



Board of Governors' Quarterly Meeting Agenda

Wednesday, January 22, 2014

1:30 p.m.

Meeting of the Board of Governors (Boardroom)

- Recognition:
 - Field Hockey Team, Shippensburg University of Pennsylvania

Committee Meetings (Boardroom)

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

Thursday, January 23, 2014

9:00 a.m.

Meeting of the Board of Governors (Boardroom)

Adjournment



Board of Governors' Quarterly Meeting Agenda

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

Agenda Summary

Wednesday, January 22, 2014
1:30 p.m.

Board of Governors' Meeting

- Recognitions: (ACTION)
 - Shippensburg University of Pennsylvania's Field Hockey Team
 - NCAA Division II National Champions
 - Bre White, National Player of the Year
 - Bertie Landes, National Coach of the Year

Committee Meetings

- **Academic and Student Affairs**
 - Summary of Academic Program Actions for June 9, 2013 to December 31, 2013 (INFORMATION)
 - Approval of a Bachelor of Science in Nursing (BSN) Degree Program at Clarion University of Pennsylvania (ACTION)
 - Approval of Two Doctor of Nursing Practice (DNP) Degree Programs
 - a. Bloomsburg University of Pennsylvania (ACTION)
 - b. Clarion University of Pennsylvania and Edinboro University of Pennsylvania (Joint Degree) (ACTION)
- **Audit**
 - Committee Update (INFORMATION)
- **External and Public Relations**
 - Legislative Update (INFORMATION)

- **Finance, Administration, and Facilities**
 - Pricing Flexibility Pilots (ACTION)
 - Nonresident Tuition Plans (ACTION)
 - Property Acquisition, Indiana University of Pennsylvania (ACTION)
 - Bond Repurchase, Indiana University of Pennsylvania (ACTION)
 - Demolition of Various Buildings, Lock Haven University of Pennsylvania (INFORMATION)
 - Safety of Minors on Campus Work Group (INFORMATION)

- **Human Resources**
 - Committee Update (INFORMATION)

- **Executive**
 - PASSHE Strategic Plan (ACTION)

Board of Governors' Meeting
Thursday, January 23, 2014
9:00 a.m.



Board of Governors' Quarterly Meeting Agenda

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

Wednesday, January 22, 2014
1:30 p.m.

Agenda

Call to Order and Roll Call of Board Members

Remarks of the Chair Chairman Guido M. Pichini

Board Action

- Recognitions: (ACTION)
 - Shippensburg University of Pennsylvania's Field Hockey Team
 - NCAA Division II National Champions
 - Bre White, National Player of the Year
 - Bertie Landes, National Coach of the Year

Adjournment



Board Members: Guido M. Pichini (*Chair*), Senator Richard L. Alloway II, Representative Matthew E. Baker, Jennifer G. Branstetter (designee for Governor Thomas W. Corbett), Marie Conley, Sara J. Dickson, Acting Secretary of Education, Carolyn C. Dumaresq, Laura E. Ellsworth (*Vice Chair*), Christopher H. Franklin, Representative Michael K. Hanna, Ronald G. Henry (*Vice Chair*), Jonathan B. Mack, David M. Maser, Joseph F. McGinn, Robert S. Taylor, Aaron A. Walton, and Senator John T. Yudichak.

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



Academic and Student Affairs Committee Meeting

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

January 22, 2014

Agenda

<u>Item</u>	<u>Page</u>
1. Summary of Academic Program Actions for June 9, 2013 to December 31, 2013 (INFORMATION).....	6
2. Approval of a Bachelor of Science in Nursing (BSN) Degree Program at Clarion University of Pennsylvania (ACTION).....	9
3. Approval of Two Doctor of Nursing Practice (DNP) Degree Programs	16
a. Bloomsburg University of Pennsylvania (Action).....	18
b. Clarion University of Pennsylvania and Edinboro University of Pennsylvania (Joint Degree) (ACTION).....	24



Committee Members: Aaron A. Walton (*Chair*), Representative Matthew E. Baker, Sara J. Dickson, Acting Secretary of Education, Carolyn C. Dumaresq, Guido M. Pichini (*ex officio*) and Michelle Howard-Vital (nonvoting presidential liaison).

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

Academic and Student Affairs Committee Meeting

January 22, 2014

SUBJECT: Summary of Academic Program Actions for June 9, 2013 to December 31, 2013 (INFORMATION)

UNIVERSITIES AFFECTED: All

BACKGROUND: During the period of July 1, 2013 to December 31, 2013 with the approval of the Board of Governors and/or the Office of the Chancellor, PASSHE Universities added one master's program, one doctorate program, one certificate program, one letter of completion and three minors to their curricular offerings. During the same period, ten programs were placed in moratorium and seventeen programs were reorganized.

A complete list of program actions for the academic year follows, including reorganized programs at PASSHE Universities.

Placing a program in moratorium means that students will no longer be admitted during the period of moratorium. Students currently enrolled or admitted will be allowed to complete the program. The University will assess the program's potential and either redesign or suspend the program. Normally the period of moratorium lasts no more than five years.

Discontinued programs should have no students currently enrolled and will be removed from the program inventory.

Reorganized programs reflect curricula and/or credentials that have been significantly revised to meet new market demands.

Supporting Documents Included: Academic Program Actions June 9, 2013 – December 31, 2013

Other Supporting Documents Available: N/A

Reviewed by: Chief Academic Officers, December 20, 2013

Prepared by: James D. Moran

Telephone: (717) 720-4200

**PENNSYLVANIA STATE SYSTEM OF HIGHER EDUCATION
ACADEMIC PROGRAM ACTIONS
June 9, 2013 - December 31, 2013**

NEW PROGRAMS

University	Program Name	Degree	Approved	Delivery Method
East Stroudsburg	Public Health	Minor	December 2013	Face-to-Face
Indiana	Simulation and Technology	Certificate	September 2013	Face-to-Face
Indiana	Elementary and Middle Level Mathematics	Minor	September 2013	Face-to-Face
Indiana	Homeland Security	Minor	December 2013	Face-to-Face
Slippery Rock	Business Administration	MBA	July 2013	Blended/Hybrid
Shippensburg	Advanced Supply Chain and Logistics Management	Letter of Completion	October 2013	Online
West Chester	Nursing	DNP	July 2013	Online

PROGRAMS PLACED IN MORATORIUM

University	Program Name	Degree
Clarion	Chemistry Business	B.S.
Clarion	Athletic Coaching	M.Ed.
Edinboro	Palliative and End of Life Care Certificate Program	Certificate
Edinboro	Applied Computer Technology	Minor
Edinboro	Humanities/English	B.A.
Indiana	Spanish	M.A.
Millersville	Mechanical Technology	Minor
West Chester	Biology	B.A.
West Chester	Public Management	Minor
West Chester	History (Social Studies Certification)	B.A.

Placing a program in moratorium means that students will no longer be admitted during the period of moratorium. Students currently enrolled or admitted will be allowed to complete the program. The University will assess the program's potential and either redesign or suspend the program. Normally the period of moratorium lasts no more than five years.

REORGANIZED PROGRAMS

University	Program Name	Degree	Action
California	Science and Technology Multidisciplinary Studies	B.S.	Reorganized from the previous Science and Technology Flex Degree
Clarion	Human Resource Management	B.S.BA.	Reorganized from previous B.S.BA. Industrial Relations
Edinboro	Physics	B.S.	Reorganized from the previous Bachelor of Arts in Physics
Edinboro	Business Administration-Forensic Accounting and Fraud Examination Focus	B.S.	Reorganized from the previous Bachelor of Science in Business Administration-Forensic Accounting
Edinboro	Communication Studies	Minor	Reorganized from the previous Minor in Speech Communications
Edinboro	Psychology	B.S.	Reorganized from the previous General to Research and Experimental
Edinboro	Physics	B.S.	Reorganized from the previous Bachelor of Arts in Physics
Edinboro	Business Administration-Forensic Accounting and Fraud Examination Focus	B.S.	Reorganized from the previous Bachelor of Science in Business Administration-Forensic Accounting
Edinboro	Principal K-12	Certificate	Reorganized from the previous School Administration K-12
Edinboro	Superintendent's Letter of Eligibility	Certificate	Reorganized from the previous Letter of Eligibility for Superintendent/Assistant Superintendent and Intermediate Unit Executive Director
Edinboro	Supervisor of Special Education	Certificate	Reorganized from the previous School Supervision: Special Education
Indiana	Gifted Education Letter of Completion	Letter of Completion	Reorganized from the previous Gifted Education Certificate of Recognition
Kutztown	School Counseling	M.S.	Reorganized M.Ed. programs from previous Elementary and Secondary School Counseling
Millersville	Advanced Manufacturing Technology	Minor	Reorganized from the previous minor in Manufacturing Technology
Millersville	Control Systems Technology	Minor	Reorganized from the previous minor in Electronics & Control Systems Technology
Millersville	General Applied Engineering and Technology	Minor	Reorganized from the previous minor in General Industrial Technology
West Chester	Women's and Gender Studies	Minor	Reorganized from the previous minor Women's Studies

Reorganized programs reflect curricula and/or credentials that have been significantly revised to meet new market demands.

Academic and Student Affairs Committee Meeting

January 22, 2014

SUBJECT: Approval of a Bachelor of Science in Nursing Degree (BSN) at Clarion University of Pennsylvania (ACTION)

UNIVERSITIES AFFECTED: Clarion University of Pennsylvania

BACKGROUND: Clarion University proposes a Bachelor of Science in Nursing (BSN) degree that is designed to prepare graduates to sit for the registered nurse (RN) licensure exam so they can enter the profession as generalist professional nurses who provide comprehensive direct and indirect nursing care to diverse individuals, families, and communities. Graduates will also be prepared for admission to graduate nursing education programs.

The proposed program will augment Clarion University's existing nursing academic pathways to include: Associate of Science in Nursing degree program; RN to BSN degree completion program; and Master of Science in Nursing degree (in collaboration with Edinboro University) in order to meet the student demand, as well as Commonwealth demand, for professional nurses. Statistics documenting demand for this proposed program can be found in the attached executive summary.

The Pennsylvania State Board of Nursing approved the proposed program unanimously on December 13, 2013, without reservation, pending approval from the Board of Governors of the Pennsylvania State System of Higher Education.

MOTION: That the Board of Governors approve a Bachelor of Science in Nursing degree at Clarion University of Pennsylvania

Supporting Documents Included: Executive Summary of Degree Proposal and Five-Year Budget Projection.

Other Supporting Documents Available: Degree Proposal

Reviewed by: Clarion University's Council of Trustees, November 21, 2013

Prepared by: James D. Moran

Telephone: (717) 720-4200

Executive Summary of New Degree Program Proposal
Bachelor of Science in Nursing
Clarion University of Pennsylvania

January 22, 2014

1) Appropriateness to Mission

Clarion University of Pennsylvania proposes a new Bachelor of Science in Nursing (BSN) degree program that will prepare generalist nurses to deliver comprehensive nursing care, assume leadership roles in health care, and collaborate with other health care professionals.

The proposed program is innovative in its clinical immersion approach to nursing education. Students in the proposed BSN program will participate in nursing courses and be introduced to research and critical thinking beginning in the first semester. Students will participate in high-impact practices such as learning communities, writing-intensive courses, collaborative assignments, undergraduate research, community-based learning, capstone courses and projects throughout the curriculum.

The proposed program aligns with the Pennsylvania State System of Higher Education's (PASSHE) strategic initiatives, including "Transforming the Teaching and Learning Environment" with its curricular focus on high-impact practices. The program supports Clarion University's mission to "provide transformative, lifelong learning opportunities through innovative, nationally recognized programs delivered in inclusive, student-centered environments." Furthermore, the program aligns with Clarion's academic plan goal "to develop innovative curricular programs and classroom experiences that embody high-impact practices."

2) Need

The Bureau of Labor Statistics (2012) reported that jobs related to health care, personal care and social assistance would have the fastest job growth and the registered nurse workforce is the top occupation in terms of job growth nationally through 2020. This report also cites a projected increase in the number of employed registered nurses from 2.74 million in 2010 to 3.45 million in 2020, an increase of more than 26 percent. A report by Aiken et al. (2012) also projected a major shortage of nurses by 2020, supporting the Bureau of Labor Statistics findings. The Robert Wood Johnson Foundation (2010) recommended increasing the numbers of new nurses by 80%. Morris (2011) reported that in 2011 employers and staffing agencies posted 120,000 new jobs for registered nurses, an increase of 46% over data from May 2010. Similarly, the regional Pennsylvania Workforce Information and Analysis Report (2008-2018) indicates that the need for registered nurses will grow by 16.3 percent to 18.8 percent through 2018 while

statewide analyses reveal a pending shortage of 29.9 percent in the supply of needed nurses. Pennsylvania is among the top five states for employment of nurses with 125,220 registered nurses in the workforce in May 2012 and there is a growing gap between the number of nurses needed and the number of nurses projected to be available through the year 2020. According to the Center for Workforce Information and Analysis (2013) the occupational outlook for registered nurses in Clarion County and the surrounding areas is quite high with projected increases in employment between 16.3 percent and 18.8 percent through 2020. The need for increasing the registered nurse workforce continues to grow, a direct result of an aging population together with greater access to health care through the Affordable Health Care Act.

3) Academic Integrity

Clarion University provides an extensive academic career ladder for nursing programs that includes: an Associate of Science in Nursing (ASN); Registered Nurse (RN) to BSN for those with an ASN and RN license; and a Master of Science in Nursing (MSN) in collaboration with Edinboro University of Pennsylvania. The proposed four-year BSN program will enable Clarion to provide opportunities for students to enter nursing programs at various levels and expand their credentials from pre-licensure through terminal degree.

Clarion University's existing nursing programs are nationally accredited by the Accreditation Commission for Education in Nursing (ACEN) and as such will seek same for the proposed BSN program. The proposed program addresses each of the six ACEN standards: mission and administrative capacity; faculty and staff; students; curriculum; resources; and outcomes. The curriculum plan is academically sound and designed to meet the standards for baccalaureate education set forth by the Pennsylvania State Board of Nursing, and the National League for Nursing. Further, the curriculum is in alignment with related Board of Governors' academic policies.

The Pennsylvania State Board of Nursing approved the proposed program unanimously on December 13, 2013, without reservation, pending the PASSHE Board of Governors' approval.

4) Coordination/Cooperation/Partnerships

Clarion University's Department of Nursing has a strong history of collaborating with other PASSHE Universities. Clarion and Edinboro Universities offer a joint MSN program.

Currently, the following five PASSHE Universities offer the four-year BSN program: Bloomsburg, Edinboro, Mansfield, Indiana, and West Chester Universities of Pennsylvania. The demand of qualified applicants exceeds capacity in existing

PASSHE programs and statistics reveal the need for an additional BSN program, especially in western Pennsylvania.

Many health care agencies have provided letters of support for the proposed program in terms of need for graduates as well as indicating an interest in providing clinical experiences for the students in the proposed program.

5) Assessment

A systematic program evaluation plan has been developed following the ACEN guidelines and the Pennsylvania State Board of Nursing regulations. The plan contains the standard, components, and expected level of achievement for each component. Results of the assessment and evaluation data will be used to guide program maintenance and revision.

In addition to the Systematic Plan of Evaluation for ACEN, a Mature Assessment Plan (MAP) for assessment by the Middle States Commission on Higher Education (MSCHE) has been developed. The MAP includes program learning outcomes and a timeline for frequency of assessment. Additionally, methods of assessment, benchmarks for measuring outcomes, and the person(s) responsible for collecting the data are included. Findings will be reviewed and used to inform improvements in decision-making for program outcomes. As this is a new program, each course will be reviewed the semester following completion of the course. Faculty will determine the efficacy of assignments and level of assessment for all program outcomes. ACEN accreditation will be sought upon graduation of the first class. Data collection and review of the findings will be initiated at the beginning of the program and will be a continuous process.

The above assessment and evaluation components and plan will also be in accordance with the Board of Governors' Policy 1986-04-A: *Program Review*.

6) Resource Sufficiency

The BSN program is intended to be located in Ralston Hall on the Clarion Campus of Clarion University. Ralston Hall is located within walking distance of residence halls, residence hall suites, parking lots, Carlson Library, the student center, recreation center, bookstore, science and technology center and other classroom buildings. A five-year budget projection was developed in accordance with Pennsylvania State Board of Nursing and PASSHE guidelines. Year one initial seed funds will be provided by the Office of the Provost. It is estimated that the initial investment from the Provost will be recovered by the third year of program operation. The Division of Student Affairs has pledged a loan to support a skills/simulation lab, classrooms, and faculty/departmental offices that will occur in year two. Clarion University's recent workforce plan identifies the health professions as one of the University's primary opportunities for growth. Clarion is organizing a new School of Health Sciences to promote

continued growth of the university's health professions programs, one of Clarion University's strategic directions in its recently adopted academic plan. The proposed BSN program is a central goal for the new School.

The comprehensive faculty staffing model addresses the ASN, RN-BSN, proposed BSN, MSN, as well as a proposed Doctorate of Nursing Practice (DNP). Additional faculty will be hired over the course of the proposed BSN program with an escalation in hiring beginning in year four due to senior year clinicals. A half-time clerical position will be included for years one and two with plans to transition to full-time in year three of the program.

7) Contributions to Required and University-Specific Performance Indicators

The proposed BSN program will support many of Clarion University's performance indicators and goals of the performance funding program. Performance on these indicators will strengthen Clarion University's success with programs and students, align PASSHE and the University's strategic directions, and prepare the proposed BSN program for initial ACEN accreditation in fall 2018. Student success in the BSN program will be defined by retention of students, graduation rates, and the National Council Licensure Examination (NCLEX) pass rates. After graduation from schools of nursing, students are required to take the NCLEX exam to receive a nursing license which is required.

