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PASSHE must do more to reform itself

Even though efforts have begun in earnest to right-size the struggling Pennsylvania State System of Higher Education (PASSHE), enrollment continues to decline. And even more fundamental reforms must be undertaken for it to survive, concludes a new analysis by the Allegheny Institute for Public Policy.

“The time has come to take bold actions in addition to the mergers that are underway,” says Jake Haulk, president-emeritus of the Pittsburgh think tank (in *Policy Brief, Vol. 21, No. 41*).

As prior analyses have concluded, the 14-school system has had a dreadful decade of declining enrollment coupled with a facilities buildout that left it nearly \$2 billion in debt.

After much handwringing and woefully little action, PASSHE officials this past summer approved the merger of six of the schools into two conglomerates. The newly configured schools will bow in the fall of 2022.

But recently released [enrollment data](#) for fall 2021 indicate a worsening situation for many of the 14 campuses. Collectively, the PASSHE schools lost 5.4 percent of enrollee count compared to the fall of 2020.

Six schools lost 7.5 percent or more of their student census; two lost more than 12 percent. And only two schools showed gains, albeit very small.

“Interestingly, the drop in system enrollment for 2021 was larger than the 2019 to 2020 drop (-2.2 percent) during the worst of the pandemic,” notes Haulk, a Ph.D. economist. “Indeed, six schools had slight upturns in enrollment in the fall of 2020.”

But the astounding statistic here is that since 2010, five schools have seen 45 percent or greater enrollment declines, led by Cheyney at 59.5 percent and Edinboro at 53.2 percent. Clarion, Mansfield and Lock Haven were in the 46 percent range.

Overall PASSHE enrollment was down 25.8 percent since 2010. It would have been down 32 percent were it not for strong growth at West Chester.

PASSHE did not delineate enrollment figures by class (for the system or for each school). “It would be very useful to know the enrollment drop for incoming freshmen and how many were upperclassmen who chose not to return,” Haulk notes.

The enrollment drops are far greater than national student declines since 2010

“No doubt soaring tuition and fees along with demographics have played a role,” Haulk says.

But enrollment declines and high capital debt are not PASSHE’s only problems. The system has been plagued with high faculty salary and benefit costs. Per-student faculty expenditures at several schools were higher than at Penn State, Temple and Pitt, so-called “state-related” universities.

Additionally, there have been managerial problems created by excessive faculty controls in labor contracts, all of which hamper efforts to improve education quality, efficiency and cost-effectiveness.

“Unfortunately, Pitt’s faculty just voted to approve collective bargaining, a decision that over the long run will not redound well to the university’s stature,” Haulk rued.

Neither have PASSHE schools (save for West Chester) enjoyed anything resembling high academic rankings.

“In short, several of the same PASSHE schools that have suffered massive enrollment losses over the last decade are continuing their rapid decline,” Haulk says. “Inevitably, these schools will face more faculty and administrative and operation personnel cutbacks.

“Right-sizing to lower cost is a must. Resistance to mergers is understandable but not in the long-term best interests of the schools or their students,” he stresses.

Such right-sizing that takes enrollment losses into account will create opportunities for better resources at the merged schools by reducing overhead and employee costs.

But that said, “PASSHE needs to work on better labor contracts that return more managerial decision-making authority to the presidents and deans—especially in the hiring, pay and promotion of faculty members.”

“The system needs to organize the schools so as to eliminate duplication of degree programs and have each school offer a couple of very strong attractive majors they become known for that will attract students,” Haulk concludes.

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