



Board of Governors Meeting

July 16, 2020

Via ZOOM

The meeting will be webcast online at www.passhe.edu.
Members of the public who wish to speak during the public comment period should dial 1-717-839-2360 no later than 8:50 a.m.

Thursday, July 16, 2020

9:00 a.m.

Board of Governors Meeting

1. Roll Call
2. Chairwoman's remarks
3. Public comment
4. Remarks by union leaders
5. Update from PACT President
6. Approval of consent agenda
 - a. Meeting minutes (pg. 3)
 - b. Committee assignments update (pg. 12)
 - c. Financial sustainability - loan covenants update (pg. 13)
7. Chancellor's remarks
8. Faculty Shared Governance Commission update
9. Board action items
 - a. Affirmation of direction and timeline for System Redesign (general update pg. 19)
 - b. Approval of appropriations allocation (pg. 22) - updated 7/14
 - c. Board elections (pg. 26)
10. New business
 - a. Resolutions
11. Adjournment

NOTE: An Executive Session of the Board will be held at the end of the public meeting on Thursday for Board members and invited guests only.

CONSENT AGENDA ITEMS

**Prior to the vote,
Board members may
request any consent
agenda item be
considered
separately.**

Prior to the vote, Board members may request any consent agenda item be considered separately.

CONSENT AGENDA ITEM 6a

**Board of Governors
of
Pennsylvania's State System of Higher Education**

**Meeting Minutes
Draft for Approval**

274th Meeting
Wednesday, April 29, 2020

Via Zoom

12:00 p.m.

ATTENDING

Board of Governors:

Aven O. Bittinger
Representative Timothy P. Briggs
Nicole L. Dunlop
Alexander H. Fefolt
Donald E. Houser, Jr.
David M. Maser (Vice Chair)
Marian Moskowitz
Thomas S. Muller
Noe Ortega (designee for Secretary Rivera)
Representative Brad Roae
Senator Judith L. Schwank
Cynthia D. Shapira (Chair)
Samuel H. Smith (Vice Chair)
Secretary Meg Snead
Terry Trego (Senator Martin's designee)
Neil R. Weaver
Janet L. Yeomans

Faculty Liaison (non-voting) – Jamie Phillips

Audrey F. Bronson, Senator Scott F. Martin, and Secretary of Education Pedro A. Rivera were absent.

Chairwoman Shapira called the meeting to order at 12:03 p.m.

Attendance taken at the direction of Chairwoman Shapira established that a quorum of the Board was present.

The Pledge of Allegiance was not recited because the meeting was done via Zoom.

CHAIR SHAPIRA'S REMARKS

- COVID-19
- Universities transformed the way they do business
- Remote learning
- Thanked the faculty, staff, presidents, and chancellor's office for all their hard work
- Stepped up to the challenge
- Provide educational opportunities

Chairwomen noted the Board met in executive session on April 10, 2020, from 9:10 a.m. to 10:00 a.m.

PUBLIC COMMENTS

No public comments

Remarks by SCUPA President – unable to attend

Remarks by APSCUF President - Dr. Ken Mash

Remarks by PACT President – Mr. Jeffrey Smith

The Board voted on the Consent Agenda:

- Minutes from January 15-16, 2020, January 30, 2020, and April 10, 2020, meetings.

Voice vote. The motion passed unanimously.

CHANCELLOR GREENSTEIN'S REMARKS

- COVID-19
- Effort by faculty and staff – remote classes
- Quick response to pandemic
- Mission of higher education
- General need for education
- Continue our mission
- Address our challenges
- Confident – together we will prevail

BOARD ACTION

Chairwoman Shapira moved **THAT THE BOARD OF GOVERNORS, AS REFLECTED IN ATTACHMENT 1, FREEZE TUITION AND THE TECHNOLOGY TUITION FEE FOR 2020-21 AND SET THE TENTATIVE 2021-22 TUITION AND TECHNOLOGY TUITION FEE IN ACCORDANCE WITH POLICY AT A 1 PERCENT INCREASE.** (Attachment #1)

Voice vote. The motion passed unanimously.

Chairwoman Shapira moved **THAT THE BOARD OF GOVERNORS APPROVE A LOAN FOR MANSFIELD UNIVERSITY OF PENNSYLVANIA OF UP TO \$6.0 MILLION WITH THE FOLLOWING PAYMENT TERMS AND LOAN COVENANTS.** (Attachment #2)

- **THE BORROWER AGREES THAT THE PRINCIPAL AND ANY AND ALL ACCRUED INTEREST WILL BE PAID BY A TRANSFER OUT OF ITS OPERATING ACCOUNT IN ACCORDANCE WITH SCHEDULE(S) DESCRIBED IN THE DRAFT PROMISSORY NOTE, ATTACHED. THE BORROWER ALSO AGREES TO RECORD A “NOTE PAYABLE” ON ITS FINANCIAL STATEMENTS ON THE EFFECTIVE DATE OF EACH DRAW.**
- **IN ACCORDANCE WITH SYSTEM PROCEDURE/STANDARD 2019-40: *UNIVERSITY FINANCIAL SUSTAINABILITY*, THE BORROWER MUST:**
 - **PROVIDE AN UPDATED SUSTAINABILITY PLAN BY JUNE 19, 2020, WHICH ACHIEVES THE FY 2010-11 STUDENT FACULTY RATIO (17.0:1) AND NONFACULTY RATIO (13.9:1) BY JUNE 30, 2022, TO BE APPROVED BY THE CHANCELLOR.**
 - **AGREE THAT IF THE PLAN DOES NOT ACHIEVE THE RATIOS AND/OR IS NOT APPROVED BY THE CHANCELLOR, THE CHANCELLOR/DESIGNEE, AS DIRECTED BY THE BOARD, MAY TEMPORARILY OR INDEFINITELY SUSPEND SOME OR ALL OPERATIONS IN ACCORDANCE WITH BOARD OF GOVERNORS’ POLICY 2019-01: *UNIVERSITY FINANCIAL SUSTAINABILITY*.**
 - **RECEIVE CHANCELLOR APPROVAL BEFORE ANY HIRING OF NEW EMPLOYEES OR ENTERING INTO NEW CONTRACTS.**
 - **AS PART OF THE UPDATED SUSTAINABILITY PLAN, PROVIDE A HOUSING PLAN TO ADDRESS OCCUPANCY AND DEBT; REPORT EACH SEMESTER ON REVENUE, OCCUPANCY AND CAPACITY BY RESIDENCE HALL.**
 - **PROVIDE MONTHLY CASHFLOW UPDATES, AS PRESCRIBED BY THE OFFICE OF THE CHANCELLOR, REFLECTING ANTICIPATED REVENUES, EXPENDITURES, AND AGING PAYABLES.**
 - **PROVIDE ACTUAL HEADCOUNT AND FULL-TIME EQUIVALENT ENROLLMENT EACH SEMESTER; AND UPDATED ENROLLMENT PROJECTIONS FOR EACH UPCOMING TERM.**
 - **PROVIDE QUARTERLY PROGRESS AGAINST THE SUSTAINABILITY PLAN, WHICH MUST INCLUDE AT A MINIMUM ATTAINMENT OF WORKFORCE AND OPERATING GOALS, AS DESCRIBED IN THE APPROVED SUSTAINABILITY PLAN.**
 - **COMPLY WITH OTHER SUCH ACTIONS AS THE BOARD OF GOVERNORS DIRECTS TO ACHIEVE FINANCIAL SUSTAINABILITY.**