*Prepared by: Dr. Shelly Moore, Interim Director, School of Nursing and Allied Health, and Professor Angela West, Chair, Department of Nursing
Approved by Council of Trustees: November 21, 2013
Approved by the Pennsylvania State Board of Nursing: December 13, 2013
Implementation date: Fall 2014*

Clarion University Bachelor of Science in Nursing-Budget Narrative

ESTIMATED REVENUES	NARRATIVE/ASSUMPTIONS
ESTIMATED STUDENT IMPACT OF NEW PROGRAM	
Headcount Enrollment	Enrollment presented reflects 30 students in Year 1, 60 new students in Years 2 and 3, and 75 new students Year 4 and ongoing. Assumes only full-time enrollment (30 credits annually) per the design of the curriculum. Headcount reflects 95% in-state and 5% out-of-state consistent with Clarion University's current resident-to-nonresident population. Attrition rates were estimated at 10% per year over three years for each of the cohorts, or approximately 26% for each cohort over four years, consistent with the university baccalaureate degree attrition rate.
ESTIMATED REVENUE	
Tuition Generated	No changes to state-approved tuition rates.
Instructional Support Fee	Reflects Clarion University's rate of 10% of stated tuition.
External Grants & Contracts	None
Other	Year one funding will be provided by the academic incentive funds as well as reserves from the Provost Office. Year two funding will be provided by the Division of Student Affairs
ESTIMATED EXPENSES	
Salaries and Benefits - Faculty	Faculty salaries and benefits were calculated at known or anticipated steps/ranks per the current APSCUF contract through June 30, 2015. The staffing model includes existing as well as new faculty. Escalation beginning in Year 4 is due to senior year clinicals. This faculty staffing model anticipates use of adjunct faculty for a significant number of the clinicals in order to contain personnel costs.
Salaries and Benefits (Staff, Grad Assistant Stipend/ Waiver, Teaching Assistances)	Salary and benefits reflect a 50% AFSCME clerical position (Years 1, 2) moving to full-time (Years 3, 4, 5) at currently approved contractual rates. Last increase under present AFSCME contract is January 1, 2015.
Learning Resources	Audio-Visual, models, books, periodicals, faculty computer systems
Instructional Equipment	Interim skills/simulation lab in year 1. Renovation and installation of permanent skills/simulation lab in year 2. Ongoing expenses in years 3, 4, 5 represent mannequin warranties as well as skills lab supplies.
Impact to additional non-major course sections (e.g., General Education)	Impact to general education will be covered via 20 percent administrative fee already included in template. Additional impact will include additional sections of Anatomy & Physiology, Microbiology and Nutrition courses.
Facilities and/or modifications	Costs in year 1 for initial skills/simulation area and location of faculty. Costs in year 2 for renovation of space in Ralston Hall for skills/simulation lab, classrooms, and faculty/departmental offices.
Administrative Expense	Assumed to be 20% of tuition and instruction support fee revenues
Other	None

**Clarion University Bachelor of Science in Nursing
Five-Year Budget Projection**

Estimated Student Impact of New Program	Year 1 2014-15		Year 2 2015-16		Year 3 2016-17		Year 4 2017-18		Year 5 2018-19	
	Existing	New	Existing	New	Existing	New	Existing	New	Existing	New
Resident Full-Time Headcount Enrollment		28	26	57	74	57	119	71	153	71
Nonresident Full-Time Headcount Enrollment		2	1	3	4	3	6	4	8	4
Resident Part-Time Headcount Enrollment										
Nonresident Part-Time Headcount Enrollment										
Projected Annual Credits Generated	900		2610		4140		6000		7080	
Estimated Revenue										
Tuition Generated	\$205,284		\$589,362		\$937,020		\$1,357,520		\$1,602,536	
Instructional Support Fee	\$19,866		\$57,611		\$91,384		\$132,440		\$156,279	
External Grants and Contracts										
Other		\$209,087		\$1,146,328						
Estimated Total Revenue	\$434,237		\$1,793,301		\$1,028,404		\$1,489,960		\$1,758,815	
Estimated Expenses										
	Year 1 2014-15		Year 2 2015-16		Year 3 2016-17		Year 4 2017-18		Year 5 2018-19	
	Existing	New	Existing	New	Existing	New	Existing	New	Existing	New
Salaries and/or benefits (faculty and staff, grad assistant stipend/waiver)		\$102,403	\$102,951	\$107,152	\$229,942	\$108,208	\$292,100	\$357,010	\$467,071	\$366,983
Salaries and/or benefits (faculty and staff, grad assistant stipend/waiver)		\$28,304	\$28,304		\$28,304	\$28,304	\$56,608		\$56,608	
Learning Resources		\$7,500	\$4,500		\$4,500		\$4,500	\$1,500	\$6,000	
Instructional Equipment		\$141,000		\$801,000	\$20,000	\$2,000	\$30,000	\$3,000	\$40,000	\$4,000
Impact to additional non-major course sections (e.g., General Education)		\$60,000		\$120,000		\$120,000		\$150,000		\$150,000
New Facilities and/or Modifications to existing facilities		\$50,000		\$500,000						
Administrative Expense	\$45,030		\$129,395		\$205,681		\$297,992		\$351,763	
Other										
Estimated Total Expenses	\$434,237		\$1,793,302		\$746,939		\$1,192,710		\$1,442,425	
Estimated Financial Impact of New Program	\$0		\$0		\$281,465		\$297,250		\$316,390	

Academic and Student Affairs Committee Meeting

January 22, 2014

SUBJECT: Approval of Two Doctor of Nursing Practice (DNP) Degree Programs (ACTION)**UNIVERSITIES AFFECTED:** Bloomsburg, Clarion, and Edinboro Universities of Pennsylvania

BACKGROUND: The decline in the availability of physicians, especially in primary care specialties, coupled with the need for improved quality of care and patient safety, translates into a need in the Commonwealth for the availability of advanced practice nurses with doctoral-level skills in practice-based care. Expert clinicians with skills in evidence-based practice, knowledge of complex health care organizations, information technology, and health care policy are needed to provide care in interdisciplinary environments in order to improve health care outcomes for a variety of patient populations. In addition, the critical shortage of clinical nursing faculty translates into a need in the Commonwealth for more doctorally prepared clinical nurse educators.

Shortly after the Higher Education Modernization Act was enacted, which provided opportunities for PASSHE Universities to offer professional doctorates, Nursing faculty and academic leaders from West Chester, Bloomsburg, Clarion and Edinboro Universities and the Office of the Chancellor engaged in collaborative and deliberate discussions that resulted in a plan for the development of three unique and distinct Doctorate of Nursing Practice (DNP) Degree proposals. Each proposal is designed to meet the varying geographic and population needs of the Commonwealth by building upon the diversity and strengths of the existing nursing programs at four PASSHE Universities. This is an example of a strategic program alignment in which PASSHE Universities work together to ensure relevance in programs, reduce costs through collaboration, and align resources to meet the needs of the Commonwealth.

With a commitment to meeting regional Commonwealth needs, the programs are designed to be offered online for working adults. Opportunities are embedded in the programs for students and faculty to meet face-to-face at any PASSHE campus location or through the use of technology. Orientation sessions at the beginning of the program, as well as the presentation of capstone projects, are two such examples.

The three unique and distinct DNP programs include:

- West Chester University—located near the core of a predominantly urban region in the southeastern part of the state with nearly 60 percent of Pennsylvania's Certified Registered Nurse Practitioners (CRNPs), this program is specifically designed for nurses who are already advanced practice nurses. *This program was approved by the Board of Governors at its July 2013 meeting.*
- Bloomsburg University—reaches the north central and northeastern regions of the state and will provide the only aligned pathway from a Certified Registered

Nurse Anesthetist (CRNA) program (offered in partnership with Geisinger Health System) to the DNP. Because of its well-established MSN which provides certification in three different advanced practice roles (Adult Health Clinical Nurse Specialist, Adult/Gerontology and Family Nurse Practitioner, and Nurse Anesthesia), Bloomsburg University is able to provide a direct BSN to advanced practice MSN to DNP pathway.

- Clarion and Edinboro Universities (joint)—builds upon the success of their current joint MSN degree program. Clarion and Edinboro Universities will be well positioned to meet the needs in their combined service areas of rural northwestern and midwestern Pennsylvania by preparing graduates to serve as primary care providers as well as clinical nursing faculty.

MOTION 1: That the Board of Governors approve a Doctorate of Nursing Practice degree from Bloomsburg University of Pennsylvania.

MOTION 2: That the Board of Governors approve a joint Doctorate of Nursing Practice degree from Clarion University of Pennsylvania and Edinboro University of Pennsylvania.

Supporting Documents Included: Executive Summary of Degree Proposal and Five-Year Budget Projection from Bloomsburg University; Executive Summary of Joint Degree Proposal and Five-Year Budget Projection from Clarion and Edinboro Universities

Other Supporting Documents Available: Degree Proposal from Bloomsburg University; Joint Degree Proposal from Clarion and Edinboro Universities; Degree Proposal from West Chester University.

Reviewed by: Bloomsburg University Council of Trustees, January 13, 2014
Clarion University Council of Trustees, November 23, 2013
Edinboro University Council of Trustees, January 2, 2014

Prepared by: James D. Moran

Telephone: (717) 720-4200

**Executive Summary of New Degree Program Proposal
Doctorate of Nursing Practice
Bloomsburg University of Pennsylvania**

January 22, 2014

1) Appropriateness to Mission

Based on a 28-year history of providing access to high quality advanced practice nursing graduate programs and its experience in offering a clinical doctorate of Audiology (Aud.D.), Bloomsburg University of Pennsylvania is proposing a Doctorate of Nursing Practice (DNP) degree that will prepare nurse leaders to apply advanced practice skill at the highest level of clinical practice. Consistent with Bloomsburg's mission and history, the proposed program will assist in meeting the health care needs of the Commonwealth since doctorally prepared nurses will be able to design programs of care delivery that are locally acceptable, economically feasible, and significantly impact health care outcomes. Bloomsburg has developed partnerships with health care agencies throughout northeast Pennsylvania region such as the collaborative relationship with Geisinger Health System.

The proposed DNP program is in accordance with the Pennsylvania State System of Higher Education's (PASSHE) efforts to strategically align academic programs geographically across the Commonwealth to better serve the needs of employers as well as student demand. This strategic alignment includes three unique and distinct DNP programs to be offered by West Chester, Bloomsburg, as well as the collaboration between Clarion and Edinboro Universities of Pennsylvania.

2) Need

Bloomsburg University is the only PASSHE University to offer three of the four advanced practice nursing roles at the Master of Science in Nursing (MSN) level including Nurse Anesthesia. The Council of Accreditation for Nurse Anesthesia Educational Programs has mandated that all students must graduate with a DNP by 2025. In addition, Bloomsburg offers the four-year Bachelor of Science in Nursing (BSN) as well as the RN to BSN option for those who have an earned Associate of Science in Nursing and their registered nursing (RN) license. Bloomsburg will offer multiple pathways for completion in order to meet the needs of the northeastern and central parts of the Commonwealth such as accelerated BSN to DNP; accelerated MSN to DNP; or enter later after earning their MSN.

A recent survey of Bloomsburg alumni as well as a survey of Geisinger Health System advanced practice nurses indicates strong interest in pursuing a DNP especially in the proposed online delivery format.

The American Association of Colleges of Nursing (AACN) member institutions voted to move the current level of preparation necessary for advanced practice nursing from the master's degree to the doctorate by 2015 in order to be in line with the advanced knowledge, skills and practice-based experience of other health care professionals. At present, advanced practice nurses (APRNs) number over 240,000 nationally. However, even with a national capacity of 10,000 annually completing two-year DNP programs, it will take over 20 years for only one-half of APNs to earn their DNP. This does not include students currently enrolled in advanced practice programs who will need to earn the DNP in the future. The decline in availability of physicians, especially in primary care specialties, coupled with the need for improved quality of care and patient safety, translates into a need for the availability of advanced practice nurses with doctoral-level skills in practice-based care. This need will drive increasing demand for doctorally prepared advanced practice nurses. Within the northeast Pennsylvania region there is only one current DNP program; none delivered by a public institution. Surveys of current students, alumni and advanced practice nurses working for Bloomsburg's largest regional employer (Geisinger Health System) indicate strong interest in DNP enrollment. Respondents indicate that cost, online delivery and reputation are the top criteria they will use to select a program. This proposal satisfies all three criteria.

3) Academic Integrity

An external review to ensure academic readiness and institutional capacity for Bloomsburg University to offer the DNP was conducted in April of 2013. The external reviewer, Dr. Andrea Wolf, was chosen because of her successful experience in developing a DNP program at York College (of Pennsylvania) as well as her experience with the associated accreditation review process. Her report states: "The University already has a track record for supporting a successful doctoral program (the Aud.D.). It has supported the mission and goals of the graduate nursing program since its inception in 1983."

This program builds on the existing MSN program at Bloomsburg University that has been offered since 1983 and has grown to include three advance practice roles: Adult Health Clinical Nurse Specialist, Nurse Practitioner and the Nurse Anesthesia option added in 2009. The current MSN program enrolls nearly 150 students. Graduates of the nurse practitioner option have consistently had success on certification exams which provide eligibility for licensure and thus translate into a 100% employment rate. All nurse anesthesia graduates from the first class in May 2012 who sought positions are certified and employed. According to the Commission on Collegiate Nursing Education (CCNE), faculty supporting the DNP program must have a practice component to their role. Six faculty members within the Department of Nursing are nurse practitioners: one faculty member is a certified nurse midwife, two are clinical nurse specialists, one is a certified nurse anesthetist, and all practice within their respective fields.

The 33-credit curriculum and its stated learning outcomes are aligned with *Essentials of Doctoral Education for Advanced Nursing Practice* established by the American Association of Colleges of Nursing (AACN, 2005). The program is also in compliance with related Board of Governors' academic policies.

4) Coordination/Cooperation/Partnerships

The faculty and academic leaders at West Chester and Bloomsburg Universities collaborated during the early stages of both of their DNP proposals. The goal was to meet the Commonwealth demand efficiently by designing programs that meet geographic needs as well as serve different populations. West Chester University designed its program specifically for the professional who is already an advanced practice nurse primarily within a two-hour radius of West Chester University. Bloomsburg University's program is designed to offer the entire degree pathway, from BSN to advanced practice MSN to DNP, with multiple entry points for advancement primarily for the northeastern and central regions of the Commonwealth. The proposed program builds on Bloomsburg's close partnership with Geisinger Health System, with whom a joint Nurse Anesthetist program is offered; nurse anesthetist programs are required to transition to the DNP. In addition, discussions have been held with faculty of the Department of Nursing at Indiana University of Pennsylvania concerning a bridge program between the DNP program at Bloomsburg University and the PhD program at Indiana University.

5) Assessment

This program will maintain the same high standards of the MSN program in preparing advanced practice nurses. The MSN program is accredited by CCNE until 2021, at which time reaccreditation is expected. Any new DNP program must be reviewed and approved by CCNE and this is an anticipated step for the Department of Nursing. The DNP program will follow the *Essentials of Doctoral Education for Advanced Nursing Practice* (AACN, 2005). These essentials have been utilized in the development, and will be used in the implementation and the evaluation, of the program. In addition, the proposed DNP will comply with the Board of Governors' Policy 1986-04-A: *Program Review*.

6) Resource Sufficiency

Because this program is built on an existing advanced practice role MSN program, the basic infrastructure, support staff and clinical affiliations are in place to support the program. Although faculty with expertise are in place, additional faculty will be needed to support the addition of classes and enrollment. The five-year budget projection and narrative clarifies the resource needs. The budget for this program projects net revenue generation within the first year.

7) Contributions to Required and University-Specific Performance Indicators

The proposed DNP program will add to the number of graduate students enrolled at and who are awarded degrees (Required: *Degrees Awarded*) from Bloomsburg University since this degree is in demand as the country moves toward the implementation of the Affordable Care Act and the AACN's changes in the education of advanced practice nurses by 2025. The program will increase diversity among graduate students as demonstrated by the results of minority recruitment efforts for the nurse anesthetist program.

*Prepared by: Dr. Michelle Ficca, Chairperson, Associate Professor of Nursing
Bloomsburg University Council of Trustees special meeting: January 2, 2014
Implementation date: Summer 2015*

Bloomsburg University Doctorate of Nursing Practice Budget Narrative

ESTIMATED STUDENT IMPACT OF NEW PROGRAM	NARRATIVE/ASSUMPTIONS
Headcount Enrollment	Projections based on cohort of 12 students in year 1 and 15 students in subsequent years to include: a single nonresident per cohort; 15 credits in first year and 18 credits in the second year; based on experience with MSN, expect all students will be part time. MSN attrition typically takes the form of reduced course loads for students rather than complete withdrawal. Projections based on one student withdrawing from each cohort which is equivalent to two students dropping from six to three credits per semester.
ESTIMATED REVENUE	
Tuition Generated	The tuition is based on request to charge 115% of the base resident and nonresident rates; the tuition rate recognizes that this is a high demand program but keeps the total program cost competitive within the service area.
Instructional Support Fee	The Bloomsburg University Academic Enhancement fee, approved by the Council of Trustees, for graduate students is \$58.25 per credit regardless of program or residency. This falls within the allowable fees under BOG policy.
External Grants and Contracts	\$15,000 in grant funding (PASSHE Highmark grant) has been awarded to fund the initial learning resources that will support this program.
ESTIMATED EXPENSES	
Salaries and Benefits - Faculty	Year 1: Salary and benefits based on 50% load (3 courses) for a new graduate faculty member plus 3 credits summer salary and benefits. Biostatistics course generates no added cost because it is already delivered annually with enough capacity to accommodate DNP students. Year 2: Includes continuing year 1 costs plus salary and benefits based on 67% load (4 courses) for a new graduate faculty member plus additional 6 credits summer salary and benefits. Salary and benefits for each position based on step similar to recent hires in nursing; contractual steps included for each year of contract. Total includes estimated distance education payments.
Salaries and Benefits (Staff, Grad Assistant Stipend/ Waiver, etc.)	The current staff supporting the MSN program is sufficient to support the DNP program.
Learning Resources	2.5% of annual tuition revenue based on costs for similar programs in the college. Learning resources include items such as simulation equipment, software, specialized subscriptions, research references, databases, etc. The first year amount of \$15,000 is larger than the usual 2.5% due to startup simulation equipment and software funded through a PASSHE Highmark grant.
Instructional Expenses	2.5% of annual tuition revenue based on costs for similar programs in the college. Instructional expenses include supplies, printing, student-related travel, etc. An example of student-related travel expenses includes the health policy experience built into the curriculum where students travel to Washington D.C. to meet with legislators.
Facilities and/or modifications	Because the proposed program is delivered online, we do not anticipate the need for new facilities. A simulation laboratory expansion planned for Summer 2014 to accommodate existing programs will be sufficient to accommodate any additional equipment supporting this program.
Administrative Expense	20% of tuition and instructional support fees.
Other	The faculty professional development funding is for support of new faculty hired for this program similar to support provide other new nursing faculty.

**Bloomsburg University Doctorate of Nursing Practice
Five-Year Budget Projection**

Estimated Student Impact of New Program	Year 1 2015-16		Year 2 2016-17		Year 3 2017-18		Year 4 2018-19		Year 5 2019-20	
	Existing	New	Existing	New	Existing	New	Existing	New	Existing	New
Resident Part-Time Headcount Enrollment		11	10	14	13	14	13	14	13	14
Nonresident Part-Time Headcount Enrollment		1	1	1	1	1	1	1	1	1
Projected Annual Credits Generated	180		423		477		477		477	
Estimated Revenue										
Tuition Generated	\$95,306		\$223,398		\$250,846		\$250,846		\$250,846	
Instructional Support Fee	\$10,485		\$24,640		\$27,785		\$27,785		\$27,785	
External Grants and Contracts	\$15,000									
Estimated Total Revenue	\$120,791		\$248,038		\$278,631		\$278,631		\$278,631	
Estimated Expenses										
Estimated Expenses	Year 1 2015-16		Year 2 2016-17		Year 3 2017-18		Year 4 2018-19		Year 5 2019-20	
	Existing	New	Existing	New	Existing	New	Existing	New	Existing	New
Salaries and benefits - Faculty	\$0	\$56,656	\$56,806	\$79,395	\$136,651	\$0	\$136,651	\$0	\$136,651	\$0
Salaries and/or benefits Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Learning Resources	\$15,000		\$5,585		\$6,271		\$6,271		\$6,271	
Instructional Expenses	\$2,383		\$5,585		\$6,271		\$6,271		\$6,271	
facilities	\$0		\$0		\$0		\$0		\$0	
Administrative Expense	\$21,158		\$49,608		\$55,726		\$55,726		\$55,726	
Professional Development Funding	\$2,000		\$4,000		\$4,000		\$4,000		\$4,000	
Estimated Total Expenses	\$97,197		\$200,978		\$208,919		\$208,919		\$208,919	
Estimated Financial Impact of New Program	\$23,594		\$47,059		\$69,712		\$69,712		\$69,712	

**Executive Summary of New Degree Program Proposal
(Joint) Doctorate of Nursing Practice
Clarion University of Pennsylvania and Edinboro University of Pennsylvania**

January 22, 2014

1. Appropriateness to Mission

The proposed Doctorate of Nursing Practice (DNP) program will be a unique collaborative venture for Clarion and Edinboro Universities of Pennsylvania who already offer a joint Master of Science in Nursing (MSN) degree program. The DNP program will build on the success of the MSN program as a model of both collaboration and the use of distance education technology. The collaboration is consistent with their missions and strategic plans to respond to community needs and add to the intellectual wealth of Pennsylvania. The proposed DNP program is in accordance with the Pennsylvania State System of Higher Education's (PASSHE) efforts to strategically align academic programs geographically across the Commonwealth to better serve the needs of employers as well as student demand. This strategic alignment includes three unique and distinct DNP programs to be offered by West Chester, Bloomsburg, as well as the collaboration between Clarion and Edinboro Universities of Pennsylvania.

2. Need

The DNP degree is especially of value for the Commonwealth due to a critical shortage of primary care providers in rural areas as well as a shortage of clinical nursing faculty. Clarion and Edinboro Universities will be well poised to meet those needs in their combined service areas of rural northwestern and midwestern Pennsylvania.

