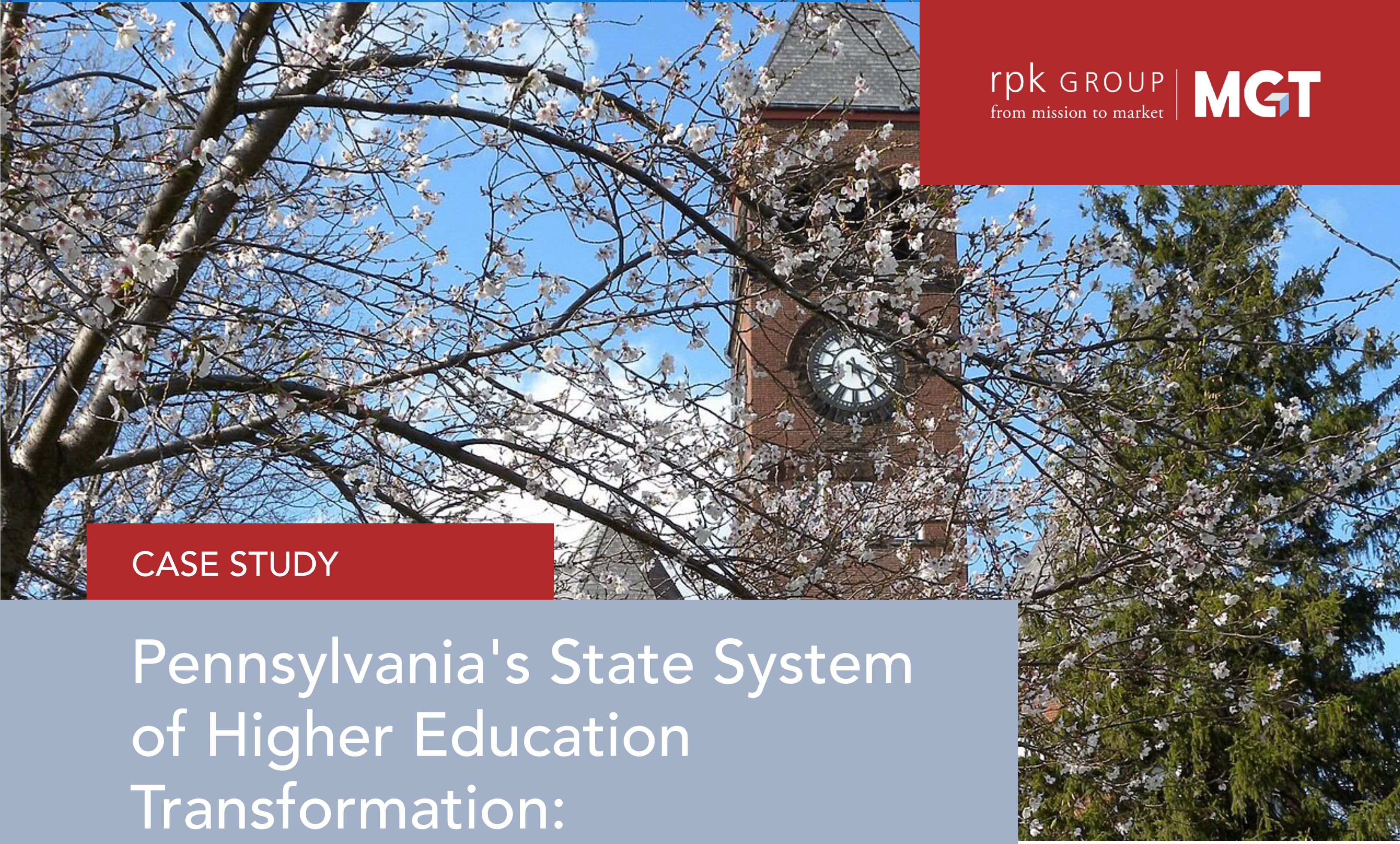

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CASE STUDY

Pennsylvania's State System of Higher Education Transformation:

Stronger Together: Integrated Campuses, Shared Services

rpk GROUP | MGT

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This case study is part of the rpk GROUP | MGT System Transformation Toolkit, which provides public higher education systems and institutions with tools and examples for undertaking system reform in ways that leverage system-level advantages and strengthen financial sustainability.

