

HOUSE OF REPRESENTATIVES COMMONWEALTH OF PENNSYLVANIA HARRISBURG

Brenda Allen, President Lincoln University Office of the President International Cultural Center (ICC), Second Floor Lincoln University, PA 19352

Neeli Bendapudi, President Pennsylvania State University Office of the President 201 Old Main University Park, PA 16802 Patrick Gallagher, Chancellor University of Pittsburgh Office of the Chancellor 4200 Fifth Avenue Pittsburgh, PA 15260

Jason Wingard, President Temple University Second Floor, Sullivan Hall 1330 Polett Walk Philadelphia, PA 19122

July 27, 2022

Dear Presidents Allen, Bendapudi and Wingard, and Chancellor Gallagher:

As you are aware, the Pennsylvania General Assembly worked very hard to ensure we supported the students and families attending your institutions in the recently enacted state budget and related legislation. The funding provided in the budget guarantees the Commonwealth's long-standing relationship with your institutions continues and discounted tuition rates at your schools can be provided to Pennsylvania residents.

In recent days, it has been made public that Gov. Tom Wolf intends to provide each of your schools with additional funding outside of the scope of legislative authorization as part of pandemic response-related discretionary funding he was provided in FY 2022-23.<sup>1</sup>

First, given that this money is being provided outside of the normal scope of legislative approval, it should be viewed by you, and will be viewed by us, as a one-time influx of money that will not be considered as an appropriation of the Legislature to your school. As such it would not be included in the base funding for your institutions that is traditionally driven out through non-preferred appropriations.

<sup>1</sup> Wolf quietly steers \$40 million to Pitt, Pa.'s other state-related universities, https://www.spotlightpa.org/news/2022/07/pennsylvania-pitt-penn-state-funding-boost-tom-wolf/ Second, and most importantly, given that this additional funding equates to the 5% funding increase each of your schools sought at the start of the budget process,<sup>2</sup> we encourage each of you to freeze already-announced plans to increase tuition at your institutions or stop consideration of tuition increases.

We were disappointed to learn that almost immediately after your FY 2022-23 state funding was approved, Pitt,<sup>3</sup> Penn State<sup>4</sup> and Temple<sup>5</sup> announced tuition increases for the coming academic year. In at least two instances,<sup>6</sup> the state flat-funding appropriations over last year was cited as a cause for the tuition increase.

Given the recent news about receiving additional funding for the 2022-23 academic year, it would only be prudent to roll back these decisions for all students, but at a minimum, for Pennsylvania residents attending your institutions.

We would like to remind you that Pitt, Penn State and Temple have large endowments with endowments at Pitt<sup>7</sup> and Penn State<sup>8</sup> larger than or equivalent to the amount in the Commonwealth's Rainy Day Fund.<sup>9</sup>

Rather than take a punitive posture towards Pennsylvania's students and families attending your institutions by raising tuition and fees, the recent funding news coupled with large endowments upon which you can rely to help offset inflation-led cost increases makes now the perfect time to reverse course on tuition increases.

https://www.utimes.pitt.edu/news/trustees-committee-

0#:~:text=Pitt's%20endowment%20gained%20more%20than,51.5%20percent%20of%20the%20total. <sup>8</sup> Penn State's current endowment is \$4.81 billion.

https://oim.psu.edu/sites/oim/files/sar 2021.12.31.pdf

<sup>&</sup>lt;sup>2</sup> Pa. state-related university leaders make a case for increased funds ahead of 2022-23 budget, https://www.penncapital-star.com/government-politics/pa-state-related-university-leaders-make-acase-for-increased-funds-ahead-of-2022-23-budget/

<sup>&</sup>lt;sup>3</sup> https://www.chancellor.pitt.edu/spotlight/2023-university-budget-update

https://www.post-gazette.com/news/education/2022/07/14/university-of-pittsburgh-tuition-gallagher-affordability-higher-education-penn-state-colleges-debt/stories/202207140099
https://www.post-gazette.com/news/education/2022/07/14/university-of-pittsburgh-tuition-

gallagher-affordability-higher-education-penn-state-colleges-debt/stories/202207140099 <sup>6</sup> President Bendapudi, Penn State University – "Inflationary pressures, revenue losses from the pandemic, demographic shifts and other factors driving cost, coupled with successive years of flat funding, pose significant challenges for the University and will require us to look deeply at our budget and spending in the coming year."

Ken Kaiser, Chief Operating Officer, Temple University - "Unfortunately, we are facing nearunprecedented inflationary pressures, and these pressures are compounded with the state appropriation remaining flat for what has now been four consecutive years."

<sup>&</sup>lt;sup>7</sup> The University of Pittsburgh's current endowment is \$5.68 billion.

<sup>&</sup>lt;sup>9</sup> After FY 2022-23 transfers, Pennsylvania's Budget Stabilization Reserve Fund is funded at \$5 billion. https://www.patreasury.gov/newsroom/archive/2022/07-08-Rainy-Day.html

We hope you will give this request all appropriate consideration as you, and Pennsylvania's families, continue to plan for the upcoming academic year.

Sincerely,

Kenny A Burnington

Kerry A. Benninghoff, Majority Leader 171<sup>st</sup> District Pennsylvania House of Representatives

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Donna Oberlander, Majority Whip 63<sup>rd</sup> District Pennsylvania House of Representatives

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Bryan Cutler, Speaker of the House 100<sup>th</sup> District Pennsylvania House of Representatives

Mat Hauses

Martin Causer, Chairman House Republican Policy Committee 67<sup>th</sup> District Pennsylvania House of Representatives

George Dunbar, Republican Caucus Chairman 56th District Pennsylvania House of Representatives

Martina a. White

Martina White, Republican Caucus Secretary 170th District Pennsylvania House of Representatives

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Kurt Masser, Republican Caucus Administrator 107<sup>th</sup> District Pennsylvania House of Representatives

by E. Saylo

Stan Saylor, Majority Chairman House Appropriations Committee 94<sup>th</sup> District Pennsylvania House of Representatives