

2024 HOUSE APPROPRIATIONS COMMITTEE HEARING
FEB. 29, 2024
STATEMENT BY PENN STATE PRESIDENT NEELI BENDAPUDI

Thank you for the opportunity to discuss the significant impact that state funding has on Penn State, our students and their families, and citizens across the Commonwealth.

As partners for nearly 170 years, the Commonwealth's investment in Penn State is truly felt statewide — from the thousands of Pennsylvania resident undergraduates who benefit from the University's discounted in-state tuition rate, to the research-based programs, services and knowledge offered by Penn State Agricultural Research and Extension, to the top-quality care provided by Penn State Health.

As we enter a new era in public higher education, it is no secret that we currently find ourselves in a challenging landscape here in Pennsylvania and nationally. Like other public universities, Penn State is facing a budget shortfall that has been exacerbated by inflation-driven cost increases, changing demographics in Pennsylvania, increased competition from out-of-state institutions, and state funding that has remained essentially unchanged since the early 2000s. As we adapt to the changing landscape, our northstar, our guiding principle is ensuring student success. Every decision we make is through the lens of what is best for our students and their success during their time at Penn State and beyond.

We have made significant changes. We have adopted a two-year budget to enhance budget predictability for our students and families and for us as an institution. We have adopted a budget model that aligns strategic allocation of resources to the students that we serve, and continues to put access and affordability at the forefront of decision-making. To guide the University, I have introduced a [road map for Penn State's future](#) focused on transforming the University's operations and business model and continuing to make strategic investments for the future growth and success of the institution.

Penn State is also a globally recognized, high-quality, cutting-edge institution that is a valuable asset to the commonwealth and the country, providing billions of dollars in economic impact each year. However, to remain a truly exceptional public research university that is capable of achieving greatness at scale in both our academic and research missions, it is imperative that the state reinvest in Penn State. Consider that:

- This year alone, Penn State is educating more than 50,000 Pennsylvania residents across all of our campuses and all levels of education. Penn State annually educates more Pennsylvanians than any single institution in the state, and with 400,000 alumni living and working here, Penn State is the single largest educator of the state's workforce.
- One out of every 113 Americans and one out of every 12 Pennsylvanians with a college degree has graduated from Penn State.
- Our world-class research enterprise is solving complex challenges and driving new innovations — from [LionGlass](#), a new type of glass that requires less energy to produce

and is more damage resistant, to the [Steady Thermal Aero Research Turbine \(START\) Lab](#), which is working closely with industry partners to increase gas turbine efficiency and make flying more climate friendly.

- Through the Invent Penn State initiative and our 21-location innovation hub network, we are working to commercialize those research discoveries, while helping to drive innovation, community revitalization, business creation and economic growth in communities statewide. To date, the Invent Penn State ecosystem has assisted 7,021 entrepreneurs, engaged 17,187 students, helped to launch 411 new Pennsylvania companies, and created 515 new jobs and 654 new internships.
- We take pride in providing opportunities for first-generation students and talented individuals from a variety of socioeconomic backgrounds. Penn State is home to more than 18,000 first-generation students — representing 21% of our student body — and approximately 17,500 federal Pell Grant recipients across all campuses. At our Commonwealth Campuses, where nearly 80% of students are Pennsylvania residents, approximately one-third of students are Pell Grant recipients and nearly 40% are the first in their family to attend college.

At Penn State, our goal is to deliver the highest quality educational experience in an affordable and accessible manner for students of all backgrounds and means. With student tuition and state dollars as the two primary funding sources for our education budget, regular increases in our state appropriation are critical to keeping costs low for students, while also allowing us to make strategic investments in our academic programs so that our students are workforce-ready to meet the challenges of today, right here in Pennsylvania.

[Pennsylvania currently ranks 49th nationally](#) in per-student funding for higher education, and in this environment, Penn State ranks dead last in the state in per-student support, receiving \$5,757 per student; that is between \$3,000 and \$3,700 less per Pennsylvania student than the commonwealth's other public universities. Within this context, it is no exaggeration to say that Penn State is one of the lowest-funded public universities, on a per-student basis, in all of American higher education.

We appreciate the governor's proposed 5% increase in funding for the State Related Universities, but Penn State needs more. I urge the General Assembly to closely examine our request and bring us to parity with the other institutions in the state. It is difficult to explain to a student, faculty member or staff member at any of our campuses why the education a Penn State student receives is not funded by the Commonwealth at the same level as students at PASSHE or at our fellow state-related institutions. Greater investment in Penn State is vital to our access and affordability mission and to offering innovative academic programs that align with Pennsylvania's workforce needs — thus supporting our efforts to attract the state's brightest students and prepare them for successful careers here in Pennsylvania.

To bridge the funding gap among public universities, [I have given my full support](#) to working with the General Assembly, governor and fellow university leaders to design performance-based funding metrics that harmonize funding incentives with the commonwealth's workforce

and economic development needs. By distributing funding in this way, we can assure that the state and its universities are aligned on shared goals for student success and positive student outcomes, which are the guiding light for everything we do at Penn State.

If you need an example of the caliber of Penn State's student body and our commitment to serving the commonwealth, look no further than THON earlier this month. Through the largest student-run philanthropy in the world, Penn State students this year raised an incredible, record-breaking \$16.9 million — funds that empower vital pediatric cancer research and cover 100% of the treatment costs for Pennsylvania families facing the horror of childhood cancer. Our students prove themselves every year, through THON and beyond, to be leaders, visionaries and changemakers. I am so proud of our students, our University, and the commitment to service that is at the core of Penn State's mission.

I look forward to speaking with the members of the committee today, and to working with the Legislature and governor to put higher education in Pennsylvania on a strong footing and fully maximize the potential of higher education to help Pennsylvania compete both nationally and globally.