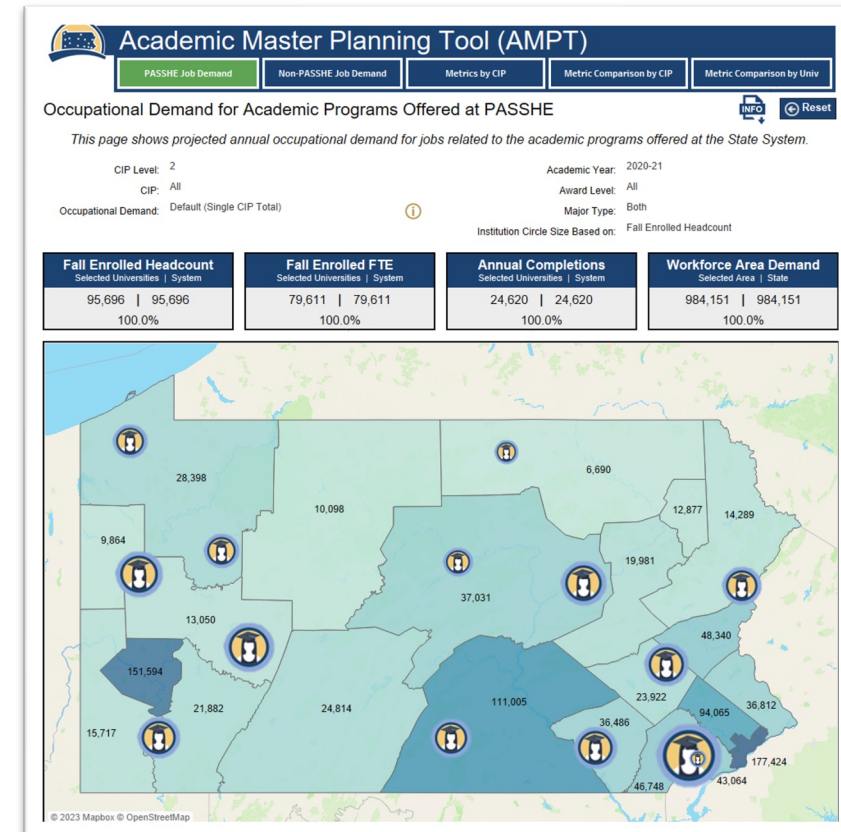
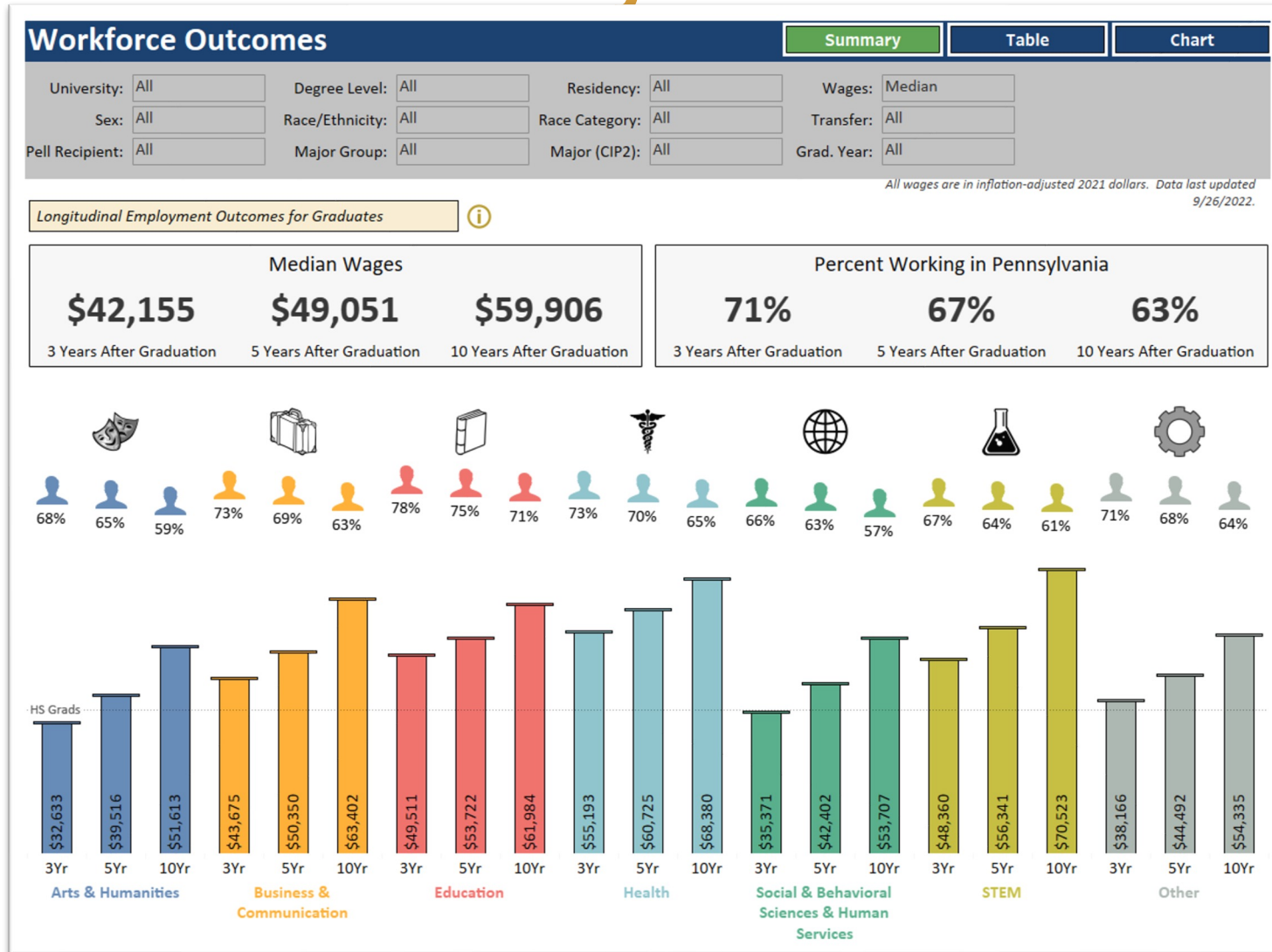
Advocacy Examples