According to a 2012-2013 report from the Bureau of Labor Statistics, advanced practice registered nurses will continue to be in high demand through 2020 and beyond, particularly in rural areas and other underserved regions. Challenges to rural Pennsylvania include shortages of health professionals, large numbers of Medicare and Medicaid recipients, and "populations who are generally older, sicker, and poorer" (Pennsylvania Rural Health Association, 2005, p. 1). Pennsylvania's more than adequate educational infrastructure to prepare physicians has failed to alleviate the health care shortage in rural areas. According to research conducted in 2006, 64 percent of graduates from the Commonwealth's then eight medical schools left the state. Of those who stayed behind, only four percent provided primary care in rural areas and less than one percent did so in underserved areas (Schwartz, Kanzleiter, George, & Nye, 2008). In contrast, 23 percent of nurse practitioners throughout the United States have historically practiced in rural areas (Hooker & Berlin, 2002).

Of equal concern is the shortage of clinical nursing faculty whose primary responsibility is to teach students in a clinical setting. The American Association of Colleges of Nursing (AACN) in 2012 reported that 2,902 students were turned away from nursing programs in Pennsylvania in 2011 due to too few faculty, clinical preceptors, or other resources. In that same year there were 51 faculty vacancies, a

number that has increased steadily since a low of 26 vacancies in 2007. At an average age of 52, Pennsylvania nursing faculty are also nearing retirement, which will only exacerbate the shortage. The consequences are fewer nurses being prepared to meet the needs of an aging population.

Although several Universities in western Pennsylvania have implemented DNP programs in the last five years, the demand continues to grow and the region remains underserved. A preliminary survey of Clarion and Edinboro MSN graduates was conducted in 2007 and a second survey was conducted in January of 2013. More than a third of all respondents indicated interest in pursuing the joint DNP program as proposed, lending further support for its implementation.

3. Academic Integrity

An external review to ensure academic readiness and institutional capacity for Clarion and Edinboro Universities to offer the DNP was conducted in July 2013; and a more current review in light of recent workforce plans was conducted in November 2013. The external reviewer, Dr. Joyce Knestrick's opinion was sought as she was instrumental in leading a similar online, rural program to become the first clinical doctorate program accredited by the Accreditation Commission for Education in Nursing (ACEN). Dr. Knestrick's report affirms that the proposed DNP program aligns with the stated missions, professional standards, and accreditation requirements. Based on her review, both Universities are also well positioned to meet the administrative and operational demands of the program by building on the success of the jointly offered MSN in Nursing-Family Nurse Practitioner (MSN-FNP) program. Dr. Knestrick's amended report concluded that the program is sustainable, based on the enrollment projections as well as planned faculty/staff complement.

The proposed Clarion and Edinboro Universities' DNP program will be a 34-credit program that offers specialty electives in advanced clinical practice and clinical nursing education. Courses can be taken part-time over six semesters in an online format. Students will be admitted in cohorts of 27 and begin courses in the summer. The flexible, online, part-time structure accommodates employment as an advanced practice nurse while pursuing the DNP. The curriculum is in compliance with PASSHE Board of Governors' academic policies.

The curriculum of the proposed DNP program is informed by the AACN *Essentials of Doctoral Education for Advanced Practice Nursing*, National Organization of Nurse Practitioner Faculties (NONPF) sponsored National Panel's *Practice Doctorate Nurse Practitioner Entry-Level Competencies*, and the National League for Nursing *Core Competencies for Nurse Educators*. Competencies are integrated throughout the program, rather than through individual courses.

Minimum faculty qualifications for all courses are an earned master's degree in nursing and a doctorate in nursing or a related field. For clinically related courses and DNP role courses, minimum faculty credentials are an earned master's degree in nursing, earned doctorate with DNP preferred, and national certification as an advanced practice nurse. A program coordinator, ideally from existing faculty, will be appointed to take on coordination of the DNP program.

4. Coordination/Cooperation/Partnerships

The DNP program is a collaborative program that is designed to be a completion program to the jointly offered Clarion and Edinboro Universities' MSN-FNP degree and an entry level nurse educator program for clinicians who often find themselves in the clinical instructor role with no prior formal instruction. Obligations to the MSN program in terms of existing faculty and resources will continue to be met. Twelve faculty (eight from Edinboro and four from Clarion) are currently teaching in the MSN program and are academically and experientially qualified to teach in the DNP program. Administrative leadership will be assumed by the Director of the School of Nursing and Allied Health at Clarion University, which will initially serve as the administrative site for the joint program. In addition, partnerships with clinical agencies are already in place for internship experiences.

5. Assessment

In addition to course-specific evaluations and extensive use of grading rubrics, an end of program portfolio and capstone project will be used to validate achievement of program objectives and DNP competencies. A systematic evaluation plan will be used for program evaluation and assessment of outcomes following the standards of the Accreditation Commission for Education in Nursing, whose accreditation will be sought. In addition to terminal learning outcomes, ongoing program evaluation will monitor program goals related to practice in rural, underserved, or faculty shortage areas and certification exam pass rates. Further, the proposed joint DNP program will comply with the Board of Governors' Policy 1986-04-A: *Program Review*.

6. Resource Sufficiency

Resources currently in place for the online MSN program will be utilized for the DNP. Additional library resources are anticipated but otherwise will build on holdings already in use across all program levels in Clarion's School of Nursing and Allied Health and Edinboro's Department of Nursing. The five-year budget projection and narrative clarifies the resource sufficiency of the proposed program. A quarter-time secretary and faculty coordinator (33 percent) will support the program as well as one new faculty FTE in year one and one additional faculty FTE in year two of the program.

Revenue does not take into consideration any annual tuition increases; however a premium tuition rate of 130 percent of the normal rate is requested for the chancellor's approval. Conservative assumptions regarding needs for instructional equipment and learning resources are made.

7. Contributions to Required and University-Specific Performance Indicators

The DNP program contributes to increasing the percentage of degree recipients in the health professions, increasing student diversity, and stewardship. Affordable tuition, part-time study, and online delivery allow for rural, economically disadvantaged, and minority students to maintain employment as they advance in

the profession and increase income potential and status currently afforded other health care professionals. Stewardship is assured through shared resources as a collaborative program. In addition, the benefit to employers to hire clinicians with advanced specialty training will be leveraged to explore the development of employer-funded residency training programs.

Prepared by: Debbie Ciesielka, D.Ed., Coordinator, Clarion and Edinboro Universities' Master of Science in Nursing Program.

Approved by: Clarion University Council of Trustees: November 21, 2013

Edinboro Council of Trustees: January 2, 2014

Implementation date: Summer 2014

Clarion and Edinboro Universities' Doctorate of Nursing Practice Budget Narrative

NARRATIVE/ASSUMPTIONS	
ESTIMATED STUDENT IMPACT OF NEW PROGRAM	
Headcount Enrollment	Cohorts begin annually and complete program within two years, including summers. Each 1 st Year class begins with 27 students (18 clinical practice and 9 educator). Attrition from Year 1 to Year 2 is 10% based upon experience with similar Clarion/Edinboro programs. Total credits for 1 st Year are 16; total credits for 2 nd Year are 18; therefore, 1 st Year students are captured as part-time and 2 nd Year students as full-time.
ESTIMATED REVENUE	
Tuition Generated	Tuition rates reflect proposal to price the DNP at 130% of PASSHE Board of Governors' approved graduate tuition.
Instructional Support Fee	Rates reflect 15% of proposed DNP tuition rates. Credit load assumed is the 8 credit load, which calculates a conservative, somewhat understated total for this revenue stream.
External Grants & Contracts	Clarion and Edinboro have each been awarded the \$15,000 Highmark Academic Program Development Grant for a total of \$30,000.
Other	No additional revenue reflected.
ESTIMATED EXPENSES	
Salaries and Benefits - Faculty	Salaries/Benefits for faculty were calculated at known or anticipated steps/ranks per the APSCUF contract through June 30, 2015. One new faculty FTE is planned each for year one and two. A faculty coordinator (33%) is budgeted annually. Estimated distance education payments are included. Anticipates use of adjunct and reassigned faculty.
Salaries and Benefits (Staff, Grad Assistant Stipend/ Waiver, Teaching Assistances, etc.)	Salary and benefits reflect a 25% AFSCME clerical position at currently approved contractual rates. Last increase under present AFSCME contract is January 1, 2015.
Learning Resources	Expenses reflect \$13,000 for Virtual Care Works funded by Highmark Grant in year 1; \$5,000 for software, training, delivery platforms, etc.
Instructional Equipment	Provision for new faculty systems and upgrades to existing systems.
Facilities and/or modifications	This is an online program and requires no new facilities and no modifications to existing facilities.
Administrative Expense	Assumed to be 20% of tuition and instructional fee revenue
Other	External review fee of \$2,000 paid by Highmark Grant; \$5,000 for faculty development

**Clarion and Edinboro Universities' Doctorate of Nursing Practice
Five-Year Budget Projection**

Estimated Student Impact of New Program	Year 1 2014-15		Year 2 2015-16		Year 3 2016-17		Year 4 2017-18		Year 5 2018-19	
	Existing	New	Existing	New	Existing	New	Existing	New	Existing	New
Resident Full-Time Headcount Enrollment			22		22		22		22	
Nonresident Full-Time Headcount Enrollment			2		2		2		2	
Resident Part-Time Headcount Enrollment		25		25		25		25		25
Nonresident Part-Time Headcount Enrollment		2		2		2		2		2
Projected Annual Credits Generated	432		864		864		864		864	
Estimated Revenue										
Tuition Generated	\$248,595		\$497,236		\$497,236		\$497,236		\$497,236	
Instructional Support Fee	\$37,289		\$70,441		\$70,441		\$70,441		\$70,441	
External Grants and Contracts (highmark grant)		\$30,000								
Other										
Estimated Total Revenue	\$315,884		\$567,677		\$567,677		\$567,677		\$567,677	
Estimated Expenses										
	Year 1		Year 2		Year 3		Year 4		Year 5	
	Existing	New	Existing	New	Existing	New	Existing	New	Existing	New
Salaries and benefits - Faculty		\$144,910	\$185,334	\$126,334	\$185,334	\$126,334	\$185,334	\$126,334	\$185,334	\$126,334
Salaries and/or benefits Other (staff, grad assistant stipend/waiver, teaching assistants, etc.)				\$15,147	\$15,147		\$15,147		\$15,147	
Learning Resources		\$18,000	\$5,000		\$5,000		\$5,000		\$5,000	
Instructional Equipment		\$17,500	\$2,500		\$2,500		\$2,500		\$2,500	
New Facilities and/or Modifications to existing facilities - Online-only Program										
Administrative Expense 20%	\$57,177		\$113,535		\$113,535		\$113,535		\$113,535	
Other		\$7,000	\$5,000		\$5,000		\$5,000		\$5,000	
Estimated Total Expenses	\$244,587		\$452,850		\$452,850		\$452,850		\$452,850	
Estimated Financial Impact of New Program	\$71,297		\$114,826		\$114,826		\$114,826		\$114,826	



Audit Committee Meeting

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

Wednesday, January 22, 2014

Agenda

<u>Item</u>	<u>Page</u>
1. Committee Update (INFORMATION).....	31



Committee Members: Joseph F. McGinn (*Chair*), Christopher H. Franklin, Jonathan B. Mack, Senator John T. Yudichak, Guido M. Pichini (*ex officio*), and Karen M. Whitney (nonvoting president liaison).

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

Audit Committee Meeting

January 22, 2014

SUBJECT: Committee Update (INFORMATION)

UNIVERSITIES AFFECTED: All

BACKGROUND: In support of Board of Governors Policy 1991-06-A, *State System Audit Policy*, the Committee is providing a summary of second quarter FY2013/14 activity of the Office of Internal Audit and Risk Assessment (OIARA). The summary defines projects completed, project initiatives underway, and a status of activity received through the PASSHE Incident Reporting System.

Supporting Documents Included: Office of Internal Audit and Risk Assessment FY2013/14 – Second Quarter Project Update

Other Supporting Documents Available: Board of Governors' Policy 1991-06-A: *State System Audit Policy*

Reviewed by: N/A

Prepared by: Dean A. Weber

Telephone: 717-720-4243



**Office of Internal Audit and Risk Assessment
Fiscal Year 2013/14 – Second Quarter Project Update**

Summary

The Office of Internal Audit and Risk Assessment’s (OIARA) Fiscal Year 2013/14 work plan defines thirty-seven projects. Additionally, six engagements ongoing as of June 30, 2013, carried forward providing forty-three initiatives for completion in the current fiscal year.

Work plan and carry-over projects completed and underway represent 53 percent of fiscal year initiatives. Six work plan projects are concluded and 11 have been initiated. Additionally, five of the six carry-over engagements are completed with fieldwork on the sixth engagement currently underway.

Separately, special project requests to the OIARA supplement defined work plan engagements. Through the end of the second quarter, 14 special project requests were received. Of these, 10 are completed and four remain ongoing.

Finally, during the second quarter, the OIARA handled administration of 22 cases through the PASSHE Incident Reporting System, with oversight provided to 52 cases fiscal year-to-date.

Projects Completed Second Quarter FY2013/14

During the quarter, the OIARA issued final reports for six work plan initiatives resulting in 24 recommendations enhancing internal controls. Additionally, six special project requests were completed containing five recommendations. A summary of the work plan initiatives are detailed below.

- Clarion University Information Technology General Control Review – November 18, 2013
- Edinboro University NCAA Agreed-Upon Procedures Review – November 18, 2013
- Kutztown University Information Technology General Control Review – December 10, 2013
- Bloomsburg University Campus Cash Collection Audit – December 16, 2013
- Indiana University Campus Cash Collection Audit – December 16, 2013
- West Chester University Information Technology General Control Review – December 19, 2013

Project Initiatives Underway through Second Quarter FY2013/14

Through the second quarter, work was initiated and continues on the following sixteen projects.

University	Project	Project Status
Bloomsburg	International Education	Fieldwork Underway
Cheyney	Incident Report Follow-up*	Fieldwork Underway
Cheyney	Incident Report Follow-up*	Fieldwork Underway
California	Clery Act Compliance (carry-over project)	Fieldwork Underway

East Stroudsburg	Incident Report Follow-up*	Fieldwork Underway
East Stroudsburg	Clery Act Compliance	Fieldwork Underway
Kutztown	NCAA Agreed-Upon Procedures	Draft Report
Lock Haven	IT General Control Review	Planning
Millersville	Classroom Utilization	Fieldwork Underway
Mansfield	Campus Cash Collection	Planning
Shippensburg	NCAA Agreed-Upon Procedures	Draft Report
Shippensburg	IT General Control Review	Planning
Slippery Rock	Campus Security/Safety	Draft Report
Slippery Rock	Incident Report Follow-up*	Planning
Office of the Chancellor	System-wide Leave Usage	Draft Report
Office of the Chancellor	IT General Control Review	Fieldwork Underway

* Denotes Special Project

PASSHE Incident Reporting System

Through the end of the second quarter FY2013/14, the OIARA handled administration of 52 individual cases through PASSHE's Incident Reporting System. Of these, 37 were presented to a University liaison for review, 13 are being investigated by the OIARA, and one referral each was made to System-level Labor Relations and Academic Affairs personnel. In total, 34 (65 percent) case reports have been closed while 18 (35 percent) remain in process of review.

Other Activities this Quarter

- Hosted a training presentation on the *Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act* at the System-wide meeting of PASSHE's Law Enforcement Directors on October 29, 2013.
- Provided an ethics training presentation as part of a finance personnel retreat at Cheyney University of Pennsylvania on November 12, 2013.



External and Public Relations Committee Meeting

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

Wednesday, January 22, 2014

Agenda

<u>Item</u>	<u>Page</u>
1. Legislative Update (INFORMATION).....	35



Committee Members: Jonathan B. Mack (*Chair*), Marie Conley, David M. Maser, Joseph F. McGinn, Guido M. Pichini (*ex officio*), and Greg R. Weisenstein (nonvoting president liaison).

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

External and Public Relations Committee Meeting

January 22, 2014

SUBJECT: Legislative Update (INFORMATION)

UNIVERSITIES AFFECTED: All

BACKGROUND: The attached legislative update report provides a summary of bills before the Pennsylvania Legislature that are of particular interest to PASSHE and are being tracked by the Office of the Chancellor.

Supporting Documents Included: PASSHE Legislative Update as of January 14, 2014

Other Supporting Documents Available: N/A

Reviewed by: N/A

Prepared by: Karen S. Ball

Telephone: (717) 720-4053



PASSHE Legislative Update
January 14, 2014

Bills in which PASSHE has a specific interest or has been requested to provide testimony or comments:

Bill No.	Sponsor	Bill Summary	Bill Status
Charter School Reform			
SB 1085	Smucker	Amends the Public School Code providing for comprehensive charter school reforms, including provisions for powers of charter schools, for charter school requirements, for powers of board of trustees, for establishment of charter schools, for annual reports and assessments, for causes for nonrenewal or termination and for various other provisions applicable to charter schools. The legislation grants higher education institutions the power to authorize charter schools; provides for a funding formula for charter and regional charter schools and requires compliance with open meetings and the state ethics law, annual independent audits, and provides for increased reporting and disclosure requirements; and addresses with the so-called "pension double-dip" by reducing the state and school district share 50 percent each. The bill also increases the funding for cyber-charter schools by increasing the amount they receive from the school district of residence of regular and special needs students from 90 percent to 95 percent.	1-13-14 On the Senate Calendar. At the request of the Senate Education staff, PASSHE shared the proposal to permit higher education institutions to authorize charter schools with the provosts and education deans for comment.

HB 618	Emrick	Amends the Public School Code in terms and courses of study, further providing for agreements with institutions of higher education; in opportunities for educational excellence, further providing for definitions and for concurrent enrollment agreements; and extensively revising and adding charter school provisions. "Charter schools, regional charter schools and cyber charter schools shall have the power and authority to enter into a concurrent enrollment agreement with an institution of higher education and appropriate credit shall be awarded to students..."	9-25-13 Passed the House 133-62; Referred to Senate Education Committee. House and Senate versions will be subject to negotiations, most likely as part of the budget.
Child Protection			
HB 435	Moul	Amends Title 23 (Domestic Relations), in child protective services, further providing for definitions, for information relating to prospective child-care personnel, for information relating to family day-care home residents and for information relating to other persons having contact with children; and providing for grounds for denying employment or participation in program, activity or service and for certification compliance. The legislation expands and enhances background clearance requirements for those who work with children or volunteer in a role where they supervise children. Provisions include an expansion of the scope of those required to receive background clearances, a requirement that clearances be renewed every 24 months, and a requirement that employees and volunteers to disclose arrests and convictions that would affect their ability to work or volunteer with children. Indicated reports may not be employed as a bar to employment.	6-24-13 Passed the House 197-0; Referred to Senate Public Health and Welfare Committee.
Community Colleges in the Northern Tier			
SB 1000	Scarnati	Amends the Public School Code adding an Article providing for a rural regional community college pilot program for underserved counties.	1-13-14 Set on Senate Calendar
HB 1701	Causar	Amends the Public School Code providing an Article detailing the formation of a Rural Regional Community College Pilot Program for Underserved Counties. The legislation directs the secretary of the Department of Education to work with the Education Consortium of the Upper Allegheny and the secretary's appointed board of trustees to establish a plan within one year. The legislation provides for the powers and duties of the secretary and board of trustees as well as details the requirements of the plan. The details of the formation of any school and student body are provided for. The legislation shall expire June 30, 2023.	12-11-13 Informational meeting held by House Education Committee.