Voice vote. The motion passed unanimously.

Chairwoman Shapira moved **THAT THE BOARD OF GOVERNORS RATIFIES THE COLLECTIVE BARGAINING AGREEMENT WITH THE ASSOCIATION OF PENNSYLVANIA STATE COLLEGE AND UNIVERSITY FACULTIES (NON-FACULTY COACHES) AND AUTHORIZE THE CHANCELLOR AND THE CHAIRWOMAN OF THE BOARD OF GOVERNORS TO EXECUTE THE APPROPRIATE DOCUMENTS.**

Voice vote. The motion passed unanimously.

Chairwoman Shapira moved **THAT THE BOARD OF GOVERNORS RATIFIES THE SIDE LETTERS WITH AFSCME, SEIU, OPEIU, POA, AND SPFPA REGARDING THE ENHANCED SICK LEAVE PAYOUT AND AUTHORIZES THE CHANCELLOR TO EXECUTE THE APPROPRIATE DOCUMENTS. FURTHER, THE BOARD AUTHORIZES THE CHANCELLOR, AT HIS DISCRETION, TO EXECUTE SUCH AGREEMENTS WITH OTHER BARGAINING UNITS TO IMPLEMENT A SIMILAR PROGRAM AND ALSO TO IMPLEMENT A SIMILAR PROGRAM FOR NON-REPRESENTED EMPLOYEES.**

Voice vote. The motion passed unanimously.

NEW BUSINESS

Chairwoman Shapira noted at the July Board meeting resolutions will be presented to:

- Ken Mash, APSCUF President
- Jeffrey Smith, PACT President
- Aven Bittinger, Student Board member (will graduate in May)

There being no further items of business to come before the Board, Chairwoman Shapira adjourned the meeting at 1:25 p.m.

ATTEST:

Randy A. Goin Jr., Ph.D.
Deputy Chancellor

The webcast for the meeting is available at:
<https://youtu.be/el-ZbLF0dWk>

Proposed 2020-21 and Tentative 2021-22 Tuition Rates

Summary for Typical System Student

Excludes Rates for Board-Approved Alternative Tuition Pricing

Student Classification	2019-20 Rates		Proposed 2020-21 Rates				Tentative 2021-22 Rates			
	Per Credit ¹	Full-time Academic Year	Per Credit ¹	Full-time Academic Year	Change		Per Credit ¹	Full-time Academic Year	Change	
					\$	%			\$	%
Basic Tuition Rate²										
In-State Undergraduate	\$322	\$7,716	\$322	\$7,716	\$0	0.0%	\$325	\$7,794	\$78	1.0%
In-State Graduate	\$516	n/a	\$516	n/a	\$0	0.0%	\$521	n/a	\$5	1.0%
Technology Tuition Fee Rate										
Undergraduate In-State	\$20	\$478	\$20	\$478	\$0	0.0%	\$21	\$484	\$6	1.3%
Undergraduate Out-of-State	\$30	\$728	\$30	\$728	\$0	0.0%	\$31	\$736	\$8	1.1%
Graduate In-State	\$28	n/a	\$28	n/a	\$0	0.0%	\$29	n/a	\$1	3.6%
Graduate Out-of-State	\$40	n/a	\$40	n/a	\$0	0.0%	\$41	n/a	\$1	2.5%

¹ For graduate student charges and undergraduate part-time, summer, interim session student charges.

² For universities that do not have an alternative tuition plan approved by the Board of Governors. For more details, see individual university tuition rate schedules.

Note: At the discretion of each university president, graduate and out-of-state tuition rates may vary.

**Draft Promissory Note
Mansfield University of Pennsylvania
Investment Fund/University Loan Program**

THIS Promissory Note, made and entered into this **Xth** day of **May XX, 2020**, between the Pennsylvania State System of Higher Education (State System) as lender, hereinafter referred to as the Lender, and Mansfield University of Pennsylvania as borrower, hereinafter referred to as the Borrower.

