



# 2024-2025 Budget Presentation



University of  
Pittsburgh

## CHANCELLOR'S STATEMENT

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It is a pleasure to be with all of you and to share what is going on at the University of Pittsburgh -- especially for the committee members who are Pitt graduates.

Since starting as Chancellor last summer, I've been very grateful to have the opportunity to engage with you and your legislative colleagues here in Harrisburg and across the state to explore how Pitt impacts and supports the communities you serve.

In these and so many other ways, we are grateful for your support and all that you do for the University of Pittsburgh, including, most recently, approving the state's annual appropriation, which provides tuition support for thousands of Pennsylvania's Pitt families – or about \$16,000 per family each year.

And, in this same spirit, we are grateful for our nearly six-decade partnership with you, which represents a shared investment in the future of the commonwealth and the thousands of students who are graduating at record rates to become the highly trained workforce-ready graduates our state, corporate partners and society need and deserve.

It's also a shared investment in discovery, research and cures by our world-class faculty and researchers – which is not only accelerating our continued climb nationally among the Top 20 universities in research productivity and patent creation – but is creating an entire industry that drives jobs and the on-going competitiveness of the commonwealth.

It's an investment in Pitt as one of America's Best Large Employers and Best-In-State Employers, as recently noted by Forbes – and how our employees are helping to transform the state and our economy, including elevating our overall \$5.2 billion economic impact.

It's an investment in Western Pennsylvania and beyond – including in Pittsburgh, Bradford, Greensburg, Johnstown and, Titusville and all the communities we serve.

And it's an investment in our developing strategic plan, Plan for Pitt 2028, which I hope you see your feedback and input reflected in – and how we aim to not only continue Pitt's momentum but to ensure that our long-standing partnership with you amplifies a more competitive workforce and a more robust economy.

I thank you for this opportunity and look forward to the committee's questions.

Sincerely,

Joan Gabel  
University of Pittsburgh

## **A NEW STRATEGIC PLAN – PROMOTING ACCOUNTABILITY AND TRUST**

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As the University formally reimagines its strategic plan, we are grounding our efforts in our core values. One of our core values is that Pitt will promote accountability and trust. These principles are central to our current initiatives and are a focal point for the University's future direction.

As a steward of taxpayer dollars, Pitt remains steadfastly committed to accountability and transparency. Recognizing our pivotal role in educating Pennsylvania's and the nation's future leaders, we understand the importance of being responsible custodians of public funds.

This commitment extends beyond just financial matters; it encompasses a dedication to open communication, ethical governance, and rigorous oversight. Pitt ensures efficient and effective use of public funds by adhering to these principles, fostering stakeholder trust and upholding our mission to provide accessible and world-class education to all.

That's why we were proud to support Act 29 of 2023 — which expanded the state-related universities requirements under Pennsylvania's Right-to-Know law. The University has supported such policies for years, and we're eager to continue partnering with the legislature on this important topic. It's also why we launched a new accountability website to make it easier for the public to learn how the University serves Pennsylvanians daily.

## **RECORD HIGH DEMAND**

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Year after year, Pennsylvanians make one thing clear: They want to come to Pitt.

For the third consecutive year, the University received a record number of applications to study on our campus. The Pittsburgh campus received over 58,000 undergraduate applications for admission in fall 2023 — an all-time high.

Pennsylvania's students can pick from more than 6,000 higher education institutions nationwide. And year after year, they choose Pitt — a trend creating powerful benefits for our future workforce and economic success.

Across our five-campus system, nearly 7 in 10 undergraduates are from Pennsylvania, and about 60% of our total student population calls the commonwealth home. Students from every county in the state recognize the value of a Pitt education and are represented on our campuses.

It's also important to note that many Pitt students — two in every three — remain in the commonwealth after graduation. And 98% of our new alumni report being employed or advancing their education within six months of graduating.

To continue this trend, we must keep partnering to keep our talented students here in Pennsylvania and attract the best and brightest students, faculty, and staff.



## INCREASING ACCESS AND AFFORDABILITY

Meeting students' financial needs is a critical factor in their success. We take very seriously keeping our costs competitive while maximizing the value of the investment made by the commonwealth and our students, and we are proud of the innovative work we've done in this space.

The University has long focused on creating a world where every student who wants to attend Pitt should be able to do so — regardless of their financial circumstances. We continue to make significant steps toward realizing this goal.

Pitt has made historic investments in our students by increasing the total dollar amount devoted to student aid. And that has dramatically increased how many students we're reaching. Today, student financial aid is the University's largest area of investment, and overall, the University provides more than \$275 million each year.

