



Board of Governors' Quarterly Meeting Agenda

Thursday, January 20, 2011

8:30 a.m.

Committee Meetings

- Academic and Student Affairs
- External Relations
- Finance, Administration, and Facilities
- Human Resources
- Executive

Meeting of the Board of Governors

Adjournment



Board of Governors' Quarterly Meeting Agenda

Boardroom, First Floor
Administration Building
Dixon University Center
2986 North Second Street
Harrisburg, PA 17110-1201

Thursday, January 20, 2011
8:30 a.m.

Agenda Summary

- **Academic and Student Affairs**
 - College Completion: Access to Success and Complete College America (INFORMATION)
- **External Relations**
 - PASSHE's New Website (INFORMATION)
- **Finance, Administration, and Facilities**
 - Amendments to Tuition and Fee Policies (ACTION)
 - Acquisition of Properties, Lock Haven University of Pennsylvania (ACTION)
 - Guaranteed Energy Savings Agreement Bond Financing, Millersville University of Pennsylvania (ACTION)
 - Demolition of Faculty Office Building, Bookstore Storage Building, and Etter Health Center, Shippensburg University of Pennsylvania (INFORMATION)
- **Human Resources**
 - Pennsylvania Employee Benefits Trust Fund (PEBTF) Contribution (ACTION)
- **Executive**
 - Revisions to Performance Funding Program (ACTION)
 - Strategic Planning Process (ACTION)

- **Board**
 - Delegation of Authority to Appoint Lock Haven University President (ACTION)
 - Standing Committee Assignments (ACTION)
 - Resolutions: (ACTION)
 - John M. Brinjac
 - Donna Cooper



Academic and Student Affairs Committee Meeting

Boardroom, First Floor
Administration Building
Dixon University Center
2986 North Second Street
Harrisburg, PA 17110-1201

Thursday, January 20, 2011

Agenda

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1. College Completion: Access to Success and Complete College America (INFORMATION)	5



Committee Members: Aaron A. Walton (*Chair*), Representative Matthew E. Baker, Senator Jeffrey E. Piccola, and Kenneth M. Jarin (*ex officio*).

For further information, contact Peter H. Garland at (717) 720-4010.

Academic and Student Affairs Committee Meeting
January 20, 2011

SUBJECT: College Completion: Access to Success and Complete College America
(INFORMATION)

UNIVERSITIES AFFECTED: All

BACKGROUND:

The primary mission of PASSHE universities is to help students achieve their educational goals. To be successful in the 21st century, students must be prepared for lifelong learning, a habit of the mind that will force them to refresh their content knowledge continually. To ensure this outcome, PASSHE must lead the way in changing the manner in which students learn, faculty teach, and courses are delivered.

Increasing educational attainment is fundamental to the success of the Commonwealth in providing an educated citizenry prepared for engagement in the community and an adequate workforce to meet the evolving demands of the next decade.

Consistent with our responsibility to educate more Pennsylvania residents and eliminate gaps in completion to support the continuing development of the Commonwealth, we have engaged with national efforts designed to increase college completion. Doing so provides us the opportunity to learn from what others are doing. In addition, we have built expectations to increase the number of students attaining quality degrees, with special emphasis on closing the attainment gaps for lower income and underrepresented students in the revised performance funding program.

The two primary national efforts that have helped inform our efforts are [Complete College America \(CCA\)](#) and [Ed Trust's Access to Success Initiative \(A2S\)](#).

Supporting Documents Included: Summaries of Complete College America and Access to Success

Other Supporting Documents Available: Complete College America Pennsylvania; Access to Success PASSHE; Lumina Policy Brief Pennsylvania

Reviewed by: N/A

Prepared by: James D. Moran

Telephone: (717) 720-4200

Complete College America

Complete College America is a national nonprofit working to significantly increase the number of Americans with a college degree or credential of value and to close attainment gaps for traditionally underrepresented populations.

The organization was founded to focus solely on dramatically increasing the nation's college completion rate through state policy change, and to build consensus for change among state leaders, higher education, and the national education policy community.

The need for this work is compelling. Since 1970, college enrollment has grown nearly 35 percent. Yet completion rates have been flat. We've made progress in giving students from all backgrounds access to college - but we haven't finished the all-important job of helping them achieve a degree.

Complete College America is supported by: [Bill & Melinda Gates Foundation](#), [Carnegie Corporation of New York](#), [Ford Foundation](#), [Lumina Foundation for Education](#), [W.K. Kellogg Foundation](#).

Participating states include: Arkansas, Connecticut, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Louisiana, Maryland, Massachusetts, Minnesota, Nevada, Ohio, Oklahoma, Oregon, Rhode Island, South Dakota, Tennessee, Texas, Utah, Vermont, West Virginia.

Pennsylvania's effort is led by PASSHE's 14 universities and Pennsylvania's 14 community colleges.

Access to Success

The Access to Success Initiative (A2S), a project of the National Association of System Heads (NASH) and The Education Trust, works with 24 public higher education systems that have pledged to cut the college-going and graduation gaps for low-income and minority students in half by 2015.

Each A2S participating system sets its own improvement targets and agrees to a common set of metrics to evaluate progress. A2S systems are drafting their own plans to cut achievement gaps and increase degree production through strategies attuned to the needs of their campuses and students. They have pledged to release progress reports every two years.

A2S systems are joining forces with NASH and The Education Trust to pursue eight lines of work to (1) build system capacity to lead change and (2) engage and mobilize campuses around critical issues. The systems-change work focuses on assessing and building capacity, managing and leveraging costs and resources, and using "leading indicator" data to track progress toward A2S goals. The campus-change work focuses on such issues as using enrollment management to increase campus diversity, redesigning developmental math courses, and improving degree completion.

Participating systems include: California State System, Connecticut, Florida, Hawaii, Kentucky, Louisiana, Maryland, Minnesota, Mississippi, Missouri, Montana, City University of New York, State University of New York, North Carolina, Ohio, Puerto Rico, Rhode Island, South Dakota, Southern University and A&M System, Tennessee, Vermont, Wisconsin.



External Relations Committee Meeting

Boardroom, First Floor
Administration Building
Dixon University Center
2986 North Second Street
Harrisburg, PA 17110-1201

Thursday, January 20, 2011

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Committee Members: Thomas M. "Doc" Sweitzer (*Chair*), Leonard B. Altieri, Marie Conley Lammando, Senator Vincent J. Hughes, Jonathan B. Mack, Joseph F. McGinn, and Kenneth M. Jarin (*ex officio*).

For further information, contact Peter H. Garland at (717) 720-4010.

**External Relations Committee Meeting
January 20, 2011**

SUBJECT: PASSHE's New Website (INFORMATION)

UNIVERSITIES AFFECTED: All

BACKGROUND: A presentation of PASSHE's new website will be given.

Supporting Documents Included: N/A

Other Supporting Documents Available: N/A

Reviewed by: N/A

Prepared by: Karen S. Ball

Telephone: (717) 720-4053



Finance, Administration, and Facilities Committee Meeting

Boardroom, First Floor
Administration Building
Dixon University Center
2986 North Second Street
Harrisburg, PA 17110-1201

Thursday, January 20, 2011

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Committee Members: C.R. "Chuck" Pennoni (Chair), Representative Michael K. Hanna, Senator Vincent J. Hughes, Guido M. Pichini, Harold C. Shields, and Kenneth M. Jarin (ex officio).

For further information, contact Peter H. Garland at (717) 720-4010.

Finance, Administration, and Facilities Committee Meeting
January 20, 2011

SUBJECT: Amendments to Tuition and Fee Policies (ACTION)

UNIVERSITIES AFFECTED: All

BACKGROUND: PASSHE's basic philosophy, objectives, and guidelines for pricing structure are encompassed in a series of Board of Governors' policies that were last reviewed holistically in 1999. Changing fiscal realities have resulted in PASSHE becoming far more tuition dependent than was the case even a decade ago. Because of the increasing proportion of educational costs being paid by students and competing pressures on state fiscal resources, it is important to ensure pricing policies are fair and appropriate. In December 2009, a Tuition Policy Review Task Force was created to review all facets of PASSHE's pricing policies. On October 6, 2010, the Board held a Tuition Policy Workshop to review the analysis and findings of the task force. As a result, amendments to the attached policies are recommended to address the following changes.

Nonresident Tuition—Establish a minimum out-of-state tuition rate of 150% of the in-state rate, rather than a maximum. This concept would apply to all nonresidents, including international students, at both the undergraduate and graduate levels.

Summer/Winter Pricing—Delegate the authority to set summer/winter alternative pricing structures to the Chancellor, upon recommendation of the President, allowing Universities to be entrepreneurial in developing summer/winter packages.

Distance Education/Off-Campus Pricing and Student Fees—Allow for development of alternative distance learning and/or off-campus fees; and allow greater flexibility and clarity in charging mandatory fees.

Graduate Tuition—Eliminate the graduate tuition full-time range (9–15 credits); charge all graduate tuition on a per-credit basis.

MOTION: That the Board of Governors approve the attached amended policies: *Tuition (1999-02-A)*; *Student Fees (1989-05-A)*; and *Sources of Funding for University Scholarships (1996-01-A)*.

Supporting Documents Included: Board of Governors' Policies: *Tuition (1999-02-A)* (two versions—one presents the final proposed policy and the other reflects all proposed changes); *Student Fees (1989-05-A)*; and *Sources of Funding for University Scholarships (1996-01-A)*

Other Supporting Documents Available: Original Board of Governors' policies

Reviewed by: Council of Presidents, December 15, 2010

Prepared by: James S. Dillon

Telephone: (717) 720-4100



Proposed Final Version
PA State System of Higher Education
Board of Governors

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POLICY 1999-02-A: TUITION

See Also:

Adopted: April 8, 1999
Amended: October 10, 2002, July 14, 2005, October 11, 2007, July 17, 2008, and
January 20, 2011

A. Purpose

The Board of Governors has statutory authority to set tuition for the State System of Higher Education. This policy articulates the basic philosophy, objectives, and guidelines of the System's tuition structure, providing a common understanding of the basis for establishing tuition for the State System of Higher Education.