- Use of labor market data, along with enrollment, persistence/graduation, and employment and earnings data to project out economic need to meet workforce goals
- Focused primarily on direct to student aid but also funding for institutions with high cost programs

High-Growth Industries	Student Support	Program Investment
 EDUCATION	\$56.5 M	\$3 M
 BUSINESS	\$19 M	\$2 M
 NURSING	\$7 M	\$5.5 M
 COMPUTER SCIENCE	\$5 M	\$0.5 M
 SOCIAL SERVICES	\$10 M	\$0.5 M
 ENGINEERING	\$1.5 M	\$1.5 M
Estimated Need	\$99 M	\$13 M

Data Focus: Using Employment and Workforce data for Advocacy

- Measuring impact on the Commonwealth
- Advocating for State funding
- Reviewing current and new academic programs
- Assessing impact on equity



Advocacy Materials: V2

- Focused on student stories across high needs areas: education, health (nursing), engineering, computer science, business, and social services

ADDRESSING THE WORKFORCE SHORTAGE:

Pennsylvania's STATE SYSTEM of Higher Education

EDUCATION

\$56.5 M

THE STATE SYSTEM IS SEEKING \$112 MILLION IN NEW FUNDING*
\$56.5 million of that amount will be used for financial aid to reduce costs for students pursuing jobs in education

The POWER of PASSHE:

- 48,800 PASSHE education graduates are working in PA
- 23% of PA's education workforce consists of PASSHE graduates
- 25% of PA's teacher shortage can be filled by PASSHE by 2030

The Need:

Pennsylvania schools are facing a well-documented teacher shortage, with new teacher certifications declining by more than 67% since 2011. Adding to the urgency, a recent study found more teachers on emergency permits than newly certified teachers from teacher preparation programs.

PASSHE Solution:

State System universities were created over a century ago to train teachers, and with 17,400 majors, education remains the second largest academic program. Now more than ever, the State System is ready to prepare and train more teachers/educators. The State System is seeking a targeted investment of \$112 million in new funding to produce more graduates in six high-growth jobs, including education. PASSHE plans to use \$56.5 million to provide direct financial relief to education students, saving each an average of \$1,500. High-need students could receive an additional \$5,000, for a total of \$6,500 per year.

** PASSHE is also seeking \$573.5 million, an inflationary increase of \$21 million, enabling the Board of Governors to consider freezing the basic in-state undergraduate tuition rate for an unprecedented fifth consecutive year.*

Navy Veteran Pursuing Dream of Teaching



Growing up, **Jared Johnson** never considered a career in teaching. Now, as an adult, he can't imagine doing anything else. Johnson, a native of Effort, Pa., now living in Saylorsburg, served five years in the Navy. His experience as a military trainer laid the foundation for a civilian teaching career.

"I found I really enjoyed it—I enjoyed listening for that 'aha!' moment," he said. By working with children, "I was investing in my fellow servicemen's futures," he said.

Jared transferred to **East Stroudsburg**

University's education program after earning an associate degree from Northampton Community College. He says the university is very welcoming to veterans and the faculty is excited to see adult students enhance their education.

After graduation he plans to teach English to fourth- through eighth-grade students and be a positive, real-life role model for his students.

"I enjoy writing and the art of writing. I also love reading—I think it's a great escape," he explained. "Reading and writing are two fundamental skills that can help you achieve great things."