Pensions			
HB 1350	Ross	Amends Titles 24 (Education), 51 (Military Affairs), & 71 (State Government) extensively revising pension provisions for both the State Employee Retirement System and the Public School Employee Retirement System. As described, the legislation: contains no changes to current retiree pensions; keeps current employees and retirees in the same type of retirement plan, a defined benefit plan; respects current employees by protecting retirement benefits already accrued and allowing contribution flexibility to opt out of future benefit recalculations; automatically enrolls new employees in a defined contribution plan, starting in 2015; recalculates future benefits for current employees through capping how much of current employees' future wages and overtime can be used to calculate their pensionable income and fixing the formula to adjust the way that monthly pension benefits are paid out if an employee takes a lump sum payment when leaving employment; and limits the amount by which employer contributions can be increased to provide short-term budgetary relief.	6-19-13 Public hearing held in House State Government Committee.
HB 1352	Kempf	Amends Titles 24 (Education) and 51 (Military Affairs), in preliminary provisions, further providing for definitions and retirement membership. The legislation provides incentives for early retirement and revises the law regarding pensions for school district employees under Public School Employees Retirement System (PSERS), substantially revising the pension system and providing for a defined contribution program. The legislation provides the calculation of salary be based off of a five-year determination and caps the highest earnings at 110 percent of the employee's average salary. The legislation also provides for actuarially neutral recalculations for after a retiree has taken a lump sum withdrawal of earned benefits.	1-13-14 Set on House tabled calendar.
HB 1353	Kampf	Amends Title 51 (Military Affairs) and Title 71 (State Government) in Title 51, in employment preferences and pensions, to provide for leaves of absence without pay and further provide for definitions. Amends Title 71, in retirement for state employees and officers, to make editorial changes and substantially alter and revise the law regarding state pensions providing for a defined contribution program for state employees. The legislation provides the calculation of salary be based off of a five-year determination and caps the highest earnings at 110 percent of the employee's average salary. The legislation also provides for actuarially neutral recalculations for after a retiree has taken a lump sum withdrawal of earned benefits.	1-13-14 Set on House tabled calendar.

SB 2	Browne	Amends Title 71 (State Government) adding a part providing for a unified contribution pension plan for both state and school district employees. According to the legislation's purpose, the system derived is one of "defined contribution authorized by the United States Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. 1 et seq.), permitting the employees to obtain the advantages inherent in the plans relative to the income tax treatment of the contributions and disbursements made under defined contribution plans." The bill extensively provides for definitions and establishes the Public Employees Retirement Fund and provides for an oversight board and its duties and powers. The legislation further provides for the plan's structure, including investment options and employer contribution rates. The bill also provides for vesting, pension forfeiture, duties of state agencies, and reporting requirements relative to the fund. Employees shall be mandatory members of the system. The legislation only applies to new employees and employees entering the system after December 31, 2013.	1-22-13 Introduced and referred to Senate Finance Committee; 2-20-13 Discussed at Treasury Department budget hearing.
SB 922	Brubaker	Amends Titles 24 (Education), 51 (Military Affairs), & 71 (State Government) extensively revising provisions: for PSERS, contributions & benefits; military leave of absence; for SERS, contributions & benefits, & liability.	6-20-13 Referred to Senate Appropriations Committee.
Veterans			
HB 472	Barrar	Amends "An act conferring limited residency status on military personnel, their dependents and civilian personnel assigned to an active duty station in Pennsylvania," to apply "resident" to veterans, their spouses and dependent children, military personnel, their spouses and dependent children and civilian personnel, their spouses and dependent children when applying to a state-related University. A community college shall charge the local sponsor rate to veterans, their spouses and dependent children, military personnel, their spouses and dependent children and civilian personnel, their spouses and dependent children. The legislation provides a list of those included under the definition of "veteran" and further provides for program eligibility.	4-16-13 Passed the House 201-0; Referred to Senate Education Committee.
HB1164	Murt	The Higher Education Course Scheduling Preference for Matriculating Student Veterans Act requires public institutions of higher education to give matriculating student veterans the same scheduling preference as upperclassmen. Schools with existing policies complying with the Act are not required to adopt new policies. Requires each public institution of higher education to provide military veteran students with preference in core scheduling pursuant to guidelines developed by the Department of Education with consultation with public institutions of higher education. Also provides that public institutions of higher education that have a policy of granting core scheduling preference to such students will be considered to be in compliance.	6-3-13 Passed the House 191-0; Referred to Senate Education Committee.

SB 1004	Baker	Act requiring institutions of higher education to designate a single point of contact for veterans where they can receive academic and financial assistance, post their veterans' services and programs on their website, track veterans through the application process and report the number of enrolled veterans to the Pennsylvania Department of Education.	6-24-13 Introduced and referred to Senate Education Committee. PASSHE staff and representatives of the campuses have provided detailed comments in meetings with legislative staff.
Higher Education Issues			
HB 1623	Emrick	Amends the Public School Code further providing for evaluation of applications for certification by adding that a teacher preparation program approved by the Department of Education shall not require a student to obtain a passing score on an assessment administered pursuant to 22 Pa. Code 49.18 (relating to assessment) as a condition of graduation or include the student's score on the assessment as a component of a student's grade in any course, provided that the assessment of professional knowledge and practice may be included as a component of a student's student teaching grade. The legislation allows for a department-approved teacher preparation program to recommend for certification applicants meeting the grade point average requirement.	1-13-14 Set on House Tabled Calendar. Clarion Education Department testified against the legislation at committee hearing.
SB 713	Smucker	The Pennsylvania DREAM Act provides in-state tuition for undocumented individuals who can offer proof of having attended at least two years of high school and meet all Commonwealth residency requirements for financial aid.	5-15-13 Public hearing held in Senate Education Committee. L. Johnson provided testimony for PASSHE.
Child Protective Services			
HB 431	Gingrich	Amends Title 23 (Domestic Relations), in child protective services, stipulating each licensing board with jurisdiction over professional licensees identified as mandated reporters under the chapter shall require all persons applying for a license or certification issued by the licensing board to submit documentation acceptable to the licensing board of the completion of at least three hours of approved child abuse recognition and reporting training. The bill outlines requirements for continuing education, putting continuing education and abuse training on the same two-year cycle as well as requiring such training to be approved by the Department of Public Welfare.	5-06-13 Passed the House 191-0; 01-13-14, set on the Senate calendar.

HB 434	Maloney	Amends Title 23 (Domestic Relations), in child protective services, to provide school employees are subject to the same investigations and held to the same standards as parents, child care workers and other perpetrators of child abuse.	6-20-13 Passed the House 190-0; Referred to Senate Aging and Youth.
HB 436	Stephens	Amends Title 23 (Domestic Relations), in child protective services, expanding and clarifying the list of mandated reporters of child abuse. Also clarifies a mandated reporter's basis to report child abuse and enhances the penalty scheme for those who fail in this obligation. Establishes a summary offense for failure to post information as required.	6-24-13 Passed the House 194-4; 01-13-14, set on the Senate calendar.
SB 31	Fontana	Amends Title 23 (Domestic Relations), in child protective services, further providing extensively for definitions, adding that persons required to report suspected child abuse shall also notify the person in charge of the institution, and providing for reporting procedure by stipulating what information shall be reported. The bill also repeals provisions relating to definitions, school employees, administration, investigation, responsibilities of county agency for child protective services and report information.	10-16-13 Passed the Senate 49-0; Referred to House Children and Youth.
Community Colleges			
HB 1865	Murt	Amends the Public School Code authorizing community colleges to offer baccalaureate degrees under certain conditions pursuant to standards to be established by the State Board of Education.	12-19-13 Introduced and referred to House Education Committee.
SB 360	Mensch	Act establishing the Pennsylvania Community College Affordability Advisory Council within the Department of Education, which shall examine and make recommendations regarding the viability and sustainability of the current community college funding model, accessibility of community college services across this Commonwealth, and the long-term affordability and accessibility of a community college education for residents of this Commonwealth. The advisory council should also consider the various components of the community college mission, including open access and workforce development. The advisory council shall report its findings within 180 days after its first meeting. The bill provides for composition of the advisory council and duties of the department.	7-3-13 Set on the Senate calendar; laid on the table.
Criminal Background Checks			
HB 274	Baker	The College and University Criminal History Background Investigation Act states that an institution of higher education may conduct a criminal history background investigation prior to hiring an individual for a full-time faculty or staff position. The bill also states that when an administrator of an institution of higher education is in receipt of information which is part of a final candidate's criminal history record information file, the administrator may use that information for the purpose of deciding whether to hire the candidate. An institution of higher education may require an individual offered employment as a full-time faculty member or staff member to self-disclose certain criminal history information on a self-disclosure form.	1-23-13 Introduced and referred to House Education Committee.

SB337	Schwank	Amends the Uniform Crime Reporting Act to require crime statistics and security policies and procedures in institutions of higher education to be placed on the institutions publicly available website. Also provides for a new chapter entitled "Pennsylvania Safe Campuses" and requires reporting and programs designed to combat sexual assault and intimate partner violence on college campuses in the commonwealth.	1-30-13 Introduced and referred to Senate Judiciary Committee.
Pensions			
HB 242	Petri	Amends Title 71 (State Government) establishing the State Employees' Optional Retirement Program, requiring the board to establish and administer an optional defined contribution retirement program to be known as the State Employees' Optional Retirement Program under which retirement benefits will be provided for qualified employees who elect to participate in the program in lieu of membership in the system. Outlines various powers and duties of the board to carry out the requirements of the bill. Regular participant contributions shall be made to the program on behalf of each active member for current service in an amount equal to six percent of the participant's compensation. The employer shall cause required participant contributions for current service to be made and deducted from each payroll. The Commonwealth or any other employer of a participant shall make payments to the trust fund on behalf of the participant in an amount equal to six percent of the participant's total compensation. Vesting occurs after one year of state service during which they participate in the program.	4-16-13 Public hearing held in House State Government Committee.
HB 356	Reed	Amends Title 71 (State Government), in retirement for state employees and officers, defining "campus police officer" and adding campus police officers to the definition of "superannuation age."	1-29-13 Introduced and referred to House State Government Committee.
Police Officers			
HB 28	Marsico	Amends Title 42 (Judiciary) to further define "municipal police officer" to include those police officers that must receive Municipal Police Officer Training and Education. The bill creates separate classifications for municipal and non-municipal police officers and departments and outlines when non-municipal police departments and officers may exercise extra-territorial jurisdiction and police authority.	10-2-13 Passed the House 194-0; Referred to Senate Law and Justice.
HCO2002	Gibbons	Expands the territorial limits of the primary jurisdiction for PASSHE campus police officers to include within 500 yards of the grounds of the institution.	6-07-13 Filed
Prevailing Wage Act			
HB 63	Keller	Amends the Pennsylvania Prevailing Wage Act raising the threshold for applicability for public works projects from \$25,000 to \$190,000, adjusted annually on March 1 to conform with increases in CPI.	2-04-13 Introduced and referred to House Labor and Industry Committee.

HB 590	Baker	Amends the Pennsylvania Prevailing Wage Act amending the definition of "public work" by providing the definition shall not apply to work performed on a project by or on behalf of a health care facility as defined in section 103 of the Health Care Facilities Act or work performed on a project by or on behalf of an entity subject to Article IX or X of the Public Welfare Code.	2-08-13 Introduced and referred to House Labor and Industry Committee.
HB 662	Milne	Amends the Pennsylvania Prevailing Wage Act adding that "public work" shall not include work on any historic property as defined under 37 Pa.C.S. 103 (relating to definitions), any property maintained by a qualified historical and archeological society that satisfies the criteria under 37 Pa.C.S. 307 (relating to qualified historical and archeological societies), any property maintained by a historic preservation organization or any property maintained by a land trust that operates under the Keystone Recreation, Park and Conservation Fund Act.	2-11-13 Introduced and referred to House Labor and Industry Committee.
HB 664	Marsico	Amends the Pennsylvania Prevailing Wage Act excluding political subdivisions from the act and authorizing a political subdivision or an authority, agency or instrumentality of a political subdivision to elect, by ordinance or resolution, to place itself within the jurisdiction of this act.	2-12-13 Introduced and referred to House Labor and Industry Committee.
HB 665	Marsico	Amends the Pennsylvania Prevailing Wage Act by adding that "public work" includes combination maintenance/rehabilitation/ reconstruction projects where non-maintenance items exceed fifteen percent of the total project cost; and "maintenance work" includes the following actions taken on roads: (1) replacement in kind, or compliance with current Department of Transportation design criteria and standards, of guide rails, curbs, pipes, line painting and other related road equipment; (2) repair of pavement service by laying bituminous material up to three and a half inches thick or up to 420 pounds per square yard on asphalt pavement, cement concrete or other hard surface, including associated milling, and related work raising existing paved shoulders to new grade; or patching of cement concrete surface to include joint spalling and repair work; (3) widening of existing alignment which does not result in additional lanes or new shoulders; and (4) bridge cleaning, washing, resurfacing with blacktop, minor non-structural repairs or improvements and painting except when combined with complete bridge rehabilitation. Provides anti-retaliation protection for workers, and prohibits dividing projects to circumvent the act.	1-13-14 Set on the House Calendar.
HB 666	Marsico	Amends Pennsylvania Prevailing Wage Act opting school districts out of certain prevailing wage requirements and providing for opt-in referenda. The bill prohibits various kinds of election interference for these referenda.	2-12-13 Introduced and referred to House Labor and Industry Committee.
HB 796	Millard	Amends the Prevailing Wage Act raising the threshold from \$25,000 to \$100,000. Provides anti-retaliation protection for workers, and prohibits dividing projects to circumvent the act.	1-13-14 Set on the House Calendar.
HB 1257	Marsico	Amends the Prevailing Wage Act, requiring that at least 51 percent of a construction, renovation, or repair project be paid for by public monies before it is covered by the act.	4-29-13 Introduced and referred to House Labor and Industry Committee.

HB 1304	Denlinger	Act repealing the Pennsylvania Prevailing Wage Act.	5-01-13 Introduced and referred to House Labor and Industry Committee.
SB 272	Smucker	Amends the Pennsylvania Prevailing Wage Act further defining "public work" by increasing the projected cost threshold from \$25,000 to \$200,000.	1-18-13 S Introduced and referred to Senate Labor and Industry Committee.
Right-to-Know Law			
HB 61	Benninghoff	Amends the Right-to-Know Law stipulating that state-related institutions are included in the term "state-affiliated entity." The bill also provides for reporting requirements.	1-13-14 Set on the House Tabled Calendar.
SB 408	Dinniman	Amends Title 65 (Public Officers), in ethics standards and financial disclosure, adding a state-related institution and its affiliates to the definition of "governmental body"; "governmental body with which a public official or public employee is or has been associated"; "public employee"; and "public official."	6-26-13 Discussed at Senate Democrats' press conference.
SB 410	Dinniman	Amends the act entitled, "An act to reorganize the Board of Trustees of The Pennsylvania State College," reconstituting the Board of Trustees of The Pennsylvania State University with 22 members, to be elected as outlined in the legislation. The President of the University may not be a member of the Board of Trustees. The Board of Trustees may appoint emeriti members provided that any member on the Board of Trustees by virtue of emeritus status shall be wholly honorary without voting rights. A majority of the voting members of the Board of Trustees shall be a quorum required for taking any official action by the Board. No member of the Board of Trustees may serve more than a total of nine years on the board. The officers of the Board of Trustees shall be elected annually, to serve for a period of one year each and shall be a chair, a Vice-Chair, a Secretary, and a Treasurer. The Treasurer shall not be a member of the Board of Trustees, and shall give such bonds for the faithful performance of his duties, and receive such compensation as the Board of Trustees may, from time to time, direct. An Executive Committee of three to seven members shall be formed, whose duty it shall be, under the direction and subject to the approval of the Board of Trustee, to transact such necessary business as may arise in the intervals between regular meetings of the Board of Trustees. The President of the University shall not serve as an officer of the Board of Trustees and shall not serve on the Executive Committee, any standing committee, special committee or subcommittee of the Board of Trustees. The bill also reduces the number of members needed for a quorum and limits board member terms to six years. Amends the act entitled "an act to reorganize the Board of Trustees of PSU," further providing for title and members of the Board; & providing for quorum & lifetime service limitation.	6-26-13 Discussed at Senate Democrats press conference.

SB 444	Pileggi	Amends the Right-to-Know Law to further provide for definitions and fee schedules for commercial requests for right-to-know requests. The bill increases the list of exceptions to include certain volunteer emergency response organizations and provides specific items that may be requested by inmates. The legislation also details what records are public and nonpublic, particularly noting that certain agency information such as bank account and routing numbers and other enumerated banking and employer tax information is nonpublic and certain safety inspection reports are public documents requestable under the law. The bill ensures that campus police departments are treated like local police departments under the law and requires the information to be provided in the format in which it is stored if stored in a specific computer file. The bill would allow agencies to request prepayment of record duplication if the costs would exceed \$50. The legislation also provides for various appeal process and procedures while making editorial changes.	10-21-13 Discussed in Senate State Government - public hearing.
SB 1027	Dinniman	Amends the Right-to-Know Law exempting the home addresses of individuals employed by a school entity from the provisions of the Law.	6-17-13 Introduced and referred to Senate State Government Committee.
Tuition			
HB 1910	Lucas	Amends Public School Code authorizing the Council of Trustees of each State System institution the authority to set tuition levels for nonresident students, provided that the tuition level is at least equal to the tuition level for Pennsylvania residents.	12-11-13 Introduced and referred to House Education Committee.
HB1911	Lucas	The College "Appportunity" Act provides all high schools within the Commonwealth a discount code that will discount the application fee to only \$5 for each application, offered on behalf of the Pennsylvania State System of Higher Education.	12-11-13 Introduced and referred to House Education Committee.
Veterans			
HB 841	Painter	Amends Title 51 (Military Affairs) to require the establishment of a "Combat to College" programs at state education institutions (PASSHE, state-related Universities, and community colleges). Institutions shall provide post-secondary credit to veteran students from their military training, and must designate a coordinator who will be tasked with developing programs and events that create a positive atmosphere for veteran students. Provides other benefits, including waiving of the requirement for veteran students to pay an admissions fee when returning to the state education institution attended prior to mobilization.	3-11-13 Introduced and referred to House Veterans Affairs & Emergency Preparedness Committee.
HB 1460	Gillen	Amends Title 51 (Military Affairs) further providing for educational leave of absence. Provides the member of the military or the member's spouse shall receive an "M" on their grade transcript for all classes they are unable to complete due to military leave of absence.	6-26-13 Passed the House 200-0; Referred to Senate Education Committee.

SB 373	Baker	Amends Title 51 (Military Affairs) further providing for tuition waiver for children and spouses of members of the Pennsylvania National Guard who were killed in action. The National Guard member must have been a bona fide resident of Pennsylvania at any time during the member's service in the National Guard. The amendment of section 3503(a) and (a.1) shall be retroactive to September 11, 2001.	5-07-13 Rereferred to Senate Appropriations Committee.
Other			
HB 34	Harper	The High-Performance, State Buildings Standards Act provides for the creation of high-performance building standards. All building projects or a renovation that is larger than 20,000 gross square feet and at least 90 percent total square feet of a building in facilities owned by a Commonwealth agency shall meet or exceed the prescribed level of achievement under the high-performance building standard outlined in the legislation. The Department of General Services shall promulgate rules and regulations for compliance and shall report annually to the legislature. The bill also provides for cost recovery and application to Commonwealth owned and leased buildings.	2-11-13 Passed the House 163-32; 6-27-13 Set on Senate Calendar and laid on the table.
HB111	Roebuck	Amends the Public School Code further providing for the contents of the master plan that the board is required to adopt every five years. The legislation strikes the eight requirements of the plan and adds the following new requirements: (1) describe the current higher education landscape in Pennsylvania; (2) identify unmet needs and gaps with regard to career fields, geographic and financial access; (3) identify emerging higher education issues and recommend strategies and options designed to address the issues; (4) identify gaps and opportunities for collaboration with basic education, work force development programs, economic development and other related systems; and (5) outline a plan for action by the board to revise or update its higher education regulations.	10-2-13 Passed the House 186-8; Referred to Senate Education Committee.
HB 674	Boyle	Amends the Public School Code to allow undocumented individuals to pay in-state tuition at public institutions of higher education if they meet certain enumerated requirements.	2-12-13 Introduced and referred to House Education Committee.
HB 975	Roebuck	Act appropriating \$4.2 million to the Department of Education for Fiscal Year 2013-2014 to promote activities and services to increase the preparation, enrollment, and success of low-income students in postsecondary education.	3-12-13 Introduced and referred to House Appropriations Committee.