B. Definitions

- **Capacity**—The optimum academic year full-time equivalent student enrollment at each university that most efficiently utilizes their facilities and faculty.
- **Distance Education**—Instruction where the faculty member(s) and the student(s) are separated geographically so that face-to-face communication is absent; communication is accomplished instead by one or more technological media. This linkage with technology allows real-time or delayed interaction using voice, video, data and/or text. Examples of technological methods that can be used singly or in combination include live or recorded visual presentations and material using direct signal or cable transmission by telephone line, fiber-optic line, video-conferencing using compressed video, digital and/or analog video, audiotape, CDROM, computer or Internet technology, email, or other electronic means now known or hereafter developed, utilized to teach any course approved by one of the State System universities. On-line/web-based courses must have 80% of the course instruction delivered on-line.

- **Full-time Tuition**—The tuition rate charged to undergraduate students enrolled for 12–18 semester credits.
- **Graduate Student**—A student who holds at least a bachelor’s or first professional degree and is enrolled at the post-baccalaureate level, including nondegree students in graduate courses who may or may not be admitted to a graduate program.
- **Nonresident Student**—A student who is not a legal resident of Pennsylvania, as defined in Board of Governors’ Policy 1985-03, *Student Domicile Regulations*.
- **Resident Student**—A student who is a legal resident of Pennsylvania, as defined in Board of Governors’ Policy 1985-03, *Student Domicile Regulations*.
- **Technology Tuition Fee**—A separate tuition fee established by the Board of Governors for rendering technology resources and services to enhance student learning experiences.
- **Tuition**—The basic fee established by the Board of Governors for rendering educational services, as enumerated in Act 188 of 1982.
- **Undergraduate Student**—A student in a bachelor’s degree program, an associate’s degree program, a vocational or technical program below the baccalaureate level; or a nondegree-seeking student matriculated in a lower or upper division course.

C. Policy

1. Undergraduate Tuition

- a. The Board of Governors will establish annually one undergraduate resident tuition rate, based primarily on the financial requirements of the System and the Commonwealth’s commitment toward meeting those requirements. Secondary consideration will be given to other factors, such as change in family income, financial aid availability, inflation, and relative standing in terms of tuition charges at peer institutions of higher education.
- b. The chancellor may adjust the undergraduate resident tuition rate to allow the State System to establish partnerships with other institutions in collaborative/consortial arrangements.
- c. The Board of Governors will establish annually the undergraduate nonresident tuition rate at a level to ensure that undergraduate nonresident students are paying the System’s average net cost of education.

- d. The Board of Governors, upon recommendation of the chancellor, may consider differential nonresident tuition rates for individual universities, based upon such factors as the average net cost of undergraduate education; the goals and objectives of the System; the degree to which universities are at, above, or below student enrollment capacity; and the current relationship between pricing and student demand.

2. Graduate Tuition

- a. Graduate students will be charged per credit at a tuition rate set annually that reflects more accurately the average System cost of graduate education.
- b. The Board of Governors will establish annually the graduate nonresident tuition rate at a level to ensure that graduate nonresident students are paying the System's average net cost of education.
- c. The chancellor, upon recommendation of the president, has the authority to adjust the graduate tuition rate for specific graduate programs, based upon such factors as the cost of instruction, the level of service provided to the student, and the level of tuition necessary for the university to offer programs.

3. Summer/Winter Session Tuition

The chancellor, upon the recommendation of the president, may set alternative tuition rates for summer or winter sessions.

4. Distance Education Tuition

- a. Resident distance education students, both graduate and undergraduate, will be charged at the appropriate prevailing per-credit resident rate.
- b. Nonresident distance education students, both graduate and undergraduate, will be charged a per-credit tuition of at least 102% of the prevailing resident per-credit tuition rate. Presidents may set the nonresident distance education per-credit tuition rate on a course-by-course or program-by-program basis.
- c. The chancellor, upon recommendation of the president, has the authority to adjust the resident tuition rate for a particular course or program.
- d. This policy applies to students who are charged on a per-credit-hour basis. Full-time undergraduate students continue to pay the

applicable full-time tuition rate. The president may establish a full-time nonresident undergraduate distance education rate based upon the per-credit nonresident distance education rate for students enrolled 100% in distance education courses.

5. Technology Tuition Fee

- a. The Board of Governors will establish annually the technology tuition fee in a manner that is proportional to enrollment and residency status (in-state/out-of-state).
- b. Technology tuition fee revenues shall be expended only on instructional technology. These revenues shall be used for the direct benefit of students to help them to achieve the learning objectives of their academic programs.



Proposed Revisions PA State System of Higher Education Board of Governors

~~Effective: Part II is effective April 1999; Part III is effective fall 2003
Part IV is effective fall 1999; Part V is effective fall 1998; Part VI is
effective fall 2007~~

Page 1 of 8

POLICY 1999-02-A: TUITION

See Also:

Adopted: April 8, 1999

Amended: October 10, 2002, July 14, 2005, October 11, 2007, ~~and~~ July 17, 2008, and
January 20, 2011

A. Purpose

The Board of Governors has statutory authority to set tuition for the State System of Higher Education. This policy articulates the basic philosophy, objectives, and guidelines of the System’s tuition structure, providing a common understanding of the basis for establishing tuition for the State System of Higher Education.

B. Definitions

- ~~• **Academic Year FTE Enrollment**—The full time equivalent undergraduate enrollment for fall and spring semesters, exclusive of all intersessions and summer sessions.~~
- **Capacity**—The optimum academic year full-time equivalent student enrollment at each university that most efficiently utilizes their facilities and faculty.
- **Distance Education**—Instruction where the faculty member(s) and the student(s) are separated geographically so that face-to-face communication is absent; communication is accomplished instead by one or more technological media. This linkage with technology allows real-time or delayed interaction using voice, video, data and/or text. Examples of technological methods that can be used singly or in combination include live or recorded visual presentations and material using direct signal or cable transmission by telephone line, fiber-optic line, video-conferencing using compressed video, digital and/or analog video, audiotape, CDROM, computer or Internet technology, email, or other

electronic means now known or hereafter developed, utilized to teach any course approved by one of the State System universities. On-line/web-based courses must have 80% of the course instruction delivered on-line.

- **Full-Time Student Tuition**—~~An~~ The tuition rate charged to undergraduate students enrolled in for 12–18 semester credits, ~~or a graduate enrolled in 9–15 semester credits.~~
- **Graduate Student**—A student who holds at least a bachelor’s or first professional degree and is enrolled at the post-baccalaureate level, including nondegree students in graduate courses who may or may not be admitted to a graduate program.
- **Nonresident Student**—A student who is not a legal resident of Pennsylvania, as defined in Board of Governors’ Policy 1985-03, *Student Domicile Regulations*.
- **Resident Student**—A student who is a legal resident of Pennsylvania, as defined in Board of Governors’ Policy 1985-03, *Student Domicile Regulations*.
- **Technology Tuition Fee**—A separate tuition fee established by the Board of Governors for rendering technology resources and services to enhance student learning experiences.
- **Tuition**—~~The price charged or listed for rendering educational services, as established by the Board of Governors.~~ The basic fee established by the Board of Governors for rendering educational services, as enumerated in Act 188 of 1982.
- **Undergraduate Student**—A student in a bachelor’s degree program, an associate’s degree program, a vocational or technical program below the baccalaureate level; or a nondegree-seeking student matriculated in a lower or upper division course.

~~II. Undergraduate Resident Tuition~~

~~A. Background~~

- ~~1. Resident student enrollment is not sensitive to moderate price increases since the State System offers a quality baccalaureate education at a significantly reduced rate from all other providers.~~
- ~~2. Moderate differentiation in the undergraduate resident rates among System universities would not result in students changing their choice of university based on price. If the System were to consider a significant reduction in tuition at under-enrolled~~

~~universities, the necessary increase in enrollment to produce a net increase in tuition revenue may not be attainable.~~

- ~~3. Multi year price setting is usually practiced by higher education institutions that operate under a biennial budget or where there is a financial commitment with the state in support of its multi year tuition plan.~~

~~B. Purpose~~

~~To establish the parameters by which undergraduate resident tuition decisions will be based.~~

C. Policy

1. Undergraduate Tuition

- a. The Board of Governors will establish annually one undergraduate resident tuition rate, based primarily on the financial requirements of the System and the Commonwealth's commitment toward meeting those requirements. Secondary consideration will be given to other factors, such as change in family income, financial aid availability, inflation, and relative standing in terms of tuition charges at peer institutions of higher education.

~~D. Policy Administration~~

- ~~1. The Board of Governors will set tuition annually.~~
- ~~2. The tuition rate established by the Board of Governors is applicable to undergraduate resident students at all State System universities.~~
- 3b. The chancellor may adjust the undergraduate resident tuition rate to allow the State System to establish partnerships with other institutions in collaborative/consortial arrangements.

~~E. Effective Date~~

~~April 1999.~~

~~III. Undergraduate Nonresident Tuition~~

~~A. Background~~

~~As public universities, it is important that every effort be made to ensure that state appropriations support only Pennsylvania resident students. Through the use of nationally developed common definitions for the determination of the cost of education, it is possible to determine the~~

~~average net cost of education for students enrolled in the System. The cost to educate nonresident students can be determined and tuition rates established so that nonresident students pay tuition at a rate at least equal to the average net cost of education at individual universities.~~

~~B. Purpose~~

~~To establish the undergraduate nonresident tuition rate that ensures undergraduate nonresident students are paying the System's average net cost of education.~~

~~C. Policy~~

~~c. The Board of Governors will establish annually the undergraduate nonresident tuition rate at a level to ensure that undergraduate nonresident students are paying the System's average net cost of education.~~

~~d. Upon recommendation of the chancellor, the Board of Governors, based upon such factors as the average net cost of undergraduate education; the goals and objectives of the System; the degree to which universities are at, above, or below student enrollment capacity; and the current relationship between pricing and student demand. Differential rates may not apply to international students. Though these rates may vary, the chancellor and the Board of Governors shall ensure the System-wide average net cost of education is assessed through nonresident tuition rates.~~

~~D. Policy Administration~~

~~1. Each spring, the university presidents may negotiate with the chancellor an undergraduate nonresident tuition rate(s) recommendation for the university in the upcoming year. The recommendation will be based upon such factors as the average net cost of undergraduate education; the goals and objectives of the State System; the degree to which universities are at, above or below student enrollment capacity; and the current relationship between pricing and student demand.~~

~~2. University presidents may recommend to the chancellor up to two undergraduate nonresident tuition rates, if the university has a specific targeted marketing group that has been established based upon geographic region, academic program or scholastic achievement.~~

~~E. Implementation Date~~

Fall 2003.

