

PASSHE woes continue

Summary: The 14-university Pennsylvania State System of Higher Education (PASSHE) has seen major setbacks over the last 12 years and the problems continue. Enrollment has dropped 29 percent; applications to enroll have fallen by 31.6 percent; acceptance rate for admissions have climbed to over 90 percent while enrollment of those accepted for admission has declined 33 percent.

Senior faculty costs are well above comparison universities nationally and nine of the member schools have per student expenditures above the national comparison average. Major cuts in employment are underway with the full-time-equivalent employment (FTE) count down 15.7 percent from 2020 to 2022. The system has \$2.12 billion in deferred maintenance for its older buildings, 33 percent of which are over 50 years old.

System enrollment losses

After experiencing an enrollment decline from 119,513 in 2010 to 88,649 in 2021—a drop of 26 percent— enrollment fell another 4.7 percent in the fall of 2022 to stand at 84,556. Thus, the total student count has now fallen over 29 percent since the 12 year-earlier level. According to data provided in the system’s legislative appropriations request for 2022-2023, the student decline through 2021 by school varied greatly. Five universities were down by 40 percent or greater, led by Cheyney at 50 percent; followed by Edinboro at 46 percent; Lock Haven at 45 percent; Mansfield at 42 and Clarion and Indiana at 40 percent. The only increase occurred at West Chester with a 14 percent rise through 2021 and Slippery Rock posted a small 2 percent decline.

Expenditures per student

PASSHE had expenditures of \$22,899 per student in 2019-20 (latest published data) with nine of the schools above the national comparison school average. At the same time, the system average of students per faculty ratio was 18.3.

Not surprisingly, the schools with the largest enrollment declines tend (but not in every case) to have smaller student-to-instructor ratios and higher instruction expenditures per

student as faculty cuts lagged enrollment drops. However, employment declines have become dramatically larger in the past couple of years, including faculty cuts, so that the student-faculty ratios in 2022 and beyond should show increases and per student expenditures should start to drop accordingly.

As examples, note that Clarion (-40 percent student drop) had per student expenditures of \$27,412 in 2020, far above the system average. Meanwhile, Lock Haven (-45 percent) had a student-to-instructor ratio of only 14.6, well below the system average of 18.3 and per student expenditures of \$26,568 well above the PASSHE average. Note the same pattern generally holds for the student-to-non-instructional staff ratio as well.

Meanwhile, Slippery Rock, with its 2 percent decline in student count, and West Chester, with a gain of 14 percent, had above system average student-to-faculty ratios—20.9 and 19.7, respectively. Moreover, the expenditures per student at Slippery Rock (\$19,237) and West Chester (\$18,344) were well below the system average level. All of which suggests that the schools losing enrollment fastest were slow to make the needed adjustment in employee count to restrain the surge in per student costs.

Employment reductions and faculty pay

There have been significant cuts to PASSHE employment in the last few years. According to the system's financial statement of June 2022, FTE fell from 11,654 in 2020 to 9,823 in 2022—15.7 percent. Meanwhile, FTE faculty fell 11.2 percent from 2015 to 2021, with the preponderance of the decline from 2020 to 2021. While the data are not yet available, it appears, based on the additional 5 percent decrease in total FTE in 2022, faculty will also be further reduced by 5 percent.

The appropriations request document presents a faculty salary comparison with a national sample of comparable universities. They conclude, "According to these data, salaries of junior faculty (instructors and assistant professors) are comparable to those that apply at comparator universities nationally; senior faculty (associate professors and above), representing 52 percent of the System's faculty complement, are considerably higher than average ranking in the first (top) quartile of faculty salaries at comparator institutions."

Indeed, the data presented show that professors at PASSHE schools earn, on average, 12.7 percent more (\$113,454 compared to \$100,696) than professors with doctorate degrees in the comparison schools. Associate professors at PASSHE earn 11.8 percent more (\$90,788 to \$81,205) than doctorates at comparator institutions. Assistant professor and instructor pay is on par with the national comparator institutions. Bear in mind that all PASSHE faculty are represented by a labor union.

The appropriations request document adds the following comment regarding pay: "Given the wide regional variation in average household income that exists across Pennsylvania, the System will begin benchmarking salaries by role, institution type, and regional population density." The union might have disagreement with that proposal.

Applications and admissions

Not unexpectedly there was a dramatic drop in applications to the 14-school system from 2010 to 2021, falling 31.6 percent from over 84,000 to 57,600. Data are not available by university. The number of applications accepted for admission slipped only 7 percent from 56,614 to 52,388, boosting the acceptance rate from 61.3 to 90.9 percent. At the same time, the percentage of those accepted for admission fell from 36.5 percent to 24.4 percent. Said the other way, the number of accepted who enrolled fell from 18,347 to 12,782.

Bear in mind that with the very high acceptance for admission rate of late, the odds are high that increasingly ill-prepared high school graduates are being accepted, many of whom will choose to attend. Note that in recent years over 30 percent of juniors in high school failed to score proficient on the math or the English Keystone exam. These exams were to be used as requirements for graduation but because of the poor performance of so many students, the Legislature has continued to push back the date the requirement will become effective (see *Policy Brief, Vol. 22, No.13*).

Building maintenance needs

According to the *Request for Appropriation 2022-2023*, the system needs to spend \$180 million per year to maintain its education and general building stock— “in six of the last seven years, the combined investment in both annual stewardship and asset reinvestment fell short of the stewardship target.” The Legislature provided \$70 million in the last fiscal year. The buildings are on average well over 25 years old with 33 percent over 50 years.

Conclusion

PASSHE faces very serious issues of long-term declining enrollment and applications to enroll, very high costs driven by salaries and generous benefit packages. Efforts to solve these problems and maintain the best possible education experience for students are made more difficult because 85 percent of employees are unionized, including faculty.

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