HB 983	Aument	Amends the Public School Code establishing a clearinghouse for online courses to be administered by the Department of Education and which will be made accessible to school entities, including school districts, joint school districts, charter and cyber charter schools, intermediate units, and area vocational-technical schools. Would require each school entity in the Commonwealth to offer its students in grades three through twelve the opportunity to participate in approved online courses from the clearinghouse beginning in the 2015-2016 school year. Establishes parameters for administrative fees, approval periods, and purchasing of online courses; and requires the State Board of Education to promulgate any regulations necessary to implement the program.	5-23-13 Public hearing held in House Education Committee.
HB 1031	Marshall	Act establishing the Pennsylvania Community College Affordability Task Force within the Department of Education, providing for the task force's composition, powers, and duties. The task force shall examine and make recommendations regarding the sustainability of the local sponsorship share and instructional costs of the community colleges within this Commonwealth and the long-term affordability of a community college education for Pennsylvania residents. The bill provides for powers and duties of the Department of Education.	1-13-14 Set on House tabled calendar.
HB 1264	Kavulich	The Notification of College Underage Drinking Act requires a campus officer or employee of an institution of higher education who has knowledge that a dependent student under 21 years of age has purchased, consumed or received liquor or a malt or brewed beverage from a particular licensee to notify the designated office of the institution of higher education within five business days and notify the parent or guardian of the dependent student within ten business days of receiving written notice of the violation. The legislation establishes a civil penalty of up to \$10,000 for institutions that fail to comply with the act; provides a campus officer, an employee of an institution of higher education or an institution of higher education immunity from liability if they acted in good faith to comply with the act.	4-30-13 Introduced and referred to House Liquor Control Committee.

SB 232	Dinniman	Amends Public School Code further providing for Transfer and Articulation Oversight Committee, requiring a report submitted to the department, the Education Committee of the Senate, the Education Committee of the House of Representatives, the Appropriations Committee of the Senate and the Appropriations Committee of the House of Representatives assessing the feasibility of developing uniform standards and methods to grant academic credit for experience, education and training obtained during military service in order to expedite undergraduate degree requirements for veterans and service members. Provides further for contents of the report.	3-20-13 Introduced and referred to Senate Education Committee.
SB 1026	Dinniman	Act appropriating \$4.2 million to the Department of Education for Fiscal Year 2013-2014 to promote activities and services to increase the preparation, enrollment, and success of low-income students in postsecondary education.	6-17-13 Introduced and referred to Senate Education Committee.

White: No action

Blue: Action in one chamber



Finance, Administration, and Facilities Committee Meeting

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

January 22, 2014

Agenda

<u>Item</u>		<u>Page</u>
1.	Pricing Flexibility Pilots (ACTION)	50
2.	Nonresident Tuition Plans (ACTION)	59
3.	Property Acquisition, Indiana University of Pennsylvania (ACTION)	62
4.	Bond Repurchase, Indiana University of Pennsylvania (ACTION)	65
5.	Demolition of Various Buildings, Lock Haven University of Pennsylvania (INFORMATION)	66
6.	Safety of Minors on Campus Work Group (INFORMATION)	70



Committee Members: Ronald G. Henry (Chair), Jennifer G. Branstetter (designee for Governor Thomas W. Corbett), Laura E. Ellsworth, Representative Michael K. Hanna, Robert S. Taylor, Guido M. Pichini (ex officio), and Dr. David L. Soltz (nonvoting president liaison)

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

Finance, Administration, and Facilities Committee Meeting

January 22, 2014

SUBJECT: Pricing Flexibility Pilots (ACTION)

UNIVERSITIES AFFECTED: All

BACKGROUND: PASSHE's founding legislation, *Act 188 of 1982*, and Board of Governors' Policies 1999-02-A: *Tuition*, and 1989-05-A: *Student Fees*, provide the framework in which the Board annually sets tuition and university councils of trustees set university fees.

In August 2012, PASSHE received the results of a commissioned study by Maguire Associates on PASSHE pricing elasticity and brand value. Since that time, discussions about pricing flexibility have been ongoing, most recently during the Council of Presidents' meetings in April and November, and the Board of Governors' meetings in July and October.

Last fall, a funding review task force was established, part of its charge being to pursue pricing flexibility. The task force endorsed the concept of university-specific pilot programs to test a variety of pricing concepts with a view toward future refinement and/or adoption by other System universities. Six universities have submitted a total of nine pilot proposals. The attached document provides an overview of pilots that are recommended for approval. To do so requires Board approval of particular exceptions to existing policy. Principles and conditions applicable to this item generally, and to the pilots noted below in particular, are described in the attached.

MOTION: That the Board of Governors approve the following exceptions to Board of Governors' policies hereinafter noted to allow pricing flexibility pilots, as particularly described in the attached.

- a. Exception to Board of Governors' Policy 1999-02-A: *Tuition*, to allow:
 - California University of Pennsylvania to reduce tuition to active military students.
 - West Chester University of Pennsylvania to reduce tuition by 10% to its PASSHE Center City students.
 - b. Exception to Board of Governors' Policy 1989-05-A: *Student Fees*, to allow the councils of trustees to establish course- or program-specific instructional fees at:
 - Clarion University of Pennsylvania for Nursing, and Communication and Speech Disorders.
 - East Stroudsburg University of Pennsylvania for Nursing.
 - Edinboro University of Pennsylvania for Innovative Nursing.
 - c. Exception to Board of Governors' Policy 1999-02-A: *Tuition*, to allow Edinboro University of Pennsylvania to charge new domestic nonresident undergraduate students tuition that is 105% of the in-state rate.
-

Supporting Documents Included: Pricing Flexibility Pilot Programs

Other Supporting Documents Available: Board of Governors' Policy 1999-02-A: *Tuition*, and 1989-05-A: *Student Fees*

Reviewed by: Office of the Chancellor

Prepared by: James S. Dillon

Telephone: (717) 720-4100

**Pennsylvania State System of Higher Education
Pricing Flexibility Pilot Programs**

For Consideration by the Board of Governors, January 22, 2014

As students provide a larger share of each university's revenue today, pricing flexibility is becoming a more important tool for PASSHE universities to be able to offer a high quality array of educational opportunities to Pennsylvania students at an affordable price and to more appropriately allocate costs of more expensive courses and programs. Currently, Board of Governors' Policy 1999-02-A: *Tuition*, establishes one undergraduate tuition rate for all resident undergraduate students and allows for flexibility in tuition rates for nonresident and graduate students, summer and/or winter sessions, and distance education courses. In addition, Board of Governors' Policy 1989-05-A: *Student Fees*, provides the framework for councils of trustees to establish fees.

Other higher education institutions in Pennsylvania and across the country, both public and private, employ a wide variety of pricing practices. As PASSHE universities operate in a competitive higher education market, options are being considered that would allow PASSHE and its universities to develop more market-driven pricing practices and to assume the financial and operational risks of doing so. As part of the charge for the Funding Review Task Force that is currently reviewing pricing practices and the formula that allocates state appropriations, a process has been developed to allow universities, with Board approval, to test methods of targeting the net costs borne by a student in an effort to promote increased enrollment and/or more closely reflect program costs. Through this process, nine pricing flexibility pilot proposals have been submitted by university presidents, six of which are presented for consideration by the Board of Governors. Other proposals may be brought to the Board for consideration in the future.

While pilot proposals are university-specific, each proposal has been made available for review by other PASSHE universities. As a system, PASSHE recognizes that actions taken by one university can impact students and staff at other System institutions and this process has taken into account comments as to such possible consequences. Additional review will be made over the course of the pilots to assess their impacts on other PASSHE universities.

The following conditions apply:

- Approval by a university's council of trustees.
- Timeframe: Pilots will be conducted within a two-year period.
- Assessment Expectations:
 - Each pilot will specify deliverables by which success can be measured, which include:
 - Enrollment targets.
 - Net revenue targets.
 - Access, to include Pell recipients and underrepresented minority enrollment.
 - Each university will report on its progress toward pilot targets annually.

- An assessment of the pilot's success will occur within the second year, and the process will include a schedule for a determination and implementation of orderly continuance or termination.
- Universities are committed to ensuring access for students of all socioeconomic backgrounds, which is typically measured as maintaining at least the same level of Pell recipients and/or underrepresented minority enrollment in the affected programs. Appropriate need-based financial aid will be made available for students whose new or continued enrollment would be adversely affected by the increase in the cost of attendance created by the initiative.
- If pilots are unsuccessful, existing students receiving reduced tuition rates through the pilot will be grandfathered at the pilot tuition rate until graduation (up to five years or the equivalent of 10 semesters) or withdrawal from the university.

California University of Pennsylvania Tuition Pilot Program

Concept: To offer undergraduate tuition at the Military Tuition Assistance (TA) reimbursement rate (currently \$250 per credit) and graduate tuition at a fixed rate of \$399 per credit to the following individuals enrolled in the Global Online Program: all active duty military*; and dependents and spouses of active duty members. Currently all active duty and eligible dependents and spouses enrolled in the University's Global Online Program are billed at the resident rate, regardless of state residency.

**Army, Navy, Air Force, Marine Corps, Coast Guard, National Guard, and Reserves.*

Justification/Rationale: California University has a longstanding relationship with GoArmy to provide education to military students. In order to remain competitive and increase market share, the University must provide competitive rates that are affordable to this market segment. The current in-state undergraduate tuition per-credit rate of \$276 is higher than the maximum TA reimbursement of \$250 per credit. By adjusting the tuition rate to the TA rate, the University's programs will be more marketable to potential active duty military and their families. Lowering the graduate tuition rate to a fixed rate of \$399, or 90% of the in-state graduate tuition rate, allows the University to have a marketing advantage among competitors who provide graduate on-line programs to military students and their families.

Cost/Benefit Analysis: Approximately 90 students enrolled online at California are classified as either active duty military, or spouse or dependent of an active duty military member. It is projected that California's tuition and fee revenue would decrease by about \$15,000 if this rate were implemented today, based on current enrollment and rates. The University believes the competitive advantage gained at the reduced rate will result in at least a 10% increase in enrollment within this target market, resulting in a 5% net gain in revenue in year two of the pilot.

Timeframe: Summer 2014 through summer 2016.

Assessment Goals:

Enrollment—The University expects to increase overall active duty military-related enrollment by 5% in year one of the pilot program and an additional 5% in year two, for a total of 10% over the two-year pilot.

Access—The University is committed to providing access to all students, especially those with exceptional financial need. Eligible students within this pilot program may qualify for institutional need-based aid. Access will be measured as maintaining at least a similar profile of Pell grant recipients and underrepresented minority students within this pilot program.

Net Tuition Revenue—Net tuition revenue will be slightly reduced for year one; in year two, net tuition revenue is expected to increase by approximately 6% over 2014/15.

Program Viability: If the program is unsuccessful at the end of the pilot period, the University is committed to providing the reduced tuition rate, adjusted for annual tuition increases, to students enrolled in the pilot who continually enroll until completion of their program.

West Chester University of Pennsylvania Tuition Pilot Program

Concept: To offer undergraduate and graduate tuition rates at 90% of the current applicable tuition rate to all West Chester students enrolled at PASSHE Center City. The two-year pilot would apply to students enrolled as degree completion/transfer undergraduate students or as graduate students, and would be program based.

Justification/Rationale: West Chester began offering programs at PASSHE Center City in fall 2013. This concept is designed to attract additional students who live/work in Philadelphia into the following programs at PASSHE Center City: Special Education (MS); Social Work (MSW); Literacy (MS); Graduate Business Certificate; Criminal Justice (BA); Social Work (BSW); and Nursing (RN to BSN). Students taking all their coursework at Center City will not benefit from the full West Chester experience and, therefore, can be served at a reduced cost to the student. Doing so will increase access to underserved populations and increase college completions in Philadelphia.

Cost/Benefit Analysis: The Philadelphia market is very competitive with some private universities pricing aggressively. West Chester's facility costs are fixed as part of the multiyear/multiuniversity commitment to Center City. The pilot is intended to increase enrollment so at least the variable costs of instruction are covered by the tuition revenue generated. On average, undergraduate classes require an enrollment of at least nine students to break even; graduate classes require six students.

Timeframe: Fall 2014 through summer 2016.

Assessment Goals:

Enrollment—By spring 2016, the University expects to increase overall Philadelphia site enrollment to at least fully fund instructional costs.

Access—The University is committed to providing access to all students, especially those students with exceptional financial need. Students enrolled will be eligible for institutional need-based aid as students at West Chester's main campus. Access will be measured as maintaining at least a similar profile of Pell grant recipients and underrepresented minority students within this pilot program.

Net Tuition Revenue—Tuition revenue is expected to exceed instructional costs by spring 2016.

Program Viability: If the program is unsuccessful at the end of the pilot period, the University is committed to providing the reduced tuition rate to students enrolled in the pilot who continually enroll until completion of their program.

Clarion University of Pennsylvania Student Fee Pilot Program

Concept: To allow the Council of Trustees to establish course-specific instructional fees for the high-cost/high-demand undergraduate programs of Nursing and Communication and Speech Disorders (CSD), with the ability to expand to additional high-cost/high-demand undergraduate programs in year two with a supporting cost/benefit analysis.

Justification/Rationale: Undergraduate programs relying heavily on laboratory, clinical, or practicum/internship experiences are more costly than the typical undergraduate programs. These costs are often associated with external accrediting-body restrictions on class enrollment (e.g., nursing and other health-related programs). An across-the-board tuition differential for all high-cost programs is not advised due to the potential negative impact on enrollments and on the expense to take nonspecialty courses. However, two high-cost programs, Nursing and Communication and Speech Disorders (CSD—Speech Pathology) continue to experience high demand; the University believes an increase in tuition within these two areas will not result in a decrease in student demand. Both programs have yield rates (percentage of accepted students who enroll in the program) above the University average: 47% and 55%, respectively.

Cost/Benefit Analysis: The credit-hour production in the most recent year for the two targeted programs was 4,609 for Nursing and 3,237 for CSD; both programs operate at a deficit. As part of a multiyear implementation, a designated course fee will be established at 10% of tuition (currently \$28 per credit) and increased an additional 10% each year until the course is fully funded by the combination of state appropriation, tuition, and fees. Based on current data, this would take approximately three years in Nursing and one to two years in CSD.

Timeframe: Fall 2015 through summer 2017.

Assessment Goals:

Enrollment—Programs will remain fully subscribed.

Access—The University is committed to providing access to all students, especially those with exceptional financial need. Eligible students within this pilot program may qualify for institutional need-based aid. Access will be measured as maintaining at least a similar profile of Pell grant recipients and underrepresented minority students within this pilot program.

Net Revenue—Each program's net tuition and fee revenue will increase annually and align more appropriately with program costs.

Program Viability: If the program is unsuccessful at the end of the pilot period, the University is committed to reducing or eliminating the fee(s). There is no anticipated negative impact to students if the pilot is discontinued.

East Stroudsburg University of Pennsylvania Student Fee Pilot Program

Concept: To allow the Council of Trustees to establish course-specific and/or semester-specific instructional fees for the high-cost/high-demand Bachelor of Science Nursing (BSN) program, with the ability to expand to additional high-cost/high-demand undergraduate programs in year two, such as Speech Language-Pathology and Athletic Training, with a supporting cost/benefit analysis.

Justification/Rationale: This proposal targets the on-campus four-year BSN program for the following reasons: the nursing department operates with a significant deficit; the department is in high demand; and, due to the structure of nursing clinical training, expanding the program enrollment will not result in greater net revenue, since for every additional ten students, a new faculty member is required for clinical courses. A new pricing structure will make the nursing program significantly more sustainable in the future, which will increase the likelihood of retaining the program, and, therefore, respond to the Commonwealth's workforce needs in the area of health care.

Currently, interest in the BSN represents 10% of all of the University's applications and generates the University's highest application yields. With the proposed increase, East Stroudsburg's BSN program remains the most affordable in the region. The average tuition for similar programs among public and private universities in Northeast Pennsylvania is \$29,000. The current proposal would increase tuition and fees to a maximum of \$10,790, or 30% of the region's average tuition.

Cost/Benefit Analysis: With an anticipated annual credit-hour production of 2,175 and existing pricing structure, currently the Nursing department has an annual estimated deficit of approximately \$200,000. Establishing a clinical semester fee or nursing course fee of approximately 25% of tuition will provide for full cost recovery of this program.

Timeframe: Fall 2014 through summer 2016.

Assessment Goals:

Enrollment—The program will remain fully subscribed.

Access—The University is committed to providing access to all students, especially those with exceptional financial need. Eligible students within this pilot program may qualify for institutional need-based aid. Access will be measured as maintaining at least a similar profile of Pell grant recipients and underrepresented minority students within this pilot program.

Net Revenue—The program's net tuition and fee revenue will increase annually and align more appropriately with program costs.

Program Viability: If the program is unsuccessful at the end of the pilot period, the University is committed to reducing or eliminating the fee(s). There is no anticipated negative impact to students if the pilot is discontinued.

Edinboro University of Pennsylvania Student Fee Pilot Program

Concept: To allow the Council of Trustees to establish course- or program-specific instructional fees for the high-cost/high-demand Bachelor of Science Nursing (BSN) in Innovative Nursing program, with the ability to expand to additional high-cost/high-demand undergraduate programs in year two, with a supporting cost/benefit analysis.

Justification/Rationale: The Innovative Nursing program is designed for individuals who already have a baccalaureate degree (in any area). All credits from the first baccalaureate degree are accepted as part of this program. Students, therefore, do not have to complete general education requirements. The three-semester program requires 51 semester hours of nursing coursework for students who begin the program with sufficient training in biology, chemistry, and statistics. The program is an intense version of the nursing courses offered in the regular four-year baccalaureate program, and students have comparable learning experiences in the classroom and the clinical settings. Upon completion of the program, graduates receive a BSN degree. Student interest emanates from those who desire a new career path from that directed by their first degree and from a strong market for qualified nurses. The number of students with bachelor's degrees who apply for this program is nearly three times the number of students admitted.

Cost/Benefit Analysis: Because of the intensity and clinical nature of the required nursing courses, offering this program, like other nursing programs nationwide, is expensive. This expense is not offset by the relatively low cost of the general education coursework that normally accompanies BSN programs. Enrollment is limited to 20 students annually by the availability of clinical sites for all of Edinboro University's nursing programs. The implementation of a program instructional fee set at 25% of the undergraduate tuition rate will provide for full cost recovery of this program.

Timeframe: Fall 2014 through summer 2016.

Assessment Goals:

Enrollment—The program will remain fully subscribed.

Access—The University is committed to providing access to all students. Since this is a post-baccalaureate program, there is no reasonable proxy for measuring the socioeconomic profile of this student group. However, access to a diverse student group will be measured as maintaining a similar profile of underrepresented minority students within this pilot program.

Net Revenue—The program's net tuition and fee revenue will increase annually and align more appropriately with program costs.

Program Viability: If the program is unsuccessful at the end of the pilot period, the University is committed to reducing or eliminating the fee(s). There is no anticipated negative impact to students if the pilot is discontinued.

Edinboro University of Pennsylvania Nonresident Tuition Pilot Program

Concept: To offer newly enrolling out-of-state domestic undergraduates a nonresident tuition that is 105% of PASSHE's in-state rate. This rate would be applicable for students enrolling for the first time in fall 2014, and will be renewable for up to five years.

Justification/Rationale: Edinboro University, located in the northwestern corner of the Commonwealth, is close to both Ohio and New York. With Lake Erie to the immediate north, the pool of potential in-state students is further limited. Given this location, Ohio and New York institutions are direct and aggressive competitors for students in Edinboro's region. Many of these potential students go elsewhere because Edinboro's nonresident tuition is significantly higher than the cost of education in their home states (more than \$4,800 higher than Youngstown State University, the nearest Ohio competitor; and more than \$5,300 higher than SUNY Fredonia, the nearest New York competitor). Edinboro could attract more students in this market if it is able to offer a competitive nonresident tuition rate. The pilot will increase access for nonresident students who often choose to stay and work in Pennsylvania after graduation. It also benefits resident students by adding revenue to enhance academic programs, campus life, and campus services without adding cost or diverting state funding.