IV2. Graduate Tuition

A. Background

- ~~1. Graduate demand for education at State System universities generally is not dependent upon the prevailing tuition rate, but tends to be based more on the location and quality of specific programs. Therefore, moderate increases in graduate rates should have an insignificant effect on graduate enrollment.~~
- ~~2. Graduate education is more costly to provide than undergraduate education. Consequently, graduate full time tuition should be higher than undergraduate to reflect the cost of graduate education more accurately.~~
- ~~3. Some graduate programs are significantly more costly than others; some may serve a specific market. In these cases, tuition should be adjustable to reflect the cost of the program and/or market demand.~~

B. Purpose

- ~~1. To reflect the cost of graduate education in the tuition rates charged to graduate students and to optimize graduate tuition revenue.~~
- ~~2. To allow universities to be competitive in the graduate education arena by providing them with the flexibility and responsiveness necessary to price graduate education courses appropriately in relation to market demand and program cost.~~

C. Policy

- ~~1a.~~ Graduate students will be charged per credit at a tuition rate set annually to that reflects more accurately the average System cost of graduate education.
- ~~2b.~~ The tuition charged to full time nonresident graduate students will be 160% of the full time graduate resident rate. The Board of Governors will establish annually the graduate nonresident tuition rate at a level to ensure that graduate nonresident students are paying the System's average net cost of education.

- b. The chancellor, upon recommendation of the president, has the authority to ~~increase further~~ adjust the graduate tuition rate for specific graduate programs ~~that are high cost or serve a specific market,~~ based upon such factors as the cost of instruction, the level of service provided to the student, and the level of tuition necessary for the university to offer programs.

~~D.~~ **Policy Administration**

- ~~1.~~ To implement this policy, the graduate resident rate initially will be 120% of the undergraduate resident rate, and will be reviewed and adjusted periodically by the chancellor.
- ~~2.~~ The Board of Governors delegates to the chancellor approval of institutional graduate tuition rates for particular programs, in consultation with representatives of the Board of Governors, the university presidents, and legal counsel.
- ~~3.~~ Presidents may request annually, in conjunction with their budget request, graduate tuition rate requirements over and above the System's normal graduate tuition rate for high cost or market-specific graduate programs. These requests must substantiate the appropriateness of the tuition increase based on the following criteria:
 - ~~•~~ The cost of instruction or delivery is higher than other graduate programs.
 - ~~•~~ The level of service provided to the student is greater than for other programs.
 - ~~•~~ Raising the level of tuition allows the university to offer programs that would not be available at the lower rate.

~~E.~~ **Implementation Date**

~~Beginning in fall 1999/2011, with a phase in of the resident and nonresident rate adjustment of up to four years.~~

3. **Summer/Winter Session Tuition**

The chancellor, upon the recommendation of the president, may set alternative tuition rates for summer or winter sessions.

~~V4.~~ **Distance Education Tuition Policy**

~~A.~~ **Background**

~~The technologies that are making quality distance education possible are requiring institutions of higher education to become global; geographic~~

~~boundaries are becoming less meaningful. Distance education programs, by their very nature, provide access to new student populations. The needs of these students require a more flexible and responsive price structure.~~

~~B. Purpose~~

~~To allow universities to be competitive in the distance education arena by providing them with the flexibility and responsiveness necessary to price distance education courses appropriately in relation to market demand and cost of delivery.~~

~~C. Policy~~

- ~~1~~a. Resident distance education students, both graduate and undergraduate, will be charged at the appropriate prevailing per-credit resident rate.
- ~~2~~b. Nonresident distance education students, both graduate and undergraduate, will be charged a per-credit tuition ~~within the range of~~ at least 102% ~~to 250%~~ of the prevailing resident per-credit tuition rate. Presidents may set the nonresident distance education per-credit tuition rate on a course-by-course or program-by-program basis.
- ~~3~~c. The chancellor, upon recommendation of the president, has the authority to ~~reduce~~ adjust the resident tuition rate for a particular course or program.
- ~~4~~d. This policy applies to students who are charged on a per-credit-hour basis. Full-time undergraduate students continue to pay the applicable full-time tuition rate. The president may establish a full-time nonresident undergraduate distance education rate based upon the per-credit nonresident distance education rate for students enrolled 100% in distance education courses.

~~D. Policy Administration~~

~~Presidents will have the discretion of setting the nonresident distance education per credit tuition rate on a course by course or program by program basis. Presidents may request from the chancellor a revision to the resident distance education tuition rate for particular courses or programs. Proposed courses and rates to be charged will be shared throughout the System.~~

~~E. Implementation Date~~

~~Fall 2008.~~

VI5. Technology Tuition Fee Policy

A. ~~Background~~

~~The importance of technology and its applications continue to grow throughout society. To be competitive in the workplace, university students need access to state of the art technology integrated with their educational program. Additional and dedicated resources are necessary to ensure greater infusion of technology.~~

B. ~~Purpose~~

~~The purposes of the technology fee are: (1) to acquire, install, and maintain up to date and emerging technologies for the purpose of enhancing student learning outcomes; (2) to provide equitable access to technology resources; and (3) to ensure, ultimately, that State System graduates are competitive in the technologically sophisticated workplace. All hardware, software, databases, and other capital equipment procured with these revenues are strictly limited to clearly articulated learning experiences for students.~~

C. ~~Policy~~

- ~~1~~a. The Board of Governors will establish annually ~~the technology tuition fee is not a user fee but is instead a fee that is paid by all students in a manner that is~~ proportional to ~~their~~ enrollment status ~~(full time/part time)~~ and ~~to their~~ residency status (in-state/out-of-state).
- ~~2~~b. Technology tuition fee revenues shall be expended only on instructional technology ~~and shall not be expended for administrative applications~~. These revenues shall be used for the direct benefit of students to help them to achieve the learning objectives of their academic programs. ~~No more than 25% of technology fee revenues may be expended on personnel to support instructional technology.~~

D. ~~Policy Administration~~

- ~~1. Universities should procure technologies collaboratively, when appropriate. Universities must make continuing allocations for maintenance, support, upgrades, and replacement of technologies purchased with technology fee revenues.~~
- ~~2. Each university is accountable for ensuring that technology fee revenues are expended in accordance with this policy.~~

~~3. The universities' uses of the revenues may be audited to ensure that all expenditures are consistent with this policy. Such audits shall be conducted at the request of the chancellor or the Board of Governors.~~

~~E. Implementation Date~~

~~Fall 2007.~~

Addition

~~Deletion~~



PA State System of Higher Education Board of Governors

Effective: October 19, 1989

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POLICY 1989-05-A: STUDENT FEES

See Also:

Adopted: October 19, 1989

Amended: July 18, 1996, ~~and~~ April 8, 1999, and January 20, 2011

A. **Purpose**

To establish a delineation between the purposes of tuition and other fees, provide clarity regarding the purposes of the fees for which students are assessed, and limit the use of various miscellaneous fees for instructional purposes.

AB. **Definitions**

- ~~• **Application fee**—such as advance deposits, registration fees, application fees.~~
- **Fee**—A fixed charge established by a council of trustees or university president, according to authorities under Act 188 of 1982, to recover costs of certain services, materials, or activities provided.
- **Fees for optional, individual services**—Fees for such one-time services, such as application, transcripts, or graduation participation; or optional services that a student may choose to receive, such as student parking, transcripts, placement services, individual music lessons, competency exam, advanced placement exam, graduation participation, licensure exam, certifications, interest on deferred payment, ROTC uniform, equipment rental, international experiences, distance education, off-campus site participation, noncredit education, optional field trips, and similar services.
- **Instructional fees**—Instructional fees may be used to support general instructional operations and academic facilities needs. These fees may be used to cover unusual costs of certain special programs and/or operational and equipment needs such as music lessons or instruments, practica, instructional equipment, international exchange participation, required course/university tests and examinations, laboratory supplies,

~~instruction beyond baccalaureate degree work, course-required field trips, student teaching, clinical experiences, or related activities.~~

- Mandatory fees—Fees charged to all students participating through a particular campus or delivery mode, such as instructional fees, student activity fees, student union fees, recreation center fees, health center fees, registration fees, and transportation fees.
- Fines/Penalty fees—To offset costs of special services, such as late fees (late registration, payment, application, library return, etc.), bad check, drop/add, lost key, parking fines, I.D. replacement, room change, ~~actual~~ breakage, damage, or related expenses.
- ~~Public service fees~~—such as fees for non credit instruction, clinical and other services provided to the public, laboratory school, day care, etc.
- ~~Refundable deposit fees~~ such as for breakage, room damage, equipment rental.
- Student activity fees—Fees established for activities associated with student unions associations and governments, and to support other extracurricular activities such as lectures, concerts, athletics, student newspaper, forensics, dramatics, and related activities.
- Tuition—The basic charge fee established by the Board of Governors ~~to supplement state appropriations in support of instruction and instructional services at a State System university~~ for rendering educational services, as enumerated in Act 188 of 1982. Also, the technology tuition fee, a separate tuition fee established by the Board of Governors for rendering technology resources and services to enhance student learning experiences.

BC. Policy

- ~~1. The Board shall fix annual tuition rates for undergraduate and graduate students, with a differential between resident and nonresident rates.~~
21. As enumerated in Act 188 of 1982, the councils of trustees shall limit the aggregated instructional and facilities fees may establish university fees. The councils of trustees may establish a mandatory instructional fee to support the educational mission of the university. The instructional fee assessable to a student to the limit of shall be limited to tuition as follows:
 - a. Baccalaureate Degree—10%
 - b. Master's Degree—15%
 - c. Graduate Professional Programs—20%
 - d. Doctoral Degree—20%

2. All other mandatory fees established by the councils of trustees must support auxiliary and/or other activities that are ancillary to the educational mission of the university.
3. As enumerated in Act 188 of 1982, the presidents may, in cooperation with their respective student association, establish student activity fees.