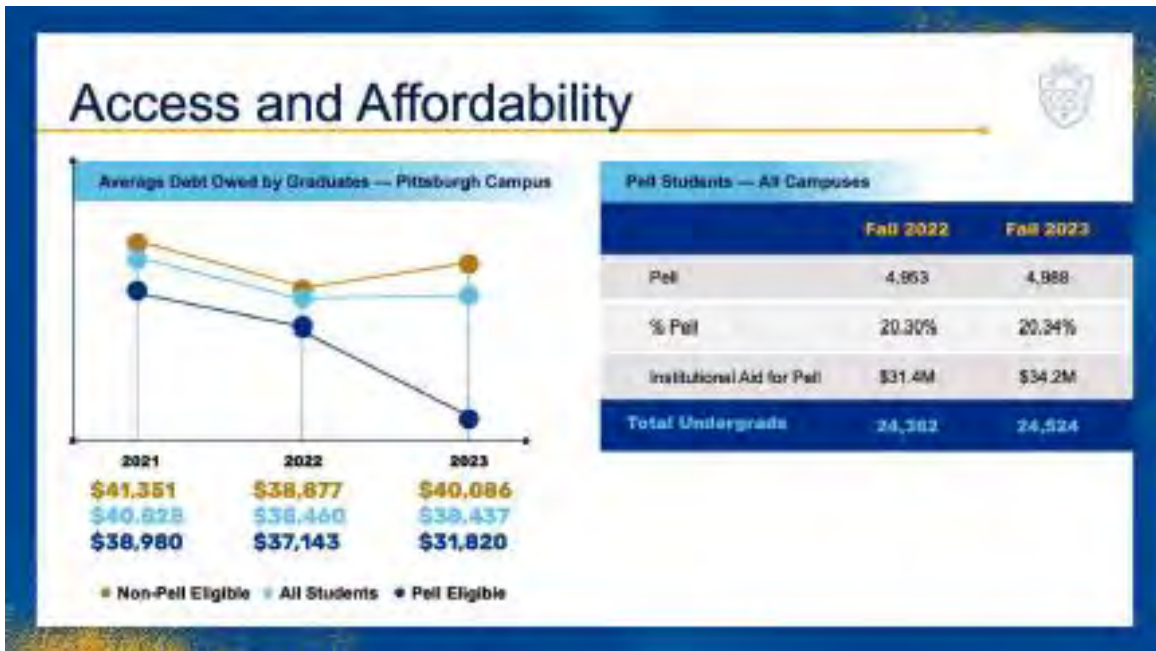
One significant way we've increased our investment is through the Pitt Success program, which includes an institutional match of any student's federal Pell Grant. These are financial need-based grants, so the Pell match directs aid to the students most in need. Those students also stand to benefit the most in terms of social mobility and increased earnings with a Pitt education.

Beyond this financial support, all Pitt Success participants are invited to join the Provost's Academy. This exclusive opportunity aims to connect lower-income and first-generation students with the support and coaching needed to arrive on campus, enjoy a smooth transition and thrive.

The University also just launched a new program to provide hundreds of lower-income students the financial support they need to graduate. Beginning in fall 2024, the Pitt Finish Line Grant will give one-time, nonrenewable grants to eligible students with financial holds or unpaid balances so those students can stay enrolled and complete their degrees.

The announcement of the grant coincided with Chancellor Gabel’s 100th day at the University’s helm. It signaled her commitment to continuing Pitt’s expansion of financial aid, including to the students who need it most.

It’s important to emphasize that while these initiatives are a significant step in the right direction, our work isn’t finished. The University is determined to take even more steps and add more initiatives to our access and affordability commitments. Creating greater access and affordability will be a significant part of our reimagined strategic plan.



**PREPARING TODAY’S WORKFORCE**

For nearly 60 years, Pitt has educated and trained the future workforce of Pennsylvania and beyond. Each graduating class provides essential contributions to the workforce that Pennsylvania needs to succeed now and in the future.

We play a crucial role in providing students with the knowledge, skills, and expertise required to meet the evolving demands of Pennsylvania’s industries. Our success is clear given the impact Pitt graduates make in Pennsylvania. Today, Pitt graduates fill one in every 32 jobs, and the University alone supports one in every 130 jobs across the commonwealth.

The students who graduate every year from Pitt are essential to the state’s workforce needs. Our campuses offer curricula, programs, and degrees tailored to the needs of Pennsylvania’s job creators and industries, ensuring a steady supply of world-class professionals in fields in the healthcare, education, and engineering sectors, among others.

The University confers nearly 10,000 degrees annually, and about 65 percent of those graduates will stay in Pennsylvania and contribute to the state economy. Of the University's more than 400,000 living alumni, 200,000 reside in the state.

These alumni are graduating, finding jobs and contributing to the state's economy. According to placement data, 98% of our students are employed or advancing their education within six months of graduating. Their total annual economic impact on Pennsylvania's economy is \$17.9 billion — their lifetime earnings amount to \$715.6 billion.