Cost/Benefit Analysis: A pricing elasticity analysis indicates that each 1% decrease in price will lead to a 2% increase in enrollment (-2.0 price elasticity). The University conservatively expects a 44% enrollment increase (135 new students), with a 30% decrease in price from 150% to 105% of in-state tuition. Other institutions that have made such a change have had strong success in increasing enrollment. Currently, Edinboro enrolls 711 out-of-state undergraduates from across the country; the fall 2013 new, first-time freshman out-of-state cohort was 171 students. The data show that a decrease in the tuition rate from 150% to 105% should easily result in attracting far more than the additional 71 students needed to break even. An aggressive marketing plan has been developed to support this effort.

Timeframe: Fall 2014 through summer 2016.

Assessment Goals:

Enrollment—An increase of at least 71 domestic nonresident students by fall 2014, and an additional 140 students by fall 2015.

Access—The University is committed to providing access to all Pennsylvania students. Nonresident students will not displace Pennsylvania students.

Capacity—Increases in nonresident enrollment are dependent upon excess capacity, as the tuition level will support marginal costs. The University will measure capacity by the number of sections and average class size in general education core courses.

Net Tuition Revenue—The University's nonresident net tuition revenue will increase annually.

Program Viability: If the program is unsuccessful, the University is committed to providing the reduced tuition rate to students enrolled in the pilot who continually enroll until completion of their program, up to a total of five years.

Finance, Administration, and Facilities Committee Meeting

January 22, 2014

SUBJECT: Nonresident Tuition Plans (ACTION)

UNIVERSITIES AFFECTED: All

BACKGROUND: Board of Governors' Policy 1999-02-A: *Tuition*, allows universities with institutional capacity to develop nonresident tuition plans to create targeted marketing groups of out-of-state undergraduate students who may be charged an alternative nonresident tuition rate. Targeted student groups are based upon geography, academic program, and/or student achievement.

To assist the universities in their marketing efforts and to provide potential students with more accurate information concerning their cost of attending college, it is proposed that the Board of Governors approve nonresident tuition plans for 2014/15, recognizing that the actual rates to be charged will be determined when the Board sets tuition at its July 2014 meeting. The proposed 2014/15 plans are provided for consideration, as attached.

The following changes in practice are reflected in the proposed schedule.

- Edinboro University of Pennsylvania proposes increasing rates for international students. *(Note: If the tuition pilot proposal listed in Item #1 is approved, as recommended, the tuition rate listed in the attachment for domestic nonresident students would not apply to newly enrolled domestic nonresident students.)*
- Indiana University of Pennsylvania proposes increasing the number of states for which an alternative rate is applicable.
- Millersville University of Pennsylvania proposes alternative rates for high-achieving transfer students.

MOTION: That the Board of Governors approve the attached undergraduate nonresident tuition plans for 2014/15.

Supporting Documents Included: Proposed 2014/15 Undergraduate Nonresident Tuition Plans (changes in bold)

Other Supporting Documents Available: Board of Governors' Policy 1999-02-A: *Tuition*

Reviewed by: Office of the Chancellor

Prepared by: James S. Dillon

Telephone: (717) 720-4100

Pennsylvania State System of Higher Education
2014/15 Undergraduate Nonresident Tuition Plans
For Consideration by the Board of Governors, January 22, 2014

Bloomsburg University	Continue to charge 250% of the resident rate to all nonresident students.
California University	Continue to charge 150% of the resident rate to domestic nonresidents from all states. Continue to charge 195% of the resident rate to all international students.
Cheyney University	Continue to charge 165% of the resident rate to all nonresident students.
Clarion University	Continue to charge 150% of the resident rate to all nonresident students.
East Stroudsburg University	Continue to charge 150% of the resident rate to domestic nonresident students with a high school GPA of at least 3.2 and a combined Math and Critical Reading score on the SAT of at least 1,100 or a score of at least 24 on the ACT, or transferring with a minimum of 30 transferable credits and a cumulative GPA of at least 3.2 from higher education institutions attended. A minimum cumulative GPA must be maintained, and a minimum of 24 credits must be successfully completed each academic year. Continue to charge 175% of the resident rate to international students in cohort programs from Global Partner Universities. Continue to charge 250% of the resident rate to all other nonresident students.
Edinboro University	Continue to charge 150% of the resident rate to all domestic nonresident students and international students. Charge 170% of the resident rate to all new international students. <i>(Note: If the tuition pilot proposal listed in Item #1 is approved, as recommended, the rate listed above for domestic nonresident students would not apply to newly enrolled domestic nonresident students.)</i>
Indiana University	Charge 170% of the resident rate to all first-time freshmen and transfer students from Maryland and New York , and continue to charge 170% of the resident rate to all first-time freshmen and transfer students from Indiana, Michigan, New Jersey, Ohio, Virginia, and West Virginia; and any out-of-state student with a high school cumulative GPA of at least 3.0 out of 4.0 or any transfer student with a GPA of at least 3.0 out of 4.0. Current undergraduate students will be charged the rate in place when they entered. Continue to charge 250% of the resident rate to all other domestic nonresidents. Continue to charge 170% of the resident rate to international students admitted fall 2013 or later, who are entering under the terms of an established academic agreement. Charge 135% of the resident rate (and increase 5% per year until 150% of the resident rate is reached) to all students in the Southwestern University of Finance and Economics (China) partnership. Continue to charge 250% of the resident rate to all other international students.
Kutztown University	Continue to charge 150% of the resident rate to domestic nonresident students with a high school GPA of at least 3.25 out of 4.0 and an SAT score of at least 1,100. Continue to charge 200% of the resident rate to domestic nonresident students with a high school GPA of at least 3.0 out of 4.0 and an SAT score of at least 1,000, or transferring with a minimum of 48 credits and a cumulative GPA of 3.0 out of 4.0 from higher education institutions attended. A minimum cumulative GPA must be maintained, and a minimum of 24 credits must be successfully completed each academic year. The reduced rate remains in effect for four years for first-time freshmen or is prorated for transfer students based on the number of transferable credits (but not longer than three years). Continue to charge 250% of the resident rate to all other nonresident students and to all nonresident students during summer and winter sessions.

Lock Haven University	Continue to charge 200% of the resident rate to domestic nonresident students with a high school GPA of at least 3.25 out of 4.0. Continue to charge \$2,000 less than the maximum rate of 250% to all other domestic nonresident students. Continue to charge 250% of the resident rate to all international students.
Mansfield University	Continue to charge 165% of the resident rate to all New York and New Jersey residents. Continue to charge 250% of the resident rate to all other nonresident students.
Millersville University	Continue to charge 200% of the resident rate to domestic nonresident students entering the University within a STEM major (Science, Math, Nursing, Computer Science, Applied Engineering, and BSE programs in those areas) and a combined Math and Critical Reading score on the SAT of at least 1,000 or a score of at least 21 on the ACT. Students will be required to maintain good academic standing and maintain enrollment in a STEM program. The reduced rate remains in effect for eight semesters. Charge 200% of the resident rate to all nonresident incoming transfer students with at least 12 transferrable credits. Students must enter the University with a 3.5 overall GPA from their most recently attended institution. Students must maintain good academic standing. The reduced rate remains in effect for six semesters (prorated for the first semester for students who transfer in the spring semester). Continue to charge 175% of the resident rate to domestic nonresident students with a combined Math and Critical Reading score of at least 1,200 on the SAT or a score of at least 26 on the ACT, or who achieve a 3.85 GPA or are in the top 10% of their high school class with a combined score of Math and Critical Reading of at least 1,000 on the SAT or a score of at least 21 on the ACT. Students must maintain good academic standing. The reduced rate remains in effect for eight semesters. Continue to charge 250% of the resident rate to all other nonresident students.
Shippensburg University	Continue to charge 150% of the resident rate to transfer students from five neighboring Maryland community colleges with dual admission agreements. Continue to charge 175% of the resident rate to high performing students who earn a 1,200 SAT or better, or graduate in the top 10% of their class (renewal is based upon performance); and to students who select a STEM or STEM Education major, as long as they stay in the selected major. Continue to charge 225% of the resident rate to all other nonresident students.
Slippery Rock University	Continue to charge 150% of the resident rate to nonresident freshmen with a high school GPA of at least 3.0 out of 4.0, or transferring with a cumulative GPA of 3.0 out of 4.0 on all postsecondary coursework, or returning nonresidents with a GPA of at least 2.5 out of 4.0. Continue to charge 200% of the resident rate to all other nonresident students.
West Chester University	Continue to charge 250% of the resident rate to all nonresident students.
Chincoteague Bay Field Station (formerly Marine Science Consortium)	Continue to charge 150% of the resident rate to all Delaware, Maryland, and Virginia residents. Continue to charge 250% of the resident rate to all other nonresident students or the applicable tuition rate that the student is assessed by his/her PASSHE university.

Note: Bold text designates changes from 2013/14 Nonresident Tuition Plans.

Finance, Administration, and Facilities Committee Meeting

January 22, 2014

SUBJECT: Property Acquisition, Indiana University of Pennsylvania (ACTION)

UNIVERSITIES AFFECTED: Indiana University of Pennsylvania

BACKGROUND: Indiana University of Pennsylvania requests approval to acquire 3.5 acres of land known as 675 South 13th Street, Indiana, Pennsylvania. The property includes two irregularly shaped parcels that are completely surrounded by University property. Improvements on the site included two single-story concrete block structures constructed in 1961 totaling about 13,000 square feet. The University identified this property for acquisition in its Long Range Campus Facilities Master Plan adopted in 2011. It intends to demolish the buildings on the site and use the property for future parking, multimodal transportation improvements, and green space.

The location was previously used as a machine shop and is near University property that was previously a salvage yard. Considering the use and location, a Phase 1 Environmental Assessment and Limited Subsurface Investigation were completed. The investigation indicated arsenic levels in the soil above residential standards, but below nonresidential standards. It also revealed that the groundwater contains concentrations of antimony and manganese above residential and nonresidential standards, and iron above Secondary Contaminant Levels. Since the University does not intend to use the property for residential purposes or to use the groundwater, any human health risk is low.

The estimated cost of the land is \$530,000, which is consistent with the appraised value.

MOTION: That the Board of Governors approve Indiana University of Pennsylvania's acquisition of 3.5 acres of land known as 675 South 13th Street, Indiana, Pennsylvania.

Supporting Documents Included: Property Map and Photo**Other Supporting Documents Available:** Real Property Acquisition Planning Data**Reviewed by:** Indiana University's Council of Trustees, May 16, 2013**Prepared by:** James S. Dillon**Telephone:** (717) 720-4100



CAMPUS MAP

AS OF JUNE 30, 2011

CAMPUS GUIDE

- Roadways and Parking
- Walkways
- One-Way Streets
- Emergency Blue Light Telephones—provide a direct connection to University Police



Indiana University of Pennsylvania



675 South 13th Street, Indiana, Pennsylvania

Finance, Administration, and Facilities Committee Meeting

January 22, 2014

SUBJECT: Bond Repurchase, Indiana University of Pennsylvania (ACTION)

UNIVERSITIES AFFECTED: Indiana University of Pennsylvania

BACKGROUND: In fall 2013, Indiana University of Pennsylvania (IUP) requested an analysis of the feasibility of paying back or buying back the bonds issued on their behalf in 2010 for the Kovalchick Convention and Athletic Complex (KCAC). PASSHE, along with RBC Capital Markets, the financial advisor to the System, completed an analysis based on various scenarios.

Excerpts from RBC Capital Markets' report are attached. The analysis concluded that IUP would likely be able to afford this opportunity, which could result in estimated interest expense savings of \$18.2 million. It would also remove the annual debt service payment of \$2.24 million from the University's operating budget. IUP's Council of Trustees has endorsed and approved the concept. Upon Board of Governors approval, PASSHE anticipates completing this transaction by June 30, 2014.

MOTION: That the Board of Governors, at the request of the President, authorize the Vice Chancellor for Administration and Finance, in consultation with the Chair of the Finance, Administration, and Facilities Committee, to execute the transaction to pay off the debt associated with Indiana University of Pennsylvania's Kovalchick Convention and Athletic Complex, as described in the attached.

Supporting Documents Included: Excerpts from *Redemption Analysis of the Pennsylvania Higher Educational Facilities Authority Revenue Bonds (State System of Higher Education) Series AL*, RBC Capital Markets (**attached separately**)

Other Supporting Documents Available: RBC Capital Markets' full report

Reviewed by: N/A

Prepared by: James S. Dillon

Telephone: (717) 720-4100

Finance, Administration, and Facilities Committee Meeting

January 22, 2014

SUBJECT: Demolition of Various Buildings, Lock Haven University of Pennsylvania (INFORMATION)

UNIVERSITIES AFFECTED: Lock Haven University of Pennsylvania

BACKGROUND: Lock Haven University intends to demolish Gross Residence Hall, Russell Hall, and the Courthouse Annex buildings. These buildings are in poor condition, would require substantial investment to continue operation, and exceed the facilities space requirements for the University.

Gross Residence Hall is a 51,000-square-foot, five-story, traditional residence hall constructed in 1973. It is a basic flat-roofed, concrete-and-brick, box-shaped structure with central restroom and shower facilities, typical of institutional dormitories constructed during that time period. The building has exceeded its useful life, is programmatically obsolete, is not economical to renovate or operate, and is currently vacant.

Russell Hall is a 54,000-square-foot, three-story building originally constructed as a residence hall in 1953. Although architecturally more appealing than Gross Hall, it is also configured as a traditional dormitory, is programmatically obsolete, and is not economical to renovate or operate. Currently, the first floor is used for office space, and the remainder of the building is vacant. The operations currently in the building will soon be relocated to Ulmer Hall.

The Courthouse Annex is a 24,000-square-foot, three-story brick building constructed in 1916, with a large addition completed in 1949. The building originally served as a residence for nurses working at the Lock Haven Hospital and is currently used as office space. The operations currently in the building will soon be relocated to a variety of other locations on campus.

This plan is consistent with the University's master plan last updated in 2008. Demolition of these buildings will require approval from the Department of General Services and the Pennsylvania Historical and Museum Commission.

Supporting Documents Included: Campus Map and Photos

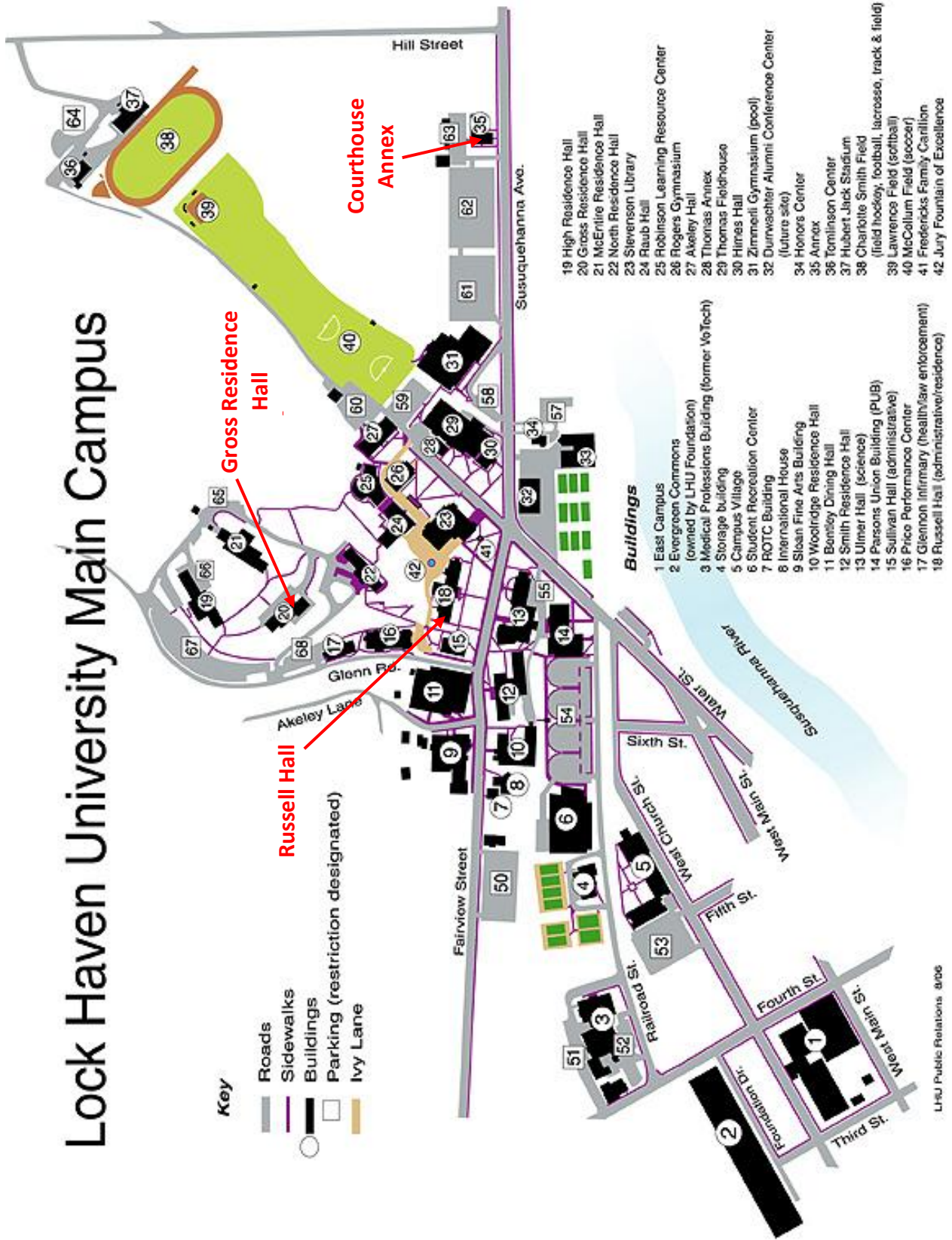
Other Supporting Documents Available: Project Planning Documentation

Reviewed by: Lock Haven University's Council of Trustees, September 12, 2013

Prepared by: James S. Dillon

Telephone: (717) 720-4100

Lock Haven University Main Campus



Lock Haven University of Pennsylvania



Gross Residence Hall



**Russell Hall
Lock Haven University of Pennsylvania**



Courthouse Annex

Finance, Administration, and Facilities Committee Meeting

January 22, 2014

SUBJECT: Safety of Minors on Campus Work Group (INFORMATION)

UNIVERSITIES AFFECTED: All

BACKGROUND: A work group has been established to examine situations in which minors visit PASSHE university campuses and to evaluate the policies and procedures associated with those activities to ensure a safe environment. A copy of the charge for the Safety of Minors on Campus Work Group is attached.

The work group has been focused on data collection including:

- Inventory of activities resulting in minors visiting university campuses.
- Existing policies and practices at PASSHE universities.
- Policies and practices from other systems and universities.
- Current and recently amended Commonwealth legal requirements.

It is anticipated that this information, along with any available best practices, will allow the work group to provide recommendations on policies and procedures related to the safety of minors on university campuses.

Supporting Documents Included: Safety of Minors on Campus Work Group Charge

Other Supporting Documents Available: N/A

Reviewed by: N/A

Prepared by: James S. Dillon

Telephone: (717) 720-4100

Pennsylvania State System of Higher Education
Safety of Minors on Campus Work Group
November 15, 2013

1. Purpose

Safety of faculty, staff, students, and visitors is a high priority for the Pennsylvania State System of Higher Education (PASSHE), especially for minors visiting or participating in activities at PASSHE universities. The purpose of this work group is to examine situations in which minors visit university campuses and to evaluate policies and procedures associated with those activities to ensure a safe environment.

2. Objectives

- Identify activities that result in minors visiting PASSHE universities.
- Review PASSHE's existing policies and practices and those of other systems, institutions of higher education, and similar entities.
- Review current legal requirements related to interactions with minors and background check requirements for adults interacting with students.
- Review analysis of related findings and recommendations made by the Auditor General during recent university performance audits, The Pennsylvania State University Freeh Report, and similar reports that might provide applicable recommendations.
- Identify best practices and recommendations for changes to PASSHE's policies and practices.

