



RAND
CORPORATION

EDUCATION

5

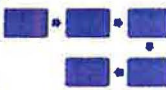
OPTIONS

FOR LONG-TERM SUSTAINABILITY
AND VIABILITY OF PENNSYLVANIA'S STATE SYSTEM
UNIVERSITIES

RAND was asked to develop and assess possible courses of action that would sustain State System universities



Our work supplements the 2017 National Center for Higher Education Management System analysis

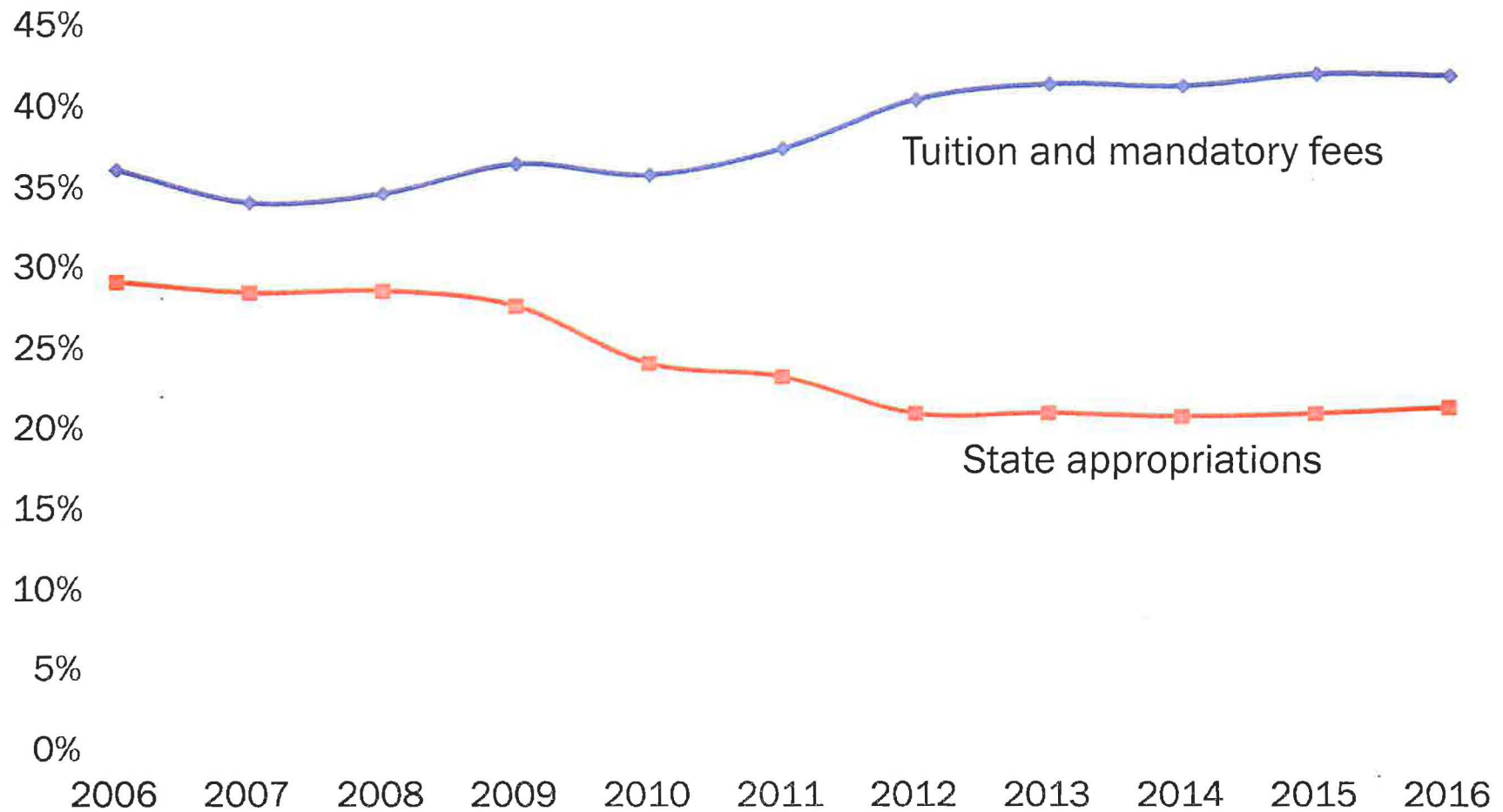


We conducted this work in five steps

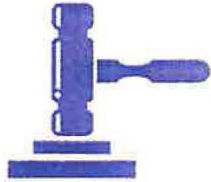
- 1 Review and analyze relevant reports
- 2 Review other states' policies and governance structures
- 3 Analyze PA higher education statistical data
- 4 Gather and review stakeholder input
- 5 *Develop and assess options and implementation requirements*

Funding also poses a significant challenge

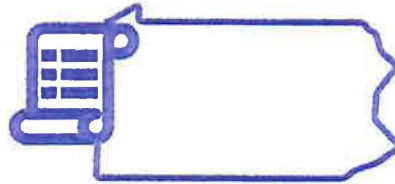
Major sources of State System university revenues