WHEREAS, the Borrower desires to borrow up to \$6,000,000 from the Lender's Intermediate-Term Investment Fund, to be drawn upon in any or all amount, as needed by the Borrower, for a term not to exceed ten years for each draw. The draw(s) shall be repaid in accordance with an amortization schedule determined at the time of the draw, at an initial interest rate of **X%** (rate per annum), in accordance with established Policy. This loan will be interest and principal free for the first five fiscal years, with principal and interest repayments beginning in year six of the ten-year period. In consultation with the Borrower, payment may be requested by the Lender at an earlier date, with interest calculated as described above, and

WHEREAS, the Borrower's request has been duly approved by Board of Governors of the State System,

NOW, THEREFORE, for and in consideration of the foregoing, the Borrower makes the following covenants:

- The Borrower agrees that the principal and any and all accrued interest will be paid by a transfer out of its operating account in accordance with schedule(s) described in the draft promissory note, attached. The Borrower also agrees to record a "note payable" on its financial statements on the effective date of each draw.
- In accordance with System Procedure/Standard 2019-40: *University Financial Sustainability*, the Borrower must:
 - Provide an updated sustainability plan by June 19, 2020, which achieves the FY 2010-11 student faculty ratio (17.0:1) and nonfaculty ratio (13.9:1) by June 30, 2022, to be approved by the chancellor.
 - Agree that if the plan does not achieve the ratios and/or is not approved by the chancellor, the chancellor/designee, as directed by the Board, may temporarily or indefinitely suspend some or all operations in accordance with Board of Governors' Policy 2019-01: University Financial Sustainability.
 - Receive chancellor approval before any hiring of new employees or entering into new contracts.
 - As part of the updated sustainability plan, provide a housing plan to address occupancy and debt; report each semester on revenue, occupancy and capacity by residence hall.
 - Provide monthly cashflow updates, as prescribed by the Office of the Chancellor, reflecting anticipated revenues, expenditures, and aging payables.

- Provide actual headcount and full-time equivalent enrollment each semester; and updated enrollment projections for each upcoming term.
- Provide quarterly progress against the sustainability plan, which must include at a minimum attainment of workforce and operating goals, as described in the approved sustainability plan. And,
- Comply with other such actions as the Board of Governors directs to achieve financial sustainability.

IN WITNESS WHEREOF, the signatories hereto have caused this Promissory Note to be executed the date first above-written.

By: _____
Sharon P. Minnich
Vice Chancellor for Administration and Finance
Pennsylvania State System of Higher Education

By: _____
Dr. Charles E. Patterson
President
Mansfield University of Pennsylvania

Prior to the vote, Board members may request any consent agenda item be considered separately.

CONSENT AGENDA ITEM 6a

**Board of Governors
of
Pennsylvania's State System of Higher Education**

**Meeting Minutes
Draft for Approval**

275th Meeting
Wednesday, June 10, 2020

Via Zoom

8:30 a.m.

ATTENDING

Board of Governors:

Representative Timothy P. Briggs
Nicole L. Dunlop
Alexander H. Fefolt
Donald E. Houser, Jr.
Senator Scott Martin
David M. Maser (Vice Chair)
Thomas S. Muller
Noe Ortega (designee for Secretary Rivera)
Representative Brad Roae
Senator Judith L. Schwank
Cynthia D. Shapira (Chair)
Secretary Meg Snead
Terry Trego (Senator Martin's designee)
Neil R. Weaver
Janet L. Yeomans

In attendance was (non-voting) Board Faculty Liaison, Jamie L. Phillips.

Audrey F. Bronson, Marian D. Moskowitz, Secretary of Education Pedro A. Rivera, Samuel Smith were absent.

Chairwoman Shapira called the meeting to order at 8:32 a.m.

Attendance taken at the direction of Chairwoman Shapira established that a quorum of the Board was present.

OPENING REMARKS

Chairwoman Shapira provided opening remarks regarding the climate of social unrest and injustice in the nation. The State System stands committed to its mission to provide quality, equitable and accessible education to all its students to ensure their personal success. She expressed the need for action and noted that as the System moves forward with System Redesign, its goals will include the elimination of barriers of racism and biases and full equity.

Chancellor Greenstein echoed her sentiments, adding that these issues will remain front and center as part of the ongoing System Redesign effort.

PUBLIC COMMENTS

No public comments

REMARKS BY UNION LEADERS

Remarks by APSCUF President – Dr. Jamie Martin

DISCUSSION

2020 Fall Framework for Return to On-Campus Instruction was discussed in detail. Chancellor Greenstein reviewed the attached presentation and addressed questions.

BOARD ACTION

Chairwoman Shapira moved **THAT THE BOARD OF GOVERNORS, ENDORSE THE DEVELOPMENT OF THE STATE SYSTEM'S 2020 FALL FRAMEWORK AND AFFIRM ITS USE BY ALL 14 INSTITUTIONS WITHIN THE STATE SYSTEM. THE BOARD FURTHER AFFIRMS THE CHANCELLOR'S AUTHORITY TO MODIFY THE FRAMEWORK AS NEEDED TO ENABLE THE STATE SYSTEM AND ITS SISTER INSTITUTIONS TO NIMBLY RESPOND TO THE EVOLVING CIRCUMSTANCES IN A TIMELY MANNER.**

Voice vote. The motion passed unanimously.

NEW BUSINESS

None

ADJOURNMENT

There being no further items of business to come before the Board, Chairwoman Shapira adjourned the meeting at 9:35 a.m.

ATTEST:

Randy A. Goin Jr., Ph.D.
Deputy Chancellor

The meeting webcast is available here: <https://youtu.be/elu3Bfj0IQY>



Prior to the vote, Board members may request any consent agenda item be considered separately.

CONSENT AGENDA ITEM 6b

Board of Governors Standing Committee Assignments

Student Success

CHAIR – David M. Maser
VICE CHAIR – Marian D. Moskowitz
 Stephen L. Washington, Jr. (student at Shippensburg)
 Representative Timothy P. Briggs
 Audrey F. Bronson
 Secretary of Education Pedro A. Rivera
 Cynthia D. Shapira (ex officio)
 President Laurie A. Carter (nonvoting president liaison)

Audit and Compliance

CHAIR – Samuel H. Smith
 Senator Judith L. Schwank
 Cynthia D. Shapira (ex officio)
 President Christopher M. Fiorentino (nonvoting president liaison)

University Success

CHAIR – Thomas S. Muller
VICE CHAIR – Neil R. Weaver
 Nicole L. Dunlop (student at Slippery Rock)
 Representative Brad Roae
 Secretary Meg C. Snead
 Janet L. Yeomans
 Cynthia D. Shapira (ex officio)
 President Charles E. Patterson (nonvoting president liaison)

Governance and Leadership

CHAIR – Donald E. Houser, Jr.
VICE CHAIR – TBD
 Alexander H. Fefolt (student at IUPUI)
 Samuel H. Smith
 Senator Judith L. Schwank
 David M. Maser
 Senator Scott Martin
 Cynthia D. Shapira (ex officio)
 President Bashar W. Hanna (nonvoting president liaison)

Executive - Defined by the Board's bylaws as the officers and chairs of each standing committee

Cynthia D. Shapira
 David M. Maser
 Samuel H. Smith
 Thomas S. Muller
 Donald E. Houser, Jr.