3. Powers and Duties

The work group is advisory to the Board of Governors through the chancellor. Work group members will also assist in communications about this project with the Council of Presidents, their respective university leadership, and functional colleagues within PASSHE.

4. Composition

- Project Lead, Vice Chancellor for Administration and Finance (*James Dillon*)
- Project Lead, Chief Counsel (*Andrew Lehman, Acting*)
- University vice president with a camps and conferences oversight role (*Dr. Leslie Folmer-Clinton, Shippensburg*)
- Two fiscal and administrative vice presidents (*Gerald Silberman, Kutztown; Mark Mixner, West Chester*)
- University human resources representative (*Sharon Picus, Kutztown*)
- University administration and finance staff representative (*Susanna Sink, Indiana*)
- University police chief (*Peter Anders, Millersville*)
- Office of the Chancellor staff (*Steven Dupes, Jill Fluck*)

5. Timeline (*updated January 7, 2014*)

November 2013—Universities surveyed regarding engagements that result in minors visiting campuses and policies and procedures currently in use.

January 2014—Work group's preliminary work reviewed with Council of Presidents.

March 2014—Work group's preliminary recommendations presented to Council of Presidents.



Human Resources Committee Meeting

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

Wednesday, January 22, 2104

Agenda

<u>Item</u>	<u>Page</u>
1. Committee Update (INFORMATION)	73



Committee Members: Marie Conley (*Chair*), Senator Richard L. Alloway II, Jennifer G. Branstetter (designee for Governor Thomas W. Corbett), Ronald G. Henry, Aaron A. Walton, Guido M. Pichini (*ex officio*), and F. Javier Cevallos (nonvoting president liaison).

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

Human Resources Committee Meeting

January 22, 2014

SUBJECT: Committee Update (INFORMATION)

UNIVERSITIES AFFECTED: All

BACKGROUND: A report of committee work will be provided at the Board meeting.

Supporting Documents Included: N/A

Other Supporting Documents Available: N/A

Reviewed by: N/A

Prepared by: Peter H. Garland

Telephone: (717) 720-4010



Executive Committee Meeting

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

Wednesday, January 22, 2014

Agenda

<u>Item</u>	<u>Page</u>
1. PASSHE Strategic Plan (ACTION)	75



Committee Members: Guido M. Pichini (*Chair*), Marie Conley, Laura E. Ellsworth, Ronald G. Henry, Jonathan B. Mack, Joseph F. McGinn, and Aaron A. Walton

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

Executive Committee

January 22, 2014

SUBJECT: PASSHE Strategic Plan (ACTION)

UNIVERSITIES AFFECTED: ALL

BACKGROUND: PASSHE began its latest strategic planning effort nearly two years ago through the creation of a strategic planning advisory committee comprised of members of the Board of Governors, presidents, trustees, faculty, and students. Considerable time was spent in understanding the various dimensions of PASSHE's planning environment (demographic, financial, political, and other contextual factors) as well as the plan's potential to serve Pennsylvania and its students, families, communities and employers in new ways. Drafts of the plan, goals, and recommendations were reviewed and revised over time.

In the summer of 2013, it was decided that the new chancellor should have the opportunity to review the work to date and incorporate additional revisions in the final draft. As such, Board review and action was delayed from October 2013 to January 2014.

This latest draft of PASSHE's strategic plan, as provided separately, incorporates the discussions of the Strategic Planning Advisory Committee, its working groups, presidents and other University leaders, and Board members as well as the issues and goals identified in previous drafts. Four broad goals are defined in the document with proposed strategies and expected outcomes.

MOTION: That the Board of Governors approve PASSHE's strategic plan draft, *Rising to the Challenge*.

Supporting Documents Included: Draft PASSHE Strategic Plan, *Rising to the Challenge* (attached separately)

Other Supporting Documents Available: N/A

Reviewed by: Council of Presidents, December 18, 2013

Prepared by: Peter H. Garland

Telephone: 717-720-4010



Board of Governors Quarterly Meeting

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

Thursday, January 23, 2014
9:00 a.m.

Agenda

Call to Order and Roll Call of Board Members

Pledge of Allegiance

Approval of the Minutes of the October 16, 2013 and October 17, 2013 meetings.

Public Comments

Remarks of the Chair Guido M. Pichini

Report of the Chancellor Frank T. Brogan

Committee Reports with Related Actions

- A. Academic and Student Affairs** Aaron A. Walton
1. Summary of Academic Program Actions for June 9, 2013 to December 31, 2013
 2. Approval of a Bachelor of Science in Nursing (BSN) Degree Program at Clarion University of Pennsylvania
 3. Approval of Two Doctor of Nursing Practice (DNP) Degree Programs
 - a. Bloomsburg University of Pennsylvania
 - b. Clarion University of Pennsylvania and Edinboro University of Pennsylvania (Joint Degree)

- B. Audit**..... Joseph F. McGinn
 - 1. Committee Update
- C. External and Public Relations** Jonathan B. Mack
 - 1. Legislative Update
- D. Finance, Administration, and Facilities**.....Ronald G. Henry
 - 1. Pricing Flexibility Pilots
 - 2. Nonresident Tuition Plans
 - 3. Property Acquisition, Indiana University of Pennsylvania
 - 4. Bond Repurchase, Indiana University of Pennsylvania
 - 5. Demolition of Various Buildings, Lock Haven University of Pennsylvania
 - 6. Safety of Minors on Campus Work Group
- E. Human Resources**Marie Conley
 - 1. Committee Update
- F. Executive**Chairman Guido M. Pichini
 - 1. PASSHE Strategic Plan
- Other Business**Chairman Guido M. Pichini

Announcements

Adjournment



Board Members: Guido M. Pichini (*Chair*), Senator Richard L. Alloway II, Representative Matthew E. Baker, Jennifer G. Branstetter (designee for Governor Thomas W. Corbett), Marie Conley, Sara J. Dickson, Acting Secretary of Education, Carolyn C. Dumaresq, Laura E. Ellsworth (*Vice Chair*), Christopher H. Franklin, Representative Michael K. Hanna, Ronald G. Henry (*Vice Chair*), Jonathan B. Mack, David M. Maser, Joseph F. McGinn, Robert S. Taylor, Aaron A. Walton, and Senator John T. Yudichak.

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



November 18, 2013

Joel M. Snavely
Director of Treasury
Pennsylvania State System of Higher Education
Dixon University Center
2986 North 2nd Street
Harrisburg, PA 17110

Re: Redemption Analysis of the
Pennsylvania Higher Educational Facilities Authority
Revenue Bonds (State System of Higher Education) Series AL

Dear Joel:

In response to your inquiry regarding the potential prepayment by the Indiana University of Pennsylvania ("IUP") of a loan (the "IUP Loan") made to IUP by the Pennsylvania State System of Higher Education ("PASSHE") from proceeds of the Pennsylvania Higher Educational Facilities Authority Revenue Bonds (State System of Higher Education) Series AL (the "Outstanding Bonds"), RBC Capital Markets, LLC ("RBCCM") has prepared this Redemption Analysis examining the potential cost of defeasing and/or redeeming that portion of the Outstanding Bonds relating to the IUP Loan (the "Bonds to be Redeemed").

In this analysis, we have alternatively examined: (1) defeasing the Bonds to be Redeemed by funding an escrow with (a) State and Local Government Series securities ("SLGS") or (b) open market securities, the interest and maturing principal of which would be sufficient (i) to pay the scheduled principal and interest on the Bonds to be Redeemed until their first optional call date and (ii) to redeem the remaining principal of the Bonds to be Redeemed on the first optional call date; (2) purchasing the Bonds to be Redeemed from the existing bondholders at prevailing market prices; and (3) purchasing as many of the Bonds to be Redeemed as are available at cost effective prices and defeasing the remaining portion (as described in Scenario 1 above).

In considering the various alternatives presented in this analysis, you will see that Scenario 1, defeasing the Bonds to be Redeemed either through SLGS or open market securities, offers a fairly straightforward approach, the cost of which is subject only to changing market conditions and the availability of SLGS at the time the escrow is purchased. Alternatively, Scenario 2 can be more cost effective if the existing bondholders are willing to sell their bonds at current market prices. However, it may be impractical to expect all of the existing bondholders of the Bonds to be Redeemed to sell their bonds or that the price at which they would be willing to sell would be cost effective. As such, Scenario 3 is a sensitivity analysis estimating the cost to redeem the Bonds to be Redeemed assuming 50% are purchased at current market prices and 50% are defeased with open market securities.

The following is a summary of the estimated costs associated with each of the scenarios:

Bonds to be Redeemed	IUP Loan Portion of Series AL
Par Amount Outstanding	\$29,410,000
1st Optional Call Date	June 15, 2020
Optional Redemption Price	100%

	<u>Scenario 1a</u>	<u>Scenario 1b</u>	<u>Scenario 2</u>	<u>Scenario 3</u>
Cost of Purchased Bonds	N/A	N/A	\$31,954,031	\$17,384,238
Cost of Defeasance Escrow	\$35,056,211	\$34,768,958	N/A	15,977,438
Execution Costs	<u>N/A</u>	<u>N/A</u>	<u>110,287</u>	<u>55,144</u>
Total Estimated	\$35,056,211	\$34,768,958	\$32,064,318	\$33,416,820

As described more fully in the summary of assumptions, the Cost of Purchased Bonds is based on the average of the actual price quotes by JJ Kenny, IDC and Markit for each maturity as of November 5, 2013. The actual price for each maturity may vary from these estimates based on the willingness of existing bondholders to sell their bonds and changes in market conditions. The Cost of Defeasance Escrow is based on an optimized securities portfolio consisting of SLGS in Scenario 1a and open market securities in Scenarios 1b and 3, each of which is designed to match the required payments of principal and interest on the Bonds to be Redeemed as closely as possible while minimizing the escrow costs. Prices of all of the securities are based on market conditions as of November 5, 2013.

It is important to note that in executing Scenarios 2 or 3 in particular, proper disclosure of the proposed redemption plan to existing bondholders before and after execution is imperative. We will work closely with PASSHE and Bond Counsel to ensure that such disclosure is handled appropriately.

I hope that this analysis is helpful. If you have any questions as you review it, please do not hesitate to call me. My office phone number is (410) 625-6103.

Sincerely,



Michael R. Baird
Director

**PENNSYLVANIA STATE SYSTEM OF HIGHER EDUCATION
REDEMPTION ANALYSIS OF THE
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
REVENUE BONDS (STATE SYSTEM OF HIGHER EDUCATION) SERIES AL**

EXECUTIVE SUMMARY

Redemption Plan	Redeem the portion of the outstanding Series AL Bonds relating to the IUP Loan that will be prepaid for the lowest available cost
Bonds to be Redeemed	IUP Loan Portion of Series AL
Outstanding Par	\$29,410,000
Outstanding Maturities	Serial Bonds – June 15, 2014 through June 15, 2030 Term Bonds – June 15, 2035
Current Coupon	5% on each of the outstanding maturities
1st Optional Call	June 15, 2020 @ Par
Defeasance Option	Cash fund an escrow of securities, the interest and maturing principal of which would be sufficient (i) to pay the scheduled principal and interest on the Bonds to be Redeemed until their first optional call date and (ii) to redeem the remaining principal of the Bonds to be Redeemed on the first optional call date
	Scenario 1a: Escrow portfolio consists of SLGS Cost of Escrow = \$35,056,211
	Scenario 1b: Escrow portfolio consists of open market securities Cost of Escrow = \$34,768,958
Purchase Option	Cash fund the purchase of the Bonds to be Redeemed from the existing bondholders at prevailing market prices
	Scenario 2: Purchase price estimated based on an average of published quotes Cost of Purchased Bonds = \$32,064,318 (including execution costs)
Sensitivity Analysis	Assumes 50% of the Bonds to be Redeemed are purchased from existing bondholders and the remaining Bonds to be Redeemed are defeased
	Scenario 3: Price of purchased bonds estimated based on an average of published quotes and escrow portfolio consists of open market securities Total Redemption Costs = \$33,416,820 (including execution costs)
Securities Prices	Assumed prices for the escrow securities and the purchased bond are based on market conditions as of November 5, 2013

PENNSYLVANIA STATE SYSTEM OF HIGHER EDUCATION
REDEMPTION ANALYSIS OF THE
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
REVENUE BONDS (STATE SYSTEM OF HIGHER EDUCATION) SERIES AL

SUMMARY OF ASSUMPTIONS

The following general assumptions have been made relating to the partial redemption of the Outstanding Bonds:

- I. BONDS TO BE REDEEMED:** \$29,410,000 of the Outstanding Bonds with maturities ranging from June 15, 2014 to June 15, 2035 will be redeemed from funds received by PASSHE from the prepayment of the IUP Loan.
- II. REDEMPTION OPTIONS:** Since the Outstanding Bonds are not subject to optional redemption until June 15, 2020, this analysis examines two alternatives: (1) defeasing the Bonds to be Redeemed and (2) purchasing the Bonds to be Redeemed from existing bondholders.
- III. DEFEASANCE OPTION:** Defeasance entails using the funds received from the prepayment of the IUP Loan to purchase securities, the interest and maturing principal of which would be sufficient (i) to pay the scheduled principal and interest on the Bonds to be Redeemed until their first optional call date and (ii) to redeem the remaining principal of the Bonds to be Redeemed on the first optional call date. Such a securities portfolio could consist of SLGS or open market securities consisting of U.S. Treasury Securities, both of which are of sufficient credit quality to deem the Bonds to be Redeemed to be “defeased” and thus no longer an obligation of PASSHE. The cost of both investment options are examined in Scenarios 1a and 1b, respectively.
- IV. BOND PURCHASE OPTION:** In the Bond Purchase Option, PASSHE would engage a qualified investment bank to solicit existing bondholders for the purchase of the Bonds to be Redeemed. The funds received from the prepayment of the IUP Loan would be used to purchase the Bonds to be Redeemed. Once the bonds are purchased, they can be legally cancelled pursuant to the Trust Indenture for the Outstanding Bonds.
- V. SENSITIVITY ANALYSIS:** Since it may be impractical to expect all of the existing bondholders of the Bonds to be Redeemed to sell their bonds or that the price at which they would be willing to sell would be cost effective, a sensitivity analysis is also included, estimating the cost to redeem the Bonds to be Redeemed assuming 50% are purchased at current market prices and 50% are defeased with open market securities.
- VI. SECURITIES PRICES:** Assumed prices for the escrow securities and the purchased bond are based on published market prices as of November 5, 2013. The cost of the purchased bonds is based on the average of the actual price quotes by JJ Kenny, IDC and Markit for each CUSIP.
- VII. EXECUTION COSTS:** For the purposes of this analysis, we have assumed the cost for the investment banking services in connection with any bond purchase is equal to 0.375% of the par amount of the bonds purchased. Additional transactions cost, including Bond Counsel, Trustee and Financial Advisory fees, will be due, but are not included in this analysis.
- VIII. ASSUMED CLOSING:** May 1, 2014





PASSHE

Pennsylvania State System
of Higher Education

Strategic Plan 2020
Rising to the Challenge

BUILDING on a Strong Foundation

PASSHE is the largest provider of higher education in the Commonwealth, with more than 112,000 degree-seeking students and thousands more benefitting from professional development and continuing education offerings. The System spans every region of Pennsylvania with its 14 universities, four branch campuses, and numerous off-campus centers and instructional sites.

Businesses, communities, and social and cultural organizations are served through a broad range of PASSHE university programs and services. More than 500,000 alumni live and work in the Commonwealth and serve in leadership positions in both the public and private sectors as educators, elected and appointed officials, business owners, health professionals, scientists, entrepreneurs, and in various other fields.



Pennsylvania's Public Universities



PASSHE

Pennsylvania State System
of Higher Education



+ ◆ Chincoteague Bay Field Station of the Marine Science Consortium, Wallops Island, Virginia.

Strategic Plan 2020

Rising to the Challenge

There have been few other times when higher education has captured so much attention at both the state and national levels. Not just students and their parents, but also employers, civic leaders, public officials, and a host of others, uniformly have recognized the importance of higher education. The demands and expectations have never been higher. The world today requires intellectual flexibility, as well as the ability to problem solve and to quickly learn new fields and competencies in both face-to-face and virtual environments. Graduates need the ability to live and work effectively in a diverse environment. As the Pennsylvania State System of Higher Education (PASSHE) responds to those demands and the opportunities they present, it must:

Adapt to an ever-changing student population: Pennsylvania's prospective students are becoming more diverse in terms of age, race, ethnicity, socioeconomic background, academic support needs, and prior academic experience (credits and credentials). Students' expectations for how, where, and when they learn—coupled with a demand for education built around technology—create complex challenges for universities.

Align academic programs with real workforce and personal growth needs: The direct connection between PASSHE and the overall vitality and health of the Commonwealth is clear: almost 90 percent of State System undergraduates are Pennsylvania residents, and more than 80 percent of graduates remain in Pennsylvania to attend graduate school or to begin their careers. As such, students, parents, and the Commonwealth want quality in academic programs and the assurance that the knowledge and skills learned will be connected to career and community.

Strong Foundation: VISION

The Pennsylvania State System of Higher Education seeks to be among the nation's leading systems of public universities recognized for (1) excellence, relevance, and value in education; and (2) responsiveness to regional, state, and national needs through its programs, service, scholarship, and research.

Provide greater flexibility in how, when, and where students learn: In addition to *what* is taught, it is important *how* it is taught, and that student learning is evaluated. Program design, transfer and articulation of credits, credit for prior learning, and increased collaboration among providers must work together to ensure academic integrity and student learning, as well as affordability and efficient degree attainment.

Ensure that competition and cooperation within the System is strategic: Choices about where and when it is best for universities to compete or collaborate must be thoughtful and purposeful. Quality and distinctiveness cannot be maintained by universities without collaborating in both academic and administrative areas.

Preserve and promote accessibility and affordability: PASSHE has carefully studied the factors that determine the total cost of attendance and is aware that students and their parents are reaching the tipping point in their ability to absorb higher costs. In response to declining state financial support, the universities have employed a host of efficiencies that have resulted in more than \$250 million in cost savings during the past decade. With students carrying almost 75 percent of the cost of their education—and with average debt of \$28,000 at graduation for the 70 percent of our students with loans—attention to identifying new resources and the careful use of existing revenues is of paramount importance.

Enhance accountability and transparency: Students and families want to know that their money is well spent on an education that will serve them not only at graduation but also decades later. They are entitled to detailed and current information on costs of a degree and career possibilities for fields of study, among other vital data. Likewise, elected leaders want to know that the Commonwealth is getting a good return on its investment in PASSHE, so performance data should be easy to obtain and understand.





PASSHE Strategic Goals

- Ensure academic program excellence and relevance
- Enable more students to obtain credentials that prepare them for life, career, and the responsibilities of citizenship
- Develop new funding strategies, diversify resources, and manage costs to preserve affordability
- Increase accountability and transparency; focus on results



Strategic Goal 1

Strong Foundation: MISSION

“The primary mission of the System is the provision of instruction for undergraduate and graduate students... in the liberal arts and sciences and in applied fields...”

Act 188 of 1982

The mission of the System is as relevant today as it was at its founding: to increase educational attainment in the Commonwealth; to prepare students at the undergraduate and graduate levels for professional and personal success in their lives; and to contribute to the economic, social, and cultural development of Pennsylvania’s communities, the Commonwealth, and the nation.

While the goals and directions of this plan vary from those of previous planning efforts, achieving a productive balance between university autonomy and System collaboration remains an essential component of System planning efforts.

Ensure academic program excellence and relevance

PASSHE universities offer a wide array of programs leading to associate’s, bachelor’s, master’s, and doctoral degrees as well as undergraduate and graduate certificates. To promote quality, each degree program will have clearly articulated and measurable learning outcomes that are regularly assessed.

Discovery, diversity, and distinctiveness are essential for a quality student experience.