Internal factors reduce the State System's ability to respond to challenges



Governance



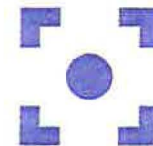
State Regulations



System Office Support
& Services



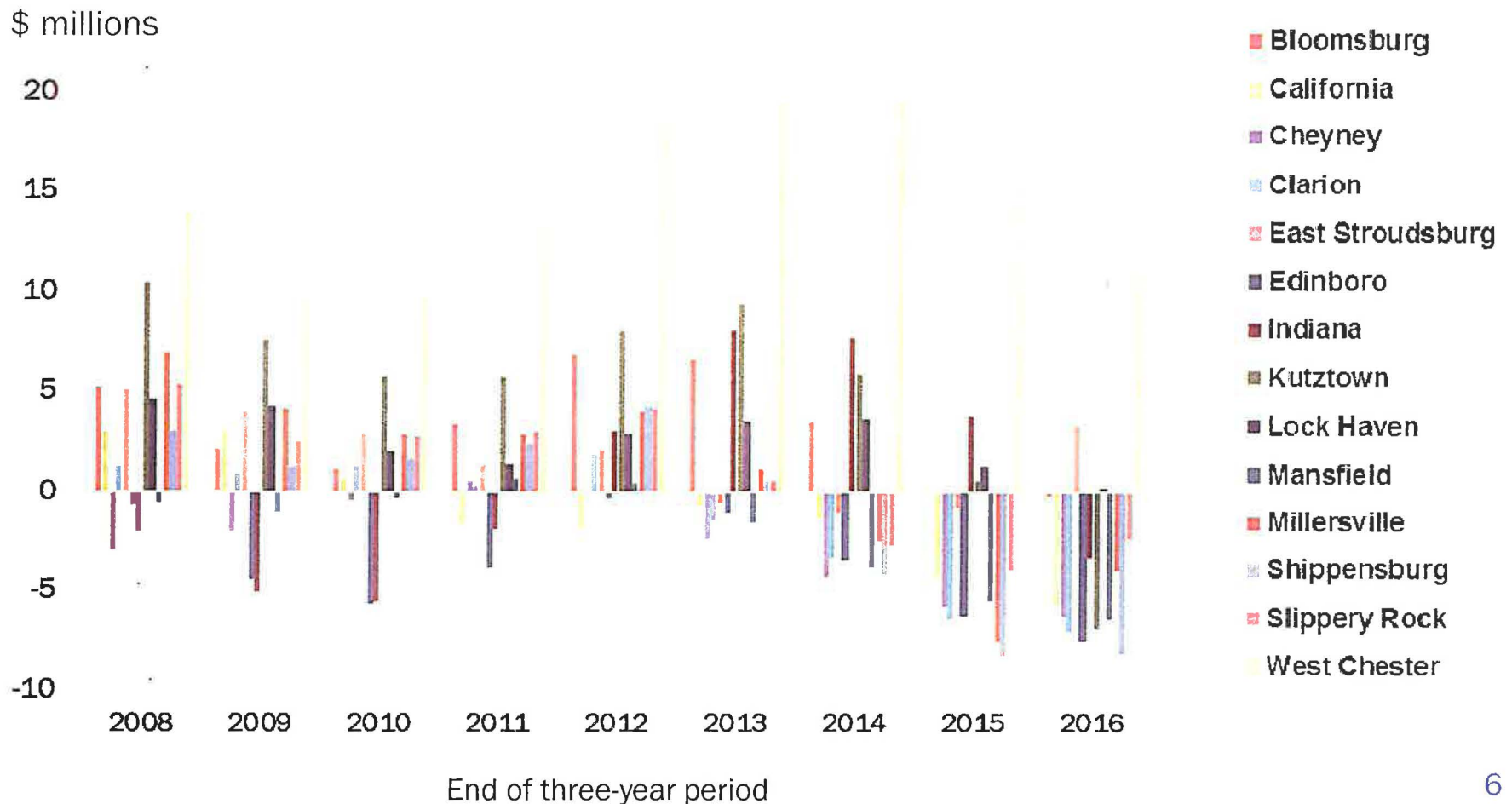
Faculty Labor Relations



Market Focus

Together, these challenges are negatively affecting the universities—and trends are likely to continue

*Change in net position (surplus or deficit),
three-year average at State System universities*



Five options

· Improve State System structure

2

Merge State System universities regionally

3

Convert universities to state-related status

4

Place State System and institutions under management of state-related university

5

Merge State System universities as *branch campuses of state-related universities*



Legislative Budget and Finance Committee

A JOINT COMMITTEE OF THE PENNSYLVANIA GENERAL ASSEMBLY

Offices: Room 400 Finance Building, 613 North Street, Harrisburg

Mailing Address: P.O. Box 8737, Harrisburg, PA 17105-8737

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PATRICIA A. BERGER

DEPUTY EXECUTIVE DIRECTOR

CHRISTOPHER LATTA

Promoting the Long-Term Sustainability and Viability of Universities in the Pennsylvania State System of Higher Education

Conducted Pursuant to Senate Resolution 2017-34

April 2018



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April 2018

To the Members of the General Assembly:

Senate Resolution 34 of 2017 directs the Legislative Budget and Finance Committee to study and issue a report relating to the long-term sustainability and viability of the Pennsylvania State System of Higher Education (PASSHE).

Due to the specialized nature of this study, the Committee issued a Request for Proposal for assistance in developing the report. In November 2017, the Committee contracted with the RAND CORPORATION to conduct this study.

The RAND CORPORATION report is contained herein. As with all LB&FC reports, the release of this report should not be construed as an indication that the Committee or its individual Committee members necessarily concur with its findings and recommendations.

Sincerely,

Patricia A. Berger
Executive Director

PAB:tlb