Amid demographic, financial, and workforce pressures affecting many regional public universities, Pennsylvania's State System of Higher Education (PASSHE) offers a blueprint for how a public system can use greater coordination, shared infrastructure, and selective integration to preserve access while strengthening long-term sustainability.

PASSHE's transformation is a multi-year effort to preserve access and affordability, improve student outcomes, and strengthen institutional sustainability in an environment shaped by demographic pressure, constrained public funding, and concerns about the financial viability of some campuses. Rather than operating as a collection of independent institutions, **PASSHE has advanced greater 'systemness' through:**

- **Integrating six institutions while preserving regional access,**
- **Expanding cross-campus academic coordination, and**
- **Building shared infrastructure and services at scale.**

From a return on investment (ROI) perspective, PASSHE's transformation seeks to improve: (1) student value through stronger retention, transfer, and course access; (2) institutional sustainability through operational alignment, automation, shared services, and more disciplined management of revenues and expenses; and (3) statewide value through workforce alignment, continued regional access, and clearer evidence of performance.

QUICK FACTS & KEY STRATEGIES

System: Pennsylvania's State System of Higher Education (PASSHE) is a public university system with ten universities, including two multi-campus universities created through integration and an expanding portfolio of shared system services.[1]

Scale: PASSHE reported 83,000 students in Fall 2025, a 0.6% systemwide increase—the first systemwide enrollment increase in more than a decade—and continues to use shared dashboards and multi-year projections to inform planning.[2]

Signature structural change: PASSHE integrated six universities into two regional, multi-campus universities effective July 1, 2022: Pennsylvania Western University, commonly known as PennWest (formerly California, Clarion, and Edinboro Universities) and Commonwealth University of Pennsylvania (formerly Bloomsburg, Lock Haven, and Mansfield Universities). The broader redesign also advanced shared services and phased implementation of a common student information system.[3]

Student success indicator: PASSHE reported a record retention rate of 81% and a 14.3% increase in community college transfers in Fall 2025, while using projection-to-actual dashboards and board metrics to monitor whether these gains can be sustained over time.[4]

Affordability strategy: PASSHE reports that the Board has frozen tuition since 2018, including a Board-approved freeze for 2024-25, while also relying on increased state appropriations in recent years and shared-services/cost-avoidance strategies to support financial stabilization.[5]

Cross-campus access strategy: PASSHE's academic-sharing work and unified student information system rollout create the technical foundation for cross-registration, course sharing, and broader academic collaboration across institutions.[6]

An important caveat remains, however. Much of the reported financial benefit reflects cost avoidance and stabilization rather than providing unrestricted dollars immediately available for reinvestment. That distinction matters for both the sequencing of transformation activity and stakeholder expectations.

Background

PASSHE framed transformation as a response to long-running pressures: constrained public funding, enrollment declines tied to demographics, limited student growth in key markets, and the risk that some institutions could become financially unsustainable. The system’s goal was not simply to reduce costs, but to preserve access—particularly in rural regions with few higher education alternatives—while aligning revenues, expenses, and academic delivery with student demand.

The redesign therefore became a phased operating-model change rather than a one-time structural decision. In addition to the 2022 integrations, PASSHE moved toward a more collaborative shared-governance approach, expanded shared services, and embedded common metrics into planning processes. It also advanced a unified student information system and academic-sharing agenda to support course sharing and academic coordination.

Opportunities Created by Transformation

PASSHE's transformation illustrates several opportunities that systems often pursue when moving from campus-level optimization strategies to a coordinated, ROI-informed system-wide transformation, especially when leaders must address finance, access, and academic viability at the same time.

