



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF EDUCATION

House Education Committee
Public Hearing on College Affordability
September 17, 2024

Good afternoon, Chairman Schweyer, Chairman Topper, and distinguished members of the House Education Committee.

My name is Dr. Kate Shaw, and I have the pleasure of serving as the Deputy Secretary and Commissioner for Postsecondary and Higher Education at the Pennsylvania Department of Education. I am pleased to testify before you today to highlight some of the actions we've taken to enhance college accessibility in this most recent budget due to our collaborative efforts. I am also excited to provide you with an update on the formation of the new State Board of Higher Education. Thank you for your continued partnership and for the opportunity to present to you today.

Expanding Access

Pennsylvania currently ranks 49th in higher education affordability, 47th in average debt after completing a bachelor's degree, and 49th in appropriations per full time student. While there is still a lot of work to be done, the recently enacted 2024-25 budget made several investments that will increase higher education affordability. Programs that were expanded in this year's budget include:

- \$54 million increase for student grants;
- \$5 million increase in disadvantaged students' scholarships;
- \$36 million increase for Ready to Succeed Scholarships.

This budget also established two new student financial assistance programs which will be administered by the Pennsylvania Higher Education Assistance Agency (PHEAA), and implemented over the next two years:

- The Grow PA Scholarship Program will provide \$5,000 scholarships to qualified Pennsylvania students who have a 2.5 minimum high school GPA and plan to major in an "in-demand" course of study at a Pennsylvania college or university, and who agree to work in the Commonwealth for 12 months for every year they receive this scholarship. A total of \$25 million was allocated to PHEAA to make scholarships available to qualified Pennsylvania students starting in the 2024-2025 school year.

- The Grow PA Merit Scholarship will provide scholarships to out-of-state students pursuing in-demand programs at any of the Pennsylvania State System of Higher Education (PASSHE) universities, beginning in the 2025-26 school year. Students must have a minimum 2.5 GPA and be a first-time freshman to be eligible for this program.

This year's enacted state budget also included increases in direct appropriations to Pennsylvania institutions of higher education (IHEs), including:

- Community Colleges: \$15.7 million increase;
- PA State System of Higher Education (PASSHE): \$35.1 million increase;
- Thaddeus Stevens College of Technology: \$2.6 million increase; and
- Lincoln University: \$2.4 million increase.

State Board of Higher Education

Act 69 of 2024 establishes a State Board of Higher Education in Pennsylvania to provide direction, coordination, and support to ensure that institutions of higher education fully meet the workforce and economic development needs of the Commonwealth and ensure that Pennsylvania residents have access to affordable, world-class postsecondary education. With 21 members representing state agencies, the General Assembly, public and private education institutions, business leaders, and more, the Pennsylvania State Board of Higher Education will be one of the most broadly representative postsecondary coordinating entities in the nation with a goal of finally addressing the fundamental lack of coordination in Pennsylvania's higher education structure.¹

State law charges the new board with developing and advancing a strategic plan and making recommendations that promote greater postsecondary access, quality, affordability, and accountability. This includes regulating community colleges; forming a council to develop a performance-based funding formula for state-related universities; establishing a comprehensive student-level data system to identify and inform pathways to postsecondary credentials; assisting institutions with assessing their fiscal health; and developing procedures for institutions to follow when closing. The board will collect data from institutions to inform decision-makers and to ensure that our students are being served by providing a seamless transfer of credits between institutions.

Act 69 of 2024 establishes an ambitious timeline to implement these fundamental changes:

- September 2024 – Transfer authority of community college oversight from the State Board of Education to the State Board of Higher Education;
- April 2025 – Establish a State-Related Funding Council to develop funding formula recommendations for Penn State University, Temple University, and the University of Pittsburgh;

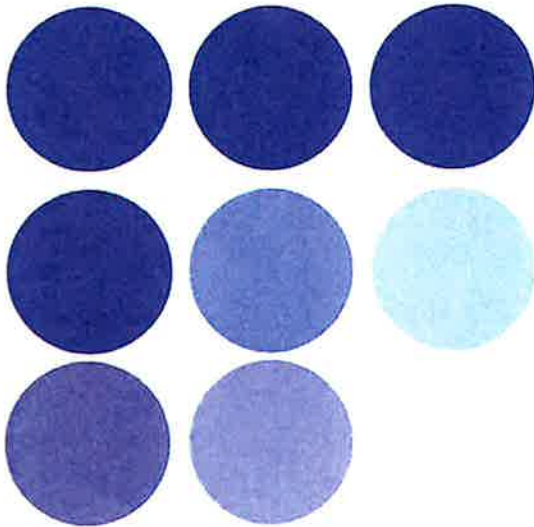
¹ Composition of the State Board of Higher Education is included as an addendum to this testimony.

- May 2025 – Provide recommendations to the General Assembly regarding additional oversight and authority that should be transferred to the State Board of Higher Education;
- September 2025 – Adopt a strategic plan for higher education in Pennsylvania; and
- July 2026 – Develop comprehensive post-secondary reporting and closure policies to ensure adequate support for students and staff.

While there is much work to be done, we know that a strong higher education system is key to Pennsylvania's future. Thanks to the support of the General Assembly and the Shapiro Administration, the State Board of Higher Education is positioned to ensure our Commonwealth has a higher education sector that keeps young people in Pennsylvania, helps students build the skills and gain the credentials they need to fill good-paying jobs, ensures employers can find the workers their businesses need to thrive and grow, attracts more students, workers, and companies to our Commonwealth, and drives economic growth in Pennsylvania for generations to come.

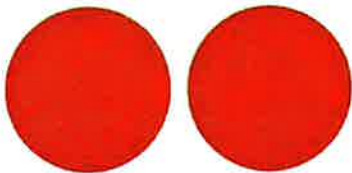
Again, I thank you for the opportunity to discuss this important topic today, and I welcome continued dialogue as we work together to establish this newly created State Board. The changes made in this year's budget were truly historic, and I commend leaders like yourselves for your commitment to serving Pennsylvania learners.

Nine leaders from all major higher education sectors



- *Four state related*
- *One community college*
- *One PASSHE institution*
- *One PASSHE board member*
- *One independent college or university*
- *One Thaddeus Stevens*

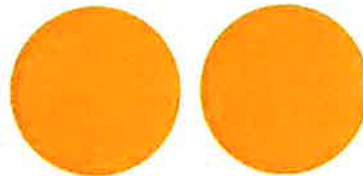
Two members of Administration:
Education and Labor & Industry



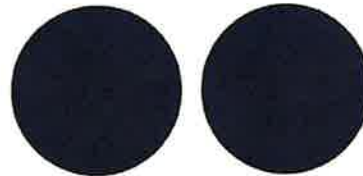
Four Legislators



Two students
(independent & publicly funded)



Two business leaders



Two labor leaders