Updated: July 8, 2020

Prior to the vote, Board members may request any consent agenda item be considered separately.

CONSENT AGENDA ITEM #6c

Board of Governors Meeting

July 16, 2020

SUBJECT: Financial Sustainability - Loan Covenants Update (ACTION)

UNIVERSITIES AFFECTED: All

BACKGROUND: On April 29, 2020, the Board of Governors approved a loan for Mansfield University up to \$6.0 million with certain payment terms and loan covenants. After the Board approved this loan, the sustainability plan requirements regarding workforce efficiency ratios were modified. Therefore, the loan covenants for these ratios need to be updated for the Mansfield loan.

The proposed motion below provides the affected covenant statement excerpt as approved by the Board at its April 2020 meeting and the proposed replacement language to address the modified requirements. All other covenants as approved in April 2020 remain the same.

MOTION: That the Board of Governors approves the following revisions to the loan covenants for Mansfield University of Pennsylvania.

- Delete the following loan covenants, as written in the April 29, 2020 board item:
 - Provide an updated sustainability plan by June 19, 2020, which achieves the FY 2010-11 student faculty ratio (17.0:1) and nonfaculty ratio (13.9:1) by June 30, 2022, to be approved by the chancellor.
- Replace with the following loan covenants:
 - Provide an updated sustainability plan by June 19, 2020 which achieves the FY 2010-11 student faculty ratio (16.2 calculated using Fall Freeze 2010 Student FTE Enrollment and Fall 2010 Faculty FTE), and achieves additional reductions by June 30, 2022, as needed in expenditure on functions that are not performed by faculty, as required to produce a balanced budget, to be approved by the chancellor.

Supporting Documents Included: N/A

Other Supporting Documents Available: April 29, 2020 Board Item, Financial Sustainability - Mansfield University of Pennsylvania

Reviewed by: Legal Counsel; Mansfield University Trustees

Prepared by: Sharon Minnich

Telephone: (717) 720-4100

END OF CONSENT AGENDA ITEMS

Governance and Leadership Committee Meeting
July 16, 2020

SUBJECT: Faculty Shared Governance Commission Update

UNIVERSITIES AFFECTED: All

BACKGROUND: At the July 2019 Board meeting, Chair Cindy Shapira announced the formation of the Board's Commission on Faculty Shared Governance, which seeks to strengthen faculty shared governance for the State System by recommending consistent, high-level expectations for the universities and the design and operationalization of a body that works at the System level to enable effective consultation in regard to System-level strategy planning, budgeting, policies and other matters as may be deemed appropriate.

The Board will receive a progress report from Commission Chair, Don Houser.

Information about the Commission is available online at www.passhe.edu/SharedGovernance.

Supporting Documents Included: List of Commission Members; Guiding principles for faculty shared governance; Issues to be addressed through system-level faculty shared governance

Other Supporting Documents Available: N/A

Reviewed by: Office of the Chancellor

Prepared by: Randy A. Goin Jr.

Telephone: (717) 720-4100

**Board of Governors
Commission of Faculty Shared Governance**

Commission Members

Members were appointed by the chairperson of the Board of Governors, except for the faculty members who were elected by the faculty of all 14 universities ([see Interim Faculty Council for details](#)).

Commission Chair	Don Houser, BOG Leadership and Governance Committee Chair
BOG Member-at-large	Noe Ortega, PA Deputy Secretary of Education
Faculty (IFC Member)	Francisco Alarcón, Professor and Dept. Chair, IUP
Faculty (IFC member)	Nancy VanArsdale, Professor, East Stroudsburg
Faculty (IFC Member)	Matt Girton, Professor and Dept. Chair, Lock Haven
Faculty (APSCUF Rep.)	Jamie Martin, Statewide APSCUF Vice President
University Trustee	Bobbi Kilmer, Mansfield University COT Chair
Administrator	Guiyou Huang, President, Edinboro
Administrator	Tom Ormond, Provost, Shippensburg
Administrator	Sharon Picus, Interim A&F Vice President, Kutztown
Administrator	Laura Delbrugge, Dean, Clarion



Commission on Shared Governance

(Updated: 2-28-20)

Shared governance is a fundamental principle of inclusion in key areas of institutional responsibility and decision making. Below are draft guiding principles that have been developed by the Commission to help as it develops recommendations for the Board of Governors' consideration.

Draft Guiding Principles:

Effective System-level Shared Governance between faculty and administration:

1. Requires an investment of the time necessary to build relationships that foster mutual accountability, respect, and trust;
2. Provides a forum for engagement;
3. Requires mutual commitment to a collaborative policy development process;
4. Respects university-level shared governance/processes;
5. Reflects processes/structures/practices that are understandable, accepted, transparent, and sustainable;
6. Augments, but does not supplant, the existing shared governance role of the collective bargaining unit;
7. Establishes common ground that builds morale and collaboration—acknowledging the successes and failures of the past to inform decision making about the future;
8. Creates a supportive environment that allows for healthy tension in which sharing of different perspectives and ideas enables problem solving;
9. Depends upon timely and effective communication with active sharing of reliable information; and
10. Requires periodic assessment to gauge effectiveness.