1. **Student mobility and "more choices without moving."** Course sharing can expand access to classes, particularly for students at smaller or rural campuses, by allowing them to take courses across PASSHE while key administrative functions remain anchored at their home institution. PASSHE is implementing a cross-registration model in which the teaching institution offers the course, the home institution maintains the student record, and grades, credits, billing, and financial aid are managed without requiring the student to navigate a separate transfer process. In practice, that model can make "more choices without moving" a more tangible student experience.
2. **Academic and Student Success Portfolio: integration, course access, and early outcomes.** PASSHE's transformation uses integration and academic sharing to broaden options and support student success at scale. The 2022 integrations were designed to preserve regional access, expand academic choice, and stabilize operations. Annual academic portfolio reviews and ongoing conversations among academic leaders now press under-enrolled programs to consider options for program sharing, redesign, or moratorium. This portfolio approach is reinforced by common systems and early outcomes PASSHE has cited, including a record 81% retention rate, a 14.3% increase in community college transfers, and the first systemwide enrollment growth in more than ten years.[7]
3. **Clearer alignment to workforce demand and adult learners.** PASSHE links transformation to labor-market relevance by using industry and demand analysis to inform where programs should be offered, which low-enrollment programs should be shared rather than duplicated, and where in-person components should remain close to employers or experiential learning sites. The system also monitors non-traditional and stop-out markets, expands online and synchronous delivery, and uses system capacity to broaden access to credentials with clearer value for workforce needs and adult learners.
4. **Shared services and operational efficiency that can be reinvested.** Transformation emphasizes shared services, standardized processes, and data infrastructure as ways to use limited resources more effectively. Shared services in areas such as procurement, human resources, labor relations, IT, and advanced analytics are funded through pooled institutional contributions and are intended to reduce duplication over time, including through natural attrition.

   PASSHE also reports substantial efficiency savings, though these amounts largely reflect avoided costs, such as reducing duplicated services, and spending restraint rather than unrestricted funds immediately available for new initiatives. The same modernization effort, and limited new resources, also encouraged automation of frequently requested academic data reports and broader access to self-service data tools.[8]

5. **Affordability and state partnership as a student-facing outcome.** PASSHE has paired transformation with tuition restraint and clearer performance reporting. The tuition freeze in place since 2018 is the clearest student-facing affordability signal, while public reporting tied to board policy, legislative metrics, and annual funding requests helps the system make a more explicit case for continued state support. In this sense, affordability is tied not only to price, but also to the credibility and measurability of the system's transformation strategy.

Challenges and Tradeoffs

PASSHE's experience also surfaces predictable challenges in large-scale system transformation, particularly when the work spans governance, culture, technology, finance, and academic delivery rather than a single merger or cost-reduction effort.

01

Change fatigue and the complexity of integration. Integrations reshape governance, budgets, policies, systems, and daily work, while shared services and common planning routines also change how campuses experience authority and support. PASSHE's transformation involves resources, infrastructure, and culture, which makes pacing and sequencing especially important. Without that discipline, systems risk higher levels of campus anxiety, faculty resistance, and organizational fatigue.

02

Making systemwide access real. Course sharing depends on more than policy. PASSHE's experience suggests that it requires a common student information system, aligned academic and administrative practices such as personnel and technology support for advising, sufficient classroom and network technology to support synchronous delivery, and faculty agreement on curriculum alignment. Even after the underlying infrastructure was in place, practical questions remained—such as where should tuition revenue be recorded, what determines faculty home-campus and teaching-campus status, and where should multi-campus students access advising—so leaders chose to initially observe actual student patterns to determine the magnitude of these challenges before working to resolve those questions.

03

Balancing savings with service quality. Efficiency and shared services can create capacity, but they can also generate anxiety or bottlenecks if staffing models, service standards, and accountability are not clearly defined. Campus concerns about job loss were significant early in the process, and the financial narrative required careful explanation because reported savings did not automatically translate into large reinvestment pools. The central test is whether transformation helps students and campuses experience simpler, stronger support rather than only greater centralization.

04

Protecting local identity while operating as one system. PASSHE has had to balance system coordination with local identity, political constraints, and the need to preserve regional access. Avoiding campus closures was a core political reality, but more difficult questions—such as deeper consolidation in areas like athletics—remained outside the scope of the redesign. That tradeoff preserved local presence, but it also limited the extent of transformation in some functional areas.