Jared will be a student teacher next fall and is on track to graduate in May 2024, when he will begin mentoring future generations of students and passing on his love for reading.

Education Innovation



There's a movement happening in teaching tomorrow's educators.

In recent years, school districts have begun eliminating classes like music, art, and physical education to save money or to improve performance in academic areas that are included in mandatory testing.

This caught the attention of **Dr. Amy Shannonhouse**, an associate professor in PennWest's College of Education, who wrote her doctoral dissertation on the academic benefits of physical activity.

"You never want to have young children sitting still," Shannonhouse said, citing additional research that reinforces her findings. "Classroom teachers should do brain breaks."

Brain breaks, as well as an emphasis on integrating fundamental motor skills into content areas, are an important part of the PennWest curriculum for education majors.

Combining movements with literacy has been shown to support brain and motor skill development. Motor skills enable children to be efficient movers, which leads to physical health and improved self-esteem.

Building Public Support through Promises Made and Promises Kept – *State Appropriation Results*



FY 22/23

15.7% increase in base appropriation

\$125M in one-time funds

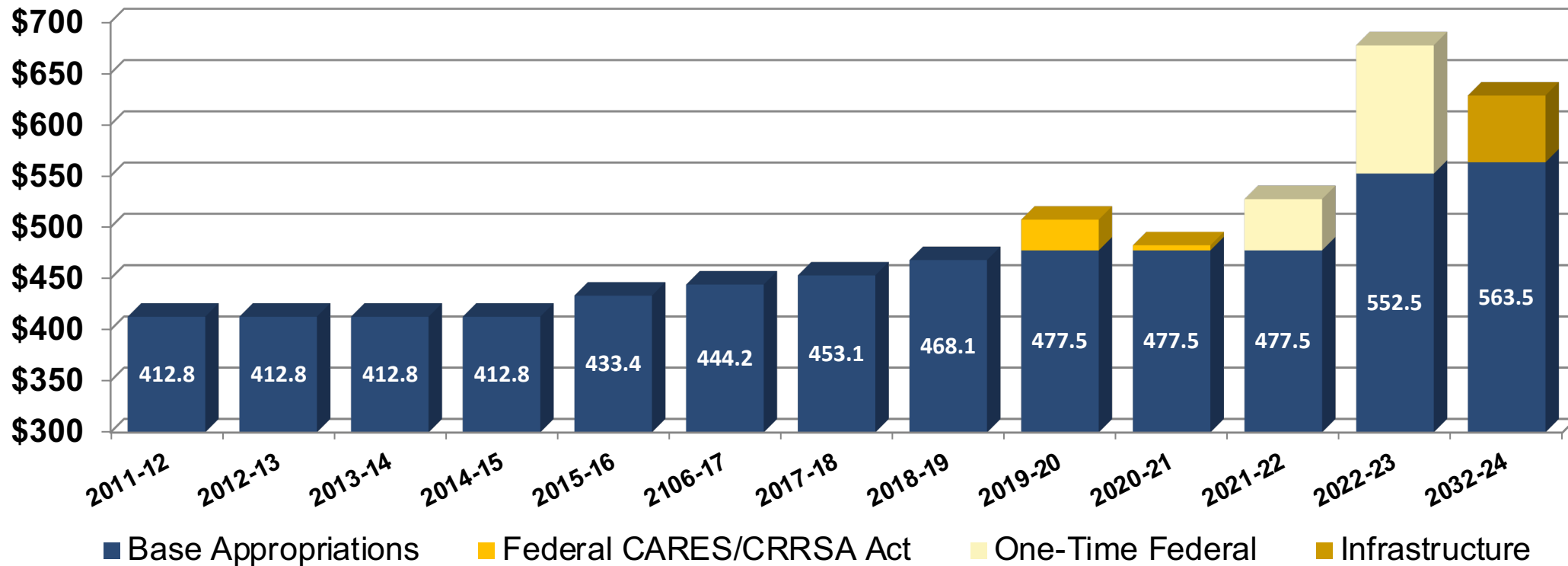


FY 23/24

Another 6% increase in base appropriation

\$65M in infrastructure support funding for rural campus

System's 2023-24 appropriation is a new historic high, after years of flat funding or minimal/inflationary increases.



**Not adjusted for inflation*

Key Themes in Approach: A Discussion



- System-ness approach for university driven input
- Critical collaboration between finance, data, and advocacy
- Simplicity in model design for easier communication (legislators, presidents, council of trustees, general public)



Pennsylvania's
STATE SYSTEM
of Higher Education

Passhe Power and Promise:
[https://www.passhe.edu/About/Pages](https://www.passhe.edu/About/Pages/The-Power-and-Promise-of-PASSHE.aspx)
[/The-Power-and-Promise-of-](https://www.passhe.edu/About/Pages/The-Power-and-Promise-of-PASSHE.aspx)
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