While strong job creation, income generation and workforce development are critical, they must align with the needs of Pennsylvania and its businesses.

We're proud to be a leading generator of the state's nurses, doctors, dentists, engineers and researchers and an indispensable talent pipeline for many businesses and industries. We're eager to continue partnering with the legislature to ensure these contributions remain vital to the commonwealth's future.

## **BRINGING RESEARCH AND INNOVATION TO PENNSYLVANIA**

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Last year, Pitt brought \$1 billion into Pennsylvania in research funding.

Our capacity to draw such funds into the commonwealth fuels our work as a national leader and an innovative powerhouse in biomedical research. Over the last decade, we've maintained a commanding presence in the top 10 for annual funding from the National Institutes of Health (the largest federal funding source in higher education) and now rank third in the nation.

Today, Pitt stands among an elite cohort of very prestigious institutions — ranking ahead of universities like Stanford, Duke and Michigan — in attracting funding.

This pays off for the commonwealth in a big way.

The University's research enterprise — featuring faculty, researchers and students tackling some of society's most complex and important challenges — supports and sustains 9,200 jobs and generates \$53.8 million in state and local taxes annually.

In FY 2023, Pitt spent research funding in 85% of the state's counties, investing more than \$40 million in research-related expenditures alone — including nearly \$11 million in Pennsylvania small businesses.

But this tells just one part of the story.

Pitt has launched over 80 startups in the past decade and created thousands of jobs. In the past year alone, we launched 13 startups, registered 113 patents and ranked No. 16 among the Top 100 U.S. universities Granted Utility Patents for 2022.

Building on this world-class research base, one of our priorities is positioning Pennsylvania at the forefront of scientific research and biomanufacturing. By taking on these complex challenges, we seek to contribute to the commonwealth while strengthening our private partnerships and transforming the lives of Pennsylvanians. There are several major highlights in this area:

- The University is building a state-of-the-art 185,000-square-foot biomanufacturing center in the City of Pittsburgh with a \$100 million commitment from the R.K. Mellon Foundation. Called Pitt BioForge, this facility will leverage the cutting-edge biomedical research conducted at Pitt and the world-class clinical care offered at UPMC and transform southwestern Pennsylvania into a biomanufacturing center. The project will create hundreds of direct jobs and has the potential to create thousands more as a biomanufacturing economy grows around the region to support our work.
- Another development — a \$25 million commitment from the Henry L. Hillman Foundation — is strengthening Pitt’s research record while benefiting residents throughout Western Pennsylvania. This gift is the foundation for innovative vision restoration research led by world-renowned ophthalmologist and scientist Dr. José-Alain Sahel, who serves as chair and distinguished professor in our School of Medicine’s Department of Ophthalmology. We’re advancing vision-related workforce development opportunities, seeding breakthrough research, bolstering startup support in the sector, and strategically elevating initiatives in the broader life sciences field.
- Pitt’s LifeX is a collaboration-driven game-changer. This initiative seeds new companies and innovations while advancing the state’s efforts to become a leading life sciences hub. Its goal is to expand opportunities for entrepreneurship in the life science ecosystem by providing the tools and networks needed to help entrepreneurs succeed. In 2022, it earned a \$1 million grant from Pennsylvania's Angel Investment Venture Capital Program to support its vital work for the commonwealth.

These are just a few examples illustrating how Pitt’s incredible research footprint benefits the commonwealth and its residents daily. When the University succeeds at attracting research funding, the commonwealth realizes excellent returns.



## **AN ECONOMIC POWERHOUSE**

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The University is a proven economic engine for the commonwealth, contributing \$5.2 billion to Pennsylvania communities annually in direct, indirect and induced spending.

Pitt is one of Pennsylvania's largest job creators, opportunity makers and business builders. As the 11<sup>th</sup> largest non-governmental employer, Pitt is an integral piece of the state's economic success, and our operations benefit nearly every Pennsylvania resident directly or indirectly.

Our economic impact also reaches far beyond Pittsburgh. With five diverse campuses, a robust research footprint and a partnership with one of the world's largest academic medical centers, Pitt contributes significantly to the state and local economies in all regions of the state. More than 200,000 Pitt alumni call the commonwealth home — a group that generates \$17.9 billion each year across Pennsylvania.

Pitt's annual economic impact in Pennsylvania is now a staggering \$5.2 billion, and our role as job creators has expanded to support and sustain more than 47,000 annually across the commonwealth. Add to this estimated state and local government tax revenues linked to Pitt, which tops more than \$270 million annually.

The University also supports local businesses and entrepreneurs via our Small Business Development Center (SBDC), named Regional Export Promotion Program Member of the Year by the Export-Import Bank of the United States (EXIM) during its 2022 annual conference. The EXIM Bank is an independent federal agency that provides competitive and necessary export credit to overseas purchasers of U.S. exports to promote and support American jobs.