Issues to be addressed through system-level shared governance:

With input from multiple stakeholder groups, the Commission has identified the following issues on which a system-level shared governance body might provide input. **Such engagement must not infringe on the roles and responsibilities of the faculty union, management, or any campus-level shared governance structure.**

Systemwide issues related to the academic enterprise
1. Systemwide academic master planning
2. System-level policies, procedures, standards, and practices
3. Shared academic programs
4. Policies governing program review
5. Policies and procedures governing: course sharing; faculty sharing;
6. Policies and procedures governing student transfer
7. Student mobility and articulation agreements/policies that impact more than one University
8. Engagement on academic quality assurance
9. Engagement on faculty development
10. Prior-learning initiatives
11. Online learning
12. Effective use of alternate instructional modalities, tech, etc.
Non-academic systemwide issues with a <i>direct impact</i> on academic life of the system of universities
13. IT systems that support shared courses, programs, and/or student mobility
14. Use of system-level shared instructional sites (Philadelphia Center City and Dixon Center)
15. Systemwide efforts to improve student enrollment and/or retention (e.g., transfer student success)
16. Support services for adult learning
17. System legislative agenda and advocacy for same
18. Policies impacting student affordability
19. Decisions about "State System" brand/marketing
Non-academic issues that establish <i>the context</i> in which the academic life of the system of universities takes place
20. System budgets (bud. report, fin. report, appropriations request, appropriations allocation)
21. Sustainability planning
22. Use of facilities
23. IT, procurement, and other System-level shared services decisions



System Redesign Update (July 2020)

This is not a comprehensive report of all activities since System Redesign launched; rather, it is a summary of recent actions that may be of interest to the Board of Governors. It is organized according to the five categories of activity that are guiding the implementation strategy.

5	Engage Partners	<ul style="list-style-type: none"> Real-time awareness of System activities Stakeholder/System advocacy alignment Legislative action toward regulatory relief and increased investment
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In securing the first substantive legislative reform of the State System’s authorizing statutes since its founding almost four decades ago, the system has gained important new tools to advance its System Redesign efforts. The reforms will allow the State System to build upon progress already made toward promoting educational opportunity and affordability for students and financial sustainability for its universities. This landmark achievement is the direct result of all constituencies coming together behind System Redesign. Among the changes, the law provides the Board with a pathway for greater collaboration and integration of operations and programs among institutions. It also increases opportunity to achieve significant systemwide cost savings through shared services or collaboration among the universities and to demonstrate how such measures can provide the universities cost reductions and improved efficiencies

4	Enhance Culture and Talent	<ul style="list-style-type: none"> Best-of-breed survey results for employee engagement and satisfaction Improved recruitment, retention, and internal talent development
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To make progress on addressing culture and talent systemwide, the Chancellor has appointed Dr. Denise Pearson as vice chancellor and chief diversity, equity, and inclusion officer, who will begin work on August 3, 2020. The State System’s first formal efforts to address culture and talent systemwide began with the Employee Culture and Engagement Survey in the fall of 2019, which measured employee levels of engagement on a range of issues at the university level and system level. Originally slated to continue in 2020, the next round of that survey has been put on hold while the resources needed for such work have been redirected to the pandemic response effort. Nevertheless, the data from the survey revealed that more attention was needed regarding issues of inclusion and whether individuals—regardless of race, gender, age, religion, etc.—feel supported in the State System. Dr. Pearson will play an important role in developing and mobilizing a strategy for these issues.

3

Identify & Scale Innovation

- Improved retention, completion, career placement, affordability
- Growth of new markets (career aligned credentials, new student groups)
- Evidence based scalable solutions
- Collaborative cohort of institutions enabling Systemness

Building on its successful workforce summits last year, the State System will host a series of virtual Regional Workforce Assemblies that will bring together business and academic leaders who are committed to increasing the number of work-relevant learning pathways and access to them for adult learners. In partnership with the Council for Adult and Experiential Learning (CAEL), this effort underscores the State System's commitment to preparing workers with industry-recognized competencies and skills needed to sustain the state's talent pipelines and power our economy.

Assembly findings will help inform the State System's support of curricula development optimized for workforce needs, supporting career success, business performance, and community economic prosperity. At the same time, maintaining stronger ties between academic programs and key industries will ensure the continued relevance of postsecondary education amid evolving marketplace demand.

2

Build a Shared Infrastructure

- Efficiencies (\$)
- Optimum program breadth
- Improved capabilities (e.g., cross-campus instruction)

The State System has worked on several initiatives to improve efficiencies and to build an underlying infrastructure to optimize operations. Following the Board's approval of the Shared Service Center in October 2019, a new governance process was created, and the current system staff performing central or shared services were moved into the new operating model. A draft procedure outlining the governance structure, processes, and service-level agreements was circulated to the universities for review. The Executive Leadership Group (chancellor+14 presidents) charged the vice presidents of administration and finance with providing additional recommendations in several areas including human resources, procurement and payroll. Those recommendations are due for review in July/August. Below are a few other items making progress:

- The **Ariba procure-to-pay** automation project kicked off in June, which will provide for additional efficiencies within procurement offices and accounts payable. This project is scheduled to be completed in winter 2021.
- The **strategic sourcing** project kicked off with four commodities under review: dining, office supplies, I.T. hardware, and maintenance/repair/operations (MRO).
- An RFP for a single, systemwide **student information system (SIS)** is in the final stages of development. Among other things, a single SIS would promote student mobility across the State System and would enable greater levels of collaboration among the universities.
- With the establishment of the **State System CIO** role, the system is moving to standardize I.T. governance and to develop an I.T. strategic plan that identifies priority areas for progress.

On the academic side of the enterprise, the offices of Academic Affairs and Advanced Data Analytics have collaborated to develop a System Academic Master Planning data tool that will assist in the ongoing academic program alignment efforts as part of System Redesign. An associated policy is scheduled to be brought to the Board of Governors for its October meeting.

1

Strengthen Governance and Accountability

- Outcomes-oriented & transparent strategy planning, budgeting, and resource allocation
- Clear delineation of roles and responsibilities, and inter-relationships
- Clear institutional & individual accountabilities with performance incentives & supports
- Shared understanding of collective accountability for student and university success

Below are highlights on a number of items intended to strengthen governance and accountability across the State System:

