Statement From University of Pittsburgh Chancellor Mark A. Nordenberg on The Governor's Advisory Commission on Postsecondary Education Report, Released Today

November 14, 2012

By Executive Order dated February 6, 2012, Governor Corbett created a 31-member Advisory Commission on Post-Secondary Education. Earlier today, the Commission completed its work with the release of a public report. I am pleased to have been a part of this important effort and am grateful to the Governor for naming me to the Commission.

The report released today was the product of months of intense work that included frequent in-person Commission and sub-committee sessions in Harrisburg, hearings conducted in other parts of the state, meetings by teleconference, and the review of statistical data and other information. It is particularly noteworthy that the Commission, whose members were drawn not only from diverse sectors of the postsecondary education community but also from business and the professions, unanimously supported this final report.

To a great extent, the Commission’s specific recommendations were shaped by its more general findings. Particularly since the onset of the Great Recession, as governmental resources became increasingly scarce, fundamental questions were frequently raised about the current condition and future prospects of post-secondary education, here and in other places. Those issues included such critical topics as the existing strength of Pennsylvania’s higher education community, the priority that should be assigned to support for public higher education, the likelihood of lasting damage if further cuts were imposed upon a system which already had endured dramatic reductions to its state support in recent years, and the special role of research universities in the 21st century’s innovation economy. The report of the Commission addressed those issues in strong and clear language.

The Strength of Pennsylvania’s Postsecondary Education Community. The entire report is grounded in the fundamental recognition that “Pennsylvania maintains an extremely diverse, rich as well as nationally and internationally competitive, system of postsecondary education. The system is diverse in terms of the various providers of education operating within the individual sectors. These institutions are driven by varying missions and the diverse needs of the students they serve. . . . [In addition to other strengths,] Pennsylvania is recognized for its research institutions, which have been repeatedly acclaimed in major rankings in advancing human knowledge. . . . [T]he size and diversity of Pennsylvania’s postsecondary education system result
in a tremendous asset for citizens. Residents and out-of-state individuals seeking higher education have access to many educational opportunities in Pennsylvania. This in-migration of users has a positive economic and intellectual impact on the state...” (Report, p. 10)

**The Priority that Should be Assigned to Support for Public Institutions of Higher Education.** In recommending a new funding model for postsecondary education, the Commission identified four key goals to be advanced. One of those goals is “[e]nsuring the health and vitality of our public institutions, including our community colleges, the state system, and our state related universities. We believe these institutions play a critical role in sustaining the overall infrastructure that a leading educational system demands and providing lower price alternatives for all citizens in the Commonwealth.” (Report, p.11)

**Risks Associated with Further Cuts in State Support for Postsecondary Education.** The report urges that the current level of state funding, which itself is the product of steep cuts, be viewed as the minimum acceptable level of support, stating, “The Commission believes it is imperative to the health and vitality of our postsecondary system that funding not fall below this level. In addition, by making a long term commitment to this base funding, institutions will be able to more effectively plan and manage their operations.” (Report, p. 12)

**The Special Role of Research Universities.** The report explicitly recognizes the special role played by research universities in “enhancing Pennsylvania’s economic vitality and the ability for the Commonwealth to compete globally.” Research universities, the report states, “advance and support innovative investigation that promotes knowledge in all fields of inquiry, especially in science, engineering, energy and medicine.” The Commission recommends that the Governor create “a consortium of institutions that maintain an annual average of $100 million in research expenditures” and direct them to deliver an “innovation agenda” within 180 days. Specifically, the consortium should “advise the Governor on the types of financial support appropriate to maintain and promote research at a level to sustain Pennsylvania’s place in the global market.” (Report, p.15)

The report has many recommendations. Hopefully, all of them will receive attention. Two that are likely to generate particular interest in the higher education community are the following.

**A commitment to cost and tuition containment.** The report states that “Pennsylvania ranks below many other states in affordability, driven by lower than average levels of state funding per student and also by higher than average costs to deliver education in the Commonwealth.” The report goes on to note, “Our higher cost position stems in large part from the quality and range of choices our students are afforded and the mix of sectors in the commonwealth and should not be viewed as a reflection on the cost management efforts of our institutions. On the contrary, we believe that there are many examples of cost management best practices across Pennsylvania that can be leveraged for further gain.” The commission established as one key priority that “the commonwealth should aspire to serve as a national role model for developing innovative solutions to the pressing challenge of controlling educational costs while maintaining quality consistent with institutional missions.” (Report, pp. 6-7)
The development of a long-term performance funding model. The Commission recommended that “in exchange for higher and more predictable funding levels, a meaningful percentage of funds should be tied to the success of each postsecondary institution receiving funds in either sustaining or moving closer to target performance levels.” Balanced performance scorecards are to be developed “in consultation with each sector” and “will reflect the unique mission of each sector.” For research universities, for example, one measure almost certainly will be “attracting research funds or otherwise contributing to the economic development and competitiveness of the Commonwealth.” (Report, p. 12)

The University of Pittsburgh has a demonstrated record of commitment to, and success in, cost-containment. Pitt also was praised for developing a culture of assessment in its most recent re-accreditation report. An even more intense focus on cost-containment and participation in a performance-based funding system, then, can be viewed as just natural extensions of what we already do and what we recognize to be responsible approaches to management.

These and other issues addressed by the Commission are critical to the future of the Commonwealth and its citizens. The actions recommended in this report are both thoughtful and balanced. Funding recommendations were crafted with a clear awareness that state resources likely will continue to be constrained, at least in the near term. However, the Commission also recognized that our future strength requires that we build upon, and not harm, what is one of Pennsylvania’s most important assets.

It was a privilege to serve with the other members of the Commission and to offer our best collective thoughts to the Governor.