Addition

~~Deletion~~



PA State System of Higher Education Board of Governors

Effective: January 18, 1996

Page 1 of 2

POLICY 1996-01-A: SOURCES OF FUNDING FOR UNIVERSITY SCHOLARSHIPS

See Also:

Adopted: January 18, 1996

Amended: April 2, 2009, and January 20, 2011

A. Purpose

To provide limited flexibility for universities to award need-based institutional scholarships to enrolled Pennsylvania students. This policy does not apply to scholarships supported by restricted funding sources.

B. Definitions

Institutional scholarships—University-funded financial assistance to a student for the purpose of undertaking for-credit course work not to exceed the full cost of attendance less other grant awards.

~~Need-based institutional scholarships~~—~~university provided financial assistance to a student, for the purpose of undertaking for credit course work not, to exceed the full cost of attendance less other grant awards.~~ Institutional Sscholarship eligibility is based upon an analysis of financial need, to include information reported in the Free Application for Federal Student Aid (FAFSA).

C. Administration

1. Need-based institutional Sscholarships may be granted to students who meet the following criteria:
 - a. Domiciled in Pennsylvania;
 - b. Has completed the FAFSA for the award year; and,
 - c. Has demonstrated financial need.
2. Need-based institutional Sscholarships administered as a result of this policy must meet the following criteria:

- a. Awards are based upon student financial need;
 - b. Awards are "last dollar;" all other gift aid sources must be used prior to awarding an institutional scholarship; and,
 - c. The total financial aid awarded to a student cannot exceed the cost of attendance.
3. To use this policy, presidents must develop university procedures for establishing and maintaining a ~~an~~ need-based institutional scholarship fund and its administration. University procedures must include funding expectations, utilization guidelines, and requirements for annual reports and audits. University procedures must be submitted to the chancellor for approval.
4. Subject to the recommendation of the president and approval of the university council of trustees, as part of the annual university budget approval process, the following sources of *Unrestricted* revenue may be used to fund institutional scholarships that are not based on need:
- a. Gifts;
 - b. Unrestricted endowment income;
 - c. Corporate sponsorship;
 - d. Camp, conference, and similar event income (net of expenditure); and/or
 - e. Other sources of revenue, as approved by the chancellor.
45. Nothing herein shall be deemed to govern the awarding of scholarships that are based on sources of funding which are specifically restricted for that purpose by an external source or donor.

Addition
~~Deletion~~

**Finance, Administration, and Facilities Committee Meeting
January 20, 2011**

SUBJECT: Acquisition of Properties, Lock Haven University of Pennsylvania (ACTION)

UNIVERSITIES AFFECTED: Lock Haven University of Pennsylvania

BACKGROUND: Lock Haven University requests approval to accept two properties as gifts from the Lock Haven University Foundation. The properties are located at 230 and 236 North Fairview Street, Lock Haven, Pennsylvania. Surrounded by University-owned properties, they are located in the area planned for development of student housing and parking as presented to the Board of Governors at the October 2010 meeting.

When the previous owners learned of the University's plans to develop the area for student housing, they offered to sell to the University Foundation. Prior to gifting the properties, which are valued at approximately \$106,500 and \$139,000, the existing buildings will be demolished. Owning these two lots will remove significant constraints from developing the area for student housing.

MOTION: That the Board of Governors approve Lock Haven University's request to accept gifts of properties located at 230 and 236 North Fairview Street, Lock Haven, Pennsylvania.

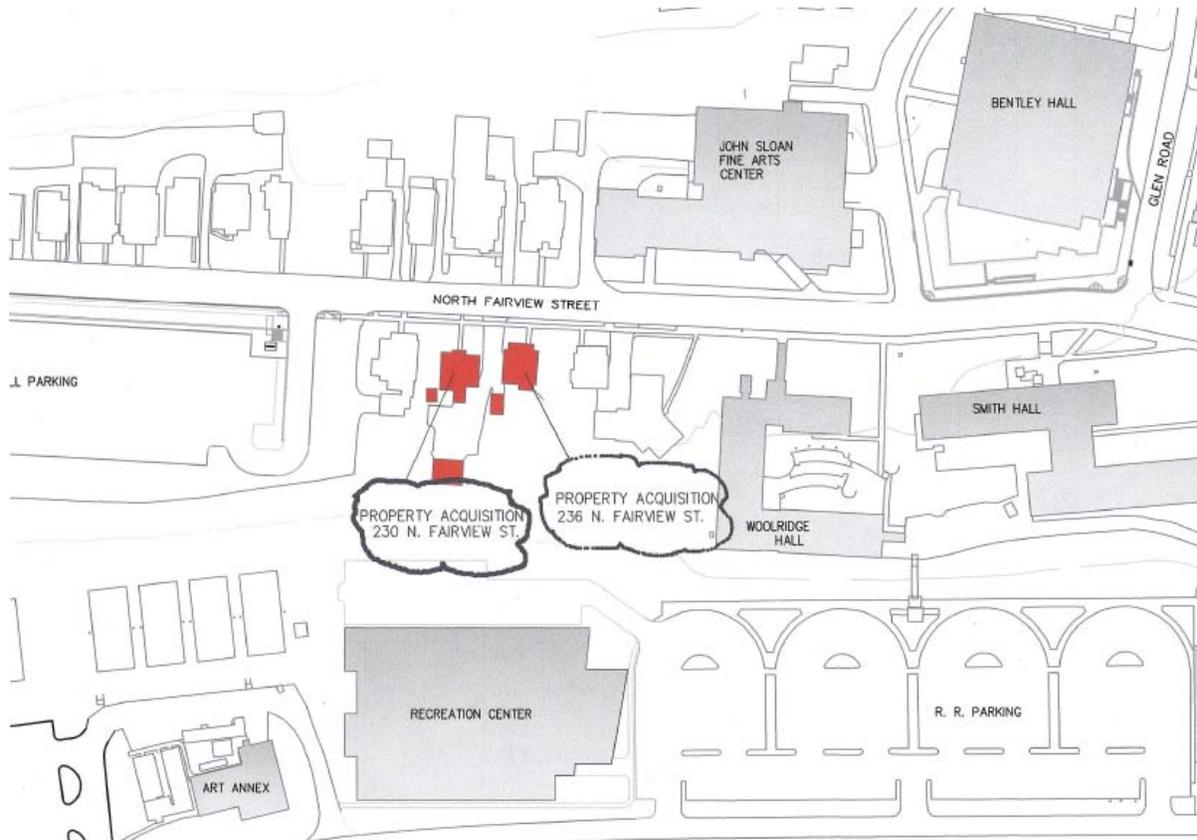
Supporting Documents Included: Map and photos of properties

Other Supporting Documents Available: Project Planning Documentation

Reviewed by: Lock Haven University's Council of Trustees, November 18, 2010

Prepared by: James S. Dillon

Telephone: (717) 720-4100



Partial Map of Lock Haven University



230 North Fairview Street, Lock Haven



236 North Fairview Street, Lock Haven

**Finance, Administration, and Facilities Committee Meeting
January 20, 2011**

SUBJECT: Guaranteed Energy Savings Agreement Bond Financing, Millersville University of Pennsylvania (ACTION)

UNIVERSITIES AFFECTED: Millersville University of Pennsylvania

BACKGROUND: Millersville University requests approval to bond finance a second phase of a Guaranteed Energy Savings Agreement (GESA) project estimated at \$3.3 million with a simple payback of 12.9 years. The payback estimate includes all costs related to the investment, such as design, construction, management, financing, and conservative assumptions for future utilities cost increases.

A majority of the work planned involves replacing lighting, and heating and air conditioning equipment in ten buildings that were not included in the first phase of the project. The work scope and energy savings payback are based on an investment grade audit dated November 8, 2010.

MOTION: That the Board of Governors approve Millersville University's request to bond finance a GESA project estimated at \$3.3 million.

Supporting Documents Included: None

Other Supporting Documents Available: Investment Grade Audit, November 8, 2010

Reviewed by: Millersville University's Council of Trustees, December 8, 2010

Prepared by: James S. Dillon

Telephone: (717) 720-4100

**Finance, Administration, and Facilities Committee Meeting
January 20, 2011**

SUBJECT: Demolition of Faculty Office Building, Bookstore Storage Building, and Etter Health Center, Shippensburg University of Pennsylvania (INFORMATION)

UNIVERSITIES AFFECTED: Shippensburg University of Pennsylvania

BACKGROUND: Shippensburg University intends to demolish several buildings to make way for Phase 1 construction of the on-campus student housing replacement program. The Faculty Office Building and Bookstore Storage Building will be demolished in summer 2011, and the Etter Health Center will be demolished in fall 2012.

These buildings were all constructed in the 1970s. The Faculty Office Building is a 6,500-square-foot structure with metal panel walls and roof that was constructed as a temporary facility, but is still in use. The Bookstore Storage Building is a 1,900-square-foot brick storage building. The Etter Health Center is an 8,900-square-foot brick building; health center operations will relocate to the terrace level of one of the new student housing buildings.

After Phase 1 is completed, demolition will begin of existing housing that has exceeded its useful life, is programmatically obsolete, and is not economical to renovate or operate. Notifications of these demolitions will be made as the project progresses.

This plan is consistent with the University's Master Plan completed in 2008. Demolition of the buildings will require approval from the Department of General Services.