- **Faculty Shared Governance Commission** – The Chair of the Board of Governors established this cross-representative Commission to better integrate faculty into shared governance at the system level. The Commission is developing a structure for a permanent faculty shared governance body and will make recommendations to the Board after posting a draft online in order to collect feedback from faculty and administrators before it comes to the Board for consideration in October.
- **Simplified Annual Planning and Reporting** – The System Redesign budget and investment teams completed their work ([link to deliverables](#)). The final deliverable was the alignment of the Board-affirmed metrics, sustainability plans, and the budget process. A simplified, single narrative and financial projection spreadsheet was created that consolidates multiple previous documents into one view—allowing a university to outline its goals and academic plans and then project the financial impact of those activities utilizing the sustainability template as the model. This will now become the annual planning cycle each fall prior to the October Board meeting.
- **System Leadership Group** – Shortly after arriving, Chancellor Greenstein created the System Leadership Group (SLG) in order to leverage the existing knowledge and infrastructure of administrative leaders across the System. The SLG includes an Executive Leadership Group (ELG)—comprising the Chancellor and 14 University Presidents—and three advisory councils: 1) Administration and Finance Vice Presidents; 2) Chief Academic Officers; and 3) Leaders in Student Affairs and Enrollment Management, along with key staff in the Chancellor’s office. The SLG and each component part convene regularly with their counterparts from the Chancellor’s office to provide for mutually beneficial collaboration, effective communication, and informed system-level recommendations to the Chancellor and, through him, to the Board of Governors. This model has proven especially useful during the pandemic response, in which real-time collaboration allowed the universities and System staff to address and solve problems rapidly and thoughtfully together.

Note: Necessary emphasis on financial sustainability planning, along with the resources needed for pandemic response, have required that some work streams in the System Redesign process may be rescoped or paced differently to align with available resources.

Board of Governors Meeting

July 16, 2020

SUBJECT: Fiscal Year 2020-21 Educational and General Appropriation Allocation (ACTION)

UNIVERSITIES AFFECTED: All

BACKGROUND: In accordance with statute, Board of Governors' Policy 1984-06-A: *Allocation Formula* specifies the method by which the Educational and General (E&G) appropriation is allocated annually to the universities for their basic funding requirements, provides for the Board to allocate appropriations for Systemwide initiatives, and funds the Office of the Chancellor at 0.5 percent of the appropriation. As part of the System Redesign strategy affirmed by the Board of Governors at its meeting on January 16, 2019, the System was charged with developing a new methodology for distributing resources. In anticipation of changes to the allocation formula and to provide universities with greater stability and predictability of funding, on April 4, 2019, the Board suspended the use of the allocation formula and froze each university's proportional share of state appropriations.

During the past fiscal year, Strategic Redesign efforts included a review of the allocation formula, with the following conclusions:

- Today's financial challenges create instability in university financial health and planning. Many of the initiatives underway will take several years to produce meaningful financial results, providing each university with better alignment of students, resources and costs. To the extent that a university's state funding can be known and is predictable, a university's ability to successfully execute its multiyear plan will be enhanced.
- The current allocations should continue to be frozen so that each university receives the same proportional share of the appropriation, providing greater stability and predictability.

In light of the enactment of Act 50-2020, Board of Governors' Policy 1984 06-A, *Allocation Formula*, should be reviewed over the course of FY 2020-21 to recommend any changes that may be deemed necessary for it to be an effective tool in funding student and university success in years to come.

The enacted FY 2020-21 Commonwealth spending plan provides level funding in the System's Educational and General appropriation, for a total of \$477.5 million. Attachment 1 reflects the proposed FY 2020-21 allocation distribution that continues to freeze the proportion allocated to each university and reflects funding requirements for Systemwide initiatives. Attachment 2 provides a brief overview of each Systemwide initiative for which appropriations are allocated.

MOTION: That the Board of Governors approve the allocation of funds from the System's fiscal year 2020-21 Educational and General appropriation, as reflected in Attachment 1.

Supporting Documents Included: Proposed FY 2020-21 E&G Appropriation Allocation (Attachment 1); Funding of Systemwide Initiatives from FY 2020-21 E&G Appropriation (Attachment 2)

Other Supporting Documents Available: FY 2020-21 Appropriation Request; Commonwealth FY 2020-21 Spending Plan; Board of Governors' Policy 1984-06-A: *Allocation Formula*

Reviewed by: Executive Leadership Group

Prepared by: Sharon P. Minnich

Telephone: (717) 720-4100

Pennsylvania's State System of Higher Education
FY 2020-21 Educational and General (E&G) Appropriation Allocation
*Revised July 14, 2020**

	FY 2019-20 Appropriation as Approved July 10, 2019	Proposed FY 2020-21 Appropriation
E&G Appropriation	\$477,470,000	\$477,470,000
Off-the-Top Systemwide Initiatives:		
Office of the Chancellor	\$2,384,000	\$2,384,000
Internal Audit and Risk Assessment	749,154	n/a
Faculty Professional Development	n/a	300,000
Dixon University Center	1,301,000	771,000
Chincoteague Bay Field Station	1,078,481	902,823
University Integration	n/a	1,143,512
System Reserve	209,900	221,200
Subtotal, Systemwide Items	<u>\$5,722,535</u>	<u>\$5,722,535</u>
University Allocation (see below)	<u>\$471,747,465</u>	<u>\$471,747,465</u>
 University Allocation		
Bloomsburg	\$38,405,845	\$38,405,845
California	34,181,375	34,181,375
Cheyney	13,497,667	13,497,667
Clarion	26,512,315	26,512,315
East Stroudsburg	28,742,892	28,742,892
Edinboro	28,576,510	28,576,510
Indiana	56,058,332	56,058,332
Kutztown	37,410,196	37,410,196
Lock Haven	25,746,354	25,746,354
Mansfield	18,074,506	18,074,506
Millersville	35,207,885	35,207,885
Shippensburg	31,352,960	31,352,960
Slippery Rock	39,786,283	39,786,283
West Chester	58,194,345	58,194,345
Subtotal, Universities	<u>\$471,747,465</u>	<u>\$471,747,465</u>

**Amounts for Chincoteague Bay Field Station and University Integration adjusted.*

Pennsylvania's State System of Higher Education
Funding of Systemwide Initiatives from Fiscal Year (FY) 2020-21 E&G Appropriation
*Revised July 14, 2020**

Faculty Professional Development..... **\$300,000**

The collective bargaining agreement with the Association of Pennsylvania State College and University Faculties (APSCUF) reinstates the Faculty Professional Development Program with a FY 2020-21 funding requirement of \$300,000.

