

**STATEMENT BY  
ERIC J. BARRON  
PRESIDENT OF THE PENNSYLVANIA STATE UNIVERSITY**

Thank you for the opportunity to discuss Penn State's appropriation request and its impact on Pennsylvania students and their families, and the Commonwealth. We value our historic partnership with the Pennsylvania General Assembly, and the role it has played in building an economically strong and intellectually-rich Commonwealth. As the new president of Penn State, I look forward to working with Governor Wolf, his administration, legislators, business leaders, and concerned citizens to make our great public university even greater.

To that end, I have been focusing on six imperatives for our future: excellence; access and affordability; student engagement; economic development and student career success; diversity and demographics; and technology and curriculum delivery.

There's no question that we already have a powerful story: Penn State ranks in the top 20 U.S. universities in research productivity, and consistently tops \$800 million in research expenditures annually. This year, we're on our way to setting another record for applications for admission, and the caliber of the students exceeded every expectation. In addition, Penn State ranks as the single largest contributor to the state's economy, generating more than \$16 billion annually.

However, to fully realize Penn State's land-grant mission, we need to tackle the challenges set forth in the imperatives, especially the *Access and Affordability* initiative. As a first step, in January, I announced a proposal to freeze tuition at eight Commonwealth Campuses, to hold tuition to 1.8 percent at six campuses, to keep the remaining Commonwealth Campuses at 2.4 percent, and to have a slightly higher increase at University Park. With the partnership of the legislature and the support of Governor Wolf, we hope to go even further to keep a Penn State education within reach of working families. I assure you that if the General Assembly approves a \$49 million increase in our appropriation, you will be very pleased with the actions we take on tuition.

Tuition continues to be among our most pressing concerns, and nearly two-thirds of our students graduate with some debt—a trend that has persisted over the last decade. In addition, students from low income families have substantially lower completion rates—up to 25 percent lower-- than students from more affluent families.

Despite these concerns, we have seen positive gains. The percentage of first-generation students is growing: 39 percent at our Commonwealth Campuses and 21 percent at University Park. *For the Future: The Campaign for Penn State Students* raised \$530 million for scholarships, and Penn State student default rates are about 2 percent below Pennsylvania averages and 3.6 percent below national averages. That is a testament to our students getting jobs and paying back loans.

While much of the public attention has focused on the “sticker price” tuition, there are many factors that contribute to the cost of earning a Penn State degree, including available finances, growth in student debt, and timely completion (an extra year is the biggest tuition increase of all!) We want to address these factors from a university-wide perspective by offering low-cost or online summer courses, part-time work options for those with more financial need, and focused advising that would keep students on track to timely graduation.

In addition to holding the line on tuition increases, Penn State has made a new commitment to invest \$6 million annually toward these programs and others that will drive down the total cost of a degree and decrease student loan debt. It’s only the beginning.

Penn State is also moving forward on a bold new \$30 million investment designed to contribute to economic development and student career success.

This new initiative, *Invent Penn State*, will leverage our size and broad research strengths to make Penn State a driver for job creation. Our aim is to accelerate the transfer of new ideas into useful products and processes encompassing a broad range of areas including: sustainable energy, food security, environmental protection, health care, manufacturing, educational technologies, medical devices, and pharmaceuticals.

Penn State is also initiating an online portal to facilitate direct investment in new companies; entrepreneurial boot camps, expanded incubator space for fledgling companies, entrepreneurs-in-residence programs, and other new initiatives. We hope to augment these efforts through fundraising and industry and government partnerships.

In concert, these investments will create a powerful path to economic development, with strong local and state impact. They will allow us to train students at the cutting edge, and place students in emerging fields and job opportunities. This is what it means to be a public university that combines excellence in teaching, research and service. It also embodies our mission of ensuring access to a top-notch education and improving the quality of life for everyone in the state, and society in general.

We’re grateful for the work of the General Assembly in not only stemming declining state support, but carving out an increase that can be used to benefit Pennsylvania students and families. We recognize the fiscal pressures facing the Commonwealth, and intend to do everything possible to provide excellent returns on your investment.

Thank you for your support and for all you do for Pennsylvania.