It's the second major award in recent years recognizing Pitt's work supporting small businesses. In 2020, the U.S. Small Business Administration recognized Pitt as the nation's No. 1 center. Founded in 1979, Pitt's SBDC is committed to providing western Pennsylvania's entrepreneurs with the education, information, and tools necessary to build successful businesses.

As a result of SBDC's success and in partnership with the commonwealth, we've expanded its service area to seven counties — Allegheny, Beaver, Butler, Greene, Indiana, Lawrence, and Washington — and its client pool has grown to more than 1,500 entrepreneurs. Center staff have served over 8,000 clients, providing over 75,000 consulting hours. These efforts have yielded more than 700 startups, secured over 5,000 jobs, and generated over \$150 million in capital formation while boosting sales for local businesses by more than \$200 million.

In FY 2023 alone, Pitt's Institute for Entrepreneurial Excellence assisted more than 1,400 businesses in southwestern Pennsylvania, helped launch nearly 60 new businesses, and created or supported over 10,500 jobs.



## WHY PARTNERSHIP WITH PENNSYLVANIA MATTERS

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The in-state tuition discount — which lawmakers in Harrisburg have supported for more than half a century — is a powerful, life-changing benefit. The state's support of our students makes a difference on our campuses daily — opening doors to life-changing opportunities for Pennsylvania residents.

### What it is

For nearly 60 years, state lawmakers have passed the University of Pittsburgh's annual appropriation bill, which helps to fund an in-state tuition rate for Pennsylvania's students and families.

This discount is significant — saving each in-state student and their family more than \$60,000 in tuition costs over a four-year undergraduate career.

### Who it impacts

At the undergraduate level, nearly 16,000 in-state students utilize this discount.

- Expand the scope to include graduate and professional students: More than 20,000 students benefit.
- Narrow the view to our four regional campuses: 85% of students benefit.

Pennsylvania students on our Pittsburgh campus pay about 47% less than their out-of-state peers, while students on our regional campuses pay approximately 46% less than their out-of-state peers.

### The bigger picture

A leading public research university, Pitt directly contributes to the state's workforce by attracting and educating some of the best and brightest students in the commonwealth.

An in-state tuition discount supports this vital work. It both incentivizes Pennsylvania's top talents to stay local when extending their education and positions them to stay local when advancing their career.

And it's working: A record number of students applied to attend Pitt last year, including applications from all 67 counties across the state.

With record demand year after year, the numbers speak for themselves: Pennsylvanians want an affordable, state-supported Pitt education.

## PERFORMANCE-BASED FUNDING

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The University welcomes the opportunity to partner with the legislature and the Governor's administration to develop a performance-based funding formula for the state-related universities. We strongly believe Pennsylvanians deserve to know what return they receive for investing their tax dollars in our students, and any formula should be based on accountability and transparency.

As the legislature continues to consider reforming Pennsylvania's higher education landscape, we believe any potential funding formula should focus on tracking outcomes that shape students' path to success. Metrics we know significantly impact student outcomes:

- First to second-year retention rates.
- Four and six-year graduation rates.
- Career placement after graduation.
- Student loan default rates.

The criteria should reflect the value of a college education for a Pennsylvania student. It should measure their success and reward the institutions for their performance. Pennsylvania families should feel confident that they're investing in the success of college students and not administrative bloat.

Pitt is ready to partner on a higher education plan that delivers for students and puts Pennsylvania on a path to a more competitive workforce and a more robust economy. We are eager to continue these discussions with the General Assembly and the Governor's administration as we forge the path forward together.

**BUDGET REQUEST**

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The University of Pittsburgh requests the following amounts in our appropriation for the upcoming fiscal year:

<b>Line Items</b>	<b>FY 2024-25 Budget Request (in thousands)</b>
<b>General Support</b> <i>Allocated to Educational and General, Disadvantaged Students, Services for Teens at Risk, and Student Life Initiatives</i>	\$177,273
<b>Federal Supplement:</b>	
Disadvantaged Students	\$71
Services for Teens at Risk	\$85
Federal Supplement	\$27,157
<b>Rural Education Outreach</b>	\$3,915
<b>Total Nonpreferred Appropriation Request</b>	\$208,501
<b>Academic Medical Center Funding* (through the Department of Human Services)</b>	
School of Medicine*	\$7,072
Dental Clinic*	\$832
Western Psychiatric Institute and Clinic*	\$6,209
Center for Public Health Practice*	\$333
Total Academic Medical Center Funding	\$14,446
<b>Grand TOTAL Request General Support and Academic Medical Center</b>	\$222,947

\* The Academic Medical Center funds are aggregated within the Department of Human Services budget and include matching federal Medicaid funds. The amounts listed are estimates pending confirmation from the Department of Human Services.



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