Dixon University Center Academic Consortium..... **\$771,000**

The administrative and physical support for the academic programming performed at Dixon University Center has been partially funded through the E&G appropriation for many years. The FY 2020-21 appropriation of \$771,000 provides for limited continuation of academic services and associated maintenance of the Dixon University Center site. Due to the coronavirus pandemic and based on the State System's 2020 Fall Framework, the number of classes offered at the Dixon University Center will be reduced and provided primarily in an online format. Therefore, it is recommended that the allocation for the Dixon University Center be reduced from \$1.3 million to \$771,000.

Chincoteague Bay Field Station..... **\$902,823**

The Chincoteague Bay Field Station, founded in 1968, is managed by a consortium that is primarily comprised of System universities. It provides students with field experiences across a variety of disciplines. The Field Station's main campus, located at Wallops Island, Virginia, underwent a \$15 million revitalization, financed with System bonds as approved by the Board of Governors on April 10, 2008. Its debt service was paid by three System universities through FY 2017-18. As these facilities have supported various academic and research initiatives of most System universities, the associated debt service has been funded directly from the System's E&G appropriation since FY 2018-19; it is recommended that this practice continue in FY 2020-21.

University Integration..... **\$1,143,512**

Recently signed Act 50-2020 allows for the Board of Governors to develop policies and procedures that would allow for the creation, expansion, consolidation, transfer or affiliation of any State System university with fall 2019 headcount enrollment less than 10,000 students. Funds will be used to support the Board of Governors' implementation of these new statutory responsibilities.

Replenishment of the System Reserve..... **\$221,200**

Board of Governors' Policy 1984-07-A, *System Reserve Allocation and Expenditure Criteria*, establishes a \$1.5 million Board reserve for items of Systemwide importance and value. The reserve must be fully replenished annually. Expenses against the reserve include presidential and chancellor searches, presidential evaluations, official residence renovations, and property appraisals performed by the System. The amount required to fully replenish the System Reserve for FY 2020-21 is \$221,200. The amount to be replenished is net of interest earnings.

*Amounts for Chincoteague Bay Field Station and University Integration adjusted.

FY 2019-20 System Reserve Expenditures*

Presidential Searches (EA and ED)	\$129,310
Official Residence Renovation (MA)	82,505
Executive Coaching for New Presidents (ED and MA)	21,000
Presidential Evaluation (CA)	2,275
Property Appraisal (WE)	<u>2,000</u>
Total FY 2019-20 Expenditures	\$237,090
Interest Earnings	<u>(15,890)</u>
Total Amount to be Replenished	\$221,200

**Includes expenditures incurred late in FY 2018-19 that were not included in FY 2019-20 replenishment.*

Anticipated FY 2020-21 System Reserve Expenditures

Official Residence Renovation (EA)	\$500,000
Presidential Searches (CA and EA)	170,000
Presidential Evaluations (Three)	<u>45,000</u>
Total FY 2020-21 Expenditures	\$715,000

Board of Governors Meeting

July 16, 2020

SUBJECT: Election of Officers (ACTION)

UNIVERSITIES AFFECTED: All

BACKGROUND: The Board of Governors bylaws calls for the annual election of officers at the third quarterly meeting of each calendar year. The term of office of each officer shall commence upon election and continue until his/her successor is chosen and assumes office. The chair of the Governance and Leadership Committee will moderate the elections process.

The officers of the Board of Governors include a chairperson and two vice chairpersons. The Board may, from time to time, establish other offices needed to carry out the functions of the Board. In accordance with the provisions of state law, neither the Governor, Secretary of Education, their designees, nor any member of the General Assembly may be elected to these offices.

Supporting Documents Included: Board of Governors Bylaws

Other Supporting Documents Available: N/A

Reviewed by: N/A

Prepared by: Randy A. Goin Jr.

Telephone: (717) 720-4010



PA State System of Higher Education Board of Governors

Effective: April 26, 1983

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BYLAWS

See Also:

Adopted: April 26, 1983

Amended: October 21, 1986; July 19, 1988; October 17, 1991;
July 15, 1993; Oct. 20, 1994; January 16, 1997;
April 10, 2003, July 7, 2014; January 8, 2018; October 17, 2019

1. **Preamble:** These bylaws are established by the Board of Governors of the Pennsylvania State System of Higher Education (Board) for the internal organization, governance, and management of the Board and to facilitate the effective discharge of its powers and duties.
2. **General Powers:**
 - 2.1 **Membership:** The composition of the membership of the Board, the terms of office, and the conditions of membership are as provided in Act 188 of 1982 (24 P.S. §20-2001-A et seq.), as amended.
 - 2.2 **Exercise of Powers:** Powers vested in the Board shall be discharged by the Board. No individual Board member shall speak nor act on behalf of the Board without formal authorization by the Board.
 - 2.3 **Executive Committee:** The Executive Committee of the Board shall be authorized to act for the Board on matters of urgency requiring immediate action. Actions taken by the Executive Committee shall be subject to ratification by the full membership of the Board at the next publicly noticed meeting of the Board.
 - 2.4 **Expenses of Members:** Board business-related and travel expenses, including lodging and meals encountered in connection with meetings of the Board or duly constituted committees thereof, shall be reimbursable at rates established by the State System.
3. **Meetings:**
 - 3.1 **Regular Meetings:** The Board shall meet at least quarterly each year, the dates and places of such meetings to be approved for each year at the last meeting of the preceding year.

- 3.2 Special Meetings:** Special meetings of the Board may be called for any purpose by the chairperson, the chancellor, or upon written request to the chairperson from six other members of the Board. Members shall state the purpose of the requested meetings.
- 3.3 Executive Sessions:** Executive sessions of the Board may be convened in accordance with the Sunshine Act (65 Pa.C.S. § 701, *et seq.*).
- 3.4 Meeting Schedules:** The chancellor shall prepare an annual schedule of regular meetings, conferences, and—to the extent feasible—committee meetings, which shall be disseminated to Board members and published in accordance with the Sunshine Act. Board meetings shall normally be held at Dixon University Center in Harrisburg; however, the Board may meet at another location as deemed appropriate by the chairperson of the Board. Members of the Board shall periodically visit the campus of each university of the State System.
- 3.5 Notice:** The chancellor shall give each Board member at least seven days written notification of regularly scheduled meetings and 24 hours notification of special meetings. Notifications of special meetings may be made by any written or electronic means. Notifications of emergency meetings also may be disseminated by the same means.

