

PA House Appropriations Committee
State-Related Budget Hearing 2026-2027
Statement by Penn State President Neeli Bendapudi
March 11, 2026

Chairman Harris, Chairman Struzzi, and members of the committee, 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 two centuries, the commonwealth's investment in Penn State — as your sole land-grant university — is truly felt statewide, from the more than 41,000 Pennsylvania resident undergraduates who benefit from the University's discounted in-state tuition rate; to the science-based programs, services and knowledge offered by Penn State Agricultural Research and Extension in all 67 counties; to the top-quality care provided by Penn State Health.

A few weeks ago, we celebrated Founders Day, which marks the anniversary of Penn State's establishment, originally founded as the Farmers' High School of Pennsylvania in 1855. Founders Day offers an opportunity to pause and reflect on where we began and how far we've come. What started as a small, agricultural institution has continued to evolve. We've responded to new generations of students, new areas of knowledge, new forms of dissemination, and new challenges facing the commonwealth and the world. Change has never been separate from our mission; it has been essential to it. Every chapter of Penn State's history reflects that adaptation, from meeting our students where they are, to strengthening academic excellence, to deepening our impact.

Our goal is to deliver the highest-quality educational experience at the lowest price for students of all backgrounds and means. This year, our budget request expands our commitment to keeping costs as low as possible for students. If our full funding request is approved, Penn State would freeze tuition for all undergraduate students at all campuses for the 2027-28 academic year.

Further, Penn State appreciates the Governor's proposed \$30 million allocation for the commonwealth's newly created performance-based funding model. This new model, which passed with strong bipartisan support last year, would link funding increases to metrics that support student success, college access and workforce readiness — while strengthening accountability for taxpayer dollars. We are hopeful this new performance-based framework will lead to Penn State's first funding increase in seven years.

Like other public universities, we face inflation-driven cost increases, changing demographics, increased competition from out-of-state institutions, and state funding that has remained essentially unchanged since the early 2000s. As we navigate these challenges, the state's investment in Penn State is essential to ensuring that Pennsylvania remains a strong driver of economic growth and workforce development.

It is important to note that Penn State has not seen an increase in its general support appropriation since 2019, seven years ago. Unadjusted for inflation, Penn State's general support funding is less today than it was in the year 2000 — when the University received a general support appropriation of \$242.9 million — despite nearly a quarter century of inflation and significant increases in instructional and operational costs. Had the University's funding kept pace with inflation, its appropriation today would be more than \$450 million. While in the same boat as other state-

related institutions when it comes to stagnation in general support funding, Penn State has another hurdle to overcome in the disparity between our per-in-state-student funding rate, which still falls drastically below that of our peers.

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.

As the 2026-27 budget process unfolds, I urge you to consider Penn State's impact:

- Penn State is an economic driver, with close to \$16 billion in economic impact on the state. Penn State returns more than \$25 to the statewide economy for every \$1 in state appropriations. Additionally, for every \$1 in state appropriations received, Penn State returns \$2.27 in tax payments to the commonwealth.
- Penn State is home to more than 19,000 first-generation students — representing almost 23% of our student body — and approximately 20,400 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 families to attend college.
- Penn State annually educates more Pennsylvanians than any single institution in the state, and with 400,000 alumni living and working here, our graduates contribute greatly to the state's workforce and economy.
- Our \$1.44 billion world-class research enterprise is solving complex challenges and driving innovations – from extracting vital rare earth elements and other critical minerals from acid mine drainage while protecting Pennsylvania streams, to performing cutting-edge cancer research and early-phase clinical trials through targeted therapy for pediatric brain cancer.
- Our agricultural research and Penn State Extension programs translate cutting-edge discoveries into real-world solutions and lifelong access to research-based education and training, with a presence in all 67 counties. We continue to be a core partner in the commonwealth's response to the most severe outbreak of Highly Pathogenic Avian Influenza since the 1980s. Our expertise supports surveillance, diagnostics, biosecurity, depopulation, disposal, and continuity of business for a critically important sector of our agriculture industry.
- Invent Penn State, a free community resource in 24 locations statewide, continues to commercialize research discoveries, drive innovation and community revitalization, and support business creation statewide. We recently expanded into a new market with our Williamsport LaunchBox located on the campus of the Pennsylvania College of Technology. To date, Invent Penn State has supported 9,785 entrepreneurs, helped start 641 new Pennsylvania companies, and created 861 new jobs.

To summarize, strengthened by our partnership with the Commonwealth, Penn State can drive job creation, economic development, and student career success — all while ensuring that a Penn State education is within reach financially for Pennsylvania students. I look forward to speaking with you all today and working with the entire General Assembly and the Governor over the next several months until our appropriation is set later this year.