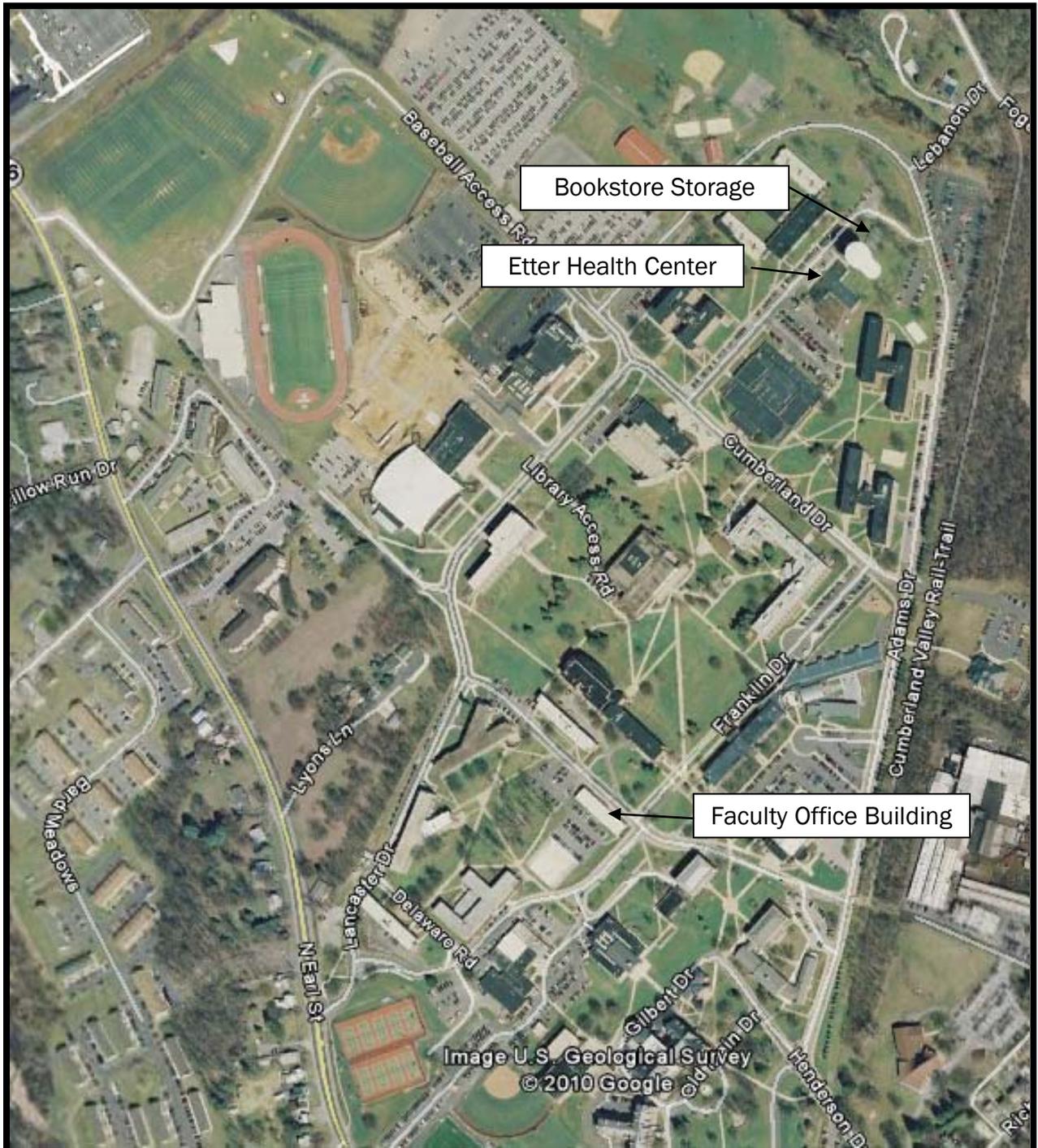
Supporting Documents Included: Map and photos of properties

Other Supporting Documents Available: Project Planning Documentation

Reviewed by: N/A

Prepared by: James S. Dillon

Telephone: (717) 720-4100



Partial Map of Shippensburg University



**Faculty Office Building
Shippensburg University**



**Bookstore Storage Building
Shippensburg University**



**Etter Health Center
Shippensburg University**



Human Resources Committee

Boardroom, First Floor
Administration Building
Dixon University Center
2986 North Second Street
Harrisburg, PA 17110-1201

Thursday, January 20, 2011

Agenda

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1. Pennsylvania Employee Benefits Trust Fund (PEBTF) Contribution (ACTION).....	39



Committee Members: Marie Conley Lammando (*Chair*), Paul S. Dlugolecki, Harold C. Shields, Aaron A. Walton and Kenneth M. Jarin (*ex officio*).

For further information, contact Peter H. Garland at (717) 720-4010.

Human Resources Committee Meeting
January 20, 2011

SUBJECT: Pennsylvania Employee Benefits Trust Fund (PEBTF) Contribution (ACTION)

UNIVERSITIES AFFECTED: All

BACKGROUND: On November 24, 2010, the Commonwealth of Pennsylvania and the American Federation of State, County and Municipal Employees (AFSCME) reached a tentative agreement regarding contributions to the Pennsylvania Employee Benefits Trust Fund (PEBTF). PASSHE and AFSCME discussed and reached a similar agreement.

The proposed PASSHE – AFSCME agreement is an extension and addition to the previous agreement approved by the PASSHE Board of Governors in June 2009. The previous agreement deferred 20% of the employer contribution to the PEBTF and called for repayment to begin effective September 2010. The proposed agreement and request further defers the repayment and allows for a continuation of the temporary reduction in employer contribution.

The provisions of the proposed PASSHE – AFSCME agreement will be applied to the State College and University Professional Association bargaining unit by application of existing language in their collective bargaining agreement.

The provisions of the proposed PASSHE – AFSCME agreement may be applied to the Pennsylvania Social Services Union.

Details:

- The AFSCME and the Commonwealth recognized that the projected funding of the Pennsylvania Employee Benefit Trust Fund (PEBTF) by the Commonwealth for the duration of the current master memorandum will result in a substantial reserve level which can be reduced on a temporary basis to generate cost savings for the Commonwealth during this fiscal crisis without adversely impacting stability of the PEBTF or the level of benefits offered.
- Through this fiscal crisis, the PEBTF had a reserve of over \$200 million as of June 30, 2010 and, if PASSHE and the Commonwealth began paying back contribution deferrals from last fiscal year, by June 30, 2011 the PEBTF reserve could reach nearly \$400 million. The proposed agreement includes:
 1. A temporary reduction in the current fiscal year employer contribution rate to the PEBTF from \$440 per employee per pay to \$400;
 2. A further deferral in the repayment of the balance due from the 20% deferral made from April 2009 through June 2010; and
 3. PASSHE will not impose temporary “rolling” furloughs of those employees represented by AFSCME through June 30, 2011.

- All deferred payments are to be made up by a \$90 increase in the biweekly contribution rate beginning in July 2011 and continuing for 18 months, through December 2012, at a rate of \$530.
- The agreement includes provisions that the deferral would not cause any reduction in the level of benefits provided, and that if PEBTF's reserves fall below one month, PASSHE will increase contributions as determined to be appropriate to restore the one-month reserve.

MOTION: That the Board of Governors approve the tentative PASSHE - AFSCME agreement reached on December 6, 2010 regarding contributions to the Pennsylvania Employee Benefits Trust Fund (PEBTF).

Supporting Documents Included: Memorandum of Agreement – Rank and File; Memorandum of Understanding – First Level Supervisors

Other Supporting Documents Available: N/A

Reviewed by: N/A

Prepared by: Gary K. Dent

Telephone: (717) 720-4158

Memorandum of Agreement – Rank and File

And Now, this 20th day of January 2011, this Memorandum of Agreement is made by and between Council 13, American Federation of State, County and Municipal Employees (“Union”) and the Pennsylvania State System of Higher Education (“PASSHE”).

Whereas, the global fiscal crisis of an unprecedented magnitude has resulted in PASSHE experiencing a sustained substantial and dramatic reduction in PASSHE revenues;

Whereas, PASSHE is utilizing approximately \$38 million in nonrecurring federal stimulus funds to balance its Fiscal Year 2010/2011 budget;

Whereas, as a result of this fiscal crisis, PASSHE has taken and will continue to take significant steps to reduce expenses across the System and, as part of that cost reduction effort, must identify ways to reduce personnel costs;

Whereas, the Union has opposed the Governor’s request to relinquish negotiated wage increases, including increments and general wage increases, for bargaining unit members;

Whereas, the parties recognize that the projected funding of the Pennsylvania Employees Benefit Trust Fund (“PEBTF”) by PASSHE for the duration of the current master memorandum will result in a substantial reserve level which can be reduced on a temporary basis to generate cost savings for PASSHE during this fiscal challenge without impacting adversely the fiscal stability of the PEBTF or the level of benefits offered;

Now Therefore, PASSHE and the Union, subject to ratification by its members, in their respective capacities as signatories to the collective bargaining agreement now in effect, have met, negotiated and agreed to the terms of the Memorandum of Agreement as an amendment to their collective bargaining agreement.

1. PEBTF Deferred Contributions. The parties agree that the reduction of twenty (20%) in the applicable employer contribution rate to PEBTF, as set forth in Article 25, Section 1c, which took effect with the April 2009 monthly payment (for March 2009 contributions), ceased with the June 2010 monthly payment (for May 2010 contributions). This deferral of a portion of the employer contributions was permitted by virtue of a Memorandum of Agreement entered into by the parties on April 2, 2009, a copy of which is attached hereto and incorporated herein by reference.

The parties further agree that the PASSHE contribution rate to the PEBTF as outline in Article 25, Section 1 (c) shall be temporarily reduced to \$400 bi-weekly per employee, rather than \$440 bi-weekly per employee, as required by the collective bargaining agreement, through June 30, 2011. This reduced contribution rate shall be retroactive and pertain to contributions beginning July 1, 2010.

PASSHE is committed to meeting its contractual obligations to fund the PEBTF in accordance with the parties' collective bargaining agreement. As provided herein, PASSHE will make up the deferred contributions and will satisfy its full and complete contractual funding commitment. The fiscal stability of the PEBTF is a testament to the prudent management of the fund, and PASSHE would propose no action that would undermine these achievements. For these reasons, PASSHE has agreed to the deferral make-up provisions contained in Paragraph 2.

2. Deferral Make-Up Provisions. The parties agree that the deferred contributions for the period April 2009 (for March 2009 contributions) through July 2011 (for June 2011 contributions) will be made up and paid to the PEBTF in full, in accordance with the following modified schedule:

a. General Make-Up Payments. PASSHE will increase its contribution rate to \$530 bi-weekly per employee (representing the \$440 contractual contribution plus a \$90 make-up payment), effective with the first full pay period in July 2011 and continuing for a period of 18 months, up to and including the month of December 2012. PASSHE will notify the Union of any delay in the make-up payments.

b. Accelerated Make-Up Payments. If, at any point in time, the actuarially projected reserves for the PEBTF fall below one (1) month, PASSHE will make-up a sufficient amount of the deferred contributions to restore the one (1) month reserve within thirty (30) day or earlier to ensure there is no cash flow crisis. In addition, if the economy improves to the point that PASSHE can accelerate make-up payment schedule in Paragraph 2.a. above, it will do so. Any accelerated make-up payments hereunder will reduce PASSHE's obligation under the general make-up payment provision in Paragraph 2.a.