Lessons for other Higher Education Systems

PASSHE's experience shows that ROI-informed transformation can succeed when treated as a multi-year operating-model program (not a one-time structural change) that delivers visible early student value and uses shared services to stabilize and reinvest in the academic core. Transformation is further strengthened when cross-campus access is built on strong technical foundations (common platforms, data, and processes), and decisions are anchored in ongoing ROI evidence linking demand, outcomes, and financial sustainability.

- **Make student-facing value visible early.** PASSHE's early signals are most persuasive when they are visible to students: more course options without relocation, preserved access in underserved regions, stable tuition, stronger transfer flows, and improved retention. Early wins need to be concrete enough to build legitimacy before back-end technical changes are fully understood by external audiences.
- **Use shared services to protect the academic core and prove reinvestment.** Shared services are most credible when systems define both the operating model and the meaning of savings. PASSHE's experience suggests that the near-term value often lies in stabilization, avoided costs, and protection of core academic functions rather than immediate budget windfalls. Publishing savings trackers, clarifying pooled funding arrangements, and explaining how efficiencies support student-facing priorities can reduce skepticism and strengthen trust.
- **Build cross-campus access on a technical foundation.** Course sharing is not only a policy decision, it requires common platforms, consistent data definitions, workable registration processes, and sufficient IT and classroom infrastructure to support synchronous or multi-campus delivery. PASSHE's academic-sharing work and unified student information system rollout illustrates how foundational that technical layer is to making cross-campus access work.
- **Anchor transformation in ROI: demand, outcomes, and financial sustainability.** PASSHE has connected transformation to market demand, adult-learner opportunity, student outcomes, and financial sustainability through board and legislative metrics, projections, and dashboard review. Its practice of comparing projections to actual results and having academic and financial leaders review those results together offers a practical model for grounding transformation in evidence rather than rhetoric.

CONCLUSION

PASSHE's transformation illustrates what it can look like when a regional public system moves toward greater systemness under real fiscal and political pressure. It integrates where needed, builds shared services and common systems where scale matters, and expands cross-campus access through course sharing and program coordination. The work remains complex: local identity, labor considerations, technology readiness, and the limits of cost avoidance all matter. Even so, PASSHE offers a useful example for systems seeking to preserve access, improve financial sustainability, and build a more measurable case for public value.

Notes

[1] Pennsylvania's State System of Higher Education. (n.d.). PASSHE homepage. https://www.passhe.edu/

[2] Pennsylvania's State System of Higher Education. (2025, October 7). PASSHE universities increase enrollment. https://www.passhe.edu/news/releases/2025-10-7_PASSHE-universities-increase-enrollment-set-retention-record.html

[3] Pennsylvania's State System of Higher Education. (n.d.). University integrations. https://www.passhe.edu/system-redesign/integrations.html

[4] Pennsylvania's State System of Higher Education. (2025, October 16). PASSHE university innovations drive record student retention. https://www.passhe.edu/news/releases/2025-10-16_PASSHE-university-innovations-drive-record-student-retention.html

[5] Pennsylvania's State System of Higher Education. (2024, July 17). PASSHE freezes tuition rates for seventh straight year. https://passhe.edu/news/releases/2024-07-17_PASSHE-freezes-tuition-rates-for-seventh-straight-year.html

[6] Pennsylvania's State System of Higher Education. (n.d.). Academic sharing. https://www.passhe.edu/offices/asa/academic-sharing.html

[7] Pennsylvania's State System of Higher Education. (n.d.). University integrations. https://www.passhe.edu/system-redesign/integrations.html

[8] Pennsylvania's State System of Higher Education. (n.d.). Shared services. https://www.passhe.edu/shared-services/index.html;
Pennsylvania's State System of Higher Education. (2026, February). 2026–2027 appropriations request and accountability report. https://passhe.edu/offices/public-affairs/Appropriation_Books/2026-27%20STATE%20SYSTEM%20APPROP%20REQUEST.pdf