Discovery entails creativity, problem solving and critical thinking. From *diversity* comes innovation—the insight that comes from exposure to and interactions with different modes of thought, experiences, backgrounds, and cultural heritage. *Distinctiveness* enables each of the universities to develop, deliver, and realign programs and services to meet the unique needs of their students and regions, as well as ensuring the optimum use of resources across PASSHE.

Each university is committed to ensuring programs provide graduates with the skills and competencies that prepare them for future life and career success: analytic, problem-solving, and critical-thinking skills; the ability to communicate effectively, both orally and in writing; the ability to work in teams; and the preparation for lifelong learning. PASSHE universities will continue to expand opportunities for undergraduate research, international study, service-learning, and internships, all of which are critical to academic excellence and are designed to connect the classroom to the community.

Program relevance and quality must be regularly assessed and reviewed by faculty, university presidents, and university trustees for continuous improvement. Engagement with the Governor, General Assembly, and business and community leaders is essential for determining relevance. Aligning programs to workforce needs and addressing the increasing knowledge and skills needed for lifetime employment will increase Pennsylvania’s economic competitiveness.

Strategies:

- Engage faculty in innovative instruction, employing proven course and program redesign strategies to enhance student learning.
- Focus on course and program sharing among the universities to expand student access to a full array of offerings while reducing unnecessary duplication across PASSHE.

Strong Foundation: DISTINCTIVENESS

- Conduct a gap analysis to aid in aligning academic program offerings with future regional workforce needs and student interests.
- Provide opportunities and services that enable all students graduating from a PASSHE university to demonstrate competencies that prepare them to contribute to society.
- Create a forum for ongoing interaction and dialogue among System leaders, trustees, university presidents, and business and industry representatives, with the objective of enhancing the value of System graduates to related business enterprises.
- Promote innovation through basic and applied research, technology transfer, business support and other means.
- Seek diversity in university faculty fundamental to innovation and creativity in academic quality.
- Promote the use of research-based educational practices to enhance student achievement through programs such as internships, undergraduate research and/or scholarship, study abroad, or first-year experiences.

Expected Outcomes by 2020:

- 1.1 Increase the number of degrees or certificates in science, technology, engineering, and mathematics (STEM) and health-related disciplines awarded annually to 7,500.
- 1.2 Align graduate programs to the needs of the Commonwealth, including offering at least five additional doctoral programs across the System.
- 1.3 Develop, implement, and increase enrollments in programs designed to meet demonstrated current and emerging workforce needs.
- 1.4 Complete regular, comprehensive reviews of all PASSHE academic programs, with a clear description of student achievement and success, an assessment of learning outcomes expected of every program graduate, and a process for continuous improvement.
- 1.5 Engage in ongoing assessment of student competencies through expanded alumni and employer surveys.
- 1.6 Increase technology transfer activity to an average of at least two patents awarded per year.

Each university is distinct in its programs, services, students served, and relationships with its communities and regions—affording students wide choices within the System. Although originally focused on public sector career development in areas such as teaching, social work, criminal justice, and public administration, the universities have greatly enhanced the strength and extent of programs in liberal arts and sciences, technology, mathematics, and health professions in response to the needs of the Commonwealth.

The distinct missions and strengths of each university must be advanced at the same time collaborations and commonalities are sought to achieve the System's full potential. The strategic goals outlined in this plan are "System-wide" goals and will be pursued in different ways by each university according to its specific mission, history, and capacity. University efforts to achieve the goals as well as achievements will be detailed in annual action plans and reports.

Strategic Goal 2

Strong Foundation: VALUE OF A SYSTEM

A system is more than the sum of its parts. Public university systems are uniquely positioned to enable greater levels of student success and university contributions to their communities, regions, and states. PASSHE is committed to optimizing the value of the System through:

- Aligning policy and practice to meet strategic interests of students, the Commonwealth, employers, and communities
- Pooling the capacity of universities and their distinctive strengths to serve all constituencies
- Advocating the value of educational attainment for individual and collective success
- Promoting program quality through multi-institutional collaboration
- Developing and supporting shared services that increase operational efficiency while maintaining or increasing effectiveness
- Building credibility through transparency and results

Enable more students to obtain credentials that prepare them for life, career, and the responsibilities of citizenship

According to the report of the Governor's Advisory Commission on Postsecondary Education (2012), it is estimated that "by 2018 nearly two-thirds of American jobs will require a postsecondary credential." The report also notes that 57 percent of Pennsylvania jobs will require postsecondary training beyond high school. Because only 43 percent of Pennsylvania's working-age adults hold an associate's degree or higher, the result is a 14 percent skills gap that must be closed in order to promote and sustain a strong economy.

PASSHE is committed to closing that knowledge gap. In 2012-13, PASSHE universities awarded 25,563 associate's, bachelor's, and graduate degrees. By 2020, that number will surpass 31,500 degrees and certificates—an increase of approximately 6,000 additional credentials awarded annually. Each university's share of the System-wide target will be determined based on the unique market variables facing the institution.

To increase the success of all students, PASSHE must focus on reducing regional, income, and ethnicity gaps in access while increasing retention and completion. PASSHE is participating in a number of national initiatives to increase the success of underrepresented and low-income students. As part of the performance funding model, targets have been established to reduce gaps in access and degree attainment for both of these groups of students.

Many programs and courses are offered online or at off-campus locations, providing increased opportunities for students—especially the adult learner. For example, universities have joined together to meet workforce needs for affordable baccalaureate and post-baccalaureate education in downtown Philadelphia at PASSHE Center City. Similar centers are located in Harrisburg, Cranberry Township (outside of Pittsburgh), and Bethlehem.

To address the particular needs of returning students and veterans, PASSHE is providing access to programs and courses through online opportunities, and recognizing the value of prior learning experiences.

PASSHE universities continue to work with community colleges to implement Act 114 and Act 50 to enable students to transition seamlessly from any of the 14 Pennsylvania community colleges to any PASSHE university.

Strong Foundation: CONNECTION

Strategies:

- Adopt standards for awarding credit obtained through such activities as Advanced Placement, CLEP, prior learning experiences, military experience, and dual enrollment to reduce the time to degree and overall cost of educational attainment.
- Develop a mechanism for seamless student mobility within the System and across Pennsylvania's higher education sectors with minimal loss of credit.
- Encourage efficient student academic progress to increase awards and minimize cost to students.
- Attract, retain, and graduate students beyond the traditional 18- to 22-year-old, on-campus, residential population.
- Leverage PASSHE's intellectual resources in teacher education to enhance partnerships with the Commonwealth's school districts and Department of Education to better prepare more of Pennsylvania's children for success in higher education and life.
- Provide appropriate developmental education opportunities for students—traditional and nontraditional—to promote the success of all students admitted.
- Increase the opportunities for students to take courses and programs through online educational experiences by establishing a clearinghouse for all online courses offered across the System.

Expected Outcomes by 2020:

- 2.1 Increase the number of awards (degrees and certificates) annually conferred to at least 31,500.
- 2.2 Increase the success of low-income and underrepresented minority students by reducing the gap in graduation rates between these and other students by half.
- 2.3 Increase access to higher education of low-income and underrepresented minority students by reducing the difference in the entering class for these groups compared to those of all students graduating from Pennsylvania high schools by half.
- 2.4 Increase the number of working adult and transfer students enrolled in the System; specifically, increase the number of undergraduate students over the age of 25 to at least 11,000 and the number of Pennsylvania community college transfer students to at least 4,000.
- 2.5 Increase the number of courses and programs available to students through distance education; specifically, increase the number of students in online and blended courses to 53,000.

PASSHE universities engage with local and regional business and industry sectors to address issues and seek solutions to problems and to capitalize on opportunities. For example, professional science master's (PSM) degrees have been designed to allow students to pursue advanced training in science or mathematics, while at the same time to develop workplace skills highly valued by employers. PSM degrees are available in areas such as Applied and Industrial Chemistry, Applied Pharmaceutical Sciences, and Integrated Scientific Applications. More than 50 employer partners comprise the PSM advisory boards, including the National Science Foundation, National Aeronautics and Space Administration (NASA), Johnson and Johnson, Air Products and Chemicals, and Nuron Biotech.



Strong Foundation: BUSINESS PARTNERS

PASSHE universities regularly sponsor cultural and intellectual events on their campuses, helping to fuel community and economic development. Historically, the universities have been strong partners with their regions through a variety of ongoing economic development initiatives. As examples:

- Small Business Development Centers at Clarion, Indiana, Kutztown, Lock Haven, and Shippensburg universities provide a variety of assistance to existing businesses as well as start-up entities.
- Entrepreneurial Leadership Centers at every university are unique to PASSHE and focus on student/faculty collaboration and often involve successful alumni.
- Business Incubators at Clarion, East Stroudsburg, Edinboro, Indiana, and Slippery Rock universities leverage the intellectual capital of the campus to help small businesses get off the ground.
- Cheyney University's Disadvantaged Business Enterprise Center enables minority- and female-owned businesses to compete for transportation contracts.
- The Marcellus Institute at Mansfield University coordinates educational initiatives to address opportunities related to the development of shale gas.
- The annual PASSHE Student Business Plan Competition generates hundreds of submissions to juried panels and monetary awards for the winners, helping young entrepreneurs launch their dreams.

Develop new funding strategies, diversify resources, and manage costs to preserve affordability

Articles appear in the media on a regular basis about the rising cost of higher education. No sector of higher education in the Commonwealth has been as focused on this issue as PASSHE. According to the latest study by the College Board, the average total cost of attendance at a PASSHE university—combined tuition, fees, and room and board—remains below the national average for all four-year public colleges and universities and significantly below the median in the Middle States region (Delaware, Maryland, New Jersey, New York, Pennsylvania, and Washington, D.C.).

Not only has PASSHE's cost to students remained below the national average, the rate of increase in cost of attendance continues to be less than experienced elsewhere nationally and in Pennsylvania. This has been possible only through cost-saving strategies. Over the last decade, PASSHE institutions have avoided more than \$250 million in mandatory costs by achieving efficiencies through strategic sourcing, energy management, automating processes and services, reductions in personnel, and the elimination of noncore and lower-priority programs and functions. Efforts to identify additional areas where the universities can share services to further reduce costs and increase efficiency will continue.

System universities are continuing to seek the right balance to address the continuing impact of the \$90 million reduction in state funding enacted in 2011; limits on pricing and affordability; and personnel cost increases, including major increases in the System's required contributions to the state's pension funds. Balancing these financial challenges against the need to limit cost increases for students, while ensuring relevance in the classroom, has become increasingly difficult.

University efforts to retool by realigning academic programs predate the current demographic changes and have been focused on meeting evolving workforce needs. From 2008 to 2013, the Board of Governors approved 56 new academic programs while universities discontinued 40 programs in which no students were enrolled, placed 158 low-enrolled programs in moratorium (accepting no new students while ensuring currently enrolled students received the classes and support they needed through graduation), and reorganized 90 others to ensure their relevancy.

In order to increase efficiencies, PASSHE universities consolidate business operations in payroll, human resources, legal services, construction contracting support, and information systems—reducing redundancy and costs. Universities draw on the System's size to drive down costs through collaborative purchasing of commodities such as energy, technology, software, library holdings, fleet management, and office supplies.

Strong Foundation: CONTRIBUTION

These efficiencies help maintain the affordability of PASSHE’s administrative functions and academic programs, thus reducing the cost of education to the student and to the Commonwealth. PASSHE must take even greater advantage of being a System in the future, while preserving the unique strengths of each university.

In these challenging economic times, with declining or flat state support and limited tuition increases, new alternative revenue streams must be expanded. PASSHE institutions must engage in comprehensive solicitation for private support by increasing the number of individual donors and forging new partnerships with industry. A compelling case for higher education must be made in each of our respective local regions. Similarly, the PASSHE Foundation must continue to increase engagement with donors who are seeking to invest in students, programs and priority needs that benefit multiple universities or even the whole System.

Strategies:

- Balance, diversify, and grow financial resources (state funding, tuition and fees, private giving, and entrepreneurial activities) and control expenditures to enable PASSHE and its universities to achieve their missions.
- Develop and implement a multiyear, strategic financial-operational planning model that addresses Commonwealth funding, tuition and fees, and ongoing financial and contractual obligations.
- Increase private fundraising, grants, and sponsored activities in support of university missions.
- Seek additional appropriations for targeted program expansion to meet demands for high-priority occupations.
- Advance operational effectiveness by optimizing the value of shared services, administrative flexibility, and entrepreneurial activity.
- Redesign financial and administrative models to reward academic and administrative collaboration, drive efficiencies, and strengthen access to a PASSHE education.
- Align university and System plans (academic, enrollment, and facilities).

Expected Outcomes by 2020:

- 3.1 Decrease the time-to-degree as measured by credits earned at program completion to an average of 128 semester hours.
- 3.2 Increase the four-year graduation rate of full-time, first-time freshmen to 40 percent and the six-year graduation rate to 58 percent.
- 3.3 Increase System-wide annual private support each year. (University goals to be included in their annual action plans.)
- 3.4 Increase annual expenditures from grants, sponsored programs, and business partnerships consistent with university missions to \$51 million.
- 3.5 Provide increased flexibility in tuition rates across the System.

PASSHE contributes to the life of Pennsylvania

- Eighty-eight percent of PASSHE undergraduates are Pennsylvania residents, and a large majority remain in the Commonwealth after graduation.
- STEM fields—followed by business and health-related fields—are the “most in-demand” undergraduate majors.
- PASSHE is the 15th largest employer in the Commonwealth, with more than 12,000 persons employed.
- Six PASSHE universities are among the top five employers in their respective counties, and nine are in the top 10.
- Students, faculty, and staff contribute more than 1.5 million hours of voluntary activities each year, providing a value of \$31 million annually to local communities.

Strategic Goal 4

Strong Foundation: STUDENT LEARNING

PASSHE students are expected to demonstrate the essential learning outcomes that will prepare them for the challenges of the next decade including:

- Knowledge of human cultures and the physical and natural world gained through study in the sciences and mathematics, social sciences, humanities, histories, and the arts.
- Intellectual and practical skills such as inquiry and analysis, critical and creative thinking, written and oral communication, quantitative literacy, information literacy, teamwork, and problem solving.
- Personal and social responsibility including civic knowledge and engagement, intercultural knowledge, and competence; and ethical reasoning anchored through active involvement with diverse communities and real-world challenges.
- Integrative and applied learning including synthesis and advanced accomplishment demonstrated through the application of knowledge, skills, and responsibilities to new settings and complex problems.



Increase accountability and transparency; focus on results

PASSHE's performance-based funding program has received national recognition. Since this program was initiated in 2000, nearly \$340 million has been distributed to the universities as a result of demonstrated achievements. PASSHE universities have experienced gains in student retention and graduation rates, program quality, faculty productivity, and campus diversity. The average number of credits at graduation has decreased, while retention and graduation rates have increased.

Beyond performance funding, PASSHE has an obligation to demonstrate accountability and stewardship to Pennsylvania's policymakers (the Governor and members of the General Assembly), parents, students, and taxpayers. Transparency of information related to student access and success outcomes, pricing, costs to degree, and other meaningful data must be available in aggregate form in an accessible, understandable way to measure the relative effectiveness of the System. These data also are valuable tools for the Board of Governors and the Councils of Trustees as they work to guide the universities and the System.

Strategies:

- Continuously assess and refine accountability and performance funding indicators to produce desired outcomes. (Use transparent metrics to describe, measure, and reward performance by PASSHE universities, focusing on areas that advance PASSHE's mission.)
- Ensure the development of detailed annual action plans from each university and the Office of the Chancellor to improve transparency and document progress toward System and university strategic goals.
- Increase public awareness and understanding about PASSHE's stewardship of resources to meet needs of the Commonwealth and its students.
- Expand and promote the role of PASSHE universities in educating students of varied backgrounds, ages, and experiences.
- Develop university and System "dashboards" detailing student achievement, financial efficiency, and economic impact.



Strong Foundation: STUDENT EXPECTATION

The emerging consensus among employers is that innovation, critical thinking, and a broad skill set are important for taking on complex challenges in the workplace. They also agree that, in addition to the content knowledge of the major, a broad set of college learning goals for all students includes educational experiences that teach them how to solve problems with people whose views are different from their own; that build knowledge, judgment, and commitment to communities; and that help them learn about societies and cultures outside of the U.S.

Employers are looking for graduates who can demonstrate the ability to:

- Think critically and use successfully analytical reasoning skills to solve complex problems
- Locate, organize, and evaluate information from multiple sources
- Apply knowledge and skills to real-world settings
- Communicate effectively orally and in writing
- Collaborate with others in diverse group settings using teamwork skills
- Connect choices and actions to ethical decisions
- Develop professionally and continue to learn
- Give back to their communities

Expected Outcomes by 2020

- 4.1** Provide key performance indicators and other relevant data for the System and the universities in an easy-to-use format on the PASSHE website.
- 4.2** Publish periodic reports presenting the impact of PASSHE and its universities on students and the Commonwealth.
- 4.3** Report annually on continuous review of shared services to promote effective and efficient operations in support of university missions, including the ongoing evaluation of the need for new or expanded services.
- 4.4** Provide regular communications to the Governor, General Assembly, university trustees, business and community leaders, and the public about PASSHE and its universities, making use of diverse media platforms to facilitate accessibility and reach a broader audience.
- 4.5** Comply with all relevant Board policies, state and federal requirements, and professional and ethical standards.

Expected Outcomes by 2020

By employing the strategies described in this plan, PASSHE and its 14 member universities will strive to achieve the following outcomes by 2020:

Strategic Goal 1

- 1.1** Increase the number of degrees or certificates in science, technology, engineering, and mathematics (STEM) and health-related disciplines awarded annually to 7,500.
- 1.2** Align graduate programs to the needs of the Commonwealth, including offering at least five additional doctoral programs across the System.
- 1.3** Develop, implement, and increase enrollments in programs designed to meet demonstrated current and emerging workforce needs.
- 1.4** Complete regular, comprehensive reviews of all PASSHE academic programs, with a clear description of student achievement and success, an assessment of learning outcomes expected of every program graduate, and a process for continuous improvement.
- 1.5** Engage in ongoing assessment of student competencies through expanded alumni and employer surveys.
- 1.6** Increase technology transfer activity to an average of at least two patents awarded per year.

Strategic Goal 3

- 3.1** Decrease the time-to-degree as measured by credits earned at program completion to an average of 128 semester hours.
- 3.2** Increase the four-year graduation rate of full-time, first-time freshmen to 40 percent and the six-year graduation rate to 58 percent.
- 3.3** Increase System-wide annual private support each year. (University goals to be included in their annual action plans.)
- 3.4** Increase annual expenditures from grants, sponsored programs, and business partnerships consistent with university missions to \$51 million.
- 3.5** Provide increased flexibility in tuition rates across the System.

Strategic Goal 2

- 2.1** Increase the number of awards (degrees and certificates) annually conferred to at least 31,500.
- 2.2** Increase the success of lower-income and underrepresented minority students by reducing the gap in graduation rates between these and other students by half.
- 2.3** Increase access to higher education of lower-income and underrepresented minority students by reducing the difference in the entering class for these groups compared to those of all students graduating from Pennsylvania high schools by half.
- 2.4** Increase the number of working adult and transfer students enrolled in the System; specifically, increase the number of undergraduate students over the age of 25 to at least 11,000 and the number of Pennsylvania community college transfer students to at least 4,000.
- 2.5** Increase the numbers of courses and programs available to students through distance education; specifically, increase the number of students in online and blended courses to 53,000.

Strategic Goal 4

- 4.1** Provide key performance indicators and other relevant data for the System and the universities in an easy-to-use format on the PASSHE website.
- 4.2** Publish periodic reports presenting the impact of PASSHE and its universities on students and the Commonwealth.
- 4.3** Report annually on continuous review of shared services to promote effective and efficient operations in support of university missions, including the ongoing evaluation of the need for new or expanded services.
- 4.4** Provide regular communications to the Governor, General Assembly, university trustees, business and community leaders, and the public about PASSHE and its universities, making use of diverse media platforms to facilitate accessibility and reach a broader audience.
- 4.5** Comply with all relevant Board policies, state and federal requirements, and professional and ethical standards.

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