The chancellor shall advertise public meetings in accordance with the Sunshine Act (65 Pa.C.S. § 701, *et seq.*).

- 3.6 Agendas:** The chancellor, in consultation with the Board, shall prepare written agendas for all meetings. Written agendas shall be transmitted along with notifications of regularly scheduled meetings and—to the extent feasible—shall be transmitted for special and emergency meetings as well. The chancellor shall transmit communications to Board members' official addresses. A consent agenda may be utilized at the discretion of the Board chairperson. Members may request individual items be moved from the consent agenda at any time prior to the approval of the consent agenda. Such a request does not require a motion nor the consent of the chairperson.
- 3.7 Quorum:** Eleven members attending shall constitute a quorum for transaction of business at public meetings of the full Board. A majority of committee members shall constitute a quorum for transaction of business at public meetings of Board committees.
- 3.8 Voting:**
- a. Proxy voting shall not be permitted.
 - b. Votes by acclamation shall be permitted, unless otherwise requested by a Board member prior to the vote being taken.
 - c. Abstentions shall be permitted only when a member identifies a conflict of interest or a direct personal or pecuniary interest in connection with a vote on a matter before the Board.

- d. Formal votes shall be taken on all matters requiring Board action. Voice votes or roll call votes may be used at the discretion of the chairperson. Upon the request by any Board member, a roll call vote shall be taken.
- e. Any Board member attending telephonically or by other remote modality shall have his/her vote recorded via roll call vote in the event a voice vote is not unanimous.

3.9 Adjourned/Recessed Meetings: The Board may adjourn any regular or special meeting to any date it may set. If a quorum is not present, any regular or special meeting may be recessed by the chair until a quorum is present.

3.10 Minutes: Written minutes of all public meetings shall be prepared and maintained by the chancellor in accordance with the Sunshine Act (65 Pa.C.S. § 701, *et seq.*). Minutes of each regular meeting and of subsequent special meetings shall be circulated for consideration of the members prior to the next regular meeting, at which time they shall be approved by the Board and attested to by the chancellor or the chancellor's designee.

3.11 Public Comment: A period of public comment shall be provided at any public meeting of the Board prior to the consideration of any item for action.

- a. All speakers shall state their name prior to giving their comments.
- b. The chairperson may set a reasonable time limit for the public comment period or for each individual to speak. Speakers may not give or yield their time to other speakers.
- c. The public comment period is set aside for members of the public to speak before the Board; therefore, members of the Board shall refrain from speaking during the public comment period.

4. System Office: The System office, housing the Office of the Chancellor, shall be located at Dixon University Center, 2986 North Second Street, Harrisburg, Pennsylvania 17110-1200.

5. Committees of the Board:

In General: The Board shall create an Executive Committee, which shall have the authority to act for the Board, subject to ratification of all actions at the next regular meeting of the Board of Governors. The Executive Committee shall be composed of the officers of the Board and the chairpersons of committees established by the Board. The Board shall also establish other standing and special committees as necessary to carry out its functions. Annually, following the election of officers, the chairperson will make appointments to Board committees—including designation of committee chairperson and committee vice chairperson—subject to approval of the Board. The committee vice chairpersons shall perform the duties and have the powers of the committee chairperson during the absence or disability of the committee chairperson or for the efficient conduct of the committee meeting when the chairperson of the committee is participating remotely. The chairperson may make interim appointments to Board committees as necessary when vacancies arise. Interim appointments shall be subject to approval of the Board at the next public meeting of the Board.

All Board members are eligible to participate in committee deliberations, but the offering of motions and voting on committee business shall be confined to committee members. A majority of the members of a committee shall constitute a quorum for the transaction of business. The Board or the chairperson may, from time to time, authorize special committees with whatever membership is desired by the Board or the chairperson. Each standing or special committee shall report to the Board periodically or at the request of the chairperson of the Board.

The chancellor shall be an *ex officio* member of all committees without the right to vote.

6. Officers and their Duties:

6.1 Officers: The officers of the Board of Governors shall be the chairperson and two vice chairpersons. The Board may, from time to time, establish other offices needed to carry out the functions of the Board. In accordance with the provisions of Act 188, neither the Governor, Secretary of Education, their designees, nor any member of the General Assembly may be elected to these offices.

6.2 Election and Term of Office: The term of office of each officer shall commence upon election and continuing until his/her successor is chosen and assumes office. Officers shall be elected each year by the Board at the third quarterly meeting of each calendar year and may be re-elected.

Should either office of vice chairperson become vacant prior to the annual election of officers, the chairperson shall appoint a nominating committee of no fewer than three members of the Board, to report at the next regularly scheduled meeting.

6.3 Removal of Officers: Officers may be removed at any time by the Board by the affirmative vote of 11 members of the Board.

6.4 Chairperson: The chairperson shall preside at the meetings of the Board. The chairperson shall be an *ex officio* member of all committees with the authority to vote.

6.5 Vice Chairpersons: The vice chairpersons shall perform the duties and have the powers of the chairperson during the absence or disability of the chairperson.

The chairperson shall have the authority to designate a vice chairperson to act on his/her behalf when temporarily unable to discharge his/her official duties.

In the event that the chairperson is unable to make such a designation, or if a vacancy occurs prior to the annual election of officers, the vice chairperson who is senior in service to that position shall assume the position of acting chairperson and shall appoint a nominating committee of no fewer than three members of the Board, to report at the next regularly scheduled meeting.

If both vice chairpersons were elected at the same time, the vice chairperson who has seniority in service as a member of the Board shall assume the position of acting chairperson.

If both vice chairpersons were confirmed by the Senate of Pennsylvania at the same time, they shall act as co-chairs until an election can be held.

- 7. Amendment of Bylaws:** These bylaws may be amended or repealed at any meeting by an affirmative vote of not less than 11 members of the Board.

The chancellor shall maintain a bylaws book in which all bylaws and any changes, additions, or deletions thereto shall be recorded.

- 8. Parliamentary Authority:** The rules contained in Robert's Rules of Order, most recently revised, shall govern the Board in all cases to which they are not inconsistent with the bylaws or any special rules of order of this Board.