3. Benefit Levels. It is agreed that there shall be no reduction in the level of benefits provided by the PEBTF as a result of this Memorandum of Agreement. The parties will request that the PEBTF actuary provide a letter confirming that the deferred contributions hereunder will not result in a reduction in the level of benefits and that, while the deferred contributions will cause a temporary drop in the level of reserves below the current three plus month reserve level, the deferral make-up provisions above are projected to restore this level of reserves. The actuary's letter will be attached hereto.

4. Furloughs. In exchange for the Union's agreement to defer contributions to the PEBTF, the PASSHE kept its commitment that it would not impose rolling furloughs of the participating Union members during the period that the reduced contribution rate remained in effect (i.e. through June 30, 2010).

In exchange for the Union's agreement that the PASSHE contribution rate to the PEBTF shall be frozen at \$400 bi-weekly per employee during Fiscal Year 2010/2011, PASSHE has committed that it will not impose rolling furloughs of the participating Union members during the period that the contribution rate is frozen (i.e. through June 30, 2011).

The Union has strongly urged PASSHE to refrain from conducting permanent furloughs as well. While PASSHE in its discretion retains the right to conduct permanent furloughs in accordance with Article 29, Section 7 of the parties' collective bargaining agreement, the Chancellor has expressed his preference to minimize such furloughs to the extent possible. In the event permanent furloughs occur, PASSHE will follow the contractual process for such furloughs.

This agreement to refrain from rolling furloughs shall be a non-precedent setting agreement and nothing contained herein shall be construed to create a duty to negotiate over the decision to undertake such furloughs. It further is understood that each party reserves its respective position and legal arguments regarding such furloughs.

5. Scope and Effect. This agreement shall remain in full force and effect regardless of whether any other union whose members are covered by the PEBTF agrees to the deferral and/or reduction of PASSHE contributions to the PEBTF.

6. Ongoing Discussions. PASSHE is fully committed to continuing the process of meeting with the Union to discuss any and all cost-containment ideas, suggestions, and recommendations that the Union wishes to raise.

7. Dispute Resolution. It is in the best interests of the parties to agree upon a dispute resolution mechanism to resolve disputes arising under this Memorandum, if any. A dispute will be initiated by either party by written notice to the other within ten (10) calendar days of the dispute arising. If the dispute remains unresolved for twenty (20) calendar days following such notice, the initiating party may move the dispute to arbitration. It is agreed that the parties will endeavor to resolve such dispute on an expedited basis. If more than one union is involved in the same or similar dispute, the matters will be consolidated and heard together. The parties will bear equally the expense of the arbitration, including the arbitrator's fees and associated costs. The parties will agree on the arbitrators who will be available on an expedited basis, from which they will select one to hear the dispute. If they are unable to agree, the union will strike one name, and PASSHE will strike one name, and the remaining name will be the arbitrator to hear the dispute.

Subject to ratification, the parties have signed this Memorandum of Agreement to indicate their assent to its terms.

Council 13, American Federation of State, County, and Municipal Employees

David Fillman, Executive Director

Date

Pennsylvania State System of Higher Education

John Cavanaugh, Chancellor

Date

Memorandum of Understanding – First Level Supervisors

And Now, this 20th day of January 2011, this Memorandum of Understanding is made by and between Council 13, American Federation of State, County and Municipal Employees (“Union”) and the Pennsylvania State System of Higher Education (“PASSHE”).

Whereas, the global fiscal crisis of an unprecedented magnitude has resulted in PASSHE experiencing a sustained substantial and dramatic reduction in PASSHE revenues;

Whereas, PASSHE is utilizing approximately \$38 million in nonrecurring federal stimulus funds to balance its Fiscal Year 2010/2011 budget;

Whereas, as a result of this fiscal crisis, PASSHE has taken and will continue to take significant steps to reduce expenses across PASSHE and, as part of that cost reduction effort, must identify ways to reduce personnel costs;

Whereas, the Union has opposed the Governor’s request to relinquish negotiated wage increases, including increments and general wage increases, for bargaining unit members;

Whereas, the parties recognize that the projected funding of the Pennsylvania Employees Benefit Trust Fund (“PEBTF”) by PASSHE for the duration of the current master memorandum will result in a substantial reserve level which can be reduced on a temporary basis to generate cost savings for PASSHE during this fiscal challenge without impacting adversely the fiscal stability of the PEBTF or the level of benefits offered;

Now Therefore, PASSHE and the Union, subject to ratification by its members, in their respective capacities as signatories to the memorandum of understanding now in effect, have met, negotiated and agreed to the terms of the Memorandum of Agreement as an amendment to their memorandum of understanding.

1. PEBTF Deferred Contributions. The parties agree that the reduction of twenty (20%) in the applicable employer contribution rate to PEBTF, as set forth in Recommendation 25, Section 1c, which took effect with the April 2009 monthly payment (for March 2009 contributions), ceased with the June 2010 monthly payment (for May 2010 contributions). This deferral of a portion of the employer contributions was permitted by virtue of a Memorandum of Agreement entered into by the parties on April 2, 2009, a copy of which is attached hereto and incorporated herein by reference.

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This agreement to refrain from rolling furloughs shall be a non-precedent setting agreement and nothing contained herein shall be construed to create a duty to negotiate over the decision to undertake such furloughs. It further is understood that each party reserves its respective position and legal arguments regarding such furloughs.

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7. Dispute Resolution. It is in the best interests of the parties to agree upon a dispute resolution mechanism to resolve disputes arising under this Memorandum, if any. A dispute will be initiated by either party by written notice to the other within ten (10) calendar days of the dispute arising. If the dispute remains unresolved for twenty (20) calendar days following such notice, the initiating party may move the dispute to arbitration. It is agreed that the parties will endeavor to resolve such dispute on an expedited basis. If more than one union is involved in the same or similar dispute, the matters will be consolidated and heard together. The parties will bear equally the expense of the arbitration, including the arbitrator's fees and associated costs. The parties will agree on the arbitrators who will be available on an expedited basis, from which they will select one to hear the dispute. If they are unable to agree, the union will strike one name, and the PASSHE will strike one name, and the remaining name will be the arbitrator to hear the dispute.

Subject to ratification, the parties have signed this Memorandum of Agreement to indicate their assent to its terms.

Council 13, American Federation of State, County, and Municipal Employees

David Fillman, Executive Director

Date

Pennsylvania State System of Higher Education

John Cavanaugh, Chancellor

Date



Executive Committee Meeting

Boardroom, First Floor
Administration Building
Dixon University Center
2986 North Second Street
Harrisburg, PA 17110-1201

Thursday, January 20, 2011

Agenda

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2. Strategic Planning Process (ACTION)	55



Committee Members: Kenneth M. Jarin (*Chair*), Marie Conley Lammando, Paul S. Dlugolecki, C.R. "Chuck" Pennoni, Thomas M. "Doc" Sweitzer, and Aaron A. Walton.

For further information, contact Peter H. Garland at (717) 720-4010.

Executive Committee Meeting
January 20, 2011

SUBJECT: Revisions to Performance Funding Program (ACTION)

UNIVERSITIES AFFECTED: All

BACKGROUND: PASSHE's accountability and performance funding program, originally established by the Board of Governors in January 2003, has been the driver for University and System change to better serve students and the Commonwealth. Since the inception of this program and in conjunction with other policy tools, improvements across the System have been achieved in retention and graduation rates; diversity of students, faculty and administrators; program quality; and faculty productivity. The current program (1) incorporates both quantitative data and qualitative information and (2) monitors university performance over time in comparison to peer institutions and against System performance targets. This design has created a culture of accountability throughout the System and the universities. As such, it has served as a national model for accountability and institutional improvement.

To enhance these successes, a review of the program has been conducted, resulting in the attached proposed improvements to ensure each university and the System as a whole continues to achieve desired outcomes. These recommendations center on improving student success, increasing access to PASSHE Universities, and ensuring stewardship of public resources. To achieve the principles within these three themes, each institution will commit to ten performance indicators for the next five years. Five of the indicators will be the same for all universities; the remaining five will vary by University, recognizing institutional differences. University performance will be measured based upon institutional improvement and national standards/goals or peer comparisons. These measures align with the requirements of Middle States Association/Commission on Higher Education and with national accountability efforts, including Middle States accreditation, Voluntary System of Accountability (VSA) requirements, and the EdTrust/NASH Access to Success initiative. Performance funding will be distributed to Universities for each measure that the performance expectations have been met.

MOTION: That the Board of Governors approve the attached recommendations for PASSHE's Performance Funding Program.

Supporting Documents Included: Performance Funding Program Recommendations

Other Supporting Documents Available: Board of Governors' January 2003 meeting materials

Reviewed by: Council of Presidents, December 15, 2010

Prepared by: Peter H. Garland

Telephone: (717) 720-4010

Pennsylvania State System of Higher Education Performance Funding Program Recommendations

Conceptual Framework

The Performance Funding Program must support the strategic direction of the Pennsylvania State System of Higher Education (PASSHE).

The challenges facing PASSHE are more complex and critical than at any point since its founding in 1983. The face of our students is changing, the global economy into which our graduates head requires new skills that give them intellectual flexibility, the issues facing the Commonwealth require multifaceted and creative solutions, the need for more university-prepared citizens is high, and the need for our institutions to engage their communities has never been greater. These challenges, if they are to be addressed, require a more inclusive approach in terms of people and viewpoints. This approach must be one that breaks down traditional silos and replaces it with a functional, strategic process that is dynamic, responsive, and grounded in a learner-focused culture of continuous improvement. The spirit of entrepreneurship must be reflected in our students and universities. PASSHE universities must be known as places where knowledge is generated to advance understanding across all academic disciplines, improve professional practice, and enhance the quality of life in the regions served. Four primary drivers have been identified to shape the future direction of the universities and PASSHE:

1. Transforming students and the learning environment.
2. Transforming the resources.
3. Transforming university-community relations.
4. Transforming PASSHE's role in determining the Commonwealth's future.

As PASSHE and the universities transform teaching and learning, secure resources, engage their communities and regions, and provide leadership for the future, the Performance Funding Program is designed to measure the outcomes of these efforts in the **success** of our students, comprehensive **access** to opportunity, and **stewardship** of our resources and the Commonwealth's communities and regions.

Success: The primary mission of PASSHE universities is to help students achieve their educational goals successfully. To be successful in the 21st century, students must be prepared for lifelong learning, a habit of the mind that will force them to refresh their content knowledge continually. To ensure this outcome, PASSHE must lead the way in changing the manner in which students learn, faculty teach, and courses are delivered. As the Commonwealth's universities, PASSHE institutions have a special relationship with the state. As a result, PASSHE is obligated to address the strategic needs of the Commonwealth, filling an appropriate role in creating the policy and direction for the state's future.

Access: As the state-owned universities, PASSHE serves a critical role through providing access to higher education, building college aspirations and enrollment among underserved populations, and facilitating the opportunity for advancement of

educational achievement from pre-baccalaureate through baccalaureate and graduate degrees and professional certifications. PASSHE must ensure that the students who learn in its universities reflect the diversity of the communities from which they come, that the faculty and staff who teach and support them do as well, and that students are well prepared to enter a global work force.

Stewardship: As stewards of public resources, PASSHE universities must be fiscally efficient and responsible. The human, financial, and physical resources necessary to create the highest quality learning opportunities for our students need to be effectively and efficiently managed. PASSHE prides itself as a national leader in identifying and implementing significant cost reductions and cost avoidance strategies. Providing adequate resources in difficult economic times will require continual rethinking of university entrepreneurship and flexibility, and a realization that new ways of thinking and conducting our operations are essential. The communities and regions in which PASSHE universities are located must be better for and enhance those institutions. This mutually beneficial relationship must be nurtured and enhanced in many ways that respect and use each other's strengths. PASSHE universities have an obligation to enhance the quality of life of the citizens of our communities, and help improve local and regional economic conditions.

The Performance Funding Program is designed around specific principles:

- The program will be clear, understandable, and replicable.
- The primary focus will be on results (outputs rather than inputs or throughputs).
- There will be transparency and visibility of all data.
- University efforts to distinguish themselves on programs, students, locations, and delivery methods will be possible.
- The design will reduce inter-institutional competition and will support collaboration.
- The program will align with System and university strategic directions and System policies, e.g., allocation formula.
- The program will align with national accountability efforts, including Middle States accreditation, Voluntary System of Accountability (VSA) requirements, and the EdTrust/NASH Access to Success initiative.

Selection of Performance Measures/Indicators

To achieve the principles within the three themes, each institution will commit to ten performance indicators for the next five years. The performance measures are organized into three groups. Each university has the

	Groups	Student Success	Access	Stewardship
I: Mandatory		Two indicators on which all universities are measured	Two indicators on which all universities are measured	One indicator on which all universities are measured
II: Must pick 3-5 At least 1 must be Stewardship		Several indicators from which universities may choose 0-4	Several indicators from which universities may choose 0-4	Several indicators from which universities must choose at least 1
III: University-specific No more than 2		Universities develop 0-2 indicators. Indicators do not have to be associated with these three themes. Chancellor approves University-specific measures.		

opportunity to choose its measures within limitations. All the universities will be responsible for the five performance indicators in Group I. The universities will select the remaining five performance measures from Groups II and III. Each university must select at least one measure from the Stewardship theme in Group II. Otherwise, there are no limits on the number of performance measures selected from any theme. Group III allows the university to propose to the Chancellor a maximum of two unique performance measures not listed in Group II. Any proposed measure should be derived from the university's strategic plan, have an element of risk as well as reward, have an external comparative base, and be capable of being quantified such that it can be determined if the university meets or does not meet the goal.

Performance Measurement

For all indicators, university performance will be measured via progress toward institution-specific goals and against external comparisons or expectations. Whenever possible, external comparisons will be based upon similar universities participating in national studies. As needed, benchmark institutions will be developed in consultation with the Chancellor and based on, but not limited to, such factors as numbers of FTE students, budgets, etc. Institutional goals, established in concert with the Office of the Chancellor, will take into consideration each University's historical trends, overall performance levels, and reasonable expectations for improvement. University performance will be measured either as meeting or not meeting each performance target; there will no longer be a three-tiered assessment of performance on each target (e.g., exceeding performance will no longer be used). All indicators and goals must be established by June 2011 to be used for the 2011-2012 award year.

Performance Funding Pool and Distribution

In recent years, performance funding was provided from two separate fund sources: 6% of the Educational and General (E&G) Appropriation and the equivalent of 2% from the Program Initiatives Line Item. Given the impact of the current economic downturn on Commonwealth funding for PASSHE, it is likely that this source of funds will continue to diminish and, perhaps, that the Program Initiatives Line Item may be discontinued. To maintain a reasonable performance funding pool that will continue to encourage performance, it is proposed that the performance funding pool be established as equal to approximately 2.4% of PASSHE's total E&G revenue, which is roughly equivalent to the current performance funding level. The performance funding pool will continue to be funded completely from state appropriations. Several options for the distribution of these funds were considered. The recommended distribution method is outlined below.

Distribution Method

- Performance funding will be determined for each university based upon performance on the ten indicators.
- Each university will have the ability to meet performance on each measure for a maximum total of ten points, or one point per measure. Measures will include components for individual performance and performance in relation to peers or external standards.

- Points are earned by a university for at least meeting the performance requirement. For measures that contain submeasures, each submeasure is worth the appropriate fraction of a point. For example, for an indicator with two submeasures, each submeasure is worth 0.5 point.
- All points are totaled for each university, then weighted by the university's base appropriations funding determined by the allocation formula, to adjust for institutional size.
- The weighted points are divided into the total performance funding pool to create a dollar-per-point value that is multiplied by the number of points the university earned to establish the allocation.

Transition Year

Performance funding awards to be distributed in 2010-2011 will be based upon a set of transitional indicators. These indicators have been used in the current System Accountability Plan and are consistent with the focus of the new performance funding program, approximating the focus of the five mandatory indicators that will be in place for the 2011-2012 award year. The following indicators will be used, with some slight modifications.

Degrees Awarded

Second-Year Persistence

Graduation Rates

Credit Hour Productivity (in the absence of the Common Cost Accounting Report, calculations will be based on course data submissions)

Employee Diversity

Private Support (including the top three gifts)

Faculty with Terminal Degrees

Performance will be measured in the same manner used in recent years, based upon a combination of historical trends. Awards will be determined based upon individual performance and peer comparisons; the System target comparison will no longer be used. Similarly, awards will be determined based upon meeting or not meeting performance; exceeding performance will no longer be recognized.

Distribution of awards in 2010-2011 will be based upon the new distribution methodology, presented above.

Performance Indicators

The mandatory and optional indicators for each theme are summarized below.

Student Success

Group I: Two measures

1. Degrees Conferred (1.0)
 - a. Number of associate, baccalaureate, and graduate degrees conferred (.50)
 - b. Baccalaureate degrees awarded per FTE undergraduate enrollment (.50)

2. Closing the Achievement Gaps (1.0)
 - a. Closing the Achievement Gap for Pell Recipients (.50)
 - b. Closing the Achievement Gap for Underrepresented Minority (URM) Students (.50)

Group II: Universities can select from the following:

1. Deep Learning Scale Results-National Survey of Student Engagement (NSSE) (1.0)
2. Senior Survey-National Survey of Student Engagement (NSSE) (1.0)
 - a. Academic challenge (.20)
 - b. Active/collaborative learning (.20)
 - c. Student/faculty interaction (.20)
 - d. Enriching educational experiences (.20)
 - e. Supportive campus environment (.20)
3. Student Persistence (1.0)
 - a. Overall percentage of students returning for a third academic year (.50)
 - b. Overall percentage of students returning for a fourth academic year (.50)
4. Value-Added-Senior CLA, CAAP, or ETS® Proficiency Profile Scores (1.0)
5. STEM Degree Recipients-Percentage of university degree recipients in high need programs such as science, technology, engineering, and mathematics (STEM) or health care (1.0)

Access

Group I: Two measures

1. Closing the Access Gaps (1.0)
 - a. Closing the Gap for Pell Recipients (.50)
 - b. Closing the Gap for Underrepresented Minority Students (URM) (.50)
2. Faculty Diversity (1.0)
 - a. Percent of full-time tenure/tenure-track faculty who are nonmajority persons (.50)
 - b. Percent of full-time tenured faculty who are female (.50)

Group II: Universities can select from the following:

1. Faculty Career Advancement (1.0)¹
 - a. Percent of Associate Professors who are nonmajority (.25)
 - b. Percent of Associate Professors who are female (.25)
 - c. Percent of Professors who are nonmajority (.25)
 - d. Percent of Professors who are female (.25)
2. Employment (Nonfaculty) Diversity (1.0)
 - a. Percent of Executives who are nonmajority (.25)
 - b. Percent of Executives who are female (.25)
 - c. Percent of Professional staff who are nonmajority (.25)
 - d. Percent of Professional staff who are female (.25)
3. Student Experience with Diversity and Inclusion-Measured by average of the combined scores on applicable NSSE items (1.0)

¹ Need to be careful about limit on full professors and distribution across disciplines/departments.

4. Student Diversity (1.0)
 - a. Percent of total student enrollment who are federal Pell Grant recipients (.50)
 - b. Percent of total student enrollment who are nonmajority (.50)

Stewardship

Group I: One measure

1. Private Support-Three-year average of total dollars raised (1.0)

Group II: Universities must select at least one from the following:

1. Facilities Investment-Composite measure of annual stewardship, operating effectiveness, and quality of service in the physical plant arena, as measured by the annual Sightlines Return on Physical Assets (ROPA) Study (1.0)
2. Administrative Expenditures as Percent of Cost of Education (1.0)
3. Credit Hour Productivity-Student credit hours as ratio of total FTE faculty (1.0)
4. Employee Productivity-FTE student/FTE employee (faculty and staff) (1.0)

University-Specific Indicators

Group III: Universities may create no more than two Group III indicators, which have to be approved by the Chancellor for inclusion in the performance funding program. Proposals should follow the prescribed template for defining the performance indicator including the data source(s). The Accountability and Performance Funding Committee members are available to consult with universities to help develop successful indicators.

**Executive Committee Meeting
January 20, 2011**

SUBJECT: Strategic Planning Process (ACTION)

UNIVERSITIES AFFECTED: All

BACKGROUND: The Board of Governors approved *PASSHE Strategic Initiatives* on October 13, 2010, from which to develop a more comprehensive strategic plan for the System. A steering committee composed of Board members, University Presidents or their designee, President of the Pennsylvania Association of Councils of Trustees (PACT), and Office of the Chancellor executive staff will coordinate the plan creation. In developing the plan, Commonwealth and university constituencies will be engaged. The plan will be a broad, high-level document and will provide a framework for ongoing university and Office of the Chancellor planning.

MOTION: That the Board of Governors appoint a Steering Committee for the development of the System's five year strategic plan based on *PASSHE Strategic Initiatives*.

Supporting Documents Included: *PASSHE Strategic Initiatives*

Other Supporting Documents Available: None

Reviewed by: N/A

Prepared by: Peter H. Garland

Telephone: (717) 720-4010

PASSHE Strategic Initiatives

Context

Throughout its twenty-seven year history, PASSHE has been guided by a series of strategic plans which have identified goals for performance and service excellence. PASSHE's most recent strategic plan, *Leading the Way*, expired in 2009. Much has changed since its adoption and the need for a new vision is critical if PASSHE universities are able to play an ever-growing role in the Commonwealth's future. *PASSHE Strategic Initiatives* serves as the outline of the major strategic initiatives for the System that will frame the next strategic plan for adoption by the Board of Governors. As individual campuses revise their strategic plans in the interim, this document will inform that process. Additionally, it will inform the revised outcomes-based performance funding model.

PASSHE Strategic Initiatives is grounded in the System's mission, "to be among the nation's leading systems of public universities, recognized for (1) access and affordability of excellent undergraduate and graduate education; and (2) responsiveness to state, regional, and national needs through quality academic programs, research, and service." PASSHE's focus has always and will continue to be focused on our students, and on how to ensure that the experiences they have are the most enriching possible.

PASSHE Strategic Initiatives is predicated on the need for transformation: in how, when, and where learning occurs; in how the resources necessary to ensure learning need to be recruited, retained, and sustained; in how our universities relate to their various communities; and in how we partner with the Commonwealth in creating and delivering a shared vision of the future. Only through such transformation, grounded in thoughtful re-examination of our traditional ways of conducting ourselves, will we be assured of thriving in these very difficult economic times.

The Strategic Initiatives

The four strategic areas are:

- Transforming students and the learning environment
- Transforming resources
- Transforming university-community relations
- Transforming PASSHE's role in determining the Commonwealth's future

Each of these areas will incorporate several key goals that will be the focus of ongoing and planned efforts by individual universities and/or the Office of the Chancellor. Examples of goals under each initiative are not meant to be exhaustive, but reflective of the highest priorities for the betterment of our students and the citizens of the Commonwealth.

PASSHE Initiative 1: Transforming Students and the Learning Environment

To be successful in the 21st century, students must be prepared for lifelong learning, a habit of the mind that will force them to continually refresh their content knowledge. To ensure this outcome, PASSHE must lead the way in changing the way students learn, faculty teach, and courses are delivered. To achieve this will require us to provide state-of-the-art support services. To meet its educational mission, PASSHE must ensure that the students who learn in its universities reflect the diversity of the communities from which they come, and that the faculty and staff who teach and support them do as well. Additionally, the physical spaces in which learning occurs and the means by which information and courses are delivered must adapt and be more flexible. Goals in this area include ensuring quality and currency in academic programs and services; expanding greater inter-university collaboration; employing technology and designing facilities to enhance teaching and learning; and providing evidence of student learning and achievement.

PASSHE Initiative 2: Transforming Resources

The human and financial resources necessary to create the highest quality learning opportunities for our students need to be identified and provided. PASSHE prides itself in being a national leader in implementing significant cost reductions and cost avoidance strategies. Providing adequate resources in difficult economic times will require continual rethinking of university entrepreneurship and flexibility, and a realization that new ways of thinking and conducting our operations are essential. Close collaboration with the General Assembly and the Governor will be essential to ensure that PASSHE universities are afforded the same opportunities for revenue creation as other publicly-funded institutions. Investment in our faculty and staff through professional development programs will be even more important as a means to retain and sustain our talent. Goals in this area include creating an inclusive environment in which our diverse students, faculty, and staff can thrive; implementing best practices in teaching and learning; enhancing institutional flexibility; and increasing private fundraising while diversifying financial resources to support our mission.

PASSHE Initiative 3: Transforming University-Community Relations

The communities and regions in which PASSHE universities are located must be better for and enhance those institutions. This mutually beneficial relationship must be nurtured and enhanced in the myriad ways that respect and utilize each other's strengths. PASSHE universities have an obligation to enhance the quality of life of the citizens of our communities, and help improve local and regional economic conditions. All core constituency groups (students, staff, and faculty) must work together with local, regional, national, and international communities to ensure that each of us leaves the situation better than we found it. Goals in this area include enhancing community and regional engagement; expanding opportunities for workforce development; and fostering local and regional economic and community development.

PASSHE Initiative 4: Transforming PASSHE's Role in Determining the Commonwealth's Future

As the Commonwealth's universities, PASSHE institutions have a special relationship with it. As a result, we have an obligation to ensure that the strategic needs of the Commonwealth are our focus, and that PASSHE plays an appropriate role in creating the policy and direction for the state's future. This means that PASSHE must be part of the vision of the future, and have a significant role in creating and delivering it. Goals in this area include expanding capacity for public policy development; capitalizing on the broadband initiative for educational, health, and economic improvement; and aligning academic programs at all levels with the Commonwealth's strategic needs.



Board of Governors

Quarterly Meeting of the Board of Governors Pennsylvania State System of Higher Education

Boardroom, First Floor
Administration Building
Dixon University Center
2986 North Second Street
Harrisburg, PA 17110-1201

Thursday, January 20, 2011

Agenda

Call to Order and Roll Call of the Members

Pledge of Allegiance

Approval of the Minutes of the October 13, 2010 and November 30, 2010 Meetings.

Remarks of the Chair Chairman Kenneth M. Jarin

Report of the Chancellor Dr. John C. Cavanaugh

Public Comments

Committee Reports with Related Actions

A. Academic and Student Affairs Mr. Aaron A. Walton

1. College Completion: Access to Success and Complete College America

B. External Relations Mr. Thomas M. "Doc" Sweitzer

1. PASSHE's New Website

- C. Finance, Administration, and Facilities**..... Mr. C.R. "Chuck" Pennoni
1. Amendments to Tuition and Fee Policies
 2. Acquisition of Properties, Lock Haven University of Pennsylvania
 3. Guaranteed Energy Savings Agreement Bond Financing, Millersville University of Pennsylvania
 4. Demolition of Faculty Office Building, Bookstore Storage Building, and Etter Health Center, Shippensburg University of Pennsylvania

- D. Human Resources** Ms. Marie Conley Lammando
1. Pennsylvania Employee Benefits Trust Fund (PEBTF) Contribution

- E. Executive** Chairman Kenneth M. Jarin
1. Revisions to Performance Funding Program
 2. Strategic Planning Process

- Board Action** Chairman Kenneth M. Jarin
1. Delegation of Authority to Appoint Lock Haven University President
 2. Standing Committee Assignments
 3. Resolutions:
 - John M. Brinjac
 - Donna Cooper

Other Business..... Chairman Kenneth M. Jarin

Announcements

Adjournment



Board Members: Kenneth M. Jarin (*Chair*), Leonard B. Altieri, Representative Matthew E. Baker, Jennifer G. Branstetter (designee for Governor Tom W. Corbett), Marie Conley Lammando, Paul S. Dlugolecki, Acting Secretary Amy C. Morton, Representative Michael K. Hanna, Senator Vincent J. Hughes, Jonathan B. Mack, Joseph F. McGinn, C.R. "Chuck" Pennoni (*Vice Chair*), Senator Jeffrey E. Piccola, Guido M. Pichini, Harold C. Shields, Thomas M. "Doc" Sweitzer, Christine J. Toretta, and Aaron A. Walton (*Vice Chair*).

For further information, contact Peter H. Garland at (717) 720-4010.

**Board of Governors' Meeting
January 20, 2011**

SUBJECT: Delegation of Authority to Appoint Lock Haven University President (ACTION)

UNIVERSITIES AFFECTED: Lock Haven University of Pennsylvania

BACKGROUND: Board of Governors' Policy 1983-13-A, *Process for Recommending Presidential Appointment*, requires that the Council of Trustees of the university conducting a search submit the names and dossiers of three unranked candidates to the Chancellor, along with a certified action of the Council approving the candidates for the position of University President.

The Board will conduct interviews of the candidates submitted by the Lock Haven University Council of Trustees. In the absence of a quorum of the Board, the Executive Committee shall be authorized to act on its behalf.

MOTION: That the Board of Governors authorize the Executive Committee to review and approve the appointment of a President for Lock Haven University of Pennsylvania in the event that there is an absence of a quorum of the Board when such appointment is to be made.

Supporting Documents Included: N/A

Other Supporting Documents Available: Board of Governors' Policy 1983-13-A, *Process for Recommending Presidential Appointment*

Reviewed by: N/A

Prepared by: Peter H. Garland

Telephone: (717) 720-4010

Board of Governors' Meeting
January 20, 2011

SUBJECT: Standing Committee Assignments (ACTION)

UNIVERSITIES AFFECTED: All

BACKGROUND: To include new Board members on the Committees of the Board.

MOTION: That the Board of Governors approve the Standing Committee Assignments as shown in the *Standing Committee Assignments* document distributed at the quarterly Board meeting, effective January 20, 2011.

Supporting Documents Included: N/A

Other Supporting Documents Available: *Standing Committee Assignments*

Reviewed by: N/A

Prepared by: Peter H. Garland

Telephone: (717) 720-4010